VisionFund Malawi

Finance Accelerating Savings Group Transformation (FAST)

Follow-up Study Results
Welcome To Your 60dB Results

We enjoyed following up with 242 members of the World Vision Finance Accelerating Savings Group Transformation (FAST) programme – they had a lot to say in the 6-8 months since we last spoke with them!

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## Research Design

The follow-up results provide an understanding of changes in members’ lives and impact experienced throughout the savings group loan cycle.

<table>
<thead>
<tr>
<th>Timing</th>
<th>Initial Study</th>
<th>Follow-up Study</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June – July 2021</td>
<td>January – February 2022</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Focus</th>
<th>Early stage of savings group cycle</th>
<th>1 month after savings group cycle concluded</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Member profile*, cashbox loan usage, current financial situation, financial resilience, experience with VisionFund, usefulness of financial literacy training</td>
<td>Member profile†, current financial situation, financial resilience, impact of cashbox loan, experience with VisionFund, usefulness of financial literacy training</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Members served by Loan Officers 357</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Members served by Loan Officers 120</td>
</tr>
<tr>
<td></td>
<td>Members served by Field Officers 122</td>
</tr>
<tr>
<td></td>
<td>Total sample 242</td>
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</tbody>
</table>

*Note: Profile of those served by Loan Officers  †Note: Profile of those served by Field Officers
VisionFund’s Priority Impact Questions

These were the priority impact questions, highlighted by VisionFund Malawi during survey design. See page 36 comparison of performance to 60dB’s benchmarks.

<table>
<thead>
<tr>
<th>Question</th>
<th>Percentage</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the cashbox loan improving the quality of life for savings group members?</td>
<td>91%</td>
<td>report an improvement in their quality of life</td>
</tr>
<tr>
<td></td>
<td>99%</td>
<td>had a goal in mind when first borrowing from the cash box</td>
</tr>
<tr>
<td></td>
<td>75%</td>
<td>agree the cashbox loan helped achieve their goal</td>
</tr>
<tr>
<td>Are members currently financially resilient?</td>
<td>84%</td>
<td>could not afford daily living expenses without their main source of income for 3 months</td>
</tr>
<tr>
<td></td>
<td>41%</td>
<td>would find it difficult to come up with emergency funds</td>
</tr>
<tr>
<td></td>
<td>63%</td>
<td>are likely to stop saving in the event of a financial crisis</td>
</tr>
<tr>
<td></td>
<td>58%</td>
<td>have borrowed money to cope with financial difficulties</td>
</tr>
<tr>
<td>What do members think of the financial literacy training?</td>
<td>63%</td>
<td>report receiving this type of training</td>
</tr>
<tr>
<td></td>
<td>61%</td>
<td>of those found it useful</td>
</tr>
<tr>
<td>What impact does the cashbox loan have on children and member empowerment?</td>
<td>91%</td>
<td>report an increase in their ability to support children under their care</td>
</tr>
<tr>
<td></td>
<td>71%</td>
<td>use profit from their business to support the children</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Top 3 Supporting Children Outcomes:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; Better afford education expenses (64%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; Able to provide food (31%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; Can provide basic needs (22%)</td>
</tr>
</tbody>
</table>
## Follow-up Insights

Cashbox loans empower FAST group members to better support their children. There is an opportunity to further deepen impact through most consistent trainings.

<table>
<thead>
<tr>
<th>Headline</th>
<th>Detail &amp; Suggested Action</th>
<th>For More Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Going Great:</strong> VisionFund loans to savings groups are improving members' quality of life and helping them better support children under their care.</td>
<td>More than 9 in 10 members report an improvement in their quality of life as a result of their cashbox loan with 41% saying they used loans to start businesses. 91% report being in a better position to support their children, with three-quarters diverting increased business revenue/profit to childcare and support. For discussion: How can these impressive findings be integrated into marketing materials, as FAST looks to expand its programme to other countries?</td>
<td>See pages 15, 16, 18</td>
</tr>
<tr>
<td><strong>A Finding That Jumped Out:</strong> FAST members are less financially resilient in 2022 compared to 2021.</td>
<td>We saw an improvement across all six financial wellbeing metrics. Nevertheless, group members continue to struggle to maintain a financial buffer: 84% say they do not have sufficient savings to go without income for 3 months – an increase since the initial study. For discussion: Does the team have any additional insight as to why savings buffer would have decreased between the Initial and Follow-up studies?</td>
<td>See pages 10, 11</td>
</tr>
<tr>
<td><strong>Area For Improvement:</strong> Increasing the frequency of trainings and utilizing the Field Officer model will deepen impact among savings groups.</td>
<td>Members served by Field Officers (60%) were more likely to rate trainings as useful compared to those served by Loan Officers (51%). 42% of members served by Loan Officers did not receive training vs. 33% of Field Officers. A quarter of all members would like to receive more trainings through the course of a cycle. For discussion: What steps can be taken to increase the frequency of financial literacy trainings, and are there lessons that Loan Officers can learn from Field Officers?</td>
<td>See pages 24, 25</td>
</tr>
</tbody>
</table>
### Snapshot of Changes In Members’ Lives

Members’ savings buffer appears to have decreased, but members rate their current financial situation higher in 6/6 impact metrics we measured between the initial and follow-up studies.

<table>
<thead>
<tr>
<th>Financial Resilience*</th>
<th>Financial Stress</th>
<th>Planning Household Finances</th>
<th>Contributing To Household Income</th>
<th>Initial Study (2021) (n = 357)</th>
<th>Follow-up Study (2022) (n = 242)</th>
</tr>
</thead>
<tbody>
<tr>
<td>48% &amp; 16%</td>
<td>4.8 &amp; 4.2</td>
<td>6.6 &amp; 7.3</td>
<td>6.8 &amp; 7.8</td>
<td>“Before VisionFund, I used to take loans from my other saving bank to pay my daughters school fees, but these days I make the fees from my business. In addition, the loan has helped me to diversify my crop production, which brings more resilience.”</td>
<td>Female, 62</td>
</tr>
<tr>
<td>could afford daily living expenses without their main source of income for at least 3 months</td>
<td>current financial stress levels on a scale of 0 to 10</td>
<td>current ability to plan household finances on a scale of 0 to 10</td>
<td>current ability to directly contribute to household income on a scale of 0 to 10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Sustainability</th>
<th>Repaying Loans</th>
<th>Control Over Finances</th>
<th>Ability To Save</th>
</tr>
</thead>
<tbody>
<tr>
<td>38% &amp; 41%</td>
<td>7.3 &amp; 7.9</td>
<td>6.6 &amp; 7.4</td>
<td>6.2 &amp; 7.2</td>
</tr>
<tr>
<td>would find it difficult to come up with emergency funds</td>
<td>current ability to repay loans on a scale of 0 to 10</td>
<td>current control over finances on a scale of 0 to 10</td>
<td>current ability to save on a scale of 0 to 10</td>
</tr>
</tbody>
</table>

*Note: We hypothesize this decreased resilience is due in part to the climate and financial shock caused by the cyclones.*
Member Voices

We love hearing member voices. Here are some that stood out.

Impact Stories

91% shared how their cashbox loan increased their ability to support the children under their care

“I used to struggle to get clothes for my children, but the business has helped me to change this. Now I am able to provide decent clothing for my children.” - Female, 38

“My children are happy and like me more because I can afford to buy soap, provide breakfast, and school supplies with much ease. They have more confidence in me as their father.” - Male, 55

“When my children get sick, I am able to take them to a private clinic where they get better service than in public health centres.” – Female, 45

“I can afford to get nutritious food for my children as recommended by the health surveillance officer. Malnutrition is history in my family these days.” - Male, 66

“I managed to enrol my daughter in nursery school, which is good for her development. Now, I can afford to buy essential products like cooking oil, soap, and clothes.” - Female, 23

“Increasing the capital has helped me to increase the profit I make from my business, which helped me to afford to pay school fees for my two sons.” - Male, 40

Increase Savings

79% shared how the cashbox loan increased their savings

“In our savings group, we are encouraged to saving on a weekly basis and this has enabled me to increase my savings compared before I joined the group.” – Female, 34

“I used profits from my shop to support my husband’s business. Together, we have been able to pool our resources together, which we keep for emergencies.” – Female, 55

Opportunities For Improvement

78% had a specific suggestion for loan improvement

“I just want VisionFund to be clear on loan repayment period and interest rate. Sometimes as group members we get confused noticing that we are paying a lot of money in form of interest rate, above the agreed 6 percent.” - Male, 33

“VisionFund should give people time to run their businesses before asking them to repay the loan. Business in a village setting takes time to pick up. Asking us to repay the loan in the first month is unrealistic.” - Male, 32
Key Questions We Set Out To Answer

- How have members’ financial situations changed over the course of a cycle?
  - Current Financial Situation
  - Financial Resilience & Sustainability

- What impact does the cashbox loan have on members and the children under their care?
  - Quality of Life Changes
  - Achieving Goals
  - Supporting Children
  - Change in Savings
  - Share Values

- How are members experiencing VisionFund?
  - Financial Literacy Training
  - Challenges
  - Suggestions For Improvement
“The loan has enabled me to achieve so many things within a short time. I managed to buy fertilizer for the farm and started chicken, soya and goats farming while supporting my children’s education needs.”

- Female, 49
Financial Profile: Current Financial Situation

Members interviewed in the follow-up study report improvements across all six financial empowerment and self-efficacy metrics as compared to 2021.

In addition to changes over time, we were curious if there were differences in members served by Field Officers vs Loan Officers. Surprisingly, members served by Loan Officers report higher levels in 5 of 6 metrics compared to Field Officers:

- Ability to repay a loan: 8.0 vs 7.9
- Ability to plan household finances: 7.5 vs 7.1
- Control over finances: 7.6 vs 7.2
- Directly contribute to household income: 7.9 vs 7.6
- Ability to save: 7.4 vs 7.0

Average performance across metrics by year surveyed:

- 2021: 6.5
- 2022: 7.0
Financial Resilience: Withstanding Shocks

2 in 5 report it would be difficult to come up with emergency funds. More than 4 in 5 could not cover living expenses for more than three months if they lost their main income source.

There is a statistically significant correlation between ability to save, ability to plan household finances, control over finances, and the ability to handle unexpected expenses.

To understand the members’ preparedness for unexpected shocks, we asked them how long they could continue to cover normal living expenses without borrowing any money if they lost their main income.

84% of members could not afford their daily living expenses without their main source of income for 3 months. This is higher than the figure reported in the initial study (53%). We hypothesize this decreased resilience is due in part to the climate and financial shock caused by the cyclones.

Financial Resilience
Q: Imagine that tomorrow you have an unexpected emergency and need to come up with 15000 MK within the next month. How easy or difficult would it be to come up with this money? (n = 357 initial, 242 follow-up)

<table>
<thead>
<tr>
<th>Initial Study</th>
<th>Follow-up Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very easy</td>
<td>38%</td>
</tr>
<tr>
<td>Slightly easy</td>
<td>16%</td>
</tr>
<tr>
<td>Neither difficult nor easy</td>
<td>8%</td>
</tr>
<tr>
<td>Slightly difficult</td>
<td>22%</td>
</tr>
<tr>
<td>Very difficult</td>
<td>38%</td>
</tr>
</tbody>
</table>

41% find it difficult to come up with funds

Financial Preparedness
Q: Tomorrow, if you lost your main source of income, how long could you continue to cover your normal living expenses, without borrowing any money? (n = 242)

- More than six months: 1%
- At least three months, but not six months: 14%
- At least one month, but not three months: 46%
- At least a week, but not a month: 35%
- Less than a week: 3%
- Don’t know: 1%

84% cannot cover living expenses for 3 months
Financial Resilience: Savings & Coping Mechanisms

Nearly two-thirds are likely to stop saving in the event of a financial crisis. More than half have had to borrow to cope with financial difficulties.

Members rely on a variety of financial coping mechanisms to overcome financial difficulties.

Although a low proportion of members have needed to stop loan repayments (12%) or reduce loan repayments (6%), roughly two thirds had to borrow money. Male members were slightly more likely to find new/additional work (34%), compared to females at 29%.

**Saving During Financial Crises**

Q: How likely or unlikely are you to stop saving in the event of a financial crisis took place? (n = 242)

- Very likely: 21%
- Likely: 43%
- Neutral: 10%
- Not very likely: 19%
- Not at all likely: 8%

64% are likely to stop saving

**Ability to Cope With Financial Difficulties**

Q: As a way to cope with financial difficulties, have you or anyone in the household had to do any of the following that you wouldn’t normally have to do? Have you:(n = 242)

- Borrowed money: 58%
- Used money that you had been saving: 39%
- Found new/additional work: 32%
- Sold or pawned an asset: 28%
- Stopped loan repayments: 12%
- Reduced food consumption: 7%
- Reduced loan repayments: 6%
- Reduced business or household investments: 6%
- Stopped weekly saving share: 3%
Key Questions
We Set Out To Answer

How have members’ financial situations changed over the course of a cycle?
> Current Financial Situation
> Financial Resilience & Sustainability

What impact does the cashbox loan have on members and the children under their care?
> Quality of Life Changes
> Achieving Goals
> Supporting Children
> Change in Savings
> Share Values

How are members experiencing VisionFund?
> Financial Literacy Training
> Challenges
> Suggestions For Improvement
“Before the loan, I used to rely on seasonal farming for income. But with VisionFund, I now have a business that helps me to earn income during the offseason. I sell timber and livestock to butcheries.”

- Male, 36
Impact Performance: Quality of Life

36% of customers report their quality of life has ‘very much improved.’ This is slightly higher that the 60dB FI benchmark of 32%.

To gauge depth of impact, customers were asked to reflect on whether their quality of life has changed because of VisionFund's cashbox loan.

In total, 92% said their life had improved, with 36% of all customers reporting it had ‘very much improved’.

Members who report ‘very much improved’ quality of life are also more likely to report ‘very much increased’ savings level (100%) and improved ability to support children (99%).

### Perceived Quality of Life Change

Q: Has your quality of life changed because of the cashbox loan? Has it? (n = 242)

- **TOP 40%**

<table>
<thead>
<tr>
<th>Perception</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Very much improved</td>
<td>36%</td>
</tr>
<tr>
<td>Slightly improved</td>
<td>56%</td>
</tr>
<tr>
<td>No change</td>
<td>8%</td>
</tr>
<tr>
<td>Got slightly worse</td>
<td>0%</td>
</tr>
<tr>
<td>Got much worse</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Very much improved:**

“I now own a business and I am able to earn more money than I previously did.” – Female, 42

**Slightly improved:**

“Now I can afford to provide basic needs for my family after investing in chicken and goat farming.” – Male, 42

**No change:**

“Mainly because my business is not doing well on the market, things are tough because of the economic challenges.” Female, 50
Quality of Life: Top Outcomes

Members were asked to describe—in their own words—the changes they were experiencing because of the cashbox loan.

The top outcomes are shown on the right.

Others included:
> Upgrading their farm (21%)
> Building and/or upgrading their house (5%)
> General financial support (4%)

Members talk about starting businesses, providing for their family, and expanding and/or upgrading their businesses as a result of the cashbox loan.

Three Most Common Self-Reported Outcomes for 92% of Members Who Say Quality of Life Improved

Q: Please explain how your quality of life has improved. (n = 221). Open-ended, coded by 60 Decibels.

41% mention starting a business  
(37% of all respondents)

"Before the VisionFund loan, I was not doing business but now I have, and the profits from my business are helping me support my children." - Female, 45

34% talk about providing for their family  
(31% of all respondents)

"The conditions at my home have changed. These days I can afford to buy soap and food for my family. Before the loan, I used to struggle with these expenses." - Female, 47

25% report expanding and/or upgrading their business  
(23% of all respondents)

"I used my portion of the loan to boost my existing business. This has helped me to increase my profit, which I used to mold bricks, buy iron sheets, and pay school fees for my daughter." - Female, 52
Impact Performance: Achieving Goals

Nearly every member had a goal in mind when first borrowing from the cashbox; 3 in 4 ‘agree’ the cashbox loan helped achieve their goal.

Members who agree the cashbox loan helped achieve their goal were more likely to say the cashbox loan improved their quality of life.

There were no meaningful correlations between the impact on achievement and gender or the type of officer.

Goal Setting
Q: When you took your loan from the Savings Group cashbox, did you have a specific goal that the loan would help you achieve? (n = 242)

- Yes: 99%
- No: 1%

Impact on Goal Achievement
Q: To what extent do you agree or disagree with the following statement? “The cashbox loan helped me achieve my goal.” (n = 240)

- Strongly agree: 34%
- Somewhat agree: 41%
- Neutral: 5%
- Somewhat disagree: 16%
- Strongly disagree: 4%

75% agree
Impact Performance: Supporting Children

9 in 10 respondents report an increase in their ability to support children under their care because of the cashbox loan. 7 in 10 use revenue/profit from their business to do so.

Male members were marginally more likely to report an increased ability to support children under their care (93%), compared to female members (90%). Members who used revenue/profit from their business were more likely to report quality of life had ‘very much improved’ (38%) compared to those who use a combination of the loan directly and revenue (19%).

### Supporting Children

**Q: Has your ability to support the children under your care changed as a result of the cashbox loan? (n = 241)**

- Very much increased: 33%
- Slightly increased: 58%
- No change: 7%
- Slightly decreased: 2%
- Very much decreased: 0%

### Supporting Children

**Q: Did you use the loan directly, revenue/profit from your business, or a combination of the two to support children under your care? (n = 242)**

- Revenue/profit from business: 71%
- Combination of the two: 24%
- Loan directly: 5%
Supporting Children: Top Outcomes

Members were asked to describe—in their own words—how their ability to support children under their care has increased because of the cashbox loan. The top outcomes are shown on the right.

Others included:
• Clothing (14%)
• Medical expenses (4%)
• Pocket money for children (3%)
• Upgrading housing (2%)

Open-ended responses highlight members’ improved ability to provide children with education, food, and basic needs.

Three Most Common Self-Reported Outcomes for 91% of Members Who Say Their Ability To Support Children Under Their Care Has Improved

Q: Please explain how your ability to support the children under your care has increased? (n = 219).
*Open-ended, coded by 60 Decibels.*

64% can better afford education expenses (fees, supplies, etc.)
(58% of all respondents)

“I used to struggle to buy school supplies for my children. Education is a key to their good future, and I am happy that I can afford to provide all their education needs.” — Male, 44

31% are able to provide food (snacks, groceries, etc.)
(28% of all respondents)

“I can afford to get nutritious food for my children as recommended by the health surveillance officer. Malnutrition is history in my family these days.” — Female, 35

22% can provide basic needs (soap, better housing, etc.)
(20% of all respondents)

“We are able to provide basic needs for our children through different business that we are doing with the help of loan from VisionFund.” — Female, 48
Impact Performance: Savings

4 in 5 members indicate their savings have increased through the course of the loan, driven by business revenues.

Members who have seen their savings increased through the course of their loan are also more likely to say their quality of life has 'very much improved' because of the cashbox loan compared to those reporting no change in savings (66% vs. 15%).

Those served by Field Officers are more likely to report an increase in their savings (83%) vs. those served by Loan Officers (76%).

**Change in Savings**

Q: Through the course of the loan, have your savings changed? Has it: (n = 242)

- Very much decreased: 20%
- Slightly decreased: 62%
- No change: 7%
- Slightly increased: 17%
- Very much increased: 7%

79% report an increase

**Savings ChangeExplanation**

Q: How have your savings increased? (n = 192) Open-ended, coded by 60 Decibels.

- Through my business: 73%
- Difficult to specify but feel they have increased over time: 20%
- Through shares: 5%
- Through the loan: 2%

“The business has helped to increase my monthly income, which allows me to set aside some money and I bank it with my village savings group.” - Female, 37
Loan Impact: Share Values

Members saw, on average, their shares increase by 32% through the course of the loan cycle.

Savings group members were asked to provide the value of one share at the beginning of the last cycle (January 2021) and the new share value after the recent share-out (December 2021). We found little no meaningful differences between genders.

**Share Value At Beginning Of Cycle**
Q: What was the value of one share at the beginning of the last cycle (Jan 2021)? (n = 168) Open-ended, coded by 60 Decibels.

- **Average value of one share at beginning of cycle**: 810 MK
- **32% increase**

**Share Value After Share-Out**
Q: What was the new share value after the recent share-out (Dec 2021)? (n = 89) Open-ended, coded by 60 Decibels.

- **Average value of one share after share-out**: 1,070 MK

**Median value of one share at beginning of cycle**: 500 MK

- **40% increase**

**Median value of one share after share-out**: 700 MK

*Note: 31% were unsure/couldn’t remember their share values

†Note: 64% were unsure/couldn’t remember their share values
Key Questions We Set Out To Answer

- How have members’ financial situations changed over the course of a cycle?
  - Current Financial Situation
  - Financial Resilience & Sustainability

- What impact does the cashbox loan have on members and the children under their care?
  - Quality of Life Changes
  - Achieving Goals
  - Supporting Children
  - Change in Savings
  - Share Values

- How are members experiencing VisionFund?
  - Financial Literacy Training
  - Challenges
  - Suggestions For Improvement
"I am now business-oriented person, every money that I get I invest it in my business with an aim of repaying back the loan and supporting my family."

- Female, 35
Experience with VisionFund Training

3 in 5 members found the financial literacy training from VisionFund useful.

Interestingly, members served by Loan Officers are more likely to say they did not receive or do not remember training (42%) compared to those served by Field Officers (33%).

Members served by Field Officers are more likely to consider the financial literacy training ‘useful’ (66%) compared to those served by Loan Officers (57%).

Financial Literacy Training

Q: As a member of the Savings Group, you received financial literacy training from VisionFund. How would you rate the usefulness of the trainings? (n = 242)

<table>
<thead>
<tr>
<th></th>
<th>Extremely Useful</th>
<th>Somewhat useful</th>
<th>Neutral</th>
<th>Somewhat useless</th>
<th>Extremely useless</th>
<th>Did not receive / does not remember</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>55%</td>
<td>6%</td>
<td>37%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Field Officers</td>
<td>60%</td>
<td>6%</td>
<td>33%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan Officers</td>
<td>51%</td>
<td>6%</td>
<td>42%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Training Improvements

1 in 3 members who received financial literacy training say they would not change anything about the training.

Training Improvements
Q: How do you think the training could be improved? (n = 152)

<table>
<thead>
<tr>
<th>Suggestion</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No suggestions</td>
<td>34%</td>
</tr>
<tr>
<td>Increase frequency</td>
<td>27%</td>
</tr>
<tr>
<td>Better explanation about loans</td>
<td>14%</td>
</tr>
<tr>
<td>Business training</td>
<td>13%</td>
</tr>
<tr>
<td>Introduce new markets</td>
<td>4%</td>
</tr>
<tr>
<td>Managing finances</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
</tbody>
</table>

“I would like to ask that they emphasize on how to manage finances and how to identify better business that suit conditions in the village. Also, they should increase the frequency of trainings because some of us did not go far with school and need frequent reminders.” – Female, 38

“VisionFund should emphasize the importance of taking loans with a purpose. I have noticed that some people take the loan without a clear purpose and then fail to pay it back.” – Female, 44
Challenges Experienced With Loan

More than a third of members have faced challenges. Of these, 2 in 5 have struggled to make repayments, and 1 in 5 find interest rates high.

Members reporting increased savings through the course of the loan are less likely to report challenges compared to those reporting no change or decreased savings.

Proportion of Reported Challenges*
Q: Has your Savings Group experienced any challenges with the loan from VisionFund? (n = 242)

- Yes: 38%
- No: 62%

Top Challenges Reported
Q: Please explain the challenges that the Savings Group has experienced: (n = 92)

1. Members Struggle with Repayment
   (41% of members w. challenges / 14% of all members)
   “Failure to pay back the loan by some members due to lack of money, as a result we’re being pressured as a group.” - Female, 45

2. High Group Interest Rates
   (22% of members w. challenges / 8% of all members)
   “The interest rates are so high and how businesses are going these days, its hard to pay back the loan in good time.” - Female, 35

3. Lack of Communication
   (9% of members w. challenges / 3% of all members)
   “We were just told that a cycle is about to start but up to now no communication has been given, we have kids that need school fees and a business to run.” - Female, 54
## Member Suggestions

The most common suggestions for improvement are providing higher loan amounts to their groups and offering flexible and/or extending repayment terms.

Other suggestions for improvement include lowering interest rates, processing loans faster, offering loans specifically for farming inputs/services, and including more training throughout a cycle.

A quarter of respondents could not think of a specific improvement.

### Suggested Improvements

<table>
<thead>
<tr>
<th>Suggestion</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher loan amount</td>
<td>28%</td>
</tr>
<tr>
<td>Flexible/extending repayment terms</td>
<td>16%</td>
</tr>
<tr>
<td>Lower interest rates for group</td>
<td>15%</td>
</tr>
<tr>
<td>Faster loan processing</td>
<td>4%</td>
</tr>
<tr>
<td>Offering loans for farming inputs/services</td>
<td>4%</td>
</tr>
<tr>
<td>Offer more training</td>
<td>4%</td>
</tr>
<tr>
<td>Loan repayment should start after harvest</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
<tr>
<td>Nothing</td>
<td>24%</td>
</tr>
</tbody>
</table>

Q: What about VisionFund’s loan to your Savings Group should be improved? (n = 242). *Open-ended, coded by 60 Decibels.*

“I am happy that VisionFund considered giving loans to us, but on the other hand, we need more money issued for us to select a good business. Right now, I’m doing a business based on the allocation given.” – Female, 36

“There should be a two-month grace period after getting the loan to allow our businesses to get established. The current arrangement forces us into debt when repaying monthly interest.” – Female, 45
Closing Thoughts From Respondents

4 in 10 members did not have any suggestions or additional comments. Nearly a third had positive comments about VisionFund or suggestions for improvement.

Notable Extra Comments From Members

Q: Is there anything else you’d like to share? (n = 242). Open-ended, coded by 60 Decibels.

- Appreciation / thanks to VisionFund: 31%
- Suggestion for improvement and/or question: 29%
- No suggestion: 41%

“Thank you for calling. Being asked these kinds of questions is very encouraging. Please make sure that my responses get to VisionFund. Don’t hesitate to contact me anytime you need to know more.” - Male, 58

“Please always be on the look out for more women empowerment initiatives, there are a lot of us who are interested.” - Female, 41
Appendix

Additional Information on:
> Profile Of Members Served By Field Officers
> How To Make The Most Of These Insights

Summary of Data Collected
> Benchmarking Results
> Methodology
Members Served By Field Officers: Demographics

Reported demographics of members served by Field Officers are closely aligned with the initial sample of Loan Officers, except for gender. There is a higher proportion of male members served by Field Officers.

Overall, VisionFund is serving FAST groups with a relatively homogenous member base: typically, females who live in villages, an average of 47 minutes from the closest paved road.

The following page of this report shows demographics for members served by Loan Officers for comparison.

A typical FAST member served by Field Officers is a 42-year-old female, living in the village/countryside and lives in a male-headed household.

About the FAST Group Members Served by Field Officers We Spoke With

Data relating to member characteristics (n = 120)

<table>
<thead>
<tr>
<th>Gender</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>66%</td>
</tr>
<tr>
<td>Male</td>
<td>34%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average age</td>
<td>42</td>
</tr>
<tr>
<td>(min = 22, max = 63)</td>
<td></td>
</tr>
<tr>
<td>Members between 20 and 50 years old</td>
<td>78%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender of Head of Household</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>86%</td>
</tr>
<tr>
<td>Female</td>
<td>14%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Official Position Within Group*</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>66%</td>
</tr>
<tr>
<td>No</td>
<td>34%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Village/countryside</td>
<td>99%</td>
</tr>
<tr>
<td>Town</td>
<td>1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education (highest in the household)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary (8%)</td>
<td></td>
</tr>
<tr>
<td>Upper secondary (41%)</td>
<td></td>
</tr>
<tr>
<td>Lower secondary (18%)</td>
<td></td>
</tr>
<tr>
<td>Primary (22%)</td>
<td></td>
</tr>
<tr>
<td>None (11%)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Minutes To Main Paved Road</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average distance (in minutes)</td>
<td>47</td>
</tr>
<tr>
<td>(min = 0, max = 350, median = 30)</td>
<td></td>
</tr>
</tbody>
</table>

*Note: Total sample is 242 and includes members served by Loan Officers
Members Served By Loan Officers: Demographics

VisionFund is serving FAST groups with a relatively homogenous member base: typically, females who live in villages, an average of 40 minutes from the closest paved road.

There was, however, a good degree of variability in age.

We asked members whether they owned a phone/sim card and the majority owned both. The statistics are as follows:

- Both phone & sim card (81%)
- Neither (13%)
- Sim card only (4%)
- Phone only (2%)

A typical member of FAST groups served by Loan is a 39-year-old female, living in the village/countryside. She lives in a male-headed household that has at least 1 household member with upper secondary education.

About the FAST Group Members Served by Loan Officers We Spoke With

Data relating to member characteristics (n = 357)

**Gender**
- 88% Female
- 12% Male

**Age**
- Average age.
  - (min = 20, max = 76)
- 39

- Members between 20 and 50 years old
  - 87%

**Gender of Head of Household**
- Male (69%)
- Female (31%)

**Location**
- Village/countryside (99%)
- Town (1%)

**Education (highest in the household)**
- Tertiary (8%)
- Upper secondary (45%)
- Lower secondary (20%)
- Primary (25%)
- None (1%)

**Minutes To Main Paved Road**
- Average distance
  - (in minutes)
  - (min = 0, max = 350, median = 20)
Members Served By Field Officers: Household Breakdown

98% of the males we spoke to are the head of their household compared to 19% of female members. Male and female members are likely to support the same number of children.

More than 4 in 10 members we spoke with are the head of their households. A saving group member financially supports an average of 3 children within and outside of her household.

Head of Household
Q: Are you the head of your household? \(n = 120\)

- Yes: 54%
- No: 46%

Supporting Children
Q: How many children within and outside of your household do you financially support? \(n = 120, 79\) female, 41 male

3 on average

Children Supported by Gender of Respondent

- Male: 3 Avg.
- Female: 3 Avg.
Members Served By Field Officers: Inclusivity

The income profile of FAST members that VisionFund is in line with the Malawi national average, suggesting they are doing an excellent job at reaching low income customers.

Using the Poverty Probability Index® we measured how the income profile of your members compares to the Malawi average. Malawi is classified as a low-income country by the World Bank meaning that those living below $3.20/day are considered to be in poverty. 89% of members live below the poverty line.

VisionFund’s inclusivity ratio is 1.02 which is higher than the 60dB Financial Inclusion Benchmark of 0.82.

Income Distribution of VisionFund Relative to Malawi Average

% living below $3.20 per person / per day (2011 PPP) (n = 120)

**Inclusivity Ratio**

Degree that VisionFund is reaching low-income members in Malawi

1.02x

We calculate the degree to which you are serving low-income members compared to the general population. 1 = parity with national population; > 1 = over-serving; < 1 = under-serving.

See Appendix for calculation.
How to Make the Most of These Insights

Example tweets or Facebook posts to share publicly

- 91% of savings group members report an increase in their ability to support children under their care because of the cashbox loan. “I am now able to pay for school fees and provide basic needs of my children without any problems.” #ListenBetter with @60_decibels

- 4 in 5 members indicate their savings have increased through the course of the loan, driven by business revenues. We #ListenBetter with @60_decibels

Here are ideas for ways to engage your team and use these results to fuel discussion and inform decisions.

What You Could Do Next. An Idea Checklist From Us To You :-)  

<table>
<thead>
<tr>
<th>Engage Your Team</th>
<th>Spread The Word</th>
<th>Close The Loop</th>
<th>Take Action!</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Share staff quiz—it’s a fun way to fuel engagement &amp; discussion</td>
<td>□ Reach a wider audience on social media &amp; show you’re invested in your clients—we’ve added some example posts on the left</td>
<td>□ Let us know if you’d like us to send an SMS to interviewed clients with a short message letting them know feedback is valued and as a result, you’ll be working on increasing frequency of training</td>
<td>□ Collate ideas from team into action plan including responsibilities</td>
</tr>
<tr>
<td>□ Send deck to team &amp; invite feedback, questions and ideas. Sometimes the best ideas come from unexpected places!</td>
<td></td>
<td>□ If you can, call back the clients with challenges and/or complaints to find out more and show you care.</td>
<td>□ Keep us updated, we’d love to know what changes you make based on these insights</td>
</tr>
<tr>
<td>□ Set up team meeting &amp; discuss what’s most important, celebrate the positives &amp; identify next steps</td>
<td></td>
<td>□ After reading this deck, don’t forget to let us know what you thought: Feedback Form</td>
<td></td>
</tr>
</tbody>
</table>
Appendix

Additional Information on:
- Profile Of Members Served By Field Officers
- How To Make The Most Of These Insights

Summary of Data Collected
- Benchmarking Results
- Methodology
Detailed Benchmarking Comparison

VisionFund performs well on providing a scarce service to its savings group members with good impact on household outcomes.

Comparison of Company Performance to Selected 60dB Benchmarks

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Indicator</th>
<th>VisionFund</th>
<th>60dB Global Average</th>
<th>60dB Financial Inclusion Average</th>
<th>60dB East Africa Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who</td>
<td>% live in poverty (below $3.20. line)</td>
<td>89</td>
<td>46</td>
<td>35</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>Inclusivity Ratio</td>
<td>1.02</td>
<td>0.79</td>
<td>0.82</td>
<td>0.73</td>
</tr>
<tr>
<td></td>
<td>% female</td>
<td>65</td>
<td>39</td>
<td>50</td>
<td>37</td>
</tr>
<tr>
<td>How Much</td>
<td>% reporting quality of life very much improved</td>
<td>36</td>
<td>42</td>
<td>32</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>% reporting quality of life slightly improved</td>
<td>56</td>
<td>40</td>
<td>45</td>
<td>38</td>
</tr>
<tr>
<td>What Impact</td>
<td>% reporting savings increased</td>
<td>79</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>% report an increase in their ability to support children under their care</td>
<td>91</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td>% reporting challenges</td>
<td>38</td>
<td>29</td>
<td>21</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>% reporting training as useful</td>
<td>61</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Impact Management Project

We aligned your results to the Impact Management Project. We’re big fans of the IMP – it’s a simple, intuitive and complete way of conceptualizing impact.

We take pride in making the data we collect easy to interpret, beautiful to look at, and simple to understand and act upon.

We also align our data with emerging standards of best practice in our space, such as the Impact Management Project (IMP).


These dimensions help you check that you haven’t missed any ways of thinking about, and ultimately measuring, the positive and negative changes that are occurring as a result of an intervention.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who</td>
<td>The Who of impact looks at the stakeholders who experience social and environmental outcomes. All things equal, the impact created is greater if a particularly marginalised or underserved group of people is served, or an especially vulnerable part of the planet protected. For the who of impact, we tend to work with our clients to understand poverty levels, gender and disability inclusivity.</td>
</tr>
<tr>
<td>What Impact</td>
<td>What investigates the outcomes the enterprise is contributing to and how material those outcomes are to stakeholders. We collect most of this what data using qualitative questions designed to let customers tell us in their own words the outcomes they experience and which are most important to them.</td>
</tr>
<tr>
<td>How Much</td>
<td>How Much looks at the degree of change of any particular outcome.</td>
</tr>
<tr>
<td>Contribution</td>
<td>Contribution seeks to understand whether an enterprise’s and/or investor’s efforts resulted in outcomes that were better than what would have occurred otherwise. In formal evaluation this is often studied using experimental research such as randomised control trials. Given the time and cost of gathering these data, this is not our typical practice. We instead typically ask customers to self-identify the degree to which the changes they experience result from the company in question. We ask customers whether this was the first time they accessed a product of technology like the one from the company, and we ask how easily they could find a good alternative. If a customer is, for the first time, accessing a product they could not easily find elsewhere, we consider that the product or service in question has made a greater contribution to the outcomes we observe.</td>
</tr>
</tbody>
</table>
For those who like to geek out, here’s a summary of some of the calculations we used in this deck.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Promoter Score®</td>
<td>The Net Promoter Score is a common gauge of client loyalty. It is measured through asking clients to rate their likelihood to recommend your service to a friend on a scale of 0 to 10, where 0 is least likely and 10 is most likely. The NPS is the % of clients rating 9 or 10 out of 10 (‘Promoters’) minus the % of clients rating 0 to 6 out of 10 (‘Detractors’). Those rating 7 or 8 are considered ‘Passives’.</td>
</tr>
</tbody>
</table>
| Inclusivity Ratio        | The Inclusivity Ratio is a metric developed by 60 Decibels to estimate the degree to which an enterprise is reaching less well-off clients. It is calculated by taking the average of Company % / National %, at the $1.90, $3.20 & $5.50 lines for low-income countries, or at the $3.20, $5.50 and $11 lines for lower-middle income countries. The formula is: \[
\frac{\sum_{s=1}^{S} \left( \frac{(Company Poverty Line sx)}{Country Poverty Line sx} \right)}{S} / 3
\]
### Methodology

242 phone interviews completed in January – February 2022.

<table>
<thead>
<tr>
<th>Methodology</th>
<th>Sampling</th>
<th>% sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey mode</td>
<td>Phone</td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Malawi</td>
<td></td>
</tr>
<tr>
<td>Language</td>
<td>Chichewa, English</td>
<td></td>
</tr>
<tr>
<td>Dates</td>
<td>January – February 2022</td>
<td></td>
</tr>
<tr>
<td>Sampling</td>
<td>Random sample of all 357 initial savings group members &amp; 336 members served by Field Officers</td>
<td></td>
</tr>
<tr>
<td>Response rate</td>
<td>83%</td>
<td></td>
</tr>
<tr>
<td>Average time p/Interview</td>
<td>15 mins</td>
<td></td>
</tr>
<tr>
<td>Responses Collected</td>
<td>242</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>% female</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% male</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Accuracy</td>
</tr>
<tr>
<td></td>
<td>Confidence Level</td>
<td>c. 90%</td>
</tr>
<tr>
<td></td>
<td>Margin of error</td>
<td>c. 5%</td>
</tr>
</tbody>
</table>
Thank You For Working With Us!

Let’s do it again sometime.

About 60 Decibels

60 Decibels makes it easy to listen to the people who matter most. 60 Decibels is an impact measurement company that helps organizations around the world better understand their customers, suppliers, and beneficiaries. Its proprietary approach, Lean Data, brings customer-centricity, speed and responsiveness to impact measurement.

60 Decibels has a network of 750+ trained Lean Data researchers in 50+ countries who speak directly to customers to understand their lived experience. By combining voice, SMS, and other technologies to collect data remotely with proprietary survey tools, 60 Decibels helps clients listen more effectively and benchmark their social performance against their peers.

60 Decibels has offices in London, Nairobi, New York, and Bengaluru. To learn more, visit 60decibels.com.

We are proud to be a Climate Positive company.

Your Feedback

We’d love to hear your feedback on the 60dB process; take 5 minutes to fill out our feedback survey: Feedback Form

Acknowledgements

Thank you to Irene, Martina and Johanna for their support throughout the project.

This work was generously sponsored by VisionFund International.
The quality of food they eat has been improved and they now go to school with books now.

I am able to provide

> basic needs
> for my children
> without begging

my relatives for assistance.

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Hilari Mbithe Kiio
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