Product Development and Implementation:

Youth Inclusion Tracking Form for Credit Products

The following self-assessement tool is based on practitioner experience in designing and delivering youth-inclusive financial (YFS) credit products and services. It has been developed for financial services providers (FSPs) who have already committed to designing and delivering youth-inclusive financial services. The purpose of this tool is to help FSPs assess whether or not they have considered various youth-specific elements during the product design and implementation process. This tool is based on the product design framework known as the 8Ps, which breaks down a financial product and service into eight key elements.[1] In addition to considering the key elements listed below, it is also important for an institution to consider their target market segment (age, sex, marital status, etc.) when applying this tool.

This tool was created by Making Cents International in collaboration with Women's World Bank, Equity Bank, CHF International, Mennonite Economic Development Associates (MEDA), United Nations Capital Development Fund (UNCDF), FHI 360, Freedom from Hunger (FFH), BRAC Tanzania and the YouthSave Consortium: Save the Children, New America Foundation (NAF), and Consultative Group to Assist the Poor (CGAP).

[1] While this checklist may vary slightly based on the product/service that your organization is designing and/or the context of the institutions, these considerations have consistently emerged as critical across the experiences of various financial institutuions.

Key Element	Considerations	Degree of Completion of Action				Rationale (based on market research)	Examples
		1 Not Yet Considered	2 Considered and Not Applicable	3 Started	4 Completed		
1. Product	• Identify low barrier account opening and maintenance requirements for loan product					Young people may not always be able to comply with traditional account opening or transacting requirements which may require FSPs to lobby for waivers from the Central Bank	• Youth often do not have many physical or financial assets - traditional forms of collateral – consider using a guarantor or group collateral if appropriate • National ID cards may need to be substituted for alternative forms of identification such as letters from the local village council, program IDs, etc. • Youth may require guarantors for loans and they may not have/want to use their legal guardians, but simply a trusted person over 18 (requiring an additional waiver from the Central Bank) • Lower the business years of operation requirements in order to attract young, potentially less experienced entrepreneurs
	• Pay particular attention to developing an appropriate disbursement and repayment schedule					Young people often have irregular income and typically have smaller sums of money than older people.	• Education loans for young students may need longer grace periods • Loan repayment schedules must be appropriately linked to income generating periods or sufficiently flexible
	• Establish whether the product will be offered through group or individual methodologies, or a					Young people may want access to individual accounts to affirm their independence, but often still benefit from and enjoy spending time with peers in group settings, which helps to	• Individual loans with regular group meetings (combination of individual and group methodologies)

	combination of both					build social capital	
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2. Process	• Adapt MIS to understand both the financial and social performance of the youth product					Understanding young people's behaviors, as compared to adults, can help FSPs continually meet their needs, resulting in better performing products. Young people can also be gateways to other potential clients (i.e. parents, teachers, and other family members) who may access more profitable products. Tracking this information will help assess the total profitability of the youth product.	• Track beyond traditional financial indicators: age (by date of birth), sex, school status, cross-selling ratios • Compare loan repayment to adult portfolio to understand similarities/differences • Ensure adaptation of MIS for the pilot phase in order to test new/adapted systems
	• Determine literacy rate of youth and adapt transaction processes as necessary					Young people may or may not be literate – and therefore certain processes such as application forms may prevent these groups from accessing services. FSPs may need to train staff on how to facilitate these processes	• Loan application forms may need to be simplified • Staff may need to be trained in patiently helping young people through the process so as not to discourage them from interacting with the FSP in the future
	• Consider time spent on transacting, as well as paperwork involved					Young people may have different limitations on their time (such as school and lack of transportation) than adults; and also prefer quick and simple processes	• Young people may be more interested in being able to transact using technology rather than lots of time spent on paperwork • Keep time for disbursements short • Forms may need to be modified to accommodate guarantor information (or any alternative forms of collateral used)

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3. Price	• Determine if price of accessing credit is appropriate for youth while considering sustainability of the institution					Young people may or may not consider high market interest rates on credit products to be a barrier depending on their ability to access these products. Lower interest rates may need to be balanced with sustainability targets for the institution.	• Interest rates may be lowered on credit products • Repayment penalties may be minimal • Consider options for cross-subsidizing or other opportunities for increasing efficiency within the organization
	• Assess the viability of the product over the long term and within the context of the business plan/strategic plan (i.e. product projections), including considerations for cross-selling and capturing value in other ways					Youth products need to be viewed as a long-term investment since they will likely not yield profits in the short-term; serving youth may lead to other market segments for potential cross-selling including parents, community members, teachers, etc.	• Assess the break-even point of the youth product and understand/ communicate the timeline to all staff • Assess profits in the context of the total client profitability (new markets that open up such as parents and community members)

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4. People	• Secure senior-level buy-in (as well as buy-in at all levels) and clearly articulate rationale for supporting youth products					It is important that the new youth product be mainstreamed into the institution rather than considered an isolated "project." Staff at all levels should clearly understand the product and the institution's motivation for serving youth. Staff should be committed to promoting the youth product along with the standard product offerings of the FSP.	• Ensure that senior management has communicated to all levels of staff the importance/benefits of working with young people • Assign a youth product champion • Include all departments in the product development process (HR, Risk, Operations, Marketing, etc.) • Train staff on product features to ensure they have clear knowledge of youth product(s) and service(s) and a demonstrated ability to communicate this to clients and community • Operations should incorporate youth product profile into product manuals or provide all staff with primers on the product
	• Sensitize staff (frontline and back-office) to working with youth					Staff tend to consider young people as a high-risk market and not viable; they may also believe that youth are not serious or mature enough to take out a loan. Certain attitudes and skills are needed for working with young people(i.e. communication skills and being open-minded about serving youth)	• Conduct training with staff on key attitudes and skills needed to work with young people including effective communication skills, patience, etc. (using local youth workers) and monitor the results of the training • Expose FSP staff to young people and vice versa through "tours of the FSP" • Create a "rotations" program where all frontline staff are required to serve young people for a certain period of time

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4. People (continued)	• Put in place appropriate incentives structures to motivate staff working on youth products					Existing incentive schemes (often based on portfolio size) can discourage staff from working with young people due to the smaller transactions that are typical among youth clients	• Ensure that the staff incentive structure for the youth product is aligned with incentive structures for other products • Provide both non-financial and financial incentives
	• Train partners or partner staff					Non-financial services such as financial education, business development skills, etc. can help a young person both increase access to and maximize the benefits of financial services. To minimize costs and maximize core competencies, FSPs may choose to partner with youth-serving organizations to deliver these complementary non-financial services. These organizations however may require capacity building to appropriately serve the youth clients.	• Expose non-financial services partners to transactions in the field to gain a better understanding of the process Ensure that partners are clear on FSP policies and procedures to be able to communicate this correctly to young people

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5. Physical Evidence	• Ensure that documentation is youth-friendly and connects young people to the institution					Young people appreciate feeling connected to the financial institution through specialized passbooks, debit cards, etc.	• Consider using modified "youth" passbooks for loans that create a sense of unique identify (attractive colors, logos, etc.) for the youth product • Include youth product logo/name on physical evidence
	• Determine if aesthetic changes to transaction locations (i.e. branch) would attract more young people					Young people generally think of FSPs as "not for them," but for adults or those with more money.	• Consider using posters, images, specialized tellers, etc. to attract young people and create a welcoming environment • Provide youth uniforms/t-shirts to staff that they wear on special days

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6. Positioning	• Communicate trust to young people					Young people may not trust financial institutions. Young people often believe that financial institutions are for the rich, or for older people. Young people also communicate differently than adults.	• Complex language must be broken down to ensure that young people understand the benefits of a product or service • Provide transparent information on credit product through branch-level and frontline staff and on promotional materials • Communicate through promotional materials and events that young people are desirable clients • Offer special “tours” of the FSP • Provide financial education that communicates trust, safety, and security

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7. Promotion	• Test marketing and promotional material with all relevant stakeholders					Young people respond to different types of marketing than adults – colorful, engaging, etc. Young people are also still largely dependent on their parents. Involving parents early on can help increase their buy-in and support for the product	• Test the marketing materials with young people, parents, guardians, and key community members; and address any concerns early on • Allow young people to create the name, logo and tagline of the product to create ownership over the product
	• Promote the product as a "youth product"					Young people want to feel that the FSP understands them and their unique financial needs	• Ensure that the product name and/or logo effectively communicate that the product is specifically for young people
	• Promote products to all relevant stakeholders					Young people's economic decisions are often connected to the household	• Promote benefits of the product to young people, parents, guardians, and key community members through community events and local spaces (using financial education as well as traditional promotional techniques)
	• Promote products in spaces where youth and other key stakeholders spend time					Young people spend time in schools, churches, etc., but also use technology and social media	• Use local staff to promote products in youth spaces, clubs, etc. • Consider promotional activities in both physical and virtual spaces • Assess preferred modes of communication – radio, tv. Etc.

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8. Place	• Develop alternative delivery channels for products in order to reach youth (e.g. mobile phones, POS, etc.)					Many young people face major geographic barriers in reaching FSPs to transact – especially those is rural areas	• Field agents for transactions • Mobile Banking (Vans) • Cell phone banking • POS
	• Ensure the FSP hours are suitable for young people and their schedules					Young people may have different schedules than adults given their competing demands (school, household chores, business, etc.) and may need to be accommodated on certain days/times of the week, including weekends.	• Consider providing young people with special days/time of the week to transact