



Project Report

IMPACT ASSESSMENT

Scaling-up Women Entrepreneurs Empowerment Training:
Evidence from Ngawi, Bojonegoro, Tuban

SEPTEMBER 2020

Glossary:

W.E.	:	Women Entrepreneur
SWEET	:	Scaling-up Women Entrepreneurs Empowerment Training, a program by Mercy Corps Indonesia
Bank Agent	:	is an auxiliary party of the parent bank that will assist the services of the features and programs run by the parent bank. The bank program agents can provide banking access to the public like a bank.
Trainers	:	Representative from Mercy Corps Indonesia who provide training to women entrepreneurs
Cooperative	:	A cooperative (also known as co-operative, co-op, or coop) is "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned enterprise".
BMT	:	Baitul Maal wa Tamwil (BMT) is a sharia (Islamic) microfinance institution.
COVID-19	:	Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus. First confirmed COVID case in Indonesia happened at 2 March 2020.

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Executive Summary

The SWEET program is a continuation of the Mobile Financial Services (MFS) for Female Entrepreneurs program from 2016 to 2018. The MFS program aimed to test and identify a cost-effective and sustainable approach to promote women entrepreneurs' uptake of mobile financial services as a way to increase investment in and profit from their businesses.

SWEET program has targeted the women micro-entrepreneurs and below to get an incentive of knowledge about applicable financial management in household finances and business management. The program focused on the intervention of change in the behavior of women entrepreneurs to be able to distinguish business and household financial transactions and have consistency in saving practices, especially in utilizing branchless banking services.

The SWEET program has just completed all the training and mentoring activities by the end of November 2019. The program team listed and invited 1,988 women entrepreneurs to ensure achieving the target of 1,500 participants. Out of those numbers, the program team completed the training to 1,602 participants, which 1,447 of them completed the first mentoring, and 1,430 participants completed the second mentoring. Women entrepreneurs are facilitated to get access to the service of 44 branchless banking agents who provide the services in those three districts.

The impact assessment is the final stage of the project and will provide a clear picture and findings on:

1. The necessary enabling environment for saving among women entrepreneurs, including but not limited to, the saving behavior of women entrepreneurs, existing branchless banking agents and their role as providers and the available saving products,
2. The financial management behavior and skill of the women entrepreneurs. This assessment must portray the profile of women entrepreneurs in the three districts of Ngawi, Bojonegoro, and Tuban, in terms of their understanding and skill of financial access, demand/needs, the constraints, and gaps among the aspects mentioned above, after the program intervention.
3. The intended purpose behind savings and women entrepreneurs' awareness of the subject.
4. The methodology of this impact assessment using quantitative (survey questionnaire) and qualitative methods (In-depth Interview and Focus Group Discussion). The COVID-19 situation in Indonesia since March 2020 cancelled out the initial idea to conduct the impact assessment through the face-to-face interview method due to travel restriction to/from Jakarta and East Java. After much consideration, the program team agreed to switch the interview format from face-to-face to virtual method while maintaining the selected methodologies.

From experiences during the fieldwork process by utilizing the phone approach to respondents, there are several considerations to be done before deciding to go with the phone approach:

- **Database.** In Indonesia, people may often change their mobile numbers due to the affordability of a starter pack for prepaid SIM cards. Under such a situation, respondents may quickly change their phone number monthly. Thus, having an updated database (monthly) may ensure the reachability of the respondents. Another solution to overcome the situation is to prepare much more contacts list (4-6 times of necessary sample) to balance those who changed their mobile numbers and refuse interviews.

- **Initial notification from a recognizable contact is required.** Fraudsters and marketers also use prepaid SIM cards for their activities. As such, mobile users in Indonesia often get spammed by calls from unknown contacts offering products or attempting frauds. Because of this uncontrollable situation, people may get wary and being careful before answering calls from unidentified phone numbers. Under such circumstances, anonymous phone research is challenging because of the high failure rate of respondents answering their phones. We advise the program executor to make initial contact first. The reason is that people tend to ignore contact from unknown phone numbers due to high online scam activity and collection activity made via a similar approach.
- **Scheduling.** Respondents will not have their phones close all the time or answering the phone during a busy time. Multiple calls within different times are advisable since they might have a different schedule. Another point on scheduling is to be flexible with the time. Even with an advance arrangement, the time may often change by minutes or even hours as these respondents are actively involved in village activities, e.g., PKK activities. The respondents may have sudden essential errands.
- **Preparation.** Even with prior notification, the interviewer needs to prepare clear information and reasoning for conducting the survey. The interviewers also need to prepare a purpose and benefit for both parties. From the SWEET program point of view, the survey can provide information to formulate better training material for future training activities.
- **Cues.** The participants may forget about the name of the training program or the training providers, especially if they are in a foreign language or if the training happened a while ago. However, in most cases, they will still remember the name of the trainers. Consider mentioning the name of the trainers under such a situation.
- **Retry.** It is easier for respondents to refuse participation in a phone survey since the interviewer cannot know their situation and current activities and might contact them at an inconvenient time. The interviewer can try to call at a different time or to offer a more convenient schedule.

Impact Assessment Findings and Recommendation

Based on the impact assessment that has conducted, the results show that:

- A comparison between the SWEET participants vs non-SWEET participants shows a higher adoption rate for saving behavior and financial recording behavior for SWEET participants.
- 60% of SWEET participants across Ngawi, Bojonegoro, and Tuban districts have daily saving target, a part of the saving module by SWEET, while 33% of non-SWEET participants have daily saving target.
- 35% of SWEET participants across Ngawi, Bojonegoro and Tuban keep household financial records. 55% of said participants keep business financial records. In contrast, 16% of non-SWEET participants keep household financial records, while 24% of the non-SWEET participants keep business financial records.
- The adoption rate for SWEET participants who have a daily saving target and keeping financial records can be better. However, a current external factor, e.g., the COVID-19 pandemic in Indonesia, may affect the way SWEET participants allocating their income.
- Some SWEET participants are unable to save money due to limited income despite the desire to do so. They prioritize their income to cover daily needs and put savings as a secondary goal. However, this pragmatic approach toward household financial management should not be the only indicator of the overall success of the SWEET

program as SWEET participants are currently having the first-hand experience in the importance of saving money.

There are some recommendations for Mercy Corps Indonesia regarding the SWEET program in the future:

1. Increase the period of the SWEET program. Based on the selected trained participants' behavior in the three areas, it is essential to provide regular direct technical assistance (including mentoring to home and business location) longer than before to women entrepreneurs after the training. Once a week is the most liked by women entrepreneurs to received technical assistance.
2. Mercy Corps Indonesia may add some suggestions during training to SWEET participants to overcome the barrier of hesitation in engaging bank agent services. This finding is apparent in those with the lower saving amount, and most of the SWEET participants are within this saving level.
3. Most SWEET participants have not understood the importance and the benefit of keeping financial records yet and are thinking of it as a chore. To increase the adoption rate, Mercy Corps Indonesia needs to give more in-depth education on the benefits of keeping financial records, while making some adjustments based on the methods for easier understanding should necessary.
4. Business skills and business marketing are two interesting training topics for women entrepreneurs in three areas. Mercy Corps Indonesia can consider these two topics training for the next women entrepreneurs' program, combined with financial literacy training if the future program is still related to access to finance. The weekend is the most proffered time for women entrepreneurs to attend training.
5. More than 70% of SWEET participants express interest in digital (including video) training material, while more than 50% express interest in digital practices. Mercy Corps can use the method and practice for their future programs.

Introduction

The presence of Digital Financial Service (DFS) can significantly spur the growth of financial innovation. Providing access to finance for the rural population has undoubtedly always been a challenge for many financial institutions. Other than risk concerns, limitations of the hard network, such as branch offices, staff, can provide its difficulties. DFS can potentially be the solution to the challenge of reaching the rural population by utilizing disruptive technologies to close the geographical gap of financial services.

The Government of Indonesia initiated the National Strategy of Financial Inclusion (SNKI) in June 2012, with branchless banking and financial literacy called out as the priority areas. As part of the strategy, Indonesia recently reinforced a new presidential decree in 2016 to promote financial inclusion through branchless banking (*LAKU PANDAI*)¹ as one of the initiatives to increase access to financial services among its sizeable unbanked population.

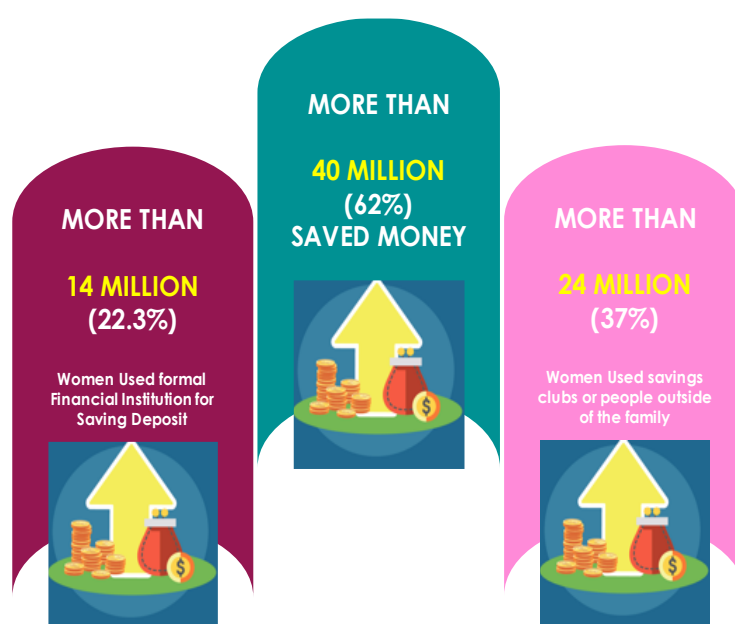


Figure 1. Female Demand for Savings

In Indonesia, women are a large and economically active yet underserved market segment. There are an estimated 65 million women eligible for financial services. However, according to the World Bank Financial Inclusion Database, it is estimated that less than 26 million Indonesian Women used formal financial institution services (22% savings and 17.3% credit). Instead, an estimated 31.6 million (49%) either relied on informal and non-bank services such as family, friends, or savings clubs or none at all. Interestingly an estimated 7.6 million (12%) Indonesian women have formal financial institution accounts but did not make a deposit or take a loan within the last 12 months².

Looking closer at female demand for savings, the World Bank Financial Inclusion Database revealed that an estimated 40.3 million (62%) saved money in 2017. 14.5 million (22.3%)

¹ *LAKU PANDAI* refers to branchless banking for financial inclusion i.e. a program for the provision of banking services and/or other financial services through cooperation with other parties (bank agents) supported by the use of information technology.

² Calculation using World Bank Financial Inclusion Database (2017) and demographic information, compared with Survey on Financial Inclusion and Access (SOFIA) results.

women used formal financial institutions for saving deposits, while 24 million (37%) used savings clubs or people outside of the family³.

Mercy Corps Indonesia

Mercy Corps has its existence in Indonesia since 1999 and has improved the lives of more than 1,000,000 Indonesians across the country's vast islands. The organization is working on the complex underlying issues by designing and implementing programs focusing on economic opportunity, health, water, disaster preparedness, and emergency response.

Mercy Corps has been assisting in developing microfinance in Indonesia and in 2006, the organization established the Microfinance Innovations Center for Resources and Alternatives (MICRA), which acting as a support body and designed to provide technical assistance, training, ratings, appraisals, and financial services to MFIs throughout the country and as a part of a program to increase access to finance in Indonesia especially for the poor.

Recently, one of the supports that Mercy Corps Indonesia has implemented is the Scaling-Up Women Entrepreneurs Empowerment Training (SWEET) program. It is an initiative to improve the knowledge and skills of financial management of women micro-entrepreneurs and below that applies to their household and business. Additionally, SWEET program participants have understood the different types of branchless banking services and products and actively used saving products through digital channel services. Part of the broader objectives has been to influence saving behavior and to see for whether savings are used for family welfare, re-investing into the business for its growth.

SWEET Program

The SWEET program is a continuation of the Mobile Financial Services (MFS) for Female Entrepreneurs program from 2016 to 2018. The MFS program aimed to test and identify a cost-effective and sustainable approach to promote women entrepreneurs' uptake of mobile financial services to increase investment in and profit from their businesses.

As the first phase intervention, the project produced tailored training for 2,000 women entrepreneurs randomly selected across five districts of Ngawi, Bojonegoro, Tuban, Lamongan and Gresik, in East Java province. In this current project, as the second phase, the SWEET project's goal has been to expand the financial literacy training to add 1,500 women entrepreneurs located in three out of five project areas.

SWEET program targets women micro-entrepreneurs and below to get an incentive of knowledge about applicable financial management in household finances and business management. This program seeks to give the intervention of change in the behavior of women entrepreneurs to be able to distinguish business and household financial transactions and have consistency in saving practices, especially to branchless banking services. This program aims to change financial behavior from women entrepreneurs to diverse their investment methods.

The SWEET program has just completed all the training and mentoring activities by the end of November 2019. The program team listed and invited 1,988 women entrepreneurs to ensure the target achievement of 1,500 participants. Out of those numbers, the program team completed the training to 1,602 participants, which 1,447 of them completed the first mentoring, and 1,430 participants completed the second mentoring. These women entrepreneurs are connected to the service of 44 branchless banking agents who provide the services in the three districts of Ngawi, Bojonegoro and Tuban.

³ Saving at home, an indicator not tracked by the database, may account for the difference between total number of women who saved and those who saved at formal financial institution and those that saved in non-formal banks like savings clubs.

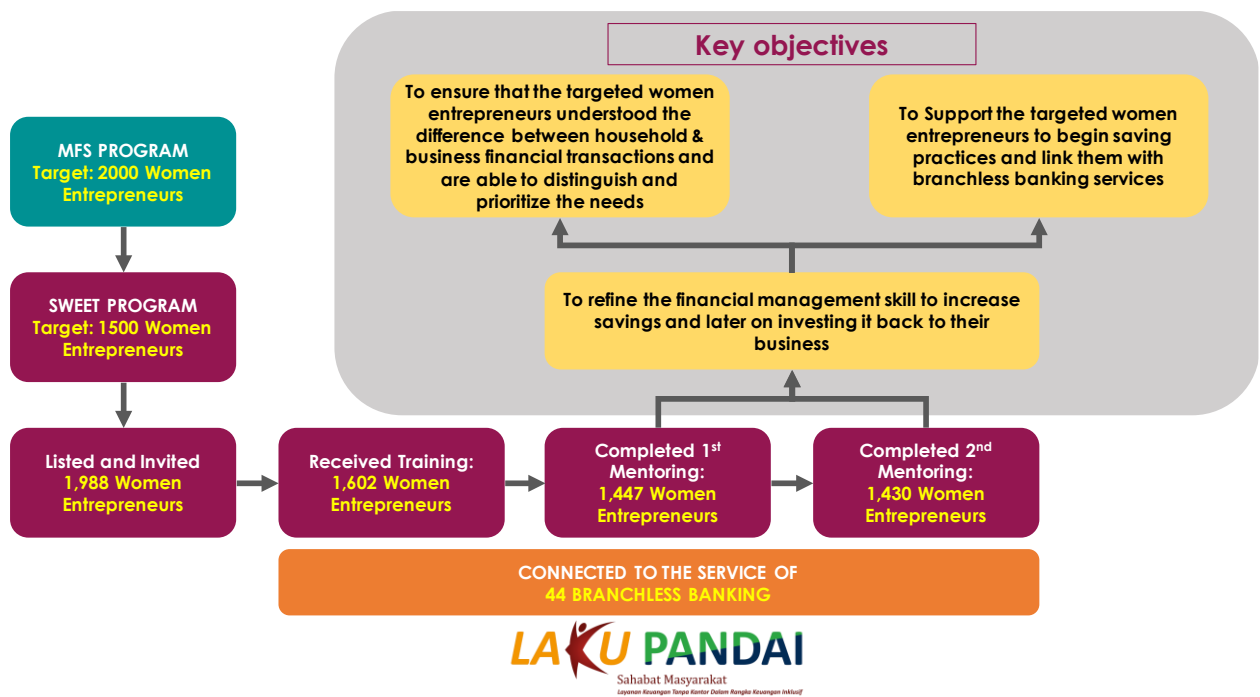


Figure 2. SWEET Program Target Beneficiaries

Impact Assessment of SWEET Program

The impact assessment is the final stage of the project and will provide a clear picture and findings on:

1. The necessary enabling environment for saving among women entrepreneurs, including but not limited to, the saving behavior of women entrepreneurs, existing branchless banking agents and the available saving products.
2. The financial management behavior and skill of the women entrepreneurs. This assessment must portray the profile of women entrepreneurs in the three districts of Ngawi, Bojonegoro, and Tuban, in terms of their understanding and skill of financial access, demand/needs, the still available constraints, and gaps among the aspects mentioned above, after the program intervention.
3. The intended purpose behind savings and women entrepreneurs' awareness on it.

The impact assessment was designed to clarify the related subjects below:

Table 1. Impact Assessment Subject

No	Main Subject	Description
1	Saving behavior of women entrepreneurs	Identify the actual conditions, familiarity, and type of savings activity in the respective areas Identify the providers in the area and their coverage of accessibility Identify factors and constraints which affect the saving behavior of women entrepreneurs, including (but not limited to) social, cultural and technological factors

2	Needs for saving products of women entrepreneurs	Identify the required type of products Identify the preferred channels Recommend the education and promotion strategies to attract women entrepreneurs to become active savers.
3	Financial management behavior assessment	Identify the current practice of women entrepreneurs related to financial business and household management. Identify the needs for specific skills and knowledge related to financial management or business management.
4	Training subject and implementation	Identify the effectiveness of the program method and tools in delivering effective training. Recommend the potential training method and/or channel relevant to the needs of the women entrepreneurs.

Impact Assessment Methodology Framework

The methodology of this impact assessment used quantitative and qualitative methods. COVID-19 situation in Indonesia since March 2020 canceled out the initial idea to conduct the impact assessment through the Face-to-Face method due to travel restriction to and from Jakarta. After much consideration, it has agreed to switch the interview format from face-to-face to virtual method while maintaining the selected methodologies.

Data Collection through Quantitative Methodology

The quantitative method in this impact assessment has conducted through a phone survey and used Kobo Collect tools towards four types of target respondents. The women entrepreneurs (trained participants) and women non-trained participants who participated in the FGD treated as separated sample group and excluded from the survey. The four types of target respondents for this survey are as follows:

1. Women entrepreneurs who are participating in the program (trained participants)
2. Women entrepreneurs who are not participating in the program (non-trained participants/ control)
3. Branchless banking agents (Bank Mandiri) involved in the training
4. Branchless banking agents (from other banks) not involved in the training (control group)

This survey uses the purposive random sampling method to recruit the respondents based on the data from Mercy Corps Indonesia. The quantitative questionnaire mainly consists of closed-end questions. Spire consultants design the questionnaire while Mercy Corps Indonesia reviews and approves it.

There are adjustments on sample size for each type of respondent, as illustrated in the table below.

Table 2. Total Sample Size through Quantitative Methodology

Type of Respondent	Target Location	Data Collection Method		Total Respondent	
		Before ⁴	Adjustment	Before	Adjustment
Trained participant	Ngawi	Survey face-to-face	Phone survey	134	106
	Bojonegoro			132	102
	Tuban			132	102
Total				398	310
Non-trained participant (control)	Ngawi	Survey face-to-face	Phone survey	52	52
	Bojonegoro			50	50
	Tuban			50	50
Total				152	152
Trained branchless banking	Ngawi	Survey face-to-face	Phone survey	23	23
	Bojonegoro			11	11
	Tuban			10	10
Total				44	44
Non-trained branchless banking	Ngawi	Survey face-to-face	Phone survey	12	5
	Bojonegoro			6	2
	Tuban			6	2
Total				24	9

Data Collection through Qualitative Methodology

The qualitative methodology in this impact assessment is conducted through a phone call for In-depth Interviews (IDI) and video call for Focus Group Discussion (FGD).

The FGDs have targeted two types of respondents are women entrepreneurs who were participating in the program (trained participants) and women entrepreneurs who are not participating in the program (non-trained participants/ control)

The table below illustrated the participants for each type of respondent that has been adjusted.

⁴ Based on the total sample size that has proposed in the SPIRE Indonesia proposal to Mercy Corps Indonesia. Only total sample size of trained participants and non-trained branchless banking has adjusted based on the discussion with Mercy Corps Indonesia.

Table 3. Total Sample Size through Qualitative Methodology – Focus Group Discussion

Type of Respondent	Target Location	Data Collection Method		Total FGD		Total Participant per FGD	
		Before ⁵	Adjustment	Before	Adjustment	Before	Adjustment
Trained participant	Ngawi	Face to Face FGD	Video call and phone call	2	4	16	12
	Bojonegoro			2	4	16	12
	Tuban			2	4	16	12
Total				6	12	48	36
Non-trained participant	Ngawi	Face to Face FGD	Video call and phone call	2	4	16	12
	Bojonegoro			2	4	16	12
	Tuban			2	4	16	12
Total				6	12	48	36

Meanwhile, the IDIs conducted targeted two types of respondents are Selected Local Trainer and Representatives Bank Mandiri office in target areas (Head of Branch Office or Head of Marketing, and marketing staff). The table below illustrated the participants for each type of respondent that has been adjusted.

Table 4. Total Sample Size through Qualitative Methodology – In-depth Interview

Type of Respondent	Target Location	Data Collection Method		Total IDI		Total Respondent	
		Before ⁶	Adjustment	Before	Adjustment	Before	Adjustment
Selected local trainer	Ngawi	Face to Face IDI	Phone call	3	2	3	2
	Bojonegoro			3	2	3	2
	Tuban			3	2	3	2
Total				9	6	9	6
Representative Bank Mandiri office	Ngawi	Face to Face IDI	Phone call	2	2	2	2
	Bojonegoro			2	2	2	2
	Tuban			2	2	2	2
Total				6	6	6	6

⁵ Based on the total sample size that has proposed in the SPIRE Indonesia proposal to Mercy Corps Indonesia.

⁶ Based on the total sample size that has proposed in the SPIRE Indonesia proposal to Mercy Corps Indonesia.

Challenges during Data Collection through Virtual Method

The survey method from face-to-face to phone survey provides a new challenge during the implementation.

Initial stage

Mercy Corps Indonesia and Spire planned to use a face-to-face approach by utilizing a database provided by Mercy Corps Indonesia. When COVID-19 eliminates the possibility of a face-to-face survey, Mercy Corps Indonesia and Spire agreed to switch face-to-face methodology into a phone survey.

In preparation, Mercy Corps Indonesia updated the necessary information from names and addresses of training participants to name and phone numbers. This change provides a new challenge since, unlike domicile location, phone numbers are a subject of change. Even with the most current updated database, there was a high possibility that the numbers were not working and unused by the participants. Furthermore, there is a limitation on the data availability for the non-training participants. In the initial approach, Spire expected to use a visual guide on the location to identify non-training participants of the women entrepreneurs. Mercy Corps Indonesia and Spire are conducting various efforts to overcome the situation by:

1. Utilizing intermediaries to update phone numbers information.
2. Doing snowballing activities after finishing an interview.
3. Separating the SWEET program participants who only attend one training activity as non-SWEET participants.
4. Resorting to a face-to-face approach after the large scale social restriction is lifted.

During approach

Lack of trust is the most significant issue during the approach phase. Due to many online marketing activities and fraud using the phone, people are more cautious in answering a phone call from unknown people. Also, as explained in the initial stage, mobile phone numbers are a piece of information that may quickly change over time, even in a short duration. When being called, there are numerous findings of inactive numbers and or phone numbers belong to different persons due to reactivation by other users after the number left unused by the previous owners. On a smaller scale, there are some findings of training participants using phone numbers of other family members and resulting in failure to reach the targeted list.

The phone approach also posed a challenge, especially for a non-training participant. Lack of a familiar chain between the phone interviewer and the respondents' results in a higher reluctance rate by the respondents to answers all the given questions.

The previous study conducted in Ngawi, Bojonegoro, and Tuban indicated a more challenging approach to those living in Bojonegoro due to perceived cultural differences between these three areas. Due to behavioral differences across the three districts, the approaching process towards training participants in Bojonegoro is noticeably more difficult than other locations.

Since the target for the survey is to interview women entrepreneurs, those who are not currently operating their business are not eligible. However, COVID-19 also affects the entrepreneurs in location and put a halt on some of their business. These are markedly true to those conducting their business in school or office areas since the closing of schools and offices during large-scale social restrictions.

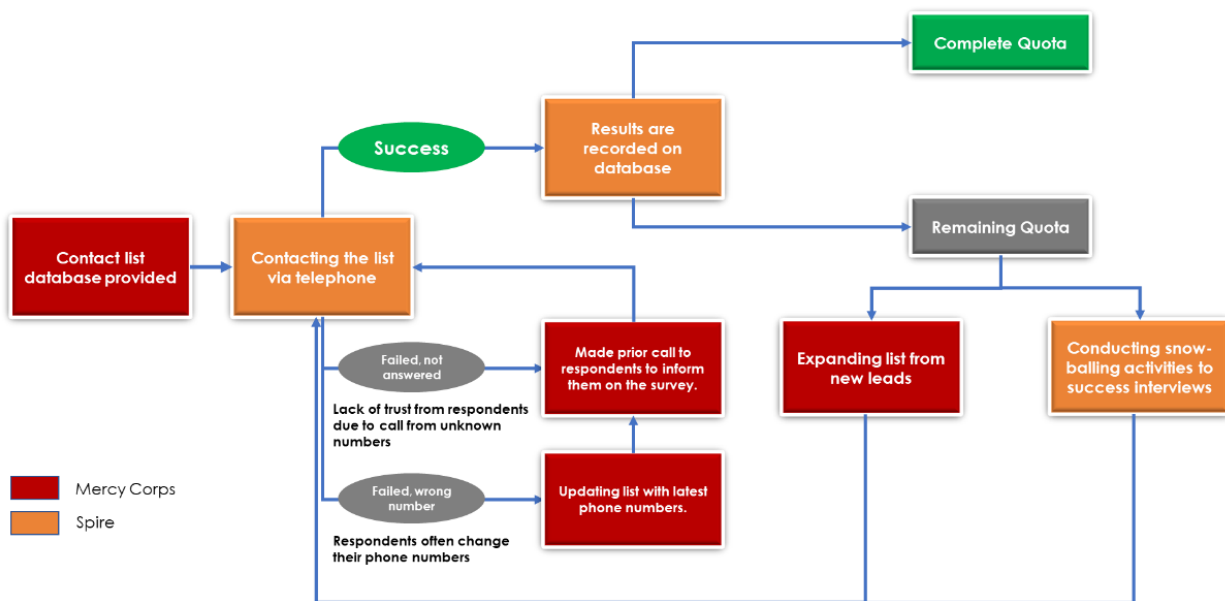


Figure 3. Virtual Data Collection Process

Lesson Learned from Virtual Data Collection

Structured data is not always sufficient for a virtual approach. To go with a virtual approach, significant buffer data, or even sample adjustment is necessary. A contingency plan to the data by calculating the sufficient sampling and updating the available data. Below is the experience gained from conducting this study:

- Database.** In Indonesia, people may often change their mobile numbers due to the affordability of a starter pack for prepaid SIM cards. Under such a situation, respondents may quickly change their phone number monthly. Thus, having an updated database (monthly) may ensure the reachability of the respondents. Another solution to overcome the situation is to prepare much more contacts list (4-6 times of necessary sample) to balance those who changed their mobile numbers and refuse interviews.
- Initial notification from a recognizable contact is required.** Fraudsters and marketers also use prepaid SIM cards for their activities. As such, mobile users in Indonesia often get spammed by calls from unknown contacts offering products or attempting frauds. Because of this uncontrollable situation, people may get wary and being careful before answering calls from unidentified phone numbers. Under such circumstances, anonymous phone research is challenging because of the high failure rate of respondents answering their phones. We advise the program executor to make initial contact first. The reason is that people tend to ignore contact from unknown phone numbers due to high online scam activity and collection activity made via a similar approach.
- Scheduling.** Respondents will not have their phones close all the time or answering the phone during a busy time. Multiple calls within different times are advisable since they might have a different schedule. Another point on schedule is to be flexible with the time. Even with an advance arrangement, the time may often change by minutes or even hours as these respondents are actively involved in village activities, e.g., PKK activities. The respondents may have sudden essential errands.

- **Preparation.** Even with prior notification, the interviewer needs to prepare clear information and reasoning for conducting the survey. The interviewers also need to prepare a purpose and benefit for both parties. From the SWEET program point of view, the survey can provide information to formulate better training material for future training activities.
- **Cues.** The participants may forget about the name of the training program or the training providers, especially if they are in a foreign language or if the training happened a while ago. However, in most cases, they will still remember the name of the trainers. Consider mentioning the name of the trainers under such a situation.
- **Retry.** It is easier for respondents to refuse participation in a phone survey since the interviewer cannot know their situation and current activities and might contact them at an inconvenient time. The interviewer can try to call at a different time or to offer a more convenient schedule.

Socio-economic Background for Ngawi, Bojonegoro, and Tuban

Ngawi Regency located at the center of East Java province and Central Java province, and also serves as the main gate to enter East Java province since there are intersections that connect Surabaya–Madiun–Bojonegoro–Solo–Jogja–Bandung–Jakarta. Ngawi area encompass 1,245.70 km² populated by 829,899⁷ people.

Gross Regional Domestic Product for Ngawi is at IDR 17,810,616 million, with agriculture, forestry, and fisheries (36%) as the substantial supporting industry, followed by wholesale and retail (17%), and construction (9%)⁸. As of 2018, the minimum wage in Ngawi is IDR 1,569,832, with the average monthly expenses at IDR 744,124 (52% food expenses, 48% non-food expenses).

Bojonegoro Regency is a regency in East Java, Indonesia, about 110 km west of Surabaya and located in the inland part of northern Java plain, on the banks of the Solo River, the longest river in Java. Bojonegoro area encompasses 2,307.06 km² and populated by 1,249,578⁹ people.

Previously known as a leading producer of teak and tobacco, Bojonegoro is a focus of attention in Indonesia as a new oil field founded in this area. This oil find is the substantial oil discovery in Indonesia in three decades and one of the largest reserves in Indonesia.

Gross Regional Domestic Product for Bojonegoro is at IDR 64,866,000, with mining and excavation (47%) as the significant supporting industry, followed by agriculture, forestry, and fisheries (14%), and wholesale and retail (8%)¹⁰. As of 2018, the minimum wage in Bojonegoro is IDR 1,720,460. There is no information on the average monthly expenses for Bojonegoro.

Tuban Regency is a regency in East Java province of Indonesia. It covers an area of 1,834.15 km². Tuban has a population of 1,163,614¹¹. Located in a strategic area, Tuban is on the border of East Java with Central Java, passed by Jalan Nasional Daendels on North Coast of Java (Pantura).

Gross Regional Domestic Product for Tuban is at IDR 41,037,709 million, with the manufacture (31%) as the significant supporting industry, followed by agriculture, forestry, and fisheries (18%), and wholesale and retail (14%)¹². As of 2018, the minimum wage in Tuban is IDR 2,067,612, with the average monthly expenses at IDR 906,635 (53% food expenses, 47% non-food expenses).

⁷ Based on BPS Data 2017

⁸ Based on BPS data 2017

⁹ Based on BPS Data 2017

¹⁰ Based on BPS Data 2017

¹¹ Based on BPS Data 2017

¹² Based on BPS Data 2017

SWEET Participants' Profile

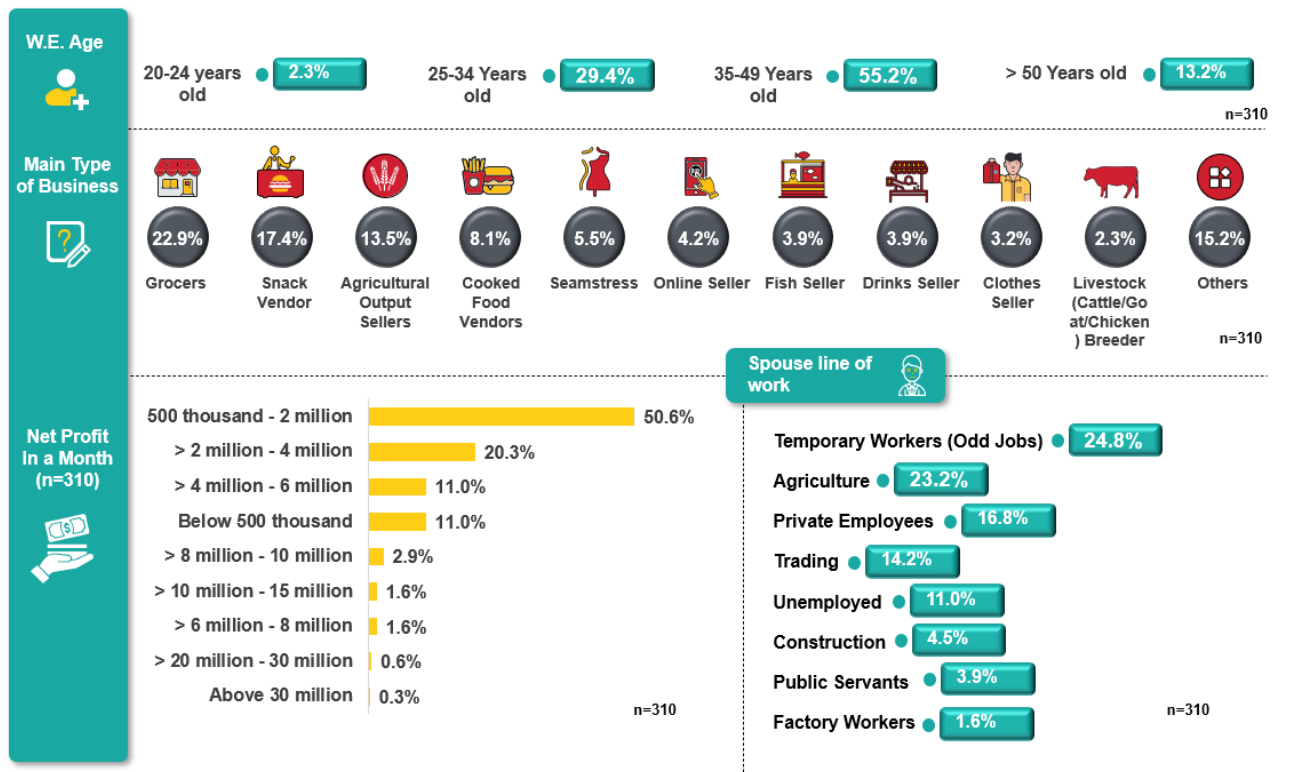


Figure 4. The Dashboard of SWEET Participants Profile

Most of the SWEET participants from Ngawi, Bojonegoro, and Tuban districts are 35-49 years old (55.29%). The second-largest group is at 25-34 years (29.4%). Grocery stalls dominate SWEET participants' primary type of business at 22.9%. Examples of products referred to in these grocery stalls are rice, oil, kitchen seasonings, eggs, raw materials, or daily staples. The other two leading businesses in Ngawi, Bojonegoro, and Tuban are Snack Vendor with a percentage of 17.4% and Agriculture Output Sellers with 13.5%.

Based on the primary type of businesses shown in the graph above, SWEET participants' average net profit per month is in the range of IDR 500 thousand – 2 million, with a large percentage of 50.6%. The next group range has a large gap, with the first net profit range, with 20.3%. That percentage shows the net profit of women entrepreneurs with a range of IDR 2 million – 4 million. The net profit amount indicates the average income earned from the grocery stalls type of business.

Most spouses of SWEET participants work as temporary workers (odd jobs) of 24.8% percentage. The agriculture sector is the next occupation that has a considerable percent proportion of 23.2%.

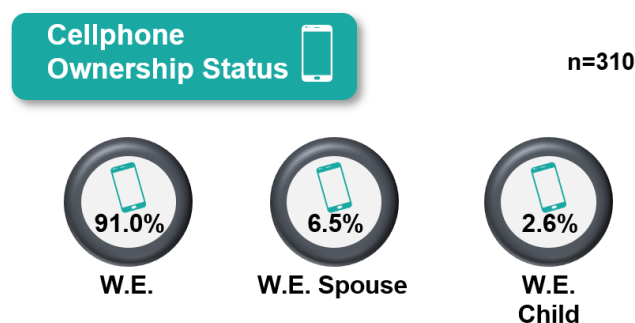


Figure 5. W.E. Cellphone Ownership

More than 90% of SWEET participants in 3 districts have their mobile phones. 79% of SWEET participants use android mobile phones. Only 3 SWEET participants bought a phone voucher from Bank Agent (*Laku Panda*), while most (238 SWEET participants) bought phone vouchers from voucher kiosks. Other alternatives are buying in small stalls, mobile banking, ATMs, minimarket, and from relatives. As it turns out, some of the SWEET participants also sell phone voucher.



Figure 6. Home Ownership Status

80.6% of total SWEET participants in 3 districts live in their own homes. Of these, only 1% of SWEET participants are still in installments (KPR).

The number of family members living in the same house

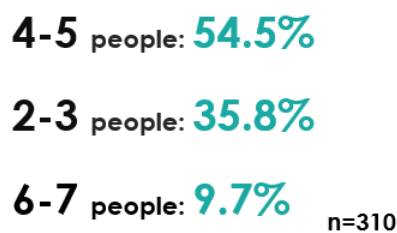


Figure 7. Number of Family Members Living in the Same House

Most SWEET participants' families have 4-5 family members living in one house (54.5%). Five percent of total SWEET participants across three districts receive IDR 1-2 million from their husbands and children. Four percent of SWEET participants receive IDR 2.1-3 million.

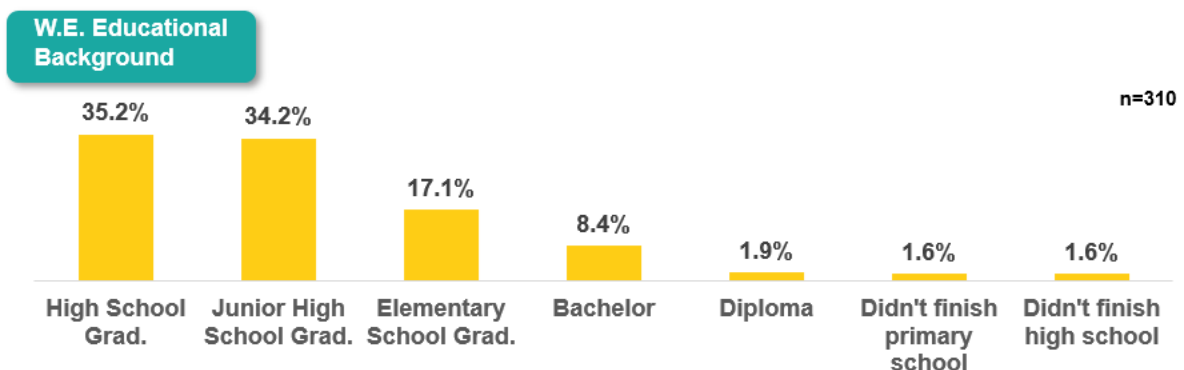


Figure 8. Education Level for SWEET Participants

Most of the SWEET participants graduated from high school (35.2%). 1.9% of the SWEET participants or six participants have a diploma: four are from Ngawi, while the other two are from Tuban. Two out of those six participants have a monthly net income range of IDR 4 – 6 million, while two of the other six participants have a monthly net income range of IDR 6 - 8 million.



Figure 9. Husbands' Average Income for SWEET Participants

The average income of SWEET participants' husbands is below IDR 2 million, with most husbands working as temporary workers (odd jobs). The following percentage is 11.6%, with an average income of under IDR 1 million per month.

Compared to the husbands, SWEET participants have a varying range of income. The average net profit of SWEET participants in a month is IDR 500 thousand – 2 million (50.6%), with the majority of businesses being grocery stalls. Thus, when combined, the total income of husband and wife in the three districts is IDR 4 million.

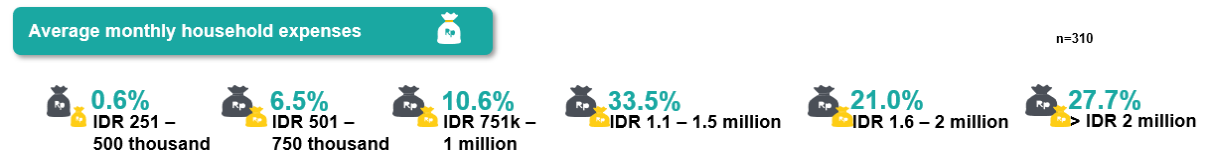


Figure 10. Average Monthly Household Expenses

The average monthly expenditure of SWEET participants included daily consumption, payment of debt or mortgage, vehicles, insurance, and community group contribution is IDR 1.1 - 1.5 million (33.5%). **When taking the maximum point of average monthly household expenditure of IDR 1.5 million, which combined between husband and wife income in the household, the total amount of savable money after deducting monthly expenses is IDR 2.5 million.**

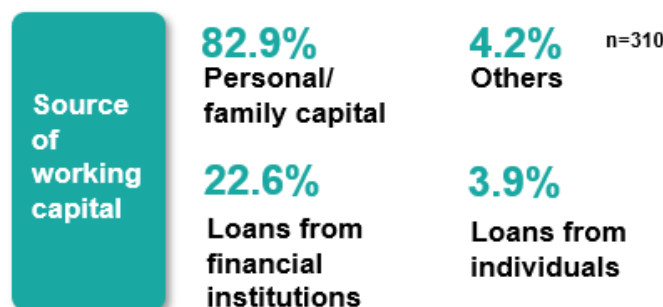


Figure 11. Source of Business Capital

SWEET participants may use multiple sources to finance their businesses. 82.9% SWEET participants are using their capital and or family capital to open their business, while 22.6% are using both formal and non-formal financial institutions e.g., cooperatives, pawnshops, and loan sharks as their capital source.

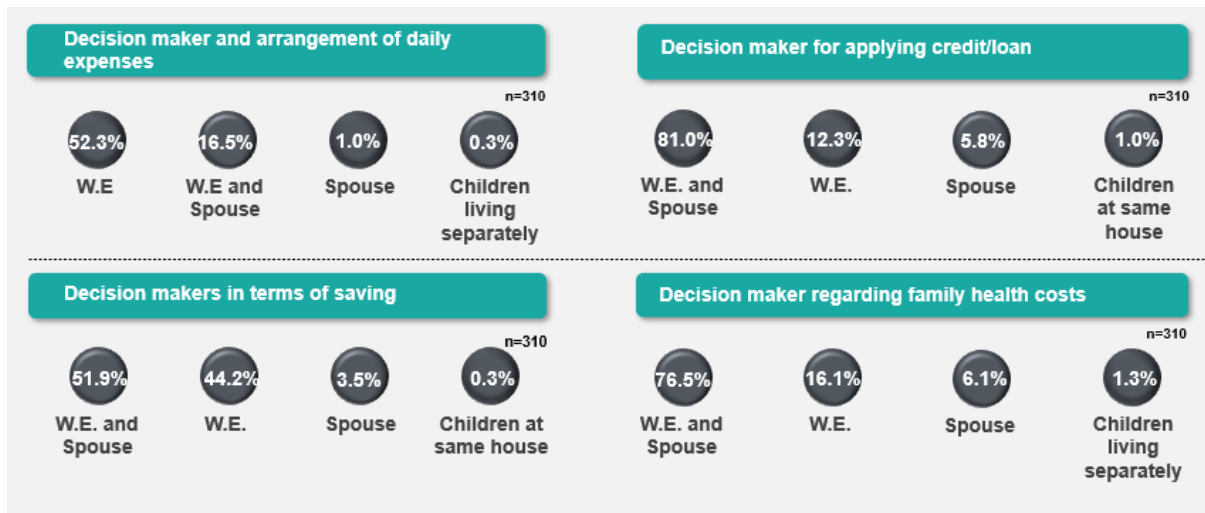


Figure 12. Household Decision Makers

Regarding decision making for household finances and daily expenses, most SWEET participants become decision-makers with a respective percentage of 85.5% and 52.3%. However, for crucial things such as children's education and the decision to apply for credit/loan (either from a formal institution, non-formal institution, or personal), the majority of SWEET participants will discuss first with the husband as the head of the family. Among the types of credit available for them, SWEET participants favor motorcycle credit as motorcycle is one of the primary transportation methods in the area. More than 100 SWEET participants own motorcycle credit.

Saving Behavior and Financial Management Behavior Impact Findings

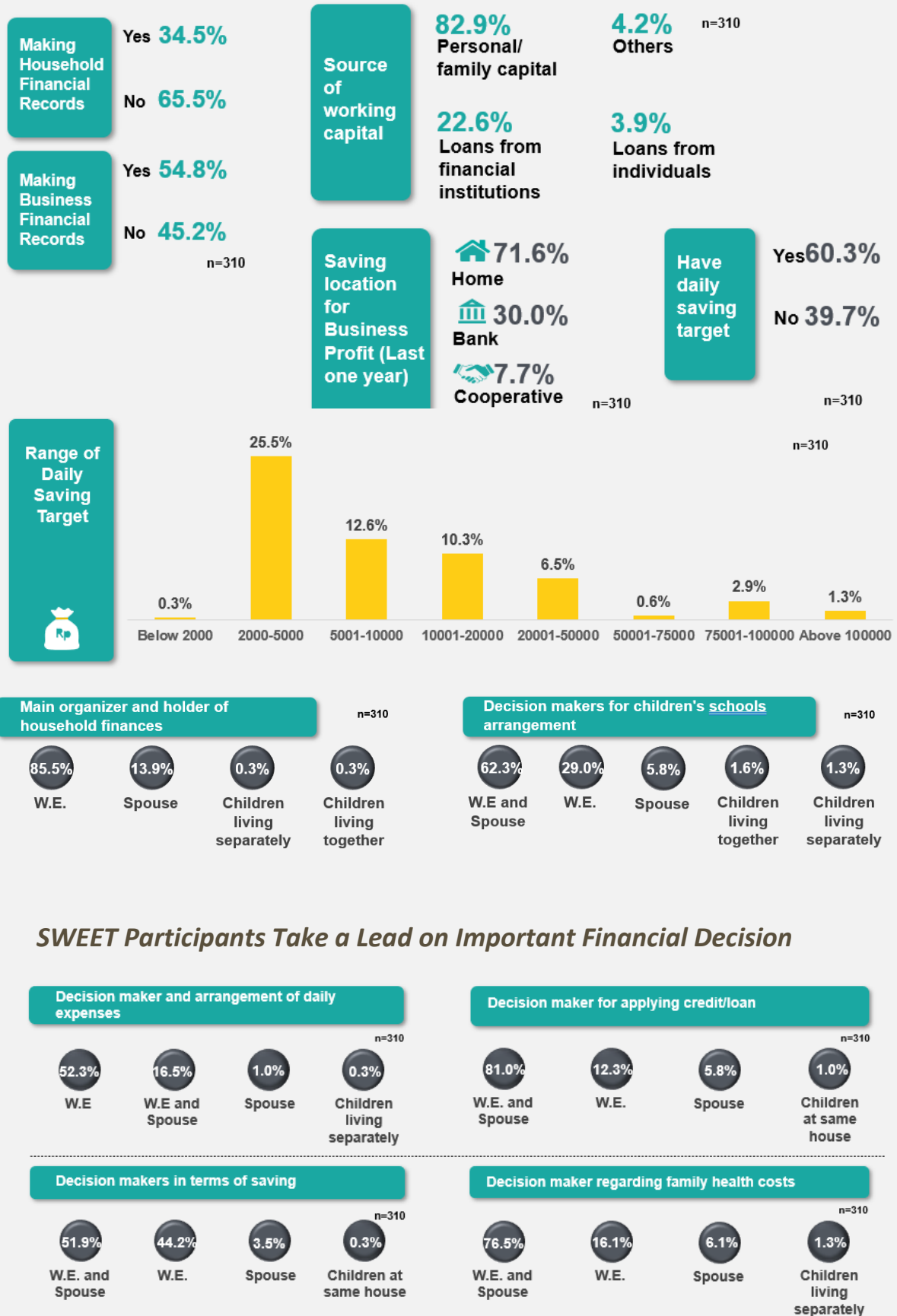


Figure 13. Saving Behavior and Financial Management Behavior Impact Finding

60% of SWEET participants have a daily saving target. From this number, most save IDR 2,000 – 5,000 per day, 12.6% save IDR 5,000 – 10,000 per day, while 10.3% save IDR 10,001 – 20,000 per day. 58% of SWEET participants in Tuban have a daily saving target, the lowest compared to Ngawi and Bojonegoro, who have a daily saving target of each 63% and 60%. The findings from the FGDs confirm that the SWEET program has a very significant impact on having the view of having consistent, daily saving, although in a small amount.

Two-third of SWEET participants are saving their business profit at home. 30% of the participants are utilizing bank services, while 7.7% are using cooperative and BMT. There are 1.6% SWEET participants who are using bank agents to save money. The findings from FGD explain that the reason is mostly that the business profit is usually also used to fulfill household needs within a certain period. The number of profits received affecting the saving preference; thus, the economic situation and COVID-19 pandemic may influence their choice in selecting the place to save money.

35% of SWEET participants do household financial records, while 65% do not do recordkeeping since they think it is easier than business records and thus unnecessary. According to their perspective, recording household finances is only necessary when they are having occasional, big-spending such as spending for family events, parties, or social gatherings. There is a necessity to record the spending separately so those irregular spending does not exceed the financial limit set for daily expenses. **The findings of the FGD explained that the need to record household finances depends on the priority of household expenditures.** For those who have set a daily limit for their spending, as long as household financial expenses do not exceed the existing financial allocation, recording household finances is not necessary.

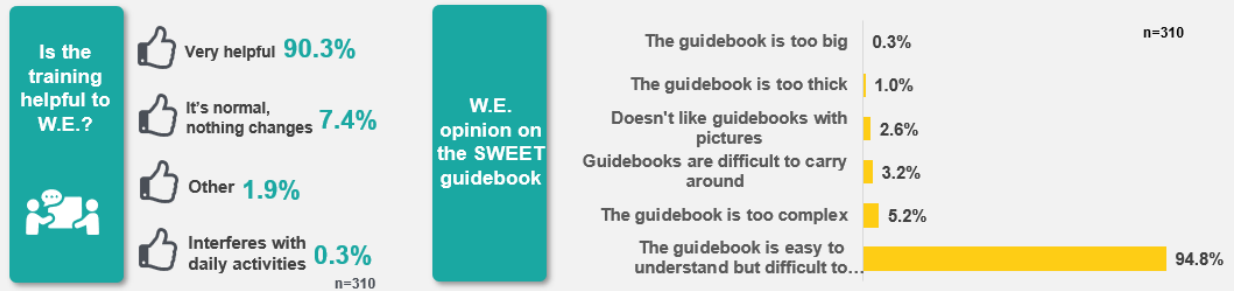
55% of SWEET participants keep business financial records even after the SWEET program ends. The findings in the FGD explained that the consistency of training participants' in recording business finances depends on the profit of the business they are doing. For those who run businesses with complicated financial components, such as a t-shirt business, a financial record requires to keeping track of their business finances is a must because they cannot manage without recording the expenses. **However, for those who run a home-based business, balancing the working capital in one day and the profits they get is doable without the need to record business finances. Recording financials is unnecessary because, in principle, the working capital they spend is not more than the profits they expensed.**

Owned business assets gave impacts on business productivity and the way SWEET participants manage their business income as a financial plan, especially for long-term saving behavior. The majority of SWEET participants (82%) started their businesses with their money and support from their husbands. The funding source indicates the awareness level of these SWEET participants, especially those who are using capital from banks and other formal institutions. **SWEET participants who start a business or develop a business by borrowing from a bank have a more structured financial allocation plan. For example, they can differentiate between the allocation of financial responsibility to pay for loans, business capital, and household needs.**

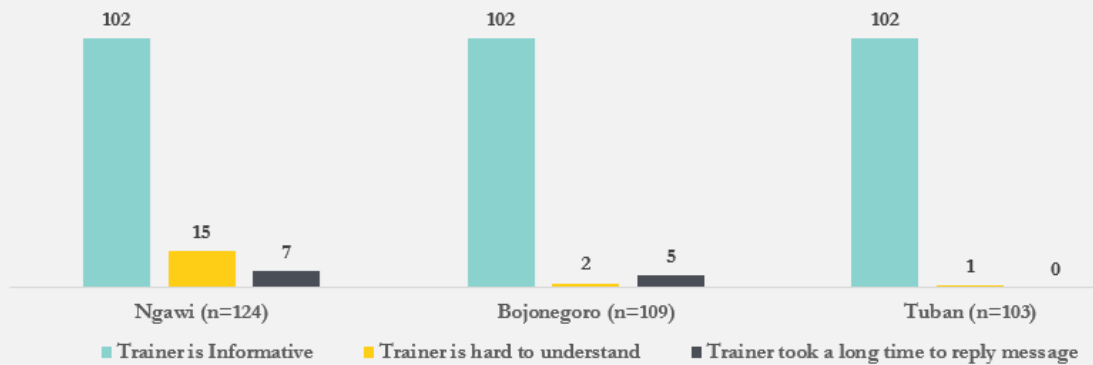
The SWEET program drives increasing gender equality in decision making for financial planning. SWEET participants take an essential role in making decisions to manage household finances, apply for loans to formal and non-formal financial services, and apply for

health insurance. SWEET participants have the initiative in making decisions about any essential financial plans in the household.

Training Material and Implementation Impact Findings

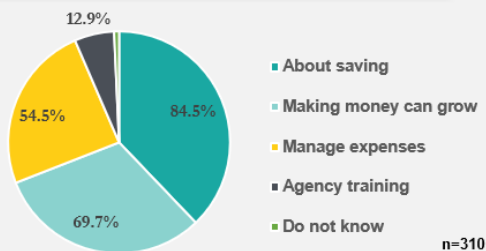


Feedback on Trainers' Performance (multiple answers)

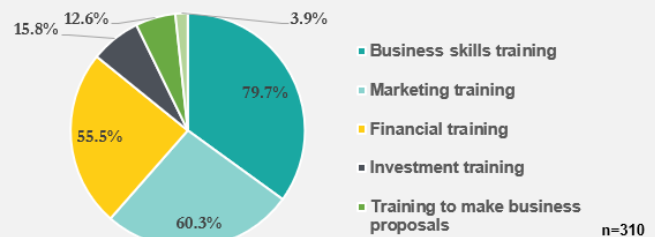


The Needs of Future Training Material for Women Entrepreneurships

Most interesting training material for W.E.



Necessary training and mentoring for W.E.



Preference of Approach and Methods Needs for Training Effectiveness

W.E. feedback on methods for an interesting training

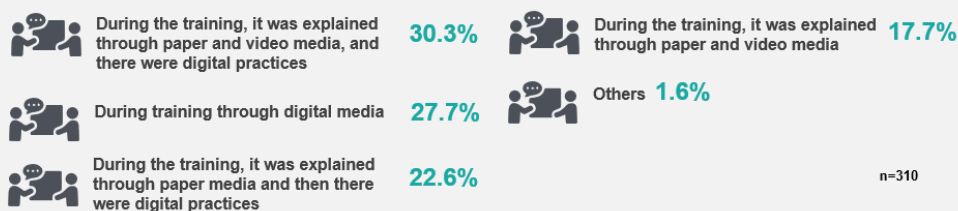


Figure 14. Training Materials and Implementation Impact Findings

The training and mentoring activities help SWEET participants, especially for maintaining daily saving and differentiate the skills in household and business financial management. SWEET participants have a strong interest in segregating their household and business financial arrangements. From some of the SWEET training materials, saving is the material that most attracts them. They commit to implementing the material despite facing several obstacles to balance their business income and household expenses. SWEET participants are allocating business profits as a financial plan to save or develop a business. Some examples are for those who run businesses with a large income — the financial plan that they mostly convey is to grow the business by investing back the business profits. The findings also confirm that SWEET participants with bank loans, especially from people business credit (*Kredit Usaha Rakyat*), are those who run large businesses.

There is no problem in understanding the materials. Putting it into practice is more challenging than the theory, however. SWEET training material is a daily practice-oriented for SWEET participants. However, the majority of the business profits for household financial needs hampered the plan of consistent saving. The findings in the FGD explained that most participants had saved money every day. SWEET participants think that they must have a large amount of money to save into formal financial services such as banks. Thus, they prefer saving every day at home, plus the impact of COVID19, which significantly affects income, making saving practices a priority for household needs.

Almost all participants in Ngawi, Bojonegoro, and Tuban think the trainers' presence helps them understand training materials. Trainers are an essential part of the SWEET program since they will help participants to understand the training module also to guide participants when they are having difficulties in training implementation. Given that participants have different educational backgrounds, a smaller percentage of participants in Ngawi have some trouble understanding the trainers while communicating. There are no findings of such issue during the FGD sessions. However, Spire thinks that other than the lower educational problem, there might be language comprehension difficulties too. Some older training participants cannot understand and speak Bahasa Indonesia well.

They would like to find more information about saving, making more profit, and managing expenses; their challenge is managing a business that can give them more profit so they can have the option to save consistently. The small-scale business character run by SWEET participants makes them need to have more plans in getting consistent saving behavior. Also, as the majority of their husbands work odd jobs, the business profits from SWEET participants are making financial contributions for household funds.

SWEET participants are thinking about business management skills (79.7%), marketing training (60.3%), and financial management training (55.5%) for the practical skills necessary to develop the business. SWEET participants think that after they have sustainable business productivity and profits, then they can have the option to allocate for other financial plans, especially savings. Business finances often run out to help with household finances, which are mostly given by their husbands. COVID-19 has also decreasing business profits. Those directly impacted have to open a different business. As a result, most of them run online businesses or do marketing using social media while maintaining primary business at home.

SWEET participants mentioned digital practice (80.6%) as parts of recommendation in training methods. The mentoring session in SWEET program is immensely helpful in gaining practical knowledge about saving and financial management. SWEET participants who have

small businesses think that they can easily digest functional materials in the training practices by using digital media.

Analysis of Saving Behavior Impact: Intersection Between High Saving Motivation and Balancing for Household Expenditure Needs

Table 5. Women Entrepreneurs Who Have Daily Saving Target

SWEET Participants	Ngawi	Bojonegoro	Tuban
Have Daily Saving Target	60%	63%	58%
Non-SWEET Participants	Ngawi	Bojonegoro	Tuban
Daily Saving Target	30%	30%	38%

On average, 60% of SWEET participants have a daily saving target, higher than non-SWEET participants at 30%. One of the purposes of SWEET program is to encourage women entrepreneurs to have a purposeful saving plan, and the initial steps to do this is to set a daily target. Although uncaptured from the quantitative survey, findings from FGD suggested that those who do not have a daily saving target will mostly have a weekly target since it is more straightforward and less frequent (thus less task) for them. **Based on this comparison, SWEET has an impact on increasing this awareness and behavior.**

Table 6. Range of Daily Saving Target for SWEET Participants

SWEET Participants Range for Daily Saving Target	Ngawi (n=64)	Bojonegoro (n=64)	Tuban (n=58)
IDR 2,000 - 5,000	50%	38%	41%
IDR 5,001 – 10,000	16%	23%	24%
IDR 10,001 – 20,000	18%	17%	16%
IDR 20,001 – 50,000	11%	9%	12%
IDR >50,000	5%	13%	7%

As mentioned above, most of SWEET participants who have a daily saving target set their daily saving range between IDR 2,000 – 5,000, in line with the module at minimum IDR 2,000. Those who have higher income save more than that, ranging from IDR 5,001 to more than IDR 50,000 per day.

Even with a slightly different spread of the saving purpose percentage below, the top three purposes for saving across three districts remain; savings for daily needs, emergency funds, and children's education. Out of the three purposes, savings for daily needs is the most novel, uncommon purpose since it is contrasting with the essential purpose of saving in SWEET concept: To save money for a specific, long-term purpose such as for Hajj, to fund for higher education for their children, home reparation, or developing their

business. Finding on saving for daily needs, when combined with results from FGD, suggest a behavioral impact of the COVID-19 situation in the three districts.

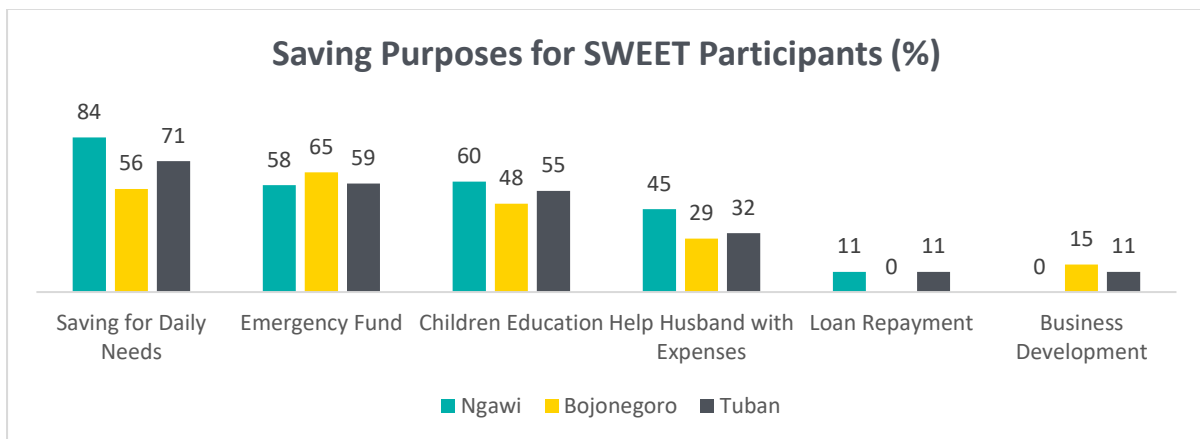


Figure 15. Saving Purposes for SWEET Participants

This paper will discuss more on saving for daily needs on the next page. However, before looking into more details on saving to understand the purposes mentioned above, it is also essential to look deeper into the reasons for these women to have and manage their businesses.

Based on FGD findings, the main reason for them to have and manage their business is to help their husbands with household finances when necessary. 66.7% of the husbands for women entrepreneurs in the three districts are working in informal sectors. As a result, the income from the husbands may also vary. However, essential spending like food, school fees, children's pocket money, and utilities are needed, and sometimes it is not always possible to scale down household spending. **Thus, the primary purpose of the businesses will always come to balance the gap between household spending and income.** Women entrepreneurs will only think about other reasons after the income/spending gap are balance.

During the last months, COVID-19 has dramatically impacted the income from the husbands and the women entrepreneurs. The decrease of purchasing power and distancing policy applied across the three districts forced these people to adjust to the situation to keep up with the household necessities. The situation does not happen exclusively to husbands from the informal sector. Some husbands from formal sectors have also lost their job, affecting the household income situation. Under this uncertain situation, the main priority for these women entrepreneurs is fulfilling the household needs. **SWEET participants, especially in Tuban and Ngawi, who have savings are currently resorting to utilizing their savings under, by their own words, this emergency.** This situation happened mostly happened to:

- SWEET participants whose husbands lost their job, thus lose the income
- SWEET participants whose husbands experienced an income reduction
- SWEET participants whose jobs are directly impacted by COVID-19, e.g., those who sell food at school areas, those who managed tourism-related business, or those who provide non-primary needs like tailors, laundry, or catering business. COVID-19 has a significant impact on these businesses since the schools are put on holiday, large scale social distancing reduces the number of tourists, and people generally limiting their spending to primary needs.

Thus, at this moment, saving for a long-term purpose has less priority compared to the struggle of closing the income and expense gap for daily needs.

The reasonings above may also serve as justification that nearly three of the top four saving purposes gauged from the survey are, basically, an emergency fund. The differences in income level, changes in household income proportion due to COVID-19, and SWEET participants' understanding of the emergency may make them choose to save for daily needs as the primary purpose for saving.

Other primary saving purposes for SWEET participants are for children's education and business development. With a significant age difference in SWEET participants' demography, it is possible to conclude that SWEET participants may have children at different stages of life. SWEET participants with adult children will not need to think about children's education since they have already passed the phase.

Story from the Field:

"BMT agents in Bojonegoro often come and visit us. They come 2-3 times a week. Other than collecting money, we also chat to share updates on each other. They are not just an agent; they are more like friends."

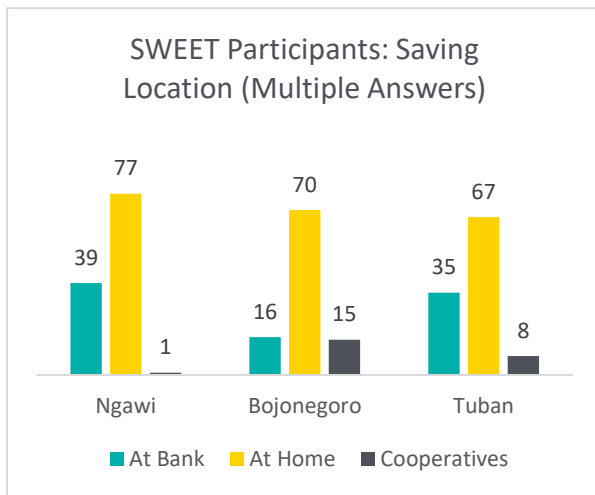
FGD respondent - Bojonegoro

Concerning business development mentioned above, FGD findings suggested that most SWEET participants see business development as another way to help with the household finances. They are considering business development as the next step to help with household finances as they equate having bigger businesses with higher income and thus better opportunity to help the husbands with household finances.

The analysis of Saving Location: Need More Proactiveness to Coax Unbanked SWEET Participants into Formal Banking Services

There is a possibility of an understanding gap between saving intended by Mercy Corps Indonesia and saving by SWEET participants. Given the wide range of the type of businesses managed by SWEET participants and the massive gap for the education level, SWEET participants may have different beliefs on their capability to expand their businesses. Some SWEET participants consider the act of saving as setting aside some money without particular purposes and reasons for doing so and think it as an emergency fund. By doing so, the "emergency fund" may become an "accessible fund" saved at home for unplanned spending such as for *Arisan*, a donation to a sick neighbor, or just for buying additional snacks for their children. In such a situation, Spire believes further education on financial literacy for these women entrepreneurs is necessary, especially to those with lower educational backgrounds.

Findings from the survey suggested that most SWEET participants are saving their money at home. Most SWEET participants are conducting their business activity at home. Thus, naturally, the first place to save money from their business is also at home. The most basic reason for this arrangement is because they do not need additional effort to save money at home.



SWEET participants who save money at home will also save money at a different location under a specific condition. After setting aside a portion of income as an accessible fund (also largely considered by SWEET participants as saving) at home, SWEET participants will look for a different place to save money for safekeeping. They are doing it because they feel unsafe to save much money at home and to avoid the desire to spend the money. The amount of this excess fund varies among the participants, although findings from FGD suggested it to be at IDR 500,000 or more.

Figure 16. SWEET Participants: Saving Location

Since the question about saving location allows for multiple answers, the graph above suggested that roughly half of SWEET participants in Tuban and Ngawi will also save money at the bank. **Statistically, Tuban and Ngawi have a higher bank utilization compared to Bojonegoro.** There are 35% and 37% of SWEET participants in Tuban and Ngawi who are utilizing bank service, while for Bojonegoro, it is 18%. The usage of cooperatives is also higher at Bojonegoro at 15% compared to Tuban at 8% and Ngawi at 2%.

The convenience level seems to be the decisive factor for SWEET participants in Bojonegoro to utilizing BMT service. The effort to maintain a relationship from BMT agents in Bojonegoro also cultivates friendship and loyalty between SWEET participants and BMT agents.

Story from the field:

“At my children’s school, there is a student saving program. I usually save money there every day when I pick them from school.”

FGD respondent - Tuban

Meanwhile, in Tuban, W.E. with younger children who utilize bank services, also uses school savings. There are several reasons for this: Firstly, it is related to their children's education. As such, there is a higher level of obligation compared to other saving location. Secondly, there are no additional tasks involved. The school saving project involves parents to go to school to deposit the money or to entrust the money to the children. Thirdly, W.E. considers school saving as a similar product with bank agent as there is also no administration fees involved. Thus, with similar product features, they think it is more convenient for them to save at school since they will often go to school to pick their children anyway.

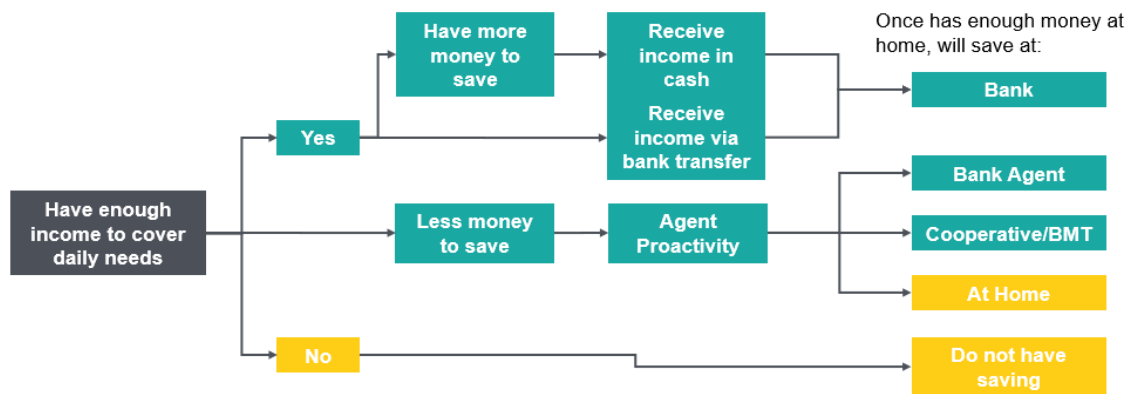


Figure 17. Reasons and Factors for Selecting Saving Location

Bank agents have a low adoption rate among SWEET participants due to bankable participants and the use of cooperatives/BMT. The initial idea of SWEET program is to facilitate the bank agent as a saving provider to accommodate the access and information for the unbanked participants. Nevertheless, only 5 out of 310 SWEET participants across all areas (2 in Ngawi, 2 in Bojonegoro, and 1 in Tuban) are using the bank agent services. Upon a more in-depth analysis, a total of 90 SWEET participants (29%) are using bank services, and 24 SWEET participants (8%) are using cooperatives and BMT services. Findings from the FGD suggested that participants who are using bank and cooperative services are unlikely to use bank agent services due to several reasons:

Table 7. Reasons for Current Bank and Cooperative Users for Not Using Bank Agents

Current Bank Users	Current Cooperative/BMT Users
1. Banks are safer than bank agents	1. No service differentiation
2. Accessible via ATM and mobile banking, no need to go to banks	2. Have a close relationship with cooperative staff
3. No necessity to add more saving place	3. Cooperative staff often visit, 2-3 times a week

Story from the field

"I don't want to bother the bank agent to come and pick my saving since it is not much money. I feel like bothering him if he came just for me, so I contact my friends and ask them to save with the same agent as well. They will give their money to me and I will then call the agent."

FGD Respondent- Ngawi

SWEET participants who have not utilized bank or cooperative services are those with lower income, and they lack the confidence to proactively utilizing bank agent services.

As explained above, SWEET participants will look for additional places to save when they feel unsafe to keep a large amount of money (IDR 500,000 or more) at home. However, they do not always have more than that amount. From the daily saving target above, approximately 60% of SWEET participants have up to IDR 300,000 monthly savings or IDR 75,000 per week. FGD findings suggested

that bank agents do not always live nearby, and SWEET participants hesitate to ask the agents to come and collect the money since they feel the amount is too small to worth the agents' effort.

This finding is in line with data from interviews with agents, where the average money saved by W.E. is at IDR 100,001 or more for about half of surveyed agents (20 out of 44). 20% of the agents received IDR 50,000 – 100,000 per saving transaction, while there is only one agent who receives less than IDR 10,000 per saving transaction.

Some SWEET participants have a solution to this situation by going to the agents' home to deliver their savings or by collecting savings from several people before contacting the agent. However, it is more like an exception instead of a norm.

Analysis of Low Formal Banking Adoption: Lower Education Level and Nature of Business Create Barriers to the Usage of Formal Saving Products

The educational level for SWEET participants varies. Across the three districts, 17.1% graduated from elementary school, 34.2% graduated from junior high school, 35.2% graduated from high school, and 11.3% graduated from a diploma or bachelor level.

The difference in education level played a direct role in the adaptation of formal financial services.

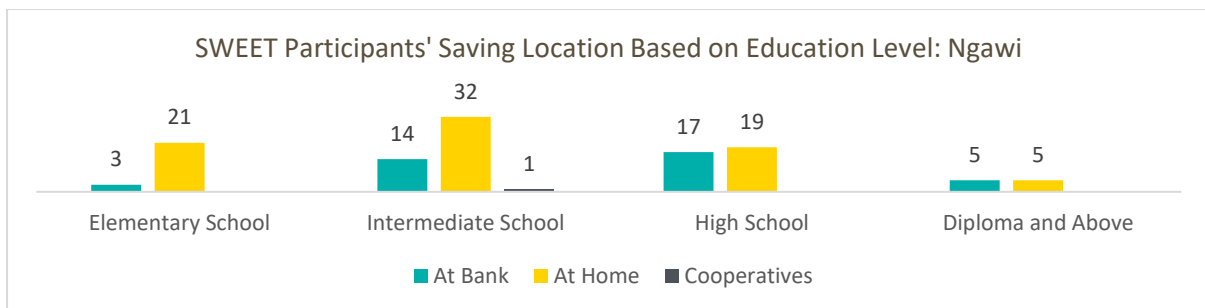


Figure 18. SWEET Participants' Saving Location Based on Education Level: Ngawi

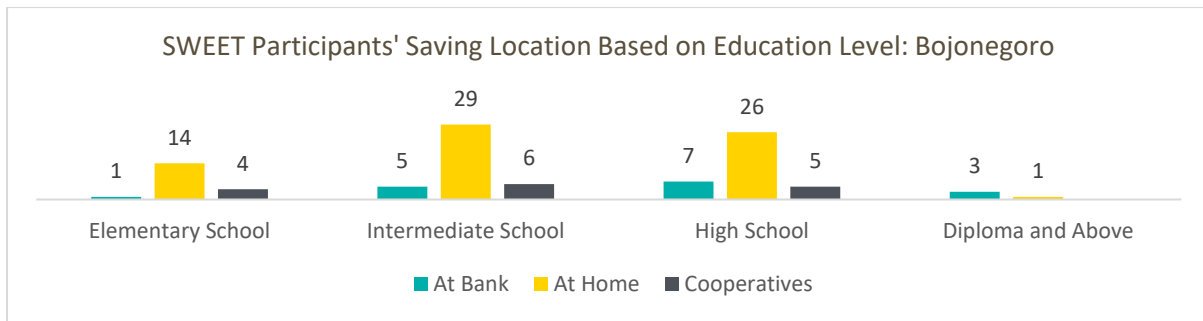


Figure 19. SWEET Participants' Saving Location Based on Education Level: Bojonegoro

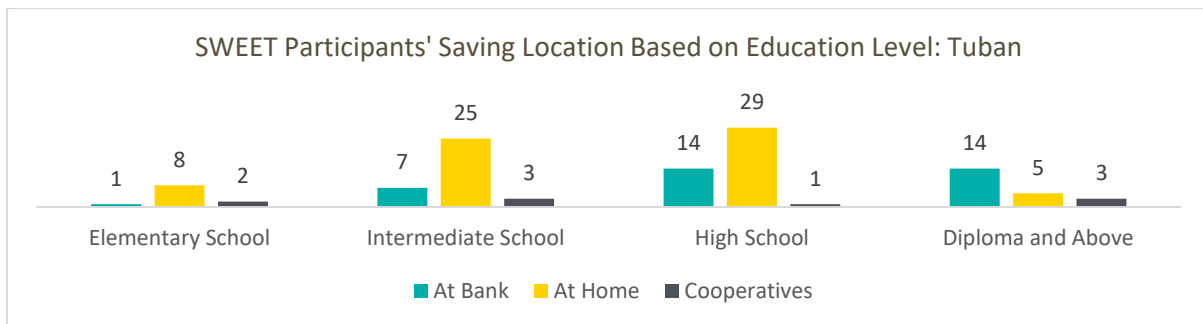


Figure 20. SWEET Participants' Saving Location Based on Education Level: Tuban

By disregarding Bojonegoro, which has lower bank usage, SWEET participants at Ngawi and Tuban who finished high school and above are more likely to use bank services. Admittedly, education level might not be the only factor to determine saving location. There is an indication of another supporting factor, such as income level. Other factors, such as age and type of business, do not provide a noticeable difference.

Other than that, internal factors from the business are also impacting saving location. As it is, income from businesses always circulates for various needs. Up to a certain level, it is more convenient to save money at home. The income level and pattern for SWEET participants are vastly different. Although most SWEET participants have small grocery stalls (22.9%) and food/drink stalls (29.4%) with business revenue between IDR 500,000 – 4 million rupiah, there is also 1% of SWEET participants who sells farming products and have up to IDR 30 million revenue per month. SWEET participants may decide on their saving location by considering multiple factors:

1. **Daily revenue.** Under the particular situation, such as businesses which have smaller income, like small grocery stalls, tailor, or snack stalls, SWEET participants will not consider formal saving products as a saving choice and choose to save money at home.
2. **Income allocation.** As explained above, SWEET participants' main reason for managing a business is to help their husbands with household expenses. Despite working in the informal sector, the husbands may not always give money to their wives every day. In many cases, SWEET participants will allocate income from their husbands for monthly fixed expenses with such as utility bills and children's school fees. On the other hand, they will allocate income from their business into daily or weekly transactions: meal spending, children's daily pocket money, or regular social gatherings (*arisan*).
3. **Frequency and value of stocks.** Different types of businesses have different frequencies and amount for restocking. Food and Beverage (F&B) business will need daily restocking while the other, such as hair salons or tailors, will need weekly to

monthly restocking. A small business with daily restocking frequency will prefer saving money at home. In contrast, a small business with weekly to monthly restocking may choose to save money at banks or cooperatives for safety.

4. **Adequate knowledge of saving products.** SWEET participants who already have savings accounts at the banks and have access and information about saving products are more likely to utilize the services at the banks since they already have bank accounts.
5. **Additional services to support saving.** SWEET participants considered going to banks as a tedious experience. ATM cash deposit and mobile banking help them to access banking services without going to the banks.

Bank agents could play an empowering role in promoting formal saving products. Change of pattern due to COVID-19 is a possibility; lack of incentive is another. In SWEET's initial design, the bank agent is a part of the saving ecosystem to promote saving habits for SWEET participants. In doing so, the hypothesis is to have bank agents visiting SWEET participants to collect money. However, in practice, this hypothesis does not always take place. There are several reasons for this situation:

1. Bank agents do not visit SWEET participants due to their business nature. E.g., cannot leave their business place to go around.
2. Bank agents do not visit SWEET participants due to location. Bank agents live too far from designated SWEET participants.
3. Bank agents do not visit SWEET participants due to worry of COVID-19 situation.

The second point on the participants' location may become problematic since bank agents do not receive an incentive to cover their transportation costs. Currently, bank agents only receive an incentive for successful transactions. Given the situation, bank agents may need to calculate their traveling distance and cost to maintain the profit they receive from the transactions.

Analysis of Financial Management Impact: The Familiarity of Daily Habit

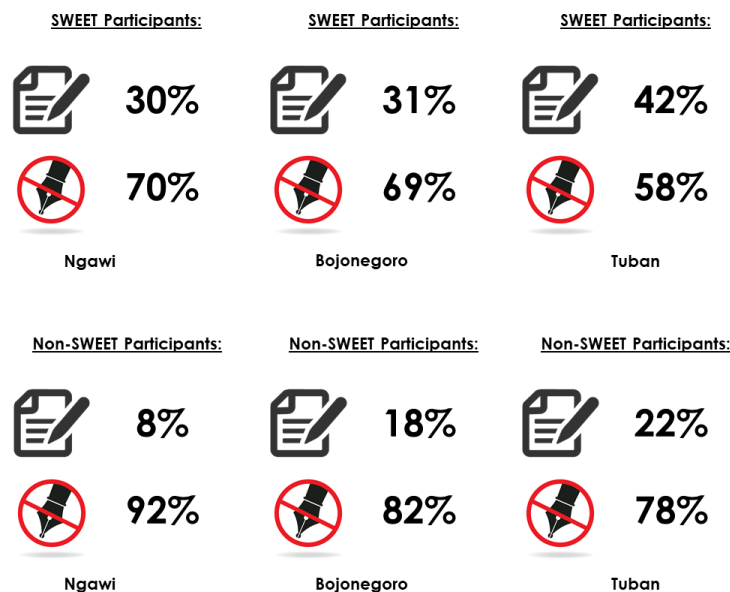


Figure 21. SWEET Participants and Non-SWEET Participants: Household Financial Records

More than 30% of SWEET participants on all districts record their daily household while up to 20% of non-SWEET participants record their daily household spending. Among these numbers, more than 70% of SWEET participants write it on a separate book while the rest of 30% write it on various mediums, from a used paper, SWEET module, or at the back of a calendar. When being compared with non-SWEET participants, more SWEET participants record their household financial transactions. On average, SWEET participants are two times more likely to record their household transactions (30% vs 8% in Ngawi, 31% vs 18% in Bojonegoro, and 42% vs 22% in Tuban) compared to non-SWEET participants.

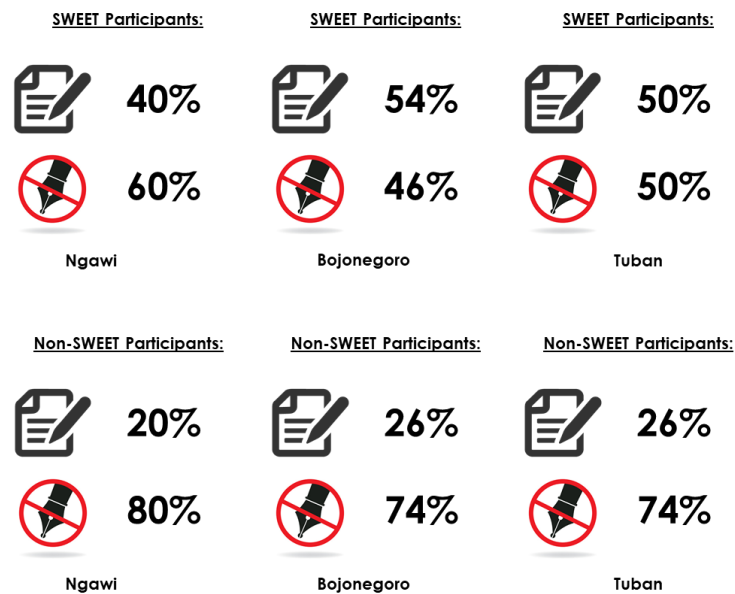


Figure 22. SWEET Participants and Non-SWEET Participants: Business Financial Records

SWEET participants are keener to record financial transactions for their businesses. The % is higher than non-SWEET participants at 20% in Ngawi, 26% in Bojonegoro, and 26% in Tuban. On average, SWEET participants are also two times more likely to record their business financial transactions (40% vs 20% in Ngawi, 54% vs 26% in Bojonegoro, and 50% vs 26% in Tuban) compared to non-SWEET participants.

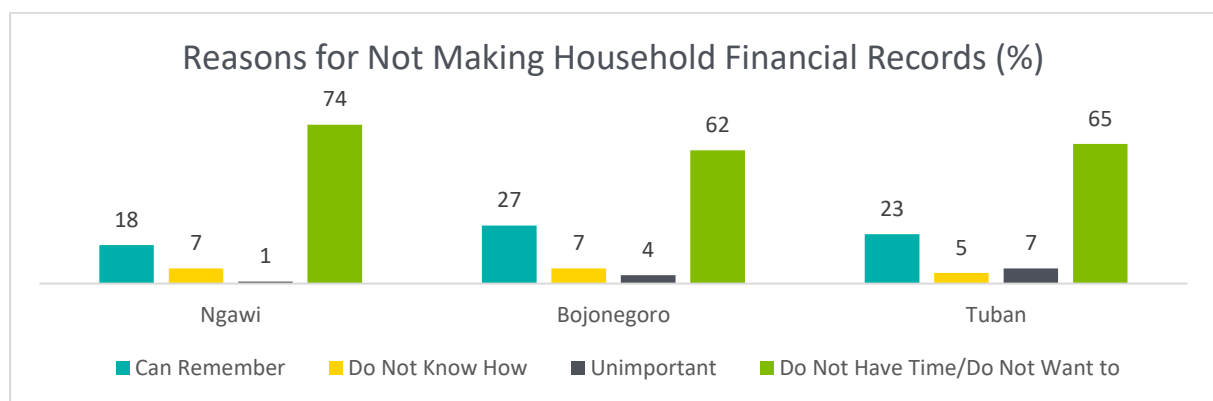


Figure 23. Reasons for Not Making Household Financial Records (%)

Limited time and self-motivation to record household financial records and lack of understanding of the importance of keeping household financial records are the main barriers for SWEET participants. There are various external factors for SWEET participants not to save money. However, the reasons for them not keeping household financial records

are mostly internal factors. Most SWEET participants across three districts (74% in Ngawi, 62% in Bojonegoro, and 65% in Tuban) cite a lack of time and unwillingness to record their household financial expenses. The ability to remember their daily household transactions is the second most significant reason for not recording household financial transactions at 18%, 27%, and 23% in Ngawi, Bojonegoro, and Tuban.

SWEET participants have a better understanding of the importance of saving money even though they cannot always do it. However, they seem to have a limited understanding capacity on the importance of keeping financial records. This lack of comprehension may impact their willingness to practice it. Keeping financial records are arguably a tedious task for SWEET participants. Although 2/3 of SWEET participants named do not have time as the reason for not keeping records of household financial transactions, they also elaborate on the reasoning behind the answer during the FGD sessions.

Many SWEET participants limit their daily spending to manage their spending. They consider the current method to be sufficient for their needs and are reluctant to change their current way of doing things. They perceive this method of keeping daily records as more complicated and time-consuming. Another reason for the lack of passion for keeping household financial records is the task repetition. SWEET participants will always buy food or give pocket money to their children every day, and they considered making similar entries every day to be a too repetitive task. Findings from FGD also suggested that SWEET participants are keeping household financial training during SWEET program. **However, since it is a new activity and has not become a habit for them yet, they can easily neglect to do it when they feel overwhelmed by other tasks.** For example, during the harvesting season, the level of activity for these SWEET participants will increase to help their husbands with the harvesting tasks. They may not record financial transactions.

COVID-19 may impact another reason for not recording household financial transactions. Although not quantified, many SWEET participants reported a decrease in income under this pandemic situation. As elaborated on the saving sections above, when the spending became higher than the income, SWEET participants may have to use some of their savings to fulfill their daily needs, including grocery shopping. Under the situation, **SWEET participants may feel reluctant to record their household spending since, by doing so, they are facing the reality that they are spending more money than they received.** Some people do not want to worry about this situation; thus, they avoid recording the transactions. Since the recording habit has not formed yet, there is less possibility that they will start recording again once the pandemic ends.

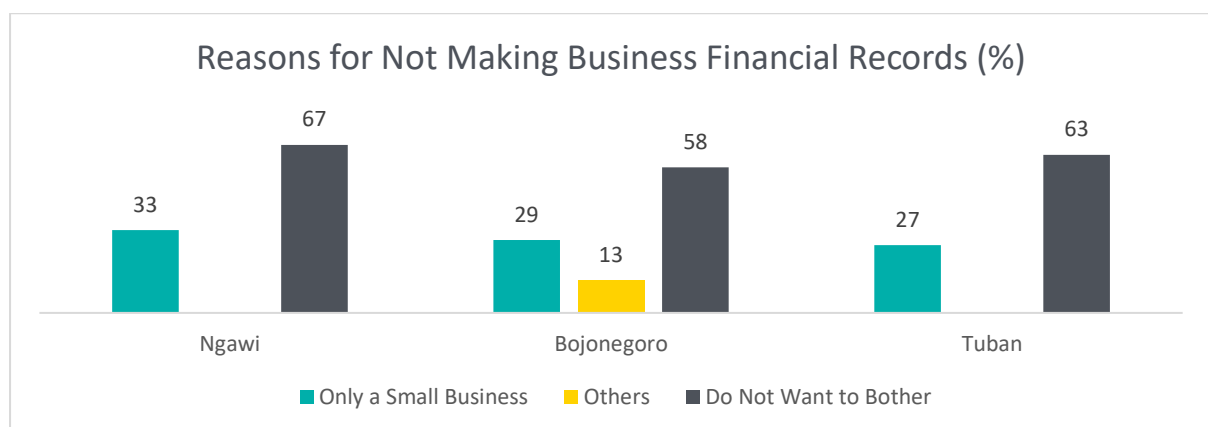


Figure 24. Reasons for Not Making Business Financial Records (%)

Reasonings for not making business financial records are similar to household records. 67% of SWEET participants in Ngawi, 58% of SWEET participants in Bojonegoro, and 63% of SWEET participants in Tuban are either do not have time or unwilling to make business financial transactions. As much as 33% of SWEET participants in Ngawi, 29% of SWEET participants in Bojonegoro, and 27% of SWEET participants in Tuban think business financial records are unnecessary because their business is just a small one. The length of the business period may also play a role here. Those who have operated their businesses for a long time (more than five years) may not think of business financial records as an essential thing because they are well-versed in managing the business.

Although there is a higher percentage of SWEET entrepreneurs who make business financial records, it is also harder for some of them to have one, e.g., grocery stalls. SWEET participants who own grocery stalls face difficulties in recording financial records because there are so many items to be listed. Also, usually, there is more than one person who manages the grocery stalls as SWEET participants may ask for help from other family members to take care of the kiosk for a short time. Under the circumstances, they may be the only ones who keep the record, but the other may not. The discrepancy may confuse them as there will be missing, unrecorded items.

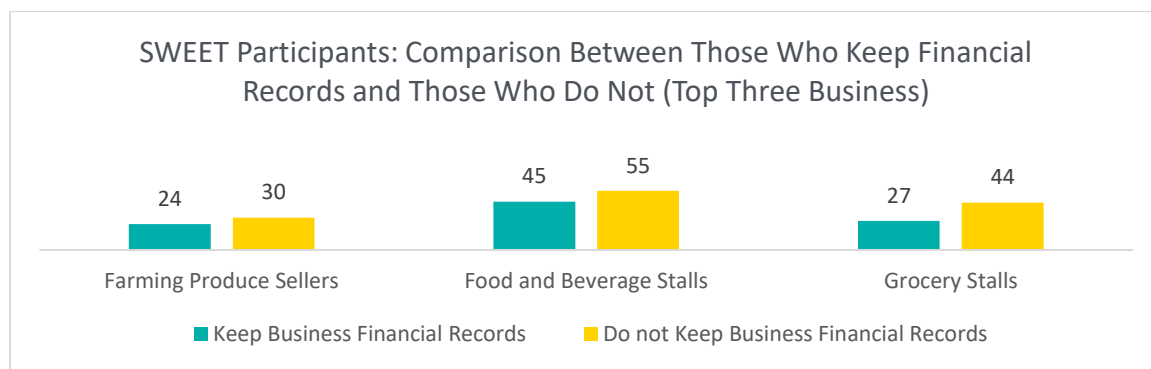


Figure 25. SWEET Participants: Comparison Between Those Who Keep Financial Records and Those Who Do Not (Top Three Business)

Most SWEET participants record their business financial records on a separate book their household financial records (if they also make it). 91% of SWEET participants in Ngawi, 73% of SWEET participants in Bojonegoro, and 78% of SWEET participants in Tuban record it in a separate book, while 5% of SWEET participants in Ngawi, 21% of SWEET participants in Bojonegoro, and 15% of SWEET participants in Tuban, record it on an ex paper.

The usage of ex-paper for writing a business financial record is prevalent in grocery stalls or other businesses that involve SWEET participants giving loans to their buyers.

There are two primary reasons for this:

1. Grocery stalls get many packaging papers while restocking their products. Instead of letting it into waste, they will cut the papers into smaller pieces and use it to record their financial transactions.
2. Using ex paper will also help them to group the spending and accounts receivable for easier access. They can easily tear the ex-paper after paying the salesperson or receiving payment from their buyers.

Also, SWEET participants may record different things on their business financial records based on the type of business.

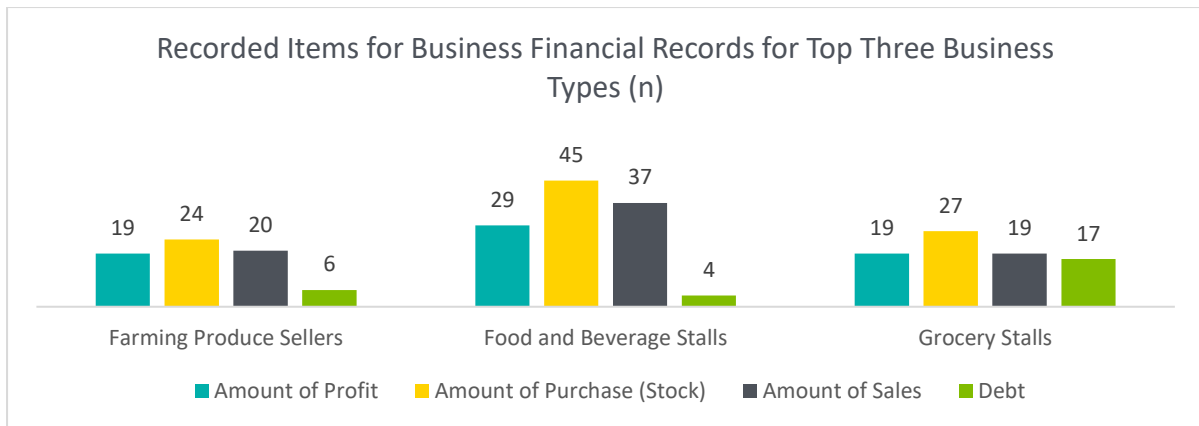


Figure 26. Recorded Items for Business Financial Records for Top Three Business Types

As mentioned in the previous paragraph, entrepreneurs who have grocery stalls may find it easier to use ex paper since they deal with higher occurrences of late payment from their buyers, and they need to remember the amount. **However, there are similarities across the top three businesses mostly used by SWEET entrepreneurs.** Despite having different numbers of people for each profession, the goods purchase is the first thing recorded by SWEET entrepreneurs who sell goods. It happens since they will need to remember how much they should pay for the supplier (if it is unpaid yet) and also calculate the selling price to the customers.

Gap Analysis for SWEET Program: **SWOT Analysis**

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> • 60% of SWEET participants have daily saving target, compared to 30% in non-SWEET participants • Source of working capital define the capacity to structurally planning their financial allocation • MCI can maintain a good relationship with training participants across the three districts • MCI has trainers to mentor participants during the program duration • The SWEET program teaches beneficial knowledge for the participants 	<ul style="list-style-type: none"> • In 3 out of 4 categories, W.E. made the decision after discussion with their spouse • The gap between age and education background in one training group is too broad • Training duration is not enough to form a lasting habit

OPPORTUNITY

- 54.8% of SWEET participants found that making business record/expenses are useful
- 79.7% of SWEET participants are interested in business skill training, 60.3% are interested in marketing training, while 55.5% are interested in financial management training
- Should MCI plans to give business skill training, can deliver resilient skill training to withstand an emergency
- 75.7% SWEET participants are interested in digital media usage as training materials while 52.9% are interested in digital practices during training
- The SWEET program can capture/involve W.E.'s spouse to get their perspective
- MCI can provide further education on financial literacy for W.E. with lower education backgrounds
- MCI can involve local people with enough knowledge as trainers
- MCI can train some SWEET participants as bank agents
- MCI can involve bank agents who live in nearby areas, disregarding the bank they represent

THREAT

- 94.8% found the training module is easy to understand but challenging to implement
- An abrupt event like COVID-19 pandemic can change all of the priorities in saving purposes, priorities of expense, and allocation
- Approximately 50% of SWEET participants did not see the benefit of recording household expenses
- Only 1.6% of SWEET participants utilizing bank agents for savings
- Bank agent is less popular than BMT because BMT staff usually do household pickup
- Income decrease during COVID-19
- There is a lack of commitment and discipline from the participants

STRENGTH

Source of working capital define the capacity to structurally planning their financial allocation. W.E. who sourced their working capital from loan are better at planning their income allocation and spendings as they need to consider their installment.

The SWEET program teaches beneficial knowledge for the participants. Saving and tracking both personal and business transactional records are necessary for W.E. to balancing their finance and improving their business. Nevertheless, sometimes they do not know how to start doing it.

MCI can maintain a good relationship with training participants across the three districts. The research team had difficulties in reaching SWEET participants during fieldwork due to phone number change. Due to the close relationship between the MCI team and the

SWEET participants, the MCI team can track the new phone numbers and give prior notification to build trust between SWEET participants and the survey team.

MCI has trainers to mentor participants during the program duration. Saving and making a financial statement may become challenging when people just started. With mentoring, SWEET participants will have people to ask when they faced difficulties. Almost all SWEET participants think trainers are useful to help them understand training materials.

WEAKNESS

In 3 out of 4 categories, W.E. made the decision after discussion with their spouse. W.E. can decide on household and business spending, but they need to discuss savings amount, health expenses, and taking a loan. Banks will also require spouse approval for loan application.

The gap between age and education background in one training group is too broad. In one group, there are participants from 20-55 years old. Also, some participants graduated from elementary school, and the others are from high school and university. The difference may affect the participants' ability to absorb the information given by the trainers. Going too basic to accommodate participants with the lower educational background may bore those with higher education, while going too advanced may cause a lack of understanding for those with lower educational background.

Training duration is not enough to form a sustainable behavioural change. SWEET participants regularly do saving and making financial records, but some do not do it anymore for multiple reasons. It means the participants still need guidance from external parties to keep them motivated to have savings or make financial records.

OPPORTUNITY

Should MCI plans to give business skill training, can give a resilient skill training to withstand emergency situation. The pandemic gives experience on emergency situation and raise awareness on the importance of having saving. Some W.E. are unable to continue their business and experience lower income through the situation and cannot find other things to do to increase the income.

SWEET program can capture/involve W.E.'s spouse to get their perspective. Decision making process for important issue will involve the spouse, thus capturing the spouse opinion can give more ideas on empowering W.E.

MCI can involve local people with enough knowledge as trainers. No training will last forever. However, participants may need a longer time to promote behavioral change in the participants. Some non-SWEET participants in the areas are not involved in SWEET. If possible, recruiting these people may motivate SWEET participants to have savings and record financial transactions even after the training ends since the local people will still be there. Other considerations for the recruitment are gender since the training participants are all women and on religious beliefs, based on local conditions.

MCI can train some participants as bank agents. Some of the problems faced by SWEET participants are being shy to save money in a small amount, especially when the agent does not live nearby. By having one of their peers as a bank agent, hopefully, they will feel less shy because they have known the bank agent. If possible, bank agents also need to have transportation incentives to encourage them to go around more often and expand their reach.

MCI can involve bank agents who live in nearby areas, disregarding the bank they represent. Location is one of the essential things since it relates to access. Close location is also easier for bank agents as they do not have to spend lots of effort and resources to go around and to meet people.

MCI can provide further education on financial literacy for W.E. with lower education backgrounds. Further education may lessen the financial literacy gap and assist with higher understanding and ability to practice the material.

THREAT

94.8% of SWEET participants find that the training module is easy to understand but impractical to implement. The majority of SWEET participants find that making financial records is a difficult thing to do. Most are not doing it since they are unable to see the benefit. They are also currently experiencing an income decrease, making it hard for them to save money.

Only 1.6% of SWEET participants are utilizing bank agents for savings. Most W.E. did not engage the bank agents to save money for multiple reasons: From saving money at other places, i.e. in the bank and BMT, to being too shy to request the service for the bank agent.

Bank agent is less popular than BMT because BMT staff can do the household pickup. BMT staff go around and receive incentives to do so, unlike the bank agent. The differences in the approach caused people to prefer to engage in BMT service instead.

An abrupt event like COVID-19 pandemic can change all of the priorities in saving purposes, priorities and allocation. Income decrease forced W.E. to shift current saving or their saving allocation to daily needs instead.

Income decrease during COVID-19. Economic contraction during COVID-19 also affects people across the three districts, resulting in loss of jobs and income. Under such a situation, the SWEET participants will have a more challenging time to save money, as their priority has switched to fulfilling the household needs.

There is a lack of commitment and discipline from the participants. The SWEET participants' data from MCI and the survey team's experience during the approach suggest a lack of commitment to the program and discipline. These attitudes demonstrated by the number of participants who only attended once or twice before dropping out of the program and some participants' inability to keep the agreed interview schedule.



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