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Impact Assessment of Financial Literacy Programme Undertaken by ITC's Social Investments Programmes in Madhya Pradesh.



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Impact Assessment Report of ITC's MSK Financial Literacy Programme in Madhya Pradesh

About the project

ITC Limited under its Social Investments Programme, 'Mission Sunehra Kal' undertook a financial literacy project with NCHSE as the project implementing agency in partnership with the Madhya Pradesh State Rural Livelihoods Mission (MPSRLM) which works to revive and nurture Self-Help Groups (SHGs). ITC Limited and NCHSE worked together to bolster the capabilities of the MP-SRLM and improve access to financial literacy, financial services, and government schemes.

The central aim of this partnership is to drive financial literacy and inclusion among women SHG members in a cascade approach. The collaboration revolves around two primary initiatives: Financial Literacy Programme and the inclusion through Yojana Sakhi Programme. At the core of this endeavour lies the principle of creating an 'enabling environment' conducive to nurturing robust financial behaviours and practices among women Self-Help Groups (SHGs). Through these initiatives, the partnership seeks to equip women with the necessary knowledge and resources to bolster their financial inclusion, thereby empowering them to make informed decisions and secure their financial futures.

The modus operandi of the programme has been to provide training at the SHG level by the Financial Literacy Community Resource Persons (FL-CRP) who were also chosen from among the SHGs in a village. The FL-CRPs were trained and equipped with resources to further train the SHG members in the village.

Objectives and scope of work

Within the current impact evaluation, the key objectives are to:

- 1) Assess the positive and negative impacts of the programme on social and economic aspects
- 2) Identify the key stakeholders who have been impacted by the programme
- 3) Evaluate the effectiveness of the programme in achieving its intended outcomes and also identify its unintended outcomes
- 4) Provide recommendations to improve the programme for enhancing impact

Research methodology

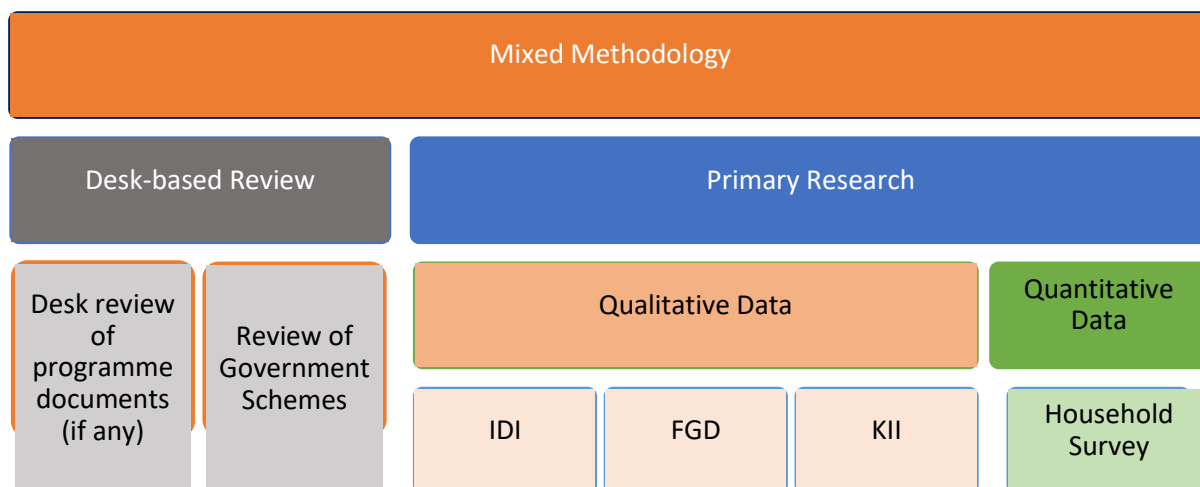
We used the **OECD-DAC criteria of relevance, effectiveness, efficiency, sustainability, innovativeness and impact** as the guiding framework for this assessment study. The OECD DAC Network on Development Evaluation (EvalNet) has defined six evaluation criteria for the impact assessment of a programme.

We used a quasi-experimental design using a **mixed-method methodology** to capture the impact of programme activities on the beneficiaries.

The quasi-experimental design allows a comparison between the changes in outcomes over time between the beneficiary group and the comparison group (**difference-in-difference method**). For the analysis, the data collected for the identified indicators has been compared with the data before 2021-22 (pre programme situation) and the 2023-24 period (post programme) situation. The data for the beneficiaries is also compared against the comparison group to identify the impact created by the programme.

The primary research included a quantitative household survey using a structured questionnaire schedule (for each of the themes) administered to the beneficiaries and qualitative in-depth

interviews to get insights from the key informants and beneficiaries. Qualitative Analysis was conducted using In-depth Interviews (IDI), Focused Group Discussions (FGD), Key Informant Interviews



(KII) with relevant stakeholders of the programme and identifying Case Studies to narrate the stories of changes that happened based on the programme’s interventions.

Study sampling

We used a one sample sampling formula to arrive at the sample size for the different group of respondents. The sample size calculation has been done basis the following: Confidence Interval: 95%, Margin of error: 3%, Population portion: 50%

We used PPS (population proportion to size) concept to decide the sample for each district. The control sample was taken as half of the project sample.

Project group: The respondents for the project group comprised of women who are part of SHGs covered under the programme. Villages were the primary sampling unit from where 15-20 SHG members who are part of the programme were randomly selected.

Comparison/Control group: The respondents from comparison group were randomly selected from SHGs from those villages which were not covered under the programme. To identify such villages, BIRD took help from the ITC team and NCHSE team. The team apprised of the non-intervention villages, and accordingly the selection was done for the purpose of household survey.

The detailed sample distribution plan is tabled below:

District	Beneficiary/ HH Covered	Proportion	Proposed Project Sample	Proposed Control Sample
Datia	11,142	0.20	212	106
Katni	22,400	0.41	425	213
Dhar	21,222	0.39	403	202
Total	54,764		1,040	520
Cumulative			Total	1,560

Description of the respondents – A sample of 15-20 participants was taken from every village identified for the study.

1) For the project group the respondents were SHG members in the programme or intervention villages, and

2) In the comparison/control group, the respondents were SHG members from the non-intervention villages. The non-intervention villages were taken from blocks (please refer to the annexure for details) in the same district which were not covered through the intervention.

The project group comprises members of SHGs who were a part of the interventions. To select these, we randomly selected the intervention blocks in the three districts. From these randomly selected intervention blocks, we randomly selected the intervention villages. The list of villages was provided by the ITC grassroots team. These intervention villages were the primary sampling units. In each village, we then randomly selected 15-20 SHG members who had undergone the training (secondary sampling units).

The comparison/control group comprises randomly selected SHG members from villages which were not covered by the intervention. To identify such villages, we took help from the ITC team and NCHSE team. The team apprised us of the non-intervention villages. In these randomly selected comparison villages, we selected SHG members for the household survey purpose.

Covered sample from the field

The detailed location wise sampling was done through random stratification methodology, wherein, the district is sampled into blocks and further into villages.

Quantitative samples covered

District	Number of blocks	Number of villages		Number of households		Total households
		Intervention	Comparison	Intervention	Comparison	
Datia	2	13	7	233	118	351
Katni	4	30	10	508	199	707
Dhar	4	25	14	400	200	600
Total	10	68	31	1,141	517	1,658

Qualitative samples covered

District	Project					Comparison
	FGD	Yojana Sakhi/ FL-CRP	MP-SRLM Staff	Programme team	Bank Official	FGD
Datia	3	2	2	1	1	1
Katni	3	3	2	1	1	1
Dhar	3	3	2	1	1	1
Total	9	8	6	3	3	3
Cumulative	29					3

Limitation

Limitation of the study is that there is a chance of a shadow effect of the the project group on the comparison group as the intervention villages are closely located. There is a possibility that the adoption of Financial Literacy trainings has happened in the comparison group as well because ITC has trained Village organisations, Supervisors and Block level resources who handle both the project group and comparison group SHGs.

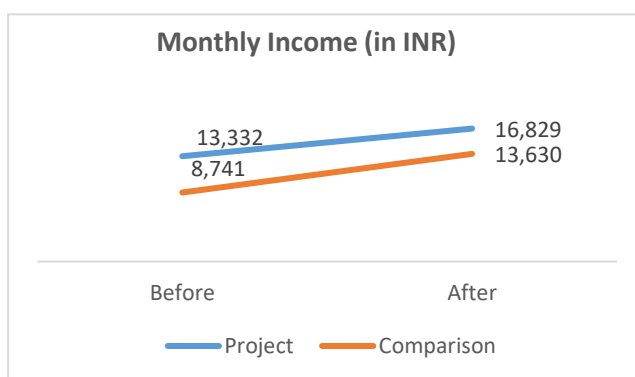
Findings and Discussions

In this section, the different modules of training were assessed separately. The following section presents key findings of the impact assessment of the ITC's project of the Financial Literacy programme and the Yojana Sakhi programme.

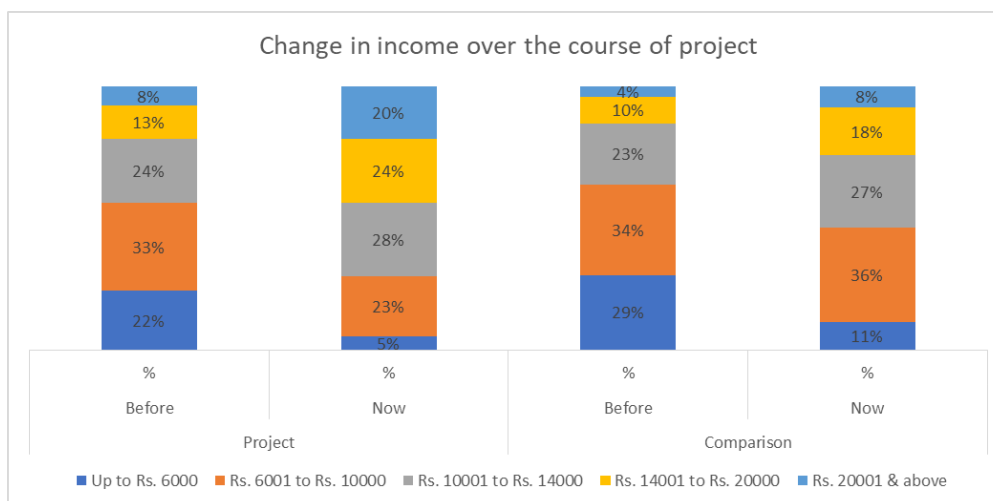
Income and Expenditure

Income: The average monthly income for the project group is (INR 16,829/-) which is 23% higher than that of the comparison group (INR 13,630/-).

The project group earns 15% more from agriculture, and 40% more from animal husbandry, and 29% more from business than the comparison group. This could be due to the loans availed from the SHGs that have been invested back in the livelihood activities.



There has been a significant decline in the percentage of respondents earning in the lowest bracket, of up to INR 6,000/-, evident in both the project areas (from 22% to 5%) and the comparison areas (from 29% to 11%). Notably, the decrease was more pronounced in the project areas.



There's been a noticeable increase in higher income brackets (of INR 20,000/- and above), indicating economic advancement. In the project group, there is a movement from 8% to 20%, while in the comparison group, it rises from 4% to 8%.

A noticeable increase is observed among respondents belonging to the income bracket of INR 14,000/- to 20,000/-, both in the project areas (from 13% to 24%) and the comparison group (from 10% to 18%). Once again, the project group demonstrates greater progress in advancement of income.

Expenditure: The project group showed a higher monthly household spending compared to the comparison group (INR 14,096/- in project vs INR 11,858/- in comparison). Thus, the project group is spending 19% more than the comparison group on a monthly basis. On further dissection of the data, we find –

- The project group is spending almost 30% more on basic needs like education & health. This could be due to higher dispensable income they have.
- The project group's higher expenses on food items are due to more expenses on high end food items like dairy and non-veg.

This hints that the project group is leading a better lifestyle than the comparison group. This could be a result of the higher savings they have made, or a better financial management practice they have adopted after learning this in the ITC Limited trainings.

We have calculated Monthly Per capita Consumption Expenditure (MPCE)¹ as that provides a holistic understanding of the expenditure incurred by the household. Compared to a MPCE of INR 1,395/- in the baseline, the MPCE has almost doubled (103% increase) for the project group and moved to INR 2,896/-. For the comparison group, it stands at INR 2,675/-. However, this is still lower than the national level MPCE² in rural areas of INR 3,773/- per month, and of state level of INR 3,113/- per month.

¹ MPCE is calculated as total household expenditure divided by total number of members in the household.

² Read more here -

https://www.mospi.gov.in/sites/default/files/publication_reports/Factsheet_HCES_2022-23.pdf

SHG linkages

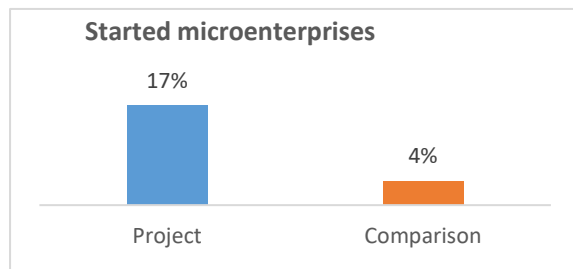
A majority (95%) of the SHG women in the project group reported receiving training from MPSRLM or ITC/NCHSE through trainers, a mere 31% of respondents in the comparison areas had undergone similar training initiatives (from MPSRLM).

A significant difference between the project and comparison groups is evident in their enterprise income. Not only did a higher proportion of women in the project areas engage in enterprise-level activities, but they also garnered greater earnings compared to their counterparts in the comparison group.



A SHG women engaged in goat farming in Badpipli village, Dhar

While 12% SHGs in the project area had taken up any entrepreneurial activity, a mere 5% (or 25) had done so in the comparison area. In qualitative discussions also, we have got references of how the loans availed from the SHGs have helped scale their present activities. Furthermore, 20% of SHG members in the project group earn in the higher bracket of above INR 5,000/-, compared to 0% in the comparison group in the same income bracket. Similarly, in the lower bracket of upto INR 1,000/-, we find 55% in the comparison group respondents, compared to only 23% in the project group.



It was found that 17% in the project group and mere 4% (or 19 individuals) in the comparison group had started any individual level micro-enterprise activity. 25% respondents in the project group were earning above INR 5,000/- a month from their individual level micro-enterprise.

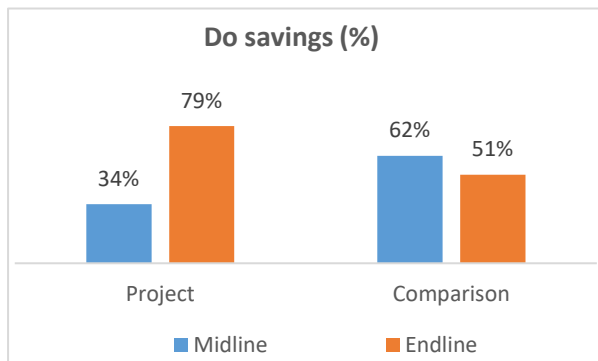
Savings and Investment

Financial Management and Awareness: The Financial Literacy programme has seen a remarkable increase from the baseline stage, where only 23% of beneficiaries possessed accounts. However, in the comparison group too, we see universal coverage of bank accounts.

Over 80% of women in both groups manage their bank accounts independently, showcasing improved financial autonomy. While more women in the project group now manage accounts on their own (from 83% in baseline to 86% in endline), we see a drop in the comparison group (from 92% in baseline to 82% in endline).

Respondents were also found to be visiting the bank or Bank Sakhis quite regularly. In both the project and comparison group, the respondent visits the bank or Bank Sakhi every month. The trainings, especially the stories of Mamta, have significantly enhanced women's understanding of financial matters, with 90% acknowledging increased awareness of savings and credit.

Savings Habits and Awareness: Women respondents were surveyed regarding their saving habits over the past year. We asked them if they do any savings. It was noteworthy that while



affirmative response for doing savings was found to have more than doubled in the project group from 34% to 79%. In comparison group, this has seen a fall of 9 percentage basis point from 62% to 51%.

It was found that the overall savings made in the household had increased in both the groups. However, it was much higher in the project group. While both groups had similar savings

levels at the programme's outset (INR 1,340/- for project and INR 1,372/- for comparison), the project group demonstrated higher growth (INR 2,006/- vs INR 1,652/-) than the comparison group in the endline. The project group saves an additional INR 500/- per month compared to the comparison group.

Awareness of savings and investment products has risen in both groups. Apart from bank deposits (98% and 89% are aware of it in the project and comparison group respectively), the awareness level for other savings instruments was comparatively less in both the project and comparison group. In the comparison group, still almost half of the respondents were not aware of any other savings instrument. Apart from bank deposits, the project group shows a considerable change in awareness of investment products (like FD/RD) with 65% and 36% of respondents aware of it at endline. For the comparison group, the awareness level for FD/RD stands at 37% and 17% respectively.

The biggest percentage increase is seen in the pension schemes (40% percentage basis change in the project group as compared to 20% in the comparison group).

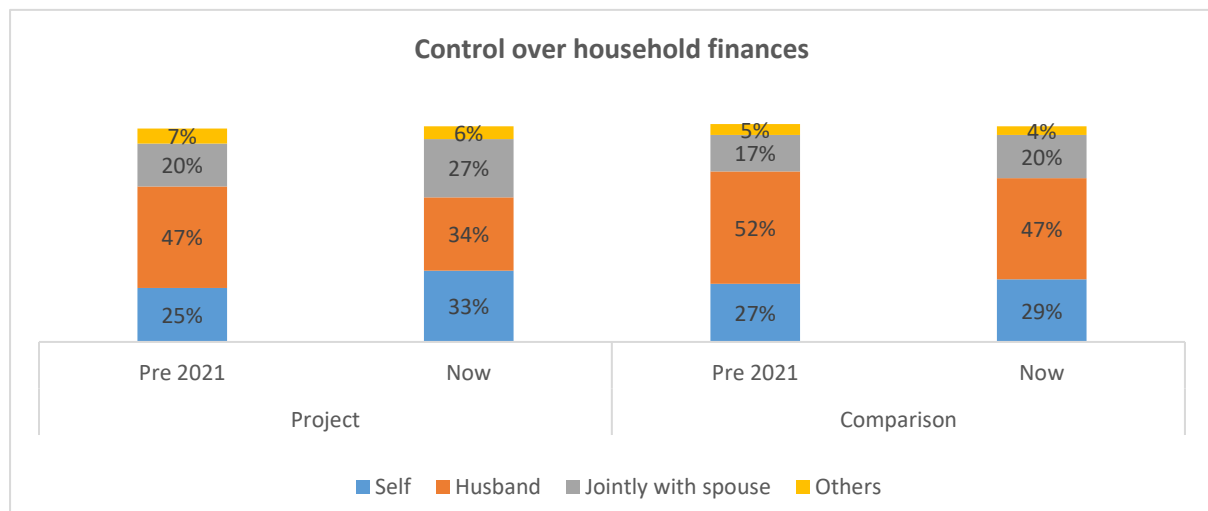
The usage of these instruments was found to be less in both the groups, with only 14% and 8% using FD/RD in the project group and control group respectively. The only exception was the pension scheme which was adopted by 36% in the project group and 13% in the comparison group.

Financial goals: Discernible difference was also found in respondents' behaviour on making financial goals. Both the groups have shown a remarkable increase in percent of respondents who do financial planning. We had enquired about the behaviour of making financial goals from two timelines, before 2021-22 and at the time of the survey in 2024. In the project group we saw that 70% of the project beneficiaries had made financial goals before 2021-22. This increased to 90% in 2024. Hence, there was an increase of 20% points in the project group. In the comparison group in the same span of time duration, the percentage of respondents who had made financial goals increased from 54% in 2021-22 to 71% in 2024.

Similarly, the percent of respondents who do long term planning has also seen a marked increase in both the groups (from 21% to 48% in project group or 27 percentage basis points) and (from 12% to 34% in comparison or 22 percentage basis points).

Household Financial Control: During the qualitative Focus Group Discussions (FGDs), it emerged that a significant majority of respondents (approximately 80%) indicated that before participating in the programme, they typically deferred financial matters such as loans, rent, investments, and farm-related issues to their husbands. However, following the trainings they received, they reported a notable shift in their roles and attitudes towards financial decision-making within their households.

The data reflects a notable shift in the project group towards women asserting control over household finances (growing from 25% to 33% - increase of 8 percentage points, while it moved two points from 27% to 29% in the comparison group).



There has been a sharp decline in the proportion of women reporting that their husbands exclusively manage household finances (from 47% to 34% in the project group and from 52% to 47% in the comparison group respectively).

This substantial shift within the project group suggests a tangible impact of the intervention on women's financial autonomy and empowerment.

Loans and Borrowing

Credit behaviour: In the project group, there is a slight decrease from 69% to 66%, but in the comparison group, the decline is quite substantial from 75% to 32%. It was found that on an average, project beneficiaries had taken a credit of INR 57,797/- and the comparison group had taken an average loan amount of INR 56,056/-.

Both the project and comparison groups have availed credit from formal financial institutions such as banks or Microfinance Institutions (MFIs). A notable finding is the significant increase in the percentage of respondents obtaining loans from Self-Help Groups (SHGs) in both groups. In the project group, respondents taking loan from the SHG has risen from 46% to 93%. In the comparison group too, this has seen an increase from 23% to 75%.

In most of the cases, loans are taken for better lifestyle needs – house repairs, purchasing assets, household expenses. The project group does show a higher tendency to take loans for business and farm expenses.

Insurance

The project group exhibited a steeper increase in awareness compared to the comparison group across all types of insurance examined. The project group demonstrated notably higher awareness levels, particularly for government-sponsored insurance schemes like PMJJBY and PMSSBY, with nearly 90% awareness among respondents, while in the comparison group, only 50% were aware of the PMJJBY and 62% of PMSSBY.

The most significant change in awareness was observed in life insurance across both groups. 77% in the project and 49% in the comparison group were aware of life insurance, showing a jump of 26% and 18% respectively. This indicates a substantial shift in behaviour.

Over three-quarters of women aware of government insurance schemes opted to adopt them in the project group, while the comparison group also showed satisfactory adoption rates, exceeding 50% for these products. The adoption rates at the endline were – PMJJBY: 76% in the project group and 55% in the comparison group and for PMSSBY: 83% in the project group and 63% in the comparison group.

Social security schemes

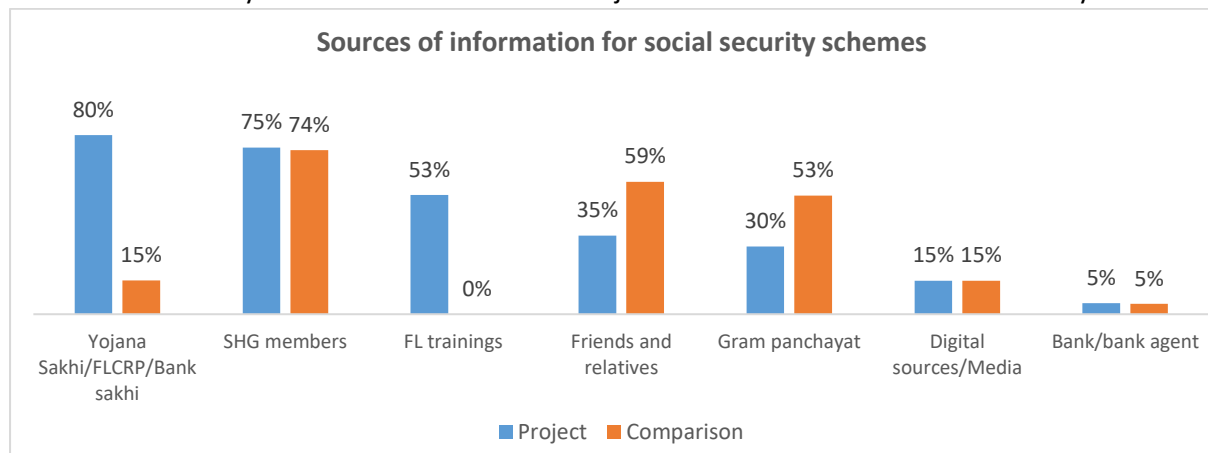
The project group performs better compared to the comparison group, in both awareness and adoption of social security schemes. Awareness level about the social security schemes has grown in both the project and comparison group. Although it's more substantial in the project group, indicating the intervention served as a significant catalyst in elevating awareness levels within the project group. For the project group, we saw that almost everyone (96%) was aware of at least one of the schemes rising from 70% pre intervention, while in the comparison group, this figure stood at 78%, rising from 60% pre-intervention.

In the project group, almost everyone (96%) was aware of Ayushman Card, rising from 70%. In contrast, in the comparison group, 78% were aware of the same, rising from 60%.

Regarding the adoption trends, the project group performs better when compared to the comparison group. We see that there is a significant jump in the usage of social security schemes. The percentage of respondents in the project group opting for at least one scheme has jumped from 77% to 84%. For the comparison group, this has remained stagnant at 70%.

Within the project group, there has been a notable increase in the adoption of schemes facilitated by Yojana Sakhi.

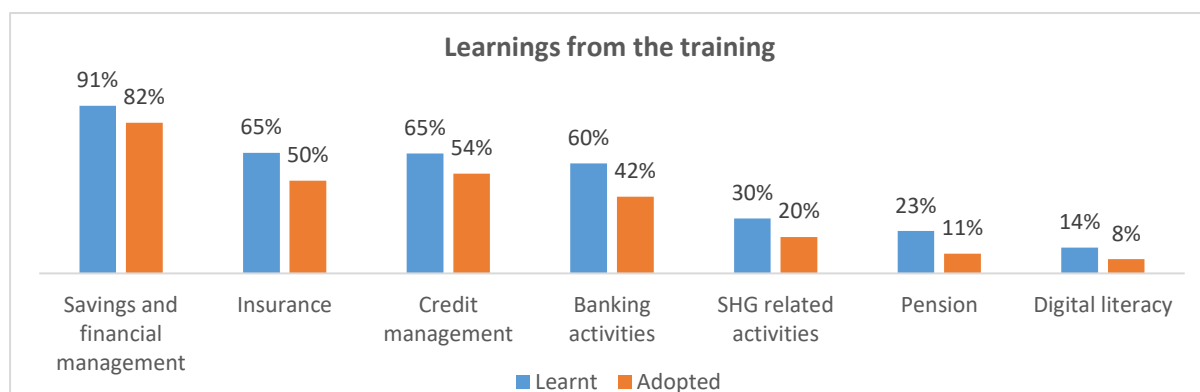
SHGs emerge as the primary source of information in both the groups, with almost 75% respondents in both the groups getting information from SHGs. In addition, in the project group, 80% respondents mentioned that they received information from Yojana Sakhis about various social security schemes.



SHG level trainings

98% of the respondents had adopted some learning from the trainings in their lives. The adoption rate was also quite high for every variable asked (with as high as 82% respondents adopting the learning on savings in their lives).

89% of respondents feel that their financial literacy and understanding of financial products has increased post 'Mamta Ki Kahani' training/session. Nearly everyone surveyed (99%) reported implementing changes in their financial planning and management following the training. This reflects the findings observed in earlier inquiries regarding learning outcomes and the adoption of training components.



Majority of the respondents (98%) were satisfied or highly satisfied with the training. Only five women reported dissatisfaction with the training. 44% feel that the training has helped their household to invest in new livelihood and scaling up of their livelihood – while 12% had started new entrepreneurial activity, others had scaled their existing business.

Yojana Sakhi Programme

It was found that 62% project beneficiaries had ever taken help from Yojana Sakhi/Bank Sakhi/Financial Literacy Common Resource Person (FL CRP) for any services. This was found to be highest in Dhar (71%), Datia (60%), and lowest in Katni (54%). The Yojana Sakhi project has started in Katni just last year. A reach to 54% project beneficiaries within just one year speaks of the successful implementation of the programme. Of those who had not taken any help from the Yojana Sakhis, a majority (82%) reported that they didn't feel the need to take their help.

Yojana Sakhis are actively involved in registering beneficiaries for government schemes, as indicated by the schemes they assist with. A substantial 67% of respondents indicated that the Yojana Sakhi had screened their documents for registration in government schemes. 48% of the Yojana Sakhis responded that they have assisted beneficiaries in insurance claim settlements.

Income as Yojana Sakhi: It was found that Yojana Sakhi holds multiple roles such as Bank Sakhi, Pashu Sakhi, Krishi Sakhi, and Business Correspondent. On an average, Yojana Sakhi earns a monthly income of INR 3,368/- from the incentives she receives on transactions as Yojana Sakhi. This was found to be highest in Dhar (INR 4,588/-) and lowest in Katni (INR 1,513/-). From other roles, they can make INR 2,835/- a month. Thus, in total a Yojana sakhi from the multiple roles she performs is making INR 6,203/- a month.

This is reflected in the fact that almost every Yojana Sakhi we surveyed (except one) feels that the role of Yojana Sakhi has helped her enhance her income. And the money they earned have been used to buy assets like laptop, smartphone, gold, and then some had also invested in starting another business.

Support required: The Yojana Sakhi mentioned some ways more support can be provided to them. These included – a greater number of trainings (77%), support from Panchayat (83%), support for conveyance (24%), and technical support in using Haqdarshak App (53%). In terms of training, they mentioned that a physical refresher training would be more useful for them than other means.

Impact of the training

The enthusiasm and empowerment among women post-training was palpable, with noticeable transformations shared. The presence of 'Sakhis' from their communities played a pivotal role in boosting the uptake of complex financial products. By equipping women with knowledge, skills, and tools to navigate the financial realm and make informed decisions, the programme has led to the emergence of financially independent women. This empowerment has created a ripple effect, fostering confidence in financial management and inspiring entrepreneurship and enterprise development among women, thus contributing to their overall socio-economic advancement.

Recommendations

1. Refresher sessions for FL-CRP and subsequent interventions can be activity based to enhance retention of knowledge and conversion to practice or implementation of the learning or income generation.
2. To increase retention of training content, strategies like regular refresher sessions, monitoring visits, or revamping training material, use of digital content, innovative methods like community nukkad nataks/ role plays can be taken up.
3. Accountability must be extended from FL-CRP to empowered individuals or groups in the community for capacity building.
4. Beneficiaries may be provided with innovative resources like digital content such as short videos, reels, or posters distributed via WhatsApp can serve as effective follow-ups to trainings.
5. To enhance the adoption of government schemes and products, it's essential to identify gatekeepers/individuals like Panchayat Pradhan, teachers in the community.
6. Financial increase through entrepreneurship at community level can be an area of work. The FL trainings have already spurred enterprise-level activities among women, indicating the potential for further economic empowerment through entrepreneurship.

Case Study: Empowering Women and Transforming Communities

The situation Before Intervention:

Astha Rawat, a resident of Uprain village in Datia District, graduated from Jeevaji University, Datia, and entered into a marriage with a conservative household. Bound by strict purdah traditions, she found herself confined to household chores, with her aspirations stifled. Despite attempting to generate income through home tuitions, societal constraints forced her to abandon her efforts. Astha grappled with a sense of purposelessness, yearning for a direction in her life.



In 2019, a Community Resource Person (CRP) visited their village, shedding light on the potential of Self-Help Groups (SHGs). Undeterred by her in-laws' disapproval, Astha rallied 12 of her neighbours to form the Shiv Shankar SHG, named after the village temple they revered. Securing a revolving fund (RF) of Rs. 20,000/-, the group allocated funds for various purposes. The amount was disbursed to 2 women for Rs.8,000/- and Rs.5,000/- each for a Marwari cow and medical treatment respectively. This marked the beginning of their journey towards collective action and community development. Taking charge, Astha assumed the responsibility of maintaining records for all 12 SHGs, earning a modest income of Rs. 50/- per register. Recognizing the need for additional financial stability, she sought opportunities beyond her immediate surroundings. Leveraging her academic background, she embarked on a role as a Bank Sakhi, tasked with serving her village.

Member Name: Astha Rawat
SHG Name: Shiv Shankar
Gram Panchayat: Uprain
District: Datia

Change brought by Intervention:

Astha's dedication and efficiency earned her recognition from the district for swiftly enrolling 70 women in insurance schemes within a mere 10 days.

Interventions undertaken: A lot of change happened in the following years, as she received training and passed the Indian Institute of Banking & Finance (IIBF) exam for Bank Sakhi. She was later provided training on a digital application through ITC partner Haqdarshak to work with Yojana Sakhi. Becoming a Yojana Sakhi with the help of the ITC's project proved to be a turning point as it enabled an additional source of earning for her and the household. At present, there are about 19 SHGs in her village where all women have a bank account, enrolled for the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Atal Pension Yojana (APY); own a Pan Card, Ayushman Cards, due to the services provided by her as Yojana Sakhi. In addition, Astha also supervises 13 nearby villages and about 56 SHGs.

Challenges: Demonstrating resilience and entrepreneurial spirit, Astha applied for and successfully secured a composite loan of INR 80,000/- through Cash Credit Limit (CCL), enabling her family to invest in a tractor. With prudent financial management, they accrued substantial savings of INR 70-80K in a year and bought a trolley. Subsequently, with a Bank loan of INR 80K from Madhya Pradesh Grameen Bank (MPGB), they bought a Haryana buffalo. These loans turned out to become a vehicle of change in taking up sustainable livelihood and improving the quality of life.

Beyond empowering others, Astha's newfound financial independence has significantly augmented her family's income. Engaging in diverse revenue streams, from farming, renting out trolley, selling milk, to providing banking and advisory services, she has secured her family's future through prudent

investments and savings schemes. She has signed up for insurance schemes for herself and spouse and live-stock insurance, and also invests in PPF and has fixed deposits for her children's future.

Impact:

When a 20-year-old woman with a 3-month daughter lost her husband, Astha facilitated life insurance claim of Rs.2 Lakh for her family. The woman quoted- ***"Aaj paise ko bachalo to kal paisa apko bacha lega"*** (*Save the money today, money will save you tomorrow*).

Education, training, awareness raising, building self-confidence, increased access to and control over resources, and actions to transform the institutions have made her confident and self-sufficient. Astha says, ***"I can now book online tickets and Ola cabs"***. Her future plans include buying a home and a car and learning to drive. She feels very proud of widening her horizon and achieving the success and popularity among the community.