Assessing the profitability of youth services
Introduction

YouthStart publication:

Building the business case for youth services
ACSI, PEACE, UCU, UFT

Available at: http://uncdf.org/sites/default/files/Documents/yfs-business-case.pdf
Main pathways to sustainability of youth services

**Long term strategy:** As youth becomes loyal clients with enhanced financial capabilities who access a wide array of financial services
1 Optimizing costs

FIRST STEP: Identify costs of youth services

- 1:
- 2:
- 3:
- 4:
- 5:
- 6:
1 Optimizing costs

Example costs structure:

Which are the main costs according to the graphic?
SECOND STEP: optimize dispensable costs of youth services, if too high

• STAFF is key. Do not cut: Why is staff so important?

• Focus on optimizing variable costs: Find examples
Can deposits mobilized be enough to generate positive impact on the balance sheet?
Let’s discuss the **TWO ways** to increase **savings volume**: 

More youth…(outreach) 

More savings…
The **key** to the business case for youth services: *More savings*

- Encourage usage of accounts
- Target small share of youth with higher savings capacity

<table>
<thead>
<tr>
<th>Savings accounts balance</th>
<th>Number of youth savers</th>
<th>Savings volume</th>
<th>Average savings US$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Volume US$</td>
</tr>
<tr>
<td>US$0–10</td>
<td>3,767</td>
<td>90.3</td>
<td>6,974</td>
</tr>
<tr>
<td>US$11–30</td>
<td>235</td>
<td>5.6</td>
<td>4,295</td>
</tr>
<tr>
<td>US$31–100</td>
<td>115</td>
<td>2.8</td>
<td>5,817</td>
</tr>
<tr>
<td>Over US$100</td>
<td>55</td>
<td>1.3</td>
<td>17,388</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4,172</td>
<td>100</td>
<td>34,472</td>
</tr>
</tbody>
</table>

Who are these youth with higher savings?
3 Other Revenues

- 1:
- 2:
- 3:
- 4:
- 5:
- 6:

Let’s find examples...
UN Capital Development Fund

THANK YOU

Maria Perdomo
maria.perdomo@uncdf.org