

## **MUSOMA Uses Savings to Help Clients Reduce Risk and Manage Anticipated Needs**

MUSOMA (Tanzania), a small savings and credit cooperative (SACCO), was troubled by poor uptake of voluntary savings amongst its members. They knew that clients needed savings to cope with unexpected and anticipated financial needs. Increasing savings would also provide the SACCO with additional capital. Therefore, MUSOMA took the following steps:

- Developed and distributed leaflets that explained voluntary savings, targeting both current members and non-members;
- Trained credit committee members to talk to other members about saving;
- Reviewed interest paid on savings and increased this from 1% to 5%; and
- Reviewed procedures and made voluntary savings more easily accessible to the members when they need to make withdrawals.

Due to these measures, within 18 months, MUSOMA saw a 30% increase in voluntary savings (compared with a 5% increase in new members).