



How providing a trusted place to save helps women prepare for emergencies

When Chan’s son suddenly became ill, she knew she needed to take him to the hospital. But the hospital was far away and she did not know how much she would have to pay to get her son the medical care he needed. Fortunately, she was member of a community savings group and was able to quickly get a loan to cover her expenses.

Chan was able to get this assistance quickly because she is a member of a community savings group called a VSLA. She saves just over USD \$1 each week with them, which allows her access to the accumulated funds as a loan with a small rate of interest. Fortunately, Chan’s loan helped her to cover the costs of getting to the hospital, paying for medical care and staying with her son while he received treatment.

Chan says that when healthcare emergencies happened before, she found it hard to be able to afford proper medical care. “Before if we didn’t have the money we couldn’t access health services at the health centre or travel to the hospital,” she says. “It was very difficult if we needed to borrow money to use for an emergency—if I went to borrow from a micro finance institution they needed lots of documentation and it took a long time.

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“Joining the VSLA has had a big impact on my family’s health. Saving with the group is helping me to put money aside for our children’s education and improving our farm.”

For Chan, it is not just that the group encourages her to save, but that she views it as a safe place to keep her money. She had not trusted any of the savings groups she saw before—she did not understand how her savings were recorded and they didn’t have



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individual savings books for members. But when she joined the VSLA, CARE gave her lots of training so she understood what was happening with her money. “I learned about how the savings are recorded, taking out loans, how loan repayments are calculated and how long we save for,” she says.

People also trust the VSLA because at the end of every nine-month savings cycle they get their money back with the interest from the loans. It doesn’t just disappear into a box where they are unsure if they will see it again, but is distributed to the savers so they can use it for their goals or reinvest it.

Chan has learned the value of keeping these savings for times of need. When she received the 253,000 riels (USD \$65) she had saved at the end of the first savings cycle, she put this back into the group for the next round of savings to ensure she would have similar access to loans in the future. “I keep this with the group so I know that I can always borrow money when I need it,” she concludes.”

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