

IDEO.org worked with the World Bank's Consultative Group to Assist the Poor (CGAP) and Bancomer to identify opportunities for new and more accessible savings products serving low-income Mexicans.

Discovering a Universe, One Word at a Time

IDEO.org's Karen Greiner and the rest of the CGAP team discover during field interviews in Mexico that understanding the savings habits of individual Mexicans requires learning a rich new savings vocabulary.



There are three of us from the IDEO.org research team sitting on couches, talking to Karla, in her third floor walk-up apartment in Mexico City. We have come to ask Karla about how she manages her day-to-day finances and what types of services or products might help save and manage her money.

I'm with Gabriela Zapata and Salvador Zepeda, two team members who, like Karla, were born and raised in Mexico City. After asking Karla a series of general questions to get a sense of what she does on a typical day, how many people live in the house, and what type of work she and her husband do, we finally touch upon the topic of money. We ask about income, for Karla and her husband, about benefits for Karla's grandmother who lives with them, and about what they spend money on: daily expenses, monthly bills and larger one-time purchases.

Then we ask Karla how much money she is able to save in a typical week.

"Save?" she responds, "With what? We don't have the money to save."

This is where having "home-grown" researchers on the team really comes in handy. Before we began our research one week ago, Gabriela had already mentioned that the word "to save" (*ahorrar*) may not resonate with research participants. And sure enough, as we have proceeded with interviews in people's homes and workplaces, we have discovered a whole universe of terms – beyond "*ahorrar*" - used to describe how and why money is kept.

Here is an in-progress glossary:

- *Apartar*: To "set aside" money, often in an envelope or a small box.
- *Guardar/guardadito*: To keep money; to have a "nest egg."
- *Guardar en la tarjeta*: To not spend what is in one's checking account.
- *Juntar*: To get a lump sum together, often through an informal savings group called a "tanda."
- *Echar a la cochinita/alcanfía*: To put change in a piggy bank.
- *Poner abajo el colchon*: To put money under the mattress, sometimes in a wallet or envelope.
- *Destinar*: To set money aside for a specific project.

Some additional money-related words I have learned on this project include "*lana*" or "*lanita*," which are slang for money (wool, little wool), "*gastalon/gastalona*" (spender), a self-description offered by many research participants when describing how financial tools might help them not spend their money.

A more robust vocabulary has allowed our research team to discover a wide range of money-related activities and behaviors that allow people to plan and prepare for the future. These future plans might not have been evident if we asked interviewees simply about "savings."

Karla, for instance, told us she does not save for lack of means. She is, however, a very savvy investor. She buys discounted toys and games throughout the year and stores them in her bedroom

closet until January 5th, the day she sells them at a large holiday market that is held yearly near her apartment:

“When I see a really nice Barbie, one that never goes out of style, reduced from 500 pesos to 150, I buy it and save it for the January sale.”

A question about Karla’s dreams for the future near the end of the interview revealed another investment that had until then, gone unmentioned. Karla and her husband have a “house project,” they have put a down-payment on an apartment in the amount of \$80,000 pesos (about \$6,300 dollars). She correctly told us she is not saving – but she is planning for her future through investment.

Like Karla, many of the people we interviewed had house “projects.” Some had already purchased land and were building; others were putting the finishing touches on a house they had already purchased. All reported they didn’t save and few were using formal bank instruments.

The research team, by learning to ask questions about money-related behavior in new and multiple ways, has discovered a universe of savings and investment that might have otherwise gone undisclosed. While they might not always recognize it as such, our interviewees are already saving and investing in creative ways. Their informal strategies will be an inspiration for our team as we move to the “concepting” phase of our project next week.

For further information on the savings habits of low-income populations around the world, check out: “Portfolios of the Poor: How the World’s Poor Live on \$2 a Day,” www.portfoliosofthepoor.com.

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