

In many indigenous communities throughout Latin America, traditional economies based on barter and reciprocity are rapidly being monetized. This is especially true in the Amazon basin, where the construction of new roads and encroachment by cattle ranchers and colonist farmers make it possible for native Amazonians to have increasing exposure and access to money. Also, many governments have even introduced wage-earning teachers, child subsidies, and social security to the elderly to remote Amazonian communities. As a result, even in native Amazonian communities where most people still depend on hunting, fishing, plant gathering, and subsistence farming for most of their food and shelter, money is becoming an increasingly important part of the village economy.

A culture of saving and tools to help them accumulate lump sums of money for larger purchases and emergencies, however, do not exist in many of the communities. In the past, when villagers wanted a good, such as a new canoe, thatch for a house roof, or medicinal plants, they had easy access to the goods in the village commons. Despite all the publicity and promise of microcredit, members of newly monetized native Amazonian communities have been left out. Instead of introducing these communities to debt and to the more advanced financial literacy that it requires, this project making simple tools available to help them save lump sums of money for useful purchases and emergencies.

To answer our research questions we propose a randomized evaluation of savings lock boxes to facilitate and increase awareness of saving among the Tsimane', a native Amazonian society living in communities near the town of San Borja in the Department of Beni. The work will be done jointly between (a) Innovations for Poverty Action (IPA) a non-government organization based in New Haven, CT, USA, (b) with CBIDSI (Centro Boliviano de Investigacion y Desarrollo Socio Integral), a Bolivian nonprofit explicitly working with research and development among the Tsimane, and (c) other members of the Tsimane' Amazonian Panel Study.

The study will include 1100 households of 50 communities randomly assigned to one of two treatment groups. Treatment 1: either the female or the male head of the household receives a savings box. Treatment 2: individuals who receive boxes under treatment 1 will be randomly assigned to receive the key to the savings box while others will have to go the nearest town (San Borja – from a few hours to 2 days from participating communities) to access the key from a trusted community leader to open their boxes. Treatment 1 allows us to test whether savings boxes in the possession of female household heads produces greater household saving and expenditures on the children than saving boxes in the hands of male heads of households. Treatment 2 allows us to test whether those without possession of their savings box key demonstrate reduced impulsivity and altered expenditure patterns. We expect those without immediate access to the key to save more and consequently make larger outlays for items in cash than traditional savings methods than those with the key.