The Gender Gap in Financial Inclusion

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In 2014, the World Bank -- with funding from the Bill & Melinda Gates Foundation and the support of Gallup, Inc. -- updated and expanded the Global Findex dataset, an unprecedented study of financial inclusion based on interviews with almost 150,000 adults in over 140 countries worldwide.
How Can Financial Inclusion Help Women?

Financial services help women shape household spending decisions, make investments, and manage economic risk.

- Access to insurance helped women farmers in Burkina Faso and Senegal increase yields and better manage food security (Delavallade et al., 2015)
- In Niger, mobile cash transfers strengthened women’s bargaining power, boosted spending on nutritious foods, and allowed women to spend more time on productive tasks by reducing the need to travel to receive cash payments (Aker et al., 2015)
- Women in the Philippines who used a savings account reported greater influence over household decisions and increased spending on items they needed, such as washing machines and kitchen appliances (Ashraf et al., 2010)
- In Kenya, women merchants who received a basic account invested more in their businesses; they also spent 13% more on food and 38% more on private expenses (Dupas and Robinson, 2013)
- Women-headed households in Nepal spent 20% more on education and 15% more on meat and fish after receiving a savings account (Prina, 2015)
The Gender Gap in Financial Inclusion

Account ownership
Total percentage of adults

<table>
<thead>
<tr>
<th>WOMEN</th>
<th>MEN</th>
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</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>65%</td>
</tr>
<tr>
<td>China</td>
<td>76%</td>
</tr>
<tr>
<td>India</td>
<td>43%</td>
</tr>
<tr>
<td>Mexico</td>
<td>39%</td>
</tr>
<tr>
<td>Nigeria</td>
<td>34%</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>70%</td>
</tr>
<tr>
<td>South Africa</td>
<td>70%</td>
</tr>
<tr>
<td>Turkey</td>
<td>44%</td>
</tr>
<tr>
<td>Developing economies</td>
<td>50%</td>
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<tr>
<td>G7 economies</td>
<td>95%</td>
</tr>
</tbody>
</table>

Source: Global Findex (2014); http://www.worldbank.org/globalfindex
Wages and government transfers to Women

Total percentage of women

In Uzbekistan, about 12% of men and women receive govt transfers into an account

Source: Findex (2014); http://www.worldbank.org/globalfindex
Note: The height of the bar is the share of adults with an account.
Wages and government transfers to Women

Total percentage of women

Globally about 1 in 10 adults received their first account to collect wages or government transfers.

Receives wages or govt transfers into an existing account

Receives wages or govt transfers into a new / first account

In Kazakhstan, 20% of women and 15% of men receive wages or govt transfers into a new account.

Source: Findex (2014); http://www.worldbank.org/globalfindex
Note: The height of the bar is the share of adults with an account.
How Can Digital Payments Help Women?

Digital payments can facilitate wage, transfer and remittance payments and has the potential to increase income by allowing households to smooth consumption and accumulate savings

- **Increasing the security, privacy and control over the funds received** (Docquier, Lowell and Marfouk, 2009; Dupas and Robinson, 2009; Morawcynski and Pickens, 2009; Duflo, 2012)

- **Lower cost and time to send and receive payments** (Aker et al., 2013; CGAP, 2011b; Babatz, 2013; Lindert, et al., 2007)

- **Increased security of payments and lower associated crime** (McKenzie and Yang, 2014; Ashraf, et al., 2014; Wright et al., 2014)

- **More transparency and thus lower leakage between sender and receiver** (Muralidharan et al., 2014)

- **Helps people meet unanticipated expenses** (Jack and Suri, 2011; Blumenstock et al., 2012)

- **Provides a first entry point into the formal financial system; Encourages savings; Builds transaction history which can improve credit access** (Allen et al., 2013; Li et al., 2014; Aportela, 1999; Prina, 2012; Masino and Nino-Zarazua, 2014; Batista and Vicente, 2013)
Government transfers to Women

Total percentage of women

- **In Uzbekistan** twice as many women as men get digital government transfers.
- **Globally** about 160 million unbanked adults get government transfers or public wages in cash.

Source: Global Findex (2014); http://www.worldbank.org/globalfindex
Note: The height of the bar is the share of adults who receive government transfers.
Public sector wage payments to Women

In Turkmenistan 30% of men and 18% of women work for wages in the public sector. Virtually all are paid in cash.

Source: Global Findex (2014); http://www.worldbank.org/globalfindex
Note: The height of the bar is the percentage of adults receiving public sector wage payments.
In Pakistan 32% of men and 6% of women work for wages in the private sector. Virtually all are paid in cash.

In India men are more than twice as likely as women to get private sector wage payments.

Globally 280 million unbanked adults get private sector wages in cash, including 7 million in Bangladesh.

Source: Global Findex (2014); http://www.worldbank.org/globalfindex

Note: The height of the bar is the percentage of adults who receive private sector wage payments.
Receiving Agriculture Payments

In Nepal 40% of men and 29% of women are paid for agricultural goods.

440 million unbanked adults in emerging countries receive agricultural payments in cash, including nearly 62 million in India and roughly 17 million in both Bangladesh and Pakistan.

Note: The height of the bar is share of adults who get paid for agricultural goods.
In India and Kazakhstan, men are about twice as likely as women to save at a formal financial institution.

In Pakistan 20% of men save for business, against 4% of women. In Uzbekistan, the shares are 12% and 4%.

In South Asia about 36 million unbanked adults save semi-formally.

Note: The height of the bar is share of adults who save money.
Challenges in Closing the Gender Gap

Account ownership by economic participation in BRIC countries

Total Percentage of Adults in BRIC Countries

**MEN**
- Self-employed: 76% banked
- Wage workers: 77% banked
- Out of workforce: 62% banked
- Unemployed: 58% banked

**WOMEN**
- Self-employed: 70% banked
- Wage workers: 79% banked
- Out of workforce: 49% banked
- Unemployed: 54% banked

Source: Gallup World Poll and Global Findex (2014); http://www.worldbank.org/globalfindex
Challenges in Closing the Gender Gap

Financial literacy of Women Borrowers
Knowledge of interest compounding among adults who use a credit card or have formal credit (%), 2014

Among adults in major advanced economies who use a credit card or formal credit, a third of women show knowledge of compound interest, versus about half of men.

In France, women in this category are half as likely as men to understand compound interest.

Note: The height of the bar is the share of adults who use a credit card or formal credit.
The global gender gap in mobile phone ownership is 202 million (GSMA).

In Tajikistan 28% of men have a mobile phone as well as the internet, vs. 13% of women.

Source: Gallup World Poll (2016) and GSMA.
Note: The height of the bar is the share of adults who have their own mobile phone.