WOMEN AND FINANCE
PROGRESS REPORT TO THE G20[1]

The G20 has recognized the benefits of financial inclusion[2] to economic growth and poverty reduction and has included financial inclusion as a main pillar in its global development agenda. Making progress in advancing financial inclusion requires ensuring that women, as well as men, have access to and control over a full range of adequate financial products, delivered effectively and responsibly by financial institutions, and that they have the appropriate knowledge and skills to use these products. The limited data and analysis available on the gender gap in access to finance and financial literacy indicates that women not only have less access to financial services than men and lower financial literacy, but also that their use of financial services can be more constrained. Factors causing the gender gap in financial inclusion are complex and include broader legal, social, and cultural factors that impact women's economic and social participation.

This progress report provides an overview of the state of affairs and principal barriers to enhancing financial inclusion for women, and proposes an outline for G20-led women's financial inclusion agenda, supported by the GPFI, OECD (and its International Network on Financial Education) and World Bank.

1. *Endorse the following recommendations for policymakers to work towards improving the enabling environment for enhancing women's financial inclusion:*
    - *Adapt legal and regulatory frameworks as needed to: (i) ensure women's equal treatment under the law, especially with regards to property rights and land ownership; (ii) promote innovations and improvements in financial products and delivery models; (iii) strengthen financial consumer protection.*
    - *Strengthen financial infrastructure that can improve access and usage of financial services by women, in particular: credit reporting systems; secured transactions frameworks; and the systems, oversight, and delivery mechanisms for retail payments (retail payments infrastructure).*
    - *Identify and address women's needs for financial education and promote the development of appropriate initiatives within the framework of a national strategy for financial education where it exists, with a view to improving the financial knowledge, attitudes, skills and behaviors of women and girls, in particular with regard to understanding, selecting, and making use of financial services.*
    - *Encourage financial institutions to adopt gender sensitive policies and practices, including for product design, monitoring, marketing, and delivery channels.*
    - *Include training, mentoring and preparation of business plans as part of credit services for women entrepreneurs.*
2. *Lead efforts to fill gaps in policy research, improve gender-disaggregated data collection and analysis to better understand gender differences in the access and usage of financial products, and overall financial knowledge, behavior and attitudes, and include gender dimensions in financial inclusion and financial education strategies.*
3. *Lead efforts to ensure that impact assessment of financial inclusion and literacy policies and initiatives effectively incorporate measurement of the impacts on women.*

[1]This progress report was prepared by the World Bank (Global Practice for Financial Inclusion & Infrastructure) and the OECD/INFE with inputs from the Global Partnership for Financial Inclusion.

[2] Financial literacy and consumer protection form part of the broad financial inclusion agenda.

4. *Lead efforts to identify, evaluate, and support the replication of successful initiatives for improving women's financial inclusion and literacy. Concretely, the G20 could request the GPFI to conduct a stocktaking of promising or successful initiatives, and to recommend a mechanism for supporting the replication and expansion of those initiatives.*

BACKGROUND

Since 2009, G20 Leaders have made commitments to improving access to financial services for the poor, including endorsing the Principles for Innovative Financial Inclusion at the Toronto Summit in 2010. At the Seoul Summit in November of 2010, the G20 endorsed the "Financial Inclusion Action Plan" and established the Global Partnership for Financial Inclusion (GPFI), a consultative mechanism for advancing the financial inclusion agenda. Since then, the GPFI has launched a number of collaborative platforms to promote peer learning, knowledge-sharing, policy advocacy and coordination on financial inclusion.

In 2011, the GPFI prepared a report on strengthening access to finance for women-owned SMEs in developing countries. That report highlighted key trends, challenges, and opportunities for advancing women's entrepreneurship and increasing their access to finance. G20 Leaders also successively endorsed in 2011 the High-level Principles on Financial Consumer Protection and in 2012, the High-Level Principles on National Strategies for Financial Education (OECD/ International Network on Financial Education (INFE)). Both set of principles specifically mentioned the importance of addressing vulnerable groups' needs for protection and education. Furthermore, in 2012 G20 Leaders recognized the need for women and youth to gain access to financial services and financial education and asked the GPFI, OECD/INFE, and the World Bank to identify barriers they may face and prepare a progress report.

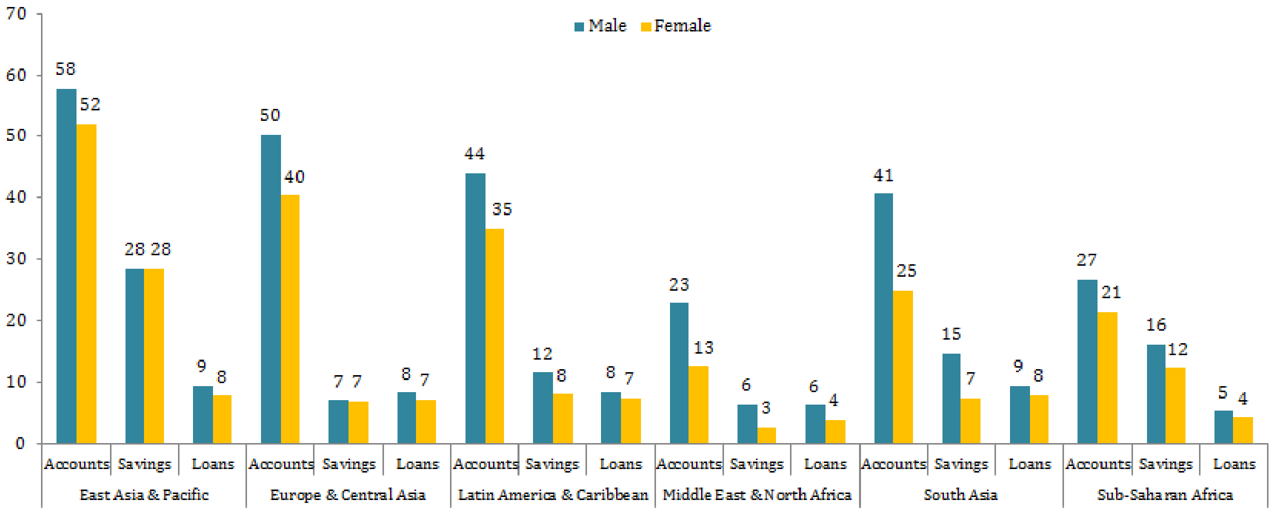
In 2013, the GPFI also launched a new Sub-Group on Financial Consumer Protection and Financial Literacy to address the important linkages between access to financial services, financial literacy, and financial consumer protection and the needs of particular subgroups of the population in these areas.

In April 2013, the GPFI launched the Women's Finance hub site as part of the SME finance forum, an initiative to improve access to financial services for women entrepreneurs and promote the sharing of knowledge and best practices. In addition, a number of data and surveys measuring financial inclusion and financial literacy are already including data broken down by gender to allow for tracking progress. The G20 extended set of indicators, which is currently being prepared, will have further recommendations on how to disaggregate the data into specific demographics, such as gender.

CURRENT STATE OF AFFAIRS: THE GENDER GAP IN FINANCE

Women are less included in the formal financial sector than men, especially in developing economies, **even after controlling for individual characteristics like income, education, and age.** Data from the World Bank's Global Financial Inclusion database highlights the existence of significant gender gaps in ownership of accounts and usage of savings and credit products (Demirguc-Kunt, Klapper and Singer 2013). Globally, 47 percent of women own an account compared to 55 percent of men, and the gender gap is more pronounced in developing countries. Women are 15 percent less likely than men to have a bank account, and lag behind men in saving and borrowing through formal financial institutions.[3] The gender gap is largest in South Asia, where 41 percent of men report having an account compared to only 25 percent of women, followed by the region of Middle East and North Africa (MENA), where 23 percent of men report having an account compared to 13 percent of women (Figure 1). The gender gap is largest among those living in extreme poverty: of adults living on less than US $2 per day, women are 28 percent less likely than men to have an account.

Figure 1: Access to Finance Headline Data by Region



Source: Demirguc-Kunt, Klapper, and Singer 2013[4]

The gender gap may be more far reaching than the differences in *access* suggested by the data, due to differences in *usage* and *quality* of financial services. For example, a study in Pakistan showed that women have access to financial services in name only, as they mostly pass on their loans to their male relatives.[5] In terms of usage of financial services, data (in terms of number of transactions) from Findex indicates that across regions, women are less likely than men to withdraw frequently from their accounts on a monthly basis. This is particularly the case in the MENA region (30 percent less likely) and in South Asia (27 percent less likely). Women are also more likely than men to have no withdrawal activity on their account, particularly in Europe and Central Asia (46 percent more likely) and South Asia (32 percent more likely). In all regions, women are less likely than men to deposit frequently in their accounts on a monthly basis, especially in MENA (32 percent less likely) and in South Asia (29 percent less likely). In addition, it is not enough for women to have access to an account, but they also need to own their accounts and savings. Several studies, using randomized control trials, show that providing access to

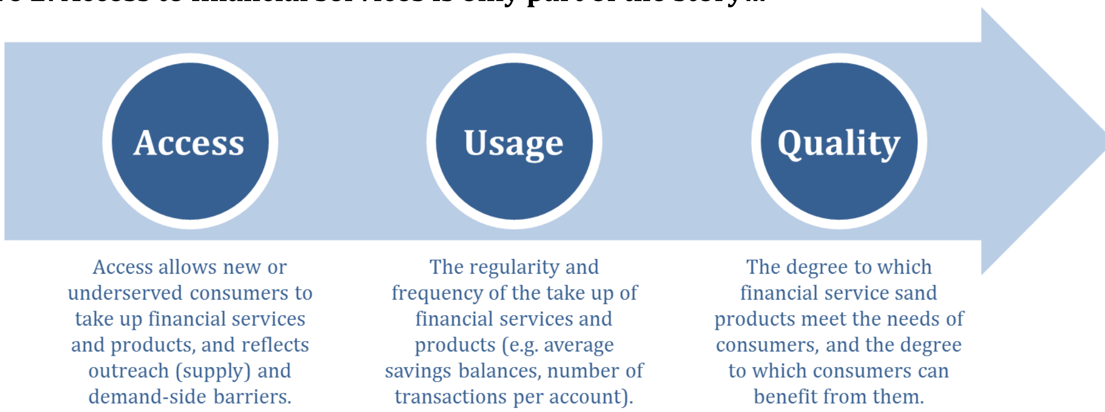
[3] Globally, 38 percent of men compared to 34 percent of women report saving in the past year, and 36 percent of men compared to 32 percent of women borrowed in the past year.

[4] Accounts - % of adults with an account at a formal financial institution; Savings - % of adults who reported saving in the past year; Loans - % of adults who reported borrowing in the past year.

[5] 50–70 percent of the loans made for female clients may be for use by male relatives, World Bank 2012.

own savings instruments increases consumption and productive investment, especially for women (Dupas and Robinson, 2013); and women's empowerment.

Figure 2: Access to financial services is only part of the story…



The gender gap in access to financial services is compounded by gender differences in knowledge and skills to choose and use products appropriately. Both women and men need to be sufficiently financially literate, but women need to improve their financial literacy even more than men due to higher longevity, weaker labour market position, higher risk of poverty, and especially because of lower financial knowledge and skills with respect to men. The lack of understanding and confidence in dealing with money matters may further reduce women's ability to access formal financial services and to choose and use them to their best interest.

Women-owned SMEs face greater challenges in accessing financial services. While women entrepreneurs make significant contributions to the economy, they face disproportionately higher barriers relative to their male counterparts in operating their businesses and in accessing finance to start and grow their enterprises. Women are relatively more represented amongst smaller informal firms, in low value-added and low capital intensive sectors, such as traditional service and retail sectors, and operate more home-based businesses.[6] In addition, although women entrepreneurs have higher levels of educational attainment than men, women have less managerial experience and business connections when starting their business Also, they allocate less time to their entrepreneurial activities, in order to manage their household at the same time. These factors contribute to explain the gap in earnings by self-employed women with respect to their male peers (OECD, 2012). Thus, the types of businesses women are likely to run and their performance profile make them less creditworthy for financial institutions.

Women are less likely than men to borrow money to finance their business. Women entrepreneurs in emerging markets are more likely than their male counterparts to cite access to finance as a major constraint (IFC, 2011). Women might be charged higher

[6] A survey of new enterprises in Cote D'Ivoire, Kenya, Nigeria, and Senegal finds that the share of women business owners is 50 percent higher in the informal sector (IFC 2011).

interest rates and asked for more guarantees, as they often have shorter credit histories, less operating capacity, and less collateral. Microfinance has increased women's access to micro-credit in many developing countries. However, as women's businesses grow, they need a full range of financial products and services beyond limited range microcredit from microfinance institutions. There is scope for commercial banks to move "downmarket" and increase their capacity to reach women micro-entrepreneurs.

BARRIERS TO WOMEN'S FINANCIAL INCLUSION

There are a number of constraints that limit women's financial inclusion, both on the demand and the supply side. On the demand side, (i) women's lower level of financial literacy/capability; (ii) more limited access to education, employment, entrepreneurship than men; (iii) time and mobility constraints; (iv) poor access to information and networks; and (v) cultural and gender norms, may undermine incentives for demanding financial services. On the supply side, (i) legal and regulatory barriers can exclude women who lack land and property rights, or can inhibit innovations in products and delivery mechanisms; (ii)weaknesses in financial infrastructure, such as credit bureaus having limited information on potential women borrowers, or collateral frameworks that only allow the use of immovable assets and/or a limited range of movable assets as collateral, can impede women's access to finance; (iii) gender biases in financial institutions' practices, such as requiring male guarantors when opening accounts, can often exclude women; and (iv) financial products, marketing strategies, and service delivery often not adapted to women customers.

Figure 3: Demand and Supply-side Barriers to Women's Financial Inclusion

DEMAND-SIDE BARRIERS

1. Low levels of financial literacy and capability
2. Time and mobility constraints
3. Poor access to information and networks
4. Cultural and gender norms
5. Limited access to education, employment, and entrepreneurship

SUPPLY-SIDE BARRIERS

1. Legal and regulatory barriers
2. Financial infrastructure weaknesses
3. Gender biases in financial institutions' practices
4. Financial products, marketing, and delivery that are not gender sensitive

Women tend to have lower financial literacy in most countries and face particular challenges to improve their financial competencies. A wide variety of sources covering developed and developing economies, including the OECD/INFE financial literacy survey (Atkinson and Messy, 2012) and other international and national studies, provide evidence of gender differences in all aspects of financial literacy[7], including financial knowledge, attitudes and behavior. Gender differences in financial literacy are correlated with differences in socio-economic conditions of men and women. These factors not only reduce women's financial well-being, but also limit the extent to which women can improve their knowledge, confidence and skills about economic and financial issues. In practice, it is necessary to acknowledge the inter-related nature of these aspects: factors limiting women's financial opportunities may reduce their ability to gain more financial literacy, and at the same time gender differences in financial literacy may reinforce disparities in other domains. In particular, the evidence reveals that:

- **Women have lower financial knowledge than men.[8]** In a large number of countries, women have lower financial knowledge than men. Only in a very small number of countries/regions gender differences are not significant, and in no country women were found to be more knowledgeable than men (OECD, 2013). In particular, the international evidence shows that young women, widows, less well-educated and low-income women lack financial knowledge the most. Gender differences in financial knowledge are in part, but not entirely, related to demographic and socio-economic factors, indicating that, at least to some extent, differences in understanding are related to the different opportunities that women and men have to experience with financial issues along their life.

- **Women are less confident then men in their financial knowledge and skills**. Available evidence of financial attitudes suggests that women are less confident than men in their financial knowledge and skills, less over-confident in financial matters, and more averse to financial risk. Gender differences in attitudes towards money matters are particularly relevant as they may have important implications for women's willingness and ability to use formal financial services, to seek for advice and choose appropriate information sources, and to learn more about financial issues.

- **Women have difficulties in some aspects of financial behavior, such as making ends meet, in saving and in choosing financial products appropriately**. Women show a number of weaknesses in financial behavior that can be attributed to lower financial literacy, but also to external constraints in accessing economic and financial opportunities on an equal basis with men. On the one hand, women appear to be better than men at keeping track of their finances, but on the other hand they have difficulties in making ends meet, in saving and in choosing financial products appropriately. More specifically, women and men appear to have different coping strategies when their income is not sufficient to cover living costs, with women cutting expenses, and men finding ways for earning extra money. In terms of saving behavior, women tend to save less and accumulate less wealth than men, typically

[7] The OECD/INFE definition of financial literacy endorsed by G20 leaders in 2012 is "a combination of awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing" (Atkinson and Messy, 2012).

[8] This holds across developed and developing countries, in all regions of the world, and using different but consistent survey instruments.

as a result of their weaker labor market position. Moreover, women are more likely than men to be saving in informal ways. In choosing financial products, women are less likely than men to shop around, to take informed financial decisions, and to use independent advisors.

Women in many countries still have unequal access to education, employment, and entrepreneurship opportunities with respect to men (see also OECD, 2012). If women have unequal access to employment opportunities, property and other assets, skills, and market information, they may also have less demand for financial services. For example, by changing the marital and succession law, Rwanda granted women property rights, including the right to inherit land from their parents.[9] As a result, women are more likely to own property and provide loan collateral than in neighboring countries (Making Finance Work for Africa 2012).

Time and mobility constraints affect women's ability to interact with financial institutions. In most developing countries, women are responsible for both the home and childcare, in addition to income-generating activities. Time spent banking, whether in transit, at a branch, or in a group meeting poses a particular burden on women (Banthia et al. 2011). Innovations with the use of technology for new distribution channels, such as mobile banking or agent banking, has the potential to ease these impediments. Services delivered over the mobile channel have the potential to be more convenient, private, and affordable than services offered in person or via a bank branch (GSMA 2013). For instance, an Indian microfinance institution, Grameen Koota, in partnership with mCheck, piloted mobile money services with features such as multiple account balances and PIN codes that allow women to hide their overall balance value, highlighting the benefits women see in maintaining privacy by holding their funds in a mobile phone.

Women often have less access to information and social networks. As an important source of business and industry knowledge, networks can provide crucial resources to entrepreneurs. Research shows that social networks that include other entrepreneurs are stronger predictors of women's entrepreneurship globally than education or household income. Strong networks encourage women entrepreneurs to take the necessary risks to grow and provide crucial market information, logistical support, and linkages to suppliers, investors, financing and technology. However, research shows that women often do not have adequate access to networks, and thus are at a disadvantage in terms of getting resources and information needed to succeed. Access to social networks is often limited by cultural norms that can restrict women from using public transportation or from interacting with men other than close relatives.

Legal discrimination against women is a major hurdle to advancing financial inclusion. There are at least 103 countries where women are treated differently than men under the law (World Bank and IFC 2011). Women currently face discrimination across a range of areas including accessing institutions, using property, getting a job, receiving equal pay and tax treatment, etc. These can be serious impediments to forming and running

[9] Inheritance and Marital Property Law of 1999, reinforced by the Organic Land Law of 2005.

a business, opening a bank account, or entering into a legal contract. Partly due to obstacles in the legal environments, women own fewer assets than men, limiting the availability of collateral. According to the World Bank's Women, Business, and the Law, in 26 countries, men and women do not have equal inheritance rights. A recent report on financial inclusion and legal discrimination against women finds that discrimination in employment laws and inheritance rights contributes to explaining the gender gap in access to finance (Demirguc-Kunt, Klapper, and Singer 2013). In countries where women face legal restrictions in their ability to work, head a household, choose where to live, and receive inheritance, women are less likely than men to own an account, save, and borrow. In addition, even if there are no legal restrictions to women's owning property or receiving inheritance, customary practices can determine women's rights to property or inheritance.

Cultural and gender norms also contribute to limiting both the demand and supply of financial services. Gender norms, such as violence against women and early marriage, can contribute to the variation in the use of financial services between men and women, even after controlling for individual factors such as education and country level factors such as GDP (Demirguc-Kunt, Klapper and Singer 2013). Even when women have access to financial services, they may be limited in their autonomy to make decisions due to gender norms. For example, a study in Pakistan showed that many women have access to financial services in name only - while accounts may be opened in a woman's name, the decision-making authority often lies with a male relative (World Bank 2012). Due to the influence of gender norms on intra-household dynamics such as access and control of income and expenditures, women may exhibit a lower demand for financial services (Johnson 2004). Research in Paraguay has shown that women are more knowledgeable about financial institutions and loan requirements when they control a larger share of family assets and when their husbands are not opposed to them taking out a loan (Fletschner and Mesbah 2011).

Financial institutions' policies and practices can also act as a barrier to women's access to financial services. In settings where loan officers are mainly male, gender preferences could put female applicants at a disadvantage. One recent study (Beck, Behr and Guettler 2012) found that borrowers matched with loan officers of the opposite gender had less favorable loan terms and conditions. Financial institutions' practices of requiring male guarantors or the signature of a male family member can exclude women from accessing financial services. For example, the World Bank's Pakistan study found that lending institutions require the signature of two male guarantors who are not family members, and that no lending institution accepts a woman guarantor. In addition, financial institutions often design marketing strategies around a male client profile. Financial products may not fit women's needs (in terms of loan terms, size, or savings features) and often carry high costs catering to higher income segments of the population.[10] Service delivery may also not be adequate to women's needs, for example, bank branches may be intimidating for low income women. For this reason, Standard Chartered bank operates female-only bank branches in Pakistan and India (Cutura 2009).

[10] Reported barriers to financial inclusion in Findex include the costs of opening and maintaining an account, branch and ATM penetration, and number of documents required to open an account.

Impediments in legal and regulatory frameworks can impede women's access to finance. For example, "Know Your Customer" regulations aimed at preventing money laundering can limit women's access to accounts, as women are less likely to have identification documents. Additionally, some countries have different requirements for men and women to receive national identification cards, requiring women (particularly married women) to obtain additional signatures or provide additional documentation. Moreover, in a few countries national identity cards are mandatory for men and optional for women. Legal and regulatory obstacles for new products, such as leasing, or innovative delivery channels such as via mobiles or agents, can impact women's access to finance. Gaps in legal and regulatory frameworks may also provide inadequate consumer protection to women, as they tend to be more vulnerable to abuses and aggressive business practices.

Weaknesses in financial infrastructure also contribute to limiting women's access to finance. Credit bureaus may have more limited information on potential women borrowers, making it difficult for financial institutions to lend directly to women. Many credit bureaus do not include information from a range of sources, such as microfinance institutions, utility providers, cell phone companies, or retail stores that provide credit, sources that are widely used by women, and therefore women can have more limited opportunities to build a credit history. In addition, reporting positive credit data (in addition to negative data) would benefit borrowers with less credit history, who are often women. Collateral frameworks that do not have registries that cover moveable assets (such as accounts receivable or inventory) may not enable women, who tend to have more moveable assets, to use them as collateral for loans. Some financial institutions have started to explore non-traditional collateral options. For example, Nigeria's Access Bank explored jewelry and household equipment as collateral options for women-owned businesses (Making Finance Work for Africa 2012). Similarly, banks in Sri Lanka commonly accept gold jewelry as collateral for loans (IFC 2011). Weaknesses in retail payment infrastructure can also inhibit the roll out of lower cost and more convenient mechanisms for women to access financial services (important given their time and mobility constraints), such as through mobile phones and debit cards linked to agents and points of sale devices.

PRIORITY ACTIONS TO ADDRESS BARRIERS TO WOMEN'S FINANCIAL INCLUSION

Governments and regulators need to take action to ensure an enabling framework for women's financial inclusion, including through: (i) developing supportive legal and regulatory frameworks in the financial sector and beyond, with women a focus for financial inclusion targets and strategies; (ii) supporting measures to improve women's financial literacy/capability; (iii) enhancing financial infrastructure; (iv) encouraging financial institutions to adopt gender sensitive policies and gender tailored marketing strategies, and sales and delivery channels; (v) ensure equal treatment of loan requests by women entrepreneurs; (vi) improving gender-disaggregated data collection and analysis, and filling gaps in policy research; and (vii) supporting the replication and expansion of successful initiatives for improving women's financial inclusion. More specifically:

1. **Develop supportive legal and regulatory frameworks:** remove discriminatory legal provisions, especially with regards to property rights and land ownership, which would help the availability of women's immovable collateral. Enabling regulatory frameworks should be established for low cost and convenient mechanisms for delivering financial services, including through agents, cards/points of sale, and mobile phones. Financial consumer protection regulations should be strengthened, including through: developing adequate disclosure requirements of key information; ensuring fair and reasonable business practices; and setting up redress mechanisms for resolving complaints.

2. **Support measures to improve women's financial literacy/capability.** Building on research evidence and country experiences, the OECD/INFE elaborated Policy Guidance on Addressing Women's and Girls' Needs for Financial Awareness and Education to help identify the needs for financial education of women and girls in different settings, and to support the development of dedicated policy initiatives consistent with the national priorities for financial education and gender equality. [11] The main recommendations made in the policy guidance and the main areas that deserve further work and research:

    - **In developing financial education initiatives policy makers should identify and address women's needs and barriers**. In the design and development of financial education initiatives and related national strategies, policy makers and other stakeholders should identify and take into account (where relevant) gender disparities in opportunities and outcomes. They should at the same time address women's financial education through existing policies aimed at improving gender equality. In doing this, policy makers should identify the needs of women and girls with respect to their financial knowledge, confidence, attitudes and financial strategies. Depending on country circumstances, and identified needs, it is also important to address key policy priorities and target subgroups among women and girls, as well as to promote the involvement and coordination among the relevant stakeholders, including public, private and civil bodies with an interest in gender issues and financial literacy. This crucially rests on identifying and addressing barriers that may prevent women from accessing financial education and from improving their financial literacy, including cultural, social and legal norms that

[11] The policy guidance was approved by the INFE in May 2013 and the OECD bodies responsible for financial education (Committee of Financial Markets and Insurance and Private Pensions Committee) in June 2013. It was transmitted to the Sub-Group on Financial Consumer Protection and Financial Literacy of the GPFI, and it is transmitted separately to the G20 Finance Ministers' and Central Bank Governors' meeting (July 2013) and to the G20 Leaders' Summit (September 2013) for endorsement. See OECD (2013) and the Annex on Women and Financial Education for further details on existing financial education initiatives, and challenges and lessons learnt about financial education for women.

reduce women's opportunities to learn about financial matters, to acquire financial skills, and to act independently.

- **Moreover, in the implementation of financial education for women and girls, policy makers should tailor delivery methods to women's needs and preferences**. When implementing and delivering financial education for women and girls, policymakers and other relevant stakeholders should identify specific 'teachable moments' and learning contexts. These include schools, the workplace, women's networks, communities, and self-help groups, and should tailor delivery methods to women's needs, leveraging the influence of female role models, peer group learning and sharing, and the use of innovative tools. The combination of financial education with access to formal financial products and with entrepreneurial education can be particularly effective to improve women's overall access to economic and financial opportunities. Training, mentoring and preparation of business plans should considered alongside credit services developed for women entrepreneurs. Finally, it is important to systematically monitor and evaluate all financial education programmes, as a way to help identify any divergence in expectations, learning preferences, and programme outcomes between male and female participants.

- **Further work is called for:** (i) developing international and national evidence on financial literacy/capability by gender based on available OECD/INFE and/or WB methodologies; (ii) refining the analysis of the interlinkages between the various barriers faced by women to improve their financial literacy and their attitudes as well as financial competencies and strategies; (iii) further identifying efficient financial education provision for women, and in particular, subgroups of women such as girls, female entrepreneurs, migrants, and elderly women; and (iv) assessing the impact of higher levels of financial literacy on women's economic and financial activities.

3. **Strengthen financial infrastructure.** Governments and regulators should ensure that credit reporting systems include data from a range of sources that are widely used by women (such as microfinance institutions, utility companies, retailers), and should require gender-disaggregated information. Efforts should be undertaken to reform collateral frameworks in order to enable the use of a wide range of movable assets as collateral, and/or modernizing collateral registries. In addition, the systems, oversight, and delivery infrastructure for low cost retail payments should be developed.

4. **Encourage financial institutions to adopt gender sensitive policies and gender tailored marketing strategies, and sales and delivery channels**. Product designs should take into account women's financial needs, and cover a full range of services, including savings and insurance (not only credit). For example, minimum account balances and account fees, or minimum loan amounts, can be obstacles for women

clients. An example of a product that can better meets women's needs is a low or no fee savings products that allows women to access their money when they need to without penalties. Financial institutions should be encouraged to tailor marketing strategies, emphasizing product attributes and benefits that matter to women, using a variety of tools to deliver messages, including for illiterate women, and to develop separate branding campaigns to reach women. Financial institutions should evaluate whether sales and delivery channels are optimized to reach women clients, including having dedicated spaces for women clients, offering sales at community events and in local markets, and targeting effective and low cost delivery channels such as mobile banking. Financial institutions should build an institutional culture that ensures a gender sensitive approach, including by offering appropriate training to sales staff when dealing with women clients, and making an effort to hire female sales staff. Successful models have combined these efforts with some forms of trainings/financial education, as well as networking opportunities with other women business owners. For example, MiBanco in Peru is bundling its loans with a minimum of 150 hours of training for women businesses that have qualified to borrow at least US $10,000 (IFC 2011).

5. **Improve gender-disaggregated data collection and analysis, fill gaps in policy research, and include gender dimensions in financial inclusion strategies.** Improved gender-disaggregated data collection and analysis is needed to fill gaps in data and research, and allow for better progress tracking. The availability of such data helps financial institutions better understand women clients and their potential, and thus design adequate products and policies. It also helps governments and regulatory authorities better understand the gender dimensions of financial inclusion and establish adequate legal and regulatory frameworks in support of women's financial inclusion. For instance, the Central Bank in Zambia has taken on women's access to finance as a policy priority, asking financial institutions to report on how they target the needs of their female clients (Making Finance Work for Africa 2012). In addition to data collection and analysis, more policy research is needed on the gender dimensions of financial inclusion. As countries develop national financial inclusion strategies, gender dimensions should be taken into account by including gender indicators and targets that can be tracked over time. The G20 Basic Set of Financial Indicators can already provide gender-disaggregated data, and this will also be the case for the Extended Set of Financial Inclusion Indicators currently being prepared by the G20 Global Partnership for Financial Inclusion (GPFI).

6. **Ensure that monitoring and impact assessment of financial inclusion and literacy policies and initiatives effectively measure impacts on women.** Policy decisions that appear gender-neutral may have an unintended differential impact on men and women. Therefore monitoring and assessment of the impacts on women should be conducted. Assessments carried out at an early stage of the policy-making process allow for changes, while ongoing monitoring and evaluation supports a a learning process and can inform future financial inclusion and education strategies.

7. **Identify, evaluate, and support the replication of successful initiatives for improving women's financial inclusion.** The development of case studies to show successful models, challenges addressed, and lessons learnt is important for understanding what works and does not work for improving women's financial inclusion. The experience of existing successful initiatives can be leveraged and scaled up with the high level support of the G20. Concretely, the G20 could request the GPFI to conduct a mapping of existing surveys on promising or successful initiatives, and to recommend a mechanism for supporting the replication and expansion of those initiatives.

ANNEX. WOMEN AND FINANCIAL EDUCATION[12]

EXISTING FINANCIAL EDUCATION INITIATIVES TO ADDRESS WOMEN'S NEEDS

Policy awareness about the need to address gender differences in financial literacy and barriers to women's economic and financial opportunities is heterogeneous across countries. In light of the challenges related to women's low financial literacy, various countries at different income levels have acknowledged the need to address the financial literacy of women and girls by developing targeted financial education policies and initiatives. A few countries, including Brazil, Israel, Malaysia and Turkey, have also included women as a specific target group of their national strategies for financial education (Grifoni and Messy, 2012). However, in spite of the available evidence, in many other countries policy awareness is still low about the need to address gender differences in financial literacy and barriers to women's economic and financial opportunities and well-being.

Existing financial education initiatives for women and girls address the needs of specific subgroups and are designed to improve their strategies with financial matters. A stocktaking exercise undertaken among members of the INFE (107 countries) revealed that governments and other stakeholders in various developed and developing countries have addressed the challenges of gender differences in financial literacy by developing financial education policies and programmes for women and girls. Such initiatives aim at addressing the needs of specific subgroups, such as young and old women, low-income and other marginalised groups of women, as well as female micro and small entrepreneurs. These initiatives are typically designed to improve women's strategies in dealing with various financial matters, including improving their financial inclusion.

Financial education programmes are tailored to women's and girls' needs according to countries' contexts and circumstances. To a large extent the financial needs of women and girls are different across various regions of the world and this is partly reflected in the characteristics of the financial education programmes devoted to them. Most programmes in developed countries are targeted at adult women and address money management and saving topics. These programmes are also frequently focused on planning for retirement and avoiding over-indebtedness. On the contrary, financial education programmes in developing and emerging economies are very often targeted at girls and young women, and aim at helping them improve their financial and social empowerment. Financial education programmes in low and middle income countries are also typically linked to financial inclusion initiatives, allowing girls to access transaction, saving and credit products. Many of these programmes also include training on entrepreneurship skills and business development, to sustain women and girls in setting up and running income generating activities.

[12] This part summarises the publication OECD (2013) *Women and Financial Education: Evidence, Policy Responses and Guidance*, OECD, Paris. Based on this publication, the OECD/INFE elaborated Policy Guidance on Addressing Women's and Girls' Needs for Financial Awareness and Education.

Impact evaluations show examples of successful financial education programmes for women and girls. A growing number of impact evaluation exercises show that well designed programmes are successful in raising women's financial literacy and wellbeing. Several financial education programmes targeting women reported an impact in terms of improved financial knowledge and attitudes, as well as in a range of financial behaviours, including money management, credit card use and borrowing.

CHALLENGES AND LESSONS LEARNT ABOUT FINANCIAL EDUCATION FOR WOMEN

Financial education programmes for women face challenges related to reaching women and delivering relevant and efficient material and messages. The analysis of the evidence and policy initiatives revealed a number of challenges and lessons in the development and implementation of financial education initiatives for women and girls. The main challenges have to do with changing social and cultural attitudes that may limit women's financial independence, as well as difficulties in reaching women and delivering relevant and efficient material and messages. Women may be a hard-to-reach group, due to social segregation, or lack of time due to work/social obligations, and some programmes targeting very specific groups of women found it hard to engage and retain them. Moreover, it can be difficult to produce material that is appropriate for women with different age, life-cycle situation, literacy level and financial knowledge background.

Various programmes identified as key lessons the importance to address women's overall socio-economic empowerment and of taking into account women's preferences in designing the learning environment. Women's financial empowerment should not be pursued in isolation, but rather integrated in broader approaches aiming at improving women's economic and social empowerment. Financial education delivered in connection with financial products/services and other training relevant to women (e.g., about health, business, life skills, etc.) has the potential to improve their independence in a vast set of domains (e.g. access to employment and entrepreneurship opportunities, escaping domestic violence, etc.). In addition some programmes stressed the importance to adapt the learning environment to women's preferences, including (i) learning in a group together with other women, allowing participants to feel more at ease and to realise they are not the only one experiencing problems; and (ii) using female trainers as role models, in order to build confidence among trainees.

REFERENCES

- Ashraf et al. 2010…
- Atkinson, A. and F. Messy (2012), "Measuring Financial Literacy: Results of the OECD / International Network on Financial Education (INFE) Pilot Study", *OECD Working Papers on Finance, Insurance and Private Pensions*, No. 15, OECD Publishing. http://dx.doi.org/10.1787/5k9csfs90fr4-en
- Banthia, A., Greene, J., Kawas, C., Lynch E. & Slama J. (2011), Solutions for Financial Inclusion: Serving Rural Women, *Women's World Banking Focus Note*.
- Barber, B. M. & Odean, T. (2001), Boys Will Be Boys: Gender, Overconfidence, And Common Stock Investment.
- Beck, T., Behr, P. & Guettler, A. (2012), Gender and Banking: Are Women Better Loan Officers?, *European Banking Center Discussion Paper No. 2009-19*.
- Cutura, J. (2009), Promoting Women's Economic Empowerment: The Learning Journey of Standard Chartered Bank, *Private Sector Leaders Forum*, The World Bank.
- Demirguc-Kunt A., Klapper L. & Singer D. (2013), Financial Inclusion and Legal Discrimination Against Women: Evidence from Developing Countries, *Policy Research Working Paper Series 6416*, The World Bank.
- Dupas, Pascaline and Jonathan Robinson, (2013). "Savings Constraints and Microenterprise Development: Evidence from a Field Experiment in Kenya," *American Economic Journal: Applied Economics*, 5(1), pp. 163-92, January.
- Fletschner, D. & Mesbah, D. (2011), Gender disparity in access to information: Do spouses share what they know?, *World Development, vol. 39, issue 8*.
- Grifoni, A. and F. Messy (2012), "Current Status of National Strategies for Financial Education: A Comparative Analysis and Relevant Practices", *OECD Working Papers on Finance, Insurance and Private Pensions,* No. 16, OECD Publishing. http://dx.doi.org/10.1787/5k9bcwct7xmn-en
- GSMA (2013), Unlocking the Potential: Women and Mobile Financial Services in Emerging Markets.
- He, X., Inman, J. J. & Mittal, V. (2008), Gender Jeopardy: The Effects of Issue Capability and Gender in Risk Taking, *Journal of Marketing Research, 45*.
- IFC (2011), Strengthening Access to Finance for Women-Owned SMEs in Developing Countries, *GPFI Report*.
- IFC (2013), Banking on Women: IFC Investment and Advisory Services Offering for Women-Owned SMEs, *Presentation given at "Building a High Performance Small Medium Enterprise Business in the Arab World" in Dubai, UAE*.
- Making Finance Work for Africa (2012), Advancing African Women's Financial Inclusion, *Policy Brief*.

- OECD (2012), *Closing the Gender Gap: Act Now*. OECD, Paris. http://www.oecd.org/gender/closingthegap.htm
- OECD (2013), *Women and Financial Education: Evidence, Policy Responses and Guidance*, OECD, Paris.
- OECD/INFE (2013), Policy Guidance on addressing Women's and Girls' Needs for Financial Awareness and Education.
- World Bank and IFC (2011), Women, Business and the Law 2012: Removing Barriers to Economic Inclusion.
- World Bank (2012), Are Pakistan's Women Entrepreneurs Being Served by the Microfinance Sector?, Conference Edition, The World Bank.
- Xu, L. & Zia, B. (2012), Financial literacy around the world: an overview of the evidence with practical suggestions for the way forward, *Policy Research Working Paper Series 6107*, The World Bank.