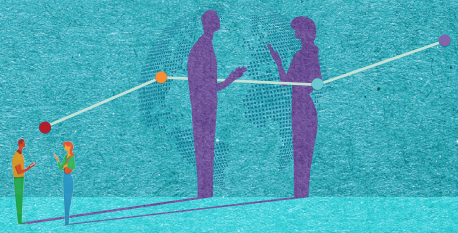
The Global Findex Database 2021

Women and Financial Inclusion



Leora Klapper, Dorothe Singer, and Saniya Ansar

The Global Findex Database 2021 shows that the gap in access to financial services between men and women dropped to 4 percentage points for the first time in the past decade. Worldwide, 78 percent of men now have an account, compared to 74 percent of women. In developing economies, the gap is somewhat larger at 6 percentage points (74 percent of men with an account compared to 68 percent of women). Despite this general trend toward narrowing gender gaps in developing economies, however, barriers such as a lack of identification or a mobile phone, distance from a bank branch, and low financial capability continue to hamper women's ability to participate in the formal financial system. These barriers may contribute as well to the fact that women report low levels of financial resilience—meaning, they are unable to easily come up with money to deal with an emergency within 30 days. Programs aimed at expanding financial inclusion through the digitalization of cash payments can help increase both financial access and use in a way that improves women's lives.

The gender gap has narrowed after years of stagnation—but with variations across economies

Financial inclusion for women has been shown to bring multiple benefits, including more influence over their household's spending priorities, less dependence on riskier income sources, and more resilience to weather unexpected expenses. In the Philippines, for example, women who used commitment savings products that encouraged regular deposits into a personal account increased their household decision-making power and shifted their spending to household goods relevant to their needs, such as washing machines.[1] In Kenya, areas with high mobile money access had a 9 percentage point smaller share of women in poverty, and their consumption was higher by more than 18.5 percent, compared with that in areas with limited mobile money access.[2] And in India, a government workfare program that reached over 100 million people showed that paying women their benefits directly into their own account (and not into the account of a male household head) increased their financial control and incentivized women to find employment, compared with those paid in cash.[3]

Given the positive potential benefits of financial access for women, there is cause for optimism in the Global Findex Database 2021 data showing that the gap in access to financial services between men and women dropped by 3 percentage points since 2017. Worldwide, 78 percent of men now have an account, compared to 74 percent of women, for a gender gap of 4 percentage points (see Figure 1). Since there is no gender gap in high-income economies, this gap is entirely driven by developing economies, which on average have a 6 percentage point gender gap, as 74 percent of men have an account compared to 68 percent of women. This is a notable improvement from the developing economy gender gap of 9 percentage points that held for several years.

1 Ashraf, Nava, Dean Karlan, and Wesley Yin. 2010."Female Empowerment: Further Evidence from a Commitment Savings Product in the Philippines." World Development 38 (3): 333–44.

2 Suri, Tavneet, and William Jack. 2016. "The Long-Run Poverty and Gender Impacts of Mobile Money." Science 354 (6317): 1288–92.

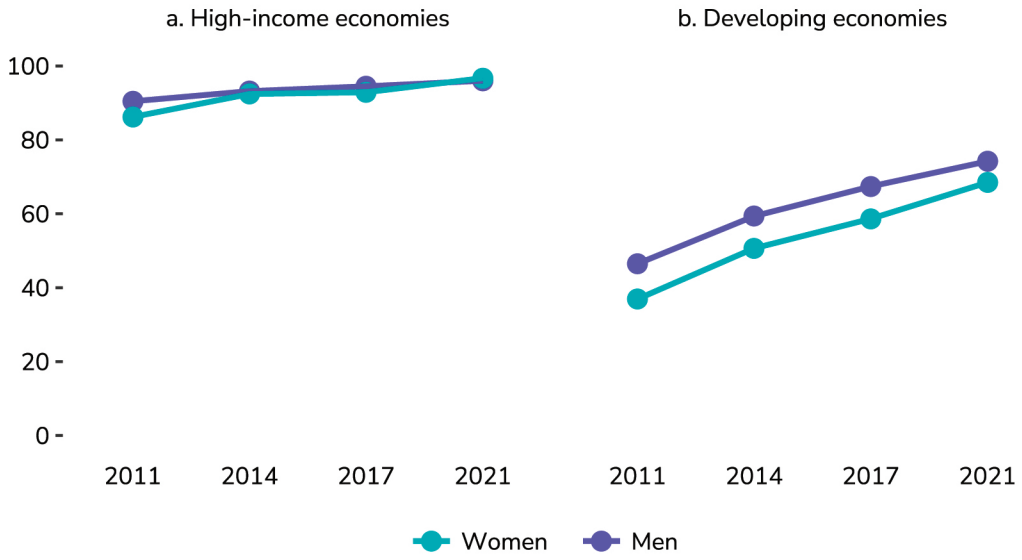
3 Field, Erica, Rohini Pande, Natalia Rigo, Simone Schaner, and Charity Troyer Moore. 2021. "On Her Own Account: How Strengthening Women's Financial Control Impacts Labor Supply and Gender Norms." American Economic Review 11 (7): 2342–75.

WORLD BANK GROUP

FIGURE 1

Efforts to narrow the gender gap have paid off since 2017

Adults with an account (%), 2011–21



Source: Global Findex Database 2021.

There remains wide variation in the gender gap across different regions and economies around the world, however. For instance, in the Sub-Saharan Africa and Middle East and North Africa regions, the gender gap is twice the size of the developing economy average and three times the size of the world average, at 12 percentage points and 13 percentage points, respectively. Inside of the same region there can be wide variation as well: Mozambique, for example, has a gender gap of 22 percentage points, whereas South Africa has no gender gap.

Though increases in account ownership are a worthwhile goal in any economy, they do not necessarily contribute to a narrowing of the gender gap unless the policies supporting these increases are designed to equitably reach women. On the contrary, some economies have seen significant average increases in the share of adults with an account, but without equitably improving the share of women with access. Côte d'Ivoire saw account ownership increase from 41 percent in 2017 to 51 percent in 2021, but the gender gap increased from 11 percentage points to 27 percentage points during the same time period. This pattern is not universal, however: Between 2017 and 2021, Peru achieved an account ownership increase of 15 percentage points at the same time that it decreased the gender gap by 7 percentage points from 17 to 9 percentage points. And Pakistan saw flat account ownership growth in that time period, yet its gender gap narrowed from 28 percentage points to 15 percentage points.

Mobile money is contributing to closing the gender gap in Sub-Saharan Africa and elsewhere

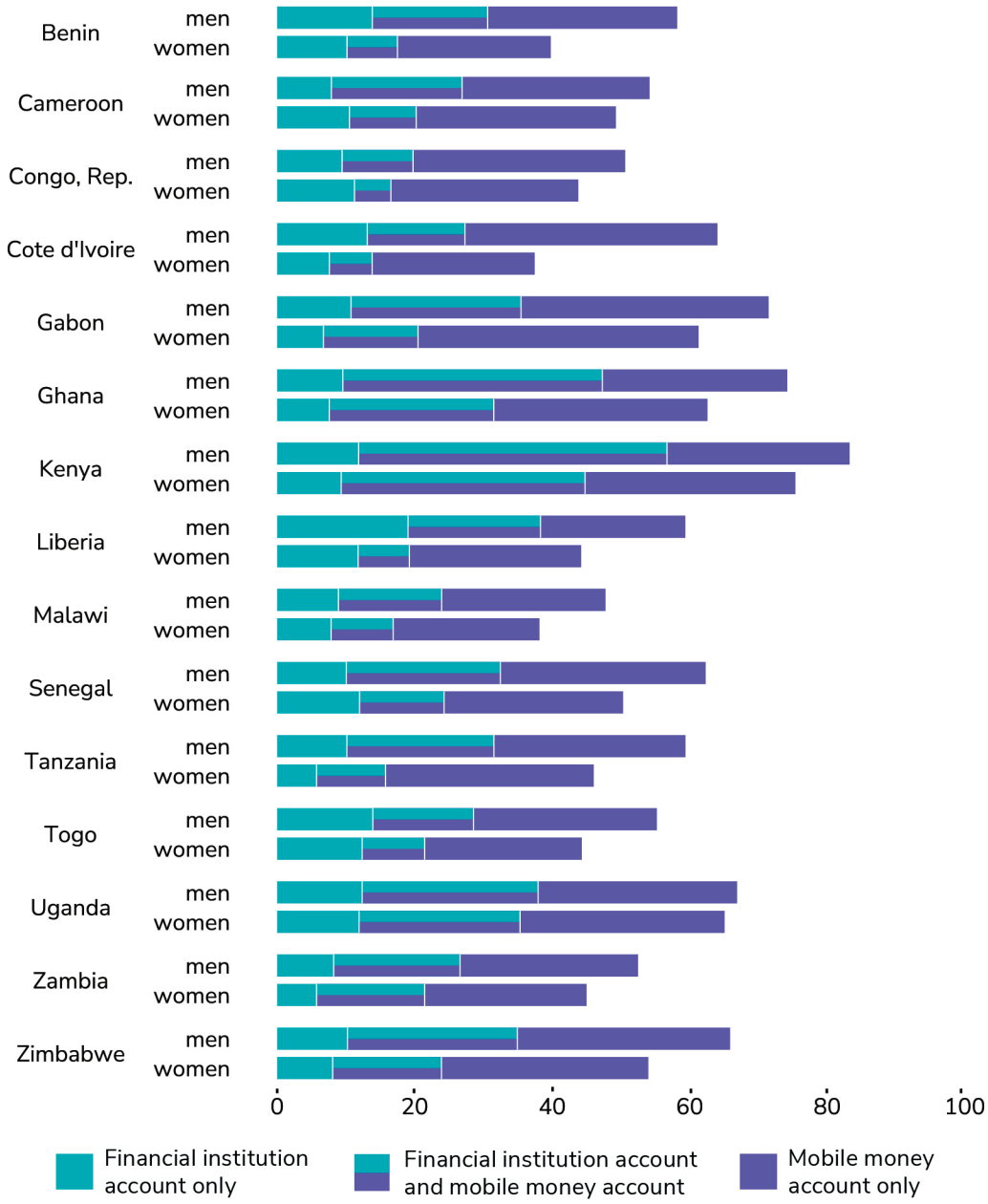
The spread of mobile money accounts in certain regions has created opportunities to better serve groups who have long been excluded from the formal financial system. Global Findex 2021 data from Sub-Saharan Africa show in particular how mobile money accounts are building financial inclusion for women.

There are 15 economies in Sub-Saharan Africa in which 20 percent or more of adults have only a mobile money account, and not another type of financial account (see Figure 2). In these, all but Uganda had a statistically significant gender gap for overall account ownership. Yet in 7 of these economies, women were as or more likely

FIGURE 2

In 2021, 15 economies in Sub-Saharan Africa had 20 percent or more women with only a mobile money account

Adults with an account (%), 2011–21



Source: Global Findex Database 2021.

Note: Data are shown for economies in Sub-Saharan Africa in which the share of adults with only a mobile money account is greater than 20 percent.

than men to only have a mobile money account, suggesting that mobile money in these environments might be a more attractive or accessible option for women.[4]

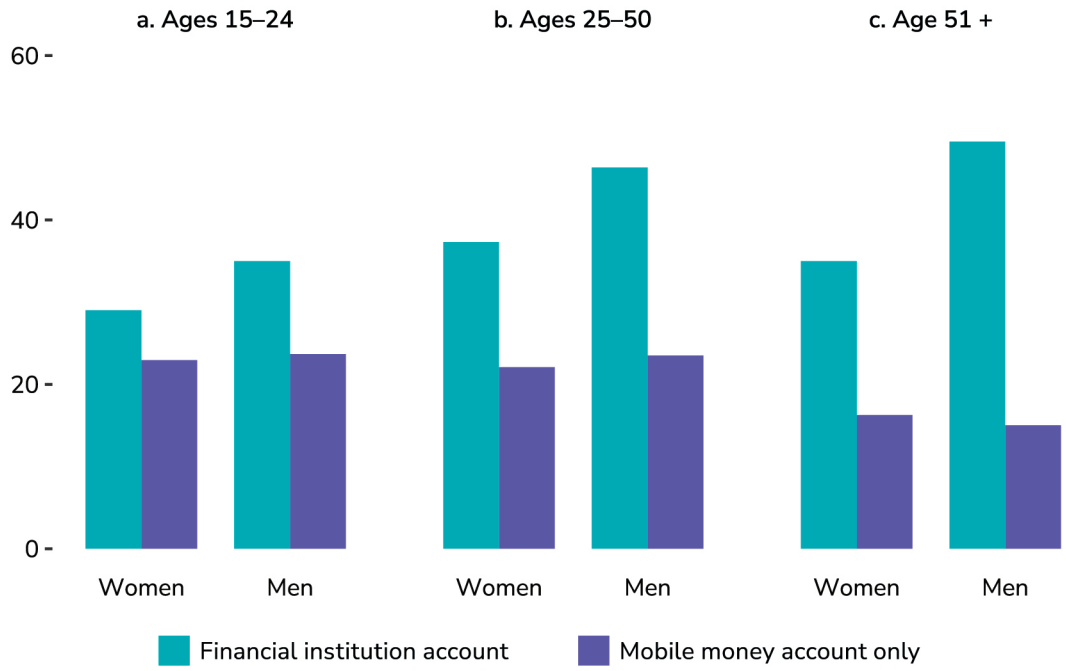
Technology-enabled mobile money accounts are also helping drive inclusive access to finance for younger women. The gender gap for financial institution accounts tends to grow as adults age, but it remains small for men and women who only have mobile money accounts (see Figure 3). Mobile money account ownership is lower among older age groups, however, and the take-up of these accounts is lower for older women compared with younger women. This highlights a factor policy makers and advocates must consider when leveraging technology to drive improvements in financial inclusion: today's older consumers may lack digital literacy and therefore prefer traditional methods of making transactions.[5]

More broadly, driving financial inclusion through mobile money accounts depends on people having access to mobile phones. Yet in many places around the world, a gender gap exists in mobile phone access. Among adults in Sub-Saharan Africa, for example, 86 percent of men have a mobile phone, compared with 77 percent of women. Across the region, unbanked women are 7 percentage points more likely than unbanked men to cite the lack of a mobile phone as one of the reasons they do not have a mobile money account. (Notably, a mobile phone access gap is not universal in the region—economies such as Cameroon and Zambia do not have a gender gap in mobile phone access and in Zimbabwe, women are more likely than men to have a mobile phone.)

FIGURE 3

Men and women in Sub-Saharan Africa are equally likely to use only a mobile money account

Adults with an account (%), 2021



Source: Global Findex Database 2021.

Note: Data are shown for economies in Sub-Saharan Africa in which the share of adults with only a mobile money account is greater than 20 percent.

4 The seven economies are: Cameroon, Gabon, Ghana, Kenya, Liberia, Tanzania, and Uganda.

5 GPFI (Global Partnership for Financial Inclusion) and OECD (Organisation for Economic Co-operation and Development). No date. "G20 Fukuoka Policy Priorities on Aging and Financial Inclusion: 8 Key Steps to Design a Better Future." https://www.oecd.org/g20/summits/osaka/G20-Fukuoka-Policy-Priorities-on-Aging.pdf.

The relationship between financial inclusion and mobile money access is not exclusive to Sub-Saharan Africa. For instance, some economies in South Asia, such as Bangladesh, are seeing mobile money accounts play a prominent role in the financial sector. Yet in the region, women are 22 percentage points less likely than men to have a mobile phone.

Nor are mobile phones the only access item that can affect whether women can get accounts. Formal identification documents are another. In Sub-Saharan Africa, 105 million adults (16 percent of adults) are unbanked and have no ID, according to Global Findex 2021 data collected in partnership with the World Bank's Identification for Development (ID4D) initiative. Women in the region are five percentage points more likely on average to not have an ID, which prevents them from opening an account at a bank or getting a SIM card for a mobile phone, both of which require it.

The gender gap affects not just account access but also use of accounts in developing economies

For women in low- and middle-income economies, saving and storing money in a financial account, formal borrowing, and payments, can provide critical links to the formal economy and enable greater economic security and personal empowerment. Payments in particular serve as a gateway to broader use of financial services, according to trends evident in the Global Findex 2021 data. Yet there are gender-based usage gaps.

Savings and storing gender gaps differ by activity and economy

When it comes to saving and storing money, the gender gaps around usage vary. Globally, men and women are equally likely to save in some way. Even among account holders in developing economies, the data find no gender gap between men and women who save formally. Viewed regionally, however, there are savings gender gaps in Sub-Saharan Africa, where women with an account are 9 percentage points less likely to save formally than men, and in Latin America and the Caribbean, where women are 8 percentage points less likely to do so. There is no gender gap in formal savings among account holders in other regions, however. When it comes to using accounts to store money for cash management, the gender gap is more widespread across developing economies—59 percent of men with an account on average do so compared with 51 percent of women.

Borrowing

Globally, men and women were equally likely to formally borrow money in the 12 months prior to the Global Findex 2021 survey. Even among account holders, men and women did not show a significant gender gap. This matters not just for men and women as individuals, but also because micro- and small-business enterprises often depend on personal credit to start and operate their businesses.

In some regions, however, woman with accounts were significantly less likely than men to use formal credit. In Europe and Central Asia and South Asia, for example, men who have an account were 5 percentage points more likely than women who have an account to borrow formally. This gap increased to 12 percentage points in Latin America and the Caribbean. Interestingly, in Sub-Saharan Africa, with its ubiquitous use of mobile money to borrow, there is no gender gap among men and women account holders who access formal credit.

In developing economies where more than 25 percent of adults use a credit card (which the Global Findex categorizes as a form of short-term borrowing), men were significantly more likely to be credit card users than women. For example, in Turkiye, men with an account were about 25 percentage points more likely than women with an account to use a credit card. Even in Brazil, which has a smaller gender gap in account ownership, men with an account are 15 percentage points more likely than women to use a credit card. In contrast, in China, where 31 percent of adults use a credit card and there is no gender gap in account ownership, women account holders are 5 percentage points more likely than men to use a credit card.

Gender gaps in the use of digital payments vary by economy and by the type of payment

In developing economies, men with an account are on average 6 percentage points more likely than women with an account to have made or received digital payments. This gender gap in the use of digital payments among account owners has remained virtually unchanged since 2014, despite the overall increase in digital payments.

The gender gap in the use of digital payments among account owners varies substantially across developing economies and shows no evident relationship to an economy's gender gap in account ownership. In six economies, including four in South Asia, the gap reaches double digits. In India and Sri Lanka—economies with no gender gap in account ownership—the payments gender gap is 17 percentage points and 18 percentage points, respectively. Yet in Bangladesh and Nigeria—economies with gender gaps in account ownership of about 20 percentage points—there are similarly large gender gaps in the use of digital payments at 15 percentage points and 16 percentage points, respectively. The Arab Republic of Egypt and Nepal likewise have double-digit gaps in the use of digital payments among account owners (12 percentage points and 14 percentage points, respectively), even though their gender gaps in account ownership are smaller.

In many other economies, including some with double-digit gaps in account ownership, there is no payments gender gap. In Pakistan, for example, men and women account owners are equally likely to use their account for digital payments and most do (84 percent), despite low overall account ownership and an ownership gender gap of 15 percentage points.

The impact of COVID-19 health crisis and mobility restrictions might have led to greater gender parity in the use of digital payments. For example, among account owners in developing economies, men are 5 percentage points more likely than women to use digital payments methods to purchase something either in a store or online (i.e., "digital merchant payments"). However, this gap is insignificant for account holders who made a digital merchant payment for the first time after the start of the COVID-19 pandemic. The only exception to this trend is women account holders in South Asia, who were 10 percentage points less likely than men to make their first digital merchant payment during the COVID-19 pandemic.

For men and women with an account making digital utility payments, including the share making their first utility payment directly from an account during the COVID-19 pandemic, there is no significant difference in usage patterns between men and women. This result holds across all developing regions.

Receiving digital payments helps women engage with the financial system

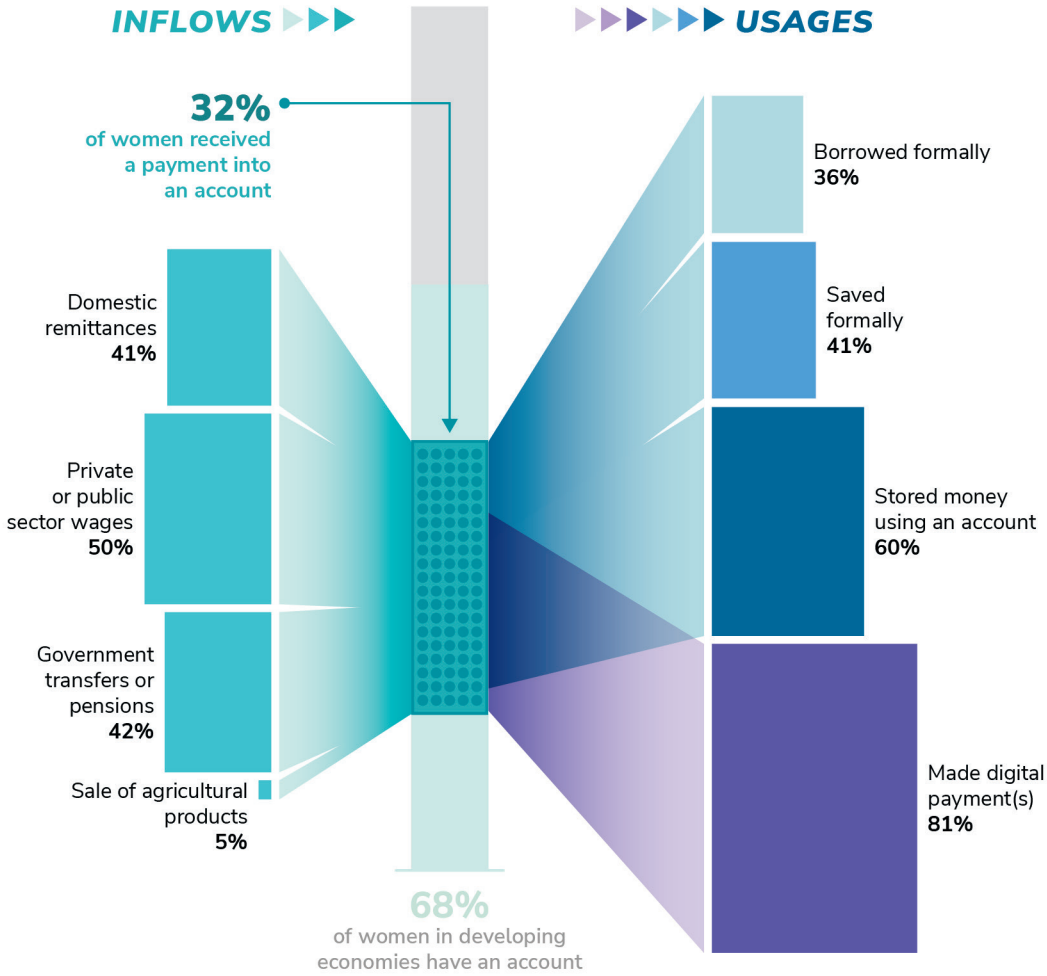
In developing economies, receiving a digital payment opens the door to engagement with the broader financial ecosystem (figure 4). This is true for both men and women payment recipients. Thirty-two percent of women and 40 percent of men received a digital payment in the 12 months prior to the Global Findex 2021 survey. However, the types of payments men and women received differed. For instance, 23 percent of men and 16 percent of women in developing economies received wages into an account. This gender gap in wage payment receipt is due, in part, to disparities in employment trends. In contrast, 13 percent of adults in developing economies received a government transfer or pension payment into an account, with no observed gender gap.

As important is the way in which receiving a digital payment relates to the use of other financial services. Of the adults in developing economies who received digital payments, 85 percent of men and 81 percent of women also made a digital payment—a gender gap of 4 percentage points, less than half than the 9 percentage point gender gap in share of men and women who make a digital payment.

FIGURE 4

In developing economies, men and women receiving a digital payment opens the door to engagement with the broader financial ecosystem

a. Women



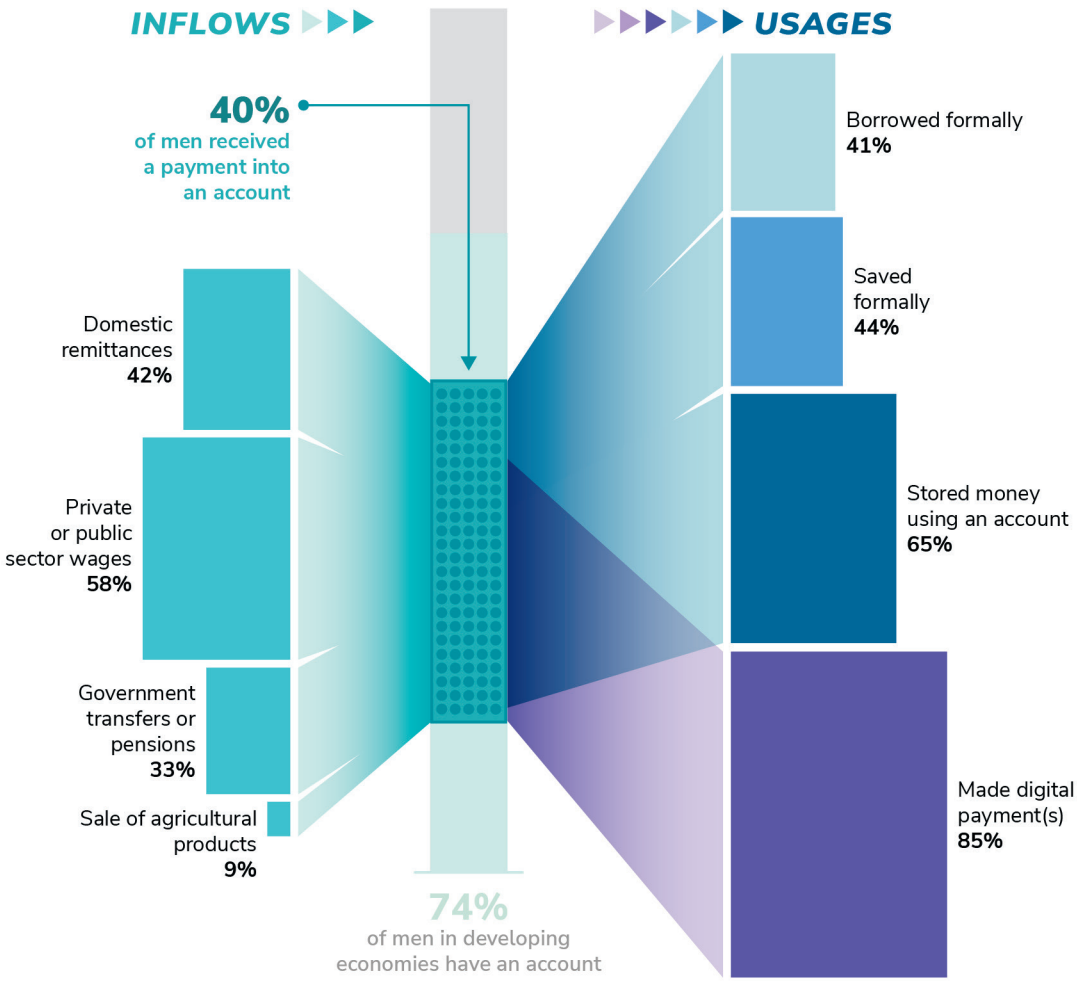
Source: Global Findex Database 2021.

Note: Inflows and usages are shown as percentages of the 32 percent of women receiving a payment into an account.

FIGURE 4

In developing economies, men and women receiving a digital payment opens the door to engagement with the broader financial ecosystem

b. Men



Source: Global Findex Database 2021.

Note: Inflows and usages are shown as percentages of the 40 percent of men receiving a payment into an account.

Women struggle with financial well-being

Every year, households around the world face unpredictable events with financial consequences, such as a sudden illness or accident, or damage to a vehicle or their home. We refer to the ability to access emergency money within 30 days with little to no difficulty to pay for these events as "financial resilience." The Global Findex 2021 data show that, here too, there is a resilience gender gap.

In developing economies, 59 percent of men said they could reliably come up with emergency money, compared with 50 percent of women (see Figure 5). Latin America and the Caribbean has the world's largest resilience gender gap of 16 percentage points — with 56 percent of men saying they can reliably access emergency money without much difficulty, compared with 39 percent of women.

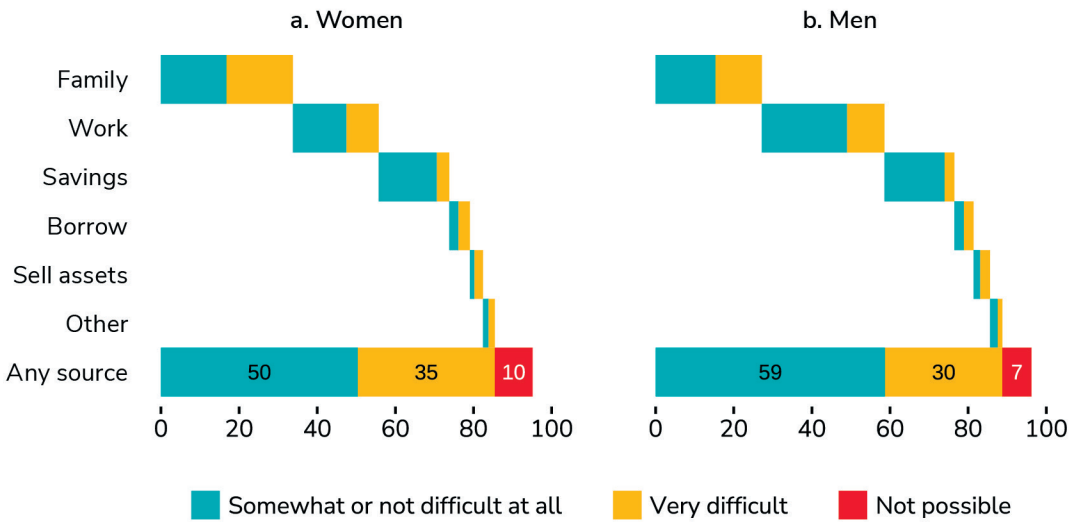
One reason women struggle to access emergency money is that their most common source of funds in an emergency is family and friends. Across genders and household income groups, social sources of money tend to be less reliable than other sources, particularly savings. In developing economies, 50 percent of women who rely on family as their main source of emergency money say it would be very difficult, compared with 44 percent of men.

Resilience and financial stress, or worrying, are linked concepts. Global Findex 2021 data finds that a smaller share of men than women worry about the four common financial issues we ask about in the Global Findex survey: medical expenses, school fees, routine household expenses, and the costs of old age. In developing economies, for example, 39 percent of men say they are very worried about not having enough money for routine monthly expenses compared with 44 percent of women. This difference of about 6 percentage points holds for the other financial issues as well.

FIGURE 5

In developing economies, women are less financially resilient than men

Adults identifying the source of, and assessing how difficult it would be to access, emergency money (%), 2021



Source: Global Findex Database 2021.

Note: The length of the bar in each row is the share of adults that resported using the specified source of money. A small share of adults did not know or refused to disclose their main source of emergency money.

Of the four sources of financial worry highlighted in the Global Findex survey, medical expenses is the one that both men and women are most likely to worry about. Likewise, medical expenses is the biggest financial worry they face in both developing and high-income settings. Yet financial concerns may vary by gender in a specific economy. For example, in Sub-Saharan Africa, 31 percent of women and 26 percent of men cite school fees as their biggest financial worry, over twice the developing country average. Across the region, women are more likely to cite this source of financial stress: In Kenya, women are 17 percentage points more likely than men to report school fees as their largest financial worry.

These findings are worth considering in light of recent research on intrahousehold bargaining between women and men, which has highlighted the different roles that household members play in generating and managing household finances.[6] These roles interact with social norms in each economy and with the specific roles adopted in each household, which may help put the gender-based differences in worrying in some context.

Another factor in financial well-being is the degree to which people have financial confidence. The Global Findex 2021 data in this arena also shows cause for concern. Unbanked women in developing economies are 10 percentage points more likely than unbanked men to say they would need help using an account at a financial institution. This share can be as much as three times higher in certain economies, such as Brazil, where unbanked women are 31 percentage points more likely than unbanked men to say they would need help. This is consistent with a study of government-to-person (G2P) mobile payments, which found that women were significantly more likely than men to send a representative to cash out government transfer payments.[7]

Women's lack of financial confidence can put them at risk, given that women are more likely to report paying unexpected fees for financial services. This could be because the women were unaware of the costs of an account or because agents were asking for unsanctioned fees. Either way, it suggests the need for dedicated onboarding approaches that take the financial experience of the customer into account. In addition, a third of mobile-money account holders in Sub-Saharan Africa need help from a family, friend or agent to use their account. Women are 5 percentage points more likely than men to need help using their mobile money account, putting them at greater risk of illicit fees or financial abuse.

Digitalizing cash transactions presents an opportunity to narrow the gender gap in access and usage

The findings on account access, use, and well-being collectively suggest the need to continue efforts to increase equitable financial inclusion for women. These efforts should be designed in a way that is mindful of women's specific concerns and needs. Digitalizing payments presents one such opportunity.

Globally, about 85 million unbanked adults receive government payments in cash, including 45 million unbanked women. Making some of these payments into mobile money or financial institution accounts could increase account ownership through a mechanism that also provides women with a safe place to store their money. This may also lead to increased account usage, since the majority of people who receive payments into an account also make payments from an account, as shown in figure 4.

Nor are government payments the only potential enabler of financial inclusion: Globally, 165 million unbanked adults receive private sector wage payments in cash, including 50 million unbanked women; in addition, in developing economies 145 million unbanked adults received agricultural payments in cash, including 65 million unbanked women.

6 Gomes, Francisco, Michael Haliassos, and Tarun Ramadorai. 2020. "Household Finance." Journal of Economic Literature 59 (3): 919–1000.

7 Glynn-Broderick, Kate, and Liz Koechlein. 2021. "Are Mobile Payments Reaching Men and Women Equally? Latest Findings on How G2P Payments Are Working in Bangladesh." Innovations for Poverty Action (blog), July 7, 2021. https://www.poverty-action.org/blog/are-mobile-payments-reaching-men-and-women -equally-latest-findings-how-g2p-payments-are-working.

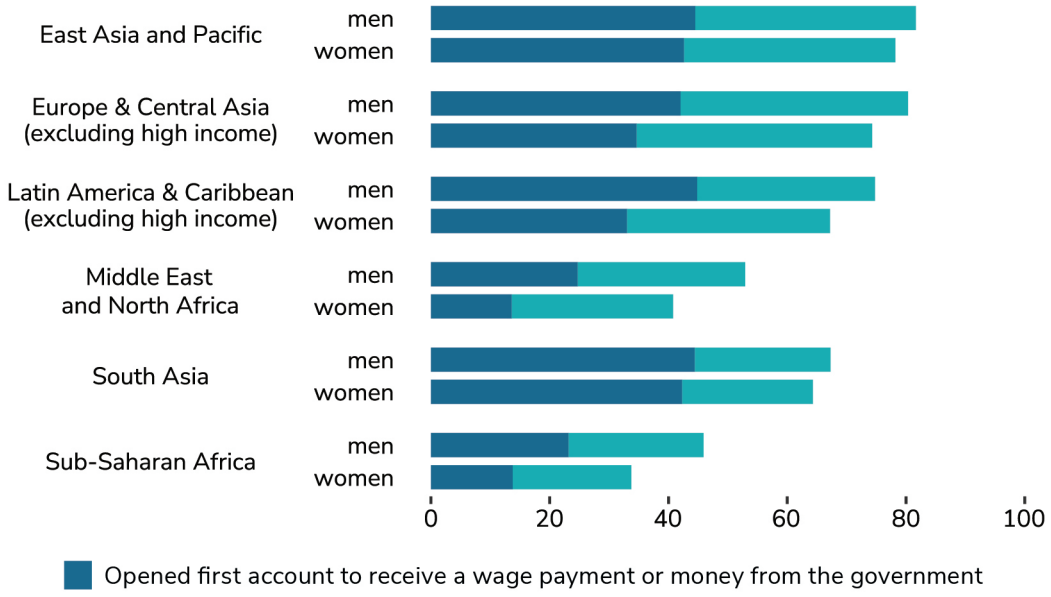
There is precedent for leveraging digitalization of payments to drive financial inclusion. In developing economies, 39 percent of adults — or 57 percent of those with a financial institution account (excluding mobile money accounts) — opened their first account specifically to receive a wage payment or to receive money from the government. There is a 5 percentage point gender gap in this share of adults opening accounts expressly to receive wages or government payments: 37 percent of women did so compared with 41 percent of men. That gap is larger in certain regions. Men in LAC were 12 percentage points more likely than women to open their first account for this purpose — the highest gap of all developing economy regions due to high discrepancies in Brazil, Costa Rica, and Peru. In other economies, and especially in Europe and Central Asia, women and men were equally likely to have been motivated to open their accounts for this purpose. In particular, women and men in Georgia, India, and Indonesia were equally likely to open an account to receive a wage payment or to receive money from the government (see Figure 6).

The type of payment may influence whether payment digitalization results in equitable inclusion, however. While men and women in developing economies are equally likely to have opened their first account at a financial institution specifically for the purpose of receiving a government payment, men are 6 percentage points more likely than women to have opened a financial institution account specifically to receive a wage payment; in Latin America and the Caribbean, that difference is 13 percentage points. Digitalizing government payments is a proven way to equitably increase financial inclusion. In developing economies, 18 percent of adults opened their first account at a financial institution specifically to receive money from the government and men and women are equally likely to open an account to receive such a payment. The only exception to this is the South Asia region, where 27 percent of men and 33 percent of women opened an account to receive money from the government.

FIGURE 6

Millions of adults opened their first account at a financial institution to receive a wage or government payment

Adults with an account at a financial institution (%), 2021



Source: Global Findex Database 2021.

There is also a potential opportunity to incentivize women to move some semiformal savings into formal accounts as a path to broader financial access and use. In developing economies, about 85 million people — 6 percent of unbanked adults—saved semiformally. In Sub-Saharan Africa alone, about 50 million unbanked adults saved semiformally, including about 35 million women. Shifting a share of those savings into formal accounts could offer a safer and more flexible mechanism that could lead to use of a wider range of financial services for women.

In order to optimize their impact on financial inclusion, government initiatives to digitalize payments should be coordinated with financial providers to offer appropriate and convenient accounts, mobile telecommunications operators to deliver equitable access to mobile technology, and consumer protection service providers to provide ongoing financial education. For increased access to provide benefits to women, it must be done in a way that also increases financial capability. A proven way to do so is by encouraging the use of accounts and providing resources to enable "learning by doing". When coupled with effective onboarding, making payments directly into an account can marry those elements of financial access with building financial skills.

About Findex

Since 2011, the Global Findex Database has been the definitive source of data on the ways in which adults around the world use financial services, from payments to savings and borrowing, and manage financial events such as a major expense or a loss of income. The 2021 edition is based on nationally representative surveys of 128,000 adults in 123 economies during the COVID-19 pandemic. The database, the full text of the report, and the underlying economy-level data for all figures — along with the questionnaire, the survey methodology, and other relevant materials — are available at http://www.worldbank.org/globalfindex.

All regional and global averages presented in this publication are adult population weighted. Regional averages include only developing economies (low- and middle-income economies as classified by the World Bank).