

# Building Women's Financial Capability

Julia Arnold

Senior Research Director, Women's  
Financial Inclusion

June 1, 2021

CENTER *for*  
FINANCIAL  
INCLUSION

**ACCION**



# CENTER FOR FINANCIAL INCLUSION (CFI)

Our vision is a world where all people are able to use financial services and participate in the economy to improve their lives and prosper.

## HOW WE WORK



### LEARN

Conduct quantitative and qualitative research on both the demand- and supply-side to identify the most pressing issues affecting the financial inclusion of vulnerable people around the world



### TEST

Pilot concepts that arise from quantitative and qualitative analysis to identify best practices and effective solutions

### SHARE

Advocate for change by sharing insights and recommendations with key stakeholders through publications, convenings, events, and campaigns to influence their decision-making analysis to identify best practices and effective solutions



# Financial Capability Research

# Women's Financial Capability

## Global gender gaps persist

A focus on access is not enough: we need to do more

Building financial capability helps customers make informed, less risky decisions.



# What is Financial Capability?



CFI defines financial capability **as possessing the knowledge, skills, attitudes, and behaviors needed to make financially healthy decisions.**

COMPONENTS

DIGITAL  
CAPABILITY

FINANCIAL  
LITERACY

## Why is a gendered approach to financial capability important?



Women's lives are vastly different from men's



Social and gender norms determine what women are able to access, when they can learn new skills



Digital delivery can hinder women when social norms prevent mobile phone ownership

# What do we know about financial capability?

We know adults learn better when behaviorally informed techniques are embedded in delivery

We know adults learn better when it is customized to their context

But we don't know what women need because we don't have disaggregated data on financial capability efforts

Insufficient to say that men perform better than women on financial literacy tests- we need to know why and what can be done better

# Digital capability should be considered part of any financial capability intervention.

## DIGITAL FINANCIAL CAPABILITY

is the ability to access, manage, understand, integrate and evaluate financial services, while they communicate and exchange information safely and appropriately through digital technologies.

But digital finance also **exacerbates existing inequalities** in its current design and delivery



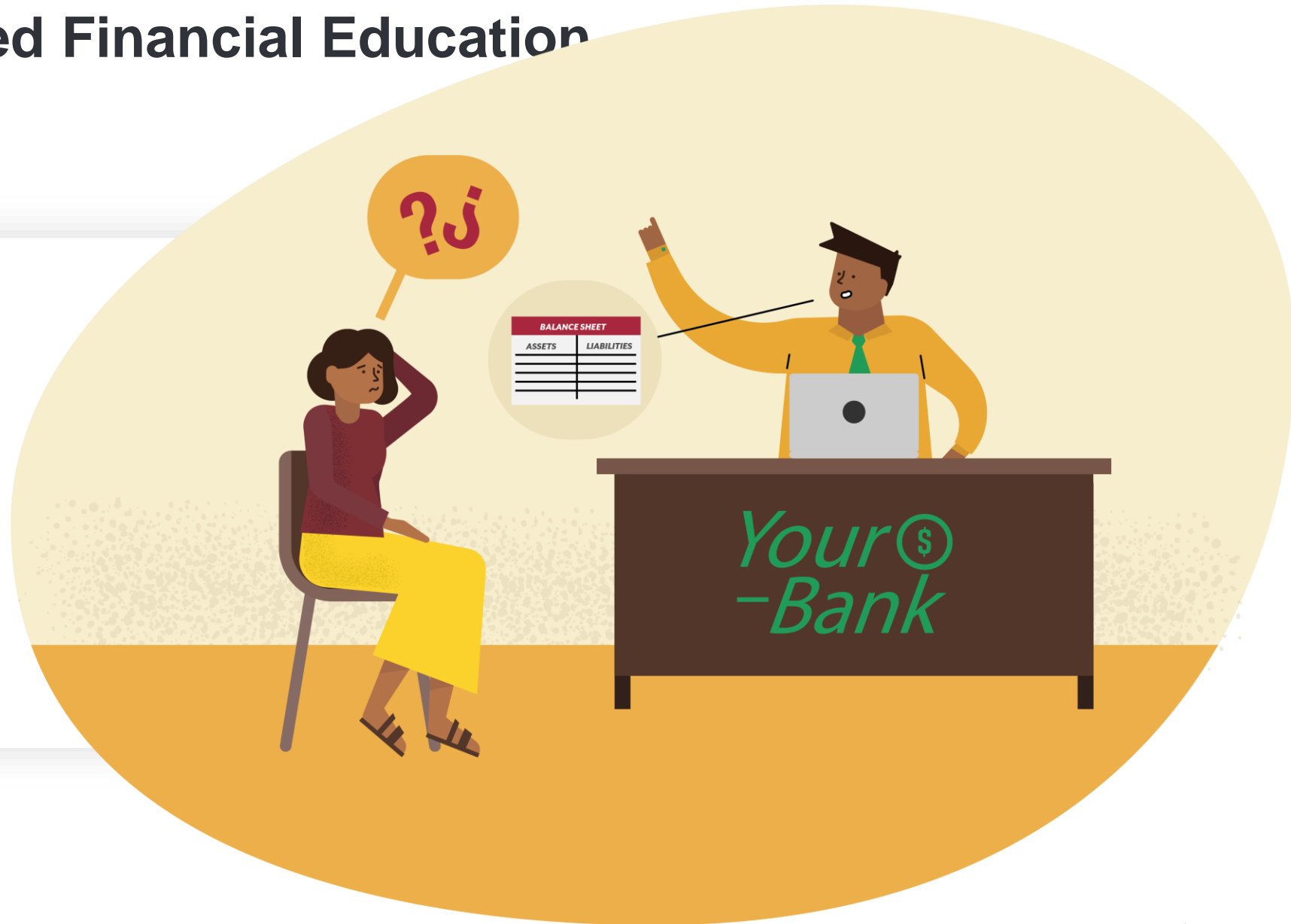
# Classroom-Based Financial Education

- Often centers on four basic concepts
- Delivered to many people at once
- Not connected to financial product use
- Often focuses on outputs (# of people trained)



# Technology-Enabled Financial Education

- Content varies depending on delivery channel
- Uses apps, platforms, or communication services (SMS)
- Leverages behavioral science to influence behaviors (heuristics)
- Often measurement linked to narrow set of behaviors (savings goal met)



# High-Touch Financial Capability

- Information tailored to customer segments
- Product and delivery designed around women's behavior and needs, digital literacy building
- Holistic approach that seeks to change behavior
- Often measurement linked to skills built and customer-identified outcomes



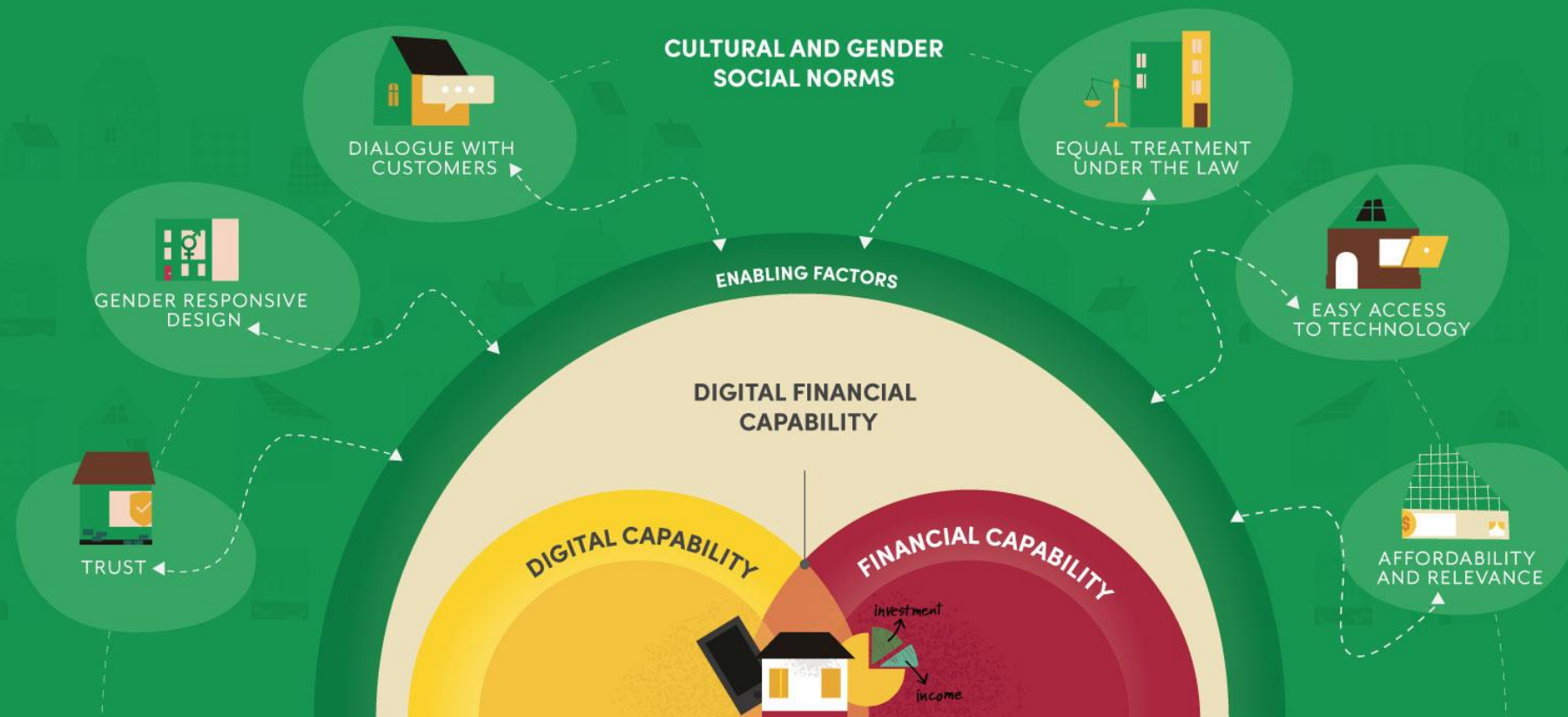


## KEY MESSAGES

- Customized content leads to better outcomes.
- Leverage trusted peers and agents to build confidence and trust.
- Blend of tech and touch is critical, especially to reach low-income women.
- More research is needed!

# Time to think differently about financial capability

Men's and women's lives are intertwined at the household and community levels.



Women's financial capability must account for preferred delivery channels which are influenced by gendered social norms that result in lower levels of self-confidence and trust, as well as different household care responsibilities that can limit time and mobility.

# For more information:

## PLEASE VISIT

[www.centerforfinancialinclusion.org](http://www.centerforfinancialinclusion.org)



# Archive the rest

# Holistic Approaches

- Knowledge, skills, attitudes, and behaviors identified through customer needs assessment
- Product design and delivery informed by customer needs, digital financial capability building
- Often measurement includes empowerment indicators
- Seeks to influence beyond the knowledge and skills of women to include norms and attitudes of those around them.





## Recommendations on Women's Financial Capability

**1** How can we improve the measurement of financial capability so that we can better understand drivers of progress for women?

**2** What is the business case to incentivize providers to embed financial and digital capability in their onboarding? What data do providers need to understand differentiated needs of men and women?

**3** What characterizes FSPs that use holistic approaches to financial capability?

**4** What would it take to go beyond the outdated narrative on financial education that is prevalent among donors and policymakers?

**5** Beyond agents, what other levers can be used to advance women's financial and digital capability?