



Measuring Women's Financial Inclusion:

THE VALUE OF SEX-DISAGGREGATED DATA

A publication of the Global Banking Alliance for Women (GBA) in partnership with Data2X and the Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IDB)



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To learn about some of the key insights from the GBA Women's Market Data Working Group, take a look at ["The Power of Women's Market Data: A How-to Guide."](#)

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Executive Summary

International agencies, donors, regulators and policymakers are increasingly prioritizing the gender dimensions of financial inclusion. Over the last two years, G7 and G20 leaders have emphasized women's access to financial services and financial education as a global priority, announcing several commitments and the launch of Women 20 (W20) in 2015 — a G20 engagement group to promote gender-inclusive growth. The 2015 Sustainable Development Goals include a specific gender equality goal, with more comprehensive targets than ever before and financial inclusion of women prominently featured. The Alliance for Financial Inclusion (AFI), a global network of regulators and policymakers from more than 90 countries, held its first conference on gender this year to look at the potential role regulators can play in closing the financial inclusion gender gap. The multilateral development banks — the International Finance Corporation (IFC), the Inter-American Development Bank (IDB), the European Bank for Reconstruction and Development (EBRD), and the Asian Development Bank (ADB) — all have strategies to support banks to on-lend and provide non-financial services to women small and medium enterprise (SME) owners.

Indeed, efforts to close the gender gap in access to financial services are gaining momentum, but without sex-disaggregated data on women's financial inclusion, it will be impossible to tell how far we've come and how far we still have to go. With this in mind, Data2X, the Global Banking Alliance for Women (GBA) and the IDB joined forces to map the current state of sex-disaggregated data in the financial sector — both at global and national levels — to understand the gaps and share lessons learned on its collection, value and use.

This report presents findings based on more than 50 interviews with regulators, policymakers, international finance institution (IFI) representatives, bankers and data aggregators, exploring their perspectives on the importance and challenges of getting sex-disaggregated data on women's access to and use of banking services, both on the supply side and the demand side. It also integrates key insights from 11 GBA bank members and partners who formed a Women's Market Data Working Group in 2015 to support each other's efforts to produce and refine sex-disaggregated data so that they could improve their value propositions to women customers and employees over time.

The research found that while the collection and use of global and national-level sex-disaggregated demand-side data is improving, there are currently no reliable and comparable supply-side datasets, which are essential to help policymakers understand how well financial services providers are serving women and how effective their policies are in promoting full financial inclusion. As an example of how sex-disaggregated supply-side financial data can be effectively tracked, the report also includes key takeaways from the experience of Chile, the only country found to have been consistently doing so at the national level for the last 14 years.

The report argues that the full financial inclusion of women should be a key consideration for governments and regulators alike. It was noted that while women are more likely to save at banks than men, they are also excluded from the financial system at higher rates than men. This presents an argument for their important role in maintaining the financial stability of an economy. Women are less likely to trust the financial system, which can put pressure on the system's financial integrity. Women tend to have lower financial capabilities and skills than men, which can lead to consumer protection concerns. The gender gap in economic empowerment has also been recognized as contributing to income inequality and decreased economic growth. Without the supply-side data that offers a clear picture of the situation and measures progress on these fronts, however, it will be extremely difficult to close these gaps and achieve the related economic benefits.

Sex-disaggregated supply-side data is also the cornerstone of the business case for banks to serve women — the building of which could prove catalytic in closing the financial inclusion gender gap. The GBA and its members have made great strides in this area, producing data that enables bank managers to understand that if women are served well they are very good customers. If all banks were to report sex-disaggregated data on their customers, we would not only have national-level datasets that measure how close we are to women's full financial inclusion, but the numbers would demonstrate a clear business case for serving women. This would attract more banks to the Women's Market and in turn bring more women into the financial system. As it stands, however, the GBA banks remain isolated examples of excellence, with the business case for serving women not yet made within the majority of banks worldwide. The gender gap in women's access to and use of financial services continues.

The research concluded that a number of challenges exist at the bank, national and global levels for the widespread collection of sex-disaggregated supply-side data. A lack of awareness of the value or importance of sex-disaggregated data both within regulatory agencies and banks was cited as the primary challenge. The second challenge limiting collection was that many systems or processes are not set up to capture the data. The third most important challenge was that although some data might be available, it is either not based on international standards or may be inaccurate. The final challenge found was that although some governments may be able to collect the data, it may not be used or distributed widely.

Despite the numerous challenges cited in interviews, the discussions also yielded a variety of possible solutions. The recommendations for clearing these hurdles presented in this report are centered on the need for a multi-stakeholder ecosystem approach that considers the diverse interests and roles of all involved, and most importantly, places women at the center.

WOMEN AND THE FINANCIAL SYSTEM

Women's Financial Inclusion and Financial Stability

A growing body of literature suggests a positive relationship between financial inclusion and financial stability¹ — a regulator's key objective. Women tend to be excluded from the financial system at higher rates than men.² Women make up 55 percent — or 1.1 billion — of the world's 2 billion unbanked adults, according to the 2014 Global Financial Inclusion Database (Global Findex). And although account penetration increased by 13 percentage points for both men and women between 2011 and 2014, the gender gap remains a steady 9 percentage points in developing countries: While 59 percent of men reported having an account in 2014, only 50 percent of women did.³

"No one should be invisible. ... Disaggregated data can provide a better comparative picture of what works, and help inform and promote evidence-based policy making at every level."

– UN Data Revolution Group 2014

"Financial inclusion, if supported by robust policies, can go hand in hand with financial stability. Financial inclusion empowers individuals and families, especially women and the poor, and well-functioning financial systems enrich whole countries."

– Christine Lagarde, IMF
(Address to International Forum for Financial Inclusion 2014)

¹ CGAP, 2013; GPFI, 2012 a; ADBI, 2010; AFDB, 2013

² World Bank & OECD, 2014

³ World Bank, 2015 a

What Is Financial Inclusion?

The definition of financial inclusion has evolved over time from an initial focus on access to credit; to incorporate the need for access to a variety of financial services; to a focus on use of products, more responsible practices and consumer education. The Center for Financial Inclusion defines financial inclusion as “a state in which all people who can use them have access to a full suite of quality financial services, provided at affordable prices, in a convenient manner, and with dignity for the clients.” In Financial Access 2011, CGAP goes beyond this definition to include not just the availability of services but also the “various dimensions of the financial system [that] are working effectively to extend demand-driven services, including usage (the regularity and frequency of take up) and quality (the degree to which needs are served and consumers are benefiting from products).” In this document, we refer to the full financial inclusion of women, considering this multi-dimensional definition as a key aspect in measuring their exclusion.

Full financial inclusion of women can provide a more diversified and stable retail deposit base, as women are stronger savers than men. Research from many sources, not least from GBA banks, confirms this. Women tend to save at banks more than men relative to their income levels. A recent GBA analysis of its member data revealed lower loan-to-deposit ratios for women across most banks in all segments reported (deposits represent almost double the amount of loans for women, while only 50 percent more for men). Thus, including more women in the financial system can greatly increase the deposit base, and strengthen overall social and economic stability.

“If you are tasked with financial inclusion, then you have to care about the inclusion of women. If you don’t, you are not fulfilling your mandate as a regulator.”

— Klaus Prochaska
Alliance for Financial Inclusion (AFI)

“We see financial exclusion as a financial risk. Reaching more women, who are an under-served segment, contributes to stability of the financial system.”

— Maria Fernanda Trigo, CNBV Mexico

Beyond stability, regulators are interested in establishing financial integrity. This refers broadly to the absence of financial crime and the promotion of trust in the system, which then encourages more usage and activity. A gender element is also present in this objective. A compilation of GBA member market research revealed that one of the key commonalities across geographies was a higher lack of trust in the banking system among women. The research across 10 banks also showed that trust was the most important factor for women when choosing a bank. Although less trust in a financial system is not necessarily indicative

of higher levels of financial crime, it does impact overall stability and inclusion.

A final objective for regulators is consumer financial protection. This includes ensuring that the market conduct of financial services providers is appropriate vis-à-vis its customers, that products are serving consumers’ needs appropriately and that consumers are aware of the products.⁴ Financial literacy is a key component of consumer financial protection, and most regulators we spoke to prioritized this area — particularly for women. Studies have

Core Objectives	Gender Element
Financial Stability	Women are excluded from the financial system at higher proportions than men. Women are likely to save more, providing a more stable and diversified base of deposits.
Financial Integrity	Women are less likely to trust a formal financial institution.
Consumer Protection	Women have lower financial capabilities and skills.

⁴ GPFI, 2012 a

shown that women tend to have less overall knowledge of financial matters than men. For instance, in a recent study by Visa, women in 17 of 27 countries scored less favorably than men when it came to budgeting.⁵ In a recent study by Allianz in North America, 40 percent of women said that they lacked sufficient financial knowledge, and this was the single largest barrier to getting more involved in managing savings and investments.⁶ Understanding women's financial capabilities is key to ensuring they understand products and are being appropriately served.

Women's Financial Inclusion and Economic Growth

Gender equality and women's economic empowerment are high on the international political agenda and increasingly recognized as contributing to sustained inclusive and equitable economic growth, and sustainable development.^{7,8} The International Monetary Fund (IMF) has suggested that a gender gap in labor force participation reduces GDP growth.⁹

Indeed, it has been estimated that increasing women's participation in the economy could increase economic growth by as much as 8 percent in China, 8 percent in the United States, 15 percent in Brazil and 45 percent in India.¹⁰ A study by Goldman Sachs in Japan has indicated that if the country could close its gender employment gap, its workforce could expand by 8.2 million and GDP could increase by as much as 15 percent.¹¹

Full financial inclusion of women is important for economic growth. A later study by Goldman Sachs showed that if the credit access gap for women-owned SMEs were closed in Brazil, Russia, India and China (BRIC), as well as 11 high-potential emerging markets (N-11)* by 2020, incomes per capita could be on average 12 percent higher by 2030, relative to the baseline scenario.¹²

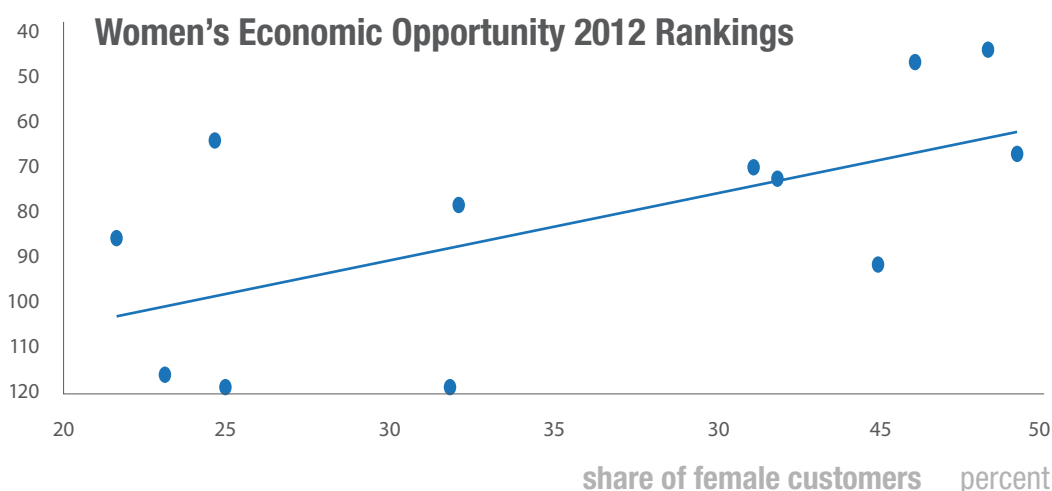
The financial inclusion of women also has a role in reducing income inequality. Access to financial services enables consumption smoothing (by diversifying and increasing

5 Visa, 2013
6 Allianz, 2006
7 UN, 2015 a
8 G7, 2015
9 IMF, 2013

10 Strategy& and PWC, 2012
11 Goldman Sachs, 2010
12 Goldman Sachs, 2014
* "Next 11" countries, as identified by Goldman Sachs

Mapping Women's Market Data in a Global Context

The GBA, with support from McKinsey & Company, analyzed data on the percent of women customers at 14 of its member banks in 12 different countries and compared it to each bank's home country ranking on the EIU Women's Economic Opportunity (WEO) index. Although no causation or correlation can be implied, a clear link was observed between each country's ranking in terms of its enabling environment for women and the bank's proportion of women customers. If more data becomes available, the relationships between women's financial inclusion and a country's economic opportunity environment could be determined.



income flows and allowing for asset accumulation and protection), and reduces the impact of external shocks. Health emergencies, for example, often leave the poor in worse economic condition,¹³ while lack of funds for investment leads the poor — and in particular low-income women — to engage in business activities that are low risk and have low barriers to entry, and that are also highly competitive and have low returns, making it nearly impossible to end the cycle of poverty.¹⁴ Evidence from a number of countries shows that women's increased control over household income leads to more investment in children and has a positive impact on economic growth.¹⁵ Thus, the full financial inclusion of women could have a great impact on the reduction of both poverty and income inequality levels.

"At the IDB we see gender equality as synonymous with economic growth and development effectiveness."

— Julie T. Katzman, IDB
(GBA Summit 2014)

¹³ Morduch, 1995

¹⁴ Cohen, 2000

¹⁵ World Bank, 2012



MEASURING WOMEN'S FINANCIAL INCLUSION

The Case for Sex-disaggregated Data

Measuring who is included in and excluded from the financial system is a key consideration for regulators and policymakers. As discussed earlier, women's financial inclusion can be an important element of a financial regulator's primary objectives of stability, financial integrity and consumer protection. Therefore, capturing and analyzing sex-disaggregated supply- and demand-side financial data should be a primary objective. Beyond allowing regulators to see who is included and excluded, sex-disaggregated data can also provide greater insights on:

- Who is accessing what kinds of products,
- What kinds of behavior are exhibited in various product categories,
- What kinds of channels (e.g. branch, ATM, POS) are used by whom,
- What types of financial services providers (e.g. commercial banks, MFIs, telecommunications companies) are reaching whom in the market and at what scale.

Sex-disaggregated Data and Gender Statistics

We define sex-disaggregated data as data that is grouped based on whether a person is a man or a woman. Data is disaggregated by sex and not by gender because it is the biological difference (the sex) of a person that is recorded. "Gender" refers to socially constructed relations between men and women that determine what is expected, valued and allowed in a given context. These differences can vary based on culture and can change over time. When analyzed, sex-disaggregated data has the potential to uncover differences in the situation between men and women as a result of gender roles and expectations. Incorporating a gender perspective into statistics does not necessarily mean the data involved has been disaggregated by sex, but this is usually the first and most important step.¹

¹ UN, 2015 b

This information can then provide regulators with a better understanding of the effectiveness of policies designed to maximize inclusion, giving them the tools needed to encourage the financial sector to move toward full and equitable access.

In the case of Rwanda, for instance, financial inclusion has historically been very low — only 21 percent of the population had access in 2008.¹⁶ The Bank of Rwanda set a target of 80 percent financial inclusion by 2017. Disaggregating supply-side data by sex allowed the Central Bank to see that in the last 5 years, the share of commercial bank loans to women has averaged only around 20 percent. The government therefore worked on strengthening the reach of cooperatives and modifying rules to allow for more agent banking in rural areas commercial banks are not serving — where a majority of women tend to be unbanked. The result was a doubling of the percent of formal financial

inclusion for women to 42 percent by 2012 (72 percent if informal channels are included).

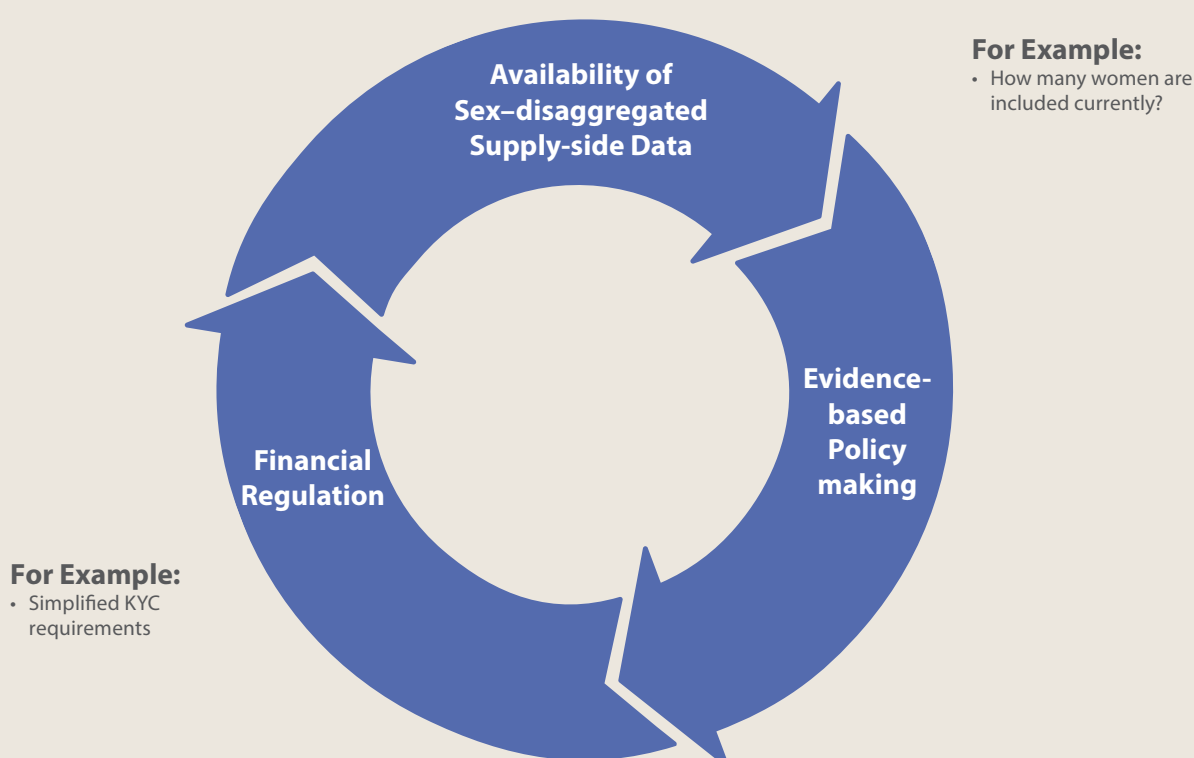
“You have all [the sex-disaggregated data] you need to make yourself feel uncomfortable. Statistics are very, very powerful.”

– Monique Nsanzabaganwa,
National Bank of Rwanda

From a policymaker’s perspective, collecting, aggregating and analyzing sex-disaggregated information at a national level is beneficial because it enables effective monitoring of progress made against targets and in turn encourages smarter policies. Getting ever more granular sex-disaggregated data, such as how many men and women are reached by channel and product, having this broken down by age and location, and tracking this over time, would lead to more nuanced policies that promote market development, encouraging private sector actors to tap into this market.

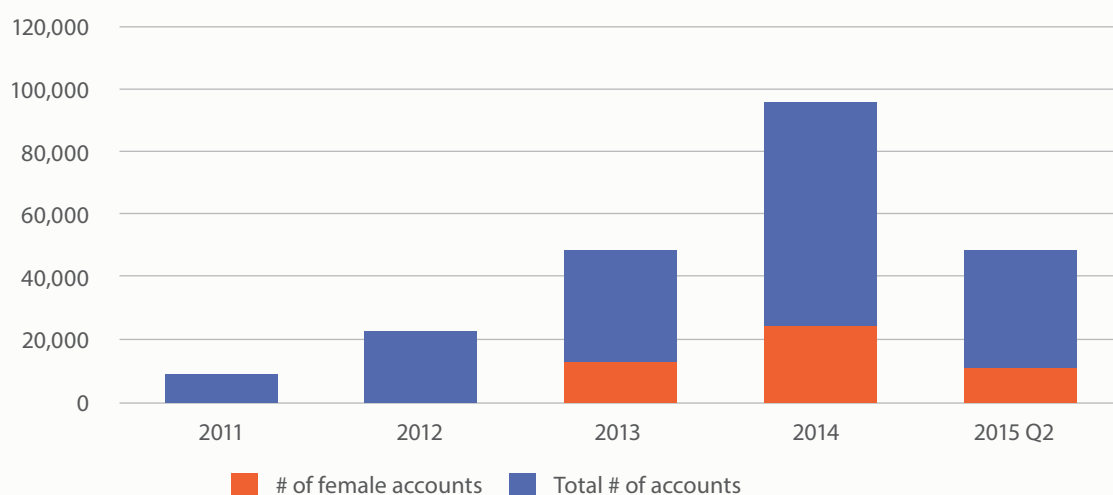
¹⁶ Bank of Rwanda, 2015

Sex – disaggregated Data: A Virtuous Cycle



Setting Targets and Tracking Progress: The Case of the Solomon Islands

Solomon Islands is one of the first countries in the world to include sex-disaggregated targets in its Financial Inclusion Framework, which was set in 2010. The country set the target of 70,000 new accounts by 2014, 30,000 of which would be held by women. This quantitative target was supported by action plans and strategies that were also aligned with mandates of key implementing institutions. An important policy change was the dramatic simplification of Know Your Customer (KYC) requirements to open an account. This had a positive impact on women as they have disproportionately less access to certain paperwork that the former system required as well as lower education levels. In 2014, the data showed that the Central Bank had more than achieved its targets: Over 44,000 new accounts were opened at commercial banks by women. Disaggregating data by sex therefore allowed Solomon Islands to set targets, track progress made and monitor the effects of policy modifications.



“Tanzania has doubled financial access in 5 years. We are now going to have a very clear addition of the gender dimension, starting with having a serious look at the current situation. For nonbank and informal financial services, the gender gap is not really there — it is on the banking side [where] the gap is. We are going to focus on that now.”

– Governor, Bank of Tanzania
(AFI Global Policy Forum 2015, Mozambique)

The availability of such sex-disaggregated data effectively begins a virtuous cycle, where its availability helps inform stronger, evidence-based policymaking and helps to evaluate the

effectiveness of the policies, thus enabling better policy development.

Sex-disaggregated Data and Banks

From a bank’s perspective, national-level supply- and demand-side sex-disaggregated data enables better sizing of the market, the initial step to understanding if there is a business opportunity. Unfortunately, many countries lack the data that allows accurate sizing of the Women’s Market. This impedes a bank’s ability to make the case to management to go after the Women’s Market in the first place. Additional sex-disaggregated metrics can deepen the understanding of the market opportunity, such as product penetration per customer or a bank’s particular share of a market segment. Accessing this data allows for benchmarking against competitors and the

development of strategies to increase market share.

Banks that are launching or seeking to maintain a program for women need to understand the program's impact on the bottom line. To do this, they must track sex-disaggregated data on their own customer base, measuring and reporting sex-disaggregated results that demonstrate the

Women's Market program's success, identifying program strengths and areas for improvement, and linking program performance to staff incentives. For those banks that do not yet have a specific program for the women's segment, measuring sex-disaggregated data is still important, helping them better understand customer segments and assess whether there are any product or service gaps that could be addressed.

Seeing Market Potential and Measuring Program Performance: BLC Bank Lebanon

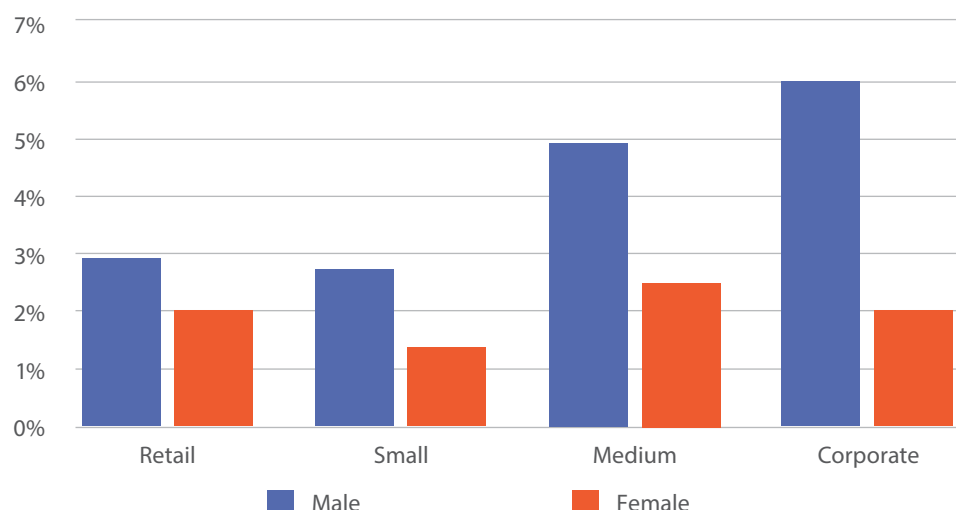
Sex-disaggregated demand-side data in Lebanon allowed BLC Bank to see the market potential: In Lebanon, women represent 27 percent of the workforce¹ and own 33 percent of businesses;² however, there is a significant gender gap in access to accounts and credit at formal financial institutions. According to Findex, women are almost 50 percent less likely than men to have an account at a formal financial institution or to borrow to start a business, but are 12 percent more likely to borrow from family and friends. Observing this market opportunity, BLC Bank established its We Initiative program in 2012, first focusing on women-owned SMEs. The bank started measuring and disaggregating data by sex from day one. Sex-disaggregated data allows BLC Bank to understand which segments have the greatest potential and which segments are under-served. It also allows them to quantify the contribution of the Women's Market to the bank's bottom line. On a conservative growth scenario, We Initiative's IRR was calculated in excess of 30 percent, while segment Returns on Assets (ROA) were strong. Finally, as shown below, disaggregating data by sex allows the bank to measure program performance to develop the business case internally. For instance, BLC Bank found that women's non-performing loans (NPLs) were lower than men's across all segments.

¹ Republic of Lebanon, 2014

² World Bank, 2009

ROA Comparison by Segment		
	Women	Men
Retail ROA	7.62%	7.64%
Small business ROA	8.61%	8.16%
Medium business ROA	8.07%	7.56%
Large business ROA	7.98%	7.66%

Non-performing Loans (NPL) by Sex



MAPPING GLOBAL AND NATIONAL DATASETS

Financial inclusion data is generated from two sources: demand-side data, collected directly from the users of financial services (the customers) through surveys and focus groups, and supply-side data, derived from the financial services providers themselves (banks and other financial institutions).¹⁷ Data is also generated at two levels: globally, through cross-country services or providers, and nationally, normally through regulators or government entities. Demand- and supply-side data both have advantages and drawbacks in terms of use. Supply-side surveys, for instance, provide a low-cost means of data collection, with data that can be collected regularly and even frequently, is comparable, and is viewed as highly credible to national authorities. On the other hand, demand data can provide stronger information on the types of customers being served by financial institutions and their

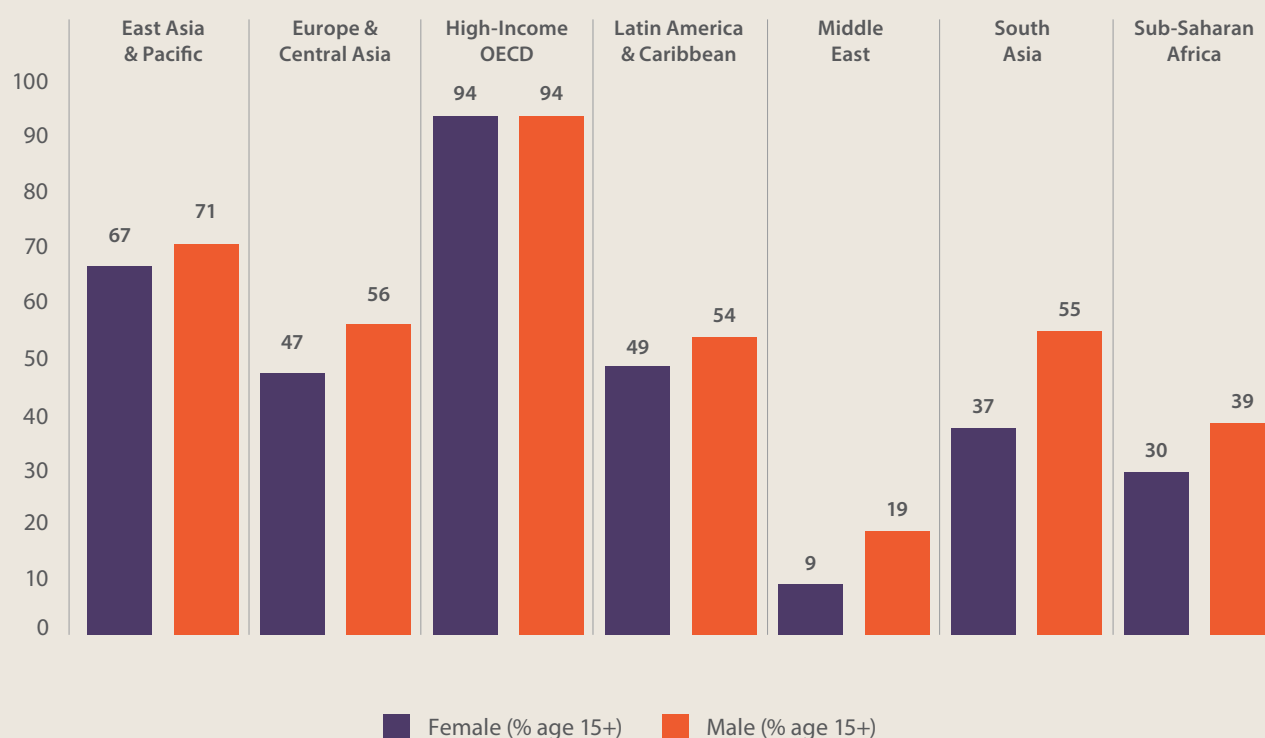
depth of service.¹⁸ Demand and supply surveys are complementary to one another, and both are necessary to paint a complete picture of the financial inclusion situation in a particular country or region

The Current State of Sex-disaggregated Demand-side Datasets

The need for stronger demand-side data emerged around 2010 when many regulators started developing national financial inclusion strategies and saw the need for more nuanced data to set targets and measure progress. While today there are a number of financial inclusion data providers and aggregators at the national level, the Global Findex is one of the only demand-side surveys at the global level. The 2011 Global Findex was launched in 2012 (based on 2011 data) as a comprehensive, comparable, cross-country dataset of 60 indicators covering 148 economies that shows how people around the world save, borrow, make payments and manage risk. Information is

¹⁷ For a complete look at financial inclusion supply and demand data sources, see CGAP/IFC Financial Access 2011, published by CGAP and IFC, 2012.

¹⁸ CGAP, 2013



Source: Global Findex 2014

compiled and published every three years and is gathered through individual surveys, either face-to-face or via telephone, on a randomly selected, nationally representative sample of 1,000 adults age 15 and older.¹⁹ The second version of the Findex survey was undertaken in 2014 and published in 2015. It includes more than 100 indicators from 143 economies and has expanded to include data on the use of mobile technology, government payments and remittances.^{20,21} The entire Global Findex dataset can be disaggregated by sex, although the data for specific sub-sets in certain country or regional data points may not be publicly available because of sample size limitations.

An important feature of the Global Findex data is the fact that the survey methodology is based on a random selection of individuals within a household. This allows for an unbiased view of the population that is not impacted by who is the head of the household — a role disproportionately held by males. As a result, Findex data can more accurately measure

individuals' financial behaviors, regardless of their positions within a household.

The Findex provides regional and country-level comparisons to measure financial inclusion gender gaps. For example, the data provides a snapshot of whether women in a given country have accounts at or are borrowing or saving with formal financial institutions, or if they are transacting with other providers.²² However, Findex does not provide sub-national granularity (beyond urban/rural categorizations), which is usually required for policymaker decision making.

Although the Global Findex provides detailed datasets on a sex-disaggregated basis, a number of countries have or are in the process of developing their own demand-side surveys to gain a deeper understanding of financial inclusion based on their country-specific conditions.²³ Most of these national-level surveys, such as FinScope, include basic demographic data, including sex reporting. They do not allow for cross-country comparison, but they do provide regulators a way to measure national progress in a more nuanced

¹⁹ CGAP, 2013

²⁰ World Bank, 2015 a

²¹ World Bank, 2015 b

²² World Bank, 2015 a

²³ CGAP, 2013

Measuring Product Gaps Through Demand-side Data: The Case of Mexico

Up until 2012, the majority of Mexico's financial inclusion targets were measured using supply-side data only. In 2012 the Mexican regulatory authority (CNBC) established its first demand-side survey, ENIF (National Survey on Financial Inclusion). The survey is conducted every 3 years, and a majority of its data points are disaggregated by sex, including access to and usage of financial products, and financial literacy. Officials report that the survey is widely used by government officials as well as the private sector.

Insights on product access reveal that there is a wide gender gap in the use of insurance products. Supply-side data showed that 61 percent of those insured were men, and only 39 percent were women. The demand-side survey found that although both rural men and women are using insurance products at very low levels (11.5 percent of men and 10 percent of women), there is a much wider gender gap in urban areas (31 percent of men versus only 25 percent of women). The survey also found that both men and women cite price as the main reason why they do not use insurance. However, women are 20 percent more likely to state that they do not know about insurance or are unsure of where to request these services. In 2013, a new law for insurance companies was established, which called for the protection of customers through increased transparency and information. The data can thus be used to promote the market for insurance, as well as monitor the efficacy of these efforts.

way. For instance, beyond many of the access and use barriers captured by Findex, national surveys can deepen understanding by measuring areas of consumer experience, financial literacy and financial behavior, among others. Further, national surveys allow governments to customize questions based on specific policy initiatives, as well as ensure progress over targets is measured consistently and systematically. The importance of sex-disaggregated data is beginning to be recognized beyond these pioneer countries, and country-level regulators are increasingly calling for reporting of sex-disaggregated demand-side data.

Supply-side Datasets: Where Are the Gaps?

Although substantial account information is generally reported by financial institutions as part of the regulatory requirements imposed by bank supervisors, the reporting and compilation of financial inclusion data is a more recent development — both at the national and global levels. The IMF's Financial Access Survey (FAS) was launched in 2009 and is the most comprehensive annual source of global supply-side data on financial inclusion. The data is collected through surveys of financial regulators, and it contains 47 internationally comparable indicators on financial access

and usage by households and non-financial corporations, which are grouped into two dimensions: (i) geographic outreach of financial services and (ii) use of financial services.²⁴

The survey has evolved over time in response to the demand for more disaggregated data and to reflect financial sector developments in recent years, especially in low-income countries: In 2012, the coverage of FAS was extended to credit unions, financial cooperatives and MFIs, and it separately identifies small- and medium-sized enterprises, households, life insurance and non-life insurance companies. In 2014 data on mobile money was added. The database currently contains annual data for 189 countries covering a 10-year period from 2004-2013.²⁵

The FAS is an extensive source of supply-side data, and ownership of the data is generally strong, with national governments compiling and validating it. However, since the data is provided on a voluntary basis, the level of completeness varies, reflecting, among other things, policymakers' interest in the notion of financial inclusion.

The FAS does not currently collect information that is disaggregated by sex.

²⁴ CGAP, 2013

²⁵ IMF, 2014 a & b

FAS representatives report that there are a number of challenges to doing so, including: the costs versus the benefits of new data series, regulatory and compliance issues (i.e., mandates to collect such data), capacity constraints, and lack of a data processing framework at the financial institution level that would allow for the incorporation of new data requirements. Nevertheless, incorporating sex disaggregation into a few key statistics could be a critical first step in communicating to country representatives the importance of collecting this data.

“While more is usually better, requesting more granular data on financial inclusion for policy analysis must be balanced against all the other supply-side demands for such data. ... Identifying new data sources requires broad-based consultations with stakeholders to establish priorities.”

— Robert York, IMF

Also at the international level, the OECD compiles a supply- and demand-side dataset on SME finance among select countries called the OECD Scorecard. The OECD monitors SME and entrepreneur access to finance in 34 countries from 2007-2013 based on data from central banks and national statistics agencies, and complemented by demand-side studies. However, the OECD does not yet disaggregate the data on the basis of sex.²⁶

At the national level, GBA research confirmed that very few countries are currently collecting sex-disaggregated data from even some of their

financial services providers. Of the 13 regulators interviewed as part of the GBA's research for this report, only five are currently collecting the data (those of Burundi, Chile, Rwanda, Solomon Islands and Zambia).^{*} However, momentum around this issue is building, with AFI, in particular, bringing it to the forefront. At the 2014 AFI Global Policy Forum, an audience poll found that just 17 percent of regulators are collecting financial inclusion data that is disaggregated by sex, but only 10 percent believed that there is no role for regulators in collecting sex-disaggregated data.²⁷ A year later, at the 2015 AFI Global Policy Forum, a poll of regulators in the Data Strategies for the Financial Inclusion of Women session revealed that 37 percent of regulators in the session include specific gender targets in their financial inclusion strategy, and less than half (48 percent) currently disaggregate supply-side data by sex.^{**}

“When you start working in financial inclusion, you see the micro evidence of the gender issues in the financial sector, and then you try to get an aggregate macro view, but suddenly you can't, because there is no data.”

— Gabriela Andrade, IDB

²⁶ OECD, 2015

²⁷ AFI & Central Bank of Trinidad and Tobago, 2014

^{*} Note that most of these regulators were interested in the topic and/or already engaged with it.

^{**} Many in this audience were also likely interested and/or engaged with gender issues.

The Case of Chile:

What Can 14 Years of National Sex-disaggregated Banking Data Tell Us?

Chile's Superintendencia de Bancos e Instituciones Financieras (SBIF) has been collecting and analyzing sex-disaggregated data from its financial system for the last 14 years. The commitment to collect the data arose from a Gender Plan spearheaded by the Ministry of Women, which incorporated a gender lens across different government areas, including financial services, and was a result of a mandate from the Presidency. The plan implementation was supported by targets for generating the data, which were directly tied to performance targets for government officials. The SBIF Research unit led the data collection and analysis, and the full datasets were eventually collected in two phases: 1) credit data was aggregated by cross-referencing ID numbers between the Credit Bureau and the Civil Registry with the sex of the borrowers, and 2) savings and more detailed product-level data was directly collected from the banks.*

A number of valuable national insights can be derived from the analysis of the datasets:

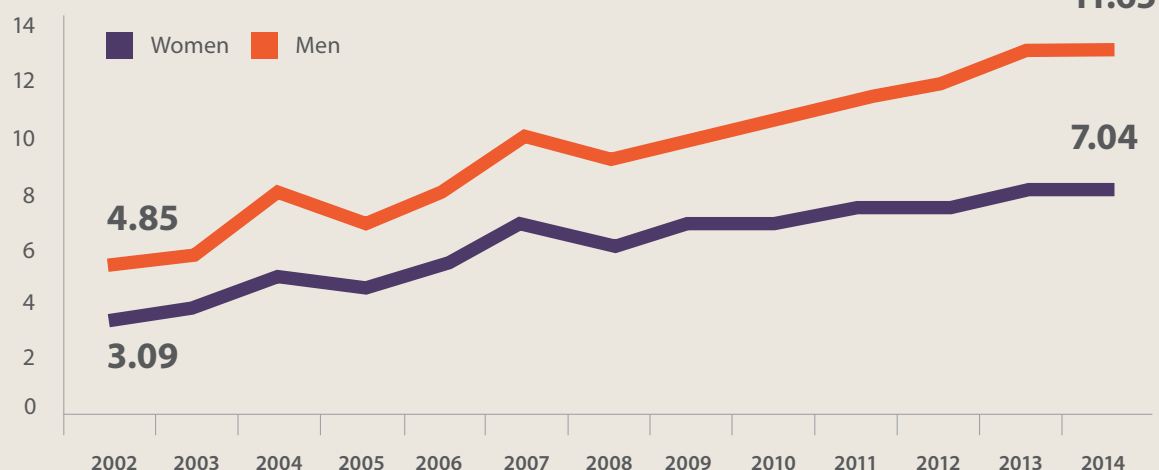
- Although men still have greater participation in the credit market, both in terms of number and volume of loans, the participation of women has increased significantly, from 36 percent in 2002 to 39 percent in 2014. This shows a very positive picture of women's increasing financial access; however, when looking at the average loan size — which has increased for both men and women — we also see a gradual widening of the credit gap. In 2002 men's average loan size was 57 percent higher, while in 2014 it was 65 percent higher.
- Women hold more savings accounts than men, a trend that has increased in the last years. The gap in average savings balances, however, has increased. (The difference could be attributed to the continued earnings gap between men and women and women's lower labor participation rates.)

% of Borrowers

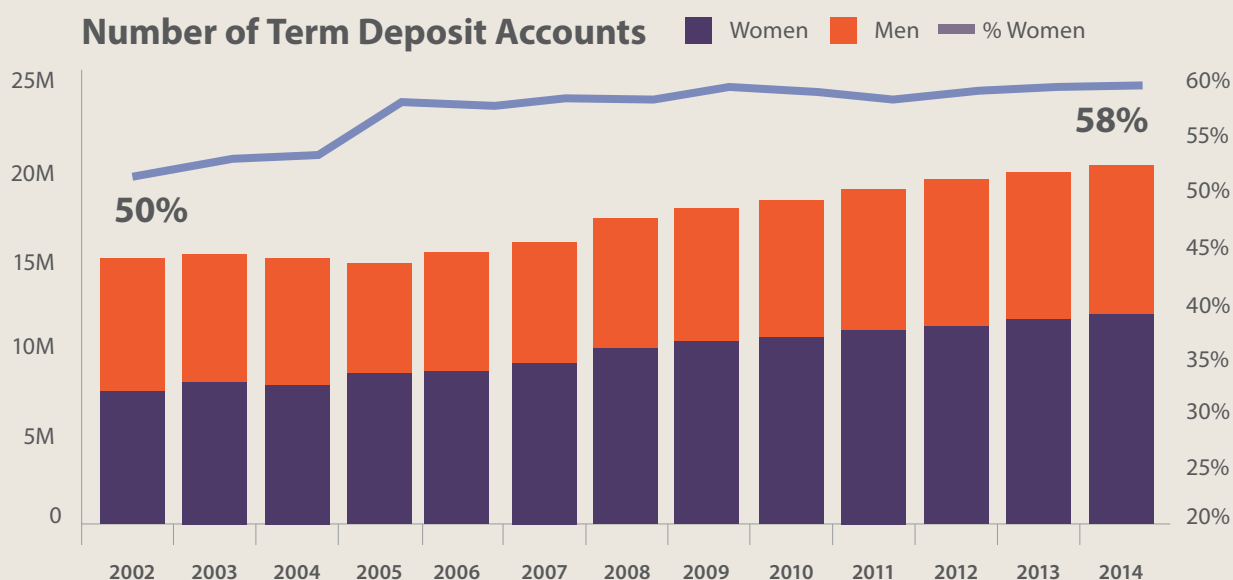


* For more information, see GBA, IDB/MIF, Data2X, ECLAC case study on Chile's experience in collecting sex-disaggregated data from the banking sector.

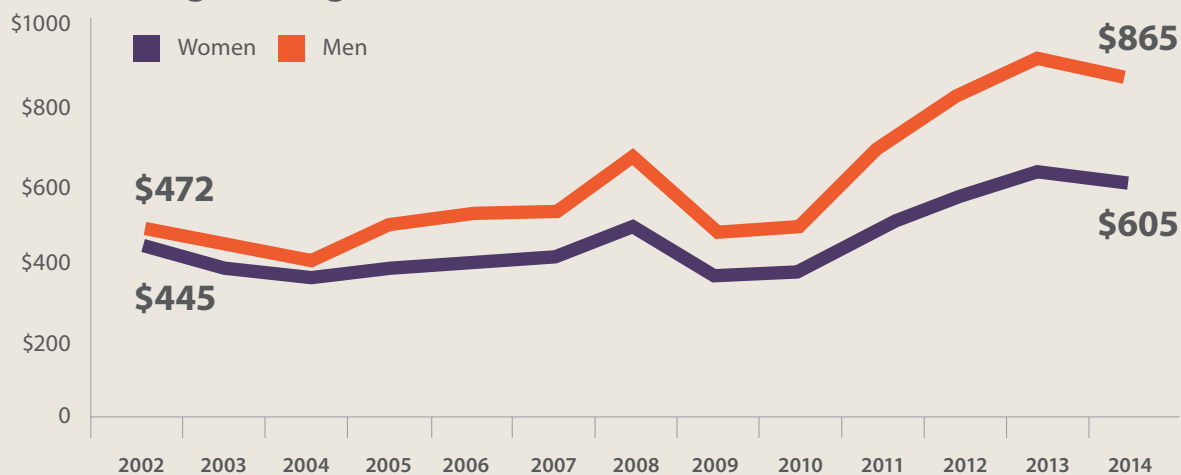
Average Loan Size (000)



Number of Term Deposit Accounts



Average Savings Balance (000)



UNDERSTANDING THE SUPPLY-SIDE CHALLENGES

Given the importance of its collection and use, why is sex-disaggregated supply-side data so limited? GBA interviews revealed a number of challenges keeping regulators from moving forward with policies to support it.



AWARENESS

Lack of awareness of the value or importance of sex-disaggregated data both within their own institutions and in the banks they regulate was the challenge most frequently cited by regulators. The audience poll at the 2015 AFI Global Policy Forum session on “Data Strategies for the Financial Inclusion of Women” revealed that almost half of regulators (47 percent) believe that internal buy-in or willingness is the greatest challenge they face in disaggregating data by sex.²⁸

“If we don’t have the data, policymakers will not be aware of gender differences and [will] just base their decisions on assumptions. It is a challenge to bring a gender perspective into policymaking, as this is quite a new area in the central bank.”

– Dr. Tukiya Kankasa-Mabula,
Bank of Zambia

²⁸ AFI, 2015

To some extent this is because there is a lack of research proving the usefulness of sex-disaggregated data to justify the time and resource commitment necessary to generate it. For many regulators, having a gender focus is new, and given that regulators in many emerging markets have roles that go well beyond financial stability and inclusion, the relative importance of collecting sex-disaggregated supply- and demand-side data may not be immediately obvious, considering other priorities. To some, the benefit therefore may not seem to outweigh the cost.

"There is a gap between the official discourse and the day-to-day priority. ... No one questions the value in having the data, but the real issue is if this is more important [than] the priority that you are competing with."

– Klaus Prochaska,
Alliance for Financial Inclusion (AFI)

Some regulators have also made the concerted decision to focus on increasing overall financial inclusion first, preferring to target the population as a whole. Until they see data that proves gaps in access and usage rates in the medium term, they likely will not focus specifically on excluded groups.

"When we did an initial review, we did not see large gaps between men and women. Because financial inclusion levels are low in Peru, we have set our goals to reach 50 percent of the population in 2018 and in 2021 to reach 75 percent, without disaggregating them by gender. However, to reach these goals, we have started analyzing sex-disaggregated data and analyzing by gender."

– Mariela Zaldivar Chauca,
Superintendencia de Banca
Seguros y AFP (SBS) Perú

Many regulators are also reluctant to place additional reporting burdens on financial institutions without having specific evidence of the value of sex-disaggregated data. They are acutely aware of the existing reporting requirements and are generally hesitant to increase them.

Many of these concerns arise from the fact that most countries that do not require banks to report sex-disaggregated customer data have not yet analyzed what specifically would be entailed in collecting and using the data. Several regulators interviewed for

this report agreed that having the data both at the national and global levels would be of great importance; however, many had not yet seriously thought about the intricacies of its collection or seen concrete examples of what the data could be useful for, although there was some indication of its potential use to support national economic development strategies.

Among the donor community there is a growing awareness that sex-disaggregated supply-side data could yield greater insight into a program's impact on women. The IFIs we interviewed — in particular the ADB, IFC, IDB and EBRD, which all have explicit strategies built around women-owned SMEs — have gone to some lengths to encourage its production by investee banks.

"Building on our country-level assessment of gender gaps in relation to access to finance, we send consultants to work with our partner banks to assess what data is available through their customer management information systems and the specific barriers that women entrepreneurs may face."

– Barbara Rambousek, EBRD

"Sex-disaggregated data is very important for us to understand the baseline and to better design [technical assistance] projects."

– Tetsuro Narita, IDB

IFIs are also incorporating sex-disaggregated indicators into their wider Corporate Scorecards. For instance, the Multilateral Investment Fund (MIF), part of the IDB, includes several sex-disaggregated indicators as part of its Corporate Results Framework, regardless of if a project is specifically focused on women. Requirements for sex-disaggregated data are also increasingly included in Technical Assistance and financing arrangements to further encourage financial institutions to produce and report it.

"IFC is starting to put things into its covenants, so we should be seeing better data going forward from new client deals. Hopefully, in addition to the stick-through covenants, one can demonstrate through

carrots by showing them how this data can bring them more business and make them more money.”

– Matthew Gamser, CEO, SME Finance Forum

Despite this increased embedding of sex-disaggregated data culture, some IFIs do report having internal awareness challenges, particularly as the burden of collecting the data is in many cases placed on the Country Offices, where some of the staff may or may not be as interested in the topic. In other cases, although sex-disaggregated data requirements may be included in initial loan or TA agreements by the origination teams, the ultimate institutional reporting is coordinated by teams that, again, may or may not be as aware of the value and use of the data.

Many banks outside of the GBA — where 90 percent of surveyed members report having the ability to disaggregate data by sex — are not aware of its utility. In last year’s study by the GBA and McKinsey & Company, “How Banks Can Profit from the Multi-Trillion-Dollar Female Economy,” two out of the four main barriers preventing banks from capturing the Women’s Market were found to be directly related to the lack of bank data. These barriers include the lack of a widely known business case and the absence of sex-disaggregated data to support the case — only 55 percent of banks interviewed for the study reported having the capability to disaggregate customer data by sex.²⁹

In a recent survey conducted by the IDB/MIF and Felaban, only 39 percent of banks surveyed in the LAC region reported being able to disaggregate data by sex.³⁰

“Setting up an effective and accurate performance management system from day one was one of the most important decisions we made when launching our Women’s Market program.”

– Tania Moussallem, BLC Bank

²⁹ GBA & McKinsey & Company, 2014

³⁰ IDB/MIF, 2014

DATA AVAILABILITY

The second most often cited issue limiting the production of sex-disaggregated supply-side data is that the systems are not set up to capture and aggregate it. At the 2015 AFI Global Policy Forum, half of respondents stated that the capacity to disaggregate by sex (including systems and capabilities) was the greatest challenge.

Prioritizing Data to Accurately Measure Usage

The GBA’s Women’s Market Data Working Group, comprised of 11 GBA member banks and partners, completed a survey to help the GBA understand their data availability and needs. Although many of the banks considered measuring program profitability as a key priority of their program’s success, many were not yet able to generate this data.

Category (Ranked by importance)*	% members that report complete availability
Reach/Financial Access	80%
Revenue/Profits	40%
Risk	90%
Portfolio/Savings	80%
Segmentation	60%
Loyalty & Engagement	40%
Non-financial Products	50%
Diversity	100%

* Ranking reflects averages of priorities identified by GBA member banks

There are several reasons why banks may not be able to collect the data. The below challenges were illuminated through discussions with the GBA Data Working Group members.

- Systems and bank processes may be inadequate or not set up to tag customers by sex. This is true for both individual consumers and for business owner clients, but is particularly a challenge for the latter, given difficulties in agreeing on a definition for a woman-owned business, and then collecting and tagging this information accurately in the system.
- While banks may be able to adapt their systems to tag new customers, compiling data for existing ones is time consuming and costly. This then becomes a “chicken and egg” situation where without seeing data on existing women customers, banks may not be as inclined to make the investment to tag new customer data.
- Some banks may be able to generate data related to outreach (i.e., number of customers or portfolio data), but they may not be able to go deeper and measure more details on use (e.g., several banks reported that although they could generate data on total number of customers, they could not segment the data by sex beyond retail customers). This may be due to restricted functionality of basic “off the shelf” Management Information System (MIS) software or the lack of customization of the system to include Women’s Market or other data fields.

“The big challenge is that most companies have not yet gathered and utilized sex-disaggregated data either around their customer base or their supply chain.”

– Henriette Kolb, IFC

DATA QUALITY

The third most cited challenge was that while some sex-disaggregated supply-side data is available, it may not be based on internationally standardized definitions and indicators (for example, the definition of an SME varies by bank and by country) or it may be inaccurate (for example, there may be double counting of accounts). This inhibits the use of such data for policy analysis, benchmarking or performance analysis.

What’s in a Name?

Women-owned, women-led, women-focused. Is there really a difference in the definition? The answer is a very strong yes. GBA members have reported significant differences in the size of their women business portfolios depending on the definition they are using. The case for standardizing these definitions in a global context is strong. However, the contextual differences are also significant. At Banco BHD León, for instance, the definition of a woman-owned SME is based on the person with the largest shareholding (regardless of number); at Banco Pichincha, the definition is based on the legal representative (as by law this is the person who has control of the company); Banco Nacional de Costa Rica includes three parameters: more than 50 percent ownership by a woman, managed by a woman and classified as an SME. In 2014, the IFC developed a definition for Banking on Women that is increasingly gaining acceptance. The IFC defines a woman-owned enterprise as a firm with: a) ≥ 51 percent ownership/stake by a woman/women; or b) ≥ 20 percent owned by a woman/women AND ≥ 1 woman as CEO/COO (President/Vice President) as well as ≥ 30 percent of the board of directors being women, where a board exists.¹

¹ IFC, 2014 a & b

At a bank level, several problems are evident:

- Some institutions report inconsistent tagging of individual accounts due to lack of staff skills or lack of understanding around the importance of good data. For instance, one LAC bank had data quality issues because its staff was not properly trained to understand the field categorization in the MIS. The system's options included F for "female" and M for "male," but many staff members were confused by the options, thinking the M tag stood for "mujer," the word for "woman" in Spanish.

"The person responsible for entering data may not be the most qualified. We need to emphasize the importance of data quality [to the banks] and will need to conduct some data cleaning and audits."

– María Fernanda Trigo Alegre, CNBV Mexico

- Cultural and social barriers can also heavily impact the quality of data. In some cultural contexts, although a woman's name may be on an account, she may not have control of it. HBL in Pakistan performed a random sampling exercise of its female deposit portfolio in 2014. It found that the actual female control of accounts tagged as woman-owned in rural areas ranged between 50 to 60 percent, while in the urban regions it was much higher.

"It is very difficult to determine if the woman whose name the account is in is actually using it because of cultural issues."

– Samina Tahir, HBL

- Joint accounts are particularly complicated as it is very difficult to accurately determine how they should be classified. Some GBA banks do not consider joint accounts

in their measurement of their Women's Market performance as it is too difficult to determine who has control of the account. These banks use primary account holders only. Other banks' MIS default to putting the male customer as the primary account holder and the female as secondary, even though that may not be the case in terms of control.

- Some banks are not yet using Customer Relationship Management (CRM) systems to link their product data to customer demographic data. This means that banks are tracking data based on products and not by customer, which makes it impossible to track product use by sex of customer.
- Women-owned businesses pose the greatest challenges in terms of data quality. First, some banks may not be setting consistent definitions to tag women-owned businesses. Secondly, many women who are actually small-business owners remain in the consumer banking portfolio, as it is difficult for banks to determine the purpose for which their account is actually being used. Thirdly, any change in shareholding and management can affect a business's classification as "women-owned," and verifying and updating this information on a consistent basis can be costly and time consuming for a bank.³¹

"Client information all has the same difficulties — the people versus accounts problem: Is the system strong enough to link the product with the client data? This always impacts the gender question."

– Blaine Stephens, MIX

³¹ For a full discussion of the data challenges faced at the bank level, see GBA's "The Power of Women's Market Data: A How-to Guide."

DATA USE

Although the GBA found several government authorities that were able to generate and collect the data, a final challenge cited was in its actual use. Some regulators have the data but have not distributed it widely and coordinated with other government actors to ensure it is used to its full potential. Using the data in many cases requires strong statistical capabilities in gathering, cleaning, verifying and analyzing it. Further, in order to be able to get a full picture of financial inclusion in a country, governments need to gather and integrate data from multiple sources (including financial service providers, insurance companies, telecommunications companies and others) and segments (microfinance, cooperatives, commercial banks, etc.), and cross-check them with data from credit bureaus, census data and other available resources.

There may also be a disconnect between policymakers' goals and the data being generated by different public authorities. This seems to be particularly the case for regulators and central banks. Although many policymakers may recognize the importance of financial services in promoting economic opportunities for women, they may not necessarily understand that banking data can support their ability to design effective policies. Several interviewees were also unsure of the best data to analyze and recognized not being able to do much with the data because they had not fully thought through its ultimate use. Further, gaps due to inconsistent reporting, which many interviewees cited as a challenge, make it difficult to get a complete picture of trends over time and impact of both new and existing policies.

"There is a lot of data, but it is not analyzed."

– Cristina Pailhé,
Consultant

At the bank level, data use tends to be a recurring challenge, as well. Of the 39 percent of banks surveyed by the IDB/MIF in their annual SME Survey, less than half use it in their

management decisions.³² Aggregating the data can be cumbersome, and due to a lack of automation in extracting sex-disaggregated data, it is not done on a consistent basis, nor is it complete. For example, many Women's Market program managers report having to make special requests to their IT departments in order to be able to extract the data. In other cases, some data — beyond what is captured in the MIS — is generated by separate bank areas, such as Marketing or Human Resources, and linking customers' usage among departments may be complicated.

OTHER INFLUENCING FACTORS

In some jurisdictions, regulatory restrictions related to data privacy and gender discrimination can make financial institutions hesitant to collect sex-disaggregated data. For example, in the United States, the 1974 Federal Fair Lending Regulations and Statutes Equal Credit Opportunity Act (ECOA), or "Reg-B," requires all financial institutions and others providing credit to "make credit equally available to all creditworthy customers without regard to sex or marital status."³³ Although the law is intended to prohibit discrimination regarding credit decisions, its interpretation can be and has been extended to prohibiting data analysis. This and other regulations like it can create concerns around aggregating and analyzing credit data by sex, as some institutions fear legal repercussions if they are accused of non-compliance. The role of regulators and other public authorities in promoting the full understanding of discrimination laws and allaying banks' concerns around collecting and analyzing the data is paramount.

Privacy laws related to personal data also have the potential to restrict the collection and use of sex-disaggregated supply-side banking data. Examples of such laws include the EU Data Protection Directive, 1995 (Directive 95/46/EC), which relates to the protection of individuals with regard to the processing of personal

³² IDB/MIF, 2014

³³ US Federal Reserve Board, 2014

data and the freedom of movement of such data.³⁴ Most financial institutions, however, can minimize these concerns by ensuring the highest degree of confidentiality when analyzing data — when downloading customer databases and aggregating for analysis, personal information is hardly ever necessary.

“The challenge is that banks in general are very protective of their data, so it is very sensitive to get individual loan-level data or even data at some kind of aggregation level.”

– Ralph De Haas,
EBRD

A final external challenge noted was related to reporting requirements. Bank respondents noted that existing reporting requirements are already onerous, not least due to lack of standardization of definitions and reporting formats from IFIs and other external actors. Many of these concerns, however, were raised by the regulators and IFI representatives themselves, who felt the various requirements, definitions and formats must be difficult for banks. Some bank representatives said they would welcome certain requirements, as that would facilitate the generation of the data they seek and, in many cases, have to argue for.

“The main challenge is that, from a client bank’s perspective, reporting is a pain, it’s sometimes costly, and there are only negative consequences for not doing so. However, when banks track their client data through a gender lens, they can provide more value to women customers.”

– Jessica Schnabel,
IFC

³⁴ European Union, 1995



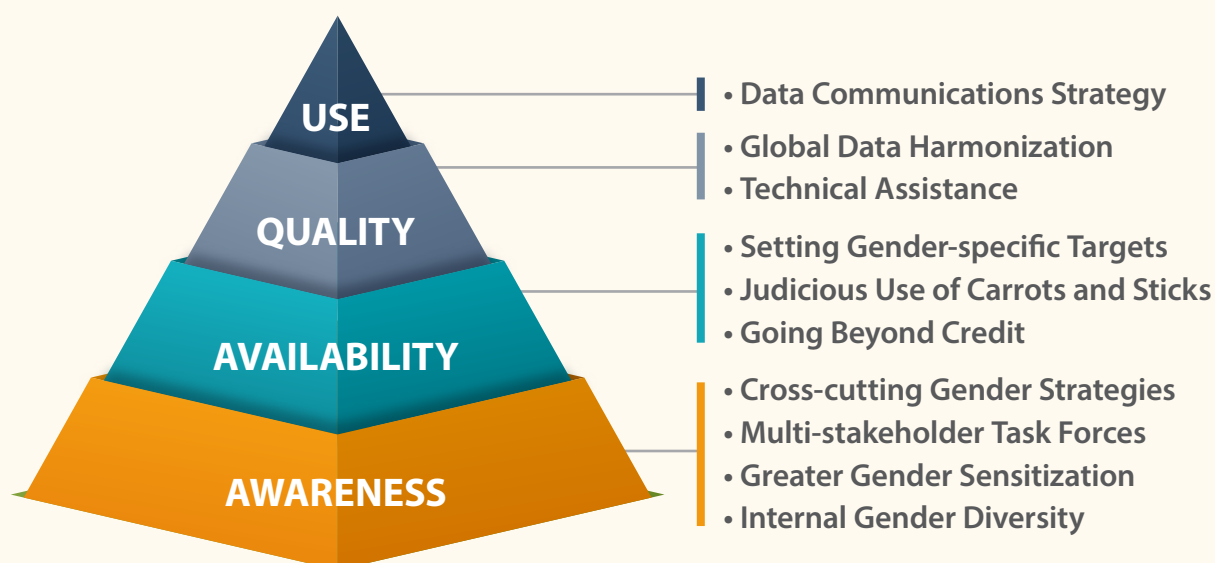


HOW WE CAN FILL THE SUPPLY-SIDE DATA GAPS FOR WOMEN: AN ECOSYSTEM APPROACH

Although there are a number of challenges in the collection and use of supply-side sex-disaggregated data, our interviews yielded a number of actions that can be taken to overcome them. Most interviewees agreed that a multi-stakeholder approach was essential in ensuring all actors are working together toward the same goals.

- **Cross-cutting Gender Strategies**

The GBA found that countries with the most advanced sex-disaggregated data strategies included strong mandates from the top across different government functions to incorporate a gender focus. In the case of Chile, for instance, the mandate came from an overarching plan to improve



equality between men and women, which was developed in 2000. This plan focused on the production and analysis of sex-disaggregated data across all government entities to measure gender gaps. The fact that the plan was also promoted by President Ricardo Lagos and then President Michelle Bachelet increased buy-in at top levels of management. In the case of Mexico, the National Development Plan added a gender focus in 2015 that went beyond financial inclusion and required all agencies to do the same. Indonesia's National Financial Inclusion Strategy identifies women's inclusion as a cross-cutting issue across target income groups and refers to differences in access, needs and preferences for financial services.^{35,36}

- **Multi-stakeholder Task Forces**

Once gender strategies and/or financial inclusion plans are developed, many countries form a multi-stakeholder task force that sets targets, reviews progress and makes suggestions for strategy/target refinement. These task forces usually have a combination of staff from the Central Bank, commercial banks, other financial services providers like telecommunications companies, representatives from the Ministry of Finance, representatives from the Ministry of Women or Economic Empowerment (or similar), as well as other stakeholders. Coordinating efforts across different areas helps build more awareness and buy-in across actors.

The importance of this stakeholder approach is also evident when collecting the data. In many cases, the information is not derived from only one data source, and therefore having buy-in across different government entities is paramount. In Colombia, for instance, financial inclusion data began being disaggregated by sex in 2015. The data, however, is sourced from the credit bureau. Because of a change in the way ID numbers are generated, the credit bureau is no longer able to easily recognize the sex but is required to cross reference with other variables, and therefore can only analyze 75 percent of the database.

- **Greater Gender Sensitization**

Some actors have conducted gender sensitization training within their own institutions as well as across the banking sector. The Bank of Zambia undertook a Participatory Gender Audit (PGA) by the International Labor Organization (ILO) to gain more insights on gender-related issues among the Central Bank's staff and also to help embed gender mainstreaming across bank operations. The Central Bank has also worked with three banks in the country using ILO's Female and Male Operated Small Enterprises (FAMOS) tool to evaluate how well they are serving SMEs and particularly women-owned SMEs.

- **Internal Gender Diversity**

There is increasing recognition in the financial sector of the importance of gender diversity both within banks and financial regulators. There is significant empirical evidence linking diverse institutions with profitability and good governance; however, although gains in the financial services industry have been observed, many of these gains have stalled. Data from 20 global markets show that although women comprise 60 percent of employees in financial markets, only 19 percent of them progress to senior-level roles, 14 percent to board seats and 2 percent to CEO positions.³⁷ Although regulators generally fare better, there is still a lack of diversity among senior leaders. For example, only two out of the 20 Central Banks (or Central Bank equivalents) in the G20 are headed by women. Out of 19 countries in the Latin America and Caribbean region, women head only 10 percent of the regulatory agencies. Only one of the regulators interviewed had a gender diversity target for its own workforce. However, this is a more common approach among OECD regulators. In the G20, the US, the UK and Australia all have internal diversity strategies within their financial supervision entities.³⁸ A few of the regulators interviewed are also collecting internal diversity data from their banking systems and publishing reports on it. The importance of collecting data on

35 AFI and WWB, 2015

36 Sekretariat Wakil Presiden Republik Indonesia, 2014

37 PWC, 2013

38 Bank of England, 2014 & 2015; US Federal Reserve Board, 2015; APRA, 2014

internal gender diversity is twofold. First, disclosing employment data can not only allow progress in the sector to be measured, but it also helps advance the conversation. Second, it can enable target setting approaches, which can be a good way to mainstream the importance of diversity across organizations and ensure they are “walking the talk.”

• **Setting Gender-specific Targets**

Based on our research, financial inclusion plans that had specific gender targets in addition to their gender strategies were most successful in ensuring that sex-disaggregated data was produced. In some cases, targets were based on limited supply- and demand-side data at a national level, and the importance of compiling both sex-disaggregated supply- and demand-side data became even more evident. In other cases, explicit quantitative targets related to women’s financial inclusion were set, some of which were made as AFI Maya Declaration targets, whereby regulators held themselves accountable by publicly announcing them.³⁹ Some national financial inclusion strategies do not highlight women’s financial inclusion specifically, but action and implementation plans under the national strategies do so. For instance, Rwanda is aiming for 80 percent inclusion by 2017 for both men and women, including step-by-step targets for financial inclusion and closing the gender gap,⁴⁰ while Burundi has set a target of 48.7 percent women banking clientele.⁴¹ Malawi aims to have 60 percent of clients as women, while Papua New Guinea’s overarching national goal is to reach 1 million more unbanked, low-income people in the country, 50 percent of whom will be women.⁴² Other countries like Chile were able to incentivize the production of sex-disaggregated data through gender equality policies implemented across various levels of government. These efforts have been successfully implemented on a continuous basis by taking advantage of staff-level incentives that are based on targets, which the Chilean government

uses to incent public policy interventions. At a global level, IFIs are encouraging organizations to set public targets. The World Bank Group set an ambitious goal of Universal Financial Access (UFA) by 2020 and has encouraged 13 partners to pledge public commitments. The GBA, with a subset of its members, has pledged to commit to provide financial access to 1.8 million previously unbanked women in Latin America and Africa by 2020.

• **Judicious Use of Carrots and Sticks**

Although some of the regulators the GBA interviewed that required banks to report sex-disaggregated data from their banking systems collected it as part of their supervisory functions, this may or may not be the best approach in every case. In some countries, for instance, a mixed approach is used, where the regulator’s research department will mine the credit data directly from the credit bureau and match names from the Civil Registry to ensure that

In 2015, the GPFI proposed the addition of two sex-disaggregated indicators as part of its SME Working Group indicators. The implementation of these indicators at the country level will greatly help in filling the large supply-side sex-disaggregated data gap.

Category	Indicator	Proxy Indicator	Measurement
Women-owned (WO) SMEs	Percentage of WO SMEs with a deposit account at a regulated financial institution	Number of WO SMEs with deposit accounts/ number of deposit accounts	Gender equality in SME access to financial services
Women-owned (WO) SMEs	Percentage of WO SMEs with an outstanding loan or line of credit at a regulated financial institution	Number of WO SMEs with outstanding loans/number of outstanding loans	Gender equality in SME access to financial services

39 AFI and WWB, 2015

40 AFI and WWB, 2015

41 AFI and WWB, 2015

42 Papua New Guinea, 2013

there is no double-counting, so as not to over-burden banks. However, for other products such as savings, data needs to be requested directly from banks. In the case of Mexico, the regulator is working with the support of the IDB to select the most important indicators that should be required from banks, to reduce over-burdening concerns. For banks, having access to national-level sex-disaggregated data would allow them to assess market share and to better size the untapped market, giving them an incentive to report.

- **Going Beyond Credit**

Credit data, in many cases, has been the first step in collecting sex-disaggregated data on a broader scale. In countries where credit bureaus do exist, coordinating the extraction of data from them can be more efficient than collecting the data from banks. However, in order to get a full picture of women's financial behavior, regulators also need to coordinate extraction of savings data, which usually needs to be done directly from banks, as well as get information on insurance and pensions from their providers. We found that collecting information on women-owned SMEs is by far the most challenging, and the research did not reveal any cases where this data was actually being collected at a national level.

- **Global Data Harmonization**

Including sex-disaggregation priorities in current data harmonization efforts will greatly support the improvement of data quality and consistency across banks and countries. However, these efforts need to take into consideration regional differences and local contexts. Prioritizing a set of key indicators will help to ensure that institutions are not over-burdened.

- **Technical Assistance**

Earmarking Technical Assistance funds to modify systems and processes to improve data quality is another way of supporting banks in this effort. This could include adjustments to, or overhauls of, MIS systems and comprehensive internal trainings. Prioritizing the IT function by encouraging meetings to highlight the importance of sex-disaggregated data with

banks' IT teams and including them as part of TA agreements is also an important way of emphasizing the focus on data, as well as increasing buy-in at the institutional level. Members of the GBA Data Working Group mentioned the importance of IFI support in helping them improve their systems and processes. Other members also pointed to the importance of sharing knowledge and best practices on the topic across institutions through knowledge sharing platforms.

- **Data Communications Strategy**

Beyond collecting and producing the data, its distribution and use is also key. Most regulators do or will publish both the raw data and analytical reports publicly on their websites. However, this should not be seen as an end in itself. Ensuring that the data is distributed widely across different government actors is also important, as is publicizing its use. In 2015, for instance, Chile's SBIF, in coordination with the Economic Commission for Latin America and the Caribbean (ECLAC), launched its 2015 report at an event that included President Michelle Bachelet, Superintendent Eric Parrado, as well as representatives from Ministries, banks, banking associations and others.

An Ecosystem Approach

Sex-disaggregated supply-side data is a pre-requisite to inform financial inclusion policymaking and ultimately achieving full financial inclusion for women. But as this research has highlighted, while sex-disaggregated data can serve the individual social or commercial goals and objectives of different actors, from regulators to IFIs and banks, no single actor can operate in isolation. Each of the challenges and opportunities highlighted in this study indicates the interdependency of different actors in building awareness of the value of Women's Market data, ensuring its availability and in turn its quality and use. It is only through collaboration across stakeholders that the value of sex-disaggregated data will be fully appreciated, and in turn collected and used on the journey toward the shared goal of closing the financial services gap for women globally.

"In September 2015, world leaders will adopt the SDGs, in which they pledge to leave no one behind. It is within this framework that every woman and young person should have a financial identity in the formal financial sector within the next 15 years. In other words, we are challenged to close the gap. ... It will require a massive effort; business as usual cannot remain the same. It's not a human rights question. It's a business opportunity, and for governments, it's an equity issue."

– Madame Graça Machel
(Keynote Address, AFI Annual Meeting 2015)

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