EXECUTIVE SUMMARY

As part of the Data Driving Action for Women Dialogue Series, Data2X’s Women’s Financial Inclusion Data (WFID) partnership, including the Financial Alliance for Women (formerly known as the Global Banking Alliance for Women), convened senior representatives from global financial institutions for an interactive discussion on Solutions to Advance Gender Data, which took place during the Financial Alliance for Women’s 2019 Annual Summit.

The roundtable discussion generated thoughtful insights and concrete examples of how institutions are addressing gender-data challenges, and solutions to better reach women. The session reviewed the importance of sex-disaggregated data for financial service providers (FSPs) to target and better serve the women’s market (use cases) and what data is needed, specifically on the supply side; dissected the challenges FSPs experience in collecting and using sex-disaggregated customer and portfolio data; and identified best practices and solutions on supply-side data. A key theme that emerged from the discussion was that no matter the asset level, challenges were similar across FSPs: Collection and use of gender data is hampered by lack of senior management buy-in, legacy information management and data systems, lack of common definitions, and concerns around data privacy. Solutions identified included: advocacy, with a focus on examples of gender-data impact; balancing between data collection and data protection; peer learning around gender data; and tapping into a range of women’s market and financial inclusion ecosystem players who can play complementary roles in driving the gender data agenda forward. This roundtable report outlines key findings and discussion themes from the session, including challenges, success stories, and future steps to advance inclusive finance for women through action-driven dialogues.

BACKGROUND AND OVERVIEW

Data – sex-disaggregated and anonymized – can unlock the market opportunity of serving women worldwide.¹ When financial institutions collect and use gender data,² they can develop an accurate picture of the women’s market opportunity and build the business case for developing tailored products and services that meet their needs. While FSPs need both demand-side data on women’s financial needs and behaviors, and supply-side data on their uptake and usage of products and services, sex-disaggregated supply-side data is largely unavailable. This limits FSPs’ understanding and ability to quantify the opportunity of serving the women’s market and to develop solutions targeted to specific segments.

² We refer to gender data in this series as data that is disaggregated by sex and provides meaningful insights on how a bank is serving or has the potential to serve its women customers.
To address and tackle these challenges, Data2X’s Women’s Financial Inclusion Data (WFID) partnership, including the Financial Alliance for Women, is convening the Data Driving Action for Women dialogue series for FSPs in 2019. Under this initiative, select FSPs are invited to participate in intimate roundtables with WFID partners and other key stakeholders, to discuss how gender data can be used to target and expand the women’s market through tailored products and services. The roundtable series aims to disseminate best practices on data and encourage dialogue and knowledge transfer among FSPs.

For the first roundtable during the 63rd United Nations Commission on the Status of Women, the WFID partnership convened senior representatives from global financial institutions for a dialogue on a central question: how can financial institutions best serve women clients, and how can data guide these efforts? The initial discussion focused on the business opportunity of serving women and the necessity of gender data to leverage this opportunity. The roundtable generated thoughtful insights and concrete examples of how institutions are reaching and expanding their female client base, from sex-disaggregating data to understand gender gaps in lending to launching dedicated services for women small-business owners.

For key findings and discussion themes from the session, please see the summary of the roundtable discussion here.

The second roundtable, held as a parallel session during the Financial Alliance for Women’s 2019 Annual Summit, convened senior FSP representatives and key stakeholders to focus on Solutions to Advance Gender Data. Below is a summary of the conversation, which took place under the Chatham House Rule. Data2X and the Financial Alliance for Women would like to thank all the roundtable participants for their rich insights and contribution to this discussion.

THE POTENTIAL FOR INCREASING GENDER-DATA REPORTING AND USE

The Financial Alliance for Women framed the roundtable discussion by sharing insights on the main challenges FSPs face to reporting gender data. They include:

- **Availability of sex-disaggregated data**: If it is available at all, often sex-disaggregated data is only available for certain segments (e.g. retail, but not SME) or products (e.g. mortgage loans only).

- **Data processing**: In many institutions, sex-disaggregation is manual. The data processing required for reporting gender data is time-consuming and can be resource-intensive. A further obstacle is that data is usually associated with accounts, not people, and must be matched to individuals to be sex-disaggregated.

- **Coordination of multiple stakeholders**: In many cases, several different business units within a financial institution must be engaged to report insightful gender data, creating reporting difficulties and delays.

In an earlier report, Data2X and the Financial Alliance for Women identified similar categories of challenges for collecting and using sex-disaggregated supply-side data, which were:

- **Awareness**: If gender data is not valued, it is not going to be collected.

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3 When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

4 The Financial Alliance for Women collects data from members to measure performance of institutions serving the Women’s Market (Women’s Market Data Analytics Survey) and publishes the results in its annual report, the Economics of Banking on Women. The insights on challenges to reporting gender data referred to here came from that process as well as the Alliance’s internal Member Satisfaction and Value survey.
• **Availability:** Legacy systems/processes can make it challenging to sex-disaggregate data.

• **Quality:** FSPs struggle with lack of standard definitions for gender data; double-counting (i.e. is it one individual with multiple accounts or one account belonging to multiple individuals); how to sex-disaggregate joint accounts; and sometimes issues with relationship managers not consistently tagging the sex of account holders, or confusion over tagging (for example, a LAC bank that used “m” as the tag had staff confusion over its usage—as “m” could stand for “masculino,” meaning “male;” or “mujer,” meaning “women”).

• **Use:** If gender data collection is not prioritized, or not automated, then it is hard to use the data to understand business opportunities or evaluate and monitor an institution’s current performance in the women’s market.

Despite the challenges in collecting and reporting sex-disaggregated data, members of the Financial Alliance for Women are using sex-disaggregated data for a variety of purposes—although there is ample opportunity to better leverage this usage. The gender data most commonly used include: number of clients and number of accounts, loan or deposit volumes, and non-performing loans. When available, sex-disaggregated data is most often used for: management reporting, business development, marketing and/or PR, product development, benchmarking performance, and high-level strategic decision-making—in that order.

The key takeaways from the Financial Alliance for Women’s research reveal that the challenges of reporting sex-disaggregated supply-side data have not substantially changed; however, leading institutions are using some gender data to report internally, guide management decisions and drive value across the organization. As a participant from an international institution noted, it is clear that as we develop solutions to common gender-data collection challenges, we also must develop a compelling narrative for gender-data use cases. We need stories on gender data’s impact and the impact of private-sector gender data, specifically, in order to catalyze private sector collection and use of more gender data.

Following this framing discussion around the survey results, roundtable participants were separated into smaller group discussions, based on institutional size. The groupings were as follows: FSPs with less than $5 billion in assets, FSPs with $5-10 billion in assets, and FSPs with more than $10 billion in assets. The following insights were based on the participant discussions. Surprisingly, many challenges and solutions shared were common across financial institutions, regardless of size of asset holdings.

**CHALLENGE: HARMONIZATION AND PRIVACY ISSUES**

Many FSPs and multilateral institutions noted that they face challenges around harmonization (of definitions and indicators) and privacy across all types of data.

There was rich conversation on the challenges of defining and identifying a women-owned or -managed business or SME. Globally, there is considerable variation in
definitions of women-owned or women-led businesses, which makes data harmonization challenging—especially within countries in which the regulator has not set a standard national definition. Even when a definition is agreed upon, there are challenges in applying definitions and identifying these customers. For example, in some cases the de facto owner and manager is a man, even if the registered business owner is a woman, or vice-versa. Additionally, some IT systems lack a field for tagging women-owned businesses. FSPs also struggled with sex-disaggregating where there is joint account ownership.

Data has become an asset itself—which makes advocacy on data more complicated. Data protection and privacy are global issues, with increasing legal and regulatory scrutiny. Questions about data ownership/intentions and data usage are increasing. There are growing concerns about general data privacy issues and potential use for predatory lending and/or discrimination. In some countries like France, the United States, and Lebanon, the collection and use of gender data is either explicitly or implicitly prohibited, due to the interpretation that it could be potentially discriminatory to collect or use this kind of sensitive identity data. FSPs are also aware of customer trust considerations when it comes to requesting more personal data from them.

CHALLENGE: A CHICKEN-OR-EGG ISSUE OF GENDER DATA AND TARGETING THE WOMEN’S MARKET

One multilateral institution pointed out the inherent chicken-or-egg issue with both collecting gender data and targeting the women’s market: if you are not targeting women as clients, then you are unlikely to invest in the collection of gender data; conversely, if you are not collecting gender data, then you are unlikely to see the opportunity of targeting women clients. Participants also called out the imperative to have senior management buy-in on the market opportunity and business case for the women’s market—and the need for gender data to both illuminate this and measure progress.

Participants generally agreed that having “no data” was preferable to having “bad data.” “No data” allows you to start from scratch—perhaps leveraging more heavily external market data and global case studies. “Bad” data, however, can lead to misconceptions and potentially negative results emerging from data-driven decisions built on inaccurate information.

CHALLENGE: CAPACITY, SYSTEMS, AND QUALITY ISSUES

Many FSPs operate legacy information management systems that are product-centered rather than client-centric. This renders it difficult to conduct a holistic customer analysis and apply gender as a lens to examine performance.

In some regions, FSPs need greater technical assistance and support to overhaul IT systems and software, as well greater capacity to collect and report sex-disaggregated data. Smaller banks in particular tend to face technological and system challenges, such as manual data reporting and issues with applying definitions across the portfolio. Quality control is also important, as is always the case with data generation and analysis. For example, a large bank in Indonesia experienced confusion over terminology and tagging, and needed technical assistance to clean up their data. FSPs also need a longer timeframe to disaggregate historic data once gender has been included in their data systems.
Participants agreed that awareness-raising with key stakeholders is critical to create a robust case for gender data’s role in expanding women’s access to and use of financial services. From the regulatory side, advocacy can demonstrate the public interest in having this data to drive and monitor women’s financial inclusion policy and unearth key insights. Global and national leaders need to promote this topic. For instance, the United Nations Secretary-General’s Special Advocate for Inclusive Finance for Development, Her Majesty Queen Máxima of the Netherlands has advocated for the importance of data-driven decision making, global datasets (such as the Global Findex and the Financial Access Survey), and increasing national gender-data aggregation and usage.

Investors or board members of FSPs, including international finance and development finance institutions, are in a unique position to help incentivize gender-data collection and use, as they can require gender-data reporting (as part of ESG reporting) and/or support investees to improve their sex-disaggregation, data systems automation, and gender-data analysis.

Examples are critical, and we need more stories of gender-data impact—particularly from large FSPs—to demonstrate the importance of gender data to understand untapped business opportunities. One participant noted, “We have too few examples of the business case for serving women and too few examples of data impact.”

Gender data is essential to make the case to FSPs’ senior management on serving the women’s market, understand what segments are underserved, and refine their value proposition. Participants noted that leading with the business case at the bank branch level was critical so that managers would see profitability and proof of the business case.

One FSP shared its experience defining the opportunity and using gender data to strengthen performance. Data revealed that women are more profitable customers than men and that women save more despite earning less money. The bank saw a specific opportunity to increase usage of a credit card tailored to women. They examined data that revealed that besides supermarkets and gas stations, women spent the most at beauty salons, so the bank created a permanent discount on credit card charges at salons. This led to an increase in women’s usage of the card and garnered the FSP positive recognition in the market.

Getting more use cases and best practices of instances where an FSP collected gender data, made decisions based on that data, and saw positive impact is crucial. These success stories allow for engagement with senior management to make the business case for a data-driven approach to the women’s market.
SOLUTION: BALANCING BETWEEN DATA COLLECTION AND DATA PROTECTION

Based on concerns about data privacy, participants indicated they were interested in exploring approaches to sex-disaggregation that do not require clients to disclose their sex. Big data approaches, including algorithms and other artificial intelligence methods in IT systems, may be helpful to disaggregate and understand gender differences through transactional data (for example, the GSMA Gender Analysis and Identification Toolkit uses mobile transaction data to categorize clients’ sex). Participants noted that the use of big data methods would require comfort with 80% accuracy rather than 100% accuracy in terms of sex-disaggregation.

All participants agreed that it was key to uphold robust data privacy and ethics practices, to show that the benefits of data collection are higher than the costs, and to demonstrate that customers can benefit from sharing this information. For example, women clients might get insurance adapted to their needs, or more tailored credit options.

SOLUTION: PEER LEARNING AND SHARING BEST PRACTICES

The value of peer learning was brought up as a consistent theme in the roundtable discussion. It was suggested that FSPs that are already advanced in gender data share experiences of how they leveraged the data to improve their business, and the challenges they faced in doing so. Participants were also interested to understand how other sectors (beyond financial services) have navigated privacy concerns while collecting identity or behavioral data.

In the roundtable discussion, specific solutions to technical and quality challenges were shared among the FSPs, including the importance of setting key performance indicators and targets related to gender, robust customer relationship management systems and the training of relationship managers. Examples were shared of the potential of data-sharing partnerships (particularly with national ID authorities) or cross-referencing national ID numbers with credit registries/bureaus to sex-disaggregate existing clients. An example of an automated data warehouse at a Zambian bank was shared as a solution, and a bank in Bangladesh shared its system fields—including sex, as well as age and profession. Additionally, a suggested approach to categorizing joint and business accounts was discussed: tagging the account based on the sex of the signatory on collateral/proof of income/KYC documentation for the company.
SOLUTION: AN ECOSYSTEM APPROACH

Finally, it was emphasized that an ecosystem approach is necessary to advance gender data for women’s access to and use of financial services. FSPs, regulators, NGOs, international organizations, and networks all have a role to play to address shared data challenges and can advocate with the same language to advance the gender-data agenda. In particular, collaboration between FSPs and regulators on gender data and women’s financial inclusion—as well as among FSPs—is key.

The role of national regulators should include prioritizing gender in their financial inclusion strategies, requesting gender data from FSPs, and publishing annual aggregate reports on women’s financial inclusion progress. Many FSPs may understand the importance of supply-side data collection but lack the internal buy-in. Regulatory reporting of gender data can help encourage FSPs to prioritize its collection and further its use to make the business case internally, as well as share it with key networks such as the Financial Alliance for Women. Regulators should also set common definitions, particularly around “women-owned or -led” business (potentially building from the IFC definition already in broad usage).

International organizations can also help encourage and showcase more examples of gender data impact. In Jordan, the government received an IMF loan, which required gender reporting. As a result, the government of Jordan created a gender strategy, which also mobilized the private sector. A large bank in Jordan noted that “[the bank] would not survive without the data,” as it enabled them to develop a women’s market strategy.

CONCLUSION

While gender data is not without its challenges, pioneering FSPs recognize that data is necessary to understand and pursue the business opportunity of the women’s market. Solutions have begun to emerge from champion FSPs, and are being documented by advocates and encouraged by international organizations and networks as best practices.

The third and final roundtable of the Data Driving Action for Women Dialogue Series will focus on the new frontier of digital financial services for gender data, including its unique opportunities and risks.
About the Women’s Financial Inclusion Data Partnership

The Women’s Financial Inclusion Data (WFID) Partnership works to increase awareness about the importance of sex-disaggregated financial services data and to coordinate efforts and interventions to maximize its collection and use. WFID partners include the Alliance for Financial Inclusion (AFI), Data2X, the Financial Alliance for Women (formerly the Global Banking Alliance for Women), the Inter-American Development Bank (IDB), IDB Invest, the International Finance Corporation (IFC), the International Monetary Fund (IMF), and the World Bank Group (WBG). The partnership is convened by Data2X, a gender data alliance housed at the United Nations Foundation.