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Better Practice Guidance on Women's Digital Financial Capability

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What is Digital Financial Capability?

Digital financial capability is the ability to access, manage, understand, integrate, evaluate, and use financial services offered through digital technologies. Because of the complexities of all that digital financial capability entails, building digital financial capability can be an iterative, gradual process. This resource brings together best practices and lessons on building women's financial capabilities. It is intended to offer guidance to providers and international organizations seeking to improve women's skills, inclusion, and drive toward economic empowerment.

WHY IS DIGITAL FINANCIAL CAPABILITY IMPORTANT FOR WOMEN?

Investing in building women's digital financial capability is essential for women to navigate the increasingly digitalized financial system and contribute to closing the [global gender gap](#) in bank account ownership. More importantly, making progress toward women's meaningful access to and usage of financial services can improve their economic opportunities and their family resilience and create new opportunities.

Approaches that work for women require going beyond traditional financial education (information transfer, which has little long-term impact) to approaches that may require more time, support, and a deeper understanding of the social and gender normative constraints that may prevent women from being fully economically included. As we work toward a more effective path for building women's financial capability, it is critical to develop a better understanding of women and the gendered norms that guide their lives, and relatedly, the particular challenges that digital technology poses for women.



Doesn't everyone know how to use a mobile phone?

- Ask your female recipients what type of mobile phone access they have: always, sometimes, or only when it is permitted. Their answers will guide where to begin your training.
- Women's limited experience with mobile phones can lead to low confidence and seeing technology — and digital financial services — as not relevant to them.

WHY IS DIGITAL FINANCIAL CAPABILITY IMPORTANT FOR WOMEN?

BOX 1

What's the matter with traditional financial education?

Traditional classroom-based financial education is used by all types of providers to transfer basic, standardized financial information from teacher to adult learner. However, our goal is more than just knowledge transfer — financial capability is about long-term behavior change that sets recipients up for economic success and resilience. Traditional classroom-based financial education does not lead to improvements in skills or changes in behavior. This is largely because many educators may be using a standardized curriculum which doesn't focus on what people want to learn and what their skills are, and many programs begin and end in the classroom, while behavior change requires creating a long-term relationship in which information and practice are repeatedly reinforced. Many traditional classroom-based models use

overly simplistic “impact” metrics, such as the number of people who were in the room, which cannot tell us whether the information was useful to the recipient, nor whether it will be acted upon. In addition, women tend to have lower rates of education and access to mobile technology than men, as well as face normative constraints, such as limited mobility or discriminatory norms, that prevent them from participating in certain economic activities, all of which impact their ability to build financial capability. These realities are difficult to address with standardized content, making traditional financial education approaches less relevant and effective.

📖 For research citations, please see CFI's 2021 landscape research on [Building Women's Financial Capability](#).

Diagnose

Before putting pen to paper on a financial capability program, providers must speak with the people they want to reach (their target segments). Conducting a gender and baseline assessment to learn what women already know, what their financial lives are like, what constraints they face in terms of access to knowledge, usage of technology, and financial decision-making, are critical pieces of information that need to be embedded in a financial capability program. Men and women have differing access to, usage of, and skill levels with bank accounts and mobile technology. Women themselves are not homogenous and different segments may have different needs. Insights into these differences can create a more impactful program.

GATHERING INSIGHTS

Conversations with women and their families

Customization means delivering tailored content for women's needs. For financial and digital capability, this may mean modifying tools or skills based on recipient's income level, type of access to mobile technology, or personal goals and risks. In-person, customized education has the greatest impact on long-term customer behavior, particularly for women, because what they are learning applies directly to their lives.

TIP

Conversations with women together with their families is an important way to gather insights into any barriers they may face, such as lack of decision-making, that she may not have control over.

can be conducted rigorously, as with a gender assessment that may use focus group discussions, or they may be informal conversations that happen over the course of field visits or other interactions in the communities. It is important to keep a record of these conversations so that the information can be used to inform the content and delivery approach – as well as the measurement – of the financial capability program.

Design

Evidence suggests it is time to move beyond standardized curriculum. In-person learning should be fun, interesting, paired with the actual use of a financial product or service, and conveniently located, particularly for low-income women. To achieve that, include women in the design process! Collective, iterative design process will have greater buy-in, relevancy, and impact.

PROGRAM PACING AND FLEXIBILITY

For many, learning a new skill can be challenging and even uncomfortable. Everyone learns at different speeds and often what works for one person may not work for another. As such, there is no “one-size-fits-all” approach to building financial capability. For example, women may need more time to learn new content and may want to return to the same topic repeatedly in their learning process. Make sure your program allows for different learning speeds.

Women often have many demands on their time given their disproportionate care responsibilities. On-demand content – either through pre-recorded Interactive Voice Recordings (IVR) courses or SMS-based tips and lessons delivered via WhatsApp – may be a good way to enable her to learn on her own time. This, coupled with conversations with family and community members about shared household responsibilities, may have a transformative effect by allowing women to discuss money, involving them in larger financial decisions.

PEERS AND MENTORS

Mentors and peer educators are often trusted community members who may play a local leadership role, such as an agent. For women entrepreneurs, [showcasing other women as role models](#) like female business mentors offers the

Learn more about how Kenya-based fintech Arifu navigated men’s and women’s different learning needs.

TOP LESSONS

Women users took more time with content and returned to learning modules frequently. Women often use a shared phone, meaning that their access to online content may be limited. Arifu changed content availability and found more women completed their modules.

opportunity to learn from someone’s experience while accelerating the skill development of participants. Women tend to lag behind men in terms of financial knowledge and have low levels of confidence and self-esteem. A female role model provides connections and real-life lessons that can result in success. For example, a rural livelihood program in Kenya, called BOMA Project, found that participants needed help to engage with voice recordings because some of the women found the phone touchpad confusing. BOMA recorded IVR messages in the voices of known mentors from the community, which created trust as women were introduced to new technology. Use of M-Pesa among recipients more than doubled as a result.

Did you know?

- You can increase the impact of learning when the [recipient chooses their trainer](#) and when the trainer is well equipped to provide information.

RULES OF THUMB

One way to make learning fun and memorable is by creating methods or rules that simplify learning in real-life situations (like this list of better practices all starting with the letter D, for example). Learning takes time, so creating easy tricks or embedding behavior into financial processes may result in the desired behavior change. For example, a bank account designed to automatically transfer pre-

determined savings out of digital wages makes saving easy. Once set, an automatic savings rule liberates the customer from having to make the decision on payday and [helps her achieve her savings goal](#).

Deliver

How content is delivered — and by whom — is as important as how it is created. Brilliant content may fall flat if delivered in a “teach and run” manner. Delivery approaches should bring the content to women, making it convenient and timely.

SMS NUDGES AND REMINDERS

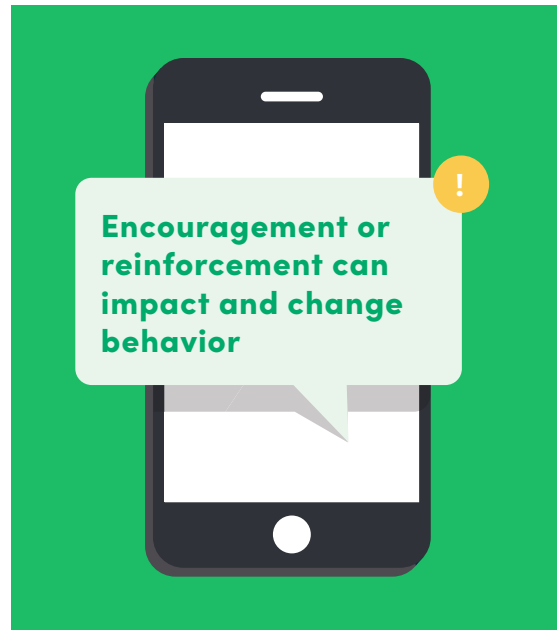
SMS nudges and reminders keep learning and information top of mind. Encouragement (such as, “You are halfway to your savings goal!”) or reinforcement (such as, “Putting aside small amounts of money weekly can add up!”) [can impact and change behavior](#). Reminders via IVRs, [message boards](#), and the use of recurring themes throughout the learning process bring pertinent personal information directly to the recipient. For example, a [digital savings app](#) may send weekly reminders of savings goals, loan repayment amount, or amount saved to date. Timely SMS notifications with humanitarian payments or from financial institutions, for example, can [influence financial behaviors](#).

TEACHABLE MOMENTS

Combining information with opportunities to learn and engage with a financial product have an impact, especially for women. These are moments in time — when receiving cash from an agent, opening a new account, [receiving remittances](#) — when the financial behavior is top of mind. In fact, receiving government transfers is an ideal teachable moment for signing up for mobile money, using an ATM, or visiting an agent. Learners have [higher, long-term knowledge retention](#) when the learning process is tied to a behavior or product.

LEARNING BY DOING

Instead of telling a woman how to conduct a mobile money transaction or open a bank account, learning



by doing shows her how by walking her through the steps on her phone or taking her inside a bank branch to open the account together. Providing guidance while a woman applies a skill for the first time helps cement the knowledge and builds confidence. For example, female garment workers learned how to access their digital wages by working with a trainer to register for mobile wallets in their factories, where they also learned about fraud and security (such as keeping their PIN safe). Learning by doing can also include household and family members to address gender normative constraints they may face when returning to their homes (given social and gender norms that may limit women's decision-making or mobility).

DOCUMENT

The only way to know if your customer insights, your design, and your delivery were successful is to measure and document impact. It must be thought of from the start and integrated into the program from the Design phase. Gathering sex-disaggregated data from the very beginning is crucial to capturing changed behaviors. It is especially important to collect data in a way that can be shared across teams and country offices, which contributes to a broader, global understanding of what works and what does not.

METRICS

✓ DO	DON'T
<p>Measure actual behaviors.</p> <p>Sample questions:</p> <p>“I save more money today than at the beginning of this program.”</p> <p>“I expanded my business.”</p>	<p>Measure only “number of women trained” and “number of women who came to every training session,” because it doesn’t provide useful data about whether the information was retained or how it was used.</p>
<p>Use a mixed methods approach (both quantitative and qualitative data). Ideally, work with a provider who can provide anonymized transactional data, demonstrating, for example, that savings balances grew, and were then used to pay school fees, for example.</p>	<p>Underestimate the importance of qualitative data – many metrics of impact are more accurately captured through long-form conversations than surveys.</p>
<p>Include empowerment metrics such as agency, control, self-esteem, and gender attitudes.</p> <p>Sample questions:</p> <p>“On the whole, I am satisfied with myself.”</p> <p>“I have little control of things that happen in my life.”</p> <p>“I have confidence to solve my future problems.”</p> <p>“If a woman earns more money than her husband, it’s almost certain to cause problems.”</p> <p>“Having a job is the best way for a woman to be an independent person.”</p> <p>“When a mother works for pay, the children suffer.”</p>	<p>Underestimate the importance of qualitative data – many metrics of impact are more accurately captured through long-form conversations than surveys.</p>
<p>Establish multiple points in time to collect data because sustained behavior change takes time to capture.</p>	<p>Just take exit surveys – they only give you point in time information, not impact.</p>

COMMUNICATION STRATEGIES

There are many other organizations that can learn from your approaches and experience. Share them! Draft blogs and briefs on the results from the gender assessment or the design process. Everyone is trying to have the biggest impact and do our best – and the best way to do that is to share our experiences and learnings.



For more insights, see the following resources:

RESEARCH

Arnold, Julia, Mayada El-Zoghbi, and Alex Kessler. “Normative Constraints to Women’s Financial Inclusion: What We Know and What We Need to Know.” 2021. CFI. <https://www.centerforfinancialinclusion.org/normative-constraints-to-womens-financial-inclusion-what-we-know-and-what-we-need-to-know>.

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TOOLKITS AND GUIDES

Koning, Antonique, Joanna Ledgerwood, and Nisha Singh. “Addressing Gender Norms to Increase Financial Inclusion: Designing for Impact.” 2021. CGAP. <https://www.cgap.org/research/publication/addressing-gender-norms-increase-financial-inclusion-designing-impact>.

Bin-Humam, Yasmin and Nicki Post. “Personas Show How Social Norms Impact Financial Inclusion.” 2021. CGAP. <https://www.cgap.org/blog/personas-show-how-social-norms-impact-womens-financial-inclusion>.

“Integrating Financial Capability into Government Cash Transfer Programs.” 2018. The World Bank. <https://openknowledge.worldbank.org/bitstream/handle/10986/30116/128334-WP-PUBLIC-Integrating-FinCap-into-G2P.pdf?sequence=1&isAllowed=y>.

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The Center for Financial Inclusion (CFI) works to advance inclusive financial services for the billions of people who currently lack the financial tools needed to improve their lives and prosper. We leverage partnerships to conduct rigorous research and test promising solutions, and then advocate for evidence-based change. CFI was founded by Accion in 2008 to serve as an independent think tank on inclusive finance.

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