

The real story of women's financial inclusion in India

A research report by MSC

November, 2019



List of abbreviations

BC	Business Correspondent
CI	Cash-in
CO	Cash-out
CSP	Customer Service Point
DFS	Digital Financial Services
FSS	Financial services space
FD	Fixed deposit
KYC	Know Your Customer
NGO	Non-governmental Organization
P2P	Peer-to-peer
RD	Recurring deposit
SHG	Self-help group

Authors and acknowledgement



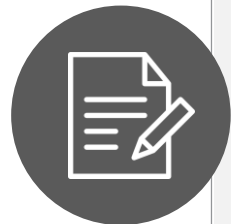
Authors

Rahul Chatterjee | Abhishek Gupta | Mohak Srivastava |
Akhand Tiwari | Bhavana Srivastava



Reviewers

Graham A.N. Wright | Manoj K. Sharma



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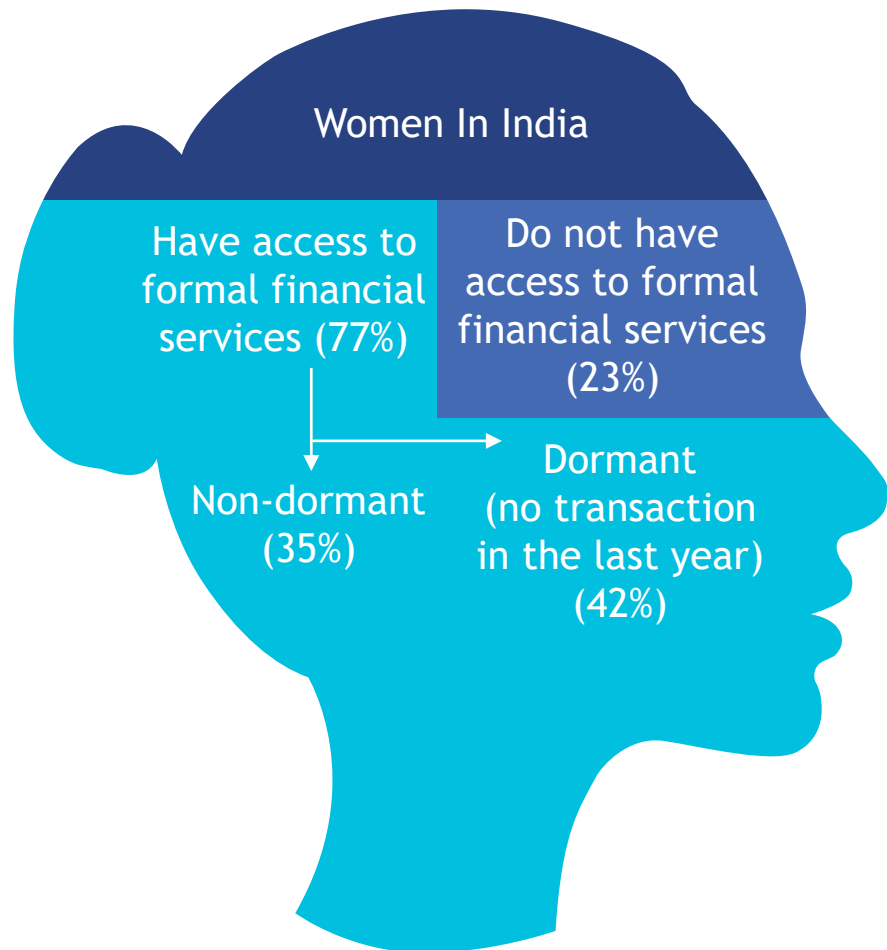


*Bahraich and Sravasti are in Uttar Pradesh (North India), Barpeta is in Assam (North_East India)



Executive summary

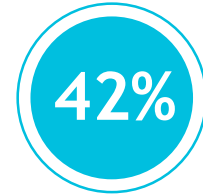
We have limited understanding about the real problems restricting women's access to, and usage of, formal financial services



Although gender gap in access to accounts has reduced in India*, it is clear that we have limited understanding of:



Why have women not opened a bank account?
What use case can get them to open an account?



Why have women opened bank accounts but do not use them?



What and how do women, with access to bank accounts, use it for:

- What is the degree of usage?
- What are the use cases?
- Are the use-cases evolving over time?
- Is there any difference in needs and behaviour of women who have differential access to financial service?

65% of women are not using financial services

* As per Findex 2017, Gender gap in financial inclusion reduced by 14 percentage points in three years (2014-17)

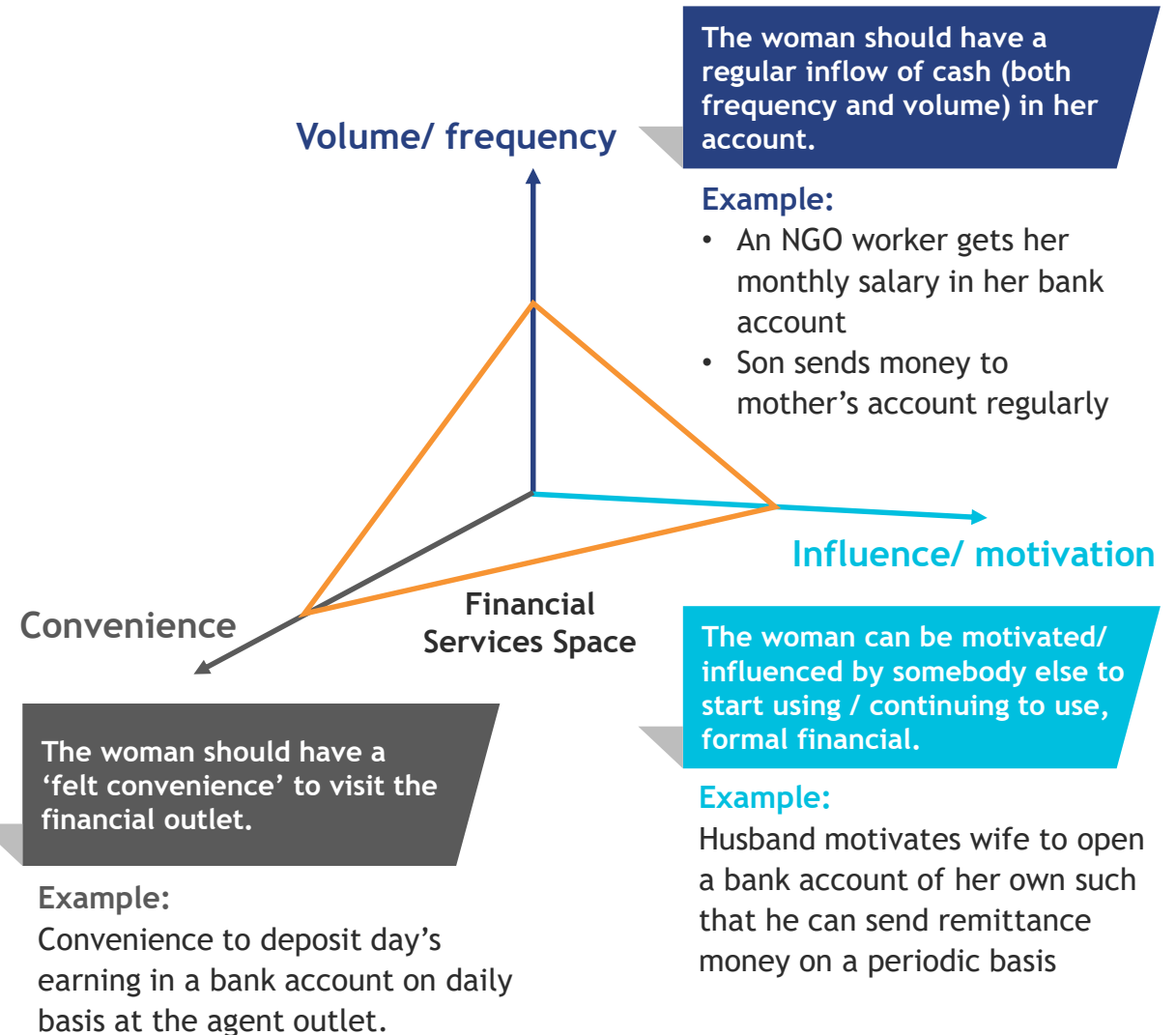
MSC uses its 'Financial Services Space for Women' Framework to decoding financial behaviour of women

A woman user will access formal financial services only if she has a Financial Services Space (FSS). FSS is defined across three dimensions:

- (i) **volume and frequency (use-case)**
- (ii) **convenience**
- (iii) **influence/motivation by others.**

The absence of an FSS is the reason 23% women are financially excluded and 42% are dormant account holders. This is compounded by their lack of capability to conduct transactions.

Non-dormant women users, 35% of women, are made up of four sub-segments.



A blanket approach to financial inclusion for women does not work because it overlooks variation among women



Financially excluded

Women in this segment lack regular cash flows and are not involved in paid economic activity. They face structural barriers related to mobility, oppressive gender roles, and lack of financial and digital literacy. Their FSS is absent.

FSS absent



Dormant account holders

These women opened an account either due to the government's financial inclusion drive or peer pressure or both. They lack a use-case for bank accounts and have limited capability. Social norms are also a hindrance. Their FSS is restricted.

FSS restricted



Proxy users

Proxy users can be either advanced users, regular basic users, or irregular basic users in terms of their social, economic, and demographic nature. Yet their accounts are used by someone else in the family (primarily their husbands). For a typical financial transaction, their role is limited to authentication. They have at best a dummy FSS.

FSS dummy

A blanket approach to financial inclusion for women does not work because it overlooks variation among women



Irregular basic users

These women are basic yet irregular users of bank accounts. They do possess basic knowledge of financial products but may need help to transact. They have fragile FSS

FSS fragile



Regular basic users

Women in this segment have regular cash flows from remittances and wages. They are involved in some economic activities and know how to transact at agent outlets. They are unaware of advanced use-cases. They have an active FSS.

FSS active



Advanced users

Advanced users are educated and financially independent women involved in economic activities. They use multiple banking channels and advanced financial products. They have a vibrant FSS.

FSS vibrant



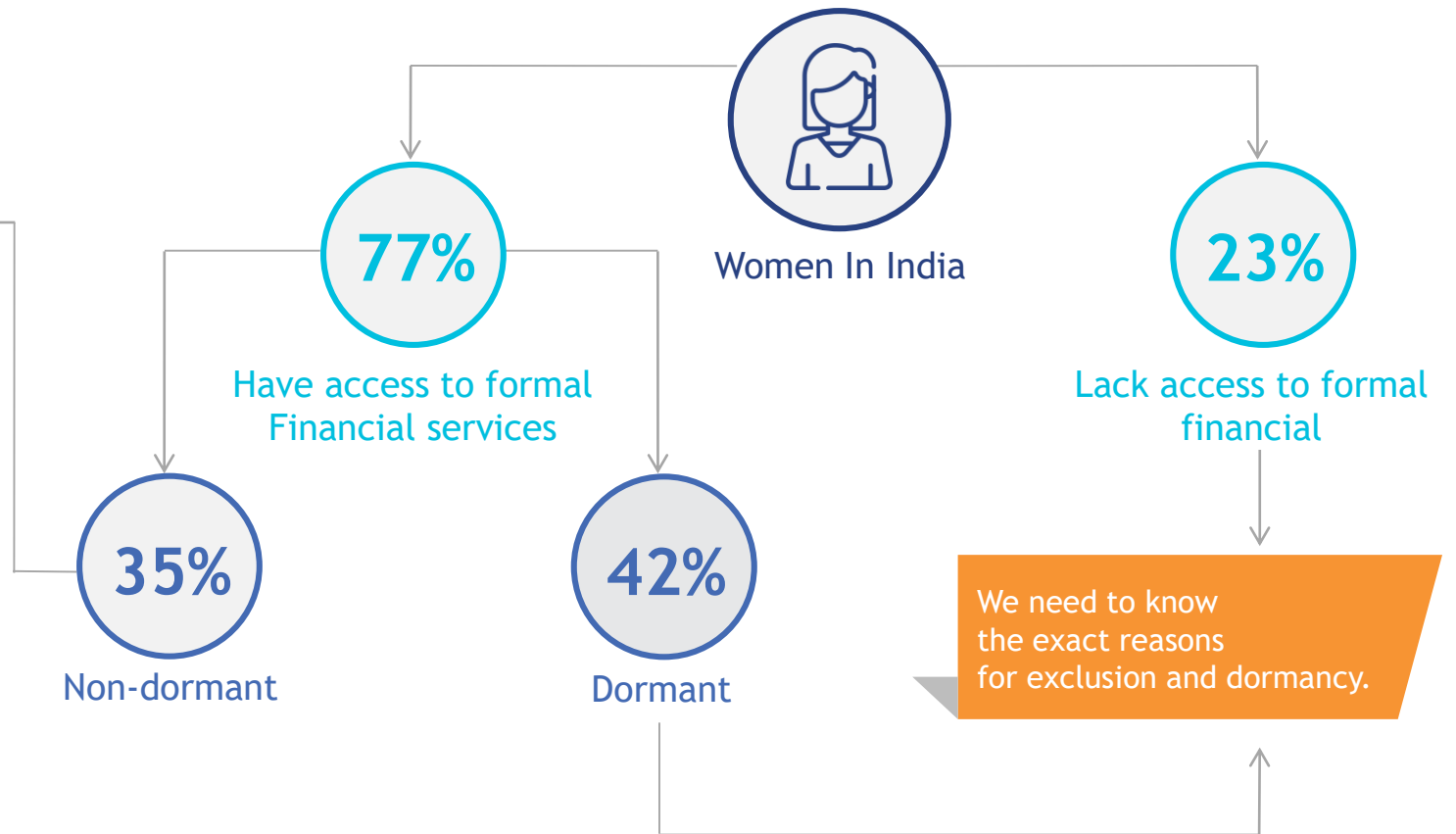
About the study

Findex data does not reveal the complete picture of state of financial inclusion for women in India

India has succeeded in reducing the gender gap in financial inclusion by 14 percentage points in three years (2014-17). This move has received wide appreciation and acknowledgment. However, digging deeper into the Findex data tells us a less encouraging story—the accounts of more than half of the women who have access to formal financial services are dormant.

Detailed information on the usage pattern of non-dormant users is missing. Some questions that remain unanswered include:

- How frequently do women use their bank account?
- For what purpose?
- In what volume and at what frequency?
- Which products and services do they use?
- Do they have enough money in their account to invest?



We conducted a study to decode the financial behaviour of women users using the concept of Financial Services Space (FSS)

In 2018, MSC developed [the concept of the Financial Services Space \(FSS\)](#). This three-dimensional space is key to understanding women's 'usage' of formal financial services. The FSS is defined by specific factors, as discussed below.

The woman should have a regular inflow of cash (both frequency and volume) in her account.

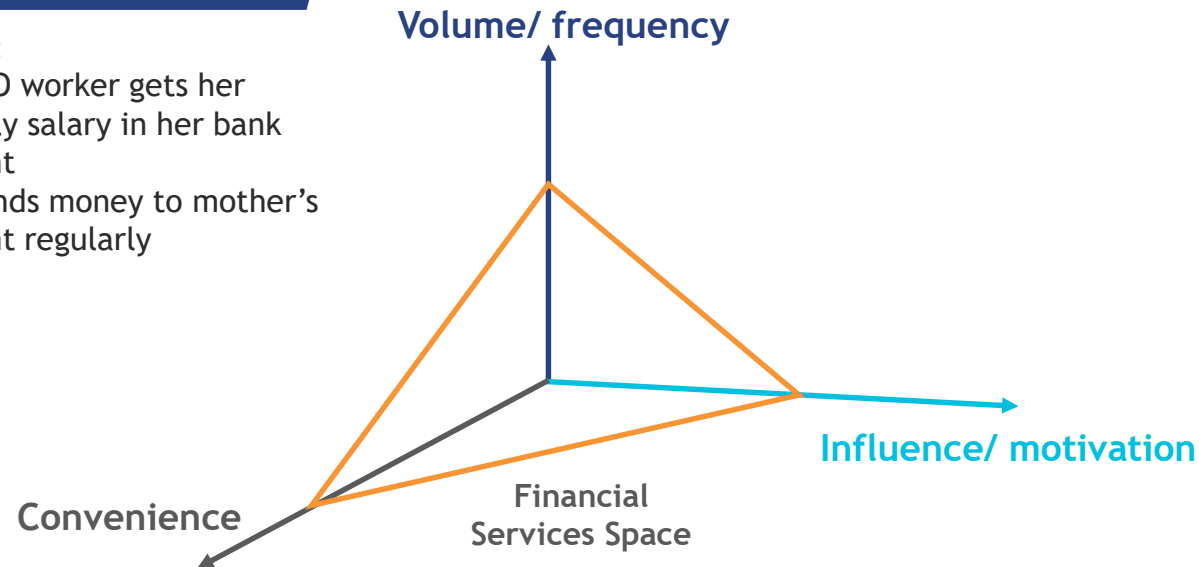
Example:

- An NGO worker gets her monthly salary in her bank account
- Son sends money to mother's account regularly

The woman should have a 'felt convenience' to visit the financial outlet.

Example:

Convenience to deposit day's earning in a bank account on daily basis at the agent outlet.



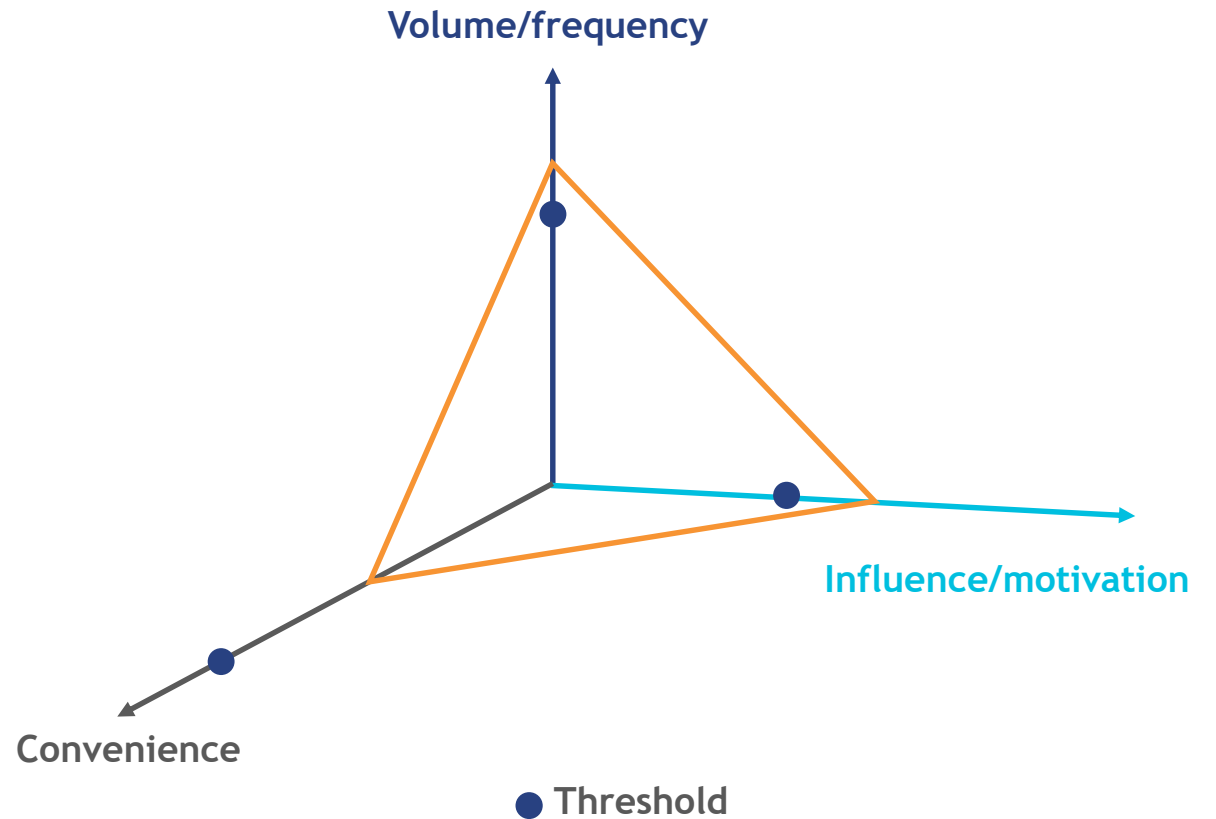
The woman can be motivated/ influenced by somebody else to start using / continuing to use, formal financial.

Example:

Husband motivates wife to open a bank account of her own such that he can send remittance money on a periodic basis

FSS is important for women to both open and use a formal account

- Each of the three dimensions has a threshold that we have not yet defined in quantitative terms. A woman has to cross these thresholds to get to the point of usage. Women who cross the thresholds on each dimension use formal financial services willingly and regularly.
- FSS is important for women to both open a formal financial account and to continue using it. The ‘motivation’ factor alone may help a woman to open a bank account but the lack of a ‘regular flow of money’ may make her a dormant account holder.
- A very high threshold for at least one of these factors can also make women use formal financial services.
For example, the adjoining figure depicts a particular case of a woman who has a certain degree of financial services space (FSS) and has been using formal financial services. In this case, she has high motivation (beyond the threshold), high volume (beyond the threshold), and low felt need for convenience (below the threshold). Crossing the threshold for even two dimensions can make a woman start using DFS.
- FSS also explains women’s use of formal financial services. It can show whether a woman will:
 - Become an active user—that is, use multiple financial services being offered by financial service providers
 - Stick to one or two services—such as cash-outs or deposits alone;
 - Become a dormant account holder—that is, opened a bank account once but has never used it since.



We applied the HCD approach to better understand the segments of financially excluded, dormant, and non-dormant women

Our approach for this study included the following key tools and concepts:

01

MSC's proprietary [MI4ID](#) (Market Insights for Innovation and Design) approach : We used analytical techniques like affinity mapping and persona mapping to identify various segments and sub-segments, personify them and understand their needs and behaviors

02

The [D3](#) principles (Digitize, Direct, Design) to frame study hypotheses, and research questions

03

MSC's [Gender Centrality Framework](#) (also see Annex 3) to frame research questions and design study tools.

In the study, we explored the characteristics of women user and non-user segments through the lens of FSS. Sub-segments include:

01

Users of formal financial services,

02

Dormant account holders, and

03

Those without access to formal financial services

We examined the challenges that these segments face in terms of access and usage of financial services. We then identified needs that are specific to each segment. We tried to unpack if specific drivers exist that may enhance the pace of inclusion of each sub-segment. Annexes 1 and 2 provide more details on the study design and sample profile.

Study findings

In the following sections of the report, we present findings for each segment in the following order:

- ▶ Women who lack access to formal financial services
- ▶ Dormant account holders
- ▶ Non-dormant users

For each user segment, we highlight how FSS plays a critical role in the adoption of services.



Rameshwari—a financially excluded woman with access or need

23% of women lack access to formal financial services

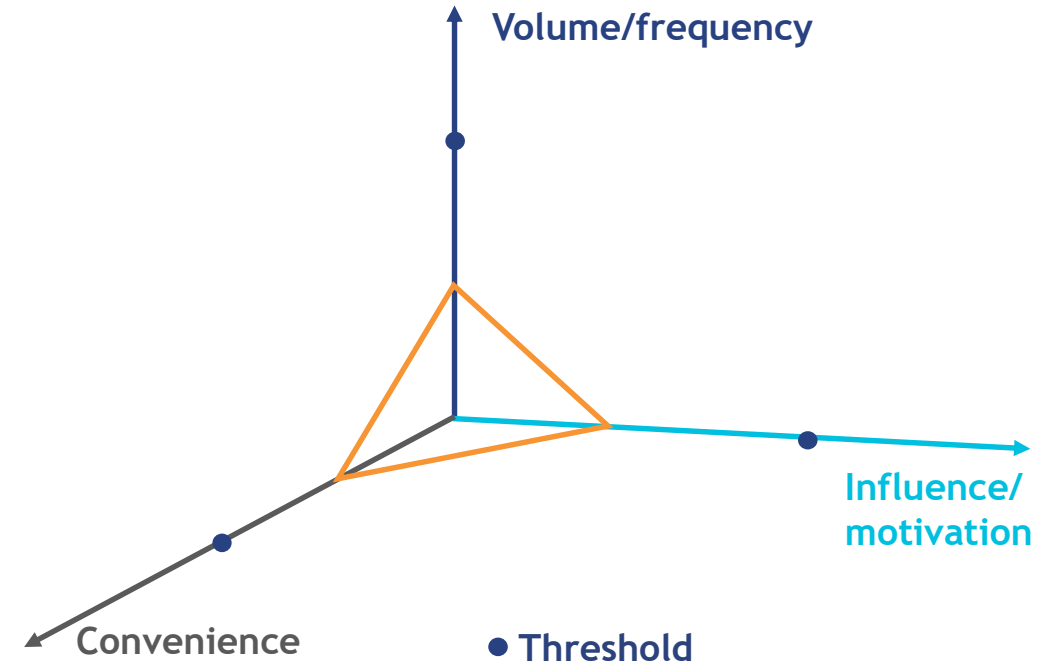


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Rameshwari is a 65-year-old widow who lives with her son in a remote village in Bahraich. She is not involved in any paid economic activity and the nearest bank or BC outlet is over 5 km from her village.

Her son owns a vegetable shop and takes care of the household expenditure. Rameshwari is usually dependent on her son for money for routine purchases.




”



Rameshwari does not have a FSS. The volume of her financial transactions is minuscule and infrequent. She has no motivation to have a bank account and lacks knowledge of any financial services or products. The question of convenience does not even arise because these aspects are missing.

Financially excluded women lack an FSS—largely due to structural barriers

23% of women lack access to formal financial services

Barriers	Descriptions of barriers	These barriers can be structural in nature and may operate at a societal level. They can appear in the form of restrictions in mobility imposed by social norms in a patriarchal society. Similarly, barriers such as low literacy rates of women and defined gender roles restrict the freedom of movement or choice, or both, for women.
Mobility 	Mobility acts as a big constraint for many women. They either struggle with social norms that restrict their mobility outside the home or have to travel for long distances to the nearest financial outlet—a bank or a common service point. The lack of mobility can completely eliminate women’s demand for DFS and thus restrict any trigger that may induce ‘convenience’.	
Gender role 	Gender roles and stereotypes imposed on women restrict their participation in the labor force, inhibit opportunities to earn, and prohibit them from making use of financial resources. This means that ‘regular inflow of money’ is inhibited, which considerably weakens the use-case for financial transactions.	
Literacy or understanding of financial services 	A lack of awareness and the absence of any push, from either the provider, opinion leaders, or progressive men in the family means that women lack any intrinsic “motivation” to take up formal financial services.	

A transformative approach to gender can create a financial services space for the women who remain financially excluded

We need to look for ways to enhance economic activities for women, which would allow them to take financial decisions for themselves and their families. In parallel, efforts that can enhance ‘convenience’ and ‘motivation’ for women will be able to expand their FSS. In this context, the government can play a huge role – by providing better physical infrastructure, by providing financial education to women, and by enabling women to gain greater control over resources.

Damini—a dormant account holder with limited needs

42% of women account holders are dormant

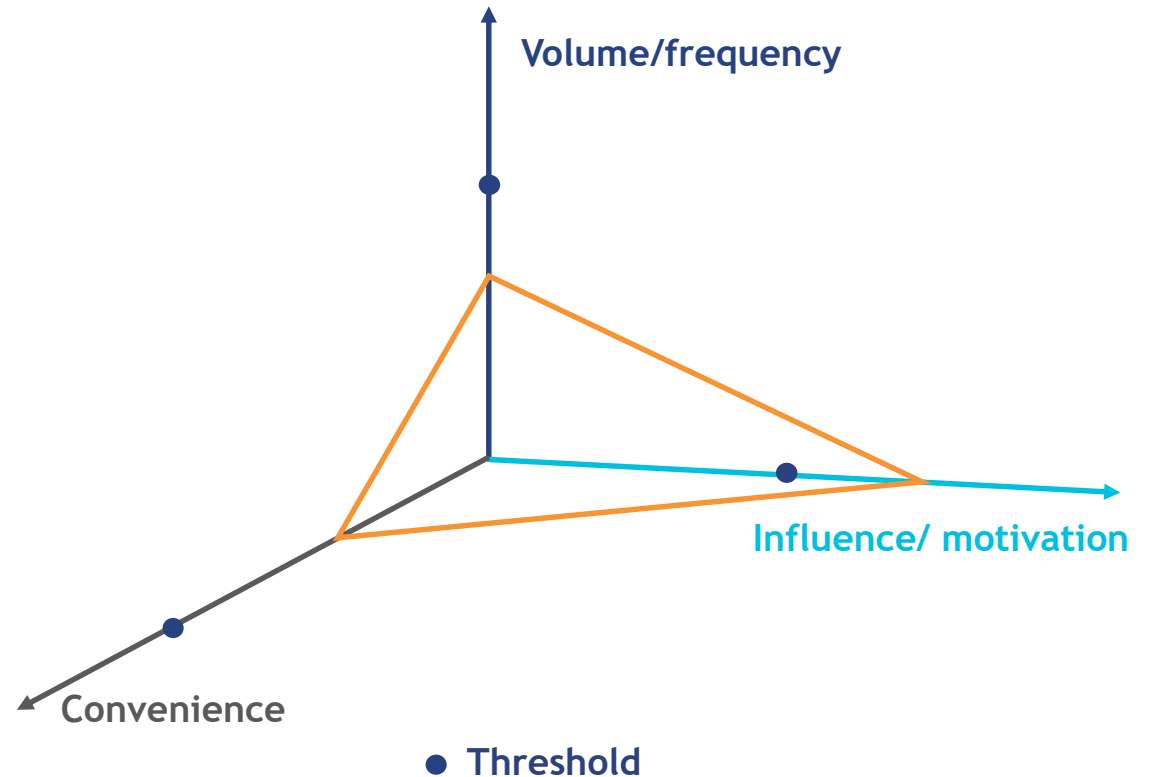


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Damini is a homemaker who lives with her husband and two children, in Barpeta. Four years ago, her husband urged her to open a bank account at a camp organized by a bank in her village. Several other people in the village were also getting their bank accounts opened at the camp. There was enough ‘motivation’ for her.

However, the account has remained unused ever since. Damini does not experience a regular cash flow and does not possess enough money to keep in her bank account. Whenever she receives cash gifts from her relatives, she prefers to keep it at home for future use. Banks intimidate her and she prefers to avoid them.

”



Damini has a restricted FSS. When she first opened her account, the dimension of motivation in her financial space was quite high. However, both the dimensions of the volume of her needs and convenience has remained small. As a result, her bank account has become dormant.

Dormant account holders lack either awareness or appropriate use-cases, or both, to sustain usage of financial service

42% of women account holders are dormant

Many of the existing dormant users had opened the account because of peer pressure or family influence during the government's financial inclusion drive*—thus crossing the threshold of the “Motivation” aspect of FSS. However, they soon found that they did not have any use for the account.

- Users' lack of knowledge is a big deterrent to using the bank accounts. In addition, the lack of agent sensitivity towards women users further worsens the use-case for this segment.
 - In most instances, we found that these women lack the capacity to operate their accounts. Hence, they need to build the necessary capabilities or need support from family and friends to become comfortable with the transaction process. They need to get more information and support on the usage of financial services.
 - Most women reported feeling intimidated by bank staff**. This feeling of unease or intimidation has also extended to male BC agents. This indicates the need for a more friendly and comfortable financial transaction environment that can put them at ease.
 - A restricted FSS results largely from lack of regular financial flows and absence of features that suit the financial flows of women users.
 - We find that while the use of informal financial services like ROSCA is prevalent among this segment of women users, formal banking services have high entry barriers. These barriers include the cost of access and the need to have higher amounts for banking transactions, among others.
 - In some instances, the provision of collateral-free, small-ticket personal loans to women has generated a stronger use-case for them to use a bank account to receive and repay the loan.

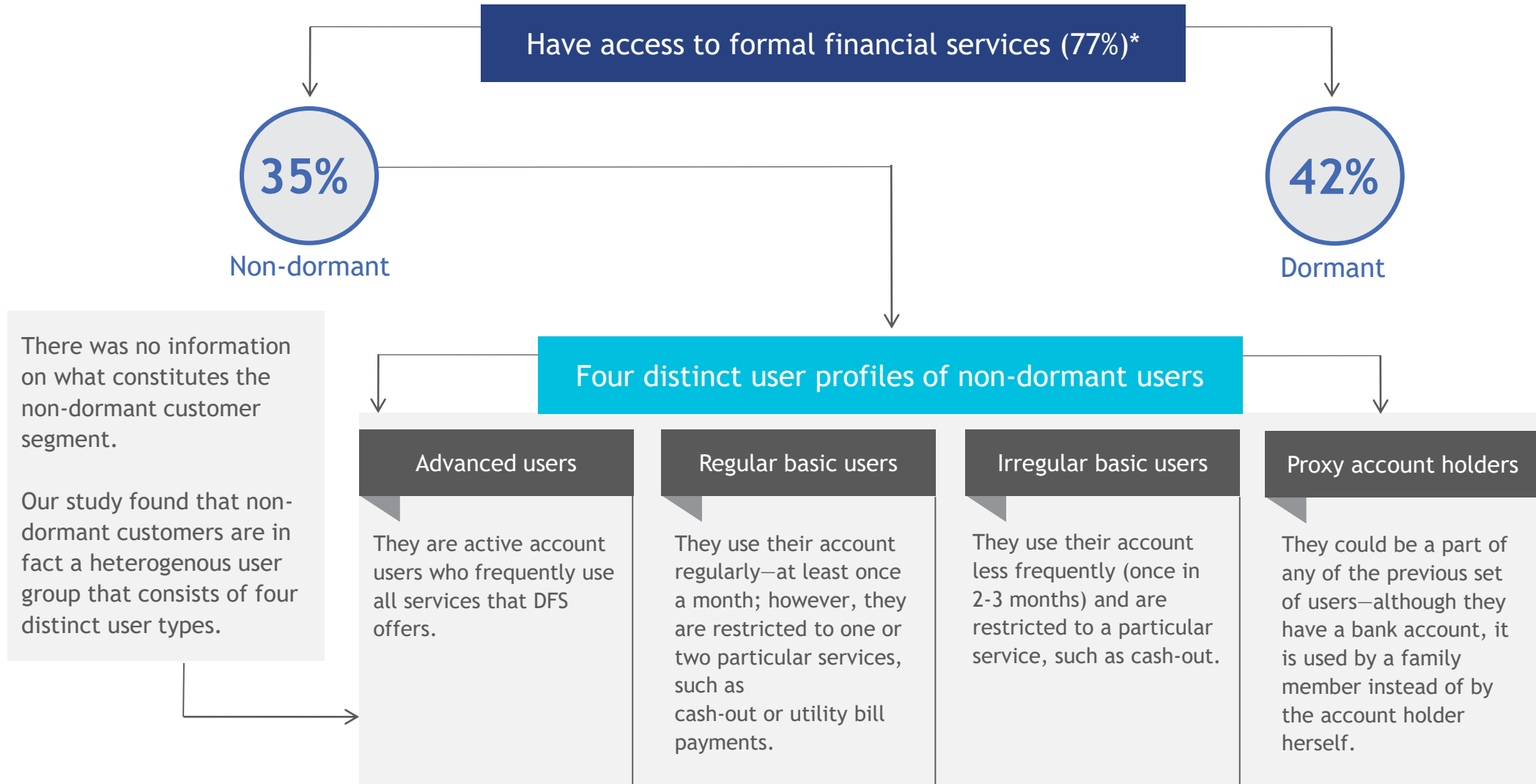
Women users were more comfortable when they transacted at outlets run by female agents. Our research revealed that an approachable and gender-sensitive agent could act as the much-needed support system to build the required financial and digital capacity of women users.

Creating an FSS for these women will require better financial flows and more appropriate product features. We observed that for women, participation in economic activities or regular flow of G2P payments, or both, and remittance income ensure a strong enough case to use their bank accounts. Initially, this may be restricted to cash-in and cash-out. Additional appropriate products or products features can promote higher usage of these accounts.

* These accounts were opened under the Prime Minister's Jan Dhan Yojana (PMJDY) campaign

** [Previous studies](#) have also highlighted that reasons for dormancy include lack of confidence to conduct a transaction, and the behavior of banks staff contribute to this.

Contrary to excluded and dormant segment, the Non-dormant account holders do not constitute a homogeneous group



*Findex 2017

Rukmani—an empowered advanced user

Advanced users

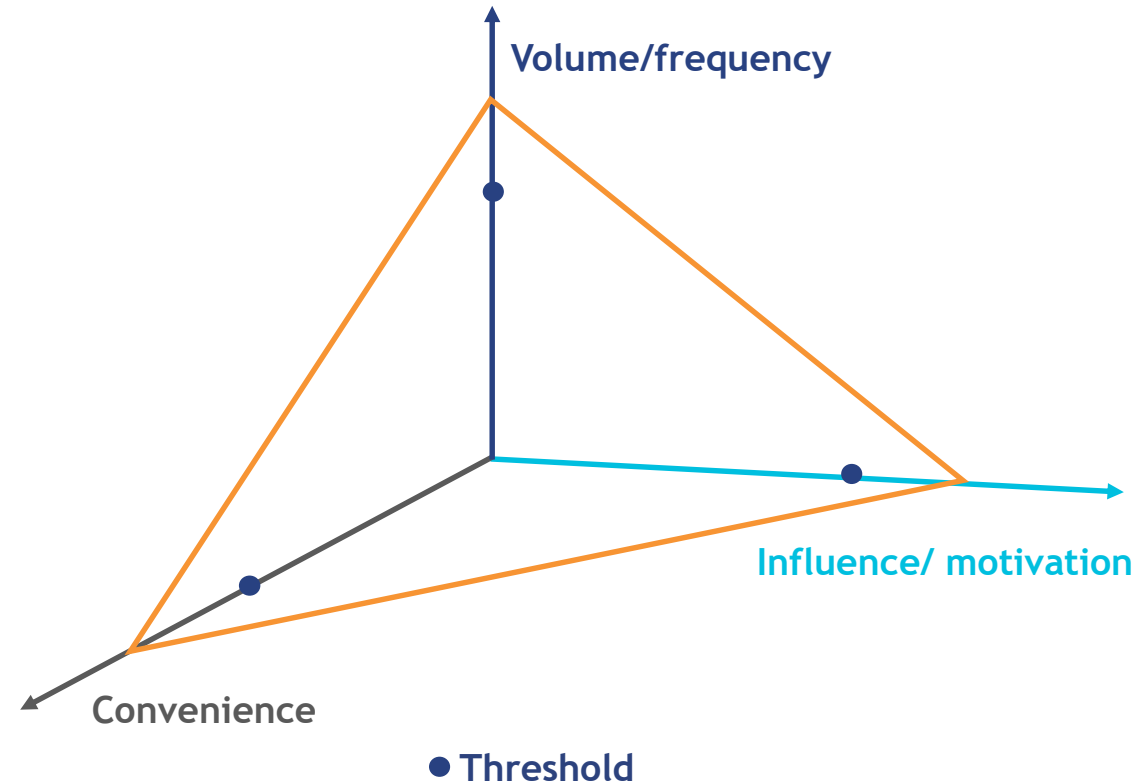


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Rukmani has been an active user of multiple financial services for the past three years. Her father had opened her first bank account when she was still in school. She has completed her undergraduate studies and worked in an NGO for the past three years. Her salary is credited directly to her bank account. She withdraws it using multiple channels—from the bank branch, from an ATM, and from the agent outlet located on the way to work. She largely takes her own financial decisions.

She saves most of her salary and uses it to pay a monthly installment for her newly purchased scooter. Most of the time, she has a substantial amount as balance in her bank account. When the agent saw this, he advised her to invest the money in a term deposit. She discussed the matter with her husband and, on being persuaded by the agent, opened a term deposit of INR 100,000 (~USD 1,400).

”



Rukmani has crossed the threshold for all three dimensions and has an active FSS in place. While the motivation from her father helped her open the account, her regular salary covers the dimension of Volume/frequency. She fulfills the dimension of convenience through her transactions through multiple banking channels.

Advanced users are almost at the ideal stage of financial inclusion

Advanced users

These users do not face any visible barriers in terms of account use

- They use multiple banking channels, such as a bank branch, ATM, or an agent outlet and use multiple products and services, such as cash-in, cash-out, insurance, recurring deposit (RD), and fixed deposit (FD).
- They are educated and are involved mostly in economic activities that provide less volatile income, such as office jobs or teaching profession (please see Annex 4). They are also familiar with digital interfaces and are not constrained in terms of mobility.
- They have control over the household decision-making process
- The use-cases include cash deposit, cash withdrawal (from an ATM, bank branch, or agent point), use of a mobile app for banking transactions, and opening of specialized deposit accounts, such as fixed deposit or recurring deposit. However, in terms of the gender gap, advanced female users are behind male users. We analyzed the transaction data of two agents over 12 months and found that the gender gap in access for advanced financial products like RD and FD is 44 percentage points and 20 percentage points respectively.*

The FSS for these users has evolved constantly. We find that a woman has specialized deposit products** either because one of her family member opened it in her name or the agent suggested that she open an account (push sales), as they had a substantial balance in the account.

*MSC collected this data from two agent points in Bahaich district of UP. However, due to the small sample, it is not representative and cannot be extrapolated.

** These include products, such as Recurring Deposit (RD) and Fixed Deposit (FD), which service providers in India offer.

Anjum—a regular basic user

Regular basic users

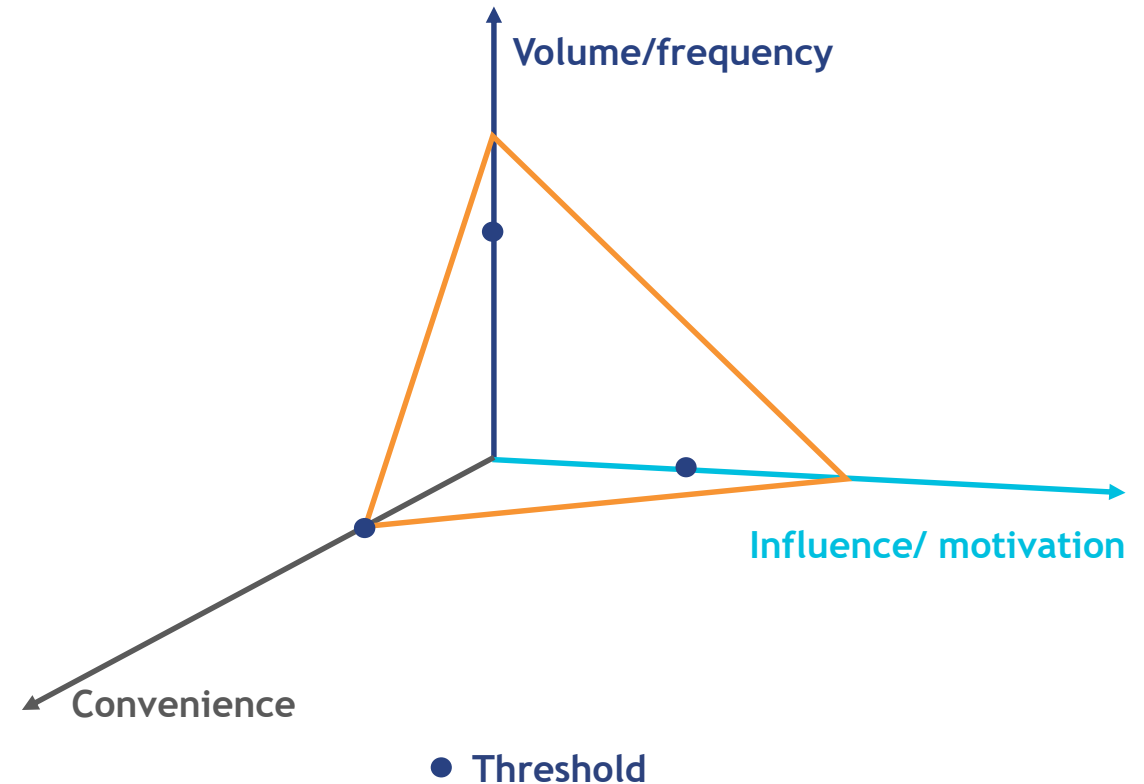


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Anjum has been using agent services in her village for the past five years. Her husband works in Surat (a textile hub) and sends her money regularly. Initially, he used to send money through a local courier service. Later, as banking services grew in their village, he suggested that Anjum should open a bank account so that he could transfer money to her account. She can now withdraw or save as needed.

Anjum’s use of bank account has been limited to receiving the remittance money, withdrawing from it as needed, and depositing surplus amounts from the embroidery work that she does. Anjum says she does not know much about the advanced deposits product or other facilities that the agent outlet in her village offers.

”



Anjum has crossed the threshold for all three dimensions and has an active FSS in place. The suggestion by her husband acted as the motivation factor to open the account, while regular remittance covers the dimension of Volume/frequency.

Sales push that highlights the value proposition can upgrade regular but basic users to become advanced users

Regular basic users

- We see two most common profiles of regular basic users:
 - The first profile comprises women who receive regular remittance. They are de-facto money managers of the household, their usage is predominantly cash-out, and they are typically not involved in paid work.
 - The second profile comprises women who are involved in low-end economic activities, such as work in MSMEs, daily wage jobs, small agriculture, and animal husbandry. Their usage is limited to regular small-ticket cash-in and need-based cash-out.
- In general, basic users have control over their financial decisions. However, their incomes are more volatile as their occupations provide cash flows that are irregular and uncertain. Hence, they usually take financial decisions based on inputs from the entire family, usually the husband and adult children.

In most instances, we found that an FSS came into being for regular basic users because they were encouraged by their husband or relative to start using the service. However, the FSS does not evolve beyond basic usage. This is because while the user is able to meet her basic needs, she remains unaware of other products and services that are on offer. As in the case of advanced users, FSS for these users can grow if they realize the value proposition of using more services. Push sales and motivation by agents can enhance account use by basic regular users.

Rani—an irregular basic user

Irregular basic users

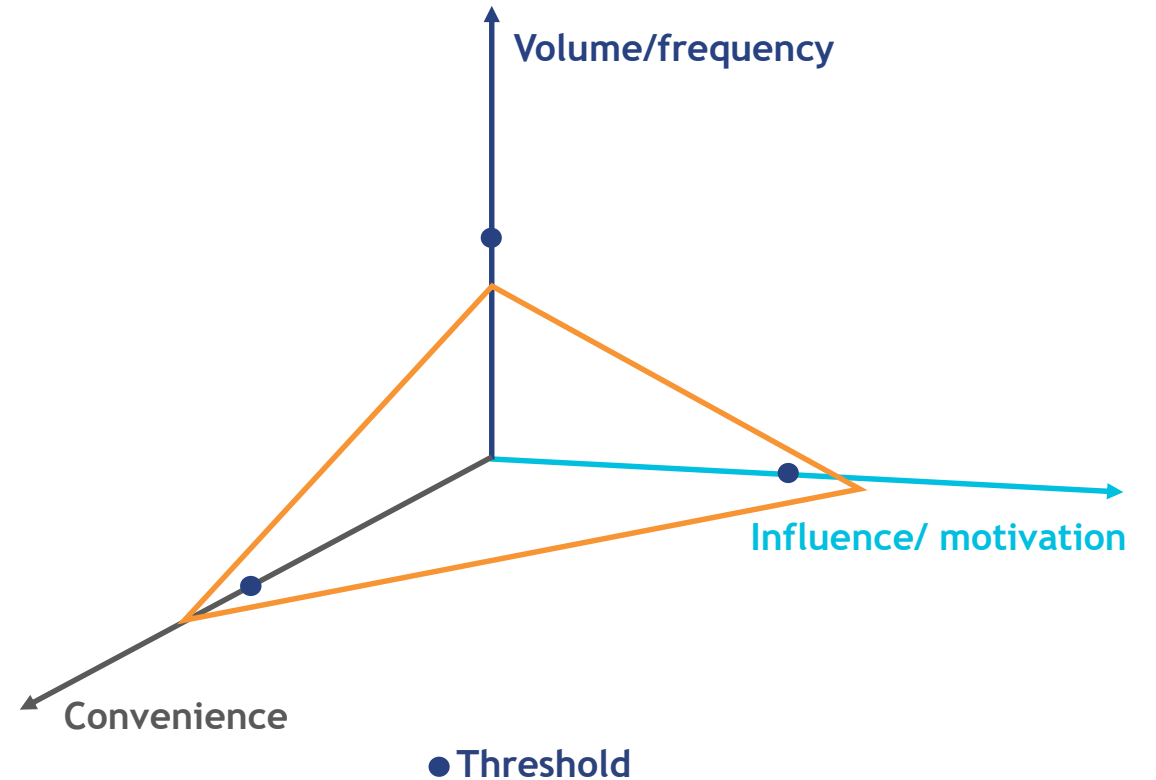


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Rani has been using the agent point in her village. She came to know about this through members of her self-help group (SHG). Her husband is a temporary migrant worker. This means he moves in and out of the village to work in nearby cities and in migrant hubs, such as Surat and Delhi.

Once or twice a year, Rani's husband is unable to return to the village for a couple of months at a stretch. On these occasions, he sends remittance to Rani's account. Rani visits the agent point when she comes to know that her husband has sent remittance and withdraws the entire amount. Since she received initial support from her husband and from the agent to conduct transactions, she can now use her account independently—especially to withdraw cash. For the rest of the year, her account remains dormant and she does not visit the agent outlet.

”



Rani has moderate values for Volume/Frequency and just marginally higher values for Influence/Motivation and Convenience to clear the threshold for FSS.

Irregular users can transform into regular users if agents are able to enhance their experience; enhanced value proposition in the product will be a plus

Irregular basic users

- Irregular basic users usually have unidimensional cash flows, for instance, G2P payments, money from an SHG as a loan, money received occasionally from relatives, and windfall cash as gifts or money received from selling an article. They then deposit it in the account as savings.
- They have minimal control of resources.
- They have the capability to use agent points but do not have a regular use-case.
- Typically, the acceptability of male agents is low. This is due to:
 - Limited interactions of male agents with women customers, because of which agents have not been able to build a comfortable transactional relationship;
 - The fact that women users have restricted mobility and are either not exposed adequately to men or are uncomfortable talking to men.

Like regular users of basic services, an FSS for irregular basic users was created through motivation from the family or from the husband. However, regular and irregular users differ in terms of the number and frequency of transactions.

Agents may enhance the FSS for irregular users by promoting more services and encourage users to transact regularly, typically for small savings. However, this will require the agent to build trust with users, for which they may need training to interact with women users. Another way to enhance FSS can be to enhance use-cases. This will require developing products that match the irregular cash-flows of basic users.

Phoolan—a proxy account holder

Proxy account holders

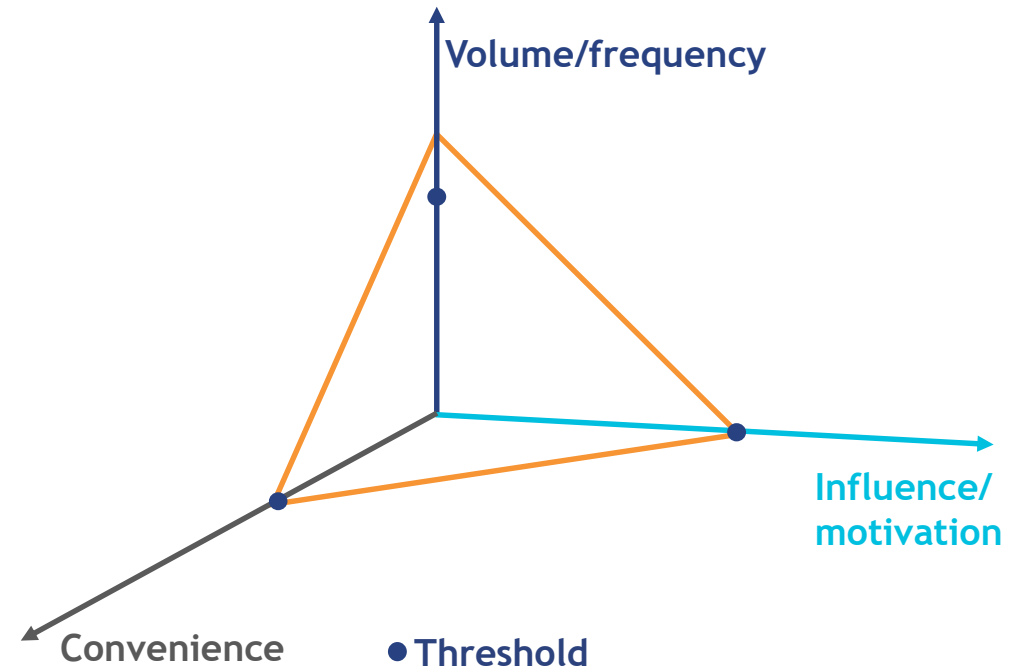


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Phoolan is not involved in any paid economic activity. She lives with her husband and child. When the Ujjwala Yojana* was initiated, she opened a bank account in her name to receive the benefits. Her husband asked her to open the account and accompanied her to the branch to get this done.

Now, to withdraw the subsidy amount, Phoolan accompanies her husband to the agent outlet, as the authentication process requires her biometrics. Phoolan says that she has little knowledge of financial services and products and finds them complicated. She is most comfortable when her husband takes all the financial decisions of the household. Transacting money seems cumbersome and risky to her.

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Evidently, an FSS exists for Phoolan, but she needs to enhance her capabilities so that she can appreciate the convenience of using services available at the agent point. This means that the dimension of convenience remains limited. The motivational aspect has stagnated, as her husband does not push her to learn how to conduct transactions.

We also believe that the existing power dynamics in the household, where the husband is the decision-maker, forces her to depend completely on her husband to use financial services.

*Refers to the government's subsidy program for cooking gas cylinders

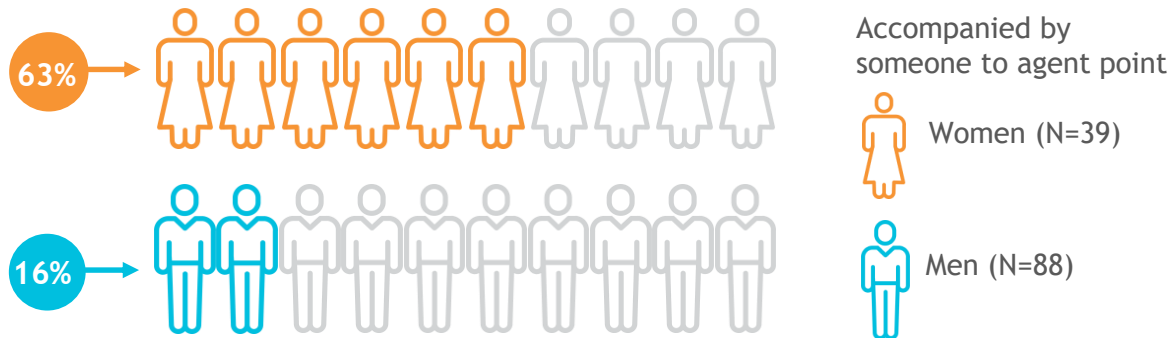
Proxy account holders need capability-building to use the full potential of existing financial services

Proxy account holders

- As the name indicates, proxy women account holders do not use the accounts themselves. Instead, a male family member, such as the husband, father, or son, controls the account. The account holder's role is limited to biometric authentication
- One common characteristic of this user-group is that they depend on male family members owing to their restricted roles—linked largely to challenges with mobility
- While this user group may have enrolled into products like term deposits, other savings products; and insurance, they may be unaware of this as the decision was taken by other (male) family members
- Another characteristic of this user group is that they lack the capability to conduct transactions independently. These women have FSS but are either afraid to conduct a transaction that could possibly go wrong, or, fear losing money because of fraud.

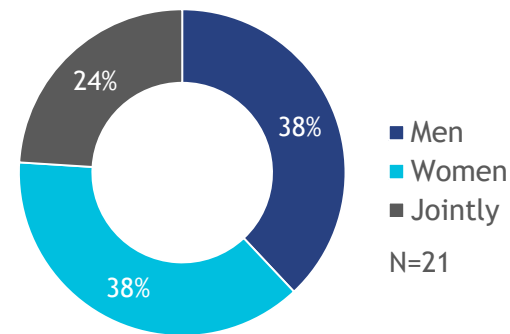
FSS for proxy account holders is underdeveloped due to two reasons: First, the defined gender roles restrict their ability to go to an agent—female agents could possibly solve this problem to a certain extent. Second, they are afraid of losing money while using digital financial services. This calls for both capacity-building and support to conduct transactions from gender-sensitized agents.

Does someone accompany you for a transaction?*



We collected data from two agent points in Bahraich district of the state of Uttar Pradesh (N=127). We found that among women who visited agent outlets, 63% were accompanied by someone.

Who conducts the transaction at the agent point?*



Of the women “who came with someone”, 88% were accompanied by a male member of the household.

Only in 38% of cases did woman users conduct the transaction themselves (N=21).

*This data (N=127) was collected at 2 agent points in Bahraich district of Uttar Pradesh. It is not representative and can not be extrapolated. Our methodology ensured the aspect of data privacy

Summary of findings and concluding thoughts



Summary of findings

Women's groups show a significant variation in terms of access to formal financial services and their use

Women segments	Sub-segment	Proportion (out of all women of 15+ years age)	Characteristics, challenges, and needs
Excluded from formal financial services	Unknown	23%	<ul style="list-style-type: none"> Face structural barriers like mobility constraints, oppressive gender roles, and lack of financial and digital literacy. Need a transformative approach towards gender based on the principles of economic empowerment for women, which can build FSS for these users
Dormant account holders	Unknown	42%	<ul style="list-style-type: none"> Opened the account owing to the government drive or peer pressure, or both. Have a restricted FSS in terms of lack of use-case for the bank account as well as their own limited capability. Social norms are also a hindrance in some contexts.
Non-dormant users*		35%	
	Advanced users	Unknown	They are at the most sought-after place in their financial journey, as they use a range of financial services.
	Regular basic users	Unknown	Have regular cash flows, such as receiving remittance and need to deposit daily wage earned; however, they are unaware of other potential uses of bank accounts
	Irregular basic users	Unknown	Have limited but specific cash flows, need stronger use-cases to transact; they also lack the know-how of processes and skills to use services at an agent outlet
	Proxy account holders	Unknown	Male family members use a bank account on their behalf; social norms and capability, coupled with lack of use-cases act as the major barriers

*These are new segments that we identify in this research work.

We can map specific triggers that drive FSS, and thus financial inclusion, for these segments

FSS manifests itself in different ways for different sub-segments of women. Further, the three dimensions of FSS can be further broken down into different “triggers*” that make a particular segment or sub-segment use formal financial services. The trigger matrix below indicates the extent to which these triggers can drive a particular sub-segment from being a non-user, dormant user or a non-dormant user to an advanced user.

FSS trigger matrix									
Women segments	Sub-segment	Proportion	Triggers						
			Volume/frequency			Motivation		Convenience	
			G2P	Wages/Salary	Remittance	Family	Provider-led	Distance/Time	Confidence
Financially excluded	-	23%							
Dormant account holders	-	42%							
Non-dormant users		35%							
	Advanced users	Unknown							
	Regular basic users	Unknown							
	Irregular basic users	Unknown							
	Proxy account holders	Unknown							

The trigger either has a marginal or practically non-existent value	The trigger is too low to clear its corresponding threshold of the FSS pillar	The trigger is exactly on or just over or under its corresponding threshold of the FSS pillar	The trigger is sufficient to exceed its corresponding threshold of the FSS pillar	The trigger has well exceeded its corresponding threshold of the FSS pillar
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*These trigger are not exhaustive. As the concept of FSS evolves, these trigger will evolve as well.

Key to the FSS trigger matrix

Trigger definition	
G2P	Government-to-person payments
Income	Salary received in formal financial account
Remittance	Money sent by relatives or friends
Motivation (family-led)	Encouragement by family members to use financial services
Motivation (provider-led)	Encouragement by officials, that is, villages leaders, banking agents, bank officials, self-help group (SHG) members, among others, to use financial services
Distance/Time	The time taken to visit a financial services point

The ratings were given based on MSC's understanding of the different women segments. Further and more dedicated research is required to quantify each trigger better and understand their implications on the financial services space for women.

Solutions for women’s financial inclusion: segment-specific interventions are needed

Different triggers have different effects on developing FSS. Hence, any solution must take into account segment-specific triggers for that segment or sub-segment. In fact, providers must specifically identify the segment they wish to target. We conclude with a quick note on how to build FSS for different women customer segments.

Women’s segment	A beginning could be made along the following lines
Financially excluded	<ul style="list-style-type: none"> • An ecosystem approach is key; however G2P products that are specific for the segment could be a good starting point to initiate an FSS. • SHGs could be an important trigger. SHGs build all three dimensions of FSS as they allow exposure to financial services (motivation), help develop skills (convenience), and facilitate transactions (use-case).
Dormant account holders	<ul style="list-style-type: none"> • The triggers could very well be providers that highlight the convenience factors, family or opinion leaders who build confidence, and a more comfortable gender-sensitive digital interface (app, agent, or branch). • Further, any provision that can enhance use-cases will be valuable, for example, specific G2P initiatives that are built on the premise of women’s economic empowerment.
Proxy users	<ul style="list-style-type: none"> • Building confidence could work in favor of developing FSS. Innovative ways to develop confidence may include ways to reduce fear with digital technologies and build process literacy to use financial services interface—app, agent, or branch. • A more comfortable gender-sensitive interface (app, agent, or branch) will be critical too.
Irregular basic users	<ul style="list-style-type: none"> • As in the case of dormant users, a G2P service that is built on the premise of women’s economic empowerment can enhance the use-case. • Product designs that offer greater authority and anonymity to users can also enhance the use-case. • An active life in SHGs can help them expand the FSS as SHGs offer exposure to financial and economic activities.
Regular basic users	<ul style="list-style-type: none"> • Planned and targeted communications by providers, designed to tap into additional cash-flows of regular users, can further enhance their FSS.

Annexes



Annex 1: Study design

We conducted a behavioral research to understand each specific segment of Indian women in terms of financial inclusion and examined their behaviors, challenges, and needs. This objective of the study was to complement the findings of Findex by further studying the underlying data, contextualizing the findings, and understanding the nuances.

- Qualitative interview of women, men, and agents (N=53)
- Collection of quantitative transaction data at the agent outlet through direct observation and through a collection of qualitative observational data (N=127)



Research methods

- **Desk research:** Review of existing materials including research articles, blogs, datasets, reports, and documents or web pages on product details
- **Demand-side research:**
 - Focus groups, in-depth-interviews and customer journey mapping with women and men- account holders, DFS users, DFS-non users
 - Rapid interviews with women customers at agent outlets
- **Supply side:**
 - Interview of DFS agents—both men and women
 - Collecting transaction data from direct observation at agent outlet and from the registers of the agents

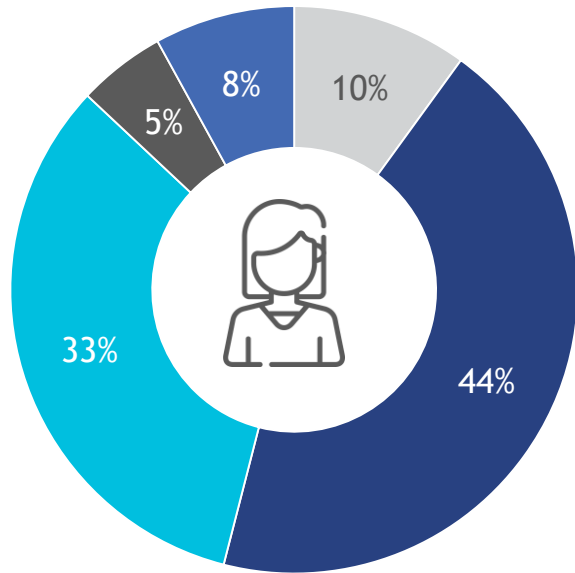
Sampling



- **The total sample covered in qualitative research= 53**
 - Women= 39
 - Men= 2
 - Men Agents= 7
 - Women agents= 5
- **The total sample covered in quantitative research= 127**
 - This data (N=127) was collected at two agent points in Bahraich district of the state of Uttar Pradesh, India. It is not representative and cannot be extrapolated. Our methodology ensured the aspect of data privacy.
- **Geographies covered**
 - Shravasti and Bahraich districts of the state of Uttar Pradesh, India
 - Barpeta district of the state of Assam, India
- Owing to the exploratory nature of the study, our sample selection was purposive.

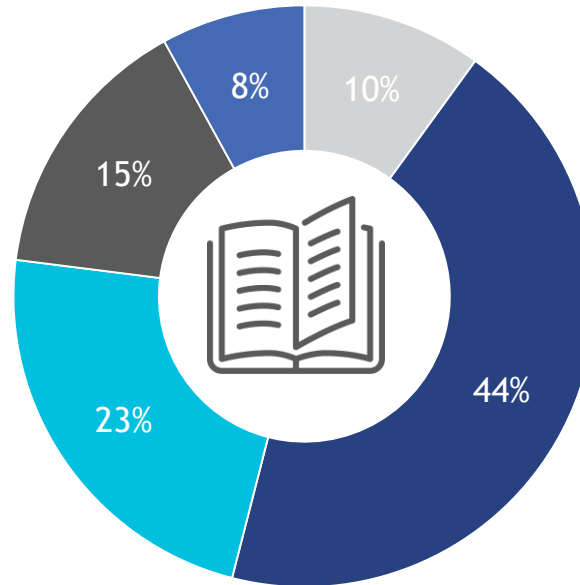
Annex 2: Respondent profile (women)

Age (N=39)



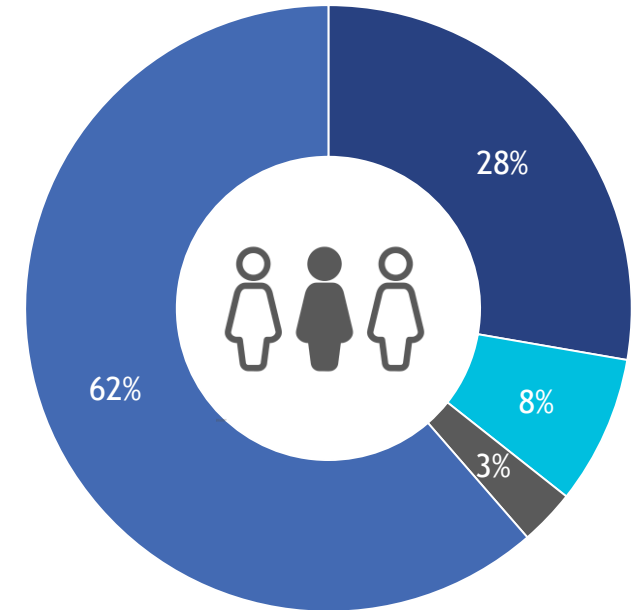
■ In 20s ■ In 30s ■ In 40s ■ In 50s ■ Above 50s

Education (N=39)



■ Illiterate
■ Upto Grade 5
■ Between Grade 6-12
■ Graduate or post-graduate
■ Not disclosed

Occupation (N=39)



■ Self-employed
■ Salaried (Govt and private)
■ Skilled labor
■ No paid work

Annex 3: The study used MSC's Gender Centrality Framework to explore the three dimensions of financial inclusion for women

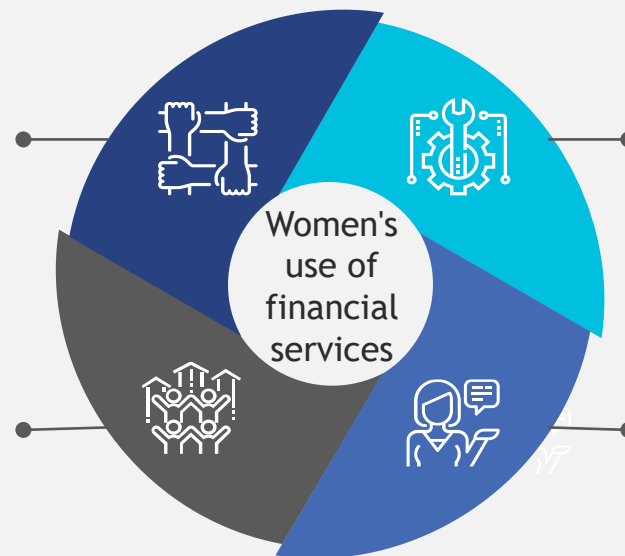
MSC's gender centrality framework is a conceptual framework that is useful for conducting research and evaluation with a gender lens. It also helps develop products and programs that are better suited for women. The framework has been tested in multiple developing countries and can be customized for new contexts.

Learning from the existing gender frameworks* coupled with institutional experience, MSC created a gender centrality framework for financial services. This framework borrows from the concept of economic empowerment, but it departs from the existing frameworks in that it specifically zeroes in on **women's use of financial services with a specific focus on digital financial services (DFS)**.

The framework uses four aspects that interplay and influence women's use of financial services. These aspects are:

1. **Awareness and capability:** how well women understand, and use financial services, especially DFS

3. **Financial life:** how the ownership of financial resources influences the use of these services



2. **Experience:** how well a woman interacts with products and services

4. **Social norms:** which social norms define the use of financial services, especially DFS, and how they influence the use of these services

Gender Centrality Framework, MSC, 2018

* [WEE](#), [Harvard Framework](#), [Moser Framework](#), [Longwe Framework](#)

Annex 4: Income volatility

- Income volatility refers to change and unpredictability in the income of a person or a household. It can be measured either by the amount of divergence from the average income or by the number of substantial spikes and dips in income over time, or both. It can be of a lifetime, yearly and even intra-yearly (month wise).
- Income volatility can result from unpredictability in labor market earnings (job loss, less demand, non-labor transfers (G2P, public benefits), household configurations (change in individual earnings, change in family structure), as well as from unexpected expenses.
- Income volatility can delay and disrupt household consumptions, especially among those households with a high burden of debt.
- Income volatility can affect household decision-making of daily expenses. It can cut down expenses in specific sectors, such as food and education, and can affect financial planning, for instance, by stopping a planned investment or resulting in an installment of loan repayment being missed out.
- Income volatility is also a hindrance to the regular usage of formal financial services. A non-volatile income can create a strong use-case for using bank or mobile accounts for regular savings and withdrawal.
- Income volatility can have a particularly harmful impact on child-rearing.
- Income volatility forces households to develop their own tools to deal with it, such as a contingency fund and zero-interest loans from friends and relatives. These households may also reach out to the market for formal credit.

MSC is recognized as the world's local expert in economic, social and financial inclusion



International financial, social & economic inclusion consulting firm with **20+** years of experience



180+ staff in **11** offices around the world



Projects in **~50** developing countries

Our impact so far

300+
clients

>750
publications

Assisted development of digital G2P services used by **700 million+** people

Implemented **>750 DFS projects**

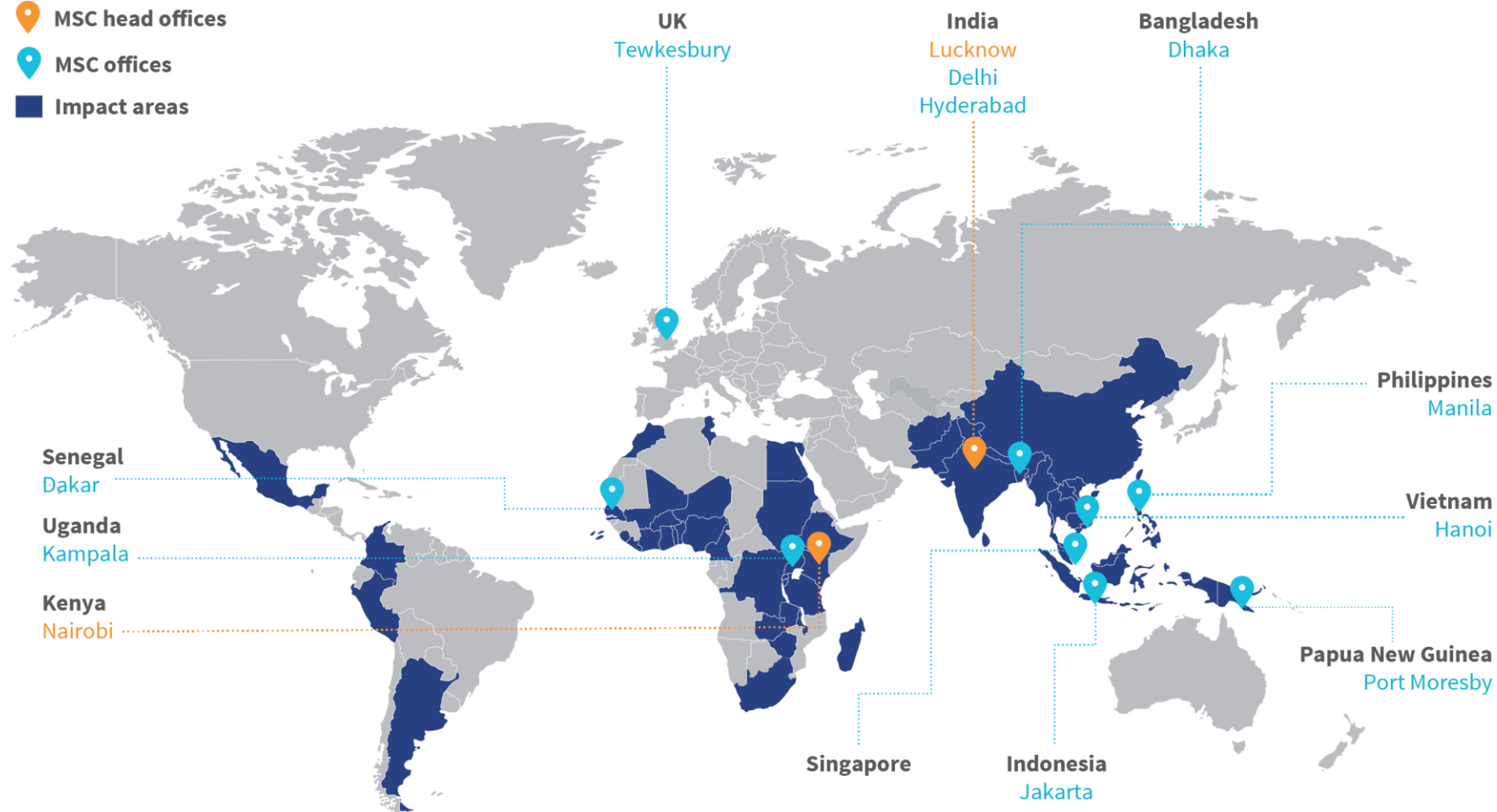
Developed **250+ FI products** and channels now used by **50 million+** people

Trained 8,000+ leading FI specialists globally

Some of our partners and clients



-  MSC head offices
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Contact us at info@microsave.net

Asia head office

28/35, Ground Floor, Princeton Business Park,
16 Ashok Marg, Lucknow, Uttar Pradesh, India 226001
Tel: +91-522-228-8783 | Fax: +91-522-406-3773 | Email: manoj@microsave.net

Africa head office

Shelter Afrique House, Mamlaka Road,
P.O. Box 76436, Yaya 00508, Nairobi, Kenya
Tel: +25-420-272-4801 | Fax: +25-420-272-0133 | Email: anup@microsave.net

