

# Financial literacy: Is there a gender issue?

Evidence, global trends and case studies  
from Latin America

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# The OECD/INFE project

Expert Subgroup – ‘Empowering Women through Financial Education and Awareness’ - created October 2010, chaired by India:

- Review of international and national evidence on gender differences
- Surveys of OECD/INFE members<sup>1</sup> on policy responses
- Development of preliminary policy guidance

1. 27 countries responded, of which the following provided evidence or case studies: Australia, Austria, Cambodia, Canada, Colombia, India, Indonesia, Lebanon, Mexico, New Zealand, Philippines, Saudi Arabia, Solomon Islands, Spain, Sweden, Turkey, UK, Zambia.

# Financial literacy: evidence on gender differences (1)

- Women have lower levels of financial knowledge than men in most countries, even after allowing for socioeconomic factors
- Women are less likely to be financially included
- They are also:
  - Less confident about their financial knowledge than men
  - Less interested in financial matters
  - More risk-averse in financial investments, and less overconfident

# Financial literacy: evidence on gender differences (2)

- Women are more likely to keep a close eye on day-to-day spending, but are:
  - Less able than men to save, and more likely to save for short-term goals
  - Less likely to shop around for financial products or gather information from independent sources
- Women are also more likely to make ends meet by cutting spending rather than trying to generate more income

These differences are likely to be related to lower access to education, economic and financial opportunities

# Consequences of gender differences in financial literacy

- Reduced participation in the economy, lost opportunity for economic growth
- Imbalance of economic power within households, may reduce family well-being
- Less ability to pass on financial ‘know how’ to children
- Less well equipped to manage financial risk
- Lower levels of asset accumulation
- Higher longevity, lower income and widowhood may increase vulnerability

# Financial literacy programmes aimed at women and girls: policy goals

## Policy goals

Increasing financial inclusion – Cambodia, India, Mexico

Increasing savings/formal savings - Colombia, Dominican Republic, South Africa, Thailand,

Developing product-choosing skills - Cambodia, Canada, Philippines, Zambia

Supporting planning for retirement – Australia, Canada, NZ, Germany, US

Avoiding debt problems – Australia, Austria, Germany, Spain, Sweden

Developing entrepreneurship skills – Bangladesh, Cambodia, Colombia, Guatemala, India, Paraguay, Peru

# Case study: Colombia

## Mujeres Ahorradoras en Accion

- Since 2007, following Colombia report to UN CEDAW
- Exclusively for women
- Promotes socioeconomic development, generating culture of saving amongst vulnerable groups
- Funded by Inter-American Institute for Cooperation on Agriculture Colombia, & Presidential Agency for Social Action and International Cooperation

# Elements of the programme

- Financial education
- Inclusion in formal financial system, including savings, banking, microcredit, microinsurance
- Opportunity to open a basic savings account following training in benefits and use of financial products
- Incentives to save
- Development of business capabilities
- Strengthening productive enterprise
- Exchange of knowledge and experience

# Financial education topics

- Attitudes towards saving
- Awareness of financial products
- Budgeting
- Numeracy skills

Plus

- Entrepreneurship
- Agricultural skills

# Delivery methods

- Courses, seminars, lectures, workshops
- Brochures, leaflets, etc
- Informal and social activities
- Overcoming challenges
  - Respecting culture and beliefs
  - Use of native languages

# Outcomes

- 2007 to 2011, 34,000 women in 115 municipalities
- 100% of participants now banked, and with microinsurance for life
- Total savings COP 10,000m
- Reduced use of informal credit
- Improvement in family relationships

# Some other Latin America examples

Dominican Republic	Micro Finance Opportunities deliver financial education to girls in urban areas plus opportunity to open an account at ADOPEM. ADOPEM also launched a soap opera with financial education content to improve money management amongst low income families
Paraguay	Agro-forestry school for girls aged 14-17 offers opportunity to 'learn by doing',
Mexico	BANSEFI programme provides tools and information for people on low income to improve access to products and better financial decision-making

# Next steps

Based on the evidence on:

- Gender differences in financial literacy, and
- Case studies of financial education programmes for women and girls
- OECD/INFE policy guidance on empowering women through financial awareness and education
- OECD Recommendation on gender equality
- Inputs to the G20 call to identify barriers women may face in accessing financial services and education



Thank you for your attention!

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# References

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Available: [www.financial-education.org](http://www.financial-education.org)