Note for Policymakers

Collecting and Using Gender-Disaggregated Data for Financial Policymaking

Reducing the Gender Gap in Financial Inclusion: An Opportunity for Policymakers

There is growing evidence that by supporting financial inclusion for women, both governments and the private sector can foster economic growth and income equality. According to a McKinsey Global Institute report, up to $28 trillion dollars (or 26%) could be added to the global GDP by 2025 if women had the same role as men in labor markets. And a recent paper from the IMF shows a link between women’s financial inclusion and reductions in income inequalities.

In the past few years, governments and the private sector have made great progress expanding financial inclusion. Yet 1.7 billion people globally remain unbanked, and there is a staggering 9% account ownership gap between men and women in developing economies.

How can policymakers close this gap?
Collecting gender-disaggregated data about who uses financial services—and what women need from financial products—can provide vital information. But this is only a first step. Policymakers need to know how to use this data effectively to design and evaluate policies to increase women’s financial inclusion.

Findings on Data Use for Policymaking

Seven of 11 countries studied in a recent policy note have developed specific policies and programs based on gender-disaggregated data. This policy note was developed under the supervision of the Office of the United Nations Secretary-General’s Special Advocate for Inclusive Finance for Development (UNSGSA), H.M. Queen Máxima of the Netherlands, in collaboration with the IMF. Some examples of policies and programs include:

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<th>BANGLADESH</th>
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<td>Using supply-side data, the central bank issued regulations instructing banks and non-bank financial institutions to provide collateral-free loans to women entrepreneurs, as well as a dedicated desk at bank branches to serve them.</td>
<td>The state-owned commercial bank, BancoEstado, set up a program to provide women entrepreneurs with access to business capital and education, based on insights from supply-side disaggregated data.</td>
<td>The pension regulator developed programs to increase women’s retirement savings, after discovering a gap between men’s and women’s rates of savings through disaggregated data.</td>
<td>The government used demand-side gender-disaggregated data to develop programs to increase agriculture finance. It also launched a collateral registry to facilitate the use of movable assets as collateral for MSME and consumer credit.</td>
<td>Used both supply-side and demand-side gender-disaggregated data to inform its 2017 national financial inclusion strategy (NFIS), which targets women as a priority.</td>
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“Fostering financial inclusion for women can promote national economies, reduce income inequalities, and help countries reach the SDGs. To close the gender gap in financial inclusion, we need policies based on evidence and data on women’s financial inclusion. Getting high-quality gender-disaggregated data can truly help policymakers make this happen. This note provides key insights on how countries can collect such data and use it to shape gender-informed financial policies.”

H.M. Queen Máxima, UNSGSA

Which factors are key to good data collection?

**Identification:** Several countries such as Costa Rica, Chile, Egypt, and Malaysia utilize national ID systems to disaggregate data by gender.

**Indicators:** Collecting high-quality data requires clear definition and tracking of indicators such as women-owned MSMEs, female borrowers at different financial institutions, female-owned deposit accounts, and outstanding loans among women. Ghana is conducting a data cleanup before reporting gender-disaggregated data to the IMF’s Financial Access Survey.

**Technology:** Advances in this area can support data collection and analysis. In Costa Rica and Malaysia, providers submit data electronically to national databases. In both countries, electronic tools are then used to extract and analyze data.

Considerations

1. **GATHER**

Gather both supply-side and demand-side data. Collecting supply-side data from financial service providers (FSPs) is a great tool for policymakers to track progress (e.g. by geography and services). Gathering demand-side data from women customers can help policymakers better understand women’s needs and assist FSPs to design better products for them. Bangladesh, Peru and Uganda want to collect demand-side data to inform their policies.

2. **USE**

Use gender-disaggregated data to develop gender-informed policies and programs.

This study shows that policymakers and regulators use gender-disaggregated data to develop concrete policies and programs. Regulators can therefore use this data to develop baselines, targets, policies and programs, and monitor progress in reducing the gender gap in financial inclusion.

3. **INVEST**

Invest in getting financial institutions on board to help collect high-quality data.

Some FSPs may find it challenging to track gender-disaggregated data. Regulators can use a consultative approach to encourage supervised entities’ cooperation before mandating the collection of such data.

Bank of Uganda explained to providers the importance of the data and worked with those without data to see if they could provide it over time.

4. **PUBLICIZE**

Publicize data on gender gaps to foster data collection and initiatives to minimize the gap.

Regulators can make gender-disaggregated data and analyses public online for FSPs and other policymakers to use in developing more targeted services and policies, respectively.

This policy note was written for policymakers under the supervision of the Office of the United Nations Secretary-General’s Special Advocate for Inclusive Finance for Development (UNSGSA), H.M. Queen Máxima of the Netherlands, in collaboration with the International Monetary Fund (IMF). It summarizes a recent study of 11 countries: Bangladesh, Chile, Costa Rica, Egypt, Ghana, India, Malaysia, Mexico, Nigeria, Peru, and Uganda. The full version is available at www.unsgsa.org.