

A photograph of two women walking towards the camera on a dusty, unpaved street in what appears to be a rural or semi-urban area in Kaduna State. The woman on the left is wearing a solid blue hijab and a matching long dress with a patterned hem. The woman on the right is wearing a teal hijab and a teal dress with a colorful floral pattern and a yellow vertical stripe. In the background, there are simple buildings, trees, and other people in the distance. The sky is clear and blue. The image is overlaid with a decorative pattern of yellow hexagons.

# Promoting Women's Financial Inclusion for Greater Economic Empowerment in Kaduna State

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A report by Enhancing Financial Innovation and Access (EFInA)





# Outline of the report

- ❖ Executive summary
- ❖ Definition of terms & abbreviations used in the report
- ❖ Background for the study
- ❖ Study objectives
- ❖ Research questions
- ❖ Research methodology
- ❖ Findings
- ❖ Conclusion
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- ❖ Annex

# Executive summary

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- ❖ 43% of adults in Kaduna live below the national poverty line<sup>1</sup>. The unemployment rate stands at 44% of the labour force, with an additional 23% underemployed<sup>2</sup>
- ❖ To end extreme poverty and promote shared prosperity, the Kaduna State Social Investment Office (KADSIO) is extending the Federal Government social protection programmes to over 680,888 households and 2,656,993 poor and vulnerable individuals.
- ❖ This includes 1,383,993 women who belong to the social register<sup>3</sup>. In line with the SDGs, which identify financial inclusion as an enabler of 8 of the 17 SDGs, women's financial inclusion remains a strategic imperative for this programme.
- ❖ However, just 30% of women and 46% of men in Kaduna were financially included<sup>4</sup> in 2020. They represent a 6-percentage point increase in the gender gap from 2018.
- ❖ Also, women encouraged to open an account as part of social protection programmes have not optimised their financial access to increase their economic inclusion.
- ❖ There is also a concern that the poor and vulnerable households that receive cash payments remain financially excluded.

<sup>1</sup> 2019 Poverty and Inequality Statistics in Nigeria, National Bureau of Statistics

<sup>2</sup> Labour Force Statistics, National Bureau of Statistics, Q4 2020

<sup>3</sup> Kaduna State Social Investment Office, July 2022

<sup>4</sup> EFINA's Access to Financial Services in Nigeria 2020 Kaduna Deep Dive Survey

# Executive summary – Cont'd

- ❖ This study seeks to understand women's financial lives in Kaduna and recommend ways to promote and deepen their financial inclusion to stakeholders.
- ❖ The research questions include the following:
  1. What are the motivations for access to and use of financial services for women in Kaduna, including their decision-making processes, financial journeys and experiences?
  2. What are the enabling and limiting factors that shape women's financial inclusion in Kaduna?
  3. What challenges prevent women from fully accessing and optimising formal financial services? How can we encourage them to do so?
  4. How can financial service providers create better, more relevant products for the various segments of the untapped women's market?

<sup>1</sup> 2019 Poverty and Inequality Statistics in Nigeria, National Bureau of Statistics

<sup>2</sup> Labour Force Statistics, National Bureau of Statistics, Q4 2020

<sup>3</sup> Kaduna State Social Investment Office, July 2022

<sup>4</sup> EFINA's Access to Financial Services in Nigeria 2020 Kaduna Deep Dive Survey

# Executive summary – Key findings

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- ❖ Higher levels of education, income, trust in formal FSPs, awareness of formal FSPs & proximity are the most critical drivers of women's formal financial inclusion in Kaduna.
- ❖ Women with little or no income have limited perceived need for financial services: Often earning less than a dollar or two a day, most excluded women did not feel they had enough income to save, make investments, or take risks on loans.
- ❖ They often considered financial services such as bank accounts and savings groups out of reach because they felt they did not have enough disposable income to make the necessary deposits. Their risk preferences limit their usage of financial services and deepen their financial exclusion.
- ❖ Below a 35,000 naira monthly income threshold, increased income does not improve the chances of financial inclusion. Interventions aimed at enhancing financial inclusion through increased incomes should, therefore, shoot for monthly incomes above 35,000 naira.
- ❖ Social norms related to rights to asset accumulation in a woman's name, self-efficacy for financial decisions, and growing large businesses limit women's involvement in financial decision-making and engagement with formal financial services.
- ❖ Four out of every five women are likely to be dependent individualists, resilient savers and traditional believers. FSPs should build products targeted at these women's consumption needs and their financial inclusion, use cases and ensure that these products are marketed with relevant messaging to which these women can relate.

# Executive summary – Recommendations

- ❖ To drive uptake and adoption of formal financial services, the key drivers of financial inclusion must be addressed to build demand and encourage the supply of financial services.
- ❖ Reduce costs and barriers to entry, access and usage of financial services for women.
- ❖ Combine financial and non-financial services to stimulate demand and usage of financial services.
- ❖ Leverage digital financial services to boost opportunities for women's access to financial services.
- ❖ Strengthen cooperatives as a tool to provide access to finance interventions to women across all groups.
- ❖ Women's financial inclusion is not only about women. Men are needed to make WFI work - can be allies or obstacles.

# Definition of Terms

- ❖ **Banked:** Adults who have access to or use of deposit money bank, in addition to having/using traditional banking products such as ATM cards, credit cards, savings accounts, current accounts, fixed deposit accounts, mortgages, overdrafts, loans from a bank or Islamic banking products.
- ❖ **Formal other:** All adults who have access to or use other formal institutions and financial products not supplied by deposit money banks such as insurance companies, microfinance banks, pension schemes or shares. It also includes remittance through traditional channels.
- ❖ **Financially included:** Adults who are in the banked or formal other categories. This is often used interchangeably with formally included
- ❖ **Financially excluded:** Adults not in the banked or formal other categories even though the person may be using or have access to any of the following - informal services and products, including savings clubs/pools, esusu, ajo or money lenders; loan/gift from friends or family and loan from employers as well as remittances via a family member or friend.

## Definition of Terms, Cont'd

- ❖ **Financial health:** The extent to which a person can manage their financial lives, build resilience from shocks and create opportunities to pursue one's dreams.
- ❖ **Formal ID:** Ownership of any of the following; passport, driver's license, voter's card, and national id.
- ❖ **Education level:** This was measured by asking people their highest level of education with the option to specify 'complete' or 'incomplete' for each education level (except for non-formal education such as Islamiyya, where there is no incomplete/complete distinction).
- ❖ **Gender gap:** Percentage point difference in male vs female outcomes (e.g., inclusion or exclusion).
- ❖ **Income level:** Individual total monthly income of the respondent. It is classified into pre-defined buckets.
- ❖ **Statistically significant:** A 95% probability that an observed phenomenon or relationship between two variables (e.g., education level and financial exclusion/inclusion) does *not* occur by chance but can be explained by a specific cause. Thus, there is only a 5% probability that this finding is a chance effect without an underlying association.



# Abbreviations

- A2F – Access to Financial Services in Nigeria Survey
- CCT – Conditional Cash Transfer
- DFS – Digital Financial Services
- FSPs – Financial Service Providers
- G2P – Government to Persons
- HGSP – Home Grown School Feeding Program
- KADSIO – Kaduna Social Investment Office
- KDSG – Kaduna State Government
- KYC – Know your Customer
- NBS – National Bureau of Statistics
- NFIS – National Financial Inclusion Strategy
- NSIP - National Social Investment Programmes
- P2G – Person to Government
- SR – Social Register
- VSLAs – Village Savings and Loan Associations
- WEE – Women’s Economic Empowerment
- WFI – Women’s Financial Inclusion

## The conceptualisation of financial inclusion in this report aligns with global definitions of financial inclusion and deviates slightly from the definition adopted by the CBN and EFinA

- ❖ **EFinA and CBN definition of financial inclusion:** Access to or use of financial services provided by a formal (regulated) and/or informal (non-regulated) financial service provider.
- ❖ Financial inclusion in this report means access to and use of financial services provided by a formal (regulated) financial service provider.
- ❖ **Focus on formal inclusion:** Although the role of informal financial service providers is widely recognised in the Nigerian space, we realise the limitations of this sector and therefore focus on formal inclusion.
- ❖ **Prioritising impact:** Identifying what enabling and limiting factors significantly affect women's financial inclusion.
- ❖ **Women are not a monolith:** This work identified common drivers of exclusion. But each driver will typically differ in importance by segment.
- ❖ **Inclusion falls on a spectrum:** Access to a single product may mean someone is technically *financially included*, but they may still lack access to other products. Also, the level of usage or quality of services used may differ.
- ❖ **Financial inclusion does not equal financial health:** We realised that access to financial services does not equal the ability of individuals to effectively manage liquidity, transact efficiently, build resilience from shocks, and create opportunities using financial services.

# Background for the study

# Demographic profile of the 2 million adult women in Kaduna

## Population dynamics

### Age

18 - 25: 32%  
 26 – 35: 33%  
 36 – 45: 19%  
 46 – 55: 8%  
 56+: 7%

Living with a disability: 4%

### Marital status

63% Married (monogamy)  
 17% Married (polygamy)  
 10% Never married  
 9% Widowed  
 1% Other (divorced, separated, cohabiting)

### Head of household

15% Woman is head of household  
 73% Partner is head of household  
 4% Parent / parent-in-law is head of household  
 8% Others (child, grandparent, & other relative)

## Socio economic factors



60% live in rural areas



87% have access to a mobile phone (own & borrow mobile phone)



30% are dependent on others for their main source of income



50% are business owners



21% are farmers

## Literacy level



64% have not completed their secondary education



40% can read and write English



16% have no type of education

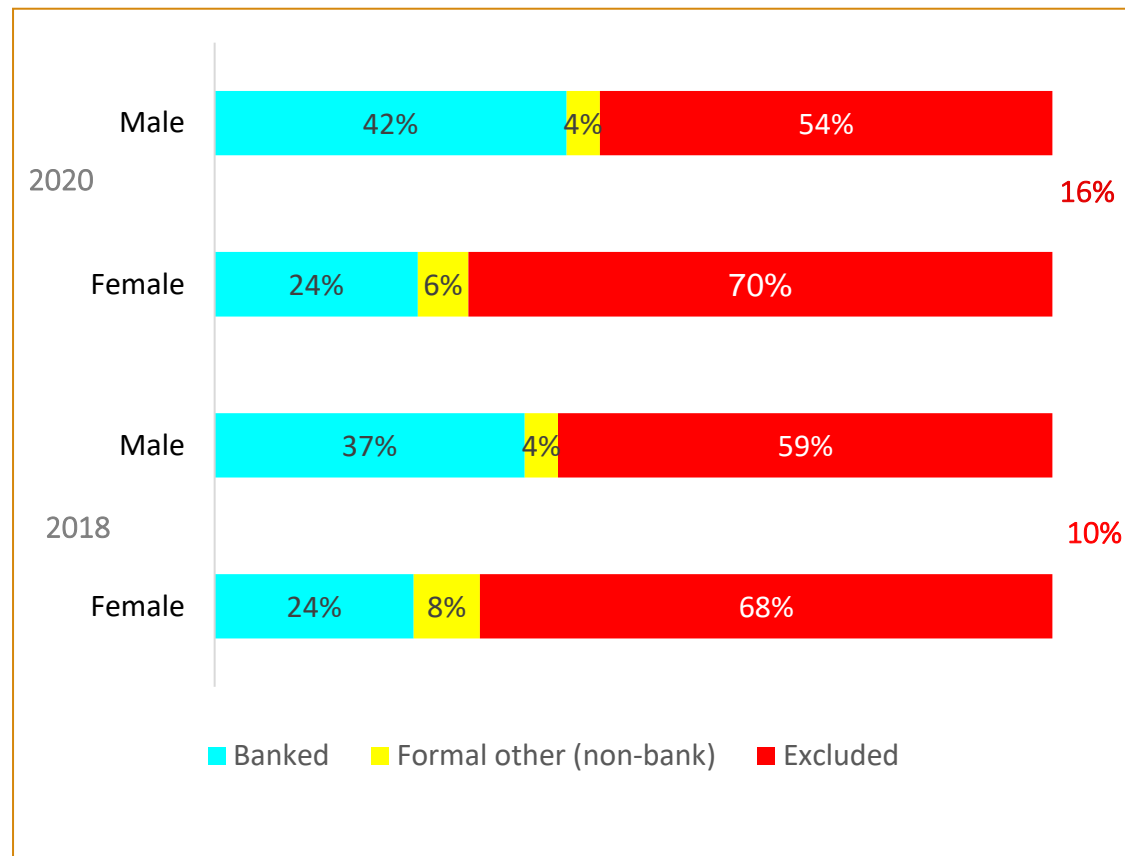


43% earn below 15,000 Naira avg. monthly income



# Increased financial inclusion gender gap, driven by women's underrepresentation in the formally included category, is a cause for concern

Gender Gap: Financial inclusion in Kaduna  
(% of the adult population)



- ❖ Women's underrepresentation in the formally included category is a cause for concern.
- ❖ In 2020, financial exclusion in Kaduna state stood at 70% for women and 54% for men, a gender gap of 16 percentage points.
- ❖ This signifies a 6 percentage point increase in the gender gap, up from 10% in 2018.
- ❖ In 2020, only 25% of women living with disability had access to formal financial services.
- ❖ About 1.4 million women in Kaduna lacked access to any form of formal financial services. Out of this, 11% (representing 8% of the adult female population) had access to informal financial service providers.
- ❖ This means that 62% of women in Kaduna relied on either family and friends or self-help to help build resilience from shocks and create opportunities to pursue their dreams.

## Low adoption and usage of formal financial services by women in the NSIP, threatens the poverty reduction potential of these programmes

- ❖ The Kaduna State Government (KDSG) supports vulnerable women under the National Social Investment Programmes (NSIP).
- ❖ The Kaduna State Social Register, a database of vulnerable households comprises over 680,888 families and 2,656,993 poor and vulnerable individuals, including 1,383,993 women.
- ❖ The Home-Grown School Feeding Programme (HGSFP) and the Conditional Cash Transfer Programme (CCT) are the top two social safety net programs ongoing in the state. HGSFP covers 7,262 women cooks employed to render catering services to primary school children in the state. CCT covers 70,051 beneficiaries, including 65,848 women who receive a bi-monthly stipend of NGN10,000 in cash through the Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development. KADSIO, through the State Cash Transfer Unit, coordinates the disbursements.

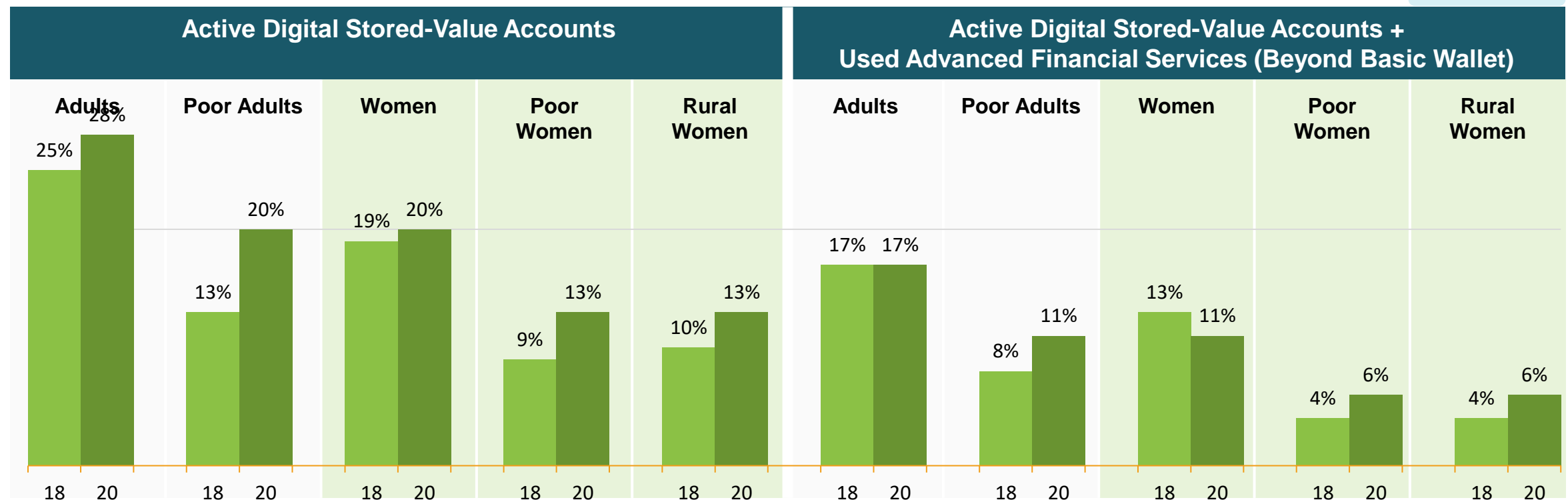
## Low adoption and usage of formal financial services by women in the NSIP, threatens the poverty reduction potential of these programmes

- ❖ Financial inclusion has been adopted as a critical part of the NSIP. The HGSFP cooks were required to have a bank account to receive monthly payments. Although the beneficiaries of the CCT program continue to receive their transfers in cash, bank accounts are now being opened for them and they are continuously being sensitized to open an account as a requirement for benefitting from other government support schemes. Following the onboarding of vulnerable households into the social register, they are also encouraged to open an account with banks given their possible integration into the CCT program.
- ❖ A significant shortcoming is that though these women have bank accounts, they only use them to receive government payments; formal financial service use remains low.
- ❖ Given the depth of poverty and vulnerability, the low usage of formal financial services limits the ability of these programs to adequately lift women out of poverty. Hence the interest in an increased understanding of women's needs, strategies for driving usage as well as how financial inclusion can enable progress out of poverty.

# Two-thirds of financially included women in Kaduna actively use accounts; about half use advanced digital financial services beyond basic wallet

- DFS indicators are nudging upwards, including for poor and rural women
- This highlights the opportunity to leverage DFS to deepen financial inclusion for women.

2018 2020



Active Digital stored-value account – Have an account registered in their own name with either a commercial bank, microfinance bank, non-interest finance institution or mobile money provider; have used the account in the last 90 days; OR have an account with either a mortgage bank, microfinance institution or cooperative society which offers at least one of the following (savings, money transfer, credit, insurance, investment). services electronically and have used the account in the last 90 days.

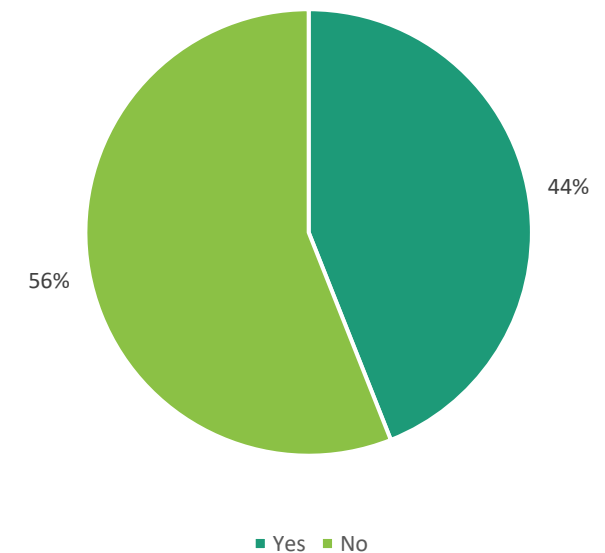


# Women in Kaduna completely lack the needed financial tools or rely on non-financial mechanisms to build resilience from shocks, cope with liquidity distress and create opportunities to pursue their dreams

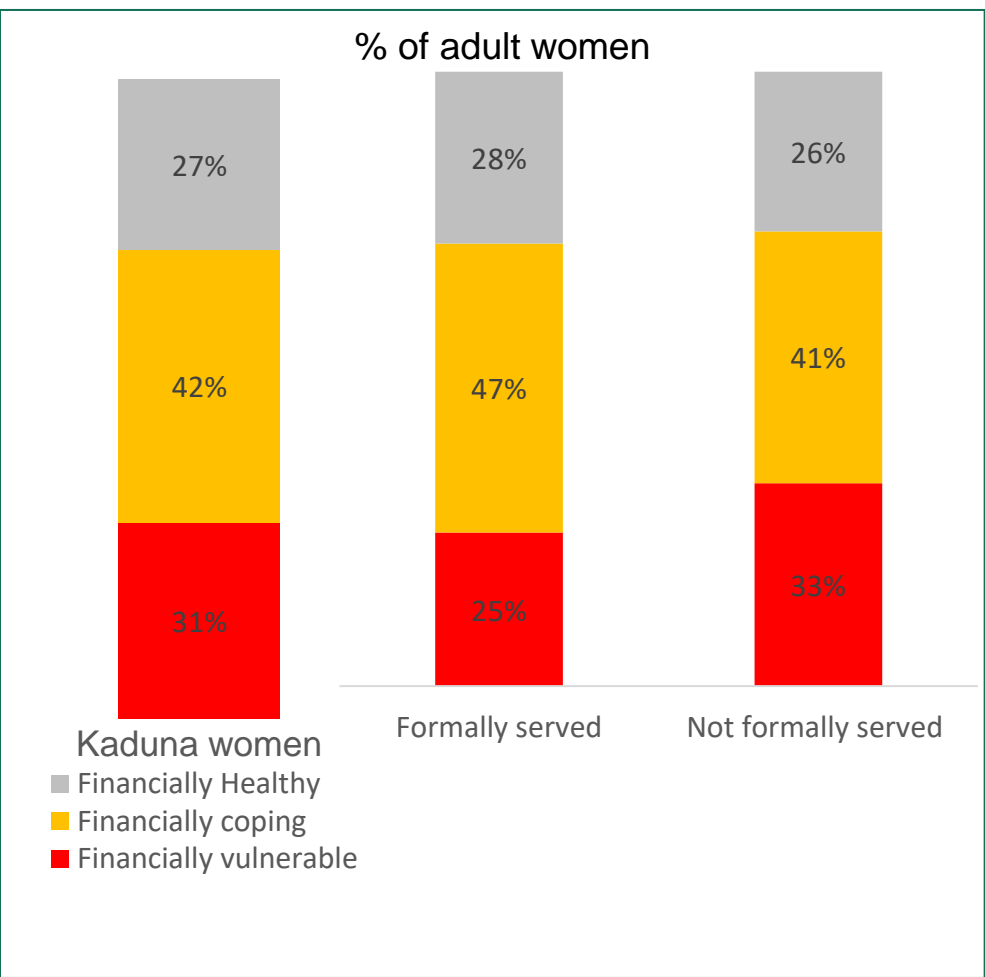
Financial mechanisms/ Needs	73% of women have goals (1.5m)	77% of women face liquidity distress (1.6m)	51% of women face shocks leading to economic or financial burden (1m)
Formal	Savings (1%), credit (0%)	Savings (4%), credit (0%)	Savings (2%), credit (0%)
Informal	Savings (1%), credit (0%)	Savings (1%), credit (1%)	Savings (1%), credit (1%)
Family & friends	Savings (6%), credit (1%)	credit (10%)	credit (16%)
Non-financial	Worked more (13%), cut back on expenses (11%), gift donations (3%), sold assets/ livestock (3%)	Cut back on expenses (17%), gift donations (17%)' sold assets (7%)	Cut back on food (7%) and non-food expenses (13%), sold assets/livestock (10%), compare prices/switch brands/ cancel plans (9%)
Did nothing (waited, prayed)	54%	41%	35%

At least 2 in 5 women are saving in non-financial assets; mainly farming/ agriculture/livestock assets, property and land

Savings in non-financial assets (% of women)



# Nearly three-quarters of women are not financially healthy; implying their daily financial systems are inadequate to build resilience from shocks and create opportunities to pursue one’s dreams



FinHealth dimensions (% of adult women)	Low	Medium	High
Ability to manage day to day expenses (spend score)	69%	8%	23%
Build and maintain reserves (save score)	7%	51%	42%
Planning and prioritising (plan score)	34%	43%	23%
Ability to manage risks	50%	23%	27%

Kaduna women display fair signs of financial health in their ability to save and plan, but struggle with managing day to day expenses as well as managing risks. This means that 70% of women score low in their ability to manage their day-to-day funds.

# Research Questions

# Research questions

- ❖ What are the motivations for access to and use of financial services for women in Kaduna, including their decision-making processes, financial journeys and experiences?
- ❖ What are the enabling and limiting factors that shape women's financial inclusion in Kaduna?
- ❖ What challenges prevent women from fully accessing and optimising formal financial services? How can we encourage them to do so?
- ❖ How can financial service providers create better, more relevant products for the various segments of the untapped women's market?



## The project adopts a mixed methods approach where insights from all data sources are triangulated to meet the study objectives

	Quantitative	Qualitative
Type of data	Secondary data – Existing A2F 2020 Kaduna deep dive data (available at <a href="http://www.a2f.ng">www.a2f.ng</a> )	Primary data – In-depth interviews (IDIs) & focus group discussions (FGDs)
Research questions	<p>What are the enabling and limiting factors that shape women's financial inclusion in Kaduna?</p> <p>How can financial service providers create better, more relevant products for the various segments of the untapped women's market</p>	<p>What are the motivations for access to and use of financial services for women in Kaduna, including their decision-making processes, financial journeys and experiences?</p> <p>What challenges prevent women from fully accessing and optimising formal financial services? How can we encourage them to do so?</p>
Potential insight	What & Who	How & Why
	Uses descriptive analysis to understand exclusion and multiple binary logistic regression to identify statistically significant differences in exclusion across different demographics	Content analysis and thematic analysis
Sample size	2,197 women	80 women, 2 financial sector experts – 1 DMB, 1 FinTech
Sampling	The sample design of the A2F 2020 survey was designed by the NBS and weighted to statistically represent adults at the state level. The sample includes a subset of 2,197 adult women in Kaduna. This sample is weighted to statistically represent the 2m adult women in Kaduna	<p>Purposeful selection from the HGSFP, CCTP, social register, and excluded women outside the social register. Do not represent the entirety of women in Kaduna. These women were from Zaria, Soba, Chikun, Igabi and Sanga</p> <p>Purposeful selection of FSPs based on demonstrated interest in women in Kaduna as well as experience serving the women in the social register</p>
Limitations of this method	<ul style="list-style-type: none"> <li>This is an existing data source as such new questions can't be included in the survey</li> <li>This data is not representative at the Local Government Level</li> </ul>	<ul style="list-style-type: none"> <li>Qualitative research are not intended to be representative of the general population or FSPs</li> </ul>

## Multiple binary logistic regression was used to measure the magnitude, direction and strength of associations between formal financial inclusion and associated factors

Dependent variable for which we sought to find the drivers

- Financial inclusion



### Independent variables

- Level of education
- Age
- Location
- Marital status
- Income source
- Income level
- Control of HH income
- Poverty status
- Trust in formal FSPs
- Awareness of formal financial access points
- Mobile phone ownership

- ❖ Focuses on excluded women as core subjects
- ❖ Uses descriptive analysis to understand exclusion across different demographics
- ❖ Tests to identify statistically significant differences in exclusion across different demographics
- ❖ Highlights the magnitude of association between the drivers and the dependent variable, holding all else constant

Motivations for access to and use of  
financial services for women in  
Kaduna, including their decision-making  
processes, financial  
journeys and experiences





# A day in her shoes



- ❖ “Amina” starts her day with house chores at dawn (4 or 5 am).
- ❖ Once her morning chores are over, she goes to the market to sell her goods. She commenced this business to contribute to her household income, although her husband is in charge of providing for the household.
- ❖ Amina also has other sources of income to complement her primary source of income. These alternative sources could range from government schemes, raising livestock, or running a kiosk in their compound.
- ❖ Amina resumes her household duties after returning from the market—catering for her immediate and extended family and still finds time to attend to her secondary business activity.
- ❖ She finds this routine burdensome as she juggles multiple business activities alongside her hectic household responsibility.
- ❖ Like most women in her community, Amina experiences several episodes of food scarcity every month. Because she has limited coping mechanisms, she frequently has to sell her assets (mobile phones, clothes and properties) to feed her children or rely on monetary gifts from her community to get by.
- ❖ Some women of higher socioeconomic status can find time for personal development.

With largely unmet financial liquidity and resource needs, she actively pursues various sources of income to meet household & extended family needs ... including prioritizing her children's necessities

- ❖ With low and seasonal incomes, excluded women often pursue multiple businesses to boost their income and meet household needs, prioritizing their children's necessities. This practice is prevalent even with financially included women with relatively smoother income flows.
- ❖ The formally excluded women's financial ambitions are to take care of their households and extend this to their relatives (parents and extended family) and the community at large, showing some degree of altruism among the women.
- ❖ Formally included women would like to grow & expand their businesses to other locations and own assets to support personal and family needs. Their business budgets depend on the inputs/investments they would need for their business.

## These consumption needs limit her saving and investment potential

- ❖ 71% of women are not saving money. Of those who save, nearly 40% do it at home, with the remainder split evenly between formal and informal service providers.
- ❖ The majority of them save for household needs (48%), business expenses (27%) and business expansion (17%).
- ❖ At least 2 in 5 women are saving in non-financial assets, mainly farming/agriculture/livestock assets, property and land.
- ❖ Financially included women are often willing and able to put money into their business after meeting their consumption needs *“No, I don’t save because once I get extra money, I just inject it into my business, and I want to further my education, so I have to invest more to be able to achieve that because I am an O ‘level holder”*— 28-year-old egg vendor, CCT

## These consumption needs limit her saving and investment potential, Cont'd

- ❖ Although they have business-related goals with largely unmet consumer needs, excluded women are often left with little room for savings and investment. *“I spend them all because money is not much to even think of saving. I don’t have any savings; you only save when you have enough.”* — 36-year-old trader, Social Register
- ❖ When asked to budget for a hypothetical 50,000 naira income, a significant number of *included women* accounted for savings in addition to business, household and children needs.
- ❖ The formally excluded women are relatively short-term in their financial planning, often ignoring savings. They usually budget for their business input needs, children’s needs such as uniforms and shoes, charity, and remittances to family members. Surprisingly, these women do not keep money aside for emergencies to which they are prone.

## She is often prone to health and business-related shocks, and relies on savings, borrowing from family and informal sources, and sale of assets to cope with shocks

- ❖ For financially included women, savings acts as the first cushion against shocks. Second, donations and borrowing from family, friends, or savings groups have also been used to cope with shocks.

*“There was a time my daughter fell sick. We took her to the hospital with 1000 naira. After they diagnosed her, they gave us a bill of 12,000 naira, and I had only 4,000 naira. God is so kind; my first son called me and sent me money. That’s how we tackled that issue.”— 49-year-old farmer, CCT, included*

- ❖ Financially excluded women have a relatively higher exposure to business-related risks such as theft, market price surges and the death of livestock.

*“When maize was selling for 23,000 naira, I bought many bags of maize and now it has dropped to 14,500 naira.” — 40-year-old animal rearer, Social Register, excluded*

- ❖ Excluded women often relied on informal loan facilities from their co-wives and spouses. The sale of household assets was also reported as a coping mechanism unique to excluded women.

*“Yes, I have; I even sold my chairs when my daughter was sick. When she was sick, her father didn’t have money, so I had five chairs in my room, so I sold them for N30, 000 and paid the bill”— 30-year-old trader, CCT, excluded*

## Due to these stressors, she values immediate payoff to a later one

Women expressed hyperbolic discounting, where a small gain now is preferred over a larger gain in the future.

When asked whether they would prefer to receive 5,000 Naira now or 5,500 a month later, the women chose to accept the 5,000 Naira. This will allow them to invest in their business or cater to immediate needs.

- ❖ They believed injecting the 5,000 naira into their businesses would be worth more.
- ❖ They do not believe it would be worthwhile waiting for an assured higher amount in the future.
- ❖ A mix of investment needs and risk mitigation drives the preference for the immediate amount.

*“5000 now! Because the 5000 naira will help me address current problems requiring emergency attention”— 18-year-old tailor, CCT.*

*“I will take the 5,000 naira because nobody knows what tomorrow may hold and I can invest the money and probably get a profit of more than the said amount”—25-year-old tailor, Social Register.*

- ❖ Financial service providers should consider offering an immediate reward for product uptake (e.g., women can earn points at product sign-up). With the priority on household, children, and business needs, pre-committing to a goal (e.g., saving for the farming season or specific business cycle needs) could also nudge women to stop discounting their future goals

## She often leverages group participation to pool savings, access loans and share risks

- These groups contribute as little as 50 naira monthly to as high as 1000 naira weekly and require regular participation.
- Women benefit from access to pooled savings and loans - enabling bulk purchase, capital-heavy investment for businesses, vocational and life skills; shared risk – with support during financial shock; and increased social capital and networks, including access to financial institutions and government support

Financially included women are relatively more likely to participate in structured social groups such as cooperatives or VSLAs

- ❖ Included women join groups that support their aspirational goals, have strong support mechanisms for economic activities, frequent economic contributions, access to training etc

*"Yes, I do cooperative, but the one I can afford like 500 a week and 1000 a month, if I didn't join cooperative, I do save for future use, at times in case of illness especially when my husband doesn't have money." - 30-year-old, cosmetics trader, HGSFP*

Financially excluded women are more likely to join groups that function on a need by need basis

- ❖ Informal savings groups are not a good fit for most financially excluded women.
- ❖ Some of the women do not see the benefits of belonging to a group. They feel they don't have enough money for frequent contributions.
- ❖ Others struggle to find a group to belong to, indicating weak social ties/networks among these women.
- ❖ Whenever they decide to join a group, it's formed among friends and family members. Contribution is usually for a particular occasion such as a wedding, or to assist someone out of a financial emergency.



However, groups set up for ad hoc needs or for government interventions are reported to have limited life span

- ❖ The group/cooperative model has proven effective and more sustainable in serving low-income women by reducing the cost and risk of serving. Digitizing member transactions/contributions can provide the needed documentation to facilitate access to more advanced financial services.
- ❖ Opportunity – Economically active women across selected professions have cultivated the habit of saving as part of a group. Without intentional mindset conditioning, ad hoc cooperatives set up by government interventions would lack good cooperative practices and members will purely see service offerings as ‘support’ from the government.
- ❖ Challenge – Kaduna women are vulnerable to economic shocks with ineffective coping mechanisms.

## However, groups set up for ad hoc needs or for government interventions are reported to have limited life span, Cont'd

- ❖ Interventions should focus on a broad range of relevant services that meet the multi-dimensional needs of women. This requires market sector development interventions in financial education to ensure that women are aware of and understand the features, costs, and benefits of the products offered.
- ❖ The approach should entail serving women in already existing and mature groups – where members contribute to the group and offer loans among themselves with strong cohesion or build stronger cooperatives. Best practice principles include:
  - Voluntary membership, democratic member control, Member economic participation, Autonomy regardless of external investment into the cooperatives
  - Training - provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives

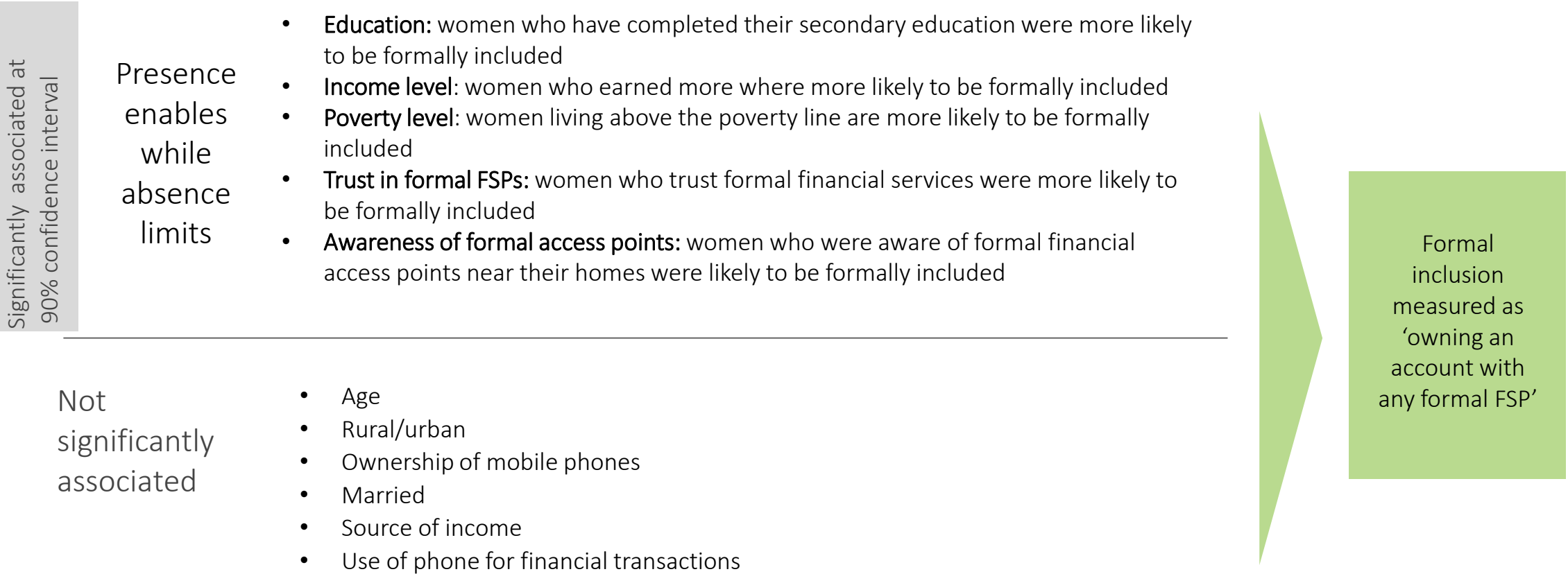
## Beliefs that women are not as financially savvy as men limits their involvement in financial decision making

Norm	Financial behaviours	Perceived prevalence of the norm	Expectation	Sanctions & consequences of breaking the norm
Women are not as financially savvy as men	Women will rely largely on a male authority for all financial decisions	Formally included women think this norm does not necessarily apply to them for their daily interaction with financial system. Younger women disagree with this norm	Women should be dependent on men to make decisions pertaining to a. New business opportunity b. Joining a venture that is related to finances e.g., a contributory scheme	If something goes wrong with this new business venture or endeavour, they lose support from their respected male figure

- ❖ 84% of adult men are involved in making decisions on how money is spent in the household, compared to 53% of adult women. There is a general expectation that women should defer to a male figure in the household either from a point of seeking approval (financially excluded women) or from a point of 'consulting' them (financially included women).
- ❖ Although most financially included women claim sole decision-making authority, this is oftentimes a case of overestimated autonomy as she still has to consult her husband for simple decisions, such as joining a contributory group, or major money decisions like opening an account, a new business venture or changing business.
- ❖ The perceived consequence of breaking the norm, including losing spousal support or approval during business downtimes means that women continue to defer to a male figure of authority and are reluctant to engage actively with the financial system if she doesn't have their support. This is particularly relevant when a woman encounters a challenge (such as fraud, unexplained charges, excessive deductions).

# Factors shaping women's access to formal financial services in Kaduna

# High education, income, trust in formal FSPs, awareness of formal FSPs, and living above the poverty line are the most important drivers of women’s formal financial inclusion in Kaduna



## Trust in formal FSPs is a key driver of women's financial inclusion

- ❖ 74% of financially included women trust formal FSPs compared to 3% of financially excluded women.
- ❖ Women who trust formal financial services were more likely to be formally included.
- ❖ Among other variables, trust has the strongest association with financial inclusion for women. Women who trust formal financial service providers are 52 times more likely to be formally included compared to women who do not trust formal financial service providers.
- ❖ Trust in FSPs is largely linked to the security and safety of funds.

*“Well anything that has to do with money, trust is my utmost priority, I don't want to cheat or to be cheated” ‘my problem with bank is that sometimes they take away your money when you go and complain, they will say it is not them, so you see they cheat you out of trust.”*

- ❖ Interestingly, even for excluded women who trust banks, this is largely hinged on perceived security and the hitch-free experience of others around them.

*“My siblings are using it and they have not experienced any problem using it that is why”*

- ❖ Trust is also linked to awareness.

*“I don't know about banks so I cannot trust them”*

# High income also stands out as an important driver of women’s formal financial inclusion in Kaduna

- ❖ There is a wide disparity in income size between the included and excluded groups. 45% of formally included women earn above 15,000 naira in total monthly income (i.e., primary and secondary economic activities). Formally excluded women report relatively lower and seasonal income, with just 20% earning above 15,000 naira total monthly income, including remittances.
- ❖ Financially included women earned their primary source of income from their own business (56%), family and friends (22%), farming (10%), formal (7%), and informal (5%) wages. Financially excluded women earned their main source of income from their own business (46%), farming (26%), family and friends (22%), and informal (5%). Some business activities for the former include trading farm produce and consumables, tailoring, etc., and henna design, plaiting, tailoring, and selling groundnut and its derivatives, etc. for the latter.

<sup>1</sup>Monthly income categories include <15k, 15,001k -35k, 35, 001k -55k, 55,001k -95k, 95,001k – above



## High income also stands out as an important driver of women's formal financial inclusion in Kaduna, Cont'd

- ❖ The more a woman earns, the more likely she is to be formally included. However, this is not true for women who earn below 35,000 naira monthly income. This implies that income increments less than this 35,000 naira monthly threshold do not improve the chances of financial inclusion.
- ❖ Interventions aimed at improving financial inclusion through increased incomes should, therefore, shoot for monthly incomes above 35,000 naira.

*I don't have an account because I don't have money to deposit or send.* —Formally excluded farmer, social register, Chikun

*Because the money is not much to take to the bank.* — Formally excluded trader, social register, Igabi

- ❖ Women were often likely to get a financial boost from family members or provide support to family members. Therefore, remittances form a fundamental part of women's financial lives.

<sup>1</sup>Monthly income categories include <15k, 15,001k -35k, 35, 001k -55k, 55,001k -95k, 95,001k – above

## Low income limits the perceived need for formal financial services

- ❖ Financial poverty limits the perceived need for financial services. Often earning less than a dollar or two a day, most excluded women did not feel they had enough income to save, invest or take risks on loans.
- ❖ They devote their little income to living costs, children's education, and extended family support (childbirth, weddings, funerals, etc.). They often consider formal financial services out of reach, believing they do not have enough disposable income to make the required deposits.
- ❖ At least 3 in 4 women faced liquidity distress 12 months before the 2020 survey. 41% did nothing; others cut back on their expenses (17%) and relied on gift donations (17%) and selling of their assets (7%).

## Women who have completed their secondary education were more likely to be formally included










- ❖ 62% of formally included women have completed secondary education compared to 25% of the excluded women.
- ❖ Women who completed their secondary education were two times more likely to be formally included than women who had not completed their secondary education.
- ❖ Relatively lower education levels for financially excluded women leave them with a perception of financial services being too complicated. Believing that they require support to facilitate their use of formal financial services, they fear they are prone to be taken advantage of and consequently avoid use. Historic incidents of fraud reinforce this feeling.

## Women who have completed their secondary education were more likely to be formally included

- ❖ Continuously deferring financial decision-making to a male authority figure means that women scarcely build their confidence to make critical financial decisions, including uptake and usage of financial services. This, therefore, reinforces her risk aversion and perpetuates the cycle.
- ❖ Women's education is significantly associated with income, and interventions could generate a long-term impact on financial inclusion.
- ❖ Increased, simple, targeted information and financial education may increase women's confidence and capacity to use financial services.

## Awareness and proximity to formal access points

- ❖ At least 1 in 2 formally included women were aware of formal financial service providers' access points near them compared to 1 in 4 formally excluded women.
- ❖ Women who are aware of formal financial access points near their homes were 3 times more likely to be formally included compared to women who were not.
- ❖ Digital financial services delivered through financial service agents and other non-traditional distribution channels present an opportunity to drive financial inclusion for women

% of formally excluded women who are aware of the following channels close to where they live					
Formal channels	 7% bank branch	 19% financial service agents	 7% Automated teller machine	 1% microfinance bank	 1% primary mortgage banks
Potential access points	 98% provision shops	 38% pharmacy shops	 18% restaurants	 11% mobile phone kiosk	

## High levels of education, income, trust in formal FSPs, awareness and proximity to formal FSPs are the most important drivers of women's formal financial inclusion in Kaduna

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- ❖ Women who have attained higher education and earned higher income are more likely to be financially included. This finding has implications for Kaduna women who, for various reasons—including sociocultural norms, early marriage, and early age at childbirth—deprioritise schooling, thereby reducing their chances of attaining higher education.
- ❖ These factors also limit their ability to engage in high-income earning economic activities, further exacerbating their poverty status in the community and hindering formal financial inclusion.
- ❖ The more a woman earns, the more likely she is to be formally included compared to those who make below 15,000 naira.
- ❖ However, this is not significant below 35,000 naira monthly income, implying that interventions aimed at improving women's financial inclusion through increased incomes should shoot for monthly income above 35,000 naira.

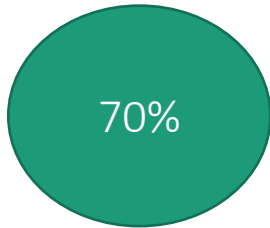
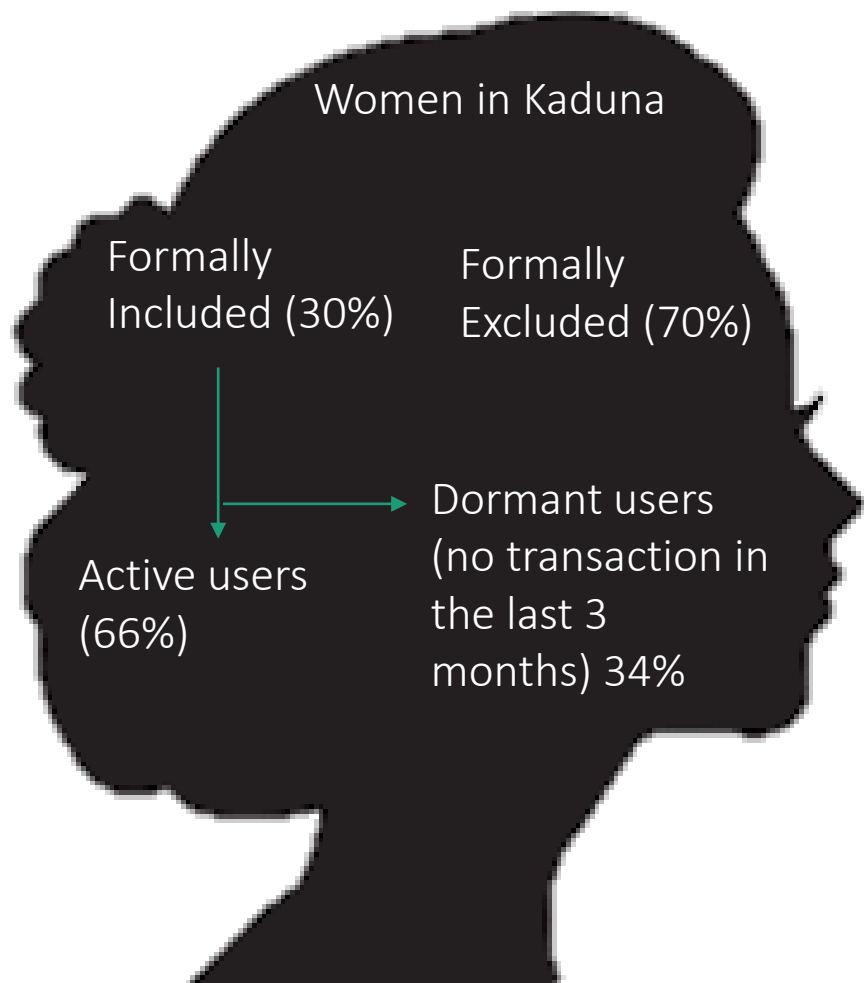
## High levels of education, income, trust in formal FSPs, awareness and proximity to formal FSPs are the most important drivers of women's formal financial inclusion in Kaduna, Cont'd

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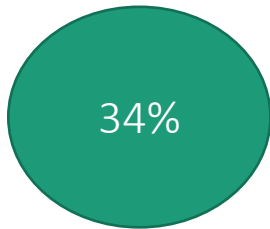
- ❖ This finding reaffirms the potential of consistent cash transfers through the social safety net programs to boost income and smooths consumption, with positive implications for financial inclusion. Digitising these transfers could embed beneficiaries into a system of automatic deposits and help them overcome some barriers to saving.
- ❖ Awareness and trust in formal financial services are robust predictors of formal inclusion. This implies that women are likely to open accounts when they are aware of formal financial service providers near them and trust these providers. With solid consumer protection frameworks implemented, digitization of cash transfers could also increase participants' trust in the financial system and enables beneficiaries to use financial accounts actively.



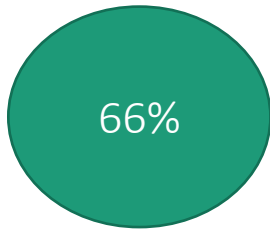
What challenges prevent women from fully accessing and optimizing the use of formal financial services? How can we encourage them to do so?



**Formally excluded:** Women in this segment lack regular cash flows and are involved in low-income paid economic activities. They face structural barriers related to lack of access, attitude/perception, affordability, and lack of product knowledge.



**Dormant users:** These women opened an account either due to the government’s financial inclusion drive, peer pressure or both. They lack a use case for bank accounts and have limited financial capability with social norms being a hindrance.



**Active users:** These users are either proxy users (someone is the primary user), regular users and advanced users. For persons living with disabilities this reduces to about 3 out of 5 women (61%).

## Lack of access, attitude/perception, affordability, and lack of product knowledge are biggest obstacles to having a bank account

Barriers (% of female population)	%	Rank
Access to banks	38%	1st
Attitudes/perceptions	36%	2nd
Little/irregular income	36%	3rd
Unemployment	21%	4th
Product knowledge/usability	16%	5th
Cost of banking	14%	6th

*'...women's financial inclusion is challenged by access to formal institutions, account opening requirements, low level of financial literacy, low income, and negative perception/attitude (bank accounts are for the rich, persons with Govt. jobs, and for receiving government soft loans) and cultural/religious beliefs practices that limit women economic participation and engagement the with financial system' financial industry expert, .*

Examples of these practices include women are not allowed to leave their houses and if they must, they are to be supervised by a male figure, also women cannot go to male-dominated areas

*"We don't have access to a bank until we go to Zaria. I will open an account if I have a bank around me because I want to be using it".....formally excluded tailor in social register in Soba*

Excluded women tend to have small geographic networks, which limits their exposure to and awareness of financial services

## Discriminatory social norms around women’s right to engage in long-term savings and accumulate assets in their own name limits their level of engagement with formal financial services

Norm	Financial behaviours	Perceived norm prevalence	Expectation	Sanctions & consequences of breaking the norm
Women should not save or have assets in their own name	She is saving either in secret or in her children’s name	This norm is widely prevalent	A woman isn’t supposed to accumulate wealth for herself	The male authority will usually liquidate the asset either without the women’s consent or against her wish

- ❖ Although we find 100% agreement that women should have long-term savings and accumulate assets separate from their household savings, women do not actually practice this. Even when they do, this is usually held in their children’s names and for their children. This therefore limits their choices and ability to engage with formal financial services.
- ❖ The perceived consequence of breaking the norm, including losing their savings to their spouses means that women are either saving in secret and in their children’s name. This however shows their desire to save and retain control over their resources or have a choice as to what happens to these investments.

## Norms that place a limit on women's economic participation continue to hinder their uptake and depth of financial service usage

Norm	Financial behaviours	Perceived prevalence of the norm	Expectation	Sanctions & consequences of breaking the norm
Women should not run large businesses because doing so interferes with their primary responsibility of managing the household	Women participate in economic activities and do not see the need to pursue this economic activity on a large scale – hence do not see the need to access credit and other extended financial services	Women believe that this is a well-known norm  More excluded women relate with this norm	Women should run businesses to support household income  These business ventures should not grow to a scale that interferes with household responsibilities  A woman's husband and household is her primary responsibility	Running a business that interferes with household responsibility means going against religious teachings  In extreme cases, women will support sending women who break this norm back to their parent's house for training

- ❖ This norm recognises the right of women to pursue their business aspirations. But women's business aspirations should not interfere with her household responsibilities. 87% of adult men had the final say on whether they should work to earn income, compared to 21% of adult women.
- ❖ This norm means that women should not actively pursue ventures that keep them out of the household—limiting them to micro businesses that are largely characterized by low income. As mentioned earlier in this study, low income is a driver of financial exclusion.
- ❖ Even for financially included women who are largely economically active and have ambitious business goals, their experience and practice also reflect the limitations placed by this norm. Most women do not pursue their economic activity on a large scale. Hence, they do not seek out a wide range of financial services that can grow their businesses.
- ❖ Through this study, we discovered that maintaining a balance between business and household responsibilities is required for the functioning of every household. However, women can be empowered with life skills to help them juggle both responsibilities and should ultimately be able to choose.

## Gender-blind approach to service delivery falls short in addressing some of the negative social norms that hinders women's optimal usage of financial services

- ❖ Products must anticipate potential norms and negative consequences of women's service uptake and set up mechanisms to protect them.
- ❖ For instance, if a woman chooses to open an account and take up certain business-related offerings, she should be empowered to make the right decision and cope with any shocks.
- ❖ If she has a challenge with her account and is told to go to the closest branch, she may face some challenges doing so. Fifteen minutes on a call speaking with customer care could expose a woman to some of the consequences of negative social norms.
- ❖ Encourage a financial ecosystem that recognises negative social norms and empowers women to successfully use financial services without exposing them to the potential consequences of breaking them.

## Complex financial products, products not suited to their needs and challenges associated with use of DFS exacerbate institutional exclusion

- ❖ Most HGSFP recipients cash out the entire funds on the payment day. Additionally, around half of the new accounts created as part of government efforts to promote financial inclusion are not being actively used because:
  - Financial products/services are complex, and these women have limited skills to navigate the usage of these products.
    - These women could not identify the utility of retaining their funds in their accounts.
    - The risk of fraud and network challenges are barriers to the continuous usage of digital services.
- ❖ Excluded women also face institutional exclusion as they perceive that the available products are not suited to their needs.
  - Limited understanding of financial products/services terms & conditions.
  - There are too many documentation requirements to open and upgrade accounts.
  - Communication challenges in marketing/ messaging – language and unrelatable messages.



# Unavailability of & limited use of sex-disaggregated data

- ❖ FSPs have consistently struggled to provide sufficient financial services to women because they often lack the data to understand the women's market accurately. Therefore, they cannot build a business case for targeting women or monitoring their performance in the women's market.
- ❖ Simultaneously, regulators and other policymakers often lack sufficient data to identify who is or is not being served (access to financial services), who is being served well (quality of financial services), and who is using what services and why (use of financial services).
- ❖ To match women's financial needs and preferences, financial product designs, selection of delivery channels, risk management products, and price structure should be informed by sex-disaggregated data.
- ❖ Design and delivery changes that address women's demand-side constraints (i.e., literacy, distance from urban centres, decision-making power).
- ❖ Products that meet women's financial needs. I.e., flexible loan periods, no-fee accounts.

Profiling women in Kaduna for  
improved design opportunities

# Personas of women in Kaduna State

Adopted the [Human Centred design](#) to segment women into 6 personas. The goal of the HCD is to support the development of products that strengthen the financial health of individuals - people are financially healthy when they use available tools and strategies to effectively meet their basic needs, remain resilient in the face of unexpected shocks, and cultivate economic opportunities. The human-centered design is a three-dimensional research framework developed by Dalberg with Rockefeller Philanthropy Advisors.



Personas	Confident optimist	Dependent individualist	Digital youth	Questioning cultivators	Resilient savers	Traditional believers
% of TT women population	8%	26%	10%	2%	31%	23%

- ❖ Most Kaduna state women regardless of their formally included or excluded status fall into 3 main personas.
- ❖ Four out of every five women are likely to either be dependent individualists, resilient savers, traditional believers.
- ❖ All six groups are distinct and profiled using predictive modelling; women are then assigned to a persona to which they have the highest probability of belonging.

# Confident optimist



Terminologies	Background	Research Questions	Methodology	Findings	Conclusion	Recommendations
Demographics	8% of women in Kaduna 3 out of every 4 are formally excluded					
Drivers	<ul style="list-style-type: none"> <li>• Mostly low-income earners (72% earn less than 15,000 naira ), 43% are business owners (non-farming), 25% farming and 23% dependents.</li> <li>• Below secondary education (70%)</li> <li>• Distrust in formal financial service providers.</li> </ul>					
Motivations	<ul style="list-style-type: none"> <li>• Decision-making is influenced by male authority figures in her life.</li> <li>• Her social interactions are limited to her family, she does not belong to any groups.</li> <li>• She would like to have just enough money to support her and her family's needs, with some support to the community. As such, she is driven mainly by the current consumption needs.</li> </ul>					
Financial inclusion use case	<ul style="list-style-type: none"> <li>• 23% have one month or less income in savings.</li> <li>• One-third were saving weekly and occasionally when they have surplus money, respectively.</li> <li>• Saves informally at home &amp; through informal means.</li> </ul>					
Product design principles	<ul style="list-style-type: none"> <li>• Enable saving towards goals, but without requiring deposit fees, account minimums or fixed holding periods.</li> <li>• Provide access to credit, especially for working capital for small businesses and inputs for farmers.</li> <li>• Can be encouraged to take up formal financial services conditional on approval from her husband or parents</li> <li>• She has a preference for convenience and privacy.</li> </ul>					
Product messaging	<ul style="list-style-type: none"> <li>• Appeal to their self-confidence and feeling of control, but take into account their low self-esteem (e.g. celebrating the small wins).</li> <li>• Emphasise investing and building the future but not in an overly optimistic way.</li> </ul>					
Engage them through	<ul style="list-style-type: none"> <li>• Spouses, immediate family or male role models in the community is one of several avenues to explore.</li> </ul>					

# Traditional believers



Demographics	23% of women in Kaduna Nearly all are formally excluded (90%)
Drivers	<ul style="list-style-type: none"> <li>Least educated (18% have completed secondary education).</li> <li>Very low income earners (82% earned below 15,000 naira), Most are business owners (46%), farmers (26%), dependents (24%).</li> <li>Majority (98%) distrust FSPs.</li> </ul>
Motivations	<ul style="list-style-type: none"> <li>Belongs to a community group to empower other women, indicating a strong social identity.</li> <li>She uses the earnings to support her husband in household expenses.</li> <li>She would like to grow her business and sees herself going for Hajj (pilgrimage in Mecca).</li> </ul>
Financial inclusion use case	<ul style="list-style-type: none"> <li>17% have less than one month income and 12% have 2-3 months income in savings.</li> <li>37% and 34% were saving weekly and occasionally respectively.</li> <li>Majorly saved at home.</li> </ul>
Product design principles	<ul style="list-style-type: none"> <li>Do not over-burden traditional believers with strict repayment schedules, high interest rates and steep fees and penalties.</li> <li>Support accumulation and leveraging of wealth in the form of assets such as livestock and land.</li> </ul>
Product messaging	<ul style="list-style-type: none"> <li>User-friendly and unintimidating.</li> <li>Simple, non-technical financial language.</li> </ul>
Engage them through	<ul style="list-style-type: none"> <li>Religious institutions, especially churches and mosques.</li> <li>Agent networks, especially for onboarding.</li> <li>Trouble shooting.</li> </ul>

Source: EFMD Access to Financial Services in Kaduna State 2020 Survey  
& Insights from Qualitative research

# Resilient savers



Demographics	31% of women in Kaduna 3 out of every 4 are formally excluded
Drivers	<ul style="list-style-type: none"> <li>• Very few are educated (39% have completed secondary education).</li> <li>• 75% earned below 15,000 naira.</li> <li>• Half are business owners (54%), farmers (23%) and dependents (18%).</li> <li>• 74% distrust formal financial service providers.</li> </ul>
Motivations	<ul style="list-style-type: none"> <li>• Saving for their future and dreams.</li> <li>• Aspiring for multiple streams of income.</li> </ul>
Financial inclusion case	<ul style="list-style-type: none"> <li>• 20% have less than one month income in savings.</li> <li>• 37% and 30% were saving weekly and occasionally, respectively.</li> <li>• Mostly saved informally and at home.</li> </ul>
Product design principles	<ul style="list-style-type: none"> <li>• Offer greater privacy and control over a portion of their money that they would rather keep private and protected.</li> <li>• Simplify the perceived complexity of financial services, leveraging mobile channels, especially feature phones.</li> </ul>
Messaging	<ul style="list-style-type: none"> <li>• Reinforce the trustworthiness and security of banks and formal providers.</li> <li>• Reinforce their sense of community and partnership with friends, family and financial service providers.</li> </ul>
Engage them through	<ul style="list-style-type: none"> <li>• Social financial groups (especially family and friends).</li> <li>• Digital devices, especially feature phones.</li> </ul>

# Digital youth



Terminologies	Background	Research Questions	Methodology	Findings	Conclusion	Recommendations
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Demographics	10% of women in Kaduna One out of every 10 are formally excluded					
Drivers	<ul style="list-style-type: none"> <li>• Mostly educated (66%).</li> <li>• Low to middle-income earners (57% earned below 15,000 naira, 29% earned between 15,000 naira and 35,000 naira).</li> <li>• Mostly business owners (56%) &amp; dependents (28%).</li> <li>• Majority (74%) trust in formal financial service providers.</li> </ul>					
Motivation	<ul style="list-style-type: none"> <li>• They are future and goal-oriented.</li> <li>• They prioritize investments.</li> </ul>					
Financial inclusion case	<ul style="list-style-type: none"> <li>• Slightly above half (56%) were saving monthly.</li> <li>• 27% had one month or less of income in savings.</li> <li>• A substantial proportion were saving with banks and a significant proportion were saving informally.</li> <li>• Savings group (few of them).</li> </ul>					
Product design principles	<ul style="list-style-type: none"> <li>• Offer privacy and control, leveraging their inclination towards planning.</li> <li>• Offer and emphasise the convenience of mobile.</li> <li>• Provide high quality app-based interfaces that provide a dashboard view of finances for easy management across formal accounts.</li> </ul>					
Messaging	<ul style="list-style-type: none"> <li>• Convey reliability and builds trust.</li> <li>• Emphasize privacy and control.</li> </ul>					
Engage them through	<ul style="list-style-type: none"> <li>• Digital and social media.</li> <li>• Schools and universities.</li> </ul>					

Source: EFINA Access to Financial Services in Kaduna State 2020 Survey & Insights from Qualitative research



# Questioning cultivators



Terminologies	Background	Research Questions	Methodology	Findings	Conclusion	Recommendations
Demographics		3% of women in Kaduna 86% are formally excluded				
Drivers		<ul style="list-style-type: none"> <li>Barely educated (22% have completed secondary education).</li> <li>Low-income earners (69% earned below 15,000 naira).</li> <li>Mostly business owners 47% and farmers (23%).</li> <li>86% distrust formal financial service providers.</li> </ul>				
Motivation		<ul style="list-style-type: none"> <li>They are not goal-oriented, but rather save in a more general manner where the money saved can be used as needed or desired.</li> <li>Long-term investment in land and livestock.</li> </ul>				
Financial inclusion case		<ul style="list-style-type: none"> <li>21% have less than one-month income in savings.</li> <li>55% saved when they had surplus money.</li> <li>Very few were saving.</li> </ul>				
Product design principles		<ul style="list-style-type: none"> <li>Bundled services that deliver value in the form access to quality inputs, lay-away savings and input credit, technical agricultural information and market access for agricultural goods.</li> <li>Flexible savings options not fixed to specific goals or deposit minimums, or fixed time frames, recognizing that Questioning Cultivators do not currently deploy non-fungible, goal-oriented savings strategies.</li> </ul>				
Messaging		<ul style="list-style-type: none"> <li>Take into account their low trust in banks and low respect for authority.</li> <li>De-risk trying new financial services and draw parallels to the informal services which they are most comfortable with.</li> </ul>				
Engage them through		<ul style="list-style-type: none"> <li>Community and religious leaders and institutions.</li> <li>Informal financial groups and the friends, family and neighbours who compose them.</li> </ul>				



Terminologies	Background	Research Questions	Methodology	Findings	Conclusion	Recommendations
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# Dependent individualist



Demographics	26% of women in Kaduna 75% are formally excluded
Drivers	<ul style="list-style-type: none"> <li>Barely educated (30%).</li> <li>Mostly low-income earners (72% earn less than 15,000 naira).</li> <li>Over 83% distrust formal financial service providers.</li> </ul>
Motivation	<ul style="list-style-type: none"> <li>Magnitude of her family's needs and her struggles to provide. She complained that she barely has time to think let alone plan for the future because she is engrossed in meeting daily needs as they arise.</li> </ul>
Financial inclusion case	<ul style="list-style-type: none"> <li>23% have one month or less income in savings.</li> <li>One-third were saving weekly and occasionally when they have surplus money.</li> <li>Saved at home through informal means.</li> </ul>
Product design principles	<ul style="list-style-type: none"> <li>Facilitate flexible savings to accommodate Dependent Individualists strong need for liquidity.</li> <li>Enable saving towards goals but without requiring deposit fees, account minimums or fixed holding periods.</li> </ul>
Messaging	<ul style="list-style-type: none"> <li>De-risk trying new products and service.</li> <li>Appeal to their self confidence and sense of control but consider their low self-esteem (e.g.,celebrating the small wins).</li> </ul>
Engage them through	<ul style="list-style-type: none"> <li>Spouse and immediate family.</li> </ul>

Source: EFINA Access to Financial Services in Kaduna State 2020 Survey  
& Insights from Qualitative research

# Main conclusions

*What are the motivations for access to and use of financial services for women in Kaduna, including their decision-making processes, financial journeys and experiences?*

- ❖ Women are motivated to access financial services to meet their consumption & household needs.
- ❖ They are motivated to use formal financial services when there are immediate gains or incentives such as receiving government interventions through social safety net programs or pooling funds as in women groups.

*What are the enabling and limiting factors that shape women's financial inclusion in Kaduna?*

- ❖ High education, income, trust in formal FSPs, awareness of and proximity to formal FSPs, are the most important drivers of women's formal financial inclusion in Kaduna.

# Main conclusions, Cont'd

*What challenges prevent women from fully accessing and optimizing the use of formal financial services? How can we encourage them to do so?*

- ❖ Women's little or no income limits the perceived need for financial services.
- ❖ Their risk preferences limits their usage of financial services and their depth of financial exclusion.
- ❖ Lack of access, attitude/perception, affordability, and lack of product knowledge are biggest obstacles to having a bank account. Complex financial products, products not suited to their needs and challenges associated with use of DFS exacerbate institutional exclusion.
- ❖ Social norms related to rights to accumulate asset in a woman's name, self-efficacy for financial decisions, and growing large businesses limit women's involvement in financial decision making and engagement with formal financial services.

*How can financial service providers create better, more relevant products for the various segments of the untapped women's market?*

- ❖ Four out of every five women are likely to be dependent individualist, resilient savers, and traditional believers. FSPs should build products centered around these women's consumption needs and their financial inclusion use case and ensure these products are marketed with messaging relevant to them.

# Recommendations

**To drive uptake and adoption of formal financial services, the key drivers of financial inclusion must be addressed to build demand and encourage supply of financial services**

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- ❖ Low education, low income, low trust in FSPs, low awareness and proximity to formal FSPs must all be tackled to activate women's demand for formal financial services.
- ❖ This includes the need for continued subsidy (social safety net transfers) until these segments become commercially viable.
- ❖ In the meantime, parallel interventions should support the commercial viability of the supply-side through better profiling of women to understand the needs and opportunities for different segments, supporting opportunities for cost and risk reduction through innovation, partnerships and economies of scale.

# Combine financial and non–financial services to stimulate demand and usage of financial services

- ❖ Challenges to women's financial inclusion go beyond a lack of access to financial services. Examples of linked services to explore include:
  - Economic services: These include business development services, and vocational skills development training that have a positive impact on incomes and therefore indirectly stimulate demand for financial services
  - Social services: Financial inclusion is an enabler of key development outcomes such as health, education, childcare etc. Offerings that are directly linked to enable these outcomes are relatively more likely to drive usage
  - Networking or social support services: Considering the role that social networks play in women's financial decision-making, financial services usage would benefit from more structured networking programs that build women's confidence and self-efficacy to perform financial transactions.
  - Knowledge services and advocacy – e.g., financial literacy, training on soft skills, information on legal rights, inheritance laws, documentation, consumer rights, addressing social norms
- ❖ In combining financial and non-financial services, it is important to explore partnerships and leverage existing ecosystem infrastructures to avoid duplication of scarce efforts or resources.
- ❖ Offerings must be relevant and designed to meet women's financial needs and health.

# Leverage digital financial services to boost opportunities for women's access to financial services

- ❖ Female agent networks, including the possibility of roving agents and agents drawn from social groups, can help bridge the access and trust barriers. Digital financial services can open several opportunities for women by ensuring privacy to address social norms around mobility.
- ❖ G2P payments have been demonstrated to provide significant incentives for account opening. Digitizing G2P payments beyond the HGSFP recipients, and supporting the digitization of an ecosystem that enables digital payments across the state could further drive account opening and usage. We recommend the following:
  - Including incentives and training for new account holders, as part of the social programs, are key to changing the low usage of the accounts
  - Ensure that digital payment offerings bring a value proposition attractive to women (i.e., saves time, cheap/no usage cost, easy and secure to use) and increases the usage opportunities (i.e., several delivery channels available, provides access to other products and services, etc.)
  - Support comprehensive consumer protection, that address women's needs, including requirements to disclose product prices and terms in clear language and appropriate measures to ensure effective redress mechanisms and women's financial privacy and safety
- ❖ **Formalising pro-social giving:** Given that financially excluded women rely heavily on family and friends for welfare, there may be opportunities to formalise giving through digital payment platforms that allow participants to give or receive contributions.

## Reduce costs and barriers to entry, access, and usage of financial services for women

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- ❖ Support the development of low-cost (ideally flexible loan periods, no fee accounts) basic financial services for women. This requires adopting measures to ease access, such as basic mobile phones as entry devices, extending delivery channels (use of female banking agents, extended cash in/out network), avoiding entry fees.
- ❖ Support design and delivery changes that address women's demand-side constraints (i.e. literacy, including the use of interactive, easy-to-use interfaces available on basic phones, distance from urban centers, decision-making power).
- ❖ Complementarily, providing monetary and non-monetary incentives to encourage the use of certain financial services and nudges (from behavioral economics) to increase usage.
- ❖ We recommend bundling and sequencing financial training with corresponding goal-setting, commitment, and tracking tools. Eventually, structured layaway saving products could encourage women to actively direct and sustain their savings behaviour in ways relevant to their needs.



## Strengthen cooperatives as a mechanism for fostering access to financial and non-financial services to women's groups

- ❖ With lack of access and perception being the biggest obstacles to being banked, **interventions should leverage existing collectives/affinity structures** which women often leverage to pool savings, access loans, and share risks. Such linkages can build trust and rapport between women and FSPs by promoting and delivering financial services, including building the corresponding skills needed to use them.
- ❖ **Formalize savings and credit to support women traders' bulk purchases & farmers:** As trading is one of the most common income-generating activities for women, there may be opportunities to support the formation of buying groups (*Esusu*) that: (i) buy in bulk together to realise economies of scale, (ii) attract group liability loans, and (iii) collectively save to purchase group-owned machinery, e.g., food processing or by-product machinery. This will allow them to capture a higher proportion of the final product value (iv) potentially access larger buyers through aggregation, or (v) formalise savings and payments through digital payments and group savings accounts.
- ❖ **Develop a data management tool to manage women collectives in the state:** As more interventions are launched in the state that requires delivery through women groups and cooperatives, there is a need to organise these collectives to improve their resilience as well as maximise potential individual benefits

# Women's financial inclusion is not only about women; men are needed to make WFI work

Women's financial inclusion is not only about women. Men and children both benefit from financially included and economically empowered women. And men are needed to make WFI work. Men can be allies or obstacles to women's financial inclusion.

## What roles do men play in women's financial inclusion?

- Men occupy many senior and decision-making positions in government and financial institutions.
- Men are, in many cases, contact points for women wanting to access financial services (e.g., loan officers, agents, insurance brokers).
- Men are husbands, brothers, and fathers of women who want to access financial services and can either hinder (e.g., by restricting their privacy, their mobility, their access to phones and to other assets) or encourage and support them in this regard.
- Men are also subject to social norms (e.g., social norms around men having to be the providers of the family or norms around men having to control women's finances).

## How to gain men's support in women's financial inclusion initiatives

- Identify men in senior positions, and influential men within communities.
- Involve them from the beginning, at all levels, and at all stages of WFI intervention.
- Sensitize men in communities.
- Encourage dialogue and debate on the prevailing social norms that limit WFI.

# For financial service providers

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Collect and analyse sex disaggregated data

Formalise informal (women groups) & non –financial (prosocial giving) services

Structured group finance that links farmers and traders to capital and markets

Use roving agents to service business owners to reduce bank visits

Family-oriented products and structured savings solutions, including targeted offerings for children

Delivery that addresses demand-side constraints (i.e. literacy, access, social norms)

Pricing that meet women's financial needs (i.e. flexible loan periods, no fee accounts)

Women-friendly customer experience

Design customer recourse mechanisms with a gender lens

Invest in financial literacy & capability interventions that build trust in formal financial services

*Reach her, welcome her, make engagements with formal financial services relatable & rewarding*

# For Kaduna State government ministries, departments & agencies

Support WEE initiatives that increase women's agency to drive commitment, savings products

Drive state-wide financial literacy & capability interventions

Vocational trainings that include business development, soft skills including self-confidence, decision-making

Invest in education, especially girl education

Link farmers and traders to capital and markets

Strengthen cooperatives through trainings and cooperative management

Digitise social transfers

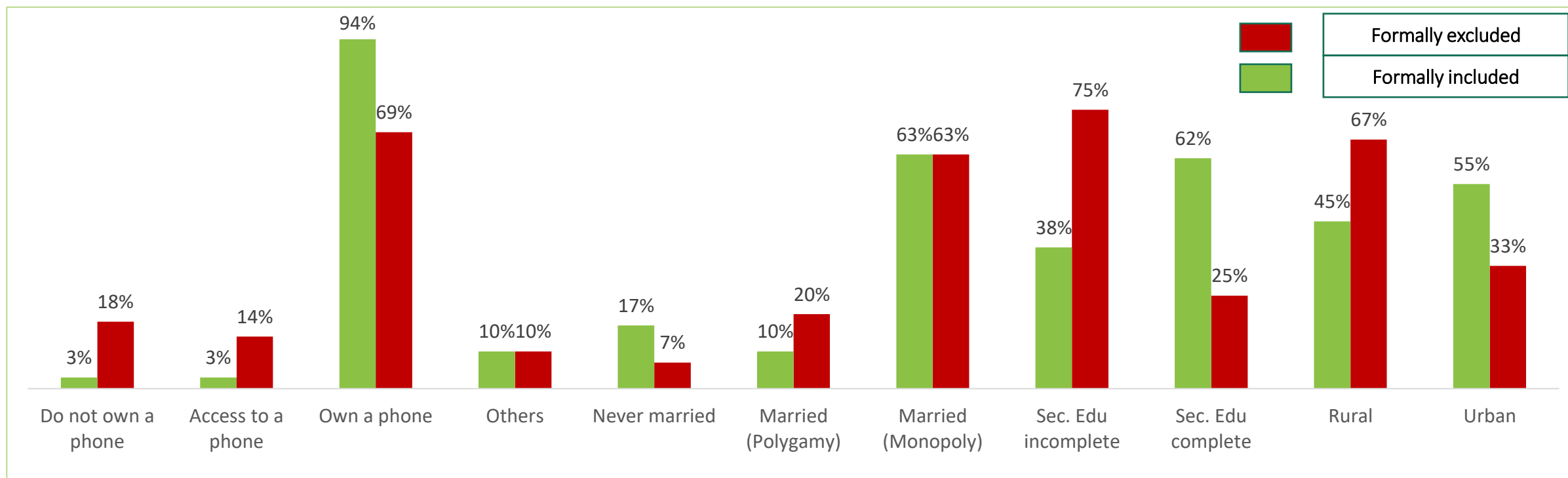
Align strategies with the 2021-2024 NFIS strategy  
Promote adoption and usage of financial services | Enable growth and utilization of robust enabling financial services infrastructure and services | Expand DFS and platforms to grow financial inclusion

*Support her with skills to seek formal financial services and connect her with support system to that improve her livelihood*

# Annex

# Urbanisation, higher education and phone ownership are strongly related with women's financial inclusion

This preliminary descriptive analysis suggests relationships between these factors and financial inclusion, which were further tested using regression analysis to determine the statistical significance of these factors. See slide 31 for the regression analysis.



**Phone ownership:** 94% of formally included women own a mobile phone compared to 69% of formally excluded women

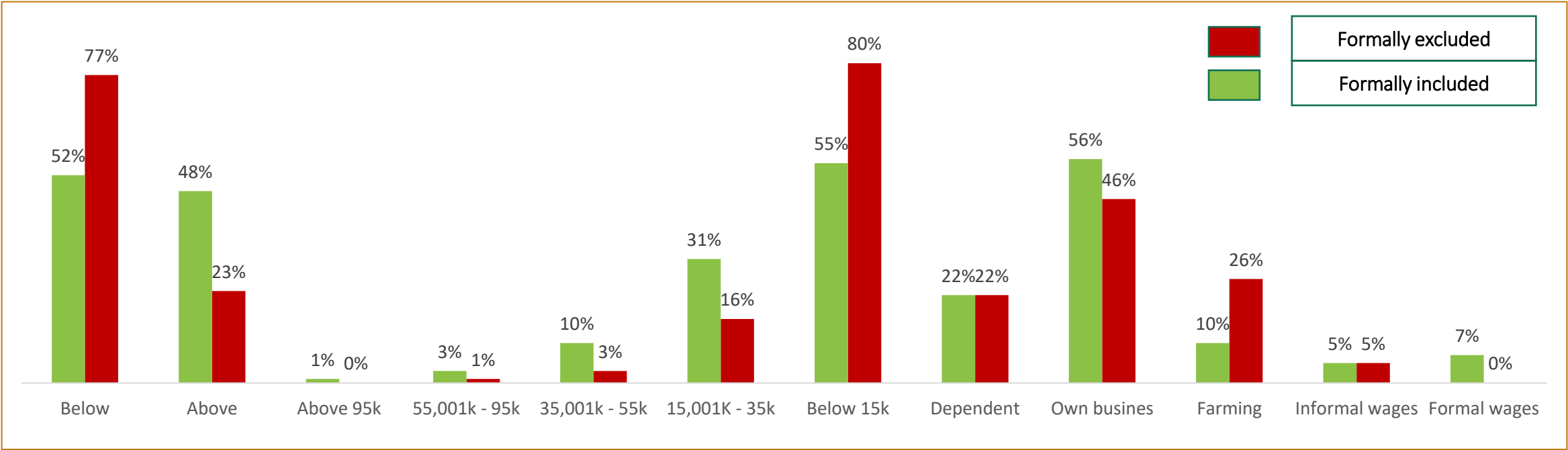
**Marital status:** 17% of formally included women have never been married compared to 7% of formally excluded women

**Level of education attained:** 62% of formally included women have completed secondary education compared to 25% of the excluded women

**Where women live:** 45% of formally included women live in rural areas compared with 67% of the formally excluded women

# Formal employment, business ownership, higher income and above poverty status are strongly related with women’s financial inclusion

These factors were further tested using regression analysis if these relationships were statistical significance. See slide 31 for the regression analysis



**Poverty line:** 52% of formally included women live below the \$2.50/day 2005 PPP poverty line compared to 77% of formally excluded women

**Income level:** 55% of formally included women earn below 15,000 as their personal average monthly income compared to 80% of formally excluded women

**Source of income:** 56% of formally included women own their business as a source of income compared to 46% of formally excluded women

# Methodology for identifying factors associated with formal financial inclusion

The dependent variable—financial inclusion—is constructed from a series of questions in the A2F 2020 survey that measured access to and use of financial services (savings, credit, payments, insurance, pension) provided by a regulated financial service provider. The variable is characterized as a binary variable where 1 stands for financially included and 0 stands for financially excluded

Descriptive analysis was used to explore demographic, contextual and behavioural. Categorical variables were described using frequencies, percentages and graphs. This was done for both descriptions across the entire population as well as cross-tabulations. For cross-tabulations, minimum required sample sizes were used to preserve integrity of the analysis – if a particular crosstabulation resulted in less than 25 responses, it was not reported.

Multiple binary logistic regression was used for multivariate inferential analysis whereby the final model included a subset of explanatory variables. The explanatory variables were selected based on their potential to influence the dependent variables as evident in the descriptive statistics. Additionally, we used a hypothesis driven approach to model building, derived from existing theories or body of knowledge.

The choice of logistic regression model was informed by the binary nature of the dependent variables. Studying associations through logistic regression provides a means to measure the magnitude, direction and strength/significance of the associations between dependent and independent variables. In addition, the contribution of each independent variable in explaining the variation in the dependent variable can be established while holding the other variables, in the model, constant. Thus, modelling offers an efficient way of incorporating the concept of control variables into the analysis.

Statistically significant factors in the logistic regression models were then ranked, as a proxy to determining which factors in the independent variable set were strongly associated with the respective dependent variables.



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