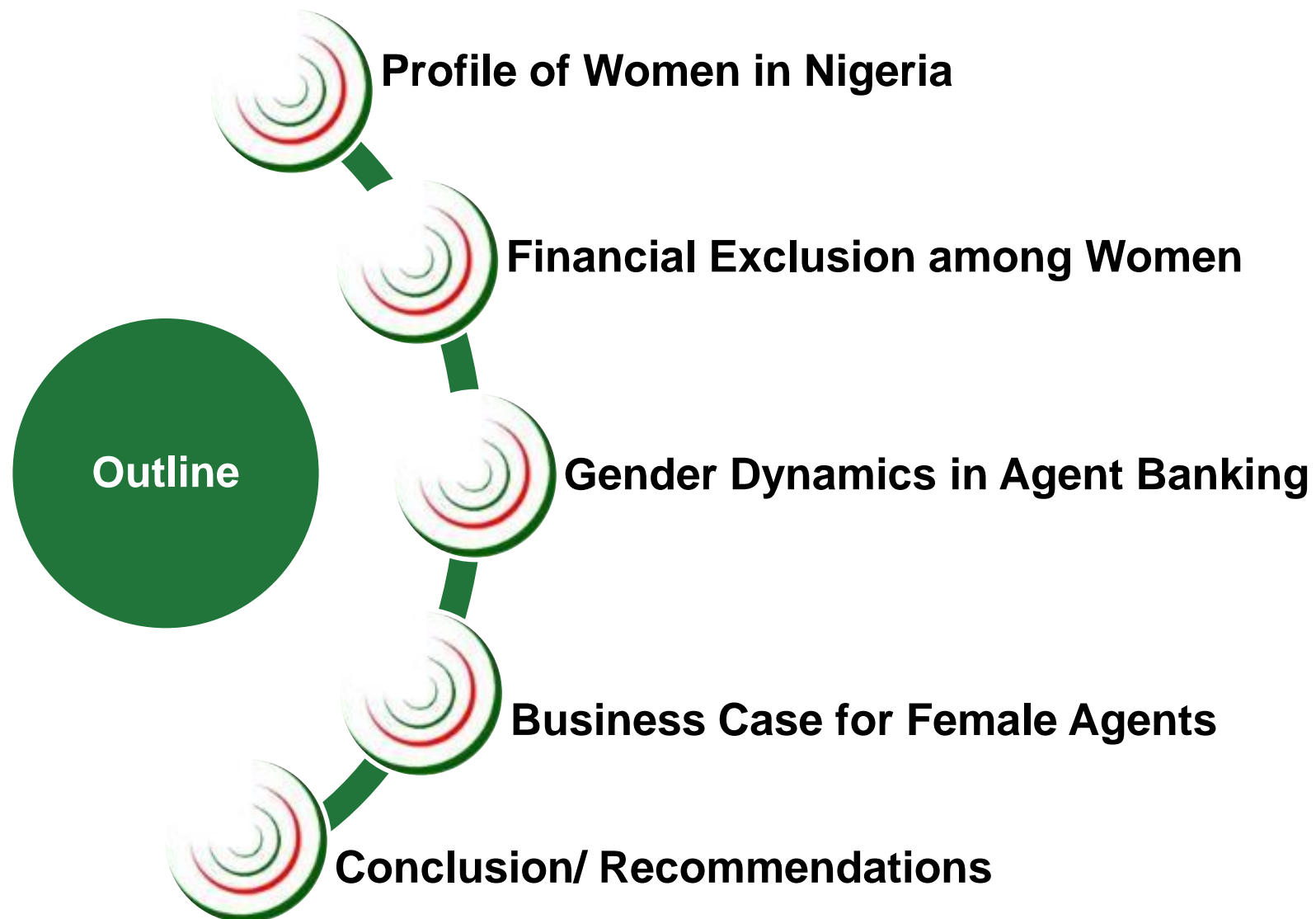


Assessing the Impact of Female Financial Services Agent in Driving Financial Inclusion

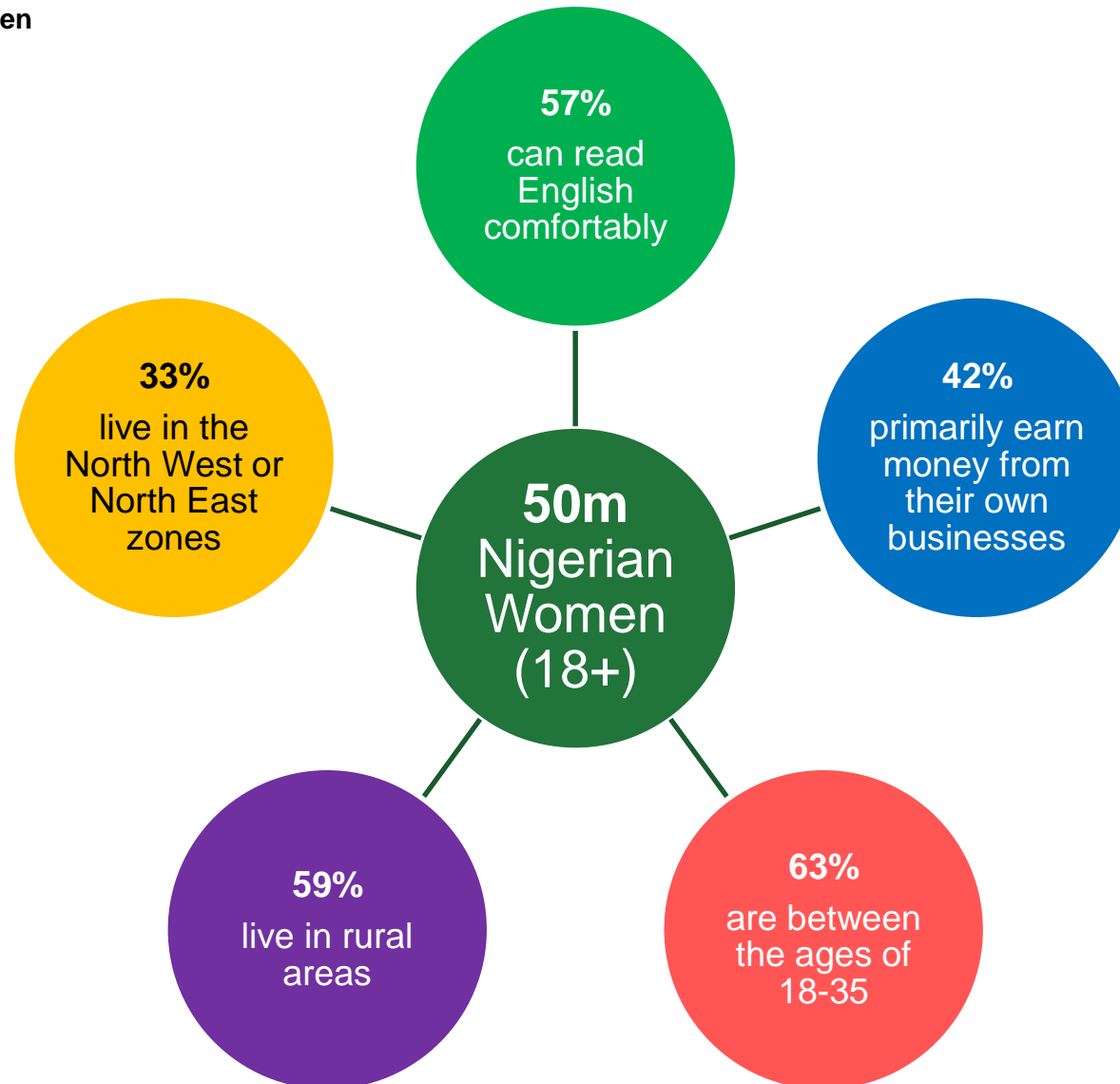
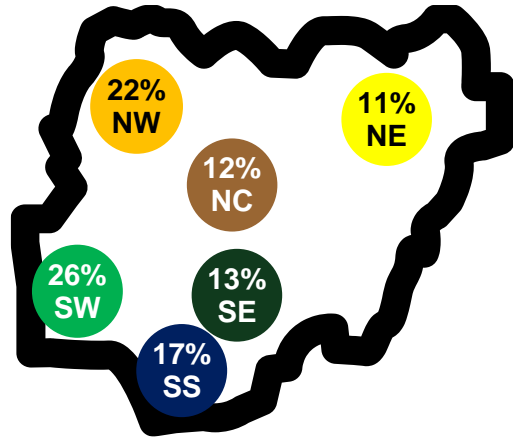
25th June 2019

Outline

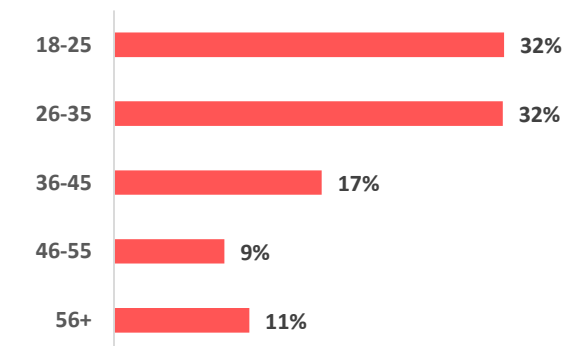


Profile of women in Nigeria

Regional distribution of Nigerian women

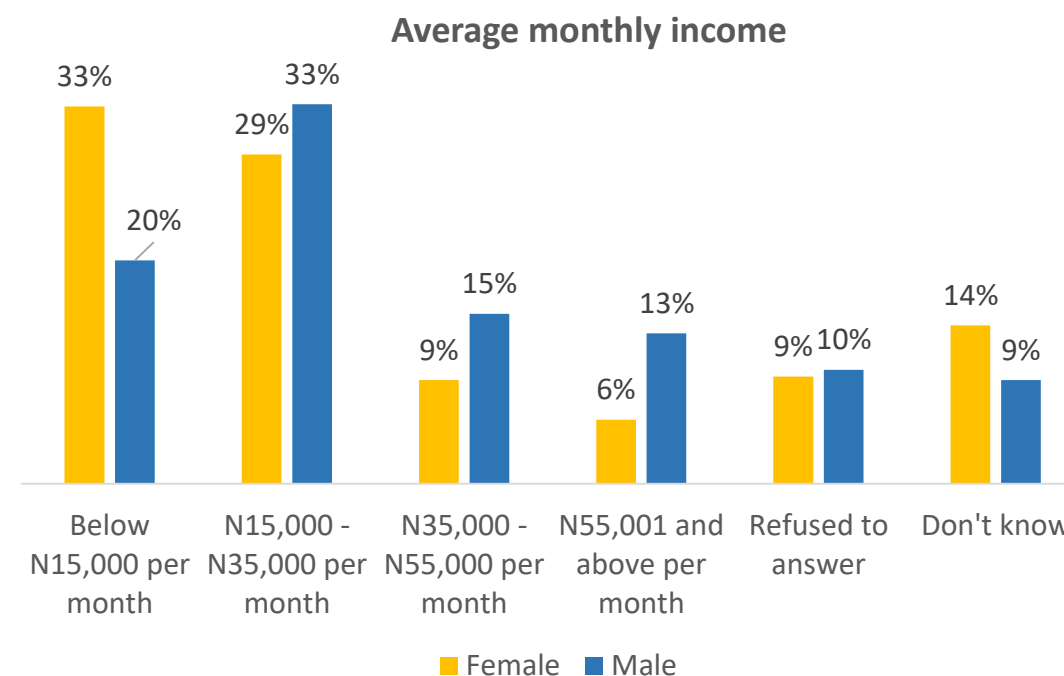
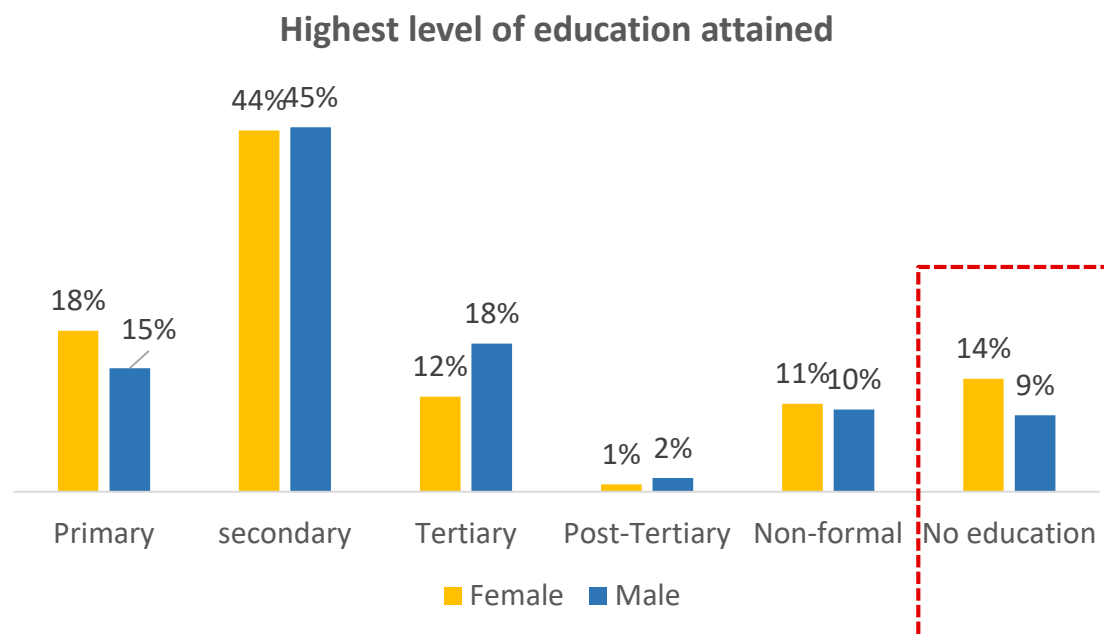


Age distribution of Nigerian women



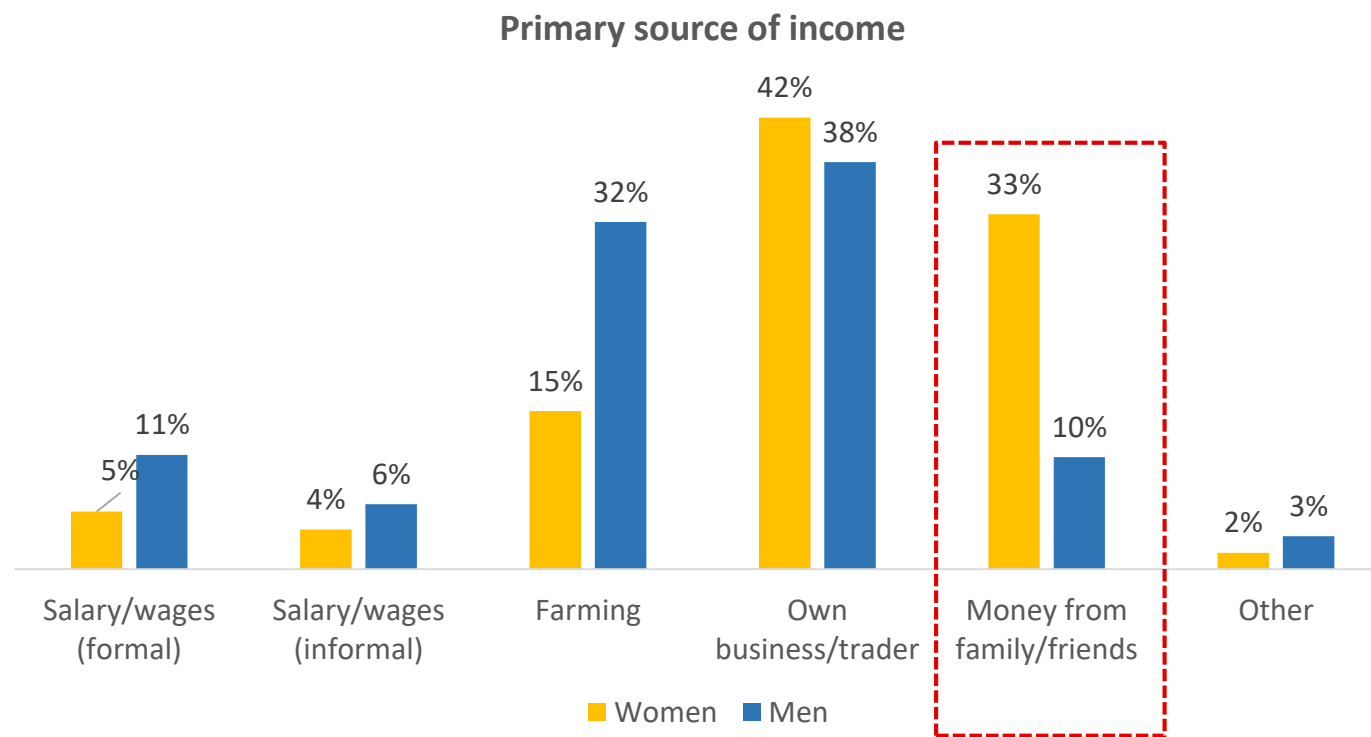
On average, women tend to have lower levels of education and income than men

- 1 in 4 women have not had any formal education
- Women are more likely than men to say that they don't know their average monthly income



Women are more likely than men to depend on others for income

- Men are more likely than women to report earning salaries (formal or informal) and income related to agriculture
- Women are more likely than men to say that their primary source of income is through their own business



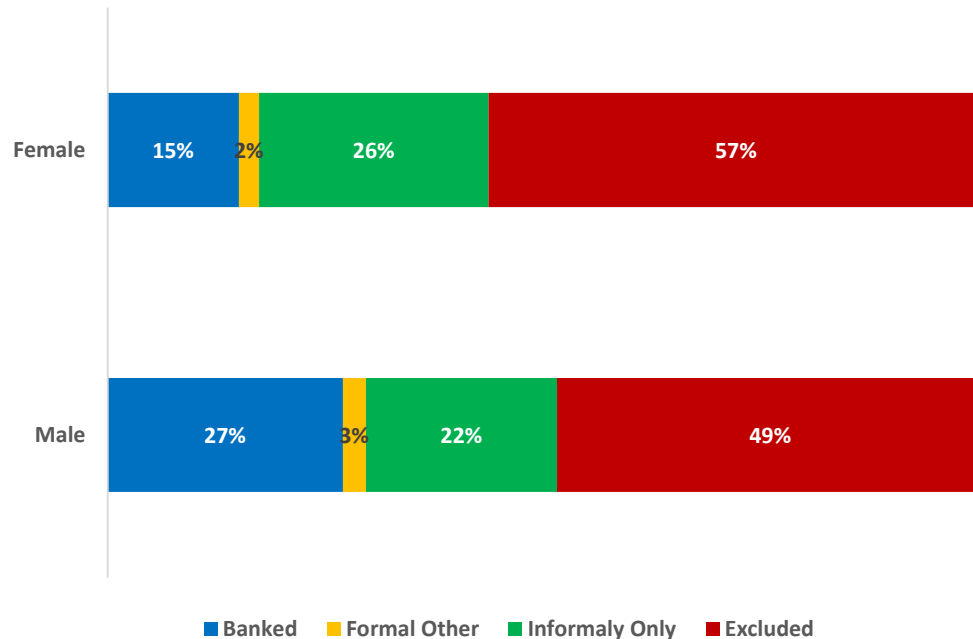


**Financial Exclusion among
Women**

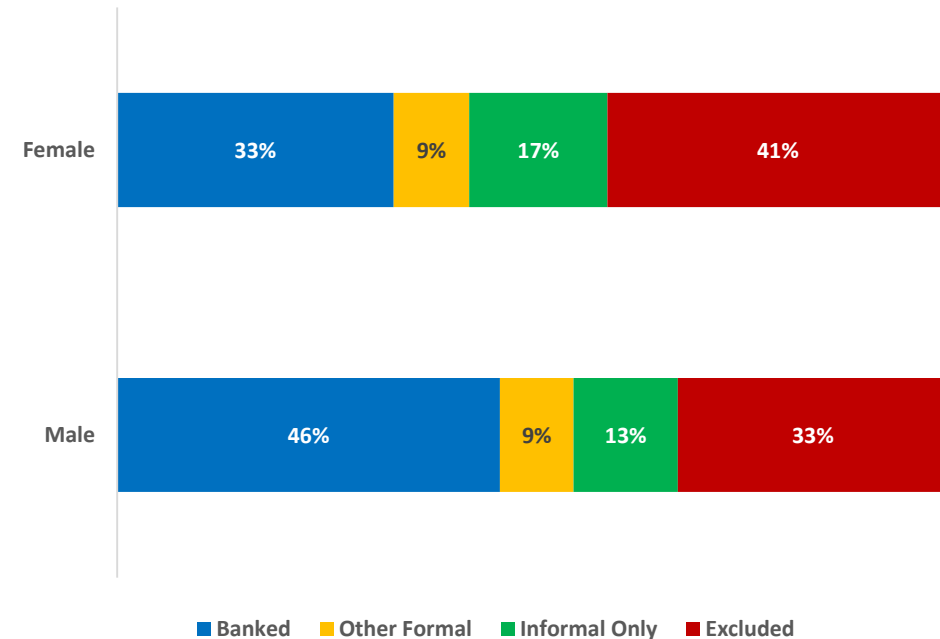
Women are still more financially excluded than men

- The gender gap in financial access is present across regions, income groups, and age groups, indicating that there are systemic obstacles to women’s financial inclusion in Nigeria
- Women are still more likely than men to rely exclusively on informal financial services

Financial Access by Gender - 2008



Financial Access by Gender - 2018



Profile of Financially Excluded Women

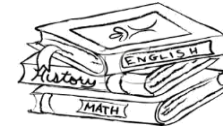
50m
Adult Female
Population



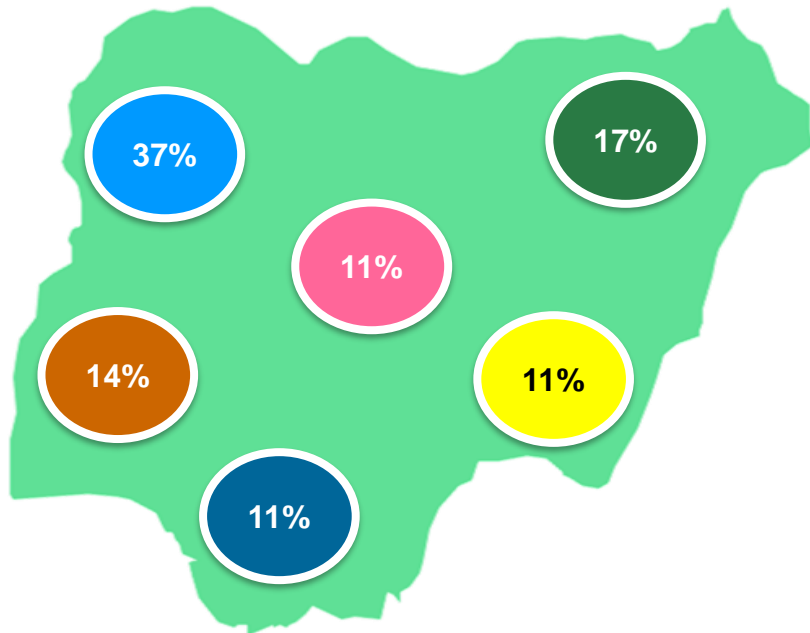
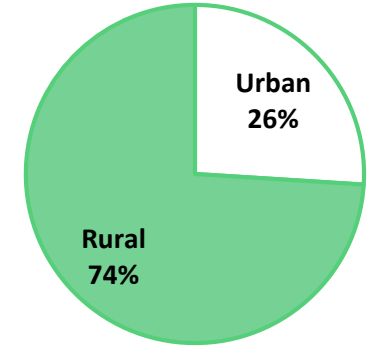
66%
18-35
years



40%
Excluded women own
mobile phone(s)



**57% have formal
education**



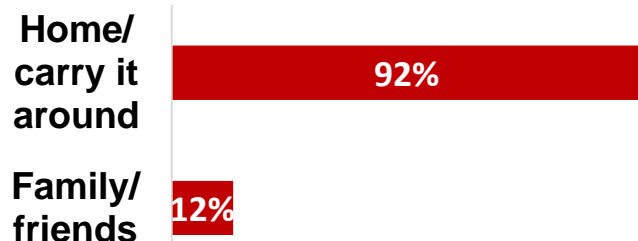
- 3.5% are aware of Mobile Money (MM)
- At least 25% (5m) are interested in MM and micro insurance
- 17% and 29% earn their main income from farming and own business respectively
- 100% receive primary income in cash

Products Usage of Financially Excluded Women – Savings, Credit and Remittances

- 4m financially excluded women save. Increasing the reach of agent networks will help bring the financially excluded into the formal financial system



4m Financially Excluded adult women saved in the past 12 months

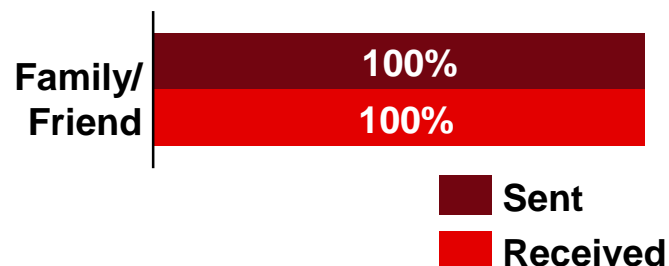


Reasons for using this channel

Easy/simple to use	48%
Proximity – convenient access	22%
Have quick access to savings	15%



4m Financially Excluded adult women sent /received money in the past 6 months



Domestic Remittances		
	Sent	Received
Trust	27%	26%
Easy to use	22%	22%
Reliability	21%	19%



3m Financially Excluded women borrowed in the past 12 months



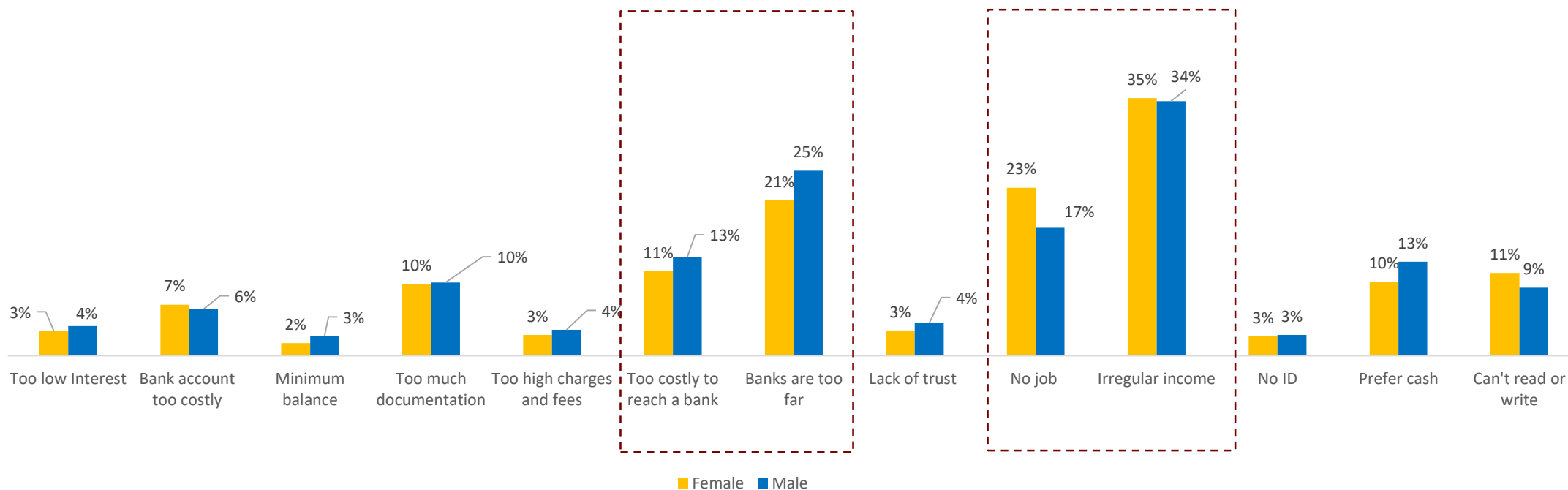
To get the money quickly	57%
Suitable repayment	10%
Proximity	9%

Primary barriers to using banks highlight opportunities to reach women through agent networks and affordable services

- When asked why they do not use banks, women are most likely to cite irregular income or unemployment, highlighting the value of services that enable frequent, low-value transactions
- The next most frequently cited reasons relate to distance and cost required to reach a bank, highlighting opportunities to expand banking services via agent networks

What are the main reasons why you don't use banks?

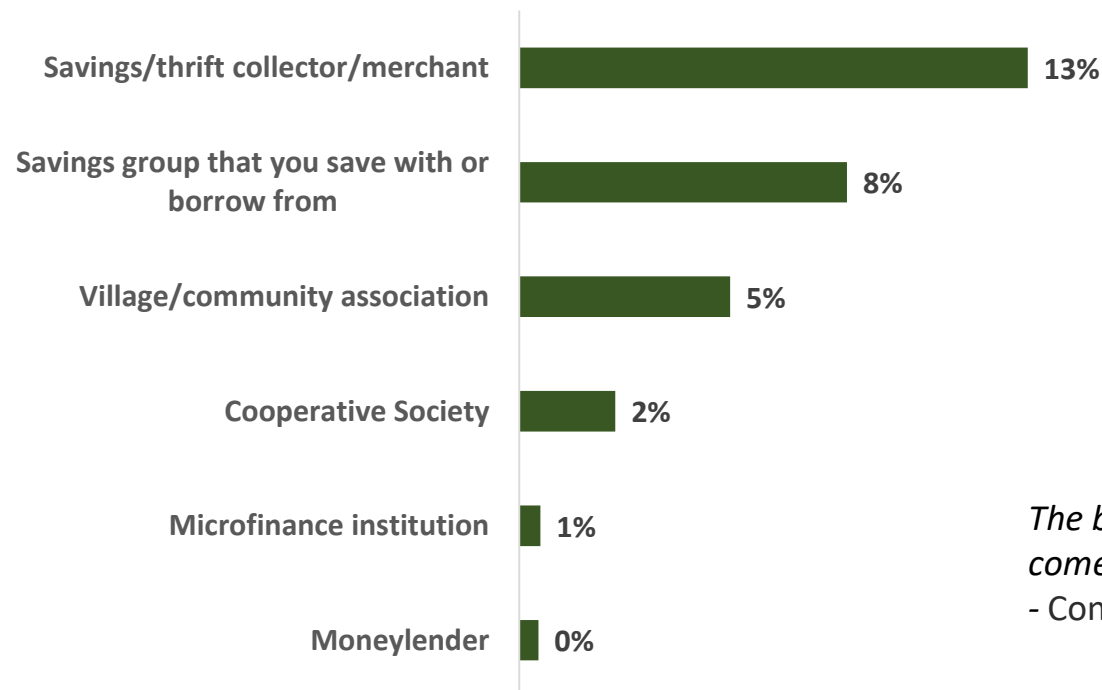
Percentage of unbanked adults



Women are more likely than men to use informal financial services

- 31% of women use informal financial services (versus 29% of men)
- 17% of women rely exclusively on informal services (do not also use any formal financial services)

Informal financial service providers used
Percentage of women



Some frequently mentioned advantages of using informal financial services also apply to agents:

- Collectors are easily accessible
- They speak the same language; there is understanding and trust
- Little documentation is required

The bankers should be polite with people they do insult ... the daily contributors will come over to your place and still talk to you politely"

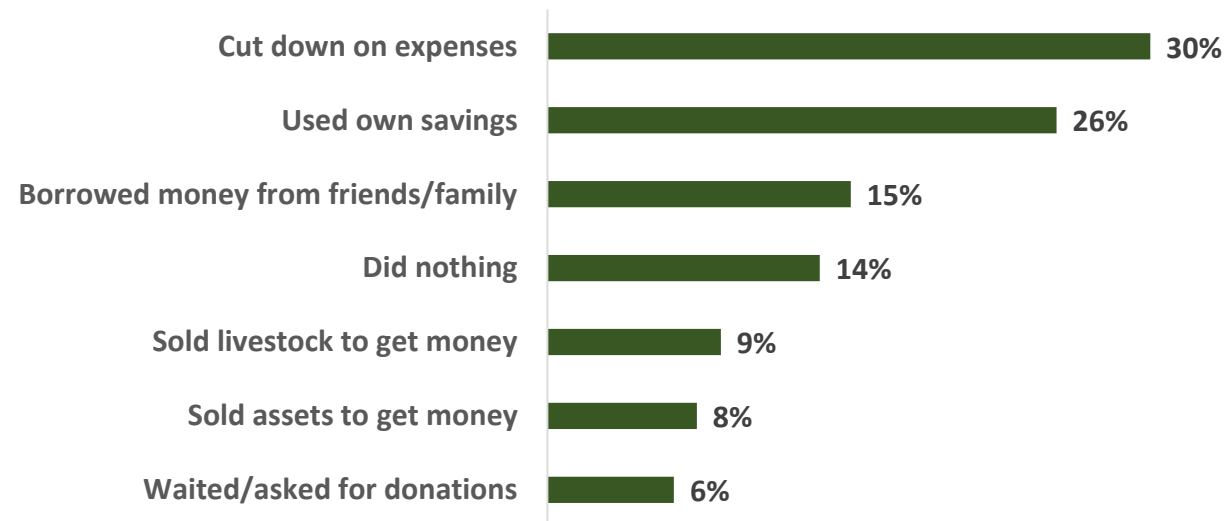
- Consensus from EFInA Focus Group Discussions

Only 1% of women are insured

- 43% of women say that they have experienced an event in the past 12 months that caused unexpected expenses and made it very difficult to pay for things
- Of those, the most common experience was serious illness of a household member

Coping mechanisms

Percentage of women who experienced an event in the past 12 months that made it very difficult to pay for things

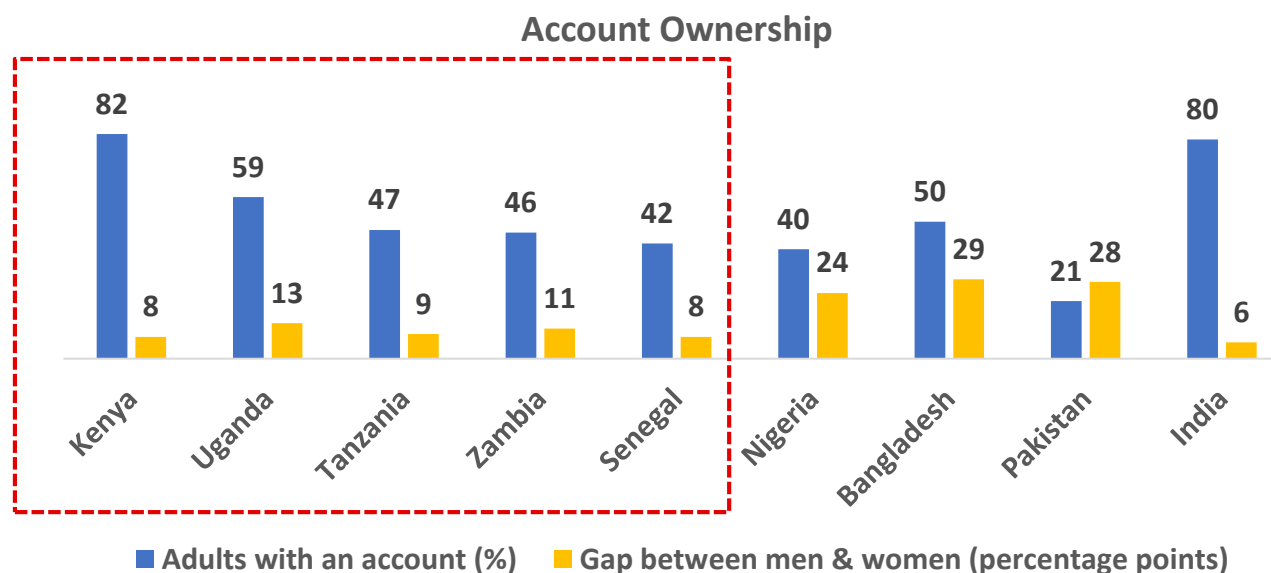
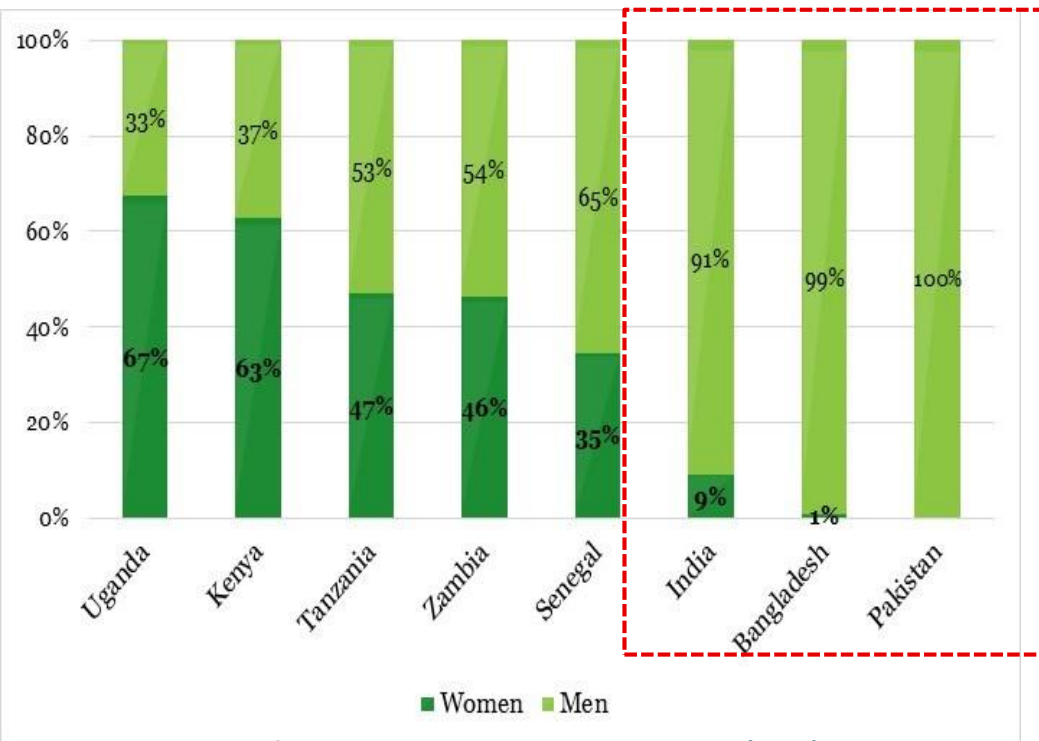




Gender Dynamics in Agent Networks

Female representation in Agent banking across Africa and South Asia

- ❑ The little or no involvement of women in financial services agent business in South Asia stems from [cultural barriers](#) and [socio-economic constraints](#). Women have limited access to [public spaces](#), identification documents, [bank accounts](#), [mobile phones](#), and economic activities.
- ❑ In Africa, women also face socio-economic barriers, however, they are better represented in Kenya, Uganda, Tanzania, Zambia and Senegal.



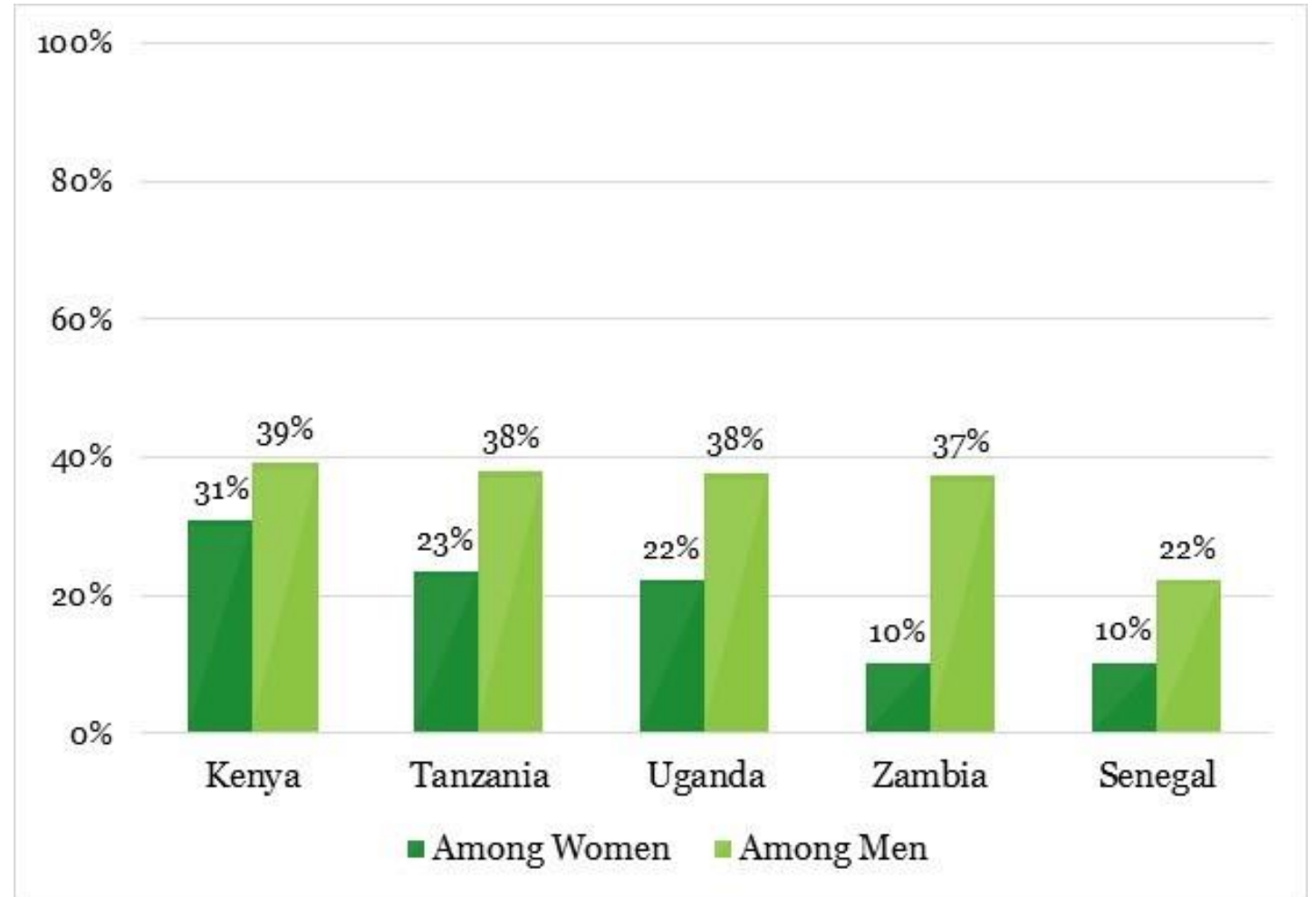
Global FIndex, 2017

Source: Compiled from the [Agent Network Accelerator \(ANA\) Surveys](#).

Women have fewer representation in agent banking business ownership

- ❑ Institutional barrier is one of the major issues preventing women agent business ownership.
 - ❑ Women across markets are less likely to have an account at a formal financial institution.
 - ❑ They constitute a mere 24% of formal SMEs owners in Sub-Saharan Africa.

- ❑ Providers' agent selection criteria often include having a bank account, a registered business as well as a minimum capital requirement. For these reasons, with low start-up capital, little collateral, and limited access to finance makes it difficult for women to fit providers' desired agent profile.

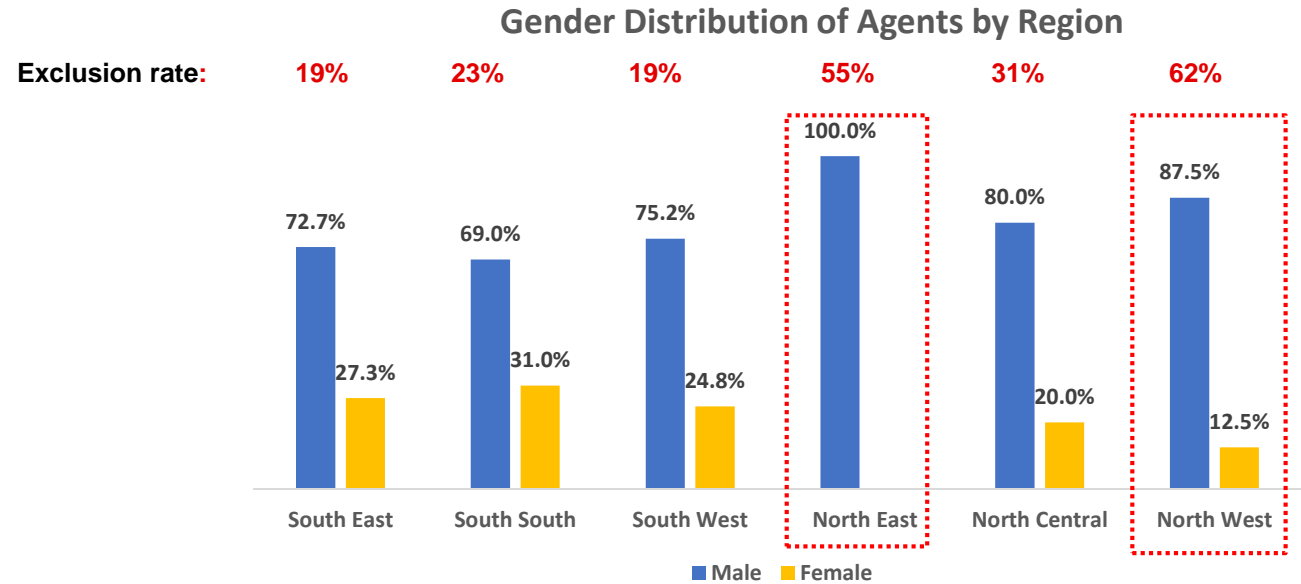
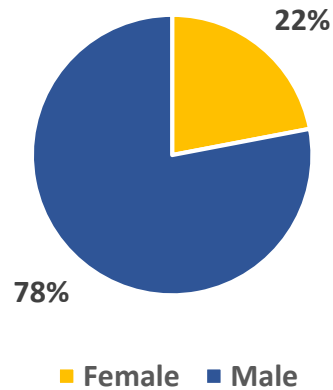


EFInA Financial Services Agent Survey

EFInA Financial Services Agent Survey (FSAS) 2017 Methodology:

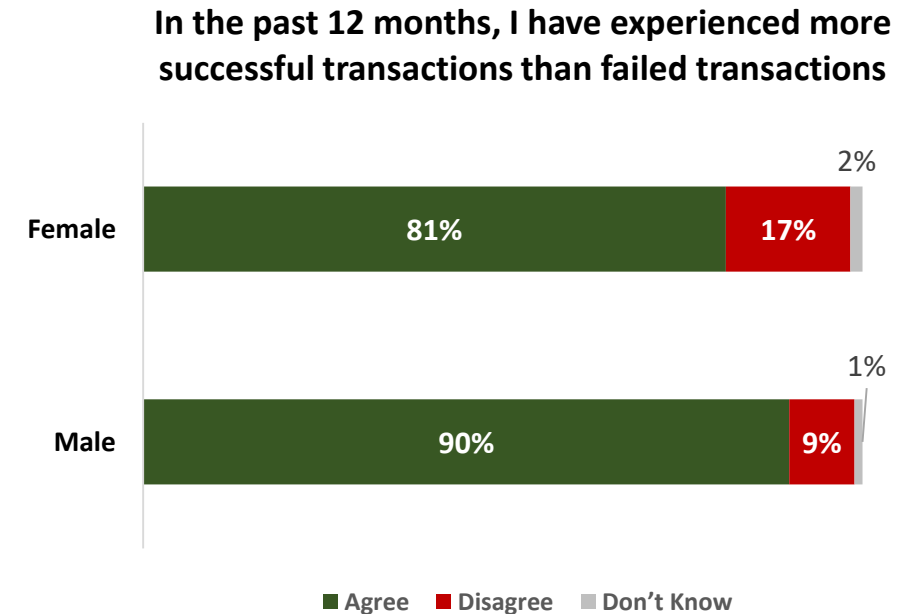
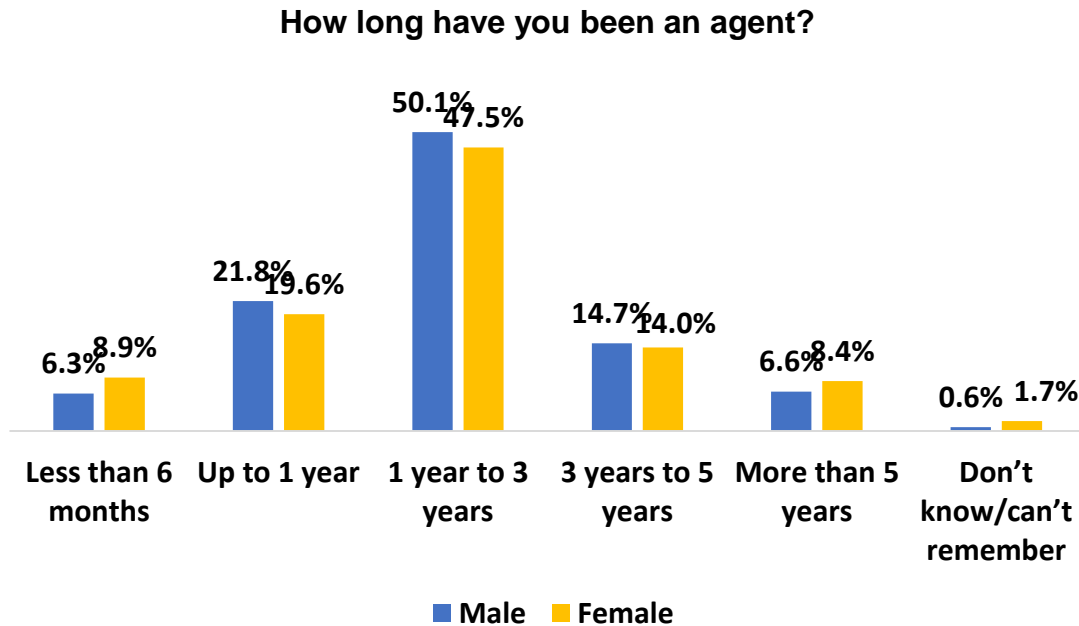
- 818 agents were randomly selected from a database of 29,000 financial services agents (based on the proportion of agents per region in the database)
- The survey was not nationally representative
- Of the agents surveyed:
 - Only about 22% were female
 - 1 out of 4 were located in the North

Gender Distribution of Agents
Percentage of 818 sampled agents



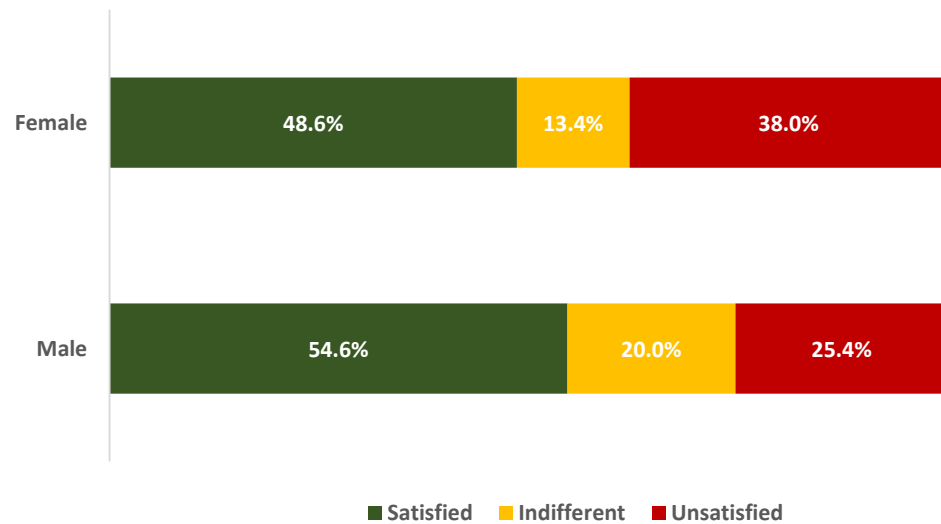
Female agents surveyed were more likely than male agents to remain agents on a long-term basis

- ❑ Women are more likely to have experienced more failed than successful transactions

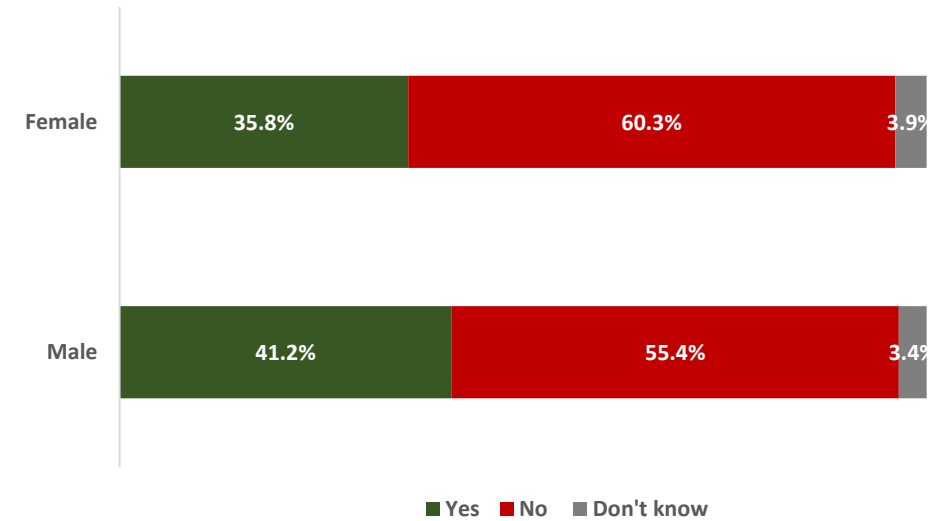


Female agents surveyed were more likely to report insufficient support from and dissatisfaction with the service provider

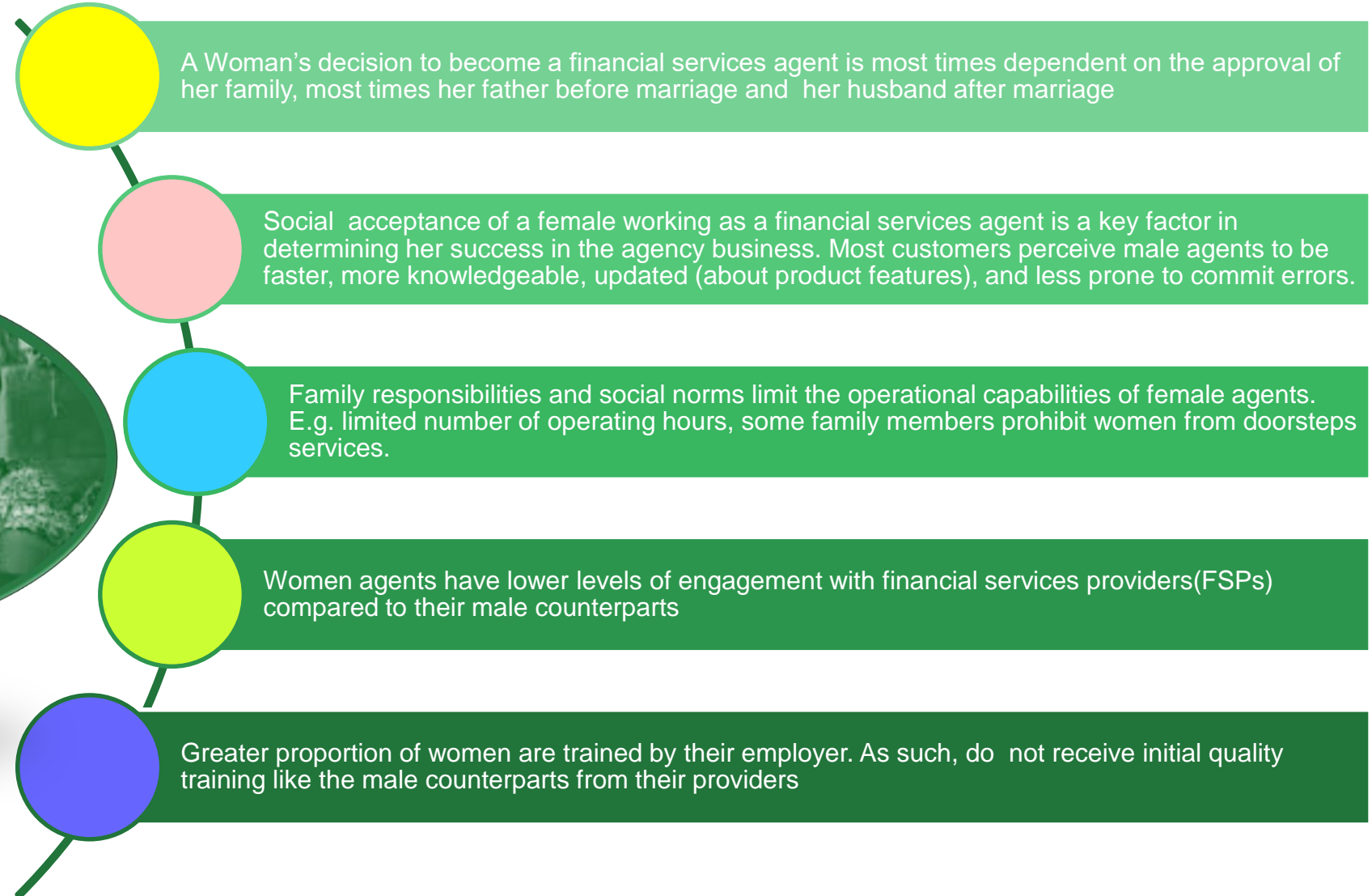
Satisfaction with services of provider



Do you receive sufficient support from the provider?



Variables influencing the achievement of a more balanced representation of Financial Services Female Agents

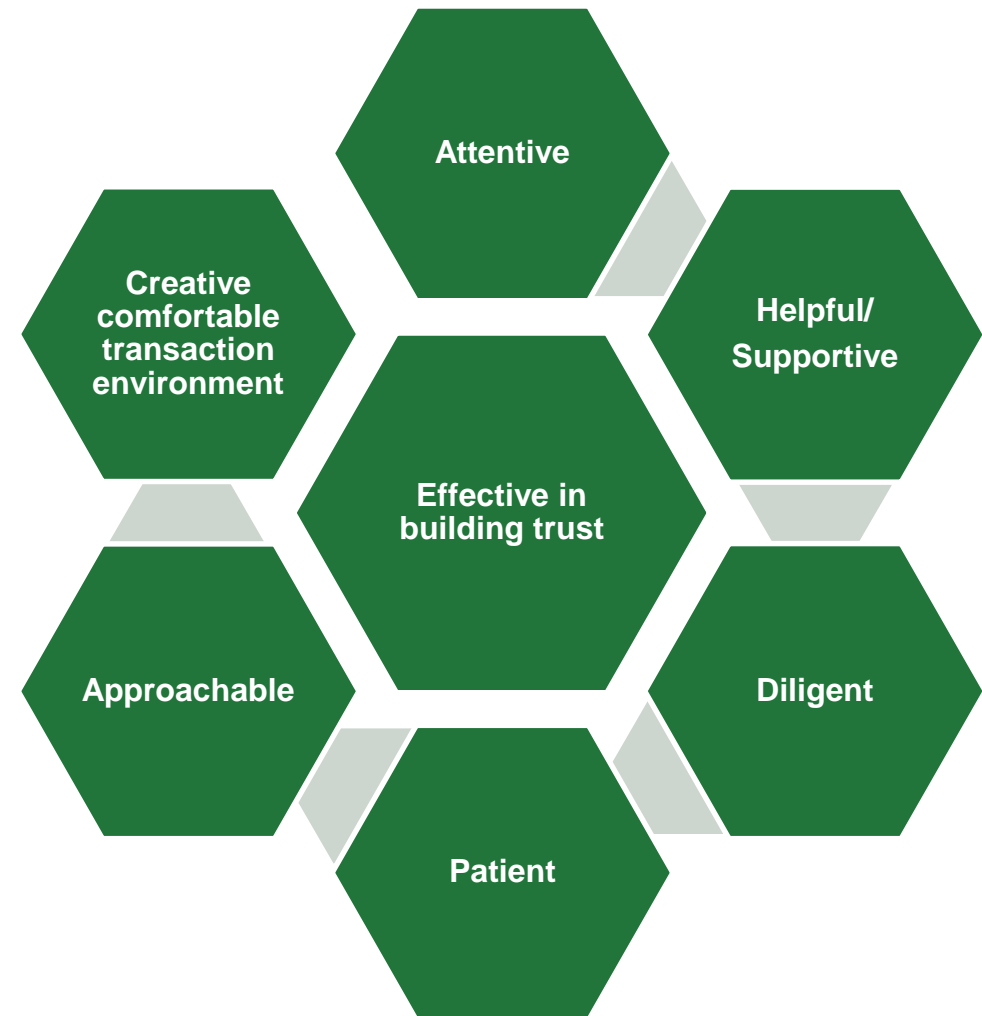




Business Case for Female Agents

Gender Aspects in Customer Experience

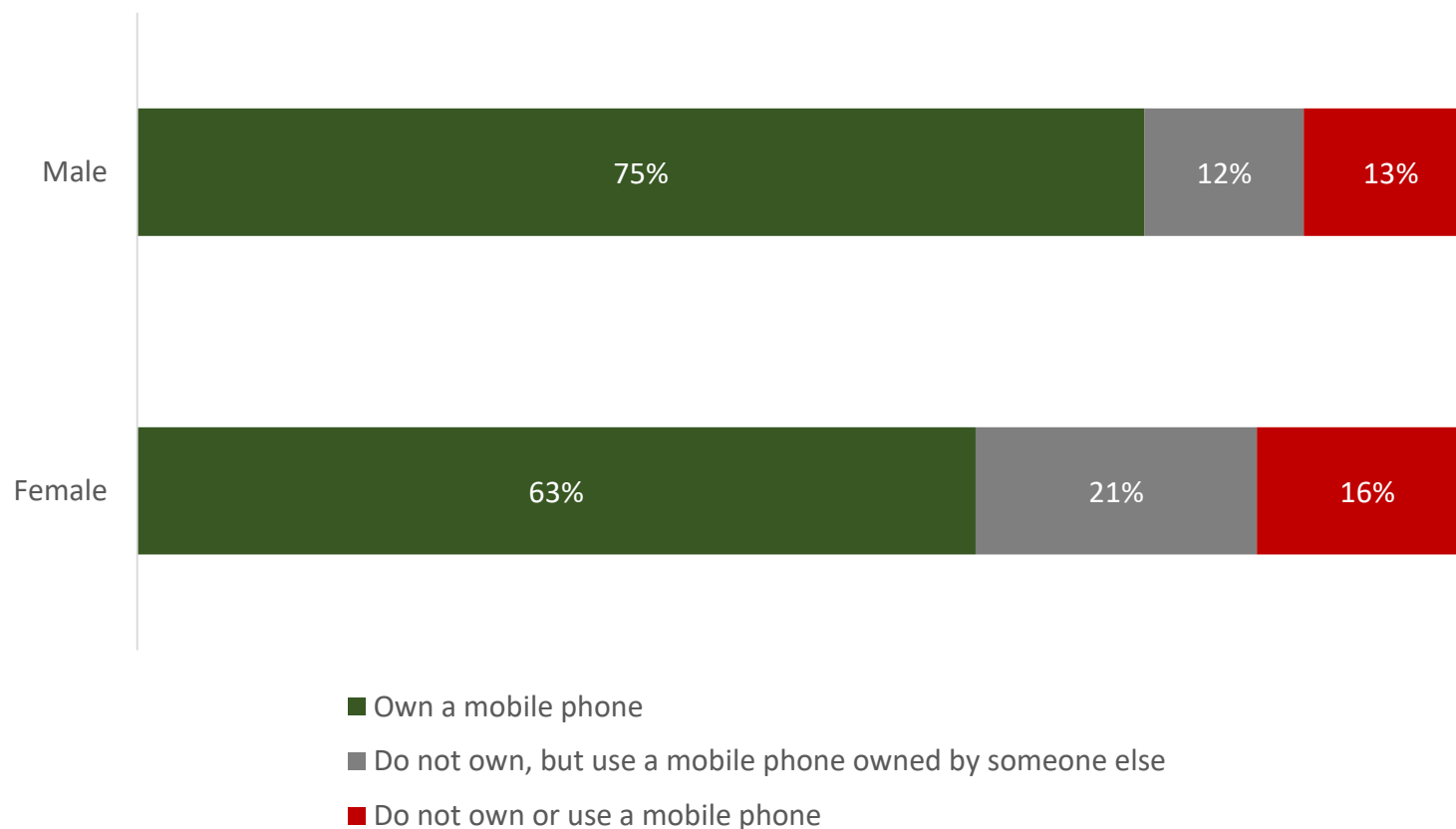
- ❑ Studies have shown that women prefer to make twice the number of interactions than men before they feel comfortable independently using financial services technologies.
- ❑ Female agents enhance the communication and comfort level for women customers, especially in a gender-segregated societies
- ❑ Female agents create reassuring environment for transactions for both male and female clients. customers feel that female agents have more patience and are more willing to spend time to address queries or explain the features of a new product.
- ❑ Studies have shown that female agents help clients stick with a provider and more actively use their accounts.
- ❑ More than 150 countries have cultural and regulatory barriers that prevent women from accessing financial services and direct communication with male agents.



Attributes of Female Agents

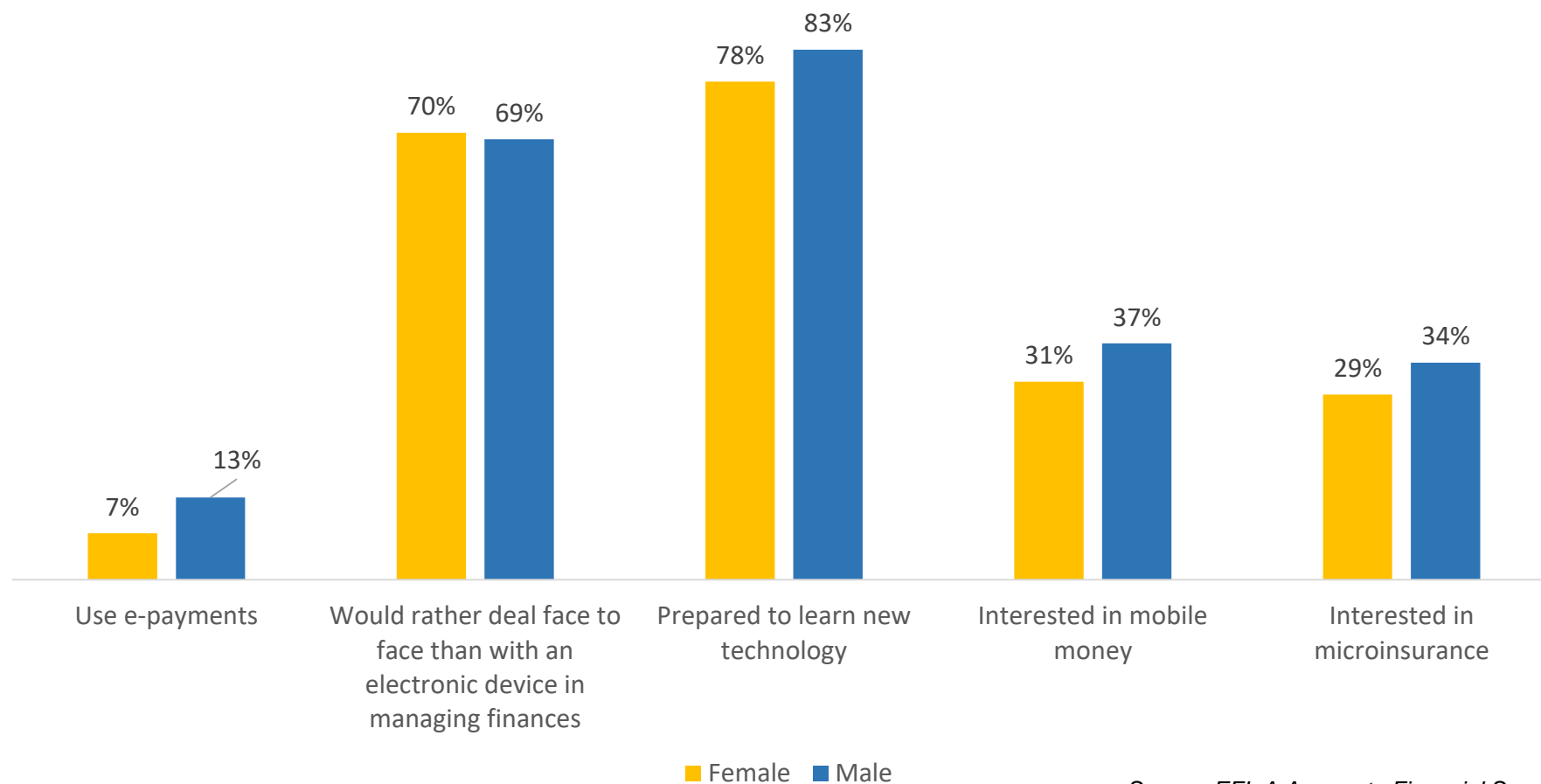
84% of women have access to mobile phones

Women are less likely than men to own a mobile phone; however, a significant number of women who do not own phones use a mobile phone owned by somebody else



More than three quarters of women say that they are prepared to learn new technology

- Women are less likely than men to express interest in learning new technology, although nearly 4 in 5 women say that they are prepared to learn how to use new technology
- 70% of women say that they would rather deal with a person than an electronic device, indicating the value of agents



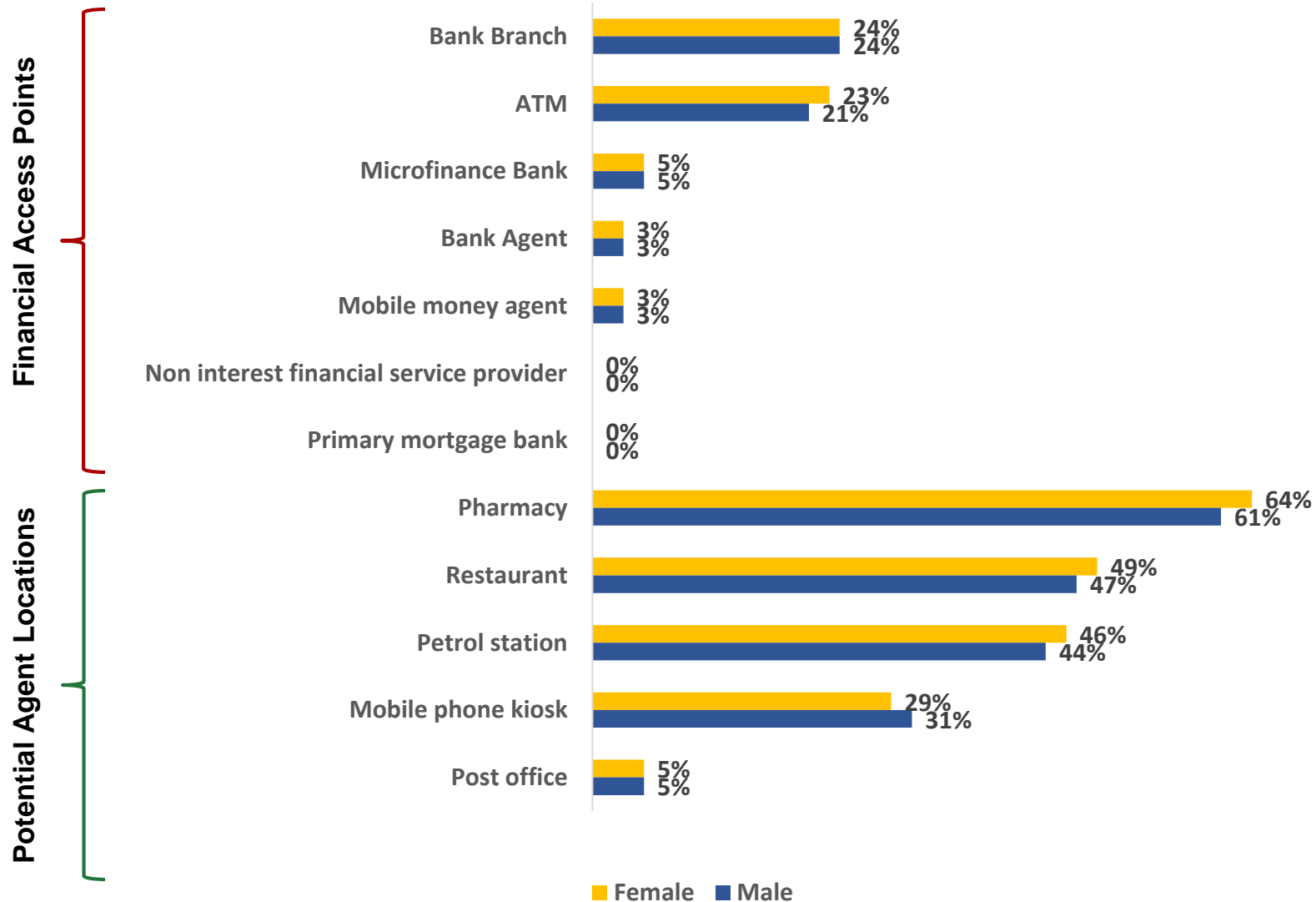
Consideration in Developing Strategy for Female agents



- Identify and provide reliable tailored information for female agents as part of the recruitment and on-boarding process
- Influence male family members to support female agents. Provide reliable information, and encouraging them to motivate female household members to become agents
- Address the issues of lack of capital, lower quality training and customer enrolment rate
- Providers should invest in better understanding of this segment of their agent network as it will be crucial for further business expansion
- Adopt progressive and innovative agent models tailored to women to enable female agents to succeed
- Providers should think of creative ways that are culturally appropriate to integrate women into their networks, if they are to grow their female customers
- Engage female field force as part of the agent recruitment and on-boarding team

Financial service providers can expand their reach by scaling agent networks

Percentage of adults that are aware of the location of, and live within 30 minutes of, the nearest:



4% of adults have used a bank agent in the past 12 months

1% of adults have used a mobile money agent

Conclusion

- 1** Understand this segment of your agent networks- Data analytics will provide insight into gender performance patterns generating knowledge to support FSPs in decisions that narrow gender gap in agent banking
- 2** Address institutional barriers hindering the participation women in agency banking – registration requirements
- 3** Regulator may consider guidelines that will encourage gender balance in agent banking
- 4** Ultimately, develop effective strategy for female agents



- ❑ **Dinarak Jordan: How Mobile Money Can Empower Female Agents and Clients –Story of Jordan**

- ❑ **Agency Banking: How Female Agents Make a Difference – Story of India** (This provide insights from MicroSave study on how gender can impact customer experience in mobile money)

- ❑ **The Partnership For Financial Inclusion- Women Make the Best DFS Agents** - this study in the Democratic Republic of Congo reveals that a microfinance institution(FINCA) has attracted a high number of female-run businesses as agents and these businesses outperform their male counterparts in both number and value of transactions.