



# Women's Financial Inclusion: Insights from Demand-Side Surveys

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# Presentation Outline

- Financial Inclusion and Gender
- Insights from the BSP Financial Inclusion Survey
- Insights from the ADB MSME Survey
- Existing Initiatives on Gender-Inclusive Financing
- Moving Forward





# Financial Inclusion and Gender





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# Financial Inclusion

Philippine National Strategy  
for Financial Inclusion 2022-2028

Financial inclusion is a state wherein there is **effective access** to a **wide range of financial products and services** by **all Filipinos**.

SAVINGS

CREDIT

PAYMENT

REMITTANCE

INSURANCE

INVESTMENT

# WHY IS FINANCIAL INCLUSION IMPORTANT TO US?



Financial products and services are tools that can help Filipinos and their families achieve their life aspirations and financial goals.



For businesses/MSMEs, financial products and services increase productivity and competitiveness, and thereby increase livelihood opportunities for individuals and the community.



The COVID-19 pandemic and climate change highlighted the need for access to resilience-building tools.



Financial inclusion can support inclusive growth and sustainable development.



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## WHY IS WOMEN'S FINANCIAL INCLUSION IMPORTANT?



Women take a bigger chunk of their incomes to household consumption (ILO). As such, improving financial inclusion in women is likely to help households **avert poverty, recover from an economic setback** (Hess, et. al, 2021), and be **resilient to disasters** (ADB, 2022)



Giving women better access to financial services and enhancing their know-how in managing financial resources and creating a business **help women achieve autonomy.** (ADB, 2022)

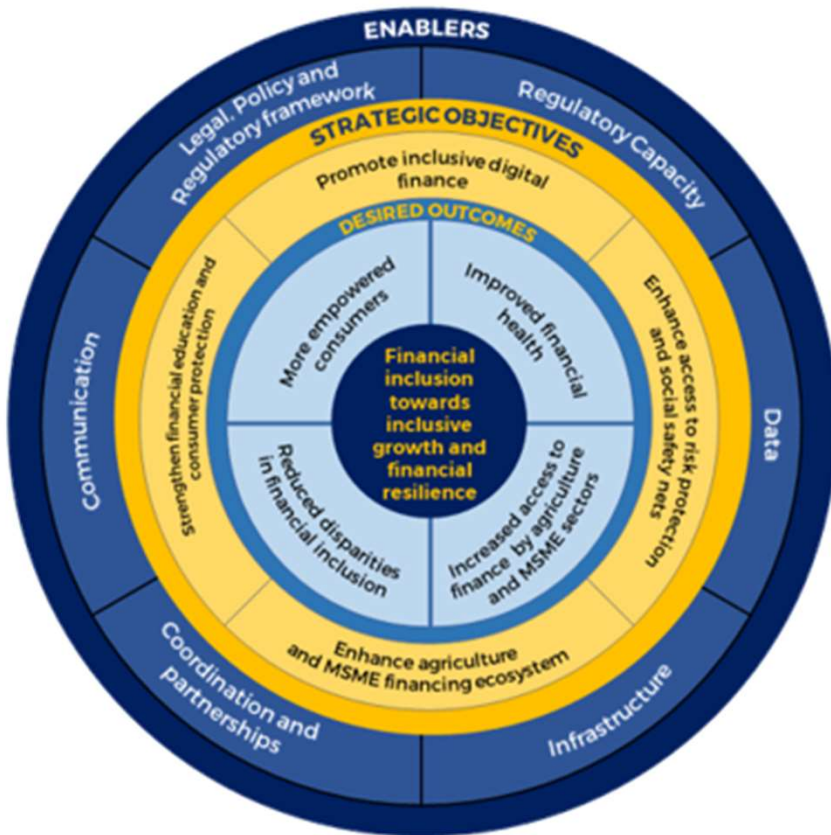


Narrowing the gender gap in financial inclusion could help in a **country's economic development and growth, reduce income disparities, accelerate business evolution, and facilitate social inclusion.**(Robino, C. et. al, 2020)



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# National Strategy for Financial Inclusion



Philippine Commission on Women as member of the inter-agency Financial Inclusion Steering Committee

Indicators with gender disaggregation:

Percentage of women-owned MSMEs with an outstanding line of credit in a formal financial institution

Gap in access to formal credit between men- and women-owned/led MSMEs

Gap in ownership of investment products between men and women



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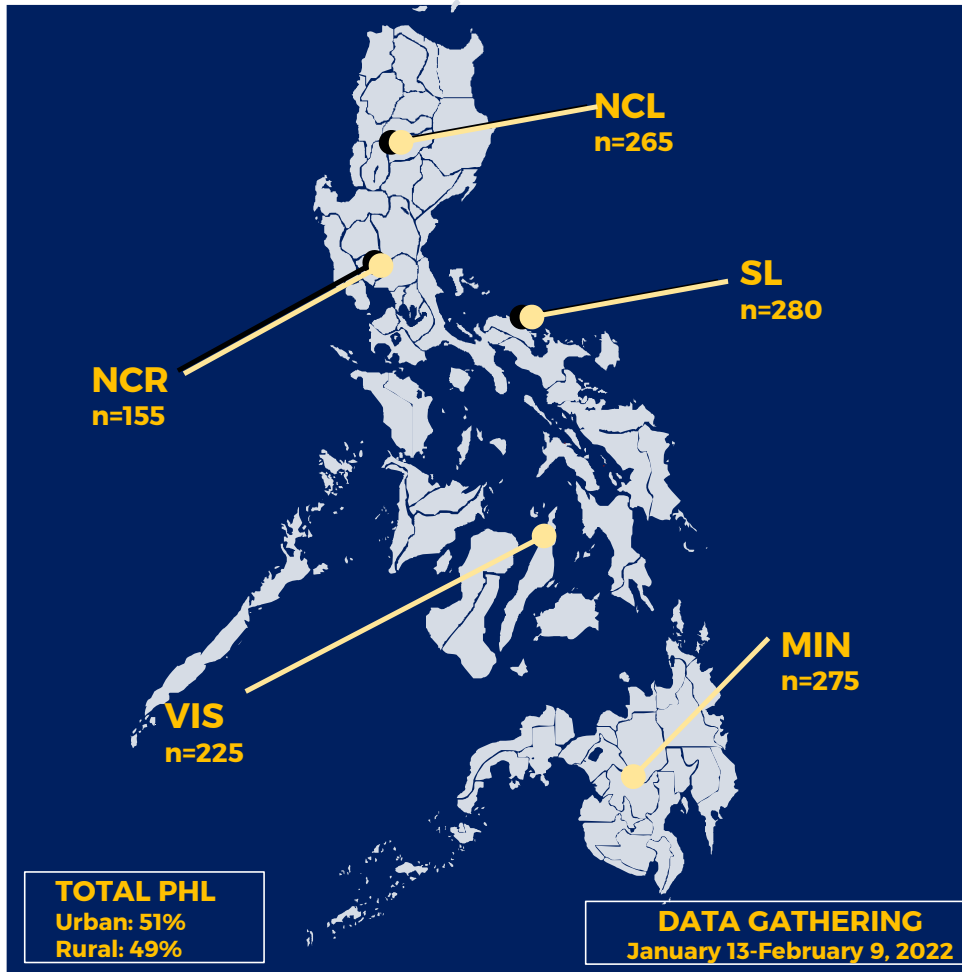
# Insights from the 2021 Financial Inclusion Survey (FIS)





# BACKGROUND OF THE SURVEY

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## QUALIFIED RESPONDENTS

- 15 years old and above
- Males/Females
- Class ABCDE households
- 1200 total interviews nationwide



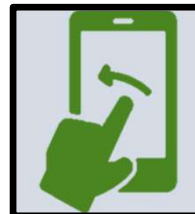
## SAMPLING METHODOLOGY

- Multi-stage sampling with probability proportional to size of target respondent
- Last birthday method to randomly select qualified respondent in a household



## DATA COLLECTION METHOD

- Face to face interviews using a structured questionnaire



## DATA CAPTURE & MANAGEMENT

- Computer-Assisted Personal Interviews (CAPI)

# ACCOUNT OWNERSHIP AND PURPOSE, BY GENDER

## ACCOUNT OWNERSHIP



**57%**  
(22.2 million)  
of Filipino women  
have transaction  
accounts

VS



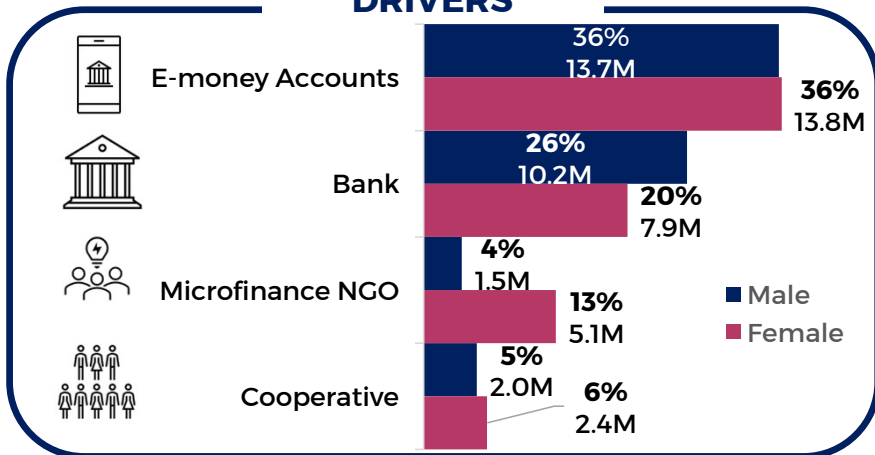
**54%**  
(20.7 million)  
of Filipino men  
have transaction  
accounts



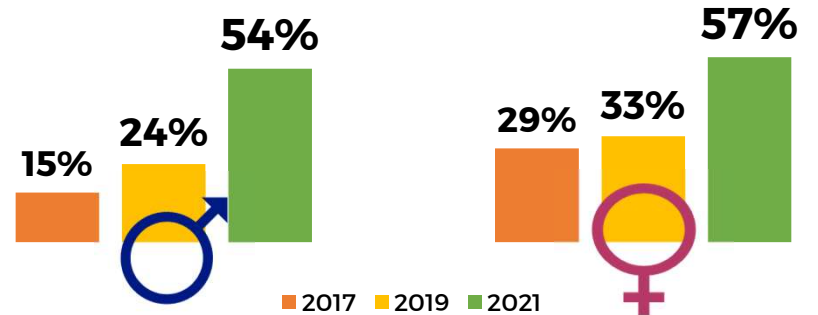
**56%** of Filipino adults have transaction  
(42.9 million) accounts in 2021 vs. **29%** in 2019

Women lead ownership in e-money accounts, cooperatives, and Microfinance NGOs, but lag in bank ownership.

## DRIVERS



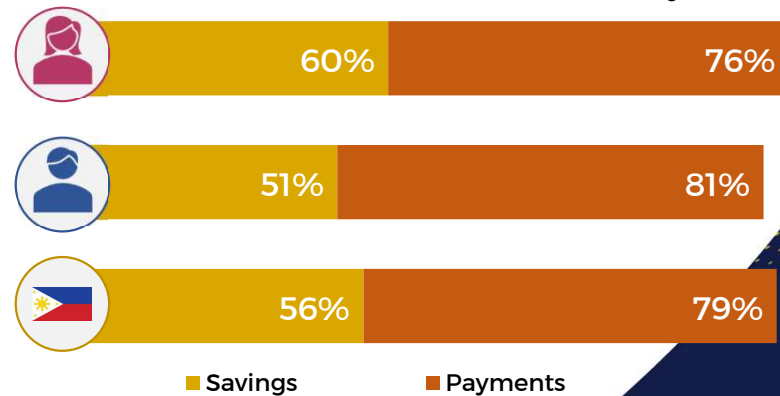
## Progress in Account Ownership



Source: BSP Financial Inclusion Survey

## PURPOSE OF ACCOUNT

Note: Among those who own an account

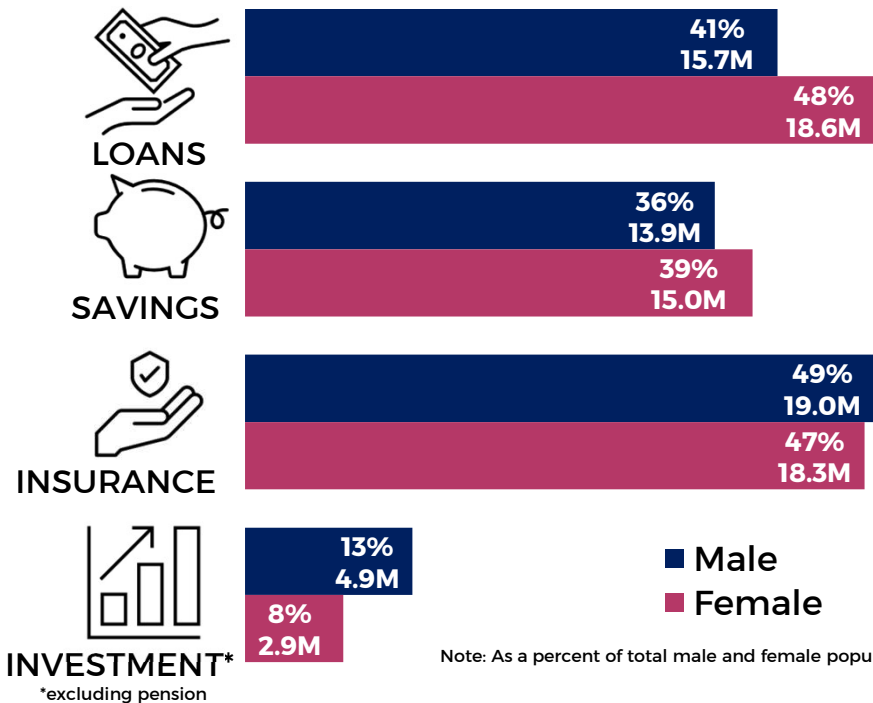


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# FINANCIAL PRODUCTS AND DIGITAL FINANCE, BY GENDER

## OTHER FINANCIAL PRODUCTS

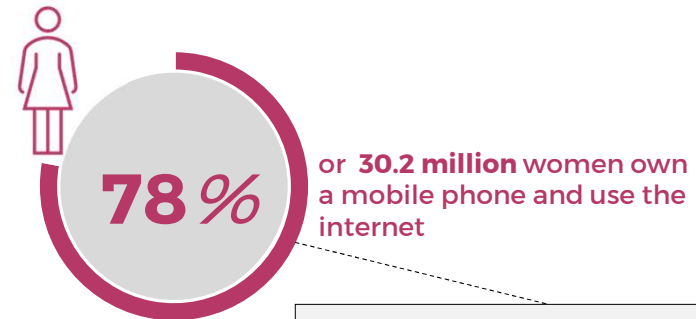
More women borrow and save than men, but may need to catch up on the take up of insurance and investments...



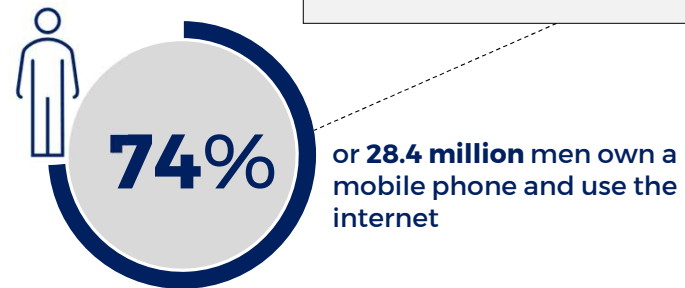
Note: As a percent of total male and female population

Source: BSP 2021 Financial Inclusion Survey

## DIGITAL FINANCE



Of which, around **60%** of both **men (17.4 million)** and **women (18.0 million)** had online financial transactions in the past 3 months

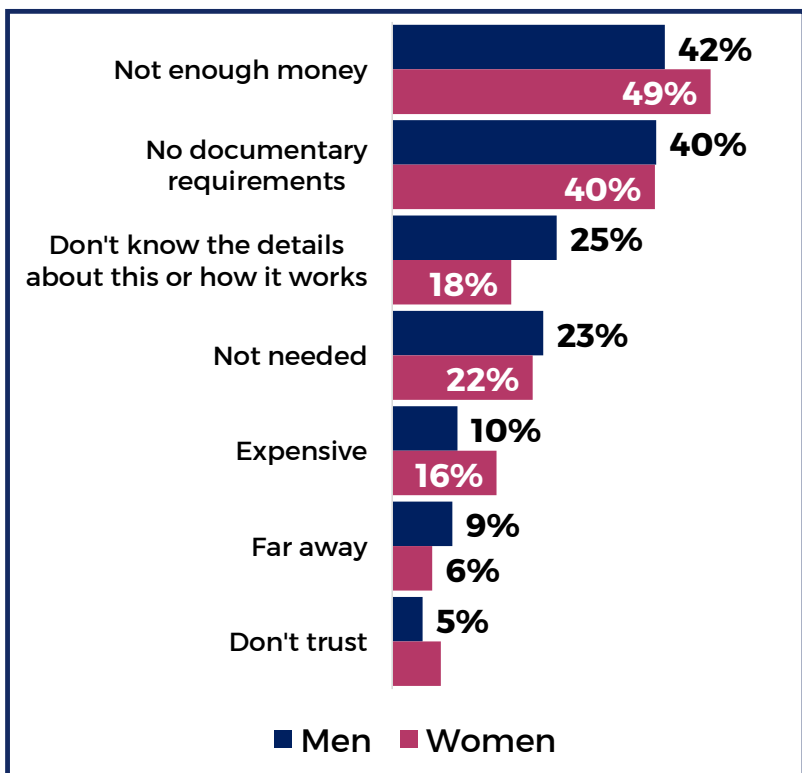


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# CHALLENGES, BY GENDER

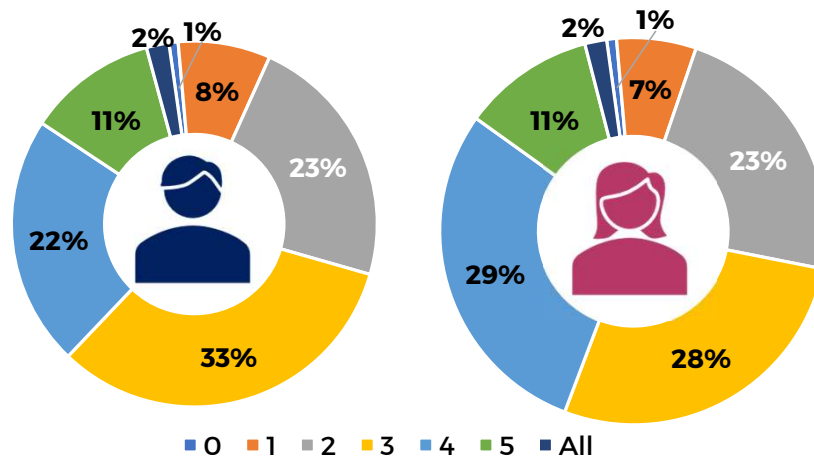
## BARRIERS TO ACCOUNT OWNERSHIP

Income and cost concerns as well as lack of documents were the main reasons for not opening an account



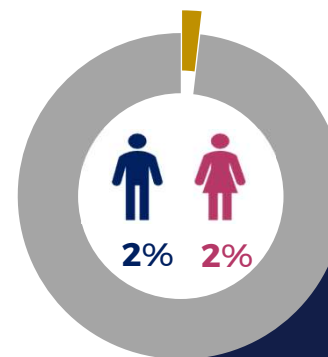
BSP 2021 Financial Inclusion Survey

## FINANCIAL LITERACY



No. of correct answers in a financial literacy quiz with 6 questions

Only **2%** of Filipinos (both men and women) can correctly answer all 6 financial literacy questions



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# **Insights from the Asian Development Bank (ADB) Micro, Small, and Medium-Sized Enterprise (MSME) Survey**

Promoting Transformative Gender Equality Agenda in Asia and the Pacific



## BACKGROUND OF THE STUDY

- Part of the ADB's regional knowledge and support technical assistance (TA) program.
- Generates evidence, knowledge, and data on MSMEs in the Philippines, particularly on WMSMEs, to better understand challenges, needs, and patterns of access to finance and entrepreneurship.

### Micro, Small, and Medium Enterprises (MSMEs)



Size of Enterprise	Number of Employees	Asset Size Range (PHP) <i>(excluding land)</i>
Micro	1 - 9	< 3,000,000
Small	10 - 99	3,000,001 - 15,000,000
Medium	100 - 199	15,000,001 - 100,000,000

Per Republic Act No. 9501

### Women-owned MSMEs (WMSMEs)



Based on the International Finance Corporation (IFC) definition

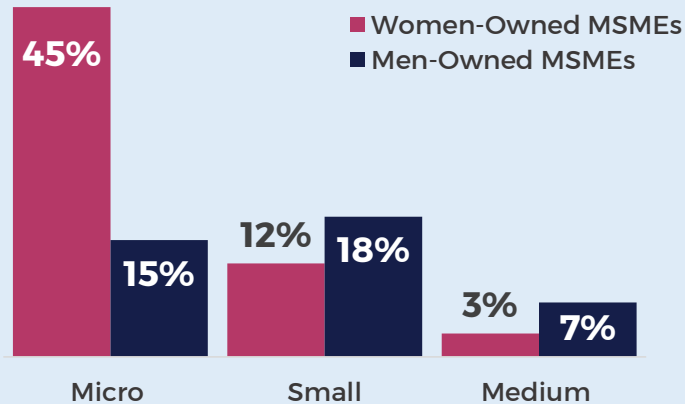
- (i) at least 51% woman-owned; or
- (ii) at least 20% woman-owned; and
  - at least 1 woman as chief executive officer, chief operating officer, president, or vice president; and
  - at least 30% of the board of directors composed of women, where a board exists.



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# PROFILE AND BUSINESSES SURVEYED

## MSMEs by Business Structure and Gender



## Origination of Businesses, by Enterprise

**88%** **85%** **94%**

■ Micro ■ Small ■ Medium

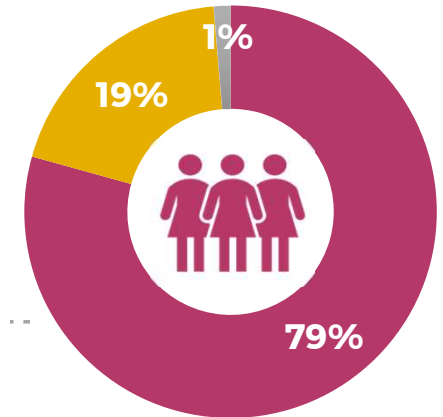
**of these MSMEs are newly created businesses and built from scratch.**



**4 out of 5**

**WMSME surveyed were fully owned by a woman**

- Business fully owned by a woman/women
- Women-Owned > 51% or more
- Women-Owned 21% to 50% of the business



**WMSMEs are primary active in these sectors:**

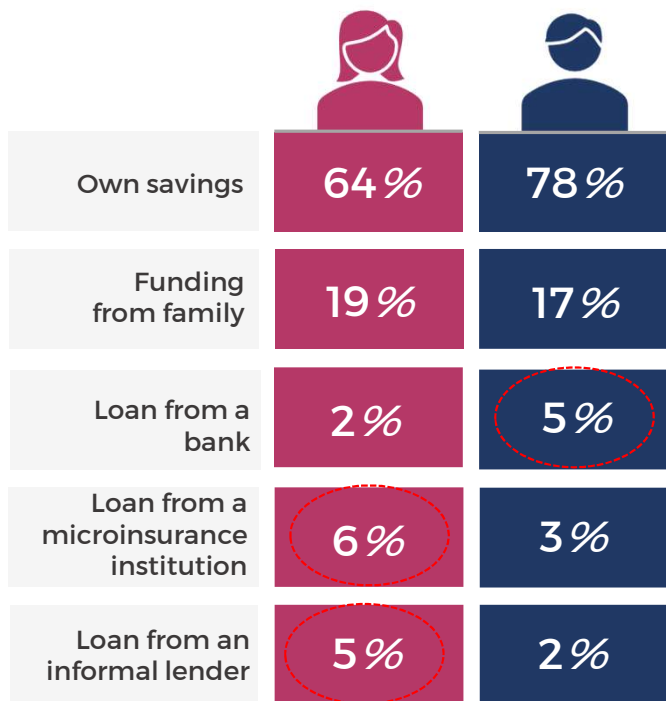
- Wholesale & Retail trade
- Accommodation and Food Services
- Manufacturing
- Other Service Activities



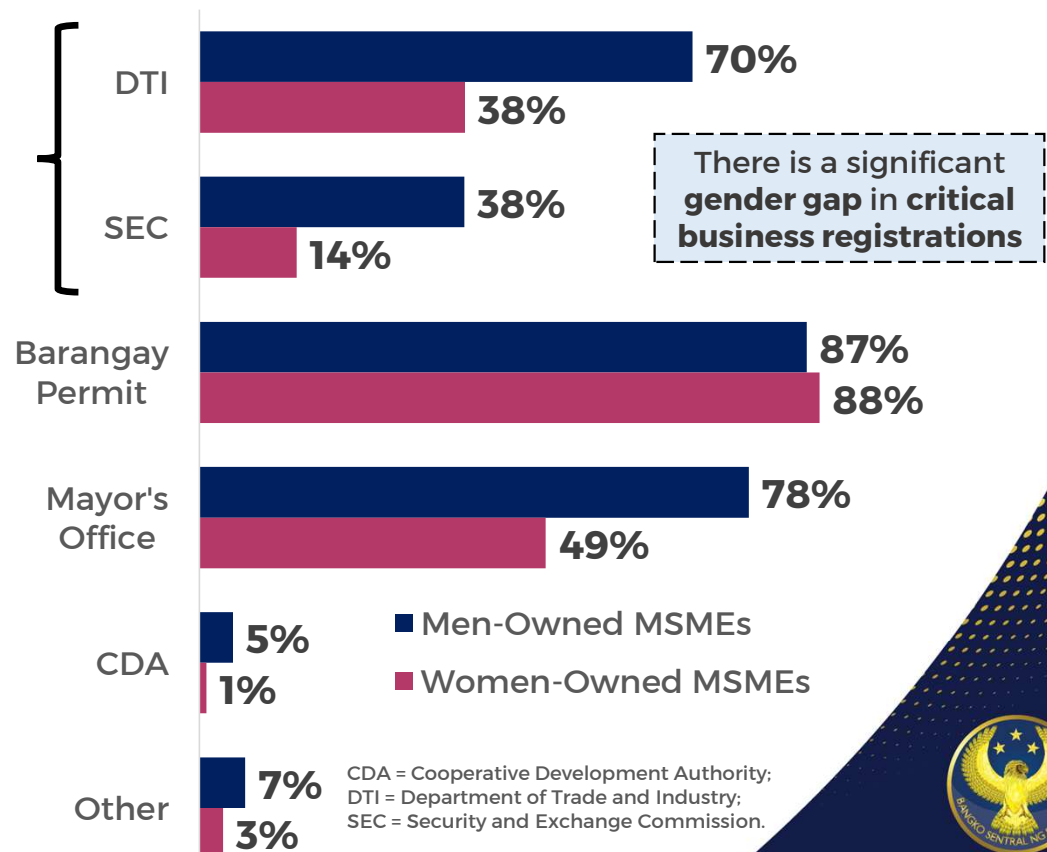
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# ON FORMALIZATION

## Business Start-up Capital, by Gender



## Business Registration, by Gender



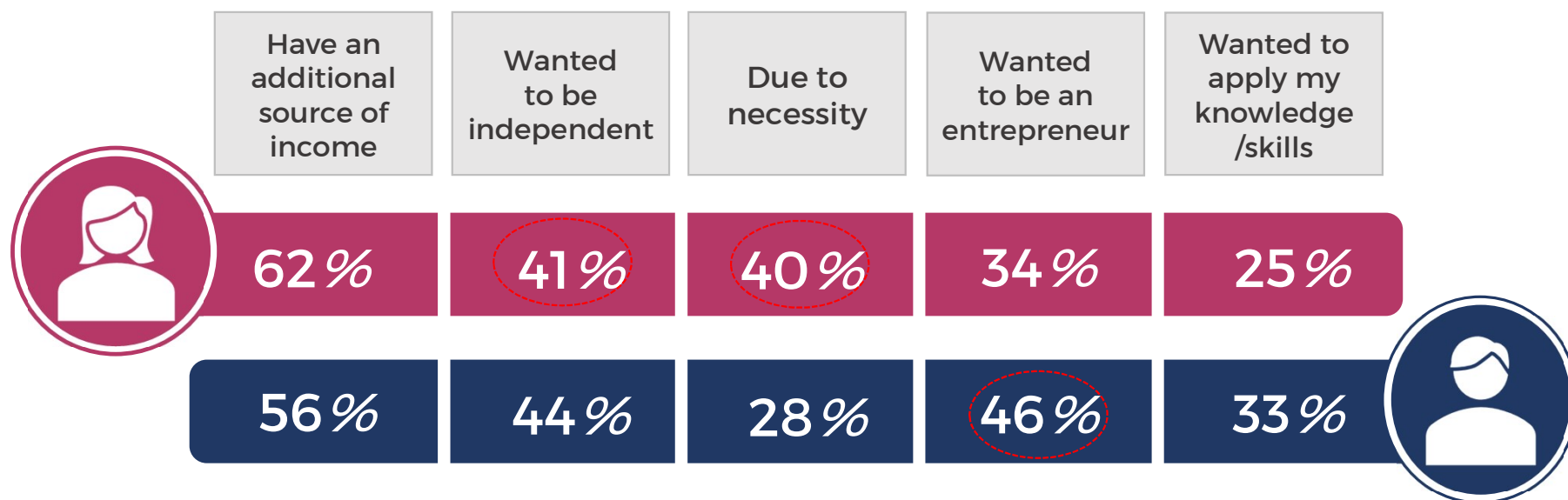
Note: As a percentage of a valid sample of 1,000: 600 women-owned and 400 men-owned MSMEs





## REASONS FOR STARTING A BUSINESS

**Both men and women set up a business out of necessity - either for additional money or for survival**



Note: As a percentage of 600 women-owned and 400 men-owned MSMEs.

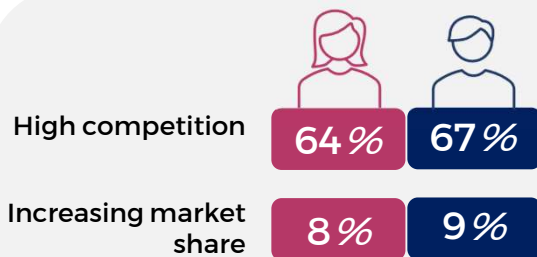


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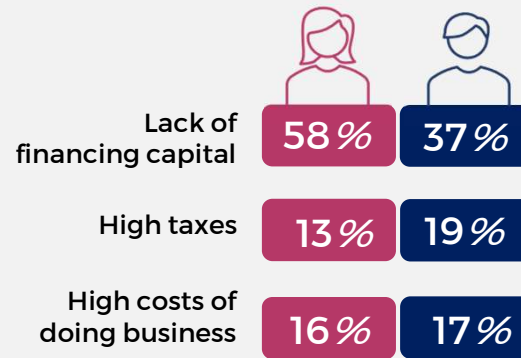
# BARRIERS TO GROWTH

Stiff competition and access to credit and capital continues to be the two most significant barriers to growth for men and women-owned MSMEs.

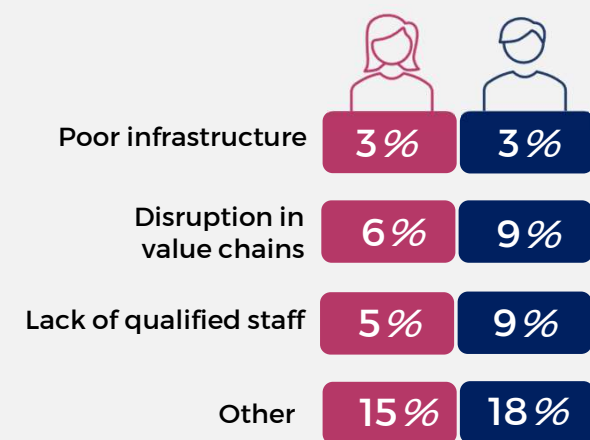
## STIFF COMPETITION



## HIGH COST OF DOING BUSINESS



## DISRUPTIONS AND SHORTAGES



Note: As a percentage of a valid sample of 1,000: 600 women-owned and 400 men-owned MSMEs

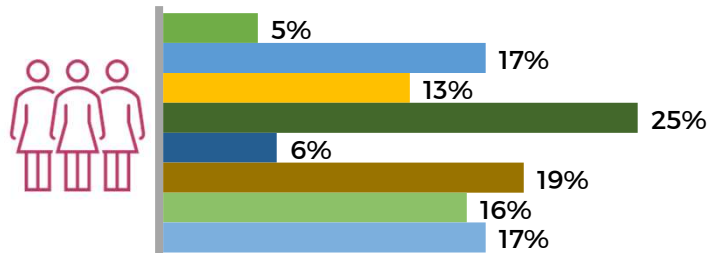
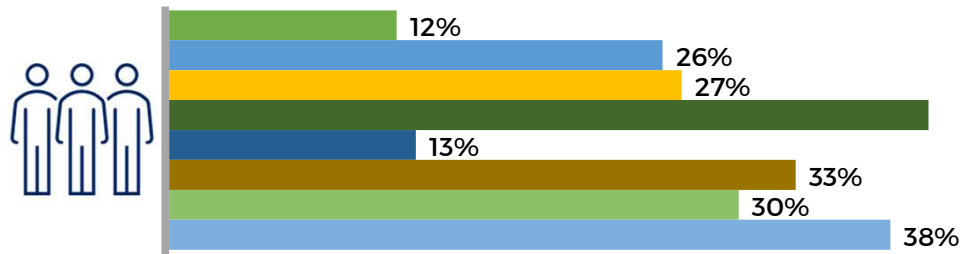


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# USE OF FINANCIAL SERVICES

**WMSMEs** were seen to use fewer financial services than **men entrepreneurs**

## Regular Use of Financial Products, by Gender



A significant gender gap was also observed between the use of personal and merchant accounts.

- Digital payments (P)
- Checking account (P)
- Digital payments (M)
- Credit/debit cards/QR code (M)
- Electronic fund transfer (P)
- Savings bank account (P)
- Electronic fund transfer (M)
- Checking account (M)

P: Personal account used for business M: Merchant account

Notes: Multiple answers were possible; as a percentage of 600 women-owned and 400 men-owned MSMEs



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# TECHNOLOGY USED IN BUSINESS TRANSACTIONS

## Technology used in Business Transactions



More than half of **women (52%)** and **27% in men** still use **cash in financial transactions**

**46% of men** and **23% of women** still prefer transacting **over-the-counter**



ATM terminals were used by **28% of men** and **15% in women**

Use of QR codes are gaining traction at **27% for men** and **16% for women**

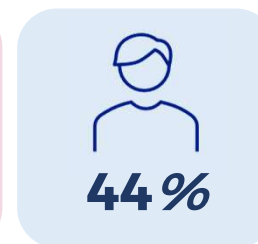
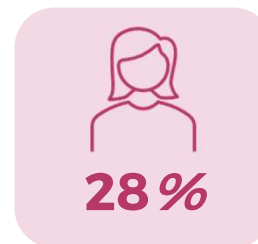


Internet banking via web browser and mobile/banking apps is still low at **22% and 21% for men** and **10% for both services in women**



Note: As a percentage of 600 women-owned and 400 men-owned MSMEs.

Only **less than a third of women use digital financial services (DFS)** compared to over 40% in men...



Note: As a percentage of 600 women-owned and 400 men-owned MSMEs.

Except for medium enterprise, **use for digital methods in business remains limited.**



Micro enterprise

**19%**



Small enterprise

**54%**



Medium enterprise

**73%**

Note: As a percentage of 600 micro, 300 small, and 100 medium-sized enterprises.



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## Other Initiatives on Gender-Inclusive Finance

(aside from collecting of sex-disaggregated demand-side data)

- Policies with gender lens
  - e.g., Microfinance, Standard Business Loan Application Form
- Participation in the BSP's Gender Focal Point System
- AFI Gender Inclusive Finance Ambassador



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## WAYS FORWARD

1. Streamline the definition of women-owned MSMEs (WMSMEs)
2. Enhance the data collection (i.e., supply-side data)
3. Explore partnerships to conduct in-depth studies on gender and financial inclusion
4. Take advantage of the largely untapped WMSME market by tailor-fitting financial products and services to their needs and preferences
5. Engage the financial sector to promote finance to MSMEs and WMSMEs
6. Offer non-financial services (e.g., trainings) that can add value to financial products
7. Adopt a whole-of-society approach to promote gender-inclusive finance



# THANK YOU!

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