Gender and Financial Inclusion in Rwanda

FINSCOPE 2020 THEMATIC REPORT

Gender thematic report 2020 produced by the Access to Finance Rwanda.
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ACRONYMS AND ABBREVIATIONS

AFR	Access to Finance Rwanda
ATM	Automatic Teller Machine
CESS	Centre for Economic and Social Studies
BNR	National Bank of Rwanda
DFID	Department for International Development
EICV	Integrated Household Living Condition Survey
FMT	FinMark Trust
NGOs	Non-Governmental Organisations
NISR	National Institute of Statistics of Rwanda
NFIS	National Financial Inclusion Strategy
PSU	Primary Sampling Unit
SACCOs	Savings and Credit Cooperative Organisation
VSLAs	Village Savings and Lending Associations

ACKNOWLEDGEMENTS

Access to Finance Rwanda (AFR) is honoured to present the 2020 FinScope Gender Thematic Report. This report is a result of collaborative efforts by different stakeholders whose contribution is appreciated.

First and foremost, we are grateful to our Funders, namely, the United Kingdom's Foreign, Commonwealth and Development Office (FCDO), the Mastercard Foundation, Sweden, and USAID who financially supported the development of this report.

Our sincere appreciation goes to the members of the FinScope Steering Committee, made of representatives from Access to Finance Rwanda, the Ministry of Finance and Economic Planning, the National Bank of Rwanda, the National Institute of Statistics of Rwanda, and FinMark Trust for their overall technical guidance and for overseeing all FinScope related activities.

EXECUTIVE SUMMARY

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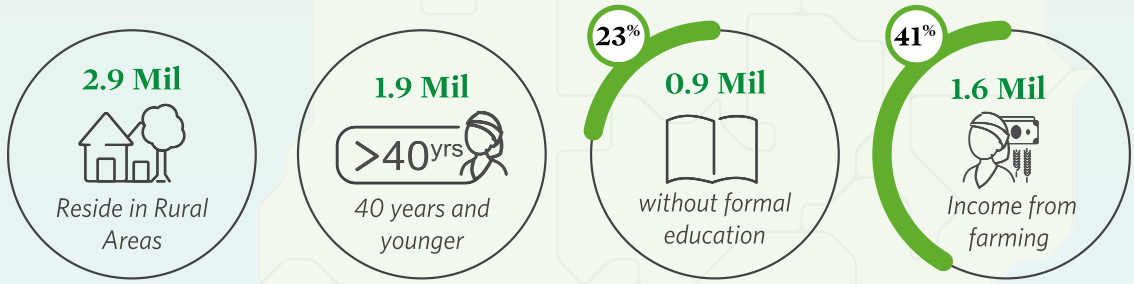
The development landscape in Rwanda has changed considerably since the adoption of Vision 2020. The progress made has given Rwandans much hope and the desire to aspire for greater achievements. Financial inclusion is one of the key priority areas (priority area 5) in achieving the National Strategy for Transformation (NST1), which is the key pillar in overseeing the crossover from Vision 2020 to Vision 2050. To strengthen policies that support narrowing the financial inclusion gender gap, the Government of Rwanda (GoR) has supported and participated in the fourth FinScope Rwanda Consumer Survey 2020. This is conducted by monitoring and evaluating gender interventions driven by the National Financial Inclusion Strategy (NFIS).

As shown in this report, there has been an increase in financial inclusion among women, and Rwanda is nearly achieving gender parity in financial inclusion. These are great achievements, however, there is an opportunity to deepen the financial inclusion of women to pair or even go beyond that of their male counterparts.

Since the first FinScope Gender Report released in 2016, we have observed changes in the demographic profile of women in Rwanda in the following ways:

General demographic profile of women in Rwanda

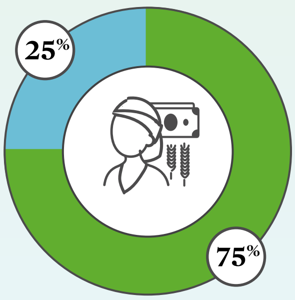
Women in Rwanda mainly reside in rural areas, are relatively young , have lower levels of education (and depend on low and more irregular sources of income such as farming).



Determinants of financial inclusion

Gender is considered as one determinant of financial inclusion. Others include age and income, which are probably the strongest determinant especially for formal financial inclusion. In general, there are higher levels of financial inclusion among males, those who are middle-aged and those who are employed in the formal sector.

Three quarters of Rwandan women relying on low and irregular sources of income such as piece work and agricultural activities are the most vulnerable.

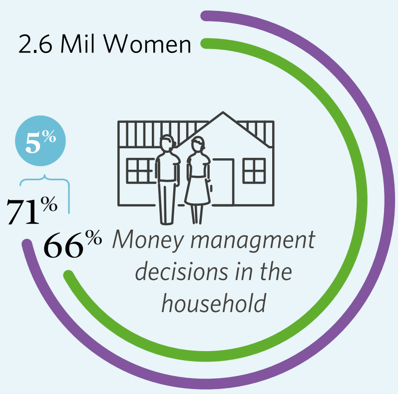


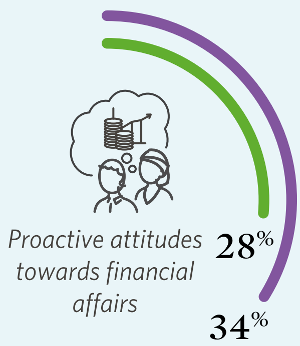
As age often relates to economic activity, it is not surprising that women between the age of 30 and 50 are more likely to have or use financial services. The same goes for those residing in urban areas and for women with higher levels of education (secondary and above).

Overall attitudes about finance and household money-management decisions:

In terms of day-to-day money-management decisions in the household, 66% or 2.6 million women are involved in money-management decisions. There is however 5% gap between men (71%) and women (66%) in joint making money-management decisions.

Proactive attitudes towards financial affairs, such as always keeping a close eye on financial matters and planning for the future, are much lower among women at 28% compared to 34% of their men counterparts.





Making ends meet for most women in Rwanda is a struggle. They must cut down on spending, take out loans, or borrow from friends and family to survive month to month. Balancing income and expenses is much harder for women than men, resulting in women not being able to save as much as men.

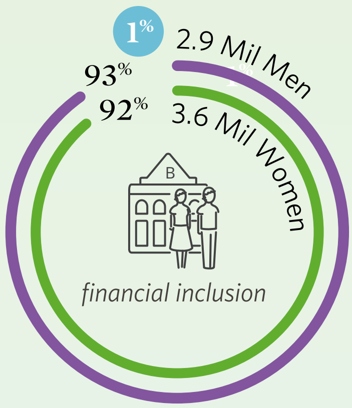
KEY:

- 2020_Male
- 2020_Female
- 2020_Gender Gap

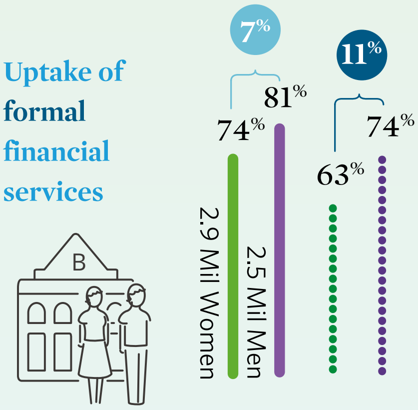
Financial inclusion among women in Rwanda:

The overall gender gap has decreased from a 4% difference in total financial inclusion in 2016 to 1% in 2020.

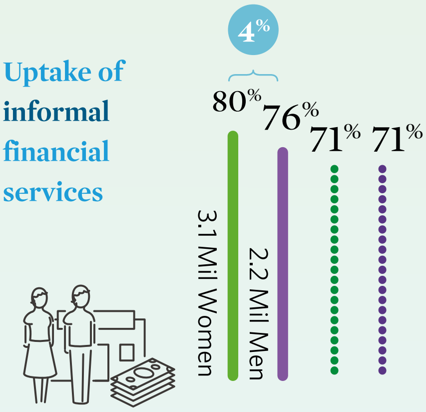
Within this context, men's uptake of financial products and services is still ahead of that of women, especially for formal financial services, which indicates that efforts made to include women in formal financial services are working. There has been an increase in the uptake of informal financial mechanisms by women, broadening the gap by 4%.



Uptake of formal financial services

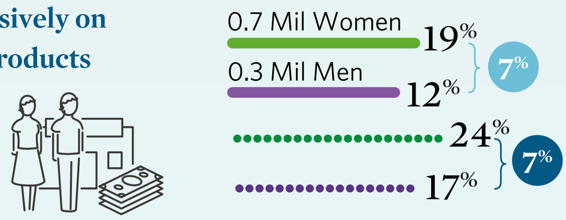


Uptake of informal financial services



The gender gap between adults relying exclusively on informal financial products and services is still significant.

Adults relying exclusively on informal financial products



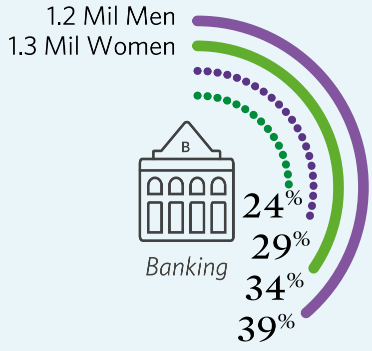
KEY:

- *2016_Male*
- *2020_Male*
- *2016_Female*
- *2020_Female*
- *2016_Gender Gap*
- *2020_Gender Gap*

Looking at the uptake of specific financial products and services, the following gender differences emerge:

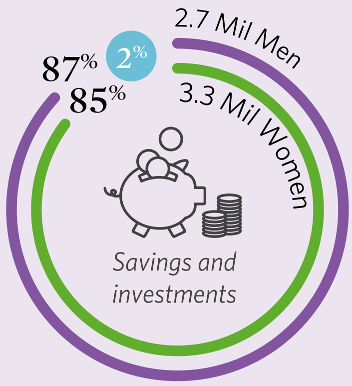
Banking:

Although there has been a significant increase in the uptake of banking products among both men and women, women still lag behind men in holding accounts at commercial banks.



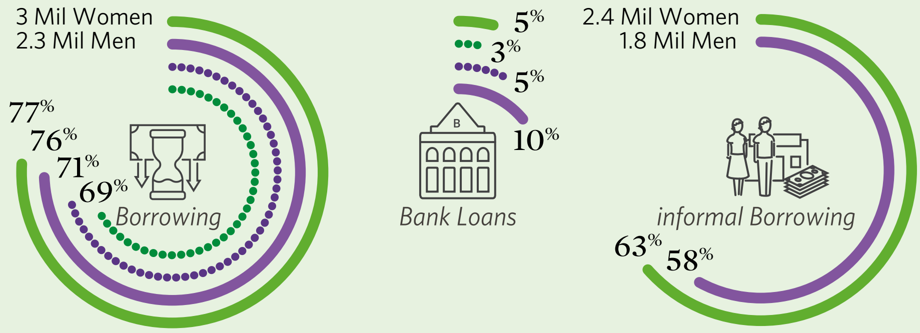
Savings and investments:

Savings rates show a 2% gender gap (down from 3% in 2016). Men and women seem to save for similar reasons, mainly to cover living expenses in times of hardship. Importantly, women are more likely to save using informal savings groups, meaning that there might be more opportunity to shift savings to formal institutions.



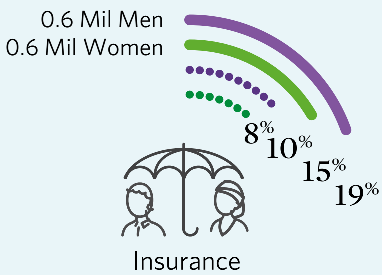
Borrowing and credit:

Interestingly, women are now more likely than men to borrow. The percentage of women taking a loan from a commercial bank has increased in 2020. Women are more likely than men to borrow from informal groups.



Insurance:

Although the uptake of insurance policies has increased among both men and women since 2016, the extent of purchases of insurance policies is still very limited for both men and women. The number of women holding an insurance policy (excluding Mutuelles de Santé) has almost doubled.

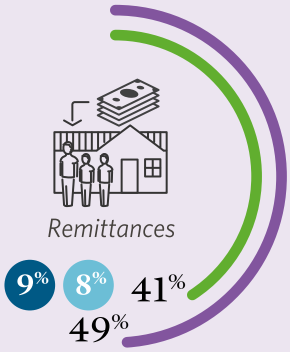


KEY:

- 2016_Male
- 2020_Male
- 2016_Female
- 2020_Female
- 2016_Gender Gap
- 2020_Gender Gap

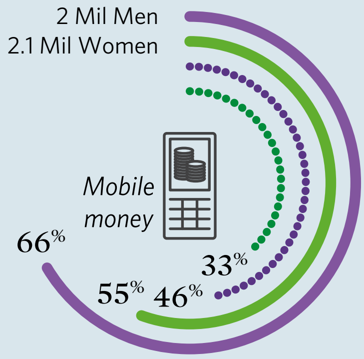
Remittances:

Remittance rates show an 8% gender gap. Fewer women either sent or received money compared to men, using almost exclusively formal mechanisms, i.e. mobile money.



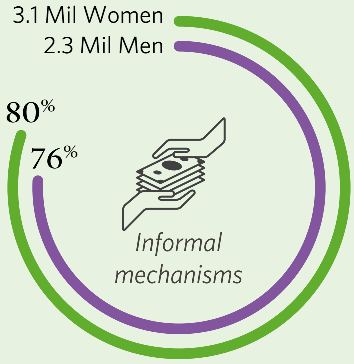
Mobile money:

The uptake of mobile money has increased significantly since 2016, mainly because they trust it and because it is affordable and convenient, but also to pay bills and keep money safe.



Informal mechanisms:

Informal mechanisms push the exclusion boundaries among women. Women are likely to be vulnerable through relying exclusively on informal mechanisms. This reliance shows a 7% gap (informal only) compared to their male counterparts.



KEY:

- *2016_Male*
- *2020_Male*
- *2016_Female*
- *2020_Female*
- *2016_Gender Gap*
- *2020_Gender Gap*

Conclusions and recommendations: As shown in this report, financial inclusion among women in Rwanda is relatively high at 92%. Nevertheless, there is opportunity for further growth and improvement to narrow the gender gap, especially in terms of deepening financial inclusion beyond access and moving towards a greater level of formal inclusion (particularly with regard to the uptake of banking products or services) which require:

Gender policy – continue with monitoring and evaluating the National Gender Policy and Girls'[1] Education Sector Strategic Plan (2018/19 to 2023/24) as these initiatives have proven successful in driving financial inclusion.

Small- and medium-enterprise development – females have the largest proportion of dependents. The proposed strategy would be to assist women who own businesses while also enabling more women to start their own businesses. Engaging the needs of these females and establishing firm entrepreneur-led businesses and farming will be key in expanding access to employment for other females, who are dependents, involved in informal sectors and non-commercial farming.

Emphasise the focus on the usage and quality of the financial services – females' use of digital financial services and economic platforms has the potential to unlock opportunities and contribute positively to financial inclusion.

Information dissemination – industry sectors (policymakers, NGOs and the private sector) to recommend and share financial sector policy and make it available to other stakeholders involved in the policymaking and advocacy process (networks, associations and other civil society organisations as well as donor agencies). These financial sector policy recommendations can be useful for setting female financial inclusion targets, to support the assessment of financial needs and to design appropriate services for women according to their context (e.g. level of education, daily activities and level of poverty).

Dedicated training/financial education programme targeted at women – integrating financial literacy within school-level and adult basic education can play a pivotal role in reducing the gender disparity.

Supporting the digital financial services – electronic money transfers are key to lowering the cost of remittances for poor economies that depend heavily on such transfers and technology. It is currently evolving so fast that costs will be significantly lower in the near future, favouring local development and financial inclusion.

1 http://www.minecofin.gov.rw/fileadmin/templates/documents/NDPR/Sector_Strategic_Plans/Education.pdf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- INTRODUCTION
- PROFILE OF WOMEN IN RWANDA
- DETERMINANTS OF FINANCIAL INCLUSION
- RESPONSIBLE FINANCES
- FINANCIAL INCLUSION AMONG WOMEN IN RWANDA
- FINANCIAL NEEDS
- FINANCIAL HEALTH

1. INTRODUCTION

It is widely accepted that financial inclusion plays an important role in promoting faster, broad-based economic growth and poverty reduction and thus strongly supports national-level objectives. In recognising efforts to support financial inclusion, the GoR has introduced several initiatives to promote financial inclusion. These include the implementation of the NFIS 2019–2024 and ensuring that the NFIS is a living document that continues to measure and monitor the identified areas of priority or pillars.

This thematic report summarises gender differences in the uptake/usage of financial products and services (both formal and informal), and as such contributes to documenting Rwanda's development towards greater financial inclusion of women.[1] Findings are based on the FinScope Survey[2] Rwanda 2020, which was initiated by the GoR and Access to Finance Rwanda (AFR)[3] with the intention to continue measuring progress in financial inclusion. Implemented by the Centre for Economic and Social Studies (CESS), the survey was conducted under the supervision of the steering committee members (e.g. including the Ministry of Finance, National Bank of Rwanda, NISR, AFR, CESS) and with technical support from FinMark Trust (FMT).

The main objectives of the FinScope Survey Rwanda 2020 were to describe the levels of financial inclusion (i.e. levels of access to financial products and services – both formal and informal) and the landscape of access (i.e. the type of products and services used by financially included individuals). As such, it aimed to identify the drivers of, and barriers to, financial access and, therefore, to stimulate evidence-based dialogue that will ultimately lead to effective public and private sector interventions aimed to increase and deepen financial inclusion.

The purpose of this Gender Report is to identify and address gender financial inclusion inequalities, by acknowledging differences between and among women and men, based on the unequal distribution of resources, opportunities, constraints, and power. Lastly, to promote better-informed, gender-responsive and effective interventions. The analysis of this report is derived from FinScope Rwanda

1 For a better understanding of the country context, the financial landscape, and overall levels of financial inclusion, this paper shall be read in conjunction with the full FinScope Rwanda 2020 report, which is available upon request from FMT or AFR

2 **FinScope Consumer Surveys:** FinScope is a comprehensive and nationally representative survey on financial inclusion, looking at how individuals source their income and manage their financial lives. It provides insight into attitudes and perceptions regarding financial products and services. The key objective of the FinScope Consumer Survey is to measure and profile levels of access to and use of financial services by all eligible adults (16/18 years and older), across income ranges and other demographics, and to make this information available for use by key stakeholders such as policymakers, regulators, and financial service providers. To date, FinScope Surveys in Rwanda have been conducted in 2008, 2012, 2016 and 2020

3 **AFR** was launched in March 2010 at the request the Government of Rwanda and with support from DFID and the World Bank. The core objective of AFR is to remove systemic barriers to financial services by putting the poor at the centre of its interventions

Consumer 2020 survey and comparison against FinScope Consumer Rwanda 2016 survey. The following sections give a brief background into the FinScope Rwanda 2020 survey's methodology:

1.1 FINSCOPE METHODOLOGY AND SURVEY DESIGN

The target population for the Rwanda State of Financial Inclusion 2020 survey consisted of eligible members of private households in Rwanda. The sample design was a stratified three-stage cluster sample, where the first stage units were the primary sampling units (PSUs), the second stage units were the households, and the third stage units were the eligible members. These were individuals who, at the time of the survey were 16 or older, available for the duration of the survey, mentally/physically capable of being interviewed, and had resided in the selected household for at least six months preceding the survey. The age limit for the eligibility criteria was based on the fact that only individuals aged 16 or older are officially authorised to obtain personal formal financial products (such as opening a personal bank account or mobile money account) from formal financial institutions in Rwanda, which makes them a target population of the financial sector. Only one individual per selected household was interviewed.

1.2 SAMPLING FRAME FOR FINSCOPE RWANDA 2020 SURVEY

The survey is based on a nationally representative sample of the adult population in Rwanda aged 16 years and older. A total of 12 480 face-to-face interviews were conducted from September 2019 to November 2019 using Computer Assisted Personal Interviews (CAPI). The data were weighted and benchmarked to the 2016/17 Integrated Household Survey (EICV5), and the FinScope Rwanda 2020 survey findings were validated and approved by the National Institute of Statistics of Rwanda (NISR). Data analysis was conducted by FMT with the involvement of AFR and the steering committee.

Rwanda is divided geographically into four provinces and the city of Kigali, 30 districts, 416 sectors, 2 148 cells, and 14 816 villages. The PSUs for the FinScope Rwanda 2020 survey were selected as a subsample of the 2012 Census frame PSUs. A list of households was compiled in each sample village selected for the FinScope survey and a sample of households was selected at the last sampling stage. The units of analysis for the survey were the individual households and people who are usually resident in those households.

1.3 SAMPLE SIZE AND SAMPLE ALLOCATION

The sample size for the FinScope Survey 2020 depended on the level of precision required for key indicators at the district level, as well as on resource constraints and logistical considerations. It is essential to ensure good quality control in order to minimise non-sampling errors. The estimates of the sampling errors for the population with a savings account by district from the EICV5 data were examined, in order to determine sample size for the FinScope Survey 2020.

Please refer to the FinScope Rwanda Consumer Survey Report 2020 for the complete survey methodology.

2. PROFILE OF WOMEN IN RWANDA

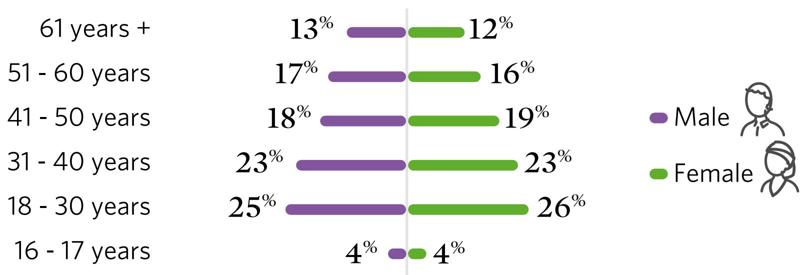
This section summarises basic demographic, socioeconomic and geographic information of women in Rwanda. It looks at who these women are (demographic data), what they have (education), how and where they live (geographical distribution and infrastructure), and what they do with what they have (income-generating activities). A new element added in 2020 is the understanding of financial attitudinal data and financial skills, to help paint a better picture of the overall profile of women in Rwanda.

All these factors influence the financial lives of women to varying degrees and therefore affect financial inclusion, which will be discussed further in the following sections.

2.1 WHO THESE WOMEN ARE (DEMOGRAPHIC DATA)

FinScope Rwanda 2020 estimated the total adult population (16 years and older) to be just over 7 million, of which 56% are female (about 3.9 million). The large majority is rural-based (figure 4), with 74% of women (2.9 million) residing in rural areas. In general, the adult female population in Rwanda is relatively young, with 53% being 40 years of age and younger (1.9 million).

Figure 1: Age group by gender (%)



2.2 WHAT THESE WOMEN HAVE (EDUCATION)

Women are more likely to have no formal education (23%, around 900 000) than men (15%). This is driven by the large gender gap seen in the older generations, particularly 51 years and up. The gender gap for no formal education is closing within the younger generations (see figure 3).

Figure 2: Education level by gender (%)

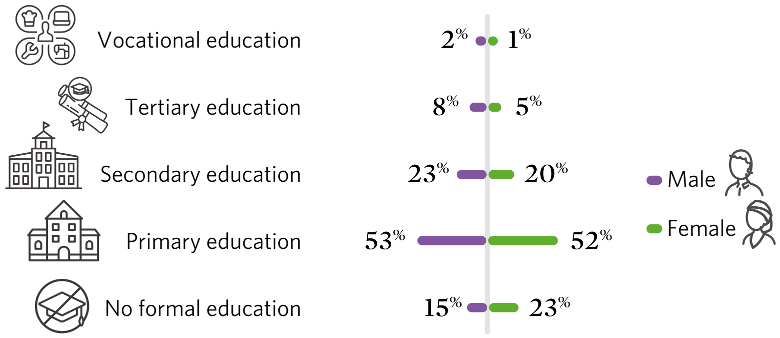
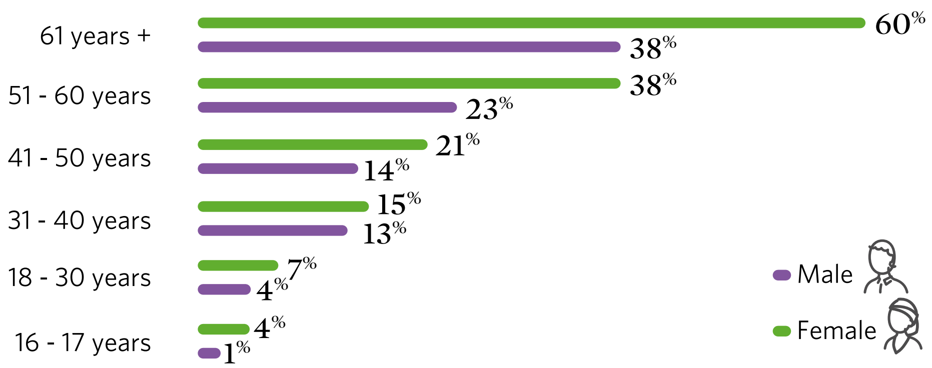


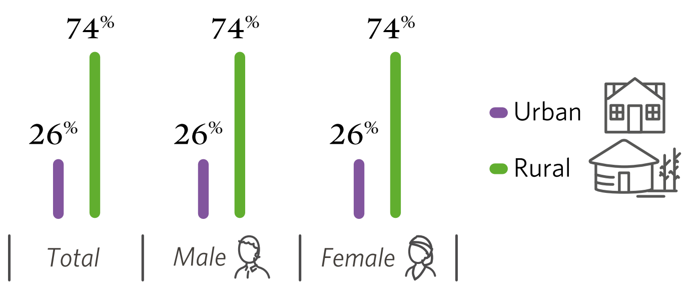
Figure 3: No formal education by gender (%)



2.3 HOW AND WHERE THESE WOMEN LIVE (GEOGRAPHICAL DISTRIBUTION AND INFRASTRUCTURE)

Data shows that women are less likely to come from household with good infrastructure compared to male counterparts: Only 19% of women come from households that have access to piped water in their homes or yards compared to 21% of men. There are also more men from households with access to electricity that could be used for cooking and lighting purposes (47%) compared to women (43%). The majority of women use sources other than electricity for lighting purposes, such as oil lamps (29%) and solar panels (13%). Fetching drinking water and firewood for cooking purposes is a daily reality for girls and women in these households. This is not surprising as the large majority of women are rural-based; figure 4 shows that 74% or 2.9 million reside in rural areas.

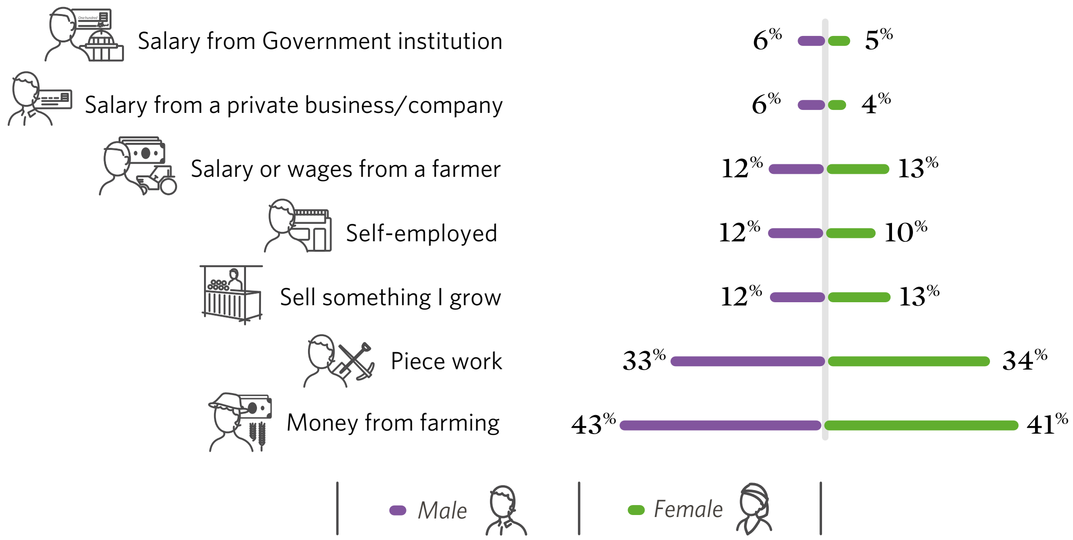
Figure 4: Area type by gender (%)



2.4 WHAT THEY DO WITH WHAT THEY HAVE (INCOME-GENERATING ACTIVITIES):

The large majority of women are from households that are involved in farming activities (61% or 2.4 million). Most of the households' consumption comes from the food that they grow. Farming activities account for 41% or 1.6 million of Rwandan women's income and 13% or 0.5 million from selling something that they grow. 34% or 1.3 million adult women earn an income from piece work. This makes farming and piece work leading sources of income. These livelihoods are often related to irregular and low levels of income and, as such, women generating their income from farming activities are less likely to prioritise the use of financial products or services. In total, only about 9% or 0.3 million women receive their main income from a salary or wage from the formal sector (public = 5% and private = 4%) compared to 12% or 0.4 million men.

Figure 5: Sources of income by gender (%)



3. DETERMINANTS OF FINANCIAL INCLUSION

As shown in figure 4 in section 2 above, women in Rwanda mainly reside in rural areas, are relatively young, have lower levels of education and depend on low and more irregular sources of income such as farming and other employment. The following analysis compares overall levels of financial inclusion among women and men using these five main determinants to develop a picture of financial inclusion. The next section looks at the uptake of financial products or services in more detail. Overall, 93% of adult Rwandans are financially included, implying that 6.7 million are using either formal[4] or informal[5] products/services to meet their financial needs. The figures in this chapter show the distribution of the included groups (gender) by area type (urban/rural), age, education and employment.

3.1 LOCATION/AREA TYPE

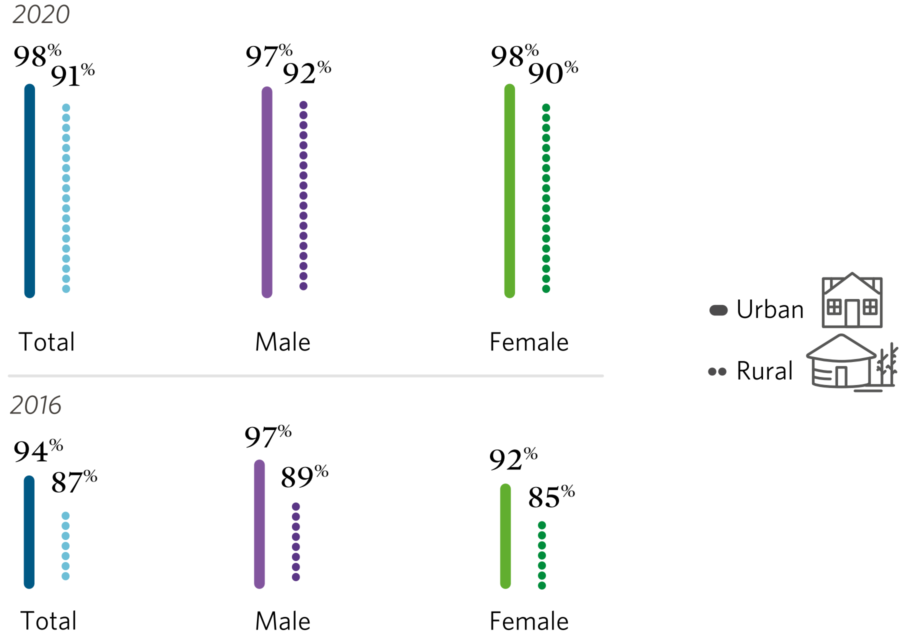
As shown in figure 6, location (area type) is one of the five main determinants. Since 2016 there has been an increase in financially included women, which attests to the changes in these main five determinants. Financial inclusion for women in urban areas has increased from 92% in 2016 to 98% in 2020, and the number of women residing in rural areas who have or use financial products or services has also increased in 2020 (90%) compared to 2016 (85%).

Financial inclusion is higher in urban areas compared to rural settings due to a variety of reasons, including better access to infrastructure, physical access to financial services institutions compared to rural/remote areas, generally higher levels of salaried workers, and lower dependency on irregular income sources such as farming. Rwanda shows a large urban/rural divide in terms of financial inclusion as most of the adult population resides in rural areas. In general, levels of overall financial inclusion in rural areas are lower but are driven by the uptake of informal financial products or services, which will be shown in the next section. The FinScope Rwanda 2020 report shows that the most significant difference between rural and urban levels of financial inclusion is the uptake of bank products or services. The presence and higher density of (formal) financial service providers in urban areas, and usually better infrastructure, also result in shorter travelling time to financial access points such as bank branches and ATMs.

4 Have/use formal financial products and/or services provided by a formal financial institution (bank/nonbank). A formal financial institution is governed by a legal precedent of any kind and bound by legally recognised rules

5 Have/use financial products and/or services which are not regulated. These operate without legal governance that would be recognised, e.g. tontine or money lenders

Figure 6: Gender financial inclusion by area type (%)



3.2 AGE

Age is a determinant of financial inclusion. In general, there are higher levels of financial inclusion among those who are middle-aged, which might be connected to their economic activity. While FinScope considers an age of above 30 years as economically settled, those 30 years and younger tend to have a higher incidence of unemployment as well as low or no income. As such, economically settled people tend to use more financial products or services, i.e. show higher levels of financial inclusion. A 3% decline in the number of financially included women aged 16 to 17 years has been observed since 2016 (71%), with 68% in 2020. A general increase in financial inclusion, since 2016, is observed across all other age groups, but more so in woman aged 51 years and older. The gender gap of 7% in financially included adults aged 16-17 years, is driven by the level of education. As can be seen in figure 9, 63% of women aged 16-17 years with no formal education are financially included, compared to 0% of men in this category.

Figure 7: Gender financial inclusion by age (%)

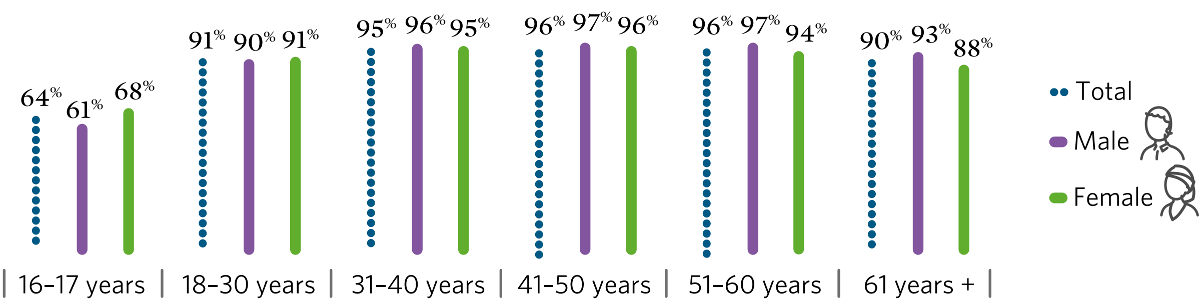


Figure 8: Trended gender financial inclusion by age (%)

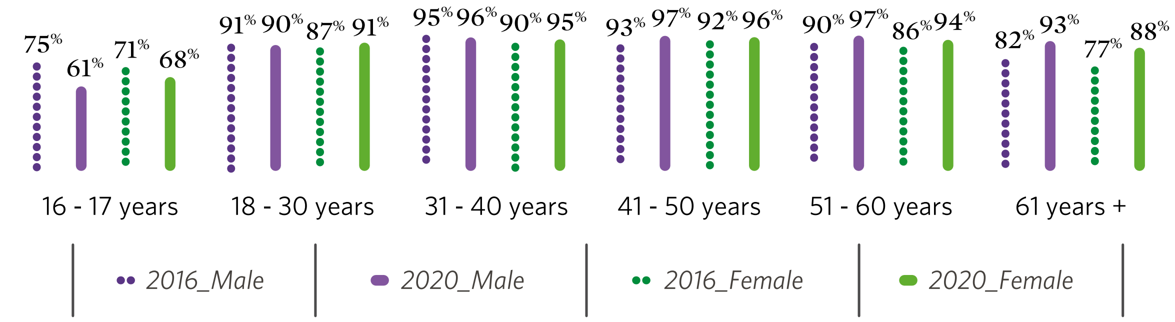
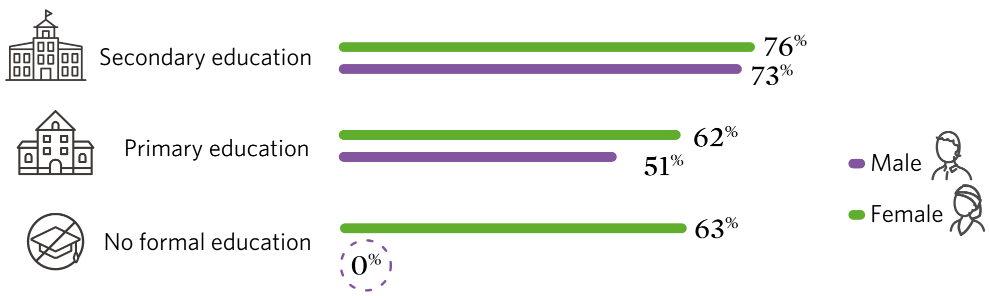
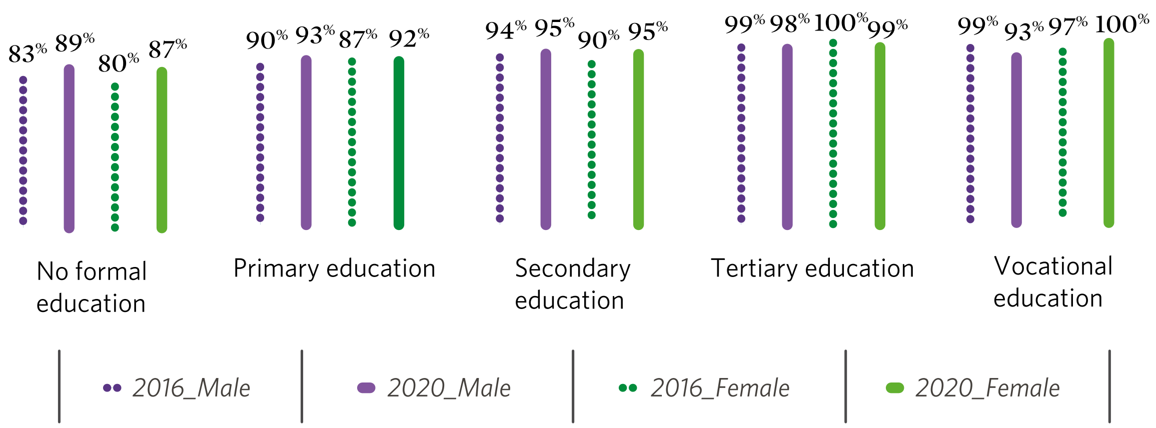


Figure 9: Financial inclusion by age (16–17 years) and education (%)



Furthermore, this study shows that Rwanda has a relatively young population, presenting an opportunity in adopting technology as an enabler for financial inclusion and usage. These findings present an emerging trend on youth financial inclusion, which suggests that the youth have high penetration and usage of mobile devices to manage their financial needs. Lower levels of financial inclusion among older generation groups (above 60), again, might be related to their economic activity.

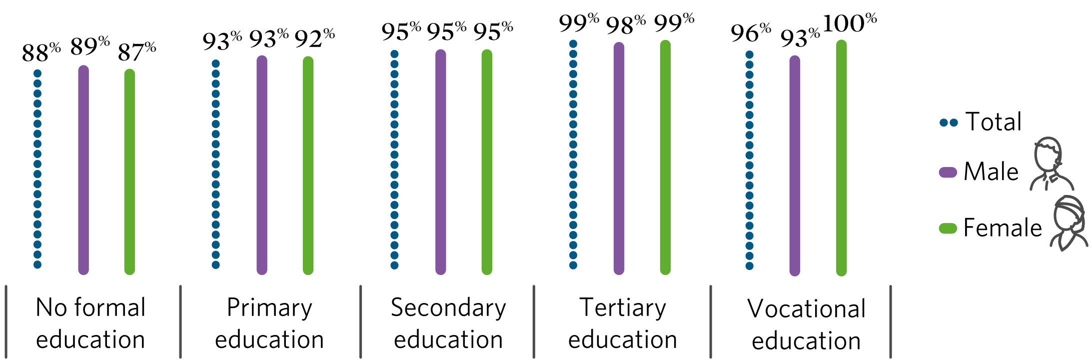
Figure 10: Trended gender financial inclusion by education levels (%)



3.3 EDUCATION

There is often a direct relationship between **education** levels and financial behaviour and literacy. Furthermore, there is a relationship between education levels, income sources, and levels of income. Hence, it is not surprising that levels of financial inclusion are lower among people with lower levels of education or no formal education. While 87% of women with no education are financially included, 100% of those with tertiary education have or use financial products or services. Recognising this relationship, the GoR successfully implemented key policies and strategies such as the National Gender Policy and the Girls' Education Sector Strategic Plan (2008–12), which have improved girls' enrolment, retention and completion and in the long term might have positive effects on women's economic participation and possibly financial inclusion. It is, however, important to note that there has been a significant improvement in financial inclusion among women with lower levels of education. Financially included women without any formal education increased from 80% in 2016 to 87% in 2020.

Figure 11: Gender financial inclusion by education levels (%)



3.4 EMPLOYMENT AND INCOME

Income is probably one of the strongest determinants of (formal) financial inclusion, referring to income levels as well as sources of income/regularity of income. From a supply-side perspective, formal institutions are likely to target these individuals. From a demand-side perspective, those who receive salaries and wages are likely to need a formal product for the purpose of receiving payments (salaries and wages). They are also more likely to reside in urban areas and have generally higher levels of education. In 2020, 93% of women who generated an income from farming activities were financially included (an increase from 86% in 2016).

Since 2016 there has been a significant increase in financially included women across most sources of income. Almost all women that **receive a salary from**

a government institution have or use financial products or services. As shown here, however, **receiving a salary** does not necessarily facilitate financial inclusion. Although there has been an increase since 2016, in total only 7% of women and 9% of men receive their main income from a salary/wage from the public and private sectors.

Figure 12: Gender financial inclusion by sources of income (%)

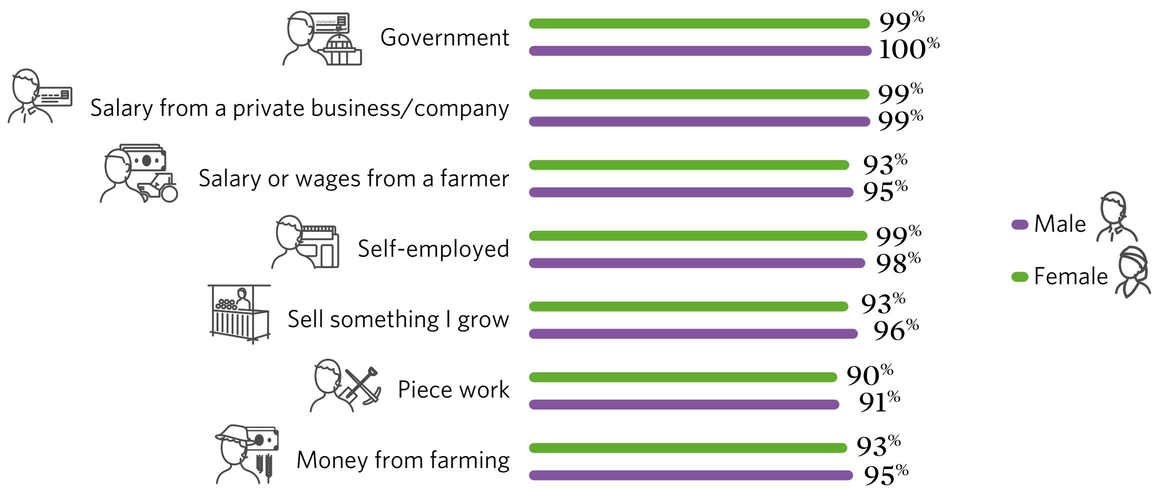
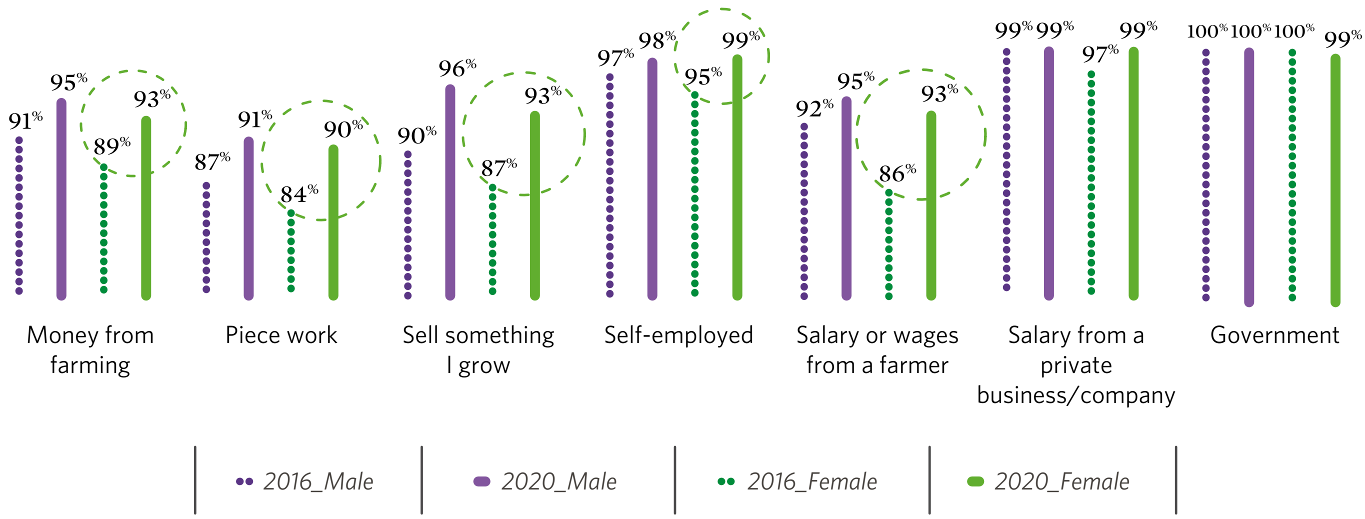


Figure 13: Trended gender financial inclusion by sources of income (%)



Furthermore, it needs to be highlighted that the **gender gap** of financially included adults, across income sources, is relatively small – with an average of a 3% difference between women and their male counterparts. The biggest differences in the uptake of financial products or services can be seen among older women and men (above 50 years of age) and those selling something they grow. Though, this picture changes somewhat when looking at the uptake of particular financial products or services, especially those offered by formal financial institutions/ service providers.

Opportunity: As shown in figures 5–8, women residing in rural areas who are young (below 30 years of age), older women (above the age of 50) with no or low levels of formal education, and those who generate an income from piece work or agricultural activities (including those receiving a salary from a farmer) seem to be **most vulnerable** in terms of financial inclusion and, therefore, **should be given priority**. These efforts should go hand in hand with **overall poverty alleviation** initiatives as they are closely linked.

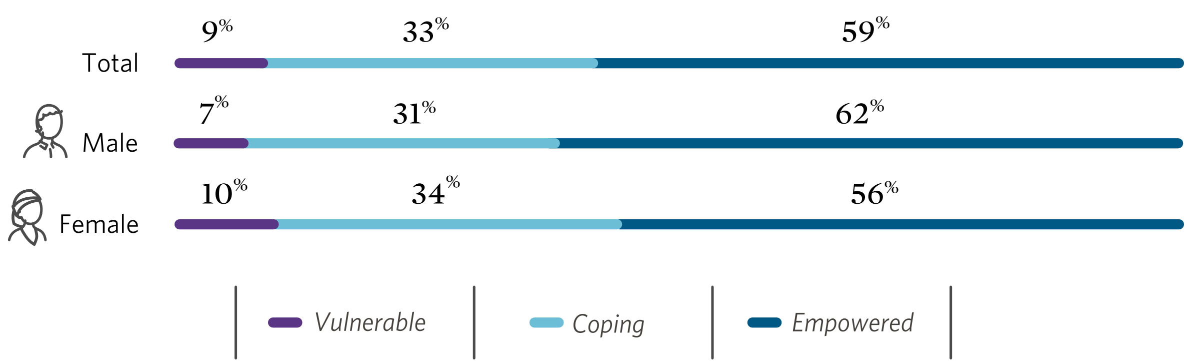
4. RESPONSIBLE FINANCES

4.1 CONSUMER EMPOWERMENT AND TRANSPARENCY

The GoR aims at promoting and protecting the interests of financial services consumers. This is partially encouraged through the establishment of legal and regulatory frameworks that promote transparency and the honest and fair treatment of customers within the financial sector. This section looks at consumer empowerment and the level of transparency experienced. Consumer empowerment and financial service providers' transparency are key pillars of financial capability and are of great importance in Rwanda. The purpose of financial capability is to provide consumers with the knowledge to safeguard themselves against unfair or exploitative practices. It is also to improve their decision making regarding financial products and services appropriate to their needs. Consumer protection and financial literacy (financial capability) ensure that there is trust in the financial sector. Uptake and use of financial services are optimised in this way.

A consumer empowerment score (ladder) was created to profile Rwandan adults who exhibit vulnerable, coping, and empowered financial capability. In order to determine the scores, the average was calculated based on the Likert scale questions in table 1 – Consumer Empowerment Dimensions (statements). Figure 14 shows that the financial capability gap between men and women on average is 7%. The financial capability of women is below that of the population average, which indicates a continued development focus on financial education for the women in Rwanda.

Figure 14: Consumer empowerment score



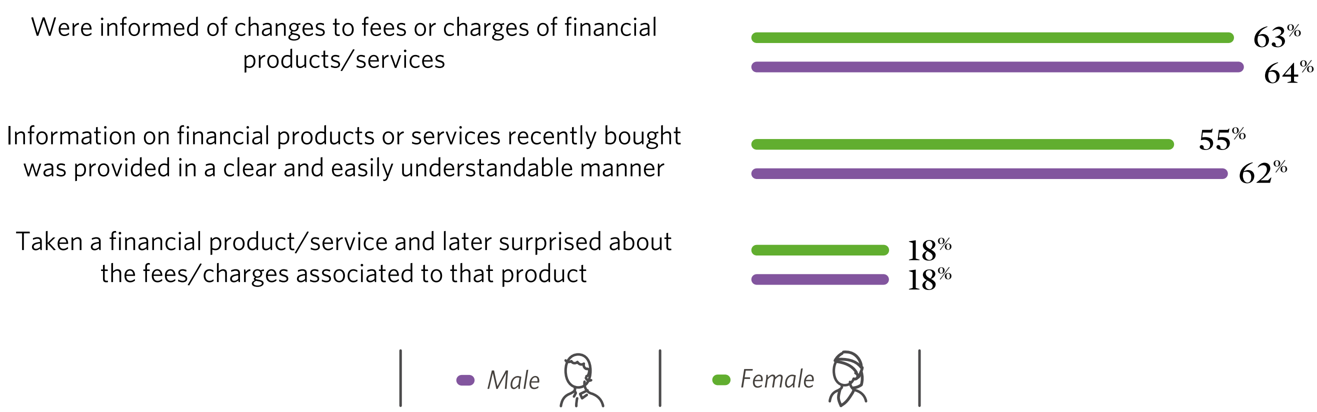
The biggest financial capability gaps between men and women are related to low confidence to make a complaint against a financial institution if not satisfied with the service or product offered (6%) and what to do when not satisfied with a financial service (6%). The gap between males and females feeling like they are treated fairly by financial institutions is 8%, with females being less likely to feel like they are treated fairly.

Table 1: Consumer process of choosing and using financial products by gender

	Total (%)	**Women** (%)	**Men** (%)
Comparing options and choosing the best one that suits your needs	97	96	97
Understanding terms and conditions in the contract with a financial institution	90	91	92
Confident enough to make a complaint	74	72	77
Knowing what to do when not satisfied with a financial service	63	60	66
Feel that financial institution treats you fairly	59	55	63

More women than men have felt or experienced a lack of transparency from financial service providers. The female adult population is less likely than males to feel that the information on financial products or services bought by them recently was provided to them in a clear and easily understandable manner (55% women versus 62% men). Women (63%) are less likely to be informed of changes of fees or charges of financial products than men (64%).

Figure 15: Transparency of information

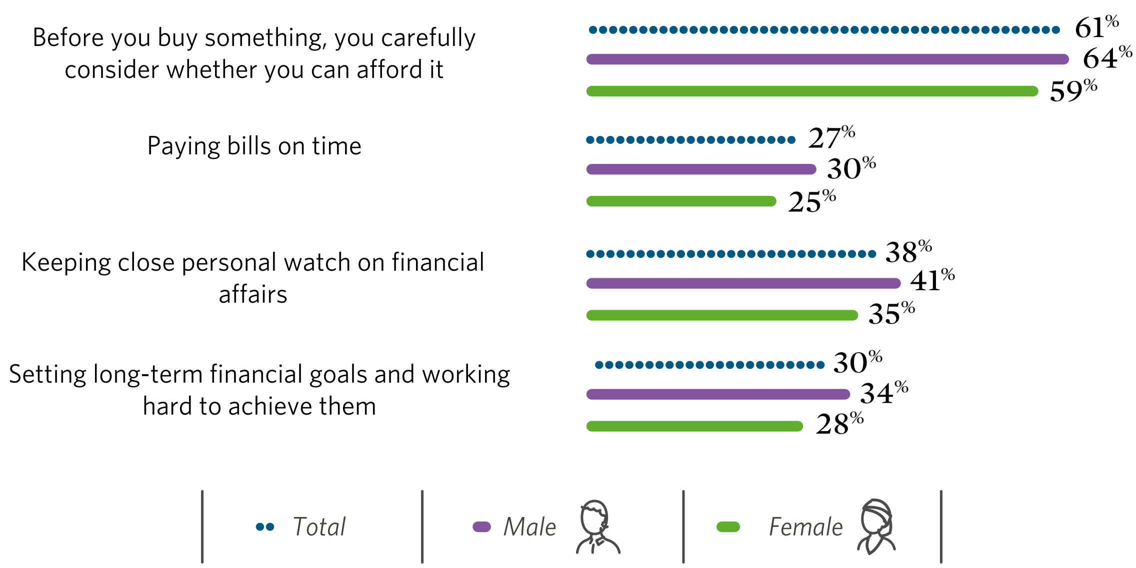


4.2 FINANCIAL ATTITUDES AND BEHAVIOUR

Financial education has an important role to play in helping women to access and use appropriate formal financial products. This section gives some insights into the role of financial education in financial inclusion. When considering Rwandan women's overall attitudes and mindsets about finances, awareness of financial products is fairly low at an average of 43% or 1.7 million women, compared to 47% or 1.4 million men. Affordability consideration before buying financial products is not as high for women as for men. Women (59%) are less likely to always carefully consider if they can afford something before buying it, compared to men (64%). This ties in with the overall low levels of income where 46% of women do not have enough monthly income to cover their living expenses, compared to 43% of men. This severely affects their ability to save.

Women are less likely to always keep a close personal watch over their financial affairs (35%), compared to men (41%). With regards to always setting long-term financial goals, women are also less likely to do so (28%) than men (34%). To make ends meet, women are more likely to take a loan from their savings and loans clubs (24%), compared to men (22%), and less likely to sell something that they own (12%) than men (14%).

Figure 16: Financial attitudes by gender (%)



4.3 FINANCIAL DECISION-MAKING

This dimension refers to an individual's attitude and knowledge as it relates to making sound financial decisions and key learning moments. In terms of day-to-day money-management decisions in the household, 66% or 2.6 million women come from households where joint decisions on money-management are made in the household. There is 4% gap between men (71%) and women (66%) that come from household making joint money-management decisions. Joint decision making is considered best practice and should therefore be encouraged especially in the male headed households. In some society's female children are involved in discussions around household budgets. Financial education experts encourage these types of conversations within households to create greater understanding among women of the challenges involved in managing finances and the importance of having a budget, saving and managing risks.

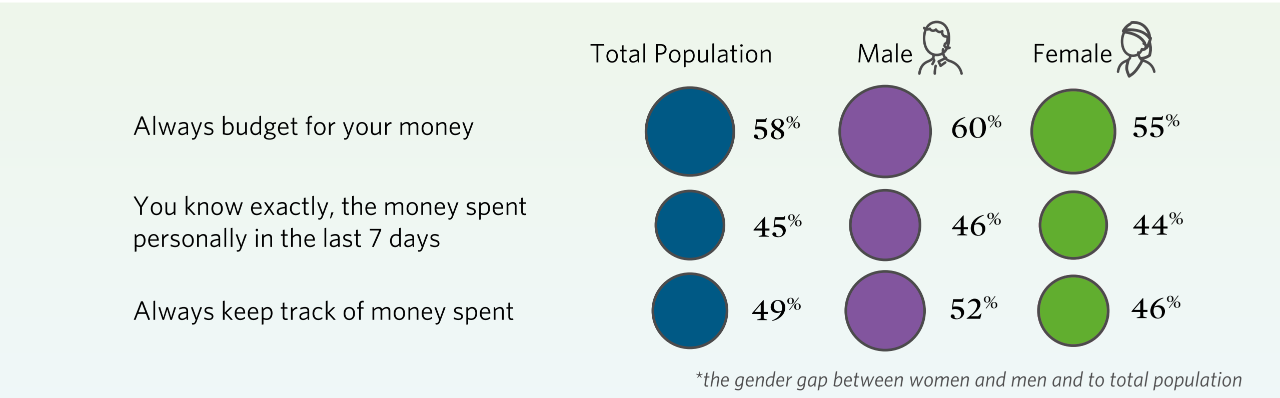
Table 2: Financial decision-making within households by gender

	Total (%)	**Women** (%)	**Men** (%)
You alone	20	22	16
You and your spouse/partner	58	53	60
You and other household member/family members	9	12	10
Another family member or (or family members)	1	1	1
You are not involved	12	13	14

4.4 FINANCIAL PLANNING

Women are less likely than men to always budget, know exactly what they spent in the past seven days and always keep track of the money that they spend. This indicates a further gap in financial planning by women, which can be addressed through education and development.

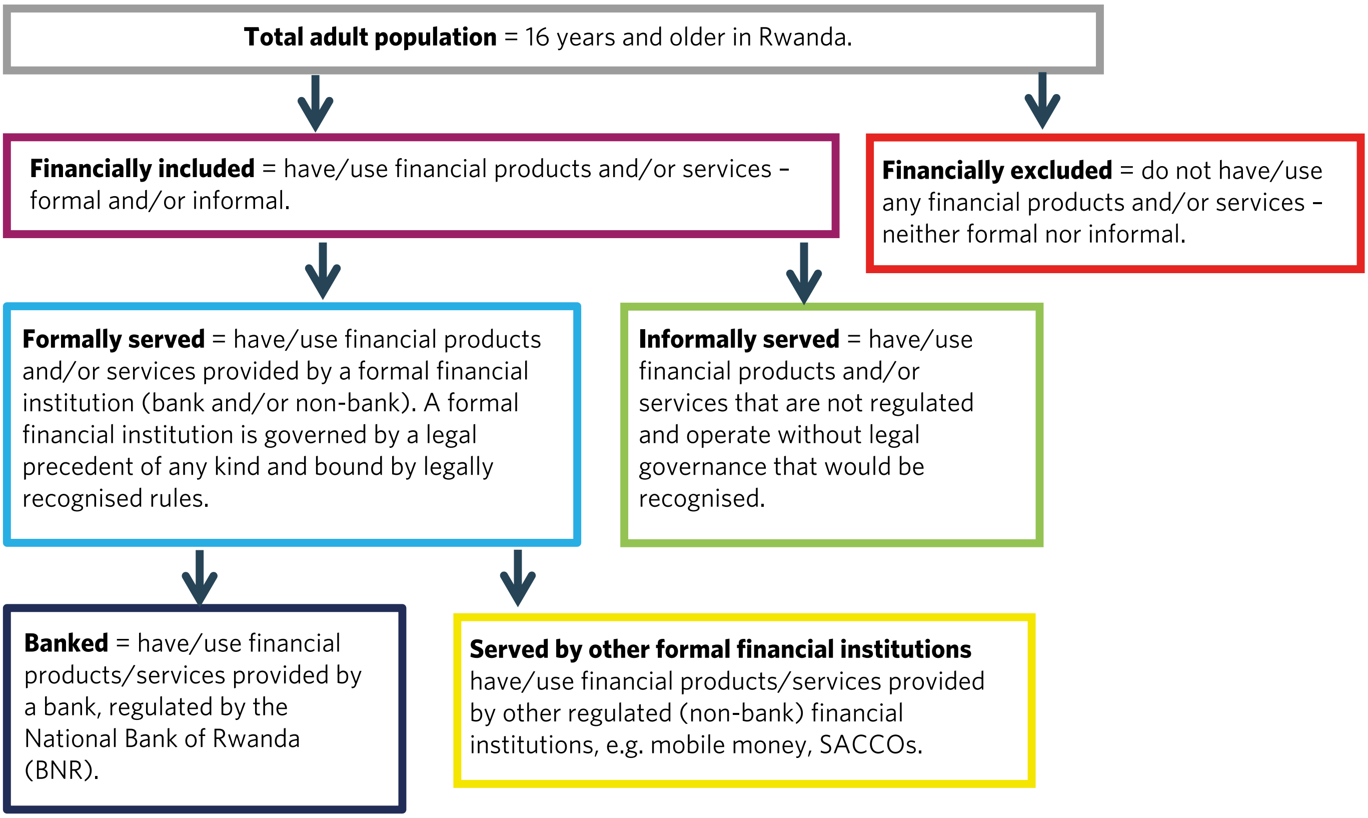
Figure 17: Financial planning



5. FINANCIAL INCLUSION AMONG WOMEN IN RWANDA

The concept of 'financial inclusion' is core to the FinScope methodology and is based on the extent to which individuals (i.e. percentage of the adult population) currently have or use financial products or services both formal and/or informal (including banking, savings and investments, borrowing and credit, insurance and risk management, remittance). This section summarises overall levels of financial inclusion following the analytical framework illustrated in figure 18 and further explores the uptake of banking, savings, credit, insurance, and remittance products or services.

Figure 18: Analytical framework



5.1 OVERALL LEVELS OF FINANCIAL INCLUSION

Given that Rwanda's population is relatively young, has low levels of education, resides mostly in rural areas, and is largely dependent on irregular/low sources of income (agricultural), the overall national level of financial inclusion is remarkably high at 93% or 6.7 million adult Rwandans. In 2020 only 8% (a decrease from 14% in 2016) of the female adult population in Rwanda (about 312 000) are financially excluded (compared to 7% or 217 000 men), meaning that they manage their financial lives without the use of any financial products or mechanisms external to their personal relationships. If they borrow, they rely on family and friends; if they save, they save at home. In turn, 92% of women (3.6 million) are financially included (an increase from 86% in 2016), i.e. they have or use formal and/or informal financial products and mechanisms (compared to 93% or 2.9 million men).

The financially included population includes those who are:

- **Formally served:** The female adult population who have or use products or services from financial institutions that are regulated through an act of law (formal financial institutions), which is driven by other formal (non-bank) financial products or services, has increased from 63% in 2016 to 74% in 2020. Also, the formally served gender gap has decreased by 3% since 2016.
- **Informally served:** A very large portion of the population, 80% (3.1 million), which is an increase from 71% in 2016, have or use products or services from financial institutions that are not regulated (informal financial institutions and mechanisms) and/or use community-based organisations or mechanisms to save or borrow money. This is mainly driven by the uptake of informal savings groups.

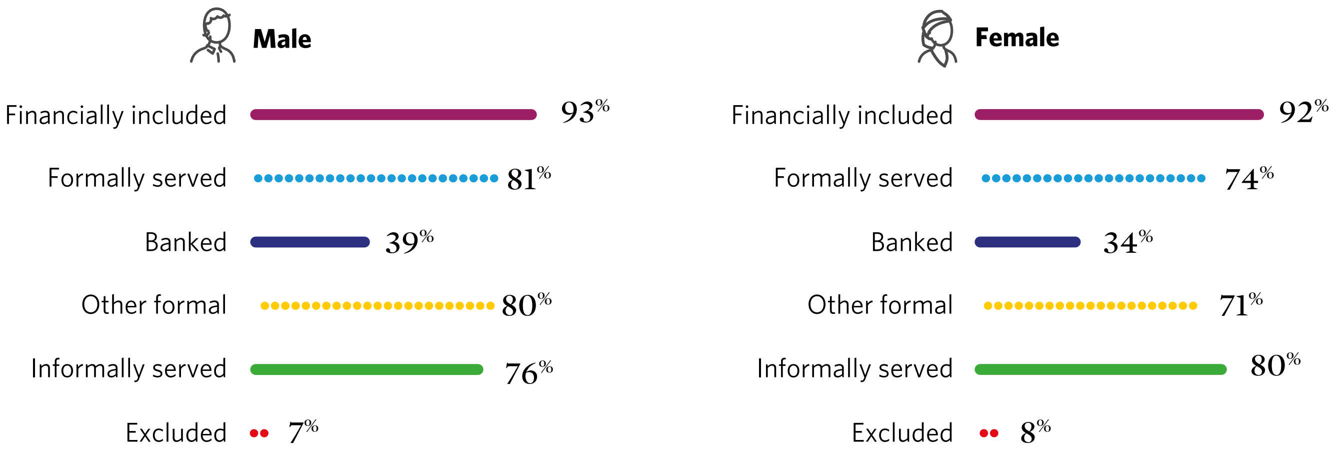
The formally served population further includes those who are:

- **Banked:** The total female adult population who have or use products or services from licensed commercial banks that are regulated by the central bank has increased from 24% in 2016 to 34% (or 1.3 million) in 2020. Men are more likely than women to be banked, with 39% of men and 34% of women, showing a gender gap of 5%.
- **Served by other formal financial institutions (non-bank):** A large portion of women (71% or 2.8 million), have or use products or services from financial institutions that are regulated through acts of law but are not commercial banks. This is mainly driven by the uptake of mobile money, as well as the continued increase of Umurenge SACCOs. About 32% of women in Rwanda are members of Umurenge SACCOs (compared to 37% of men). The gender gap between men (80%) and women (71%) served by other formal financial institutions has decreased by 9% since 2016, but the gender disparity remains high.

Table 3: Trended overview of financial products/services uptake by gender

	% of women 2016	% of women 2020	% of men 2016	% of men 2020	Gap in % 2016	Gap in % 2020	% of total adult population 2016	% of total adult population 2020
Financially included	86	92	90	93	4	1	88	93
Formally served	63	74	74	81	11	8	68	77
Banked	24	34	29	39	5	5	26	36
Other formal	60	71	71	80	18	9	64	75
Informally served	71	80	71	76	0	-4	71	78
Excluded	14	8	10	7	-4	-1	12	7

Figure 19: Overview of financial products/services uptake by gender (%)

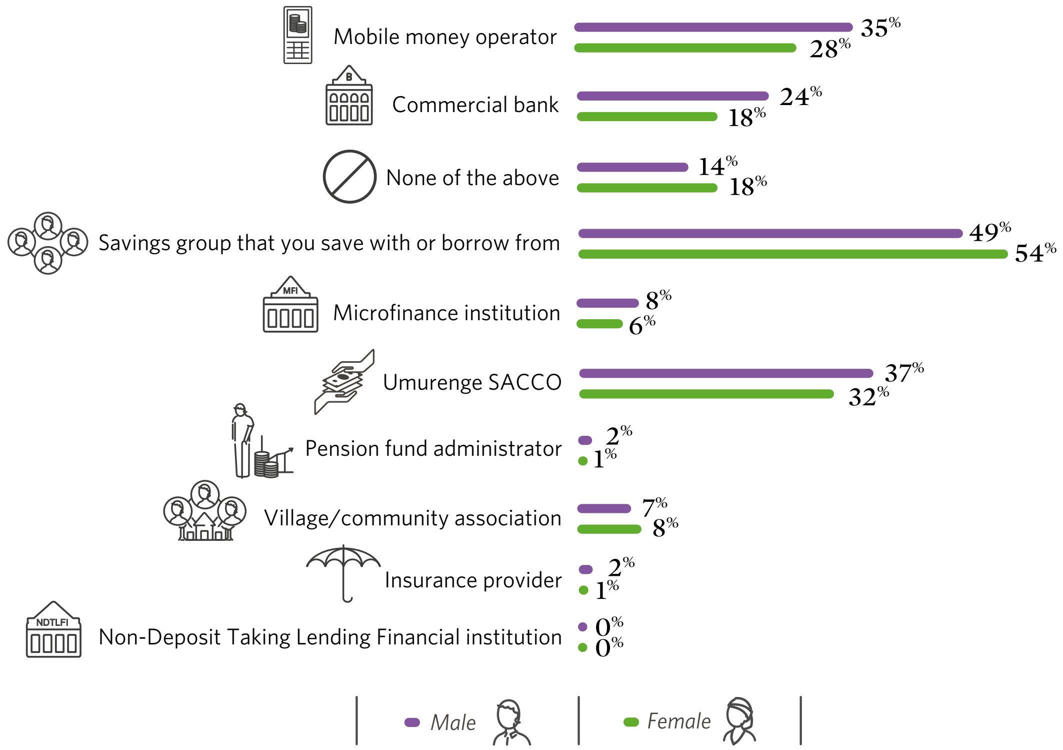


Opportunity: Given that formal inclusion is driven by the uptake of other formal financial products or services and that the gender differences in this product category are the largest, promoting these products or services to women poses a real opportunity for the financial inclusion of women.

5.2 FINANCIAL SERVICES PRODUCTS EVER USED

Women are more likely to use savings groups (54%) than men (49%). The uptake of almost all other financial services is lower for women than men, especially mobile money operators, where the gender gap is 7%. A very low percentage of both genders has ever used insurance financial products, which could be an opportunity if the right product is offered that addresses insurance needs.

Figure 20: Financial institutions ever used (%)



5.3 SATISFACTION WITH FINANCIAL SERVICES PRODUCTS

The female adult population seems to be slightly more satisfied with the services from commercial banks and village savings and lending associations (VSLAs) than the male population.

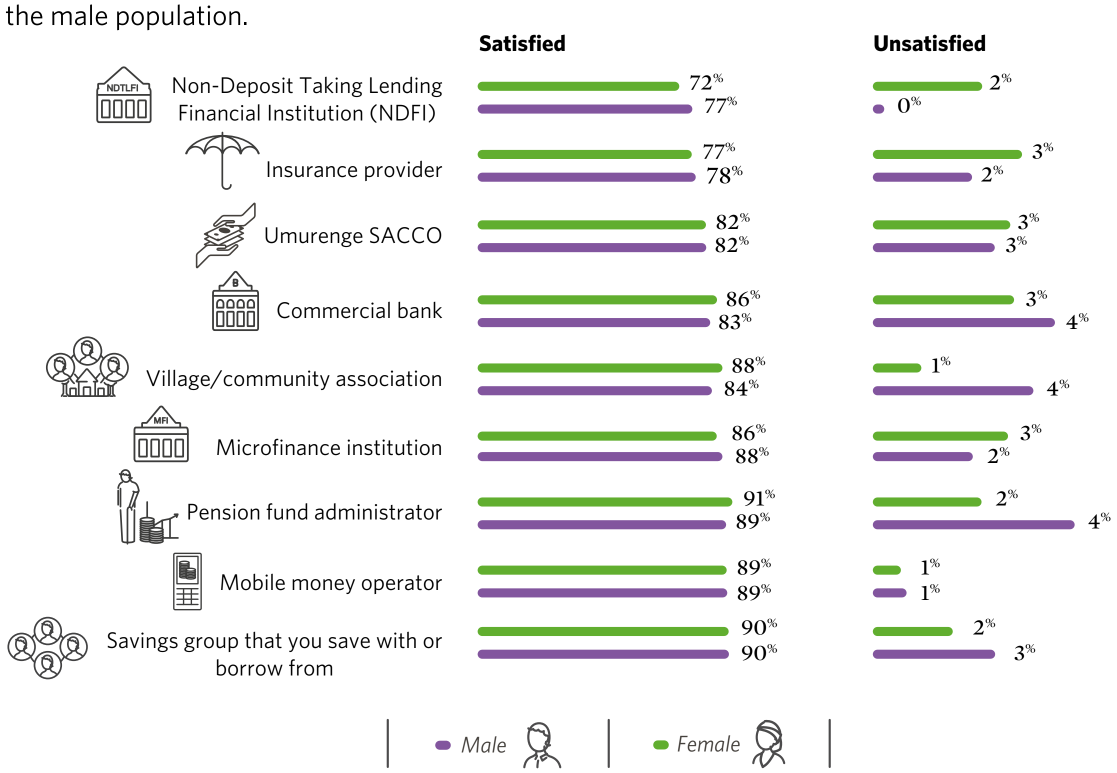
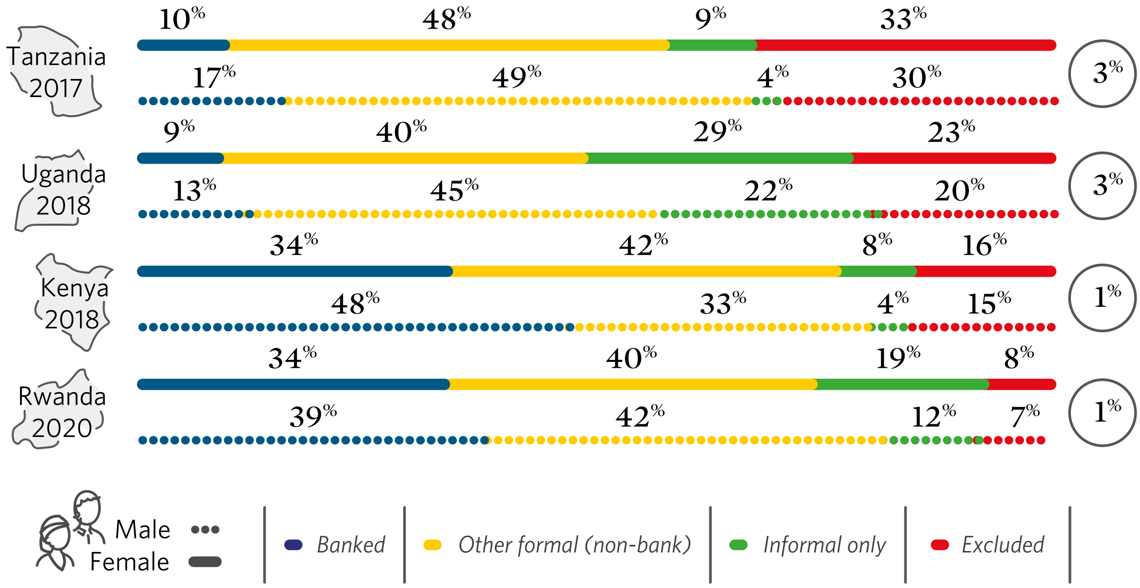


Figure 21: Satisfaction with financial services products

Figure 22 compares the access strand by gender in other East African countries where FinScope surveys have been conducted and ranked by gender gap in percentage points for the total level of financial inclusion. The gender gap ranges from 1% in Rwanda to 3% in Tanzania.

Figure 22: Access strand by gender in other East African countries where FinScope surveys have recently been conducted – ranked by gender gap in total level of financial inclusion (%)



These gender differences relate to a number of factors such **structural determinants** of financial inclusion, e.g. lack of employment opportunities for women outside the agricultural sector, lower income levels, lower levels of education, as discussed in section 3.

Although this report focuses on barriers, opportunities and recommendations related specifically to the financial sector, broader societal and political factors such as cultural norms and belief systems, customary law and access to land or property, allocation of intra-household resources and decision-making powers, family responsibilities limiting women's time, and mobility constraints need to be considered as they all affect women's levels of financial inclusion.

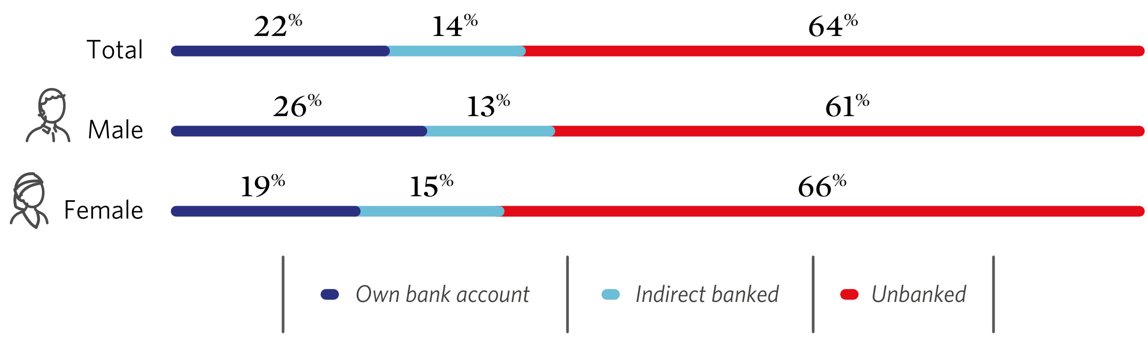
The following sections look at the uptake of specific product categories and financial behaviour in more detail, namely banking, savings and investments, credit and borrowing, insurance and risk mitigation, and remittances and mobile money.

5.4 BANKING

Women who have access to bank products or services increased from 24% in 2016 to 34% (1.3 million) in 2020. Usage of banks among women is mainly driven by the uptake of savings accounts, as well as current or cheque accounts. Furthermore, they show a high level of cross-selling within the sector (i.e. multiple accounts, multiple banking products per client). The increase in banked women is driven by women who opened bank accounts in their own names, increasing from 12% in 2016 to 19% in 2020. Around one in five or 0.7 million women have bank accounts in their own name, while an additional 15% or 0.5 million women use bank accounts indirectly. They do this either through using banking channels (over the counter[6]) or someone else's account, but they do not have a bank account in their own name. Figure 23 shows that women (15%) are more likely to be banked indirectly than men (13%).

Almost all the banked women claim that their bank accounts help them to manage their money better – optimising their money. Important factors that matter most in a bank account include quality of customer service in a bank and convenient access to bank branches.

Figure 23: Banked population by gender (%)



There is a high uptake of banking financial products and services among women working in the formal sector (90%), albeit they lag their male counterparts in the formal sector by 6%. Women business owners (51%) are less likely to have a bank account compared to men business owners (58%).

There has also been an increase in women who earn a salary from farmers and government institutions. Sadly, however, most of these women who earn a salary from farmers and piece jobs still do not have enough money after covering daily

6 Other banking services refer to banking services over the counter (OTC), e.g. paying school fees, receiving income and remitting through a bank without having an account in their name, which is more popular among women than men

expenses to warrant a bank account. These livelihoods are often related to irregular and low levels of income and as such women generating their income from farming activities are less likely to prioritise the use of financial products or services.

Table 4: Bank account usage by segment groups (main source of income) (%)

Source of income segment	**Usage**	**Male** (%)	**Female** (%)
Formally employed	Own bank account	69	63
	OTC	26	27
	Unbanked	5	10
Self employed	Own bank account	58	51
	OTC	14	13
	Unbanked	27	36
Informal sector (e.g. piece jobs)	Own bank account	18	12
	OTC	9	12
	Unbanked	73	76
Farming	Own bank account	16	11
	OTC	11	10
	Unbanked	73	79
Government grants	Own bank account	23	12
	OTC	67	71
	Unbanked	10	17
Money from other people	Own bank account	22	17
	OTC	9	19
	Unbanked	69	64

The main barriers to banking relate to **insufficient or irregular income** (80% of women compared to 78% of men). This figure fell from 85% in 2016, which corresponds with the significant increase we are seeing in financially included women across most sources of income. Physical access to financial institutions is not perceived as a barrier to financial product uptake. Distance from the bank was reported by only 2% of the unbanked women (2% of men).

Figure 24: Drivers and barriers to banking

34% of women are banked

Drivers

Women in Rwanda care about:

- The quality of customer service in bank branches (82%)
- Convenient access to bank branches (81%)
- Convenience of having an account at the bank they typically use (71%)
- Amount of total monthly fees/charges (11%)
- Loyalty programme (11%)

66% of women are not banked
(neither directly nor indirectly)

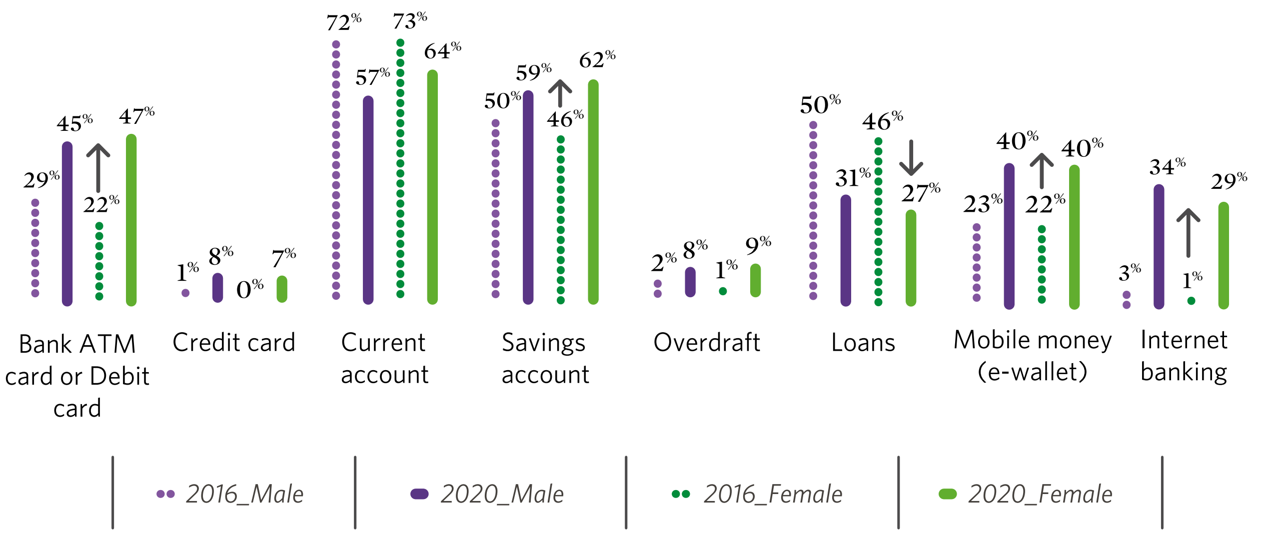
Barriers

Women in Rwanda care about:

- Insufficient or irregular income to justify a bank account (80%)
- Cannot maintain the minimum balance (6%)

As shown in figure 25, there has been a significant increase in product uptake by women since 2016, particularly bank ATM cards or debit cards, savings accounts, mobile money and internet banking.

Figure 25: Trended overview of banking products by gender (%)



5.5 MOBILE MONEY

Cell phone access and ownership continue to increase in Rwanda , 86% of adults in Rwanda have access to a cell phone, with 84% of women owning or having access to a cell phone (compared to 90% men). As such, the uptake of mobile money has also increased significantly since 2016 with 66% of men (an increase from 45% in 2016) and 55% of women (an increase from 33% in 2016) having or using a mobile money account. Although many adults initially opened a mobile money account because they trust it (42% of women and 44% of men) and it is affordable (35% of women and 39% of men), some also feel that it helps them to keep money safe or to save (21% of women and 25% of men). Reasons for not having a mobile account mainly relate to not having a need for it or not having a smartphone. This may point to a lack of knowledge on how mobile money works.

Figure 26: Drivers and barriers to mobile money account

55% of women use mobile money

Drivers

Product uptake is driven by:

- Trust (42%)
- Affordability (35%)
- Convenience (31%)
- Easy to register (27%)
- Practical to pay bills (24%)

45% of women do not use mobile money

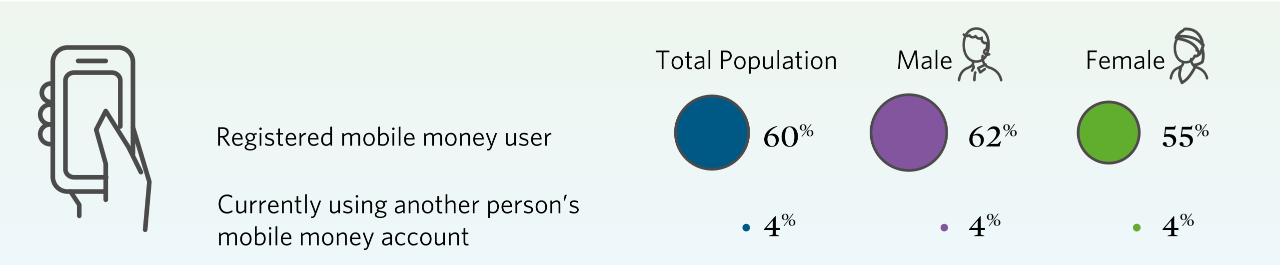
Barriers

Main barriers to the uptake of mobile money relate to a lack of consumer awareness and knowledge, e.g.

- I do not need it/make any transactions (28%)
- Do not have a smartphone (21%)
- I do not know what it is (14%)
- I do not know how to get it (6%)

There is an 8% gap between registered mobile money usage by women relative to men. Women who have registered a mobile money account increased from 29% in 2016 to 50% (1.9 million) in 2020. The number of women that use another person's mobile money account has reduced from 10% to 4% in 2020. This means that the number of women who have access to and control of a mobile money account is increasing, and this bodes well for interventions to deepen women's financial inclusion.

Figure 27: Mobile money usage by gender



Sentiments and beliefs around the use of technology such as mobile devices to transact with is much more positive among men than women. Women are more inclined to pay for goods and services in cash than men.

Table 5: Sentiments about mobile money

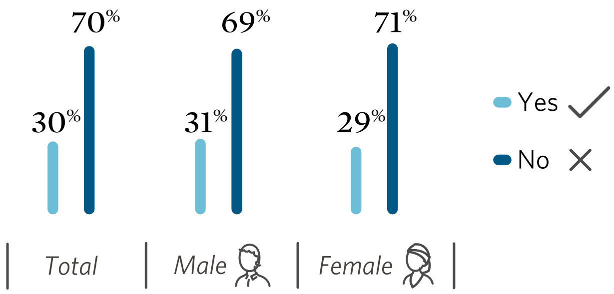
Mentions (True responses)	**Total population** (%)	**Men** (%)	**Women** (%)
You would rather deal with people face to face than with machines such as ATMs even if the machines are quicker	70	68	72
You are prepared to learn how to use new technology	74	80	70
You prefer to pay for goods and services in cash rather than using electronic means	78	76	80

5.6 DIGITAL PAYMENTS

Digital finance and financial inclusion have several benefits to users of financial services, digital finance providers, governments, and the economy. Access to and usage of responsible digital financial services (DFS) can help build women's economic power, thereby contributing to gender equality and poverty reduction more generally. Responsible DFS can also help women control their money, improve business investments, and manage financial risk.

Over 2 million (62%) more women in Rwanda now have an account with a banking institution or mobile money service, compared to 2016 (42%). Through this increased engagement in the formal economy, women's resilience to financial, economic and health shocks is improving. However, there remains much work to do to achieve more usage of these services. The gender disparity has been narrowed; 29% or 1.1 million women used financial digital services compared to 31% of their men counterparts.

Figure 28: Digital payments (%)



5.7 SAVINGS AND INVESTMENTS

Men and women in Rwanda have similar attitudes towards savings and investments. Women are slightly less likely than men to go without certain things so they can save.

Table 6: Saving and investment attitudes and beliefs

	Total population (%)	**Men** True (%)	**Women** True (%)
You go without certain things to be able to save	88	89	88
You believe you have to save for difficult times even if your income is low	95	95	95
You believe it is better to save where your money is safe than to take risks to make more	75	74	75
You save or put money away for a specific purpose, and you do not use it for any other purpose	69	69	69
You save or put money away for a specific purpose, but you end up using it before you used it for that purpose	64	64	64

Savings are the **leading product type** and one of the main drivers of financial inclusion for women in Rwanda. However, this category also shows the biggest gender differences, especially in terms of formal savings. In total, **85% of women save** (compared to 87% of men) mainly to pay for living expenses[7] when times are hard, which relates to the high incidence of no/low/irregular income.

7 Living expenses include hardships such as illness within the household or family that requires medical aid, death of a household/family member and unforeseen school expenses.

Men and women in Rwanda have slightly different ways of describing what it means to save. Men are more likely to believe that to save means putting money in a special place/account to keep it safe than women, while more women feel that buying an asset that could be sold later is a form of saving than men.

Table 7: Definition of saving between men and women

Definition of saving	**Total** (%)	**Men** (%)	**Women** (%)
Putting money in a special place/account to keep it safe	21	23	19
Putting money aside to stop you from spending it immediately so that you have it later when you need it	14	13	15
Putting money away so that the total amount increases over time as you put more away	13	14	13
Putting money aside for you to use later for a specific purpose	24	23	24
Buying an asset that could be sold later	28	27	29

In turn, 15% of women do not save, mainly because they do not have money to save or invest. Men and women who do save seem to save for similar reasons. However, there are some (minor) gender differences in terms of barriers that prevent women from saving. More women than men mentioned that they do not save because of monetary reasons: they do not have money to save/invest (69% of women compared to 73% of men), they do not have a job (31% of women compared to 25% of men), they find it too expensive (16% compared to 14%, respectively).

Figure 29: Drivers and barriers between women who save and do not save

85% of women save

Drivers

Women in Rwanda mainly save:

- To cover living expenses (63%)
- Education or school fees (8%)
- To buy livestock (7%)
- To cover medical expenses/emergencies (6%)

15% of women do not save

Barriers

Women do not save mainly due to monetary reasons:

- Do not have money to save/invest (69%)
- Do not have a job (31%)
- Too expensive (16%)
- Do not have a bank account (13%)

Interestingly, 13% of women (and 11% of men) who do not save said it is because they do not have a bank account, and 4% mentioned that they never thought about investments/savings, which indicates a need for financial education and possibly a review of regulatory policy on minimum balances, concessions on varying levels of income, and accommodating banking fees.

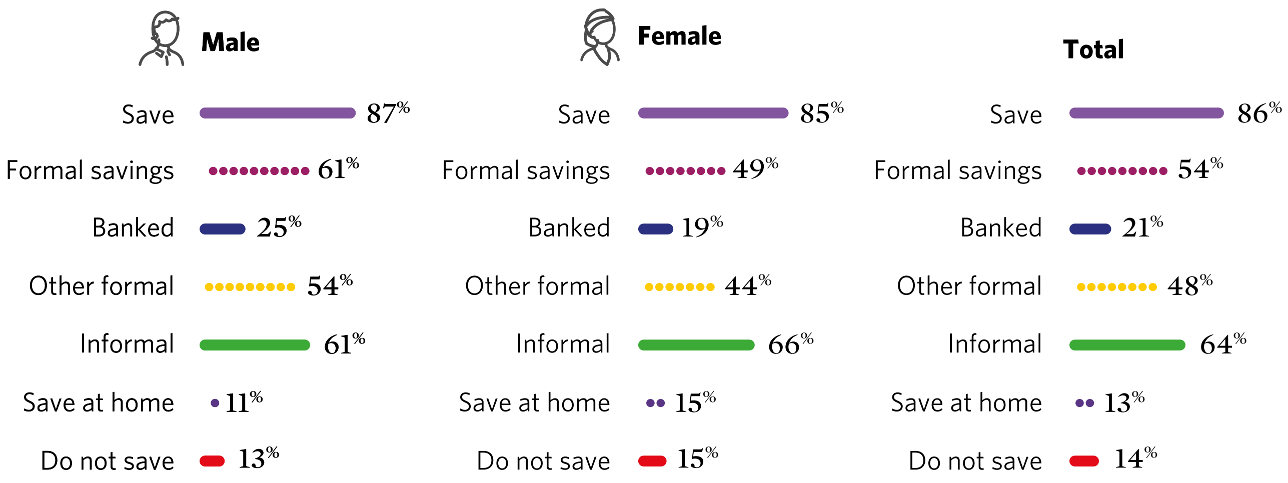
Table 7 summarises the uptake of savings products or services. The biggest gender gap can be seen in terms of **formal savings**. Only 19% of women save in banks (compared to 25% of men). Although there has been an increase in women who save in banks since 2016, **the gender gap has increased in 2020**. 44% of women have a formal savings product from a non-bank financial institution, e.g. SACCOs or mobile money (compared to 54% of men). The formal savings gender gap has decreased since 2016. Informal savings groups are very important saving (and borrowing) mechanisms both for women and men. Women are less likely than men to feel that information on products or services recently bought was provided in a clear and easily understandable manner (transparent), which may be an indication of why more women lean towards informal financial products or services over formal financial products or services.

66% of women use other informal savings mechanisms such as savings groups (compared to 61% of men), whereas 15% of women claim to save at home or with someone in the household (compared to 11% of men). Reasons for saving at home include convenience and/or accessibility.

Table 8: Trended overview of savings products/services uptake by gender

	% of women 2016	% of women 2020	% of men 2016	% of men 2020	Gap in percentage points 2016	Gap in percentage points 2020	% of total adult population 2016	% of total adult population 2020
Save	84	85	87	87	3	2	1	86
Formal savings	41	49	56	61	15	11	0	54
Banked	11	19	15	25	5	7	0	21
Other formal	38	44	51	54	14	11	0	48
Informal	57	66	55	61	-1	-4	1	64
Save at home	34	15	37	11	3	-4	0	13
Do not save	16	15	13	13	-3	-2	0	14

Figure 30: Overview of savings products/services uptake by gender (%)



As shown in figure 30, saving through SACCOs (formal) and informal savings groups is particularly popular. They are not only a viable alternative for the vast number of women unlikely to be served by commercial banks, but they are also the **catalyst for enhanced social capital**, improved gender relations, women's leadership, and community social and economic development. Furthermore, the analysis indicates a rapid growth in number and scale of women borrowing from informal groups.

Informal savings groups: When comparing the main services provided by an informal savings group to men and women, there is little difference in the services used by both genders. The main services both genders make use of in informal savings groups are lending money to members when they need the money and the ability to keep the collected money for members and give it back to members after a certain period of time. These seem to be the most desired services by both genders, with virtually no gap between them.

The main reason why men and women belong to such a group/club is to save, and they can turn to these informal savings clubs when they are in financial need. The percentage of women and men who use these clubs is on a par with the total population, which indicates that this is not a preference by gender but rather true for all Rwandans.

Table 9: Top three reasons why you belong to a group/club

Top three main reasons why you belong to such a group/club	Total population (%)	Men (%)	Women (%)
To save money	23	24	23
Can turn to them when in financial need	23	23	23
To borrow money	16	18	15

5.8 BORROWING AND CREDIT

Overall sentiments towards borrowing between men and women are aligned with no gap; 76% of men reported that they have borrowed, relative to 77% of women. The overall sentiment for most Rwandans about a credit facility is that they prefer to save money for something rather than borrowing to pay for it, and that they are aware of the consequences of defaulting on a loan. So, they avoid borrowing money if they can. However, we do see a high percentage of men and women borrowing money and a sentiment towards keeping savings rather than using them to pay debt.

Table 10: Overall sentiments towards borrowing

Sentiment to borrowing: Reason (based on 1 = agree responses)	**Total population** (%)	**Men** (%)	**Women** (%)
Be aware of the consequences of defaulting on a loan	89	91	88
Better to keep savings than to use them to pay a debt	78	77	78
Borrowing money when needed is more important than the amount of money you have to pay back	66	66	65
Have checked credit history through Credit Reference Bureau	18	20	16
If you borrow money, it is okay to pay it a bit later than agreed	25	26	25
Without borrowing money, you would not be able to pay for children's education	34	33	35
You avoid borrowing money if you can	69	69	69
You prefer to save money for something rather than borrow to pay for it	90	89	90

Women are slightly **more likely to borrow compared to men** (especially from informal sources). In total, 77% of women borrow (compared to 76% of men). Women are more likely than men to borrow money to cover **education and school fees** (26% of women who compared to 7% of men), buying land/dwelling (17% of women compared to 12% of men) and emergencies other than medical (7% compared to 1%, respectively].

Men are more likely than women to borrow money for developmental reasons (such as business, building/improving dwelling, living expenses, farming equipment/expenses, livestock) at 60% and 36%, respectively.

Figure 31: Borrowing for which purposes

Business building (24%)
Improve dwelling (20%)
Living expenses (12%)

Education and school fees (26%)
Buying land/dwellings (17%)
Emergencies (13%)
Medical expenses (7%)

In turn, 23% of women **do not borrow** – mainly because they do not need to or because they are worried that they will not be able to service their debt. This may partially point to interest rates or knowledge of how credit works.

Figure 32: Drivers and barriers for women to borrowing

77% of women borrow
(mainly from informal sources – 52%)

Drivers

Women in Rwanda mainly borrow for:

- Education or school fees (26%)
- Business/investment (20%)
- Buying land/dwelling (17%)
- Emergencies other than medical (13%)

23% of women do not borrow

Barriers

Women do not borrow mainly due to monetary reasons (affordability):

- Do not need to borrow money (38%)
- Worried that they would not be able to pay back the money (34%)
- Did not have security or collateral (15%)

Table 11 summarises the **uptake of credit products or services**. The percentage of women taking a loan from a commercial bank was only 3% (compared to 5% of men) in 2016 but has increased to 7% (compared to 10% of men) in 2020. Women also lag men in taking up credit from other formal (non-bank) institutions (15% and 22%, respectively). As shown below, most women rely on borrowing from informal groups as mentioned previously. The importance of informal groups to enhance financial inclusion among women cannot be stressed enough, especially in the rural areas.

Table 11: Trended overview of credit products/services uptake by gender

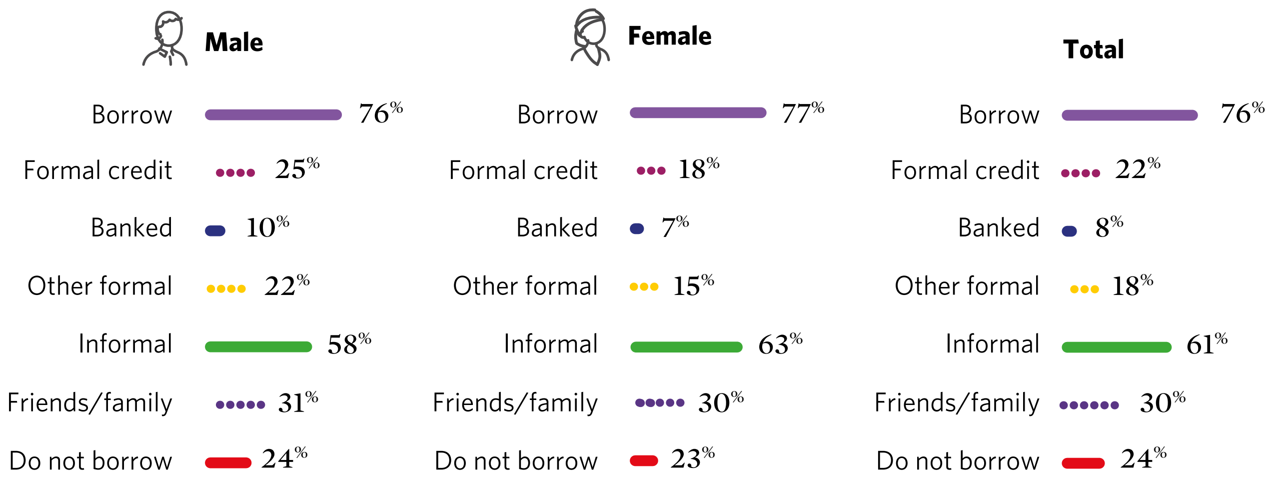
	% of women 2016	**% of women 2020**	**% of men 2016**	**% of men 2020**	**Gap in percentage points 2016**	**Gap in percentage points 2020**	**% of total adult population 2016**	**% of total adult population 2020**
Borrow	69	77	71	76	3	-1	70	76
Formal credit	13	18	18	25	6	7	15	21
Banked	3	7	5	10	1	3	4	8
Other formal	11	15	16	22	5	6	13	18
Informal	60	63	59	58	0	-5	60	61
Friends/ family	29	30	34	31	5	1	32	30
Do not borrow	31	23	29	24	-3	1	30	24

In terms of credit behaviour, we see that there is no gender gap between men and women. It is actually on a par with the total population who agree that they were given all the key details about the credit account fees and charges, which indicates that there is full understanding of the credit account. The population is opening credit accounts because of a fundamental need to access funds, rather than taking out credit carelessly.

Table 12: Credit sentiments

Base: Agree credit sentiments	**Total population** (%)	**Men** (%)	**Women** (%)
When you were given your loan, you were given all the key details about the account fees and charges	68	68	68
The fees and charges for your loan are transparent, or at least easy to find	64	63	64
Did not fully understand the cost or fees	13	14	12
Were charged fees you did not expect	10	11	9
Lender unexpectedly withdrew money	10	9	10

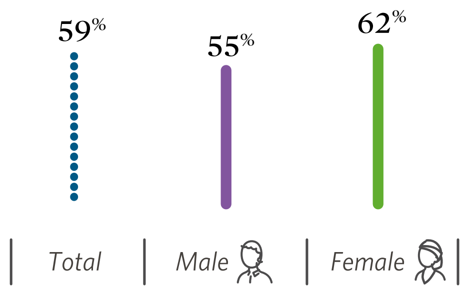
Figure 33: Overview of credit products/services uptake by gender



5.9 INFORMAL SERVICES

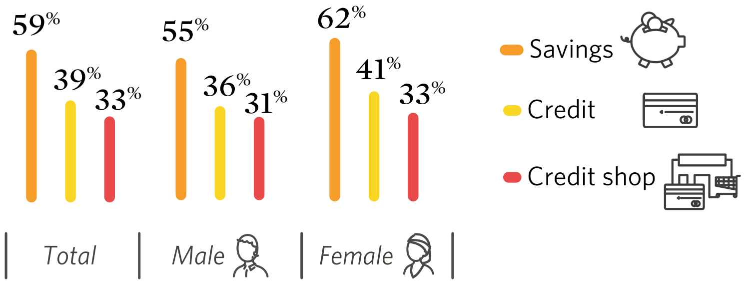
The usage of informal mechanisms to **manage financial needs** in Rwanda is very popular, with nearly **half of adults using the informal financial sector** to manage their finances. Figure 33 shows that the vulnerability of relying only on informal mechanisms **skews towards women**. Overall women (2.4 million) are more likely than men (1.7 million) to be members of savings groups.

Figure 34: Savings groups' penetration (%)



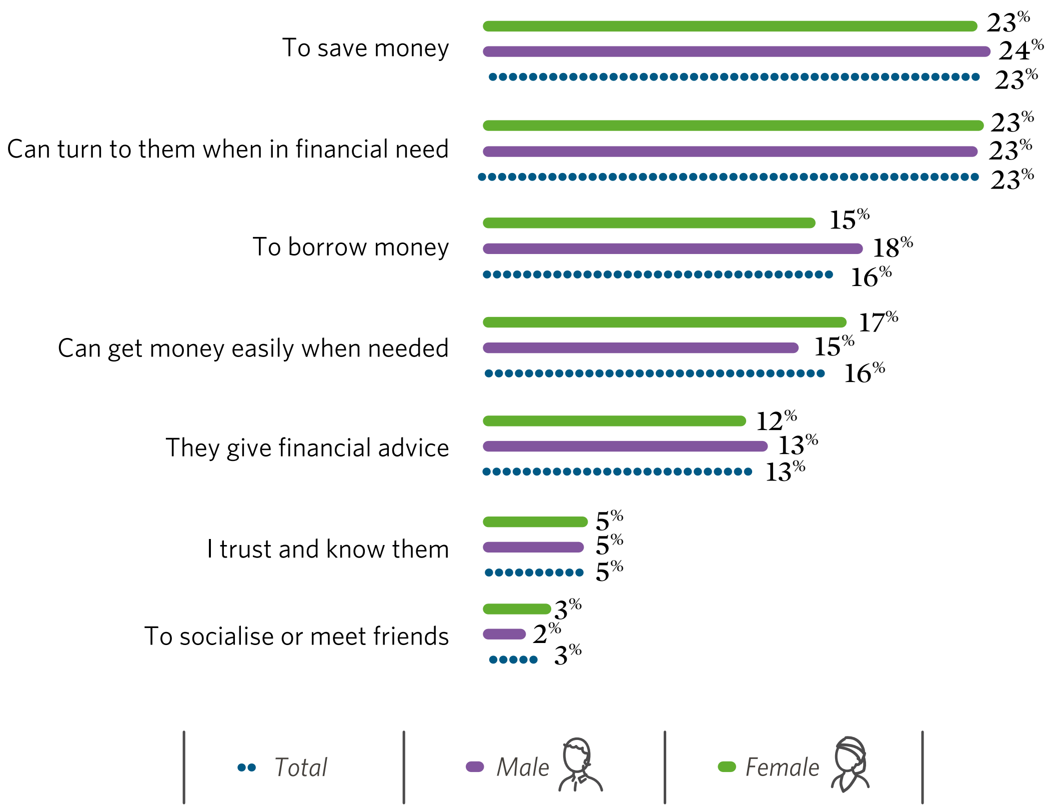
About 4.2 million adults in Rwanda reported that they use informal groups such as **Village Savings and Lending Association**, with the split of 4.2 million saving through informal groups and 2.7 million borrowing from informal groups (overlaps possible). Women in Rwanda are more likely to borrow from savings groups than men.

Figure 35: Drivers of informal mechanisms (%)



The main reason for belonging to a savings group is to save, while a secondary driver is to have someone to turn to when in financial need.

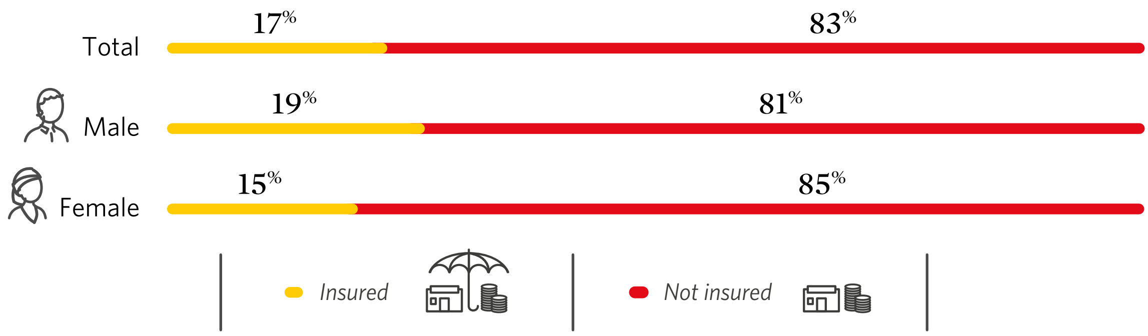
Figure 36: Main reason for belonging to informal mechanism (%)



5.10 INSURANCE AND RISK MITIGATION

More women have taken out insurance products since 2016, when only **8% of women were covered by insurance**, compared to 15% (0.6 million) in 2020 (compared to 19% of men), which is mainly driven by the uptake of medical insurance at 30% (compared to 38% of men).

Figure 37: Insurance uptake by gender (%)



Micro-insurance: A very small percentage of the overall population has micro-insurance when asked about it spontaneously. However, there is a high percentage of interest in having such insurance by both genders – slightly more among men (70% men to 68% women). Considering that most women earn a salary from farming and selling what they farm from their rural areas, the risk factor for losing crops and livestock is not known to or understood by them. This further puts women at high risk of losing income and savings and making them more vulnerable. There is, overall, only an average of 23% interest across 12 different types of micro-insurance products and particularly 22% on average for women. However, there is a recognition of interest for health insurance among women (more so than men), which ties into women being more affected by life events of serious illness in the household.

Medical insurance has a high penetration rate (88%) with most people covered through a form of community health insurance, Mutuelles de Santé. Excluding this form of insurance, however, risk cover is low in Rwanda.

Insurable risks: More women than men reported having been affected by a life event that happened in the past 12 months that caused them to struggle to meet expense commitments, which indicates a greater vulnerability among women. More women also are affected than men by the serious illness of a household member, which affects their ability to make ends meet.

Table 13: Life events

Mentions (Top 5 yes responses) (below 7% not included in table)	**Total population** (%)	**Men** (%)	**Women** (%)
Have not experienced	39	41	37
Serious illness of a household member	34	33	35
Price increases	11	11	12
Death of a relative/household member	8	7	9
Agricultural crop/livestock destroyed by fire/flood/storm	7	7	7

Table 14 : Sentiments about insurance policies

Mentions (Agree responses)	**Total population** (%)	**Men** (%)	**Women** (%)
Having insurance is a good way of protecting yourself	88	90	87
Better to have savings rather than insurance	73	72	74
Responsible to make arrangements for the costs of funeral	51	56	47
Understand how insurance works	49	55	44
Insurance is not a way of saving	41	40	41

Around 85% or 3.3 million women do not have an insurance/pension product, mainly because they cannot afford it (75% of women and 75% of men), and/or do not know about insurance/do not know how it works/do not know how to get it (21% of women and 21% of men).

Figure 38: Drivers and barriers for women to insurance

15% of women have insurance

Drivers

Product uptake is driven by:

- Medical insurance (30%)
- CSR or RSSB (27%)
- Life insurance (24%)
- Ingoboka cash or hospital cash product (22%)
- Private pension (12%)

Uptake of Mutuelles de Santé (61%)

85% of women do not have insurance

Barriers

Main barriers to the uptake of insurance relate to:

- Affordability (cannot afford it 75%) Lack of consumer awareness and knowledge (have not heard about it 9%, do not know how it works 9%, do not know how to get it 3%)

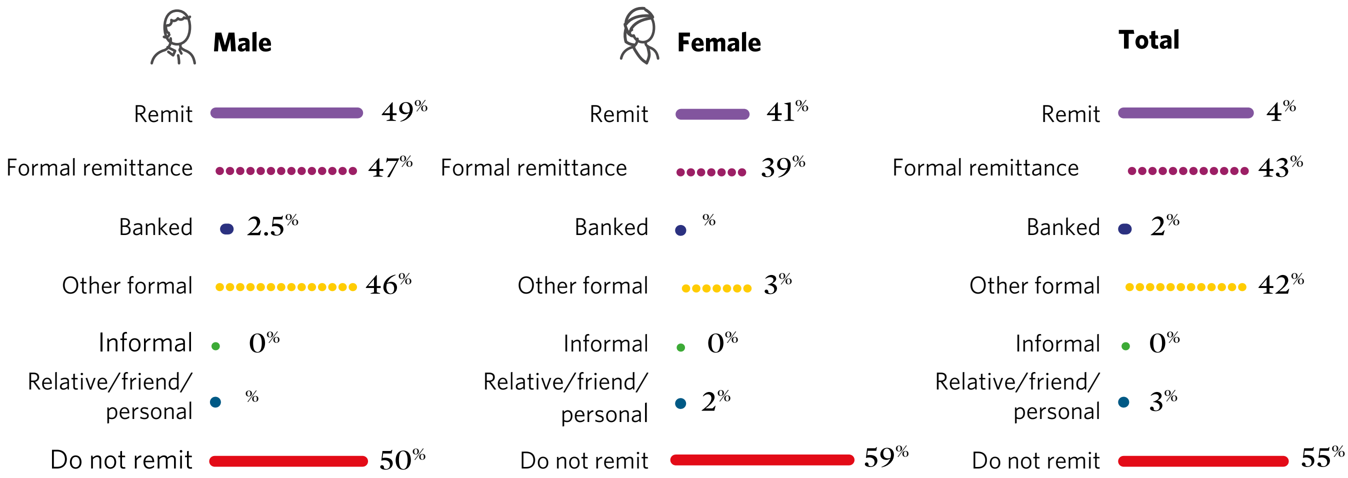
5.11 REMITTANCES

Around 41% (1.6 million) of women in Rwanda **either sent and/or received money from people living in a different place** (within the country and/or outside Rwanda) compared to 49% or 1.5 million men. The most common mechanism used to transfer money is through formal channels. Around 2% of women still send or receive money in cash through friends/family or deliver it in person, down from 7% in 2016. Table 14 summarises the uptake by remittance channels. Only 2% of women and men either sent and/or received money using commercial banks, while 39% of women have or use other formal remittance channels, i.e. mobile money (compared to 46% of men), which makes it the most common remittance channel in Rwanda.

Table 15: Trended overview of remittance channels by gender

	% of women 2016	% of women 2020	% of men 2016	% of men 2020	Gap in percentage points 2016	Gap in percentage points 2020	% of total adult population 2016	% of total adult population 2020
Remit	40	41	48	49	9	8	43	45
Formal remittance	36	39	45	47	9	8	40	43
Banked	1	2	2	2	1	1	1	2
Other formal	35	39	44	46	9	8	39	42
Informal	0	0	0	0	0	0	0	0
Relative/friend/ personal	7	2	6	3	-1	1	7	3
Do not remit	60	59	52	51	-9	-8	57	55

Figure 39: Overview of remittance channels by gender (%)



6. FINANCIAL NEEDS

The financial inclusion measurement agenda over past years has been evolving – the current perspective does not only measure if people are using financial services, but more: do the financial services they are using have an impact on their lives? This section and the next section (financial health) give an indication of whether the financial systems in Rwanda meet women's underlying financial needs to help them to achieve positive outcomes. As can be seen from the quadrants in figure 40, women have financial needs across the four universal financial needs that include transfer of value (money), manage liquidity, resilience, and meeting goals.

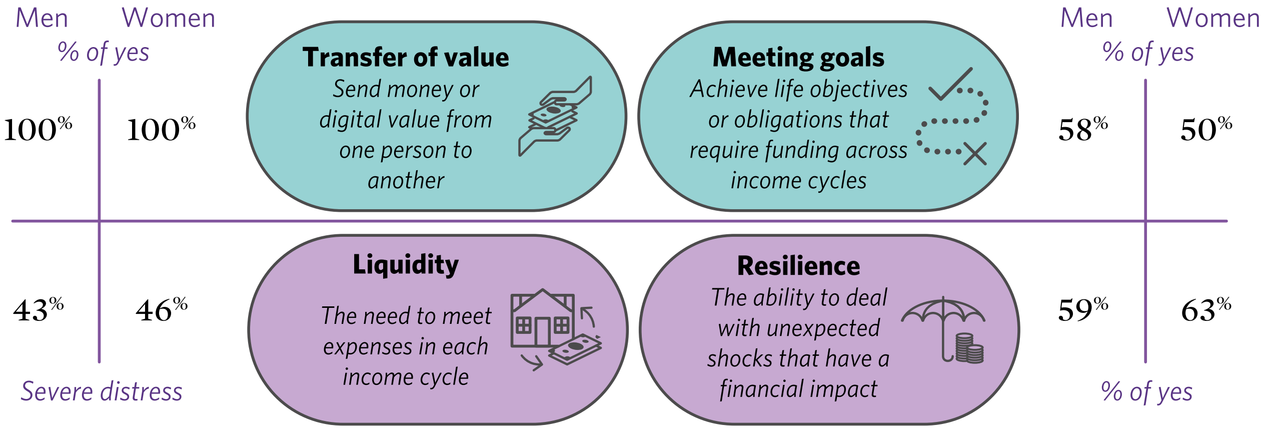
Figure 40 shows that almost all adult women have a need to make a payment or transfer money. Around three in five adult women in Rwanda have a transaction account through either mobile money and/or a bank account. There is a gender gap of 9%, with women with transactional accounts at 62% compared to 71% of their men counterparts. However, the gap is reduced when it comes to using these devices for digital payments; 29% or 1.2 million adult women use digital financial services compared to 31% or 0.9 million of their male equivalents. Men (58%) are more likely to be meeting life goals than women (50%). Further analysis shows that women are more likely to have goals and aspirations in investing in businesses (24%) and education (11%) than men (business at 20% and education at 9%).

Women have far more **resilience** than men to deal with unexpected shocks that have an impact on them. This is supported throughout by the financial inclusion gap of women overall. The Covid-19 outbreak may have shed new light on the limited financial resilience of women. However, the Rwanda FinScope 2020 survey shows that women's livelihoods were more likely to cope with the serious illness of a household member (47%), theft or destroyed agricultural crops or livestock (12%) and the death of a relative/household member (10%). More women (46% compared to 43% of their men counterparts) are in severe distress about meeting expenses in each income life cycle, which correlates with the findings in this report.

Figure 40: FinNeeds

Financial needs framework – known as FinNeeds

Need: A collection of use cases that can be fulfilled by financial services



7. FINANCIAL HEALTH

Financial health is a relatively new term in the financial inclusion community, aiming to provide a model for assessing how well one's daily financial systems enable a person or household to build resilience to shocks and pursue opportunities and dreams. A consumer is financially healthy when he or she is able to balance income and expenses, build and maintain reserves, manage existing debts and goals, plan and prioritise, recover from financial shocks and make use of a depth of financial products.

Figure 41: FinNeeds indicators

Financial health indicators include:

Balancing income and expenses – entails success in shaping income and expenditure in order to meet daily needs and financial obligations

Build and maintain reserves – captures the behaviour of intentionally or habitually putting away assets, as well as the magnitude of assets immediately available

Manage existing debts, goals – entails how manageable current formal and informal debt is and what resources a person can call upon through formal and informal sources

Plan and prioritise – necessitates that improving and maintaining financial health requires active and intentional engagement, including activities such as planning and prioritisation

Recover from financial shocks – this indicator assesses how well a person can leverage financial, resources to weather and recover from an economic shock

Effective range of financial products – this indicator gauges how well an individual can access and use those tools to acquire, move, and store funds as well as grow their assets

Table 15 compares women's and men's financial indicator scores and shows that 71% of women in Rwanda have strategies to **balance their income and expenditure**. Strategies used by women to supplement their income include saving excess cash and borrowing when there is an income gap.

About 63% of women **build and maintain reserves** through saving money and investing in assets and businesses. There is a slight gender gap compared to men with 65% of men building and maintaining reserves. Women are less likely to **plan and prioritise** (50%) compared to men (58%). This could be caused by the fact that they are more likely to use their livelihoods to meet resilience and liquidity needs compared to their men counterparts. On a positive note, women slightly lead on using financial solutions (41%) to cope with financial shock compared to 40% of men.

Close to 80% or 3.1 million adult women in Rwanda are credit active and 67% are in a healthy position to **manage their debts**, with only 33% showing signs of credit stress or over-indebtedness. The gender gap in relation to managing debts is trivial at 1% in favour of men.

More financially served women (86%) have two or more financial product portfolios; this allows more women to use an **effective range of financial tools** to manage their financial lives. Table 15, however, shows that there is still a gender gap of 3% as their men counterparts are 89% of those with more than one financial product suite.

Table 16: Financial health indicators by gender

Financial health indicators	**Total population** (%)	**Men** (%)	**Women** (%)
Balancing income and expenses	71	72	71
Build and maintain reserves	63	65	63
Manage existing debts, goals	67	68	67
Plan and prioritise	53	58	50
Effective range of financial products	88	89	86
Recover from financial shocks using financial solutions	40	40	41

- CONCLUSION
- RECOMMENDATIONS

8. CONCLUSION

As shown in this report, financial inclusion among women in Rwanda is relatively high at 92% with a reduced gender gap from 4% in 2016 to 1% in 2020. Nevertheless, there is opportunity for further growth, especially in terms of deepening financial inclusion beyond access and moving towards a greater level of formal inclusion (particularly with regard to the uptake of banking products or services and mobile money services), which requires continued gender equality efforts, a holistic approach of poverty alleviation and development, constant innovation, financial education, as well as persistent monitoring of progress (e.g. using FinScope surveys and additional research).

GENDER EQUALITY

As shown in this report, various constraints might prevent women from engaging with (formal) financial products or services. They refer to both specific ones related to the financial sector and overarching structural issues such as cultural norms and belief systems, low levels of education, lack of employment opportunities and lower levels of income, access to property and land, decision-making power, etc. Therefore, moving to a state in which financial inclusion is unaffected by gender requires a holistic approach. Gender mainstreaming requires cooperation of the public and private sector so that a gender equality perspective is incorporated at all levels.

HOLISTIC APPROACH TO POVERTY ALLEVIATION AND DEVELOPMENT

Women and men traditionally engage in different roles along social norms and economic opportunities. This affects women's demand for different financial products and services. Women residing in rural areas, below 30 years of age and above the age of 50, with no or low levels of formal education, and those who generate an income from piece work or agricultural activities (including those receiving a salary from a farmer) seem to be the most vulnerable in terms of financial inclusion and therefore should be given priority. To meet the specific challenges, they need a wide range of financial services that are tailored to their needs as caretakers of their families, networkers in their communities, and entrepreneurs – especially in the agricultural sector and on micro- and small-enterprise level. As such, women seek safe and convenient ways to save, borrow, and transact small amounts reflecting their low and often irregular income levels. Given their greater levels of vulnerability, there might be a need for appropriate means of risk management strategies and gender-sensitive financial products, especially in the micro-insurance sector.

FINANCIAL CAPABILITY

This gender-themed report shows a huge financial skills gap between women and men. In addition, financial capability and confidence, especially with regard to formal financial services, have also been shown to be key barriers (i.e. for the uptake of mobile money and insurance), particularly for women that have little or no experience with financial services. Consequently, access to information and consumer education becomes important, which calls for further strategic intervention from both the private and public sector. An improved understanding of benefits, costs and risks of financial services increases the likelihood of the beneficial use of appropriate financial services. Given that formal inclusion is driven by the uptake of other formal financial products or services (i.e. mobile money) and that the gender differences in this product category are the largest, promoting these products and services to women poses a real opportunity for the financial inclusion of women.

FINANCIAL HEALTH

Although women's indicator scores are slightly lower than men's, women's state of financial health shows some good, positive signs. Similar to the national picture, there are however, visible shortfalls in the indicator areas of planning and prioritising (time horizon for planning, types of goals, action steps towards goals), and strategies used to cope with financial setbacks. The data show that women's goals and aspirations revolve around improving their economic wellbeing, whether through starting a business or improving their education. The steps/devices used towards meeting their goals do not show financial health confidence as the majority of women use informal and non-financial methods to do so. This minimal use of formal financial devices may suggest that the formal products currently available do not meet women's needs.

9. RECOMMENDATIONS

Financial inclusion is seen as a major driver of economic development in Rwanda. However, access to formal financial services by women is still limited across the country. Gender plays a particularly important role, as women are much more under-served (i.e. relying on informal mechanisms only) than men. The analysis in this report offers many opportunities for improving women's financial inclusion in Rwanda.

Gender policy – continue with monitoring and evaluating the National Gender Policy and Girls' Education Sector Strategic Plan (2018/19 to 2023/24) as these initiatives have proven successful in driving financial inclusion.

Small- and medium-enterprise development – females have the largest proportion of dependents. The proposed strategy would be to assist women who own businesses while also enabling more women to start their own businesses. Engaging the needs of these females and establishing firm entrepreneur-led businesses and farming will be key in expanding access to employment for other females, who are dependents, involved in informal sectors and non-commercial farming. Some of the strategies may include the following:

- Improving the supply chain and route-to-market for women residing in rural areas, to stimulate the commercial opportunities and bring a trade flow to these women through a collaborative community and government-driven initiative.
- Providing subsidies and funding to enable women to participate more actively in a trade environment where they can commercially thrive through provision of equipment and services that they do not have to pay for themselves.
- Poverty alleviation and development (given the link between financial inclusion and income), efforts need to be increased through creative, collaborative community and public sector initiatives. Funding from various NGO, sustainable development and other global funds should support these efforts.

Emphasise the focus on the usage and quality of the financial services – females' use of digital financial services and economic platforms has the potential to unlock opportunities and contribute positively to financial inclusion.

- Tailoring and personalising financial products and services to the specific challenges and needs of women should take place where formal financial services are not simply offering a commercial offer but disrupt the typical offering to accommodate women's current realities.
- Women are attracted to informal financial mechanisms for various reasons – mostly because of the social element of it, the low cost, the convenience,

and the ease of use. If these attributes are replicable in a more formal manner, women should be open to using these services and products, but it will require legislation, regulation and policy amendments by the formal financial service providers.

Information dissemination – industry sectors (policy makers, NGOs and the private sector) to recommend and share financial sector policy and make it available to other stakeholders involved in the policy-making and advocacy process (networks, associations and other civil society organisations as well as donor agencies). These financial sector policy recommendations can be useful to set women-financial-inclusion targets, to support the assessment of financial needs and to design appropriate services for women according to their context (e.g. level of education, daily activities and level of poverty).

- Continue to monitor progress across the transdisciplinary steps taken for improvement of financial inclusion – incorporating all data to elevate understanding and adjust initiatives and investments towards the financial inclusion levels using a gender-sensitive approach.

Dedicated training/financial education programme targeted at women – integrating financial literacy within school-level and adult basic education can play a pivotal role in reducing the gender disparity. This could be achieved through the following tactics:

- Increased awareness, especially among the predominant profile of women residing in rural areas.
- Improving education for women on financial wellness based on practices of making money from farming and other agricultural activities.
- Women's attitudes and mindsets towards finances can be used as an asset as most women are not irresponsible with their money.
- Closing the financial skills gap between men and women through educational initiatives run through public sector and non-profit organisations can ensure that women gain the confidence and skills needed to manage an informal micro-enterprise that can support them financially.

Supporting the digital financial services – electronic money transfers are key to lowering the cost of remittances for poor economies that heavily depend on such transfers and technology. It is currently evolving so fast that costs will be significantly lower in the near future, favouring local development and financial inclusion.

- Optimising the use of electronic means of financial transacting may be another avenue to increase inclusion among, especially, younger women.

FINSCOPE FOOTPRINT

FinScope surveys allow cross-country comparisons and sharing of findings which are key in assisting ongoing growth and strengthening the development of financial markets.

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