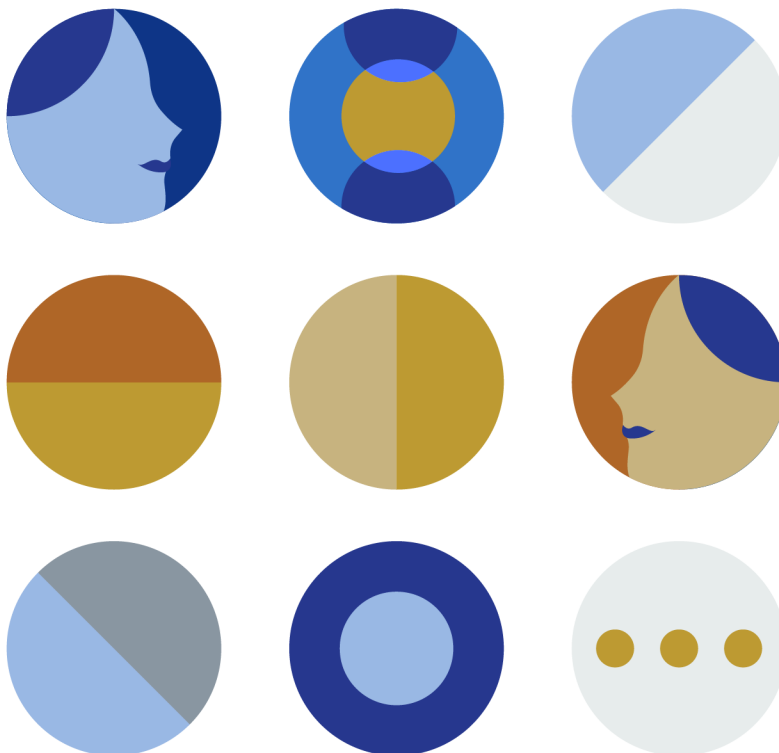




Women's World Banking



Market Opportunities for Women's Savings

Evidence from India

November 2021



Executive Summary

Women's World Banking's work with women customers as well as relevant literature in the field, shows that women who save are better positioned to support their families, weather emergencies, take advantage of economic opportunities, and build their businesses. In this study, we collected and analyzed data to better understand why and how women save in India. Insights from this paper should guide financial services providers as they work to better tailor their products to customer needs and aspirations. Our findings are summarized as follows:

- Women diversify their savings across informal and formal instruments. By definition, everyone in our sample had access to a formal financial account, and nearly half also utilized informal savings such as cash, gold, or jewelry. For those in our sample using the formal financial sector, over three-quarters used multiple accounts at multiple financial institutions for different purposes.
- Women's savings is goal-oriented, with a focus on forward looking long-term interests or to mitigate against unforeseen expenses. In our sample, the top-cited goals were:
 - Paying for children's education and school fees
 - Preparing for emergencies
 - Supporting costs associated with their children marrying
 - Investing in their business

Each of these goals has separate timelines and an associated savings pace.

- Women with higher engagement with formal financial services were also more likely to have sole decision-making power over household savings. Conversely, women with low engagement with financial services and low savings tended to rely on someone else to help them make decisions about their savings.
- Women value privacy and security in their savings. They are afraid that others may ask for, take, or use their money, and thus, prefer to keep their savings behavior private.

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Contents

Introduction	4
Comparing Women's Saving Behavior in West Bengal and Tamil Nadu	6
Savings amount and savings location	6
Marital status, education level, and age	7
Savings decisions	8
Savings motivation	8
Savings Behavior: Three Clusters of Women Savers	9
Limited Engagers	10
Growing Opportunists	13
Readied Savers	17
Conclusion	22
References	23



Introduction

When low-income women use formal savings accounts to save household income, they have stronger safety nets and enhanced financial security for themselves, their families, and their businesses. Women who save have increased willingness to take risks and delay gratification (Carvalho et al., 2015). They are also more likely to have enough food, medicine, and healthcare accessibility, as well as increased investment in education and human capital (Dupas et al., 2015; Prina, 2013). Yet, even with these benefits, not all women save, particularly within financial institutions.

In India, while nearly 80 percent of adults over the age of 15 owns a bank account, only 33.6 percent saved any money in the past year.¹ Saving money at a financial institution is rarer still: only 19.6 percent of adults in India saved money in a financial institution in the past 12 months.

Moreover, Indian women are less likely to save money than men, especially at financial institutions. While 29.7 percent of Indian women over 15 years old saved money in the past year, only 16.7 percent of women saved their money in a financial institution—a full 5.7 percentage points lower than men who saved at financial institutions. Table 1 illustrates the gender gap in savings behavior within India.

Table 1: Gender gap in savings behavior in India

Men		Women	
Saved any money in the past year, male (% age 15+)	37.3%	Saved any money in the past year, female (% age 15+)	29.7%
Saved at a financial institution, male (% age 15+)	22.4%	Saved at a financial institution, female (% age 15+)	16.7%
Saved using a savings club or a person outside the family, male (% age 15+)	8.1%	Saved using a savings club or a person outside the family, female (% age 15+)	8.8%

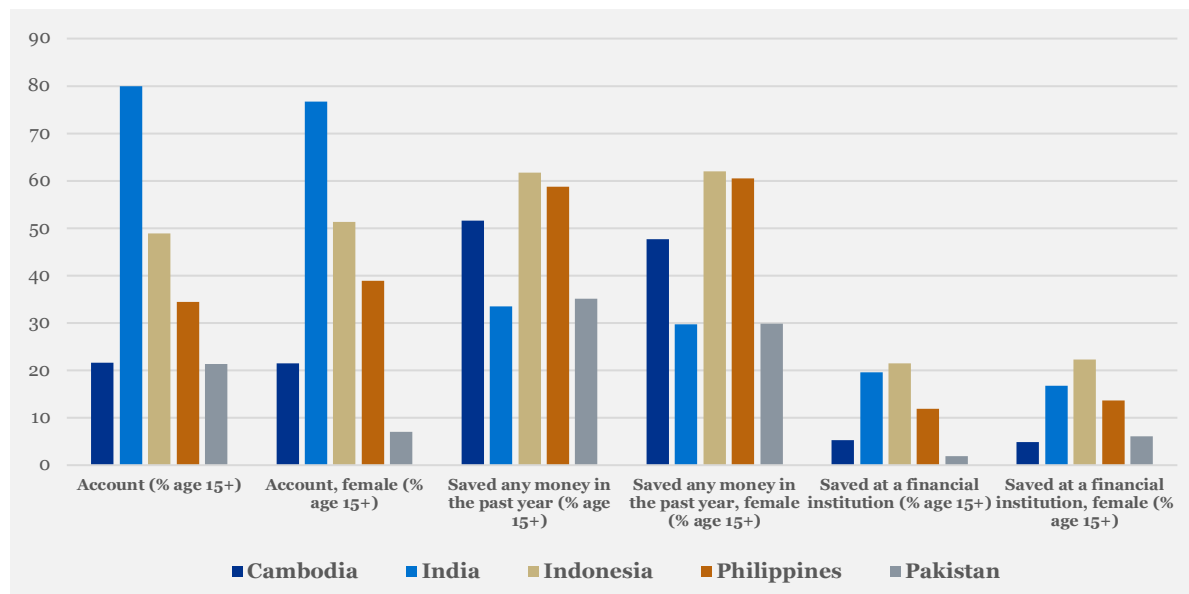
Source: Global Financial Inclusion Database, 2017

Within a regional context, India falls behind in household savings behavior compared to surrounding countries, such as Cambodia, Indonesia, Philippines, and Pakistan. Figure 1 on the next page reveals that while a greater percentage of Indians own bank accounts, account use does not translate into household savings norms.² In fact, most low-income women entrepreneurs in India who have access to a bank account do not use it for savings.

¹ All national-level data unless otherwise noted is sourced from Global Financial Inclusion Database, 2017.

² Since 2011, the share of banked adults more than doubled in part due to a government initiative to increase account ownership among the unbanked through biometric identification cards.



**Figure 1: Savings behavior across South and Southeast Asia**

Source: Global Financial Inclusion Database, 2017

With this context in mind, Women's World Banking set out to understand women's saving behavior in India, motivated by the following question: *What does women's savings behavior reveal about their financial services needs?*

To answer this question, Women's World Banking deployed a survey on savings behavior among women customers of a financial institution in India. We surveyed over 2,000 customers who had both an account and a loan from a financial institution, focusing our surveys on two states: Tamil Nadu and West Bengal. Women responded to questions on their account use, savings behavior, borrowing behavior, phone usage, insurance and resilience, decision-making ability, and empowerment.

This paper examines savings behavior among these customers across Tamil Nadu and West Bengal, before analyzing savings behavior through three clusters of women, defined according to their savings amount and level of engagement with financial services. This paper concludes with market opportunities to engage each segment of women customers.

Box 1: Methodology

In partnership with a financial institution in India, we took a representative sample from eight bank branches covering urban, semi-urban, and rural areas in Tamil Nadu and West Bengal, for a total sample size of 2,374. Five districts were selected within West Bengal to account for 1,176 women customers, and eight districts were selected within Tamil Nadu to account for the remaining 1,198 women customers.

Women customers were selected for this study according to the time in which they took out a loan. Surveys were completed between August 10 and October 28, 2020. Women responded to questions on their account use, savings behavior, borrowing behavior, phone usage, insurance and resilience, decision-making ability, and empowerment.





Comparing Women's Saving Behavior in West Bengal and Tamil Nadu

Women from West Bengal and Tamil Nadu have different savings practices. This section first shares a brief background on West Bengal and Tamil Nadu, and then compares and contrasts women according to their various savings techniques and demographic information to highlight the differences between women's saving behavior in West Bengal and Tamil Nadu.

West Bengal, located in the eastern region, is the fourth-most populous state in India with a population of more than 99 million. Over two-thirds of this population is rural. In the 2019 financial year, West Bengal's per capita income was roughly 110,000 Indian rupees (₹). This eastern state contributes to 5.75 percent of India's total GDP. Contrastingly, Tamil Nadu, located along the southeast tip of the country, is the seventh-most populated state in India with a population of over 77 million. Roughly half of Tamil Nadu's population is rural. Considered the second wealthiest state in the nation according to GDP, Tamil Nadu contributes 8.59 percent to India's total GDP.

Savings amount and savings location

The survey revealed that most women customers of financial institutions save. In the past 12 months, 63 percent of women customers saved across various sources, and the majority of women – 50.8 percent – saved every month, as illustrated in Table 2.³ More women in West Bengal (73.1 percent) saved than in Tamil Nadu (52.4 percent), though a contextual understanding of the states suggests that the savings rate in Tamil Nadu may be slightly under-reported. The average savings amount in the past 12 months was ₹ 9,141 (\$122 USD), with a local average of ₹ 10,367 (\$139 USD) in West Bengal and ₹ 7,920 (\$106 USD) in Tamil Nadu. The sample is in line with average savings rates across India. For context, both West Bengal and Tamil Nadu have significant urban as well as agricultural and non-agricultural rural communities. Non-agricultural rural households across India saved ₹ 9,660 (\$129 USD) in 2017, while agricultural rural households saved ₹ 8,600 (\$115 USD) in 2017.⁴

³ In order to strengthen the integrity of data related to whether women save, we calculated the percent of women customers who saved by using the number of women who gave an amount greater than zero across the various savings channels. When directly asked whether they saved, 40.2 percent of the total sample responded that they personally saved in the last 12 months.

⁴ Statista Research Department, Feb 8, 2021.





Table 2: Savings Frequency

Savings Frequency	% women
Every day	1.68 %
Every week	3.66 %
Every two weeks	1.31 %
Every month	50.8 %
Every two months	5.09 %
Every six months	3.41 %
Every year	1.93 %
Every one to two years	.05 %
Never	31.5 %

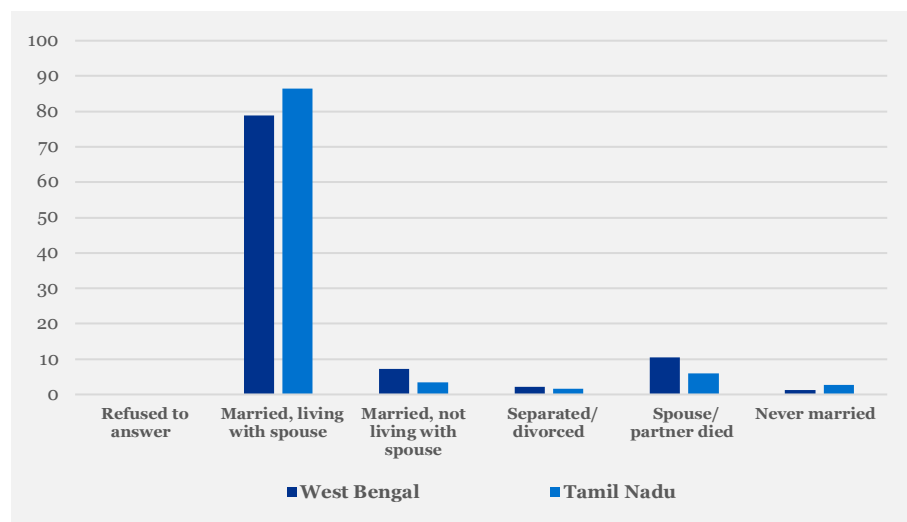
Source: Authors

Just as the savings rate varied between states, so did the location in which these women saved. The majority of women – over 48 percent – across Tamil Nadu and West Bengal saved at home in cash; women saved roughly ₹ 1,772 (\$23 USD) on average in this way. More women in West Bengal (64.9 percent) saved at home in cash than women in Tamil Nadu (25.4 percent). In Tamil Nadu, 34.4 percent women reported that they saved in self-help groups, which are informal savings groups or chit funds, making self-help savings groups a more common form of savings for women from Tamil Nadu.⁵

Marital status, education level, and age

A further demographic analysis of women's savings behavior over the last 12 months revealed that education level and savings amount were statistically significant. On average, higher levels of education resulted in higher amounts of income saved. For example, women who received at least primary education saved ₹ 7,429 (\$99 USD) in the past 12 months and women who completed middle school saved ₹ 9,355 (\$125 USD), while women with no education saved ₹ 5,710 (\$76 USD) in the past month. Age and marital status did not have a significant relationship with savings amount. However, women who never married correlated with women who saved more, because women who never married were often the most highly educated. As displayed in Figure 2, most women from our sample in West Bengal and Tamil Nadu were married and living with their spouses.

Figure 2: Women's marital status in West Bengal and Tamil Nadu



Source: Authors

⁵ For more on SHG, see [Deininger, K. and Liu, Y. \(2009\).](#)





Savings decisions

Decision-making on household savings also varied according to region. Some women made savings decisions on their own, while others reported that their husbands made decisions over household funds or that decisions were made alongside their spouses. In Tamil Nadu, 41 percent of women reported that they made savings decisions made by themselves; however, in West Bengal, only 23 percent of all women reported that they made savings decisions on their own. Rather, in West Bengal, it is more common for women (31 percent) to make savings decisions alongside their spouses.

Savings motivation

Women across Tamil Nadu and West Bengal were motivated to save for various reasons, but across both states, saving for their children's education and to prepare for emergencies were the primary motivations. Respectively, 48.1 percent of Tamil Nadu women saved for their children's education, and 33.4 percent reported that they saved for emergencies. Women in West Bengal were similar: 33.7 percent of women saved for their children's education, and 20.2 percent saved for emergencies.

Beyond these top motivators, however, women in West Bengal and Tamil Nadu differed in their savings motivation. In West Bengal, a higher proportion of women sought to invest in their businesses (20.6 percent) and save for household financial security (17.8 percent). In contrast, only 1.1 percent of women in Tamil Nadu saved to invest in their business or for household financial security.

Saving for their children's wedding was another point of difference between women in West Bengal and Tamil Nadu. Nearly a quarter of women from Tamil Nadu saved for their children's marriages compared to roughly a tenth of women from West Bengal who saved for the same reason.





Savings Behavior: Three Clusters of Women Savers

To better understand the varying financial practices and needs of women customers, we utilized a cluster analysis to categorize survey respondents according to their savings amount and financial services engagement.⁶ Identifying and grouping women according to their responses on how much money they saved and whether they were actively engaging in financial services allows for a deeper examination into the savings behavior of each cluster of women. Table 3 presents an overview of each cluster. The three clusters emerging from the surveyed women customers are as follows:



Limited Engagers: Women who had low savings and low engagement with financial services

Growing Opportunists: Women who had low savings and high engagement with financial services

Readied Savers: Women who had high savings and high engagement with financial services

Each of these clusters presents different market opportunities for deeper engagement with financial services, which will be explored in depth.

Table 3: Statistics on Cluster Profiles

Category	Limited Engagers	Growing Opportunists	Readied Savers
Location	Tamil Nadu: 245 West Bengal: 358	Tamil Nadu: 208 West Bengal: 457	Tamil Nadu: 745 West Bengal: 361
Overall savings amount	₹ 6,285	₹ 6,231	₹ 12,498
Preferred savings type	At home in cash (₹ 1,721)	At home in cash (₹ 1,563)	At home in gold/jewelry (₹ 2,897)
Highest monthly income earned in past year	₹ 4,167	₹ 4,674	₹ 6,717
Lowest monthly income earned in past year	₹ 2,469	₹ 2,608	₹ 3,546
Average age	38.4 years	37.2 years	38.8 years
Education	15% completed high school; 45.6% completed middle school	42.6% completed high school	43.3% completed high school
Marital status	89.2% married, living with spouse	79.8% married, living with spouse	80.7% married, living with spouse
Employment	29% are self-employed, including small businesses, selling items, etc.	29.9% are self-employed, including small businesses, selling items, etc.	28.2% are self-employed, including small businesses, selling items, etc.
Occupation sector	14.9% in service work	17.7% in service work	17.1% in service work

Source: Authors

⁶ We created the clusters using categorical and numerical data, Gower's Distance to create a matrix exposing similarities and dissimilarities, and partitioning around medoids (PAM) rather than centroids.





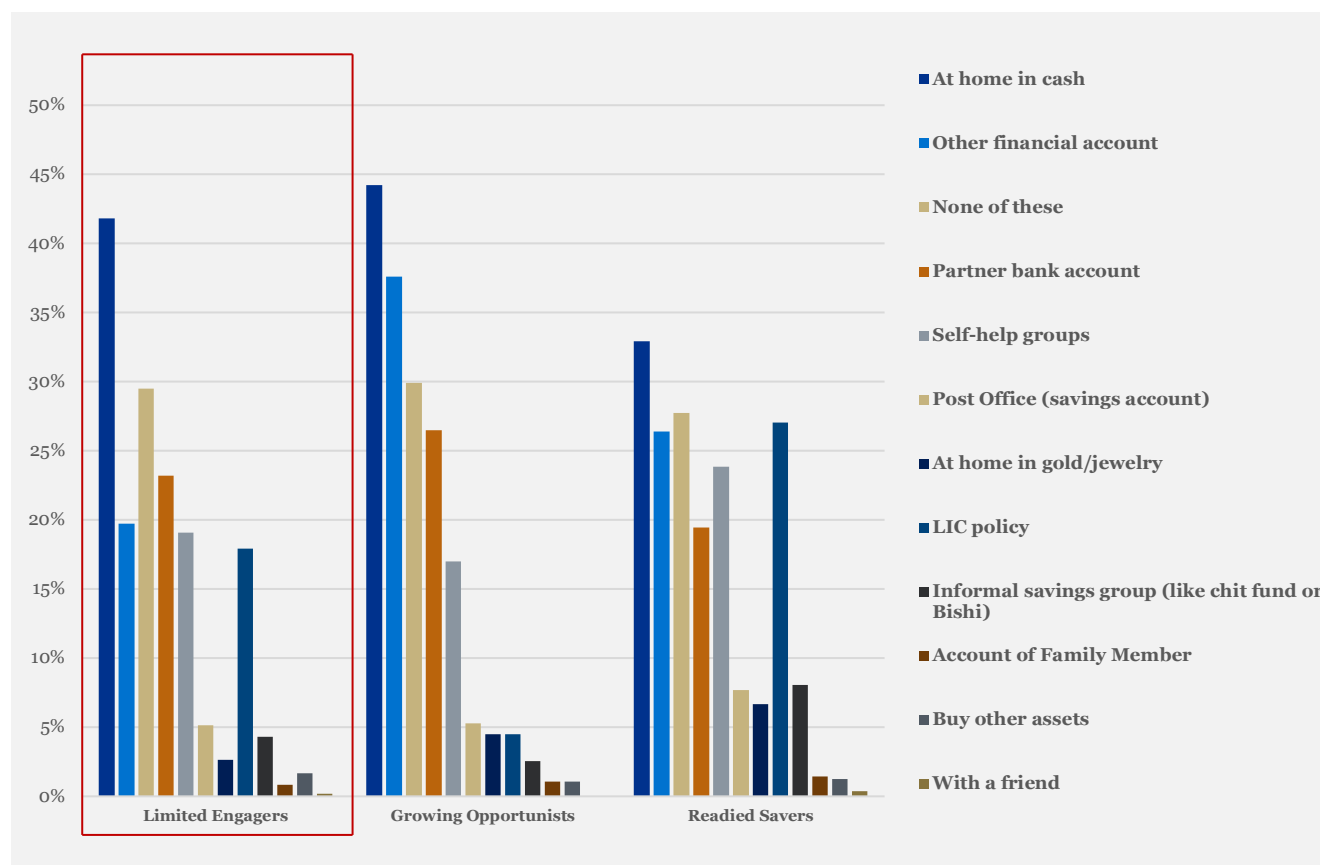
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Limited Engagers: Women with low savings and low engagement with financial services

Limited Engagers, or cluster one, have low savings and low engagement with financial services. In the 12 months prior to the survey, women within this cluster saved ₹ 6,285 (\$84 USD) each on average. Outside of their formal account, only 21.4 percent utilized a microfinance institution, and 17.6 percent used a commercial bank. Their engagement with financial services is significantly lower than either of the other clusters. When asked how they used their account, 96.4 percent of women said they performed no transactions; they did not conduct transfers, send or receive money, pay bills, or make purchases. Only 1.16 percent of women from this cluster had conducted a person-to-person transfer.

Women in this cluster also saved across various formal and informal savings devices. Many women reported saving at home in cash (41.8 percent), and only 23.2 percent reported that they saved in an account. Nearly 30 percent shared that they do save but not in any of the savings options presented in the survey. Figure 3 illustrates where women from this cluster save. Thus, while Limited Engagers do save, they primarily save in informal savings – at home, in cash, or through jewelry.

Figure 3: Where do women save?



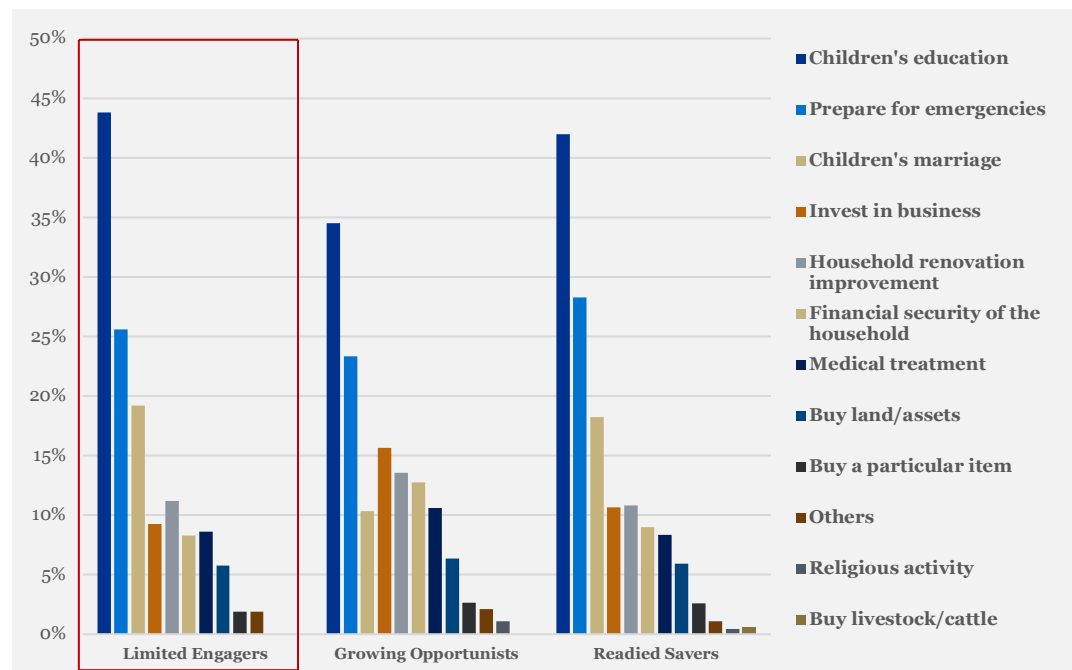
Source: Authors

Limited Engagers indicated that they saved for various reasons. Depicted in Figure 4, children's education was the greatest motivator for women (43.8 percent) to save. Women also noted that they saved to prepare for emergencies (25.6 percent), to prepare for their children's marriages (19.2 percent), and to improve or renovate their homes (11.2 percent).





Figure 4: Why do women save?



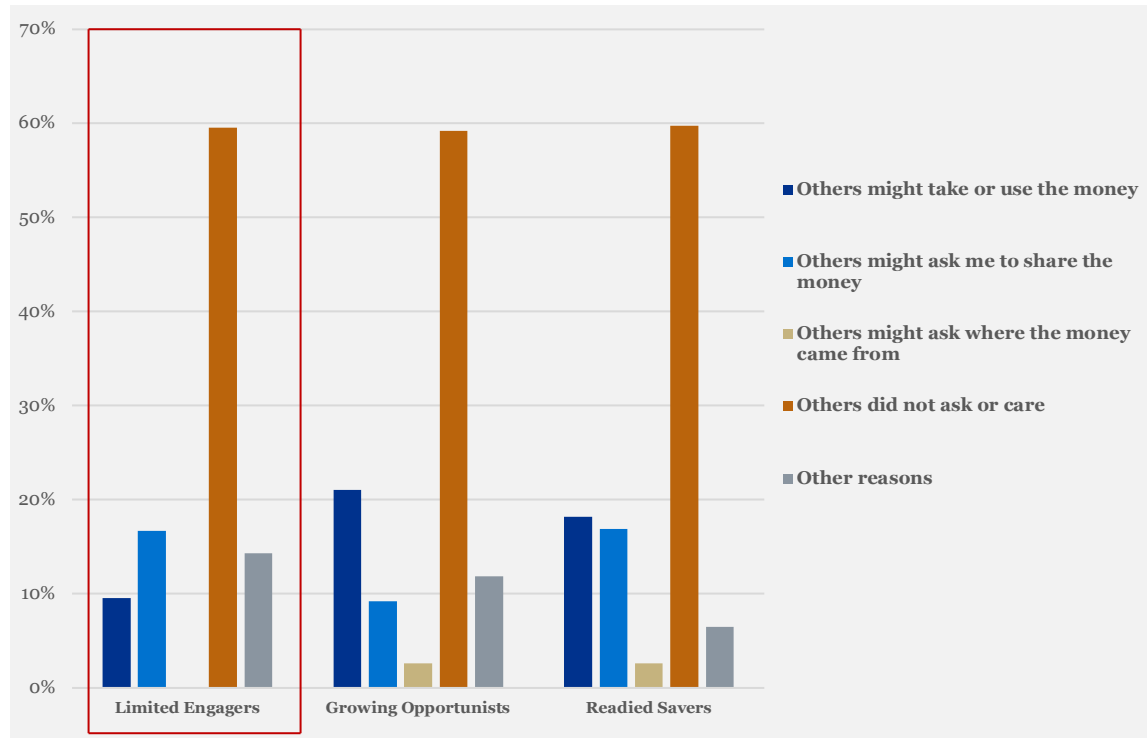
Source: Authors

Some Limited Engagers noted that they chose to be silent about their savings amount to their spouses. Women indicated several reasons for their silence: 9.52 percent of women feared that others might take and use the money, and 16.6 percent feared that others might ask them to share their money. However, nearly 60 percent of women said they did not tell others about their savings because they were not asked. Figure 5 illustrates why women are silent about their savings.





Figure 5: Why are women silent about their savings?



Source: Authors

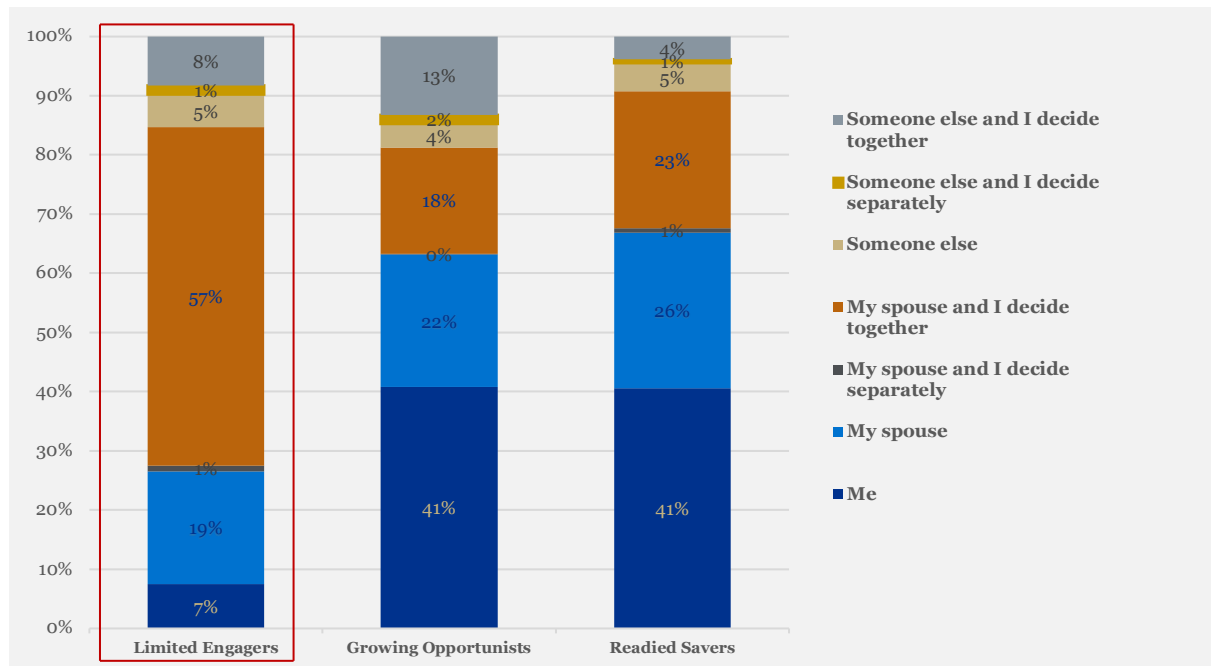
Women in this cluster primarily made savings decisions together with their spouses, unlike women from either of the other clusters. As displayed in Figure 6, over 57 percent of women decided together with their spouse how to manage their household's savings, and only 7.46 percent of women made decisions regarding household savings on their own. While women in this cluster may be less likely to make decisions on household savings, their spouses are also less likely to do so. Nearly 20 percent of women report that their spouses solely made decisions on their savings.

To capture Limited Engagers, both spouses may need to be part of the decision-making process surrounding household savings initially. However, as women grow in their access to individual savings tools, they may also have greater decision-making power in their household. Ashaf et al. (2009) found that when women have individual commitment to savings products, their household decision-making power increases.





Figure 6: Who makes decisions on savings?



Source: Authors

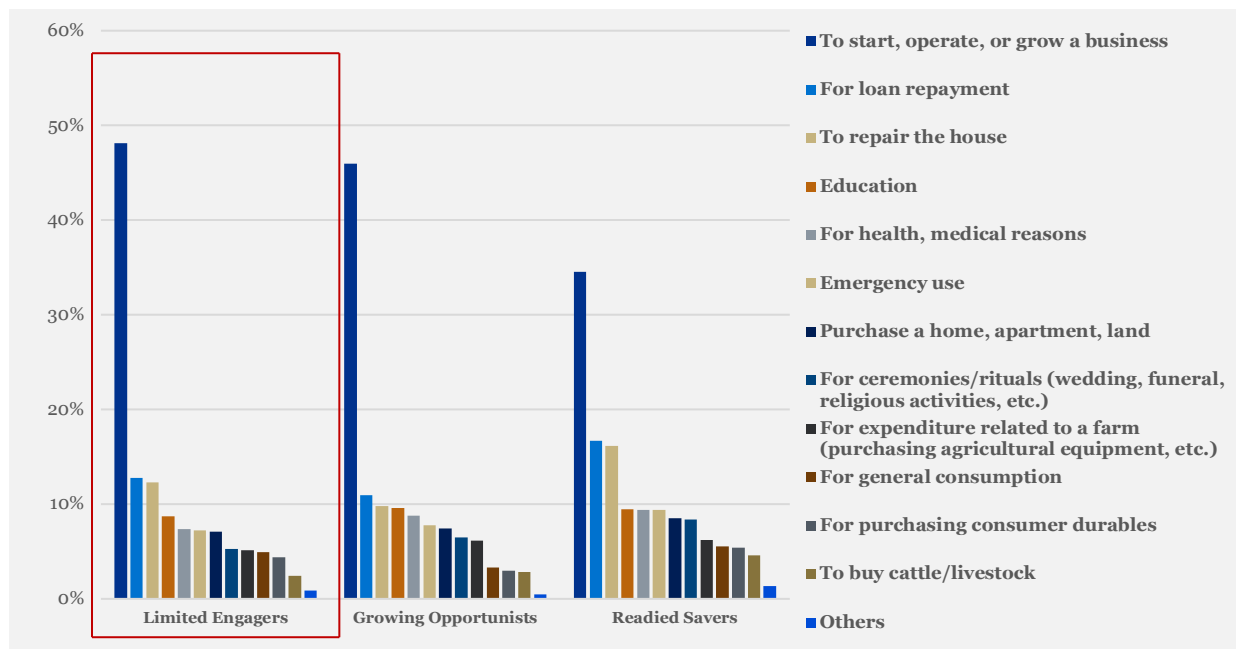
In addition to savings, many women in this cluster also borrowed funds. As shown in Figure 7, over 45 percent of women reported that they borrowed to start, operate, or grow a business. Women in this cluster also borrowed to meet education needs (10.9 percent), to repair their house (9.78 percent), or to repay a loan (8.78 percent).

It is imperative to note that all women within our sample borrowed a loan for their businesses, which may disproportionately skew the percentage of women who borrow to start, operate, or grow a business.





Figure 7: Why do women borrow?



Source: Authors

Market opportunities to engage the Limited Engagers

With low savings and low engagement in financial services, women within this segment are hardest to reach. Yet, by designing saving practices that will provide user privacy and allow for decision-making by both spouses, there may be growing opportunities to engage this cluster.

2

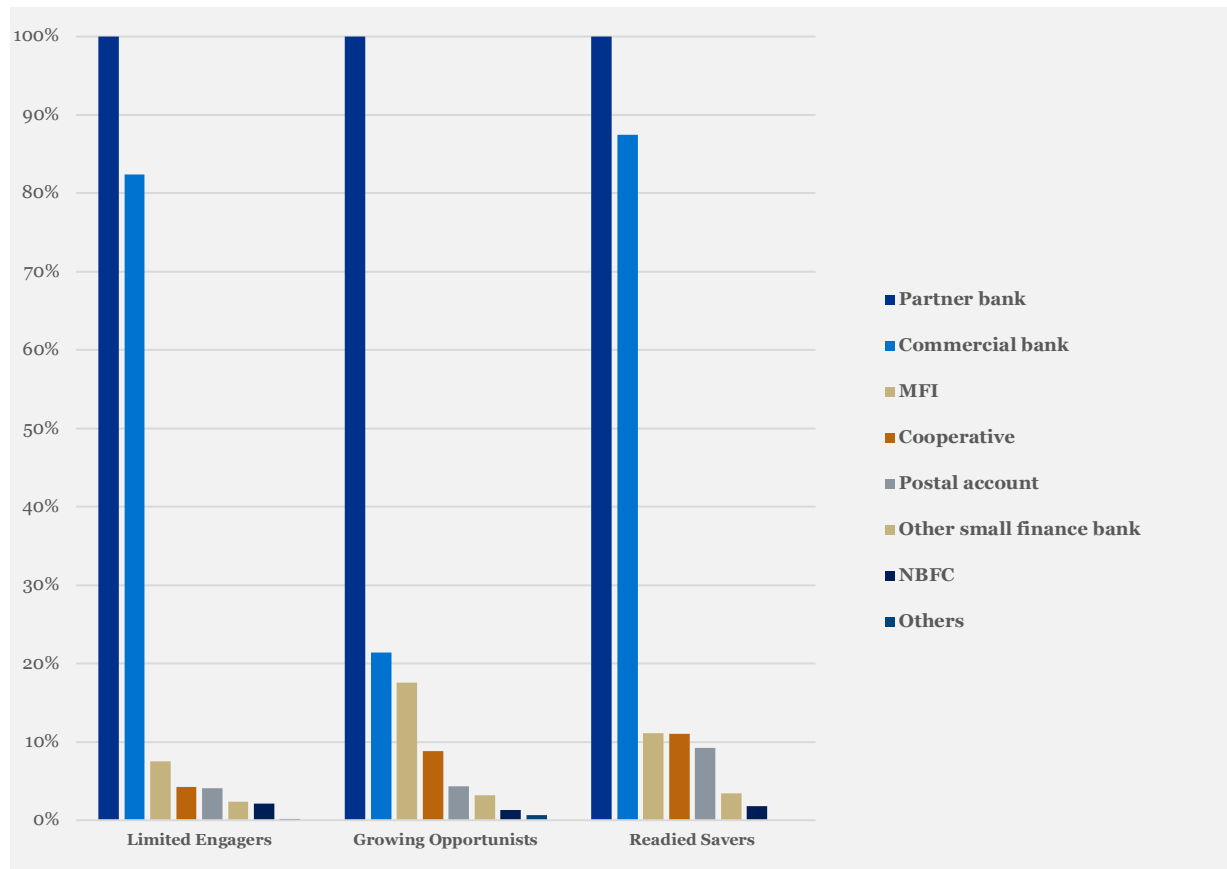
Growing Opportunists: Women with low savings and high engagement with financial services

Growing Opportunists, or cluster two, are women who have low savings and high engagement with financial services. Women customers within this cluster used financial services frequently. In addition to using the institution we worked directly with, 82.4 percent used another commercial bank, and 7.52 percent used a microfinance institution, displayed in Figure 8.





Figure 8: At which type of institutions do women currently have financial accounts?



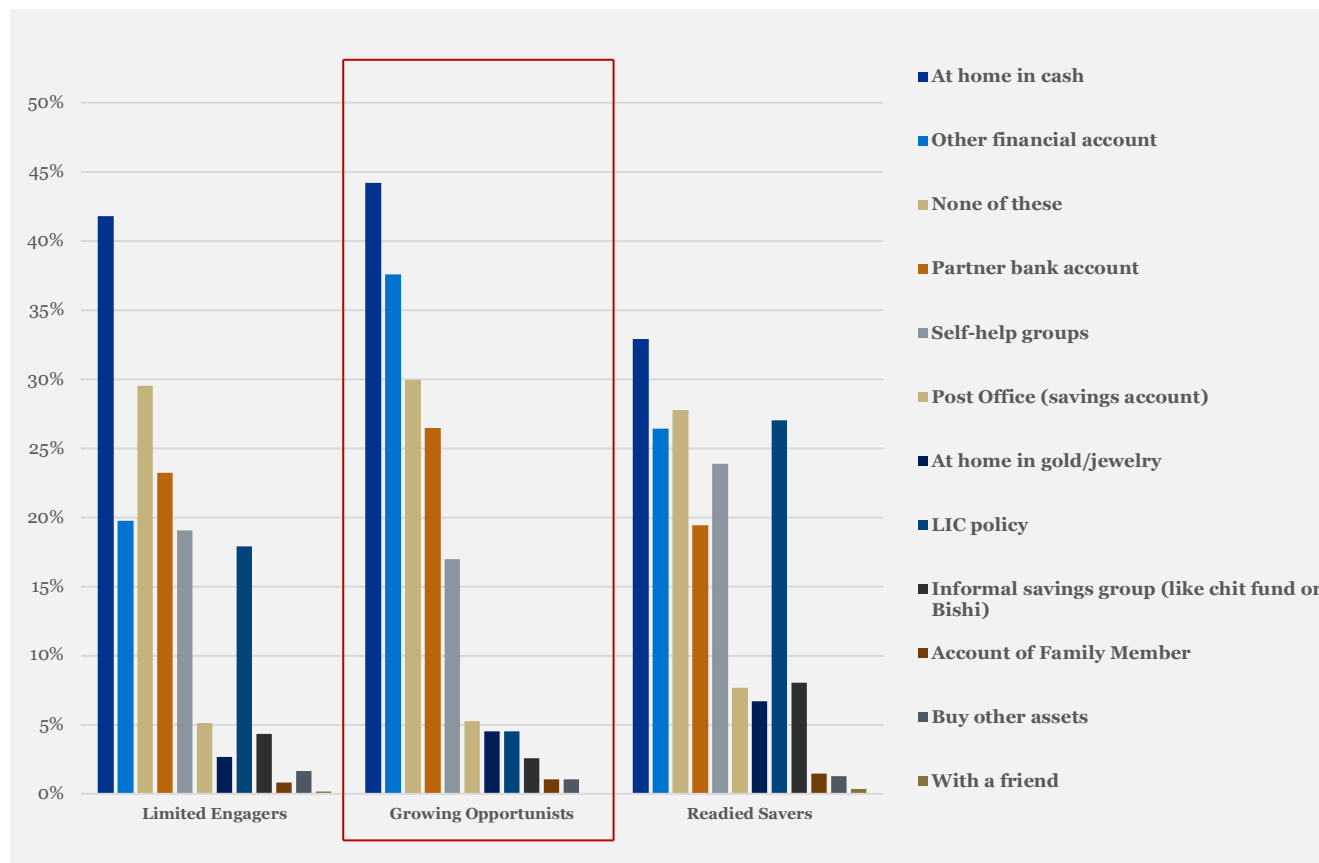
Source: Authors

Women in this cluster, however, do save. While their savings amount may be low – women saved ₹ 6,231 (\$83 USD) in the past 12 months per person on average – they do engage in savings practices in formal and informal savings devices. All women in our sample were customers of a specific financial institution, yet not all saved with this institution. Just over a quarter of women from this cluster saved money in their account associated with our project partner. Slightly more women within this cluster noted that they saved their money at home rather than in their accounts; 44.2 percent saved at home in cash while 37.6 percent of women saved in other financial accounts. Figure 9 displays where women who have little savings and relatively high engagement with financial services save – at home in cash, in another financial account, in none of the offered options, and in the account associated with our partner institution. Note that, compared to the other clusters, a greater percentage of Growing Opportunists reported that they saved at home in cash, in other financial accounts, in our financial institution partner, or in none of the multiple choice options provided them.





Figure 9: Where do women save?



Source: Authors

Women indicated that they saved for various reasons. Growing Opportunists most frequently reported that they saved for their children’s education (34.5 percent) and to prepare for emergencies (23.3 percent). Additionally, 15.6 percent of women saved to invest in their businesses, and 12.7 percent sought to increase the financial security for their household. It is evident from this data that women are highly motivated to save and have options available to them.

However, more women within this cluster noted that they remained silent about their savings: 21 percent of women worried that others might take and use the money should they know about their savings, and 9.21 percent of women worried that others might ask them to share the money. Nearly 60 percent of women said they did not tell others about their savings because no one asked or cared.

Not only are women motivated to save, and save in various locations, but many women from this cluster are the primary decision-makers on their household savings. Within this cluster, 40.8 percent of the women made decisions around savings themselves. Figure 10 shows that while many women make savings decisions on their own, nearly a quarter reported that their spouse decided on their household savings, and nearly a fifth noted that savings decisions were shared with their spouse.



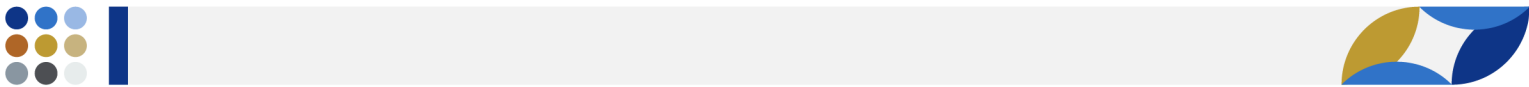
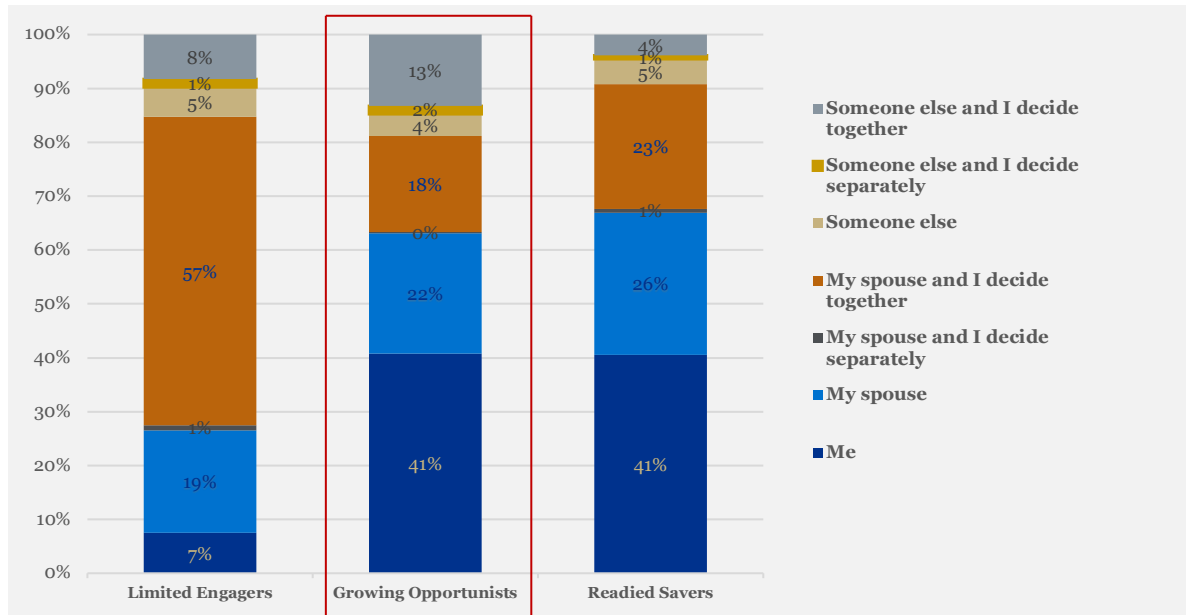


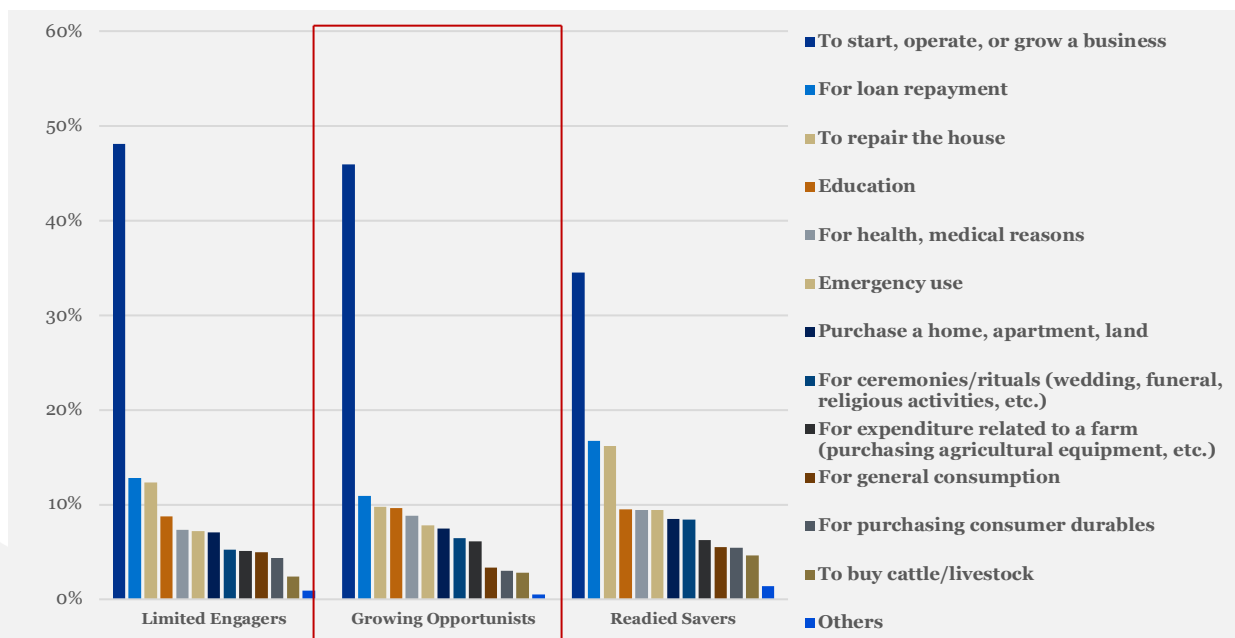
Figure 10: Who makes decisions on savings?



Source: Authors

Outside of saving household finances, women within this cluster also borrowed money. The majority of women in this cluster – nearly 50 percent – reported that they borrowed to start, operate, or grow a business. Women also borrowed to make loan repayments (12.7 percent), repair their homes (12.3 percent), and to meet education costs (8.72 percent). Figure 11 captures why women borrow. Again, the data indicating that the greatest percentage of women borrow to start, operate, or grow their businesses may be skewed, as all participants were given a loan for their business. Yet, it is interesting to note that women who have higher levels of income and have greater engagement with financial services are also slightly more likely to borrow funds for loan repayment, education, and house repairs.

Figure 11: Why do women borrow?



Source: Authors



Market opportunities to engage Growing Opportunists

Overall, while their savings may be low, women from this cluster maintain high engagement with financial services and products. This presents financial institutions with an opportunity for long-term engagement. As women in this cluster continue to create higher levels of income and in turn save more money, our partner institution for this study will be well-positioned to continue their engagement with this cluster. However, the greatest challenge to increase savings engagement among Growing Opportunists may be to encourage women to move their funds – saved at home in cash or jewelry – to formal savings accounts.

The literature suggests that women in India save at home in cash, gold, or jewelry for multiple reasons. Generally, jewelry and gold are considered a woman's possession within the house, which increases her control over her savings as well as her social status within her community (Mehrotra, 2004). Saving in gold and jewelry may also provide a sense of security and privacy, particularly for women who may otherwise be reliant on their husbands or sons to deposit money into their accounts (Lahiri, 2020; Jilinskaya-Pandey and Zamaróczy, 2019).

While financial institutions must compete with gender, cultural, and historical norms for saving at home in cash, gold, or jewelry, opportunities remain to engage women within this segment. Providing financial privacy to account users, cash in/cash out infrastructure at bank branches and ATMs, and opportunities to trust in formal savings devices can encourage more women to save within financial institutions.

3 Readied Savers: Women with high savings and high engagement with financial services

Readied Savers, or cluster three, is comprised of women who have high savings and high engagement with financial services. Women in this cluster tend to save money at higher rates and with higher frequency than the other two clusters. In the past 12 months, women saved ₹ 12,498 (\$168 USD) per person on average – nearly double the savings of cluster one or cluster two. Women in this segment also have heightened engagement with the financial services sector; over 87 percent use commercial banks, and 11 percent use microfinance institutions, in addition to their account associated with this study. Yet, women in this cluster had limited engagement with their accounts. 92 percent had not conducted a money transfer, sent or received money, paid bills, or made purchases, and only 3.89 percent sent money via transfer to someone else.

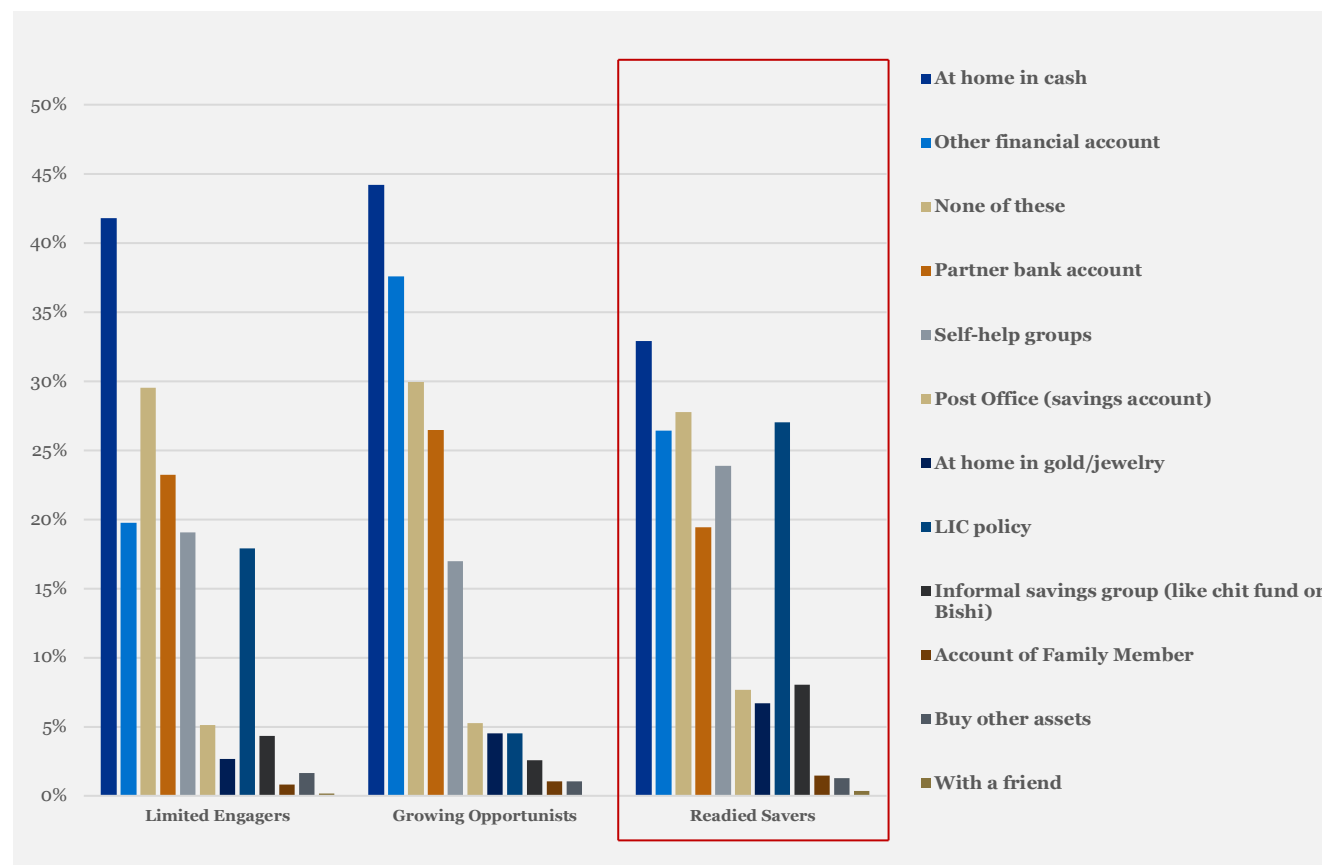
Women from this cluster have both the funds and the products and services to save their income. Yet, women in this cluster primarily reported their savings location as home in cash (32.9 percent), in their LIC policy⁷ (27 percent), or in another financial account (26.4 percent). Women from this cluster also reported use of self-help groups for savings purposes (8.04 percent). Less than 20 percent of women in this cluster reported that they saved in their account associated with the institution we partnered with, as illustrated in Figure 12.

⁷ LIC Policy refers to a life insurance corporation policy.





Figure 12: Where do women save?



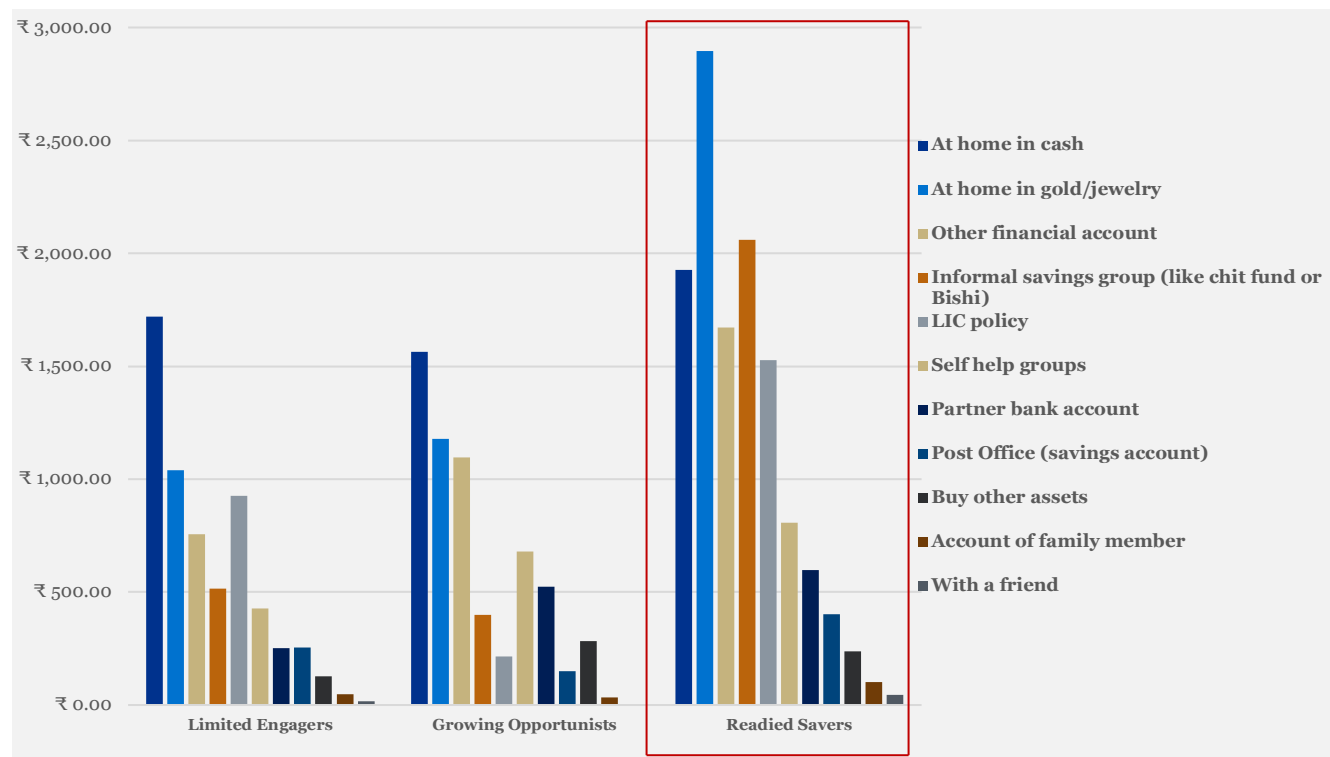
Source: Authors

While women within this cluster more commonly saved at home in cash, women saved greater amounts of their savings at home in gold or jewelry. Figure 13a depicts the value amount that women saved in the last 12 months, as well as the location in which they saved. While 6.69 percent of women reported that they saved at home in gold or jewelry, women saved ₹ 2,896 (\$39 USD) in the past 12 months on average in this location – the greatest amount of their funds at nearly a quarter of their overall savings amount. Women in this cluster also saved large amounts in informal savings groups (₹ 2,059), at home in cash (₹ 1,927), and in other financial accounts (₹ 1,671). In other words, women who had high amounts of savings and high engagement with financial services largely saved in informal settings.





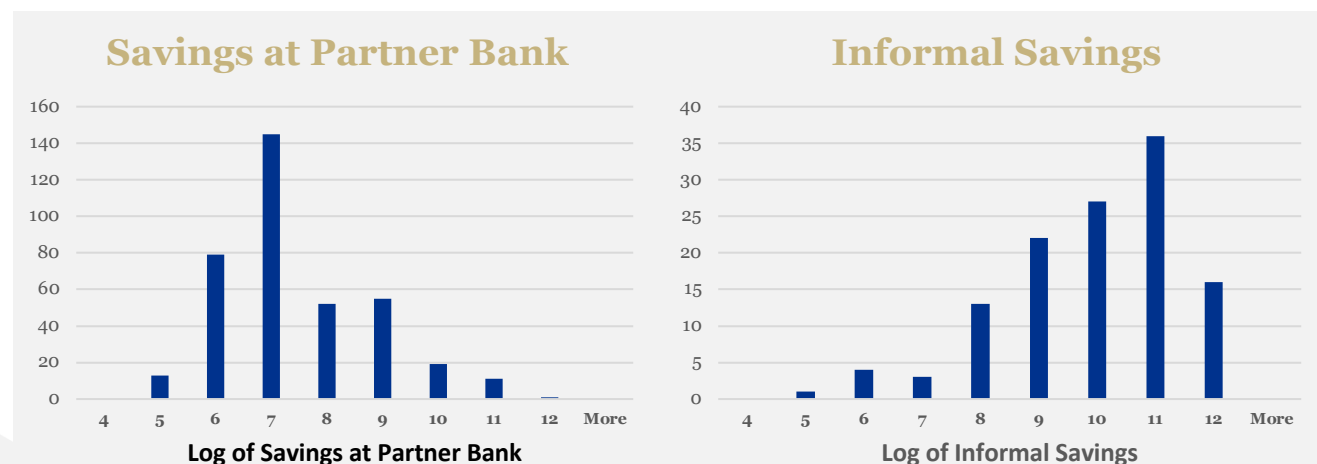
Figure 13a: How much money do women save in each of these locations?



Source: Authors

Women diversify their savings, and they cap or limit how much they are willing to save in certain locations, as seen in Figure 13b. The two graphs show the distribution of women who save at increasing amounts in their savings accounts and in informal savings. In the former, savings are generally distributed evenly. Savings in informal avenues drop precipitously at a certain threshold, where women choose to allocate any additional savings elsewhere. What motivates women to save in each of these locations, and how formal financial institutions might better address women's needs to save in each of these locations, should be further explored in qualitative research methodologies.

Figure 13b: How much money do women save in each of these locations?



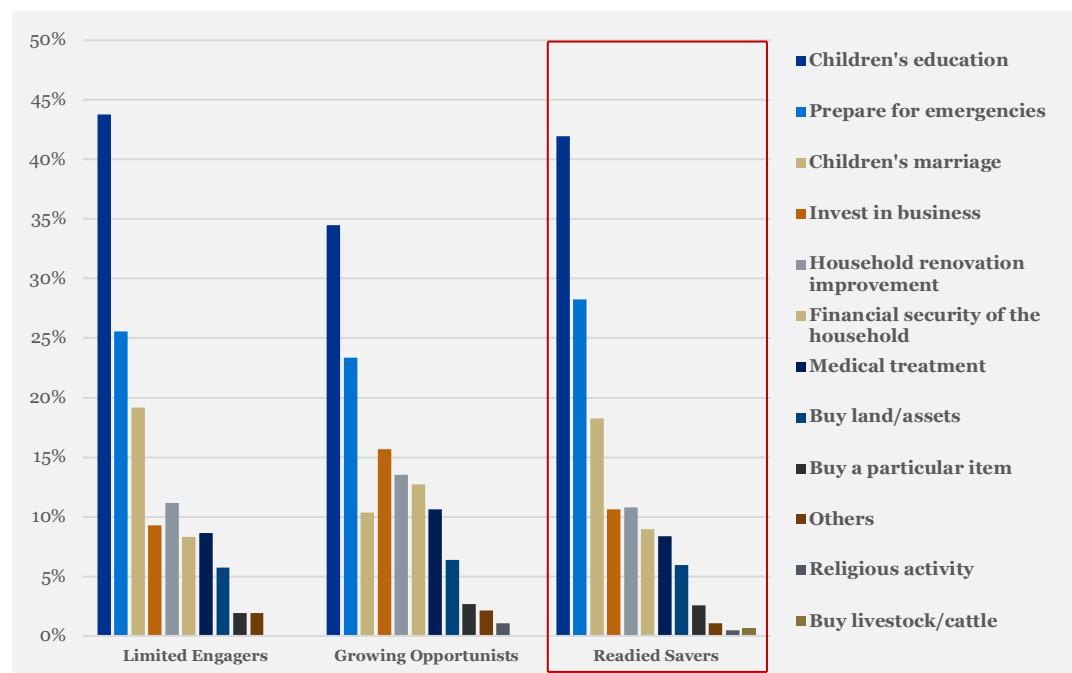
Source: Authors





Like in clusters one and two, women in cluster three saved for many of the same reasons. Women saved for their children's education (41.9 percent), emergencies (28.3 percent), their children's marriages (18.3 percent), and home renovations (10.8 percent), as depicted in Figure 14. To better understand how these saving goals influence women's decisions surrounding where and how much to save – and to what extent they need cash liquidity – should also be addressed in follow-up qualitative research.

Figure 14: Why do women save?



Source: Authors

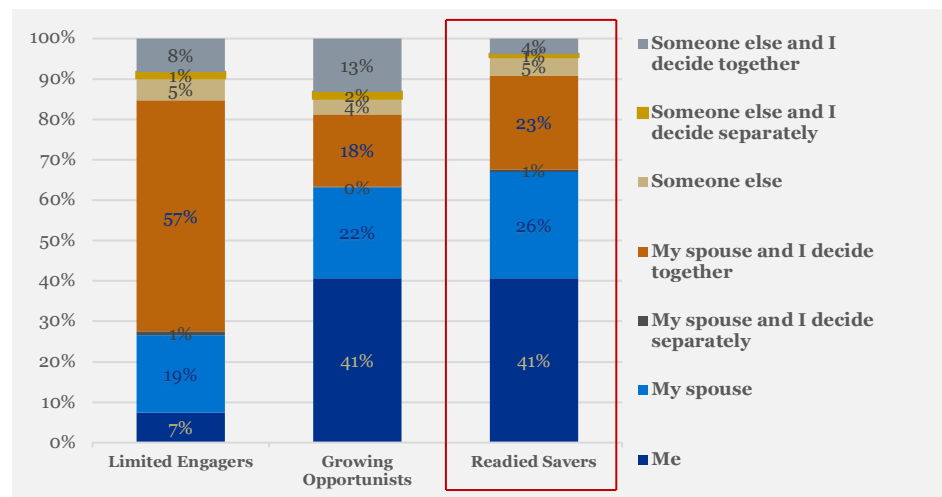
In contrast to cluster one and similar to cluster two, many women from cluster three made decisions on their household savings on their own (40.6 percent). At 26.3 percent, more Readied Savers reported that their husbands were sole decision-makers on household savings than women in clusters one or two, and 23.1 percent shared that they made decisions on savings together with their spouses. Figure 15 displays this breakdown on household decisions on financial savings.

This trend seems to suggest that there is a correlation between women who have more decision-making ability over their savings and women's engagement within financial services. Clusters two and three, which had high percentages of women with high engagement with financial institutions, also had high percentages of women deciding how, when, and where to save within their households.





Figure 15: Who makes decisions on savings?



Source: Authors

Many women expressed that they did want privacy related to their savings. Women reported that they remained silent about how much money they saved for a host of reasons. The majority of women shared they remained silent, because no one asked or cared to know how much money they saved. However, some women were silent about their savings, because they worried others might take or use their money (18.2 percent) or that others might ask to share the money (16.9 percent).

Market opportunities to engage Readied Savers

Cluster three, consisting of women with high savings and high engagement with financial institutions, presents many opportunities for increased savings through formal accounts. To best engage this segment to save in a financial institution, it is essential to understand how financial institutions can compete with saving at home in cash, gold, or jewelry, or in informal savings groups or chit funds. Women who have high amounts of savings and high engagement with financial services still primarily save their income at home in gold and jewelry. Financial institutions must understand the motivation women have to save in this location and present attractive alternatives to this behavior.

Box 2: Digital Financial Capabilities and Savings Behavior

Across all clusters, there is opportunity to increase women's digital financial capability (DFC). Most women across all three clusters had access to mobile phones: 86.1 percent of all women from our sample owned some kind of phone, 49 percent owned a keypad phone, and 36.8 percent owned a smartphone. Only 13.8 percent of women did not own a phone of any kind. Yet, women rarely used their mobile phones for financial transactions. Women reported that they primarily used their mobile phones to make calls, send text messages, listen to music, or watch videos. Few women – between 0.4 percent and 3.7 percent of women from each cluster – used their mobile phones to perform mobile banking or mobile payments. Growing adoption of mobile phones increases market opportunities to engage women and further encourage their savings behavior, but only if women customers and financial services providers have the digital financial capability to utilize these tools. Women's World Banking's research on women's digital financial capability provides a framework for the future of effective DFC.





Conclusion

When low-income women save in formal financial institutions, they are better equipped to support themselves, their families, and their businesses. As such, financial institutions and their partners are enjoined to provide the tools, services, and resources that will best encourage women to uptake formal savings devices.

In a nutshell:

- **Women chose to save formally and informally across diverse locations.** Women primarily reported saving either at home in cash or in formal savings avenues. Financial institutions have the greatest opportunity encouraging Growing Opportunists and Readied Savers to transfer in-house savings to the bank since they already engage with financial services.
- **Women across all clusters were primarily motivated to save for the following four goals:** to pay for their children's education and school fees, to prepare for emergencies, to support their children's future marriage, and to invest in their own businesses. Each of these savings goals has separate timelines. Financial institutions have the opportunity to support women in their savings by designing products and services that allow them to meet these goals.
- **Women who had high engagement within financial services were also most likely to have sole decision-making power over their household savings.** Reflected among Growing Opportunists and Readied Savers, roughly 41 percent of women in each of these clusters made savings decisions on their own. Financial institutions can match the savings needs of these women by engaging with them directly.
- **Women with low engagement with financial services and a low amount of savings tended to make savings decisions together with their spouses.** For Limited Engagers, it is important that financial institutions engage both spouses to encourage increased savings within formal settings.
- **Women want private and secure savings.** Many women from all clusters noted they may remain silent about their savings for various reasons. While nearly two-thirds of women shared that they remained silent because no one asked or cared to know how much money they saved, one-third were silent about their savings because they worried others might take or use their money, or that others might ask to share the money. Providing women with private and secure options to increase their savings is critical.

The way in which women currently save – their goals and motivation behind their savings decisions – reveals market opportunities for engagement. By considering the ways in which women make decisions on where to save, how much to save, how frequently to save, and their motivations and fears along the way, financial institutions can be equipped to meet women customer needs.






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