

*Addressing  
women's needs  
for financial education*



INTERNATIONAL  
NETWORK  
on  
FINANCIAL  
EDUCATION

The INFE is a network of public experts on financial education established by the OECD in 2008. The INFE currently gathers 240 public institutions from over 100 countries. It meets twice a year to develop analytical work on priority policy issues as well as guidelines and good practices.

The OECD's mission is to promote policies that will improve the economic and social well-being of people around the world. We provide a forum in which governments can compare and exchange policy experiences, identify good practices and promote decisions and recommendations to produce better policies for better lives.

The common thread of our work is a shared commitment to sustainable growth, employment and trade, based on international co-operation, and focused on the well-being of all citizens.

#### UNITED KINGDOM

49%

Only 49% of women know how compound interest works, against 75% of men.

#### POLAND

60%

Almost 60% of women do not know that high investment returns are accompanied by high risk, against 45% of men.

#### MALAYSIA

85%

85% of non-married women save *informally*, compared to 75% of non-married men.

#### UNITED STATES

32%

32% of women (and 29% of men) with low financial literacy are likely to engage in problematic credit card behaviours.

## *Women's specific needs for financial education*

Both women and men need to be sufficiently financially literate to effectively participate in economic activities and to take appropriate financial decisions for themselves and their families, but women often have less financial knowledge and lower access to formal financial products than men. Women therefore have specific and additional financial literacy needs.



Women are likely to take primary responsibility for childrearing, to make important and daily decisions about the allocation of household resources, and to have a major role in the transmission of financial habits and skills to their children. Hence, they need to have adequate financial skills not only for themselves but also for future generations.

In addition, women have a weaker labour market position with respect to men. In 2011, on average across OECD countries, 60% of women were in the labour force compared to 72% of men. Around 25% of women in employment worked part-time, compared to only 9% of employed men. Among full-time employees, women earned on average 15% less than men. As women also live longer than men, and yet have shorter working lives and lower average incomes from which to save for old-age, they need to be sufficiently financially literate to manage the greater financial risks that they face.

All this is made more difficult by the fact that in many countries public policies – especially concerning pensions and health care – have shifted the burden of long-term financial decision-making onto the individual. At the same time, the complexity of financial markets is increasing, and women need to acquire the financial knowledge, confidence, and skills to effectively participate in economic activities and financial decision-making, both within and outside their households.



Financial literacy is needed not only to improve women's management of their personal and household finances, but also to empower them to choose and access appropriate financial services and products, as well as to develop and manage entrepreneurial activities.



## *Barriers to women's greater financial well-being: low financial knowledge, confidence, and outcomes*

Women's greater need for financial literacy is made more acute by gender differences. OECD and other studies show that **women have lower financial knowledge than men in a large number of countries**, in both developed and developing ones. Young women, widows, the less well-educated and low-income women lack financial knowledge the most.

Not only do women appear to be less knowledgeable and less interested in financial issues than men, but they are also **less confident** than men both in their financial knowledge and their financial skills, especially in relation to complex financial issues.

Gender differences extend to financial behaviour. Women appear to be better than men at keeping track of their finances. However, **women are likely to be more vulnerable than men in some aspects of financial behaviour**, including making ends meet, saving, and choosing financial products. Women are more likely than men to have problems in covering living expenses and tend to engage in different coping strategies for making ends

meet. Women also tend to save smaller amounts than men, especially for retirement. In developing countries, women are also more likely than men to save informally. Finally, when choosing financial products, women are less likely than men to shop around, to take informed financial decisions, and to use independent advisors.

Available evidence suggests that gender differences in financial knowledge and financial behaviour, especially in terms of making ends meet and saving, are partly related to **socio-economic differences** between men and women, and in particular to their lower incomes. This suggests that women's financial weaknesses are due to higher constraints that women face with respect to men in accessing economic and financial opportunities, as well as to lower financial literacy. This calls for **policies addressing gender inequalities both in economic opportunities and in financial literacy** as a means to improve women's financial well-being.

### Global recognition of women's needs and OECD/INFE contribution

Gender equality in terms of economic and financial opportunities is becoming increasingly relevant at both national and international level. The need to address the financial literacy of women and girls as a way to improve their financial empowerment is acknowledged by the OECD work on gender equality and by the Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship.

At the global level this is also reflected by the G20 Leader's Declaration in June 2012: *"We recognize the need for women and youth to gain access to financial services and financial education, ask the GPMI, the OECD/INFE, and the World Bank to identify barriers they may face and call for a progress report to be delivered by the next Summit"*.

The OECD International Network on Financial Education (INFE) collects institutions from more than 100 countries to develop policy analysis and guidance on key relevant financial education issues. In particular, the INFE is committed to supporting women's financial empowerment and the related G20 agenda by providing policy evidence, analysis, and guidance to help policy makers address women's needs for financial awareness and education.



## *Existing policy responses*

Barriers to women's full financial empowerment have to do with their lower economic and financial opportunities. While financial education alone cannot overcome all these barriers, it can help women's financial well-being and widen their financial opportunities by improving their financial knowledge, attitudes, and skills.

In spite of the available evidence, **policy awareness and commitment** at the top level is still low in some countries, as revealed by a stocktaking exercise undertaken among members of the INFE. But policy makers and stakeholders in many countries have already acknowledged the need to address gender differences in financial literacy and have started developing targeted financial education initiatives.

To date a wide range of stakeholders in over 50 countries around the world have implemented **financial education policies and initiatives addressing the needs of women and girls**. Most initiatives have common policy priorities, including:

- Addressing the needs of specific subgroups, such as younger and older women, women who live on low incomes and are excluded from formal financial products and services, as well as female small and micro entrepreneurs.
- Improving women's strategies in dealing with financial matters, in particular through improving women's financial inclusion and use of formal saving products, preventing over-indebtedness, helping women planning for retirement, and supporting female entrepreneurship.



## Country case studies

### UNITED STATES

The **United States** government carries out two financial literacy programmes for women with a focus on retirement. The Department of Labor's created the online and classroom curriculum 'Wi\$eUp' programme for women born between the mid-1960s and the mid-1990s. Moreover, the Department of Health and Human Services provides counselling and education to low-income women, non-white women, and women with limited English proficiency through the National Education and Resource Center on Women and Retirement.



### COLOMBIA

The **Colombian** Presidential Agency for Social Action and International Cooperation launched 'Mujeres Ahorradoras en Acción' (MAA) (Women as active savers) in 2007. The MAA programme incorporates training and support for low-income women living in regions affected by high levels of poverty and drugs-related violence. Its objective is to promote women's socio-economic development, strengthen their productive activities and generate a culture of

savings and payment through the formal system. Women in this programme have the opportunity to open a basic saving account in the state bank Banco Agrario, which provides special benefits to programme participants in order to encourage them to participate and continue saving.

### KENYA AND UGANDA

'Safe and Smart Savings Products for Vulnerable Adolescent Girls' is an ongoing project conducted in **Kenya and Uganda** by the Population Council in collaboration with other international NGOs (Microfinance Opportunities, MicroSave Consulting), local banks and microfinance institutions. The programme targets young females, and empowers girls from an economic point of view by providing weekly group meetings with their savings group and a female mentor in 'safe spaces'; financial education; and access to an individual savings account at local banks with no opening balance requirements or monthly fees.

### SWEDEN

In 2010, the **Swedish** Enforcement Authority (a government agency dealing with debt collection and evictions) engaged in a preventive communication project called 'Women and the Economy' to tackle women's increasing proportion of debts, especially in relation to short-term credit. The project consists in a website providing tools and guidance to manage personal finances, as well as course material to be used by groups and organisations coaching people about personal finance to help women facing over-indebtedness problems.



## Policy guidance

The OECD/INFE has developed guidance for policy makers and other stakeholders in the development and implementation of financial education initiatives for women and girls based on the analysis of national experiences and other evidence, notably recommending to:

- Identify and take into account **gender disparities in opportunities and outcomes** when designing financial education strategies for the overall population.
- Address women's financial education through existing **policies aimed at improving gender equality**.
- **Identify the needs of women and girls** with respect to their financial knowledge, confidence, and financial strategies, with a particular focus on their ability to make ends meet, save, choose and use financial products, and seek information and advice.
- Identify and address key **policy priorities and target subgroups** among women and girls, depending on country circumstances.
- Promote the involvement and **coordination among the relevant stakeholders**, including public, private and civil bodies with an interest in gender issues and financial literacy.
- Identify and address **barriers** that may prevent women from accessing financial education and from improving their financial literacy, including cultural, social and legal norms that reduce women's opportunities to learn about financial matters, to acquire financial skills, and to act independently.



When implementing and delivering financial education for women and girls, it is recommended to:

- Identify specific **'teachable moments' and learning contexts**, including schools, the workplace, women's networks, communities, and self-help groups.
- **Tailor delivery methods** to women's needs, leveraging the influence of female role models, peer group learning and sharing, and the use of innovative tools.
- **Combine** financial education with access to formal financial products and with entrepreneurial education to improve women's overall access to economic and financial opportunities.
- **Systematically monitor and evaluate** all financial education programmes, to help identify any divergence in expectations, learning preferences, and programme outcomes between male and female participants.

## *Further information and guidance*

**Browse the International Financial Education Gateway**  
*[www.financial-education.org](http://www.financial-education.org) for:*

- Women and Financial Literacy: OECD/INFE Evidence, Survey and Policy Responses (2013)
- Policy guidance on addressing women's and girls' needs for financial awareness and education (2013)
- Empowering women through financial awareness and education (2012)



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