



OECD/INFE POLICY GUIDANCE ON ADDRESSING WOMEN'S AND GIRLS' NEEDS FOR FINANCIAL AWARENESS AND EDUCATION

This document is circulated for endorsement by G20 Leaders at their Summit on 5-6 September 2013. This policy guidance was supported by G20 Finance Ministers and Central Bank Governors in July 2013 and it complements the in-depth OECD publication “Women and Financial Education: Evidence, Policy Responses and Guidance”.

The OECD/INFE Policy Guidance on Addressing Women's and Girls' Needs for Financial Awareness and Education has been developed by the OECD International Network on Financial Education (INFE) under the aegis of the OECD Committee on Financial Markets (CMF) and the Insurance and Private Pensions Committee (IPPC). It builds on an in-depth OECD publication on "Women and Financial Education: Evidence, Policy Responses and Guidance".

The guidance has been approved by the INFE in May 2013 and by the CMF and IPPC in June 2013. The publication and the guidance were also transmitted to the Sub-Group on Financial Consumer Protection and Financial Literacy of the Global Partnership for Financial Inclusion (GPFI). The publication and the guidance, which are included in the OECD programme of work, provide a major contribution to the call made by G20 Leaders in June 2012 for OECD/INFE, GPFI and World Bank to identify barriers women face related to financial education and access to financial services.

This guidance was supported by G20 Finance Ministers and Central Bank Governors in July 2013 and is transmitted to G20 Leaders at their Summit on 5-6 September for endorsement.

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BACKGROUND

The importance of financial education for economic development and financial stability was recognised by G20 Leaders in June 2012, notably in the occasion of their endorsement of the OECD/INFE High-Level Principles on National Strategies for Financial Education. Further, the importance of addressing the specific financial education needs of particular population sub-groups, including women and young people, has been acknowledged at the national and global levels. At their Summit in June 2012, G20 Leaders recognised the need for women and youth to gain access to financial services and financial education. G20 Leaders have further asked the Global Partnership for Financial Inclusion (GPFI), the OECD International Network on Financial Education (INFE), and the World Bank to identify barriers that women may face and called for a progress report by the next Summit.¹ This policy guidance and its accompanying publication are aimed at addressing the financial education component of the G20 call.

In October 2010, the OECD International Network on Financial Education² (INFE) established an expert subgroup on “Empowering Women through Financial Education and Awareness”, recognising that women have specific financial literacy needs and are often over-represented in disadvantaged segments in developed and developing countries. The INFE and this dedicated subgroup aim at developing research and evidence-based policy analysis to better understand women’s specificities vis-à-vis financial literacy in various national contexts and elaborate guidance to help policymakers and interested stakeholders strengthening women’s competencies in this area.

The work of the OECD/INFE on gender issues has also been embedded in the OECD horizontal gender project launched in 2010. The OECD gender initiative looked into existing barriers to gender equality in education, employment and entrepreneurship (including financial literacy aspects) to help governments promote gender equality in developed and emerging economies. This work culminated in the approval of the Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship by OECD governments in May 2013³.

This policy guidance complements the OECD work on financial education, in particular the OECD/INFE High-Level Principles on National Strategies for Financial Education⁴ (2012) and the OECD Recommendation on Principles and Good Practices on Financial Education and Awareness⁵ (2005), as far as women’s needs are concerned. It also complements the OECD Recommendation on Gender Equality in terms of financial education-related aspects.

Process

The following Policy Guidance on Addressing Women’s and Girls’ Needs for Financial Awareness and Education has been developed by the OECD/INFE, now comprising representatives from 107 countries and working under the aegis of the OECD Committee on Financial Markets (CMF) and Insurance and Private Pensions Committee (IPPC). It builds on the in-depth publication “Women and Financial Education: Evidence, Policy Responses and Guidance”.⁶

The guidance has been approved by the INFE at its 11th meeting in Prague on 15th May 2013 and by the OECD CMF and IPPC in June 2013. It was circulated to the Sub-Group on Financial Consumer Protection and Financial Literacy of the Global Partnership for Financial Inclusion for information. It was supported by G20 Finance Ministers and Central Bank Governors in July 2013 and it is transmitted to G20 Leaders at their Summit on 5-6 September 2013 for endorsement.

¹ See the G20 Leaders' Declaration at their June 2012 Summit in Los Cabos, Mexico (*"We recognize the need for women and youth to gain access to financial services and financial education, ask the GPFI, 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"* para 53), and the Communiqué of Finance Ministers and Central Bank Governors at their meeting in Moscow in February 2013 (*"We expect the progress report on barriers for women and youth to gain access to financial services and financial education, including policy recommendations to be delivered by the GPFI, OECD/INFE and the World Bank by the St Petersburg Summit"*) www.g20.org/documents/.

² Including 107 countries from 240 public authorities. All CMF and IPPC delegates are members ex officio.

³ OECD (2013a) Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship <http://www.oecd.org/mcm/C-MIN%282013%295-ENG.pdf>

⁴ OECD/INFE (2012). Endorsed by G20 Leaders and supported by APEC Ministers of Finance in 2012. See http://www.oecd.org/daf/fin/financial-education/OECD_INFE_High_Level_Principles_National_Strategies_Financial_Education_APEC.pdf.

⁵ <http://www.oecd.org/daf/fin/financial-education/35108560.pdf>.

⁶ OECD (2013b).

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INTRODUCTION

Given the difficult current economic and financial climate as well as social and demographic changes, there is an urgent need to focus on how to provide better economic and financial opportunities for both men and women. Achieving fairness and equity also requires taking into account relevant political, social and cultural dimensions.

Since 2010, the OECD has been investigating gender equality from different perspectives including education, employment and entrepreneurship. This work has showed that in many countries significant progress towards gender equality has been made but that important disparities remain across these three components which should be better addressed by policy makers and relevant stakeholders in both developed and emerging economies¹. Gender differences in financial literacy and competencies are part of this OECD multidimensional framework.

In addition, at their Summit in June 2012, G20 Leaders further recognised *“the need for women and youth to gain access to financial services and financial education”* and asked the GPFI, the OECD/INFE, and the World Bank to identify barriers they may face and called for a progress report to be delivered by the next Summit.

This policy guidance is aimed at addressing the financial education component of this call and furthers the work of the OECD/INFE in helping policy makers and relevant stakeholders to address gender differences in financial literacy and to financially empower women and girls. The guidance is complemented by and based on an in-depth publication reviewing available evidence and highlighting possible factors behind women’s different financial competencies. The publication also analyses the challenges to enhance women’s and girls’ competencies, and draw lessons to develop efficient and tailored financial education programmes for women and girls.²

Gender disparities in financial literacy compound women’s difficulties in securing their financial future and wellbeing and in participating confidently in economic and financial activities. Women also have particular financial literacy needs, notably because they tend to live longer and earn less than men, therefore being more likely to face financial hardship in old age.

Adapted financial education can contribute to improving women’s access to and use of economic and financial opportunities. It also has the potential to empower women to better assess risks they have to manage, protect themselves against these risks, plan for their future, and take advantage of income generating opportunities. Ultimately, the contribution of financial education to women’s greater participation to economic activities and more appropriate use of financial products is expected to benefit countries’ overall economic growth.

In this context, the following policy guidance provides an international and non-binding framework as well as delivery tools to enhance policy makers’ and stakeholders’ awareness of the importance of addressing women’s needs with respect to financial literacy; identify the barriers women may face in this area and support the development and implementation of efficient financial education approaches for

women and girls. The policy guidance should be considered and applied considering national priorities and needs. It therefore also indicates areas which deserve refined and national/local research.

This guidance complements the OECD/INFE High-Level Principles on National Strategies for Financial Education (2012), the Recommendation of the Council on Principles and Good Practices for Financial Education and Awareness (2005), and the Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship (2013). These general principles apply fully to areas of financial education and gender respectively not covered by this policy guidance.

¹ See OECD (2012) and OECD (2013a).

² OECD (2013b).

I – FINANCIAL AWARENESS AND EDUCATION FRAMEWORK TO EMPOWER WOMEN AND GIRLS

Depending on countries' circumstances:

- National strategies for financial education should identify potential gender disparities when designing initiatives to increase the average financial literacy in the population. This is especially necessary given that:
 - Women face unequal access to economic opportunities and unequal outcomes with respect to men, including lower access to higher education, lower employment, lower earnings, and lower access to entrepreneurship and to finance;
 - Women's financial knowledge and confidence is generally lower than men's and their financial needs and competencies are different in many instances.
- Based on identified needs, financial awareness and education approaches specifically addressing women's and girls' needs should also be integrated in existing or newly-developed national strategies for financial education. As such, these approaches should follow similar processes and mechanisms as the National Strategy. These notably include the identification of targeted and measurable objectives backed by earmarked and sustainable resources.
- Financial education approaches addressing women's and girls' needs should also be elaborated and implemented in full coordination with other relevant national/local policies aimed at addressing gender equality issues.

To ensure their relevance, financial awareness and education approaches to empower women and girls should also consider the main elements and suggested roles of various stakeholders sketched out in the following sections.

a) Identifying women's and girls' needs and barriers vis-à-vis financial literacy

The needs of women and girls with respect to financial literacy should be systematically identified through the development of refined evidence and research at national level. This phase can be carried out as part of the preparatory phase of a National Strategy or as a separate endeavour as appropriate. It should notably rely on national surveys of financial literacy for adults and for youth (including through the OECD PISA financial literacy option) analysed by gender.

In developing such evidence, particular attention should be paid to women's and girls' possible **needs and gaps**, including:

- their knowledge, confidence, and interest in dealing with financial issues;
- their financial strategies to make ends meet and to secure their long-term financial future including after retirement;

- their appropriate access to, and use of formal financial services (including saving and credit possibilities); and
- their ability to choose between financial (investment) products and to access and use trusted source of information and advice.

This phase should also permit to identify, take into account and address the **barriers** that may prevent women from accessing financial education and from improving their financial literacy. Various factors may reduce women's opportunities to learn about financial matters and to acquire financial skills. Depending on national/local circumstances, these may encompass the review and appraisal of:

- legal and/or social norms potentially limiting women's economic opportunities;
- gender differences in the access to education, employment and formal financial markets;
- gender differences in the participation in employment and entrepreneurship, as this may reduce women's opportunities to gain experience with managing money and to 'learn by doing';
- cultural, social and economic factors, that may directly constrain women's ability to attend courses/seminars, apply their knowledge and act independently.

b) Identifying policy priorities and targeted subgroups among women and girls

Depending on countries' circumstances, national strategies for financial education or relevant national approaches should also seek to:

- address **situations** where women are likely to face worse financial outcomes than men. This may include lower retirement outcomes, higher levels of financial exclusion and/or over-indebtedness; and
- recognise that **subgroups** of women are often most in need of improved financial literacy and should be the target of specific initiatives. These may include young women and elderly/widows, women with low education or living on a low income, migrant women, and female micro and small entrepreneurs. In defining these groups and addressing their needs, attention should be paid to their age, life-cycle situation, marital status, education/literacy, as well as labour market status.

c) Setting the roles of different key stakeholders

As for all parts of a national strategy for financial education, women's programmes and initiatives should be elaborated and implemented through appropriate coordination between **relevant public, private and civil stakeholders and the identification of an adequate leader or leading body**.

Considering women's specific needs, relevant public, private and civil bodies with an interest in gender issues and/or financial literacy should be involved in this process. Relevant stakeholders should include ministries for women's rights and empowerment, national and international organisations supporting women's and family's equal treatment and rights, associations and NGOs supporting women and girls' empowerment, as well as associations of employers and financial industry associations promoting women's equal opportunities in accessing employment and finance.

II – DELIVERY TOOLS FOR WOMEN’S AND GIRLS’ FINANCIAL AWARENESS AND EDUCATION

Depending on national circumstances and identified needs, the implementation and delivery phase of programmes and initiatives addressing women’s needs can be carried out by stakeholders responsible for the development of the framework or a different set of trusted stakeholders, and programmes designers and managers. These stakeholders should particularly take into account the following elements affecting women’s situation vis-à-vis financial issues:

- Gender differences in **financial attitudes** can impact the extent to which women and men are willing and inclined to learn. Women tend to be less confident in their financial knowledge and skills, more averse to financial risk, and somewhat less interested in financial matters than men. More research at national/local levels should be carried out to refine these findings and understand how these and other factors may affect the motivation of women and different subgroups of women to improve their financial knowledge and skills.
- Specific ‘**teachable moments**’ and **learning contexts** should be identified to effectively reach out to women:
 - Depending on the education policy, on equal access to education, and on the design of the education provision, introducing financial education in **school** can give both girls and boys equal opportunities to become aware of financial issues and to acquire basic financial skills before social and cultural factors may limit their opportunities to do so. Such programmes should already take account of girls’ different ways of learning and of gender differences in specific competencies emerging from a young age (e.g. girls’ better performance in reading and worse in mathematics than boys).
 - The provision of financial education for women in the **workplace** should be promoted to take account of women busy schedule due to working and caring tasks.
 - Within the limits of national regulations, providing free, appropriate, independent and adequate **financial advice** to women can help address their difficulties in choosing financial products and their low confidence in dealing with financial issues by themselves.
 - Given their wide spread especially in developing economies, **self-help groups and rotating savings and credit societies** (i.e., small groups of women sharing regular saving contributions and lending to the members of the group) constitute a valuable context for improving women’s financial literacy and financial inclusion through the combined provision of financial education, access to financial products and services, and mentoring on other relevant skills.
- **Delivery methods should be tailored** to women’s needs. The adoption of female **role models** and the possibility to discuss financial issues among **peers’** groups should be considered as a valuable way to engage women and increase their confidence. The use of innovative tools, including TV programmes and online delivery channels, should also be considered in order to exploit the widest possible range of opportunities to reach women.

- When relevant, **combining financial education with access to formal financial products and/or with entrepreneurial education** should be encouraged to improve women's financial inclusion, access to finance and access to income generating opportunities. The combination of educational initiatives on financial and health topics can also be a valuable way to address women's empowerment from a broader perspective.
- All financial education programmes should be **systematically monitored and evaluated**, checking for possible **gender biases and/or differential gender impact**. This should support the identification of any divergence in expectations, confidence, learning preferences and styles between male and female programme participants; as well as gender differences in outcomes. Where such differences are identified, new evidence should be incorporated in future programmes and guidance for modifications should be made.

SELECTED REFERENCES AND FURTHER GUIDANCE

OECD Financial Education Instruments and Publications

OECD (2005), Recommendation of the Council on Principles and Good Practices on Financial Education and Awareness. <http://www.oecd.org/daf/fin/financial-education/35108560.pdf>

OECD (2013b), *Women and Financial Education: Evidence, Policy Responses and Guidance*. OECD, Paris.

OECD /INFE (2012), High-level Principles on National Strategies for Financial Education. http://www.oecd.org/daf/fin/financial-education/OECD_INFE_High_Level_Principles_National_Strategies_Financial_Education_APEC.pdf

OECD Gender Instruments and Publications

OECD (2012), *Closing the Gender Gap: Act Now*, OECD Publishing. doi: [10.1787/9789264179370-en](https://doi.org/10.1787/9789264179370-en)

OECD (2013a), Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship. <http://www.oecd.org/mcm/C-MIN%282013%295-ENG.pdf>

G20 Declarations

G20 (2012), *G20 Leaders Declaration*, Los Cabos, Mexico. www.g20.org/load/780987820

G20 (2013), *Finance Ministers and Central Bank Governors Communiqué*, Moscow, 15-16 February 2013 www.g20.org/load/781209773

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