

WOMENLINK



**WELLS
FARGO**

WOMENLINK PHASE 1: EMPOWERING WOMEN THROUGH FINANCIAL INCLUSION IN THE PHILIPPINES

The Case of Grameen Foundation's WomenLink Program

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I. Background

I.1 Philippines' Unique Opportunity for Women's Digital Financial Inclusion

The women's financial inclusion agenda is no longer viewed as a moral obligation relegated to gender equality and humanitarian goals. With increasing empirical and pilot studies providing insight that women's financial participation contributes to the fostering of economic growth and financial stability,¹ it is positioned as a key enabler in attaining macroeconomic developmental milestones in the 2030 Sustainable Development Goals.² In many developing countries, women are more financially excluded than men due to various economic and socio-cultural reasons. However, the Philippines presents an antithetical case where the gender gap is in favor of the women. Not only do more women have bank accounts but gender disaggregated data of transactions demonstrate that women are more active financially, availing of savings, lending and remittance services more often than men do.³ The disparity makes sense when viewed with a cultural lens since traditional Filipino households confer unto women the role of managing the household finances. Wives are given the authority to allocate the budget among the various needs of the family and they take charge in settling accounts such as paying school fees and utility bills.⁴

With greater mobile ownership among women than men, and women making more transactions using mobile financial services, the Philippines holds a unique opportunity to drive digital financial services usage by targeting women as the prominent catalysts of financial inclusion at the household level. Seizing this potential, Grameen Foundation (GF), supported by funding partner Wells Fargo, launched the WomenLink Philippines Program in 2017 with the goal to foster economic empowerment of financially excluded and underserved women through the transformational use of digital financial products and services. The WomenLink Program builds on the Community Agent Network Program implemented in 2015 by Grameen Foundation and partners to establish a telco-agnostic network of micro and small neighborhood shops that provide digital financial services to remote villages in the archipelago. WomenLink picks up where CAN left off with the next step heading towards encouraging client adoption of these services so that the Filipino households are able to realize the economic value that Digital Financial Services (DFS) platforms can offer.

I.2 WomenLink Usability Research Report 2018

The WomenLink implementation plan is spread across a three-year strategy. The first year of implementation began in December 2017 when GF conducted a usability study with the objective of gaining insight on how the functionality of digital financial services, products and applications, as perceived by low-income women, affect the adoption and usage of such platforms. The usability report aims to understand the drivers motivating women's usage of DFS platforms as well as the concomitant barriers they face in doing so. GF gathered 50 women to participate in the usability testing of 6 DFS products currently available in the market. The study employed task performance tests using each platform followed by a focus group discussion to identify other non-product-specific challenges that hinder women's adoption of DFS platforms. The study found five such barriers:⁵

- Lack of trust in DFS combined with low levels of digital financial literacy and skills cause apprehension towards adoption.
- Limited range of transactions offered by DFS platforms due to lack of merchants and commercial establishments accepting mobile money discourages regular usage of DFS.
- Weak and intermittent network connection in certain rural regions make DFS unreliable at times
- Difficulty in setting up personal mobile accounts due to strict KYC and registration processes hinders DFS uptake especially for those without identification documentation.
- Insufficient tutorials on DFS interface and user experience is problematic for customers not used to navigating through smartphone applications.

Using the insights drawn from the usability report, Phase 1 of WomenLink pilot tested a short message system (SMS)-based financial education program. The SMS content is designed to deliver simple but actionable messages to deepen women's understanding of DFS in an effort to galvanize uptake by new customers and drive more transactions by current ones. This report summarizes the results of the financial literacy program as well as insights based on interviews with the women and partner stakeholders who participated in the program.

II. WomenLink Program Overview

II.1 Grameen Foundation Strategy: Partnerships and Technology

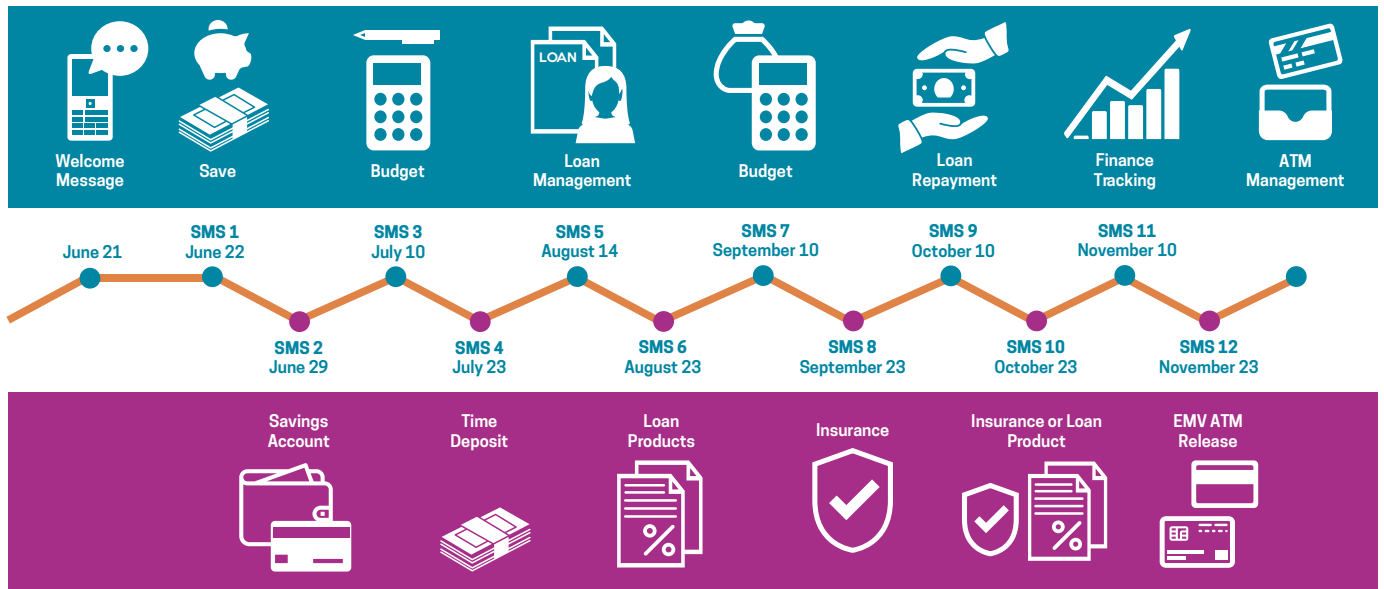
Drawing on Grameen's experience in using digital solutions, the WomenLink strategy is focused on the formation of strategic alliances that leverage digital solutions, specifically SMS, to conduct a literacy campaign on financial education and DFS platforms for low-income women. Grameen engaged four financial services institutions that offer digital financial services to poor women as implementing partners, but who have had difficulty spurring greater uptake and usage among their client base:

- **Ahonsa Hirap, Inc. (ASHI)** is a non-stock, non-profit organization that provides non-collateralized loans, savings, and micro insurance to low-income women in rural barangays in Laguna, Rizal, South of Metro Manila, Quezon, Antique, Aklan and Capiz. Aside from microfinance products, ASHI also offers training services on leadership, micro-enterprise ventures, and financial literacy, as well as community welfare efforts such as medical assistance, disaster relief and rehabilitation projects.
- **Agusan del Norte Teachers, Retirees, Employees and Community Cooperative (ANTRECCO)** is a savings and credit association headquartered in Butuan City, Agusan del Norte with branches all over Agusan and Surigao. ANTRECCO offers savings, loans, and insurance products as well as other services including remittance and family health programs. To date, they have an estimated 20,000 members enrolled in all seven branches.
- **Caritas Banco ng Masa (BNM)** – BNM is a rural bank in Batangas with about 6000 clients offering primarily savings and loans products. Aside from providing savings, loans, and insurance products, in 2017, Banco ng Masa engaged Action.Able, Inc. and became a Possible.Net Agent, providing digital financial services such as bills payment and mobile top-up to their clients.
- **Opportunity Kauswagan Remit (OK Remit)** – offers domestic and international remittance services accessibly and affordably to rural areas. It is supported by Opportunity International, a global coalition of organizations dedicated to using microfinance to provide opportunities for people in poverty to transform their lives in the Philippines, as well as by other microfinance institutions in the country – Alalay Sa Kaunlaran Inc. (ASKI) and Taytay Sa Kauswagan Inc. (TSKI).⁶ They also offer bills payment, top-up and ticketing services.
- **Action.Able, Inc.** provides IT Solutions in support of business operations. The company builds and operates mobile platforms that involve processing of various payment modes, including but not limited to credit and debit cards, Paypal, vouchers and mobile money. Through their main brand POSSIBLE.NET, Action.Able aims to provide communities an easy access to digital services.⁷

With the goal of reaching 20,000 women, Grameen tapped these partners' pool of female clients as participants in the program. The women, age 15 and above, were registered into the EngageSpark's automated messaging platform and were informed that they would be receiving financial literacy SMS from the partners. GF collaborated with EngageSpark to design the content as well as the distribution strategy of the messages. There were twelve messages sent containing information on financial products and services offered by the partners, as well as financial management advice relevant to the women. The SMS was delivered weekly, with the content sent alternating between financial advice and product promotion. The women received the SMS either in Tagalog or in Bisaya, depending on the dialect spoken in their specific geographic location.

Figure 1: WomenLink Financial Literacy Messaging Schedule

Financial Management Advice



Partner's Product Promotion

The SMS content was co-developed with the partners in order to tailor the message to the specific needs of their clients. Taking into account the literacy level and comfort of clients in receiving finance-related material, the use of jargon was minimized and the text was kept concise and clear. Sender IDs of the respective partner institution were used in sending the messages in order to avoid any notion that the messages were fraudulent. The messages were personalized, with each SMS beginning with a greeting and the nickname of the recipient, followed by the financial advice, and then concludes with a call to action.

Figure 2: WomenLink SMS Content

WELCOME MESSAGE

Message Objective

To inform clients that they are going to be receiving messages from the Partners about financial management, and products and services. It is intended to give due notice to clients so as not to alarm them as to why they are receiving unsolicited messages and information. At the same time, the welcome message is constructed to galvanize interest in learning about money matters and it invites clients to look forward to the financial tips they will be receiving.

Sample Content

Hi <name>! Bilang dagdag serbisyo ng OK Remit, makakareceive ka ng mga tips sa text. Ito ay para mapabuti pa ang pagmanage mo ng iyong pinansyal. Abangan!

(Good day, <name>! As an added service, you will be receiving tips from OK Remit. This is to help you improve manage your finances. Watch out for the texts.)

MONEY MANAGEMENT

Message Objective

These messages are intended to educate clients on how to manage their household finances wisely. By providing easy-to-follow and relevant tips, clients are encouraged to develop financial habits such as setting aside savings and budgeting that can potentially help them manage the family income more efficiently and purposefully. Topics include budgeting, creating a financial diary, and managing loans.

Sample Content

Hi <name>! Pagkatanggap mo ng padala, sweldo o kita, agad itabi ang savings bago magsimulang gumastos. Sundin ang formula: INCOME - SAVINGS = PANGGASTOS.

(Good day, <name>! When you receive your remittance, salary or income, try setting aside a portion for savings before you spend your money. Follow this formula: Income – Savings = Expense.)

FINANCIAL PRODUCTS AND DFS

Message Objective

To provide clients with a brief description of various financial products and services such as savings, credit, insurance, and payments. The messages were tailored in such a way that it relays how these products can be useful to clients' daily lives in order to help them realize that these products can be valuable instruments for them to achieve specific financial objectives rather than liabilities or unnecessary expenses they have to avoid.

Sample Content

Hi <name>! Pag-open ug Savings Account: PASSBOOK o ATM. Sa passbook, makita nimo tanan transaksyon sa imong kwarta. Sa ATM makawithdraw ka anytime anywhere.

(Hi <name>! Open your Savings Account: PASSBOOK or ATM. With passbook you can track all your transactions. With the ATM you can withdraw anytime, anywhere.)



PARTNER PRODUCT PROMOTIONS

Message Objective

To inform clients of currently available financial products and services offered by the implementing partners. These messages serve as an extension of implementing partners' product marketing. Typically, the marketing strategy of partners is to go on house visits to pitch to potential clients and promote their products and services. This is supplemented by marketing collaterals such as brochures and posters displayed in their respective branches. The SMS approach allows for greater reach and more personal client engagement.

Sample Content

Hi <name>! TUITION, SCHOOL SUPPLIES, EDUCATIONAL ALLOWANCE? Magplano. 'Wag mastress sa pagpapaaral. Mag-open ng EDUSAVES account. Punta na sa Banco ng Masa.

(Hi <name>! TUITION, SCHOOL SUPPLIES, EDUCATIONAL ALLOWANCE? Plan ahead. Avoid stress in sending your kids to school. Open an EDUSAVES account. Visit Banco ng Masa.)

II.2 Methodology

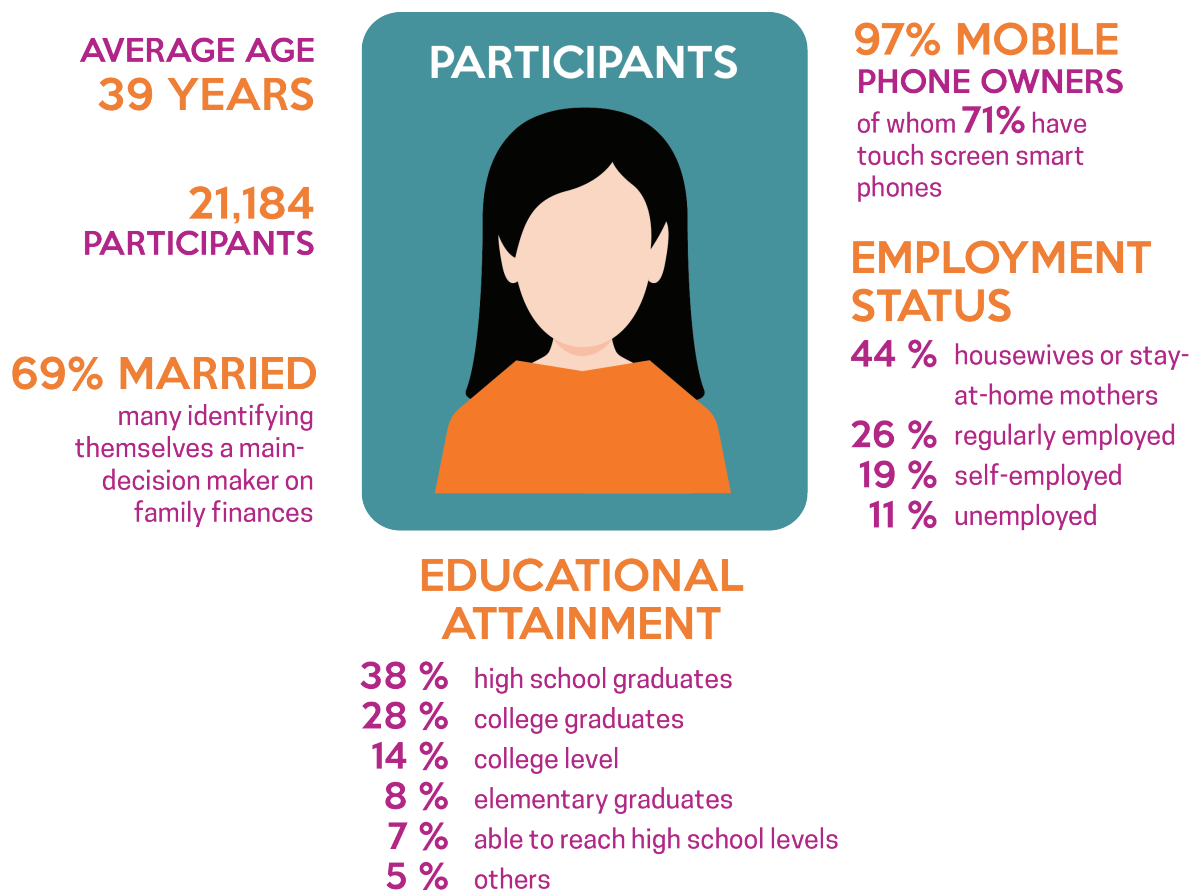
Through the SMS intervention, the WomenLink project seeks to achieve the following outcomes: (1) increase access to information on financial services; (2) increased adoption of financial services; (3) increased awareness of digital financial platforms and; (4) increase usage of digital financial services.

To evaluate these outcomes, a pre-test/post-test methodology was used to measure indicators of early behavioral changes in terms of using digital financial services. The pre-test survey was conducted with 831 members of WomenLink implementing partners in June of 2018. After six months of implementation via SMS intervention on topics that covered savings and cash management education and promotion of easily accessible financial services offered by the program partners, a post-test survey was conducted. As much as possible, all 831 cases were tracked down to be interviewed. However, due to various circumstances in the field, 52% out of the total pre-test sample were able to take the post-test survey, totaling matched cases of 433.

II.3 Participant Demographic Information

The sample projected an average age of 39 years old of women who participated in the program, 69% of the participants are married with many identifying themselves as the household head or main decision-maker when it comes to family finances. Almost half of the registered women (44%) are housewives or stay-at-home mothers. 26% are regularly employed, while 19% are reportedly self-employed. Most of the women were either high school graduates (38%) or college graduates (28%). In terms of mobile phone ownership, 97% said they have their own phones, 71% of which are reportedly touch screen smart phones.

Figure 3: Demographic Profile of Participants



III. Program Results


III.1 Key Results

1. Positive behavior change in terms of saving habit. In the span of 6 months, the practice of saving cash among the respondents grew 30%. Initially, only 154 out of 433 were reportedly saving money but after the program, 101 women said they were saving whenever they have spare cash after expenses, while 182 said they are trying to save regularly as a habit, setting aside a certain amount weekly or monthly. Weighted average monthly savings of respondents also 142%. From being able to save PHP 711.85 a month, Womenlink participants are now saving an average of PHP1,012.50 monthly. Before the program, the women said that they find themselves constantly short of cash to pay for expenses and often resorted to borrowing money, and the income they took home would typically be spent within 2-3 days of receipt of money. However, after receiving the SMS about saving, the women said they are able to stretch out their cash and pay for expenses that arose 3 weeks later. Savings is intentioned to be used for future anticipated and unexpected expenses which makes sense from the perspective of women who have limited and often uneven income. At this early stage, training low-income women to save for capital accumulation and investment is still a remote prospect, but these modest shifts in behavior point to the potential of providing appropriately messaged and delivered information to instill a positive habit. The women demonstrated deliberate spending and appear to have become more conscious of their budgeting, setting aside money for the rainy days or one of their priorities.

2. Adoption of financial services offered by program partners. The most common financial service the women use remain to be payments transactions, particularly for utilities. At the beginning of the program, majority (84%) of the participants paid at utility service centers (USC). There was, however a growth of 25% of bills payment through cooperatives. Awareness of services apart from those traditionally offered by the partner cooperative, improved through the promotional SMS time period. Instead of going to separate places for different financial service needs, the women were able to benefit from the convenience of having only one stop to conduct multiple transactions. Transferring from USCs to coops to pay for bills was also done with ease as coops were already trusted institutions in the respective communities. In terms of mobile money services, there was an increase in awareness with 18% reporting to have gained more information about mobile money from the SMS. However, the same people also said that they have not opted to use mobile money in any kind of transaction. This may be explained by the fact that force of habit ties women to their preference for over-the-counter transactions.

3. Perception of SMS Financial information.

Overall, the Womenlink participants' reception of the program was overwhelmingly positive. 95% of the respondents said that the messages they received were relevant and actionable. Prior to the program, the financial information sources were limited. Most of the women said their money management was patterned after their parents' practices, while others said they had to figure out how to do it on their own with no formal guidance. The women said that the source of financial advice they received was convenient and useful. 96% of the women asserted that the tips on how to save and manage budgets were influential to their day to day lives. There is also a good prospect for the continuation of the program from the perspective of the participants with about 98% of the women saying that they are extremely likely to apply the knowledge they gained in their lives and 84% agreeing that, should the program continue, they will gain more skills to better manage their finances if the program continued. Moreover, 98% of the women who participated in the program said that they would recommend the program to their neighbors, friends, or community. This is crucial because word of mouth plays a vital role in spreading knowledge and information within communities that can help improve the establishment of trust in financial products and services.



“The text messages are helpful reminders to ensure we’re managing our finances wisely. My favorite is the last one I received. It says that we must have control over our money. I agree!”

- Susan Calde

III.2 Program Insights: Trust Factors

Despite the high penetration of mobile phones in the country, DFS usage has remained low, especially in rural and poor communities. While there are many considerations that go into a client's decision to use these channels, lack of trust has been a salient deterrent to uptake and usage by low-income individuals. Trust is a critical element in DFS usage, and throughout the course of the program, three factors emerged to play a key role in client trust-building.

Proximity of Information Access Point. At the beginning of the program, there were some concerns among the women in receiving the SMS. Despite receiving a welcome message notifying them to expect financial literacy communications sent by the partners, some of the women still reported being confused as to how and why they became part of the program. They also questioned the intention behind the messages and were anxious to think that the SMS were a sort of scam. While these initial apprehensions were experienced by a portion of the participants regardless of the partner institution they are associated with, the proximity of the financial institution to the community affected the celerity of straightening any misapprehension to clarity.

The women affiliated with the microfinance institution (MFI) reported that their concerns were immediately addressed by their development officers or were explained by other group members. MFI clients have frequent touchpoints with their FS provider through the center meetings conducted weekly which has become a vital avenue not only for financial transaction but for financial learning and knowledge sharing among the women. Moreover, even in between center meetings, the women are able to consult with their neighbors who are often also their lending group peers and leaders about their financial questions.

In contrast, women affiliated with a bank partner reported that when they had their doubts, the process of seeking answers was not as convenient. Bank branches are farther and would require the women to commute to barangay centers or towns. The distance complicates the decision to gain more information due to certain considerations such as monetary costs. Also, the women in these low-income households are responsible for childcare, household affairs management, and earning supplemental income, hence they have a high opportunity cost.

The time and effort it would take to gain information from access points far from home is the largest deterrent for women. One participant reported that she was confused as to why the bank would send her messages about loans when her application has just been declined. Instead of going to the bank to clear her confusion, she opted to delay the bank arose, so that she was able to make the best use of her time away from home.

The proximity of the FS provider affects how quickly trust is built because they are the women's primary source of financial information. The closer the women are to their financial service provider, the greater and more timely access they have to knowledge and understanding of the financial products and services available to them. If FS access points are far away, the trust building process can slow down because the fixed costs entailed in going to the branch discourages frequent visits and the diffusion of information is decelerated.

Provider-Client Engagement. The level of partner engagement with their clients also had an effect on how the women participants perceived the SMS. More women who were bank clients found the messages to be obligatory, and they reportedly felt like they were being forced to save or take a loan. This reaction was the opposite of how MFI clients received the SMS. They found the messages empowering and they were appreciative of the tips and reminders on saving and budgeting.

The stark difference in how the women perceived the SMS message has to do with the existing relationship they have with their financial service provider. Due to the nature of the product they availed (uncollateralized, shared liability loans) MFI members accustomed to their financial service provider playing a more proactive role in their lives than banks do. Community-based institutions often have literacy programs and training that supplement the products and services they provide.

The MFI-affiliated women also reported that they were comfortable with communicating with the MFI agents via SMS so they are more receptive of the messages. With banks on the other hand, client engagement on the part of the provider seems to begin with house-visit marketing and cease once the client avails of the products. From that point on, most of the effort to engage the bank would be initiated by the client, from asking questions to inquiring about new products to managing their accounts. For the women, minimal bank-initiated touchpoint is the norm and when the SMS campaign was introduced, they found the constant communication to them, suspicious and goading. One participant said she associates the bank to loans, which to her is a liability. In contrast, MFI-affiliated participants do not view loans as a burden but as another tool for them to manage their financial lives. The impression that the SMS communication had on clients was influenced greatly by the perception of the women of their financial service provider, which in turn is determined by the level of engagement these institutions have with their clients.

Community Success Stories. Often, trust is gained when an opportunity to try out a product or service results in a positive experience. However, in the case of financial products and services, a longer time-frame is required before clients can see whether or not the product would yield the expected benefit. Low-income women do not have the resources to test out products that take a long time to see benefits. In addition, they are unsure whether or not it would eventually be a boon or a burden to the family. These concerns help explain why low-income women may be reluctant to avail of financial products and services.

The women reportedly associate the efficacy of any financial product or service with the material gains purchased with the help of that financial instrument. When women make loans for instance, whether the money is intended to fund tuition fees or business revolving fund, they tend to set aside a reasonable portion to purchase any equipment or furniture for the house, or clothes and other small ticket, personal items. Since these clients have limited opportunity to understand and trust a financial product through their own personal experience, they turn instead to their neighbors who have had the chance to try out these products and services.

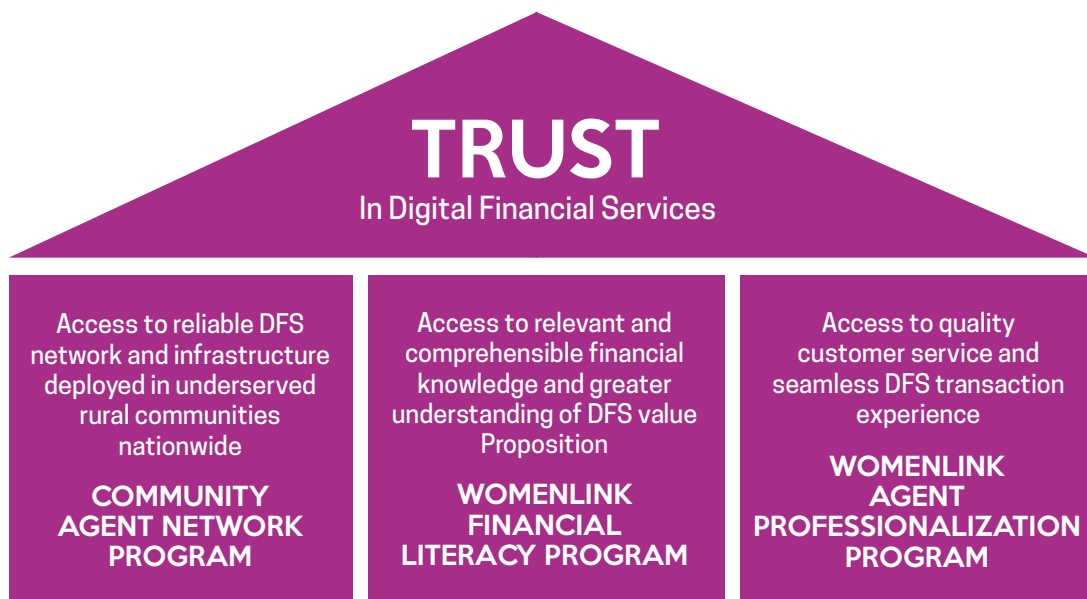
Client success stories are important in establishing trust in financial products and services because low-income women are tactile when it comes to assessing the value of financial services and they put great stock in seeing physical evidence of progress. One of the women explained that when she sees her neighbor's bungalow get a second floor, or that their business has expanded because of a loan or a savings plan, that's when she sees the value of financial products. She said she'd think to herself that she could do the same and improve her house or her business. Learning about financial success stories serve as a proof that the promise of financial products and services can be realized. Seeing the actual benefits they could reap from these products contributes greatly in the trust-building process because it gives them something tangible to aspire to.

IV. Next Steps: Towards Improving Client Trust

There is no denying the potential of DFS to connect the financially excluded and underserved to essential financial services that can improve their lives. It promises to reach new markets that conventional brick-and-mortar bank branches are unable to service due to geographic and economic barriers. Grameen has been paving ways for cultivating trust in DFS, beginning with creating a reliable and extensive network of agents providing DFS services in rural communities through the CAN program. The first phase of the WomenLink program further established trust by providing critical financial education that not only leads to greater access to comprehensible knowledge and pertinent information on financial products, but also to the gradual development of healthy money management habits that can improve the financial lives of poor women.

Awareness of DFS is not enough for individuals to use it. Low-income clients do not have the luxury to bet their money on something they do not functionally understand. Knowledge of the value proposition, terminology, process, and recourse allows them to be more comfortable in using the system. The financial education campaign will continue to be implemented in the second phase of WomenLink. Other medium of delivering financial information (such as via social media or radio) will also be explored to further expand the breadth and depth of client education and engagement. The SMS will be complemented with financial information provided by financial service agents who will be trained as part of the second phase of the program.

Figure 4: Trust-building in DFS via GF Programs



The next phase of the WomenLink Program aims to solidify client trust in the system by providing them with high-quality service. The most compelling case for continuous DFS usage is a positive experience because this diminishes any wariness from clients' internal evaluation of risks involved in transacting through DFS. WomenLink Phase 2 will focus on the professionalization of DFS agents and equipping them with the necessary tools to support them in delivering a seamless client experience with the objective of creating a positive reputation that would lead to continued DFS usage by poor households.

[1] Alliance for Financial Inclusion

Source: <https://www.afi-global.org/blog/2018/03/womens-financial-inclusion-paradigm-shift>

[2] UN 2030 Agenda for Sustainable Development

Source: <https://sustainabledevelopment.un.org/sdgs>

[3] World Bank Global Findex 2014

Source: <http://datatopics.worldbank.org/financialinclusion/country/philippines>

[4] Grameen Foundation WomenLink Usability Report 2018

Source: <https://grameenfoundation.org/resource/usability-digital-financial-services-philippines>

[5] Ibid

[6] OK Remit

Source: <http://ok-remit.com/>

[7] Action.Able Possible

Source: <https://www.posible.net/>

