GENDERED PREFERENCES

Individuals' preferences clearly impact their demand for and use of various financial products and services.

ICRW's systematic review finds there is a growing literature that explores trust in banking institutions as a key underlying factor shaping individuals' financial behavior (Dupas et al., 2016). These studies often refer to the gender differences in trust in institutions and technology, but have only recently started to explore what underlies this difference. With less exposure to formal financial institutions and lower average earnings, women may have heightened lack of trust in banks and financial products and services. For instance, Bachas et al. (2016) examine the savings behavior of conditional cash transfer recipients in Mexico before and after a debit card roll-out and find that the recipients' saving practices improve over time as their level of trust in the digital platform increases.

Women's Preferences and Financial Inclusion: The Importance of Savings Mechanisms

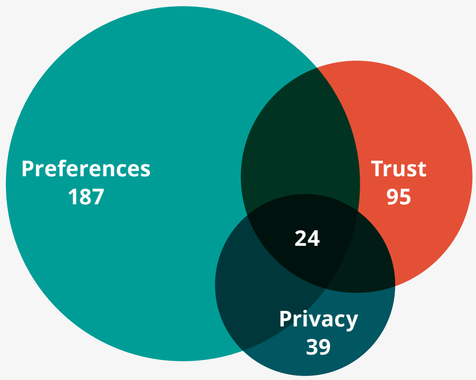
"Lots of digital financial services are focused on P2P [people-to-people payments] or bill payment, which is not what women want. We know from prior research that savings are the most frequent financial service used by women. We rarely see digital financial services being anchored in a savings proposition."

(A. Gincherman, key informant interview with ICRW, January 27, 2017)

Gendered differences in risk behavior have been studied in a number of domains. While these studies often reveal that women are more risk-averse than men (Nelson, 2016), a more complex analysis of how and why this tendency has been observed has been emerging more recently. For example, a study by Delavallade et al. (2015) shows how different risk exposures can influence men and women's preferences for different types of financial products.Another direction of research probing this issue focuses on liquidity preferences, particularly in the context of understanding individuals' preferences concerning savings products. This body of research incudes studies by Dupas and Robinson (2013) and Dupas et al. (2012) in Kenya, which find that high transaction costs and liquidity constraints can deter individuals from engaging in saving. The need for liquidity can be highly dependent on the gendered spending responsibilities within households (Kiewisch, 2015). Although many of the recent studies on savings modalities acknowledge there are differences in preferences concerning liquidity, there is still a gap in the examination of this phenomenon with a gender lens.

Women's preference for financial products and services that allow them to keep their financial information private is explored in the financial inclusion literature and particularly in recent studies on gender and digital financial inclusion. These studies examine whether the privacy provided by mobile platforms affects women's uptake and use of digital financial products and services; they also explore whether this privacy has additional positive impacts by reducing the likelihood of appropriation of savings and earnings by others (Aron, 2017) and increasing women's bargaining power within their households (Field et al., 2016; Aker et al., 2016). Further analysis of what women prioritize in financial products and services and why they may seek greater privacy in their financial transactions could lead to a better understanding of how to engage providers in women's economic empowerment through financial inclusion or at least reduce those obstacles that limit women's access to and use of financial products and services.

Overlap In Determinants Of Use In Financial & Digital Financial Inclusion Literature



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