



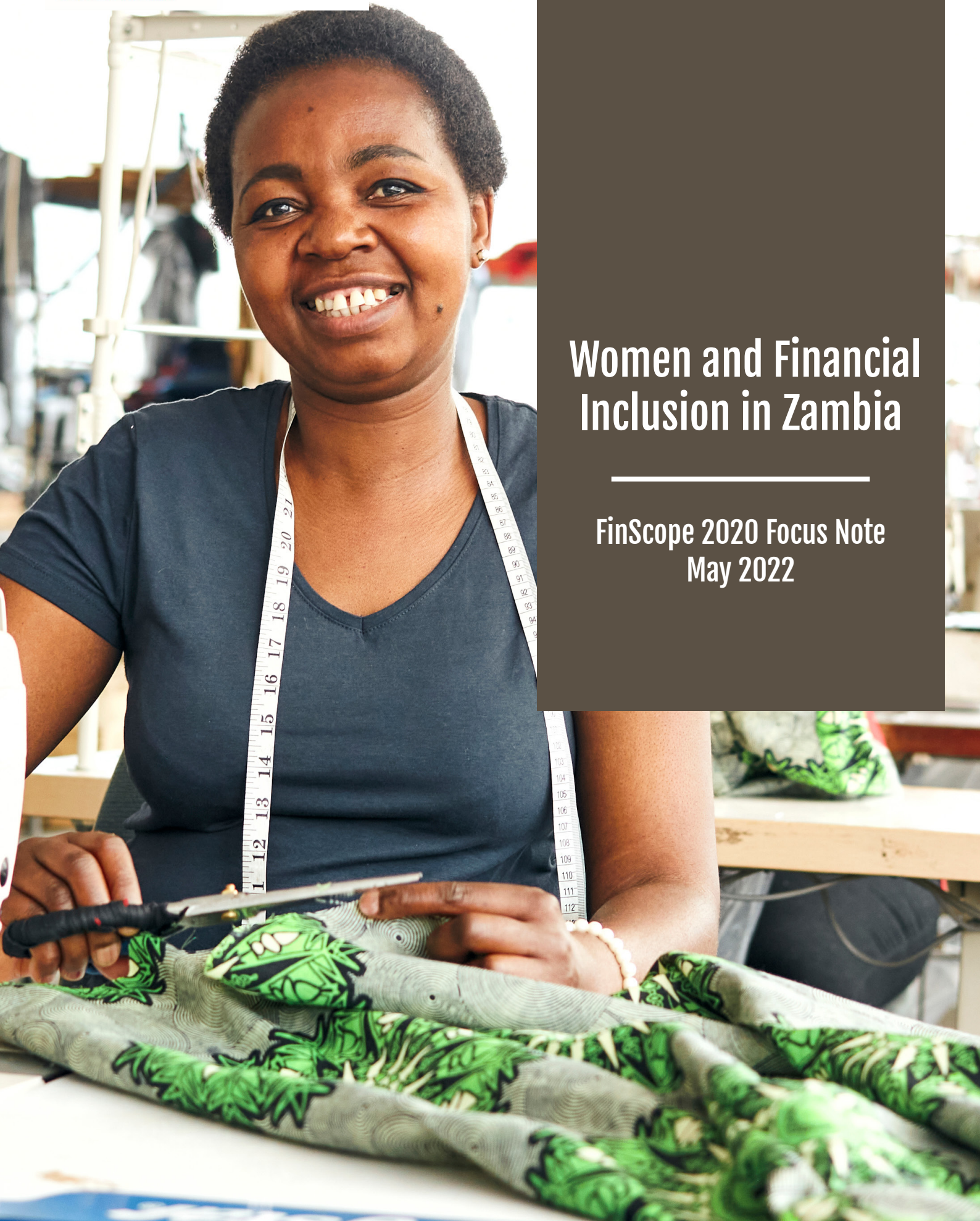
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# Women and Financial Inclusion in Zambia

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FinScope 2020 Focus Note  
May 2022





**FSD Zambia** is a Zambian organisation working closely with key players throughout the economy to ensure that all Zambians are financially healthy, particularly the most excluded and underserved. We help rural families, women, youths, low-income people, and other households in Zambia to understand and access a wide range of sustainable, comparable and affordable financial services. To expand financial inclusion, we collaborate with both public and private sector institutions to make financial markets work better. FSD Zambia enhances trust between clients and suppliers of financial services by increasing their understanding, expanding innovation, and lowering costs. FSD Zambia enjoys the active support of financing partners UK Aid, Swedish Sida, Comic Relief/Jersey Overseas Aid, GiZ and Rural Finance Expansion Programme (RUFEP). More information is available on our website, [www.fsdzambia.org](http://www.fsdzambia.org)

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# LIST OF ABBREVIATIONS

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BoZ	Bank of Zambia
DFS	Digital Financial Services
FinScope	Financial Scoping
FSD Zambia	Financial Sector Deepening Zambia
MoF	Ministry of Finance
NFIS	National Financial Inclusion Strategy
NGOs	Non-Governmental Organisations
PPI	The Progress out of Poverty Index
RUFEP	Rural Finance Expansion Programme
SBFIC	Savings Banks Foundation for International Cooperation
UNCDF	United Nations Capital Development Fund

# EXECUTIVE SUMMARY

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The Zambian financial system has made substantial progress in expanding financial inclusion in the past five years. Overall, the FinScope 2020 findings indicate that 69.4 per cent of adult Zambians are financially included (meaning they use some form of financial service in managing their financial lives). When it comes to women's financial inclusion, progress has been made in narrowing the gap between women and their male counterparts. However, there is still much work to be done in order to address this gap and improve living standards for women.

**Profile of Women in Zambia:** In the 2020 Financial Scoping (FinScope), it is observed that women in Zambia are mainly in rural areas, accounting for a high proportion of the adult population without an education, highly depend on irregular income and are relatively young.

**Financial Inclusion Among Women in Zambia:** This report shows that the overall gender gap (3.3%) and the difference in total financial inclusion between females and their male counterparts are relatively small in Zambia. The report shows that 71.2 per cent of men are financially included compared to 67.9 per cent of females. However, men (41.8%) lead females (33%) in the exclusive use of formal financial services, while women lead in the uptake of informal financial services in the market. Considering the use of specific financial services, the following are the key findings:

**Banking:** In Zambia, about 20.7 per cent of the adult population is banked (use bank services). The gender gap persists with more men (24.5%) using banks relative to females (17.3%) across all variables (rural/urban, level of PPI). Men and women at higher PPI levels exhibit the highest rate of being banked, and rural populations are disadvantaged compared to urban counterparts. The most significant barrier to unbanked adults opening a bank account is the perception of insufficient money to justify a bank account.

**Savings and Investments:** The practice of saving in Zambia stands at 57 per cent of the adult population. On saving in the past 12 months, the percentage of women savers (15.6 %) is higher than that of male savers (14.4 %).

**Borrowing and Credit:** According to FinScope 2020, about 24.7 per cent of Zambian adults reported to have borrowed money at some point. Men (22.4%) are more likely to borrow than women (20.5%), with about 22.8 per cent of women and 24.9 per cent of men in the richer/richest category opting to borrow more than the women and men in any other PPI categories. Borrowing to meet living expenses is the most significant driver of borrowing for both men (54.2%) and women (55.2%), while not managing to pay back is the most significant barrier to borrowing for both men (55.7%) and women (59.8%).

**Insurance:** Use of insurance stands at 6 per cent of the adult Zambian population. There is a marginal gender gap in the use of insurance (men at 8.1 % relative to females at 4.7%). The majority of women and men who use insurance mainly fall in the more affluent category and urban areas. Lack of awareness is the most significant barrier to insurance utilisation for both men (43.4%) and women (37.6%), while “being insured stops them from worrying” is the main driver for both men and women.

**Pension:** Only about 8.2 per cent of the total adult population utilises pension schemes. There is a significant gender gap, with women at 8.9 per cent of use compared to their male counterparts (18.1%). These services are skewed towards the richer segments and urban dwellers for both men and women. Being unemployed or not having a job is the most significant barrier to pension scheme utilisation for both men and women.

**Mobile Money:** About 58.4 per cent of adults utilise mobile money services. There is a minimal gender gap between women (56%) and men (61%). Not having a mobile phone is the most significant barrier to mobile money services utilisation for both men (39.4%) and women (42.6%), while receiving money from another person is the most crucial driver.

**Remittances:** The use of remittances stands at 51.9 per cent of the total adult population. Fewer women (49.7%) make DFS remittances compared to men (54.3%). The majority of women (81.3%) and men (83.2%) who make DFS remittances are in the richest category compared to any other PPI category. Males and females in urban areas make DFS remittances more than those in rural areas.

**Informal Mechanism:** In Zambia, only about 32.3 per cent of the adult population utilises informal financial services. More women (38.6%) than men (29.1 per cent) utilise informal services. This can be attributed to the fact that they lag behind in the use of formal services, complementing their deficiency through informal services.

**Financial Health:** The national financial health level stands at 13.6 per cent. Females (13.1%) are less financially healthy compared to males (14.2%).

**Financial Literacy:** About 21.4 per cent of the females were financially literate, while only 26.1 per cent of the males reported being financially literate.



# INTRODUCTION

This report aims at identifying gender financial inclusion inequalities. The analysis is achieved through acknowledging financial services utilisation differences between the population segment of women and their counterparts (males). Further, the report seeks to demonstrate the impact of financial inclusion initiatives over the years and support informed gender-focused intervention design and implementation by financial inclusion stakeholders. The analysis produced in this report is based on the Zambia 2020 FinScope dataset.

The FinScope Survey is a research tool developed by FinMark Trust to address the need for credible financial sector information. The survey aims to provide stakeholders and financial sector regulators with strategic information regarding market opportunities and the financial services that different markets need. This would enable providers to extend their reach and broaden the range of services they offer. Implementing FinScope surveys over time further provides the opportunity to assess whether and how financial inclusion in a country develops.

In collaboration with Financial Sector Deepening Zambia (FSD Zambia), the Bank of Zambia (BoZ); the Rural Finance Expansion Programme (RUFEP); Savings Banks Foundation for International Cooperation (SBFIC); Ministry of Finance (MoF); and the United Nations Capital Development Fund with advisory support from FinMark Trust implemented the FinScope Zambia 2020 Survey.

The objectives of the survey were to: Track overall trends in financial inclusion over time in terms of changes in the levels of both formal and informal inclusion and the types of financial services offered and Assess whether Zambia is on track in terms of achieving national financial inclusion targets set out in the National Financial Inclusion Strategy (NFIS) (2017–2022). The FinScope 2020 Survey considered a nationally representative sample of 12,990 households, with one usual adult member aged 16 or older selected in each household. The survey was designed to produce reliable estimates for critical national and provincial indicators and urban and rural domains for each of the ten provinces. The survey considered the following specific segments: Demographics; Wealth of households; Getting and spending money; Planning, cash-flow, and risk management; Financial literacy; Financial health; Savings and investments; Borrowing; Pensions and insurance; Capital Markets; Climate Change and impact of COVID -19 Pandemic; Payment systems – transfers; Financial service groups; Other service providers; and access to infrastructure (FinScope 2020 Report).





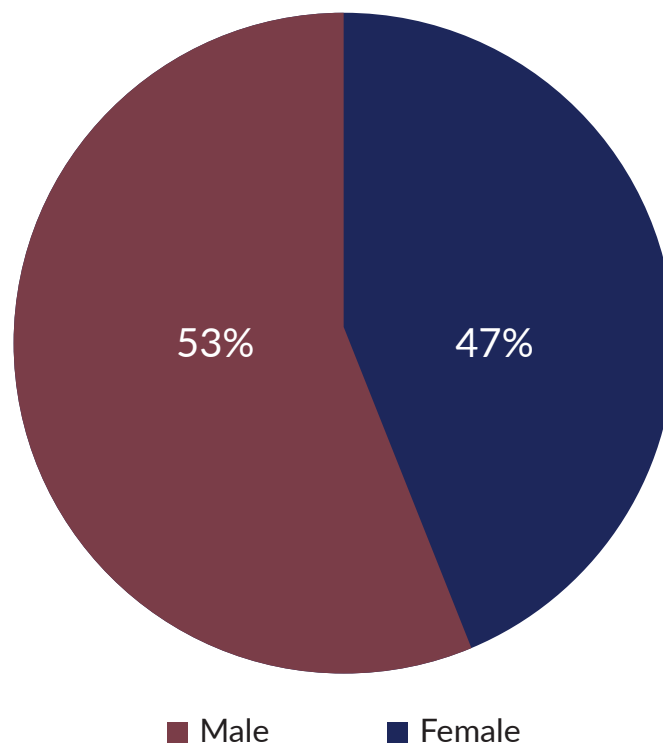
# SOCIOECONOMIC AND DEMOGRAPHIC PROFILES

## 2.1. WOMEN/MEN SOCIOECONOMIC DEMOGRAPHIC DISTRIBUTION

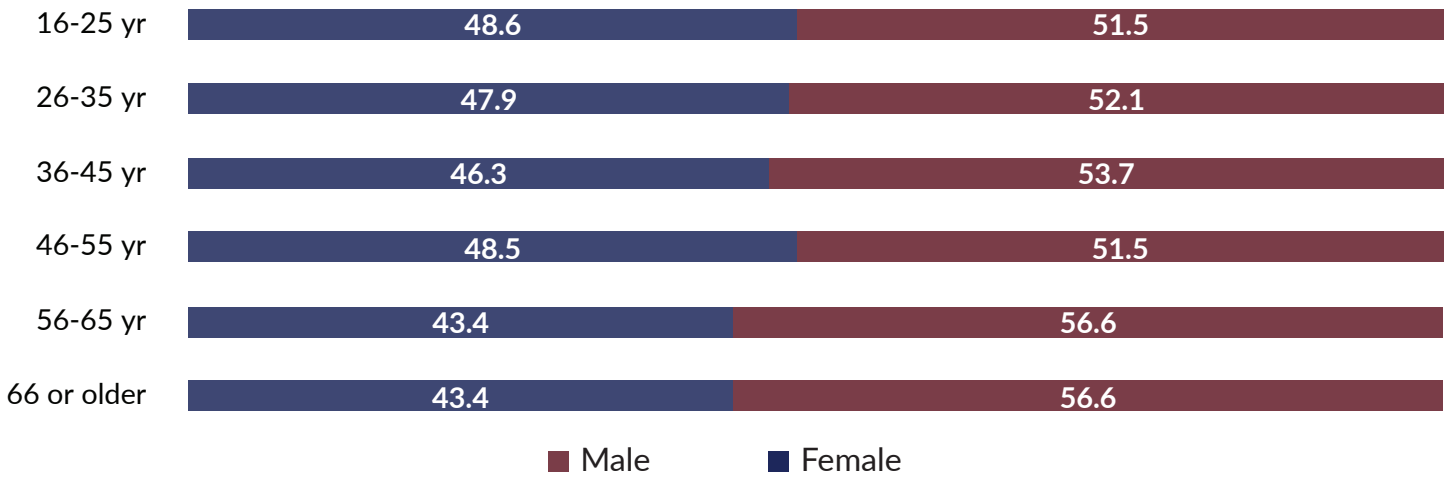
### 2.1.1. Distribution by Age

Figure 1 clearly shows that there are significant differences in the demographic profile of women and men, as there are more women (53 %) than men (47%) over 16 years of age. As shown in Figure 2, the female adult population is high for all age groups relative to the male adult population. For example, in the 16-25 years' age group, 51.5 per cent are females while 48.6 per cent are males. The gap widened in the oldest age groups; for instance, in the 66 or older age group, approximately 56.6 per cent are women, while 43.4 per cent are men.

*Figure 1: Sex Distribution*



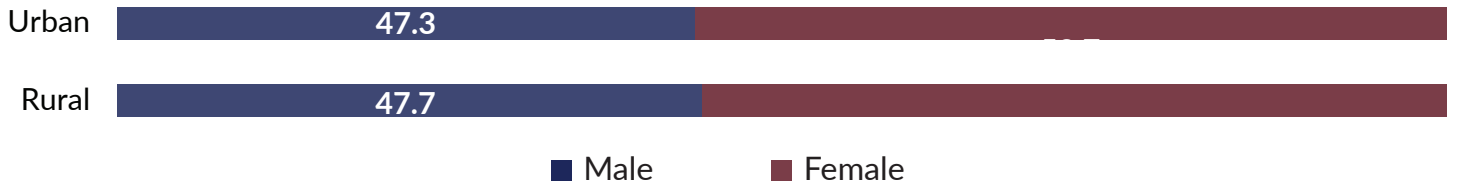
**Figure 2: Cell phone ownership and access by province (%)**



**2.1.2. Women Distribution by Geographic Location (Rural/Urban)**

Figure 3 shows that out of the total adult population, there are more women than men in rural and urban areas-53 per cent women and 47 per cent men, respectively. FinScope surveys conducted in various African countries have demonstrated that financial inclusion is higher in urban areas compared to rural settings due to a variety of reasons, including better access to infrastructure, physical access to financial services institutions, generally higher levels of salaried workers, and lower dependency on irregular income sources such as farming. Since the results show that more women reside in rural areas relative to men, we expect lower levels of financial inclusion for women.

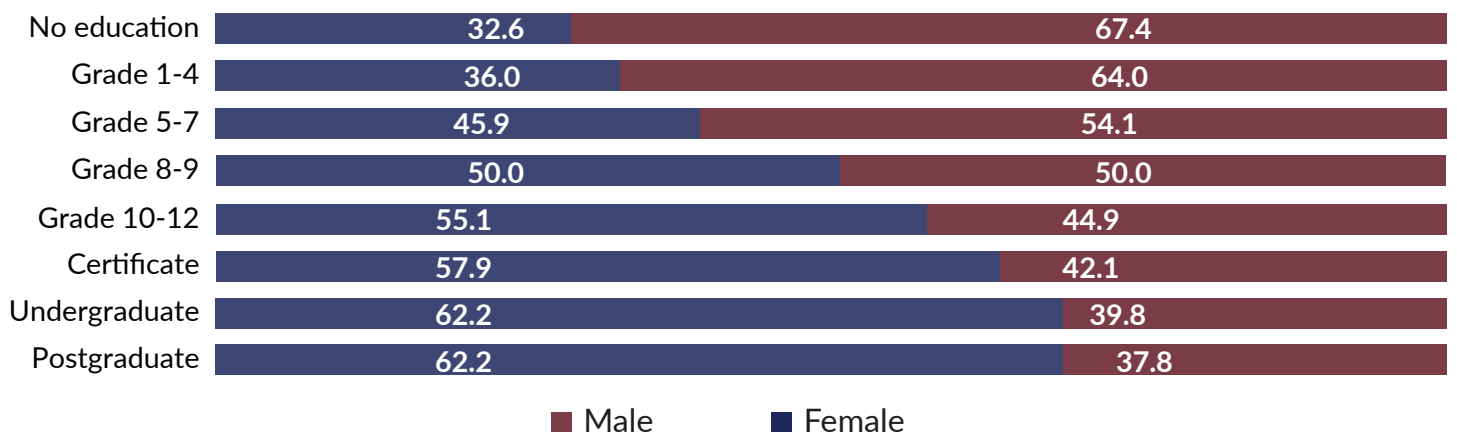
**Figure 3: Women distribution by geographic location (rural/urban)**



**2.1.3. Women's Distribution by Education**

As shown in Figure 4, the education profile of women and men is skewed. Women (66.4%) are more likely to have no formal education compared to men (33.3%). Most women have left school by grade nine or lower, with only 44.9 per cent of women reaching Grade 10-12 compared to 55.1 per cent of men. Further, we observe that only 39.8 per cent of women, compared to 60.2 per cent, have attained undergraduate education.

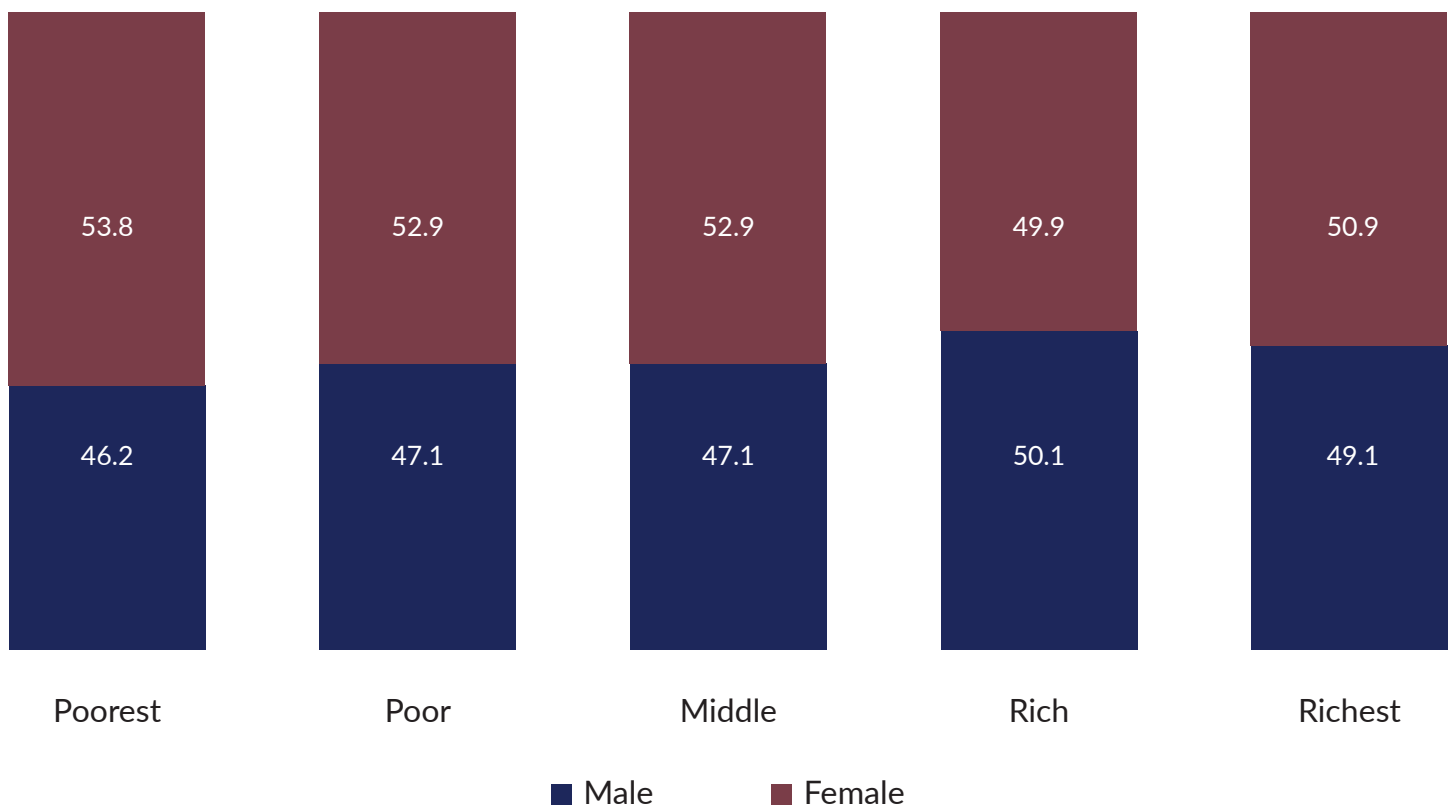
**Figure 4: Women distribution by education**



### 2.1.4. Distribution of Adults by PPI Categories

Despite the middle-income status assigned to Zambia, most Zambians are poor. The Progress Out of Poverty Index (PPI) is an approach that was developed by the Grameen Foundation to determine the levels of poverty within a country. The PPI asks ten non-income questions about a household's characteristics and asset ownership and scores answers, converting the total score per household to the likelihood of a household falling into a specific poverty level. These questions and scores are developed on a country-by-country basis, and Zambia has created a standardised set of questions, scoring the PPI categories (five levels). Thus, in the FinScope Survey, each of the five PPI levels indicates a poverty range and does not represent an equal proportion of the population. This report only has four categories because the richer and richest categories are combined. As shown in Figure 5, about 53.8 per cent of the women relative to 46.2 per cent of the men fall in the poorest category, 52.9 per cent of the women fall in the poor category relative to 47.1 per cent of the men in the same, 52.9 per cent of women relative to 47.1 per cent of the men fall in the middle category, and 49.9 per cent of the women and 50.2 per cent of men fall in the rich category.

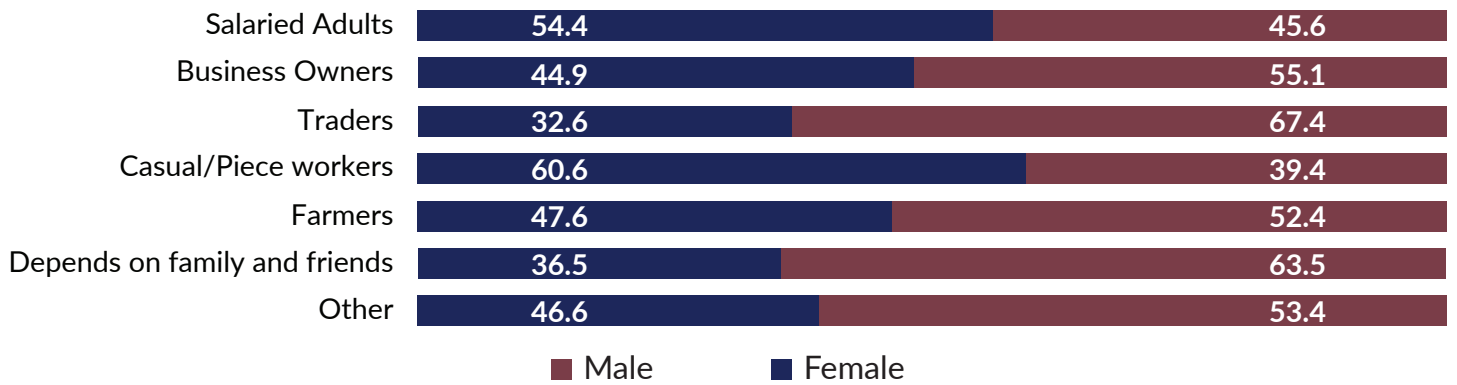
Figure 5: Distribution of adults by PPI categories



### 2.1.5. Distribution of Adults by Income Source

As shown in Figure 6, in the salaried adult category, 45.6 per cent are females, relative to 54.4 per cent of males. In the business category, 55.1 per cent are females relative to 44.9 per cent of males. In the traders' category, 67.4 per cent are females relative to 32.6 per cent of males. As for the casual/piece worker's category, 39.4 per cent are females relative to 60.6 per cent of males. The other comparable category is the farmers' category; 52.4 per cent are females relative to 47.6 per cent of males. More females depend on family/friends than their male counterparts.

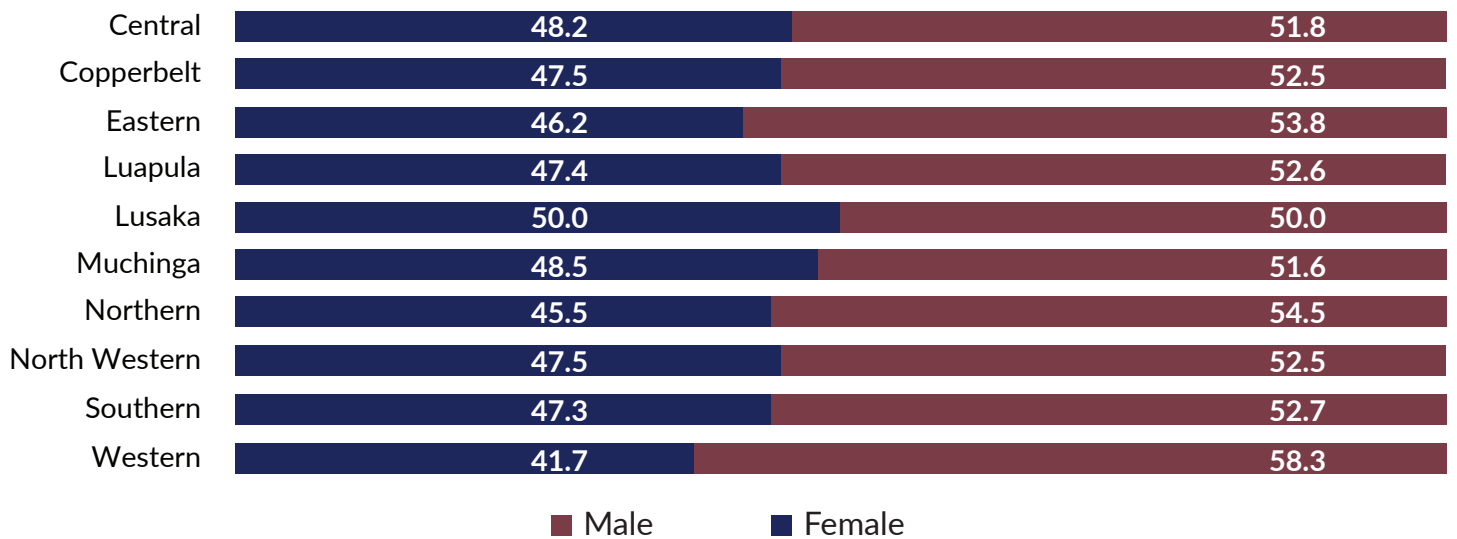
**Figure 6: Distribution of adults by income source**



### 2.1.6. Distribution of Adults by Province

As shown in Figure 7, the proportion of women relative to men in all the provinces is high except for Lusaka province, where there is an equal distribution. For example, in the Western province, the proportion of women is 58 per cent relative to 42 per cent of males, which has the highest proportional difference compared to any other province. In the Copperbelt province, it is observed that the proportion of women is 52 percent relative to 48 percent of males.

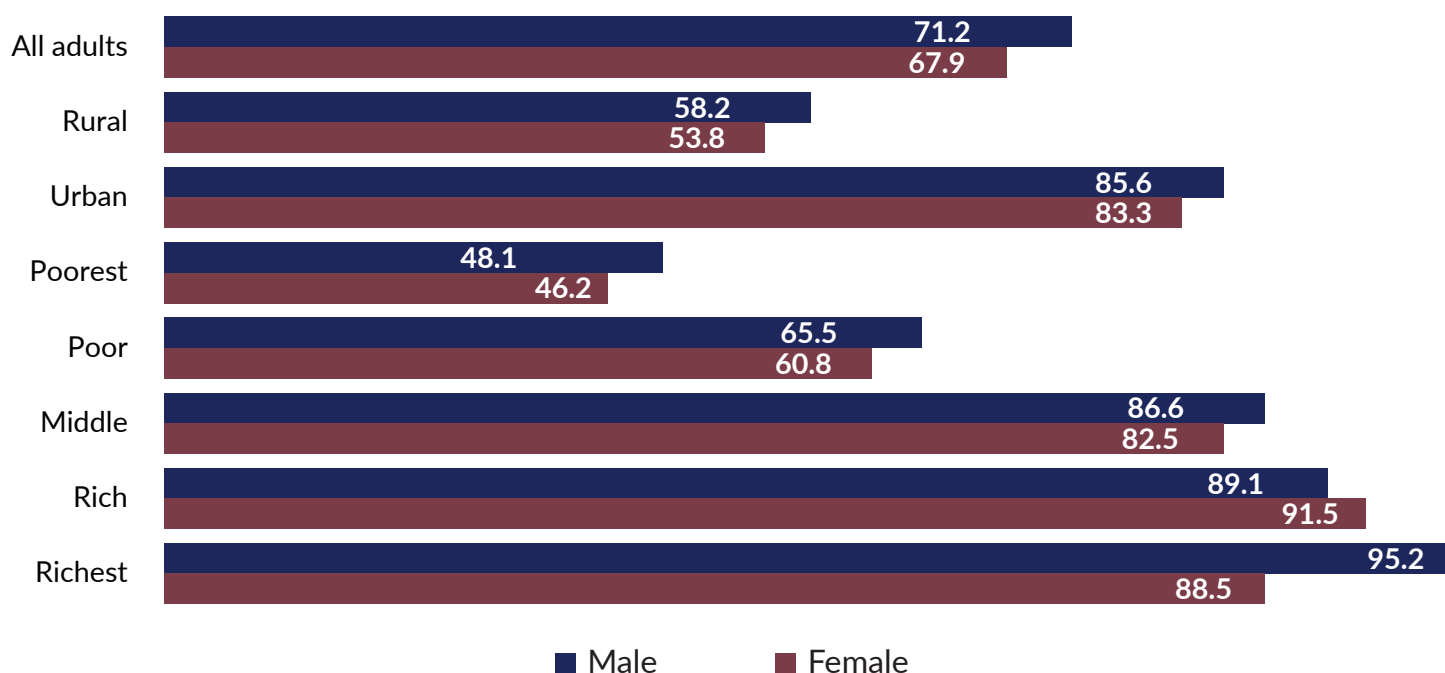
**Figure 7: Distribution of adults by province (%)**



# WOMEN/MEN FINANCIAL INCLUSION IN ZAMBIA

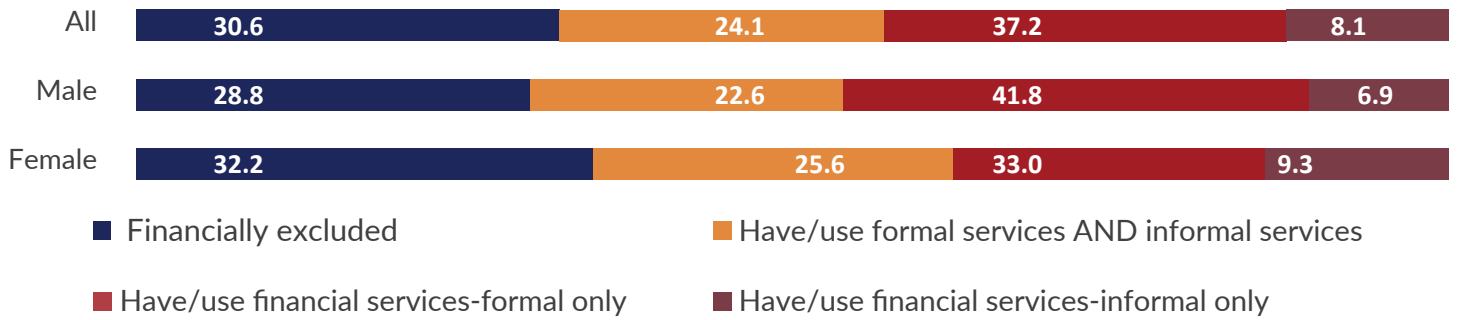
In recent years, financial inclusion in Zambia has been on the rise. FinScope 2015 found that nearly 60 per cent of adults were financially included, while in 2020, about 69.4 per cent of Zambian women and men experienced some level of financial inclusion. Compared across the various spectrum, such as rural/urban and socioeconomic status, Figure 8 clearly shows that men have an advantage over women. For example, the male adult population is more financially included in rural and urban areas. The gender gap in financial inclusion is also manifested when compared across socioeconomic status, except for the rich category, where the female adult population has a slight advantage.

*Figure 8: Financial Inclusion among men and women (%)*



According to FinScope 2015, the access strand showed that women were more likely than men to be financially excluded across formal and informal services. This is consistent with our findings, as illustrated in Figure 9. About 32.2 per cent of females and 28.8 per cent of males are excluded. Figure 16 further illustrates that there is an overlap between those that use both formal and informal financial services, with 25.6 per cent of females and 22.6 per cent of males utilising both informal and formal services. Similarly, more men (41.8%) than females (33 %) use formal financial services only. Finally, we observe that more females (9.3 per cent) use informal financial services than males (6.9%).

Figure 9: Financial Access strands (%)



### 3.1. WOMEN/MEN USE OF FORMAL FINANCIAL SERVICES.

#### 3.1.1. Banking Services Utilisation

As shown in Figure 10, about 20.7 percent of adult Zambians are banked (use bank services), which is lower than the percentage of banked women and men in 2015, which stood at 24.8 percent. More men (24.5%) than women (17.3%) are banked across all variables (rural/urban, level of PPI). Men and women at higher PPI levels exhibit the highest rate of being banked, and rural populations are disadvantaged compared to urban counterparts.

Figure 10: banked women and men (%)

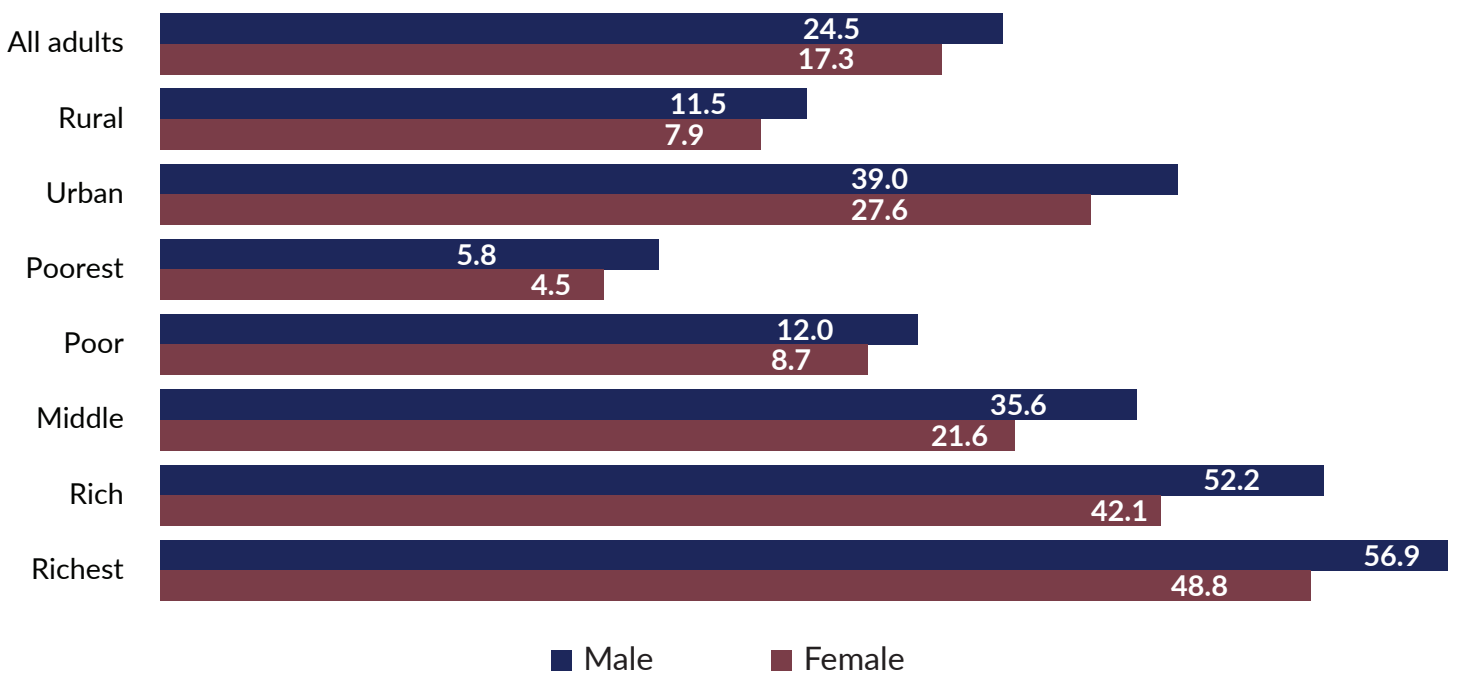


Figure 11 shows that women and men use many bank services. Generally, we observe that women's bank services utilisation is lower than their male counterparts. Most women use banks for borrowing (44.5%) more than any other service, and this is the least utilised service by men (55.5%). More men are utilising the banks to receive salaries or wages (62.1%), while this is the least utilised service by women (37.9%).

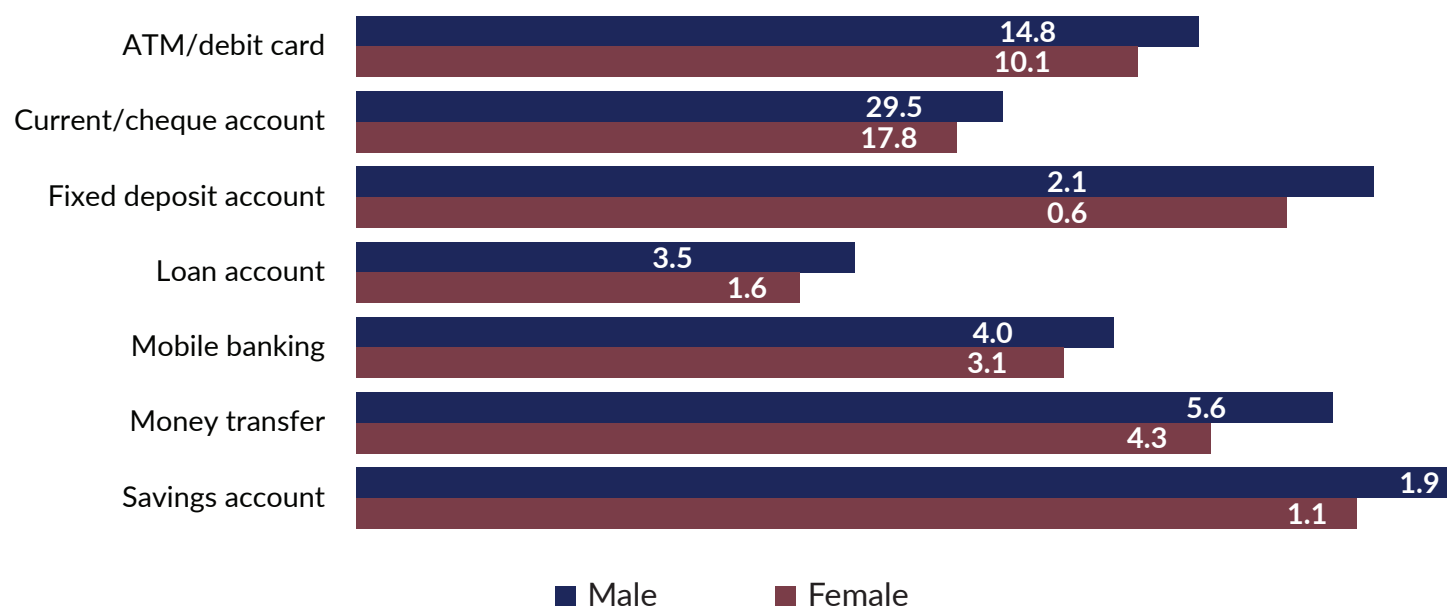


**Figure 11: Bank services used by women and men (%)**



Figure 12 shows that women and men use several specific bank products. Generally, the survey revealed that women’s utilisation of bank services is generally lower than men's. The most utilised specific bank product is having a current/cheque account - 29.5 per cent of men and 17.8 per cent of women. Females least utilise fixed deposit accounts (0.6 per cent), while men least utilise savings accounts (1.9 per cent).

**Figure 12: Specific bank products used by women and men (%)**



### 3.1.2. Banking Services Barriers

According to the FinScope 2015 study, the most significant barrier to unbanked adults opening a bank account is the perception of insufficient money to justify a bank account. As shown in Table 1, the findings in the FinScope 2015 are consistent with the 2020 survey, as this is the main barrier for both males (35.3%) and females (37.6%). Getting permission from someone to open an account is the least significant barrier to banking for unbanked men (0.8 %) and women (1.2%).

**Table 1: Barriers to banking by gender (%)**

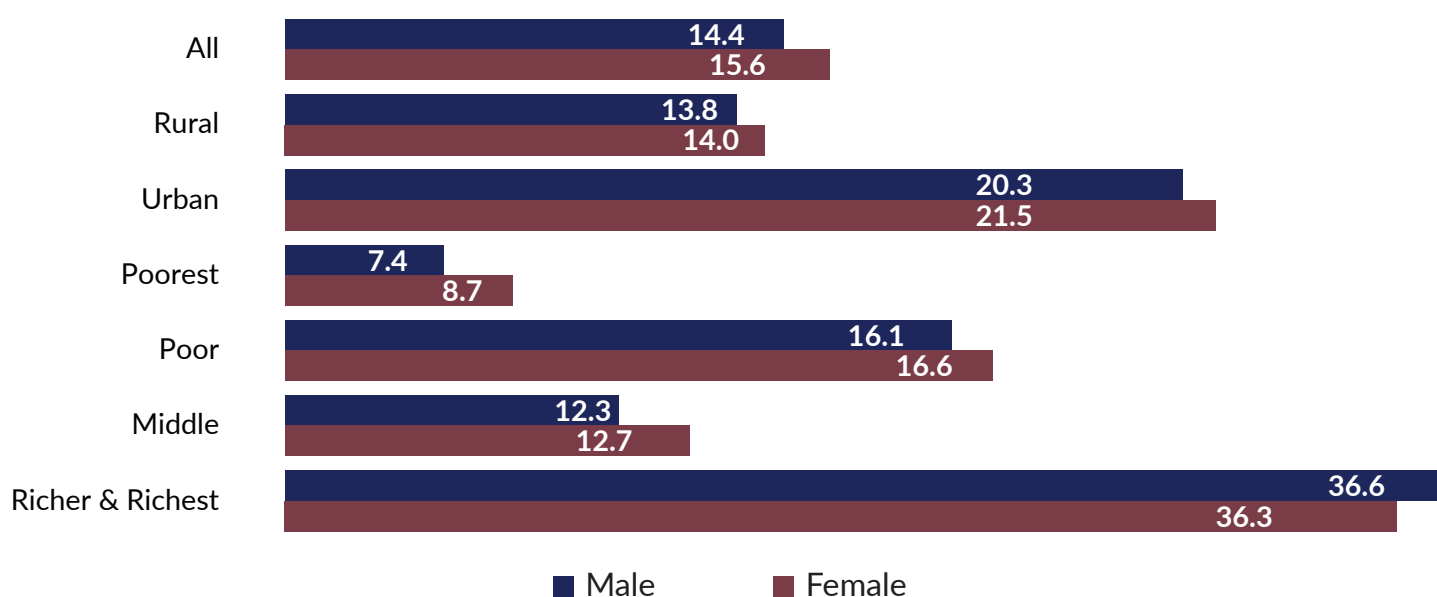
Bank barriers	Female	Male
Insufficient money to justify it	37.6	35.3
Cannot maintain the minimum balance	12.4	12.3
Bank service charges are too high	8.2	8.1
Banks are too far	20.5	21.9
Does not have the documentation required	4.8	5.4
Does not know how to open a bank account	4.1	3.9
Does not understand the benefits of bank products and services	7.7	8.6
Do not trust banks	1.5	1.4
Need permission from someone to open an account	1.2	0.8
Bank products are complicated	2.2	2.0

### 3.1.3. Banking Services Barriers

According to FinScope 2015, there was 61.1 per cent of adults saving. The percentage of adults saving today has slightly reduced, with only about 57.8 per cent of men and women saving. On saving in the past 12 months, the percentage of women savers (15.6%) is higher than the percentage of male savers (14.4%). The percentage of women savers is generally higher than that of male savers except for the richer/richest category. The male savers have 36.6 per cent compared to the female savers, who have 36.3 per cent. The differences between each category are not much.

Moreover, the greatest difference occurs in the poorest group category, where 7.4 per cent are male savers compared to 8.7 per cent of female savers. The percentage of urban savers for males and females is higher than that of rural savers. See Figure 13.

**Figure 13: Distribution of saving in the past 12 months (%)**



### 3.1.4. Saving and Investments Drivers

As shown in Table 2, saving to help with regular expenses is the most significant saving driver for men (43 per cent) and women (44.2 per cent). Saving for farming/fishing purposes is the least significant driver for women (9.9 per cent), while saving for business purposes is the least significant driver for men (9.2 per cent).

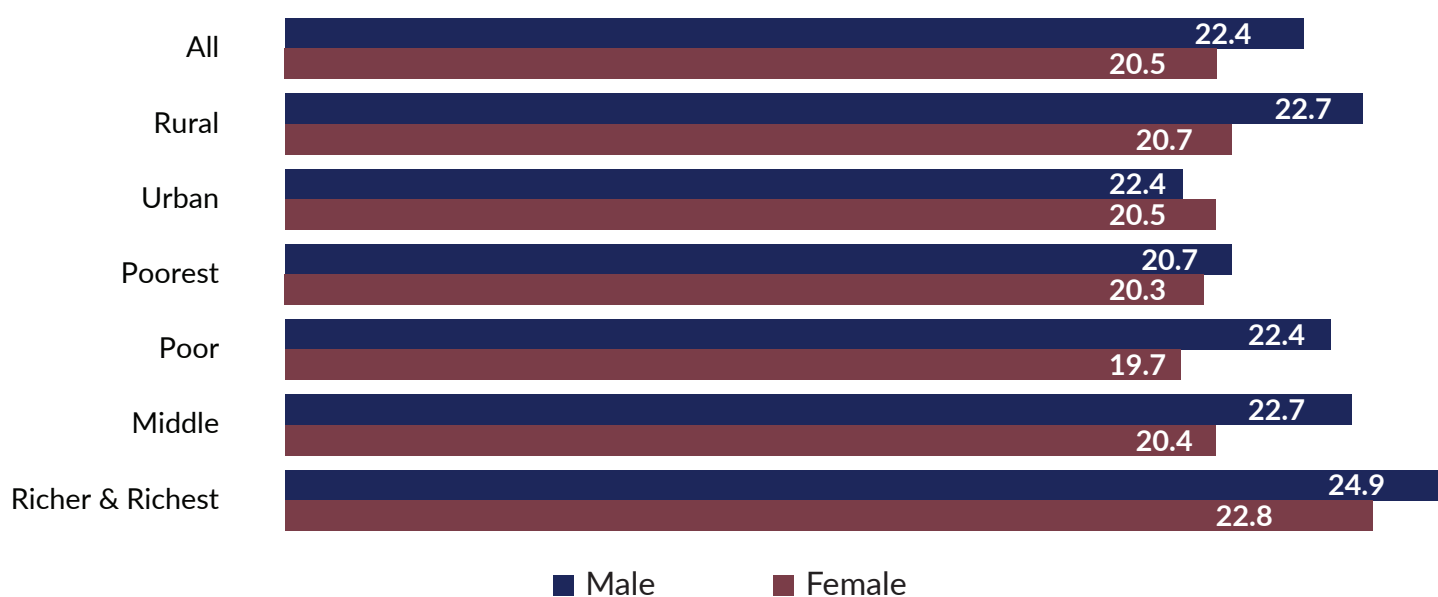
**Table 2: Drivers of saving by gender (%)**

Drivers of savings	Female	Male
Help you with regular expenses	44.2	43.0
Cope with unexpected expenses	20.4	21.3
Business purposes	11.1	9.2
Farming/fishing purposes	9.9	10.8
Other developmental purposes	14.4	15.8

### 3.1.5. Borrowing and Credit

According to FinScope 2015, about 24.7 per cent of Zambian adults were reported to have borrowed money, while the percentage of borrowers reduced to 21.6 per cent in 2020. Several adults in Zambia avoid borrowing due to a few reasons. Men (22.4%) are more likely to borrow than women (20.5%), with about 22.8 per cent of women and 24.9 per cent of men in the richer/richest category opting to borrow more than the women and men in any other PPI categories. It is also observed that both females and males in rural areas borrow more compared to those in urban areas.

**Figure 14: Percentage of men and women who have borrowed prior to the survey**



### 3.1.6. Borrowing and Credit drivers

There are several drivers for Zambian women and men to borrow. As shown in Table 3, borrowing to meet living expenses is the most significant borrowing driver for men (54.2%) and women (55.2%). Borrowing for other developmental purposes is the least significant driver for borrowing for women (4.5%) and men (6.8%).

Table 3: Drivers for borrowing by gender (%)

Borrower drivers	Female	Male
Farming	6.9	8.2
Living expenses	55.2	54.2
Other developmental purposes	4.5	6.8
Business purposes	15.5	11.4
Cope with unexpected expenses	17.9	19.4

### 3.1.7. Borrowing and Credit Barriers

There are several barriers that hinder Zambian women and men from borrowing. As shown in Table 4, will not manage to pay back is the most significant barrier to borrowing for both men (55.7 per cent) and women (59.8 per cent). Borrowing being too expensive is the least considerable driver for borrowing for women (2.4 per cent) and men (2.8 per cent).

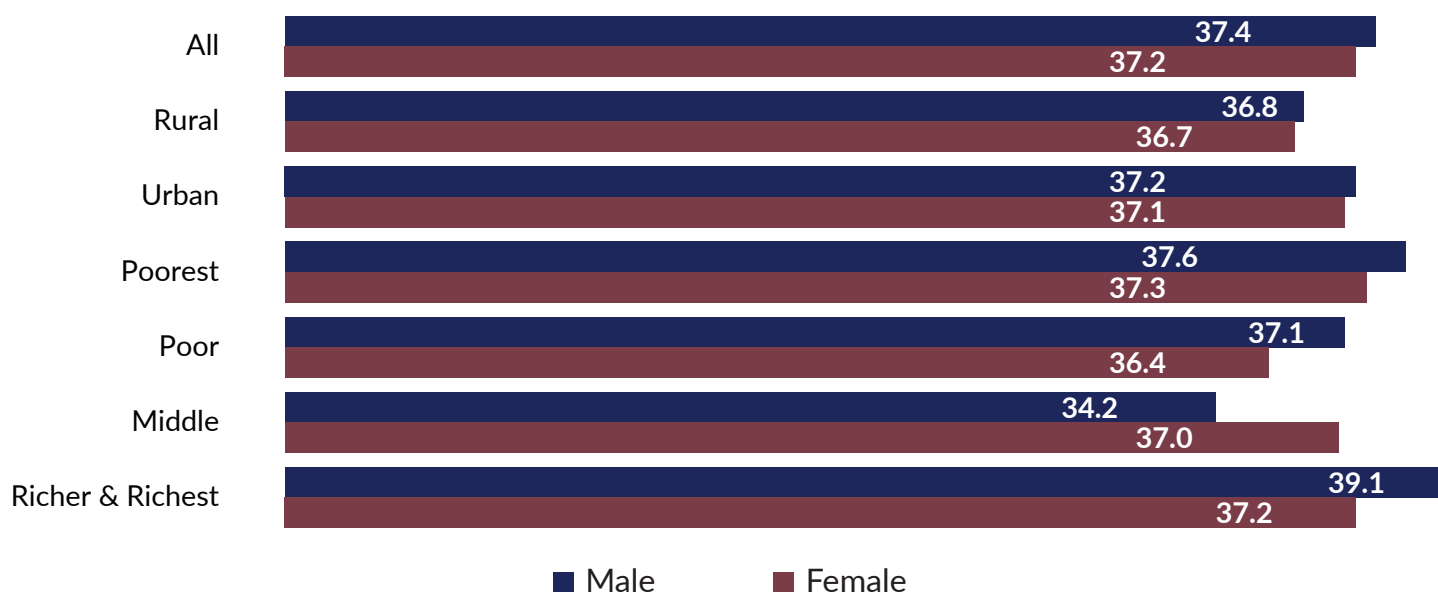
Table 4: Barrier to borrowing by gender (%)

Barriers borrowing	Female	Male
Do not know where to borrow money from	3.2	3.5
No collateral/bad credit history	3.5	4.1
No need to borrowing	31.1	33.9
Too expensive	2.4	2.8
Will not manage to pay back	59.8	55.7

### 3.1.8. Insurance and Risk

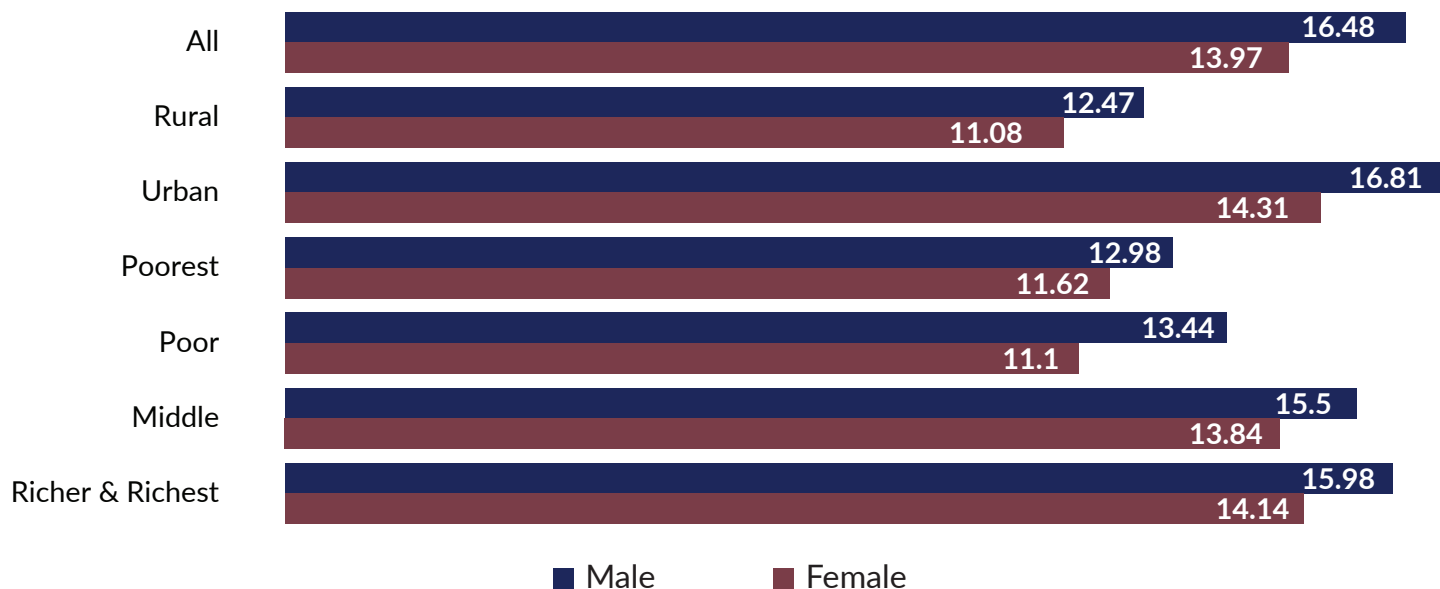
**Illness experience:** As shown in Figure 15, more men (37.4%) experience illness in a household than females (37.2 %). Most women who experience illness are in the poorest category (37.3%) compared to other PPIs. Most males who experience illness are from the richer/richest category compared to any other category. The illness experience by both males and females in urban areas is higher than in rural areas.

Figure 15: Illness experience in the 12 months prior to the FinScope Survey (%)



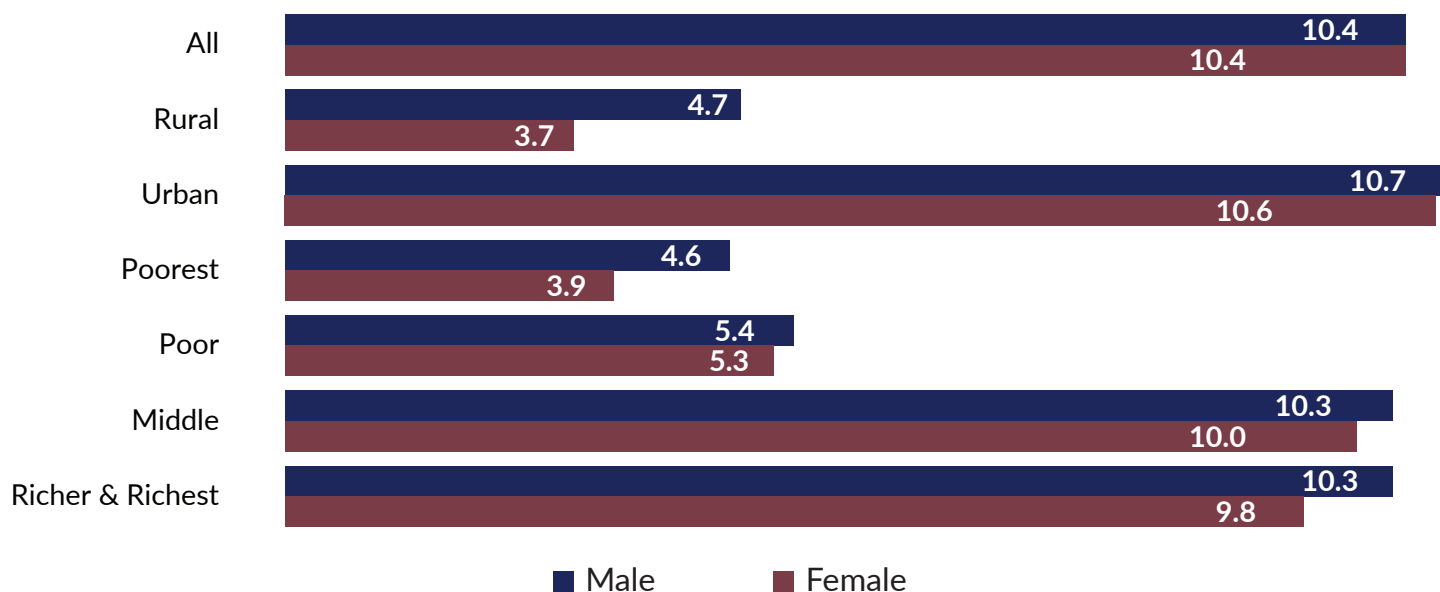
**Death experience:** As shown in Figure 16, more men (16.5%) experienced death in a household than females (14%). Most women who experience death in a household with the PPIs are in the richer/richest category (14.1%) than other PPIs. For males, most of those who experience death in a household are also from the richer/richest category (16%) compared to other categories. Death experience in a household for males and females in urban areas is higher than in rural areas.

Figure 16: Death experience in the 12 months prior to the FinScope Survey (%)



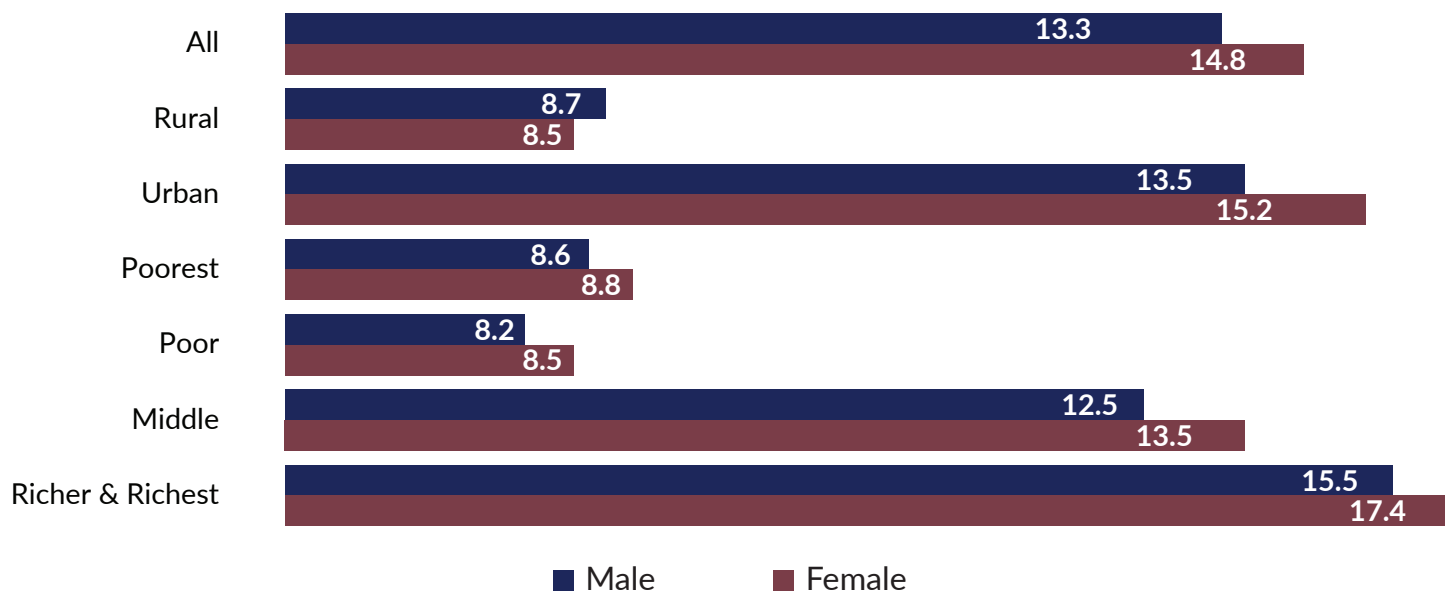
**Loss of income:** As shown in Figure 17, the loss of income by an income earner for both men and women is equal at 10.4 per cent. The loss of income by female income earners is higher in the middle category (10 %) than in other PPI categories. The loss of income by male income earners is higher in the middle and richer/richest categories (10.3%) than male income earners in other PPI categories. Loss of income-by-income earners by both females and males in urban areas is higher than those in rural areas.

Figure 17: Loss of income in the 12 months prior to the FinScope Survey (%)



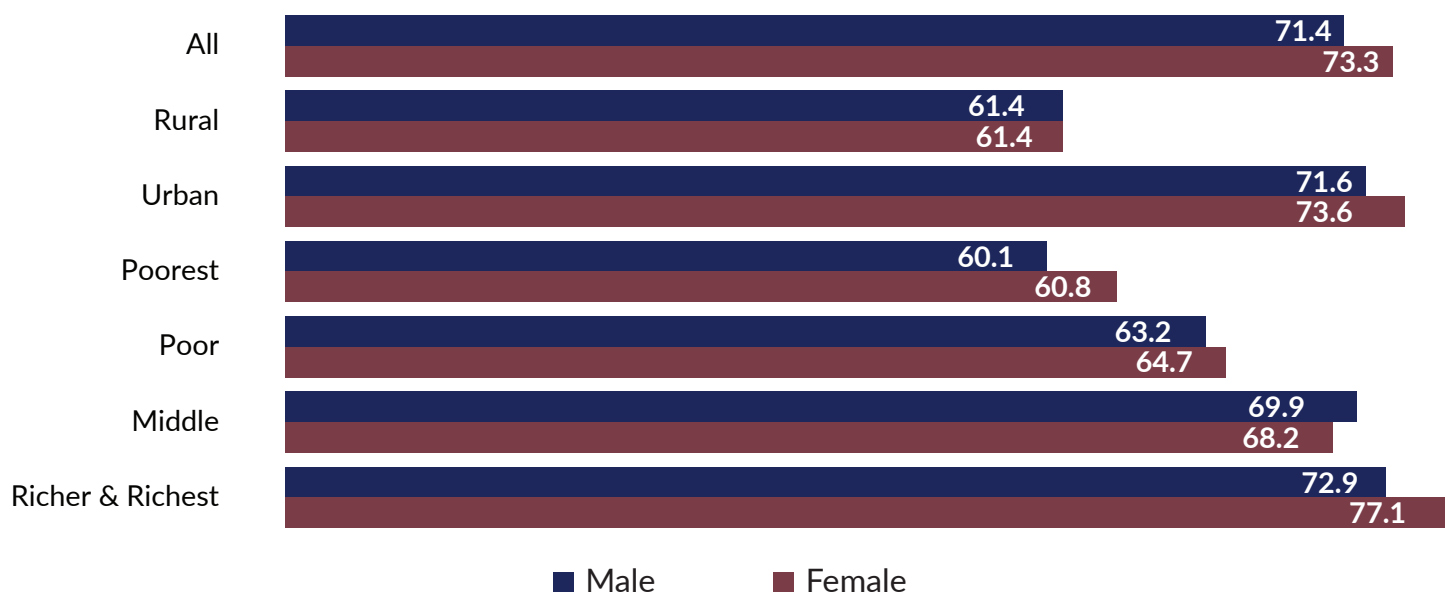
**Significant unforeseen school expenses:** As shown in Figure 18, more women (14.8 per cent) incur unexpected large school expenses than males (13.3%). Most women who incur unforeseen school expenses in the PPIs are in the richer/richest category (17.4%) than any other PPI category. Most men who incur unexpected school expenses in the PPIs are in the richer/richest category (15.5%) compared to any other PPI category. Large unforeseen expenses are higher for males and females in urban areas than those in rural areas.

*Figure 18: Large unforeseen school expenses in the 12 months prior to the FinScope Survey (%)*



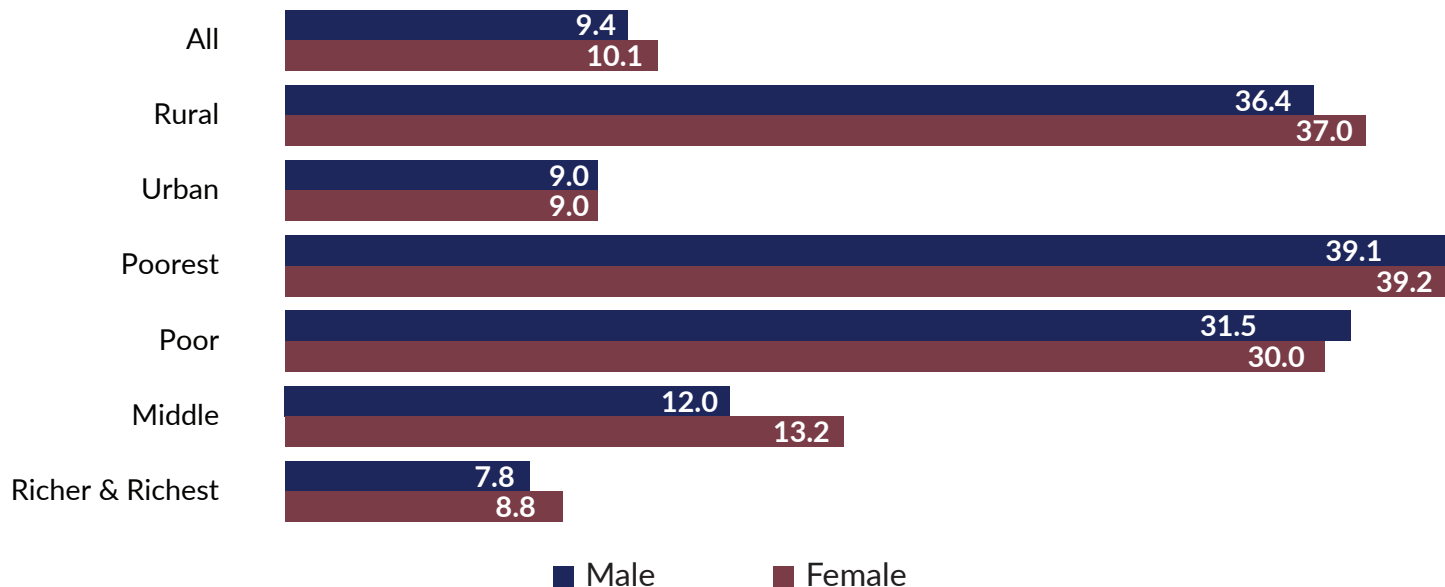
**Unexpected rise in the price of goods:** As shown in Figure 19, more women (73.3%) experience a rise in the price of goods than males (71.4%). Most women who face a rise in the price of goods in the PPIs are in the richer/richest category (77.1%) than any other PPI category. Most men who face a rise in the price of goods in the PPIs are in the richer/richest category (72.9%) than any other PPI category. For both males and females in urban areas, the unexpected rise in goods prices is higher than in rural areas.

*Figure 19: Unexpected rise in the price of goods in the 12 months prior to the FinScope Survey (%)*



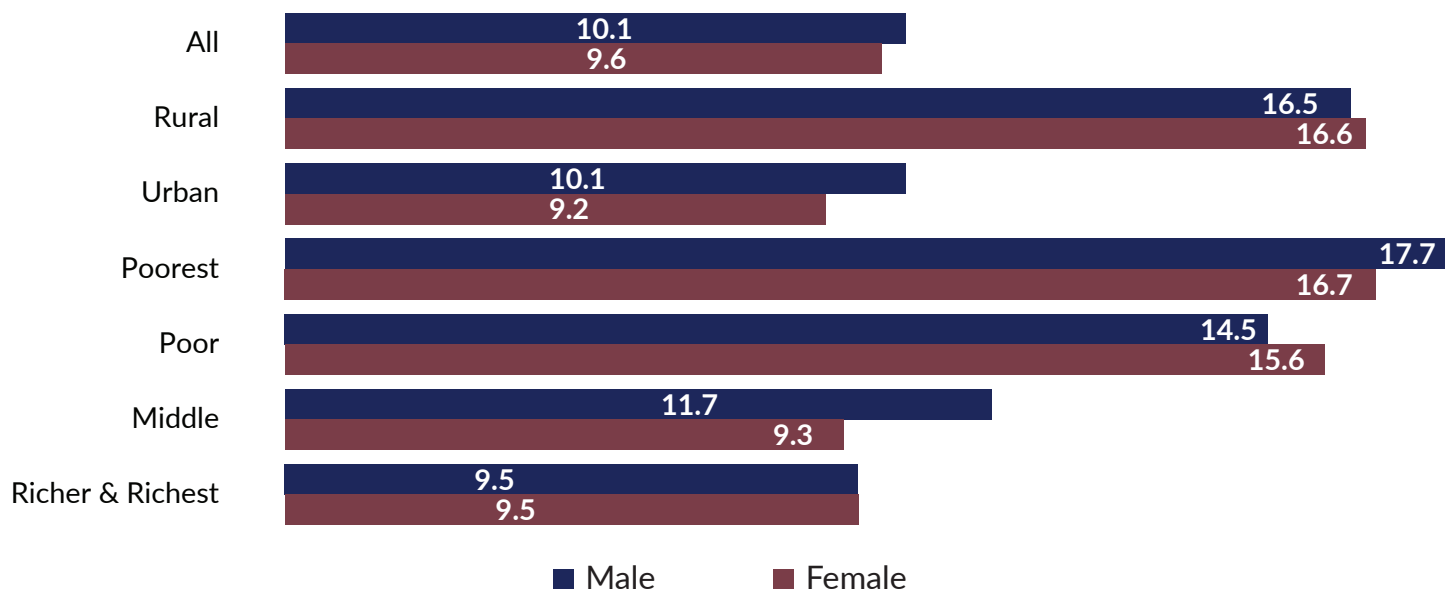
**Harvest/crop failure/loss of livestock:** As shown in Figure 20, more females (10.1%) experience a harvest/crop failure/loss of livestock than males (9.4%). Most women who experience a harvest/crop failure/loss of livestock in the PPIs fall in the poorest category (39.1%) compared to any other category. Most men who experience a harvest/crop failure/loss of livestock in the PPIs fall in the poorest category (39.2%) compared to any other category. For both males and females, the experience of a harvest/crop failure/loss of livestock in rural areas is higher compared to those in urban areas.

*Figure 20: Harvest/crop failure/loss of livestock by gender (%)*



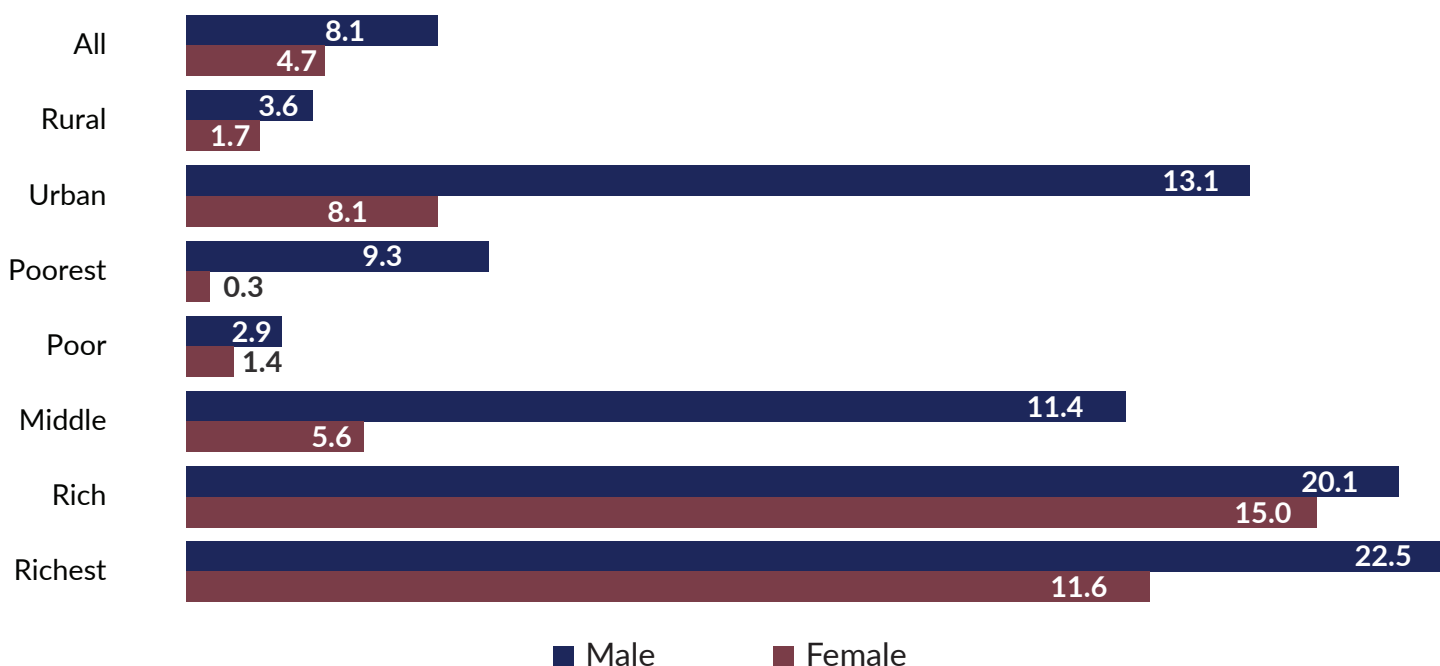
**Loss of income as a result of an unexpected drop in the price you get for produce/harvest/ products you sell:** As shown in Figure 21, more males (10.1%) experience a loss of income because of an unexpected drop in the price you get for produce/harvest/ products you sell than the females (9.6%). Most women who experience a loss of income because of an unexpected drop in the price they get for produce/harvest/ products you sell in the PPIs are in the poorest category (16.7%) compared to other PPIs. Most men who experience a loss of income because of an unexpected drop in the price they get for produce/harvest/ products you sell in the PPIs are in the poorest category (17.7%) compared to other PPIs. For both males and females, a loss of income because of an unexpected drop in the price you get for produce/harvest/ products you sell in rural areas is higher than in urban areas.

*Figure 21: Loss of income as a result of an unexpected drop in the price you get for produce/harvest/ products you sell (%)*



**Percentage of insured adults:** As shown in Figure 22, there is low usage of insurance services amongst women and men in Zambia, with only about 6.3 per cent of adults using insurance services. More men (8.1%) use insurance services in the survey than females (4.7%). Most women (22.5%) and men (15.0%) who utilise insurance services fall in the rich/richest category compared to any other PPI category. The number of insured males and females in urban areas is higher than in rural areas.

*Figure 22: Percentage of insured adults by gender*



**Insurance cover by type:** As shown in Table 5, there are several types of insurance coverage for Zambian women and men. The proportion of females taking domestic/household insurance coverage (88.2%) is higher than that of males. Men tend to take personal injuries/accidents cover more than women (82.2%).

*Table 5: Gendered insurance cover by type (%)*

Insurance cover by type	Female	Male
Agricultural	76.6	23.4
All risks	55.7	44.3
Domestic/household	11.8	88.2
Funeral	63.4	36.6
Health	52.9	47.1
Life	61.7	38.4
Medical	54.8	45.2
Money	43.0	57.0
Motor vehicle	74.5	25.5
National Health Insurance Scheme	56.5	43.5
Personal injury/accident	82.2	17.8
Property/house	33.1	66.9
Travel	72.9	27.1
Loan/Credit life	79.5	20.5
Other	57.4	42.6



**Insurance cover by type:** As shown in Table 5, there are several types of insurance coverage for Zambian women and men. The proportion of females taking domestic/household insurance coverage (88.2%) is higher than that of males. Men tend to take personal injuries/accidents cover more than women (82.2%).

*Table 6: Barriers to insurance utilisation (%)*

Barriers to insurance utilisation	Female	Male
Never heard of it until now	43.4	37.6
Does not know the benefits of insurance	10.9	8.5
Does not know how it works	11.7	11.5
Does not know how to get it	3.2	4.2
Does not trust it or companies providing it	1.3	1.5
Protects self in other ways	1.0	1.4
Does not want to think about hard things	1.0	1.0
Cannot afford it	19.8	24.8
They do not pay out when you claim	1.2	1.1
Other reasons	6.6	8.4

**Drivers of insurance:** There are several drivers for Zambian women and men to utilise insurance services. As shown in Table 7, women and men are driven to utilise insurance mainly because being insured stops them from worrying (16.5% of women and 15.2% of men). The least significant driver for females (0.4%) and males (1.5%) to utilise insurance is to cover their loans in case something happens.

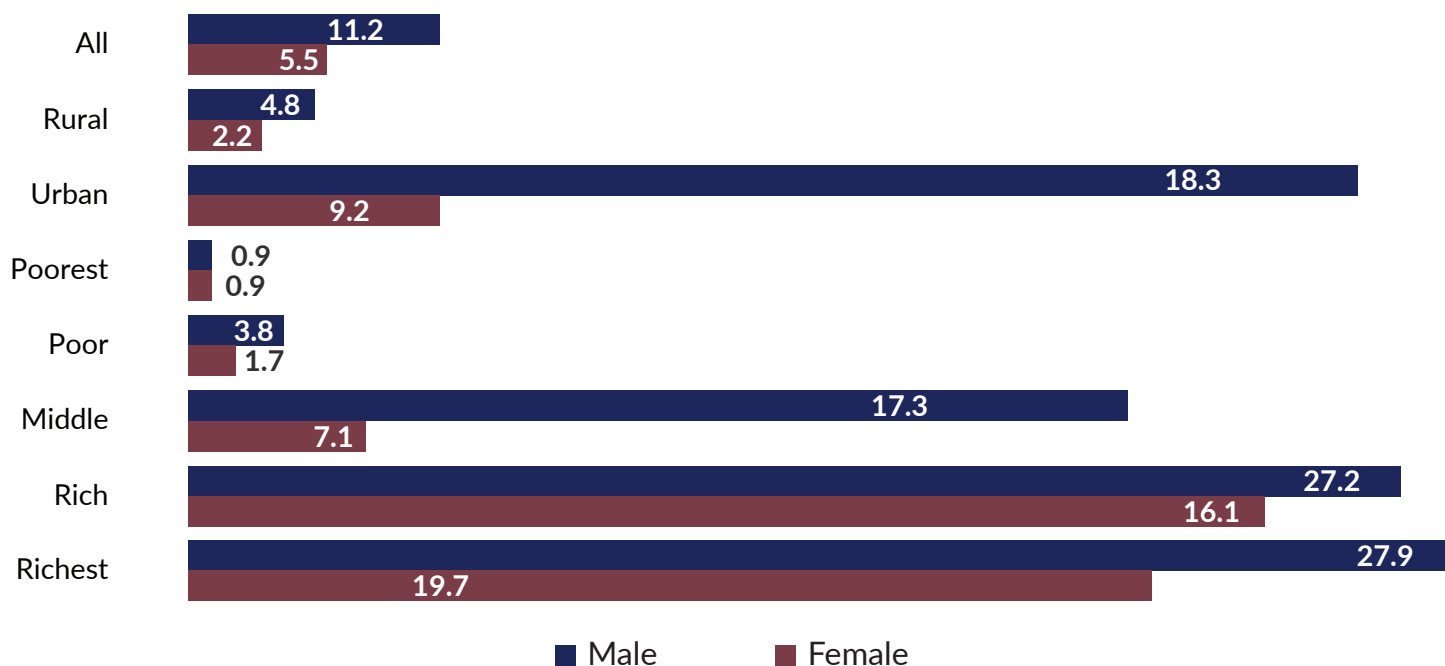
*Table 7: Drivers to insurance utilisation (%)*

Drivers of insurance utilisation	Female	Male
Cannot afford to lose things	13.2	15.0
The cost is low compared to the consequences	10.2	9.5
Being insured stops you from worrying	16.5	15.2
To make provision for old age	2.4	3.7
It is a requirement by law	13.1	13.3
It is better to be safe than sorry later	13.4	15.1
I have to make provisions for when things are bad	10.4	11.2
To cover my loan, something happens	0.4	1.5
To make sure my family has money to cover my funeral expenses	7.1	8.8
Other reasons	4.6	3.6
Do not know	9.0	3.1

### 3.1.9. Pension

There is low usage of pension schemes amongst women and men in Zambia, with only about 8.2 per cent of the total adult population utilising pension schemes. As shown in Figure 23, fewer women (5.5%) use pension schemes than men (11.2%). Most women (19.7%) and men (27.9%) who use pension schemes are in the richest category compared to any other PPI category. The number of pension scheme users for males and females in urban areas is higher than in rural areas.

Figure 23: Percentage of adults using pension schemes by gender



**Barriers to pension scheme use:** Zambian women and men have several barriers to pension use. As shown in Table 8, not being employed or not having a job is the most significant barrier to pension scheme utilisation for both men (40.3%) and women (47.4%). Having other ways of getting money is the least significant driver for pension scheme utilisation for women (0.8%). Men’s least important pension scheme utilisation barrier is not knowing where to get the service.

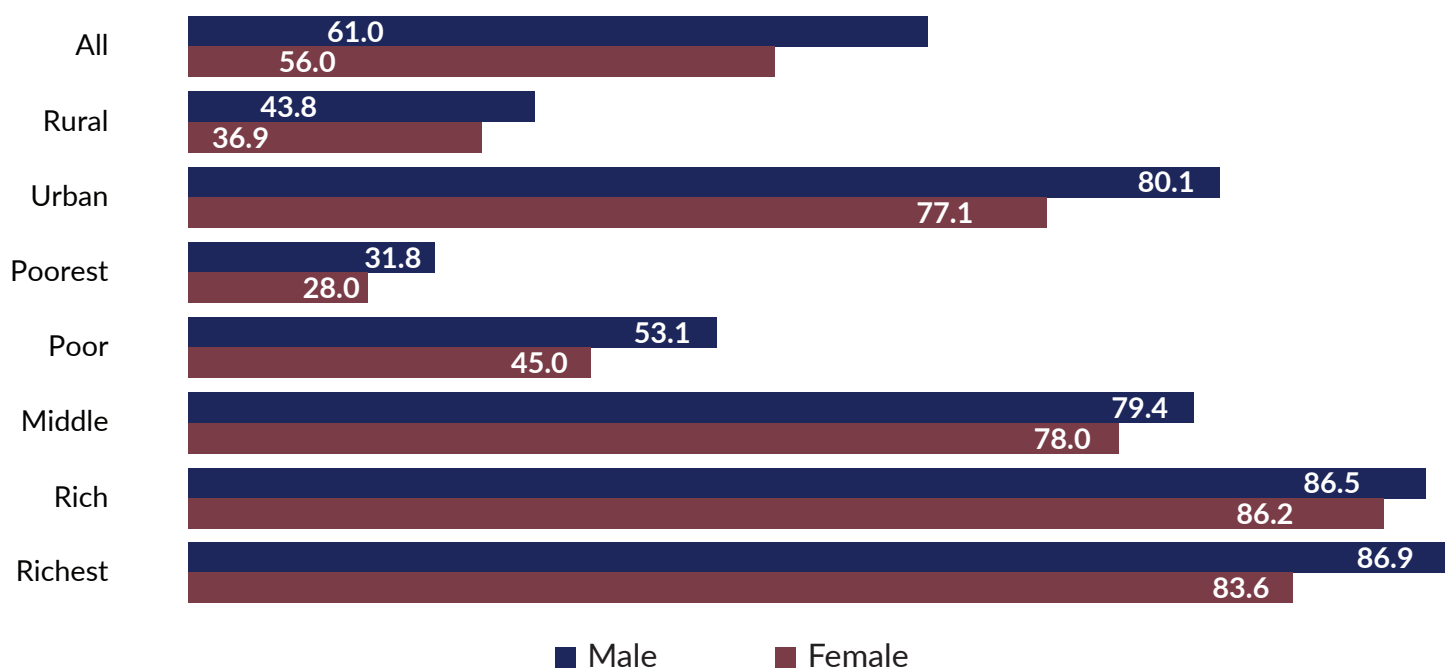
Table 8: Barriers to pension utilisation (%)

Barriers to pension scheme use by gender	Female	Male
Do not know what pensions are	13.2	15.0
Do not know what pensions are	10.2	9.5
Not employed/Do not have a job	16.5	15.2
Not employed in the formal sector	2.4	3.7
Do not know where to get it	13.1	13.3
Do not know how to get it	13.4	15.1
Have other ways of getting money when I	10.4	11.2
Do not have money to contribute to a pensions scheme	0.4	1.5
No specific reason	7.1	8.8
Other, specify	4.6	3.6

### 3.1.10. Mobile money

Zambia is primarily a cash-based society, with electronic payments picking up slowly. About 58.4 per cent of the adult population utilises mobile money services. As shown in Figure 31, fewer women (56%) use mobile money services than men (61%). Many women (83.6%) and men (86.9%) who use mobile money services are in the richest category compared to any other PPI category. Males and females in urban areas use mobile money services more than those in rural areas.

Figure 24: Percentage of adults using mobile money by gender



**Barriers to mobile money:** There are several barriers for Zambian women and men to utilise mobile money services. As shown in Table 9, not having a mobile phone is the most significant barrier to mobile money services utilisation for both men (39.4%) and women (42.6%). Mobile money services being against religion and because all agents are men is the least significant barrier for women (0%). In comparison, because all agents are men is the only least significant barrier for the men (6.8%).

Table 9: Barriers to mobile money utilisation (%)

Barriers to Mobile money use	Female	Male
I do not have a mobile phone	42.6	39.4
Other reasons	15.3	15.0
I do not need it; I do not make anything	10.7	12.1
I do not know how to get it	8.1	7.6
I do not have the required documents	5.3	5.2
There is no point-of-service/agent	4.1	6.4
Do not know what it is	3.7	3.0
I do not understand this service	2.4	3.0
Using it is difficult	2.4	2.0
I do not trust that my money is safe	2.3	2.9
registration is too complicated	0.9	0.6
No one among friends or family uses it	0.8	0.6
Fees for using this service are too	0.7	1.1
My spouse, in-law, and family do not a	0.4	0.2
Mobile money does not provide any	0.4	0.9
It is against my religion	0.0	0.1

**Drivers of mobile money:** There are several drivers for Zambian women and men to utilise mobile money services. As shown in Table 10, 'I had to receive money from another person' is the most significant driver of mobile money services utilisation for both men (31.3%) and women (34.9%). They got a discount on talk time is the only least significant barrier for men (0.1%) and women (0%).

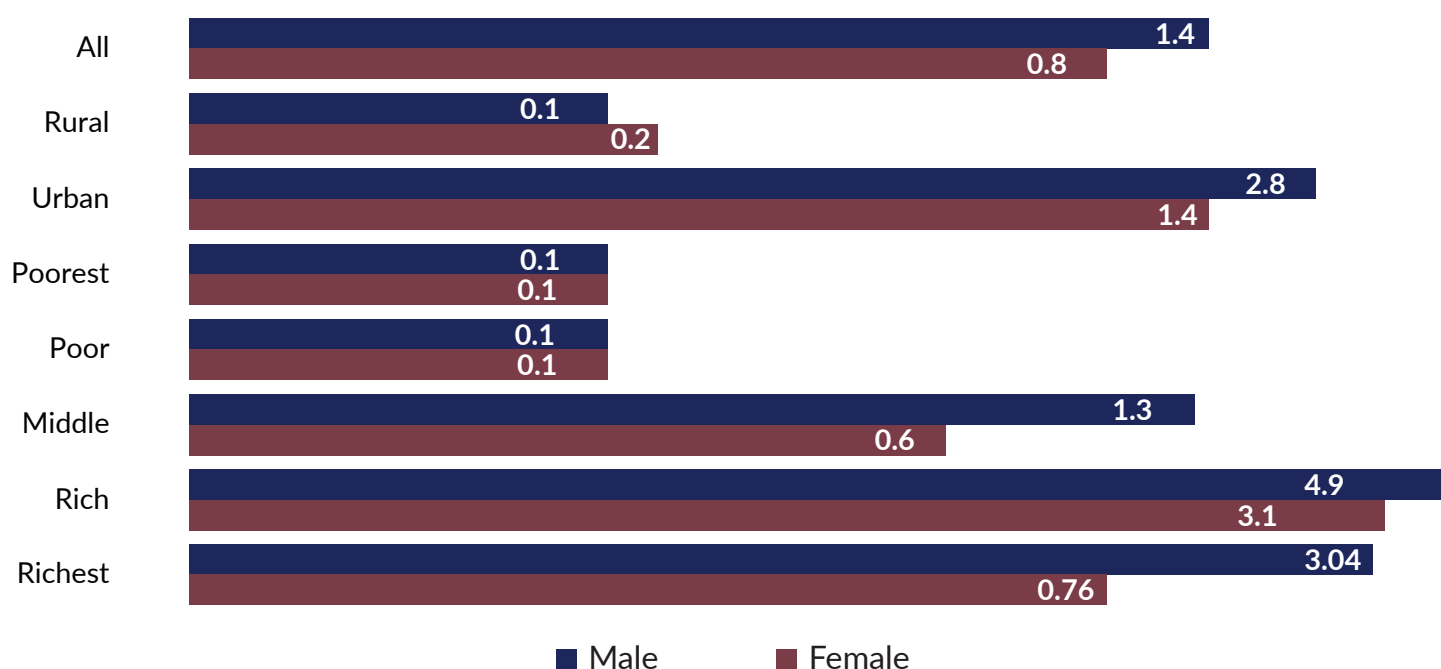
Table 10: Drivers to mobile money utilisation (%)

Drivers of Mobile money use	Female	Male
I had to receive money from another	34.9	31.3
I had to send money to another person	16.9	18.7
I wanted to start saving with a mon	15.5	14.5
I wanted a safe place to store my m	10.9	10.7
Somebody/a person requested I open a	5.5	4.9
It is convenient to send and receive	5.2	5.5
Other reasons	2.9	4.4
A person I know who uses mobile mon	2.4	3.3
An agent or salesperson convinced m	2.3	2.7
I saw other people using it, and I w	2.1	1.8
I saw a poster/billboard/radio/TV ad	0.5	0.5
Most of my friends/family members a	0.3	0.4
I had to send money to an organisation	0.3	0.4
I had to receive money from an organ	0.3	0.4
An organisation/government requested	0.2	0.3
I got a discount on talk time	0.0	0.1

### 3.1.11. Women/men digital financial services use in Zambia

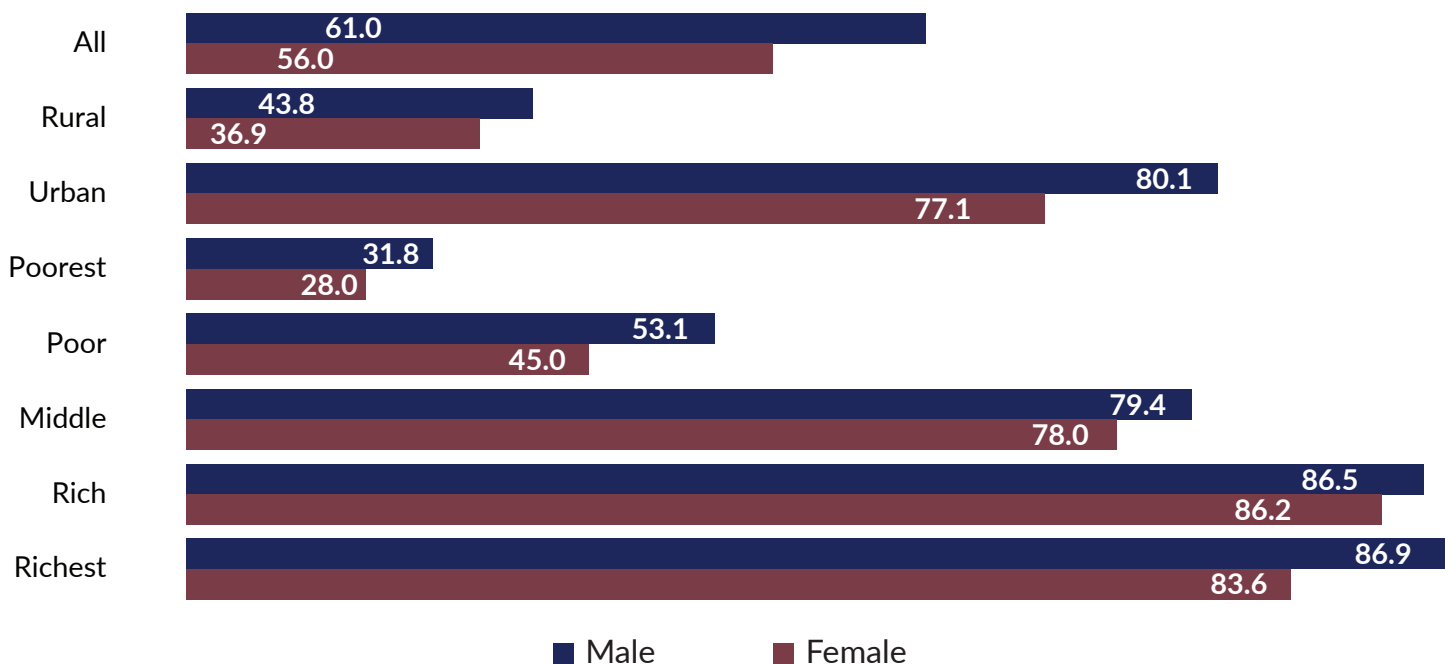
**Digital financial services for banks:** There is low utilisation of DFS bank services in Zambia, with only about 1 per cent of the adult population utilising this service. As shown in Figure 25, fewer women (0.8%) use DFS bank services than men (1.4%). Most women (3.1%) and men (4.9%) who use DFS bank services are in the richer category than any other PPI category. Males and females in urban areas use DFS bank services more than those in rural areas.

Figure 25: Percentage of adults using DFS banking services by gender



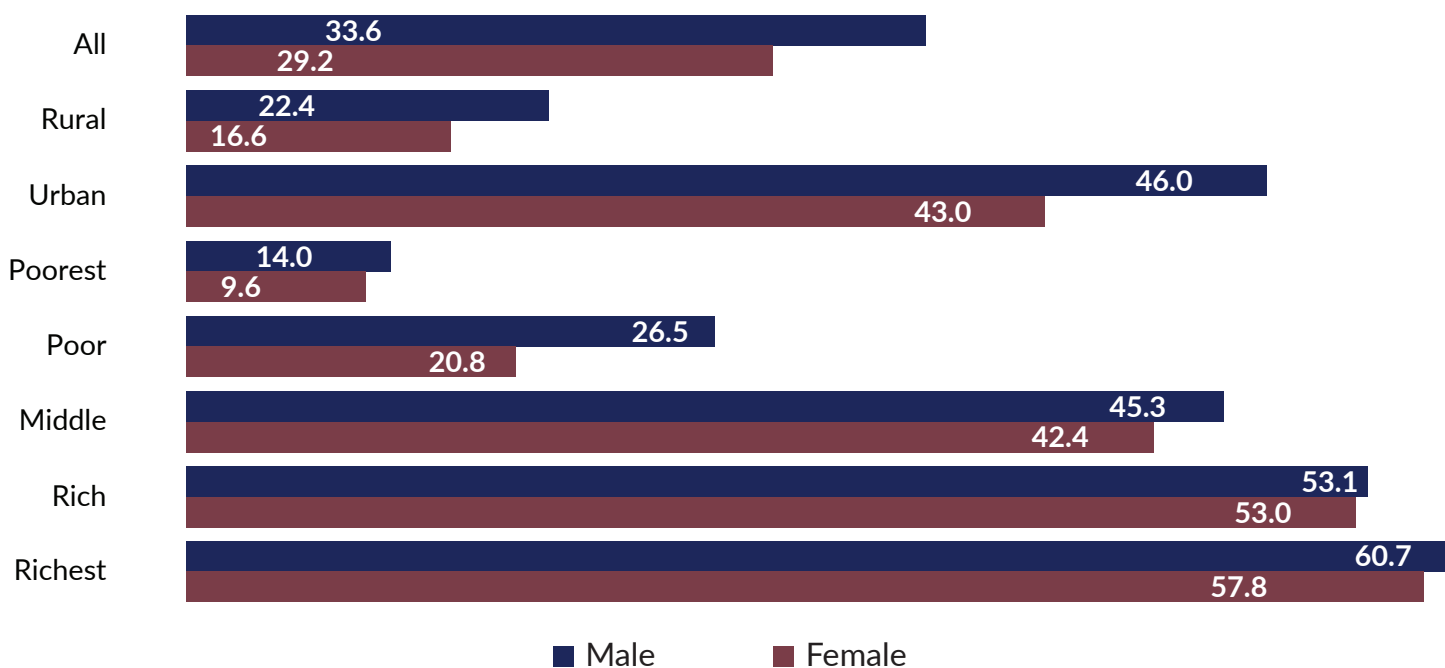
**DFS payments:** There is low utilisation of DFS payment services in Zambia, with only about 5 per cent of the total adult population utilising this service. As shown in Figure 26, fewer women (4.8%) use DFS payment services than men (5.2%). The majority of both women (13.4%) and men (13.6%) who use DFS payment services are in the rich category compared to any other PPI category. Males and females in urban areas use DFS payment services more than those in rural areas.

Figure 26: Percentage of adults using DFS payment services by gender



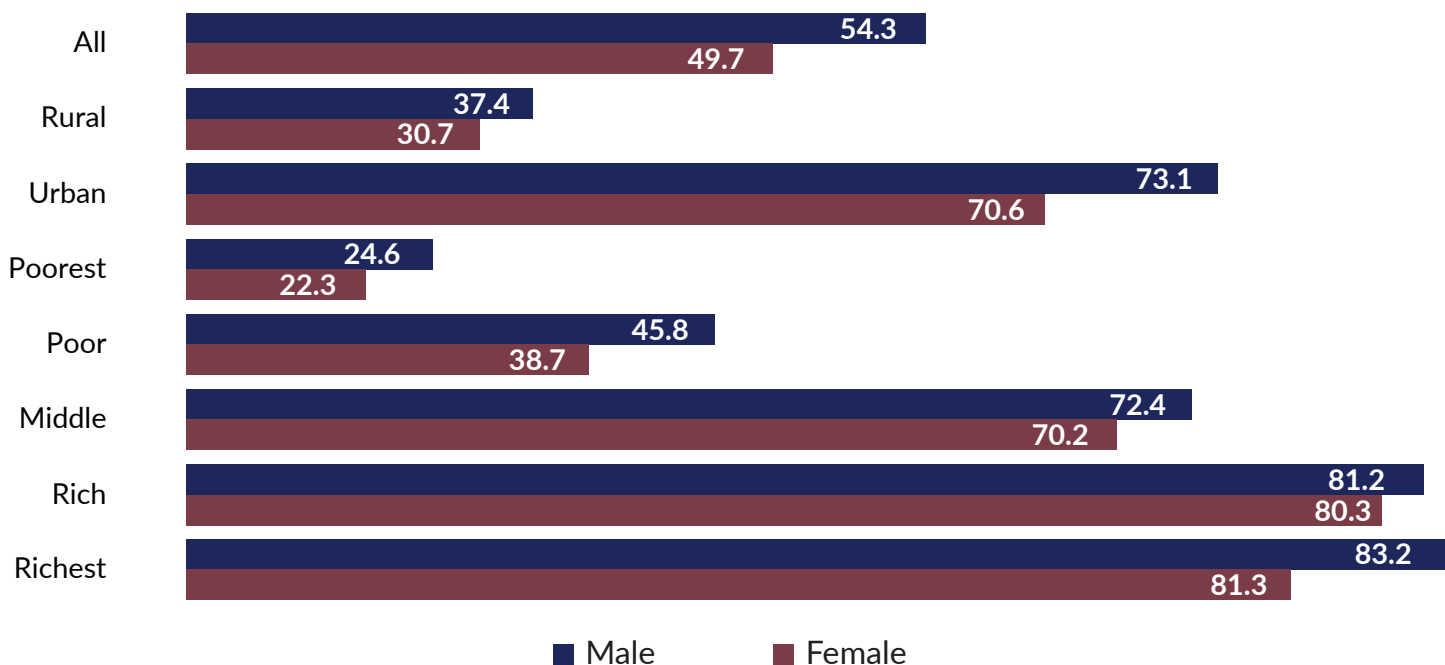
**DFS saving:** In Zambia, about 31.3 per cent of the total adult population utilises DFS saving services. As shown in Figure 28, fewer women (29.2%) use DFS saving services than men (33.6%). Most women (57.8%) and men (60.7%) who use DFS saving services are in the richest category compared to any other PPI category. Males and females in urban areas use DFS saving services more than those in rural areas.

Figure 27: Percentage of adults using DFS saving services by gender



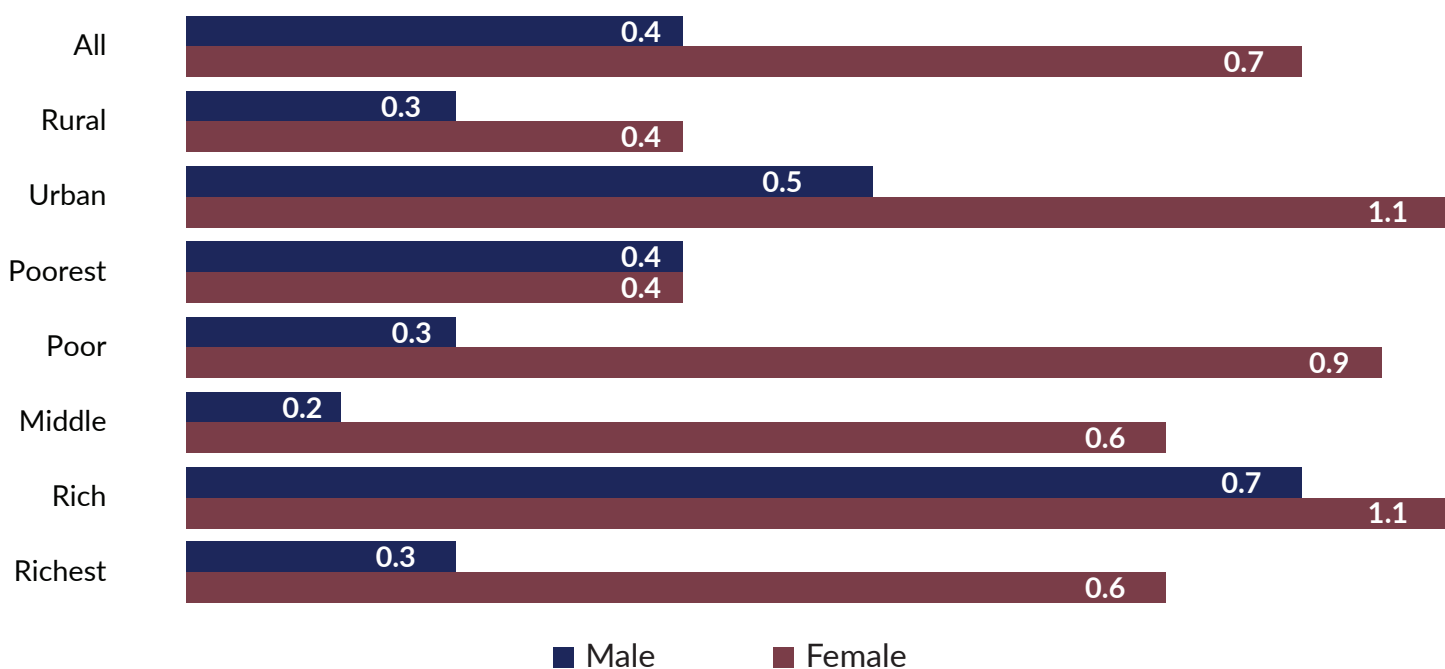
**Remittances:** Remittances are sent or received by a significant number of Zambian men and women. In the 2015 FinScope study, over 38 per cent sent money or received money during the 12 months prior to the survey. In the 2020 survey, about 51.6 per cent of the total adult population utilises DFS remittance services. As shown in Figure 29, fewer women (49.7%) make DFS remittances than men (54.3%). Most women (81.3%) and men (83.2%) who make DFS remittances are in the richer/richest category compared to any other PPI category. Males and females in urban areas make DFS remittances more than those in rural areas.

*Figure 28: Percentage of adults using DFS remittance services by gender*



**Government remittances:** In Zambia, only about 0.6 per cent of the total adult population utilises this service. As shown in Figure 30, more women (0.7%) receive government remittances than men (0.4%). Most women (1.1%) and men (0.7%) who receive government remittances are rich compared to any other PPI category. Males and females in urban areas make government remittances more than those in rural areas.

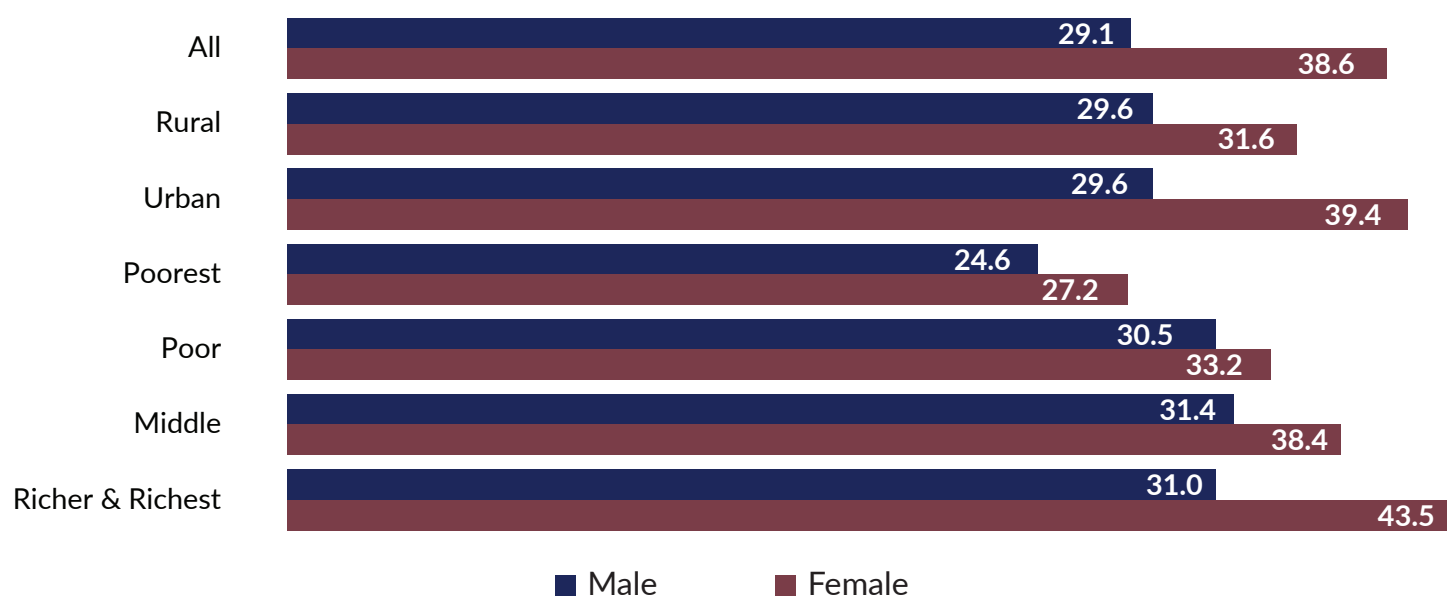
*Figure 29: Percentage of adults using government remittance services by gender*



## 3.2. WOMEN/MEN USE OF INFORMAL FINANCIAL SERVICES.

Only about 32.3 per cent of the adult population in Zambia utilise informal financial services. Figure 30 shows that more women (38.6%) than men (29.1%) utilise informal services. Most women that utilise informal services fall in the richer/richest category compared to any other PPI category, while most men (31.4%) that utilise informal services fall in the middle category compared to any other PPI category. The proportion of females in urban areas (39.4%) who utilise informal services is higher than those in rural areas (31.6%).

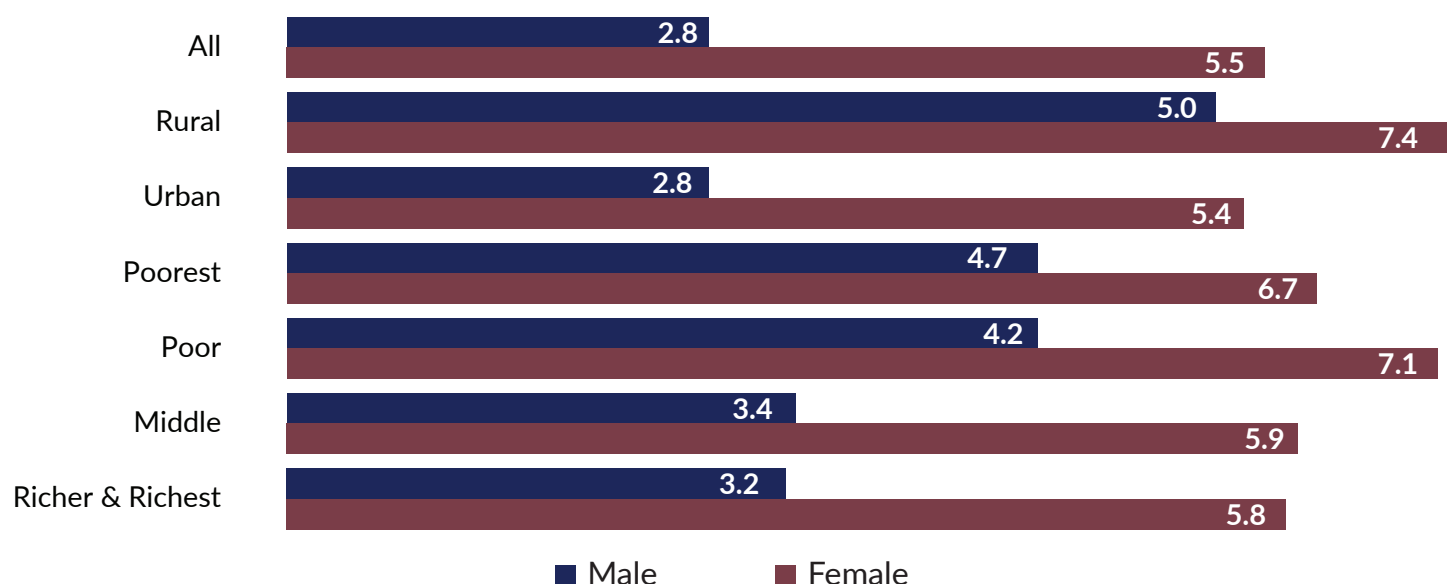
Figure 30: Percentage of adults using informal financial services by gender



### 3.2.1. Savings Groups

There is relatively low usage of Savings Group services in Zambia. According to the FinScope 2020 survey, only about 5.3 per cent of adults belong to Savings Groups. Figure 38 shows that more women (5.5%) than men (2.8%) utilise Savings Group services. Most women that utilise Savings Group services fall in the poor category (7.4%) compared to any other PPI category. In comparison, most men (4.7%) that utilise Savings Group services fall in the poorest category compared to any other PPI category. The proportion of females and males in rural areas who utilise SGs services is higher than those in urban areas (31.6 percent).

Figure 31: Percentage of adults using Savings Groups by gender



**Barriers to Savings Group use:** There are several barriers for Zambian women and men to utilise Savings Groups. As shown in Table 11, I do not have money to save is the most significant barrier to Savings Group utilisation for both men (27%) and women (31%). Insufficient share amount is the least significant barrier for men (0.1%) and women (0.2%).

*Table 11: Barriers to Savings Group use (%)*

Barriers to SG use	Female	Male
I do not have any money to save	31.08	26.97
I do not have enough money to save	21.26	20.34
There are no such groups in my community	17.36	15.62
I cannot see the benefits for me	7.96	9.27
Does not trust them	7.84	9.84
I save money on my mobile phone	6.14	7.95
Other reasons	5.86	6.61
Their activities are too time-consuming	0.93	1.66
I get the services they offer from F	0.8	1.06
Share amount is too low	0.59	0.54
Share amount/share price is too high	0.19	0.14

**Drivers to Savings Group use:** There are several drivers for Zambian women and men to utilise Savings Group services. As shown in Table 12, women (54.1 per cent) and men (55.4 per cent) are driven to utilise Savings Group services mainly for the purpose of saving money. The least significant driver for females to utilise Savings Group services forces them to save (0 per cent of women), while the least significant drivers for the males to utilise Savings Group services are because they trust the members and borrow money (0 per cent of the men).

*Table 12: Drivers to Savings Group use (%)*

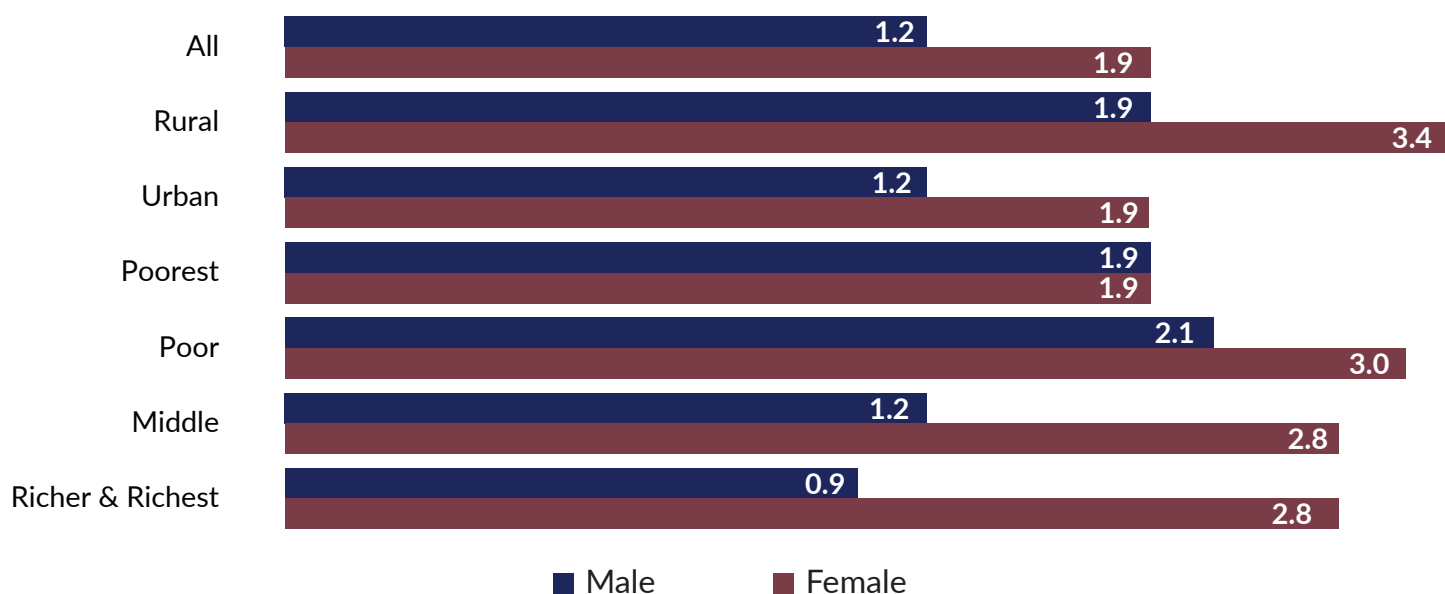
Drivers of SG use	Female	Male
To save money	54.1	55.4
I can turn to them in financial need	25.5	13.6
To socialise or meet with friends	5.8	16.5
To borrow money	5.8	0.0
They give financial and business advice	2.7	4.0
Other reasons	1.9	8.5
I trust the members	1.4	0.0
It forces me to save	0.0	1.66

### 3.2.2. Village banks

There is relatively low usage of village bank services in Zambia, with only about 2.2 per cent of adults utilising village banks. Figure 32 shows that more women (1.9%) than men (1.2%) utilise village bank services. The majority of women that utilise village bank services fall in the poor category (3.0%) compared to any other PPI category, while the majority of men (2.1%) that utilise village bank services fall in the poor category compared to any other PPI category. The proportion of both females and males in rural areas who utilise village bank services is higher than those in urban areas.



Figure 32: Percentage of adults using village banks by gender



**Barriers to village banks:** There are many barriers for Zambian women and men to utilise village banks. As shown in Table 13, lack of money to save is the most significant barrier to village bank utilisation for both men (23.4%) and women (26.6%). The share amount/share price is too high, and the share amount being too low are the least significant barriers for men (0.3%) and women (0.2%).

Table 13: Barriers to village banks' Utilisation

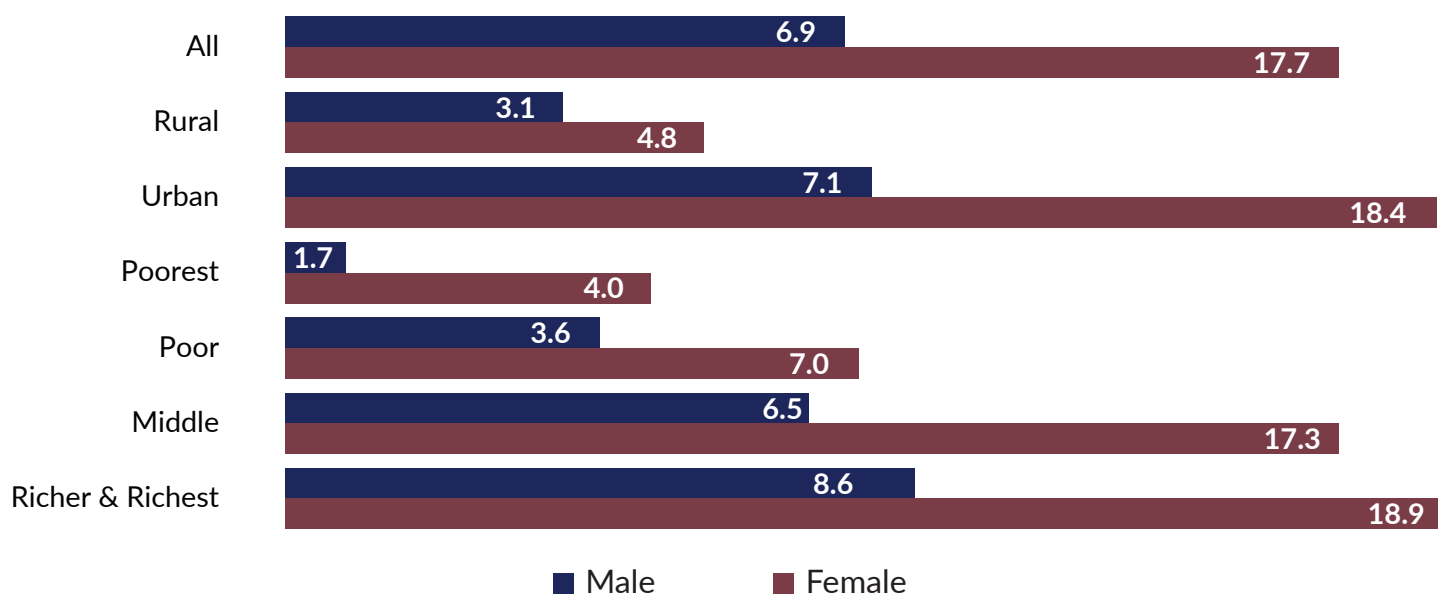
Barriers to Village Bank use	Female	Male
Do not have any money to save	26.6	26.6
Do not have enough money to save	23.5	22.4
There are no such groups in the community	22.1	20.9
Do not trust them	7.2	8.2
I see no benefits for me in what they have	7.0	8.3
I save money on my mobile phone	6.4	8.3
Other, specify	5.1	5.2
Their activities are too time-consuming	1.0	1.5
I get the services they offer from final	0.7	1.2
Share amount/share price is too high	0.2	0.3
Share amount is too low	0.2	0.3

### 3.2.3. Chilimba

A chilimba is a traditional merry-go-round mechanism where a group of trusted individuals pools an agreed-upon sum of money at regular intervals, each receiving a payout in turn. According to the FinScope 2020 survey, only about 8 per cent of the adult population uses chilimba. Figure 33 shows that more women (17.7%) than men (6.9%) utilise chilimba services. Most women and men who utilise chilimba services fall in the richer/richest category (18.9% and 8.6%) compared to any other PPI categories. The proportion of females and males in urban areas who utilise chilimba services is higher than those in rural areas.



Figure 33: Percentage of adults using chilimba services by gender



**Chilimba barriers:** There are several barriers for Zambian women and men to utilise chilimba. As shown in Table 14, I do not have money to save is the most significant barrier to chilimba utilisation for both men (26.4%) and women (30.2%). The share amount/share price is too high, which is the least significant barrier to chilimba for men (0.1%) and women (0.2%).

Table 14: : Barriers to chilimba utilisation (%)

Barriers to Chilimba use	Female	Male
I do not have any money to save	30.2	26.4
I do not have enough money to save	21.5	20.2
There are no such groups in my community	17.6	15.9
I cannot see the benefits for me	8.2	9.4
Does not trust them	7.7	9.8
I save money on my mobile phone	6.3	8.0
Other reasons	6.0	6.7
Their activities are too time-consuming	1.0	1.8
I get the services they offer from F	0.8	1.1
Share amount is too low	0.7	0.6
Share amount/share price is too high	0.2	0.1

**Chilimba drivers:** There are a number of drivers for Zambian women and men to utilise savings groups. As shown in Table 15, saving money is the most significant driver of chilimba utilisation for both men (64.1%) and women (59.2%). Trust for the members is the least significant driver for men (0.1%) and women (0.7%).

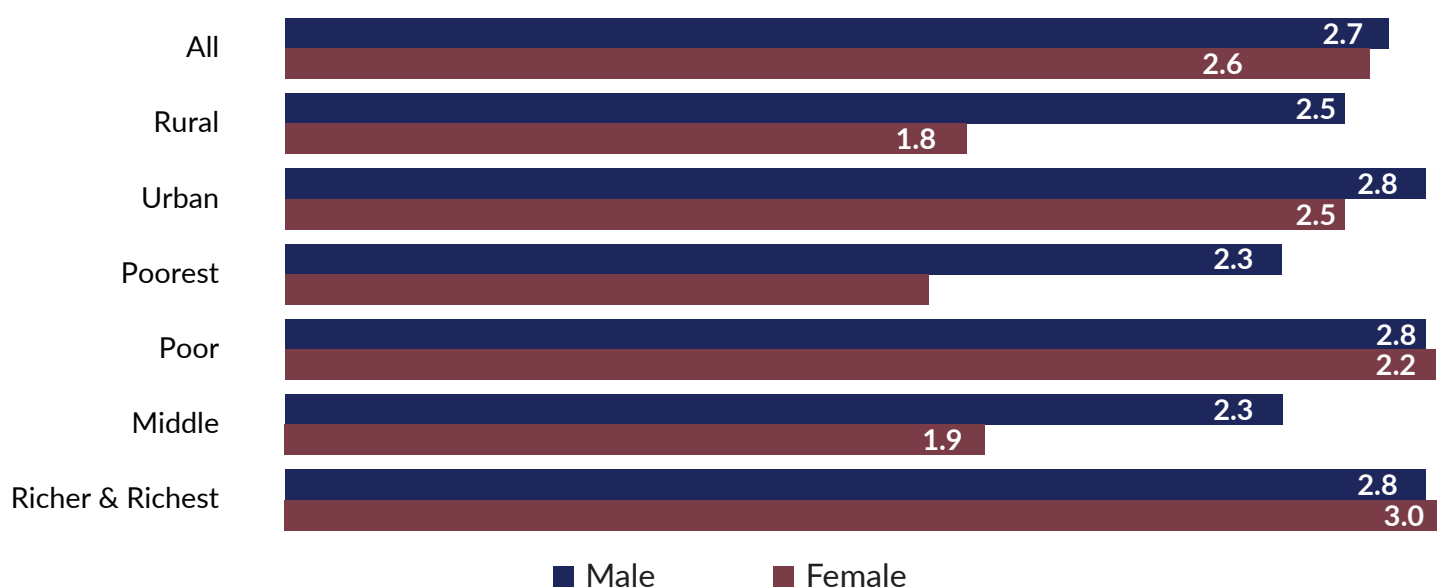
Table 15: Drivers to chilimba utilisation (%)

Drivers of Chilimba use	Female	Male
To save money	59.2	64.1
I can turn to them in financial need	20.7	18.1
They give financial and business advice	4.5	6.3
To socialise or meet with friends	4.3	3.3
It forces me to save	4.2	1.1
To borrow money	4.0	4.0
Other reasons	2.4	3.2
I trust the members	0.7	0.1

### 3.2.4. Kaloba

Kaloba is Zambian society's traditional moneylender; about 2.3 per cent of the adult population uses kaloba. Figure 41 shows that more men (2.7 percent) than women (2.6 percent) utilise kaloba services. Most men who utilise kaloba services fall in the poor and richer/richest category (2.8 per cent), while most women are in the richest category (3.0 per cent) compared to any other PPI category. The proportion of females in urban areas that use kaloba services is lower than males.

Figure 34: Percentage of adults using kaloba services by gender



**Kaloba barriers:** There are a number of barriers for Zambian women and men to utilise savings groups. As shown in Table 16, being worried about failure to pay is the most significant barrier to kaloba utilisation for both men (52.1%) and women (55.8%). Not getting a loan because of their current credit is the least significant barrier to kaloba for men (0.1%) and women (0%).

**Table 16: Barriers to kaloba utilisation (%)**

Women Kaloba_Barriers	Female	Male
Worried I would fail to pay	55.8	52.1
Do not need to borrow money	14.3	16.0
I do not believe in borrowing	13.4	14.5
Not allowed to borrow by my spouse	7.5	6.9
High-interest rates	2.2	2.5
Do not have security or collateral	2.0	2.5
I do not know where to borrow from	1.9	2.3
The service provider refused me	1.3	1.6
I do not know how to apply for a loan	0.9	0.7
Do not have the correct documentation	0.8	1.0
Cannot get a loan because of my current status	0.0	0.1

**Kaloba drivers:** There are several drivers for Zambian women and men to utilise kaloba. As shown in Table 17, being the quickest access to money is the most significant driver of kaloba utilisation for men (32.2%) and women (34.9%). This implies that women utilise kaloba more than men. Secrecy, or being sure no one knows about it, is the least significant barrier for men (0.4%) and women (0.5%).

**Table 17: Drivers to kaloba utilisation (%)**

Kaloba drivers	Female	Male
Quickest access to money	34.9	32.2
Easy/simple to use	15.9	14.8
Other reasons	14.2	7.8
Repayment terms suit me	13.2	15.8
Proximity/convenience	9.5	20.7
I trust them	8.7	6.0
Low-interest rates	3.1	2.5
Secrecy/I have to be sure no one knows	0.5	0.4

# FINANCIAL HEALTH AND LITERACY

## 4.1. WOMEN/MEN'S FINANCIAL HEALTH AND LITERACY

Generally, financial health and literacy levels are low in Zambia. Table 18 below shows that the national financial health level stands at 13.6 per cent. Females (13.1%) are less financially healthy than males (14.2%).

*Table 18: Financial health and literacy (%)*

Financial Health parameter	National	Male	Female
<b>Overall Financially healthy adults</b>	<b>13.6</b>	<b>14.2</b>	<b>13.1</b>
<b>Ability to manage day to day</b>	<b>60.0</b>	<b>59.5</b>	<b>60.4</b>
<b>Manage:</b> Adjust expenses according to the money available	72.4	71.7	73.1
<b>Manage:</b> Spend much less or a bit less than income	34.9	34.5	35.4
<b>Manage:</b> Do not have to sell assets or borrow to repay the loan	34.8	35.8	33.8
<b>Manage:</b> Did not go without food to eat at any point in the last six months	33.7	33.6	33.7
<b>Ability to cope with the risk</b>	<b>10.9</b>	<b>11.6</b>	<b>10.4</b>
<b>Risk:</b> Saved to cope with unexpected expenses	10.8	10.8	10.8
<b>Risk:</b> Able to raise money in 3 days in case of emergency	22.8	24.4	21.4
<b>Risk:</b> Did not go without medicine or medical treatment at any point in the last six months	22.3	23.0	21.6
<b>Risk:</b> Do not struggle to pay for unexpected expenses	4.9	4.6	5.2
<b>Ability to invest in the future</b>	<b>46.7</b>	<b>48.3</b>	<b>45.2</b>
<b>Invest:</b> Regularly set aside money for a specific purpose in the future	61.9	61.9	61.8
<b>Invest:</b> Uses savings or credit to invest in assets, education	63.7	66.1	61.5
<b>Invest:</b> Intend to use savings, pension or investment income to make ends meet in old age	12.9	13.8	12.1

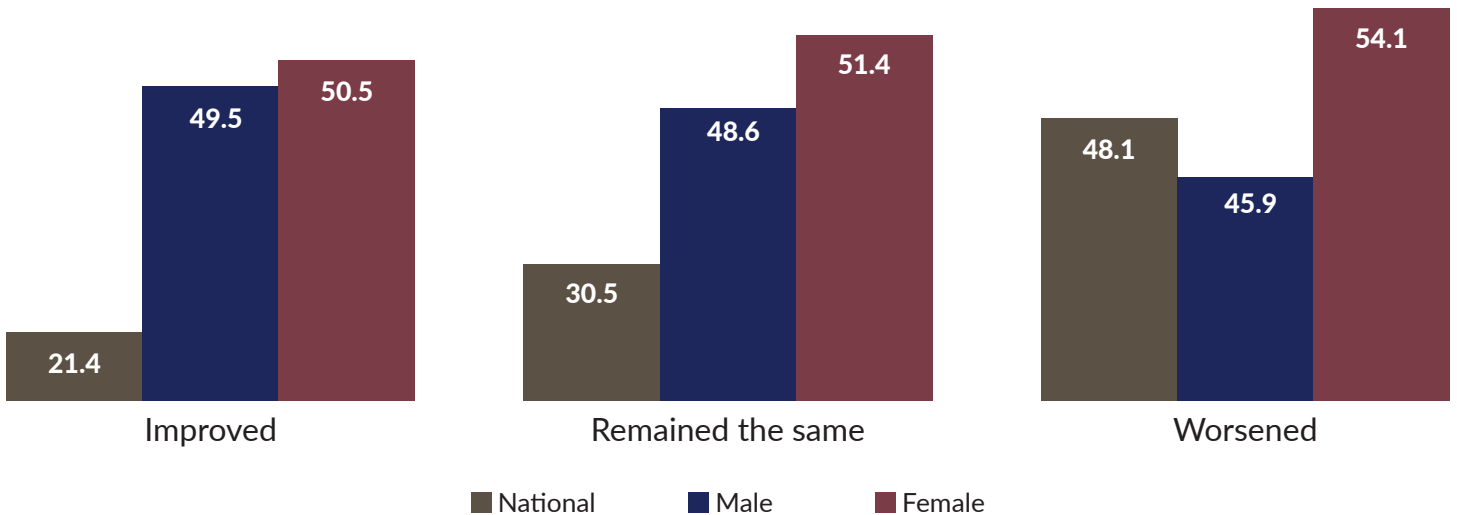
On ability to manage, females (60.4%) have a higher ability to manage than males (59.5%). For example, Table 18 shows that females have a higher ability to adjust expenses according to the money available. About 10.9 per cent of the adults in Zambia can cope with risk. On the ability to cope with risk, females (10.4%) have a lower ability to cope with risk than males (11.6%). For example, the table shows that males (24.4%) have a higher ability to raise money in three days in case of an emergency compared to females (22.8%).

About 46.7 per cent of the adults in Zambia have the ability to invest in the future. Table 18 shows that males (48.3%) are more likely to invest in the future compared to females (45.2%). For example, males are more likely to use savings or credit to invest in assets and education (66.1%) compared to females (61.5%)

## 4.2. SELF-REPORTED FINANCIAL STATUS

As shown in Figure 35, under the worsened self-reported financial status, women have a higher percentage (54.1%) than the men (45.9%). Those who reported that their self-reported financial status remained the same were 51.4 per cent females and 48.6 per cent males. The percentage of women who reported that their financial status has improved is more than the men at 50.5 percent and 49.5 percent.

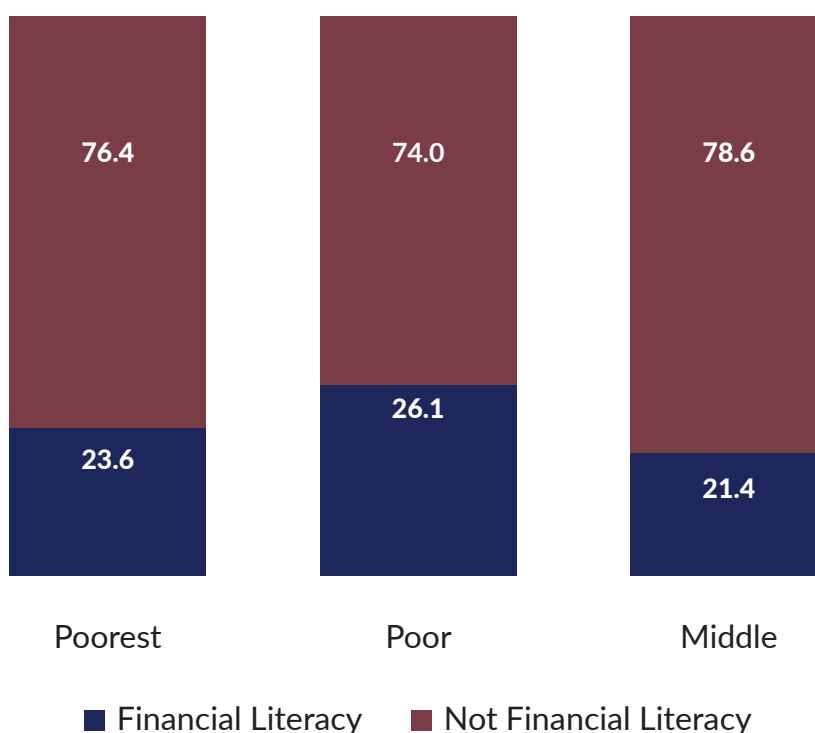
Figure 35: Self-reported financial health status (%)



## 4.3. FINANCIAL LITERACY

The 2020 FinScope survey revealed low levels of financial literacy, as shown in Figure 36. At the national level, 24 per cent of the Zambian adult population is financially literate. The proportion of financially literate females is lower than males at 21.4 per cent and 26.1 per cent, respectively.

Figure 36: Women/men financial literacy levels (%)



# CONCLUSIONS AND RECOMMENDATIONS

## 5.1. CONCLUSIONS

In this report, we observe that the gender gap in financial inclusion is closing up, but much work still needs to be done to reach desirable results. We establish that geographic location, gender, economic status (as measured through the PPI Index), and age are determinants of financial inclusion in Zambia. This is very consistent with the current literature on financial inclusion.

## 5.2 RECOMMENDATIONS

**Financial education and awareness campaigns:** There is a need for increased financial literacy and education targeting women to respond to the observed gender gaps. As revealed in this report, financial capability and product awareness, especially regarding formal financial services such as insurance, are crucial barriers to women's use of these services. Therefore, access to information and financial education is very important. This is very important, especially recognising that finance itself is not enough, as illiterate women might need literacy training; women micro-entrepreneur cash management and booking skills to be healthy clients. Therefore, financial inclusion stakeholders should scale current initiatives and monitor, evaluate, and consolidate their approaches to ensure greater outreach and impact. These efforts should be led by both the private and the public sector if it is to succeed. It has been established that an improved understanding of the benefits, costs, and risks of financial services increases the likelihood of the beneficial use of appropriate financial services.

**Economic empowerment of women:** As observed in this report, women are the largest dependent on irregular income and family and friends for their income. Further, regarding barriers to financial use, the female population segments accounted for the highest proportions of those who indicated a lack of income to justify the use of various financial services. Given this background, stakeholders should consider initiating and scaling up projects to support income-generating activities amongst females. Without losing the aspect of sustainability, development organisations and other stakeholders should consider the following specific initiatives:

- Subsidise women's initiatives to enable them to start their own businesses and help them in capacity-building initiatives. Women should be encouraged to participate more actively in the trade environment.
- Support women's linkage to the market to ensure ready-market for different sectors, such as farming, where the majority of them are involved. Stakeholders should identify and improve supply chains that can best support women and youth, especially those residing in rural areas.

**Gender policy:** At the national level, a robust gender policy that incorporates women's financial inclusion and economic empowerment should be considered. Similar policies have worked in other countries where girls' financial education initiatives are also incorporated into the policy.



**Further demand-side research:**

- Research into social norms that might impede women's access to and use of financial services. A more detailed qualitative research should be conducted to further explore some of the quantitative figures observed in this research.
- Conduct a financial behaviour research to understand the low levels recorded in the financial health score. The low numbers recorded are worrying because the financial health index can be viewed as the impact of financial services on an individual's or household's well-being. Furthermore, the low number has been recorded despite the increase in the proportion of adults using financial services in the country. Despite the increase in financial inclusion, the financial health number is low.

**Financial service innovations/market innovation:**

- There is a need to support market innovation, especially on products and services that promote savings and investments. As observed in the report, savings and investments are very low. With a low financial health score recorded, efforts aimed at increasing the proportion of adults saving and investing should be lamped in the country.
- Promote and refine DFS products for savings and investment purposes. Most of the DFS products in the market are used mainly to send and receive money. Financial inclusion stakeholders.

**Supply-side information dissemination:** Financial inclusion stakeholders (policymakers, NGOs, and the private sector) should proactively share the FinScope results widely, specifically on women and youth financial needs. Given the COVID-19 pandemic, creative ways of reaching out to influential stakeholders should be considered.

**Demand-side information sharing:** Sharing financial products and service information with the youth and women is critical. Sometimes these segments of the population may not know that certain services are within their reach, where it is available, what their attributes are or how they can be relevant to them. Therefore, ensuring that women have the correct information is vital.

# REFERENCES

1. FinScope Zambia 2020 Survey Report, Bank of Zambia, 2021
2. National Financial Inclusion Strategy 2017 - 2022
3. National Strategy on Financial Education NSFE 2012-2017



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