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Women, Mobile Phones, and Savings: *A Grameen Foundation Case Study*

Summary of Findings
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Introduction

There is a growing consensus that providing easily accessible savings accounts to the poor and very poor is an important and effective development strategy. Simultaneously, mobile technology and mobile phones in particular are gaining popularity as a potential mechanism for breaking down barriers between essential financial services – such as savings and remittances – and the poor and poorest, for whom the impact of access is arguably the greatest. The enthusiasm for mobile technology is tempered by concerns that women may have limited access and literacy with mobile devices, creating a gap in their access to financial services that are delivered this way.

This case study sets out to examine a Grameen Foundation/Grameen Foundation India (GFI) microsavings program delivered by Cashpor Microcredit, a microcredit institution based in Varanasi, India. Grameen Foundation (through its Microsavings Initiative) and Cashpor have worked together since 2009 to bring savings accounts to Cashpor’s ultra-poor female credit clients via mobile phone. During the case study, we interviewed a representative sample of 68 Cashpor clients in the greater Varanasi area about the savings program and their use of mobile technology.

A complex picture of the women savers emerged from these interviews. The clients were asked about access to their savings accounts, their level of transactions and their familiarity with mobile technology. We found that mobile phone literacy among these women is limited, even among women who own a phone. The women rely on a family member, in particular their husbands, to help them use the phone. Access to mobile phones is even more limited among women who do not own one; half of the women who borrow phones report that there are times when that phone is unavailable to them. As Cashpor continues to provide savings services, we recommend that it promotes mobile phone literacy and ownership as part of its efforts to maximize the benefits of this vital service for poor women.

Background

Gender and Mobile Technology

Mobile phone ownership in low- and middle-income countries has grown exponentially over the past decade. It is truly a revolution: Developing countries have leapfrogged land-line telephony and now more people in India and China own mobile phones than in North America and Europe combined.¹ With the success of M-Pesa², GCASH³ and SmartMoney⁴, it’s clear that mobile phones are truly bridging gaps by bringing vital financial products and services to the world’s poorest people.

Though the mobile phone’s success is important, it is equally important to understand *who* currently benefits and who does not. Gender is an important consideration that influences the ability to use the phone successfully to deliver services to the poor. There are high barriers to entry for women: they are

¹ Rashid, Ahmed and Laurent Elder. “Mobile Phones and Development: An Analysis of IDRC-Supported Projects.” Page 1.

² M-Pesa is a mobile money transfer service for Safaricom customers in Kenya.

³ GCASH is a mico-payment service based in the Philippines.

⁴ SmartMoney is a mobile money service that enables the rural poor to exchange and save money via their phones. This service is available throughout Africa.

less likely to gain access to technology in schools, they begin using phones later than men and cultural factors can influence when and if they can borrow or own a phone. Religion and culture, such as caste and gender roles, play a critical role in influencing women's access to technology. It is important to bear in mind that though men and women may be treated equally under the law, there are often dual legal and religious systems that limit women's equality that are often difficult to measure and address.

Despite the global mobile phone gender gap (see the box at right) women are benefiting from mobile technology. Over the next five years, "two out of every three potential subscribers will be women."⁵ This presents a huge market potential for mobile phone operators. This also means that women's needs and usage patterns must be examined to make the biggest impact.

Cashpor Microcredit

Cashpor Microcredit was established in 1997, with the goal of serving the poorest women living in eastern Uttar Pradesh (UP) and Bihar, India. Grameen Foundation's Microsavings Initiative has partnered with Cashpor Microcredit since 2009 to bring savings services to its credit clients. The Microsavings Initiative is funded by the Bill & Melinda Gates Foundation, with the goal of expanding safe access to formal savings accounts for poor people – especially the households living under \$1.25 per day – by testing and refining a model for microfinance institutions (MFIs) to shift from operating as an organization focused on providing credit to one offering a suite of demand-driven voluntary savings products for the poor.

The savings service was launched in July 2011 with a three-way partnership between Cashpor, ICICI Bank and Eko Technology. As a MFI acting as a banking correspondent (BC), Cashpor is able to offer a zero-

Women and Mobile Technology: by the numbers

- There are 300 million fewer female than male phone owners
- A woman is 21% less likely to own a mobile phone than a man (37% in Southeast Asia)
- In India, there are 124 million fewer female mobile phone owners than men (a 31% gap in ownership)
- 26% of women at the base of the pyramid own a mobile phone
- 74% of married women reported they didn't want to own a phone because their husbands wouldn't allow it
- 77% of women have made a call at some point, primarily to family members
- Worldwide, only 37% of women living below the poverty line use SMS

How the Apna account works

The mobile phone is used as a delivery mechanism for the savings services. Deposit and withdrawal occur on the phone through an SMS service that uses the mobile phone number as the account number.

balance savings account, called Apna ("Yours" in Hindi) to its poor clients who previously did not have access to a safe place for their savings – addressing some of the issues banks have been having with service delivery of zero-balance savings accounts. The BC model establishes a principal/agent relationship between a

⁵ *Women & Mobile: A Global Opportunity*. GSMA and Cherie Blair Foundation, 2010. Page 7.

bank and its partner, such as Cashpor. This model also requires that the bank find a technology partner as a service provider, one that helps the bank bring its services to customers who are not currently reached by its brick-and-mortar branches.

In this situation, ICICI Bank, India's largest private commercial bank, offers the account and holds the deposits. ICICI Bank has partnered with Eko Technologies, which offers the mobile-based savings application as well as integrated to the back office systems between the bank and the BC. Cashpor is acting as the BC, using its extensive field network and the mobile savings application to service the deposit accounts.

What's a Banking Correspondent?

The Banking Correspondent model allows banks to partner with MFIs, non-governmental organizations (NGOs), cooperatives and some individuals to bridge the last mile between the poor and financial services, small loans, savings and remittances.

Results

This study interviewed 65 randomly selected female Cashpor clients from center meetings in the Varanasi region. Based on what was already known about the breakdown of mobile phone ownership among Cashpor clients from previous studies, the plan was to speak with two women from each of the following groups, at each center meeting:

- Women who opened a savings account with their own phone
- Women who opened a savings account with a borrowed phone
- Women who cannot open an account (but want to) because they do not own or have access to a phone

By the end of three weeks, 65 women had given interviews: 23 women who own a phone, 22 women who borrow a phone, and 20 women who do not own or have access to a phone. Below are five main research hypotheses and the corresponding data.

Hypothesis 1: Women who own phones know how to use a phone; women who borrow phones have limited knowledge of the mobile phone; women who do not have access to phones do not know how to use a phone

Table 1: Mobile Phone Use				
		Own a Phone n=23	Borrow a Phone n=22	No Phone n=19
Can you use a phone independently?	Yes	13	3	7
	No	10	19	12
Do you have any experience with a phone?	Yes	n/a	n/a	15
	No	n/a	n/a	4
How do you use a phone?	Call Family	14	19	n/a
	Work	8	1	n/a
	Cashpor	1	2	n/a
	SMS	0	0	n/a

We hypothesized that women who own a phone and women who borrow a phone know how to use the phone – that is, they know how to answer or end calls, dial a number and check savings balances. However, the women in our sample generally did not have this knowledge. Though more women who own a phone know how to use a phone than women who borrow or do not have access to a phone, an overall majority of women cannot use a phone independently.

Mobile phone knowledge is a community good and the phone itself is a community uniter: Most of the women use the phone to stay in touch with their family members. When a woman needs to make or pick up a call, she usually asks her spouse or a child for help. Sometimes she'll ask a neighbor. Surrounded by people who know how to use a phone, there is little need for her to learn the skill on her own. Not only that, most of the women who said they cannot use a phone cite illiteracy and lack of numeracy as the main reasons. Lack of education creates an additional barrier to mobile phone knowledge, affecting confidence and leading her to rely even more on those around her for help.

Hypothesis 2: Women who borrow phones may have restricted access to the phones they borrow

Table 2: Women Phone Borrowers: Access Restriction		
Have there been times when you wanted to use the phone but didn't have access to it?	Yes	10
	No	12
Have there been times when you wanted to use the phone but someone prevented you?	Yes	1
	No	21

We hypothesized that women who borrow a phone may have difficulty borrowing the phone each time they need it. Half of the women who borrow phones reported that there were times they wanted to use the phone but did not have access to it. This typically occurred when their husband or son was out and had taken the phone with them. However, women whose husband owns a phone were less likely to report having restricted access to a phone than the others.

One woman told us that she borrows the phone from her mother-in-law. Because they don't always get along, her mother-in-law restricts access to the phone, refusing to lend it out during a dispute. This was the only instance of a woman's access to a phone being purposefully restricted by someone else. Another woman mentioned that she uses the public telephone when the household mobile phone is not available. A number of women said that they typically borrow a phone from their son or daughter when the primary household phone is unavailable. This indicates that despite the fact that these households have more than one phone the woman does not own one.

Hypothesis 3: Children of Cashpor clients, especially boys, are able to use mobile phones more comfortably than their mothers

Table 3: Mobile Phone and Children				
		Own a Phone n=19	Borrow a Phone n=21	No Phone n=19
Do you use your phone with your children?	Son	3	4	n/a
	Daughter	3	1	n/a
	Both	8	12	n/a
	Neither	5	4	n/a
Do your children know how to use a phone?	Son	3	4	7
	Daughter	4	1	2
	Both	7	12	3
	Neither	5	4	7
Do you ask your children to show you a feature on the phone?	Yes	13	13	5
	No	6	8	14

To capture mobile phone use among the next generation, particularly among girls, we asked the women who own phones and who borrow phones if they used their phones with their children. We hypothesized that the children of Cashpor clients, particularly boys, are exposed to mobile technology at home and school, and therefore would be more adept at using the technology. Table 3 shows the range of ways women use their mobile phone with their children and if they include them in their financial lives.

Of the women with children who responded to these questions, most reported that they use their phone with both their sons and daughters. Most women (except for women who do not have a phone, which is not surprising) also reported that their sons and daughters knew how to use a phone. Women who own phones and borrow phones ask their children for help with using their phones, which illustrates how much knowledge the children already have about mobile technology and how dependent women are on their children (which perhaps reinforces the lack of need to learn how to use the phone on their own). Interestingly, a majority of women reported that their children do not have classes in

school that expose them to mobile phones or other technology. Children are learning how to use the phone independently and sharing their knowledge with their mothers.

Hypothesis 4: Women who own phones deposit more frequently than women who borrow phones. Women who do not have access to phones save at home.

Table 4: Savings Account Activity			
		Own a Phone	Borrow a Phone
How often do you deposit?	Every meeting	8	4
	Once or twice a month	10	6
	Once every 2 to 3 months	2	1
	Not since opening the account	3	5
	When I have money	0	6
How much do you save on average?	Less than 100 INR	16	17
	101 to 200 INR	5	1
	201 to 300 INR	0	1
	301 to 400 INR	0	0
	401 to 500 INR	0	1
	None	2	2
When was your last deposit?	This meeting	5	2
	Last week	3	0
	This month	2	8
	Last month	0	2
	2 to 3 months ago	5	6
	Never	2	2

We hypothesized that women who own phones would deposit more frequently than women who borrow phones. Women who own phones do not have limited access to their phones and they are slightly less poor than women who borrow phones. The women in this study generally behaved in this way.

Though women who own phones and women who borrow phones deposit about the same amount of money each time they make a deposit, indicating similar income levels, they do this at slightly different frequencies. Women who own phones make deposits more regularly than women who borrow a phone. Given that women who own phones are slightly less poor than women who borrow phones, it follows that they would have more money to save regularly.

A number of women reported not having saved since they opened the account. These women said that issues with their account, with their Center Manager or their phone prevented them from ever making a deposit. One woman said that her mother died soon after she opened the account, so her family used the savings for the funeral. However, when asked if they thought owning a phone would make a difference in their savings deposits, women who borrow a phone said it would not, because when they save is determined by when they have money to deposit. In addition, nearly all the women who borrow a phone said one reason they don't own a phone is because they cannot use one independently.

Table 5: Women with No Phone: Savings Potential		
If you had access to a phone, would you save with Cashpor?	Yes	13
	No, no money	5
	No, can't use a phone	1
Would you save with Cashpor if a phone were not required?	Yes	15
	No	4
Where else do you save?	Another bank	4
	Home	5
	None	11
	Insurance	1

The women who do not have access to a phone were asked about their savings habits. Nearly half of these women save, either at home or in another bank. Most women say they would save with Cashpor if they had a phone, and even more women say they would save with Cashpor if the phone was not a requirement. For these women, the mobile phone is clearly a barrier to saving with Cashpor.

Hypothesis 5: Women who save with Cashpor can check their savings balances

Table 6: Check Savings Balances			
		Own a Phone n=23	Borrow a Phone n=22
Can you check your savings balances?	Yes	9	1
	No	14	21
If you cannot check your savings balances, would you like to?	Yes	11	8
	No	1	12
Has Cashpor taught you to check your balances?	Yes	22	22
	No	1	0

We hypothesized that women who had a savings account could check their savings balances on their phones using the SMS syntax. As seen in Table 6, Cashpor has trained all of its savings clients on how to do this. (To check their savings balances, women must send an SMS to ICICI Bank using a five-digit syntax.) However, the women reported that, for the most part, they do not know how. None of the

women interviewed said they used the SMS feature of their phones (and the 9 who said they could check their balances only used the SMS for that purpose), most likely due to literacy issues. As such, additional training is needed to ensure all savers can check their savings balances on demand. Most of the women who own a phone would like to be able to check their balances. Only a few of the women who borrow a phone said the same. When asked why not, most of these women cited not knowing how to use the phone or illiteracy, both of which subtract from their confidence to learn.

Hypothesis 6: The mobile phone requirement limits Cashpor's female clients' access to savings services

For this hypothesis, it is important to look at the findings as a whole. Three data points shed light on this hypothesis:

1. 41 out of 64 women report that they cannot use the phone independently
2. Half of women who borrow phones have limited access to those phones
3. A majority of women who do not have access to a phone want to save with Cashpor

These points illustrate two needs among Cashpor's clients: access to mobile phones and knowledge of how to use them. These needs vary across the three phone ownership categories. Women who own a phone did not report limited access to a phone. However, half of them did report they are unable to use the phone independently. For these women, and for the other women who reported they are unable to use the phone independently, mobile phone literacy could increase their usage of the saving service. Mobile phone literacy provides three key things: 1) it ensures women are empowered and feel a sense of ownership over the product; 2) it demystifies the mobile phone; and 3) that knowledge is transferable to children and grandchildren, ensuring they are also able to take advantage of mobile phone delivered financial services in their futures.

Cashpor's clients also need mobile phone access. Women who borrow a phone and women who have no access to a phone need regular, unrestricted access to phones to be able to save on demand. Promoting mobile phone ownership among women – such as the 42 clients in this study who borrow a phone or have no access to a phone – has the potential to create more, if not more regular, savers. With access to a phone, such women gain access to a vital service they wouldn't otherwise have, giving them a safe place to save money, grow their assets and reduce the risk in their lives.

Conclusion

This study sought to understand the savings patterns and mobile phone use among Cashpor's savings clients. In particular, it sought to examine whether gender is a factor in accessing savings services delivered on a mobile phone. To understand these issues, this study asked (among other questions) if the mobile phone limits access to the savings product; if the poorest clients were disproportionately left out of access to the product; if women knew how to use the phone; and if their children, both boys and girls, had access to mobile phones and could use them. The answers to these questions were at times

predictable and at times surprising. As Cashpor moves forward, there are some key lessons to take from the data in this case study.

- Clients clearly need help using their mobile phones, particularly to check their savings balances. Mobile and financial literacy can address this gap.
- Women use the phones primarily to call family members. They reported asking their children or other household members to dial the numbers for them, pointing to numeracy issues.
- Women do not use the SMS feature of their phones. If checking their savings balances requires an SMS, mobile literacy training is necessary to teach women how to use this feature.
- Access to mobile technology is still a barrier for some clients, which affects Cashpor's business in the short term. Making it easier for women to acquire a phone or finding an alternative method to provide savings services might help it include these women.
- Many women said they did not have money to save more regularly. More research should be done to understand household spending patterns among Cashpor's clients.
- Women without access to a phone want to save with Cashpor. Cashpor may consider alternative ways to deliver its saving services to these women.
- The children of Cashpor's clients are more technology-adept than their parents, which will help sustain Cashpor's mobile financial services into the future.

As the use of mobile phones to deliver products and services grows in popularity, it is prudent to ask who benefits and which products are in the most demand. Using Cashpor as an example, it is clear that the organization itself plays a crucial role in helping its clients not only gain access to a service they want but also in helping them understand the service and build their knowledge and confidence around using it. Cashpor acts as an intermediary between the phone (the technology) and the provider (the bank and telecom). Mobile money – or, financial services provided directly through the telecommunications company – may work only in some cases and for some people. For the poorest, an intermediary – such as Cashpor, which can teach, coach and provide support – is essential.

One woman said that if Cashpor had been part of her and her center members' lives earlier, their lives would be better. It is important to remember just how much of an impact that access to financial services can have on a poor woman and her household. Cashpor provides vital financial products used by almost half a million women. It also provides community support and financial education – critical services to vulnerable households. By providing the financial services it does, Cashpor plays a big role in changing these women's lives, and their family's lives, for the better.