

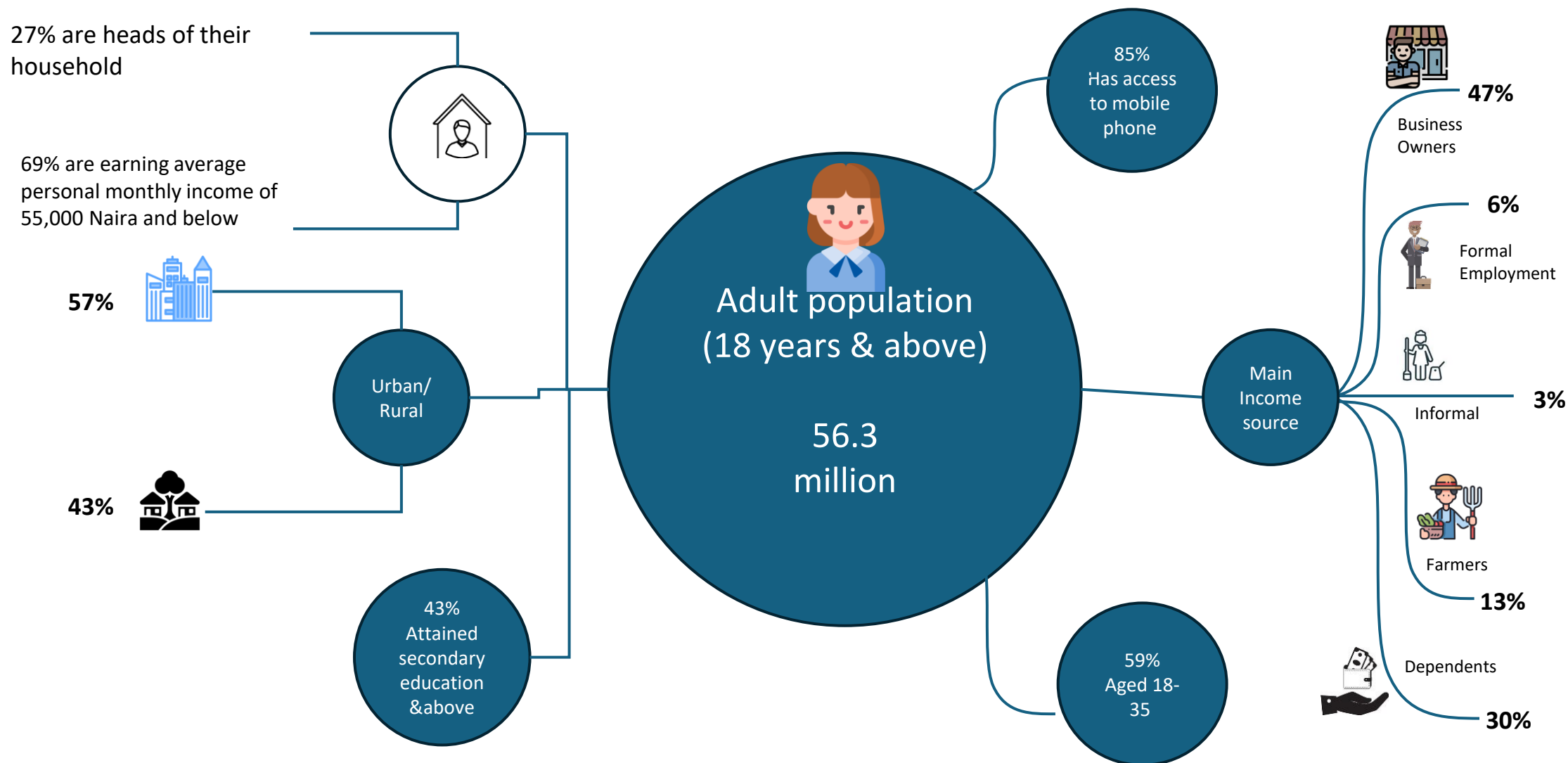


# Women's Economic Empowerment in Nigeria:

A Critical Look at the Access to Financial Services in Nigeria  
(A2F) 2023 Survey – Report highlights

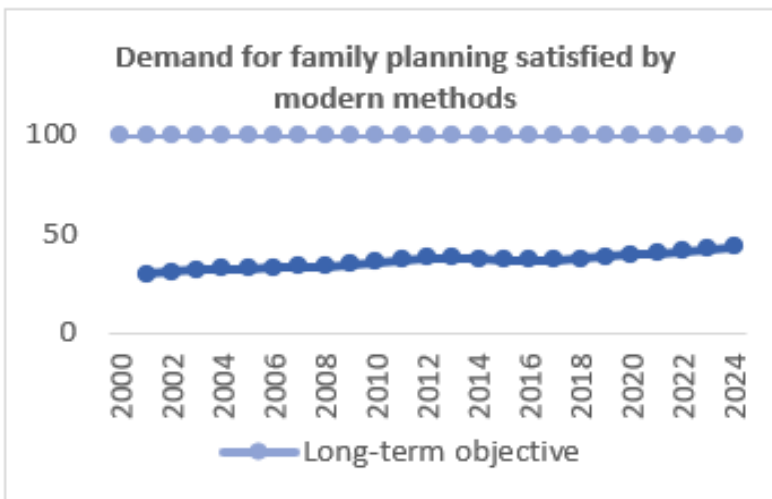
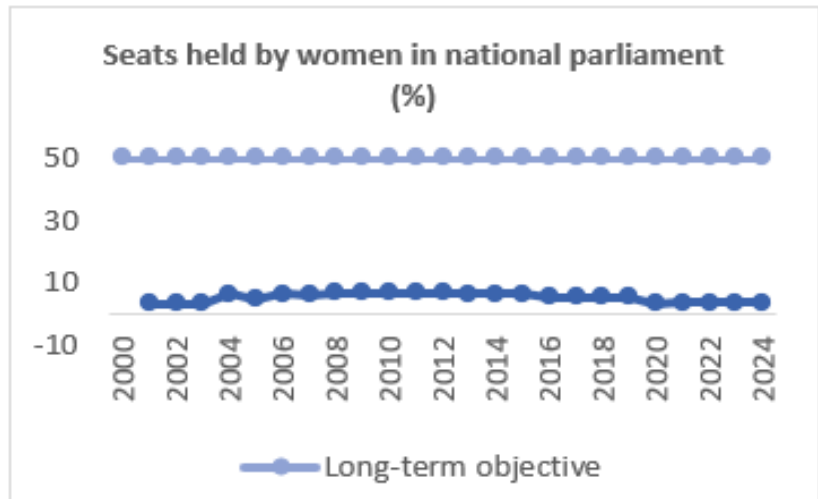
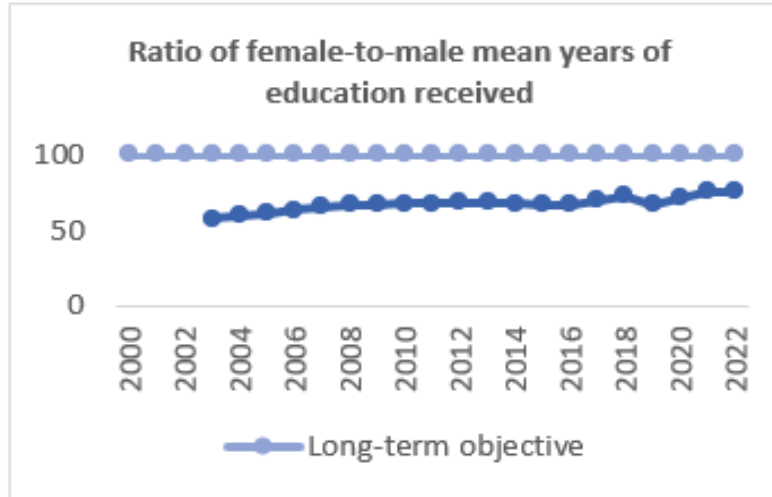
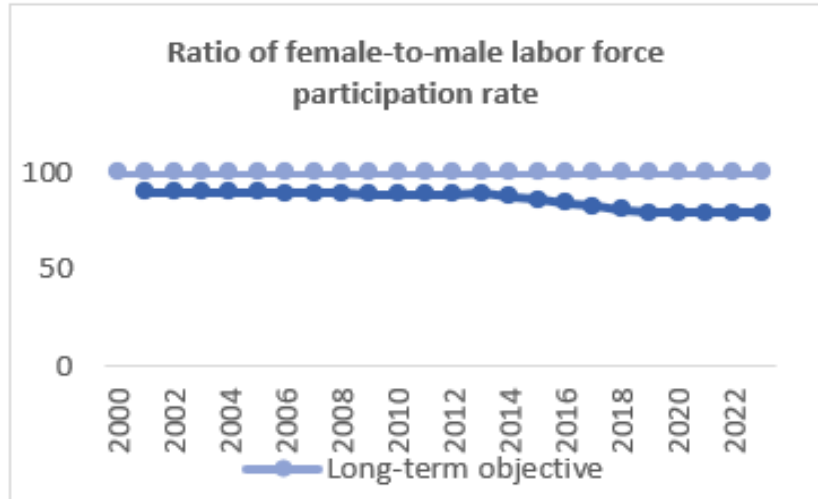


# Women in Nigeria are predominantly young, entrepreneurial, with high access to mobile phone and about two-thirds earning an average monthly personal income below 55,000 Naira



# Context of Women's Economic Empowerment (WEE) in Nigeria

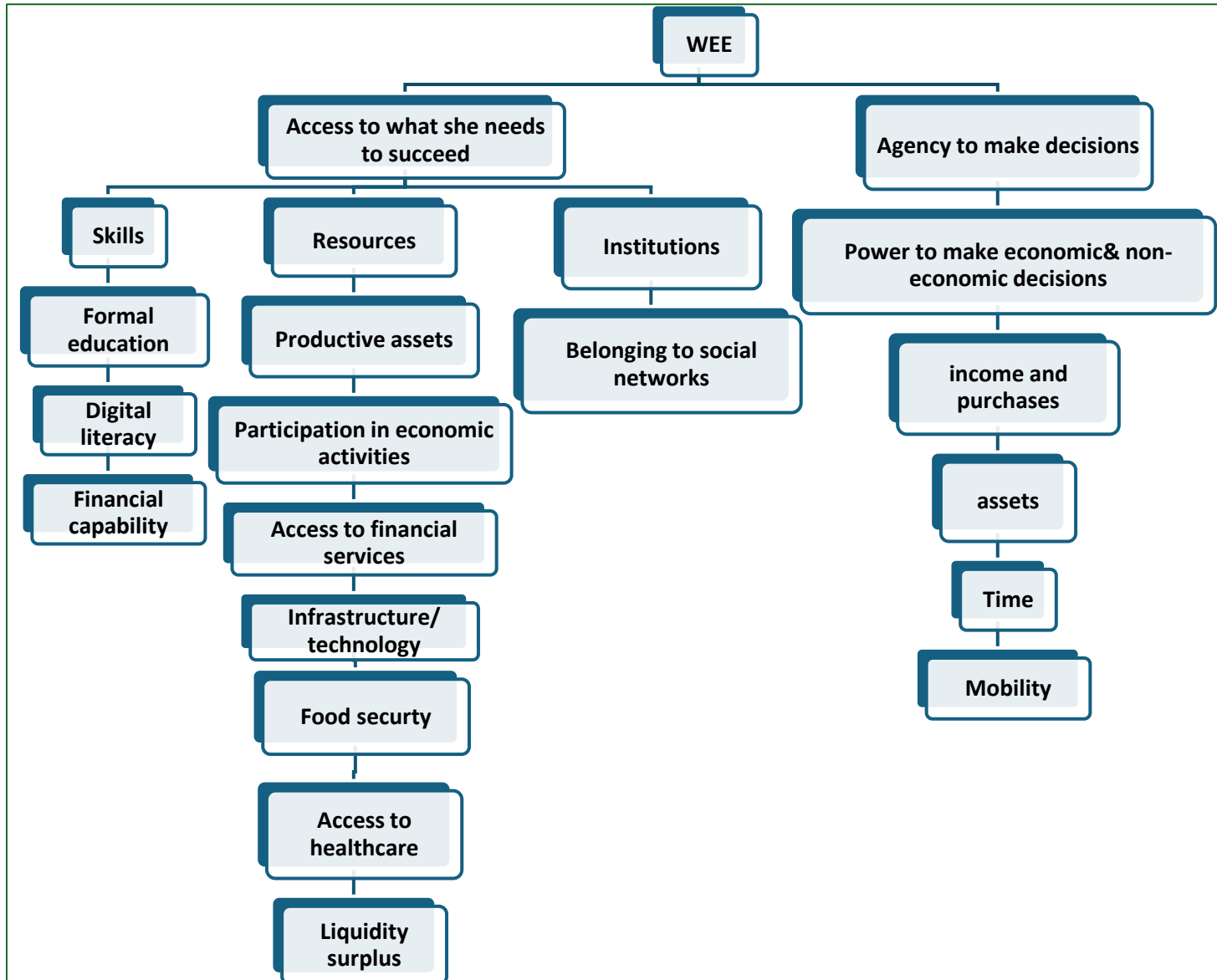
## National progress towards SDG 5 – Gender Equality



Nigeria's progress towards SDG goal 5 on gender equality and WEE faces significant challenges.

Key indicators such as the female-to-male labor force participation rate, the number of seats held in the national parliament, and access to health and education stagnate.

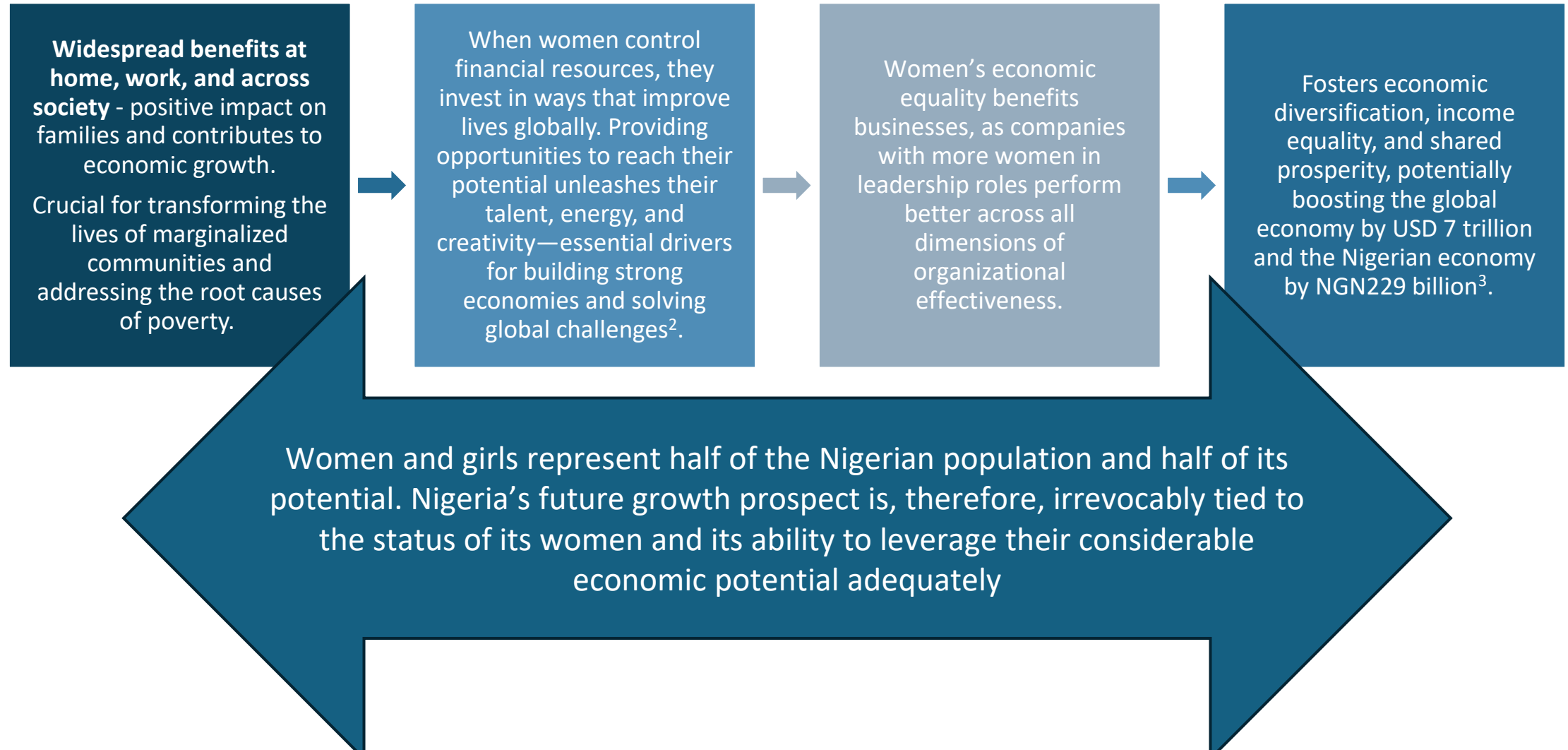
# Conceptualisation of WEE index



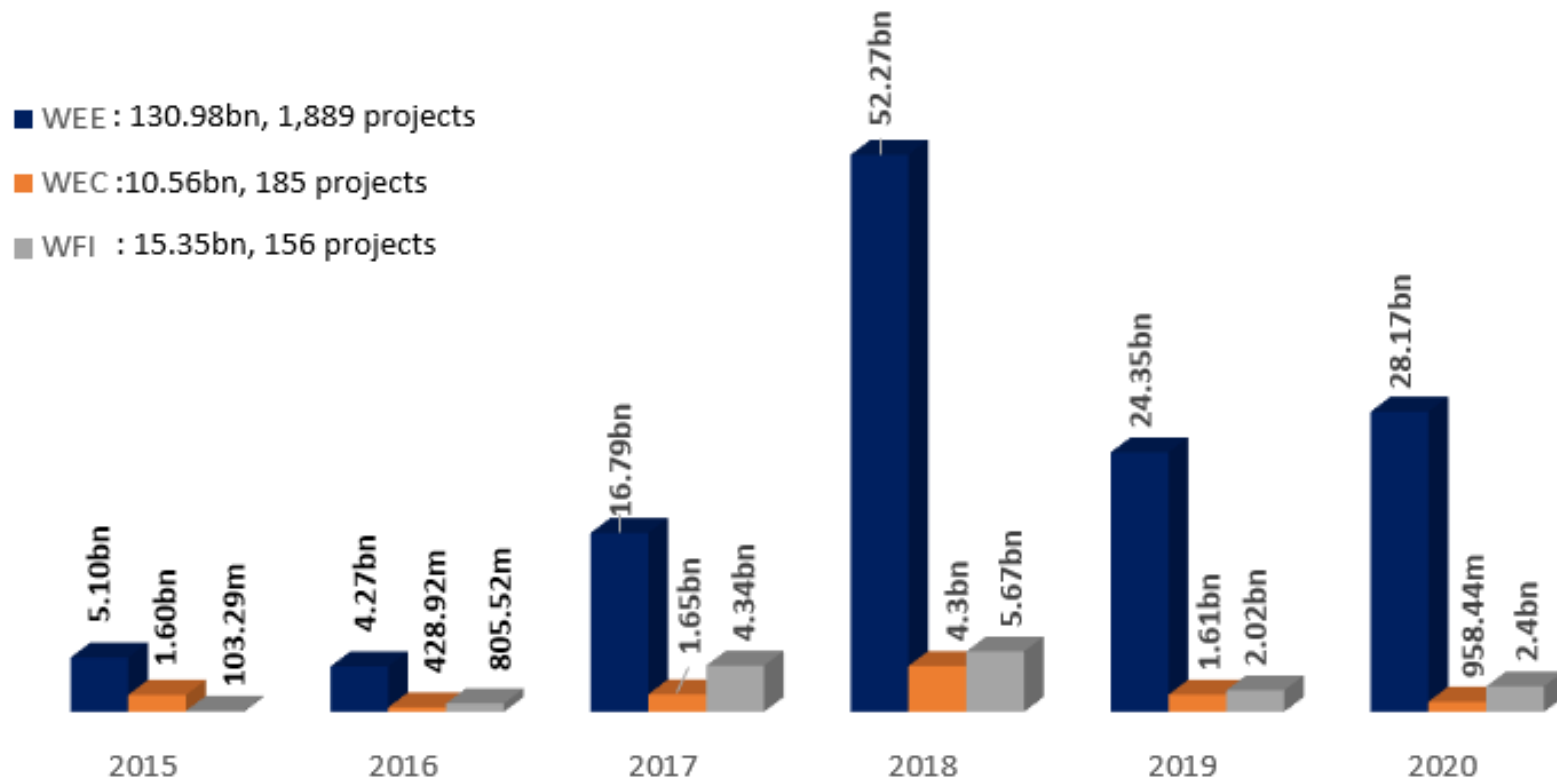
“A woman is economically empowered when she has access to *the skills, resources, and institutions she needs to succeed* and advance economically. She also has the agency (*power to make and act on*) economic decisions, including controlling personal and household resources”<sup>1</sup>.

- The focus is on the economic aspects of empowerment, particularly access to employment, financial services, training, and markets, equal pay, safe working conditions, legal protection in the workplace, ownership and control of property and resources, which can be crucial for economic independence and security.
- Based on data availability in the A2F 2023 survey, this framework has been adopted

# Advancing WEE is not only a matter of justice but also a strategic investment in our nation's prosperity and stability.



Despite its significance, less than 1% of the total approved national budget was allocated to WEE and associated projects.



*While we see a noticeable increase in budget allocations towards gender-related issues between 2015 and 2020, just 0.28% (₦132.28 billion) of the federal government's total approved budget of ₦46.65 trillion over six years was allocated to WEE, Women Financial Inclusion (WFI), and Women Entrepreneurship and Cooperatives (WECs) projects*

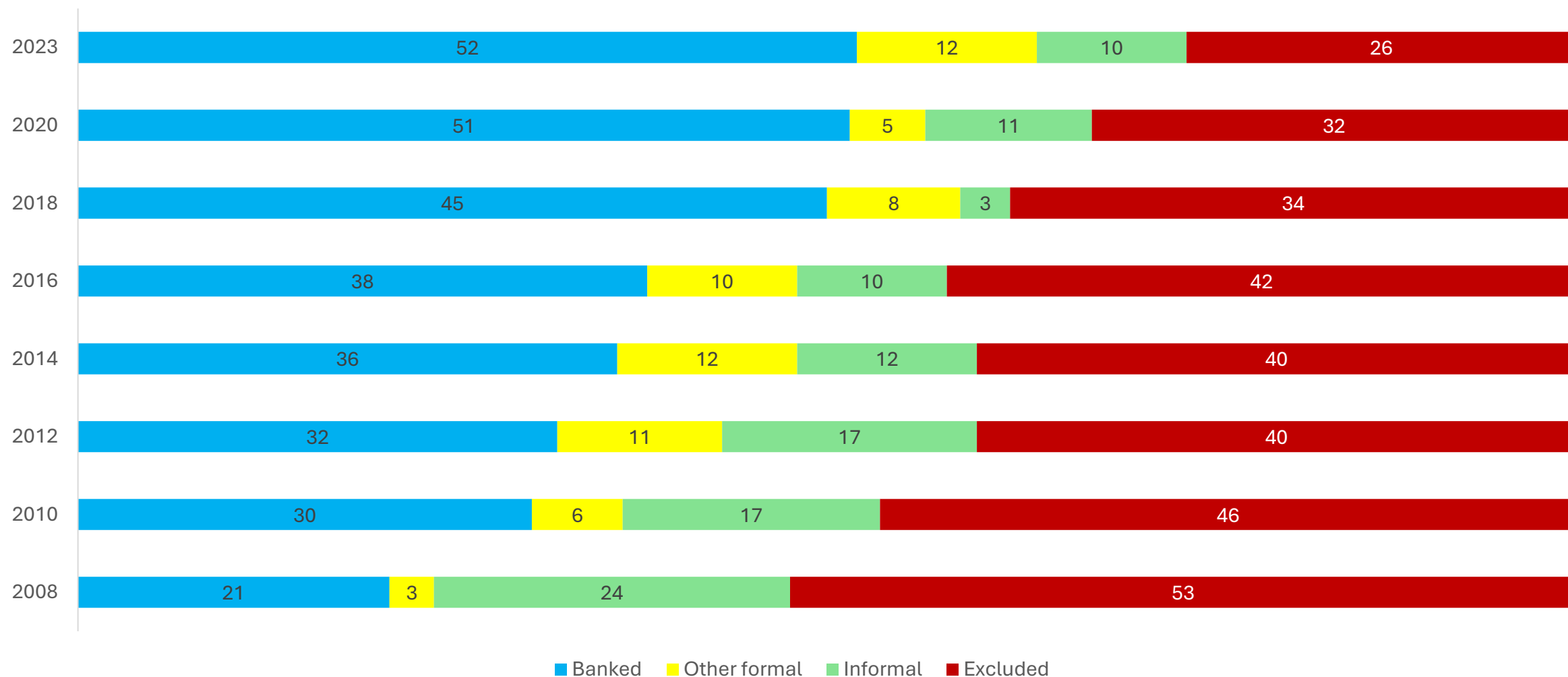




# Women's Financial Inclusion in Nigeria

# There has been a growing rate of formal inclusion over the last 15 years, with rising uptake of innovative digital non-bank financial services

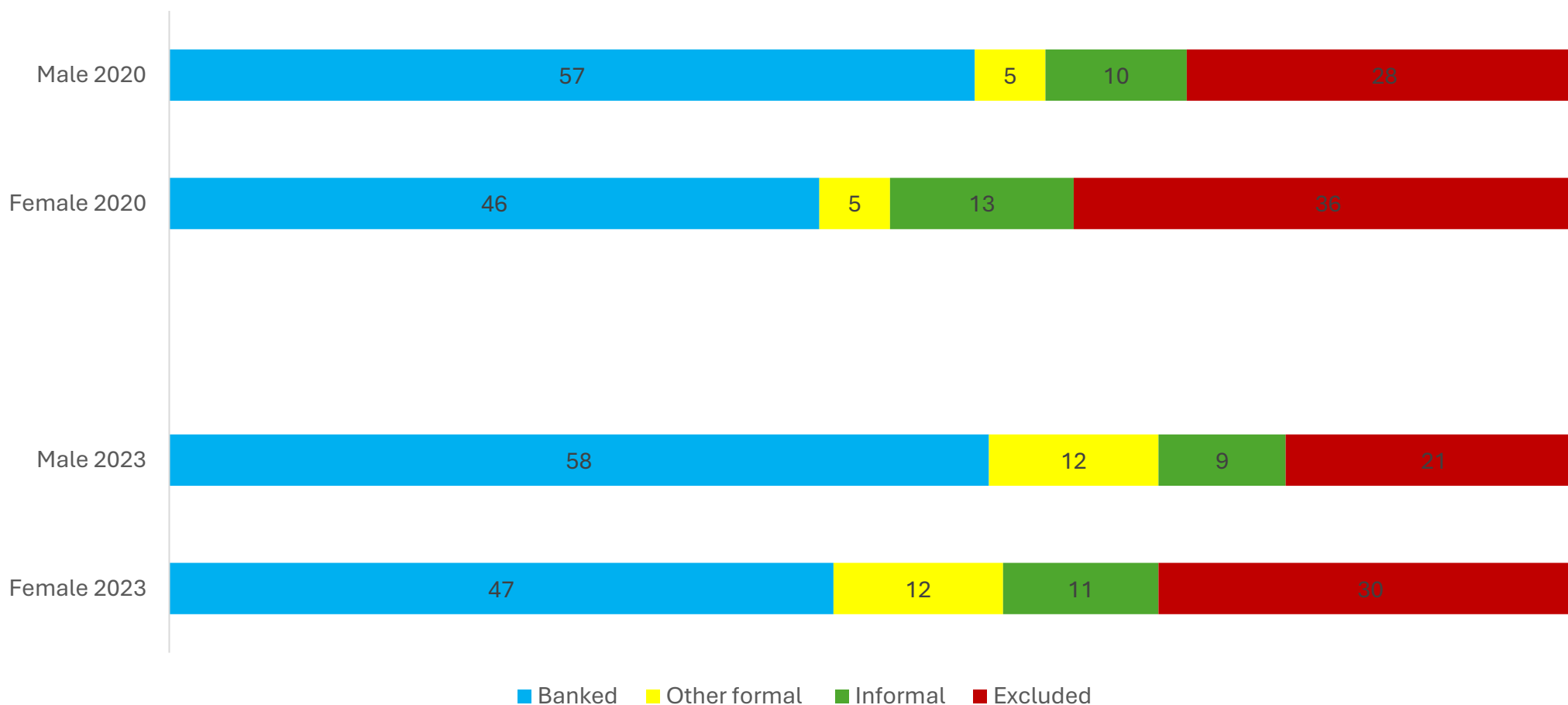
Over the 15 years, there has been a notable increase in the percentage of the population of banked Nigerians, rising from 21% in 2008 to 52% in 2023



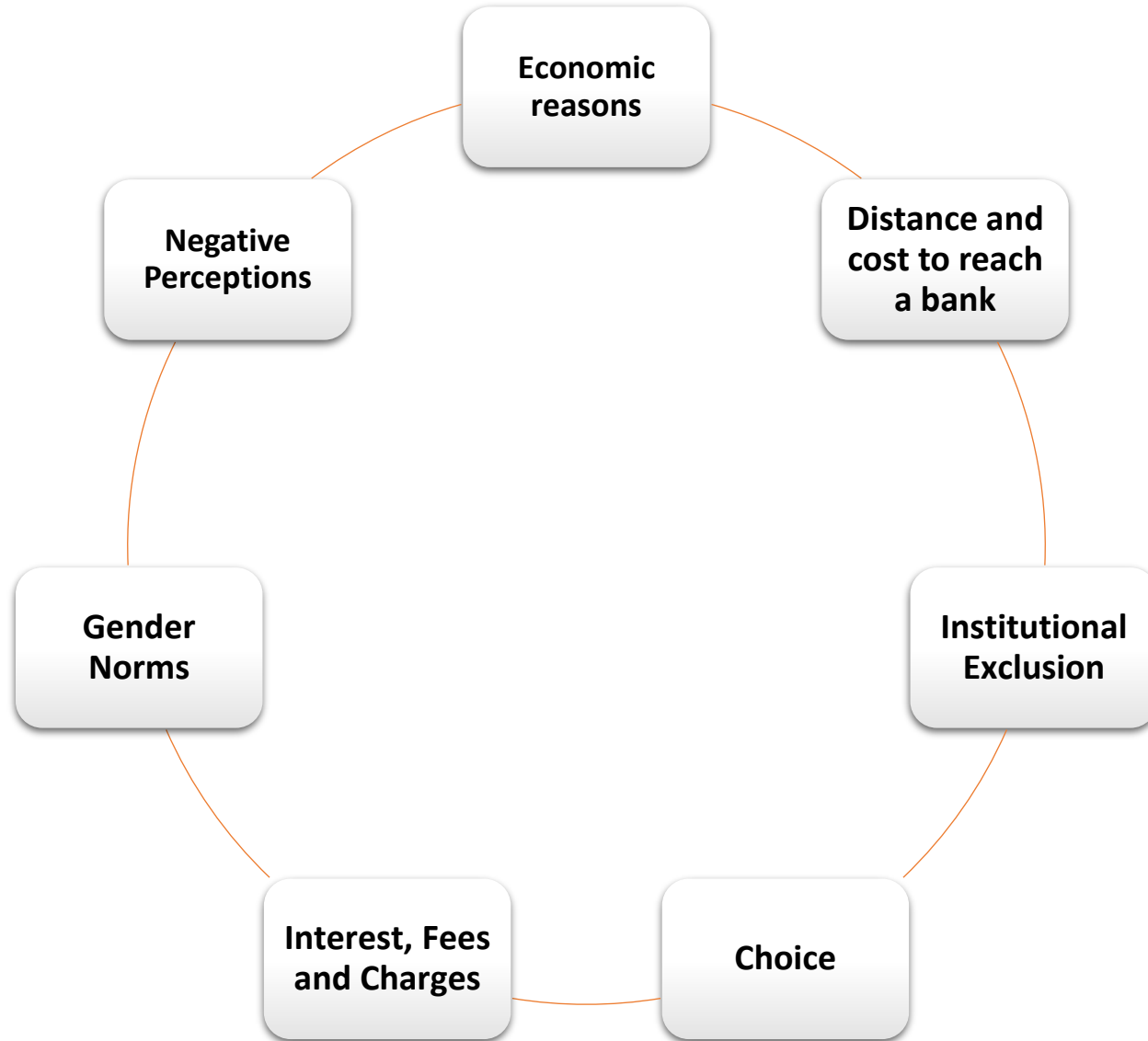


# The gender disparity persists but there is a potential for the uptake of innovative digital non-bank financial services to close the gap

A consistent gender disparity in financial inclusion across 2020 and 2023. Men have consistently had higher rates of being banked compared to women.



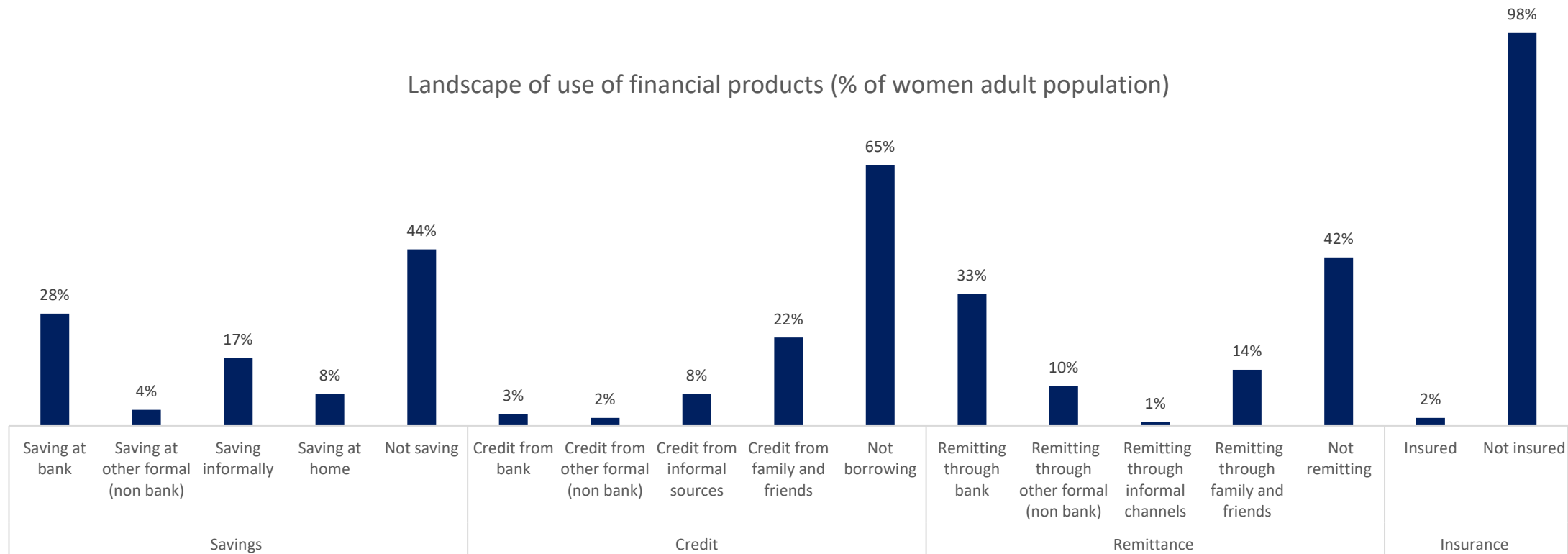
# Financial exclusion among women in Nigeria is influenced by economic, accessibility, institutional, and perceptual factors



- 🏠 **Lack of money** (27-28%) and 📁 **irregular income** (22-26%) are the top barriers for women.
- 🏦 **Banks being too far** (26%) and 🚗 **the cost of reaching them** (17%) also hinder access.
- 📖 **Literacy issues** (9-11%) and ❓ **lack of understanding of financial services** (7%) create additional challenges.
- 📄 **Excessive paperwork** (5-6%) and 🆔 **lack of identity documents** (4-10%) further complicate matters.
- A small number of women 🚫 **lack age-appropriate services** or are simply unaware. Finally, ⚠️ **corruption, trust, and security concerns** (1-5%) and 👤 **spouse restrictions** (1-2%) round out the reasons for financial exclusion.

# 32% of women save formally, 5% have access to formal credit, an additional 8% use informal credit, and just 2% are insured

Landscape of use of financial products (% of women adult population)

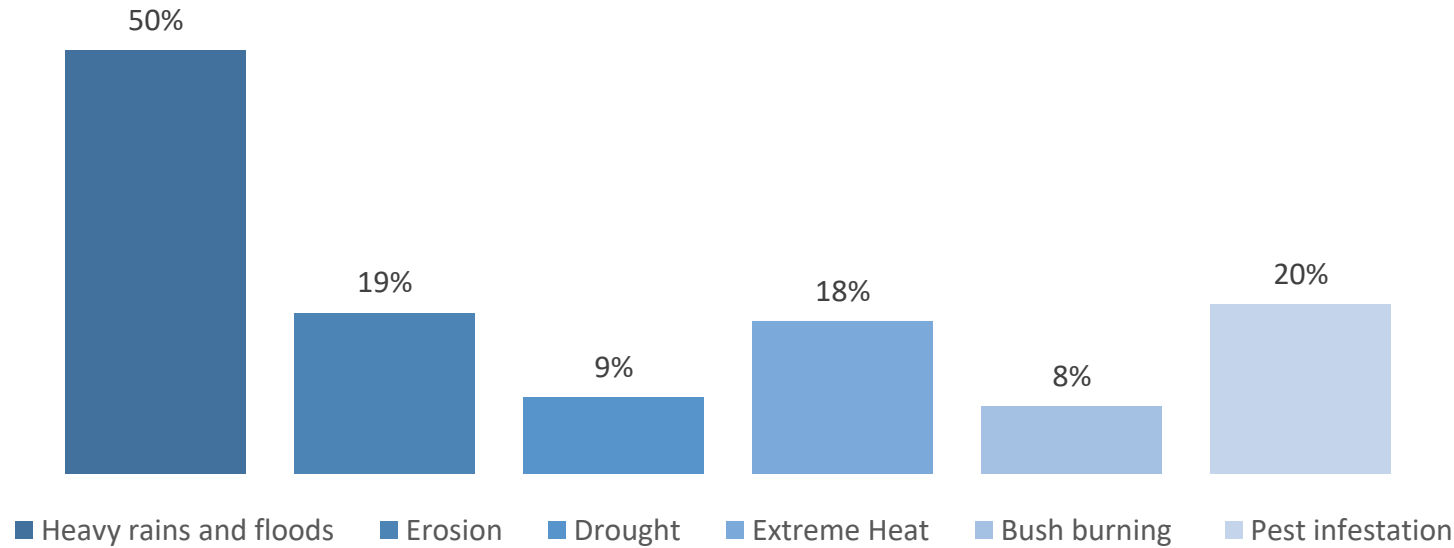


- 💰 Encourage savings: Targeted initiatives are needed to promote savings, especially through formal channels that offer greater security and potential for growth, reaching women who currently do not save.
- - 🏠 Expand microcredit: There is significant potential to expand access to affordable, tailored microcredit solutions by leveraging the link between formal providers and informal networks.
- - 🛡️ Affordable microinsurance: Most women lack protection from life's uncertainties and cycles of poverty, highlighting the urgent need for affordable microinsurance products tailored to women's specific needs.
- - 📬 Remittance gap: 42% of women are not remitting money, suggesting limited participation in the formal economy or reliance on other forms of financial support.



13.4 million women faced climate-related shocks in 2023, which underlines the growing impact of climate change on women's lives, mainly where agriculture and livestock are primary sources of livelihood.

Of the total 13.4 million women facing climate shocks, proportion that faced repeated damages and costs due to the climate shock



*With a heavy reliance on informal mechanisms and personal savings, and minimal formal financial tools like insurance or bank loans, this situation underscores the need for enhanced financial inclusion efforts that focus on building awareness, access, and trust in formal financial products designed to mitigate risk, such as insurance, as well as the need for policies that strengthen social safety nets and provide targeted support for women facing the increasing challenges posed by climate change.*

# Key Factors Driving Women's Formal Financial Inclusion

Higher education and higher income levels significantly enhance women's formal financial inclusion (access to & use of formal financial services), making them more likely to participate in the financial system. Focusing on these factors is crucial as they not only increase the odds of inclusion but also empower women economically, creating a ripple effect that benefits families and communities.

- Women with higher education (attained secondary education and above) are 4 times more likely to be financially included.
- Men with higher education are almost 4 times (3.8x) more likely to be financially included.

## Higher Education:



- Women earning ₦155,000+ per month are 8 times more likely to be financially included.
- Men in the same income bracket are 4 times more likely to be included.

## High Income:



- Women living in cities are 1.7 times more likely to be financially included.
- Men in cities are 1.5 times more likely to be included.

## Urban Living:



- Women in formal jobs are 10 times more likely to be financially included.
- Men in formal jobs are 22 times more likely to be included.

## Formal Employment:



- Women who own businesses are slightly more likely (1.2 times) to be included.
- For men, business ownership has a smaller impact (0.9 times more likely).

## Business Ownership:



- Women who farm are 53% less likely to be financially included.
- Men who farm are 73% less likely to be included.

## Farming:



- Women who are part of informal groups or have a say in household income decisions are more likely to be financially included.
- These factors are less impactful for men.

## Social Networks and Household Decision-Making:



Higher education and higher incomes as well as the autonomy to make decisions



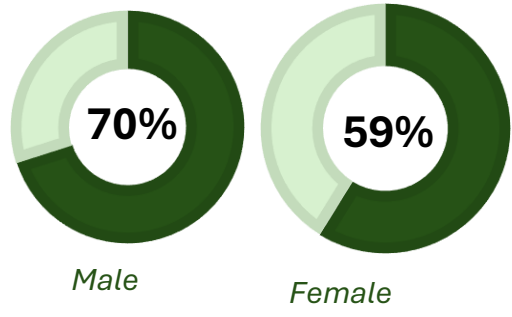


# Women's Economic Empowerment in Nigeria

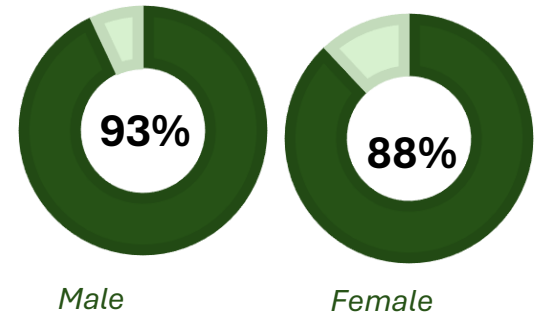


**Women and girls across Nigeria are relatively less likely to access economic opportunities and productive assets. These indicators are representative of the adult population (18+) only**

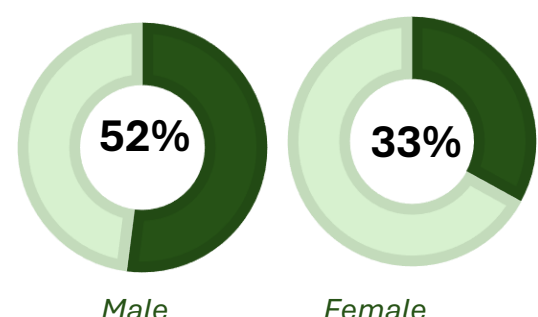
Formal Financial Inclusion



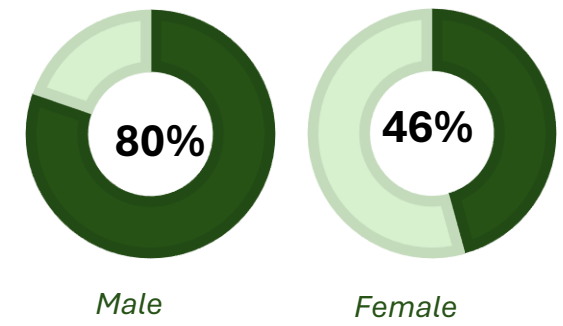
Mobile phone ownership



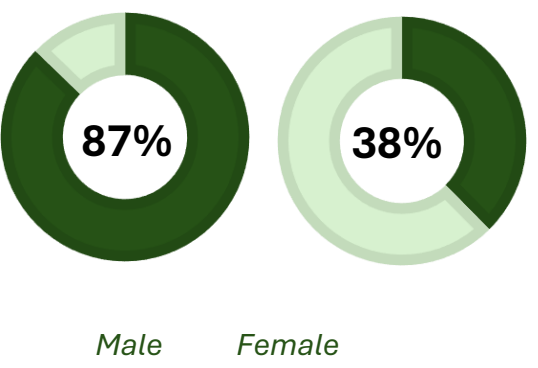
Mobile internet access



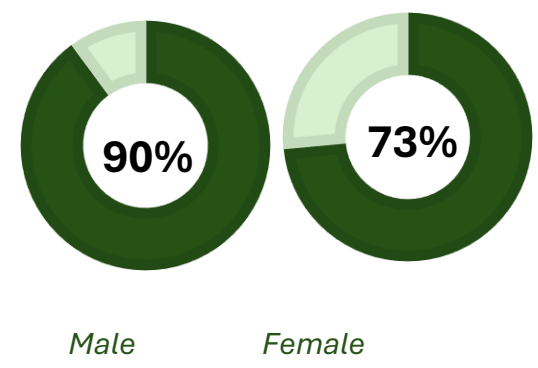
Ownership of productive assets



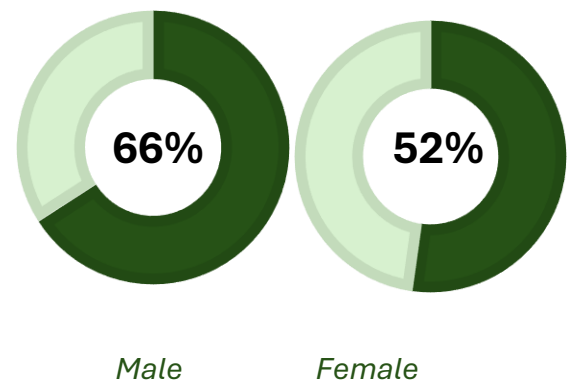
Decision on labor participation



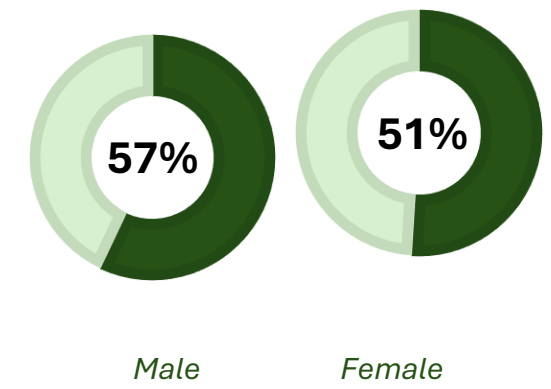
Involved in HH finance decision



Labor participation rate

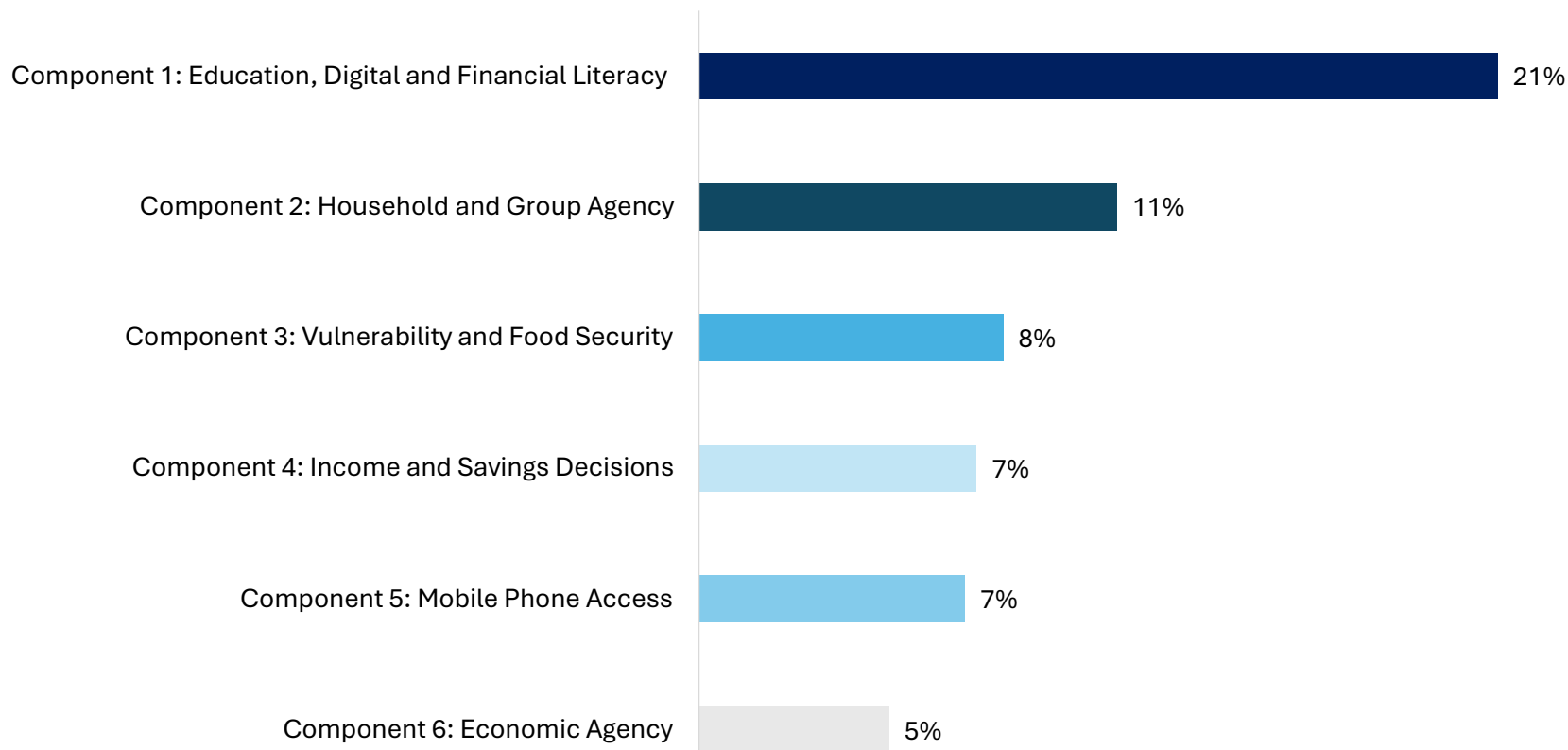


Secondary school completion




The most significant drivers of women's economic empowerment in Nigeria are the “education, digital and financial literacy” and “household and group membership agency” components.

The contribution of each component to the women’s economic empowerment after multiple principal component analysis



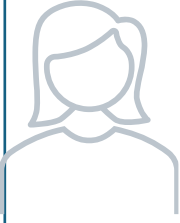
**The other components contribute less than 5% each to WEE**

**Definition of each component:** The presence of the same variables in different components implies that these variables contribute to more than one dimension of the data's variance




**Education, digital and financial literacy**

- Education, Own a formal account in their own name,
- Can choose financial products after careful consideration in the purchase of financial products and evaluating the financial products purchased
- Can understand financial terms & condition and numerical literacy
- Use mobile phone for financial transactions
- Comfortable using smartphone apps




**Household and group agency**

- Own productive assets
- Has control (can sell or lease) any productive assets
- Participate in household decision-making regarding income, routine or occasional purchases
- Has agency in the decision to work
- Belong to informal groups
- Has influence within informal groups



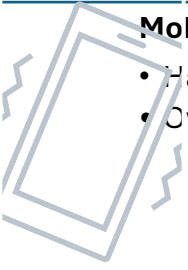
**Vulnerability and food security**

Facing a form of vulnerability (either health, or expenses)  
Facing food vulnerability



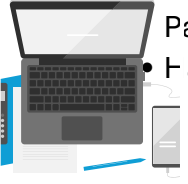
**Income and savings decisions**

- Source of income (formal, informal, business owner, dependent)
- Saves money
- Participates in household decision-making regarding income, routine or occasional purchases



**Mobile phone access**

- Has access to mobile phone,
- Owns a phone or uses a shared phone



**Economic agency**

- Participate in household decision-making
- Has agency in the decision to work



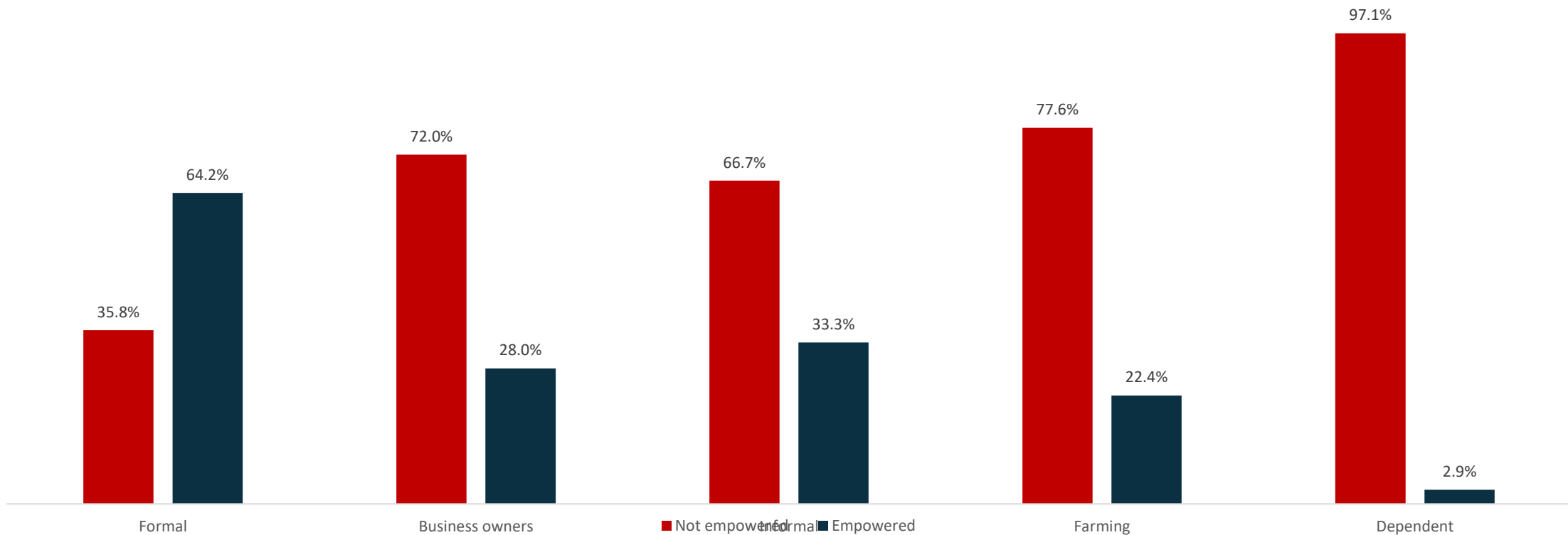
# Implication of the drivers of women economic empowerment

- a. Initiatives focused on **education, digital and financial literacy** are critical for advancing WEE. Programs that increase access to financial education, digital tools, and formal financial services can substantially impact women's ability to participate in and benefit from the economy.
- b. The importance of **agency in household and group decision-making** suggests that empowering women within their homes and within groups or communities they belong to can lead to broader economic benefits. Policies that support women's leadership and decision-making power in both the household and informal groups can enhance their economic participation and influence.
- c. The need to address **vulnerabilities (across health and expenses with particularly on food security)**, as these factors directly impact women's economic empowerment. Social protection programs and interventions aimed at reducing vulnerability and ensuring food security are essential for empowering women economically.
- d. **Income generation and savings behavior** are key components of economic empowerment. Initiatives that encourage women to earn, save, invest, and manage their finances effectively are likely to have a positive impact on their economic status.

*The diverse factors driving women's economic empowerment indicate that a multifaceted approach is necessary. Stakeholders should focus on integrating financial education, digital inclusion, social protection, and policies that enhance women's decision-making power both in the household and the community to create a more holistic and sustainable impact on women's economic empowerment.*

The 2023 Access to Financial Services survey data reveals that only **22% of women in Nigeria (12.5 million)** are economically empowered this means she has access to *the skills, resources, and institutions she needs to succeed and advance economically, as well as the power to make and act on economic decisions, including the control of personal and household resources.*

Women's Economic Empowerment by source of Livelihood

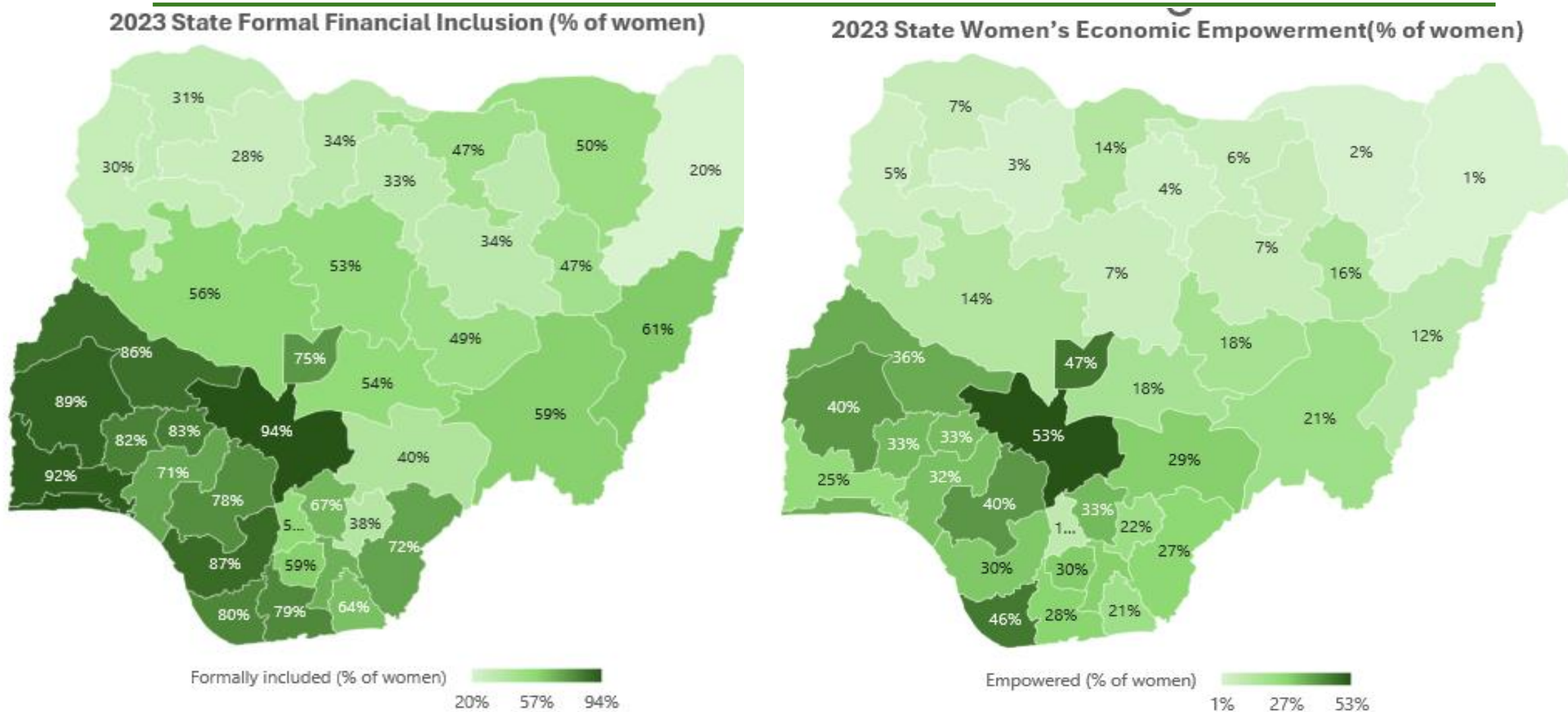


# Financial inclusion factors driving women's economic empowerment







- **Active Account Use:** Women who actively use their accounts within the last 90 days are 1.8 times more likely to be economically empowered compared to those who do not. This highlights the importance of encouraging active account usage among women.
- **Savings:** Both savings with formal sources (6.9 times more likely) and informal sources (6.7 times more likely) strongly predict women's economic empowerment, indicating that savings, regardless of the source, play a critical role in empowerment.
- **Credit Usage:** Accessing credit from formal sources increases the likelihood of economic empowerment by 2.1 times, whereas informal credit has a negligible impact (1.01 times), emphasizing the significance of formal credit channels.
- **Remittances:** Women who remit through formal sources are 1.9 times more likely to be empowered compared to those using informal channels (1.66 times), underscoring the value of formal financial remittance systems.
- **Digital Financial Services (DFS):** Using DFS from banking channels boosts the odds of empowerment by 1.36 times, with other formal banking channels contributing even more at 1.72 times, highlighting the growing role of digital platforms in financial inclusion.

These insights underline the importance of formal financial services, including savings, credit, remittances, and digital financial services, in driving women's economic empowerment. Efforts to increase access and usage of these services could significantly enhance empowerment outcomes.

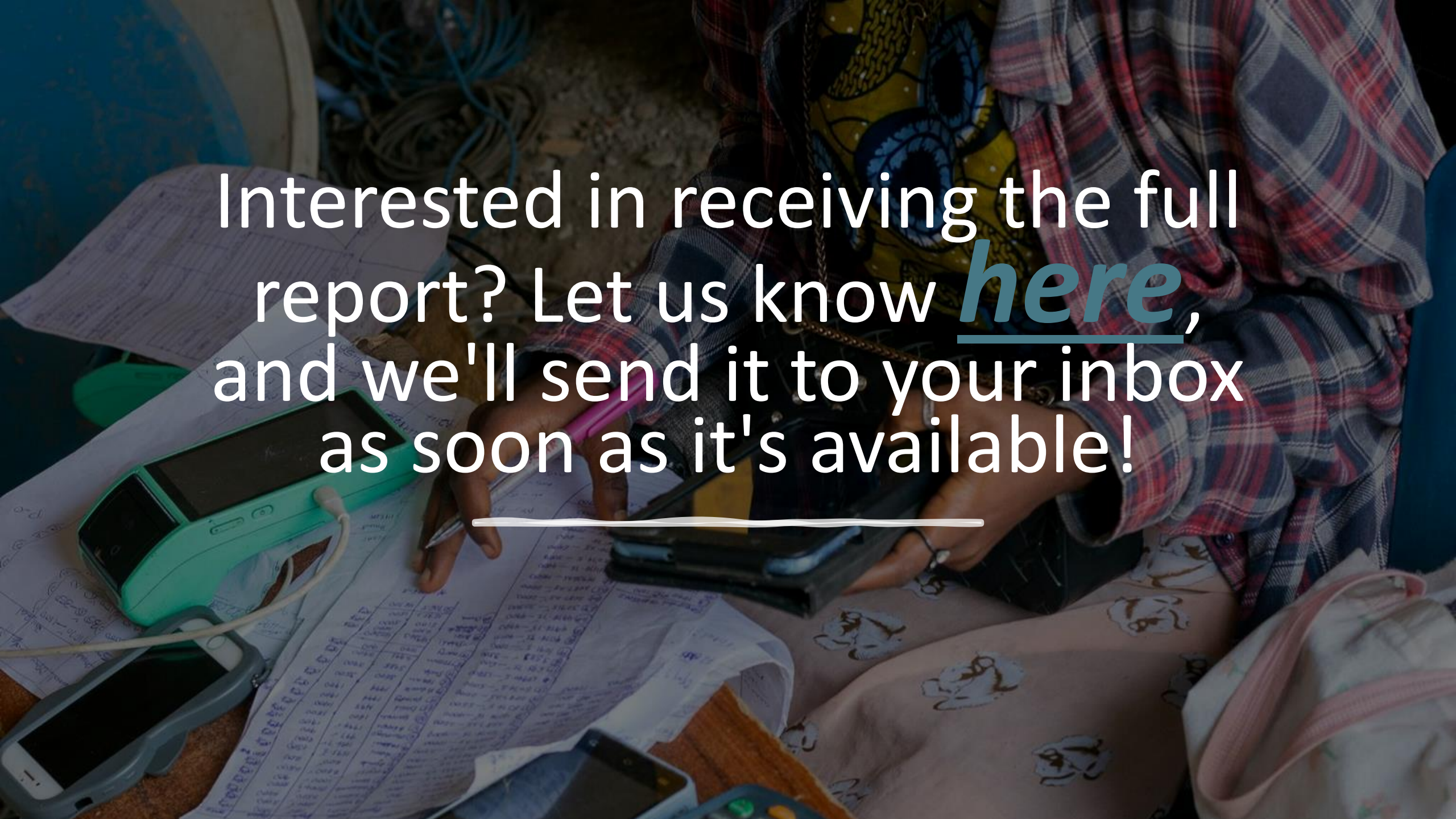
The relationship between financial inclusion and women's economic empowerment is evident at the sub-national level. Efforts to drive WEE would see more traction with an intentional mainstreaming of financial inclusion



# Conclusion

-  **Mainstream financial inclusion:** Intentional integration of **financial inclusion** into economic policies at the sub-national level will drive WEE more effectively. Tailored approaches focusing on financial inclusion as a primary lever for empowerment will accelerate progress.
-  **Increase financial and digital literacy:** Education is key. Programs that promote financial and digital literacy empower women to access and effectively use formal financial services, unlocking new economic opportunities. Particular attention should be given to rural women farmers who are more likely to have lower education and lower incomes and, therefore, more likely to be formally excluded. Efforts to advance women's financial inclusion should engender active collaborations to drive higher education and incomes for both men and women. In the absence of this, certain barriers will continue to persist.
-  **Deepen financial inclusion:** Expanding access to these services is essential to improving women's economic status. Financial education programs should emphasize **not just access** but the **regular use** of financial accounts to boost empowerment outcomes. DFS expansion should be paired with **digital and financial literacy programs** to ensure women can navigate and benefit from these platforms.
-  **Support income generation and savings behavior:** Encouraging women to **earn, save, and invest** is vital. Initiatives promoting income generation and better savings behavior will significantly enhance women's economic empowerment and financial independence.
-  **Empower women in decision-making:** Increasing women's agency in household and community decision-making is critical. Policies that support women's leadership in the home and informal groups enhance their economic participation, leading to broader economic benefits for communities.
-  **Address vulnerabilities through social protection:** Social protection programs focusing on food security, health, and reducing financial risks are essential for women's empowerment. Vulnerabilities in these areas can directly hinder economic advancement, and targeted interventions are needed to address them.



A person wearing a red and blue plaid shirt is sitting at a desk, writing on a document with a pink pen. The desk is cluttered with various items: a green handheld device, a smartphone, a calculator, and several sheets of paper, some of which contain handwritten notes and tables. The background shows a blue wall and some tangled wires. The overall scene suggests a busy, data-driven work environment.

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