Building Financial Capability for Older Women: Policies and Programs in the Asia Pacific

Joanne Yoong

USC/NUS
Asia is Aging At a Rapid Pace

- **World 65+ yrs**
- **World 0-4 yrs**

- Asia is Aging at a Rapid Pace
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- World 65+ yrs
- Asia 65+ yrs
- World 0-4 yrs
- Asia 0-4 yrs

Asia is Aging At a Rapid Pace
In the Asia Pacific, Women Are Living Longer (Absolutely And Relatively)...
...But Also More Often In Poverty...

Ratio of female to male poverty rates (latest available reported for age 60+/65+)

Poverty rates across countries are not directly comparable due to differences in old-age poverty definition and reporting year.

Data reflect both countries reporting percentage below individual national or subnationally-defined poverty thresholds as well as percentage with incomes less than 50% of median household disposable income (OECD common definition).

**Sources:**
Access to Finance Is Improving

<table>
<thead>
<tr>
<th>Country</th>
<th>Male (%)</th>
<th>Female (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>98</td>
<td>98</td>
</tr>
<tr>
<td>Japan</td>
<td>96</td>
<td>97</td>
</tr>
<tr>
<td>Korea, Rep.</td>
<td>93</td>
<td>93</td>
</tr>
<tr>
<td>Thailand</td>
<td>73</td>
<td>73</td>
</tr>
<tr>
<td>Malaysia</td>
<td>69</td>
<td>63</td>
</tr>
<tr>
<td>China</td>
<td>68</td>
<td>60</td>
</tr>
<tr>
<td>Vietnam</td>
<td>24</td>
<td>19</td>
</tr>
<tr>
<td>Indonesia</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>Philippines</td>
<td>19</td>
<td>34</td>
</tr>
</tbody>
</table>
Women Can and Do Save

Saved money in financial institution in past year (% 15+) Male
Saved money in financial institution in past year (% 15+) Female

Singapore: 58 59
Japan: 49 54
Korea, Rep.: 46 48
Thailand: 43 43
Malaysia: 41 30
China: 32 32
Vietnam: 9 7
Indonesia: 15 16
Philippines: 11 18
Despite Larger Challenges in Income

<table>
<thead>
<tr>
<th>Country</th>
<th>Ratio of Estimated Female to Male Earned Income</th>
<th>Ratio of Female to Male Wages for Similar Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>0.66</td>
<td>0.5</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Japan</td>
<td>0.5</td>
<td>0.54</td>
</tr>
<tr>
<td>Korea</td>
<td>0.48</td>
<td>0.51</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.82</td>
<td>0.68</td>
</tr>
<tr>
<td>Philippines</td>
<td>0.79</td>
<td>0.64</td>
</tr>
<tr>
<td>Singapore</td>
<td>0.81</td>
<td>0.64</td>
</tr>
<tr>
<td>Thailand</td>
<td>0.78</td>
<td>0.68</td>
</tr>
<tr>
<td>Vietnam</td>
<td>0.82</td>
<td>0.66</td>
</tr>
</tbody>
</table>

- **Ratio of estimated female to male earned income**
- **Ratio of female to male wages for similar work**
The Problem Is Financial Capability & Investing For the Long Term

Making Ends Meet
Keeping Track of Finances
Long-Term Planning
Choosing Products
Staying Informed

Lower earnings & formal economic participation
Longer lifespan & earlier retirement age & less empowerment

Potentially more motivated to save out of given resources
Fewer overall resources and limited access to effective strategies for growing and protecting wealth
OECD/G20 : Strategic Guidelines

1. Identify and take into account gender disparities in opportunities and outcomes when designing financial education strategies for the overall population.

2. Address women’s financial education through existing policies aimed at improving gender equality.

3. Identify the needs of women and girls with respect to their financial knowledge, confidence, and financial strategies.

4. Identify and address key policy priorities and target subgroups among women and girls, depending on country circumstances.

5. Promote the involvement and coordination among the relevant stakeholders, including public, private and civil bodies with an interest in gender issues and financial literacy.
Three Key Research Questions

As part of their broader research and advocacy initiatives, The Tsao Foundation has commissioned a scoping study on financial capability and old age security for women in the Asia Pacific, addressing 3 broad questions:

What do we know about the measurement of financial capability of older women in the region?

What kinds of policies and programs are currently in place to address women’s financial capability, particularly with respect to old age security, and what do we know about their efficacy?

How do regional stakeholders perceive this policy and programmatic landscape, and what are their priorities moving forward?
### Nationally-Representative Measurement Initiatives

<table>
<thead>
<tr>
<th>Existing Surveys</th>
<th>Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Financial Services Authority Measuring Financial Capability survey and related surveys</td>
<td>None</td>
</tr>
<tr>
<td>US Health and Retirement Survey and related surveys (Financial Literacy component)</td>
<td>Japan, Singapore</td>
</tr>
<tr>
<td>PISA Financial Literacy Assessment</td>
<td>China - Shanghai</td>
</tr>
<tr>
<td>OECD-INFE Measuring Financial Literacy Survey (Pilot Countries)</td>
<td>Malaysia</td>
</tr>
<tr>
<td>World Bank/Russia Trust Fund Financial Capability Survey for Low and Middle Income Countries</td>
<td>None</td>
</tr>
<tr>
<td>World Bank Financial Capability and Consumer Protection Surveys</td>
<td>None</td>
</tr>
<tr>
<td>Individual country or economy-led efforts, subnational investigator-initiated studies</td>
<td>Singapore, Malaysia, Indonesia, China</td>
</tr>
</tbody>
</table>
High-Level Policies: National Strategies for Financial Literacy/Capability

Early adopters: UK, US, NL, JP, SG, NZ

2013: > 45 countries

High-Level Policies: National Strategies for Financial Literacy/Capability

- Defined leadership and mechanisms for coordination, governance and accountability
- Formal recognition of definition, scope, objectives, goals and timeline
- Background mapping and needs assessment
- Development and implementation of specific guidance and activities

Gender in NGO Programming

Few strategies reflect a gender-integrated approach

- Many express the need to support the underserved or vulnerable, including the elderly (e.g. Hong Kong, Japan)

- Only two explicitly identify women as a target group or specifically address the needs and concerns of women

<table>
<thead>
<tr>
<th>Country</th>
<th>Government Agency</th>
<th>Name of Strategy</th>
<th>Ongoing</th>
<th>Targets Gender?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>Financial Services Authority</td>
<td>National Strategy on Financial Literacy</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Bank Negara</td>
<td>Consumer Education Programme (CEP)*</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Investor Education Center</td>
<td>National Strategy for Financial Literacy</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Japan</td>
<td>Bank of Japan, Financial Services Authority</td>
<td>Report of Study Group on Financial Education</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Korea</td>
<td>Financial Services Commission</td>
<td>Financial Education Activation Plan</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Singapore</td>
<td>The Monetary Authority of Singapore</td>
<td>MoneySENSE*</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>China</td>
<td>People’s Bank of China</td>
<td>National Strategy for Financial Education Planning</td>
<td>Planning</td>
<td>No</td>
</tr>
</tbody>
</table>
### Gender in Pension Provision

<table>
<thead>
<tr>
<th>First-pillar: Redistributive</th>
<th>Second-pillar: Earnings Related</th>
</tr>
</thead>
<tbody>
<tr>
<td>Means-tested</td>
<td>Basic flat-rate</td>
</tr>
<tr>
<td>China</td>
<td>.</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Yes</td>
</tr>
<tr>
<td>Indonesia</td>
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<tr>
<td>Japan</td>
<td>Yes</td>
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<td>Korea</td>
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<td>Thailand</td>
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<tr>
<td>Vietnam</td>
<td>.</td>
</tr>
</tbody>
</table>

- Without financial capability, women may do worse with DC pension schemes that are reliant (a) on income from formal employment and (b) investor choice.
- Other features that potentially affect women as a group include universal life tables, disadvantageous divorce and survivor benefits.
Key Stakeholders in NGO Programs

• Global funders
  – Development agencies e.g. UNESCO, World Bank
  – Global foundations: CITI, Mastercard

• Networks
  – Global networks of policymakers and practioners e.g. OECD/INFE
  – Regional networks and communities of practice

• Individual frontline providers
  – Regional and local NGOs
Gaps/Opportunities I: Evaluation

— No national strategies define goals for gender equity impacts of large-scale population policies such as pension reforms and universal health coverage

— Few rigorous evaluations are carried out at the government or NGO level

— Constraints identified in qualitative interviews
  • Funding: Little dedicated funding for evaluation for programs already stretched to meet needs
  • Priorities: May not be a high priority for funders or program officers
  • Value: Not perceived as necessary for decision making
  • Capacity: Skills to perform evaluation may not be readily available
  • Timelines: Typically do not have sufficient time within decision cycles to undertake evaluations

— However, the Asia Pacific continues to present unique opportunities for research and learning
  • Clear and increasing needs
  • Opportunity to increase accountability and transparency
  • Diverse and dynamic set of programs
  • Chance to examine similar programs in different settings
Gaps/Opportunities II: Coordination

Minorities, Low Income &/or Rural
- Any age
- Require basic financial education
- Receive education through NGO’s, CSR
- Access information through community means
- Programs often also involve an element of microfinancing or livelihood support

Educated, Middle Income & Urban
- Any age
- Require information to navigate complicated financial systems/policies
- Receive education through bank marketing, family-oriented initiatives or peers
- Access information through digital and community means
- Programs often involve an element of marketing or lifestyle blogging

Overseas Workers
- Working Age
- Require remittance and saving information
- Receive education pre-departure or while in-country
- Access information primarily through digital means – online social networks and in-country peer networks
- Programs also target workers’ families
Singapore: A Life Course Approach
- School-based and government education for basic information
- Highly motivated individuals = professional seminars, courses or read blogs
- NGO programs such as Citi-Tsao for those seeking additional support
Gaps/Opportunities II: Coordination

- Digital/Social Media
- Financial Resources
- Or In-Country NGO's

- Employment Agency/Employer or other in-country community
- Local NGO's
- Recruitment Agency Training

- Local NGO's

- In-Country NGO's and ministries for Crisis Management

- Living Abroad
- Living Abroad (New)
- Returning
- Leaving

- Home
  Family & Community
Social Channels

Financial literacy education and information is transmitted peer to peer through informal and social media channels.

Facebook group “Usaping Pinansiyal” has over 20,000 Likes.

Formal Websites

Financial literacy education and information is transmitted from institution to participant, or from institution to potential funder.

Singapore’s Moneysense.sg or reports on NGO/USAID projects in Vietnam.

Press, Media & Blogs

Financial literacy education initiatives publicized by online media and press. A more formalized channel that allows for commentary/sharing on social media.

Indonesian news reports of worker training programs or Singapore’s financial bloggers.
Nghiên cứu chỉ ra rằng phần lớn mọi người có độ tuổi, thu nhập và trình độ học vấn khác nhau đều thiếu các kiến thức và kỹ năng tài chính cơ bản để đảm bảo sự ổn định dài hạn cho chính họ và gia đình. Đó là lý do tại sao chúng tôi tin rằng không bao giờ là quá sớm để dạy trẻ em về tiền.

THÔNG QUA MONEYFUN, CÁC BAN THIỂU NIEN CÒ THỂ
- Tự tìm ra nguồn thu nhập phù hợp
- Biết chi tiêu vui các mục tiêu hợp lý
- Có thể duy trì tiết kiệm cho các mục tiêu tài chính cá nhân
- Hiểu về làm từ thiện và biết cách thực hiện chi tiêu

ĐỐI VỚI CÁC BAN SINH VIÊN, MONEYFUN SẼ GIÚP CÁC BAN:
- Các bí quyết gia tăng thu nhập
- Tiết kiệm để cơ mục thu nhập như thế nào đi nữa
- Đạt được các mục tiêu tài chính trong kế hoạch thông qua tiêu dùng thông minh
- Làm từ thiện ở đâu và như thế nào

ĐỐI VỚI PHỤ HUYNH, MONEYFUN MANG ĐẾN CHO BẠN:
- Những kiến thức tài chính phù hợp
- Với từng độ tuổi của con bạn
- Các cách trở chuyên về con hiểu

TAI SAO BAN Nên SỬ DỤNG WEBSITE NÀY?
- Chúng tôi thiết kế riêng cho từng nhóm đối tượng sử dụng
- Bán tự mình khám phá, học được
Gaps/Opportunities III: Delivery

User reviews

- Milana Fedelia  September 4, 2015
  Excellent Cool application from women to women love it

- Ingrid Yahya  July 31, 2015
  Error happen it was ok at first. Lalu ketika masuk bulan aug 2015 transaksi saya ya bulan juli kehapus semua. Saya masukin lagi ya untuk bin aug tapi ketika saya quit dan masuk lagi semua transaksi hilang lagi. Ada apa ya?

- Tantri Sutina  April 30, 2015
  Excellent Apps!

- Eka putri Handayani  May 3, 2015
  Wise apps Cool apps for women...
Stakeholder Perceptions Survey

Women’s old age security is a priority, but not a high priority.
Program Review: Unmet Need

- More than sufficient
- Sufficient
- Less than sufficient
- No programs
- Don't know
Stakeholders look towards livelihoods as an even greater barrier than capability

<table>
<thead>
<tr>
<th>Barriers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of savings / earnings capacity during working age</td>
<td>92.31%</td>
</tr>
<tr>
<td>Poor financial literacy among women</td>
<td>76.92%</td>
</tr>
<tr>
<td>Women’s inability to control their own resources</td>
<td>61.54%</td>
</tr>
<tr>
<td>Low financial inclusion or access to appropriate financial products for women</td>
<td>30.77%</td>
</tr>
<tr>
<td>Poor overall education levels among women</td>
<td>15.38%</td>
</tr>
<tr>
<td>Lack of family support</td>
<td>7.69%</td>
</tr>
<tr>
<td>Cultural, religious or social practices</td>
<td>0.00%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>Responses</td>
</tr>
</tbody>
</table>
Conclusions

- **Limited evidence base shows differences in outcomes but limited analysis of financial capability by gender**
  - New (internationally comparable) studies of financial capability by gender
  - Gender analysis of new/existing datasets

- **Large scope for advances in gender-mainstreaming of policy and programs in Asia**
  - Gender-sensitive evaluation of past/existing policies and programs
  - Gender-integration of new population-based approaches aimed at increasing financial capability
  - Appropriate use of gender-targeted policies and programs

- **Basic needs remain to be met while new challenges and opportunities arise**
  - Key challenges
    - Diversity in target groups even among women
    - Coordination across public, private and NGO stakeholders
    - Need to meet evolution of needs and delivery methods, including digital space

- **The need for both research and advocacy continues**
  - Measurement and consideration of priorities and tradeoffs
  - Networking, sharing and collaboration among and across stakeholder groups