

The Status of Women's Financial Inclusion in South Africa

Making economic sense of common problems

Acknowledgements

The Graça Machel Trust would like to acknowledge the insights and contributions provided by and key stakeholders, and the research team whose insights played a valuable role in formulating the report's findings.

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Citation

DNA Economics (2025) *Study on the Status of Women's Financial Inclusion In South Africa*, Graça Machel Trust.

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Acronyms

ABET	Adult Basic Education and Training
AFI	Alliance for Financial Inclusion
AWI	Association of Women in Insurance
ATM	Automated Teller Machine
B-BBEE	Broad-Based Black Economic Empowerment
COFI	Conduct of Financial Institutions
CGAP	Consultative Group to Assist the Poor
CFE	Consumer financial education
DSD	Department of Social Department
DTIC	Department of Trade, Industry and Competition
DWYPD	Department of Women, Youth, and Persons with Disabilities
DPI	Digital public infrastructure
FASSET	Finance And Accounting Services Sector Education and Training Authority
FSCA	Financial Sector Conduct Authority
FSR	Financial Sector Regulation
FGD	Focus group discussions
GBV	Gender-based violence
GHS	General Household Survey
G2P	Government-to-Person
GMT	Graça Machel Trust
ID	Identity document
IMF	International Monetary Fund
ICT	Internet and Communication Technology
IPV	Intimate partner violence
KYC	Know-Your-Customer
MSME	Medium-, small-, and micro-enterprise
M&E	Monitoring and Evaluation
NCA	National Credit Act
NCR	National Credit Regulator
NDP	National Development Plan
NFIS	National Financial Inclusion Strategy
NFO	National Financial Ombud
NIDS	National Income Dynamics Study (
NGO	Non-Government Organisation
P2B	Person-to-business
P2P	Person-to-person
PA	Prudential Authority
QLFS	Quarterly Labour Force Survey
RFO	Retirement Funds Ombud

SADC	Southern African Development Community
SASSA	South African Social Security Agency
STEM	Science, Technology, Engineering, and Mathematics
SDG	Sustainable Development Goals
SME	Small- and medium-enterprise
SARB	South African Reserve Bank
SDA	Special Disbursement Account
SSA	Sub-Saharan Africa
T&Cs	Terms and conditions
TCF	Treating Customers Fairly
UN	United Nations
USSD	Unstructured Supplementary Service Data
WEGE	Women Empowerment and Gender Equality
WIFSA	Women in Finance South Africa
WFIF	Women's Financial Inclusion Framework
WEE	Women's Economic Empowerment

EXECUTIVE SUMMARY

Women's financial inclusion is a critical driver of economic growth and social development, yet significant barriers remain that hinder women from fully participating in South Africa's formal financial system. Benefits include micro- and macro-level outputs, such as increased economic output, higher profit reinvestment rates for women-owned businesses and stronger allocation towards family welfare. Addressing these barriers represents a strategic opportunity for accelerating South Africa's economic growth.

At its core, financial inclusion means ensuring that individuals and businesses, regardless of gender, income level, or geographic location, can readily access and effectively use a range of appropriate financial services, including savings, credit, payments, and insurance. In practice, this requires that such services be affordable, convenient, transparent, and delivered in a way that meaningfully benefits clients while supporting sustainable economic and social development.

Women's financial inclusion requires specific focus and targeted efforts. Both globally and at a regional level, women's level of financial inclusion lags behind that of their men counterparts. This is despite a gradually decreasing financial gender access gap. Women often face greater systemic barriers that prevent their meaningful engagement, over and above access, to being considered financially included.

To date, there has been no consolidated study to provide a view of the state of women's financial inclusion in South Africa. This report provides a comprehensive assessment of the state of **women's financial inclusion in South Africa**, focusing on access to financial services, usage patterns, and the broader socio-economic and regulatory landscape. By adopting a **'Financial Inclusion 2.0' lens**, *it moves beyond considerations of basic access and instead evaluates the quality and impact of financial services in empowering women.*

The study combined an extensive review of local and global literature on women's financial inclusion with stakeholder interviews with government and industry experts, and focus group discussions (FGDs) with women SMME owners across multiple provinces. In addition, secondary data analysis drew on the **2024 FinScope Consumer Survey and FinScope medium-, small-, and micro-enterprise (MSME) Survey** for quantitative insights into financial access and usage.

The analysis is structured around a **Financial Inclusion Pathway Framework**, which examines supply-side, demand-side, and gender norms that shape financial inclusion outcomes. It highlights systemic barriers and proposes evidence-based recommendations to advance women's economic empowerment through financial services.

Key insights

Women in South African Society

While women outperform men in educational attainment, persistent gender gaps remain in employment, digital literacy, and financial literacy. Despite constitutional protections and progressive legal frameworks, **deeply entrenched gender norms** continue to limit women's full participation in the economy. Gender-based violence and women's safety in general remains a major concern, significantly impacting women's economic security and financial independence. Economic vulnerability often prevents women from leaving abusive relationships, demonstrating the intersection of financial inclusion and broader societal challenges.

Policy and Regulatory Environment

South Africa's financial and gender policies provide a strong foundation for promoting financial inclusion. However, **financial inclusion strategies often fail to prioritise gender-specific interventions**, treating women as part of broader 'vulnerable groups.' The **banking sector remains highly concentrated, limiting competition and innovation that could better serve women**. The digital finance landscape is evolving, but **affordability and digital literacy barriers continue to limit adoption, particularly for rural women**.

Access to Financial Services

South Africa has achieved near-universal bank account ownership. However, access to financial services beyond basic accounts remains limited, particularly for credit and insurance products. **Women have lower access to personal loans, home loans, and business financing**, often rather relying on informal financial mechanisms such as stokvels and burial societies.

Approximately 82% of South African adults have a bank account, with only 1% relying solely on informal financial services (UN Women & FinMark Trust, 2024). However, access to financial services beyond basic accounts remains limited, particularly for credit and insurance products. Women have a slightly higher bank account ownership rate than men (87% vs. 80%), but men engage more frequently with non-bank financial products and formal credit sources, while women rely more on social grant-linked banking and informal savings mechanisms.

Digital access is another key barrier. While internet penetration has improved, women continue to lag men in mobile money adoption and digital financial literacy. Only 12% of women have access to digital financial services compared to 17% of men (Ojo & Segone, 2022). Gender disparities in access to smartphones and affordable data further exacerbate financial exclusion.

Use of Financial Services

Women are more likely to use financial services for day-to-day household management rather than wealth accumulation, reflecting the unequal financial and care burden on women at household and societal level. They also have **lower engagement with formal savings and investment products**, reflecting broader economic constraints and traditional gender roles in financial decision-making. For example, **women show a stronger preference for informal savings mechanisms (33% vs. 30% for men), with middle-income women engaging the most (57%)**. In contrast, even among higher earners, access to formal investment products remains limited for women, highlighting persistent barriers to wealth-building.

Government-to-Person (G2P) payments, such as social grants, play a significant role in women's financial access. However, these accounts are often used for **immediate cash withdrawals** rather than broader financial services. The preference for cash is driven by perceptions of cost, accessibility, and trust, particularly in low-income households. Notably, 62% of South African Social Security Agency (SASSA) grant recipients have formal credit, and 8% borrow from informal lenders, often at high costs, making them vulnerable to predatory lending and cycles of debt (FinMark Trust, 2020).

Women also face greater structural barriers in credit access. Traditional credit scoring models fail to capture and properly respond to women's financial behaviours, such as **informal income streams** and **interrupted work** histories due to caregiving responsibilities. Consequently, women are underrepresented in formal credit markets and more reliant on informal lending sources, at higher costs. While overall access to credit is nearly equal between genders, women are more likely to use retail store credit, while men access bank-based credit more frequently. Moreover, women borrow more for essential household needs (10 percentage points higher than men), whereas men use credit for asset accumulation and business purposes (FinScope SA Consumer Survey, 2024).

Financial inclusion for women-owned SMEs

The analysis shows that many of the same societal factors preventing women from effective financial inclusion at a more general level, also limit their ability to build their businesses and use finance to grow their businesses. Limited access to formal credit due to stringent collateral requirements means that many women rely on personal savings or family support to sustain their businesses. Among women business owners, 82% have a bank account, yet many do not have a dedicated business account, with 13% citing business size and 12% citing a lack of knowledge as reasons for not owning a business bank account (FinScope SA MSME Survey, 2024). Women-owned small- and medium-enterprises (SMEs) face significant challenges in accessing credit, with 45% relying on personal savings as their primary funding source and only 4% accessing personal loans (FinScope SA MSME Survey, 2024).

Women's Empowerment through Financial Inclusion

Financial inclusion is not an end in itself but an enabler of broader economic and social outcomes.

Women's economic empowerment depends on access to financial services that meet their unique needs, including tailored credit products, affordable insurance, and accessible digital financial solutions. Because women's financial needs and realities are not properly recognised and compensated for in larger financial sector, empowerment through effective financial inclusion is not occurring.

Despite some progress, the enabling environment for **women's financial empowerment remains constrained by systemic barriers, often outside the immediate control of the financial sector.** However, there are certain factors, particularly product design, in the control of the financial sector and in this area women's financial needs and behaviours need to be better addressed.

Recommendations

Based on the research that has been undertaken, the following recommendations aim to guide stakeholders in closing the gaps and ensuring women's financial needs are effectively addressed:

Adopt an integrated policy approach

- **Gender-focused frameworks:** Move beyond treating women as part of broad “vulnerable groups” by explicitly integrating gender considerations into national financial inclusion and consumer financial education strategies.
- **Cross-departmental coordination:** Strengthen collaboration among relevant departments (e.g. Department of Social Development, Department of Trade, Industry and Competition, regulators) to address women's financial needs and vulnerabilities holistically—particularly for social-grant recipients, who often face aggressive and predatory lending practices.

Enhance data collection and monitoring

- **Gender-disaggregated data:** Regulators and financial service providers should systematically collect and analyse data disaggregated by gender on account ownership, credit usage, and defaults. Better data will inform product design and policy to address women's financial realities.
- **Outcome-focused indicators:** Move beyond mere access indicators (e.g. numbers of bank accounts) to measure usage and impact (e.g. transaction frequency, credit approval rates, indebtedness levels).

Design gender-intelligent financial products and services

- **Tailored solutions:** Develop credit, insurance, and savings products that account for women's specific needs—such as irregular income streams, limited collateral, and caregiving responsibilities.

Align incentives to prioritise women's comfort and safety

- **Incentive structures for better practices:** Shift from purely profit-focused targets to performance metrics that measure positive outcomes for women's financial health and safety, rather than simply the volume of sales. This includes zero-tolerance for discrimination and harassment, alongside rewards for inclusive, respectful, and needs-focused engagement.

1. Introduction

Financial inclusion has emerged as a key enabler for achieving multiple Sustainable Development Goals (SDGs), serving as a crucial driver for poverty reduction, economic growth, and gender equality. The United Nations (UN) Secretary-General's Special Advocate for Inclusive Finance for Development has identified financial inclusion as an essential component for achieving 7 of the 17 SDGs (UNSGSA, 2018). **Financial inclusion refers to the ability of individuals and businesses to access and effectively use formal financial services tailored to their unique needs.** These services must be provided responsibly and sustainably, ensuring long-term benefits. Contemporary economic research has broadened this understanding, recognising the importance of financial capability, consumer protection, and market development in achieving meaningful inclusion (Demirguc-Kunt, Klapper, & Singer, 2017).

With this in mind women's financial inclusion not only involves access to financial products, **but also the skills needed for true economic empowerment.** In addition, women's financial inclusion includes efforts to ensure that women of all backgrounds have access to suitable financial products (DWYPD, 2019). However, **financial access alone is not enough.** It must be **complemented by non-financial resources like education, training, mentorship, and policy development** which are essential for fostering entrepreneurship and enabling women to thrive economically (DWYPD, 2019). While access to financial products is crucial, it must be paired with these additional resources to create meaningful change.

Box 1: *Advancing from Financial Inclusion 1.0 to Financial Inclusion 2.0*

The global definition of 'financial inclusion' has evolved in recent years: the transition from 'financial inclusion 1.0' to 'financial inclusion 2.0' marks a shift from merely provided **access to financial services**, toward ensuring their **effective use, quality and measured impact on users' lives.**

This definition is particularly critical for this diagnostic study on women's financial inclusion, as women face unique challenges that may limit their ability to fully benefit from financial services, compared to their male counterparts. By adopting a 'financial inclusion 2.0' lens, the study can go beyond measuring access to understand how financial services meet the needs of women in South Africa and empower their economic participation.

Financial inclusion 2.0 is comprised of the following components (CGAP, 2023):

- **Breadth:** Access to financial accounts.
- **Depth:** Access and use of responsible financial products/ services that meet the needs of an individual/ business.
- **Utility: Practical benefits and positive outcomes** experienced by previously underserved market segments. This includes, but is not limited to, business growth, improved agricultural productivity, better nutrition, improved agency, *et cetera*. It emphasises the importance of **outcomes and positions** financial inclusion not as a means in and of itself.

Globally, women's financial inclusion continues to lag behind men's. There is a persistent gender gap of 7 percentage points in account ownership across developing countries (World Bank Group, 2021). According to the World Bank's Global Findex Database 2021, whilst 76% of men in developing economies have an account at a bank or mobile money provider, only 69% of women do (World Bank Group, 2021). Despite significant progress in expanding access to financial services over the past decade, about 740 million women remain excluded from the formal financial system. The barriers women face are complex and interrelated, including legal and regulatory constraints, social norms, lower financial literacy, and reduced access to technology (Digital Frontiers Institute, 2024).

In Sub-Saharan Africa (SSA), the challenge is particularly acute, though the region has made notable strides through mobile money and bank adoption. According to FinMark Trust (2024), women in the Southern African Development Community (SADC) are generally more financially excluded compared to their men counterparts. This gap is most pronounced in Lesotho, Eswatini, Namibia and South Africa. Focusing on South Africa, which boasts a relatively sophisticated financial sector compared to its SADC neighbours, there is near gender parity in basic account ownership, which has bettered in recent years. However, this surface-level inclusion masks deeper disparities in the quality and depth of financial service usage.

The focus on South Africa is particularly relevant as it represents **both the possibilities and limitations of policy-driven financial inclusion.** While the country has successfully expanded basic access, the experience of South African women highlights that account ownership alone does not automatically translate to economic empowerment or meaningful financial inclusion. This makes South Africa's experience valuable for understanding how to bridge the gap between access and impact in women's financial inclusion.

Women's financial inclusion serves as a critical lever for economic development – including benefits at the individual, household and macroeconomic levels. Research from the International Monetary Fund (IMF) indicates that reducing gender disparities in financial access could increase economic output in SSA countries by up to 6% (Sahay & Čihák, 2018). Financially included women demonstrate higher rates of business formation and growth, with women-owned enterprises in the SSA region showing higher reinvestments of profits compared to men counterparts (IFC, 2021). When women are in control of their own finances, research shows that they invest in their families and communities, ultimately playing a poverty-reducing role (Kumar & Jie, 2023). Addressing women's financial inclusion thus represents not only a gender equality imperative, but an opportunity to unlock growth potential in South Africa.

This report was commissioned by the Graça Machel Trust (GMT) to provide a **comprehensive assessment of women's financial inclusion in South Africa.** It represents a strategic extension of the GMT's established work in women's economic empowerment. While GMT has traditionally focused on practical programme implementation in South Africa through initiatives like Women Creating Wealth and Afrishela, this Finance And Accounting Services Sector Education And Training Authority (FASSET)-funded research conducted with DNA Economics takes a broader systemic view. The study complements GMT's Women's Leadership for Financial Inclusion Programme by providing evidence-based insights into the barriers women face in South Africa's financial ecosystem. These findings will not only inform GMT's own programming but also strengthen their policy advocacy work through their extensive network of women leaders across Africa. The research thus bridges GMT's practical experience in implementing women's entrepreneurship programmes in South Africa with their broader mission of influencing policy for inclusive economic development.

The study aims to provide a comprehensive analysis of the current state of women's financial inclusion in South Africa, identifying **systemic barriers and proposing actionable recommendations.** More specifically, the study objectives are:

- To identify and examine systemic barriers within the financial ecosystem;
- To assess socio-economic, cultural, and institutional factors contributing to financial exclusion;
- To review the successes and challenges of the South African Financial Inclusion Policy and Strategy; and
- To provide evidence-based recommendations for stakeholders to improve women's financial inclusion.

1.1 Research methodology

This report was structured around a comprehensive methodology. This process included the following key phases:

Desktop review:

This study was informed by a comprehensive review of local and global literature on women’s financial inclusion, with a deep focus on the available literature in South Africa. Search terms “gender”, “women’s financial inclusion”: “gendered financial inclusion” and “gender and financial access” were combined in various ways in both Google and Google Scholar.

In addition to the existing literature on women’s financial inclusion, both globally and in South Africa, the study focused on understanding two critical dimensions: South Africa’s regulatory and legal landscape for financial services, and the structure and dynamics of the country’s financial services industry. Documents reviewed included primary legislation, regulatory guidance notes, policy papers and supervisory frameworks from key financial institutions.

Fieldwork:

This study comprised of a fieldwork component, to gather insights from key stakeholders and women end-users themselves. This included stakeholder interviews and focus group discussions.

Stakeholder interviews:

The research team also referred to certain research reports through stakeholders interviewed for this study. A total of **12 interviews** with industry stakeholders, ranging from those based in a global context or in a particular area of financial services in South Africa took place over a period of about 10 weeks. These stakeholders have views on women’s financial inclusion across the full income spectrum, ranging from grant beneficiaries to high-income women, in South Africa. The following groups were represented among stakeholders interviewed: South African government and financial sector regulators, financial services providers (payments, insurance, credit), research and consulting institutions and Non-Government Organisations (NGOs), as shown in the table below:

Table 1: *Stakeholders interviewed, by category*

Stakeholders	
NGOs/ Advocacy Groups	1
Financial Sector Experts	5
Government Quote - QU0010363	2
Industry	4
Total	12

Focus group discussions:

Qualitative data from focus group discussions (FGDs) with women SMME-owners were collected by Graça Machel Trust for the purpose of this report. These discussions explored the participants’ experiences with financial services, such as savings, borrowing, and insurance, while also addressing social and family expectations that impact financial decision-making. FGDs also aimed to uncover the key challenges women face in accessing and using financial products, as well as the barriers to financial inclusion.

A breakdown of the FGDs conducted for the purpose of this study is provided below:

Table 2: Overview of FGDs

Location	Number of FGDs	Number of participants
Eastern Cape	2	17
Free State	1	5
Gauteng	2	5
Limpopo	2	13
Northern Cape	1	6
North West	1	3
KwaZulu Natal	1	4
Western Cape	1	3
Total	11	56

Secondary data analysis:

Quantitative data from both the **FinScope Consumer Survey and FinScope medium-, small-, and micro-enterprise (MSME) Surveys** presented in this report were obtained from FinMark Trust. The team is grateful for both GMT and FinMark Trust who facilitated access to these primary datasets not typically available in the public domain. These datasets allowed for cross-tabulation of reported sex, other socio-demographic variables and access and usage of financial services.

The FinScope SA Consumer 2024 survey data has been weighted to ensure national representativeness. Weights were applied to align the survey sample with the 2022 South African population census data, correcting for sampling design and response bias. These adjustments allow for more accurate generalisation of the results to the broader South African population.

The survey was conducted with a total sample of 5 600 respondents, comprising 3 215 females and 2 385 males. The weighting ensures that **findings reflect the national population structure**, improving the reliability of estimates derived from the dataset. This dataset consists of a representative sample at both **national and provincial levels**.¹

The MSME 2023/2024 survey data have also been weighted to ensure national representativeness. The sampling frame and data weighting were conducted by a sampling expert in consultation with FinMark Trust.² This survey included a total sample of 4 027 respondents, comprising 1 617 females, 2 398 males, and 12 classified as other. The target population was a nationally representative sample of small business owners who:

- Are 16 years or older
- Perceive themselves as business owners or generate income through business activities³

All statistics reported from these datasets are based on weighted data. The importance of weighting for representing survey results is described in the **Appendix**.

¹ https://finmark.org.za/Publications/FinScope_SA_Consumer_2023.pdf

² https://finmark.org.za/Publications/FS_MSME_2024_results_launch.pdf

³ https://finmark.org.za/Publications/FS_MSME_2024_results_launch.pdf

Limitations:

The insights stemming from FGDs included in this report were collected via a series of FGDs conducted among women small and medium business owners who form part of the Graça Machel Trust network of women business owners. These women, arguably, are different to the average woman in South Africa as they are likely to be more entrepreneurial, perhaps have greater risk appetite and greater daily (in the income sense) risk exposure than the average South African woman. Furthermore, FGD responses were shared with the authors of this report in the form of already consolidated notes, with the exception of a few quotes. The verbatim transcripts were not available. This means that the authors of this report cannot accept any responsibility for the accuracy and reliability of the analysis of the FGD data. We have incorporated broad these and some quotes (quotes were captured only in some notes).

Because Mpumalanga was omitted and other provinces differ in terms of the number and size of focus groups, the data is uneven and risks skewing results, as the *provinces that hosted multiple or larger focus groups inevitably have a greater influence on the overall conclusions*. These imbalances not only make direct comparisons across focus groups challenging but also risk producing incomplete, possibly misleading insights that do not adequately capture the realities of women throughout the country. The FGD analysis cannot be considered nationally representative.

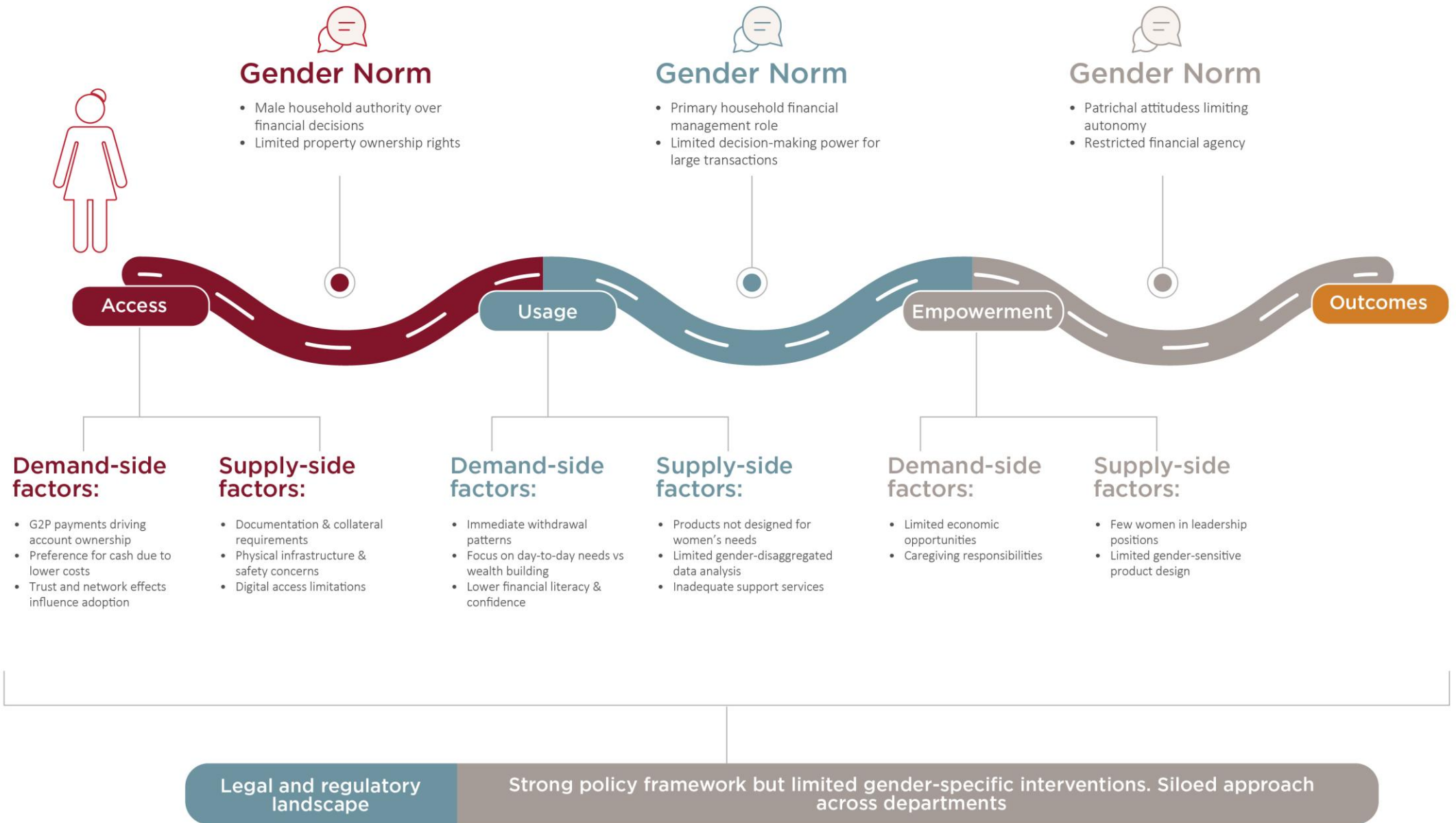
1.2 The Financial Inclusion Pathway Framework

The Financial Inclusion Pathway presented in the figure overleaf illustrates the complex journey women undertake toward meaningful financial inclusion and its resulting outcomes. The conceptual framework maps three key stages – **access, usage, and empowerment** – that ultimately lead to outcomes. Along this journey, various demand-side, supply-side and gender norm factors will influence the progression of each stage. The journey begins with access to financial services/products, progresses through active and meaningful usage, and leads to empowerment, resulting in tangible outcomes. **However, this progression is not automatic or linear.**

At each stage, **three interconnected forces shape a woman's journey**: demand-side factors (such as individual capabilities and preferences), supply-side factors (including product design and delivery), and gender norms (societal expectations and cultural practices). These forces can **either facilitate or impede progress through the pathway**. For instance, while a woman may have formal access to a bank account (access stage), gender norms around household financial decision-making might limit her ability to use it independently (usage stage). Similarly, supply-side factors like inappropriate product design might restrict the empowerment potential of financial services, even when access and basic usage are achieved.

The framework emphasises that **financial inclusion is not an end in itself but rather an enabler of broader social, economic, and financial outcomes**. These outcomes might include improved household welfare, expanded business opportunities, or enhanced decision-making power. Importantly, the entire journey operates within a broader legal and regulatory landscape that can either support or hinder progress through the pathway. This comprehensive view helps identify intervention points where policy, product design, or social programmes might be most effective in promoting women's financial inclusion.

Figure 1: Pathway to Women's Financial Inclusion in South Africa



2. The South African Context: Women, Society, and Regulation

2.1 Women in South African Society

The journey towards women's financial inclusion in South Africa is deeply intertwined with the broader context of women's position in society. As highlighted by stakeholders in the industry, the challenges women face in accessing financial services often mirror the general barriers experienced by the population at large. However, for women, these hurdles are amplified and compounded by gender-specific obstacles that extend beyond the financial realm. To fully understand the landscape of women's financial inclusion, it is essential to examine the socio-economic, legal, and cultural factors that shape women's lives and opportunities. This section explores key dimensions such as education, digital literacy, labour market outcomes, and gender norms, painting a comprehensive picture of the environment in which efforts to promote women's financial inclusion unfold. The box below unpacks important definitional qualifications for the rest of the discussion.

*"[Women's challenges are not] necessarily that different from a lot of the general challenges and barriers that [men in] accessing financial services, **but it is heightened**, and it's overlain by a couple of other general challenges that are not specific to financial services."*
 – Stakeholder interview, Industry Player, emphasis added

"Given our history of apartheid, given our patriarchal customs and traditions, and in terms of culture and religion... there is sort of discrimination on multiple levels because of race, because of culture, because of gender."
 – Stakeholder interview, NGO

Box 2: Gender vs. Sex: A note on terminology

We use the term 'gender' in this report to mean a set of socially constructed roles, behaviours and attributes that a given society considers appropriate for women and men, and girls and boys. From birth, people learn how to think, dress, speak, and act according to norms tied to a binary framework (boy/girl, man/woman). Gender is distinct from sex, which is a biological classification based on characteristics such as chromosomes, hormones, and reproductive organs.

Throughout this report, we predominantly use the terms "men" and "women" when discussing gendered patterns and disparities. This choice reflects our understanding that many of the behavioural outcomes observed in the data are primarily influenced by gender and gender norms, rather than biological sex. However, an exception is made when referencing FinScope data, which categorises individuals by 'sex' as either male or female. To ensure consistency with the dataset, we retain these categories when presenting FinScope findings.

Source: (Ridgeway & Correll, 2004; West & Zimmerman, 1987)

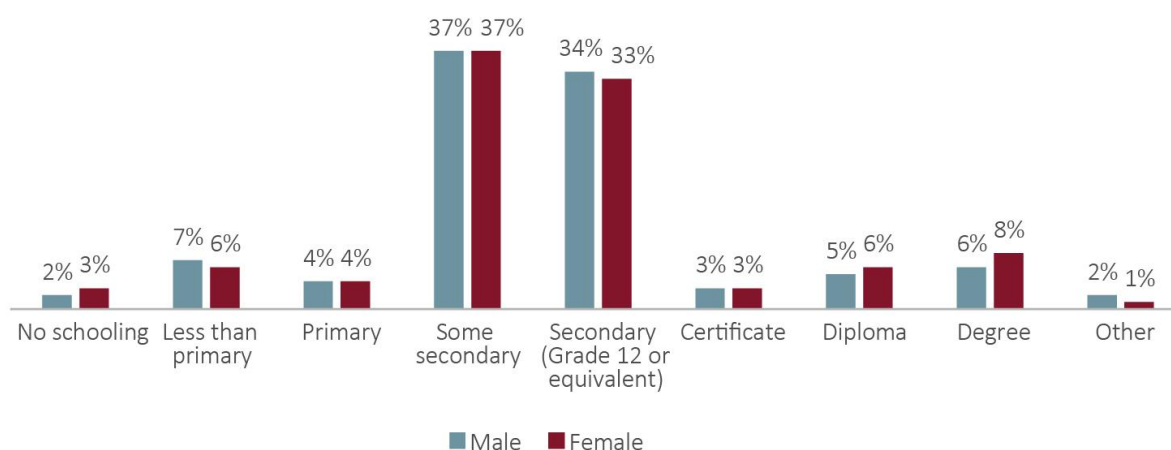
Women's position relative to men in South African society continues to be shaped by a mix of progressive legal frameworks and entrenched socio-economic disparities. Although the Constitution enshrines equality, and various policies seek to empower women, ongoing challenges remain across multiple domains. These include literacy, digital literacy, access to education, employment, and broader economic outcomes. Moreover, persistent patriarchal norms and a high prevalence of gender-based violence (GBV) significantly impede women's full participation in society. Although some issues in financial inclusion affect both men and women, they have a larger effect on women. This disproportionate effect arises from the multiple vulnerabilities that typically

exist in South Africa—such as income, age and education. As a result, women’s financial inclusion is subject to overlapping barriers that are not confined solely to financial services.

Education:

Women in South Africa exhibit higher levels of educational attainment compared to men, especially in tertiary education. In 2022, 8% of women aged 25–64 had a degree as their highest qualification, compared to 6% of men. Similarly, women were more likely to hold diplomas than men. However, a higher proportion of women (3%) had no schooling compared to men (2%), highlighting persistent challenges for some women in accessing education.

Figure 2: Share of persons in the population aged 25–64 years by highest level of educational attainment⁴ and sex⁵



Source: Statistics South Africa (Stats SA) Quarterly Labour Force Survey (QLFS) 2014:Q3 and 2022:Q3 (Department of Higher Education and Training, 2023).

While South Africa has made progress in closing the gender gap in tertiary education, disparities persist in subject and career choices. South African women remain underrepresented in Science, Technology, Engineering, and Mathematics (STEM) fields (UN Women, 2024). Girls often receive fewer resources and less encouragement to pursue STEM subjects, which in turn limits their future career prospects in higher-paying and fast-growing industries such as engineering, information technology, and biotechnology.

Socio-cultural expectations further influence women’s educational choices. Many female students gravitate towards traditionally feminised disciplines—such as the social sciences, teaching, and nursing—due to societal norms, family expectations, or limited exposure to STEM role models. This skew, while not inherently negative, **can perpetuate lower average earnings and more restricted career trajectories for women later in life** (Harambee, 2022).

⁴ The highest level of educational attainment refers to the highest grade completed at school and/or the highest postschool qualification obtained.

⁵ No schooling includes the following categories: No schooling and Grade R/O. Less than primary completed includes the following categories: Grade 1/Sub A/Class 1; Grade 2/Sub B/Class 2; Grade 3/ Standard 1/AET 1 (KHARI RI GUDE, SANLI); Grade 4/Standard 2; Grade 5/Standard 3/AET 2; Grade 6/Standard 4. Some secondary completed includes the following categories: Grade 8/Standard 6/Form 1; Grade 9/Standard 7/Form 2/AET 4; Grade 10/Standard 8/Form 3; Grade 11/Standard 9/Form 4; NTC 1/N1/NC (v) Level 2; NTC 2/N2/NC (v) Level 3; Certificate with less than Grade 12/Std 10; and Diploma with less than Grade 12/Std 10. Other includes the following categories: Other and Do not know.

Literacy:

Literacy is a crucial contextual element for this diagnostic study on women's financial inclusion in South Africa. It serves as a foundational skill that enables individuals to access, understand, and effectively use financial information and services. Without adequate literacy, women face significant barriers in navigating the financial landscape and making informed decisions about their financial well-being. The box below provides a note on how literacy is defined.

Box 3: *Defining literacy*

Literacy is the ability to identify, understand, interpret, create, communicate, and compute, using printed and written materials associated with varying contexts. Literacy involves a continuum of learning in enabling individuals to achieve their goals, to develop their knowledge and potential, and to participate fully in their community and wider society. It measures adults' proficiency in key information-processing skills such as literacy, numeracy and problem solving in technology-rich environments (Montoya, 2018).

According to the report *Adult Illiteracy in South Africa (2022)* by the Department of Higher Education and Training (Khuluvhe, *Adult Illiteracy in South Africa. Fact sheet*, 2022), the **adult illiteracy rate** is calculated by dividing the number of individuals within a specified age group who are not literate by the total population of the same age group and then multiplying the result by 100.

The report defines individuals as not literate if they have not completed Grade 7 or its equivalent qualification, such as the Adult Basic Education and Training (ABET) Level 3. The highest level of educational attainment is used as a proxy for measuring literacy and illiteracy due to the significant costs and resource demands of conducting direct and sustainable literacy assessments for adults.

While the international benchmark for literacy is typically the completion of Grade 5, the Department has adopted Grade 7 as its own standard for literacy because of South Africa's poor performance in international assessments of literacy among Grade 4 learners.

Literacy amongst South Africans has improved over time, however, gender gaps are persistent.

In 2020, South Africa's adult illiteracy rate was 10%, a significant improvement of 9 percentage points over the past decade. However, 4 million adults remained illiterate. Table 3 highlights persistent gender disparities, with illiteracy rates higher among women (11%) compared to men (9%).

Table 3: *Number and percentage of persons in the population aged 20 and older who have not completed Grade 7 and above, by sex, 2010 and 2020.*

Sex	2010			2020		
	Number	% share	Illiteracy rate	Number	% share	Illiteracy rate
Men	2 471 590	43.5	17	1 671 422	44.7	9
Women	3 208 902	56.5	20	2 069 518	55.3	11
Total	5 680 492	100.0	19	3 740 940	100.0	10

Source: *General Household Survey (GHS). Statistics South Africa (Khuluvhe, Adult Illiteracy in South Africa, 2022).*

Financial literacy:

The 2020 Baseline Survey highlights significant gender differences in financial literacy and financial management. Women are more likely to report difficulties in managing debt, with 27% stating they struggle to meet debt and credit commitments compared to 20% of men. However, this discrepancy may reflect more honest self-reporting by women rather than actual (objective) differences in financial difficulties. Additionally, women are more likely to be solely responsible for household money management, with 37% of women taking on this role compared to 34% of men (Roberts, Struwig, Gordon, & Zondi, 2021).

Regression analysis from the Baseline Survey further confirms gender as a significant factor in financial knowledge, with men scoring higher overall. Men also demonstrated greater interest in financial topics, such as savings, interest rates, and credit management. For instance, 34% of men expressed interest in learning about interest rates, compared to 28% of women. This suggests that men may be more proactive in seeking financial knowledge, or at least in expressing a desire to seek financial knowledge, potentially widening the gender gap over time (Roberts, Struwig, Gordon, & Zondi, 2021).

In contrast, the 2019 National Income Dynamics Study (NiDS) offers a different perspective. The NiDS study **shows that while men slightly outperformed women on specific financial literacy questions**, such as numeracy (48% correct for men vs 47% for women) and compounding interest (60% vs 59%), **these differences are not statistically significant** (Southern Africa Labour and Development Research Unit (SALDRU), 2019). The study concluded that men and women in South Africa display **similar levels of financial literacy overall**, with no significant differences within households or across the population.

These findings highlight the complexity of financial literacy in South Africa. While the Baseline Survey reveals gender disparities in self-reported financial management responsibilities, difficulties, and interests, the NiDS study suggests parity in financial knowledge. Where there are large differences in self-reported financial literacy measures, this may reflect greater confidence (rather than actual skills and knowledge) on the part of men.

However, together, these results underline **the importance of gender-sensitive financial education initiatives**, tailored to address differences in financial management challenges and interest in learning while recognising broader socio-economic influences.

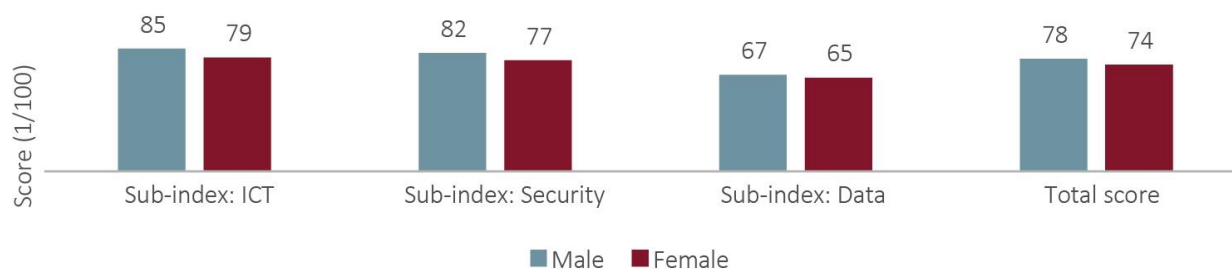
Digital literacy:

Digital literacy—a key driver of modern socio-economic participation—**remains uneven**. In South Africa, 92% of men aged 18 and older are aware of mobile internet, compared to 85% of women. Women are also 15 percentage points less likely to use mobile internet than men and are less likely to have reliable connectivity (GSMA, 2018).

Men consistently outperform women in digital skills across all measured sub-indexes. Digital skills scores reveal a noticeable gender disparity, with men achieving higher scores in every category, as seen in **Figure 3**. The largest difference is on the Internet and Communication Technology (ICT) sub-index, where men scored 85 and women 79.

The ramifications of inadequate digital literacy are broad. As the labour market increasingly shifts towards technology-driven roles, women with limited digital skills risk being confined to precarious employment or informal work. This situation is exacerbated by intersecting socio-economic factors, such as income inequality and care responsibilities, which restrict the time and resources that women can dedicate to acquiring digital skills (UN Women, 2024).

Figure 3: Digital Literacy Scores by sex



Source: GTAC, 2024. *Measuring, assessing and redressing digital inequality and data injustice on the continent: The need for nationally representative demand side survey on digital access and use and individual, house. Session 4: Digital (equitable) inclusion.*

Box 4: Digital inclusion in South Africa

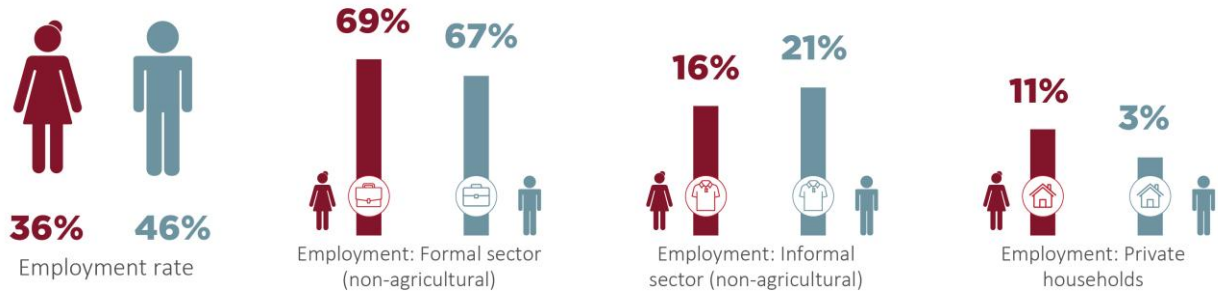
South Africa's ICT sector has seen significant advancements, especially in 5G connectivity and data pricing, underpinned by critical events such as the spectrum auction and the completion of the digital migration process. The 2022 spectrum auction has enabled rapid advancements in 5G infrastructure, with population coverage increasing from 20% to 38% between 2022 and 2023 (ICASA, 2024). While data prices have decreased following the Competition Commission's 2020 mandate for price reductions on prepaid data bundles, affordability remains a significant barrier for low-income individuals.

These developments were further facilitated by the completion of the digital migration process in July 2023, freeing up additional spectrum previously occupied by analogue broadcasting. This transition allowed for enhanced broadband services, particularly in lower frequency bands that are ideal for rural connectivity. Despite these achievements, an analysis of South Africa's fixed and mobile network performance revealed **persistent regional disparities** (ICT Africa, 2023). While the country ranks relatively well globally, with Gauteng and the Western Cape exhibiting superior connectivity, rural provinces such as Limpopo and the Northern Cape face significant challenges, characterised by limited infrastructure, lower adoption rates, and inconsistent service quality.

Male-headed households are twice as likely to have internet access compared to female-headed households. The General Household Survey (GHS) 2023 survey shows that 14% of male-headed households have an internet connection, compared to just 7% of female-headed households (StatsSA, 2023). Overall, only 11% of households in South Africa reported having internet access in their homes, highlighting persistent disparities in digital connectivity.

Labour market: While the national unemployment rate is high for all demographic groups, women consistently bear the brunt of joblessness. A higher percentage of men are employed relative to their population (46%) compared to women (36%). Among those employed, women are more likely to work in formal sectors compared to men but are disproportionately concentrated in private households.

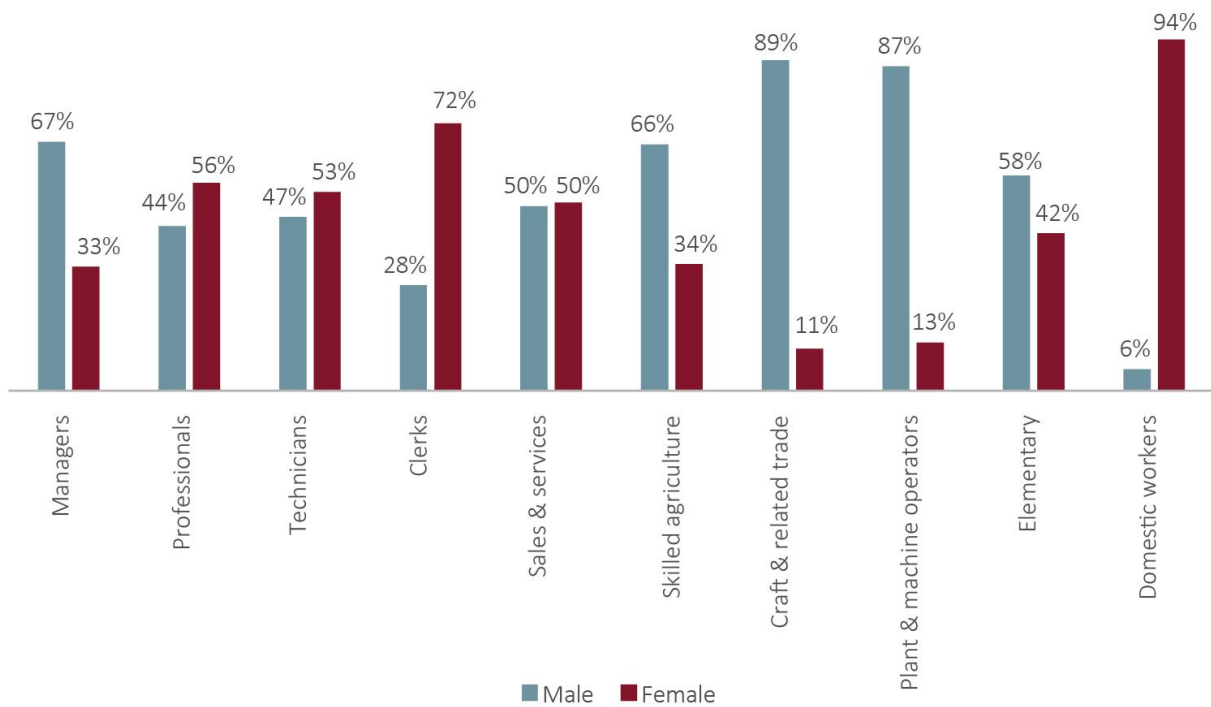
Figure 4: Employment gaps, by sex



Source: Adapted from the Quarterly Labour Force Survey, Quarter 3: 2024

In addition to higher unemployment rates, the gender pay-gap remains a pressing concern, with women in both the private and public sectors often earning less than men for equivalent work (Harambee, 2022). This disparity is partially attributed to occupational segregation, wherein women are concentrated in lower-paid professions, but it also reflects deeper systemic biases. These biases manifest in hiring practices, limited access to entrepreneurial financing, and pervasive stereotypes about women’s roles in the workforce.

Figure 5: Occupational categories by sex



Source: Quarterly Labour Force Survey, Quarter 3: 2024

Women and men in South Africa are concentrated in different types of jobs, illustrating clear occupational segregation. Women are overwhelmingly found in clerical and domestic work, while men dominate skilled craft and related trades and plant and machine operation. Notably, managerial roles are dominated by men (67% men vs. 33% women), indicating a large gender gap in leadership. However, women outnumber men in professional roles (56% women vs. 44% men). The trend suggests that while women are more prevalent in lower-wage and care-related occupations, men dominate industries requiring technical skills and physical labour.

Care responsibilities exacerbate these issues by limiting the time women can devote to paid employment or professional development. This “care penalty” directly contributes to lower earning potential and can stall career advancement. If women choose part-time work or step away from the labour market temporarily, they often struggle to regain lost ground in seniority and wages upon re-entry. The undervaluing of care work also has broader socio-economic implications. During crises such as the HIV/AIDS epidemic and the COVID-19 pandemic, women bore the brunt of increased caregiving responsibilities while also suffering higher job losses. Despite these challenges, caregiving remains an expected duty for women rather than a shared societal responsibility.

Gender-based violence:

Gender-based violence remains one of the most critical indicators of entrenched patriarchy in South Africa. South Africa has one of the highest rates of GBV in the world, with women from economically disadvantaged backgrounds being disproportionately affected (Department of Science, Technology and Innovation, 2024). Nationally, 33.1% of women aged 18 years and older reported experiencing physical violence at some point in their lives (Zungu, et al., 2024). The findings from the first national gender-based violence study (Zungu, et al., 2024) indicate significant disparities based on race and relationship status. Black African women reported the highest prevalence of physical violence at 35.5%, compared to women of other racial groups. Relationship status also played a role, with 43.4% of women who were cohabiting but not married reporting lifetime physical violence. This was significantly higher than the rates among currently married women and those not in a relationship. These figures suggest that women in non-marital cohabiting relationships are particularly vulnerable, potentially due to reduced legal protections and economic dependency.

Economic vulnerability exacerbates the risk of GBV. Many women in South Africa lack financial independence, which restricts their ability to leave abusive relationships. Low-income women, particularly those in informal employment or unemployed, often find themselves trapped in cycles of abuse due to financial dependence on their abusers. The lack of access to secure housing, legal resources, and financial stability makes it extremely difficult for survivors to seek justice or rebuild their lives independently. Furthermore, workplace harassment is a critical issue, with many women experiencing sexual coercion in exchange for job security or economic benefits.

Concluding remark:

South Africa presents a complex picture when it comes to women’s socio-economic status. On the one hand, constitutional guarantees and targeted policies have facilitated gains in literacy, formal education enrolment, and political representation. On the other hand, gender pay gaps, limited digital literacy, and disproportionate care responsibilities underscore the systemic hurdles women still face in achieving true parity with men. Perhaps most worryingly, the entrenched patriarchal culture manifests vividly in staggering rates of gender-based violence, which robs women of basic security and undermines progress in other spheres.

2.2 General Policy and Regulatory Environment

Gender-related laws and legislation

South Africa’s policy and legal framework reflects a **strong commitment to gender equality, anchored in the Constitution of South Africa (1996)**. The Bill of Rights, through section 9, explicitly guarantees equality and prohibits discrimination based on gender, sex, and marital status, forming the foundation for gender-related legislation (The Republic of South Africa, 1996). The National Development Plan 2030 (NDP) similarly underscores the import of women’s emancipation – although, in recent years, it has been met with commentary critiquing the failure to implement laws that address the systemic barriers women face (National Planning Commission, 2021).

While many of policies and frameworks do not directly target the financial sector, several have been introduced to **establish critical principles that can and should guide efforts to advance women's financial inclusion**. At the core is the National Policy Framework for Women's Empowerment, which highlights the need to integrate gender considerations into broader development strategies—a principle that financial institutions should prevail across all sectors (The Office on the Status of Women, 2000). In addition, the Women Empowerment and Gender Equality Bill (WEGE Bill), passed in 2013, seeks to institutionalise gender equality across sectors by setting targets for women in leadership and integrating gender considerations into development strategies (Republic of South Africa, 2013).

Other legislation, like the Broad-Based Black Economic Empowerment (B-BBEE) Act⁶ and Employment Equity Act (1998)⁷, similarly include provisions to promote women's economic participation.

Together, these legal documents create a solid framework for promoting gender equality and empowerment in South Africa. Several of these go beyond ensuring equality to actively addressing systemic barriers and promoting women's economic participation. However, a large critique revolves around the persistent gap between policy intent and practical implementation. The **real challenge for women's empowerment becomes an issue of realising the intentions of the legal framework**.

Financial policies, legislation and regulation

Policy initiatives for financial inclusion:

South Africa's approach to financial inclusion is embedded within its broader developmental framework. In 2004, work began on the Financial Sector Charter and further refined in the Financial Sector Code in 2012, which aims to promote transformation in the financial sector (World Bank, 2022). In more recent years, financial inclusion has most notably articulated in the NDP Vision 2030. The **NDP positions financial inclusion as a crucial mechanism for addressing the triple challenges** of poverty, inequality, and unemployment (National Planning Commission, 2012). This sets the backdrop against which future financial inclusion policies/ legislation have been developed.

The Financial Sector Regulation (FSR) Act 2017, introduced as part of South Africa's Twin Peaks model, **formalised financial inclusion as a key policy and institutional objective** (Republic of South Africa, 2017). The Act mandates the two financial sector regulators – the Prudential Authority (PA) and the Financial Sector Conduct Authority (FSCA) – to advance financial inclusion alongside their core regulatory functions, embedding it within the country's financial sector governance (Republic of South Africa, 2017).

Following on from this, the release of the Financial Inclusion Policy Framework in 2023, marked another step forward in entrenching financial inclusion as a policy commitment.⁸ This framework emphasises removing barriers to financial services for 'historically excluded' and 'vulnerable' groups, and addressing gaps in financial inclusion for small businesses and individuals. 'Excluded groups' in this regard refers to the poor, women, youth and people living in remote rural areas (The

⁶ Section 9(4) of the B-BBEE Act 53 of 2003 states: "In order to promote the achievement of equality of women, as provided for in section 9(2) of the Constitution, a code of good practice issued in terms of subsection (1) and any targets specified in a code of good practice in terms of subsection (3), may distinguish between black men and black women"

⁷ Section 6(1) of the Employment Equity Act 55 of 1998 provides that "No person may unfairly discriminate, directly or indirectly, against an employee, in any employment policy or practice, on one or more grounds, including race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, birth or on any other arbitrary ground."

⁸ Prior to the 2023 Financial Inclusion Policy, the National Treasury, in 2011, released the policy document 'A safer financial sector to serve South Africa better' (National Treasury, 2011).

National Treasury, 2023). FSCA similarly has a Financial Inclusion Strategy (2020) in place, however, this also neglects to mention gender-specific goals (FSCA, 2020). While these policies/strategies set an inclusive tone, **they do not yet explicitly prioritise women as a target group**, and instead, groups women together with other vulnerable and under-served peoples. However, discussions with stakeholders indicate that **the detailed prioritisation and targeting of specific vulnerable groups, including women, is likely to emerge during the implementation phase rather than in the high-level policy frameworks**. The box below provides examples from the financial inclusion policies of other countries where gender/ women is explicitly mentioned and targeted. Leaving gender for targeting in the implementation of the policy risks it being ignored in the face of other competing interests.

Box 5: *Examples of Financial Inclusion Policies that explicitly mention 'women'/'gender'*

The integration of gender considerations into National Financial Inclusion Strategies (NFIS) varies significantly across jurisdictions. Recent strategies from several African nations demonstrate how gender can be meaningfully incorporated into financial inclusion policy frameworks from the outset.

- **Zambia National Financial Inclusion Strategy (NFIS) (2024 – 2028):** The strategy mentions 'women' 15 times throughout the document and contains a dedicated sub-segment focusing specifically on women's financial inclusion. Notably, it establishes concrete targets – for instance, the strategy includes a target to increase women's usage of digital financial services from 43.5% to 65 % (Bank of Zambia, 2024).
- **Uganda's NFIS (2017 – 2022):** The strategy identifies women as a priority segment and establishes specific targets for reducing the gender gap in financial access. The strategy is notable for its detailed monitoring framework, which includes gender-disaggregated indicators to track progress (Bank of Uganda, 2017).
- **Rwanda's NFIS (2021 – 2025):** The strategy mandates that all financial inclusion initiatives must consider their impact on women and sets specific targets for increasing women's access to formal financial services (National Bank of Rwanda, 2019). A standalone document titled 'Women Financial Inclusion Guidelines' provides tools and examples for financial service providers to deepen women's financial inclusion (National Bank of Rwanda, 2022).

These cases illustrate how **gender considerations can be explicitly targeted in national policy and strategy frameworks**, and, in some instances, provide directions to industry players themselves.

The Women's Financial Inclusion Framework (WFIF), established in 2019 by the Department of Women, Youth, and Persons with Disabilities (DWYPD), is the **first document that explicitly acknowledges the overlap** of the financial sector with the experience of women (DWYPD, 2019). The WFIF purports to:

“Provide a strategy on the inclusion of women into the mainstream economy, by promoting the meaningful participation of women into all socio-economic activities of the country and ensuring that this is done comprehensively and in a fully inclusive manner.”

Prior to the establishment of the **WFIF** in 2019, there was limited explicit focus on the intersection of financial inclusion and gender within national policy initiatives. However, the Financial Inclusion Policy does not reference this document, and it is unclear, based on discussions with stakeholders, whether this framework is regarded in the financial sector space.

Regulatory Framework:

The regulatory framework governing South Africa’s financial sector follows a dual-regulator model. At its core is the FSR Act of 2017, which establishes the Twin Peaks model. This model introduced two key regulatory bodies to oversee the financial system (Republic of South Africa, 2017):

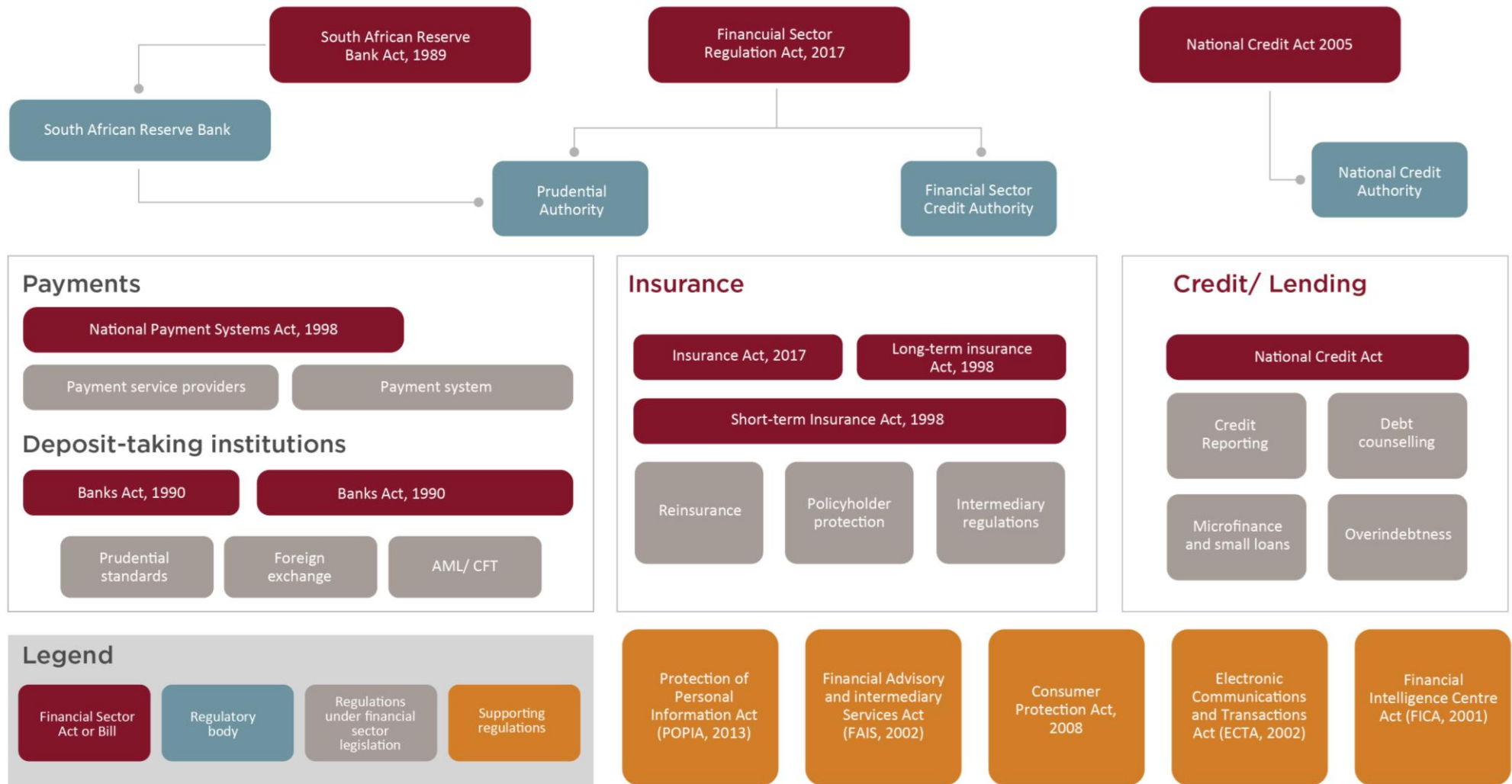
- **PA:** Responsible for ensuring the **safety and soundness of financial institutions** such as banks, insurers, and market infrastructures. The PA operates within the South African Reserve Bank (SARB), which remains central to monetary and financial stability.
- **FSCA:** Tasked with supervising market conduct to ensure that financial institutions **treat customers fairly** (under the Treating Customers Fairly (TCF) framework) and **uphold consumer protection standards.**

The South African financial sector is governed by **a comprehensive set of laws and regulations** that provide a robust framework for oversight. These are structured around key sectors such as banking and payments, insurance, and credit/lending, with additional cross-sectoral regulations ensuring alignment with broader economic and social priorities. The institutional landscape includes regulators such as the PA, FSCA, National Credit Regulator (NCR), and South African Reserve Bank (SARB), each playing a pivotal role in maintaining stability and protecting consumers.

The figure overleaf visualises the regulatory framework in South Africa, breaking it down by sector—Payments, Insurance, and Credit/Lending—and mapping these against their respective laws and regulatory bodies. It also highlights the broader legal environment, such as consumer protection laws (e.g., Consumer Protection Act, 2008) and data privacy regulations (e.g., POPIA, 2013), which cut across all financial services.

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Figure 6: Overview of South Africa's Financial Sector Regulatory Framework



Source: Author's own

The proceeding discussion provides more detail on the regulatory framework across the identified sectors of pertinence to women's financial inclusion, namely – payments and banking, insurance, and credit/ lending, as well as other regulation relevant to financial inclusion.

Payments / Banking:

South Africa's legal framework for deposit-taking activities, governed by the Banks Act, limits this function to banks, including mutual banks and cooperative banking institutions (World Bank, 2022). Non-banks, under the National Payment System Act and subsequent directives such as Directive No. 1 of 2007, are permitted to offer payment-related services but are excluded from deposit-taking (Republic of South Africa, 1998). This regulatory environment has historically **reinforced the dominance of South Africa's largest four banks, which hold the majority of deposits, creating a highly concentrated financial sector** (World Bank, 2022).

Recognising the need to foster competition and enhance financial inclusion, the SARB introduced the National Payment System Framework and Strategy: Vision 2025. This strategy aims to modernise the payment ecosystem by allowing non-bank entities to (SARB, 2023):

- Issue electronic money (e-money),
- Process domestic remittances,
- Offer payment services independently,
- Become members of the Payments Association of South Africa (PASA), and
- Participate as clearing members with settlement accounts at the SARB.

The **Payments Vision 2025** thus represents a **departure from the traditional bank-centric payment system** in that it aims to “promote competition... *extend the availability of digital payment services to all sectors of society*” (SARB, 2023) (emphasis added). A central way to achieving this is the opening up the market to non-bank players by allowing their direct participation in the payment system.⁹ Based on global precedent, this is theorised to increase competition and reduce costs in payment services.

However, the strategy's success in promoting financial inclusion through increased competition **requires careful consideration of regulatory requirements**. While non-bank players must maintain appropriate risk management standards, overly burdensome compliance requirements could undermine the strategy's objectives (SARB, 2023). Specifically, if these entities face similar risk-based compliance and liquidity management requirements as traditional banks, including maintaining substantial liquidity at the SARB, there is a risk that these costs will be passed on to consumers.

Similarly, Vision 2025 outlines **additional several digital public infrastructure (DPI)¹⁰ initiatives aimed at enhancing financial inclusion**. This includes the development of a digital financial ID system, which aims to streamline customer identification and verification systems while maintaining robust security standards (SARB, 2023). Another development is the national low-value, real-time digital payment system, PayShap, launched in 2023 by BankservAfrica (SARB, 2023). As of November 2024, SARB intends to acquire 50% of BankservAfrica, the country's payment operator, and transform it into a **Payments Utility** through a collaboration with commercial payment stakeholders (BankservAfrica, 2024). This is in line with other DPI initiatives globally, as shown in the box below, which ultimately aim at creating inclusive, efficient and

⁹ Amendments to the National Payment System Act will allow non-bank players will be able to provide clearing and settlement services without the need for bank sponsorship (SARB, 2023)

¹⁰ Digital Public Infrastructure (DPI) can be defined as “foundational and re-usable digital platforms and building blocks such as digital ID, digital payments, and data sharing - that underpin the development and delivery of trusted, digitally-enabled services across the public and private sector” (World Bank, 2024).

interoperable digital financial ecosystems that can lower barriers to entry, reduce costs, and expand access to financial services for underserved populations.

Box 6: *Drawing on the DPI precedent set by Brazil and India*

Brazil and India's experiences with DPI in the financial sector demonstrate how *well-designed, low-cost digital systems* can transform the financial industry with the greater public in mind.

Brazil's Pix instant payment system, launched in 2020, processes over 15 million transactions daily and has dramatically reduced transaction costs. The system's success lies in its mandatory participation requirement for large banks and its zero-cost structure for individual users, making digital payments accessible to previously underserved populations (GPFI, 2024).

India's "India Stack" represents an even more comprehensive approach, combining digital identity (Aadhaar), instant payments (UPI), and data sharing frameworks (Account Aggregator) into an integrated ecosystem (GPFI, 2024).

According to research studies, **DPI also presents benefits for women's financial inclusion and empowerment**. For instance, in India, Field et al. (2021), digital payments have purported to increase women's employment outside the household. In Pakistan, through digital-identification links to cash transfers, women have reported to exert greater control over their monies (Clark, 2021).

Credit/ Lending:

The National Credit Act (NCA) of 2005 was designed to promote fair, transparent and accessible credit market while safeguarding consumers from reckless lending and over indebtedness. Central to its objectives is the protection of historically disadvantaged groups and low-income persons, as per Section 13(a), with well-formulated intentions to address South Africa's legacy of financial exclusion (The Republic of South Africa, 2005). However, the NCA does not specifically provide for the promotion of financial inclusion or prevention of financial inclusion.

However, despite these protective measures, the NCA and its implementing body, the NCR, have faced **significant criticism for their limited impact in achieving these financial inclusion objectives**, which purport to have extenuating influences on women. Despite introducing interest rate caps, the NCA has not been able to reduce credit costs, with unsecured personal loans still carrying maximum interest rates of 28% per annum plus additional fees (Bechard, 2024). In addition, for SMEs, the overly stringent regulations promulgated by the NCR, including strict affordability assessments and limited understanding of business risks, drives the cost of business financing (South African Institute of Professional Accountants, n.d.). Lastly, the debt review process has been criticised for being too expensive for low-income users, as well as lengthy and administratively cumbersome (Roestoff & Hermie, 2012).

Insurance:

The insurance legislative and regulatory framework has evolved in recent years to promote greater inclusion while ensuring market stability. The Insurance Act of 2017 and the Financial Sector Regulation Act establish the core regulatory framework. A **significant development for financial inclusion was the introduction of the Microinsurance policy document** in 2011, after which it was integrated into the Insurance Act, which outlines the prudential standards for micro insurers (Oyekan, 2019). This framework creates a dedicated tier of insurance regulation with simplified capital requirements and streamlined compliance processes, enabling new providers to enter the market with products tailored to lower-income segments.

The funeral parlour industry represents a particularly important case study in the formalisation of informal financial services. Historical regulatory gaps allowed funeral parlours to operate in a grey area, often **providing insurance-like benefits without proper licensing or consumer protection** (CENFRI, 2013). Recognising both the risks and the industry's importance in serving low-income communities, regulators adopted a phased approach to formalisation (Oyekan, 2019). As recently as 2024, FSCA and the PA have released a joint communication regarding the appropriateness and effectiveness of the current regulatory framework – which includes both industry perspectives (including the ability of the market to achieve long term growth and onerous demands of the microfinancing licensing framework) and regulator views (such as the high number of unlicensed entities, including funeral parlours engaged in self-writing of insurance policies, who present high risks to consumers) (FSCA, 2024).

Other legislation:

Another notable piece of legislation, which is sector-agnostic, is the Conduct of Financial Institutions (COFI) Bill – which is, as of 2025, still in draft form. This is what is called ‘an umbrella’ piece of legislation, which will **replace existing industry-specific conduct regulation, thus harmonising the legal framework** for financial institutions (National Treasury, 2018). The Bill emphasises fair treatment of customers and includes provisions for financial inclusion, though it does not specifically address gender-based barriers (National Treasury, 2018).

The **reform of South Africa's ombud system** represents a critical component of the broader financial inclusion agenda, particularly as it relates to consumer protection in an increasingly digital financial landscape. The National Treasury has released a position paper on reforming the ombud system, recognising that the current fragmented structure may not adequately serve vulnerable consumers, including women (World Bank Group, 2021). A key concern driving this reform is the rise in digital financial services and associated risks of fraud and scams, which disproportionately affect those with lower financial literacy. The current system's complexity makes it difficult for consumers to know where to direct complaints, particularly for those in remote areas (World Bank Group, 2021). This reform will reduce seven of the ombud schemes to two bodies – namely the National Financial Ombud (NFO) and Retirement Funds Ombud (RFO) – with the aim of introducing simplicity and, ultimately, greater consumer protection (National Treasury, 2024).

As noted in stakeholder interviews, the **financial sector in South Africa is undergoing increasing regulation**, and primary challenge lies in the implementation of these regulations in the financial sector. While large, tier-one businesses can quickly adapt to new processes and requirements, smaller financial institutions struggle to keep pace. The rapid development of regulatory frameworks, despite its good intentions, can make it difficult for organisations to effectively integrate new compliance measures.

2.3 Financial Sector Overview

South Africa has been lauded for its **large and relatively sophisticated formal financial sector**, compared to its Sub-Saharan counterparts. The sector consists of both banks and non-banks, including insurers, pension funds, unit trusts (National Treasury, 2019). The financial sector's structure reflects significant concentration in terms of both number of institutions and assets under management. As per the below table, the banking sector dominates the landscape with R8.15 trillion assets. This concentration of assets among a small number of institutions highlights the highly concentrated nature of South Africa's financial sector.

Table 4: Overview of bank and insurance sector

	Number of companies	Assets of sector (R 'billion)	Assets as percentage of GDP* (%)
Banks	28	8 158	116
Long-term insurers (life)	74	4 468	64
Short-term insurers (non-life)	70	292	4,2

Source: (SARB, 2024a) (SARB, 2024b)

Note: Based on the 2024 GDP estimate taken from StatsSA (2024b) of R7 trillion.

South Africa's banking sector remains **characterised by high levels of concentration across its major segments**. The banking sector continues to be dominated by five major banks controlling over 90% of total assets, though they demonstrate strong capital adequacy ratios exceeding regulatory minimums (SARB, 2024a). Digital transformation is reshaping the banking landscape, with traditional banks rapidly expanding their digital offerings while emerging fintechs and digital-only banks gradually increase competitive pressure, as summarised in the box below (SARB, 2024c). The introduction of PayShap represents a significant advancement in the country's retail payments infrastructure, marking a shift towards more efficient real-time payment systems (SARB, 2023).

Box 7: The rise of digital banks in South Africa

Digital banks in South Africa, often referred to as neo-banks or challenger banks, have emerged with a new value proposition. This is centred on lower fees, enhanced digital accessibility and more user-friendly services. The following are notable entrants in the market:

- **TymeBank** (Launched 2017): Focuses on low-cost transactions, simplified account opening, and basic banking services like savings accounts, instant money transfers, and prepaid mobile services. TymeBank's self-service banking kiosks, positioned at retailers, provide remote onboarding options (PMG, 2019).
- **Bank Zero** (Launched in 2018): Positions itself as a completely 'fee-free' banking solution, with instant account opening and real-time transaction notifications, as well as integrated budgeting tools (Bank Zero, n.d.).
- **Capitec Global One:** While not an entirely new entrance, Capitec has launched more digital offerings that is focused on providing low-cost banking solutions.

These entrants are reshaping financial inclusion in South Africa by lowering entry barriers, reducing costs, and aiming to provide accessible financial services to demographics traditionally marginalised by conventional banking systems.

According to stakeholder interviews, the banking sector's **pricing structure places an undue burden on consumers**, particularly regarding cash and card transactions. Interchange fees in South Africa are unconscionably high, making digital transactions more expensive than they should be. This high cost of financial transactions limits economic participation and capital formation. The advent of 'zero fee' banks, such as Bank Zero, holds a promising solution to address this issue.

The insurance market shows divergent trends across its segments. While market concentration remains high, with the top five insurers controlling approximately 70% of the market, it is notably less concentrated than the banking sector. The life insurance sector has demonstrated resilience and recovery post-COVID, with improved premium collection rates (FSCA, 2022). Reports indicate that this non-life insurance segment, on the other hand, faces mounting profitability pressures, particularly due to increased claims from climate-related events (KPMG, 2024). The microinsurance segment, important for serving the low-income market, continues to show steady growth – increasing from 1 registered entity in 2020 to 10 in 2024 (SARB, 2024b; SARB, 2020). This growth is particularly for funeral insurance coverage. Across the sector, digital distribution channels are gaining importance alongside traditional broker networks (Mckinsey, 2021).

The retail lending landscape presents a more complex picture, with **signs of stress emerging in the consumer credit market through rising defaults and non-performing loans.** As of 2022, there were 7838 registered credit providers (FSCA, 2022). According to the latest NCR Consumer Credit Market report, credit is granted by various providers – including banks, non-bank vehicle financiers, retailers and other credit providers – and is dominated by bank credit (at 79% distribution) (NCR, 2024). Unsecured lending is increasing at a greater rate than secured credit expansion, which might allude to the lack of resilience of South African households (NCR, 2024). The market is being reshaped by the emergence of digital lenders and "buy-now-pay-later" services, though this innovation brings new regulatory challenges around responsible lending practices and consumer protection (FSCA, 2022).

Although this section has covered the formal financial sector market, it would be remiss not to acknowledge the **existence of a large informal financial sector market.** In this regard, the informal sector represents a parallel financial system that thrives alongside formal institutions and provides a service for many low-income consumers. Noteworthy informal financial services include the following:

- **Stokvels**, the most prominent informal financial arrangement, serve an estimated 11.4 million South African participants with a market value exceeding R50 billion annually (Ipsos, 2024). These rotating savings and credit associations take various forms: savings stokvels (34% of all stokvels), burial societies (24%), investment groups (21%), and grocery stokvels (18%), reflecting their diverse roles in financial management and social support (Old Mutual, 2024).
- **Mashonisas (informal moneylenders)** constitute another significant component of the informal financial sector. Despite their often-exploitative interest rates, which can range from 30-50% monthly, they remain popular due to their accessibility, speed of service, and minimal documentation requirements (FSCA, 2022).
- **Burial societies**¹¹, distinct from stokvel-based burial schemes, serve more than 4 million South Africans (TimesLive, 2024). These community-based institutions persist despite the growth of formal funeral insurance, partly because they combine financial services with social support during bereavement.

The persistence of informal financial services reflects both their cultural significance and their ability to meet needs unaddressed by formal institutions. However, these arrangements carry risks in that the consumers, without any form of consumer protection, are open to exploitation and fraud. In addition, many informal financial structures lack proper governance structures or management expertise, increasing the risk of misappropriation or mismanagement.

¹¹ As per the description from Old Mutual, burial societies are created by communities to address the very real need of having to pay for a funeral. The amount of money required for such a solemn affair was seldom readily on hand for most of the population. A burial society typically consists of members of a community who contribute a monthly fee but are not bound by a contract. The society is governed by a constitution and there are rules as to how many family members you can cover and how much should be paid out.

3. Access to financial services/ products

Overview: Current state of access to financial services/ products

The landscape of financial access in South Africa presents a complex picture where traditional metrics of inclusion tell only part of the story. The story, however, always starts with ‘access’ as the entry point, as introduced in the box below. This sub-section provides an overview of the current state of access to financial services/ products across gender lines, and then considers the demand- and supply-side factors that may explain the access trends observed.

Box 8: *Defining ‘access’ of financial services/ products*

Access to financial services refers to the availability of quality financial services at reasonable costs, where quality includes convenience, product features, and dignified treatment (CGAP, 2023).

The evolution from Financial Inclusion 1.0 to 2.0 reflects a deeper understanding of access:

Financial Inclusion 1.0 focused primarily on basic access metrics - whether people had accounts or could access financial touchpoints. The World Bank’s Global Findex database historically measured this through indicators like account ownership and proximity to financial access points (Demirguc-Kunt, Klapper, & Singer, 2017).

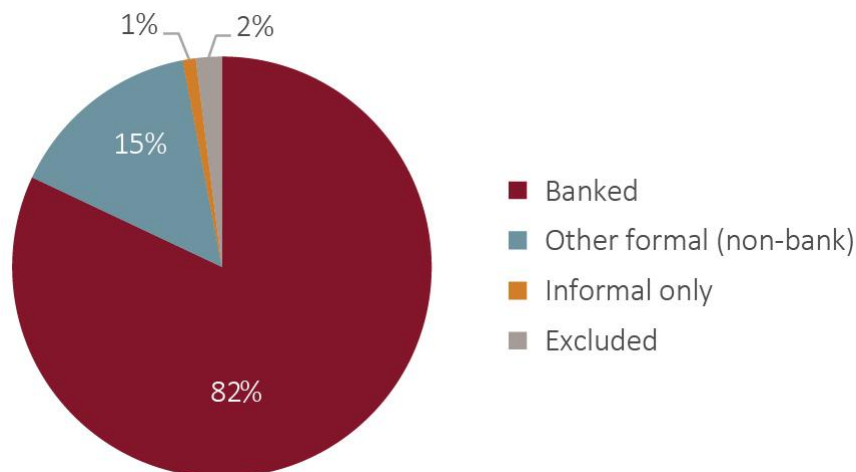
Financial Inclusion 2.0 recognises that access is just the foundation. CGAP’s latest strategy emphasises that meaningful financial inclusion requires going beyond mere access to ensure active usage of services and the quality and relevance of financial products.

Source: (Demirguc-Kunt, Klapper, & Singer, 2017; CGAP, 2023)

When measuring bank account access on the African continent, **South Africa far outperforms the sub-Saharan average** of 55% (World Bank, 2022). This difference can largely be attributed to post-apartheid efforts to rapidly include the poorest of the population into the financial sector. Following the establishment of the Financial Sector Charter in 2003, the South African government collaborated with major banks to roll out the Mzansi account - a standardised, affordable bank account with no management fees and reduced documentation requirements (Munacinga & Maciko, 2022).

At a population level, **the vast majority of South African adults are included in the formal financial fold**. As seen in the figure below, access to banking services constitutes 82% of the population, whereas 15% access formal non-banks. Only 1% of the adult population (age 16 +) rely on informal financial services such as saving clubs. The data suggests that South Africa has made significant progress in expanding access to formal financial services, with traditional banking being the dominant channel for financial inclusion.

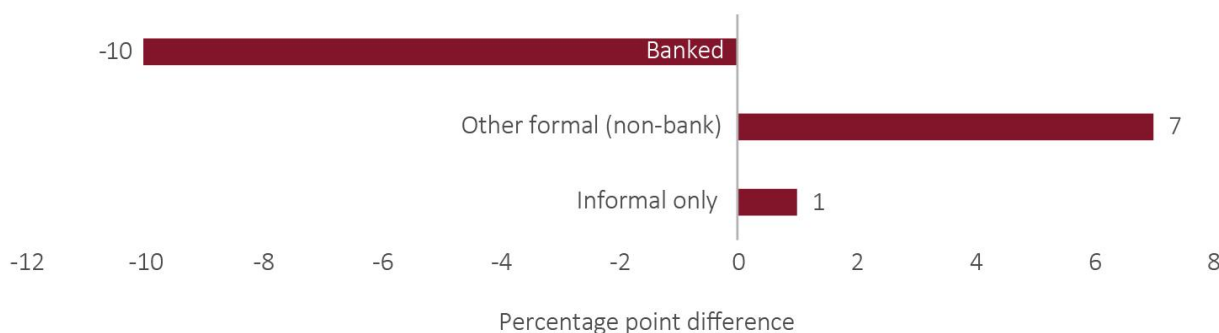
Figure 7: Overall financial access by different financial services (%) in South Africa, SA adult population



Source: UN Women and FinMark Trust status report: Financial inclusion and gender in SADC sub-region, 2024

While **women have a greater advantage in formal bank account ownership**, men appear to have **more diversified financial service usage** across both formal non-bank and informal sectors. Men have a two-percentage point advantage over women in financial access, with men’s advantage mainly originating for other formal (non-banked products) (FinMark Trust; UN Women, 2024). However, bank account ownership alone may not tell the complete story of financial inclusion - men may have more varied financial strategies despite lower formal banking rates.

Figure 8: Percentage point difference between men and women for the different financial services



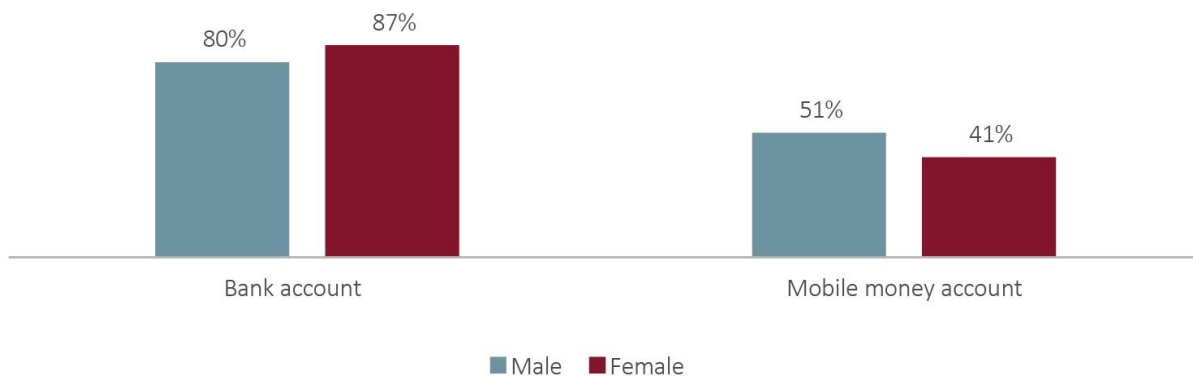
Source: UN Women and FinMark Trust status report: Financial inclusion and gender in SADC sub-region, 2024

Note: On interpreting the data: The gap between women and men in terms of financial access is calculated by subtracting the percentage value of women from that of men (per cent of men – per cent of women). A negative percentage point difference means that the percentage of women who have a particular characteristic is higher than that of men. If the percentage point difference is positive, it means that men are more likely than women to have a particular characteristic (FinMark Trust; UN Women, 2024).

Payments:

Women have **higher traditional bank account ownership** than men, while **mobile money ownership lags**. Overall, as shown in the figure below, there is general parity across account ownership. Reasons for the high degree of bank account ownership by women are unpacked further in the sub-section on Demand-side factors affecting access:

Figure 9: Financial account ownership in own name, by sex (%)



Source: FinScope SA Consumer Survey 2024

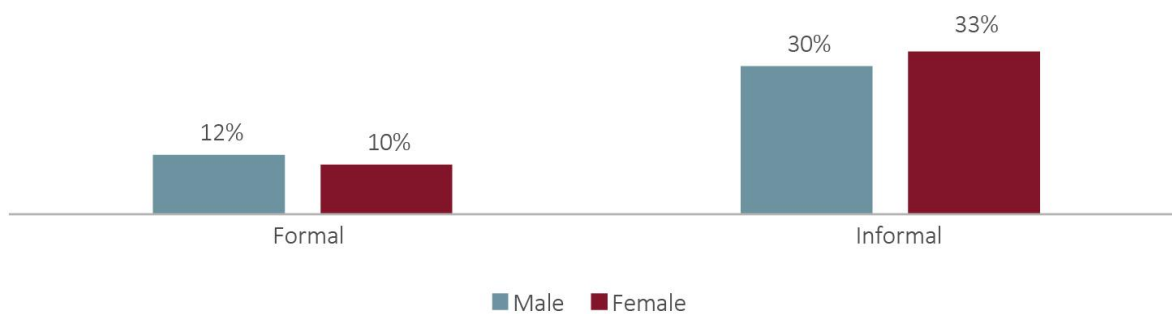
Higher education is strongly associated with bank account ownership among women, but bank access remains high across all education levels. Nearly all women with a university degree (98%) and those with a diploma (93%) have a bank account, reinforcing the link between education and financial access. However, bank account ownership is also high among women with only a matric qualification (89%) or primary education (89%), and even 96% of those with no formal schooling have an account (FinScope SA Consumer Survey, 2024).

Bank account ownership increases with income, with near-universal access among higher earners. All women earning R12 000 or more per month reported having a bank account. Even among lower-income groups, ownership remains high, with 90% of those earning R1-R999 and 95% of those earning R2 000–R2 999 have a bank account.

Savings/ Investment:

South African women show a clear preference for informal savings mechanisms, although, this trend varies significantly by income level. While informal savings (like stokvel/ savings groups) are more popular than formal products for both genders (33% for women vs 30% for men), the income breakdown reveals a more nuanced story. Women in middle-income brackets show the highest engagement with informal savings (**reaching 57%**), while **formal product access peaks at only 42%** even among the highest earners (R60 000+). Even when women have the financial means to access formal investment products, they continue to favour community-based savings mechanisms.

Figure 10: Savings/investment product holding (Formal vs Informal) access by sex (%)

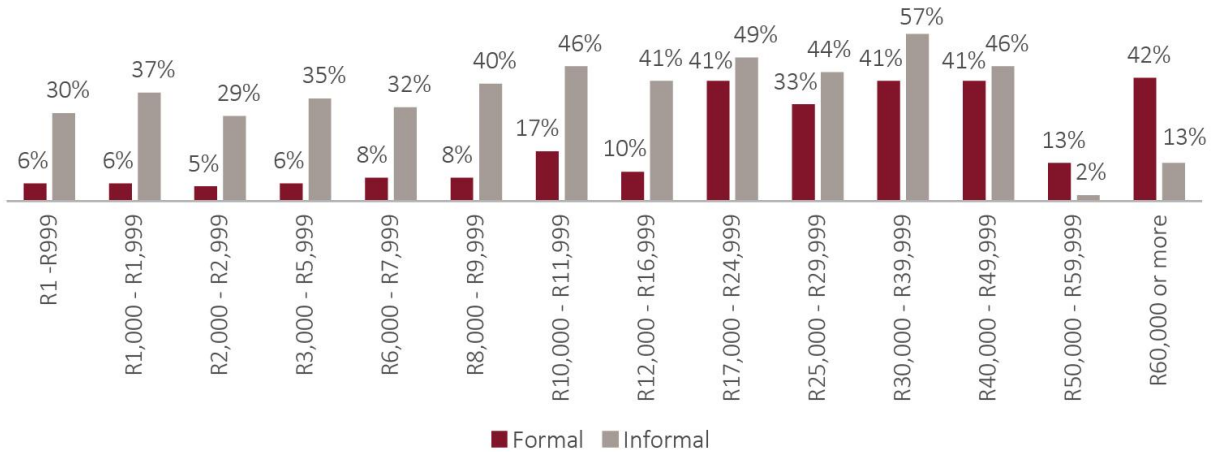


Source: FinScope SA Consumer Survey 2024

Note:

- Formal products include: Unit trusts, education policy/ plan, investment/ savings policy, endowment policy, shares on the stock exchange, government bond, off-shore investment, tax-free savings, structured deposits/ products, crypto-currency
- Informal products include: stokvel account, stokvel/ umgalelo, savings club/ groups, give money to family/ household members to keep safe, keep cash or savings at home for specific purpose

Figure 11: Access to formal and informal savings & investment products by household income for women (%)



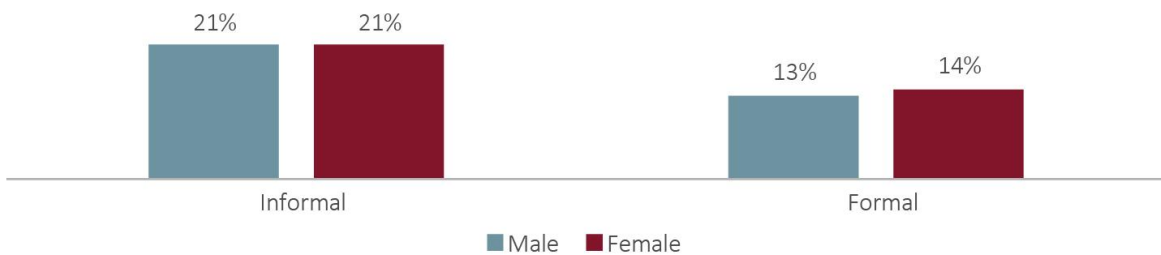
Source: FinScope SA Consumer Survey 2024

Credit/ Debt:

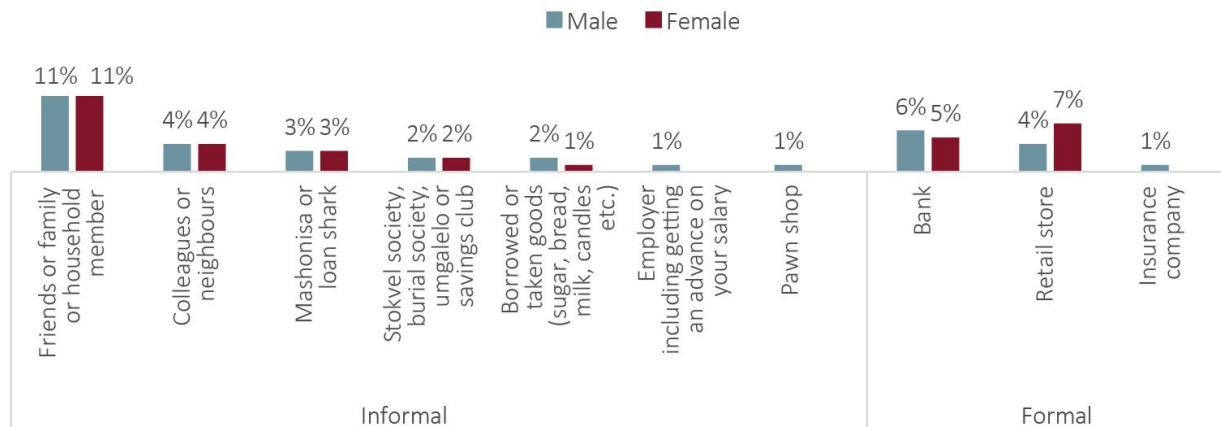
The credit access landscape shows minimal gender gaps at an aggregate level but reveals some differences in how men and women source credit. While overall informal and formal credit access is almost identical between genders, the breakdown by products shows a slight nuance: **women are more likely to use retail store credit and men more bank sources**. The strong reliance on family and friends by both genders suggests that formal credit products may not be meeting the needs of either group, though reasons for this by gender may differ.

Figure 12: Access to credit by sex (%)

Access to credit by gender (%) - informal versus formal



Access to credit by sex (%) - by products

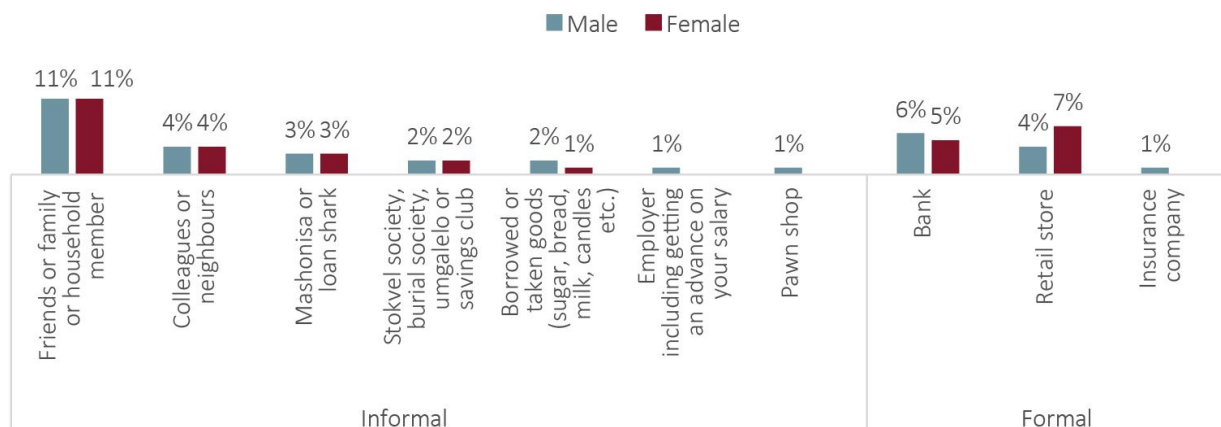


Source: FinScope SA Consumer Survey 2024

Insurance:

Burial society access is higher amongst women. Women are more likely to belong to burial societies (26%) than men (19%), **suggesting a stronger reliance on community-based support for funeral expenses.** Meanwhile, access to formal funeral policies (insurance companies, banks, and employers) remains similar across genders.

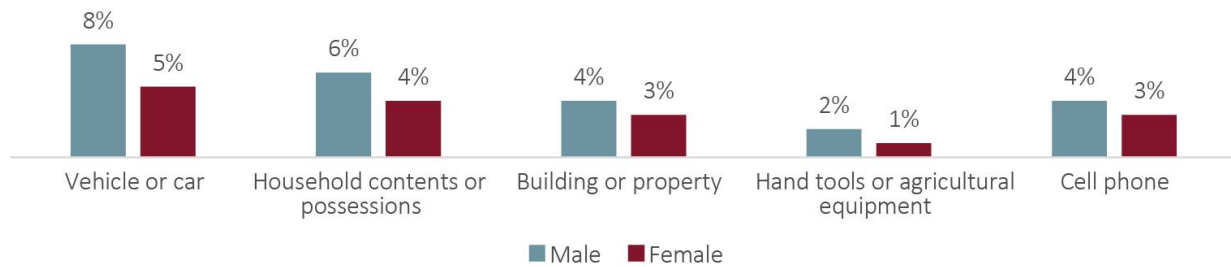
Figure 13: Funeral cover products/services by sex (%)



Source: FinScope SA Consumer Survey 2024

Insurance coverage remains **low for short-term and products**, with **minimal gender differences** in uptake. **Figure 14** shows that access to short-term insurance is limited, with vehicle insurance being the most held product, though still low at 8% for men and 5% for women. This data suggests that many **individuals, regardless of gender, are not insuring their assets**, likely due to affordability constraints, low perceived need, or a preference for informal risk management strategies. Reasons for the low uptake of insurance provided in the FinScope dataset point to limited disposable income and joblessness, with the latter being cited more by women (of those who do not have insurance, this included 36% of women, 26% of men). Insurance is therefore emblematic of a broader challenge where access to formal financial products remains tied primarily to income levels and formal employment.

Figure 14: Access to different short-term insurances by sex (%)



Source: FinScope SA Consumer Survey 2024

The access gap for long-term insurance products highlights a critical frontier in women’s financial inclusion beyond basic banking. While the gender gap appears small for life insurance (14% men vs 10% women) and medical aid (6% men vs 5% women), a deeper analysis reveals that access is heavily tied to formal employment - with over half of women with medical aid (53%) and a quarter with life insurance (24%) being full-time employees. This underscores how women’s lower participation in formal employment directly impacts their access to crucial financial products beyond basic banking services, representing the next key challenge for advancing women’s financial inclusion. The fact that women have lower life insurance ownership despite being more likely to be primary caregivers suggests that many households could be vulnerable if the main income earner is uninsured.

Table 5: Access to different insurance products by sex (%)

	Male	Female
Life cover	14	10
Medical	6	5
Personal accident	3	2
Legal fees/ expenses	3	2
Education Insurance	1	2
Disability cover	2	1
Dread disease	1	1
Loss of earnings	1	1
Professional indemnity cover	1	1
Loan protection	1	1

Source: FinScope SA Consumer Survey 2024

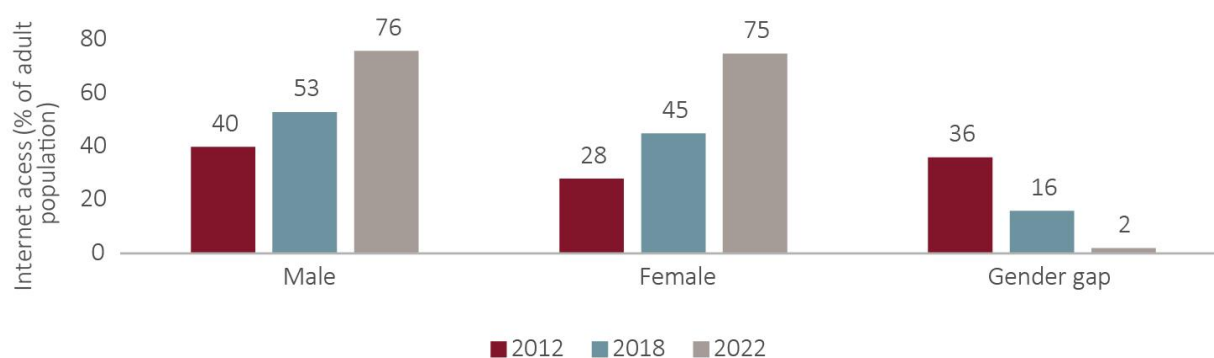
Access to digital infrastructure:

Despite South Africa ranking among the top ten African countries with the highest data costs, a barrier that limits digital access for many citizens, digital connectivity has been steadily improving. As of 2024, 45 million South Africans were active internet users, leaving approximately 15 million without access (StatsSA, 2024a). However, gender disparities persist in digital access and financial service usage, reflecting broader inequalities in the digital economy.

In terms of internet access, historical data shows significant progress in bridging the gender gap. While men’s internet access increased from 40% in 2012 to 76% in 2022, women access grew from 28% to 75% over the same period. This resulted in a gender gap narrowing (see **Figure 15**). However, **women continue to lag in digital financial services** as reported in

Table 6 (Ojo & Segone, 2022).

Figure 15: Internet access by sex in South Africa (% of adult population)



Source: GTAC, 2024. *Measuring, assessing and redressing digital inequality and data injustice on the continent: The need for nationally representative demand side survey on digital access and use and individual, house. Session 4: Digital (equitable) inclusion.*

Table 6: Disparities in digital access in South Africa (%) by sex

Index	Male	Female
Access to internet	55	51
Access to digital financial services	17	12

Source: (Ojo & Segone, 2022)

Concluding remark:

South Africa demonstrates **broad gender parity in basic financial access**, with women showing equal or higher levels of formal bank account ownership compared to men. However, notable gaps persist across specific financial products and services. Women lag behind in access to more sophisticated financial products like insurance and digital financial services, while showing stronger engagement with informal and community-based financial mechanisms like stokvels and burial societies.

Demand-side factors affecting access:

Government-to-Person (G2P) payments are driving account ownership and receipt of digital payments amongst SASSA recipients. This is particularly pronounced for women – who make up approximately 80% or more of the social safety net in South Africa. In 2012, SASSA introduced an electronic payment system for the distribution of social payments, including the use of the SASSA MasterCard (FinMark Trust, 2019). According to World Bank data, South Africa's bank account ownership increased from 54% in 2011 to 84% in 2021, with social grants playing a key role in this expansion (World Bank Group, 2021). However, research done by Torkelson (2020) suggests that this form of financial inclusion has created new vulnerabilities, as formal financial institutions and retailers often target grant recipients with credit and other financial products, using their guaranteed grant income as a basis for lending. Recent research by the Black Sash has highlighted how this dynamic has led to concerning levels of indebtedness among grant recipients, with many falling prey to informal lenders who use grant income as security (Black Sash, 2024).

In addition, **preference for cash, as well as demand for cash in the surrounding ecosystem, limits full further penetration into digital financial services.** Women are more likely to use cash more frequently than men, especially married women and those living in rural areas (FSCA, 2023). The inclination for cash is demonstrated by the high number of SASSA grant recipients, of which

women make up the majority, who withdrawal the cash from their SASSA accounts (FinMark Trust, 2020). There are several reasons underpinning this behaviour: Firstly, consumers perceive that there to be no hidden costs associated with cash, as opposed to bank cards (MasterCard, 2023) This is supported by a recent sentiment study done by FSCA, indicating that women are more likely to report costs in financial services are too high (FSCA, 2023). Lastly, as suggested in stakeholder interviews, women managing household finances cannot afford transaction uncertainties associated with digital services, which is compounded by connectivity issues in South Africa's rural areas.

"Cash is still widely used... because nobody wants to get the fees. With cash, you know what you're getting, there is no hidden fee."
- Stakeholder Interview, Industry Player

Research indicates that **trust plays a crucial role in women's adoption of financial services** in South Africa, often outweighing price considerations when established (Nanziri & Gbahabo, 2025). This is particularly evident in domestic and cross-border remittance services - for example, though Mukuru charges higher fees than some competitors, it has gained significant market share among women users due to its proven reliability and transparency in money transfers (Jury, 2024). A study done by Nanziri & Ghahabo (2025) shows that trust amongst older women (aged 45-60) predicts demands for agency banking.¹² One market disruptor in South Africa - namely TymeBank - has demonstrated the importance of touchpoints, through its kiosks, at local retailers that reach the customer in the last-mile. Interestingly, low-income women are over-represented in TymeBank's active customer base (CGAP, 2022).

"It's not like they are cheap... but someone will trust mukuru because they know... if I give my money, it's going to get to where it's going."
- Stakeholder Interview, Industry Player

Network effects and 'word-of-mouth' are pervasive and often determine access to certain financial services/ products. Women are reported to rely on speaking to their friends when deciding between which financial products to take up - and this is particularly prominent amongst married women (FSCA, 2023). This network effect is evident in the use of cash for consumers: The broader economic ecosystem also reinforces cash usage, as many small traders and service providers in low-income areas operate exclusively in cash. A study done by Mastercard (2023) found that the majority of SMEs in the informal economy prefers to accept cash, creating a network effect that limits digital payment adoption.

The **demand for funeral cover - both formal and informal - is driven by cultural preferences** amongst low-income A reported 42% of South Africans have some form of funeral cover - and is the most accessed type of insurance (Bechard, 2022). As evidenced in the analysis of the FinScope Consumer 2024 data, of those who have some form of funeral cover, 26% of South African women belong to a burial society, and 14% have funeral cover from a funeral parlour/ undertaker. Amongst black South Africans, there is a strong cultural preference for funeral cover based on the significance placed on dignified funeral¹³ and the financial strain they often impose on households (CENFRI, 2012). **Funeral insurance is seen as a practical necessity rather than a luxury**, with many people prioritising it over other forms of insurance or savings (FinMark Trust, 2016).

¹² Agency banking 'involves partnerships between traditional financial institutions and non-financial commercial outlets, such as retail shops and supermarkets... which serve as distribution channels' (Nanziri & Gbahabo, 2025).

¹³ According to CENFRI (2012), the dignity of a funeral is typically "measured by the extravagance of the event".

FinMark Trust (2016) found that informal funeral insurance providers are typically owned by men with lower education levels compared to those in the formal sector. On the consumer side, funeral insurance clients are predominantly black, women, and residing in urban areas, with little difference between those who purchase formal or informal funeral products. However, it is important to note that the informal funeral insurance sector is prone to exploitation, particularly of women who make up most of their clientele. Unregistered providers may charge exorbitant premiums, deny claims unfairly, or fail to deliver promised services. The lack of regulation and oversight in this sector leaves consumers, especially women, vulnerable to abuse.

The presence of male figures in the household may be restricting access in some instances.

Research from FSCA (2023) indicates that despite having their own bank accounts, many women's financial decisions remain subject to approval from men, particularly in rural or traditional households. In addition, according to HSRC (2022), 58% of adult women report experiencing controlling behaviours by an intimate partner, and a large proportion of women believe that a man should have the final say about decisions in the household. This insight is echoed in the quote below, which reveals that many women in South Africa reside in deeply patriarchal households, where they deflect the choice of financial services/ products to male partners/ family members.

“[The financial service providers] need to make sure that the male in that household is also comfortable.”
– Stakeholder Interview, Industry Player

The relationship between labour market inequalities and women's financial access runs deep and systematic.

As discussed in Section 2.1, South African women are more likely to find themselves working in informal sectors, and experience more interrupted work histories due to care responsibilities. This employment pattern creates significant barriers when attempting to access formal financial services, especially credit products that typically require proof of steady income.

“You're going to find that men predominate in those areas [development credit, home loans].”
– Stakeholder Interview, Industry Player

Financial service providers acknowledge these challenges but often struggle to adapt their systems. As one industry stakeholder explained, *“Traditional credit scoring models don't adequately capture the reality of women's work patterns.”*

Women's financial needs and decisions are deeply integrated with household life cycles,

influencing uptake of certain products/ services. As seen in the FSCA (2023) study, married women are 67% more likely to need to track their expenses compared to married men. In addition, married women identify the need to protect their family against expenses when they die more so than unmarried women, and married men. This shows how women will typically take on the financial responsibilities around children's educational needs, family planning considerations, household healthcare needs and long-term care responsibilities. To support this sentiment, one stakeholder interview explains that women's financial priorities are *“intertwined with the various priorities of the household.”*

The above might explain we see a **greater uptake of personal loans by women: for covering basic household necessities on a monthly basis.** As shown in the FinScope data, credit uptake is higher amongst women compared to men, and especially non-bank credit. Women were significantly more likely to borrow from retail stores (7% vs. 4%) and informal lenders such as loan sharks, indicating greater reliance on alternative credit sources. Meanwhile, men had significantly higher borrowing from banks (8% vs. 5%), mutual banks, and microfinance institutions, suggesting better access to formal credit channels. Borrowing from family or friends was slightly higher among

women (11% vs. 10%), while men were significantly more likely to borrow small household goods (2% vs. 1%).

Supporting data reveals that more women are under ‘overwhelming’ financial stress compared to men, and are more likely to find themselves in positions where they cannot cope with how much debt they have (Old Mutual, 2023). This phenomenon stems from deeply rooted socio-economic dynamics that position women as primary caretakers and household managers, often operating with limited financial resources. **While increased credit access might appear positive, it often represents a survival strategy rather than true financial empowerment.** The NCR’s data suggests that these loans frequently come with high-interest rates, potentially trapping women in cycles of debt (Bechard, 2024).

“The number of women having personal loans than men... because they are more often than not the primary carers within their household.”
– Stakeholder interview, Industry Player

Supply-side factors affecting access:

The digital divide presents a barrier, with access challenges manifesting in multiple layers. As discussed in prior sections, women still lag behind their men counterparts in accessing digital infrastructure – such as internet and digital devices. Where digital devices, such as cell phones, are present in households, women may rely on male family member’s devices, limiting their independent access and ability to build digital literacy (GSMA, 2023). This challenge extends beyond device ownership, where women have less disposable income to spend on data services (GSMA, 2023). This creates a ‘second-order’ barrier where even when women have theoretical access to digital financial services, practical limitations on device quality and control restrict their ability to effectively access these services.

“A lot of people have smartphones, but they might not necessarily be able to afford the data to run everything on the smartphone.”
– Stakeholder Interview, Industry Expert

“Data is quite expensive, and they can’t get to do most of these things online.”
– Stakeholder Interview, Industry Player

Proximity of physical infrastructure is a barrier to access for both women and men, especially in rural communities, however, this is compounded by safety concerns and restrictions on freedom of movement for women. According to the Afrobarometer (2022), 55% of the adult population report that bank, money transfer points and mobile banking services are not in walking distance – this increases to 73% for the rural population. Interestingly, this access barrier disproportionately affects women by virtue of the fact they typically prefer going into a branch, especially in comparison to their men counterparts (FSCA, 2023). The gender dimension of physical access extends beyond mere distance: women in South Africa face additional barriers related to gender-based violence and mobility restrictions (HSRC, 2022).

“You are women, you are in the village. You’re not going to be able to access [services].”
– Stakeholder Interview, Industry Player

“They are more likely to face harassment or not being able to fight off the corruption payments.”
– Stakeholder Interview, Industry Expert

Women face additional constraints to accessing the requisite documentation required by formal financial service providers. South Africa has almost universal identity document (ID) coverage of the population, with almost 40 million ID holders (World Bank ID4D, 2019). However, 17% of adults without a financial account cited lack of documents as a key barrier (World Bank Group, 2021). In terms of gender considerations, anecdotal evidence suggests that many women, particularly in rural areas, face challenges obtaining and maintaining valid ID documents. This is compounded when women marry and need to update identity documents to reflect name changes. The Afrobarometer data (2022) further revealed that women found it more difficult to obtain documentation, such as a birth certificate, drivers' license or identity card, they needed from the government. This was more pronounced in rural areas. In addition, rural and informal settlements often lack formal addresses - and women are less likely to have utility bills or a formal lease agreement in their names (Commission for Gender Equality, 2024).

*"Most of them, they actually fail to access the market because they don't have the right documentations."
- Stakeholder Interview, Industry Player*

4. Use of financial services/ products

Overview: Current use of financial services/ products

As painted out in the financial inclusion pathway depicted in sub-section 1.2, to truly understand women's financial inclusion, and where the barriers and enablers lie, a discussion on the meaningful and effective 'usage' of financial services/ products is warranted. The box below provides a comprehensive definition of 'usage', and why its departure from 'access' is necessary.

Box 9: *Defining 'use' of financial services/ products*

In the financial inclusion dialogue, there is a need to **move beyond the 'binary' index, like account ownership, of financial access**. While access is an important preliminary step in the financial inclusion journey, this approach overlooks a crucial distinction between having access to financial services/ products and meaningfully using them to one's benefit. Actual usage, in this regard, determines whether financial inclusion achieves its intended development outcomes – and, in the case of this study, contributes to women's economic empowerment.

'Usage' refers to the meaningful and effective engagement of financial products and services (Totolo & Goronja, 2024). It can be characterised by three dimensions:

1. **Frequency and regularity** of use, which encompasses regular transactions and sustained engagement with financial services. In this way, 'dormant' financial services is not considered under this definition;
2. **Diversity** of services, pertaining to the use of multiple complementary financial products/ services that meet the needs and help build a comprehensive financial portfolio; and,
3. **Suitability and alignment**, which considers whether products match the users' needs, circumstances and capabilities such that its use can be wielded in a way that benefits them.

This definition supports the argument that product / service design needs to focus on user needs and behaviours, considering various user segments and their capabilities (Ojah & Kodongo, 2024). This requires moving beyond simple metrics to understand how financial services contribute to broader development goals.

While a large proportion of South African women have a bank account, without a significant access gap in comparison to men (refer to section 3), the **utilisation of financial services by women in South Africa reveals a troubling pattern of superficial engagement**. As an illustration, upon receipt of funds in bank accounts, many women in South Africa prefer to withdraw their money from these accounts immediately, particularly those tied to social grants. Reasons for this are multifaceted: SASSA grant recipients commonly believe that funds will not remain in accounts between disbursements and that maintaining balances signals reduced need, potentially threatening grant eligibility. Many operate under the misapprehension that SASSA reclaims unused funds. Practical considerations – transport costs, time requirements, and withdrawal fees that diminish limited grant amounts – also speak to why grant recipients favour immediate and complete cash withdrawal following disbursement. (FinMark Trust, 2020). As shown in the preceding section, financial inclusion efforts often succeed in first step in the financial inclusion pathway: providing access to accounts or other basic financial tools – yet these services remain underutilised for activities like savings, investment, or credit management.

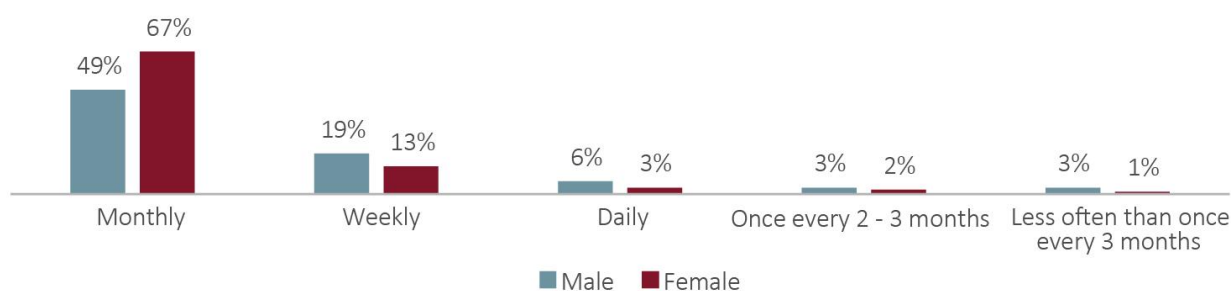
Insights gathered from the FGDs suggest that SASSA grant recipients revert to cash for several reasons: They fear that the money will not stay in the bank account from one month to another

(knowledge and perception issues),, and there is a perception that money in their accounts will be sent back to SASSA (i.e., they think not using all their money gives a picture that they do not need the grant). Additionally, SASSA due to transportation costs, logistics, and concerns over withdrawal fees, recipients cannot afford to travel to their banks to withdraw cash several times in the month

Focusing solely on access to financial services thus offers an incomplete picture of financial inclusion, especially from a gendered angle. To gain a more comprehensive understanding, it is essential to understand actual utilisation alongside access. This discussion offers an overview of usage patterns amongst South African women, noting the comparison to men.

Men engage in more frequent transactions. Figure 16 shows that women predominantly use their accounts monthly, whereas **men** are more likely **to transact weekly or daily**. This suggests that while both genders have access to banking, **men exhibit higher engagement with financial services through more frequent usage**. More frequent transactions could indicate higher levels of financial activity, whether for personal spending, business purposes, or investment, while women’s lower transaction frequency may reflect a tendency toward more passive account use, possibly for receiving salaries, grants, or remittances rather than for active financial management.

Figure 16: Frequency of bank account usage by sex (%)



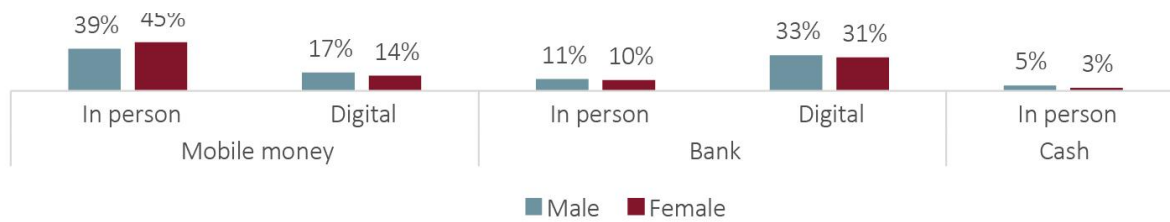
Source: FinScope SA Consumer survey, 2024

Single (not married and not living with a partner) and married women account for the largest share of monthly banking users, with 52% and 17%, respectively. Widowed women follow at 13%, with lower engagement. Single women also have the highest participation in weekly banking (50%), compared to 21% of married and 6% of widowed women. Less frequent banking (transactions occurring less often than monthly) is most common among single women (75%), suggesting that a portion of this group banks irregularly.

Payments:

With regards to person-to-person (P2P) payments, **women exhibit a slight preference for in-person payments**, notably around mobile money transfers. Across the three different broad channels mobile money, bank and cash), mobile money in person payments is preferred by both women and men, with more women tending towards this channel, whereas this flips for banking payments to digital means.

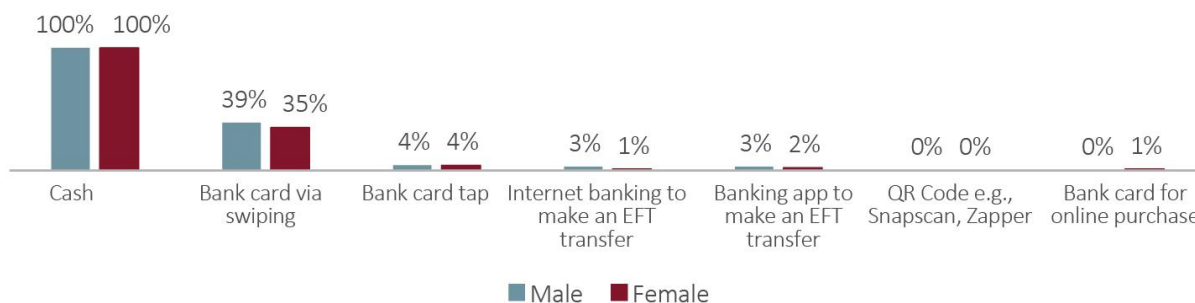
Figure 17: Channels/means of sending money by sex (%)



Source: FinScope SA Consumer Survey 2024

The saying ‘cash is king’ prevails for person-to-business (P2B) payments, but for both women and men. While both women and men rely heavily on cash (100%) when purchasing food, women consistently show lower adoption rates across all digital payment methods. This pattern suggests that despite the push toward digital financial services, women face persistent barriers in transitioning from traditional to digital payment methods.

Figure 18: Forms of payment-specifically for food/groceries by sex (%)



Source: FinScope SA Consumer Survey 2024

While bank accounts remain the primary channel for grant withdrawals across genders, women rely more on SASSA gold cards. Women’s noticeably higher use of the SASSA gold card (31% vs 20%) is the exception rather than the rule, suggesting that despite perceptions about digital gender divides, women are actively choosing and using formal financial services for grant access.

Figure 19: Method of withdrawing grant money by sex (%)

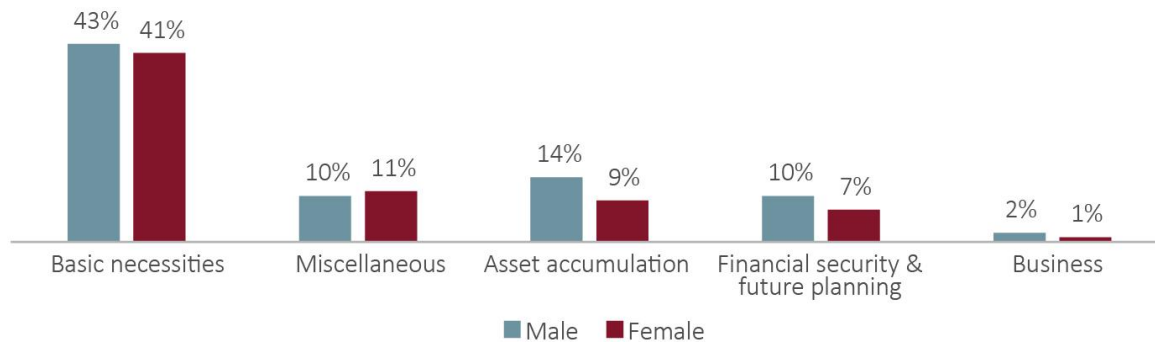


Source: FinScope SA Consumer Survey 2024

Savings/ Investment:

While both genders primarily save for necessities, women’s savings behaviour reflects more immediate household concerns rather than long-term wealth building. Though the gap for basic necessities is small (41% women and 43% men), women do lag behind men in saving for asset accumulation and financial security. This suggests that women’s saving habits are more focused on day-to-day needs, and not sufficiently on long-term financial resilience.

Figure 20: Reasons for savings by sex (%)

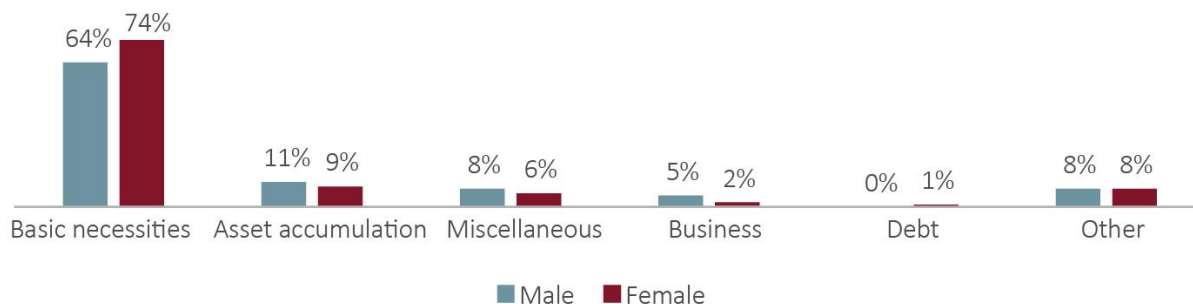


Source: FinScope SA Consumer Survey 2024

Credit/ Debt:

Women are more likely to use credit as a survival mechanism rather than as a tool for wealth building. As shown in the figure below, women rely on credit for essential needs – a 10-percentage point difference compared to men. Men, on the other hand, do still rely on credit for basic necessities but also display a greater likelihood to channel it towards asset accumulation and business purposes. This reveals that women’s borrowing behaviour is driven by immediate household needs rather than long-term financial growth.

Figure 21: Reasons for borrowing by sex (%)



Source: FinScope SA Consumer Survey 2024

Note: Miscellaneous includes ‘Give to another family member, Gift, Weddings, Holiday’

Demand-side factors affecting use:

Women in South Africa face a complex cycle of economic disadvantage that affects their meaningful use of financial services. Due to systemic barriers in employment, women are often confined to lower-paying positions, which in turn **limits their usage of sophisticated financial products**. As one stakeholder noted:

*"Women tend to be relegated to the lower paying jobs and, as a consequence, are relegated to more simple financial services products."
 – Stakeholder interview, Industry player*

While G2P payments are made digitally, women recipients prefer to cash out their funds. The distribution of social assistance payments via digital channels in South Africa, especially for SASSA grants, where women are the primary recipients, is a large driver behind the adoption of bank accounts. Most SASSA recipients purport to have Postbank accounts – these accounts are specific to the social grant accounts, and exclude additional capabilities, such as debit orders and ‘standing’ airtime purchases (FinMark Trust, 2020). While the incorporation of Postbank SASSA accounts has clear benefits for the user, such as a zero-transaction fee and other low charges, this account’s functionality is mostly restricted to cash-in-and-cash-out uses (Postbank, 2024). This is compounded by the fact that the micro-economy in which most recipients reside is cash-based, where many merchants still require cash-based payments (Genesis Analytics, 2017).

The dynamic of immediate withdrawal is particularly notable among grant recipients, who are **often targeted by both formal and informal lenders**. According to FinMark Trust (2020), 62% of SASSA grant recipients had formal credit, and 8% borrowed from informal lenders. This is an overwhelming proportion of recipients, and raises the concern that recipients are taking up credit which does not necessarily meet their needs. One key expert highlighted, as shown in the below quote, how grant beneficiaries often fell into debt cycles because they were offered credit without understanding the full consequences. Informal lenders also prey on these predictable income streams, employing exploitative practices such as withholding identification documents or debit cards to secure repayment. In such instances, women are vulnerable to gender-based violence from informal lenders. The predictable nature of grants, while providing a safety net, has thus become a double-edged sword - a paradox where financial inclusion efforts can unintentionally expose women to exploitation. The intersection of the NCA and social grants is described in the box below.

*"They use data of beneficiaries to lure them into credit... people sign agreements without their knowledge."
 – Stakeholder interview, NGO*

Box 10: *The National Credit Act (2005) and Social Grants*

The NCA interacts directly with the Social Assistance Act (2004), which prohibits the cession, pledge, or any form of encumbrance on social grants, and with subsequent regulations aimed at preventing exploitative deductions. Under the Social Assistance Act, social grants (particularly those for children and temporary disabilities) **cannot be subject to automatic deductions or used as collateral for loans**. These rules were strengthened by amendments to section 21 of the Act and Regulation 26A, ensuring that only one funeral policy deduction - capped at 10% of the grant - is allowed (and never from a child’s or temporary disability grant).

Under the NCA, all forms of credit are subject to prescribed interest rate limits, yet additional costs such as initiation fees and service fees remain permissible. Because social grants cannot be used as collateral, recipients are only able to access credit that falls under “unsecured credit transactions” as defined by the NCA. For unsecured credit transactions, the maximum interest rate is set as follows: SARB Repurchase Rate × 2.2 + 20% per year (Law Guide, n.d.). However, lending against a social grant is not truly “unsecured” because grants are guaranteed monthly by the state, supporting low default risk. Despite this, loans to social grant recipients continue to be grouped under the most punitive category of credit, charging excessive rates that disproportionately disadvantage low-income groups (Black Sash, 2020).

Due to the difficulties of accessing formal credit, many social grant recipients end up using informal credit providers, which leaves them vulnerable to financial abuse. In 2018, the Supreme Court of Appeal reinforced the need to protect grant recipients from predatory lenders, emphasising the requirement for legislation and enforceable measures to prevent social grants from being unlawfully depleted (Black Sash, 2020). The NCA has also pursued cases against credit providers who attempt to use children's grants in affordability assessments, a practice that contravenes both the spirit and letter of the NCA (Sefali, 2015).

While reforms to the SASSA led to the creation of a Special Disbursement Account (SDA) that does not permit automatic debit orders or Unstructured Supplementary Service Data (USSD)-based deductions (Bruce, 2018), a significant proportion of grant recipients **continue to use commercial bank accounts that allow for automatic debit orders, exposing them to potential abuses**. Microlenders and payday lenders often insist that grant recipients open these types of accounts so they can continue lending arrangements (Black Sash, 2020). This practice—while curtailed by new regulations—has not been eradicated, leaving some of South Africa's most vulnerable individuals still at risk of predatory lending tactics.

Women are more susceptible to taking up products they do not understand, as well as to the risks associated with these products. Women are 21% more likely to not understand a financial product/service (FSCA, 2023). This vulnerability stems from broader educational and knowledge barriers that limit women's ability to make informed financial decisions. While only 52% of South Africans are considered financially literate overall, women—particularly those who head households—make up a notable proportion of those lacking financial literacy. Adding to this, men are found to generally be more interested in obtaining knowledge about various financial service offerings, which could potentially widen this knowledge gap over time (Roberts, Struwig, Gordon, & Zondi, 2021).

Stakeholder interviews revealed that women often **require more comprehensive and personal support across the spectrum of financial services**, from basic transactions to more complex products. This need was particularly evident in anecdotal Automated Teller Machine (ATM) usage patterns, where women frequently sought assistance with fundamental operations like withdrawals and balance inquiries. This preference for supported interactions reflects both practical and psychological dimensions. This is summed up by the following stakeholder insight:

“Research across multiple countries reveals a consistent pattern in how women engage with financial services: they tend to place higher value on personal interactions with banking staff compared to men.”

– Stakeholder interview, Industry Player

In addition, **women's experiences of financial institutions differ from that of men**. A recent report conducted by the FSCA highlighted that a non-trivial proportion of unmarried women receive 'bad' treatment from financial institutions, where most of their complaints were reported to be dismissed or unanswered. Interestingly, the same study reveals that where married women were experiencing difficulties with financial service providers, their husbands were essential in resolving them on their behalf (FSCA, 2023). By virtue of this, it seems men may be held in higher regard by the institutions themselves. This gendered response pattern reveals deeper systemic issues within financial institutions' customer service approaches. The fact that married women frequently rely on their husbands to achieve resolution indicates **not just a service quality issue, but points to entrenched institutional biases** that may impact women's confidence in engaging with financial services independently.

Security and accessibility around concerns for women are pervasive in usage of both digital and physical financial services/ products. According to the South African Banking Risk Information Centre (SABRIC), financial crimes targeting end-users are on the rise in South Africa, including ATM attacks (BASA, 2024). This must be understood within the context of South Africa's high levels of gender-based violence against women at the hands of men: 33% of women above the age of 18 have experienced some form of physical violence by men in their lifetime (Department of Science, Technology & Innovation, 2024). This is supported by evidence from an insurance provider targeting women, 'First for Women', who undertook a survey to understand women's perceived feelings of safety in South Africa (1st for women, 2023). Although women tend to feel safer using mobile banking via cell phones, this security concern extends to digital financial services, with research showing that women are still hesitant to use mobile banking in public spaces due to safety concerns about displaying phones (Hyde-Clarke & Mnisi, 2014).

For an access point of view, many South African women's limited ability to read English, which most terms and conditions (T&Cs) financial product/ services are transcribed in. Less women are reported to read documents before signing up for financial products/ services (FSCA, 2023). This view is expressed in the quote below:

"There are limitations when you're looking at online communication, it's predominantly in English or not all languages."
– Stakeholder interview

Challenges with formal financial products drives women towards informal services, which have many perceived benefits. Stokvel membership is generally higher amongst low-income women compared to men, representing 61% of total membership (South African Government, 2015). Women are more likely to use informal financial services compared to men, largely because formal services are complex to understand and often poorly suited to their specific needs (CGAP, 2022). There are additional factors that drive women to use informal services – for instance, women value the **perceived trustworthiness and societal networking** opportunity of informal community-level financial structures, such as stokvels, as opposed to digital financial channels (Ikdal, 2017). Research shows that women felt that their participation in stokvels added to their sense of community participation (Van Wyk, 2017). In addition, stokvel participation contributes to their **agency and financial control**, as they feel they are less dependent on men (FinMark Trust, 2018). These are important needs for women that informal financial services, such as stokvels, are currently well-positioned to meet, leading women away from the formal financial umbrella.

"Clients trust stokvels because they are community-based... fear of bank fees remains prevalent."
– Stakeholder interview

"[Stokvels] assist us in terms of saving money, because you know you are accountable to someone"
– Focus group participant, Free State

While informal financial services may feel more accessible and trustworthy to women, **they carry significant risks that make them an inadequate substitute for formal financial products.** Informal services typically lack regulatory oversight and consumer protection, leaving users vulnerable to fraud or exploitation (FinMark Trust, 2018). Without formal contracts or legal recourse, women who experience problems with informal services have limited options for recovering their money or seeking redress (Chitimira & Magau, 2021). Additionally, informal services often cannot provide the broader financial benefits that come with formal products, such as building a credit history, earning interest on savings, or accessing more sophisticated financial tools for business growth. While informal services like stokvels play an important role in many communities, as documented by Van

Wyk (2017), the solution is not to accept them as an alternative to formal financial services, but rather to make formal services more accessible and responsive to women's needs. Some initiatives in South Africa are seeking to bring important informal financial groups into the formal fold, as described in the box below.

Box 11: *South African regulator and industry approaches to stokvels*

The South African financial sector has made efforts to formalise stokvels while preserving their core community-based nature. The National Stokvel Association of South Africa (NASASA), established in 1988, has been instrumental in this process by providing a formal structure for stokvels and representing their interests to financial institutions and regulators. In terms of the Banks Act, stokvels are permitted to conduct their activities without falling into the definition of a bank – this means that, subject to certain conditions, they do not have to comply with the Banks Act when establishing the stokvel and pooling funds (Blacksash, 2023).

Many of the major South African banks have developed specialised bank products for stokvels (IOL, 2021). These include:

- Absa's 'Club Account' with no management fees and low fees per month;
- Nedbank's 'On-Demand Stokvel Savings Account' with zero monthly fees; and
- Capitec is due to launch their stokvel products in 2025 (IOL, 2024)

In terms of credit behaviour, **women are reported to perform better than men in terms of loan repayments.** Some evidence suggests that women are more risk averse and also display higher levels of trustworthiness and discipline than men (Roberts, Struwig, Gordon, & Zondi, 2021). There is importance nuance underpinning this statement: women's ability to pay back loans is directly associated with their control over their finances (Nyarko, Beisland, & Mersland, 2024). Stakeholder insights qualify the behaviour of women further: anecdotal observations suggest that rather than being risk-averse, women tend to be more deliberate and purposeful in their financial decision-making.

However, despite better borrowing habits, women **generally seem to have worse credit ratings** than their men counterparts; men also find it easier to service their debts (Roberts, Struwig, Gordon, & Zondi, 2021). This has rendered proportionally more women indebted compared to men. One reason for this apparent contradiction is structural: women often have credit registered in their husband's names due to traditional household power dynamics and marital property regimes (The Republic of South Africa, 2015). The stakeholder quote highlights the vicious debt cycle in which women find themselves.

"What ended up happening was that beneficiaries were in a vicious cycle of debt because they were just created without understanding the consequences and implications."
– Stakeholder interview, NGO

Interestingly, anecdotal evidence suggests that there may be **a degree of cross-subsidisation in the credit industry** where women partially cover the costs for men. In general, credit scoring models do not account for the gender of the consumer. However, when unpacking the credit profiles by gender, estimates from FNB suggests that women may represent equal or lower credit risks than men. Yet, women often face higher borrowing costs (Nieuwoudt, 2022). This indicates a potential market inefficiency where women borrowers may be effectively cross-subsidising male borrowers through higher interest rates that are not justified by actual repayment behaviour.

*"If you've got women occupying the simpler, lower tiers of the financial services products...they'll be carrying the burden of that cross subsidy."
– Stakeholder interview, Industry Player*

Even where women have access to digital financial services/ products on paper, their **use may be governed by another family member**. While statistics may show increasing digital financial access for women, a closer examination reveals that this access is frequently mediated through family members, creating a form of 'secondary' rather than direct access. Stakeholder interviews highlight this reality, with one participant noting that, for instance:

*"Clients rely on their husband's or child's phone for digital access."
– Stakeholder interview*

This dependence is particularly pronounced among older women who may not own personal digital devices. The implications of this indirect access are significant: when women must rely on others' devices, their financial privacy and autonomy are compromised, and their ability to conduct transactions is contingent on others' availability and willingness to share devices.

The issue extends beyond mere device access to **broader household financial decision-making**. For married women, spouses often become the primary decision-makers regarding financial products and services. FSCA research (2023) indicates that married women generally feel financial products and services fail to meet their needs, suggesting a disconnect between those making financial decisions and those living with the consequences. This means that the current women usage does not include control and independent use of these services.

Supply-side factors affecting use:

True demand-side needs have been overlooked when developing financial products/ services for women. More than 10% of women included in a study done by FSCA reported having an unsuitable financial product over the last five years (Roberts, Struwig, Gordon, & Zondi, 2021). In another study conducted by FSCA, less women, and especially unmarried women, indicated that products/ services met their needs (FSCA, 2023). This shows that financial services industry has neglected to properly consider women's specific needs and use cases in product development. One reason for this could be that the market for women is too small to consider for further segmentation. However – there are approximately 31 million women in South Africa, constituting more than half of the entire population (StatsSA, 2022). This means that the women market actually represents a massive untapped market opportunity. This disconnect between market size and product development suggests that the issue lies not in market potential, but in the financial sector's understanding of and commitment to serving women's financial needs.

"The nuances in terms of what women experience and look at in use cases are not expanded enough."

– Stakeholder interview, Industry player

Many examples illustrate how the design of financial services/ products is not meeting the needs of women. Loan repayment schedules, for instance, frequently fail to accommodate the realities of women working in seasonal or informal industries. Additionally, credit scoring models typically disadvantage women by relying heavily on formal employment history and asset ownership, despite women being more likely to work informally or lack traditional collateral (Commission for Gender Equality, 2024). Traditional insurance policies often fail to consider women's roles as primary caregivers, overlooking coverage needs for dependents or domestic responsibilities

(Ngema, 2023). This mismatch between product design and women's needs creates a barrier to meaningful financial inclusion, potentially reinforcing economic vulnerabilities rather than addressing them. One focus group participant expressed her attitude towards financial service providers as follows:

*"I don't think they are really here to support us. We use them because we're desperate."
- Focus group participant, Free State*

Where financial services/ products have been specifically designed for women, **they have failed to meaningful address their needs and preferences**. First for Women Insurance, launched in 2004, represents one of the more obvious attempts to serve the women's market. While still operating, it remains a niche player despite innovative features like lower premiums based on women's better risk profiles and value-added services such as roadside assistance. Lessons learned revealed that the provider found it difficult to assess women's share of the insurance market, given the lack of readily available public data (IFC, 2019). There are not many other explicit examples of financial services for women – although, many providers 'market' their services as women-friendly or having the interests of women as a client base at heart. In addition, critical shortcoming has been the disproportionate focus on middle and upper-income segments, particularly evident in products like Sanlam's Women's Wealth Initiative and Standard Bank's Women on the Move programme. Lastly, there is negligible evidence to suggest that products show understanding of women's daily financial realities.

While the strategic design of women-tailored products is ideal, not all financial institutions have the capacity to develop such specialised offerings, perhaps due to limited resources, strategic direction, or budget constraints. However, **gender considerations and protocols can still be integrated into existing products** to better serve women clients. For example, one stakeholder spoke to developing specific protocols for lending to women in male-headed households. Before extending loans, they ensure family support exists to prevent potential future conflicts. This approach stems from experiences where loan defaults led to family tensions and challenges to the organisation's right to lend to married women. By embedding these gender-sensitive protocols into standard products, financial service providers can serve women while mitigating risks, even without creating separate women-specific products.

This leads us to the point that **women in South Africa are not a homogenous group**, and based on various socio-economic demographics and cultural backgrounds, they will have various financial behaviours, needs and preferences. Although caution is taken against having a reductionist view of the profiles of women, the below table helps us understand the various 'types' of women in South Africa, and their associated financial behaviours. Nonetheless, the below view helps us understand that women form a majority component of South Africa, with unique financial needs and demands, and thus should be stripped out as the majority base.

Table 7: *Eighty20 national segmentation of women in South Africa*

Segment (Population size)	Profile description	Financial behaviour
Mass credit market (12M)	36 years old, Single, LSM ¹⁴ 5 – 7, Full time / part-time employment, Based in Gauteng/ Western Cape	84% Active credit, 24% unsecured loan, 32% save/ invest, 27% funeral insurance
Middle class Workers (4M)	40 years old, Single Parents, LSM 8 – 10, Full time employment, Based in Gauteng/ Western Cape	81% Active credit, 45% unsecured loan, 42% save/ invest, 23% funeral insurance
Heavy hitters (1M)	45 years old, Young family, LSM 10, Full time employment, Based in Gauteng/ Western Cape	77% Active credit, 38% unsecured loan, 49% save/ invest, 19% funeral insurance
Comfortable retirees (796K)	68 years old, Mature couple, LSM 10, Retired, Based in Gauteng/ Western Cape	74% Active credit, 18% unsecured loan, 36% save/ invest, 35% funeral insurance
Humble elders (4M)	67 years old, Older with children, LSM 5-7, Retired/ Unemployed, Based in Kwa-Zulu Natal or Eastern Cape	26% Active credit, 42% unsecured loan, 20% save/ invest, 40% funeral insurance
Mothers of the nation (7M)	35 years old, Younger children, LSM 5-7, Unemployed/ Not working, Based in Kwa-Zulu Natal or Gauteng	20% Active credit, 10% unsecured loan, 23% save/ invest, 22% funeral insurance

Source: *(Eighty20, 2023)*

The **lack of a meaningful engagement and analysis of gender-disaggregated gender** by both financial service providers and regulators prevent delivering services/ products for the specific needs of women, let alone the various segments of women. While institutions gather gender-disaggregated data, by virtue of their Know-Your-Customer (KYC) processes, **they primarily use it reactively to address existing problems rather than proactively identify opportunities.** Sex-disaggregated financial services data is scarce in South Africa. For instance, the NCR's Consumer Credit Market Report does not break out statistics by gender and banks do not regularly report gender-based metrics. This reactive approach limits innovation in developing women-focused financial products and services, as suggested by the quote below.

"I can't point to anything that I would say is strategic in terms of addressing a gender issue in South African financial services"
- Stakeholder interview, Industry player

Women leadership in financial institutions and regulatory institutions has grown over recent years but is still lacking. Numerous reports have written about the importance of women in leadership positions, and the crucial role they place in fostering gender equality in services (Mckinsey, 2018; IMF, 2019; Cihak & Sahay, 2018). Stakeholders remarked at the absence of women leaders in the

¹⁴ The Living Standards Measure (LSM) in South Africa categorises consumers into ten groups based on access to goods, services, and infrastructure. LSM 1-3 includes individuals in rural or informal areas with limited electricity, water, and employment. LSM 4-5 represents lower-middle-class households with basic infrastructure and essential appliances. LSM 6-7 includes the middle class with stable employment, private healthcare, and multiple assets. LSM 8-9 covers the upper-middle class with high disposable income, quality education, and financial security. LSM 10 consists of the wealthiest households with luxury housing, international travel, and extensive financial investments.

financial service sector, although this has improved in recent years – however, the Fintech space is reportedly exclusively male-dominated, apart from one or two notable exceptions. This leadership gap has significant implications for financial inclusion. Research shows that women in leadership positions are more likely to champion products and services that address women's needs, understand gender-specific financial behaviours, and advocate for inclusive design approaches (Cihak & Sahay, 2018). Without women's perspectives in key decision-making roles, there is a risk that digital financial products will continue to reflect male-design assumptions and fail to address women's specific needs and challenges. The box below provides insight into the steps taken to address this in South Africa:

Box 12: *The rise of women networks in financial services*

Several professional networks have emerged in South Africa's financial services sector to support women's career development and address the leadership gap. The **Women in Payments Africa** network, was recently launched in 2024 with the aim of connecting women across the payments ecosystem, from traditional banking to fintech, providing mentorship opportunities and professional development resources. Their regular events and workshops focus on both technical skills development and leadership capacity building (EFT Corp, 2024).

Other notable networks include **Women in Finance South Africa (WIFSA)** and the **Association of Women in Insurance (AWI)**, which offer platforms for networking, knowledge sharing, and career advancement.

However, stakeholder interviews suggest that while these networks provide valuable support, their impact on institutional leadership remains to be realised. The challenge lies not just in developing women's talents, but in changing organisational cultures and decision-making processes that have historically favoured men's leadership styles and perspectives.

Current financial inclusion and policy frameworks demonstrate similar limitations. Rather than addressing women's needs specifically, **policies group women under the broader category of "vulnerable individuals"** alongside youth and persons with disabilities (The National Treasury, 2023). Women are seldom separated out from men, and vulnerable groups, that deserve separate attention. For instance – while the NCA mandates the collection of credit data but does not require it to be gender-disaggregated. This makes it difficult to systematically assess women's access to credit and the impact of the NCA on their financial inclusion. One reason for this, as provided in stakeholder interviews, is the lack of business-minded advocacy around women's financial inclusion. While NGOs exist in the space, there is a need for an advocacy group, consisting of both women and men, with more 'teeth' in the industry and regulatory space.

Where the sector is getting it right is around the provision of consumer financial education (CFE) programmes specifically targeting women, especially those falling within lower-income brackets. The FSCA mandates financial institutions to provide consumer education, leading to initiatives like Standard Bank's Financial Fitness Academy and Capitec's MoneyUp Academy (National Treasury, 2013).¹⁵ These programmes typically focus on basic financial literacy, budgeting, and investment education. 'Women' are highlighted as a priority group for CFE initiatives (DTIC, 2017).

¹⁵In South Africa, the Financial Sector Code (FSC) requires all financial sector companies spend a portion of their Net Profit After Tax (NPAT) on CFE initiatives directed at low-income individuals.

However, as suggested by stakeholder feedback, the key challenge is not necessarily knowledge transfer but practical implementation. Despite learning financial concepts, some struggle to apply them in their daily lives.

*"They learn, most of them learn and give what they learned, [but] in the same time you've seen they don't take it with them and apply it."
- Stakeholder Interview, Industry Player*

Another missed opportunity lies in the lack of connection between financial education and family learning, **where the practice of imparting financial knowledge to their children is limited**. This is particularly pronounced in rural areas.

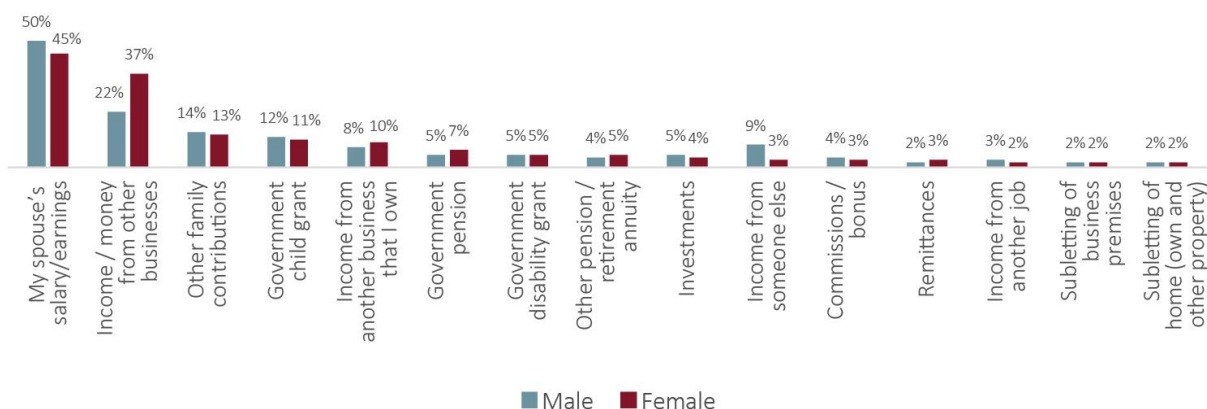
5. The Financial Inclusion Journey for Women-owned SMEs

Women-led SMEs warrant particular attention in any analysis of women’s financial inclusion in South Africa. Although approximately half of South Africa’s population are women, only one-third of SMEs are women led (DPRU, 2018). Increasing the number of women-led SMEs has potential to lead to positive economic growth and development (DTIC, 2005).

Beyond economic impacts, however, **women-SME owners assume multiple important roles** in society and the household, making their success critical for broader socio-economic development (DTIC, 2005). At the household-level, many of these women entrepreneurs are more likely to be the primary breadwinners or significant contributors to household income (DTIC, 2005). It is therefore very difficult to separate women from being a ‘business owner’ from their broader responsibilities as household managers and caregivers.

Personal income is a key differentiator in financial decision-making among SME. According to the FinScope MSME 2024 data, 71% of female SME owners rely on their business as their sole source of personal income, slightly lower than the 77% of male SME owners. While both men and women supplement their business income through alternative sources, men are slightly more likely to rely on their spouse’s earnings (50% versus 45%). Notably, a significant proportion of women SME owners (37%) generate income from other businesses they own, compared to just 22% of male SME owners. This suggests that **while women may struggle with access to formal financing, they often pursue multiple business ventures to sustain themselves financially.**

Figure 22: Other sources of personal income



Source: FinScope SA MSME Survey 2024

However, despite these adaptive strategies, **women-SME owners face a ‘double gap’** – they are both disadvantaged as SME owners, who struggle to access finance and support, and as women, facing additional gender-specific barriers. According to FSCA (2021), women-owned SMEs are disproportionately affected by financial exclusion, with many lacking access and meaningful usage of financial services needed to grow and sustain their operations.

This section therefore focuses on the specific financial inclusion story of women-owned SMEs. It explores how women entrepreneurs navigate both business and personal financial needs, their experiences with formal and informal financial services, and the barriers they encounter in accessing and using financial products. Drawing on insights from focus group discussions across South Africa’s provinces and quantitative data from FinScope MSME 2024 surveys, we analyse patterns in financial service access and usage, and any factors affecting their financial inclusion.

Overview: Current access and use of financial services/ products for SMEs

Business size, complicated processes and not having enough money for registration underpin the key reasons why women-owned SMEs remain in the informal space. Of all the SMEs in South Africa, more than half of them are considered ‘informal’¹⁶, and a large proportion of informal SMEs are women-owned (DPRU, 2018). As displayed in the table below, the factors preventing formal registration amongst SMEs differs by gender: for both men (26%) and women (28%), the primary reason for not registering is that their business is considered too small. This suggests that many SMEs, regardless of gender, struggle to reach the scale necessary for formalisation. However, men are more likely than women to cite failed registration attempts (21% vs. 12%) and complicated processes (23% vs. 16%) as barriers, indicating that structural and administrative challenges are more commonly experienced by male entrepreneurs. On the other hand, slightly more women (18%) than men (16%) indicate that registration is not applicable to them, which may suggest a greater prevalence of informal, necessity-driven entrepreneurship among women.

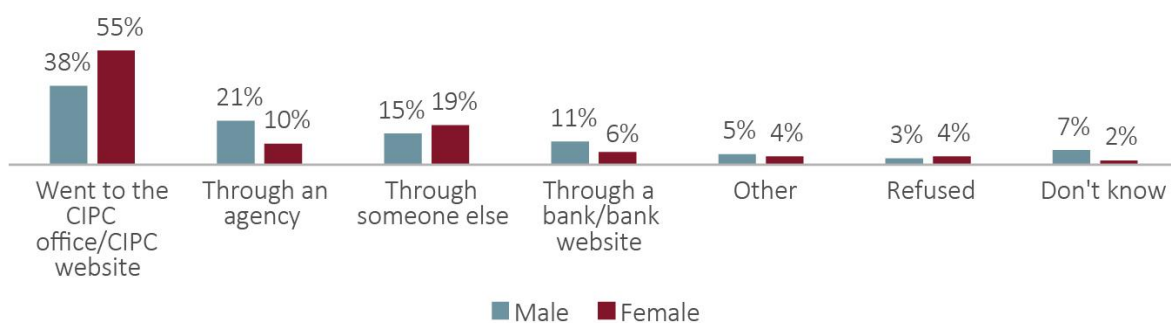
Table 8: Reasons for not registering business by sex (%)

	Business is too small	Do not have money to register	Do not have time	Do not know how	Do not want to pay tax	It is too complicated	No benefit	Registration is being processed	Tried but was not successful
Male	26%	17%	11%	15%	11%	23%	16%	15%	21%
Female	28%	14%	13%	10%	8%	16%	14%	10%	12%

Source: FinScope SA MSME Survey 2024

For formal SME-owners, **women show a stronger preference for direct engagement with official channels.** More than half of formal women-led SMEs opt to go to the CIPC office/ website, compared to 38% of men. In contrast, men are more likely to rely on intermediaries, such as an agency or going to ‘someone else’ to register their business.

Figure 23: Method of registering business by sex (%)

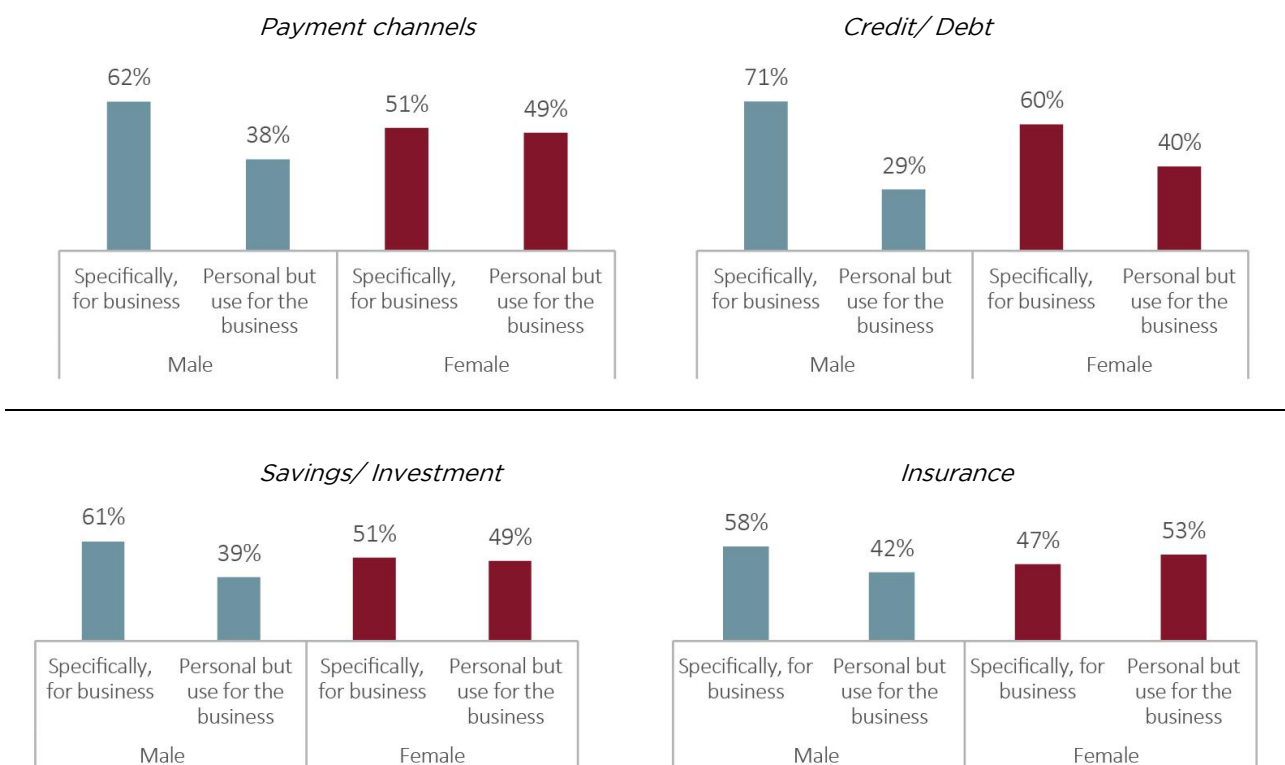


Source: FinScope SA MSME Survey 2024

¹⁶ ‘Informal’ SMEs refer to those that operate outside of the formal economy’s regulatory framework, which includes: registration with the Companies and Intellectual Property Commission (CIPC), do not pay corporate tax, are not registered for Vat, do not comply with formal business regulations/ licensing requirements.

Men tend to maintain clearer boundaries between personal and business financial products compared to women. Across all financial products, men show a greater tendency to differentiate their business versus personal usage of financial products. Women, on the other hand, show an almost even split, which is particularly evident in payments (51% versus 49%) and savings (51% and 49%). This suggests women entrepreneurs manage their finances more fluidly between business and personal use, likely reflecting their interconnected roles in business and household management.

Figure 24: Personal vs business financial product usage by product and sex (%)



Source: FinScope SA MSME Survey 2024

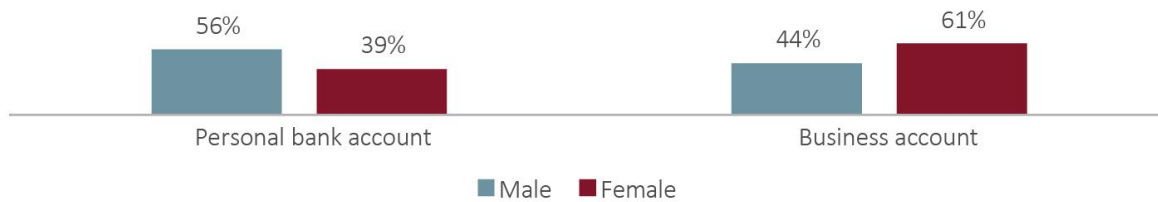
Note:

- Payment channels include: card merchant device, current/cheque account, debit/cheque card, credit card, petrol card, internet banking, wallet money, cell phone banking
- Savings/Investments include: Savings accounts, deposit account, investment account, savings book
- Credit/Debt includes: Business loan account, personal loan account, car/vehicle loan, overdraft facility, mortgage bond
- Insurance includes: Insurance account

Payments:

Men business owners are more likely to leverage their personal bank accounts for business operations. According to the FinScope MSME 2024 data, 82% of women and 73% of men reported having a bank account. However, this statistic refers to overall bank account ownership and does not distinguish between personal and business accounts. To better understand how entrepreneurs use these accounts, **respondents with an account** were asked whether it was a personal or business bank account. The findings show that while men business owners are more likely to leverage their personal bank accounts for transactions, women business owners are more likely to use their accounts explicitly for business purposes. This suggests a key gender difference—not just in account ownership, but in how accounts are used for financial management.

Figure 25: Usage of bank accounts by sex (%)



Source: FinScope SA MSME Survey 2024

Men’s barriers to business account ownership tend to be more procedural or cost-related, while women face more fundamental structural challenges in meeting qualification requirements. The most striking data point is around qualification: 19% of women without business accounts cited this as a reason, whereas only 5% of comparable men did. Men, on the other hand, were more likely to cite not having registered their business (24% for men, 7% of women) and bank charges as their men reasons.

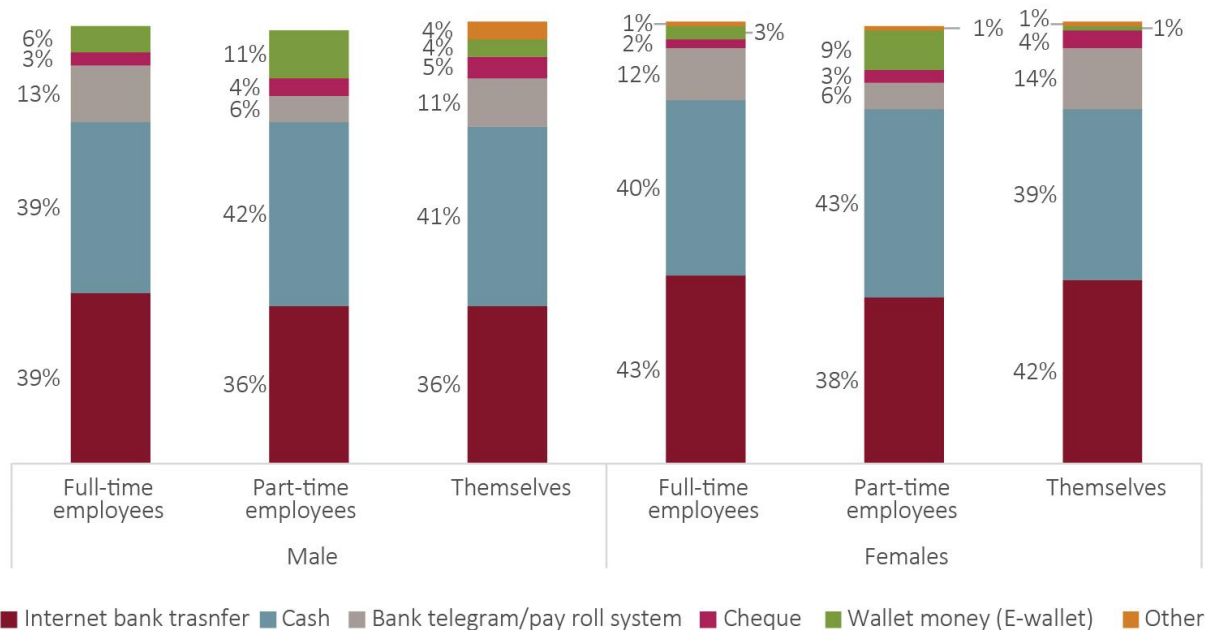
Table 9: Reasons for not having a business bank account in one’s own name by sex (%)

	Bank charges	Business/income is too small	Can not afford the minimum balance	Do not have business address	Do not know anything about it	Do not need one	Do not qualify	Haven’t registered my business	Irregular income	Not enough money from business	Planning in future	Too complicated	Other
Male	9%	8%	3%	2%	10%	4%	5%	24%	5%	9%	7%	9%	7%
Female	5%	13%	5%	7%	12%	5%	19%	7%	10%	5%	5%	11%	1%

Source: FinScope SA MSME Survey 2024

When regarding the payment channels used for employees, **digital payment options are relatively high amongst men and women, but cash reliance is still high.** Internet banking transfers are slightly more prevalent among women business owners for self-payment (42%) compared to men (36%). For employee payments, a mixture of internet banking and cash is used. The use of formal sophisticated payment methods like payroll systems is low across both genders.

Figure 26: Method of payment for employees and themselves, by sex (%)

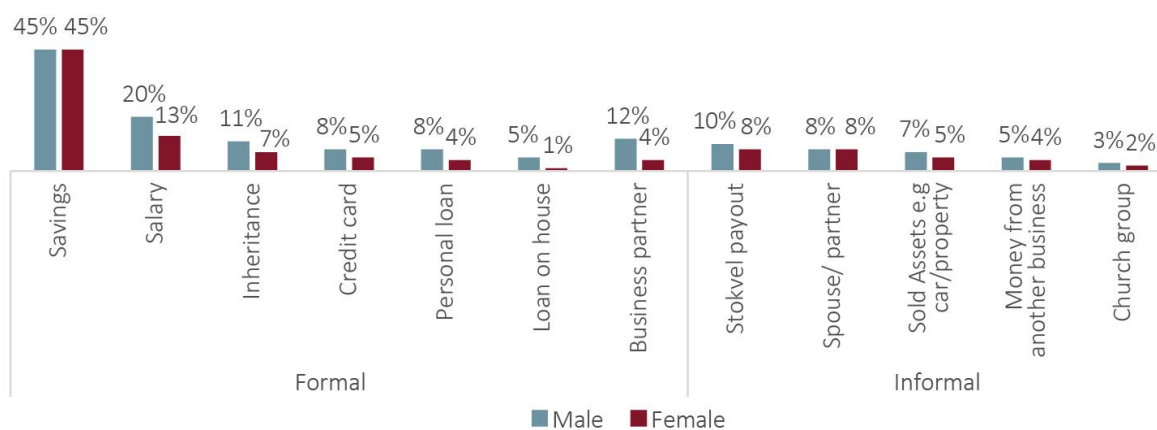


Source: FinScope SA MSME Survey 2024

Credit/ Debt:

Sourcing of funds for business is remarkably similar between genders. For both men and women-owned SMEs, personal savings is the dominant source for both genders (45%). However, men are more likely to draw on a variety of other sources – such as salary, inheritance and personal loan, and are consistently higher than women in all other sources. However, in the informal sector, the differences are less pronounced, with both genders showing a similar reliance on stokvels (10% of men, 8% of women).

Figure 27: Source of funds to start the business by sex (%)



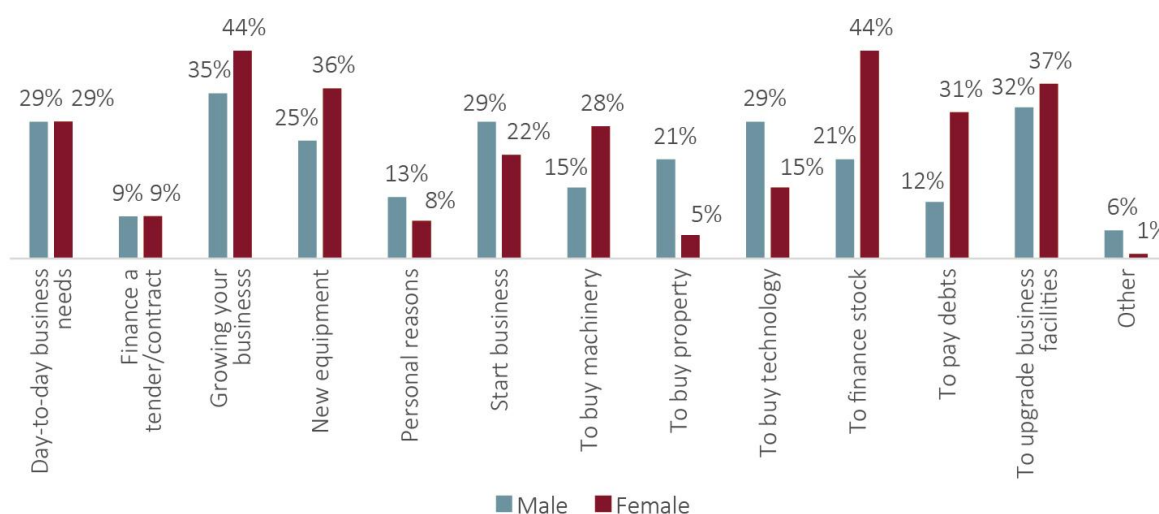
Source: FinScope SA MSME Survey 2024

The difference in formal funding sources may be linked to broader income disparities between male- and female-owned SMEs. A significantly larger proportion of female SME owners fall into lower income brackets (earning below R5 000 per month) compared to men (36% vs. 28%) (FinScope MSME 2024). This suggests that a greater share of women-owned SMEs may face financial constraints that limit their ability to reinvest profits into business growth.

Meanwhile, men are more concentrated in higher-income brackets, with 34% earning above R16,000 per month compared to only 24% of women. However, at the very highest income levels (R100,000+ per month), both men and women show an equal share of 4%, (FinScope MSME 2024) suggesting that while fewer women reach these levels, those who do achieve similar earnings to their male counterparts.

Despite these income constraints, when women do access external financing, they are more likely to borrow for direct business growth and inventory management, while men tend to focus more on equipment and technological investments. The highest reasons for borrowing amongst women include business growth and financing of stock, followed by the maintenance of business facilities. Men, on the other hand, show a more varied array of reasons, ranging similarly from business growth but to also include asset accumulation. Day-to-day needs is cited as a major reason for both genders.

Figure 28: Reasons for borrowing money, by sex (%)

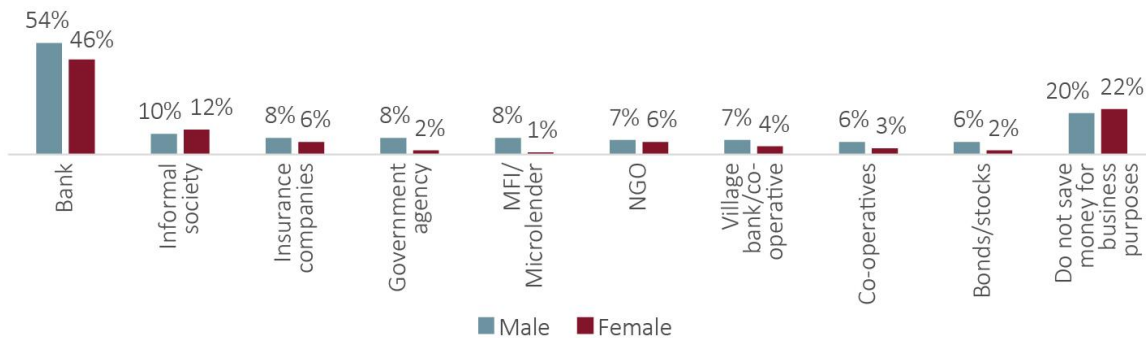


Source: FinScope SA MSME Survey 2024

Savings/ Investment:

While both genders predominantly rely on formal financial institutions, men business owners maintain a slightly more balanced approach between formal and informal financial services. Shown in **Figure 29**, bank saving/ investment products are the dominant channel for both genders, with men showing slightly higher access (54% versus 46% of women). Notably, informal society membership is marginally higher amongst women. However, as in **Figure 30**, the fact that around 70% of both male and female business owners do not participate in informal savings groups (74% men, 71% women) indicates that despite the cultural significance of stokvels in South Africa, they are not widely used for business purposes.

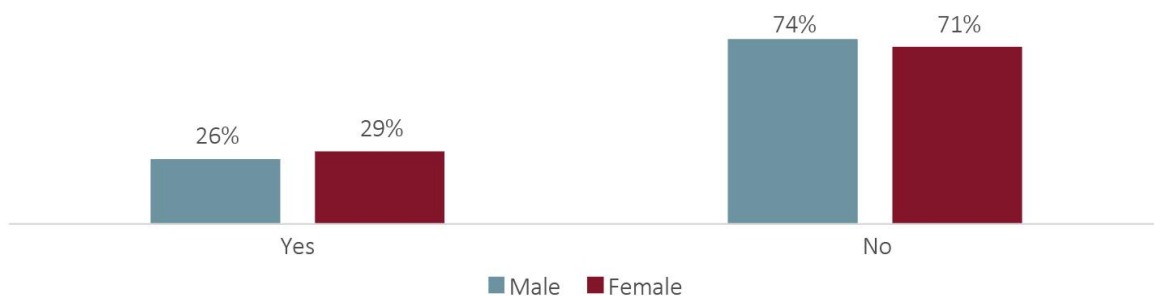
Figure 29: Saving/ investment products/ services by sex (%)



Source: FinScope SA MSME Survey 2024

Note: An informal society or group savings scheme is a stokvel, savings club, or investment club, to which an individual contributes to on a regular basis for the purposes of the business / in the interest of the business.

Figure 30: Membership informal society or group by sex (%)

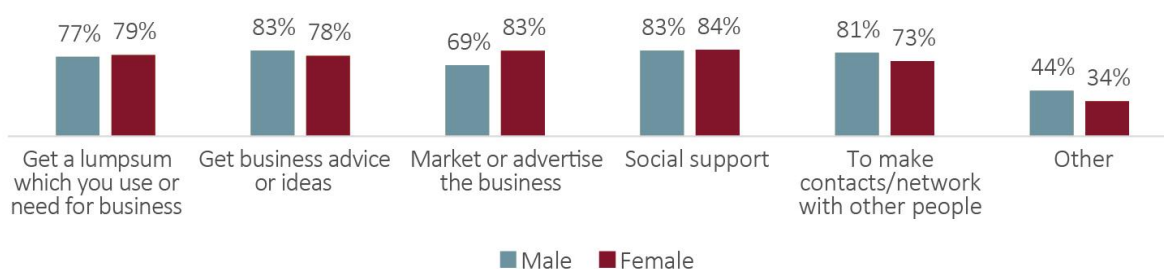


Source: FinScope SA MSME Survey 2024

Note: An informal society or group savings scheme is a stokvel, savings club, or investment club, to which an individual contributes to on a regular basis for the purposes of the business / in the interest of the business

Despite relatively low overall stokvel participation, both male and female business owners recognise their value for similar reasons. As shown in Figure 31 below, a key advantage cited by most men and women is receiving a lump sum for business needs, highlighting **stokvels as an important source of capital**. Social support is another widely acknowledged benefit, underscoring their role beyond financial access. While women place slightly more emphasis on marketing (83% vs. 69% for men), men value networking marginally more (81% vs. 73% for women).

Figure 31: Perceived advantages to belonging to a savings club or a stokvel



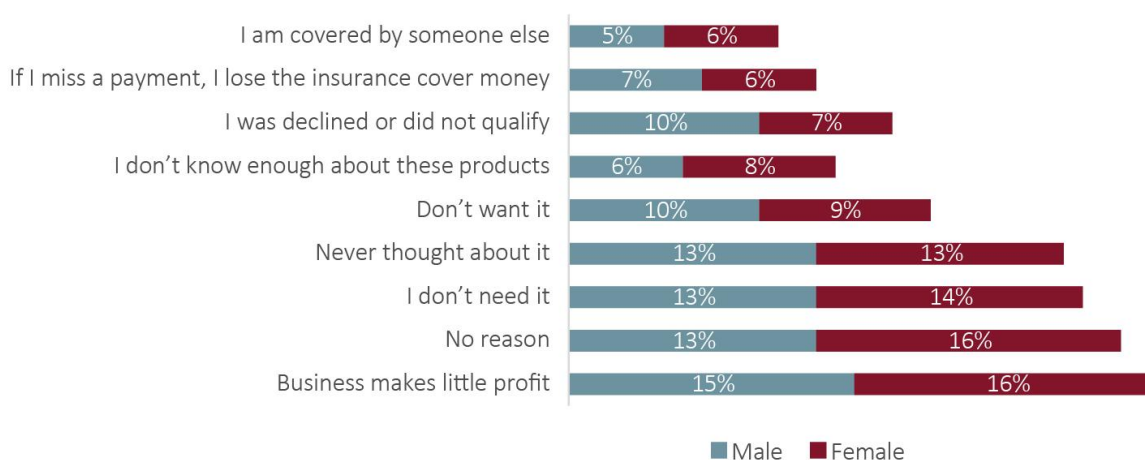
Source: FinScope SA MSME Survey 2024

Risk and Insurance:

Risk perception also influences financial decision-making among women entrepreneurs. Women are less likely to have business insurance (17% vs 22% of men) compared to men, which may indicate a more cautious approach to financial risk. This hesitancy to take on financial liabilities could also explain why women tend to rely more on personal savings and informal lending sources rather than engaging with formal credit providers.

However, risk aversion alone does not fully explain women’s lower business insurance uptake. **Business profits and lack of need are the main identified reasons explaining why women business owners do not have insurance products.** Notable gender differences emerge in qualification and knowledge barriers. Men report higher rates of being declined or not qualifying (10% versus 7% of women), while women show slightly higher levels of knowledge gaps about insurance products (8% versus 6% of men). This suggests that while profitability is a universal constraint, women may face additional barriers related to product awareness and understanding.

Figure 32: Reasons why businesses do not have business insurance by sex (%)



Source: FinScope SA MSME Survey 2024

Men and women generally experience similar risks to their business operations, with a few differences. As shown below, both men and women identified government restrictions and theft as major concerns affecting their business operations. However, gender differences emerge in how business owners perceive specific risks. Women are more likely to cite load shedding (17% vs. 14%) and rain damage (12% vs. 10%) as serious threats, suggesting that they may be more vulnerable to infrastructure-related disruptions.

Table 10: Biggest risks that could affect business operations or income

Type of risk	Male	Female
Bankruptcy of the business	14%	12%
Business equipment failure	9%	7%
Business interrupted (e.g. Covid-19)	11%	10%
Damage to my place of business	14%	12%
Death of owner	15%	9%
Disability of business owners / staff members	8%	5%
Flood, fire or natural disaster	10%	8%
Government restrictions (like the Covid-19 restrictions)	16%	14%

Type of risk	Male	Female
Illness of owner	10%	9%
Illness of staff	7%	4%
Loadshedding	14%	17%
Loss of big financial contract	8%	7%
Loss of business equipment (computers/ laptops/ cell phone/ phone)	9%	4%
Loss of income	13%	10%
Not being paid by creditors or people that owe you money	9%	6%
Rain damage	10%	12%
Theft of business equipment	15%	13%
Theft of business stock	13%	11%

Source: FinScope SA MSME Survey 2024

Factors affecting access and usage of financial services/ products for SMEs:

Stakeholder interviews and FGDs revealed several strong themes on both the demand-side and supply-side challenges for women-owned SMEs.

A recurring theme in FGDs was **the dual burden women shoulder in simultaneously running businesses and managing household responsibilities**. In many families, women were expected to take on most of the domestic work, regardless of their professional obligations. *“For instance, when we all come back from work, I still have to go in and prepare meals for the family,”* said one participant, while another added, *“Men expect us to take up that additional role of taking care of the home entirely.”* This **uneven distribution of labour** forced women to balance entrepreneurial duties with the bulk of childcare and housework. In addition, several participants emphasized that men often expect complete support when launching a business but offer less reciprocal support when women do the same. This dynamic can have larger impacts on women’s motivation and desire to pursue their own entrepreneurial ventures, also to take on financial risks.

“When a man is starting something, they expect full support, but when a woman is starting a business, she tends not to be taken seriously until long after money begins to trickle in. This has tempted me at a point to want to dust my CV and return to the labour market.” – Focus group participant, Gauteng

Due to the financial demands of their households, women entrepreneurs often struggle to prioritize business investment. As one stakeholder explained, *“With R2000, they think of school fees or food before reinvesting in the business”*; highlighting **how day-to-day necessities**—such as household expenses, childcare, and extended family responsibilities—**can overshadow longer-term strategies and capital outlays**. This behaviour is deeply tied to their **caregiving roles and the financial constraints imposed by broader socio-economic conditions**. Ultimately, these trade-offs divert both financial and emotional resources away from business growth, making it more difficult for women to scale their enterprises and secure sustainable income streams.

Household responsibilities significantly shape the types of businesses that women entrepreneurs choose to pursue. Many women select business ventures that allow them to balance work with family obligations, prioritising flexibility over high-risk, high-reward opportunities. As one industry expert explained:

"You need to pick something that works around your existing family responsibilities as well."

This necessity often leads women to start businesses that can be managed from home or within their immediate communities, such as retail informal food services. Their choices are also influenced by what is in demand within their surroundings, rather than by long-term business sustainability. In some cases, this means that **women's businesses tend to emerge in response to short-term market trends**. While these businesses provide an immediate income stream, they may not offer long-term stability or significant financial growth.

Traditional gender norms undermine women's legitimacy as entrepreneurs, often subjecting them to male scepticism and control. Many participants felt that men struggled to accept women as fully capable business owners. As one KwaZulu-Natal participant put it, *"Men find it difficult to accept us as women who can do things on their own."* Participants also described facing scepticism rather than support when encountering financial setbacks. *"When something bad happens, it is not always met with support; people, and men, feel threatened by what women are trying to achieve,"* explained another participant from KwaZulu-Natal. Some participants also shared men often sought to control their financial and business decisions. When male partners and family members police the social and financial interactions of women, this creates additional barriers to networking and businesses growth.

"Lucky for me I am not married so I do not have to come back to queries of, 'Why you are not coming home early? Why are you meeting up with men?'"
- Focus group participant, Gauteng

Notably, the qualitative data insights reveal that household financial decision-making remains shaped by marital status and gender norms. In the Free State, a participant shared, *"As a married couple... we make financial decisions together, whether to save, buy cash or apply for credit."* Northern Cape women noted, *"Single parents need to make mindful financial decisions and put the needs of their children first,"* while in KwaZulu-Natal, participants explained, *"Being single mothers means all decisions are made by us."* These narratives highlight women's evolving roles as primary economic decision-makers despite persistent socio-cultural expectations.

Discrimination from men in the business environment: Many women reported facing discrimination in business transactions, particularly when dealing with male suppliers, clients, or financial institutions. In male-dominated industries such as construction and farming, women often find it difficult to be taken seriously, facing scepticism and sometimes outright hostility from men who do not believe they belong in the sector. Some participants recounted experiences of being pressured into business deals that did not serve their best interests. The perception that women are financially irresponsible or less capable of handling money was another recurring theme, with some women stating that they were not trusted with financial decision-making within their own households.

Concerns about high interest rates and the stress of repaying loans have discouraged some women for applying for formal loans. Across various focus groups, women entrepreneurs reported that bank loans were often too expensive to justify the risk. The interest rates on loans (whether personal or business) were perceived as excessively high, making repayment a daunting prospect, particularly for those running small businesses with inconsistent cash flows. Instead of seeking formal loans, many women entrepreneurs interviewed in the focus groups relied on their own savings or family support to finance their businesses. This aligns with FinScope data (Figure 27) which indicates that 45% of women used personal savings as the source of funds for their business.

Distrust and negative perceptions of formal institutions: Similarly to women's experiences of financial services in general, women with SMEs often feel a deep distrust of financial institutions. Many described being turned away for business loans without clear explanations or any guidance on how to strengthen future applications, leaving them uncertain about what changes were needed. This perceived lack of transparency has reinforced their belief that banks do not take women-owned enterprises seriously, prompting many to avoid formal credit channels altogether. However, from the FinScope data (Figure 27), there seems to be little differentiation between the use of informal channels over formal ones between men and women, as has previously been highlighted in this report. For the focus group participants specifically, a key driver of this distrust is the perception that they are overlooked or dismissed during the application process, despite meeting eligibility criteria or having viable business models. When no rationale is provided for rejection, women lack crucial feedback to improve future applications, compounding a sense of exclusion and diminishing their confidence in formal lending options.

Stakeholder interviews and FGDs revealed the following supply-side challenges for women-owned SMEs:

Formal credit providers often require significant collateral and extensive paperwork, creating a high barrier to entry. Many women do not have title deeds or other tangible assets demanded by banks, largely due to cultural norms limiting women's property ownership. This rigid approach excludes otherwise viable businesses from accessing much-needed capital.

Even though there have been various land reform programmes in South Africa - including the Land Policy Document, Land Redistribution Programme, Land Tenure Reform Programme and the Land Restitution Programme - **women's progress in securing land titles remains hindered by patriarchal structures and patrilineal inheritance practices** that result in property being left to men only (Zawaira, Chisadza, Clance, & Gupta, 2022). According to the Land Audit Report (2017), although women in South Africa own more sectional titles compared to men in several provinces, they still lag behind in overall land ownership, with just under 35% of women owning land nationally compared to 50% of men (Department of Rural Development and Land Reform, 2017).

Participants also highlighted **opaque and complicated loan application processes, with little to no feedback upon rejection.** Women consistently reported receiving little to no explanation when banks rejected their loan applications. Without clarity on why an application was unsuccessful, business owners cannot address specific concerns or improve their creditworthiness. Prolonged processing times in government and private sector programmes further compound the problem, leaving SMEs unable to access capital when it is most urgently needed.

"There's a lot of red tape on women or female entrepreneurs; if these can be reduced, it would make a significant difference."
- Focus group participant, Western Cape

A significant number of women entrepreneurs operate in the informal sector with minimal record-keeping and limited financial documentation (DPRU, 2018). This makes it difficult to demonstrate stable cash flows or overall creditworthiness to lenders. The prevalence of women entrepreneurs in the informal sector might help explain why 19% of women surveyed by FinScope don't qualify for a business bank account Table 9. Because women are also less likely to own formal assets or participate in established business networks, they have fewer ways to showcase their financial reliability. One potential solution to this phenomenon can be to leverage alternative data—such as mobile money transactions, deposit histories, or supply chain activity—to build a more comprehensive picture of women's business performance.

Focus group participants pointed to **a prevailing sense that women-owned enterprises are undervalued by financial institutions.** This bias was especially noted in sectors like agriculture or construction, where some women saw less-experienced men receive loans more readily. Labelling women as “high-risk” without clear justification further erodes trust, ultimately driving many to seek informal funding alternatives.

The focus group discussions make it clear that **the hurdles women entrepreneurs face reflect broader gender-based barriers,** closely aligning with those experienced by women more generally. Cultural expectations regarding caregiving, a lack of recognition for their expertise, and limited access to finance all compound to shape their experiences in both the household and the marketplace. Taken together, the findings show that women’s business pursuits are consistently hindered by structural gaps, reinforcing the call for products explicitly developed to support them. As one focus group participant in KwaZulu-Natal put it:

“We need to have financial institutions that understand what women have been through as entrepreneurs themselves.”

6. Women's empowerment through financial inclusion

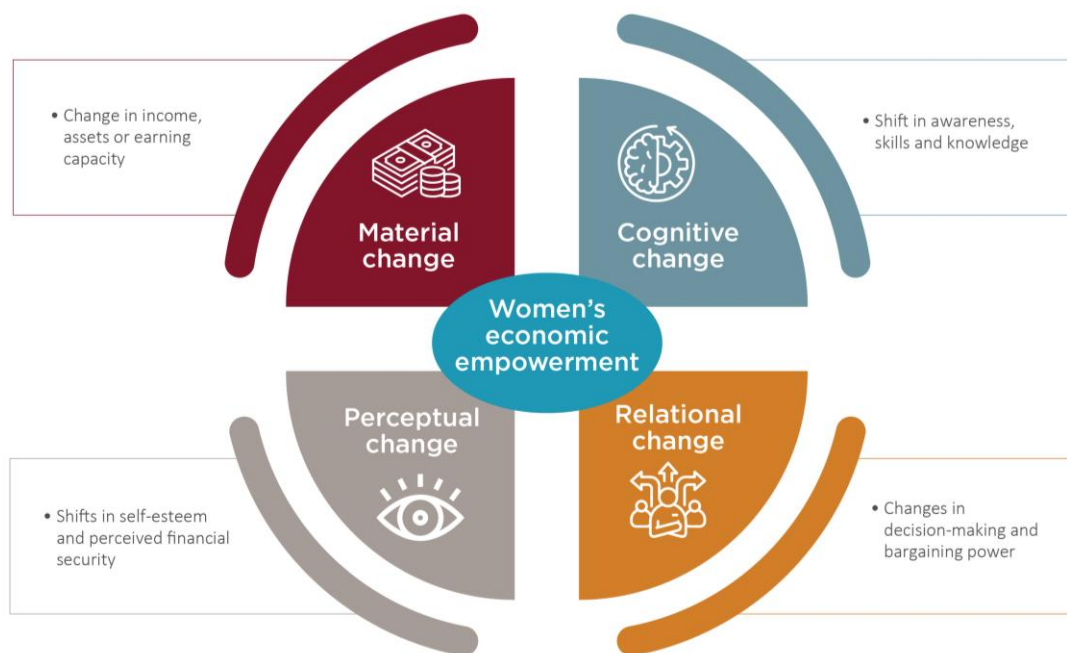
Martha Chen's empowerment framework has significantly influenced the discourse on women's economic empowerment, particularly in the context of informal workers (Chen, 2016). This framework is designed to comprehensively assess and enhance the economic status of women by focusing on multiple dimensions of empowerment.

Chen, along with Simeen Mahmud, articulates empowerment as a multi-faceted process that encompasses four main components: Material change, cognitive change, perceptual change, and relational change (Rodriguez, 2016). Financial inclusion is important for the sake of empowerment and effecting change in women's lives. The framework can both reflect the status quo, and where we would want women's economic empowerment through financial inclusion to move to:

- **Material change** refers to **tangible improvements in women's economic conditions**, such as increased access to financial resources and enhanced business performance. This change can be measured through indicators like income growth and asset accumulation.
- **Cognitive change** involves **shifts in knowledge and skills**, enabling women to make informed financial decisions. Educational programmes that enhance understanding of financial products are crucial in this aspect.
- **Perceptual change** relates to how **women view themselves and their roles within their families and communities**. Increased self-esteem and confidence often accompany improved financial security, allowing women to envision broader life goals.
- **Relational change** addresses how women's empowerment affects **their relationships with others**, including family members and community members. As women gain confidence and economic independence, their social dynamics often shift positively.

Martha Chen's empowerment framework aligns closely with **Oxfam's Conceptual Framework on Women's Economic Empowerment (WEE)**, which emphasises a rights-based and holistic approach to economic empowerment. According to Oxfam, effective WEE occurs when women have the right to control and benefit from resources, assets, income, and their own time. The framework underscores that for women to achieve meaningful empowerment, they must possess both autonomy and self-belief, enabling them to influence decision-making processes while enjoying equal rights and freedom from violence (Oxfam, 2017). Oxfam identifies several critical areas necessary for achieving WEE, including women's ability to participate in decision-making, maintain jobs with living wages, and control their income and assets. The framework also highlights the importance of reducing heavy caregiving responsibilities, which disproportionately fall on women (Oxfam, 2017).

Figure 33: Chen and Mahmoud's (1995) framework for measuring women's economic empowerment



Source: Unpublished graphic by Cenfri, reworked by authors of this report

6.1 Empowerment from financial services/ products

Cognitive and relational dimensions of women's empowerment:

Discussions with industry stakeholders, experts, and NGOs consistently highlight **how entrenched patriarchal attitudes and restrictive gender norms stifle the cognitive and relational dimensions of women's financial empowerment** in South Africa. This becomes apparent in the following ways:

- 1) Due to the structure of many South African households, **women bear the primary responsibility for day-to-day household financial maintenance**, ensuring that their income stretches to meet household needs.

"There remains a persistent societal expectation that women should not manage major household financial decisions or investments. While women often handle day-to-day household expenses, they are frequently excluded from or not expected to participate in longer-term financial planning and investment decisions." -Stakeholder interview, Industry Player

- 2) **Men typically make more independent financial decisions compared to women.** This is supported by Afrobarometer data (2022) where, when asked about financial decision-making, 53% of men reported making decisions themselves, compared to 45% of women. Stakeholder feedback pointed to cultural expectations that men should take the lead in financial matters, and that women taking control could be perceived as disrespectful. Cementing this notion is the insight that in the absence of a male head, women have more autonomy in financial decision-making. Conversely, when asked about how the prevalence of female-headed households might allow women to engage in more financial decision-making, one stakeholder shared the following:

"The real decision maker may be staying somewhere else, and he's just not present in the household at that moment."
- Stakeholder Interview, Industry player

Women's financial roles and responsibilities in the household are shaped by strong social expectations and gender norms. As one industry expert put it:

"Women have to answer to society. Women have to bear the name of the family...and it's all about protecting the children."

This statement underscores **the dual pressure women face to uphold familial reputation by behaving in a particular manner while also providing for immediate household necessities.** Another expert observed, *"You will be judged as a woman... men will be forgiven much quicker than a woman will be forgiven for taking such a risk,"* highlighting that stricter scrutiny is applied to women's financial decisions. Within many South African households, women handle the day-to-day financial maintenance—allocating funds for food, school fees, and healthcare—yet are often excluded from broader financial planning or significant investment decisions. This responsibility limits women's opportunities to engage in higher-level financial activities.

Entrenched gender roles influence women's perceptions of financial risk. As stakeholders noted, women's decision-making often prioritises the security of children and the household, discouraging them from undertaking ventures that could compromise short-term stability.

"I can't mess around with my child's school fees, there is no way. But a man would possibly do that. Take the school fees money, put it somewhere else, and hope to create a million and come back with that. Women will just protect that school fees." – Stakeholder interview, Industry Expert

By contrast, men may feel more at liberty to invest aggressively or experiment with funds, banking on the possibility of higher returns. This divergence in risk-taking behaviour is closely linked to societal attitudes that cast women as guardians of household welfare, while men are perceived as primary decision-makers for larger, long-term financial ventures.

One key point raised in stakeholder interviews is that **financial empowerment of women through microfinance can sometimes lead to a decrease in intimate partner violence (IPV)** within the household. This suggests that as women gain more financial independence and their position in the household improves, it may disrupt traditional power dynamics, potentially leading to more less psychological and emotional IPV.

"As much as they are empowered financially, there's still a lot of work to be done in terms of their position in the household." – Stakeholder interview, Industry Player

Financial abuse represents a pervasive and insidious form of IPV, where household finances are weaponised as a tool of control and manipulation (Moonstone, 2024). According to experts, this form of economic violence systematically undermines women's independence, leaving them financially voiceless and vulnerable. Recent research by HSRC (2022) reveals that more than 50% of women in abusive relationships report being subjected to some form of financial control or economic violence.

By restricting access to financial resources, perpetrators of financial abuse not only limit women's economic opportunities but also erode their sense of personal agency and self-worth, creating a complex cycle of dependency and psychological manipulation.

Perceptual dimensions of women's empowerment:

Perpetual dimensions of women's empowerment pertain to how women view themselves, their capabilities and potential within households/ communities. The research reveals that women's self-perception is deeply intertwined with societal expectations and patriarchal norms that often diminish their financial agency.

Women face profound psychological barriers to their belief in their standing within the household and community. One industry representative articulated this challenge, noting that women are "*raised to be lower than males.*" This shows how deeply these limitations are entrenched.

Stakeholder interviews highlight that women are typically **more cautious and purposeful in financial decision-making**, yet they are conditioned to defer to male family members. One expert noted that "*even entrepreneurial women must answer to social expectations,*" suggesting that women's self-perception is continuously negotiated within restrictive social frameworks. The impact is not just psychological, but becomes practical, when women defer critical financial decisions to men in their lives.

Microfinance interventions and targeted financial education programmes show **promise in reshaping these perceptions**, offering women a pathway to increased self-esteem and financial confidence. By providing skills, knowledge, and supportive networks, these initiatives help women reimagine their economic potential, gradually challenging internalised narratives of financial limitation and dependency. In-depth studies of rural South African women highlight how microfinance interventions and gender training can be transformative, fostering a sense of 'power within the self' through income generation and financial independence. However, deeply entrenched social norms about women's subservience and male dominance continue to challenge women's economic autonomy, particularly among older generations (Stern, Knight, Muvhango, Molebatsi, & Polzer-Ngwato, 2020).

Language and narrative play crucial roles in this transformation. Women's descriptions of financial support often reveal profound emotional dimensions - describing microfinance organisations as "like a husband" or a source of hope. These metaphors suggest that perceptual change is not just about financial literacy, but about reimagining women's potential for economic independence and self-determination (Stern, Knight, Muvhango, Molebatsi, & Polzer-Ngwato, 2020).

Material dimensions of women's empowerment:

Considering South Africa's wider economic landscape and the way its effects are disproportionately felt by women, as outlined in Section 2.1, it becomes clear that **limited economic opportunity remains the most significant barrier to women's financial inclusion and empowerment**. As one stakeholder stated:

*"The problems of financial exclusion are not attributable to the financial sector or supply-side factors alone. ... Because **our economy is not moving at the right pace**, it becomes difficult to say, 'Let's bring in these vulnerable groups in to participate in the financial sector.' Because if I don't have a job, what's the point?,"*
emphasis added

Access to income is a fundamental element in determining women's economic inclusion and empowerment. When women have reliable and sufficient sources of income, they can meet their basic needs, support their families, and invest in their own development. A steady income provides the financial stability necessary for women to make informed decisions and to assert greater control over their lives, contributing directly to their overall material well-being.

Following Chen's framework, **material change is intrinsically linked with other dimensions of empowerment.** For instance, while cognitive improvements - such as enhanced financial literacy - are vital, they can only be fully leveraged when women possess the material resources to act upon them. Similarly, gains in self-confidence and shifts in societal perceptions are reinforced when women experience concrete economic benefits, which in turn encourage them to take greater control over their financial lives.

The material dimensions of women's financial empowerment in South Africa demand a nuanced and differentiated approach that recognises the **diverse economic circumstances of women** across the socio-economic spectrum. Financial sector stakeholders must exercise vigilance regarding advocacy efforts and policy recommendations to ensure that financial inclusion initiatives targeting low-income women do not inadvertently exacerbate their economic vulnerability, particularly through exposure to unsuitable credit products or unsustainable debt obligations.

From an institutional standpoint, corporate transformation efforts provide a useful lens into how empowerment translates within formal employment and leadership structures. As a representative of a service provider explained,

“At this organisation, we are at 59% female representation already, and there are no salary discrepancies as opposed to the way it was some years ago. Even though these policies are at a national scale, there is an uptake of this at corporate levels.”

He further emphasised that progress has been driven by deliberate recruitment and promotion strategies:

“We have created a whole pipeline and culture of gender representation across the firm. The greatest challenge now is education, as the pool from where we are recruiting requires specific expertise; and we are all going into the same pool with other recruiters.”

This reflection underscores that while corporate compliance with gender equity frameworks such as the B-BBEE and Financial Sector Code has produced measurable gains in women's representation and pay equity; the pipeline challenge persists.

Given the heterogeneous nature of women's economic participation and financial needs, it is imperative that empowerment programmes reject one-size-fits-all approaches. This is especially important for unemployed women, whose pathways to financial empowerment necessitate carefully tailored interventions that account for their specific constraints and opportunities. A differentiated approach is crucial for achieving meaningful and sustainable improvements in women's financial agency and wellbeing in South Africa.

6.2 Is our enabling environment primed to move women to meaningful financial inclusion?

The broader enabling environment for women's financial inclusion in South Africa remains fraught with systemic barriers that undermine efforts to create equitable access. While basic financial services have been extended to many women, particularly through grant programmes, structural and institutional challenges continue to impede meaningful engagement with these services. Documentation and collateral requirements, geographical isolation, and high transaction costs disproportionately affect women, particularly those in rural settings.

Broader financial and regulatory framework net yet considering women as a separate, important group. While current policies demonstrate limited explicit mention of women, there is an emerging

recognition of the need for a more sophisticated, differentiated approach to financial inclusion. At the G20 working group level, of which South Africa is a member, there is growing acknowledgment of the transition from a broad, undifferentiated "Financial Inclusion 1.0" model to a more targeted "Financial Inclusion 2.0" framework. This evolving perspective seeks to move beyond simplistic categorisations based solely on income or race and instead aims to develop more nuanced strategies that recognise the unique financial challenges faced by specific vulnerable groups, including women. As one industry stakeholder candidly observed, the current approach appears to be progressing:

"By luck, not by design" – Stakeholder Interview, Industry Player

Policymakers across various department are working in silos, impeding financial inclusion strategies targeted specifically at women. When departments like Department of Social Development (DSD), the Department of Trade, Industry and Competition (DTIC) and financial regulators fail to communicate and align their strategies, the result is a disjointed policy landscape that fails to address the complex, multidimensional nature of women's economic barriers. The need for an integrated approach becomes particularly crucial when addressing financial literacy, where effective implementation requires synchronised efforts across education, social support, and financial sectors.

*"One of the outcomes or findings was **the need to collaborate because stakeholders are working in silos...** what we recommended is for an integrated approach with these bodies to be able to work on an education and financial literacy plan." – Stakeholder Interview, Industry Player, emphasis added*

Financial sector policies do not account for the cultural needs and realities of women. Some financial sector policies have successfully recognised cultural needs, such as funeral insurance regulations. However – this approach is lacking in other policies – such as the National Financial Inclusion Policy and FSCA's Financial Inclusion Strategy. For instance, while funeral insurance regulations acknowledge the cultural significance of funeral practices by allowing specific deductions from social grants, other financial policies fail to similarly recognise the unique cultural contexts and economic pressures faced by women, particularly in rural and low-income communities (Kruger, 2016). In contrast, **policies governing social grants, credit access, and digital financial services often apply a one-size-fits-all approach that does not account for the complex realities of women.** Credit lending practices, for example, rely on standardised documentation and collateral requirements that do not consider the informal employment patterns and caregiving responsibilities that characterise many women's economic experiences. This is shown in the quote below:

"The way collateral is defined...it's mostly immovable property, which is land, and...traditionally, most the bulk of land has been owned by males, and females don't have sort of like what you would call title deed or ownership of land." – Stakeholder Interview, Regulator

"Frameworks are not gender-sensitive...when you're looking at policies they don't look at it in terms of the inequities and the substantive inequality that women face." – Stakeholder Interview, Industry Player

Institutional transformation in the financial sector requires a comprehensive approach to addressing representation, organisational practices, and professional development. The current enabling environment reveals structural challenges that impact women's participation in financial decision-making and service delivery. Enhancing women's representation in leadership roles within financial regulatory bodies, banks, and key decision-making positions represents a critical first step

in developing more comprehensive financial policies and services. The quote below from a stakeholder highlights the need for a strong advocacy organisation, comprised of business-savvy individuals, which can effectively engage with financial institutions to champion women's financial inclusion and address the barriers they face. The interviewee notes the current advocacy efforts feel too "NGO" and lack the gravitas to drive real change with industry leaders.

*"We need **someone or an advocacy group of business-minded people** that can go toe-to-toe with income statement owners in addressing these challenges." - Stakeholder Interview, Industry Player, emphasis added*

7. Conclusions and recommendations

7.1 Concluding remarks

South Africa has achieved remarkable progress in ensuring gender parity in basic financial access, with women showing equal or higher levels of bank account ownership and basic financial product usage compared to men. However, a critical gap emerges in women's engagement **with non-bank financial services, where men show notably higher participation**. The expansion of basic financial services has been primarily driven by both a profit and 'Financial Inclusion 1.0' motive in bringing more people into the banking system, but not yet (always) realising use and impact through products

The study reveals that **access does not automatically lead to effective use of financial services**. Women predominantly use **financial services for day-to-day transaction needs rather than wealth building**, with their financial behaviours deeply influenced by household responsibilities and broader socio-economic constraints. The immediate withdrawal of funds, particularly from social grant accounts, indicates a preference for cash that reflects both practical needs and trust issues with formal financial systems. Moreover, current financial inclusion efforts have largely failed to deliver on their empowerment potential for women, as their financial needs and realities are not properly recognised or compensated for in the larger financial sector.

A significant challenge lies in product design and delivery. Financial products and services remain largely gender-blind, failing to account for women's specific needs and circumstances. The lack of gender-disaggregated data collection and analysis limits financial institutions' ability to understand and serve women effectively. Where women-specific products exist, they often focus on middle and upper-income segments, leaving gaps in serving lower-income women. The enabling environment for women's financial empowerment remains constrained by systemic barriers, many outside the immediate control of the financial sector.

As South Africa moves beyond Financial Inclusion 1.0's focus on basic access towards Financial Inclusion 2.0's emphasis on meaningful financial engagement, **several fundamental shifts are necessary**. The financial sector must move from gender-neutral to gender-intelligent product design and service delivery. Policy frameworks need to evolve from treating women as part of broader vulnerable groups to recognising their specific needs and challenges. Regulatory approaches should shift from siloed interventions to coordinated, cross-sector strategies that address both financial and non-financial barriers to women's economic empowerment.

7.2 Recommendations

Improving women's financial inclusion requires **addressing both immediate practical barriers and deeper structural issues**. This necessitates a comprehensive approach that considers historical context, cultural norms, and the specific needs and circumstances of women across different income groups and social contexts. This report breaks down recommendations for various stakeholders – including regulators/ policymakers, financial service providers, and donor organisations/ non-profit organisations – to undertake with women's financial inclusion in mind.

Women's financial inclusion and entrepreneurship are deeply interconnected. The barriers women face as individuals—limited credit access, financial literacy gaps, and exclusion from formal services—also hinder their ability to start and grow businesses. As a result, many of the recommendations aimed at improving women's financial inclusion will also help address the barriers women encounter in starting, managing, and growing their businesses. Strengthening financial inclusion for women, therefore, has a dual impact—enhancing both personal financial security and business sustainability.

For regulators/policymakers:

R.1. Integrated policy approach:

Currently, policies related to women's financial inclusion often exist in silos, with limited coordination between government departments and agencies. To effectively advance women's access to and usage of financial services, policymakers should pursue an integrated approach that harmonises efforts across sectors. This includes the following:

- **Explicitly integrating gender considerations** into national financial inclusion and consumer financial education strategies. The Alliance for Financial Inclusion (AFI) guide "Integrating Gender and Women's Financial Inclusion into National Strategies" provides valuable guidance on how to incorporate gender dimensions from the outset.
- **Strengthening collaboration between government entities** to holistically address women's financial needs and vulnerabilities. For example, the DSD and DTIC should jointly recognise and mitigate the risks facing women social grant beneficiaries, who are often targeted by predatory lenders.
- **Aligning financial inclusion policies with broader gender equality and women's empowerment frameworks** to leverage synergies and amplify impact. This includes linking women's entrepreneurship, CFE and women's empowerment trainings.

R.2. Enhanced Monitoring and Evaluation (M&E) Frameworks:

Interviews with stakeholders suggested a limited deep awareness of gender access and usage patterns from a regulator perspective. This is highlighted in the quote below:

*"We wouldn't have a good understanding of the gender dynamics in our market."
- Stakeholder Interview, Regulator*

This points to the need for the development of a comprehensive M&E framework that specifically tracks **women's financial inclusion indicators**. The M&E framework would take an 'integrated' approach cuts across the various sub-sectors in the financial industry, with distinct considerations in each sector.

R.3. Gender-responsive regulatory impact assessments:

The interviews revealed that many regulations, while appearing gender-neutral, can have disproportionate impacts on women. To understand these impacts, and course-correct where viable, regulators should commission regulatory impact assessments that account for the distinct realities faced by women, acknowledging the heterogeneity of the group. This kind of systematic approach to gender in regulation could help address what one interviewee called "structural violence against women" in the financial system by ensuring regulatory decisions actively consider and mitigate negative gender impacts.

R.4. Expand collateral definitions to include movable assets:

Traditional collateral requirements often exclude women-owned businesses from accessing credit due to a lack of fixed property ownership. To address this, regulators should expand the definition of acceptable collateral to include movable assets such as equipment, inventory, and livestock. This should be supported by the establishment of a **centralised Movable Asset Registry**, enabling businesses to formally register and leverage these assets as security for loans. Lessons can be drawn from Ghana, Zambia and Nigeria, as highlighted in the box below, where similar registries are used (World Bank, 2016).

Importantly, the development and maintenance of the registry should be accompanied by **clear regulatory guidelines** to ensure transparency, mitigate risks of asset disputes, and prevent excessive administrative burdens on borrowers. There is a possibility of exploring innovative options around collateral for access to credit - such as stokvels, which low-income women typically are a part of. However, there exists limited research to establish clear alternatives, and further research is required. Regardless of the options explored, it is clear that NCR would need to play a strong role in developing guidelines for incorporating movable assets or alternative forms of collateral into credit assessment frameworks.

Box 13: *Movable asset registries in Zambia and Ghana*

A movable asset registry is a system that records claims by lenders on movable property - such as vehicles, equipment, or inventory - used as loan collateral. By allowing items other than land to serve as collateral, these registries help SMMEs gain access to loans even when they lack traditional property. Support for movable asset registries has grown in the last decade, and as a result, they have been adopted in many countries, including multiple African countries, such as Zambia and Ghana (Women's World Banking, 2022).

In both Zambia and Ghana, the administrative process for using these registries generally involves:

- Registering the asset against the loan on an online or central platform.
- Paying fees to file or update records, and additional fees to remove (“discharge”) them once the loan is repaid.
- Ensuring adherence to legal steps if the asset needs to be repossessed or sold upon default.

In Zambia, the Movable Property Registry System (MPRS) has not seen broad adoption. Research by the World Bank has found that **the registry struggles to gain traction** because many lenders find the administrative work of registering and updating claims too cumbersome, fees are perceived as high relative to smaller loans, and some lenders still favour land or property as collateral (2021). A widespread lack of familiarity with how the registry operates, especially beyond urban areas, also dampens its overall usage.

Ghana's registry, established under the Borrowers and Lenders Act of 2008 and housed at the Bank of Ghana, has seen wider success. By December 2017, total financing backed by movable collateral had risen to \$35 billion, of which nearly three-quarters went to SMMEs. Women entrepreneurs account for about 40% of registrations - over \$100 million in financing (Women's World Banking, 2022). **Ghana's registry's success has been attributed to strong oversight by the Bank of Ghana**, a simple online platform, and the acceptance of many different movable assets. Local partners aided with design and outreach, showing lenders and small businesses how to benefit from registering collateral. Meanwhile, practical enforcement rules further reassure lenders that their claims will be protected. Still, smaller borrowers face difficulties meeting fee requirements (World Bank, 2021).

Despite the hurdles faced in Zambia, **both countries' registries highlight how movable assets can serve as alternative collateral**, enabling SMMEs to access formal credit without depending on land or similar fixed assets. When supported by streamlined administration, these systems expand financial inclusion by allowing more entrepreneurs to secure loans and invest in business growth.

R.5. Strengthening protections against predatory lending and over-indebtedness:

Women are often targeted by high-cost, short-term credit providers due to their financial vulnerabilities and reliance on informal lending. To mitigate predatory lending practices, the NCR should explore further capping excessive interest rates and fees, and strengthen consumer protection measures in both formal and informal credit markets. Additionally, **greater oversight** is needed to prevent financial institutions from aggressively marketing debt to vulnerable groups, particularly social grant recipients. Beyond regulation, financial service providers should be required to embed responsible lending practices to help women make informed borrowing decisions and avoid cycles of over-indebtedness.

For financial service providers:

R.1. Collection and use of gender-disaggregated data:

While financial service providers collect consumer data, it is primarily used reactively to address existing challenges **rather than to proactively identify opportunities to better serve women clients**. To move beyond this limited application, providers should systematically track and analyse a full range of metrics on women's financial engagement, including account ownership, credit access, savings, insurance enrolment, and digital service usage. Critically, while sharing gender-disaggregated data with policymakers is valuable for shaping more inclusive national strategies, **the costs of enhanced data collection and reporting should be absorbed by providers and not passed on to women clients**.

R.2. Development of relevant financial services and products:

We could find almost no evidence that women's unique financial needs, preferences and challenges are adequately reflected in the current design of most financial products and services. For example, women often face documentation and collateral barriers to accessing credit and prefer in-person engagement to establish trust. To address this gap, providers should proactively design and deliver offerings that align with the pain points and aspirations of women clients, as revealed through gender-disaggregated data and research.

R.3. Enhanced organisational culture:

The **lack of a strong, dedicated advocacy voice for women's financial inclusion** within the sector as a key barrier to progress. Financial institutions do not feel pressure to prioritise the issue in their strategies and product development. To counter this, providers need to cultivate an organisational culture that champions gender equity both internally and externally. This starts with setting and tracking progress against gender parity targets in leadership, management and client-facing roles.

Partnerships with women's advocacy groups can provide valuable guidance and accountability. Critically, women's financial inclusion must be framed as an urgent business priority, not a corporate social responsibility box to check. **Senior leaders should clearly articulate and model the strategic and societal importance of equitably serving women.**

R.4 Financial service provided representative behaviour: incentive structure and keeping women safe.

The behaviour of financial service representatives fundamentally shapes women's access to and experience with financial services. This recommendation calls for a holistic transformation of how financial service providers interact with and support women customers.

Safety emerges as a critical consideration that extends far beyond physical security. Women often face psychological barriers and potential harassment when accessing financial services, e.g. when visiting mobile money vendors. Addressing this requires creating clear codes of conduct, establishing confidential reporting mechanisms, and designing service environments - both physical and digital - that prioritise women's comfort and security. **Zero-tolerance policies for discriminatory behaviour must be backed by meaningful accountability mechanisms.**

The incentive structures for financial service representatives need fundamental redesign. Current performance metrics often inadvertently discourage inclusive practices. Instead, representatives should be rewarded for quality customer service, successful financial inclusion of underserved women, and demonstrated understanding of gender-specific financial needs. This means **moving from transactional to relational approaches that recognise the unique challenges women face in accessing financial services.**

For donor organisations/ non-profit organisations:

R.1. Advocacy for women's financial inclusion:

There is a lack of dedicated advocacy bodies championing women's financial inclusion in South Africa. Without strong advocacy, women's financial needs remain underrepresented in policy discussions. Effective advocacy could put pressure on policymakers and financial institutions to create gender-responsive financial policies.

R.2. Landscape study of Fintech in South Africa:

A comprehensive study is recommended to assess how Fintech's rapid expansion may have unintended consequences for financial inclusion in South Africa, emphasising user readiness. Such research should evaluate the availability and design of digital financial services, including their accessibility and user-friendliness, and propose strategies for mitigating exclusionary risks and ensuring that digital financial inclusion keeps pace with women's digital readiness. While FinTech holds promise by lowering transaction costs, rapid digitalisation can alienate vulnerable groups who lack the confidence or skills to adopt online platforms

R.3. Additional research to unpack gender norms in financial services:

Building on this body of research, there is a need for deeper analysis of gender norms in financial services in South Africa. This is based on the finding that until this study, there was a lack of consolidation research investigating the interaction of gender and financial services, and the outcomes generated, in South Africa.

Following the guidance of the Consultative Group to Assist the Poor (CGAP), this would entail a mixed-methods research approach that goes beyond data points, but emphasises qualitative findings. This diagnostic would involve detailed qualitative and quantitative research to identify the specific gender norms that restrict women's access to financial services. A key aspect of CGAP's approach is understanding how gender norms affect different system actors - including financial service providers, policymakers, and community leaders. The diagnostic would map out how these various actors' behaviours and expectations contribute to women's financial exclusion. For more information on CGAP's guidance for this type of explorative study, refer to the following link: [CGAP: Technical Guidance Note](#).

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9. Appendix: Weighting explanation

Why weighting is important in survey data:

Survey weighting is a statistical adjustment used to ensure that survey results accurately reflect the characteristics of the population being studied. In the case of the FinScope SA Consumer 2024 and MSME 2023/2024 surveys, weighting was applied to correct for differences between the survey sample and the actual population structure of South Africa. This improves representativeness, reduces bias, and ensures that findings provide a true picture of consumer and small business behavior, supporting more accurate insights for policymakers, businesses, and researchers.

What is survey weighting?

Survey samples may not always perfectly represent the population due to factors such as:

- Sampling design: Certain groups may be over- or underrepresented due to the way respondents are selected.
- Response bias: Some individuals are more likely to respond to surveys than others, potentially skewing results.

To correct for these imbalances, weights are assigned to each respondent in the dataset based on their likelihood of selection and known population characteristics (e.g., gender, age, geographic distribution). This ensures that the final dataset aligns with national demographics and provides more accurate and reliable insights. All reported statistics pertaining to the FinScope consumer and MSME surveys have been weighted. This ensures conclusions drawn from the surveys accurately represent South African consumers and MSMEs.

The Status of Women's Financial Inclusion in South Africa

Making economic sense of common problems

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