Digital Portfolios of the Poor: The latest data

Gender gaps in low middle-income countries

DATA POINT 1
Financial Inclusion
Access to an account

Having a formal financial account is high and gender gap contracted to 6 bp from 13 bp. **Findex 2021, released June 2022**

👍

DATA POINT 2
Usage of DFS

Usage of Digital Financial Service (DFS) increased, but gender gap has widened to 16 bp from 11 bp. **Findex 2021**

👎

DATA POINT 3
Usage of mobile internet

Usage in mobile internet has widen to 16 bp, reversing a downward trend since 2017. **GSMA Mobile Gender Gap, released June 2022**

👎

WHY?
ONE SUGGESTION

BOTH men and women cite the **same barrier** to further further digital use – a lack of digital literacy.
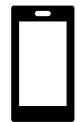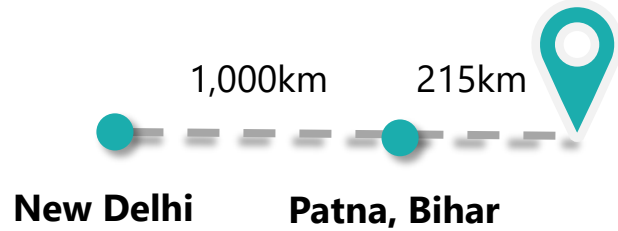**GSMA Mobile Gender Gap, released June 2022**

❓

Without deep qualitative perspectives, from multiple segments of women, **we cannot make an appropriate diagnosis** of the problem to help us create a specific solution.

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Meena, 29
Works for a social organization

1,000km   215km

New Delhi   Patna, Bihar

Shared smart phone
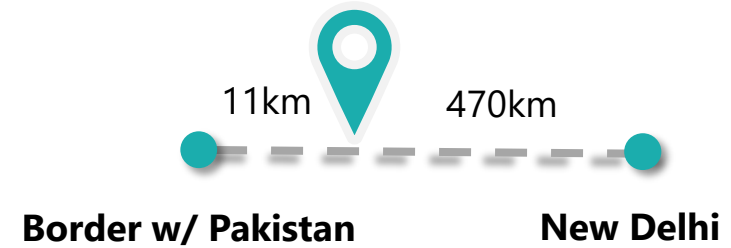
She earns INR 5,000/mo herself

She does not have a bank account

Lives with parents, siblings, uncle + aunt, 2 children (husband and brother-in-law are migrant workers elsewhere)

Arjun, 28
Farmer

11km   470km

Border w/ Pakistan   New Delhi

Shared smart phone

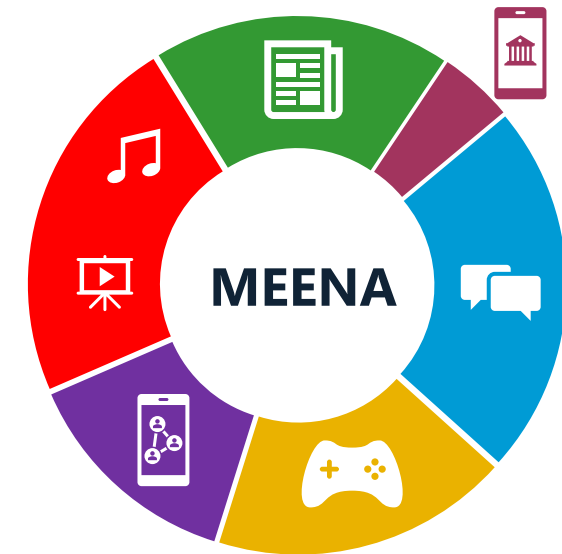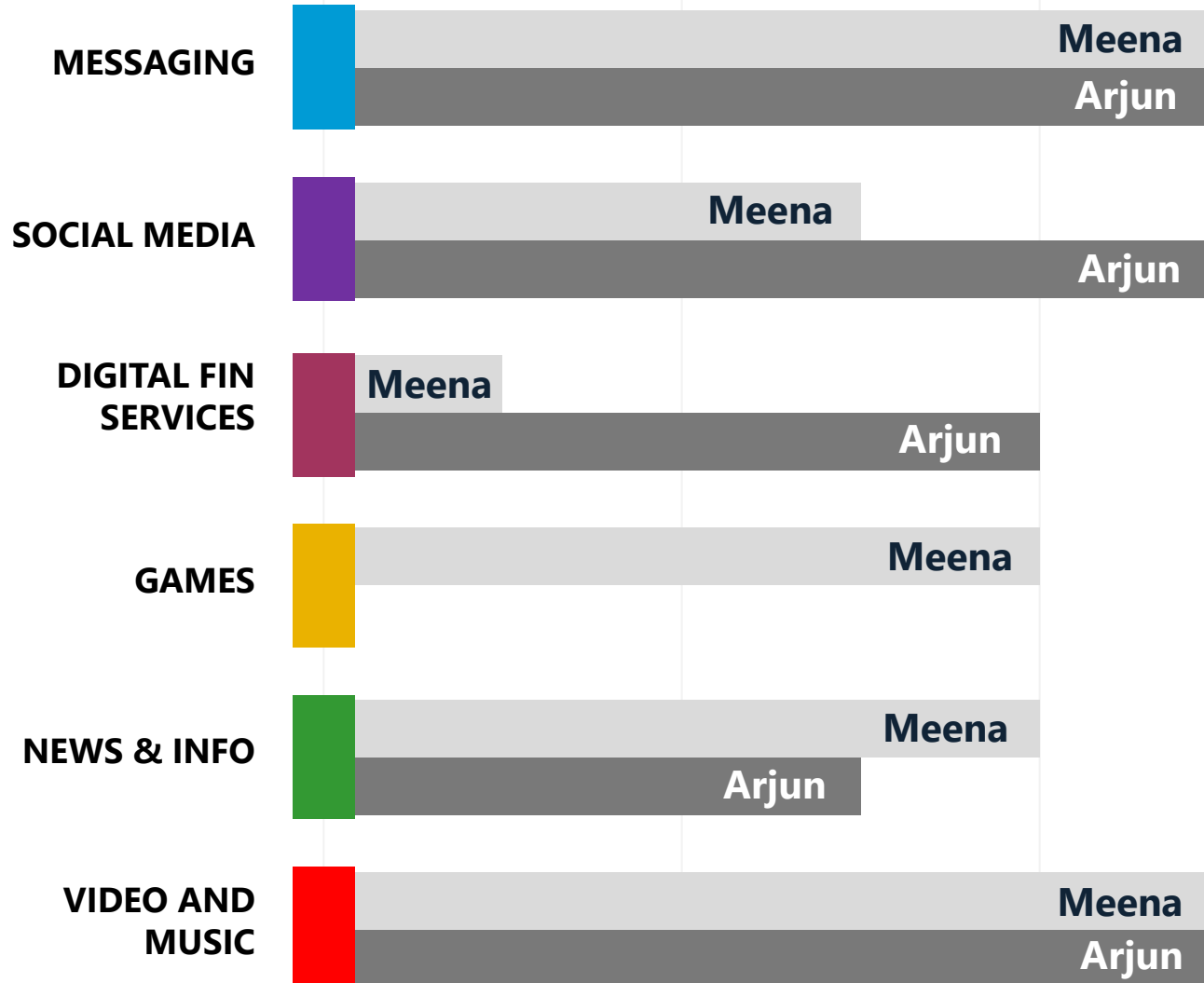He earns INR 6,000/mo to support his family

He does not have a bank account

Married with three daughters

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Digital Portfolios: Very similar in types of services

FREQUENCY OF USE

Category	Meena	Arjun
MESSAGING	Meena	Arjun
SOCIAL MEDIA	Meena	Arjun
DIGITAL FIN SERVICES	Meena	Arjun
GAMES	Meena	
NEWS & INFO	Meena	Arjun
VIDEO AND MUSIC	Meena	Arjun

MEENA

ARJUN

Digital Financial Services:
But Meena has fewer DFS use cases

MEENA

PhonePe

1. Receive money for emergencies

ARJUN

G Pay

1. Mobile top up

2. Making payments

3. Receiving payments

| TO ANSWER	Will this be true across the entire sample and in other countries?

Meena: Fear of DFS

Fear of losing money

There was a fear in my mind yesterday when I did a PhonePe [transaction]. When I went into PhonePe and put 5000 rupiya in process, I was afraid that my money was stuck. Then I saw a message that said "after 48 hours your money will be sent. It will go or it will be returned." My money will come in the account. And the fear went away.
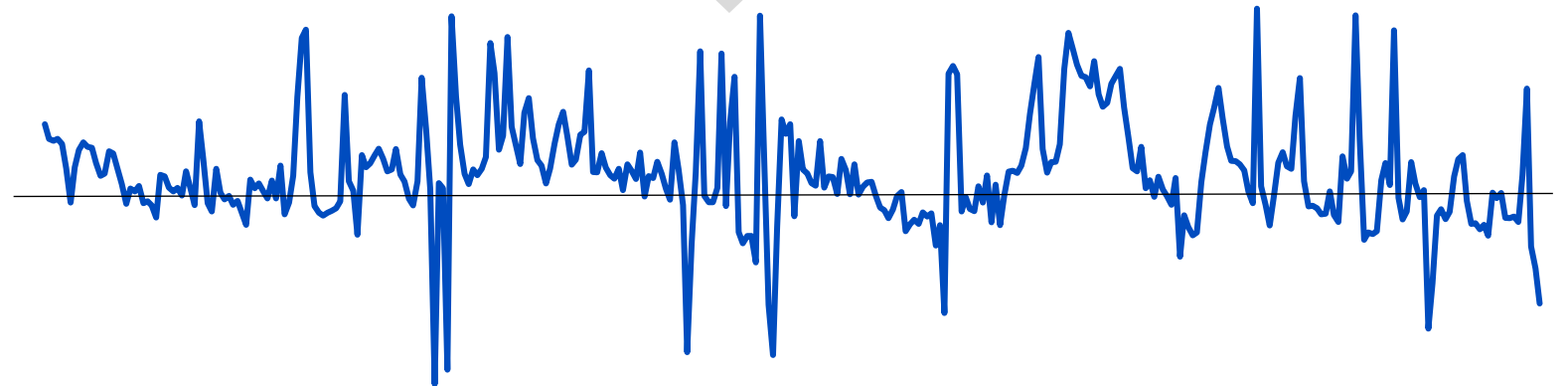
Reassurance of redressal

MEDIAN PITCH
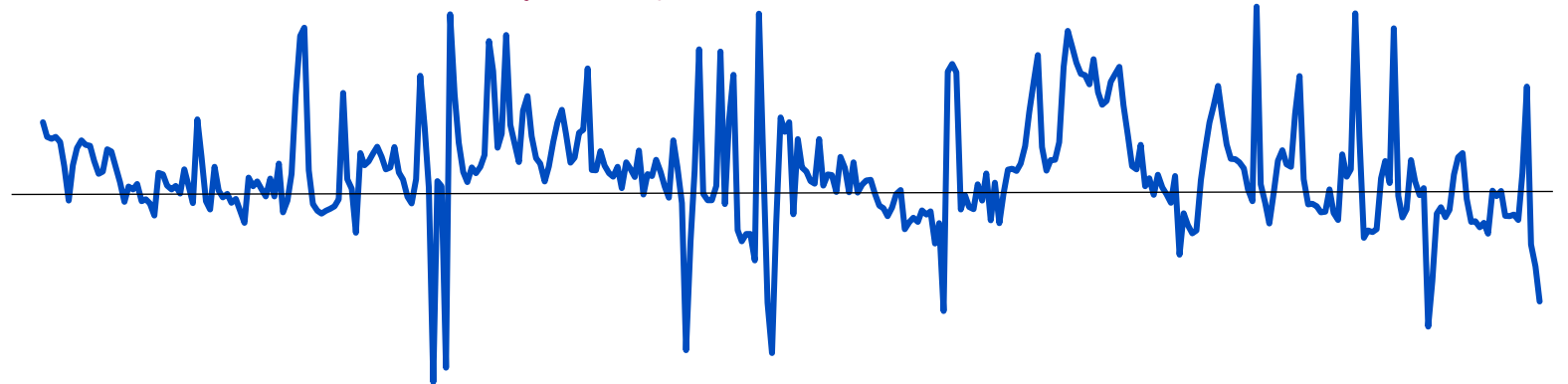
28sec

Meena: Fear of DFS

There was a fear in my mind yesterday when I did a PhonePe [transaction]. *When I went into PhonePe and put 5000 rupi*___ ___ ___ *fra*___ *that* ___ ___ ___ *was stuck. Then I saw a message that said "afte*___ ___ ___ *o or it will be returned." My money w*___ ___ ___ *away.*

HEIGHTED PITCH = ANXIETY

28sec

MEDIAN PITCH

| **THE PROBLEM?**	**Is this a problem of financial literacy, digital literacy, redressal or something else?**

Meena: Comfort with savings group (SHG)

I am not afraid of anyone. Who to be afraid of? Its not like I am doing anything wrong to be afraid. The group is not bad, it is really good that it supports poor people. If you take loan from someone else, for 1000 rupiya, they would take 10 percent on it. However, this group, they take only 1 percent. With this, there is a lot of savings. There is no fear.
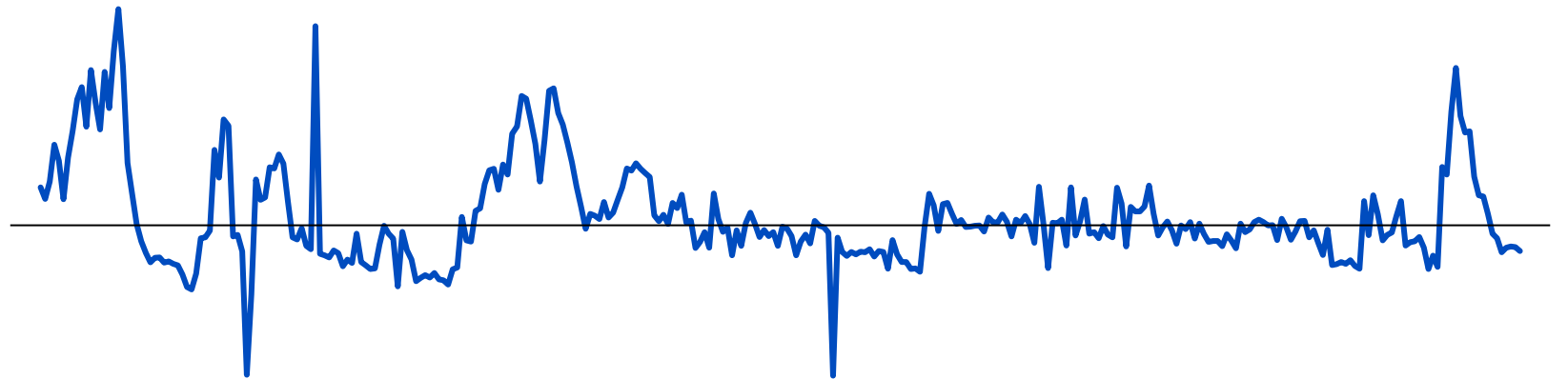
MEDIAN PITCH

30sec

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Meena: Comfort with savings group (SHG)

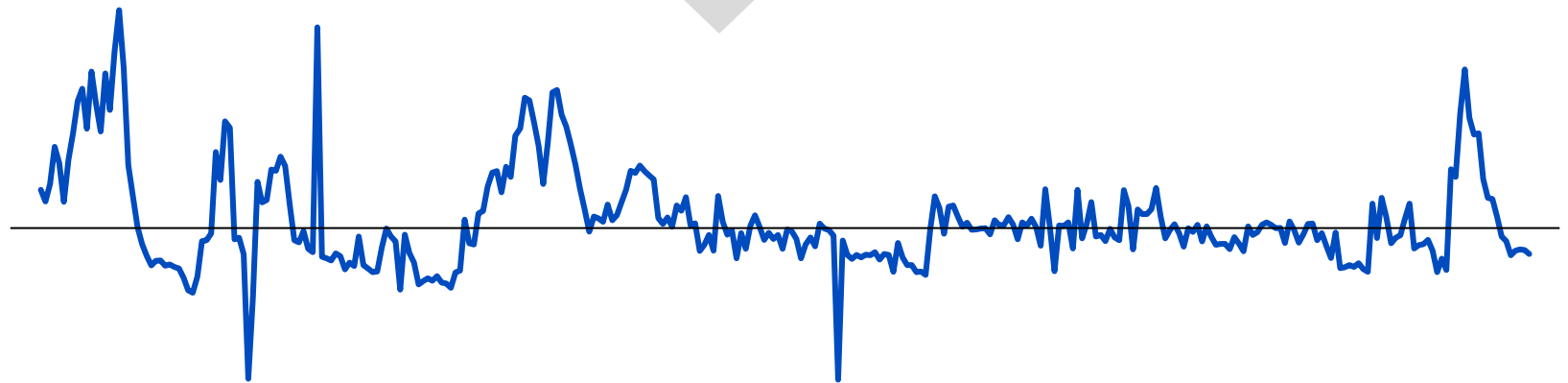*I am not afraid of anyone. Who to be afraid of? Its not like I am doing anything wrong to be afraid. The group is not bad, it is really ___ if you take loan from someone else, for 1000 rupiya, they wo___ this group, they take only 1 percent. With this, ___ o fear.*

CALMER PITCH = MORE CONFIDENT

MEDIAN PITCH

30sec

OBSERVATION — A diagnosis of financial, or numeric literacy, is unlikely – she is <u>very comfortable</u> with the mechanics of borrowing and interest rates.
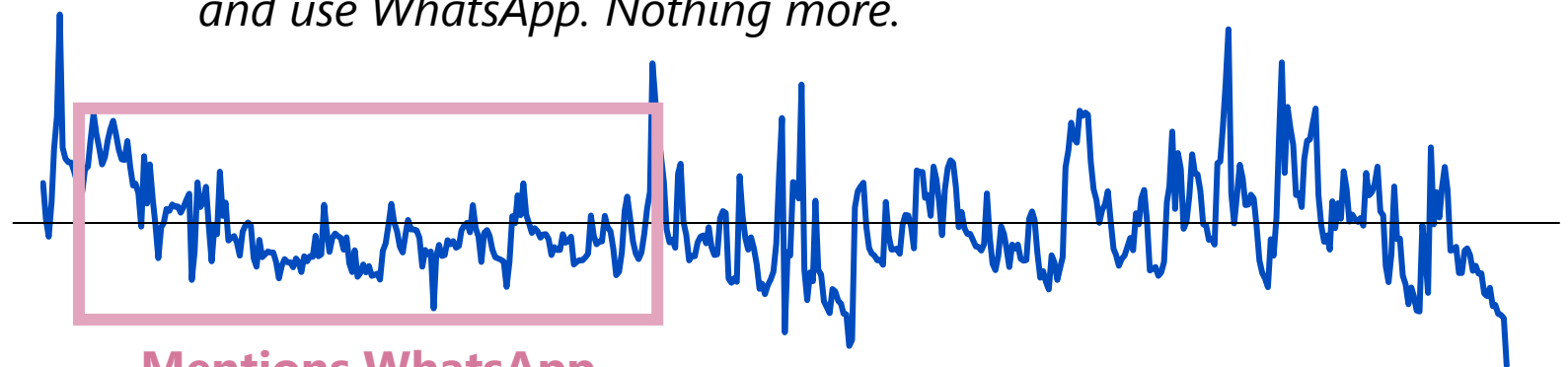
Meena: Comfort using WhatsApp

WhatsApp is the most beneficial. WhatsApp is used more to make videos when we go for group meetings, we can take the group meetings over video call. I can talk to people nicely over WhatsApp. [inaudible] I use WhatsApp and YouTube the most. I like those the most. I don't watch any TV channels or use other apps. I don't use my phone a lot. I stick to what I know. I use Facebook a bit here and there and use WhatsApp. Nothing more.

MEDIAN PITCH

45sec

Mentions WhatsApp

Meena: Comfort using WhatsApp

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meetings, we can take the group meetings over video call. I can talk to people nicely over WhatsApp.

[inaudible] don't watch any TV channels

or use other acebook a bit here and there

and us hatsApp. Nothing more.

As confident and casual as SHG.

MEDIAN
PITCH

Mentions WhatsApp

45sec
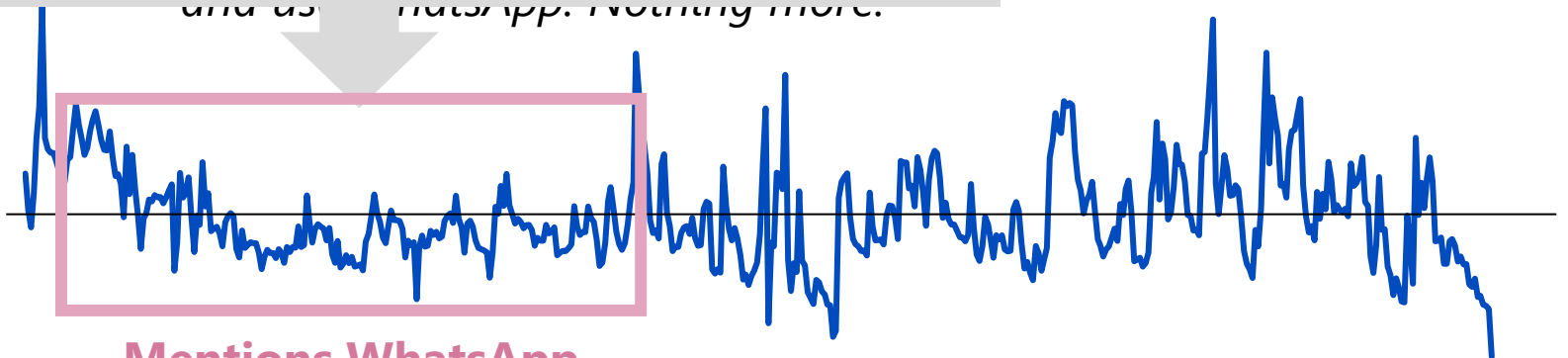
OBSERVATION

**A diagnosis of digital literacy is unlikely –
she feels <u>comfortable</u> with WhatsApp.**

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Arjun's comfort with DFS

*Pe Phone, Google pay is **very secure**. Until we don't put in our UPI PIN ourselves the **money won't be transferred from here to there**.*

DOWNWARD SLOPE = NONCHALANT

Arjun's Comfort with DFS

MEDIAN PITCH

11sec

Comparing comfort/fear through pitch modulation
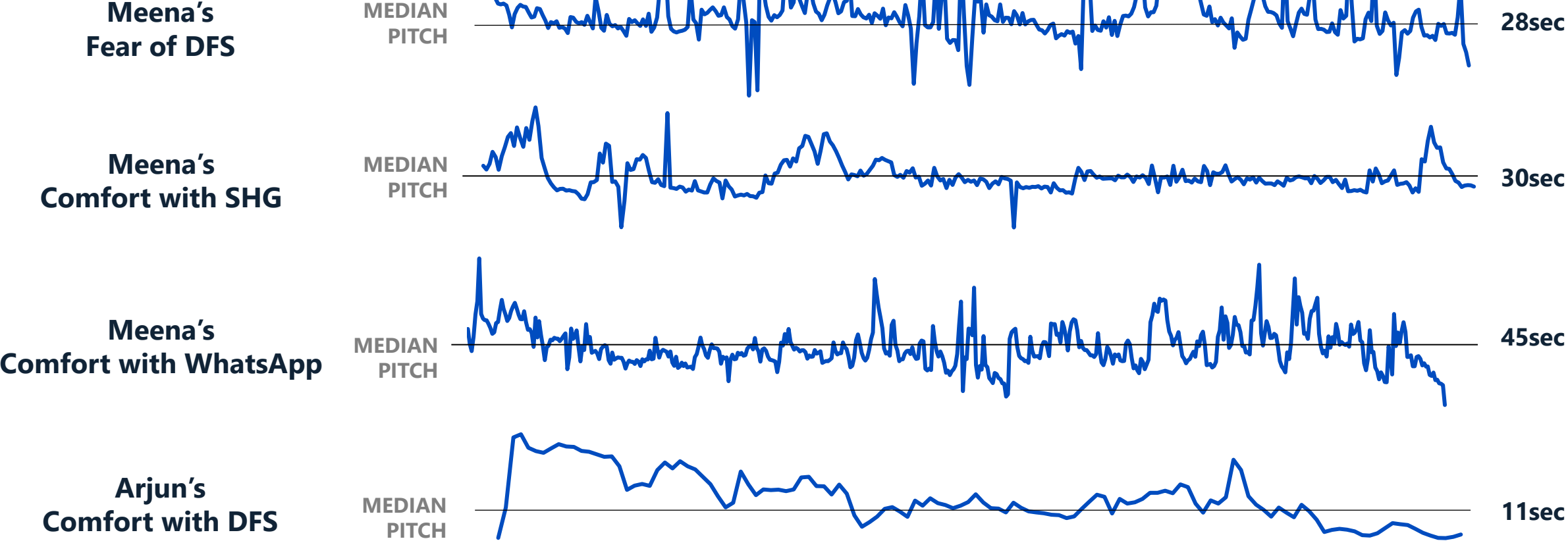
Meena's Fear of DFS

MEDIAN PITCH

28sec

Meena's Comfort with SHG

MEDIAN PITCH

30sec

Meena's Comfort with WhatsApp

MEDIAN PITCH

45sec

Arjun's Comfort with DFS

MEDIAN PITCH

11sec

TO ANSWER | **Will this be true across the entire sample and in other countries?**

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We need a better diagnosis than

Meena does not trust DFS.

**Meena needs more
digital literacy.**

**Meena needs more
financial literacy.**

OBSERVATION — Measurement of access and usage are no longer enough: we need nuance to have better diagnoses

Methodology

How do we get to a better diagnosis?
Data collection

Automated phone interviews over 8 weeks

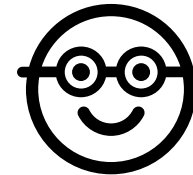Easy for users. No download, just keypad and voice.

Voice actors asking questions

In a friendly way in local language

Respondents feel consulted not studied.

"Concierged" IVR

Participants can get scheduled calls or call a toll-free number 24/7.

This is how we collect extensive qualitative data for 4000 respondents.

How do we ask people about these topics?
Skits

Example
Digital Lending

Mariam at the hair saloon
Swahili, Kenya

[Mariam asks Mama Rehema for the cheapest hairstyle]

MAMA REHEMA: But I thought you are doing well?

MARIAM: I was but then I got an emergency. For 2 years now, I've been taking digital loans and repaying them consistently. I was happy because my loan limit kept increasing. But then my son was admitted at the hospital.

MAMA REHEMA: Oh so sorry about that.

MARIAM: The bill was very high so I had to take loans, not from one or two digital lenders, but three different ones! I was able to take care of the emergency and they let me take my son home.

[continues]

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Field partners in India and Kenya

Check out our website to learn more about our partners.
https://www.digitalportfolios.decodis.com/

Why does it matter?

A DEEPER DIAGNOSIS
=
INCREASED LIKELIHOOD OF GETTING AN EFFECTIVE SOLUTION

1. A **regulatory/supervisory solution?**   such as a better redressal system;

2. A **product feature?**   such as the ability to create privacy for different use cases;

3. An **educational program?**   such as enabling a better understanding and therefore comfort and confidence in navigating the digital world

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