

Advancing Women's Financial Inclusion in Mexico

F4D Capturing Our Impact Series

OCTOBER 2024



Mexico

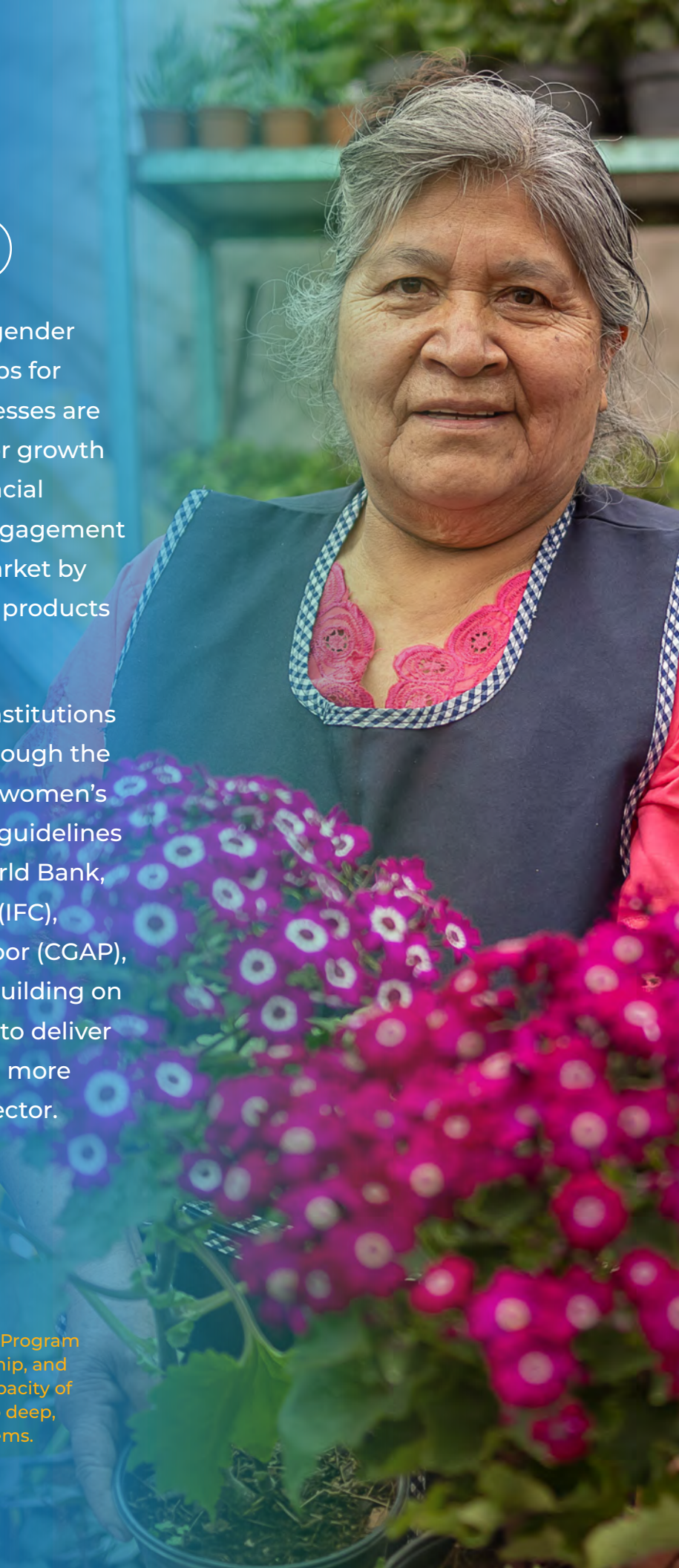
has made substantial progress in gender equality, yet remaining finance gaps for women and women-owned businesses are limiting the country's private sector growth and economic development. Financial institutions could improve their engagement with the underserved women's market by adopting more gender-responsive products and services.

F4D is helping Mexican financial institutions better serve women customers through the development of the country's first women's financial inclusion guidelines. The guidelines are a collaborative effort of the World Bank, International Finance Corporation (IFC), Consultative Group to Assist the Poor (CGAP), and Mexico's Ministry of Finance, building on complementary areas of expertise to deliver a solid framework for developing a more inclusive and equitable financial sector.

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The Finance for Development (F4D) Umbrella Program is the World Bank's donor financing, partnership, and knowledge platform aimed to improve the capacity of low- and middle- income countries to develop deep, inclusive, efficient, and resilient financial systems.

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Financial Access Challenges

Mexico has one of the largest gender gaps in financial access in Latin America. Despite an overall increase in account ownership over the past decade, the gender gap stands at 14 percent, larger than the gap of the Latin America and the Caribbean aggregate, 6.8 percent (figure 1a). In Mexico, 62 percent of women have at least one formal financial product versus 74 percent of men (figure 1b). Only one in five women in Mexico can obtain emergency funds to deal with an unexpected shock, and most of these funds come from social networks (World Bank 2019).

Women entrepreneurs in Mexico face significant barriers to access financing. Entrepreneurship plays a pivotal role in Mexico's economy, contributing nearly 42 percent of its gross domestic product (GDP) and 74 percent of employment through micro, small, and medium enterprises (MSMEs) (INEGI 2020). However, gender disparities persist, with only one in four formal MSMEs in Mexico being led by women (2018). A 2022 survey of women entrepreneurs in Mexico reveals that lack of financing is the primary reason why women refrain from starting businesses. In fact, over half

of MSMEs led by women finance their businesses with personal credit cards (Cherie Blair Foundation for Women).

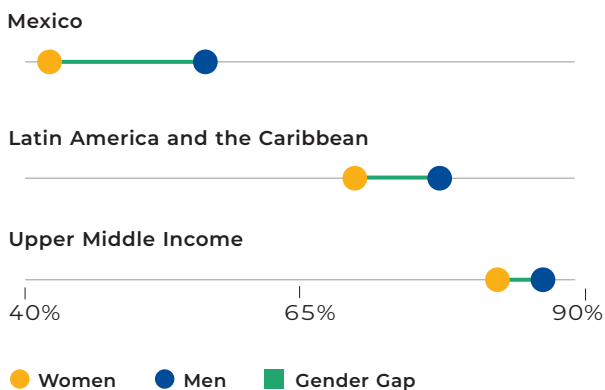
The financial industry constrains access to finance and capital for women. Many financial and non-financial institutions are not sensitized to women's financial needs, often lacking suitable products and positive service experiences. In addition, Mexico's financial sector is relatively small, which constrains intermediation between investors and borrowers. The credit going to the private non-financial sector is only 41.6 percent of GDP, well below the 72.5 percent average of other large economies in Latin America and the Caribbean.

World Bank Prior Support

Mexico's authorities are prioritizing financial inclusion, particularly for women. Government reforms have boosted financial access through electronic payment systems, financial technology solutions, and the realignment of development finance institutions. Mexico's [National Financial Inclusion Strategies](#) (2016 and 2020) emphasize closing the gender gap. The government and financial regulators see encouraging the private

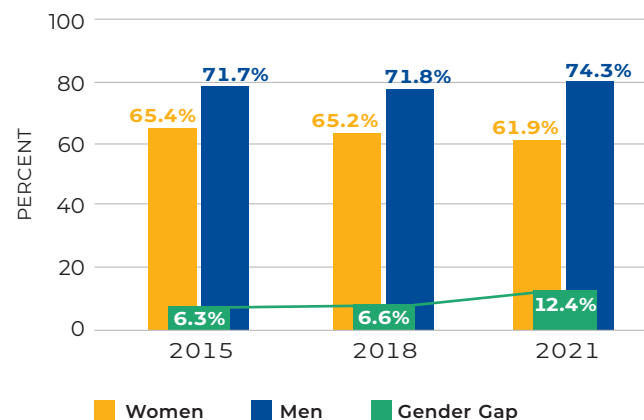
Figure 1. Financial Gender Gap in Mexico

1a. Percent of population age 15+ that owns an account by gender, 2022



Source: World Bank Gender Data Portal 2022.
Note: Account ownership denotes the percentage of respondents who report having an account (by themselves or together with someone else) at a bank or another type of financial institution or report personally using a mobile money service in the past 12 months.

1b. Population age 18–70 that owns at least one financial product by gender, 2015–21



Source: ENIF 2021.
Note: The 2021 gender gap figure indicates significant change; hypothesis testing with 95 percent confidence.



It is very difficult for a woman to access a loan from any financial institution because nowadays they require many formalities or paperwork, and they also ask for 2 to 3 guarantors for the loan. Currently, no one wants to be a guarantor because they do not feel secure, as they could lose their assets if the person who took the loan does not pay, which is understandable. But perhaps the most important issue is that they think that because we are women, we won't be able to pay back the loan on time and as agreed.”

— Rubí Dzul Falcón, Development Bank Beneficiary Working in the Beef Cattle Industry, Tzucacab, Yucatán, Mexico



sector to launch women-tailored products and services as a key priority for women's financial inclusion (AFI 2023). In 2022, financial institutions created a [gender equality committee](#) (Comité Interinstitucional para la Igualdad de Género en las Entidades Financieras, or CIIGEF) to address women's inclusion issues.

For the last 10 years, the World Bank has worked with Mexico authorities and development partners on financial inclusion efforts in Mexico, many with a gender focus. For example, after a [savings and credit consolidation project](#) (2017), savings and credit institutions extended their membership by 3.4 million people, of whom 59 percent were women, and nearly 2 million people—90 percent of them women—received financial education. In a [rural finance project](#) (2016–20) for MSMEs, over 80 percent of the credit recipients were women. A [COVID-19 financing program](#) (2020–21) for Mexico bridged access gaps among groups of the population and MSMEs. IFC's work on women's financial inclusion includes supporting the Citibanamex [Mujer Emprendedora](#) program that aims to reduce the gender gap in the business sector.

Even with these advancements, the financial industry still lacks a gender perspective, as evidenced by a 2023 World Bank assessment of Mexico's financial institutions. The assessment diagnosed gaps and opportunities in women-focused financial products and found that many major banks and credit providers did not recognize the value of tailoring products and services to

women. A subsequent policy note recommended ways financial institutions could adopt more of a gender perspective, and the World Bank discussed these findings with Mexico's Ministry of Finance.

F4D Support

Building on prior World Bank engagements in Mexico and the financial sector assessment, F4D stepped in to support authorities in the development of the first guidelines for adoption of a gender perspective across financial institutions.

The project team included staff from the World Bank, CGAP, and IFC, leveraging their cumulative expertise on women's financial inclusion issues in collaboration with Mexico's Ministry of Finance (Secretaría de Hacienda y Crédito Público, or SHCP) and the CIIGEF. IFC brought knowledge of gender-sensitive strategies and product offerings of financial institutions, and the World Bank and CGAP brought knowledge of policies and interventions to advance women's use of financial services. To prepare the guidelines, the team held workshops with regulatory agencies and financial entities that applied similar guidelines elsewhere to share insights. The project team presented the first draft of the guidelines at the annual convention of the Mexican Banking Association in April 2024.

In September 2024, the Ministry of Finance published the guidelines and executive report in Spanish on its [web page](#), with endorsement by the CIIGEF. The document highlights the business case for targeting women customers and examines how social gender norms inhibit their access and



Timeline

Mexico's Journey Toward Women's Financial Inclusion

- 2010** IFC launches the Banking on Women program, a gender financing initiative
- 2016** Mexico introduces the first national financial inclusion strategy, with women a key priority
- 2017** About 1.8 million women receive financial education through a savings and credit consolidation project in Mexico
- 2018** The Mexico Systematic Country Diagnostic highlights the importance of financial access to private sector growth
- 2020** Over 80% of credit recipients of a World Bank rural finance project are women
- 2021** The World Bank Country Partnership Framework 2020–2025 emphasizes financial inclusion as enabling for rapid growth

Citibanamex and IFC join forces to promote gender equality in Mexico through a women entrepreneurs program
- 2022** Mexican financial institutions create a gender equality committee to address inclusion
- 2023** The World Bank assesses Mexican financial institutions' inclusion efforts and finds many do not see the value of tailoring financial products to women customers

F4D steps in to support authorities in developing women's inclusion guidelines for financial institutions across Mexico
- 2024** **Mexico's Ministry of Finance publishes guidelines for the adoption of a gender perspective in financial institutions**



The guide 'Expanding Women's Financial Inclusion in Mexico' represents a strong step toward the adoption of a gender perspective in financial institutions. By providing clear guidelines, we drive not only gender equality within the sector, but also open new business opportunities for institutions, recognizing the historical barriers that have limited women's access to both leadership positions and financial services.”

—Karina Villanueva Aritzmeñdi, Director of Gender, Inclusion and Financial Education at the Banking, Securities and Savings Unit, Ministry of Finance



use of financial services. Then a series of guidelines and concrete actions are presented, based on international experiences, to help Mexico's financial institutions ensure their personnel, products, and services adequately respond to women customers' needs. Topics include applying gender-disaggregated data, recognizing gender biases, and the use of inclusive hiring and training practices.

Impact of the Guidelines

The guidelines aim to help Mexico's financial institutions make organizational and cultural changes to integrate the intentional inclusion of women. The guidelines provide a framework that institutions can use to develop their own gender strategies. This document is a step toward ensuring the sustainability of a gender-sensitive business strategy and building a more inclusive and equitable financial sector in Mexico.

Increased economic participation by women can drive substantial economic development and growth in Mexico, given their demographic representation and significant presence in the MSME sector. Financial institutions would improve their value proposition and widen their customer base, bringing in additional revenue. Empowered women and women-owned and -led businesses would increase their lifelong earning and savings potential. Families and households would receive increased spending and investments in essential needs like food security, health, and education

that could boost social and economic outcomes to benefit society at large.

Monitoring and evaluation tools will be used to track the guidelines' impact. Financial institutions can use a scorecard included in the guidelines to periodically assess how well they are incorporating the gender perspective. These results will be consolidated into a dashboard to track adoption of the guidelines. Surveys for women customers will measure their perspectives of the services offered.

Being a first exercise of its kind, the guidelines can transcend borders, serving as a model for other countries and regions. In-country dissemination events are planned to galvanize engagement, and the guidelines will be circulated to other financial regulatory agencies in the Latin America region. Mexican officials, the CIIGEF, and the World Bank will work together to share and promote the guidelines outside the country to contribute to global dialogue on financial inclusion through a gender lens.

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Not having money to produce is a problem we small producers face. Why? Because we don't have access to financing, and on top of that, the interest rate is very high. We are also dealing with climate change and now need to implement irrigation on our plots. So, when we try to apply for a loan, they impose many conditions that make it difficult for us. This means I might not get a good enough harvest to cover my expenses as a farmer. Hopefully, one day things will change, and banks will consider helping small producers so we can manage to harvest, in my case, sugarcane."

—Amanda Fernández Hernández, Development Bank Beneficiary Working in the Sugarcane Industry, Ejido Santa Elena, Tamuín, San Luis Potosí, Mexico



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What's Inside the Guidelines

- Business case for targeting women customers better
- Impact of gender norms on women's financial inclusion
- Concrete actions for adopting a gender perspective in management, administration, personnel, and products
- Indicators to measure the effectiveness of initiatives
- Success stories in improved women's financial inclusion
- Self-assessment tools

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