



ABOUT THIS BRIEF

This brief explores investment-level, annualized impact performance data contributed by investors to the IRIS+ *Financial Inclusion Impact Performance Benchmark*. Data pertain to direct impact investments – or investments made directly into companies or projects with the intent to create a positive, measurable social or environmental impact alongside a financial return – in financial inclusion. To reflect investment performance, data have been investment-weighted, or adjusted based on the ratio of investment amount outstanding to the enterprise value of the investee. Findings presented in this brief may be welcome insight as investors begin to explore what is driving patterns in impact results.

Enhancing gender equality through financial inclusion

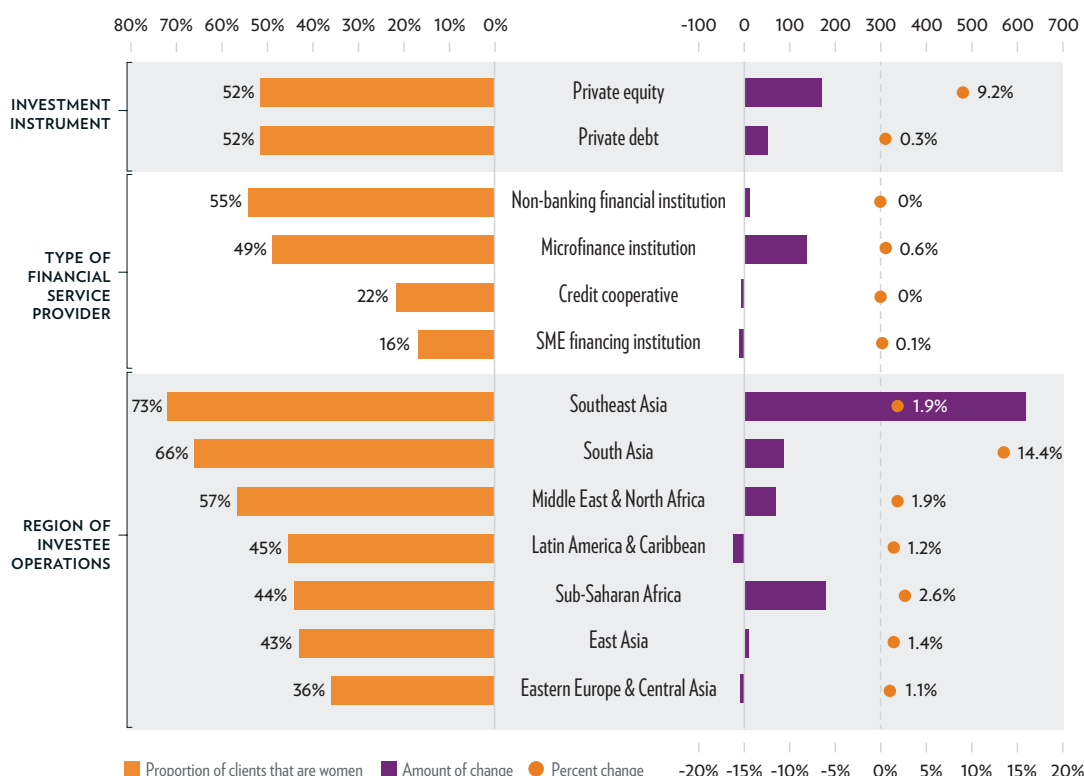
Insights based on impact data have the powerful potential to drive capital toward solving the globe's greatest challenges. As the body of available data on impact performance grows, impact performance analysis can unlock opportunities and allow investors to gain increasingly comprehensive, robust insight on real-world impact and the mechanisms through which they drive change. Financial services with strong client protection mechanisms are widely recognized as powerful vehicles for unlocking access to opportunity and enhancing resiliency in the face of financial crises. As such, it has long been a tool through which impact investors can improve gender equality, in addition to influencing other long-term outcomes.

Investments into responsible financial services in South Asia see a strong increase in women clients

The financial services industry comprises varied investment opportunities, each with potential to reach women clients. This brief specifically explores financial services that are responsible and high quality, namely those which implement client protection principles, conduct repayment capacity analysis, or provide financial literacy or financial management training.

Active women clients using responsible financial services, by market segment

Right axis represents the absolute and percent annual change in the number of women clients. Left axis represents proportion of clients that are women.



Note: Excludes five outliers.

Source: Global Impact Investing Network (GIIN), 2022

Financial inclusion investments through private equity were associated with a greater annual percent increase in the number of women clients (9.2%) than those through private debt (0.3%), potentially reflecting the influence of an investor's ownership stake in informing companies' strategy and operations. Interestingly, private debt and private equity investments reported women as a relatively similar share of their overall client base (52% of clients each).

Meanwhile, investments into microfinance companies expanded access to responsible financial services to an average of 140 women per year, a 0.6% annual increase. Investments into other types of financial institutions saw lesser growth in women clients, both in absolute and percentage terms.

Regionally, investments into South Asia were associated with the greatest percentage increase of women clients (14.4% increase per year). The scale of these numbers may reflect the untapped market in South Asia; nearly 70% of the population remains unbanked, of whom women represent approximately 60% of individuals. Southeast Asia, meanwhile, saw the greatest absolute annual increase in women clients, with an average of 637 additional clients served each year. The financing gap is also significant in this region, where only half of the population has a bank account. [\[2\]](#)

Investments targeting job creation through financial services are associated with strong growth in women clients

A quarter of investments in the financial inclusion benchmark seek to increase gender equality. However, investments targeting this goal indicate that under half of their clients are women (47%), falling short of coverage needed to narrow the gender equality gap (> 50%). Further, investments targeting gender equality average just a 0.2% annual increase in the number of women clients reached (39 additional women clients). Together, these statistics reflect an opportunity to guide companies' expansion efforts to further unlock responsible financial services specifically for women. Investments targeting other goals, such as the creation of jobs and fostering of economic development, are associated with a greater average increase in women clients in both absolute (394 additional women clients per year) and percentage terms (3.7% annual growth).¹ While targets may play an important role in representing an investor's theory of change, tracking both intended and unintended impact results associated with investments enables critical understanding of an investment's full impact performance and drives more informed investment decisions.

Active women clients using responsible financial services, by strategic goal

Right axis represents the absolute and percent annual change in the number of women clients. Left axis represents proportion of clients that are women.



Note: Excludes five outliers.

Source: Global Impact Investing Network (GIIN), 2022

¹ Throughout this brief, findings reflect patterns in impact results across various sub-segments and do not necessarily indicate causality.

Emerging opportunities to advance gender equality through financial inclusion

1. **Standardizing gender-focused impact measurement:** G7 development finance institutions have proposed the 2X Challenge: Financing for Women to advance women's economic empowerment.² Its core indicators, aligned with IRIS+,³ explore women's representation as entrepreneurs and leaders, as employees, and as consumers and offer a path toward convergence on gender-related impact measurement.
2. **Expanding the suite of gender-focused financial products:** Fintech has grown tremendously in recent years, yet only 36% of fintech customers are women according to the Center for Financial Inclusion.⁴ As this market segment continues to grow and mature, it may offer opportunity to expand access to financial inclusion for women, particularly in underserved and hard-to-reach markets. Additionally, women remain underinsured globally with estimates suggesting that expanding insurance coverage to women represents a global market opportunity of USD 1.7 billion by 2030. To fill this gap requires a tailored, gender-inclusive insurance proposition.⁵
3. **Growing SME financing:** Globally, women-owned or led SMEs face a \$158 billion financing gap and disproportionately rely on informal financing sources. Yet, women-led SMEs are shown to empower women leaders and foster job creation for women.⁶

IRIS+ METRICS FEATURED IN THIS BRIEF

CLIENTS ACTIVELY USING RESPONSIBLE FINANCIAL SERVICES

Client Individuals: Active (PI9327)

Client Individuals: Female (PI8330)

Operational Certifications (OI1120)

Repayment Capacity Analysis (PI4733)

Non-financial Support Offered (PD9681)



Find more insights on the impact performance of investments in financial inclusion, sample characteristics, and methodological choices in the *Financial Inclusion Impact Performance Benchmark*. For more information about increasing gender equality through financial inclusion, see [IRIS+](#). To join the impact performance benchmark, contribute your impact data to the [IRIS+ List](#).

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