

Case Study

Catalyzing Inclusive Financial Systems:

Chile's Commitment to Women's Data

Developing and maintaining inclusive financial systems is increasingly becoming a focal point for governments and international organizations around the world. As this concern rises to the fore, the importance of incorporating a gender dimension into financial sector policy is becoming evident. Sex-disaggregated demand- and supply-side data are essential to do this, helping stakeholders to understand differences in financial behavior between men and women, identify gaps in access and use of financial services, generate policies that promote full inclusion, and monitor their impact.

In 2014, *Data2X*, the *Inter-American Development Bank* (IDB) and the *Global Banking Alliance for Women* (GBA) partnered to map the current state of sex-disaggregated data in the financial sector, both at global and national levels, with the ultimate goals of understanding the nature and scope of the data gaps and sharing lessons on its collection, value and use. The results of this research were published in the report "[Measuring Women's Financial Inclusion: The Value of Sex-Disaggregated Data](#)." In 2015, the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) joined this partnership, providing inputs and establishing networks in Chile in support of the development of this case study.

Chile is the only country in the world that, until now, has consistently tracked sex-disaggregated data on its financial system for over 10 years. The study explores why this was done, maps out the processes taken to generate the data, highlights current as well as potential uses of the data, and extracts the most important lessons so that regulators, policymakers and government entities in other jurisdictions can learn from the country's experience.

"This data presents detailed and objective information which is vital to determine where we are succeeding and where it might seem we are losing the [gender equality] battle. And of course, this is a battle that we do not have the luxury to lose."

President Michelle Bachelet
Chile

Demand for Supply-side Data: Why Sex Disaggregating Financial Sector Information Is Important

Analyzing who is included in and excluded from the financial sector is a key consideration for regulators, policymakers and the private sector alike. Beyond measuring access, sex disaggregating data can also provide regulators with a more nuanced view of who is accessing what kinds of products and channels, what kinds of behaviors are being exhibited, and what types of financial services providers are reaching which segments. This information can offer regulators a better understanding of the effectiveness of policies designed to maximize inclusion as well as help in designing new policies. National-level sex-disaggregated data is also crucial in prompting more banks to serve the Women's Market, as it enables them to better size the market and understand its intricacies in greater detail. While information on the demand side has much improved in recent years, with the launch of the Global Findex in 2010 as well as other regional and national-level surveys, there remains a dearth of sex-disaggregated data from the suppliers of financial services. Supply-side data is essential as it can be generated regularly and is comparable across banks and regions. It can also provide detailed understanding about women's actual financial behavior and product usage. Regulators can play an essential role in promoting its collection and use to advance financial sector development.

Chile: A Gender Paradox

Chile is one of the fastest growing economies in Latin America and has experienced significant reductions in poverty levels in the last few decades. Globally, it has been recognized for its impactful and innovative social policies, and is regarded for its exemplary work in implementing gender policies. Indeed, the country has narrowed gender gaps in many areas, including educational achievement and health outcomes.¹ In 2013, Chile topped the IDB's WEventure Scope Index for its favorable enabling environment for women entrepreneurs.

However, a number of gender gaps persist, including in labor force participation (just half of the country's women work – among the lowest percentage in Latin America)² and income disparity (women earn one-third of what men do).³ The WEventure Scope Index also highlighted a lack of access to finance for Chilean women, with account usage (as demonstrated by various Findex indicators) and microloan portfolios allocated to women (at 34 percent) both relatively low.

Applying a Gender Lens to Public Policy

To address gender gaps and mainstream change across public entities, the National Women's Agency (SERNAM) was created in 1991. SERNAM is a supervisory agency that ensures the public sector incorporates a gender focus when planning, budgeting, implementing and monitoring public policies. The agency works closely with the Presidency, evaluating the work of the different ministries and presenting achievements. In 2015, it was announced that SERNAM would be reconstituted as the Ministry of Women and Gender Equity.

In 1994 SERNAM developed its first 5-year Equal Opportunity Plan (PRIO) in an effort to ensure inclusion of a gender perspective in public policy. This was followed with a second plan, effective from 2000-2010, which sought to mainstream gender issues across all government ministries. In this period, ministries established annual gender goals, which were then rolled into annual commitments. Sex-disaggregated data was prioritized as a key element in the design and evaluation of public policies and legislative reforms as well as in the monitoring of annual gender goals.⁴

1 [World Economic Forum Global Gender Gap Report 2015](#)

2 [Policy Impact on Gender Equality in Chile](#)

3 [Instituto Nacional de Estadísticas Chile](#)

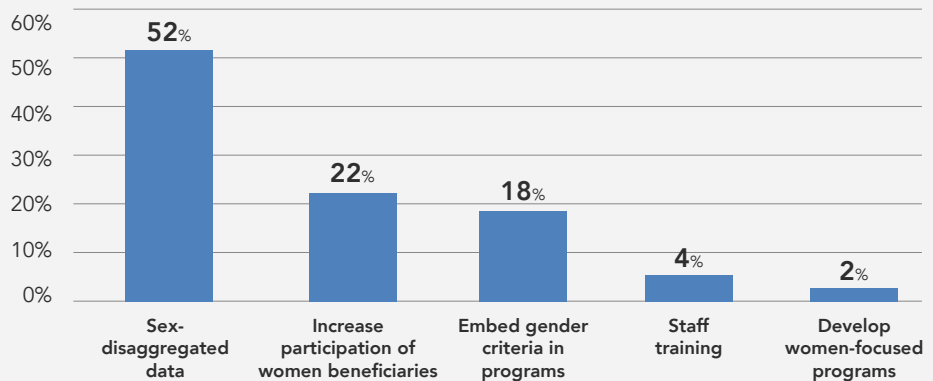
4 [Plan de Igualdad de Oportunidades entre Mujeres y Hombres 2000-2010](#)

Establishing Gender Commitments

Each government Ministry was required to develop an annual commitment, which includes the gender goals set out in individual plans. A Council of Ministers for Equality (Consejo de Ministros para la Igualdad de Oportunidades) was set up by the Presidency in 2000 to supervise the Ministry Commitments. SERNAM evaluates the commitments every year, and achievements are recognized by the Presidency. The development of commitments, with direct accountability to the Presidency, ensured targets were consistently followed up on. As an illustration of the types of commitments, the table below summarizes those made during the 2002-2004 time period. As shown, 52 percent of the Ministries included sex-disaggregation of data, which reflects its prioritization across government agencies. In later years, however, an evaluation of the plan suggested that targets should go beyond data in setting up more specific initiatives that - based on data - focus more directly on impacting women.¹

1 [Integrar la Perspectiva de Género en las Instituciones y Políticas Públicas en Chile](#)

Focus of Ministries' Gender Commitments 2002-2004



President Michelle Bachelet was elected in 2006, and she quickly made gender equality a political priority, clearly defining expectations for each Ministry and tasking the Ministry of Finance (Ministerio de Hacienda) with developing sex-disaggregated statistics that would help it understand the differences in men's and women's economic participations rates.

Embedding Gender: Performance Management Systems

Chile's gender policy was integrated across government bodies through the implementation of its Performance Management Improvement Plan (PMG). The PMG, developed in 1998 to improve government effectiveness, incorporates performance indicators for all public entities and links achievement to staff pay. Bonuses are awarded or denied based on the achievements of each department in 6 categories: human resources, customer service, integrated territorial management, financial administration, planning, performance management and gender equity. The latter was incorporated into the PMG as a priority, with the overall objective of institutionalizing gender equality measures at every level and in every sector.

The process was headed by the Ministry of Finance and its Budgetary Office, with SERNAM lending support through a series of gender equality sensitization and capacity building training activities for government staff. In 2005 the gender component of the PMG was recognized by the IDB for its potential to encourage gender equality in Latin America. Two years later, the World Bank, IDB and SERNAM published a case study highlighting it as a best practice in integrating gender into public policies. The PMG's multi-agency approach has not only promoted the generation of data across sectors, but also highlighted differences between men and women in areas such as financial services where data may not have been otherwise disaggregated due to the assumption of being "gender neutral."⁵

The Path to Capturing a Full Picture of Women in the Financial System

It was through the PMG process highlighted earlier that the Chilean financial sector regulator, the Superintendencia de Bancos e Instituciones Financieras de Chile (SBIF) – linked to the government through the Department of Treasury – began collecting sex-disaggregated data on financial services in 2001 and ultimately decided to request

that banks report sex-disaggregated data on their savings accounts.

Centralizing Responsibilities

At the SBIF, the responsibility of gathering and analyzing sex-disaggregated data was centralized in one unit within the Research Area: the Unit of Financial Products and Banking. Centralizing the responsibility for sex-disaggregated data, as well as targeting the production of an annual report featuring an analysis of the data, helped to embed the regular production of sex-disaggregated data as part of the SBIF's responsibilities. The Research Area was also able to quickly develop a plan to generate the data, and continue improving its collection and use, given its nimbleness.

While the Unit of Financial Products and Banking is tasked with conducting a variety of specialized research, the institutional production of statistics is not its permanent (or dedicated) function. This work is done by another unit within the Research Area: the Financial Statistics Unit. Currently, there are plans to move all sex-disaggregated data collection responsibilities to this unit, with the aim of increasing the reach and frequency of the production of statistical data with a gender focus.

Producing the Data

The process the SBIF undertook to disaggregate data by sex developed organically. To avoid placing undue burden on reporting institutions, the regulator decided to begin with data that was easily obtainable. To start, the SBIF looked at the borrower database it generates from financial institutions as part of its general supervisory functions. Taking advantage of the fact that in Chile each borrower can be identified by their national ID number, the SBIF first assigned each loan to its proper borrower in the system, accounting for the fact that one individual could have various loans across and within financial institutions. It then cross-tabbed each ID number with the Voter Registry database of the Board of Elections office to determine the individual's sex. This enabled the SBIF to know the sex of the borrower in 90 percent of cases. In 2006, with the availability of more comprehensive data from the Civil Registry's database, the SBIF was able to verify the sex of 100 percent of borrowers.

In 2004, looking to get a more complete picture of Chilean financial services, the SBIF began requesting savings data by sex directly from financial institutions. Financial institutions were able to provide this information relatively easily because they reportedly had tracked the sex of account holders at account opening on a consistent basis. The SBIF did not

⁵ [What can we expect from gender sensitive budgets?](#)

List of Key Variables and Indicators Collected 2001-2014

| Variables collected | Indicators |
|--|---|
| Credit | |
| For each loan: | |
| ID number | <ul style="list-style-type: none"> Total number of borrowers and by product, total and disaggregated by sex Average loan balance, total and by products, total and disaggregated by sex % of non-performing loans < 90 days, by sex % of non-performing loans > 90 days, by sex % of returned checks, by sex Average value of returned checks, by sex |
| Loan balance | |
| Product type: business, consumer, housing | |
| Value of non-performing loans < 90 days Value of non-performing loans > 90 days | |
| Number of returned checks Value of returned checks | |
| Deposits | |
| For each account by type | |
| Number of total accounts | <ul style="list-style-type: none"> Number of Accounts, total and by product, by sex Average deposit balance, total and by product, by sex |
| Value of deposits | |

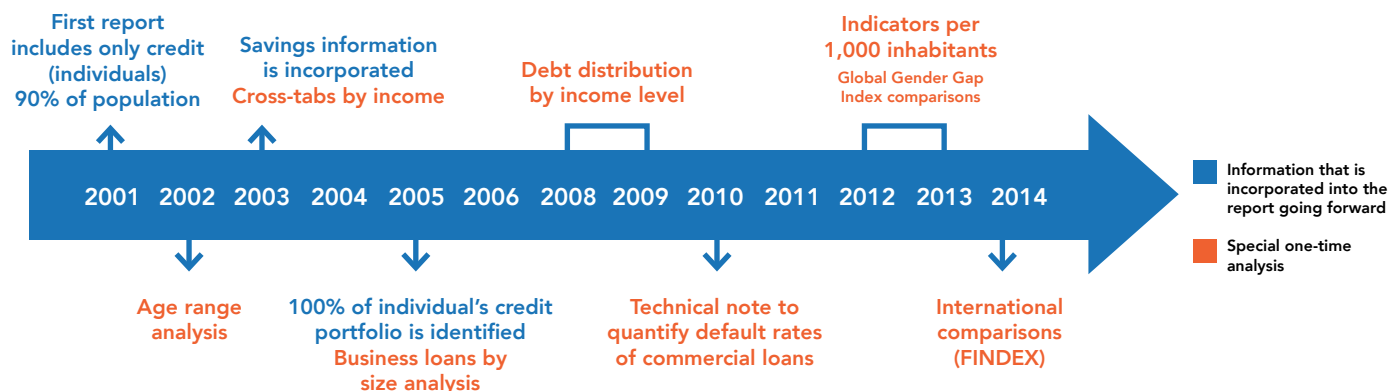
formally require the reporting of the data through any specific policies, but worked with the financial institutions in allowing them time to report when they did not have the data. The SBIF was able to quickly reach 100% of financial institutions reporting the full dataset.

Today, the SBIF can produce sex-disaggregated data on the number of borrowers by product type and balances. However, savings information is limited to the number of accounts (i.e. not depositors), as not all financial institutions are able to track by customer, and no central database exists (as in the case of credit). As it iterates on

the data it requires, the SBIF will continue to strike a balance between generating a full dataset and not over-burdening financial institutions with additional reporting requirements.

The SBIF has continued to expand the variables it collects since 2001 to include demographic and income data, and has undertaken even deeper analyses in certain years. Recently, the SBIF also compared its data to international rankings such as the World Economic Forum's Global Gender Gap Index, and global demand datasets such as Findex, allowing Chile to benchmark its level of financial inclusion against other countries.

Progression of Variables Collected and Analysis Conducted, 2001-2014



What 14 Years of Sex-Disaggregated Data Can Tell Us

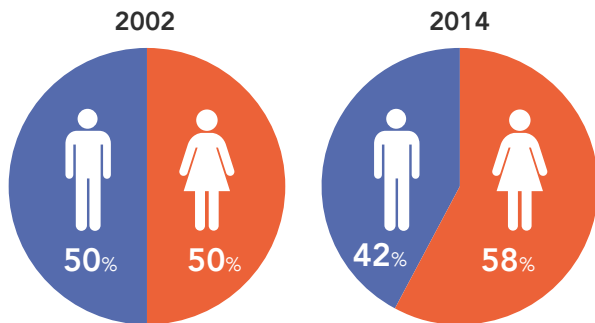
The 14 years of Chilean data reveals a number of insights on men’s and women’s access to and use of financial products. For instance, there is no gender gap in access to savings accounts, and in fact, the number of women-owned accounts has been increasing at higher rates. In 2002, women held 50 percent of the savings accounts in Chile, and by 2014 they held 58 percent.

However, when looking at average deposit balances, women fall behind, with an average balance that is 70 percent of men’s balances. This level represents a significant drop from the 2002

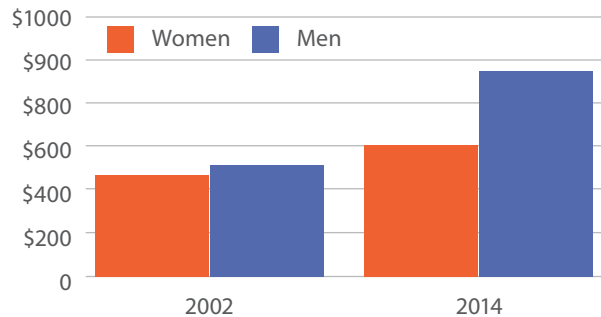
level, when women’s balances were 94 percent of men’s. Men’s average balances increased at an average annual rate of 4.8 percent during the 14-year period, while women’s increased at half that rate (2.4 percent). The SBIF attributes this difference to women’s lower participation in the labor market as well as to the continuous gender wage gap observed in the country.

When looking at savings product distribution, women have higher utilization rates in housing savings accounts, term savings, and time deposits. It is notable to highlight that housing savings accounts held by women have increased significantly in the last 14 years. See Box “Monitoring housing policy” for more information.

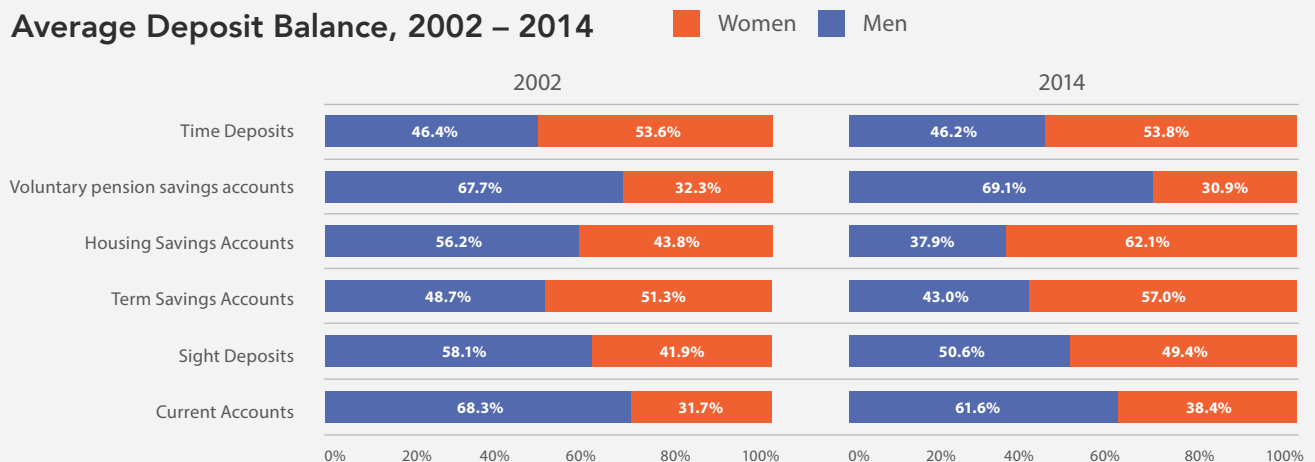
Number of Deposit Accounts, 2002 - 2014



Average Deposit Balance, 2002 - 2014



Average Deposit Balance, 2002 – 2014

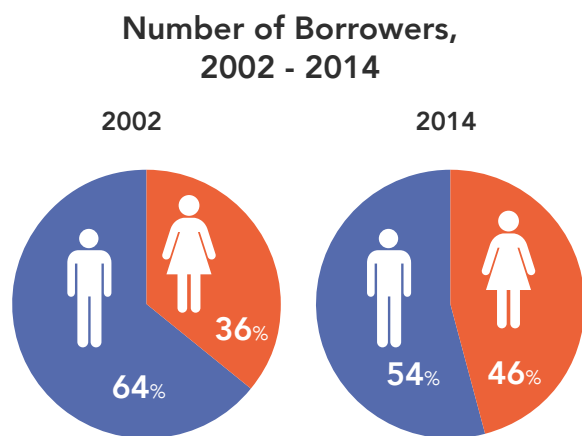


Measuring the Impact of Simplified Accounts on Women's Financial Inclusion

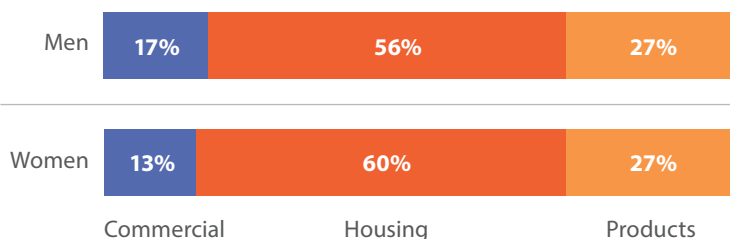
In 2006, Chile's state-owned commercial bank, BancoEstado, with the widest outreach in the country, launched the "Cuenta RUT" – a simplified deposit account that features a debit card and requires only a national ID card for opening. The account is accessible through a number of modalities, with high usage of non-banking correspondents, which are typically favored by women due to their flexibility. The Cuenta RUT is also used to provide government transfers, with high usage by women.

The product's impact on women's financial inclusion is reflected in the SBIF data. In 2005, the number of women's sight deposit accounts represented only 66 percent of men's accounts. With the launch of the RUT account, the number of women's sight deposit accounts grew by 73 percent in 2006, continuing to increase at an average annual rate of 22 percent and climbing to more than 7.6 million accounts by 2014. Today, women's and men's sight deposits represent nearly the same number. Increased account usage can also be observed: In 2005, women's account balances represented 61 percent of men's – a level that has increased to 81 percent in 2014. In 2014, Banco de Chile, Chile's largest private bank, launched "Cuenta Chile," a similar simplified account that aims to reach more lower-income populations, in response to BancoEstado's success with the RUT.

A different gender story emerges when it comes to credit. Although the gender gap is narrowing in terms of number of borrowers (women represented 36 percent of borrowers in 2002, increasing to 46 percent in 2014), women only represent 34 percent of the total value of loans outstanding. This reflects lower average loan sizes, with women's average loan size representing less than 60 percent of men's (US\$7,000 vs. US\$11,600, respectively) – a level that has widened since 2002.

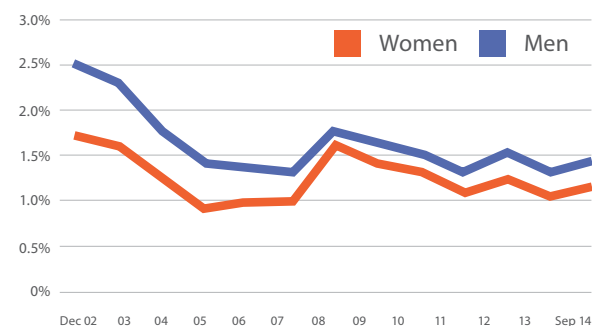


Debt Composition in US\$, 2014



Gender differences are also observed across products, with women holding a higher proportion of housing loans (at 60 percent) and men registering a higher percentage of commercial loans as compared to women. In terms of repayment behavior, the data consistently shows better repayment rates for women – across all years.

Non-performing Loans %, 2002 - 2014



Measuring Internal Diversity the Financial Sector

In addition to sex-disaggregated customer information, the SBIF also began collecting and analyzing internal diversity data from financial institutions in the country. The SBIF published reports in 2007, 2012 and 2015, analyzing gaps in overall staff participation and salary levels, and cross-tabbing this data with variables such as age, education level, title and functional areas. The latest report concludes that internal diversity in the financial sector is strong compared to other sectors in Chile (women make up 51% of the financial sector). However, there are a number of areas for improvement, including a lack of participation in bank's boards and senior management (women make up 15% of senior management and only 7% of bank's boards), significant salary gaps in higher levels of management (23%), and a lack of female participation in functional areas beyond marketing and business activities.

Source: Brechas de género del mercado laboral en el sistema financiero 2015

Putting the Data to Work

After analyzing the data, the SBIF produces an annual report entitled “Gender in the Financial System,” making it publicly available through its website. The report has served to bring awareness to the financial sector about the importance of targeting women as a distinct segment. BancoEstado officials, for instance, used the SBIF data as a starting point in developing the internal business case for its Crece Mujer Emprendedora program, which targets women entrepreneurs through access to capital, education and networking. They are now looking to launch a broader-based strategy to target their entire female customer base of more than 6 million women. The research is also regularly quoted by government actors, the media, business associations, and other organizations when discussing different aspects of women’s financial behavior. The Chilean Banking Association, for instance, has published research notes on women’s banking trends based on the SBIF data, highlighting growth opportunities for the banking sector, including women’s increased participation in credit markets and higher repayment rates.⁶

⁶ [ABIF Informa: Bancarización Femenina: Tendencias Actuales](#)

Beyond Finance: Monitoring Housing Policy

Housing finance policy in Chile has been recognized globally as a pioneering mechanism to enable the private sector to reach more low- and middle-income populations.¹ The government subsidizes a portion of the purchase price of a home, but also requires the applicant to maintain a specific savings balance through the opening of term housing savings accounts for a specific period. The Housing Ministry established agreements with 6 banks to guarantee mortgages for the purchase of housing units for middle-income account holders who qualify. Although the housing program did not have specific gender objectives, the SBIF data shows that between 2002 and 2014 housing savings accounts for women increased at an annual average rate of 8 percent (compared to 2 percent for men during the same period). By 2014, the SBIF data showed that 62 percent of housing account owners were women. In a context where 31 percent of households are women headed², the data shows a significant benefit of this program to women.

¹ [Housing Finance Policy in Chile, The Last 30 Years](#)

² [Economic Commission for Latin America and the Caribbean, Gender Equality Observatory](#)

Understanding Credit Gaps and Women’s Property Rights

As discussed earlier, the SBIF data shows a significantly lower credit portfolio for women. This was attributed to women’s wage gaps as well as lower participation in the labor force. However, other dynamics may be at play. Chile’s regulatory framework does not grant spouses equal rights to property, and the “sociedad conyugal” restricts the management of any marital property to the husband, including any property acquired during the marriage as well as any property brought into the marriage by the wife. The assumption that a husband manages all assets can create barriers for women. If, for instance, a couple separates, a woman still requires her husband’s permission to use the property acquired by her either before or during their marriage as collateral for a loan, and even to start a formal business. In addition, a woman may have difficulty in obtaining a credit history since her husband is given credit for managing all property. Further, if his credit record is negative, she might be negatively impacted. Therefore, lower credit loan balances for women may be due to not only salary gaps and lower labor participation levels, but may also be a reflection of the impact of property rights and other legal barriers.

“With almost 90 percent of savings accounts in Chile, we are the bank with the greatest reach. The SBIF information was of great value to us when we looked into the possibility of implementing a Women’s Market strategy.”

Jessica Lopez Saffie, General Manager, BancoEstado

The report has also catalyzed the production of more sex-disaggregated data. For instance, the Cooperative sector in Chile also began producing sex-disaggregated customer data, enabling a fuller picture of financial inclusion in the country, and the Chilean Banking Association has produced consumer satisfaction reports on the banking sector, which also include sex-disaggregated data.⁷ In 2015, the SBIF received the 2015 Sustainable Award in the Diversity & Inclusion category by Diario Pulso for the publishing of this report.

In order to boost awareness and dissemination of the report, Chile’s President Bachelet gave a high-profile keynote address during the 2015 report’s launch event, hosted by the Economic Commission for Latin America and the Caribbean (CEPAL). During the event, President Bachelet highlighted the importance of sex-disaggregated financial services data. This growing awareness of the report’s value at senior levels of government as well as internationally is allowing its potential applications to be fully realized.

⁷ [ABIF Informa: Índice Nacional de Satisfacción de Clientes ProCalidad](#)

Catalyzing Women's Data: What Comes Next

Chile has made great strides in national-level collection, analysis and use of supply-side sex-disaggregated data, playing a leading role in the actions a regulator can take to promote women in the financial sector. There still remains much work to be done, however. Although the SBIF has regularly produced the reports, increased outreach and dissemination efforts could increase its potential use not only within the financial sector but across government agencies and internationally. In addition, other data points could be collected that can provide a fuller picture of women in the financial sector. For instance, data on the number, size and type of women-owned enterprises could be collected. The lack of this data limits the ability to understand if female entrepreneurs are well-served by banks and can impact the development of initiatives that promote women's entrepreneurship. Demand-side data could complement this information, providing a fuller picture of women's financial behaviors. Nevertheless, thanks to the SBIF's commitment to producing this information and putting it to use, it is catalyzing women's economic empowerment, as is evidenced by the data showing that women are increasingly becoming banked, they are applying for more credit, getting more housing financing and much more – boosting the Chilean economy in the process.

"The purpose of this [Gender in the Financial System] report is to highlight that we have a serious gender gap as a country. But the report also seeks to guide strategies to mitigate and, in the medium term, to correct this situation, [with the purpose of] not only government and Congress adopting policy measures, but also encouraging the private sector to strongly increase women's access to financial services."

Superintendent Eric Parrado

A Commitment to Sex-disaggregate Data: Key Insights

- **Seek internal buy-in, particularly from the top:** Prioritizing gender equality at the highest level of government and having buy-in from the Presidency from Day 1 is invaluable. This can be complemented by strategies to mainstream gender across departments and organizations. Chile developed strong performance management systems and linked the generation of data to targets and compensation.
- **Balance information needs and opportunity costs:** Understanding the increased efforts banks will have to undertake to comply with expanded reporting requirements is critical. The SBIF took a phased approach to pragmatically obtain the data while not overburdening banks. They first generated the available data with internal resources, and at a later stage implemented additional requirements from their banks.
- **Customer information is key:** Generating information on number of accounts is an important first step in measuring access for women. The SBIF's detailed information provides good insights into use; however, to get a fuller picture, translating the product into customer information, as was done for the credit side, is an important effort. This also implies the need to complement the supply-side information with national demand-side surveys.
- **Data is not an end in itself:** The collection and analysis of data is not a final goal – it should be used to address inequalities. Its generation must be closely linked with specific plans and information needs, and the numbers and their utility must be fully understood across all possible actors. Although Chile has been generating reports on a regular basis, the country could have been disseminating them more widely, with their use promoted beyond the financial sector and the data more fully used to implement and monitor policies.
- **Think about next steps:** There is currently a gap in the available information on women-owned businesses that needs to be filled. Collecting this information could pose a great challenge, as it would require financial institutions to track the sex of business owners – something that few banks outside the GBA are currently doing. In addition, collecting this information does not necessarily lie within the legal mandate of a regulator. This must be evaluated before implementing any collection strategy.

This case study was prepared as part of a partnership between the Global Banking Alliance for Women, Data2X, the Economic Commission for Latin America and the Caribbean, and the Multilateral Investment Fund of the Inter-American Development Bank. The partners wish to thank the representatives of the Superintendencia de Bancos e Instituciones Financieras de Chile, including Superintendent Eric Parrado, Nancy Silva, Virginia Pérez, Alvaro Yáñez and Carolina Flores, for their generous participation and willingness to share their experiences, as well as other individuals and organizations who took the time to take part in our interviews including BancoEstado, SERNAM, DIPRES, INDAP, FOSIS, SERCOTEC, Banco Itaú, ABIF, SINACOFI, the Chilean microfinance network, and Fondo Esperanza.

