

# THE POWER OF JAN DHAN: MAKING FINANCE WORK FOR WOMEN IN INDIA



Women's World Banking

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## PREFACE

SHRI SANJIV CHADHA  
Managing Director & CEO  
Bank of Baroda

### EMPOWERED WOMEN, ENTERPRISING NATION

Congratulations to everyone involved in this landmark report, *“The Power of Jan Dhan: Financially Empowering The Nation’s Women.”*

Financial inclusion has always been recognized worldwide as a key driver of economic growth and a critical factor to dissolve gender inequality and engender social transformation. With Mahatma Gandhi endorsing revolutionary changes in the lives of women as early as in the first half of the 20th century through financial empowerment, India has always been in the forefront to narrow down the gender gap in access to financial services. With the launch of Pradhan Mantri Jan Dhan Yojana in 2014, we have managed to bring it down to around 6% in 2017 from 20% in 2011.

However, though we have made giant strides in absolute numbers, the fact remains that a good percentage of women, especially those belonging to the low-income group, still shy away from realizing the full potential of their bank accounts. Rather, they still view it only as a channel to receive and withdraw cash. And, therein lies an unutilized opportunity and an untapped potential from a banking perspective.

This collaborative effort between Bank of Baroda and the Women’s World Banking has endeavored to understand women’s saving behavior and use the learning to serve them with suitable products and services. The study found that these under-banked women still suffer from perception issues; for them, banks are not meant for their few hundred, hard-earned rupees! Thus, I am pleased to present this innovative pilot that will extend a true helping hand to as many as 100 million low-income women to save money and cope with the economic shocks provided by the ongoing pandemic.



Concurrently, it also drives home the point that purposeful innovations in designing and communicating about financial products are key to improving their engagement with banks. I personally espouse the creation of models that use a gender intelligent approach to financial inclusion, enhancing the power of marketing and communication strategies and making the financial inclusion more yielding.

However, focal to any revolutionary change will be the role of Business Correspondents who can nudge rural women into the fold of financial inclusion. Banking Correspondents have proven to be a valuable source of engagement, financial institutions and policymakers must work cohesively to build a business case for them, equipping them with timely training and supervision, besides nurturing them as relationship managers.

While India is yet to fully achieve the Mahatma's vision of complete women empowerment, it is definitely on the way. This pilot project displays that with the right encouragement and environment, women strive faster for financial independence and resilience. On their part, such a meaningful engagement between women and financial institutions can increase the latter's social capital and contribution towards building a more stable nation.

I firmly believe that this synergetic effort between Women's World Banking and Bank of Baroda will go a long way in enriching the lives of hard-working, strong-willed women across India by inducing the financial eco-system to duly acknowledge their relevance and contribution towards nation building with every inspiring measure.

Thank you.



## EXECUTIVE SUMMARY

Given a 9% global gender gap in access to financial services, India's story is actually a relatively successful one. According to the Global Findex Report 2017, in 2014, 43% of all women in India owned a bank account and has since grown to 77% of women in 2017. Simultaneously, the total number of men owning accounts has increased from 63% to 83% respectively. The gender gap in account ownership has visibly narrowed from 20% to 6% in the same period<sup>1</sup>. Such progress can be attributed to government schemes such as the Pradhan Mantri Jan Dhan Yojana (PMJDY). More than 42.89 crore (428.9 million) economically disadvantaged Indians have benefited from PMJDY since its launch in 2014.

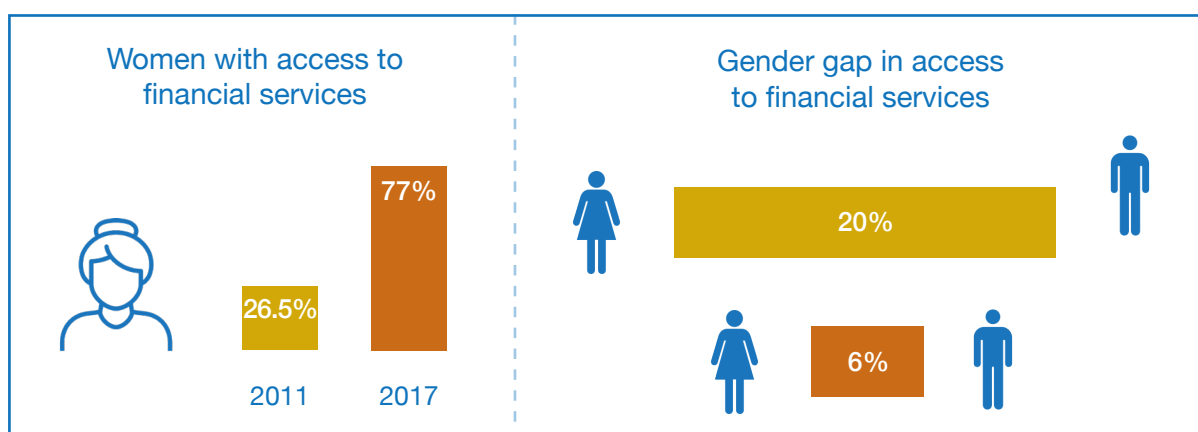


Figure 1: Access to financial services, according to Global Findex Report 2017.

The key has been the tight integration between the account, targeting, and its delivery, and at its centre is the Jan Dhan-AadharMobile (JAM) trinity, i.e., Jan Dhan, Aadhar Unique Identification Number, and mobile phone.

The JAM trinity is designed by the government to deliver direct benefits to the economically disadvantaged. The direct biometric identification of Aadhar along with Jan Dhan bank accounts and mobile phones enable direct transfers of funds, potentially eliminating intermediaries. As a result, the JAM trinity has laid the foundation for bringing unserved and underserved people into the formal financial system.

More recently, this system has delivered direct benefits transfers (DBT) to support households struggling with the economic impact of the global pandemic. This targeting capability enabled the Indian government to become one of the few in the world to be able to target women recipients specifically, recognizing the role women play in shaping household finances.

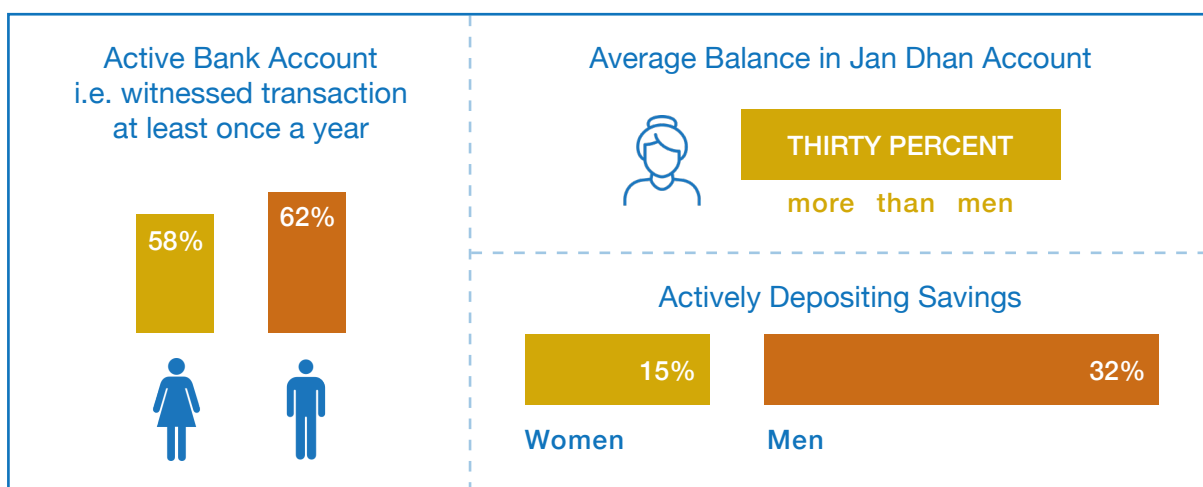


Figure 2: Comparison between the bank account usage of men and women.  
Source: Jan Dhan Customer Portfolio across 3 pilot cities of Mumbai , Delhi and Chennai - 2020.

While Jan Dhan account ownership has improved in absolute numbers, a large percentage of women still do not actively use their accounts to save money. This presents an opportunity to encourage women to utilise their accounts more frequently, especially to adopt a mindset of financial savings that will help insulate them from future economic shocks.

To understand women’s savings behaviour more fully, Women’s World Banking worked with Bank of Baroda, an institution holding 14% of all PMJDY accounts in India with approximately 31.8 million women Jan Dhan accounts (as of July 2021).

The theory of change was that women were active and committed financial savers, but were doing so in informal ways. Women do not consider using a bank for savings since they typically save “small” amounts. To test this, Women’s World Banking designed Jan Dhan Plus, a product to motivate women to adopt a behaviour that emphasises consistent savings, and to use their account to access credit, insurance, and other financial products. The pilot was conducted with 101 Bank of Baroda branches across Mumbai, Delhi and Chennai and over 300 Business Correspondent points between

February 2020 to August 2020. During this period, nearly 50,000 men and women customers signed up for Jan Dhan Plus. 32% of women who walked into Business Correspondent points enrolled in the scheme within the first two months of launch.

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Jan Dhan Plus is a solution which combines a Jan Dhan account with an incentive to save Rs. 500 over four months, and in return the saver unlocks a Rs. 10,000 credit/overdraft facility. This solution also entailed the use of reminders and targeted “nudges” to encourage women to save.

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Though the global pandemic triggered a sharp fall in women’s monthly household income (MHI) from approximately INR 12,000 pre-COVID-19 to approximately INR 9,000 post-COVID-19<sup>2</sup>, we discovered that some women who signed up sustained their savings behaviour as the overdraft feature made the solution a compelling proposition.

Our pilot results suggested that women could be an important consumer segment for banks. We believe that encouraging this vast customer base<sup>3</sup> - as of August 2021, 23.76 crore (237.6 million) beneficiaries of 42.89 crore (428.9 million) beneficiaries of PMJDY were women - to save via Jan Dhan Plus accounts can offer strategic advantage for Public Sector Banks (PSBs) while helping to build economic resilience in India.

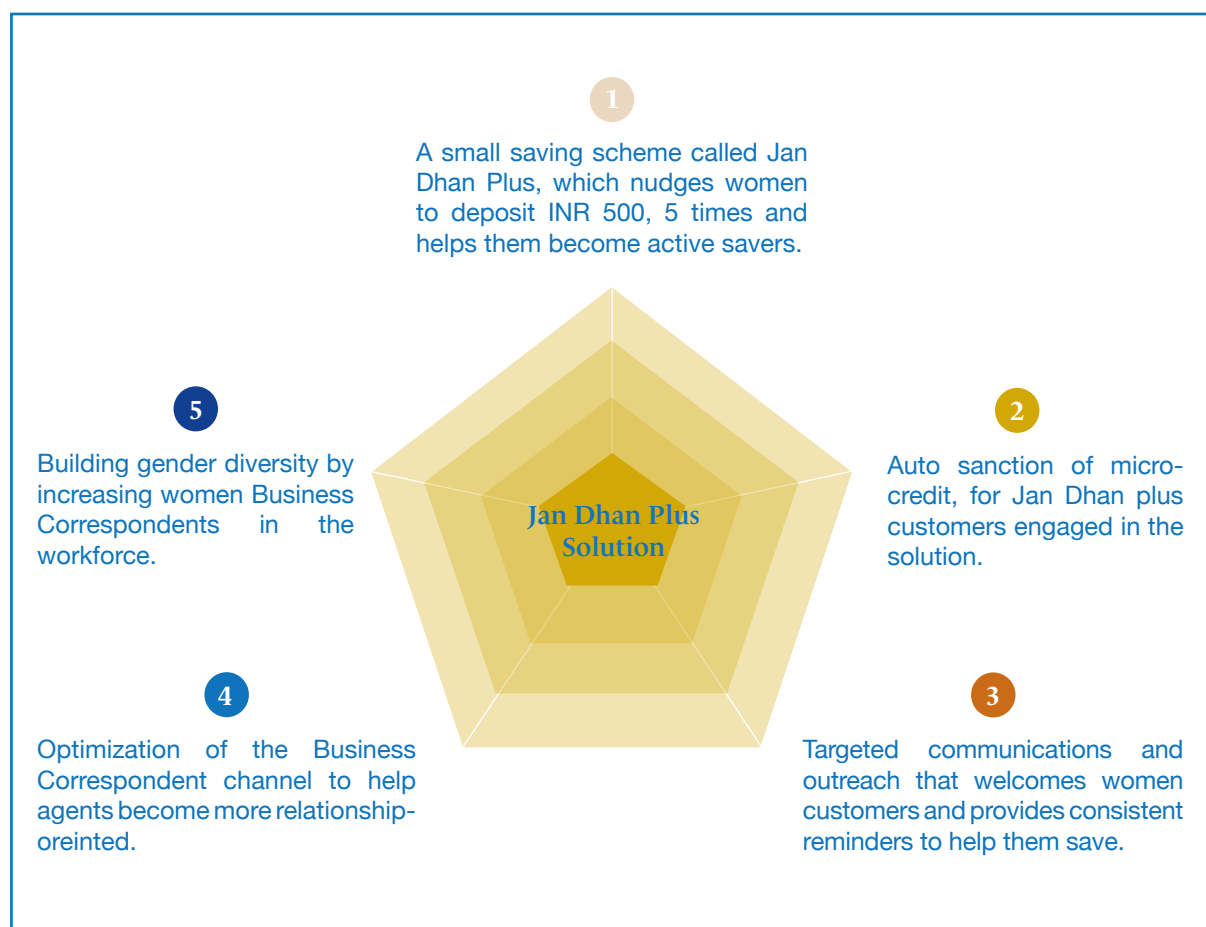


Figure 3: Jan Dhan Plus Solution.



The pilot also confirmed how important Business Correspondents can be in broadening financial access and usage, especially among low-income women. Business Correspondents were conveniently located and served as trusted touch-points for pilot participants. In our pilot, Business Correspondents, especially those who were relationship oriented, were effective in pitching small savings to customers.

In fact, women Business Correspondents managed a higher number of customers and were more deeply engaged with their clients, as evidenced by their skillful ability to cross sell products. This finding makes a strong commercial case for banks to invest in nurturing women Business Correspondents as a touch point to engage Jan Dhan customers.

## MAKING FINANCE WORK FOR WOMEN

This report finds that it should be possible to provide all women in India with sustainable access to finance by focusing on four levers:



Creating relevant and simplified products for women



Promoting awareness and nudging behaviour.



Strengthening Business Correspondents network.



Tracking sex disaggregated data.

These levers can unlock benefits at the macro level by enabling at least 100 million low-income women to initiate a habit of small scale savings, and consequently, indirectly reach 400 million low-income people in their households. Banks can potentially unlock an estimated inflow of Rs. 25,000 crores (250 billion) in deposits, while disbursing in the region of Rs. 10,000 crore (100 billion) in Overdrafts (OD) to 20 million beneficiaries.

A gender lens perspective has the power to accelerate the government's and the banking sector's efforts towards comprehensive financial inclusion. Women's increased control over household income leads to more investment in children and family and has a positive impact on overall economic growth. Thus, moving towards the full and sustainable financial inclusion of women will have a great impact on the reduction of both poverty and income inequality levels.

## INDUSTRY SPEAK: MAKING FINANCE WORK FOR WOMEN IN INDIA

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*An overlooked aspect of Women Business Correspondents is their role in bringing in the 23% women who are financially excluded. Women Business Correspondents bring a felt convenience for other women to transact with them. Through this they are able to communicate, let guards down and create an ecosystem of trust. In our experience in the field, we have witnessed that women Business Correspondents carry a larger stake with their customers and it usually supersedes transactional values.*

”

**SEEMA PREM**  
CO-FOUNDER & CEO | FIA GLOBAL

“

*Indian women have always shown financial prudence and quest for savings for difficult times, be it urban, sub-urban or rural India. Women Business Correspondents act as catalysts to bring more women not only into financial ecosystem but also create a supportive environment where women micro-entrepreneurs can set up and grow their businesses, thereby making them financially confident and independent.*

”

**SUNIL KULKARNI**  
CEO DESIGNATE | BUSINESS CORRESPONDENTS FEDERATION OF INDIA

“

*India's financial inclusion framework can benefit deeply from harnessing the strengths and potential of women Business Correspondents. When provided adequate support and training, their capabilities as last mile delivery agents can be enhanced to improve women's financial health. This is especially true in rural communities where they can make inroads by communicating the benefits of financial offerings to women in remote pockets, facilitating transactions and being a role model to several young women in the rural communities. As third-party agents who belong to the community, their principal function as the face of the bank by being a mini branch themselves can create an enabling environment for women to explore financial services and products best suited to their needs.*

”

**RISHI GUPTA**  
MD & CEO | FINO PAYMENTS BANK

“

*A key advantage of catering to women customers in Microfinance is that they are diligent when it comes to loan repayment. Many global studies and experts have endorsed the loyalty that female borrowers show and that encourages microfinance institutions to keep them engaged. This promising trait should certainly be used for the benefit of financially empowering low-income women in India. Granting them loans to support their small businesses or household and family needs will not only economically empower women but contribute to the growth of the Microfinance sector at large. There is much merit in investing in women as customers as targeting them has generated higher repayment rates for micro-lenders.*

”

**GAURAV GUPTA**  
**MANAGING DIRECTOR & DIRECTOR AT ANANYA FINANCE**

“

*Small Finance Banks play a significant role for the empowerment of women by providing them with working capital and financial assistance which surely elevate living standards at a grassroots level. As we actively engage with women customers, we have insightful understanding of their economic health and appreciate their efforts to sustain family needs. For us, the most important factor is to understand deep rooted financial issues faced by women and fill the required gaps through various customer engagement programmes. Thus, our penetration and findings from the bottom of the pyramid helps us to create customized banking products and services for women customers belonging to the unserved and underserved segment. Women customers are key influencers to the cause of financial inclusion and as responsible lenders we intend to bring affirmative changes towards the financial requirements of women, therefore improving economic resilience of larger communities.*

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**NITIN CHUGH**  
**MD & CEO OF UJJIVAN SMALL FINANCE BANK PVT. LTD.**



## ACKNOWLEDGEMENT

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The views expressed in this publication are Women's World Banking's and are not necessarily those of Visa Foundation, Walmart Foundation and the Michael & Susan Dell Foundation.





## WOMEN JAN DHAN USERS: A GROWTH OPPORTUNITY FOR BANKS

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India has made significant progress in ensuring financial inclusion over the past few years. Of all the initiatives introduced to create universal access to financial facilities, the Pradhan Mantri Jan Dhan Yojana (PMJDY) has been the gamechanger. While launching the programme, Prime Minister Narendra Modi described the occasion as one to celebrate the “liberation of the poor from a vicious cycle.”<sup>4</sup>

As of August 2021, 55% of PMJDY accounts (23.76 crore or 237.6 million) of 42.89 crore (428.9 million) were owned by women<sup>5</sup>, making women Jan Dhan account holders a majority in the PMJDY portfolio.

There are two main reasons why PMJDY plays a key role in women’s financial inclusion.

1. PMJDY proactively provides women with bank accounts, precluding the need for lengthy paperwork and thereby circumventing the issue of illiteracy, a common challenge among the low-income segments.
2. Various offerings under the scheme have had a positive influence on the economic dimensions of women empowerment. PMJDY offers an overdraft facility of Rs. 10,000 to the woman of the household<sup>6</sup> for operating the savings account satisfactorily, without asking for security or how she will spend the money. This addresses one of the most pressing issues that women savers face: the need for discretion and financial independence.

In addition, PMJDY accounts eligible for Direct Benefit Transfer (DBT), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Atal Pension Yojana (APY), or Micro Units Development & Refinance Agency Bank (MUDRA) scheme; have all positively impacted women financially over the years<sup>7</sup>. Moreover, the other two loan-related schemes - Pradhan Mantri Mudra Yojana (PMMY) and Stand-Up India (SUPI), continue to witness the highest women participation. PMMY was launched in 2015 to provide loans up to ₹10 lakh to non-corporate, non-farm small/micro-enterprises, and 68 percent of loan borrowers are women. Women beneficiaries of Stand-Up

India - launched in 2016 to promote entrepreneurship at the grass-root level - constitute 82%.<sup>8</sup>

Demonstrating robust participation across financial inclusion schemes, when engaged effectively, women Jan Dhan customers form an important and economically valuable consumer segment for banks and financial service providers for many reasons:



#### Women are more active and committed savers than men

As evidenced in our Savings engagement project with a leading Public Sector Bank, 32% of women Jan Dhan customers reached through the project committed to saving (vs. 25% of men). These women grew their balances by 36% during the 5 month project period (versus 24% by men)<sup>9</sup>.



#### Women are loyal customers

Research indicates that once women are familiar with and comfortable using a financial service, they tend to be more loyal customers of financial institutions than men, thereby yielding sustained commercial benefits. Women Jan Dhan customers also act as brand ambassadors in their communities. For these reasons, Microfinance & Self-Help Groups (SHG) movements have effectively addressed family credit needs<sup>10</sup> via women's groups.



#### Women influence family members

When women customers open a formal savings account and build a habit of depositing into it, even in small amounts, they have the power to impact the savings habits of family members<sup>11</sup>. Their savings habits, if carefully nurtured, can make millions of households financially resilient.



#### Women have favourable credit repayment behaviour

As evidenced by the success story of the low-income women segment in the micro-finance industry, lending to women is a lower credit risk<sup>12</sup>.



#### Women act as brand ambassadors<sup>13</sup> in their communities

In addition to directly contributing to the assets and liabilities of a bank, women Jan Dhan customers can be the brand ambassadors in their communities. Women are better influencers in the community and can build awareness about the bank's brand in the society.





## Women segment is untapped

As primary income earners, a significant portion of men may have already become banking customers. Women are often the financial decision makers for the households; 90% of women plan daily purchases and household spends<sup>4</sup>; they are the main decision-makers about healthcare<sup>6</sup> and spend more on children and family<sup>7</sup>. Despite this, banks are yet to target women explicitly. Of the women who do have a bank account, less than a fifth save formally with the bank<sup>14</sup>.



## THE BUSINESS CASE FOR INVESTING IN LOW-INCOME WOMEN

Our estimates show that women Jan Dhan customers, in general, are more profitable than men Jan Dhan customers to the bank. When both women and men are engaged to save, a female customer's lifetime revenue is at least 12% higher than that of a male customer's lifetime revenue.

One of the reasons for this could lie with Government benefits. Women-specific direct benefits transfer (DBT) schemes run by the Government bring in more deposits in women-owned accounts, with 43% of women-owned accounts being DBT-linked, compared to 35% of male-owned accounts<sup>15</sup>. The Covid-19 relief cash benefit transfer to Women Jan Dhan accounts has also led to activation of dormant accounts and interest among Aadhaar owners to open new Jan Dhan accounts. The link between Government benefit schemes and Jan Dhan accounts also ensures that women Jan Dhan customers remain loyal to the banks.

Once women customers save actively with the bank, they can be encouraged to take up assets and thirdparty products as well (like overdraft accounts, loans, and micro-insurance). Women are indeed an attractive target segment, not only for savings products but also for credit, insurance, and other long-term investments.

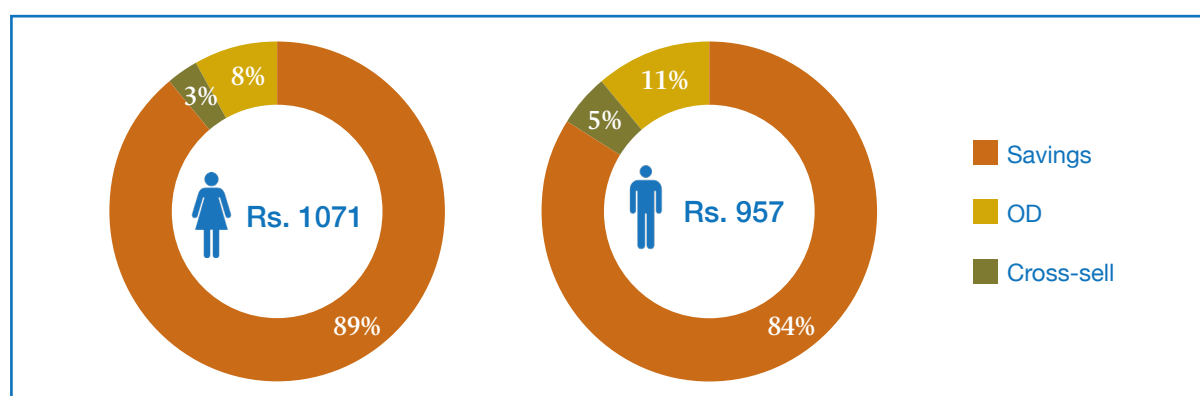


Figure 4: Lifetime revenue of Jan Dhan customer by gender.



## WOMEN HOLD THE KEY TO HOUSEHOLD SAVINGS AND FINANCIAL RESILIENCE

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The COVID-19 crisis exposed the financial vulnerabilities of individuals and households across the globe. Women - particularly low-income women - were more disproportionately affected during the crises<sup>16</sup>. Low-income women working in the informal sector remained especially vulnerable to job insecurity with little to no measures to protect them from the economic shocks of the pandemic<sup>17</sup>.

As a result, it is tempting to assume that during the pandemic low-income women saved less. Transaction data suggest otherwise<sup>18</sup>. The likelihood of skipping a deposit during the pandemic remained much lower for those who had been saving pre-pandemic for an emergency than those saving for less urgent needs (such as home improvement), making the post-Covid environment a great opportunity to lay the foundation for a lifelong savings habit.

A low-cost bank account (like the Jan Dhan Account) can help women accumulate interest through regular savings, hedge against financial shocks, and therefore provide an impetus to encourage formal recurring savings. These regular small savings form an important financial security for families in a crisis. A recent research report by Women's World Banking in partnership with Kaleidofin, an Indian FinTech platform<sup>19</sup> found that when women customers open a formal savings account and build a habit of depositing into it, even in small amounts, they have the power to impact the savings habits of family members. Their savings habits, if carefully nurtured, can make millions of households financially resilient.

Small savings is a powerful financial tool that can help low-income women restore their financial resilience. Women's ownership and control of savings are shown to accelerate their development, reduce poverty and inequalities, and improves children's nutrition, health, and academic performance<sup>20</sup>. Women are likely to invest a higher quantum of earnings in their families and communities than men.



## UNDERSTANDING THE BARRIERS WOMEN FACE WITH SAVING IN THEIR JAN DHAN ACCOUNTS

Women are active and committed savers: 70% of the women Jan Dhan customers we surveyed save small amounts of money by curtailing their expenses. There are, however, 4 key barriers that prevent them from saving in their Jan Dhan accounts.

### 1. Women do not perceive banks as a place to save as it is less familiar.

Banks are not a familiar place for her and prior negative experiences with banks lead her to save in informal and familiar channels. Banking, including banking terminology and services, makes the processes quite complex. Unfamiliarity with these processes results in a sense of fear among women to approach banks.

**In her words:** Amala from Chennai says, “I get scared of banks. I do not know and understand what needs to be done at the bank. As I have never been there, I do not know what the process is. So I am scared of doing any bank transactions.”

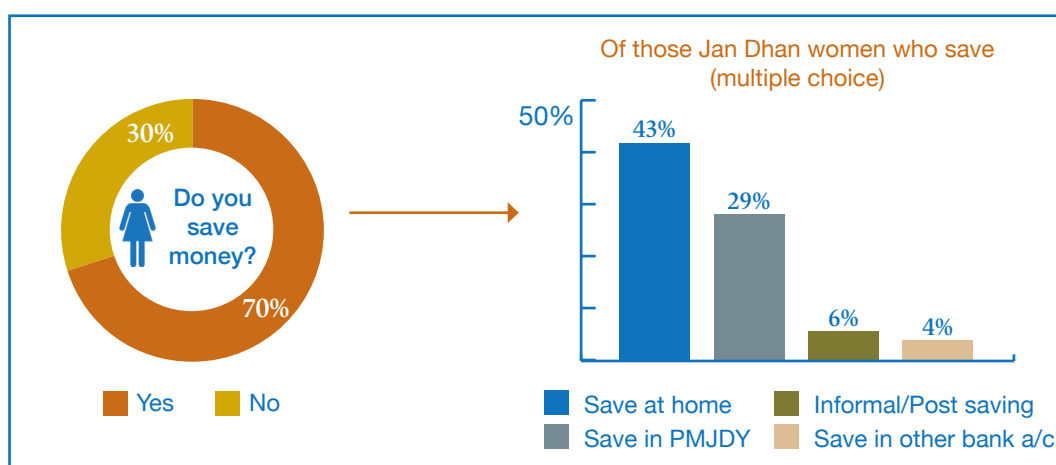


Figure 5: Savings behaviour of Jan Dhan Women.

2. They do not consider banks as a place to save small amounts.

Our research shows that 45% of women prefer to save fluidly as and when they get the opportunity to save. However, she believes that the bank is a place for big savings and her small amounts of money will not be entertained/accepted there.

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**In her words:** Sushma from Mumbai says, “100-200 daalne mein sharam lagti hai. Don’t even know that they will accept Rs. 200. They tell us that we cannot deposit amounts less than Rs. 500 in the bank.”

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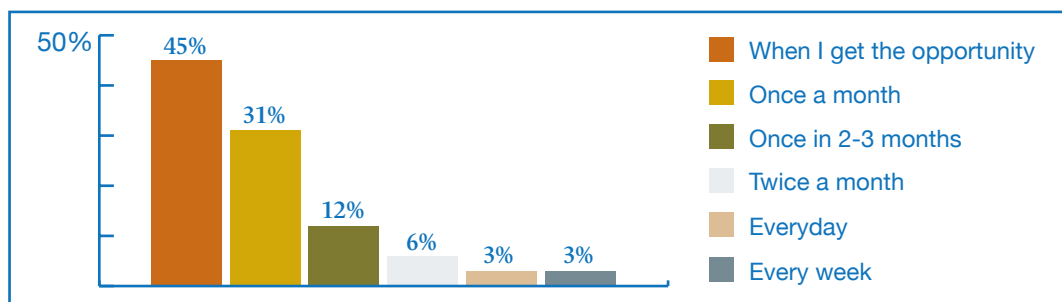


Figure 6: The frequency with which women save.

3. Women don’t consider saving with the bank to be convenient and are not aware of their local Business Correspondent.

Savings are a means of survival amidst unforeseen circumstances. Thus, she needs instant access to her funds in emergencies. Due to her limited mobility, physically travelling by herself to access her own money at a bank is seen as a mammoth and unnecessary endeavour. She tends to save money in ways that allow her instant access and control. Going to a distant bank branch is a challenge for her, especially since she is not aware of the Business Correspondent, who is typically located in her community.

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**In her words:** Nita from Delhi says, “Banks are far away and we have to leave the kids at home and go, which we can’t. If it is in my purse I can see it and use it anytime. Why should it be so difficult to access our hard-earned money.”

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4. Women use other means of saving out of habit.

As she struggles for autonomy in household financial decision-making – sometimes even needing household permission for bank withdrawals – she is forced to create her own savings mechanisms. These give her a sense of control and there is an inherent inertia to change behaviour.

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**In her words:** A 25 year old female from Mumbai says, “The bank has no meaning in my life, I have very little to do with the bank.”

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Although women are a growing customer base, they face distinct barriers to accessing financial services. Though they believe the banks to be safe, trustworthy spaces - the bank is emotionally distant to them. They keep interaction with banking and financial institutions to a minimum, limiting them to withdrawal for emergencies, withdrawing salary or availing government benefits.

Understanding these – we have developed 3 design principles for Financial Service Providers (FSPs) to nudge them to start savings in bank accounts:



Create a mental model of the bank as a welcoming place for her to save at.



Make it easy for women to save at the bank by using accessible and trusted channels.



Motivate & nudge women to build a habit of saving at the bank.

### TAKEAWAY

A women-centered design approach focuses on addressing the needs of women and overcoming barriers they face in saving at a formal bank. While the design is centered around women, it is also relevant for men and appeals to the entire Jan Dhan customer base.



## THE TRANSFORMATIVE POTENTIAL OF JAN DHAN PLUS: LESSONS AND RECOMMENDATIONS

We believe that there are four “levers” that can be used to design financial products and services (with supporting policies) that attract low-income women and encourage them to engage with their accounts via savings and other transactions.

### Lever 1: Create Relevant and Simplified Products for Women

#### a. Offer Jan Dhan Plus product to mobilise savings

Jan Dhan Plus is a small savings scheme that encourages women to make five deposits of Rs.500 each per year. This encourages women to become active savers, with a further incentive of a PMJDY overdraft once the deposits have been made. Our pilot found that when offered this product, Jan Dhan customers’ savings behaviour improved, the relationship with bank was strengthened.

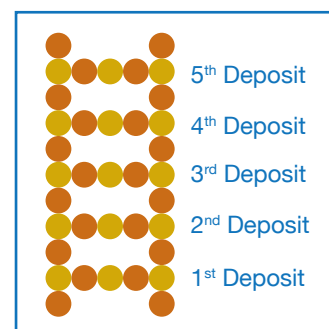


Figure 7: Jan Dhan Plus.

#### b. Explore provision of an automatic overdraft –facility for small emergency loans to Jan Dhan customers

Our analysis found that women view their savings as protection against emergencies, with access to credit becoming critical in a crisis. Based on our pilot, we believe that the automatic provision of an overdraft facility for emergencies after the customer had made five deposits builds trust in the financial provider.

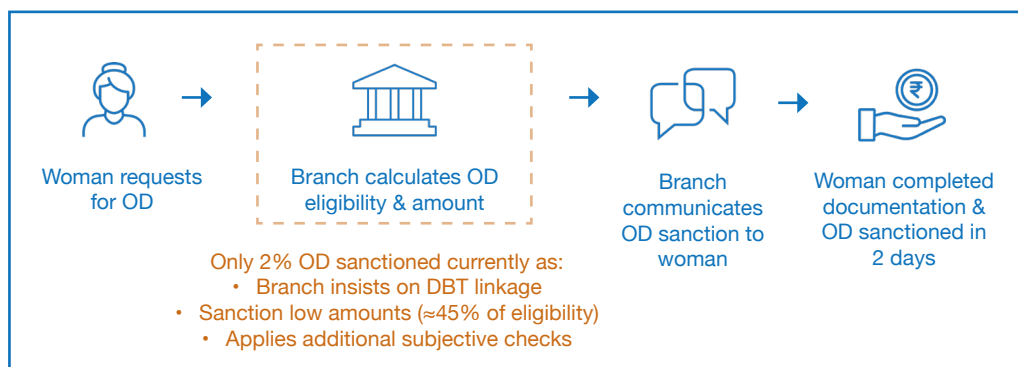


Figure 8: Current OD Process.

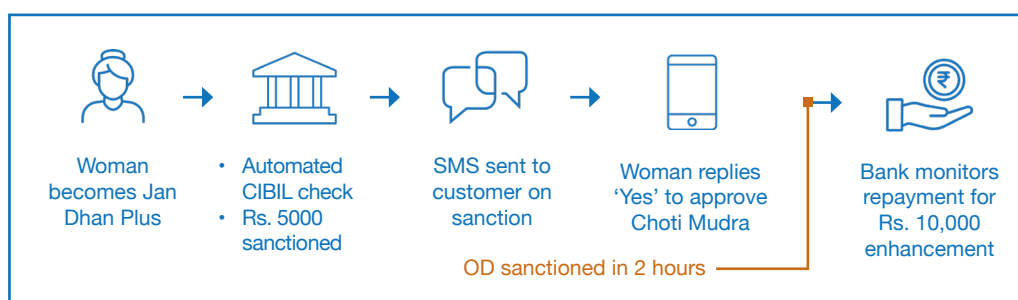


Figure 9: Choti-Mudra Auto Sanction Process.

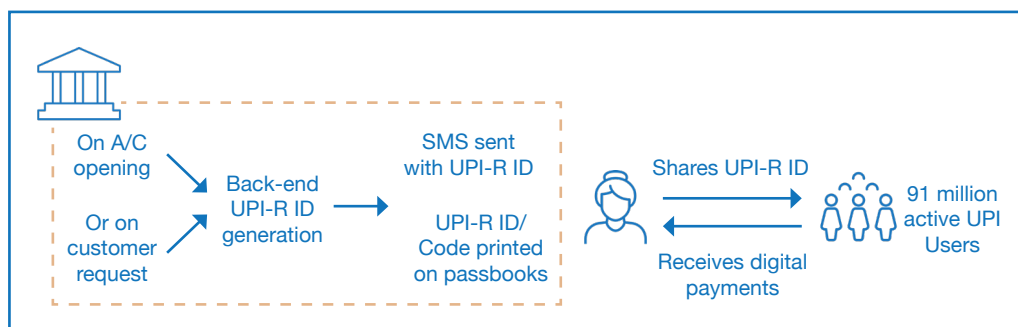


Figure 10: UPI-R Process.

c. **Develop more use cases for savings by exploring a United Payments Interface- Receive-only handle (UPI-R)**

Many women from lower socio-economic groups work in the informal sector, and receive wages daily or weekly. UPI is a far simpler mode of receiving payments than bank-to-bank transfers (via NEFT/RTGS), which necessitate remembering bank account numbers and IFSC codes. A receive-only UPI handle is a proposition to make receiving payments/transfers for women as easy as dealing in cash.

We propose that PSBs generate a UPI-R ID and disseminate to Jan Dhan women customers as an easy way to receive payments directly in their account via a mobile/feature phone. With it, women can simply

share this UPI-R ID with their employers, contractors or customers to easily start receiving payments. This would further encourage women to engage with their Business Correspondents to withdraw cash and explore other financial products.

## Lever 2: Promoting Awareness and Nudging Behaviour

### a. Develop communication hooks that low-income women can relate to

We launched an integrated marketing campaign for Jan Dhan Plus to communicate the exclusive benefits for Jan Dhan accountholders who enrolled in the savings scheme. The key message was “*niyमित bachat, niyमित badhat*” meaning “*regular saving, regular progress.*”

We designed the message specifically to demonstrate how active savings were possible and led to better outcomes. We wanted women to feel welcome in the bank, empowered to make small savings that led to larger outcomes, and that they had control over their finances. Collaterals at the Branch or Business Correspondent points encouraged customers to ask about Jan Dhan Plus. Posters emphasized the need for regular savings and standees outside the Business Correspondent points used entertaining messages about savings through the popular snakes and ladders game.

Customers with mobile devices received messages about the scheme and their nearest Business Correspondent point by SMS. The bank’s call center also informed customers about the need for small savings and provided information about the closest Business Correspondent point.

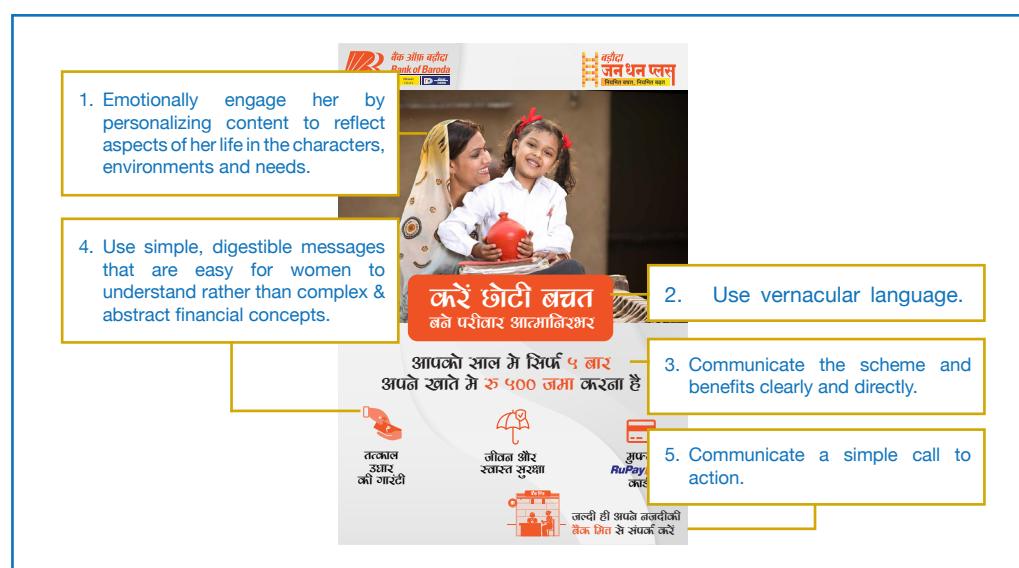


Figure 11: Design principle followed for communication.

Clear and effective messages to welcome women and encourage them to save, delivered at multiple touchpoints, are essential to the successful roll-out of the Jan Dhan Plus product.

**b. Segment customers to build awareness with the right messages**

We also recommend segmenting audiences to cater for different needs among active and inactive customers:

- **For active customers who visit Business Correspondent points:**  
We find that using SMS or Interactive Voice Response (IVR) voice messages with simple messages like “The power of five - deposit five times, Rs. 500 in five months and get a guaranteed OD of INR 5000.”
- **For customers who primarily withdraw DBTs:**  
We suggest using the physical Business Correspondent channels and SMS campaigns to change customer behavior from only cash withdrawals to savings deposits.
- **For inactive customers:**  
IVR campaigns and audio/video messages could generate interest about savings and the need to utilize bank accounts effectively. This can be further strengthened by local micromarketing campaigns at branches and through Business Correspondents.
- **For new and dormant customers:**  
Use broad-based marketing channels such as local radio to position the bank as a place to save.

**c. Use tools to nudge customers to take one action**

The Business Correspondents asked customers to sign up for the scheme as a soft commitment and then nudged them to save with the help of a ‘savings pouch’ and a tracking card. This savings pouch ensured that women didn’t easily drain their savings and were reminded to deposit the collected money, while the tracking card nudged them to complete four deposits at the Business Correspondent point.

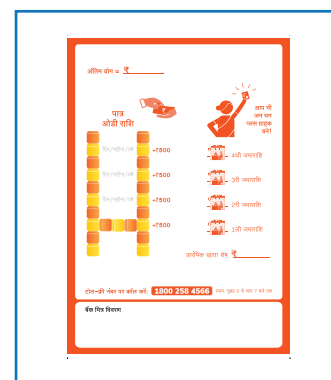


Figure 12: Tracking Card.

Introducing tools such as tracking cards are a simple and very powerful way to affect customer behaviour. In the tracking card, visually appealing and educational pictures such a ‘ladder’ to demonstrate how small savings can help achieve a goal is effective. Nudges can also be sent by SMS to customers to remind them to continue saving to become eligible for the overdraft.

### Lever 3: Strengthen the Business Correspondents Network to make Correspondents Better Relationship Managers

The Business Correspondent network is important in many ways. First it can take pressure off traditional branches by handling low-value transactions and become a physical presence for the bank in remote places. Second, it is the front line for relationship management for many low-income customers, and is vital for building saving engagement with Jan Dhan customers. However, our research found that that only 10% of Business Correspondents displayed successful relationship focused skills – such as active management of a customer base, or cross-selling financial products.

To ensure Business Correspondents are easy to find and approachable, branding such as “Bank Mitra” boards (meaning ‘a friend who helps you with banking’) and scheme branding were placed at Business Correspondent points. Business Correspondents displayed their ID cards and authorization certificates. which helped position them as trusted and reliable service points. Prior to the launch of the product, Business Correspondents were trained to understand the importance of saving, details of the Jan Dhan plus proposition and relationship skills to improve their service.

An effective supervision and monitoring framework was crucial in ensuring that Business Correspondents remained motivated and enthusiastic to pitch savings to customers. In-field support was provided through Corporate Business Correspondent (CBC) supervisors and branch champions and daily Management Information Systems (MIS) was used to track performance. Non-monetary rewards (leader boards, sales competitions) were also organized to acknowledge high-performers and encourage competition

Banks may consider investing in Business Correspondents to elevate their role from simple Cash in Cash out (CICO) agents to relationship managers. The Life Insurance Company (LIC) agent model is a great example of agents acting as strong relationship managers for customers on behalf of the organisation.

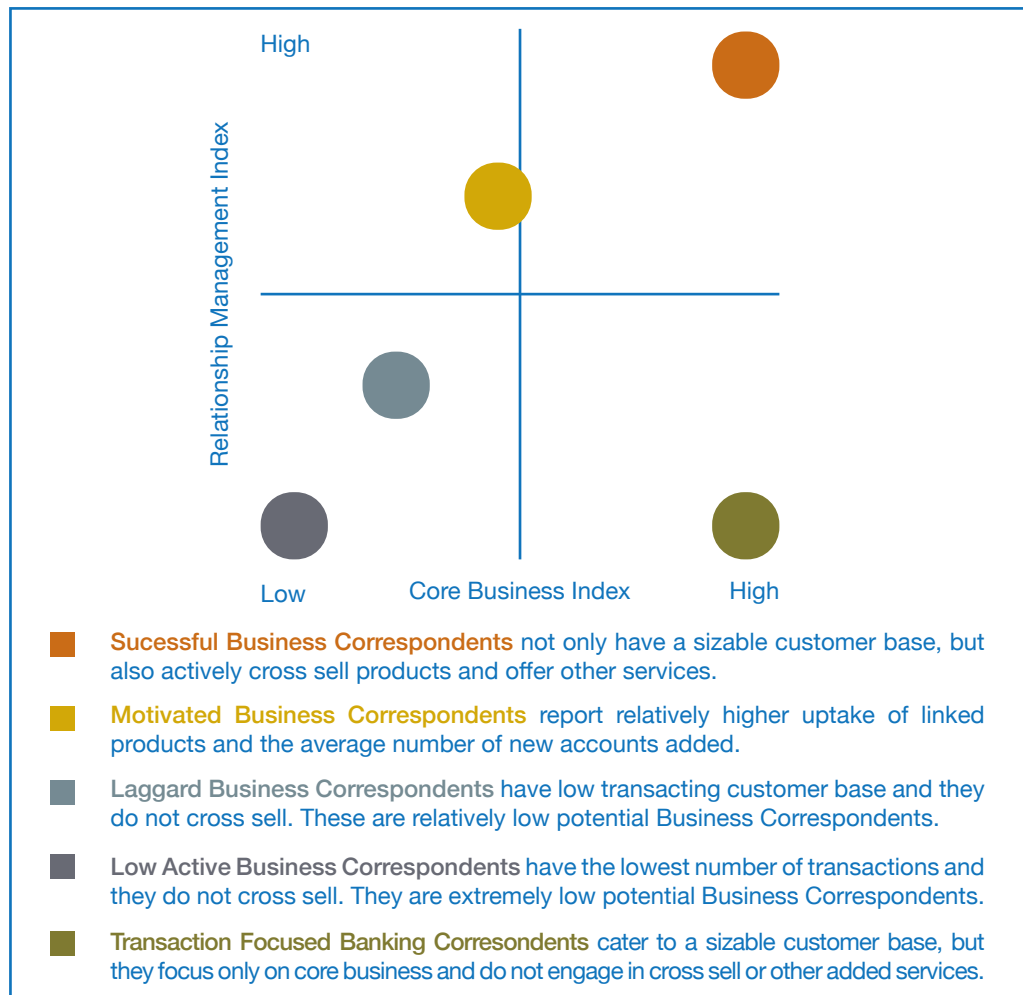


Figure 13: Business Correspondent segmentation model based on data of a leading PSB's Business Correspondent unique transactors, transactions and cross sell performance for the period January 2020 - March 2020.

a. Use a segment-based strategy to manage the Business Correspondent network

Banks can analyse Business Correspondent transaction and performance data regularly to segment Business Correspondents and identify potential relationship managers to direct investments:

- Develop a targeted action plan corresponding to the needs of the different segments of the Business Correspondents. Refer to Fig. 13.
- Redirect small transaction customers from bank branches to identified Business Correspondents, and encourage the Correspondents to reach out to more customers in the community through scripted camps & other sales tools.
- Help transaction focussed Business Correspondents become more relationship focused.



**b. Invest in and motivate the Business Correspondents with potential to improve performance**

To make more Business Correspondents successful as relationship managers, banks need to:

- Initiate savings linked remuneration to the existing Business Correspondent remuneration structure.
- Ensure that remuneration to Business Correspondents is paid on time and is made visible to them in real-time.
- Throw the spotlight on successful Business Correspondents and make them mentors and role models for the rest of the Business Correspondent community.
- Train potential Business Correspondents to move beyond transactions by training them with sales pitch & customer service skills. Reinforce this with mentoring & on-ground supervision.

**c. In addition, to increase Business Correspondent's operational viability**

- Business Correspondents should facilitate and process overdraft to eligible customers.
- Banks can explore (with checks and balances in place) permitting Business Correspondents to update KYC details and provide customers with full banking facilities like passbooks, debit cards and cheque books.
- Enable access to a comprehensive profile view of customers with recommendations of best suited products.

**d. Explore creating a cadre of Women Business Correspondents**

Our research suggested that women agents are three times more valuable for the bank considering their performance across factors including average transactions, getting more Jan Dhan customers to sign up and cross selling more products. However, women comprise less than 10% of the total agent workforce, despite more than 50% of Jan Dhan account holders being women. Our results showed that women Business Correspondents were able to secure 50% more sign-ups than their male counterparts.

Women Business Correspondents may initially require additional support and guidance when they start the Business Correspondent business.

- e. To build a strong & sustained women agent participation programme conduct
- Research to understand the challenges that women Business Correspondents' face in the field.
  - Onboarding workshops focused on relationship management skills and understanding the Business Correspondent business.
  - Weekly engagement and monitoring via branches and Corporate Business Correspondents focused on support areas, operational constraints, and business development activities.
- f. Create a financial support system for women to explore Business Correspondent Entrepreneurship
- A Mudra loan to set up Business Correspondent business and subsidized loans for buying a vehicle.
  - Guarantee minimum payment subject to minimum performance.
  - Reimbursement of rental expenses for the first year of operations.
  - Investing in training and digital literacy.
  - Provide central licensing via Indian Institute of Banking & Finance (IIBF) and a training package via National Skill Development Corporation (NSDC) specially designed for her.
  - Health insurance benefits to the agent and her family.

#### Lever 4: Track data at sex- disaggregated level and monitor portfolio data

Understanding the differences in women customer behaviour will help financial institutions and policy makers succeed in their efforts to advance financial inclusion. From a FSP perspective, sex-disaggregated data deepens understanding of the market opportunity.

While all Public Sector Banks have sex disaggregated PMJDY data, their reporting is still at the portfolio level. Without reporting the sex-disaggregated data on a regular basis, it is impossible for policymakers to monitor the progress of women and assess the actionable steps.

a. Banks need to track and report the following data monthly

- Savings balances of men and women Jan Dhan account holders.
- Number of women and men subscribers of PMJJBY, PMSBY and APY, liabilities, and third-party products.
- Transaction behaviour – number and amount of: withdrawals, deposits, number UPI transactions and Rupay card transactions etc.
- Non-Performing Assets (NPAs) of various borrowings by gender.

b. Tracking sex- disaggregated data enables a gender-intelligent approach to product design by providing greater insights on

- Savings and credit behaviour within different categories of PMJDY women – whether they are credit active, credit inactive, debit engaged and, dormant.
- The kind of channels being used – same bank's correspondents, other bank's correspondents, branch, ATMs, digital, high-cost vs low-cost channels, among others.
- Product penetration and access to other relevant products within the PMJDY base.

This information can be provided to regulators for a better understanding of the efficacy of policies designed to maximize inclusion, giving them the tools needed to encourage the financial sector (especially PSBs) to move toward full and equitable access.

Apart from reporting and publishing gender-segregated data, a daily/weekly real-time MIS is critical to supervise, nudge and track Business Correspondents and branch performance. This dashboard can also be used to recognize the good performing business correspondents and branches and nudge others to perform better. If this process can be automated with limited yet relevant data points, performance monitoring of the Business Correspondents/Corporate Business Correspondents and PMJDY portfolio in terms of gender inclusion could be achieved.



## RESULTS FROM THE JAN DHAN PLUS PILOT

Jan Dhan Plus was piloted with 101 Bank of Baroda branches across Mumbai, Delhi and Chennai and over 300 Business Correspondent points between February 2020 to August 2020. During this period, nearly 50,000 men and women customers signed up for Jan Dhan Plus. 32% of women who visited the Business Correspondent points enrolled in the scheme within the first two months of the launch. Women who were on boarded by the Business Correspondent and had access to the solution started to save with the Bank. These savings-engaged women sustained their behavior and grew balances at a higher rate than the overall portfolio average.

Below are the key learnings of the small-savings solution:

### 1. If made aware, women are willing to save with the Bank.

The small savings scheme resonated with women's need to save, but investments are required to educate customers to use their bank account as a place to save. During the pilot period, tele-calling agents pitched the small savings scheme to women and about 50% of them were interested to start depositing savings in their account. This indicates the potential for Banks to redirect women's small savings, even from inactive customers, to formal channels.

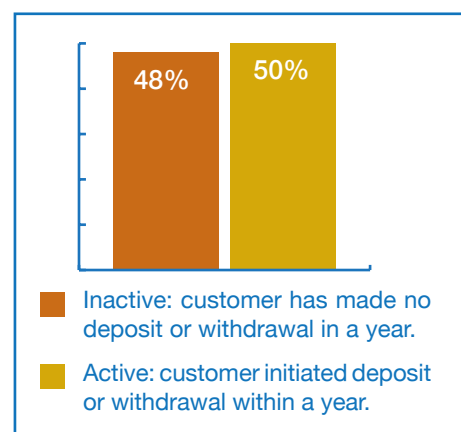


Figure 14: Women Jan Dhan customers who agreed to deposit when pitched the small savings scheme via a call center.

## 2. Promise of ‘small savings bundled with overdraft’ is relevant and rewarding.

The Jan Dhan Plus proposition appealed to women and was relevant, resulting in 32% Business Correspondent walkins enrolling to start small savings. Even during the COVID-impacted short pilot study, 18% of the women who enrolled successfully managed to save and complete 4 deposits of Rs 500 or more in their accounts.

A key motivator for women to complete the required number of deposits was the promise of the overdraft protection. Given the limited access of women to credit from formal channels, the overdraft was a powerful reward mechanism to sustain savings behavior. Women remarked that they were looking forward to applying for the overdraft once they completed their deposits.

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**In her words:** Nisha, a PMJDY customer who works as a cook in Mumbai explained, “Earlier, I used to make payments in the beesi (chit fund) with my friends, but when I heard about this scheme I knew I should start saving in my account. It is great that they are considering me for the overdraft facility if I continue the scheme. This way, I will not have to go to my relatives if I need money.”

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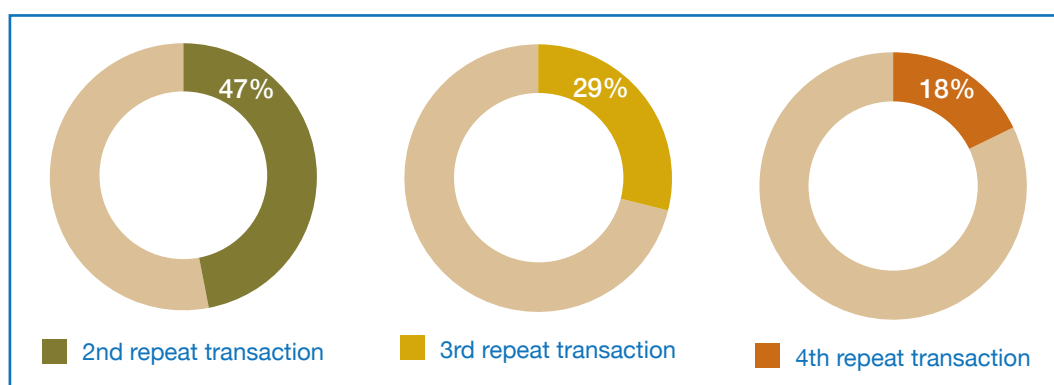


Figure 15: Percentage of women that completed different rounds of savings despite the impact of COVID-19.

## 3. Savings engaged customers are valuable for the Bank.

Women who committed to start savings with the Bank have proved to be valuable, as they managed to grow their balances 1.5 times than customers who did not enroll to the scheme. Even women who were inactive for a year, found the scheme relevant, changing their behavior and growing their balances by over 90% during the pilot. The savings scheme also proved effective in building engagement with new customers, who brought in nearly 5 times higher balances.

While the scheme was designed for women, men also found it relevant. 25% of the men visiting the Business Correspondent point signed up to the scheme. Men were also inspired to start savings and grew their balances by 24% during the pilot compared to 5% in non-enrolled customers.

4. **Relationship-oriented Business Correspondents are key to deepening women customers' engagement with the bank.**

Women prefer visiting a Business Correspondent point for any banking transactions, making them a critical channel to nudge women to start small savings. During the pilot, 34% of the women visited the Business Correspondent channel as it was either conveniently located or was considered helpful and trustworthy. The Business Correspondent's ability to engage with women is also reflected in the higher cross sell penetration seen in customers who transact at the Business Correspondent point.

To deliver value on the ground, it is essential that Business Correspondents have the necessary abilities to service women consistently and reliably. In the pilot, Business Correspondents who had both, high customer base and superior cross sell skills, were the ones able to motivate women to start saving. Assigned branch champions and CBC supervisors monitored Business Correspondents' performance in the field through detailed MIS and provided them local support to become better relationship managers.

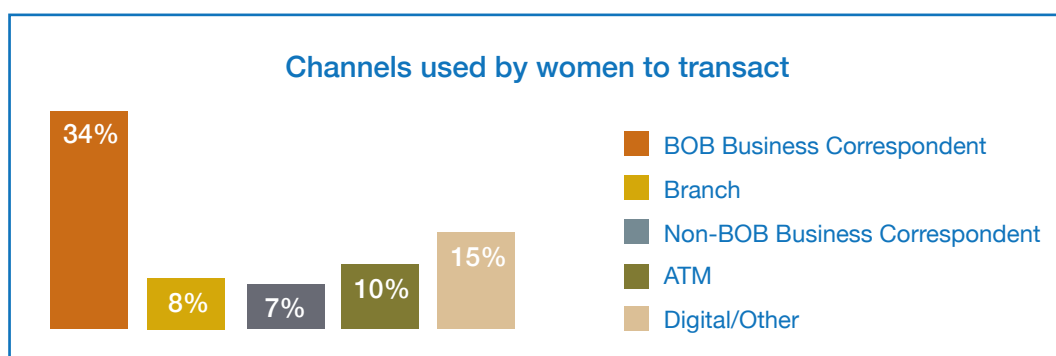


Figure 16: Women prefer to transact at the Business Correspondent point.  
\*Only 74% of the customers had transacted and this is the bifurcation of their preference.

**In her words:** Vidya, who is a housewife and opened her account at a nearby Business Correspondents point said, *“I always talk to my Business Correspondent, who has a shop very close to the market. Just like the Chotti Bachat scheme, he informs me about all government programs. I even tell my friends to visit him, if they need any financial advise.”*

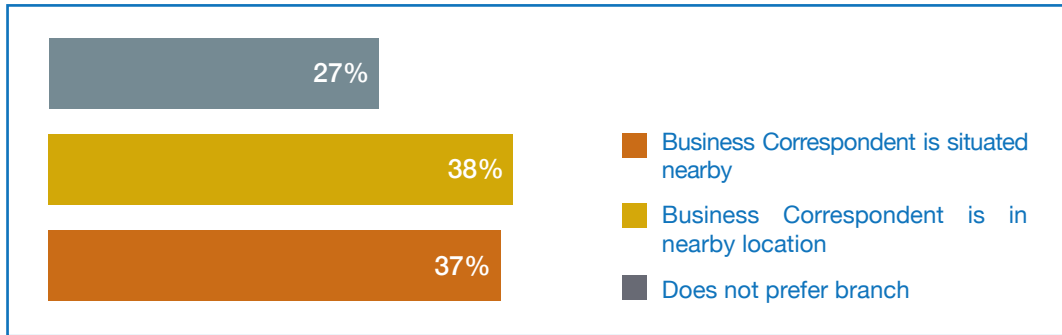


Figure 17: Reasons women visit Business Correspondents.  
 \*Above 100% as respondents were allowed to give multiple answers.

5. Women Business Correspondents are better relationship managers and 3X more valuable to the Bank.

An important learning during the pilot was the superior performance of Women Business Correspondents. Women Business Correspondents were better relationship managers and able to gain the trust of her customers. They consistently performed higher on important KPIs and were able to enroll 1.5X customers to the savings scheme compared to the average Business Correspondent. In the long run, investing in a strong women Business Correspondent workforce can build 3X time more valuable customer base.

Successful Woman Business Correspondent	Business Correspondent Portfolio (Average)
Number of walk-ins in a year	
3253	1432
Percentage sign-ups from walk-ins	
28.2%	27.2%
Growth in balance of signed-up customers	
28.2%	20.9%
Cross-selling percentage	
11.6%	7.3%
Current income to bank over Business Correspondent's lifetime (INR million)	
6.3	2.3
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Figure 18: Comparison between successful women Business Correspondent portfolio and an average Business Correspondent portfolio.



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**In her words:** Vidya, a vegetable vendor in Delhi said, “I liked the way the Business Correspondent explained the scheme to me. She was patient, kind and understanding and told me about how my life can improve through savings. I feel I could trust her and listen to her advise.”

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### TAKEAWAY



Awareness that the bank is welcome place to save is critical for women



Reward savings-engaged customers with overdrafts to sustain behaviour



Business Correspondents who are relationship oriented can successfully nudge women to save with the bank



Women Business Correspondents are better relationship managers



## ABBREVIATIONS

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APY	Atal Pension Yojana
AV	Audio/Video
CBC	Corporate Business Correspondent
CICO	Cash In Cash Out
DBT	Direct Benefit Transfer
FSP	Financial Service Provider
IIBF	Indian Institute of Banking & Finance
IVR	Interactive Voice Response
JAM	Jan Dhan-AadharMobile
KYC	Know your Customer
LIC	The Life Insurance Company
MHI	Monthly Household Income
MIS	Management Information Systems
MUDRA	Micro Units Development & Refinance Agency Bank
NPAs	Non-Performing Assets
NSDC	National Skill Development Corporation
OD	Overdraft
PSBs	Public Sector Banks
PMJDY	Pradhan Mantri Jan Dhan Yojana
PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojana
PMMY	Pradhan Mantri Mudra Yojana
SHG	Self-Help Groups
SUPI	Stand-Up India
UPI-R	Unified Payments Interface-Receive only



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## APPENDIX

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### SAVINGS PERSONALITIES OF LOW-INCOME WOMEN: DIFFERENT SITUATIONS, DIFFERENT NEEDS

Our research on women's savings behaviour identified two factors that drive savings: Her perceived ability to save and her autonomy (the control she can exert over household income). There are variances in both these factors, and these decide the savings behaviour traits and attitudes across the segment. We can seek to influence women who have higher autonomy over household income.

Five clear customer profiles emerge when we examine the variances in women's perceived ability to save and their autonomy over household income. Each segment has its unique challenges.

## GOAL ORIENTED SAVERS



### Her Personality

Sociable, outgoing, dynamic, entrepreneurial.  
Driven to have a more progressive lifestyle.  
High autonomy over household income and decisions.



### Drivers and Barriers to Save

Drivers: Short-term goals & paying off debts.  
Barriers: Unforeseen expenses, social obligations, and children's needs and demands.



### Mechanisms to Save

Informal savings groups.  
Secret purse savings.  
Saving through Business Correspondent.



### Attitudes towards her PMJDY Account

Wants to learn more, but the banking experience is unpleasant.  
A PMJDY account is a route to a potential bank loan.

### In her words:

*"Nobody likes to go around asking for money, stay within your own and dependent on yourself, not others."* -Female, 33, Part engagement, Mumbai

## STRUGGLING SAVERS



### Her Personality

Anxious, insecure, yet highly aware.  
Insecure about the future due to mounting expenses.  
Low on confidence while engaging with money.  
Low control over part of household income.



### Drivers and Barriers to Save

Drivers: Creating a cushion for sudden misfortunes.  
Barriers: Restricted by physical limitations to work more  
Mounting medical bills drain savings.



### Mechanisms to Save

Informal savings groups.  
Non withdrawal of Direct Benefit Transfers (DBTs) from the bank.  
Savings in her purse.



### Attitudes towards her PMJDY Account

Bank as a channel for getting DBTs.  
Banks are uncomfortable, intimidating spaces.

### In her words:

*"With my husband's knowledge I keep money at the bank but without my husband's knowledge I keep money in my purse, for urgent situations."* -Female, 37, High Engagement, Chennai

## LOAD BEARERS



### Her Personality

Active, connected to society, entrepreneurial.  
Living on a loop of bad credit and debt.  
Money is a source of fear.



### Drivers and Barriers to Save

Not driven to save due to cycle of debt.  
Has little or no financial organization and management skills.



### Mechanisms to Save

Informal savings groups (SHG, Thandaal).  
Forced savings through loans.  
Secret purse savings.



### Attitudes towards her PMJDY Account

Bank seen as trustworthy and safe.  
Lack of savings habit makes bank emotionally distant.

### In her words:

*“The moment I think of money, I think that I have to repay the loan, I picture repaying the loan and I feel scared.”* -Female, 32, High engagement, Chennai

## SECURE SAVERS



### Her Personality

Low Autonomy over household decisions.  
Relies on family & community for information.



### Drivers and Barriers to Save

Drivers: She seeks to secure her needs and provide a financial cushion for her children.  
Barriers: Irregular income & unplanned expenses.  
Family takes financial decision & operates the account.



### Mechanisms to Save

Saving at home.  
Low banking exposure.



### Attitudes towards her PMJDY Account

She does not feel comfortable making savings via her PMJDY account, as it gives her neither privacy nor autonomy.  
Poor banking literacy and prior negative experience with bank officials further contribute to her not saving in the PMJDY account.

### In her words:

*“All of a sudden, a calamity occurs when someone in the family falls ill. All the money that is saved goes away in one go.”* -Female, 40, Part engagement, Delhi

## SECRET SAVERS



### Her Personality

Struggling to make ends meet.  
Socially isolated & limited mobility.  
Low Autonomy over household decisions.



### Drivers and Barriers to Save

Drivers: Her savings are intended to secure her and her children's future, and for small material comforts.  
Barriers: Family takes financial decision & operates the account.



### Mechanisms to Save

She squirrels away small amounts of the total household budget.  
Secret savings habit.



### Attitudes towards her PMJDY Account

A bank account only offers an identity proof, and is otherwise irrelevant to her financial needs.  
Need for secrecy prevents her from engaging with banking.

### In her words:

*"If I get a grocery item for 20 rupees, I tell my husband it is 40 rupees and save 20. This is the only way that I can save."* -Female, 25, Low engagement, Delhi

## TAKEAWAY

Jan Dhan accounts are a conduit to build financial resilience for women as they already provide formal banking access to 230 million women in India. Most women are natural savers - some women actively use their Jan Dhan accounts to save and some are still struggling to save through formal means. It is important therefore to design for women keeping in mind their unique preferences to save.