UNCDF

Migrant Money

Bridging the Digital Divide:

Gender Insights on Remittance Access, Usage, and Financial Health

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Key words: digital divide, migrant, migration, international remittances, digital finance, access and usage of digital remittances, financial inclusion, financial resilience, financial health, gender equality, women's empowerment.

ABSTRACT

This report examines migrant and family experiences with international remittance services, focusing on digital channels and their impact on underserved populations, especially women. Conducted by the United Nations Capital Development Fund (UNCDF), this study involved seven remittance providers across Africa and Asia over the 2021–2022 period. A mixed method research approach was applied by analysing 15 million remittance transaction records, followed by 2,882 phone surveys and 122 qualitative behavioural interviews conducted with active customers of the remittance service providers (RSPs) who sent or received remittances. The findings reveal that digital remittances have yet to effectively reach underserved segments, particularly women, who face barriers to accessing and utilizing these services due to factors such as limited digital literacy, high transaction costs, overly complex onboarding processes, limited in-person customer service, inadequate tracking information, limited control over choosing the provider, and safety and trust issues in the use of services. The recipients and senders of remittances primarily used the funds for household expenses, followed by children's education, utility and energy payments, medical bills, business expenses and savings. Gender-based disparities emerged as women prioritized family healthcare, education, and energy and utilities payments with smaller transactions, while men often directed funds toward larger business investments. Digital remittance users reported higher indices of financial health than cash users, although other socio-economic factors such as education and income levels also played a role. Notably, women generally reported lower financial health than men.

Given the nexus between remittances and Sustainable Development Goals (SDGs), including SDG 5 on gender equality, this report informs targeted business and policy recommendations. By adopting women-centred design principles, enhancing financial education programmes, promoting gender-responsive workplace practices, and integrating remittance services with other financial services and specific use cases, RSPs can create a more empowering experience for users, particularly women. Policymakers and regulators are called on to incorporate migrants and remittances into financial inclusion strategies, leverage sex-disaggregated data for informed decision-making, and strengthen customer protection and gender-responsive policies.

PREFACE

In our dynamic global landscape, where 4 percent of the population seeks livelihoods beyond borders, remittances have emerged as a vital thread connecting families across borders. This report, a culmination of collaborative efforts between the United Nations Capital Development Fund (UNCDF) and remittance providers across Africa and Asia, delves into the transformative impact of digitalization on cross-border money transfers.

Digital remittance channels are generally admired for their speed, convenience, and cost-effectiveness and are reaching millions of households in developing economies. However, this transition from cash to digital platforms, accelerated by the challenges of the COVID-19 pandemic, brings forth a stark reality—a digital divide that disproportionately affects vulnerable populations, especially women.

The report displays key insights into the dynamics of remittance access, usage, and financial health for migrants and their recipients, highlighting the experiences of women.

One glaring revelation is the digital divide at the "last mile," where women and less educated and low-income individuals lag in embracing digital methods. While 6 out of 10 remittance recipients in our LDC focus markets are women, only 3 out of 10 register for digital services. Barriers to access include high transaction costs, connectivity issues, and digital literacy challenges. The study equally unearths distinct gender-based remittance behaviours, with women often sending smaller amounts more frequently. It reveals how remittances, earmarked for various purposes, interplay with financial inclusion and health, and ultimately connect with specific Sustainable Development Goals.

The report propels us toward actionable recommendations as we navigate through these insights. The call is clear—adopt a women-centric design for inclusive product development, enhance financial education tailored to women, and promote gender-responsive workplace practices in the remittance sector. Doing so can bridge the digital divide, empowering women and fostering financial inclusion.

For policymakers and regulators, the report advocates for the inclusion of migrants, with a keen focus on women, in national and regional financial inclusion strategies. It urges the leveraging of sex-disaggregated data to inform decisions and the development of gender-responsive frameworks. Strengthening customer protection and enhancing financial education are pivotal in ensuring the equitable participation of women in the digital remittance ecosystem.

This report is not just a retrospective text but a guide for the future. By aligning with these recommendations, stakeholders can steer the remittance sector toward a more inclusive and equitable future. As we collectively strive for Sustainable Development Goal 5—gender equality, let us seize the opportunities presented by digital remittances to create a world where financial empowerment knows no boundaries. In this pursuit, the United Nations Capital Development Fund remains committed to fostering a future where the benefits of digital remittances uplift the lives of men and women alike, contributing to a more sustainable and inclusive global economy.

Sincerely,

Henri Dommel
Director, Inclusive Digital Economies
United Nations Capital Development Fund (UNCDF)

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FDW	foreign domestic worker
FSP	financial service provider
GNI	gross national income
HCD	human-centric design
KYC	know your customer
LDC	least developed country
MIS	management information system
RSP	remittance service provider
SDG	Sustainable Development Goal
UAE	United Arab Emirates
UNCDF	United Nations Capital Development Fund

EXECUTIVE SUMMARY

In 2022, approximately 4 percent of the global population lived and worked outside of their countries of origin, the vast majority of whom were economic migrants. Collectively, they sent over US$647 billion in remittances to families in low- and middle-income countries (Ratha et al., 2023), serving as a crucial source of income for millions of households in developing economies. Digitalization and fintech have transformed cross-border money transfers, promising greater speed, convenience, and cost-effectiveness than conventional cash-based methods. Yet, the shift from cash to digital platforms, which gained momentum during the COVID-19 pandemic, may also increase the digital divide that is leaving behind low-income and less-educated people, particularly women, from using today's remittance markets.

The digital divide in the remittance market is of particular concern given the inherently gendered patterns in migration. Approximately half of the world's 286 million migrants are women (World Bank, 2022). Women also represent a significant share of the remittance recipients, accounting for up to 60 percent in several developing countries (UNCDF, 2017, 2022a). Despite improvements in women's access to domestic digital finance globally (e.g., Findex, 2021), little is known about gender gaps among cross-border remittance senders and recipients.

In addition, gender disparities persist in access to decent work for both male and female migrants, exacerbated by the pandemic. Globally, women continue to earn around 20 percent less income than men, a gap that tends to be even larger for migrant women who are also more likely to work in the informal sector (ILO, 2021: 4–5). Future trends, such as increased migration, particularly among women, driven by demand for migrant labour and climate change impacts, combined with political crises, will significantly impact remittance markets. This underscores the urgency for market stakeholders to address challenges faced by women in remittance transactions.

International remittances already constitute about one-third of recorded capital inflows for low- and middle-income countries and are projected to increase (UNCDF, 2017; World Development Report, 2023:120–123). Despite the pivotal roles women play in remittance transactions, market stakeholders still tend to adopt a gender-neutral approach to developing remittance products and policies. However, adopting a gender-neutral approach may inadvertently exclude women and perpetuate gender-based disparities in financial inclusion and digital access (IOM, 2010; UNCDF, 2017).

The aim of this report is to better understand the experiences of migrants and their families in accessing and using remittance services, as well as their overall financial inclusion and health. It examines barriers to and opportunities for digital remittance channels to reach underserved populations and highlights gendered patterns and opportunities to better serve women.

The report is based on action research conducted by the United Nations Capital Development Fund (UNCDF), in collaboration with seven remittance providers across Africa and Asia. These remittance providers consist of three banks, three fintech companies and one mobile money operator. Over the period from May 2021 to December 2022, the companies implemented several remittance product innovations and received technical support from UNCDF. The report collates key insights and lessons learned from this action research, focusing on active customers, including migrants in destination countries, Singapore, the Republic of Korea, and the United Arab Emirates (the UAE), that send remittances, and remittance recipients in countries of origin of migrants, Bangladesh, Nepal, Ethiopia, Senegal, India, and the Philippines.

For the preparation of this report, a mixed method research approach was applied, which first started with supply-side data analysis of almost 15 million remittance transaction records to gain initial insights on customer profiles including by sex, age, corridor, and remittance uptake. This was then used to sample the demand-side customer research that covered an additional 2,882 phone surveys and 122 qualitative behavioural interviews with migrants and remittance recipients. The combined datasets offer a full picture of the remittance access, usage, and financial health outcomes of active customers of the remittance service providers (RSPs).

The research has several methodological limitations. First, findings should not be interpreted as representative of all customers from the seven RSPs, nor of all migrants and remittance recipients in their respective countries of origin (the Republic of Korea, Singapore, the UAE) or countries of destination (Bangladesh, Nepal, Ethiopia, Senegal). Second, the interviews were conducted with active customers, primarily those with higher education and financial literacy who had already been using digital channels. In this report, digital remittances are defined as transactions made from or terminating into a mobile wallet or a bank channel. At the sending end, all interviewees primarily used digital channels, while at the receiving end, a comparison between cash and digital users was possible. Each RSP used a customized methodological approach tailored to their needs, with survey and qualitative interview samples selected and stratified by corridor and gender to facilitate sex-disaggregated analysis of specific RSP digital remittance channels. Lastly, both the survey and qualitative interviews provide a snapshot, offering descriptive findings rather than causal impact statements. Nevertheless, the combination of transaction, survey and qualitative data is valuable because they inform understanding of how men and women migrants send remittances and what their specific needs, barriers and benefits are. This knowledge can ultimately guide the development of more gender-intelligent product designs.

This synthesis report provides key summary insights from the analysis of the combined data from all seven RSPs and provides examples of how these insights can help to inform the development of migrant-centric and gender-smart remittance innovations and policies (see Section 7). It is well-acknowledged that these insights may vary across country, customer, and cultural contexts, which in itself is a testimony that remittance products and policies should be tailored to the specific needs of women customers. Detailed insights for each RSP are available (see UNCDF, 2022a–2022i, 2023b–2023h).

This report contributes to the existing knowledge base by taking into account the perspectives of migrant remittance senders and recipients, looking at their access to, and usage of remittances, as well as their wider financial inclusion and financial health.[1] It also supports demand-led product innovation, especially for women by disaggregating survey and remittance transaction data by gender and related indicators (see, for example, IOM, 2010; UNCDF, 2017). This report holds relevance for financial institutions, international remittance market regulators, the migration community, academia, and development partners. Research insights encourage stakeholders to take a broader view of remittances, recognizing the potential contribution of more inclusive financial services for migrants and their families toward achieving the Sustainable Development Goals (SDGs), with a focus on SDG 5, which calls for gender equality.

The insights and recommendations in this report are structured according to a typical customer

1 As defined by the Consultative Group to Assist the Poor (CGAP), "Financial inclusion means that all people and businesses have access to — and are empowered to use — affordable, responsible financial services that meet their needs. These services include payments, savings, credit, and insurance". Financial inclusion means accessing and using financial services, while financial health goes beyond this notion looking at whether financially wellbeing of migrants and their families to meet their current needs, absorb and are resilient to financial shocks, pursue financial goals, and feel secure about and in control of their financial lives (UNCDF, 2022d).

journey, from accessing remittance services (Section 3), to using remittances (Section 4) and to influencing wider financial inclusion and financial health (Section 5).

Remittance access

1. Despite the potential, digital remittances have yet to reach all populations equally, especially at the "last mile", where women, less educated, and low-income people lagged in registrations for digital methods. Around 6 out of 10 remittance recipients in UNCDF's focus markets were women, compared to only 3 out of 10 recipients registered to use digital remittance services.
2. Women often opted for more expensive, cash-based remittance methods, encountering challenges when transitioning to digital alternatives. Key barriers to access include high transaction costs such as SMS and internet fees, connectivity issues, complex onboarding, digital and financial capabilities, limited customer support, transaction tracking concerns, and underlying safety and trust issues.
3. Trust is pivotal in choosing remittance services, whether in-person or online. Once trust is established, factors such as pricing, speed and usability become important. Typically, men tended to be the primary decision-makers (61 percent, men, and 56 percent, women), and one in five women cited their spouse as the sole decision-maker.
4. Around 77 percent of digital remittance users expressed a preference for digital over cash-based methods. However, approximately half of remittance recipients indicated a need for assistance when using digital channels, including tasks such as opening an account and making the first transaction.

Remittance usage

5. Migrants' remittance behaviour varies by gender: women migrants tended to send remittances in smaller amounts but more frequently.
6. Most senders and recipients reported that remittances were intended for multiple purposes, including household expenses, followed by children's education, utility and energy bill payments, productive investment, medical bills, and finally, paying back debts and savings.
7. Women were more likely than men to allocate remittances to children's education, their family's healthcare, utility, and energy bill payments. Men, in contrast, more often allocated remittances for starting or improving a business.
8. Customers who received remittances digitally were more likely to also use domestic mobile payments. Specifically, 65 percent of digital recipient customers used mobile wallet services, while only 22 percent of cash recipient customers used mobile wallet services for payments. Women recipients lagged significantly in the usage of digital payments, i.e., there was a pronounced gender gap of 15 percentage points.

Financial health

9. The report provided insights on the linkages between moving from remittances to wider financial inclusion and the financial health of migrants and their families. Notably, savings accounts were used by almost half of the senders and recipients (55 percent), followed by loans and insurance. A gender discrepancy was observed, with a higher frequency of men (59 percent) utilizing savings accounts than women (51 percent).
10. The adoption of digital channels was associated with higher levels of financial health than cash users as shown by indicators such as financial security, resilience, freedom, and control (UNCDF, 2021a). Digitization, although impactful, is part of a larger picture, with other factors such as education, income and location also influencing financial health. Within the context of gender dynamics, a prevailing trend emerged where women generally reported lower levels of financial health; again, this is likely caused by other factors than just the digitization of remittances.
11. Among migrants, 75 percent of women and 80 percent of men indicated having surplus funds at the end of each month, suggesting a sense of financial security. With respect to recipients, 61 percent of women and 63 percent of men reported feeling financially secure. Interestingly, recipients using digital remittances reported higher financial security than those utilizing cash-based channels.
12. Migrants reported feeling less financially resilient than remittance recipients. Only half of the migrants (52 percent) were able to generate emergency funds within a 30-day period, compared to a substantially higher percentage of recipients (80 percent). Migrants may allocate a large portion of their income to remittances as they feel obligated to help their families in their countries of origin. Additionally, among recipients, digital channel users demonstrated greater success in accessing emergency funds within 30 days than cash-based channel users (82 percent, digital users, 75 percent, cash users).
13. Around 8 out of 10 remittance customers felt that remittances helped to improve their families' financial lives. This sentiment was consistent among men and women in both sender and recipient roles.
14. Despite such positive contributions, approximately half of the senders and recipients expressed concerns about managing regular living expenses. Notably, one in five individuals found the process of sending or receiving remittances to be stressful. In terms of control over remittance utilization, men tended to exercise more decision-making authority than women. However, digital channels may offer women greater privacy and autonomy in managing remittance funds. Women using digital channels reported significantly enhanced agency and control, indicating that digital remittances could play a role in reducing gender-related discrepancies in financial decision-making.

Recommendations for remittance and financial service providers

Adopt women-centred design for inclusive product development: Utilize women-centred design principles to bridge the gender access gap and facilitate gender-intelligent product development.[2] By leveraging customer insights and employing sex- and gender-disaggregated data analytics, FSPs and RSPs can craft products and services that suit the unique needs of migrants and recipients, with a particular emphasis on addressing the higher barriers often faced by women, such as limited digital literacy, complex onboarding processes, language and cultural barriers, limited control and autonomy, social norms and stigma, and inadequate customer support.

Using customer insights, product and service delivery can be made more gender-intelligent: For example, lower know your customer (KYC) requirements were found to onboard more women customers for the fintech Wizall in Senegal, because they required fewer levels of initial authentication and identification documents, which women often lacked (UNCDF, 2022e). For IME Pay in Nepal, simple tweaks to its onboarding process combined with better incentives for agents helped women feel more secure in shifting from cash to the digital channels (UNCDF, 2022a, 2023c). In Singapore, Lucy fintech used targeted social marketing campaigns and translated its app into the local languages of their target users (UNCDF, 2022g). Additionally, in the Republic of Korea, SentBe found that women-focused financial literacy programmes in local languages proved successful (UNCDF 2022f). Local networks such as women' diaspora networks (the Republic of Korea and Singapore), agents (Nepal) and employers (the UAE) helped onboard women on bank and wallet channels. Longer opening hours also help serve migrant workers, particularly women, who have limited time and may need to visit agents or bank branches. Digital remittances sent via the mobile app are available 24/7 and can also be used outside of regular working hours.

Design customized financial education programmes for women remittance customers: Develop targeted financial education programmes that empower customers, especially women, with the knowledge and skills to make informed decisions about their remittances and broader financial well-being. Offer accessible and culturally relevant resources that cover topics such as budgeting, saving, and managing digital transactions, ensuring that customers are well-equipped to leverage digital remittance services effectively. There are various digital financial literacy and education modules available for migrant financial services, which are often seen to be most effective when conducted either during the migrant pre-departure campaigns or while sending or receiving remittance services.[3]

2 Women-centred design is a human centric design methodology that enables financial services providers to put women customers at the center of the product design process, thus increasing women's access to formal financial services and helping to close the gender gap while also driving business outcomes. It is also referred to in the wider literature as 'gender-intelligent', gender-responsive, or 'gender-smart' (see, for example, UNCDF, 2021c; UNCDF, 2022k; Women's World Banking, 2023).

3 See, for example, UNCDF. Digital Financial Literacy Toolkit, A guide to designing gender-responsive digital financial literacy programmes for migrants and remittance recipients.

Promote gender-responsive workplace practices in the remittance sector: Embrace an organizational culture that champions gender equity and inclusivity, empowering every staff member to excel in serving a diverse customer base. Craft comprehensive training initiatives tailored to inform employees, encompassing agents, support teams and management to the nuanced requirements of various customer segments. By nurturing an environment of inclusivity, FSPs can improve service quality and customer satisfaction.

Furthermore, the insights gleaned from the barriers women encounter while adopting digital remittance services, particularly in terms of safety and trust concerns, underscore the criticality of enhancing customer interactions. Customer service representatives and agents must be well-versed in these challenges and positioned to deliver empathetic and targeted assistance. By implementing focused training programmes that enhance employee awareness and empathy regarding the unique needs and apprehensions of women, a more compassionate and understanding service environment can be cultivated. This strategic approach not only fosters customer confidence, but also reaffirms the commitment of FSPs to prioritize gender-responsive services and a customer-centric ethos.

Encourage customers' transition to digital remittances to enhance customer loyalty, especially for women: Once customers used a digital remittance method, they were unlikely to switch back to cash. Financial institutions can build a more loyal customer base by helping customers to experience the benefits of digital services, especially with women customers, who send smaller amounts of money but more frequently. For Wizall Money in Senegal, customers who switched from cash to digital also conduct transactions more frequently and were more loyal than those using cash-based channels (UNCDF, 2023b). In the Republic of Korea, women who used SentBe were more loyal digital customers than men. In Nepal, international remittance recipients using IME Pay digital channels made more transactions at higher volumes and with better customer retention than average mobile wallet users. There is, therefore, a business case for remittance companies to consider launching loyalty programmes or referral bonuses for onboarding women customers and promoting wider mobile money usage (see, for example, UNCDF, 2022a, 2023c).

Tailor digital remittance products to diverse use cases including education, health, and energy payments: By designing innovative and tailored features, FSPs can create transformative opportunities that empower recipients, with a special focus on women, and align with broader societal development goals. Develop innovative features that enable direct payments for essential needs, such as school fees, medical bills, and renewable energy solutions. By embracing these innovative digital remittance offerings, FSPs can directly impact the lives of recipients, particularly women, while concurrently advancing the achievement of the Sustainable Development Goals.

For example, at the receiving end, Lion International Bank in Ethiopia partnered with the fintech HelloCash to this end, and it now offers remittance-linked payment services that allow customers to pay for bill payment fees, education fees, solar energy, and merchant payments. Wizall Money in Senegal allows wallet users to make their children's school payments directly from the mobile app (UNCDF, 2022e). Ping Money is a fintech that allows migrants in the United Kingdom to pay energy bills amounting to less than $10 through international remittances in the Republic of The Gambia (UNCDF, 2022i).

Expand integration of digital remittances with other financial services: When digitized, remittances can also be linked to other financial services such as savings, credit, insurance, and pensions, therefore becoming an onramp to a highway of fuller financial inclusion for migrants and their families, especially women. There is an opportunity for cross-selling digital remittances and linked savings services in countries of destination and origin. For example, BRAC Bank in Bangladesh initiated a pilot project that aligns remittances and savings objectives (IPA, 2022). Wizall Money, a fintech in Senegal, is piloting a credit model for nano loans, tailored to remittance recipients across West Africa, including women. The fintech SympliFi tested digital migrant-backed loans, which substitute cash remittances with loan guarantees, enabling migrants in destination countries to support their families' loan applications in their countries of origin (UNCDF, 2023b,d).

Recommendations for policymakers and regulators

Promote the inclusion of migrants and remittances with a focus on women in financial Inclusion strategies: This report highlights gender disparities between men and women in the adoption of digital remittances. Incorporating remittances into financial inclusion strategies is imperative to bridge this digital divide and ensure that women, together with other marginalized populations, gain equitable access to financial services. In line with the Global Compact for Safe and Orderly Migration and the Maya Declaration, policymakers can set ambitious goals for women's access, recognizing the crucial role that remittances play in driving economic development. One way of setting these goals is by incorporating ambitious access and usage targets for women and migrants, and prioritizing gender inclusivity into national financial inclusion strategies.

Additionally, economies sending remittances must explicitly recognize migrants as a distinct population group in their financial inclusion plans, taking into consideration their unique requirements and challenges. For example, in 2014, G20 Leaders agreed to the G20 Plan to Facilitate Remittance Flows, through which they committed to implement the National Remittance Plans outlining country-led actions supporting effective remittance flows and reducing remittance transfer costs.[4]

Leverage timely and relevant remittance sex-disaggregated data to drive decision-making: Women often resort to more costly cash-based methods like informal and agent-led channels for remittances, encountering greater barriers than men when transitioning to digital remittance options. The findings in this report underscore the necessity for comprehensive data collection on remittance transactions, particularly with gender-specific insights, to gain a deeper understanding of women's barriers to adopting digital remittance services. By harnessing gender- and sex- disaggregated data, central banks and regulators can make well-informed decisions that target and lift the barriers women face, ensuring their meaningful participation in the digital remittance ecosystem.

However, few central banks have detailed sex- and other disaggregated data on remittance flows (see, for example, UNCDF, 2021b). Nepal, Rwanda, Mexico, and South Africa are leading examples because their monitoring systems can report on gendered financial inclusion, from the national level down to the local administrative area. Capitalizing on data disaggregated by sex, age and corridor provides governments and regulators with the information needed to develop supportive policy and effective regulation and supports the private sector with the insights they need to develop and target appropriate products (see UNCDF, 2021b).

4 G20 National Remittance Plans. www.gpfi.org/g20-national-remittance-plans.

Develop gender-responsive frameworks to guide policymaking: Creating an enabling environment for digital remittance services requires developing gender-responsive policies and supervision frameworks. To achieve this, collaboration with underserved populations, particularly women, is paramount. By incorporating the perspectives and needs of these groups into policy design, regulatory bodies can ensure that the resulting frameworks are conducive to the empowerment of women within the remittance ecosystem. For example, incorporating the focus on informal remittance and cash-based channel usage by women migrants into gender-responsive frameworks ensures that regulatory efforts are directly aligned with the goal of formalizing remittance flows; this in turn contributes to greater financial inclusion for both women migrants and their families by providing them with safer, more affordable, and regulated remittance options.

Strengthen customer protection for migrants and their families: To strengthen customer protection, regulatory authorities should take a more active role in overseeing market conduct, particularly in the resolution of customer complaints. Clear guidelines for complaint resolution and accountability of RSPs are essential to instil confidence in users. Enhancing transparency and disclosure requirements for digital remittance apps ensures that users are well-informed about associated costs, including fees at both ends, foreign exchange rate margins, thereby building trust within remittance markets. Furthermore, the safe storage, analysis and utilization of customer complaints data can drive continuous improvement and informed policy design.

Enhance financial education for migrants and their families: The observation that women's engagement with digital remittances is influenced by their educational background highlights the importance of enhancing their digital financial literacy and capabilities. Regulators have a pivotal role to play in championing digital financial capability initiatives tailored specifically for women. To achieve this, collaborative efforts can be initiated among financial and educational institutions, migrant associations, and employers. By forging these partnerships, a comprehensive network of support can be established to provide accessible and relevant training in digital and financial literacy, in addition to building financial capability among women migrants and their families. These initiatives could be integrated into pre-departure programmes for migrants, delivered in partnership with employers or offered by RSPs together with digital remittance solutions to facilitate just-in-time learning, where migrants gain practical knowledge precisely when they need it.

1. Introduction

This report shows the barriers and opportunities for international remittance senders and recipients following their customer journeys, from remittance access (Section 3) and usage (Section 4), to wider financial inclusion and financial health (Section 5). Section 6 presents practices and provides recommendations for RSPs and regulators that can help address some of the barriers. The research employs mixed methods to carefully examine the challenges and opportunities associated with digital and cash remittance channels in reaching underserved or last-mile populations, with a specific focus on women.

2. Methodology and approach

The Empowered Customer Framework

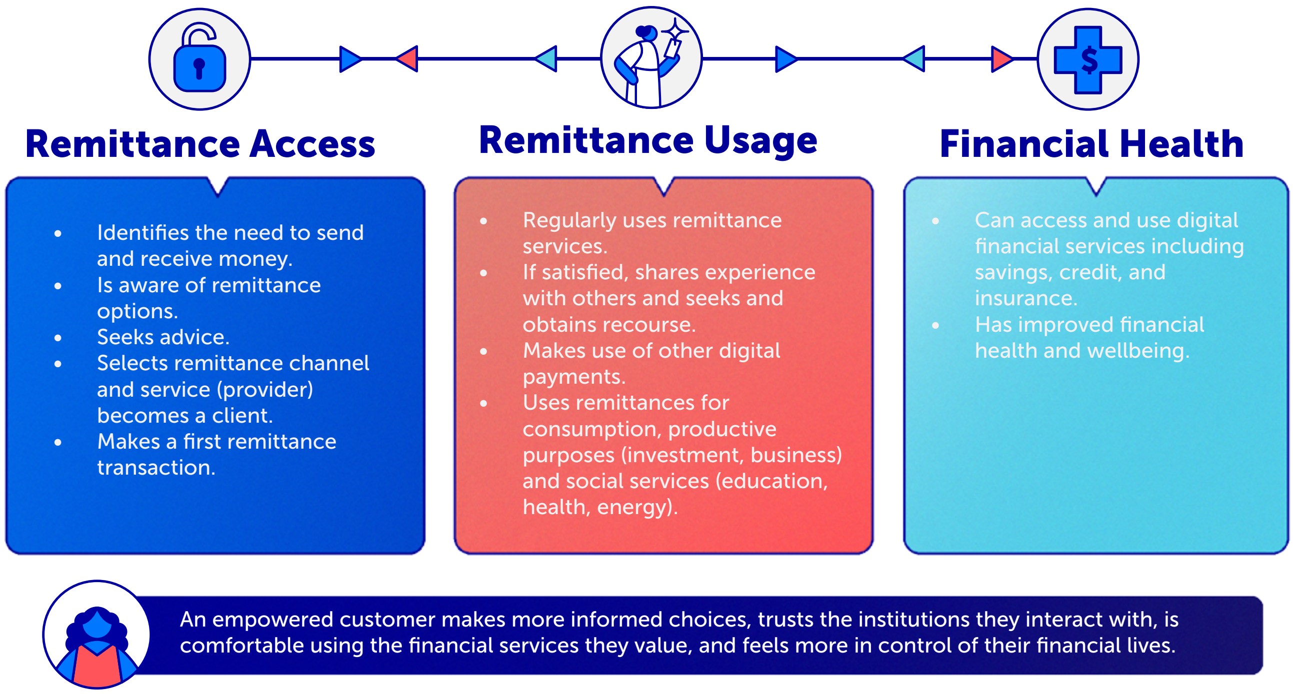
This section details the conceptual framework, methodology and sampling. The research draws from the UNCDF's Empowered Customer Framework (UNCDF 2023, forthcoming), which examines where challenges and opportunities for customer empowerment can be found along the customer journey: from remittance access and usage, to wider financial inclusion and health (Figure 1). In an ideal customer journey, digital remittances are fully available to migrants and remittance recipients' families (access); migrants trust digital remittances and are using end-to-end digital payment services regularly (usage); and migrants' financial health or well-being is improved through increased uptake of other remittance-linked financial services such as savings, insurance and credit, and financial literacy services that can help their ability to withstand shocks thereby increasing financial resilience. Moreover, financially healthy customers have the capacity to manage their money to meet their current needs and are in control of their finances (financial health).[5]

However, migrants face many challenges in completing through this 'ideal customer journey'. At each stage in the customer journey, there are enablers and barriers, where migrants and recipients with different profiles can have different experiences when accessing and using remittances and linked financial services. It takes several steps and interactions with the RSP to send or receive money. For example, at the access step, this includes choosing the RSP, selecting the channel, submitting documentation, and making the first transaction. Access to digital remittance channels does not automatically guarantee regular usage. Even with the availability of digital platforms for remittances, the value proposition for a migrant to use the money for consumption, education, health, or productive investment may be limited. Remittance-linked financial services such as savings, credit, and insurance for migrants as well as non-financial services that can enhance financial health may not be available. On their journey toward improved remittance access and usage, and financial health, customers can experience instances of empowerment or disempowerment.

The Framework suggests that understanding where along the customer journey empowerment or disempowerment takes place is key to designing migrant- and gender-centric products, services, and policies. By addressing the barriers, RSPs can support the empowerment of customers. In some cases, there can be a business case for RSPs to improve inclusion, for example, because interventions help to reach underserved market segments, lower customer acquisition costs, improve customer retention, and cross-selling of remittance-linked financial services. In other cases, there may be a development or public policy case to improve customer empowerment.

5 Financial health broadly refers to the overall well-being and stability of individuals and families in managing their finances, including the capacity of customers to meet their current needs (financial security), absorb unforeseen financial shocks (financial resilience) and pursue financial goals (financial freedom), and control their finances (UNCDF, 2021).

Figure 1. An ideal digital remittance customer journey



Methodology and approach

This report synthesizes insights from action research conducted by UNCDF with seven RSPs in Africa and Asia (UNCDF, 2022a–2022i, 2023b–2023h). The seven remittance providers were selected through a call for applications launched in 2020 'to keep remittances flowing during the COVID-19 pandemic'. Over the period from May 2021 to December 2022, the companies implemented product innovations and received innovation grants combined with technical and customer research from the UNCDF.[6] The RSPs piloted new digital remittance solutions at either the sender or the recipient end, with a focus on remittance flows to least developed countries (LDCs) in Africa (e.g., Ethiopia and Senegal) and Asia (e.g., Bangladesh, Nepal, and Myanmar). There were various types of companies, which varied in size and product offering: three banks (RAKBANK, BRAC Bank, Lion Bank), three fintech companies (SentBe, Wizall, Lucy) and one mobile money operator (IME Pay). All providers offered digital channels (mobile wallet or bank).[7] On the sending end, the research focuses on migrants from, Bangladesh, Nepal, Ethiopia, Senegal, the Philippines, and India, that sent money back to their families. At the receiving end, it focuses on Bangladesh, Nepal, Ethiopia and Senegal, which are key LDC focus countries of UNCDF.

A mixed-method approach was used that combines human-centric design techniques with demand-side customer and market research, and supply-side transaction data analytics. Figure 2 outlines the range and sequence of technical research methods that were utilized in

6 These partners were selected following a call for applications in a rigorous, open, and competitive process. Applications to collaborate were received from banks, non-bank financial institutions, cross-border payment hubs, RSPs, mobile network operators and fintechs. The programme received 66 responses, from which nine partners were selected, and seven participated in this customer research.

7 For more information on the seven partners, see UNCDF. Our Regional Partners in Strengthening Access to Affordable Remittances. https://migrantmoney.uncdf.org/partners. Accessed 31 August 2023.

partnership with RSPs partners over the course of 18 months. UNCDF worked alongside RSPs to enhance access to digital remittance channels and linked financial services for remittance senders and recipients. Tailored research activities were performed based on initial market scans and data mapping to address the specific needs of each partner.

The approach began by identifying gender- and migrant-specific barriers to remittance adoption in the market, followed by analysing disaggregated remittance transaction data (by sex, age, corridor). This analysis together with RSP preferences and context, informed the sampling of the customer surveys and qualitative interviews with both senders and recipients. Workshops were held to apply insights to develop gender-smart and migrant-responsive products. The specific outcomes and recommendations for each partner were published and shared in an insight series (UNCDF, 2022a–2022i, 2023b–2023h). This report provides an overview of the aggregated outcomes and insights shared by all partners.

Figure 2. Technical support and approach

Table 1 shows that the research method was tailored to each RSP partner; 6 out of 7 RSPs were able to share the transaction data and conduct the demand-side phone survey; and qualitative interviews were also conducted for five partners. Since Lucy, a fintech startup in Singapore, did not have sufficient active customers in the desired corridors, only qualitative interviews were conducted. For Lion Bank in Ethiopia and SentBe in the Republic of Korea, no qualitative interviews were conducted.

Table 1. Data and research activities by RSP partner

Remittance service provider	Country	Senders/ recipients	Type of RSP	Remittance methods offered	Transaction data sample size* (% of women customers)	Survey sample size (% of women surveyed)	Qualitative sample size (% of women interviewed)
BRAC Bank	Bangladesh	Recipients	Bank	Digital and cash	4 million (39%)	507 surveys (47%)	36 interviews (41%)
IME Pay	Nepal	Recipients	Mobile money operator	Digital and cash	6.4 million* (55%)	991 surveys (49%)	23 interviews (61%)
Wizall Money	Senegal	Recipients	Fintech	Digital and cash	0.4 million (35%)	427 surveys (52%)	36 interviews (61%)
Lion Bank	Ethiopia	Recipients	Bank	Digital	6.150 (25%)	401 surveys (43%)	
RAKBANK	United Arab Emirates	Senders	Bank	Digital	2.2 million (15%)	355 surveys (48%)	12 interviews (58%)
SentBe	Republic of Korea	Senders	Fintech	Digital	2 million (41%)	201 (42%)	
Lucy	Singapore	Senders	Fintech	Digital			15 interviews (100%)

Note: The report draws from a total data pool of 15.4 million transaction records (6 RSPs), 2,875 surveys (6 RSPs) and 122 qualitative behavioural interviews (5 RSPs). These RSPs are highly diverse and active in sending countries such as Singapore, the UAE, and the Republic of Korea, and in receiving countries such as Bangladesh, Nepal, Ethiopia, and Senegal. Sample sizes and available data varied substantially due to the specific needs and nature of the RSPs (e.g., bank or fintech, size and maturity of the company, country, channel type and corridor-specific needs for analysis). For example, Lucy, a start-up fintech, only collected qualitative data, while for IME Pay in Nepal and BRAC Bank in Bangladesh, a full analysis was conducted of transaction data, surveys, and qualitative interviews.

For the preparation of this report, a mixed method research approach was applied, which first started with supply-side data and sex-disaggregated analytics of almost 15 million remittance transaction records, which were then used to sample the demand-side customer research that covered an additional 2,882 phone surveys and 122 qualitative behavioural interviews migrants and remittance recipients. This diversity of data helps to better understand and triangulate customer outcomes. For example, the transaction data are rich and frequently and routinely collected, and can offer detailed customer segmentation by sender, recipient, sex and other demographics, and remittance service usage patterns for a large customer base. Additionally, transaction data assisted in sampling customer profiles among survey participants in the specific corridors of interest. Relying only on transaction data is not sufficient; survey data provided stronger insights into whether remittance services are reaching underserved and low-income segments. They also revealed how remittances are used by households and shed light on the financial health situation of both male and female senders and recipients. Finally, 122 qualitative interviews revealed deeper motivations, gender barriers and norms, and provided insights into the reasons why certain outcomes occurred and how to improve products by informing women-centric product design (UNCDF, 2021d, 2022k). Therefore, when combined, it emerged that these datasets offer more valuable insights that reflect the perspectives, barriers and remittance behaviours of senders and recipients, which can guide gender-responsive policies and innovations.

For the survey, a total of 2,882 active customers were surveyed, of whom 2,326 (80 percent) were remittance recipients in four countries, Bangladesh, Nepal, Senegal, and Ethiopia, and 556 (20 percent) respondents were migrant workers sending remittances from the Republic of Korea and the UAE. These remittance-sending migrant workers were from Bangladesh, Nepal, India, or the Philippines. The final sample of women and men was balanced (47 percent, women, and 53 percent, men) to allow for sex-disaggregated data analysis. Around 20 percent of the interviewees were youth (below 25 years of age); the majority were middle-aged (25–34 years) and often married (64 percent). Around 90 percent of the sample interviewees either send to or receive remittances in the LDC focus countries – Nepal (40 percent), Bangladesh (18 percent), Senegal (16 percent) and Ethiopia (15 percent). RSPs who send remittances to the Philippines (6 percent) and India (4 percent) were also included because these countries had a relatively high percentage of women migrants. Annexe 1 provides a full overview of the sampling approach and descriptive statistics. For this research report, responses to the questionnaire were disaggregated by sender or recipient, gender, and where possible, remittance channel type (digital or cash).

All phone surveys and interviews were conducted with active customers who already used digital or formal remittance channels. At the sending end, all customers used digital channels. At the receiving end, 2 out of 3 customers used digital (mobile or bank) and 1 out of 3 used cash-based channels, which made it possible to compare cash and digital channels among remittance recipients. Since these interviewees were already using digital remittance channels, they were more likely to be educated and have basic digital literacy skills. For example, as many as 33 percent of the surveyed customers had a tertiary education, and almost half of the interviewees lived in low-income households based on their national benchmarks. At the sending end, the survey interviewed low-income migrants who were often wage workers (87 percent), while at the receiving end, 42 percent of the sample were not working or unemployed, especially among women recipients. This indicated that while the survey was conducted with higher educated and more financially literate customers, it was still able to interview low-income people at the last mile.

Moreover, efforts were made for the survey sample to be gender-balanced to ensure that both women's and men's perspectives could be compared. For all RSPs, this required 'oversampling' of women interviewees compared to their overall customer base, especially those using the digital channels. For example, in the UAE, only 15 percent of the active customers of RAKBANK were women, but the final phone survey sample from all the RSPs included 42 percent women customers. More effort was needed to seek or contact women because they often had much lower access to digital remittances than men (see more in Section 3). Women respondents, especially in the Republic of Korea, the UAE and Ethiopia, declined to participate in the interviews more often than men. The final sample therefore consisted of 53 percent men and 47 percent women to enable sex-disaggregated data analysis.

The survey has several methodological limitations: the survey and the interview samples were not selected to be representative of the combined customer base of the seven RSPs; rather, a stratified sample was chosen to ensure sufficient information on otherwise under-represented groups such as women users and digital users. Hence, the findings should not be interpreted as representative of all customers from the seven partners, nor of all migrants and remittance recipients in their respective destination or receiving countries. In addition, RSPs had different sized customer survey samples; for example, in Nepal, 991 customers were surveyed, against 401 in Ethiopia. As much as possible, this report identifies common trends in the survey data that were apparent across geographies. Where findings stood out for one country or corridor, observations are made and discussed.

Here, digital remittances are simply defined as international transactions that are either sent from or received in a mobile wallet or a bank account. If the remittances were terminated or cashed out, for example, at an agent location, then the transaction is classified as cash.[8] Transaction data were used to verify that the sender or recipient was indeed using the mobile wallet or bank channel. To determine remittance channel type, customers were classified according to the payment method they had used most frequently according to MIS data. However, it is important to recognize that there can be more diversity across digital channels in terms of instrument, technology, and delivery services, etc.

The differences observed across gender, channel (cash vs. digital) and direction (sender vs. recipient) should be interpreted as descriptive findings, not as causal or impact statements. The demand-side research yielded a one-time picture: there is no time series survey nor qualitative data on outcomes over time. Insights presented in this report do not check for differences in observable or unobservable characteristics by gender (men vs. women), digital vs. cash-based channels, or senders vs. recipients. Finally, the insights presented here can be highly corridor-, gender-, age- and migrant profile-specific, which will have profound implications on how products and policies must be designed and tailored to customers' needs. To allow more in-depth analysis for the RSPs, UNCDF created interactive and detailed dashboards for the RSP partners, which overlay MIS transaction data, lean data survey and qualitative insights. Finally, this research focuses on common and generic insights across analyses, for aggregated data. More RSP and country-specific analyses are available in an insight series (UNCDF, 2022a–2022i, 2023b–2023h).

8 If money was withdrawn from an ATM machine or used through a POS device, then it was still considered a digital transaction because it terminated in a bank account. In very few cases the agent or customer may have helped to make a bank transfer for another customer, then it was also considered to be a digital transaction. Less than 1 percent of the customers were transacting more than 50 times per year, in which case they may be "underground agents".

3. Access to digital remittance services

An ideal customer journey begins with migrants and their families successfully accessing digital remittance solutions. Understanding the decision underlying the process of sending and receiving money is critical to understanding customers' needs, desires, and challenges. This section focuses on access to digital remittance channels, the typical customer profiles of the RSPs, preferences of senders and recipients, and the barriers impeding broader adoption.

Customer profiles

Profiles of customers accessing digital remittance channels differ from those using cash-based methods in terms of gender, age, education, and income, aligning with the concept of a global digital divide (Vasile, Panait and Apostu, 2021). UNCDF compiled RSP customer profiles, comparing gender, age, and other demographic data, as well as the genders of cash and digital remittance customers in Bangladesh, Nepal, and Senegal. Notably, digital remittances have not yet fully reached certain groups who lag in registering for digital remittance methods, such as women, older individuals, low-income and lesser educated people.

At the sending end, the typical migrant was under 35 years of age. While most were married, there was a relatively high percentage of single or unmarried migrant women (46 percent) and men (38 percent). Almost all migrants were in wage employment, often working in the manufacturing or services sectors in the UAE and the Republic of Korea. The migrants interviewed were generally well-educated with almost half of them holding a tertiary education diploma. Migrant women tended to be less educated than men. Nevertheless, despite relatively high education and employment levels, migrants often reported having low incomes compared to the destination country standards. The migrant senders tended to send remittances at least twice or more often in the last year (76 percent), all of whom using digital channels.

At the receiving end, most of the recipient were married men and women (65 percent), and 33 percent were single and often below 45 years of age. There was a relatively high percentage of recipients who were not working (42 percent), especially among women customers (58 percent). They were generally well-educated (almost 30 percent of the recipients had a tertiary education diploma), and around 49 percent earned a low income. Around 62 percent of customers were using digital channels to receive their remittances, and 38 percent used cash-based channels.

Migrant sender and remittance recipient profiles were different across demographics, countries and channels, and more detailed customer profiles were identified and published in an article insight series as well as Annexe II (UNCDF, 2022a–2022i, 2023b–2023h).

Figure 3. Typical international remittance customer profiles

The typical receiving customer (n=2.326) are:

- **Gender:** 48% women, 52% men*
- **Remittance Channel used:** 62% digital, 38% cash*
- **Countries of interview:** Nepal, Bangladesh, Ethiopia, Senegal
  63% Youth < 35 years
- **Income:** 49% low, 38% middle, 10% high, 3% unknown**
- **Education:** 30% tertiary, 54% Secondary, 17% Primary or lower
- **Marital status:** 65% married
  23% wage worker, 33% self-employed, 42% not working, 1% other.
- **Average ticket size:** 48% small (< $200), 28% medium ($200-500), 24% large ($500+)
- **Transaction frequency:** 49% (1 transaction), 36% (2-10 transactions, 10% (10+ per year)*

The typical sender profile (n=556) are:

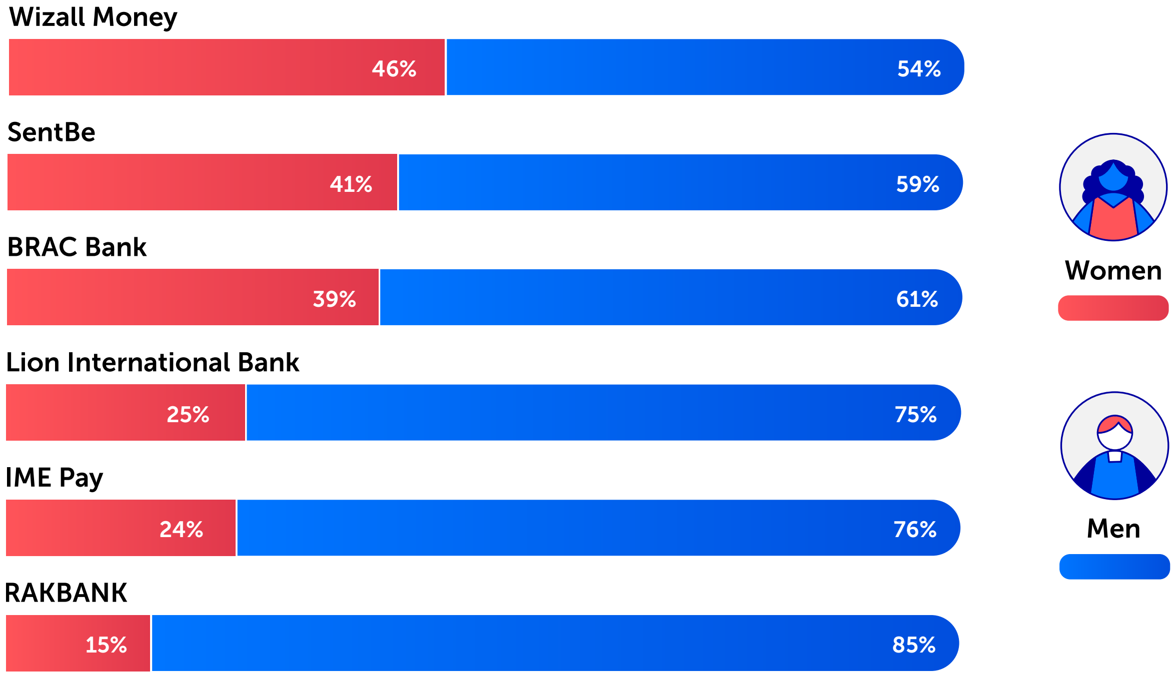
- **Gender:** 58% men, 42% women*
- **Remittance channel used:** 100% digital*
- **Countries of interview:** South Korea, UAE with migrants from Nepal, Bangladesh, India, the Philippines.
  69% Youth <35 Years
- **Income:** 72% low, 17% middle, 2% high, 9% unknown**
- **Education:** 50% tertiary, 48% Secondary, 1% primary or lower.
- **Marital status:** 56% married
  87% wage worker, 3% self-employed, 8% not working, 2% other.
- **Average ticket size:** 47% small (< $200), 29% medium ($200-500), 24% large ($500+)
- **Transaction frequency:** 17% (1 transaction), 47% (2-10 transactions, 29% (10+ per year)*

** For the phone survey, only active customers were interviewed, i.e., those who sent or received formal remittances in last 12 months via the RSPs. Most customers were digital remittance users. At the sending side migrants were interviewed in the UAE and the Republic of Korea, at receiving end it includes Nepal, Bangladesh, Ethiopia, and Senegal. Also, for the survey, a deliberately balanced sample of men and women were interviewed to allow for sex-disaggregated data analysis, which required oversampling women customers. Thus, the actual customer base of the RSPs had lower percentage women customers.*
*** Low income follows national household income brackets in the country, for example, low income is defined as monthly household income before taxes below $1,767 for the Republic of Korea, $1,906 for the UAE as sending countries, and in receiving countries below $180 for Bangladesh, $390 for Nepal, $116 for Ethiopia, $347 for Senegal.*

Figure 4 indicates that women have relatively low access to digital remittance channels. The onboarding of women onto digital remittance channels varies across markets, corridors, and providers. In UNCDF's focus markets, while about 6 out of 10 remittance recipients are women, only 3 out of 10 of registered digital remittance users of the RSPs were women (Figure 4). These data are derived from nine million customer and transaction records spanning from 2018 to 2022. Women constitute only 9–39 percent of digital remittance senders and 22–43 percent of digital remittance recipients, indicating lower adoption rates than men.

In various markets analysed, women tend to rely on more costly cash-based remittance methods, including informal and agent-led approaches. For instance, in Nepal, 57 percent of cash-based recipients were women, against only 24 percent of digital recipients. Market data from Bangladesh reveal that 60 percent of remittance recipients were women (Intermedia, 2018), with 35 percent using bank accounts and 41 percent using digital remittance channels. A similar under-representation of women is observed in the UAE (UNDESA, 2020), where they make up 26 percent of migrants in the country but only 15 percent of bank customers (UNCDF, 2022b).

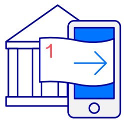
Figure 4. Percentage of remittance customers by RSP across gender and digital channels



Note: MIS transaction data (n=15 million)

Digital remittance recipients tend to be younger than their cash-based counterparts, overall 69 percent of the digital users were below the age of 35, compared to only 54 percent for cash-based channels. At the receiving end, digital users also tended to belong to higher income brackets. For example, 46 percent of digital recipients reported to be in low-income brackets, compared to 59 percent of cash users. Bank channels were not accessed by low-income recipients as only 23 percent of bank account customers belonged to low-income brackets. In Bangladesh, Nepal, and Senegal, low-income households are more likely to utilise mobile wallets.

Recipients of digital channels were more likely to have higher levels of education. Thirty-nine percent of the digital users had a tertiary education such as a university degree against only 15 percent of cash recipients. Similarly, customers receiving remittances with a primary, low, or no formal education were much more likely to use cash-based channels. These differences between customer profiles support the conclusion that migrant remittance senders and



While around 6 out of 10 remittance recipients in UNCDF's focus markets were women, only 3 out of 10 recipients who had registered to use digital remittance services were women.

recipients traditionally left behind with digital financial services are also left behind in onboarding to digital remittances, likely because there are greater barriers for the onboarding of women, older, low-income earners, and less educated customers.

Thus, digitalization, which gained momentum during the COVID-19 pandemic, has revolutionized the way money can be sent across borders, promising more convenience, speed, and lower costs for customers. However, there is still a need to address the digital divide that excludes low-income and less educated people, particularly women, from digital remittance markets.

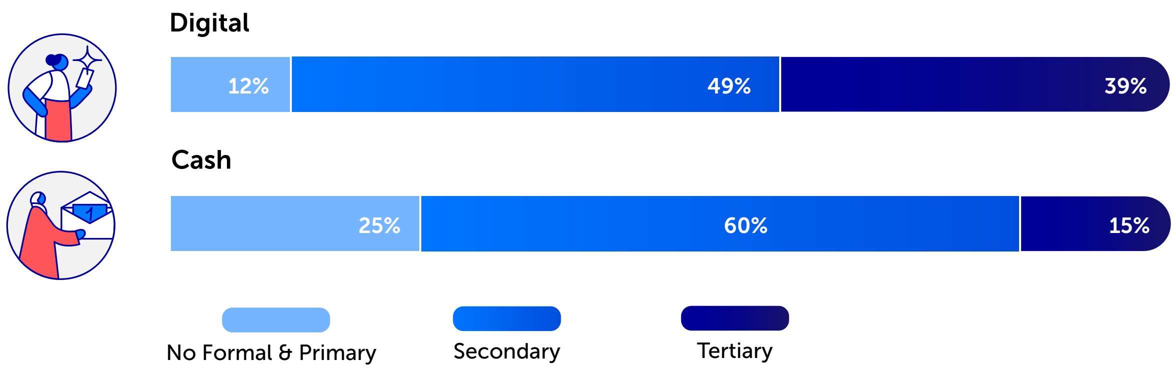
Despite the potential, digital remittances have yet to reach all populations equally, especially at the 'last mile', where women, less educated, and low-income earners lagged in registrations for digital methods.

Wider research indicates that this digital divide is of particular concern and may correspond to a more global gender gap in financial inclusion particularly in developing economies (Demirgüc-Kunt, Klapper et al., 2022).[9] At the receiving end in developing economies, key barriers that women face in accessing financial accounts include the lack of identification and other documents, low levels of digital financial literacy, and a lack of nearby bank branches (ibid., 2022; GSMA, 2023). Women are also less likely to own mobile phones and to use mobile internet than men, due to, inter alia, affordability, literacy and digital skills, or underlying gender norms such as family disapproval (GSMA intelligence, 2023:13–14, 32). Such gendered barriers in digital finance and connectivity tend to be even larger for low-income and less educated women.

Moreover, at the sending end, patterns in migration and remittances are particularly gendered, since around half of the world's 281 million migrants are women (UNDESA, 2020). There are significant gender gaps between women and men migrants' access to decent work, which has been increased by the pandemic. On a global scale, women continue to earn around 20 percent less than men, and migrants often find themselves trapped in informal or low-income jobs (ILO, 2021: 4–5; Raghuram, 2008; UN Women, 2017a, 2017b; ILO, 2021b; Christou, 2022). Looking ahead, migration, especially among women, is expected to increase due to the growing demand for migrant labour in destination countries caused by aging populations. Climate change and natural disasters are also likely to affect women disproportionately, particularly those working in sectors such as agriculture. Political crises and conflicts further push women to migrate (World Development Report, 2023, Chapter 3; Spotlight Gender, 2023:120–123; UNCDF, 2023). These trends will significantly impact remittance markets, emphasizing the need for market stakeholders to address the challenges faced by women in sending and receiving money.

9 Globally, access to domestic digital finance and bank accounts for women in developing economies is increasing, but there is still a gender gap; in 2021, 68 percent of women in developing economies have access to a bank or mobile wallet account compared to 74 percent for men (Demirgüc-Kunt, Klapper et al., 2022).

Figure 5. Customer uptake of cash and digital channels by educational level.
Digital remittance uptake was high among customers with a tertiary education, while customers receiving remittances with a primary or no formal education were more likely to use cash-based channels.



*Note: *Survey data (n=2,128).*

Remittance service selection

This research aimed to identify factors that drive customers to choose specific remittance channels and service providers, considering the diverse challenges and limitations they encounter. The selection of a service provider was shaped by several factors, including decision-making authorities, customer awareness, preferences, and capabilities. There were variations in these factors among both senders and recipients.

Customers commonly leaned on recommendations from trusted sources within their networks to navigate and choose an RSP. Valued informants included members of their diaspora community, friends, and even employers. A Filipino woman, a foreign domestic worker in Singapore, emphasized the pivotal role that familiar connections can play in informing decisions. "I did not research because my friends know [how to send money abroad]; they showed me and told me all I needed to know." In the UAE, migrant employers often played an influential role by offering guidance or even conducting the remittance on behalf of the user, particularly when the process appeared complex. For example, a Nepalese male migrant working in the UAE said, "My employer gave me this card and said this card is very easy to use and you can send money home with this card. And I used to hear from my friends that this card is very good and easy. When I got my card, I started using it without any doubt" (see also UNCDF, 2022c).

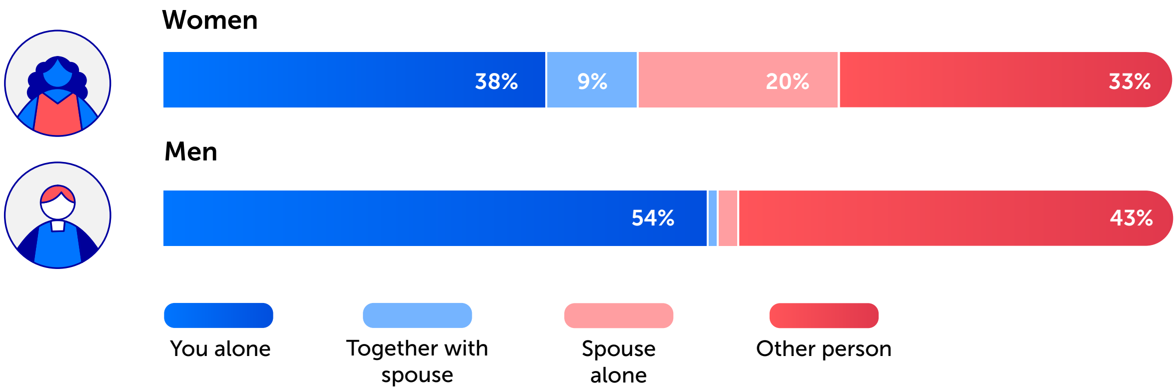
Customers who had a better understanding of digital and financial services often opted to conduct their own online research. For example, an Indonesian migrant woman in Singapore said, "I searched online. Since I have a smartphone, I checked Facebook [and] Instagram, and read the newspaper." This dual approach of referrals and personal research emerged as the primary means through which remittance senders and recipients became acquainted with the range of available services.

When customers selected the RSP, the important factors were cost, convenience, speed, product features, ease of use and reliability. Cost, in particular, was a key consideration for both senders and recipients. Senders were especially price-sensitive and shopped for the lowest fees and most favourable exchange rates. For migrants and recipients considering cash-based methods, the physical distance between remittance agent locations or branches and their workplaces, as well as the distance from their homes emerged as significant considerations. The prospect of digital remittances reducing both time and location constraints proved enticing. Even within a saturated market like Singapore, a female foreign domestic worker underscored the following points: "In the place where I am staying, there is no remittance agency, so I had to go to another place. My employer then researched and found a mobile app to send money overseas."

The survey data revealed distinct gender patterns regarding the decision to use a particular RSP (Figure 6). Women across all countries were less likely than men to independently choose their RSP, often making joint decisions with their spouse. Notably, around 20 percent of women reported their husbands as the primary decision-makers. Conversely, men were more frequently than women the sole decision-makers (men, 54 percent, women, 38 percent). For example, especially in Nepal, male spouses often played a significant role in selecting the RSP. These findings are likely driven by the unique social norms that make up the cultural fabric and guide the financial behaviours of customers in these markets (see, for example, Gammage et al., 2017).

Increased agency and control over decisions of what provider to use was associated with higher levels of education, suggesting that education can increase confidence in financial decisions. When the recipient had no formal education, only 31 percent (among whom 42 percent were men and 24 percent were women) selected their RSP alone. In contrast, among recipients with tertiary education, 52 percent (among whom 55 percent were men and 46 percent were women) selected their RSP on their own. In addition, young people were more likely to decide by themselves which RSP to select than older people.

Figure 6. Who in the household decided on which remittance service provider to select?
Men more often than women reported being the sole-decision maker, and women more often than men decided together with their spouse.



Note: Survey data (n=1,577) married and couples only.

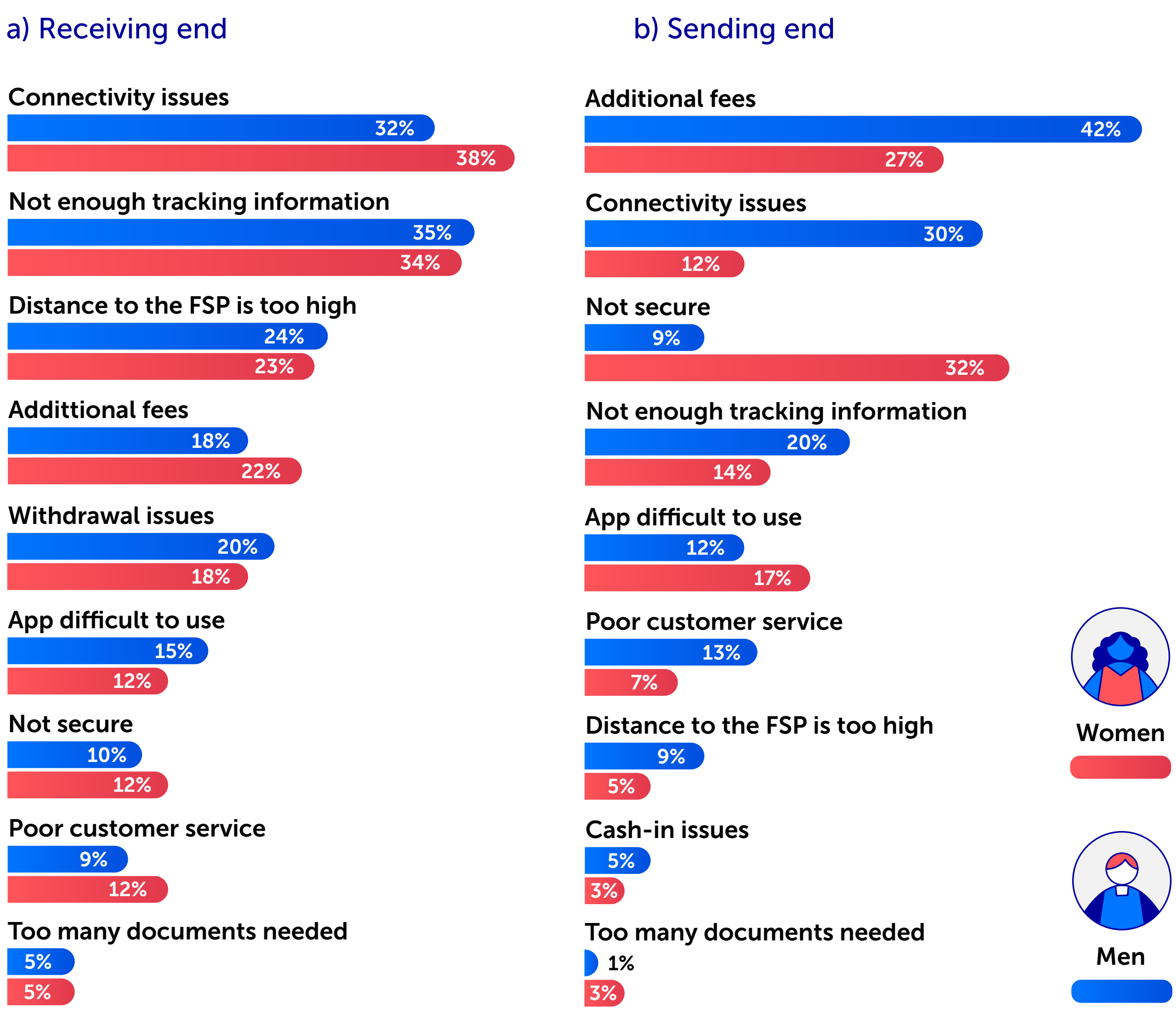
Barriers to accessing remittance services

After the RSP was selected, key challenges identified to receiving or sending remittances by customers went well beyond pricing and transaction costs. Key challenges also included additional fees for SMS and internet, connectivity issues, overly complex onboarding processes, limited in-person customer service, receiving little or no tracking information once transactions were sent, and possibly superseding all the above, safety and trust issues in the use of services.

Overall, men and women faced similar challenges, yet for specific customer segments, strong gendered differences can be observed. For example, for BRAC Bank in Bangladesh, as many as 70 percent of women requested tracking information (arrival time, withdrawal message). In Senegal, the major barrier for men was distance to the service provider whereas women experienced complex withdrawal procedures. Women using IME Pay in Nepal complained more often about poor customer service than men. In Ethiopia, connectivity issues were an issue cited by almost half the women recipients interviewed.

At the sending end, around 3 out of 10 migrants mentioned high transaction costs including additional fees (SMS/Internet) as a key challenge, particularly by men (42 percent, men vs. only 27 percent, women). Also, around 1 out of 5 (19 percent) mentioned the importance of security in sending money, especially for women (32 percent).

Figure 7. The main challenges faced at the sending and receiving end.
Key challenges include connectivity issues, lack of tracking information, and additional fees.



Note: Survey data (n=2,100) *(n=351)*

Remittance users are price-sensitive. During the research, some of the customers' frustration was rooted in poor disclosure or inadequate pricing arrangements. For example, in Singapore, the female foreign domestic workers expressed difficulty in understanding the different offers and costs among so many providers in the market (e.g., the fee for the recipient and a lower fee covered by a lower exchange rate) as well as why some recipients were subject to extra charges to cash out. When it is difficult to understand and compare available options, remittance senders have less control and thus are unable to choose the best and most convenient service. The barriers not only concerned the actual transaction costs of sending and receiving money, but also the transparency and communication of pricing; a good understanding and accurate and transparent information of costs and fees attached to the service are the customer's right.

Women rely on more expensive, cash-based means of sending and receiving remittances than men and. They often face significant barriers in accessing digital remittances.

Among digital users, insufficient connectivity and high internet fees emerged as key challenges encountered by users in various regions—the UAE, the Republic of Korea, Senegal, Ethiopia, and Bangladesh. Furthermore, migrants in the UAE and the Republic of Korea faced steep additional internet and SMS charges. RSPs should consider connectivity costs in their promotion of digital services. This is particularly pertinent for low-income households, who allocate a larger proportion of their earnings to internet access.

Underlying issues in onboarding are convenience, proximity, safety, and cost, which directly influence the selection of remittance methods and providers. These issues are compounded by low financial literacy levels. These issues vary across countries, providers, and contexts. For instance, recipients in Senegal identified the distance to service providers as a central hurdle, especially among those preferring cash. In Nepal, while accessing agents was relatively easier, users experienced overly complex cash withdrawal processes. Moreover, some customers highlighted the lack of timely tracking information and withdrawal options, areas that remittance companies could readily address.

Safety and trust were important. Indeed, several customers expressed a compelling need for the presence of agents or local contact persons. Some users reported having experienced financial scams.[10] Apprehensions surrounding fraud were pervasive among senders, recipients, and corridors, particularly in Bangladesh and Nepal. This sense of security extends to the consistent accessibility of funds, as explained by a Nepali male migrant in the UAE:

> *When I started using [...], I never try to look around which is cheaper. I do not care if it is cheap or expensive; the most important thing is that it is secure and trusted.*

The susceptibility to fraud underscores the power of word-of-mouth rumours and negative experiences that can discourage remittance service uptake unless addressed.

10 For example, a Nepali male migrant in the UAE said, "I have heard lots of bad stories of people who got conned out of their money. I was afraid as well when I started using remittance services." In addition, a Filipino male migrant in the UAE shared: "A colleague was scammed when someone took his information. He shared the details because he thought it was a person calling from the bank."

Interviews with cash users highlighted safety as a prominent barrier to onboarding. Participants frequently discussed the vulnerability associated with carrying cash, making them susceptible to theft. In response, they adopted precautions such as refraining from solitary cash withdrawals.

Inadequacies in complaint services also affect trust, such as inefficient processes and the need to visit different offices based on withdrawal amounts, discourteous behaviour, and unclear instructions for filing complaints. Other compounding issues include the unavailability of customer care services on weekends, the challenge of accessing help, language barriers, and the complexity of resolving errors arising during transactions.[11] While end-to-end digital channels can potentially mitigate these barriers, it is evident that technology alone cannot resolve fundamental issues.

Customer awareness, preference, and financial literacy needs

Approximately 77 percent of customers who used digital methods expressed a preference for them. Notably, the lower the level of education, the lower the preference.

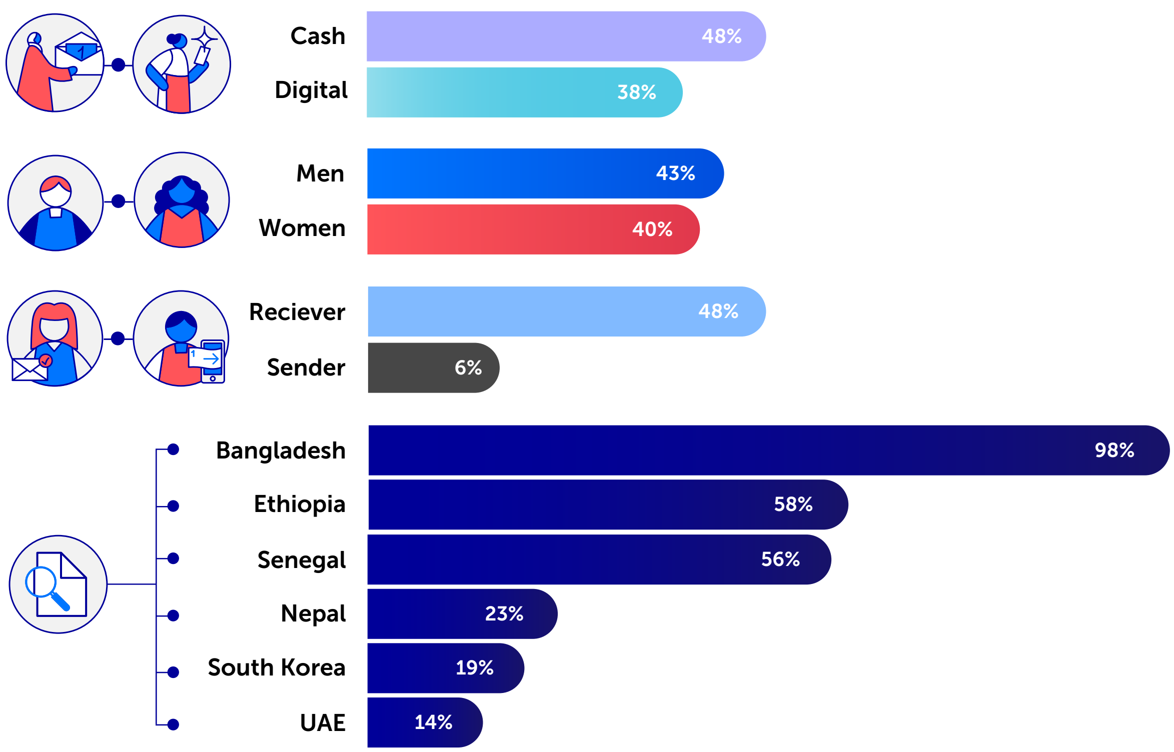
Around 4 out of 10 digital remittance customers stated that they needed support in using digital remittance channels, including in opening an account, obtaining information that the money arrived safely, and understanding transaction costs. Training and onboarding support are crucial for successfully using digital platforms for remittance services, but their access is limited. Only 1 out of 5 remittance customers reported receiving some form of training or support in sending or receiving remittances. Among those who did receive training or support, most of it was on opening an account to send and receive remittances, followed on making the first transaction, getting confirmation of successful money transfer, and understanding transaction costs.

4 out of 10 digital remittance customers stated that they needed support in using digital remittance channels, including tasks like account opening and transferring money for the first time.

Senders expressed greater confidence in using digital remittances on their own; over three-quarters (82 percent) reported that they had not received any support or training. In contrast, approximately half (48 percent) of remittance recipients felt that they needed more training and support services. This could be explained by the generally younger and more highly educated migrants in the survey sample who likely had better access to technology in their destination countries. Key areas where support was required were information on ensuring the secure arrival of remittances and transaction costs, and for opening an account.

11 For example, as mentioned by a Filipino female migrant in the UAE: "My main concern with the remittance service provider is the issue of communicating with the customer service. I find it really difficult, and whenever I ask to speak to a Filipino agent, they say that there are no Filipinos there that will support."

Figure 8. Percentage of customers that need support in sending or receiving remittances.



Note: Survey data (n=2,882).

4. Usage of remittances and linked digital payments

Digital remittances, in particular, hold great potential to contribute to the financial inclusion of historically marginalized groups, especially women migrants. Compared to the cash-based models that currently dominate the formal remittances market, and the informal alternatives that are just as big or bigger in many corridors, digital remittances can be linked to digital payment options. In the ideal customer journey, usage is where migrants trust digital remittances to improve and extend using end-to-end digital payment services regularly in the countries of origin and destination of migrants.

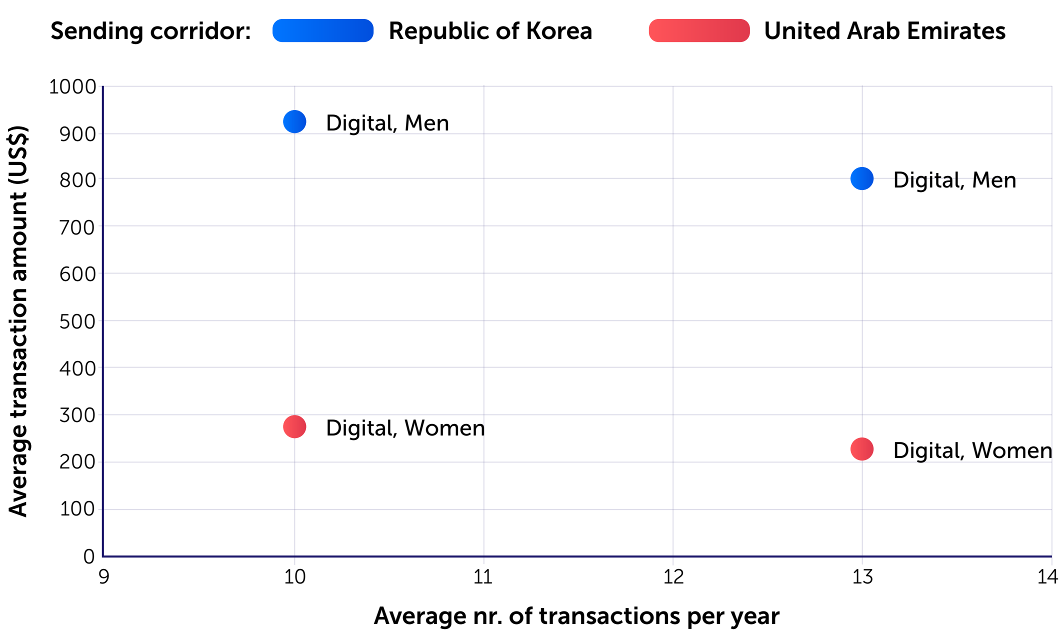
Value and frequency of remittance transaction by method

An analysis of 15 million transactions collected from five RSPs in sending countries (Singapore and the Republic of Korea) and receiving countries (Bangladesh, Ethiopia, Nepal, and Senegal) revealed several patterns regarding the value and frequency of sending and receiving remittances. Due to their gender, position in the family and labour market, men and women had different preferences in their utilization of remittances and the remittance channel. In a year, the average value of remittances sent varied from around $190 to $1,110, while the amount received ranged from approximately $140 to $690.[12] Around 48 percent of the transactions were smaller than $200, 28 percent were from $200 to $500, and 24 percent were large transactions above $500. These variations were contingent based on the chosen channel and remittance corridor where women often sent or received smaller amounts than men. Senders of remittances sent transactions more frequently (an average of 13 times a year) than recipients (an average of four times a year). This discrepancy may suggest that migrants send remittances to multiple beneficiaries, or that recipients opt for multiple RSPs including banks, agents, and mobile wallets for receiving funds.

Migrants' remittance behaviour varies by gender; women sent remittances in smaller amounts, but more frequently than men.

As shown in Figure 9, migrant women tended to send remittances of smaller value, but more frequently than men. Over the past 12 months, migrant women sent remittances 13 times in a year, while men sent remittances ten times. In both the Republic of Korea and the UAE, the remittance amounts sent by men were about 20 percent higher per individual transaction than those sent by women. Further sensitivity analysis also demonstrated that the medium values of remittances were smaller for all RSP datasets. These observations align with the findings of the International Organization for Migration (IOM et al., 2007) that women send smaller amounts of money, more frequently and for extended periods, which may also be explained by a gender pay gap.

Figure 9. Average transaction amounts (in US$) by frequency at the sending side.

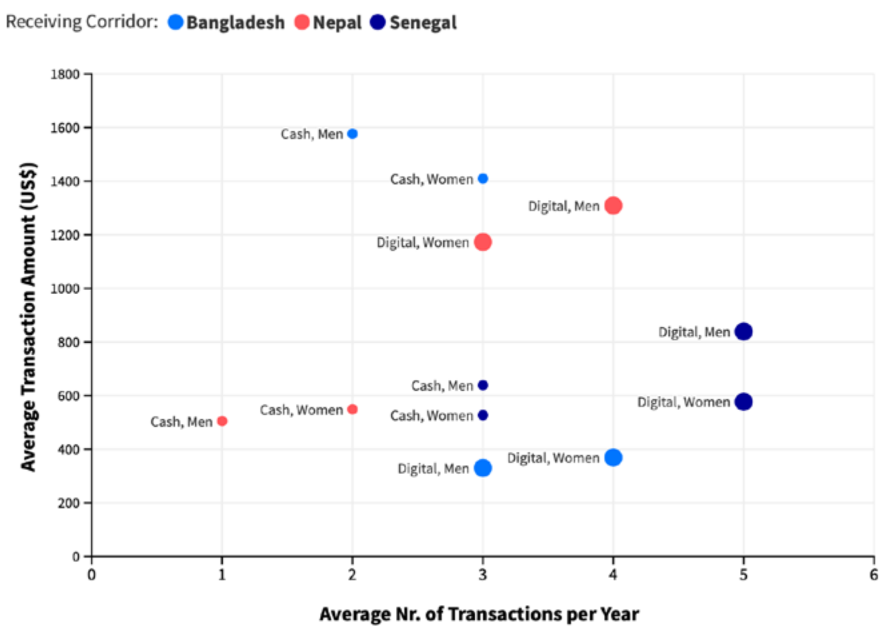


Among remittance recipients, men generally received higher-value remittances than women (Figure 10). One exception was found in Nepal, where women received more frequently higher-value remittances in cash, than men. Despite the increasing prevalence of digital financial services in Nepal due to growing internet penetration, most of the remittance

12 The median remittance amounts were lower than the average values and varied between $64 and $426, indicating that most remittances were indeed relatively small amounts.

recipients lacked the digital know-how and trust in utilizing digital remittance methods (IFC, 2023). Moreover, women recipients still received their remittances from agents in cash (UNCDF, 2023c). According to the Nepal financial literacy survey (Nepal Rastra Bank, 2022), only 28 percent of the adult population passed the minimum target score in all financial literacy components encompassing financial knowledge, financial behaviour, and financial attitude. Men scored higher than women by 7.5 percentage points.

Figure 10. Average transaction amounts (in US$) by frequency at the receiving side.
Women generally received lower-value remittances, and often more frequently than men, although this varies by country.



Source : RSP MIS transaction data.

Digital channels generally had a higher frequency of transactions than cash-based channels but were not necessarily sent or received in smaller amounts. In Bangladesh, remittances sent to wallets were indeed low- value transactions, while in Nepal and Senegal, transactions sent to wallets were sometimes higher in value than cash transactions. Increased digitization of remittances is important in reducing migrant transaction costs because, on average, a digital remittance of $200 is around 2.2 percentage points cheaper. The global average remittance transaction cost for digital channels is around 4.7 percent, compared to 6.9 percent for non-digital channels (World Bank Pricing Group data Q1 2023).[13]

Further analysis of transaction data on customer retention revealed that women are equally, if not more, loyal customers than men (Figure 11). This observation aligns with previous research that found that once women are familiar with a digital financial service and are comfortable using it, they tend to be more loyal customers than men and may also take up other financial services including savings, payments, and credit (Financial Alliance for Women, 2019; IOM, 2010; Women's World Banking, 2015).

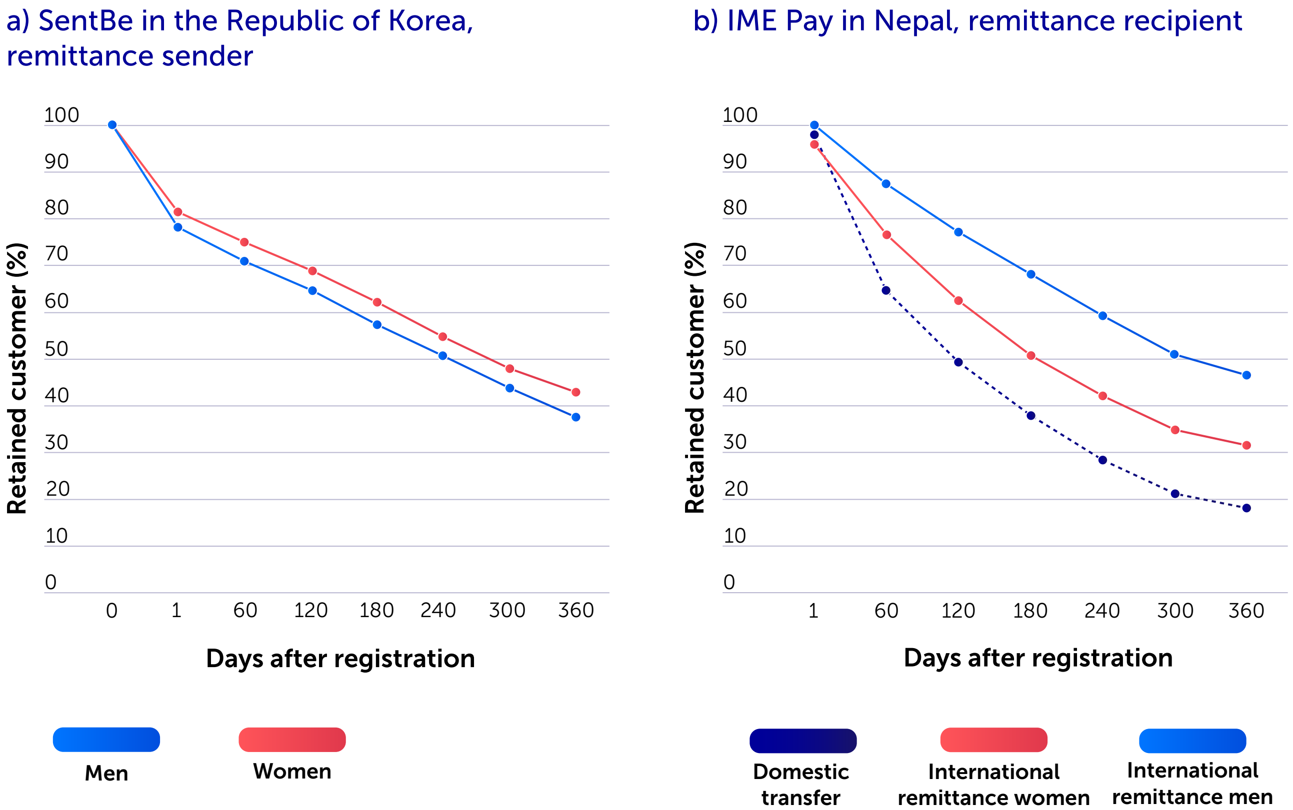
13 World Bank Group Remittance Prices Worldwide (RPW), global averages. https://remittanceprices.worldbank.org. Accessed August 2023.

In the case of SentBe in the Republic of Korea, women had a 6 percent higher customer retention curve than men. Around 40 percent of women senders were retained for at least a year or longer, compared to 34 percent of men. In particular, among older women, customer retention was much higher than among older men (UNCDF, 2022f). In the case of IME Pay in Nepal, both women and men who received remittances showed significantly better customer retention (approximately +24 percent) than customers who only made domestic transactions. Moreover, international remittance recipients made more domestic transactions (around 36 additional transactions per customer) and at higher values than those who only used domestic wallets. This resulted in a total additional value of $2,000 per customer per annum (see UNCDF, 2022a). SentBe in Republic of Korea and IME Pay in Nepal had a strong business case for improving customer retention among women, either through direct retention efforts, or by leveraging cross-selling opportunities for other products.

However, it was observed that women who received remittances in Nepal through the IME wallets were 15 percent more likely than men to discontinue their usage within the first year. In addition to the lower digital financial literacy levels prevalent among low-income households and women in Nepal, there is a lack of information and a scarcity in the design of women-centric and/or gender-sensitive financial products (see, UNCDF, 2022c, IFC, 2023). FSPs that adeptly customize their services to address the unique and gendered needs of remittance customers open avenues for enhanced cross-selling opportunities. These initiatives have the potential to not only increase revenue of the RSPs, but also benefit the financial inclusion and health of recipient households and families (see also, for example, Women's World Banking, 2015; Sikder and Higgins, 2015; Ahlin and Dahlberg, 2010).

Figure 11. Remittance customer retention curves

Women demonstrated higher customer retention rates than men, indicating they are more loyal customers.



** Source : RSP MIS transaction data.*

Note: Using transaction data analytics, the figure applies the Kaplan-Meyer survival curves, a statistical method that measures retention rates across different customer segments over time (e.g., by gender, corridor, age, domestic and international transactions). The curve demonstrates the total percentage of women and men customers who remain retained over time. Thus, at their first day of registration on the platform, 100 percent of the customers are 'retained', and this gradually reduces over time, to 70 percent after 60 days, 60 percent after 90 days, and 40 percent after 365 days because customers drop out from the app and gradually stop using it to make transactions.

Intended use of remittances

Remittances are a vital income stream for many households in developing countries. The wide variety of use cases indicates that when migrants send money to their country of origin, they contribute to several of the SDGs set in Agenda 2030 for Sustainable Development. The results of the survey support the literature that indicates the contribution of remittances to achieving the SDGs. At the household level, remittances can improve nutrition and consumption (SDG 2, Zero hunger) (Adams, Richard and Cuecuecha, 2010), asset building including housing investments (SDG 11: Sustainable cities and communities) (Adams et al., 2008; Amuedo-Dorantes and Pozo, 2013; Brown and Jimenez, 2011), paying for education (SDG 4, Quality education) (Amuedo-Dorantes and Pozo, 2013; De Arcangelis et al., 2015), healthcare (SDG 3, Health) (Frank and Hummer, 2002; Hildebrandt and McKenzie, 2005), financing energy bills (SDG 7, Clean energy access) (Das et al., 2021; Sharma et al., 2019; Zafar et al., 2022) and/or support self-employment and micro, small and medium-sized enterprise activities (SDG 8, Economic growth and decent work) (Aggarwal and Horowitz, 2002; Yang, 2008) (see also WDR, 2023:132 for an overview).

At the community level, benefits at the sub-national or municipal levels included reduced rural poverty, reduced levels of income inequality between urban versus rural dwellers (SDG 10: Reduced inequality[14]), and strengthened resilience to compensate for adverse effects of climate change or disaster risks (SDG13: Climate action) (e.g., Yang and Choi, 2007; Brown, Leeves and Prayaga, 2014). These insights also indicate that remittance services can have a profound impact on gender equality (SDG 5) and require a gendered approach to service delivery (see, for example, UNCDF, 2022f, 2023g).[15]

Most senders and recipients tended to use remittances for multiple purposes, the most common of which were household expenses (80 percent), followed by children's education (36 percent), productive investments including for their business, such as purchase of land, houses or livestock, or purchases of agriculture equipment and inputs (32 percent), utility and energy payments (32 percent), health expenses (27 percent), debt repayment (24 percent) and savings (23 percent).

The intended usage of remittances was also gendered. Women more often intended to use remittances for children's education, their family's healthcare, and utility and energy payments, while men more often spent remittances on business expenses (Figure 12). Due to imprinted gender roles and social norms, women may assume greater responsibility for relatively smaller and more household-wide expenses, while men more often spent funds on large and less frequent purchases such as assets and business investments. Women were also more inclined

14 These are in addition to the more explicit target set under SDG 10, Reduced Inequality, specifically, target 10.7, "Facilitate orderly, safe, regular, and responsible migration and mobility of people, including through implementation of planned and well-managed migration policies" and target 10.c "Reduce to less than 3 percent the transaction costs of migrant remittances from abroad to the country of origin and eliminate remittance corridors with costs higher than 5 percent."

15 At the macro-economic level, remittances, especially when formalized or digitized, can foster much needed foreign currency exchange, stabilize the balance of payments (BOP), reduce dependency on government aid, and re-allocate capital resources into more business productive investments and other financial services (UNCDF, 2017). Remittance flows, which are often intra-household transfers, also tend to be relatively stable capital flows, as was the case during the COVID-19 Pandemic (see, for example, UNCDF, 2022h; World Bank World Development Report, 2023:132).

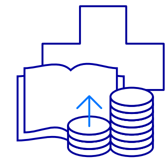
to send money to their children and extended family. As one Filipino female foreign domestic worker in Singapore said, “My immediate family gets the money, and they use it to ensure my siblings go to school. A bit of it is also used for daily expenses or sometimes when something happens or breaks down and needs to be replaced.”

Not only do women earn lower income, but they are also the ones who mostly pay for utilities, education, and healthcare, which may explain why they tend to make smaller transactions. However, more research is needed.

Men intended to use remittances to invest in longer-term assets or a business in their country of origin (36 percent, men vs. 28 percent, women). For example, a Nepalese male migrant said:

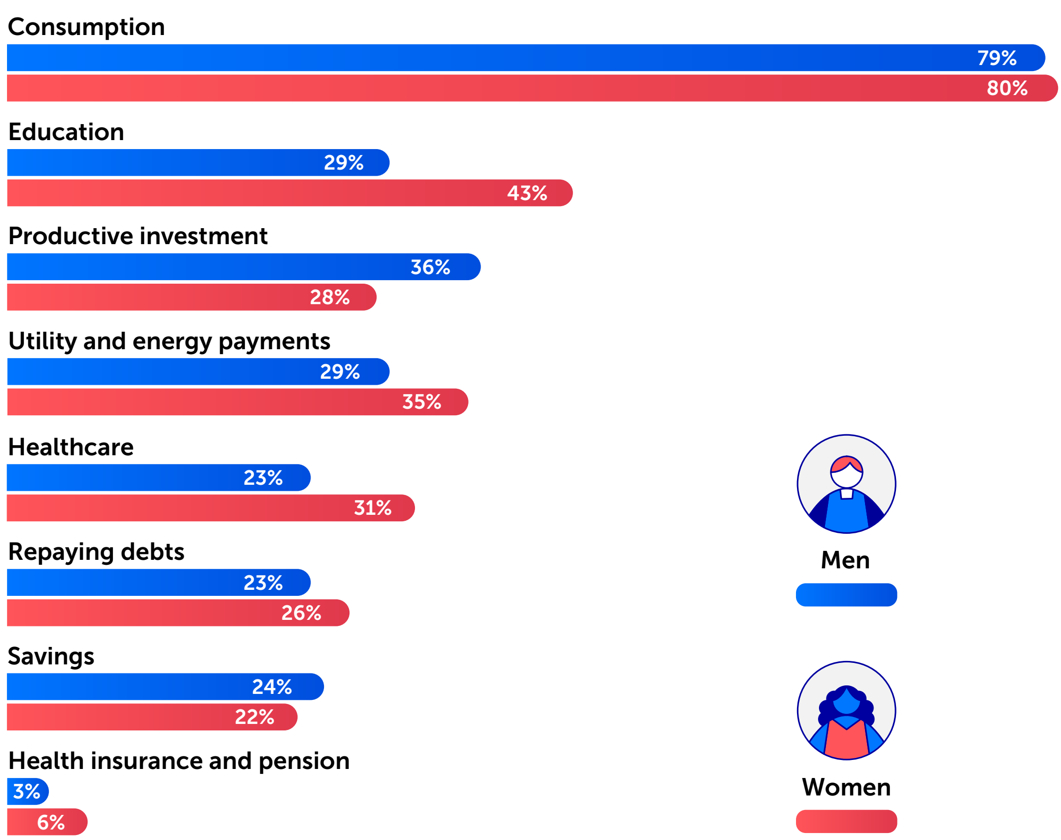
> *I had some savings in Nepal, and I recently bought land in the city area from it. I am happy to earn enough to support my family and have something for myself every month. Maybe when I can earn a bit more, I can start saving again to build a house.*

These insights, which concern both sending and receiving ends, resonate with a wider variety of other studies on gendered financial inclusion, highlighting that men and women have different levels of control over various household expenses (ILO, 2016; IOM, 2010).



Women allocate remittances to their children’s education, their family’s healthcare, utility and energy bill payments and savings. While men allocate remittances for starting or improving a business.

Figure 12. Intended use of remittances.



Note: Survey data (n=2,882)

Among the recipients' important goals were business investments and payments for education, energy and utility bills, and health expenses, while for migrant senders, their most important goal was savings. For example, one Filipino woman migrant worker in the UAE highlighted, "I am saving money for my youngest child and for the future. Working abroad is not forever and I am also considering going back to the Philippines for good, this drives me to save money as much as I can."

Another woman migrant worker from the Philippines mentioned using remittances to help build a house: "As I am building my house back in the Philippines and my family is helping there, sometimes they need extra money. In that case, I make an additional remittance using the app as well, because it's fast and when they need it, it's mostly to pay for something the same day."

It also emerged from the qualitative interviews that migrants were paying for insurance and healthcare costs for their families in their country of origin. For example, one Burmese woman migrant worker in Singapore highlighted, "I think health is very important. That's why whenever I send the money, the main reason is for my family to use it for their health." Another Indonesian woman migrant worker in Singapore mentioned paying for life insurance, "Every month my salary mostly is used for my parents' allowance, life insurance, and [I also] send a little bit here and there to my relatives and siblings"...".[16] This could indicate a demand for products that link remittances directly to health insurance, savings, or asset building for migrants in either their country of origin or destination.

Migrants' and recipients' use of digital payments

Digital remittance recipients demonstrated a higher likelihood of using mobile payments than cash remittance recipients (Figure 13) (65 percent vs. 22 percent). Fifty-six percent of the recipients of digital remittances used their mobile phones to send or transfer money against 87 percent of migrant senders of digital remittances. In some markets such as Senegal, there is already a strong domestic payment market that can help accelerate the uptake of digital remittances. In other markets such as Nepal and Bangladesh, digital remittances may also increase mobile money access.[17] In each case, digital remittances can serve as a gateway for other forms of mobile money usage or vice versa.[18]

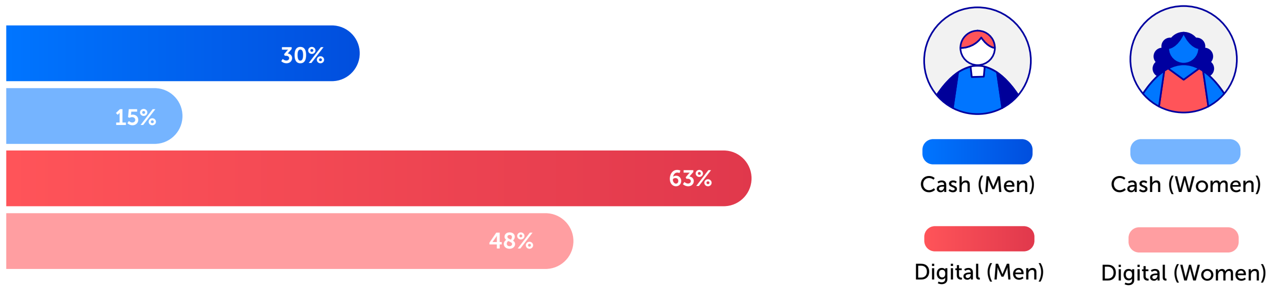
There is a gender gap in the utilization of domestic digital payments through mobile wallets. On the receiving end, fewer women than men utilized domestic digital payment (48 percent, women vs. 63 percent, men). This trend aligns with previous research (World Bank, 2021), underscoring that women's access to digital payments lags behind that of men. Furthermore, among those receiving international remittances in cash, 30 percent of men used mobile wallets as payment methods, compared to only 15 percent of women.

16 Another Filipino female migrant worker mentioned how she allocated her money in the UAE, "I have a family here [in the UAE] so I have to set aside funds for living costs. It is all in the app. I send some to my bank account to pay for the insurance, then I send some to my beneficiaries. Just a few clicks, I can do that. I don't have my own savings though."

17 For Bangladesh and Nepal, international remittances recipients were more likely than the overall adult population to use digital payments (Global Findex, 2021).

18 Generally speaking, those who are already using domestic digital payments are more likely to also utilize digital remittance channels (see, for example, GSMA, 2022a,2022b).

Figure 13. Percentage of remittance recipients using other mobile wallet payments.
Users of digital remittance channels were more likely to use domestic payments than users of cash remittance channels, but women lagged behind men.



Note: Survey data (n=2,882)

Other mobile money services used

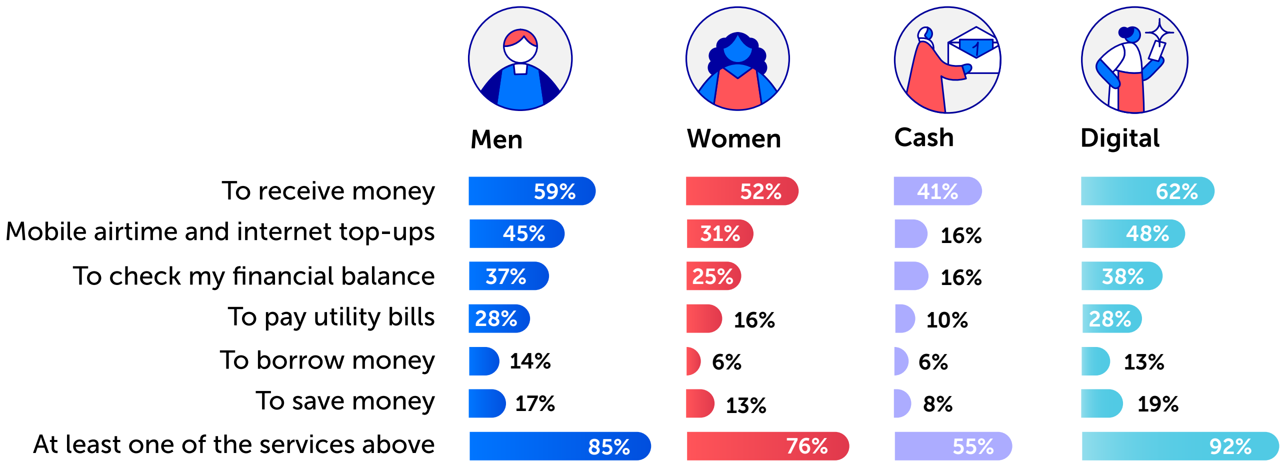
The usage of other mobile money services was significantly higher among users of digital remittances (92 percent) than among users of remittance cash-based channels (55 percent). Users of digital remittance channels were more likely to use their mobile phones to pay for airtime and utility bills and saving and borrowing money. For example, one Nepalese male recipient reported, “First I used the app to receive remittances, then to pay electricity bills and for top-ups. I feel at ease when using it.” The demand for energy bill payments is still underserved. For example, one Senegalese female recipient mentioned:

> *I pay my bills through cash. But if the [digital remittance service] could do it more easily, I would consider doing it through this.*

Women senders and recipients generally used other mobile money services less than men including to receive money, buy airtime, pay for utilities, and to borrow or save money, indicating a gender gap in the digital payments market.

Digital remittances users were more likely to make domestic payments. Women made fewer payments than men.

Figure 14. Percentage of remittance customers using other mobile money services.
Mobile money services were often used by remittance senders and recipients, yet less often by women than men.



Note: Survey data (n=2,882)

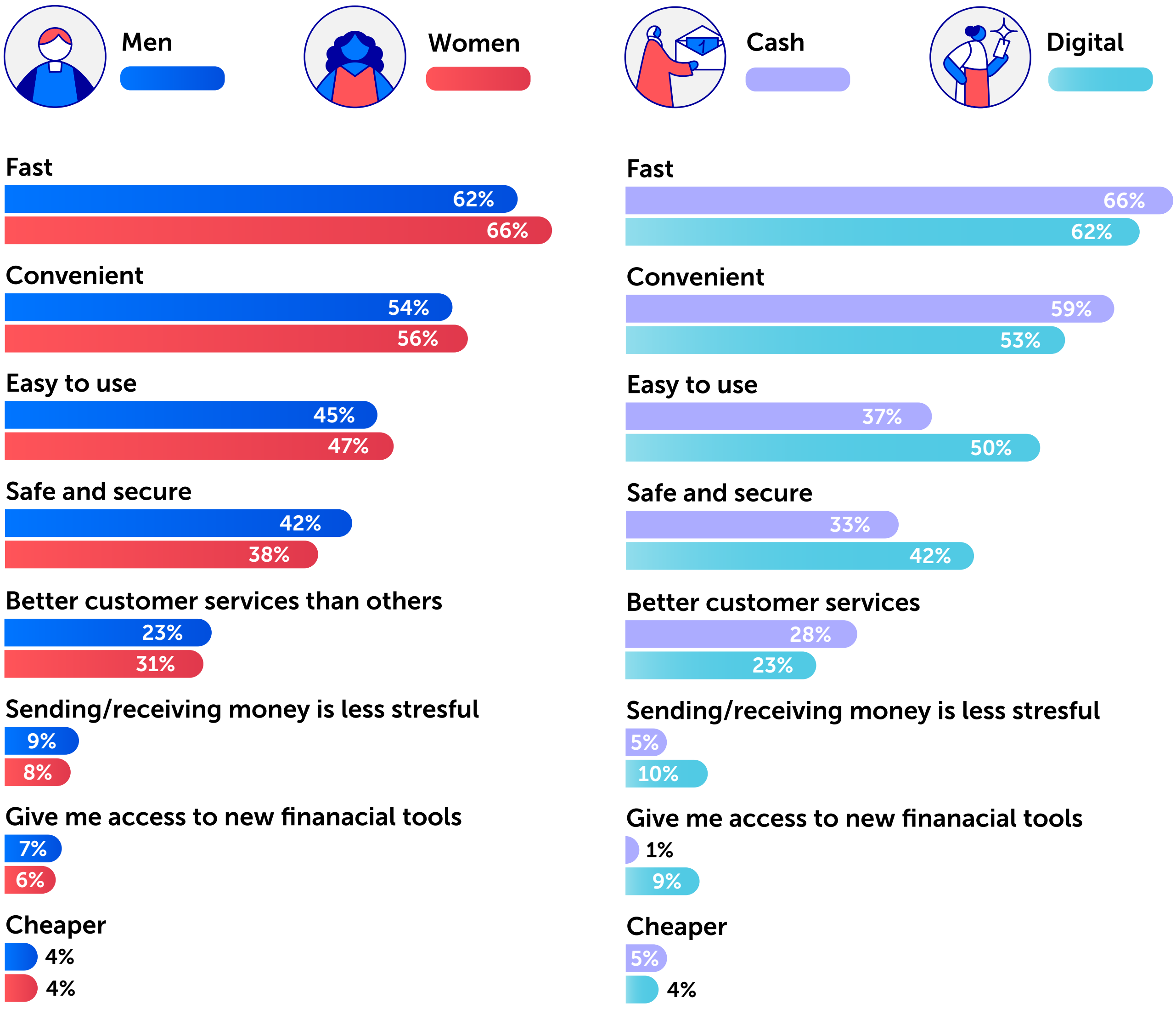
Benefits of using digital remittance services

Among all active customers interviewed, around 32 percent of the customers reported to be highly satisfied with their remittance services, 64 percent reported to be satisfied, and only 4 percent were dissatisfied.[19] Highly satisfied customers may be more likely to share positive experiences and help promote the services of the RSPs with others. The responses were similar across senders and recipients, men and women, and cash and digital channels.

Across senders and recipients, gender and channels, remittance customers cited several attributes of using digital remittance services; the top ones were speed, convenience, and ease of use. There are some notable differences across channels: digital users appreciated safety and ease of use, while cash recipients appreciated speed and convenience. Although digital remittances offer cost savings, it is important to highlight that remittance customers primarily prioritized other factors over cost when making their choices. This finding underscores the need for further research to understand the underlying factors that drive remittance customers' preferences for cash-based transactions over digital alternatives.

19 Survey responses could be biased to some degree because only active customers were surveyed, who generally tend to be more satisfied.

Figure 15. Main perceived benefits of remittances by gender and type of channel.
Digital channels were not always considered better than cash, but it was reported easier and safer to use.



Note: Survey data (n=2,882).

5. Linking remittances to the financial health of migrants and their families

This section will explore the links between remittances and wider financial inclusion and health. Cash-based remittance services are usually decoupled from other financial services that customers might wish to use. When digitized, providers can couple remittances with other financial services such as savings, credit, insurance, and pensions, which can work as an on-ramp to wider financial inclusion and health. This would help migrants and their families, especially women, build the futures they want.

The concept of financial health, an emerging field of research, advocacy, and practice, extends beyond financial inclusion. Financial health refers to the overall well-being and stability of individuals and families in managing their finance and encompasses four vital dimensions: the capacity of customers to meet their current needs (financial security); absorb unforeseen financial shocks (financial resilience); pursue financial goals (financial freedom); and feel less stressful about, and in control of, their finances (financial control).
These facets collectively empower individuals and their families to address immediate needs, weather financial shocks, pursue aspirations, and have confidence in and mastery over their financial circumstances (UNCDF, 2022d).

Digitizing remittances as a gateway to broader financial inclusion

The utilization of remittances for long-term financial goals predominantly focuses on savings. As highlighted by a Nepali male migrant in the UAE, “I saved a lot of money to buy a plot of land and I bought it last year. I am now saving to build a house on it.” In the sample of interviews, savings accounts emerged as the most prevalent choice of financial services used in the last 12 months, accounting for 55 percent of usage, followed by insurance (15 percent), loans (14 percent) and pensions (2 percent). Savings accounts were favoured more by men (59 percent) than by women (51 percent), who showed a slightly lower propensity for saving formally.

Digital users – both senders and recipients – showed a stronger inclination toward adopting savings accounts, particularly in contrast to recipients of cash-based remittances. Interestingly, remittance recipients – using either cash or digital channels – showed a stronger inclination to engage with financial services, including savings, surpassing national averages.[20]

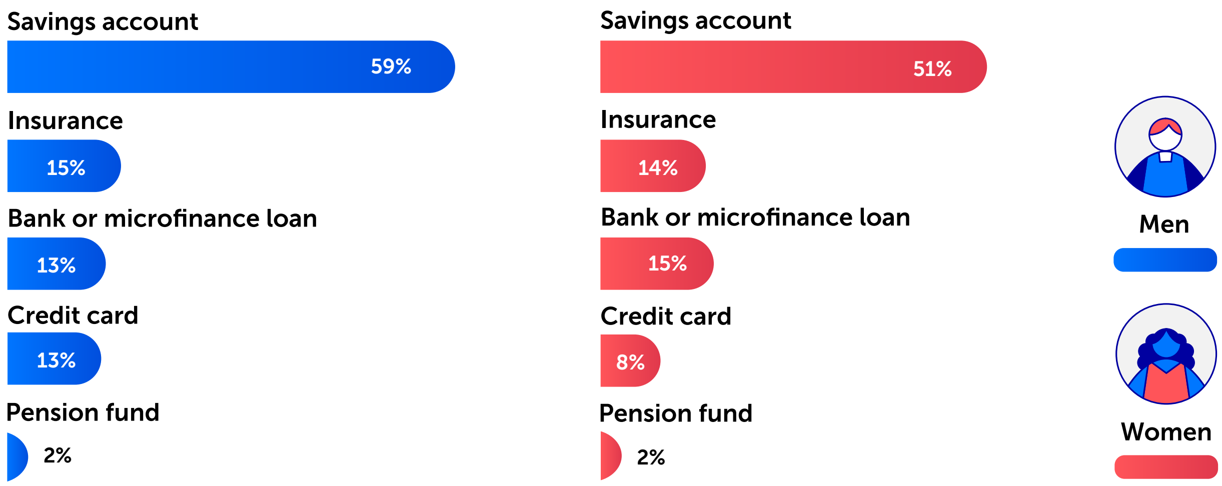
Digital remittance users report higher levels of financial health compared to cash users, other factors such as education and income levels also play a role. Women generally report lower financial health than men.

However, since navigating the financial landscape is challenging, migrants often opt to save in their country of origin because they are more familiar with the local financial landscape, and it is more convenient. Formal financial institutions in destination countries presented hurdles due to limited financial and digital literacy. For instance, within regions such as the UAE and Singapore, lack of knowledge about saving procedures and unfamiliarity with account prerequisites emerged as predominant barriers.

20 This indicates that remittances can bolster financial inclusion, as explored in Paulson and Singer (2004) and UNCDF (2017).

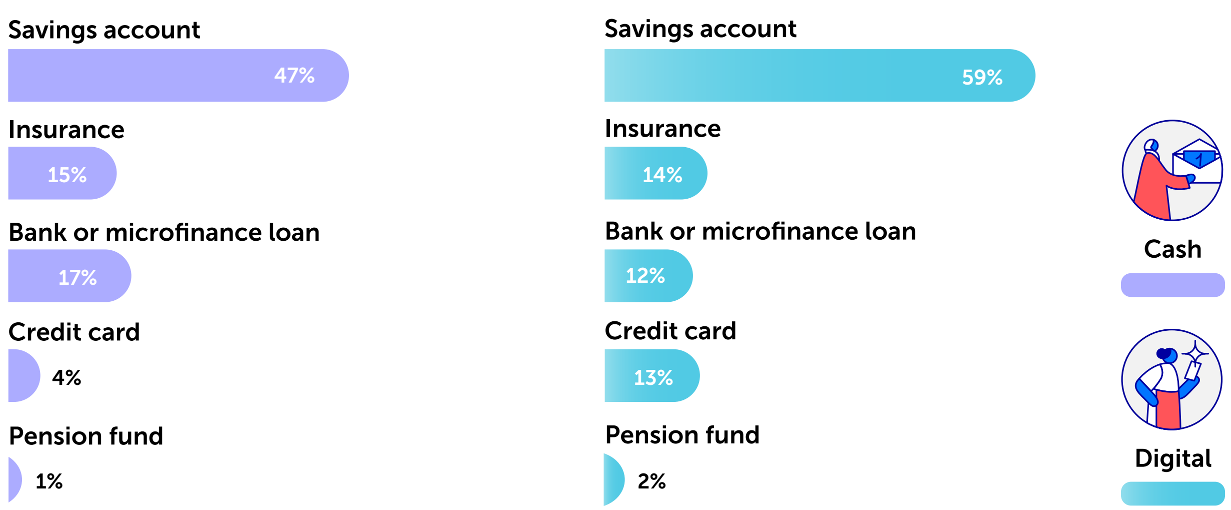
Migrants used different strategies to maintain control over spending and savings mobilization. A case in point is an Indonesian female foreign domestic worker in Singapore, who mentioned, "I have a saving account in Singapore, but I will never touch that money. I do not want to have a debit card; I think that way I can control my spending." Consequently, there is a demand for savings products coupled with remittance services, with a particular emphasis on catering to the needs of women, who often contend with limited access to formal financial services.

Figure 16. Other financial services used by gender.
Among the financial services used in the last year, savings were the most used by senders and recipients (55 percent), followed by loans and insurance.



Note: Survey data (n=2,882)

Figure 17. Other financial services used by channel.
Users of digital remittance channels had a higher uptake of savings, indicating an opportunity for cross-selling services.



Note: Survey data (n=2,882)

Financial security

Financial security refers to the ability to meet current and ongoing commitments, including basic needs and planned expenses such as food, rent, bills, debt payments and healthcare. To understand whether remittance customers can afford their immediate financial commitments, the survey asked whether respondents had money remaining at the end of the month after paying for their living expenses: 78 percent of migrant senders and 63 percent of recipients.

Interestingly, digital remittance recipients reported a higher likelihood of having some money remaining at the month's end in comparison to their cash-based counterparts (66 percent vs. 57 percent, respectively). It is essential to clarify that this outcome does not imply that digitizing remittance channels provides an increased sense of security; multiple variables interplay here, as outlined in Section 3. Notably, women registered slightly lower levels of financial security than men. Among senders, 75 percent of women and 80 percent of men reported feeling financially secure against 61 percent of women and 63 percent of men among recipients.

Financial resilience

Financial resilience refers to the ability to manage unexpected expenditures and emergencies, such as income and job losses, or sudden health emergencies and unforeseen loses in assets. Remittances contribute to financial resilience by offering a buffer against unexpected expenditures and emergencies. An analysis was carried out of the stated ability of respondents to obtain funds to pay for an emergency (e.g., an accident or asset loss) for an amount equivalent to 1/20th of the gross national income (GNI) per capita in their country of residence within a 30-day period. Survey results show that 80 percent of the recipients confirmed their ability to access funds to cope with an emergency against only 52 percent of the migrants who sent remittances.

The survey delves into the rationale behind this disparity. Remittance senders often hold low-wage positions, situating them in their destination country's lowest income bracket. After remitting funds to their country of origin, migrants frequently find themselves financially stretched, leaving them in a risky position in responding to family emergencies. For instance, an Indonesian female migrant in Singapore said, "In case of emergencies, I have savings of around $1,000. But if it is not enough, I have some assets such as a motorcycle and gold, which I can pawn if needed." Similarly, a Nepalese male migrant in the UAE shared, "My wife does not have emergency savings because, until now, I have been the only one working..."

Remittances were also sent to cope with and pay for unforeseen natural disasters and adverse effects of climate change. A Filipino male migrant in the UAE stated:

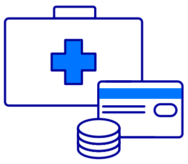
> *I have an aunt who lives in Bohol. Bohol is always hit by typhoons, and when disaster struck, I was able to send money to my aunt immediately through the remittance company."*[21]

A Burmese female foreign domestic worker in Singapore mentioned, "My family relies on the [remittance] money for daily necessities like groceries. Since we're farmers and the weather has been unfavourable, our crops aren't doing well. Consequently, they must constantly depend on my salary."

21 This insight is further supported by Yang and Choi (2007), who found that remittances were used to cover income shocks arising from heavy rainfall in the Philippines.

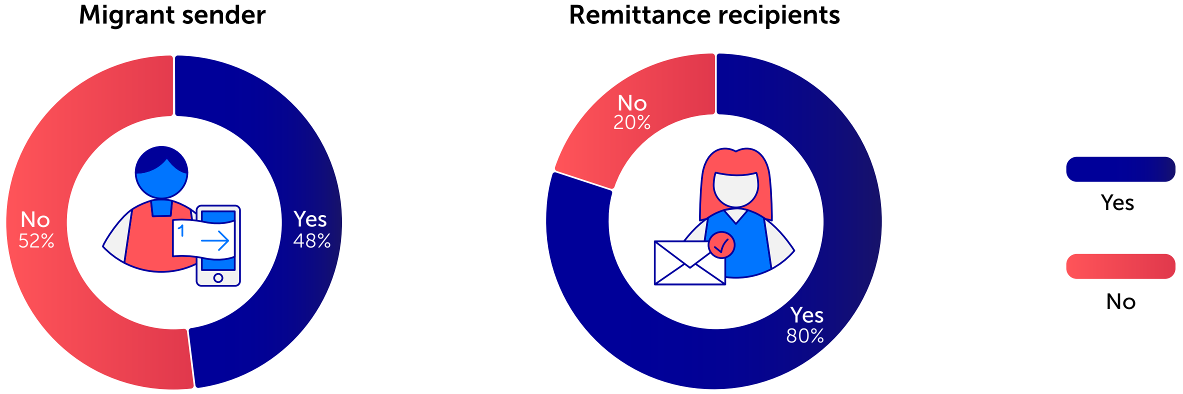
Remittance recipients, in contrast, generally felt that they could rely on their migrant family members to provide emergency funds when needed, but migrants had fewer recourses to source emergency funds. A Senegalese female recipient explained: "If there is an emergency, I call him (husband), and he sends me the money, or he asks me about the money available and he compensates what I have spent."[22] Migrants in their destination countries working under precarious and harsh working conditions and feeling pressured to send money back home can therefore feel less financially resilient than those receiving remittances in their country of origin.

Finally, at the receiving end, those using digital channels reported to be more successful in obtaining emergency funds within 30 days than cash-based channel users (82 percent vs, 75 percent), which could indicate that digital end remittances give people in receiving economies more options to respond to cover unforeseen expenses and contingencies.



Among recipients, digital users (82%) were more successful in accessing emergency funds within 30 days than cash users (75%).

Figure 18. Ability to handle a financial emergency within 30 days.
Migrant senders are less likely to cope with an emergency of 5 percent of GNI per capita than remittance recipients.



Note: Survey data (n=2,882).

Financial freedom

Financial freedom refers to the ability to meet long-term financial goals and desires. Respondents were asked if, as a proxy for financial freedom, they believed that remittances could improve their families' financial lives, as many as 8 out of 10 respondents expressed their confidence that remittances improve their families' financial lives. This finding holds true for senders and recipients, cash and digital users, and men and women, regardless of income levels. This suggests that, in general, most remittance customers valued the impact of remittances in improving their families' financial lives.

22 Another Senegalese female recipient said, "Apart from what he sends me, it happens that I tell him that I have some needs, and he manages to send me the money. He must certainly have savings to be able to send me in case of unforeseen events."

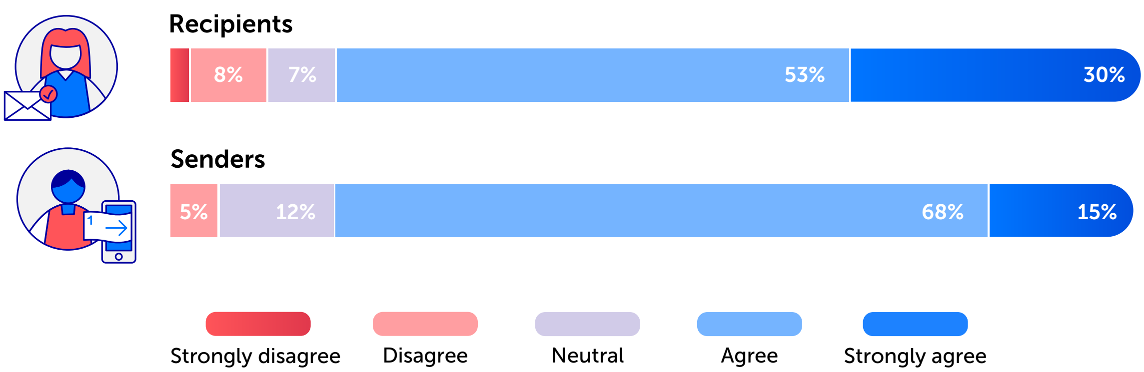
Migrants conveyed their sense of purpose and pride in aiding their families' welfare. A migrant explained, "I feel happy and sometimes I also feel proud because [the money] sent is for education and also the cost of living of my parents." Conversely, some remittance senders highlighted the arduous burden of financial responsibility, which at times engenders stress and familial tensions. For instance, a Filipino migrant woman in Singapore pinpointed the challenges:

> *My husband didn't have the habit of budgeting and saving yet. There were times back then that we got into fights because what I sent was not enough... There were also times that I only send fixed or just enough and they will complain that I'm stingy and being hard on them.*

However, most recipients, particularly in Senegal and Nepal, expressed contentment with the resources that senders could afford, acknowledging that remittances were sent based on the migrants' financial capacity.

Figure 19. Ability of remittances to improve their family's financial life

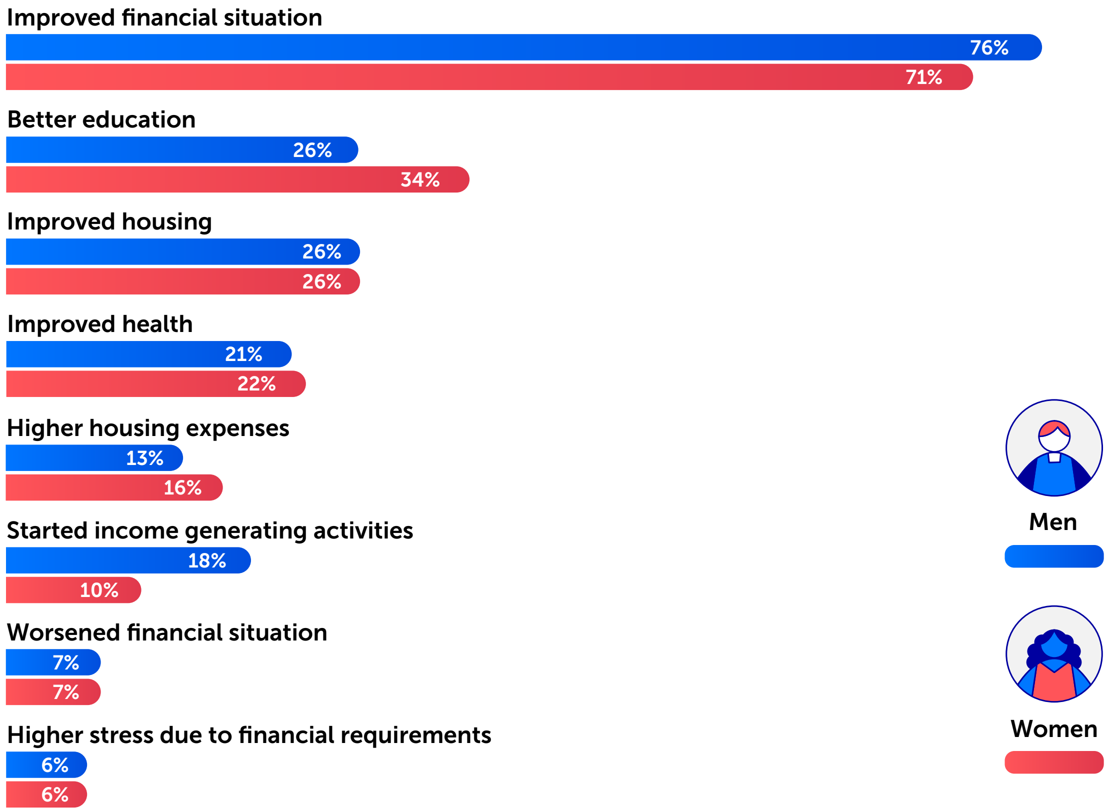
Eight out of ten customers agreed to the statement that remittances improved their family's financial life.



Note: Survey data (n=2,882)

Respondents were asked the main ways in which remittances affected their family's lives. Around 3 out of 4 responded that they benefited their financial situation (Figure 20), including their ability to face emergency financial needs, followed by improved education (30 percent), housing (26 percent), health (22 percent) and income-generating activities (14 percent). In line with earlier findings, women were more likely to cite improved education as a benefit, while men used remittances for income-generating activities (see also Figure 12). For a few customers, the remittances did not improve their financial situation (7 percent) or even increase their financial stress (5 percent).

Figure 20. Main ways in which remittances may have affected the customer's family life.
Three out of four customers responded that remittances improved their financial situation.

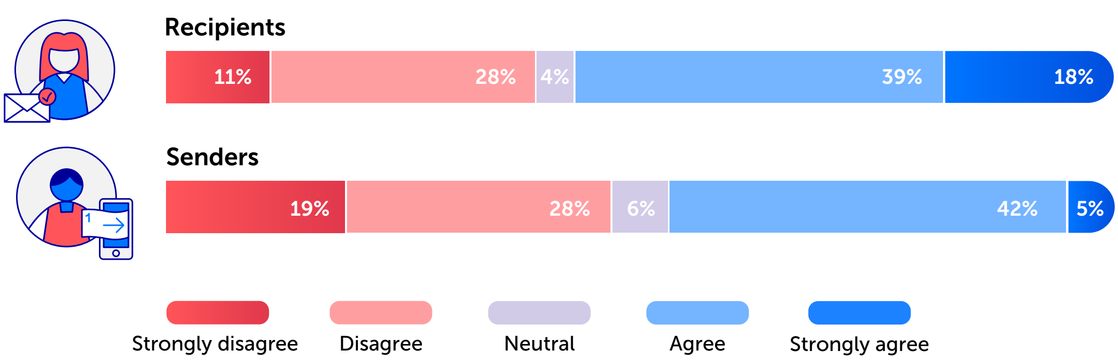


Note: Survey data (n=2,882).

Financial control

Financial control refers to the confidence individuals feel in managing their regular living expenses and financial decision making. In the survey, 47 percent of remittance senders and 58 percent of remittance recipients expressed concerns about meeting their day-to-day expenses. This distinction becomes evident when comparing responses about financial resilience, where it emerged that senders were more in control over budgeting for everyday needs, while recipients relied more heavily on remittances for income.

Figure 21. Percentage of remittance customers who worried about paying their living expenses.



Note: Survey data (n=2,882)

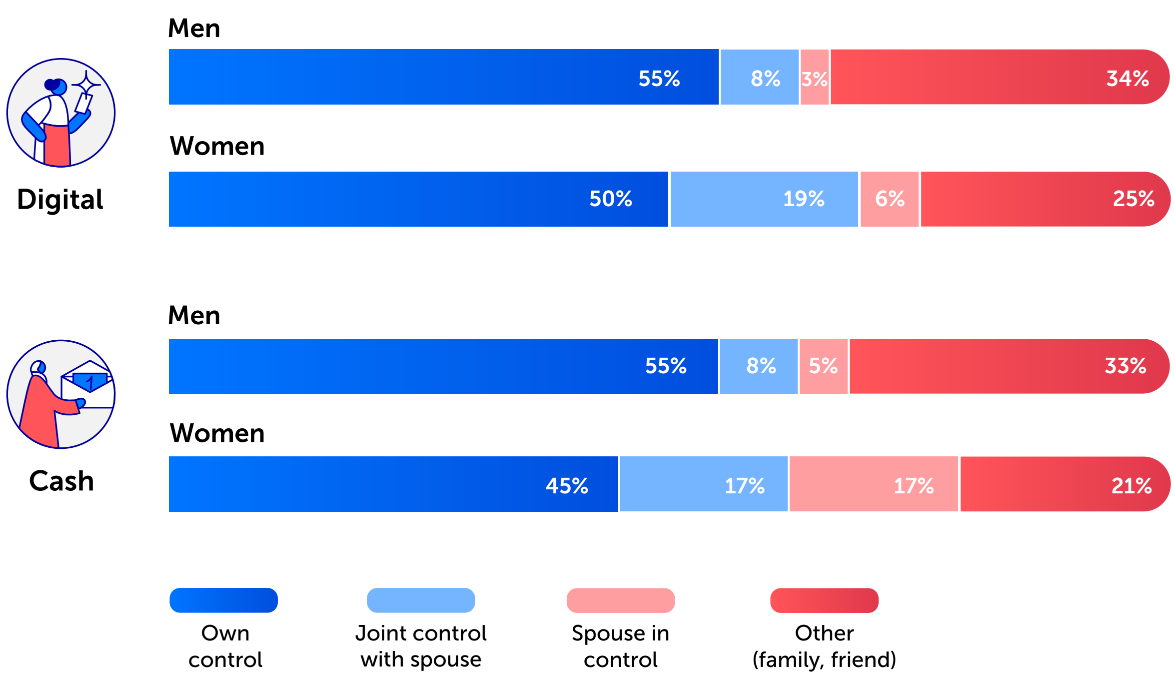
The survey asked who in the household decided on how remittances would be used (Figures 22 and 23). Among married couples, men generally reported higher levels of financial control over how remittances were used than women. Specifically, 55 percent of men had autonomous control, compared to only 48 percent of women. Women were less likely to be in full control over remittances, and in at least 11 percent of the cases, men decided for them. Women were also more likely to make joint decisions with their spouse on how remittances should be used (18 percent, women, 8 percent, men). It is also interesting to note how the extended family and friends were sometimes involved in the decision-making.

Men generally reported higher levels of financial control over how remittances were used than women.

Women who used digital methods for remittances reported having more autonomous control over how the money was used than those who used cash-based methods (55 percent women digital users vs. 50 percent women cash users). Receiving money through a digital remittance channel or bank account may make it easier for women to control their funds, since cash can be taken by family members, relatives, or spouses.

Finally, it is also worth noting that almost 1 out of 5 customers (18 percent) felt that sending or receiving remittances was stressful. This was similar for men (17 percent) and women (19 percent), as well as by channel type and even income levels, but it was especially high among people with no formal education (28 percent) and those intending to use remittances for debt repayment (23 percent). Remittances are important to the recipient families' well-being and are often so steeped in local cultures that even migrants who are less healthy financially still find a way to send money to their family.

Figure 22. Household decision-making on remittances by gender and channel.
Women digital users had more self-control over how remittances were used than women cash users; 17 percent of the women cash users had no control.



Note: Survey data (n=1,711), married and couples only.

Following the customer journey from remittance access and usage to financial health, Figure 24 summarizes the key gender insights of this report, which will form the basis for some of the recommendations for financial service providers and regulators that will be discussed in the next section.

Figure 23. Key gender insights along the remittance customer journey

Remittance Access

1. Digital remittances have yet to reach the 'last mile', where women, less educated, and low-income people lag in registering for digital transactions. While around 6 out of 10 remittance recipients in UNCDF's focus markets were women, only 3 out of 10 recipients registered on digital channels were women.
2. Women often relied on more expensive, cash-based means of sending and receiving remittances than men, such as informal and agent-led methods. Often, they faced more significant barriers than men in accessing digital remittances, including having less trust in financial institutions.
3. Generally, remittance senders selected the RSP, and men, more often than women, were the sole decision makers.
4. Women customers who had tried a digital channel expressed a strong preference for it.

Remittance Usage

1. Migrants' remittance behaviour varies by gender; women sent remittances in smaller amounts, but more frequently than men.
2. Women were more likely than men to spend remittances on children's education, their family's healthcare, and utility and energy bill payments, while men more often spent remittances toward business expenses.
3. Customers who received international remittances digitally were more likely than cash customers to also use domestic payments. Women received fewer domestic digital payments than men.

Financial Health

1. Digitized remittances can be linked to other financial services. In particular, savings accounts were used by senders and recipients.
2. Digital remittance users had higher levels of financial health than cash users; other factors such as higher levels of education and income brackets were likely contributing factors. Women generally reported lower levels of financial health than men.
3. Migrant senders in destination countries had lower financial resilience than remittance recipients, as measured by their ability to obtain emergency funds within 30 days.
4. Eight out of ten women and men customers felt that remittances helped improve their families' financial lives.
5. Around half of the remittance senders and recipients worried about paying living expenses. Men more often than women decided on the use of the remittances. One out of five customers found sending or receiving remittances stressful.

6. From insights to action

Based on the key gender insights of the report, this section outlines actionable recommendations for various stakeholders, including FSPs, RSPs, financial regulators, and policymakers. It also highlights tangible instances where RSPs and regulators are actively addressing barriers that hinder access and utilization of remittances and related services, ultimately ensuring that remittances can play a significant role in enhancing customers' financial inclusion and financial health.

Recommendations for remittance and financial service providers

1. Adopt women-centred design for inclusive product development

Digital remittances have yet to fully reach underserved segments, particularly women, low-income individuals, and those with limited education. Only 3 out of 10 recipients registered on digital remittance platforms were women, compared to 6 out of 10 recipients in UNCDF's focal markets were women.

Incorporating women-centred design principles is pivotal in bridging gender access gaps and fostering gender-intelligent product development. By harnessing customer insights and employing gender-disaggregated data analytics, FSPs and RSPs can tailor products and services to the distinct needs of migrants and recipients. This approach places a special emphasis on addressing the pronounced barriers often faced by women, including limited digital literacy, easier onboarding processes, inadequate customer support language and cultural barriers, restricted autonomy, social norms, and stigma. By embracing this customer-centric approach, seamless and user-friendly solutions can be devised, catering comprehensively to diverse user profiles, and thereby promoting greater inclusion and participation.

Several examples from RSPs participating in UNCDF research underscore how women-centred design has been successfully employed to develop more gender-intelligent products:

WIZALL (Senegal) – Enhancing know your customer (KYC) and onboarding processes for women: Using customer insights, product and service delivery can be made more gender-intelligent; for example, in Senegal, lighter KYC requirements led to the onboarding of more women customers for the fintech Wizall, because they required fewer levels of initial authentication and identification documents, which women often lacked. These lighter KYC methods prioritize the needs of women, who often face constraints related to document authentication and identification. Lighter KYC through reduced levels of initial authentication and documentation would increase women onboarding from 20 percent to 56 percent compared to the regular KYC (UNCDF, 2022e).

IME Pay (Nepal) – Ensuring security and comfort in onboarding: IME Pay's research in Nepal unveiled that women customers felt uncomfortable having their pictures taken by male agents to open an account. Responding to this insight, IME Pay distributed company cameras to agents to ensure photo security, which led to an increased shift from cash to digital channels. Better incentives and bonus systems for agents with automated margins were also introduced. These initiatives increased the percentage of new women customers that were onboarded from 25 to 40 percent (UNCDF 2022a, 2023c).

RAKBANK (United Arab Emirates) – Leveraging employer engagement: RAKBANK in the UAE discovered that over half of its customers learned about their app from their employers, indicating an avenue for collaboration. Collaborating with employers to assist employees, particularly women, in registering for mobile wallets can prove effective (UNCDF, 2022c). Whether it is women's diaspora networks, local agents or employers, such local networks have proven successful in helping onboard women on bank and wallet channels and overcome issues of trust and safety.

BRAC Bank (Bangladesh): Tailoring strategies to transaction behaviour patterns: Understanding distinct transaction behaviours among men and women enables tailored strategies. For instance, women in Bangladesh tend to send smaller amounts, making mobile wallets more appealing. BRAC Bank's promotion of the bKash digital remittance channel to accommodate small transactions resulted in increased customer adoption and improved gender representation. The wallet was able to successfully reach low-income people, who accounted for 23 percent of customers, compared to 3 percent for the regular bank account, and the proportion of women increased from 37 to 45 percent during the period the wallet was launched (UNCDF, 2022h, 2023h). By consistently applying women-centred design principles, FSPs can effectively close the gender access gap, enhance digital remittance usage, and drive financial inclusion.

Other examples of women-centric design are the extension of RSPs' opening hours to serve migrant workers, particularly women, with constrained mobility and time. Digital remittances sent via the mobile app are available 24/7 and can also be used outside of regular working hours.

2. Design customized financial education programmes for women remittance customers

Targeted financial education programmes should be developed that empower customers, especially women, with the knowledge and skills to make informed decisions about their remittances and broader financial health. Accessible and culturally relevant resources that cover topics such as budgeting, saving, and managing digital transactions should be provided, ensuring that customers are well-equipped to leverage digital remittance services effectively. There are various digital financial literacy and education modules available for migrant financial services, which are often considered most effective when conducted either at migrant pre-departure campaigns or during sending or receiving remittances.[23]

Customized financial education programmes hold substantial promise in empowering remittance customers, particularly women, facing specific financial challenges. These programmes offer insights into financial management, which RSPs can further embed into product development. Content should align with target audiences' cultural norms while offering resources in recipients' native languages enhances comprehension. Lucy mobile banking in Singapore and SentBe in the Republic of Korea provide compelling examples of leveraging tailored marketing and financial literacy programmes.

Lucy (Singapore) – Language options for inclusivity: Lucy mobile banking recognized the importance of linguistic accessibility. By introducing language options aligned with customers' native languages such as Burmese and Tagalog, it ensures that customers feel comfortable navigating the app and accessing crucial financial information in languages that are most comfortable with (UNCDF, 2022g). This approach not only increased customer engagement, but also promoted inclusivity and accessibility, especially among migrant customers who might have limited proficiency in English.

23 See, for example, UNCDF. Digital Financial Literacy Toolkit. A guide to designing gender-responsive digital financial literacy programs for migrants and remittance recipients.

SentBe (The Republic of Korea) – Women-focused financial literacy programmes: SentBe, a fintech operating in the Republic of Korea, understood the significance of tailoring financial literacy programmes to women's needs. By offering women-focused financial education programmes in native languages, supported by trusted ambassadors, they tapped into the power of relatability and trust. The training module focuses on the migrant's financial aspirations and goals as well as better comprehending concepts such as transaction costs and fees. These programmes equipped women with the knowledge and skills to confidently manage their finances, thereby fostering financial independence and participation.

3. Promote gender-responsive workplace practices in the remittance sector

A transformative organizational culture that embodies gender equity and inclusivity should be embraced, enabling all staff members to excel in serving a diverse customer base. Comprehensive training initiatives should be crafted to sensitively educate employees, including agents, support teams, and management, about the nuanced requirements of diverse customer segments. By fostering an environment of inclusivity, FSPs can forge deeper connections with customers, resulting in enhanced service quality and heightened customer satisfaction.

The insights garnered from the challenges women face in adopting digital remittance services, particularly those related to safety and trust concerns, highlight the paramount importance of elevating customer interactions. Ensuring that customer service representatives and agents are well-versed in these challenges positions them to deliver empathetic and precisely targeted assistance. By implementing focused training programmes that heighten employee awareness and empathy toward the distinctive needs and apprehensions of women, a more compassionate and understanding service environment can be cultivated. This strategic approach not only instils customer confidence, but also underscores FSPs' commitment to prioritizing gender-responsive services and a customer-centric ethos.

Financial institutions are encouraged to proactively evolve into gender-inclusive entities, where all staff members – from agents to executives – feel empowered to serve customers. Noteworthy examples include institutions with dedicated social missions that have fostered a culture of women's empowerment, leading to enhanced service delivery for women customers.[24] Establishing a stronger women's representation on organizational boards and appointing gender champions further underscores the commitment to gender-responsive practices. Moreover, diversifying the workplace by recruiting more women as field agents can create a more comfortable environment for women customers to engage in financial matters.

RAKBANK (United Arab Emirates) – Empowering women in financial services: A compelling illustration of this positive impact is RAKBANK's achievement in onboarding 7,000 additional women customers. By deliberately hiring more women as field and telesales agents, they created a more inclusive atmosphere. This approach resonated with women customers, fostering a higher level of comfort and trust in engaging with financial services. RAKBANK's endeavour is a testament to the tangible outcomes that result from a concerted effort toward inclusivity and gender responsiveness (UNCDF, 2023f). This success reinforces the potential of a diversified workforce in creating a more inclusive and accessible financial environment for all.

24 Examples of financial institutions that have guided social missions and that helped develop an organizational culture of women's empowerment can be found in ILO (2016), GBA (2018) and UNCDF (2021d).

4. **Encourage customers' transition to digital remittances to enhance customer loyalty, especially for women.**

When customers adopt digital remittance methods, they seldom revert to cash; 77 percent of those who tried digital methods tend to prefer them. This is particularly impactful for women customers, who, despite facing initial onboarding challenges, show equal or even greater loyalty than men. Women tend to initiate smaller yet more frequent transactions, often maintaining higher retention rates. Financial institutions can solidify customer loyalty, especially among women, by facilitating firsthand experiences with digital services. Additionally, customers who receive remittances digitally are significantly more inclined than cash recipients to engage in other mobile payment activities (78 vs. 33 percent). Platforms offering both remittance and domestic payment services are better positioned to enhance stickiness and customer loyalty (UNCDF, 2022a, 2023c).

Wizall Money (Senegal) – Amplifying loyalty through digital transition: In Senegal, Wizall Money serves as a remarkable example of how transitioning from cash to digital remittances can yield substantial benefits. This transition not only resulted in increased transaction frequency but also heightened loyalty, setting apart those who embraced digital channels from 'cash only' customers (UNCDF, 2023b).

SentBe (The Republic of Korea) – Fostering loyalty among women: SentBe's experience in the Republic of Korea underscores the potential of digital transitions to foster loyalty, particularly among women. After transitioning to digital remittances, women emerged as more loyal digital customers than their male counterparts.

IME Pay (Nepal): Unlocking transaction potential: In Nepal, IME Pay's success story unveils the tremendous potential of digital platforms. International remittance recipients utilizing digital channels conducted an average of 33 additional transactions per year, amounting to $2,000 of additional domestic payments made per customer. Notably, these recipients were 22 percent less likely to exit the platform than the average wallet users.

To enhance long-term customer engagement, recognizing the crucial role of trust in remittance services, especially as a key factor in service provider selection, demands immediate attention. The insights of this report also demonstrate that RSPs and financial institutions should consider the financial health of senders and recipients, especially women, when improving their remittance products and service delivery, for example, by making transfers less stressful, or improving features of trust and convenience. A transparent, user-friendly digital platform not only provides women with greater control over remittance allocation, but also significantly enhances their financial empowerment. To achieve this, it is essential to offer robust customer support mechanisms and transparent information. Addressing concerns over remittance fees, exchange rates and transaction timelines equips women to confidently navigate their financial decisions.[25] A demand for real-time tracking of fund movement and comprehensive notifications emphasizes the importance of responsive customer support. This support not only fosters trust, but also amplifies customer voice, refining their decision-making skills, control, and choice (UNCDF, 2021d, 2023e, forthcoming).

25 For example, recognizing the pivotal role of overcoming barriers of trust when selecting a service provider, some platforms such as Saver Global and several RSP websites are more transparent in displaying full pricing levels showing multiple fees and of multiple providers directly on their website (https://saverremit.com).

5. Tailor digital remittance products to diverse use cases for women including education, health, and energy payments

Remittances have diverse and multifaceted purposes, serving as resources for covering a spectrum of expenses, including household needs, children's education, business investments, energy and utility payments, medical bills, debt repayment, and savings mobilization and accumulation. Women tended to use remittances to pay for education, health, and utility bills, while men tended to use remittances to start or improve a business.

Considering these varied intentions, it becomes essential to shape digital remittance products to cater to this wide range of specific use cases. By creating functionalities that enable direct payments for essential necessities, such as school fees, medical expenses, and renewable energy solutions, can serve as a bridge toward customer empowerment. Remittances thereby can support a variety of SDGs, including poverty reduction, education and health, clean energy, and inclusive growth.

Ping Money (The Gambia) – Empowering energy payment: Ping Money, a fintech company, exemplifies the integration of digital remittances with specific use cases by enabling migrants in the United Kingdom to settle energy bills under $10 through international remittances in The Gambia (UNCDF, 2022i). This innovative approach shows how digital remittance products can facilitate essential services, addressing the practical needs of recipients while supporting progress toward Sustainable Development Goal 7 (Affordable and clean energy).

Lion Bank (Ethiopia) – Enabling value-added services: Lion Bank in Ethiopia partnered with a fintech HelloCash to this end. It now offers remittance-linked payment services that allow customers to pay for bill payment fees, education fees, solar energy, and merchant payments.

Wizall Money (Senegal) – Direct school payments for empowerment: Wizall Money, a fintech company in Senegal, exemplifies the empowerment potential of tailored digital remittance products by enabling wallet users to make direct school payments for their children through the mobile app (UNCDF, 2022e). This innovation streamlines the allocation of remittances directly to education, eliminating the need for agent visits and cash withdrawals. By facilitating these direct and targeted transactions, Wizall Money contributes to advancing education and underscores the role of remittances for customer empowerment.

6. Expand integration of digital remittances with other financial services

When digitized, remittances can also be linked to other financial services such as savings, credit and insurance, and pensions), therefore becoming an onramp to a highway of fuller financial inclusion for migrants and their families, especially women. There is an opportunity for cross selling of digital remittances and linked savings services in countries of origin and destination.

By providing customers, particularly underserved women, with a comprehensive array of financial services, this approach has the potential to drive financial inclusion and resilience opportunities for migrants and their families, especially women. Notably, 86 percent of recipients and 66 percent of senders engage with at least one additional financial service, spanning domestic payments, savings, loans, credit cards, and insurance. While women's financial inclusion rates may lag behind those of men, digital remittance products should cater to their distinct lifecycle stages and financial needs. RSPs could partner with local financial institutions to offer a diverse range of integrated financial services.

BRAC Bank (Bangladesh) – Integrating remittances with savings: Among remittance recipients, 55 percent already utilize savings accounts. However, the market lacks adequate remittance-linked savings products. BRAC Bank, guided by customer insights, initiated a pilot project for a savings account that aligns remittances and savings objectives. Collaborating with IPA, the bank conducts an impact evaluation to examine the effect of goal setting on digital remittance uptake, savings, and financial resilience (IPA, 2022).

Wizall Money (Senegal) and SympliFi (Senegal) – Tailoring loans for migrants: Migrants and remittance recipients often face unique circumstances that require specialized loan products. Wizall Money, a fintech in Senegal, is pioneering a credit model for nano loans, tailored to remittance recipients, including women, across West Africa. SympliFi, an innovative fintech, piloted 'digital migrant-backed loans', substitutes cash remittances with loan guarantees, enabling migrants to support their families' loan applications in their country of origin (UNCDF, 2023d).[26]

In addition to savings and loans there are also initiatives to improve migrant and remittance linked insurance products (UNCDF, 2021a).[27]

Recommendations for regulators and policymakers

1. Promote the inclusion of migrant remittances with a focus on women in financial inclusion strategies

The research underscores a pressing concern regarding the gender disparity in the adoption of digital remittances and linked financial services. Incorporating remittances into financial inclusion strategies becomes imperative to bridge this digital divide and ensure that women, along with other marginalized populations, gain equitable access to financial services. In line with the Global Compact for Safe and Orderly Migration and the Maya Declaration, policymakers can set ambitious goals for women's access, recognizing the crucial role remittances play in driving financial inclusion and economic development. One way of doing this is by incorporating ambitious access and usage targets for women, and prioritizing gender inclusivity and remittances into national financial inclusion strategies.

Additionally, economies sending remittances must explicitly recognize migrants as a distinct population group in their financial inclusion plans, considering their unique requirements and challenges.

For example, in 2014, G20 Leaders agreed to the G20 Plan to Facilitate Remittance Flows through which they committed to implement the National Remittance Plans outlining country-led actions supporting effective remittance flows and reducing remittance transfer costs.

Strategies at the sending end should address specific challenges encountered by migrants, such as KYC processes, credit scoring limitations, and ensuring access to savings and pensions upon their return to the country of origin. By embedding remittances within financial inclusion strategies and tailoring these strategies to migrants' distinct needs, policymakers can create a

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26 Another example includes the fintech Migrante offers Venezuelan migrants and refugees in Chile unsecured loans to pay for rental deposits and diploma certification, and to finance a car or a motor bike (Vallee and Larrain, 2021).

27 For example, AXA Insurance offers health, disability and life insurance for Asian and African migrants that is marketed and offered through partnerships with remittance companies. The social enterprise Dreamlopments in Thailand developed a voluntary comprehensive health insurance policy for migrants along the Thai Myanmar border. Knights of Columbus offers extensive health and accident insurance and pensions for Mexican migrants in the United States of America (UNCDF, 2021a).

more equitable financial landscape that supports both women's empowerment and broader economic growth.

2. Leverage gender-disaggregated data for inclusive remittance strategies

Women often encounter more challenges than men when transitioning from costlier cash-based methods to digital remittance options. The findings in this report underscore the necessity for comprehensive data collection on remittance transactions, particularly with gender-specific insights, to gain a deeper understanding of the barriers that women face in adopting digital remittance services. By harnessing gender- and sex-disaggregated data, central banks and regulators can make well-informed decisions that target and lift the barriers women face, ensuring their meaningful participation in the digital remittance ecosystem. Central banks and other policymakers are in a unique position to not only influence the market through policy, but also through the data they choose to make available. RSPs have started to express the need for a better understanding of the gendered usage of remittance products in both sending and receiving markets.

However, few central banks have detailed sex- and other disaggregated data on remittance flows (see, for example, UNCDF, 2021b). Nepal, Rwanda, Mexico, and South Africa are leading examples because their reporting and monitoring systems look at the gender divide in access and usage for a variety of financial services, from the national to the local administrative level.

Capitalizing on data disaggregated by sex, age, and corridor provides governments and regulators with the information needed to develop supportive policy and effective regulation and supports the private sector with the insights they need to develop and target appropriate products (UNCDF, 2021b).

3. Create gender-responsive frameworks to empower remittances

Establishing an environment conducive to digital remittance services requires the formulation of gender-responsive policies and supervision frameworks. Collaboration with underserved populations, particularly women, is essential in this endeavour. By incorporating the perspectives and needs of these groups into policy design, regulatory bodies can ensure that resulting frameworks foster the empowerment of women within the remittance ecosystem.

Regulators play a pivotal role in cultivating an inclusive and secure digital remittance environment. In the policy formulation process, it is crucial to involve and consult the underserved segments of the market, especially women. This approach acknowledges the differing impacts on women and men and enables policies that cater to both.

A powerful example of this approach is seen in incorporating the focus on informal remittance and cash-based channel usage by women migrants with the goal of formalizing remittance flows. This alignment contributes to greater financial inclusion for both women migrants and their families. Successfully shifting from informal and cash-based remittances to formal channels for women requires a nuanced understanding of migrants' usage of such methods. By comprehending these dynamics, remittance flows can be directed into formal, regulated channels, yielding positive financial inclusion outcomes for receiving countries and women migrants and their families. This transition has immense public policy significance, and it is essential to address the digital and gender divides within remittance markets for its successful realization (UNCDF, 2022j, 2023a).

4. Enhance financial education for migrants and their families

The link between women's educational background and their engagement with digital remittances underscores the significance of bolstering their digital financial literacy and capabilities. Hence, a crucial recommendation is to actively equip women with the essential skills and knowledge required to confidently navigate the digital financial landscape.

Regulators play a pivotal role in driving tailored digital financial capability initiatives for women. Collaborative efforts can be initiated among financial institutions, educational establishments, migrant associations, and employers. By enabling and encouraging stakeholder engagements and partnerships, a comprehensive network of support can be established to provide accessible and relevant training in digital and financial literacy and enhance financial capability among women migrants and their families. These initiatives can seamlessly integrate into migrants' pre-departure programmes, be delivered in partnership with employers, or offered by RSPs together with digital remittance solutions to facilitate "in time learning", where migrants gain practical knowledge precisely when they need it.

The National Bank of Rwanda serves as an example of a regulator implementing financial literacy interventions to enhance women's financial inclusion. Additionally, Colombia and Mexico are exemplary in that their respective Ministries of Foreign Affairs, primarily through the US Consulate, organizes financial education workshops that support migrants' financial literacy. These instances highlight the potential of collaborative initiatives driven by regulators and stakeholders to empower women migrants with crucial digital financial skills.

5. Strengthen customer protection for migrants and their families

The cross-border nature of remittances, often involving multiple FSPs and a broader value chain, poses challenges for effective complaint mechanisms with a unified client contact point. To bolster customer protection, regulatory authorities should take a proactive role in overseeing market conduct, with a specific emphasis on addressing customer complaints. Establishing clear guidelines for complaint resolution and holding RSPs accountable are crucial in fostering user confidence.

Insights also stress the need for improvements in the transparency and disclosure requirements of digital apps. Regulators and remittance companies should ensure that their interfaces are user-friendly and provide customers with comprehensive information about all costs associated with the service. This enables easy comparisons between different product offerings, enhancing trust within remittance markets. Furthermore, the effective storage, analysis and utilization of customer complaints data can drive continuous improvement and informed policy formulation.

The Central Bank of the Philippines, Bangko Sentral ng Pilipinas (BSP) serves as a prime example, having introduced a nationwide chatbot portal named BOB to facilitate customer-complaint registration and enhance responsiveness. Similarly, other countries such as Rwanda have also implemented customer complaint database solutions.

Gender-intelligent and migrant-centric digital remittances will not be developed automatically – they will require new ways of thinking, collaboration, data, research, and product design with, rather than for, final users. Migrants will make the shift from cash-based and informal remittances to formal methods if – and only if – remittance and FSPs earn their trust and make it worth their while. But if this is successful, remittances will not just be cheaper and faster, but will also serve as an on-ramp to full financial inclusion that migrants and their families, especially women, can use to help build the futures they want.

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GLOSSARY

Access to remittances implies that digital remittances are fully available to migrants and remittance recipients' families.

Cash-based channel is a method of providing remittance services in cash over the counter in a branch of a financial institution through money transfer services or a mobile banking or informal agent.

Customer empowerment is a process that builds customer trust and confidence through an interactive relationship between remittance service providers (RSPs) and financial service providers (FSPs) and their customers – i.e., the migrants and those who receive remittances from migrants. This is crucial for improving the uptake and usage of digital remittances and remittance-linked digital financial services. The assumption is that when customers are empowered, they make more informed choices, trust the institutions they interact with, are comfortable using the financial services they value, and feel more in control of their financial lives *(definition by CGAP and UNCDF).*

Digital channel is a method of providing remittance services through the internet and mobile phones (both smartphones and digital feature phones). If money was withdrawn from an ATM machine or used through a POS device, then it was still considered a digital transaction because it terminated in a bank account. If the agent or customer helped to make a bank transfer for another customer, then it was also considered to be a digital transaction because it was not terminated in cash.

Digital financial services refer to an entire class of financial products and services which can include a wide offering including but not limited to savings, credit, insurance, securities, payments, and transfers, and are differentiated in their own class due to their digital or electronic means of delivery *(definition by Data2X).*

Digital financial literacy refers to acquiring the knowledge, skills, confidence, and competence to safely use digitally delivered financial products and services, make informed financial decisions, and act in one's best financial interest based on his or her economic and social circumstances *(definition by Alliance for Financial Inclusion).*

Financial inclusion is a state in which all people who use financial services have access to a full suite of quality financial services, provided at affordable prices, in a convenient and dignified manner. Financial services are delivered by a range of providers, most of whom are private, and reach everyone who can use them, including persons with disabilities, low-income earners, and rural, and other excluded populations *(definition by Centre for Financial Inclusion).*

Financial health broadly refers to the overall well-being and stability of individuals and families in managing their finances, including the capacity of customers to meet their current needs (financial security), absorb unforeseen financial shocks (financial resilience), pursue financial goals (financial freedom), and control their finances *(definition by UNCDF).*

Financial resilience is the ability to manage unforeseen expenses and urgencies, encompassing income loss, employment fluctuations, unanticipated health crises, and unanticipated asset depreciation.

A financial service provider (FSP) is an organization that provides banking, loans, money transfers, and financial options to customers. These include banks, payment providers, insurers, receivables managers, intermediaries, funds, and investment funds, building societies and credit unions.

Foreign domestic workers are individuals who work in or for a private household or households in an employment relationship in a country of which he or she is not a national *(definition by ILO).*

Gender refers to the roles, behaviours, activities, and attributes that a given society at a given time considers appropriate for men and women. In addition to the social attributes and opportunities associated with being male and female, and the relationships between women and men and girls and boys, gender also refers to the relationships between women and those between men. These attributes, opportunities and relationships are socially constructed and are learned through socialization processes. They are context- and time-specific and changeable. Gender is part of the broader socio-cultural context, as are other important criteria for socio-cultural analysis including class, race, poverty level, ethnic group, sexual orientation, and age, etc. *(definition by UN Women, OSAGI Gender Mainstreaming).*

Gender equality (i.e., equality between women and men) refers to the equal rights, responsibilities and opportunities of women and men, and girls and boys. Equality does not imply that women and men are the same, but that women's and men's rights, responsibilities and opportunities will not depend on whether they are born male or female. Gender equality implies that the interests, needs and priorities of both women and men are taken into consideration, recognizing the diversity of different groups of women and men. Gender equality is not only a women's issue, but also concerns and fully engages men as well as women. Equality between women and men is seen both as a human rights issue and as a precondition for, and indicator of, sustainable, people-centred development *(definition by UN Women, OSAGI Gender Mainstreaming – Concepts and definitions).*

Gender-responsive refers to any programmes, policies or activity that addresses gender-based barriers, respects gender differences and enables structures, systems, and methodologies to be sensitive to gender, ensures gender parity is a wider strategy to advance gender equality, and aims to close gaps and eradicate gender-based discrimination *(definition by the Inter-agency Network for Education in Emergencies)*. It may also refer to a gender-smart, gender-intelligent or women-centred design.

Human-centric design is an approach to interactive systems development that aims to make systems usable and useful by focusing on the users, their needs, and requirements and by applying human factors and usability knowledge and techniques.

Know Your Customer (KYC) refers to investment industry standards that ensure that advisors can verify a customer's identity and know their financial profile to prevent fraud, corruption, money laundering and the financing of terrorism.

International remittances consist of household income mainly from people's temporary or permanent move to foreign countries. Remittances include cash and non-cash items that flow through formal channels such as electronic wire, or informal channels, such as money or goods carried across borders. They largely consist of funds and non-cash items sent or given by individuals who have migrated to a new country and become residents there, and the net compensation of border, seasonal, or other short-term workers who are employed in a country in which they are not resident (definition by the International Monetary Fund (IMF)'s Balance of Payments and International Investment Position Manual, sixth edition).

Migrant worker is a person who is to be engaged or has been engaged in a remunerated activity in a state of which he or she is not a national *(definition by United Nations Convention on the Protection of the Rights of all Migrant Workers and Members of their Families, 1990, Article 2(1)).*

Recipient is a relative or friend of a migrant living in the migrant's country of origin who receives the remittances.

Remittance service provider is an individual, business or organization that transfers funds between a migrant and a recipient in the migrant's country of origin and may require currency exchange.

Sender is a migrant who sends remittances to a relative or friend living in the country of origin.

Sex refers to the physical and biological characteristics that distinguish males and females *(definition by UN Women).*

Sex-disaggregated data are data that are collected and grouped based on the reported sex of the individual—male or female. In this report, the term is used to indicate the collection and grouping of data based on the sex of the account holder, generally through ID cards or other forms of identification. Many countries are starting to add a third category or naming the binary sex category as 'sex at birth' *(definition by Data2X and the Financial Alliance for Women).*

Sustainable Development Goals (SDG) represent the urgent call for action to all countries to collaborate to end poverty, improve health and education, reduce inequality, spur economic growth, and protect the planet by 2030 (United Nations – 17 Sustainable Development Goals).

ANNEXE 1 SAMPLING APPROACH

Table 2 below provides the detailed samples and data available per RSP partner for the supply side transaction data and the demand side phone survey and qualitative interviews.

Supply-side transaction data

During this action research, UNCDF analysed 15 million remittance and domestic payment transactions collected from the management information systems (MIS) of six RSP partners, segmenting the transactions by customer characteristics to identify trends among different segments by gender, age groups and corridors. The transaction data analysis was carried out with a dual purpose: first, to understand the basic profiles of customers in terms of demographic characteristics and the transaction behaviour; and second, to further use those customer profiles of the RSPs as a basis for conducting the demand-side surveys. The transaction data are rich, frequently and routinely collected and can offer detailed customer segmentation by sender, recipient, countries of origin and destination of migrants, sex, age, and other demographics, remittance volume, transaction frequency, corridor, and channel type (digital, cash). After the phone interviews were conducted and with the informed consent of the customers, the remittance transaction and survey data were then linked to obtain a fuller profile of access, usage, and financial health outcomes.

Demand-side customer data

UNCDF commissioned KIT (Royal Tropical Institute), Butterfly Works and Aflatoun International to conduct demand-side research among active customers of the RSPs through phone surveys and qualitative behavioural interviews. The survey was administered by phone using the computer-assisted telephone interview (CATI) method (each interview lasting 15–20 minutes). A random selection of active customers was taken from each RSP partner, sampled equally from profile clusters that were identified through the supply side data analytics process.

The phone surveyed was conducted with 2,882 active customers (senders and recipients) to better understand their profiles, (age, income, education), their barriers and access to remittances, use of remittances, customer satisfaction, and overall financial inclusion and financial health situation. These customers already used formal remittance channels and made at least one transaction in the past 365 days.

Two distinct methods of sampling were deployed, remittance-receiving customers were sampled by their primary transaction channel (cash, e-wallet, or bank), while remittance-sending customers were sampled by their country of origin. Among the four RSPs that were active at the receiving end, customer profiles were sampled by segmenting cash and digital transaction that were sent from any migrant destination country to Bangladesh, Nepal, Senegal, and Ethiopia. For example, for IME in Nepal, one cluster of customers was sampled who used digital remittances via the IME wallet, and one cluster that received remittances via cash-based channels. The major corridors included Malaysia-Nepal and the UAE-Nepal. A total of 2,329 recipients were surveyed.

The sampling for the phone survey at the sending side was harder because there were fewer and smaller RSPs. A total of 556 were interviewed for two RSPs. The initial intention was to look at specific corridors to the LDCs – Ethiopia, Senegal, Nepal, and Bangladesh, however, the sending-side RPSs had relatively few customers in these target markets. In both the UAE and the Republic of Korea, customer corridors were selected by migrant origin country with a focus on Bangladesh and Nepal. Since transaction data analytics found a high adoption of digital remittance channels among women Filipino migrants, this customer profile was deliberately added for the survey. For the UAE, India was also included as a fast-growing corridor that could be conveniently compared to Nepal and Bangladesh. While the inclusion of the additional corridors and thus profiles made the sample less harmonized, the lessons and insights from these corridors nevertheless proved insightful at the sending side from a gender perspective.

The survey indicators used as the basis for this report, include the following:

- Demographic customer profile data (sex, age, income, education)
- Preference and use of channels (cash, digital)
- Remittance usage for household expenses, health, education, productive investments, etc.
- Usage of other financial services including domestic payments, savings, credit, and insurance
- Financial literacy needs
- Customer satisfaction benefits and challenges of accessing and using remittances
- Remittance-related financial health outcomes, including ability to withstand shocks, and control over choosing how remittances are spent (see Link for the full survey)

Customer qualitative interviews

The 122 qualitative behavioural interviews enriched the research with the detailed experiences of senders (n=27) and recipients (n=95). To gain valuable insights on the behavioural patterns across different customer groups, a minimum of 12 participants were interviewed in person from each distinctive customer profile cluster of the phone survey, (See Table 2). The qualitative interviews helped to understand what motivates customers and how and why migrants and recipient families use and access remittances and other financial services. It further helped provide insights on why certain outcomes occur and how to empower remittance customers through human centric design support (UNCDF 2021d, 2022k).

Due to ongoing COVID-19 precautions and restrictions, a diversified approach across countries was required to complete the quantitative and qualitative research. For example, in Singapore, Senegal and Bangladesh, qualitative interviews were conducted in person, while in the UAE interviews were conducted virtually. Like with the phone survey, fewer people were interviewed at the sending side. The varied interview formats and the ability of in-person interviews to elicit more personal responses should be considered in comparing qualitative insights across countries.

Table 2. Sample survey and qualitative interviews

Remittance service provider	Country	Type of RSP	Remittance methods offered	Transaction data sample size* (% women customers)	Survey sample size (% women surveyed)	Qualitative sample size (% women interviewed)	Sample stratification	Clusters	Median Remittance Transaction
BRAC Bank	Bangladesh (Receiving)	Bank	Digital and cash	4 Million (39%)	507 surveys (47%)	36 interviews (41%)	Receive Transfer method	Bank Wallet Cash	Women –$156 Men – $193
IME Pay	Nepal (Receiving)	Mobile Money Operator	Digital and cash	6.4 Million * (55%)	991 surveys (49%)	23 interviews (61%)	Receive Transfer method	Bank Wallet Cash	Women – $253 Men – $246
Lion Bank	Ethiopia (Receiving)	Bank	Digital	6.150 (25%)	401 surveys (43%)	-	Receive Transfer method	Bank	Women – $64 Men – $191
Wizall Money	Senegal (Receiving)	Fintech	Digital and cash	0.4 Million (35%)	427 surveys (52%)	36 interviews (61%)	Receive Transfer method	Wallet Cash	Women – $71 Men – $97
RAKBANK	UAE (Sending)	Bank	Digital	2.2 Million (15%)	355 surveys (48%)	12 interviews (58%)	Remittance sending corridor	Nepal India The Philippines	Women – $137 Men – $149
SentBe	The Republic of Korea (Sending)	Fintech	Digital	2 Million (41%)	201 (42%)	-	Remittance sending corridor	Bangladesh Nepal The Philippines	Women – $302 Men – $426
Lucy	Singapore (Sending)	Fintech	Digital	-	-	15 interviews (100%)	Remittance sending corridor	Myanmar Indonesia The Philippines	-

Note: The report draws from a total data pool of 15.4 million transaction records (six RSPs), 2,875 surveys (six RSPs) and 122 qualitative behavioural interviews (five RSPs). These RSPs are highly diverse and active in sending countries (Singapore, the UAE, and the Republic of Korea) and receiving countries (Bangladesh, Nepal, Ethiopia, and Senegal). Sample sizes and available data varied substantially due to the specific needs and nature of the RSPs (e.g., bank or fintech, size and maturity of the company, countries, channel types and corridor-specific needs for analysis). For example, only qualitative data collection was done for start-up firm Lucy, while a full analysis was made of transaction data, surveys, and qualitative interviews for IME in Nepal and BRAC Bank in Bangladesh.

Table 3 Summarizes the descriptive statistics by sender and recipient and gender. Overall, the sample was balanced across women (47 percent) and men (53 percent), to allow for sex-disaggregated data analysis. Since only active customers of the RSPs were surveyed, all interviewees were already using formal remittance channels and most of them used digital channels. At sending side all interviewees used digital channels. At the receiving end 2 out of 3 customers used digital (mobile or bank) and only 1 out of 3 used cash-based channels, making it possible to compare cash and digital users at the point of termination of the remittances. Because customers were using digital remittance channels, this also means they were more likely to already have some basic digital skills and be relatively educated. Interestingly, around half of the interviewees – especially the migrants – reported to have low household income for national standards. Also, as many as 36 percent of the sample, especially women, were not working at the recipient end.

Table 3. Descriptive Statistics (By sender/recipient and sex)

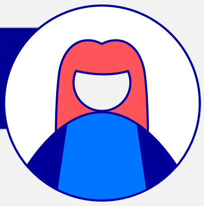
	SENDER		RECIPIENT				TOTAL
% Digital channel	Digital		Digital		Cash		
	Women	Men	Women	Men	Women	Men	
% youth <35 years	75%	65%	71%	68%	56%	51%	64%
% low income*	75%	71%	49%	39%	60%	58%	53%
% married	49%	60%	64%	50%	88%	69%	63%
% not working	9%	7%	55%	26%	62%	31%	36%
% Tertiary education	47%	53%	35%	42%	10%	19%	34%
% transactions < $200	47%	46%	53%	57%	38%	36%	48%
% users only 1 time	0	17%	37%	0	63%	67%	43%
Sample size (n)	234	322	682	755	440	451	2,885

** Low income follows national household income brackets in the country, for example, low income is defined as monthly household income before taxes below $1,767 for the Republic of Korea, $1,906 for the UAE as sending countries, and in receiving countries, below $180 for Bangladesh, $390 for Nepal, $116 for Ethiopia, $347 for Senegal.*

It is important to note that in this report the insights will focus on common and generic insights across analyses, and the country and corridor- specific analyses are published in an insight series (UNCDF, 2022a-2022i, 2023b-2023h). Where needed, we highlight RSP specific outcomes or explain how RSP insights differ across samples. For example, Figure 25 combines transaction, survey, and qualitative data to create detailed customer profiles and conduct customer journey mapping for the RSPs presented in the article series. Below is an example for Nepali customers.

Figure 25. Customer Profiles, an Example for Nepal.

Cash Customer - Usha



"I use the agent because I find it convenient, safe, easy, and close to my place. I am not aware of the IME Pay mobile wallet, if I have more information, I will use it."

Usha lives in Kathmandu with her two children and her in-laws. Her husband migrated to the United Arab Emirates (UAE) two years ago and now sends money home each month to provide for the family's physical needs.

Usha prefers to pick up her remittances from a nearby IME Pay agent in the morning so that she can use the rest of the day to allocate and spend the funds. As collectively agreed with her family, she uses the funds to buy groceries and pay the household bills, the children's school fees and health insurance for her oldest child. Eventually, she hopes to have enough to buy health insurance for all of her children, but for now, she saves any leftover amount in cash for emergencies.

Usha has a smartphone but tries to minimize her internet usage because data costs are expensive.

A typical "Cash User" is:

- Female (57%)/ Male (43%)
- Youth (18%), Adults (58%), Elderly (24%)
- Low-Income (64%)
- Middle Income (18%)
- High income (9%)
- Informal Education (15%)
- Primary Education (13%)
- Lower Secondary Education (43%)
- Higher Secondary Education (21%)
- Tertiary (8%)
- Married (80%)
- Unemployed (43%)
- Ticket size below $200 (38%)
- Ticket size between $200-500 (38%)
- Ticket size above $500
- per transaction (24%)
- Average Ticket size $157

Source: IME phone survey, transaction data analytics and qualitative interviews.
** Income brackets for low-income is below NPR 47.000/ month, middle 47.001-84.000, and high above NPR 84.001+*

Mobile Wallet Customer - Rabin

"The IME Pay wallet came at the right time during COVID-19 restrictions. It enabled me to easily receive remittances and access additional services."

Rabin is married with two children. He works in the services sector as a Call Center Representative. His brother lives in Saudi Arabia and sends remittances to supplement Rabin's income and to help support the men's aging parents.

Rabin learned about the IME Pay mobile wallet during the COVID-19 lockdown and has used it ever since. In addition to using the wallet to receive his brother's remittances, Rabin uses it to pay bills, send domestic transfers to family living in rural areas and top-up his mobile airtime. Although Rabin is very comfortable using the app, he finds that the transaction limits are too low for some of his needs.

A typical "Mobile wallet user" is:

- Male (78%)/ Female (22%)
- Youth (26%), Adults (69%)
- Elderly (6%)
- Low-Income (51%)
- Middle Income (22%)
- High income (18%)
- Informal Eduation (5%)
- Primary Education (5%)
- Lower Secondary Education (23%)
- Higher Secondary Education (35%)
- Tertiary (32%)
- Married (57%)
- Ticket size below $200 (40%)
- Ticket size between $200-500 (37%)
- Ticket size above $500
- per transaction (23%)
- Average ticket size $160

Source: IME Pay Customer Phone Survey, except where asterisks (*) indicate data from IME Pay's Management Information System.
Note: Income brackets are: low < NPR47,000/month; middle = NPR47,001 – NPR84,000/month; and high > NPR84,001/month.

ABOUT THE UNITED NATIONS CAPITAL DEVELOPMENT FUND

The UN Capital Development Fund assists developing countries in the development of their economies by supplementing existing sources of capital assistance by means of grants, loans and guarantees, first and foremost for the least developed among the developing countries.

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ABOUT MIGRATION AND REMITTANCES

UNCDF aims to improve the functioning of remittance markets by improving the financial resilience of men and women in migrant workers' families while supporting economic development in countries of origin and destination. To strengthen the global evidence, UNCDF collects, analyses, and disseminates reliable and comparable remittance transactions as well as survey data. UNCDF engages with public and private sector stakeholders to strengthen the capacity of regulators to contribute to the design of migrant-centred financial products and services such as savings, credit, insurance, payment services, remittances, pensions, and investments.

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