

Make Me Care About...

Make Me Care About...Digital Money

Podcast episode nine transcript

Jen Hatmaker: You guys, today's conversation is super personal for me, and it might be for you too. We're talking about women being financially empowered. This is a big deal for me. I found myself personally leaving a 26-year marriage. And I didn't know how much money I made, I didn't know where it was, I didn't know what it was doing. And it took a ton of work to pull into a place where I felt like I have the knowledge and the control that I need here to be empowered. And I know this is a lot of our stories and this conversation can be really prickly. And so we have an incredible guest today who has a lot to say on the subject. And she is going to talk to us about the importance of women having access to digital money.

Deon Woods Bell: So in today's fast-paced world, access to digital money and control, and I repeat, control, over accounts are the most important predictors of a woman's economic empowerment. So when women can fully participate in the economy, they will be able to enhance the prosperity of their families, their communities, and even the entire country.

Jen Hatmaker: Created in partnership with the Bill & Melinda Gates Foundation, this is Make Me Care About. I'm Jen Hatmaker, and with me is Deon Woods Bell, senior advisor of global policy for financial services for the poor at the Bill & Melinda Gates Foundation. And today, Deon is helping us care about digital money. All right, Deon. Hi. Let's get into this. I think I understand being in control of your own financial choices, but I don't fully understand what you mean by digital money.

Deon Woods Bell: Digital money is an electronic form of payment. Here in the US we use systems like Cash App, Venmo, Apple or Google Pay. In other countries, such as Kenya, they use a system called M-Pesa. M-Pesa is a mobile phone-based money payment system. And this is central to women's economic empowerment because it's linking digital payments and creating personal freedom, reducing the cost of business, as it were. This allowed small business owners, and in particular, women small business owners, to actually do business, democratizing who controls and who owns the payments.

Jen Hatmaker: That I get, that economic empowerment piece. What I don't think I quite understand is the link between that and digital money. So can you tell me just a little bit more?

Deon Woods Bell: Sure. So think about it this way. In times of crisis, like the COVID-19 crisis, or even more unexpected crisis, women need to be able to move quickly. Sometimes, a crisis is dangerous and urgent enough that women need to flee the scene.

Jen Hatmaker: Right.

Deon Woods Bell: And so that's largely influenced by whether or not she has quick access to her funds without getting approval from anyone.

Jen Hatmaker: That makes tons of sense to me. And before we get into some of those details, I would like to know why this matters to you personally, if it does. What is your connection to this issue particularly?

Deon Woods Bell: Well, I care deeply because I come from a family and a mom, a single mom who didn't have a lot of resources.

Jen Hatmaker: Yeah.

Deon Woods Bell: I remember us trying to gather cash and trying to just make ends meet. And I also care deeply because I've lived in other parts of the world where cash and money is even more scarce. So when people have opportunity to access digital money, for me, it means that they have access to opportunity, access to control, potentially the opportunity to own your own business, the opportunity to have self-agency, determination, and freedom. It means everything.

Jen Hatmaker: So digital money in the global landscape is relatively new. This is sort of a modern resource. When would you say that digital money became really important for financial empowerment?

Deon Woods Bell: Well, that's a tough question. It has always been important, but especially during the pandemic we've seen the inequality in the world. And so I'm going to double down on the pandemic and economic crisis as moments where we've been able to deeply understand that if we can get money into the hands of women, and especially if there's no cash, we couldn't even talk to each other. This is a moment when everybody realized this is mission-critical.

Jen Hatmaker: So I love that we have this conversation centered on women for a lot of good reasons. So just playing devil's advocate, why is it that we're talking about women specifically? Is digital money important and useful for everyone? Why the emphasis here on women?

Deon Woods Bell: It is important for everyone, and we have lots of lively conversations I'll say, on our team and in our families, about helping everybody. And indeed, we think of it this way, women having lots of small or micro enterprises and the way their livelihoods depend on access to digital services and potentially other issues. So laundry, repair, cleaning.

Jen Hatmaker: Yeah.

Deon Woods Bell: Down to some basic services, restaurants, catering, tourism, crafts, agriculture. Of course, men are also engaged there. Women are the conduits and the guardians of their families.

Jen Hatmaker: That's right.

Deon Woods Bell: And they make sure communities thrive. We're anchoring on women for those very reasons.

Jen Hatmaker: Yeah. The data is pretty unambiguous that financially empowered women are good for every man, woman, and child. And so I love this conversation. Let me ask you this question. Is there another dividing line besides gender? Is there a geographical trend that you see too?

Deon Woods Bell: We do a lot of work in the lowest, low, and middle income countries. And so the poorest and most vulnerable populations all over the world, there's a divide there, but it's uneven. In Africa, there's certain countries that have more access and control than others, and the same in Asia and Latin America. And so yeah, it's pretty uneven.

Jen Hatmaker: I am obviously so jazzed about this conversation. You do not have to convince me to care about financial empowerment for women. And not just for me, not just for Jen Hatmaker who was completely in the financial weeds and had to find her way through and dig her way out, but for women everywhere. And so my question is, how do we make digital money more accessible for more women all around the world? So all that and more when we come back. This is Make Me Care About, and I'm Jen Hatmaker.

This is Make Me Care About. I'm Jen Hatmaker and with me is Deon Woods Bell, senior advisor of global policy for financial services for the poor at the Bill & Melinda Gates Foundation. And today, Deon is helping us care about digital money. Okay. I've got more questions about this, Deon, because this feels like a really interesting solution as a lift out of extreme poverty for a lot of people and women and their families. So here's what I don't understand yet. I get everything that you're saying, the obvious advantage to having access to digital money at all times, but certainly in crisis. I mean, I can a hundred percent see and understand why that matters. What I don't quite understand is what the barriers are. What are the barriers to women particularly accessing digital money?

Deon Woods Bell: So social inequality are really at the root of the barriers confronting women with regard to digital money. Women may have lower digital skills, face social stigma, have challenges with privacy and security. And this whole bundle of challenges, it creates this chasm between men and women. This is a gender digital divide that it's hard for society to make up, but we can. We can confront those challenges by women having access to digital infrastructure, digital public infrastructure, as some call it. That would mean digital ID, internet, phones, the ability to receive social safety net payments from governments, and things of that nature.

Jen Hatmaker: Do you run up against a lot of cultural or social barriers to simply allowing women access to digital money?

Deon Woods Bell: Wow. You know what? There are so many places where women have a very hard time accessing and controlling their financial services and accounts. You just think about it, I'll paint this picture, right? There's this new data that just came out from the World Bank. It's called the Findex data. It's a huge survey looking at women's finances all over the world. So when you look at that data, what you find is that, and many times the gap between men and women is decreasing when it comes to opening accounts. But then when it comes to who's controlling those accounts, who manages the money, there's still quite a large gap. So we're still trying to figure out how women can both access accounts and have control over their digital accounts. In essence, autonomy and agency when you talk about digital finance.

Jen Hatmaker: From a policy standpoint, if we came up to the 10,000-foot view, why should governments and institutions create policies and infrastructure that encourage women to access digital finances? What's the incentive here?

Deon Woods Bell: I'll go back to the pandemic again. Governments really were caught unprepared during the COVID-19 pandemic. And we know that many other shocks are coming. They're economic hardships, and even the inflation that people were suffering and the food insecurity issues that we're confronting. And so governments need to be able to craft policies and programs that help families given potential shocks. We know that countries who prepare were best able to navigate the COVID-19 pandemic. We had countries and governments, such as the Indian government, that leveraged their widespread ID and payment infrastructure to make sure that over 200 million women got payments. So we need to make sure that there's infrastructure to do that all over the world.

Jen Hatmaker: Wow. Can you give us another success story where you have seen some of these either policies or community education, whatever the operations are, really succeeded, changed a community or a country or a GDP?

Deon Woods Bell: Yeah, yeah. The country of Togo, they were able to quickly ramp up and use digital payments to get money into the hands of women all over the country. And Togo is particularly inspiring because it's a small country and people didn't expect such a small country to move so swiftly. The Togo example shows us that everybody's got the potential. Another titan in this space is Brazil. Brazil was able to pay over 70 million beneficiaries to receive money in their digital savings account. And that was really impressive during the pandemic. It estimated that 40% of the beneficiaries didn't have an account before the pandemic. So by putting these digital tools into the hands of citizens, they were able to actually solve a lot of problems and relieve a lot of hardship.

Jen Hatmaker: And then of course, you get to take those success stories and that data and convince more and more countries to follow suit. What would you like to say beyond access to digital money, once we drill more into data privacy issues or data protection, because these are things we also have to care about alongside access?

Deon Woods Bell: If we're not careful, it could also lead to exclusion, repression, or even some very harmful practices.

Jen Hatmaker: Sure.

Deon Woods Bell: So then the challenge that we have to rise to is not just building this digital economy or digital infrastructure, but ensuring that we lay a foundation that's safe, inclusive, and secure so that consumer privacy and human rights are protected.

Jen Hatmaker: So I have a question for you from an organization standpoint.

Deon Woods Bell: All right.

Jen Hatmaker: I have two questions here. What does it look like for you to work with governments and institutions in a more grassroots way? I'm curious how you reach and educate and empower the women. How do women discover and learn about access, about possibility, about how to maintain control over their own finances?

Deon Woods Bell: So you know what? Nothing that we do makes us more excited than working with people to meet them where they are. So the most energy and the most excitement we get is getting money into the hands of real women. And so we work with a number of women's groups around the world and we make sure that they have access to training, for example, financial literacy. And we're working a lot with governments because governments have strategies and ways to impact the entire population. And so if you think about it, the examples that I provided reached millions of women, reached millions of families, and helped the country stay afloat during really tough times. And so the way we work is engaging on all those different levels, working with the government to roll out social safety net payments. We also work with grassroots organizations. And that makes us very proud because we know that's what's most important at the end of the day.

Jen Hatmaker: Do you have big, audacious projections about what this work could ultimately look like?

Deon Woods Bell: I would say our endgame is to increase women's labor force participation, to increase the financial autonomy and decision making power of women, the agency that women have over their all lives. Time savings, women are always stretched so thin. They need to take time for themselves, for their health, for their families, to be present.

Jen Hatmaker: I have loved this entire conversation today. This one is near and dear to me. Everything that Deon said to all of us today I have known in my heart and soul for decades. I can tell you that I have seen all this bear out in real life. I've been a part of international development work for a long time now, and I'm thinking about a specific example. One of my very favorite women that I met in Ethiopia who was the picture of financial disempowerment, literally. Just had no access to money, could not be financially independent, she was the victim of predatory lending, just all of it. You name it, it was a mess. And then she had access to reliable income and had control over her own money, and literally her life changed. She now owns a tea coffee shop and she has employees, and she bought a house and she has completely rebuilt her life.

And so all of this matters. It means something. Obviously not just for the women that become financially independent and empowered, but it matters for their children and their families and their spouses and their cousins and neighbors and communities. What is good for women is good for everyone. And so I'm thrilled to have this conversation take center stage, and so excited to see how this work continues as we get to witness more and more empowered women around the globe.

Make Me Care About is produced by Jesse Baker and Eric Nuzum of Magnificent Noise. Our production staff includes Sabrina Farhi, [inaudible 00:16:46], Julia Nat, and Kristen Mueller. Our executive producer is Eric Nuzum, and I'm your host, Jen Hatmaker.