

20% OF THESE USE FINANCIAL SERVICES, BUT IN OTHER PEOPLE'S NAMES

By Ali Twaha

There are about 4.5 million young women aged 16-24 in Uganda, nearly 10% of the entire population. They budget, think about the future, and nurture real ambitions around land, business and education.

And yet, when it comes to formal financial services, many of them are effectively invisible. They use the system, just not in their own names, according to a report by the Financial Sector Deepening Uganda (FSD Uganda).

"While there is an increase in financial inclusion, Ugandan women become financially included earlier, but the challenge comes in after the age of 25. Before 25, they are interested and have access to financial services, but it stalls after that," Anthea Paelo, a financial sector consultant, said during the report presentation at Four Points by Sheraton Kampala.

The research, which draws on FinScope survey data from 2009 to 2023, shows that formal financial inclusion among young Ugandan women rose from about 23% in 2009 to 81% in 2023. This has been driven almost entirely by mobile money.

"Young women's broad usage of formal financial services is relatively high at 81%, compared with 4% who use only informal services and 15% who are unserved," the report noted. It established that some young women only access mobile money through accounts registered in someone else's name, a parent, sibling, or trusted neighbour.

Rani Deshpande, a consultant on the study, said these women can receive money, buy airtime, and withdraw cash. What they cannot do is build

MORE YOUNG WOMEN JOIN FINANCIAL SYSTEM - REPORT



Paelo during the Financial Sector Deepening Uganda report presentation at Four Points by Sheraton Kampala recently

a credit history, access insurance, or qualify for a digital loan. She said the women are passengers in a system that treats them as someone else's dependent.

"Twenty per cent of the young women in Uganda use financial services, but not in their own names. They are unregistered users. Another

4% of young women are restricted to using informal financial services and another 15% in this age group do not use any kind of financial service, formal or informal," she said.

The report said the youth gender gap in registered mobile money use has barely moved in a decade. By 2023, 58% of young men held mobile

money accounts in their own names, compared to 48% of young women, a 10% point gap that has sat stubbornly unchanged since 2013.

Young women lag further behind in banks (8% vs 13% for young men), as well as savings and credit co-operative societies (4% vs 14%), institutions that tend to offer the kind of savings and

credit products that actually transform financial lives.

WHAT DRIVES THIS GAP?

Experts say the problem is not primarily about national ID ownership. Only 53% of young women in this age group own a mobile phone, compared to 71% of young men. Since a phone is the front door to Uganda's financial system, that gap of nearly 20 percentage points is creating structural damage.

The Government imposes 18% VAT and 12% excise duty on mobile phones, in addition to other levies and taxes on internet usage, keeping prices high and slowing down penetration and economic contribution.

The permanent secretary at the Ministry of ICT, Aminah Zawedde, said recently that tax waivers on mobile phones and digital services could stimulate innovation and make digital services more affordable.

The report found that young women typically earn less, have less control over household spending decisions, and are often subject to explicit restrictions from parents or spouses who worry about distraction or outside influence. In rural areas, where 72% of young women live, electricity access compounds the problem.

The report recommends that access to a personal mobile phone emerges as the most powerful predictor of formal service use, so schemes that make phones affordable, including asset financing and subsidised solar-powered devices in off-grid areas, are a logical starting point.

Facilitating national ID acquisition, particularly by embedding registration in schools, clinics, and health centres, would remove another key barrier.