Towards Sustainable Development

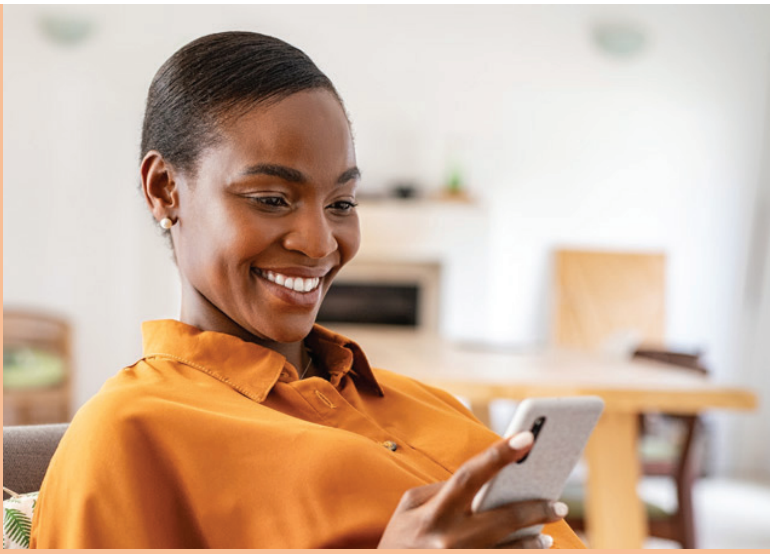
POLICY BRIEF

By Phionah Namuliira

Issue No. 192, February 2026

How the gender gap in phone ownership limits women's access to formal financial services in Uganda.

Executive Summary



This policy brief examines how the gender gap in mobile phone ownership limits women's access to formal financial services in Uganda. The 2023 Finscope survey reveals that while mobile phone ownership has risen to 72% nationally, a persistent and widening gender gap exists, with 80% of men owning mobile phones compared to only 64% of women. This disparity has far-reaching implications for women's access to formal financial services. These include limited mobile money access, exclusion from the digital economy, and reduced access to credit and savings opportunities. For example, women are less likely to qualify for mobile-based loans due to limited digital transaction histories, forcing them to rely on informal mechanisms such as Village Savings and Loan Associations (VSLAs), with 50% of women showing a preference for VSLAs, compared to 31% of men. To bridge this gap, the brief proposes actionable policies, including expanding affordable smartphone access, promoting digital literacy, simplifying registration processes, and integrating women-led informal groups into formal banking systems.

Introduction

Financial inclusion is a critical driver of economic development, poverty reduction, and gender equality[1,2]. Evidence shows that financial inclusion operates through multiple channels, including improved credit access, enhanced savings mobilisation, and increased investment opportunities, which collectively contribute to poverty reduction and economic empowerment[1,2]. Moreover, Simione and Muehlschlegel (2023)[3] and Bruhn et al. (2023)[4] demonstrate that financial inclusion strengthens household stability by smoothing consumption, reducing vulnerability to shocks, and supporting long-term welfare gains, which are especially significant for women and low-income households. In Uganda, significant progress has been made in expanding access to financial services, largely due to the rapid growth of mobile money platforms. Several initiatives have specifically targeted women's financial inclusion, including the National Financial Inclusion Strategy II (2023 - 2028), which embeds gender-focused goals; the Uganda Women's Entrepreneurship Programme (UWEP); and the Parish Development Model, which reserves 30% of its revolving fund for women-led enterprises, among others. However, a persistent gender gap in mobile phone ownership currently hinders women's ability to fully participate in the digital financial ecosystem.

According to the FinScope Uganda 2023 survey, while overall mobile phone ownership has increased by 13 percentage points from 59% in 2009 to 72% in 2023, the gender gap has doubled, from 8% in 2009 to 16% in 2023. By 2023, 80% of men owned mobile phones compared to only 64% of women. This disparity is particularly concerning given that mobile phones are the primary gateway to formal financial services, such as mobile money and other digital platforms, of which mobile money has become a dominant form of financial inclusion in Uganda[5,6]. The widening gender gap in mobile phone ownership impacts women's ability to access mobile money and other digital financial services, which are crucial for formal financial inclusion. In addition, while overall financial inclusion in Uganda has increased from 77% in 2018 to 81% in 2023, formal financial inclusion remains higher among men (68%) compared to women (58%). This policy brief highlights how the gender gap in mobile phone ownership limits women's access to formal financial services, drawing on key findings from the 2023 FinScope Uganda Survey report.

Key Findings

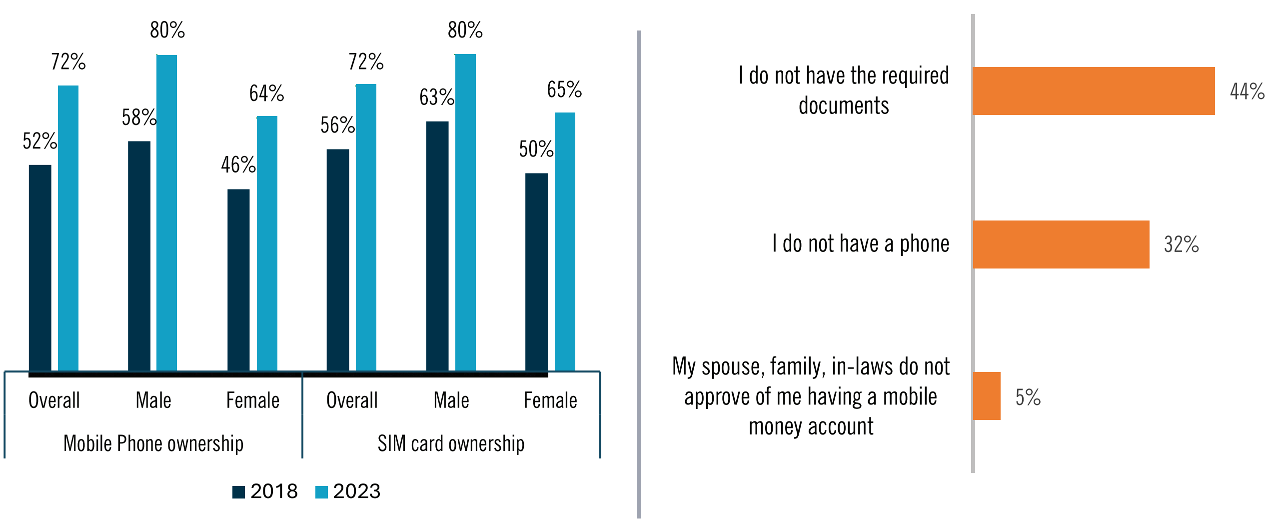
1. The lack of a mobile phone is one of the key limitations to mobile money services access

The 2024 State of the Industry Report on mobile money shows that the mobile money service continues to be a major driver of 15 out of the 17 United Nations Sustainable Development Goals (SDGs), including SDG 11 on sustainable cities and communities and SDG 12 on responsible consumption and production. For example, mobile money provides accessible and affordable digital financial services to underserved communities, enabling them to save, borrow, and make payments securely. In doing so, it helps lift households out of poverty (advancing SDG 1 - No Poverty) and fosters inclusive economic growth (supporting SDG 8 – Decent Work and Economic Growth). In Uganda, mobile money has become a critical tool for financial inclusion and the most widely accessible formal financial service, with 65.9% of adults using it in 2023, an increase from 54.4% in 2018[6]. Despite this progress, however, women continue to face substantial barriers that limit their ability to fully benefit from mobile money services.

Figure 1 reveals that 32% of female respondents cite the lack of a mobile phone as a key barrier, while 44% face challenges due to the lack of required documentation, such as national IDs. Figure 1 further shows that women consistently suffer lower rates of mobile phone ownership and SIM card registration over time, which constrains their use of mobile money. In addition, 16% of the survey respondents reported never having heard of mobile money or not knowing what it is, underscoring persistent knowledge and awareness gaps that affect uptake[6].

Even when they own phones, 5% of the respondents report that family disapproval hinders their ability to register and use mobile money, reflecting broader social norms that restrict women's financial autonomy. These norms, which often position women as homemakers and subordinate financial actors within households, not only limit their freedom to make independent financial decisions or access digital tools, but also compel many to register mobile money accounts under their husbands' names, resulting in reduced control over their own funds[7,8]. As a result, women often remain excluded from the convenience and safety of formal financial transactions, leading to continued reliance on cash, which is less secure. These impediments further restrict women's access to savings, credit, and other financial services, thereby perpetuating gender disparities in economic participation. Consequently, the benefits of mobile money, including its convenience and flexibility, which are essential drivers of financial inclusion, remain unattainable for numerous Ugandan women.

Figure 1 **Mobile phone, SIM card ownership and reasons for not adopting mobile money**



Source: Author's construction using Finscope Uganda 2023 survey report

Note: Respondents selected multiple reasons; only those most relevant to gender-based barriers are presented.

2. The gender gap in mobile phone ownership undermines efforts to expand women's access to credit and savings through mobile-based financial services

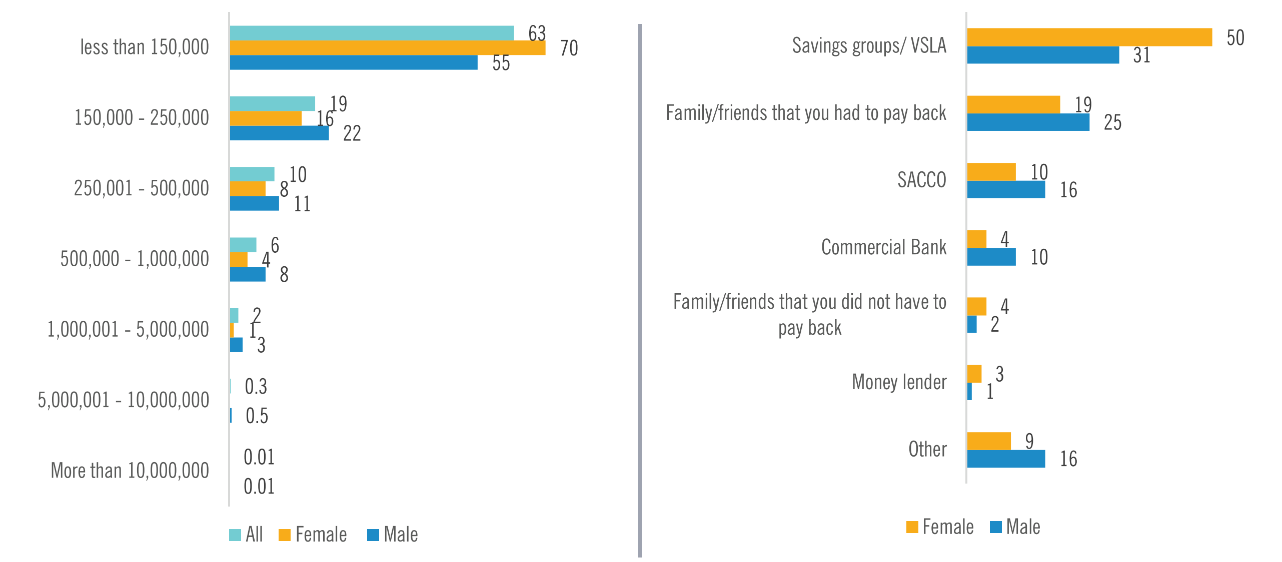
The gender gap in mobile phone ownership significantly limits women's access to formal credit and savings in Uganda, restricting their economic empowerment. According to the FinScope Uganda 2023 survey, 10% of respondents adopted mobile money services for borrowing and 4% for secure storage of their money (referring to safely holding funds for short-term transactions), and 3% cited they wanted to start saving money on their mobile money account (reflecting a more deliberate, long-term savings intention), highlighting its role in financial inclusion. Mobile-based lending platforms such as MTN Momo and Airtel Wewole and other fintech services like Ensibuuko have gained popularity as alternatives to traditional financial institutions, offering small loans without requiring collateral. However, these platforms rely on mobile transaction histories and digital footprints to assess creditworthiness. For example, MTN Momo launched financial products, such as MoPesaand MoKash, which offer savings and instant loans[9]. Simione and Muehlschlegel (2023) also affirm that mobile money users are more likely to save and borrow. Since women are less likely to own phones and actively use mobile money, it makes them less likely to build transactional history needed to qualify for mobile-based loans.

Furthermore, Figure 2 reveals that among women who save, 70% of women save less than 150,000 UGX per month, compared to 55% of men, indicating lower financial security among women. Without access to formal banking services, women are forced to rely on informal financial mechanisms, such as Village Savings and Loan Associations (VSLAs) and borrowing from family or friends. The fact that 50% of women prefer VSLAs, compared to 31% of men, underscores their reliance on community-based savings, which offer quick access to credit but lack the security and growth potential of formal financial institutions. These patterns predominantly reflect the situation of rural, less-educated Ugandan women who face mobility and literacy barriers to formal banking and thus rely heavily on informal savings groups[10]. While the informal mechanisms provide some inclusion, they are less secure and offer limited growth opportunities, leaving women with smaller savings and credit options. This continued reliance on informal systems also perpetuates economic marginalisation, as women miss out on the security and scalability of formal financial services, further hindering their ability to invest and build financial resilience.

3. Women's lower mobile phone ownership locks them out of the digital economy

The gender gap in mobile phone ownership exacerbates women's exclusion from digital financial ecosystems. Figure 3a reveals that mobile money wallets/ e-wallets are the most widely used digital payment method (used by 23% of adults), yet uptake of other channels remains low, with only 9% of adults using mobile or internet banking, and just 7% using debit cards. Additionally, among the reasons respondents gave for using digital payments, as shown in Figure 3b, were security (52%), convenience (17%), and privacy (14%), which benefits women miss out on due to limited access to the enabling technology. Without phones, women are locked out of the speed, security, and transparency that digital payments offer, making them less likely to engage in mobile-based business or financial activities. As a result, the digital divide in phone access is not merely a tech issue, it reinforces structural inequalities in access to modern financial tools.

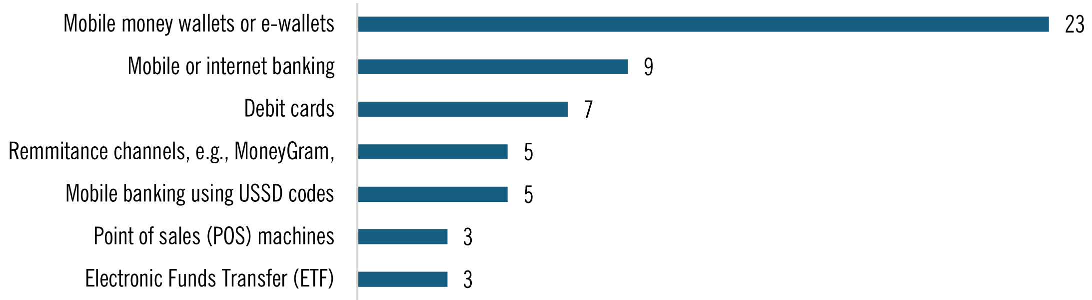
Figure 2 Amount saved and preferred financial institution by sex.



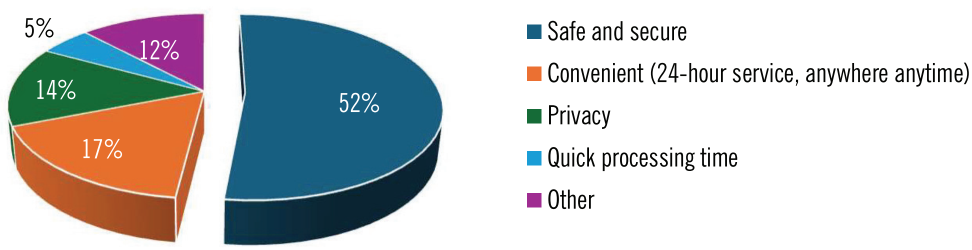
Source: Author's construction using Finscope Uganda 2023 survey report

Figure 3 The share (%) of respondents using digital payment channels

a) Digital payment channels



b) Reasons for using digital payment channels



Source: Author's construction using Finscope Uganda 2023 survey report

4. Low phone and sim card ownership hinders formal bank account opening

The increased gender gap in mobile phone ownership (16%) and sim card ownership (15%) among women translates directly into lower formal bank account opening. Apart from national identification, mobile phone and Sim card ownership are now central to formal account acquisition in Uganda, especially as banks and mobile money providers increasingly continue to digitise customer onboarding. According to the Bank of Uganda and financial institutions' KYC requirements, opening a bank account in Uganda requires a valid phone number and an active SIM card for account verification, transaction alerts, and mobile banking access[11,12]. The digitalisation of customer onboarding through electronic KYC (e-KYC) systems has made mobile phone ownership even more critical for accessing formal banking services[6]. As a result, women without phones or SIM cards are increasingly excluded from formal banking services, missing out on access to larger credit facilities, insured savings, salary deposits, and other essential financial tools that mobile money alone cannot provide[1].

The World Bank's Global Findex Database reveals that in Uganda, there has been a remarkable increase in the proportion of women owning a bank account, from 15 percent in 2011 to 65% in 2021. This increase is largely attributed to the rise of mobile money[13]. Yet the Finscope Uganda 2023 survey revealed that 55% of adults who do not use banks cite feeling "intimidated by the bank environment," with other barriers including distance and lack of sufficient funds. For women, who are less likely to own mobile phones and SIM cards, these barriers are amplified. Phone-based platforms often serve as the first step toward financial inclusion, but without access, women are unlikely to register for bank or mobile-based accounts. Additionally, while 65.9% of adults use mobile money services, formal banking penetration remains limited at just 13.7% and is disproportionately in favour of men[6]. This gap in digital onboarding mechanisms and bank registration channels means that women are effectively shut out from broader financial tools, such as insurance and digital credit.

Emerging policy actions

Addressing the gender gap in mobile phone ownership requires bold and coordinated policy interventions aimed at reducing structural and digital barriers to women's financial inclusion. The following emerging actions are proposed to bridge this gap and enhance women's participation in formal financial services in Uganda:

1. Expand access to affordable smartphones for women while tackling restrictive social norms:

The Ministry of ICT and National guidance in collaboration with telecom companies and financial service providers, should roll out targeted mobile phone subsidy schemes or financing models to increase smartphone penetration among women, particularly in rural areas. However, these efforts must also address underlying infrastructure gaps such as poor network coverage that limit effective phone use. Additionally, efforts to expand smartphone access must be complemented by targeted behaviour change campaigns led by MoGLSD and community actors to address restrictive norms that prevent women from independently using mobile phones, especially in rural areas. Engaging men and local leaders is also key to shifting attitudes and promoting equitable digital access.

2. Promote digital financial literacy among women:
There is a critical need for nationwide digital financial education programs, with a specific focus on women. This can be done by UCC in collaboration with MoGLSD and CSOs. These programs should equip women with practical knowledge on using mobile money, mobile banking apps, and digital credit tools. Community-based learning hubs, women's groups, and VSLAs can serve as key delivery channels for such training.

3. Simplify mobile and banking registration requirements
The Financial Intelligence Authority (FIA), in consultation with the Bank of Uganda (BoU), UCC, and telecom providers, should review and harmonize KYC (Know Your Customer) regulations to simplify SIM card and mobile money registration. This is especially critical for women, who are less likely to own mobile phones or have the required documentation, further deepening their financial exclusion. Integrating NIRA's digital ID verification system will help reduce bureaucratic hurdles that disproportionately affect women without formal identification. Additionally, financial institutions should tailor their customer onboarding experiences to be more inclusive and less intimidating.

4. Incentivize formal institutions to serve women-led informal groups
VSLAs are women's most preferred financial mechanism. BoU and MoFPED, working with commercial banks, Tier IV institutions, and VSLA-facilitating agencies (such as NGOs) should introduce incentive schemes such as tax rebates or matching funds to encourage and promote partnerships between VSLAs/ women-led informal groups and formal banking systems. Given the gender gap in phone ownership, such partnerships can provide alternative channels to reach women, while also supporting digitalisation where feasible. This will help bridge informal and formal financial systems, enabling women to access more secure and scalable services as well as improved financial records. This in turn, will enable women to gradually transition into the formal financial ecosystem without disrupting the trust and convenience they value.

References

1 Demirgüç-Kunt, A., Klapper, L., Singer, D., Ansar, S., & Hess, J. (2022). *The Global Findex Database 2021: Financial inclusion, digital payments, and resilience in the age of COVID-19*. World Bank. https://doi.org/10.1596/978-1-4648-1897-4

2 Ozili, P. K. (2021). Financial inclusion research around the world: A review. Forum for Social Economics, 50(4), 457-479. https://doi.org/10.1080/07360932.2020.1715238

3 Simione, F. F., & Muehlschlegel, T. (2023). *Mobile Money, Perception about Cash, and Financial Inclusion: Learning from Uganda's Micro-Level Data* (IMF Working Paper No. 23/238). Washington, DC: International Monetary Fund. https://www.elibrary.imf.org/view/journals/001/2023/238/article-A001-en.xmlv

4 Bruhn, M., Kinzinger, J., Ruckteschler, C., & Wieser, C. (2023). The impact of mobile money on poor rural households: Evidence from Uganda.

5 Alliance for Financial Inclusion. (2025). Harnessing the potential of mobile for financial inclusion. https://www.afi-global.org/opinion/harnessing-the-potential-of-mobile-for-financial-inclusion/#:~:text=In%20many%20developing%20regions%2C%20where,respectively%C2%A0in%C2%A02021

6 Financial Sector Deepening Uganda. (2024). Finscope Uganda 2023 survey Report. https://fsduganda.or.ug/finscope-uganda-2023-survey

7 Financial Sector Deepening (FSD) Uganda. (2021). Gender barriers to access and use of financial services by women in Uganda. FSD Uganda. https://fsduganda.or.ug/publication/gender-barriers-financial-services

8 Bukuluki, P., Ndira, S., Aweko, J., Kiwummulo, A., Ediau, M., Namakula, J., … Ekirapa-Kiracho, E. (2025). Gender relations and digital payments: Healthcare workers' experiences during polio vaccination campaigns in Uganda and Malawi. BMJ Global Health, 10, e017475. https://doi.org/10.1136/bmjgh-2024-017475

9 GSMA. (2024). The State of the Industry Report on Mobile Money 2024. https://www.gsma.com/sotir/wp-content/uploads/2024/03/GSMA-SOTIR-2024_Report_v7-2.pdf

10 Financial Sector Deepening (FSD) Uganda. (April 2024). FinScope Uganda 2023 Findings. Presentation on 11th April 2024. FSD Uganda. https://fsduganda.or.ug/wp-content/uploads/2024/04/FinScope-Uganda-2023-Findings-Summary.pdf#:~:text=Financial%20inclusion%20has%20increased%2C%20driven,amongst%20women%20and%20rural%20dwellers

11 Bank of Africa Uganda. (2024). Account opening requirements. https://boauganda.com/account-opening/

12 Stanbic Bank Uganda. (2024). Account opening requirements. https://www.stanbicbank.co.ug/

13 Alliance for Financial Inclusion. (2023). The role regulators play in closing the financial inclusion gender gap: a case study of Uganda. https://www.afi-global.org/wp-content/uploads/2024/10/The-Role-Regulators-Play-in-Closing-the-Financial-Inclusion-Gender-Gap-Uganda_v2.1.pdf

Recent Policy Briefs

"Tackling female labour market exclusion and transition into formal employment in Uganda."
Issue No. 191, February 2026
By Phionah Namuliira and Sheila C. Nakkazi

"Rising New HIV/AIDS Infections Among Women in Uganda and the Growing HIV Funding Gap"
Issue No. 189, April 2025

"Breaking the cycle:
Combating Teenage Pregnancies and Child Marriages in Uganda"
Issue No. 188, January 2025

About the Authors

Phionah Namuliira is a Research Fellow at the Economic Policy Research Centre, Kampala, Uganda.

The Economic Policy Research Centre (EPRC) is an autonomous not-for-profit organization established in 1993 with a mission to foster sustainable growth and development in Uganda through advancement of research –based knowledge and policy analysis.

Address:
Economic Policy Research Centre
51, Pool Road, Makerere University Campus,
P. O. Box 7841 Kampala, Uganda
Tel: +256414541023/4 Fax: +256414541022
Email: eprc@eprcug.org, Website: www.eprcug.org

Learn more at:

www.eprcug.org TWITTER:@EPRC_official www.facebook.com/EPRCUganda eprcug.org/blog