

center for  
inclusive growth

# Improving Financial Health for Workers in Garment and Footwear Supply Chains in Indonesia:

## Benefits for Workers and Business

March 2026



## Introduction

The garment and footwear industry in Indonesia employs around 2,150,000 workers in export facing factories, 80% of whom are women.<sup>1</sup> The majority of factories are located in Java and are often South Korean- Chinese-, or Taiwanese-owned.<sup>2</sup> In 2024, the industry made up around 1.24% of Indonesia's GDP.<sup>3</sup>

While jobs in the garment and footwear industry offer a regular income and workers are entitled to social security benefits, including national health insurance and pension,<sup>4</sup> they are financially vulnerable. Workers are paid minimum wages, which vary by province from 2.3 million Indonesian Rupiah (US\$138) in Central Java, to 5.7 million Indonesian Rupiah (US\$340) in Jakarta.<sup>5</sup> Many workers are paying back loans—the most common reason for borrowing is to manage everyday expenses—with repayments often reaching half of their monthly salary.<sup>6</sup>

The financial ecosystem in Indonesia is rapidly growing, due to the government of Indonesia's focus on developing the digital economy and reducing reliance on cash.<sup>7</sup> The Ministry of Economic Affairs has set a target for 93% financial inclusion by 2029, up from approximately 76% in 2025.<sup>8</sup> Wages in large and medium enterprises have been digitalized for several years, giving workers access to digital financial services, including through banking apps, e-commerce platforms, and Quick Response Code Indonesia Standard

(QRIS).<sup>9</sup> The World Bank Global Findex reports that 30% of adults in Indonesia make digital payments.<sup>10</sup>

Despite Indonesia's progress in financial inclusion, many women miss out on the benefits of formal financial solutions. An eight percentage point gender gap persists in digital payments usage, with 42% of men compared to 34% of women reporting that they make digital payments.<sup>11</sup> This gap may reflect that many financial products are not designed with women's lived realities in mind.<sup>12</sup> Social norms also shape financial behavior: women typically manage day-to-day household expenditure—such as groceries, bills, and loan payments—while men are more likely to make larger purchasing and investment decisions.<sup>13</sup>



## Program Overview

RISE and the Mastercard Center for Inclusive Growth have been working together since 2018 to promote financial health in global garment and footwear supply chains.

Since 2025, the partners have worked closely in Indonesia with global brands, buyers, suppliers, and financial service providers, alongside local partner MICRA Indonesia, to implement RISE Financial Health and strengthen workers' financial well-being.

Through the program, **employers** receive support and guidance on promoting financial health across their workforce, including collaborating with financial service providers to identify suitable products and services that can be promoted through the workplace. **Workers** receive gender-responsive training that covers both the technical use of their payroll accounts and related financial services, as well as practical skills in financial planning, budgeting, saving, and discussing finances with their families, in order to build their financial health and resilience. **Financial service providers** receive insights on this market segment.<sup>14</sup>

This report sets out the results of a RISE initiative to promote financial health in the workplace at 10 garment and footwear factories<sup>15</sup> across Java, with 29,922 workers (82% women).

The program benefits are clear:



### Increased use of financial products and services

76% of workers are making two or more different types of digital payments, up from 61%



### Increased confidence to manage everyday expenses

77% of workers are confident to manage expected expenses, up from 67%



### Increased financial resilience

83% of workers are saving regularly, up from 69%



### Increased ability to make and act on economic decisions

52% of women are making saving decisions with their family, up from 39%



### Improved manager-worker communications

75% of managers rate their relationship with their workforce as 'very positive', up from 54%

This report includes recommendations for global brands and buyers, financial service providers, and other key stakeholders to support this scale-up in a way that can lead to improved financial health for women and men workers across the industry in Indonesia.



**Financial health is the ability to manage everyday expenses and financial emergencies, to have confidence for the future, and to make and act on economic decisions.**



## Worker View

“Before I joined RISE training I did not manage my finances well. My income and expenses were uncontrolled, I rarely saved money, and I often spent money on things that were not important. Because of this, I did not have any savings or emergency funds, which often made me feel stressed and worried.

After joining the program, **my mindset about money changed** significantly. I learned how to manage my finances properly, record income and expenses, and understand the importance of saving and borrowing wisely. The training helped me realize how important it is to have an emergency fund and clear financial planning.

One of the biggest impacts I felt was a **reduction in financial stress**. I now understand how much I need to save each month without feeling pressured. I have started building an emergency fund, and instead of saving randomly every month, I now save in a more structured way.

Through the program, I became more aware of my financial habits and **more confident in managing my money**. I now feel calmer, more prepared, and more in control of my financial future.”

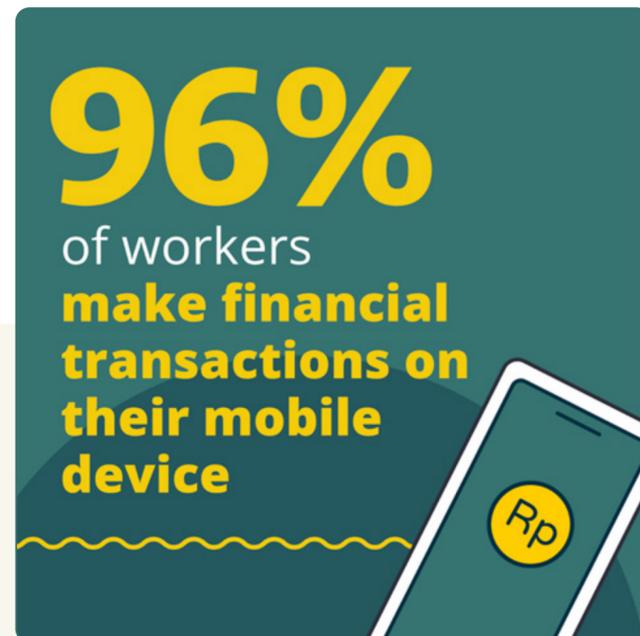
**WOMAN GARMENT WORKER  
CENTRAL JAVA**

## Financial Services

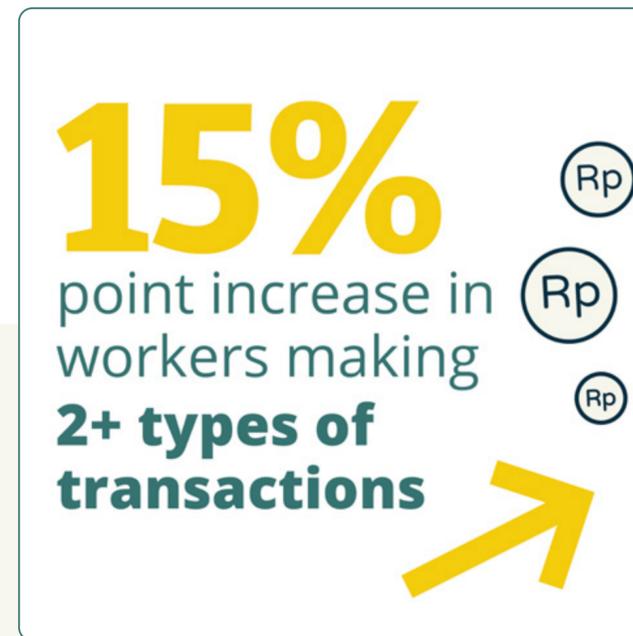
Increased use of a range of financial products and services, enabling workers to benefit from their payroll accounts and make digital payments



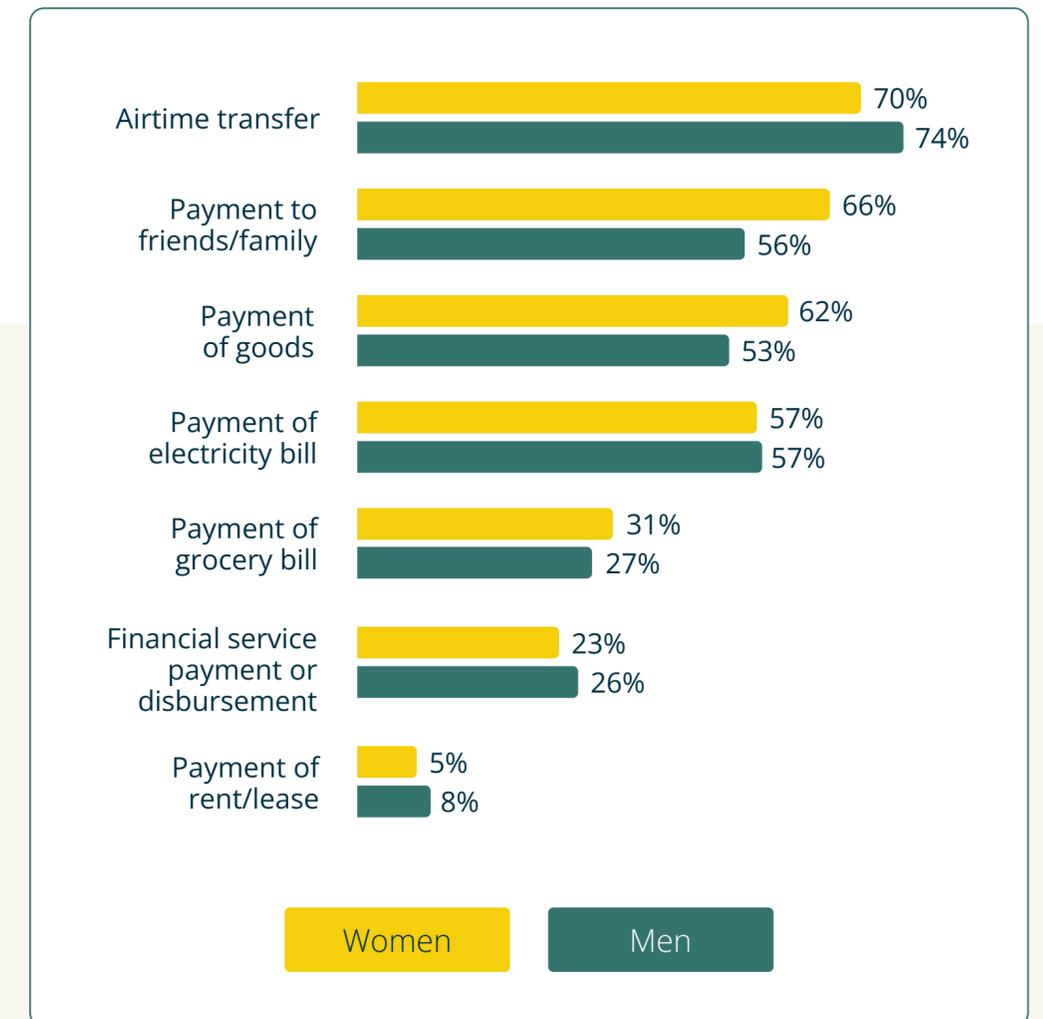
Ninety-nine percent of workers are paid into accounts, and 97% prefer this method, demonstrating high acceptance. Workers are comfortable withdrawing their wages from ATMs when needed.



Ninety-seven percent of women and 95% of men use mobile money applications, up from 93% and 91%, respectively. Workers prefer QRIS to cash, but limited availability and connectivity issues mean cash is still widely used, particularly for food, fuel, snacks, groceries, parking, and small social expenses. Women are more likely than men to conduct financial transactions, including bill payments, online shopping, and remittances, reflecting their primary responsibility for household spending.



Workers became more active users of digital financial services, with 78% of women and 72% of men making two or more types of transactions, up from 60% and 62% at baseline. Workers typically begin by sending transfers to friends and family, followed by airtime/data purchases. For those making three or more transactions, they are also paying for goods and electricity bills.



Types of transactions made by workers on their mobile devices following RISE training

## Worker View

"If I go to the traditional market for groceries, I use cash, but if it's for the convenience store, then I use the store's payment app. For snacks, I usually use QRIS. I prefer QRIS to cash because it's very simple. I use ShopeePay to buy phone credit, data, pay electricity bills and car instalments. I use BRImo [banking app] for transfer, and QRIS or ShopeePay [mobile wallet] for bills, snacks, and groceries. **It's more comfortable and I don't need to go to the ATM.** I prefer digital payments to pay my bills and loan payments. My husband transfers money to me each month [for household costs]."

### WOMAN GARMENT WORKER WEST JAVA

---

"One of the most important benefits I gained from the RISE training was the ability to **recognize and avoid online fraud.** Some time ago, I received a message from someone claiming to be an agent of a well-known online marketplace. The person pressured me to change my account and asked me to transfer a certain amount of money, threatening to report me to the authorities if I did not comply. Because I had learned about financial awareness and fraud prevention during the RISE training, I did not panic and chose to ignore the message. I realized that it was an attempt at online fraud, and as a result, **I was able to protect myself and avoid financial loss.**"

### WOMAN GARMENT WORKER CENTRAL JAVA



## Expenditure

Increased confidence to manage everyday expenses through budgeting tools and clearer financial priorities



Ninety-five percent of women and 91% of men reported tracking monthly expenses, up from 92% and 86% respectively. Although many workers were already tracking expenses, the program strengthened this practice, shifting workers from a basic awareness of their spending to more comprehensive tracking and effective budgeting.



Seventy-one percent of women and 82% of men said they were confident to manage expected expenses over the next two years, up from 59% and 76%, respectively. This confidence links to 54% of women and 58% of men reporting saving for expected expenses, up from 22% and 32%.

## High use of loans to manage expenditure

Indebtedness is widespread in Indonesia, with 79% of women and 75% of men reporting that they have outstanding loans. For many, loan repayments constitute a regular component of their monthly expenses.

Short-term loans are mainly used for financial emergencies (39% of workers) or expected expenses (18% of workers), while longer-term loans fund homes or motorbikes. Twenty-eight percent of men and 22% of women take loans to invest in small businesses—either their own or someone else's—which can yield returns if managed well.

Most workers (59%) access formal loans from banks or microfinance institutions (MFIs), while 12% of women and 17% of men borrow from friends or family. Anecdotal reports indicate borrowing from local money lenders or unregulated cooperatives at high interest rates of 15%-25% per month, with some workers in West Java handing over debit cards and pin numbers as collateral. Workers also sell or pawn jewellery when needed.

The use of buy-now-pay-later (BNPL) products, such as for phones, is increasing and adds pressure to monthly budgets. RISE promotes a 'savings first' approach to reduce reliance on debt and ensure funds are available for emergencies.



## Worker View

"I have learned about budgeting, managing finances, saving, borrowing wisely, and planning for the future. I have also started applying these lessons in my daily life, starting with simple things like making a list of income and expenses, so I feel that **my household finances are now better organized.**

For example, I have a short-term need to buy a wardrobe costing around IDR 6,000,000 [US\$350], since my family currently only has one wardrobe at home. Previously, it felt difficult for me to achieve this. However, **after managing my finances and reducing unnecessary expenses, I created a plan to save IDR 2,000,000 [US\$118] per month for three months.**

I have been able to follow this plan for two months already, and God willing, by next month—the third month—I will be able to purchase the wardrobe I have been wishing for, exactly as I planned."

**WOMAN GARMENT WORKER  
EAST JAVA**

## Financial Resilience

Increased confidence to manage financial emergencies through savings and improved budgeting skills



Eighty-five percent of women and 82% of men report saving every or most months, up from 68% and 73% respectively. Workers reported mostly saving for emergencies, expected expenses, children’s education, and buying a house, property, or land. Forty-nine percent of women and 56% of men reported saving in a bank account or formal financial institution. However, 28% of women and 20% of men are saving in gold because they perceive it to be safer, more valuable, and easier to cash out.



Sixty-nine percent of women and 79% of men said they were confident to manage financial emergencies in the next two years, up from 57% and 66%, respectively. This is linked to building savings, with 83% of women and 77% of men reporting setting money aside for emergencies.

## Saving behavior varies according to life stage

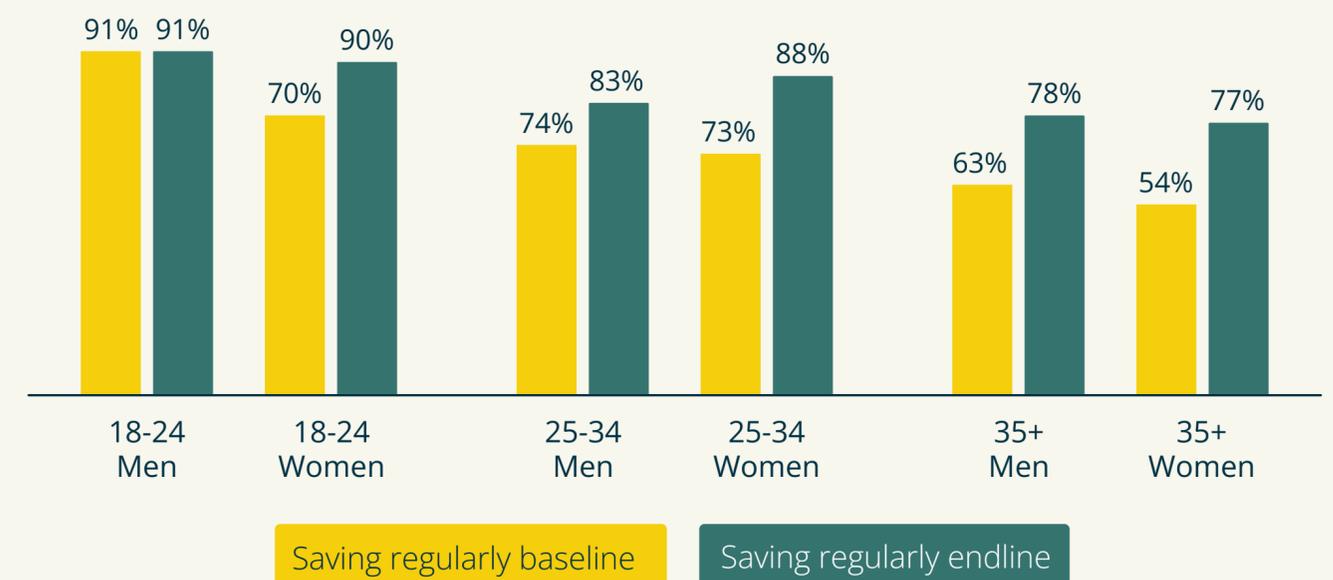
Workers realize the importance of saving money for the future and have improved their saving behavior. There are variations in saving patterns for different age groups.

Workers aged 18-24 are more likely to save regularly than other age groups because they have less financial responsibilities. However, only women improved their saving behavior by the end of the program, which may reflect men’s already high starting point.

Workers aged 25-34 are the next most-likely age group to save regularly, increasing by 13 percentage points, from 73% to 86%. This indicates that despite initial constraints due to increasing responsibilities, this cohort was able to translate the financial knowledge they learned into practical saving behavior.

Workers aged 35-plus are least likely to save regularly, likely due to family responsibilities. However, they showed the largest increase—particularly women, the number of whom were saving regularly increased from 54% to 77%, boosting their financial confidence and improving their confidence to manage expected expenses the most.

Women and men saving regularly by age group



## Worker View

"After attending RISE training, I realized the importance of having a clear and disciplined financial plan, especially for long-term goals. One of the actions I immediately took after the training was **setting up an automatic debit system** from my salary for my child's education savings. This decision marked a big change for me. By using the auto-debit feature, I no longer worry about forgetting to save each month, and **my savings grow consistently**. This step helped me become more disciplined and more aware of the importance of long-term financial planning."

### WOMAN GARMENT WORKER EAST JAVA

"I wrote down my short-term financial goals, which include starting a catfish farm. After that, **I started saving IDR 500,000 [US\$] per month from my salary**. Once my savings goal of IDR 1.5 million [US\$] was achieved, I started the catfish farm and harvested the first catfish. I earned a profit, which I used as additional income for my family. I always apply the RISE Financial Health training materials, especially within my family, so now **my household finances are better organized**. Moreover, I felt happy being able to share my knowledge with my friends."

### MAN GARMENT WORKER EAST JAVA

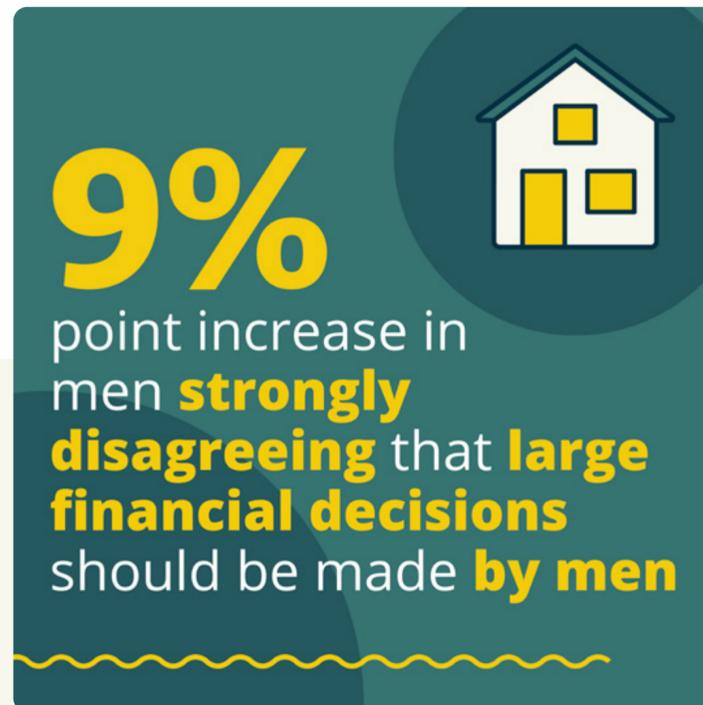


## Financial Decision-Making

Increased participation in household financial decision-making, leading to shared responsibility for spending and saving



Fifty-two percent of women said they are making saving decisions with their family, up from 39%. There was no change for men, with 64% saying at the start and end that they make saving decisions with their family. Sixty-four percent of men also said they are making investment decisions with their family, up from 59%.



Forty-four percent of women and 23% of men strongly disagreed that large financial decisions should be made by men, compared to only 41% and 14% before the program, reflecting a meaningful shift toward more equitable decision-making. Women are increasingly able to discuss financial planning with their partners, with 59% strongly agreeing that they can talk about budgeting and money with them, up from 44%.

## Why it's important to consider the different needs of women and men

Garment factory jobs in Indonesia are often held by young women or married mothers who rely on steady wages to stabilize household income, repay debt, and fund children's education, while husbands typically engage in informal or seasonal work.<sup>16</sup>

Although women's income is central to household survival, social norms continue to prioritize their domestic role. These norms also shape financial control: women usually manage daily budgets and shoulder financial stress, often receiving 60%-70% of men's income for household expenses, while men tend to be responsible for major purchasing decisions.<sup>17</sup>

Understanding the different roles of women and men in household financial decision-making, who controls income—manages expenses, and uses formal financial tools—is essential for designing inclusive financial services. Recognizing the patterns in roles and the way they are shifting is essential for creating financial products, training, and workplace initiatives that respond to the lived realities of both women and men in the garment and footwear sector.



## Worker View

"The training helped me become more responsible and confident in making financial decisions for my family's future. **I began discussing financial planning more seriously with my husband.** One of our main goals is to build a kitchen set for our new house. This was important as we recently moved altogether as a whole family, and it made us **realize how important it is to manage our finances carefully and plan ahead.** Now, I feel more prepared to face financial challenges and more focused on building a stable life for my family in our new environment."

### WOMAN FOOTWEAR WORKER CENTRAL JAVA

"The training encouraged me to be **more open with my wife about our financial situation.** We now communicate more openly about income, expenses, and financial goals. This openness has helped us build better understanding and trust in managing our household finances together. I also realized the importance of involving my children in financial discussions at an appropriate level. I want them to understand the value of money and **the importance of planning, so that as a family we can support each other** and work toward shared goals."

### MAN GARMENT WORKER CENTRAL JAVA

## Business Efficiency

Improved worker-manager communications through regular engagement

20%

point increase in managers rating their **relationship** with their workforce as **'very positive'**

Seventy-five percent of managers rated their relationship with workers as very positive, up from 54%. This reflects managers' improved communication with workers to support them in understanding their challenges and helping identify solutions. This has strengthened workers' confidence to raise issues with management.

14%

point increase in women reporting **confidence to speak to a manager**

Eighty-one percent of women reported confidence in speaking to a manager about an issue at work, up from 67%. Regular engagement between workers and management throughout the program has strengthened open communication and reduced barriers to speaking up.

## Supporting workers with financial products and services in the workplace

Workplaces can serve as effective channels for promoting financial products and services that strengthen workers' financial health. In Indonesia, employees in medium and large enterprises are paid through bank accounts, providing a strong foundation for accessing a broader range of financial services. RISE Financial Health has supported managers to better understand workers' financial needs and identify appropriate solutions that can be delivered and promoted through the workplace.

### This has led to factory management:

- Identifying the need for **additional cash out services** near the factory and working with a payroll provider to arrange a mobile ATM for several days around payday.
- Working with a financial service provider to offer an **opt-in savings product**, which the supplier group agreed to match the interest on after 12 months.
- Understanding workers were taking high-interest loans because they didn't have access to better options. One factory worked with their payroll partner to offer a **low-interest loan product**. Within weeks, 100 workers signed up.
- Developing **awareness campaigns** on avoiding predatory online loans and illegal financial service providers, reducing their risk from fraud.
- Supporting workers to access and benefit from **social protection programs**, including National Health Insurance (JKN), Occupational Accident Insurance (JKK), Old Age Insurance (JHT), Pension Guarantee (JP), and Death Guarantee (JKM).<sup>18</sup>

## Industry View

"At ShinWon, worker financial health is a priority—when our people grow, so do we. Through RISE Financial Health, workers have strengthened their resilience and improved communication with managers. Building on this, we launched Project STITCH, an employer-led savings initiative for emergency and long-term planning, now piloting in Indonesia. We will continue advancing financial health as a core pillar of worker well-being through collaboration and action."

**JJ PARK**  
**CEO SHINWON**





## Industry View

"As a result of the RISE Financial Health program, I engaged much more closely with workers and gained a deeper understanding of the financial pressures they face. The training has had a clear impact on behavior—**many workers are now more aware of their spending habits, more disciplined in managing expenses, and more proactive in planning for the future.** Several immediately put the learning into practice by tracking their expenses, setting savings goals, and discussing financial planning with their families.

The program has also strengthened the working environment in the factory. It has encouraged more open communication and raised awareness of financial well-being across the workforce, reinforcing our commitment to employee welfare and long-term development."

**LUSI SOPIA**  
**CSR STAFF MEMBER AT PT YOUNG TREE INDUSTRIES**

## Insights for Financial Health Initiatives

RISE has demonstrated that access to financial products and services, coupled with financial capability training that considers the needs of women, leads to benefits for both business and workers.

Key insights to scale this further and to consider in financial health initiatives in global supply chains include:

### Workers lack confidence to try new features and are vulnerable to fraud.



Despite workers being paid into accounts and having access to digital financial services, they still require further support. It is therefore important to provide training on the safe use of financial products and services, and how to assess new products, in order to build skills, confidence, and minimize risk.

### Workers rely on family, friends, and moneylenders for short-term loans, increasing debt and financial stress.



To reduce reliance on informal borrowing, there is a need to develop and promote affordable low-interest loan products and earned wage access options, while promoting a savings approach and providing financial education on budgeting.

### Workers demonstrate positive saving behaviors but lack long-term savings.



This makes them vulnerable to financial shocks and makes it difficult to plan for the future. Strengthening financial resilience requires promoting financial planning, budgeting practices, and accessible savings tools.

### Social norms shape financial roles – women manage household budgets, men make larger economic decisions.



Financial health initiatives should consider the different needs of women and men when developing training materials, including addressing household decision-making dynamics to reduce financial stress.

### Worker-manager communication improves when employers invest in the financial health of the workforce.



Financial health initiatives should equip managers to support workers to improve their financial health, including through promoting suitable financial products and services in the workplace, alongside financial health training for workers on how to safely use and benefit from these products and services.

## Recommendations for Stakeholders

RISE has demonstrated that the garment and footwear sector, working with the financial service industry and other key stakeholders, can be a catalyst for improving financial health for low-income women and men workers.

Benefits and recommendations for key stakeholders to scale this include:

|  |   | Stakeholder and Benefit   |   |
|--|---|---|---|
|  |   |  <p><b>Garment and Footwear Sector</b></p> <p>Increased efficiency, transparency, compliance and risk management</p>   |  <p><b>Financial Sector</b></p> <p>A new active market sector meeting financial inclusion targets</p>   |
|  |   |  <p><b>Government</b></p> <p>Improved financial health of the population</p>   |  <p><b>NGOs</b></p> <p>Increased resilience of low-income workers</p>  |
|  |   | Recommendations   |   |
| <ul style="list-style-type: none"> <li>Invest in the long-term financial health of workers as part of a comprehensive business model</li> <li>Identify suitable financial products and services to promote to workers, in partnership with payroll providers</li> <li>Monitor progress to identify where additional support is required</li> </ul> | <ul style="list-style-type: none"> <li>Develop use cases for low-income men and women including long-term savings, gold accounts, investment options, and responsible earned wage access products, and bundle with payroll products</li> <li>Use behavioral design to promote saving products around payday</li> <li>Embed user-friendly information to help workers build confidence to try new features in the app</li> </ul> | <ul style="list-style-type: none"> <li>Include garment and footwear workers as a priority group in National Financial Inclusion Strategy (SNKI) and part of the OJK Financial Health programs</li> <li>Develop awareness campaigns aimed at helping garment-footwear workers make safe digital payments, protect themselves from fraud, and report scams</li> <li>Promote guidelines and standards on short-term loans to address illegal, high-interest lending</li> </ul> | <ul style="list-style-type: none"> <li>Conduct and share research into workers' financial needs and barriers, considering life stages and social norms to best support financial agency</li> <li>Integrate financial health into existing training, including addressing harassment and violence at work, reducing climate risk, and improving mental health</li> </ul> |

The following resources, developed by RISE in partnership with the Mastercard Center for Inclusive Growth, are available at [riseequal.org](http://riseequal.org):

### RISE Financial Health Posters

A set of six posters in Bahasa with information about financial services and management



### RISE Financial Health Videos

A set of 11 animations in Bahasa, developed with QuizRR, can be used during training or shown on their own, such as in factory canteens



### RISE Audio Messages

A series of four songs about financial services and money management in Bahasa



### Guide for Financial Service Providers

This guide offers financial service providers practical advice to develop the low-income worker segment, including acquisition, driving usage of financial services, and retention of new customers. Available in English and Bahasa



## References

1. Data Highlights for Export Oriented Garment and Footwear Industry in Indonesia, KKF Foundation, 2025.
2. [Varying labour conditions and a largely female workforce define Indonesia's garment sector](#), FairWear Foundation.
3. [Distribution of Percentage of Gross Domestic Product on the Basis of Applicable Prices by Business Field \(percent\)](#), Government of Indonesia, Central Statistics Agency, 2024.
4. [Study on the impact of cluster regulation in Job Creation Law](#), ILO, 2025.
5. [Full list: Indonesia's 2026 minimum wages in 36 provinces](#), ASPN, 2025.
6. [Survey finds many industrial workers trapped in cycle of debt due to low wages](#), Kompas.id, 2024.
7. [Launching the White Paper on the National Strategy for Indonesia's Digital Economy Development 2030, the Government Prepares 3 Phases of National Digital Transformation](#), Ministry for Economic Affairs, 2023.
8. [Accelerating the Implementation of Financial Inclusion in Indonesia](#), Ministry for Economic Affairs, 2025.
9. [Government regulation No. 78/2015 on Wages and Law No. 13/2023 on Labour](#), Government of Indonesia, 2025.
10. [The Global Findex Database](#), The World Bank, 2025.
11. See reference 10.
12. [Policy note on women's Financial Inclusion Indonesia](#), Microsave, 2025.
13. [Social Norms and Women's Economic Participation in Indonesia](#), Lembaga Demografi Faculty of Economics and Business Universitas Indonesia, 2023.
14. [Advancing Financial Inclusion and Resilience in Global Supply Chains](#), RISE, 2024.
15. In 2025, RISE conducted surveys at 10 factories, with 506 workers (64% women) at the start of the program and 403 workers (64% women) at the end. Where possible, the baseline and endline samples were the same participants; however, there were 95 replacements at endline. Sixteen percent of workers were aged 18-24, 48% were 25-34, and 36% were 35-plus. Seventy-six percent of workers were married or had a partner and 24% were either single, separated, or widowed.
16. Day in the Life report, Micra, 2025.
17. See reference 13.
18. See reference 4.

## Acknowledgements

Thank you to our partners, MICRA Indonesia, Columbia, Deckers, Macy's, Ralph Lauren, ShinWon, Target, VF Corp. and our funder, the Mastercard Impact Fund, with support from Mastercard Center for Inclusive Growth, and to the managers and garment workers who shared their experiences and feedback with us.

This report was developed by Charlotte Pallangyo, Risca Dwi Ambarsari, Kamrul Shuvo, and Ella Moffat at RISE, with input from M. Alfi Syahrin and Regita Maffida Rusli at MICRA and Hasan Nur at the Mastercard Center for Inclusive Growth.

Image credits: RISE



center for  
inclusive growth



The Mastercard Center for Inclusive Growth advances equitable and sustainable economic growth and financial inclusion around the world. The Center leverages the company's core assets and competencies, including data insights, expertise, and technology, while administering the philanthropic Mastercard Impact Fund, to produce independent research, scale global programs, and empower a community of thinkers, leaders, and doers on the front lines of inclusive growth. For more information and to receive its latest insights, follow the Center on [LinkedIn](#) and [Instagram](#), and [subscribe](#) to its newsletter.

[www.mastercardcenter.org](http://www.mastercardcenter.org)



RISE: Reimagining Industry to Support Equality accelerates equality for workers across global supply chains through collaboration with business, workers' reps, women's organizations, and trade associations. Grounded in the real experiences and priorities of workers, RISE creates value at multiple levels. At the factory level, our data-driven programs achieve life-changing results for women and men workers. For businesses navigating a rapidly shifting global environment, our work leads to greater resilience and sustainability. We collaborate with industry and public policymakers to promote dignified and equal workplaces and inclusive local economies and communities. With our partners, we achieve measurable impact that transforms workers' lives, strengthens business, and lays the groundwork for thriving societies. Follow RISE on [LinkedIn](#) and [subscribe](#) to our newsletter.

[riseequal.org](http://riseequal.org)