



center for
inclusive growth

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

Benefits for Workers and Business

March 2026



Introduction

The garment and footwear industry in Guatemala employs around 180,000 workers,¹ 46% of whom are women.² The industry is crucial to the economy, accounting for almost 10% of GDP and is growing. Proximity to the United States makes Guatemala an attractive nearshoring market for global brands and buyers looking to reduce supply chain costs and lead times³—71% of apparel exports are for the US market.⁴ Most garment factories in Guatemala are owned by South Korean firms, reflecting significant Korean investment in the sector since the 1990s.⁵

Low-income workers in Guatemala are financially vulnerable with limited savings, and many have outstanding loans. While jobs in the garment industry offer a regular income, they pay minimum wage (3,279 quetzales per month—approximately US\$426).⁶ Workers are entitled to social security benefits, including paid time off in cases of illness or injury, health, and pension,⁷ however, in reality, they find these benefits difficult to access.⁸ The World Bank Global Findex reports that only 34% of adults in Guatemala report saving, while 41% of adults have loans⁹—and defaulting on loans can lead to serious repercussions.¹⁰ Furthermore, 40% of adults reported they could cover their expenses for less than two months after losing their main income source.¹¹

Access to financial services is a challenge for low-income workers in Guatemala. While workers' wages are paid into accounts, the local financial ecosystem is largely cash based.

Across Guatemala, only 38% of adults have a financial account, and only 17% of adults make digital payments.¹² Only 9% of adults report saving in a formal account. The government of Guatemala has a focus on digital transformation,¹³ which is leading to a growing digital financial ecosystem, and launched The National Financial Inclusion Strategy¹⁴ in 2024 to expand access to financial services and education.

Women face disproportionate barriers to accessing financial products and services,¹⁵ resulting in significant gender gaps. For example, only 32% of women, compared with 43% of men, own financial accounts, and just 16% of women have made digital payments versus 27% of men.¹⁶ These gaps result from social norms that limit women's skills and confidence to use financial services, and their control over how wages are spent and saved.¹⁷ Violence in and around garment factories undermines women's economic security—49% of women reported having experienced some form of gender-based violence at some point in their lives in Guatemala.¹⁸ Women from indigenous backgrounds experience higher rates of poverty and more limited access to education and formal employment, further impacting their financial health.¹⁹



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 Guatemala with global brands, buyers, suppliers, and financial service providers, alongside local partner FUNDATED, 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, savings, and discussing finances with their families, in order to build their financial health and resilience. **Financial service providers** receive insights on this market segment.²⁰

This report sets out the results of a RISE initiative to promote financial health in the workplace at four factories²¹ in the Escuintla and Sacatepequez regions of Guatemala with over 2,385 workers (51% women).

The benefits are clear:



Increased use of a range of financial products and services

73% of workers are making transactions on their mobile device, up from 34%



Increased confidence to manage everyday expenses

82% of women are confident to manage expected expenses, up from 73%



Increased financial resilience

53% of workers are saving regularly, up from 40%



Increased ability to make and act on economic decisions

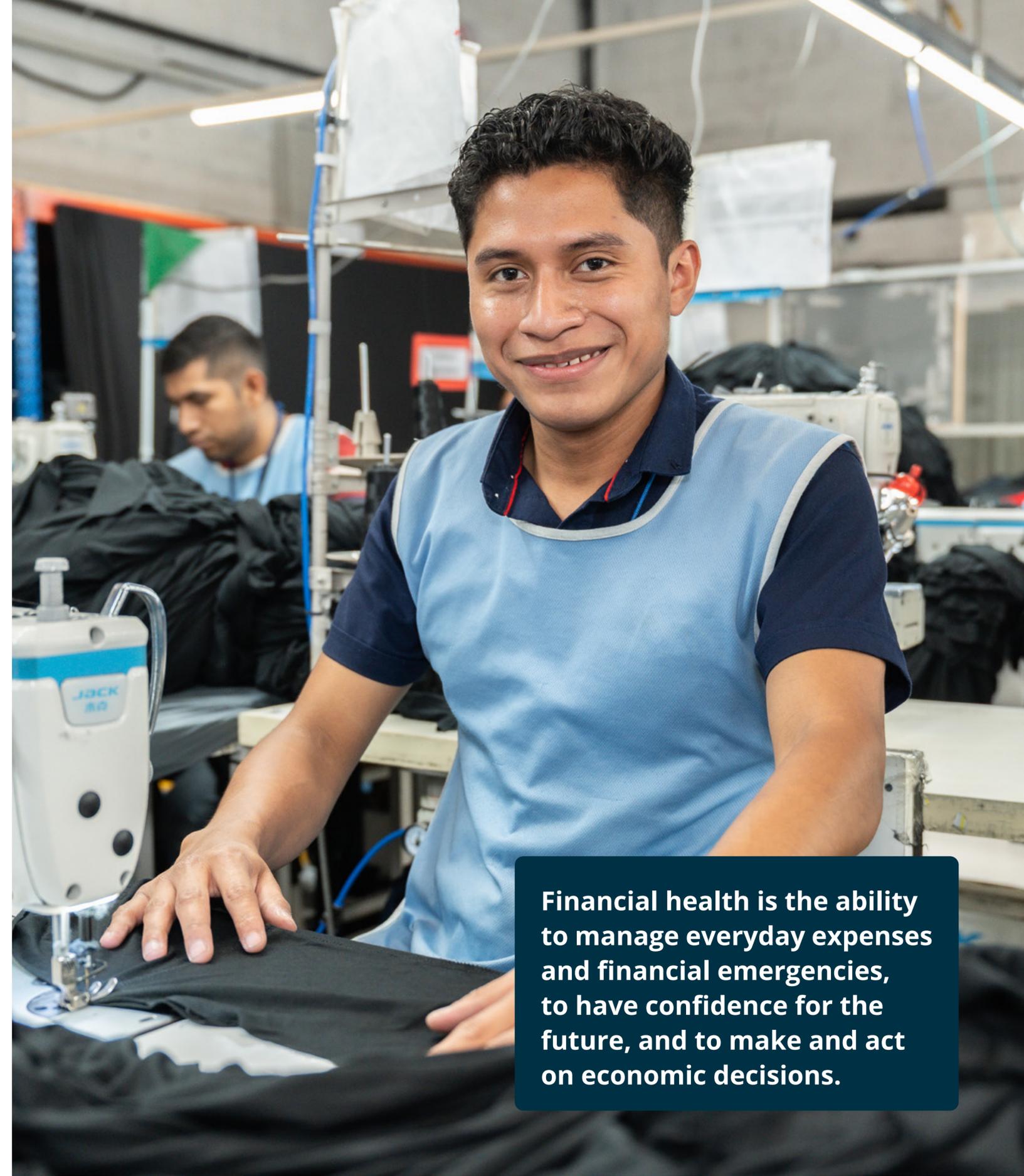
15% of workers are making financial decisions with their families, up from 6%



Improved manager-worker communications

An increase of nine percentage points in women rating their relationship with management as positive

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 Guatemala.



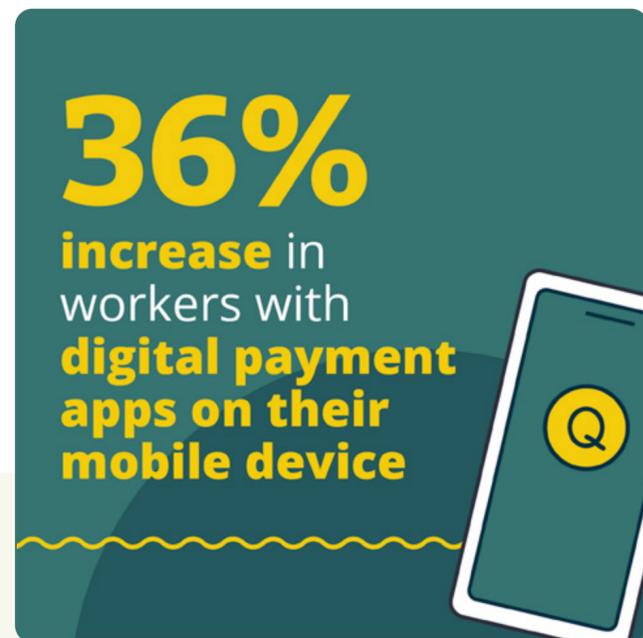
Financial health is the ability to manage everyday expenses and financial emergencies, to have confidence for the future, and to make and act on economic decisions.

Financial Services

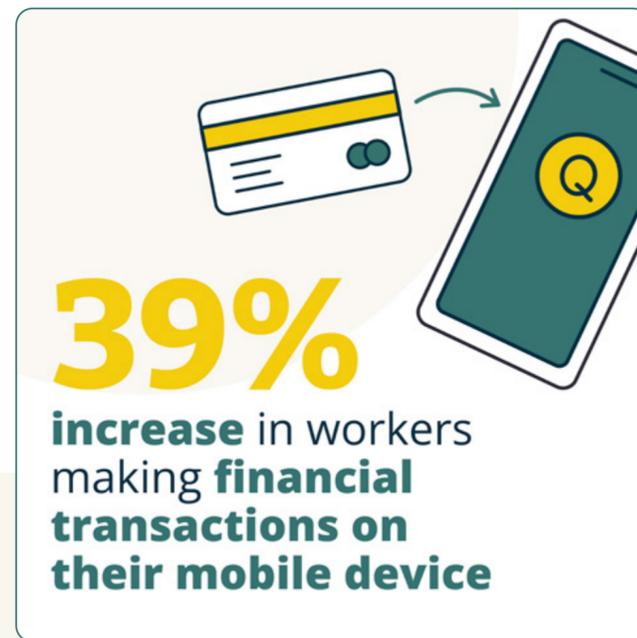
Increased use of a range of financial products and services, enabling workers to benefit from their payroll accounts and make digital payments



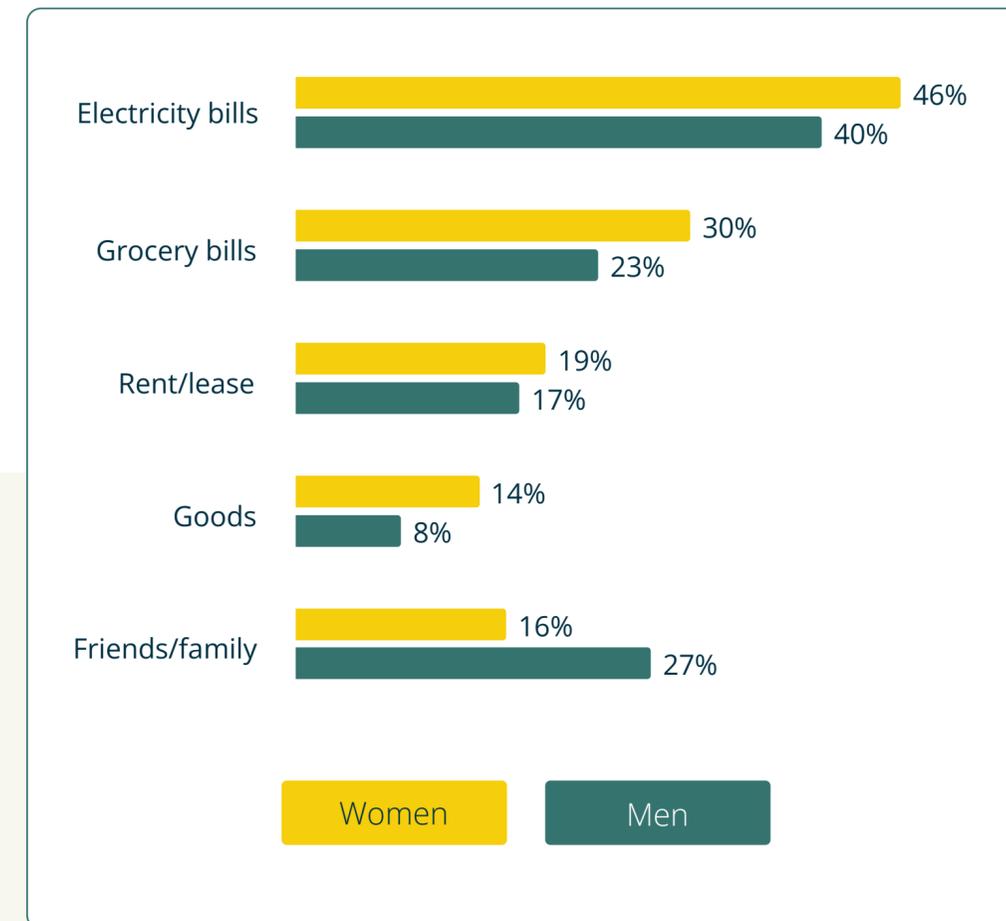
In Guatemala, workers have been paid into bank accounts twice a month since 2016. While 86% of workers receive their wages into accounts,²² only 61% say they prefer this method. Fourteen percent are paid by check during their first three months of employment.



Eighty-nine percent of women and 87% of men use banking applications, up from 49% and 56%, respectively. Checking account balance is a popular feature, used by 54% of men and 32% of women.



Seventy-six percent of women and 68% of men reported making transactions on their mobile devices, up from 33% and 35%, respectively. Workers typically begin by paying electricity bills digitally, followed by transferring money to friends and family.



Types of digital payment transactions made by workers in Guatemala following participation in the RISE program.

Worker View

"Now I use digital financial services, keep all my money in the bank, and don't carry cash. I do everything online, and **I meet my goals with just my savings.** I don't waste my money, I put it to good use, and **I'm always covered for any emergency.** Today, **I manage my money better and have enough for what I really need to use it for.**"

MAN GARMENT WORKER

"I receive my salary through a payroll account, but I prefer to use cash. **I use online banking to pay for electricity, water, or telephone.** I also check my account statement in the banking app. **I have a savings account,** but I also save through Cuchubales (savings group) and have a piggy bank at home for specific goals."

WOMAN GARMENT WORKER



Expenditure

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



Eighty-five percent of women and 88% of men reported they were tracking their monthly expenses, up from 72% and 83%, 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.



Confidence in managing expected expenses over the next two years increased to 82% of women and 78% of men, up from 73% and 70%, respectively. However, 20% of women and 18% of men report saving for expected expenses, and 5% of women and 11% of men are still taking loans to cover them.

Consequences of using loans to manage expenditure

Indebtedness is high in Guatemala. Fifty-nine percent report having loans and spending around 12% of their wages on loan repayments.²³ Seven percent of workers say they are behind on repayments while 9% either didn't know or chose not to answer. The main reasons for loans were for financial emergencies (27% of workers) and buying a house, property, or land (26% of workers). Ninety-three percent of women and men have formal loans from banks or microfinance institutions (MFIs), 14% of women and 27% of men borrow from friends or family.

Defaulting on payments can have severe consequences for workers, including bank accounts being frozen and the involvement of debt collectors, who may contact employers and threaten fines for noncompliance. This pressure can force workers to leave their jobs and look for alternative employment, making it even harder to repay their debts.

Workers often turn to informal lenders who provide quick loans, with few requirements, appealing to those who urgently need money and cannot access traditional bank credit due to their history. However, these loans typically carry high interest rates and unclear agreement terms, and some lenders use illegal and extreme tactics, such as confiscating workers' debit cards to immediately withdraw their wages when payday arrives.²⁴



Worker View

"This is the first time I have been part of a financial health program and **I consider my time in the RISE program a wonderful experience because I have learned a lot.**

I liked the topics of saving and budgeting because it was something that I was not trained in, and **now I have ideas on how I can save for my future.** Now I plan how to make my expenses so I can have a constant savings margin and be able to differentiate between my wants and my needs.

Today **I'm looking forward to achieving the goals I've set for myself during the program,** the most important of which is to be able to save to buy my own land in four years."

WOMAN GARMENT WORKER

Financial Resilience

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



53% of workers report saving every or most months up from 37% of women and 43% of men. Workers are saving around 20 USD per month which is about 5% of their salary.²⁵ Workers reported mostly saving for emergencies, expected expenses and buying a house, property or land. 40% of women and 32% of men reported saving in a bank account or formal financial institution. Workers who have a savings account are more likely to save every or most months.



82% of women and 78% of men said they were confident to manage financial emergencies in the next two years, up from to 73% and 70% respectively. 63% of women and 51% of men are saving for emergencies.

Saving behavior varies according to life stage

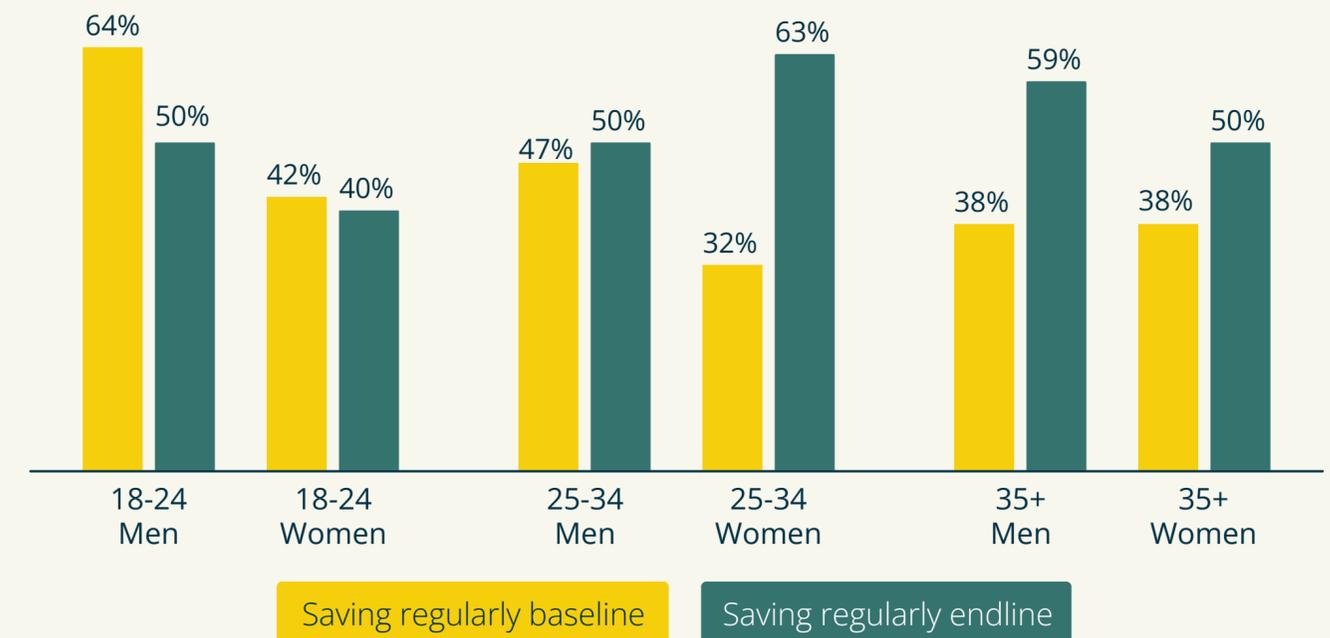
Workers realize the importance of saving money for the future and have increased their saving behavior. There are variations in saving patterns for different age groups.

The most significant change in saving behavior was observed among women aged 25-34, whose savings increased markedly from 32% to 63%. This suggests that although this group initially faced the greatest constraints to saving—with appropriate support they were able to prioritize building financial security for their families and taking responsibilities seriously.

The second-largest change was among men aged 35+, followed by women aged 35+. These patterns suggest the program resonated well with older participants who are more likely to have established household roles, enabling them to translate financial knowledge into practical saving behavior.

In contrast, savings declined among 18-24 year olds, particularly young men. This may reflect fewer immediate financial responsibilities and a shorter-term financial outlook typical of younger cohorts, which can make consistent saving more challenging despite increased awareness.

Women and men saving regularly by age group



Worker View

"I have a savings account in a bank, but I was not consistent with my deposits or with the amount I deposited. **The RISE program [helped me] realize how important it is to be consistent with the amount I save**, especially since I'm a widow and my old age will depend on what I'm able to save from now on.

Now, before making an expense, **I analyze whether I want to do it because it is a desire or a need**. Because of this, I'm now more conscious of my expenses.

I also have been able to share with my peers what I've learned and how they could also benefit from putting it into practice."

WOMAN GARMENT WORKER



Financial Decision-Making

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



Fourteen percent of women and 18% of men reported making financial decisions with their families, up from 2% and 13%, respectively. The increase is even more pronounced among married workers: 56% of married women and 27% of married men said they make financial decisions jointly, compared to 4% and 11%, respectively.



Seventy-one percent of men disagreed that large financial decisions should be made by men, up from 64%, reflecting a meaningful shift toward more equitable decision-making.

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

Understanding the different needs, roles, and constraints of women and men in Guatemala's garment and footwear sector is essential to designing inclusive financial services. Household dynamics strongly influence financial decisions, shaping who controls income, manages expenses, and uses formal financial tools.²⁶

These patterns can reinforce assumptions about women's and men's financial priorities, limiting access to suitable products and opportunities.²⁷ Women often report lower confidence in using financial services, sometimes delegating larger payments to parents or partners and relying on family members to manage utilities or household bills. Men tend to report greater independence in financial decisions and are more likely to use online payments or debit cards. Women frequently manage day-to-day budgeting, while men more often oversee major purchases and investments.²⁸

Around 25% of households are headed by women,²⁹ often due to men's economic migration. In these cases, women may become the main providers for children and extended family, especially when remittances are irregular.³⁰ However, established household roles can still limit women's decision-making authority, even when they are the primary earners.³¹

Financial dependence can also increase women's vulnerability to violence or unfair treatment. In a sector where wages are often low and unpaid responsibilities remain significant, reliance on partners or family members can reinforce imbalances and reduce confidence to challenge difficult situations.

Recognising these realities—and how they are evolving—is key to developing financial products, training, and workplace initiatives that respond to the everyday experiences of both women and men in the sector.



Worker View

"Through this training, we've been able to better organize our budgeting, tracking income and expenses, and improving our savings habits. We've even **started saving with our families** now, and we've **improved our communication in this area** to help us plan for short, medium, and long-term projects."

MAN GARMENT WORKER

"Now I think about saving for the future, and it is even a topic I've **discussed with my husband**, because we both were only focused on unnecessary expenses such as makeup and creams for skin care, now I think about the **priority of each of my expenses and make future plans** with the savings I plan to accumulate."

WOMAN GARMENT WORKER

Business Efficiency

Improved worker-manager communications through regular engagement



Eighty-nine percent of women rated their relationship with management as positive or very positive, compared to 80% before the program. Worker-manager communication has increased, with managers gaining a better understanding of workers' financial challenges and helping identify appropriate solutions. This has strengthened workers' confidence to raise issues with management.

"Workers are paid digitally into personal accounts, and we work closely with our payroll provider to ensure the process runs smoothly. They provide **ongoing support - guiding new workers, helping them use ATMs, and assisting with downloading and navigating the banking app**. So far, the results have been very positive. If any issues arise, there are two banking agents available within the factory, and workers can also reach support through the call center or an agency outside the factory."

LETICIA ESTRADA
FINANCE MANAGER, DENIMVILLE

Supporting workers with financial products and services in the workplace

In Guatemala, while most workers are paid into accounts, many are still building their confidence in using ATMs, downloading banking apps, and making financial transactions. RISE works with managers to help them understand workers' financial needs and challenges, and identify suitable solutions that can be promoted through the workplace.

This has led to, for example, factory management:

-  Arranging **regular visits from bank staff**, who provide onboarding support to new workers and assist with the use of services such as ATMs, accounts, and the banking app, among others
-  Reviewing payroll providers and changing to **one with better ATM coverage** for workers
-  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
-  Developing **awareness campaigns** on safe use of debit cards and ATMs

Industry View

"**You can clearly see the impact in the factory.** After the peer educator training, colleagues immediately start asking the peer educators, 'Where did you go? What did they tell you? What did you learn?' As we say in Guatemala, information spreads like gossip on the factory floor, and in this case, it spreads as useful knowledge. We also placed **strong emphasis on practical skills such as how to use a debit card and how to withdraw cash safely from an ATM,** so workers felt confident putting what they learned into action."

LUIS ORTIZ
SOCIAL COMPLIANCE, STAR APPAREL

"Improving workers' financial health across our supply chain is central to our strategy to strengthen worker well-being, factory performance, and supply chain reliability. We believe that **when workers feel safe, healthy, and financially secure, productivity and long-term outcomes improve.** We've seen in Guatemala how building workers financial planning, budgeting and savings skills has helped them, and now planning to support this to be further scaled in Central America."

SAMUEL DIAZ
MANAGER, RESPONSIBLE SOURCING OPERATIONS,
AMERICAS REGION, VF CORPORATION



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:

Although most workers are paid into bank accounts, many withdraw 100% of their wages in cash



Fear of making mistakes in digital transactions, and uncertainty about fees, lead workers to continue relying on cash. It is important to provide training on the technical use of financial products and services and their benefits in order to build skills, confidence, and trust.

Workers rely on short-term loans, increasing debt and financial stress



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

Workers demonstrate positive saving behavior but remain vulnerable to financial shocks



Unexpected health expenses, fluctuating income, and household responsibilities often disrupt their ability to save consistently. Strengthening financial resilience requires promoting financial planning, budgeting practices, and accessible savings tools.

Social norms shape financial decision-making—women manage household budgets, men make larger financial decisions



Financial health initiatives should consider the different needs of women and men when developing training materials, including addressing household decision-making dynamics and how economic insecurity increases exposure to and consequences of violence.

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



Initiatives should equip managers to support workers to improve their financial health, including through promoting suitable financial products and services in the workplace, along with training workers on how to safely use and benefit from them.

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



Garment and Footwear Sector

Increased efficiency, transparency, compliance, and risk management



Financial Sector

A new active market sector meeting financial inclusion targets



Government

Increased financial literacy and financial inclusion, and improved financial health of the population



NGOs

Increased women's economic empowerment

Recommendations

- Invest in the long-term financial health of workers as part of a comprehensive business model
- Identify suitable financial products and services to promote to workers, in partnership with payroll providers
- Monitor progress to identify where additional support is required

- Adopt a long-term approach: ensure workers can continue accessing cash through local ATMs while building their trust, skills, and confidence to use digital financial services
- Develop use cases for low-income women and men, including long-term savings, and responsible earned wage access products and bundle with payroll products
- Use behavioral design to promote saving products around payday

- Encourage financial service provider's financial inclusion strategies to include low-income men and women workers
- Facilitate workers' enrollment and access to social security by introducing faster, more efficient mechanisms that simplify and streamline the process
- Develop awareness campaigns on how customers can make safe digital payments and protect themselves from fraud

- Conduct and share research into workers' financial needs and barriers, considering life stages, social norms, and power dynamics to best support financial agency
- Integrate financial health into existing training, including addressing harassment and violence at work, reducing climate risk, and improving health

The following resources, developed by RISE in partnership with the Mastercard Center for Inclusive Growth, are available at riseequal.org:

RISE Financial Health Posters

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



RISE Financial Health Videos

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



RISE Audio Messages

An audio message about financial services and money management in Spanish.



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 Spanish.



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Acknowledgements

Image credits: RISE

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inclusive growth



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RISE



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.

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