

# Advancing Digital Financial Inclusion for Garment Workers in Vietnam

Impact for Women and Business





Vietnam's garment, textiles and footwear employs an estimated 3.5 million workers, 82 percent of whom are women.<sup>1</sup> In Vietnam, all workers formally employed must be paid into a bank account. However, workers, especially women, are not benefiting from their accounts, many withdraw 100% of their wages on payday due to lack of knowledge and confidence to use financial services.<sup>2</sup> In 2021, a BSR HERproject survey found 45 percent of female workers did not have a savings plan and 47 percent of workers did not feel confident in their ability to handle an unexpected cost.<sup>3</sup>

Building financial capacity for workers, especially women, is a vital part of economic empowerment so they can build the knowledge and confidence they need to use and benefit from their formal financial accounts. Including financial health training on saving, budgeting and discussing finances with their families, also supports male and female workers to better manage their expected expenses and handle financial shocks. A study conducted at four garment and footwear factories that participated in HERfinance<sup>4</sup> found that financial capability workplace programs can lead to improvements for workers and businesses.<sup>5</sup>

- **Workers** reported saving with greater frequency and increased confidence to handle unexpected expenses. Additionally, female workers increased their knowledge and use of social insurances, as well as using a greater range of financial services such as paying bills online.
- **Managers** reported greater productivity and reduced turnover in female and male workers. Additionally, the improvement to workers' financial health reduced incidences of workers borrowing from informal money lenders. They also reported in personally leading outreach sessions and assisting workers to use and benefit from their payroll accounts.

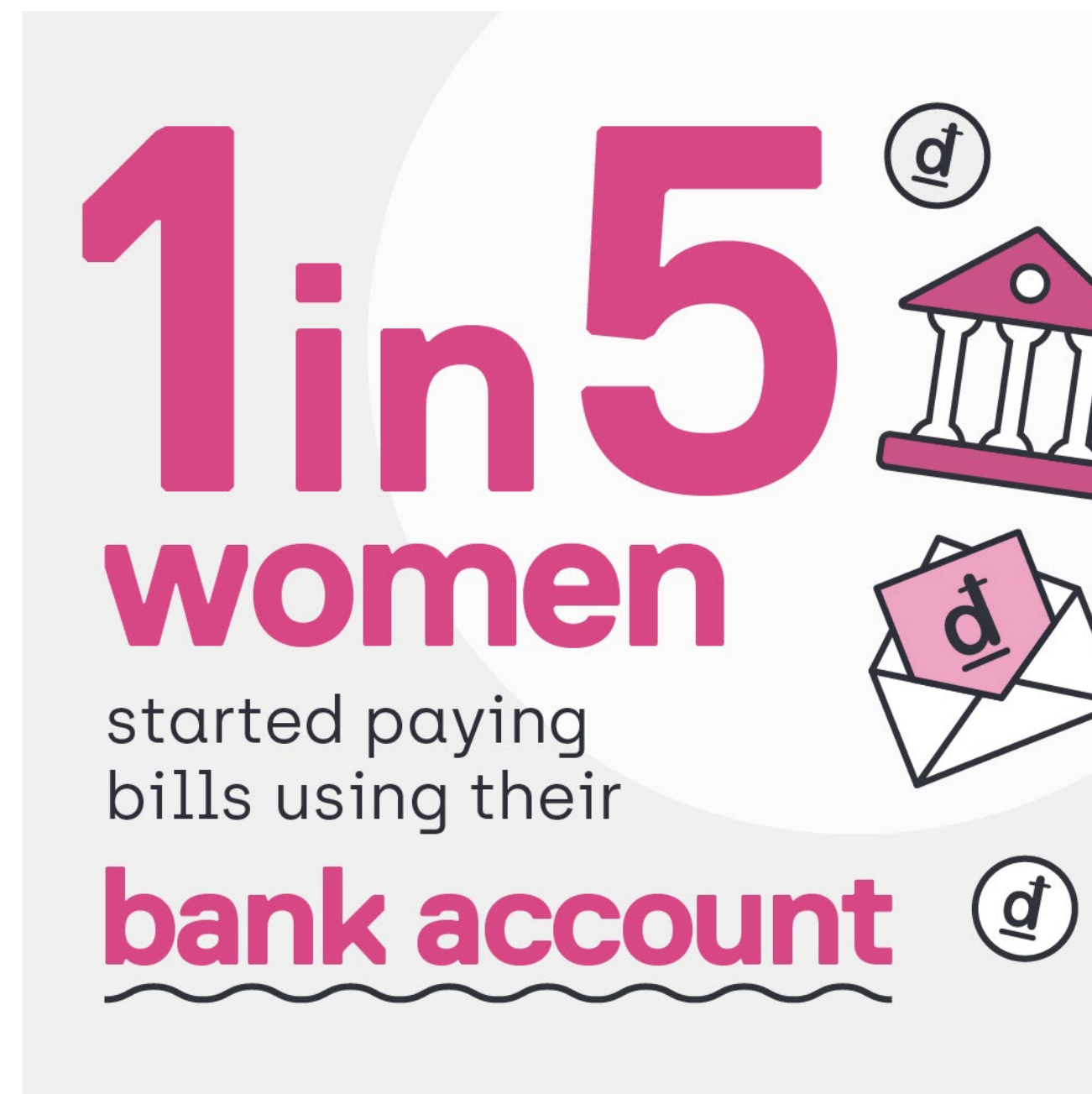




## Women increased usage of financial services



↑ After participation in HERfinance, 87% of women and 90% of men used financial products and services, up from 55% and 61% respectively.



↑ Following training, 47% of women paid their bills via bank accounts, up from 22%. Likewise, 55% of men reported the same, up from 39%.



↑ 57% of women and 48% of men opened a savings account under their own name, up from 27% and 45% respectively. Some female workers noted that rather than buying gold as investment, they would rather save in a savings account.

## Workers reported increased financial resilience



↑ 81% of women and 78% of men reported saving monthly up from 54% and 63% respectively following participation in HERfinance. For male and female workers, their most important savings goal was to set money aside in case of emergencies.



↑ Following program implementation, 57% of women and 60% of men reported using formal financial institutions to save most of their savings, up from 34% and 51% respectively.



↑ 79% of women reported confidence to handle financial emergencies, up from 53%. Likewise, 78% of men reported confidence, up from 62%.



“

Before [HERfinance] training, I wanted to save up a lot of money to buy a house. So I had set goal to save 500 million dong (\$21,254) in 5 years. The trainers taught us that it is important to set achievable goals. So I reduced it to 300 million dong (\$12,752). I am now making progress towards this.

- LINH, GARMENT WORKER, TIEN GIANG PROVINCE (PICTURED)

“

I used to [buy gold for saving]. But now, I think I will have more interest if my money is in a savings account. The gold price is not stable, we cannot anticipate everything. Also, if we keep the gold at home, it is not safe.

- NGÂN, FEMALE GARMENT WORKER, BA RIA PROVINCE

“

I started to plan out my expenses. My family now have a saving account for emergencies and we put money into it every month. My wife and I often have discussions before making larger purchases.

- MALE GARMENT WORKER, NAM DINH CITY





## Workers increased awareness of risk of borrowing

HERfinance takes a savings first approach but recognizes workers in Vietnam have high levels of indebtedness, 1 in 3 Vietnamese adults have informal loans.<sup>6</sup> Therefore, HERproject incorporated modules on borrowing responsibly while encouraging workers to save accordingly.

**1 in 5**  
**women**  
are now able to identify  
**the risks of borrowing money**

↑ After training, 63% of women and 81% of men can identify the risks associated credit and borrowing, up from 30% and 65% respectively. The three most commonly reported risks are: Risk of losing assets; safety issues borrowing from informal lenders; and risk of defaulting.

**1 in 5**  
**workers**  
are on schedule to  
**repay their loans**

↑ Following training, 22% of women and 18% of men reported being on schedule to repay their loans, up from 19% and 15% respectively. For respondents who have loans, the most commonly uses are: Buying property; paying off expected expenses; and starting a business.



“

The [HERfinance] Training on borrowing helped me feel confident when I do have to take loans from a bank. Before, I would feel anxious when (walking into a bank), I wasn't sure if I could repay the money and I wasn't sure if my investments could be successful. The training helped me understand these things better.

- NHAN, FEMALE PEER EDUCATOR, NAM DINH CITY



## Workers increased financial communication with their family



↑ 76% of women reported they could confidently bring up the topic of budget planning with their husband or partner, increasing from 53%.



↑ 56% of men reported they now make decisions on spending with their family, up from 46%.



“

In Vietnam, the women often make the decision on daily expenses like food and small purchases. However, me and my husband will discuss and make decisions together on larger purchases like buying land and children’s education.

- FEMALE GARMENT WORKER IN FOCUS GROUP DISCUSSION, BA RIA VUNG TAU PROVINCE



“

I definitely love sharing my experiences of using these modern financial management tools with my colleagues and children in the family. I really appreciate the opportunity to participate in these training courses and hope that other workers at my factory will get the same opportunity.

- PHONG, GARMENT WORKER, TIEN GIANG PROVINCE





# Female workers reported improved workplace satisfaction and motivation

**2 in 5**  
increased their workplace  
**workplace satisfaction**  
from satisfied to  
very satisfied

The infographic features the text '2 in 5' in large pink font. Below it, 'increased their workplace workplace satisfaction' is written, with 'workplace' repeated. Underneath, 'from satisfied to very satisfied' is written. The text is surrounded by five smiley face icons: two are pink and three are white with pink outlines.

↑ Following training, 2 in 5 female workers increased their workplace satisfaction from satisfied to very satisfied.

**1 in 10**  
**women**  
increased their  
**manager relationship rating**

The infographic features the text '1 in 10 women' in large black font. Below it, 'increased their manager relationship rating' is written. To the right, there is an illustration of two female worker icons with arrows between them, indicating a change or relationship.

← Prior to training, 48% of women reported having a positive relationship with factory management. Following program implementation, this increased to 58%.

**1 in 3**  
female workers  
**increased their confidence**  
to speak with their managers about an issue at work

The infographic features the text '1 in 3 female workers' in large pink font. Below it, 'increased their confidence to speak with their managers about an issue at work' is written. To the right, there is an illustration of a female worker icon with a speech bubble above her head.

← 68% of women reported that now have the confidence to speak with a manager about an issue at work, up from 38%.







After completing the HERfinance training, workers have greater knowledge of social protections available to them from the workplace and government. From this, workers are less likely to change workplaces for minor wage increases. As a result, our factory could reduce turnover rates and the cost to enrol and train new workers.

Moreover, the factory can retain the experienced and high-skilled workers who are more productive and able to produce a wider range of products. Implementing workplace training programs like HERfinance can also help strengthen the relationship and reputation of brands and factories.

- MS. HONG HA, MANAGEMENT OF THE EVALUATION DEPARTMENT,  
SONG HONG 2





## Workers shared learning with their families and communities



We really wanted to share the important learnings with as many workers as possible, so [me and several other peer educators] came up with an idea recorded a role play to be played on the production floors. Afterwards, it started being played not only on our production line, but throughout the factory as well! In addition to that, whenever new workers come into the factory, we would approach them and share the learnings with them.

- NHAN, HUMAN RESOURCES REPRESENTATIVE, NAM DINH



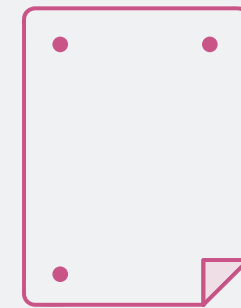


# HERfinance Resources

The following HERfinance Vietnam resources are readily available online:

## HERfinance Posters

A set of six posters with information about financial services, including how to use mobile banking without internet and financial management. They are available in [Vietnamese](#) and other languages.



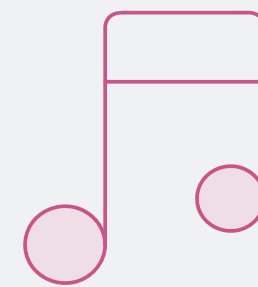
## HERfinance Tech Learning Tool for Workers

Developed in collaboration with QuizRR, uses engaging films, quizzes, and animation to support workers to increase their knowledge of financial services, improve financial health and build their digital literacy. Available [online](#) in Vietnamese and English.



## HERfinance Audio Message

A song that can be played on the public address (PA) system and provides information about using financial services. It is available in [Vietnamese](#) and other languages.



## HERproject Social Media Cards

A series of 15 illustrations which provides information on personal health, financial services and management, managing stress and communication. These illustrations can be used during training, or directly by factories. Available in [English](#) and [Vietnamese](#).



## HERproject YouTube Channel

Digital Wages videos and animation, developed with QuizRR, can be used during training, or shown on their own – such as in factory canteens. Playlists are available in [Vietnamese](#).



## Hãy sử dụng tài khoản của bạn an toàn!

Hãy chọn mã PIN (mã số định danh cá nhân) mà chỉ một mình bạn biết



Hãy luôn giữ bí mật mã PIN của bạn



Không bao giờ chia sẻ mã PIN của bạn

Hãy cảnh giác với những cuộc gọi lừa đảo



Tôi không chia sẻ mã PIN với bất kỳ ai để giữ cho tài khoản của mình an toàn



Nếu bạn nhận cuộc gọi yêu cầu cung cấp mã PIN, hãy tắt ngay điện thoại, cho dù người gọi nói rằng họ gọi đến từ ngân hàng của bạn.



# Acknowledgements

Thank you to our partners, Centre for Promotion of Quality of Life, Columbia Sportswear, Deckers Outdoor Corporation, Nordstrom, Inditex and QuizRR; our funder The Walt Disney Company; and to the managers and garment workers who shared their experiences and feedback with us.

This report was developed by Justin Hui and Hoang Thu Huong at with input from Ella Moffat at BSR HERproject.

Photo credit: BSR/Vu Ngoc Dung and BSR/Credit ELEM Company

BSR<sup>®</sup> | HERproject<sup>®</sup>

BSR's HERproject<sup>™</sup> is a collaborative initiative that strives to empower low-income women working in global supply chains. Bringing together global brands, their suppliers, and local NGOs, HERproject drives impact for women and business via workplace-based interventions on health, financial inclusion, and gender equality. Since its inception in 2007, HERproject<sup>™</sup> has worked in more than 900 workplaces across 14 countries and has increased the well-being, confidence, and economic potential of more than 1.2 million women and 775,000 men.

For more information, please visit [www.herproject.org](http://www.herproject.org)

## Learn More

For more information about HERfinance, please visit [HERfinance Resource Hub](#), for insights, information and engaging tools that support financial capability and wage digitization in global supply chains

## References

<sup>1</sup> CARE Rapid Gender Analysis for COVID-19, Vietnam, May 2020.

<sup>2</sup> 46 male and female garment workers interviewed across four factories in Vietnam.

<sup>3</sup> Data collected from 71 male and 131 female workers in Vietnam.

<sup>4</sup> <https://herproject.org/programs/herfinance>

<sup>5</sup> Four Surveys conducted with 202 workers (57 percent women) and four managers at the start of the program, and 195 workers (57 percent women) and four managers at the end of the program. Two factories located in Southern Vietnam (4,432 workers) and two factories located in Northern Vietnam (2,029 workers).

<sup>6</sup> Demirgüç-Kunt, Asli, Leora Klapper, Dorothe Singer, and Saniya Ansar. 2022. The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19. Washington, DC: World Bank. doi:10.1596/978-1-4648-1897-4.