

Banker's Academy BRIEFINGS

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Addressing the Need for Women's Banking Services in the Muslim World

By Dr. Linda Eagle

Throughout the Muslim world, banks and financial institutions have experienced a significant rise in their number of female customers in recent years. The number of banks and investment companies created specifically for women has skyrocketed across the Middle East. Estimated to control around \$246 billion of the region's wealth (projected to hit \$383 billion by 2011)¹, women in the Middle East are regarded today by international banks as financial powerhouses.²

The recent rise in this market can be attributed to the increasing role of Muslim women in the workplace. Responsible for controlling household and family finances for decades, women have also experienced new empowerment and freedom in how they spend their money. With new opportunities for education on the rise and more and more women entering the workforce, women have become crucial target customers to the financial industry. Banks can tap into this growing market by providing banking services to their growing number of female customers and by training their sales and customer service personnel to better sell and service this important customer segment.

The Role of Women in the Muslim World

It is not a new concept for Muslim women to be in control of the family finances, but now they are empowered to step out of the home, cash in hand. They have money to spend and invest and they are looking for the same opportunities made available to men. A 2007 study by the International Finance Corporation, an arm of the World Bank, found that a third of women-owned enterprises in the United Arab Emirates generated over \$100,000 a year, compared to only 13% of American women-owned firms.³

Women on the Home front

Today, many Muslim women have significant liquid assets, partly because of Islamic inheritance law. Islamic law dictates that a married woman's wealth is her own; spending on the household is her husband's responsibility. Muslim women are legally entitled to inherit and bequeath property, holding their wealth in their own names even after marriage, without obligation to contribute that wealth to their husband or their family.⁴

¹ Power, Carla, "Middle East: Women's Money Talks." [<http://www.time.com/time/magazine/article/0,9171,1827866-1,00.html>], July 30, 2008.

² Abdullah, Sarah, "International Banks Investing in Saudi Women." [<http://www.arabnews.com/?page=15§ion=0&article=123101&d=15&m=10&y=2009>], June 3, 2009.

³ Power, Carla, "Middle East: Women's Money Talks."

⁴ "Role of Women in Saudi Arabian Society." [<http://www.saudinf.com/main/h61.htm>].

Because Muslim women do not have to rely on their husbands as their only source of funds for domestic and household purchases, they have traditionally managed most aspects of household finance. Today, women throughout the Muslim world play an even more active role in the financial transactions of their families, giving them more of a say in terms of purchasing power and decision-making authority. With these responsibilities, women require banking services that both understand their needs and can help them to manage the challenges they face in making the best financial decisions for their families.

Women in the Workforce

Throughout the Muslim world, women are entering the workforce and even starting their own businesses now more than ever. According to recent reports, women currently run about 16,390 businesses. In recent years, women have slowly become more accepted in the workplace and have even come to occupy senior government posts, including ministerial appointments and executive positions in the private sector. Once regarded as delicate beings that need to be protected, Muslim women today are being empowered to seek financial independence.

In 2009, Financial News released its annual list of the 100 most influential women in finance and for the first time, four Middle Eastern women were among the names included.⁵ Chosen for their profound impact and exemplary leadership in their industry, these women represent the gender shift in this part of the world. Haliza Abd Rahim, head of project management for BMB Islamic UK, leads a team that oversees \$10 billion of assets for some of the Middle East's wealthiest families. Maha Al-Ghunaim is chairman of Global Investment House, the leading asset management and investment banking companies in the GCC and the wider Middle East and North Africa (MENA) regions. Soha Nashaat, head of Middle East, North Africa and Turkey for Barclay's Wealth, of the UK-based Barclay's Group, has been building Barclay Wealth's Dubai hub since 2006, becoming one of the major wealth management recruiters in the GCC in 2009. Nahed Taher cofounded Gulf One Investment Bank in 2005, making her the first woman to head a bank in Saudi Arabia.⁶

Identifying Women's Needs

As women continue to manage their financial responsibility and independence throughout the Muslim world, the need for new and specific banking products and services for this market has also emerged. Forced to wait in line with men in many male-operated financial institutions for decades, women throughout the Muslim world now seek a private, personal and comfortable banking environment. Women today enjoy financial institutions that cater to their unique needs and offer enhanced, targeted, financially compelling, and more personalized services than they have ever experienced before, such as credit cards and loans.

Banks can cater to this market by offering women extra privacy in their financial affairs and a more relaxed atmosphere in which they can discuss their needs. Banks can create exclusive areas within their branches that enable women to carry out their banking transactions with greater comfort and privacy. Banks can also attract new customers by offering women additional benefits, including exclusive health privileges at renowned hospitals and health clubs, and shopping discounts with special privileges at select stores for perfumes, clothing, accessories, books, and much more. Financial institutions truly dedicated to expanding services to women will open female-only branches.

⁵ Financial News, "Financial News 100 Most Influential People, 2009." [<http://www.efinancialnews.com/homepage/fn100/content/1054982515/>].

⁶ eFinancial Careers, "Four top women in banking, but it's still a man's world." [http://news.efinancialcareers-gulf.com/News_ITEM/newsItemId-21386], September 21, 2009.

Financial institutions can also reach this lucrative demographic by employing more women. Many Muslim women would prefer to discuss their financial affairs with another woman who understands their concerns through personal experience. An entire staff—tellers, bankers, wealth managers, branch managers—made up of women would be welcomed by their female-only clientele.

Training

While women-only financial institutions have been in existence for decades, this is a new initiative for many institutions. The transition will require time and education. The most effective way for banks throughout the Muslim world to reach this growing market is to implement a top quality training program, customized to the needs of women. A training program will help all employees at a bank to become familiar with this growing demographic and understand the importance of being sensitive to the needs of these new customers. A well-educated staff will prove to their clients that the bank is aware of the impact of women throughout the Muslim world and is ready for a change.

Additionally, a training program will teach bank employees how to successfully communicate with their female customers while providing outstanding sales and service. Learning professional customer services skills will help employees listen to their customers' needs and answer any questions, helping their female customers to feel relaxed and confident in their banking experience. Through training, employees also will become familiar with the products and services available for their female customers, such as current account, savings accounts, investment accounts, credit cards, auto finance, real estate and much more. Most importantly, employees will learn how to sell these products; following proper policy and procedure, protecting themselves, their banks, and their female clients.

Final Word

The shifting role of Muslim women in their homes and in the working world provides a new market for financial institutions. In order to tap into this growing segment of the financial industry, banks need to understand the unique banking needs of this vital customer segment and implement a sound training program to best sell and service them. Through training, banks can build a knowledgeable, professional and sensitive staff that is prepared to serve women throughout the Muslim world as this market continues to grow.



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