

# How Do Muslim Women Save Money?

August 2021

Findings Report

## The Think + Do Tank Programme

The programme is aimed at enabling Muslim women to represent their lived experiences and needs within research policy and practice. MWC endeavours, through this programme, to ensure that Muslim women of all backgrounds can seriously influence policy and decision making at all levels. Muslim women have been used by researchers when it has suited their research projects and government agendas, regurgitating the tired and reductive narratives about 'the Muslim woman'. Women we have worked with over the years have increasingly expressed their frustration with being used as 'subjects' for research agendas framed by others and now want their unmediated voices to be heard.

We aim to enrich and correct the knowledge landscape by ensuring that new relevant research is produced directly by Muslim women on issues that they feel are important to them & their communities, building trust between communities and research institutes. The evidence, recommendations and solutions generated by them will be used to show how the government and both the public and private sectors can help create conditions that allow Muslim women to thrive.

Through creating an army of community researchers who themselves have full awareness of the issues within their communities, women are being empowered to be authors of solutions that bring about societal change. We are creating a legacy of future leaders, community researchers and advocates who will inspire others around them. The findings will be available on our website, through social media outlets, and will also be shared with local authorities and government departments.

By establishing a 'Think + Do Tank' we are creating a valuable hub that engages Muslim women on their lived experience of poverty, barriers to employment, enterprise and finance. A process and space that enables and encourages the exploration of new economic approaches, and for presenting existing alternative community practices in place outside of an economic system that is not designed for Muslim women to thrive in. This includes identifying how and why the existing neoliberal capitalist system is perpetuating inequality towards Muslim women; and to recommend alternative economic systems that would have a material impact on the lived experience of Muslim women. It will contribute to the long-term ambitious vision of influencing systemic change across economic policy, commercial and political strategies and systems of the UK.



## What This Study Covers

A recent consumer study carried out by VoucherCodes.co.uk revealed that the average man in Britain has 32% more savings than the average British woman.

These figures are much higher when considering women from the South Asian community. This group has been highlighted as having a major disadvantage when it comes to employment due to several issues such as language barriers, discrimination, and racism, which effects their ability to earn enough to save.

Saving money allows people to put away money for future expenses: a large purchase; investments in education or a business; a financial cushion to handle possible emergencies.

This study aims to understand the methods that the women use to save their own income or the family income.

## Key Findings

- 84% of the women said they were not involved in any bad habits such as smoking, drugs or drinking alcohol. Their religion and culture prohibit these activities, which then makes it easier to stay away. This enabled them to save their surplus money.
- 25% of the women spoke about how their parents or family members buy land abroad. Some had houses in Pakistan and India (their countries of origin), which they visit on a yearly basis. 15% said they knew of people who had bought plots of land abroad as an investment.
- 38% of the women spoke of how their family members had invested in gold many years ago. With the gold prices at an all-time high, this seems to have been a wise decision. But many of the women we support would be unable to purchase gold at the present rate.
- 56% said they still use the banks to save money. However, they spoke about how members of the family with language barriers struggled to access the banking facilities independently. Even though many banks in Bradford have bilingual staff they still try and avoid going alone. They feel much more comfortable if they are accompanied by a friend or family member. But there is still a worry and stigma attached about going to a formal bank.



## Findings Expanded

Over 50% agreed that Muslim women faced other barriers when attempting to access the banking facilities. They face major inconveniences when they have a query. They either must go into a branch due to security reasons or set up mobile/telephone banking which some do not have the skillset to do.

Some women spoke about how difficult it is to borrow money from the bank. Many of the women who do not work said they felt restricted. They do not have a credit rating. Some of the women rely solely on benefits as their means of income, however due to the culture of living with extended families they manage to save a small amount.

Over three quarters of the women (76%) spoke about a Kameti (committee) system. This is a sought-after way of saving money, which we will cover in detail below.

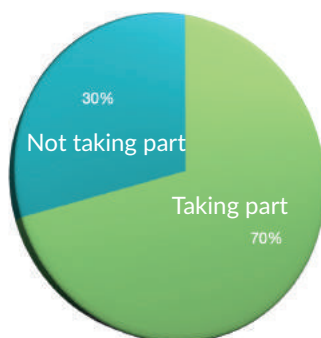
Whilst Islamic financial services can encourage Muslim women to take advantage of banks and other formal financial institutions, there are still similar limitations to women doing this. These were mainly around the limited number of banks available, the stigma attached to them banking there without their husbands, and again the online nature of many of these banks.

Having any saving system can provide a first entry point to the formal financial system and, from there, users can be attracted to increasing the use of their accounts through other Islamic finance products for appropriate credit, housing finance, and more. But it is how we connect the informal to the formal.



## Kameti System

The word 'Kameti' literally translates to 'committee' in the English language. It is a financial union between South Asian women that has long been a tradition starting in the early 70's, still in operation today and very popular.



**Percentage of surveyed women taking part in a Kameti system**

The principles of the Kameti are very simple; to raise money quickly for whomever needs it, without any interest, bank accounts or lengthy application approvals.

The requirement for urgent cash could be something simple like new furniture or a holiday, to bigger costs such as financing a wedding, funeral costs, house renovations and car purchases.

The general idea is that a member of the community is the head of the Kameti and collects and distributes the cash money as agreed by all members.

The rules are agreed beforehand and there are no set members, but a monthly fee is agreed to be paid by each member to the HOC (Head of Committee).

In simple terms, if there are ten members who all pay five hundred British pounds a month, the total invested per month by the group would be five thousand pounds. This would mean the first person to receive the funds in the first month would receive this amount and names would be drawn out of a hat beforehand to determine the order, but the flexibility and community spirit would accommodate any changes.

For example, if a member is due to receive funds on the ninth month but has a family emergency, the other members are generally very understanding and would swap positions to help another member out. Unlike banks who have withdrawal limits and processes, a member can receive the money the same day in cash.

There is of course major risk associated with such informal saving methods.

The whole system is based on trust-both with being a member and being the HOC.

## Basic process of Kameti

	Monthly contribution	Month 1	Month 2	Month 3	Month 4	Month 5
Member 1	500	2500				
Member 2	500		2500			
Member 3	500			2500		
Member 4	500				2500	
Member 5	500					2500

\*Please note that the length and the amount of the Kameti depends on the number of members. For example, if there were 2 more members added to the above table, the Kameti would increase by 1000 and the length would be 7 months. Any member who is unable to pay would lose their money. Depending on how early it becomes evident that a member is unable to pay, they will be removed from the membership.



## Why do Asian women use this system?

70% of the women said they had participated in a Kameti at some point, and felt that it was easier to save money as a set amount needs to be put in. The women stated that they prioritise the Kameti payment, as it is also a matter of honour within the community. It works well if there is an emergency. Due to the women not having an income, the banks would not approve a loan. This system has been used for many years and the communities will continue to use this system. The benefits include:

- The Kameti system allows Asian women to socialize and interact with their own community without any social or language restrictions.
- It offers flexibility of receiving large cash amounts and not worrying about interest (Islamic law forbids the charging and receipt of interest) or late payment fees.
- There are no issues with communication or any social barriers and having trust within the members of their own community.
- The luxury of joining a Kameti on your own terms and affordability with no rigid structures. Kametis are linked to community status and trustworthiness in the community. Members feel a sense of acceptance and belonging.
- Kametis are also status-related, the size of the monthly contribution enhances one's status and standing in the community.

The system is not flawless and as with anything there are disadvantages and unforeseen issues that can arise and have done so in the past.

- The fact that the South Asian women are restricted to their own community, limits them from integrating fully and learning the English language and culture to a level that can give them the confidence to step out of their comfort zone and apply themselves in the mainstream.
- This limitation to community also restricts the amount any Kameti can save, based on what each member can afford, which can be both good and bad. Good as it stop individuals over stretching their money, bad as it limits what they can spend.
- The Kameti system heavily relies on trust and the community spirit, and sometimes criminals can take advantage of this principle. There have been cases where certain individuals have embedded themselves in the community to set up elaborate scams where they have convinced members to participate in large value Kametis and conned members out of thousands of pounds.
- On rare occasions criminals in the community are aware of the HOC's having considerable amounts of cash at any given time and seize the opportunity to steal the money, robbing innocent people of their hard-earned savings with no insurance policy to cover any losses.

## Key Recommendations

Many community members choose to opt into a Kameti as they are restricted from accessing alternative banking services. From the discussions that took place it was evident that many struggled as they lacked confidence due to language barriers.

Due to this barrier, they are unable to explain which service they may want to use. 46% agreed that if there was a service that provided support in this area to the members of the community they would feel more at ease. It would need to be an established and trusted organisation.

- With the right support and training the Kameti can be transformed into a more formal community banking system that the women can be involved in managing.
- To implement a system which safeguards the procedure. This could be in the form of a legally binding document, signed by each person involved. This enables the members to enforce action against any criminal activity that takes place. It offers security and can act as a deterrent for others who target this scheme.
- Banks to introduce a dedicated language line for members of the community so that they can communicate independently. This will encourage the members of the community to access safe banking services without worrying about being financially exploited or having to rely on family and friends. Many banks have now introduced online banking which has proven to be a difficult task for the elderly members and those that have a language barrier.
- A support service dedicated to giving out advice and practical support on financial services. This can include a buddy service where people who have a language barrier or any additional barriers can book a session. This may be support with a call to the bank or even transporting the person physically. The idea is to allow each community member to have equal access to these services and encourage them by offering solutions to overcome the barriers restricting them.

## Further Considerations

Financial institutions need to determine if their financial inclusion activities/projects/services are enhancing women's economic empowerment. In considering this they need to look at the social and cultural context – for example, any cultural norms that inhibit women's participation in particular services or activities; the individual context of the women for example their home life and restrictions; and how financial services are currently being offered and under what conditions, and how they limit women's access to these services.

But the biggest question is how much of a demand is there for financial services from women and is it enough to make a business and social case to the financial institutions? Are banks willing to consider the barriers such as illiteracy or the lack of control over household financial resources these women have?



## Quotes from interviewees



*"I have been paying money towards a Kameti for over 10 years now. It has always been very smooth running, convenient and hassle free. The lady sometimes just comes to collect the money from my house if I cannot make it to hers. I have always found this way of saving very productive. I just know in my mind every month that I need to put that money aside".*



*"I have used the Kameti system for years and have been part of different groups. This is something my mother always used to do so I understand the terms and conditions behind this. I know there is little protection, but nothing has ever happened as the people we put the Kameti in with are very trustworthy".*

## Case Study



Rahila has been involved in a Kameti within her area for around 6 years. She has been part of the same group. Rahila has always referred to the woman that runs the Kameti as the “Kameti Aunty”. The Kameti Aunty has lived on her mum’s street for several years and Rahila has been familiar with her since she was young. The Kameti aunty was known to have operated around 3-4 Kametis. This built up trust in the community and Rahila’s sister had also invested with the Kameti Aunty.

Rahila was a busy mum with 3 children and a full-time job. She was always on the go. The Kameti Aunty lived on Rahila’s mum’s street. This was very convenient as when she dropped her children off, she was able to drop her Kameti amount off each month.

Rahila had borrowed money from her family members for a deposit for a house. Rahila was desperate to pay them back in the shortest amount of time. The way forward was a Kameti. This way Rahila could pay her family back within 2 years.

One day Rahila had gone to her mum’s house after work to collect her daughter. She was four months into the Kameti and had paid almost one thousand pounds towards the Kameti. Her mum broke the news to her that the Kameti woman had left town without telling anyone. There were rumours that her sons were part of a gang in the area and for their own safety they had to leave, and she had taken all the money with her. Rahila became a victim of this incident along with many more families. However, this incident did not stop the women from putting in towards another Kameti. Rahila is just more cautious and prioritises family Kametis as it is easier to recover the money and you are aware of what you are dealing with 100%.

## Conclusion

Beyond the Kameti, financial inclusion benefits individuals and households, and well-functioning financial systems benefit whole communities and countries.

However, access to financial services is highly unequal, with poor women being the least served by existing institutions and systems.

To promote poverty reduction and gender equity, there is a clear rationale to enhance financial inclusion for women and improve their economic empowerment by developing services that aim to create:

- Economic advancement through better paid employment.
- Access to opportunities to develop their skills and have access to work.
- Access to services and the support required to advance economically.
- Decision-making authority in different spheres including household finances.

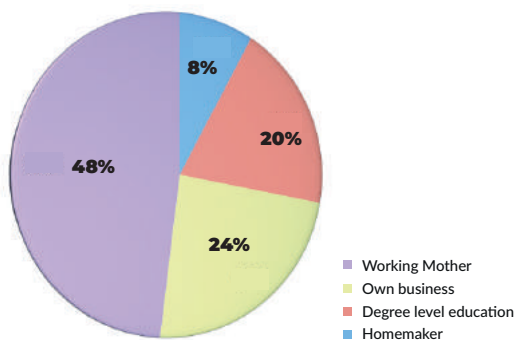


## Conducting The Research

A focus group was put together of 50 women within the Bradford area. The women met once a week for 2 hours over a period of 6 weeks via Zoom. The age range was from 20-54. 20% were educated at degree level. 24% had their own business working from home. 48% were working mothers. The remaining women (8%) were homemakers.

In addition to the above, several interviews were conducted with the women that had small businesses set up at home. These interviews took place via Zoom calls.

### Profession



## Muslim Women's Council

MWC is unique in its local, national, and international reach. We deliver services to the most marginalised members of our communities; the homeless, the excluded and disadvantaged. Our initiatives have addressed community issues ranging from mental health, child sexual exploitation and food poverty.

At the other end of the spectrum, we provide thought leadership and we facilitate and enable change. For example, we have initiated a project to transform and lead discourse on women's access to, presence in, and involvement in Mosques. This initiative has gained national and international support and has been reported globally.

Looking ahead in a context of political turbulence and uncertainty, we have prioritised empowering Muslim women to narrate their lived experiences and make an intervention into policies impacting their lives.

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