Measuring Financial Inclusion:
The Global Findex Data

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### Supply side surveys

- Various institution-specific administrative data

### Demand side surveys

- LSMS financial modules
- FinScope
- EFiNA
- Finclusion
- WB Financial Literacy surveys
- OECD SME Scorecard

### Limited headline numbers... but broader coverage

- IMF IFS
- GSMA
- WB Global Payment Systems Survey

### Global Findex
- WB Enterprise Surveys
- Gallup World Poll, World Value Survey, etc.
In 2014, the World Bank -- with funding from the Bill & Melinda Gates Foundation and in partnership with Gallup, Inc. -- updated and expanded the Global Findex dataset, an unprecedented study of financial inclusion based on interviews with almost 150,000 adults in over 140 countries worldwide.
Financial Inclusion
Total Percentage of Adults, 2014

62% of adults have an account as of 2014, up from 51% in 2011

Note: Significant change in account ownership from 2011 to 2014 is shown in red above each bar.
Financial Inclusion in Developing Countries
Total Percentage of Adults, 2014

- **Men**: 59%
- **Women**: 50%
- **Richest 60% of Households**: 60%
- **Poorest 40% of Households**: 46%

**Notes**:
- The percent of unbanked adults in the poorest 40% of households dropped by 17 percentage points – but more than half in developing countries are still without accounts.
- In India, men are more than 20 percentage points more likely than women to have an account.
- In the Middle East older adults are twice as likely as younger adults to have an account.
- 234 million adults in China remain unbanked and 71% of them live in rural areas.
How Can Digital Payments Raise Income?

Digital payments can facilitate wage, transfer and remittance payments and have the potential to increase income by allowing households to smooth consumption and accumulate savings

- Lower cost and time to send and receive payments
- Increased security of payments and lower associated crime
- More transparency and thus lower leakage between sender and receiver
- Builds transaction history and improves credit access
- Increasing the security, privacy and control over the funds received, especially for women
- Helps people meet unanticipated expenses
  - In Kenya, women who had savings accounts invested 45 percent more in their businesses and were less likely to sell off assets when faced with a health emergency
Note: the height of the bar is the percentage of adults with an account.
Digital Payments
Total Percentage of Adults

<table>
<thead>
<tr>
<th>Poorest 40% of Households</th>
<th>vs.</th>
<th>Wealthiest 60% of Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>51</td>
<td>66</td>
</tr>
<tr>
<td>China</td>
<td>37</td>
<td>59</td>
</tr>
<tr>
<td>India</td>
<td>12</td>
<td>29</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>52</td>
<td>66</td>
</tr>
<tr>
<td>South Africa</td>
<td>53</td>
<td>76</td>
</tr>
<tr>
<td>HI-OECD</td>
<td>86</td>
<td>93</td>
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</tbody>
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Note: Red bars show percentage of adults that use an account to make or receive a digital payment in the poorest 40% of households compared to the richest 60% of households, as measured by household income.
Use of debit cards for direct payments
Total Percentage of Adults

14% of account holders in developing economies use a debit card

Note: the height of the bar is the percentage of adults with an account at a financial institution.
GLOBAL FINDEX  Use of Account

Modes of payments from accounts
Total Percentage of Adults

- **Used a debit card for direct payments**
- **Used a credit card for direct payments**
- **Used a mobile phone to make direct payments from an account**

**Nearly a quarter of adults in Turkey report using a credit card**

**14% of adults in China report using a mobile phone to access their account**
Internet payments
Total Percentage of Adults

Note: the height of the bar is the percentage of adults with access to internet.
Globally, paying wages through accounts can increase the number of adults with an account by more than 300 million.

Only 19% of wage recipients in South Asia receive wages into an account.

60% of wage recipients in ECA receive wages into an account.

Note: the height of the bar is the percentage of adults receiving wage payments.
Globally, government transfers through accounts can increase the number of adults with an account by up to 130 million.

88% of transfer recipients in Brazil receive transfers into an account.

In cash only

Into an account

Note: the height of the bar is the percentage of adults receiving government transfer payments.
440 million unbanked adults in developing countries receive agricultural payments in cash.

Note: the height of the bar is the percentage of adults receiving agriculture payments.
Agriculture payments
Total Percentage of Adults

Note: the height of the bar is the percentage of adults receiving agriculture payments.
Over half a billion adults in developing countries with an account pay school fees in cash—over a billion adults with an account pay utility bills in cash.

In India, 230 million adults with an account pay school fees or utilities in cash.

Note: the height of the bar is the percentage of adults paying school fees.
How Can Formal Savings, Credit & Insurance Raise Income?

*Formal savings products can increase income by allowing households to accumulate assets; Some evidence suggests that access to formal credit and insurance can increase income and/or smooth consumption for rural farmers*

**Savings**

- Higher investments in business and agriculture
- Easier to cope with income shocks
- Increased women’s economic empowerment through greater confidentiality and control over savings
  - *Spending on education increased by 20% in Nepali households that opened free bank accounts*

**Credit**

- Access to credit is associated with higher agricultural incomes and increase and/or smoother consumption for rural farming populations
- But ambiguous impact of credit on personal welfare like income and consumption

**Insurance**

- Agricultural insurance can encourage farmers to invest in riskier crops, often resulting in higher yields
1.2 billion adults in developing countries say they would use savings in case of an emergency—but 56% of these adults do not save at a financial institution.

Note: the height of the bar is the percentage of adults that report being able to come up the equivalent of 1/20th of GNI in a month.
What country-level factors explain the wide variations in account ownership across emerging economies

- Differences in the legal, regulatory, and tax environment {financial & telecom}
- Impact of reforms, such as new laws/regulations permitting agents, mobile money accounts, or tiered KYC
GLOBAL FINDEX  Knowledge gaps

Barriers to Account Ownership
Total Percentage of Adults

- More opportunities to merge demand side data and geospatial data
- Impact of introduction/expansion of National ID’s
- Impact of better product design to increase affordability, convenience, user take-up, etc.
Usage of Accounts
Total Percentage of Adults

- Used digital payments: 20%
- Borrowed formally: 2%
- Saved formally: 16%
- 4% overlap between used digital payments and saved formally
- 1% overlap between used digital payments and borrowed formally
Gender Gap in Access to Technology

- Sex disaggregated data on ownership and use of accounts, mobile phones, and internet
- Impact of financial services on women’s economic empowerment
Global Findex Suite of Products

- Findex Notes and Working Papers
- Financial Inclusion Data Portal
- The Little Data Book on Financial Inclusion 2015
- Global Financial Inclusion Microdata

www.worldbank.org/globalfindex