



Irving Fisher Committee on
Central Bank Statistics

BANK FOR INTERNATIONAL SETTLEMENTS

IFC Workshop on Financial Inclusion Indicators
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The Global Financial Inclusion Index¹

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¹ This presentation was prepared for the workshop. The views expressed are those of the author and do not necessarily reflect the views of the BIS or the central banks and other institutions represented at the workshop.



Global Financial Inclusion Index





What is the Global Findex?

- The first individual-level database on financial inclusion that is comparable across countries and time.
- Based on more than 150,000 interviews with adults ages 15+, representing more than 97 percent of the world's adult population.

What does it measure?

- Measures in detail the way in which adults in 148 economies save, borrow, make payments, and manage risk.
- Includes 41 indicators, disaggregated by gender, age, education level, income, and residence (urban or rural).



Why is the Global Findex valuable?

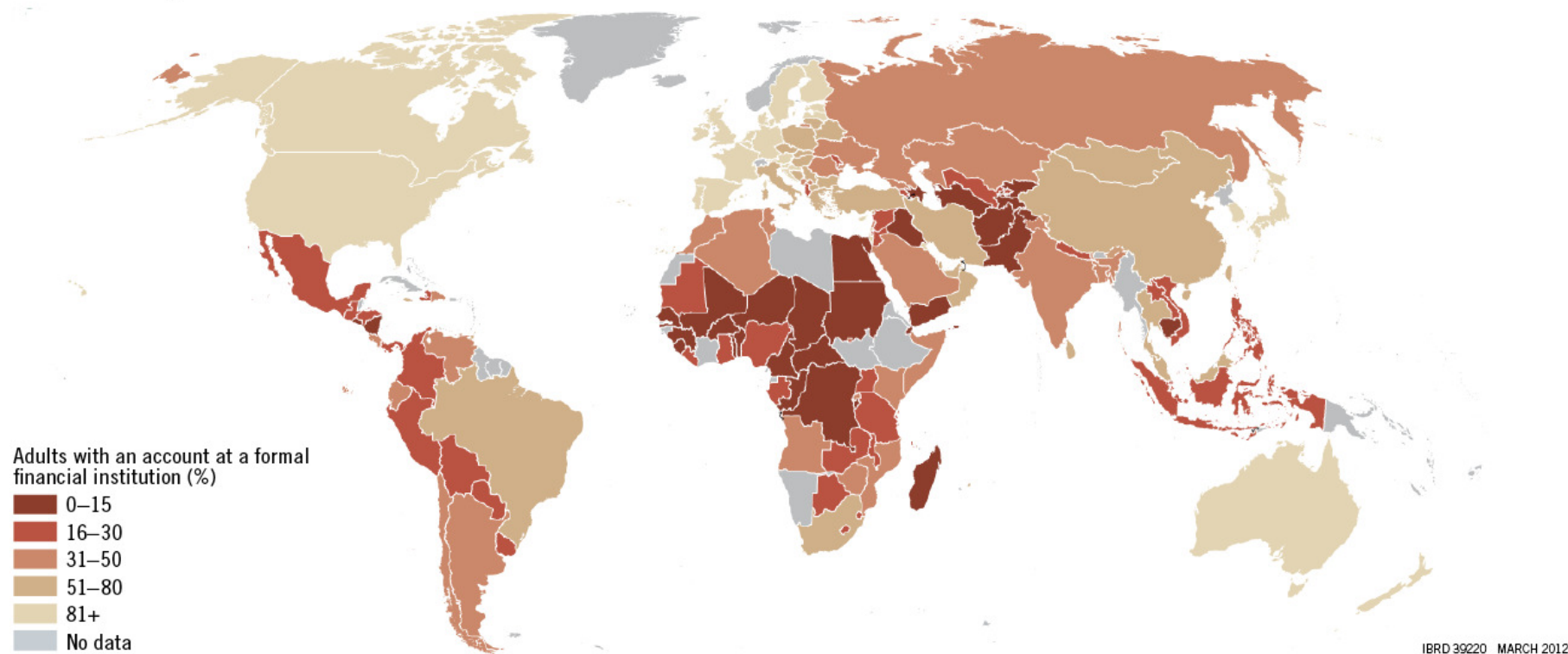
- Provides a tool to benchmark levels of financial inclusion, measure the impact of public policies, and identify potential clients and the demand for new products.
- Uses a consistent methodology across time and countries.
- Long-term project: the first round of data was released in April 2011, with complete updates in 2014 and 2017.
- Complements country-level efforts, & supply-side data (G20 Basic Set)

Who are our partners?

- The survey was carried out by Gallup, as part of its annual World Poll.
- The project is funded by the Bill and Melinda Gates Foundation.



Account penetration around the world



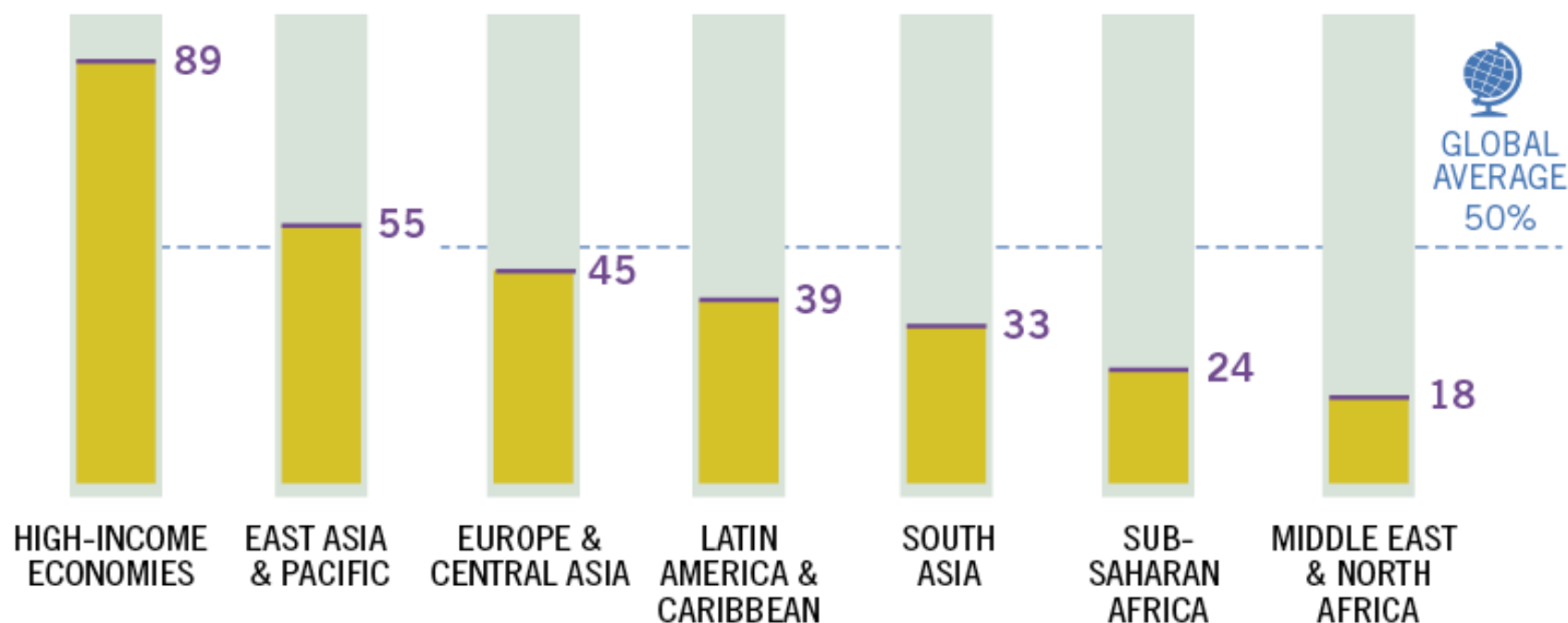
Source: Demirguc-Kunt and Klapper 2012.

The Global Findex covers **148** economies – in **23** economies, account penetration is over **95 percent**, in **21** economies account penetration is **5 percent** or less



Account penetration

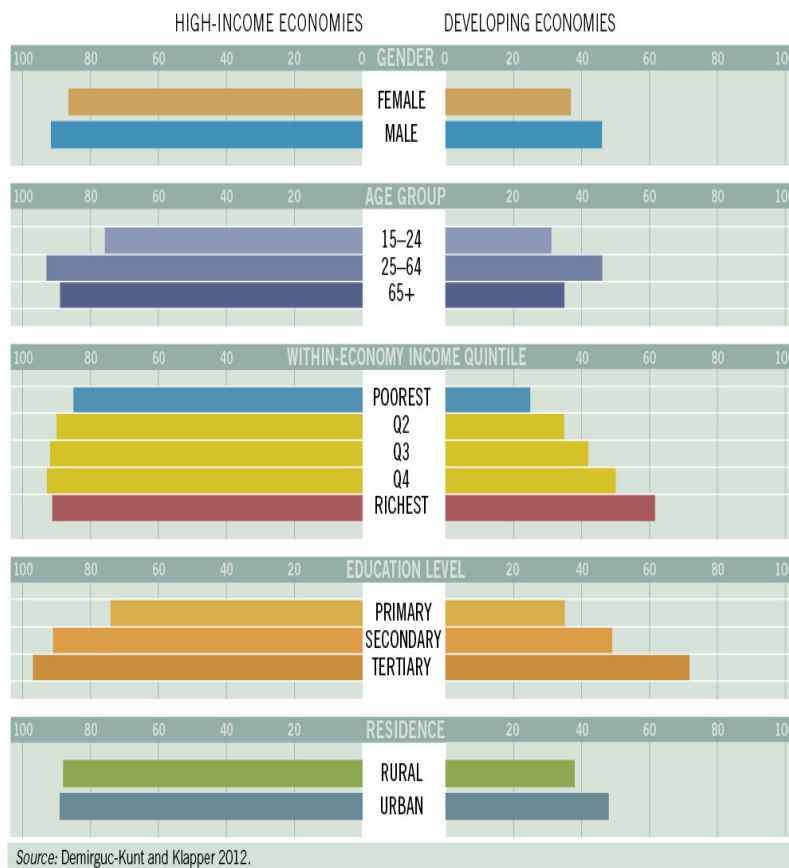
Adults with an account at a formal financial institution (%)



- Regionally, account penetration varies from **89 percent** in high-income economies to 24 and 18 percent in Sub-Saharan Africa, and the Middle East and North Africa, respectively
- The average account penetration among all adults in the developing world is **43 percent**
- Among those living below \$2/day, only **23 percent** have a formal account

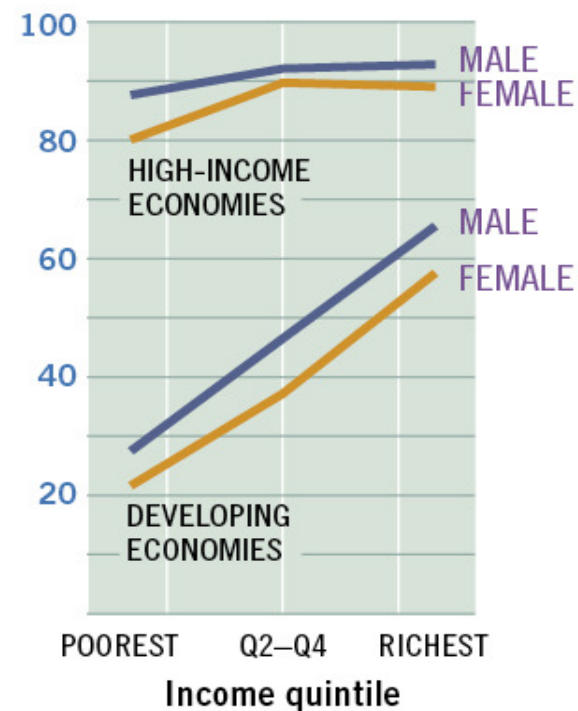
Account penetration by individual characteristics

Adults with an account at a formal financial institution (%)



Account penetration by gender across within-economy income quintiles

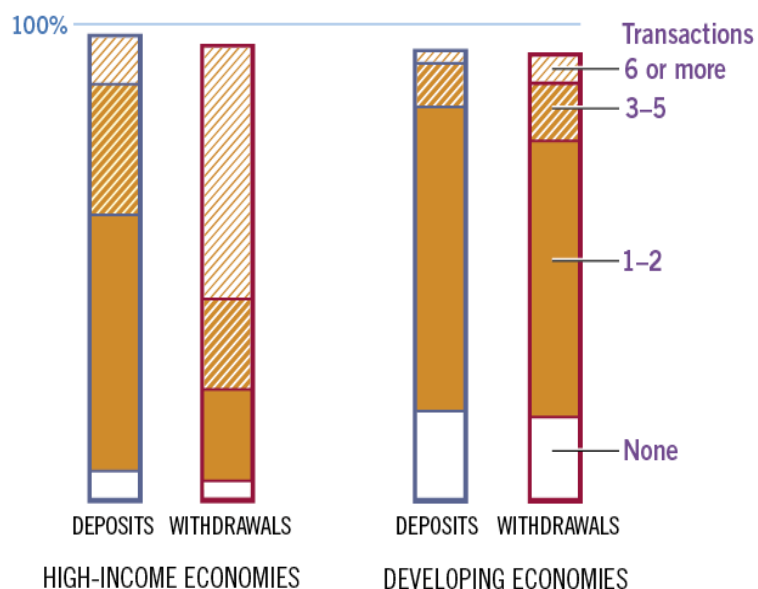
Adults with an account at a formal financial institution (%)



- Women, youth, the poor, and rural residents are the least likely to have a formal account
- A 6-9 percentage points gender gap persists across income groups in developing economies

Frequency of deposits and withdrawals by account holders

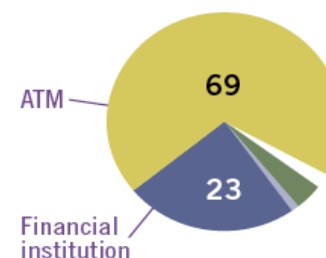
Adults with a formal account by number of transactions in a typical month (%)



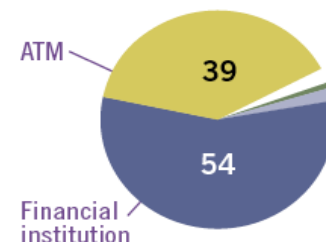
How account holders access their accounts

Adults with a formal account by most common mode of withdrawal used (%)

HIGH-INCOME ECONOMIES



DEVELOPING ECONOMIES



Do not withdraw
Retail store
Person associated with bank

- **8 percent** of account holders worldwide have zero deposits and withdrawals in a typical month
- **50 percent** of account holders in developing economies both deposit into and withdraw from their account 1-2 times in a typical month
- **73 percent** of account holders in developing economies typically withdraw money from a teller



Self-reported barriers to use of formal accounts

Non-account-holders reporting barrier as a reason for not having an account (%)

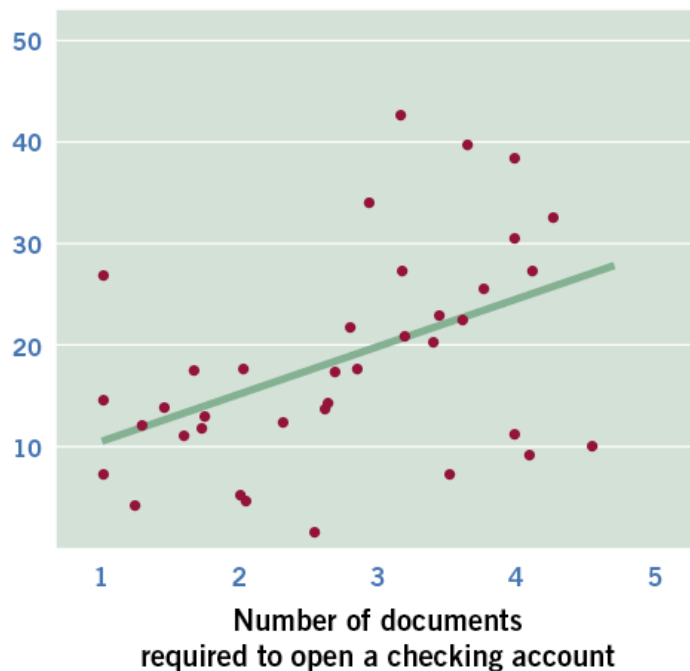


Note: Respondents could choose more than one reason. The data for “not enough money” refer to the percentage of adults who reported only this reason

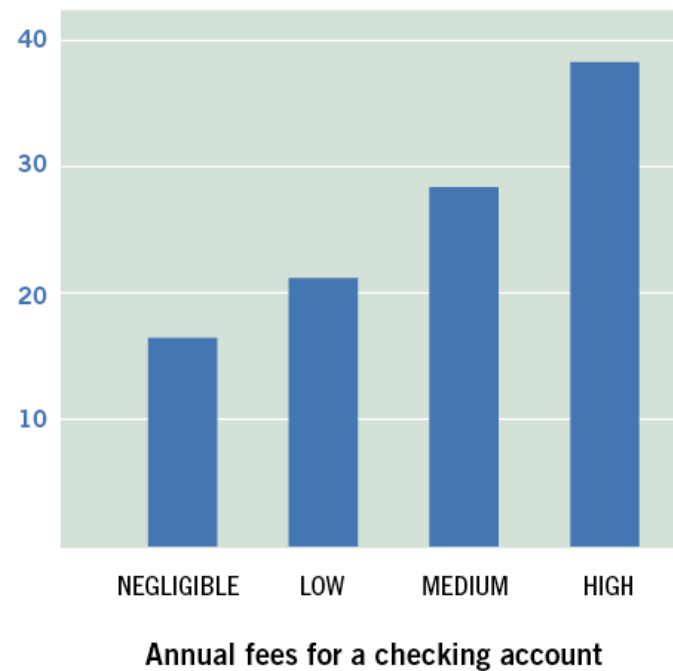
- **31 percent** of unbanked in Sub-Saharan Africa choose “Too far away”
- **31 percent** of unbanked in Europe and Central Asia choose “[I] don’t trust banks”
- **40 percent** of unbanked in Latin America & the Caribbean choose “They are too expensive”

Objective data support perceptions of documentation requirements and cost as barriers to use of formal accounts

Non-account-holders citing lack of documentation as a barrier (%)



Non-account-holders citing cost as a barrier (%)

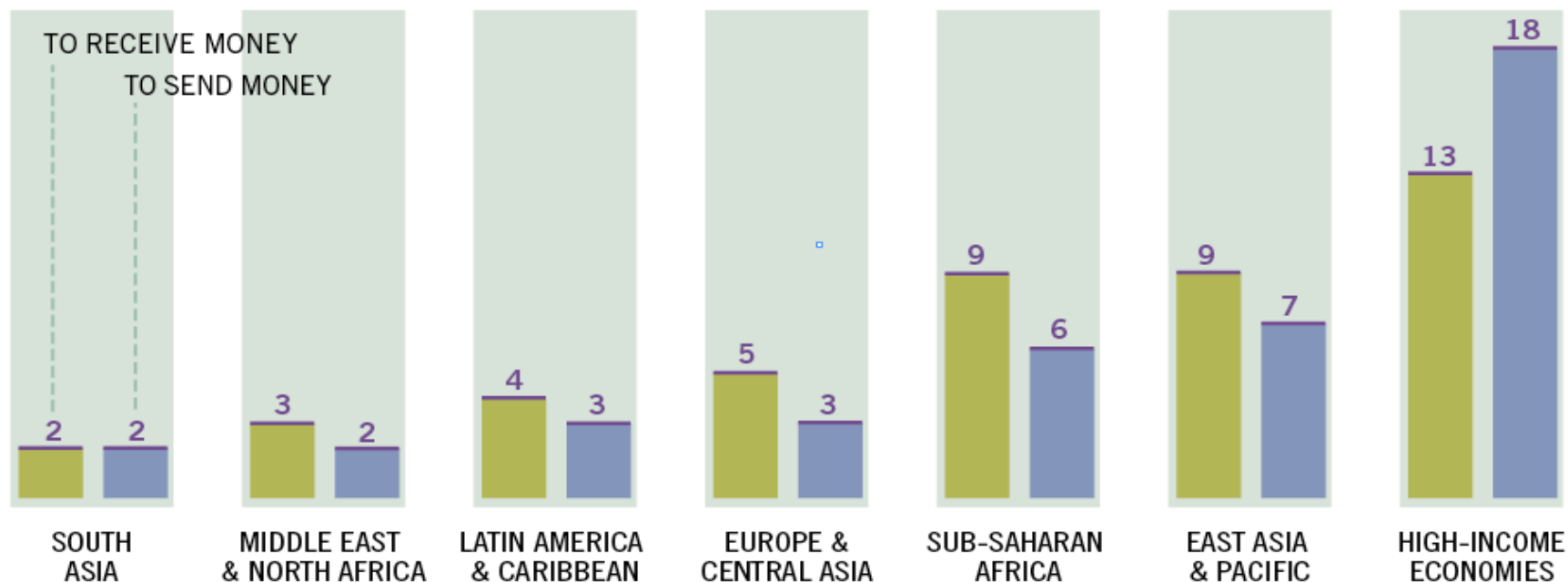


Note: Data on number of documents required are for 2005. Data on annual fees are for 2010 and reflect scoring by the national central bank. The sample for the left-hand panel includes 38 economies, and the sample for the right-hand panel 100 economies.
Source: Demirguc-Kunt and Klapper 2012; World Bank, Bank Regulation and Supervision Database; World Bank Payment Systems Database.

Significant relationship between subjective and objective measures of documentation requirements, even after accounting for GDP per capita

Use of accounts for family remittances

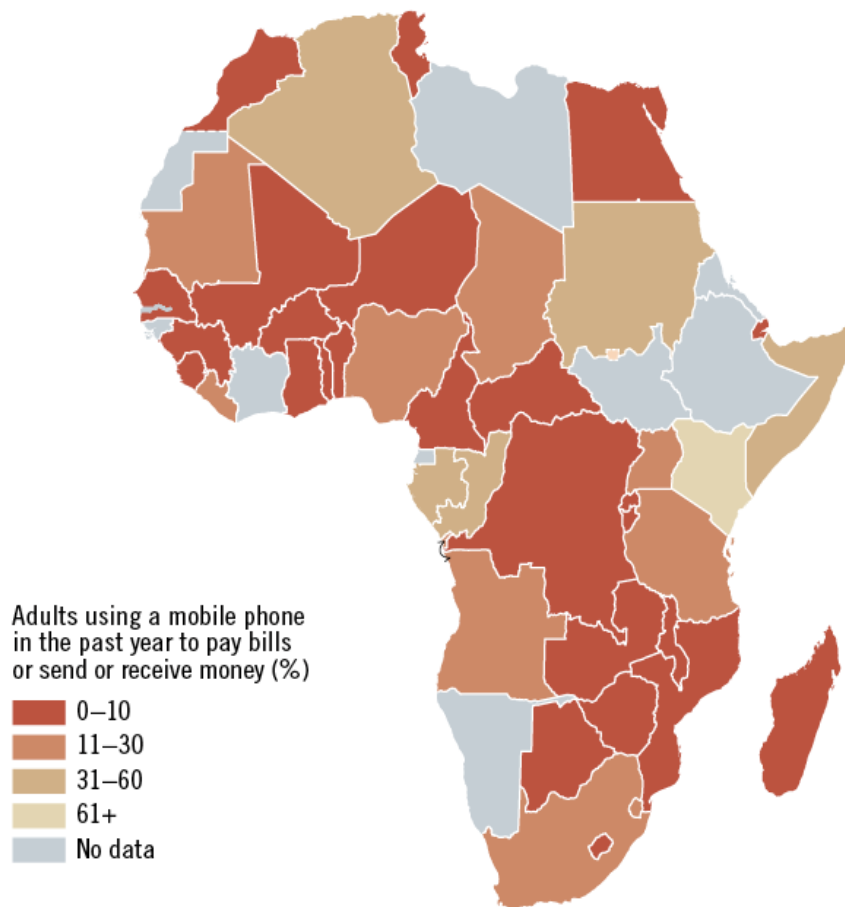
Adults using a formal account in the past year to transfer money to or from relatives living elsewhere (%)



38 percent of account holders in SSA use their account to receive money from family living elsewhere

61 percent of account holders in ECA use their account to receive wages—compared to **34 percent** of all account holders in developing countries and **56 percent** of account holders in high-income countries

Mobile money users in Africa



16 percent of adults in SSA use a mobile phone to pay bills, send or receive money in the past 12 months

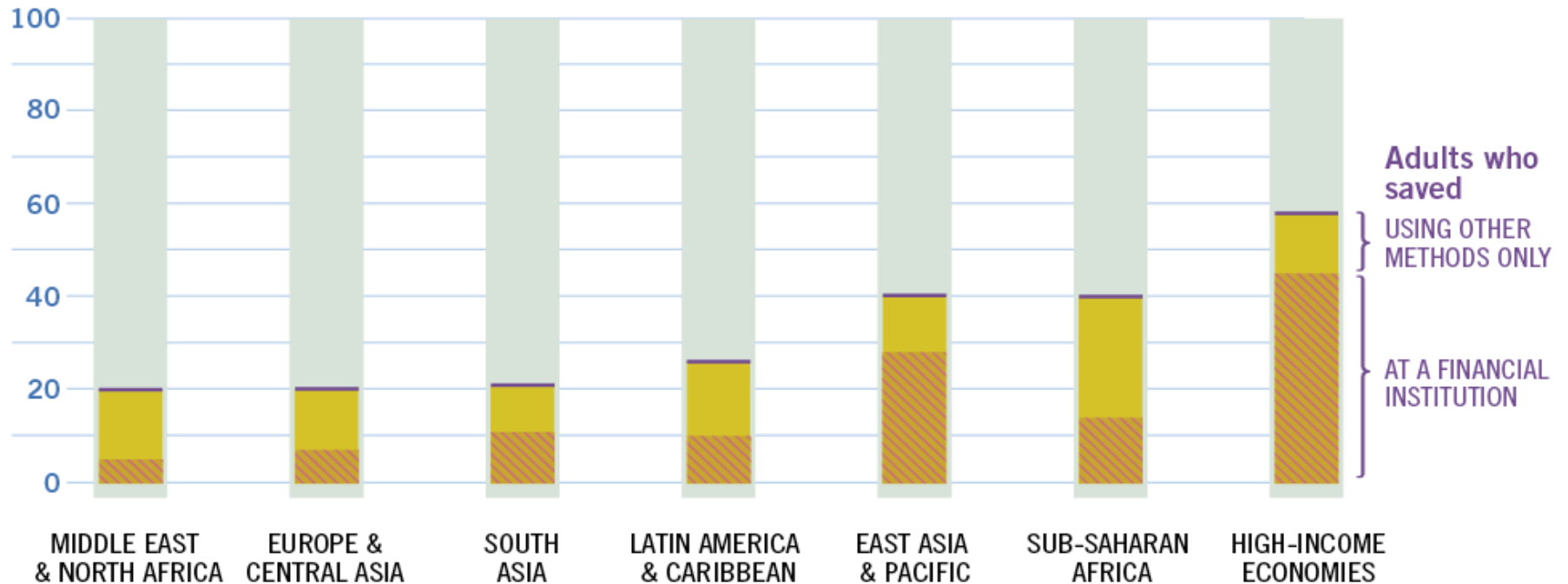
68 percent of adults in Kenya use mobile technology, driven by the early success of M-PESA

52 percent of adults in SSA that use mobile technology are otherwise unbanked



Formal and informal saving

Adults saving any money in the past year (%)



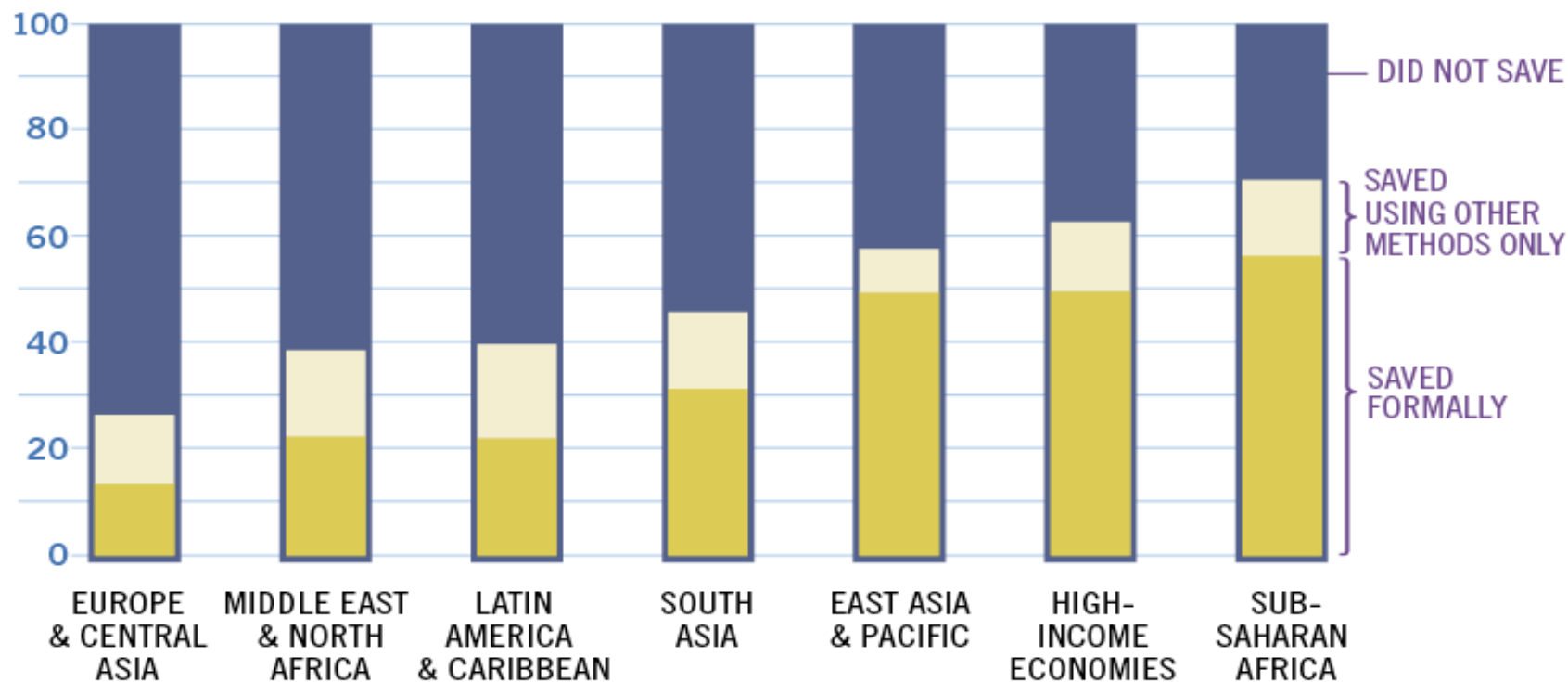
31 percent of adults in developing economies saved in the past year

56 percent of savers in developing economies saved using a formal financial institution

48 percent of savers in in Sub-Saharan Africa saved using a community-based method

Savings behavior among account holders

Adults with a formal account by savings behavior in the past year (%)

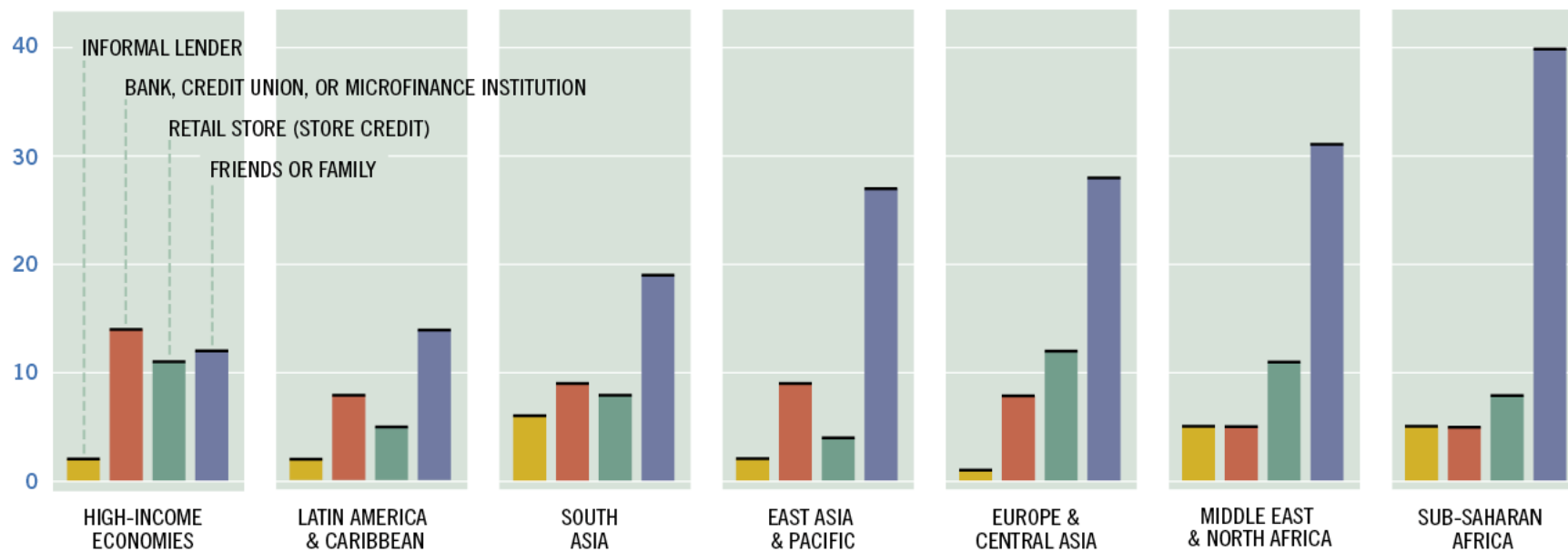


40 percent of account holders in the developing world saved using a formal financial institution

7 percent of account holders in ECA saved using a formal financial institution

Sources of new formal and informal loans

Adults borrowing from source in the past year (%)



7 percent of adults in developing economies have a credit card—compared to **50 percent** of adults in high-income economies

8 percent of adults in developing economies borrowed money from a formal lender in the past 12-months—compared to **14 percent** of adults in high-income economies

17 percent of adults personally purchased health insurance; 6 percent of adults working in farming, forestry, or fishing have crop, rainfall, or livestock insurance



What to look for in 2014....

- 1) Success of G2P reforms? Early evidence from Saudi Arabia...
- 2) Closing the gender gap?
- 3) Progress below \$2/day line?
- 4) Movement in self-reported barriers to access?
- 5) Growth of mobile money?
- 6) Growth of bank agents?



There is much more information on the Global Findex website:

- Report and Notes (in 3 languages)
- The complete questionnaire (in 141 languages)
- The complete country-level database, including data on:
 - The use of accounts to receive payments from the government, employers, family
 - The use bank agents
 - Frequency and mode of account access
 - Prevalence of informal saving and borrowing
 - The use of mobile money
- Analytical tools to make customized maps and graphs

The screenshot shows the Global Findex website interface. At the top, there is a navigation menu with links for 'About Global Findex', 'Methodology', 'Questionnaires', 'Data', 'Publications', 'Press & Events', and 'Related Links/Contact Us'. A large banner image displays a bank counter with a sign that reads '38% of formal account holders in Sub-Saharan Africa use their account to receive money from family members living elsewhere'. Below the banner, a text box states: 'The Global Financial Inclusion (Global Findex) Database is a project funded by the Bill & Melinda Gates Foundation to measure how people in 148 countries - including the poor, women, and rural residents - save, borrow, make payments and manage risk.' The main content area is divided into three columns: 'FEATURED RESEARCH' with a citation for Aslı Demirgüç-Kunt and Leora Klapper (2012), 'FEATURED NOTE' with a link to 'Accounts: Saving, Borrowing, and Managing Risk', and 'DATA' with a link to 'Download the complete database on the Financial Inclusion Data Portal'. There is also a 'PRESS' section with a video thumbnail and a 'QUESTIONNAIRE' section at the bottom.

GLOBAL INDEX DATA RELEASE



THE WORLD BANK

Development Research Group
Finance and Private Sector Development Team

India - Global Financial Inclusion Database (Global Findex) 2011 - Windows Internet Explorer
http://www.ihsn.org/apps/training/index.php/catalog/20

WB: People Directory provider

File Edit View Favorites Tools Help

India - Global Financial ... x Data Catalog

Microdata Catalog

Home > Data catalog > IND_2011_FINDEX_V01_M

India - Global Financial Inclusion Database (Global Findex) 2011

Reference ID	IND_2011_FINDEX_v01_M
Year	2011
Country	India
Producer(s)	World Bank
Sponsor(s)	Bill and Melinda Gates Foundation - -
Data	Access policy Microdata request form (Public access)
	Interactive tools Study website

Related Materials

Questionnaires

- Global Findex 2011 Questionnaire

Technical Documents

- Global Findex 2011 - Survey Methodology, English [eng]
- The Global Findex Database - Accounts and Payments (Note 01), Asli Demirguc-Kunt and Leora Klapper, English [eng]
- The Global Findex Database - Saving, Borrowing, and Managing Risk (Note 02), Asli Demirguc-Kunt and Leora Klapper, English [eng]

Other Materials

- Measuring financial inclusion : the Global Findex Database, Asli Demirguc-Kunt and Leora Klapper, English [eng]

Citations of publications that used the study

Demirguc-Kunt, Asli, and Leora Klapper. "Measuring Financial Inclusion The Global Findex Database." World Bank Policy

Study Information
Overview
Technical Information
Sampling
Questionnaires
Data collection
Technical documents
Datasets
Access policy
Request microdata
Data Files
World_Bank_031612_IN D
Variable Search
Metadata in XML

Internet | Protected Mode: On 100%

Beginning November 27th, it will be possible to download and analyze the raw microdata ... users will be able to cut the data in millions of different ways and answer very specific questions.



www.worldbank.org/globalfindex

