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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.
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.
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.

*Source: Demirgüç-Kunt and Klapper 2012.*
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.
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.
- **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 (%)

- Religious reasons: 5%
- Lack of trust: 13%
- Lack of necessary documentation: 18%
- Too far away: 20%
- Family member already has account: 23%
- Too expensive: 25%
- Not enough money: 30%

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 (%)

Number of documents required to open a checking account

Annual fees for a checking account

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: Demirgüç-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.
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.
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 Sub-Saharan Africa saved using a community-based method
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 (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>Informal Lender</th>
<th>Bank, Credit Union, or Microfinance Institution</th>
<th>Retail Store (Store Credit)</th>
<th>Friends or Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-income Economies</td>
<td>10</td>
<td>30</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>10</td>
<td>20</td>
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<tr>
<td>South Asia</td>
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<td>20</td>
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<tr>
<td>East Asia &amp; Pacific</td>
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<td>Europe &amp; Central Asia</td>
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<td>Middle East &amp; North Africa</td>
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<tr>
<td>Sub-Saharan Africa</td>
<td>10</td>
<td>20</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**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
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