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# The Global Findex Database 2014 : measuring financial inclusion around the world



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Policy Research Working Paper 7255

# The Global Findex Database 2014

## Measuring Financial Inclusion around the World

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## Abstract

The Global Financial Inclusion (Global Findex) database, launched by the World Bank in 2011, provides comparable indicators showing how people around the world save, borrow, make payments, and manage risk. The 2014 edition of the database reveals that 62 percent of adults worldwide have an account at a bank or another type of financial institution or with a mobile money provider. Between 2011 and 2014, 700 million adults became account holders while the number of those without an account—the unbanked—dropped by 20 percent to 2 billion. What drove this increase in account ownership? A growth in account penetration of 13 percentage points in developing economies and innovations in technology—particularly mobile money, which is helping to rapidly expand access to financial services in Sub-Saharan Africa. Along with these gains, the data also show that big opportunities remain to increase financial inclusion, especially among women and poor people. Governments and the private sector can play a pivotal role by shifting the payment of wages and government transfers from cash into accounts. There are also large opportunities to spur greater use of accounts, allowing those who already have one to benefit more fully from financial inclusion. In developing economies 1.3 billion adults with an account pay utility bills in cash, and more than half a billion pay school fees in cash. Digitizing payments like these would enable account holders to make the payments in a way that is easier, more affordable, and more secure.


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This paper is a product of the Finance and Private Sector Development Team, Development Research Group. It is part of a larger effort by the World Bank to provide open access to its research and make a contribution to development policy discussions around the world. Policy Research Working Papers are also posted on the Web at http://econ.worldbank.org.
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# The Global Findex Database 2014
# Measuring Financial Inclusion around the World

World Bank Policy Research Working Paper 7255

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# THE GLOBAL FINDEX DATABASE



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To download the complete Global Financial Inclusion (Global Findex) database and related reports, visit http://www.worldbank.org/globalfindex.

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The 2014 Global Findex database provides more than 100 indicators on such topics as account ownership and use, payments, saving, credit, and financial resilience, including by gender, age group, and household income. The complete economy-level database is available at http://www.worldbank.org/globalfindex. Individual-level data for 2014 will be published in fall 2015.

All regional and global averages presented in this publication are population weighted.

# ACKNOWLEDGMENTS

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Gerry Quinn designed the report. Alison Strong provided editorial assistance.

# ABSTRACT

The Global Financial Inclusion (Global Findex) database, launched by the World Bank in 2011, provides comparable indicators showing how people around the world save, borrow, make payments, and manage risk. The 2014 edition of the database reveals that 62 percent of adults worldwide have an account at a bank or another type of financial institution or with a mobile money provider.

Between 2011 and 2014, 700 million adults became account holders while the number of those without an account—the unbanked—dropped by 20 percent to 2 billion. What drove this increase in account ownership? A growth in account penetration of 13 percentage points in developing economies and innovations in technology—particularly mobile money, which is helping to rapidly expand access to financial services in Sub-Saharan Africa.

Along with these gains, the data also show that big opportunities remain to increase financial inclusion, especially among women and poor people. Governments and the private sector can play a pivotal role by shifting the payment of wages and government transfers from cash into accounts. There are also large opportunities to spur greater use of accounts, allowing those who already have one to benefit more fully from financial inclusion. In developing economies 1.3 billion adults with an account pay utility bills in cash, and more than half a billion pay school fees in cash. Digitizing payments like these would enable account holders to make the payments in a way that is easier, more affordable, and more secure.

# OVERVIEW

# OVERVIEW

*The Global Financial Inclusion (Global Findex) database provides in-depth data showing how people save, borrow, make payments, and manage risk. It is the world's most comprehensive set of data providing consistent measures of people's use of financial services across economies and over time. The 2014 Global Findex database provides more than 100 indicators, including by gender, age group, and household income. The data collection was carried out in partnership with the Gallup World Poll and with funding by the Bill & Melinda Gates Foundation. The indicators are based on interviews with about 150,000 nationally representative and randomly selected adults age 15 and above in more than 140 economies.*

*The Global Findex database reveals that between 2011 and 2014, 700 million adults worldwide became account holders. The number of adults without an account—the unbanked—dropped by 20 percent to 2 billion. Globally, 62 percent of adults have an account, up from 51 percent in 2011.*

## Financial inclusion and why it matters

Financial inclusion has been broadly recognized as critical in reducing poverty and achieving inclusive economic growth. Financial inclusion is not an end in itself, but a means to an end—there is growing evidence that it has substantial benefits for individuals. Studies show that when people participate in the financial system, they are better able to start and expand businesses, invest in education, manage risk, and absorb financial shocks.[1] Access to accounts and to savings and payment mechanisms increases savings, empowers women, and boosts productive investment and consumption. Access to credit also has positive effects on consumption—as well as on employment status and income and on some aspects of mental health and outlook.[2]

The benefits go beyond individuals. Greater access to financial services for both individuals and firms may help reduce income inequality and accelerate economic growth.[3]

Informed by a fast-growing body of knowledge and experience, policy makers and regulators are beginning to make expanding financial inclusion a priority in financial sector development. An increasing number of national governments are introducing comprehensive measures to improve access to and use of financial services. Among bank regulators in 143 jurisdictions, a recent survey found, 67 percent have a mandate to promote financial inclusion.[4] International organizations, including the G-20 and the World Bank, are also beginning to formulate strategies to promote financial inclusion. In recent years more than 50 countries have set formal targets and ambitious goals for financial inclusion.[5]

Financial inclusion, at its most basic level, starts with having a bank account. But it doesn't stop there—only with regular use do people fully benefit from having an account. Both these outcomes can be difficult to achieve. Digitizing payments can play an important part. Shifting payments such as wages or government transfers from cash into accounts can increase the number of adults with an account. And digitizing payments such as those

for school fees or utility bills allows people who already have an account to benefit more fully from financial inclusion—by enabling them to make the payments in a way that is easier, more affordable, and more secure.

Moving from cash-based to digital payments has many potential benefits, for both senders and receivers.[6] It can improve the efficiency of making payments by increasing the speed of payments and by lowering the cost of disbursing and receiving them.[7] It can enhance the security of payments and thus reduce the incidence of crime associated with them.[8] And it can increase the transparency of payments and thus reduce the likelihood of leakage between the sender and receiver.[9] Shifting to digital payments can also provide an important first entry point into the formal financial system, which can lead to significant increases in savings and the substitution of formal for informal saving.[10]

But digitizing payments and shifting cash payments into accounts is not without challenges. These include making up-front investments in payments infrastructure, ensuring that recipients understand how accounts work and can be accessed, and taking steps to guarantee a reliable and consistent digital payments experience. Also important is to educate new account owners on the basic interactions involved in a digital payments system—using and remembering personal identification numbers (PINs), understanding how to deposit and withdraw money, and knowing what to do when something goes wrong.[11] Moreover, the benefits of moving cash payments into accounts are realized only if sending or receiving payments electronically is at least as easy, affordable, convenient, proximate, and secure as doing so in cash.

Financial inclusion and access to finance are different issues. Financial inclusion is focused on use, but lack of use does not always mean lack of access. Many people lack access to financial services in the sense that these services have prohibitive costs or that there are barriers to their use, such as regulations requiring onerous paperwork, travel distance, legal hurdles, or other market failures. Others may choose not to use financial services despite having access at affordable prices. Nevertheless, there is growing recognition that most of the barriers that limit access to services can be overcome by better policies.

## What the Global Findex database measures

Measurement is key to understanding financial inclusion and identifying opportunities to remove the barriers that may be preventing people from using financial services. The Global Findex database, launched in 2011, has made it possible for the first time to measure financial inclusion in a systematic and comparable way for adults around the world. The first edition, which measured financial inclusion as having an account that can be used to store money and receive payments, provided more than 60 indicators for 148 economies on how adults save, borrow, make payments, and manage risk.

Three years later, the second edition of the Global Findex database provides an update on the indicators collected in 2011 while adding more nuanced data on mobile money and domestic payments. The world's most comprehensive gauge of global progress toward financial inclusion for individuals, the database allows policy makers, researchers, businesspeople, the development community, and others to see how the use of financial services has changed over time.[12]

The 2014 edition of the Global Findex database provides more than 100 indicators for 143 economies around the world.[13] As in the first edition, indicators are constructed with survey data from interviews with nationally representative and randomly selected adults age 15 and above—about 150,000 people surveyed in those 143 economies during the 2014 calendar year.

## Account ownership increasing, but with persistent gaps

The Global Findex database reveals that between 2011 and 2014, 700 million adults worldwide became account holders. The number of adults without an account—the unbanked—dropped by 20 percent to 2 billion.

Globally, 62 percent of adults reported having an account in 2014, up from 51 percent in 2011. The share of adults with an account increased in nearly every economy. Not surprisingly, however, the extent of account ownership continues to vary widely around the world. In high-income OECD economies account ownership is almost universal: 94 percent of adults reported having an account in 2014. In developing economies only 54 percent did. There are also enormous disparities among developing regions, where account penetration ranges from 14 percent in the Middle East to 69 percent in East Asia and the Pacific.

The 2014 Global Findex database defines account ownership as having an account either at a financial institution or through a mobile money provider.[14] The first category includes accounts at a bank or another type of financial institution, such as a credit union, cooperative, or microfinance institution. The second consists of mobile phone–based services used to pay bills or to send or receive money. The definition of a mobile money account is limited to services that can be used without an account at a financial institution. Adults using a mobile money account linked to their financial institution are considered to have an account at a financial institution.

Globally, nearly all adults who reported owning an account in 2014 said that they have an account at a financial institution: 60 percent of adults reported having a financial institution account only, 1 percent having both a financial institution account and a mobile money account, and 1 percent a mobile money account only. But while only 2 percent of adults worldwide have a mobile money account, in Sub-Saharan Africa 12 percent do—half of them a mobile money account only. All 13 countries around the world where the share of adults with a mobile money account is 10 percent or more are in Sub-Saharan Africa. In 5 of these 13 countries—Côte d'Ivoire, Somalia, Tanzania, Uganda, and Zimbabwe—more adults reported having a mobile money account than an account at a financial institution.

The 2014 Global Findex database shows great progress in expanding financial inclusion around the world. But large gaps remain. Many people around the world, particularly women and poorer adults, still do not have an account. Among adults in the poorest 40 percent of households within individual developing economies, the share without an account fell by 17 percentage points on average between 2011 and 2014—yet more than half (54 percent) remain unbanked. Among adults in the richest 60 percent of households, by contrast, 40 percent are unbanked.

The gender gap in account ownership is not narrowing. In 2011, 47 percent of women had an account, while 54 percent of men did. Today 58 percent of women have an account, and 65 percent of men do. This reflects a persistent gender gap of 7 percentage points globally. In developing economies the gender gap remains a steady 9 percentage points.

## Opportunities for expanding financial inclusion

The 2014 Global Findex data point to several promising opportunities for expanding financial inclusion. These fall into two broad categories: expanding account ownership among the unbanked and increasing the use of accounts among those who already have one.

### Expanding account ownership

Globally, 38 percent of adults remain unbanked. Yet among the survey respondents without an account, only 4 percent said that the only reason for not having one is that they do not need one. By providing a regulatory framework conducive to expanding account ownership—such as licensing bank agents, introducing tiered documentation requirements, requiring banks to provide basic or low-fee accounts, and allowing the evolution of new technologies such as mobile money—policy makers can lower or even remove barriers to financial inclusion.[15]

The Global Findex data on payments suggest several promising possibilities for expanding account ownership. Each centers on a financial transaction that people are already making, but without the benefit of an account and outside the formal financial system. The challenge in each case is for the private sector to design appropriate financial products that meet the needs of the unbanked and make using an account at least as easy, convenient, and affordable as the alternatives.

Both governments and the private sector can play a pivotal role in increasing financial inclusion by shifting into accounts payments that are now made in cash. Globally, more than 20 percent of unbanked adults—over 400 million people—receive wages or government transfers in cash. Paying government wages and transfers into accounts rather than in cash could increase the number of adults with an account by up to 160 million. And doing the same for private sector wages could increase the number of adults with an account by up to 280 million.

Payments for the sale of agricultural products offer another opportunity for increasing account ownership among the unbanked. In developing economies overall, 23 percent of unbanked adults—440 million people—receive payments in cash for the sale of agricultural products. Across developing regions, 36 percent of unbanked adults (125 million) receive such payments in cash in Sub-Saharan Africa, 33 percent (160 million) in East Asia and the Pacific, and 17 percent (105 million) in South Asia. Shifting these agricultural payments from cash into accounts might be difficult for individual buyers. But many people who receive them are part of an agricultural value chain, and in these cases large commodity buyers could have an outsize influence on how such payments are received.[16]

Yet another opportunity for increasing account ownership lies in encouraging those who send or receive domestic remittances only in cash or through over-the-counter transactions to do so through an account.[17] In developing economies 14 percent of unbanked

adults—270 million of those without an account—send or receive domestic remittances only in cash, while 5 percent of unbanked adults—100 million—do so only through over-the-counter transactions. This suggests an enormous opportunity for designing appropriate, affordable, and convenient financial products to enable unbanked adults to send or receive domestic remittances through an account. This opportunity is especially large in Sub-Saharan Africa, where 22 percent of unbanked adults—almost 80 million people—send or receive domestic remittances only in cash, and 12 percent of unbanked adults—40 million—do so only through over-the-counter transactions.

### Increasing the use of accounts

Account ownership is an important first step toward financial inclusion. But once people have an account, the next step is to ensure that they are able to use it in ways that allow them to fully benefit from financial inclusion. Three-quarters of account holders already use their account to save, to make at least three withdrawals a month, or to make or receive electronic payments. Yet many opportunities remain for increasing the use of accounts among the banked, especially in developing economies.

In developing economies more than 1.3 billion adults with an account—58 percent of account holders—pay utility bills in cash, and more than half a billion—24 percent of those with an account—pay school fees in cash. Shifting these payments to accounts represents an enormous opportunity for increasing the use of accounts and making payments more convenient.

When it comes to utility bills and school fees, however, the choice of whether to pay digitally or in cash often resides with the utility companies and schools. Encouraging them to provide convenient and affordable ways for customers to make electronic payments from their accounts—by using such technology as mobile phones or point-of-sale terminals—could increase the efficiency of these payments on both sides.

Another opportunity for increasing account use is to encourage adults with an account who now send or receive domestic remittances exclusively in cash or through over-the-counter transactions to instead do so through their account. In developing economies this involves 355 million adults with an account—13 percent of account holders—including 35 million in Sub-Saharan Africa.

## How and why people save

The Global Findex data also document how and why people save. Globally in 2014, 56 percent of adults reported having saved or set aside money in the past 12 months. Adults in high-income OECD economies and East Asia and the Pacific were the most likely to have done so, with 71 percent reporting that they had saved, followed by those in Sub-Saharan Africa (60 percent). In other regions between 30 and 40 percent of adults reported having saved in the past 12 months.

A quarter of adults—or almost half of savers—reported having saved formally, at a bank or another type of financial institution. Among savers, the share who reported saving formally was more than 70 percent in high-income OECD economies but only about 40 percent in developing economies. Compared with 2011, the share of adults saving

formally increased in all regions. In high-income OECD economies this share grew by 7 percentage points to 52 percent, while in developing economies it rose by 4 percentage points to 22 percent. The increase in formal saving is in line with the increase in account ownership over the same period, though somewhat smaller.

In developing economies a common alternative to saving at a financial institution is to save semiformally, by using an informal savings club or a person outside the family. About 9 percent of adults—or 17 percent of savers—in developing economies reported having saved in this way in the past 12 months.

The 2014 Global Findex survey asked about three specific reasons for saving—for old age, for education expenses, and to start, operate, or expand a business. Worldwide, almost 25 percent of adults reported having saved in the past year for old age, a similar share for education expenses, and 14 percent for a business.

## How and why people borrow

Globally, 42 percent of adults reported having borrowed money in the past 12 months. The overall share of adults with a new loan—formal or informal—was fairly consistent across regions and economies, with Latin America and the Caribbean at the low end with 33 percent and Sub-Saharan Africa at the high end with 54 percent. But the sources of new loans varied widely across regions.

In high-income OECD economies a financial institution was the most frequently reported source of new loans, with 18 percent of adults reporting that they had borrowed from one in the past 12 months. In all other regions family and friends were the most common source of new loans. Overall in developing economies, 29 percent of adults reported borrowing from family or friends, while only 9 percent reported borrowing from a financial institution. In several regions more people reported borrowing from a store (using installment credit or buying on credit) than reported borrowing from a financial institution. Less than 5 percent of adults around the world reported borrowing from a private informal lender. Between 2011 and 2014 the share of adults with a new loan from a financial institution remained relatively steady around the world.

One common reason for borrowing is to buy land or a home, the largest financial investment that many people make in their life. In high-income OECD economies 27 percent of adults reported having an outstanding mortgage from a financial institution. In developing economies less than 10 percent did.

The 2014 Global Findex survey also asked about three other specific reasons for borrowing—for health or medical purposes, for education or school fees, or to start, operate, or expand a business. In developing economies 14 percent reported having borrowed in the past 12 months for health or medical purposes, 8 percent for education, and 8 percent for a business. In high-income OECD economies about 5 percent or fewer adults reported having borrowed for each of these three reasons.

## Financial resilience

The 2014 Global Findex survey, for the first time, also explored the topic of financial resilience. When people have a safe place to save money as well as access to credit when needed, they are better able to manage risk. To better understand how financially resilient adults around the world are to unexpected expenses, the survey asked respondents how possible it would be within the next month to come up with emergency funds equal to 1/20 of gross national income (GNI) per capita in local currency—$2,600 in the United States. It also asked what the main source of funds would be.

Globally, 76 percent of adults reported that it would be possible to come up with that amount. Within this group, three-quarters said that either savings or family and friends would be their main source. In developing economies 28 percent of adults able to come up with funds cited savings as their main source—yet 56 percent of those who said that they would rely on savings do not save at a financial institution. This suggests a large opportunity to design appropriate formal savings products to keep savings safe and accessible in the case of an emergency.

**NOTES**

1. See, for example, Aportela (1999); Ashraf, Karlan, and Yin (2010); Beck, Demirguc-Kunt, and Martinez Peria (2007); Bruhn and Love (2014); Burgess and Pande (2005); Dupas and Robinson (2013a, 2013b); Prina (2012); and Ruiz (2013). See also World Bank (2014a) and Cull, Ehrbeck, and Holle (2014) for an overview of the literature on financial inclusion.
2. Karlan and Zinman 2010.
3. Burgess and Pande 2005; Beck, Demirguc-Kunt, and Levine 2007. See also, for example, King and Levine (1993); Beck, Levine, and Loayza (2000); Clarke, Xu, and Zou (2006); Klapper, Laeven, and Rajan (2006); and Demirguc-Kunt and Levine (2009).
4. World Bank 2014a.
5. See World Bank (2014a); and "Maya Declaration Commitments," Alliance for Financial Inclusion, http://www.afi-global.org/maya-declaration-commitments.
6. See World Bank (2014b) for a more detailed discussion of the benefits and challenges of digitizing payments.
7. See, for example, Aker and others (2013); Babatz (2013); and CGAP (2011).
8. Wright and others 2014.
9. Muralidharan, Niehaus, and Sukhtankar 2014.
10. See Aportela (1999); Prina (2012); and Batista and Vicente (2013).
11. Zimmerman, Bohling, and Rotman Parker (2014) describe the challenges of moving cash payments into accounts in the context of digitizing government transfer payments in four developing countries. See also World Bank (2014b).
12. The complete economy-level database, disaggregated by gender, age group, household income, and rural residence, is available at http://www.worldbank.org/globalfindex. Individual-level data for 2014 will be published in the fall of 2015.
13. The reason for the change in country coverage is that some smaller economies are on a biannual rather than an annual survey schedule for the Gallup World Poll. In addition, the Gallup World Poll could not be carried out in some economies because of political unrest or government restrictions. And in rare instances, data quality concerns precluded the inclusion of an economy in the Global Findex database. The following 14 economies are included in the 2011 edition of the Global Findex database but not the 2014 edition: the Central African Republic, the Comoros, Djibouti, the Lao People's Democratic Republic, Lesotho, Liberia, Morocco, Mozambique, Oman, Paraguay, Qatar, Swaziland, the Syrian Arab Republic, and Trinidad and Tobago. The 2014 edition for the first time includes the following 9 economies: Belize, Bhutan, Côte d'Ivoire, Ethiopia, Myanmar, Namibia, Norway, Puerto Rico, and Switzerland.
14. The 2011 Global Findex database defined account ownership as having an account at a financial institution. The 2014 definition was changed to reflect developments in the financial sector. Even so, the comparison of 2011 and 2014 data is virtually identical to a definitionally cleaner comparison between 2011 and 2014 financial institution accounts for all regions except Sub-Saharan Africa, the only region with significant penetration of mobile money accounts on average.

15. Allen and others (2012) show that such policies can expand account ownership especially among the groups most likely to be unbanked, such as poor people and those living in rural areas.
16. CGAP 2014.
17. The Global Findex survey does not cover international remittances. While these remittances are economically important for some countries, the share of adults in developing economies who reported sending or receiving domestic remittances is on average three to four times the share who reported sending or receiving international remittances (Gallup World Poll, 2014).

# ACCOUNTS

# ACCOUNTS

*Worldwide, 62 percent of adults have an account. For most people, owning an account provides an entry point into the formal financial system. An account makes it easier and often more affordable to pay bills, to receive payments, and to send or receive remittances. It also offers a safe place to store money and so can encourage saving. And it can open access to credit from a financial institution. In short, having an account is a marker of financial inclusion.*

## Ownership of accounts

For the 2014 Global Findex database, account ownership is defined as having an account either at a financial institution or through a mobile money provider. The first category includes accounts at a bank or another type of financial institution, such as a credit union, cooperative, or microfinance institution.[1] The second consists of mobile phone–based services used to pay bills or to send or receive money.[2]

To identify people with a mobile money account, the 2014 Global Findex survey asked respondents about their use of specific services that are available in their country—such as M-PESA, MTN Mobile Money, Airtel Money, or Orange Money—and included in the GSM Association's Mobile Money for the Unbanked (GSMA MMU) database. The definition of a mobile money account is limited to services that can be used without an account at a financial institution. People using a mobile money account linked to their financial institution are considered to have an account at a financial institution.[3] The question on mobile money accounts was asked only in the 74 economies—among the 143 included in the survey—where the GSMA MMU database indicates that mobile money accounts were available at the time the survey was carried out.[4]

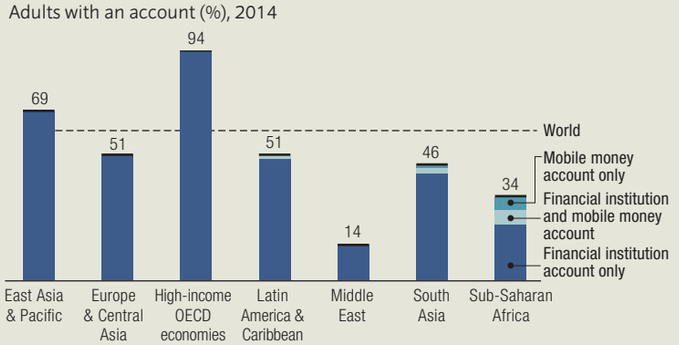
### How does account ownership vary around the world?

Not surprisingly, account ownership varies widely around the world. In high-income OECD economies account ownership is almost universal: 94 percent of adults reported having an account in 2014. In developing economies only 54 percent did. There are also enormous disparities among developing regions, where account penetration ranges from 14 percent in the Middle East to 69 percent in East Asia and the Pacific (figure 1.1; map 1.1).

FIGURE 1.1

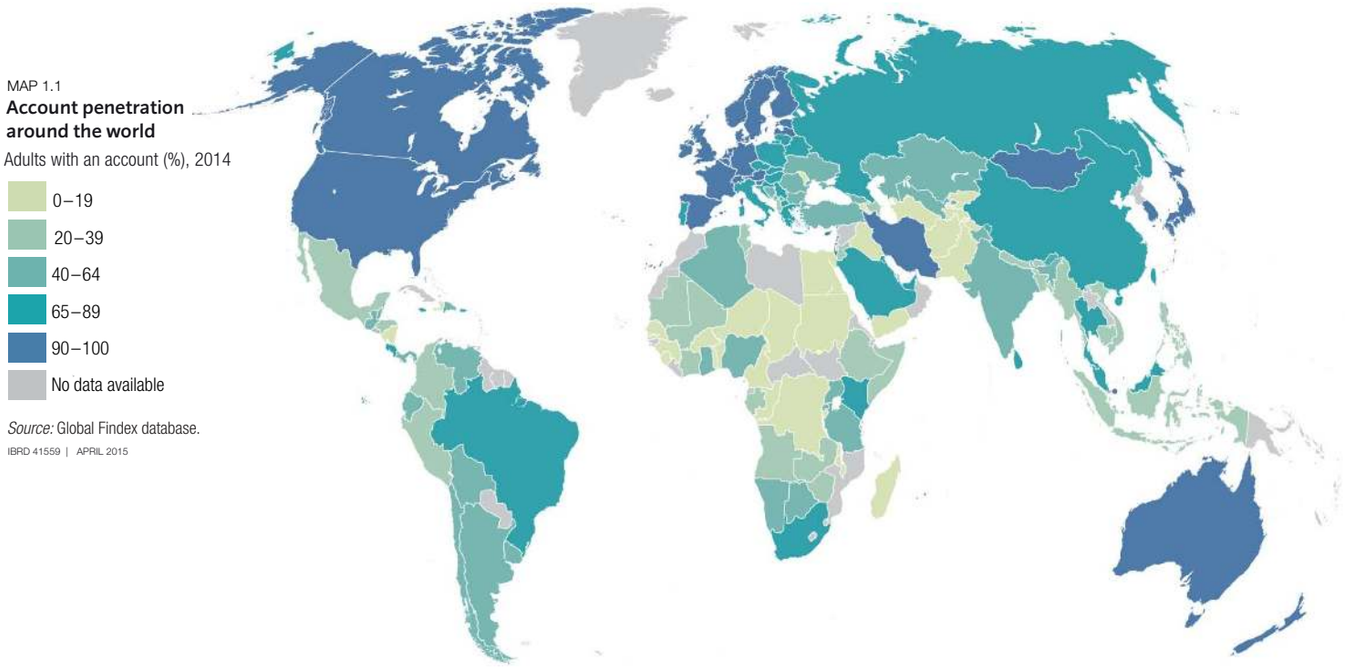
**Account penetration**

Adults with an account (%), 2014




*Source:* Global Findex database.

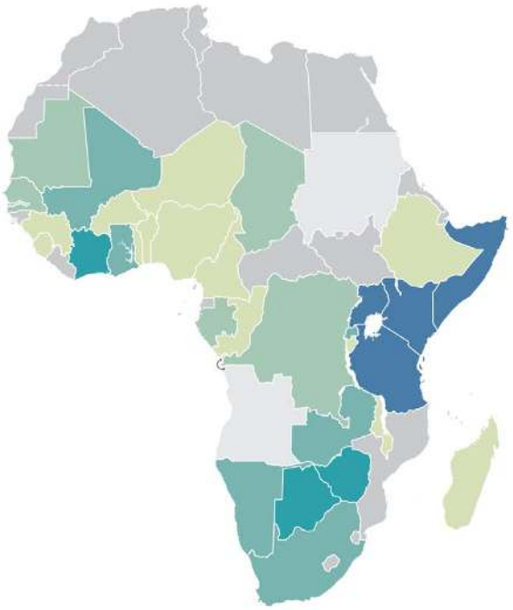
Globally, nearly all adults who reported owning an account said that they have an account at a financial institution: 60 percent reported having a financial institution account only, 1 percent having both a financial institution account and a mobile money account, and 1 percent a mobile money account only.




MAP 1.1
**Account penetration around the world**
Adults with an account (%), 2014

*Source:* Global Findex database.
IBRD 41559 | APRIL 2015

Sub-Saharan Africa is an exception to this global picture. There, almost a third of account holders—or 12 percent of all adults—reported having a mobile money account. Within this group about half reported having both a mobile money account and an account at a financial institution, and half having a mobile money account only. Mobile money accounts are especially widespread in East Africa, where 20 percent of adults reported having a mobile money account and 10 percent a mobile money account only (map 1.2). But these figures mask wide variation within the subregion. Kenya has the highest share of adults with a mobile money account, at 58 percent, followed by Somalia, Tanzania, and Uganda with about 35 percent. In southern Africa penetration of mobile money accounts is also relatively high, at 14 percent, but just 2 percent of adults reported having a mobile money account only.




MAP 1.2
**Mobile money account penetration in Sub-Saharan Africa**
Adults with an account (%), 2014

*Note:* "No GSMA MMU services" indicates the absence of mobile money account services included in the GSMA MMU database.

*Source:* Global Findex database.
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In 13 countries around the world, penetration of mobile money accounts is 10 percent or more. Not surprisingly, all 13 of these countries are in Sub-Saharan Africa.[5] Within this group, the share of adults with a mobile money account ranges from 10 percent in Namibia to 58 percent in Kenya (figure 1.2). And in 5 of the 13 countries—Côte d'Ivoire, Somalia, Tanzania, Uganda, and Zimbabwe—more adults reported having a mobile money account than an account at a financial institution.

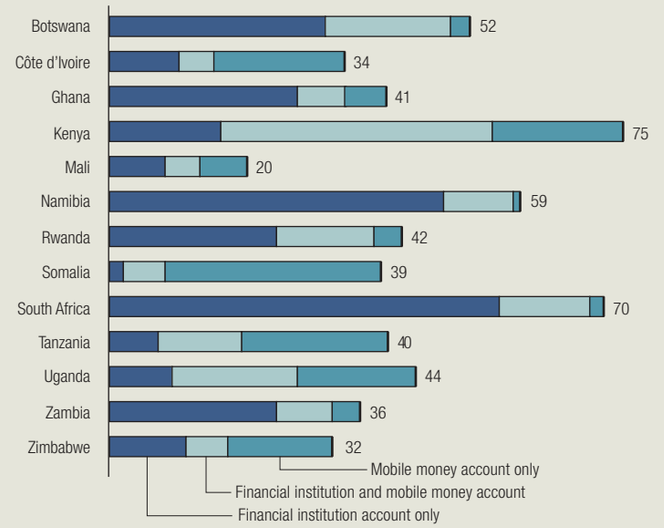
Outside Sub-Saharan Africa ownership of mobile money accounts remains limited. In South Asia the share of adults with a mobile money account is 3 percent, in Latin America and the Caribbean 2 percent, and in all other

regions less than 1 percent. There has been rapid growth in offerings of mobile money accounts around the world in the past three years—the GSMA MMU database reports 259 deployments in 89 countries at the beginning of 2015, up from only 100 deployments three years earlier. But most of these offerings remain relatively new, and mobile money accounts may have yet to take off.

FIGURE 1.2

**Account penetration in countries with mobile money account penetration of 10 percent or more**

Adults with an account (%), 2014




*Source:* Global Findex database.

## How has account ownership changed over time?

The first round of Global Findex data was collected in 2011, and the second round three years later. How do the 2014 data on account ownership compare with the earlier data? Globally, the share of adults with an account increased by 11 percentage points, from 51 percent in 2011 to 62 percent in 2014. And the number of adults without an account—the unbanked—fell from 2.5 billion to 2 billion.[6]

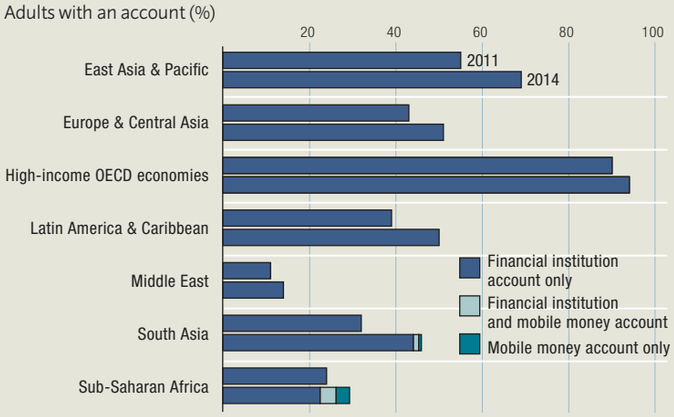
Yet while the number of unbanked adults fell by 500 million, the number of adults who became account holders over this period is actually larger—700 million. The difference between these numbers is due to population growth. In 2011 the world's adult population was 5 billion, with 2.5 billion adults having an account and 2.5 billion being unbanked. By 2014 the world's adult population had increased to 5.2 billion, with 3.2 billion adults having an account and 2 billion being unbanked.

Account ownership increased in every region. But the growth was particularly strong in East Asia and the Pacific, South Asia, and Latin America and the Caribbean, each of which saw an increase in account penetration of more than 10 percentage points. The increase was concentrated in financial institution accounts everywhere except Sub-Saharan Africa, where mobile money accounts drove the growth in overall account penetration from 24 percent in 2011 to 34 percent in 2014 (figure 1.3). In East Africa, where mobile money accounts are most common, these accounts increased overall account penetration by 9 percentage points to 35 percent while the share of adults with an account at a financial institution remained steady at 26 percent.

FIGURE 1.3

**Account penetration, 2011 and 2014**

Adults with an account (%)




*Source:* Global Findex database.

An important caveat to this comparison of 2011 and 2014 data is that the definition of account ownership has been changed to reflect developments in the financial sector. While the 2011 Global Findex data on account ownership include only adults with an account at a financial institution, the 2014 data, as noted, also include those with a mobile money account. Even so, the comparison of the 2011 and 2014 data is virtually identical to a definitionally cleaner comparison between 2011 accounts and 2014 financial institution accounts for all regions except Sub-Saharan Africa, the only one with significant penetration of mobile money accounts on average. This is clearly illustrated in figure 1.3.

The change in definition means that all mobile money accounts in 2014 are considered to be new accounts, including those owned by the 12 percent of adults in Sub-Saharan Africa who reported having one. Because mobile money accounts became widely available only after 2011, this is a reasonable assumption for most countries. But in such countries as Kenya, Tanzania, and Uganda, where mobile money accounts became common before 2011, the growth in account ownership attributed to these accounts between 2011 and 2014 is probably somewhat overstated (box 1.1). While the 2011 Global Findex survey included a question about the use of mobile financial services in Africa, this question did not ask about ownership of a mobile money account. Instead, it asked more broadly whether the respondent had used a mobile phone in the past year to pay bills or to send or receive money. Since this can include over-the-counter transactions for which no mobile money account is necessary, the numbers are not comparable.

**How does account ownership vary by individual characteristics?**

Grouping people by such characteristics as income, gender, age, or rural residence can reveal important gaps in account ownership. This section documents these gaps and looks at whether they have narrowed or widened since 2011.

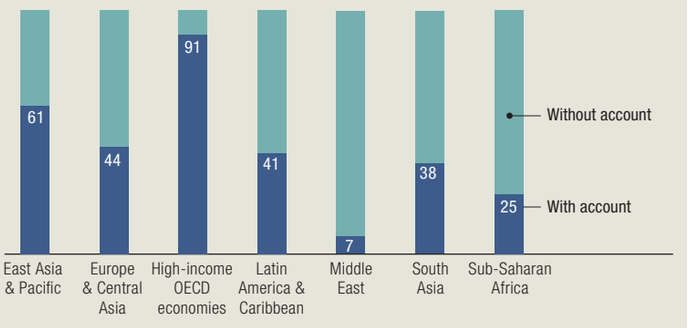
*The gap between income quintiles*

A comparison of account penetration across within-economy income quintiles sheds light on the role of relative income. Not surprisingly, adults in the poorest 40 percent of households are less likely than others to have an account (figure 1.4). On average in developing economies, 46 percent of these adults reported having an account in 2014, compared with 54 percent of all adults. But account ownership in this population also reflects absolute income levels across regions. In the Middle East and Sub-Saharan Africa account ownership among adults in the poorest 40 percent of households is particularly low. In high-income OECD economies, by contrast, it is almost universal.

FIGURE 1.4

**Account penetration among poorest 40 percent within economies**

Adults in poorest 40 percent of households by whether with or without account (%), 2014




*Source:* Global Findex database.

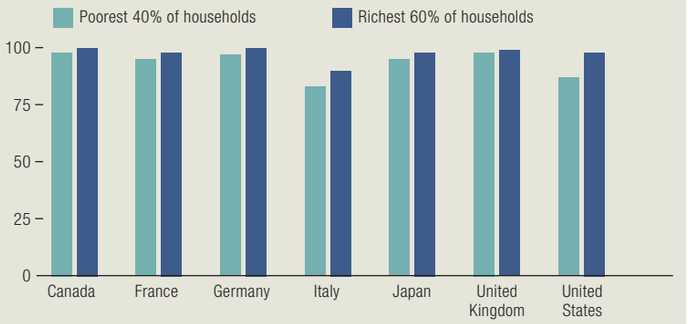
Yet even within high-income OECD economies there are gaps in account ownership between income quintiles—though the size of these gaps varies. Consider the G-7 countries (figure 1.5). In Canada, France, Germany, Japan, and the United Kingdom there is no significant difference in account

penetration between adults in the poorest 40 percent of households and those in the richest 60 percent—and the share of adults with an account exceeds 95 percent in the poorer group. In the United States, by contrast, the data show a gap of 11 percentage points in account penetration between the two groups, with only 87 percent of adults in the poorer group having an account. In Italy, where account penetration is slightly lower than in the other G-7 countries, the data show a gap of 7 percentage points between the two groups.

FIGURE 1.5

**Account penetration in G-7 countries by household income**

Adults with an account (%), 2014



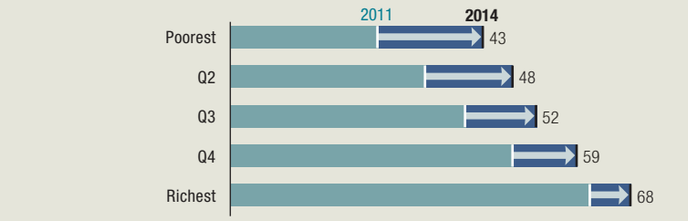

*Source:* Global Findex database.

On average in developing economies, account penetration in the richest 20 percent of households—the richest income quintile—is 68 percent (figure 1.6). This is 25 percentage points higher on average than in the poorest income quintile in these economies—but about 20 percentage points lower on average than in the poorest income quintile in high-income OECD economies. Comparisons within developing regions reveal some large variations across income quintiles. In the Middle East account penetration in economies' richest income quintile averages more than four times that in their poorest quintile. In East Asia and the Pacific and Europe and Central Asia, by contrast, account penetration in economies' richest income quintile averages only about 50 percent higher than in their poorest one.

FIGURE 1.6

**Account penetration in developing economies by within-economy income quintile, 2011 and 2014**

Adults with an account (%)




*Source:* Global Findex database.

Between 2011 and 2014 in developing economies, against a backdrop of overall increasing account ownership, the average gap in account penetration between adults in the poorest 40 percent of households and those in the richest 60 percent narrowed by 6 percentage points—to 14 percentage points. This narrowing of the gap was due to the enormous growth in account ownership among adults in the poorest 40 percent of households within economies in East Asia and the Pacific: account penetration increased by more than 50 percent for these adults, from 39 percent on average in 2011 to 61 percent in 2014. This reduced the average gap in the region by half, from 27 percentage points to 13 (see box 1.3 below for a detailed look at China). In all other regions the gap remained about the same.

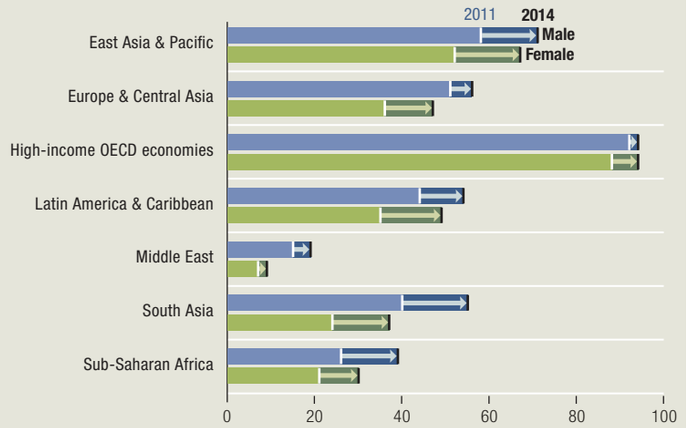
*The gender gap*

Globally, 65 percent of men reported having an account in 2014, while only 58 percent of women did (figure 1.7). In high-income OECD economies there is virtually no gender gap in account ownership. But in developing economies, where account penetration increased by 13 percentage points for both men and women between 2011 and 2014, the gender gap remains a steady 9 percentage points: while 59 percent of men reported having an account in 2014, only 50 percent of women did.

FIGURE 1.7

**Account penetration by gender, 2011 and 2014**

Adults with an account (%)




*Source:* Global Findex database.

Among developing regions, the Middle East continues to have a particularly large gender gap in relative terms, with women half as likely as men to have an account. South Asia has the largest gender gap on average in absolute terms, at 18 percentage points.[7] There has been some expectation that mobile money accounts might help close the gender gap in account ownership because of their greater affordability. But so far the evidence is mixed (box 1.2).

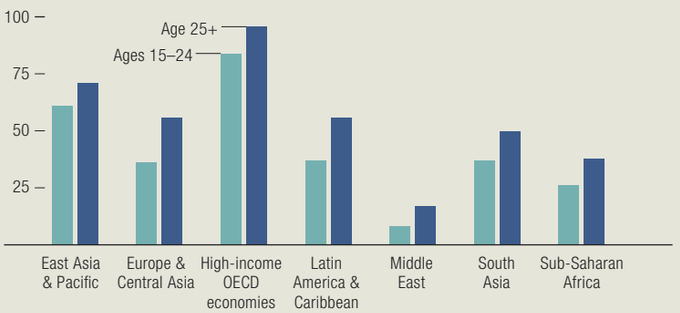
### *The youth gap*

Age is another characteristic that matters for the likelihood of having an account. Across all regions, young adults (ages 15–24) are less likely than older adults (age 25 and above) to have an account. While the gap in account penetration between these two age groups averages between 10 and 20 percentage points, the different levels of account penetration mean that its relative size varies enormously. The relative gap is smallest in high-income OECD economies and East Asia and the Pacific, at less than 15 percent, and largest in the Middle East, where young adults are less than half as likely as older ones to have an account (figure 1.8).

FIGURE 1.8

**Account penetration by age group**

Adults with an account (%), 2014




*Source:* Global Findex database.

Overall, the gap in account ownership between young adults and older ones remained constant between 2011 and 2014. In developing economies, however, it widened slightly in absolute terms (even while remaining constant in relative terms) because older adults in East Asia and the Pacific and Europe and Central Asia were about 5 percentage points more likely than young adults to add an account. By contrast, in high-income OECD economies the gap narrowed slightly; here, account ownership increased among young adults while older adults were already universally banked.

*The urban-rural gap*

In developing economies the unbanked live predominantly in rural areas. But precisely quantifying the urban-rural gap presents difficulties.

For one thing, distinguishing between urban and rural areas is not straightforward—should the distinction be based solely on population, on the availability of certain services and infrastructure, or on subjective measures such as the judgment of the interviewer or respondent? This is especially challenging in a cross-country context; what might be considered rural in Bangladesh or India, for example, might be considered urban in less populous countries. The Gallup World Poll—the survey to which the Global Findex questionnaire is added—uses different approaches across countries to account for country-specific characteristics, which makes it difficult to create a consistent definition of the urban-rural divide at the global and regional level.

Another challenge is that the estimates of account ownership for urban populations are often imprecise. The Gallup World Poll surveys a relatively small sample of about 1,000 individuals in most countries, and in those with a predominantly rural population—including many Sub-Saharan African countries—this often means that the number of urban observations is very small, resulting in estimates with large margins of error.

Moreover, since 2011 Gallup, Inc. has changed its methodology in a number of countries to improve the within-country geographical representativeness of samples. For some countries this has increased the challenges in making a meaningful comparison of account ownership in rural areas over time. Two countries where a consistent methodology does allow such comparison are China and India (box 1.3).

For all these reasons, the 2014 Global Findex database provides estimates for account penetration in rural populations but not urban populations and offers no comparisons of 2011 and 2014 data on rural account penetration at the global or regional level.

## How and how often financial institution accounts are accessed

How do account holders access their accounts at financial institutions—and how frequently? This section documents how often people deposit or withdraw money and what means they use to access their accounts when making a withdrawal or another type of financial transaction.[8]

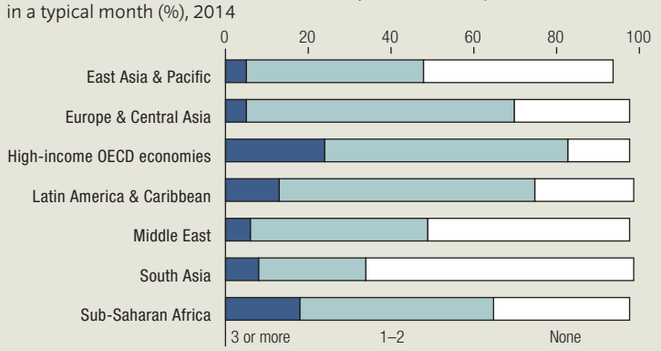
### How often do account holders make deposits or withdrawals?

In high-income OECD economies in 2014, 84 percent of adults with an account at a financial institution reported making at least one deposit, and 87 percent at least one withdrawal, in a typical month (figures 1.9 and 1.10). In developing economies, by

FIGURE 1.9

**Frequency of deposits by account holders**

Adults with a financial institution account by number of deposits in a typical month (%), 2014




*Note:* The categories do not sum to 100 percent because of "don't know" and "refuse" answers.
*Source:* Global Findex database.

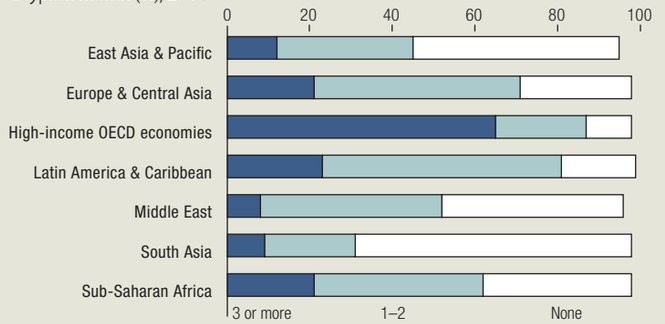
contrast, only about half those with such an account reported making a deposit or withdrawal in a typical month. But this average for developing economies conceals large differences across regions and economies. In South Asia a larger share reported making zero deposits or withdrawals in a typical month than reported making at least one such transaction—the only region where this was the case.

Globally, 15 percent of adults with an account at a financial institution—representing about 460 million people—reported making no deposit or withdrawal in the past 12 months and therefore have what can be considered a dormant account (figure 1.11).[9] This means not only that their account had no cash deposits or withdrawals, but also that it had no electronic wage deposits and no electronic payments or purchases. The dormancy rate in South Asia is especially high at 42 percent; the average across all other developing regions is less than 20 percent. India, with a dormancy rate of 43 percent, accounts for about 195 million of the 460 million adults with a dormant account around the world (box 1.4). In high-income OECD economies the dormancy rate is 5 percent.

FIGURE 1.10

**Frequency of withdrawals by account holders**

Adults with a financial institution account by number of withdrawals in a typical month (%), 2014

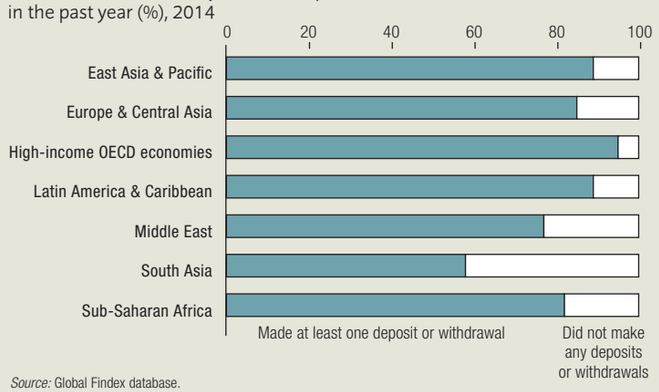



*Note:* The categories do not sum to 100 percent because of "don't know" and "refuse" answers.
*Source:* Global Findex database.

FIGURE 1.11

**Activity and dormancy in financial institution accounts**

Adults with an account by whether deposits or withdrawals made in the past year (%), 2014




*Source:* Global Findex database.

Should those with a dormant account be counted as banked? The Global Findex database relies on self-reported data on account ownership. All adults reporting that they have an account at a financial institution therefore understand themselves to be banked, even if they have made no transaction for the past 12 months. And while a dormant account by definition is not being used for payments or cash management, it may still fulfill the important function of providing a safe place for the account holder to store money.

Moreover, in some economies high dormancy rates might reflect the relatively greater convenience and lower cost of using alternative payment solutions. For example, while 37 percent of adults in Tanzania with an account at a financial institution reported having made no deposit or withdrawal in the past year, 62 percent of this group reported having made financial transactions using a mobile phone over that period. Finally, in some economies, including India, high dormancy rates may reflect a large number of newly opened accounts that have not yet been used.

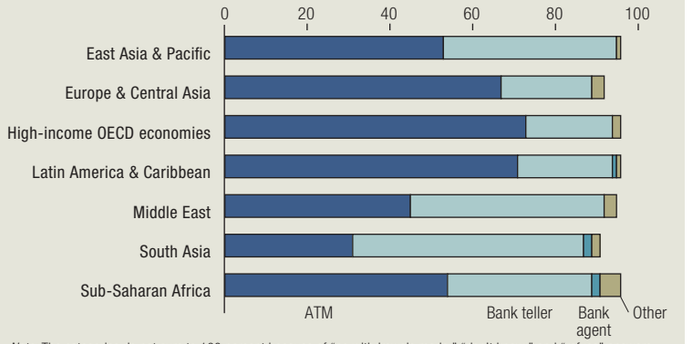
## How do account holders in developing economies make withdrawals?

Automated teller machines (ATMs) have overtaken the use of bank tellers for withdrawals in developing economies over the past three years. In 2011, 55 percent of adults with a financial institution account reported typically using a bank teller to withdraw money, and 37 percent an ATM; by 2014 the share who reported using a bank teller had fallen to 43 percent, while exactly half reported typically using an ATM for withdrawals (figure 1.12). This is in line with the growth in the share of adults owning an ATM or debit card in developing economies over this period—8 percentage points on average.

FIGURE 1.12

**How account holders make withdrawals**

Adults with a financial institution account by most common mode of withdrawal used (%), 2014




*Note:* The categories do not sum to 100 percent because of "no withdrawals made," "don't know," and "refuse" answers.
*Source:* Global Findex database.

Indeed, using an ATM is the most common way to withdraw money in all developing regions except South Asia. Relying on ATMs for withdrawals is especially common in Latin America and the Caribbean, where it was reported by 71 percent of account holders on average, but also in such countries as Indonesia and Nigeria, where it was reported by more than 70 percent.

In South Asia, using a bank teller remains the most common way to make withdrawals; this practice was reported by 56 percent of account holders in the region overall—and by 78 percent in Bangladesh. The use of tellers also remains especially prevalent in some African countries, including Ethiopia (83 percent) and Rwanda (82 percent).

In recent years the concept of agent banking has received growing attention as a cost-effective way to expand financial inclusion in developing economies. In this approach banks can license agents—often existing businesses such as retail stores or gas stations—to offer products and services on their behalf. Agent banking has not yet spread to all developing economies, and where it does exist it is often still at a very early stage. On average across developing economies, less than 1 percent of adults with an account at a financial institution use bank agents to withdraw money. But in a few countries more than 10 percent do, including Afghanistan (23 percent), Cambodia (16 percent), and Rwanda (14 percent).

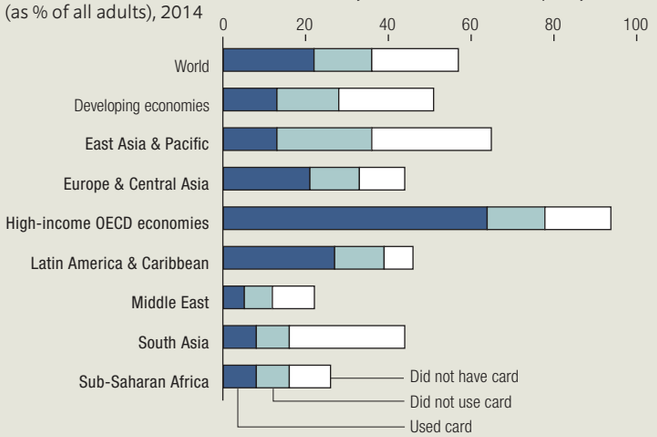
## How many people own and use debit cards?

Debit or ATM cards are far more common—and far more likely to be used by those who have them—in high-income OECD economies than in developing ones (figure 1.13). In high-income OECD economies 83 percent of adults with an account at a financial institution (representing 77 percent of all adults) reported having a debit card in 2014, and in such countries as the Netherlands, New Zealand, and Norway more than 95 percent did. Among those owning a debit card, 82 percent (or 64 percent of all adults) reported having used the card to directly make a purchase in the past 12 months. Two notable exceptions are Greece and Japan, where fewer than half of those with a debit card reported using it to make direct payments.

FIGURE 1.13

**Debit card ownership and use by account holders**

Adults with a financial institution account by debit card use in the past year (as % of all adults), 2014




*Source:* Global Findex database.

In developing economies 55 percent of adults with an account at a financial institution (or 27 percent of all adults) reported owning a debit card. But there are large variations across regions: while the share of account holders owning a debit card is 84 percent in Latin America and the Caribbean and 76 percent in Europe and Central Asia, it is only 37 percent in South Asia. Among those owning a debit card in developing economies, 46 percent (representing 13 percent of all adults) reported having used the card to directly make a purchase in the past 12 months.

## How many people own and use credit cards?

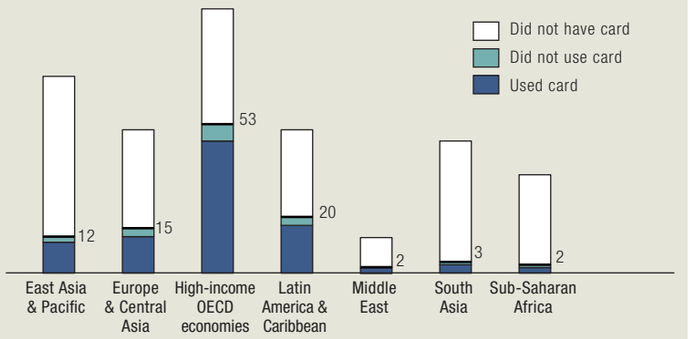
In many economies people use a credit card rather than a debit card to pay bills and make everyday purchases. While a credit card does not need to be linked to an account, less than 0.5 percent of adults around the world own a credit card but do not have an account at a financial institution.

How extensive is credit card ownership? In high-income OECD economies 53 percent of adults reported owning a credit card in 2014 (figure 1.14). Credit card ownership in developing economies, despite recent growth, still lags far behind: on average in these economies only 10 percent of adults reported having one. But two developing regions stand out for high rates of credit card ownership: Latin America and the Caribbean and Europe and Central Asia.

FIGURE 1.14

**Credit card ownership and use by account holders**

Adults with a financial institution account by credit card use in the past year (as % of all adults), 2014




*Source:* Global Findex database.

Those who own a credit card are very likely to use it. Across both high-income OECD and developing economies the share of credit card holders who reported having used their card in the past 12 months typically exceeded 80 percent in 2014.

## How many people access financial institution accounts through a mobile phone?

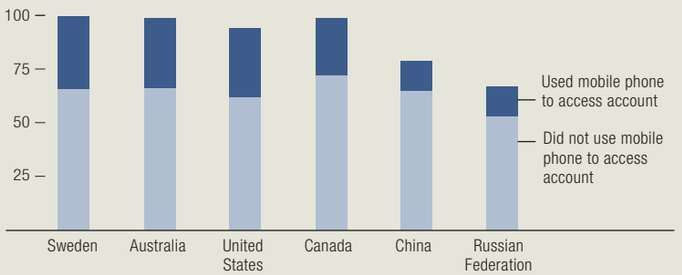
While the use of stand-alone mobile money accounts is limited mostly to some Sub-Saharan African countries, even elsewhere people may be using mobile phones in conjunction with an account at a financial institution. Globally in 2014, 16 percent of adults with a financial institution account reported having used their mobile phone in the past year to access that account and make a transaction. High-income OECD and Sub-Saharan African economies had the largest shares who reported doing so, at just over 20 percent on average, followed by East Asia and the Pacific with 17 percent. In all other regions the average share was less than 10 percent.

Not surprisingly, using a mobile phone to access an account at a financial institution and make a transaction is particularly common in the 13 Sub-Saharan African countries with the highest penetration of mobile money accounts: in each of these countries close to 40 percent of adults with an account at a financial institution reported doing so. In some high-income OECD economies, including Australia, Canada, Denmark, the Republic of Korea, Sweden, and the United States, about a third of adults with an account at a financial institution reported accessing it through a mobile phone (figure 1.15). But a large share of account holders also reported doing so in the Russian Federation (24 percent) and China (19 percent).

FIGURE 1.15

**Use of mobile phones to access financial institution accounts in selected countries**

Adults with a financial institution account by use of mobile phone access in the past year (as % of all adults), 2014




*Source:* Global Findex database.

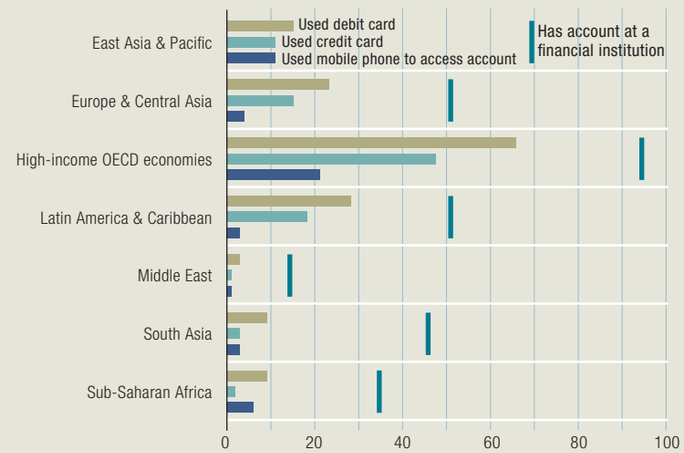
## How do people make direct electronic payments from financial institution accounts?

Account holders can make direct electronic payments from their account at a financial institution in multiple ways. Three common ways are to use a debit card, a credit card, or a mobile phone (for a discussion of how widespread online payments are, see box 1.5). High-income OECD economies have by far the highest shares of people using each of these payment mechanisms—both among all adults and among account holders (figure 1.16). In these economies 65 percent of adults reported using a debit card in the past 12 months, 47 percent a credit card, and 21 percent a mobile phone to make direct electronic payments. And 77 percent of adults—82 percent of account holders—reported using at least one of the three payment mechanisms in the past year.

FIGURE 1.16

**Use of different mechanisms for making direct electronic payments**

Adults using type of payment mechanism in the past year (%), 2014




*Source:* Global Findex database.

Across developing regions there are marked differences in the share of adults making direct electronic payments from an account. About 30 percent of adults in Latin America and the Caribbean and Europe and Central Asia, and 23 percent in East Asia and the Pacific, reported using at least one of the three payment mechanisms in the past 12 months. But only 12 percent or fewer did so in all other developing regions. The shares are substantially higher among account holders: about 60 percent of this group reported using at least one of the three payment mechanisms in Latin America and the Caribbean and Europe and Central Asia, and 41 percent in Sub-Saharan Africa (though this translates into only 12 percent of all adults in that region). In all other developing regions a third or fewer account holders reported doing so.

There are also marked differences across developing regions in how people make direct electronic payments. In Latin America and the Caribbean and Europe and Central Asia adults most commonly reported using a debit card, followed by a credit card and a mobile phone—similar to the case in high-income OECD economies. In East Asia and the Pacific, by contrast, use of a debit card is only slightly more common than use of a credit card or a mobile phone—and equal shares of adults reported using a credit card and a mobile phone (11 percent). In the Middle East, South Asia, and Sub-Saharan Africa less than 12 percent of adults on average reported using any of the three payment mechanisms.

**NOTES**

1. Data on adults with an account at a financial institution also include respondents who reported having a debit card in their own name. The data also include an additional 2.77 percent of respondents who reported receiving wages, government transfers, or payments for the sale of agricultural products into an account at a financial institution in the past 12 months; paying utility bills or school fees from an account at a financial institution in the past 12 months; or receiving wages or government transfers into a card (which is assumed either to be linked to an account or to support a card-based account) in the past 12 months.
2. Data on adults with a mobile money account include an additional 0.28 percent of respondents who reported receiving wages, government transfers, or payments for the sale of agricultural products through a mobile phone in the past 12 months. In contrast with the definition of an account at a financial institution, the definition of a mobile money account does not include the payment of utility bills or school fees through a mobile phone; the reason is that the phrasing of the possible answers leaves it open whether those payments were made using a mobile money account or an over-the-counter transaction.
3. The 2014 Global Findex survey asked respondents with an account at a financial institution whether they had made a transaction from their account using a mobile phone in the past 12 months. For more on this, see the section in this chapter on how and how often financial institution accounts are accessed.
4. The GSMA MMU database is continually updated and is available at http://www.gsma.com/mobilefordevelopment/programmes/mobile-money-for-the-unbanked/insights/tracker.
5. This group of 13 excludes 2 other countries where 10 percent or more adults reported having a mobile money account, Cambodia (12 percent) and the United Arab Emirates (11 percent). Cambodia is excluded because of a concern that users of a popular over-the-counter transaction service might have incorrectly responded that they used an account when in fact they only made over-the-counter transactions (for more on this transaction service, see Eric Duflos, "Financial Inclusion in Cambodia Is Trending Digital," Consultative Group to Assist the Poor [CGAP] blog, July 24, 2014, http://www.cgap.org/blog/financial-inclusion-cambodia-trending-digital). The United Arab Emirates is excluded because the sample in that country includes only Emiratis, Arab expatriates, and non-Arabs who were able to participate in the survey in Arabic or English.
6. The publication presenting the 2011 Global Findex data reports the share of adults with an account in 2011 as 50 percent (Demirguc-Kunt and Klapper 2013). Because of changes in the underlying country composition for 2011, this share was recalculated, resulting in an increase from 50.4 percent to 50.6 percent and thus a different number when rounded.
7. These findings are in line with those of Demirguc-Kunt, Klapper, and Singer (2013).
8. The Global Findex survey does not ask a similar sequence of questions about the use of mobile money accounts. By definition, a mobile money account has been used for at least one financial transaction in the past 12 months.
9. By definition, a mobile money account has been used for at least one financial transaction in the past 12 months and thus is not dormant.

BOX 1.1

## How much have mobile money accounts driven growth in overall account ownership in African countries?

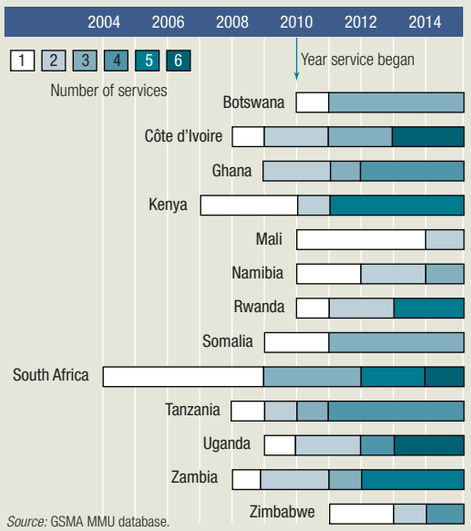
Among the 13 Sub-Saharan African countries where the share of adults with a mobile money account is 10 percent or more, South Africa was the first to have a GSMA MMU mobile money account service start operating within its borders, in 2004 (figure B1.1.1). Other countries in the group—including Kenya, where mobile money accounts first became common—began seeing the entry of mobile money account services in 2007 and 2008. The momentum began picking up in 2011, however, signaling that the market promised enough potential to attract competitors.

A comparison of 2011 and 2014 data for the 10 countries in the group for which data are available for both years shows different patterns of growth in account penetration (figure B1.1.2). In most of these 10 countries the growth was driven both by adults adding a financial institution account and a mobile money account and by adults adding a mobile money account only. But in Tanzania, where account penetration doubled to 40 percent in 2014, the growth was driven entirely by people adding a mobile money account only. In Botswana and South Africa, by contrast, the growth was due almost entirely to people adding both types of accounts.

Zimbabwe is one of the very few countries around the world where account penetration fell between 2011 and 2014. The country has suffered economic difficulties that have been accompanied by an erosion of trust in financial institutions since 2011,[a] and many people appear to have switched from an account at a financial institution to a mobile money account.

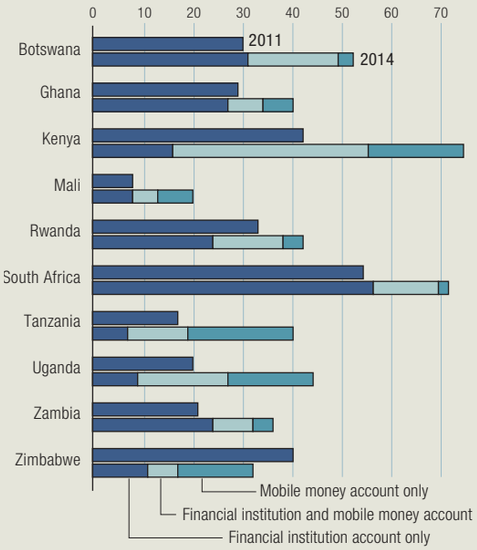
a. Based on results from a Gallup World Poll survey question asking respondents to rate their trust in banks and financial institutions. See also IMF (2014).

FIGURE B1.1.1
**Mobile money account services operating in countries with mobile money account penetration of 10 percent or more**
Number of services listed in GSMA MMU database




*Source:* GSMA MMU database.

FIGURE B1.1.2
**Account penetration in countries with mobile money account penetration of 10 percent or more, 2011 and 2014**
Adults with an account (%)




*Note:* While 13 countries have mobile money account penetration of 10 percent or more, the figure includes only the 10 countries for which both 2011 and 2014 data are available. The 2011 Global Findex survey did not collect data on ownership of mobile money accounts.
*Source:* Global Findex database.

BOX 1.2

## Are mobile money accounts narrowing the gaps in account ownership?

In Sub-Saharan Africa the mobile phone is increasingly being used to extend financial services past the limits of bank branches. Mobile money accounts, by providing more convenient and affordable financial services, offer promise for reaching unbanked adults traditionally excluded from the formal financial system—such as women, poor people, young people, and those living in rural areas.[a] Have they helped narrow the gaps in account ownership? The evidence from Sub-Saharan Africa so far is mixed.[b]

Consider four countries where about 20 percent of adults have a mobile money account only—Côte d'Ivoire, Kenya, Tanzania, and Uganda. These countries allow a useful comparison of gaps in the ownership of financial institution accounts and in the use of mobile money accounts only.[c] (Because the focus is on adults who have a mobile money account but are otherwise unbanked, adults who have both types of accounts are counted among those who have a financial institution account.)

In Uganda there are large and statistically significant gaps in the ownership of financial institution accounts and of mobile money accounts only—with ownership of each type less likely for women than for men, less likely for adults in the poorest 40 percent of households than for those in the richest 60 percent, and less likely for young adults (ages 15–24) than for older ones (age 25 and above).[d] In Tanzania there is a significant gap between the two household income groups for both financial institution and mobile money accounts, but a significant gender gap only for mobile money accounts. Yet for mobile money accounts the gap between the household income groups (13 percentage points) is nearly twice the size of the gap between men and women (7 percentage points), suggesting that poverty is a much bigger barrier than gender.[e]

Mobile money plays a very different role in Côte d'Ivoire and Kenya. These two countries have quite dissimilar levels of overall account penetration (34 percent and 75 percent, respectively), but both have large and statistically significant gaps in the ownership of financial institution accounts between women and men, between the two household income groups, and between age groups. But there are no statistically significant gaps between these groups in the ownership of a mobile money account only. Indeed, in Kenya adults in the poorest 40 percent of households are significantly *more* likely than adults in the richest 60 percent to have a mobile money account only (with 27 percent of poorer adults but just 14 percent of richer adults having a mobile money account only). So in these two countries mobile money accounts are helping to create greater parity in account ownership between men and women, between rich and poor, and between older and younger adults.

a. The urban-rural gap in account ownership is not examined here because of the challenges of precisely estimating account ownership among the urban population in these countries. For an explanation, see the section on the urban-rural gap in this chapter.

b. This is consistent with results shown by Claudia McKay and Michelle Kaffenberger in "Rural vs Urban Mobile Money Use: Insights from Demand-Side Data," Consultative Group to Assist the Poor (CGAP) blog, January 23, 2013, http://www.cgap.org/blog/rural-vs-urban-mobile-money-use-insights-demand-side-data.

c. Such a comparison is possible in only a limited number of countries because the Global Findex survey typically covers only 1,000 adults per country and the share of adults with a mobile money account only is relatively small. The small number of observations makes it challenging to precisely estimate gaps and draw statistically significant conclusions.

d. Statistical significance is based on t-tests.

e. Overall account penetration is 40 percent in Tanzania and 44 percent in Uganda.

BOX 1.3

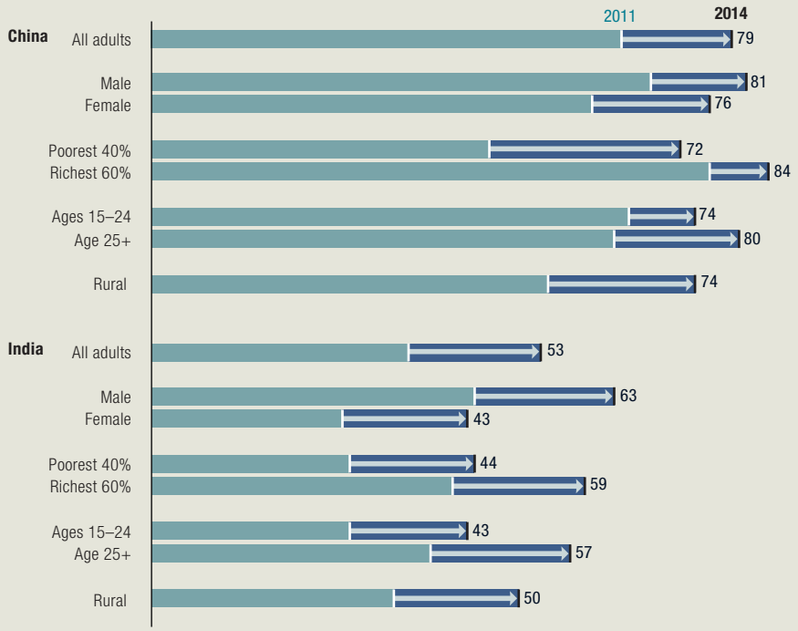
## Who are the newly banked? A look at China and India

Both China and India saw strong growth in account ownership between 2011 and 2014—in China account penetration increased from 64 percent to 79 percent, and in India from 35 percent to 53 percent. Translated into absolute numbers, this growth means that 180 million adults in China and 175 million in India became account holders—with the two countries together accounting for about half the 700 million new account holders globally. A closer look at who the newly banked are in these two countries reveals differences in how that growth was distributed across groups of individuals.

In China, while account penetration increased by 15 percentage points on average, the growth varied substantially across different groups (figure B1.3.1). For example, account penetration grew by 26 percentage points among adults in the poorest 40 percent of households but by only 8 percentage points among those in the richest 60 percent. It grew faster among those in the poorest 40 percent of households in part because there was more room for growth in that group; by 2011, 76 percent of adults in the richest 60 percent already reported having an account. Account penetration also grew more strongly among adults living in rural areas and among older adults. There was no clear difference in rate by gender, however; account penetration grew by about 15 percentage points among both men and women.

For India, by contrast, the data show little such variation: the overall growth in account penetration of 18 percentage points is evenly reflected across all groups of individuals for which the data are broken down.

FIGURE B1.3.1
**Account penetration in China and India by individual characteristics, 2011 and 2014**
Adults with an account (%)




*Source:* Global Findex database.

BOX 1.4

## Many new accounts in India—but many dormant ones too

In August 2014 the Indian government launched the Pradhan Mantri Jan Dhan Yojana scheme for comprehensive financial inclusion with the goal of opening a bank account for every household. To encourage new accounts, the scheme offered attractive features such as zero balances, overdraft facilities, and free life insurance. By the end of January 2015 it had led to the opening of 125 million new bank accounts; as a point of comparison, a 2013 survey had found that fewer than 400 million people in the country had an account.[a]

But the scheme has attracted criticism for expanding the public sector's role in banking—more than 97 percent of the new accounts are at public banks. In addition, 72 percent of the accounts show zero balances.[b] This may be in part because many new account holders may not yet have had an opportunity to use their accounts—especially since the accounts were not set up for an explicit purpose, such as to receive wages or government transfer payments. Moreover, only 39 percent of all account holders in India own a debit or automated teller machine (ATM) card, and using an account might be inconvenient and time-consuming if every transaction requires using a bank teller.

a. Calculated based on the assumption that 47 percent of people age 15 and above have an account at a financial institution (Intermedia, Financial Inclusion Insights database, http://finclusion.org/datacenter/).

b. Data are from the Indian Ministry of Finance's website for the Pradhan Mantri Jan Dhan Yojana scheme (http://www.pmjdy.gov.in).

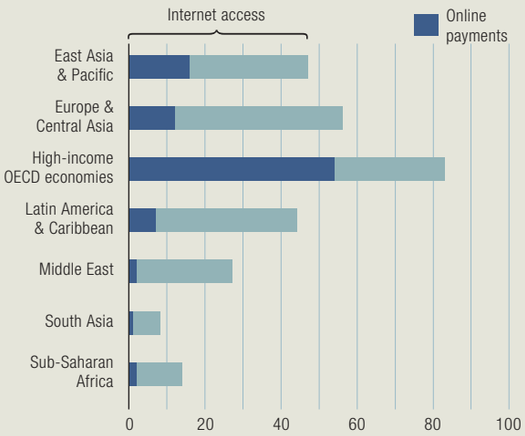
BOX 1.5

## How widespread are Internet access and online payments?

Access to the Internet varies widely around the world. While 83 percent of households in high-income OECD economies have access to the Internet within their home, only a third of households in developing economies do (figure B1.5.1). Among developing regions the share of households with Internet access ranges from around 50 percent in East Asia and the Pacific and Europe and Central Asia to less than 10 percent in South Asia.

So it is no surprise that the largest share of adults making payments online—whether paying a bill or making a purchase—can be found in high-income OECD economies: on average in 2014, 54 percent of adults in these economies reported having made a payment online in the past 12 months. Online payments are most common in Scandinavian countries, where more than 75 percent of adults reported having made such a payment in the past 12 months. By contrast, in developing economies less than 10 percent of adults reported having done so. But there are exceptions to this overall pattern: in China, Malaysia, and Turkey almost 20 percent of adults reported making online payments.

FIGURE B1.5.1
**Internet access and use for payments**
Adults reporting household access to Internet and online payments (%), 2014




*Note:* Data on online payments refer to the share of adults who reported using the Internet to pay bills or make purchases in the past 12 months.

*Source:* Global Findex database.

PAYMENTS

# PAYMENTS

*Most people receive payments—such as wages, payments for the sale of agricultural products, or payments in the form of remittances or government transfers. And most make payments—such as for school fees, for utility bills, or in the form of remittances. The 2014 Global Findex survey introduced new questions to explore these payments. It asked what kinds of payments people receive, what kinds they make, and how they carry out these transactions—whether in cash or digitally.*

The Global Findex survey asked questions about seven types of payments that can be grouped into three broad categories: wage payments, government transfers, and payments for the sale of agricultural products (*payments from businesses or government to people*); payments for utility bills and for school fees (*payments from people to businesses or government*); and domestic remittances, both those sent and those received (*payments between people*). The survey collected data on all seven types of payments in developing economies. In most high-income OECD economies, however, it collected data only on wages, government transfers, and utility bill payments.[1]

This chapter distinguishes mainly between payments in cash and digital payments. But it also distinguishes between two types of digital payments: those sent or received through an account and those sent or received through an over-the-counter (OTC) transaction—a transaction completed in cash at a financial service provider, which transfers the money electronically on behalf of the sender and recipient. The distinction between these two types of digital payments is an important one. By using an OTC transaction rather than cash, people benefit from the greater efficiency of making payments through a financial service provider. But only by using an account can they also keep the money in a safe place until they need it.

Some respondents who reported sending or receiving a payment, when asked about the payment channel used, provided a "no," "don't know," or "refuse" response to all possible options. These respondents form an additional category, typically consisting of only a small share of adults, and are reported as those using "other" methods.

## Payments from businesses or government to people

This section looks at how people receive three common types of payments from businesses or government, distinguishing between payments received into an account and payments received in cash only. By definition, all digital payments in this section are payments into an account.[2]

### How do people receive wage payments?

Globally, 32 percent of adults reported having received at least one wage payment from an employer in the past 12 months—52 percent of adults in high-income OECD economies and 27 percent in developing economies.[3]

Among those in high-income OECD economies who reported receiving wages, 86 percent said that they received the payments into an account (figure 2.1). About 6 percent reported receiving their wages in cash only. And the other 8 percent reported receiving their wages neither into an account nor in cash, a result driven by the 17 percent of wage recipients in the United States who likely received their wages by check.

In developing economies, by contrast, only 41 percent of wage recipients reported receiving their wage payments into an account. But there is much variation among regions. In Europe and Central Asia and Latin America and the Caribbean around 60 percent of wage earners said that they receive their wage payments into an account, and in East Asia and the Pacific and Sub-Saharan Africa around 45 percent reported doing so. But in the Middle East and South Asia less than 25 percent did.[4]

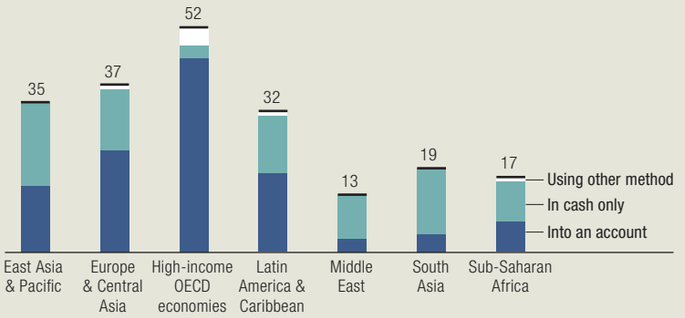
Women in developing economies were about a third less likely than men to report having received any wage payments in the past 12 months (figure 2.2). But among those receiving wages, women were more likely than men to report receiving their wages into an account: 44 percent of female wage earners reported this, compared with 39 percent of male wage earners.[5]

Not surprisingly, wage employment in developing economies also varies by income. On average, adults in the poorest 40 percent of households within economies were about a third (or 11 percentage points) less likely than those in the richest 60 percent to report having received any wage payments in the past 12 months (figure 2.3). And among those receiving wages, adults in the poorest 40 percent of households were half as likely as those in the richest 60 percent to report receiving their wages into an account.[6]

FIGURE 2.1

**Wage earners and how they receive wage payments**

Adults receiving wages in the past year, by method (as % of all adults), 2014

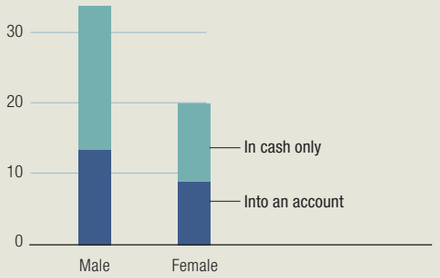



*Source:* Global Findex database.

FIGURE 2.2

**Male and female wage earners and how they receive wage payments in developing economies**

Adults receiving wages in the past year, by method (as % of total), 2014

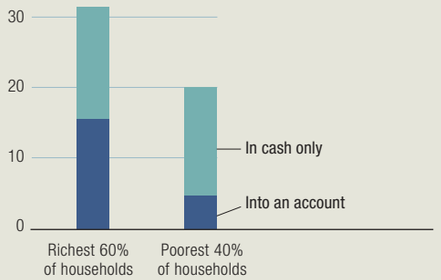



*Source:* Global Findex database.

FIGURE 2.3

**Wage earners by household income and how they receive wage payments in developing economies**

Adults receiving wages in the past year, by method (as % of total household income group), 2014




*Note:* Data for the poorest 40 percent and richest 60 percent of households are based on household income quintiles within economies.

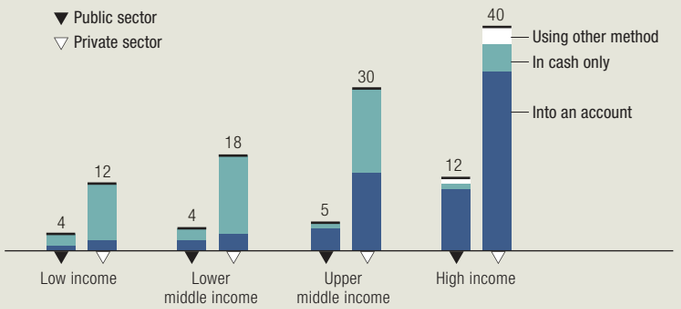
*Source:* Global Findex database.

Across all country income groups, people with wage employment in the public sector are more likely than those in the private sector to receive their wages through direct deposit into an account (figure 2.4). In developing economies two-thirds of adults with wage employment in the public sector reported receiving their wages this way, while only a third of those in the private sector did so. This difference generally narrows with rising income levels, but it exists even in high-income economies, where the share who reported receiving their wages into an account was more than 90 percent among wage earners in the public sector but 84 percent among those in the private sector.

FIGURE 2.4

**Public and private sector wage earners and how they receive wage payments across country income groups**

Adults receiving public or private sector wages in the past year, by method (as % of all adults), 2014




*Source:* Global Findex database.

Wage employment can be an important factor in opening an account. In developing economies about a quarter of adults who reported receiving wages into an account said that this account was their first one and was opened specifically so that they could receive wage payments from their employer.

Indeed, both globally and across all regions, wage earners are more likely to have an account. Worldwide, almost 81 percent of adults who reported receiving wages in the past 12 months also reported having an account, compared with only about 53 percent of those not receiving wages. The gap in account ownership is especially wide in Europe and Central Asia, Latin America and the Caribbean, and Sub-Saharan Africa: in these regions adults receiving wages were about 35 percentage points more likely than those not receiving wages to report having an account. In the Middle East adults receiving wages were four times as likely as those not receiving them to report having an account. Globally, 35 million adults without an account receive government wages in cash only, and 280 million receive private sector wages this way.

Among those receiving wage payments into an account, the overwhelming majority indicated that they use this account for cash management purposes—rather than withdraw all the money at once, they use the account as a safe place to store the money and withdraw or transfer it over time as needed. While it is no surprise that more than 90 percent of adults receiving wage payments into an account in high-income OECD economies follow this practice, it is notable that three-quarters of those in developing economies do so. But household income matters: among adults in developing economies who reported receiving wage payments into an account, 77 percent of those in the richest 60 percent of households reported withdrawing the money over time as needed, compared with 65 percent of those in the poorest 40 percent of households. Men and women were about equally likely to report withdrawing the money over time as needed.

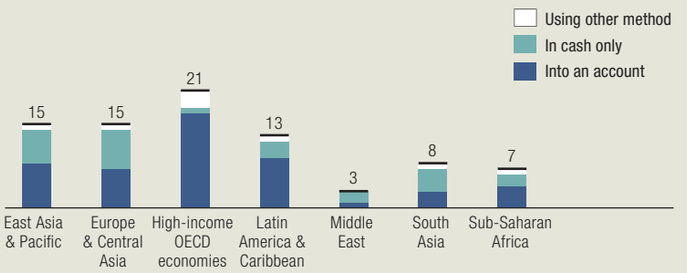
## How do people receive government transfers?

Globally, 13 percent of adults reported having received government transfers in the past 12 months (figure 2.5). Government transfers include any kind of social benefit payments—such as subsidies, unemployment benefits, or payments for educational or medical expenses—but do not include wages or other payments related to work. Not surprisingly, the share of adults who reported receiving government transfer payments was almost twice as high in high-income OECD economies (21 percent) as in developing economies (12 percent).

FIGURE 2.5

**Government transfer recipients and how they receive payments**

Adults receiving transfers in the past year, by method (as % of all adults), 2014




*Source:* Global Findex database.

Just as for wage payments, in high-income OECD economies the overwhelming majority of those receiving transfer payments—83 percent—reported receiving them into an account. Another 13 percent of recipients (3 percent of all adults) reported receiving government transfers in some way other than through an account or in cash, likely in the form of vouchers such as food stamps. In developing economies, by contrast, only about half those receiving government transfer payments reported receiving them into an account. Globally, 130 million adults without an account receive government transfer payments only in cash.

Like wage employment, however, government transfers can be an important reason why people open accounts. Far fewer adults receive government transfers than receive wage payments. But among those receiving government transfers into an account in developing economies, about a quarter reported that this account was their first one and was opened specifically so that they could receive government transfers.

Indeed, many developing economies have used government transfer payments to increase financial inclusion (box 2.1). These include countries in Latin America and the Caribbean, where on average 68 percent of transfer recipients receive the payments into an account. The share is especially high in Brazil: among the 15 percent of adults receiving government transfers, 88 percent receive them directly into an account. Another notable example is South Africa, where a third of adults receive government transfers—and 82 percent of them receive the payments into an account.

Most adults receiving government transfers into an account reported using their account for cash management purposes—with 61 percent doing so in developing economies and 87 percent in high-income OECD economies. But there are exceptions. In Brazil, for example, only 12 percent of adults receiving government transfers into an account reported withdrawing the money over time as needed; 88 percent withdraw all the money right away.

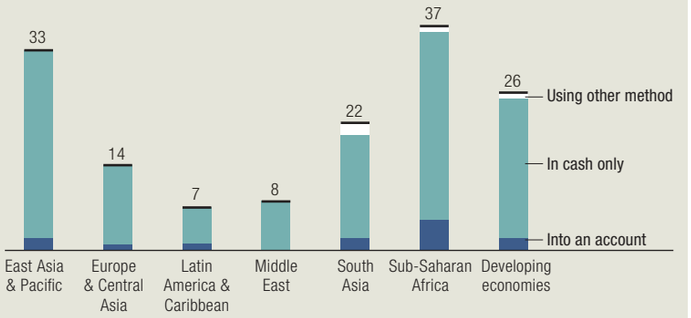
### How do people receive payments for agricultural products?

About one in four adults in developing economies reported receiving payments for the sale of their family's agricultural products in the past 12 months (figure 2.6). Across all developing regions, these payments are received almost exclusively in cash. Sub-Saharan Africa is a notable exception. There, 5 percent of adults—or 13 percent of recipients—reported receiving these payments directly into an account, mostly into a mobile money account.

FIGURE 2.6

**Agricultural payment recipients and how they receive payments**

Adults receiving payments for agricultural products in the past year, by method (as % of all adults), 2014




*Source:* Global Findex database.

Digital payments for the sale of agricultural products have particularly taken off in Kenya, Tanzania, and Uganda—three of the six countries where more than half of adults reported receiving agricultural payments. In Kenya 20 percent of adults—or 37 percent of recipients—receive the payments into an account, again mostly into a mobile money account (box 2.2). In the other two countries this is the case for about 10 percent of adults—or for 24 percent of recipients in Tanzania and 15 percent in Uganda.

## Payments from people to businesses or government

In looking at payments that people make to businesses or government—for utility bills or for school fees—this section distinguishes at the global and regional level between payments made in cash only and payments made from an account. While survey respondents could report having paid utility bills or school fees by using a mobile phone to make an OTC transaction, less than 1 percent of adults did so in all regions. In about a dozen countries, however, the survey results indicate greater use of this practice: up to 10 percent of adults reported making payments for utility bills or school fees through a mobile phone but not having a mobile money account. In these cases the discussion distinguishes between the different ways of making a digital payment.

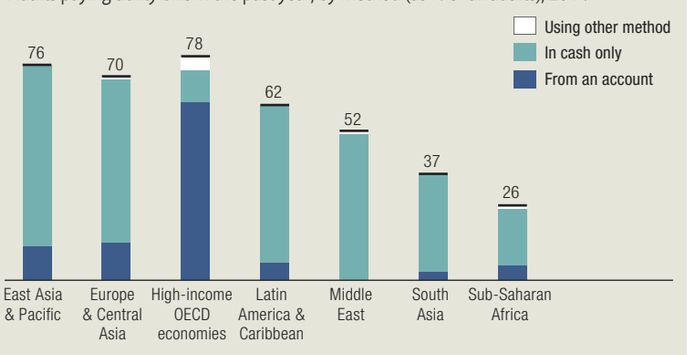
### How do people pay utility bills?

Globally, 60 percent of adults reported having made regular payments for water, electricity, or trash collection in the past 12 months (figure 2.7). In high-income OECD economies and East Asia and the Pacific close to 80 percent reported doing so. South Asia and Sub-Saharan Africa are the only regions where less than half reported making utility payments.

FIGURE 2.7

**Utility payers and how they make payments**

Adults paying utility bills in the past year, by method (as % of all adults), 2014




*Source:* Global Findex database.

In high-income OECD economies the vast majority of those making utility payments

reported doing so directly from an account. In developing economies, by contrast, almost 90 percent reported making the payments exclusively in cash. But there are striking exceptions to this overall pattern (box 2.3).

Among those making utility payments in high-income OECD economies, 7 percent reported doing so neither directly from an account nor in cash. This category may capture people who pay using checks or whose utility payments are included in rent payments and thus made indirectly.

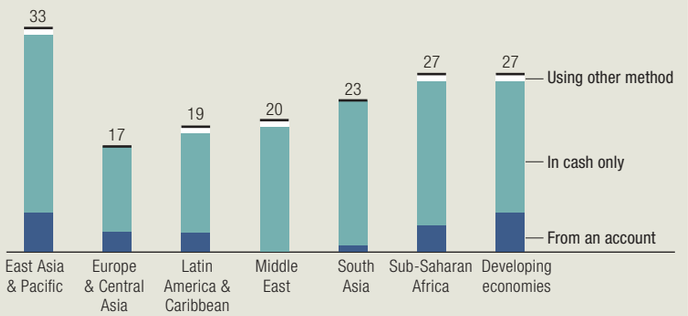
### How do people pay school fees?

School fees are another regular payment made by many households in developing economies. On average in these economies, about 30 percent of adults reported having made such payments in the past 12 months (figure 2.8). The vast majority—83 percent—did so exclusively in cash.

FIGURE 2.8

**School fee payers and how they make payments**

Adults paying school fees in the past year, by method (as % of all adults), 2014




*Source:* Global Findex database.

Only a few countries have a significant share making the payments digitally—either directly from an account at a financial institution or through a mobile phone. One of these is Kenya, where half of adults reported having made payments for school fees in the past 12 months; of these, 58 percent made the payments digitally—37 percent from a financial institution account only, 14 percent through a mobile phone only, and 7 percent both from a financial institution account and through a mobile phone. Of the 21 percent making the payments through a mobile phone, 18 percent did so from a mobile money account and 3 percent through an OTC transaction.

## Payments between people—domestic remittances

Domestic remittances are an important part of the economy in many places in the developing world. On average, 15 percent of adults in developing economies reported having sent money to a relative or friend living in a different part of the country, and 19 percent having received such a payment, in the past 12 months.[7] Overall, 26 percent of adults reported having either sent or received a domestic remittance payment in the past year.[8]

Domestic remittances are particularly important in Sub-Saharan Africa, where 48 percent of adults reported having either sent or received them.[9] In Kenya, South Africa, and Uganda—the three countries with the highest shares for both sending and receiving domestic remittances—between 65 and 70 percent of adults reported having sent or received them (more than 40 percent reported sending remittances, and 54 percent or more receiving them). The shares were almost as high in other Sub-Saharan African countries. In East Asia and the Pacific and Europe and Central Asia about 25 percent of adults reported sending or receiving remittances—while in Latin America and the Caribbean, the Middle East, and South Asia about 17 percent did.

## How do people send and receive domestic remittances?

In looking at how people in developing economies send and receive domestic remittances, this section distinguishes between cash and several different digital payment channels. These include making payments through a financial institution and making payments through a mobile phone—both of which, depending on the circumstances, can involve using either an account or an OTC transaction. A third digital payment channel involves using a money transfer operator such as Western Union. By definition, payments through a money transfer operator are OTC transactions.

Among the different ways that people send domestic remittances, by far the most common one in all developing regions is to use cash, by handing the money directly to the recipient or by sending it through someone else, such as a bus driver (figure 2.9). The unbanked, unsurprisingly, send remittances mostly in cash. But even among the banked, using cash remains the most common way of sending remittances in most regions.

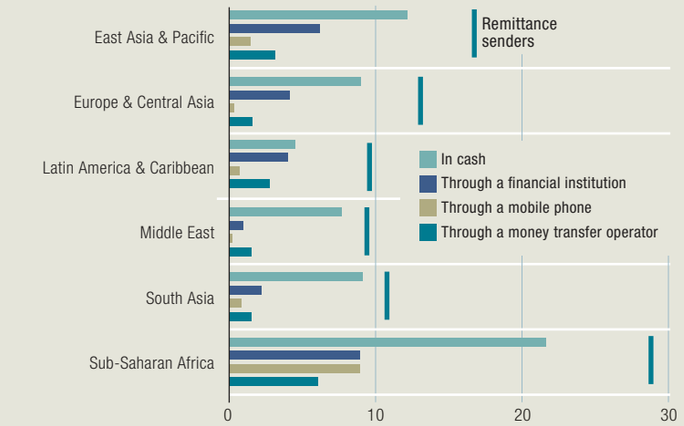
Sending money digitally through a financial institution—or, in Sub-Saharan Africa, through a mobile phone—is typically the second most common option. Using a money transfer operator is another option for sending remittances digitally, though it was typically only the third most frequently reported method of doing so. Many people use more than one method; survey respondents could report multiple methods, and those sending remittances cited 1.4 on average. The most common method of sending and receiving remittances varies across countries (box 2.4).

As expected, the payment channels through which domestic remittances are received in developing economies largely mirror those through which they are sent (figure 2.10).

FIGURE 2.9

**How people send domestic remittances**

Adults using method to send remittances in the past year (%), 2014

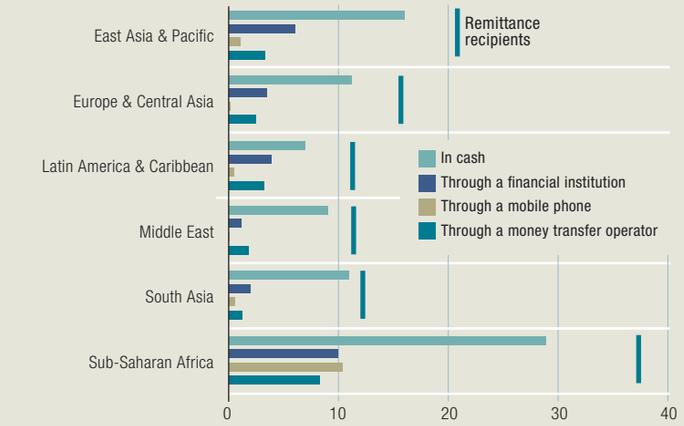



*Note:* Respondents could report using more than one method.
*Source:* Global Findex database.

FIGURE 2.10

**How people receive domestic remittances**

Adults using method to receive remittances in the past year (%), 2014




*Note:* Respondents could report using more than one method.
*Source:* Global Findex database.

## What is the most common digital payment channel for remittances?

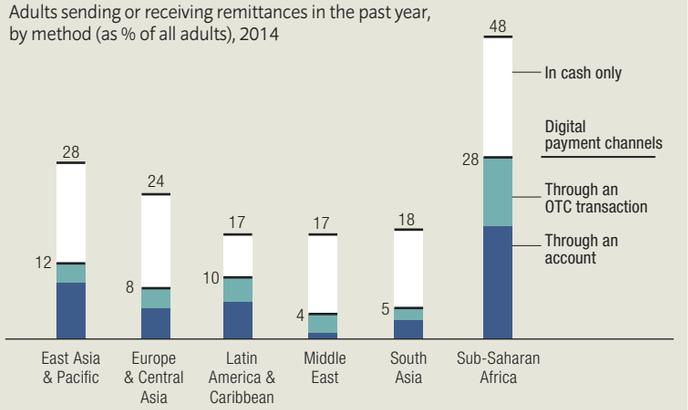
Another way of distinguishing between different types of digital remittance payments is whether they are sent or received through an account or through an OTC transaction (figure 2.11). Remittances are considered to have been sent or received through an account if the respondent either has an ac-

count at a financial institution and reported sending or receiving a remittance through a financial institution or has a mobile money account and reported sending or receiving a remittance through a mobile phone.

FIGURE 2.11

**Payment channels for domestic remittances**

Adults sending or receiving remittances in the past year, by method (as % of all adults), 2014




*Source:* Global Findex database.

But many financial institutions and mobile money service providers also offer OTC remittance payments. Payments are classified as OTC if senders and receivers did not use their own accounts but instead transacted in cash at the service provider, which transferred the money electronically on their behalf. Remittance payments are therefore considered to have been sent or received through an OTC transaction if they were transmitted through a financial institution but the respondent does not have a financial institution account or if they were transmitted through a mobile phone but the respondent does not have a mobile money account. All remittance payments through a money transfer operator are by definition also OTC transactions.

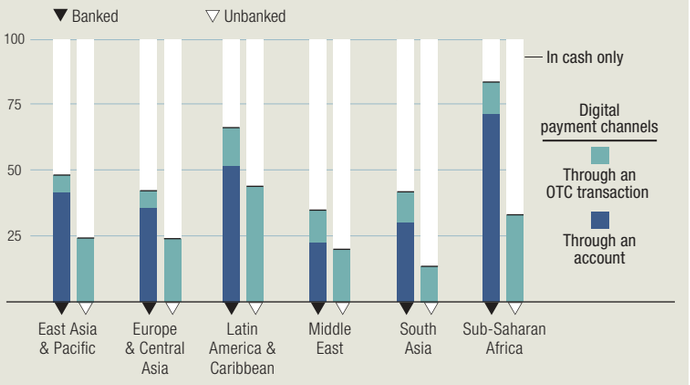
Sub-Saharan Africa has the highest share of adults using an account for domestic remittance payments, both among all adults and among those sending or receiving domestic remittances: 37 percent of those who reported sending or receiving domestic remittances—18 percent of all adults—reported doing so through an account.[10] Another 22 percent of those sending or receiving domestic remittances reported using an OTC transaction to do so, while the rest reported using only cash. In Latin America and the Caribbean 26 percent of those sending or receiving domestic remittances reported doing so through an OTC transaction, a slightly higher share than in Sub-Saharan Africa. Overall in these two regions, almost 60 percent of those sending or receiving domestic remittances reported doing so digitally—through an account or an OTC transaction—rather than only in cash. In all other regions the share was about 40 percent or less.

Unsurprisingly, among those sending or receiving domestic remittances, the banked are more likely than the unbanked to do so digitally, using either their account or an OTC transaction (figure 2.12). But only in Sub-Saharan Africa and Latin America and the Caribbean did a majority of adults with an account report sending or receiving domestic remittances digitally. Among the unbanked, typically less than 30 percent of those sending or receiving domestic remittances reported doing so digitally using an OTC transaction. The exception is Latin America and the Caribbean, where the share was 44 percent.

FIGURE 2.12

**Payment channels used by banked and unbanked for domestic remittances**

Adults sending or receiving remittances in the past year, by method (%), 2014




*Source:* Global Findex database.

Of course, the choice of how to send a remittance payment is a function of both the sender's access to a payment channel and the recipient's. Even if remittance senders have an account and would prefer to make the remittance payment through their account or another digital option, they may choose to make the payment in cash if the family member or friend who is to receive it lacks ready access to an account or cash-out point—perhaps because the nearest bank branch, mobile money agent, or money transfer operator's counter is too far away.

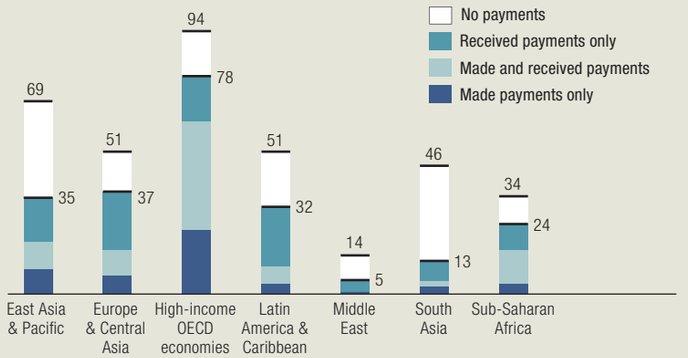
## Account holders' use of digital payments

Globally, 83 percent of adults reported having made or received at least one of the seven types of payments discussed in this chapter in the past 12 months. Less than half of them—36 percent of all adults—reported using an account to make or receive payments (figure 2.13). And among those who have an account, 58 percent reported using their account for this purpose. As would be expected, the share of account holders who reported doing so varies widely across regions—from 83 percent in high-income OECD economies to 27 percent in South Asia. Aside from high-income OECD economies, Europe and Central Asia and Sub-Saharan Africa also had a high share of account holders—about 70 percent—reporting the use of their account for at least one of the types of payments.

FIGURE 2.13

**Use of accounts for digital payments**

Adults with an account by its use for payments in the past year (as % of all adults), 2014




*Source:* Global Findex database.

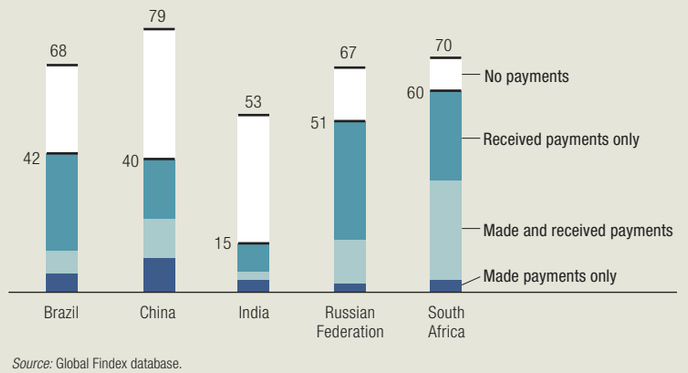
Among those using their account for payments, is it most common to only make payments, to only receive payments, or to both make and receive payments? In high-income OECD economies and Sub-Saharan Africa adults most commonly reported using their account to both make and receive payments. In all other regions, by contrast, they most often reported only receiving payments.

The BRICS countries—Brazil, the Russian Federation, India, China, and South Africa—illustrate how widely the use of accounts for making and receiving payments can vary even among countries with broadly similar levels of account penetration (figure 2.14). Among these five countries, China has the highest share of adults with an account, at 79 percent. But South Africa has the highest share of adults who reported using an account to make or receive payments, at 60 percent, followed by the Russian Federation with 51 percent. In Brazil and China about 40 percent of adults reported using

FIGURE 2.14

**Use of accounts for digital payments in the BRICS countries**

Adults with an account by its use for payments in the past year (as % of all adults), 2014




*Source:* Global Findex database.

an account to make or receive payments. And in India not only is account penetration comparatively low, at 53 percent, but so is the use of accounts for payments: a mere 15 percent of adults reported using an account to make or receive payments.

It should be kept in mind, however, that when it comes to receiving such payments as wages, government transfers, or domestic remittances, the recipient often has no choice in whether the payments are made digitally or in cash. The decision is typically made by the sender of the payments—the employer, the government, or the remittance sender.

When it comes to sending payments, people may be able to choose whether to do so digitally or in cash in some cases, such as when sending domestic remittances to family or friends. But in other cases the choice may be limited. For example, when schools or utility companies accept payments only in cash, people must pay in cash even if they have an account and might prefer to make the payments through that account.

**NOTES**

1. Gallup, Inc. imposes a time limit on phone interviews conducted in high-income economies, limiting the number of questions that can be added to the Gallup World Poll core questionnaire. In seven high-income OECD economies, however, it conducts face-to-face interviews rather than phone interviews, and in these economies data were collected on all seven types of payments.
2. Payments are considered to be received into an account if the respondent reported receiving the payments directly into an account at a financial institution; into a card, which is assumed either to be linked to an account or to support a card-based account; or through a mobile phone. Technically, a payment into a mobile phone is considered to be a payment into an account only if the respondent lives in a country where mobile money accounts are provided by a service that was included in the GSM Association's Mobile Money for the Unbanked (GSMA MMU) database at the time of the survey. However, only 17 respondents—representing fewer than 0.001 percent of adults around the world—reported receiving a payment through a mobile phone but not into an account.
3. The country averages for wage employment have an 82 percent correlation with data from the International Labour Organization (ILO) on wage or salaried employees.
4. About 3 percent of adults in both high-income OECD and developing economies reported receiving wages both into an account and in cash. This could be because they work for more than one employer and are paid directly into an account by one employer but in cash by another. In addition, in some developing economies it is common to receive a base wage into an account but performance-related bonuses in cash. Because these adults reported receiving at least part of their wages into an account, they are included in the category of those receiving wages into an account. (A similar principle applies for other types of payments discussed in this chapter.)
5. In high-income OECD economies 56 percent of men and 48 percent of women reported having received a wage payment in the past 12 months. Men and women were equally likely to report receiving wage payments into an account, with about 85 percent of both male and female wage earners reporting this.
6. In high-income OECD economies the gap in wage employment between these two income groups is equally large at 11 percentage points (with 45 percent reporting wage employment in the poorer group, and 56 percent in the richer one). But among those receiving wage payments, the share who reported receiving the payments into an account exceeds 80 percent in both income groups.
7. The difference between the share of adults who reported sending domestic remittances and the share who reported receiving them is within the margin of error of the survey. In addition, the reason that a slightly higher share of adults reported receiving domestic remittances than reported sending them might be that senders were sending remittances to multiple recipients.
8. The Global Findex survey does not cover international remittances. While these remittances are economically important for some countries, the share of adults in developing economies who reported sending or receiving domestic remittances is on average three to four times the share who reported sending or receiving international remittances (Gallup World Poll, 2014).
9. In Sub-Saharan Africa 29 percent of adults reported having sent domestic remittances and 37 percent having received them.
10. Respondents who reported sending or receiving remittances in multiple ways are assigned to categories as follows: *through an account* if they reported having sent or received a remittance through an account; *through an OTC transaction* if they reported having sent or received a remittance through an OTC transaction but did not report having sent or received one through an account; and *in cash* if they reported having sent or received a remittance only in cash. Less than 1 percent of those sending or receiving remittances provided a "no," "don't know," or "refuse" response to all categories; these respondents are assigned to the *in cash* category.

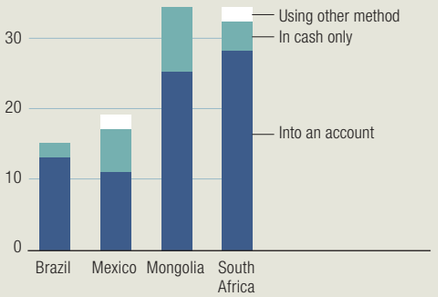
BOX 2.1

## How some governments are using transfer payments to increase financial inclusion

Digitizing transfer payments is one step governments can take to increase account ownership, and in recent years many countries have made this a policy priority. In Mexico, for example, the development bank Bansefi makes digital payments to 6.5 million social transfer recipients as part of the Oportunidades program, using the retailer Diconsa as part of its distribution network.[a] In Brazil the Bolsa Família program delivers financial assistance to nearly a third of the total population, and 99 percent of the recipients receive digital payments into a card or bank account.[b] The South African Social Security Agency distributes all funds to accounts.[c] And Mongolia's Child Money Program delivers transfers by depositing the funds into savings accounts opened in children's names. The goal is to ensure that all young adults will be banked, with a transaction history that can serve as a springboard from which to manage their financial needs.[d]

The large share of government transfer recipients who receive transfer payments directly into an account in all four of these countries reflects these policy priorities (figure B2.1.1).

FIGURE B2.1.1
**Government transfer recipients and how they receive payments in selected countries**
Adults receiving transfers in the past year, by method (as % of all adults), 2014




*Source:* Global Findex database.

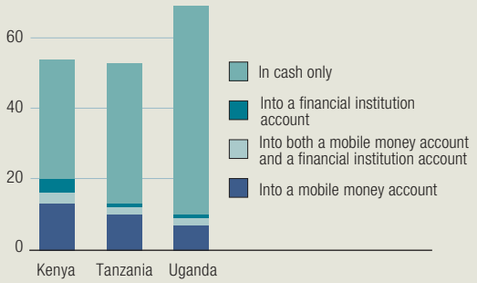
a. Babatz 2013.
b. CGAP 2012.
c. MasterCard 2013.
d. Hodges and others 2007; Fritz 2014.

BOX 2.2

## In East Africa many agricultural payments go into mobile money accounts

Given the widespread use of mobile money in Kenya, Tanzania, and Uganda, it is no surprise that many people in these countries receive payments for the sale of agricultural products into a mobile money account.[a] In Kenya 16 percent of all adults reported receiving agricultural payments into a mobile money account in the past 12 months. And among all recipients, 30 percent reported receiving the payments into a mobile money account—including 6 percent who also received payments into a financial institution account—while just 7 percent reported receiving them into a financial institution account only (figure B2.2.1).

FIGURE B2.2.1
**Agricultural payment recipients and how they receive payments in selected countries**
Adults receiving payments for agricultural products in the past year, by method (as % of all adults), 2014




*Source:* Global Findex database.

Similarly, in Tanzania 23 percent of those receiving agricultural payments (or 12 percent of all adults) reported receiving them into a mobile money account, including 4 percent who also received payments into a financial institution account. Just 1 percent reported receiving payments into a financial institution account only.

Uganda lags somewhat behind its two neighbors. In this country 13 percent of those receiving agricultural payments (or 9 percent of all adults) reported receiving them into a mobile money account, including 3 percent who also received payments into a financial institution account. Another 2 percent of recipients reported receiving payments into a financial institution account only.

a. See CGAP (2014) and GSMA (2015) for overviews of recent developments and challenges in digitizing agricultural payments for smallholder farmers.

BOX 2.3

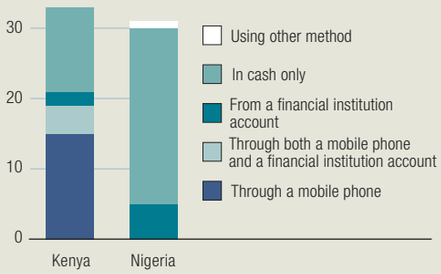
## Utility payments mostly digital in Kenya—but mostly in cash in Nigeria

In both Kenya and Nigeria about 30 percent of adults reported having paid utility bills in the past 12 months. But there are big differences in the payment methods used.

In Kenya most people make utility payments digitally. Among those who reported paying utility bills in the past year, 55 percent made the payments through a mobile phone—including 11 percent who also made payments from a financial institution account—while another 6 percent paid utility bills from a financial institution account only (figure B2.3.1). Of the 55 percent paying utility bills through a mobile phone, 49 percent did so from a mobile money account and 6 percent through an OTC transaction.

In Nigeria, by contrast, 80 percent of adults paying utility bills reported doing so only in cash. Only 15 percent reported making the payments directly from a financial institution account only, while another 1 percent reported making them both from a financial institution account and through a mobile phone—in all cases from a mobile money account.

FIGURE B2.3.1
**Utility payers and how they make payments in Kenya and Nigeria**
Adults paying utility bills in the past year, by method (as % of all adults), 2014




*Source:* Global Findex database.

BOX 2.4

## Cash is not always king when it comes to domestic remittances

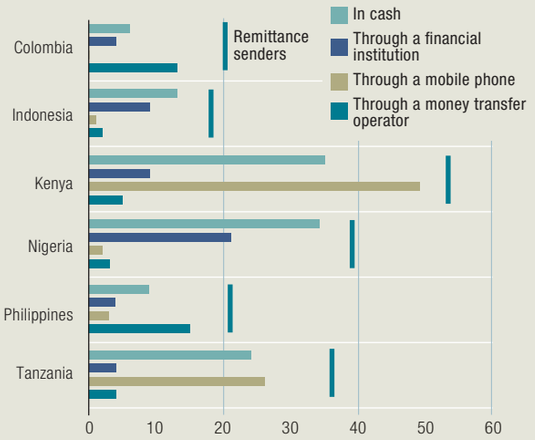
While using cash is the most common way of sending and receiving domestic remittances in the developing world overall, in some economies people are more likely to use a digital payment channel (figures B2.4.1 and B2.4.2).

In Kenya and Tanzania, for example, using a mobile phone is the most common way of sending and receiving remittances. Among the 53 percent of adults in Kenya who reported having sent remittances in the past year, 90 percent did so using a mobile phone—71 percent through a mobile money account and the rest through an OTC transaction. Indeed, using a mobile phone is more common than using cash in most East African countries—and this should come as no surprise, since mobile money was introduced in these countries as a way to make domestic remittances between urban and rural areas more convenient and efficient. When the mobile money service M-PESA started operating in Kenya in 2007, it specifically targeted the domestic remittances market, promoting its services under the slogan "send money home."

In Colombia and the Philippines people are most likely to use a money transfer operator. About three-quarters of adults who reported sending or receiving remittances said that they used this method. Money transfer operators have more counters than banks have branches in both countries, and the domestic remittances business was built on an existing infrastructure of these operators set up to receive international remittances.

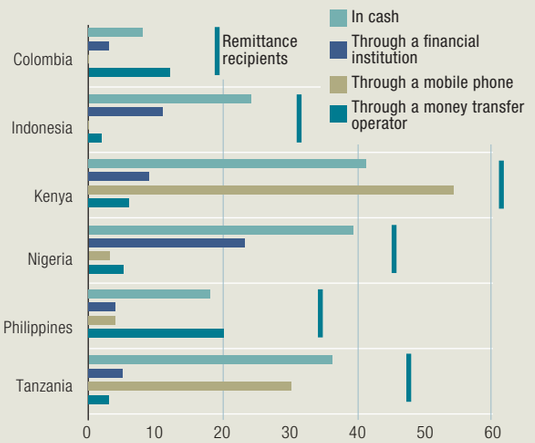
In Nigeria and Indonesia, by contrast, using cash remains most common. This was the method cited most frequently among the almost 40 percent of adults in Nigeria and 18 percent in Indonesia who reported having sent domestic remittances in the past 12 months. But more than half of them reported having sent domestic remittances through a financial institution—50 percent through an account and about 3 percent through an OTC transaction. Less than 5 percent of adults in each country reported having sent money through a mobile phone or a money transfer operator.

FIGURE B2.4.1
**How people send domestic remittances in selected countries**
Adults using method to send remittances in the past year (%), 2014




*Note:* Respondents could report using more than one method.
*Source:* Global Findex database.

FIGURE B2.4.2
**How people receive domestic remittances in selected countries**
Adults using method to receive remittances in the past year (%), 2014




*Note:* Respondents could report using more than one method.
*Source:* Global Findex database.

# SAVING, CREDIT, AND FINANCIAL RESILIENCE

# SAVING, CREDIT, AND FINANCIAL RESILIENCE

*Saving and borrowing are universal tendencies. People save for future expenses—a large purchase, investments in an education or a business, their needs in old age or in possible emergencies. Or, facing more immediate expenses, they may choose to borrow instead. Global Findex data show how and why people save and borrow and shed light on their financial resilience to unexpected expenses.*

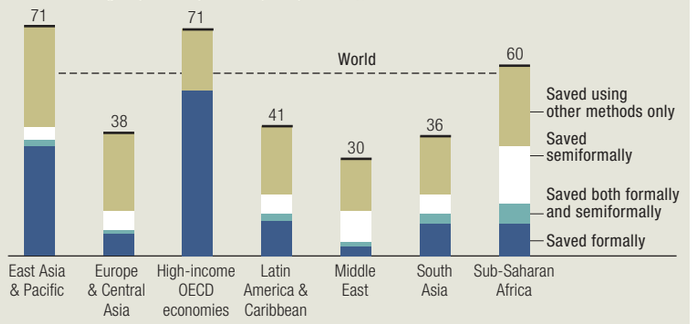
## Saving for the future

In 2014, 56 percent of adults around the world reported having saved or set aside money in the past 12 months. Adults in high-income OECD economies and East Asia and the Pacific were the most likely to have done so, with 71 percent reporting that they had saved, followed by those in Sub-Saharan Africa (figure 3.1). In other regions between 30 and 40 percent of adults reported having saved in the past 12 months.

FIGURE 3.1

**Saving by method used**

Adults saving any money in the past year (%), 2014




*Source:* Global Findex database.

### How do people save?

People go about saving money in different ways. Globally in 2014, a quarter of adults—or almost half of savers—reported having saved formally in the past 12 months, at a bank or another type of financial institution. The share of adults who did so ranges from 52 percent in high-income OECD economies to less than 5 percent in the Middle East (map 3.1). Among savers, the share who reported saving formally was more than 70 percent in high-income OECD economies but only about 40 percent in developing economies.

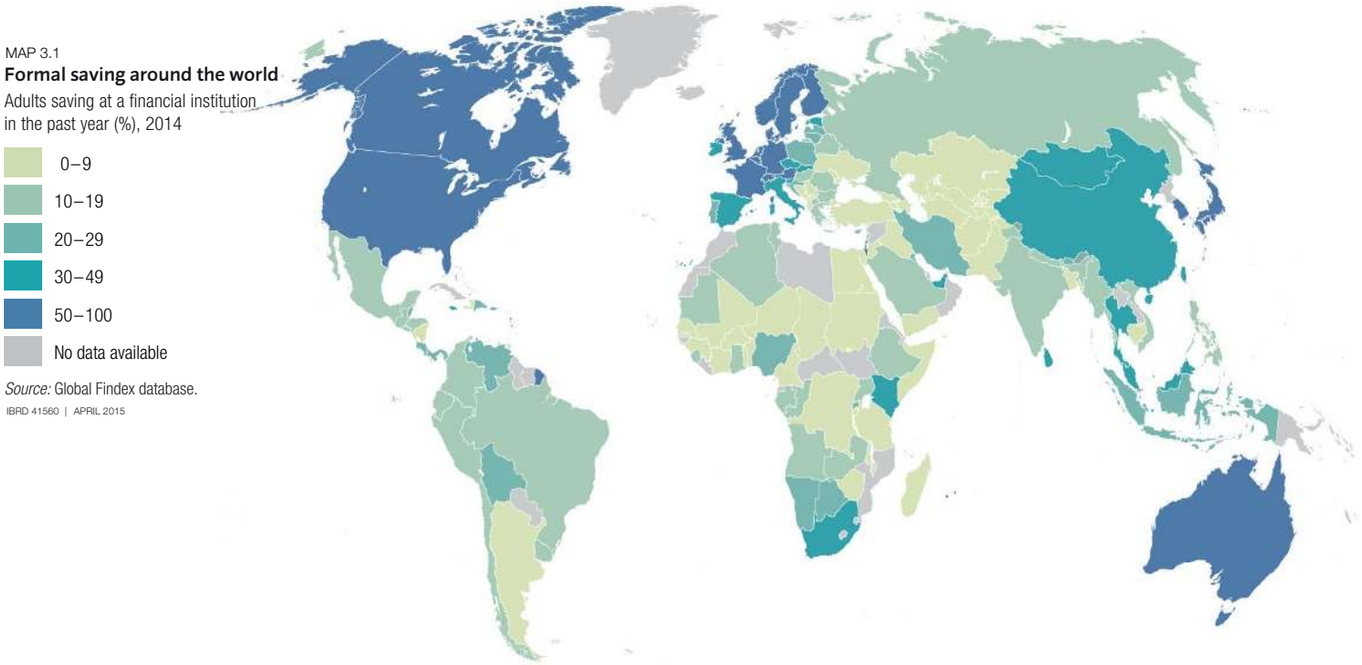
Savings behavior varies not only across economies but also by individual characteristics. Just as for owning an account, saving at a financial institution in the past 12 months was more likely to be reported by men and by adults in the richest 60 percent of households within economies. The share of men who reported saving formally was 3–4 percentage points higher than the share of women doing so in both high-income OECD and developing economies. In developing economies the gender gap in formal saving is thus smaller than the gender gap in account ownership (9 percentage points), suggesting that women are more likely to use their accounts to safely set aside money. The gap between adults in the richest 60 percent of households and those in the poorest 40 percent is about 14 percentage points, similar to the gap between these groups in account ownership.

In developing economies a common alternative to saving at a financial institution is to save semiformally, by using an informal savings clubs or a person outside the family. In 2014, 9 percent of adults—or 17 percent of savers—in developing economies reported having saved semiformally in the past year.[1] One common form of informal savings club is a rotating savings and credit association (ROSCA). These associations generally operate

MAP 3.1

**Formal saving around the world**

Adults saving at a financial institution in the past year (%), 2014




*Source:* Global Findex database.

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by pooling the weekly deposits of their members and disbursing the entire amount to a different member each week.

Saving semiformally is especially common in Sub-Saharan Africa, where 24 percent of adults—or 40 percent of savers—reported having done so in the past year. Almost 60 percent of those who reported saving semiformally (14 percent of all adults) also reported not having an account. While semiformal saving is less widespread in economies outside Sub-Saharan Africa, the share of savers who reported saving semiformally is similarly high in Indonesia, Jamaica, and Pakistan, at around 36 percent, and as high as 50 percent in Jordan.

Many people save both formally and semiformally. This practice is particularly common in Sub-Saharan Africa, where 9 percent of savers reported having done so in the past year—and more than 15 percent in Botswana, Kenya, Rwanda, and South Africa. This suggests that semiformal savings arrangements offer products or provide advantages—such as convenience or community building—that are not available through saving at a financial institution alone.

But some other way of saving—neither formal nor semiformal—is by far the most common savings method in developing economies. About 46 percent of savers in these economies, and 27 percent in high-income OECD economies, reported saving only in some way other than at a financial institution or by using an informal savings club or a person outside the family. This may include saving in cash at home ("under the mattress") or saving in the form of jewelry, livestock, or real estate. In high-income OECD economies it may also include using investment products offered by equity and other traded markets or purchasing government securities.

People may prefer to save in some other way if neither financial institutions nor semiformal providers offer savings products tailored to their needs. But they may also prefer to save outside the formal financial system if they lack trust in it because of the risk of fraud or collapse. Europe and Central Asia has a particularly high share of savers who

reported having saved in some other way, at more than 60 percent. Given its history of bank failures and currency devaluations, it is not surprising that 17 percent of adults in the region reported lacking trust in financial institutions, similar to the share of adults who reported preferring to save outside the financial system.[2]

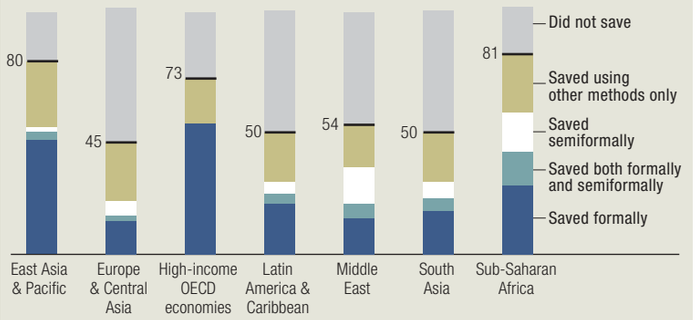
### How do account holders save?

Having an account does not necessarily imply formal saving; even among account holders there is great variation in the use of accounts to save. Globally, 42 percent of account holders in 2014 reported having saved formally in the past 12 months (figure 3.2). In high-income OECD economies, East Asia and the Pacific, and Sub-Saharan Africa about half of account holders reported doing so, but in Europe and Central Asia only 15 percent did (box 3.1). And in four regions—Europe and Central Asia, Latin America and the Caribbean, the Middle East, and South Asia—a larger share of account holders reported saving only semiformally or in some other way than reported saving at a financial institution.

FIGURE 3.2

**Savings behavior among account holders**

Adults with an account by savings behavior in the past year (%), 2014




*Source:* Global Findex database.

Indeed, having an account does not necessarily imply that people save at all. In those same four regions about half of account holders reported not having saved or set aside any money in the past 12 months.

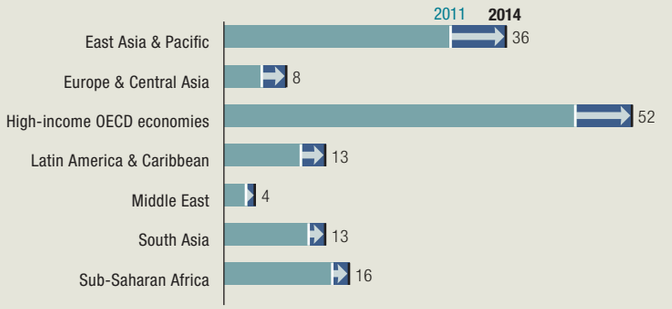
### How has savings behavior changed over time?

The share of adults who reported having saved formally in the past 12 months increased in all regions between 2011 and 2014 (figure 3.3). In high-income OECD economies the share who reported saving at a financial institution increased by 7 percentage points to 52 percent, while in developing economies it increased by 4 percentage points to 22 percent. The increase in formal saving is in line with the increase in account ownership over the same period, though somewhat smaller.

FIGURE 3.3

**Formal saving, 2011 and 2014**

Adults saving at a financial institution in the past year (%)



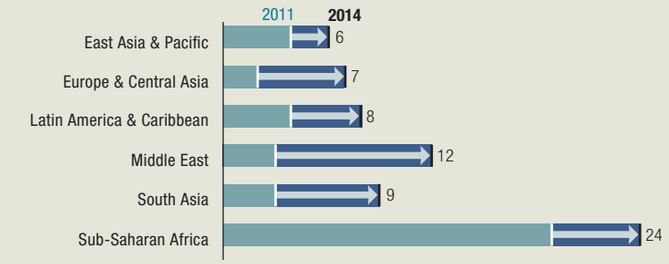

*Source:* Global Findex database.

In developing economies the share of adults who reported saving semiformally, by using an informal savings club or a person outside the family, increased by 4 percentage points to 9 percent (figure 3.4). The Middle East had the largest increase among regions, though from a very low base: the share of adults who reported saving semiformally quadrupled, rising from 3 percent in 2011 to 12 percent in 2014.

FIGURE 3.4

**Semiformal saving, 2011 and 2014**

Adults saving through an informal savings club or person outside the family in the past year (%)



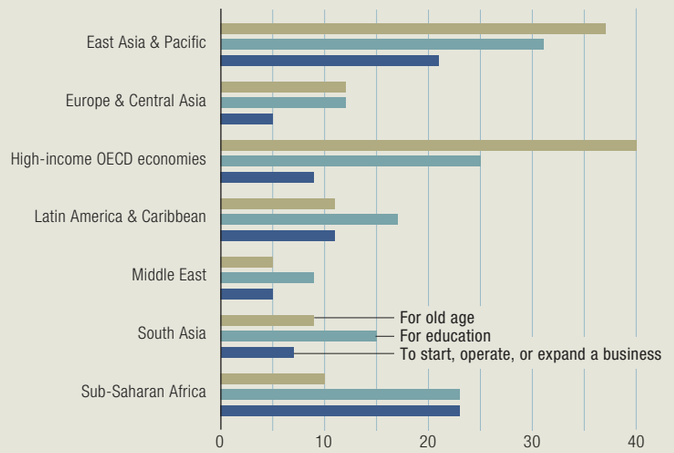

*Source:* Global Findex database.

## What are the main reasons for saving?

FIGURE 3.5

**Reasons for saving reported by savers**

Adults saving for specified purpose in the past year (%), 2014




*Note:* Respondents could report saving for more than one purpose.
*Source:* Global Findex database.

For what future expenses do people save? The 2014 Global Findex survey asked about three specific reasons for saving—for old age, for education expenses, and to start, operate, or expand a business.[3] Worldwide, almost 25 percent of adults reported having saved in the past year for old age, a similar share for education expenses, and 14 percent for a business (figure 3.5). But marked differences emerge across regions.

In high-income OECD economies and East Asia and the Pacific people were more likely to report saving for old age than for either of the other two reasons. Around 40 percent of adults in these two regions reported saving for old age, a far greater share than the roughly 10 percent who reported doing so in all other regions. In high-income OECD economies this may reflect in part the aging population. In East Asia and the Pacific an important factor may be the generally higher savings rates than in other developing regions. Beyond this, however, a growing awareness of increasing life expectancy and slowing birthrates in the region has prompted public sector action on increasing income security in older age through both contributory and noncontributory mechanisms.[4]

More than 30 percent of adults in East Asia and the Pacific and some 20 percent in high-income OECD economies and Sub-Saharan Africa reported saving for education. And in Latin America and the Caribbean, the Middle East, and South Asia, while a smaller share of adults saved for education than in most other regions, more saved for this reason than for old age or for a business.

In East Asia and the Pacific and Sub-Saharan Africa about 20 percent of adults reported saving to start, operate, or expand a business, about twice the share in all other regions.

And as a later discussion in this chapter shows, adults across all regions are more likely to save to finance investments in business than they are to borrow for this purpose.

Globally, about 15 percent of adults reported having saved in the past year for some other reason. This might include saving to buy a home, for another large purchase, or for a wedding or funeral.

## Credit and its purposes

Most people borrow from time to time. They may want to buy land or a home, seek to invest in an education or a business, or need to cover the costs of a health emergency. When they lack the money to do so, they turn to someone who will lend it to them—a bank, a friend or family member, an informal lender. And in some parts of the world many people may sometimes rely on credit cards in the place of loans.

### What are the sources of new loans?

Globally in 2014, 42 percent of adults reported having borrowed money in the past 12 months (excluding through the use of credit cards). The overall share of adults with a new loan—formal or informal—was fairly consistent across regions and economies, with Latin America and the Caribbean at the low end with 33 percent and Sub-Saharan Africa at the high end with 54 percent (figure 3.6). But the sources of new loans varied widely across regions.

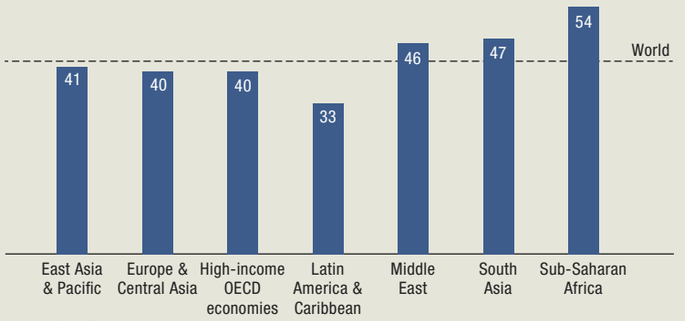
In high-income OECD economies a financial institution was the most frequently reported source of new loans, with 18 percent of adults reporting that they had borrowed from one in the past 12 months (figure 3.7; map 3.2). In all other regions family and friends were the most common source of new loans. Overall in developing economies, 29 percent of adults reported borrowing from family or friends, while only 9 percent reported borrowing from a financial institution.

Borrowing from family or friends is especially common in Sub-Saharan Africa, where 42 percent of adults reported doing so. Some

FIGURE 3.6

**Origination of new formal or informal loans**

Adults borrowing from any source in the past year (%), 2014

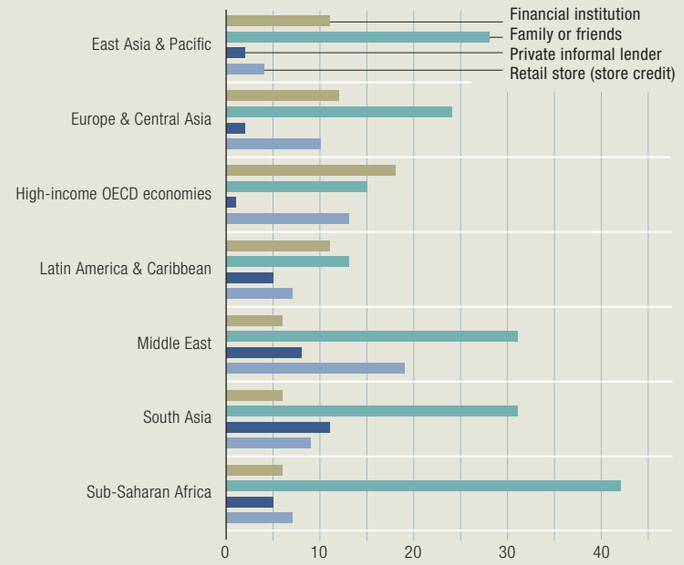



*Source:* Global Findex database.

FIGURE 3.7

**Sources of new formal and informal loans**

Adults borrowing from source in the past year (%), 2014

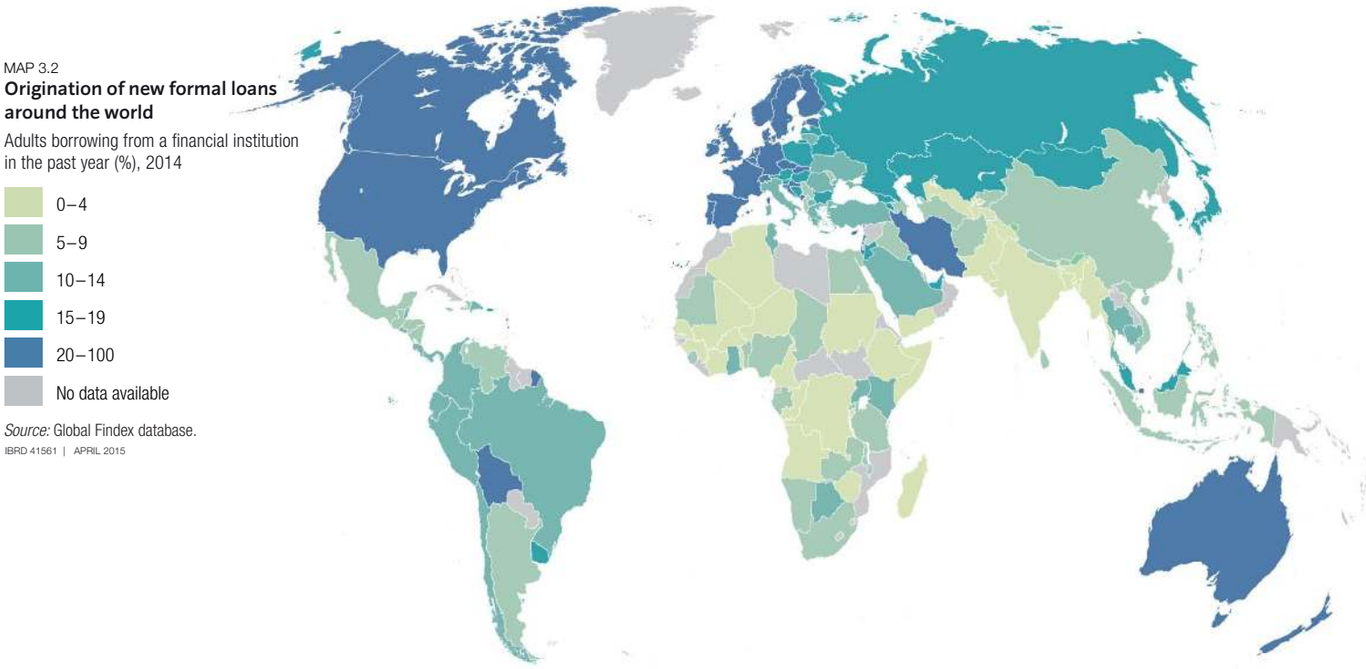



*Note:* Respondents could report borrowing from more than one source.
*Source:* Global Findex database.

MAP 3.2

**Origination of new formal loans around the world**

Adults borrowing from a financial institution in the past year (%), 2014




*Source:* Global Findex database.

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36 percent of adults in the region reported that family or friends were their only source of new loans. (Survey respondents could report multiple sources of new loans and cited 1.3 sources on average.)

In several regions more people reported borrowing from a store (using installment credit or buying on credit) than reported borrowing from a financial institution. This practice is particularly common in the Middle East. In that region 19 percent of adults reported borrowing from a store, making this the second most frequently cited source of new loans.

Less than 5 percent of adults around the world reported borrowing from a private informal lender. But private informal lenders are the second most common source of new loans in South Asia, where 11 percent of adults reported borrowing from one. (This result is driven by India and Nepal, where more than 13 percent of adults reported borrowing from a private informal lender.) And a few countries are exceptions to the overall pattern: these include Myanmar, Panama, the Philippines, Saudi Arabia, and South Africa, where more than 10 percent of adults reported borrowing from a private informal lender.

**What is the role of credit cards?**

Credit cards are a payment instrument. But they also serve as a source of short-term credit when credit card holders do not pay off their balance in full each statement cycle. As a result, their introduction may have affected the demand for and use of short-term formal credit.

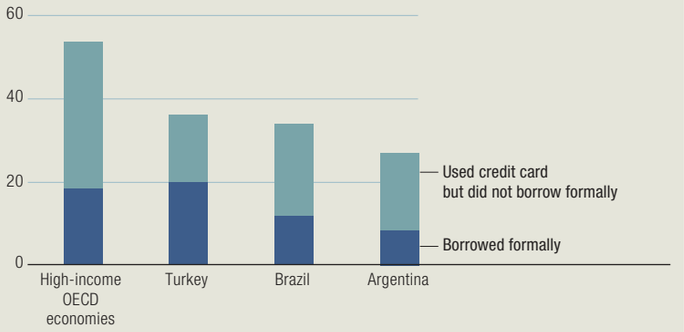
As noted in the chapter on accounts, in high-income OECD economies 53 percent of adults reported owning a credit card in 2014 (see figure 1.14 in that chapter). In developing economies, despite recent growth in credit card ownership, only 10 percent on average reported owning one. Just two developing regions, Latin America and the Caribbean and Europe and Central Asia, have a rate of credit card ownership exceeding 15 percent.

In high-income OECD economies the high rate of credit card ownership may help explain why the share of adults with a new loan from a financial institution is not particularly high. Indeed, if adults who reported having used a credit card in the past 12 months are included with those who originated a new loan from a financial institution, this would increase the share with a new formal loan by up to 35 percentage points (figure 3.8). Many people use credit cards as a payment instrument and carry no credit balances, however, so this measure overstates the use of credit cards as a source of credit.

FIGURE 3.8

**Origination of new formal loans and credit card use in selected economies**

Adults using credit source in the past year (%), 2014




*Source:* Global Findex database.

Among developing economies, three stand out for relatively high credit card use: Argentina, Brazil, and Turkey, where more than 20 percent of adults reported having used a credit card in the past 12 months. Including these adults with those who originated a new loan from a financial institution would increase the share with a new formal loan in these three countries by between 16 and 22 percentage points. (By comparison, the increase in other developing economies would typically be less than 10 percentage points.)

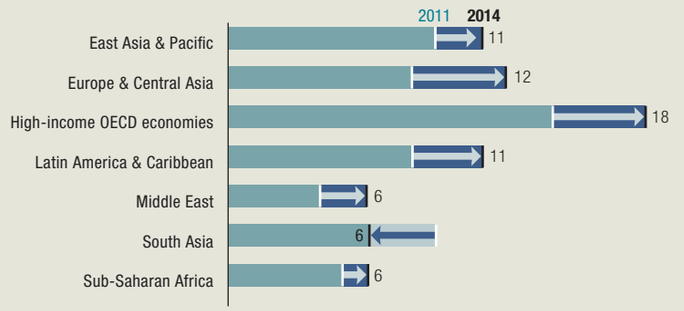
## How has borrowing changed over time?

Between 2011 and 2014 the share of adults with a new loan from a financial institution remained relatively steady around the world (figure 3.9). But this global trend conceals differences across regions. The share of adults with a new formal loan increased in high-income OECD economies, East Asia and the Pacific, Europe and Central Asia, Latin America and the Caribbean, and Sub-Saharan Africa. Measures of household debt and, in particular, formal credit are sensitive to the business cycle and current economic factors, and the trend in the origination of new loans in these regions likely reflects the continued economic recovery in most of the world's economies after the global financial crisis of 2008.

FIGURE 3.9

**Origination of new formal loans, 2011 and 2014**

Adults borrowing from a financial institution in the past year (%)




*Source:* Global Findex database.

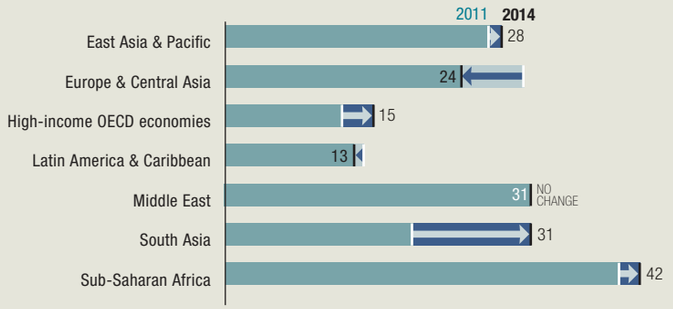
At the same time, the share of adults with a new formal loan decreased in South Asia, particularly in Bangladesh. In that country the share of adults with a new loan from a financial institution fell from 23 percent in 2011 to 10 percent in 2014.[5]

Worldwide, the share of adults who reported borrowing from family or friends increased slightly between 2011 and 2014. This growth was driven primarily by the increase in South Asia, where the share who reported borrowing from this source rose from 19 percent to

FIGURE 3.10

**Origination of new loans from family or friends, 2011 and 2014**

Adults borrowing from family or friends in the past year (%)




*Source:* Global Findex database.

31 percent (figure 3.10). As noted, the share who reported new formal loans simultaneously fell in South Asia, so the increase in borrowing from family and friends might reflect at least in part a substitution of informal for formal credit. Conversely, in Europe and Central Asia the share of adults who reported borrowing from family or friends fell between 2011 and 2014, perhaps reflecting a greater availability of credit from financial institutions. In all other regions the share of adults who reported borrowing from family or friends remained about the same over this period.

The origination of new loans from private informal lenders remained steady overall between 2011 and 2014, reported by fewer than 5 percent of adults around the world. But the Middle East and South Asia are exceptions to this general trend. The share of adults reporting a new loan from a private informal lender doubled in both regions between 2011 and 2014, reaching 8 percent in the Middle East and 11 percent in South Asia. The increase in South Asia might again reflect in part a substitution of informal for formal credit.

Overall, the gender gap in the origination of new formal loans changed little between 2011 and 2014. In high-income OECD economies in 2014, women were about 20 percent less likely than their male counterparts to report having borrowed from a financial institution in the past 12 months. This equates to a gender gap of 5 percentage points, much the same as in 2011—though an increase in the share of both women and men reporting new formal loans means a slight increase in the gender gap in relative terms. Developing regions show no significant gender gap in the origination of new formal loans for either 2011 or 2014. This may be due in part to the overall low level of formal credit in these economies.

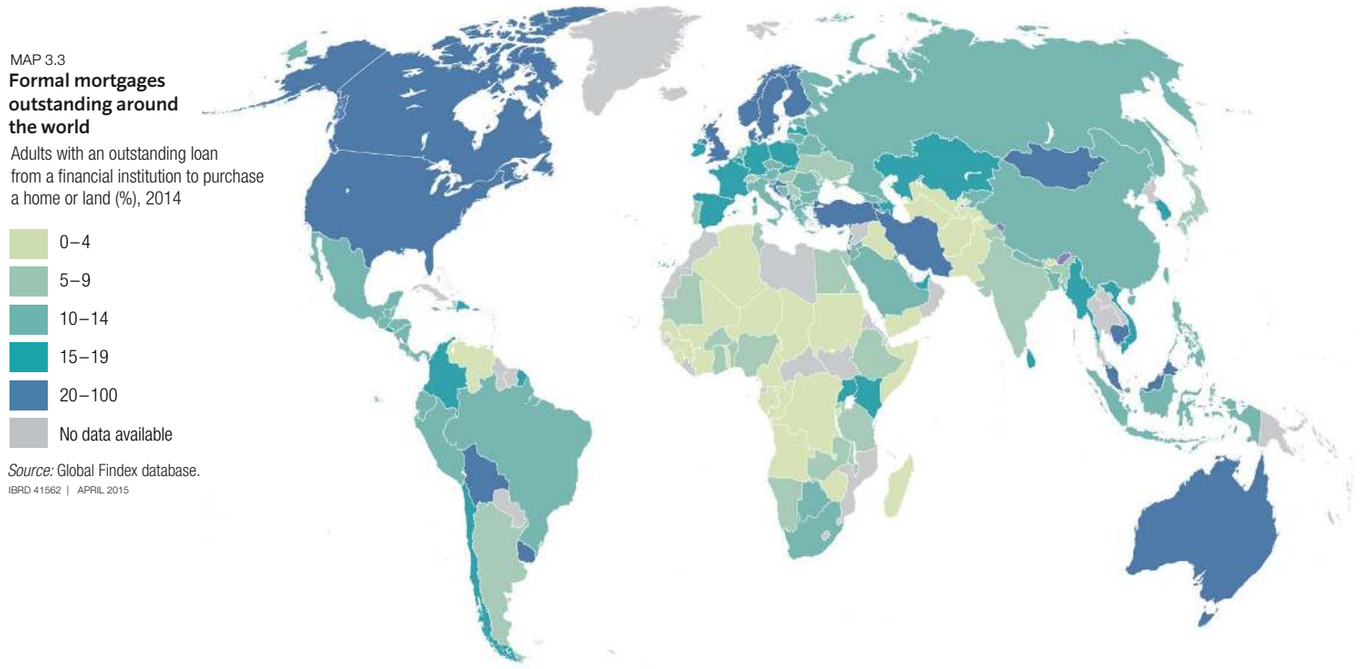
### What are the main purposes for borrowing?

For what purposes are people most likely to borrow? One common purpose is to buy land or a home, the largest financial investment that many people make in their life. In 2014, 26 percent of adults in high-income OECD economies reported having an outstanding mortgage from a bank or another type of financial institution. In contrast, the share was less than 10 percent in all developing regions. Even among high-income OECD economies there is much variation in the share of adults with a mortgage from a financial institution. While half of adults in Norway reported having one, for example, less than 15 percent did in Italy, Greece, and Poland (map 3.3).

MAP 3.3

**Formal mortgages outstanding around the world**

Adults with an outstanding loan from a financial institution to purchase a home or land (%), 2014




*Source:* Global Findex database.

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Such differences may in part reflect differences in housing finance systems across economies, including differences in types of lenders, mortgage funding, and the degree of government participation, all of which have been shown to affect the availability of loans to individuals.[6] Collateral and bankruptcy laws that define legal rights of borrowers and lenders have also been shown to affect housing finance.[7] And to develop in the first place, a mortgage market requires formal property rights and an efficient framework to record ownership of property.[8] As noted, family and friends are the most common source of new loans across all developing regions, and they are likely an informal source of credit for buying land or a home for many people in developing economies.

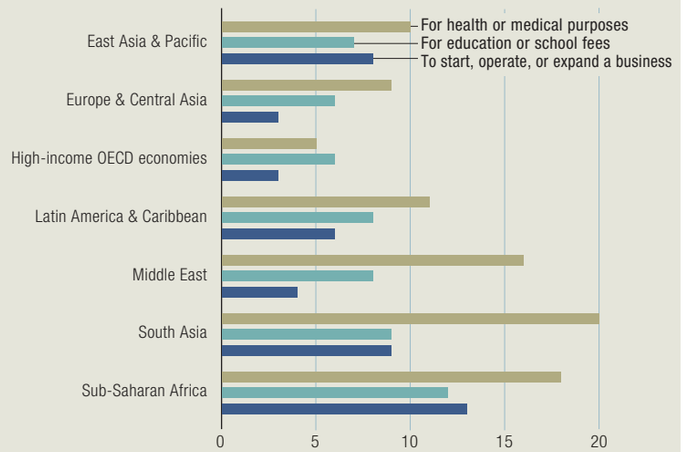
Survey respondents were also asked whether they had borrowed in the past 12 months for any of three other reasons—for health or medical purposes, for education or school fees, or to start, operate, or expand a business (figure 3.11).[9]

In developing economies 14 percent of adults reported borrowing for health or medical purposes. Borrowing for this reason was most common in South Asia, where it was cited by 20 percent of adults, and in Sub-Saharan Africa, where it was cited by 18 percent. Borrowing for health or medical purposes was also more common among adults in the poorest 40 percent of households within developing economies: on average, 17 percent of adults in the poorest 40 percent of households reported borrowing for this reason, compared with 12 percent

FIGURE 3.11

**Reasons for borrowing reported by borrowers**

Adults originating a new loan for specified purpose in the past year (%), 2014




*Note:* Respondents could report borrowing for more than one purpose.

*Source:* Global Findex database.

in the richest 60 percent. The gap was largest in East Asia and the Pacific, where those in the poorer group were twice as likely to borrow for this reason, but absent in Latin America and the Caribbean.

Borrowing for education and borrowing to start, operate, or expand a business were each reported by 8 percent of adults in developing economies. Sub-Saharan Africa had the largest shares of adults reporting borrowing for both these purposes, at around 12 percent for each.

In high-income OECD economies about 5 percent or fewer adults reported having borrowed in the past 12 months for health, for education, or to start, operate, or expand a business.

Globally, about 21 percent of adults reported borrowing for a reason other than these purposes—28 percent of adults in high-income OECD economies and 20 percent in developing economies. This may include borrowing for weddings or funerals or for a large purchase.[10]

## Saving or borrowing for business?

When people make investments they have two basic ways to finance them: they can save the money up front, or they can borrow the money and then make periodic payments to pay off their credit. Data from the 2014 Global Findex survey shed some light on how people around the world finance investments in business.

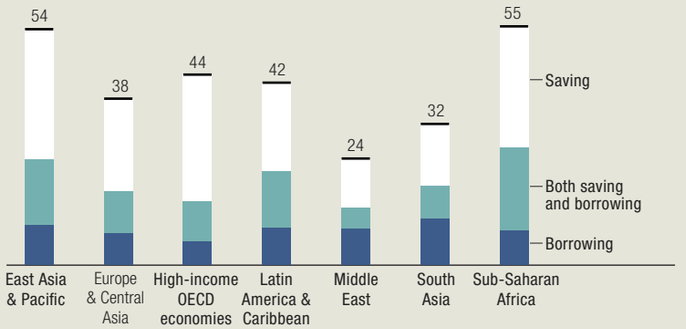
Globally, 17 percent of adults around the world reported having either saved or borrowed in the past 12 months to start, operate, or expand a business. And of those who did, the overwhelming majority reported that they had saved: 79 percent saved—with 59 percent only saving and 20 percent both saving and borrowing—and 21 percent only borrowed.

Business owners were more likely than the general population to report having saved or borrowed for business purposes—almost half reported doing so. But again across all regions, even the majority of this group reported that they had saved: 82 percent saved—with 54 percent only saving and 28 percent both saving and borrowing—and 18 percent only borrowed (figure 3.12). This result is in line with the finding of research that in the United States entrepreneurs have a higher savings rate than the general population, contrary to the expectation that they would be likely to take financial risks and pay more for credit.[11] But what these numbers might also reflect in part is that people might save for many years in anticipation of starting a business, then borrow only once the business is established.

FIGURE 3.12

**How business owners finance investments in business**

Business owners using financing method in the past year (%), 2014




*Source:* Global Findex database.

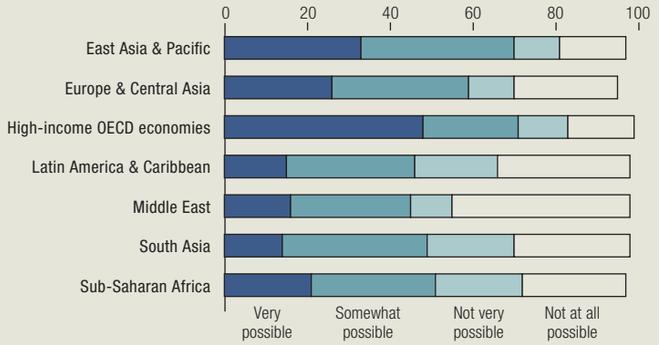
## Financial resilience

Financial inclusion is not an end in itself but a means to an end—when people have a safe place to save money as well as access to credit when needed, they are better able to manage risks. To better understand how financially resilient people around the world are to unexpected expenses, the 2014 Global Findex survey asked respondents how possible it would be for them to come up with money in the case of an emergency. Specifically, the survey asked how possible it would be—very possible, somewhat possible, not very possible, or not at all possible—to come up with an amount equivalent to 1/20 of gross national income (GNI) per capita in local currency within the next month. It also asked respondents what their main source of funding would be.

FIGURE 3.13

**Possibility of coming up with emergency funds**

Adults by reported likelihood of being able to raise emergency funds (%), 2014




*Note:* Data refer to the ability to come up with an amount equivalent to 1/20 of GNI per capita in local currency within the next month. The categories do not sum to 100 percent because of "don't know" and "refuse" answers.

*Source:* Global Findex database.

Globally, 76 percent of adults reported that it would be possible to come up with this amount, while 22 percent reported that it would be not at all possible (figure 3.13).[12] In high-income OECD economies 83 percent of adults reported that it would be possible, while in developing economies 74 percent did—a difference of only 9 percentage points. But there are more striking differences in the degree to which people thought it would be possible. In both high-income OECD economies and East Asia and the Pacific, for example, just over 80 percent of adults reported that it would be possible to come up with the funds. But while 48 percent in high-income OECD economies said that it would be very possible to do so, only 33 percent did in East Asia and the Pacific. The Middle East had the smallest share of adults reporting that it would be possible to come up with the money, at only 56 percent.

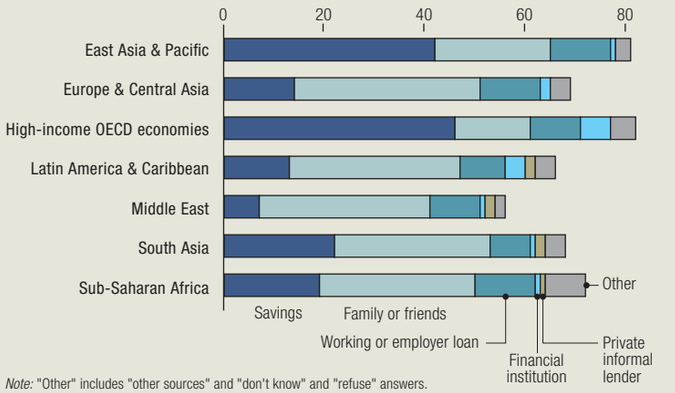
In both high-income OECD and developing economies the share of men reporting that it would be possible to come up with the money was about 5 percentage points higher than the share of women doing so. Not surprisingly, there were also differences by income: adults in the richest 60 percent of households within economies were 18 percentage points more likely on average than those in the poorest 40 percent to report that it would be possible to come up with the money. This finding holds in both high-income OECD and developing economies.

Among those saying that it would be possible to come up with the funds, what is the main source they would turn to for the money? Worldwide, three-quarters of this group reported that either savings or family and friends would be their main source (figure 3.14). But while in high-income OECD economies 56 percent cited savings as their main source, followed by 15 percent citing family and friends, in developing economies people were on average equally likely to cite savings and family and friends as their main source. East Asia and the Pacific stands out among developing regions, however: in this region, similar to high-income OECD economies, 52 percent of those reporting that it would be possible

FIGURE 3.14

**Main sources of emergency funds**

Adults able to raise emergency funds by main source of funds (as % of all adults), 2014




*Note:* "Other" includes "other sources" and "don't know" and "refuse" answers.
*Source:* Global Findex database.

to come up with the funds cited savings as their main source of funding, while in all other developing regions people most frequently cited family and friends as their main source.

Among those who cited savings as their main source, only in high-income OECD economies and East Asia and the Pacific did a slight majority indicate that they save at a financial institution. In all other regions alternative ways of saving dominate in this group. On average in developing economies, 56 percent of those who would rely on savings do not save at a financial institution. This share exceeds 60 percent in all developing regions other than East Asia and the Pacific—and it is as high as 78 percent in the Middle East and South Asia. This suggests a large opportunity to design formal savings products to keep savings safe and accessible in the case of an emergency.

Beyond savings and family and friends, money from working or a loan from an employer is another important source of funds. Globally, 14 percent of respondents who reported that it would be possible to come up with the money cited this as their main source, with little regional variation. Not surprisingly, this source was more likely to be cited as the main one by respondents who also reported having received a wage payment from an employer in the past 12 months than by those without wage employment: among respondents saying that it would be possible to come up with emergency funds, this source was cited by 20 percent of those with wage employment and 7 percent of those without it in developing economies—and by 15 percent of the first group and 5 percent of the second in high-income OECD economies. Moreover, in both groups of economies adults with wage employment were on average about 10 percentage points more likely to report that it would be possible to come up with emergency funds. And they were less likely to cite family and friends as their main source of funds.

Some differences by gender are also apparent. Among respondents saying that it would be possible to come up with emergency funds, men and women were equally likely to cite savings as their main source—and also equally likely to have saved formally in the past year—in both high-income OECD and developing economies. But a larger share of women than men within this group cited family and friends as their main source, while a larger share of men than women cited money from working or a loan from an employer.

Across all regions, not only were adults in the poorest 40 percent of households within economies less likely than those in the richest 60 percent to report that it would be possible to come up with the money, but those who did so were also less likely to cite savings as their main source. Nonetheless, in developing economies a third of adults in the poorest 40 percent of households who reported that it would be possible to come up with the money cited savings as their main source and a third of them had formal savings. In both high-income OECD and developing economies, however, adults in the poorest 40 percent of households were more likely to cite family and friends as their main source of money. The two groups of adults were equally like to cite working or a loan from an employer as their main source.

The survey also asked about several other main sources of emergency funds—a credit card or borrowing from a financial institution, a private informal lender, or some other source. All these were cited by less than 10 percent of respondents around the world who reported that it would be possible to come up with the money.

**NOTES**

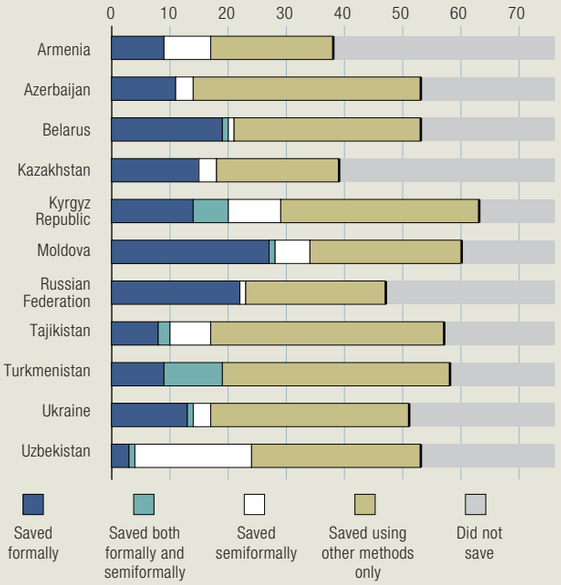
1. The 2014 Global Findex survey asked about semiformal saving in all economies where interviews were conducted face to face. These include all developing economies as well as seven high-income OECD economies.
2. The core Gallup World Poll questionnaire asks respondents to rate their trust in banks, and those in Europe and Central Asia typically report the least trust. Demirguc-Kunt and others (2014) showed that countries that experienced a financial crisis in the past 10 years have a smaller share of adults who have trust in banks. They also showed that the use of financial services, including formal saving, is related to trust in banks but not trust in institutions in general. Using household survey data for 10 Central, Eastern, and Southeastern European countries, Stix (2013) found a preference for saving in cash rather than at banks linked to a lack of trust in banks, weak tax enforcement, dollarization, and memories of banking crises.
3. Saving for a business also includes saving to start, operate, or expand a farm.
4. HelpAge International 2014. By 2050, according to the United Nations (2012), one in every four people in East Asia and the Pacific will be over the age of 60.
5. According to an International Monetary Fund country report on Bangladesh (IMF 2013), credit to the private sector was at an all-time high in 2011 and then declined to less than half that level by 2013. Similarly, nonperforming loans were at an all-time low in 2011 and then more than doubled by 2013, a change reflecting poor credit decisions, bank fraud, slower economic activity due to strikes and political unrest, and new and stricter rules for classifying loans as nonperforming that took effect in December 2012.
6. IMF 2011.
7. Warnock and Warnock 2008.
8. De Soto 2000.
9. Borrowing for a business also includes borrowing to start, operate, or expand a farm.
10. In the 2011 Global Findex survey 3 percent of respondents in developing economies reported borrowing for a wedding or funeral.
11. Gurley-Calvez 2010.
12. *Possible* includes very possible, somewhat possible, and not very possible.

BOX 3.1

## Little formal saving in the Commonwealth of Independent States

Account penetration varies widely among the countries of the Commonwealth of Independent States (CIS), ranging from 72 percent in Belarus and 67 percent in the Russian Federation to less than 5 percent in Turkmenistan. Yet however much they vary on this measure, these countries do share a common pattern in savings behavior among people who have an account: in 2014 about 60 percent or fewer account holders reported having saved any money in the past year. Moreover, few of those who saved did so at a financial institution: in most CIS countries only 10–20 percent of account holders reported using their account for saving (figure B3.1.1). Moldova alone had a somewhat higher rate, with 28 percent.

FIGURE B3.1.1
**Savings behavior among account holders in CIS countries**
Adults with an account by savings behavior in the past year (%), 2014




*Source:* Global Findex database.

# OPPORTUNITIES FOR EXPANDING FINANCIAL INCLUSION

# OPPORTUNITIES FOR EXPANDING FINANCIAL INCLUSION

*The Global Findex data point to several promising opportunities for expanding financial inclusion. These fall into two broad categories: expanding account ownership among the unbanked and increasing the use of accounts among those who already have one. But before exploring these opportunities, this chapter first takes a step back to look at who the unbanked are and what reasons they report for not having an account and to assess how those who have an account use it.*

## Who the unbanked are

Globally, 2 billion adults remain unbanked. South Asia and East Asia and the Pacific together account for more than half the world's unbanked adults. South Asia, home to about 625 million adults without an account, has about 31 percent of the global total; East Asia and the Pacific, with 490 million unbanked adults, accounts for about 24 percent (figure 4.1). This is no surprise, since these two regions are home to the developing world's three most populous countries—China, India, and Indonesia. Indeed, these three countries together account for 38 percent of the world's unbanked (figure 4.2). India is home to 21 percent of the world's unbanked adults and about two-thirds of South Asia's. China accounts for 12 percent of the world's unbanked and Indonesia for 6 percent; together they account for three-quarters of the unbanked in East Asia and the Pacific.

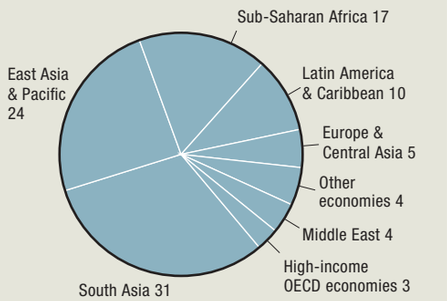
Women make up 55 percent of the world's unbanked adults: 1.1 billion. And adults in the poorest 40 percent of households within economies make up half: 1 billion. These shares vary little across developing regions.

Why do almost 40 percent of adults around the world remain unbanked? The Global Findex survey asked adults without an account at a financial institution why they do not have one, providing insights into where policy makers might be able to remove barriers to financial inclusion.[1]

FIGURE 4.1

**The world's unbanked adults by region**

Adults without an account (%), 2014

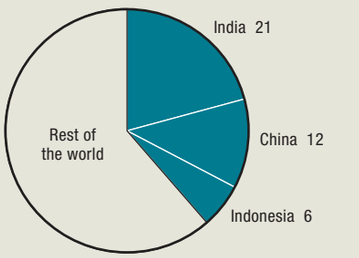



*Note:* "Other economies" include high-income non-OECD economies, Algeria, and Tunisia.
*Source:* Global Findex database.

FIGURE 4.2

**Share of the world's unbanked adults in China, India, and Indonesia**

Adults without an account (%), 2014



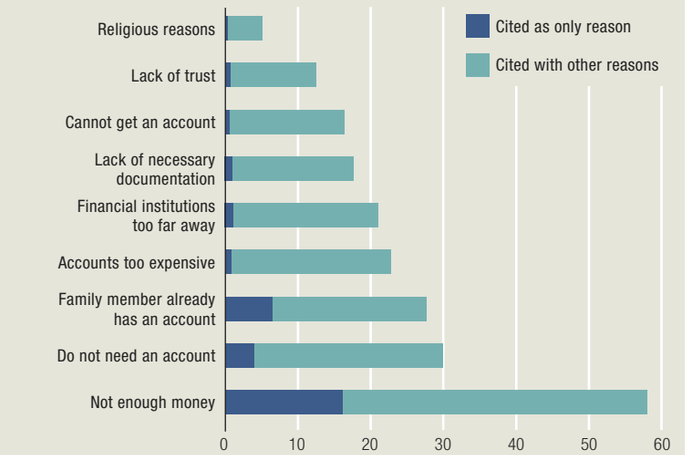

*Source:* Global Findex database.

## What are the self-reported barriers to account ownership?

FIGURE 4.3

**Self-reported barriers to use of an account at a financial institution**

Adults without an account reporting barrier as a reason for not having one (%), 2014




*Note:* Respondents could choose more than one reason.
*Source:* Global Findex database.

Respondents were allowed to give multiple reasons for not having an account at a financial institution, and they cited 2.1 on average. Globally, the most common reason is lack of enough money to use an account: 59 percent of adults without an account identified this as a reason, and 16 percent cited it as the only reason (figure 4.3).

The next most common reasons are that the respondent has no need for an account and that a family member already has one. Each of these reasons was cited by about 30 percent of adults without an account. But only 4 percent cited having no need for an account as the only reason, and only 7 percent cited a family member's ownership of an account as the only one. This suggests that once other barriers to account ownership are reduced—such as the cost of opening and maintaining an account or the distance to financial institutions' outlets—these respondents might be interested in having an account.

The other reasons reported (in declining order of frequency) are accounts being too expensive, financial institutions being too far way, lack of necessary documents, inability to get an account, lack of trust in financial institutions, and religious reasons.[2]

Lack of enough money is the most commonly reported barrier to account ownership not only globally but also in almost all developing regions. The one exception is Europe and Central Asia, where the most commonly cited reason is no need for an account; this was reported by 55 percent of those without an account at a financial institution, though only 10 percent reported it as their only reason for not having one. Lack of enough money is the second most common reason in that region, cited by 51 percent.

Beyond lack of enough money, self-reported reasons for not having an account at a financial institution vary widely across economies and regions. In East Asia and the Pacific and South Asia the second most common reason, cited by about 35 percent of adults without an account, is that a family member already has one. In both regions women were 6 percentage points more likely than men to cite this reason.

In Sub-Saharan Africa distance to financial institutions is the second most common reason, cited by 27 percent of those without an account.

In the Middle East 41 percent of adults without an account said that they cannot get one. But virtually no one reported this as the only reason for not having an account. This suggests that other factors, such as cost or documentation requirements, may be the actual barrier to account ownership.

In Latin America and the Caribbean the two most commonly cited reasons for not having an account after lack of enough money are that accounts are too expensive and that the respondent has no need for an account. But almost no one cited either of these reasons as the only one. This again suggests that as barriers such as cost are reduced, those who are now without an account are likely to be interested in having one.

Affordability is an important barrier to financial inclusion beyond just Latin America and the Caribbean. Globally, 23 percent of adults without an account at a financial institution cited this reason. Fixed transaction costs and annual fees tend to make small transactions unaffordable for large parts of the population in developing economies. These high costs often reflect a lack of competition and underdeveloped infrastructure, both physical and institutional. New technologies and innovative business models such as mobile banking and agent banking can help increase the affordability of financial services.

Documentation requirements are another important barrier to account ownership, cited by around 18 percent of adults without an account across all regions. These requirements may especially affect people living in rural areas or employed in the informal sector, who are less likely to have formal proof of domicile or wage slips. Recognizing that overly cautious Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) safeguards can have the unintended consequence of excluding legitimate customers from the financial system, the Financial Action Task Force, an intergovernmental standard setting body, has emphasized the need to ensure that such safeguards are proportionate and that they support financial inclusion.[3]

Lack of trust in financial institutions can be a difficult barrier to overcome. Distrust can stem from cultural norms, discrimination against certain population groups, past episodes of government expropriation of banks, or economic crises and uncertainty. In Europe and Central Asia 30 percent of adults without an account at a financial institution cited lack of trust as a reason for not having one, about three times the average share in other developing economies.

Religious reasons were cited by 5 percent of adults without an account in developing economies. In a handful of countries with almost exclusively Muslim populations, including Niger, Turkey, Turkmenistan, and Uzbekistan, around 25 percent of adults without an account reported religious reasons as a barrier. In these countries, developing products compatible with the principles of Islamic finance could be a key to expanding account ownership.[4]

**Is there voluntary financial exclusion?**

Some people argue that low rates of financial inclusion are due in part to voluntary financial exclusion—that the unbanked do not have an account because they choose not to have one. Data do not support this argument. As noted, only 4 percent of adults without an account at a financial institution reported lack of need as the only reason for not having an account. And while another 26 percent of adults without an account cited this reason as well, they also identified other reasons, such as lack of enough money, accounts being too expensive, or financial institutions being too far away. This points once again to the potential demand for account ownership that is likely to emerge as barriers of cost and distance are reduced.

## How account holders use their accounts

While 2 billion adults are unbanked, 3.2 billion do have an account. But how many of those with an account are actually using it? And how many are doing so in ways that allow them to fully benefit from financial inclusion? This section documents how people use their accounts—and how intensely—by constructing an indicator based on Global Findex data.

To assess how intensely accounts are used, four levels of use are defined:

- *High use:* account at a financial institution used for three or more monthly withdrawals, debit card used to make a direct payment in the past 12 months,[5] account used to pay utility bills or school fees or to send remittances in the past 12 months, or account at a financial institution used for saving in the past 12 months
- *Medium use:* account used to receive wages, government transfers, payments for the sale of agricultural products, or remittances in the past 12 months
- *Low use:* account at a financial institution used for one or two monthly deposits or withdrawals or mobile money account used in the past 12 months
- *Dormant:* account at a financial institution with zero deposits or withdrawals in the past 12 months

This categorization differentiates between making a payment and receiving a payment. When people receive a payment, the choice about how they receive that payment—whether into an account, in cash, or, in the case of remittances, through an over-the-counter transaction—is often determined by the sender—the employer, the government, the remittance sender. But when people make a payment, they can often choose how to do so—again, whether through their account, in cash, or, in the case of remittances, through an over-the-counter transaction—though their choice may be limited if, for example, a utility provider or school accepts payments only in cash. For this reason, an account used to make a payment in the past 12 months is put in the high-use category while an account used only to receive a payment is put in the medium-use category.

An account is also assigned to the high-use category if it is actively used either for saving or for cash management purposes as proxied by three or more monthly withdrawals or the use of a debit card to directly make payments. By definition, mobile money accounts in the Global Findex database are never dormant.[6]

**How does the intensity of account use vary across regions?**

Not surprisingly, the share of account holders with a high-use account is largest in high-income OECD economies, at 91 percent (or 85 percent of all adults) (figure 4.4). About three-quarters of those with a high-use account reported having made three or more monthly withdrawals, a similar share reported having used a debit card to directly make a purchase in the past 12 months, and yet again a similar share reported having made a utility payment from their account in the past 12 months. About 60 percent reported having used their account to save in the past 12 months.

The intensity of account use differs markedly across developing regions. In East Asia and the Pacific, Latin America and the Caribbean, and Sub-Saharan Africa about 65 percent of

account holders have a high-use account, and in Europe and Central Asia about 60 percent do. But in the Middle East and South Asia less than 40 percent have a high-use account.

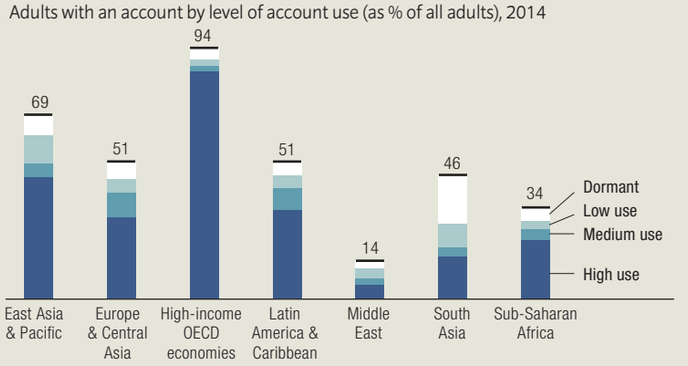
In East Asia and the Pacific the relatively high intensity of account use is driven primarily by formal saving, reported by 72 percent of account holders with a high-use account (figure 4.5). In Sub-Saharan Africa it reflects both formal saving (reported by 60 percent) and the use of accounts to send remittances (54 percent). And in Latin America and the Caribbean the main factor is the use of debit cards to directly make a purchase, reported by 80 percent of account holders with a high-use account.

The Middle East and South Asia lag behind in the average intensity of account use. In these regions only about 50 percent of account holders have a high- or medium-use account, compared with 70 percent or more in all other regions. In the Middle East a third of account holders reported having neither received nor made payments in the past 12 months. And in South Asia about 40 percent have an account classified as dormant. One possible reason for this is the large number of accounts opened within the past year in India, many of which were set up without an explicit purpose in mind (for more on this, see box 1.4 in the chapter on accounts). Another is the low rate of ATM or debit card ownership in South Asia, which suggests that many account transactions need to be carried out through a bank teller, adding to the costs in time and convenience.

FIGURE 4.4

**Intensity of account use**

Adults with an account by level of account use (as % of all adults), 2014

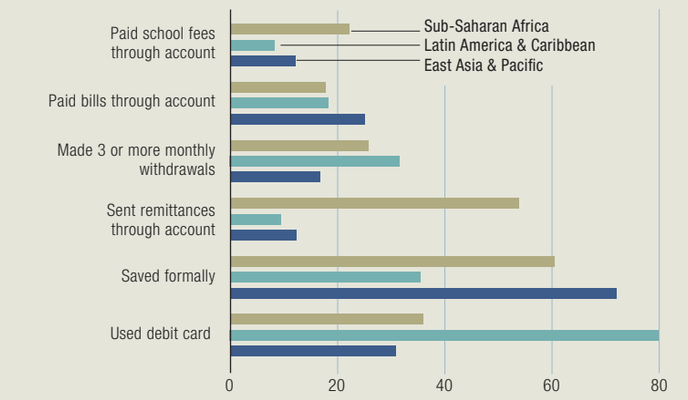



*Source:* Global Findex database.

FIGURE 4.5

**How account holders use their high-use accounts in selected regions**

Adults with a high-use account using it for specified purpose (%), 2014




*Note:* Respondents could report using their account for more than one purpose.
*Source:* Global Findex database.

Globally, 460 million adults have a dormant account, and 380 million a low-use account. These 840 million adults together make up a quarter of all adults with an account, suggesting that there is much room to increase the use of accounts.

**How does the intensity of account use vary by individual characteristics?**

In most regions there is little difference between men and women in the intensity of account use. As noted elsewhere, women typically are less likely than men to own an account—but among those who do have an account, women and men show similar patterns of use. The only regional exceptions to this general trend are South Asia and the Middle East. Among those who have an account in South Asia, women are half as likely as men to have a high-use account and a third more likely to have a dormant account. And in

the Middle East, while the share of account holders with a high-use account is similar for men and women, women are less likely than men to have a medium-use account and more likely to have a dormant account.

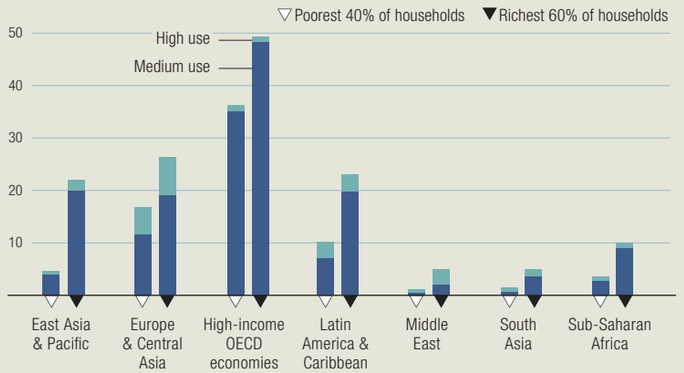
Outside high-income OECD economies, not surprisingly, those with a high-use account are generally more likely to belong to the richer parts of the population. Overall in developing economies, adults in the poorest 20 percent of households typically hold 10 percent or fewer of the high-use accounts. And in the Middle East and South Asia adults in the richest 20 percent of households hold more than 40 percent of high-use accounts on average.

Adults who reported receiving wage payments into an account in the past 12 months also are more likely to have a high-use account: the vast majority of this group reported using their account to save, to send payments, to directly make a purchase with a debit card, or for cash management purposes. This finding holds both for adults in the poorest 40 percent of households within economies and for those in the richest 60 percent—though the share receiving wage payments into an account is lower among adults in the poorer group of households (figure 4.6). Europe and Central Asia is an exception to this general trend, however. There, regardless of household income, about 30 percent of adults who reported receiving wages into an account do not have a high-use account.

FIGURE 4.6

**Intensity of account use among richer and poorer recipients of digital wage payments**

Adults receiving wages into an account, by level of account use (as % of total household income group), 2014




*Note:* Data for the poorest 40 percent and richest 60 percent of households are based on household income quintiles within economies.

*Source:* Global Findex database.

## Opportunities for expanding financial inclusion among the unbanked

Globally, 38 percent of adults remain unbanked. Yet among the survey respondents who do not have an account, only 4 percent said that the only reason for not having one is that they do not need one. The Global Findex data point to several promising opportunities for expanding account ownership among the unbanked.[7]

The reasons reported by people themselves for not owning an account already suggest ways in which policy makers might be able to remove barriers. By providing a regulatory framework conducive to expanding account ownership—through such actions as licensing bank agents, introducing tiered documentation requirements, requiring banks to offer basic or low-fee accounts, and allowing the evolution of new technologies such as mobile money—governments can both help lower the cost of financial services and help reduce the distance to financial institutions by making it cost-effective for them to locate outlets in more remote areas.[8]

The Global Findex data on payments and saving point to another set of opportunities for expanding financial inclusion. Each centers on a financial transaction that people are

already making, but without the benefit of an account and outside the formal financial system. The challenge in each case is for the private sector to design appropriate financial products that meet the needs of the unbanked and make using an account at least as easy, convenient, and affordable as the alternatives.

**Moving cash payments into accounts**

One promising opportunity to expand financial inclusion among the unbanked is to digitize payments by moving cash payments into accounts. Shifting to digital payments has many potential benefits, for both senders and receivers.[9] It can improve the efficiency of making payments by increasing the speed of payments and by lowering the cost of disbursing and receiving them.[10] It can enhance the security of payments and thus lower the incidence of associated crime.[11] And it can increase the transparency of payments and thus reduce the likelihood of leakage between the sender and receiver.[12] Shifting to digital payments can also provide an important first entry point into the formal financial system, which can lead to significant increases in saving and the substitution of formal for informal saving.[13]

In short, the benefits of digital payments go well beyond convenience. If provided efficiently and effectively, digital payments can transform the financial lives of those who use them.

But digitizing payments and shifting cash payments into accounts is not without challenges. These challenges include making up-front investments in payments infrastructure, ensuring that recipients understand how accounts work and can be accessed, and taking steps to guarantee a reliable and consistent digital payments experience. Also important is to educate new account owners on the basic interactions involved in a digital payments system—using and remembering personal identification numbers (PINs), understanding how to deposit and withdraw money, and knowing what to do when something goes wrong.[14]

Moreover, the benefits of moving cash payments into accounts are realized only if sending or receiving payments electronically is at least as easy, affordable, convenient, proximate, and secure as doing so in cash.

*Wages and government transfers*

Digitizing wages and government transfers is an obvious way of rapidly expanding financial inclusion because the decision of a single actor—such as the government or a large private sector employer—can affect many recipients. In addition, when governments shift wage and transfer payments from cash into accounts, and private sector employers do the same with wage payments, this creates a foundation for a digital payments infrastructure upon which other private sector payments and person-to-person payments such as remittances can build.

Indeed, the Global Findex data suggest that both governments and the private sector can play a pivotal role in increasing financial inclusion by shifting into accounts payments that are now made in cash. Globally, more than 20 percent of unbanked adults—more than 400 million people—receive wages or government payments in cash.

Shifting only the payment of government wages from cash into accounts could increase the number of adults with an account by up to 35 million.[15] Doing the same for government transfers could increase the number with an account by up to 130 million.[16] Overall,

moving both types of payments into accounts could increase the number of adults with an account by up to 160 million—by bringing into the financial system the 8 percent of unbanked adults worldwide who receive either government wages or transfers only in cash.[17] Moreover, digitizing government payments can also benefit governments—by improving the security, transparency, and efficiency of these payments.[18]

The private sector could also make a big contribution by shifting wage payments from cash into accounts. Globally, 14 percent of unbanked adults worldwide receive private sector wages only in cash. Paying these private sector wages through accounts rather than in cash could increase the number of adults with an account by up to 280 million.

There is little variation across developing regions in the share of unbanked adults who receive wages or government transfers in cash. But because of the vastly greater size of the adult population in East Asia and the Pacific and South Asia, these two regions could have the greatest impact in increasing the number of adults with an account.

*Payments for the sale of agricultural products*

Payments for the sale of agricultural products offer another opportunity for increasing account ownership among the unbanked. In developing economies overall, 23 percent of unbanked adults—440 million people—receive payments in cash for the sale of agricultural products. Across developing regions, 36 percent of unbanked adults (125 million) receive such payments in cash in Sub-Saharan Africa, 33 percent (160 million) in East Asia and the Pacific, and 17 percent (105 million) in South Asia.

Many people who receive payments for the sale of agricultural products are part of an agricultural value chain. This means that one actor—such as an agricultural commodity buyer—can have an outsize influence on how such payments are received. Just as with wages and government transfers, digitizing agricultural payments could therefore contribute to rapid expansion in account ownership.[19]

**Channeling domestic remittances through accounts**

The potential for a single actor to affect many recipients makes focusing on wages, government transfers, and agricultural payments an obvious means for rapidly expanding financial inclusion. But opportunities can also be found in one-to-one remittance payments. In developing economies 14 percent of unbanked adults—270 million of those without an account—send or receive domestic remittances only in cash. In Sub-Saharan Africa 22 percent of unbanked adults—almost 80 million—do so.

These figures suggest an enormous opportunity for designing appropriate, affordable, and convenient financial products to enable unbanked adults to send or receive remittances through an account. While these people will need to overcome the hurdles involved in moving from cash to digital payments, they already have a specific reason for using an account—to send or receive remittances.

But the opportunities go beyond shifting remittances from cash into accounts. In developing economies 5 percent of unbanked adults—100 million in total—send or receive remittance payments through over-the-counter (OTC) transactions. In Sub-Saharan Africa the share is 12 percent—or almost 40 million unbanked adults. Compared with those who use cash for remittances, people who use an OTC transaction represent an opportunity

for expanding account ownership that is potentially easier to realize. These people are already comfortable with digital payments and already in contact with a financial service provider—whether a financial institution, a mobile money agent, or a money transfer operator. So they are likely to find it easier to make the transition to using an account than those who have never made digital payments and might be skeptical about entrusting their money to financial service providers. But the challenge will be to design a product that can compete with an OTC transaction on costs: one reason people use OTC transactions rather than accounts to send domestic remittances electronically is that it can be less expensive.[20]

Some countries could see big increases in account ownership with a shift from OTC transactions to accounts. In Cameroon, the Democratic Republic of Congo, the Republic of Congo, and Senegal, for example, the share of adults with an account could more than double to about 35 percent if all unbanked adults who now send or receive remittance payments through a money transfer operator instead did so through an account.

**Shifting semiformal savings into accounts**

Yet another opportunity for expanding financial inclusion rests in shifting the semiformal savings of those who are unbanked into accounts. Across the developing world, only about 4 percent of adults—160 million people—are unbanked but save by using a savings club or a person outside the family. But in Sub-Saharan Africa the share is three times that size. On average in the region's economies, 13 percent of adults are unbanked and save semiformally. Shifting their savings from savings clubs into accounts could increase account penetration in the region from 34 percent to up to 47 percent and add up to 70 million adults to the ranks of those with an account.

The challenge again will be to design an account that makes using a financial institution to save at least as easy, affordable, convenient, and proximate as using semiformal mechanisms to do so.

## Opportunities for increasing the use of accounts among the banked

Account ownership is an important first step toward financial inclusion. But once people have an account, the next step is to ensure that they actually use their account and in ways that allow them to fully benefit from having one. As the analysis of account use in this chapter shows, three-quarters of account holders already use their account to save, to make at least three withdrawals a month, or to make or receive electronic payments. Yet there is still much potential for increasing the use of accounts among those who have one, especially in developing economies.

Indeed, Global Findex data point to several big opportunities for doing so. Each centers on moving a financial transaction that people already make, but in cash or through informal means, into an account they already own.[21] Just as with expanding account ownership among the unbanked, this presents challenges. Among them is the need for the private sector to design products that make it at least as easy, convenient, and affordable for people to use their existing account as it is to use alternatives.

### Paying utility bills and school fees through accounts

In developing economies more than 1.3 billion adults who have an account nevertheless use cash to pay their utility bills or school fees.[22] Some 56 percent of account holders—1.3 billion adults—make utility payments in cash, and 24 percent—more than 500 million adults—pay school fees in cash. And 22 percent of adults with an account pay both utility bills and school fees in cash.

Shifting these payments to accounts represents an enormous opportunity for increasing the use of accounts and for enhancing the efficiency of payments. The opportunity is especially large in East Asia and the Pacific, Latin America and the Caribbean, and the Middle East, where more than 60 percent of account holders pay utility bills or school fees in cash.

When it comes to utility bills and school fees, however, the choice of whether to pay digitally or in cash often resides with the utility companies and schools. Encouraging them to provide appropriate and convenient ways for customers to make payments through their accounts could increase the efficiency of these payments on both sides.

### Sending or receiving domestic remittances through accounts

Another opportunity for increasing account use is to encourage account holders who now send or receive domestic remittances exclusively in cash or through OTC transactions to instead use their account. In developing economies this involves 355 million adults with an account—295 million (13 percent of account holders) who send or receive domestic remittances only in cash and another 60 million (3 percent of account holders) who do so only through OTC transactions. In Sub-Saharan Africa 35 million adults with an account send or receive remittances in cash or through OTC transactions.

### Saving formally

In developing economies 110 million adults with an account—5 percent of account holders—are savers but save only semiformally, by using a savings club or a person outside the family. Designing appropriate savings products tailored to their needs could encourage these account holders to use their account for saving. This opportunity to increase the use of accounts is especially large in Sub-Saharan Africa, where 28 million adults with an account—16 percent of account holders—save only through semiformal means such as a savings club.

**NOTES**

1. The survey asked only about reasons for not having an account at a financial institution, not about reasons for not having a mobile money account.
2. The 2011 Global Findex survey collected similar data on self-reported barriers to owning an account at a financial institution. Comparison of these barriers over time is not straightforward, however, since the share of adults with an account increased by 11 percentage points between 2011 and 2014 while the world's adult population also grew.
3. Yikona and others 2011; FATF 2013.
4. Demirguc-Kunt, Klapper, and Randall 2013.
5. To test robustness, the high-use category was also constructed so that it included use of a credit card in the past 12 months. This increased the share of adults with a high-use account by 2 percentage points in high-income OECD economies but led to no change in the results for any developing region.

6. Mobile money accounts are identified by respondents who reported having used a mobile money account to make a payment in the past year.
7. Some might argue that the potential for expanding financial inclusion is limited because 59 percent of unbanked adults cited lack of enough money to use an account as a reason for not having one. But the data show that poor people do make financial transactions, and research has shown that even the very poor save when they are provided with a savings mechanism (Dupas and Robinson 2013b). This underlines the importance of providing basic low-cost accounts.
8. Allen and others (2012) show that such policies can expand account ownership especially among the groups most likely to be unbanked, such as poor people and those living in rural areas.
9. See World Bank (2014b) for a more detailed discussion of the benefits and challenges of digitizing payments.
10. See, for example, Aker and others (2013); Babatz (2013); and CGAP (2011).
11. Wright and others 2014.
12. Muralidharan, Niehaus, and Sukhtankar 2014.
13. See Aportela (1999); Prina (2012); and Batista and Vicente (2013).
14. Zimmerman, Bohling, and Rotman Parker (2014) describe the challenges of moving cash payments into accounts in the context of digitizing government transfer payments in four developing economies. See also World Bank (2014b).
15. Globally, 2 percent of unbanked adults receive government wages in cash only.
16. Globally, 6 percent of unbanked adults receive government transfers in cash only.
17. Globally, less than 1 percent of unbanked adults receive both government wages and government transfers in cash only.
18. These benefits must be weighed against the potential public costs of the improvements to the payments infrastructure necessary to digitize government payments. But growth in mobile money and card-based accounts—through mobile agents and point-of-sale merchants—provides a private sector solution for cash-out points (see, for example, CGAP 2012; and Zimmerman, Bohling, and Rotman Parker 2014).
19. CGAP 2014.
20. For international remittances, data from the World Bank's Remittance Prices Worldwide database show that on average it costs less to send the remittances through a money transfer operator than through an account at a commercial bank (World Bank 2015).
21. Globally, 13 percent of adults with an account, 420 million in total, receive wages or government transfers in cash only. But most of them (57 percent) actually have a high-use account, used for saving, for paying utility bills or school fees, for making purchases through a debit card, or for three or more monthly withdrawals. Only 18 percent of those receiving wages or government transfers only in cash have a dormant account.
22. In high-income OECD economies 10 percent of adults with an account, almost 80 million people, pay utility bills in cash. The question about payments for school fees was not asked in this group of economies.

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# METHODOLOGY

## Survey methodology

The indicators in the 2014 Global Financial Inclusion (Global Findex) database are drawn from survey data covering almost 150,000 people in 143 economies—representing more than 97 percent of the world's population (see table A.1 for a list of the economies included). The survey was carried out over the 2014 calendar year by Gallup, Inc. as part of its Gallup World Poll, which since 2005 has continually conducted surveys of approximately 1,000 people in each of more than 160 economies and in over 140 languages, using randomly selected, nationally representative samples. The target population is the entire civilian, noninstitutionalized population age 15 and above.

### Interview procedure

Surveys are conducted face to face in economies where telephone coverage represents less than 80 percent of the population or is the customary methodology. In most economies the fieldwork is completed in two to four weeks. In economies where face-to-face surveys are conducted, the first stage of sampling is the identification of primary sampling units. These units are stratified by population size, geography, or both, and clustering is achieved through one or more stages of sampling. Where population information is available, sample selection is based on probabilities proportional to population size; otherwise, simple random sampling is used. Random route procedures are used to select sampled households. Unless an outright refusal occurs, interviewers make up to three attempts to survey the sampled household. To increase the probability of contact and completion, attempts are made at different times of the day and, where possible, on different days. If an interview cannot be obtained at the initial sampled household, a simple substitution method is used. Respondents are randomly selected within the selected households by means of the Kish grid.[1] In economies where cultural restrictions dictate gender matching, respondents are randomly selected through the Kish grid from among all eligible adults of the interviewer's gender.

In economies where telephone interviewing is employed, random digit dialing or a nationally representative list of phone numbers is used. In most economies where cell phone penetration is high, a dual sampling frame is used. Random selection of re-spondents is achieved by using either the latest birthday or Kish grid method. At least three attempts are made to reach a person in each household, spread over different days and times of day.

## Data preparation

Data weighting is used to ensure a nationally representative sample for each economy. Final weights consist of the base sampling weight, which corrects for unequal probability of selection based on household size, and the poststratification weight, which corrects for sampling and nonresponse error. Poststratification weights use economy-level population statistics on gender and age and, where reliable data are available, education or socioeconomic status.

Table A.2 shows the data collection period, number of interviews, approximate design effect, and margin of error as well as sampling details for each economy.

Additional information about the Global Findex data, including the complete database, can be found at http://www.worldbank.org/globalfindex.

Additional information about the methodology used in the Gallup World Poll can be found at http://www.gallup.com/178667/gallup-world-poll-work.aspx.

**NOTE**

1. The Kish grid is a table of numbers used to select the interviewee. First, the interviewer lists the name, gender, and age of all permanent household members age 15 and above, whether or not they are present, in order by age. Second, the interviewer finds the column number of the Kish grid that corresponds to the last digit of the questionnaire and the row number for the number of eligible household members. The number in the cell where the column and row intersect is the person selected for the interview.

**TABLE A.1 Economies included in the 2014 Global Findex database**

| | | | |
|---|---|---|---|
| Afghanistan | Czech Republic | Kyrgyz Republic | Saudi Arabia |
| Albania | Denmark | Latvia | Senegal |
| Algeria | Dominican Republic | Lebanon | Serbia |
| Angola | Ecuador | Lithuania | Sierra Leone |
| Argentina | Egypt, Arab Rep. | Luxembourg | Singapore |
| Armenia | El Salvador | Macedonia, FYR | Slovak Republic |
| Australia | Estonia | Madagascar | Slovenia |
| Austria | Ethiopia | Malawi | Somalia |
| Azerbaijan | Finland | Malaysia | South Africa |
| Bahrain | France | Mali | Spain |
| Bangladesh | Gabon | Malta | Sri Lanka |
| Belarus | Georgia | Mauritania | Sudan |
| Belgium | Germany | Mauritius | Sweden |
| Belize | Ghana | Mexico | Switzerland |
| Benin | Greece | Moldova | Taiwan, China |
| Bhutan | Guatemala | Mongolia | Tajikistan |
| Bolivia | Guinea | Montenegro | Tanzania |
| Bosnia and Herzegovina | Haiti | Myanmar | Thailand |
| Botswana | Honduras | Namibia | Togo |
| Brazil | Hong Kong SAR, China | Nepal | Tunisia |
| Bulgaria | Hungary | Netherlands | Turkey |
| Burkina Faso | India | New Zealand | Turkmenistan |
| Burundi | Indonesia | Nicaragua | Uganda |
| Cambodia | Iran, Islamic Rep. | Niger | Ukraine |
| Cameroon | Iraq | Nigeria | United Arab Emirates |
| Canada | Ireland | Norway | United Kingdom |
| Chad | Israel | Pakistan | United States |
| Chile | Italy | Panama | Uruguay |
| China | Jamaica | Peru | Uzbekistan |
| Colombia | Japan | Philippines | Venezuela, RB |
| Congo, Dem. Rep. | Jordan | Poland | Vietnam |
| Congo, Rep. | Kazakhstan | Portugal | West Bank and Gaza |
| Costa Rica | Kenya | Puerto Rico | Yemen, Rep. |
| Côte d'Ivoire | Korea, Rep. | Romania | Zambia |
| Croatia | Kosovo | Russian Federation | Zimbabwe |
| Cyprus | Kuwait | Rwanda | |

**TABLE A.2 Details of survey methodology for economies included in the 2014 Global Findex survey and database**

| Economy | Region[a] | Income group | Data collection period | Interviews | Design effect[b] | Margin of error[c] | Mode of interviewing | Languages | Exclusions and other sampling details |
|---|---|---|---|---|---|---|---|---|---|
| Afghanistan | SAS | Low | Aug 18–Sep 12 | 1,000 | 1.36 | 3.6 | Face to face | Dari, Pashto | Gender-matched sampling was used during the final stage of selection. |
| Albania | ECA | Upper middle | Jul 4–Aug 11 | 999 | 1.26 | 3.5 | Face to face[d] | Albanian | |
| Algeria[e] | n.a. | Upper middle | Nov 16–Nov 29 | 1,002 | 1.46 | 3.7 | Face to face | Arabic | Sample excludes sparsely populated areas in the far South, representing approximately 10% of the population. |
| Angola | SSA | Upper middle | Jul 17–Aug 16 | 1,000 | 1.26 | 3.5 | Face to face | Portuguese | |
| Argentina | LAC | Upper middle | Jul 17–Aug 23 | 1,000 | 1.41 | 3.7 | Face to face | Spanish | |
| Armenia | ECA | Lower middle | Jun 22–Jul 21 | 1,000 | 1.41 | 3.7 | Face to face | Armenian | |
| Australia | OEC | High | Mar 19–May 1 | 1,002 | 1.68 | 4.0 | Landline and cellular telephone | English | |
| Austria | OEC | High | Apr 14–May 26 | 1,000 | 1.38 | 3.6 | Landline and cellular telephone | German | |
| Azerbaijan | ECA | Upper middle | Jul 13–Aug 8 | 1,000 | 1.25 | 3.5 | Face to face | Azeri, Russian | Sample excludes Kelbadjaro-Lacha, Nagorno-Karabakh, and Nakhichevan territories. These areas represent approximately 14% of the population. |
| Bahrain[e] | n.a. | High | Jun 1–Jun 26 | 1,005 | 1.78 | 4.1 | Landline and cellular telephone | Arabic, English | Sample excludes residents unable to participate in the survey in Arabic or English. |
| Bangladesh | SAS | Low | Apr 26–May 13 | 1,000 | 1.28 | 3.5 | Face to face | Bengali | |
| Belarus | ECA | Upper middle | Jun 12–Jul 8 | 1,036 | 1.26 | 3.4 | Face to face | Russian | |
| Belgium | OEC | High | Apr 1–Apr 30 | 1,004 | 1.60 | 3.9 | Landline and cellular telephone | Dutch, French | |
| Belize | LAC | Upper middle | Nov 12–Nov 22 | 504 | 1.25 | 4.9 | Face to face | English | |
| Benin | SSA | Low | Jun 23–Jul 2 | 1,000 | 1.52 | 3.8 | Face to face[d] | Anago, Bariba, French, Fon | |
| Bhutan | SAS | Lower middle | Jun 10–Jul 19 | 1,020 | 1.51 | 3.8 | Face to face | Dzongkha | |
| Bolivia | LAC | Lower middle | Sep 18–Nov 22 | 1,000 | 1.48 | 3.8 | Face to face | Spanish | |
| Bosnia and Herzegovina | ECA | Upper middle | Jun 23–Aug 31 | 1,001 | 1.31 | 3.5 | Face to face | Bosnian, Croatian, Serbian | |
| Botswana | SSA | Upper middle | Sep 5–Sep 23 | 1,000 | 1.39 | 3.6 | Face to face[d] | English, Setswana | |
| Brazil | LAC | Upper middle | May 1–May 25 | 1,007 | 1.30 | 3.5 | Face to face | Portuguese | |
| Bulgaria | ECA | Upper middle | Jun 27–Aug 18 | 1,000 | 1.40 | 3.7 | Face to face | Bulgarian | |
| Burkina Faso | SSA | Low | May 2–May 13 | 1,000 | 1.50 | 3.8 | Face to face[d] | Dioula, French, Fulfulde, Moore | |
| Burundi | SSA | Low | Oct 15–Oct 25 | 1,000 | 1.38 | 3.6 | Face to face[d] | French, Kirundi | |
| Cambodia | EAP | Low | Jun 28–Jul 17 | 1,000 | 1.60 | 3.9 | Face to face[d] | Khmer | |
| Cameroon | SSA | Lower middle | Mar 17–Mar 30 | 1,000 | 1.19 | 3.4 | Face to face[d] | English, French, Fulfulde | |

TABLE A.2 Details of survey methodology for economies included in the 2014 Global Findex survey and database

| Economy | Region[a] | Income group | Data collection period | Interviews | Design effect[b] | Margin of error[c] | Mode of interviewing | Languages | Exclusions and other sampling details |
|---|---|---|---|---|---|---|---|---|---|
| Canada | OEC | High | May 8–Jun 21 | 1,004 | 1.56 | 3.9 | Landline and cellular telephone | English, French | Sample excludes the Northwest Territories, Nunavut, and Yukon, which represent approximately 0.3% of the population. |
| Chad | SSA | Low | Sep 21–Oct 1 | 1,000 | 1.59 | 3.9 | Face to face | Chadian Arabic, French, Ngambaye | Sample excludes seven regions because of security concerns and wilderness: Bourkou, Ennedi, Ouaddaï, Salamat, Sila, Tibesti, and Wadi Fira. The excluded population represents 20% of the total population. Population estimates are from the 2009 General Population and Housing Census. |
| Chile | OEC | High | Nov 1–Dec 26 | 1,032 | 1.51 | 3.8 | Face to face | Spanish | |
| China | EAP | Upper middle | Sep 20–Nov 18 | 4,184 | 1.54 | 2.2 | Landline telephone and face to face | Chinese | Oversampling was used in Beijing, Guangzhou, and Shanghai.[f] |
| Colombia | LAC | Upper middle | Aug 9–Sep 6 | 1,000 | 1.36 | 3.6 | Face to face[d] | Spanish | |
| Congo, Dem. Rep. | SSA | Low | Jul 27–Aug 18 | 1,000 | 1.70 | 4.0 | Face to face[d] | French, Lingala, Kikongo, Tchiluba, Swahili | Sample excludes North Kivu and South Kivu provinces because of security concerns. The excluded areas represent approximately 15% of the estimated population. |
| Congo, Rep. | SSA | Lower middle | Aug 23–Sep 11 | 1,000 | 1.51 | 3.8 | Face to face[d] | French, Kituba, Lingala | |
| Costa Rica | LAC | Upper middle | Jul 27–Aug 12 | 1,000 | 1.27 | 3.5 | Face to face[d] | Spanish | |
| Côte d'Ivoire | SSA | Lower middle | May 18–May 29 | 1,000 | 1.51 | 3.8 | Face to face[d] | Dioula, French | |
| Croatia | n.a. | High | Jun 26–Aug 26 | 1,000 | 1.50 | 3.8 | Face to face | Croatian | |
| Cyprus | n.a. | High | May 6–Jun 27 | 1,000 | 1.35 | 3.6 | Landline and cellular telephone | Greek | |
| Czech Republic | OEC | High | Jun 29–Aug 29 | 1,008 | 1.19 | 3.4 | Face to face | Czech | |
| Denmark | OEC | High | Apr 15–May 30 | 1,002 | 1.27 | 3.5 | Landline and cellular telephone | Danish | |
| Dominican Republic | LAC | Upper middle | Oct 22–Nov 10 | 1,000 | 1.33 | 3.6 | Face to face[d] | Spanish | |
| Ecuador | LAC | Upper middle | Aug 2–Sep 4 | 1,000 | 1.38 | 3.6 | Face to face[d] | Spanish | |
| Egypt, Arab Rep. | MDE | Lower middle | Jun 19–Jun 27 | 1,000 | 1.29 | 3.5 | Face to face | Arabic | |
| El Salvador | LAC | Lower middle | Oct 19–Nov 3 | 1,000 | 1.33 | 3.6 | Face to face[d] | Spanish | |
| Estonia | OEC | High | Jun 16–Jul 20 | 1,000 | 1.34 | 3.6 | Face to face | Estonian, Russian | |
| Ethiopia | SSA | Low | May 9–May 27 | 1,004 | 1.46 | 3.7 | Face to face[d] | Amharic, English, Oromo, Tigrinya | |
| Finland | OEC | High | Apr 15–May 15 | 1,001 | 1.35 | 3.6 | Landline and cellular telephone | Finnish, Swedish | |

TABLE A.2 Details of survey methodology for economies included in the 2014 Global Findex survey and database

| Economy | Region[a] | Income group | Data collection period | Interviews | Design effect[b] | Margin of error[c] | Mode of interviewing | Languages | Exclusions and other sampling details |
|---|---|---|---|---|---|---|---|---|---|
| France | OEC | High | Apr 14–May 26 | 1,000 | 1.59 | 3.9 | Landline and cellular telephone | French | |
| Gabon | SSA | Upper middle | Aug 28–Sep 9 | 1,008 | 1.53 | 3.8 | Face to face[d] | Fang, French, Punu, Teke | |
| Georgia | ECA | Lower middle | Jun 5–Jul 14 | 1,000 | 1.34 | 3.6 | Face to face | Georgian, Russian | Sample excludes Abkhazia and South Ossetia because of security concerns. The excluded areas represent approximately 7% of the population. |
| Germany | OEC | High | Apr 1–May 6 | 1,012 | 1.53 | 3.8 | Landline and cellular telephone | German | |
| Ghana | SSA | Lower middle | Sep 5–Sep 22 | 1,000 | 1.27 | 3.5 | Face to face | English, Hausa, Ewe, Twi, Dagbani | |
| Greece | OEC | High | Jun 20–Jul 28 | 1,000 | 1.31 | 3.5 | Face to face | Greek | |
| Guatemala | LAC | Lower middle | Sep 30–Oct 22 | 1,000 | 1.30 | 3.5 | Face to face[d] | Spanish | |
| Guinea | SSA | Low | Jun 20–Jul 5 | 1,000 | 1.20 | 3.4 | Face to face | French, Malinke, Pular, Soussou | |
| Haiti | LAC | Low | Nov 12–Nov 22 | 504 | 1.22 | 4.8 | Face to face | English | |
| Honduras | LAC | Lower middle | Oct 17–Oct 27 | 1,000 | 1.22 | 3.4 | Face to face[d] | Spanish | |
| Hong Kong SAR, China | n.a. | High | May 14–Jun 26 | 1,007 | 1.27 | 3.5 | Landline and cellular telephone | Chinese | |
| Hungary | ECA | Upper middle | Nov 18–Dec 31 | 1,003 | 1.32 | 3.6 | Face to face[d] | Hungarian | |
| India | SAS | Lower middle | Sep 7–Oct 15 | 3,000 | 1.97 | 2.5 | Face to face[d] | Hindi, Tamil, Kannada, Telugu, Marathi, Gujarati, Bengali, Malayalam, Odia, Punjabi, Assamese | Sample excludes Northeast states and remote islands. In addition, some districts in Assam, Bihar, Jammu and Kashmir, Jharkhand, and Uttar Pradesh were replaced because of security concerns. The excluded areas represent less than 10% of the population. |
| Indonesia | EAP | Lower middle | May 3–Jun 4 | 1,000 | 1.32 | 3.6 | Face to face[d] | Bahasa Indonesia | |
| Iran, Islamic Rep.[e] | n.a. | Upper middle | May 20–Jun 5 | 1,004 | 1.66 | 4.0 | Landline and cellular telephone | Farsi | |
| Iraq | MDE | Upper middle | May 20–Jun 5 | 1,007 | 1.55 | 3.8 | Landline and cellular telephone | Arabic, Kurdish | |
| Ireland | OEC | High | Apr 14–May 27 | 1,000 | 1.49 | 3.8 | Landline and cellular telephone | English | |
| Israel | OEC | High | Sep 15–Oct 15 | 1,000 | 1.19 | 3.4 | Face to face | Arabic, Hebrew, Russian | Sample excludes East Jerusalem. This area is included in the sample for West Bank and Gaza. |
| Italy | OEC | High | Apr 14–May 14 | 1,000 | 1.79 | 4.1 | Landline and cellular telephone | Italian | |

TABLE A.2 Details of survey methodology for economies included in the 2014 Global Findex survey and database

| Economy | Region[a] | Income group | Data collection period | Interviews | Design effect[b] | Margin of error[c] | Mode of interviewing | Languages | Exclusions and other sampling details |
|---|---|---|---|---|---|---|---|---|---|
| Jamaica | LAC | Upper middle | Oct 17–Nov 8 | 504 | 1.26 | 4.9 | Face to face[d] | English | |
| Japan | OEC | High | May 7–Jun 21 | 1,006 | 1.47 | 3.7 | Landline telephone | Japanese | |
| Jordan | MDE | Upper middle | Jun 9–Jun 24 | 1,000 | 1.37 | 3.7 | Face to face | Arabic | |
| Kazakhstan | ECA | Upper middle | Jul 4–Aug 13 | 1,000 | 1.31 | 3.5 | Face to face | Kazakh, Russian | |
| Kenya | SSA | Low | Aug 22–Sep 2 | 1,000 | 1.54 | 3.8 | Face to face[d] | English, Swahili | |
| Korea, Rep. | OEC | High | May 9–Jul 12 | 1,000 | 1.65 | 4.0 | Landline and cellular telephone | Korean | |
| Kosovo | ECA | Lower middle | Jun 28–Aug 5 | 1,001 | 1.26 | 3.5 | Face to face | Albanian, Serbian | |
| Kuwait[e] | n.a. | High | May 30–Jun 28 | 1,013 | 1.45 | 3.7 | Landline and cellular telephone | Arabic, English | Sample includes only Kuwaitis, Arab expatriates, and non-Arabs who were able to participate in the survey in Arabic or English. |
| Kyrgyz Republic | ECA | Lower middle | Jul 18–Aug 18 | 1,000 | 1.51 | 3.8 | Face to face | Kyrgyz, Russian, Uzbek | |
| Latvia | n.a. | High | Jun 28–Sep 30 | 1,002 | 1.16 | 3.3 | Face to face | Latvian, Russian | |
| Lebanon | MDE | Upper middle | Jun 9–Jul 6 | 1,000 | 1.38 | 3.6 | Face to face | Arabic | Sample excludes towns of Baalbek, Bint Jbeil, and Hermel under the control of Hezbollah as well as the Beirut suburb of Dahiyeh. The excluded areas represent approximately 10% of the population. Excluded zones were replaced by areas within the same governorate. |
| Lithuania | n.a. | High | Jul 11–Aug 5 | 1,000 | 1.29 | 3.5 | Face to face | Lithuanian | |
| Luxembourg | OEC | High | Apr 14–May 27 | 1,000 | 1.72 | 4.1 | Landline and cellular telephone | French, German | |
| Macedonia, FYR | ECA | Upper middle | Jul 2–Aug 17 | 1,000 | 1.39 | 3.7 | Face to face | Albanian, Macedonian | |
| Madagascar | SSA | Low | Apr 3–Apr 28 | 1,008 | 1.42 | 3.7 | Face to face[d] | French, Malagasy | Stratification by geography began in 2013. Sample excludes unsafe or inaccessible regions. The excluded areas represent approximately 35% of the population. |
| Malawi | SSA | Low | Oct 1–Oct 10 | 1,000 | 1.34 | 3.6 | Face to face[d] | Chichewa, English, Tumbuka | |
| Malaysia | EAP | Upper middle | May 27–Sep 2 | 1,000 | 1.50 | 3.8 | Landline and cellular telephone | Bahasa Malay, Chinese, English | |
| Mali | SSA | Low | Oct 11–Oct 20 | 1,000 | 1.46 | 3.7 | Face to face[d] | Bambara, French | Sample excludes the regions of Gao, Kidal, Mopti, and Tombouctou because of security concerns. These regions represent 23% of the population. |
| Malta | n.a. | High | Apr 23–May 26 | 1,001 | 1.57 | 3.9 | Landline and cellular telephone | English, Maltese | |

TABLE A.2 Details of survey methodology for economies included in the 2014 Global Findex survey and database

| Economy | Region[a] | Income group | Data collection period | Interviews | Design effect[b] | Margin of error[c] | Mode of interviewing | Languages | Exclusions and other sampling details |
|---|---|---|---|---|---|---|---|---|---|
| Mauritania | SSA | Lower middle | Nov 11–Nov 23 | 1,000 | 1.65 | 4.0 | Face to face | French, Hassanya, Pulaar, Wolof, Soninke | |
| Mauritius | SSA | Upper middle | Oct 5–Nov 14 | 1,000 | 1.25 | 3.5 | Face to face | Creole, French | |
| Mexico | LAC | Upper middle | Aug 27–Sep 12 | 1,017 | 1.46 | 3.7 | Face to face[d] | Spanish | |
| Moldova | ECA | Lower middle | Jul 18–Aug 12 | 1,000 | 1.20 | 3.4 | Face to face | Romanian, Russian | Sample excludes Transnistria (Prednestrovie) because of security concerns. The excluded area represents approximately 13% of the population. |
| Mongolia | EAP | Lower middle | Jun 4–Jun 28 | 1,000 | 1.17 | 3.4 | Face to face | Mongolian | |
| Montenegro | ECA | Upper middle | Jun 21–Aug 4 | 1,000 | 1.40 | 3.7 | Face to face | Montenegrin, Serbian | |
| Myanmar | EAP | Low | Sep 29–Oct 17 | 1,020 | 1.42 | 3.7 | Face to face | Burmese | Sample excludes the states of Chin, Kachin, and Kayah. The excluded areas represent less than 5% of the population. |
| Namibia | SSA | Upper middle | Oct 24–Nov 11 | 1,000 | 1.30 | 3.5 | Face to face[d] | Afrikaans, English, Kwangali, Oshivambo | |
| Nepal | SAS | Low | May 2–May 26 | 1,050 | 1.42 | 3.6 | Face to face | Nepali | |
| Netherlands | OEC | High | Apr 1–Apr 30 | 1,002 | 1.28 | 3.5 | Landline and cellular telephone | Dutch | |
| New Zealand | OEC | High | Apr 8–May 27 | 1,000 | 1.35 | 3.6 | Landline telephone | English | |
| Nicaragua | LAC | Lower middle | Sep 27–Oct 15 | 1,000 | 1.23 | 3.4 | Face to face[d] | Spanish | |
| Niger | SSA | Low | Oct 1–Oct 10 | 1,008 | 1.32 | 3.6 | Face to face | French, Hausa, Zarma | The nomadic population is reported by the statistics office to number 298,884, representing 1.9% of the total population. This population has been scattered across rural areas of the region according to the weight of their Touareg and Peulh population in the country's overall Touareg and Peuhl population. |
| Nigeria | SSA | Lower middle | May 16–Jun 3 | 1,000 | 1.56 | 3.9 | Face to face[d] | English, Hausa, Igbo, Yoruba, Pidgin English | Sample excludes the states of Adamawa, Borno, and Yobe because of security concerns. These states represent 4.5% of the population. |
| Norway | OEC | High | Apr 15–May 15 | 1,000 | 1.51 | 3.8 | Landline and cellular telephone | Norwegian | |
| Pakistan | SAS | Lower middle | May 5–May 14 | 1,000 | 1.67 | 4.0 | Face to face | Urdu | Sample excludes Azad Jammu and Kashmir and Gilgit-Baltistan. The excluded areas represent approximately 5% of the population. Gender-matched sampling was used during the final stage of selection. |

TABLE A.2 Details of survey methodology for economies included in the 2014 Global Findex survey and database

| Economy | Region[a] | Income group | Data collection period | Interviews | Design effect[b] | Margin of error[c] | Mode of interviewing | Languages | Exclusions and other sampling details |
|---|---|---|---|---|---|---|---|---|---|
| Panama | LAC | Upper middle | Aug 21–Sep 27 | 1,000 | 1.30 | 3.5 | Face to face[d] | Spanish | |
| Peru | LAC | Upper middle | Jul 5–Aug 23 | 1,000 | 1.38 | 3.6 | Face to face | Spanish | |
| Philippines | EAP | Lower middle | Jul 6–Jul 12 | 1,000 | 1.52 | 3.8 | Face to face | Filipino, Iluko, Hiligaynon, Cebuano, Bicol, Waray, Maguindanaon | Sample is disproportionately allocated across the four broad regions. |
| Poland | OEC | High | Jun 28–Aug 26 | 1,000 | 1.38 | 3.6 | Face to face[d] | Polish | |
| Portugal | OEC | High | Apr 22–Jun 6 | 1,013 | 1.45 | 3.7 | Landline and cellular telephone | Portuguese | |
| Puerto Rico | n.a. | High | Dec 13–Dec 21 | 500 | 1.40 | 5.2 | Face to face[d] | Spanish | |
| Romania | ECA | Upper middle | Jul 1–Aug 12 | 998 | 1.42 | 3.7 | Face to face[d] | Romanian, Hungarian | |
| Russian Federation | n.a. | High | Apr 22–Jun 9 | 2,000 | 1.55 | 2.7 | Face to face | Russian | Oversampling was used in urban areas.[f] |
| Rwanda | SSA | Low | Jul 11–Jul 21 | 1,000 | 1.45 | 3.7 | Face to face[d] | French, Kinyarwanda | |
| Saudi Arabia[e] | n.a. | High | May 18–Jun 30 | 1,018 | 1.57 | 3.8 | Landline and cellular telephone | Arabic, English | Sample includes only Saudis, Arab expatriates, and non-Arabs who were able to participate in the survey in Arabic or English. |
| Senegal | SSA | Lower middle | May 9–May 27 | 1,000 | 1.48 | 3.8 | Face to face[d] | French, Wolof | Stratification by geography began in 2013. Sample has a larger-than-expected proportion of respondents who reported completing secondary education when compared with the data used for poststratification weighting.[f] |
| Serbia | ECA | Upper middle | Jul 5–Aug 29 | 1,000 | 1.33 | 3.6 | Face to face | Serbian | |
| Sierra Leone | SSA | Low | Apr 9–Apr 23 | 1,008 | 1.29 | 3.5 | Face to face[d] | English, Krio, Mende, Temne | |
| Singapore | n.a. | High | May 27–Aug 6 | 1,000 | 1.38 | 3.6 | Face to face | Bahasa Malay, Chinese, English | Sample excludes households in condominiums and bungalows because of restricted access. This exclusion represents approximately 6% of the population. |
| Slovak Republic | OEC | High | Jun 21–Jul 27 | 1,000 | 1.28 | 3.5 | Face to face | Slovak | |
| Slovenia | OEC | High | Apr 25–May 20 | 1,003 | 1.63 | 4.0 | Landline and cellular telephone | Slovene | |
| Somalia | SSA | Low | Nov 8–Dec 29 | 1,000 | 1.25 | 3.5 | Face to face[d] | Somali | Sample excludes the regions of Bay, Bakool, Hiiran, and Middle Juba and parts of the Gedo and Muduq provinces and of the Bari region because of security concerns. Also excluded are isolated areas along the Somaliland–Puntland border in Sanaag, Sool, and Toghdeer. The excluded areas represent approximately 32% of the population. |

TABLE A.2 Details of survey methodology for economies included in the 2014 Global Findex survey and database

| Economy | Region[a] | Income group | Data collection period | Interviews | Design effect[b] | Margin of error[c] | Mode of interviewing | Languages | Exclusions and other sampling details |
|---|---|---|---|---|---|---|---|---|---|
| South Africa | SSA | Upper middle | Nov 3–Nov 20 | 1,000 | 1.36 | 3.6 | Face to face[d] | Afrikaans, English, Sotho, Zulu, Xhosa | |
| Spain | OEC | High | Apr 14–May 19 | 1,000 | 1.63 | 4.0 | Landline and cellular telephone | Spanish | |
| Sri Lanka | SAS | Lower middle | Jun 4–Jul 19 | 1,062 | 1.59 | 3.8 | Face to face | Sinhala, Tamil | |
| Sudan | SSA | Lower middle | Dec 10–Dec 30 | 1,000 | 1.58 | 3.9 | Face to face[d] | English, Sudanese Arabic | Sample excludes Blue Nile, Darfur (North, South, and West), and South Kurdufan because of security concerns. The excluded areas represent 35% of the population. |
| Sweden | OEC | High | Apr 15–May 15 | 1,001 | 1.50 | 3.8 | Landline and cellular telephone | Swedish | |
| Switzerland | OEC | High | Apr 11–May 5 | 1,008 | 1.50 | 3.8 | Landline and cellular telephone | French, German, Italian | |
| Taiwan, China | n.a. | High | Apr 28–Jun 14 | 1,000 | 1.42 | 3.7 | Landline and cellular telephone | Chinese | |
| Tajikistan | ECA | Low | Aug 1–Aug 30 | 1,000 | 1.27 | 3.5 | Face to face | Tajik, Russian | |
| Tanzania | SSA | Low | Jul 6–Jul 22 | 1,008 | 1.48 | 3.7 | Face to face[d] | Swahili, Kishwahili | |
| Thailand | EAP | Upper middle | Aug 21–Oct 2 | 1,000 | 1.44 | 3.7 | Face to face | Thai | |
| Togo | SSA | Low | Jun 15–Jun 24 | 1,000 | 1.38 | 3.6 | Face to face[d] | Ewe, French, Kabye | |
| Tunisia[e] | n.a. | Upper middle | Sep 9–Sep 19 | 1,056 | 1.11 | 3.2 | Face to face | Arabic | |
| Turkey | ECA | Upper middle | May 16–Jun 24 | 1,002 | 1.46 | 3.7 | Landline and cellular telephone | Turkish | |
| Turkmenistan | ECA | Upper middle | Jul 10–Jul 26 | 1,000 | 1.21 | 3.4 | Face to face | Russian, Turkmen | |
| Uganda | SSA | Low | Jun 9–Jun 21 | 1,000 | 1.40 | 3.7 | Face to face[d] | Ateso, English, Luganda, Runyankole | |
| Ukraine | ECA | Lower middle | Sep 11–Oct 17 | 1,000 | 1.49 | 3.8 | Face to face | Russian, Ukrainian | Sample excludes Crimea starting in 2014. Also excluded are settlements in the Donetsk and Lugansk oblasts of the East region, resulting in the exclusion of approximately 10% of the total population (and approximately 30% of the population of the East region). |
| United Arab Emirates[e] | n.a. | High | May 21–Jun 26 | 1,002 | 1.37 | 3.6 | Landline and cellular telephone | Arabic, English | Sample includes only Emiratis, Arab expatriates, and non-Arabs who were able to participate in the survey in Arabic or English. |

TABLE A.2 Details of survey methodology for economies included in the 2014 Global Findex survey and database

| Economy | Region[a] | Income group | Data collection period | Interviews | Design effect[b] | Margin of error[c] | Mode of interviewing | Languages | Exclusions and other sampling details |
|---|---|---|---|---|---|---|---|---|---|
| United Kingdom | OEC | High | Apr 14–May 27 | 1,000 | 1.62 | 4.0 | Landline and cellular telephone | English | |
| United States | OEC | High | May 14–Jun 8 | 1,021 | 1.70 | 4.0 | Landline and cellular telephone | English, Spanish | |
| Uruguay | n.a. | High | Sep 12–Nov 5 | 1,000 | 1.27 | 3.5 | Face to face[d] | Spanish | |
| Uzbekistan | ECA | Lower middle | Jul 13–Aug 9 | 1,000 | 1.36 | 3.6 | Face to face[d] | Russian, Uzbek | |
| Venezuela, RB | LAC | Upper middle | Nov 23–Dec 23 | 1,000 | 1.60 | 3.9 | Face to face[d] | Spanish | |
| Vietnam | EAP | Lower middle | Nov 25–Dec 23 | 1,000 | 1.29 | 3.5 | Face to face | Vietnamese | Sample excludes the provinces of An Giang, Dak Lak, Ha Tinh, Kien Giang, Quang Binh, and Thanh Hoa. The excluded areas represent approximately 12% of the population. |
| West Bank and Gaza | MDE | Lower middle | May 15–Jun 14 | 1,000 | 1.61 | 3.9 | Face to face | Arabic | Sample includes East Jerusalem. |
| Yemen, Rep. | MDE | Lower middle | May 30–Jun 12 | 1,000 | 1.46 | 3.7 | Face to face | Arabic | Gender-matched sampling was used during the final stage of selection. |
| Zambia | SSA | Lower middle | Dec 7–Dec 31 | 1,000 | 1.54 | 3.8 | Face to face[d] | Bemba, English, Lozi, Nyanja, Tonga | |
| Zimbabwe | SSA | Low | Jun 3–Jul 29 | 1,000 | 1.43 | 3.7 | Face to face[d] | English, Ndebele, Shona | |

n.a. = not applicable.

a. Regions exclude high-income non-OECD economies. EAP = East Asia and the Pacific; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; MDE = Middle East; OEC = high-income OECD economies; SAS = South Asia; SSA = Sub-Saharan Africa.

b. The design effect calculation reflects the weights and does not incorporate the intraclass correlation coefficients because they vary by question. Design effect calculation: n*(sum of squared weights)/[(sum of weights)*(sum of weights)].

c. The margin of error is calculated around a proportion at the 95 percent confidence level. The maximum margin of error was calculated assuming a reported percentage of 50 percent and takes into account the design effect. Margin of error calculation: √(0.25/N)*1.96*√(DE). Other errors that can affect survey validity include measurement error associated with the questionnaire, such as translation issues, and coverage error, where a part of the target population has a zero probability of being selected for the survey.

d. Interviewers used a handheld device (computer-assisted personal interviewing, or CAPI) during the interviews rather than pen and paper.

e. Economy excluded from regional and global aggregates because of the sampling or data collection methodology used.

f. Areas with oversampling represent a disproportionately large number of interviews in the sample.

*Source:* Data on survey methodology provided by Gallup, Inc. For more details, see http://www.gallup.com/178667/gallup-world-poll-work.aspx.

# INDICATOR TABLE

Data for all indicators can be found on the Global Findex website (http://www.worldbank.org/globalfindex).

| | Account penetration | | |
|---|---|---|---|
| | Share with an account, 2014 | | |
| Economy | All adults (%) | Women (%) | Adults in the poorest 40 percent of households (%) |
| Afghanistan | 10 | 4 | 7 |
| Albania | 38 | 34 | 23 |
| Algeria | 50 | 40 | 37 |
| Angola | 29 | 22 | 13 |
| Argentina | 50 | 51 | 44 |
| Armenia | 18 | 15 | 11 |
| Australia | 99 | 99 | 98 |
| Austria | 97 | 97 | 96 |
| Azerbaijan | 29 | 26 | 27 |
| Bahrain | 82 | 67 | 80 |
| Bangladesh | 31 | 26 | 23 |
| Belarus | 72 | 72 | 66 |
| Belgium | 98 | 100 | 98 |
| Belize | 48 | 52 | 38 |
| Benin | 17 | 14 | 11 |
| Bhutan | 34 | 28 | 25 |
| Bolivia | 42 | 38 | 26 |
| Bosnia and Herzegovina | 53 | 47 | 42 |
| Botswana | 52 | 49 | 37 |
| Brazil | 68 | 65 | 58 |
| Bulgaria | 63 | 63 | 50 |
| Burkina Faso | 14 | 13 | 9 |
| Burundi | 7 | 7 | 2 |
| Cambodia | 22 | 20 | 18 |
| Cameroon | 12 | 10 | 3 |
| Canada | 99 | 99 | 98 |
| Chad | 12 | 8 | 8 |
| Chile | 63 | 59 | 56 |
| China | 79 | 76 | 72 |
| Colombia | 39 | 34 | 24 |
| Congo, Dem. Rep. | 17 | 14 | 12 |
| Congo, Rep. | 17 | 15 | 7 |
| Costa Rica | 65 | 60 | 61 |
| Croatia | 86 | 88 | 82 |
| Cyprus | 90 | 90 | 93 |
| Czech Republic | 82 | 79 | 79 |
| Côte d'Ivoire | 34 | 29 | 25 |
| Denmark | 100 | 100 | 100 |
| Dominican Republic | 54 | 56 | 42 |
| Ecuador | 46 | 41 | 32 |
| Egypt, Arab Rep. | 14 | 9 | 6 |
| El Salvador | 37 | 32 | 24 |

| | Account penetration | | |
|---|---|---|---|
| | Share with an account, 2014 | | |
| Economy | All adults (%) | Women (%) | Adults in the poorest 40 percent of households (%) |
| Estonia | 98 | 97 | 98 |
| Ethiopia | 22 | 21 | 16 |
| Finland | 100 | 100 | 100 |
| France | 97 | 95 | 95 |
| Gabon | 33 | 31 | 20 |
| Georgia | 40 | 40 | 29 |
| Germany | 99 | 99 | 97 |
| Ghana | 41 | 39 | 30 |
| Greece | 88 | 87 | 82 |
| Guatemala | 41 | 35 | 27 |
| Guinea | 7 | 4 | 2 |
| Haiti | 19 | 16 | 15 |
| Honduras | 31 | 27 | 20 |
| Hong Kong SAR, China | 96 | 96 | 95 |
| Hungary | 72 | 72 | 71 |
| India | 53 | 43 | 44 |
| Indonesia | 36 | 37 | 22 |
| Iran, Islamic Rep. | 92 | 87 | 91 |
| Iraq | 11 | 7 | 8 |
| Ireland | 95 | 95 | 91 |
| Israel | 90 | 90 | 84 |
| Italy | 87 | 83 | 83 |
| Jamaica | 78 | 78 | 70 |
| Japan | 97 | 97 | 95 |
| Jordan | 25 | 16 | 16 |
| Kazakhstan | 54 | 56 | 46 |
| Kenya | 75 | 71 | 63 |
| Korea, Rep. | 94 | 93 | 92 |
| Kosovo | 48 | 36 | 42 |
| Kuwait | 73 | 64 | 66 |
| Kyrgyz Republic | 18 | 19 | 15 |
| Latvia | 90 | 90 | 86 |
| Lebanon | 47 | 33 | 27 |
| Lithuania | 78 | 78 | 67 |
| Luxembourg | 96 | 97 | 94 |
| Macedonia, FYR | 72 | 64 | 62 |
| Madagascar | 9 | 8 | 4 |
| Malawi | 18 | 14 | 10 |
| Malaysia | 81 | 78 | 76 |
| Mali | 20 | 15 | 13 |
| Malta | 96 | 96 | 94 |
| Mauritania | 23 | 21 | 12 |

# INDICATOR TABLE

| Economy | Account penetration: Share with an account, 2014 — All adults (%) | Women (%) | Adults in the poorest 40 percent of households (%) |
|---|---|---|---|
| Mauritius | 82 | 80 | 71 |
| Mexico | 39 | 39 | 29 |
| Moldova | 18 | 19 | 12 |
| Mongolia | 92 | 93 | 89 |
| Montenegro | 60 | 58 | 49 |
| Myanmar | 23 | 17 | 16 |
| Namibia | 59 | 57 | 42 |
| Nepal | 34 | 31 | 24 |
| Netherlands | 99 | 99 | 99 |
| New Zealand | 100 | 99 | 99 |
| Nicaragua | 19 | 14 | 8 |
| Niger | 7 | 4 | 6 |
| Nigeria | 44 | 34 | 34 |
| Norway | 100 | 100 | 100 |
| Pakistan | 13 | 5 | 11 |
| Panama | 44 | 40 | 32 |
| Peru | 29 | 22 | 18 |
| Philippines | 31 | 38 | 18 |
| Poland | 78 | 73 | 71 |
| Portugal | 87 | 86 | 79 |
| Puerto Rico | 70 | 66 | 56 |
| Romania | 61 | 57 | 46 |
| Russian Federation | 67 | 70 | 62 |
| Rwanda | 42 | 35 | 18 |
| Saudi Arabia | 69 | 61 | 64 |
| Senegal | 15 | 11 | 5 |
| Serbia | 83 | 83 | 79 |
| Sierra Leone | 16 | 12 | 7 |
| Singapore | 96 | 96 | 96 |
| Slovak Republic | 77 | 80 | 68 |
| Slovenia | 97 | 97 | 96 |
| Somalia | 39 | 34 | 27 |
| South Africa | 70 | 70 | 58 |
| Spain | 98 | 98 | 97 |
| Sri Lanka | 83 | 83 | 80 |

| Economy | Account penetration: Share with an account, 2014 — All adults (%) | Women (%) | Adults in the poorest 40 percent of households (%) |
|---|---|---|---|
| Sudan | 15 | 10 | 9 |
| Sweden | 100 | 100 | 99 |
| Switzerland | 98 | 97 | 97 |
| Taiwan, China | 91 | 90 | 87 |
| Tajikistan | 11 | 9 | 4 |
| Tanzania | 40 | 34 | 24 |
| Thailand | 78 | 75 | 72 |
| Togo | 18 | 15 | 12 |
| Tunisia | 27 | 21 | 17 |
| Turkey | 57 | 44 | 51 |
| Turkmenistan | 2 | 2 | 1 |
| Uganda | 44 | 37 | 27 |
| Ukraine | 53 | 52 | 44 |
| United Arab Emirates | 84 | 68 | 79 |
| United Kingdom | 99 | 99 | 98 |
| United States | 94 | 95 | 87 |
| Uruguay | 46 | 41 | 35 |
| Uzbekistan | 41 | 39 | 34 |
| Venezuela, RB | 57 | 53 | 48 |
| Vietnam | 31 | 32 | 19 |
| West Bank and Gaza | 24 | 21 | 16 |
| Yemen, Rep. | 6 | 2 | 4 |
| Zambia | 36 | 33 | 21 |
| Zimbabwe | 32 | 29 | 17 |
| Regional and global averages | | | |
| East Asia & Pacific | 69 | 67 | 61 |
| Europe & Central Asia | 51 | 47 | 44 |
| High-income OECD economies | 94 | 94 | 91 |
| Latin America & Caribbean | 51 | 49 | 41 |
| Middle East | 14 | 9 | 7 |
| South Asia | 46 | 37 | 38 |
| Sub-Saharan Africa | 34 | 30 | 25 |
| Developing economies | 54 | 50 | 46 |
| World | 62 | 58 | 54 |

*Note:* Data for the poorest 40 percent of households are based on household income quintiles within economies.
*Source:* Global Findex database.

# GLOBAL FINDEX QUESTIONNAIRE

| | |
|---|---|
| **1** | An account can be used to save money, to make or receive payments, or to receive wages or financial help. Do you, either by yourself or together with someone else, currently have an account at any of the following places: a bank, [insert all financial institutions], or another type of formal financial institution? |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **2** | (A/An [insert local terminology for ATM/debit card]) is a card connected to an account at a financial institution that allows you to withdraw money, and the money is taken out of THAT ACCOUNT right away. Do you, personally, have (a/an [insert local terminology for ATM/debit card])? |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **3** | Is this [insert local terminology for ATM/debit card] connected to an account with your name on it?* |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **4** | Have you, personally, used your [insert local terminology for ATM/debit card] to DIRECTLY make a purchase in the past 12 months?* |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **5** | A credit card is a card that allows you to BORROW money in order to make payments or buy things, and you can pay the balance off later. Do you, personally, have a credit card? |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **6** | Have you used your credit card in the past 12 months?* |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **7** | Aside from (a/an [insert local terminology for ATM/debit card]) or a credit card, do you have any other plastic card that you can use to make payments or purchases AT A VARIETY OF PLACES? |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **8** | Please tell me whether each of the following is A REASON why you, personally, DO NOT have an account at a bank or another type of formal financial institution. (Read and rotate A-I) Is it ... ?* |
| **A** | Because financial institutions are too far away |
| **B** | Because financial services are too expensive |
| **C** | Because you don't have the necessary documentation (identity card, wage slip, etc.) |
| **D** | Because you don't trust financial institutions |
| **E** | Because of religious reasons |
| **F** | Because you don't have enough money to use financial institutions |
| **G** | Because someone else in the family already has an account |
| **H** | Because you cannot get an account |
| **I** | Because you have no need for financial services at a formal institution |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **9** | In the past 12 months, has money been DEPOSITED into your personal account(s)? This includes cash or electronic deposits, or any time money is put into your account(s) by yourself, an employer, or another person or institution.* |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **10** | In a typical MONTH, about how many times is money DEPOSITED into your personal account(s): one or two times per month, three or more times per month, or, in a typical month, is money NOT deposited into your account(s)?* |
| 1 | One or two times per month |
| 2 | Three or more times per month |
| 3 | Money is not deposited in a typical month |
| 4 | (DK) |
| 5 | (Refused) |
| **11** | In the past 12 months, has money been TAKEN OUT of your personal account(s)? This includes cash withdrawals in person or using your [insert local terminology for ATM/debit card], electronic payments or purchases, checks, or any other time money is removed from your account(s) by yourself or another person or institution.* |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **12** | In a typical MONTH, about how many times is money TAKEN OUT of your personal account(s): one or two times per month, three or more times per month, or, in a typical month, is money NOT taken out of your account(s)?* |
| 1 | One or two times per month |
| 2 | Three or more times per month |
| 3 | Money is not taken out in a typical month |
| 4 | (DK) |
| 5 | (Refused) |

*Source:* Global Findex database.

# GLOBAL FINDEX QUESTIONNAIRE

| | |
|---|---|
| **13** | When you need to GET CASH FROM your account(s), how do you USUALLY get it? Do… ?* |
| 1 | You get it at an ATM |
| 2 | You get it over the counter in a branch of your financial institution |
| 3 | You get it from a bank agent who works at a store or comes to your home |
| 4 | You get it some other way |
| 5 | (Do not need to get cash) |
| 6 | (DK) |
| 7 | (Refused) |
| **14** | In the PAST 12 MONTHS, have you ever made a transaction with money FROM YOUR ACCOUNT at a bank or another type of formal financial institution using a MOBILE PHONE? This can include using a MOBILE PHONE to make payments, buy things, or to send or receive money.* |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **15** | In the past 12 months, have you personally used a mobile phone to pay bills or to send or receive money using a service such as [insert local example of mobile money from GSMA database, like M-PESA]?* |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **16** | In the PAST 12 MONTHS, have you, personally, made payments on bills or bought things online using the Internet? |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **17** | In the PAST 12 MONTHS, have you, personally, saved or set aside any money for any of the following reasons? How about … ? (Read A-C) |
| **A** | To start, operate, or grow a business or farm |
| **B** | For old age |
| **C** | For education or school fees |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **18** | In the PAST 12 MONTHS, have you, personally, saved or set aside any money by… ? (Read A-B) |
| **A** | Using an account at a bank or another type of formal financial institution |
| **B** | Using an informal savings club (like [insert local example]), or a person outside the family |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **19** | In the PAST 12 MONTHS, have you, personally, saved or set aside any money for any reason?* |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **20** | Do you, by yourself or together with someone else, currently have a loan you took out from a bank or another type of formal financial institution to purchase a home, an apartment, or land? |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **21** | In the PAST 12 MONTHS, have you, by yourself or together with someone else, borrowed any money from any of the following sources? (Read A-D) |
| **A** | Have you borrowed from a bank, [insert all financial institutions], or another type of formal financial institution? This does NOT include credit cards. |
| **B** | Have you borrowed from a store by using installment credit or buying on credit? |
| **C** | Have you borrowed from family, relatives, or friends? |
| **D** | Have you borrowed from another private lender (for example, a/an [insert country-specific examples of private lenders, i.e., loan shark, payday lender, or pawn shop])? |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **22** | In the PAST 12 MONTHS, have you, by yourself or together with someone else, borrowed money for any of the following reasons? (Read A-C) |
| **A** | Have you borrowed for education or school fees? |
| **B** | Have you borrowed for health or medical purposes? |
| **C** | Have you borrowed to start, operate, or grow a business or farm? |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **23** | Have you, by yourself or together with someone else, borrowed money from any source for any reason in the PAST 12 MONTHS?* |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **24** | Now, imagine that you have an emergency and you need to pay [insert 1/20 of GNI per capita in local currency]. How possible is it that you could come up with [insert 1/20 of GNI per capita in local currency] within the NEXT MONTH? Is it very possible, somewhat possible, not very possible, or not at all possible? |
| 1 | Very possible |
| 2 | Somewhat possible |
| 3 | Not very possible |
| 4 | Not at all possible |
| 5 | (DK) |
| 6 | (Refused) |

# GLOBAL FINDEX QUESTIONNAIRE

| | |
|---|---|
| **25** | What would be the MAIN source of money that you would use to come up with [insert 1/20 of GNI per capita in local currency] within the NEXT MONTH? * |
| 1 | Savings |
| 2 | Family, relatives, or friends |
| 3 | Money from working or a loan from an employer |
| 4 | A credit card or borrowing from a formal financial institution |
| 5 | An informal private lender or pawn house |
| 6 | Some other source |
| 7 | (DK) |
| 8 | (Refused) |
| **26** | Have you, personally, GIVEN or SENT any of your MONEY to a relative or friend living in a different area INSIDE (country where survey takes place) in the PAST 12 MONTHS? This can be money you brought yourself or sent in some other way. |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **27** | In the PAST 12 MONTHS, have you, personally, GIVEN or SENT money to a relative or friend living in a different area inside (country where survey takes place) in any of the following ways? (Read A-D)* |
| **A** | You handed cash to this person or sent cash through someone you know. |
| **B** | You sent money through a bank or another type of formal financial institution (for example, at a branch, at an ATM, or through direct deposit into an account). |
| **C** | You sent money through a mobile phone. |
| **D** | You sent money through a money transfer service. |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **28** | Have you, personally, RECEIVED any MONEY from a relative or friend living in a different area INSIDE (country where survey takes place) in the PAST 12 MONTHS, including any money you received in person? |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **29** | In the PAST 12 MONTHS, have you, personally, RECEIVED money from a relative or friend living in a different area inside (country where survey takes place) in any of the following ways? (Read A-D)* |
| **A** | You were handed cash by this person or by someone you know. |
| **B** | You received money through a bank or another type of formal financial institution (for example, at a branch, at an ATM, or through direct deposit into an account). |
| **C** | You received money through a mobile phone. |
| **D** | You received money through a money transfer service. |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |

| | |
|---|---|
| **30** | In the PAST 12 MONTHS, have you, personally, made regular payments for electricity, water, or trash collection? |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **31** | In the PAST 12 MONTHS, have you, personally, made payments for electricity, water, or trash collection in any of the following ways? (Read A-C)* |
| **A** | You made a payment using cash. |
| **B** | You made a payment directly from an account (for example, using (a/an [insert local terminology for ATM/debit card]), a bank transfer, or a check). |
| **C** | You made a payment through a mobile phone. |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **32** | In the PAST 12 MONTHS, have you, personally, made regular payments for school fees? |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **33** | In the PAST 12 MONTHS, have you, personally, made payments for school fees in any of the following ways? (Read A-C)* |
| **A** | You made a payment using cash. |
| **B** | You made a payment directly from an account (for example, using a debit card, a bank transfer, or a check). |
| **C** | You made a payment through a mobile phone. |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **34** | Have you received any money from an employer or boss, in the form of SALARY OR WAGES, for doing work in the PAST 12 MONTHS? Please do not consider any money you received directly from clients or customers. |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **35** | In the PAST 12 MONTHS, have you been employed by the government, military, or public sector?* |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |

# GLOBAL FINDEX QUESTIONNAIRE

| | |
|---|---|
| **36** | In the PAST 12 MONTHS, has an employer or boss paid your salary or wages in any of the following ways? (Read A-D)* |
| **A** | You received payments DIRECTLY in cash. |
| **B** | You made a payment directly from an account (for example, using (a/an [insert local terminology for ATM/debit card]), a bank transfer, or a check). |
| **C** | You received payments to a card. |
| **D** | You received payments through a mobile phone. |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **37** | After your payment from an employer is transferred into an account, do you usually withdraw or transfer ALL OF THE MONEY out of the account RIGHT AWAY, or do you withdraw or transfer the money over time as you need it?* |
| 1 | All of the money right away |
| 2 | Over time as needed |
| 3 | (DK) |
| 4 | (Refused) |
| **38** | Which of the following statements best describes the account that you use to receive payments from an employer?* |
| 1 | You had THIS ACCOUNT before you began receiving payments from an employer. |
| 2 | You had AN account before, but THIS account was opened so you could receive payments from an employer. |
| 3 | This was your first account, and it was opened so you could receive payments from an employer. |
| 4 | (DK) |
| 5 | (Refused) |
| **39** | Have you, personally, RECEIVED any financial support from the government in the PAST 12 MONTHS? This money could include payments for educational or medical expenses, unemployment benefits, subsidy payments, or any kind of SOCIAL BENEFITS. Please do NOT include wages or any payments related to work. |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **40** | In the PAST 12 MONTHS, have you received money from the government in any of the following ways? (Read A-D)* |
| **A** | You received payments DIRECTLY in cash. |
| **B** | You received payments DIRECTLY into an account at a bank or another type of formal financial institution. |
| **C** | You received payments to a card. |
| **D** | You received payments through a mobile phone. |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |

| | |
|---|---|
| **41** | After your payment from the government is transferred into an account, do you usually withdraw or transfer ALL OF THE MONEY out of the account RIGHT AWAY, or do you withdraw or transfer the money over time as you need it?* |
| 1 | All of the money right away |
| 2 | Over time as needed |
| 3 | (DK) |
| 4 | (Refused) |
| **42** | Which of the following statements best describes the account that you use to receive payments from the government?* |
| 1 | You had THIS ACCOUNT before you began receiving payments from the government. |
| 2 | You had AN account before, but THIS account was opened so you could receive payments from the government. |
| 3 | This was your first account, and it was opened so you could receive payments from the government. |
| 4 | (DK) |
| 5 | (Refused) |
| **43** | In the PAST 12 MONTHS, have you personally RECEIVED money from any source for the sale of your or your family's agricultural products, crops, produce, or livestock? |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |
| **44** | In the PAST 12 MONTHS, have you received money for the sale of your or your family's agricultural products, crops, produce, or livestock in any of the following ways? (Read A-C)* |
| **A** | You received payments DIRECTLY in cash. |
| **B** | You received payments DIRECTLY into an account at a bank or another type of formal financial institution. |
| **C** | You received payments through a mobile phone. |
| 1 | Yes |
| 2 | No |
| 3 | (DK) |
| 4 | (Refused) |

* Question may be skipped if previous answer reveals that it is not relevant. The questionnaire that includes the skip pattern is available on request.

Financial inclusion is critical in reducing poverty and achieving inclusive economic growth. When people can participate in the financial system, they are better able to start and expand businesses, invest in their children's education, and absorb financial shocks. In 2011 the World Bank launched the Global Findex database, the world's most comprehensive set of data on how people save, borrow, make payments, and manage risk. The updated 2014 Global Findex database shows great progress in expanding financial inclusion—and great opportunities to expand it further.

The 2014 Global Findex database provides more than 100 indicators on such topics as account ownership, payments, saving, credit, and financial resilience, including by gender, age group, and household income. The database is made possible with financial support from the Bill & Melinda Gates Foundation. The data were collected as part of the 2014 Gallup World Poll, which surveyed nationally representative samples of adults age 15 and older in more than 140 developing and high-income economies around the world.

**http://www.worldbank.org/globalfindex**

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