

# MEASURING FINANCIAL INCLUSION: THE GLOBAL FINDEX

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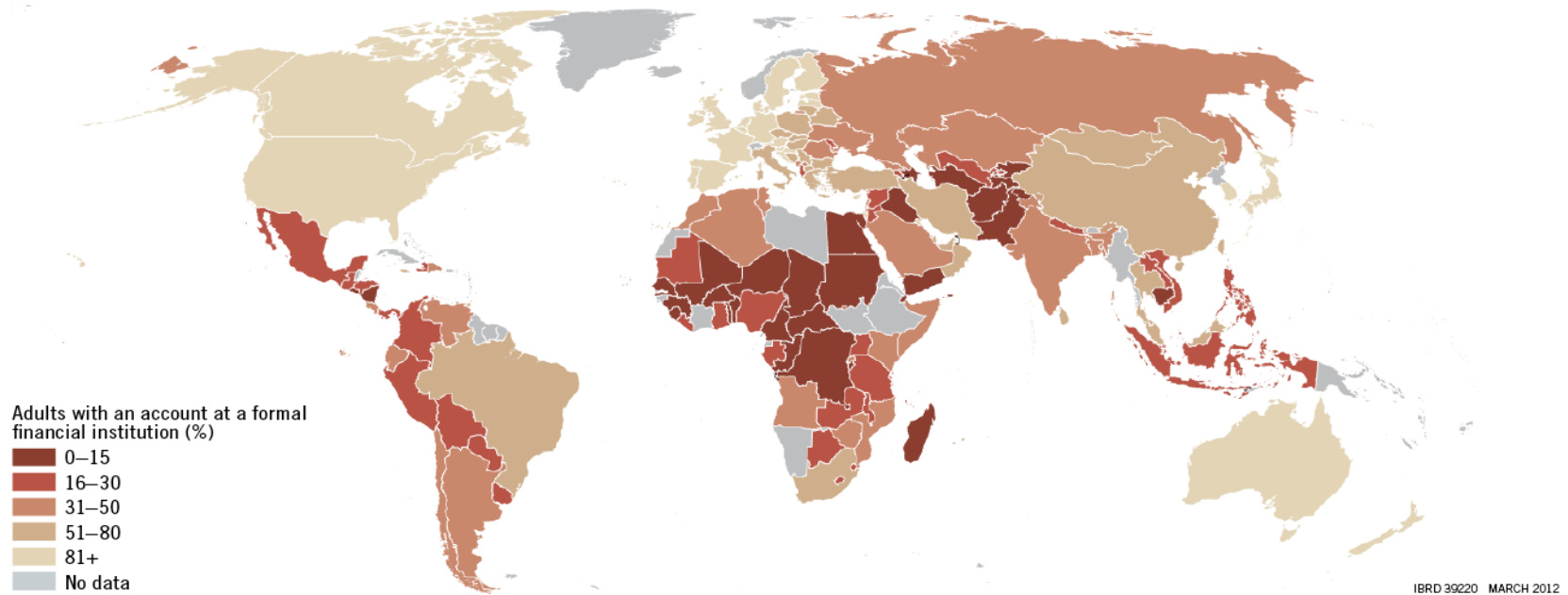
Goal to collect comparable cross-country data on financial inclusion by surveying individuals around the world:

- Measure the use of formal and informal financial services, using consistent methodology across economies and time
- Identify the segments of the population with greatest barriers to access to finance: poor, woman, youth, and rural residents.
- Motivate and track policies to expand financial services to the poor
- Design a questionnaire to harmonize financial inclusion questions across economies

Funded by a 10 year grant from the Bill & Melinda Gates Foundation (through 2020)

Added questions on the use of financial services - *payments, savings, credit, and insurance* - to the 2011 Gallup World Poll

## Account penetration around the world



Source: Demircuc-Kunt and Klapper 2012.

**Over 2.5 billion adults** do not have a formal account

**41% of adults** in developing economies are banked—compared to 89% of adults in high-income economies

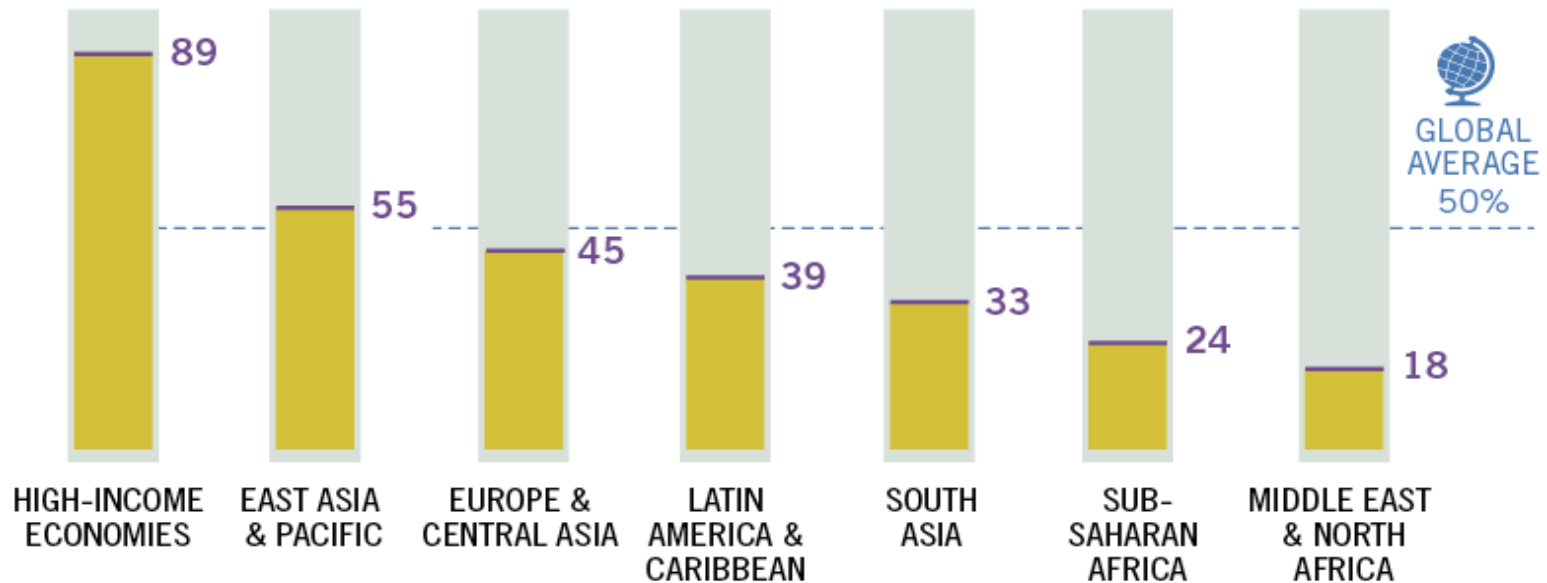
**37% of women** in developing economies are banked—compared to 46% of men

**23% of adults** living below \$2 per day have a formal account



## Account penetration

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



Source: Demirguc-Kunt and Klapper 2012.

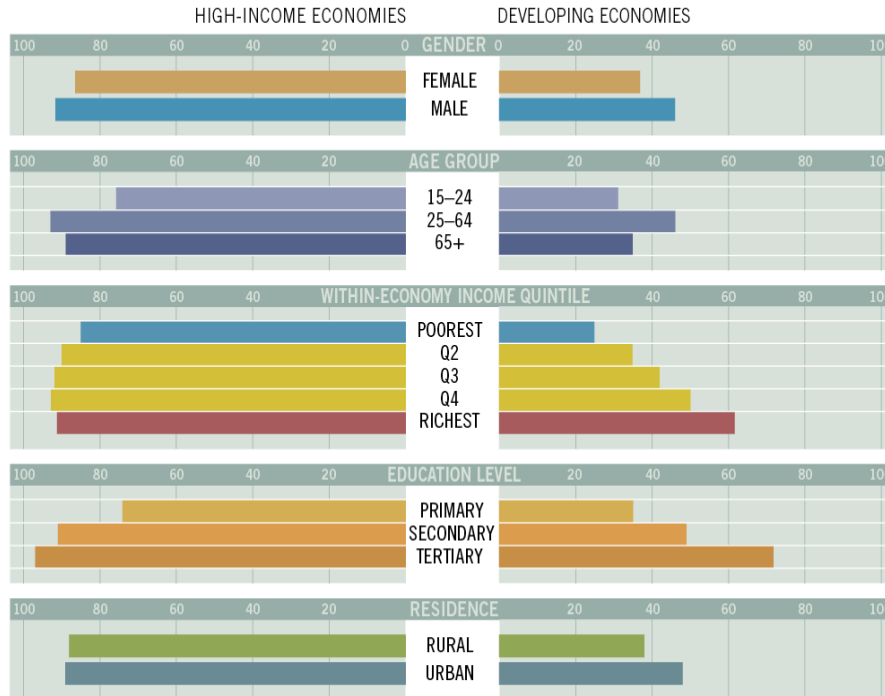
**23% of adults** in developing economies have a debit card—compared to 62% in high-income economies

**11% of account holders** in developing economies use their accounts for business purposes—compared to 29% in high-income economies



## Account penetration by individual characteristics

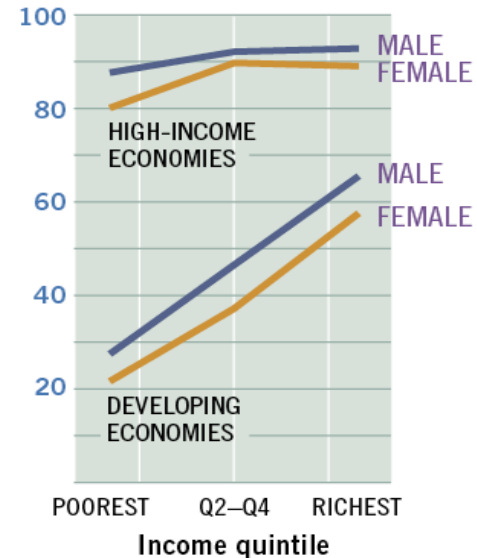
Adults with an account at a formal financial institution (%)



Source: Demirguc-Kunt and Klapper 2012.

## Account penetration by gender across within-economy income quintiles

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



Source: Demirguc-Kunt and Klapper 2012.

**Women, youth, the poor, and rural residents** are the least likely to have a formal account

**Adults in the poorest income quintile** in developing economies are half as likely to be banked as adults in the richest quintile

**A 6-9 percentage points gender gap** persists across income groups in developing economies



## Self-reported barriers to use of formal accounts

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



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

*Source:* Demirguc-Kunt and Klapper 2012.

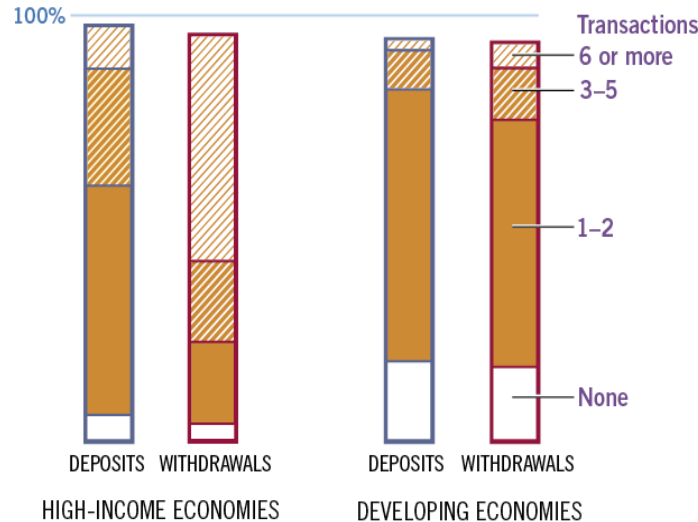
**31 percent of unbanked** in Sub-Saharan Africa choose “Too far away”

**31 percent of unbanked** in Europe and Central Asia choose “[I] don’t trust banks”

**40 percent of unbanked** in Latin America and the Caribbean choose “They are too expensive”

**Frequency of deposits and withdrawals by account holders**

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

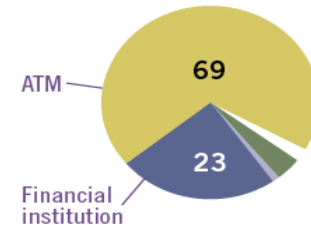


Note: Because of "don't know" and "refuse" responses, the categories do not sum to 100 percent.  
 Source: Demircug-Kunt and Klapper 2012.

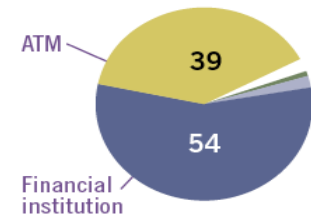
**How account holders access their accounts**

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

HIGH-INCOME ECONOMIES



DEVELOPING ECONOMIES



Do not withdraw  
 Retail store  
 Person associated with bank

Source: Demircug-Kunt and Klapper 2012.

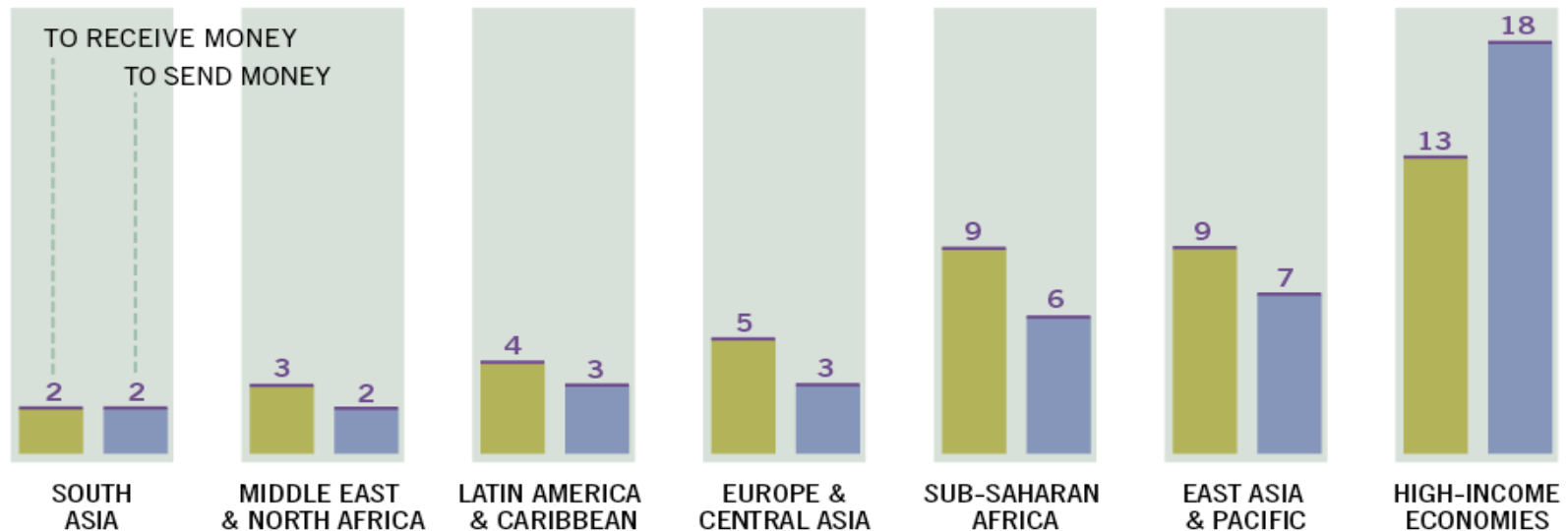
**8% of account holders** worldwide have zero deposits and withdrawals in a typical month

**50% of account holders** in developing economies both deposit into and withdraw from their account 1-2 times in a typical month

**54% of account holders** in developing economies typically withdraw money from a teller

## Use of accounts for family remittances

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



Source: Demirguc-Kunt and Klapper 2012.

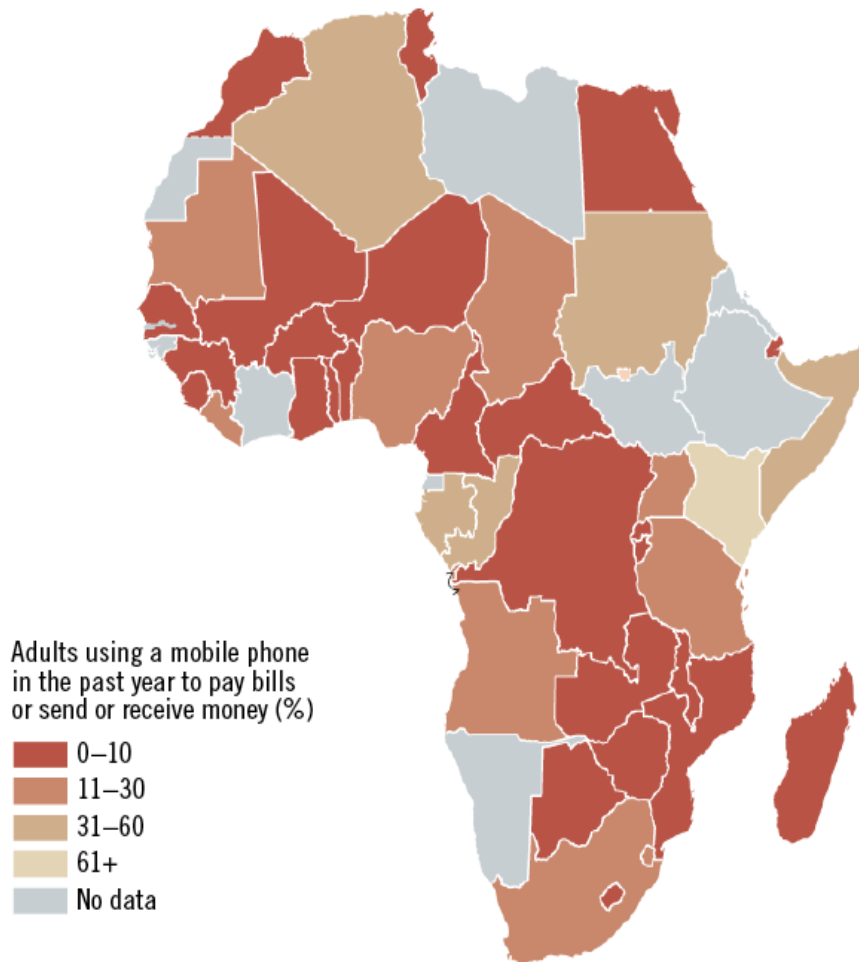
**38% of account holders** in SSA use their account to receive money from family living elsewhere

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

**26% of account holders** in LAC use their account to receive payments from the government—compared to 15% of all account holders in developing economies and 47% of account holders in high-income economies



## Mobile money users in Africa



**16% of adults** in SSA use a mobile phone to pay bills, send or receive money in the past year

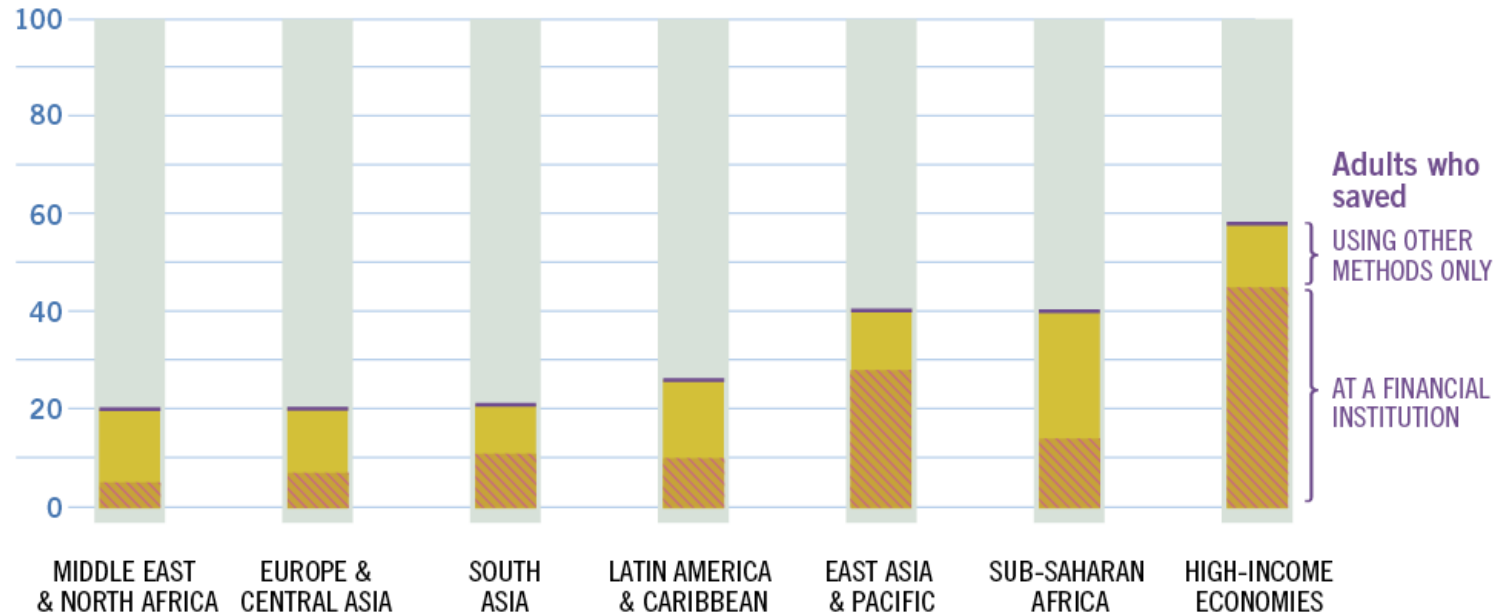
**68% of adults** in Kenya use mobile money technology, driven by the early success of M-PESA

**52% of adults** in SSA who use mobile technology to transfer money are otherwise unbanked

**5% of adults** in all developing economies use mobile money technology

## Formal and informal saving

Adults saving any money in the past year (%)



Source: Demirguc-Kunt and Klapper 2012.

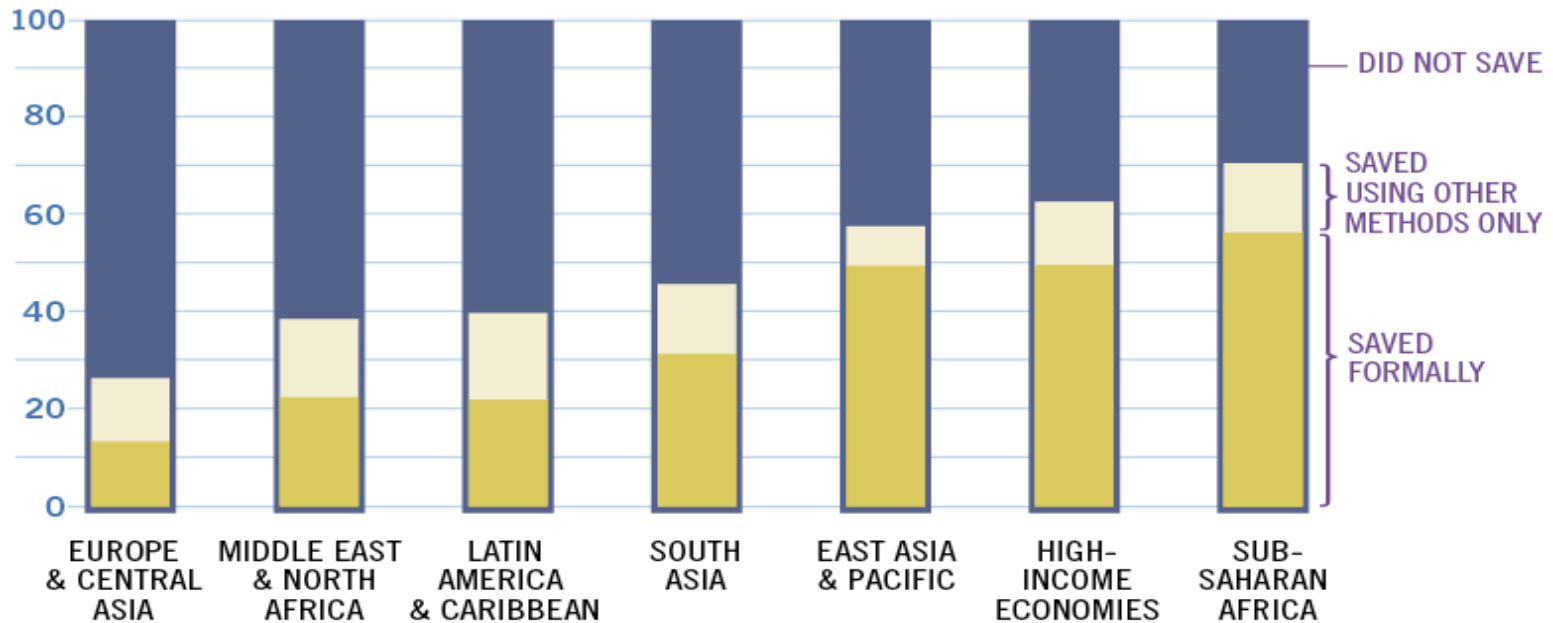
**31% of adults** in developing economies saved in the past year

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

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

## Savings behavior among account holders

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



Source: Demirguc-Kunt and Klapper 2012.

**40% of account holders** in developing economies saved formally in the past year

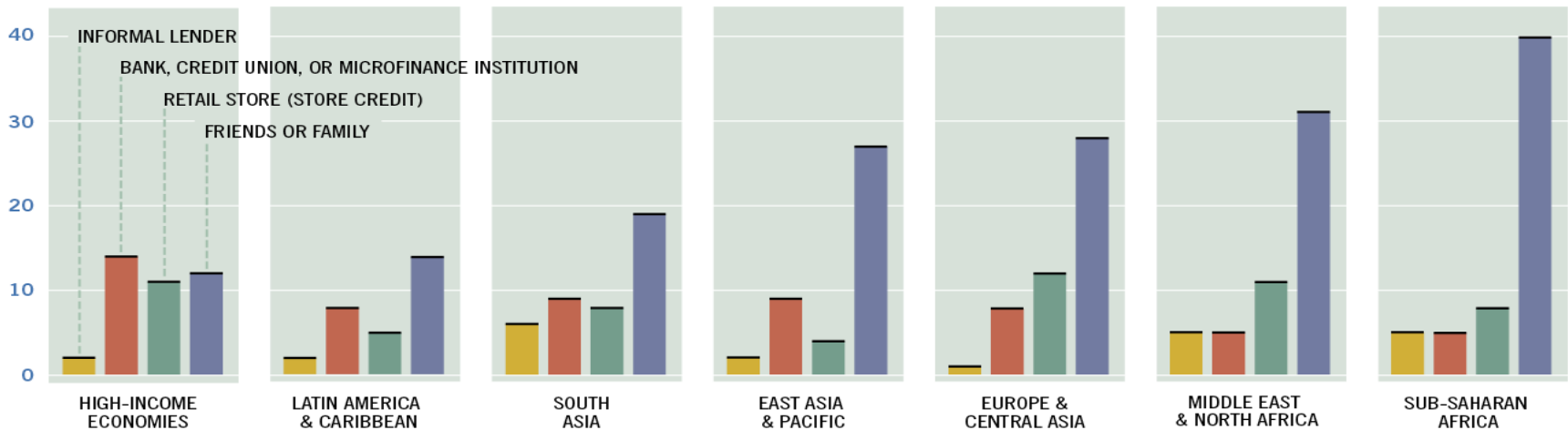
**7% of account holders** in ECA saved formally in the past year

**39% of account holders** in SSA and **15% of account holders** in LAC saved informally in the past year



**Sources of new formal and informal loans**

Adults borrowing from source in the past year (%)



*Note:* Respondents could report borrowing from more than one source.  
*Source:* Demirguc-Kunt and Klapper 2012.

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

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

**3% of adults** in developing economies report having a mortgage outstanding—compared to 24% of adults in high-income economies

**17% of adults** personally purchased health insurance; 6% of adults working in farming, forestry, or fishing have crop, rainfall, or livestock insurance in the past year

## Global Findex Suite of Products

- Financial Inclusion Data Portal
- World Bank eAtlas of Financial Inclusion
- The Little Data Book on Financial Inclusion 2012
- Global Financial Inclusion Microdata Databank (October 2012)



## Reference citation for the Global Findex:

Asli Demirguc-Kunt and Leora Klapper, 2012, “Measuring Financial Inclusion: The Global Findex Database”, World Bank Policy Research Paper 6025

[www.worldbank.org/globalfindex](http://www.worldbank.org/globalfindex)