The Little Databook on Financial Inclusion 2018

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For those of us committed to advancing financial inclusion, no tool is of greater value than the Global Financial Inclusion database—the Global Findex. This invaluable dataset provides a rigorous, multidimensional picture of where we stand and how far we have come in expanding access for all to the basic financial services people need to protect themselves against hardship and invest in their futures.

The Little Data Book on Financial Inclusion presents key findings from the Global Findex, with detailed insight into how adults in more than 140 economies access accounts, make payments, save, borrow, and manage risk. As the data show, each country has its own successes, challenges, and opportunities when it comes to financial inclusion. A growing body of research demonstrates the impact of country advances on significant priorities such as reducing poverty, hunger, and gender inequality. Today, member states at the United Nations are using Global Findex data to track progress toward the Sustainable Development Goals.

Dozens of national governments have adopted policies to expand financial inclusion. These and other global and national efforts are paying off. New Global Findex data reveal that financial inclusion is now 69 percent, an increase of seven points since 2014. These numbers translate into 515 million adults who have gained access to financial tools. The 2017 figures on overall account ownership continue the upward trajectory we've seen since the Global Findex was first released in 2012, with financial inclusion rising 18 percentage points over nine years.

The 2017 Global Findex data reflects the continued evolution of financial inclusion. Recent progress has been driven by digital payments, government policies, and a new generation of financial services accessed through mobile phones and the internet.

The power of financial technology to expand access to and usage of accounts is demonstrated most persuasively in Sub-Saharan Africa, where 21 percent of adults now have a mobile money account—nearly twice the share in 2014 and easily the highest of any region in the world. While mobile money has been centered in East Africa, the 2017 update reveals that it has spread to West Africa and beyond.

Digital technology is also transforming the payments landscape. Globally, 52 percent of adults have sent or received digital payments, up from 42 percent. Technology giants have moved into the financial sphere, leveraging deep customer knowledge to provide a broad range of financial services. Payments made through their technology platforms are facilitating higher account usage in major emerging economies such as China, where 57 percent of account owners are using mobile phones or the internet to make purchases or pay bills—roughly double the share from 2014.

Some advances have been made in helping women gain access to financial services. In India three years ago, men were 20 percentage points more likely than women to have an account. Today, India's gender gap has shrunk to 6 percentage points thanks to a strong government push to increase account ownership through biometric identification cards.

Still, in most of the world women continue to lag well behind men. Globally, 65 percent of women have an account compared with 72 percent of men, a gap of seven percentage points that is all but unchanged since 2011. Nor has equality in account ownership been achieved in other regards. The gap between rich and poor has not improved since 2014: account ownership is 13 percentage points higher among adults living in the wealthiest 60 percent of households than among those in the poorest 40 percent. And urban populations continue to benefit from far broader access to finance than rural communities. In China, around half a billion rural adults remain...
outside the formal financial system.

The continued involvement of businesses will be vital for unlocking opportunities to expand financial inclusion. Companies pay wages in cash to about 230 million unbanked adults worldwide; switching to electronic payrolls could help these workers join the formal financial system. Mobile phones and the internet also offer strong openings for progress: globally one billion financially excluded adults already own a mobile phone and about 425 million have internet access.

But the private sector, governments, and development organizations all need to sharpen their focus on usage, which has stagnated for savings, borrowing, and wage payments through formal accounts. Without people actively using their accounts, the impact of our work will be lost.

The Global Findex database is an indispensable resource for those of us working to increase financial inclusion. I am proud to partner with the Global Findex team, and I thank the World Bank’s Development Research Group and the Bill & Melinda Gates Foundation for supporting this crucial initiative. I hope governments, businesses, and development champions will continue to use _The Little Data Book_ and its trove of information as we redouble our efforts to deepen financial inclusion.