FINANCIAL INCLUSION IMPORTANT FOR AGING POPULATIONS
07 Jun 2019

Video message by Her Majesty Queen Máxima of the Netherlands, the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA), at the Global Partnership for Financial Inclusion (GPFI) Opening Ceremony held on 7 June 2019 in Tokyo.

I am honored to speak with you today as the Honorary Patron of the Global Partnership for Financial Inclusion about of course the important issue of aging.

The world's population is aging rapidly. Globally, people over 60 or over represent the fastest growing age group. This group is expected to more than double by 2050. And the ratio of workers to retirees will be halved from today's 8-to-1, to 4-to-1 by 2050.

As income-generating opportunities become more limited, in an ideal scenario, an aging person can retire with sufficient savings and a pension. However, according to a study conducted among eight large countries, the retirement savings gap in 2015 was approximately 70 trillion U.S. dollars. In terms of GDP, this gap represents about 1.5 times the cumulated annual GDP of these eight countries.

So, we are now facing a situation where we live longer, but without enough means to sustain ourselves. And the situation is worse for women. Women on average live five years longer, but retired women across the globe typically have 30 to 40% less savings than men.

As the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development, I strive for everyone to have access to financial solutions that enhance their quality of life. Paying attention to financial inclusion of aging people is crucial. Not only to avoid old-age poverty at the individual level, but also to reduce the heavy economic burden for countries.

Technology presents great potential to improve the financial life of any person at any stage of life. I'd like to share with you a couple of ways how:

**First: Technology can help people to start saving early.** It is difficult to convince people to save for 30 or 40 years down the road. Especially if they are already hard-pressed to make ends meet. So, a fintech company called Juntos Finanzas has developed a tool that aims to capitalize on this. The company uses customer data analytics, as well as behavioral research and design.

The approach has helped increase savings in Colombia, Mexico and Tanzania. Via an automated SMS platform, the company sends customized text messages to remind account holders to save and encourage regular savings habits. In the Colombian pilot, three months after the introduction of Juntos, account activity increased by 33% and average account balances rose by 50%.

**Second: Technology can support the financial capability of older consumers.** According to a study in the U.S., individuals start to lose their financial capacity as early as age 53. The deterioration of financial capacity happens over time. To address this specific issue, EverSafe, an app built for senior citizens, analyzes a consumer’s daily financial transactions—including bank, investment, credit card, and credit report data. It identifies abnormal behavior based on historical activity patterns and alerts the consumer and their designated trustees before it turns into a crisis.

However, we need to be mindful of the technology age gap. In Mexico for example, only 30% of people over 50
have a smartphone, while in Indonesia that is 13%, and in India 8%. It is therefore critical to pay attention to
digital access and literacy of older people, especially as the digitization of financial services advances across the
world.

By better adapting technology to the needs of older people, we could transform what is often seen as a challenge
into an opportunity. Their financial needs remain largely unmet, and as the age group grows larger, they present
a substantial market.

Ladies and gentlemen,

I am very pleased that the G20—notably through the GPFI—has decided to address our global aging challenge. I
commend and thank the Japanese Presidency for prioritizing this critical issue, both in G20 nations and globally.
The "G20 Fukuoka Policy Priorities on Aging and Financial Inclusion" report published under the leadership of
Japan, with the support of the OECD, is a valuable resource.

I encourage everyone to read it and share it widely. It contains important lessons on how to better serve and
protect this segment by leveraging data and technology. It is important for all of us to continue to build on this
very good work.

Thank you very much.