



THE WORLD BANK

Development Research Group
Finance and Private Sector Development Team

BILL & MELINDA
GATES foundation



What is the Global Index?

- The first individual-level database on financial inclusion that is comparable across countries and time.
- Based on more than 150,000 interviews with adults ages 15+, representing more than 97 percent of the world's adult population.

What does it measure?

- Measures in detail the way in which adults in 148 economies save, borrow, make payments, and manage risk.
- Includes 41 indicators, disaggregated by gender, age, education level, income, and residence (urban or rural).



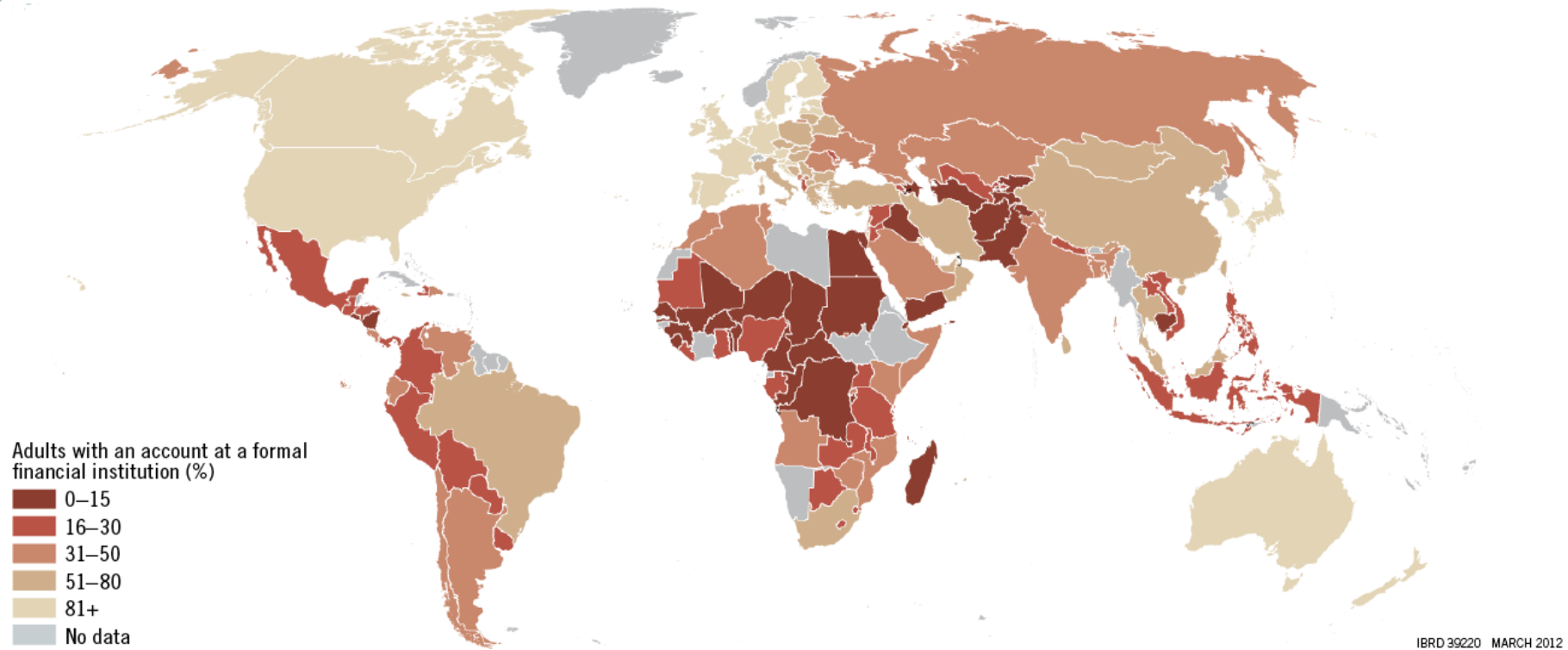
Why is the Global Findex valuable?

- Provides a tool to benchmark levels of financial inclusion, measure the impact of public policies, and identify potential clients and the demand for new products.
- Uses a consistent methodology across time and countries.
- Long-term project: the first round of data was released in April 2011, with complete updates in 2014 and 2017.
- Complements country-level efforts, & supply-side data (G20 Basic Set)

Who are our partners?

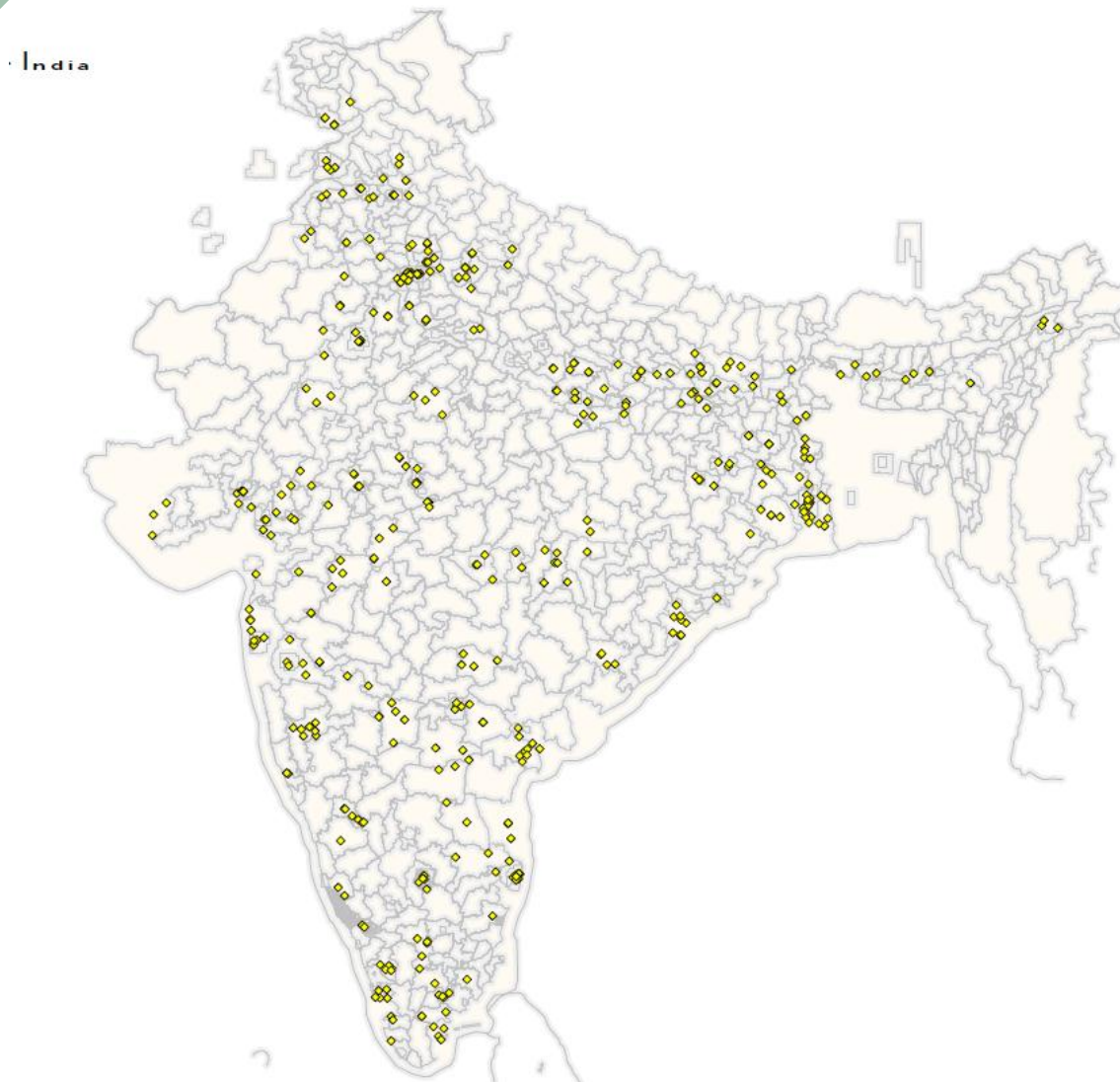
- The survey was carried out by Gallup, as part of its annual World Poll.
- The project is funded by the Bill and Melinda Gates Foundation.

Account penetration around the world



Source: Demirguc-Kunt and Klapper 2012.

The Global Findex covers **148** economies – in **23** economies, account penetration is over **95 percent**, in **21** economies account penetration is **5 percent** or less



➤ **3,518 interviews** in India conducted April-June, 2011

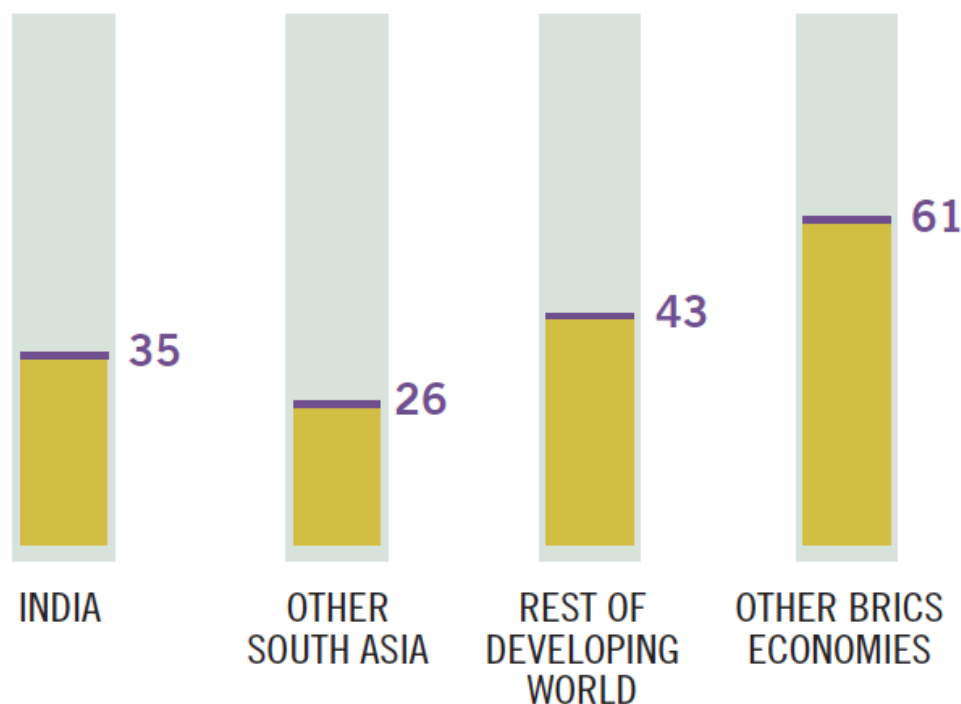
➤ **Interviews conducted in 11 languages** (Assamese, Bengali, Gujarati, Hindi, Kannada, Malayalam, Marathi, Oriya, Punjabi, Tamil, Telugu)

➤ Sample excludes Northeast states and remote islands. The excluded area represents approximately 10% of the total adult population



Account penetration

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



Note: Other South Asia comprises Afghanistan, Bangladesh, Nepal, Pakistan, and Sri Lanka. Other BRICS economies comprises Brazil, Russia, China, and South Africa. Rest of developing world includes both groups and excludes India.

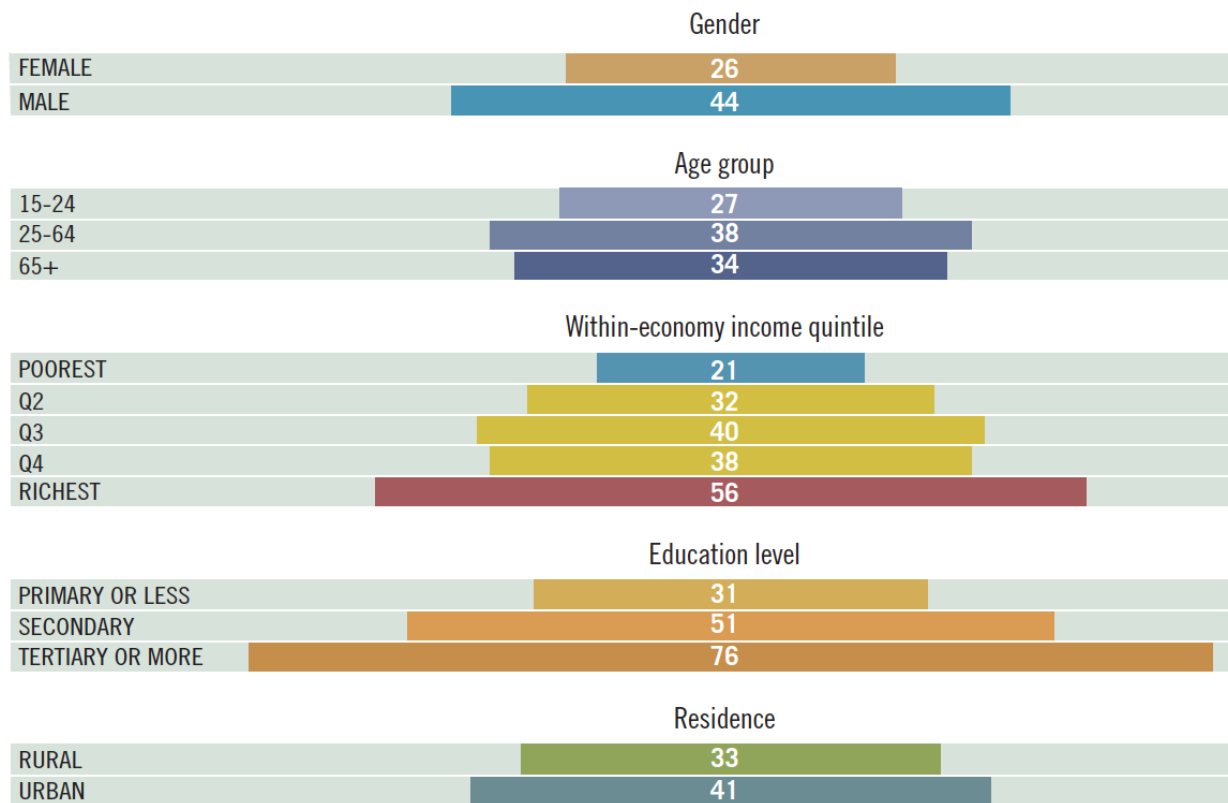
Source: Demirguc-Kunt and Klapper 2012.

- **35 percent** of adults in India have an account at a formal financial institution, compared to **26 percent** in other South Asian economies, and **61 percent** in other BRICS economies.
- The average account penetration among all adults in the developing world is **43 percent**.
- The average account penetration among adults in high-income economies is **89 percent**.



Account penetration in India by individual characteristics

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

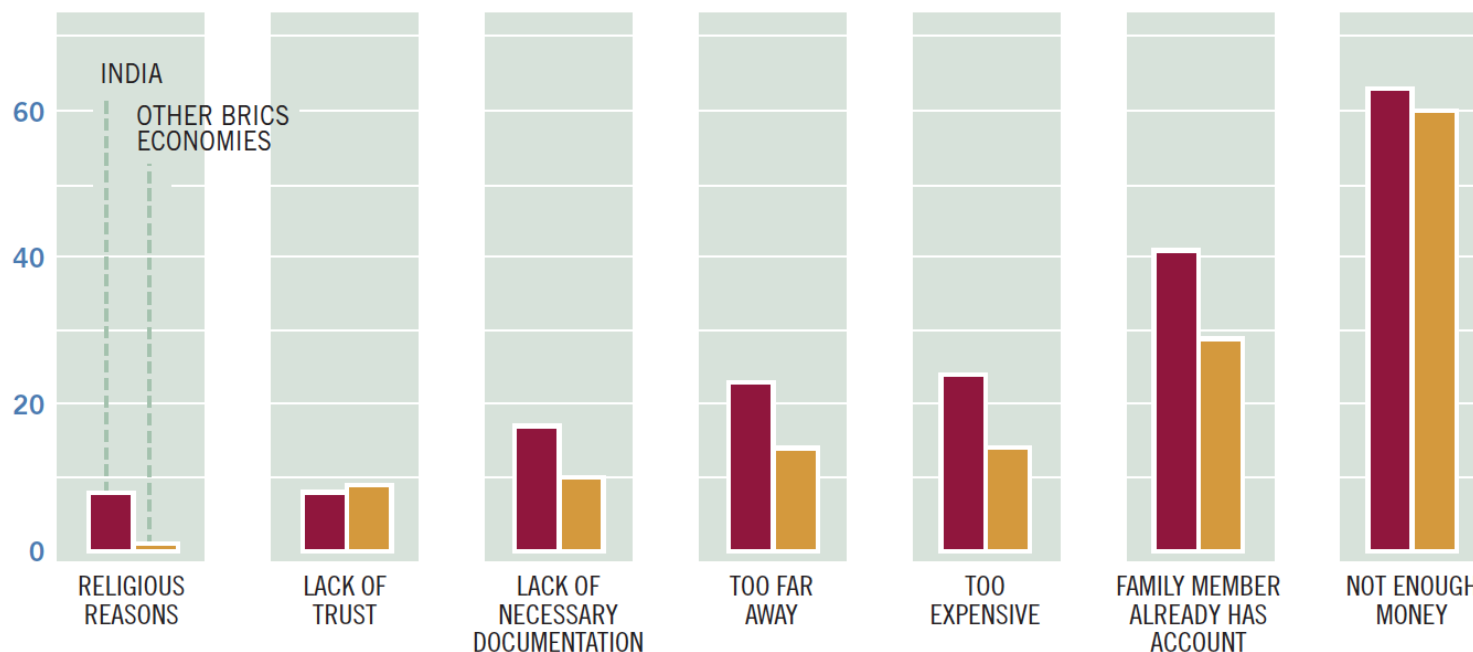


Source: Demircuc-Kunt and Klapper 2012.

- Women, youth, the poor, and rural residents are the least likely to have a formal account
- Gender gap (18 percentage points) is significantly larger than in the rest of developing world

Self-reported barriers to use of formal accounts

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



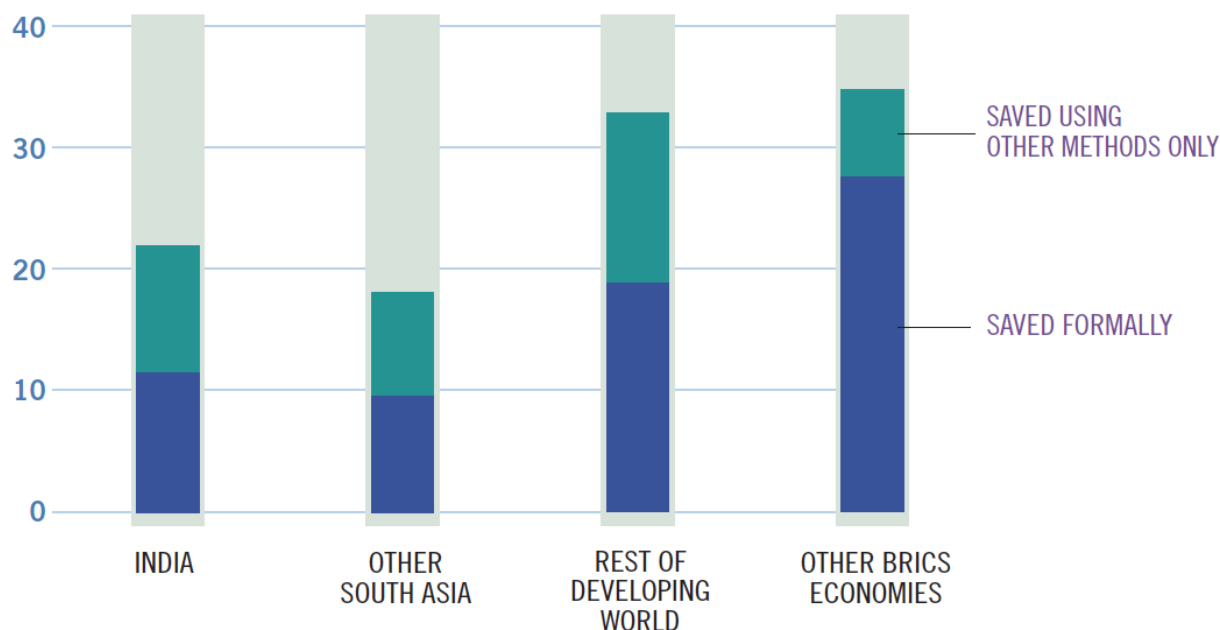
Note: Respondents could choose more than one reason. *Other BRICS economies* comprises Brazil, Russia, China, and South Africa.
Source: Demirci-Kunt and Klapper 2012.

- **63 percent** of unbanked in India choose “Not enough money”
- High citation of indirect use (“family member already has account”), **particularly among women**
- **Cost, distance, documentation** also significant barriers



Formal and informal saving

Adults saving any money in the past year (%)



Note: Other South Asia comprises Afghanistan, Bangladesh, Nepal, Pakistan, and Sri Lanka. Other BRICS economies comprises Brazil, Russia, China, and South Africa. Rest of developing world includes both groups and excludes India.

Source: Demirguc-Kunt and Klapper 2012.

22 percent of adults in India saved in the past year; lower than other BRICS, higher than SAR
52 percent of savers in India – or **12 percent** of adults - saved using a formal financial institution
Account holders in India more than **four times more likely to save** (46 percent vs. 10 percent)

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. *Other South Asia* comprises Afghanistan, Bangladesh, Nepal, Pakistan, and Sri Lanka. *Other BRICS economies* comprises Brazil, Russia, China, and South Africa. *Rest of developing world* includes both groups and excludes India.

Source: Demircuc-Kunt and Klapper 2012.

Family and friends are the most common source of credit for adults in India, as elsewhere

8 percent of Indian adults borrowed from a formal financial institution in the past year

14 percent of Indian adults have an outstanding loan for emergency/health reasons

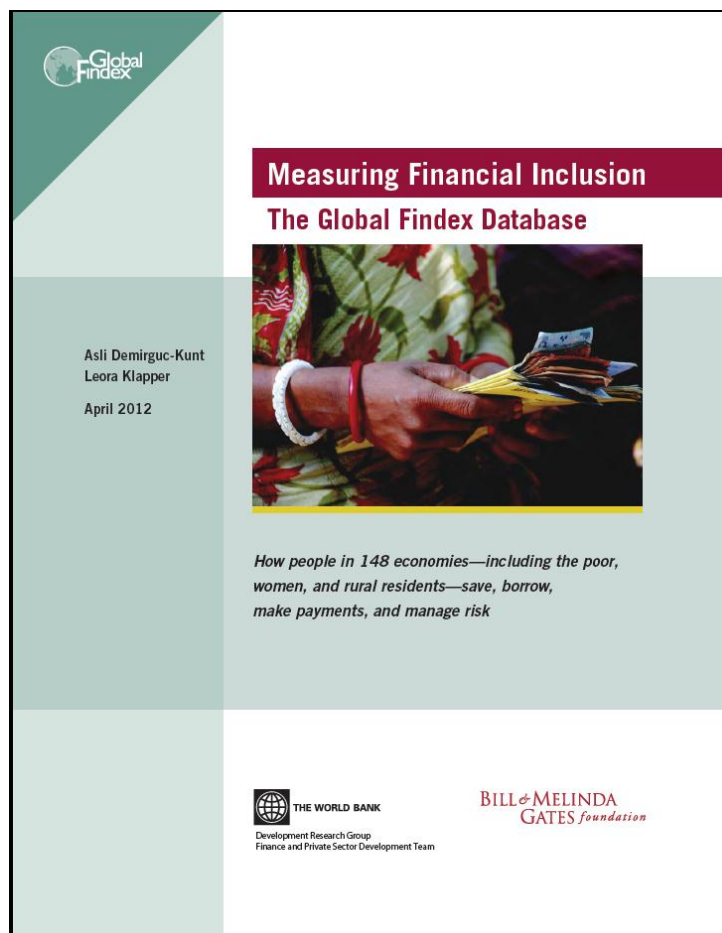


What to look for in 2014....

- 1) Success of G2P reforms? “No frills” accounts?
- 2) Closing the gender gap?
- 3) Progress below \$2/day line?
- 4) Movement in self-reported barriers to access?
- 5) Growth of mobile money?
- 6) Growth of bank agents?



Complete report and India-specific note:



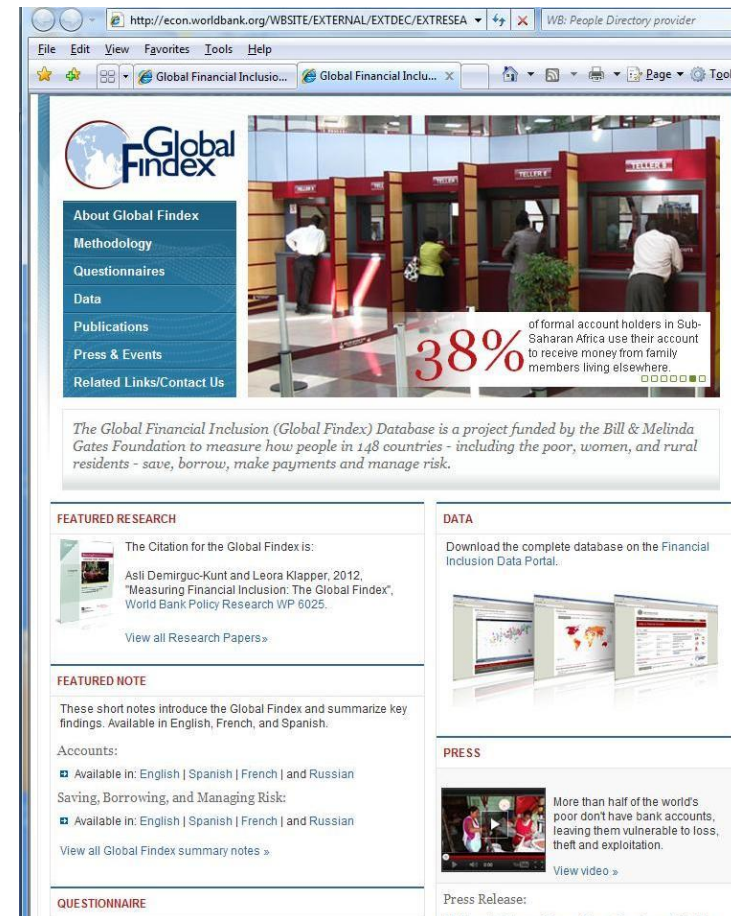
There is much more information on the Global Findex website:

➤ The complete micro and country-level database, including data on:

- The use of accounts to receive payment from the government, employers, family
- The use bank agents
- Frequency and mode of account access
- Prevalence of informal saving and borrowing
- The use of mobile money

➤ The complete questionnaire (in 141 languages)

➤ Analytical tools to make customize maps and graphs





www.worldbank.org/globalindex

