CHAPTER 1

Financial Access

1.1 Account ownership

1.2 Opportunities to increase account ownership through an enabling environment
Introduction

Account ownership, the fundamental measure of financial inclusion, is the gateway that equips men and women to use financial services in a way that facilitates development. Owners of accounts—whether those accounts are with a bank or regulated institution such as a credit union, microfinance institution, or mobile money service provider—are able to store, send, and receive money, enabling the owners to invest in health, education, and businesses.

Account holders are better able to avoid a slide into poverty because they find it easier to rely on savings or receive financial resources from friends or family in the event of a financial emergency, such as an income loss or crop failure. Evidence shows that households and businesses that have access to financial services such as payments, savings accounts, and credit are better able to withstand financial shocks than those that do not.1 People without an account must, by contrast, manage their money using informal mechanisms that may be less safe, less reliable, and more expensive than formal methods.

Digital financial services such as mobile money accounts let users safely and inexpensively store funds and transfer them quickly across long distances, which leads to higher domestic remittances and consumption. For example, in Kenya researchers found that mobile money users who experienced an unexpected drop in income were able to receive money from a more geographically disbursed social network of family and friends and did not have to reduce household spending. By contrast, nonusers and users with poor access to the mobile money network reduced their purchases of food and other items by between 7 percent and 10 percent.2 In Tanzania, a country in which many are dependent on agriculture, low rainfall resulted in lower consumption on average, but mobile money users were able to maintain consumption because of improved risk sharing.3 Researchers in Uganda found that adopting mobile money services increased the total value of remittances by 36 percent and was associated with a 13 percent increase in per capita consumption.4 In Bangladesh, investigators introduced mobile money accounts to very poor rural households and family members who had migrated to the city and found that mobile money increased remittance payments. As a result, rural households spent more on food and other items and reduced borrowing, and extreme poverty fell.5 And another study in Kenya revealed that mobile money users spent more on health care and were more likely to use formal health services when experiencing a medical emergency.6

For women, studies show that accounts can enable financial independence and strengthen economic empowerment. In a field experiment in the Philippines, researchers found that women who used commitment savings products that encouraged regular deposits into a personal account with a rural bank increased their household decision-making power and shifted their spending to household goods relevant to their needs, such as health care and education.

---

1. Moore et al. (2019).
5. Lee et al. (2021).
as washing machines. In Kenya, researchers compared women’s development outcomes in areas where mobile money accounts spread rapidly with those in areas where they were less widespread. They found that areas with high mobile money access had fewer women in poverty by 9 percentage points, and their consumption was higher by more than 18.5 percentage points compared with that in areas with limited mobile money access. In another study, women-headed households spent 15 percent more on nutritious foods after receiving free savings accounts. Access to mobile money–based savings tools also can reduce women’s reliance on high-risk financial sources of income (such as transactional sex), according to a study of low-income women in urban and rural western Kenya. Savings also plays a role in risk management. In Chile, a study of more than 3,500 low-income members of microfinance institutions found that women who received free savings accounts reduced their reliance on debt and improved their ability to make ends meet during an economic emergency.

The COVID-19 pandemic further mobilized financial inclusion efforts across the world through several mechanisms, including the emergency relief payments that governments sent to bank accounts and debit cards. Some countries, such as Kenya and Rwanda, reduced transaction fees and introduced other policies to encourage adoption of digital financial tools. A recent study found that during epidemics more people conduct transactions via the internet, mobile banking accounts, and ATMs (automated teller machines). These shifts do not always persist over time, however, and digital adoption tends to be concentrated among relatively younger and wealthier people. Although the longer-term impacts of the COVID-19 pandemic on financial inclusion efforts remain to be seen, initial research findings suggest an acceleration in the adoption of accounts and digital payments.

Account ownership is needed to use financial services, but ownership alone is not enough to drive development outcomes. An experimental study to test the impact of expanding access to basic bank accounts in Chile, Malawi, and Uganda, for example, found that giving free bank accounts to previously unbanked adults had no impact on savings or welfare. This finding suggests that efforts directed only at expanding access to basic accounts are unlikely to lead to development outcomes unless policies, products, and incentives to increase the use of accounts for payments, savings, and credit are adopted (usage is discussed in chapter 2).

Given the range of the potential benefits of financial access, there is plenty to celebrate in the Global Findex 2021 findings on account ownership as described in section 1.1. But first a word is needed on methods. The Global Findex 2021 data collected in 2021 cover 123 economies. Findex has traditionally collected data through face-to-face interviews in most developing economies, but that method was not possible in some of these economies in 2021 because of the ongoing COVID-19 restrictions on mobility. Thus data were collected for some economies through phone-based surveys, which have some advantages for representation and some disadvantages (see the Findex methodology in appendix A for details on the survey methods and a list of the countries where phone-based methods were used).

---

Global Findex 2021 survey headline findings on account ownership

The Global Findex 2021 survey revealed growth in account ownership. The key findings are as follows:

Account ownership

- Worldwide, account ownership increased by 50 percent in the 10 years spanning 2011 to 2021, to reach 76 percent of the global adult population.

- From 2017 to 2021, the average rate of account ownership in developing economies increased by 8 percentage points, from 63 percent to 71 percent.

- Mobile money is driving growth in account ownership, particularly in Sub-Saharan Africa, where 33 percent of adults have a mobile money account.

- Recent growth in account ownership has been widespread across dozens of developing economies. This geographic spread is in stark contrast to that from 2011 to 2017, when most of the newly banked adults lived in China or India.

- The gender gap in account ownership across developing economies has fallen to 6 percentage points from 9 percentage points, where it hovered for many years.

Opportunities to increase account ownership

- Despite these areas of progress, there continue to be gaps in financial access for typically underserved adults. Women, the poor, the young, and those outside the workforce all continue to have lower account ownership rates on average than men and adults who are higher-income, older, and in the workforce.

- Lack of money, distance to the nearest financial institution, and insufficient documentation are consistently cited by unbanked adults as some of the primary reasons they do not have an account.

- Lack of a mobile phone is a common reason cited in Sub-Saharan Africa by 35 percent of unbanked adults for not having a mobile money account.

- Global efforts for inclusive access to digital identification and mobile phones could be used to increase the account ownership of hard-to-reach populations.

This chapter presents detailed Global Findex 2021 data on the trends in financial access at the global and regional levels and offers examples from specific economies that exemplify, or cut against, the trends. Section 1.1 describes the global growth in financial access, the impact of mobile money on that growth, and the degree to which growth has been equitable for women, the poor, the young, and the less educated. Section 1.2 presents data on those who remain unbanked and the reasons they give for not having an account. The section also points out opportunities to expand financial access.
1.1 Account ownership
1.1 ACCOUNT OWNERSHIP

Accounts are a safe way to store money and build savings for the future. They also make it easier to pay bills, access credit, make purchases, and send or receive remittances. Around 76 percent of people worldwide have an account either at a bank or similarly regulated deposit-taking financial institution, including a mobile money service provider. Yet a regional or economy-level view of account ownership shows wide variation (map 1.1.1). Among the 123 surveyed economies, account ownership ranges from just 6 percent in South Sudan to universal ownership in high-income economies such as Canada, Germany, and the United Kingdom.

How do we define account ownership?

The Global Findex 2021 defines account ownership as ownership of an individual or jointly owned account at a regulated institution, such as a bank, credit union, microfinance institution, post office, or mobile money service provider. Data on adults with an account also include an additional 3 percent of respondents who reported having a debit card in their own name; receiving wages, government transfers, a public sector pension, or payments for the sale of agricultural products into a financial institution account or mobile money account in the past 12 months; or paying utility bills from a financial institution account in the past 12 months.

Financial institution refers to banks and other financial institutions in a specific country that offer a transaction account and that fall under prudential regulation by a government body (excluding mobile money accounts). The definition does not include nonbank financial institutions such as pension funds, retirement accounts, insurance companies, or equity holdings such as stocks. Data on adults with a mobile money account only include respondents who personally used a mobile money service to make payments, buy things, or to send or receive money in the past 12 months.

MAP 1.1.1

Account ownership rates vary across the world

Adults with an account (%), 2021

Source: Global Findex Database 2021.
The data also show significant differences in account ownership rates across economies in the same income group (figure 1.1.1). For example, among low-income economies account ownership varies from 6 percent in South Sudan to 66 percent in Uganda. Among high-income economies, Uruguay has the lowest account ownership rate at 74 percent, and 10 high-income economies have 100 percent account ownership. Thailand boasts the highest account ownership rate among upper-middle-income economies at 96 percent. And in lower-middle-income economies, account ownership ranges from 21 percent in Pakistan to 98 percent in Mongolia.¹⁶

Worldwide, account ownership grew by 50 percent over the past decade

The 76 percent global account ownership rate in 2021 represents a 50 percent increase from the worldwide average of 51 percent reported in 2011, a decade ago (figure 1.1.2). Although account ownership increased on average in both high-income and developing economies, the average rate of growth in developing economies was steeper. Overall, account ownership in developing economies grew by 30 percentage points, from 42 percent in 2011 to 71 percent in 2021—a more than 70 percent increase.

Individual economies saw different rates of growth over the past decade (figure 1.1.3). Between 2011 and 2021, economies such as Peru, South Africa, and Uganda drove up the average with account ownership increases of 25 percentage points or more. Uganda, in fact, saw its rate more than triple, from 20 percent to 66 percent. In India, account ownership more than doubled in the past decade, from 35 percent in 2011 to 78 percent in 2021. This outcome stemmed in part from an Indian government policy launched in 2014 that leveraged biometric identification cards to boost account ownership among unbanked adults. Other economies saw much smaller increases over longer periods. Pakistan, for example, grew by just 10 percentage points over the past decade, from 10 percent in 2011 to 21 percent in 2021. The Arab Republic of Egypt and Nigeria increased ownership by 18 percentage points and 16 percentage points, respectively—from 10 percent to 27 percent in Egypt, and from 30 percent to 45 percent in Nigeria.

The sources of global growth in account ownership have also changed and expanded in recent years. Between 2017 and 2021, account ownership grew by more than 5 percentage points in 62 out of 123 economies, including by more than 10 percentage points in 34 economies. That finding contrasts with the concentrated growth that occurred between 2014 and 2017, driven by India, when account ownership increased by 27 percentage points. During the same period, account ownership in developing economies grew by 8 percentage points, from

¹⁶ The high account ownership rate in Mongolia is driven by the Child Money Programme (CMP). A monthly allowance of Tog 20,000 (about US$7) is paid directly into a bank account by the Mongolian government for every child under the age of 18. Government payments into accounts are discussed further in chapter 2.
55 percent in 2014 to 63 percent in 2017. If India is excluded, account ownership grew by just 3 percentage points, from 55 percent in 2014 to 58 percent in 2017. Put another way, in 2017, of the 467 million newly banked adults in developing economies, 186 million lived outside of India, whereas in 2021, of the 567 million newly banked adults in developing economies, 527 million lived outside of India. Of this recent growth, 284 million was contributed by 17 developing economies.

Among the economies experiencing significant growth just since 2017 are Brazil, Ghana, Morocco, and South Africa, each of which have seen double-digit growth in account ownership. Myanmar saw a 22 percentage point increase in account ownership, from 26 percent in 2017 to 48 percent in 2021.

Despite near-universal account ownership in many high-income economies since 2011, average ownership nonetheless increased by 8 percentage points over the past decade, from 88 percent in 2011 to 96 percent in 2021. Italy and Poland each saw overall account ownership increase by 26 percentage points since 2011, from 71 percent to 97 percent in Italy and from 70 percent to 96 percent in Poland.

**Mobile money helped increase account ownership, especially in Sub-Saharan Africa**

In addition to asking about accounts with formal financial institutions, since 2014 the Global Findex survey has asked respondents about their use of mobile money services. The 2014 data revealed that 2 percent of adults worldwide had a mobile money account, although 12 percent of adults in Sub-Saharan Africa had one. The 2021 data reflect continued global leadership by Sub-Saharan Africa in mobile money account ownership, with 33 percent of adults in the region having a mobile money account, compared with 10 percent of adults globally (figure 1.1.4).

The quick and sustained growth of mobile money accounts throughout the region can be attributed to the wide availability of mobile money services. Sub-Saharan Africa is home to all 11 of the world’s economies in which more adults only have a mobile money account than a financial institution account. They are Benin,
FIGURE 1.1.3
Developing economies grew account ownership overall, but at different rates
Adults with an account (%), 2011–21

(figure continues on next page)
Developing economies grew account ownership overall, but at different rates

Adults with an account (%), 2011–21
Cameroon, the Republic of Congo, Côte d’Ivoire, Gabon, Guinea, Malawi, Sierra Leone, Tanzania, Zambia, and Zimbabwe. In 2014, mobile money accounts were concentrated in East Africa. Since then, these accounts have spread to West Africa and beyond, with mobile money account ownership in Gabon (Central Africa) increasing from just 7 percent in 2014 to 57 percent in 2021 and in Uganda (East Africa) from 35 percent in 2014 to 54 percent in 2021 (map 1.1.2).

In economies such as Benin and Cameroon, mobile money account ownership has more than doubled just since 2017, from 18 percent to 37 percent in Benin and from 15 percent to 42 percent in Cameroon (figure 1.1.5). Economies outside Sub-Saharan Africa—such as Bangladesh, Brazil, and Paraguay—also saw increases in mobile money account ownership.

Mobile money accounts are not just an addition for those people who already own an account. Many economies in Sub-Saharan Africa saw growth in mobile money accounts accompanied by a decline in financial institution accounts. For example, account ownership in Benin increased overall, from 38 percent in 2017 to 49 percent in 2021. During that time, the share of adults with a mobile money account doubled, from 18 percent in 2017 to 37 percent in 2021, and the share of adults with a financial institution account decreased by 8 percentage points, from 32 percent to 24 percent. In another example, financial institution account ownership in Ghana remained mostly stagnant after 2017, and yet mobile money account ownership increased by 21 percentage points, from 39 percent to 60 percent, boosting overall account ownership by 11 percentage points. Meanwhile, in Zambia overall account ownership remained mostly stagnant from 2017 to 2021: financial institution account ownership decreased by 12 percentage points, from 36 percent to 24 percent, and mobile money account ownership increased by 14 percentage points, from 28 percent to 42 percent.

The COVID-19 pandemic drove increases in the adoption of mobile money as people embraced the ease of using mobile phones for financial transactions. Benin, Cameroon, the Republic of Congo, Gabon, Ghana, Malawi, the Republic of Togo, and Zambia each saw double-digit growth in mobile money accounts.
Fragile and conflict-affected economies such as Cameroon and the Republic of Congo saw almost 70 percent growth in the share of adults with a mobile money account. In parallel, most of the fragile and conflict-affected economies saw either stagnation or a decrease in the share of adults with a financial institution account.

Some economies in Sub-Saharan Africa showed an increase in both financial institution and mobile money accounts. For example, in Côte d’Ivoire overall account ownership increased by 10 percentage points, from 41 percent in 2017 to 51 percent in 2021. The increase was driven by 6 percentage point growth in both financial institution and mobile money accounts. South Africa saw a 16 percentage point increase in account ownership from 2017 to 2021, also led by both financial institution and mobile money accounts.

**Account access gaps are narrowing overall, but not everywhere or for everyone**

The growth in account ownership since 2011 has not benefited all groups equally. There has been some progress, though women, the poor, and the less educated, remain less likely than men, the rich, and the educated to have an account (figure 1.1.6).

**Documenting the gender gap in account ownership**

Globally, 78 percent of men and 74 percent of women have an account—a gender gap of 4 percentage points. Developing economies have a wider average gap, 6 percentage points, a decrease from 9 percentage points after many years of remaining unchanged (figure 1.1.7). In 2021, 74 percent of men but only 68 percent of women in developing economies had an account.
FIGURE 1.1.5
Financial institution accounts versus mobile money accounts—increases, decreases, and substitutions
Adults with an account (%), 2014–21

Source: Global Findex Database 2021.
Note: Paraguay was not surveyed in 2014.
FIGURE 1.1.6
*Gender, income, age, education, and workforce gaps remain in every region around the world*
Adults with an account (%), 2021

Source: Global Findex Database 2021.
a. Employment status for adults in China is not available.

FIGURE 1.1.7
*Efforts to narrow the gender gap have paid off since 2017*
Adults with an account (%), 2011–21

Source: Global Findex Database 2021.
Sub-Saharan Africa and the Middle East and North Africa reported 12 and 13 percentage point gender gaps, respectively—twice as large as the developing economy average and three times larger than the global average. By contrast, the gender gap in account ownership in East Asia and Pacific is insignificant at 3 percentage points. In Latin America and the Caribbean, women are 7 percentage points less likely than men to have an account.

On average, developing economies that had no gender gap in 2017—such as Indonesia, Mongolia, Myanmar, the Russian Federation, Serbia, Sri Lanka, and South Africa—still do not have a gap. Of the economies that had gender gaps, nine saw them grow, while 18 saw reductions. Even within regions, there are appreciable differences. For example, in Sub-Saharan Africa the gender gap ranges from insignificant in Uganda to 27 percentage points in Côte d'Ivoire. In the East Asia and Pacific region, the differences range from virtually no gender gap in account ownership in Indonesia, Mongolia, and Thailand to an 8 percentage point gap in the Philippines.

The growth or decline of the gender gap adheres to different patterns, depending on the economy. No single set of circumstances drives gender equity in relation to account growth overall. In some economies, the gender gap has narrowed as overall account ownership has increased. For example, Uganda saw significant growth in account ownership among women, thereby removing any gender gap. Large growth in account ownership in India likewise reduced the gender gap from 22 percentage points in 2011 to insignificant in 2021. Türkiye saw a modest decline in the gender gap from 29 percentage points in 2017 to 23 percentage points in 2021, accompanied by growth in account ownership. In Mali and Peru, the gender gap fell significantly after 2017 as account ownership for women doubled (figure 1.1.8).

In other economies, however, gender gaps have decreased despite the lack of growth in overall account ownership. Bangladesh, for example, showed no growth in overall account ownership between 2017 and 2021, although the growth in mobile money accounts for women narrowed the gender gap to 19 percentage points. Similarly, Pakistan saw its gender gap narrow from 28 percentage points to 15 percentage points, despite flat overall account ownership.

**FIGURE 1.1.8**

*Developing economies have varied widely in how effectively they tackle the gender gap*

Adults with an account (%), 2017–21

![Graph showing gender gap in account ownership by country and year](chart.png)

Source: Global Findex Database 2021.
Other developing economies that saw growth in account ownership over the past decade missed the opportunity for greater progress because of lack of inclusive growth. In Brazil and Colombia, for example, account ownership grew by about 15 percentage points, but the gender gap remained unchanged at around 7 percentage points. In Côte d’Ivoire, account ownership grew by 10 percentage points from 2017 to 2021, but the gender gap between women and men more than doubled during the same time, from 11 percentage points to 27 percentage points. In Bosnia and Herzegovina, account ownership grew by 20 percentage points after 2017, but the gender gap doubled from 8 percentage points to 18 percentage points.

**Mobile money has enabled more equal access to accounts in some regions**

In some regions, the spread of mobile money accounts has created new opportunities to better serve women, poor people, and other groups who traditionally have been excluded from the formal financial system. Indeed, there are some early signs that mobile money accounts may be helping to close the gender gap.

In Sub-Saharan Africa, technology is helping to drive inclusive access to finance, especially for women. In the 15 economies (up from eight in 2017) in which 20 percent or more of adults have only a mobile money account, all but Uganda have a statistically significant gender gap for account ownership overall, including both financial institution and mobile money accounts. The 15 economies are Benin, Cameroon, the Republic of Congo, Côte d’Ivoire, Gabon, Ghana, Kenya, Liberia, Malawi, Senegal, Tanzania, Togo, Uganda, Zambia, and Zimbabwe. Yet in seven of these 15—Cameroon, Gabon, Ghana, Kenya, Liberia, Tanzania, and Uganda—more women than men had only a mobile money account in 2021. In Gabon, women are 5 percentage points more likely than men to only have a mobile money account. In Kenya, men and women are equally likely to have only a financial institution account, and men are 9 percentage points more likely to have both accounts, while women are 4 percentage points more likely to have only a mobile money account.

These results are encouraging, but many more years of data and research are needed to understand the connections among mobile money accounts, formal financial services, and gender inequality in account ownership. Meanwhile, the distinction between types of accounts may begin to blur as more financial institutions design services tailored to the needs of poor people and as more mobile money operators enter partnerships with financial institutions.

**The income gap in account ownership has halved in the past decade**

Poorer adults worldwide are less likely than wealthier ones to have an account. Among adults in the richest 60 percent of households, 79 percent have an account, while only 72 percent of the poorest 40 percent of households do, resulting in an income gap in account ownership of 7 percentage points. This gap has halved since 2011. In developing economies, the income gap is 8 percentage points, a decrease from 20 percentage points in 2011 (figure 1.1.9).

In many developing economies, however, the income gap in account ownership is still in double digits. In Kenya, where account ownership is 79 percent, wealthier adults are about 20 percentage points more likely than poor adults to have an account. In economies such as Mozambique, Myanmar, Nigeria, Uganda, and Zambia, where account ownership ranges from 45 percent to 66 percent, the gap is more than 20 percentage points. In the Philippines and Türkiye, account ownership grew significantly over the past decade, but the income gap remained stagnant at more than 20 percentage points.

A few developing economies do not have a significant income gap. In Brazil, for example, account ownership among richer adults stood at 85 percent in 2021, compared with 82 percent among poorer adults. Mongolia and Thailand have achieved near-universal account ownership, with almost equal coverage of richer and poorer adults.
The income gap in financial access has narrowed by 6 percentage points since 2017

Adults with an account (%), 2011–21

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a. High-income economies</td>
<td>100</td>
<td>98</td>
<td>96</td>
<td>94</td>
<td>75</td>
<td>72</td>
<td>70</td>
<td>68</td>
</tr>
<tr>
<td>b. Developing economies</td>
<td>40</td>
<td>42</td>
<td>44</td>
<td>46</td>
<td>60</td>
<td>58</td>
<td>56</td>
<td>54</td>
</tr>
</tbody>
</table>

On average, high-income economies do not have a large gap in account ownership between richer and poorer adults because account ownership is nearly universal in these economies. There are, however, some exceptions. Croatia, Hungary, and Uruguay all have a double-digit account ownership gap between adults in the richest 60 percent of households and those in the poorest 40 percent. The income gap in account ownership in the United States is 6 percentage points, down from 13 percentage points in 2017.

Gender and income are not the only individual characteristics that appear to matter for the likelihood of owning an account. Age, educational level, employment status, and rural residency are all associated with significant differences in account ownership.

Account access differs by age group

Account ownership is higher among older adults—that is, those 25 and up—than among young adults—those between the ages of 15 and 24. Worldwide, this gap narrowed marginally by 3 percentage points, from 17 percentage points in 2011 to 14 percentage points in 2021. In 2021, 79 percent of adults worldwide age 25 and older had an account, while 66 percent of those ages 15–24 did. The trend is similar for both high-income and developing economies.

The age gap varies among developing economies. In the West Bank and Gaza, older adults are more than twice as likely as younger adults to have an account. In Algeria and Egypt, the age gap in account ownership is almost 25 percentage points. In Jordan, Morocco, and Tunisia, the age gap is not as high, yet it is still in double digits. In other economies such as Peru and the Philippines, the age gap is 15 percentage points, similar to the global age gap. Yet in China and Türkiye, the data show no major difference in account ownership between the age groups. And in Myanmar, younger adults are 11 percentage points more likely than older ones to have an account.

17. Some countries restrict account ownership to ages 21 and above.
In Sub-Saharan Africa, technology-enabled mobile money accounts are also helping drive inclusive access to finance for younger women. The gender gap for financial institution accounts increases as women age, but it remains small for men and women who only have mobile money accounts (figure 1.1.10). Among economies in Sub-Saharan Africa with more than 20 percent of adults with a mobile money account, young adult men are 8 percentage points more likely than young adult women to have a financial institution account. As adults grow older, this gap increases to 9 percentage points between men and women ages 25–50 and 15 percentage points between men and women age 51 and older.

By contrast, there is no gender gap in mobile money account ownership as adults age. Twenty-five percent of young women have only a mobile money account, and 27 percent of the men do; the age gap for mobile money accounts remains insignificant as adults age.

Mobile money account ownership is lower among older age groups, however, and the take-up of mobile money accounts is lower for older women, compared with younger women. Among economies with more than 20 percentage point mobile money account ownership, women age 51 and older are 7 percentage points less likely than young women ages 15–24 to use only a mobile money account. Technology can create barriers for older consumers who may prefer traditional methods of making transactions, or for those who may lack the familiarity, confidence, or digital literacy to engage with digital financial services.18

**FIGURE 1.1.10**

*Gender gap barely exists for young adults who only have a mobile money account*

Adults with an account (%), 2021

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Women</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial account</td>
<td>20</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Mobile money account only</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td><strong>Men</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial account</td>
<td>40</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Mobile money account only</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Global Findex Database 2021.
Note: Data are shown for economies in Sub-Saharan Africa in which the share of adults with a mobile money account is greater than 20 percent.

18. GPFI and World Bank (n.d.).
**Education also drives account ownership**

Account ownership continues to be low among less educated adults—that is, those who have a primary education or less. In developing economies, these adults are 14 percentage points less likely to have an account than their counterparts with at least a secondary education. Less educated adults are also likely to be poorer, which may help explain the gap. Less educated adults are more likely as well to be vulnerable to fraud and to falling into poverty, which makes it challenging to increase account ownership in this group.

In Europe and Central Asia, in economies such as Romania and Ukraine, account ownership rates among more educated adults are almost twice those of less educated adults. In Bosnia and Herzegovina, less educated adults are 32 percentage points less likely than their more educated counterparts to have an account. In Sub-Saharan Africa, although there are wide variations in the education gap in account ownership, more educated adults continue to have greater account ownership. In South Africa, for example, more educated adults are 13 percentage points more likely than their less educated counterparts to have an account. This gap is 39 percentage points in Nigeria and 45 percentage points in Mozambique.

**Working—or looking for work—correlates with having a financial account**

Adults who are active in the labor force—whether employed or seeking work—are more likely to have an account than those who are out of the labor force. Working adults have many needs for financial services, such as receiving wages from an employer or saving their earnings from a business.

Globally, excluding China (its employment status for adults is unavailable), 77 percent of adults who are active in the labor force have an account, whereas only 65 percent of those out of the labor force have an account, leaving a gap of 12 percentage points. The gap is similar in developing economies and smaller in high-income ones. Most developing economies have a gap in account ownership between the active and inactive groups. In Nigeria and Pakistan, adults who are active in the labor force are roughly twice as likely to have an account as those who are not. In other regions such as Europe and Central Asia and the Middle East and North Africa, this gap is about 16 percentage points. On the other hand, developing economies such as Argentina and Myanmar show no account ownership gap between adults based on their labor force participation.

In some regions, the gap in labor force participation is accentuated by the gender gap. For example, in the East Asia and Pacific region, excluding China, men out of the labor force are 8 percentage points more likely than women out of the labor force to have an account. By contrast, the gender gap for adults in the labor force is insignificant. This pattern is the same in all regions except Sub-Saharan Africa, where both groups have a substantial gender gap. In Türkiye, the gender gap among adults who are out of the labor force is high, 31 percentage points. Among adults in the labor force, it shrinks to 9 percentage points.

**The rural gap exists, but it is not clear how big it is**

In developing economies, account ownership tends to be lower in rural areas than in urban areas. But precisely quantifying the urban-rural gap is difficult. Defining what makes an area rural is complex—should the distinction be based on population density, on the availability of certain services and infrastructure, or on the subjective judgment of the interviewer or of the respondent? These definitional issues become more challenging when applied across economies—what might be considered rural in Bangladesh or India, for example, might be considered urban in less populous economies. The Gallup World Poll—the survey to which the Global Findex questionnaire is added—uses different approaches in different economies to account for these variables, thereby making it difficult to produce a consistent definition of the urban-rural divide at the global and regional levels. Another challenge is that the estimates of account ownership for urban populations are often imprecise.
Recently, Gallup distinguished between rural and urban based on population grids\(^\text{19}\) (not administrative units) that directly capture the spatial concentration of people, instead of relying on the perception respondents have of the urbanicity of their residence. The Global Findex 2021 database uses this estimate and provides account ownership averages for adults living in rural and urban areas. These averages are available only for those economies in which face-to-face surveys were conducted and are not compared with the 2011, 2014, and 2017 data, nor with regional or global averages.

The data on the relationship between rural and urban residency and account ownership are mixed (figure 1.1.11). In the Lao People’s Democratic Republic, adults in urban areas are 39 percentage points more likely to have an account than adults in rural areas, where only 30 percent of adults have an account. In Cambodia and Zambia, adults in urban areas are almost twice as likely to have an account as adults in rural areas. There are also double-digit differences in account ownership between adults in urban areas and those in rural areas in Côte d’Ivoire (12 percentage points), Kenya (14 percentage points), Nigeria (20 percentage points), Tanzania (13 percentage points), and Uganda (12 percentage points). By contrast, in developing economies such as Bangladesh, India, and Malaysia, there is virtually no difference in account ownership between adults living in urban and rural areas.

**FIGURE 1.1.11**

*The rural-urban account ownership gap varies widely by economy*

Adults with an account (%), 2021

<table>
<thead>
<tr>
<th>Country</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lao PDR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nigeria</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uganda</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zambia</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Global Findex Database 2021.

19. For additional information, see OECD and EC (2020).
1.2 Opportunities to increase account ownership through an enabling environment
1.2 OPPORTUNITIES TO INCREASE ACCOUNT OWNERSHIP THROUGH AN ENABLING ENVIRONMENT

Globally, about 1.4 billion adults are still unbanked—that is, they do not have an account at a financial institution or through a mobile money provider (map 1.2.1). This number has declined from 2.5 billion in 2011 and 1.7 billion in 2017. Because account ownership is nearly universal in high-income economies, virtually all unbanked adults live in developing economies. Indeed, 54 percent of the unbanked—740 million people—live in only seven economies. Meanwhile, despite having relatively high rates of account ownership, China and India claim large shares of the global unbanked population (130 million and 230 million, respectively) because of their size (figure 1.2.1). Pakistan, with 115 million unbanked adults, and Indonesia, with 100 million, have the next-largest populations of unbanked. These four economies, together with Bangladesh, Egypt, and Nigeria—are home to more than half of the world’s unbanked population. The top five economies hosting the largest share of the world’s unbanked were the same in 2017 and 2021.

Women, poor adults, the less educated, and those outside the labor market continue to be underserved

As account ownership continues to grow, women, poor adults, and less educated adults continue to make up the majority of people excluded from the formal financial sector. Improving financial access for these groups will involve building an enabling, inclusive infrastructure for financial services.

MAP 1.2.1

Globally, 1.4 billion adults are unbanked

Adults with no account, 2021

Source: Global Findex Database 2021.
Note: Data are not displayed for economies in which the share of adults without an account is 5 percent or less or for economies for which no data were available.
Women are more likely than men to be unbanked. About 740 million women (13 percent of all adults globally and 54 percent of the unbanked) do not have an account (figure 1.2.2). The majority of unbanked adults continue to be women even in economies that have successfully increased account ownership and have a small share of unbanked adults. In Türkiye, for example, about a quarter of adults are unbanked, and yet 71 percent of those unbanked adults are women. Brazil, China, Kenya, Russia, and Thailand also have relatively high rates of account ownership, compared with their developing economy peers, and yet a majority of those who are still unbanked are women. Things are not much different in economies in which less than half the population is banked. For example, in Egypt, Guinea, and Pakistan women make up more than half of the unbanked population. Why? As explained later in this chapter, women are often excluded from formal banking services because they lack official forms of identification, do not own a mobile phone or other form of technology, and have lower financial capability.

In the developing world, vulnerable adults continue to be those more likely unbanked, with some regional variations in the groups representing large shares of the unbanked. In the East Asia and Pacific region, 53 percent of unbanked adults are in the poorest 40 percent of households. In China, only 11 percent of adults are unbanked—and yet 60 percent of them are in the poorest 40 percent of households. Globally, the poorest 40 percent of households make up nearly half of all the unbanked.

In the Middle East and North Africa, 70 percent of the unbanked adults are unemployed or out of the workforce. For example, in Egypt 73 percent of adults are unbanked, and, of those, 65 percent are unemployed or out of the workforce. Some of these numbers obscure gender inequality in labor force participation among unbanked adults: in the same region, women are 12 percentage points more likely than men to be out of the labor force. Globally, 64 percent of unbanked adults have a primary education or less. In Sub-Saharan Africa, 74 percent of the unbanked have only a primary education or less. The share of unbanked adults with low educational attainment is even higher in some economies, such as Mozambique, where 90 percent of unbanked adults have a primary education or less, as well as

Source: Global Findex Database 2021.
Côte d’Ivoire (83 percent) and Tanzania (88 percent). In Kenya, where 79 percent of adults have an account, 62 percent of the remaining unbanked adults have a primary education or less.

Adults living in rural areas also represent a higher share of the unbanked in certain economies, particularly in Sub-Saharan Africa, where 62 percent of unbanked adults are rural dwellers. In Tanzania, of the 48 percent of unbanked adults, 71 percent live in rural areas. In Uganda and Zambia, 70 percent and 67 percent of unbanked adults, respectively, live in rural areas.

As for account ownership and a person’s age, in Sub-Saharan Africa, for example, young adults (ages 15–24) make up almost 40 percent of the unbanked. Adults in this age range, who may be entering the workforce as wage workers or as self-employed professionals, could benefit from having a safe place to save money and build a credit history. By contrast, in some Europe and Central Asian countries, older adults are more likely to be unbanked. In Bulgaria and Ukraine, about a third of unbanked adults are 65 years and older. One reason is that older adults may be reluctant to adopt new ways of making financial transactions, particularly if these new methods require technologies with which they are unfamiliar.

These trends related to the unbanked suggest that further efforts to expand access must consider the needs and existing skills of the population to ensure that increased access provides key benefits while protecting users from financial abuse.

Lack of money, perceived cost of accounts, and distance to financial institutions are the top reasons people remain unbanked

Globally, 24 percent of adults are unbanked. To help shed light on why people do not have an account, the Global Findex 2021 survey asked unbanked adults why they did not have one—either a financial institution account (as queried by Findex since its inception) or a mobile money account (as queried by Findex for the first time in the 2021 survey).

Respondents could offer more than one reason, and most, on average, gave more than two reasons for not having a financial institution account. Sixty-two percent of the unbanked cited “lack of money” as one of

FIGURE 1.2.3

Lack of money, among other reasons, is often a barrier for not having a financial institution account

Adults with no account (%) citing a given barrier as a reason for having no financial institution account, 2021

Source: Global Findex Database 2021.
Note: Respondents could choose more than one reason.
multiple responses (figure 1.2.3). In other words, people typically replied that they do not have enough money, and then included another barrier, such as financial services are too expensive to use or too far away. These answers suggest that people would open an account if banking costs were lower or if the banks were located more conveniently. Only 12 percent of adults reported not having enough money as their only barrier. All other barriers were reported as the only reason by fewer than 4 percent of unbanked adults.

Worldwide, 36 percent of unbanked adults said that financial services are too expensive. This share was almost twice as high (60 percent) in Latin America and the Caribbean. In Brazil, Colombia, Honduras, Nicaragua, Panama, Paraguay, and Peru, more than 60 percent of unbanked adults cited cost as a barrier.

Distance is a barrier for 31 percent of unbanked adults. In some economies, the share was higher, with 53 percent of unbanked adults in Liberia saying that financial institutions were too far away. Other economies in which a higher share of unbanked adults cited distance as a barrier were Bolivia (47 percent), India (43 percent), Lao PDR (45 percent), and Uganda (41 percent).

Globally, 30 percent of unbanked adults said that they do not have an account because a family member already has one. In some economies, this reason is more likely to be reported by women than by men. Among the unbanked in Türkiye, 39 percent of women mentioned this reason and 25 percent of men. The data reveal significant gender gaps in Algeria, Bolivia, Nepal, Pakistan, and Tunisia, where women are more likely than men to report this reason. Most of these countries also had significant gender gaps in account ownership. By contrast, in China and India men and women were equally likely to say they do not have an account because a family member already has one.

Documentation requirements may also hamper account ownership. Twenty-seven percent of the unbanked reported lacking the documentation needed to open an account. Unbanked adults were more likely to cite these barriers in economies such as Colombia (43 percent), Tanzania (50 percent), and Uganda (50 percent). Opportunities to address documentation requirements are discussed in more detail later in this chapter.

Distrust of the financial system is a greater barrier in some regions, and globally it was cited by 23 percent of unbanked adults. In Europe and Central Asia and in Latin America and the Caribbean, about a third of unbanked adults said they do not have an account because they distrust the banking system. In Ukraine, 54 percent of unbanked adults listed distrust in the financial system as one of the reasons for their lack of an account. More than one in three unbanked adults cited the same barrier in Argentina, Bolivia, Bulgaria, Colombia, Jamaica, and Russia, among others.

Finally, only 10 percent of the unbanked adults globally cited religion as a barrier. In the Middle East and North Africa, where adults might prefer Sharia-compliant banking services, 24 percent and 19 percent of the unbanked in Iraq and Morocco, respectively, cited religion as a barrier.

In Sub-Saharan Africa, mobile phone ownership and identification documents are important barriers to mobile money accounts, especially for women

As discussed in section 1.1 of this chapter, Sub-Saharan Africa continues to be the global leader in mobile money account ownership, with 33 percent of adults reporting having a mobile money account, compared with only 10 percent of the global population. In the context of such growing mobile adoption, the Global Findex 2021 survey asked unbanked adults why they do not have a mobile money account. Respondents could give more than one reason, though most gave fewer than two for not having a mobile money account.

The most cited barrier to getting a mobile money account was lack of money, which is consistent with the reasons cited for why unbanked adults do not have a financial institution account. Nearly 60 percent of unbanked adults said they do not have enough money to open one, but this was the sole barrier cited by only about 14 percent of unbanked adults (figure 1.2.4).
The second most cited reason for not having a mobile money account was lack of a mobile phone—35 percent of unbanked adults in Sub-Saharan Africa reported this as one of the reasons. In Liberia, Malawi, Mozambique, and South Sudan, more than half of unbanked adults cited the lack of a mobile phone as a barrier to mobile money account ownership. Across Sub-Saharan Africa, unbanked women are 7 percentage points more likely than unbanked men to cite lack of a mobile phone as one reason they do not have an account. This gap increases to 14 percentage points in Nigeria, where women are almost twice as likely as men to cite lack of a mobile phone as a barrier to account ownership. Ghana reported a double-digit gap (10 percentage points) between women and men citing mobile phone ownership as a barrier.

Another barrier is lack of identification. Thirty percent of unbanked adults in the Sub-Saharan region reported they do not have the documentation needed to open a mobile money account. In Liberia, Mozambique, South Sudan, and Tanzania more than 40 percent of unbanked adults cited lack of documentation as a barrier. Benin, Burkina Faso, Côte d’Ivoire, Nigeria, Senegal, and South Sudan all have significant gender gaps corresponding to this barrier.

Finally, 16 percent of unbanked adults use an agent or someone else, such as a family member or friends, to make payments and thus do not open an account. Even in an economy such as Ghana, where 60 percent of adults have a mobile money account, 26 percent of unbanked adults say they do not have an account because they use an intermediary to make payments.

Opportunities to expand financial inclusion through better access to formal identification and mobile phones

Providing adults with identification could help increase account ownership

Identification is almost always a requirement for opening an account. In addition, identification is typically required to purchase and activate the registered SIM card needed to run a mobile phone—and these registered SIM cards are also required to open a mobile money account. Widespread identification documentation is
therefore necessary for the success of national strategies to expand financial inclusion, especially among women, rural dwellers, and poor adults. Policies around identification have already proven to be successful at driving account ownership. In India, for example, the introduction of a widely accessible digital identifier (Aadhar number) contributed to a significant increase in financial inclusion, driving account ownership up to 80 percent of adults in 2017 from 35 percent in 2011.

In 83 percent of economies in Sub-Saharan Africa, commercial banks require a government-issued identification document.20 This requirement appears to be a barrier for adults across the region—37 percent of unbanked adults say lack of documentation is one reason they do not have a financial institution account, and 30 percent of adults say it is a barrier to opening a mobile money account. In Liberia, Mauritius, Mozambique, South Sudan, and Tanzania more than 40 percent of unbanked adults say lack of documentation is one reason they do not have a financial institution account.

New data collected in partnership with the World Bank’s Identification for Development (ID4D) initiative reveal fresh insights into the relationship between account ownership and access to identification (ID), such as a national identification document or other legally recognized identification credential.21 In Sub-Saharan Africa, 105 million adults (16 percent of adults) are unbanked and have no ID (map 1.2.2). In South Sudan, 83 percent of the unbanked (5 million adults) have no ID. Other economies with large shares of adults who are unbanked and have no ID are Mozambique (5 million adults, or 58 percent of the unbanked) and Tanzania (7 million adults, or 48 percent of the unbanked). Women in the region are 5 percentage points more likely than men to be unbanked and have no ID. Larger gender gaps among the unbanked with no ID are observed in Benin, Côte d’Ivoire, and Liberia (13 percentage points in each economy), among others.

Improving access to identification is often not enough to increase account ownership because national ID does not always satisfy the KYC (“know your customer”) requirements when opening an account. People often need to show local documentation as well—such as a utility bill with a home address—and this may be difficult to produce. For example, within the sample of adults who report documentation as a barrier, almost half of adults do have an ID. In Guinea and Tanzania, about half of the unbanked adults have an ID, and this share is greater than two-thirds in 12 Sub-Saharan Africa economies, including Cameroon, Côte d’Ivoire, and Mali (figure 1.2.5). The majority of unbanked adults in Kenya, Namibia, and South Africa have ID. Outside of Sub-Saharan Africa, more than 80 percent of the unbanked adult populations in developing economies have national ID, except for the unbanked in Armenia, the Islamic Republic of Iran, Jamaica, Lao PDR, and Nepal.

21. The survey asks respondents whether they personally possessed the economy’s foundational ID. For each economy, the survey used the actual term for the foundational ID in the local language. A foundational identification system is primarily created to manage identity information for the general population and provide credentials that serve as proof of identity for a wide variety of public and private sector transactions and services. For more details, see World Bank (forthcoming).
More than half of unbanked adults in South Asia have a mobile phone

Adults with no account but with a mobile phone, 2021

Sources: Global Findex Database 2021; Gallup World Poll.
Note: Data are not displayed for economies for which no data were available.

Leveraging mobile phones could increase financial account ownership

In many high-income economies, debit and credit cards used at point-of-sale terminals dominate the digital payments landscape. By contrast, in most developing economies fewer adults have such cards. The growing presence of mobile phones in developing economies could allow these economies to leapfrog directly to mobile payments and thereby increase account ownership.

The Gallup World Poll collects data on mobile phone ownership in countries surveyed face-to-face. In South Asia, for example, 240 million unbanked adults have a mobile phone—that is, more than half of the 430 million unbanked in the region (map 1.2.3). More specifically, 56 percent of all unbanked adults in the region have a mobile phone, including 51 percent of unbanked adults in India and 55 percent of unbanked adults in Pakistan. In Bangladesh, 69 percent of unbanked adults have a mobile phone; in Nepal, 73 percent (figure 1.2.6).

Similarly, in Sub-Saharan Africa 165 million adults without an account (56 percent of the unbanked) have a mobile phone. Although the data show variations from economy to economy, in most Sub-Saharan African economies surveyed, the majority of unbanked adults have mobile phones. For example, in Côte d’Ivoire, where 49 percent of adults are unbanked, 72 percent of unbanked adults have a mobile phone. In Guinea, where 70 percent of adults are unbanked, 74 percent of them have a mobile phone. However, in Mozambique and Zambia, only 36 percent and 40 percent of unbanked adults, respectively, have a phone (map 1.2.4 and figure 1.2.7).
Data suggest that mobile phones could overcome some of the barriers that unbanked adults say prevent them from accessing financial services. For example, digital financial services could mitigate the problem of physical distance between financial institutions and their customers. Confirmation may be the fact that unbanked adults in developing economies who cited distance as a barrier have high rates of mobile phone ownership. The share is even higher in some economies with remote areas or remote islands where digital financial services could be especially effective. In Indonesia, for example, 36 percent of unbanked adults cited distance as a barrier, and 55 percent of this group reported having a mobile phone. In Cambodia, 35 percent of unbanked adults cited distance as a barrier, and yet 75 percent of them also reported owning a mobile phone.

The gender gap in mobile access must be addressed to ensure equitable progress on financial inclusion

Leveraging mobile phone ownership to expand financial inclusion could also narrow the gender gap in economies where women are as likely as men to own a mobile phone. But that is not the case everywhere.
FIGURE 1.2.7
In most economies in Sub-Saharan Africa, most unbanked adults have a mobile phone
Adults with no account (%), 2021

Sources: Global Findex Database 2021; Gallup World Poll.
Note: Gabon and Mauritius are not included in the figure because data on mobile phone ownership were not available.
In South Asia, for example, women are 22 percentage points less likely than men to have a mobile phone. India and Bangladesh are near the South Asian average, with gaps in mobile ownership of 19 and 20 percentage points, respectively. In Pakistan, women are half as likely as men to have a mobile phone (figure 1.2.8).

Mobile phones in Sub-Saharan Africa are central to account ownership in the economies in this region. Future progress, however, depends in part on ensuring that women have access to this crucial technology. Among adults in Sub-Saharan Africa, 80 percent of men have a mobile phone, compared with 69 percent of women—a gender gap of 11 percentage points. Yet in several economies, including Cameroon and Zambia, women are almost as likely as men to own a mobile phone (figure 1.2.9). In some economies, such as Zimbabwe, women are more likely than men to have a mobile phone.

**Unbanked adults express insecurity about managing an account on their own**

To understand both whether unbanked adults are comfortable using an account at a financial institution and how receptive populations might be to digitalization, the Global Findex 2021 survey asked unbanked adults whether they would be able to use an account without help if they opened one.

The responses revealed much insecurity. In developing economies, 64 percent of unbanked adults said they could not use an account at a financial institution without help, and in some economies the proportion was even larger. In Pakistan, for example, more than four out of five unbanked adults said they could not use an account at a financial institution without help. In Egypt and South Sudan, 65 percent and 79 percent of unbanked adults, respectively, said they would need help using an account at a financial institution (figure 1.2.10).
A gender gap in mobile access exists in some economies in Sub-Saharan Africa, but not all

Adults with a mobile phone (%), 2021

Source: Gallup World Poll.
Note: Gabon and Mauritius are not included in the figure because data on mobile phone ownership were not available.
Disadvantaged populations are even less likely to be able to use banking services confidently. In developing economies, unbanked women are 10 percentage points more likely than unbanked men to say they would need help using an account at a financial institution. In Brazil, unbanked women are 31 percentage points more likely than unbanked men to say they would need help; in Nigeria, they are twice as likely.

Thus new account holders, especially those opening their first account to receive a payment, must be able to understand the fee structure for the account and receive ongoing support in using it. Financial service providers play a role in ensuring that staff and agents provide complete and accurate information, and governments must define and enforce consumer protection regulations.
References


