1 ACCOUNT OWNERSHIP

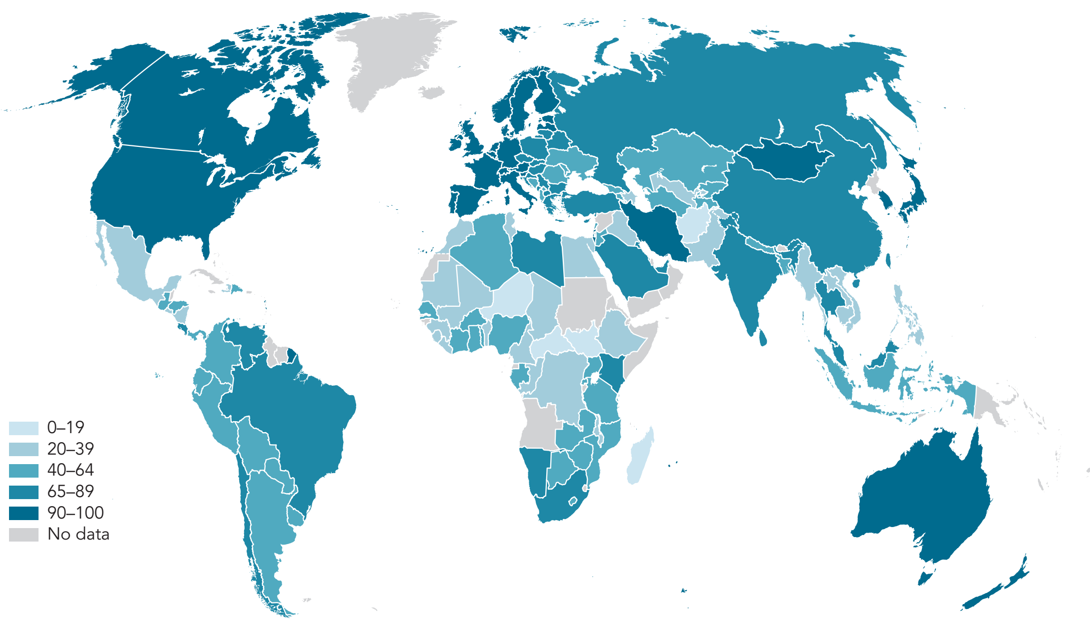
Globally, 69 percent of adults have an account. That gives them an important financial tool. Accounts provide a safe way to store money and build savings for the future. They also make it easier to pay bills, access credit, make purchases, and send or receive remittances. Having an account is therefore used by the World Bank and others as a marker of financial inclusion.

The 2017 Global Findex database defines account ownership as having an individual or jointly owned account either at a financial institution or through a mobile money provider. The first category includes accounts at a bank or another type of formal, regulated financial institution, such as a credit union, a cooperative, or a microfinance institution.[1] The second consists of mobile phone–based services, not linked to a financial institution, that are used to pay bills or to send

MAP 1.1

Account ownership varies widely around the world

Adults with an account (%), 2017



Source: Global Findex database.

or receive money. These mobile money accounts allow people to store money and to send and receive electronic payments.[2]

To identify people with a mobile money account, the 2017 Global Findex survey asked respondents about their use of specific services available in their economy —such as M-PESA, MTN Mobile Money, Airtel Money, or Orange Money—and included in the GSM Association's Mobile Money for the Unbanked (GSMA MMU) database. The definition of a mobile money account is limited to services that can be used without an account at a financial institution. People using a mobile money account linked to their financial institution are considered to have an account at a financial institution. The question on mobile money accounts was asked only in the 77 economies—among the 144 included in the survey—where the GSMA MMU database indicates that mobile money accounts were available at the time the survey was carried out.

Account ownership around the world

Account ownership is nearly universal in high-income economies, where 94 percent of adults have an account. In developing economies—those classified by the World Bank as low or middle income—the share is 63 percent.

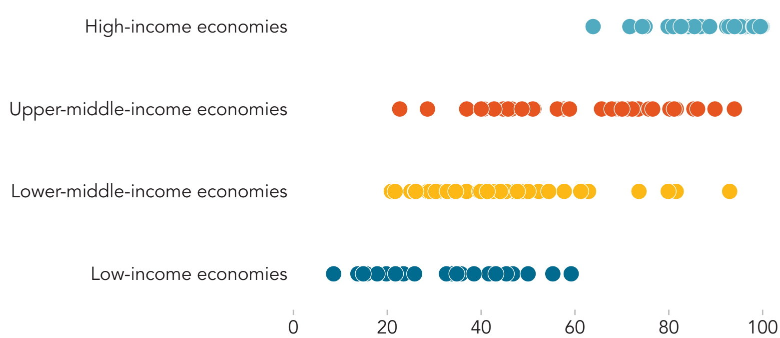
But there is wide variation in account ownership among economies (map 1.1). Indeed, there are large differences even within income groups (figure 1.1). Consider the lower-middle-income group, where the share of adults with an account varies from about 20 percent in Cambodia, Mauritania, and Pakistan to as high as 93 percent in Mongolia. Among high-income economies the share with an account ranges from 64 percent in Uruguay to 100 percent in such economies as Australia, Denmark, and the Netherlands.

Among the 69 percent of adults around the world who are account owners, the vast majority have an account at a financial institution: 64 percent of all adults

FIGURE 1.1

Account ownership differs substantially even within income groups

Adults with an account (%), 2017



Source: Global Findex database.

reported having a financial institution account only; 3 percent having a financial institution account as well as a mobile money account; and 1 percent a mobile money account only.

What are the trends since 2011?

The first Global Findex survey was completed in 2011, followed by a second round in 2014 and the latest one in 2017. Globally over those intervals, the share of adults with an account rose from 51 percent to 62 percent and then to 69 percent (figure 1.2).

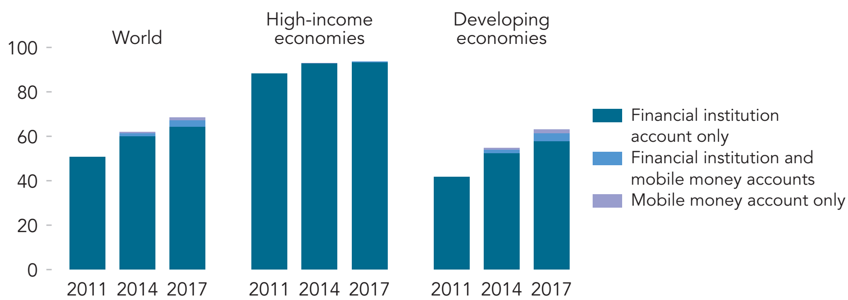
Among developing economies, however, the growth in account ownership has been far from uniform (figure 1.3). In India the share of adults with an account has more than doubled since 2011, to 80 percent. An important factor driving this increase was a government policy launched in 2014 to boost account ownership among unbanked adults through biometric identification cards.[3] This policy benefited traditionally excluded groups and helped ensure inclusive growth in account ownership. Between 2014 and 2017 account ownership in India rose by more than 30 percentage points among women as well as among adults in the poorest 40 percent of households. Among men and among adults in the wealthiest 60 percent of households it increased by about 20 percentage points. Indonesia also saw equitable growth in account ownership among men and women as the overall share of adults with an account rose from 20 percent in 2011 to 49 percent in 2017.

Some economies have had gains in account ownership but missed out on opportunities for greater progress because women were insufficiently included. In Pakistan, for example, account ownership has doubled since 2011, though it started from a low base of 10 percent. But while it surged among men, it stagnated among women. In Ethiopia account ownership has risen by 18 percentage points among men since 2014, roughly twice the size of the increase among women. Bangladesh has also had uneven progress, with slower gains among

FIGURE 1.2

Financial institution accounts have fueled the growth in account ownership since 2011

Adults with an account (%)

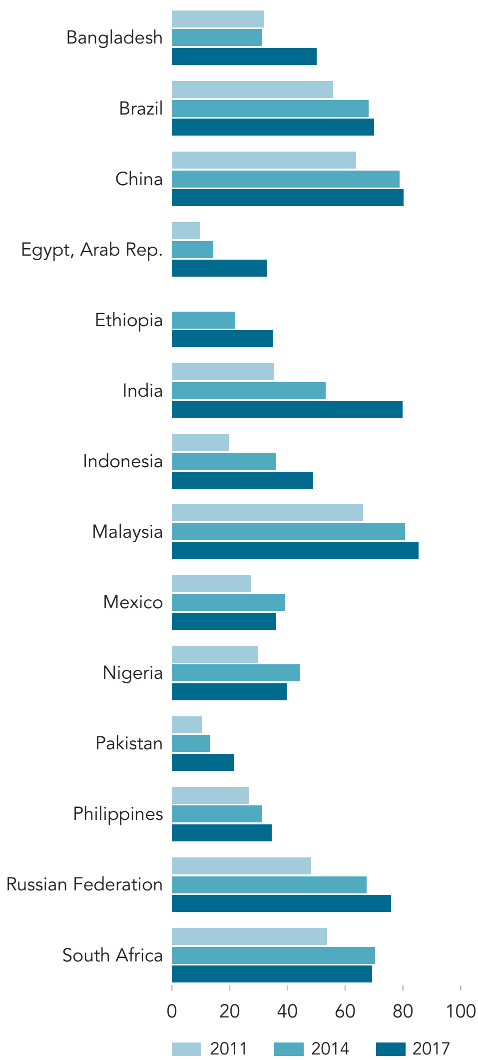


Source: Global Findex database.
Note: No data are available for the share of adults with a mobile money account for 2011.

FIGURE 1.3

Account ownership has grown in some developing economies, stagnated in others

Adults with an account (%)



Source: Global Findex database.
Note: No data are available for Ethiopia for 2011.

women. Yet the picture is not entirely bleak in these economies. Most have seen account ownership rise among women and poorer adults. But more inclusive growth in account ownership would have led to faster overall progress.

Account ownership has remained largely unchanged in developing economies where it was already about 70 percent or more in 2014, such as Brazil, China, Malaysia, and South Africa.

How important are mobile money accounts?

The Global Findex survey first collected data on mobile money accounts in 2014. These data showed that 12 percent of adults in Sub-Saharan Africa had a mobile money account, while 2 percent did globally. Today Sub-Saharan Africa remains the global leader in the use of mobile money: 21 percent of adults in the region have a mobile money account. Among this group, nearly half reported having only a mobile money account, while the other half reported having a financial institution account as well.

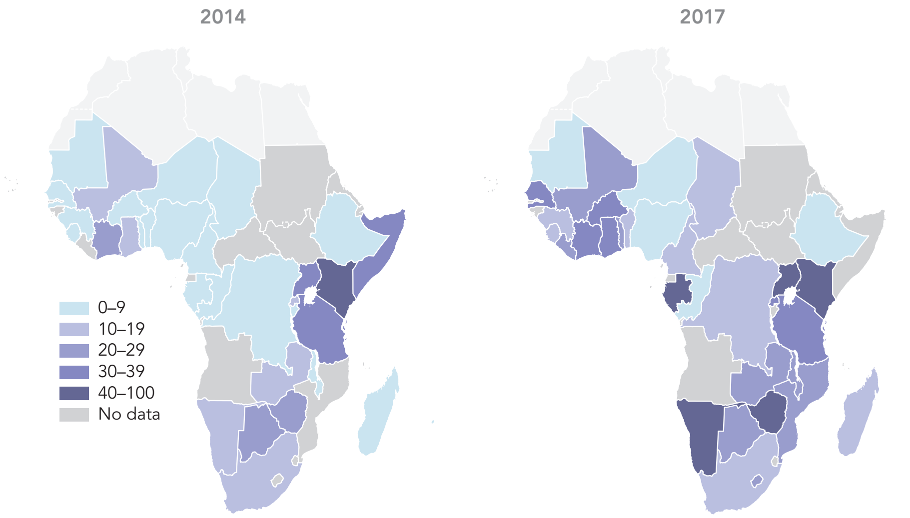
Mobile money accounts are particularly widespread in Kenya, where 73 percent of adults have one, as well as in Uganda and Zimbabwe, where about 50 percent do (map 1.2). Sub-Saharan Africa is also home to all 10 economies worldwide where more adults have a mobile money account than have a financial institution account: Burkina Faso, Chad, Côte d'Ivoire, Gabon, Kenya, Mali, Senegal, Tanzania, Uganda, and Zimbabwe.

In 2014 mobile money accounts were concentrated largely in East Africa. Now these accounts have spread to West Africa and beyond. In West Africa the share of adults owning a mobile money account has risen to about 33 percent in Burkina Faso, Côte d'Ivoire, and Senegal—and to 39 percent in Ghana. And it has reached nearly 45 percent in both Gabon and Namibia.

MAP 1.2

Mobile money accounts have spread more widely in Sub-Saharan Africa since 2014

Adults with a mobile money account (%)



Source: Global Findex database.
Note: Data are displayed only for economies in Sub-Saharan Africa.

Sub-Saharan Africa may be the only region where more than 10 percent of adults have a mobile money account, but the technology has taken root in other parts of the world as well. In Haiti the share of adults with a mobile money account rose from 4 percent in 2014 to 14 percent in 2017. In Bangladesh the share jumped from 3 percent to 21 percent. Other economies too have seen an increase from the low single digits to about 20 percent or more—including Chile, the Islamic Republic of Iran, and Mongolia. Three years ago in Turkey, few adults had a mobile money account. Now 16 percent do. In Paraguay 29 percent have a mobile money account.

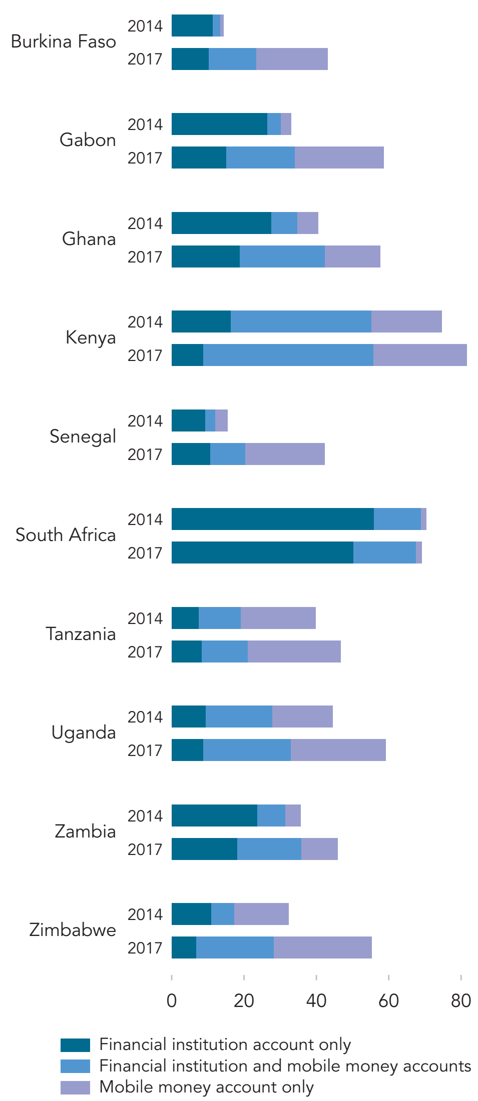
But these economies are not typical of global trends. Outside Sub-Saharan Africa mobile money accounts did not drive the growth in overall account ownership between 2011 and 2017. Most new accounts opened in this period were financial institution accounts (see figure 1.2).

Within Sub-Saharan Africa the share of adults with a financial institution account has risen by a modest 4 percentage points since 2014, while the share with a mobile money account has grown roughly twice as fast—increasing by 9 percentage points. But the extent to which mobile money accounts raised overall account ownership between 2014 and 2017 varies among economies in the region. In Côte d'Ivoire the share of adults with only a mobile money account increased by 8 percentage points, while the share with both types of accounts or only a financial institution account stagnated. Trends were largely

FIGURE 1.4

Mobile money has boosted account ownership in parts of Sub-Saharan Africa

Adults with an account (%)

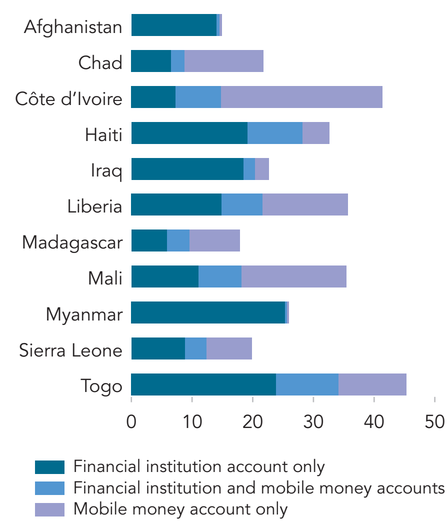


Source: Global Findex database.

FIGURE 1.5

Mobile money can play an important part in fragile and conflict-affected economies

Adults with an account (%), 2017



Source: Global Findex database.
Note: The figure shows only fragile and conflict-affected economies for which data on mobile money accounts are collected.

similar in Tanzania and Uganda (figure 1.4). In some economies—such as Burkina Faso, Gabon, Ghana, and Senegal—there were large increases in the share of adults with only a mobile money account as well as in the share with both types of accounts. And in still others—such as Kenya, Zambia, and Zimbabwe—the biggest growth occurred in the share with both types of accounts.

Mobile money accounts play an important part in some fragile and conflict-affected economies, including areas requiring urgent emergency responses, such as Ebola-affected West Africa and earthquake-stricken Haiti. Overall account ownership is low in these economies, with only 27 percent of adults reporting having an account, but mobile money accounts provide an important boost in some of them. In Haiti as well as fragile and conflict-affected economies in Sub-Saharan Africa more than 40 percent of account owners have a mobile money account (figure 1.5). And in Côte d'Ivoire 83 percent of account owners have a mobile money account, 64 percent a mobile money account only.

Gender gaps in account ownership

The growth in account ownership since 2011 has not benefited all groups equally. Women still are less likely than men to have an account. Globally, 72 percent of men and 65 percent of women have an account, a gender gap of 7 percentage points (figure 1.6). The gender gap is similar in developing economies, with 67 percent of men but only 59 percent of women having an account.

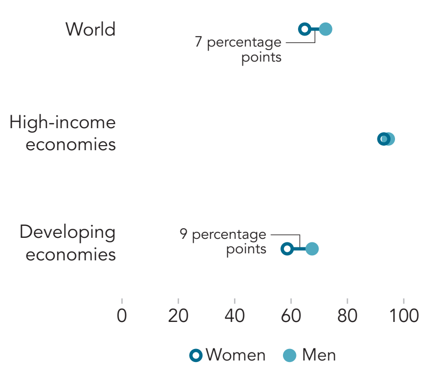
Indeed, most developing economies have a gender gap in account ownership, though the size varies. In Bangladesh, Pakistan, and Turkey, for example, the gender gap is nearly 30 percentage points (figure 1.7). Other developing economies with a double-digit gender gap include Morocco, Mozambique, Peru, Rwanda, and Zambia. Smaller gaps are found in such economies as Brazil and India.

Some developing economies have no appreciable gender gap. Several of these are in East Asia and the Pacific, such as Cambodia and Myanmar—or in Europe and Central Asia, including Azerbaijan, Belarus, the Kyrgyz Republic, the Russian Federation, and Serbia (figure 1.8). Other developing economies with no significant gender gap include Bolivia, Namibia, South Africa, Sri Lanka, and Vietnam. And in a few developing economies—such as Argentina, Indonesia, and the Philippines—women are more likely than men to have an account.

FIGURE 1.6

Overall in developing economies, women are less likely than men to have an account

Adults with an account (%), 2017

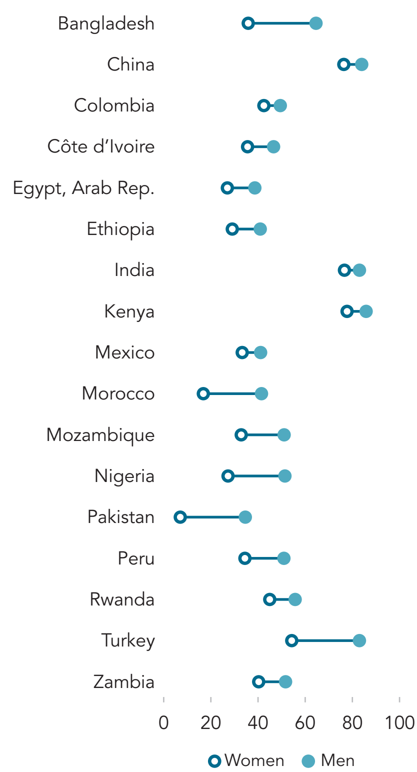


Source: Global Findex database.

FIGURE 1.7

The size of the gender gap in account ownership varies across economies

Adults with an account (%), 2017

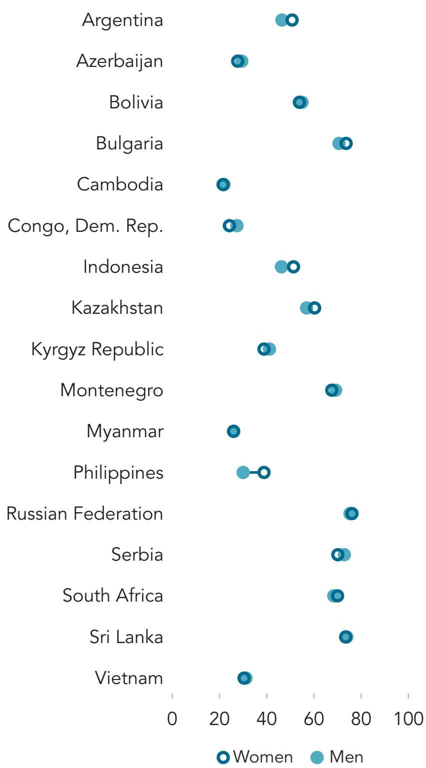


Source: Global Findex database.

FIGURE 1.8

Some developing economies have no appreciable gender gap in account ownership—and a few have one that goes the other way

Adults with an account (%), 2017



Source: Global Findex database.

There is no discernible gender gap on average in high-income economies. But some economies in this group do have one. In Chile and Uruguay, for example, the share of men with an account is 6–7 percentage points higher than the share of women with one, while in Saudi Arabia the gender gap is 22 percentage points. In the United Arab Emirates account ownership is nearly universal among men, at 93 percent, while among women the share with an account drops to 76 percent.

How have gender gaps changed since 2011?

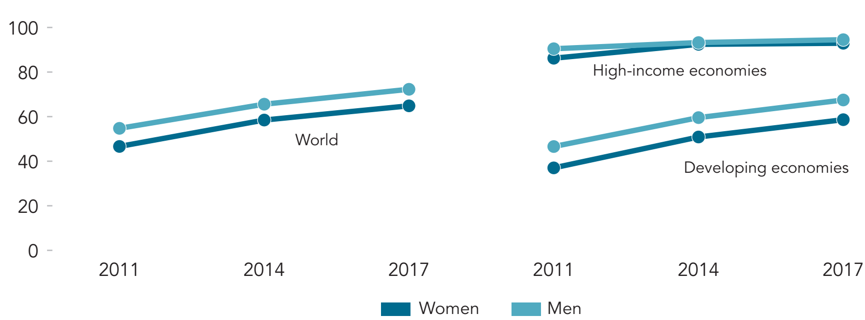
Gender gaps in account ownership remain mostly stuck where they were in 2011 and 2014. At 7 percentage points, the global gender gap is virtually the same today as it was in 2011 and 2014 (figure 1.9). The average gender gap in developing economies is also unchanged. None of the three rounds of the Global Findex survey found evidence of a significant gender gap in high-income economies on average.

At the economy level too, gender gaps have mostly remained stable. Economies that had no gender gap in 2014 generally still do not have one; the converse is also true. But there are exceptions. In 2014 no gender gap was found in Burkina Faso or Ethiopia. Since then these two

FIGURE 1.9

Gender gaps in account ownership have persisted over time

Adults with an account (%)



Source: Global Findex database.

economies have seen big growth in account ownership—but more among men than among women. As a result, both now have a double-digit gender gap in account ownership.

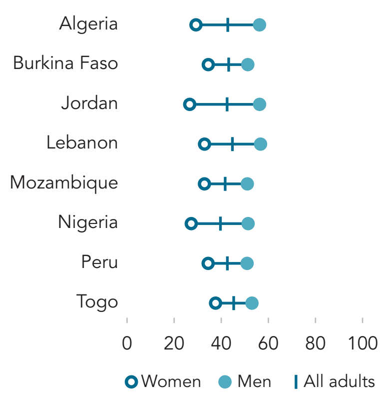
In some economies a large gender gap is slowing national progress in financial inclusion. Take Algeria, where 56 percent of men have an account but only 29 percent of women do, pulling the overall rate of account ownership down to 43 percent (figure 1.10). The rates are similar in such economies as Burkina Faso, Jordan, Mozambique, Nigeria, and Peru. Any effort to increase overall account ownership in these economies needs to prioritize financial inclusion for women.

Other economies have moved in the opposite direction. In India in 2014 men were 20 percentage points more likely than women to have an account. That gap has shrunk to 6 percentage points. Bolivia's gender gap, at 8 percentage points in 2014, has disappeared as account ownership has surpassed 50 percent among both men and women.

FIGURE 1.10

Large gender gaps in account ownership are holding back overall progress in financial inclusion in some economies

Adults with an account (%), 2017



Source: Global Findex database.

Is mobile money helping women get equal access to accounts?

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

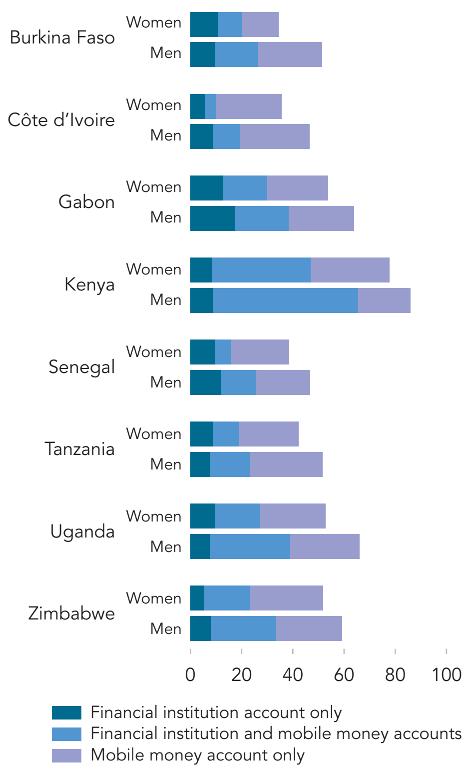
Consider the eight economies where 20 percent or more of adults have a mobile money account only: Burkina Faso, Côte d'Ivoire, Gabon, Kenya, Senegal, Tanzania, Uganda, and Zimbabwe. These economies all have a statistically significant gap between men and women in the overall share with an account as well as in the share with both a financial institution account and a mobile money account.

But just two of them—Burkina Faso and Tanzania—have a gender gap in the share owning a mobile money account only (figure 1.11). The other six have no such gender gap. In Côte d'Ivoire, for example, men are twice as likely as women to have a financial institution account—yet women are just as likely as men to have a mobile money account only. In Kenya men are 18 percentage points more likely to have a financial institution account; they are also 18 percentage points more likely to have both types of accounts. But women are 11 percentage points more likely than men to have a mobile money account only.

FIGURE 1.11

In some economies mobile money accounts might be helping to narrow the gender gap in financial inclusion

Adults with an account (%), 2017



Source: Global Findex database.

Note: The figure shows only the economies where 20 percent or more of adults have a mobile money account only.

These results are encouraging, though it is still too early to say whether and how mobile money accounts can close the gender gap. Many more years of data collection and research are needed to truly understand any connections between mobile money accounts and gender inequality in account ownership and use of formal financial services. Meanwhile, the distinctions 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 into partnerships with financial institutions.

Gaps in account ownership between richer and poorer

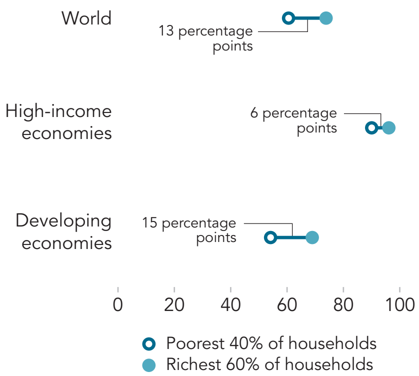
On average around the world, poorer adults are less likely than wealthier ones to have an account. Among adults in the richest 60 percent of households within economies, 74 percent have an account. Among those in the poorest 40 percent of households, 61 percent do. That leaves a global gap between these two groups of 13 percentage points (figure 1.12). The average gap across developing economies is similar and accounts for much of the global gap. In high-income economies account ownership is nearly universal among both groups.

In most developing economies the gap in account ownership between richer and poorer adults reaches double digits. This is often true even in those where the overall share of adults with an account is relatively high, at about 70 percent or more. In Brazil and China, for example, account ownership is about 20 percentage points higher among wealthier adults than among poorer ones (figure 1.13). But sizable gaps also exist in economies where overall account ownership is relatively low, at about 50 percent or less. In the Arab Republic of Egypt, Ethiopia, Indonesia, Mexico, Nigeria, and Vietnam the gap is roughly 20 percentage points. Put differently, in these economies wealthier adults are about twice as likely as poorer ones to have an account.

FIGURE 1.12

Poorer adults are less likely than wealthier ones to have an account

Adults with an account (%), 2017

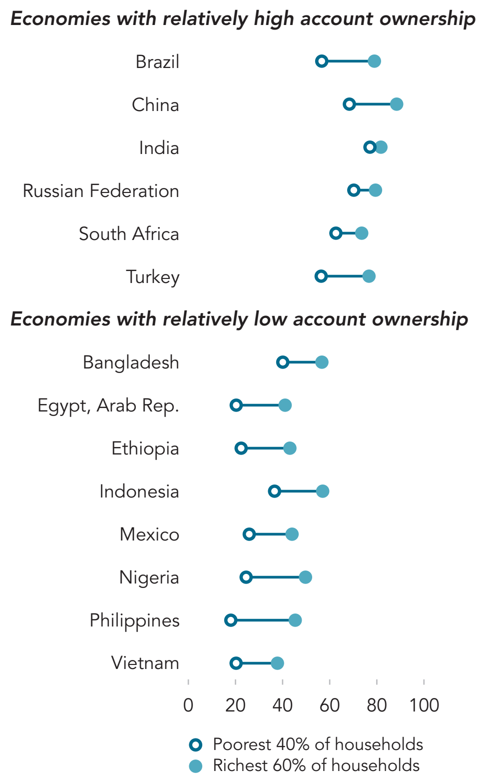


Source: Global Findex database.
Note: Data for the poorest 40 percent and richest 60 percent of households are based on household income quintiles within economies.

FIGURE 1.13

Developing economies tend to have a large gap in account ownership between richer and poorer adults

Adults with an account (%), 2017



Source: Global Findex database.

On average, high-income economies do not have a large gap in account ownership between richer and poorer adults. But a few do have one—including Chile, the Czech Republic, Hungary, Israel, the Slovak Republic, and Uruguay, all of which have a double-digit gap between adults in the richest 60 percent of households and those in the poorest 40 percent.

Another way to assess such gaps is to compare account ownership among the very poorest with that among the very richest. In the United States account ownership is limited to only 79 percent of adults in the poorest 20 percent of households, while it is nearly universal among those in the richest 20 percent. By contrast, five of the country's fellow members of the Group of Seven (G-7)—Canada, France, Germany, Japan, and the United Kingdom—have no rich-poor gap in account ownership, while the sixth, Italy, has a smaller one of 13 percentage points.

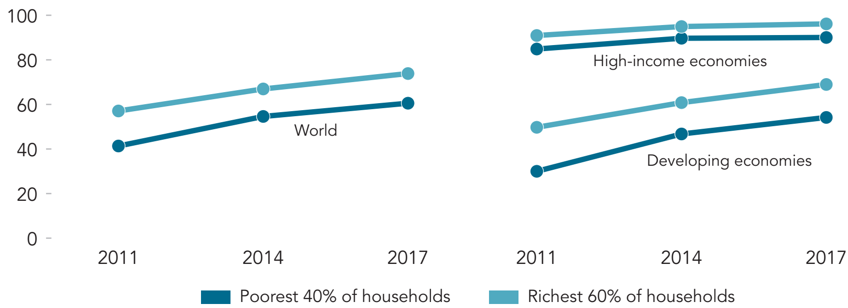
How have gaps between richer and poorer changed since 2011?

The global gap in account ownership between richer and poorer has changed little since the initial Global Findex data were collected. In 2011 wealthier adults were 17 percentage points more likely than poorer ones to have an account, and

FIGURE 1.14

The gaps in account ownership between richer and poorer have changed little since 2011

Adults with an account (%)



Source: Global Findex database.

Note: Data for the poorest 40 percent and richest 60 percent of households are based on household income quintiles within economies.

this gap is much the same now (figure 1.14). In developing economies on average, the gap narrowed slightly between 2011 and 2014, from 20 percentage points to 14 percentage points, and has not changed significantly since then.

In most individual economies too, the gaps have remained largely unchanged since 2011. But in some economies government policies have helped boost account ownership among poorer adults. One of these is India. In 2014 adults in the richest 60 percent of its households were 15 percentage points more likely than those in the poorest 40 percent to have an account. Since then, thanks in part to a government policy aimed at increasing financial inclusion, account ownership has risen among wealthier and poorer adults alike—narrowing the gap to 5 percentage points. In Thailand, because account ownership grew among poorer adults while stagnating among wealthier ones, the gap shrank by almost half between 2014 and 2017, from 12 percentage points to 7 percentage points. But in Turkey during the same period, because account ownership increased sharply among wealthier adults but only modestly among poorer ones, the gap grew from 8 percentage points to 20 percentage points.

Are mobile money accounts helping to shrink the gaps?

There are hints that mobile money accounts may be helping to reduce the gaps between richer and poorer in account ownership. Consider again the eight economies where 20 percent or more of adults have a mobile money account only. All of them have a statistically significant gap between richer and poorer adults in the share owning both a financial institution account and a mobile money account. But only half of them—Burkina Faso, Côte d'Ivoire, Senegal, and Uganda—have such a gap in the share owning a mobile money account only (figure 1.15). And in two of them, Kenya and Zimbabwe, poorer adults are more likely than wealthier ones to have a mobile money account only.

This suggests that mobile money accounts might be helping to increase access to financial services for poorer adults—and thus reducing inequality between rich and poor in financial inclusion. But a better understanding of this relationship will require more data and research.

Differences in account ownership by other individual characteristics

Gender and income are not the only individual characteristics that appear to matter for the likelihood of owning an account. Grouping people by age, education level, employment status, or rural residence can also reveal important differences in account ownership.

What are the differences by age group?

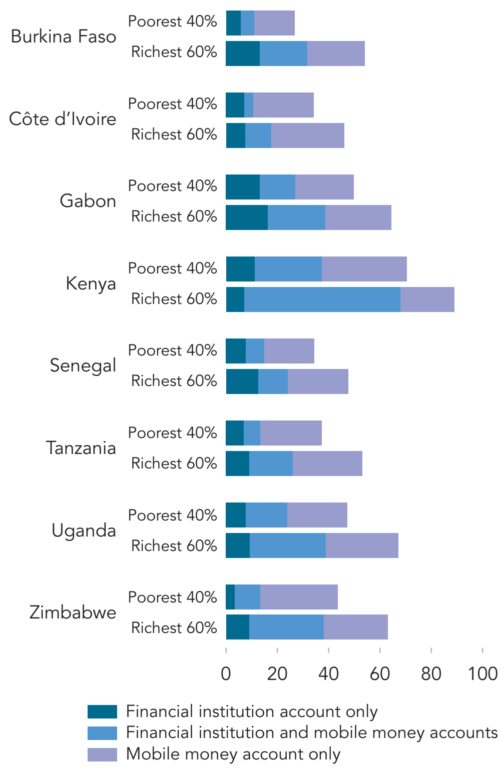
Account ownership is higher among older adults than among young adults. Globally, 72 percent of adults age 25 and older have an account, while only 56 percent of those ages 15–24 do (figure 1.16). The pattern is on average similar in both high-income and developing economies.

The size of the gap between the two age groups varies among developing economies. In Brazil account ownership is 30 percentage points higher among older adults than among young ones (figure 1.17). In Turkey the gap between the age groups is similar to the global average. Yet in Indonesia and Vietnam there is no major difference in account ownership between the age groups, and in China young adults are 8 percentage points more likely than older ones to have an account.

FIGURE 1.15

Mobile money accounts might be helping to reduce the gap in financial inclusion between richer and poorer in some economies

Adults with an account (%), 2017



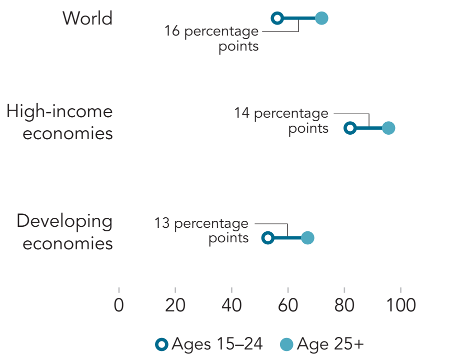
Source: Global Findex database.
Note: The figure shows only the economies where 20 percent or more of adults have a mobile money account only. *Poorest 40%* and *richest 60%* refer to households, grouped by income quintiles.

The story for mobile money accounts is different in some economies, with young adults more likely than older adults to have one. In Chile young adults are 5 percentage points more likely than older adults to have a mobile money account; the gap is roughly twice as large in Bangladesh and the Islamic Republic of Iran. But in Mongolia and Paraguay older adults are more likely than young adults to have a mobile money account. And in still other economies there is no significant difference in mobile money account ownership between the two age groups—including Burkina Faso, Kenya, Tanzania, Uganda, and Zambia.

FIGURE 1.16

Older adults are more likely than young adults to have an account

Adults with an account (%), 2017



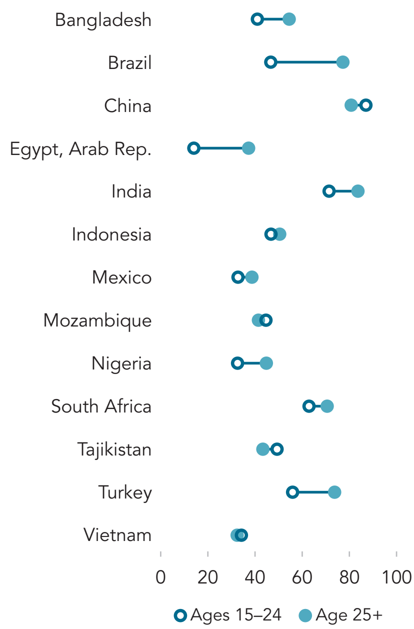
Source: Global Findex database.

Note: The global gap between the age groups is larger than the average gap for high-income and developing economies because in high-income economies adults are relatively more likely to have an account and to belong to the older age group while in developing economies adults are relatively more likely to not have an account and to belong to the younger age group.

FIGURE 1.17

The gap in account ownership between older adults and young adults varies widely among developing economies

Adults with an account (%), 2017



Source: Global Findex database.

What are the patterns by education level?

Account ownership is lower among less educated adults. Globally, 56 percent of adults with a primary education or less have an account, compared with 76 percent of those who have completed secondary school and 92 percent of those with higher education. Those who have less formal education are also more likely to be poor, adding to the challenge of increasing account ownership among this group.

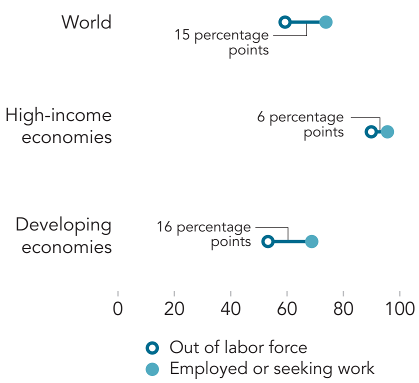
What are the links with employment status?

Adults who are active in the labor force—either 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, 74 percent of adults who are active in the labor force have an account, while 59 percent of those who are out of the labor force have one, leaving a gap of 15 percentage points (figure 1.18). The gap is similar in developing economies and smaller in high-income ones.

FIGURE 1.18

Account ownership is higher among adults active in the labor force

Adults with an account (%), 2017

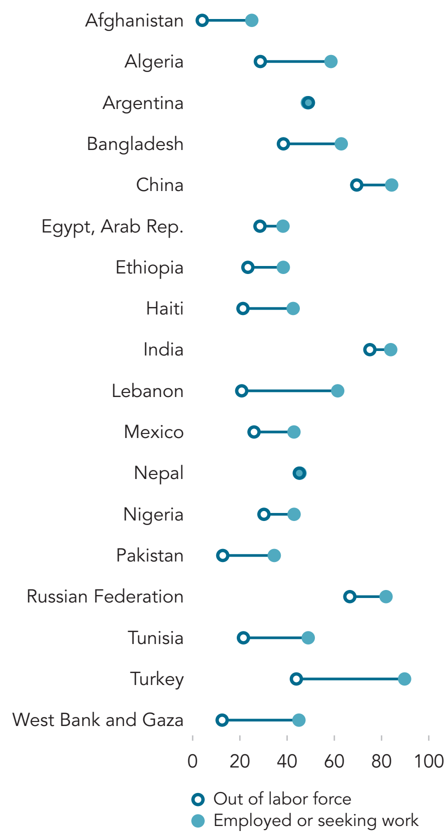


Sources: Global Findex database; Gallup World Poll 2017.

FIGURE 1.19

Across a range of economies, adults active in the labor force are more likely to have an account

Adults with an account (%), 2017



Sources: Global Findex database; Gallup World Poll 2017.

Most developing economies have a gap in account ownership between these two groups. Although account ownership is relatively low overall in Afghanistan, adults who are active in the labor force are roughly six times as likely to have an account as those who are not (figure 1.19). Large gaps between the two groups are found in some economies in the Middle East and North Africa. Compared with adults who are out of the labor force, account ownership among adults who are active in the labor force is roughly twice as high in Algeria, about three times as high in Lebanon, and almost four times as high in West Bank and Gaza. Argentina and Nepal are among the few developing economies with no such gap.

What about the urban-rural gap?

In developing economies account ownership tends to be lower in rural areas than in urban areas. But precisely quantifying the urban-rural gap presents difficulties.

For one thing, distinguishing between urban and rural areas is not straightforward—should the distinction be based solely on population, on the availability of certain services and infrastructure, or on subjective measures such as the judgment of the interviewer or respondent? This is especially challenging in a cross-country context; what might be considered rural in Bangladesh or India, for example, might be considered urban in less populous countries. The Gallup World Poll—the survey to which the Global Findex questionnaire is added—uses different approaches across countries to account for country-specific characteristics, which makes it difficult to create a consistent definition of the urban-rural divide at the global and regional level.

Another challenge is that the estimates of account ownership for urban populations are often imprecise. The Gallup World Poll surveys about 1,000 individuals in most economies, and in those with a predominantly rural population—including many Sub-Saharan African countries—this often means that the number of urban observations is small, resulting in estimates with large margins of error.

Moreover, since 2011 Gallup, Inc., has changed its methodology in a number of countries to improve the within-country geographical representativeness of samples. For some countries this has increased the challenges in making a meaningful comparison of account ownership in rural areas over time. For all these reasons the 2017 Global Findex database provides, in addition to overall nationally representative data on account ownership, estimates for account ownership among rural populations but not urban populations and offers no comparisons with 2011 and 2014 data on rural account ownership at the global or regional level.

China and India are two countries where a consistent methodology does allow comparisons of account ownership among rural dwellers over time. In China the share of adults with an account among this group jumped from 58 percent in 2011 to 77 percent in 2014. India started with lower account ownership among rural adults in 2011, at 33 percent. By 2017 that share had more than doubled—to 79 percent, basically the same as in China.

Notes

1. Data on adults with an account at a financial institution also include respondents who reported having a debit card in their own name. The data also include an additional 3.93 percent of respondents who reported receiving wages, government transfers, a public sector pension, or payments for the sale of agricultural products into a financial institution account in the past 12 months; paying utility bills or school fees from a financial institution account in the past 12 months; or receiving wages or government transfers into a card (which is assumed either to be linked to an account or to support a card-based account) in the past 12 months.

    The definition of formal financial institution used by the Global Findex database encompasses all types of financial institutions that offer deposit, checking, and savings accounts—including banks, credit unions, microfinance institutions, and post offices—and that fall under prudential regulation by a government body. The definition does not include nonbank financial institutions such as pension funds, retirement accounts, insurance companies, or equity holdings such as stocks. As used throughout the report, *financial institution* refers to a formal financial institution.

2. Data on adults with a mobile money account include an additional 0.60 percent of respondents who reported receiving wages, government transfers, a public sector pension, or payments for the sale of agricultural products through a mobile phone in the past 12 months. Unlike for an account at a financial institution, the definition of a mobile money account does not include the payment of utility bills or school fees through a mobile phone; the reason is that the phrasing of the possible answers leaves it open whether those payments were made using a mobile money account or an over-the-counter service.
3. See Demirgüç-Kunt and others (2017).