



Ending Poverty through DIGITAL FINANCIAL INCLUSION

Over 1 in 10 people worldwide live on less than \$1.90 a day.^{1,2}

THE OPPORTUNITY

Digital financial services provide low-income households with access to affordable and convenient tools that can help increase their economic opportunities.

For extremely poor families, combining digital financial services with livelihood promotion, safety nets, and mentoring boosts their long-term standard of living.³



CHALLENGES*

Sudden illnesses or natural disasters can wipe out household assets and trap families in poverty.⁴

Over 100 million adults globally still receive government transfers, wages, or pensions in cash.⁶ Paying transfers in cash is **costly and vulnerable to fraud or theft**.

Globally, **39% of the poorest 40% of households lack an account**, making it nearly impossible for them to accumulate savings or establish a financial history to access other financial services.⁸



SOLUTIONS*

Digital financial services help families save money, **cope with shocks, and protect assets against risk**.⁵

Digital financial services, such as digital payments, allow government transfers, wages, or pensions to **efficiently reach those who need them most**.⁷

Digital financial services fuel business models that **expand access to low-cost financial services**, potentially reaching another 1.6 billion people.⁹



“End poverty in all its forms everywhere.”

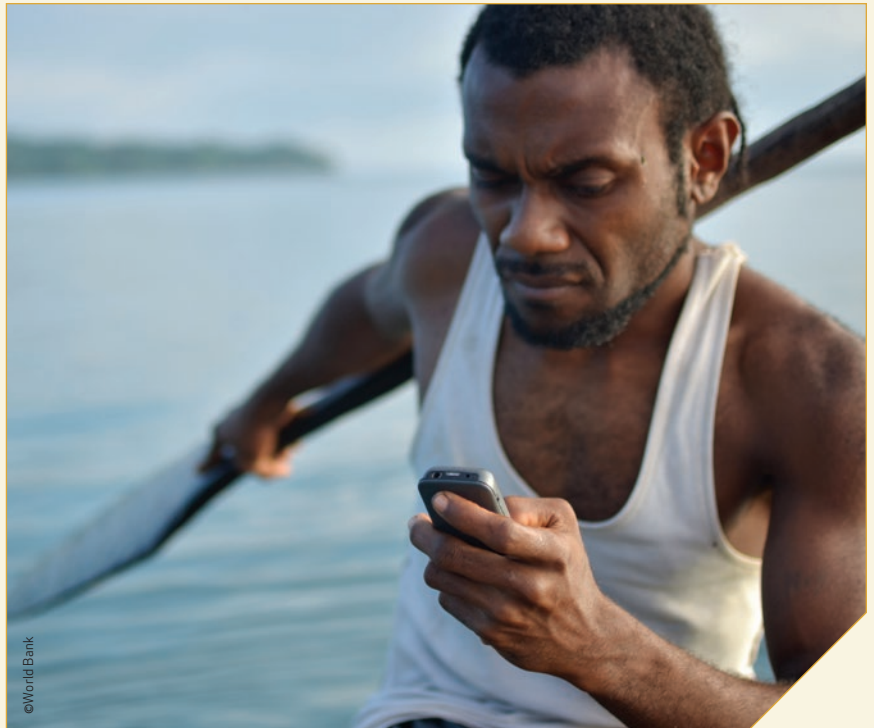
BRAZIL Conditional social transfer program Bolsa Família **cut transaction costs from nearly 15% in 2001 to below 3% in 2005** by bundling all benefits onto one electronic payment card.¹⁰ The successful program contributed to a 12%–18% reduction in poverty.¹¹

BURKINA FASO Users of mobile money are **3× more likely than non-users to save** for unpredictable events and health emergencies.¹²

NIGER Delivering safety net programs through mobile phones resulted in time and cost savings for recipients equivalent to roughly 20 kilograms of grain per person in just five months.¹³

KENYA The spread of mobile money lifted roughly **1 million people** out of extreme poverty from 2008 to 2014 – the equivalent of 2% of the population.¹⁴

TANZANIA Farmers who accessed digital financial services such as microinsurance through mobile money **earned 16% more** than their uninsured peers, due to higher investment.¹⁵



* These represent only a few of the many important challenges and solutions. They should not be read as an exhaustive list.



SEPTEMBER 2018