Enabling Financial Capability Along the Road to Financial Inclusion

Financial Inclusion 2020 Financial Capability Working Group

Credit Reporting  Client Protection  Financial Capability  Technology-Enabled Business Models  Addressing Customer Needs
About the FI2020 Roadmap Working Groups

What will it take to achieve a state of full financial inclusion? In 2011, the Center for Financial Inclusion asked this question in a global survey, and over 300 practitioners gave their perspectives on the key opportunities and obstacles to financial inclusion.

Based on the responses, the Center identified five priority focus areas that are key to achieving financial inclusion, which have been used as the basis for a broad consultative process toward a Roadmap to Full Financial Inclusion. Over the course of 2012 and 2013, this process engaged dozens of experts and industry participants in developing an action-oriented blueprint for reaching new and underserved markets. The five focus areas are:

• **Addressing Customer Needs**, chaired by Consultative Group to Assist the Poor (CGAP), focuses on deepening our understanding of client needs and translating that knowledge into practice while expanding the range of financial services available to underserved markets.

• **Technology**, chaired by Visa, analyzes the potential of new technology-intensive channels to reach new customers, lower operating costs, increase security, and diversify financial products available to low-income clients.

• **Financial Capability**, chaired by Citi, focuses on empowering clients to know their rights as consumers, and have the skills, attitudes, aspirations, and confidence to exercise those rights.

• **Client Protection**, chaired by the Smart Campaign, outlines steps to deepen the implementation of client protection measures for the benefit of consumers and stability of markets.

• **Credit Reporting**, chaired by International Finance Corporation (IFC), promotes extending credit reporting systems in order to expand access for new clients while managing risk for financial institutions.

Each of the five working groups has crafted a roadmap that asks: What is the vision for this topic? What stands in the way of achieving the vision and where are the greatest opportunities? What are the enabling actions and corresponding actors who can advance the vision?

### The Main Idea

| Financial capability is about motivating and supporting consumers to make sound financial decisions. Attention to financial capability is essential for successful financial inclusion initiatives. | Providers and policymakers have strong interests in a financially capable clientele. The scale of the need means that many actors are welcome, including providers, governments, non-profits, schools and others. | Behavioral research reveals that people who know don’t always do (that is, act in their own best interests). It is important to test and design interventions that use insights from research to support positive behavior. | Financial capability develops through “learning by doing”. There is a unique and enormous opportunity to deliver targeted financial capability messages at large scale and low cost through diverse platforms such as mobile messages and mass media. | Technology offers exciting opportunities to give customers financial capability messages at large scale and low cost through diverse platforms such as mobile messages and mass media. |

www.financialinclusion2020.org
I. Introduction

Successful financial inclusion requires financially capable consumers.\(^1\) Within this decade, an enormous number of first-time clients, a large number of them from traditionally unserved population segments, will begin using formal financial services. But this expansion of financial services at the base of the pyramid must be accompanied by attention to financial capability if is to bring the desired benefits for providers, governments, and most of all, for clients.

The FI2020 Financial Capability Working Group recognizes the complex societal, economic and industry relationships within which financial capability develops. The working group notes that while financial service providers and clients are perhaps the central stakeholders in financial capability, other societal institutions (e.g., schools and social service organizations) also have a stake in the financial capability of their constituents.

To guide the development of our recommendations for action we have identified three core premises:

1. Many, or even most, people experience a gap between knowing and doing when managing their finances. **Capability development must go beyond delivery of information (financial education) and focus on yielding healthy financial behavior.**
2. Opportunities to promote healthy financial behavior among consumer abound in the financial services design and delivery process. This points to **a unique and important role for financial service providers in building their clients’ capability.** (This observation aligns with and reinforces messages from the FI2020 Working Group on Addressing Customer Needs.)
3. Financial attitudes and behaviors are strongly shaped by culture and the broader society. Multiple factors contribute to a context that supports capability. Accordingly, **schools, media and other societal institutions have important roles** in financial capability development.

These three premises suggest that a multi-stakeholder strategy to financial capability is needed, that builds on lessons from the field of financial education and goes further. Work on financial capability must move beyond knowledge- and skill-building to incorporate effective strategies for changing the way people behave.

II. Vision

**What Is Financial Capability and Why Does It Matter?**

Financial capability is necessary for effective day-to-day cash flow management, planning for the future, and use of financial services. Without adequate financial capability, some clients are less likely to take advantage of financial services that could help them, while others will suffer harm through misuse or

---

\(^1\) While we recognize that shades of meaning exist, within this document the terms client, customer, and consumer are used interchangeably.
susceptibility to rogue providers. The stakes are especially high for lower-income people, as poor
decisions can have severe consequences. With stronger capability, clients can use financial services to
make the most of their scarce resources across their lifetimes and advance their greater life goals.
It is in the interest of providers to ensure that clients have high financial capability so that they will use
services actively and responsibly, which in turn minimizes gaps between the extension of access and
actual usage. For governments, financially capability is a crucial building block of economic citizenship
and a means to protect clients and promote stability in the retail financial system.

A Consumer’s Vision of Financial Capability
The specific ways individuals think of their own financial capability will be grounded in their
expectations, context and past experiences. However, we can broadly describe a financially capable
client as characterized by confidence, a long-term outlook, and self-regulation in the use and
management of financial services. Statements a financially capable person might make include:

Ability to track finances:
• *I know how to budget, follow a household financial plan and monitor progress toward my goals.*
• *I manage diverse financial services, formal and informal, to help me use my resources effectively.*

Ability to plan ahead:
• *I use financial services to achieve future goals.*
• *I have a savings goal, and I use financial services to build my assets.*

Ability to exercise self-regulation:
• *I know my financial limits and how to stay within them.*
• *I am in control of my use of financial services; financial services do not control me.*
• *I can efficiently pay down debt.*

Ability to understand and mitigate risk:
• *I use financial services to help me reduce my exposure to the unexpected.*
• *I am aware of the consequences of poor financial decisions and am motivated to avoid them.*
• *I know my rights and responsibilities as a financial services consumer and how to exercise them.*
• *I am alert to avoid financial scams and able to identify and resist high-pressure sales tactics.*

Ability to stay informed about financial services:
• *I am informed about multiple financial services and can confidently select the option that’s right for me.*
• *When I need more information about financial services, I know how to get it.*

As these statements imply, financial capability is not static; rather, people adapt throughout their
lifetimes as their needs and circumstances change.

Financial capability also depends on the context and objectives of an individual. For example, a migrant
remittance-sender has different needs from a subsistence farmer and faces a different set of decisions;
therefore, each will develop a different set of financial capabilities.
A Financial Landscape Populated by Financially Capable Consumers

Financial service providers most often approach financial education and client financial capability development with goals of enhancing customer product uptake and usage rates and of retaining customer loyalty. These considerations are especially relevant with first-time customers who have not previously used formal financial services.

Monitor Group’s report *Business Case for Financial Education* expressed the market motivation for providers to address consumers’ financial capability under three broad headings:

1. **Moral Imperative.** To empower low-income consumers to effectively address their financial needs.
2. **Avoidance of Harm.** To mitigate dangers to both provider and consumer (such as the potential for over-indebtedness in saturated markets), ensuring that provision and use of financial services is a shared responsibility.
3. **Growth Opportunities.** Recognition that movement from entry-level use toward consumers’ active participation with uptake of multiple products will depend in part on customers’ ability to understand the product features and value proposition.

Increasingly, financial service providers recognize that first-time clients (especially youth and those from new population segments) may need assistance to prepare them to use their products and services. When providers make the investment needed to reach a new population segment or to offer a technology-enhanced delivery channel, they want to ensure that lack of information, understanding or self-confidence does not prevent an active client response.

More broadly, providers also recognize that clients who manage their money well and understand how to use financial services may be more likely to retain their account at a financial institution and be more profitable over time. Today, researchers are seeking to understand how financially capable consumers affect an organization’s client acquisition, client retention and profits. More information on these questions can help to deepen the business case on capability for providers.

Governments, too, are acutely aware of the need to see more of their populations participate in and benefit from formal financial services. They recognize that building an inclusive financial system brings with it the imperative of increasing financial capability. Given their responsibility as guardians of financial stability and consumer protection, governments are increasingly prepared to take an active role in financial capability development.

Thus, providers and policymakers recognize that widespread financial capability is not only a desirable end state, it is also a necessary condition for realizing the benefits of increasing access to finance.
III. From Vision to Realization

From Financial Education to Financial Capability Development
Many people are familiar with the concept of financial education. Commonly defined as an activity intended to build financial literacy, financial education imparts knowledge and skills needed to make informed decisions on the management of money and use of financial services. Successful financial education programs can equip people with the basic financial principles needed to keep track of finances, plan ahead, understand and mitigate risk, use financial information, and select financial products. However, despite increasing financial inclusion and the spread of financial education, behavior – even among people who have received financial education – does not keep pace. For example, high rates of over-indebtedness and low levels of saving appear among lower-income consumers throughout the world. The disconnect between knowledge acquired and behaviors demonstrated is one reason many observers believe financial education has stalled short of delivering the promise of tangible impact.

What are we missing?

As practitioners of adult education know, knowledge must translate into useful skills through practice, and skills must be applied in day-to-day decision-making before information can result in behavior. Information transmission and even skill demonstrations do not necessarily result in behavioral responses. When we shift concepts from financial education to financial capability-building, we are signaling our intent to bring levers that catalyze behavioral change into the financial education picture. The working group proposes a distinction between financial education, often conceptualized simply as a program or activity, and financial capability, a concept that includes knowledge, skills, experience and context and that addresses a lifelong journey.

Our recommendations are built around a theory of change that first highlights the multiple influences that shape behavior, and then derives implications for interventions and actors.

Regardless of client segment, most people – even the well-off – have some disconnect between financial literacy (knowledge and skills) and financial capability (knowledge and skills as applied in real life). Any attempt to set goals for increasing financial capability must proceed from an understanding of how people acquire this capability. How does one acquire the attitudes that support financial capability, such as confidence with respect to finances, a long-term outlook and self-discipline? The degree to which an individual develops such attitudes depends on family and culture, access to training and information, learning-by-doing, intrinsic traits (e.g. cognitive biases), and experiences around key decisions (“teachable moments”). Some of these elements are more amenable to intervention than others.

While little is known about the extent to which each of these factors helps to explain a person’s level of financial capability, several points increasingly form the basis for a theory of financial capability:

Peer influence is very strong in youth populations. Change might happen more easily in a group than individually.

-Child and Youth Finance International Secretariat

www.financialinclusion2020.org
1. **Culture**, including family experience, plays an enormous role in shaping common practices and attitudes about money. Influences include family, peers, religion and popular culture. These influences result in deeply ingrained personal aspirations, habits and beliefs that are not easily changed.

2. **Behavioral economics research reveals that acting against one’s own financial interest often stems not from lack of knowledge but from cognitive biases** to which all people are subject to some degree: tendencies to over-value the present relative to the future, to be overly optimistic about the future, to “go with the flow” or maintain status quo, and to make decisions on impulse rather than by rational analysis. This suggests that a number of insights from behavioral economics can be applied to influence people’s financial decisions.

3. **People learn by doing.** For that reason, they are most ready to absorb and use financial education messages at “teachable moments,” such as when making a critical financial decision or signing up for or using a service. This observation applies both to information needed in the immediate context of using a product, such as understanding interest rates or a specific account’s terms, and to major lifecycle stages, such as the financial knowledge and practices needed for transition from youth to independent adulthood or to prepare for expenses needed in old age. Information is most effective when provided at the right time and used by the consumer to make a decision.

Although financial capability gaps appear among people of all socio-economic backgrounds, special considerations apply to low-income people. Not only are they more likely to have challenges due to limited access to education (including low literacy and use of a non-dominant language), they are also likely to have little exposure to formal financial services. Research is beginning to indicate that the economic vulnerability in which many low-income people live may in itself create decision biases.

To summarize, if one were to design a broad effort to build financial capability based on current thinking, it would provide repeated messages through many key influencers across society, it would focus intensively on times when people are making financial services decisions, and it would incorporate elements that motivate people to apply their skills in real life.

**Theory of Change Part 2: Interventions to Build Financial Capability**

*Knowing does not equal doing!* If this observation is true, it has major implications for the design of interventions to build financial capability. Here are some observations on building interventions based on the three premises just noted:

- **Multiple delivery strategies.** These strategies include basic education, mass media, specialized training, and messages delivered at the point of use. No single method is sufficient, and all of them can be valuable. While there are controversies over the best approach to building financial capability (particularly on efficacy, scale and sustainability), it is important to emphasize that it is not a question of selecting one provider or method over others – a diversity of contributors, delivery vehicles and approaches are needed.

- **Design informed by insights from behavioral economics.** Better, not necessarily more, interventions support capability development. Designs that incorporate insights from behavioral psychology and economics about cognitive biases can encourage good financial decision-making. This can be as simple as ceasing certain practices (such as aggressive sales techniques that use teaser rates) to using more proactive approaches such as reminders, strategic default
setting, rewards for responsible financial behavior, commitment programs, and rehearsal opportunities for increasing familiarity with content.  

- **Relevant and evolving.** Financial capability development is a personal and lifelong process. Messages should be repeated many times and in many ways with special attention to helping clients meet their own goals and needs. They should also be culturally appropriate and tailored. For example, messages about preparation for old age need to be targeted at mature adults and will be ineffective if delivered to youth. Similarly, financial capability efforts for women need to take into consideration how local culture and perceptions shape a woman’s goals and choices, and thereby her financial decisions.

- **Leverage technology.** Technology has the potential to improve both financial education and financial capability and to reach more people at a lower cost. Interactive courses such as financial education video games can include immediate client feedback and simulations to increase client engagement. Stories, games and skits connect with clients emotionally (for example, dramatic videos shown by Ujjivan in India), and when delivered through mass media (magazines, radio and televised soap operas like Makutano Junction in Kenya), they may even begin to influence culture.

By facilitating ongoing, real-time understanding of and interaction with financial consumers, technology can play an important role in changing behaviors. From applications that alert consumers when they spend over-budget to bill reminders to ATMs that personalize menus to encourage consumers to take certain actions (for example, to check their balance before they withdraw), technology can enable consumers to become more aware and purposeful with their financial intermediary. Innovators in this space, such as Juntos Finanzas and PiggyMojo, are also leveraging technology and peer influence to improve savings habits.

**How Stakeholders Can Implement Successful Interventions**

**Financial Service Providers.** Financial capability develops alongside access to financial services. As people gain capability through repeated exercise of choice and interaction with services, providers influence capability directly through provision of appropriate financial services. Providers also have an important stake in developing clients who understand how to use their products, particularly if they wish to expand into new market segments or introduce new products to existing segments.

Providers can enhance the capability-building value of the services they provide through informed design and taking advantage of their privileged access to customers at teachable decision-making moments. They are also well-positioned to deliver messages cost-effectively and at scale, having already invested in the systems for reaching clients for marketing and service delivery. They can design products that incorporate insights from behavioral economics, with features like automatic reminders or rewards. Thus, they have opportunities unavailable to any other actor to influence financial capability.
Currently, the role of financial services providers in promoting financial capability is underestimated. Many discussions focus on whether providers should deliver financial education while overlooking the many ways providers can influence client capability by embedding capability-building approaches within their core operations, as described above. This is a unique role that only providers can play, and it has great potential to advance capability.

Two issues arise repeatedly regarding providers and financial education: conflicts of interest and financial sustainability.

While providers have a stake in the financial capability of their clients, it may be relatively narrow: to ensure that clients understand how to use their particular products. Unless they are full service providers expecting a long-term relationship with their clients, providers may be relatively less interested in developing a client’s ability to set and achieve financial goals, be discerning customers, compare products or assert their rights in a dispute. The line between client education messages and product promotion can be thin. Our response to this concern is not to diminish the role of providers in financial education. Rather, it is to emphasize that providers should not be the only source, and that direct provision of education is not the only way providers can help advance financial capability. Another response is to engage enlightened providers in developing best practice principles for financial education.

The sustainability and scale question is not solely about providers. The number of people to be reached is enormous, and the capability gap among the target population is large and stubborn. Yet public sources of subsidy are limited and clients are reluctant for financial education. Again, providers are in an excellent position because they already interact with clients on a large scale and those interactions generate the revenue that sustains them. Microfinance institutions, for example, often provide pre-loan training to clients so that they will understand how group lending works. Providers should be able to incorporate some financial education messages or features at large scale into their client relationships without requiring external subsidy, and may be willing to do more with a small additional subsidy. Furthermore, providers can partners with NGOs and financial education practitioners to offer their clients financial education at key teachable moments.

Regulators and Policymakers. While policymakers increasingly recognize that financial capability is an important component of building stable financial systems, they are still sorting out the most effective roles for the public sector in this area. Certainly governments have an important role in coordinating, crafting, and overseeing national strategies for financial capability that outline the responsibilities of the various actors that need to be involved. This role includes measurement of national levels of financial capability, funding of research, testing of effective approaches, and creation of standards and best practices, such as standards on disclosure of product terms by financial service providers. All of these steps are needed.

In addition, governments have an important brief as deliverers of financial capability messages, especially to ensure that clients understand their rights. In an increasing number of countries, governments are involved in integrating financial education into school curricula, although best practices have yet to emerge from widely disparate efforts. Many regulatory authorities provide consumer information through a range of outlets, from the online courses of the U.S. Federal Deposit Insurance Corporation to the informative brochures of Bank Negara Malaysia. Governments also deliver
financial education through specialized classes, counseling, and the like (or contract with third-party deliverers using public funds).

Governments also have a unique role in funding the cost-effective research that is needed to advance the field. Major topics for further research include measurement of financial capability, the business case for financial capability, and the relative efficacy of various interventions. Governments, donors, and private foundations can supply the resources needed by academics and other researchers to investigate these topics.

Social Sector Organizations. Because of their independence and focus on client welfare, social sector organizations are an essential part of the mix in financial capability development. They can provide the broader-based messages (e.g., financial goal-setting, money management and client rights) and more extensive training than providers are sometimes interested in offering. The opportunities for engagement are too many and varied to list, but the most frequent role is in the direct, face-to-face provision of financial education and counseling.

Creativity is called for in the design of these interventions. Stand-alone financial education courses have a number of drawbacks: they are expensive (limiting scale), clients are often uninterested in attending, and the messages are separated from moments of decision-making. Financial educators are innovating to find ways to overcome these challenges, experimenting with various delivery approaches and forging linkages with financial institutions and other kinds of social programs in order to connect with people at the right time and in effective ways. Indeed, partnerships between nonprofits and financial service providers may be one of the best ways to enable providers to install effective financial education techniques.

Many cost-effective interventions are simple, such as having field agents use scripts, flip books (promoted, for example, by Microfinance Opportunities), and posters during client interactions. Another simple idea, the use of “rules of thumb” to help clients develop useful habits (promoted by Ideas 42), is based on learning about the challenge of turning information into behavior. Providers are also training their field agents to be more financially capable themselves in order to make them more effective in conveying financial capability concepts to clients.

Looking to the Future
The recognition that financial capability is an essential life skill is gaining recognition, and various actors – global, national, and local – are investing in efforts to advance capability. However, at present the scale of these efforts pales before the magnitude of the challenge.

At a multi-national level, the Organisation for Economic Co-operation and Development (OECD), through its International Network on Financial Education (INFE), has published guidelines on national strategies for financial capability. The Government of Russia’s Financial Literacy and Education Trust Fund at the World Bank has just completed its efforts to measure financial capability in seven countries, including Mexico, Nigeria, and Turkey. The studies offer a first look at similarities and differences in country populations regarding specific financial capability components. For example, on “using information” and “not overspending,” people in different countries scored similarly, whereas on “budgeting” and “saving,” differences were much greater across countries. Such efforts to measure
financial capability in countries offers insights on effective policy and program design for financial capability.

A number of national-level initiatives are also being implemented. Brazil has been recognized for its effective public-private partnership to improve financial capability. Policymakers in some countries, including Tanzania, are crafting strategies to improve their citizen’s financial literacy. The Financial Services Roundtable, which represents major integrated financial services companies in the United States, is only one of many sources providing access to free resources for schools to incorporate into their K-12 curricula.

These and many other initiatives provide confidence that the players in the financial inclusion world are increasingly alert to the importance of financial capability and willing to support it actively. The challenge is great, much investment and hard work is needed, but we increasingly understand how important the task is, and are starting to develop better tools to help.

We propose four summary points for all actors to keep in mind as they work to advance financial capability:

1. Financial capability is an ongoing process of building mastery in one’s financial life.
2. Behavior is at the heart of advancing capability and we must integrate what we know about human behavior into the provision of financial services.
3. Every actor involved in financial inclusion has a unique and important role to play in advancing capability.
4. We are still at a stage of learning and experimentation about how to advance financial capability and what business models can support it.
IV. Recommendations

1. Embed Financial Capability into all Aspects of Financial Inclusion

Increasing financial capability is an essential enabler of the expansion of financial services to both unserved and underserved populations and is also essential for problem minimization in the financial system. Financial capability can no longer be seen as an afterthought; it must be considered as a mainstream principle embedded across consumer-oriented financial services. Consumer capability must be prioritized in product design, technology interfaces, and client protection.

2. Incorporate What We Know About Learning and Behavior Change into Financial Capability Intervention Design

Much is known about how people respond to different kinds of messages, about their cognitive biases, and about what it takes to create new habits. Interventions aimed at increasing financial capability should make use of such insights – especially those regarding teachable moments, the role of emotions in learning and behavior, cultural influences, changing lifecycle needs, decision-making, and so on.

3. Providers Take Responsibility to Contribute to Financial Capability Building

All providers should look for opportunities in their business or service delivery models to prioritize clients’ financial capability. At a minimum, they must ensure that clients have access to the information necessary to make an informed decision, which aligns with the core principles of client protection. We encourage financial service providers to incorporate specific features into their product design and delivery, such as strategic positioning of choices, use of reminders, or rewards for responsible behavior, and to avoid practices which may lead to poor financial behaviors, such as using teaser rates and other aggressive sales practices.

Governments can be some of the largest providers of financial services in a country through their disbursement of government payments. As such they have an opportunity to promote financial capability by providing households with opportunities to exercise it.

*Action Point:* Provide recipient of government payments with convenient, even automatic, options to apply portions of their government payment towards financial actions such as saving or paying down debt.

5. Governments Create and Implement Cohesive National Strategies to Promote Financial Capability

We recommend that all countries build on principles presented in resources such as the “OECD/INFE High-Level Principles on National Strategies for Financial Education” to coordinate effective, multi-stakeholder plans for improving financial capability across their citizenry, especially among those at the base of the pyramid. Financing models that bring together public and private funding should support these multi-stakeholder strategies.

*Action Point:* All governments should designate a lead agency that has ownership and responsibility over coordinating the national strategy, and this agency should at minimum engage the ministers of education and finance and financial regulators.

*Action Point:* Develop and implement indicators to measure and track financial capability levels at a national level.

6. Educate the Public on the Importance of Financial Capability

To facilitate the adoption of financial capability as a social value, we recommend awareness-building campaigns within countries to sensitize all stakeholders, and namely financial consumers, on the importance of financial capability and the consequences of its absence.
7. Ensure All Students Receive Financial Education Before Completing Primary and Secondary School

To ensure that everyone has a basic level of financial literacy, every country should incorporate financial education classes as part of regular school curriculum. Research is needed to develop best practices in this area.

8. Continue Innovating to Improve Financial Education Delivery Methods and Scale

Increased innovation is needed to find sustainable and effective ways to deliver financial education. This practical innovation should be coupled with evolving research on capability acquisition, in order to improve the efficacy financial education efforts, as well as studies tracking the impact of various interventions.


To ensure that funding is allocated to priority areas for building financial capability, we recommend the generation of research that compares the costs of financial incapability (for national financial systems as well as for financial service providers) with the costs of implementing effective strategies to build capability. Research is also needed on how to make the financial capability supports sustainable and scalable.
10. Use Partnerships to Get the Right Intervention to Clients at the Right Times. Experienced Financial Education Providers Should Leverage their Expertise and Knowledge About Clients’ Needs to Inform Private and Public Sector Actors

This recommendation envisions partnerships between financial service providers and non-profit organizations specialized in financial capability that can help design and deliver capability-building interventions. This matters: Knowledge about financial capability is rapidly evolving and does not often reside within providers, and yet the specialists need to tap into the client interactions providers have – the “teachable moments.”

Opportunities for partnerships involve a wide range of organizations, including public actors. For example, agencies or institutions that interact with individuals at life milestone events, such as schools, maternity clinics or emigration and immigration offices, are all prospective partners with financial capability specialists, as they are well placed to offer targeted financial education resources to their constituents.

**Example:** NGO extends an invitation to a financial service provider to gather their experience and perspective on a financial capability program for new microinsurance clients.

**Example:** NGO and/or MFI reaches out to lead contact in the ministry of education, employment, and/or social welfare to guide the development and launch of a new financial education and job training program for unemployed people.


We encourage technology-providers, such as mobile operators, to explore how they can integrate low-cost, technology-based approaches for building financial capability.

**Action Point:** Through a public-private partnership, build an online resource that:
- Can serve as a storehouse for all financial products offered by providers and available to consumers.
- Use a series of questions to provide each consumer with a filtered and personalized set of financial services to choose from when deciding to use a financial service.

**Action Point:** Use SMS and mobile technology to incentivize financially capable behaviour through reminders, community, and real-time interaction. (Example: Juntos Finanzas)
This working paper was created through a series of consultations with an experts’ working group on Financial Capability. We wish to express our gratitude to the Financial Capability Working Group members for their active participation in group discussions and thoughtful contributions.

We also thank the many additional experts who reviewed drafts of the paper and provided input. Finally, we wish to thank the many CFI and Accion staff members who provided support including Allison Bernstein, Merene Botsio, Elizabeth Davidson, Sonja Kelly, and Amanda Lotz.

The Center for Financial Inclusion accepts responsibility for the views expressed in this paper. Those views do not necessarily reflect the views of individual working group members or their organizations.

**Experts Working Group on Financial Capability**

Jasmine Thomas, Citi Foundation (Chair)  
Anita Gardeva, Center for Financial Inclusion (Facilitator)  
Monique Cohen, Microfinance Opportunities/Independent Advisor  
Solana Cozzo, MasterCard Worldwide  
Sarah Gordon, Center for Financial Services Innovation (CFSI)  
Martin Hintz, Allianz  
Richard Hinz, Consultant, U.S.  
Claire Innes, U.K. Department for International Development  
Ida Rademacher, The Corporation for Enterprise Development (CFED)  
Robyn Robertson, Microfinance Opportunities  
Beniamino Savonitto, Innovations for Poverty Action  
Andrea Stiles Pullas, AVAL Consulting
This publication was produced by Financial Inclusion 2020:

Lead Partner

Citi

Lead and Founding Partner

Principal Partners

VISA

Principal and Founding Partner

MasterCard Worldwide

Bill & Melinda Gates Foundation

Project Partners

MetLife Foundation

Western Union Foundation

FT 125 Years

Credit Suisse

CFI Founding Partner

Media Partner