

WHY FINANCIAL INCLUSION MATTERS

IMAGINE HAVING NO ACCESS to financial services: no checking account, no debit or credit card, no health, property or life insurance, and no safe place to store your savings. Unfortunately, this is the day-to-day reality for so many people living in developing countries around the world.

For poor families, this situation is worsened by the added challenge of having low, and often uncertain, income. How do they get the money to tide their family over until their crops are sold? How do they pay for emergency medical treatment for their kids?

Nearly 2 billion people worldwide need access to basic financial services so they can make the most of their resources and take part in their local economies.

It is easy to see why people living in poverty need financial services, even more so than the non-poor. Underserved populations, especially women and people in rural areas, can be trapped in a stressful cycle of poverty. Financial *exclusion* makes their plight even more difficult.

When poor mothers and fathers have access to financial services, they can earn more, build their assets and cushion themselves from external shocks. Families benefit from financial inclusion in five ways:

1. Household income

Financial services can improve lives by providing needed financing for business activities, which can increase household incomes. Reliable sources of financial

services help to plan for and expand business activities, which can enable families to save, manage cash flows and reduce the need to sell assets in times of crisis.

2. Build assets

With increased income and the ability to save and take on credit, financial services provide the means for poor families to acquire land, construct or improve their home, purchase livestock and consumer durables or expand their businesses.

3. Increase security

Only a fifth of the developing world utilize financial institutions to keep money safe. Many store cash in their floorboards, under the mattress or in a container—where it is easy to be found and stolen. Others invest their savings in jewelry or livestock—a highly inflexible way to accrue and access savings. By saving money in a trusted financial institution, families are able to safely store, grow and utilize their funds.

4. Reduce vulnerability

By increasing earnings and savings, financial services allow poor mothers and fathers to make the transformation from every-day survival to planning for the future. Parents are able to pay for their children's tuition, better their living conditions, and seek out and pay for health care services, as they are needed.

5. Create jobs

Not only do financial services provide budding entrepreneurs with opportunities to create jobs for themselves, but also it ensures that growing micro-enterprises will provide opportunities for others in the community to access jobs as well.

EURASIA

318,232
CLIENTS

1,559,003
FAMILY MEMBERS



AFRICA

942,495
CLIENTS

6,099,246
FAMILY MEMBERS



FINCA DOESN'T JUST REACH CLIENTS.

FINCA's financial services impact 2.7 million clients and their families globally, enabling mothers, fathers and children to plan for the futures and better their living conditions.

LATIN AMERICA:

213,225
CLIENTS

1,080,837
FAMILY MEMBERS



MIDDLE EAST & SOUTH ASIA:

1,195,981
CLIENTS

8,481,572
FAMILY MEMBERS



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FINCA International ("FINCA") enables access to responsible financial services as the founder of and majority shareholder in FINCA Impact Finance, a global network of 20 community-based microfinance institutions and banks.