

The impacts of mobile money: Risk, poverty, and investment

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*guide*²

on Innovation, Development and Evaluation

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Financial inclusion

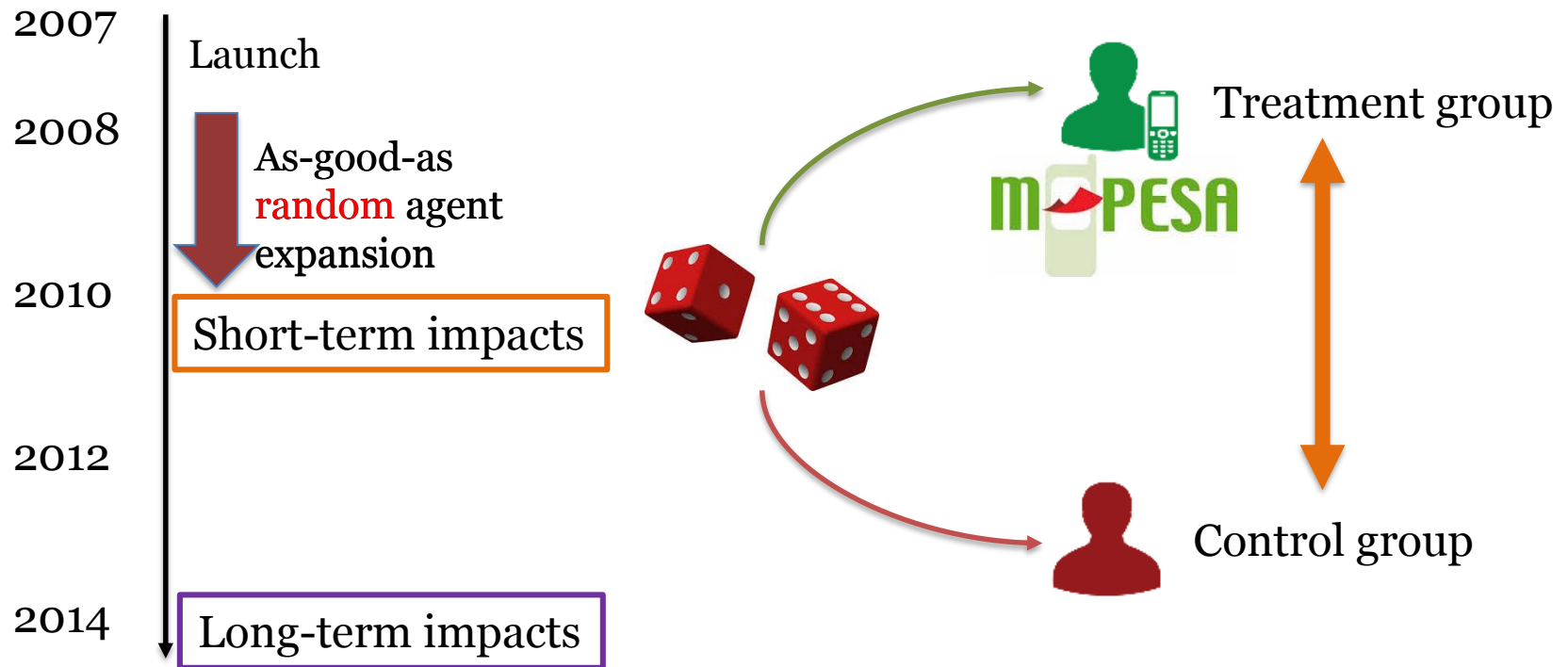
- According to the Global Findex:*

“Financial inclusion is critical in **reducing poverty** and achieving inclusive **economic growth**. When people can participate in the financial system, they are better able to **start** and **expand businesses**, **invest** in their **children’s education**, and **absorb** financial **shocks**.”

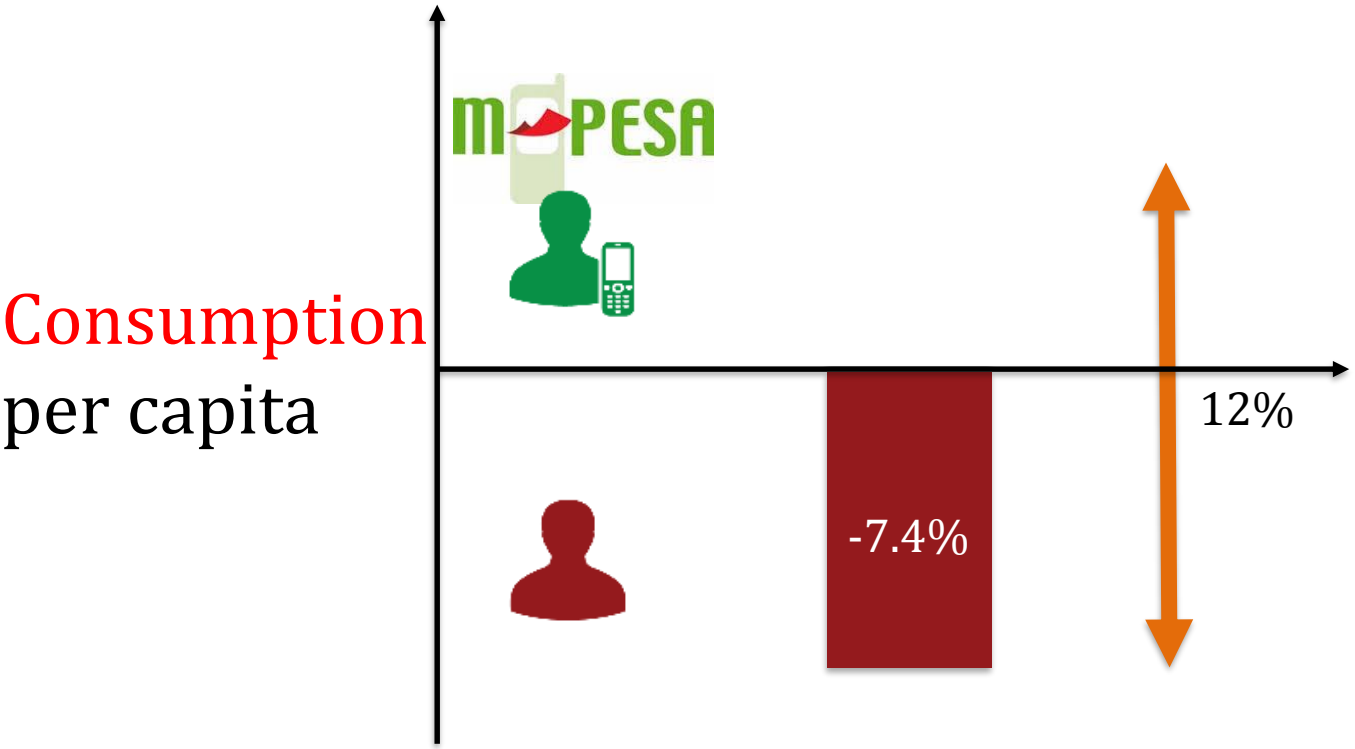
* Based on interviews with about 150,000 nationally representative and randomly selected adults (age 15+) in over 140 countries.

Measuring the impact of mobile money

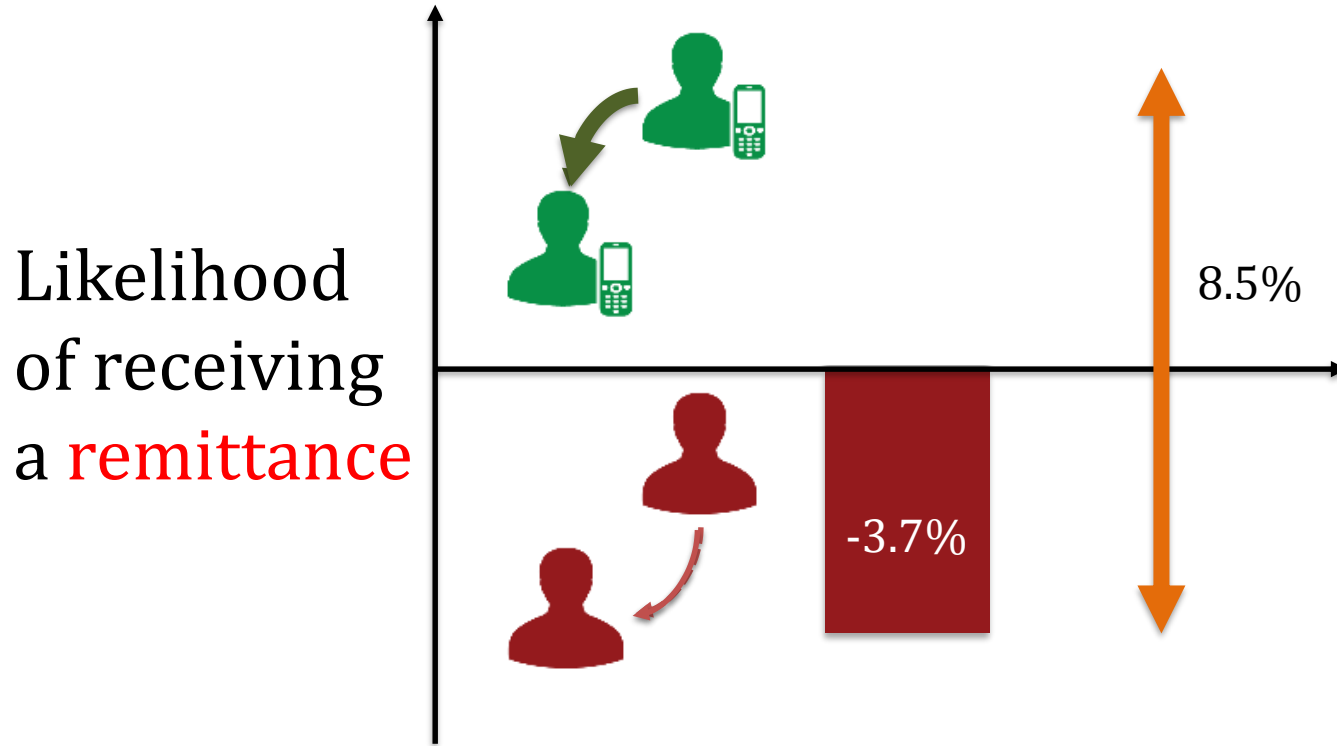
- The early expansion of the agent network was not correlated with household characteristics



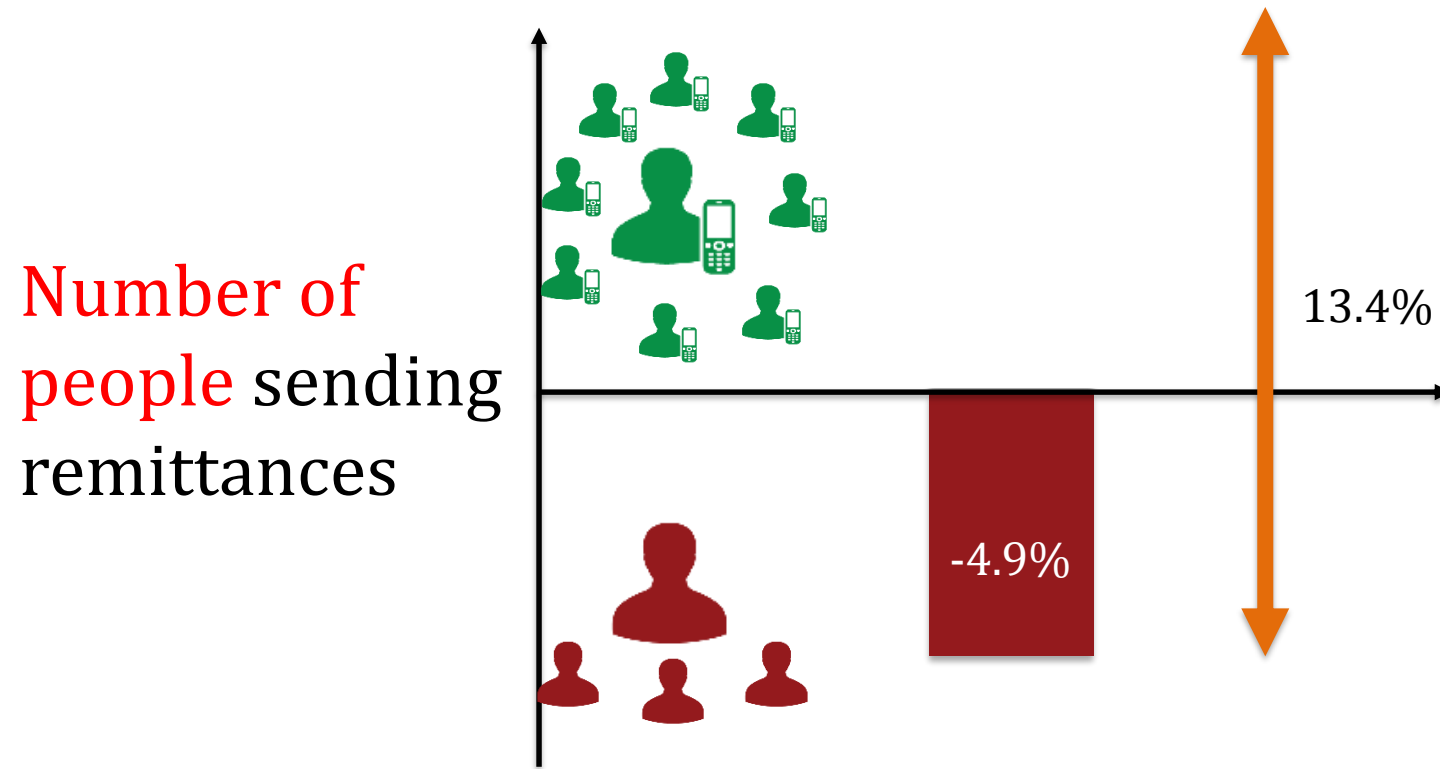
When times get bad....



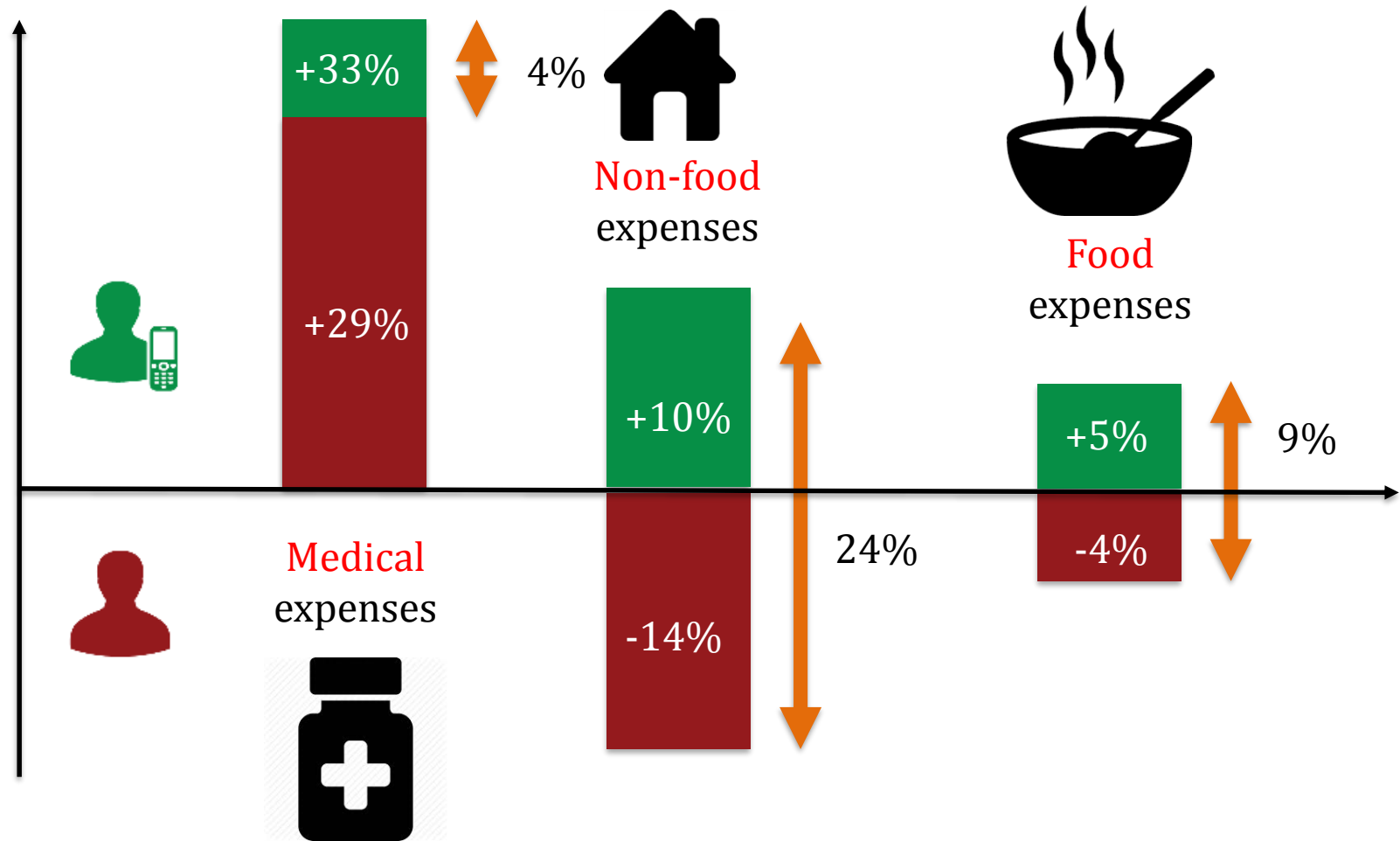
When times get bad....



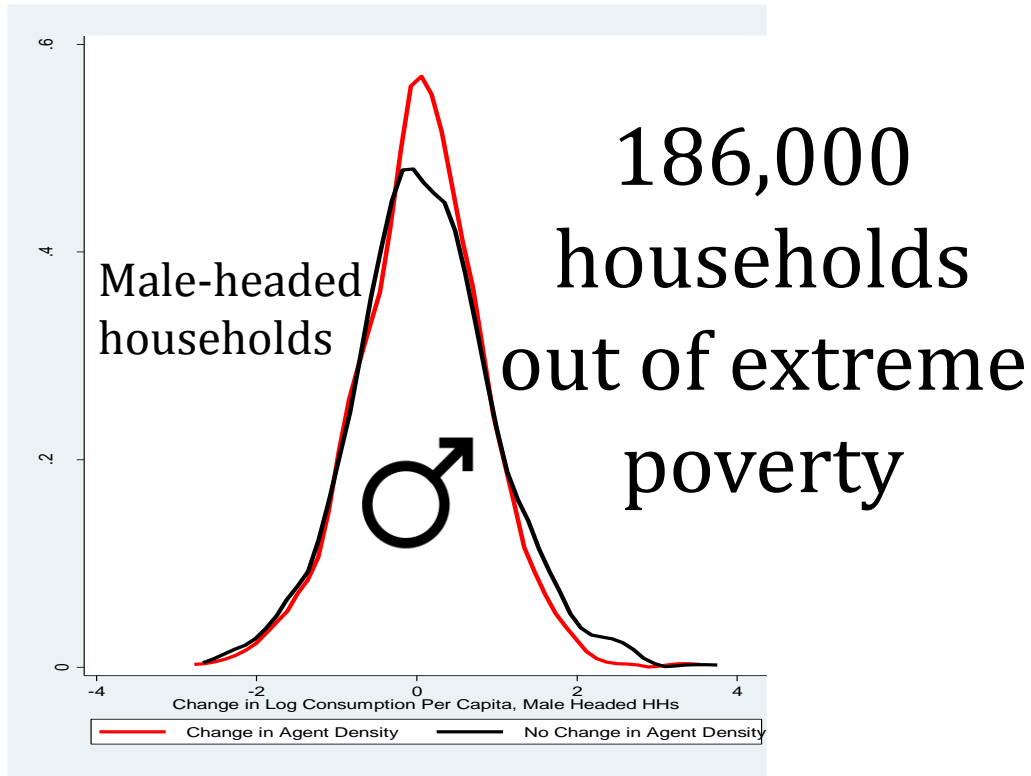
When times get bad....



When health shocks hit.....mobile money provides insurance



Per-capita consumption



Households without growth in M-PESA agents



Households with growth in M-PESA agents

How did that happen?

- M-PESA users save more



- Women move from agriculture into business



- Households are smaller – fewer kids at home



Banking, saving, and schooling (High Hopes)



2007



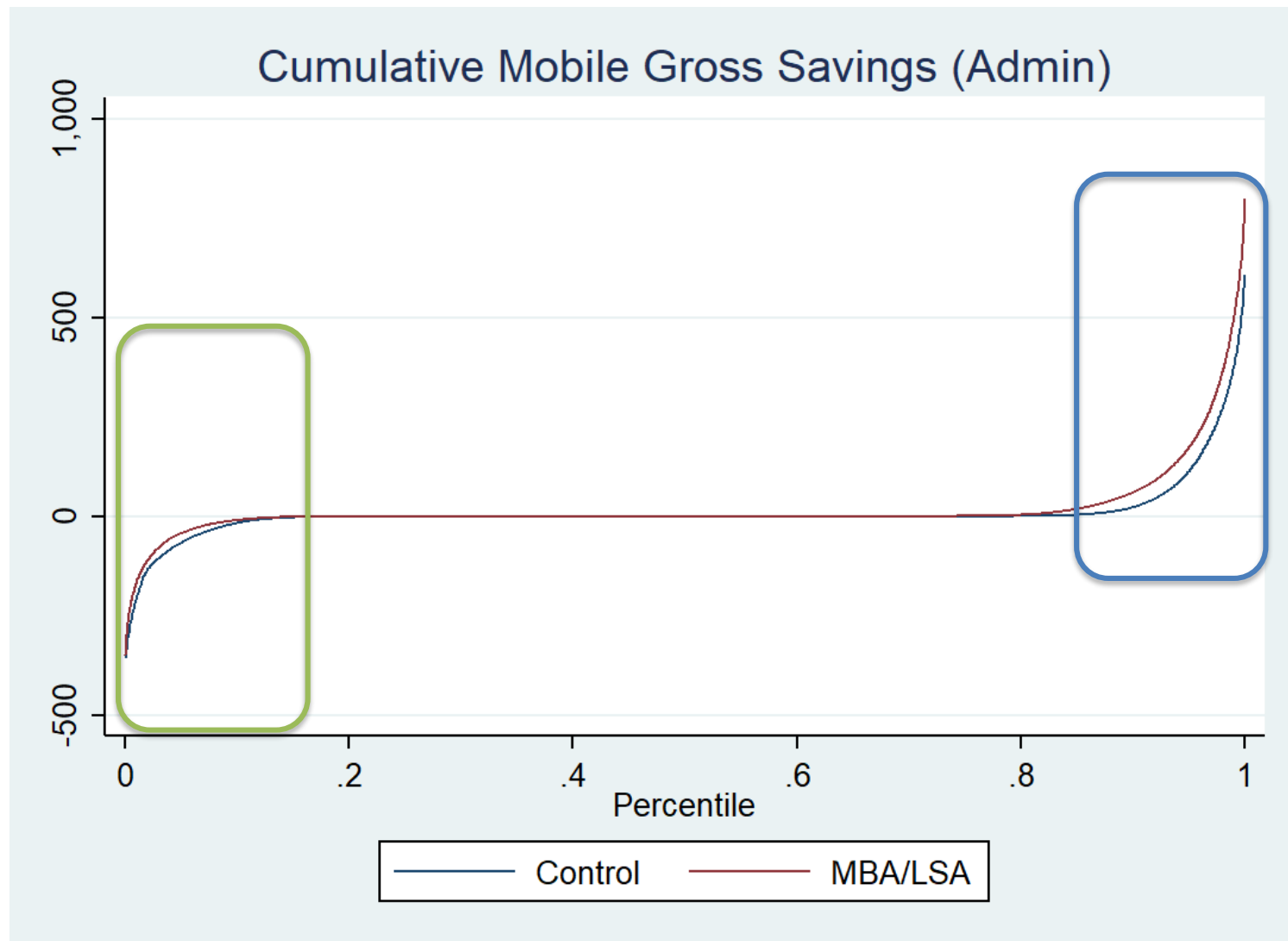
2012



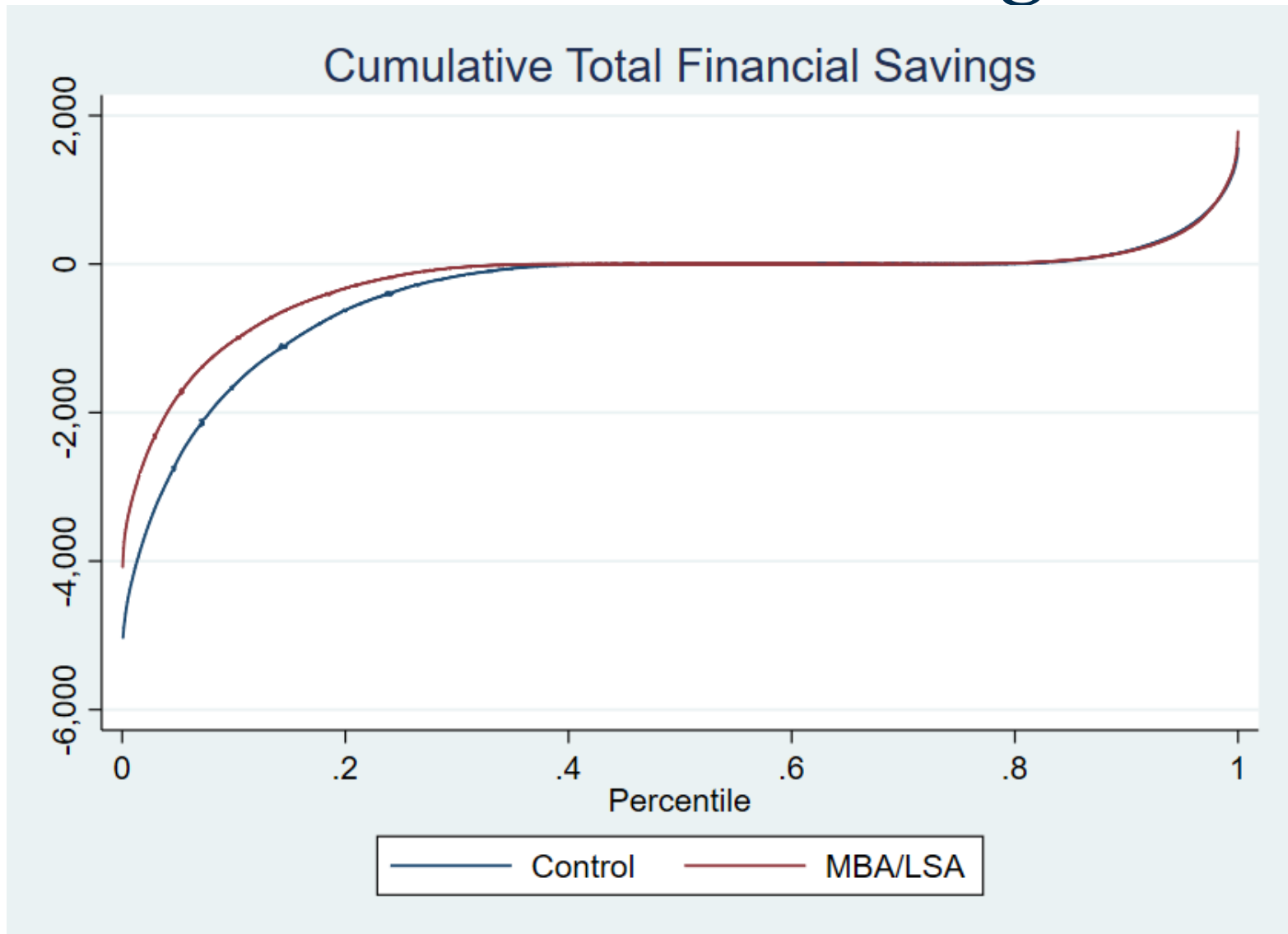
2014

- No deposit interest
- No credit
- 2-5% deposit interest
- One-month credit at 7.5%
- 1% bonus deposit interest

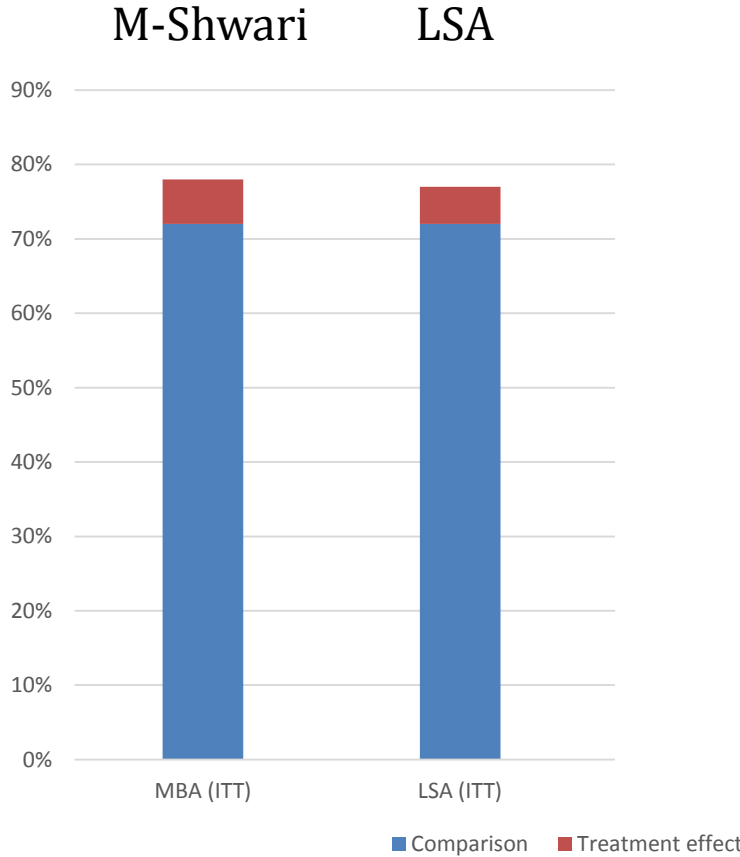
Who is saving?



Total financial savings



Financial inclusion and high school enrollment



Insurance

- Bima Pima – bit-by-bit insurance
- Sold and initiated over the mobile phone
- Provides a convenient savings mechanism towards the purchase of insurance
- What are impacts on farmer resilience and investment behaviors?

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