Where are the Poor: Ethiopia Summary

Project Team: Morgan Friedman, Andrew Secor, Wei-Ming Chen, Akhtar Badshah

December 2019

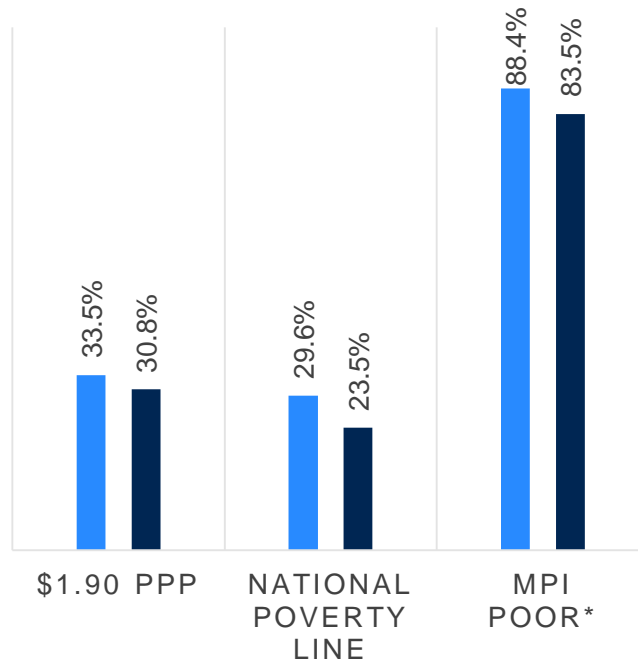START CENTER | STRATEGIC ANALYSIS, RESEARCH & TRAINING CENTER
Department of Global Health | University of Washington

Comparing Different Definitions of Poverty

Ethiopia

% living in Poverty

- $1.90 PPP: 33.5% (2010), 30.8% (2015)
- NATIONAL POVERTY LINE: 29.6% (2010), 23.5% (2015)
- MPI POOR*: 88.4% (2010), 83.5% (2015)
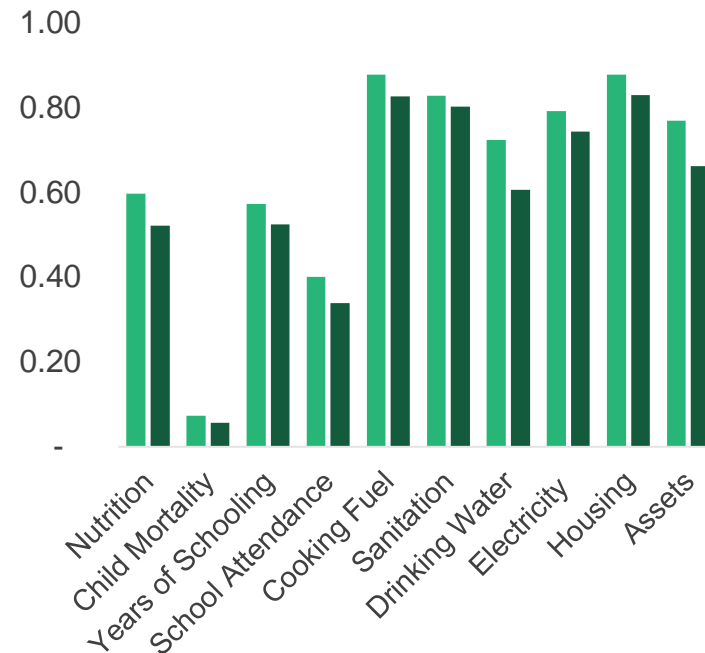
Legend: 2010, 2015

Data sources: World Bank, MPI, Asian Development Bank
MPI Data from 2011 and 2016 as closest comparison years

% of MPI Poor deprived in each contributing factor

Factors: Nutrition, Child Mortality, Years of Schooling, School Attendance, Cooking Fuel, Sanitation, Drinking Water, Electricity, Housing, Assets

Legend: 2011, 2016

Data source: MPI

Gini Coefficient

2010
33.2

2015
35

Data source: World Bank

START CENTER

| 3

Where are the poor in Ethiopia?

% of people below national poverty line
(Central Statistic Agency, 2016)

% of people MPI Poor
(MPI, 2016)

# of people who are defined as MPI Poor

Region	2011	2016
Oromia	30,931,999.45	35,414,149.79
Amhara	19,898,829.11	20,338,188.42
SNNPR	16,194,287.83	19,263,095.29
Tigray	4,939,738.93	5,586,505.88
Somali	1,874,618.83	3,141,982.19
Benishangul-Gumuz	787,006.88	873,377.18
Afar	716,982.55	735,170.17
Addis Ababa	666,063.73	545,990.24
Dire Dawa	284,654.60	267,814.95
Gambela	192,457.36	220,053.75
Harari	152,230.62	116,657.50

93.3%

of multidimensionally poor people live in rural areas, and urban areas are progressing faster
DHS, 2016

90%

or more of children in Ethiopia are MPI Poor, and adults are progressing faster
UNICEF, 2016

START CENTER

| 4
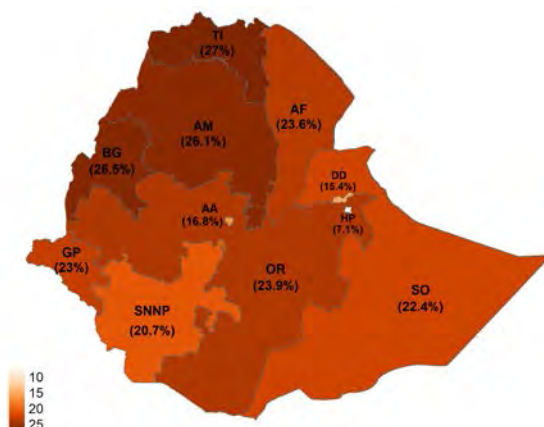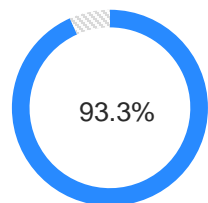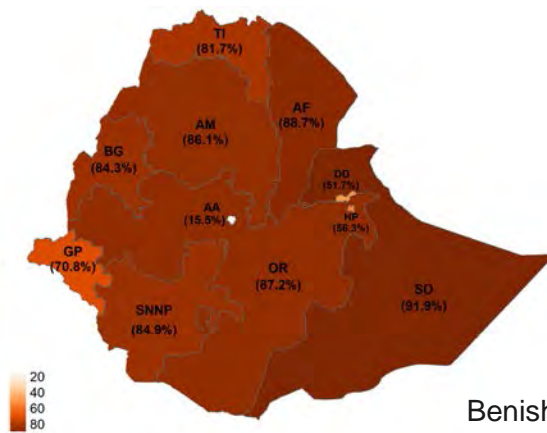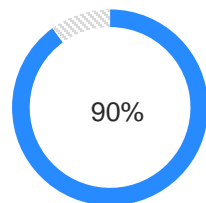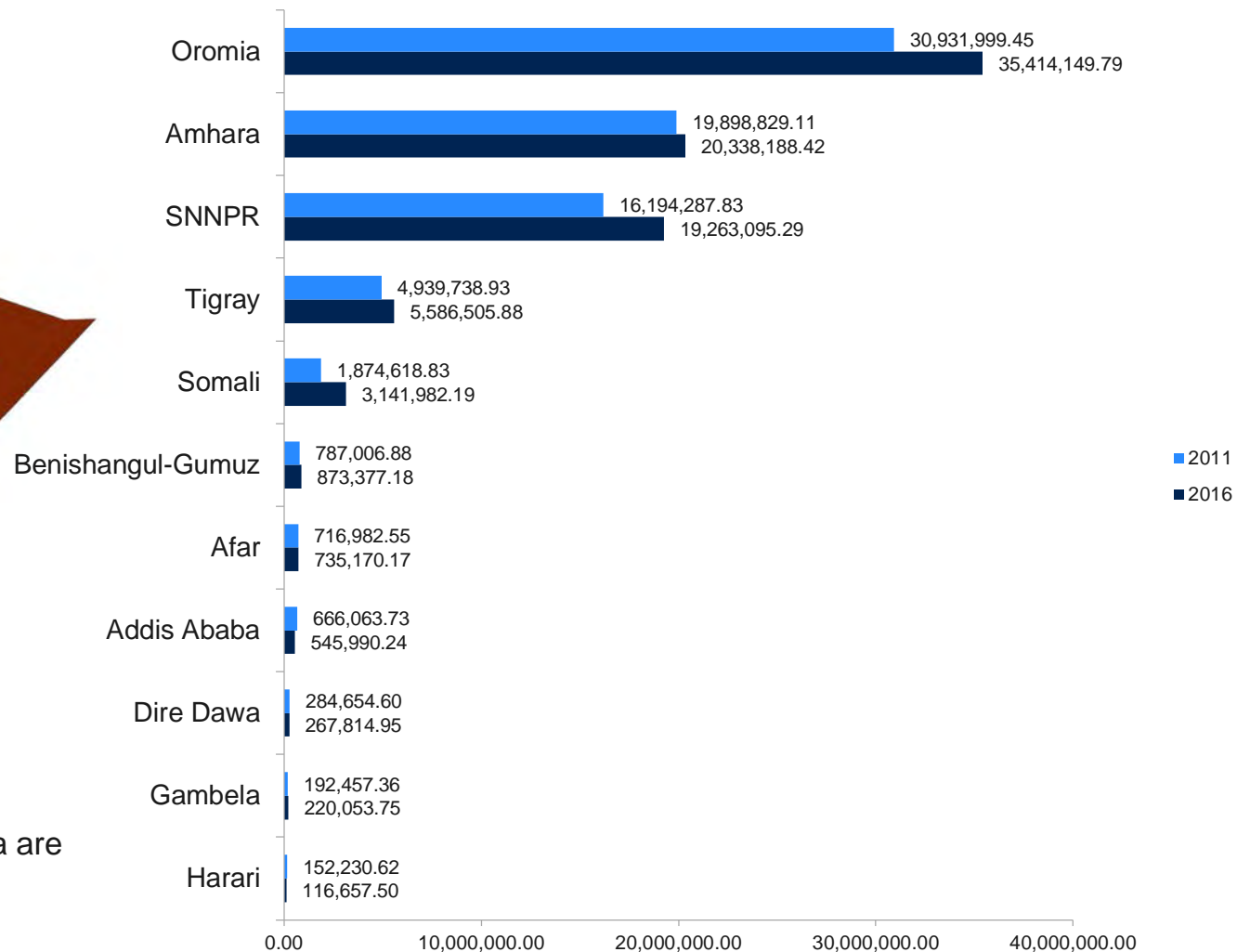
Matching Poverty Definition to FSP Goals: Ethiopia

- Highest MPI Scores: Somali (SO), Afar (AF), Oromia (OR)
- Somali – Ethiopia's poorest region - had by far the least progress; Oromia & Tigray have been able to reduce their incidence of poverty, but not intensity
- The capital city Addis Ababa had the largest reduction, nearly halving its MPI value and reducing the percentage of multidimensionally poor people by 44%
- 34 of the 36M children living in poverty live in Oromia, Amhara, and SNNPR (UNICEF)

- 50% + of the population is multidimensionally poor and has a malnourished person in the household
- 50%+ is multidimensionally poor and lives in a household in which no one has completed six years of schooling
- 33%+ is multidimensionally poor and lives with a child who is not attending school.
- 75% is multidimensionally poor and lacks electricity
- 80% is multidimensionally poor and lacks adequate sanitation facilities

Electricity & Mobile Coverage

- 44.3% national electricity coverage (World Bank)
- 43% mobile coverage (National Bank)
- 31.4% men have phones in lowest wealth quintile vs. 86.3% in highest wealth quintile (DHS)
- 7.2% of women have phones in the lowest wealth quintile vs. 66.9% in highest wealth quintile (DHS)
- Regions with lowest phone ownership include: Amhara, SNNPR, Oromia (DHS)

Education

- 83.9% Net Attendance in Primary School rate in highest wealth quintile vs. 56.6% in lowest wealth quintile (DHS)
- Primary school graduation rate is 38.3% (UNECA)
- Adulty Literacy Rate is 64.1% (LSMS)
- Current mean years of school is 2.4 vs. 8.3 expected for those entering primary schools
- Regions with lowest education levels include: Somali and Oromia (DHS)

Livelihood

- 90%+ of rural, poor regions are employed in agriculture, meaning growth in agriculture helps alleviate poverty significantly today (ILO)
- Virtually no wealth gap in employment rates for men (DHS)
- 48.7% of women in the highest wealth quintile vs. 24.4% of women in the highest wealth quintile are employed (DHS)

Women's Economic Empowerment

- Ethiopia's gender gap in mobile phones (21%) and internet usage (60%) is the 2nd largest in Africa (GSMA)
- No gender gap in gross primary school attendance rates
- Poor women experience larger gender gap in employment rates
- 12% gender gap in account ownership, growing

Financial Inclusion

- 35% of population are registered account owners (Findex)
- 21% wealth gap and growing in account ownership (Findex)
- 57% of those with account made a withdrawal in the last year (Findex)
- 17% of those receiving wages received them in an account; 3% received gov't payments into an account (Findex)
- 12% using phones for mobile phone transactions
- Insufficient funds is the #1 cited barrier (Findex)
- Poorest 40% more likely to resort to sale of assets for emergency spending; Richest 60% more likely to turn to savings or loans (Findex)

Where are the Poor: Bangladesh Summary

Project Team: Morgan Friedman, Andrew Secor, Wei-Ming Chen, Akhtar Badshah
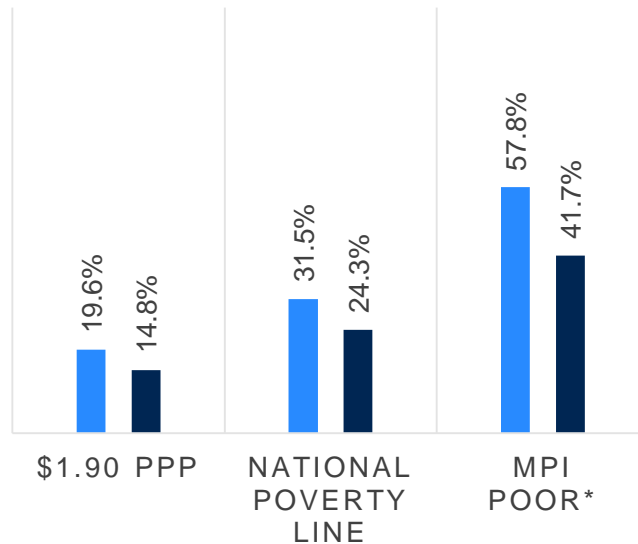
December 2019

START CENTER | STRATEGIC ANALYSIS, RESEARCH & TRAINING CENTER
Department of Global Health | University of Washington

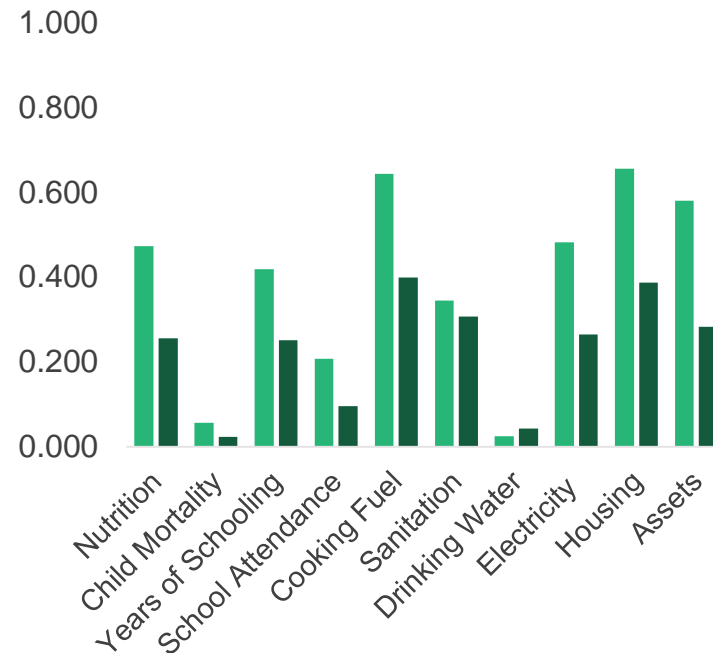# Comparing Different Definitions of Poverty

Bangladesh

% living in Poverty

$1.90 PPP	19.6% / 14.8%
NATIONAL POVERTY LINE	31.5% / 24.3%
MPI POOR*	57.8% / 41.7%

2010   2016

% of MPI Poor deprived in each contributing factor

Nutrition, Child Mortality, Years of Schooling, School Attendance, Cooking Fuel, Sanitation, Drinking Water, Electricity, Housing, Assets

2007   2014

Gini Coefficient

2010

32.1

2016

32.4

Data sources: World Bank, MPI, Asian Development Bank
*MPI Data from 2007 and 2014 as closest comparison years

Data source: MPI

Data source: World Bank

🌐 START CENTER
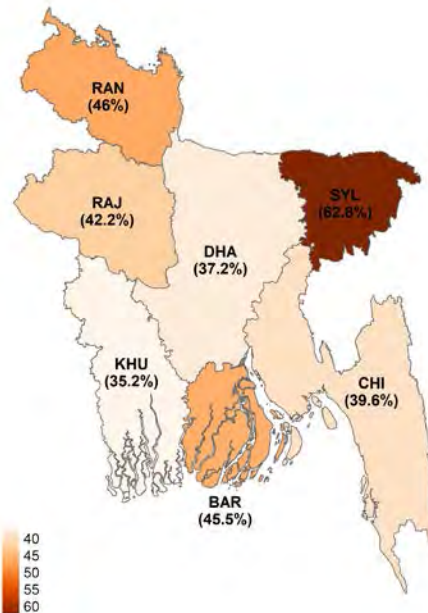
| 7

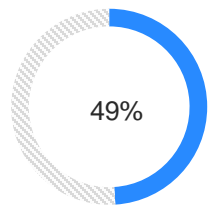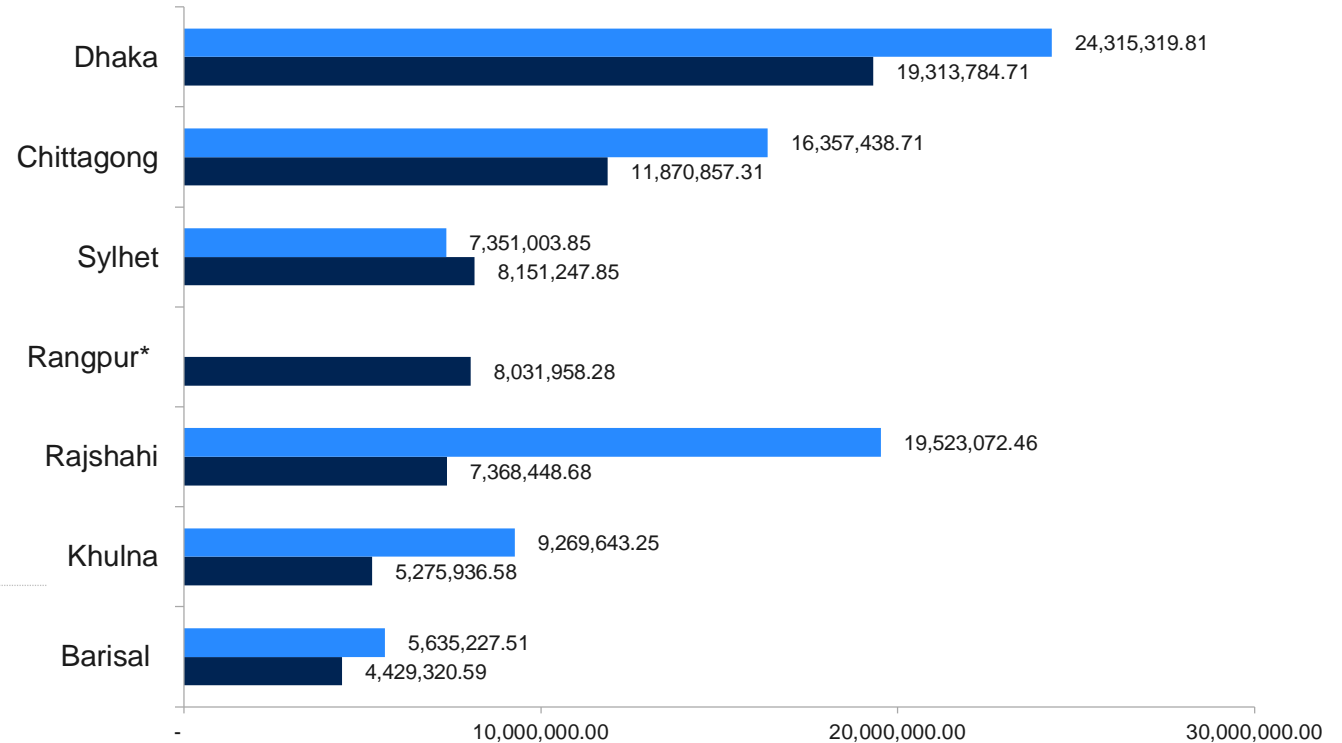# Where is Poverty Concentrated in Bangladesh?

% of people living in poverty
(World Bank Poverty Assessment, 2016)

% of people MPI Poor
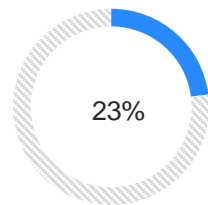(MPI, 2014)

of people who are defined as MPI Poor

Region	2007	2014
Dhaka	24,315,319.81	19,313,784.71
Chittagong	16,357,438.71	11,870,857.31
Sylhet	7,351,003.85	8,151,247.85
Rangpur*		8,031,958.28
Rajshahi	19,523,072.46	7,368,448.68
Khulna	9,269,643.25	5,275,936.58
Barisal	5,635,227.51	4,429,320.59

Legend (map 1):
28.93 - 47.23
26.49 - 28.93
18.43 - 26.49
16.23 - 18.43

Map 2 values:
RAN (46%)
RAJ (42.2%)
SYL (62.8%)
DHA (37.2%)
KHU (35.2%)
CHI (39.6%)
BAR (45.5%)

2007   2014

49%
of people living in rural areas are multidimensionally poor

23%
of people living in urban areas are multidimensionally poor

Data Source: MPI, World Bank
Rangpur data for 2007 incorporated in Rajshahi data

Data Source: MPI

START CENTER
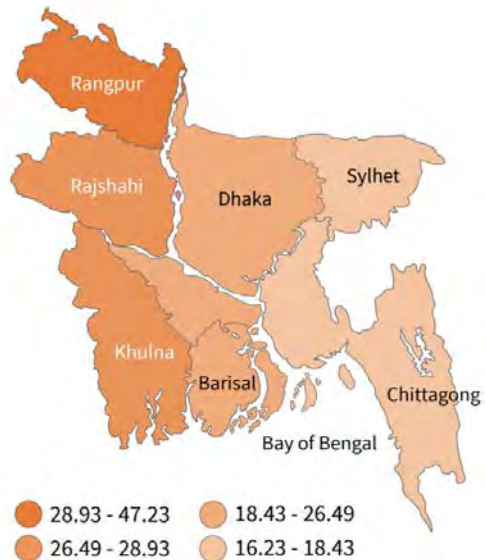
Matching Poverty Definition to FSP Goals: Bangladesh

Bangladesh Poverty Assessment: World Bank (PPP)
- Poverty has been cut in half since 1990, but reduction has slowed since 2010
- Poverty reduction progress slower in urban areas compared to rural
  - From 2010 – 2016: 90% poverty reduction took place in rural areas
  - From 2010 – 2016 there was no progress in reducing extreme poverty in urban areas and the number of people has increased (worrisome as Bangladesh continues to urbanize)
- Stronger progress in poverty reduction in the eastern regions
  - Increase in poverty since 2010: Rangpur
  - Stagnant since 2010: Rajshahi & Khulna
  - Moderate Decrease: Chittagong
  - Extreme Decrease: Barisal, Dhaka, and Sylhet
- Reduction in poverty has been driven by labor income increases not transfers (i.e., social program donations)

Bangladesh Poverty Assessment: MPI
- The % of people that are MPI poor decreased between 2007 and 2014
- All deprivations improved with the exception of Drinking Water
- Sylhet in the eastern region has the highest MPI score and % of people that are MPI poor – hypothesis that this is driven by bad living conditions and low years of schooling in Sylhet city
- Highest volume of MPI poor people are living in Dhaka

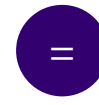| Electricity & Mobile Coverage	Education	Livelihood	Women's Economic Empowerment	Financial Inclusion
• 74.20% of the population has access to electricity (GSMA) • 26.5% of MPI poor people experience deprivations in electricity (MPI) • 71% of the population has a mobile phone (FII) • 95%+ of population is covered by 2G or 3G; only 17% is covered by 4G (GSMA) • 1GB of data would cost the bottom 20% of the income distribution 11% of their monthly earnings (GSMA) • *Gap: mobile phone coverage by wealth quintile or subnational region*	• Virtually no difference in primary school net attendance or completion rates between highest and lowest wealth quintile (*DHS*) • 49.9% in highest wealth quintile attend secondary education vs. only 29.6% of lowest wealth quintile (DHS) • Literacy rates are 39% for poor heads of household vs. 59% for non-poor heads of household (World Bank) • Education attainment is growing most rapidly in urban, west divisions (World Bank)	• Growth in Industry & Services (particularly urban workers in the garment industry) driving poverty alleviation • Unemployment rate is the same between poor and non-poor households but 43% of poor household heads are in agriculture vs. 28% of non-poor household heads – where growth / income potential is lower (World Bank) • Western regions (Rajshahi, Rangpur, Khulna) have higher concentration in agriculture (World Bank)	• Phone Ownership Gender Gap: 25% (FII) • Primary & Secondary Education Attendance Gender Gap: ~0% (DHS) • Primary Completion Gender Gap: ~0% (DHS) • Women's labor force participation is 44% of men's (World Bank) • Labor force participation increased between 2003 and 2010 driven by a 10% increase in female labor participation in the garment industry but decreased between 2010 and 2016 (World Bank) • Gender Gap in Account Ownership: 29% (Findex)	• 25% registered bank account owners; 16% active bank account users (FII) • 17% mobile money account owners, a 340% increase since 2014 (FII) • 25% of wage earners received them through an account • Wealth Gap in Account Ownership: 17% (Findex) • Wealth Gap in Emergency Fund Coverage: low across all sources (Findex) • Insufficient Funds is the primary reason noted as a Barrier to Account Ownership (Findex)

START CENTER

| 9

Where are the Poor:
Full Report

Project Team: Morgan Friedman, Andrew Secor, Wei-Ming Chen,
Akhtar Badshah

December 2019

START CENTER | STRATEGIC ANALYSIS, RESEARCH & TRAINING CENTER
Department of Global Health | University of Washington

START: What are the Poor Project

Project Goal: Provide a detailed analysis and picture of poverty in Bangladesh and Ethiopia and implications for Financial Inclusion

Research Objectives:

01 Expand the definition of poverty beyond income & consumption

02 Determine what proportion of the population lives in poverty in each country at a subnational level based on identified poverty metrics

03 Understand what the lives of those living in poverty look like in each country, inclusive of connectivity, education, livelihood, women's economic empowerment and financial inclusion

START CENTER

PROJECT TEAM

Morgan Friedman

MBA Student

Project Manager

Andrew Secor

PhD Student, Implementation Science

Research Assistant

Wei-Ming Chen

MBA Student

Research Assistant

Akhtar Badshah

Faculty Lead

START CENTER

START: Where are the Poor Project Report

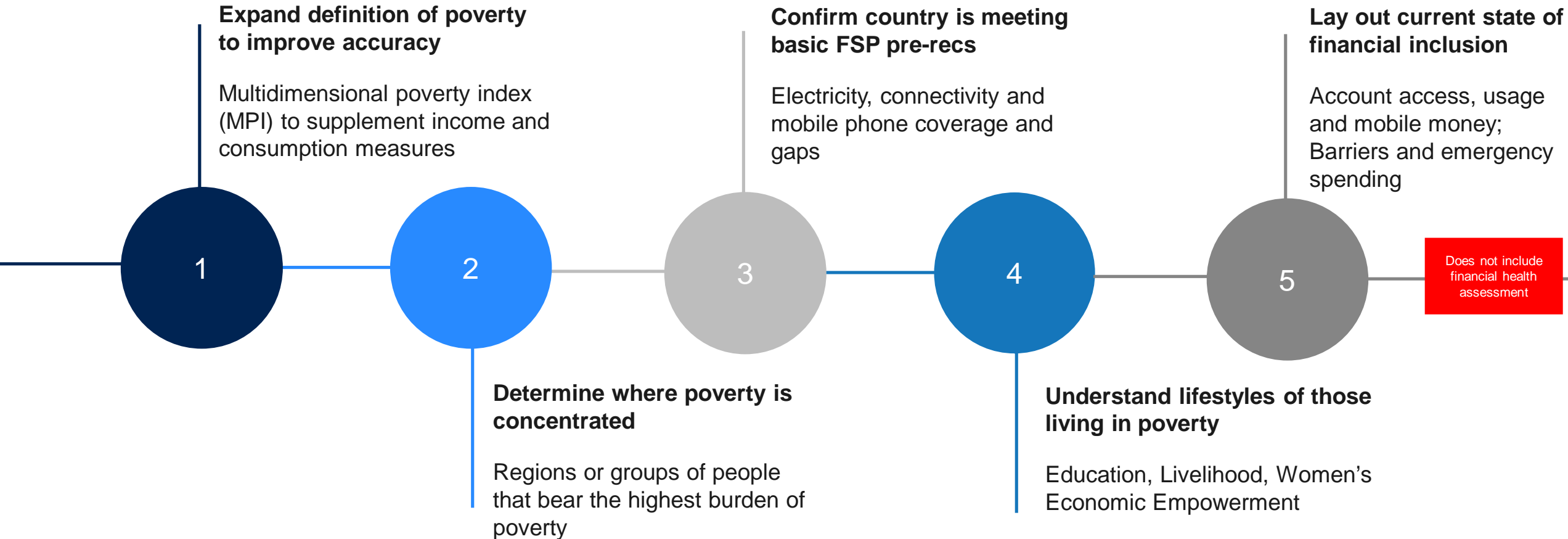## How does this project tie into FSP's Theory of Change?

Expand definition of poverty to improve accuracy

Multidimensional poverty index (MPI) to supplement income and consumption measures

Confirm country is meeting basic FSP pre-recs

Electricity, connectivity and mobile phone coverage and gaps

Lay out current state of financial inclusion

Account access, usage and mobile money; Barriers and emergency spending

(1) **(2)** **(3)** **(4)** **(5)** Does not include financial health assessment

Determine where poverty is concentrated

Regions or groups of people that bear the highest burden of poverty

Understand lifestyles of those living in poverty

Education, Livelihood, Women's Economic Empowerment

Table of Contents

ETHIOPIA

Slides 15 – 24: Expanded Definition of Poverty: MPI Overview

Slides 25 – 27: Where Poverty is Concentrated

Slides 28 – 30: Meeting FSP Pre-Reqs (Electricity & Connectivity)

Slides 31 - 38: Summary of Lifestyle Indicators of those living in poverty (Education, Livelihood, Women's Economic Empowerment)

Slides 39 - 44: Current state of financial inclusion

BANGLADESH

Slides 47 - 55: Expanded Definition of Poverty: MPI Overview

Slides 56 - 58: Where Poverty is Concentrated

Slides 59 - 61: Meeting FSP Pre-Reqs (Electricity & Connectivity)

Slides 62 - 67: Summary of Lifestyle Indicators of those living in poverty (Education, Livelihood, Women's Economic Empowerment)

Slides 68 - 75: Current state of financial inclusion

START CENTER

Ethiopia

1

Expand the Definition of Poverty

START CENTER

Poverty Definitions

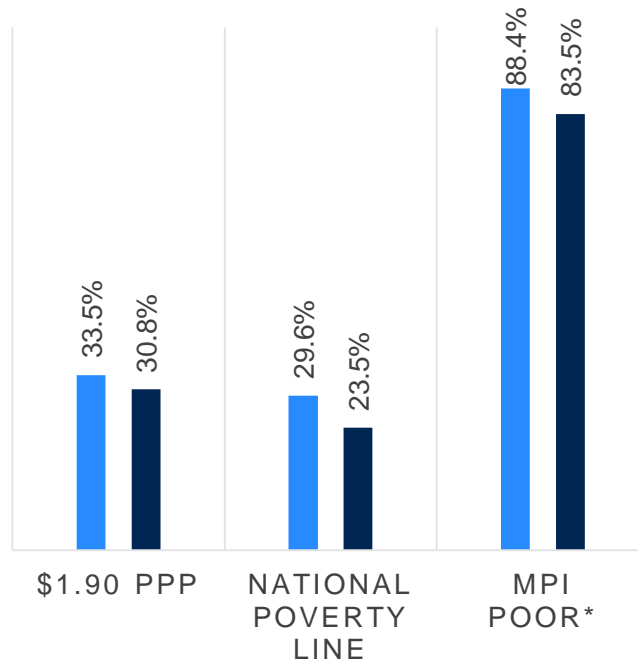| Source	Poverty Definition
World Bank $1.90/day PPP	Extreme Poverty; Living at or below $1.90/day in 2011 PPP
National Poverty Line	National Poverty Estimate; in Ethiopia, the absolute poverty line is $0.62/day (Birr 7184 per year per adult) and is calculated looking at basic food and non-food needs
OPHI / UNDP Multidimensional Poverty Index (MPI)	The global Multidimensional Poverty Index (MPI) is an international measure of acute poverty covering over 100 developing countries. It complements traditional income-based poverty measures by capturing the deprivations that each person faces at the same time with respect to education, health and living standards.
Findex	Poorest 40% of households, based on country-specific household income quintiles.
DHS	Poorest 20% based on wealth index quintiles of household-level weight and factor scores for assest ownership (e.g. a television or car), living conditions (e.g. electricity and toilet facility access), and other factors associated with wealth.

START CENTER

Comparing Different Definitions of Poverty

Ethiopia

% living in Poverty

$1.90 PPP: 33.5% (2010), 30.8% (2015)
NATIONAL POVERTY LINE: 29.6% (2010), 23.5% (2015)
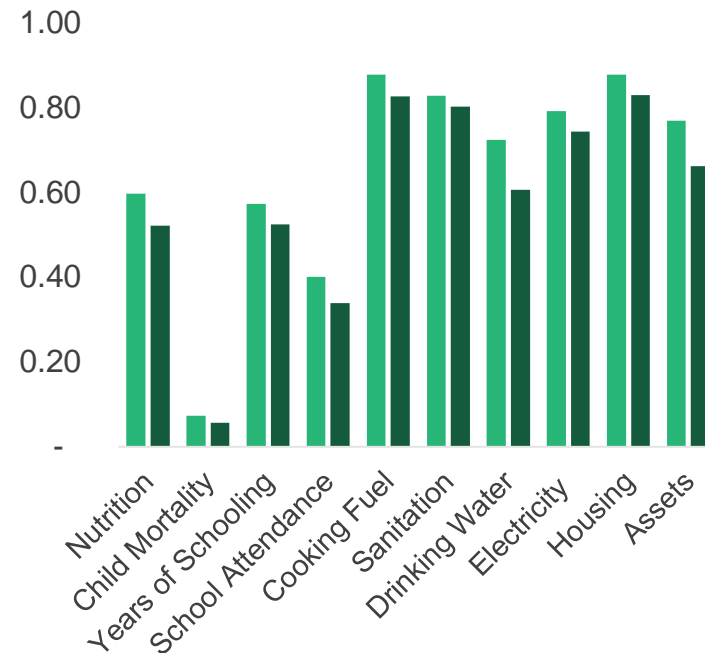MPI POOR*: 88.4% (2010), 83.5% (2015)

Legend: 2010, 2015

Data sources: World Bank, MPI, Asian Development Bank
*MPI Data from 2011 and 2016 as closest comparison years

% of MPI Poor deprived in each contributing factor

Factors: Nutrition, Child Mortality, Years of Schooling, School Attendance, Cooking Fuel, Sanitation, Drinking Water, Electricity, Housing, Assets

Legend: 2011, 2016

Data source: MPI

Gini Coefficient

2010
33.2

2015
35.0

Data source: World Bank

START CENTER

| 18

Deep-Dive into MPI: Why Use It?

Economic vs. Multidimensional definitions of poverty:

- Economic poverty indicators (e.g. <$1.90/day) may underestimate lived experience of deprivation

- MPI score is constructed on three primary dimensions, with ten overall indicators. Thus, MPI incorporates factors that greatly influence quality of life, such as education, nutrition, assets, and access to basic services

- The MPI takes into consideration incidence and intensity of poverty

Three Dimensions of Poverty

- Health
  - Nutrition
  - Child Mortality
- Education
  - Years of Schooling
  - School Attendance
- Living Standard
  - Cooking Fuel
  - Improved Sanitation
  - Safe Drinking Water
  - Electricity
  - Flooring
  - Assets
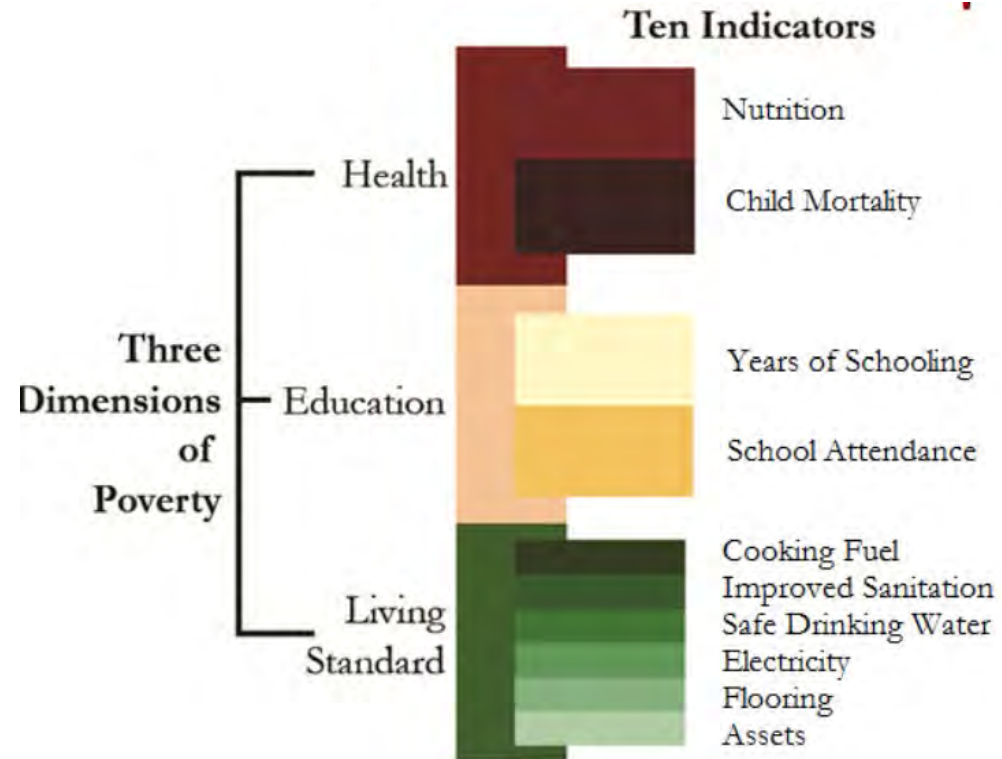
Ten Indicators

MPI Snapshot: What does it tell us?

Ethiopia

Economic Indicator vs. MPI

Based on the $1.90 a day poverty measure, only 27.3 percent of people were classified as monetarily poor in 2015—far below the 83.5.
In fact, of all the countries covered by the global MPI, Ethiopia has the biggest difference between the incidence of multidimensional poverty and the $1.90 a day poverty rate.

MPI Contributors

Deprivation in Education - including Years of Schooling and School Attendance - is the biggest contributing factor. While the MPI differs significantly between urban and rural, the proportion of each contribution does not.
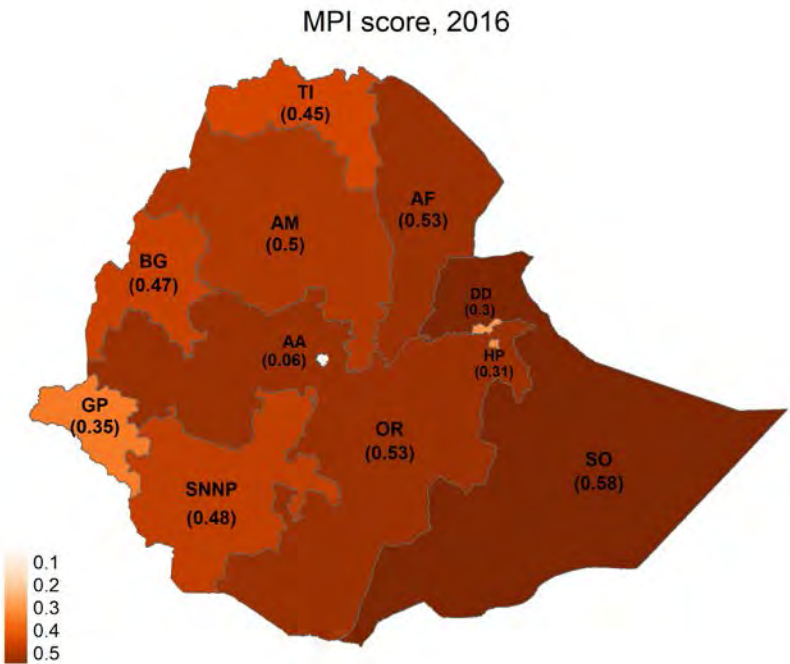

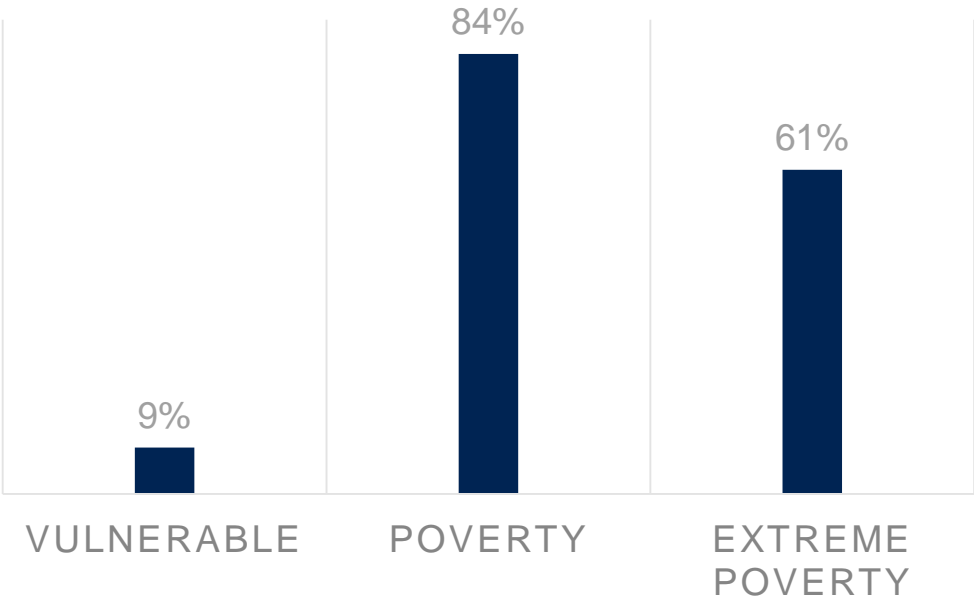Figure 3. Headcount Ratios for Global MPI, Severe Poverty and $1.90/day

START CENTER
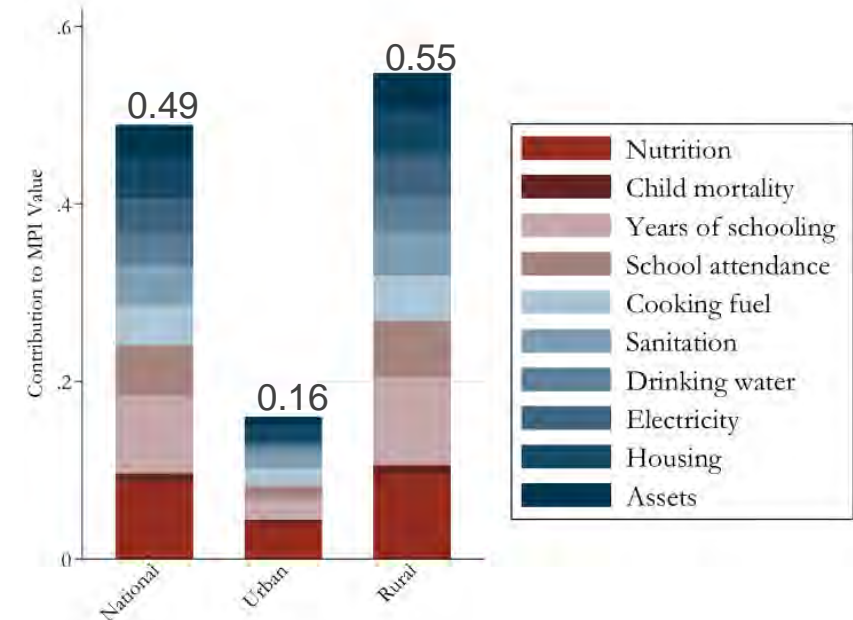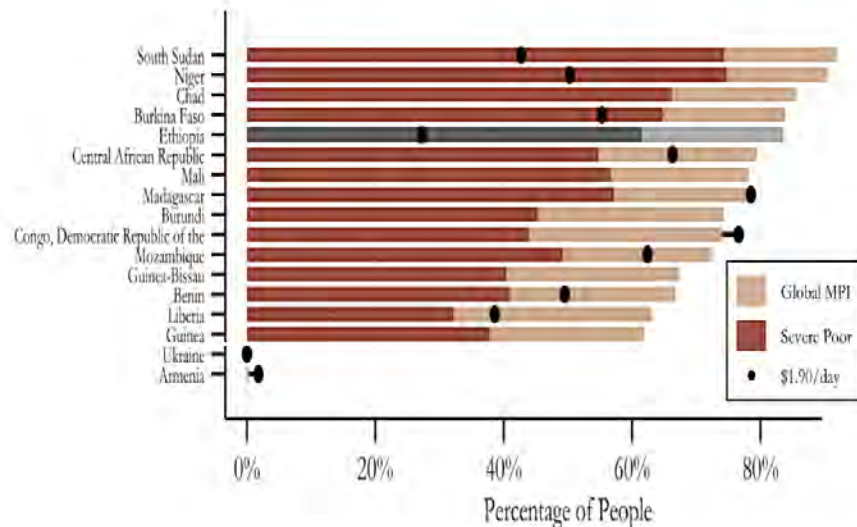
MPI Deep Dive: Subnational Poverty Levels

Ethiopia

Ethiopia's National MPI Score is 0.489. Most individuals in Ethiopia are living in extreme poverty.

MPI score, 2016

TI (0.45)
AF (0.53)
AM (0.5)
BG (0.47)
DD (0.3)
AA (0.06)
HP (0.31)
GP (0.35)
OR (0.53)
SO (0.58)
SNNP (0.48)

0.1
0.2
0.3
0.4
0.5

% MEETING CATEGORY CUT-OFF SCORE

| VULNERABLE	POVERTY	EXTREME POVERTY
9%	84%	61%

Scores range from 0 (no deprivation) to 1 (absolute deprivation). Defined cut-offs for vulnerability (>.2 to <.33), poor (>0.33), and extremely poor (>.50)

START CENTER

MPI Deep Dive: Subnational Poverty Levels

Ethiopia

Despite some heterogeneity in MPI scores between regions, the majority of Ethiopians meet criteria for MPI poverty (score ≥ 0.33). The % of poverty is highest in eastern states and lowest in more urban areas.

MPI score, 2016

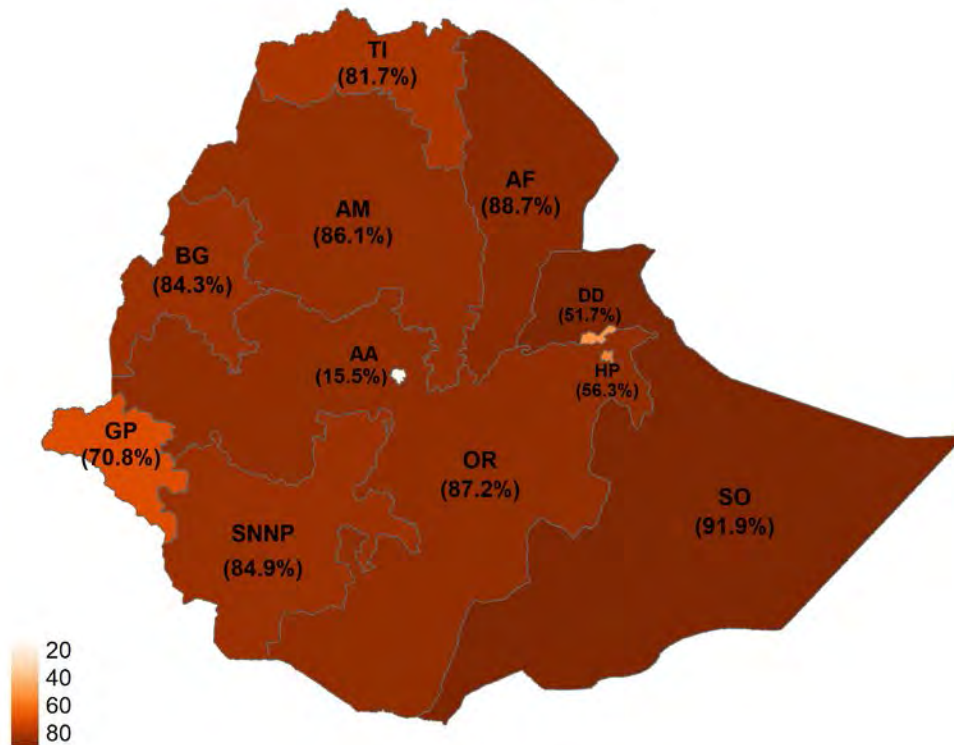MPI (% poor), 2016
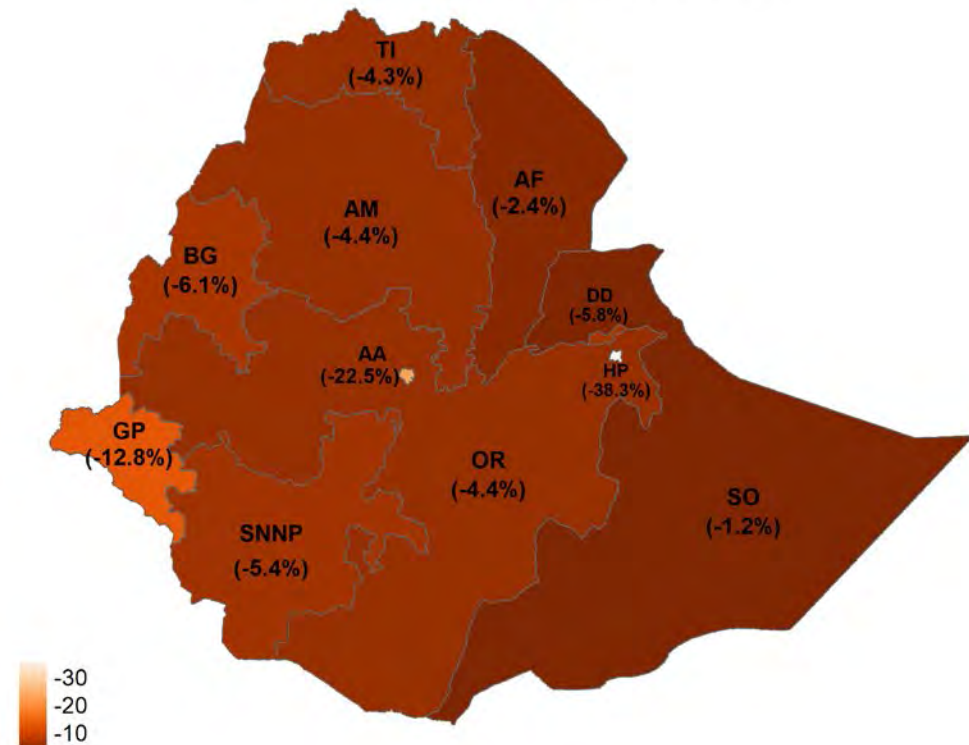
START CENTER
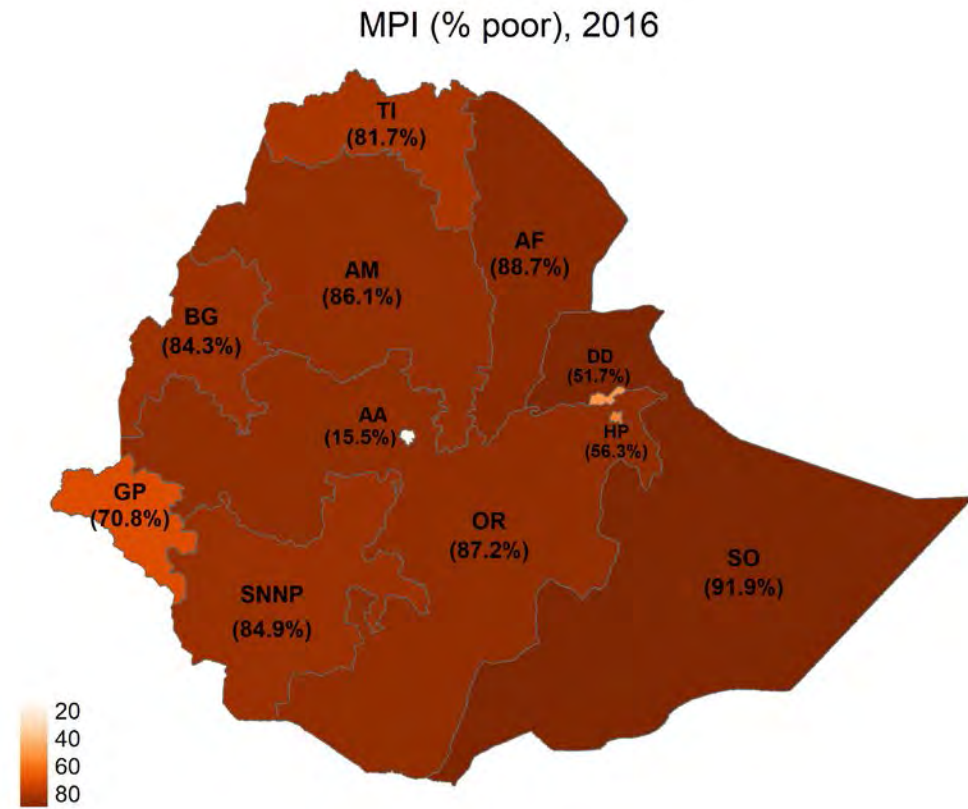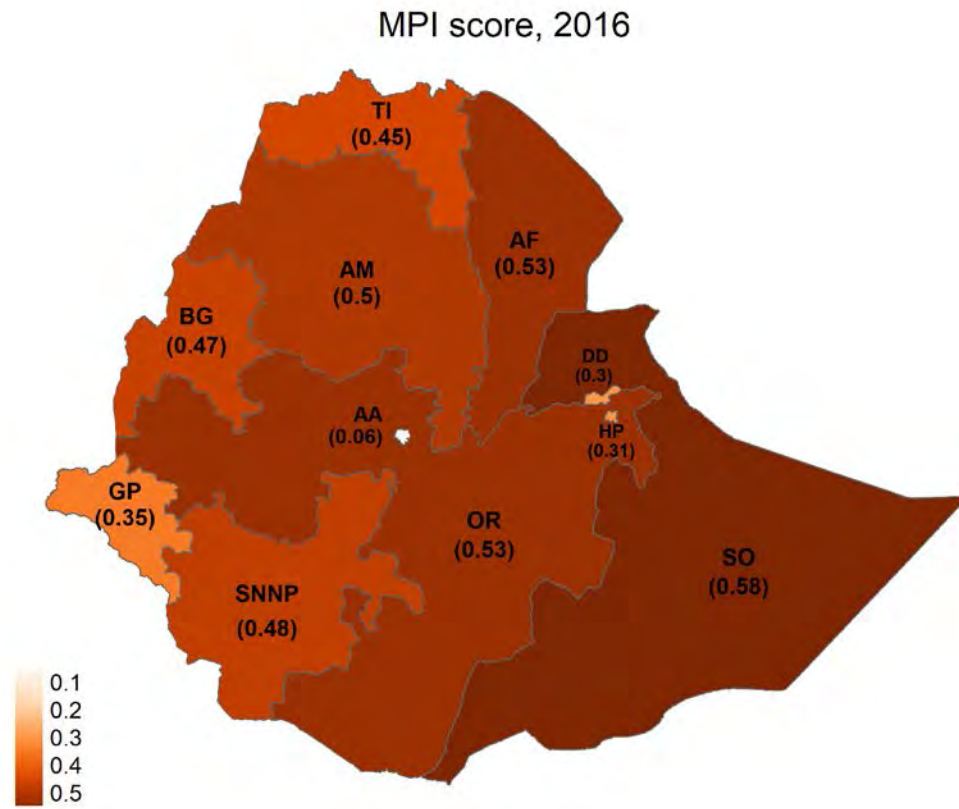
MPI Deep Dive: Temporal Changes

Ethiopia

Declining MPI-defined poverty over time. Somali has made the least progress and Addis Ababa has made the most progress.
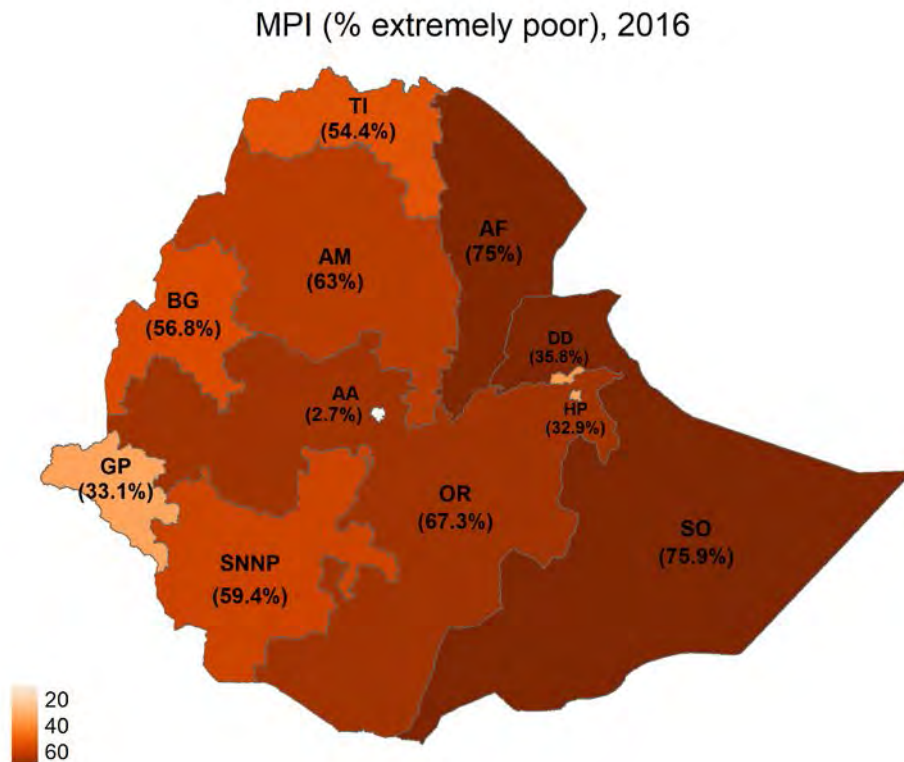

MPI (% poor), 2016

TI (81.7%)
AF (88.7%)
AM (86.1%)
BG (84.3%)
DD (51.7%)
AA (15.5%)
HP (56.3%)
GP (70.8%)
OR (87.2%)
SO (91.9%)
SNNP (84.9%)

20
40
60
80

MPI (% poor, p.p diff), 2016 v. 2011

TI (-4.3%)
AF (-2.4%)
AM (-4.4%)
BG (-6.1%)
DD (-5.8%)
AA (-22.5%)
HP (-38.3%)
GP (-12.8%)
OR (-4.4%)
SO (-1.2%)
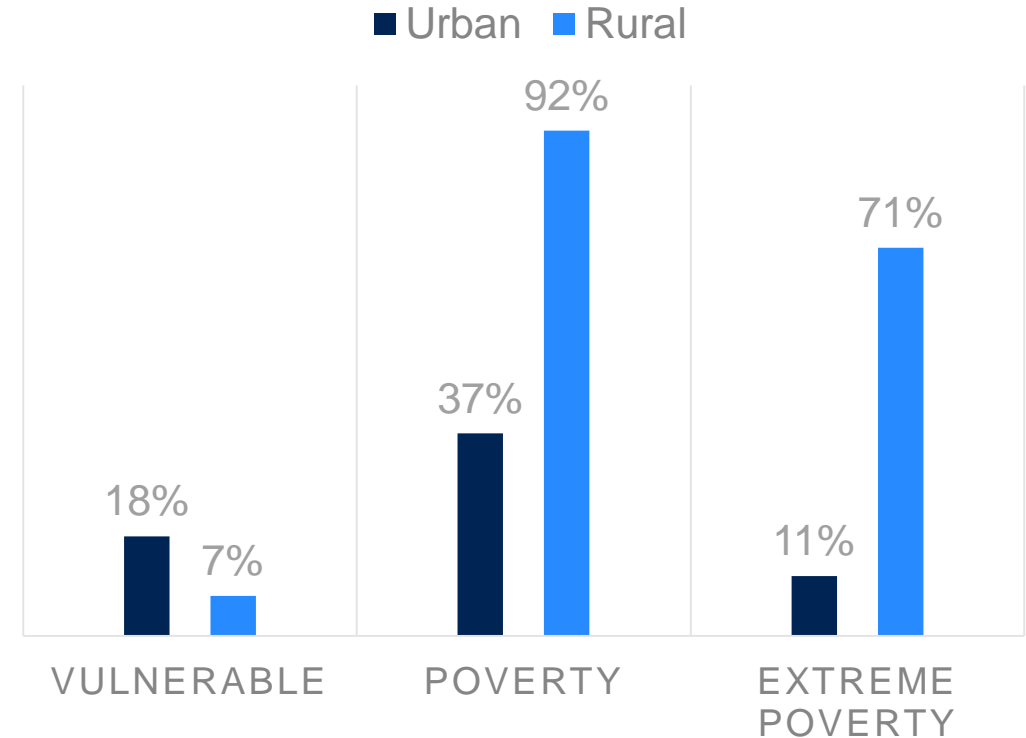SNNP (-5.4%)

-30
-20
-10

START CENTER

MPI Deep Dive: Urban vs. Rural

Ethiopia

While a significant proportion of Ethiopians remain in dire poverty, it is particularly high in rural areas.
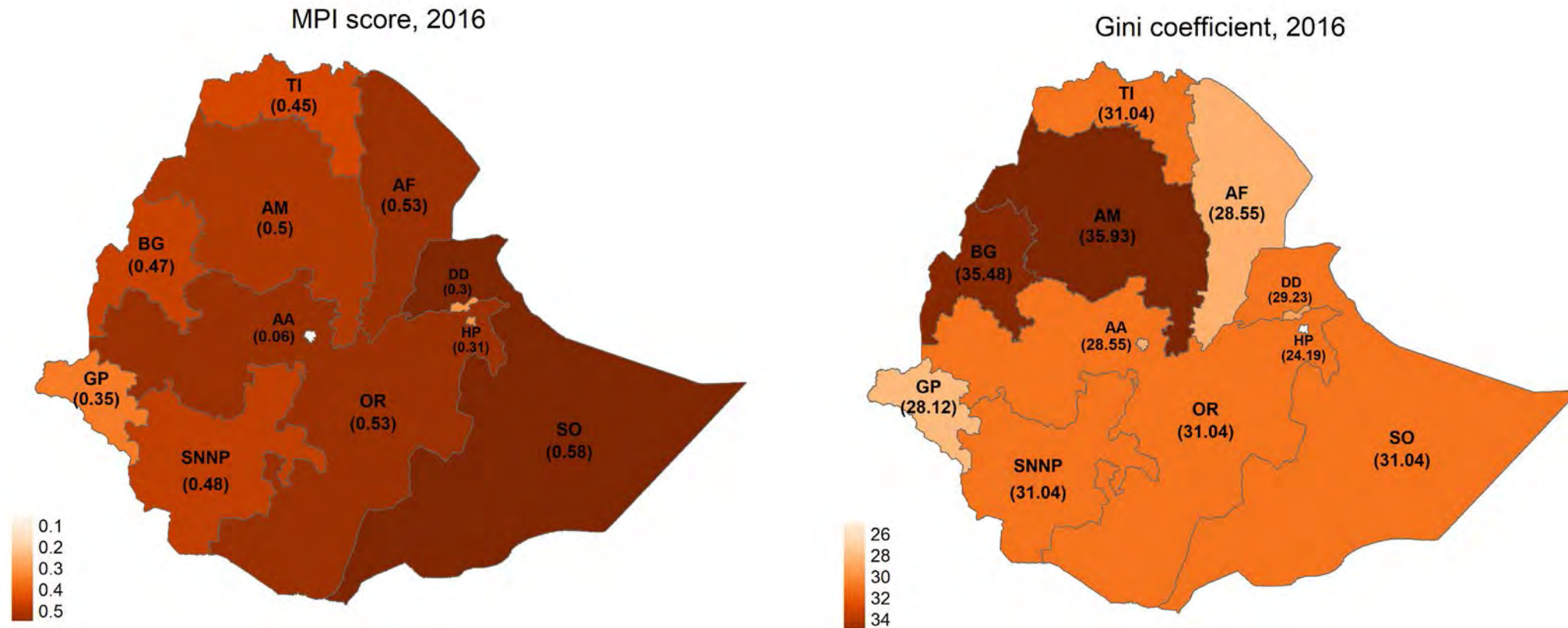

MPI (% extremely poor), 2016

TI (54.4%)
AF (75%)
AM (63%)
BG (56.8%)
DD (35.8%)
AA (2.7%)
HP (32.9%)
GP (33.1%)
OR (67.3%)
SO (75.9%)
SNNP (59.4%)

20
40
60

MPI POVERTY, 2016

■ Urban ■ Rural

	VULNERABLE	POVERTY	EXTREME POVERTY
Urban	18%	37%	11%
Rural	7%	92%	71%

START CENTER

MPI Deep Dive: Comparing to Inequality

Ethiopia

Inequality does not appear to be directly related to MPI score. Moderate inequality across the country - compare to RSA (63.1) or Botswana (60.5)
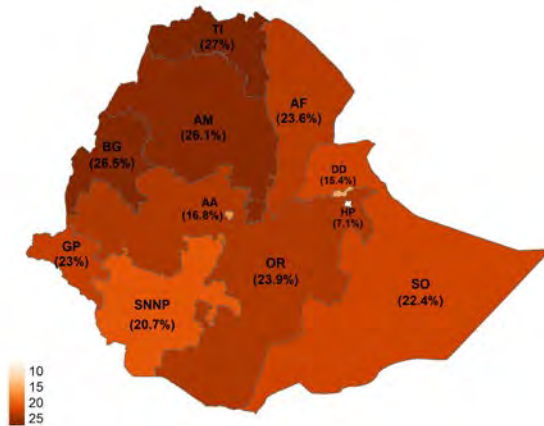

MPI score, 2016

TI (0.45)
AF (0.53)
AM (0.5)
BG (0.47)
DD (0.3)
AA (0.06)
HP (0.31)
GP (0.35)
OR (0.53)
SO (0.58)
SNNP (0.48)

0.1
0.2
0.3
0.4
0.5

Gini coefficient, 2016

TI (31.04)
AF (28.55)
AM (35.93)
BG (35.48)
DD (29.23)
AA (28.55)
HP (24.19)
GP (28.12)
OR (31.04)
SO (31.04)
SNNP (31.04)

26
28
30
32
34

START CENTER

2

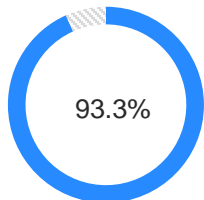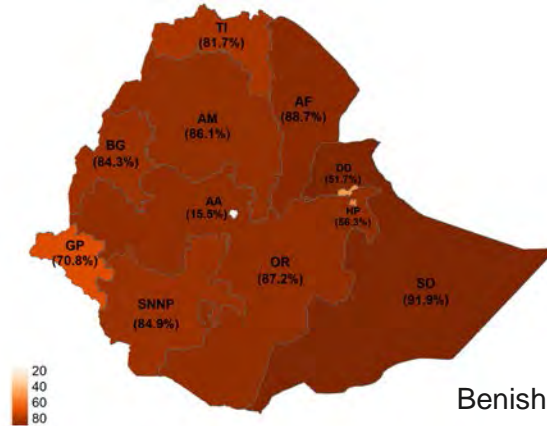# Determine where poverty is concentrated

START CENTER

Where are the poor in Ethiopia?

## % of people below national poverty line
(Central Statistic Agency, 2016)

% of people MPI Poor
(MPI, 2016)

of people who are defined as MPI Poor

Region	2011	2016
Oromia	30,931,999.45	35,414,149.79
Amhara	19,898,829.11	20,338,188.42
SNNPR	16,194,287.83	19,263,095.29
Tigray	4,939,738.93	5,586,505.88
Somali	1,874,618.83	3,141,982.19
Benishangul-Gumuz	787,006.88	873,377.18
Afar	716,982.55	735,170.17
Addis Ababa	666,063.73	545,990.24
Dire Dawa	284,654.60	267,814.95
Gambela	192,457.36	220,053.75
Harari	152,230.62	116,657.50

■ 2011
■ 2016

93.3%

of multidimensionally poor people live in rural areas, and urban areas are progressing faster
DHS, 2016

90%
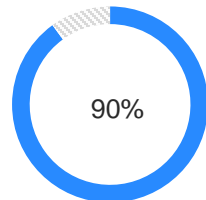
or more of children in Ethiopia are MPI Poor, and adults are progressing faster
UNICEF, 2016
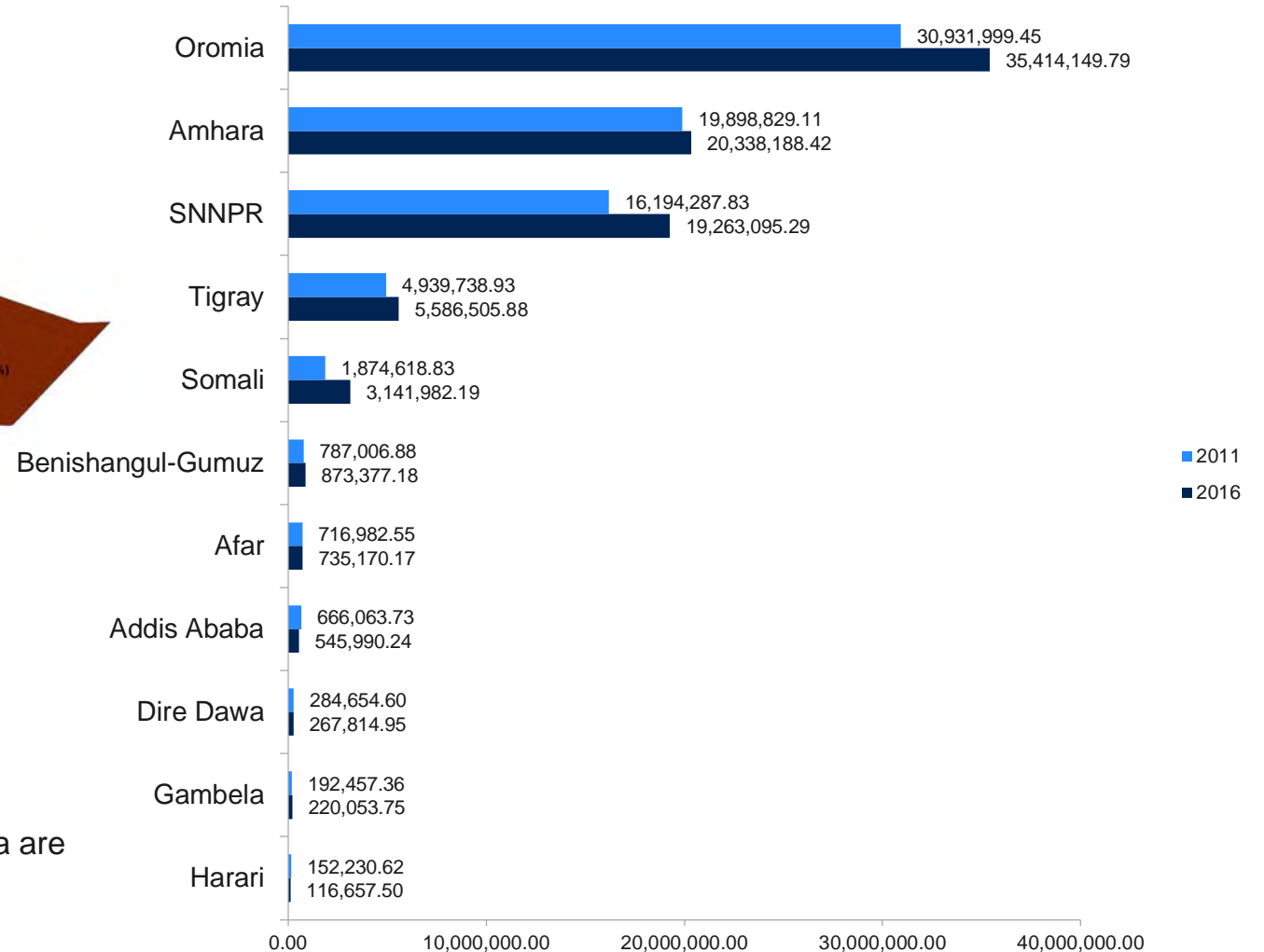
Where are the Poor in Ethiopia?

Poverty has rapidly declined – in incidence, in intensity, and across all deprivations – between 2011 and 2016

Highest MPI Scores	Highest % of MPI Poor	Highest Population of MPI Poor
Somali	Somali	Oromia
Afar	Afar	Amhara
Oromia	Oromia	SNNPR
Amhara	Amhara	Tigray
SNNPR	SNNPR	Somali

Ethiopia Poverty Assessment: MPI

- MPI value reduced from 0.545 to 0.489
- The percentage of multidimensionally poor people fell from 88.4 percent to 83.5 percent
- The intensity of poverty dropped from 61.6 percent to 58.5 percent
- Highest MPI Scores: Somali (SO), Afar (AF), Oromia (OR)
- Somali – Ethiopia's poorest region - had by far the least progress; Oromia & Tigray have been able to reduce their incidence of poverty, but not intensity.
- The capital city Addis Ababa had the largest reduction, nearly halving its MPI value and reducing the percentage of multidimensionally poor people by 44%

- 50% + of the population is multidimensionally poor and has a malnourished person in the household
- 50%+ is multidimensionally poor and lives in a household in which no one has completed six years of schooling
- 33%+ is multidimensionally poor and lives with a child who is not attending school.
- 75% is multidimensionally poor and lacks electricity
- 80% is multidimensionally poor and lacks adequate sanitation facilities
- 34 of the 36M children living in poverty live in Oromia, Amhara, and SNNPR (UNICEF, 2019
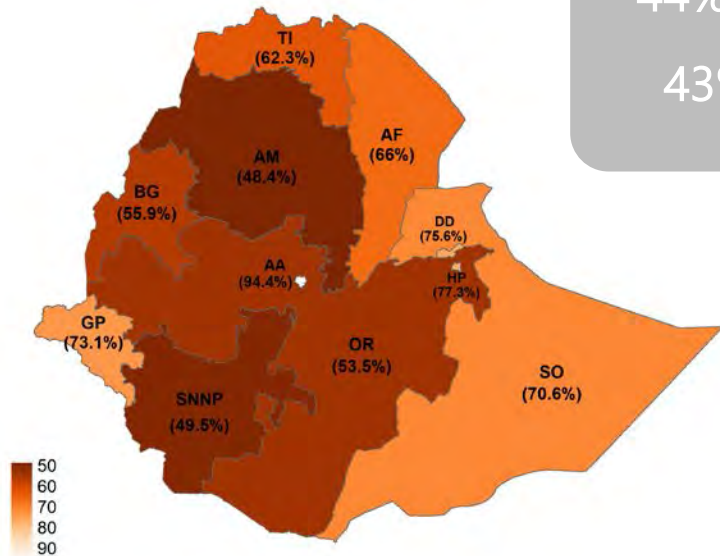
3

Meeting the FSP Pre-Reqs

Electricity & Mobile Coverage

START CENTER

Mobile Phone Coverage: Ethiopia

% Mobile Phone Ownership
Male

44% electricity coverage
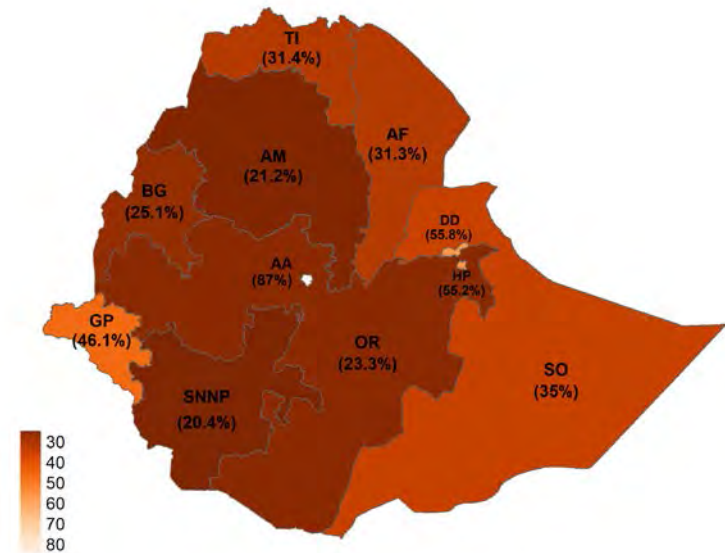(World Bank)
43% mobile coverage
(National Bank of Ethiopia)

TI
(62.3%)

AF
(66%)

AM
(48.4%)

BG
(55.9%)

DD
(75.6%)

AA
(94.4%)

HP
(77.3%)

GP
(73.1%)

OR
(53.5%)

SO
(70.6%)

SNNP
(49.5%)

50
60
70
80
90

31.4%   86.3%
Lowest Wealth Quintile   Highest Wealth Quintile

Data Source: 2016 DHS Survey

% Mobile Phone Ownership
Female

TI
(31.4%)

AF
(31.3%)

AM
(21.2%)

BG
(25.1%)

DD
(55.8%)

AA
(87%)

HP
(55.2%)

GP
(46.1%)

OR
(23.3%)

SO
(35%)

SNNP
(20.4%)

30
40
50
60
70
80

7.2%   66.9%
Lowest Wealth Quintile   Highest Wealth Quintile

Data Source: 2016 DHS Survey

START CENTER

Ethiopia Mobile Phone Coverage: Barriers

62% of Ethiopians report lack of digital literacy & skills as the main barrier to mobile internet adoption, compared to the average of 38% in Sub-Saharan Africa
Source: GMSA, 2016

- The high share of rural population in Ethiopia is a key contributing factor to low coverage
- Ethiopia's gender gap of mobile phone (21%) and internet usage (60%) is the 2nd largest in Africa, only behind DRC (*GSMA*)
- Of those that use mobile phones, virtually 0% in the lowest quintile use them for transactions (Findex)
- Regions with lowest phone ownership include (DHS):
  - Amhara
  - SNNPR
  - Oromia
- Somali has relatively high phone ownership for their level of poverty at over 70% amongst men and 35% amongst women (*DHS*)
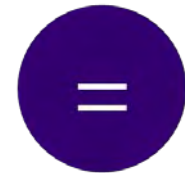
4

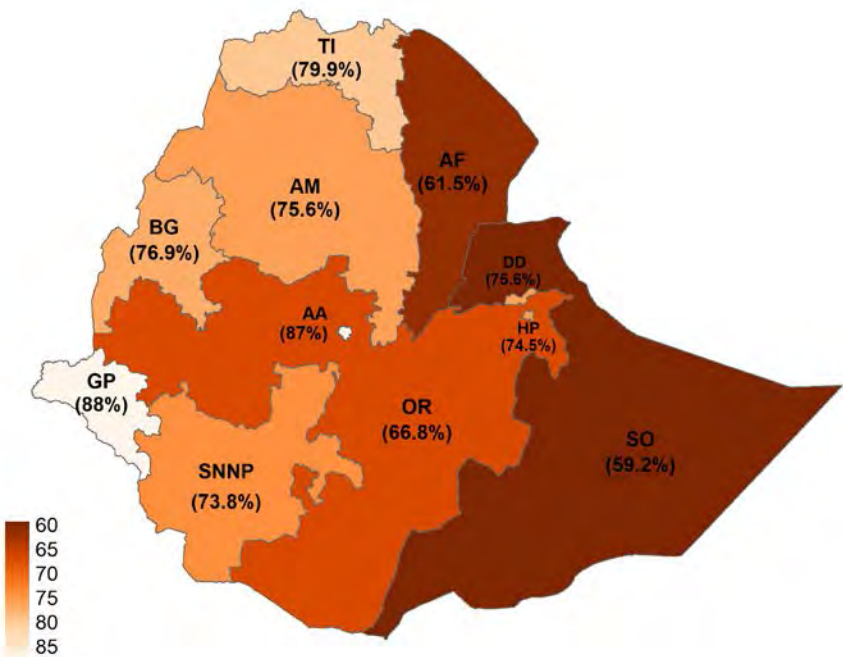# Lifestyles of the poor
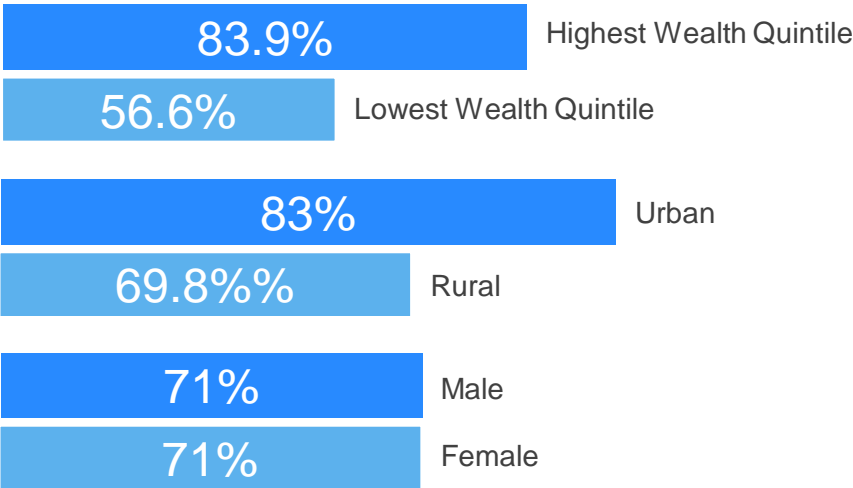
Education

Livelihood

Women's Economic Empowerment

START CENTER

Education: Ethiopia

% Primary School Attendance (Net)
DHS 2016

Primary School Net Attendance Rates
Source: 2016 DHS Survey

83.9%	Highest Wealth Quintile
56.6%	Lowest Wealth Quintile
83%	Urban
69.8%%	Rural
71%	Male
71%	Female

Primary School Graduation Rate
Source: 2014 UNECA Data

38.3%

Current Mean Years of School
Source: UNDP HDI Reports, 2017

2.4

Adult Literacy Rate
Source: 2016 LSMS Survey

64.1%

Expected Years of School
Source: UNDP HDI Reports, 2017

8.3

START CENTER

Ethiopia Education: Regional Differences

Education deprivation is the biggest contributor towards MPI in Ethiopia and 90%+ of Children in Ethiopia are MPI Poor
Source: MPI

- Education attendance is worst in:
  - Somali – 76.6% (Highest MPI score)
  - Oromia – 85.5% (highest volume of poverty)

- Education attendance is 100% in:
  - Addis Ababa
  - Dire Dawa
  - Gambela

- Regions with high levels of poverty, but good attendance rates
  - Tigray – 99.3%
  - Benishangul-Gumuz – 99.2%
  - Amhara 95.6%
  - SNNPR – 95.7%

- Regions with low levels of poverty, but average attendance rates
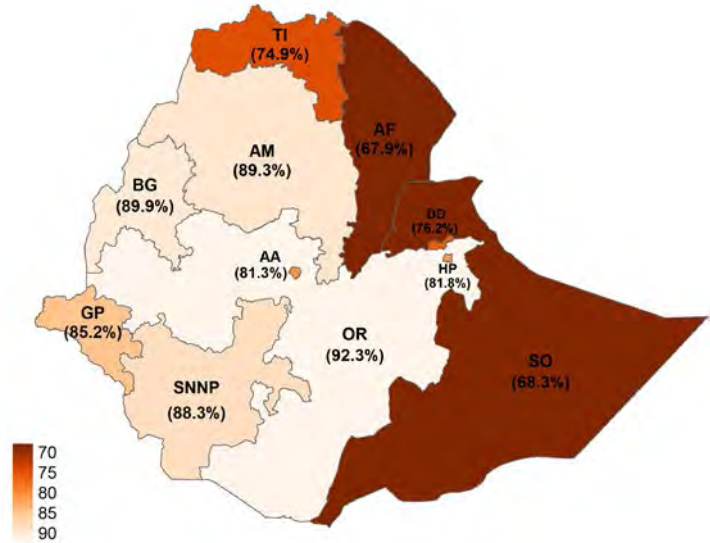 - Harari – 88.2% (MPI is .30)

START CENTER

Livelihood in Ethiopia: Regional & Wealth Quintile Differences

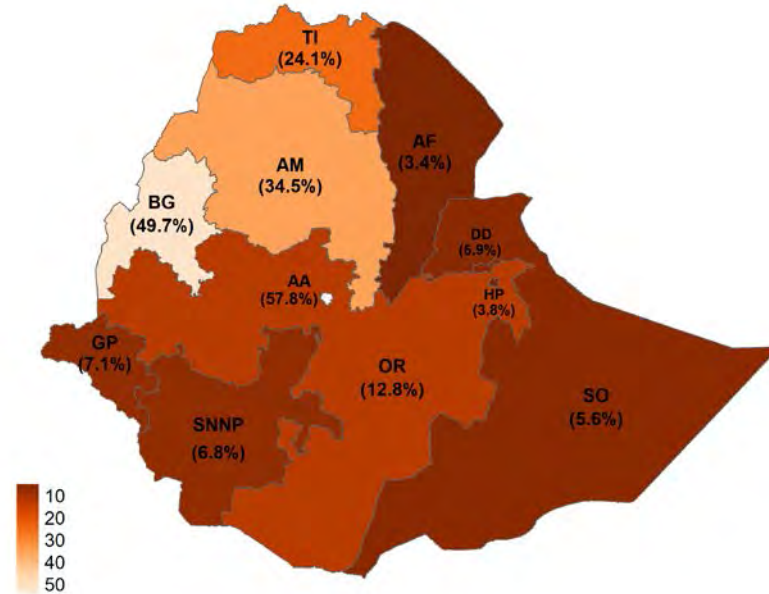## % of Labor Force Currently Employed
Data Source: 2016 DHS Survey

Male

- TI (74.9%)
- AF (67.9%)
- AM (89.3%)
- BG (89.9%)
- DD (76.2%)
- AA (81.3%)
- HP (81.8%)
- GP (85.2%)
- OR (92.3%)
- SNNP (88.3%)
- SO (68.3%)

Scale: 70, 75, 80, 85, 90

86%	84.1%
Lowest Wealth Quintile	Highest Wealth Quintile

Female

- TI (24.1%)
- AF (3.4%)
- AM (34.5%)
- BG (49.7%)
- DD (5.9%)
- AA (57.8%)
- HP (3.8%)
- GP (7.1%)
- OR (12.8%)
- SNNP (6.8%)
- SO (5.6%)

Scale: 10, 20, 30, 40, 50

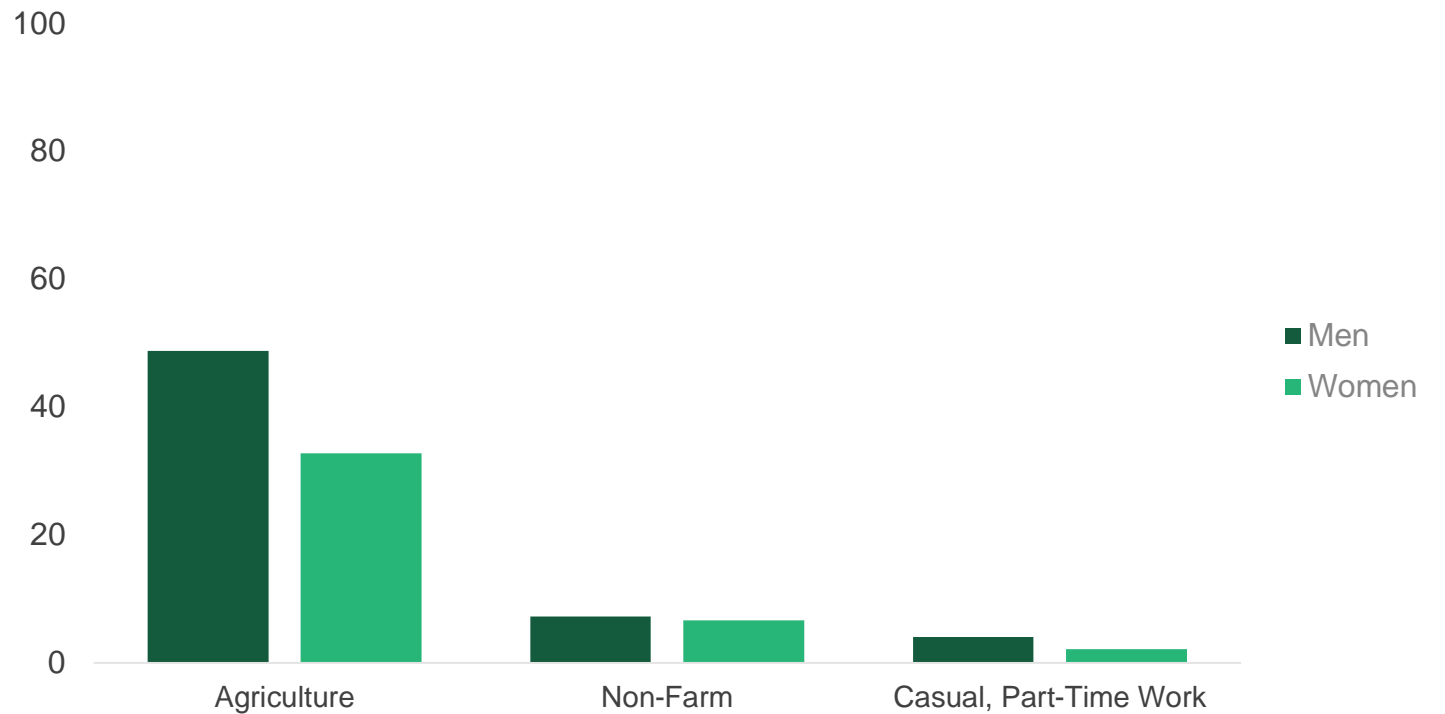| 24.4%	48.7%
Lowest Wealth Quintile	Highest Wealth Quintile

Livelihood in Ethiopia: Sector Differences

% of the population who spent any time working on these activities in the past 7 days (LSMS 2016)

68.2% of employment in Ethiopia is Agriculture, reaching 90%+ for rural poor regions

Bringing this to life:

Imagine you are small holder farmer living in a rural village in a drought hot spot within Ethiopia.

Your family of 6 is below the national poverty line. Your main assets include your very modest home, 3 ha in landholdings, and some cattle. You have 3 years of schooling. Your wife has none. You are both illiterate. As the head of the household, you make most of the purchasing decisions.

Your family's only reliable stream of revenue is selling your crop. You have no savings and are not familiar with financial products. You know you need to prepare for this season's likelihood of drought, so you start selling off your small set of assets to be safe, pushing your vulnerable family even further into poverty.
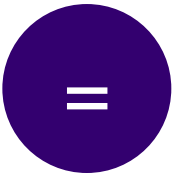
Financial Services can help this family.
A study done in 2018 in villages just like this one showed that access to rainfall index insurance can help increase productive investments for farmers. It made them **resilient.**
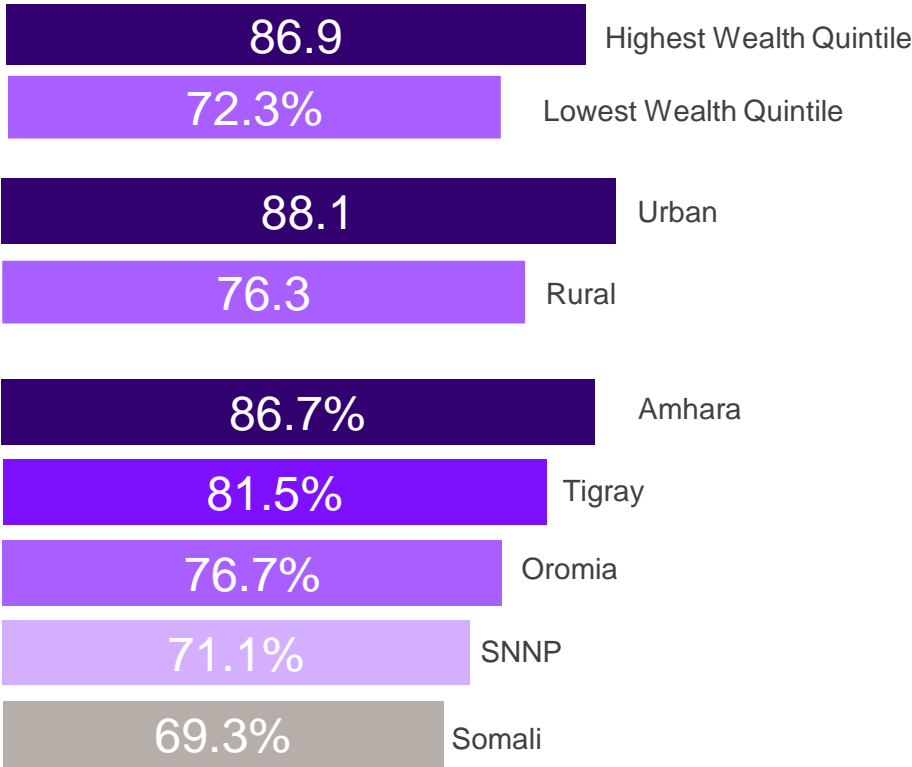
Gender Dynamics: Ethiopia

UN Gender Inequality Index Ranking
121

% of Women Involved in Household Purchase Decisions
Data Source: 2016 DHS Survey

86.9	Highest Wealth Quintile
72.3%	Lowest Wealth Quintile
88.1	Urban
76.3	Rural
86.7%	Amhara
81.5%	Tigray
76.7%	Oromia
71.1%	SNNP
69.3%	Somali

Ethiopia is making significant progress gender equality, but women-led households often face higher levels of poverty

Bringing this to life:

Imagine you are a single mother living in rural Ethiopia. You have 5 children that you need to support. Your current methods of earning an income are not bringing in enough income to even support your family, let alone make any investments in trying to start your own business.

Financial inclusion can help this woman. UN Women's joint program, "Accelerating Progress towards the Economic Empowerment of Rural Women," showed that by gaining access to small loans, women can make smarter investments for their families that lead to higher income potential.

Story based on UNWomen 2018 Blog on Women Entrepreneurs.

START CENTER

Current state of Financial Inclusion

5
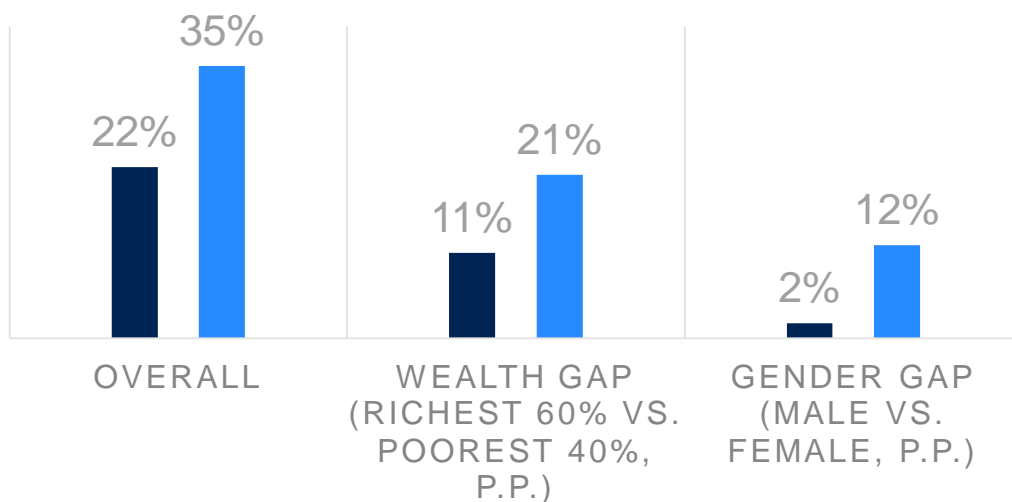
$

Financial Inclusion

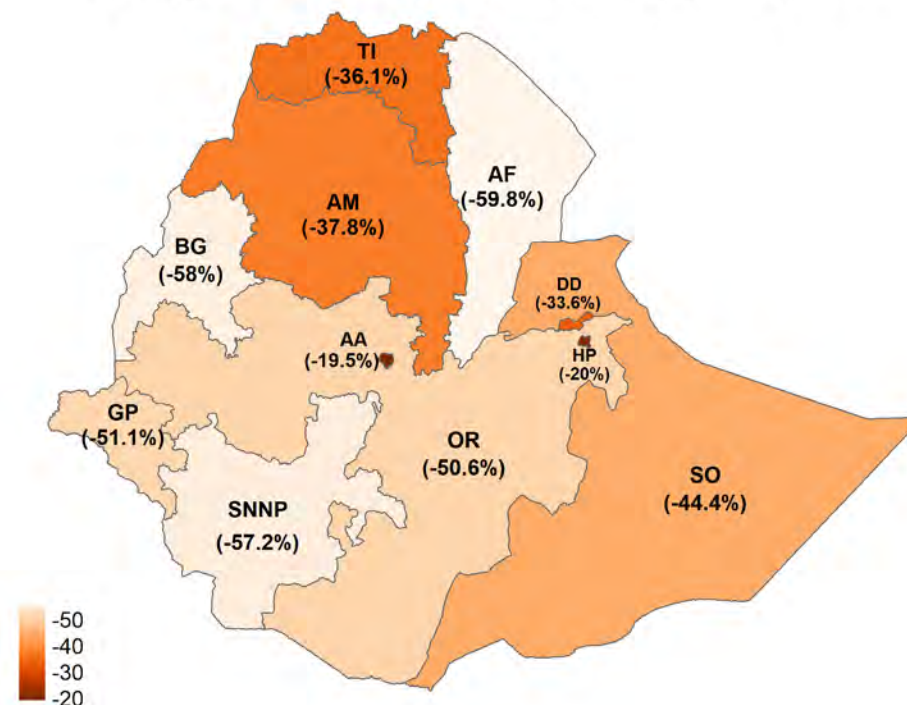START CENTER

Financial Inclusion: Account Ownership

- Growing but overall low to moderate account ownership, with significant regional disparity
- Increasing wealth and gender-based gaps
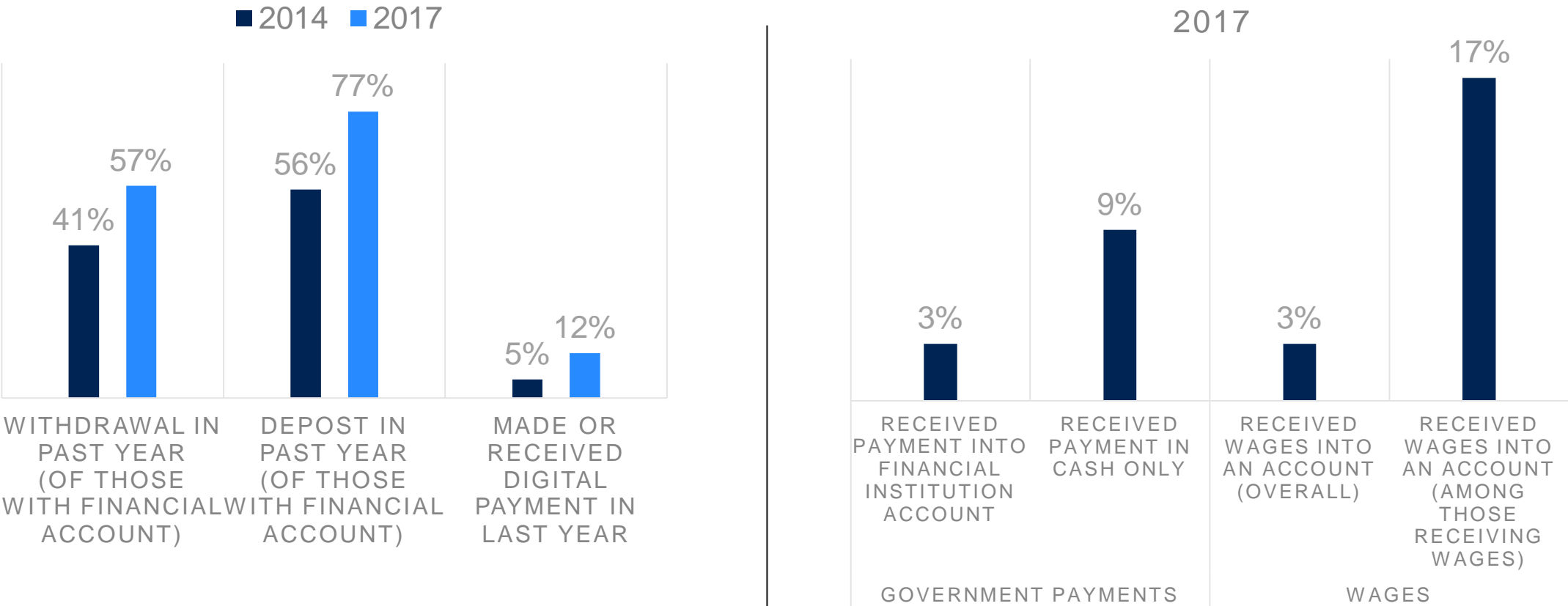
REGISTERED FINANCIAL ACCOUNT OWNERS

■ 2014 ■ 2017

Bar chart showing registered financial account owners:
- OVERALL: 22% (2014), 35% (2017)
- WEALTH GAP (RICHEST 60% VS. POOREST 40%, P.P.): 11% (2014), 21% (2017)
- GENDER GAP (MALE VS. FEMALE, P.P.): 2% (2014), 12% (2017)

% using bank account (female v. male, p.p. diff.), 2016

Map of Ethiopia regions:
- TI (-36.1%)
- AM (-37.8%)
- AF (-59.8%)
- BG (-58%)
- DD (-33.6%)
- AA (-19.5%)
- HP (-20%)
- GP (-51.1%)
- OR (-50.6%)
- SNNP (-57.2%)
- SO (-44.4%)

Legend: -50, -40, -30, -20

Financial Inclusion: Account Use

- Moderate gains in account use, but account ownership numbers may not reflect actual engagement with financial services, and digital payments remain low

- Government payments do not appear to be motivator for account ownership, but wages could be a driver of financial inclusion
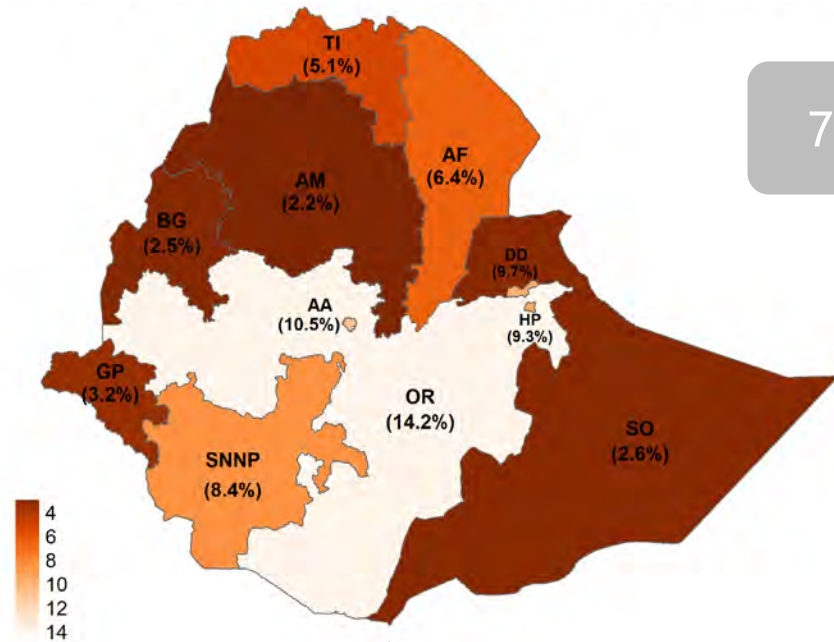
■ 2014 ■ 2017

2017

Left chart (2014 vs 2017):

- WITHDRAWAL IN PAST YEAR (OF THOSE WITH FINANCIAL ACCOUNT): 41% (2014), 57% (2017)
- DEPOST IN PAST YEAR (OF THOSE WITH FINANCIAL ACCOUNT): 56% (2014), 77% (2017)
- MADE OR RECEIVED DIGITAL PAYMENT IN LAST YEAR: 5% (2014), 12% (2017)

Right chart (2017):

GOVERNMENT PAYMENTS
- RECEIVED PAYMENT INTO FINANCIAL INSTITUTION ACCOUNT: 3%
- RECEIVED PAYMENT IN CASH ONLY: 9%

WAGES
- RECEIVED WAGES INTO AN ACCOUNT (OVERALL): 3%
- RECEIVED WAGES INTO AN ACCOUNT (AMONG THOSE RECEIVING WAGES): 17%

Source: Findex
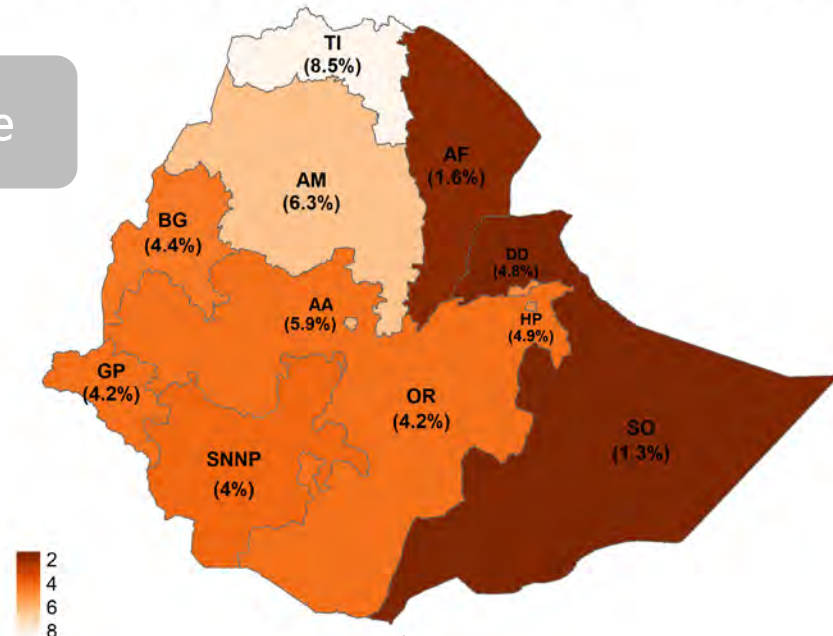
START CENTER

Ethiopia Mobile Phone for Banking

% using mobile phone for financial transactions (male)

7.0% overall use

Source: Findex

% using mobile phone for financial transactions (female)

Male map labels:
- TI (5.1%)
- AF (6.4%)
- AM (2.2%)
- BG (2.5%)
- DD (9.7%)
- AA (10.5%)
- HP (9.3%)
- GP (3.2%)
- OR (14.2%)
- SO (2.6%)
- SNNP (8.4%)

Legend: 4, 6, 8, 10, 12, 14

Female map labels:
- TI (8.5%)
- AF (1.6%)
- AM (6.3%)
- BG (4.4%)
- DD (4.8%)
- AA (5.9%)
- HP (4.9%)
- GP (4.2%)
- OR (4.2%)
- SO (1.3%)
- SNNP (4%)

Legend: 2, 4, 6, 8

3.1% Lowest Wealth Quintile | **13.2%** Highest Wealth Quintile

Data Source: 2016 DHS Survey

**2.4%** Lowest Wealth Quintile | **6.2%** Highest Wealth Quintile

Data Source: 2016 DHS Survey

START CENTER

Financial Inclusion: Mobile Money

- Only 3% of Ethiopians used mobile money in 2017, compared to sub-Saharan Africa average of 14-37% (GSMA 2018)

- Ethiopia ranked 69th of 80 countries on GSMA Mobile Money Regulatory Index, which measures the extent to which a country's regulatory framework enables widespread mobile money adoption

- Major players include:
  - M-Birr, with 1.2 mil. accounts, 7,000 locations, and ~$60 mil. USD transferred monthly (2019)
  - Central Bank of Ethiopia (CBE Birr), with ~300k accounts and 2,300 agents (2018)
  - HelloCash, with ~700k accounts and 5,000 outlets (2018)

- Growth likely hampered by law prohibiting Ethio telecom from providing direct financial services, but there appears to be growing momentum to liberalise the industry

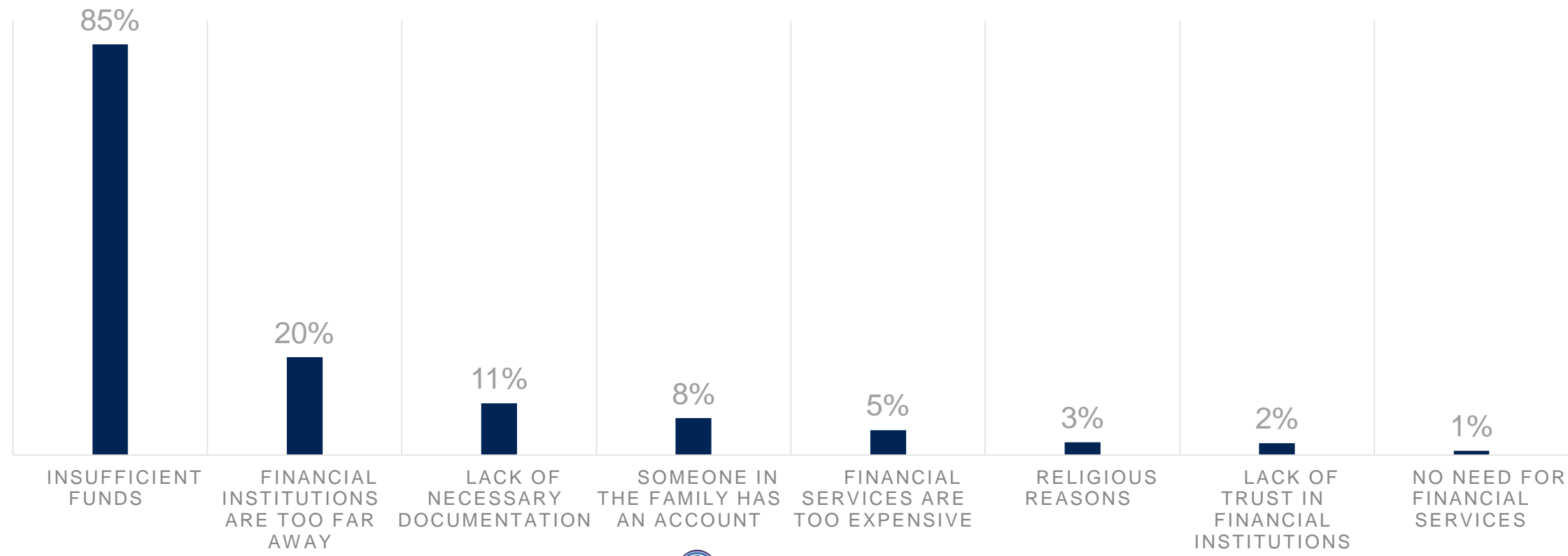**GSMA Mobile Money Regulatory Index, regional comparators**
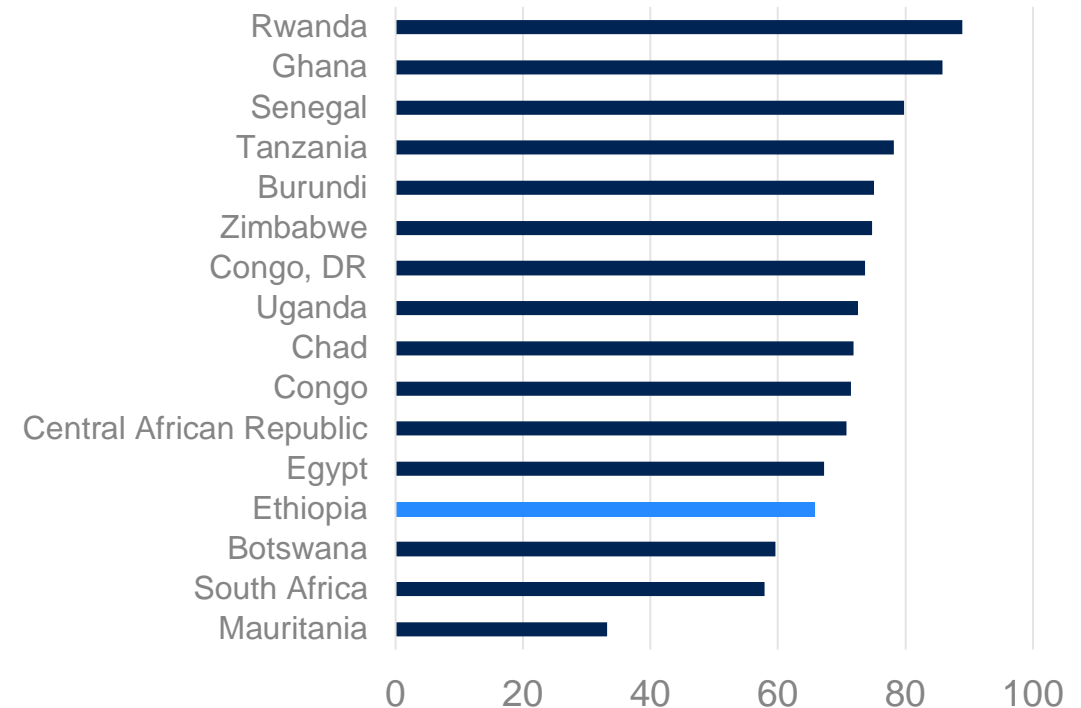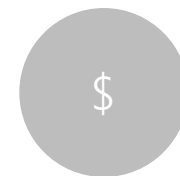

START CENTER

Financial Inclusion: Barriers

- Insufficient funds are the primary reason for not having a financial account, although cost of services is not a major barrier (formal account minimums are <$1), which suggests that beliefs about financial access (e.g. bank accounts are not meant for the poor) may be driving exclusion

- Proximity to institutions/access points is another primary barrier, suggesting that mobile money and/or OTC services may be a key to unlocking inclusion

BARRIERS TO ACCOUNT OWNERSHIP, 2017

| Barrier	Percentage
INSUFFICIENT FUNDS	85%
FINANCIAL INSTITUTIONS ARE TOO FAR AWAY	20%
LACK OF NECESSARY DOCUMENTATION	11%
SOMEONE IN THE FAMILY HAS AN ACCOUNT	8%
FINANCIAL SERVICES ARE TOO EXPENSIVE	5%
RELIGIOUS REASONS	3%
LACK OF TRUST IN FINANCIAL INSTITUTIONS	2%
NO NEED FOR FINANCIAL SERVICES	1%

START CENTER

Source: Findex

Financial Inclusion: Emergency Funds

- Roughly half of the population (44%) are unable to raise emergency funds
- Poorest 40% much more likely to resort to sale of assets, while richest 60% more likely to have access to savings and formal loans

PRIMARY SOURCE OF EMERGENCY FUNDS, 2017
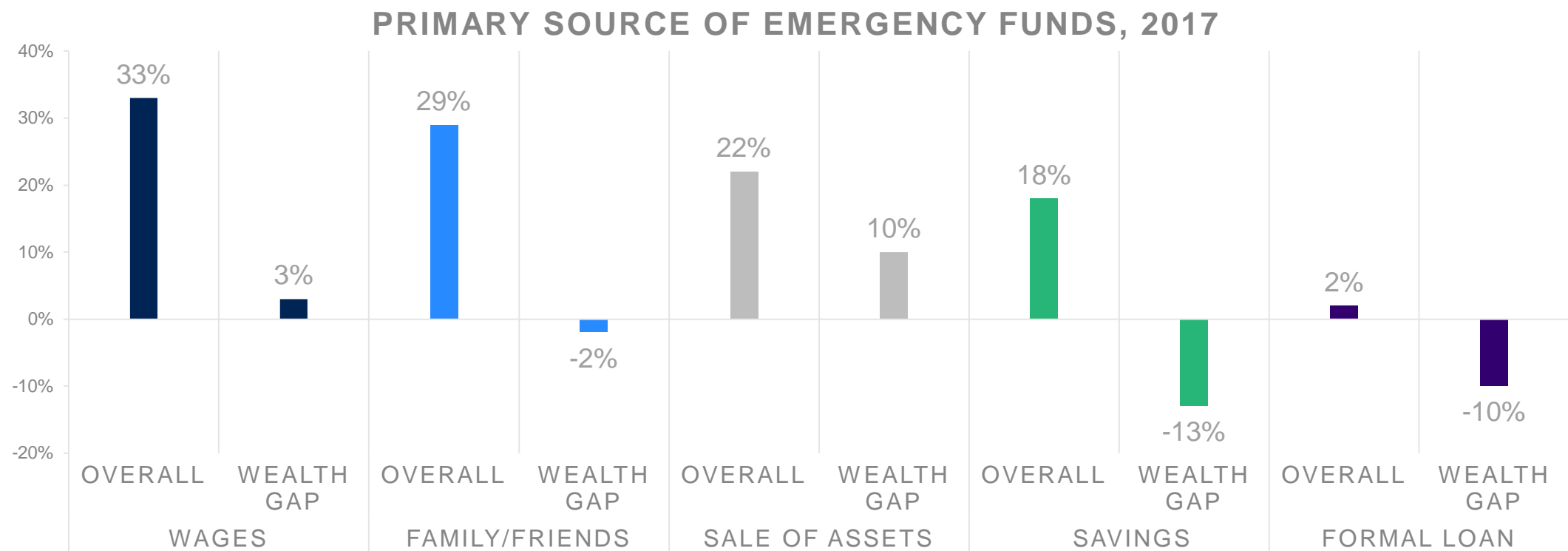
START CENTER

Bangladesh

1

Expand the Definition of Poverty

START CENTER

Poverty Definitions

Source	Poverty Definition
World Bank $1.90/day PPP	Extreme Poverty; Living at or below $1.90/day in 2011 PPP
National Poverty Line	National Poverty Estimate; in Bangladesh, the absolute poverty line is calculated using a cost of basic needs (CBN) method
OPHI / UNDP Multidimensional Poverty Index (MPI)	The global Multidimensional Poverty Index (MPI) is an international measure of acute poverty covering over 100 developing countries. It complements traditional income-based poverty measures by capturing the deprivations that each person faces at the same time with respect to education, health and living standards.
Findex	Poorest 40% of households, based on country-specific household income quintiles.
DHS	Poorest 20% based on wealth index quintiles of household-level weight and factor scores for assest ownership (e.g. a television or car), living conditions (e.g. electricity and toilet facility access), and other factors associated with wealth.

Deep-Dive into MPI: Why Use It?

Economic vs. Multidimensional definitions of poverty:

- Economic poverty indicators (e.g. <$1.90/day) may underestimate lived experience of deprivation

- MPI score is constructed on three primary dimensions, with ten overall indicators. Thus, MPI incorporates factors that greatly influence quality of life, such as education, nutrition, assets, and access to basic services
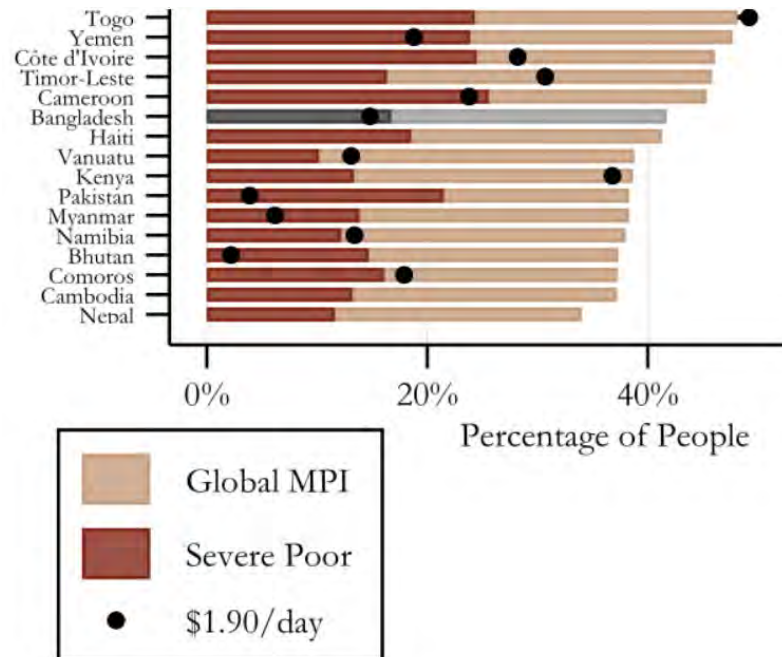
- The MPI takes into consideration incidence and intensity of poverty
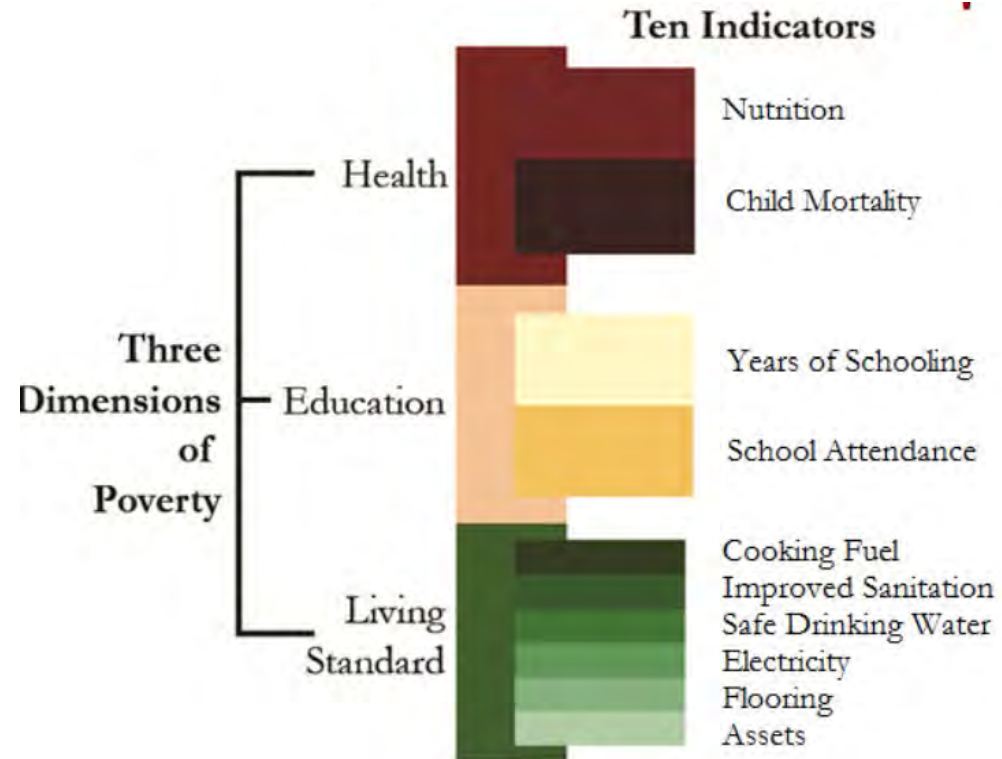
MPI Snapshot: What does it tell us?
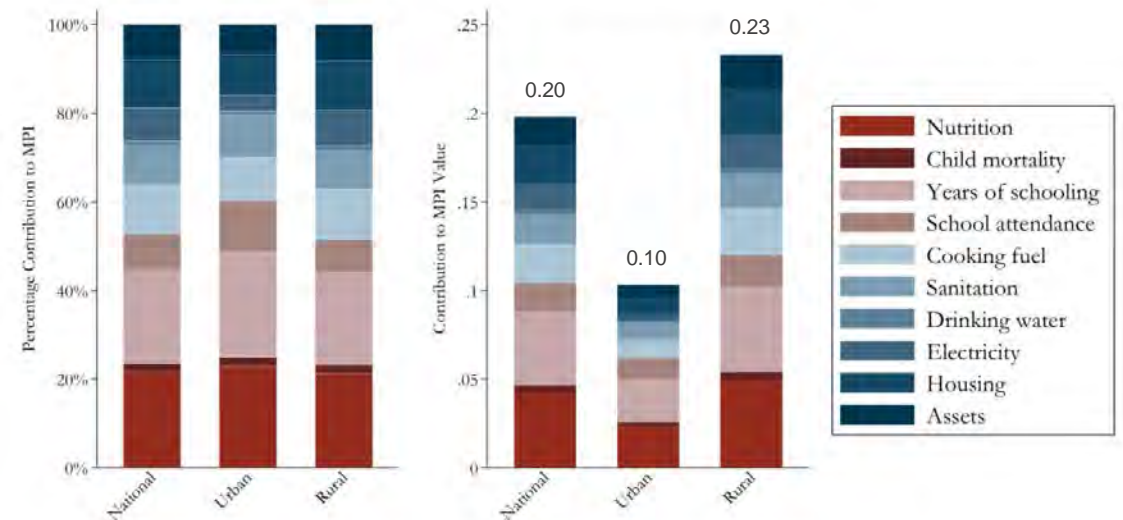
Bangladesh

Economic Indicator vs. MPI

Based on the $1.90 a day poverty measure, only 14.8 percent of people were classified as monetarily poor in 2016—far below the 41.7%.

MPI Contributors

Deprivation in Nutrition and Years of Schooling are the biggest contributing factors. While the MPI differs significantly between urban and rural, the proportion of each contribution does not.
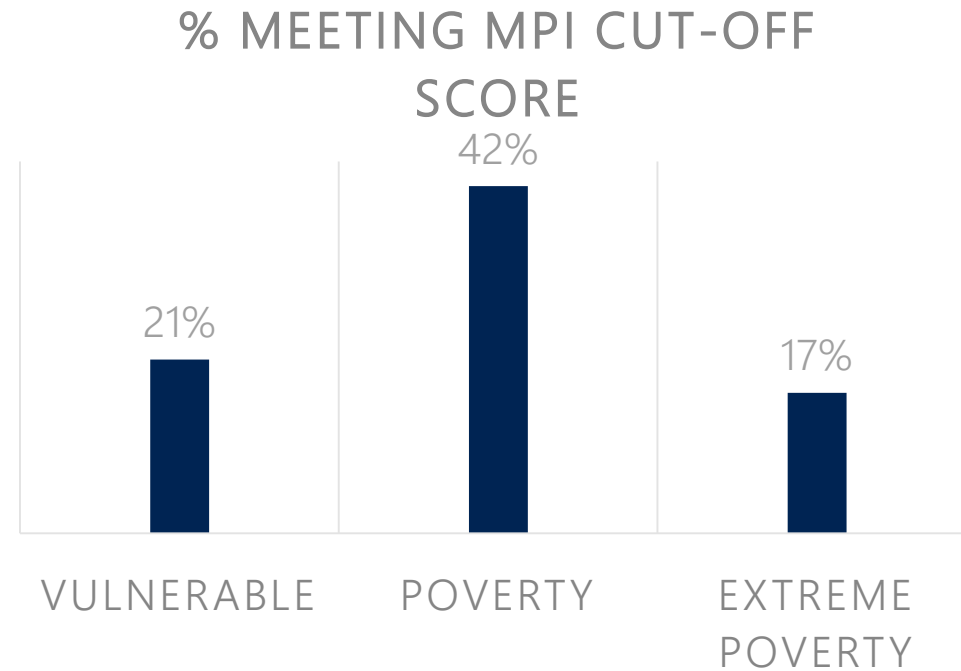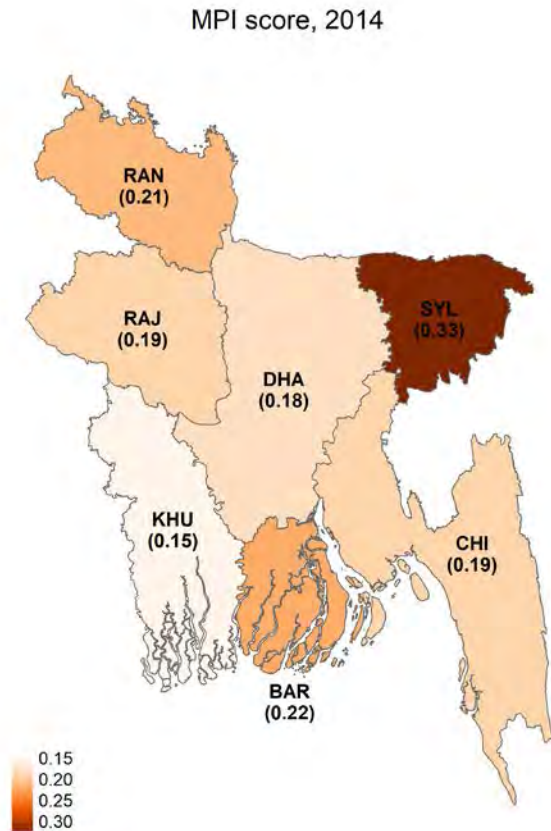

Figure 8. Indicator Contribution to Overall Poverty by Area

Deep-Dive into MPI: Subnational Poverty Levels

Bangladesh

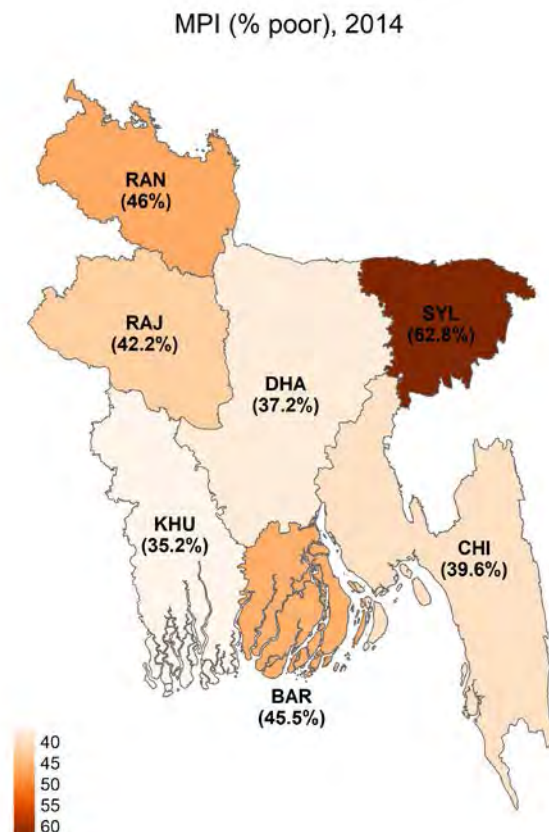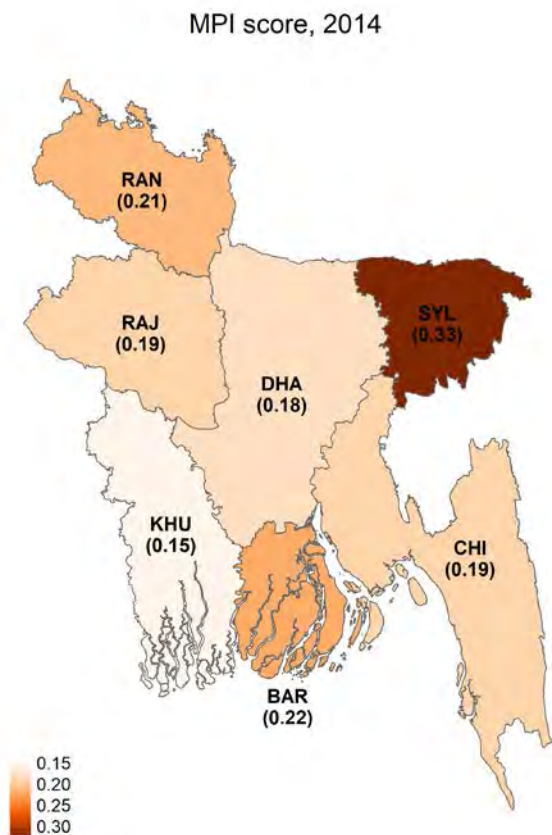Ethiopia's National MPI Score is 0.198 and 42% of the population is living in extreme poverty

MPI score, 2014

RAN (0.21)
RAJ (0.19)
SYL (0.33)
DHA (0.18)
KHU (0.15)
CHI (0.19)
BAR (0.22)

0.15
0.20
0.25
0.30

% MEETING MPI CUT-OFF SCORE

21% VULNERABLE
42% POVERTY
17% EXTREME POVERTY

Scores range from 0 (no deprivation) to 1 (absolute deprivation). Defined cut-offs for vulnerability (>.2 to <.33), poor (>0.33), and extremely poor (>.50)

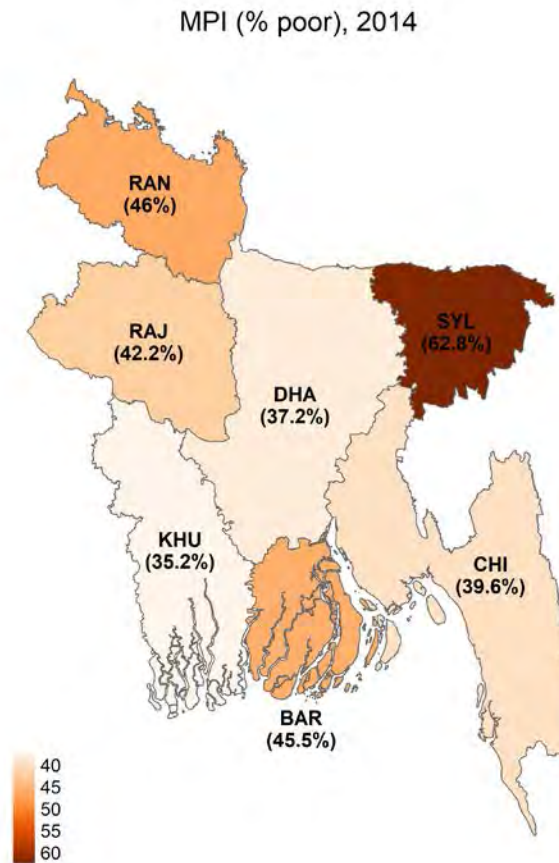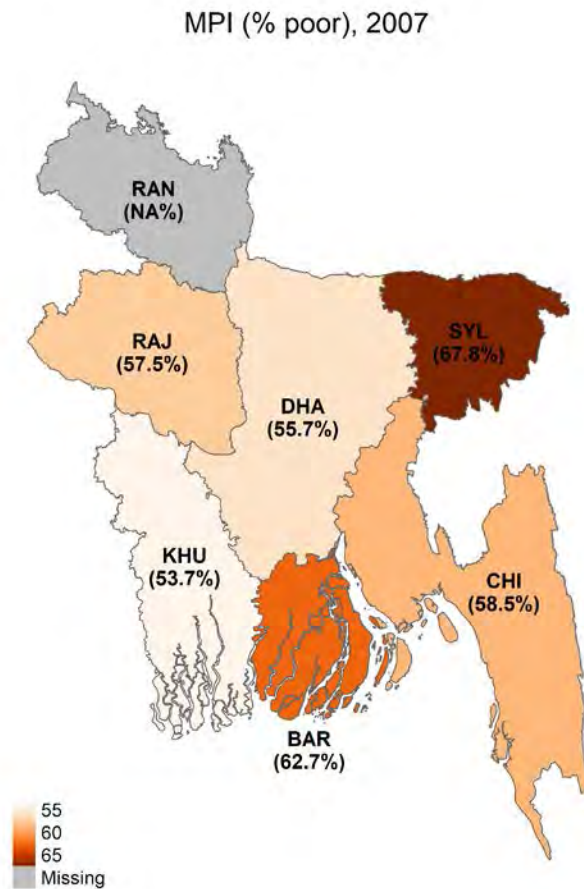🌐 START CENTER

Deep-Dive into MPI: Subnational Poverty Levels

Bangladesh

Sylhet has the highest MPI score (0.33) and % of people living in poverty (62.8%)

MPI score, 2014

RAN (0.21)
RAJ (0.19)
DHA (0.18)
SYL (0.33)
KHU (0.15)
CHI (0.19)
BAR (0.22)

0.15
0.20
0.25
0.30

MPI (% poor), 2014

RAN (46%)
RAJ (42.2%)
DHA (37.2%)
SYL (62.8%)
KHU (35.2%)
CHI (39.6%)
BAR (45.5%)

40
45
50
55
60

Deep-Dive into MPI: Temporal Changes

Bangladesh

Declining poverty over time, but some divisions are lagging behind, resulting in higher geographic disparities
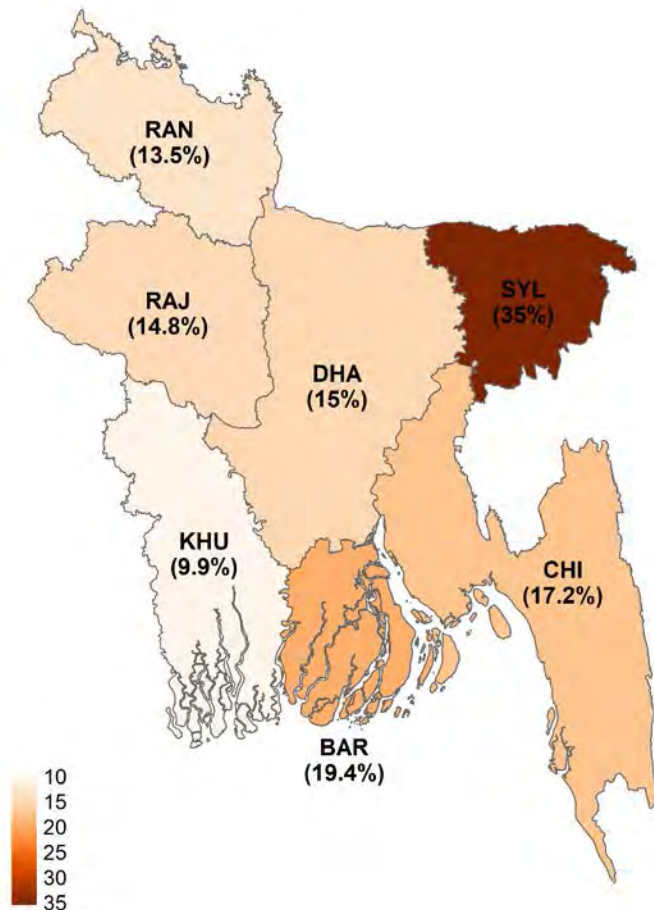

MPI (% poor), 2007

RAN (NA%)
RAJ (57.5%)
SYL (67.8%)
DHA (55.7%)
KHU (53.7%)
CHI (58.5%)
BAR (62.7%)

55
60
65
Missing

MPI (% poor), 2014

RAN (46%)
RAJ (42.2%)
SYL (62.8%)
DHA (37.2%)
KHU (35.2%)
CHI (39.6%)
BAR (45.5%)

40
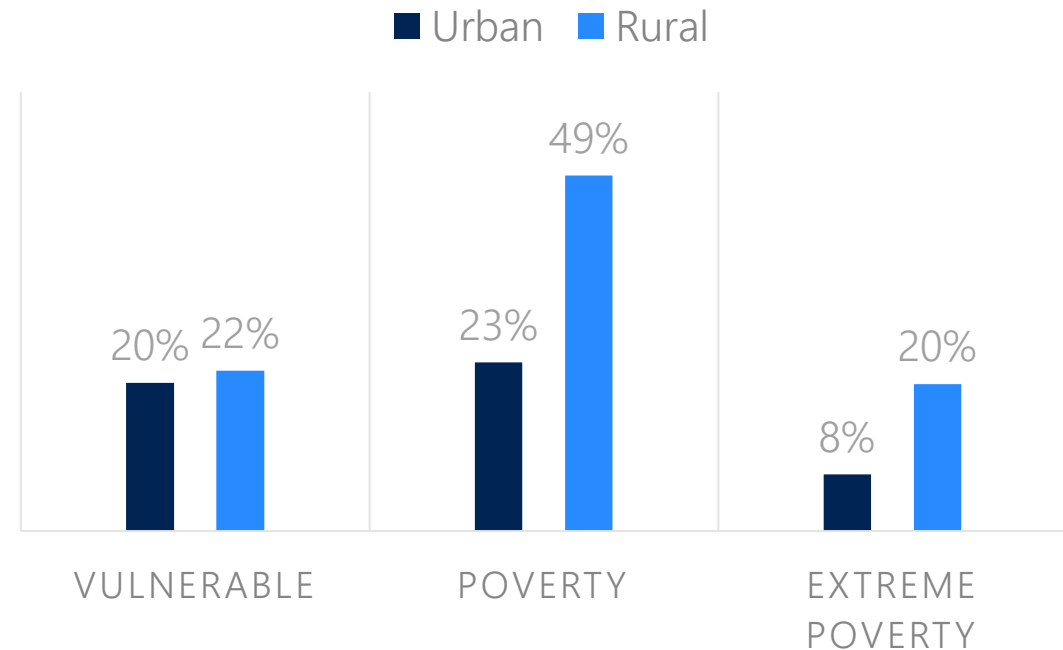45
50
55
60

Deep-Dive into MPI: Urban vs. Rural

Bangladesh

Many remain in dire poverty, with pronounced differences between divisions as well as urban and rural areas
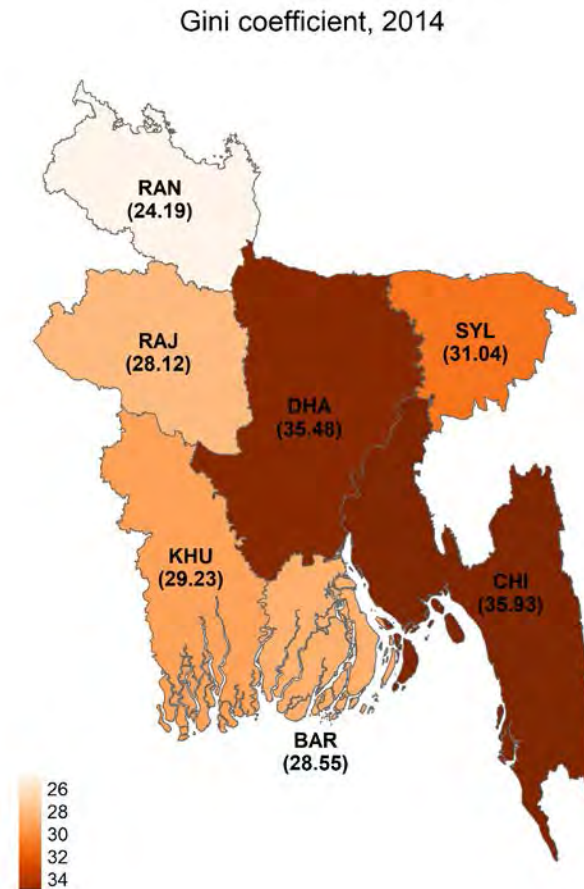
MPI (% extremely poor), 2014
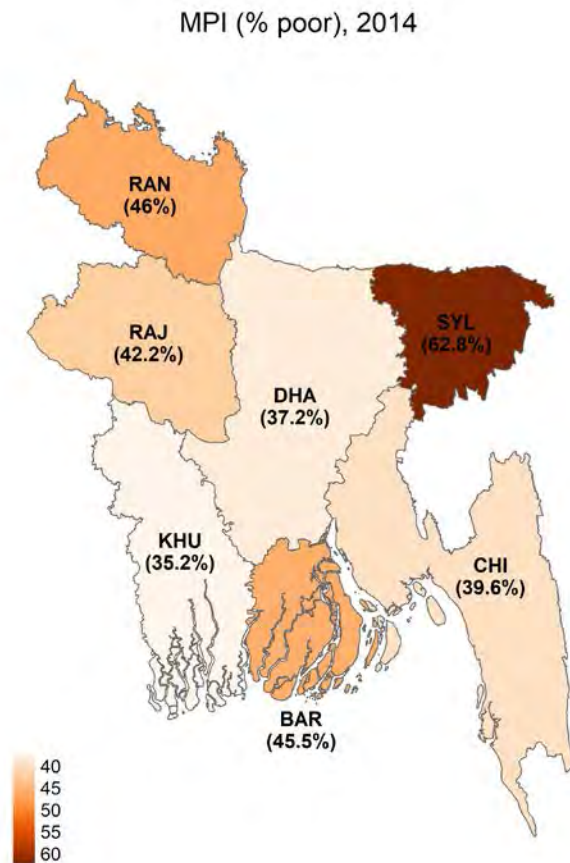

RAN (13.5%)

RAJ (14.8%)

SYL (35%)

DHA (15%)

KHU (9.9%)

CHI (17.2%)

BAR (19.4%)

10
15
20
25
30
35

MPI POVERTY, 2014

■ Urban ■ Rural

VULNERABLE: 20% / 22%

POVERTY: 23% / 49%

EXTREME POVERTY: 8% / 20%

🌐 START CENTER

Deep-Dive into MPI: Inequality

Bangladesh

Inequality does not appear to be directly related to MPI poverty. Moderate inequality across the country
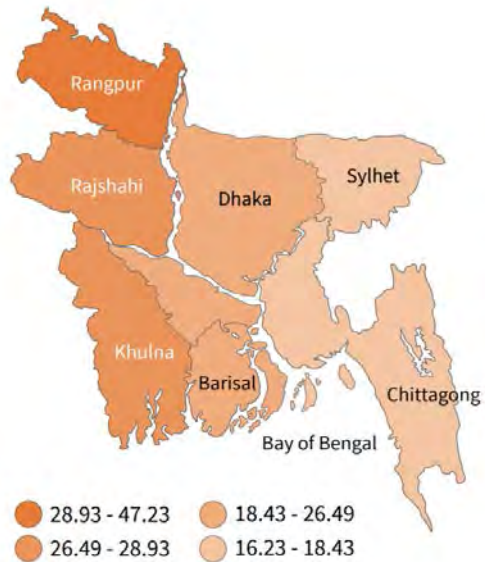

START CENTER
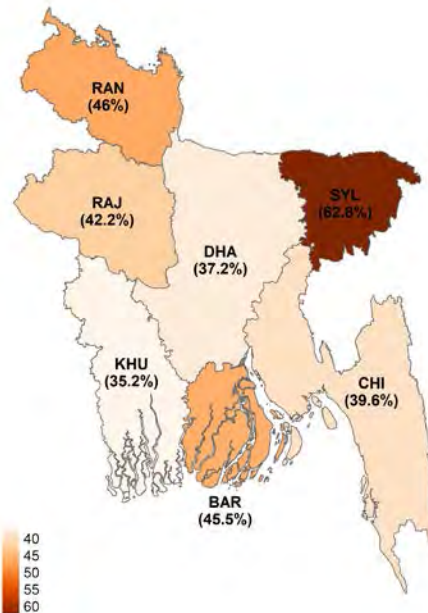
2

Determine where poverty is concentrated

START CENTER

Where is Poverty Concentrated in Bangladesh?
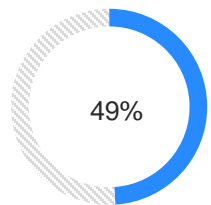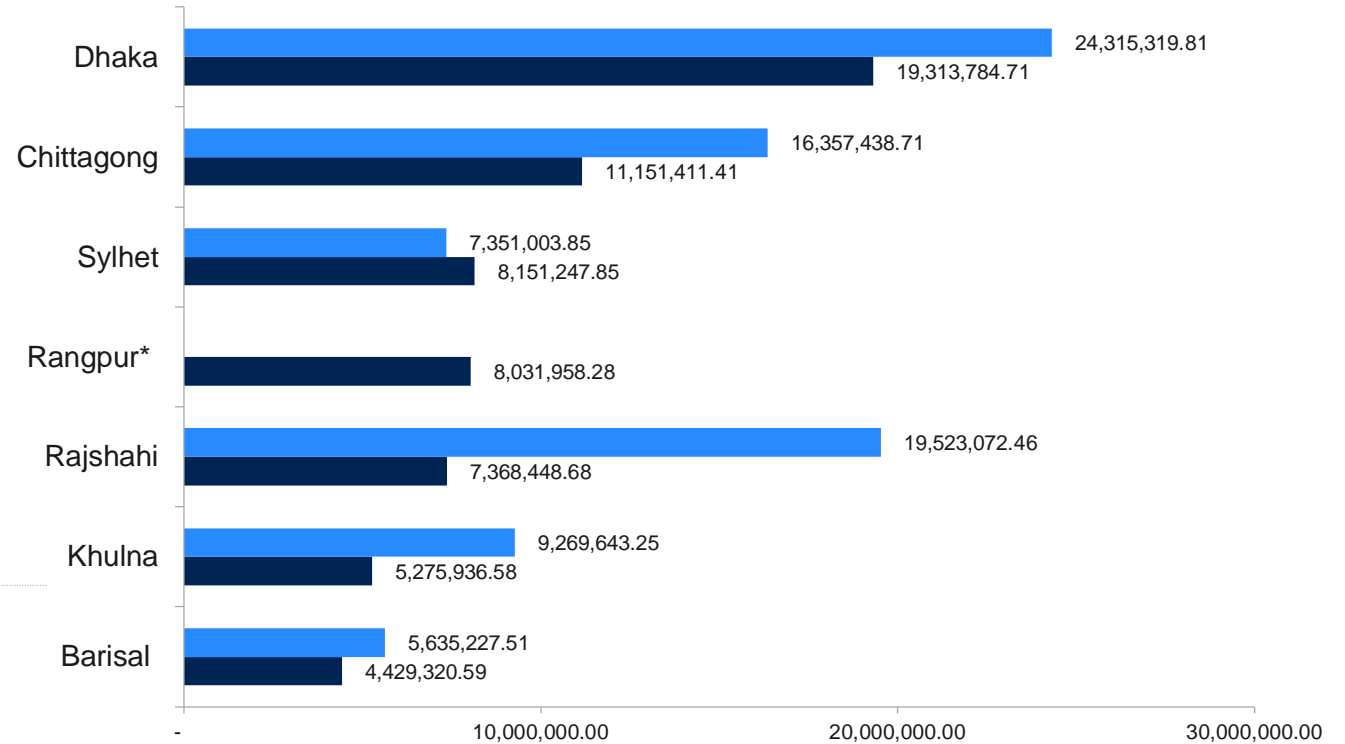
% of people living in poverty
(World Bank Poverty Assessment, 2016)

% of people MPI Poor
(MPI, 2014)

# of people who are defined as MPI Poor

Dhaka
24,315,319.81
19,313,784.71

Chittagong
16,357,438.71
11,151,411.41

Sylhet
7,351,003.85
8,151,247.85

Rangpur*
8,031,958.28

Rajshahi
19,523,072.46
7,368,448.68

Khulna
9,269,643.25
5,275,936.58

Barisal
5,635,227.51
4,429,320.59

- | 10,000,000.00 | 20,000,000.00 | 30,000,000.00

2007   2014

49% of people living in rural areas are multidimensionally poor

23% of people living in urban areas are multidimensionally poor

Data Source: MPI

Data Source: MPI, World Bank
*Rangpur data for 2007 incorporated in Rajshahi data

🌐 START CENTER

| 58
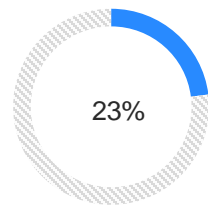
Where are the Poor in Bangladesh?

Poverty has been cut in half since 1990, but reduction has slowed since 2010

Highest MPI Scores	Highest % of MPI Poor	Highest Population of MPI Poor
Sylhet	Sylhet	Dhaka
Barisal	Rangpur	Chittagong
Rangpur	Barisal	Sylhet

Bangladesh Poverty Assessment: World Bank (PPP)
- Poverty reduction progress slower in **urban areas** compared to **rural**
  - From 2010 – 2016: 90% poverty reduction took place in rural
  - From 2010 – 2016 there was no progress in reducing extreme poverty in urban areas and the number of people has increased (worrisome as Bangladesh continues to urbanize)
- Stronger progress in poverty reduction in the **eastern regions**
  - Increase in poverty since 2010: Rangpur
  - Stagnant since 2010: Rajshahi & Khulna
  - Moderate Decrease: Chittagong
  - Extreme Decrease: Barisal, Dhaka, and Sylhet
- Reduction in poverty has been driven by **labor income increases** not transfers (i.e., social program donations)

Bangladesh Poverty Assessment: MPI
- The % of people that are MPI poor decreased between 2007 and 2014
- All deprivations improved with the exception of Drinking Water
- **Sylhet in the eastern region** has the highest MPI score and % of people that are MPI poor – hypothesis that this is driven by bad living conditions and low years of schooling in Sylhet city
- Highest volume of MPI poor people are living in Dhaka

3

Meeting the FSP Pre-Reqs

Electricity & Mobile Coverage

START CENTER

Mobile Phone Coverage: Bangladesh

Electricity Coverage

74.20%
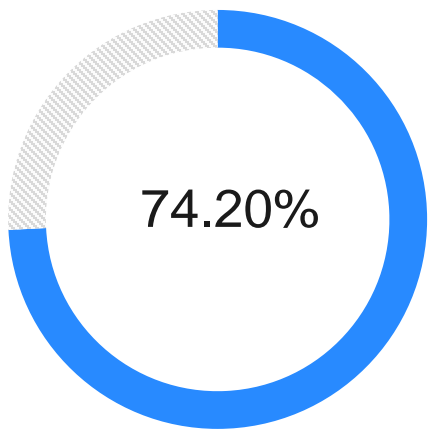
Data sources: GSMA

Mobile Phone Ownership

MEN: 69.3% (2014), 84.0% (2018)

WOMEN: 37.5% (2014), 59.0% (2018)
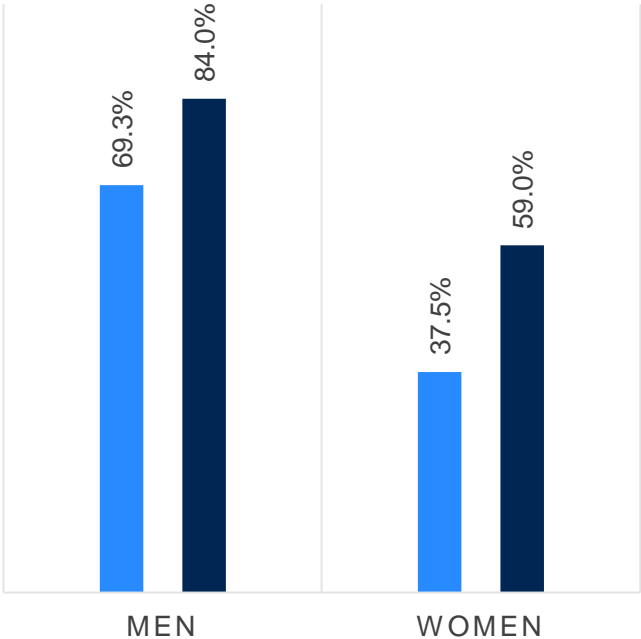
2014 | 2018

Data source: DHS 2014, FII 2018

2G, 3G, 4G Coverage

2G: 99.5%
3G: 94.2%
4G: 17.0%
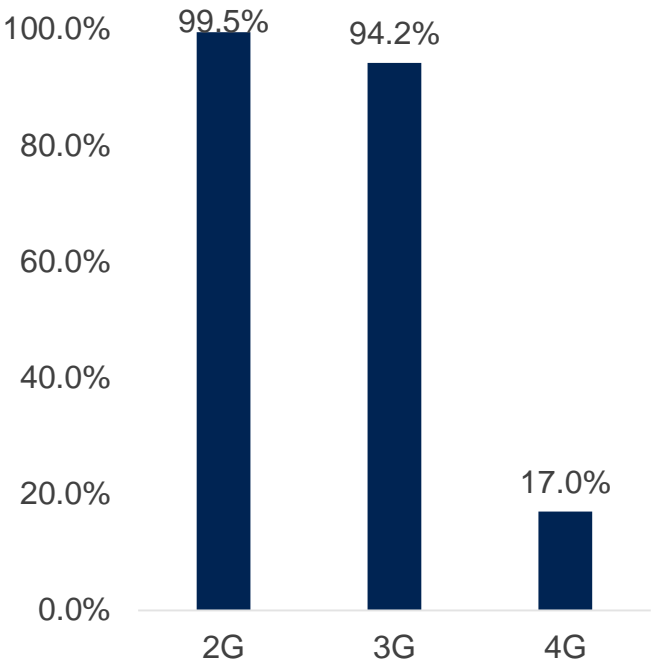
Data source: GSMA 2018

START CENTER

Bangladesh Mobile Phone Coverage: Barriers
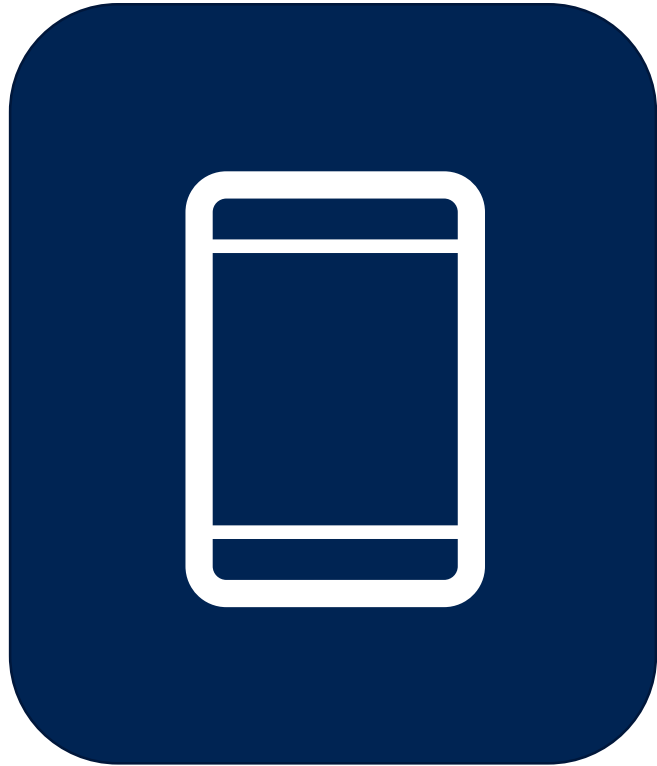
Only 1 in 5 Bangladeshi subscribers subscribed to mobile internet serves in 2017, despite 90% 3G coverage
Source: GMSA, 2017

- **Affordability:** 1GB of data would cost the bottom 20% of the income distribution 11% of their monthly earnings; high costs are a result of high taxation (GSMA)
- **Network Quality:** Low 4G coverage in the entire country; coverage overall is lower in rural areas; mobile internet uptake is low for the region at 21% in 2017 (GSMA)
- **Gender Gap:** still a 25% gender gap in mobile phone ownership

START CENTER

Lifestyles of the poor

4

Education

Livelihood

Women's Economic Empowerment

START CENTER
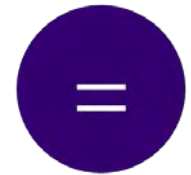
Education: Bangladesh

% Primary School Enrollment (Net)
DHS 2014
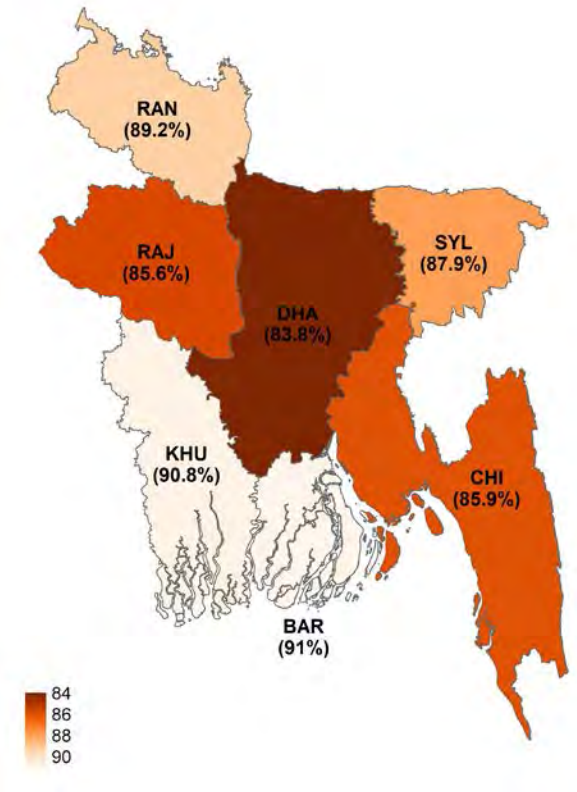
Map legend: 84, 86, 88, 90

RAN (89.2%)
RAJ (85.6%)
SYL (87.9%)
DHA (83.8%)
KHU (90.8%)
CHI (85.9%)
BAR (91%)

Primary School Net Attendance Rates
Source: 2016 DHS Survey

85.2%	Highest Wealth Quintile
84.1%	Lowest Wealth Quintile
84.8%	Urban
87%	Rural
85.6%	Male
87.4%	Female
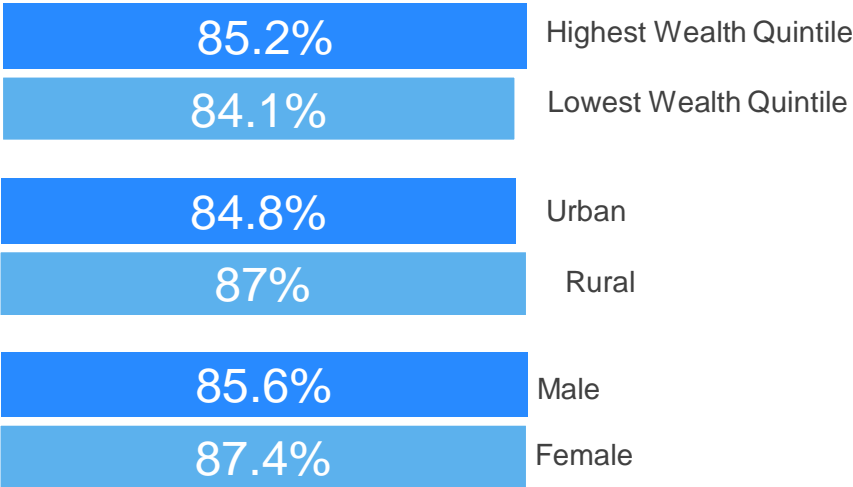
Adult Literacy Rate
Source: 2016-2017 LFS, Bureau of Statistics

69%

Current Mean Years of School
Source: UNDP HDI Reports, 2017

5.2

Secondary Education Attendance:
Wealth Quintile Gap; Source: 2014 DHS

20.3%

Expected Years of School
Source: UNDP HDI Reports, 2017

11.4

Education in Bangladesh: Regional Differences

- Sylhet is the region with the lowest school year completed: 2.7 years (DHS)

- On average, men and women living in urban areas have completed 2 more years of school than those in rural areas (DHS)

- Education levels are extremely low among the urban poor. Literacy rates among poor urban households have improved across time but are still only 42 percent. More than half of all household heads living in poverty (55 percent) have no education. Only 3 percent of poor household heads had completed secondary education. This was much higher—20 percent—among the non-poor, although still low (DHS)

Median years of education completed
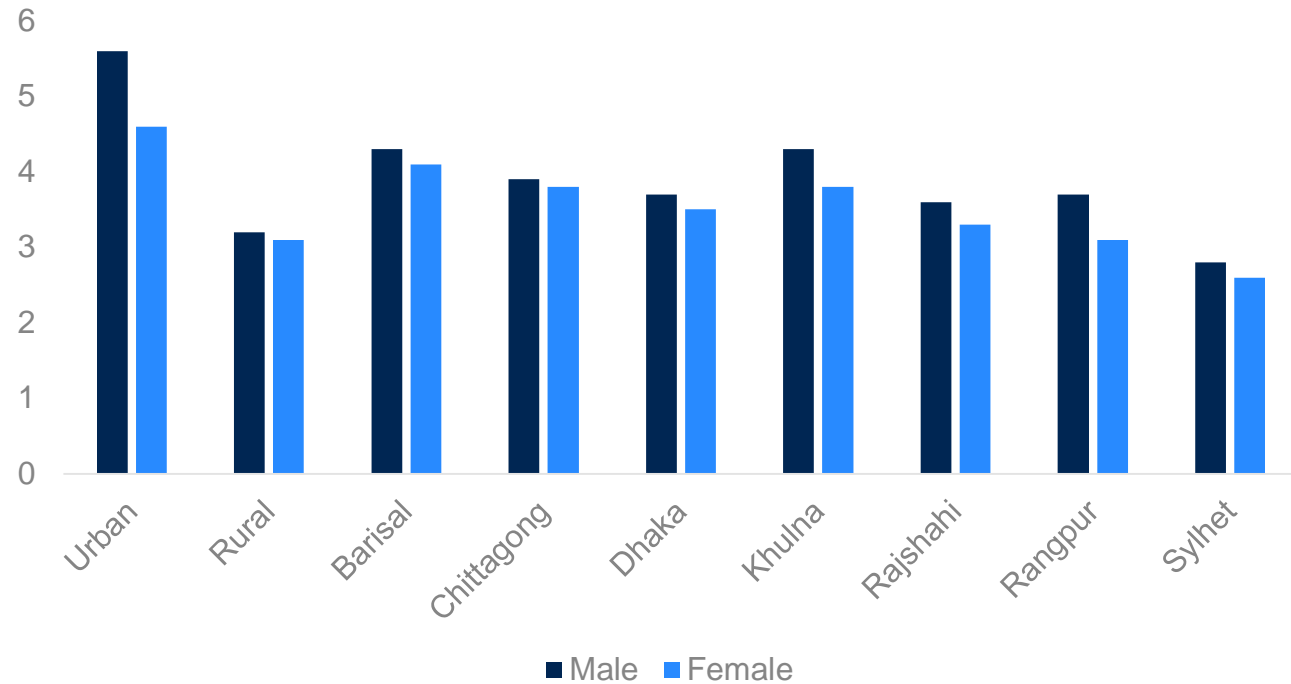
Source: DHS 2014

Livelihood in Bangladesh: Sector Differences

% of Labor Force Employed in Each Sector
Source: 2016-17 Labor Force Survey, Bureau of Statistics

Sector Employment Percentage

Sector percentage in each division
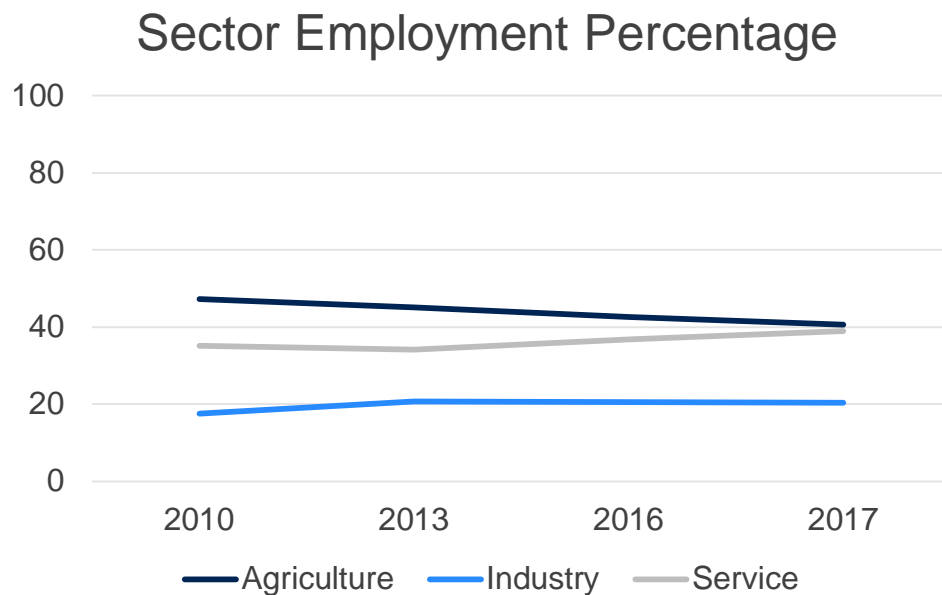
Percentage of employment in agriculture has decreased from 2010 to 2017. Industry employment rate has been around 20% since 2013.

Western regions (Rajshahi, Rangpur, Khulna) have higher concentration in agriculture

START CENTER

Livelihood in Bangladesh: Implications for Poverty Reduction

Urban Bangladesh
- Poverty reduction uneven across sectors
- Strongest contributor to overall progress was among **wage and daily workers in industry sectors** (particularly in garment)
  - Due to new minimum wage legislation
  - But slow job creation curbed poverty reduction
- Stagnation in poverty reduction in services sector
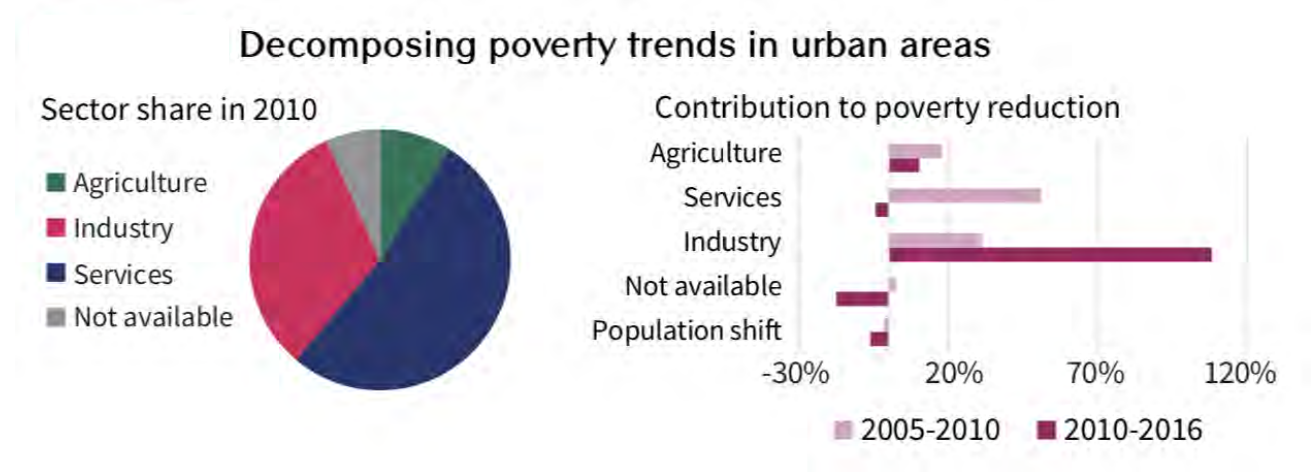
Rural Bangladesh
- Since 2010, **industry and service sectors** becoming important drivers of poverty reduction, contributing to 59% poverty reduction
- Growth in agricultural sector slowed down and was less poverty reducing than before
  - Western divisions remain higher in agricultural sector (47.9%)

Decomposing poverty trends in urban areas

Decomposing poverty trends in rural areas

Source: 2019 World Bank Bangladesh Poverty Assessment
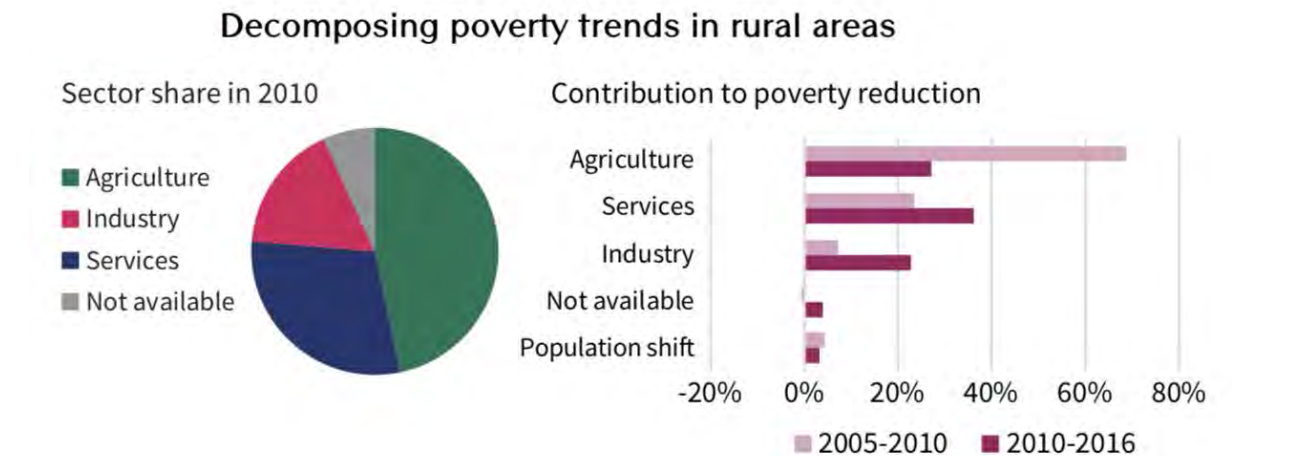
Gender Dynamics: Ethiopia

Highlights from Voices to Choices Bangladesh's Journey in Women's Economic Empowerment
Source: World Bank

UN Gender Inequality Index Ranking
134

- Women's labor force participation in 44% of men's

- Bangladesh's female labor force participation rate increased by 10% 2003 and 2016

- Bangladesh has the smallest gender wage gap of any country in the region. In 2016, female workers earned roughly three-fourths of what men did (a 24-percent gap), which was a substantial improvement over the 43-percent gap of 2013.

- The fact remains that more than a third of women in Bangladesh's labor force are unpaid contributing family helpers.

- Among rural women, 12 percent solely or jointly own agricultural land and 7 percent own nonagricultural land, compared to 69 percent and 86 percent of rural men, respectively. 96 percent of household land in rural areas still is owned by husbands alone; This increases their vulnerability to poverty

START CENTER

5

Current State of Financial Inclusion

$

Financial Inclusion

START CENTER

Financial Inclusion: Account Ownership

- Bank and mobile money ownership disproportionately in male, wealthy, and urban groups, while the opposite is true for NFBI accounts

FINANCIAL ACCOUNT OWNERSHIP, 2018

	BANK				NFBI				MOBILE MONEY		
OVERALL	GENDER GAP	WEALTH GAP	URBAN GAP	OVERALL	GENDER GAP	WEALTH GAP	URBAN GAP	OVERALL	GENDER GAP	WEALTH GAP	URBAN GAP
25%	10%	15%	12%	24%	-7%	-6%	-2%	17%	14%	7%	5%
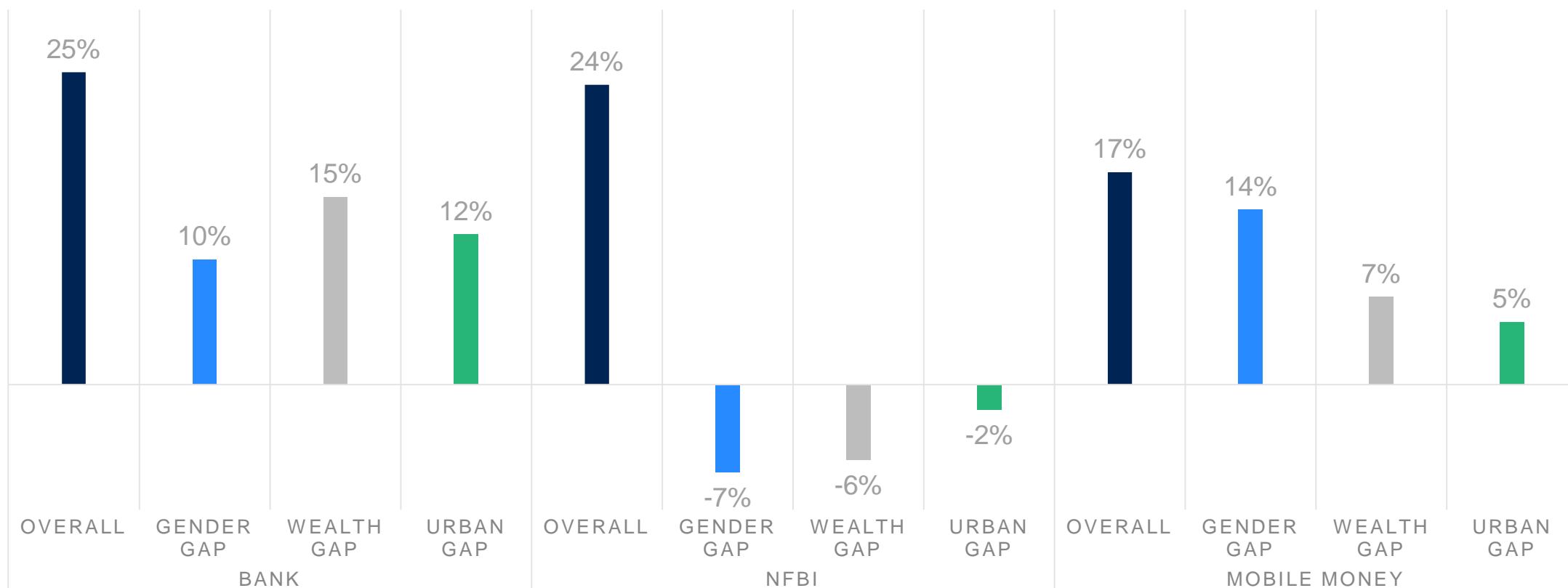
Source: FII. All gaps reported as percentage point difference: gender gap is male v. female; wealth gap is above poverty line v. below; urban gap is urban v. rural

START CENTER

Financial Inclusion: Account Ownership and Use

- Increases in financial account ownership and use across all types of accounts
- 340% increase in mobile money account ownership since 2014, but overall ownership and use remains low

FINANCIAL INCLUSION AND ACCOUNT USE

■ 2014 ■ 2018

BANK
- REGISTERED ACCOUNT OWNERS: 18% (2014), 25% (2018)
- ACTIVE USERS: 12% (2014), 16% (2018)

NBFI
- REGISTERED ACCOUNT OWNERS: 20% (2014), 24% (2018)
- ACTIVE USERS: 16% (2014), 18% (2018)

MOBILE MONEY
- REGISTERED ACCOUNT OWNERS: 5% (2014), 17% (2018)
- OTC USERS: 18% (2014), 28% (2018)

Source: FII

START CENTER
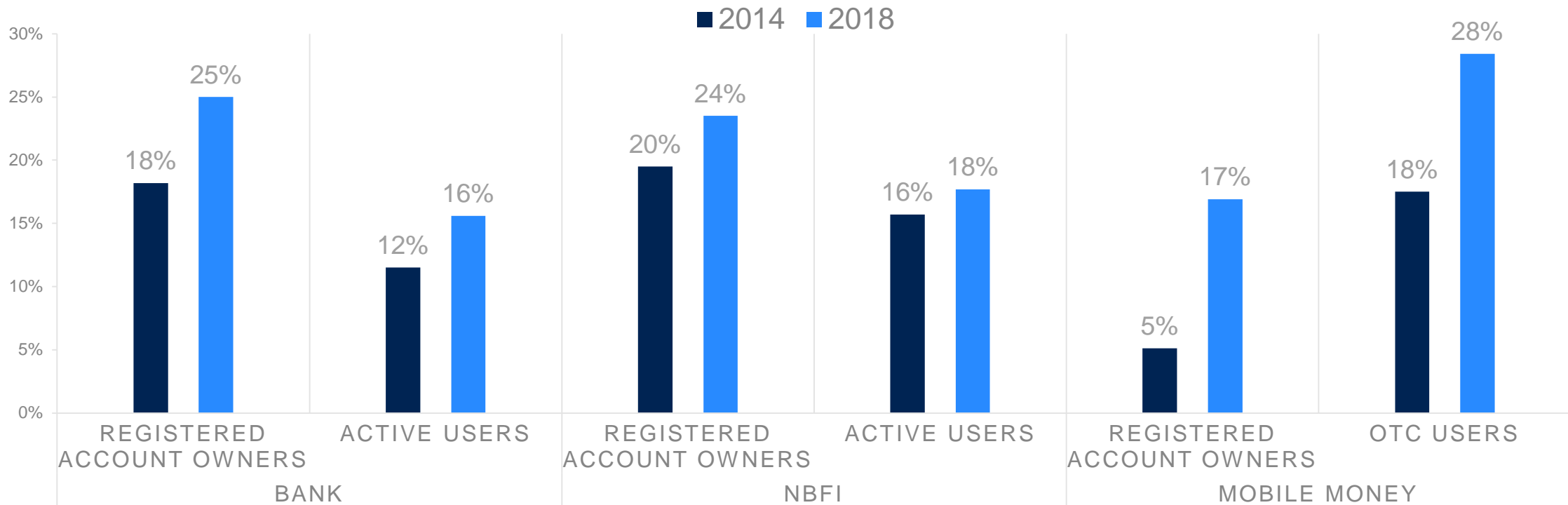
Financial Inclusion: Account Use

- Moderate decreases in account use, but digital payments have increased almost five-fold
- Wages could be a driver of financial inclusion, but impact in this area may be limited due to small proportion of overall population receiving wages

Legend: ■ 2014　■ 2017

	WITHDRAWAL IN PAST YEAR (OF THOSE WITH FINANCIAL ACCOUNT)	DEPOST IN PAST YEAR (OF THOSE WITH FINANCIAL ACCOUNT)	MADE OR RECEIVED DIGITAL PAYMENT IN LAST YEAR
2014	54%	60%	7%
2017	52%	51%	34%

	RECEIVED WAGES (IN PAST YEAR)	RECEIVED WAGES INTO AN ACCOUNT (OVERALL)	RECEIVED WAGES INTO AN ACCOUNT (AMONG THOSE RECEIVING WAGES)
2014	13%	2%	13%
2017	14%	4%	25%

START CENTER

Source: Findex

Financial Inclusion: Inequality

- Growth in account ownership is not being experienced by all groups, with increasing wealth and gender-based gaps
- With rapidly increasing mobile money use, gender-based gaps in phone ownership will likely continue exacerbating the financial inclusion gap

REGISTERED FINANCIAL ACCOUNT OWNERS
■ 2014 ■ 2017

Category	2014	2017
OVERALL	31%	50%
WEALTH GAP (RICHEST 60% VS. POOREST 40%, P.P.)	13%	17%
GENDER GAP (MALE VS. FEMALE, P.P.)	9%	29%

PHONE OWNERSHIP
■ 2014 ■ 2018

Category	2014	2018
MALE	69%	84%
FEMALE	38%	59%

Source: FII

START CENTER
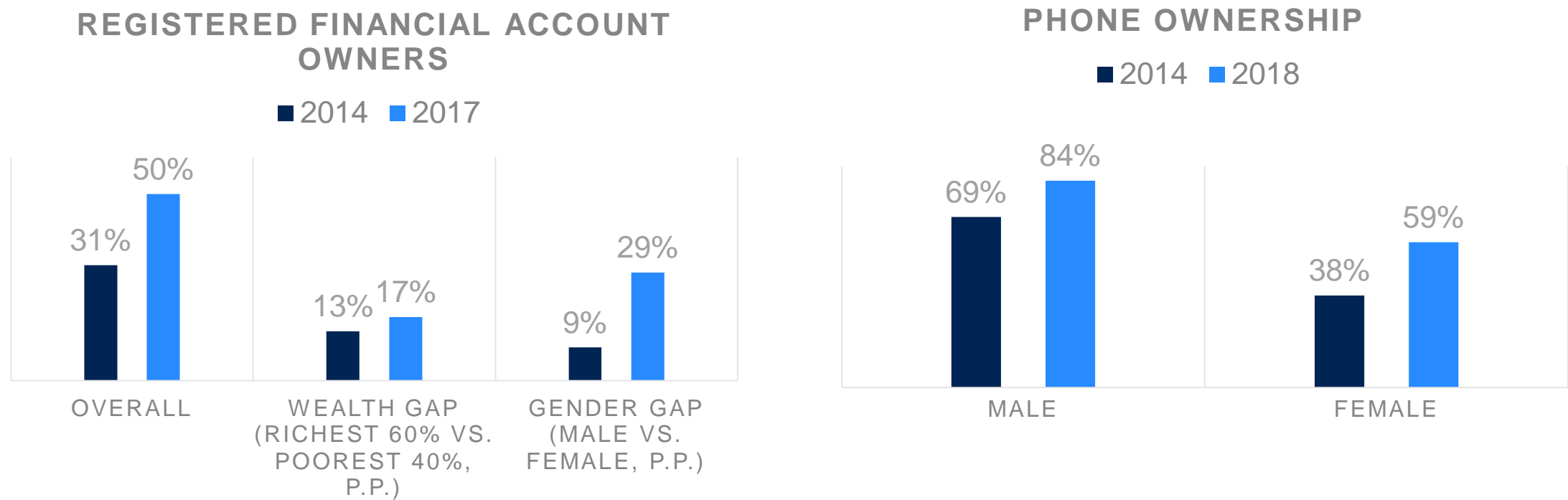
Financial Inclusion: Mobile Money

- 18% of Bangladeshis used mobile money in 2018, up from only 5% in 2014, and Bangladesh is now 5th largest mobile money market in Asia Pacific region

- 81% of respondents in a FII survey said they did not use mobile money because they "*did not need it*"

- Bangladesh ranked 62nd of 80 countries on GSMA Mobile Money Regulatory Index, which measures the extent to which a country's regulatory framework enables widespread mobile money adoption

- Major players include:
  - bKash, with 24 million accounts,180k agents, and ~7.5 million transferred monthly
  - Rocket, with 11 million accounts, and ~220k agents

- Growth potentially hampered by know-your-customer (KYC) rules, which mandate due diligence and record keeping on all clients; designed to reduce money laundering, these rules can also serve as a barrier to mobile money use
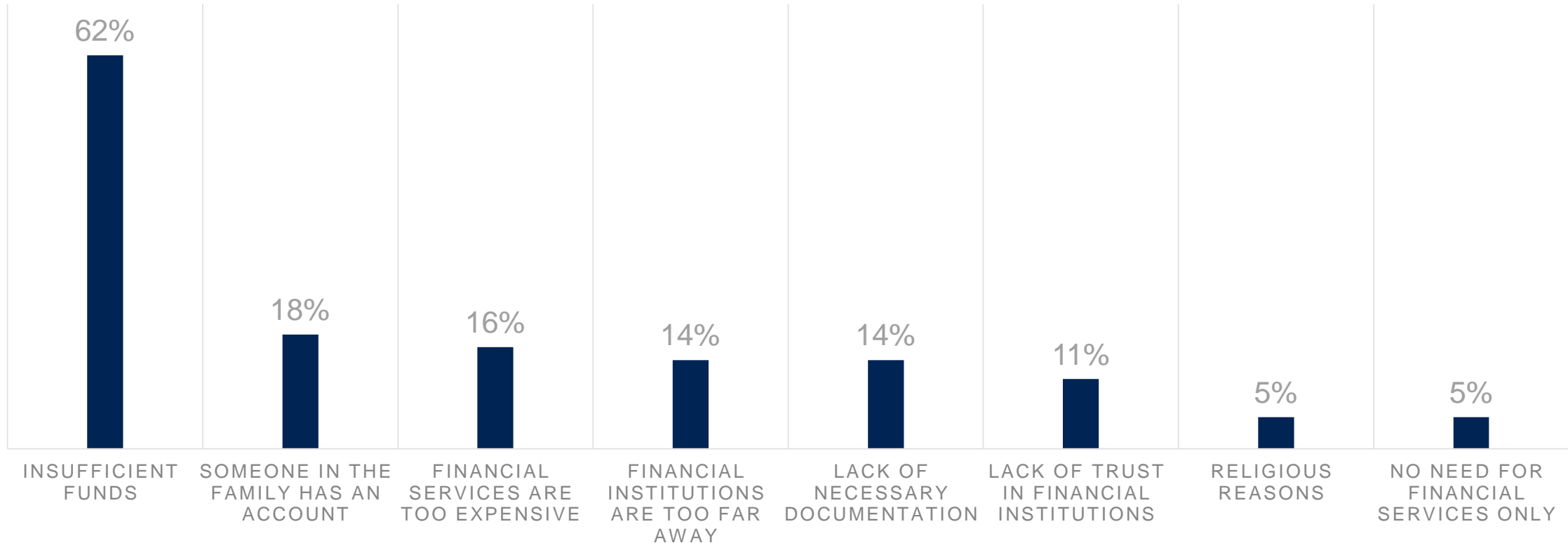
GSMA Mobile Money Regulatory Index, regional comparators
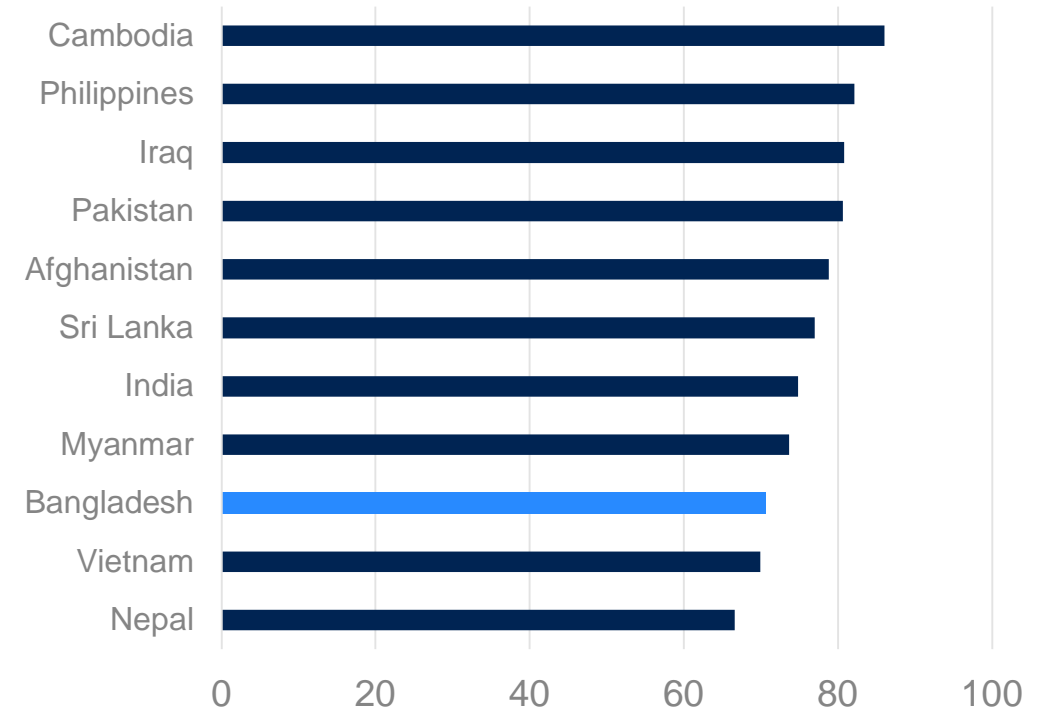
START CENTER

Sources: FII, GSMA

Financial Inclusion: Barriers

- Insufficient funds are the primary reason for not having a financial account
- A Bangladesh Bank survey of MSME funding found that current minimum balance rules are cited as a major barrier to opening small businesses

BARRIERS TO ACCOUNT OWNERSHIP, 2017

INSUFFICIENT FUNDS	SOMEONE IN THE FAMILY HAS AN ACCOUNT	FINANCIAL SERVICES ARE TOO EXPENSIVE	FINANCIAL INSTITUTIONS ARE TOO FAR AWAY	LACK OF NECESSARY DOCUMENTATION	LACK OF TRUST IN FINANCIAL INSTITUTIONS	RELIGIOUS REASONS	NO NEED FOR FINANCIAL SERVICES ONLY
62%	18%	16%	14%	14%	11%	5%	5%

Sources: Bangladesh Bank "Survey on MSME Financial Inclusion Indicators", 2016; Findex 2017

START CENTER

Financial Inclusion: Emergency Funds

- Roughly one-third of the population (35%) are unable to raise emergency funds
- Assistance from family and friends is the primary source, with limited differences between the richest 60% and poorest 40% across all sources

PRIMARY SOURCE OF EMERGENCY FUNDS, 2017

Source: Findex