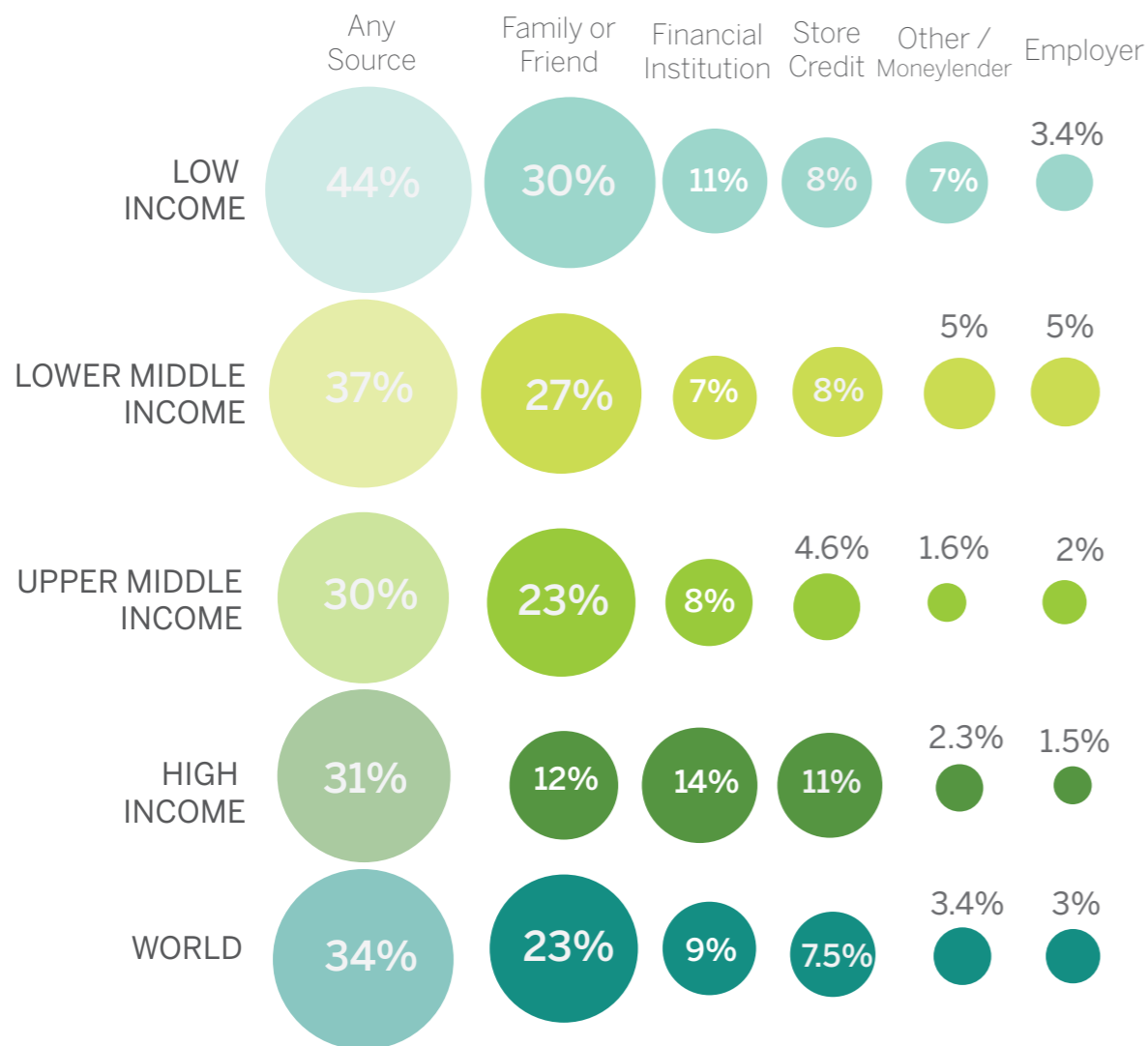


How do people BORROW?

THE GLOBAL FINDEX DATA

The Global Findex provides rich new data on financial inclusion. Still, the interpretation of any dataset must keep in mind that the way in which the survey question was asked (and to whom) will influence the response. For example, the Global Findex survey asked whether, in the past twelve months, the respondent had taken out a loan from any of the sources at left. People may have forgotten or deliberately withheld information on borrowing, or they may have had only outstanding loans taken out more than twelve months prior.

Several interesting patterns emerge that align with previous findings:



Even in high income countries, family and friends remain an important source of borrowing.

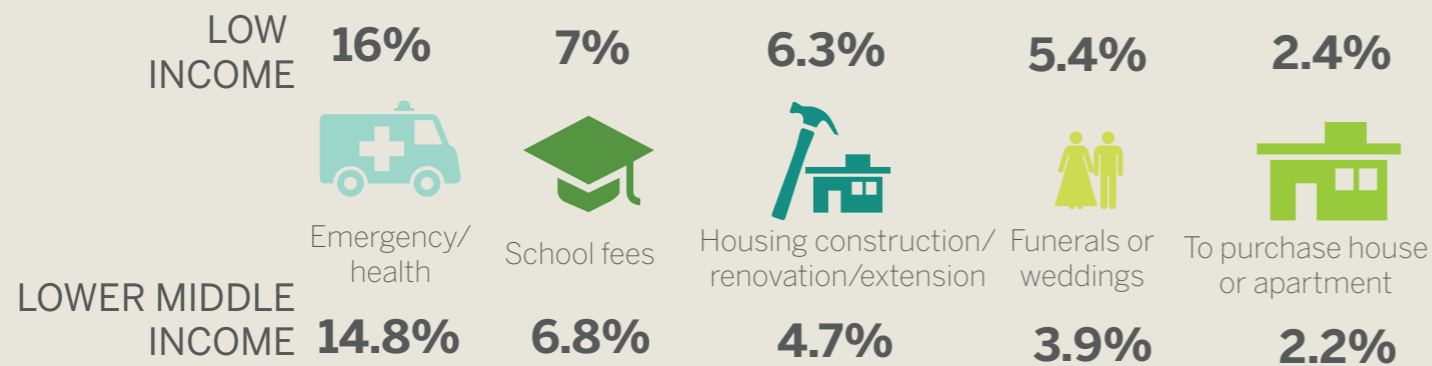


The most important source of informal loans is not the usurious moneylender that frequently appears in microcredit mythology.



Despite increasing access to credit, largely due to the microfinance movement, many people still choose not to borrow from a financial institution.

Why do people BORROW?



The most frequently reported reason for having an outstanding loan was for an emergency or health expense. Reports of borrowing for expected expenses such as weddings and school fees provide evidence of the diversity of reasons to borrow. The survey did not ask specifically whether respondents had borrowed to make business investments.

Note: Respondents were allowed to report more than one reason for borrowing.

Data source: Global Findex database, 2012 (<http://datatopics.worldbank.org/financialinclusion>) | "Shark" symbol by Okan Benn, "House" symbol by Joe Caserta, "Hammer" symbol from thenounproject.com collection.
 Graphic and analysis by Kerry Brennan, Financial Access Initiative (www.financialaccess.org)
 Note: Respondents were allowed to select more than one lending source.