



# Financial inclusion: Encouraging bank account usage

## Mexico

**Increasing the availability and equality of opportunities for people to access financial services can reduce poverty by enabling day-to-day transactions, safeguarding savings, supporting planning for recurring expenses and emergencies, and helping businesses to grow. Applying a behavioural lens ensures the benefits of financial inclusion programmes don't fall short.**

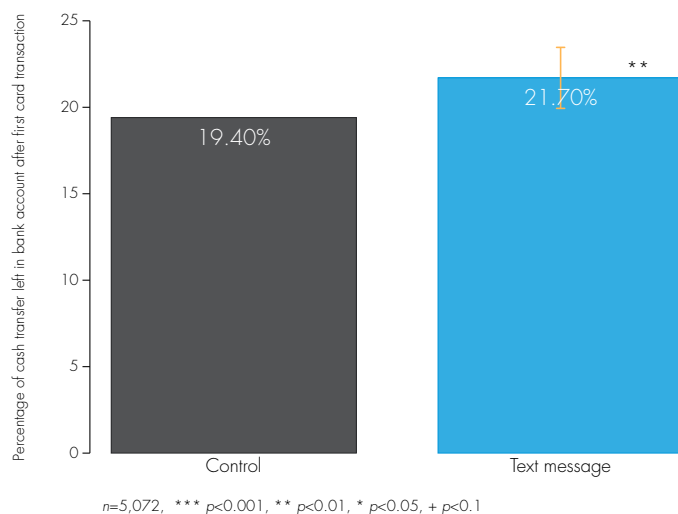
The Government of Mexico is currently digitising its flagship conditional cash transfer programme, Prospera. Beneficiaries will now receive money straight into a bank account, often their first, which provides new opportunities for promoting positive financial behaviours. However, with over three-quarters of beneficiaries withdrawing their payments in full after they are deposited, the first step is to encourage more active account usage. This includes leaving some money in the account, making transactions other than withdrawals and using access points beyond ATMs, such as small shops.

BIT and a consortium of partners - including the Mexican President's Office, Women's World Banking and CIDE (Centro de Investigación y Docencia Económicas) - worked with Prospera to develop three interventions to introduce beneficiaries to the new payment system: a personalised letter, a training session and a series of text messages which included tips on how to use the bank card. We piloted the letter and training with over 15,000 beneficiaries in January and February 2018. Around 5,000 of these beneficiaries were then randomly assigned to receive the text messages or not.

We found that beneficiaries who received the text messages left more of their first digital payment in their account (a 12 per cent increase, from 19.4 per cent to 21.7 per cent) (Figure 9). They were also more likely to check their balance (a 5.7 per cent increase, from 53 per cent to 56 per cent). However, there was no impact of the text messages on other financial inclusion outcomes, such as payments in shops and deposits.

Following on from this pilot, we worked with Prospera to improve the letter, training session and text messages. These new versions are now being tested at scale with over 300,000 beneficiaries.

Figure 9. Proportion of digital payment not immediately withdrawn



A second project similarly aimed to increase account usage. However, it focused on increasing the number of transactions made at agent banking points (retail outlets authorised to carry out banking services), and it involved Prospera beneficiaries who were already receiving their payments digitally.

We tested two interventions. The first was a large poster with a map showing nearby access points. This was presented to beneficiaries during bimonthly Prospera meetings ('MAPO' intervention). The second intervention was targeted at banking agents belonging to the Yastás network. The agents were provided with a poster to promote their services and incentivised with three small items (a cap, thermos and folder) if they completed more than 20 transactions with Prospera beneficiaries within two months ('Store' intervention).

The results show that both interventions were effective at increasing transactions at Yastás banking agents (Figure 10). The 'Store' intervention was the most effective, almost tripling the likelihood that beneficiaries would use Yastás agents at least once.

Figure 10. Transactions carried out at Yastás banking agents

