

Savings and Asset Building

Global Lessons, Trends, Challenges and Opportunities

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ASSET BUILDING PROGRAM

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Asset Building: What and Why?

- Theoretical Framework: Michael Sherraden, *Assets and the Poor* (1991)
 - *Economically, assets are the key to economic security*
 - *Asset Ownership is associated with positive social, civic, behavioral and psychological effects not necessarily associated with income.*
- Definition:
 - *Public, non-profit and private strategies to enable poor, low- and moderate-income persons to save and accumulate long-term, productive assets—a home, education, investments, land, and a nest egg for emergencies, retirement, etc*
- A new way to think about (as well as achieve) poverty reduction
- Already happening
- We've a long way to go

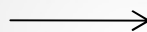


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2007 Global Symposium
on Savings, Assets and
Financial Inclusion



>> Global Savings, Assets
& Financial
Inclusion

LESSONS, CHALLENGES & DIRECTIONS

Report from a Global Symposium
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CONCLUSIONS

- *Trends*
- *Lessons*
- *Challenges*
- *Opportunities*
- *Next Steps*

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7 Global Trends

- Financial services are entering new markets
- Microcredit revolution to microfinance evolution
- Savings taking center stage
- Conception of poverty (and how to tackle it) is evolving
- Figuring out when context matters
- Technological advancements
- Convergence and integration of players and fields

7 Key Lessons

- There *IS* a demand for savings
- Savings by the poor *CAN* be profitable
- Innovative products are necessary
- Asset-building social policies can provide efficiency, inclusion and opportunity
- Context matters for both products and policies
- Partnerships can increase effectiveness
- Financial education and capability are important

10 Major Challenges

- Linking financial inclusion and AB: Savings for what?
- Demand vs. Supply-side constraints
- Context vs. Scale
- Encouraging experimentation: Embracing failure
- Partnerships: discovering the right mix
- Social mission vs. Business case
- Harnessing technology's potential
- Financial education
- Enabling environment/Political economy
 - *National Regulatory Environment*
 - *Global Financial Architecture*
- Consumer Protection

Endless Opportunities

Immediate Next Steps

- International learning network
- New partnerships
- Inclusion of “assets” perspective at national and international meetings and conference

Learning Agenda

- Potential of remittances and insurance for asset building
- Safeguarding the saving of the poor
- Asset Building in foreign assistance reform
- Child Savings Accounts!

Thanks!

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