

Recommendations guide for the financial sector

During the development work - research and experimentation - of the financial education methodologies focused on women beneficiaries of the Bolsa Família Program and low income retirees, some elements that were not part of the scope of the financial education program, but which are important to be noticed and addressed were identified.

This document aims to highlight the aspects that drew the attention of the technical consulting most, as they are issues that pose both as opportunities and challenges for the financial sector to reflect and rethink the way they deal with these population groups.

Notes regarding the physical space of the agencies:

On the field trips, we noticed that a large part of the women beneficiaries of the BFP and the retirees solved their financial issues in the lottery kiosks. When we questioned them, it was clear that they did not feel comfortable entering a bank branch.

The doors with guards, the clothes of the people who work in the banks etc. generated in many the sensation that "that is not a place for me".

1 Recommendation:

In particular, in some regions or municipalities of Brazil, with a high concentration of low-income groups, it would be interesting to think about how to turn the agencies or some of the agencies into more inviting spaces for the lower income population.

Notes regarding products:

In the field works, we also experienced situations in which we observed products that were unsuitable for that person profile to be offered to a Bolsa Família client, without making sure that the client had a certain account and was a beneficiary of Bolsa Família.

We have also seen that community banks or, often, informal networks end up being the spaces in which these people find the most appropriate products for their way of living and thinking. For example, in the North and Northeast, we witnessed informal communities that have a "petty cash", as if it were intended for collective savings, administered by one of the people in the group. In other cases, there were groups accessing productive microcredit from community banks, or doing, service exchanges between them.

2 Recommendation:

In Brazil, there seems to be a gap for the development of numerous products focused on the low-income public. Whether it be products or financial services more suited to the time dimension, quantity of resource etc. of the lowest income populations. From what we have

seen in Brazil, we lack the investment in trying to understand how these people live and what could make their lives easier and, trying different offer formats. In Africa and even in other Latin American countries, much has already been advanced in terms of financial products to the bottom of the pyramid, even from the internet and including the mobile phone use.

Our remarks on the service:

In none of the formal banks have we been able to identify a service or service elements focused on the low-income population, as it already exists in community banks, for example.

It is not just about focused products, but in some cases, a person who helps older people at the ATM, or a financial educator who can answer question in an empathic manner. These would already be differentials in serving this population.

3 Recommendation:

It is not necessarily about products, but a service focused on the low-income population can constitute a service differential that will attract the public that nowadays prefers neighborhood lottery and financial services.

Concerning the role of financial market education:

At different levels, much of the Brazilian population is still being financially included, and with this comes the need for information and guidance.

Considering this in product design and service experience can be a great differential for the most appropriate use of products, in order to have clients and a financially healthy market.

4 Recommendation:

Designing the products by considering the human biases and seeking to provide the necessary information in a clear way, for a more conscious decision-making by the client. For example, an Australian bank has a simulator that helps the person identify which items they spend the most and compare what they could do if they reduced that value in the form of infographics, or applications that block your card if you spend more in a category than what you said you would spend; and these are just a few examples.