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National Survey on Financial Inclusion



Report on results

San Jose, Costa Rica

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**Introduction**

**“Financial inclusion”** refers to the situation in which all adults of working age have effective access to credit, savings, payments, insurance, etc., provided by formal service providers, that is, those provided by suppliers authorized by the corresponding superintendence.

Financial inclusion has two fundamental components: access (being able to access institutions to obtain products and services) and usage (making effective usage of products and services once they have being accessed).

**The lack of products that meet the expectations of potential users** (due to excess requirements, not meeting the institution´s profile, etc.) encourages people to search for institutions outside the financial system to satisfy their needs (Shadow banking) or to make it completely impossible for them to satisfy their financial needs with the consequent negative economic and social impact.

**There is a very significant regulatory lag in the country in terms of financial inclusion.** The vast majority of developing countries already have developments in the field ranging from specific laws on financial inclusion, national strategies for financial inclusion or at least regulations issued by financial regulators on specific issues such as bank correspondents, microcredit or mobile devices.

Consequently, **coordination among financial regulatory authorities and other public bodies on financial inclusion matters is of vital importance**, so that efforts are unified and a National Strategy for Financial Inclusion that generates a significantly positive impact on supervised institutions and in the national population is implemented.

In line with the above, to implement measures regarding Financial Inclusion, **it is essential to have indicators and data to make decisions** that have a greater positive impact on Costa Rican society, which is why the demand survey will be an essential input for such work.

# Objectives of the survey

**1.1 General Objective**

**Collecting detailed financial information from households** that is not available from other sources, to determine the level of financial inclusion of the Costa Rican population.

**1.2 Specific objectives:**

* Identifying the incidence of population **access to different financial instruments** (accounts, cards, formal and informal debts, insurance).
* Exploring the **causes that hinder the population's access** to the financial system.
* Knowing about the **management of household expenses**, behavior in relation to expenses and financial education.
* Knowing about the **level of formal and informal savings in households** and access to formal and informal credit.
* Measuring the **usage of financial channels** and the barriers to them.
* Knowing about **variables of interest regarding potential consumers**: income level, marital status, among others.

# General description of the service

* **Characteristics of the project:** SUGEF has contracted IPSOS for the application of the survey on Financial Inclusion Costa Rica 2020.
* **Geographical breakdown**: representativeness by:
	+ Province
	+ Zone: Urban / Rural.
	+ Gender: Masculine / Feminine
	+ Socioeconomic level: High/Medium/Low
* **Population under study**:
	+ Men and women, between 15 and 70 years of age and usual residents in private residences located in the national territory, regardless of their nationality.
* **Distribution of the sample**: 1,200 effective interviews
	+ **San Jose:** 390
	+ **Alajuela**: 230
	+ **Cartago**: 135
	+ **Heredia**: 120
	+ **Guanacaste**: 100
	+ **Puntarenas**: 115
	+ **Limón**: 110
* **Collection methodology:** Face to face in households.
* **Instrument to be implemented:** Structured questionnaire supplied by SUGEF, with an approximate duration of 30 minutes.
* **Qualified respondent**: head of household, spouse or other member of the household between 15 and 70 years of age, usual resident of the dwelling.
1. **Main methodological aspects**

To respond to the objectives set in the Survey on Financial Inclusion Costa Rica 2020, a total of 1,200 households were interviewed nationwide.

**3.1 Target population**

Men and women, between 15 and 70 years of age and usual residents in private residences located in the national territory, regardless of their nationality.

**3.2 Sample design**

The sample was controlled in such a way that it allowed the analysis at least at Province, Zone, Sex and Socio-Economic Level. The distribution of the sample at the province level corresponds to the proportion of each one of them according to the last population and housing census 2011.

In total, 1,200 effective interviews for an error of approximately 2.8% with a confidence level of 95%.



**3.3 Sample selection**

For the selection of the sample, we proceeded with a two-stage sampling method, according to the following scheme:

* **Stage 1 Selection of districts:** Districts were selected within each one of the provinces, controlling the urban / rural representativeness.
* **Stage 2 Selection of dwellings:** Within each district, the dwellings were selected as observation units and within each of them, the collaboration of an adult belonging to the household was requested to conduct the interview.

**3.4. Topics of the study – Questionnaire**

The questionnaire used is composed by ten modules.

**Section 1**: General characteristics of residents in dwellings and households.

**Section 2**: Sociodemographic characteristics of the interviewee

**Section 3**: Expense management, behavior and financial education

**Section 4**: Formal and informal savings

**Section 5**: Formal and informal credit

**Section 6**: Payments

**Section 7:** Others

**Section 8:** Usage of financial channels

**Section 9:** Protection of financial services users

**Section 10:** Decision-making and household asset ownership

**3.5 Questionnaire test**

A pilot test of the questionnaire was carried out with the aim of evaluating it in different aspects of its execution, as well as serving as feedback for the team that carried out the final work.

The population to which this test was applied had characteristics similar to those indicated in the sample design.

The results of the pilot test helped to identify barriers to implementation and sensitive issues by the interviewee and determined the approximate duration of the interview.

**3.6 Field work**

Personal (face-to-face) interviews were conducted in households, with the head of the household, the spouse or another member of the household between 15 and 70 years of age.

Field work started in the Metropolitan Area, followed by the urban and rural Greater Metropolitan Area (GAM). Finally, the rest of the urban country and the rest of the rural country were visited.

A total of 20 people were used in this study, broken down according to the following scheme:

***Figure 1. Organization - Financial Inclusion Survey CR 2020***

To collect the information, there were a total of 3 work teams, consisting of: A field supervisor and 4 interviewers in charge, duly coordinated and supervised by the head of field operations. These teams were duly trained and with previous experience in this type of work.

In quality assurance tasks, there was a team of 2 people, responsible for the verification, validation and analysis of inconsistencies, providing timely feedback to field staff to correct errors or optimize the collection of information.

The management of the project was in charge of the following professionals:

* **Project manager** (Ever Molina): responsible for developing the project within the established deadlines and maintaining permanent communications with the technical team, having to interact with its counterpart defined by the SUGEF.

Professional with a university degree in statistics and experience in directing and conducting opinion polls.

* **Head of Field Operations** (Danny Rivera): responsible for piloting the questionnaires, other measurement instruments, and field manuals; selecting and training of field teams; developing the survey plan according to the guidelines provided by the technical team; defining quality control procedures that will be applied by field supervisors and, ensuring logistics and control of field operations.

Experience in adapting and piloting questionnaires, and conducting field surveys.

* **Head of Data Management** (Computer specialist) responsible for preparing the template for collecting information through mobile devices.

Once the field work is completed, he is responsible for cleaning the database and generating processing tables with the results obtained, for the final reporting stage.

The interviews were carried out between **06 and 21 February 2020.**

**3.7 Criticism, validation and processing of the information**

Once the material was received in the operations office, the process of criticism or revision of the questionnaires began by reproducing the audios. To comply with this process, 30% of the surveys carried out by the interviewer were reviewed.

Criticism and validation staff ensured that data does not show inconsistencies in the responses of the interviewees.

**Validation by telephone (continuous process from the office)**

Once the interviews entered the platform, the quality assurance personnel were in charge of selecting questionnaires at random, which were subject of a process of validation by telephone. This process consisted of re-contacting the interviewees and applying predefined questions, as well as some random ones to ensure their veracity. Some of the points that were verified rigorously are as follows:

* Verifying that the interview was carried out at the domicile registered by the interviewer.
* Asking the interviewee about the correct use of the questionnaire; and if the interviewer had carried his/her identification in a visible place.
* Applying again to the interviewee some control questions, as well as about their socio-demographic data.

**Processing of information and tabulations of results**

Once the capture mask has been structured according to the questionnaire used, the information is inputted into the system to subsequently generate the databases in SPSS format according to the SUGEF specifications.

# IPSOS has generated the corresponding tabulations that allow the preparation of the final reports. All the variables have been included properly coded and labeled in the database, according to the dictionary of variables.

1. **Results**

The main results of the study are presented using tables and graphs, analyzing the most relevant findings related to the study objectives.

The general characteristics of the households and the people interviewed are initially presented and in the following sections, the results of each of the sections of the questionnaire.

**4.1 General characteristics of residents in dwellings and households**

In first instance, the indicators at the dwelling and/or household level are summarized in *Table No. 2*.

The average number of people living in the household is **3.9**, being the highest in Cartago (**4.4**) and the lowest in Puntarenas (**3.6**).

In **92.9%** of the houses, the family groups that inhabit them share the same expenses, what makes them to be considered as one household. In **7.1%** of the dwellings with the presence of multiple households, on average they are inhabited by **2.2** families or groups.

The average number of members of each household is **3.7**, where just under half (44%) are people over 35 years of age.



**4.2 Characteristics of the interviewees**

**4.2.1 Socio-demographic profile**

The average age of respondents is **40.3** years, where **4 out of 10 are heads of household**.

Just under half (**47.8%**) have a life as a couple, either married or in an unmarried cohabiting. On average **2.5** people depend economically on the respondent.

An **18.4**% of the respondents have vocational education and/or university studies. The results of the socio-demographic profile are summarized in *Table No. 3*.



**4.2.2 Job profile**

**Out of every 4 respondents, one** declared having a formal paid job. Out of these, **52.1%** have a work activity that implies a formal income.

For those who have their own business (4%), the main activity of this business is linked to the provision of services.

**Out of every 10 respondents, 7** have an income of ¢ 500,000 or less.

The results of the interviewee's job profile are presented in summary in *Table No. 4*.



**4.2.3 Access to services**

**Out of each 10 interviewees, 4** receive their income through a savings account, checking account or debit card, and **49.8**% receive it in cash.

**Out of every 4 interviewees, 3** stated that they have a medical insurance with the "*Costa Rican Social Security Administration*" (CCSS) and **21.1**% did not have any kind of medical insurance.

A **93.3%** of the interviewees have mobile telephony, of which only 12.4% keep a traditional telephone for calls and text messages. A **61.8**% have smartphones.

A **54.7**% have prepaid lines, while **4.6**% have Hybrid service (Pre and Post payment). See *Table No. 5*.



**4.3 Expense management, behavior and financial education**

A third of the interviewees have a budget or register of incomes and expenses, mainly in the segment between **25-64** years of age, with a high Socio-Economic level and in urban areas. However, the budget is **not always systematized**, but most of the time is kept by heart or in paper. See *Table No. 6*.



**Out of 10 interviewees only 2** have taken a course on how to save or make a budget, with higher results for men, younger people, and the upper socio-economic level segment. Among those who had counseling, their workplace, the "National Learning Institute" (INA) and their high school were the main places where they went to. See *Table No. 7.*



**Out of every 10 interviewees, 6** declare that they rarely or only sometimes make unplanned or out-of-budget purchases, while only **2 out of 10** state that they usually do so, with lower results for men, people under 34 years of age, and the high Socio-economic Level. See *Table No. 8.*



**Of every 10 interviewees, for 4 of them** the money they receive each month is not enough to cover their expenses. Borrowing from family or friends, using savings or reducing expenses are the most recurring actions to solve this situation. Few of them go to a financial institution. See *Table No. 9.*



Moreover, savings or a loan from acquaintances are the payment options that are used to face an unusual and equal-to-the-income-of-the-month expense. Only 6% of those interviewed would go for a loan from a financial institution. See *Table No. 10.*



As for the managing of the expenditures, paying on time is the main action taken, followed by carefully assessing an expenditure before incurring it. Setting long-term financial goals is a less common action. See *Table No. 11.*



**4.4 Formal and informal Savings**

**Of every 10 interviewees, 6** made some savings; the main actions being saving money at home and at the workplace. **Of every 10 interviewees, 3** did not carry out any of these actions, especially at the low socio-economic level and those over 35 years of age.

The savings are mainly destined to **basic expenses**: food, personal expenses or payment of services; as well as education, emergencies and holidays or parties. See *Table No. 12.*



**Of every 10 interviewees, 6** currently have a bank account, an incidence that increases for men, for the range of 25 to 34 years old, and for the medium-high socio-economic level. Among those without an account or government aid, the majority never had one. See *Table No. 13.*



The main barrier for having an account or card is no to qualify for such product, where the main reasons associated with this condition accumulate **48%** of the total responses, being that specifically the option of "insufficient income" accounts for a **34.5%** of the total. **Out of 4 interviewees, 1** deems that he or she do not need an account or card.

The reasons for no longer having an account or card have to do mainly with quitting the activity that allowed access to said product: "I stopped working" **40.8%**, "I stopped receiving government support" **12.4%** and "I stopped receiving a pension” **2.4%**. See *Table No. 13*.



The savings account is the product with the highest incidence (**63.7%**), mainly among men, the economically active segment and the socio-economic level ABC1. A third of the interviewees have a current account (between 18 and 34 years old, and socioeconomic levels C1/2/3). Pensions and government aid are present the most among women and the socio-economic segment D1/D2.

On average, people have **1 or 2** savings accounts, with an average of **8 years** since opening. Those who have fixed-term savings, usually have more than one, and these are more recent, with an average of **5.5 years** since their deposit. See *Table No. 14.*



**More than 80%** of people who have an account also have a debit card. Savings accounts, checking accounts and Deposits are the products where savings are kept the most, unlike pensions or aid accounts.

**Of every 10** interviewees who have a debit card, 6 use it to pay for their purchases, with an average of **8 times a month**. Likewise, the withdrawal of cash from ATMs is high (**82%**) and is carried out on average **3 times a month**.

The main barrier for using the debit card to make purchases is the preference for cash (**55.6%**). Likewise, **12.1**% states that they are distrustful of this means of payment and **9.1**% affirm that there are commissions for the use of the debit card or discounts when using cash.

The main reasons for using cash to pay for purchases have to do with keeping track of expenses (**19.5%**) or out of habit (**18.4%**). The establishments also condition the use of cash by not accepting another means of payment (**15.9%**) or by imposing commissions/discounts (**12.9%**). See *Table No. 15.*



A **35.5%** of those interviewed use a Mobile Banking application, mainly young people under the age of 34. These use the service on average **8 times a month**, and almost 80% use a token-like device to access the application.

The balance inquiry (**74.9%**) is the transaction of choice they carry out through Mobile Banking. Likewise, half of them make public service payments and money transferences (**43.2%**).

The preference for other means of payment (**37.2**%) is one of the main barriers to expanding the use of Mobile Banking. However, it is followed by reasons associated with ignorance about the channel (not knowing the service or not knowing where to contract it) with a **27.4**%, being afraid of it (it is complicated) with a **29.3**% or distrust with a **24.4**%. See *Table No. 16*.



Few compared the offered account with products in other banks when contracting it (**16.7**%). Among these, those who did compare made so based on information provided by the same institution (**67.2**%) or by some recommendation from friends or family (**33.6**%). See *Table No. 17*.



**4.5 Formal and informal Credit**

**Of every 10 interviewees, 3** have acquired some type of loan, mainly from family or friends (**19.8**%). The loan was used for basic expenses: food, personal expenses or payment of services (**35.7**%) or for repaying or consolidating debts (**15.7**%). See *Table No. 18*.



There is a very low incidence of departmental store cards (**5.0**%), as well as bank loans (**13.8**%). Among those who currently do not have credit, **22.1**% have had it on some occasion, with higher results in men, people over 35 and the socio-economic level in the ABC1 segment. See *Table No. 19*.



The main barrier to accessing a loan is distrust (**38**%), some aspects related to this item are "not liking to get into debt", "not trusting financial institutions", "not knowing how to get it" and "it makes you afraid".

 Likewise, another **26.4**% states that they do not need it and a remaining quarter states that it is because they do not qualify; the latter in items such as: "not meeting the requirements", "being a minor" and "thinking that will be rejected". The reasons for not requesting it are distributed among high interest rates (**25.9**%), no needing it (**23.7**%) and not wanting to go into debt again (**20.2**%). See *Table No.20*.



Credit cards issued by a bank is the product with the highest incidence (**58.4**%), with an average of **1.6 cases per interviewee**, followed by personal credits (**43.4**%), for which on average they take between **1 and 2**.

**Of every 10 interviewees, 3** have been delayed in paying their personal credit and/or credit card. This proportion **increases to 5** when it comes to a credit card from a department store. See *Table No. 21*.



**Of every 10 interviewees, 7** received a copy of the contract and **6 out of 10** signed the authorization to be consulted at the "*Credit Information Center*" (CIC) of SUGEF. The loan was used to buy, repair or remodel the house, but also for basic expenses such as food or payment of services. A **20.5**% used it to repay debts. See *Table No. 22.*



The credit card is used on average **5.8** times a month and **61%** pay the full amount due in cash.

Among those who do not use their credit card, the majority states that they do not like to get into debt (**40**%). See *Table No. 23.*



When acquiring the loan, **4 out of 10** compared it to other products, based on information provided by the same institution (**68.8**%) or by some recommendation from friends or family (**26.2**%).

**Of every 10 interviewees** who ever applied for a loan, **4** got the credit denied, mainly due to not having enough income or not being able to prove it (**49.4**%), followed by negative information in their credit history (**19.8**% ). See *Table No. 24.*



**4.6 Payments and others**

Cash is the most used mean of payment to perform the assessed transactions, mainly purchases of less than ¢20,000 (**85.2**%) and payments for public transport (**85.8**%). Low use of credit cards, transferences and “SINPE Movil” is evident. See *Tables No. 25 and 26*.





Few have any insurance (**18.4**%). Being the main barrier not having money or a job (**35.0**%), or not needing them (**33.2**%). See *Table No. 27*.



The proportion of people who compare the contracted insurance with other insurances (**5.7**%) is quite low. Those who did compare made so based on information provided by the insurer or financial institution (**72.1**%). See *Table No. 28*.



**Out of 10 interviewees, 9** do not have a voluntary pension account, mainly due to lack of money (**24.4**%), because they do not work or have never worked (**21.3**%) or because they are not interested or think it is not convenient for them (**21.2**%).

It is not negligible that **20.1**% of the interviewees are unaware of the existence of this type of voluntary account or do not know how to get it. See *Table No. 29.*



A **75.1**% do not make voluntary contributions to their account for the "*obligatory pension regime*" (ROP), mainly because they have no money left for savings (**47.8**%). A **16.9**% do not know what the ROP is or how to get it and a **6.2**% do not know its advantages. See *Table No. 30.*



**4.7 Usage of financial channels**

**Out of 10 interviewees, 4** have used a bank branch in the last year. The main barrier is associated with not having the need to go to a branch, either because they are not interested or because they do not have an account. Another reason is because they do not qualify for an account.

The main actions carried out at the branch are the withdrawal of cash (**49.8**%) and the making of deposits (**46.3**%). See *Table No. 31.*



On average, it takes **20.5 minutes** to travel from home or work to the branch, with an average cost of **¢1,641 colones**. On their last visit to the branch, the average waiting time to be attended was **34.3 minutes**, which for most (**69.6**%) was adequate.

For almost all the interviewed people the treatment received was appropriate (**96.8**%). See *Table No. 32*.



**Of every 10 interviewees, 6** have used ATMs of a bank branch in the last year. The main barrier is associated with not having the need to use it because they do not have an account (**51.4**%). A **19.5**% do not use them, because their income is insufficient; while **15.1**% do not know them or they generate distrust.

ATMs are mainly used for cash withdrawal (**96.4**%). In addition, they are used to check balances (**35.7**%) and, to a lesser extent, to make deposits (**12.3**%). See *Table No. 33.*



Just under half (**46.3**%) have used a store or shop to withdraw cash or make payments in the last year. The main barrier is associated with preferring another channel to carry out these actions (especially the ATM). Likewise, a **19.7**% states that another person make their financial transactions and a **12.3**% did not have the need. See *Table No. 34.*



**4.8 Protection of financial services users**

The incidence of financial fraud or unauthorized use of data is low, with the segment of socio-economic level ABC1 being the one that has suffered the most from this type of event. Faced with this type of event, just under half (**45.1**%) of those interviewed would contact the bank and **21.8**% with a judicial authority, to file their complaint or claim. See *Table No. 35.*



Few have filed a complaint or lawsuit against any bank or financial institution (**6.0**%). Among those who have done so, the vast majority (**82.8**%) submitted their complaint to the same bank or institution, which was mostly filed more than **6 months ago**.

A **31.0**% of cases have not yet been resolved. Dissatisfaction with resolution is high as it reaches **44.8**%. See *Table No. 36*.



**4.9 Decision-making and household asset ownership**

Decisions at home are divided between one-person decisions (**37.0**%) and decisions with the couple (**30.8**%) or with other people in the household (**14.8**%). The decision maker naturally changes according to age.

**Of every 10 interviewees, 3** are homeowners (mainly those over 35) and an **18.0**% own a vehicle. Only **5.3**% owns arable land.

Housing and arable land are acquired mainly by donation or inheritance (**51.9**% and **53.1**% respectively), while savings are used for the purchase of a vehicle (**57.4**%). Between **14**% and **24**% used a loan from a financial institution to purchase some of the goods.

In order to sell, rent or lend the home, the majority must ask for the opinion of another person (**51.7**%); while in the case of the vehicle or terrain, it is a decision that is mostly made alone (**68.1**% and **54.7**% respectively). See *Table No. 37.*



1. **Summary of findings and recommendations**

**5.1 Socio-demographic and household profile**

* The adult segment predominates (a **48% is between 36 and 64 years of age**), and of medium socio-economic level (**57**%). A **41**% are single and a **48**% are married or in an unmarried cohabiting. A **48**% reached medium educational level (high school), while a **32**% only completed primary school; few reached higher educational levels. Regarding their work situation, a **23**% have a formal job, a **20**% are dedicated to household chores and an **18**% are unemployed. **Out of every 10, 4** carry out some informal activity, mainly a service or sale of a product. The income level is less than **250,000 colones** for a **44**% and between **250,000 and 500,000 colones** for a **25**%.
* **Out of every 10, 4** collects their income through an account, while half do it in cash. Almost **8 out of 10** have an insurance from the "*Costa Rican Social Security Administration*" (CSSS).
* Cell phone use is widespread (a **93**% have one), and overall, they are smartphones (**62**%). The type of line is divided between pre-paid (**55**%) and post-paid (**41**%). A **5**% have a hybrid payment system.
* On average, there are 4 inhabitants per household, with homogeneously distributed ages (an **18% are under 15**, a **20**% are between **15 and 24**; an **18**% are between **25 and 34**; and a **34**% are over **35 years of age**). Most households reside in urban areas (**74**%), with San Jose (**33**%) predominating.

**5.2 Expense management, behavior and financial education**

* A third keeps a budget or registry of income and expenses; this behavior intensifies in the segment of **25 to 64 years of age**, in the high socio-economic level and in the urban area. However, the registry or budget is mostly manual (**40% by heart and 33% on paper**). Only a **26**% do it on the computer or on an APP. Moreover, only **2 out of 10** have taken a course or received advice on how to make a budget.
* Unplanned shopping is relatively unusual: while a **60**% never or rarely make unplanned purchases, only a **17**% say they always or almost always do it; this being a greater behavior among men, people under **34 years of age**, and the socio-economic segment **ABC1**.
* On the other hand, there is a high proportion of individuals who do not have enough money to cover their expenses (**42**% - mainly people over 35 years of age, and socio-economic level D1/D2) and who turn to family (**41**%) or reduce general expenses (**37**%) to be able to face this deficit. Few turn to a financial institution. In fact, when faced with an unexpected large expense, a **41**% turn to their savings, a **35**% ask for a loan from relatives or acquaintances and only a **6**% request a loan from an institution. The actions of saving and taking care of personal finances are related to paying on time (not getting into debt) and being cautious when buying (carefully assess whether or not the expense should be made).

**5.3 Formal and informal savings**

* Saving is a fairly widespread practice: **out of 10, 6** made some saving in the last year; although it is predominantly informal to the extent that **34**% kept the money at home. The destination of the savings is to cover basic food expenses, personal expenses or to pay for services (**38**%), as well as for education expenses (**17**%). A **16**% used it to attend to unforeseen expenses or emergencies.
* A **57**% currently have a bank account, an incidence that is higher in men, people aged **25-34** and the medium-high socio-economic level. Among those without a bank account or pension, the majority never had an account (**63**%). The main barrier to accessing an account is related to not meeting the sufficient requirements (**48**% - **income is not enough or they do not have a job**), followed by not needing an account (**26**%). A low percentage (**6**%) prefers other means of saving or payment and another **7**% rejects financial institutions because of distrust or because they do not like to get into debt. Likewise, those who stopped using an account or card did so mainly because they stopped performing the activity related to the account (**55% - stopped working or stopped receiving government aid**) and **22**% terminated the account because they did not use it anymore.
* Among those who have an account, the savings account predominates (**64**%), followed by the checking account (**30**%). On average they have 1 or 2 accounts and they opened them on average 8 years ago. Out of every 10, 8 have an associated debit card.
* **Out of 10, 6** use the debit card to make payments, with an average of 8 payments per month. Also, **82**% use the card to withdraw money from the ATM, and they do it 3 times a month on average. The main barrier to using the debit card to make payments or purchases is the preference for other means of payment, especially cash (**56**%). A **12**% express distrust and a **9**% state that stores apply discounts for cash payments, or charge commissions for card payment, discouraging their use.
* Indeed, a **29**% use cash because either there are stores that only accept cash, or the establishment applies discounts if paid in cash or charges commissions if other means are used. Moreover, cash allows better control of expenses for a **19**% and is a habit for an **18**%.
* Access to bank accounts through mobile banking is not widespread: a **35**% do it using the service on average 8 times a month (**a percentage that increases for people under 35 years of age and the socio-economic level of the ABC1 segment**), mostly to check the balance (**75**%) or make payments (**54**%), and almost **80**% access it using a token-like device. The main barrier to the use of mobile banking is the preference for some other means (**37**%). Moreover, a third do not know how to use it and a quarter do not trust it.
* Before acquiring the bank account, only **17**% compared it to other products from another institution, with the same bank being the main source of information (**67**%), followed by recommendations from acquaintances (**34**%).

**5.4 Formal and informal Credit**

* **Of every 10 interviewees, 3** have acquired some type of loan in the last year, this being mostly informal (from family or friends). The loan was used for basic expenses: food, personal expenses or payment of services (**36**%), or to repay debts (**16**%).
* Indeed, only **14**% have a formal credit or credit card from a banking institution, and among those who do not have any, only **22**% had access to any credit or credit card in the past. The experience with a formal loan increases at the socio-economic level of the ABC1 segment, being those with more possibilities of fulfilling the requirements.
* The main barrier to accessing a loan or credit card is associated with distrust or refusal to get into debt (**38% - they do not like to get into debt, they do not trust the institutions or they are afraid**). A **26**% show no interest and a **25**% do not qualify for not having enough income. Those who have ever had a loan or card stopped using it due to high interest (**26**%), for not needing it any more (**24**%), or for not wanting to go into debt again (**20**%).
* The credit card issued by a bank is the product with the highest incidence (**58**%), with an average of 1.6; followed by personal credits, for which people take on average between 1 and 2. Both products register a **30**% of people who were late in payment. A **29**% used or intend to use the credit to remodel or repair their home, while a **27**% used it to cover basic food, personal expenses or service payments. A **20**% used it to repay debts. On the other hand, **6 out of 10** signed the authorization for their records to be consulted at the "*Credit Information Center*" of SUGEF.
* The credit card is used on average 6 times a month and a **61**% of the interviewees pay the total due. Among those who do not use their credit card, the majority states that they do not like to get into debt.
* The main reason for the institution to have rejected the application is that the person does not have sufficient income or cannot prove it.

**5.5 Payments and others**

* The most used means to carry out all transactions is cash, followed by the debit card. The rest of the means records very low use.
* Only an **18**% of the interviewees have any insurance, a percentage that doubles for the socio-economic level of the ABC1 segment (**44**%). The main reasons are for not having enough money, work or income (**35**%), or not needing it (**33**%). Moreover, only a **6**% have a voluntary pension account and the reasons for not having it are similar: a **24**% do not have money, a **21**% do not work or have not worked and a **21**% consider that it does not suit them. Lastly, only a **7**% make contributions to their pension account, the main barrier being not having savings to do so (**41**%) and a **17**% say they do not know how to do it.

**5.6 Usage of financial channels**

* In the last year, **4 out of 10** interviewees have visited a bank branch, mainly men, people between 25 and 34 years of age and the socio-economic level of the ABC1 segment. The main barrier to going to a branch is associated with not having the need, either because they are not interested (**25**%) or because they do not have an account (**17**%). Another relevant reason is because they do not qualify for an account (**24**%). Among those who go to the branch, half make cash withdrawals and another **46**% make deposits. The average waiting time is 34 minutes, considered by most to be adequate. Likewise, almost nobody declared having received a poor service (**only 3**%). To get to the branch, it takes an average of **21 minutes**, implying an expense of **¢1,641 colones**.
* The use of ATMs is quite widespread (**64**%), being higher among men, people under 35 years of age, and the socio-economic level of the ABC1 segment. The main barrier to use it is not having a card or account (**51**%), or not having enough income (**20**%). Only an **11**% mention ignorance as a barrier. In addition to withdrawing cash, the ATM is used for balance inquiries (**36**%) and to a lesser extent for deposits (**12**%). The average distance to an ATM is **3 or 4** kilometers, with a transfer cost of ¢**1,625** colones on average.
* Half of the interviewees have used a shop or store to make cash withdrawals or payments, being transversal to all the segments. The main reason for not using them is the preference for other means (30%), the non-necessity since someone else does these transactions or operations for them (**20**%) or because they have not needed it (**12**%). It should be noted that **11**% are suspicious of this mean. The average distance traveled to a store is **1300 meters** and implies an average transfer cost of **¢1,500 colones**.

**5.7 Protection of financial services users**

* The incidence of financial fraud is very low (in the order of **7**%), being the socio-economic level of segment ABC1 where fraud with cards and the use of personal data to carry out transactions without authorization have been faced the most (**24% and 15%**). Faced with any inconvenience, half would communicate directly with the bank and **22**% with a judicial authority.
* **Only 6%** have filed a complaint, claim or lawsuit against any bank or financial institution. Among those who did it, they filed the complaint directly with the bank (**83**%), more than 6 months ago. A **31**% of complaints have not yet been resolved, resulting in a high percentage of dissatisfied customers (**45**%).

**5.8 Decision-making and household asset ownership**

* Decisions about how money is spent or saved in the home are divided between one-person decisions (**37**%) and decisions with the couple (**31**%) or with other people in the household (**15**%).
* **Of every 10 interviewees, 3** are homeowners (percentage that increases with age). An **18**% owns a vehicle and only **5**% owns any arable land. Housing and arable land are acquired mainly by donation or inheritance (**52% and 53% respectively**), while savings are used for the purchase of a vehicle (**57**%). Between **14% and 24%** used a loan from a financial institution to be able to acquire the property.
* In order to sell, rent or lend the household, the majority must ask for the opinion of another (**52**%); while in the case of the vehicle it is a decision that is made alone (**68**%).

**5.9 Recommendations**

* To encourage the population's access to the financial system, it is recommended to work on breaking down the main barriers, both subjective (fear, distrust, habit, etc.) and objective (not having the necessary requirements to qualify, ignorance, etc.).
* In this way, to facilitate access to an account or debit card, it is recommended to carry out educational actions highlighting the advantages of having an account and using a debit card to make payments (better control of expenses, avoid the use of cash, greater security, among others) and breaking down fears of its use (reinforcing the security of the banking system and card transactions). Likewise, the use of a debit card could be encouraged by applying a discount on each transaction (in terms of tax refund) and controlling that stores do not apply commissions on their use.
* As for the loans and the Credit card, it is necessary to work specifically on the fear of getting into debt.
* Finally, to increase the use of ATMs or stores to withdraw cash or make payments, it is suggested to communicate what other transactions can be carried out safely at an ATM (in addition to cash withdrawal), highlighting the advantage of not having to carry out transactions at the branch and thus save time.

**6. ATTACHEMENTS**

1. **ATTACHEMENT 1: Questionnaire**

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1. **ATTACHEMENT 2: Charts uses in the report**

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1. **ATTACHEMENT 3: Database**

Available only for internal use of SUGEF

1. **ATTACHEMENT 4: Dictionary of variables**

Available only for internal use of SUGEF

1. **ATTACHEMENT 5: Code book**

Available only for internal use of SUGEF