

Factors influencing financial deepening of Bolivian households: a microeconomic perspective

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Abstract

Access to financial services can generate significant benefits for the welfare of people, especially for the reduction of poverty. Nevertheless, there are still significant gaps in financial inclusion.

From information collected through surveys, the paper analyzes the socio-economic characteristics of Bolivian households and spatial factors that could influence the financial inclusion. Moreover, in the case of the unbanked households, the relationship between perceived barriers for people to access an account and their individual characteristics is analyzed. According to the results obtained from the Household Survey 2012, there is a low probability of access to credit even for households in higher income quintiles; however, when considering the Findex Global survey that collects greater amount of financial information of individuals, it is observed that the probability of access to financial services for both low and high-income households would be higher. Despite this, traditionally most vulnerable groups are those who find it more difficult to access the formal financial system. Finally, for those individuals excluded from the financial system, factors such as age, gender, education and income level would influence their perception of the barriers to access to banking services.

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