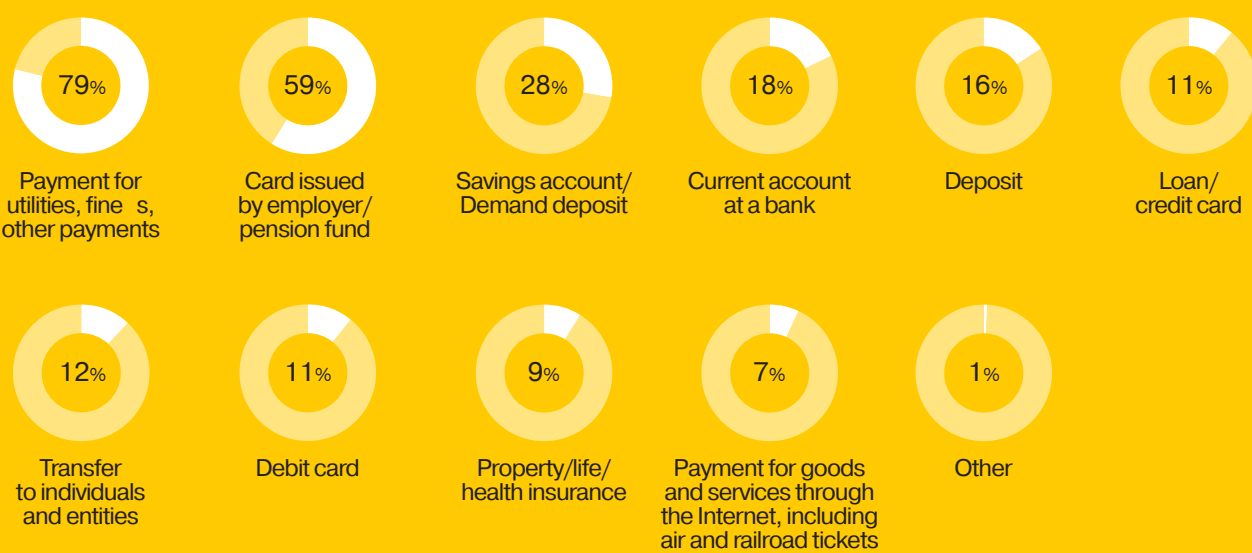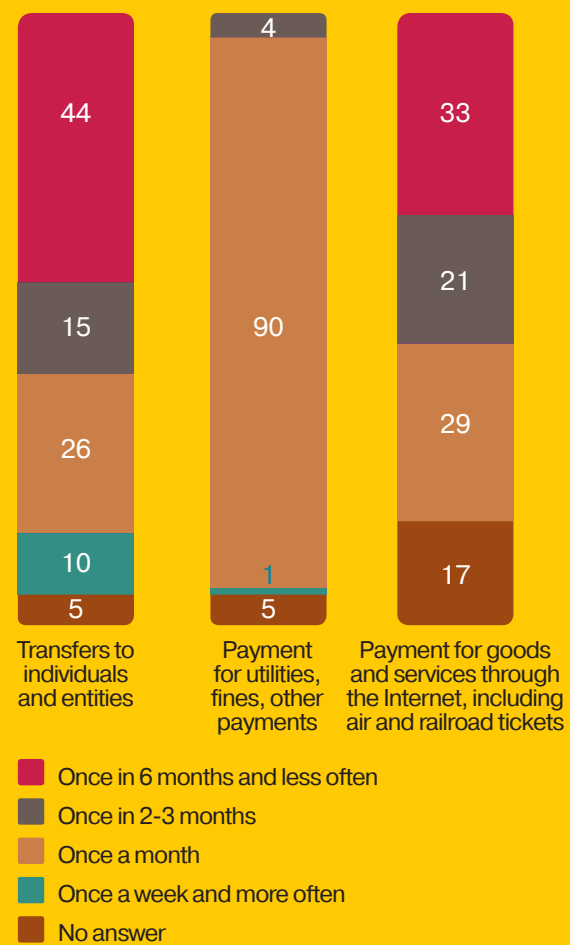# FINANCIAL BEHAVIOR OF THE ELDERLY IN RUSSIA IN THE CONTEXT OF DIGITALIZATION

## THE ELDERLY REMAIN THE MOST FINANCIALLY EXCLUDED CATEGORY, ESPECIALLY THOSE OVER THE AGE OF 70

### USAGE IN THE LAST 6 MONTHS

- 79% Payment for utilities, fine s, other payments
- 59% Card issued by employer/pension fund
- 28% Savings account/Demand deposit
- 18% Current account at a bank
- 16% Deposit
- 11% Loan/credit card
- 12% Transfer to individuals and entities
- 11% Debit card
- 9% Property/life/health insurance
- 7% Payment for goods and services through the Internet, including air and railroad tickets
- 1% Other

**Payment for utilities** is the most popular financial service among the elderly
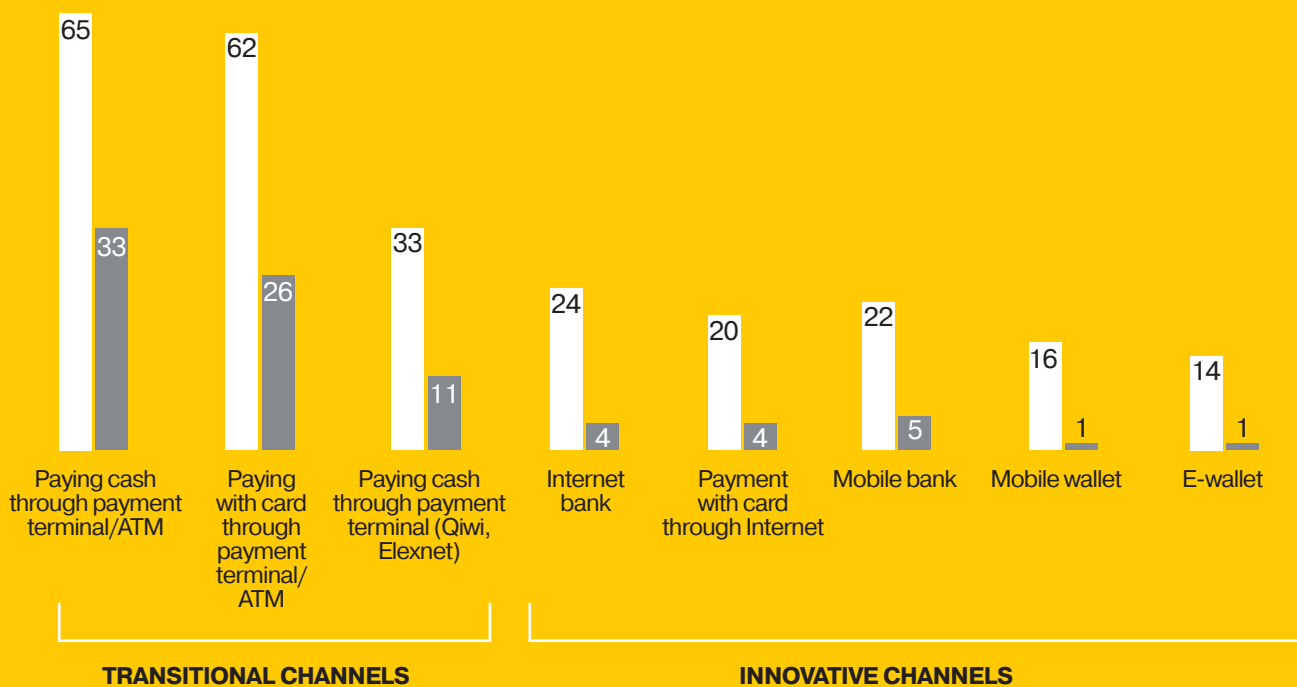
- 40% do not use ATM cards
- 70% do not have private bank account except pension account
- 91% do not use insurance services
- 93% do not buy goods and services through the Internet

### USAGE FREQUENCY



**Transfers to individuals and entities:** 44 / 15 / 26 / 10 / 5

**Payment for utilities, fines, other payments:** 4 / 90 / 1 / 5

**Payment for goods and services through the Internet, including air and railroad tickets:** 33 / 21 / 29 / 17

- ■ Once in 6 months and less often
- ■ Once in 2-3 months
- ■ Once a month
- ■ Once a week and more often
- ■ No answer

## THE USAGE OF DIGITAL FINANCIAL SERVICES AND CHANNELS REMAINS AT A VERY LOW LEVEL: ONLY A THIRD OF THE ELDERLY HAVE USED THEM IN THE LAST 6 MONTHS
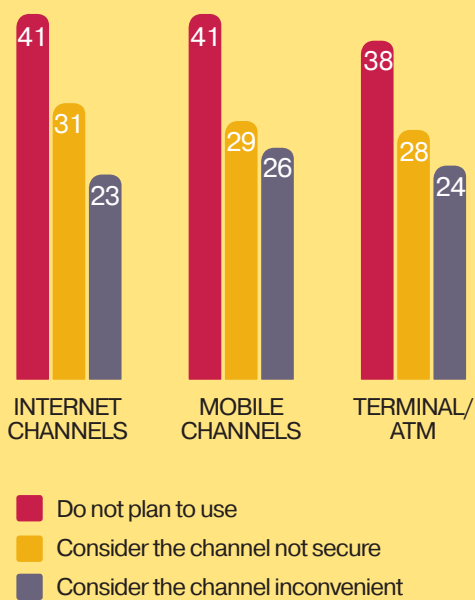
### AWARENESS/USAGE IN THE LAST 6 MONTHS



- Paying cash through payment terminal/ATM: 65 / 33
- Paying with card through payment terminal/ATM: 62 / 26
- Paying cash through payment terminal (Qiwi, Elexnet): 33 / 11
- Internet bank: 24 / 4
- Payment with card through Internet: 20 / 4
- Mobile bank: 22 / 5
- Mobile wallet: 16 / 1
- E-wallet: 14 / 1

**TRANSITIONAL CHANNELS**     **INNOVATIVE CHANNELS**

Computer literacy has been growing in Russia: per the Federal Service for State Statistics, in 2014, **44%** of people between the ages of 60 and 69 had a device allowing Internet access.

But the elderly are still not ready to use digital financial services.

### THE ELDERLY DO NOT PLAN TO USE DIGITAL FINANCIAL SERVICES AND CHANNELS

### THEY CONSIDER INNOVATIVE CHANNELS NOT SECURE AND INCONVENIENT



- INTERNET CHANNELS: 41 / 31 / 23
- MOBILE CHANNELS: 41 / 29 / 26
- TERMINAL/ATM: 38 / 28 / 24

- ■ Do not plan to use
- ■ Consider the channel not secure
- ■ Consider the channel inconvenient

## WHAT BANKS COULD DO TO REACH THE ELDERLY WITH INNOVATIVE FINANCIAL SERVICES AND CHANNELS

### ATMS AND TERMINALS

**Location and design**
- Install ATMs and terminals at a bank branch
- Have a shelf for documents, eyeglasses, wallets
- Partitions near ATMs/terminals to ensure privacy of transactions

**Training on usage**
- Consultant should be available to advise on usage
- Step by step usage guide (on the back of utilities bills)
- Audio guide (step by step voice instructions)

**Technical issues**
- No time limit for service/transactions
- Stamped receipt

**Interface**
- Clear menu, frequent transactions highlighted
- Larger font

**Card design**
- "Arrow" on ATM card

**Promotion of usage**
- Reduced commissions on transactions through ATMs/terminals

### INTERNET BANKING AND MOBILE BANKING

**Training on usage**
- Bank assistance online or by phone 24/7
- Training on usage in the bank
- Assistance from bank staff on templates and auto payment settings

**Technical issues**
- Printing and stamping receipts at a bank branch should be possible
- "Blue ink stamp" on the screen

**Interface**
- Clear menu, frequent transactions highlighted
- Simple authorization
- Larger font, "Increase font" button in the app

**Promotion of usage**
- Special bank products for the elderly available through the Internet bank

НАФИ   CGAP   |   2016