

# Financial Diaries Project

## **Financial Diaries of Low Income Households**

There is lack of information on the estimated 90% of Papua New Guineans (PNG) who are unbanked. Low-income households lack access to appropriate financial services to increase their financial security and improve their financial wellbeing in PNG. It is common knowledge that access and usage of financial services could improve if information gaps with reference to the key financial needs of the target population are plugged.

To address this gap, the Financial Diaries Project was launched in PNG in 2012 to help map the financial lives of the poor and to better understand their financial behavior with regards to indebtedness, the use of social grants, savings, their response to unexpected events and the management of micro businesses.

Financial Diaries is a comprehensive collection of temporal, spatial and network data, which would enable financial service providers to understand the ways in which consumers use money and transact within their social networks.

As of September 2013, Financial Diaries data were collected across three provinces – Port Moresby, Kimbe, and Goroka over a period of 22 weeks capturing information from 240 respondents of which 50% are women. In addition to quantitative transaction data, 45 in-depth qualitative interviews were conducted to better understand the rationale behind the financial decisions made by respondents. The final findings will be shared through a series of targeted workshops for financial service providers and policy makers in November 2013.

The project is implemented by Bank of Papua New Guinea with technical assistance from Micro-finance Opportunities and technical advice and financial assistance from PFIP through a performance based grants.

# At a Glance

## Key Outcomes:

- This is the first Financial Diaries project in the Pacific that talks about the financial behavior of the poor in the region and is expected to have far reaching impact on financial inclusion in PNG
- Diaries enables practitioners to link consumer financial behavior to product development as the data can reveal underserved market segments, consumer behaviors that have not yet been matched to financial products and current products and features that are underutilized
- It also enables policy makers to take relevant steps to help frame appropriate market conduct and consumer protection norms



Filling in the Financial information of a subject interviewed during the FD team's field visit in rural PNG.

PFIP is a Pacific-wide programme helping to provide sustainable financial services to low income households. It is a joint project of the UN Capital Development Fund (UNCDF) and the United Nations Development Programme (UNDP) and has received support from AusAID and the European Union. The programme is based at the UNDP Pacific Centre in Suva, Fiji.

### For more information, contact:

Ramanathan Subramanian, PFIP's Regional Technical Analyst, on email  
[ramanathan.subramanian@uncdf.org](mailto:ramanathan.subramanian@uncdf.org) or [www.pfip.org](http://www.pfip.org)