



How many people in the world do not have access to basic financial services?

According to a report by CGAP [click here](#) , currently, half the world has no access to financial services. Similar estimates are reported in another report by FAI.

How many children are born each year?

Currently, 134 million children are born each year all over the world.

Will this not provide incentives to the poor to have more babies in this overpopulated world?

FAB does not allow access to the initial deposit at birth but much later - after the child has become a teenager.

Once the child reaches teenage years, won't they just blow the hundred dollars?

In the poor parts of the world, \$100 dollar is a lot of money, enough to start a business or to fund an education.

Why \$100? Why not \$50 or \$10?

First, \$100 is a big incentive for poor parents to take the FAB opportunity. Second, \$100 deposits for thousands of FAB accounts will create incentives for banks and financial institutions to invest in infrastructure needed for FAB accounts.

Is 16 the right age for making money available? Shouldn't it be later (earlier)?

Like any good recipe, we will need to adjust the ingredients according to local conditions. Pilot programs and further research will help us answer these questions more precisely.

How much money will be needed each year to provide \$100 FAB accounts for all children born each year?

We estimate that parents of about 25% of children born would voluntarily forgo the initial \$100

and thus \$10 billion will be needed each year to fund FAB accounts for 100 million children.

Where would \$10 billion a year come from?

We propose that each country contribute one-fiftieth of one percent of their GDP towards FAB accounts. The United States, for example, would contribute less than \$3 billion, India would contribute about \$200 million and Rwanda would contribute less than \$1 million.

Isn't this a tough sell in this economic environment?

The U.S. has spent several hundred billion dollars in economic stimulus and several hundred billion dollars in bank bail-outs. FAB only requires ten billion dollars worldwide and the contribution of the United States is a fraction of that amount.

Why should everyone get \$100? Won't it be cheaper to limit the \$100 to only the most deserving?

When you target and limit a program to a certain population, it requires monitoring. For example, if you limit the \$100 to only the poor, someone has to determine and certify who is poor and who is not. This is a recipe for corruption. FAB will make \$100 available for every child and encourage families that are not poor to voluntarily forego the hundred dollars. In fact, rich families may donate even more funds to teach their children about philanthropy.

How would FAB guard against fraud?

No withdrawal of the initial \$100 deposit will be allowed until the child becomes 16 years of age. The opening of FAB accounts will be integrated with creation of Unique IDs. Use of new technology, such as biometric identity systems, could further minimize the possibility of fraud and manipulation.

Unique IDs bring up the horror of privacy violations and government intrusion in people's lives. Is this really a good idea?

This is a very important issue. Use of modern technology may help address this. We will need to engage experts to understand and address this issue thoroughly.

What will be the benefits of integrating the FAB accounts with electronic and mobile banking?

Emergency funds donated by private citizens or aid agencies, or direct payments to FAB

accounts from catastrophe insurance, could be withdrawn almost immediately, in time of need, to buy food, medicines or clothing and without any slippage or loss that is often associated with traditional aid. Relatives, private donors, other social organizations could design plans in which regular payments are made to FAB accounts to provide for education, training, immunizations and health-care.

Is mobile electronic banking really the answer for the poor who not have food, clean water or even toilets?

M-Pesa has already shown that mobile banking can be delivered to millions in Kenya. Similarly EKO in India is providing branchless banking in grocery stores and pharmaceutical stores at a very low cost.

There are so many compelling programs - health, education, clean water - which we could be spending money on. Why give money to FAB?

The initial \$100 deposit will stay in a safe savings account. It is not an expense or a cost, it is an investment. FAB will create the plumbing that will provide the poor an ability to save, and provide the world access to deliver cash to them in times of need.

Has something like FAB been tried elsewhere? What have you learnt from it?

Singapore, Australia, the U.K., the Individual Development Accounts (IDA) in the U.S. and many other countries have provided savings deposit at an early age. FAB integrates this with the Unique IDs and Branchless Banking to provide a solution that uses modern technology and is poverty-smart.

What do you need? How can people and organizations help? Where do you go from here?

We need volunteers, we need \$5 million in funds for a FAB pilot, and we need ideas to help implement FAB.