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**SMS MESSAGES FOR  
FINANCIAL INCLUSION  
IN THE DOMINICAN REPUBLIC**



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Innovations for Poverty Action (IPA)

## **SMS Messages for Financial Inclusion in the Dominican Republic**

Bank accounts can provide a secure way for low-income households to build their assets to make large investments or protect themselves against unforeseen expenses. Yet many poor households don't use formal financial services. In the Dominican Republic, Banco Unión delivers remittances to approximately 400,000 clients who do not have a formal bank account. The bank also created two savings products tailored to the needs of these clients. In partnership with the Inter-American Development Bank (IDB) and Innovations for Poverty Action (IPA), Banco Unión developed SMS message campaigns to try to boost account uptake and usage among its remittance-receiving clientele. Two randomized evaluations found that the messaging campaigns did not increase clients' use of formal bank accounts, and may have in fact discouraged account holders' engagement with Banco Unión, as observed through decreased deposit and withdrawal activity and slightly lower balances by the end of

the campaigns. There are several possible explanations for this behavior, including a desire for privacy, savings goals that were overly ambitious, or the use of other, unmonitored deposit products.

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