

# Innovative Finance: Aligning Policies, Operations, and Institutions for Youth Access

Empowering Youth Finance, Enhancing Inclusion, Strengthening Innovation, Expanding Opportunities, and Fostering Growth.

February 2025



## Partners



# Introduction



## ACCESS GAPS:

Lack of financial literacy, limited access to formal banking services, and high collateral requirements.



## RATIONAL:

It helps drive entrepreneurship, economic growth, and financial stability via youth-led start-ups



## OBJECTIVE

To identify financial access challenges among the youth and propose strategies for inclusive youth financing in Ghana.

# Access to Finance Gaps

**Low  
Financial  
Literacy (World  
Bank, 2020)**

High Collateral (GSS, 2021) – Stringent collateral demands hinder youth access to formal credit.

Limited Formal Banking Access (IFC, 2019) – Youth struggle to open accounts due to special barriers.

**High Interest Rates  
(BOG, 2022)**

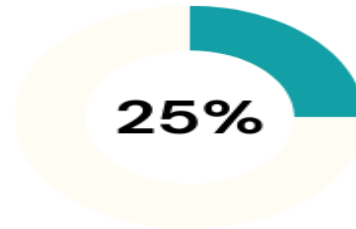
Digital Financial Exclusion (GSMA, 2021) – Limited smartphone access prevents full participation in finance.

Gender Disparities (UNCDF, 2020) – Female youth face greater financial exclusion than their male counterparts.

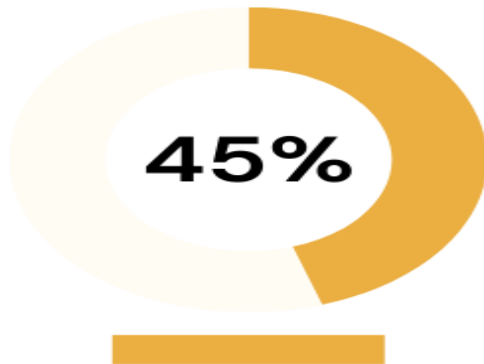
**Inadequate Youth-  
Tailored Products  
(AFI, 2021)**

Informal Lending Dependence (World Bank, 2021) – Youth rely on family or high-interest informal credit.

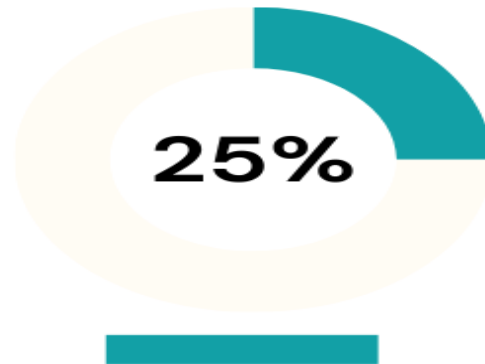
# Key Statistics



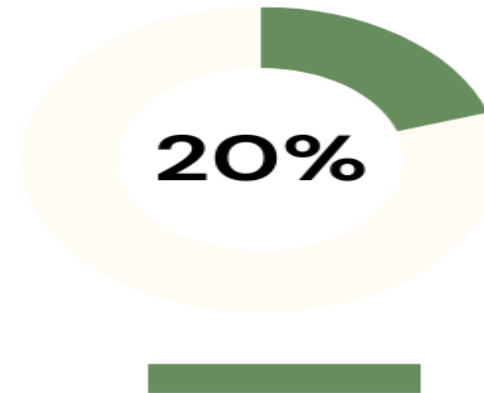
70% use mobile money  
for basic transactions but  
not savings (GSMA, 2021)



45% of youth (15–35)  
have access to formal  
financial services  
(World Bank, 2021)



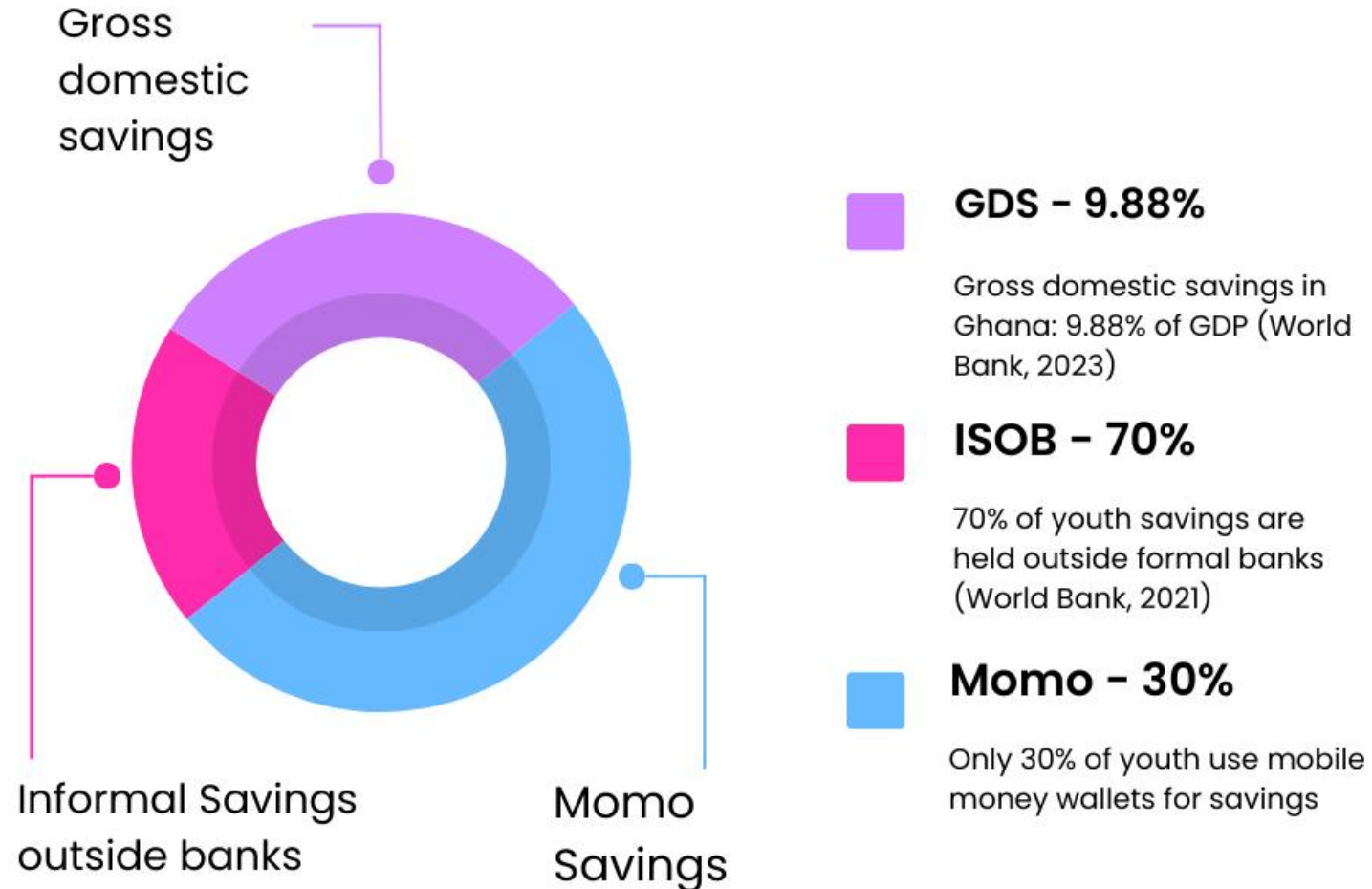
Only 25% have active  
savings accounts (Bank  
of Ghana, 2022)



Only 20% of youth-  
owned startups access  
formal credit (AFI,  
2021)



# Savings Outside Formal Banking



# Dominant Youth MSME Sectors

- 80% of economically active youth are in the informal economy (Commonwealth Secretariat, 2021)

## Key industries

- Motorcycle taxis & delivery (MasterCard Foundation, 2021)
- Handmade goods & crafts (GSS, 2021)
- Street food vending & catering (NBSSI, 2020)
- Agriculture (NBSSI, 2020)





# Emerging Youth Businesses



1

Small-Scale  
farming, Agro-  
Processing &  
Livestock



2

Handicrafts &  
Rural Artisanal  
Work.



3

Custom fashion  
brands, jewelry-  
making, and  
local textile  
innovation.d



4

Motorcycle  
Transport &  
Rural Logistics  
- "Okada"  
(motorcycle  
taxis) and last-  
mile delivery .



5

Digital content  
creation  
(vlogging, skits,  
influencer  
marketing)  
(MasterCard  
Foundation,  
2021)

# Impact of Youth Financial Exclusion

## On Youth

- Limited entrepreneurship & business expansion
- Dependence on informal financial sources
- Higher vulnerability to financial shocks

## On Banks

- Loss of potential customers deposit & transaction volumes
- Missed product diversification opportunities

## On the Economy:

- Slower MSME growth
- Reduced financial inclusion & savings
- Low tax revenue & economic diversification





# How banks can attract and retain youth

- **Expanding digital & mobile banking access** by ensuring seamless mobile banking & offering low-fee accounts with easy documentation.
- **Design and implement youth initiatives** by providing flexible repayments, lower collateral & incentives to encourage savings.
- **Use training and development** to enroll youth in appropriate training programs, equip them with skills and ensure their use
- **Providing micro-insurance** and risk guidance to cover business risks with affordable premium.
- **Make use of youth advisory/mentorships** to offer consistent feedback during the process and examine youth growth opportunities.

# Education, Technology & Partnerships

## Financial Education & Capacity

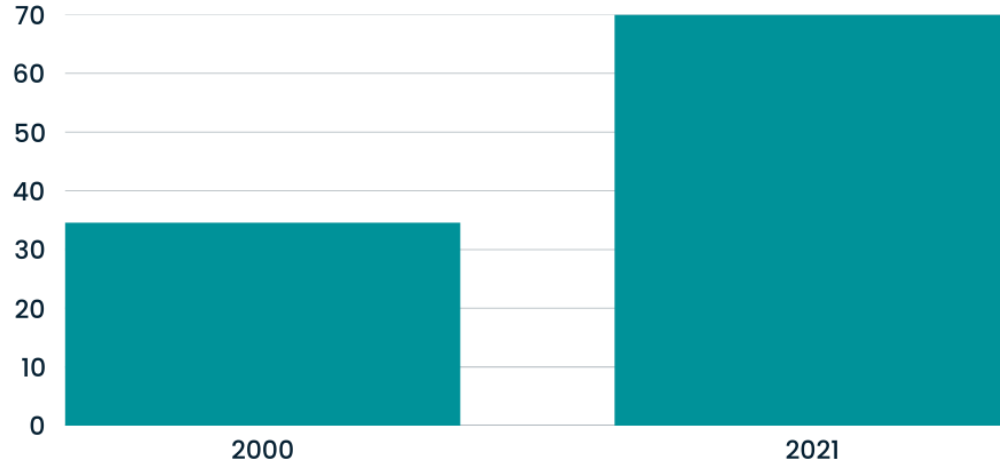
- Engage schools & universities in financial literacy programs
- Establish business incubators & mentorship programs
- Use social media for targeted financial campaign

## Technology and partnerships

- Collaboration between banks, fintech, and NGOs
- Expanding digital financial services in underserved areas
- Encouraging mobile banking & interoperability

# Youth Population and Economic Potential

**Youth (15–35 years) increased from 34.6% (2000) to 38.2% (2021) (PHC, 2021)**



## Technology and partnerships

- Increased Workforce Supply.
- Higher Entrepreneurship Potential
- Rising Consumer Demand
- Challenges in Job Creation
- High potential for Economic

# Conclusions

- **Policymakers:** Develop regulatory frameworks that encourage youth-friendly financial services.
- **Banks & FIs:** Design accessible, flexible, and digital financial products tailored for the youth.
- **NGOs & Partners:** Invest in financial literacy programs and mentorship opportunities.
- **Youth Entrepreneurs:** Leverage available financial services and advocate for inclusive policies.
- **Final Thought:** Expanding financial access for youth is key to fostering economic growth, reducing poverty, and unlocking entrepreneurial potential in rural Ghana.



# Key References

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*Alliance for Financial Inclusion (AFI) (2021) – Development of youth-friendly financial products.*

*International Monetary Fund (IMF) (2022) – Financial protection mechanisms for micro and small enterprises.*

*World Bank (2021) – Youth savings behavior and banking adoption trends in Africa.*

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# Thank you!

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