

# Technology is the key to unlock financial inclusion in SA

South Africa's informal economy is vast. According to the World Bank, there are over 12 million South Africans without a bank account. More concerning is the [32.9%](#) unemployment rate (Q1 2023). These statistics may be indicators of a struggling economy, but innovative technologies and platforms promise to reshape these numbers and pave the way for a more inclusive future.



From left: Ashleigh Butterworth (Finch Technologies), Heine Bellingan (JobJack), Michael Bowren (Finch Technologies), Hayley Parry (Worth), Ean Barnard (Fincheck Academy). Source: Supplied

Only 49% of South Africans are considered financially literate and, according to the FSCA when surveying over [3,000](#) consumers, only 16% understood the concept of inflation, and only 46% could answer a basic interest question.

To combat financial exclusion; banks, fintech companies, and edutech platforms can play a significant role through collaboration and targeted initiatives that encourage financial education. By fostering digital proficiency, the country can empower its young population to bridge the unemployment gap.

## Leveraging technologies and platforms

Innovative technologies have emerged as powerful tools for overcoming the barriers of financial exclusion in South Africa, and sometimes it's the alternative players that are making the biggest waves.

Education platforms like [Fincheck Academy](#) and Worth Education offer accessible and comprehensive financial education resources to individuals, equipping them with the necessary knowledge and skills to make informed financial decisions. These platforms provide educational content tailored to real-life challenges faced by consumers, making it easier for users to understand and apply financial concepts.

"There is only so much the open banking sector can achieve with technology until it becomes a consumer-orientated only issue," explains Ean Barnard from Fincheck Academy.

“Financial education will drive technology adoption, empowering consumers with the knowledge to access and comprehend digital products, securing their financial well-being and fostering a prosperous nation.”

South Africans are fully aware of the financial access gap in the country, with more than [50%](#) of consumers wishing they had better financial literacy so that they could make better informed financial decisions and get access to the financial products they need.

"In our country, there is a much-needed focus on educating our youth to get an education for job prospects. However, the lack of emphasis on financial management is dire: over 70% of South Africans spend their monthly salaries on debt," says Hayley Parry, cofounder and head of education at Worth.

## Better recruitment

Another aspect of inclusion comes the need to improve South Africa's current employment woes. According to Youth Capital's 2022 Beyond the Cost survey, job seekers spend between R500-R1,500 per month on transport, data and printing relating to job seeking.

To improve employment prospects, it is crucial to tackle obstacles such as complex manual applications and limited digital literacy. The high costs associated with transportation, printing CVs, and the expense of mobile data only serve to compound these challenges.



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However, recruitment technologies like JobJack are playing a vital role in bridging the unemployment gap by harnessing digital solutions.

Through its user-friendly online platform, JobJack offers a convenient way for job seekers to search for positions, submit applications, and connect with potential employers. This not only facilitates access to employment opportunities but also has a particular impact on the youth, providing them with a vital link to employers and a pathway to a brighter future.

"Having a job is one of the biggest factors contributing to someone's quality of life. Everyone should be able to afford to apply for a job, but it is not the norm. JobJack has started to change that," says platform cofounder Heine Bellingan.

## Future developments

In addition to recruitment technologies and educational platforms, we'll also see the emergence of embedded finance and superapps, which will make it more accessible for consumers to access a wide range of financial tools and services under one roof.

These platforms will integrate banking, payments, investments, insurance, and other financial services.

“Embedded finance, within the superapp ecosystem, will empower individuals with seamless access to personalised offerings and tools. This in turn will create a great user experience and assist the client with the purchase of their product, insurance, investment and payment,” explains Finch Technologies cofounder Michael Bowren.

Data analytics and AI tools will also play a crucial role in enabling alternative credit scoring methods. By analysing vast amounts of data, including transaction history, social media activity, and digital footprints, AI algorithms can assess creditworthiness more accurately.

Accessibility to physical stores, expensive mobile data, and inadequate internet infrastructure are still prevalent obstacles. The platforms that will truly succeed in driving financial inclusion will be those that understand and address these challenges, tailoring their products and services to ensure affordability, ease of access, and compatibility with the existing limitations.

By doing so, they can truly empower individuals and bridge the digital divide.

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