

Financial Inclusion

An Interview with Evelyn Stark,
Financial Inclusion Lead, MetLife Foundation

EDITORS' NOTE Previously, Evelyn Stark held senior positions in financial inclusion with Bill & Melinda Gates Foundation, World Bank/CGAP, USAID and for multiple international organizations while living in Uganda. Before this, she managed commercial real estate special assets in the U.S. Stark received a B.A. in international relations and economics from Bucknell University.



Evelyn Stark

FOUNDATION BRIEF MetLife Foundation (metlife.org) recognizes that with the right financial tools, low- to moderate-income people can effectively manage their day-to-day cash flow needs, navigate life's inevitable challenges and take advantage of opportunities. In 2013, this understanding inspired MetLife Foundation to refocus a large portion of its grant making toward financial inclusion. To support its vision and mission, the Foundation has committed \$200 million over five years to help low-income individuals and families get access to safe and affordable financial products and services. Since its creation in 1976, MetLife Foundation has provided \$783 million in grants to make a positive difference for the people, families and communities it serves.

Will you provide an overview of the key areas of focus for the MetLife Foundation?

We make grants and social investments to make a positive difference for the individuals, families and communities we serve. We also partner with MetLife's business units across the globe to develop volunteer initiatives that are locally responsive and impactful. Historically, much of our work was focused in the U.S.

In 2013, we shifted our positioning to be more focused on financial inclusion grant making globally. Today, we do about \$40 million per year, about \$30 million of that in financial inclusion around the world.

We're in the fifth year of our five-year commitment to spend \$200 million on financial inclusion.

Do the Foundation's efforts align closely with MetLife's business?

The work is looked at separately, but we can occupy adjacent spaces. Financial inclusion is generally focused on low-income people who may not be using – or have access to – high-quality financial products or services.

We are not in the business of promoting MetLife's corporate products at the Foundation, but we do gain access to a large talent pool of MetLife associates with deep customer insights and marketing and communications skills in the financial services arena. This is very valuable for our nonprofit and social

enterprise grantees, as we are able to leverage our employees' professional skills through employee engagement.

How do you define financial health and financial inclusion and are they related?

Inclusion is a necessary but insufficient condition for financial health.

Financial health is the outcome that we all want – whether we call our work “inclusion” or “health.” We want people to be able to manage their daily cash flow, to have a cushion to deal with life's unexpected events, and to be able to plan for and meet their goals for the medium- and long-term. Financial health requires people to be included – to have access to quality products that are simple to use and meet their needs.

Is education the key to financial health?

I wish it started and ended with education, because then we would all read about the importance of planning and budgeting and do it, but education isn't enough. We may know we shouldn't buy anything extra, but making your child happy with a gift, for example, is very tempting. Of course, there are flat tires and trips to the dentist that need to be dealt with. People learn about managing their finances through experience (positive and negative). So, without using classroom-based training, our partners offer just-in-time education, counseling, coaching and other interventions to correct errors and help clients get back on track.

Is innovation taking place within the financial inclusion space and will you discuss some of the digital efforts in this regard?

As with most things, digital is a key play and a core component of many of our projects.

Together with our partners, we are looking to find the business models that make it profitable – or at least sustainable – for the service

provider and still bring a very positive impact for low-income people. Technology is almost always a piece of that puzzle.

Will you discuss the work MetLife Foundation has done around behavioral economics?

It would be great if algorithms would make us behave properly, but we're still human, and humans aren't good at knowing what they want to do and then doing it.

The behavioral economics work we support looks at putting human behavior into financial decision making to make it work for the way people work and not the way we would like them to work.

How important is it to have metrics in place to track these efforts?

Metrics are integral to achieving our goals. We need to know whether something is working or not so we can adjust our grant making strategy accordingly. Our work to date has reached more than 3.5 million low-income individuals in 42 countries.

Is it a priority to share the work of the Foundation throughout the MetLife community?

Even people working for a mainstream financial services company might not see financial inclusion as directly connected to their work. This has made it interesting to share our work with employees.

For example, our Inclusion Plus project, the first international, multi-country competition designed to identify and support ventures that help advance financial inclusion, has brought employees and nonprofits together with great benefit to both. So far, more than 400 MetLife employees in five countries have served as mentors to innovative financial services social ventures – using their knowledge and day job skills to advance financial inclusion for low-income people in their countries. People are really energized by the project, both on the employee side and on the side of the organizations that are competing in this challenge.

Do you take moments to celebrate the impact of the Foundation?

We should probably celebrate more than we do, but everyone on our team is always conscious that there is more to do to advance financial inclusion globally – the under-served populations that need this most are waiting for good solutions. ●