

# Center for Inclusive Growth



mastercard.

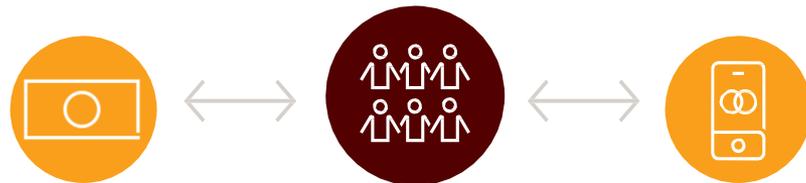
Center  
for Inclusive  
Growth

# Leveraging Mastercard assets for social good

Social impact is in Mastercard's DNA.

From the founding of the Mastercard Foundation in 2006 through a gift of stock at the time of the company's initial public offering to a business strategy for advancing financial inclusion, the company has shown a commitment to doing well by doing good.

In 2018, Mastercard pledged to commit \$500 million from its U.S. tax reform savings, over five years, to advance social impact. The Center takes advantage of its unique position between the impact fund and the business to leverage the company's powerful assets for impact on a broader set of issues affecting excluded communities.



## Impact Fund

Enables social impact programs around the world through grants

## The Center

Develops new models of partnership and activates core Mastercard assets

## Mastercard

Connects people and merchants to a global payments network

## MASTERCARD ASSETS

### Data

- Anonymized and aggregated transaction data from over 56 billion transactions
- Applied analytics

### Expertise

- 12,000+ employees
- Data scientists and analysts
- Mastercard Labs and R&D

### Technology

- Mobile platforms
- Card products
- Identity solutions
- Cybersecurity
- Global processing network

### Relationships

- Banks and merchants
- Multinationals
- Governments
- Multilaterals and IGOs
- NGOs and donor agencies
- Fintechs

### Capital

- Philanthropic Grants

<sup>4</sup> Twitter: @pdalal and @CNTR4growth

# Examples of our work in action

## Enabling the growth of micro-merchants through private-private partnerships

In cash-based economies, the growth of small shops is often constrained by a lack access to capital. With no collateral or formal credit history, many shopkeepers are unable to obtain a bank loan which leads them to borrow from informal lenders with unfavorable terms (e.g., extremely high interest rates) and can trap them in a cycle of debt.

In partnership with Unilever and Kenya Commercial Bank (KCB), Mastercard is piloting, Jaza Duka, an innovative financing model to reach 40,000 shopkeepers in Kenya with micro-loans. Jaza Duka – which means fill up your store in Swahili – uses shopkeepers' purchase history with Unilever to help KCB determine their credit worthiness and issue loans using a Mastercard payment solution. The Center is leading efforts to train shopkeepers on how to use the credit responsibly and effectively to grow their enterprises.

### Next steps:

- **Validate findings:** Test the efficacy and program impact with researchers at University of California, Berkeley
- **Iterate:** Launch programs in other markets
- **Scale:** Share findings and translate best practices from an initial high-touch training model into one that can scale through technology



**“In the past, I often did not have enough money to re-stock my store. Through Jaza Duka, I can stock bigger packages.”**

*Jane Wanja, Jaza Duka participant in Nairobi, Kenya*

# Modernization of Financial Service Providers

With partner Grameen America, the Center is enabling loan disbursement digitization across 20 branches in 13 cities for low income women entrepreneurs



## Investing in digital infrastructure to enable scale in U.S. microenterprise

In the U.S. the Center has enabled Grameen America to digitize its work and expand services from 65K women to over 115K and deliver >1BN in loans.



### Challenge

- The growth of the microenterprise industry in the United States is stunted by the lack of scalable tools that increase capacity to deliver capital with efficiency and high quality

### Solution

- The Center invested in the back-end infrastructure (MIS system and cloud infrastructure) of Grameen America with key partners, Citi and Apple, to enable end-to-end digitization of their network and test prepaid products for capital delivery in 2016
- In 2018, the Center invested in the enablement of digital loan disbursement across Grameen's entire U.S. footprint of 20 branches in 13 cities for low income women entrepreneurs. The digital delivery vehicles for loan capital are prepaid cards distributed by Wirecard (Mastercard customer)

### Impact

Key impact measures include:

- The organization is more than 60% financially sustainable
- Benchmark caseload per manager increased from 400 to 500 members due to tech efficiencies
- Revenue per case manager increased by 25 percent
- Auditing process requires less than 2 days of staff time down from 10-12 days

### What's Next

- The program is currently being implemented, and 100% of the full branch network to be distributing loans via prepaid cards by the end of Q2 2019

# Enabling the economic security of the worker of the future

The Mastercard Center for Inclusive Growth is partnering with the RSA to host an **Economic Security Impact Accelerator**.

It is made up of projects that either enable protection from economic insecurity such as good work, sick pay or worker protection or reduce the impacts of things that exacerbate it like low quality housing or financial exclusion.

