

MASTER YOUR CARD

A community empowerment program sponsored by  **mastercard**.

Financial Deserts: Key Terms and Concepts

Master Your Card and partners are working together to address the issue of financial inclusion and growth within traditionally underserved communities across the country. As we work together toward new solutions to longstanding problems, a set of key terms and concepts help define our efforts.

1. **Financial inclusion:** The availability and access to all the tools and resources that increase productivity, reduce costs and save people time in managing their money.
2. **Financial desert:** A community lacking financial inclusion. Families and individuals in these communities lack productive choices beyond cash, so their money moves slowly and in costly ways, draining existing resources from the community and making it less productive.
3. **Cost of cash:** The price—in dollars, time, theft and fraud—of managing one’s finances in cash because they are excluded from today’s modern, technology-driven financial and payment systems. This cost includes high fees to cash checks, make payments or send money; the time and transportation costs involved; misplaced, lost or stolen funds and the lack of protection against theft and fraud.
4. **Financially underserved:** Individuals, families and communities who use alternative financial services and pay the increased costs of doing so.
5. **Unbanked:** Households without a checking or savings account at a bank or credit union.
6. **Underbanked:** Households that use alternative financial services while also having at least one type of bank account.
7. **Prepaid card:** An electronic payment card account that allows consumers to directly deposit paychecks; avoid check cashing fees; purchase goods and services on the phone and internet; manage their finances with mobile and online tools and protect themselves against theft and fraud without requiring a bank account or credit card application.
8. **Electronic payment technology:** Solutions such as prepaid, debit and credit cards and mobile wallets that allow the completion of purchases and transactions without the usage of cash or checks.
9. **Inclusive growth:** A process that ensures the benefits of an expanding economy extend to all segments of society. Unlocking the economic potential of hundreds of millions of people around the world starts by connecting them to the vital networks that power the modern economy, from electricity and financial services to social networks that enable knowledge-sharing.