

Remittance Transparency: Strengthening Business, Building Community

Key Figures, Charts, and Tables

International remittances to families in the developing world are a central consideration in global development policies. Along with efforts to improve security in sending and receiving remittances and reduce transaction costs, there has been a move to increase pricing transparency. Appleaseed partnered with five remittance providers to promote improved market transparency, collaboratively developing and piloting a disclosure program. This study presents findings from 742 remitter surveys and remittance provider interviews assessing the pilot. It asserts that improved disclosures benefit both consumers and the businesses that serve them. Key findings include:

- 37 percent of all survey respondents checked the disclosure.
- 78 percent of those who checked the disclosure found it helpful.
- 84 percent wanted to see the disclosure in all store locations.
- More than 80 percent of respondents reported an annual income of \$30,000 or less, even as the majority these customers sent remittances once per month, at a median amount of \$350.
- Those sending money frequently were more likely to prioritize pricing.

Clear and consistent disclosures create consumer and business advantages. Consumers benefit from:

- Higher Market Expectations. Sending remittances is one of the first financial priorities for many new immigrants. Setting solid standards of pre- and post-transaction disclosure for remittance transactions could influence consumer expectations of other financial services, causing them to expect better information.
- Effective Comparison Shopping. Consistent disclosures are necessary to effectively compare market options. Making disclosures for international remittance transactions consistent with those required for other financial services will provide remittance senders with necessary tools to select products that offer the most value and best meet their needs.

International remittance providers, operating in an environment of increasing innovation, competition and regulatory scrutiny, benefit as well:

- Increased Market Share. Remittance service providers offering competitive services will benefit from improved pre-transaction disclosures. Disclosures provide an objective way to highlight low cost and desirable service options and engender trust.
- Proactive Disclosure. Proactive efforts to improve disclosures could give remittance service providers data and experience that would inform the development of future industry disclosure requirements.

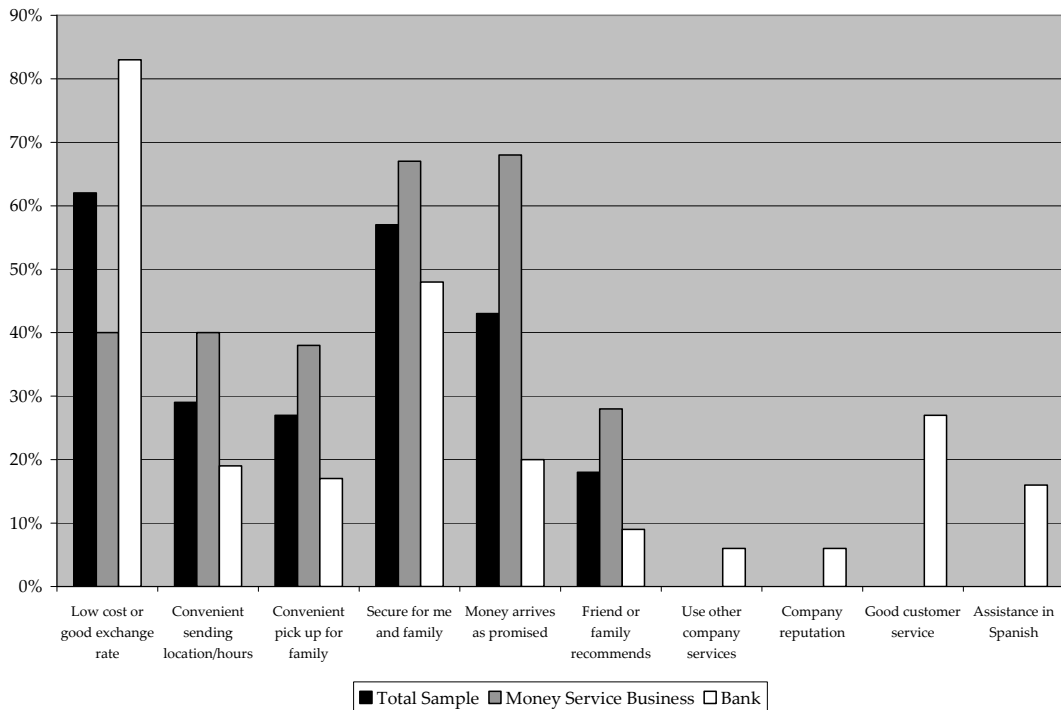
Overview of Survey Participants

	Entire Sample	Money Service Business	Bank
Modal Age	18-54 years old	18-34 years old	35-54 years old
Sex: Male	71%	68%	73%
Sex: Female	29%	32%	27%
Modal Sending Frequency	Once per month	Once per month	Once per month
Median Amount Sent	\$350	\$300	\$700

Consumer Response to Remittance Disclosure Information

	Total Sample Responding Yes	Money Service Business Customers Responding Yes	Bank Customers Responding Yes
Did you check the posted disclosure?	37%	36%	38%
Among those who checked the disclosure, was the disclosure was helpful?	78%	68%	91%
Do you want to see the disclosure posted everywhere?			
--Among those who checked the disclosure.	86%	87%	84%
--Among all survey respondents.	N/A ¹	N/A	70%
Are you satisfied with the disclosure?	92%	89%	95%
Are you satisfied with the business?	96%	95%	97%
Among those satisfied with the business, are they satisfied with the disclosure?	90%	84%	95%

Customer Priorities in Selecting a Remittance Provider



Most Helpful Disclosure Information

	Bank Customers Responding Yes
Fee Posting	73%
Foreign Exchange Posting ²	49%
Availability for Pick Up at Destination	46%
Type of transaction (cash, account, card etc.)	15%
Pick up fee charged	13%
Sample Transaction	11%

¹ "N/A" is entered for questions that were not asked of the entire sample.

² Remitters to Ecuador were removed from this tabulation, because money is delivered in U.S. dollars.