

# Financial access and economic participation of youth with disabilities in China: an exploratory study

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Financial access is an important indicator of economic participation and is particularly relevant to asset building among vulnerable individuals in transitional stages of their lives. Drawing on data from a survey of disabled youth (ages 16–25) in Beijing, this study examines determinants of the target group's financial access. It focuses on a range of individual, household and institutional factors that affect breadth and depth of financial access. Quantitative results complemented by field interviews demonstrate a gap between financial access breadth, measured by account holding, and access depth, measured by regular banking activity. Although individual characteristics, especially disability types and severity, have significant effects on the chances that a youth holds an account, household and financial institution factors show stronger effects on regular banking activity than do individual variables. Finally, this article discusses the implications of the study for economic participation and financial capability among youth with disabilities in China.

金融可及性是一项经济参与的重要指标，与处于人生过渡阶段的弱势个体资产建设发展密切相关。通过使用一项针对北京残障青年（16–25岁）的调查数据，本研究探讨了影响的研究对象之金融可及性决定因素。本文集中讨论影响金融可及性广度和深度的个人、家庭及制度因素。以定量方法为主，实地访谈作为补充的研究结果显示，金融可及性的广度（以账户持有作为测量指标）和深度（以定期银行活动为测量指标）之间存在显著差距。尽管个人特征，尤其是残的障型和程度对青年能否拥有银行帐户有重要影响，但家庭和金融机构因素对定期银行活动的影响比个人因素更为强烈。最后，本文讨论了此项研究对中国残障青年经济参与和金融能力的启示。

**Keywords:** assets; disability; economic participation; financial access; financial capability

Financial independence is seen as an important indicator of adult status for young people transitioning to adulthood. It may affect individual continuous development as well as crucial life events like educational attainment, educational completion, employment and marriage (Arnett 1998; Wells, Sandefur, and Hogan 2003). Although many find financial security elusive, those with physical, mental, intellectual and other types of disabilities face even greater barriers to financial security and independence. Thus, they are at higher risk for lifelong poverty and dependency on public programmes. Studies demonstrate that enormous personal, family and social costs are associated with unsuccessful transitions of disabled youth. These costs include substantial and negative impacts on their economic and socio-psychological well-being (Fraker and Rangarajan 2009; Knapp *et al.* 2008).

A growing policy concern for the economic self-sufficiency of disabled youth coincides with recent efforts to extend financial inclusion to vulnerable children and youth, for whom these efforts seek economic security and long-term well-being (Cramer 2010; Friedline 2012a). One of the most important strategies for enhancing financial inclusion is to augment people's access to mainstream financial services, especially in life's early stages. Evidence suggests that connecting children and youth to formal financial services, such as structural savings programmes, may result in a variety of positive educational and financial outcomes over the life-course (Elliott 2009).

The issue of financial access for the poor and vulnerable populations, including people with disabilities, has attracted increasing attention in China and many other developing countries (Claessens 2006). Amid growing income gaps and inequality, China has shifted strategies towards an inclusive development. The government places new emphasis on promoting active economic participation and on building an integrative social safety net for vulnerable populations (Ali and Zhuang 2007).

People with disabilities are among the poorest and most marginalized in China. They tend to be excluded from such mainstream economic opportunities as employment and financial engagement. In addition to difficulties associated with their disability, adolescents and youth with disabilities often face significant social and institutional disadvantages that impede economic participation, including financial access. There is great theoretical and practical value in investigating how these youth perceive financial services, identifying their options for accessing such services, and examining factors that may facilitate or hinder their financial access. Little research focuses on financial access among adolescents and young adults with disabilities. Thus, little is known about their financial lives. The current study seeks to fill this gap. Based on data collected through a survey of youth with disabilities in Beijing in 2012, this work provides an exploratory quantitative analysis of the status of the target group's financial access in China.

## **Background**

Financial access, broadly described as financial inclusion, is defined as the possibility of having connections to basic, mainstream financial services. The term focuses on access among people in need, especially among those who are typically underserved by mainstream economic and financial institutions (Friedline 2012a).

Broad access to financial services is an important aspect of national socio-economic development (Claessens 2006; Friedline 2012b). Although theory holds that inequality is the inevitable consequence of economic growth in the beginning stages of development, scholars indicate that all levels of inequality, including unequal financial access, have adverse effects on the economic growth prospects at the societal level (Imboden 2005; World Bank 2008). Noting the role of a broad-based financial system in advancing a country's development, particularly its role in benefiting the poor, Kumar and Mohanty (2011) contend that financial inclusion is a precondition to inclusive national development.

At individual and household levels, access to financial services can play roles in both development and production. Connection to formal financial services creates opportunities for low-income families to accumulate financial assets that can serve as a cushion in times of crisis. A growing body of literature reveals the positive economic and socio-psychological outcomes produced by asset holding (Lerman and McKernan 2008; Paxton 2001; Zhan and Sherraden 2003). Empirical evidence identifies some particular benefits of extending financial inclusion to children. For instance, a savings account in the name of a

child is positively associated with parental aspirations for the child's education and with the child's educational achievement in their later stages of life (Conley 2001; Elliott 2009; Zhan and Sherraden 2003). For children in child welfare systems, lack of saving and financial management skills may increase the risk of experiencing economic hardship, low educational achievement and employment difficulties when they age out of the system (Keller, Cusick, and Courtney 2007; Nam and Han 2010). Access to basic financial services is seen as a key component of financial capability – one that is significant for a youth's development prospects (Johnson and Sherraden 2007).

Mainstream financial services are often not available or accessible to vulnerable populations, especially people with disabilities. In addition, there are significant gaps in financial access (measured by bank account holding) between the developing and developed countries, between low- and high-income households as well as between disabled and non-disabled groups. The Global Financial Inclusion (Global Findex) data from the World Bank demonstrate significant disparities in access to financial services across 144 economies and individual characteristics such as race, gender and income (Demirguc-Kunt and Klapper 2012). Using Panel Study of Income Dynamics data, Friedline (2012b) finds that about 69% of high-income youth have a savings account but only 38% of their low-income counterparts have one. Disability research from the United States shows that individuals with disabilities are significantly less likely than those without disabilities to have a savings account. Estimates suggest that around 30–50% of individuals with disabilities have no banking relationship in their community (Mendelsohn 2006). The financial access gaps between advantaged and disadvantaged populations are more astonishing in developing countries (Imboden 2005; Schmeling *et al.* 2006).

Explanations for inequality in access to financial services fall into two main frameworks: supply–demand explanations and institutional explanations. Proponents of the supply–demand approach view access to finance as the availability of a supply of reasonable-quality financial services at a reasonable cost. Researchers distinguish access to financial services from actual use or consumption of those services; they tend to attribute the prevalence of unbanked households to either inadequate supply – possibly a symptom of relatively high transaction costs – or to low demand – perhaps a symptom of poverty (Claessens 2006; World Bank 2008). Noting that demand for financial services is often low among the poor, Claessens (2006) suggests that not using financial services may be more a problem of poverty than of insufficient supply. However, the supply–demand approach focuses less on explaining the underlying institutional mechanisms that lead to financial exclusion.

By contrast, the institutional approach emphasizes that the lack of institutional infrastructure is an impediment preventing the vulnerable from accessing formal financial services. This includes the lack of institutional eligibility and practicality in accessing mainstream financial services (Beverly and Sherraden 1999). For instance, many low-income individuals and families are not eligible to participate in government programmes, such as the pension plan and college savings, that facilitate the building of financial assets and the use of related financial services. From this perspective, unequal access to basic financial services is a structural failure. Such a failure creates an unequal playing field on which those who are vulnerable or have low incomes encounter more difficulties than others in the population. They face difficulty in establishing banking relationships and in accessing other institutional sources that might enable them to develop financial capability (Beverly and Sherraden 1999; Elliott 2012). The institutional approach has attracted increasing attention from scholars concerned with the financial exclusion of disadvantaged

groups, including the exclusion of youth with disabilities (Christy-McMullin 2000; Lombe *et al.* 2010).

With a few exceptions (Osili and Paulson 2008; Schmeling *et al.* 2006), the literature rarely examines the multiple demographic, household or institutional factors that may affect financial access. Even less research focuses on disabled people in the transition to adulthood. Estimates from a nationally representative survey conducted in 2006 suggest that there are about 85 million people with disabilities in China. Children and adolescents below the age of 18 account for around 6% of that population (over 5 million; Zheng *et al.* 2011). The survey does not employ a specific category for young adults, so no specific estimates are available for those aged between 18 and 25. Although recent policies, including the 12th Five-Year Development Plan, set the goal to promote disabled people's economic participation and development (Wang 2012), the issue of their financial participation is largely neglected in the literature and policy debates. The current study represents a preliminary effort to examine the nature and extent of financial access among disabled youth in China.

## Methods

Data for this study come from a survey of youth with disabilities in Beijing in 2012. The survey is part of a research project on disability and youth development. The dataset is one of the few that focus particularly on adolescents and young adults with disabilities. The survey provides an excellent opportunity to comprehensively study the financial lives of disabled youth in China.

The research team deployed a purposive sampling strategy to collect data (Babbie 2010). Given the low response rate and poor quality of responses from selected youth with other kinds of disabilities (e.g. mental and intellectual disabilities), we focus only on youth with three major types of disability status: visual, hearing and/or speech, and physical disabilities. In a nationally representative survey in 2006, people with these three major disability types accounted for about 70% of the whole disabled population (Zheng *et al.* 2011). Ultimately, the team collected valid responses from 159 cases, and the analytical results of these cases are reported in this article. While we are aware of the bias embedded in the nonprobability sampling method, we believe that we have taken an initial but significant step into this area and laid an empirical foundation for future verification and modification. To complement inadequate information collected from the survey, we also conducted some in-depth interviews with several respondents and government officials. With the agreement of the participants, we taped (and later transcribed) some interviews. All qualitative data are systematically coded for analysis.

Following previous research (Osili and Paulson 2008), this study focuses on two dimensions of financial access: breadth and depth. They are two appropriate, measurable variables that reflect the nature and extent of financial access. Access breadth indicates whether an individual has any relationship with a bank. It is measured by individual account-holding status (i.e. whether an individual has a checking or savings account) and is categorized as a dichotomous variable: a coding value of 1 is assigned to this variable if the individual indicates that he or she has a bank account, and a value of 0 is assigned if the individual indicates that he or she has no bank account. The measure of access depth provides additional insights into the extent of access by capturing information on the frequency and type of banking activity. A dummy variable reflecting this concept is created from the responses to a question that inquires about the occurrence of several banking activities (e.g. depositing, withdrawing and borrowing on credit) within the week

before they were surveyed. A value of 1 is assigned for this variable if the individual indicates that any banking activity occurred within that week, and the variable takes a value of 0 if the individual reports that none of the banking activities occurred in that period.

The independent variables include those indicating respondents' individual, household and financial institution characteristics. Individual characteristics include disability status, age, gender, education and employment. Disability status is measured through two variables: disability type and disability severity. In this study, we mainly focus on three disability types: visual disability, hearing and/or speech disability, and physical disability. According to the 2006 nationally representative survey (Zheng *et al.* 2011, 789), visual disability is defined as 'poor vision or constriction of the visual field in both eyes from any cause and is not correctable' (blindness and weak vision). Hearing and/or speech disability 'refers to permanent hearing loss of varying degrees' and/or 'any type of language disorder' (789). Physical disability is defined as 'a loss of motor function of varying degrees or limitations in movements or activities resulting from deformed limbs or body paralysis', or other damage-caused deformity (789). The severity of disability influences how a given participant perceives his or her disability situation. The survey asks respondents to rate severity in one of three categories: mild, moderate or severe.

We capture educational attainment with the individual's responses indicating the highest level of education completed by the respondent and his or her parents. We measure this in three categories: middle school and below, any high school, and any college or above. After checking the variance upon each education variable, we find that the largest variance lies along the college level among our respondents and along the high school level among their mothers. Thus, before introducing the education variables into the regression models, we recoded them as dummies: respondent's education is assigned a value of 0 if the respondent indicates that he or she has less than a college education and 1 if the respondent reports having college or further education; the respondent's mother's education is assigned a value of 0 if she indicates that she has less than a high school education and 1 if she reports having high school and further education.

Household-level factors in the regression models include mother's education, father's monthly income and household registration type (urban or rural). Research indicates that mother's education is an important factor affecting children's well-being (Currie and Moretti 2003). We consider the father's income to be an approximation of household economic status. The income variable is natural-logarithm transformed to shrink the dispersion of the values. Financial institution factors include two variables: geographic distance from the respondent's residence to the nearest bank and convenience of services. The latter is constructed as a dichotomous variable that captures participants' evaluation of the financial service environment: a value of 1 is assigned for this variable if the respondent indicates that the financial services at the nearest bank branch are convenient to use, and a value of 0 is assigned otherwise.

We present results from two sets of analyses to investigate the nature and extent of financial access among youth with disabilities. First, we present estimates from a descriptive analysis of access breadth and depth. Then, with results from logistic regression models that control for gender and age, we examine the effects of different independent variables on access breadth and depth. We find no alarming collinearity problems in the analytic models.

## Findings

### *Descriptive results*

Table 1 presents the demographic and household characteristics of disabled youth in this sample. The average age of respondents in this sample is around 21, and the sample is balanced in terms of gender. We purposely include individuals who report three major disability types. To identify these three types, we rely on estimates from a nationally representative survey conducted in 2006 (Zheng *et al.* 2011). Youth with hearing and/or speech disabilities account for the largest proportion of the sample (56.5%), 32.7% of youth report physical disabilities and 10.9% report visual disabilities. Overall, 45.2% of youth perceive their disability as mild, and 42.9% report that it is moderate.

In terms of educational level, the sample includes both respondents who were enrolled at the time of the survey and those who have exited school. The descriptive statistics show that this particular sample is quite well educated: over half of respondents indicate that they have at least some college-level education. This high proportion may be due to our broad definition of college education (the definition includes enrolment in programmes that allow one to study by oneself at home). 23% of sampled youth report current employment.

Table 1. Sample characteristics ( $N = 159$ ).

Variables	Mean or Percentage
Individual characteristics	
Age (SD)	21.4 (2.7)
Female	49.1
Disability type	
Physical	32.7
Visual	10.9
Hearing and/or speech	56.5
Perceived disability severity	
Mild	45.2
Moderate	42.9
Severe	11.9
Individual education	
College and above	53.3
High school	29.6
Middle school and below	17.1
Currently employed	23.0
Household characteristics	
Household registration type	
Urban	87.8
Rural	12.2
Father's education	
College and above	13.8
High school	34.5
Middle school and below	51.7
Mother's education	
College and above	10.5
High school	28.7
Middle school and below	60.8
Father's monthly income (SD)	1086.0 (1177.8)

Note: SD = standard deviation.

As to the household characteristics, the majority of respondents (87.8%) come from households registered in an urban area. At the aggregate level, these respondents have more education than their parents; only 13.8% of fathers and 10.5% of mothers have college-level education. On average, respondents' fathers earn CNY 1086 each month (approximately USD 175).

Table 2 reports descriptive statistics characterizing the disabled youths' financial access and connections to financial institutions. Almost three-quarters of sampled youth are connected to a bank through a bank account: 63.9% hold a checking account but only 11.4% have a savings account. The results on access depth (involvement in banking activities) indicate that less than half of surveyed individuals (40%) are regularly involved in such banking-related activities as account management. Table 2 also presents results on the features of banks. The results indicate that the average geographic distance from respondents' residences to the nearest bank branch is about five kilometres.<sup>1</sup> The survey also asks respondents whether they feel that the financial services provided by the nearest bank branch are convenient to use. Surprisingly, 62.1% of respondents give a positive assessment. Nonetheless, it may be necessary to further investigate the gap between the perceived convenience of using financial services and actual financial access, especially between perceived convenience and actual banking activity.

### *Regression analysis*

Additional analyses enable us to further investigate factors that may strongly affect financial access breadth and depth among youth with disabilities in China. We use logistic regression to model the associations among multiple factors, including the relationship of financial access with individual, household and financial institution characteristics. Gender, age, disability type and disability severity are clustered as individual characteristics. Registration status, mother's education and father's income comprise the cluster of household characteristics. The cluster for financial institution characteristics includes distance to nearest bank branch and perceived convenience of banking services. To detect the different effects of the clusters of factors, we run separate models by entering variables in steps in order. Table 3 shows results from regressions on access breadth (measured by bank account holding).

Estimates from Model I suggest that those who are older and employed are more likely to hold a bank account (i.e. to have a connection with a financial institution). The results also suggest that access breadth varies to a statistically significant degree by disability type and severity of disability. Compared with physically disabled counterparts, youth with

Table 2. Characteristics of financial access and financial institutions ( $N = 159$ ).

Variables	Mean or Percentage
Financial access breadth	
Checking account holding	63.9
Savings account holding	11.4
Either checking or savings	72.2
Financial access depth	
Involvement of banking activity	40.0
Financial institution characteristics	
Distance to nearest bank branch (km)	4.9
Perceived convenience of banking services	62.1

Table 3. Logistic regression on financial access breadth of youth with disabilities.

Independent Factors	Access Breadth (Account Holding)		
	Model I	Model II	Model III
<b>Individual characteristics</b>			
Female (ref. = male)	-.689	-1.116*	-.887
Age	.201**	.261**	.189
Visual disability (ref. = physical)	-.639	-1.122	-1.111
Hearing and/or speech disability (ref. = physical)	2.038***	2.314***	2.807***
Moderate disability (ref. = mild)	-1.304**	-1.441**	-1.395*
Severe disability (ref. = mild)	-.976	-1.201	-1.107
College education (ref. = below college)	-.005	.350	-.195
Currently employed (ref. = not employed)	1.848***	1.694**	1.771**
<b>Household characteristics</b>			
Urban household registration (ref. = rural)		-.148	.595
Mother's education above high school (ref. = below)		-.271	.264
Father's income (log)		-.083	-.069
<b>Financial institution characteristics</b>			
Distance to nearest bank branch (km)			.257
Perceived convenience of banking services			-.004
Constant	-2.741	-2.744	-2.524
Pseudo-R <sup>2</sup>	.359	.444	.444
N	145	101	90

Note: ref. = reference category.

\* $p < 0.1$ ; \*\* $p < 0.05$ ; \*\*\* $p < 0.01$ .

hearing and/or speech disabilities are more likely to have a bank account. One possible explanation for this is that people with physical disabilities may encounter more difficulties in using brick and mortar bank services because there are few barrier-free facilities. However, disability severity significantly decreases the likelihood of account holding; compared to youth with mild disabilities, those with moderate disabilities are significantly less likely to have a bank account.

Although youth with severe disabilities tend to have fewer connections with a bank than do those with mild disabilities, this difference is not statistically significant in Model I. Our field interviews indicate that some youth with severe disabilities are provided with bank accounts for their public allowance, and this increases the general likelihood that youth with disabilities have a bank account.

Model II includes household-level factors. Although the addition of these variables seems to explain some variance (the pseudo-R<sup>2</sup> becomes larger), none of the household variables is found to be significantly associated with bank account holding.

Model III expands upon preceding analyses to include characteristics of financial institutions, but those characteristics do not change the variance (pseudo-R<sup>2</sup>) observed in estimates from Model II. This suggests that the characteristics of the financial institution have a similarly weak effect on the likelihood of opening a bank account.

These findings seem inconsistent with previous studies that report a positive effect of parental resources on youths' connection to financial institutions (Beverly and Sherraden 1999; Elliott 2012). We postulate an explanation for this finding: holding a bank account in China is increasingly commonplace among youth, especially those at a mature age (i.e. age 18 and up). In addition, more and more public welfare programmes (such as cash assistance for the poor and disadvantaged) require recipients to have an account and to

receive benefits via automatic transfer. Although holding a bank account is extremely important for maintaining a relationship with financial institutions over the life-course, involvement in regular bank activity is also important and may be even more critical to promote asset-accumulation behaviour. In our in-depth interview, a young adult with physical disabilities said that he received a disability allowance of 800 RMB per month from the government, which is transferred through a mandated checking account. However, he has to rely on his parents to withdraw his money from the bank. He indicates that he rarely has the chance to deal with banking because of his disability status. Our quantitative data also identify the gap between account holding and account-related banking activity, as the results from the second set of regression models demonstrate (Table 4).

Regression results in Table 4 show the possible effects of selected variables at multiple levels on access depth, which is measured by involvement in regular banking activity. Estimates from the basic model (Model I) suggest a statistically significant and positive association between individual education and access depth. The disabled youth who are educated to college level are more likely than those without college education to engage in banking activity on a regular basis. In Model II, which adds household variables and holds other variables at their means, the magnitude of college education's effect decreases and urban registration is found to have a positive, statistically significant association with access depth. In other words, disabled youth who are registered as residents of an urban

Table 4. Logistic regression on financial access depth of youth with disabilities.

Independent Factors	Access Depth (Banking Activity Involvement)		
	Model I	Model II	Model III
<b>Individual characteristics</b>			
Female (ref. = male)	.281	.125	.688
Age	.136	.118	.090
Visual disability (ref. = physical)	.074	-.474	.065
Hearing and/or speech disability (ref. = physical)	.810	.535	-.612
Moderate disability (ref. = mild)	-.523	-.495	-.201
Severe disability (ref. = mild)	.097	.366	1.097
College education (ref. = below college)	1.376***	.977*	1.268*
Currently employed (ref. = not employed)	.376	.517	.065
<b>Household characteristics</b>			
Urban household registration (ref. = rural)		2.020**	2.219**
Mother's education above high school (ref. = below)		-.248	-.553
Father's income (log)		.099	.266
<b>Financial institution characteristics</b>			
Distance to a nearest bank branch (km)			1.308
Perceived convenience of banking services (ref. = not convenient)			.037*
Bank account holding			1.619*
Constant	-4.883**	-6.878**	-10.408***
Pseudo-R <sup>2</sup>	.261	.306	.396
N	139	98	86

Note: ref. = reference category.

\* $p < 0.1$ ; \*\* $p < 0.05$ ; \*\*\* $p < 0.01$ .

area are more likely than counterparts with rural registrations to regularly engage in banking activities.

Model III in Table 4 adds the characteristics of financial institutions. Some of those characteristics are found to have significant and positive associations with involvement in regular banking activity. The disabled youth who deem financial services convenient are more likely to regularly involve themselves in banking activities. It is not surprising that holding a bank account increases the likelihood of involvement in regular banking activity. The Model III estimates indicate that, except for individual education, the depth of financial access is more strongly associated with household and financial institution factors than with individual characteristics. Although account holding is becoming more and more popular in China, being registered in a rural area and external financial institutional constraints (e.g. the convenience of banking services) may impede the further involvement of disabled youth in financial services.

Our field interviews show similar patterns on access depth among disabled youth. The urban–rural difference in banking engagement might be explained by the knowledge gap between urban and rural residents regarding banking tools and money management skills. For example, some of the youth from urban areas have learned to manage their bank accounts via mobile phones or the internet, but those with rural background have little knowledge of these innovative tools. Regardless of household background, a bank's characteristics, such as the lack of barrier-free facilities, can prevent disabled youth from physically engaging in banking activities. Many respondents complain that, even in a city as large as Beijing, most banks do not provide disability-friendly services.

### **Discussion and conclusion**

This study is based on survey data collected in China from youth with disabilities who are between the ages of 16 and 25. It presents preliminary but empirical findings on the focal group's access to financial services and suggests factors that may impede group members from developing their financial access. Overall, the disabled youth have a high rate of account holding (checking account or savings account). This suggests that they have established connections (whether voluntarily or not) with financial institutions. Nonetheless, a gap remains between basic account holding and further access to financial services. Research rarely investigates that gap. The regression results suggest that some individual characteristics, especially disability type and severity, are significantly associated with account holding. However, the effects of individual factors on the likelihood of involvement in regular banking activity are weaker in terms of magnitude than are those of household and financial institution characteristics.

This study is an initial exploration and has some limitations. First, due to the special nature of the study subjects and cost considerations, we are not able to deploy a probability sampling strategy, to collect data country-wide or to undertake efforts to generate a larger and more representative sample even in Beijing. These insufficiencies limit our ability to generalize the findings for inferences about the population of interest (youth with disabilities) in China. Second, the survey lacks indicators of youths' attitudes, financial knowledge and financial skills. However, these indicators may be important mediators of the effects of the selected individual, household and financial institution factors on financial access in this target group. Furthermore, the quantitative analysis, restricted by its limited number of variables (and cases), may not adequately reveal the situation and reasoning behind financial access. Further research should collect and analyse more in-depth interview data. Despite those limitations, this study is expected to generate

interesting research in the future. More importantly, it makes an actual contribution to the existing literature by extending the financial access research to a special population of disabled youth in China by identifying important implications for forming asset-building programmes to enhance this population's financial access.

Financial inclusion has received growing attention worldwide. Statistics show significant inequalities in access to basic, mainstream financial services across groups with different socio-economic privileges. Basic financial services, particularly some structured savings programmes, provide institutional incentives for the poor and vulnerable to accumulate financial assets towards long-term developmental goals. Mounting evidence implies that having a savings account in early life can bring positive outcomes to children as well as to the whole family (Elliott 2009; Loke and Sherraden 2009). However, less attention has been paid to the gap between holding an account and further involvement in banking-related activities. Our study, by demonstrating the effects of household and financial institution characteristics on banking, has important implications for government programmes aiming to engage disabled youth fully in accessing and utilizing financial services.

Financial education programmes may offer a critical way to build disabled youths' financial capabilities through enhancing both the breadth and depth of their access. Youth who hold a bank account may need to be further involved in management of their money if they are to build capability (Johnson and Sherraden 2007). One important way of increasing their involvement is training, through which they come to understand the importance of financial activities to their status improvement and gain confidence to engage with sufficient knowledge and skills. Previous studies show that they can learn how to manage their credit and debts and make appropriate financial decisions independently (Atkinson *et al.* 2007; Taylor, Jenkins, and Sacker 2011). A well-designed asset-building programme, modelled to broaden and deepen financial access as well as to build financial capabilities, would be especially beneficial for youth with disabilities and other vulnerable populations.

Inclusive development has been a buzzword in recent years and appears in various policy texts. As it enters a new stage of leadership, the Chinese government places unprecedented emphasis on social and economic justice as well as on the well-being of the whole population. The inclusive development strategy is set to ensure that all people, especially the most vulnerable and poorest, have equal opportunity to participate in and benefit from the nation's economic growth (Zhuang 2008). In addition to the transitional income-transfer mechanisms designed to maintain minimum living conditions, the government should also direct policy attention to asset-based programmes that offer participants the prospect of long-term development (Deng *et al.* 2013). For instance, a structured savings programme, such as Child Development Accounts opened in the name of the disabled child, may steer government and the family's investment towards achieving long-term education and career development goals. Children may benefit from these programmes in the early stages of life; they may gain access to financial services and education about how to make financial decisions independently. Social policies that target youth during the transition to adulthood may have a much greater impact on their future development and on the whole economy than would policies that only target adults. Youth with disabilities are among the most marginalized. They encounter significant obstacles and are excluded from mainstream institutional opportunities. Expanding their financial access and capabilities remains an important policy challenge; governments can accomplish much through social innovations. By implementing experiential social programmes, governments can help these youth to embrace a bright future.

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## Note

1. The distance to the nearest ATM may be a more accurate and influential measure for predicting the involvement of youth with disabilities in banking activities, because simple account management activities (withdrawal or deposit) can be accomplished with only an ATM. Unfortunately, information on the distance to the nearest ATM is not available in these data.

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