

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

Press release

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**The Head of the Bank of Israel’s Communications, Public Affairs, and Community Relations Division participated in a conference on “Fintech as a stimulus for economic growth in Arab society”**

The Head of the Bank of Israel’s Communications, Public Affairs, and Community Relations Division, Mr. Nurit Felter-Eitan, participated in a conference on “Fintech as a Stimulus for Economic Growth in Arab Society”, which was held at the Center for Innovation in Kafr Kassem.

During the conference, Ms. Felter-Eitan made a presentation on the topic of “financial education in Arab society—a stimulus for growth and narrowing gaps”. The presentation was based on a new in-depth study conducted by the Bank of Israel[[1]](#footnote-1) as part of the Bank’s activities to increase financial awareness in the Arab society, following on the findings of the Interministerial Team on Financial Inclusion. The far-reaching survey dealt with topics such as financial inclusion, financial robustness, financial health, digital literacy, and others.

The survey led to the following findings, which deal with the financial characteristics of Arab society in Israel:

* About 43 percent of those surveyed define themselves as the member of the household solely responsible for making day-to-day financial decisions;
* About 90 percent have a bank account, and about 69 percent have a credit card;
* About 60 percent use standing bank orders to cover fixed expenses;
* About 43 percent use an application to track their expenses;
* About 62 percent did not report any problems in branch accessibility, while about 23 percent indicated low levels of accessibility for bank branches in their residential area. It should be noted that the number of bank branches in Arab localities was not significantly reduced in recent years, as did happen in other localities, but the concentration of branches in Arab localities remains lower.
* About 70 percent of those surveyed report a high level of access to digital information from the bank, compared with about 19 percent who report difficulty in obtaining digital information from the bank. About 18 percent report difficulty in financial conduct due to the provision of information in Hebrew in some banking transactions, while about 70 percent do not report such difficulty. We note that in recent years, some of the banks’ websites have been translated into Arabic, and telephone call centers in Arabic have been established.
* About one-third of respondents report that in the past year they were in a situation in which their income did not cover their expenses, and about 40 percent report that they went into overdraft in their bank account for more than 2–3 days. About 89 percent of those who could not cover their expenses reported that they took out a loan in order to try and cover their overdrafts, or that they went into overdraft, or that they did not meet their payments.

The survey also sows that the three main topics regarding which Israeli Arabs say they are lacking financial information are: insurance products, savings methods, and conduct vis-à-vis the commercial bank.

The presentation (in Hebrew) is available here.

The Bank of Israel is formulating a strategic program to increase financial education and information in Arab society. The program includes the development of educational content, intervention programs adapted for individual groups, establishing a dedicated government website on the topic for Arab society, and more. The various in-depth surveys help in the formulation and precision of the content.

1. The survey was conducted by phone during September 2023 among Arab society in Israel. The survey was conducted in Arabic among 564 respondents from the Arab community, aged 18+, while ensuring representation by gender, age group, and residential area. [↑](#footnote-ref-1)