

FINANCIAL LIVES OF LEBANESE AND SYRIAN REFUGEES IN LEBANON

Demand-Side Analysis of Financial Service Access, Usage, and Needs Amongst
Crisis-Affected Communities in Lebanon



72 face-to-face interviews were conducted across four segments with quotas for men, women and households

Approach

Qualitative Research

- In-depth interviews and focus group discussions with Lebanese and Syrian Refugees in Lebanon
- Quotas for segments (below) and gender
- Results presented are from qualitative research and do not seek to be representative of all Syrian Refugees and Affected Lebanese

Segmentation

Vulnerable Syrian Refugees

- **Vulnerable:** Live in informal accommodation (incl. tents) or formal accommodation but without an official electricity bill

Low-income Lebanese

- **Low-income:** Live in one of the most vulnerable cadastres in the country and have a monthly income inferior to \$450

Developing Syrian Refugees

- **Developing:** Live in formal accommodation and have an official electricity bill

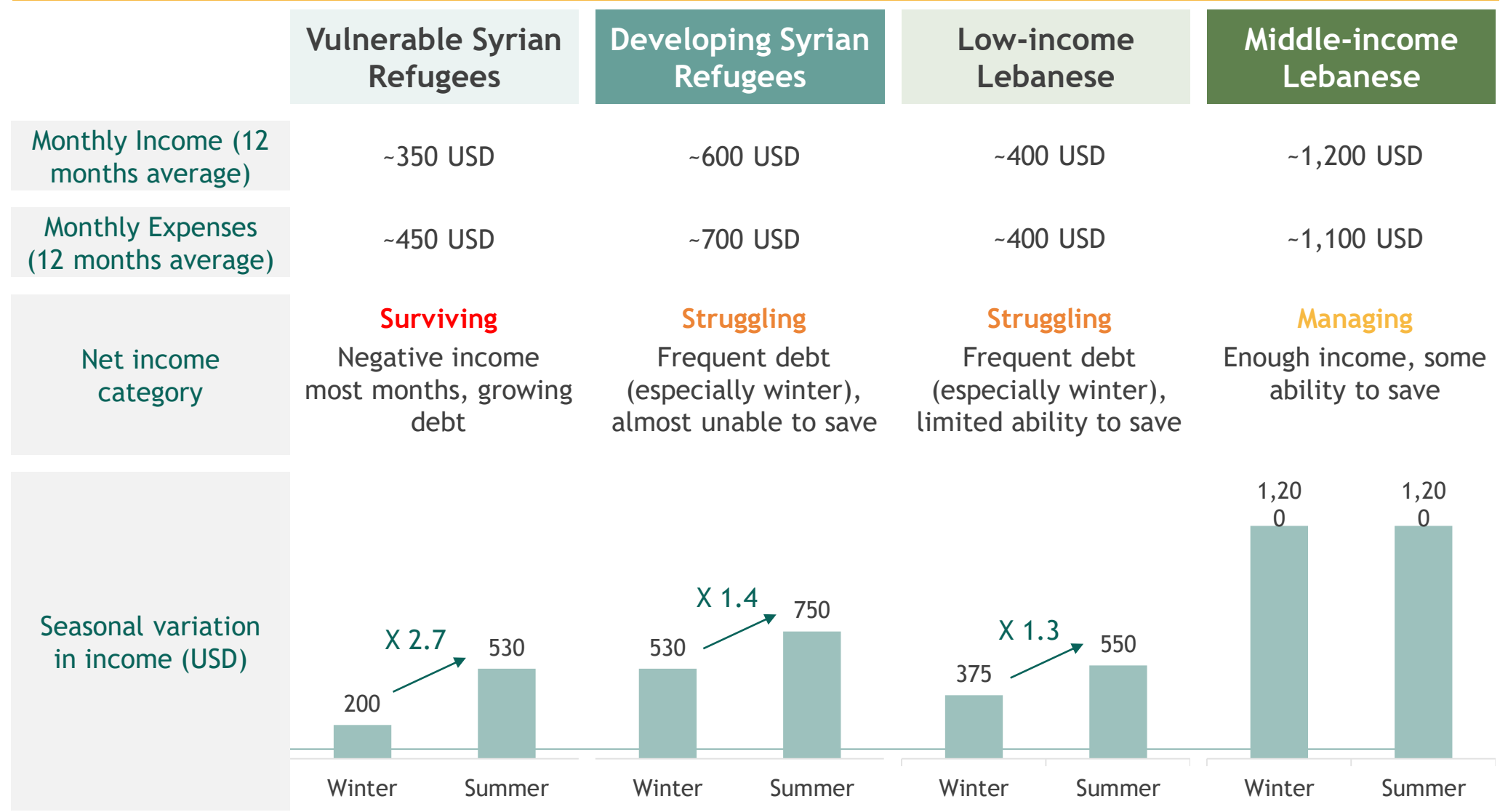
Middle-income Lebanese

- **Middle-income:** Live in one of the most vulnerable cadastres in the country and have a monthly income between \$450 and \$1,500

TYPICAL HOUSEHOLD INCOME

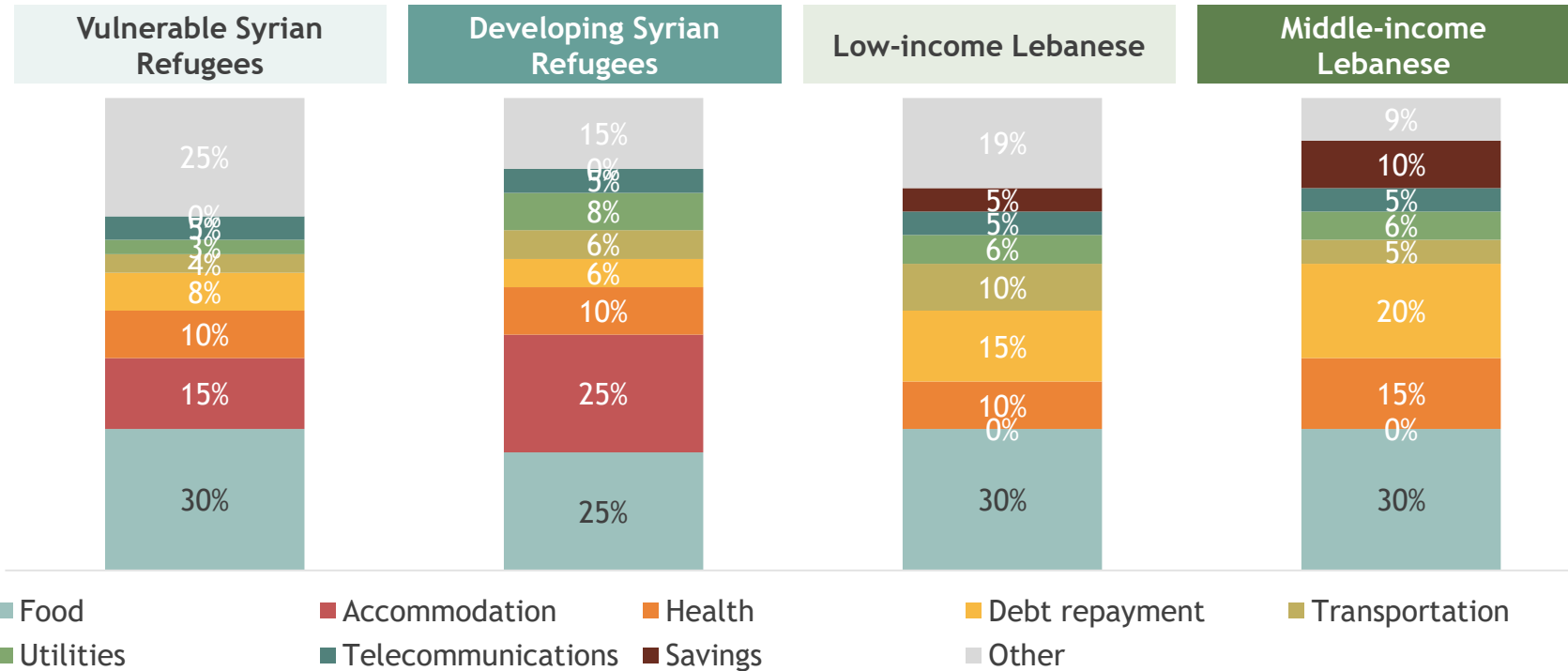
With the exception of Middle-income Lebanese, the analysis of income patterns shows the importance of irregular and seasonal income sources

Charts below present results for one household in each category that showed several key characteristics emerging from the research. Figures ARE NOT category averages and, in some cases, may mask strong disparities



Expenses on accommodation are a key differentiator in the expense break-down across interviewed households

Break-down of expenses*



Key learnings

- Lebanese respondents are more likely to own their accommodation and not have a rent to pay
- Among Syrian Refugees, the main difference is that **Developing households have formal accommodation** and therefore spend more on utilities and rent
- Expenses of Middle-income Lebanese highlight a higher ability to save and also to access formal loans

Surviving and Struggling households rely heavily on informal debt to finance their expenses on a monthly or seasonal basis

	Vulnerable Syrian Refugees	Developing Syrian Refugees	Low-income Lebanese	Middle-income Lebanese
Net income category	<p>Surviving</p> <p>Negative income most months, growing debt</p>	<p>Struggling</p> <p>Frequent debt (especially winter), almost unable to save</p>	<p>Struggling</p> <p>Frequent debt (especially winter), limited ability to save</p>	<p>Managing</p> <p>Likely to cover expenses with income, limited ability to save</p>
Main mechanisms to finance expenses	<p>Buying on credit</p> <p>Borrowing from F&F</p>	<p>Buying on credit</p> <p>Borrowing from F&F</p>	<p>Borrowing from F&F</p> <p>Assistance from F&F</p> <p>Buying on credit</p>	<p>Sufficient income</p> <p>Savings</p> <p>Borrowing from F&F</p>
Access to formal financial solutions	<p>Access to money transfers</p> <p>Limited access to MFIs</p> <p>No access to other formal institutions</p>	<p>Access to money transfers</p> <p>Limited access to MFIs</p> <p>No access to other formal institutions</p>	<p>Access to all formal institutions</p> <p>Limited usage</p>	<p>Access to all formal institutions</p> <p>More likely to use</p>

Health related issues are a key concern for respondents especially as coping often implies borrowing due to limited usage of insurance mechanisms

	Vulnerable Syrian Refugees	Developing Syrian Refugees	Low-income Lebanese	Middle-income Lebanese
Most mentioned shocks	<ul style="list-style-type: none"> Illness Health emergencies Accommodation issues 	<ul style="list-style-type: none"> Illness Health emergencies Damaged/broken assets 	<ul style="list-style-type: none"> Illness Health emergencies Damaged/broken assets 	<ul style="list-style-type: none"> Health emergencies Illness Loss of assets Retirement
Coping mechanisms used	<ul style="list-style-type: none"> Debt UNHCR health coverage Selling assets Sunduqs 	<ul style="list-style-type: none"> Debt UNHCR coverage Selling assets Sunduqs 	<ul style="list-style-type: none"> Debt Community assistance Social Security Selling assets Sunduqs 	<ul style="list-style-type: none"> Social Security Savings Insurance Debt
Formal financial services	No access	No access	Limited access to social security and Ministry of Public Health (MoPH)	Social Security Private insurance (rare)

Factors of financial inclusion

- Households **both Syrian and Lebanese struggle to meet their needs** and stabilize their financial lives
- Differences in **economic status** stand out as a **key factor of financial inclusion**
- **Syrian respondents mention they are unable to access financial services such as banks and insurance** due to their citizenship or situation as refugees. Few have actively sought such services

Active financial lives

- A key challenge for respondents is **managing uncertainties** linked to irregular income and unexpected expenses
- Despite **limited access to formal financial institutions**, respondents have **active financial lives**:
 - Debt for consumption
 - Debt to absorb external shocks
 - Saving groups
 - Transferring money
- Most respondents rely on **informal financial solutions** only