



How do Low-Income People in Cote d'Ivoire Manage their Money?

Executive Summary

September 2013

Introduction

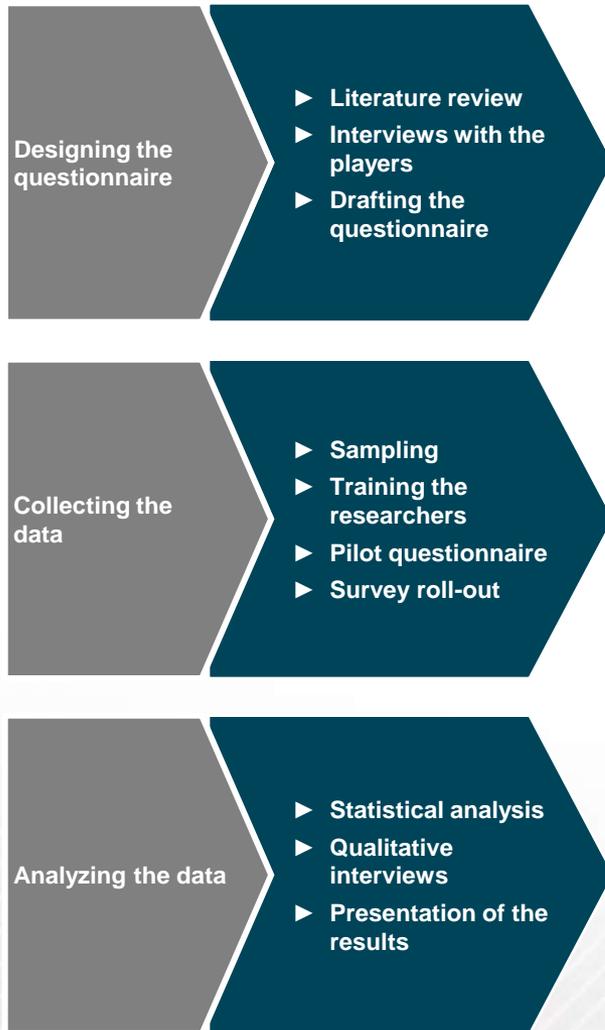
Assessing financial behavior in Cote d'Ivoire



- CGAP worked with EY and Horus Development Finance to better understand the financial behaviors of people just above and below the poverty line in Cote d'Ivoire.
- The research was focused on describing the financial needs of low-income populations as expressed through their aspirations, the financial risks they face, and the financial strategies these populations adopt.
- At the core of this research was a survey of 1,000 Ivorians, followed by a segmentation of the respondents.

Research Methodology

The diagram below illustrates our approach.



Objectives

Define the survey's research subject in consultation with the key players

Draft an initial questionnaire

Target the population of interest

Validate understanding of the questionnaire by the target populations

Roll out the survey across the country

Describe the financial behaviours of the target populations

Identify behaviour profiles in the sample

Hold qualitative interviews with representatives of the behaviour profiles identified

Present the results to the industry in order to obtain and include their remarks in the analysis of the data

Write the final reports



Profiles from the Sample

Survey Results

Six core profiles defined by behavior

55.2% of survey respondents did not have an account at a formal institution.

But not all respondents without accounts managed their money the same way.

Respondents who were “**relatively inactive without accounts**” (28% of respondents) never borrow and never send money transfers. Relatively few of them send money or save in a moderate fashion.

“**Recipients without accounts**” (13.7% of respondents) receive money at some interval, but never borrow and only few of them send money or save money.

“**Borrowers without accounts**” (13.1% of respondents) borrow at least once a year, occasionally make and receive money transfers, and save in a moderate fashion.

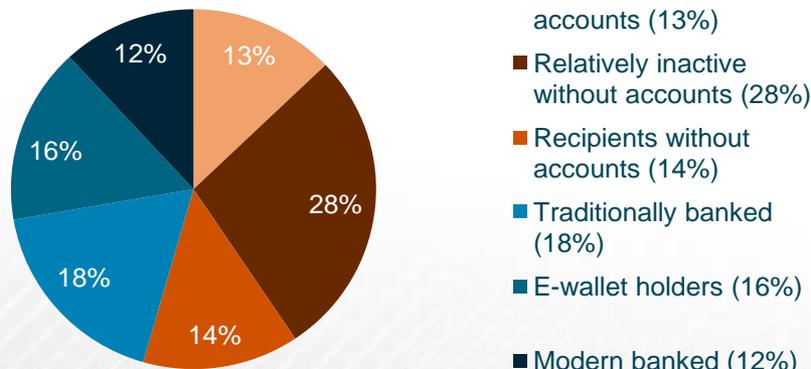
44.8% of survey respondents had an account at a formal institution.

But not all respondents with accounts managed their money the same way.

The “**traditionally banked**” (17.7% of respondents) only have an account with a financial institution

“**E-wallet holders**” (15.6% of respondents) only have an e-wallet.

The “**modern banked**” (11.5% of respondents) have both an account at a financial institution and an e-wallet.



Survey Results

What characteristics emerge from these profiles?

	Modern banked	Traditionally banked	E-wallet holders	Recipients without accounts	Borrowers without accounts	Relatively inactive without accounts
Income	☆☆☆☆	☆☆☆	☆☆	☆☆	☆	.
Occupation	<i>Formal / Informal</i>	<i>Formal / Informal</i>	<i>Formal / Informal</i>	<i>Formal / Informal</i>	<i>Formal / Informal</i>	<i>Formal / Informal</i>
Education	☆☆☆☆	☆☆☆☆	☆☆☆	☆	☆	.
Location	<i>Urban / Rural</i>	<i>Urban / Rural</i>	<i>Urban / Rural</i>	<i>Urban / Rural</i>	<i>Urban / Rural</i>	<i>Urban / Rural</i>
Geographical zone	Abidj. Korh. S.P. 	Abidj. Boua. Aben. 	Aben. Korh. 	neutral	Abidj. Aben. 	Korh. S.P.
Age	☆☆☆	☆☆☆☆	☆☆	☆	☆☆☆☆	.
Sex	<i>Male / Female</i>	<i>Male / Female</i>	<i>Male / Female</i>	<i>Male / Female</i>	<i>Male / Female</i>	<i>Male / Female</i>



- Trend highest among the segments (high incomes, highest education level, most advanced age, etc.)
- Trend high among the segments (high income, high education level, advanced age, etc.)
- Trend within the average of the surveyed population
- Trend low among the segments (low income, low education level, young, etc.)
- Trend lowest among the segments (low income, low education level, young, etc.)

Where do these profiles appear on the economic pyramid?

Economic weight of profiles

.95 million individuals

9.1% of the population > 15 years old
2.6% of annual GDP

**Modern
banked**

The low-income populations studied represent 71% of the population over 15 years old in Cote d'Ivoire and 16% of national GDP.

1.19 million individuals

11.3% of the population > 15 years old
2.9% of annual GDP

**Traditionally
banked**

E-Wallet holders

1.07 million individuals

10.2% of the population > 15 years
2.1% of annual GDP

**Borrowers without
accounts**

**Relatively inactive
without accounts**

**Recipients without
accounts**

1.03 million individuals

9.9% of the population > 15 years old
1.9% of annual GDP

2.09 million individuals

20 % of the population > 15 years old
4% of annual GDP

1.1 million individuals

10.5% of the population > 15 years old
2% of annual GDP

Who are typical Ivorians from each of these segments?

Common profiles of Ivorians

Detailed portraits of the profiles identified are provided in the full study report (available in French only).



Konan, 33 years old,
tailor

**Modern
banked**



Mathurin, 31 years
old, bakery
employee

**Traditionally
banked**

Mireille, 30 years old, food vendor



E-Wallet holders

**Borrowers without
accounts**

**Relatively inactive
without accounts**

**Recipients without
accounts**



Mawa, 17
years
old, peanut
vendor



Daboné, 58 years old, fresh
produce vendor

Michèle, 25
years
old, fishes with
her husband
and makes
attiéké



Portrait of the “modern banked”

Konan, a 33 year old tailor

Today, 83% of people using modern banking methods save at least once a month.

For the most part, they have opened an account in a bank or an MFI (microfinance institution), in order to manage their daily expenses and have access to loans. 84% use their traditional account as their “main account,” and have opened an electronic wallet, mainly for money transfers (for those having to pay for water and electricity, 10% and 15% use an e-wallet to pay their electricity and water bills respectively., and only 25% use the e-wallet for saving, compared to 50% who save in a bank or an MFI). They believe that their money is less secure in an e-wallet than in a traditional account.

More well-off, this segment of the population makes the most money transfers (82%).

Almost 40% have borrowed money over the last 12 months, mostly from relatives /friends (62%), as against 31% who borrowed from the banks and MFIs.



Konan, 33, tailor

“The conditions for getting a loan are just too complicated. First, you have to have a savings account and then you have to have a sponsor who also has an account at GESCI”

Household and occupation	Financial services used	Strategies end perception
<p>Konan has a tailor shop, with one apprentice. They make outfits and do minor adjustments.</p> <p>He lives with his girlfriend, who is still a student, and their new-born baby.</p>	<p>Formal services :</p> <ul style="list-style-type: none"> - Transfers and bill payments using the electronic wallet -MFI savings account 	<p>He has an account at GESCI (an MFI). A collector comes by every day for the money. Konan carries out very few banking transactions himself , as the “the agency is far away.” He opened the account on the advice of a friend, mainly to have access to credit.</p> <p>He has an e-wallet for making transfers to his family and for paying the electric ity bills for his shop. He is very happy that he can carry out these transactions close to his workplace. However, there are “sometimes network problems,” and his sms messages to family members, telling them to go to collect the money arrive late. ”</p> <p>He wants a loan to build his business, notably by purchasing new sewing machines. However, the “ conditions are just too complicated. First, you have to have a savings account and then you have to have a sponsor who also has an account at GESCI .”</p>

Portrait of the “traditionally banked”

Mathurin, a 31 year old bakery employee

70% of people with accounts in traditional banks save money at least once per month, while 24% save on a less regular basis. 75% use their accounts for saving money, the main reason for opening the account (apart from payroll deposits for workers in the formal sector). Persons working in the informal sector open accounts in MFIs, mostly in order to have access to loans.

This group is in a better financial position than the average, with 54% making money transfers within the country, while only 25% receive money on a regular basis (at least once a year). In general, they make their money transfers through informal channels.

While they may have heard of e-wallets, they do not really know how they work, since they have not been sufficiently informed. However, they would prefer e-wallets for making transfers and payments (but not for saving, as they believe that their “money is less secure than in a traditional account”).

Around 30% have borrowed money within the last 12 months, mostly from family members/friends (55%), as against 37%, who borrowed from banks and MFIs.



Mathurin, 31, bakery worker.

“With my savings account, my money is safe and I can prepare for the future.”

Household and occupation

Mathurin makes sweet breads in a bakery. He lives with his older brother, his wife and their 4 children. His brother is an employee in the Ministry of Culture and pays most of the household expenses.

Financial services used

Informal services:
- International transfers

Formal services:
- Savings account

Strategies and perception

Mathurin has opened a savings account at COOPEC (an MFI). Since he does not contribute much to cover the household expenses, every month he deposits much of his salary into his account in an agency not far from his workplace. In time, he would like to open his own bakery.

He wanted his money to be secure and had made inquiries at a number of commercial banks. However, he thought the amount needed to open account was too much, whereas at the COOPEC, “you can open an account with CFA F 10,000 .”

He did not want to have an electronic wallet and has no confidence in that method of saving money, as “ the operators could leave the country at any time .”

He is afraid of loans, specifically, of not being able to repay them properly. He is wary of banks, having heard about people whose property has been seized by the bank. He would rather depend on his savings to finance his future plans.

Portrait of the “e-wallet holders”

Mireille, a 3 year old food vendor

57% of e-wallet holders save money at least once per month. 42% use their e-wallet for saving, while 64% opened an e-wallet account for that reason, among others. 39% started their electronic wallet account so that they could receive money transfers. Holders of e-wallets do not have a traditional account, as they tend to believe that they would not have the means to do so and that it is too expensive.

62% send money, with the vast majority (95%) making transfers at least within the country, while 50% regularly receive money transfers, usually using their e-wallet.

Very few people pay their bills with their e-wallets, which allows them to make the transactions from wherever they are (1.5% use it for paying for water and 2% for electricity), because they prefer their usual method or simply because they do not know how to use the service.

Around 30% of people with an e-wallet have received a loan over the last 12 months (87% from family members/friends).

They would like to have easier access to loans.



Mireille, 30, food vendor

“ With my e-wallet, I can save on transportation costs and use my money for making transfers and paying bills. ”

Household and occupation

Mireille sells food from a stall in a residential district.

She lives in a rented house with her mother and three younger brothers. She has to pay all the expenses of the household.

Financial services used

Informal services:
 - Saves in a tontine
 Formal services:
 - E-wallet transfers and bill payment
 - Western Union, Money Gram international money transfers

Strategies and perception

She has an e-wallet, but does not use it for saving money, preferring for the time being to save her money in a tontine. She opened the e-wallet account because it would make it easier to send money to her uncle and pay her bills. She is very happy with the service and can save on transportation, since before she was obliged to travel to make the transfers. She now carries out her transactions from an authorized shop close to her place of work.

She thought that having an account in a financial institution was more expensive and complicated than having an e-wallet. Recently, she went to the Banque Atlantique to get information about opening an account. She would like to open an account with the bank, because she believes that her money would be more secure than in an electronic wallet and because she hopes to secure a loan to build her business. She chose the Banque Atlantique, because she “likes their ads.” She would like to use the loan to build a small shed, so that her clients can eat the meals she sells on the spot.

Portrait of “borrowers without accounts”

Mawa, a 17 year old peanut vendor

They all borrow on a regular basis. 50% borrow to cover, among other things, their living expenses, 28% to pay for health services and 26% to improve their means of livelihood (stocks). They mainly borrow from family members/friends, with 77% borrowing less than CFAF 50,000. They are cautious about borrowing larger sums of money, and know nothing about the conditions needed to access formal loans.

They usually have very modest means and save very little. Their few savings are used for unforeseen expenses, to start an occupation or develop their livelihood and the money is kept at home or in tontines. For them, the advantage with the tontines is that they cannot access the money so easily to spend it.

22% receive money transfers, while 45% regularly send money, usually through informal channels.

They are relatively uninformed and think that financial institutions are not for them, that they do not have the means, and that they have no need for these services. However, they would be more inclined to open an e-wallet account, notably for money transfers. They have heard a lot about the e-wallet, especially from family members who have them.



Mawa, 17, peanut vendor.

“I don’t have an account. That’s not for me. I don’t have the money and I didn’t go to school.”

Household and occupation

Mawa sells peanuts along the roadside at the entrance to the neighborhood. She lives with her mother, brothers and sisters. In all, there are 12 people in the household. Her older brother works as a private chauffeur while her mother sells bananas, and between them, cover most of the family’s expenses, even though Mawa also contributes.

Financial services used

Informal services:
- Saving in a tontine

Strategies and perception

Every day, Mawa saves a small sum of money in the tontine, mainly for unforeseen expenses. She would also like to put enough money aside to expand her business.

She has not really heard of electronic wallets and knows nothing about financial institutions. She does not have an account, because she does not know “how it works.” Neither does she have “the means” and she believes that it is not for her, because she did not go to school.

She has had small loans from family members to cover unexpected expenses. She is afraid of borrowing larger sums of money, for fear of being unable to repay a loan without a problem.

Portrait of “relatively inactive without accounts”

Daboné, a 58 year old produce vendor

This is the least financially active of the population groups « without an account.

They save little and have very modest means. The little money they put aside is used to cover unforeseen expenses and build their business. They usually keep their money at home, because they believe they should always have it on hand. Otherwise, they place the money in tontines, “so as not to spend it.”

People without an account and who are largely financially inactive receive no money, with only 30% making money transfers, mostly through informal channels.

They are the least well-informed segment of the population. They believe that financial institutions and electronic wallets are not for them and/or that they do not have the means or have no need for these services.

They are generally afraid of loans, although they acknowledge that they need financing to develop their means of livelihood and/or pursue another occupation. They have no knowledge of what is needed to access financing and believe that one must first have an account and save money.



Daboné, 58, fresh produce vendor

“To send money to Burkina Faso, I give it to my uncle to take to Western Union, because I have no idea how it works.”

Household and occupation

Daboné is Burkinabé but grew up in Côte d'Ivoire. She sells fresh produce and peanuts from a stall in the neighborhood. She is a widow and lives alone with her 9 children. She pays most of the family's expenses. Her son and daughter contribute money to help pay for their keep.

Financial services used

Informal services:
- Tontine
- (rarely):
International transfers

Strategies and perception

Does not really save money, except in a tontine. Whenever she receives money, she re-invests it in improving her livelihood.

Does not have an account because she believes she does not have the means, but would be interested in opening one to keep her money in a safe place.

She has heard about electronic wallets but does not need one. She walks to a nearby location to pay her water bill, it is very close by and she does not have the “means” to use a service for that purpose.

She rarely sends money to Burkina Faso. She entrusts it to a family member who is traveling, or to an uncle to send through Western Union. She does not go there herself, as she does not know it is done.

Portrait of “recipients without accounts”

Michèle, 25, who relies on fishing for income

56% of people save each month, mainly to cover unforeseen expenses and their health needs. They keep their savings at home, for easy access, and/or save in tontines, “because that way they can’t spend it” and because it is a cost-free method of saving. This group has not borrowed any money over the past 12 months. They do not borrow money.

71% regularly receive money, while 33% send money. Among those who send money, 51% use only informal channels to make money transfers .

They know about traditional accounts but think that commercial banks are “not made for them,” and that MFIs are more accessible. Those who receive money but have no account would be more prepared to open an e-wallet to start with, having heard a lot about the electronic wallets from family members who use them.

42% live in rural areas where it is vital to have access to money and where authorized shops are more “numerous.” However, they need further “explanation” to be reassured and convinced.

Even if they say they need financing, they are generally afraid of loans and prefer to work with financial institutions, so as to feel “less pressured.” They have no idea how to access financing and think that they must first have an account and save money.



Michèle, 25, goes fishing with her husband and makes attieke
“To open an account, you must have enough money.”

Household and occupation

Michèle lives with her husband and their 2 children in a village near Abidjan. Fishing is their main source of income. In the off-season, her husband cultivates cassava and she makes attieke.

Financial services used

Informal services:
- Money transfers, using the services of money agents

Strategies and perception

She saves mainly to cover unforeseen expenses. When she has put aside enough, she re-invests her money in the cassava business mainly because it is a more stable source of income. She keeps her money at home, since “to open an account, you must have enough money and make regular deposits.” “The nearest banks are an hour away by road, and it’s harder to withdraw the money when you need it.”

Her sister regularly sends her money via the agents. Her sister has advised her to get an electronic wallet, as she herself has one and it would be less restrictive for them both. Today, Mchele is going to Abidjan to withdraw money. She knows that she could also pay her bills with an electronic wallet, without having to leave her home. She hopes to go and get more information about this very soon. She is a bit afraid of loans and would prefer to borrow from a financial institution, as “you have more time to repay, you have a fixed date. A brother could want to get his money back at any time.”

What can we learn from these segments?

Knowledge increases with inclusion

As you climb up the economic pyramid toward the more financially included segments (i.e. “modern banked”), knowledge of methods of transfers, payments and saving clearly increase.

However, knowing the name of a service is very different from real knowledge of using service. In general, respondents have heard of e-wallets, but few are aware that they can be used to save, transfer money and pay invoices.

- The “modern banked” are the most well-informed on formal means of payment.
- The “Relatively Inactive without accounts” segment is the least familiar with formal means of payment, money transfer and saving via e-wallets.
- Methods of issuing money at a bank branch or by e-wallet are better known than the methods of payment or saving at a bank branch or e-wallet.
- Account holders are much more familiar with means of sending money via formal methods than the populations without accounts.

What can we learn from these segments?

Nuanced understanding of e-wallets

E-wallets are better known for transfers and payments, while financial institutions are known for their loan and saving services.

The qualitative interviews showed that, among profiles without accounts, mainly in the informal sector, the e-wallet is considered to be more accessible than a traditional account. However, users regret that the money does not bear interest and that the e-wallet does not give access to loans in the same way as an account with a financial institution.

Savers using e-wallets would open an account with a financial institution “if they had more resources”, because they believe money is safer with a financial institution, and in order to have access to loans. Implicitly, the opening of an account with a financial institution is seen as more “prestigious”.

What motivates certain behaviors?

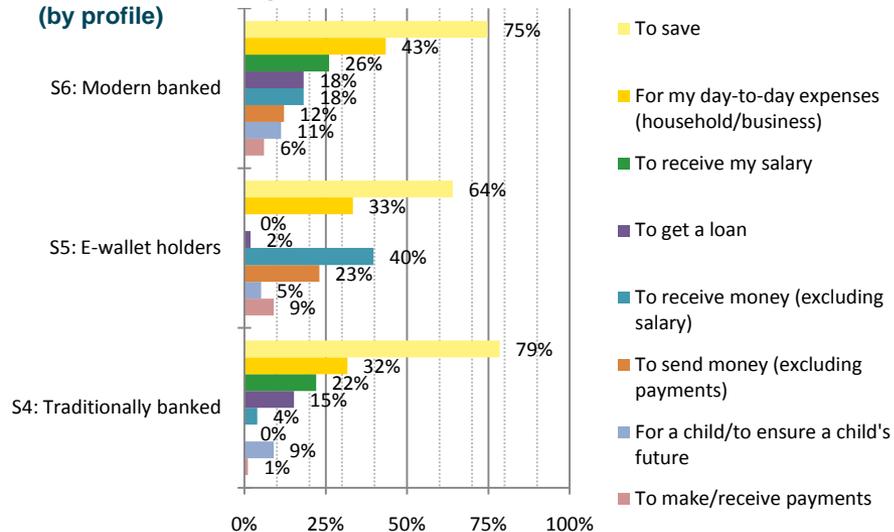
Savings drives users to open accounts; Cost major obstacle

Across all segments, “to save” was a major incentive for opening an account with a financial institution or e-wallet.

Many e-wallet holders have opened an e-wallet in order to receive and/or send money. Just 9% have opened an e-wallet to make and receive payments.

The “modern banked” category’s motivations are the most varied, with particular focus on daily expenses, receipt of salary and access to loans.

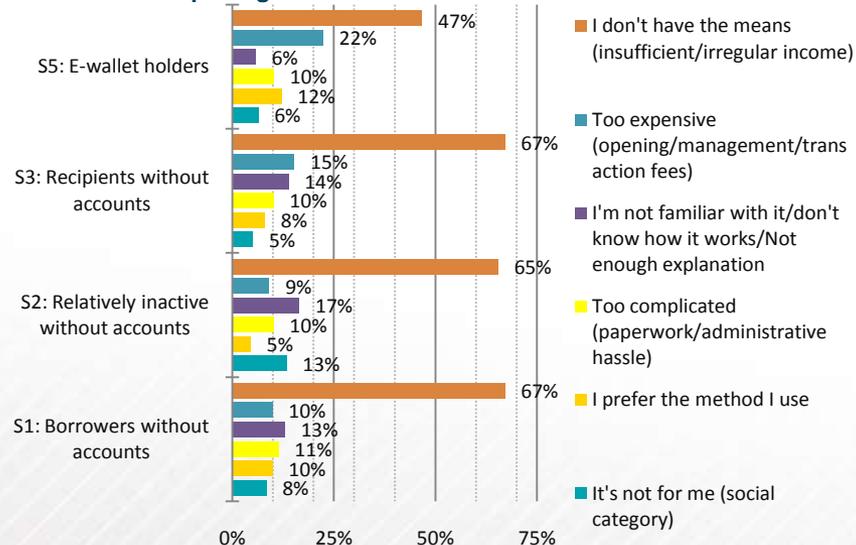
Reasons for opening an account with a financial institution or an e-wallet (by profile)



“Not having sufficient resources” is the main reason given by respondents without accounts, or by e-wallet holders for not opening an account with a financial institution: either because they believe that a large amount of regular income is required to open an account, or because the minimum opening amount is too high.

The reason given most often by e-wallet holders for not opening an account with a financial institution is that of high cost, before lack of knowledge/lack of understanding of how it works.

Reasons for not opening an account with a financial institution





Demographics of the Sample

We surveyed 1,000 low-income people in Cote d'Ivoire

73%

Of rural respondents were informally self-employed

68%

Of urban respondents were informally self-employed

The focus of this survey was individuals who are over 15 years of age.

Geographical zone	Sample breakdown
South-east urban zone (Abidjan)	19.20%
South-east rural zone (Abidjan)	10.80%
South-west urban zone (San Pedro)	11.40%
South-west rural zone (San Pedro)	6.10%
Central urban zone (Bouake)	11.40%
Central rural zone (Bouake)	6.10%
North urban zone (Korhogo)	11.40%
North rural zone (Korhogo)	6.10%
East urban zone (Abengourou)	11.40%
East rural zone (Abengourou)	6.10%
Total number	1 000

Demographic data

Variables	Attributes	Sample breakdown
Sex	Male	50.20%
	Female	49.80%
Nationality	Nationals	79.60%
	Foreigners	20.40%
Age group	15- 19 years	14.80%
	20 - 24 years	20.20%
	25 – 34 years	15.30%
	35 – 49 years	13.40%
	50 – 59 years	16.30%
	60 years and over	14.90%

Key Household Attributes

Surveyed households typically large, low-income and not in school

41%

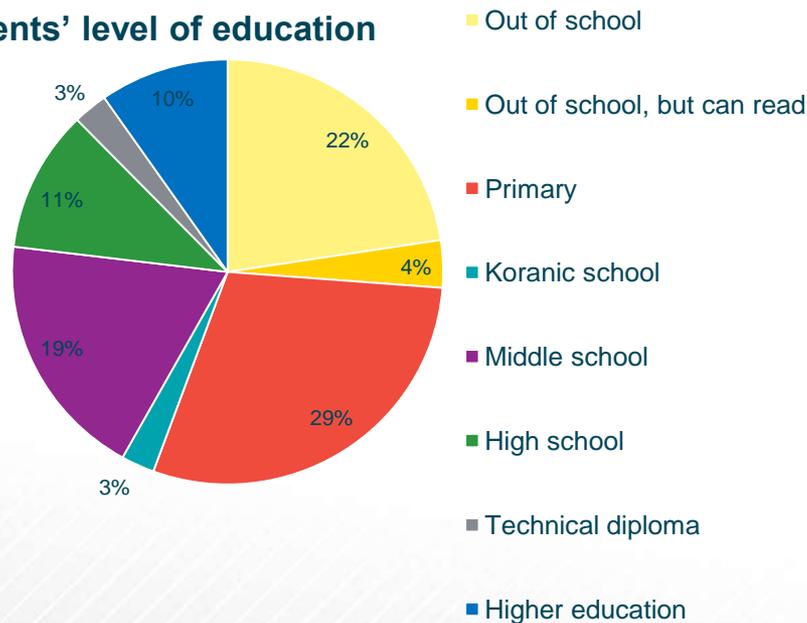
Of households had between 4 and 8 members; The national average is 7.2.

77%

Of households had individual incomes per person between \$30 and \$80 (XOF 15,000 an XOF 40,000) per month.

Respondents' level of education

26% of the surveyed population have no formal schooling



Ambitions and Aspirations

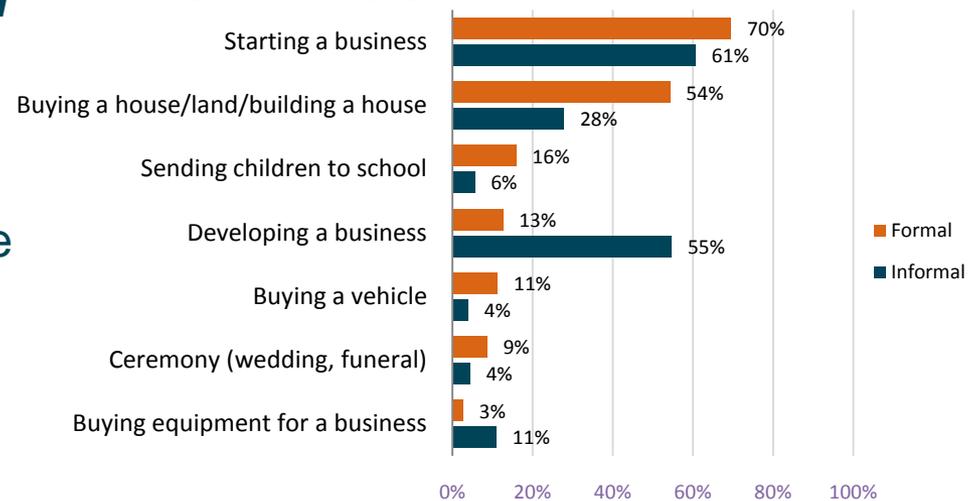
Most respondents are entrepreneurs at heart

Most respondents' primary ambition is to start a business.

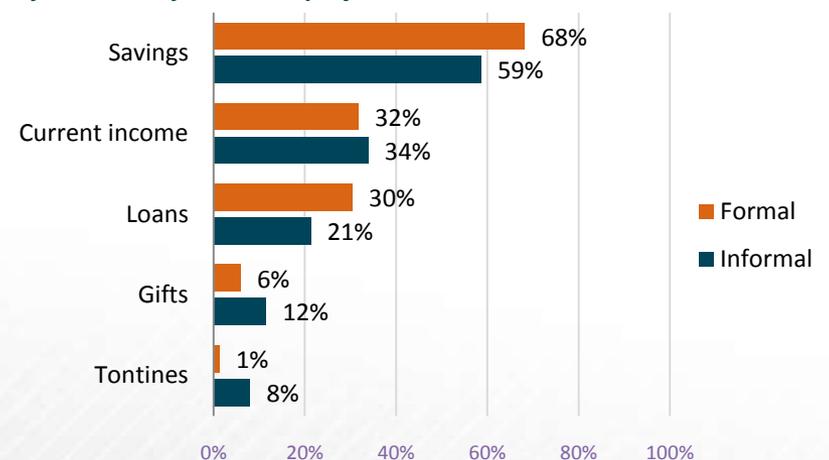
Among formal sector employees, home ownership was also a strong ambition. Informal sector employees want to further develop their businesses.

The majority of respondents plan to finance their projects through savings and current income.

Most significant future projects within the next two or three years



How will you finance your future projects?



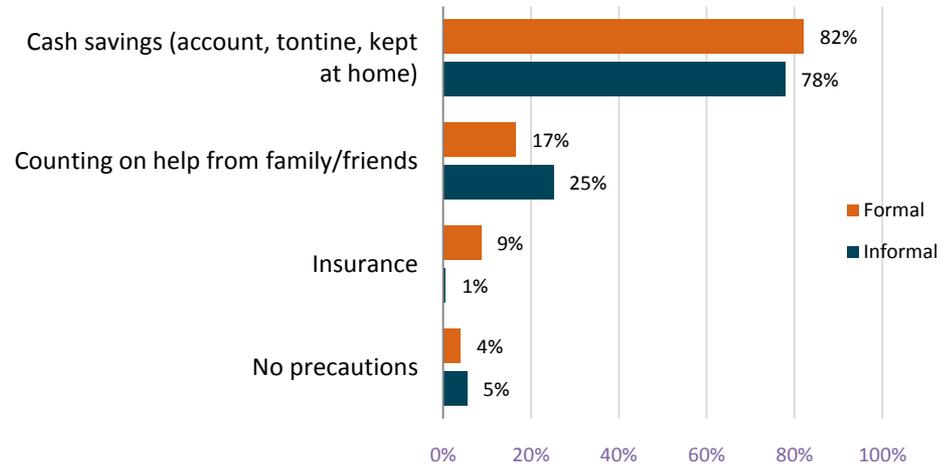
Threats and Risks to Stability

How do respondents deal with financial risks and threats?

74% of respondents cited illness as the primary threat to their income.

Respondents primarily rely on savings to address financial threats, but 25% of respondents from the informal sector also count on family and friends for help.

What precautions do you take to deal with financial threats?



77% of respondents experience periods when their income is insufficient to meet their basic current expenditures.

No consensus emerged around how individuals deal with lean times. Solutions for covering unmet expenditures during periods of insufficient income included drawing on cash savings, getting help from family and friends, reducing expenditures and obtaining loans.

Accounts and Obstacles

What prevents respondents from opening accounts?

56% of households have at least one account with a financial institution (FI) or an e-wallet:

- 35% of households have an e-wallet
- 29% have a bank account;
- 14% have an account with a microfinance institution or a SACCO; only 14% save with the post office.

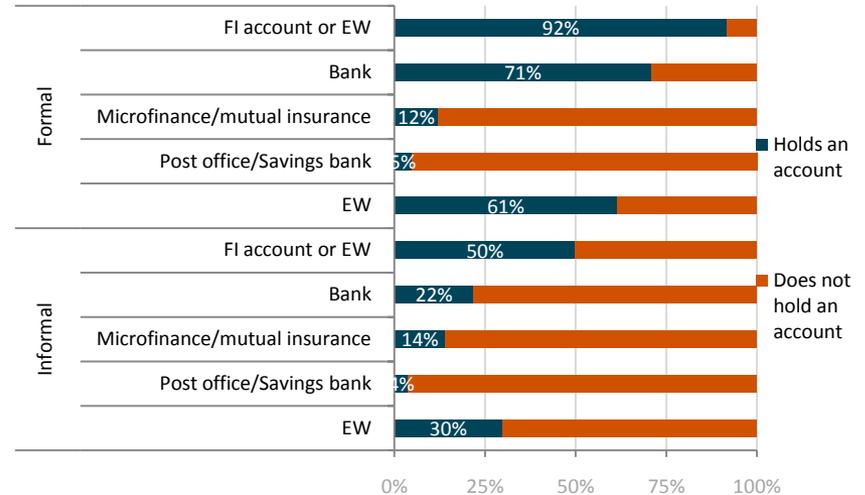
62% of respondents said they did not think they could afford to open an account.

- 14% of respondents state the costs are too high.
- 13% of respondents state they “don’t know how” accounts work
- 11% state that having an account with a financial institution is too complicated (documents and administrative red tape).
- 29% have a bank account; 14% have an account with a microfinance institution or a SACCO; only 14% save with the post office.

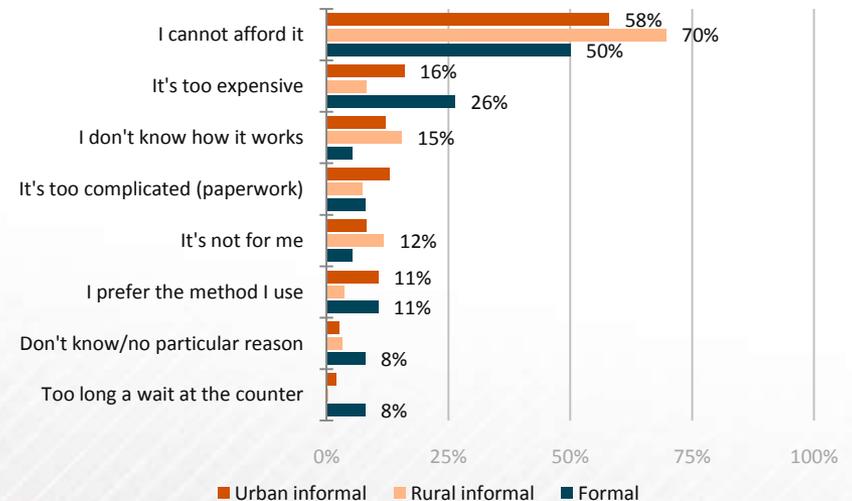
These responses illustrate barriers that are more psychological than practical. In particular, reasons of proximity are not often cited spontaneously, although keen interest is shown in carrying out transactions in local networks.



Percentage of households with an account



Reasons for not opening an account with a financial institution according to occupation category and area of residence (multiple choice)



Accounts and Motivations

What drives respondents to open accounts?

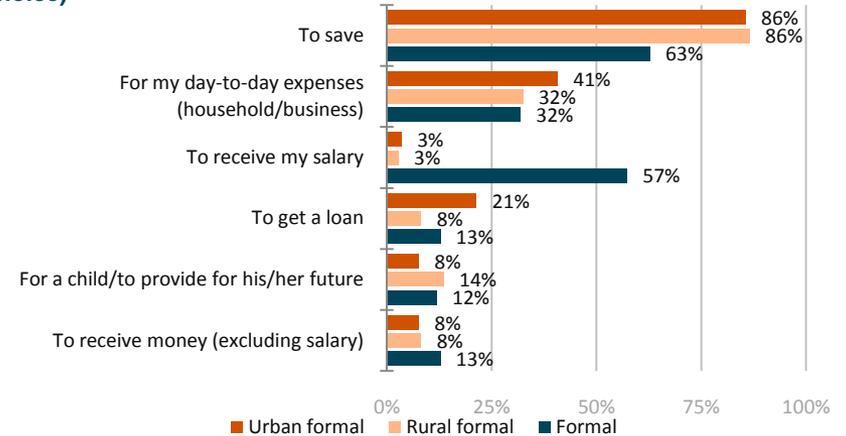
Respondents open an account at a financial institution mainly to save.

- Formal sector employees also open accounts to receive the salary.
- 63% of those who do not hold an account would be interested in one if they could make deposits and withdrawals at a nearby shop.

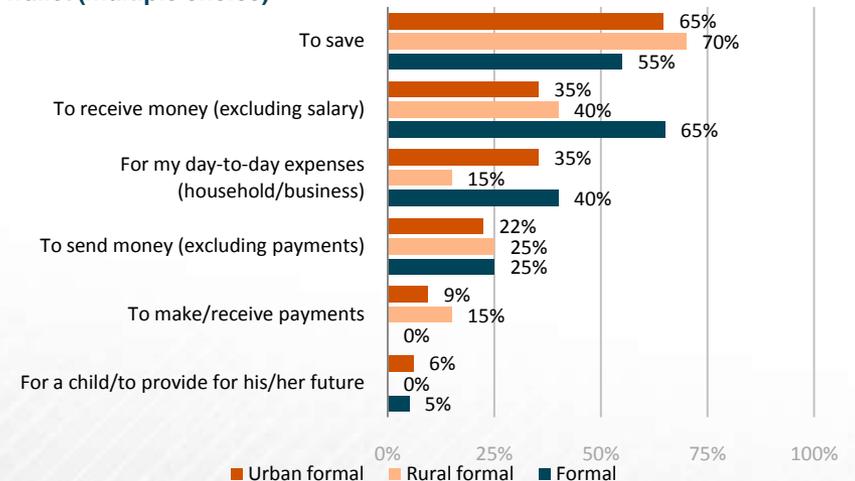
“The nearest banks are one hour’s drive away, it’s more difficult to withdraw money when needed.”

Michèle, ANAN village.

Reasons for opening an account with a financial institution (multiple choice)



Saving and receiving salary are the most common reasons for opening an e-wallet (multiple choice)



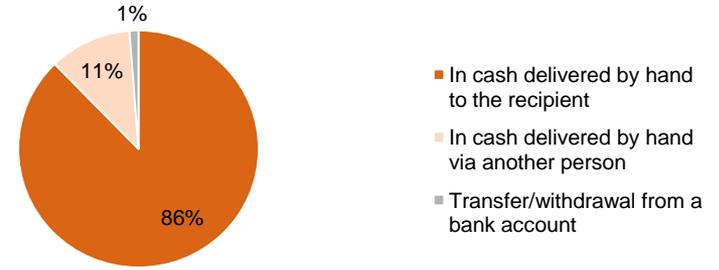
Payments

How do respondents make payments?

86% all payments for goods and services are made in cash directly to the recipient (or sent via another person).

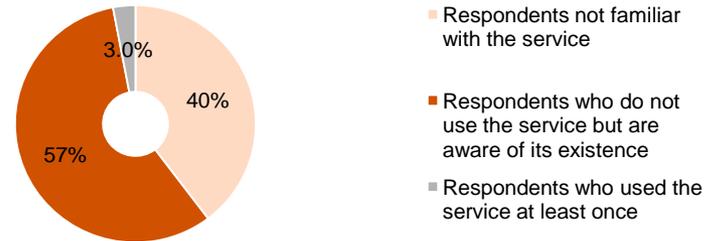
Only 1% of payments are made via transfers/withdrawals from a bank account.

Means used by respondents to pay all types of expenditure



57% of respondents are aware of the existence of the bill payments services (water, electricity) through agent networks but do not use it. Only 3% have made payments via these networks.

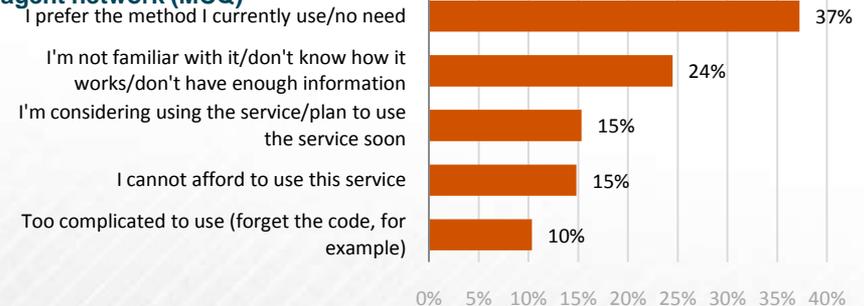
Awareness of the existence of the bill payment services through an agent network



There are 3 main reasons why respondents do not use bill payment services through an agent:

- 37% prefer their current means of payment;
- 24% state they are not well-informed enough to use it;
- 15% plan to use it in the future.

Reasons why respondents do not use the bill payment services through an agent network (MCQ)



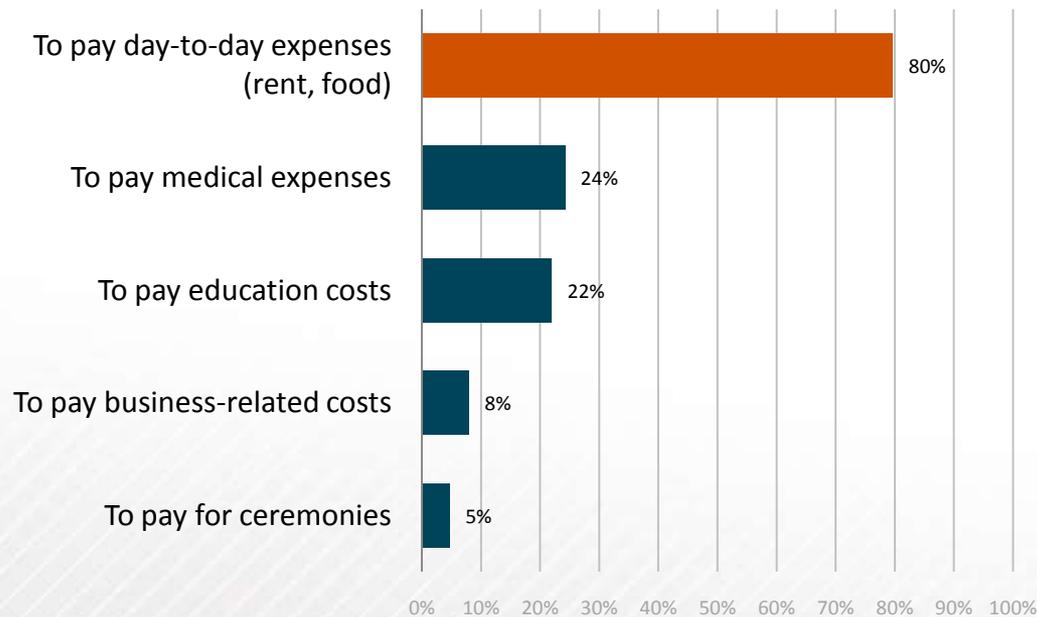
Outgoing Transfers

Why do respondents send money?

Transfers are mainly used for day-to-day expenses and, to a lesser extent, for health and education expenditures.

The large majority of recipients of transfers issued by respondents are relatives (80%).

Common uses for money transfers (multiple choice)



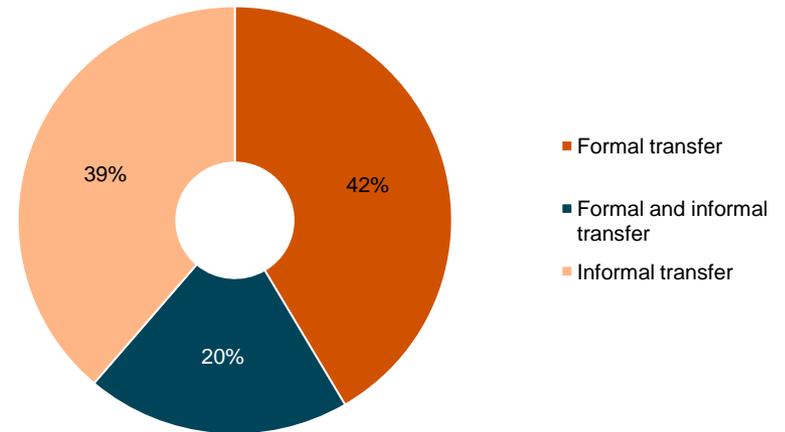
Outgoing Transfers

How do respondents send money?

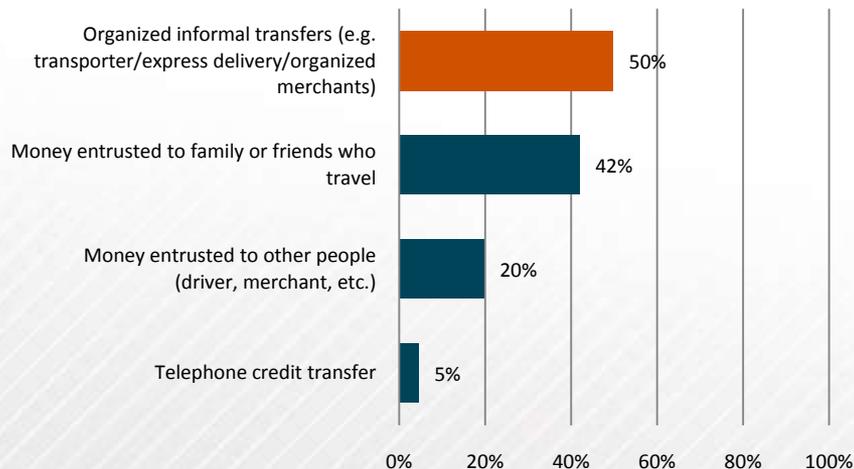
49% of respondents sent money at least once in the last year, either through formal or informal means.

- The trend is much more pronounced amongst respondents working in the formal sector (75%)
- 43% of respondents state that they have sent money several times in the last 12 months.

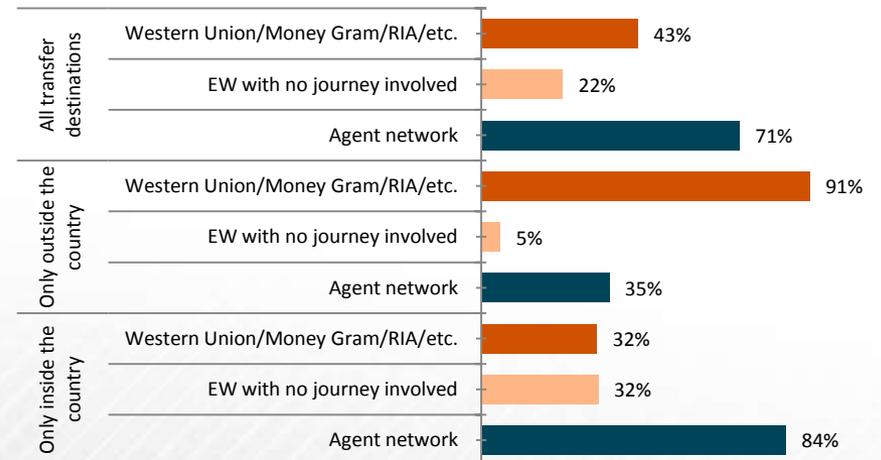
Means used by respondents to issue money transfers



Respondents conduct informal transfers in 4 main ways (multiple choice):



There are 3 primary ways respondents conduct formal transfers, depending on where the money is being sent (multiple choice):



Outgoing Transfers

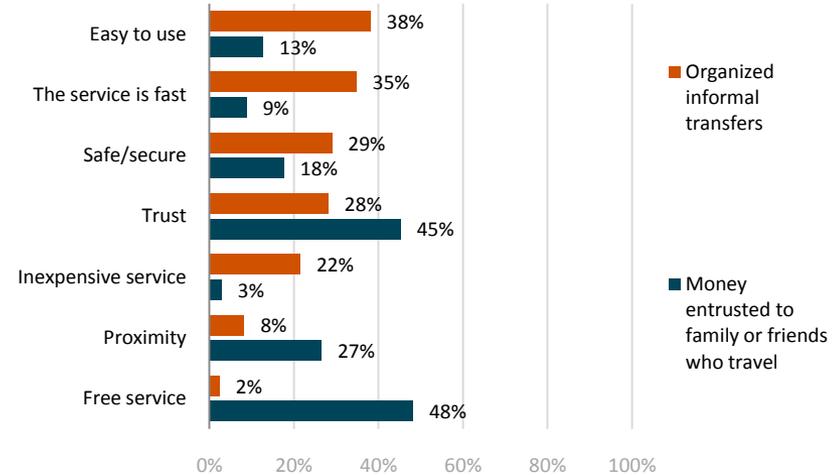
What do respondents like about informal transfer services?

Respondents appreciate the low cost and simplicity of informal transfers.

When funds are sent via family and friends, transfers inspire confidence. When more organized methods are used, people like the speed at which transfers are completed.

However, users are aware of the safety risks involved in sending money via family or friends who travel. "Insecurity is cited as a disadvantage by 35% of respondents.

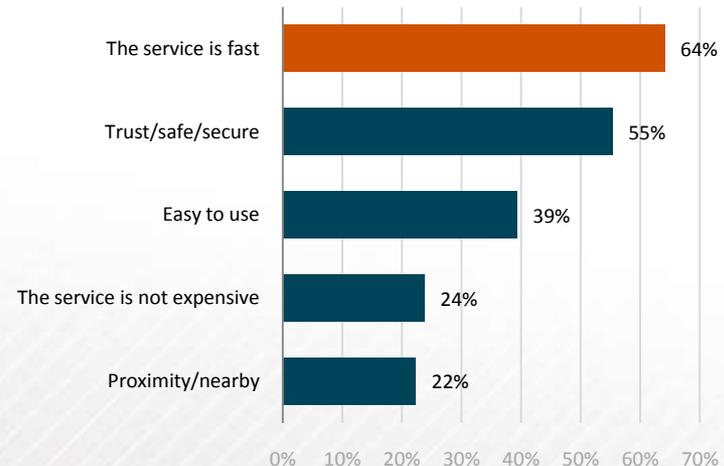
Advantages of most frequently used informal means of sending money (multiple choice)



Transfers via agent networks benefit from strong public awareness: 78% of respondents were aware of these networks.

People who use agent networks appreciate their speed, security and simplicity.

Advantages of sending money via cash deposit with an agent network (multiple choice)



Incoming Transfers

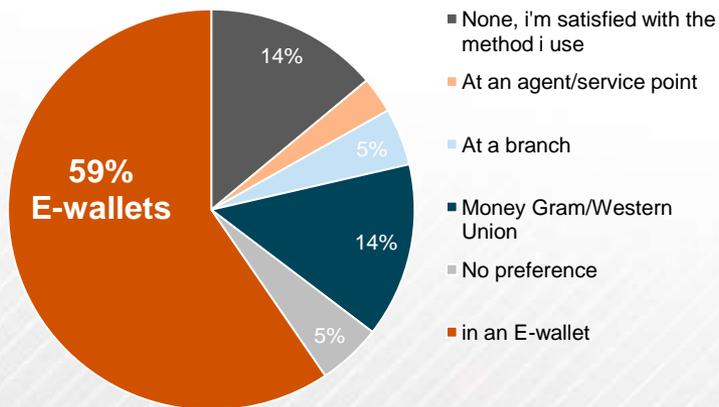
How and how often do respondents receive money?

42% of households have received money in the last 12 months.

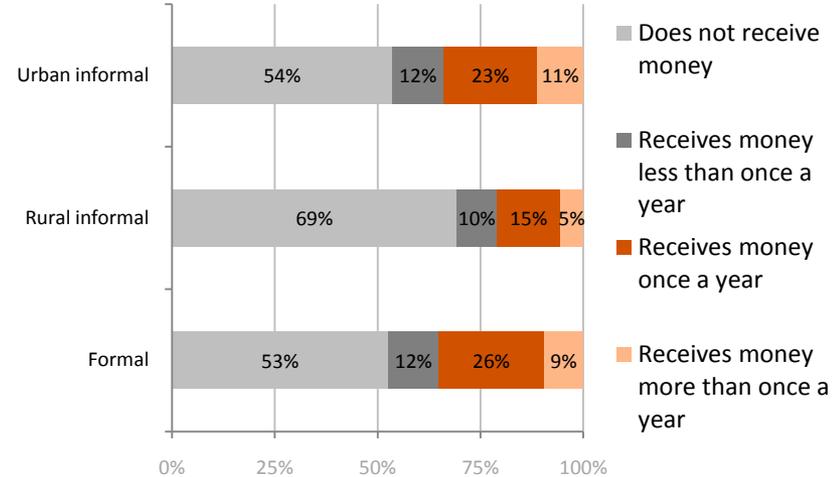
59% of households said that if given the choice, recipients would **prefer to receive money via e-wallet** because it is fast and reliable/secure.

Even though recipients prefer e-wallets, only a very small segment of respondents stated that they use e-wallets to conduct money transfers. More prefer informal services.

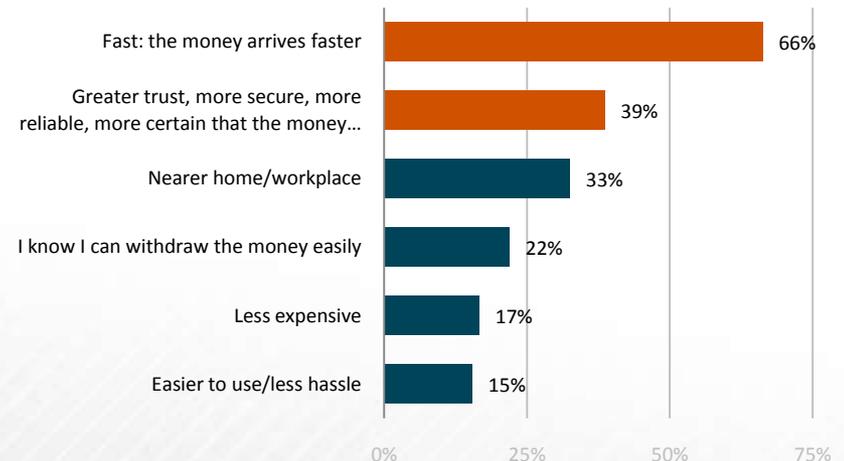
How do you prefer to receive money?



How often do different populations receive money transfers?



Reasons why recipients would prefer to receive money via e-wallet (MCQ)



Borrowing

Who borrows, and from where?

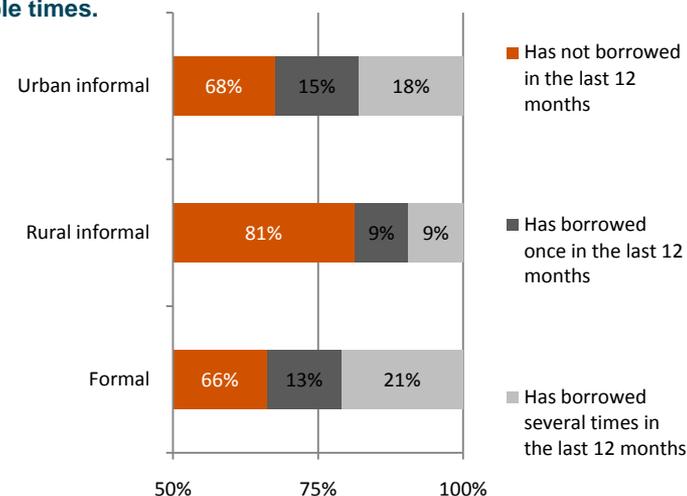
The majority of respondents have not borrowed during the last twelve months (72%).

76% of those who have borrowed have relied on family or friends for funds. Only 7% borrowed from banks, and only 7% have borrowed from microfinance institutions.

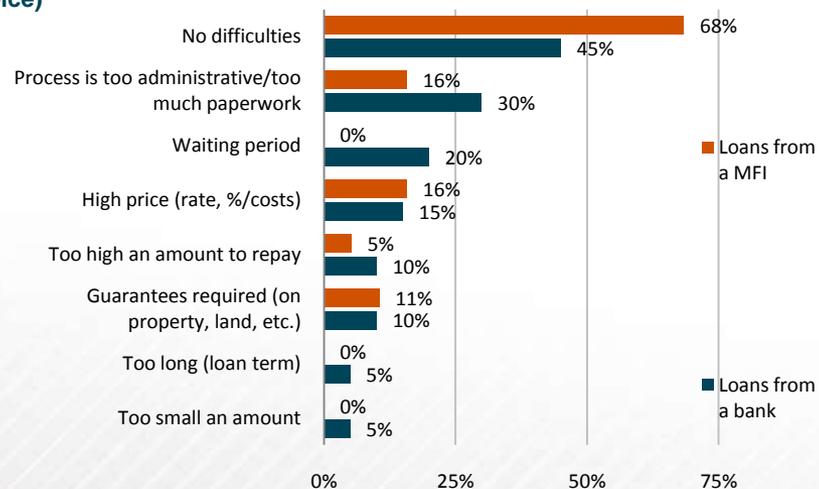
The majority (68%) of respondents who have borrowed from a microfinance institution have not encountered any difficulties. However, only 45% of respondents who borrowed from banks report no difficulties.

Administrative processes and the waiting period are common complaints by people who have borrowed from banks.

Rural respondents in the informal sector were the least likely to have borrowed in the past year. Form sector workers were the most likely to have borrowed multiple times.



Difficulties encountered when the lender is a financial institution (multiple choice)



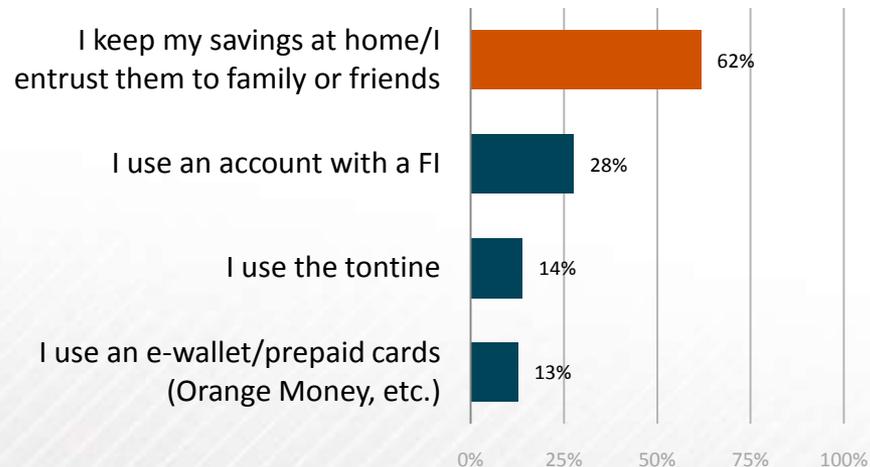
Saving

Who saves, why and how?

82 % of respondents save.

- 22% save daily, but most save monthly.
- 75% of savers are motivated by covering unexpected costs, but 29% save to develop/create a business.
- Respondents tended to keep savings at home or entrust them with a friend/family member so that funds would be easily available and did not require a journey to be retrieved.
- However, 72% responded that accounts have a distinct advantage of being “secure.”
- 55% of respondents have heard of the e-wallet as a means of saving.

62% of savers keep their savings at home or entrust them to a friend (multiple choice)



Insurance

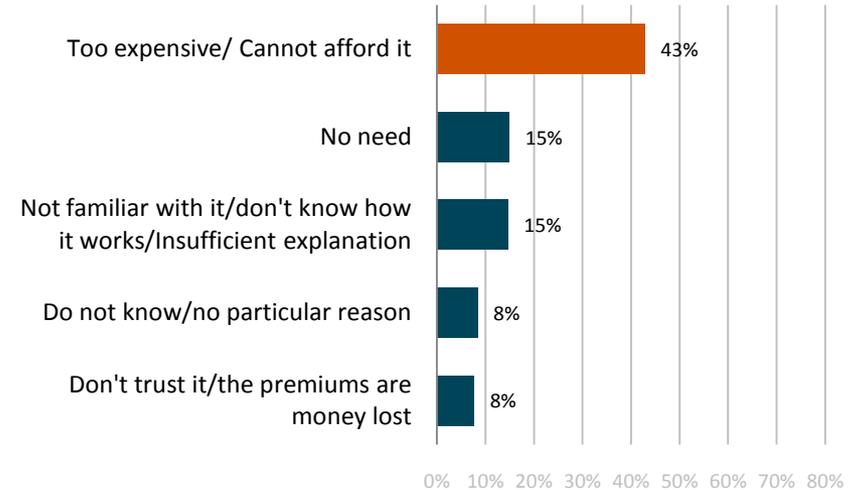
What drive insurance uptake?

83% of respondents have heard of at least one type of insurance.

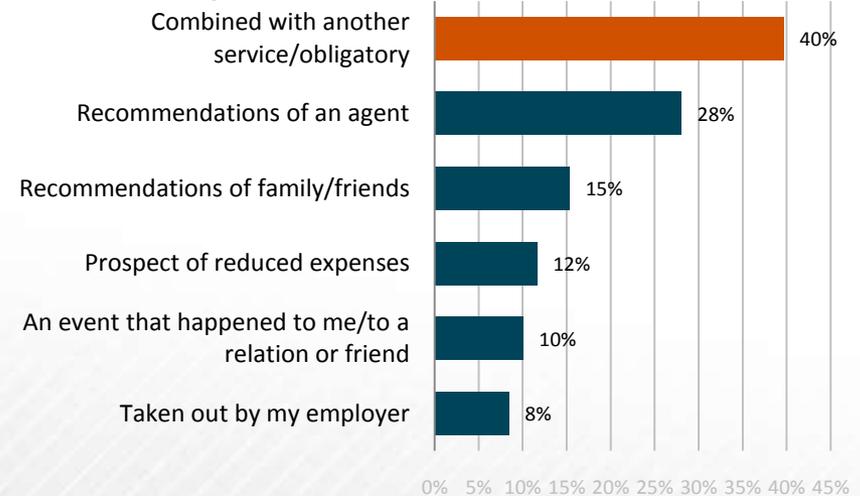
But uptake is relatively low. 8% of households have taken out health insurance in the last two years and 7% have taken out vehicle insurance.

40% of respondents who have taken out insurance have done so because it was bundled with another service and was obligatory. Another 28% trusted the recommendations of an insurance agent.

Cost is the most significant barrier to insurance uptake.



Reasons for having taken out insurance (MCQ)



This report was completed in partnership with EY and Horus Development Finance.

CGAP

Advancing financial inclusion to improve the lives of the poor

