

# The Dynamics of Kenya's Changing Financial Landscape

Highlights of the 2009  
FinAccess Survey

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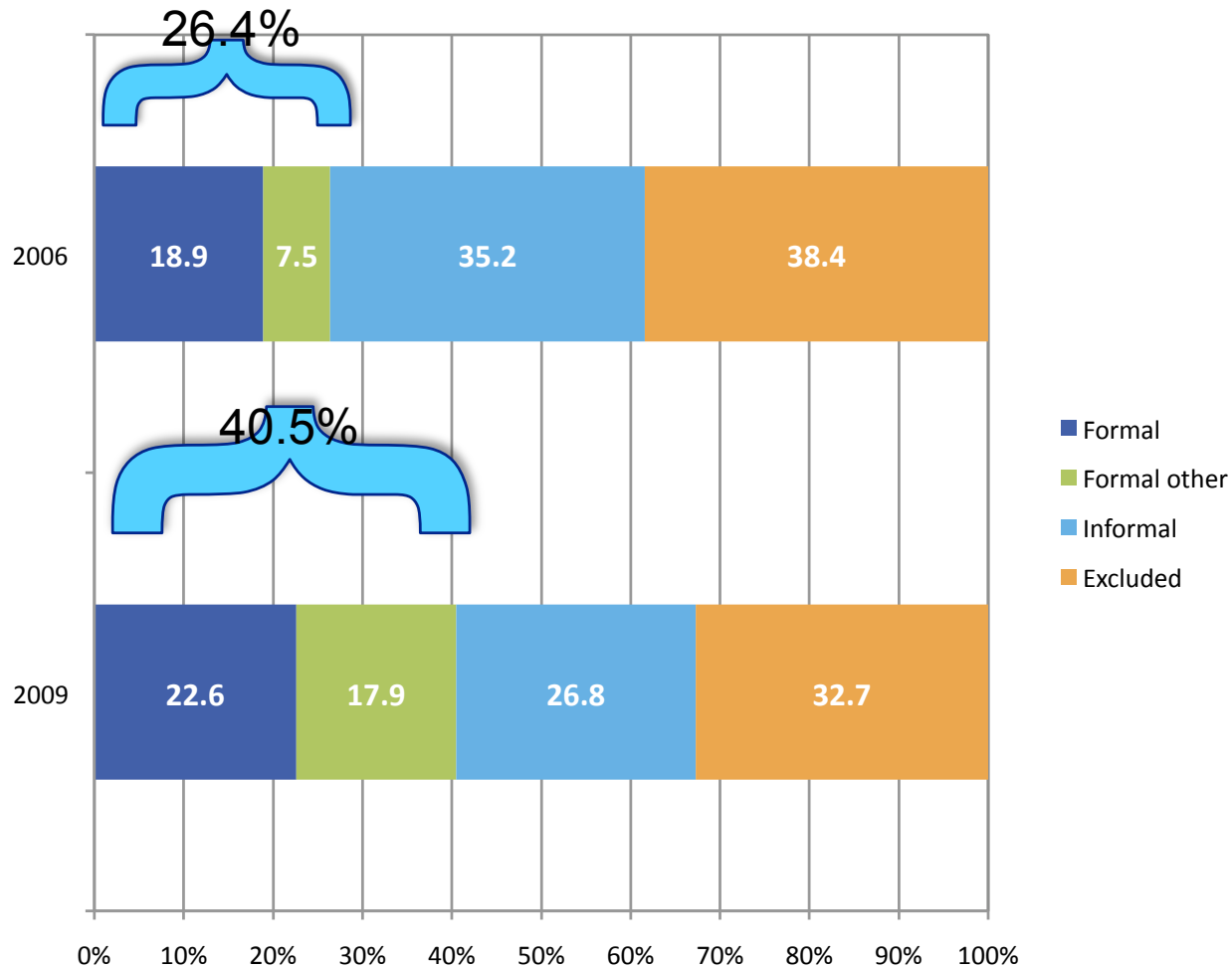


## Objectives of FinAccess 2009:

- Empirical basis to **track progress**
- Provide information to the private sector about **market opportunities**
- Provide information to **policy** makers about the main barriers to access, and options for **reforms**
- Academic **research** into impact on growth and poverty reduction



# Track Progress – Reducing Exclusion





## Track Progress – Reducing Exclusion



Population (18+):

2006 – 17.4 million

2009 – 18.7 million



Excluded:

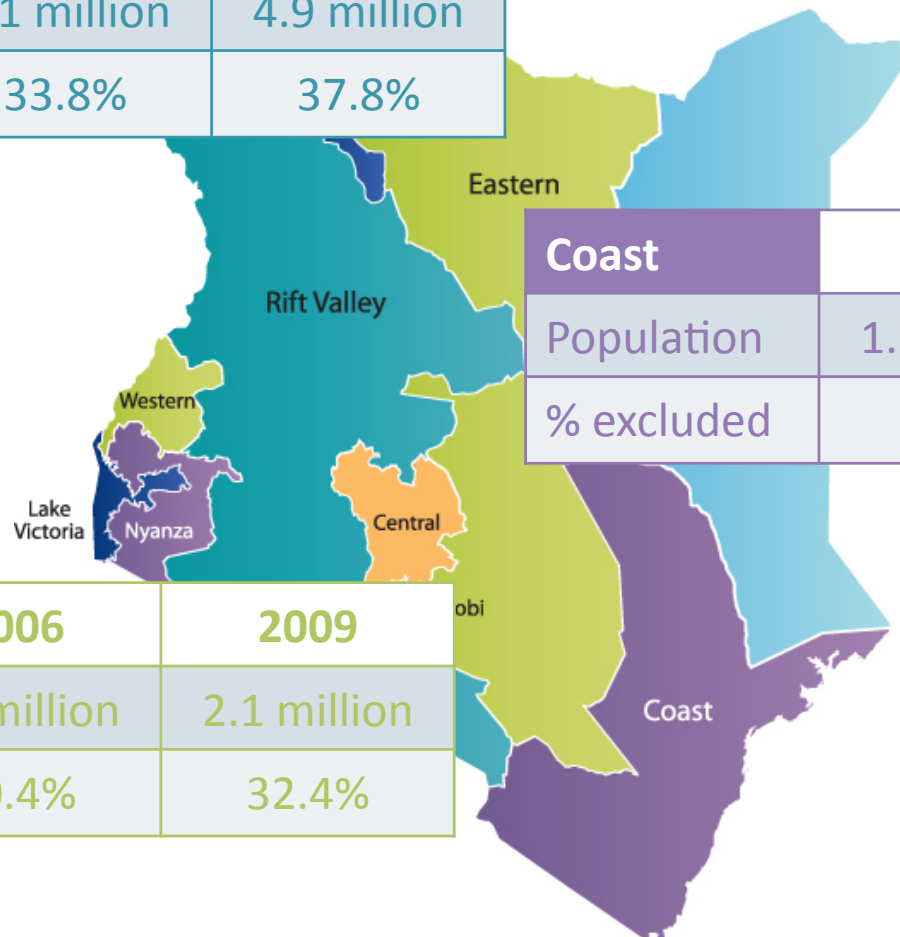
2006 – 6.7 million

2009 – 6.1 million



# Track Progress – Reducing Exclusion

Rift Valley	2006	2009
Population	4.1 million	4.9 million
% excluded	33.8%	37.8%

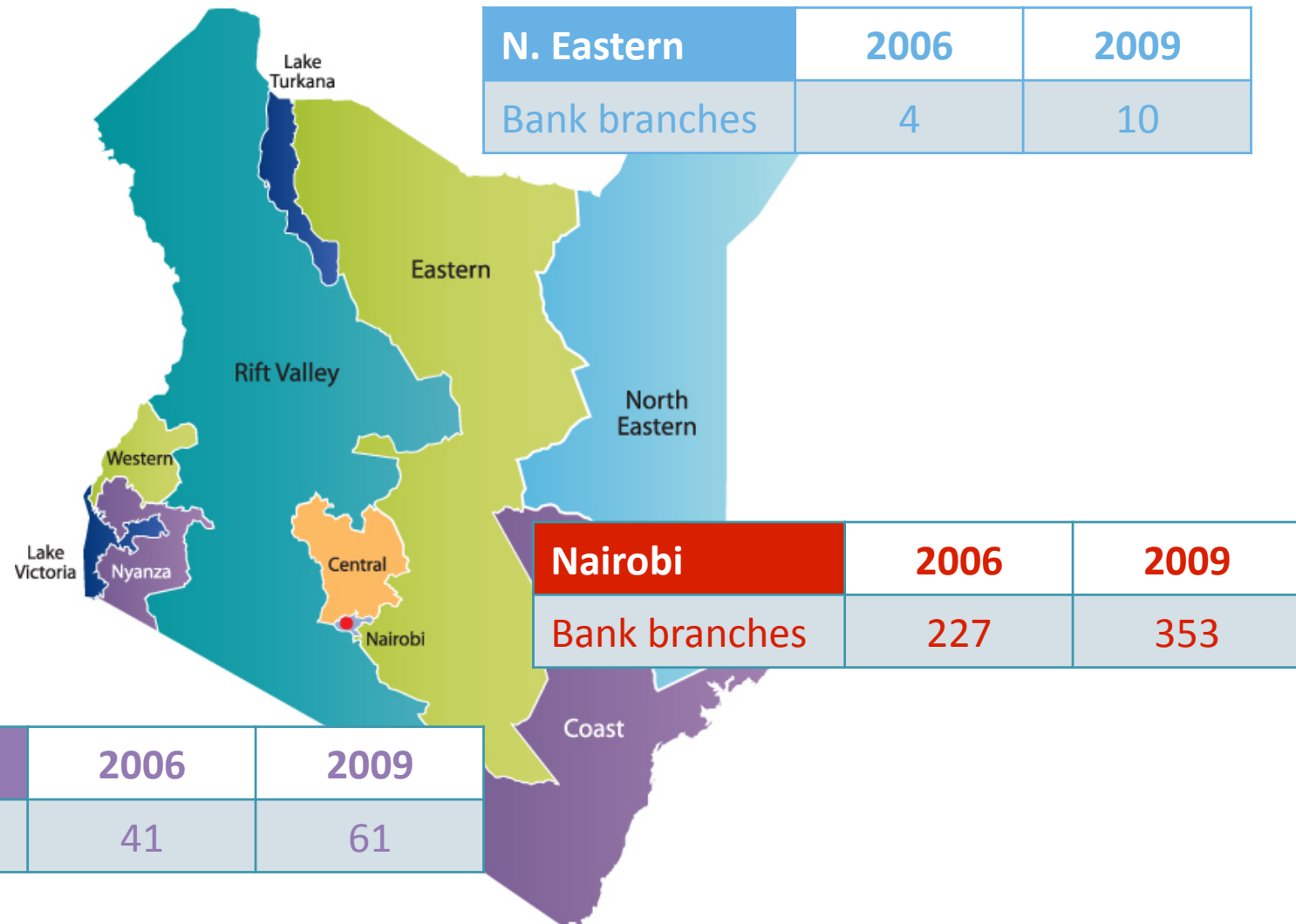


Coast	2006	2009
Population	1.6 million	1.7 million
% excluded	70.6%	38.1%

Western	2006	2009
Population	1.8 million	2.1 million
% excluded	50.4%	32.4%

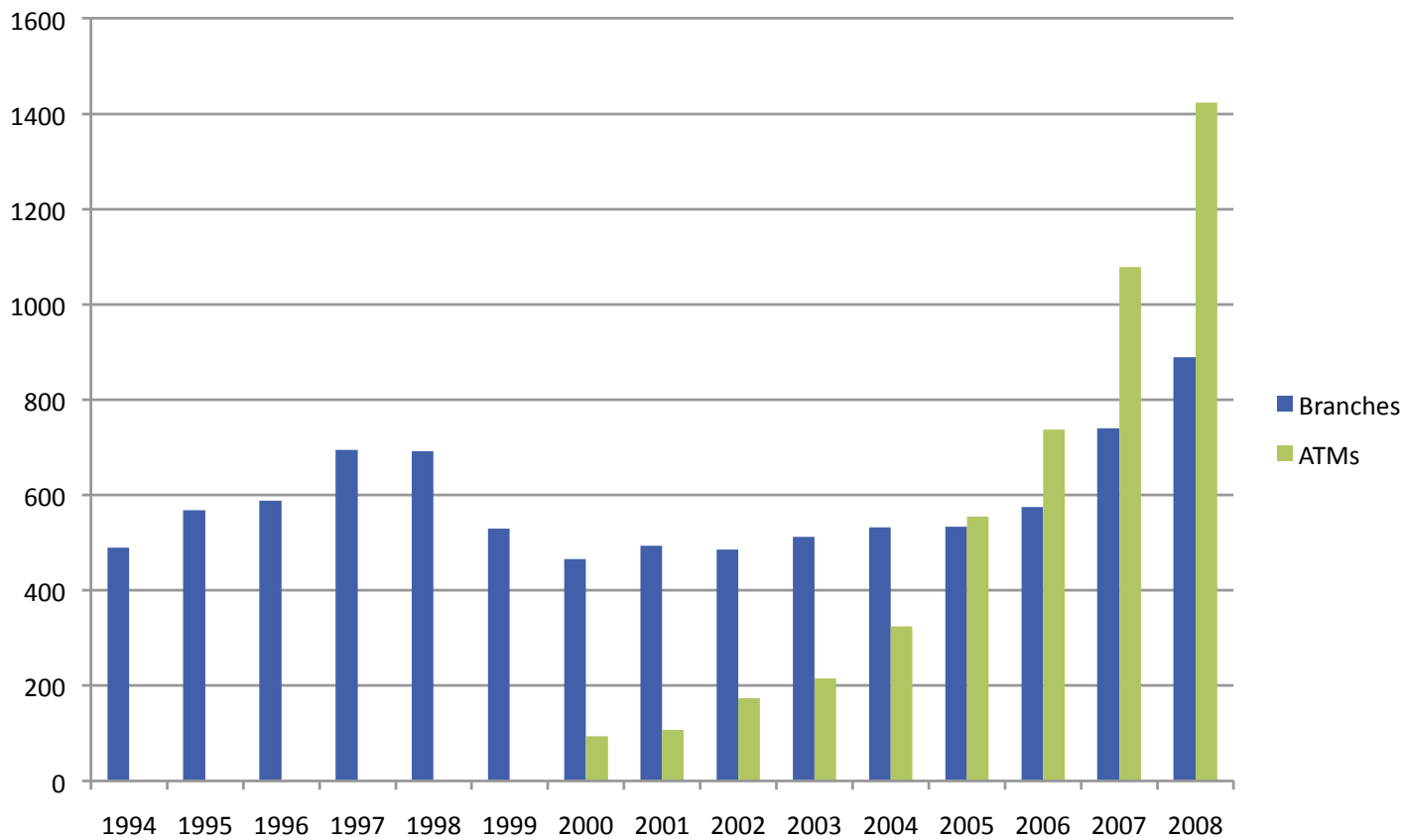


# Track Progress – Geographical Outreach





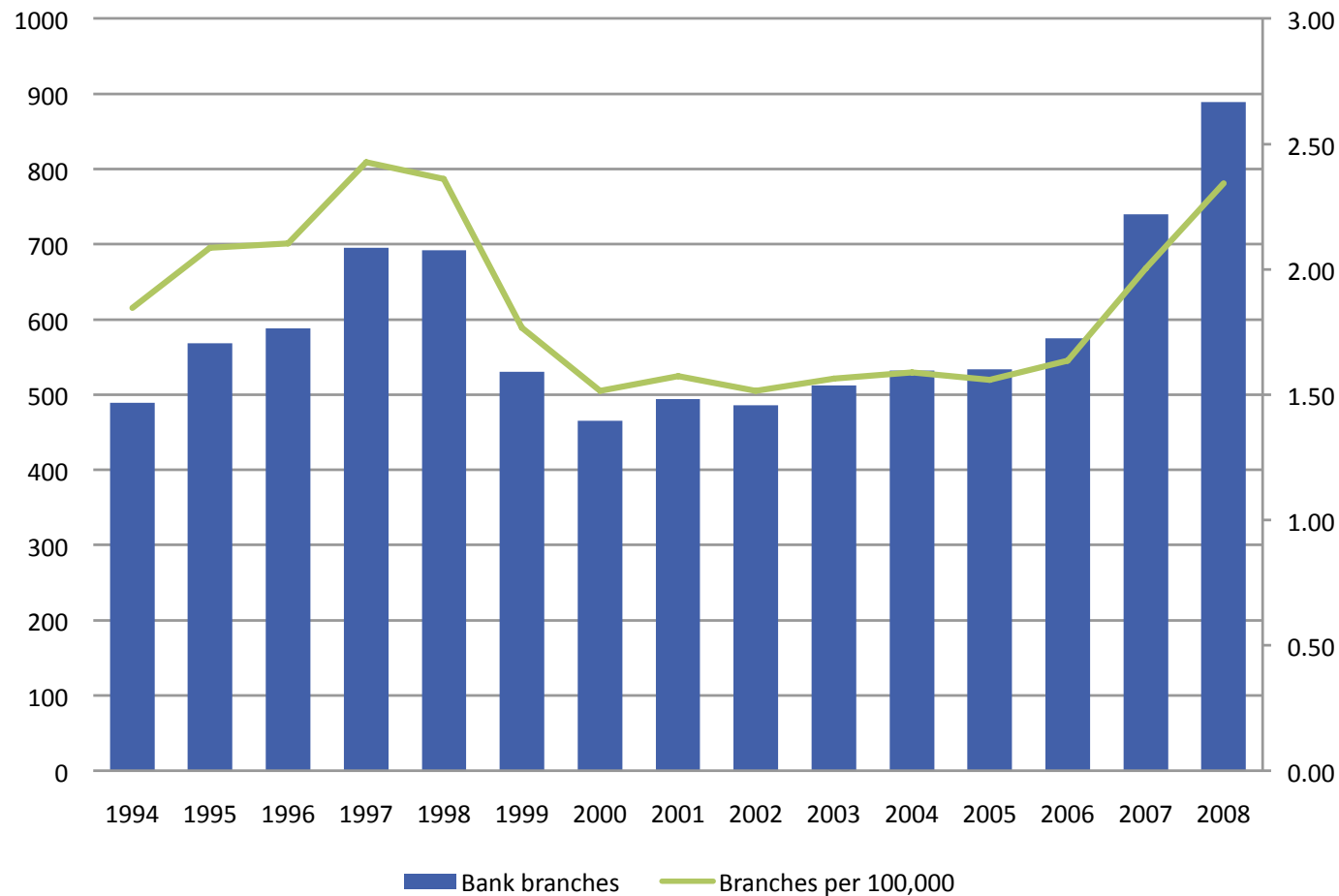
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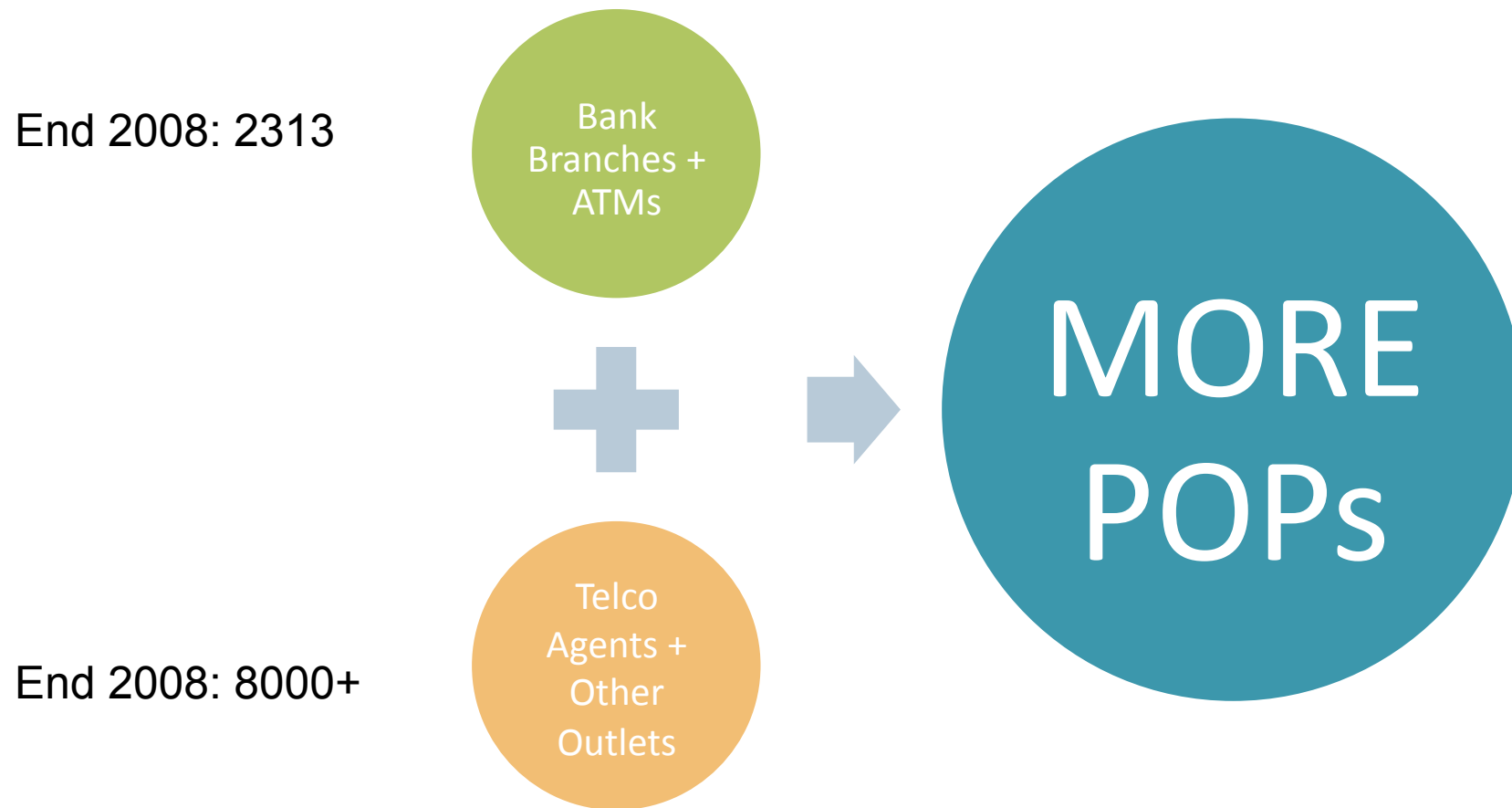


Bank branches



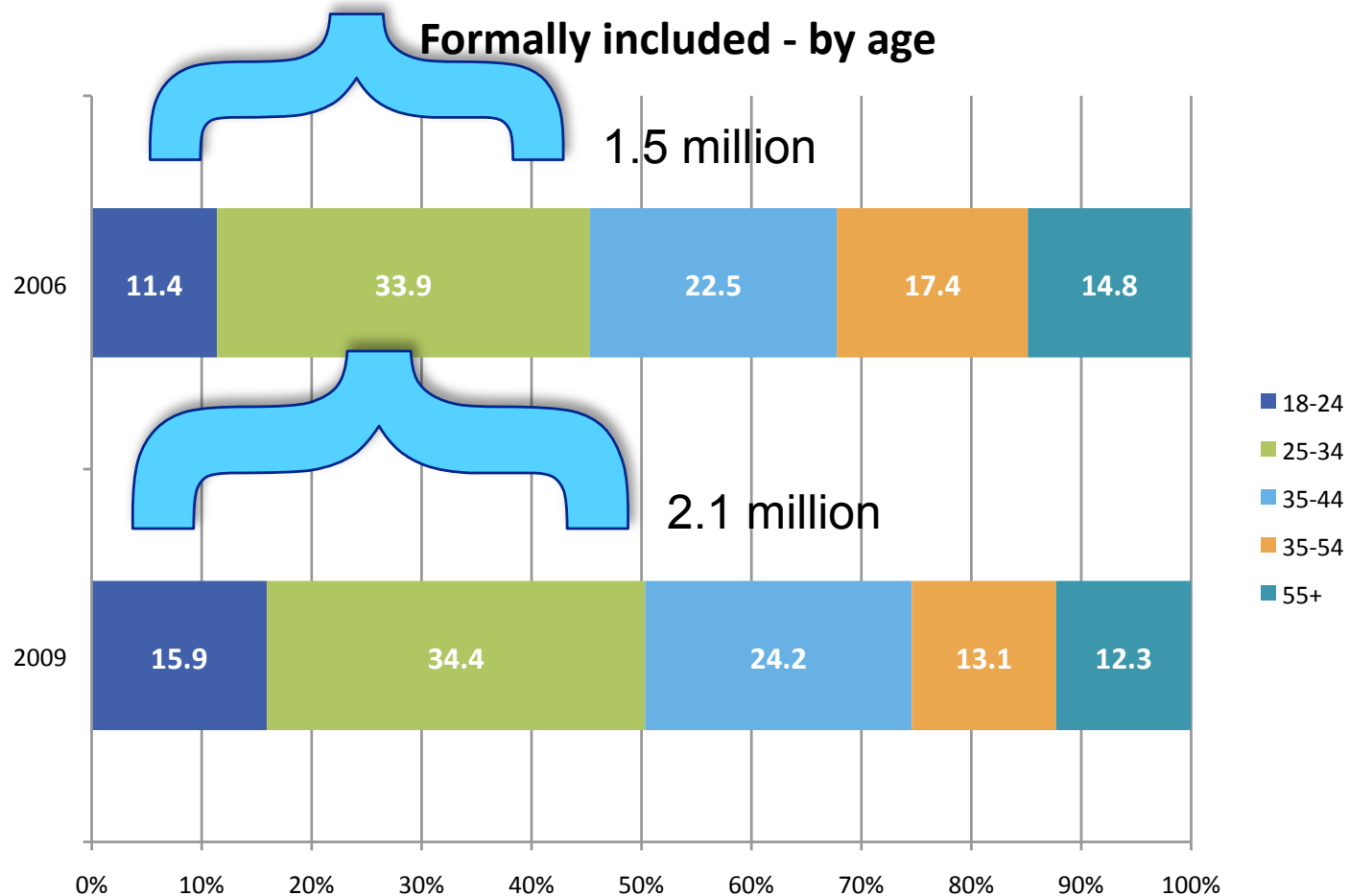


# Track Progress – New Delivery Channels





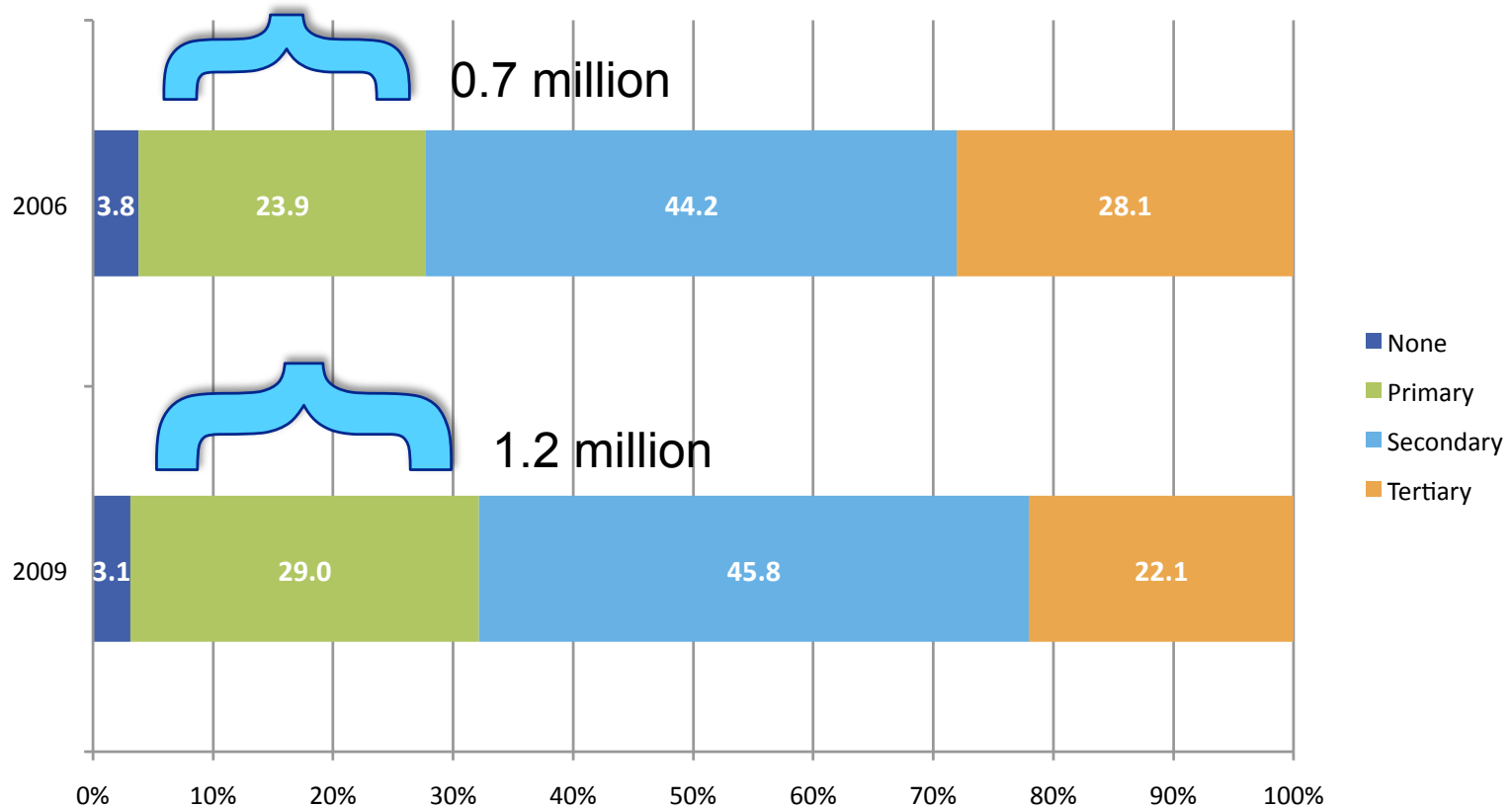
# Market Opportunities – Who are the newly included?





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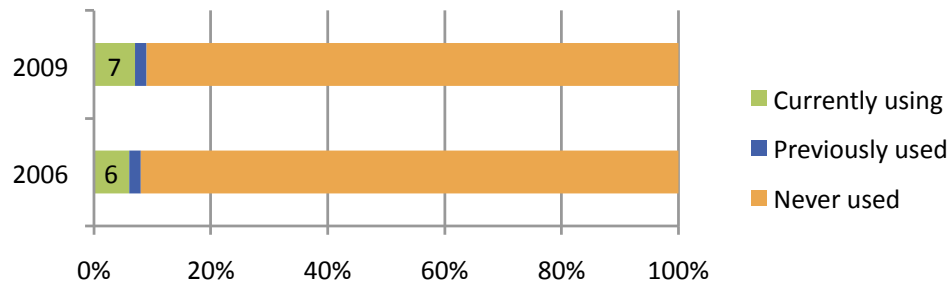
### Formally included - by education





# Market Opportunities – Linkages with Insurance

Insurance usage

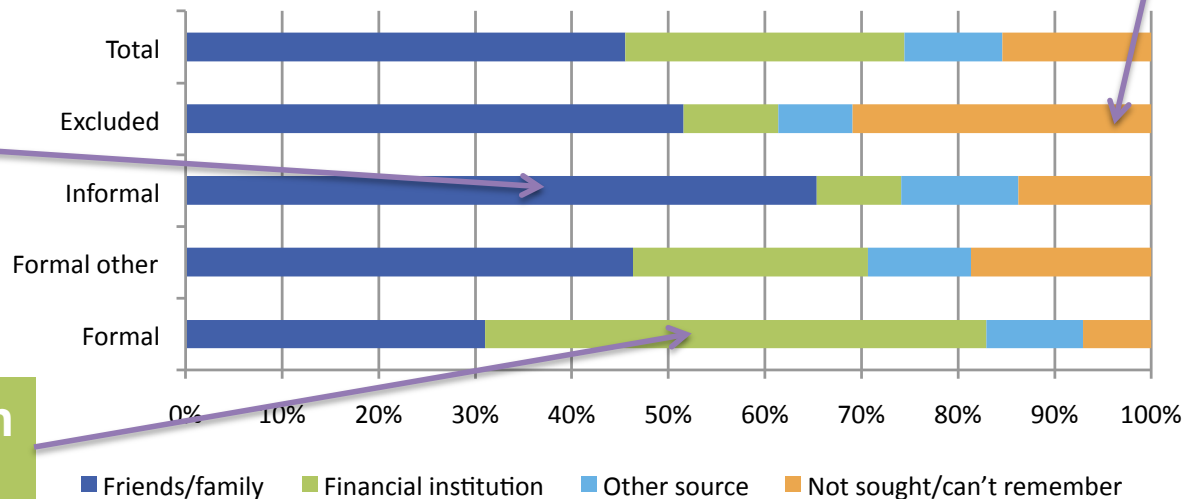


Sources of financial advice?

Excluded: don't ask for advice?

Informal: rely mostly on friends and family

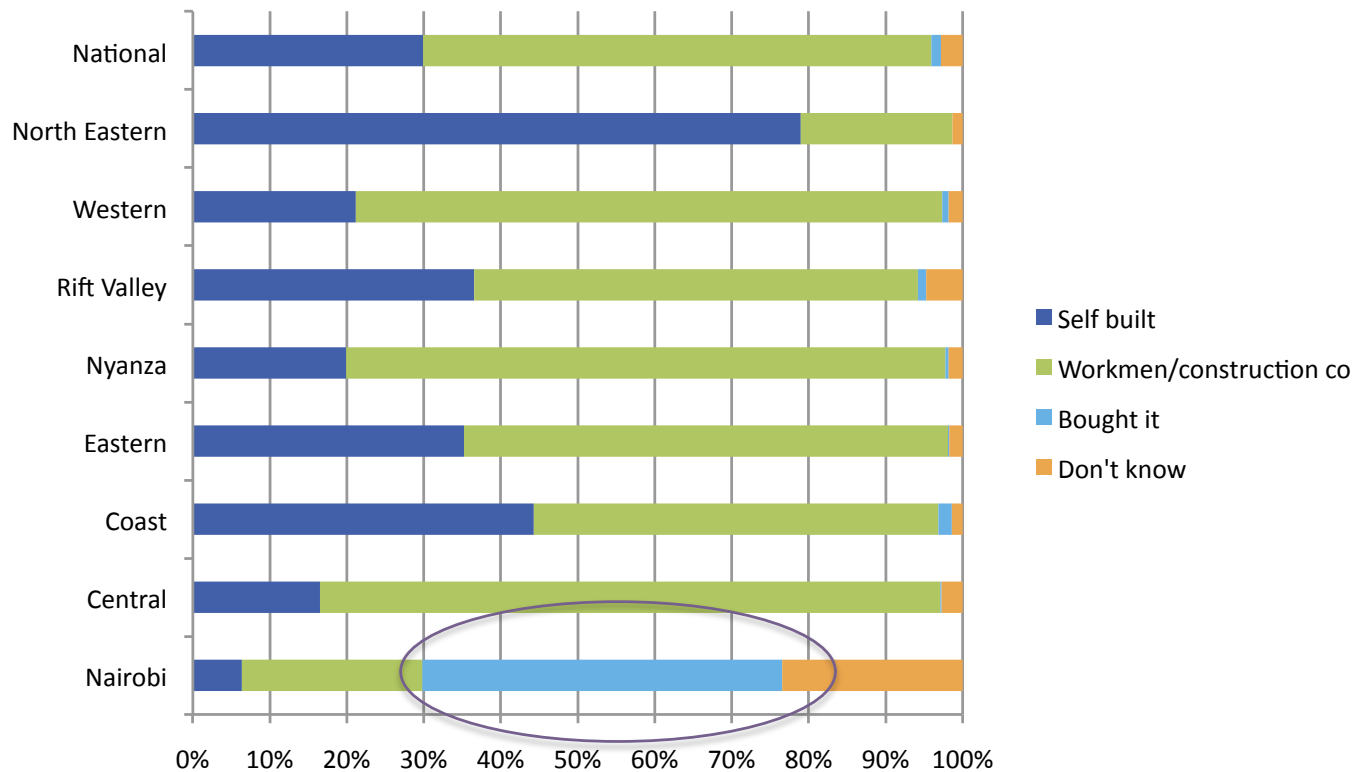
Formal: rely mostly on financial institution



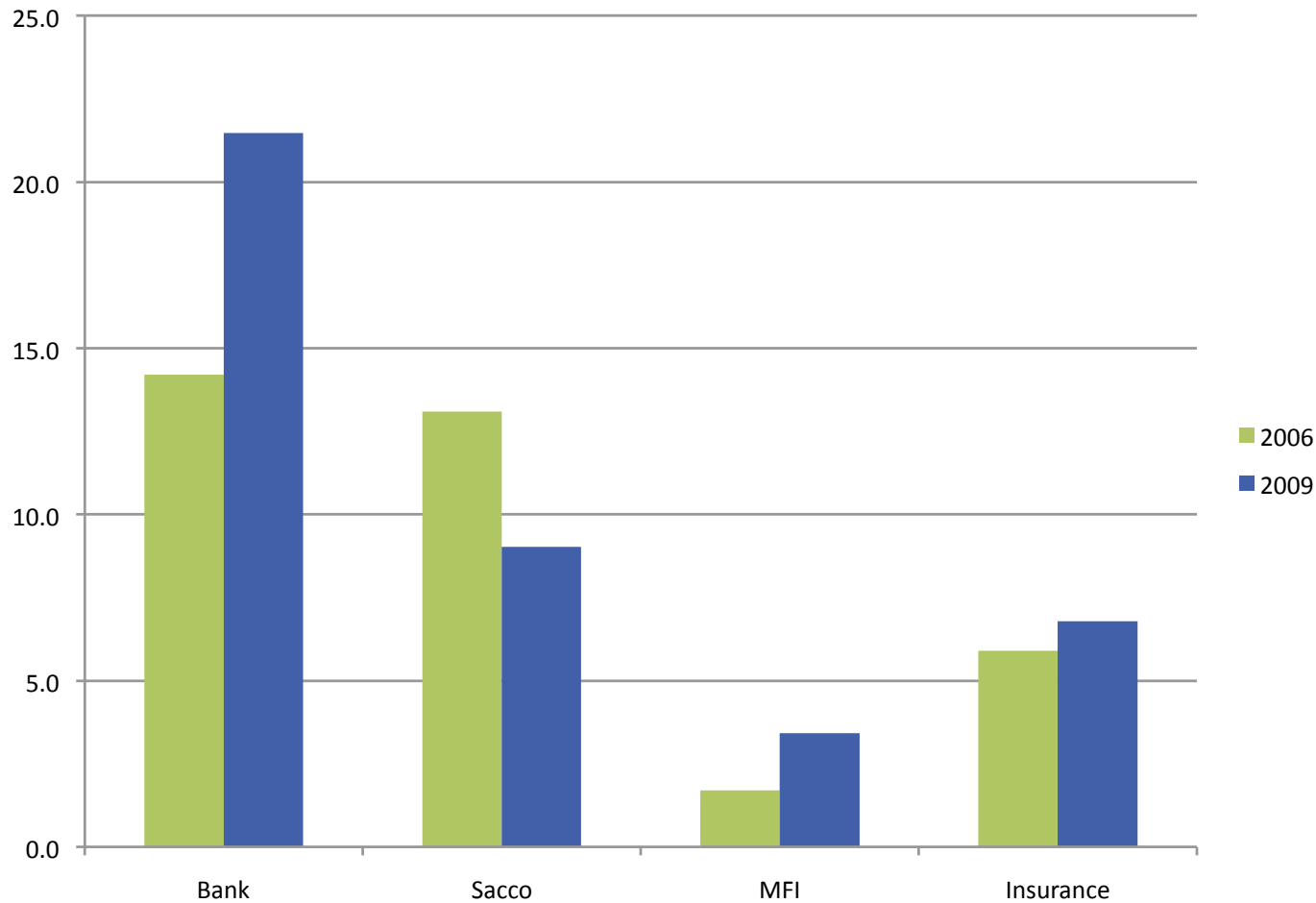


# Market Opportunities – Linkages with Housing

## Home construction



# Policy Implications – What type of institutions are increasing inclusion?





# Policy Implications – What type of products are increasing inclusion?



Ownership -  
2009: 47.5%



2006: 26.9%



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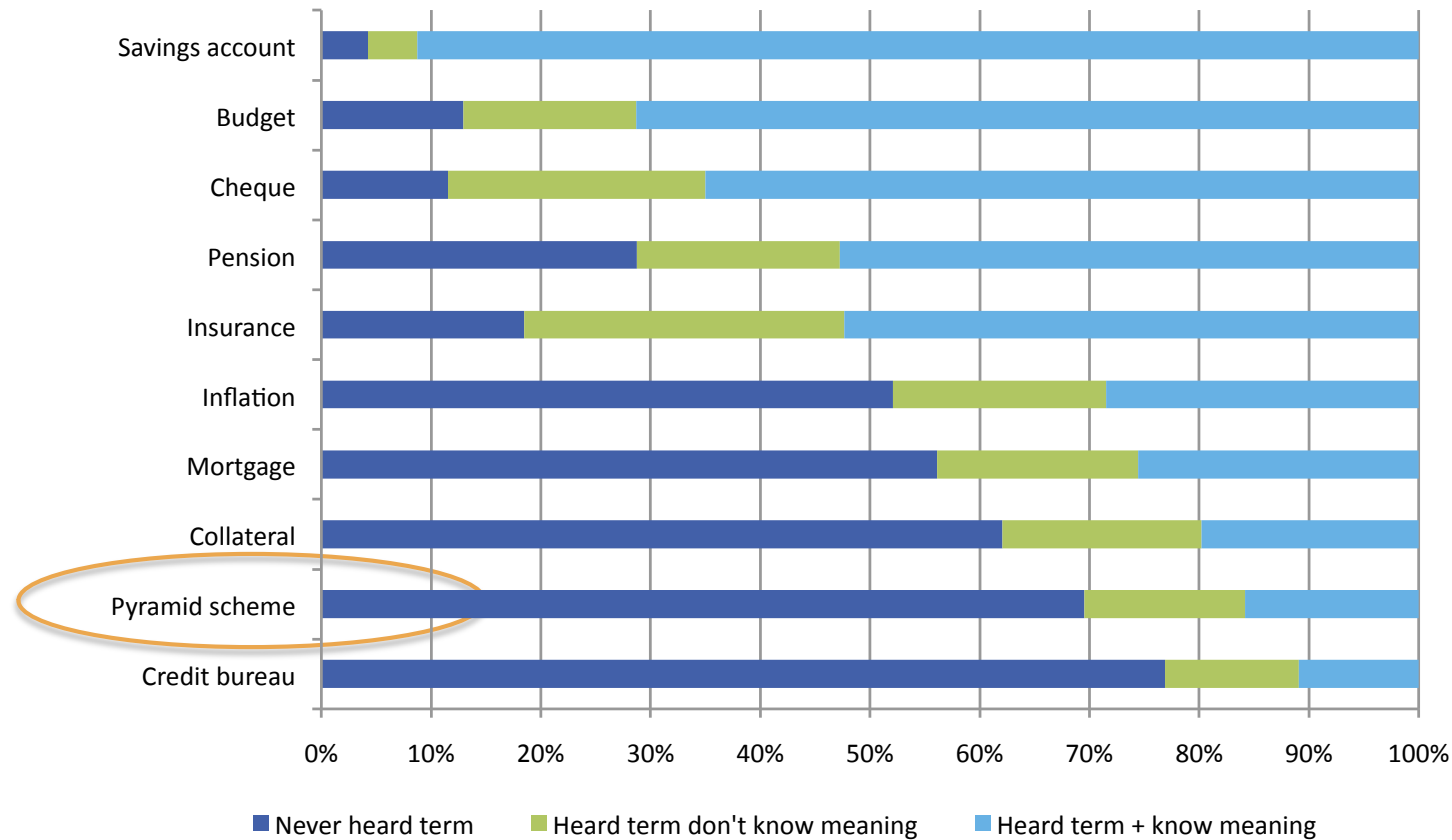
## Research – What are the dynamics of usage?

Inclusion category	Service provider	Outreach 2006	Outreach 2009
		(millions)	(millions)
Formal	Banks	2.5	3.8
	PostBank	1.0	0.5
	Insurance	1.0	1.3
Formal - other	SACCOs	2.3	1.7
	MFIs	0.3	0.6
	M-PESA (registered)	-	5.2
Informal	ASCAs	0.1	1.5
	ROSCAs	5.1	5.9
	Other informal	4.3	4.8
<b>POPULATION</b>	<b>18+</b>	<b>17.4</b>	<b>18.7</b>



# Research – Does financial literacy matter?

## Knowledge of financial terms





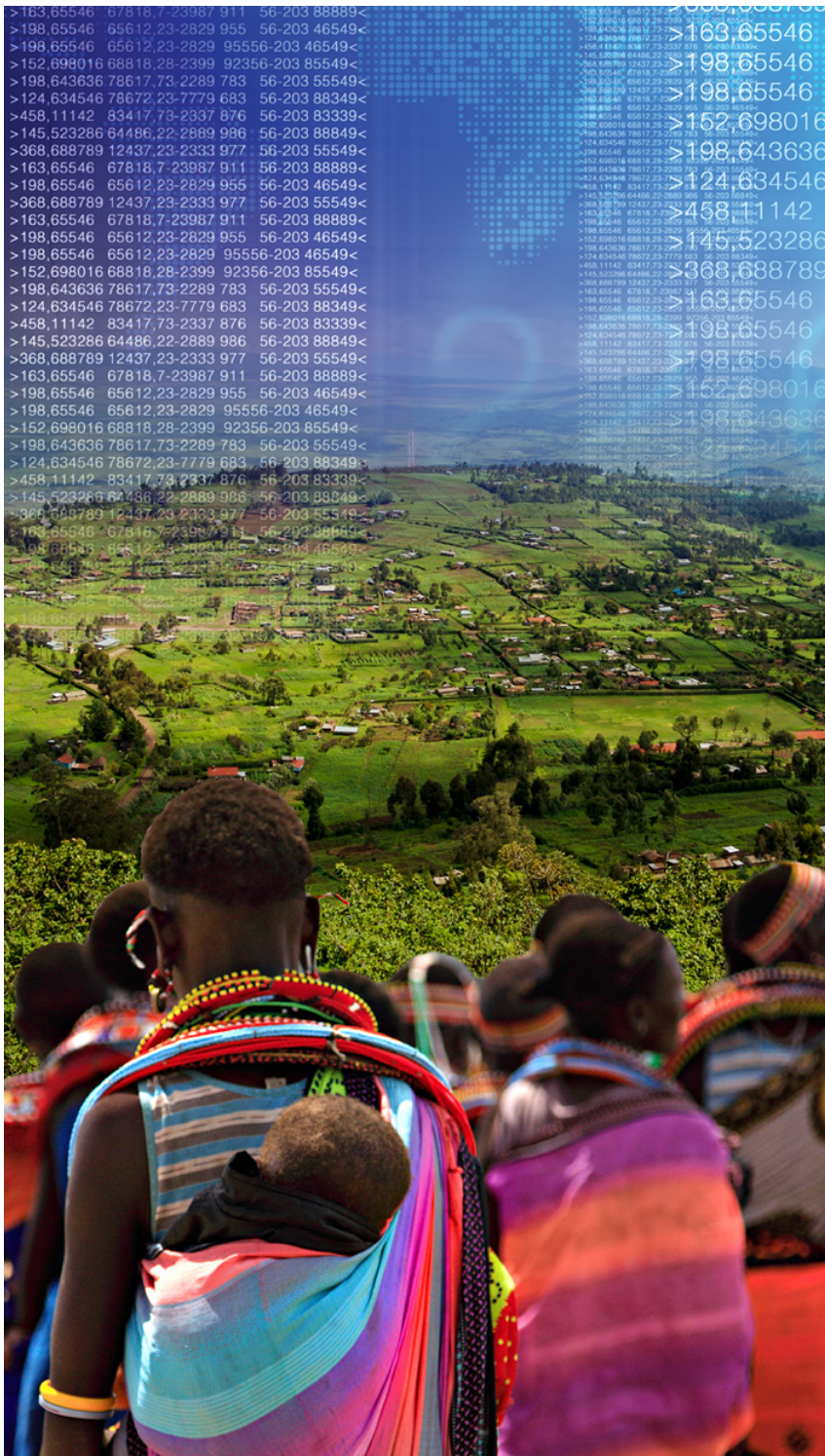
## Why are the FinAccess results reliable?

- Nationally representative survey using KNBS sampling frame, based on census
- Statistically valid multi-stage sampling techniques, to randomly select clusters, households and respondents
- Sample of over 6,000 individuals interviewed, weighted back to population
- Questionnaire administered in ten languages; thorough training, field checks and ongoing supervision



## In summary:

- Reduction in number of excluded (2006: 6.7m; 2009: 6.1m)
- Increase in proportion financially served (2006: 26.4%; 2009: 40.5%)
- Government pro-market reforms showing results
- Need to realise full potential of technology
- Need to revitalise SACCO sector
- More research needed (using existing datasets; new studies)



[www.fsdkenya.org/finaccess](http://www.fsdkenya.org/finaccess)

[www.centralbank.go.ke](http://www.centralbank.go.ke)



