



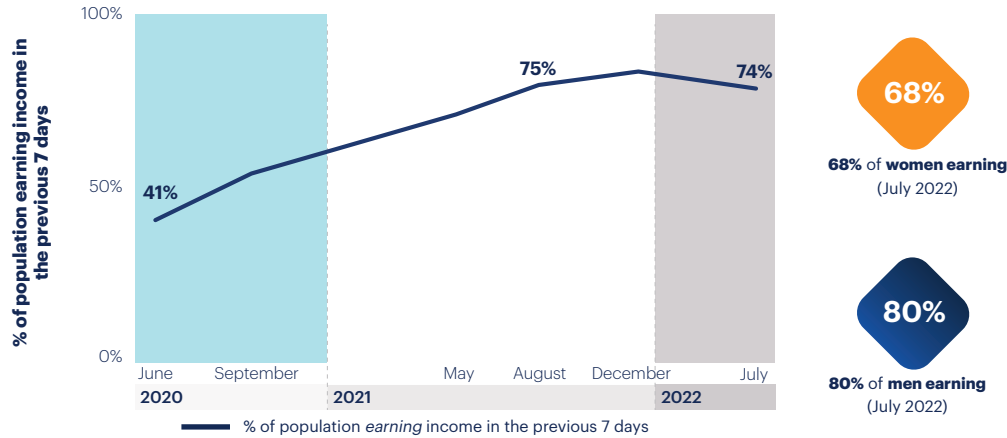
### Income, jobs and remittances

Jobs and income appear stable over the past year between August 2021 and July 2022. However, income patterns by residence reveal that urban *earners* are under pressure, with a marked decline both in the % *earning* income in the past 7 days and the amount earned.

This appears to have impacted remittance sending with the average amount sent by households declining by 25% since the same time last year.

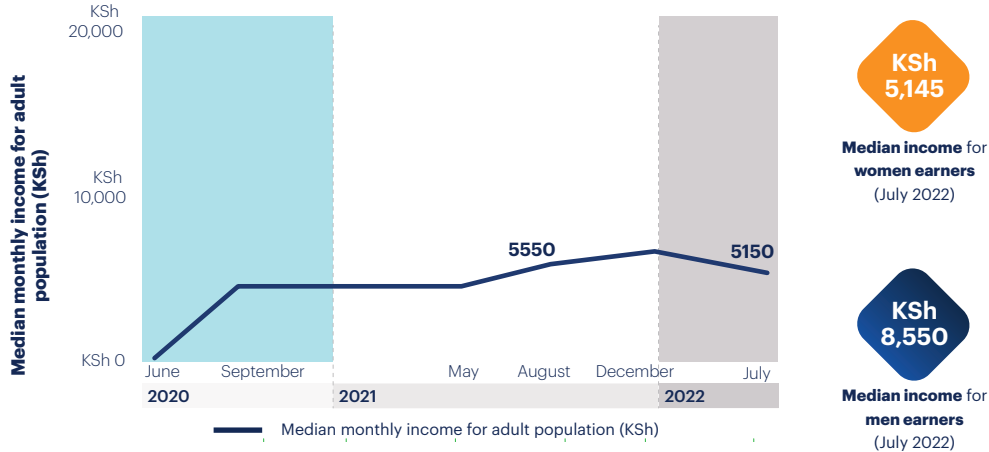
#### The % of the population earning income has remained stable over the past year

between August 2021 and July 2022.



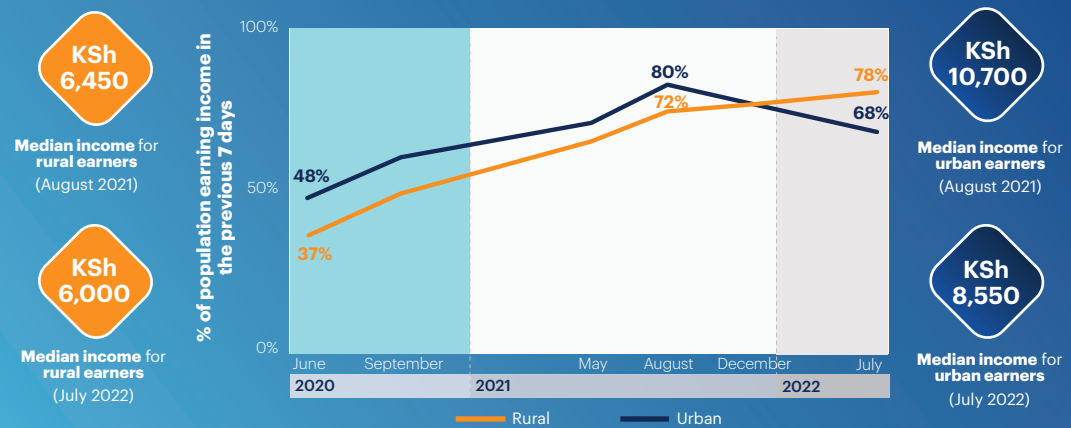
#### Median income across the population has also remained stable over the past year

although there has been a decline between December 2021 and July 2022

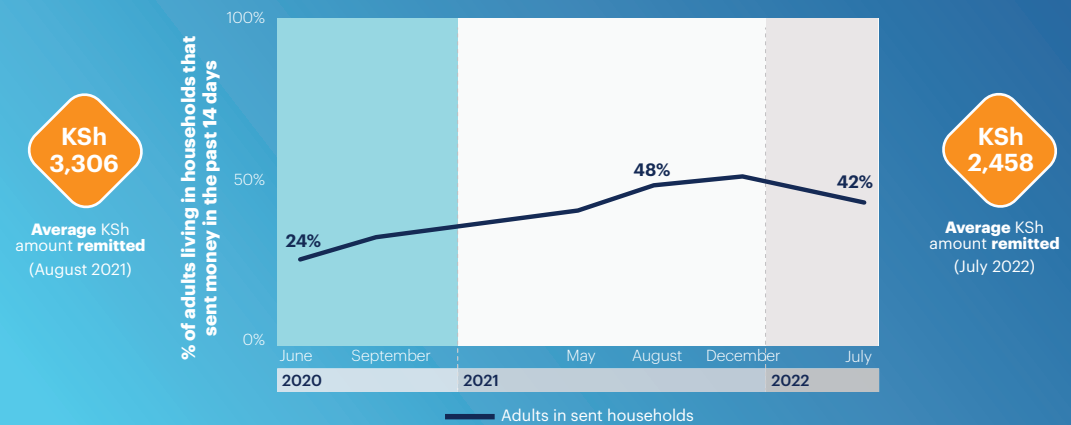


#### Despite overall stable earnings year-on-year urban income earners are under pressure.

The % of urban earners and their median earnings have declined



#### Pressure on urban earners has impacted remittances, with the average amount being remitted declining by 25% compared with the same time last year.



### Basic needs, resilience and coping

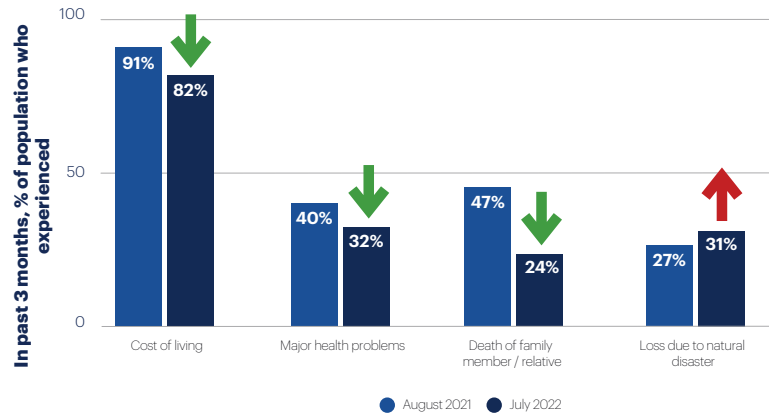
Meeting basic needs is an increasing concern for Kenyans. The rising cost of living constitutes a major financial shock for a large majority of households and a growing percentage mention the financial impacts of drought. More households are cutting back on food expenses in 2022, and food insecurity is rising.

Access to medicine, largely due to cost, is becoming more difficult even as health and mortality shocks have gone down since 2021. At the same time, options for coping with liquidity shortfalls are diminishing. People are less likely to turn to credit and savings to cope with basic needs, possibly because these sources are less available- indeed, 9 out of 10 say their savings have declined since this time last year.



### The rising cost of living continues to affect most Kenyans.

Health and fatality shocks have declined as the pandemic eases.

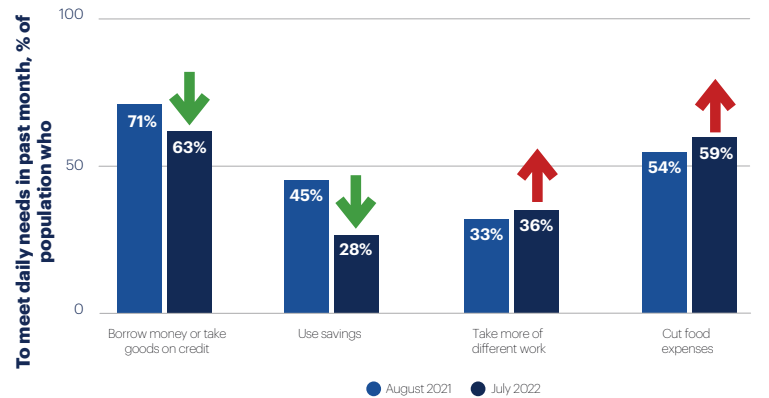


**Rising Cost of Living**

# 82%

82% of the population cited rising cost of living as a major financial shock (July 2022)

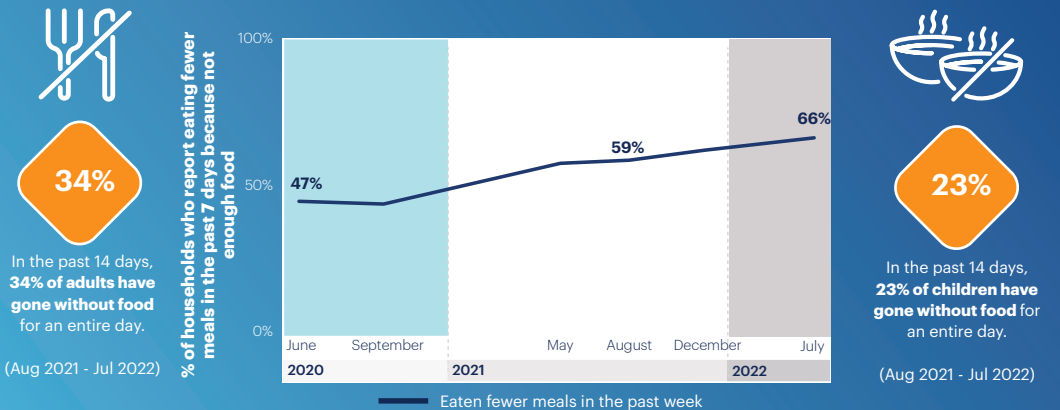
### Fewer people rely on borrowing and saving to cope with liquidity shortfalls, possibly because these sources are drying up. But more people are cutting expenses and looking for work to survive



# 89%

89% of those with savings say their savings have declined since this time last year (Aug 2021 - Jul 2022)

### Food insecurity is rising as 66% of households claim to have eaten fewer meals in the previous week. One in three adults and almost one in four children have gone without food for an entire day



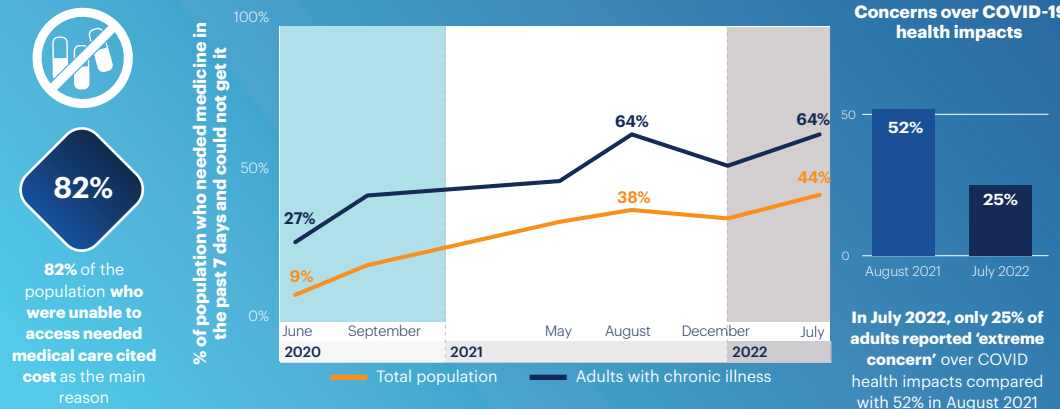
# 34%

In the past 14 days, 34% of adults have gone without food for an entire day. (Aug 2021 - Jul 2022)

# 23%

In the past 14 days, 23% of children have gone without food for an entire day. (Aug 2021 - Jul 2022)

### In July 2022, 44% of the population could not access medicine/medical care when needed, mainly because they could not afford it.



# 82%

82% of the population who were unable to access needed medical care cited cost as the main reason

### Concerns over COVID-19 health impacts

Month	% of adults
August 2021	52%
July 2022	25%

In July 2022, only 25% of adults reported 'extreme concern' over COVID health impacts compared with 52% in August 2021

### Elections, finance and supply chain shocks

The economic impacts of the elections as well as global shocks have rebounded on households, businesses and farmers. Nearly fifty per cent of adults claim to have slowed down investment in the run-up to the elections. As well as a continued squeeze on demand, businesses face rising costs of supplies and farmers are finding it harder to sell their crops. This is resulting in increased stress for farming and business households.

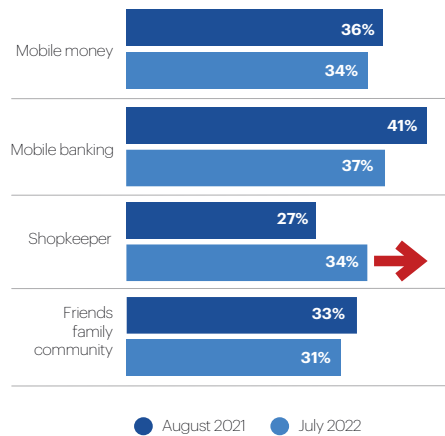
Meanwhile, people are missing loan repayments to afford essentials, and shopkeeper credit is on the rise. On a more sanguine note, concerns over personal safety have dropped considerably, despite the looming 2022 general elections.



#### People are missing loan payments to afford essentials.

Loans from shopkeepers have increased, highlighting the pressure to meet essential needs.

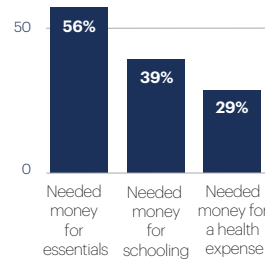
##### Top 5 sources of outstanding loans



**43%**

43% of the population missed a loan payment. (July 2022)

##### Top 3 reasons in July 2022 for missed payment in past 14 days

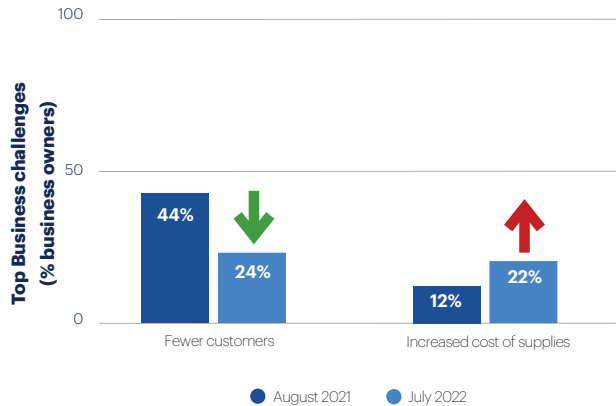


Compared with this time last year, a growing number of businesses cite the increased cost of supplies as a major challenge, while farmers are finding it harder to sell their crops.



**81%**

81% of businesses used business capital to instead meet daily needs



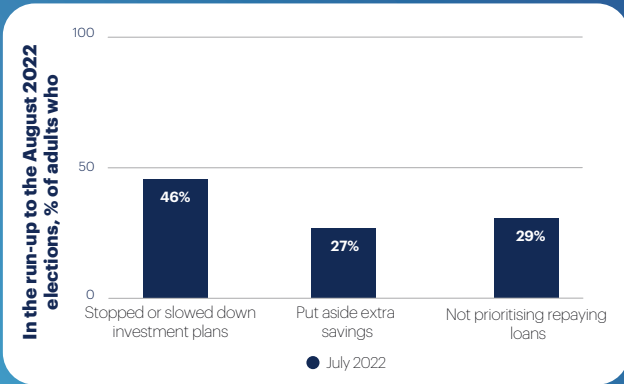
**66%**

66% of farmers said it was 'much harder' to sell crops than this time last year

In the run-up to the August 2022 elections, nearly half of the population claimed to have slowed down investment and a quarter set aside extra savings as a precaution.

**46%**

46% of adults claimed they stopped or slowed down investment plans until after the August general elections. (July 2022)



**27%**

27% of adults put aside extra savings in anticipation of the August general elections

Despite the looming 2022 elections, concerns over personal safety reduced significantly between August 2021 and July 2022



**36%**

36% of adult Kenyans said they were very worried for their safety. (August 2021)



**18%**

18% of adult Kenyans said they were very worried for their safety. (July 2022)





### Overview

FSD Kenya has been partnering with FinMark Trust to roll out the Economic Shocks Household Tracker Survey since 2020. The survey was initially intended to provide regular updates for policymakers to guide decision-making and policy response to the COVID-19 pandemic and now has extended to understanding the market in the lead-up to the 2022 elections. The tracker provides six rounds of data collection over two years (August 2021 - July 2022).

### Methodology

Executing a “rapid response survey” to track representative data on the household impacts of COVID-19 provides lessons and challenges.

#### Design

The survey was implemented remotely using a Computer-Assisted Telephonic Interviewing (CATI) approach. 80% of potential respondents were dialled using Random Digit Dialling (RDD), and the remainder based data collection on company lists from previous interviews. The sample distribution and data collection approaches were fine-tuned in successive waves.

#### Weighting

Data was weighted based on several demographic dimensions. Set quota distributions were used across demographic categories. The data obtained was, in turn, weighted using rake weighting, with quotas and weights based on the 2014 Demographic and Health Survey (DHS).

#### Biases

Even though sampling and weighting has improved, we suspect that there are still residual biases due to aspects inherent in our CATI approach.

In Enumeration Area (EA)-designed samples, the urban-rural area classification is set in accordance with KNBS practice. In the CATI survey, we do not know where respondents live and require them to identify their area classification.

Telephonic interviewing is likely to lead to a more digital and technological sample and possibly greater urban bias, even when accounting for quota and weighting controls.

## Summary

By the end of 2021, there were some indications of recovery from the economic impacts of the COVID-19 pandemic, with income and jobs continuing to rise. In 2022, however, with the general election on the horizon, the Ukraine war and rising inflation, these gains appear tenuous.

Although jobs and income appear relatively stable, there has been a marked decline in both jobs and income in urban areas and this has impacted remittance sending. Meanwhile, businesses and farmers are suffering from supply chain shocks, with a growing number of businesses mentioning the rising cost of supplies as their biggest challenge and farmers finding it harder to sell their crops.

In the run-up to the election, people slowed down investment and set aside precautionary savings, with implications for liquidity and growth at the lower end of the economy.

Surprisingly, however, the looming elections did not seem to impact fears over safety, with far fewer people reporting ‘extreme concern’ for personal safety compared with 2021.

Health and mortality shocks have gone down in 2022 with the waning effects of the pandemic. But the escalating cost of living continues to impact the majority of households. Fewer households can rely on borrowing and saving to cope with liquidity shortfalls, resorting instead to cutting food expenses and looking for additional work. Debt stress remains high, mainly driven by the need to use the money for essentials, and reliance on shopkeeper credit is growing.

The pressures on households are continuing to deplete human capital, with more people unable to access medical care because of cost. Food insecurity is rising, and nearly a quarter of adults mentioned that children in their households had recently gone without food for an entire day.

### Contact FSD Kenya for more information

email: [info@fsdkenya.org](mailto:info@fsdkenya.org)  
 website: [www.fsdkenya.org](http://www.fsdkenya.org)

