



finaccess

BUSINESS OWNERS – KENYA FINACCESS 2021

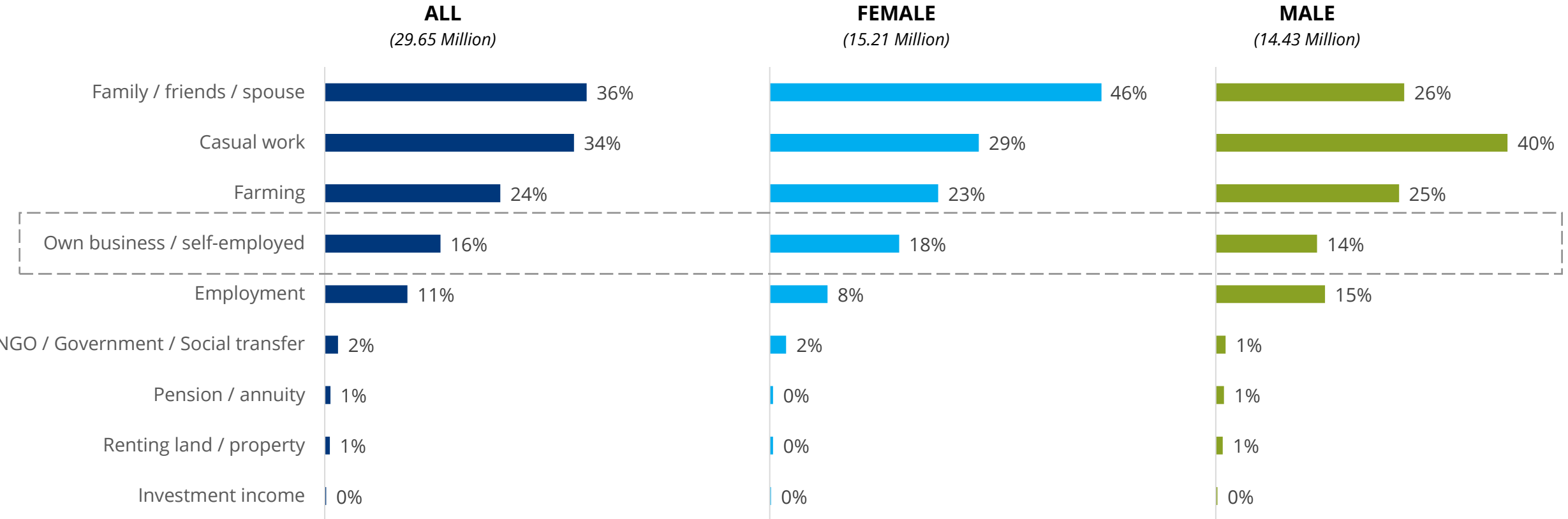
Gender analysis

March 2022

According to the 2021 FinAccess data, 4.71 million adults, 16% of the population, earn an income from business activity / self-employment. Of those, 2.7 million are women (18% of all women) and 2 million are men (14% of all men)



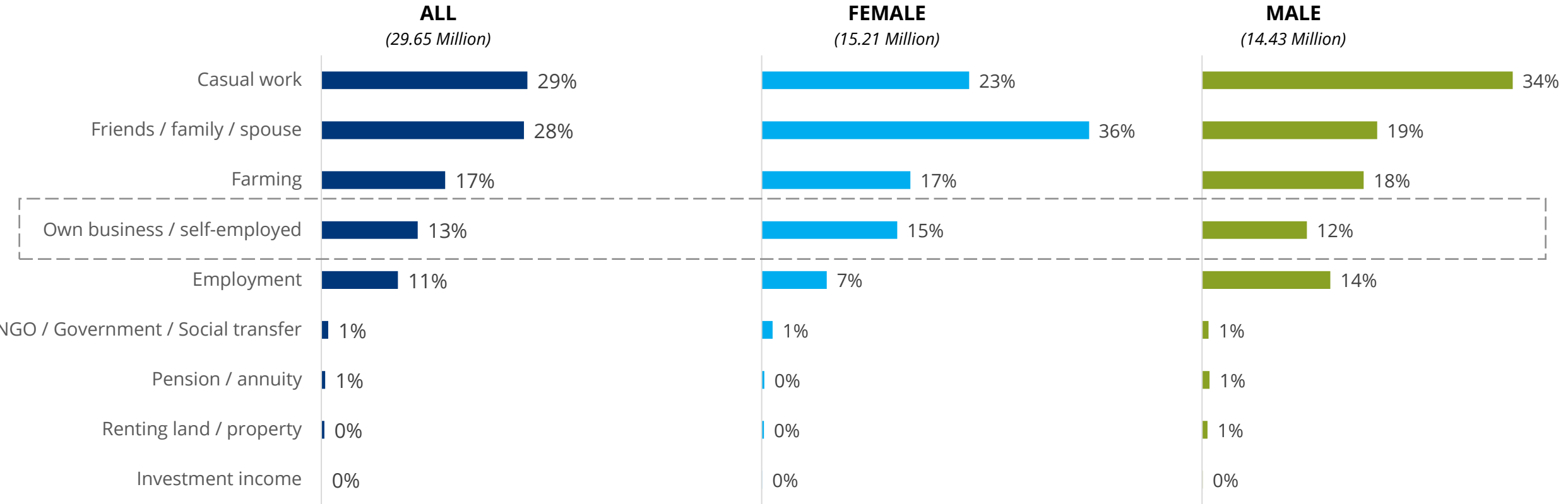
ALL SOURCES OF INCOME IN PAST 12 MONTHS



Own business / self-employment is the **main sources of income** for 3.9 million adults overall (13% of the population). It is a relatively more important source of livelihood for women than it is for men (15% of women say it is their main source of income compared to 12% of men)



MAIN SOURCE OF INCOME IN PAST 12 MONTHS



Using the number of employees as a measure of business size, **88% of businesses in the FinScope survey are micro enterprises**, of which 68% employ no staff (the business owner runs the enterprise by him/herself) and 20% employ one person (in a paid or unpaid position)



SIZE OF BUSINESS

(4,71 million business owners)

■ Micro (No employees) ■ Micro (1 employee) ■ Small (2 - 10 employees) ■ Medium / large (> 11 employees)



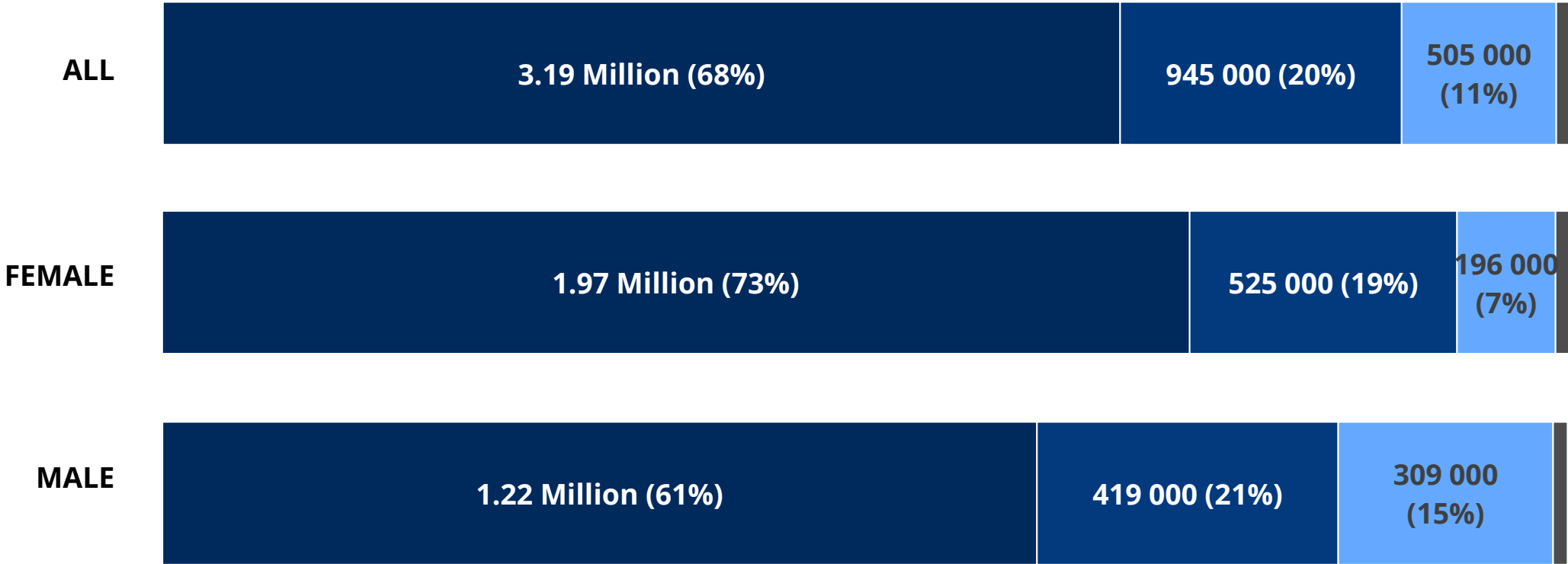
Females-business owners are less likely to hire staff compared to male-business owners (73% of female-owned businesses have no staff compared to 61% of male-owned businesses)



SIZE OF BUSINESS

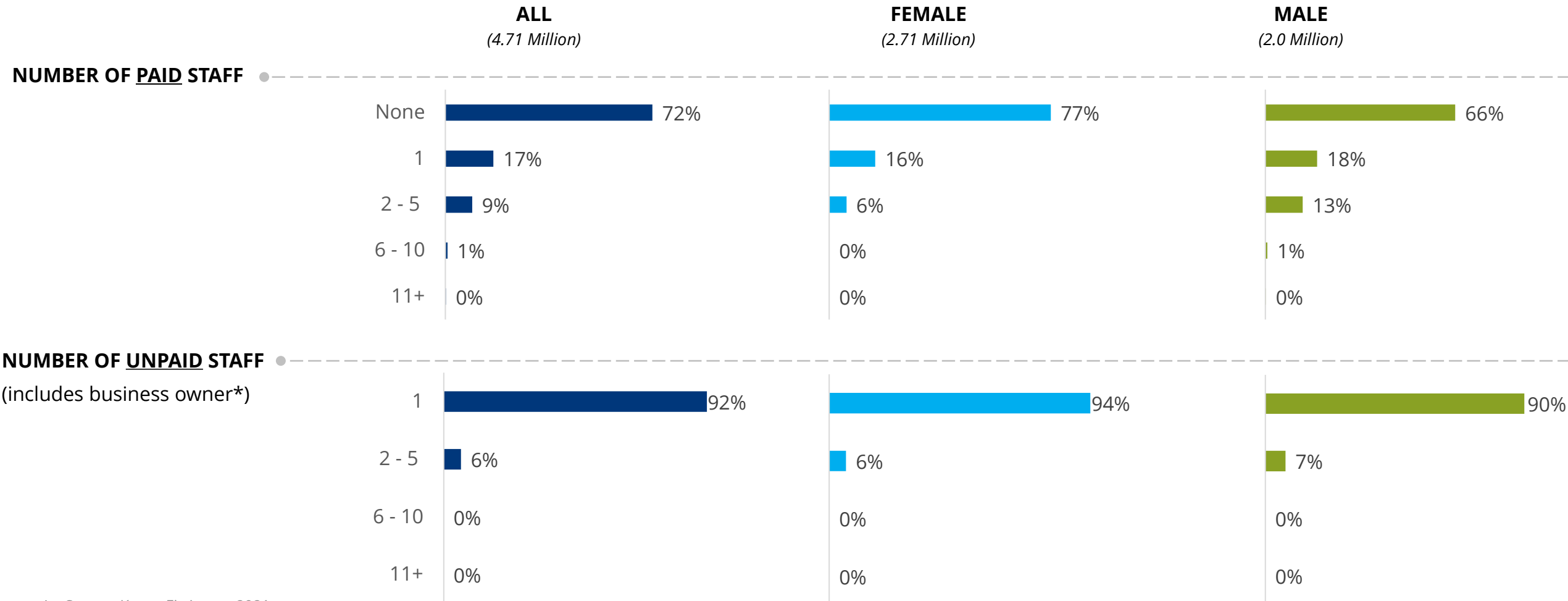
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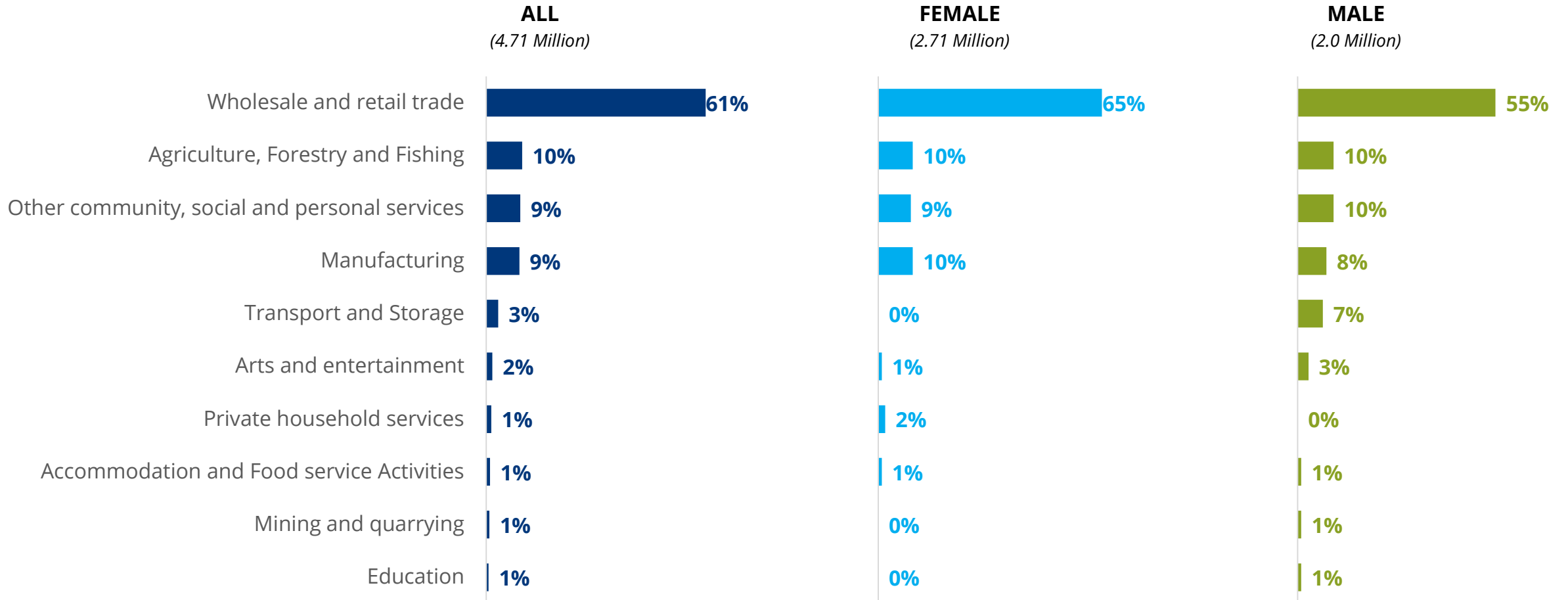
Just over a quarter of businesses overall have **one or more paid staff members (27%)**, and male business owners are more likely to employ paid staff than female business owners. Overall, less than 10% of businesses have unpaid staff members (aside from the business owner)

STAFF / EMPLOYEES



The wholesale and retail trade sector dominates business activity, slightly more so for female business owners than male business owners

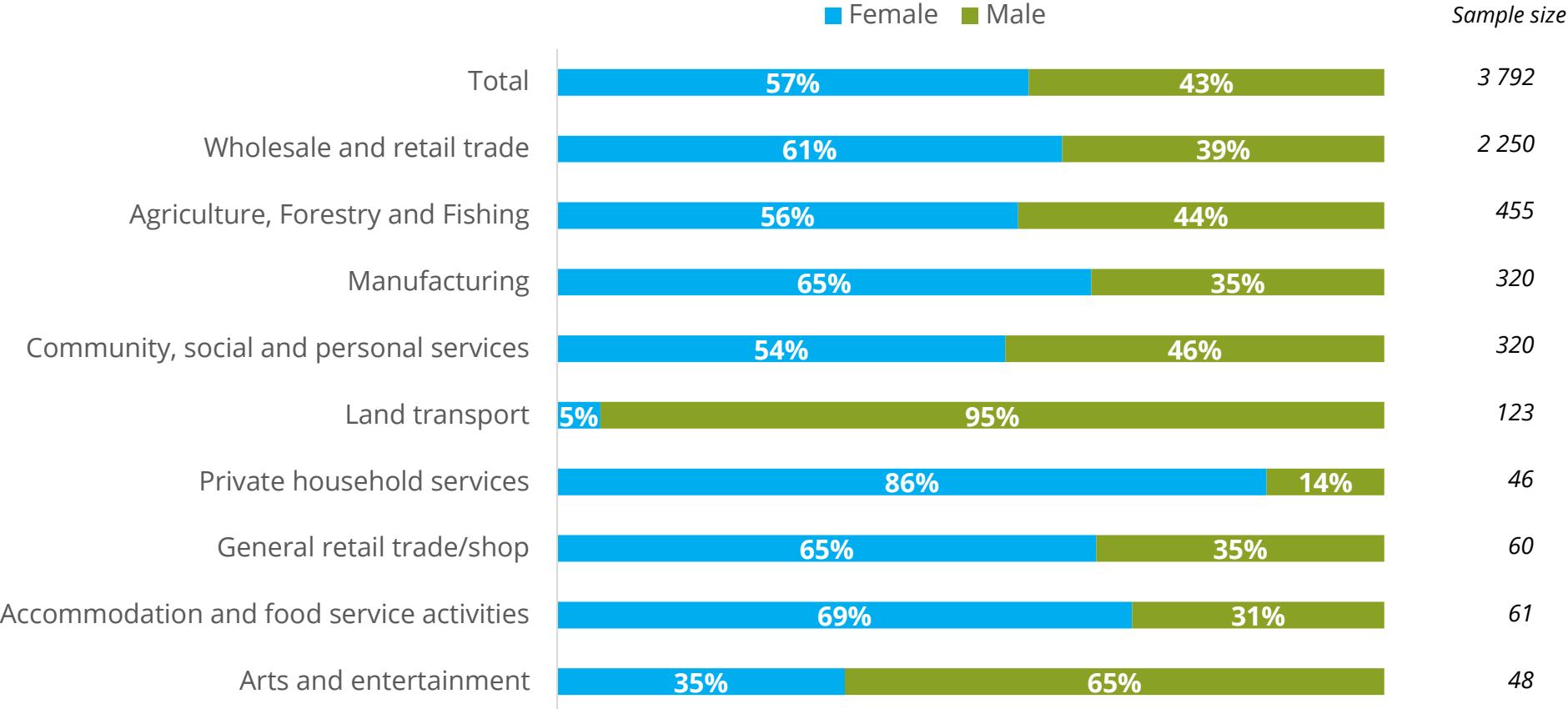
MAIN BUSINESS ACTIVITY



Across most sectors there is a skew towards female business owners, except for the land transport sector which is almost entirely male dominated



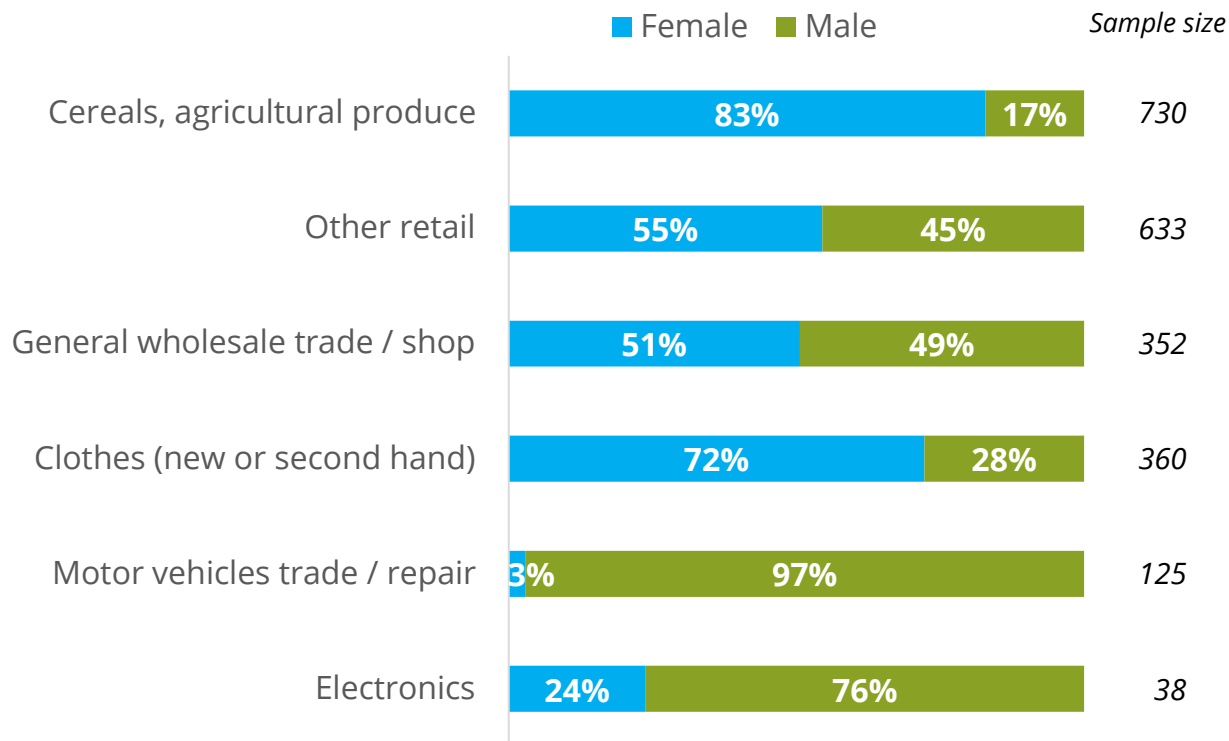
SECTOR BY GENDER OF BUSINESS OWNER



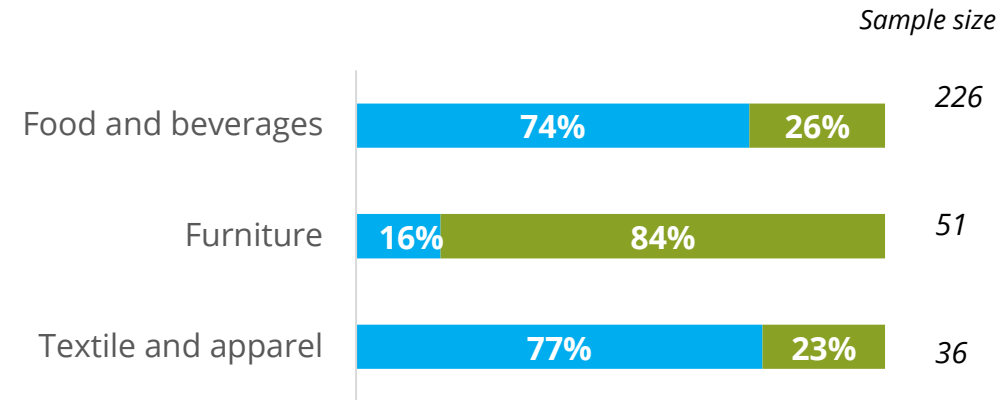
Within the wholesale and retail trade sector, trade in agricultural produce and clothing is dominated by females (83% and 72% female business owners respectively). Manufacturing of food and beverages and haircare services are also female dominated activities (74% and 77% female business owners respectively)

MAIN SUB-SECTORS BY GENDER

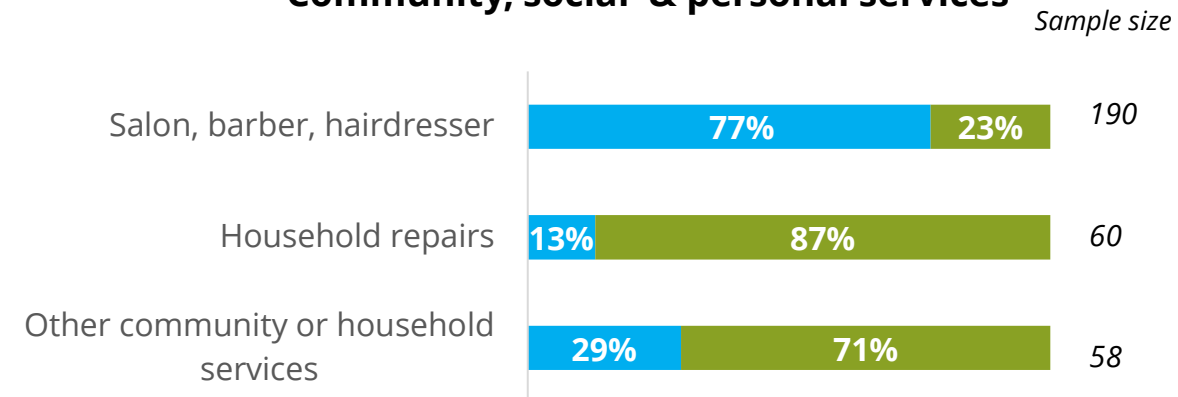
Wholesale & retail trade



Manufacturing

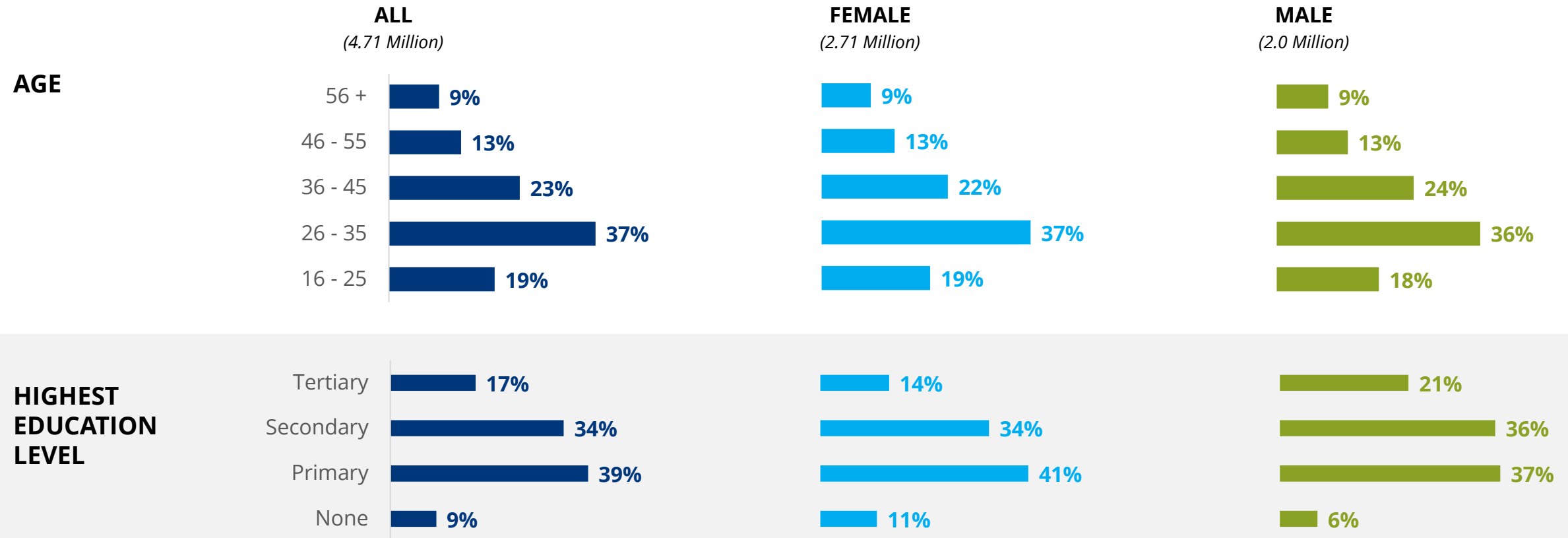


Community, social & personal services



The age distribution of business owners does not differ based on gender, but education level does. Male business owners are more likely to have a tertiary education relative to female business owners (21% compared to 14%)

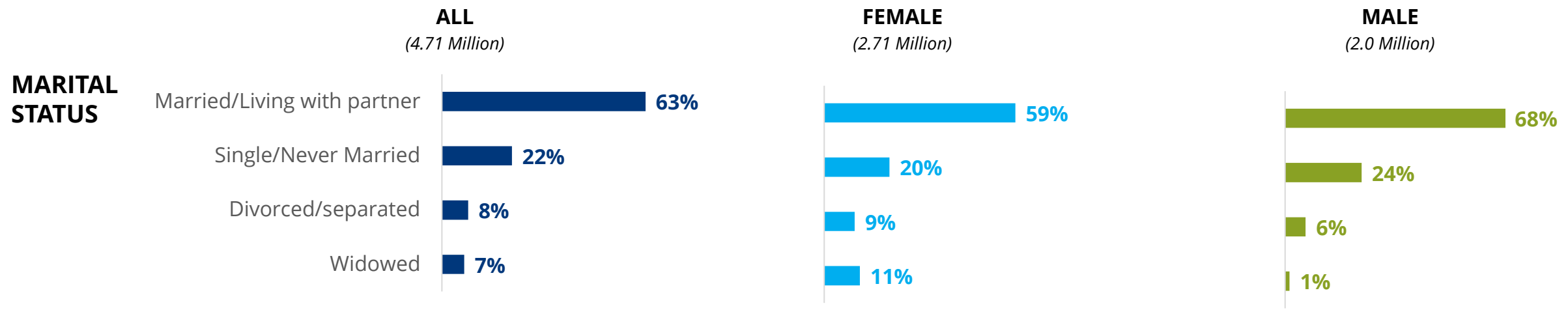
BUSINESS OWNER DEMOGRAPHICS



Female business owners tend to have less support by way of a spouse or partner; eleven per cent of female business owners are widowed and a further 30% are single or divorced / separated



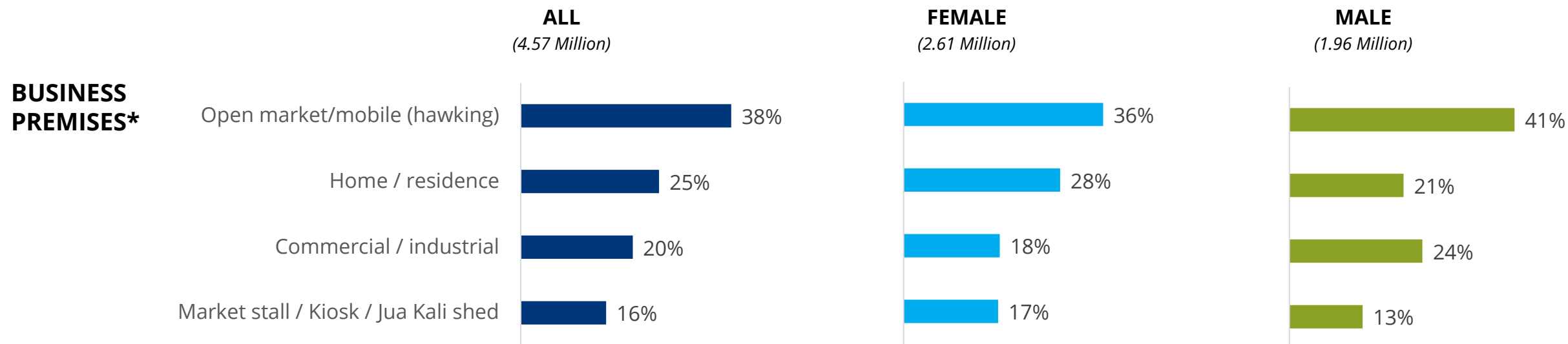
BUSINESS OWNER DEMOGRAPHICS



Overall, the majority of businesses operate in an open market setting or have no fixed location e.g. hawking (38%). Between genders, the main difference occurs between business owners operating in commercial or industrial premises (24% of male business owners compared to 18% of female business owners)

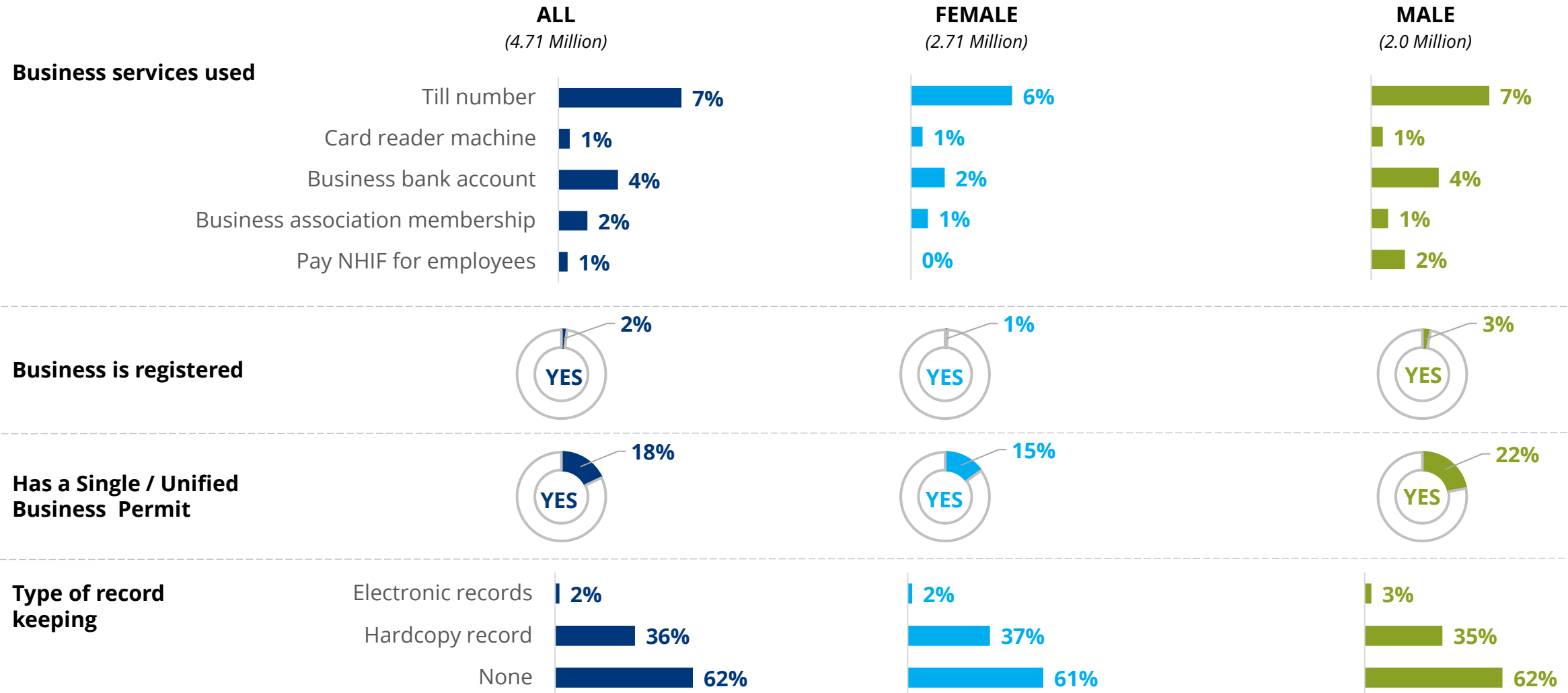


BUSINESS DETAILS



Usage of business services such as digital payment devices and bank accounts, and formal record keeping, is low across the board. The very low registration with the Registrar of Companies is also indicative of the small nature of the firms captured in the FinScope survey

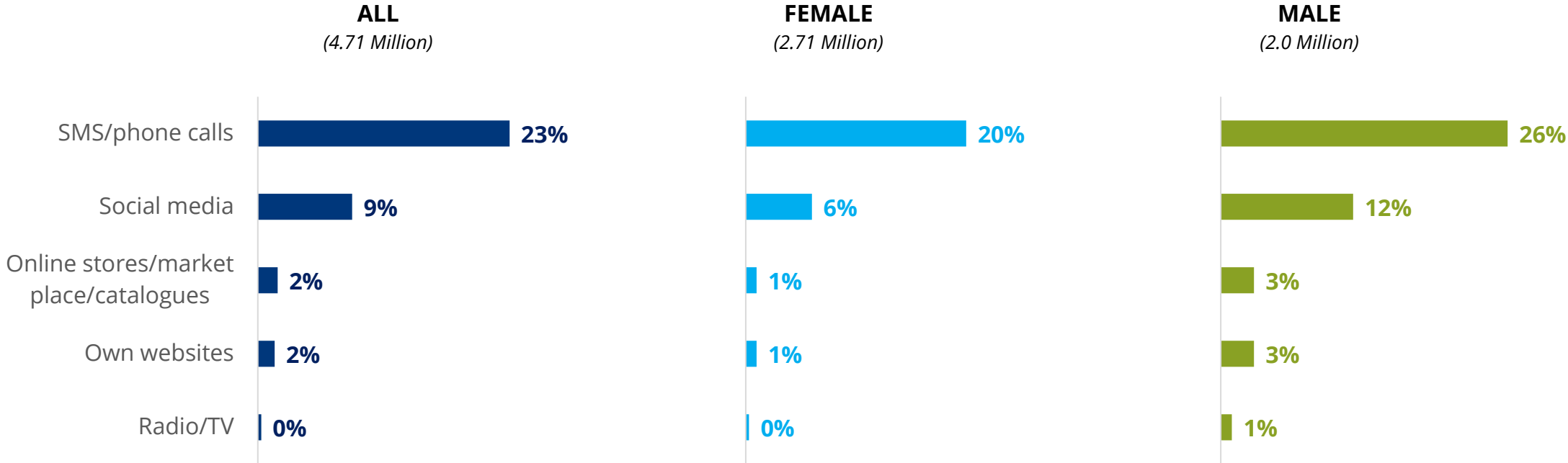
BUSINESS FORMALISATION



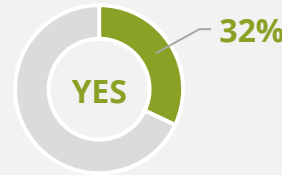
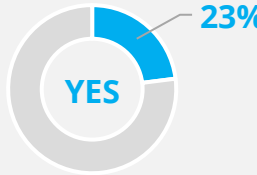
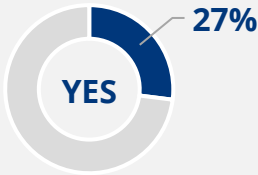
Just over a quarter of all businesses use at least one marketing channel to reach customers, primarily SMS and phone calls. This is higher for male business owners at 32% compared to female business owners at 23%



MARKETING CHANNELS USED



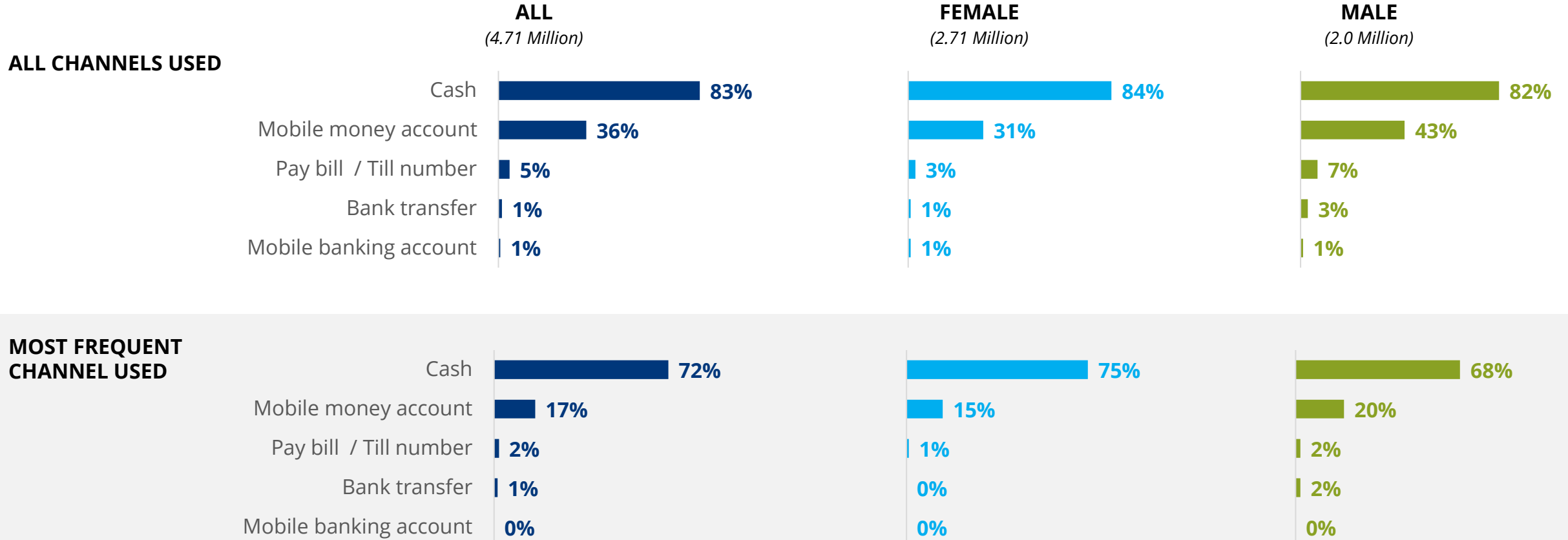
USE AT LEAST ONE MARKETING CHANNEL



Cash is the dominant payment mode for business payments (e.g. paying suppliers) across all business owners. Mobile money payments from the business owners' personal account is the next most frequently used channel, but more so for male business owners (43%) than for females (31%)



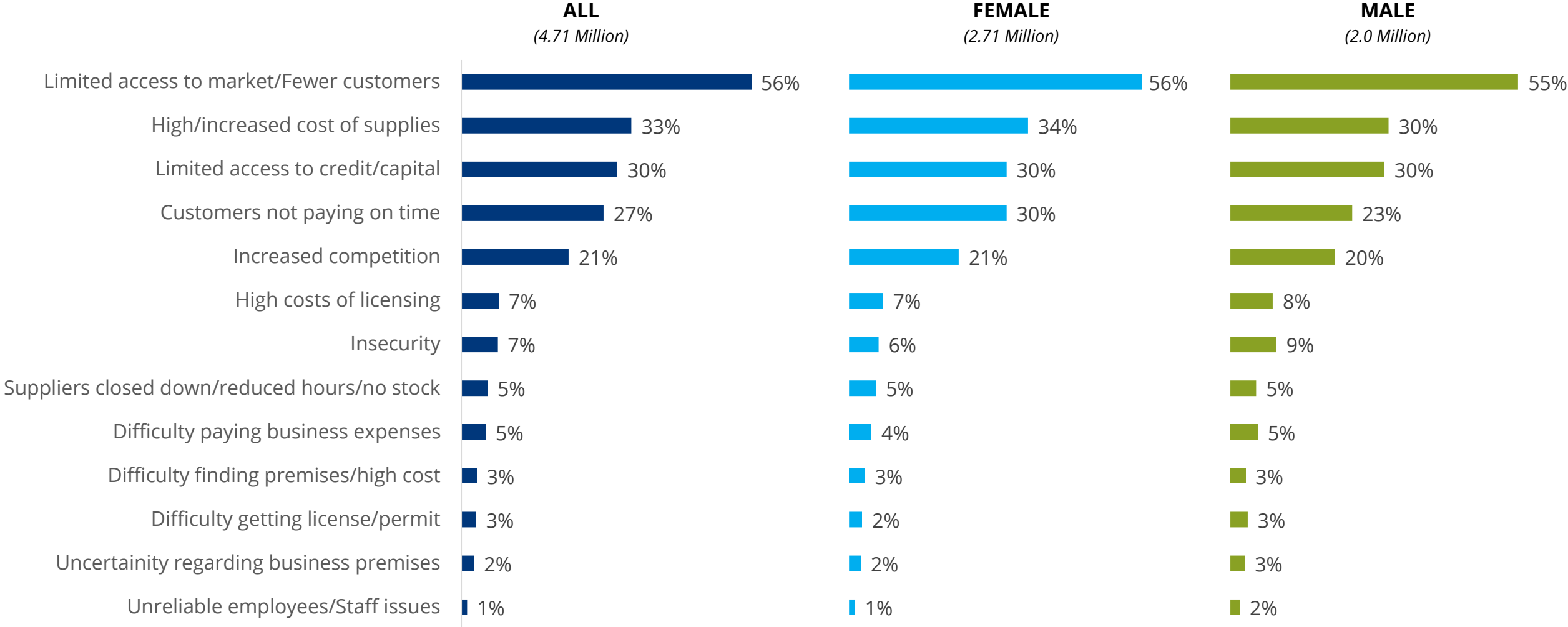
BUSINESS PAYMENTS



More than half of businesses cited access to markets and customer demand as the main business challenge. Increased cost of supplies, limited access to credit and bad debt are also top challenges for business owners. This is similar across genders



BUSINESS CHALLENGES

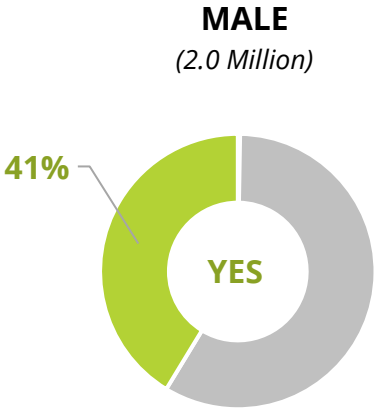
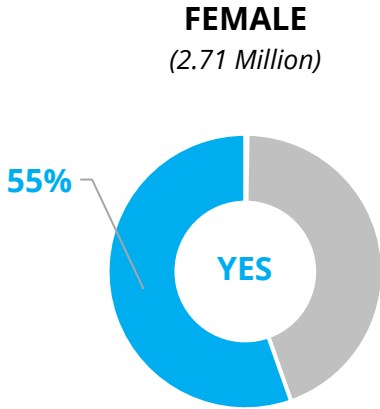
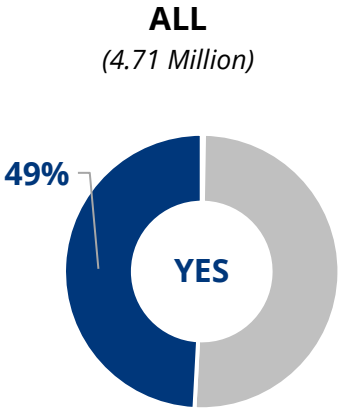


Female business owners are more likely to offer customers goods and services on credit (55%) compared to male business owners (41%). However, both male and females have the same low level of access to trade credit from suppliers (16%)

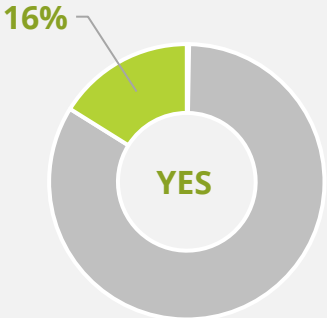
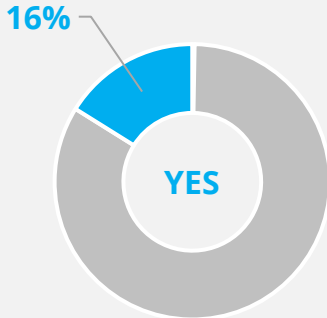
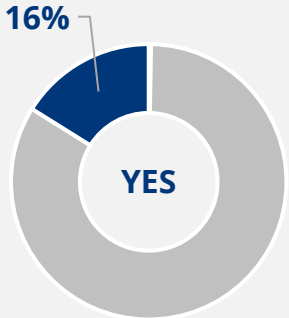


CREDIT ACTIVITIES OF BUSINESS OWNERS

OFFER CUSTOMERS CREDIT?¹

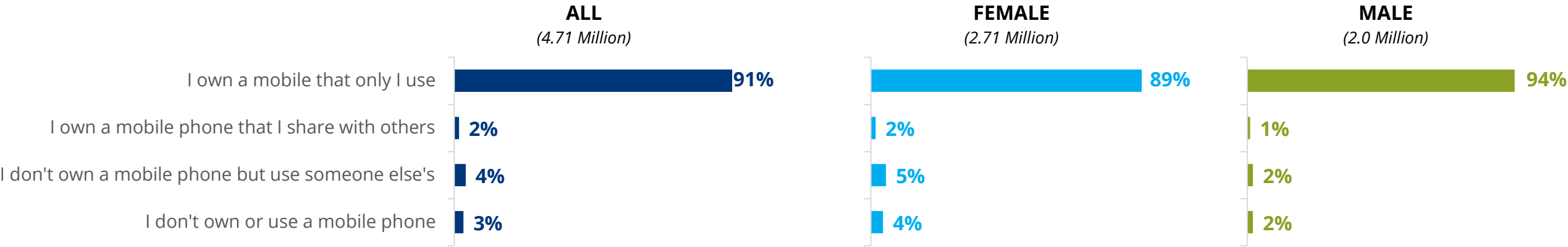


RECEIVE TRADE CREDIT FROM SUPPLIERS²



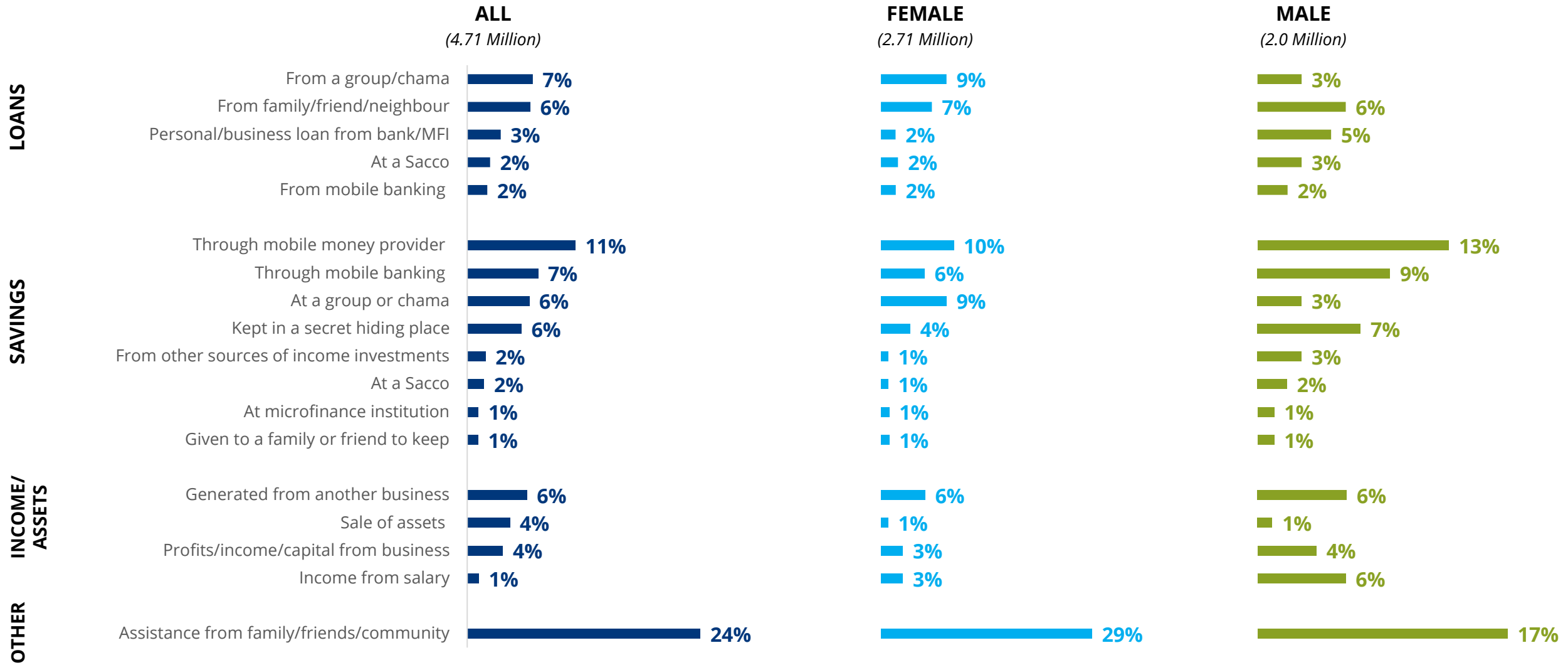
Personal access to mobile phones is high for all business owners but access to internet is lower for female business owners than it is for males; 55% of male business owners access the internet at least monthly compared to only 37% of female business owners

ACCESS TO TECHNOLOGY



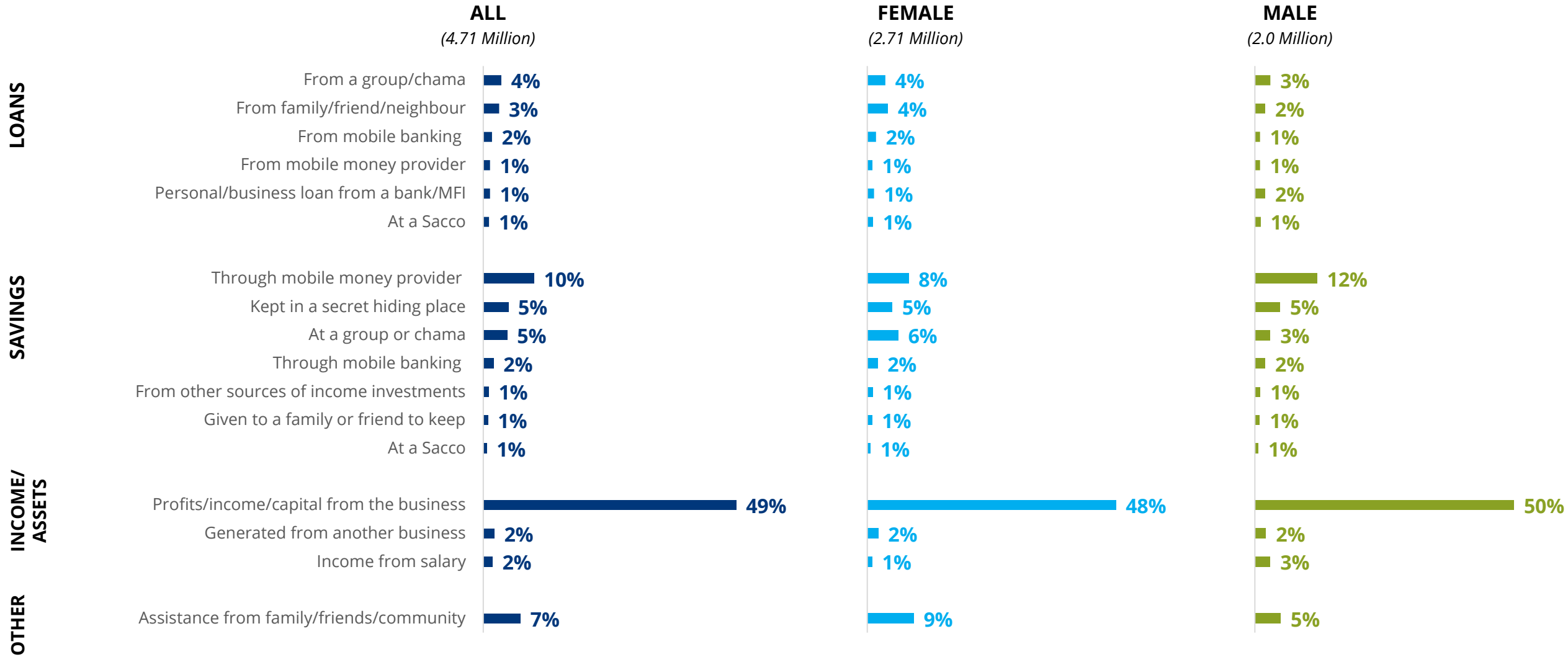
Twenty-four per cent of business owners relied on assistance from family, friends and community members as their main source of start up capital. This is higher for female business owners at 29% compared to male business owners at 17%

MAIN SOURCE OF START UP CAPITAL (IF ANY)



The main source of finance for day-to-day operations for all businesses is profits reinvested into the business

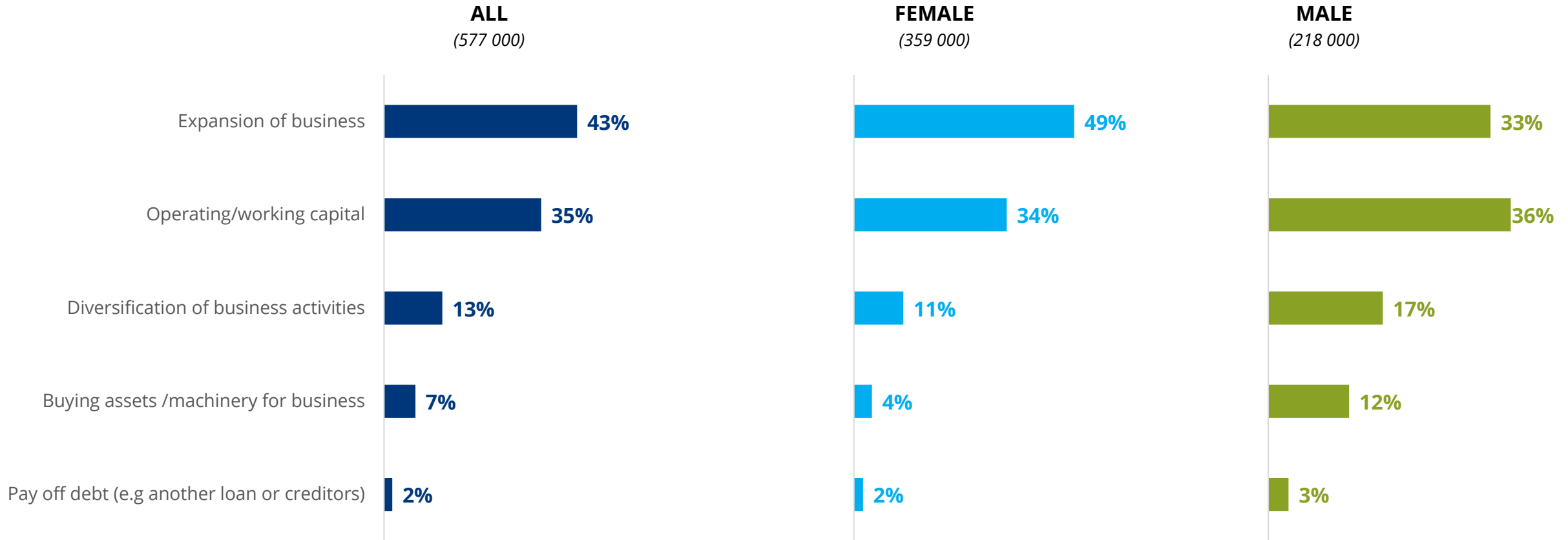
MAIN SOURCE OF FINANCE FOR DAY-TO-DAY OPERATIONS



Out of the 12% of businesses that took a loan, 43% did so to expand their business. Female business owners are more likely to take a loan to expand their existing business than male business owners (49% compared to 33%). However, male business owners are more likely to focus on diversifying their business activities and buying productive assets such as machinery or equipment for their business compared to females



MAIN REASON FOR TAKING A LOAN FOR BUSINESS





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