



**fin**access

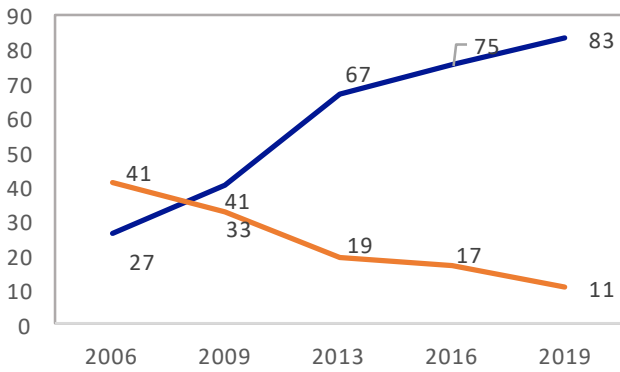
# 2019 FinAccess HOUSEHOLD SURVEY

ACCESS | USAGE | QUALITY | IMPACT

**MEDIA BRIEF**

**APRIL 2019**

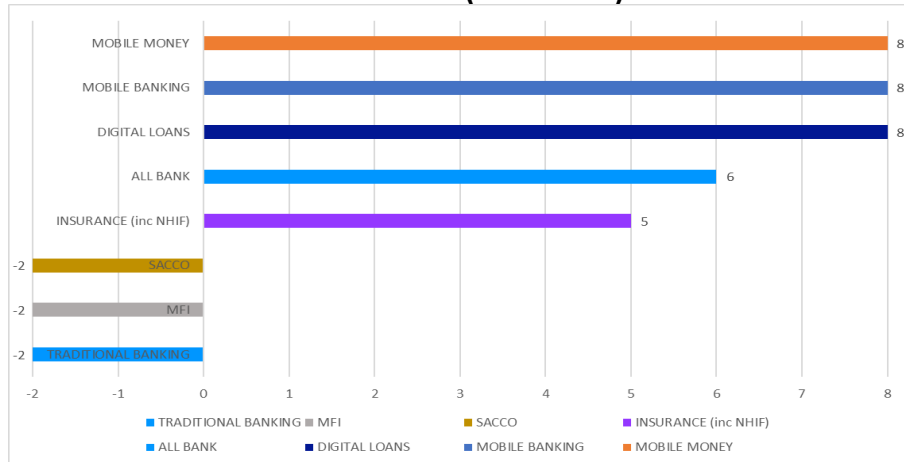
# Top Line Findings



- 83% of Kenyan adults are formally included, up from 75% in 2016
- Exclusion is down to 11%

— FORMAL  
— EXCLUDED

**Change in % of population using key services (2016-2019)**

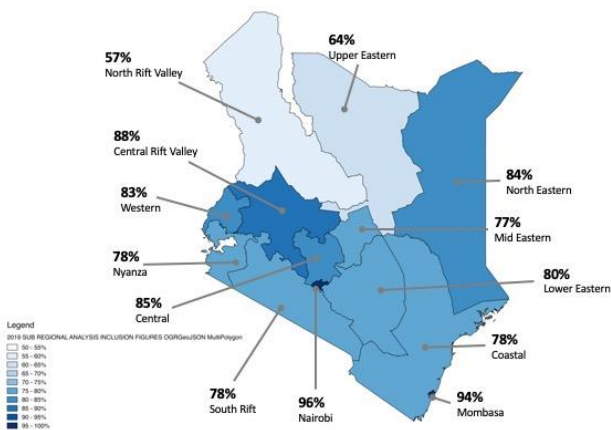


## THE NUMBERS AT A GLANCE

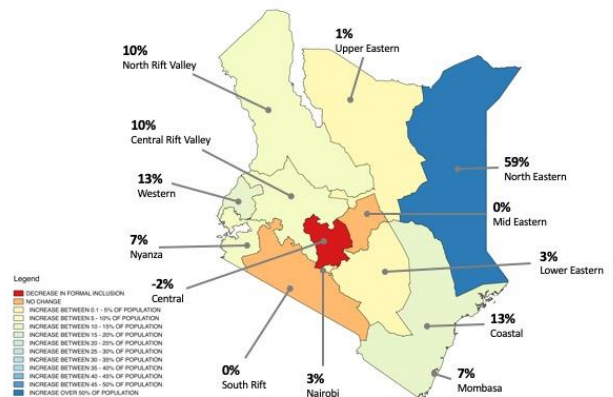


- Use of mobile money, mobile banking, and digital apps has risen substantially- Digital apps now have 2 Million users
- 6% more Kenyans are using insurance than in 2016 (1.5M people)
- Use of SACCOs, MFIs and traditional banking (excluding mobile banking), is down

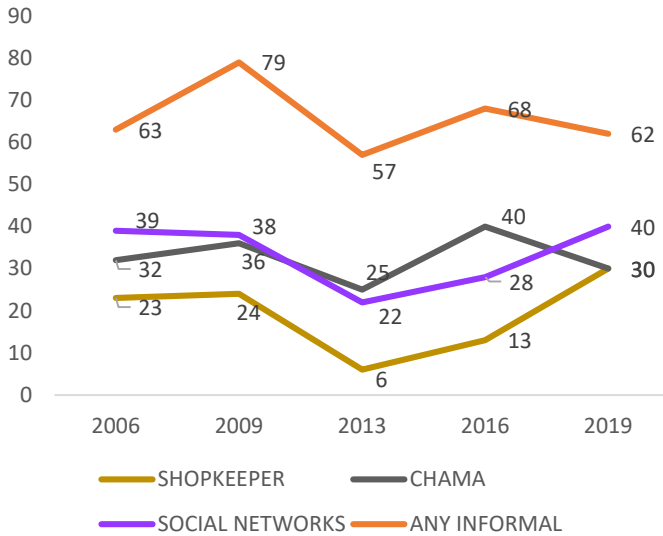
## Financial inclusion by region



## % change in inclusion since 2016



- Nairobi and Mombasa are now reaching full inclusion at 96% and 94% respectively
- There has been little change in inclusion in the southern and eastern counties
- In central Kenya inclusion has declined by 2%
- But the west has seen a rise of 7% - 13%
- The big surprise is the north east where inclusion has risen by nearly 60%

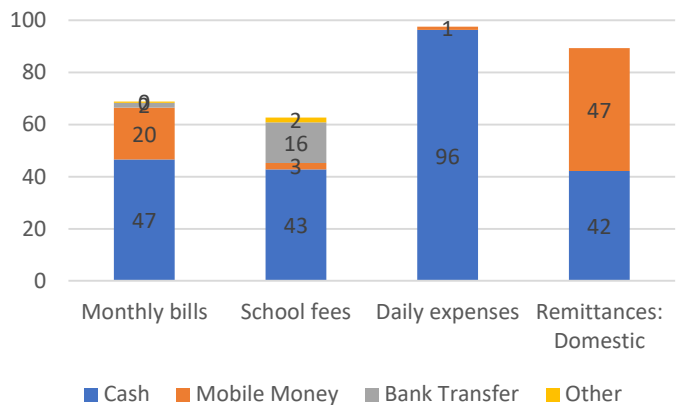


### Informal finance remains strong

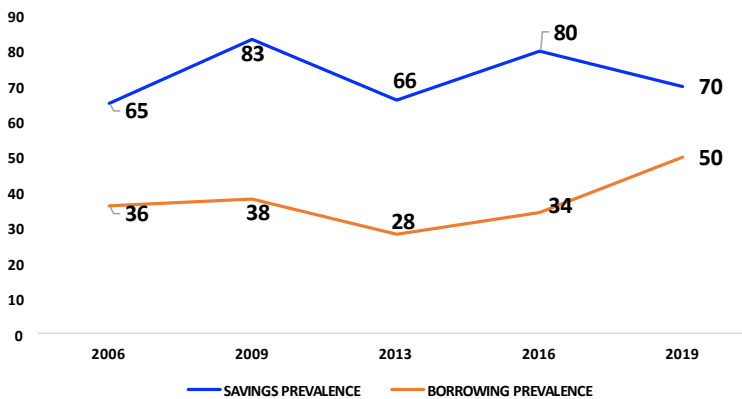
Despite the spread of formal finance, over 60% of Kenyans still use informal solutions: (e.g. chamas, borrowing from friends and family, shop keeper goods on credit and cash savings at home)

### Cash is still king

- Daily transactions are almost entirely cash based (98%).
- Mobile money is important for bill payments and nearly half of internal remittances are now digital
- Apart from cash, people prefer bank transfers over mobile money for paying school fees



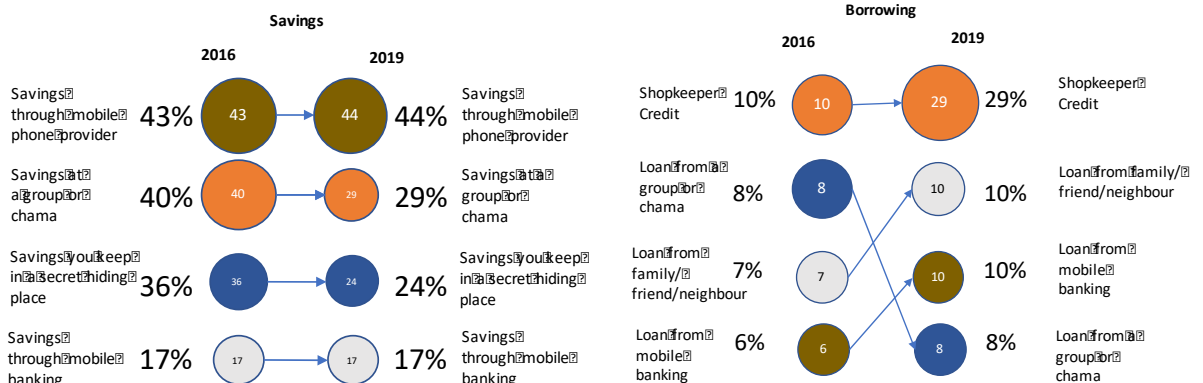
### Saving and borrowing



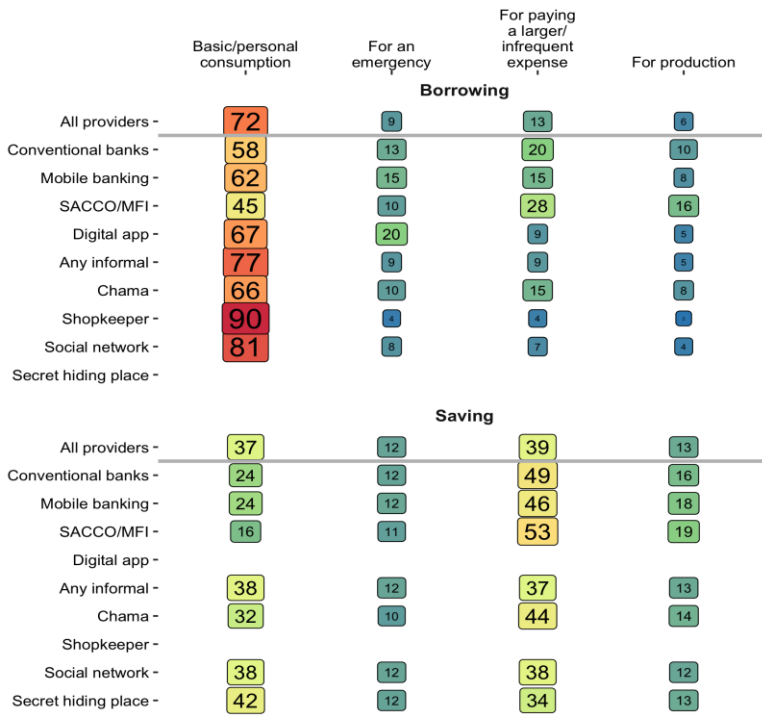
**Kenyans are savers** with 70% of the population saving formally, informally or at home. The mobile wallet is the most popular savings device, followed by the chama

**Borrowing is fast rising:** shopkeeper goods on credit has risen from 10% in 2016 to 30% in 2019, a huge leap; while uptake of mobile banking has gone up from 6% to 10%

### Top 3 saving and borrowing devices



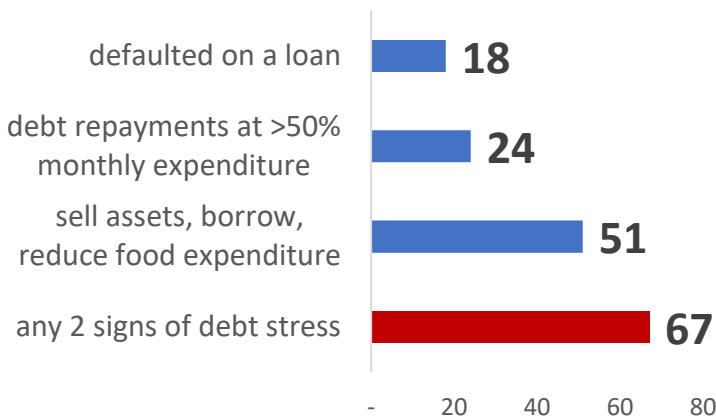
% of loans (18+), % of savers (18+), by use case & type of provider (2018)



## Uses of Credit and Savings

- Debt is used mainly for consumption
- Savings is used for a range of purposes

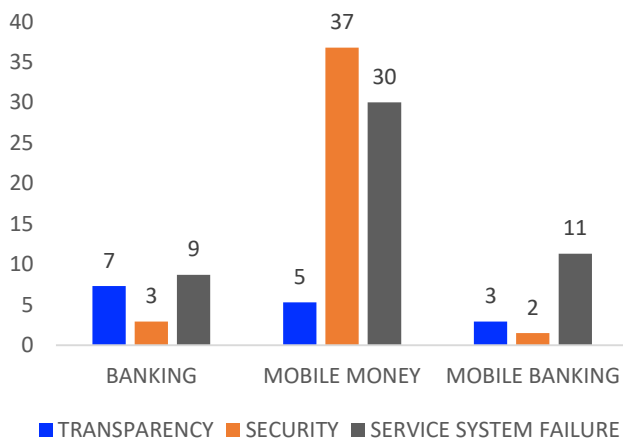
## % of Borrowers experiencing Debt Stress



## Debt Stress

- Over 50% of borrowers sold assets, borrowed or cut back on expenses to repay loans
- A quarter were over-leveraged with debt servicing repayments over half their monthly expenditure
- 18% had defaulted

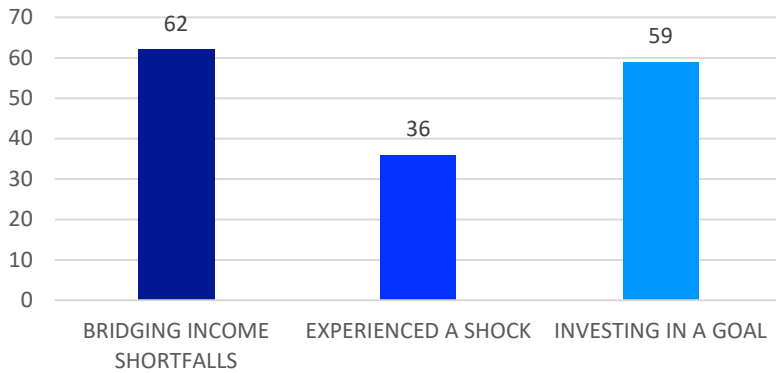
And over two thirds of borrowers experienced at least two of these conditions, showing signs of debt stress



## Consumer protection challenges

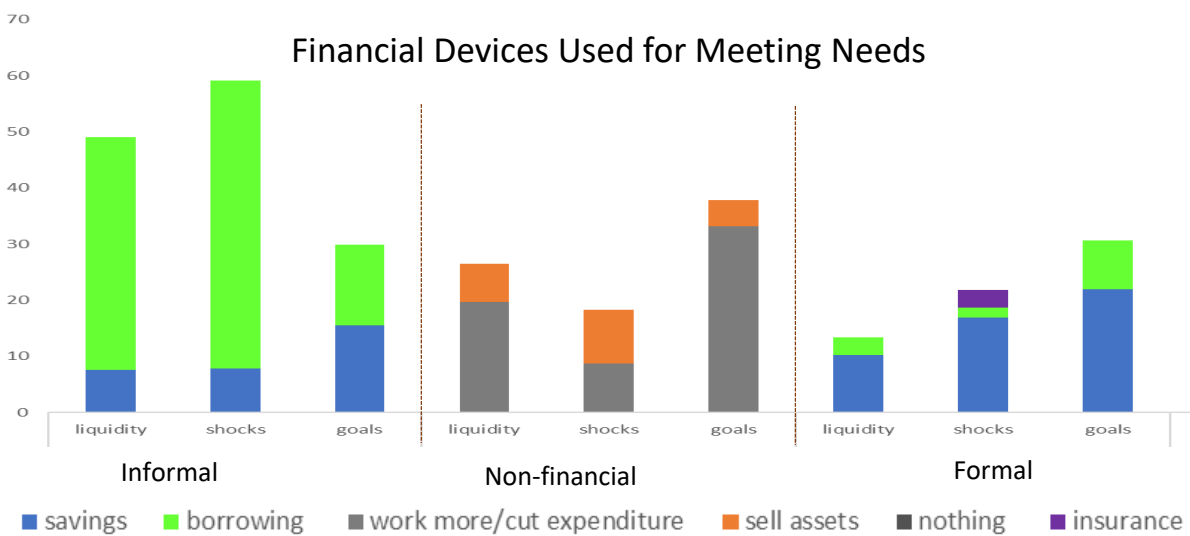
- Over a third of mobile money users experienced fraud;
- 7% of bank users mentioned challenges with transparency, including unexpected charges
- While system failure including ATMs and mobile channels was a problem across these three services

## Key financial needs for Kenyans



- Nearly two thirds of the population mentioned that they had trouble making ends meet;
- over a third had experienced a major shock
- nearly 60% were investing in a goal- top goals for Kenyans are education and livelihoods

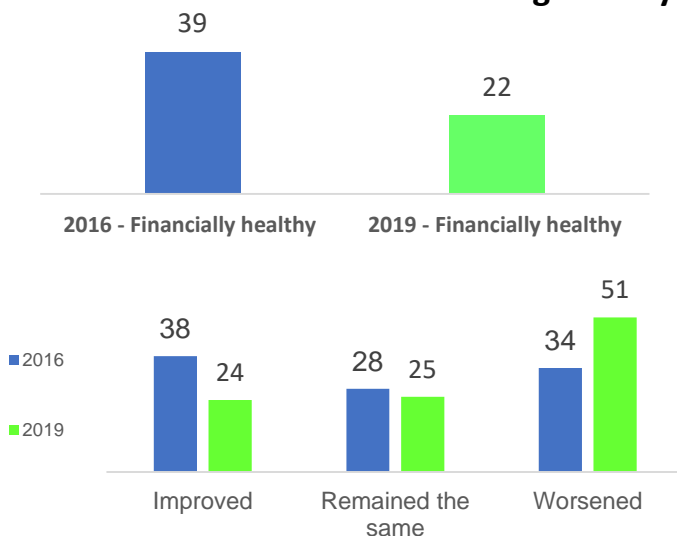
## Financial Devices Used for Meeting Needs



## Does formal inclusion help Kenyan's to invest, manage shocks and cope with day to day shortfalls?

- Kenyans mostly use informal solutions such as assistance from friends and family to deal with their needs
- Non-financial solutions also play an important role, including working more and selling assets
- Formal finance plays a more limited role, but formal savings is important, especially for investment

## Financial well being of Kenyans



- Financial health measures the impact of finance on people's financial wellbeing. In 2019 financial health across the population dropped from nearly 40% in 2016 to just over 20% in 2019,

- Over half the population said their lives had worsened