

FinAccess Data Fest

A financial needs lens

3 September 2020



CENTRAL BANK OF KENYA



A photograph of a man with a joyful expression, wearing a red patterned garment and a beaded necklace, holding a mobile phone to his ear. The background is a soft-focus outdoor setting with green foliage. The image has a semi-transparent dark overlay.

The FinNeeds framework:
What is it and why is it relevant?

A new perspective on financial inclusion opportunities

High inclusion masks untapped opportunities



77% of formally included urban small business owners only operate in cash in their business.



Just 8% of formally included local market farmers turn to formal financial services when they struggle to meet their expenses.

A new perspective on financial inclusion opportunities

Financial needs framework

Need: A collection of use cases that can be fulfilled by financial services

Transfer of value

The need to make and receive payment



Liquidity

The need to meet expenses on an ongoing basis



Resilience

The need to meet large expenses resulting from shocks or other unpredictable events



Meeting Goals

The need to accumulate larger amounts of money to achieve objectives that cannot be funded from regular income

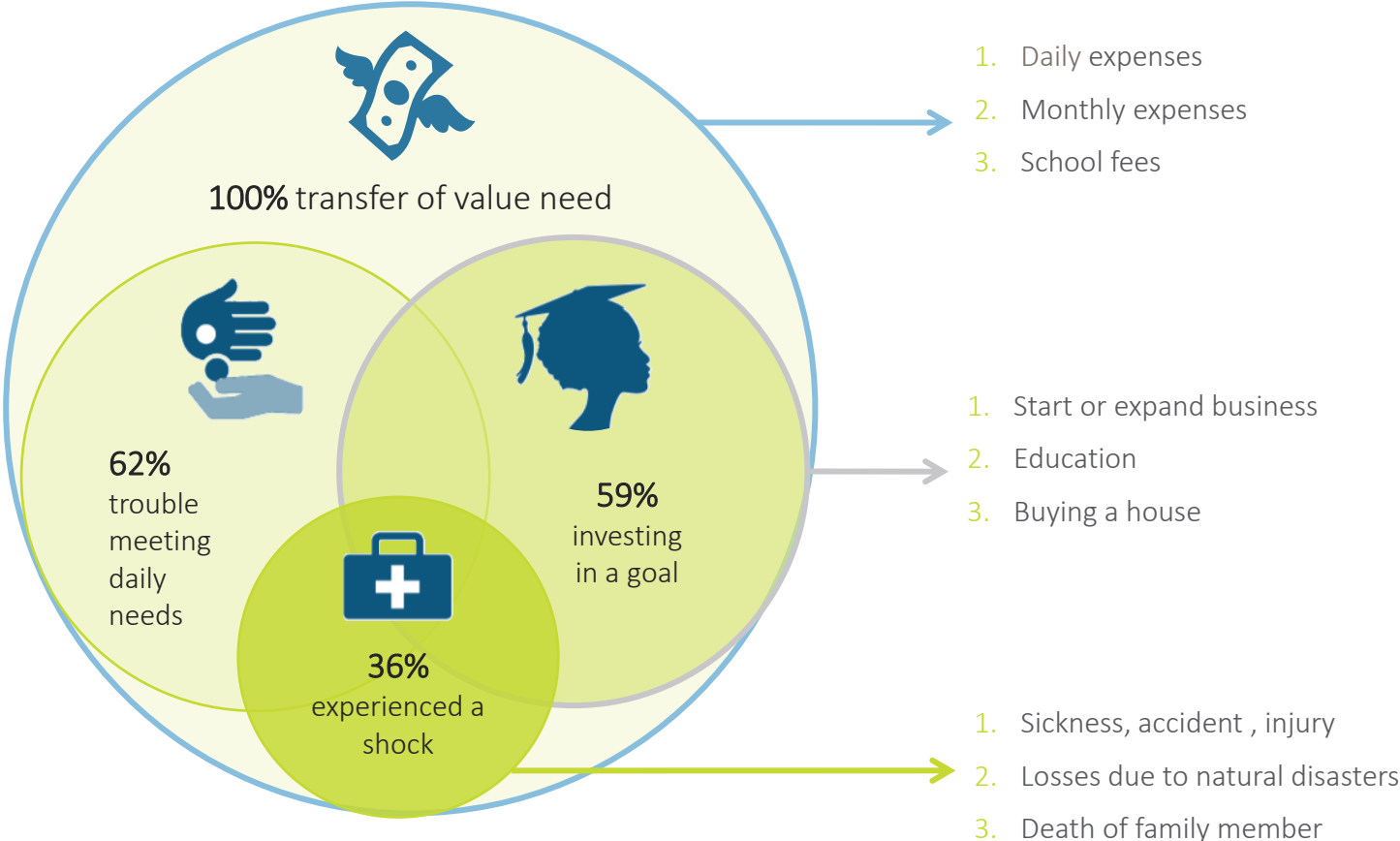


A photograph of two young Black women with curly hair looking at a smartphone together outdoors. The woman on the left is smiling and holding the phone, while the woman on the right points at the screen. The background is a blurred outdoor setting with trees. The image has a dark blue overlay.

Insights from FinAccess 2019

finaccess

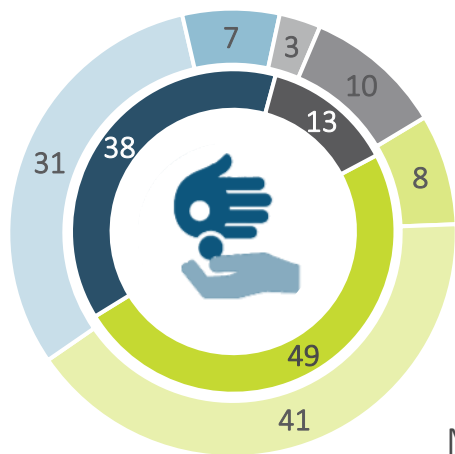
Financial needs in Kenya



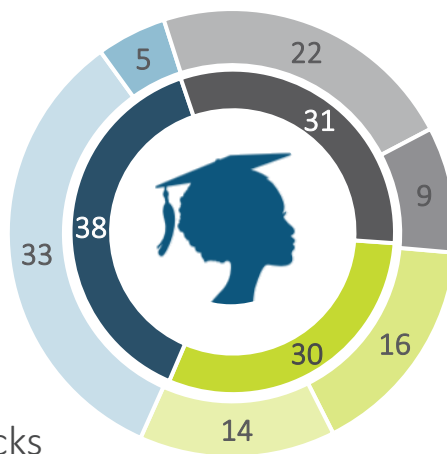
Most Kenyans meet their needs outside the formal sector

Liquidity, resilience, meeting goals

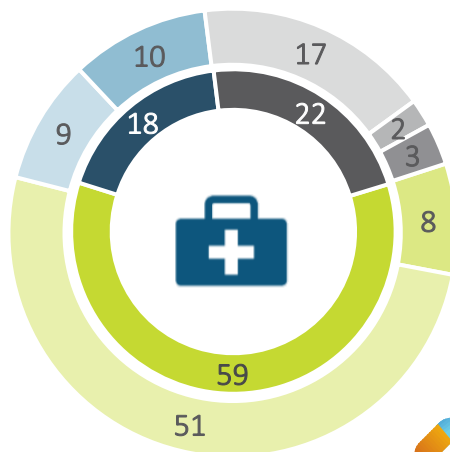
Trouble meeting daily needs



Investing in goals

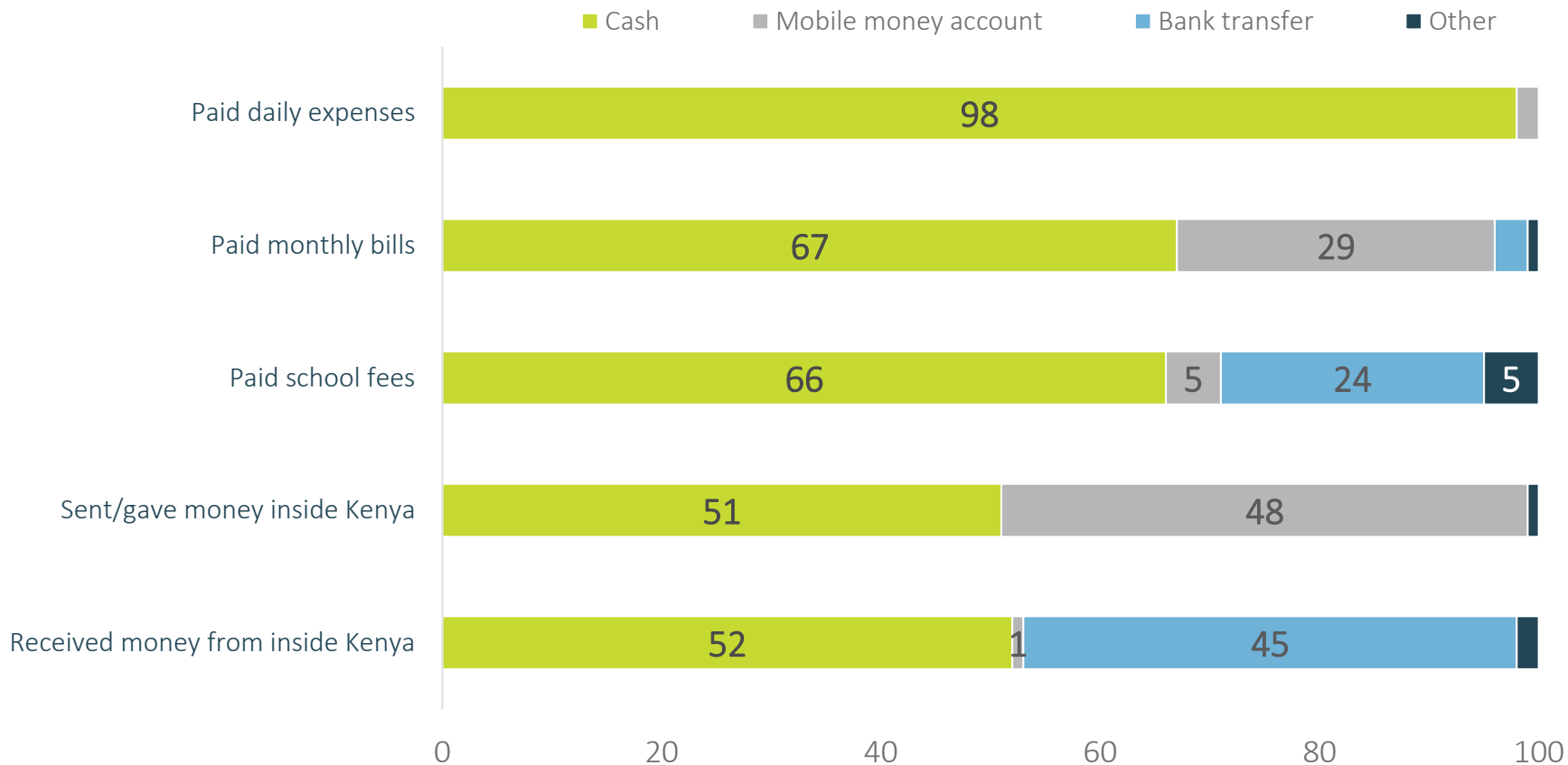


Managing shocks



- Non-financial
 - Worked more/cut expenditure
 - Sold assets
- Informal
 - Informal saving
 - Informal borrowing
- Formal
 - Formal saving
 - Formal borrowing
 - Insurance

Most Kenyans meet their needs outside the formal sector

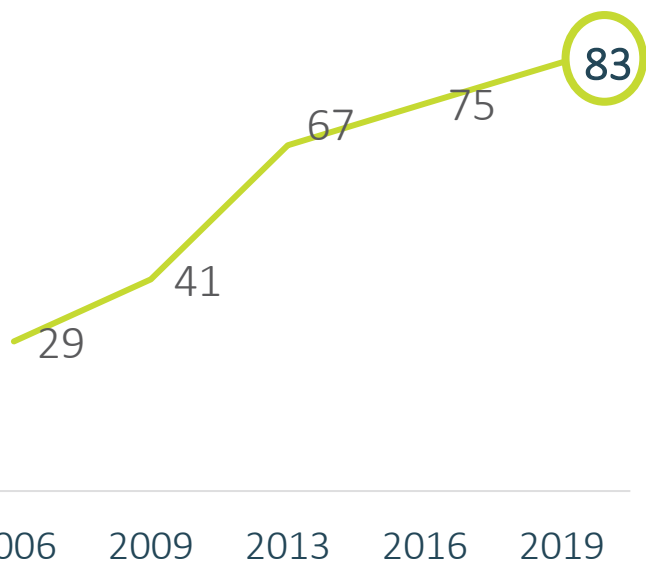


Implications

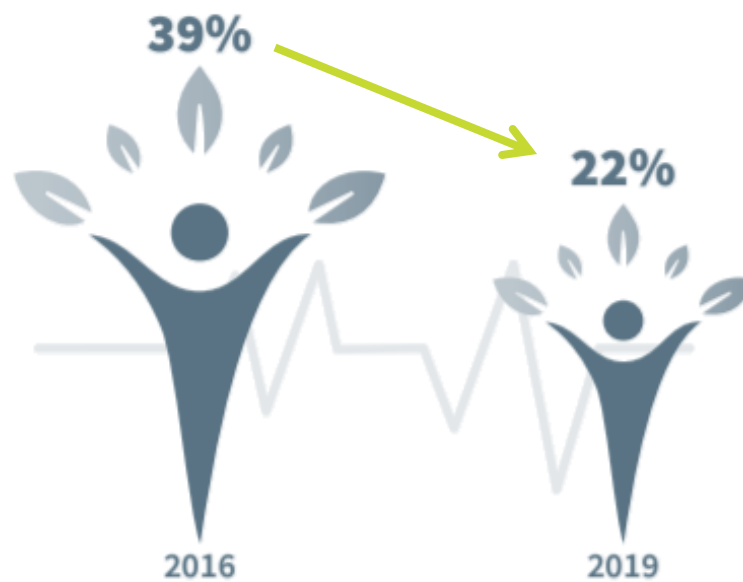


Meeting needs for better usage outcomes

Rising formal inclusion



Falling financial health



See the #finneeds toolkit at:

http://access.i2ifacility.org/Measurement_framework/

Insight2Impact

Data portal | Insights | Initiatives | Tools | About

FinNeeds toolkit

A guide to using the FinNeeds approach to financial inclusion measurement.

FinNeeds is the name of Insight2Impact's (I2i) financial needs measurement framework. This framework is based on the fact that people use financial services as a means to an end. To increase the use of financial services and ensure financial inclusion impact, we need to better measure to what "end" customers use financial services – namely financial needs. The FinNeeds approach measures which strategies and financial services people use to meet those needs. This toolkit introduces the elements of the FinNeeds measurement framework, outlines the FinNeeds indicators to track, and discusses the data sources and measurement approaches relevant for each element, as well as how to analyse the data for policy-ready insights.

- About FinNeeds**
A new understanding of financial services usage
[Read more](#)
- Explore indicators**
Framework components and key indicators
[Read more](#)
- Get started**
Apply the FinNeeds approach
[Read more](#)
- Collect data**
Data collection options and techniques
[Read more](#)
- Analyse data**
How to approach data analysis
[Read more](#)
- Generate insight**
Answering key policy and private sector questions
[Read more](#)

About Cenfri

Cenfri is a global think-tank and non-profit enterprise that bridges the gap between insights and impact in the financial sector. Cenfri's people are driven by a vision of a world where all people live their financial lives optimally to enhance welfare and grow the economy. Its core focus is on generating insights that can inform policymakers, market players and donors who seek to unlock development outcomes through inclusive financial services and the financial sector more broadly.

About insight2impact

insight2impact is a resource centre that aims to catalyse the provision and use of data by private and public-sector actors to improve financial inclusion through evidence-based, data-driven policies and client-centric product design. insight2impact was established by Cenfri and FinMark Trust through the funding of the Bill & Melinda Gates Foundation in partnership with The MasterCard Foundation.