

2021 FinAccess Household Survey

finaccess

Welcome

FinAccess deep-dives

9 November 2022

Livelihoods segmentation – Understanding the unmet financial needs of key economic segments

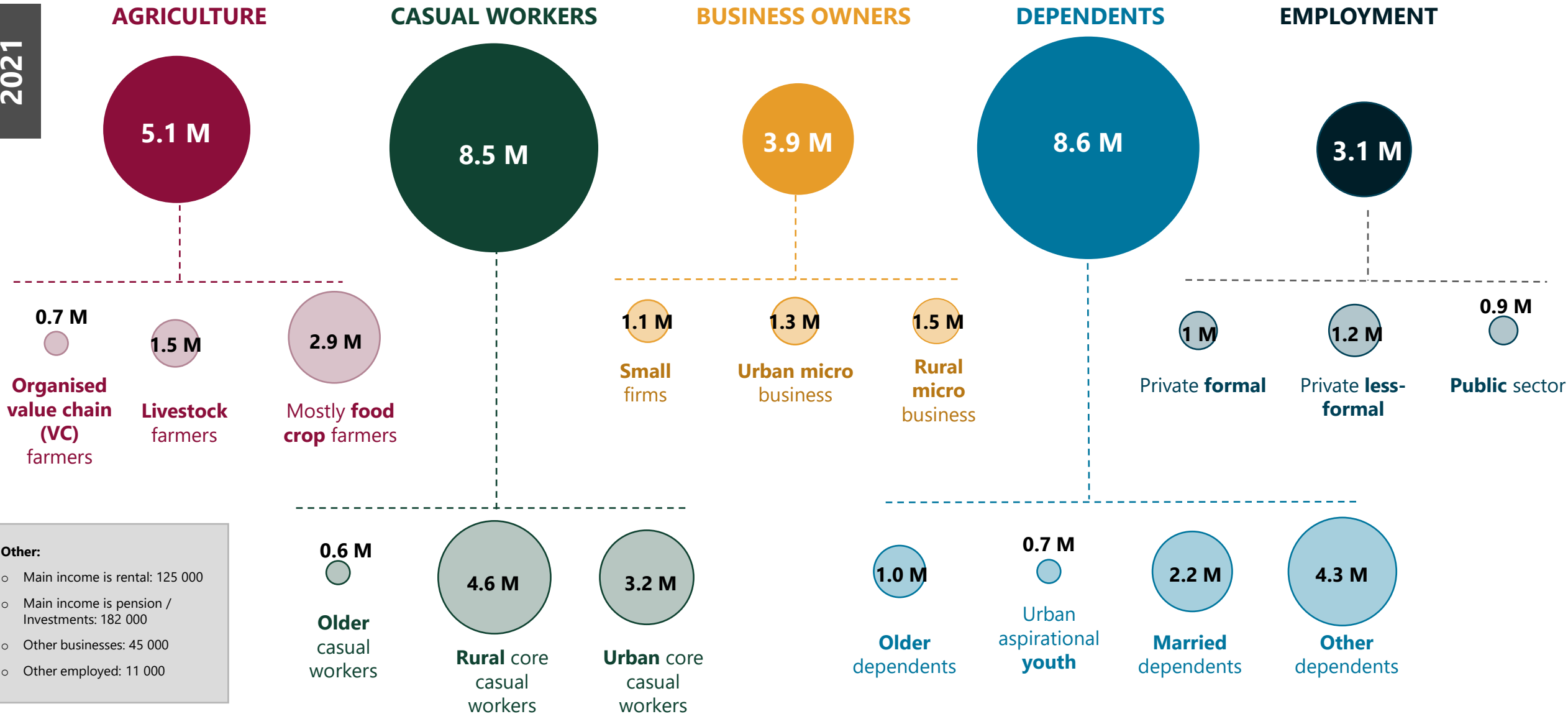


CENTRAL BANK OF KENYA



Using main source of income as a starting point, we can identify and quantify key segments of interest in the population

2021

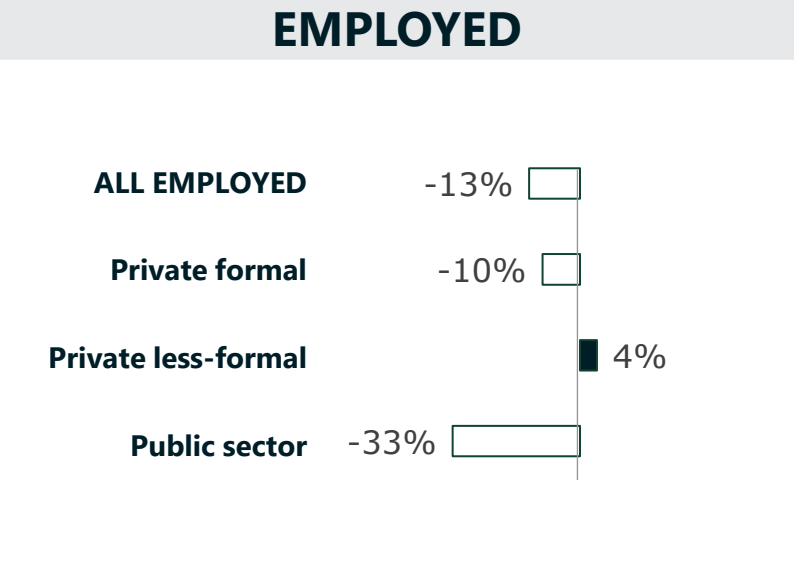
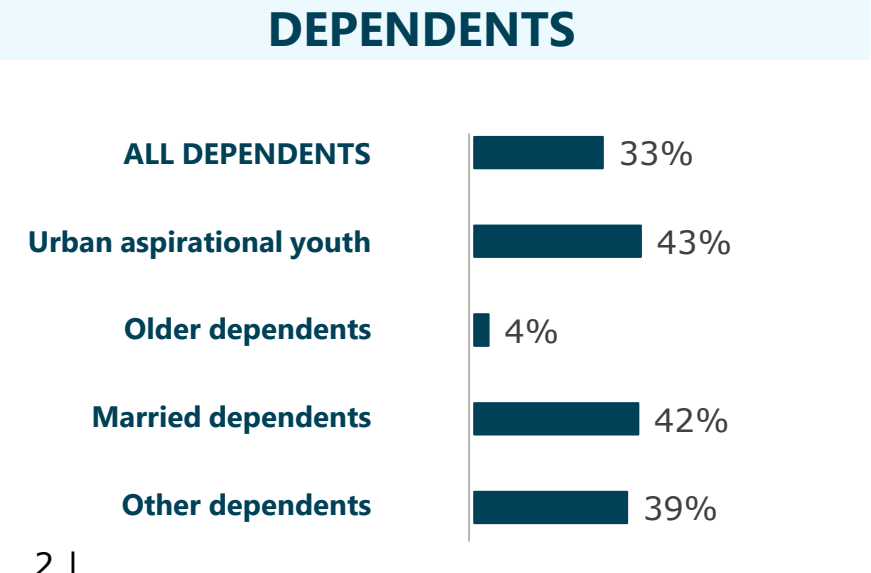
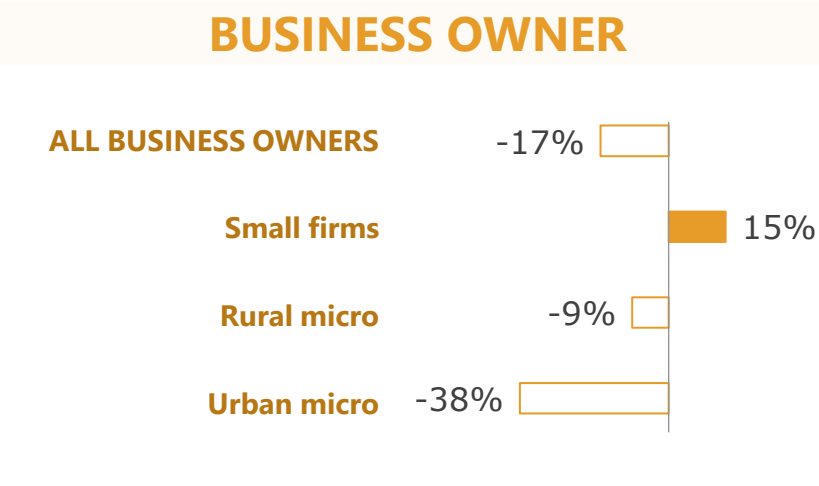
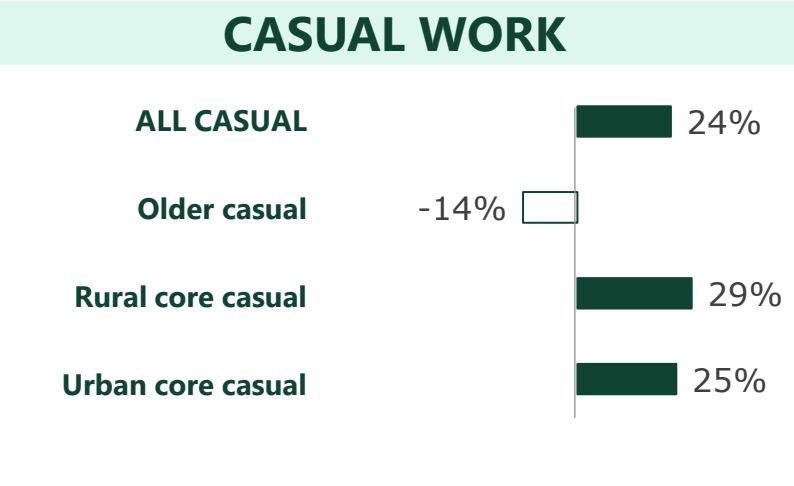
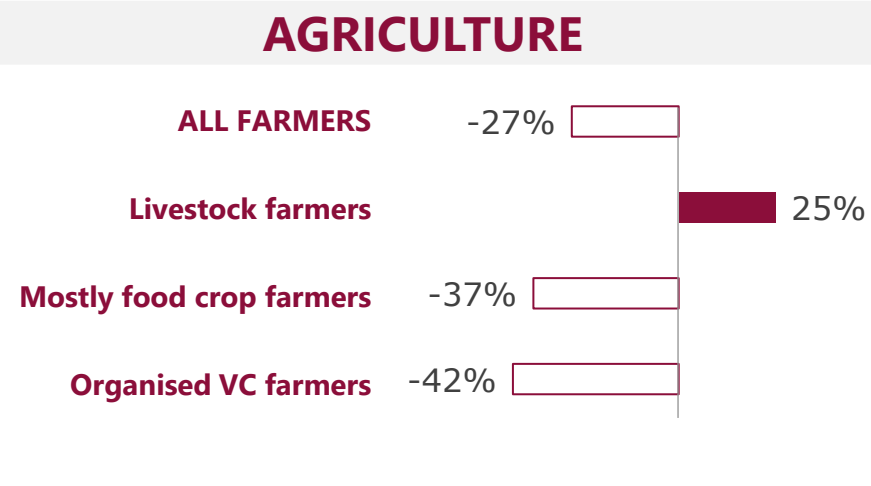


- Other:**
- Main income is rental: 125 000
 - Main income is pension / Investments: 182 000
 - Other businesses: 45 000
 - Other employed: 11 000

The segmentation also allows a more granular view on livelihood shifts overtime



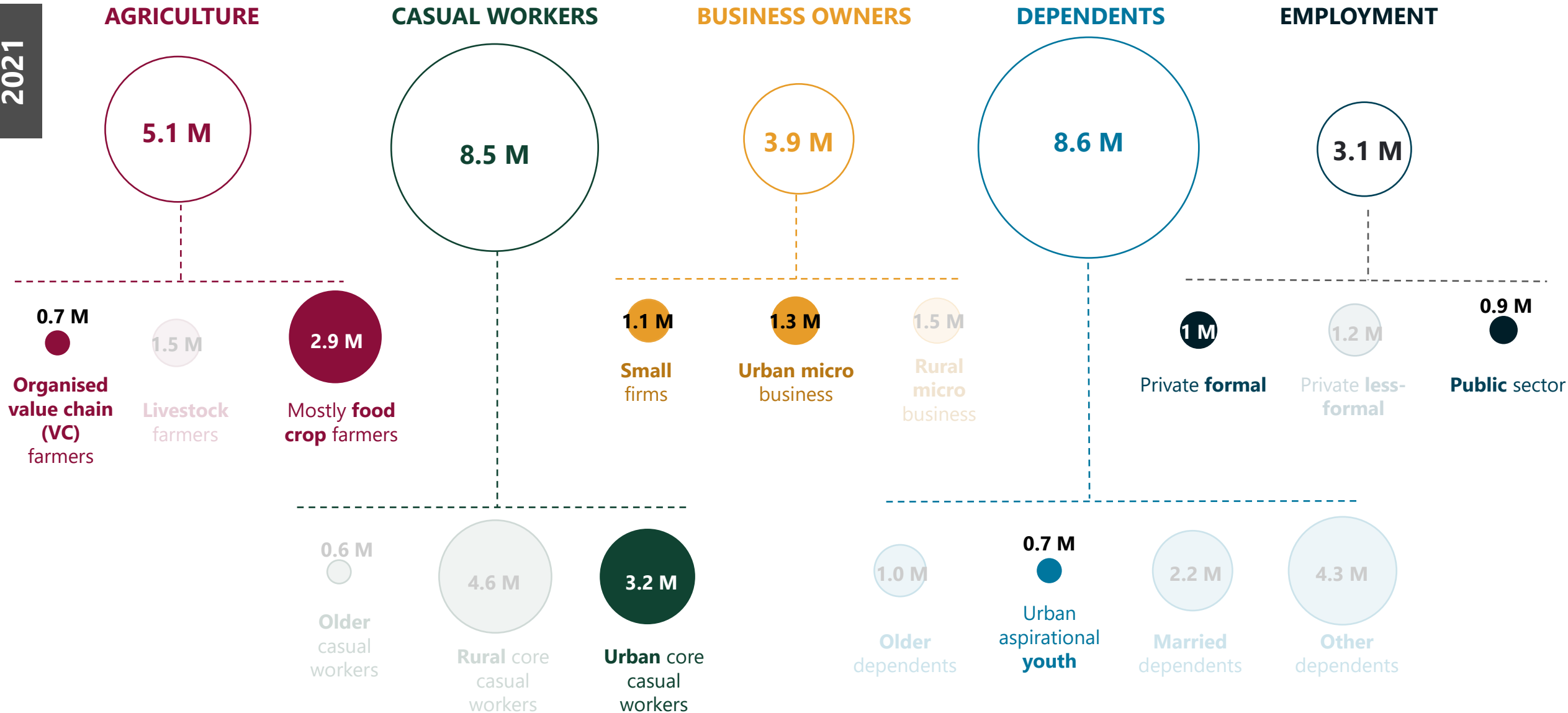
Percentage change in segments as a share of the population: 2019 - 2021



Since 2019, there have been large shifts away from urban micro businesses, food crop and organised value chain farming, and public sector employment and into livestock farming, casual work and reliance on friends/family or social transfers

Eight segments were selected for the deep-dives due to their size and larger incomes

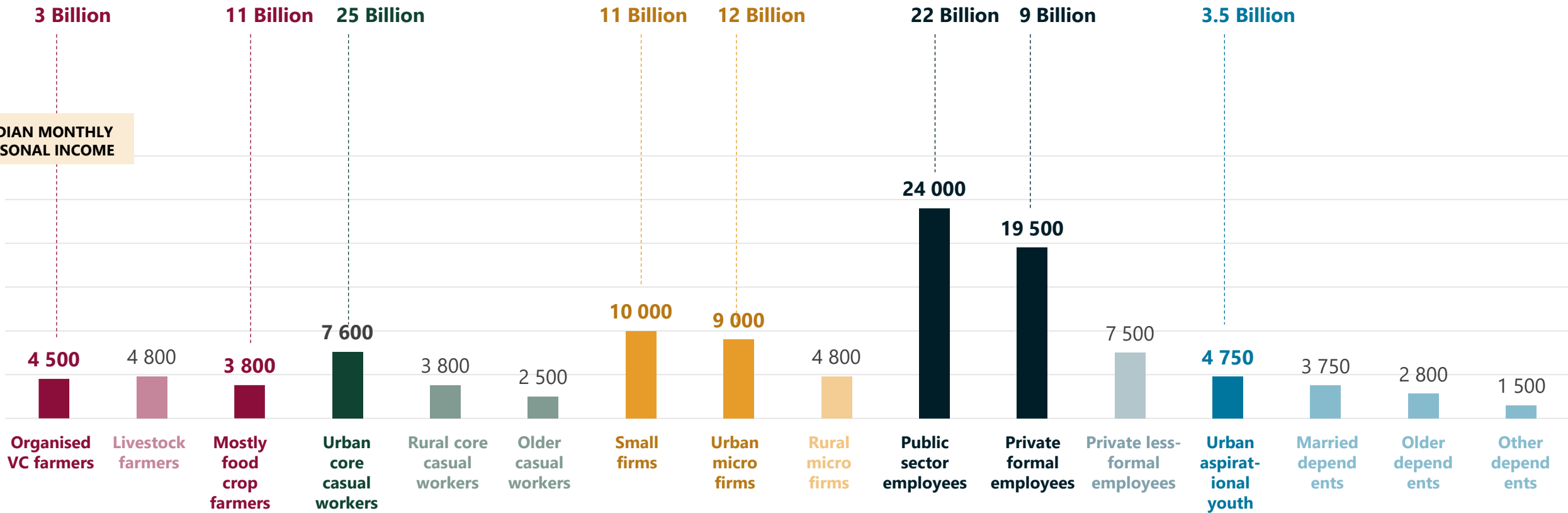
2021



Together these segments represent significant market opportunity either due to their size or due larger incomes


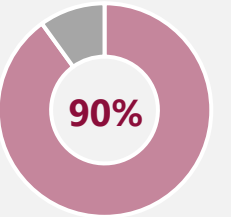
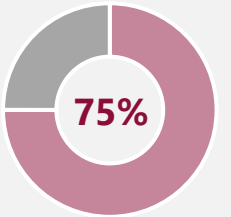
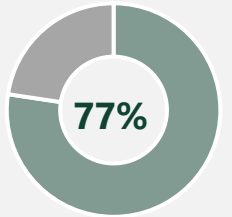
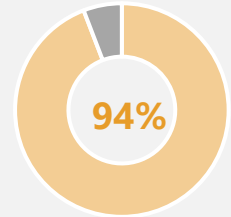
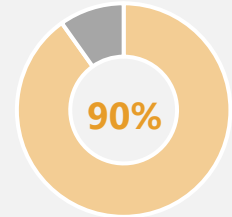
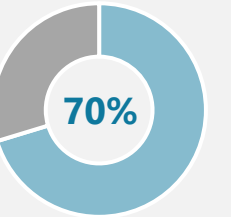
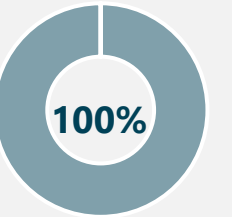
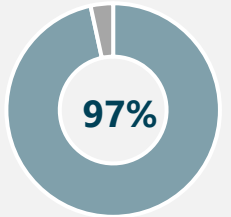








































MARKET OPPORTUNITY*

MEDIAN MONTHLY PERSONAL INCOME



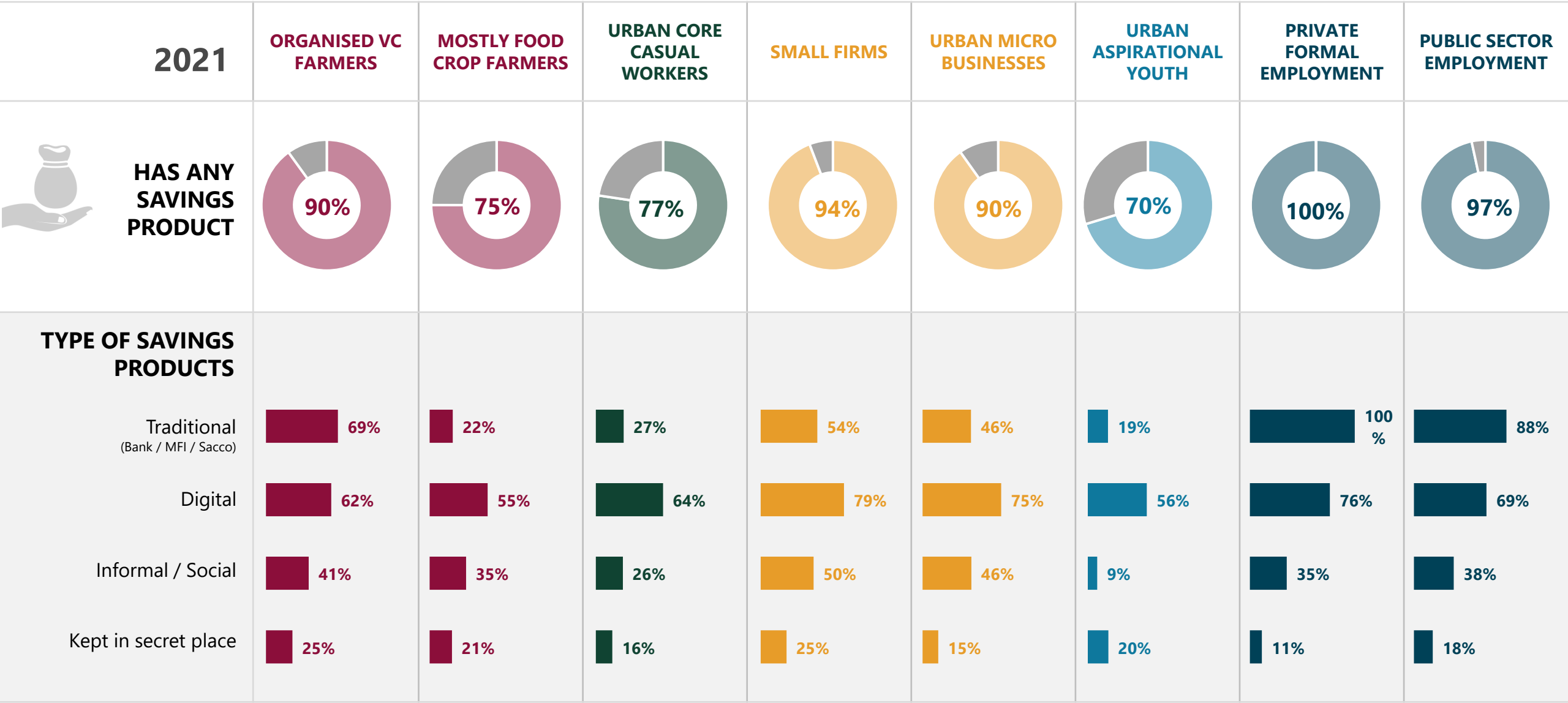
Savings & credit focus

With the exception of the youth segment, these segments have higher savings usage relative to the population average (73%)

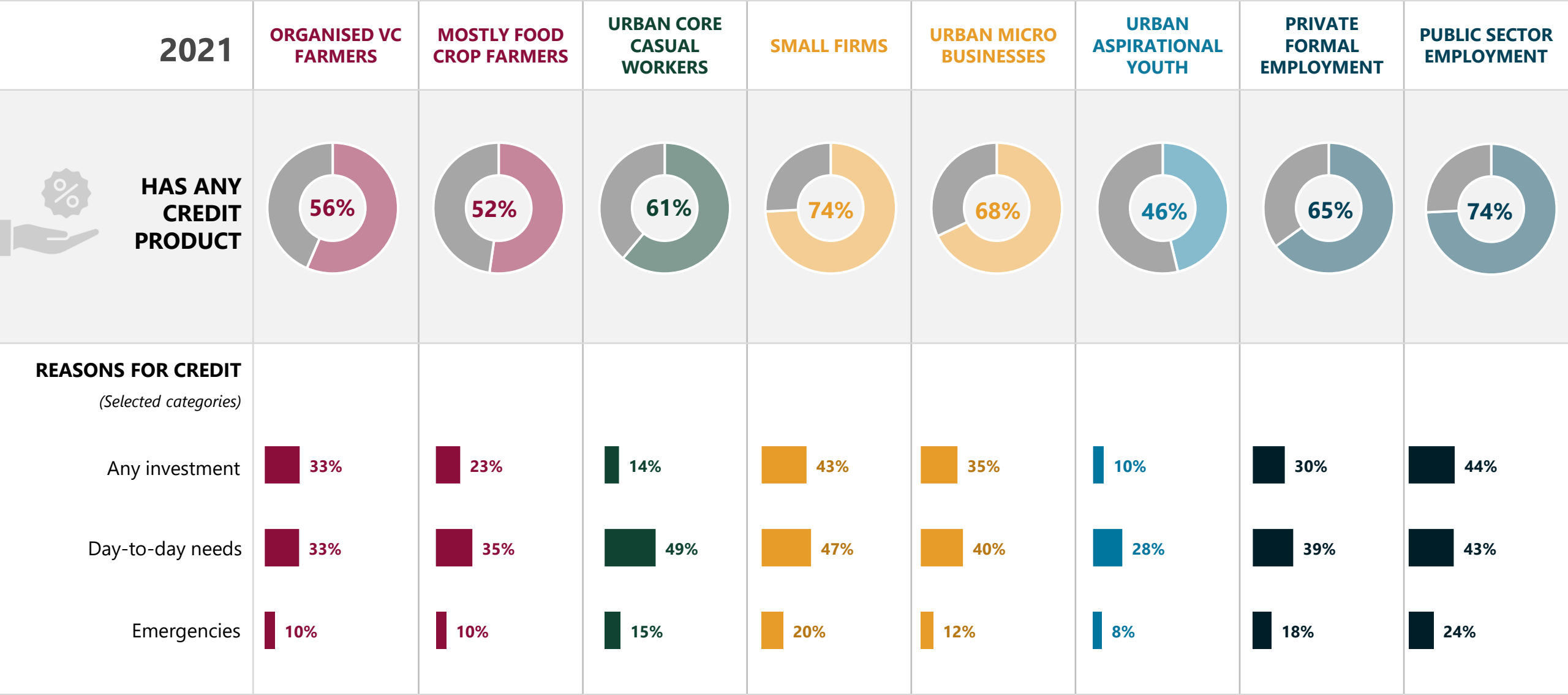
2021	ORGANISED VC FARMERS	MOSTLY FOOD CROP FARMERS	URBAN CORE CASUAL WORKERS	SMALL FIRMS	URBAN MICRO BUSINESSES	URBAN ASPIRATIONAL YOUTH	PRIVATE FORMAL EMPLOYMENT	PUBLIC SECTOR EMPLOYMENT
 HAS ANY SAVINGS PRODUCT	 90%	 75%	 77%	 94%	 90%	 70%	 100%	 97%
REASONS FOR SAVING <i>(Selected use cases)</i>								
Education purposes	 39%	 32%	 25%	 44%	 36%	 23%	 47%	 54%
Livelihood purposes	 25%	 16%	 17%	 43%	 36%	 7%	 16%	 26%
Housing / Land	 7%	 5%	 6%	 11%	 5%	 2%	 14%	 16%
Old age / children	 18%	 10%	 13%	 15%	 16%	 8%	 18%	 25%
Liquidity*	 72%	 57%	 52%	 62%	 62%	 42%	 57%	 65%

8 | *Liquidity includes savings for emergencies (medical, burial) or to meet day-to-day household needs


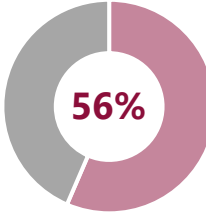
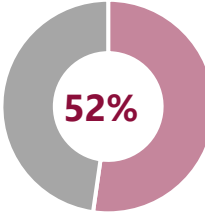
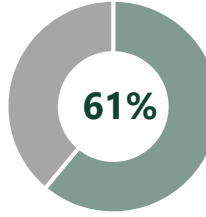
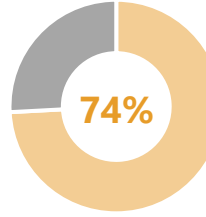
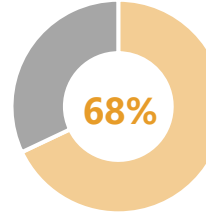
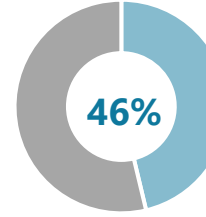
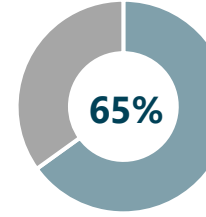
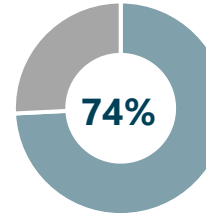
























Many are leveraging formal saving products (digital and non-digital), but savings through informal and social networks is also high



Even among these wealthier and more economically active populations we see a relatively high usage of credit to support day-to-day liquidity needs....



...and many are turning towards their informal and social networks to support their credit needs

2021	ORGANISED VC FARMERS	MOSTLY FOOD CROP FARMERS	URBAN CORE CASUAL WORKERS	SMALL FIRMS	URBAN MICRO BUSINESSES	URBAN ASPIRATIONAL YOUTH	PRIVATE FORMAL EMPLOYMENT	PUBLIC SECTOR EMPLOYMENT
 HAS ANY CREDIT PRODUCT	 56%	 52%	 61%	 74%	 68%	 46%	 65%	 74%
TYPES OF CREDIT PRODUCTS								
Traditional <small>(Bank / MFI / Sacco)</small>	 23%	 9%	 4%	 17%	 11%	 7%	 30%	 44%
Digital	 20%	 19%	 34%	 44%	 37%	 26%	 41%	 38%
Informal / Social	 38%	 38%	 40%	 49%	 42%	 21%	 28%	 36%

Urban segment deep-dive

Urban core casual worker



3.3 Million adults 16+

More **male** (59%)

Young (70% are 35 years or less)

Most do not have **secondary education (56%)**, but they have some **financial literacy (82%)**

Main type of work

Top 5 categories

Construction	17%
Domestic services	11%
Other community / household services	10%
Taxi, bus, boda boda drivers	7%
Mechanics, plumbers, electricians	6%

7 600 Ksh

Median monthly personal income

25 Billion

Market opportunity

(segment size x median monthly personal income)

Urban micro businesses



1.3 Million adults 16+

More **female** (62%), compared to casual workers and small firms

58% are 35 years or less (slightly younger relative to small firms)

Similar education and financial literacy levels relative to casual workers, but **lower compared to small firm owners**

Main sector

Top 5 categories

Agri-produce traders	20%
Clothing traders	16%
General retail	12%
Wholesale traders	12%
Food / beverage manufacturing	9%

9 000 Ksh

Median monthly personal income

12 Billion

Market opportunity

(segment size x median monthly personal income)

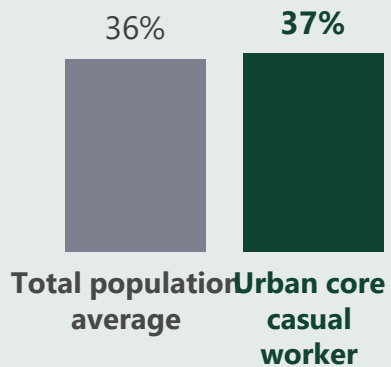
With more volatile income flows, **liquidity challenges** are a common occurrence in these segments (as they are in the general population)



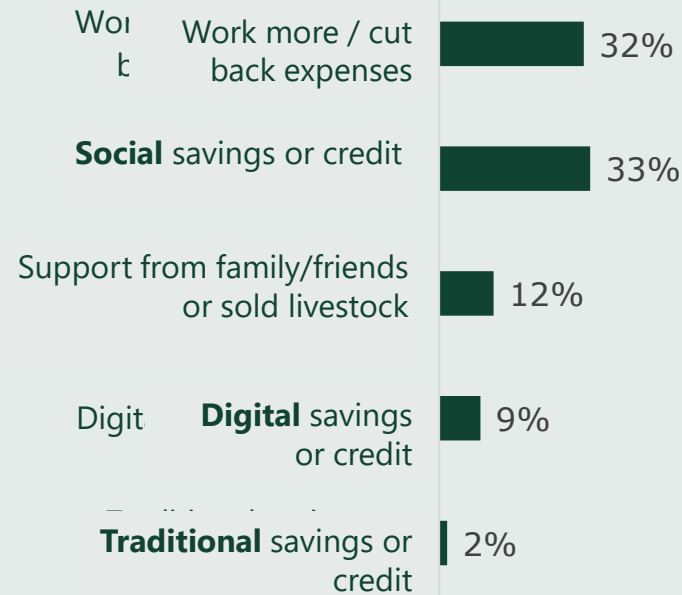
URBAN CORE CASUAL WORKER

3.3 Million adults 16+

Experience liquidity challenges on a DAILY or WEEKLY basis



Main strategy to cope with liquidity challenge



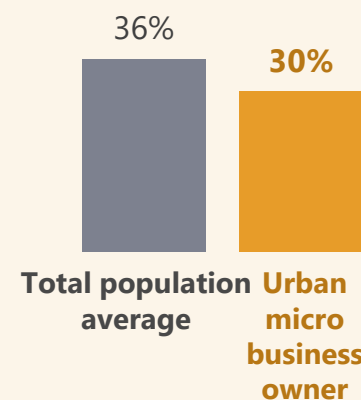
% of segment who experienced a liquidity challenge, selected categories shown



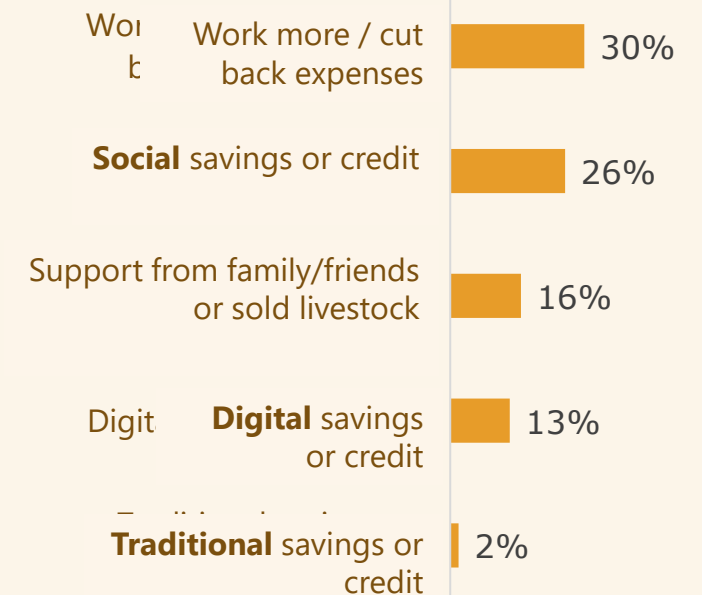
URBAN MICRO BUSINESSES

1.3 Million adults 16+

Experience liquidity challenges on a DAILY or WEEKLY basis

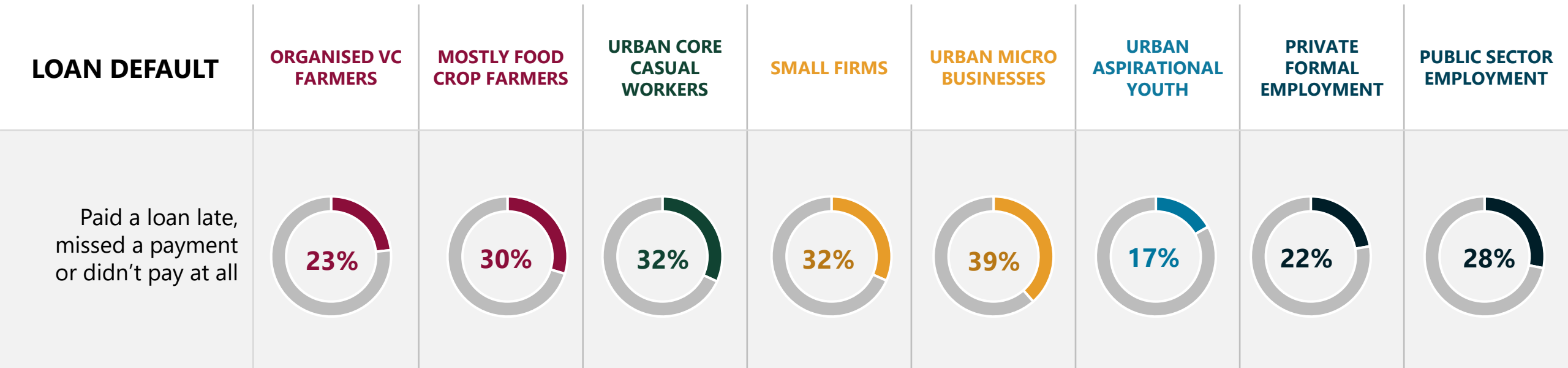


Main strategy to cope with liquidity challenge



% of segment who experienced a liquidity challenge, selected categories shown

...and there are signs of debt stress, slightly more so for the urban casual workers and urban micro business owners relative to the other segments



While both segments are **more digitised than the average population**, there is still significant opportunity to **digitise income flows**...



URBAN CORE CASUAL WORKER

3.3 Million adults 16+



93%
RECEIVE INCOME
most frequently
via CASH**



49%
SMARTPHONE
ownership

Total population average **40%**



26%
DAILY mobile
money usage

18%



65%
Make DIGITAL
PAYMENTS for
use cases beyond
remittances*

51%



URBAN MICRO BUSINESSES

1.3 Million adults 16+



91%
RECEIVE INCOME
most frequently
via CASH**



57%
SMARTPHONE
ownership



40%
DAILY mobile
money usage



74%
Make DIGITAL
PAYMENTS for use
cases beyond
remittances*

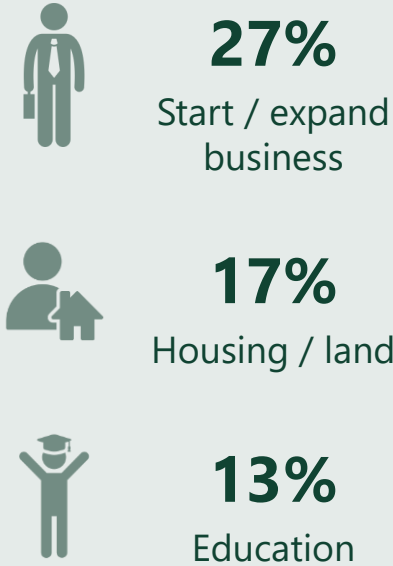
Improved digitisation and better liquidity management can help unlock these individuals goals and aspirations



URBAN CORE CASUAL WORKER

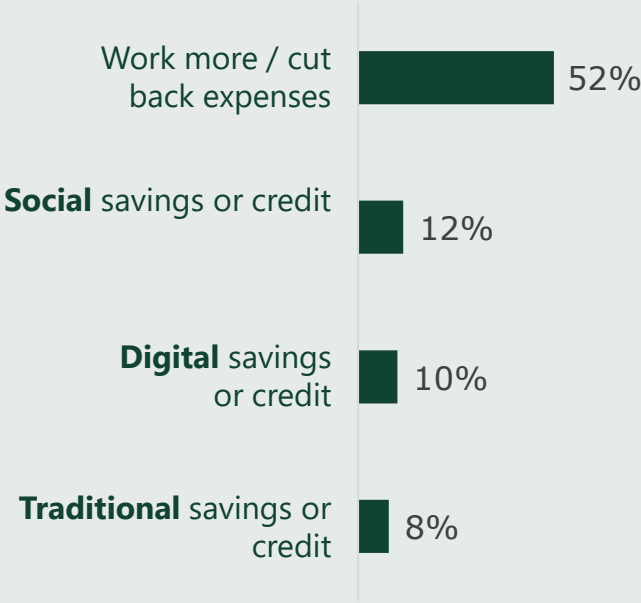
3.3 Million adults 16+

Goals trying to achieve



% of segment; top goals shown

Main strategy to achieve goal



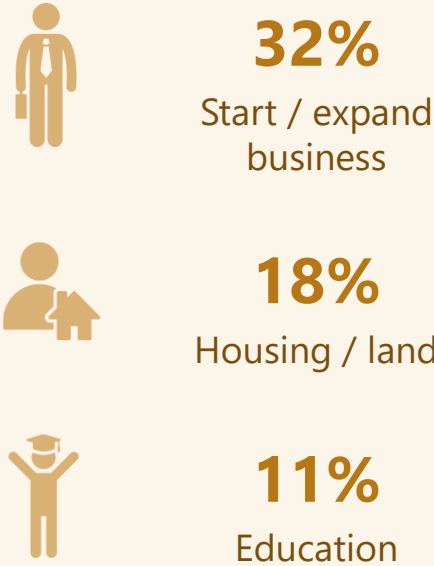
% of those trying to achieve a goal; top categories shown



URBAN MICRO BUSINESSES

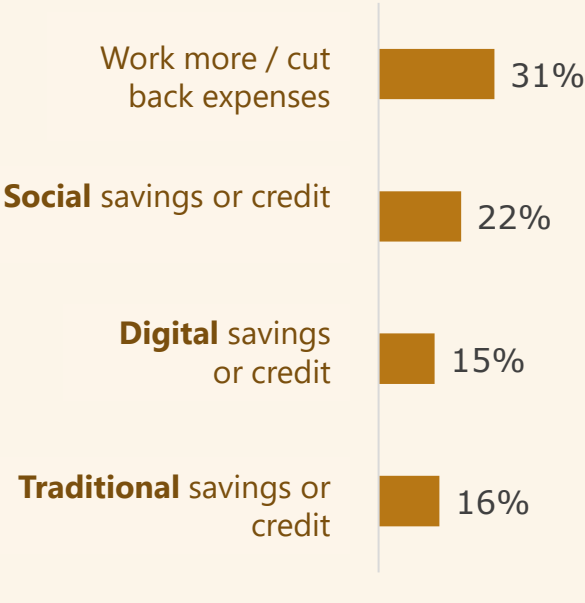
1.3 Million adults 16+

Goals trying to achieve



% of segment, top goals shown

Main strategy to achieve goal



% of those trying to achieve a goal; top categories shown

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Welcome

FinAccess deep-dives

THANK YOU

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CENTRAL BANK OF KENYA

