

2021 FinAccess Household Survey

finaccess

Welcome

FinAccess deep-dives

10th November 2022

Measuring Kenya's Financial Inclusion Journey
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Building Non-Binary Financial Inclusion Indicators



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A Set of Indicators to Track Financial Inclusion

- A toolkit to **measure financial inclusion** in Kenya
- Capture a broad range of financial inclusion **dimensions**
- Analyse financial inclusion **by population characteristics**
- Assess the **impact of shocks and/or innovations** on financial inclusion, i.e. COVID or mobile money

Gap Analysis across Population Characteristics

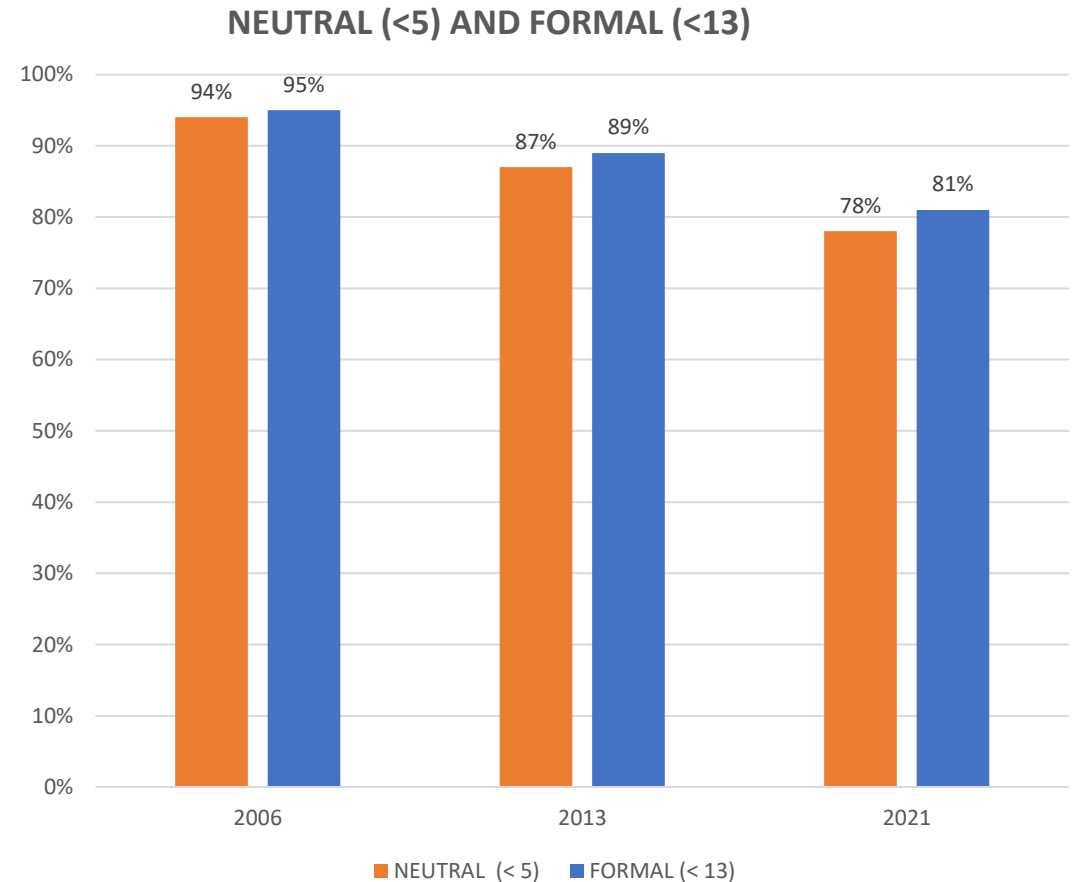


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Financially (Partially) Excluded Population: 2006-2021

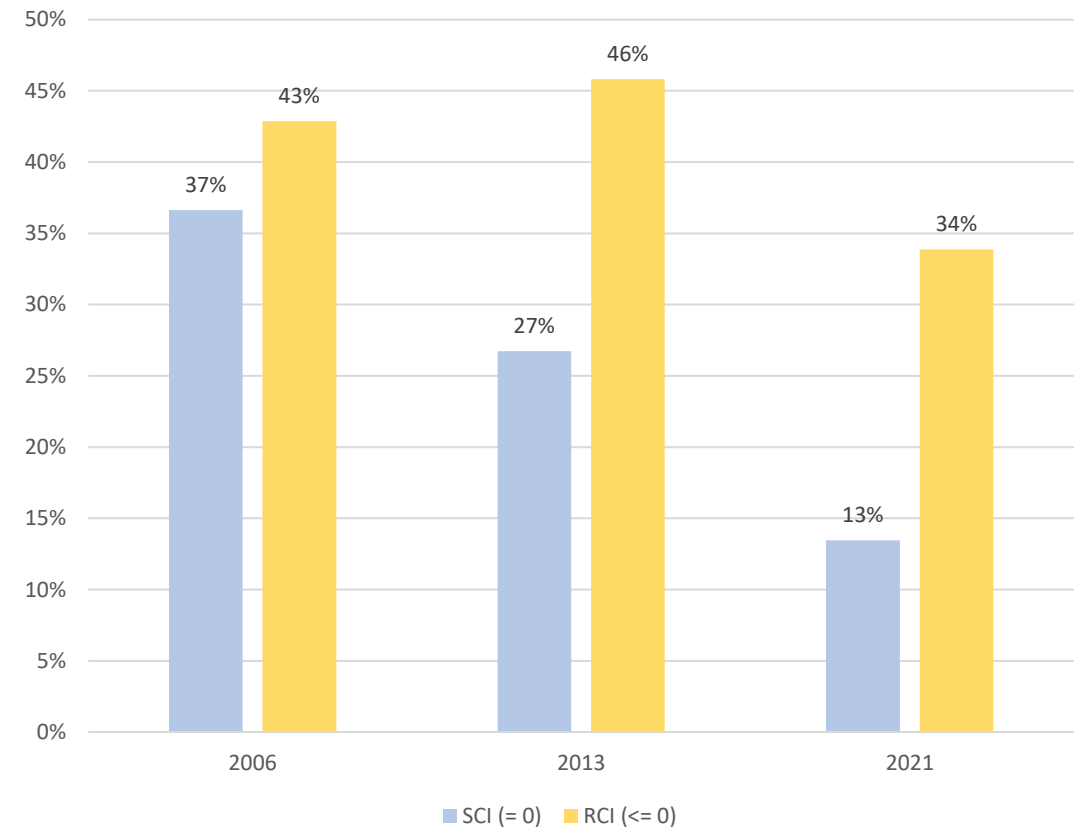
Considering financial inclusion as access to a full range of products, a meaningful percentage of the population remains relatively excluded, irrespective of formality and informality



Financially Excluded Population: 2006-2021

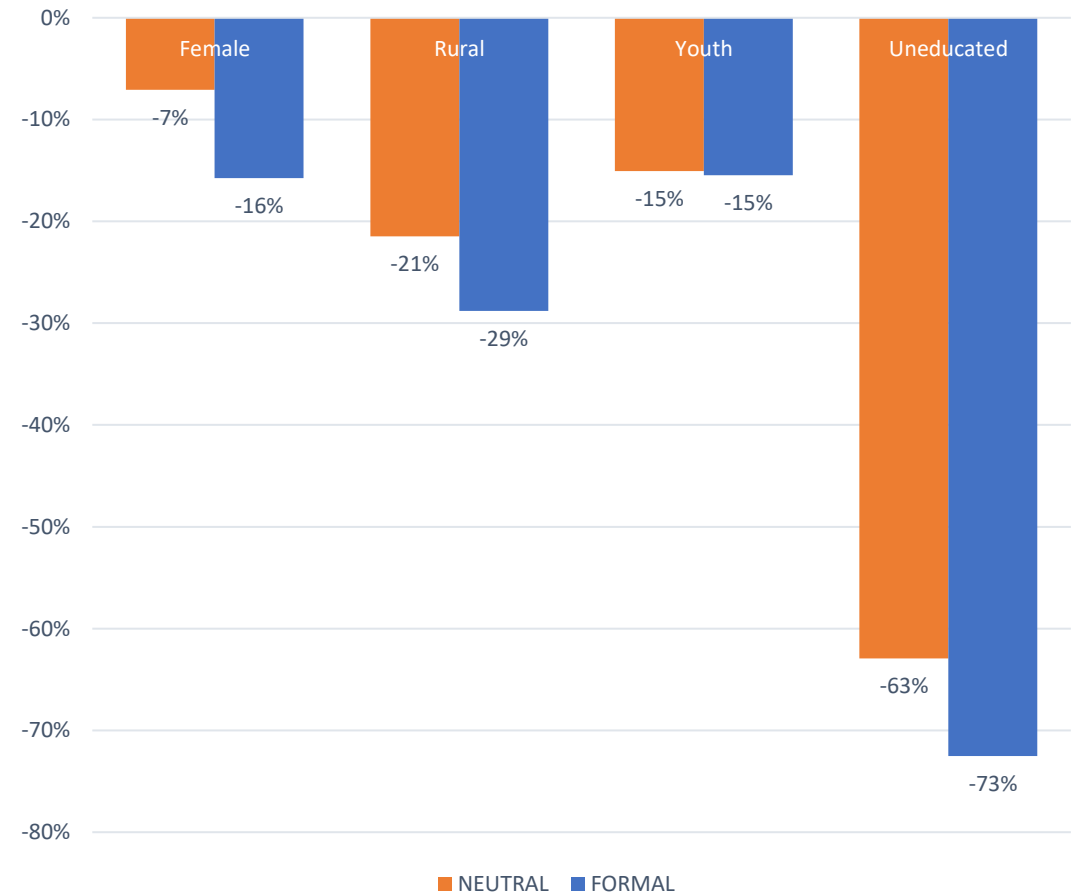
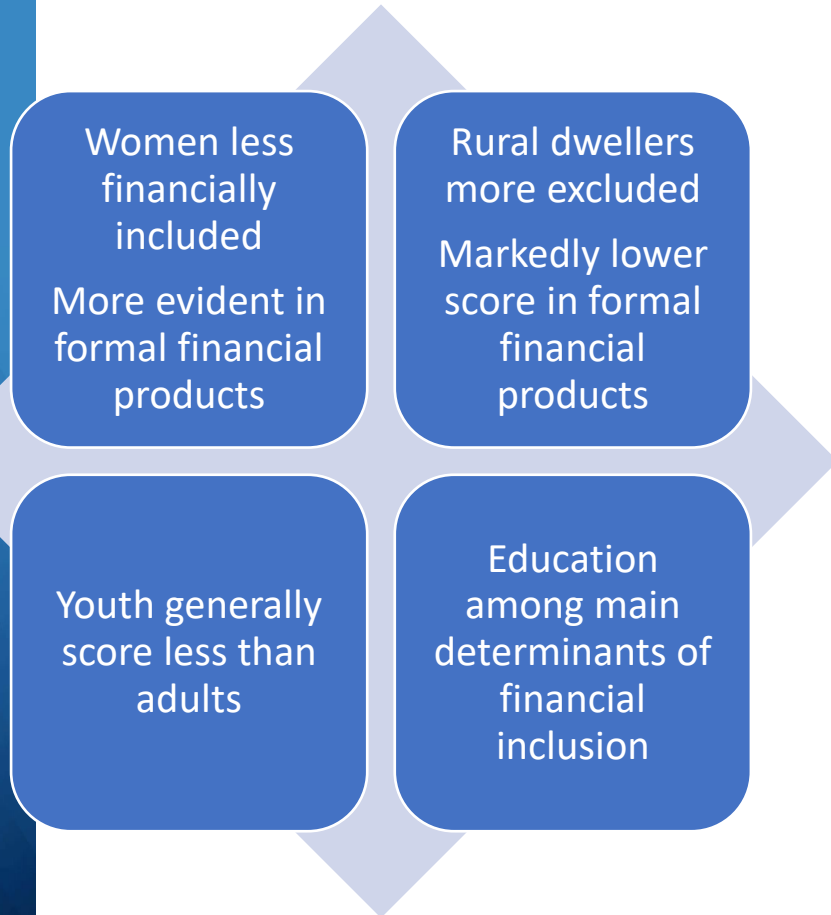
Financial exclusion decreased over time though a significant percentage of the population remains excluded

SIMPLE COUNT (=0) AND RELATIVE COUNT (<= 0)



Average Gap Across All Waves

Gender – Residence – Age - Education



Change between 2006 and 2021

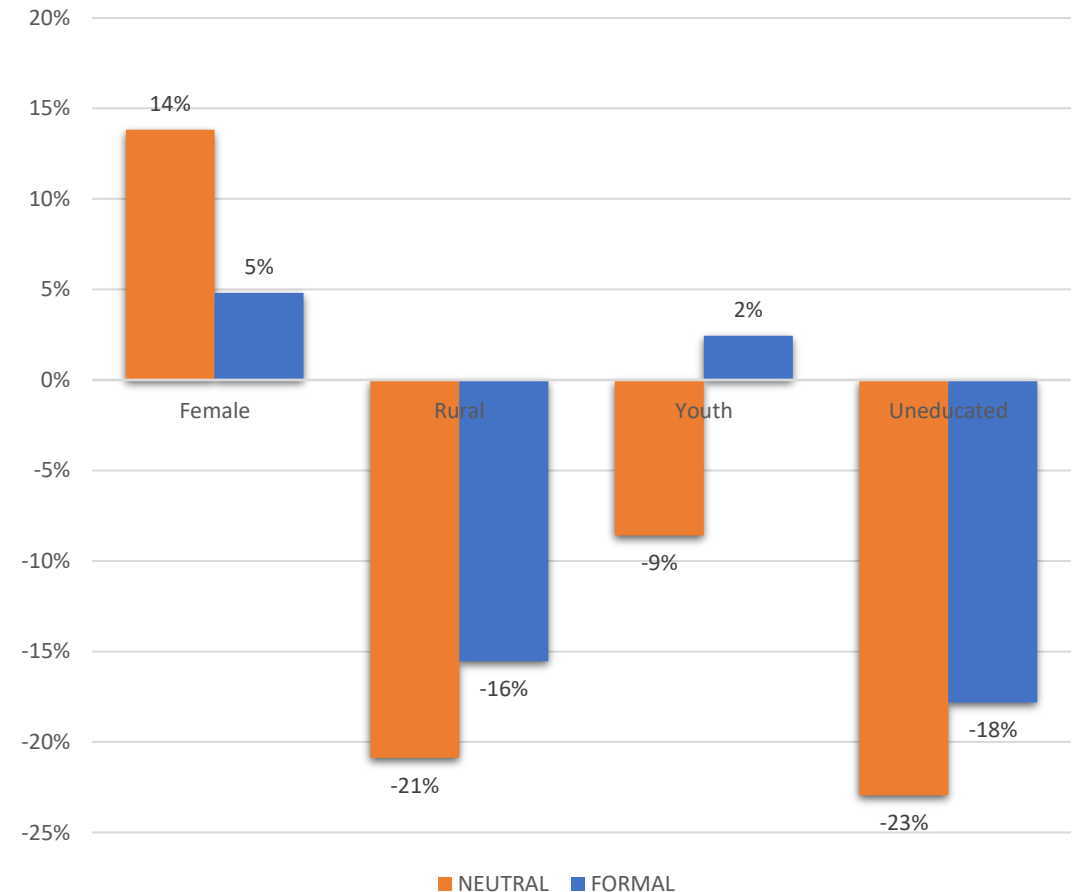
Gender – Residence – Age - Education

Women catching up to men in terms of financial inclusion

Particularly in the usage of informal financial services

Gap increased for rural and uneducated

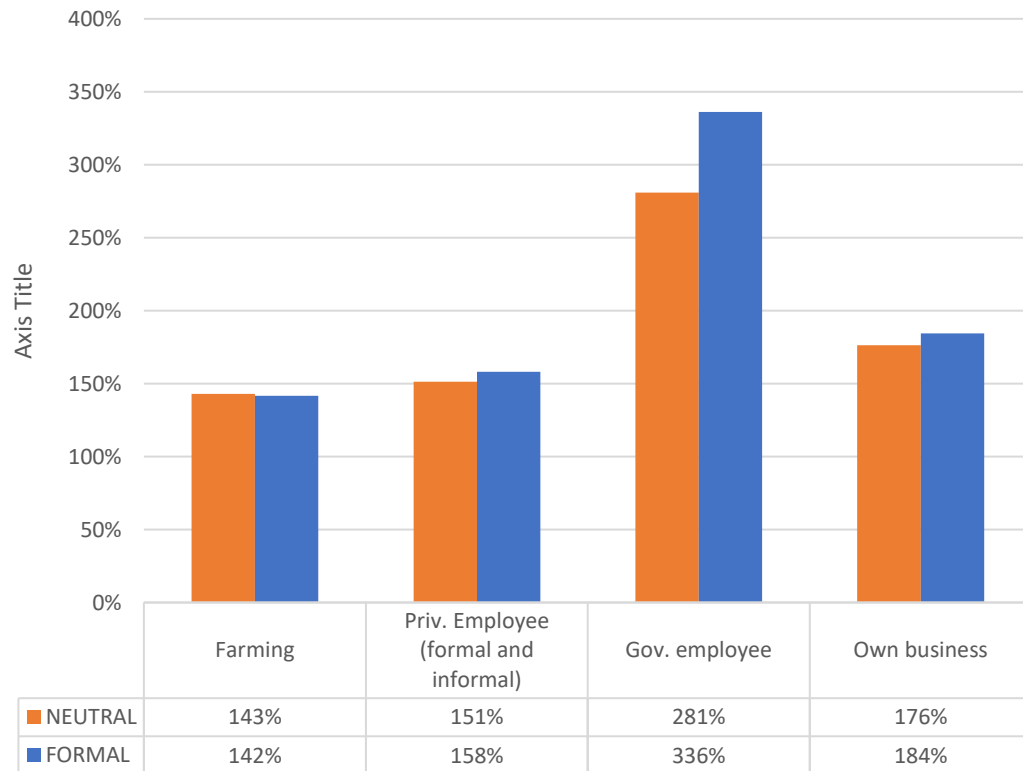
Youth catching up to adults at a very slow pace



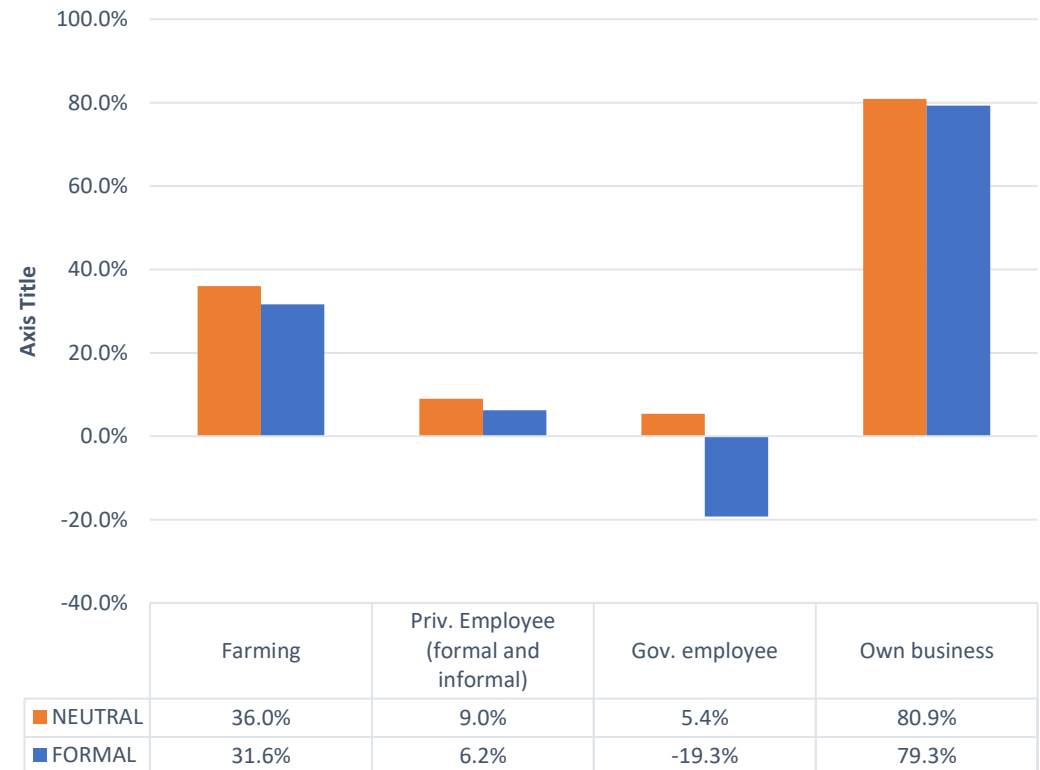
Average Gap and Change

Occupation / Main Source of Income

AVERAGE GAP ACROSS ALL WAVES
(BASE: AID ASSISTANCE)



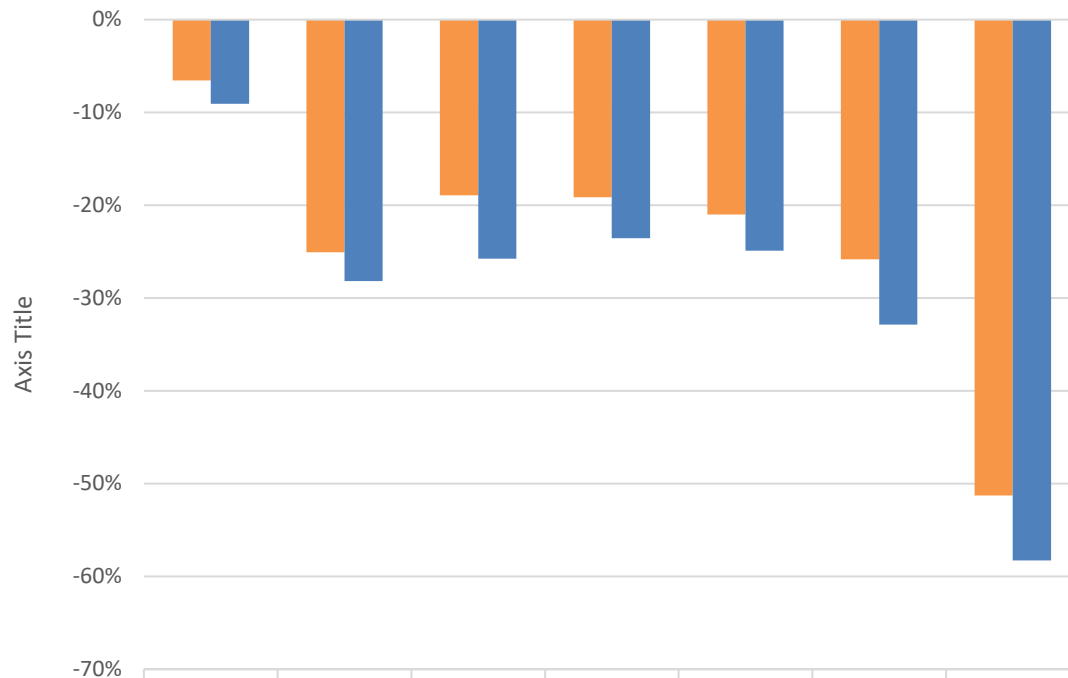
GAP EVOLUTION BETWEEN 2006 AND 2021
(BASE: AID ASSISTANCE)



Average Gap and Change

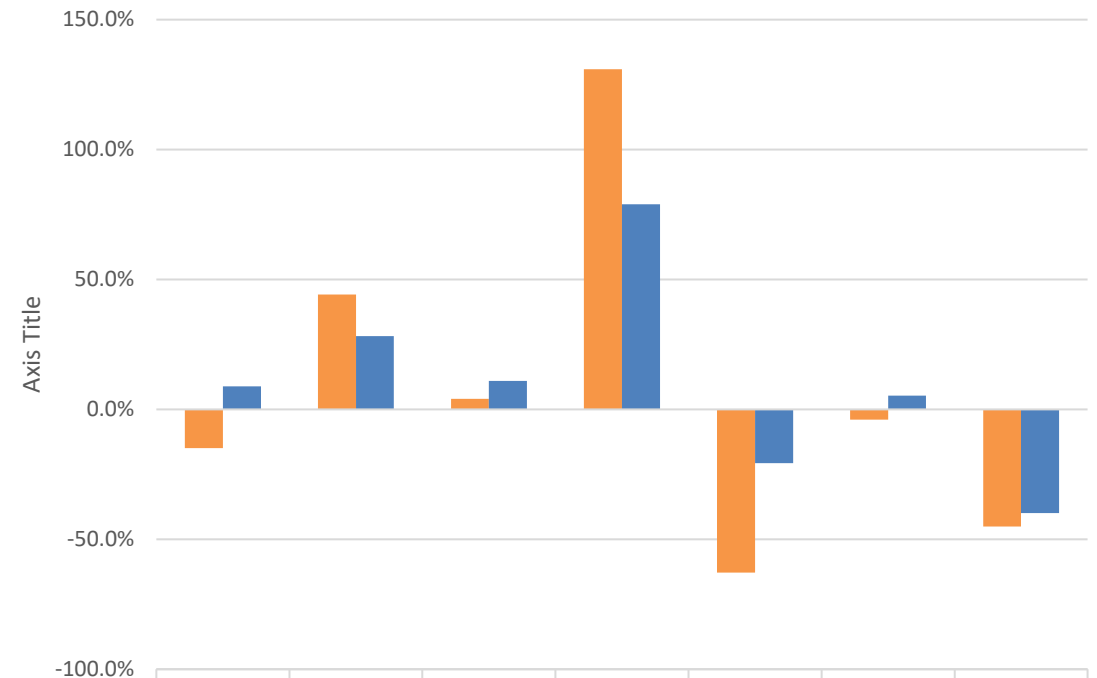
Region

AVERAGE GAP ACROSS ALL WAVES
(BASE: NAIROBI)



NEUTRAL	-7%	-25%	-19%	-19%	-21%	-26%	-51%
FORMAL	-9%	-28%	-26%	-24%	-25%	-33%	-58%

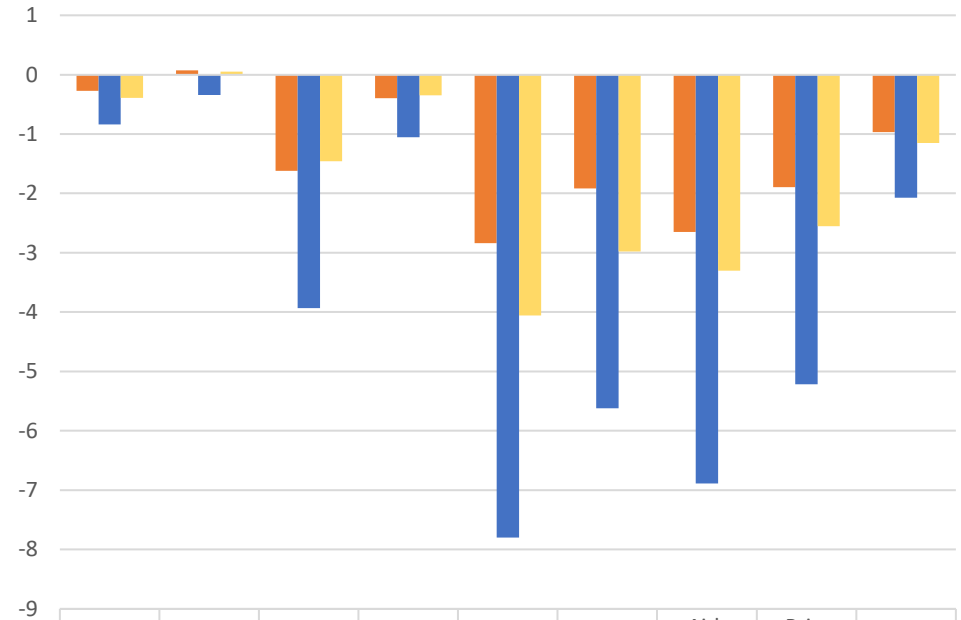
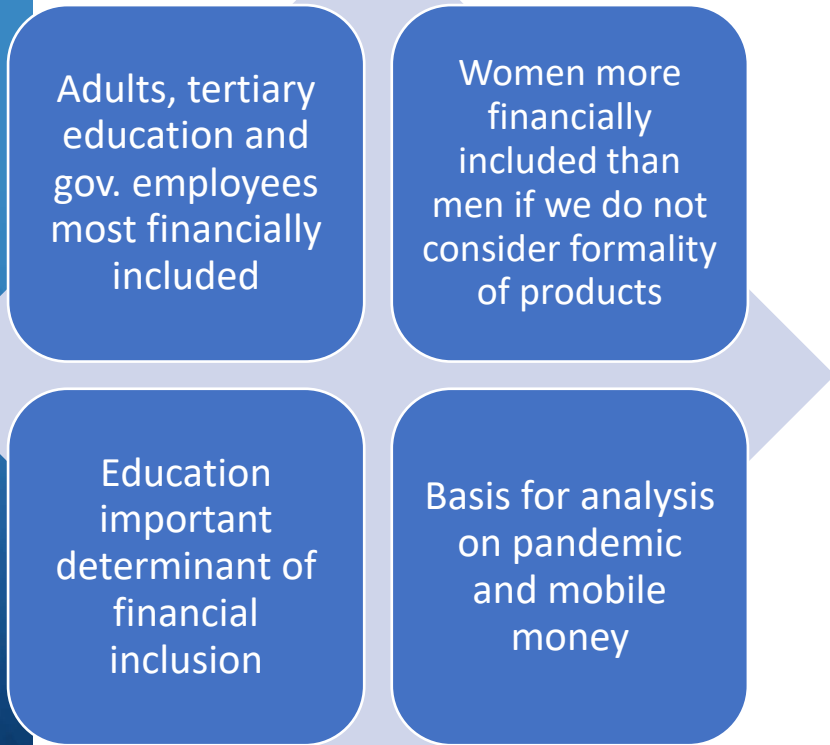
GAP EVOLUTION BETWEEN 2006 AND 2021
(BASE: NAIROBI)



NEUTRAL	-14.9%	44.2%	4.0%	130.9%	-62.8%	-4.0%	-45.2%
FORMAL	8.9%	28.2%	11.0%	78.9%	-20.8%	5.3%	-39.9%

Average Gap Regression Analysis

Main Results



	Rural (vs. urban)	Female (vs. male)	Junior youth (vs. Adult)	Youth (vs. Adult)	Uneducated (vs. Tertiary)	Primary (vs. Tertiary)	Aid-dependent (vs. Gov. employee)	Priv. Employee (vs. Gov. Employee)	Single (vs. Married)
NEUTRAL	-0.274	0.0735	-1.622	-0.393	-2.836	-1.915	-2.649	-1.896	-0.966
FORMAL	-0.84	-0.344	-3.935	-1.055	-7.8	-5.622	-6.888	-5.219	-2.072
RCI	-0.39	0.0519	-1.456	-0.346	-4.057	-2.978	-3.302	-2.552	-1.152

Regression Analysis: Impact of the Pandemic

Comparison 2021 vs. 2019

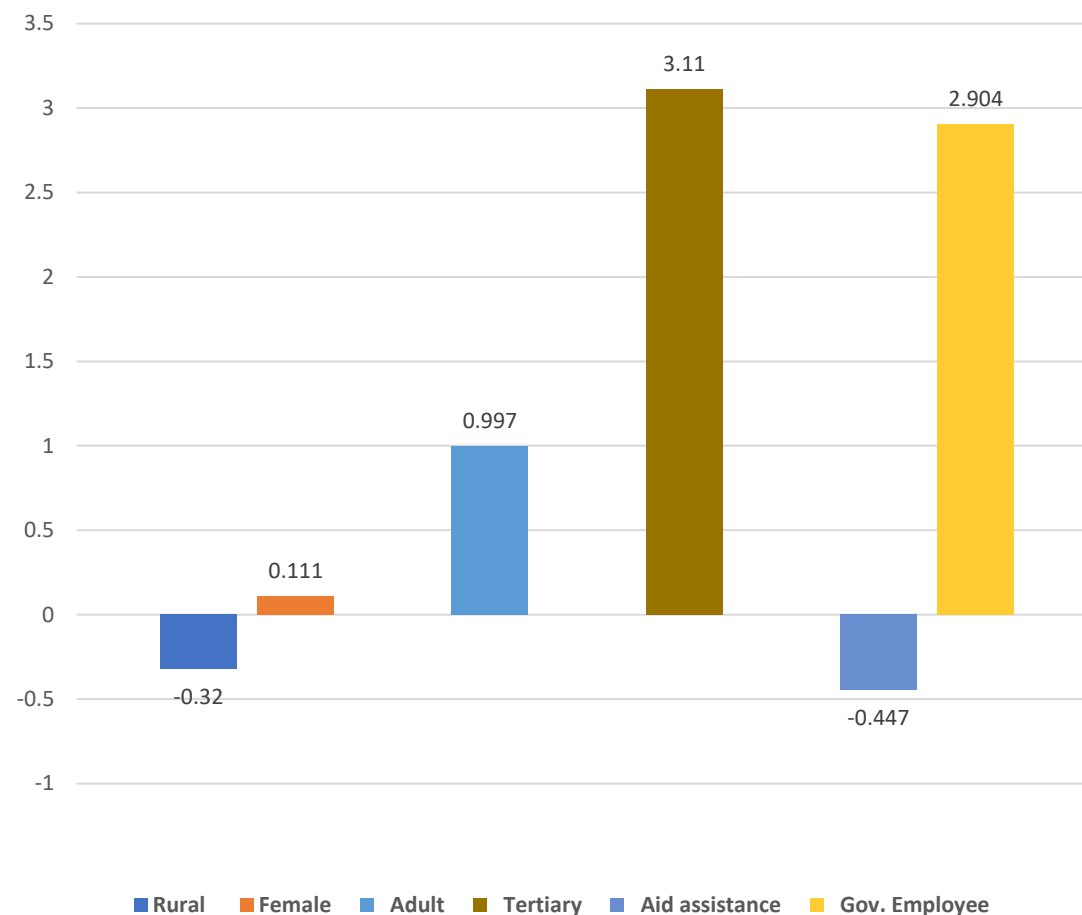
Junior youth, uneducated individuals and government employees experienced the greatest reduction in financial inclusion during the pandemic

Rural dwellers, women and retired individuals were not affected by the pandemic



Mobile Money: Who Were the Main Adopters

Mobile money: Urban dwellers, Women, adult, individuals with tertiary education and government employees were the main adopters/users of MM in 2013



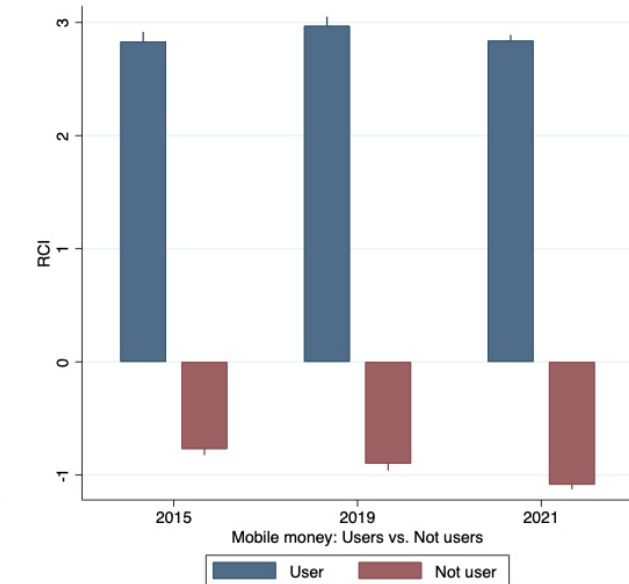
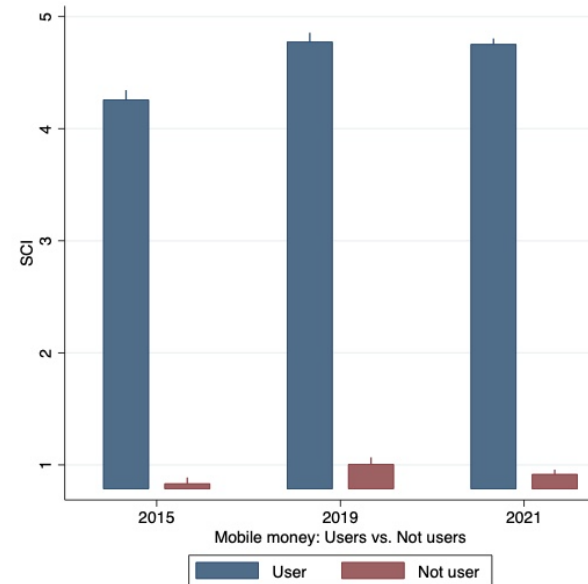
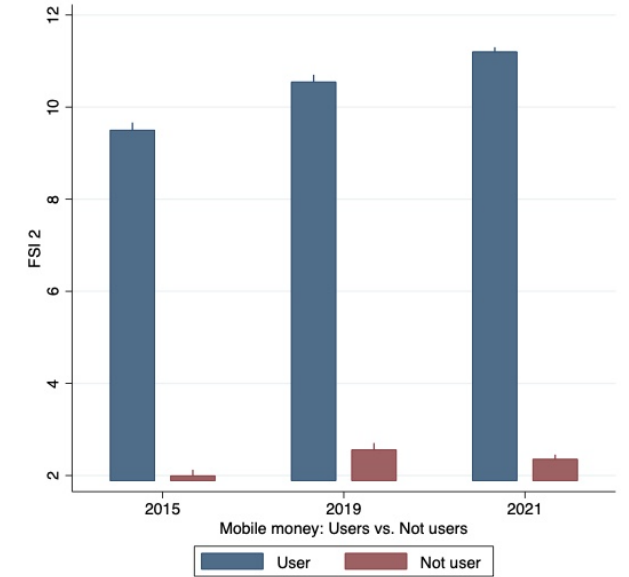
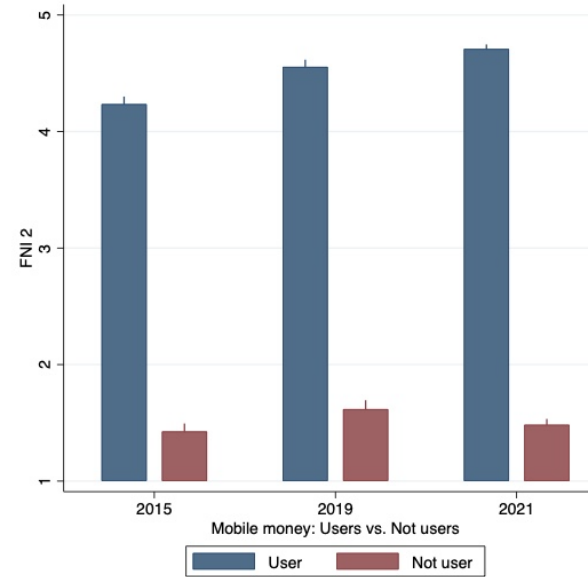
Mobile Money Users vs. Non Users

"Non users" of mobile money are the most excluded individuals

While the financial inclusion of "users" continued to increase during the pandemic, "non users" experienced a reduction

"Non users" use on average less than one financial product

The RCI suggests that their level of relative inclusion (in terms of matching the products used to their characteristics: gender, residence and age) has been decreasing over time



Thank you



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