Table of Contents

- FinScope – a tool for building inclusive financial systems
- The survey method and content
- Sample methodology and results
- Top-line findings
About FinMark Trust

- Independent, non-profit making trust formed in April 2002 with initial funding from DFID
- Mission of “Making Financial Markets Work for the Poor”
- SACU originally, now continent-wide mandate
- Facilitating and catalysing the next generation of development around access to financial services
- Transaction banking, insurance, housing finance - also savings, enterprise finance
- Research, facilitation, advocacy, innovation
- www.finmarktrust.org.za

Why do we need to focus on MFMW4P?
Rational for focusing on a making markets work framework

- Premise that a market is either not working or not achieving its potential
- Solution comes from *that particular* market, not from a blueprint imported from somewhere else
  - Information is the key to understanding
- Requires the involvement, and buy in, of the multiple stakeholders in that market
  - Governments, private sector, donors, NGOs


MFMW – strong link between FS development and growth

Financial Sector Development → Economic Growth → Poverty Reduction

Doubling private credit as a share of GDP increases long term growth by 2%
MFMW...4P – requires pro-growth, pro-access policy focus

- Financial markets help the poor through:
  - *Indirect* benefits flowing from improved national prosperity
  - *Direct* benefits associated with access to financial services
    - Access to financial services allows people to contribute to, participate in and benefit from economic growth

**Of themselves, working financial markets are not intentionally pro-poor; MFMW4TP requires that the poor have access to financial services**

MFMW4P – demands responses from private sector, governments (and donors)

- Private sector
  - How can we deliver services profitably to the poor? What products are appropriate for them?
  - Where are the new market segments?
- Governments
  - How should we support private/MFI/informal provision?
  - Can we change the regulatory regime to (i) remove market obstacles (ii) encourage competition
  - How can we encourage innovation?
  - Should we supply the services ourselves?
Measuring access to finance

Information asymmetry at the heart of poorly functioning markets

- In financial markets, must take into account:
  - Physical access
  - Appropriateness of products
  - Affordability
- Informal as important as formal – therefore demand-side measurement is key
- Should take into account the context in which financial decisions are made
- Spatial mapping completes the picture

What is FinScope?

A comprehensive demand-side survey of consumer interaction with financial markets

Recognises that information is central to the sound functioning of financial markets, relevant to policymakers and service providers alike
FinScope is a rich source of information for both policy makers and service providers:

- Profiles demand and needs of financial services
- Documents usage of financial products, both formal and informal
- Assesses financial behaviour, attitudes, interests, and household financial management
- Establishes credible benchmarks
- Supports collection of financial indicators of access
- Highlights new market segments and opportunities for innovation in product design and delivery
- Provides insights into regulatory and market obstacles to growth, innovation and competition

Dimensions of financial access - consumer perspective

- Usable
- Impact
- Meet Need
- Physical Access
- Legal Access
- Cost Access

Applies to all across the income spectrum!
Drivers of usage - consumer perspective

Applies to all across the income spectrum!

- Demographics
- Economic Status
- Cultural Social
- Information
- Education Literacy
- Aspirations Ambitions

Measuring access to finance

- Access not the same as usage – usage is the best proxy
- Necessary for governments to know:
  - What the state of access is
  - How policy initiatives are improving access over time
  - How they are doing compared to other countries
- Private sector wants to know:
  - Who is using a particular product
  - Where they are (or aren't)
  - The opportunities for innovation and expansion
Towards supporting a financial sector to contribute to economic diversification and sustainable growth

**Institutional infrastructure**
Policies, laws, regulations

**Organizational infrastructure**
Diversity, capacity, competition, innovation

**Support infrastructure**
Service providers, information

**FinScope milestones to date**

- 2002
  - Desk research
  - Pilot urban study in SA (sample of 800)

- 2003
  - SA National survey (sample of 3000)
  - FSM prototype developed
  - Pilots conducted in BNLS countries
  - SA Financial Sector Charter launched

- 2004
  - SA exercise enhanced and partially syndicated
  - FSM validated
  - Full surveys in Botswana and Namibia partially syndicated

- 2005
  - SA exercise enhanced and fully syndicated
  - FinScope Africa strategy development
  - Surveys started in Uganda, Kenya, Zambia, Tanzania
  - Interest from Bangladesh, Benin, Ghana, Nigeria, India, Pakistan
  - WB/DFID/FMT Financial Indicators
  - FinScope SA SME Pilot starts

- 2006
  - FinScope Africa strategy defined
  - Core questionnaire developed
  - Surveys will be completed in Uganda, Kenya, Zambia, Tanzania
  - Ghana and Nigeria to commence
  - Advice provided to Pakistan
  - New countries for 2007 Senegal, Benin, Mozambique, Malawi
  - FinScope Small Business-SA
DCDM Zambia contracted through competitive process to carry out FinScope Zambia survey and compile dataset.

Questionnaire developed by FinMark and DCDM in consultation with FSDP Working Groups and approved by FSDP Implementation Committee.

National representative sample developed by CSO:
- 4,000 respondents, 16+ adult population, 50% male, 50% female.

Face-to-face interviews carried out by 30 trained surveyors and 8 CSO supervisors, overseen by DCDM.

Dataset produced in SPSS and Excel.

Analysis conducted by FinMark Trust, Central Statistics Office, Bank of Zambia, and members of the FAWG.
### Summary of questionnaire themes

**FinScope Zambia:**
- 37 pages, 215 questions
- 1hr to 1hr 15 min

- General Banking
- Financial Perceptions
- General Money Matters
- Credits and Loans
- Investment and Savings
- Insurance
- Business
- Informal Finance
- Psychographics/Financial Sophistication
- Quality of Life
- Demographics/Other

### Questionnaire themes in more detail (continued)

**General Banking**
- Knowledge of financial terms, banks and products
- Use of bank products and services and physical access
- Reasons for not being banked
- Build profile of banked and un-banked
- Assess demand for bank services and alternative financial services being used
- Identify opportunities to expand banking to un-banked

**Financial Perceptions**
- Consumer perceptions of financial services & providers
- Levels of awareness of providers
- Consumer preferences, needs and coping strategies

**General Money Matters**
- Sources of income
- Use of remittance services
- Methods and frequency of receiving money
- Extent to which people deal in cash
- Demand for transactions facilities
- Ways of receiving income and paying for agricultural activities
Questionnaire themes in more detail (continued)

**Credits and Loans**
- Use of loans and credit services and sources
- Repayment behaviour and determinants
- Product features that consumers look for
- Reasons for loan refusal
- Assess demand for credit and loans, and whether supply terms fit needs
- Shed light on repayment culture and indebtedness

**Investment and Savings**
- Consumer experience with investing and saving money
- Factors influencing decisions to keep money safe, store and accumulate wealth
- Alternative ways to save and invest for un-banked
- What nature of investment and savings behaviour means in terms of demand for better savings services

**Insurance**
- Consumer experience with insurance products and sources to determine penetration
- Compare demand for risk mitigating financial services with current supply

**Business**
- Employment status and income generating activities
- Sources of funds used to start and manage businesses
- Use of banking and financial services amongst business owners and self-employed
- Reasons for not accessing bank loans for business
- Evaluate extent to which self employment/own business is an important source of income
- Provide insights into demand and opportunities for business-related finance

**Informal Finance**
- Consumer usage of alternative informal systems to assess penetration
- Extent to which savings clubs/Chilimbas are used as a savings and credit source
- How consumers cope with funeral expenses and whether financial services are used for this purpose
- Provide more insights into how Zambian’s manage their money including savings culture and coping strategies
Questionnaire themes in more detail (continued)

**Psychographics/ Financial Sophistication/ Quality of Life**
- Assess consumer attitudes to financial services
- Understand consumer psychology, sense of being and life values
- Consumer beliefs, cultures and way of life is an important determinant of demand for financial services
- Useful in designing financial services
- Important in classifying consumers into segments other than wealth

**Demographics / Other**
- Access to and usage of communication technology, particularly cell phone
- Sources and volume of household income
- Type of dwelling
- Ownership of property and dwelling
- Perceptions of property as an asset
- Education, language and literacy

Sample methodology and results
A robust sample was designed and executed

- Area Based Sampling methodology used
- This is a methodology recommended by United Nations
- Sample constructed from Census sample framework
- It is Nationally representative
- 160 Enumeration Areas selected
- 25 households from the selected Enumerator Areas
- Random selection of eligible members in household

A robust sample was designed and executed

- Sample Weighted to Zambian population estimates and verified
- Data compared back to known Census numbers
- Total Zambian Population (Census) – 10.9 million people
- Sample of 16+ (FINSCOPE) represents 7.5 million people
- Gender breakdown matches Census profiles
- Provincial Breakdowns match Census breakdowns
- CSO: selected and verified sample and weighting
Sample compared well with the population census data

<table>
<thead>
<tr>
<th>FinScope Sample</th>
<th>Zambia Census 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>51% Male, 49% Female</td>
<td>Total Population: 50% Male, 50% Female</td>
</tr>
<tr>
<td>41.8% 16-25 years, 73.4% 16-35 years</td>
<td>16+: 50.1% Male, 49.9% Female</td>
</tr>
<tr>
<td>68% Rural, 32% Urban</td>
<td>68% Rural, 32% Urban</td>
</tr>
<tr>
<td>15% no income, 55.6% K300,000 or less</td>
<td>24% no income, 55.6% K300,000 or less</td>
</tr>
<tr>
<td>51% Married, 36% Single</td>
<td>Total Population: 51% Married, 36% Single</td>
</tr>
<tr>
<td>42% Head of Household</td>
<td>Total Population: 42% Head of Household</td>
</tr>
<tr>
<td>44.5% main income earners</td>
<td>4% no formal education, 29% some secondary education</td>
</tr>
<tr>
<td>10% no formal education, 29% some secondary education</td>
<td>43% in traditional/low cost rural accommodation; only 2.7% in high cost urban accommodation</td>
</tr>
</tbody>
</table>

It also compared well with census data by Province

<table>
<thead>
<tr>
<th>PROVINCE</th>
<th>CENSUS</th>
<th>FINSCOPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CENTRAL</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>COPPERBELT</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>EASTERN</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>LUAPULA</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>LUSAKA</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>NORTHERN</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>NORTH-EASTERN</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>SOUTHERN</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>WESTERN</td>
<td>8</td>
<td>7</td>
</tr>
</tbody>
</table>
Sample profile

### Gender

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-25 years</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>26-35 years</td>
<td>65</td>
<td>35</td>
</tr>
<tr>
<td>36-45 years</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>46-55 years</td>
<td>7</td>
<td>93</td>
</tr>
<tr>
<td>65+ years</td>
<td>3</td>
<td>97</td>
</tr>
</tbody>
</table>

### Age Group

- 16-25 years: 45%
- 26-35 years: 65%
- 36-45 years: 20%
- 46-55 years: 7%
- 65+ years: 3%

### Head of Household

- Head of H/H: 50%
- Not head of H/H: 50%

Base: Total n=3,998
Unweighted sample profile presented

Sample profile (continued)

### Educational Level

<table>
<thead>
<tr>
<th>Level</th>
<th>0-10</th>
<th>10-20</th>
<th>20-30</th>
<th>30-40</th>
<th>40-50</th>
<th>50-60</th>
<th>60-70</th>
</tr>
</thead>
<tbody>
<tr>
<td>No formal education</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some primary school</td>
<td></td>
<td>16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary school comp</td>
<td>18</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some secondary school</td>
<td></td>
<td></td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sec. school completed</td>
<td>4</td>
<td>9</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some College</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>College completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some Uni Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>No formal education</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some primary school</td>
<td></td>
<td>16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary school comp</td>
<td>18</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some secondary school</td>
<td></td>
<td></td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sec. school completed</td>
<td>4</td>
<td>9</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some College</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>College completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some Uni Completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>32</td>
<td></td>
</tr>
</tbody>
</table>

### Employment Status

<table>
<thead>
<tr>
<th>Status</th>
<th>0-10</th>
<th>10-20</th>
<th>20-30</th>
<th>30-40</th>
<th>40-50</th>
<th>50-60</th>
<th>60-70</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed</td>
<td>11</td>
<td>16</td>
<td>30</td>
<td>14</td>
<td>9</td>
<td>12</td>
<td>32</td>
</tr>
<tr>
<td>Salaries</td>
<td>18</td>
<td>30</td>
<td>14</td>
<td>9</td>
<td>12</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Unemployed</td>
<td>7</td>
<td>17</td>
<td>12</td>
<td>9</td>
<td>12</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Household/student</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Base: Total n=3,998
Unweighted sample profile presented

### Marital Status

<table>
<thead>
<tr>
<th>Status</th>
<th>0-10</th>
<th>10-20</th>
<th>20-30</th>
<th>30-40</th>
<th>40-50</th>
<th>50-60</th>
<th>60-70</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of H/H</td>
<td>11</td>
<td>16</td>
<td>30</td>
<td>14</td>
<td>9</td>
<td>12</td>
<td>32</td>
</tr>
<tr>
<td>Not head of H/H</td>
<td>18</td>
<td>30</td>
<td>14</td>
<td>9</td>
<td>12</td>
<td>32</td>
<td>32</td>
</tr>
</tbody>
</table>

### Region

- Urban: 51%
- Rural: 49%

### Province

- Copperbelt: 34%
- Eastern: 34%
- Lusaka: 34%
- Northern: 34%
- North Western: 34%
- Southern: 34%
- Western: 34%

### Monthly Personal Income

<table>
<thead>
<tr>
<th>Income Range</th>
<th>0-10</th>
<th>10-20</th>
<th>20-30</th>
<th>30-40</th>
<th>40-50</th>
<th>50-60</th>
<th>60-70</th>
</tr>
</thead>
<tbody>
<tr>
<td>No income</td>
<td>11</td>
<td>16</td>
<td>30</td>
<td>14</td>
<td>9</td>
<td>12</td>
<td>32</td>
</tr>
<tr>
<td>K20,000-K40,000</td>
<td>18</td>
<td>30</td>
<td>14</td>
<td>9</td>
<td>12</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>K40,001-K60,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K60,001-K90,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K90,001-K120,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K120,001-K150,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K150,001-K200,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K200,001-K250,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K250,001-K300,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K300,001-K450,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;K450,001</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uncertain/DNK/Refuse</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Main Income Earners

- No income: 24%
- K20,000-K40,000: 18%
- K40,001-K60,000: 12%
- K60,001-K90,000: 11%
- K90,001-K120,000: 10%
- K120,001-K150,000: 9%
- K150,001-K200,000: 8%
- K200,001-K250,000: 7%
- K250,001-K300,000: 6%
- K300,001-K450,000: 5%
- >K450,001: 4%
- Uncertain/DNK/Refuse: 3%

### Household Owns/Rents House

- Owns: 51%
- Rents: 49%

- Housewife/student/other: 32%
## Top line Findings
- Levels of access to financial services in Zambia

### Some definitions that are used in the analysis

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Formal financial service providers</strong></td>
<td>Banks, insurance companies, building societies, investment managers, and registered micro-lenders</td>
</tr>
<tr>
<td><strong>Informal financial service providers</strong></td>
<td>Unregistered micro-lenders, e.g. Kalobas, Savings Clubs/Chilimbabs. Does not include family and friends</td>
</tr>
<tr>
<td><strong>Banked/Un-Banked</strong></td>
<td>Those that do or don’t use one or more banking product</td>
</tr>
<tr>
<td><strong>Formally Included</strong></td>
<td>Those that use one or more formal financial product</td>
</tr>
<tr>
<td><strong>Financially Served</strong></td>
<td>Those who use one or more formal and/or informal financial product</td>
</tr>
<tr>
<td><strong>Informally Served</strong></td>
<td>Those that use one or more informal financial product only</td>
</tr>
<tr>
<td><strong>Financially Excluded</strong></td>
<td>Those who do not use either a formal or an informal financial product</td>
</tr>
</tbody>
</table>
Landscape of Financial Access is a measurement of usage across four product categories

- Transactions and savings accounts from formal providers is the service that has the highest levels of usage although low at 14.4% and 14% respectively
- Usage of credit products from formal institutions is very low at 1.2% while insurance products are used by 6.6% of the adult population
- How to push the boundaries of the landscape of access is a question that needs to be further understood by looking at needs and opportunities to provide services in a sustainable manner

Levels of access across all formal product categories in Zambia are low
Narrow range of products typically used

**Transactions**
- Savings accounts - 12.8%
- Used to have savings account - 8.2%
- Current account - 2.2%

**Are savings accounts used for transactions rather then for saving?**

**Transactions Cards**
- 7% have an ATM card
- 1.9% have a debit card

**Having savings account does not automatically imply using cards**

**Savings**
- Savings accounts - 12.8% may be used for safe keeping

**Non-financial instruments preferred**

**Credit**
- Bank personal loan
- MFI loan

**Low levels of loan usage**

**Insurance**
- Pension
- Motor

**Low levels of insurance usage**

Analysis of transaction products and services shows higher use of savings accounts (currently have)

- Savings Account
- ATM / Cashpoint Card
- Debit Card / Connect Card
- Current / Cheque Account
- US Dollar / Foreign Currency Account
- Visa Electron Account
- Standing Order
- DDACC
- RTGS (Real Time Gross Settlement)
- Swift Transfer
- Celpay
- Swift Transfer

Graph showing usage levels of various financial instruments.
Analysis of savings products also show higher use of savings accounts, and chilimba (currently have)

![Graph showing savings products usage]

Analysis of credit and loan products shows higher use of loans from informal providers (currently have)

![Graph showing credit and loan products usage]
Analysis of insurance products shows higher use of pension and motor insurance (currently have)

- Pension / NAPSA
- Money Insurance
- Property Insurance
- Personal Injury / Accident Insurance
- Life Insurance
- Agricultural Insurance
- Health Cover (Doctor)
- Medical Insurance
- All Risks Insurance
- Funeral Insurance
- Domestic / Household Insurance
- Travel Insurance
- Motor Vehicle Insurance

The landscape of access expands slightly when usage of informal products is included

- 14% of the adult population say they have an informal product, either a kaloba (loans) or chilimba (savings)
- For those that have a chilimba (7.5%) the main reason is that it allows them to save for a specific purpose, for emergencies and to buy goods
- 2% of the adult population say they have now a loan from a kaloba while 12% said they used have these loans
The landscape of access expands slightly when usage of informal products is included

- Chilimbas can also be used for loans with 8% of adults say they have taken a loan before and 1% say they have a loan now
- Extent of usage of loans from informal providers is likely to be much higher than recorded as people usually do not want to admit they have such loans, a universal phenomenon

Membership of Saving Clubs/Chilimbas is not significantly higher in urban areas than rural areas

Base: N=3,998 Valid responses; Chi square=11.73; p<0.01
Main reasons for joining a Saving Clubs/Chilimba is to save for a specific purpose

- It allows me to save for a specific purpose 42%
- To save up for emergencies 16%
- Save to buy physical goods 15%
- I do not get charged fees 13%
- Save to pay for school fees 11%
- Save to ensure my partner does not spend all my money 11%
- Save to boost working capital / run business 8%
- To save up for emergencies 8%

Base: N=302 Valid responses

Loans from Kaloba

- Never Had It 86%
- Used to Have It 12%
- Have It Now and Use 2%
- Have It Now But Don’t Use 0%
- Not specified 0%
Loans from Chilimba

Informal products are not necessarily substitutes to formal product usage

- 15% of the adult population say they have a bank product, 14% say they have a formal other product, and 14% say they have an informal product.
- Of the 33% of adults that have financial services from (formal and or informal), 5.4% use all three types of products, 3.6% use a bank product and an informal product, and 6.8% use a formal other product and an informal product.
- The highest level of overlap is between bank products and formal other products.
There is some overlap of product usage between formal, formal other and informal

Formal Bank

Formal Other

Informal

20.9%
5.4%
3.6%
28.8%

19.3%
6.8%

15.0%

Base: N=1,186

Lusaka Province has the highest usage of bank products
Lusaka Province again has highest usage of formal non-bank products

Eastern Province however seems to have highest usage of informal products
Measuring access across the formal-informal continuum – introducing the access strand

- The data allows us to place the adult Zambian population along a continuum of usage of financial services from bank, formal other to informal
- This gives us a picture of where provision is coming from, and draws attention to the number of adults that say they do not use any financial services from a formal or informal provider

Definition of the access strand

- The access strand defines the percent of people that say they have a bank account and places them in the bank segment.
- It then places all those that say they do not have a bank account but have a formal other services (e.g. from a microfinance institution) into another segment.
- It then places all those that do not have a bank account, do not have a formal other product, but have an informal product into another segment.
- Those left over are considered not to use any formal or informal services.
Financial Access Strand is a measurement of financial inclusion
There are slight differences when looking at the Access Strand by Gender - Males

A1 - Banked
A2 - Formally Included 25.3%
A3 - Financially Served 35.6%
Financially Excluded

There are slight differences when looking at the Access Strand by Gender - Females

A1 - Banked
A2 - Formally Included 19.4%
A3 - Financially Served 33.5%
Financially Excluded
Overall levels of access to the formal financial system in Zambia is low

- According to the data, about 15% of adult Zambians report having any type of bank product or service (Q5)
- Levels of access to financial services increases because of usage of other formal products including those offered by microfinance institutions, as well as those offered by informal providers
- The Access Strand highlights the important role of other formal and informal services in the financial sector
- Women are less banked than men, and have more informal services than men

Over two thirds of adult Zambians do not use services offered by the formal and informal financial sector

This does not mean there isn't a need, or that they are not engaging in activities that fulfill functions of transactions, credit, savings and risk mitigation. They are probably using sub-optimal alternatives or solutions.

- **Transactions**
  - Take bus and deliver cash in person
  - Give cash to taxis to deliver
  - Risks of carrying cash
  - Transaction costs

- **Savings**
  - Keeping money at home/under mattress
  - Putting in business
  - Risks of storing cash
  - Illiquid when needed for emergencies

- **Credit**
  - Family and friends
  - Unreliable
  - Creates social tensions

- **Insurance**
  - More complex - reliance on savings and credit when event occurs
  - Unreliable
  - Creates social tensions
Access to formal other and informal providers is much higher in Zambia than some of its wealthier neighbours.

But overall levels of access are lower in Zambia.
Snapshot on people’s willingness to be banked

- When asked what they would do if they receive a large sum of money, 57% of adult Zambians would put it in a bank/open a bank account, but a significant number would put it under the mattress (16%) or give it to somebody for safe keeping (15%)
- Of those that are financially excluded these figures are 52%, 18%, and 19% respectively
- This illustrates what people would do to keep money safe – it appears Zambians see banks as a safe place to keep but not to grow money

Snapshot on people’s willingness to be banked

- When asked where they would spend it, most say they would put it into a business, this applies also to the financially excluded
- Females are more likely to spend by putting it in a business then males
Where people would put an unexpected sum of money for safe-keeping before deciding what to do with it

Although people would like to keep money in a bank – mattress and family is also favoured

There is little difference in the preference of the financial excluded on where to keep this money
What people would do with the large sum of unexpected money

Base: N=3,998

People’s selected spending preferences of a large sum of unexpected money – financially excluded

Base N=2757
People’s selected spending preferences of a large sum of unexpected money – by gender

Top Line Findings
- Penetration of banking services in more detail

N=3943
There is generally low usage of bank products by Zambians

- 15% of adult Zambians report having any type of bank product or service but there are another 8% that used to have a bank product/services leaving 77.5% that never had a bank product/service
- Only 4.5% use somebody else's bank account, but among those that are salaried, 7.7% use somebody else’s bank account
- The majority of banked and used to be banked are urban

There is generally low usage of bank products by Zambians

- Usage of bank products is correlated with age, where younger and older people are less likely to have a bank account
- A higher percentage of older people tend be previously banked
- Bank status is also correlated with employment status with the salaried more likely to have a bank account, however a significant percent of salaried people are still un-banked
Banking status of adult Zambians

Chi Square = 246.3; p < 0.01

78% never banked
14% currently banked

Banking status by gender

Chi Square = 45.3; p < 0.01
Banking status by age

Are there opportunities to better serve these segments? And with what services/products? Need to further mine the data to understand economic activities, income, financial behaviour etc.

Banking status by employment

Highest % of banked are among salaried – yet 40% still un-banked
### Understanding household income and usage of financial services

- Although a large percent of Zambian’s say they have no income, household income is likely to be an important source for survival.
- Average household size is 6 and each household has an average of 2 income earners.
- A small percent of respondents (16%) report having more than 2 sources of income.

### Understanding household income and usage of financial services

- In most cases Zambians receive their monies in the form of cash rather than through the financial system – even those that are salaried.
- Banks tend to be used for the basic functions of cash deposit and withdrawing.
- Previously banked and un-banked however are using bank services in the form of cheque cashing and depositing money in somebody else’s account.
Zambians have multiple sources of income, if any

Major sources of income are self employment in farming, business, and salaried work

Base: N=4,773 Valid responses; N=3,998 Valid cases

Main sources of money is from self employment (responses >1%)

Base: N=3,998 Valid cases
Cash is the ways of money is received from income (all sources) – Urban and Rural

In terms of preference – 83% prefer to receive moneys in cash

Ways of receiving money (all sources) – Type employment

Base: N=2,706 Valid responses
Cash is also preference payment method of income (all sources)

Banking activities among ‘banked’

Banks used for basic transactions
Banking activities among ‘previously banked’ and ‘never banked’

- Deposit cash into someone’s account
- Deposit a cheque into someone’s account
- Collect money
- Send money
- Withdraw money
- Cash a cheque
- Others

But some un-banked use banking services for transaction purposes through cash, cheque and cash deposit.

What are Zambian’s looking for in a bank product/service?

- Main reason for not have a bank account given was no money, no regular income and no job
- Bank products and services up-take usually starts at around ZMK450,000 – 600,000 per month
- People look at product terms and conditions when deciding to open an account – could these be impediments to expanding access?
Reasons for not having bank account (all responses>1%)

Base: N=5,754 responses; Valid N=3,350

- I do not have money to put into a bank
- I do not have a regular income
- I do not have a job
- The bank is too far
- Minimum balance in the bank is too high
- It is expensive to have a bank account
- I do not qualify to open an account
- I do not need a bank account
- I do not know how to open an account
- I prefer dealing in cash
- Bank Charges / Service Fees are too high
- I do not know how to open an account
- I do not need a bank account
- It is expensive to have a bank account
- Minimum balance in the bank is too high
- The bank is too far
- I do not have a job
- I do not have a regular income
- I do not have money to put into a bank

Multiple use of formal product by income level

Are their opportunities to better serve lower income segments of the population? And with what services/products? Need to further mine the data to understand economic activities, income, financial behaviour etc.
Factors taken into account when selecting a bank

Usage and awareness of banks is concentrated amongst 4 to 5 banks

- 83% of the adult population is aware of Zambia National Commercial Bank – 4 other banks feature prominently in terms of awareness and include Finance Bank, Barclays Bank, Standard Chartered Bank, and National Credit and Savings Bank
- In terms of where accounts are held and which is the main bank used, ZNCB again has the highest market share, followed by Finance Bank and Barclays Bank
- In terms of concentration index, despite the large number of banks in Zambia, 5 major banks dominate the market, and 3.5 products out of the 15 on offer are mostly used
Awareness of individual banks (all responses >1%)

- Zambia National Commercial Bank
- First Alliance Bank Zambia Ltd
- Anglo Banking Corporation Zambia Ltd
- Bank of Zambia
- Finance Building Society
- Kabwe Zambia Ltd
- Development Bank of Zambia (DBZ)
- Investec Bank Plc
- Commercial Capital Bank Plc
- Zambia National Building Society
- Sheffield Bank Zambia Ltd
- Indo-Zambia Bank Ltd
- National Savings and Credit Bank of Zambia
- Standard Chartered Bank Plc
- Barclays Bank of Zambia Ltd
- Finance Bank Zambia Ltd
- Zambia National Building Society

Base: N=12,873 responses; Valid N=3,560

Banks at which accounts are held

- FRCA Zambia
- Development Bank of Zambia
- African Banking Corporation Zambia
- Citibank Zambia
- Post bank
- Investec Bank Plc
- Finance Building Society
- Cavmont Capital Bank
- Zambia National Building Society
- Indo-Zambia Bank
- Standard Chartered Bank
- Stanbic Bank Zambia
- National Savings and Credit Bank
- Barclays Bank of Zambia
- Finance Bank Zambia
- Zambia National Commercial Bank

Base: N=753 responses; Valid cases N=569
The main banks used by adult Zambians

Base: N=578

Concentration indexes of the banking sector
Top Line Findings

- More on the financially excluded

Who are the financially excluded?

- They tend to be young
- Most have some level of education
- They are equally male or female
- A high number are housewives or self-employed
- Most have no or little income
Who are the financially excluded?

Who are the financially excluded in terms of age?
Who are the financially excluded in terms of personal monthly income?

Who are the financially excluded in terms of multiple sources of monthly income?
Top Line Findings

- Physical Access Barriers

What are the physical access barriers?

- Cost
- Distance
- Time
- Mode of transport
Means of getting to a bank

Means of getting to a bank – Urban and Rural

Base: N=694 responses; Valid cases N=578
Cost of getting to a bank

Base: N=365

Chi Square=93.6; p<0.001

Cost of getting to a bank – Urban and Rural

Base: N=365

Chi Square=93.6; p<0.001
Time spent getting to a bank

![Bar chart showing time spent getting to a bank, with categories: Under 5 minutes, About 5 minutes, About 10 minutes, About 15–20 minutes, About 20–30 minutes, About 30–45 minutes, About an hour or more, Up to a day, More than one day, Not specified. The chart includes data for both rural and urban areas.]

Base: N=578

Chi square = 88.18; p<0.001

Time spent getting to a bank – Urban and Rural

![Bar chart showing time spent getting to a bank in urban and rural areas, with categories: Under 5 minutes, About 5 minutes, About 10 minutes, About 15–20 minutes, About 20–30 minutes, About 30–45 minutes, About an hour or more, Up to a day, More than one day, Not specified. The chart includes data for both rural and urban areas.]

Base: N=578

Chi square = 88.18; p<0.001
Top Line Findings
- Zambian savings and investment behaviour

Zambians prefer building assets than investing in financial instruments

- Rather than purchase T-bills, buy life insurance or stocks on the Zambia Stock Exchange, people would invest in agriculture or a business
- Only 22% of adults say they save regularly and most people would save monthly
- Men save more regularly than women
Zambians prefer building assets than investing in financial instruments

- Safety is the most important consideration given when deciding with which institutions to save money
- When making the decision on whether to save, invest or spend money, most people will consider price of goods and services
- A house is seen as a tradable asset by 54% of Zambians and the same percentage claim to have title deeds

Types of investments would adult Zambians consider and have now

![Bar chart showing types of investments considered and currently held by adult Zambians.](chart.png)
Do Zambian’ save regularly?

Base: N=3,998 Valid cases

Regular savings by gender

Chi square=10.33; p<0.001
N=3998
Frequency of savings

<table>
<thead>
<tr>
<th>Basis</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily basis</td>
<td>7%</td>
</tr>
<tr>
<td>Weekly basis</td>
<td>16%</td>
</tr>
<tr>
<td>Monthly basis</td>
<td>59%</td>
</tr>
<tr>
<td>Quarterly basis</td>
<td>7%</td>
</tr>
<tr>
<td>Yearly basis</td>
<td>4%</td>
</tr>
<tr>
<td>Not specified</td>
<td>3%</td>
</tr>
</tbody>
</table>

Base: N=882 Valid cases

Factors considered when deciding where to save

<table>
<thead>
<tr>
<th>Factor</th>
<th>Rural</th>
<th>Urban</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited paperwork</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>A welcoming place</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Easy information about current amount of savings</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Deposit money at any time</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Ability to take out and put in small amounts</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Minimum bank charges/Service fees</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>It is physically close</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Trust</td>
<td>35%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>Good interest rate</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Get the money any time and frequency</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Safety</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Base: N=822 Valid cases
Important factors influencing decisions to save, spend or invest also showing urban and rural (responses>1%)

Base: N=3,998 Valid cases

Do adult Zambian view their house as tradable asset and do they have title deed?

Base: N=622
Top Line Findings

- Microfinance at a glance

Use of microfinance institutions

Microfinance institutions, although used by only 5% of the adult population, play an important role in increasing levels of access to financial services. There is no gender difference in usage of microfinance.
The MFIs at which services are held

Base: N=218 Valid responses; N=121 valid cases

Providers include mainly the MFI (donor supported organisations), but private company moneylenders have considerable market share

Top Line Findings

- Financial attitudes
The survey asked respondents to agree or disagree with a number of statements about financial behaviour:

- This information can be used to understand financial attitudes and decision making.
- This is relevant when looking to develop new products for new market segments.
- The data shows that Zambians work to a budget and prefer not to take credit.
- But they also see the need to take risks in order to get ahead in life but most do not consider themselves entrepreneurs.

**Financial psychographics**

**Attitudes to finance**

- You tend to take most of your money out of your bank account as soon as you get it.
- Without credit; a loan, you would not be able to feed your family.
- For financial decisions, you get advice from a financial broker.
- You move your money around to get the most growth.
- You go without basic things so that you can save.
- You consider yourself to be an entrepreneur.
- You are worried that you won’t have enough money for old age.
- People often ask your advice on financial matters.
- For you, using a credit card is an easier way to pay.
- You consider yourself to be a business person.
- Bank account makes it easier to get credit.
- Hard to get a loan these days.
- You try to save regularly.
- You do not like carrying cash.
- You know about money and finances.
- You prefer to save where money is safe, even if the interest rate is lower.
- You usually read the finance pages.
- When make financial decisions, like to get advice from family / friends.
- To get ahead in life you need to take some risks.
- You work to a budget.
- Credit ends up being more expensive than thought.
- You hate owing money.
- People often ask your advice on financial matters.
- You consider yourself to be an entrepreneur.
- You have a good idea of what interest / returns you get on savings.
- For you, saving provides a sense of security.
- For you, saving is a way to pay.
- You avoid banking machines.
- You consider saving to be a habit to consider saving.
- You avoid using machines.
- For your money, you consider saving to be a habit to consider saving.
- You consider saving to be a way to pay.
- You avoid using machines.
- You consider saving to be a habit to consider saving.
- You avoid using machines.
- For your money, you consider saving to be a habit to consider saving.
- You consider saving to be a way to pay.
- You avoid using machines.
- You consider saving to be a habit to consider saving.
- You avoid using machines.
- For your money, you consider saving to be a habit to consider saving.
- You consider saving to be a way to pay.
- You avoid using machines.
- You consider saving to be a habit to consider saving.
- You avoid using machines.
- For your money, you consider saving to be a habit to consider saving.
- You consider saving to be a way to pay.
- You avoid using machines.
- You consider saving to be a habit to consider saving.
- You avoid using machines.
- For your money, you consider saving to be a habit to consider saving.
- You consider saving to be a way to pay.
- You avoid using machines.
- You consider saving to be a habit to consider saving.
- You avoid using machines.
- For your money, you consider saving to be a habit to consider saving.
- You consider saving to be a way to pay.
- You avoid using machines.
- You consider saving to be a habit to consider saving.
- You avoid using machines.
- For your money, you consider saving to be a habit to consider saving.
- You consider saving to be a way to pay.
- You avoid using machines.
- You consider saving to be a habit to consider saving.
- You avoid using machines.
- For your money, you consider saving to be a habit to consider saving.
- You consider saving to be a way to pay.
- You avoid using machines.
- You consider saving to be a habit to consider saving.
- You avoid using machines.
- For your money, you consider saving to be a habit to consider saving.
- You consider saving to be a way to pay.
- You avoid using machines.
- You consider saving to be a habit to consider saving.
- You avoid using machines.
- For your money, you consider saving to be a habit to consider saving.
- You consider saving to be a way to pay.
There are clear attributes that distinguish formal providers from informal providers:

- Informal providers are associated with simplicity, ease, rapidity and absence of bureaucracy.
- Banks and insurance companies are in a category of providers that are associated with more bureaucratic procedures.
- MFIs are somewhat in the middle.

People associate “too few branches”, “far away”, “difficult to withdraw” and “slow service” with insurance companies, and MFIs – suggesting distinction between these providers and bank.

Banks are associated more with the need to comply with certain administrative requirements (e.g. payslip), with high interest rates and low returns, but are trusted and a preferred provider.
Correspondence analysis on the attributes of the different types of financial institutions

Dimension 1 distinguishes formal institutions from informal ones. MFI’s somewhere in between these two.

Dimension 2 distinguishes Banks from all others. The other does not form a coherent cluster though.
Top Line Findings

- Financial Literacy

What are levels of financial literacy?

- Bank product names are often not known such as ATM, debit card, funeral fund
- Some technical terms such as premiums not known
- Concept such as business, profit, interest are known terms
- 35% of adult Zambians are interested in financial matters but 40% do not follow financial matters
Interest in financial matters

Follow financial matters
Interest in financial matters by education

Base: N=3998; Chi-square=1063.83; p<0.001

Follow financial matters by education

Base: N=3998; Chi-square=1220.10; p<0.001
Top Line Findings

- Vulnerability and coping strategies

Vulnerability can suggest need for financial services

- Most Zambians see death and illness as an event that can destabilise financial stability
- Most will rely on family and friends in times of need
- Perhaps there are opportunities for better savings and insurance products to help households to deal with unexpected or even expected (life cycle) events
Sources of vulnerability (responses > 1%)

Non-payment from creditors / people who owe you money
Rent increase
Rise in fuel prices
Separation / divorce
Disability of household member
Birth of child
Do not know
Rise in food prices
Failure of business / bankruptcy
Member of household loses job
Unforeseen education expenses
Theft or destruction of agricultural crop / livestock
Theft, fire or destruction of household / property
Serious illness of a household member that requires expensive treatment
Death of a household / family member

N=3974

Sources of vulnerability – urban and rural

Non-payment from creditors / people who owe you money
Rent increase
Rise in fuel prices
Separation / divorce
Disability of household member
Birth of child
Do not know
Rise in food prices
Failure of business / bankruptcy
Member of household loses job
Unforeseen education expenses
Theft or destruction of agricultural crop / livestock
Theft, fire or destruction of household / property
Serious illness of a household member that requires expensive treatment
Death of a household / family member

Rural
Urban
N=3974
Financial coping strategies (responses >1%)

- Borrow money from family/friend
- Ask Church for assistance
- Sell assets/dispose of agricultural crop/livestock
- Wait/ask for donations
- Cut down on household expenses
- Borrow money from other sources eg. Savings Club/Chilimba
- Take out savings with bank
- Postpone plans to pay for something else
- Borrow money from employer
- Do not know
- Apply for government grant
- Borrow money from bank

N=3548

Financial coping strategies – rural and urban

- Borrow money from bank
- Apply for government grant
- Do not know
- Borrow money from employer
- Postpone plans to pay for something else
- Take out savings with bank
- Borrow money from other sources eg. Savings Club/Chilimba
- Cut down on household expenses
- Wait/ask for donations
- Sell assets/dispose of agricultural crop/livestock
- Ask Church for assistance
- Borrow money from family/friend

N=3548
Lived poverty

- 25
- 49
- Lived poverty

- 15
- 10
- 20
- 30
- 40
- 50
- 60
- 70

- 0
- 10
- 20
- 30
- 40
- 50
- 60
- 70

- Support networks

- 0
- 5
- 10
- 15
- 20
- 25
- 30
- 35
- 40

- 25
- 49
Support networks – urban and rural

![Support networks graph]

Top Line Findings
- Access to technology and legal documents
Understanding access to technology and legal documents is important in unbundling barriers to access

- Only 55% percent of adult Zambians have IDs – this will be a constraint for expanding bank access
- Cell phone penetration is still very low at 18% of adults. This will constrain use of cell phone technology in expanding financial access
- However 38% of adults say they use cell phones

Access to key documents by Urban and Rural (responses>1%)

<table>
<thead>
<tr>
<th>Document</th>
<th>Rural</th>
<th>Urban</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Registration Card</td>
<td>5.4%</td>
<td>6.1%</td>
<td>5.8%</td>
</tr>
<tr>
<td>None of the above</td>
<td>70.2%</td>
<td>70.8%</td>
<td>70.5%</td>
</tr>
<tr>
<td>Passport</td>
<td>11.3%</td>
<td>12.8%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Payslip</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Insurance policy</td>
<td>0.6%</td>
<td>0.7%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Phone Bill</td>
<td>0.3%</td>
<td>0.2%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Voter Card</td>
<td>0.6%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Grade 7/9/12/13 Certificate</td>
<td>0.4%</td>
<td>0.2%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Birth Certificate</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Bank Statement</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Taxes Return</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Driving Licence</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Birth Certificate</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.7%</td>
</tr>
<tr>
<td>None of the above</td>
<td>70.4%</td>
<td>70.6%</td>
<td>70.5%</td>
</tr>
<tr>
<td>National Registration Card</td>
<td>5.5%</td>
<td>6.1%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

Base: N=3961
Top Line Findings

- Business Finance

Self-employed who say they own business have minimal interaction with financial system

- Most business are unregistered
- Decisions are made by the person owning the business
- The majority of business owners relied on savings and own capital to start a business
- Most have not even applied for a loan
- In many cases they did not know they could apply for loans
Self-employed who say they own business have minimal interaction with financial system

- Those that have employees pay these employees in cash
- They also pays suppliers in cash
- And cash is mostly kept at home
- Only a small percent of business have their own business account

60% of the self-employed consider that they have their own business

Base: N=1,772 Valid responses
The self-employed who say they have their own business by Urban and Rural

Base: N=1,772 Valid responses

Self-employed by age who say they have their own business

Base: N=1,772 Valid responses
Number of business activities among the self-employed who say they have their own business

- No: 85%
- One: 14%
- Two: 1%
- Three: 0%
- Four or more: 0%
- Not specified: 0%

Base: N=1,060 Valid responses

Business registered of those that say they have their own business

- Yes: 78%
- No: 17%
- Not specified: 5%

Base: N=1,060 Valid responses
Sole or most important decision maker for those that say they have their own business

- Yes: 81%
- No: 13%
- Not specified: 6%

Base: N=1,060 Valid responses

Method used for regular payments by those self employed that say they have their own business

- Payment of employees: 80%
- Payment of providers/suppliers: 60%

Base: N=1060 Valid responses
Where business cash is kept

Base: N=1060 Valid responses

For those who say they have a business account, the main banks used are ZNCB, Barclays and Finance Bank Zambia

Base: N=40 Valid responses
Businesses are mostly self-run

For the 36% that are not self-run, they employ usually 1-5 people
And employees are usually paid in cash and/or in-kind.

- In cash: 35%
- In kind: 21%
- Both in cash and in kind: 28%
- Do not pay: 14%
- Not specified: 2%

Most will not have a separate business bank account, if they have a bank account.

- Yes: 64%
- No: 34%
- Not specified: 2%
Dealing with crises in business (responses<1%)

- Borrow money from family / friend / neighbour
- Use savings
- Accept Donation
- Sell assets
- Do not know
- Borrow money from moneylender / Kaloba
- Borrow money from microfinance institution
- Borrow money from bank
- Not specified
- Sell business

Base: N=1060 Valid responses

Personal savings main source of finance for business start up

- Personal savings

Base: N=1060 Valid responses
Majority never applied for a bank loan to finance their business

Did not apply for a loan

Reasons for not applying for a loan (responses<1%)

I did not think I would get a loan
I already had the money
Did not know where to go
I did not need the money
The bank is too far away
I do not have a bank account
Interest rates were too high
It takes too long to get a loan
My business is not registered
I do not have security
The loan terms did not meet my needs
I found cheaper financing elsewhere

Did not think they would get it or had the money, but also did not know how
Top Line Findings

- Agriculture Finance

There appears to be little use of the financial system for agriculture

- Majority small scale farming
- Majority do not have title
- Small percent finance their inputs – 15%
- Use cooperative, out-grower and government schemes
Most adults in agriculture have a small scale farm

In the majority of cases the farmed is personally or by the household
Of those that say they own their farm, only 19% have title

- Yes: 19%
- No: 78%
- Don't know: 2%
- Not specified: 1%

Base: N=634 Valid cases

Of those engaged in agriculture, only 15% finance their inputs

- Yes: 4%
- No: 81%
- Not specified: 15%

Base: N=1,324 Valid cases
Sources of finance for inputs – Urban and Rural

Of those that finance their inputs, 74% have been able to clear their obligations

Base: N=192 Valid responses
Thank You
www.finscopeafrica.com