

FinScope Consumer Survey Haiti 2018

Demand for financial services

Topline Results presentation

24 April 2018



Partnering for a common purpose

At country level, the core FinScope Haiti 2018 partners, collaborate with other donors to ensure an inclusive, holistic process. Therefore the FinScope Haiti 2018 survey process was complemented by the following members:

1. BRH
2. MEF
3. IHSI
4. DAI/Finance Inclusive
5. APB
6. ACME
7. Federation Le Levier
8. KNFP
9. Université Quisqueya
10. Group Croissance
11. Digicel/ Mon Cash

In-country partners



Funding partners



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- 1. Overview**
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FinMark Trust and FinScope

- FinMark Trust is an independent trust with the purpose of “Making financial markets work for the poor” across Africa and now in Asia in order to increase access to financial services for the unserved and underserved that ultimately lead to the development of inclusive financial systems that can benefit all people
- FinScope is a representative study of the usage of and access to financial services. The FinScope survey is used to better understand money matters, with an emphasis on the market needs and attitudes to both informal and formal financial offerings and usage. The FinScope survey further sheds light on consumers and behaviour by exploring individuals’ interactions with the financial sector as a whole

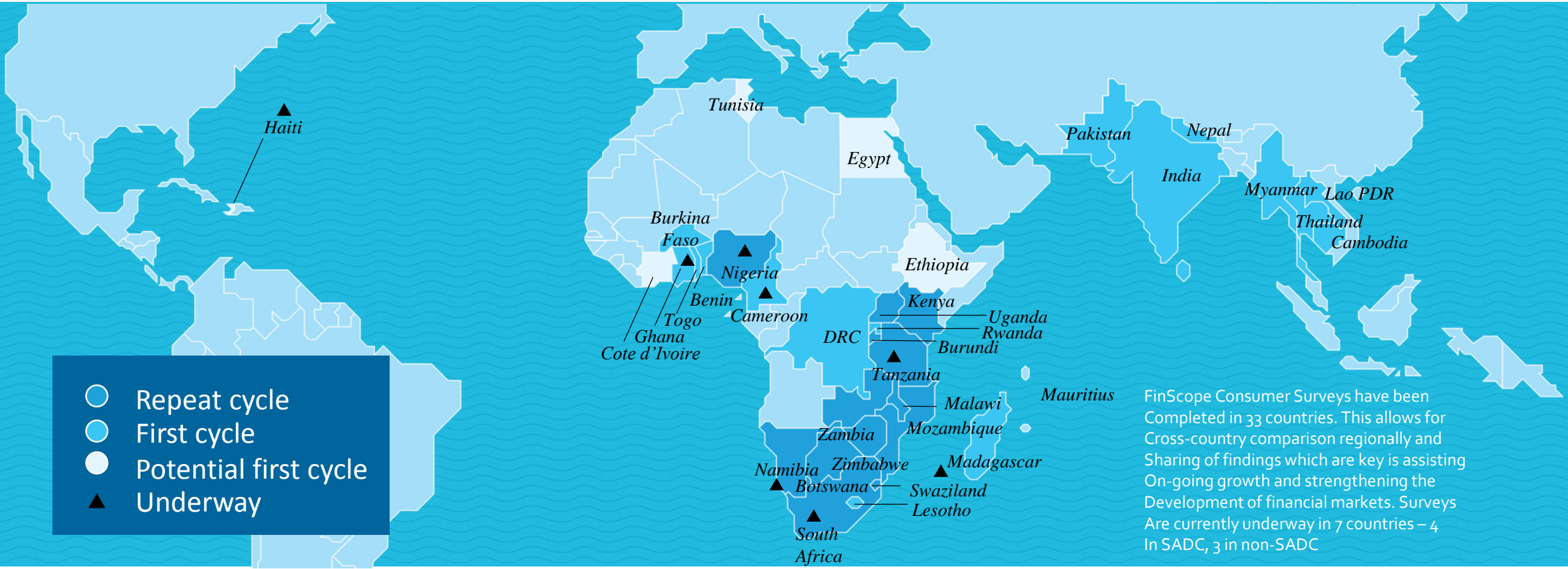
Where:

- Total of 33 countries - 21 African countries; Pakistan, Thailand, Myanmar, Nepal, Laos and Cambodia
- Currently finalising in Benin, South Africa and Sudan.
- Haiti is first in Caribbean and Americas

Objective:

To measure and profile levels of access to and use of financial services by all adults , across income ranges and other demographics, in order to inform stakeholders and develop policy.

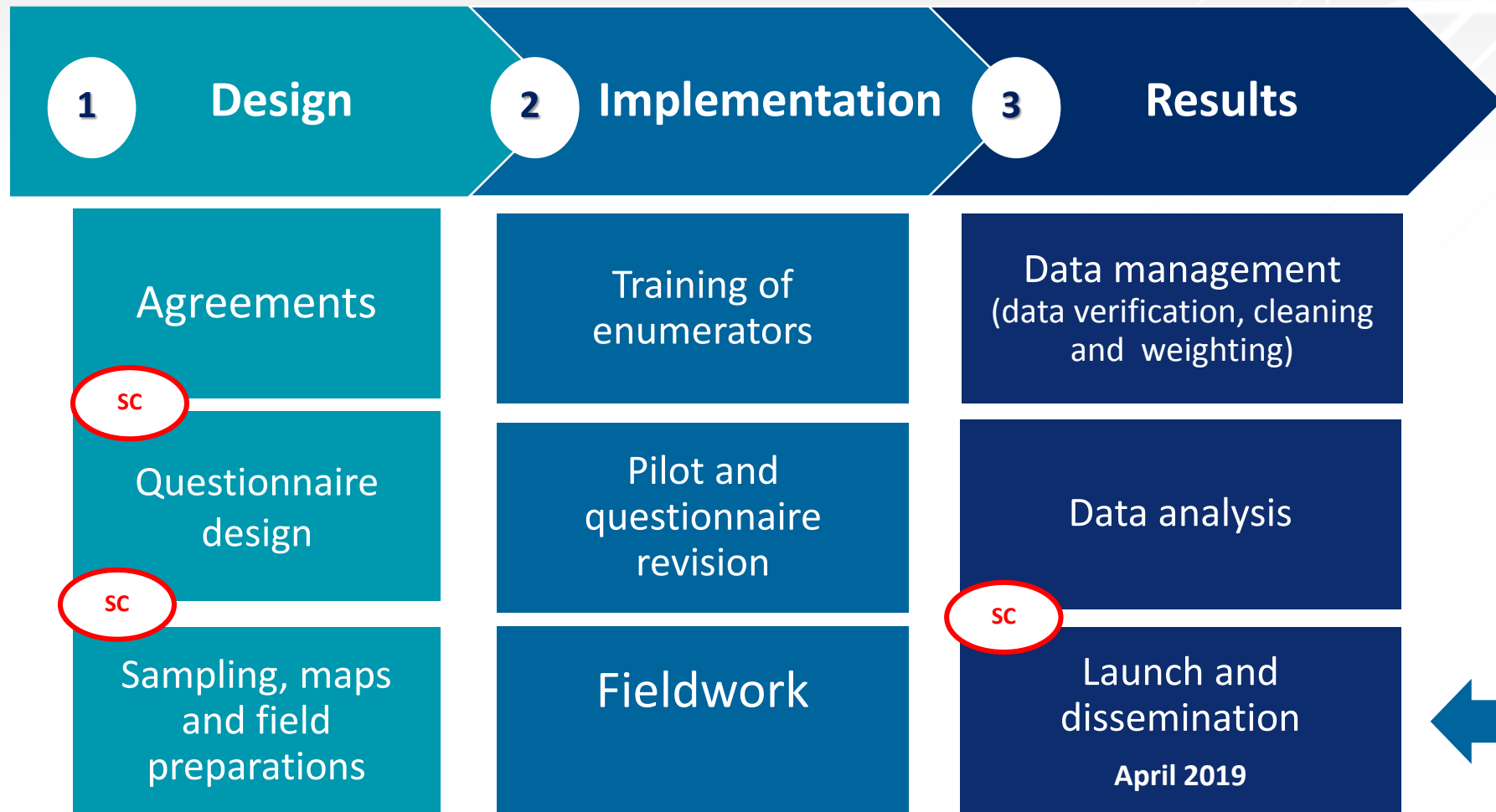
FinScope surveys footprint



Objectives of FinScope Haiti 2018

- To describe the **levels of financial inclusion** (i.e. levels of access to financial products and services – both formal and informal)
- To describe the **landscape of access** (i.e. the type of products and services used by financially included individuals)
- To identify the **drivers** of, and **barriers** to financial access
- To **stimulate evidence-based** dialogue that will ultimately lead to **effective** public and private sector interventions that will increase and deepen financial inclusion
- To create a **benchmark/baseline** for financial inclusion in Haiti (2018) to provide an assessment of changes and factors in the future (including possible impacts of future interventions to enhance access)

Research process



*SC = Steering Committee meeting

Methodology – overview

Profile

- Universe: **Adult population in Haiti**
- Residents of Haiti who are 15 years and older



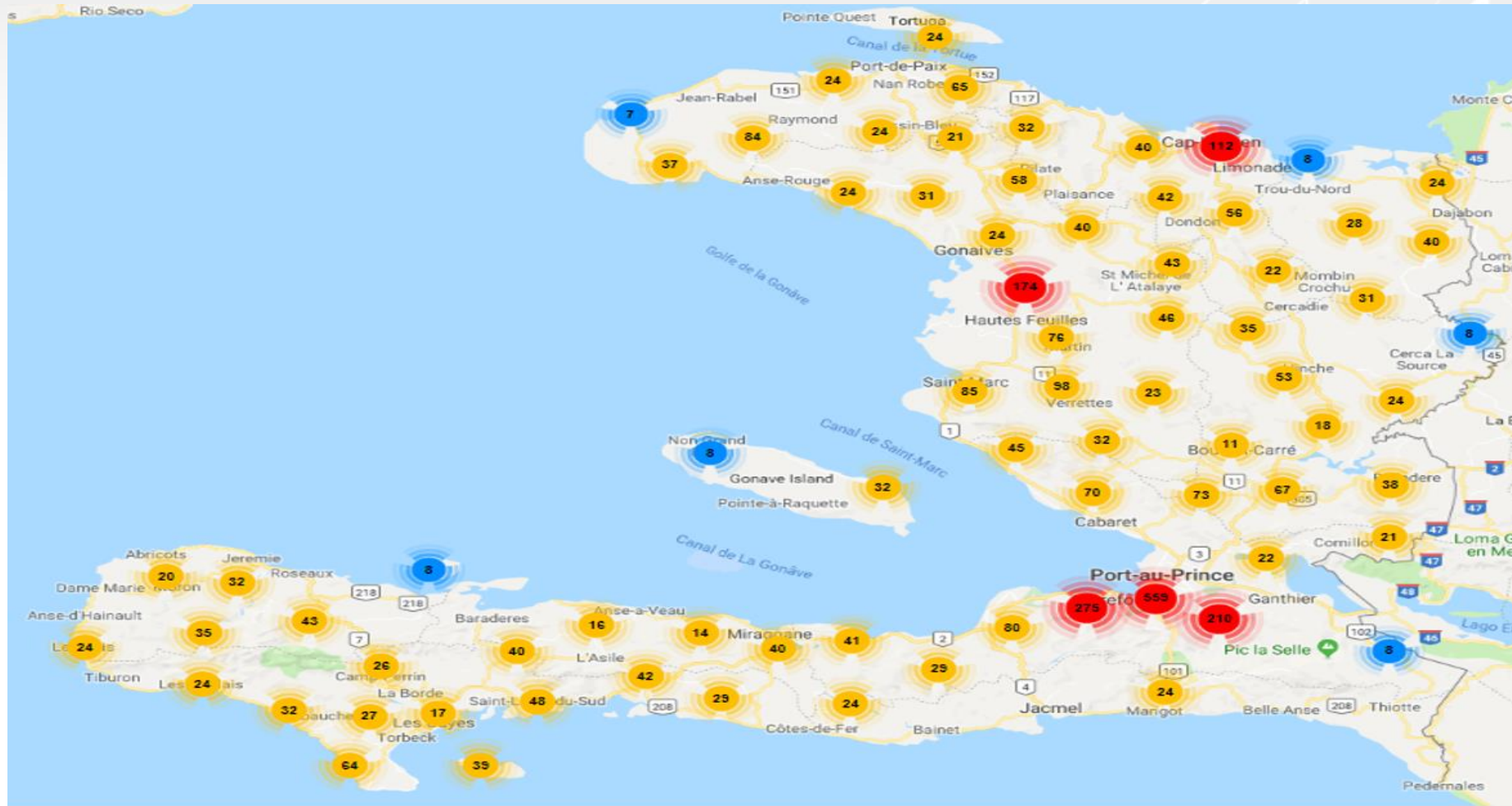
Sample and methodology

- Sample drawn by **IHSI**; representative on national, urban/rural, and regional level
- A total of **535** enumeration areas were covered
- Total of **4 269** Face-to-face Computer Assisted Personal Interviews (CAPI)
- Fieldwork conducted by Group Croissance (May – October 2018)

Quality control and data validation

- **Quality control / field checks** conducted by SC members
- Weighting of the data conducted by FMT
- Weighted to the 2018 population estimates by IHSI
- Calculation of indicators done by FinMark Trust

FinScope Haiti 2018 – Number and location of data collection



Heat map legend: Blue= least interviews, Yellow = average number of interviews, Red = Highest number of interviews

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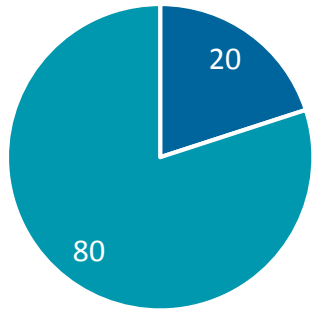
Understanding people's lives: Demographics

Total adult (15+)
population
7,67 million



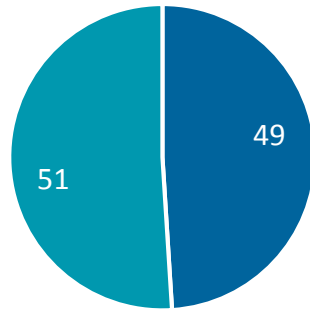
- **20%** reside in rural areas
- **55%** are 15 – 34 years old
- **47%** have primary education or less
- **51%** are female

Urban/rural



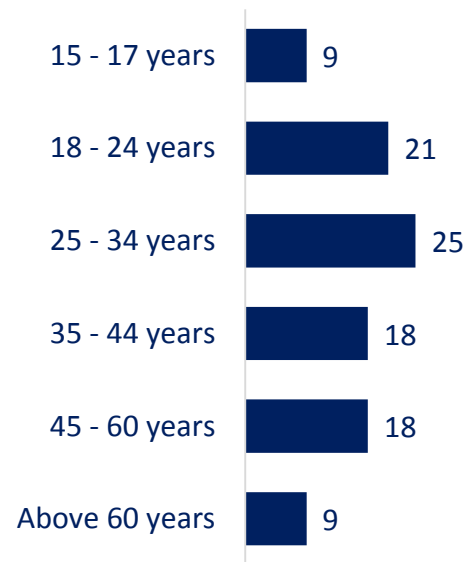
■ Rural ■ Urban

Gender

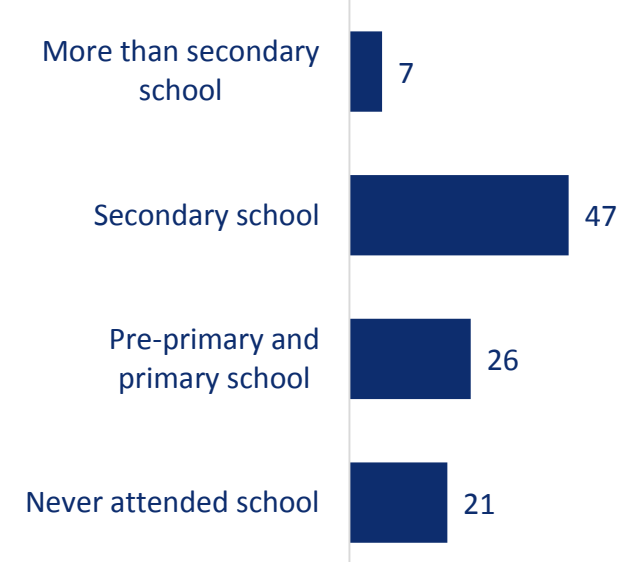


■ Male ■ Female

Age



Education

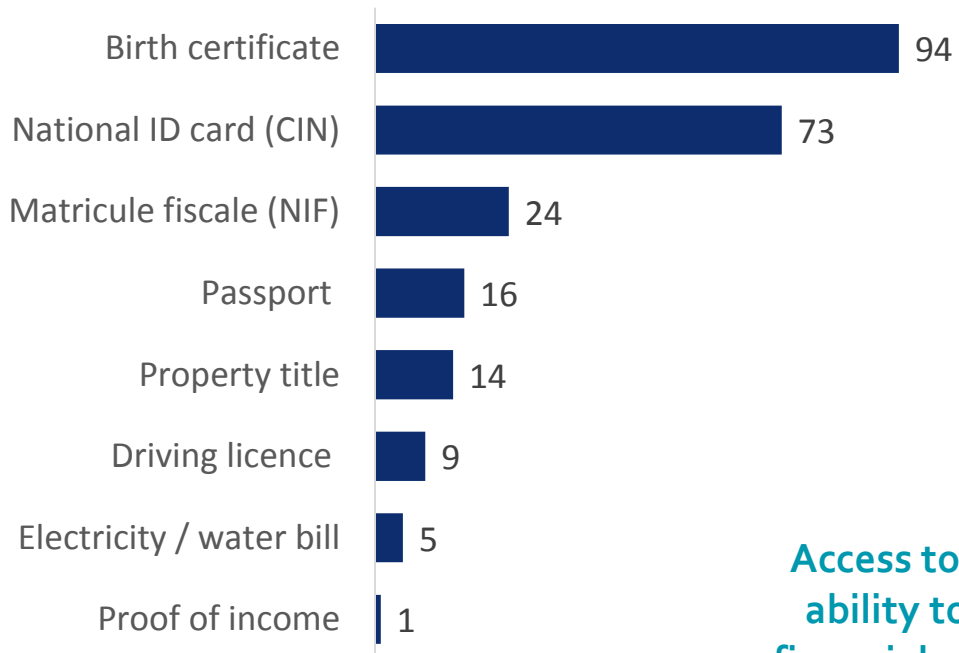


Understanding people's lives: Access to documentation and property

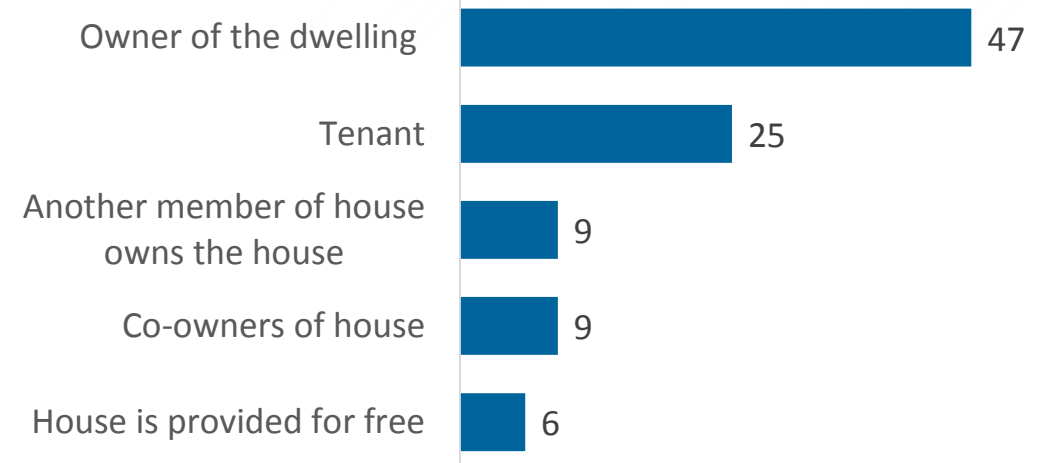


2018

Access to documentation



Profile of adults and occupancy status



Access to documentation gives indication for peoples ability to provide required documentation to access financial services including using property for collateral

Understanding people's lives:

Access to services



2018



Profile of adults from households with access to water

| | |
|-------------------------------------|-----|
| Collective pipe borne water: | 19% |
| Unprotected source: | 15% |
| Retailer of pipe borne water: | 10% |
| Individual pipe borne water DINEPA: | 9% |
| Well with pump: | 9% |
| Water tanker: | 8% |

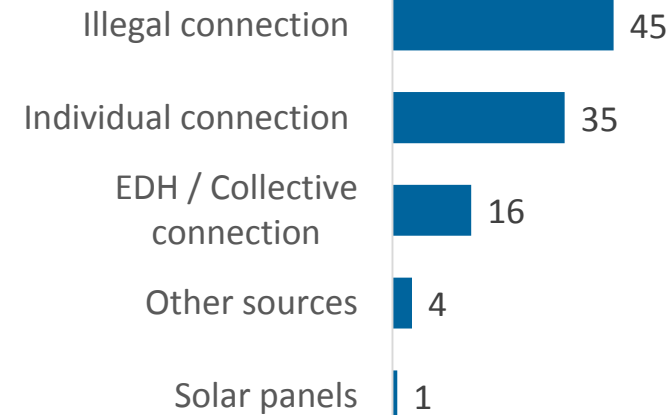
Profile of adults from households with access to toilet facilities (by type)

| | |
|--|-----|
| Connected to latrines: | 54% |
| Connected to septic tank: | 17% |
| No toilet / bush / fields: | 16% |
| Pit latrines without slab / open hole: | 4% |



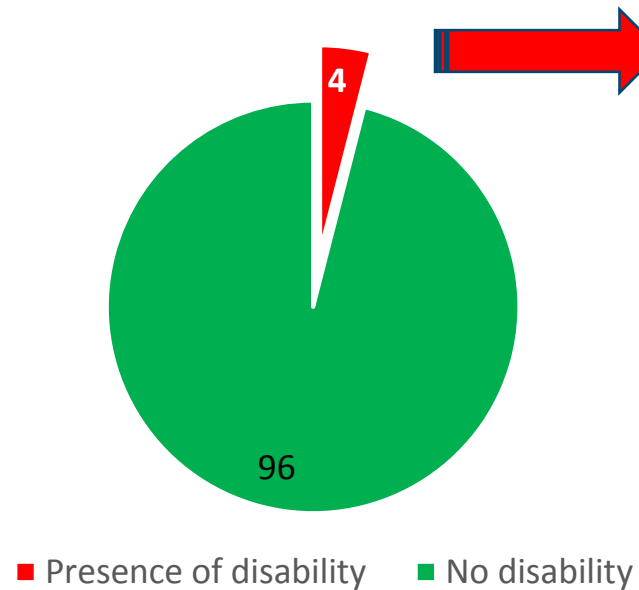
Profile of adults from households with electricity connection

Total: 40%

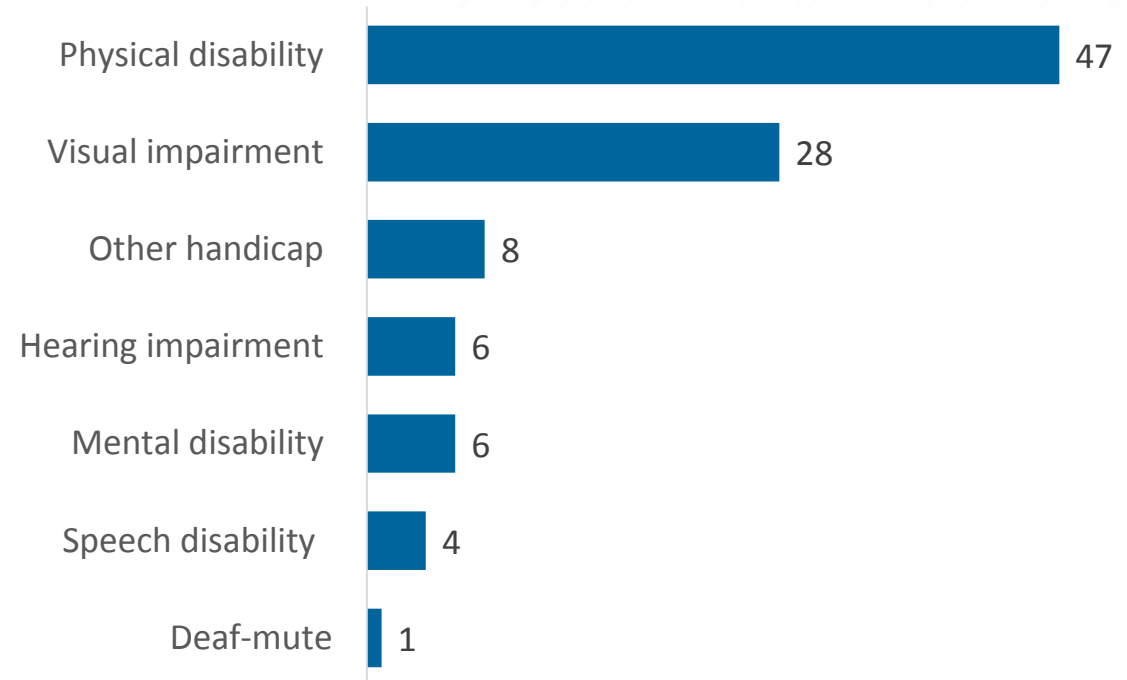


Understanding people's lives: Demographics

Presence of disability



Type of disability

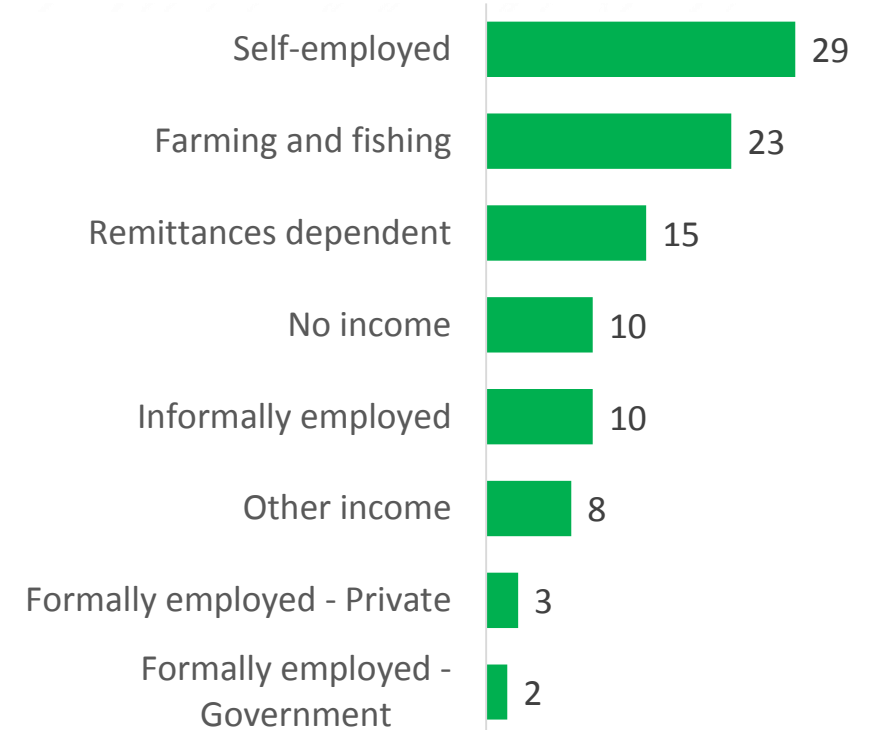
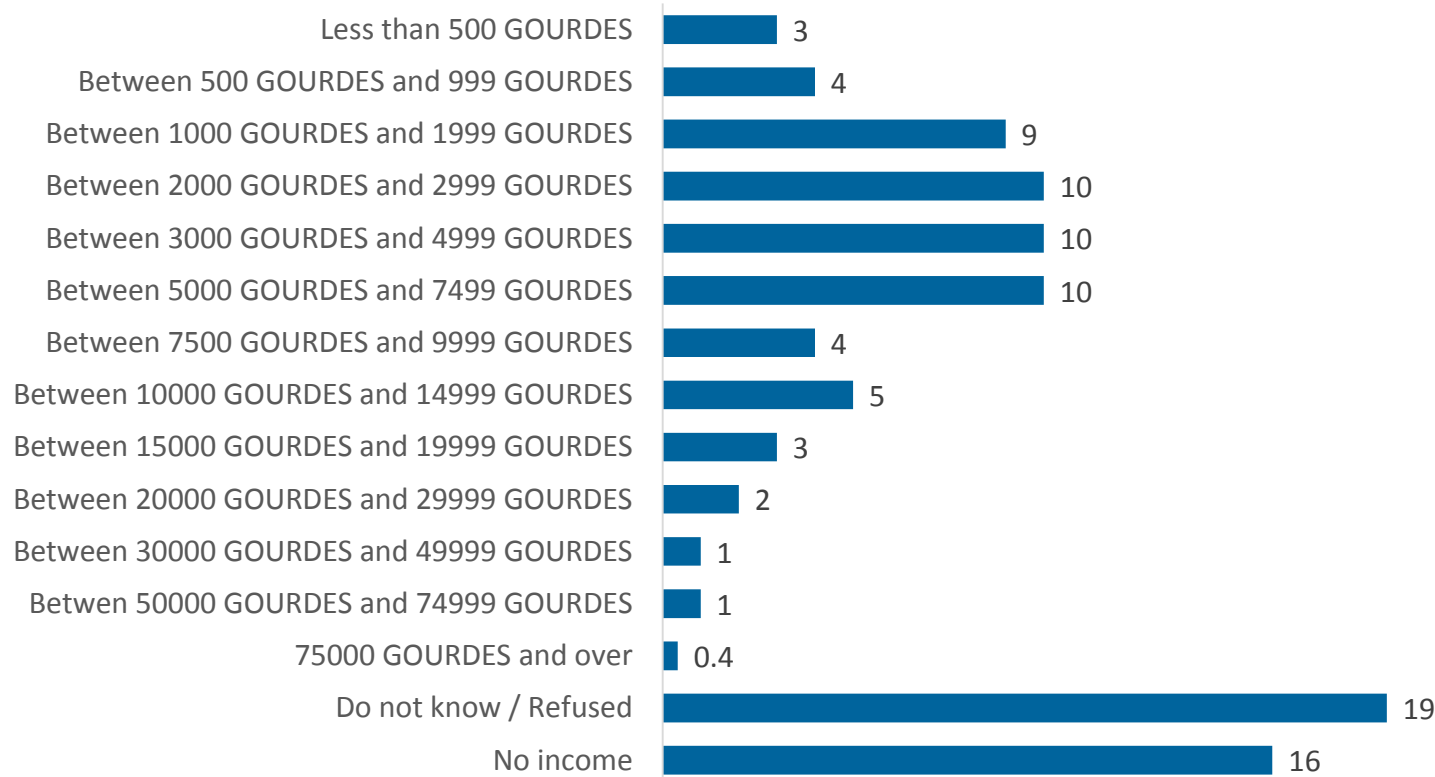


Understanding people's lives:

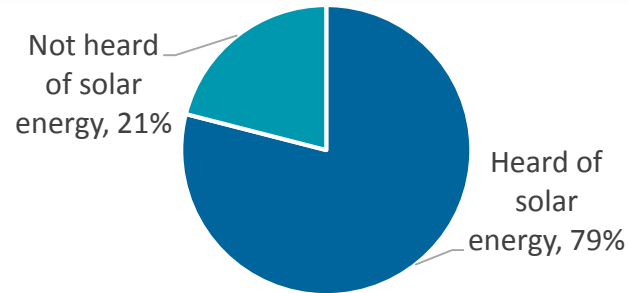
Sources of income

MAIN source of income

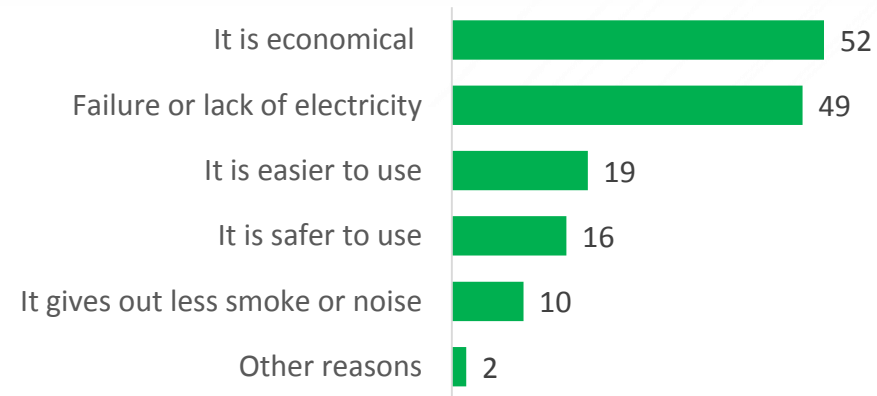
Sources of income (Personal Monthly Income)



Understanding people's lives: Home solar energy systems

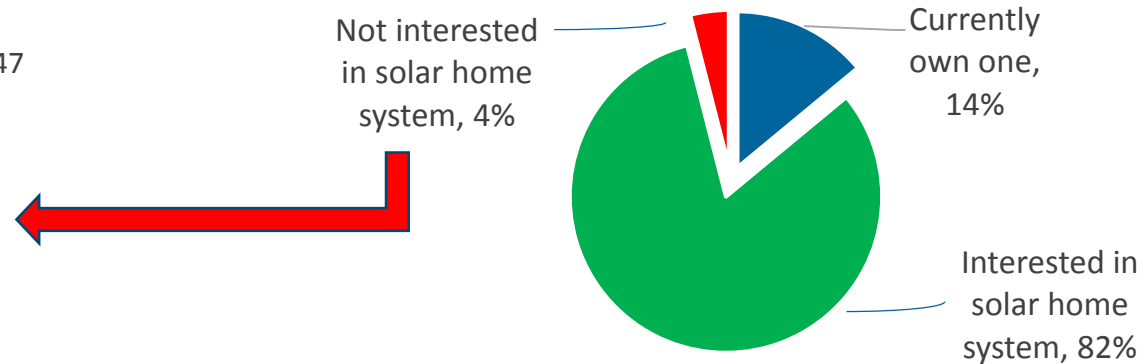
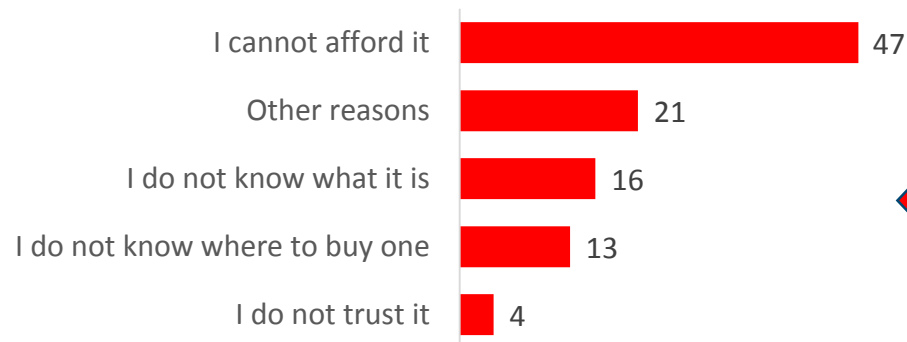


Reasons for interest in solar home systems

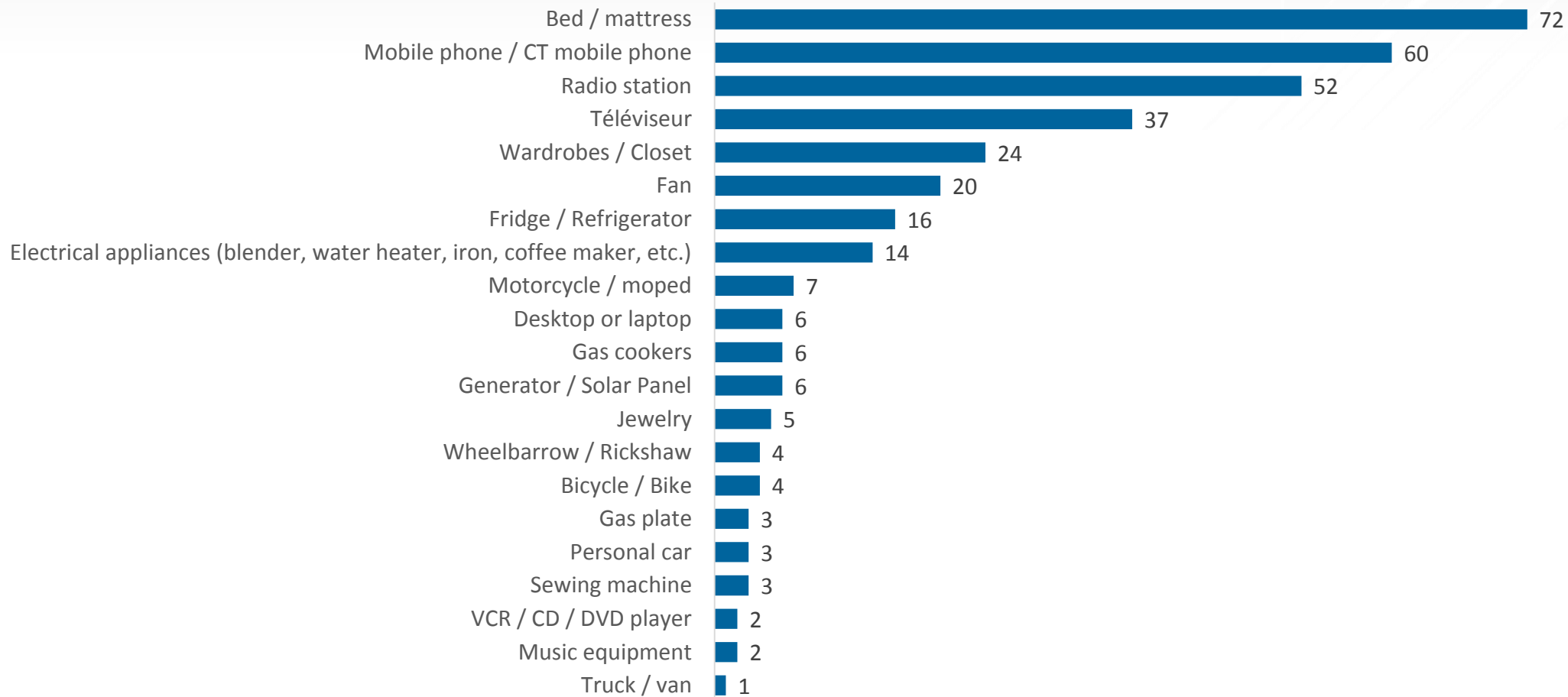


There is some interest in Haiti as 82% of adults have shown interest in clean energy for the home

Reasons not interested in solar home systems



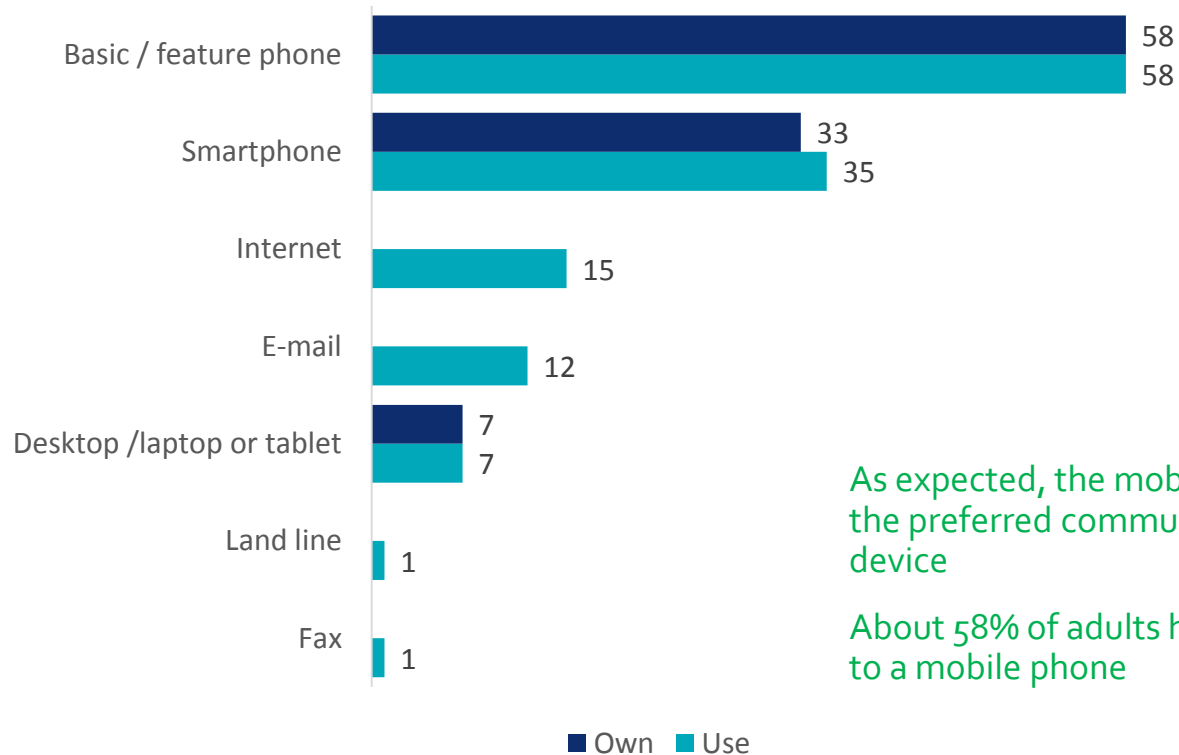
Understanding people's lives: Asset ownership – individuals



The bed is most owned asset at a household

About 60% of households have access to a mobile phone

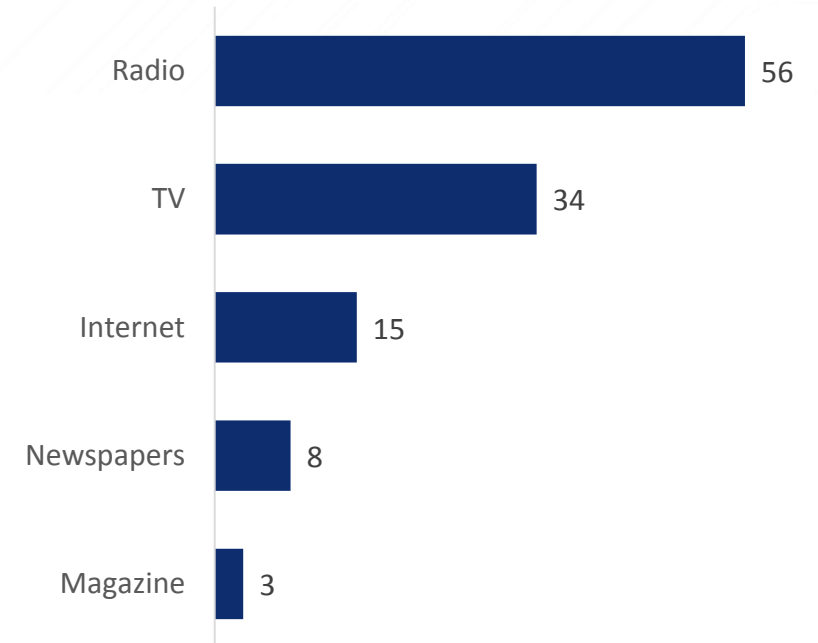
Understanding people's lives: Communication tools/channels



As expected, the mobile phone is the preferred communication device

About 58% of adults have access to a mobile phone

Media read, watched, listened to, in the last 30 days



Understanding people's lives:

Proximity to financial services (**NB: in average minutes taken to reach an access point**)

Proximity to financial services give an indication of how close services are to the people, even highlights areas where geographical access is limited

| | Credit cooperative | Mutuelle de Solidarite | Market place | Mobile money agent | Health centre | Bank agency | MFI | Bill payment point |
|-------|--------------------|------------------------|--------------|--------------------|---------------|-------------|-----|--------------------|
| Rural | 109 | 66 | 63 | 108 | 75 | 99 | 102 | 65 |
| Urban | 36 | 36 | 25 | 35 | 30 | 34 | 43 | 21 |

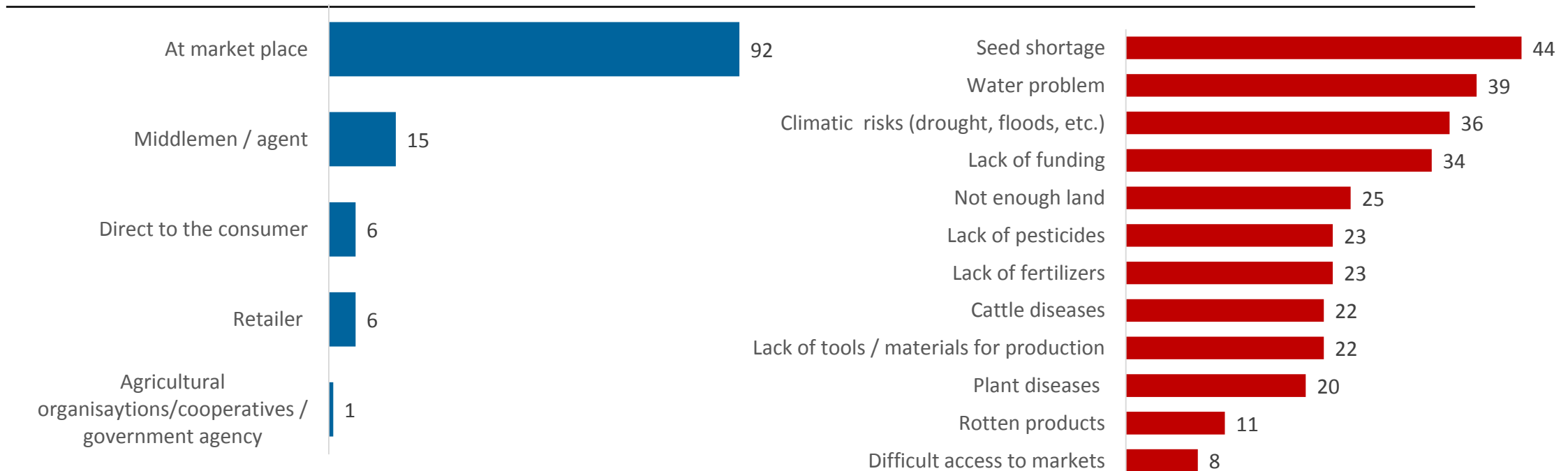
Results are in minutes (average time taken)

Understanding people's lives: Income/Livelihoods

- Farming in Haiti is important with **36%** of adults live in households involved in farming – split by department shows as Grand Anse (**75%**), Nippes (**64%**), South (**61%**), Centre (**54%**)
- About **20%** of farmers are subsistence farmers with **80%** both consuming and selling

Whom they sell to

Farming problems experienced



Summary

- Population profile:
 - Most adults reside in urban areas
 - About one in two adults have secondary education or more
- Access to documentation
 - Majority of adults have a birth certificate
 - Few property owners reported having official title deeds
- Access to amenities and services
 - One in five adults access water from connected pipe borne water
 - More than half of adults are connected to the latrines
- Farmers mostly sell through the market place
 - The biggest challenges farmers face is water problems and lack of funding
- Most adults derive their livelihoods as 'self employed' - as main source of income

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Dimensions of Financial capability

Managing money

Keeping track: Focuses on an individual's ability to monitor his/her financial situation.

- Do people plan/budget how to spend their money? Keep to the plan? Keep records of your spending?

Planning ahead

Making ends meet: Focuses on an individual's ability to cope financially. It looks at whether people are able to make their money last until the end of the month while covering essential items and financial commitments.

- How often do people run out of money
- How easy/difficult is it to keep up with financial commitments?

Choosing and using products

Deals with an individual's state of preparedness for future events or risks (planned and unplanned).

- Unexpected events – coping mechanisms
- Expected events – how do people plan to pay for it?
- Strategies for meeting expenses in old age

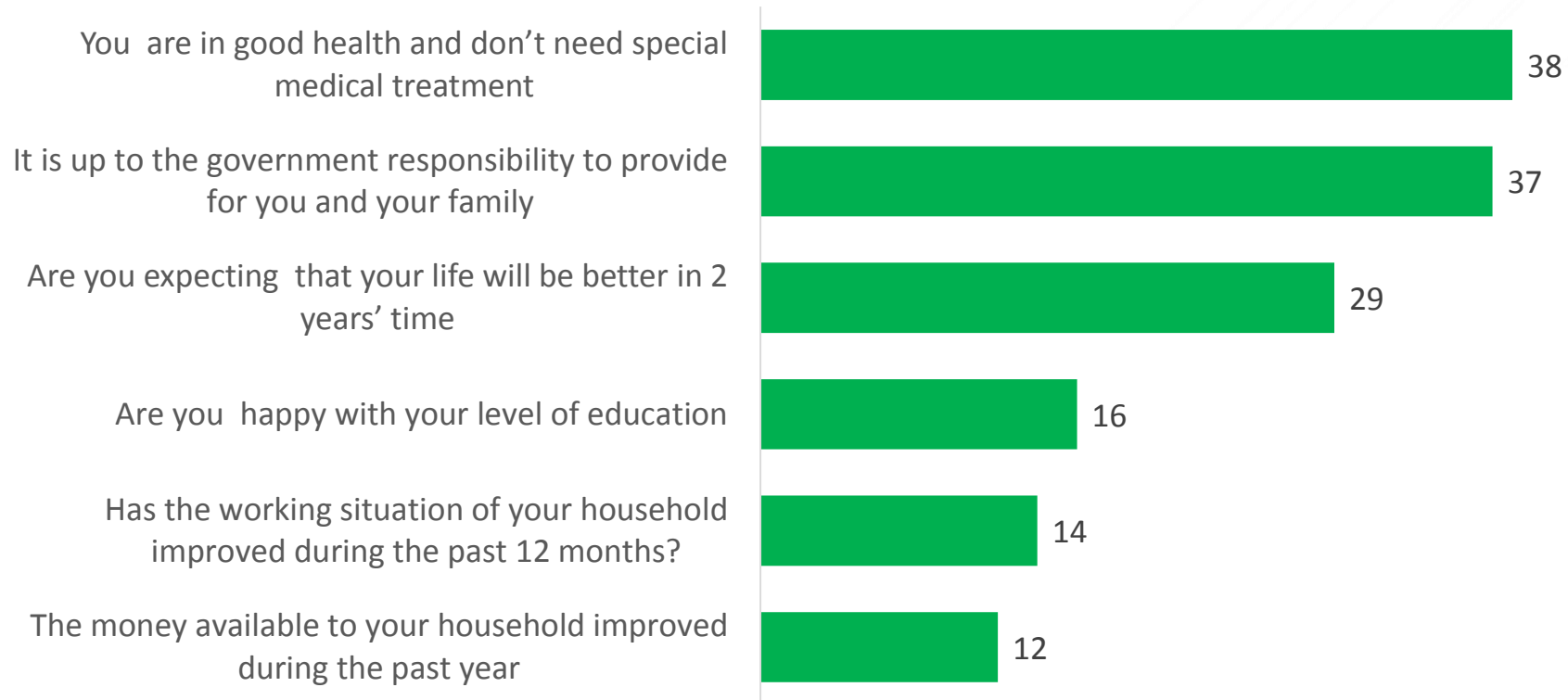
Accessing information

Incorporates how people have chosen or would go about choosing products or mechanisms that enable them to meet financial goals or objectives.

- Which factors do people take into account when selecting a financial institution/specific product?

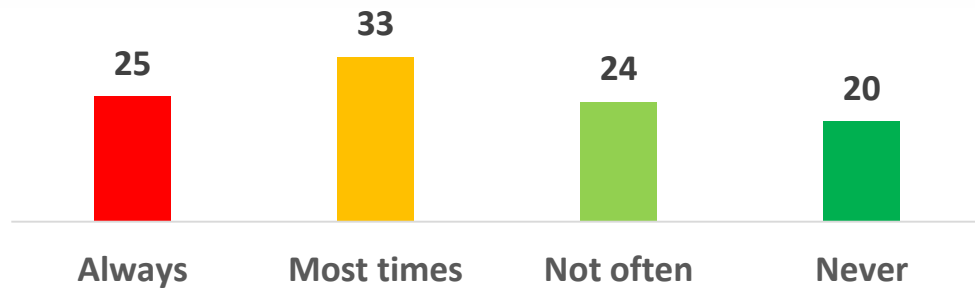
Understanding people's lives: Perception of life – % agreeing with statement

Haitian adults are expecting government to take care of them and their family



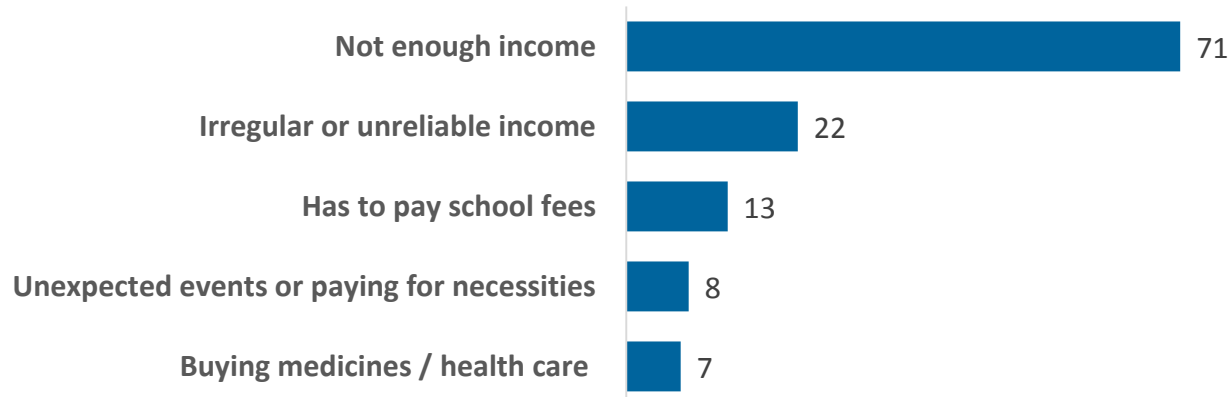
Financial Capability: Managing money

Planning and tracking- How often do you run out of money for food and other important things?



80%

Reasons for running out of money

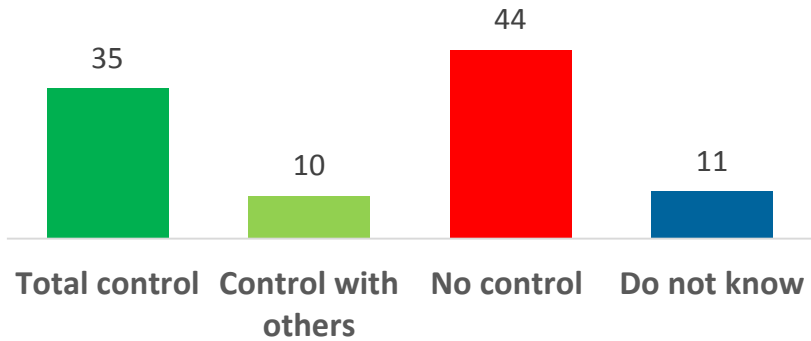


Difficulty with keeping up with financial commitments (*those who agree)

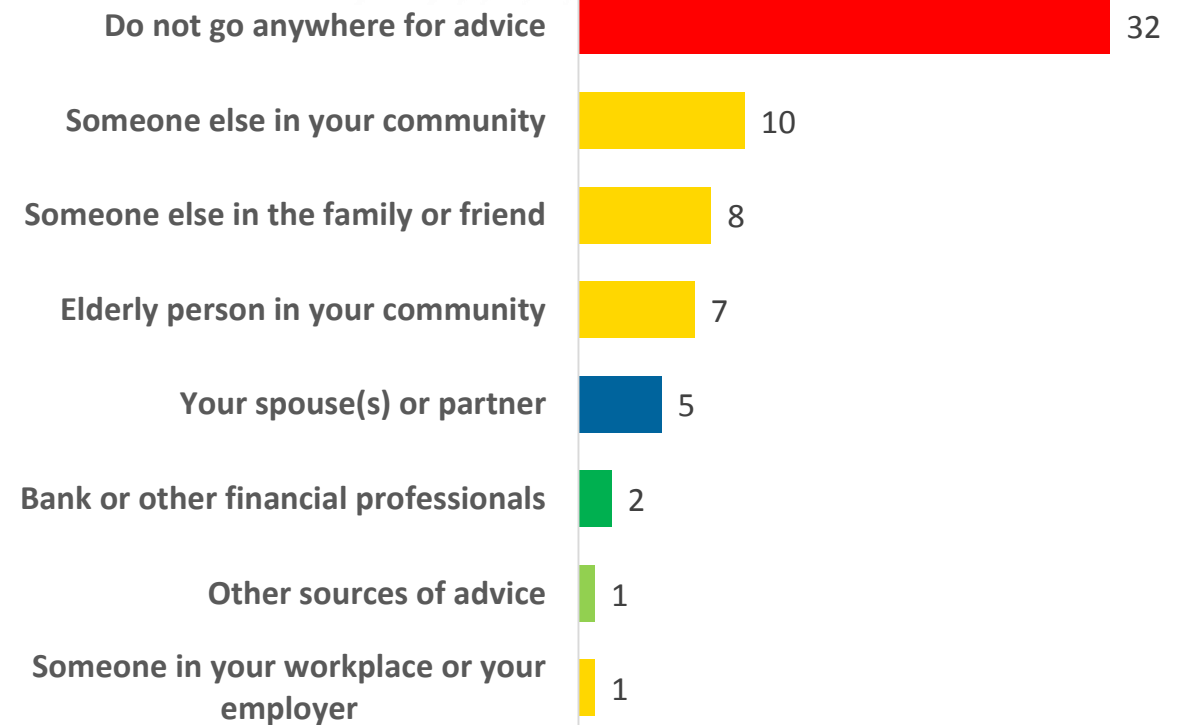


Financial Capability: Managing money and seeking financial advice

How much control you have on how money is spent?



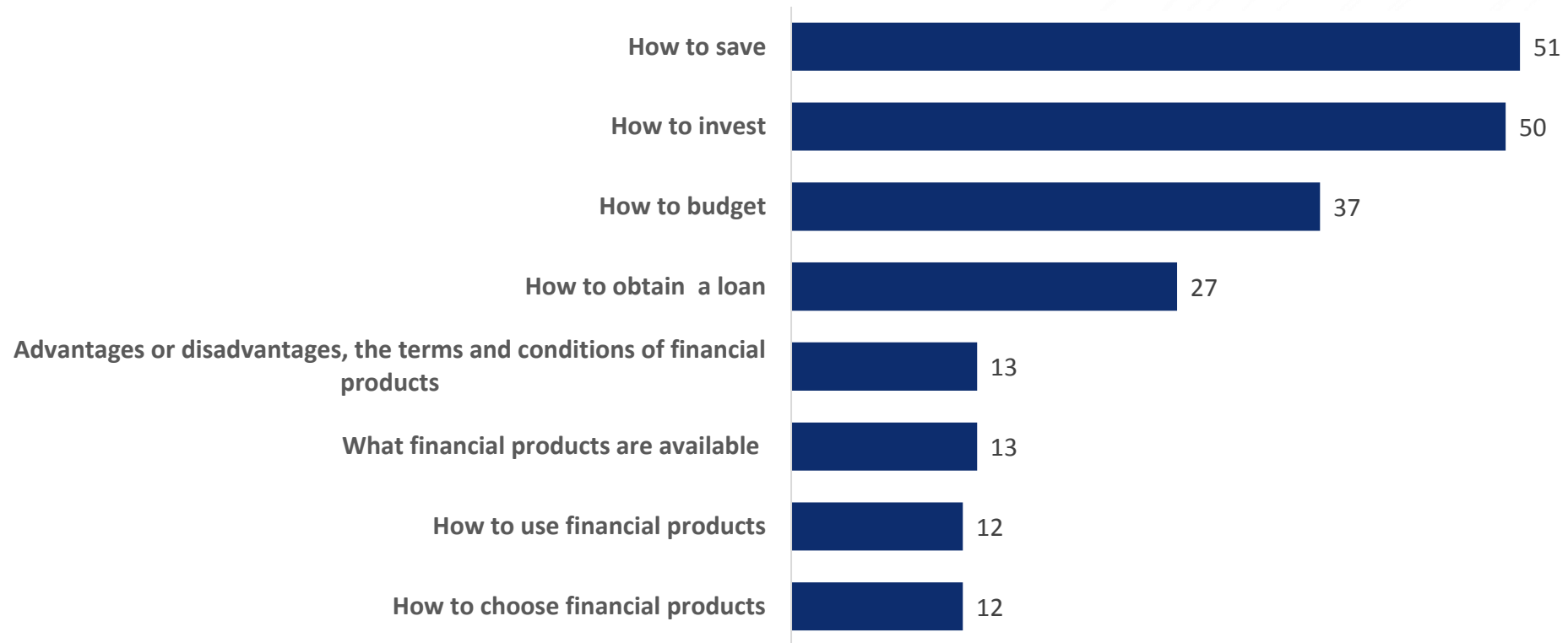
Where do you usually go to get financial advice? (*of those with any income source)



Financial Capability: Accessing Information

- *About 53% of adults felt they needed more information about personal finance*

Desired financial education



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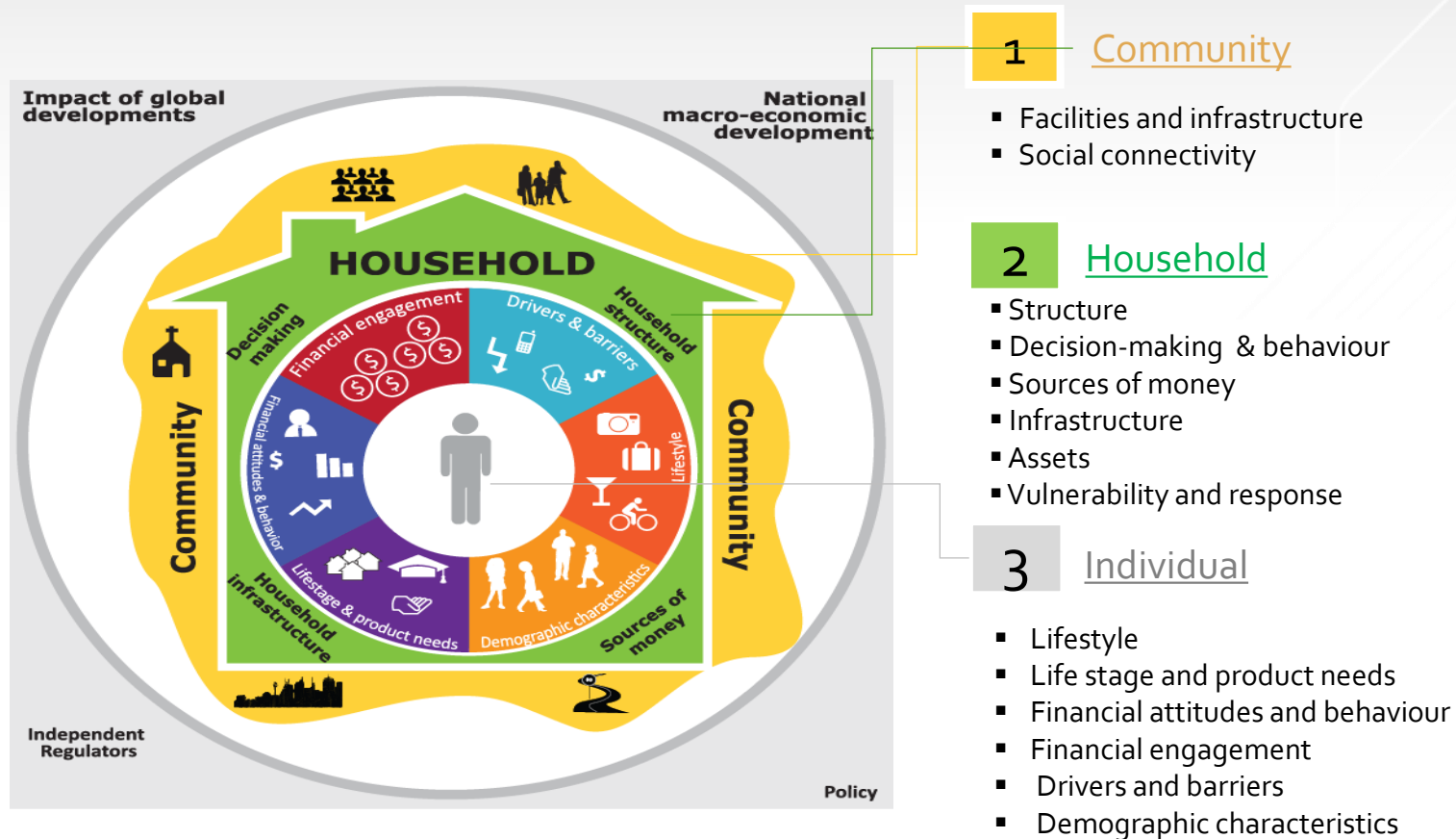
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Analytical framework - overview

| | | |
|---|-------------------------------------|--|
| <p>Determinants of financial inclusion</p> | <p>Understanding people's lives</p> | <ul style="list-style-type: none"> Who they are (age, gender, geographical distribution), what they have (education, housing, infrastructure), and what they do with what they have (income generating activities, role of money, coping strategies) |
| <p>Dimensions of financial inclusion in 2018</p> | <p>Access</p> | <ul style="list-style-type: none"> The extent to which individuals are able to obtain a given financial product/service, in terms of: <ul style="list-style-type: none"> Provider-specified / regulatory barriers / eligibility criteria e.g. documentation Environmental factors, e.g. access to infrastructure, physical proximity to banks, agents, etc. Demand side factors such as awareness, levels of trust, financial capability |
| | <p>Adoption & uptake</p> | <ul style="list-style-type: none"> The extent to which individuals currently have financial products/services both formal and/or informal (including banking, savings and investments, borrowing and credit, insurance and risk management, remittances, mobile money) |
| | <p>Usage & choice*</p> | <ul style="list-style-type: none"> The degree to which offerings are aligned with the characteristics and needs of the target market (assessed principally by exploring usage patterns in terms of frequency of usage)* |

Framework adapted from Porteous D, 2010, Policy paper: Financial inclusion measurement for regulators: Survey design and implementation, Alliance for Financial Inclusion

FinMark Trust Livelihoods framework



Characteristics and socio-economic information of individuals, households, and communities in Haiti, including:

- Age, gender, geographical distribution, education, sources of income, personal monthly income, infrastructure, services, decision making, housing, agriculture, challenges

Defining financial inclusion



Banks

Banks are legal entities whose usual occupation is to receive public funds in the form of deposits or other repayable funds which they use for their own account in discount, credit or financial transactions.



Remote Banking

The term "remote banking" (ADB) refers to any provision of financial services outside traditional branches, through agents, using Information and Communication Technologies (ICT).



Informal financial service provider

Includes all non-regulated institutions like churches, informal saving groups, using people in the community to save, remit money, etc.



Financial Cooperatives

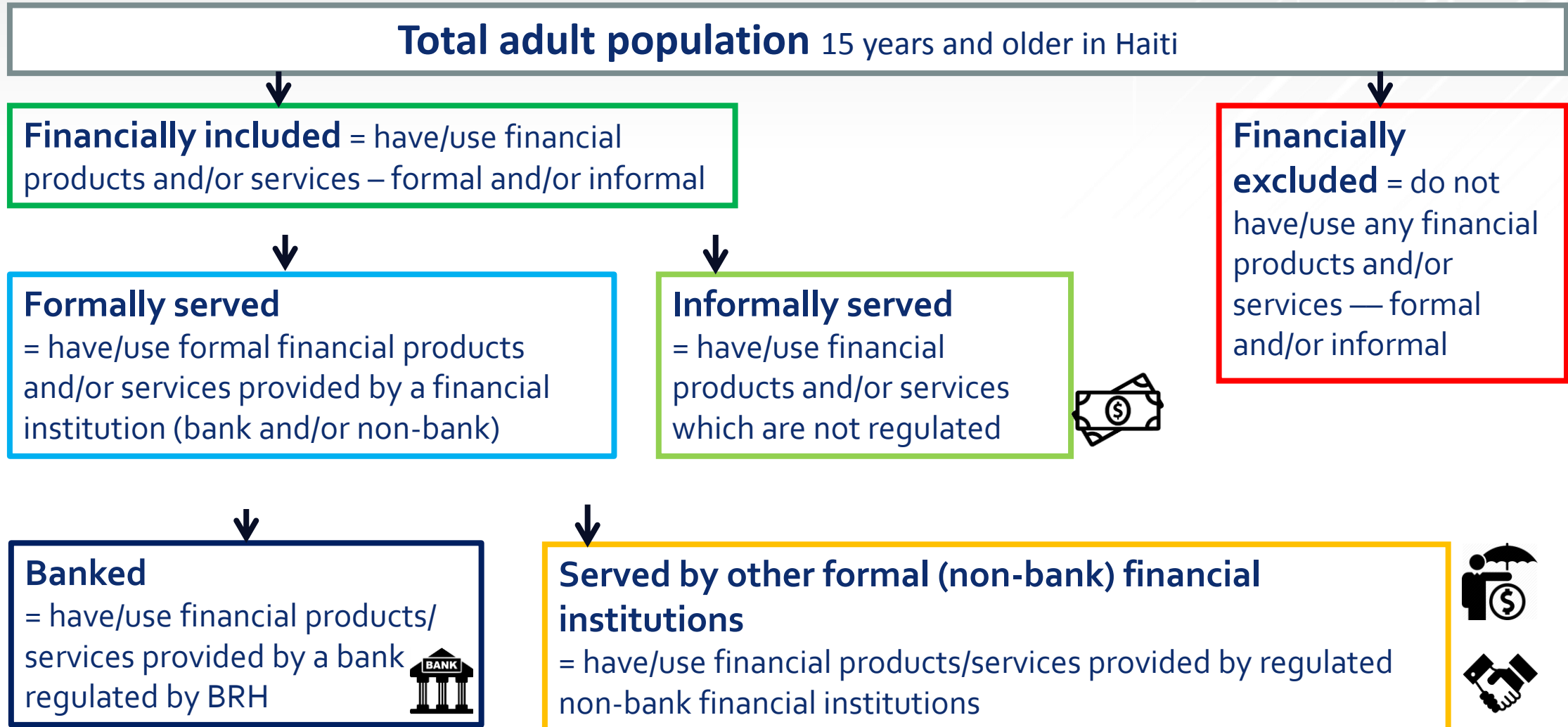
A CEC is a financial cooperative whose purpose is financial intermediation. This financial intermediation consists of receiving funds from its members and giving them credit.



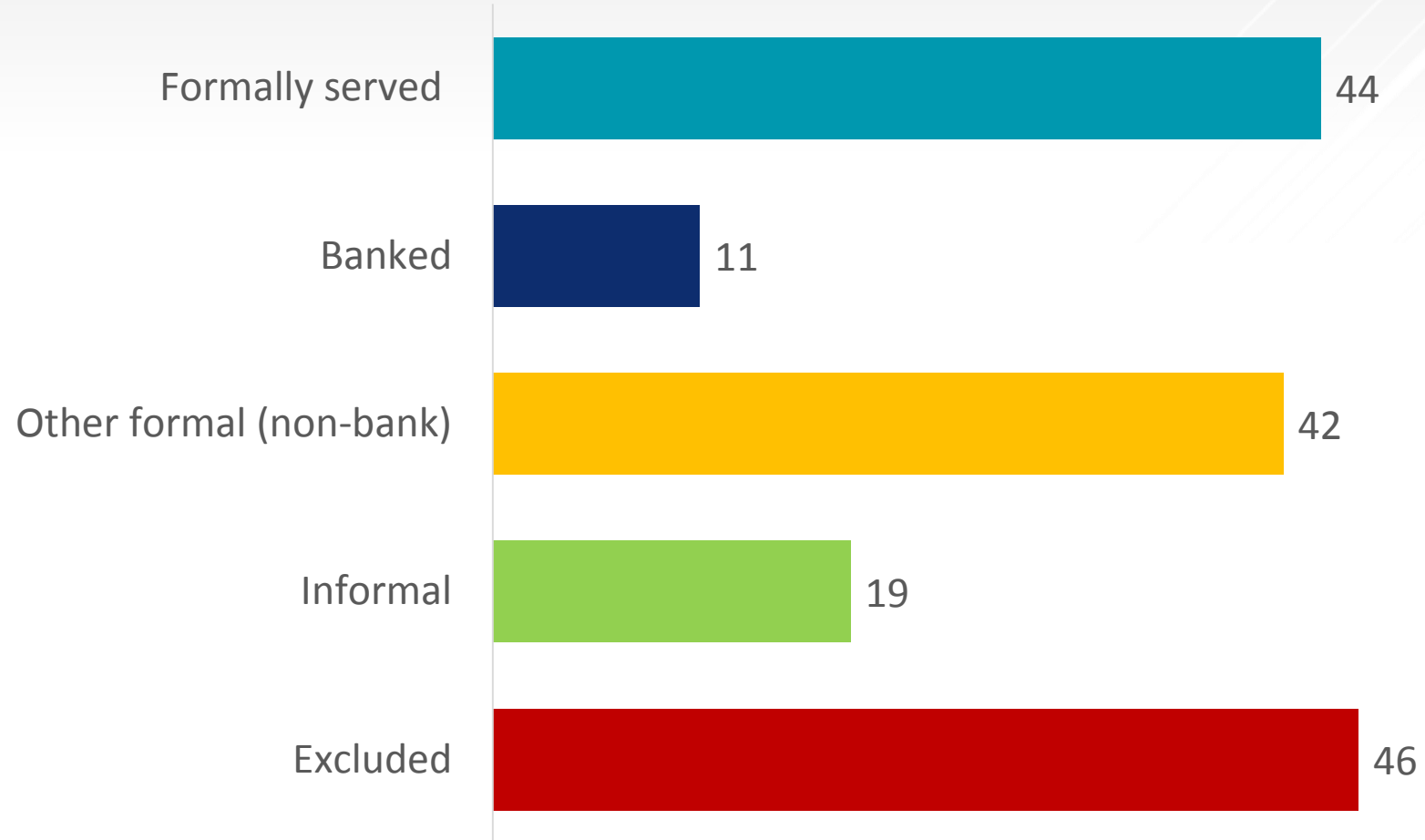
Insurance company

An insurance company is a company that provides insurance services to clients who become insured. Insurance benefits are provided either by companies.

Defining financial inclusion



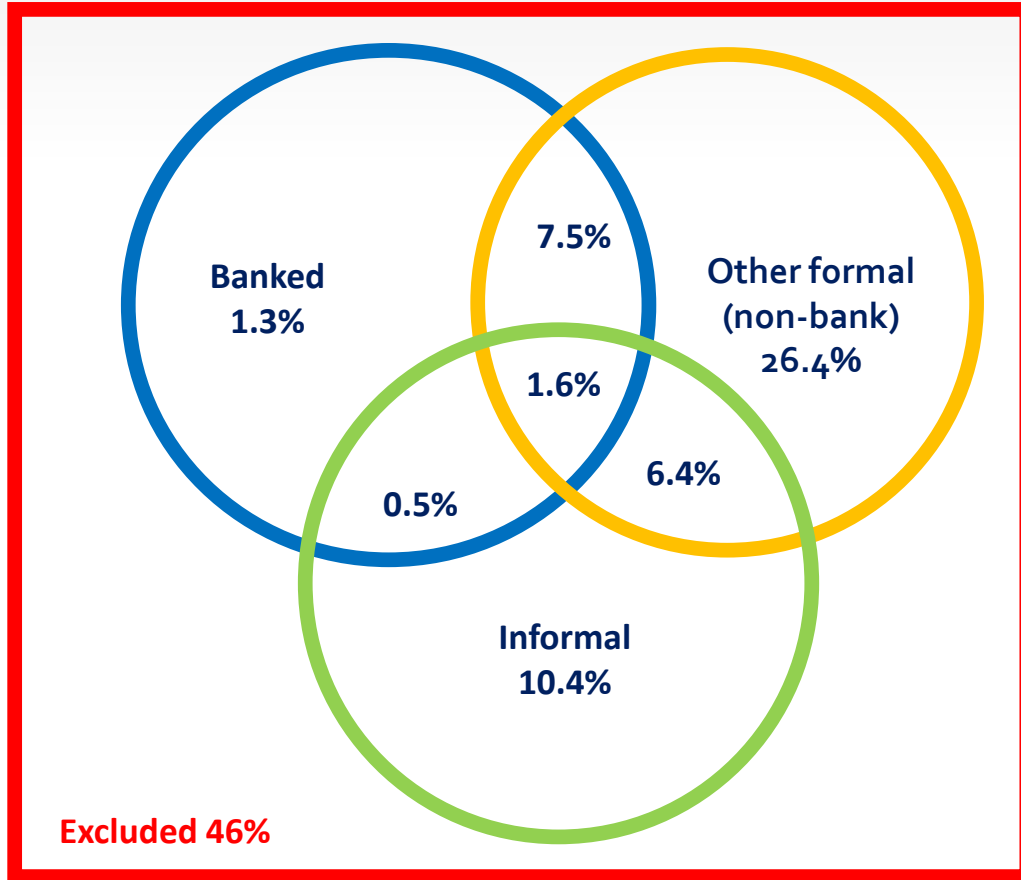
Financial inclusion: Overview (%)



If filtered by 18 and plus the banked population sits at 11,5%

Overlaps:

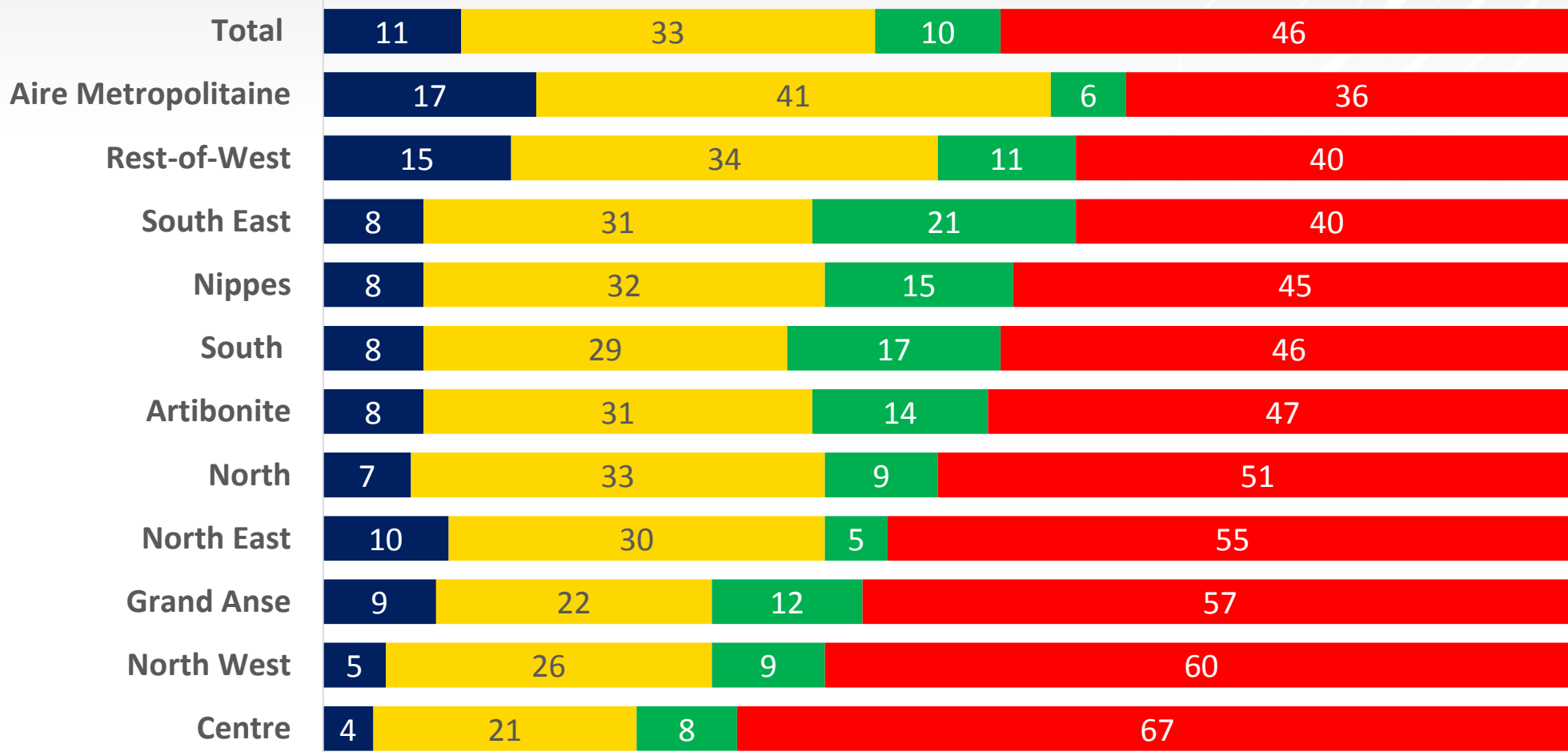
"Consumers generally use a combination of financial products and services to meet their financial needs"



- **1%** of adults rely exclusively on banking services yet **26%** rely exclusively on other formal mechanisms
- **16%** use a combination of banked, and/or other formal and/or informal mechanisms to manage their financial needs, thus indicating that their needs are not fully met by the formal sector alone
- **10%** of the adult population **ONLY** rely on informal mechanisms such as informal savings and credit groups to save or borrow money or cover risk

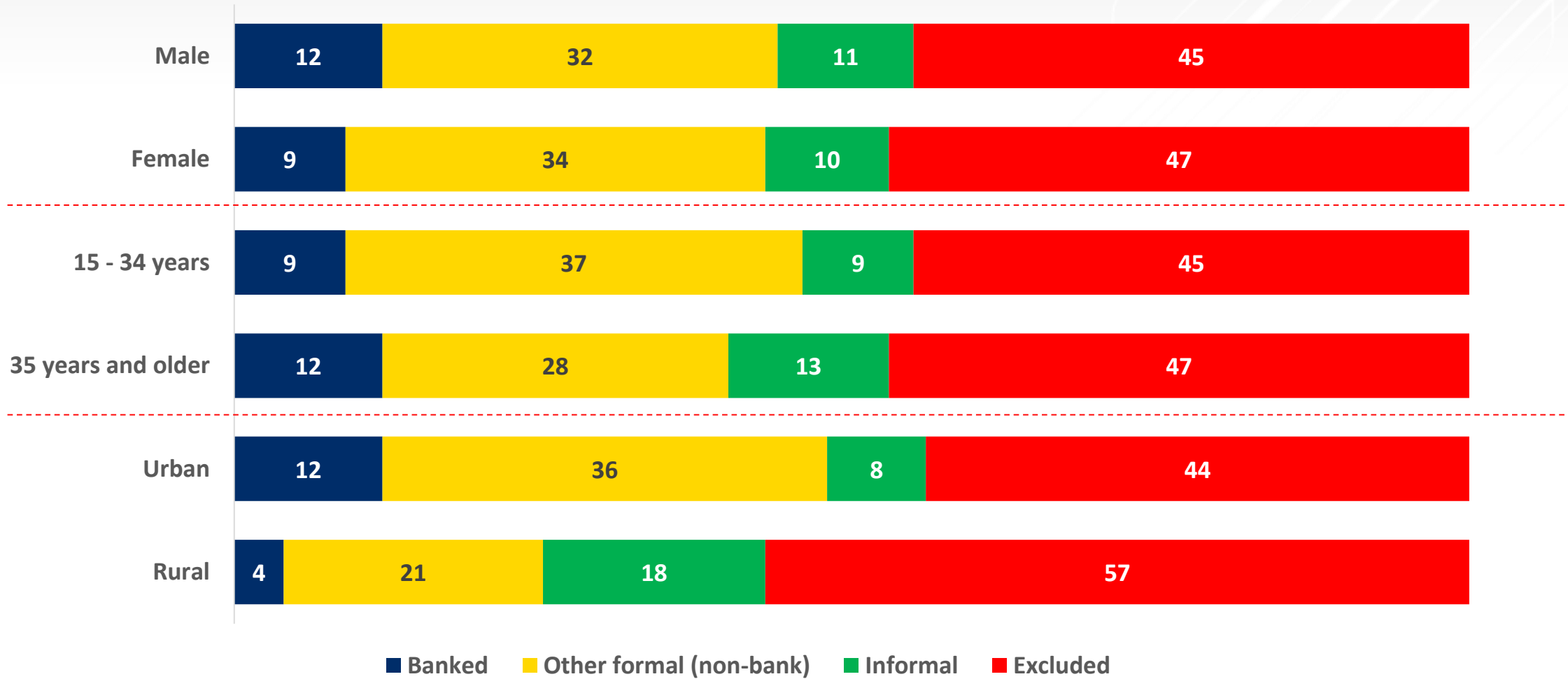
Note: Due to rounding off numbers of 'Banked' and 'Other formal (non-bank)' the 'Excluded' population is 46%

Financial inclusion: Financial Access Strand 2018

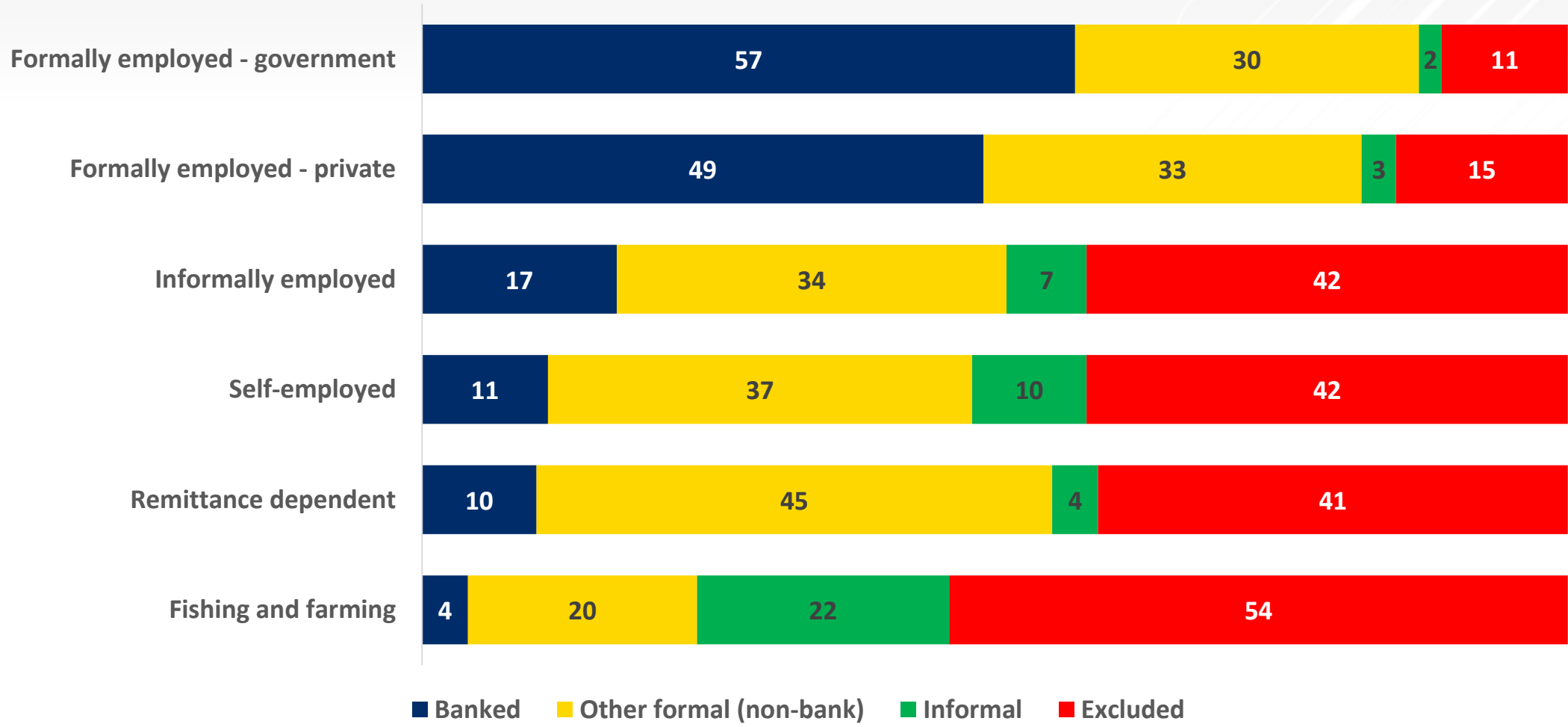


■ Banked
 ■ Other formal (non-bank)
 ■ Informal
 ■ Excluded

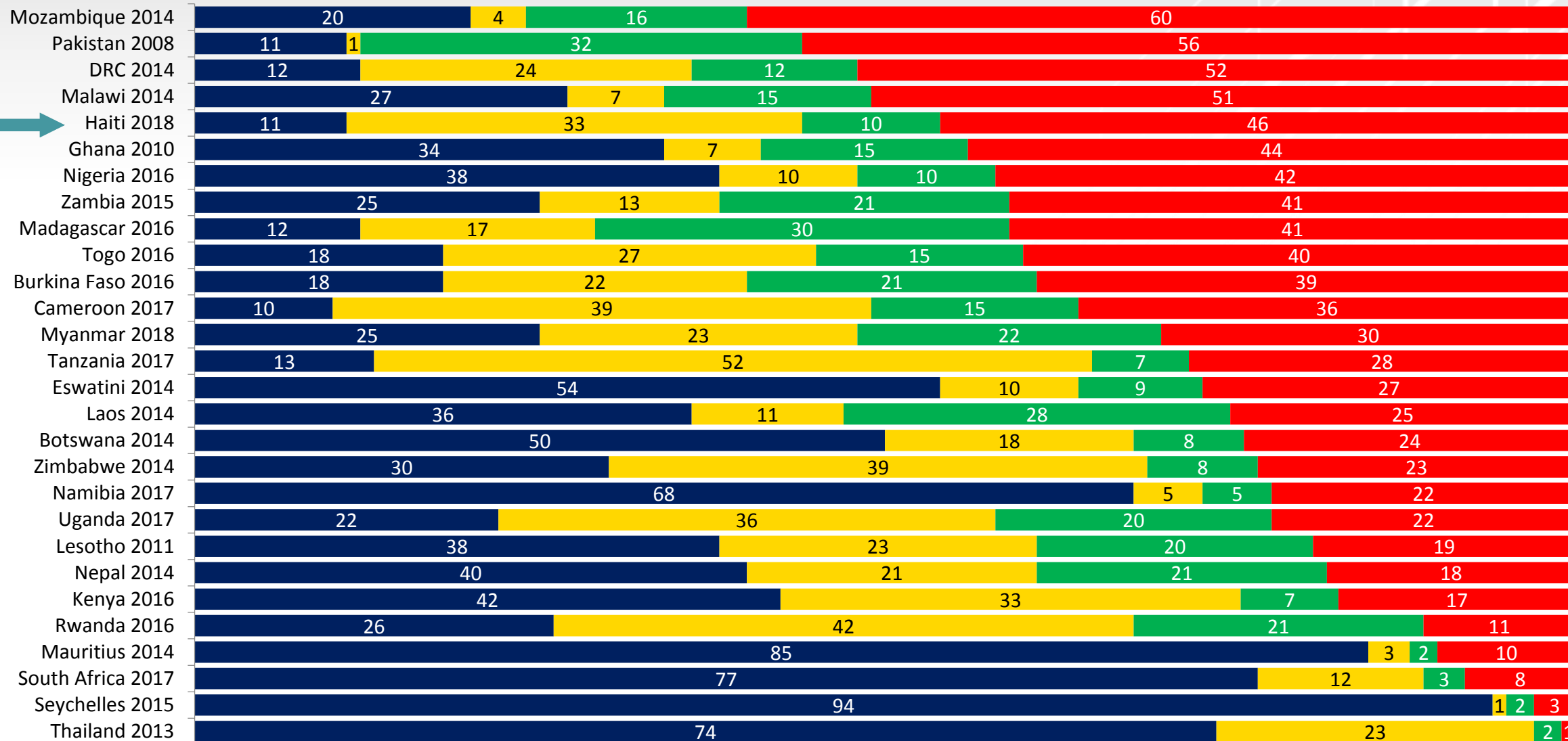
Financial inclusion: Financial Access Strand 2018



Financial inclusion: Financial Access Strand 2018



Financial inclusion Consumer Access Strand) (ranked by excluded)



■ Banked ■ Other formal (non-bank) ■ Informal ■ Excluded

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Banking:

What products / services are driving the banked?



About 11% of Haitian adults have a bank account

| Banking products/usage (of those currently banked) | % |
|--|----|
| Debit card / ATM card | 23 |
| Current/Checking account | 20 |
| Livrets of savings/ Savings at sight | 20 |
| Trade loan | 3 |
| Personal loan | 2 |
| Loan for enterprise | 1 |

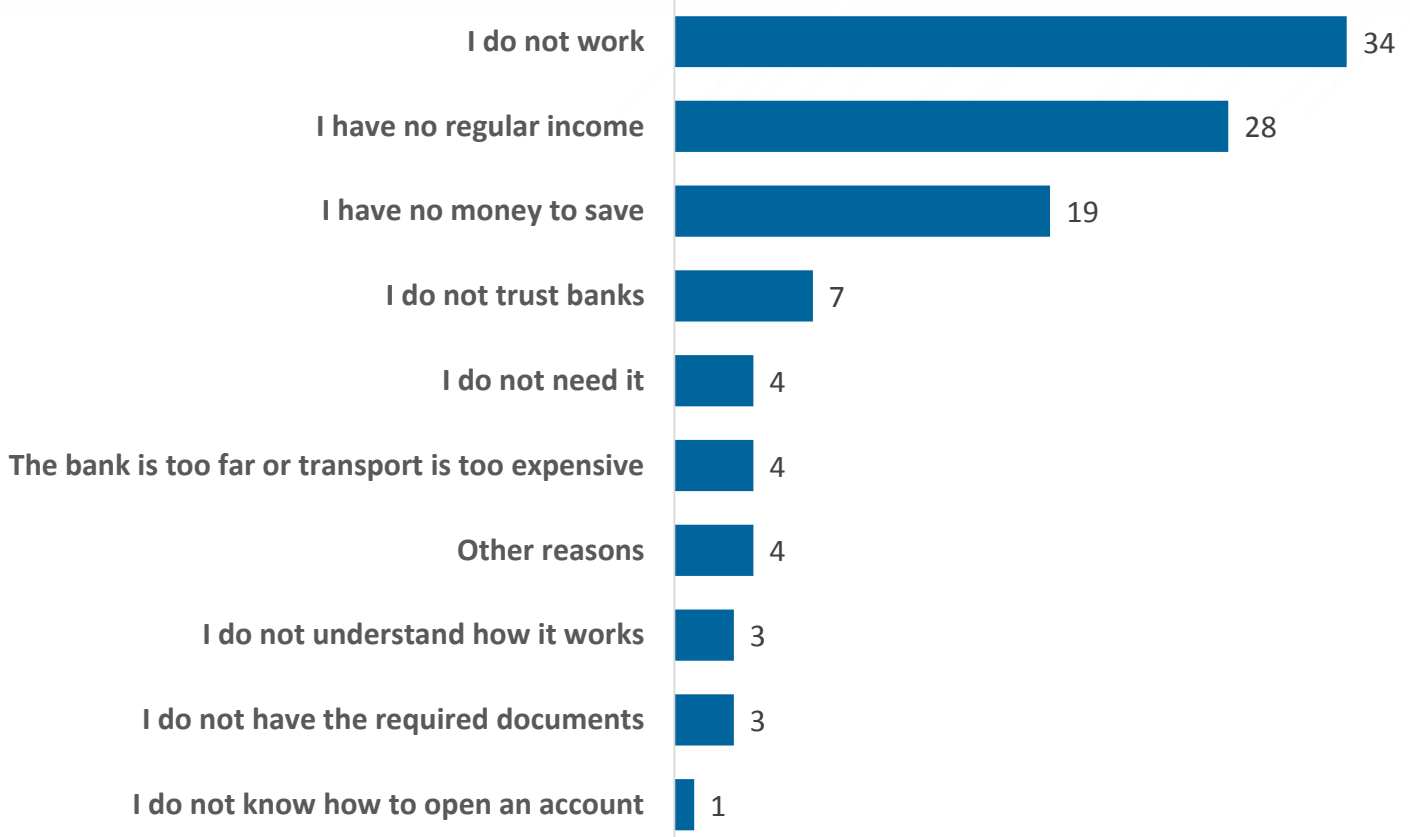
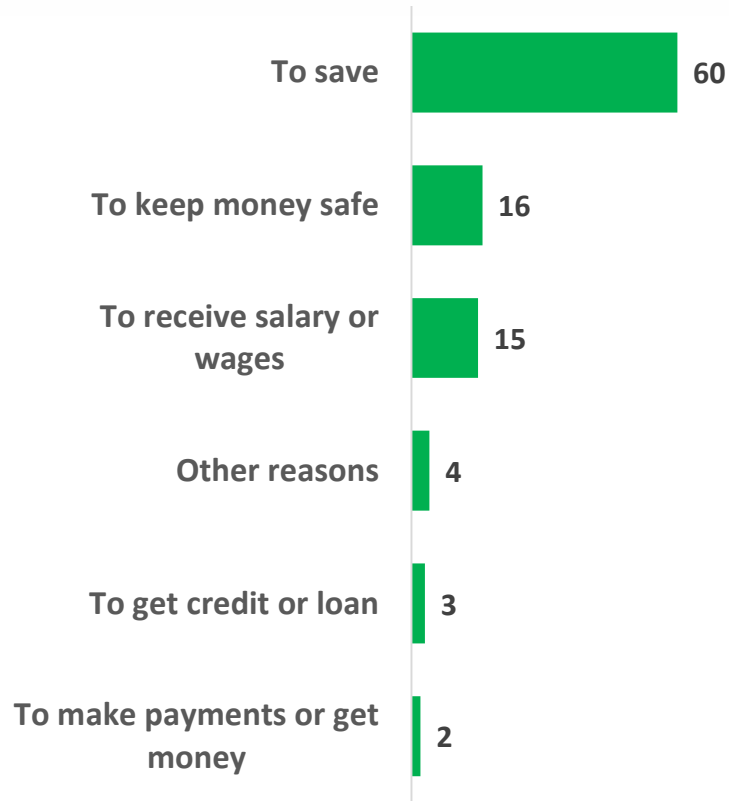
A further 159 726
(2.1%) adults were
previously banked

*the other products have 1% or less

Banking: Drivers and barriers

11% of adults are banked in 2018

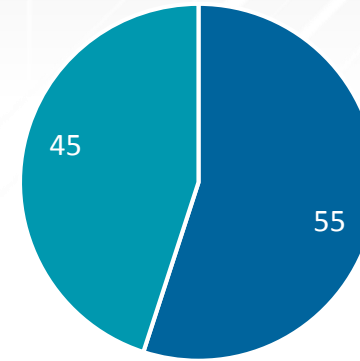
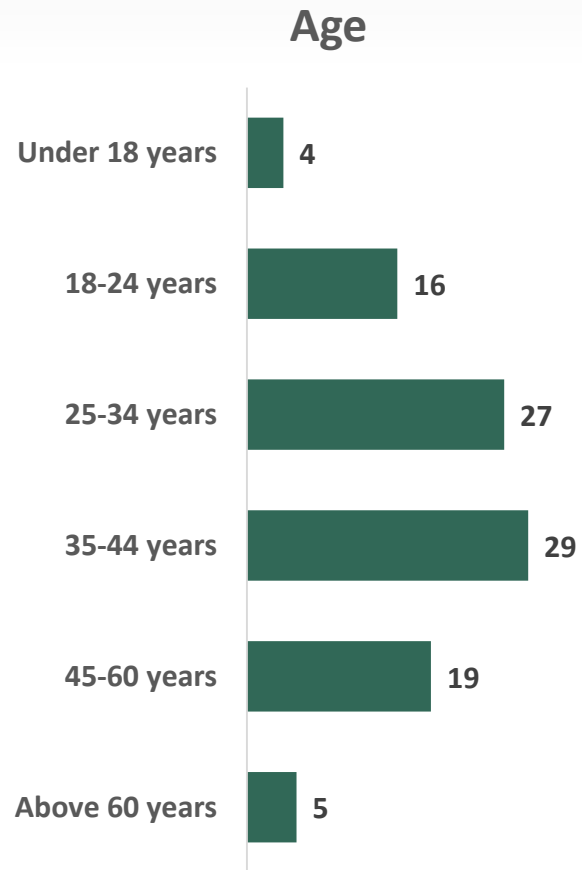
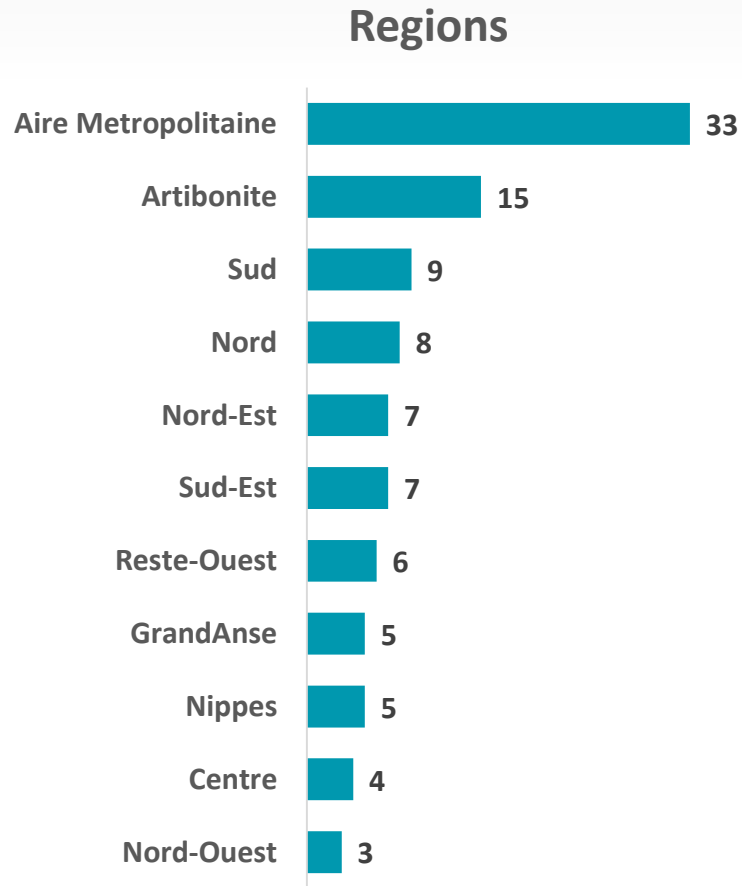
89% of adults are not banked in 2018



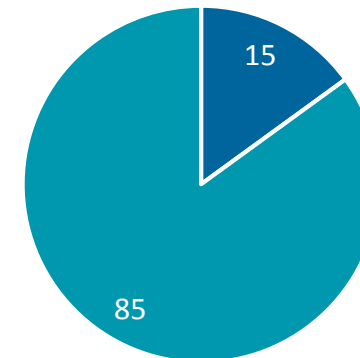
Additional 86 354 (1.1%) Haitian adults are using someone else's bank account

Microfinance institutions users

- About **6%** of Haitian adults are currently using Microfinance institutions



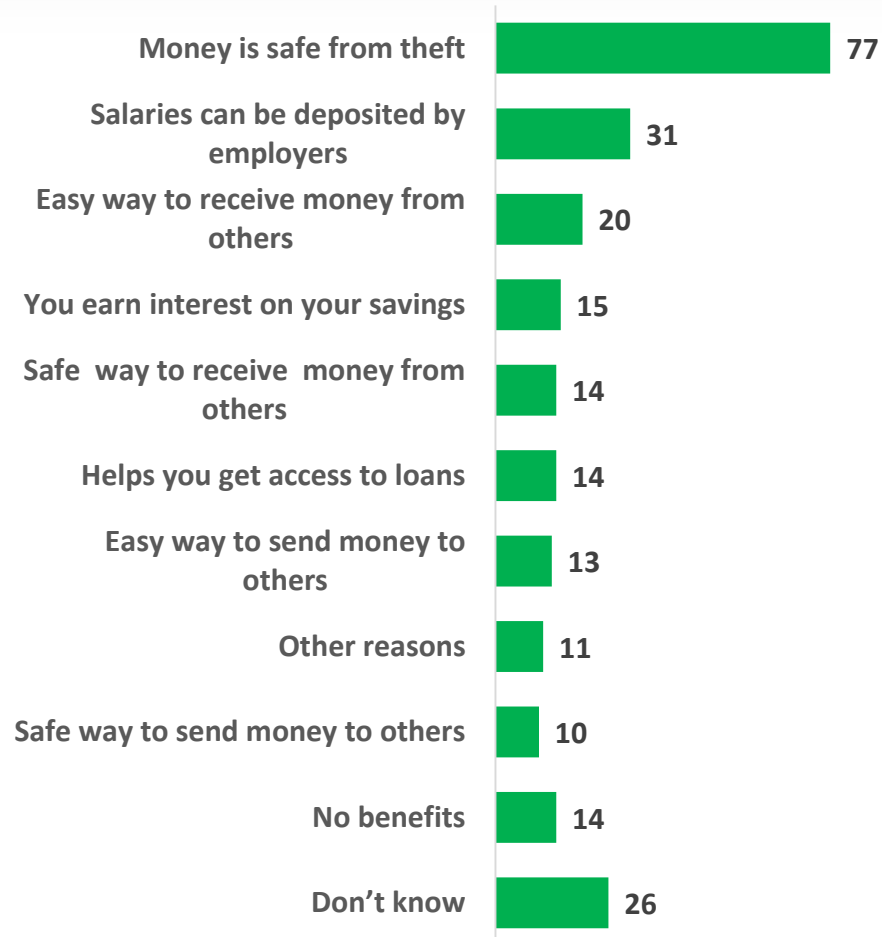
■ Male ■ Female



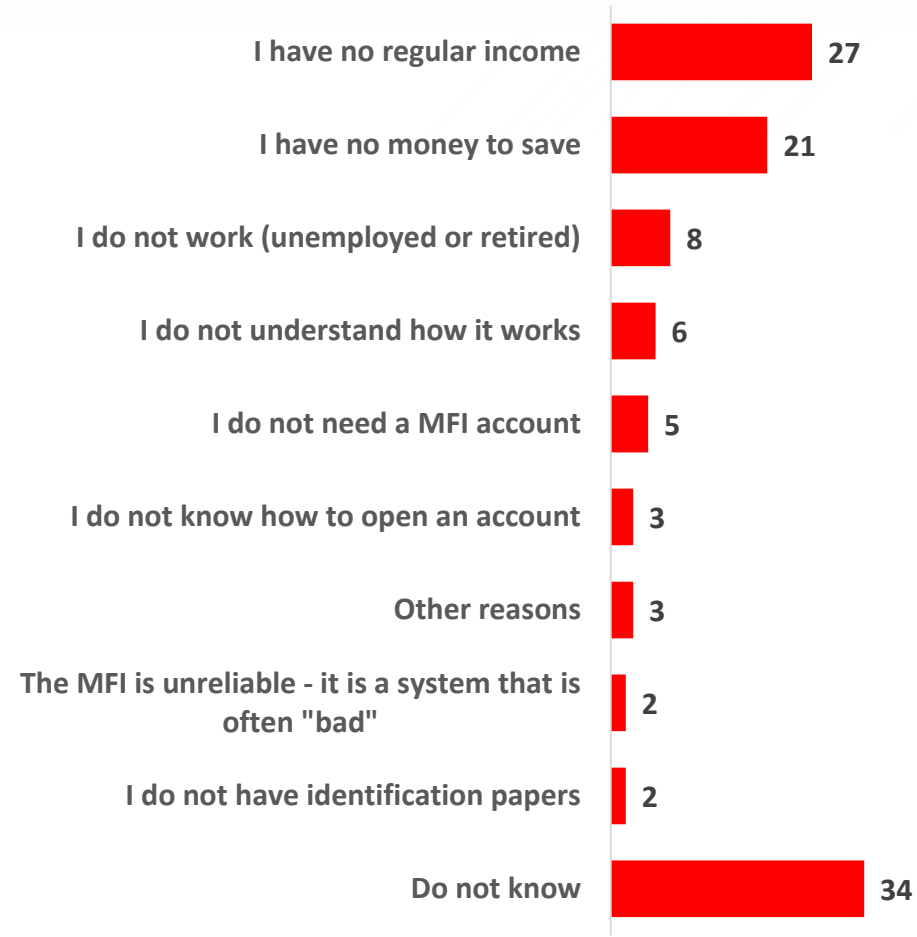
■ Rural ■ Urban

Microfinance Institutions: Drivers and barriers

6% are using MFIs



94% are not using MFIs

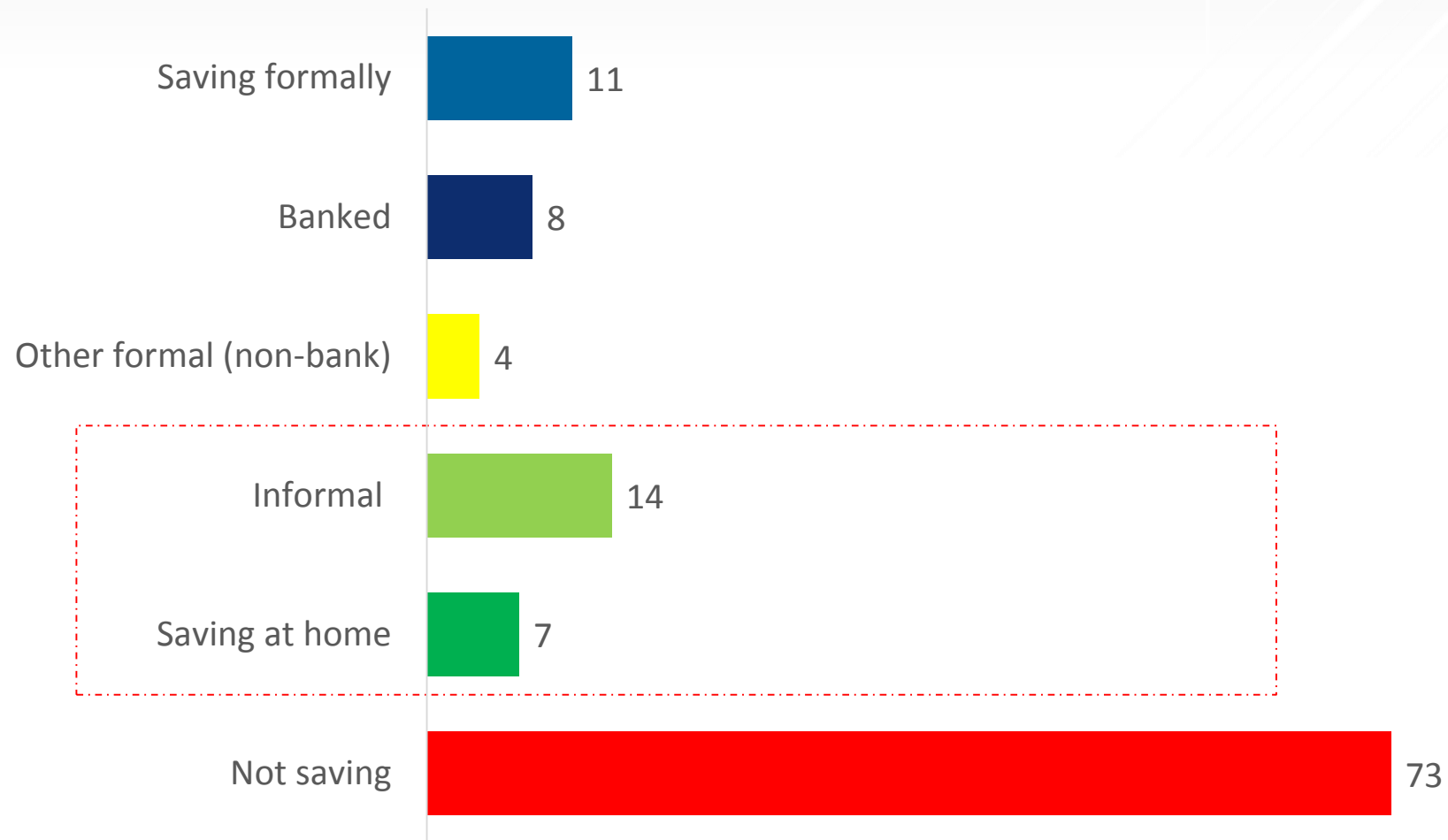


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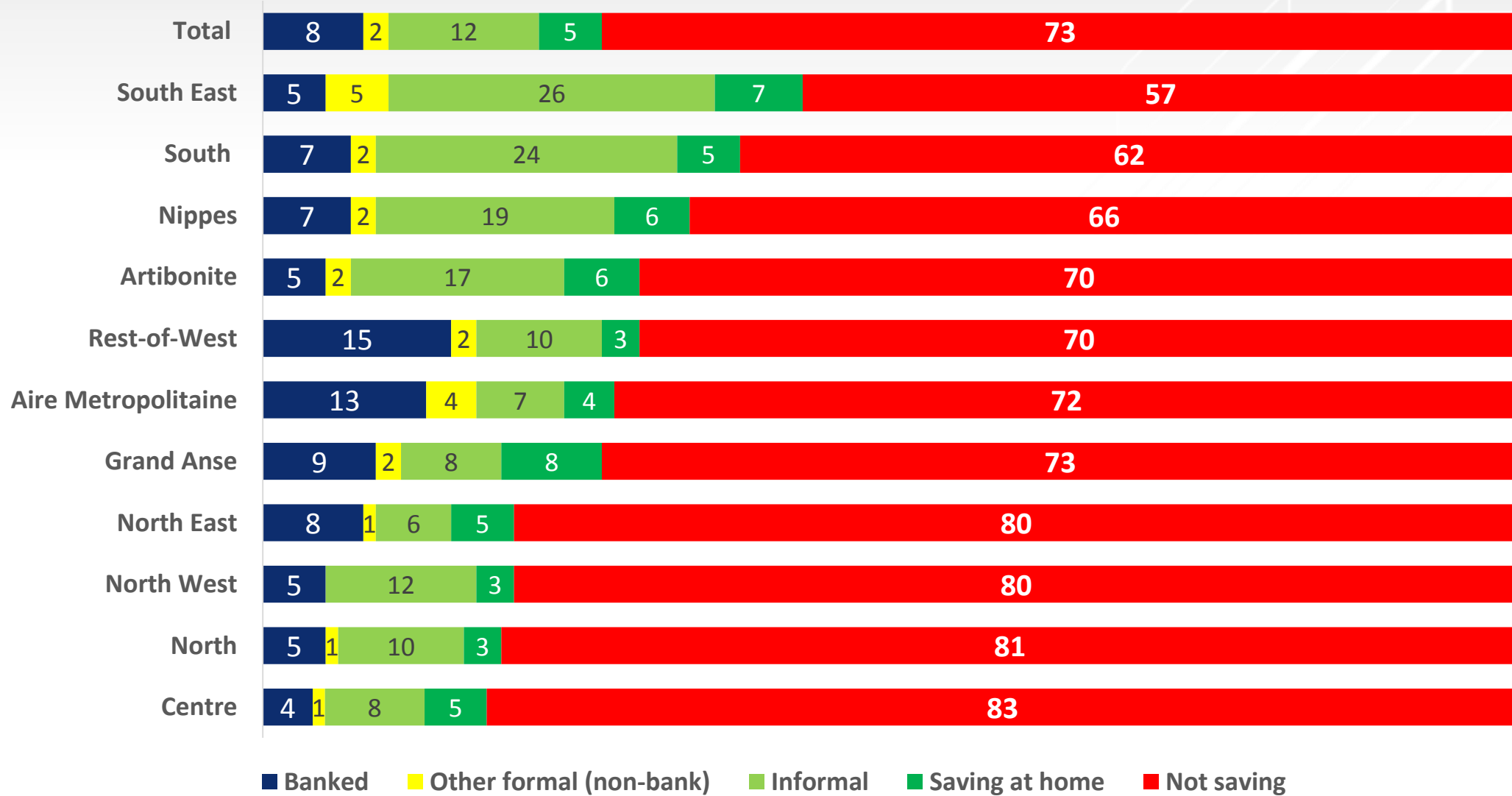
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Savings and investments - inclusive of monetized saving and investment vehicles, does not include saving in kind

(%)

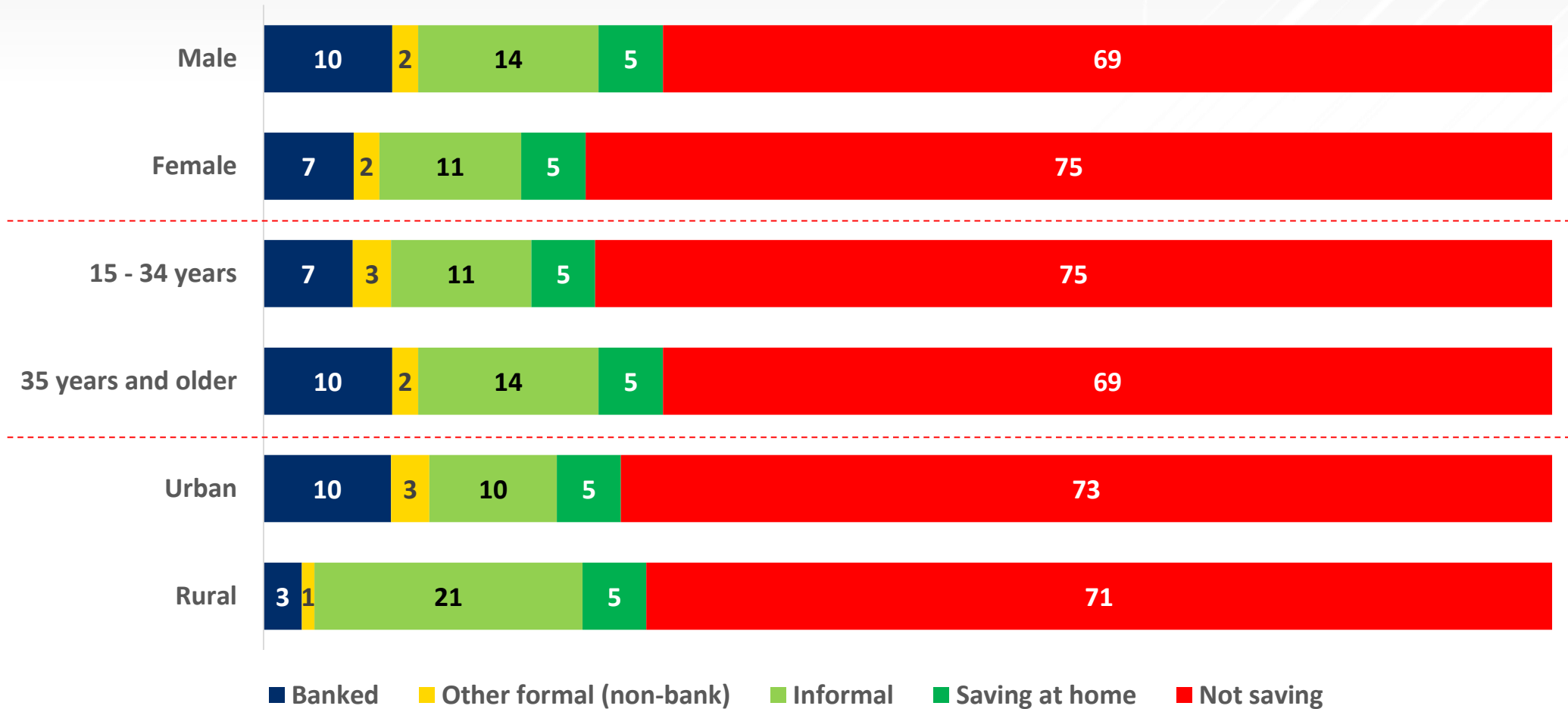


Savings and investments



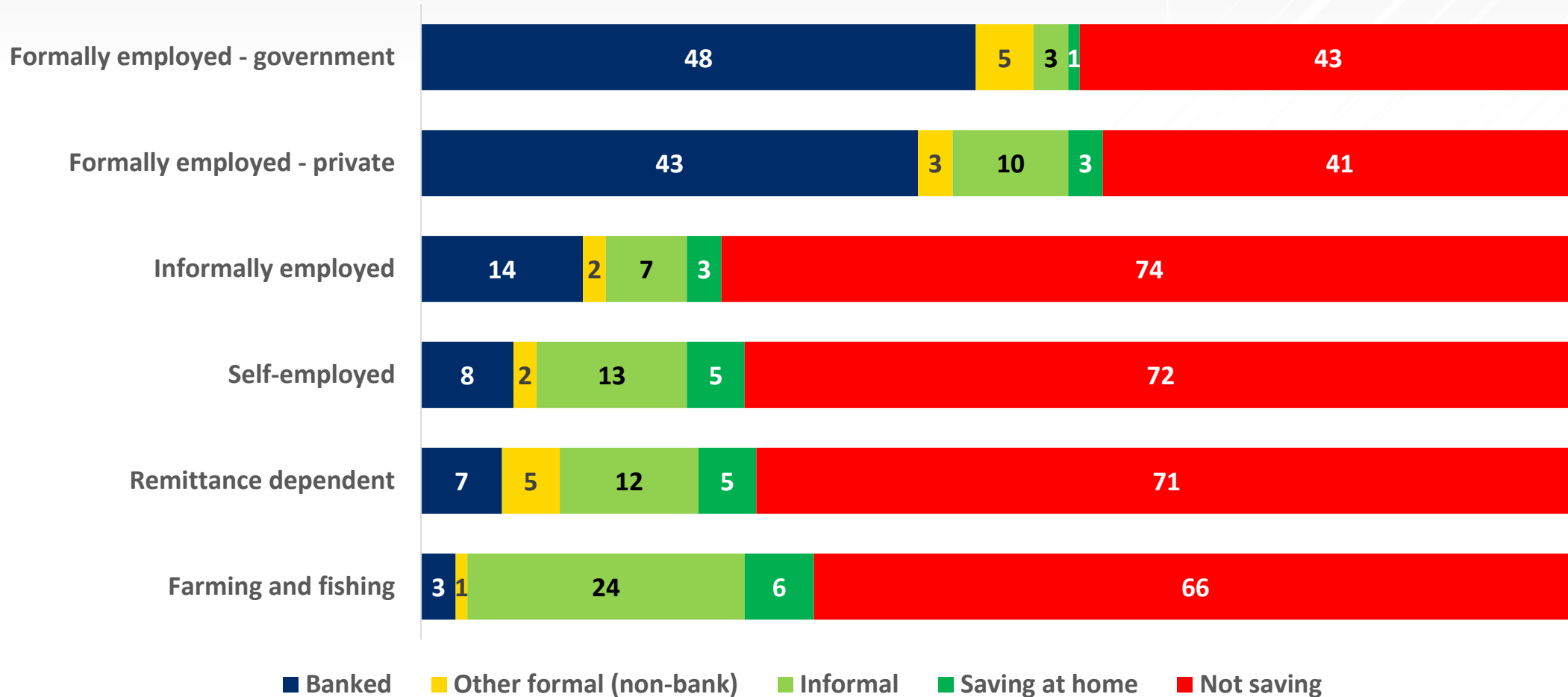
Savings and investments – inclusive of monetized saving and investment vehicles, does not include saving in kind

Savings Strands by gender, age and location



Savings and investments

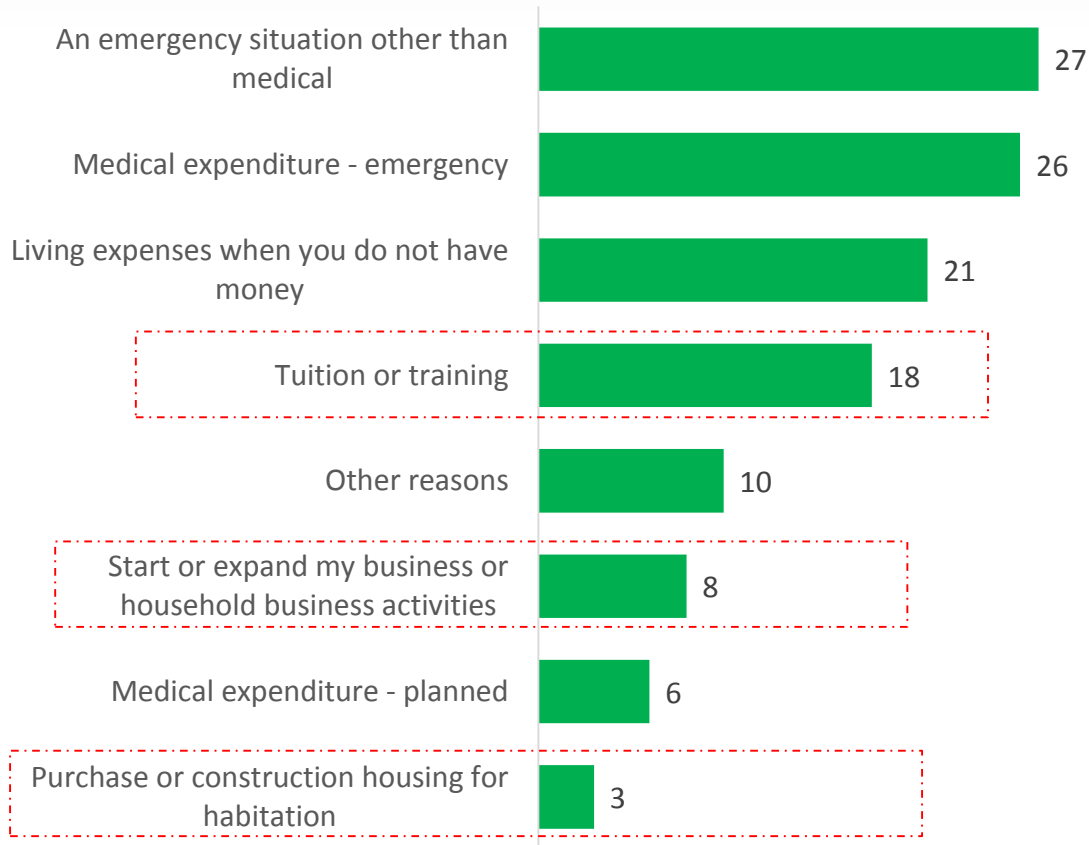
Savings Strands by main source of income



Savings and investments:

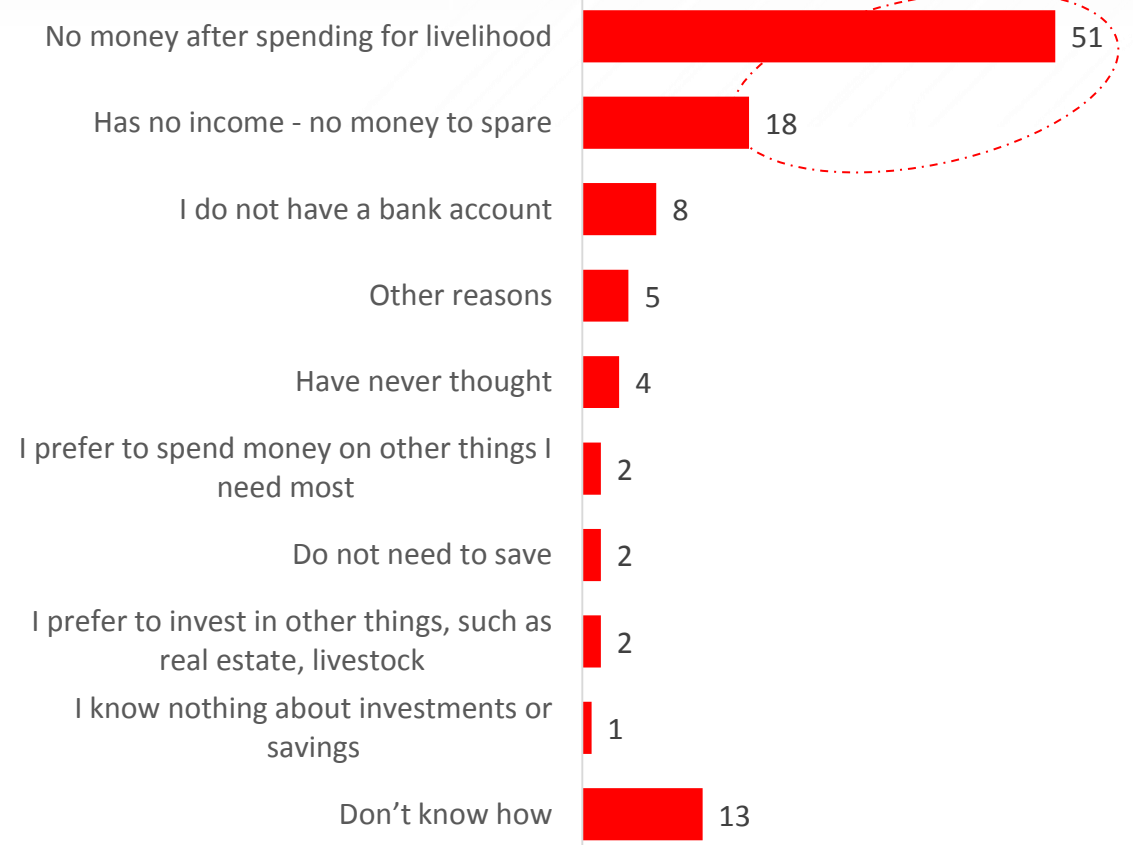
Adults save mainly for developmental reasons

Main drivers for saving – based on the **27%** of adults who save



*Savings for developmental reasons

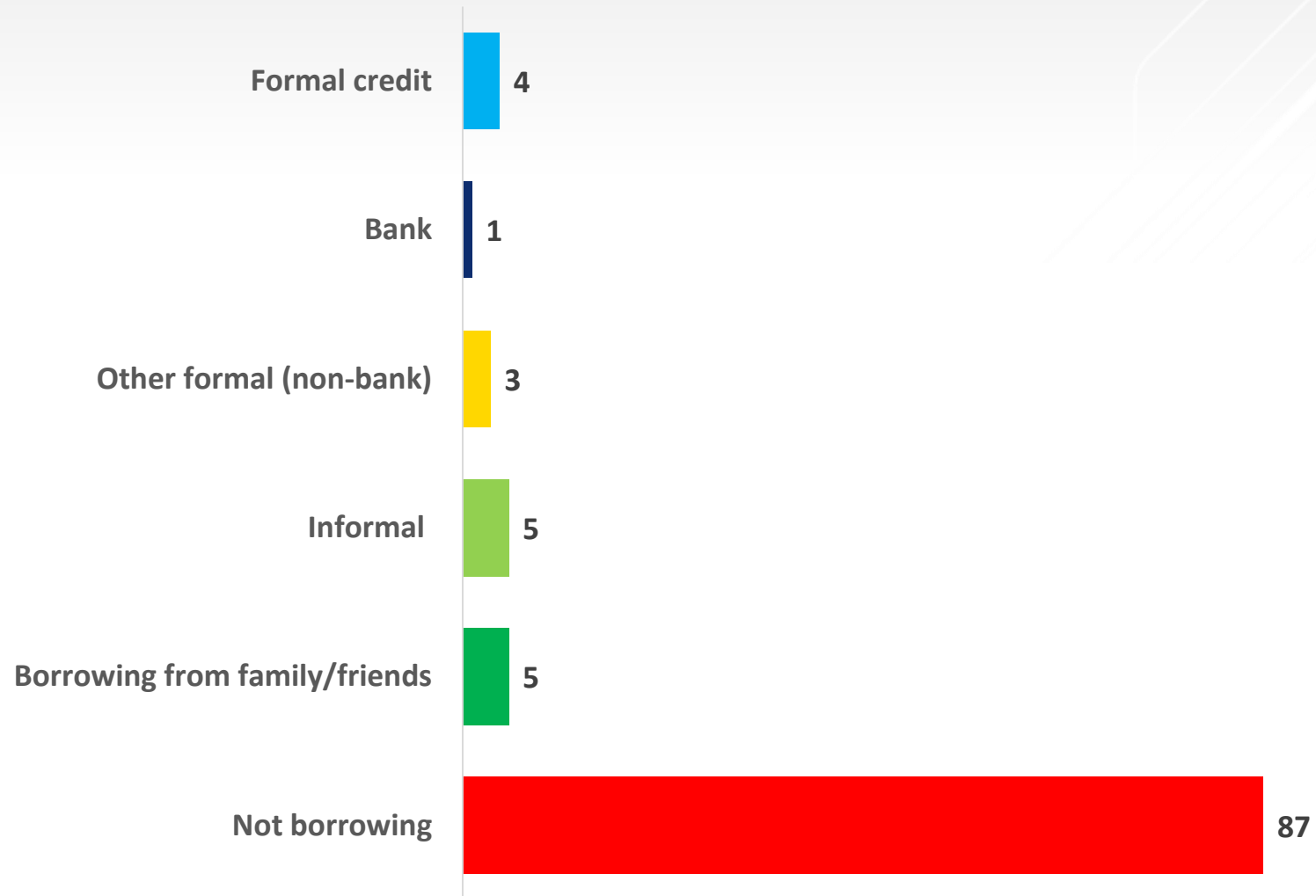
Main barriers for not saving – based on the **73%** of adults who do not save



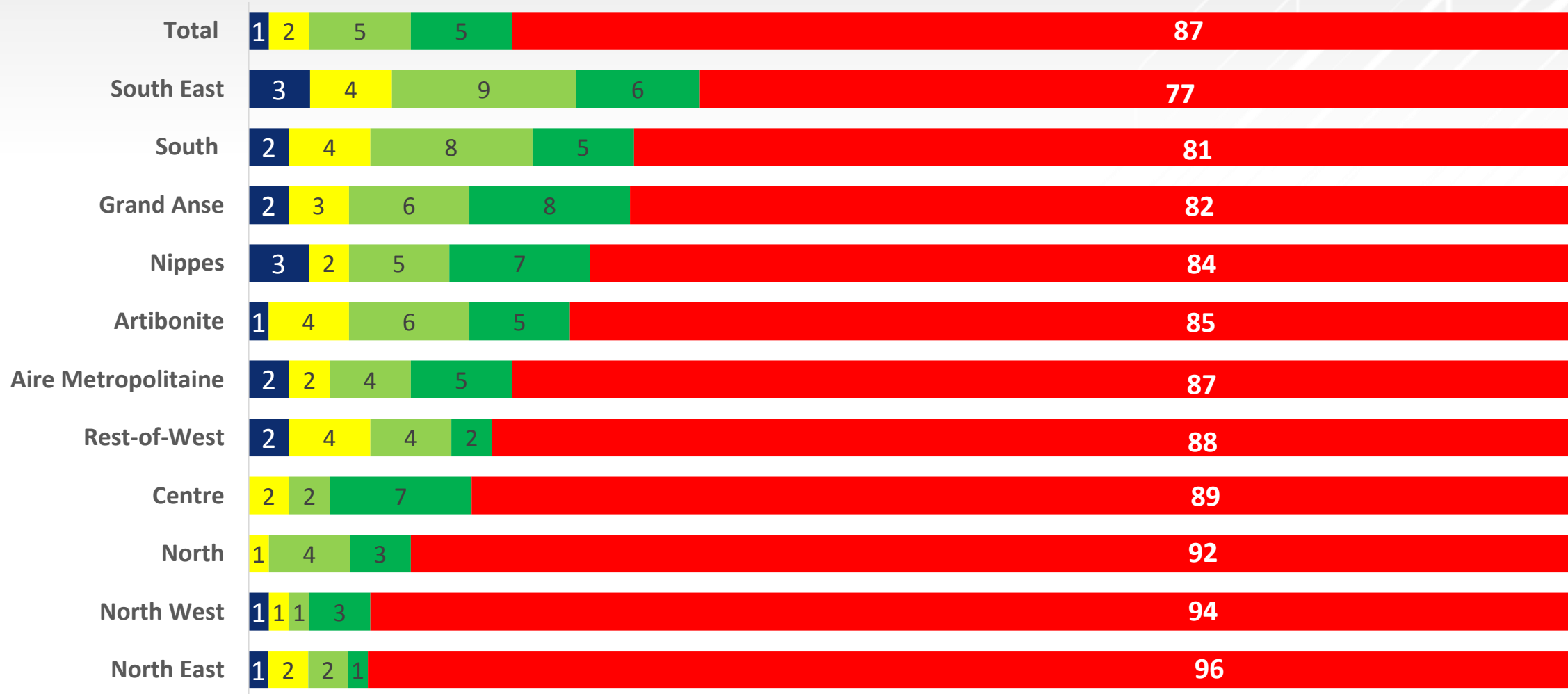
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Borrowing and credit

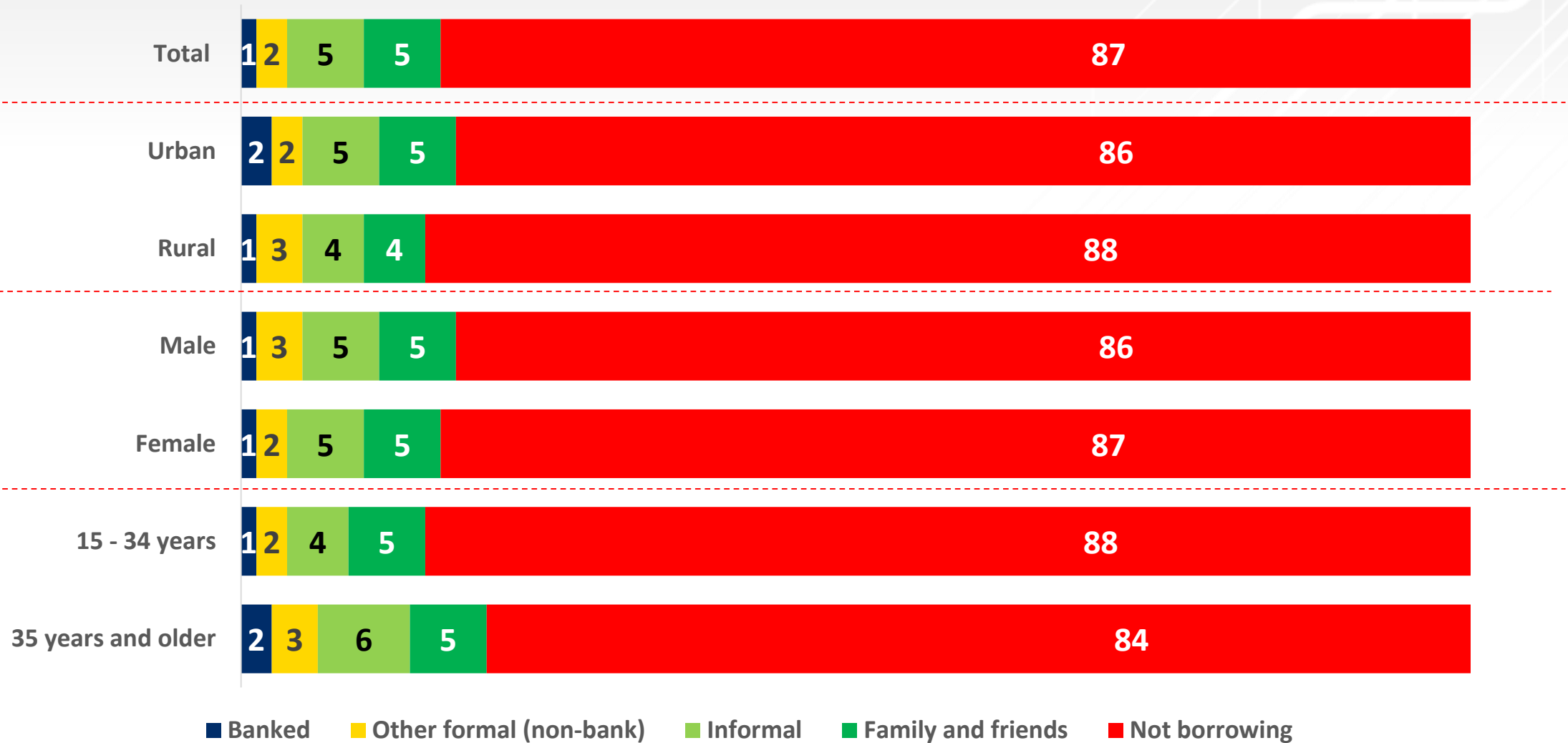


Borrowing and credit

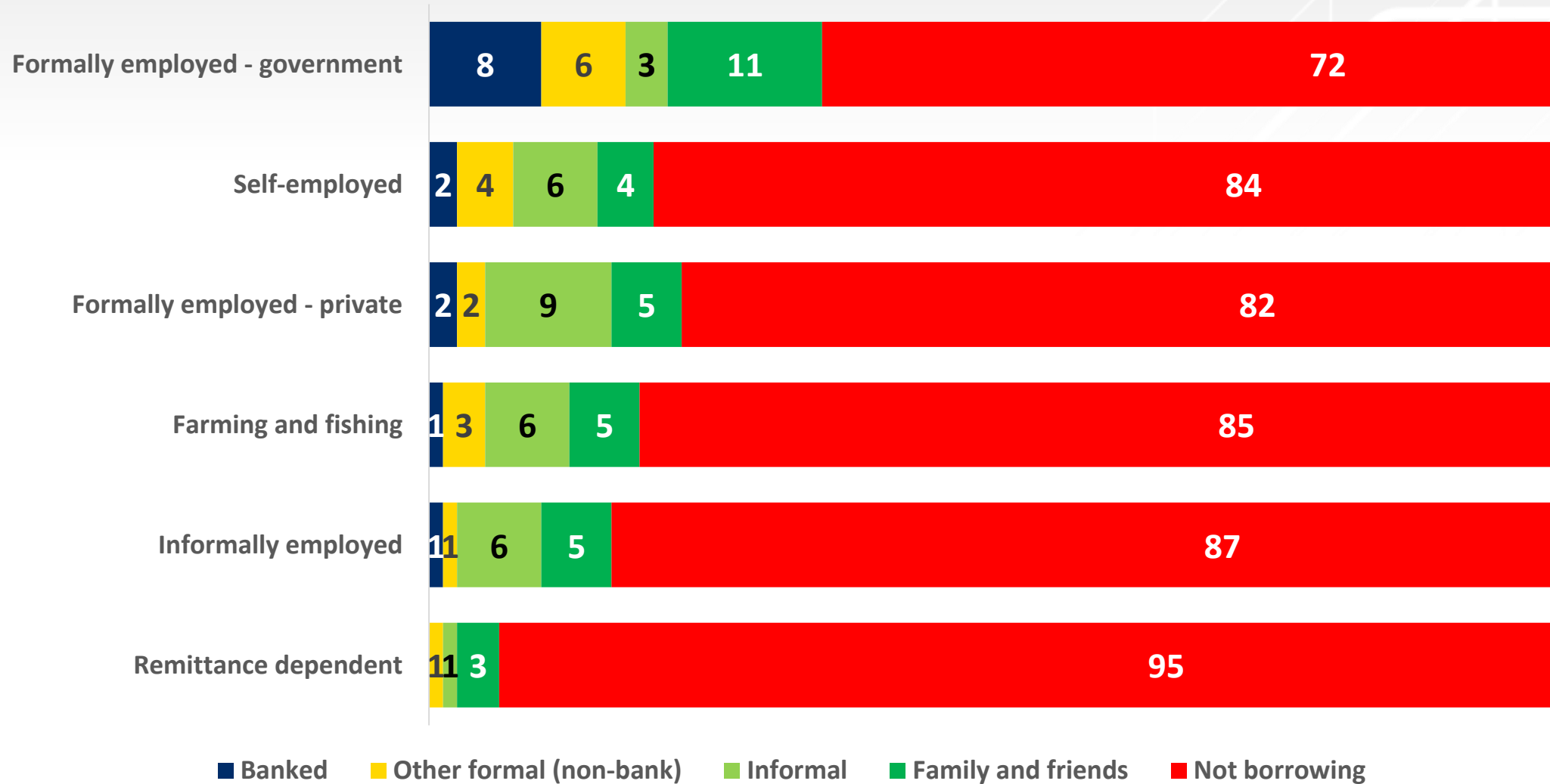


■ Banked
 ■ Other formal (non-bank)
 ■ Informal
 ■ Credit from family and friends
 ■ Not borrowing

Borrowing and credit



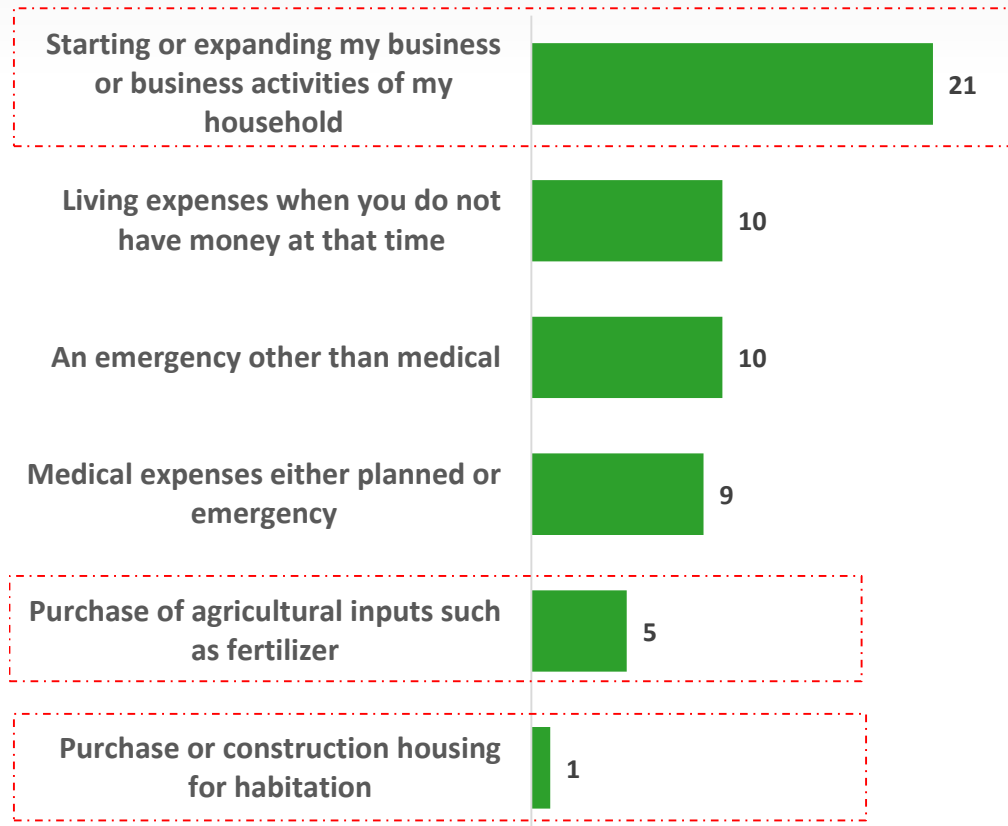
Borrowing and credit



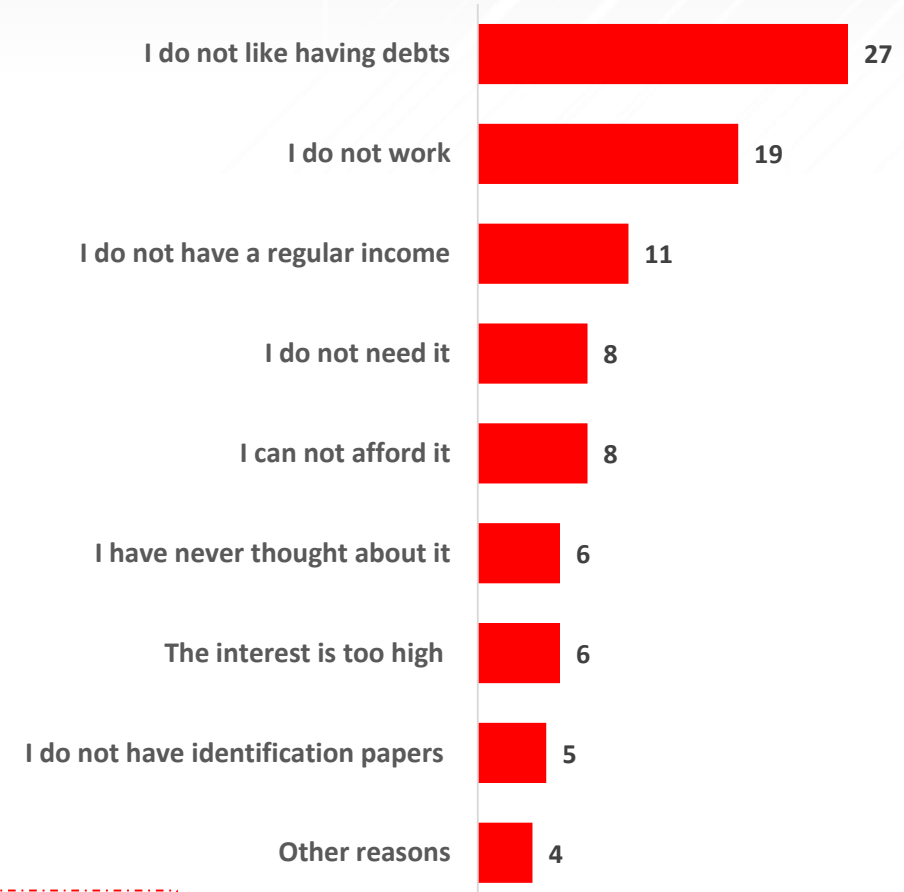
Borrowing and credit:

Drivers and barriers to accessing credit

13% have borrowing/credit products



87% do not borrow

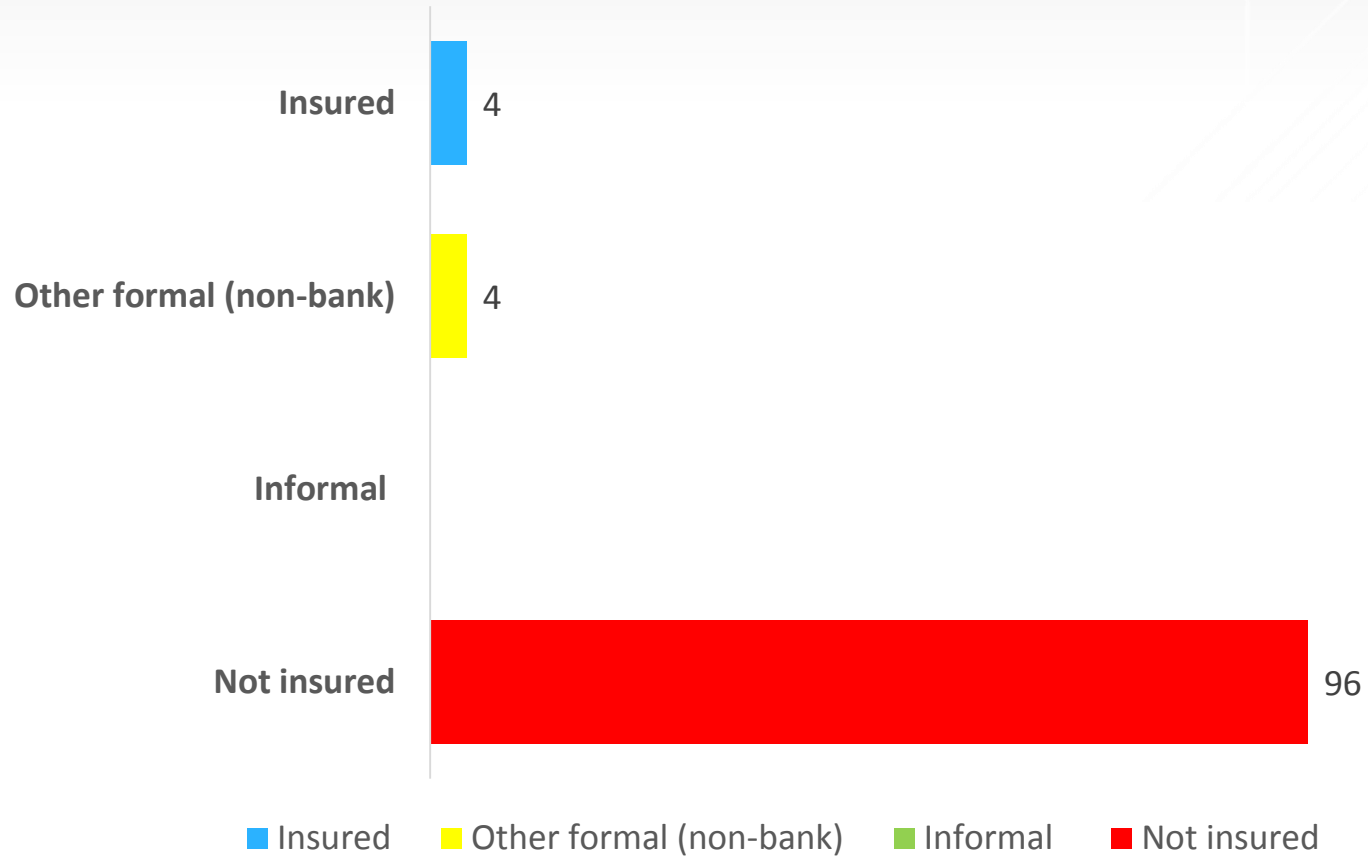


*Note credit for developmental reasons

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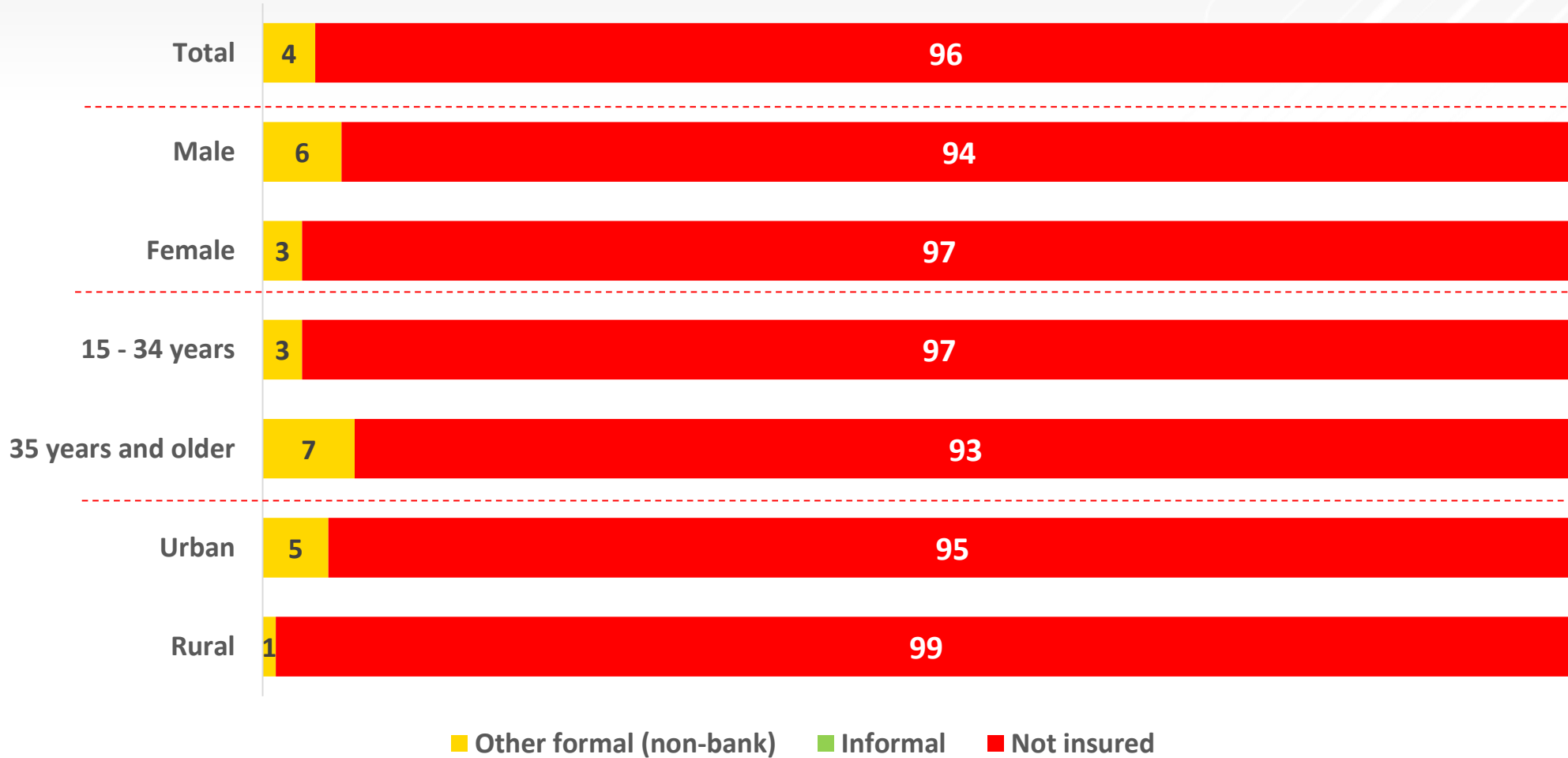
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Insurance and risk management: Insurance overalls and overlaps



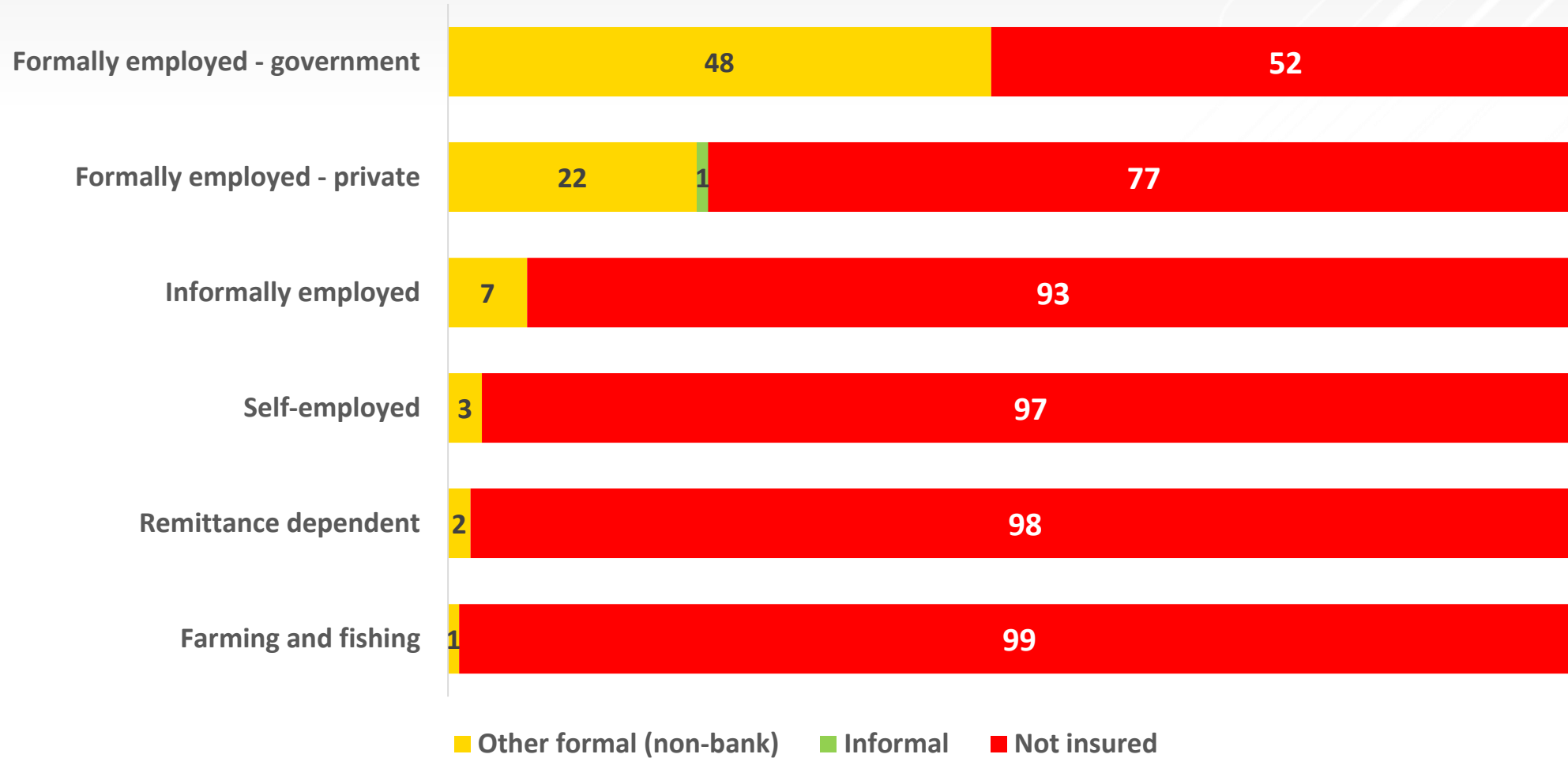
Insurance and risk management:

Insurance Strand



Insurance and risk management:

Insurance Strand



Insurance and risk management: Drivers and barriers

4% of adults have insurance

Of those insured uptake of insurance products is driven by:

- Health or Medical insurance 53%
- Life assurance 23%
- Total vehicle or motorcycle insurance 20%
- Pension insurance 13%
- Accident insurance 9%
- Housing insurance 1%

96% of adults do not have any kind of financial product covering risk

Main barriers to the uptake of insurance:

- I have no income or regular job 44%
- Do not understand how insurance works 10%
- Do not have enough knowledge 9%
- I don't believe in insurance 8%
- I do not need insurance 7%

Of those without insurance (96%):

- 65% have not heard of life insurance
- 94% have not heard of education insurance
- 97% are not aware of property damage insurance
- 97% have not heard of agricultural risk insurance

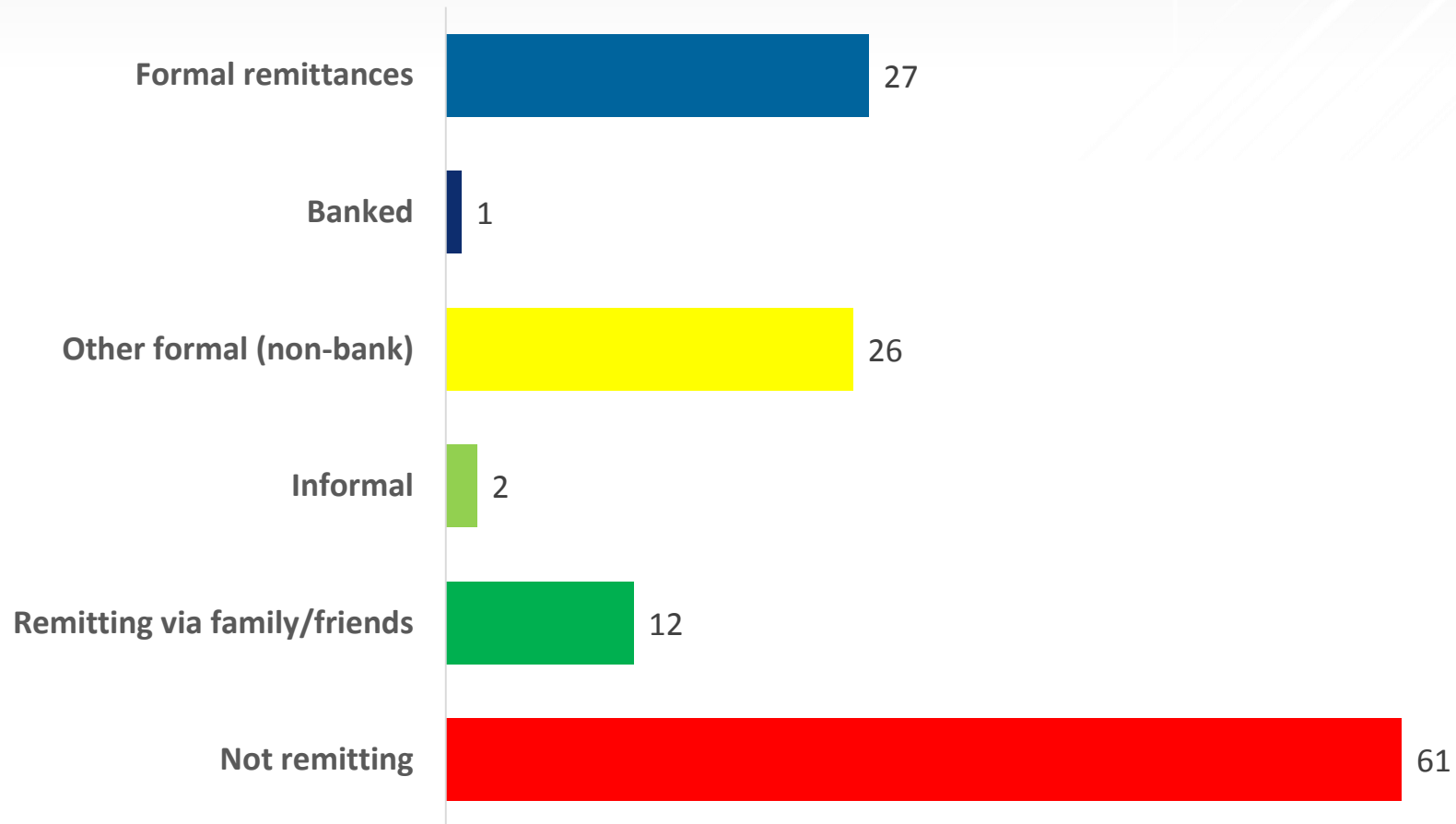
****FINANCIAL EDUCATION****

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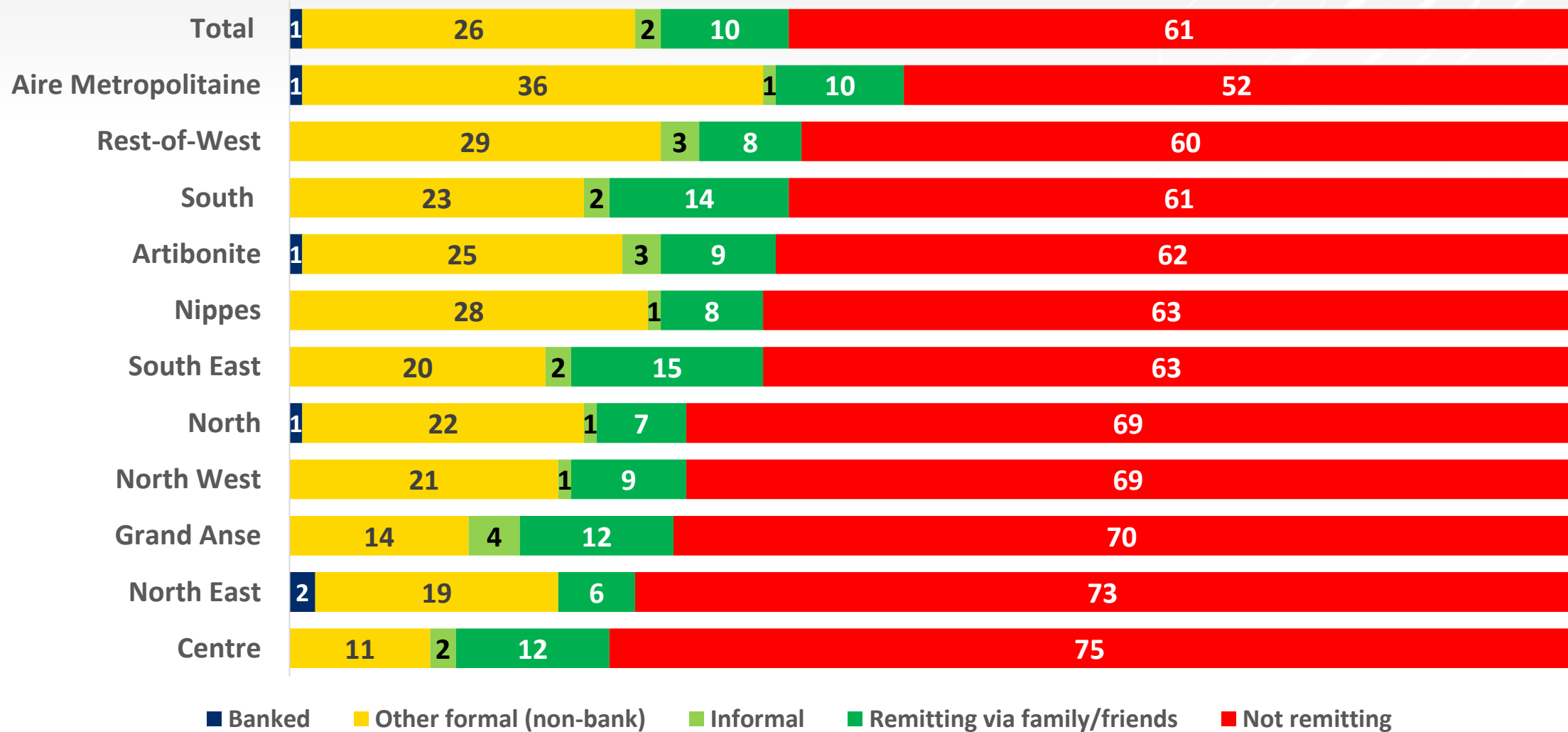
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Remittances:

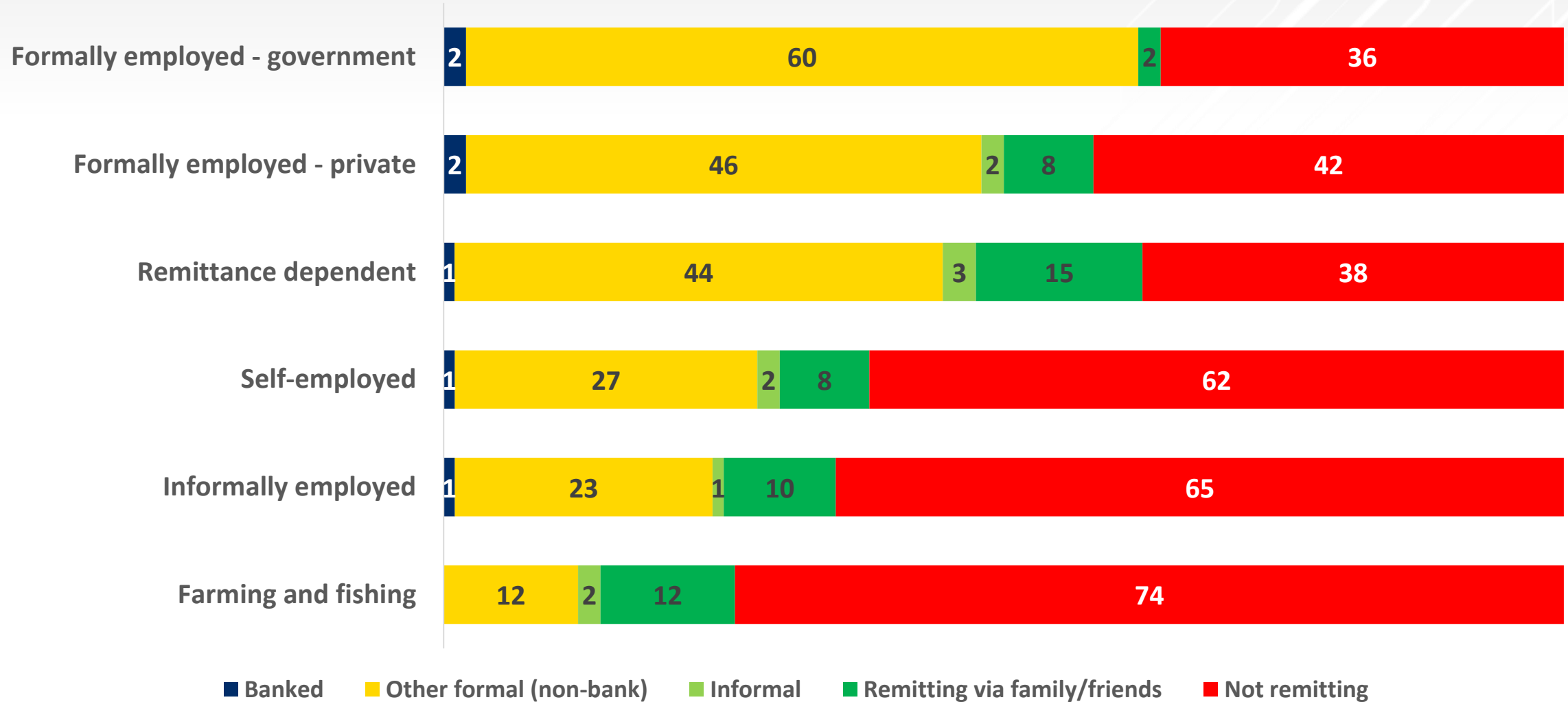
Overview of those that claimed to remit in the past 12 months



Remittances Strand

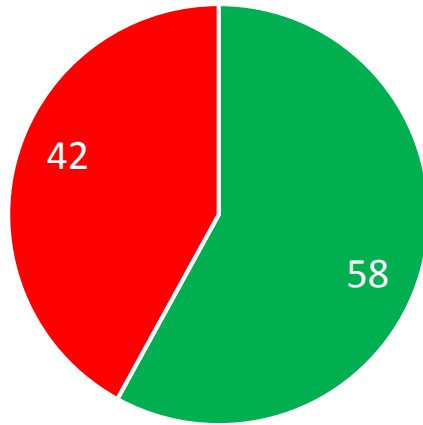


Remittances Strand

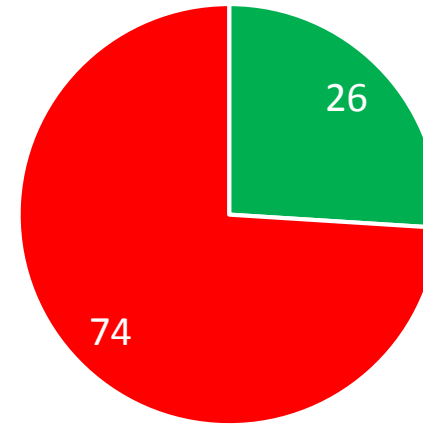


Mobile money

- Though more than 60% of adults are aware of mobile money, it does not translate in to usage as **23%** of adults are registered mobile money users



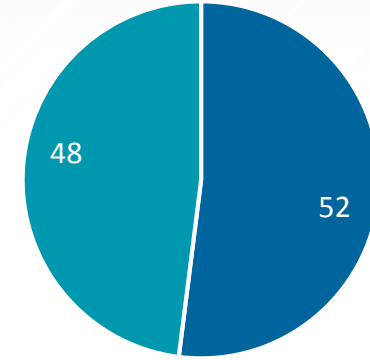
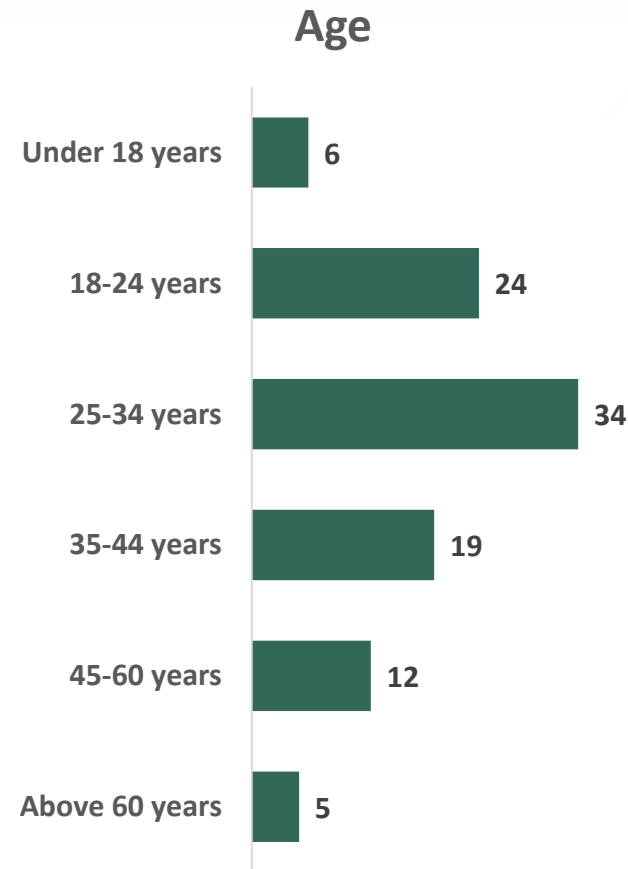
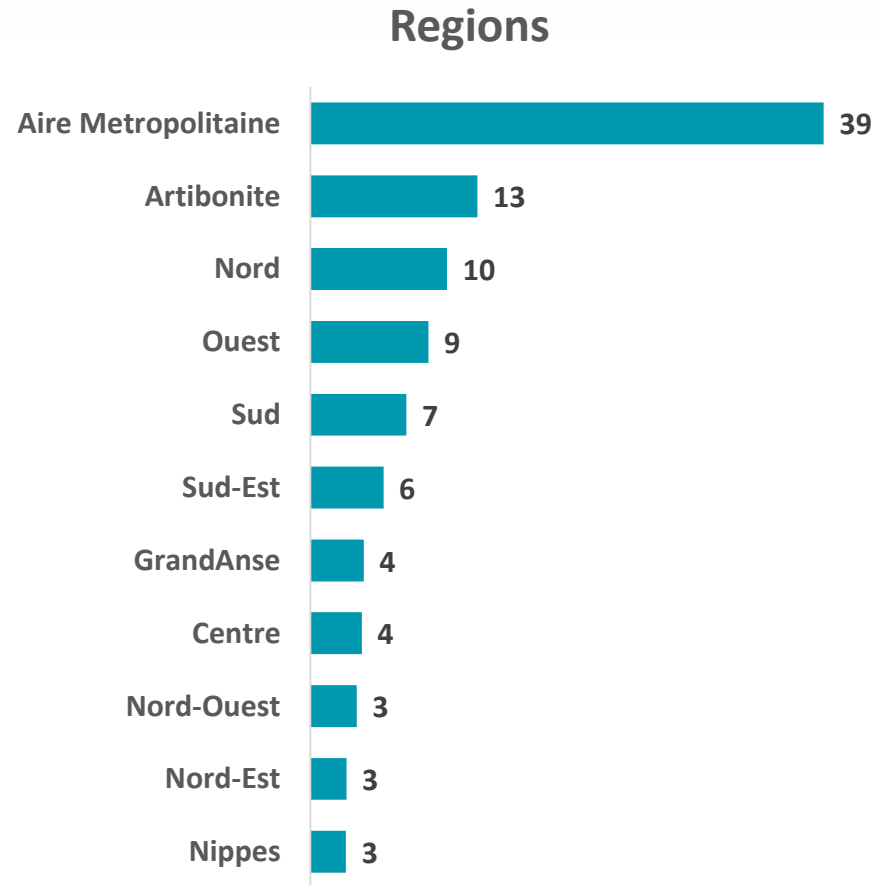
■ Heard of Mon Cash ■ Not aware of Mon Cash



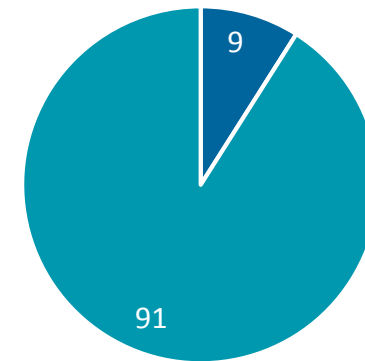
■ Heard of Lajan Cash ■ Not aware of Lajan Cash

Mobile money

- Around 23% of adults are registered mobile money users



■ Male ■ Female

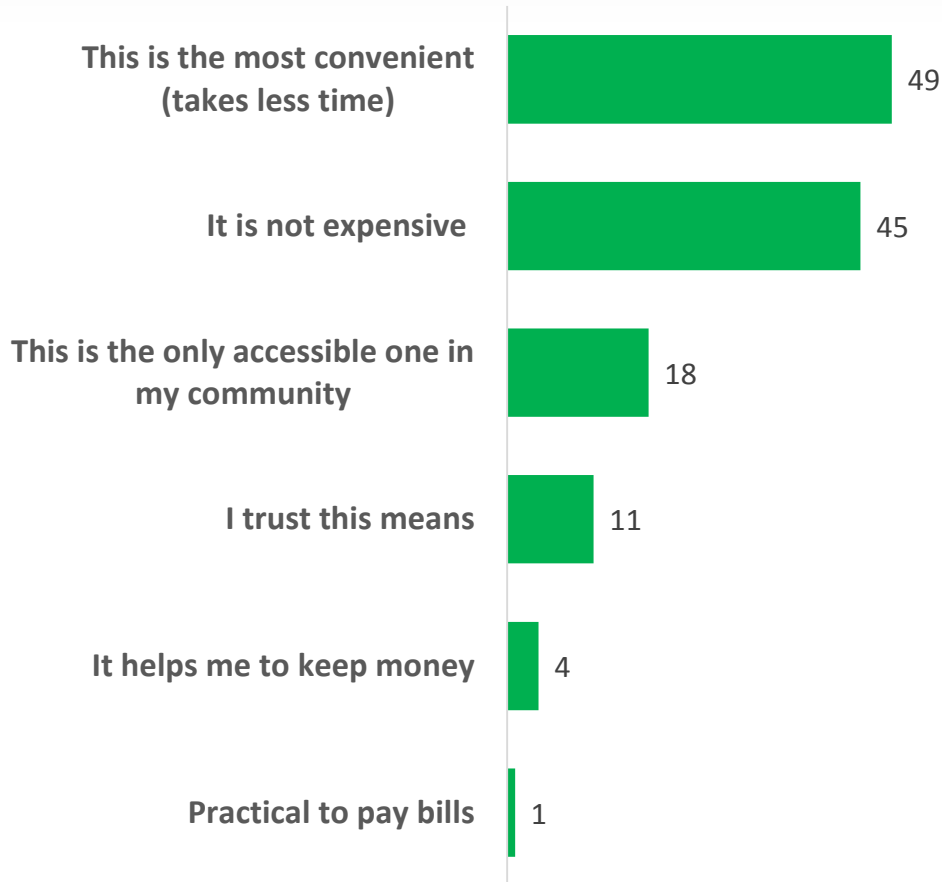


■ Rural ■ Urban

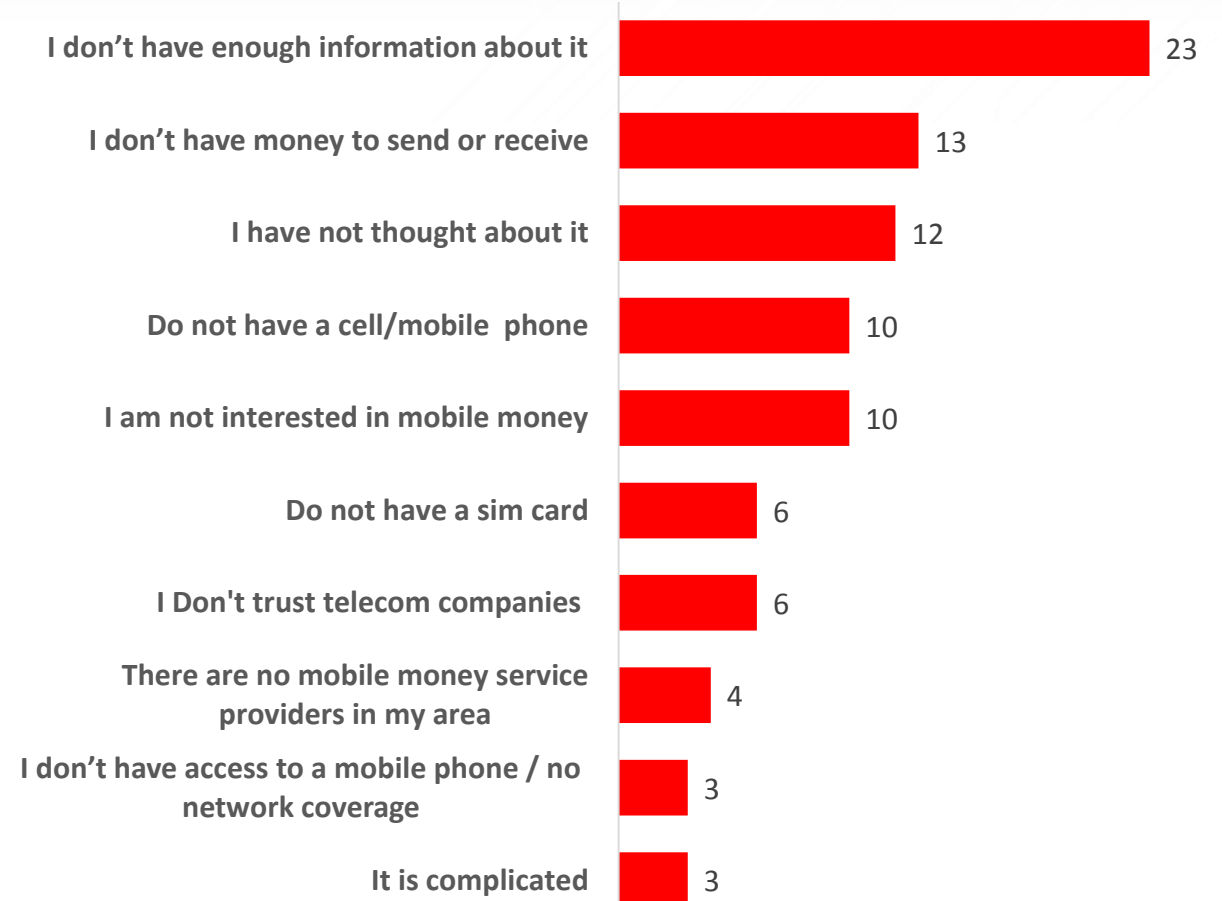
Mobile Money:

Drivers and barriers

23% use Mobile Money Services



77% do not use Mobile Money Services

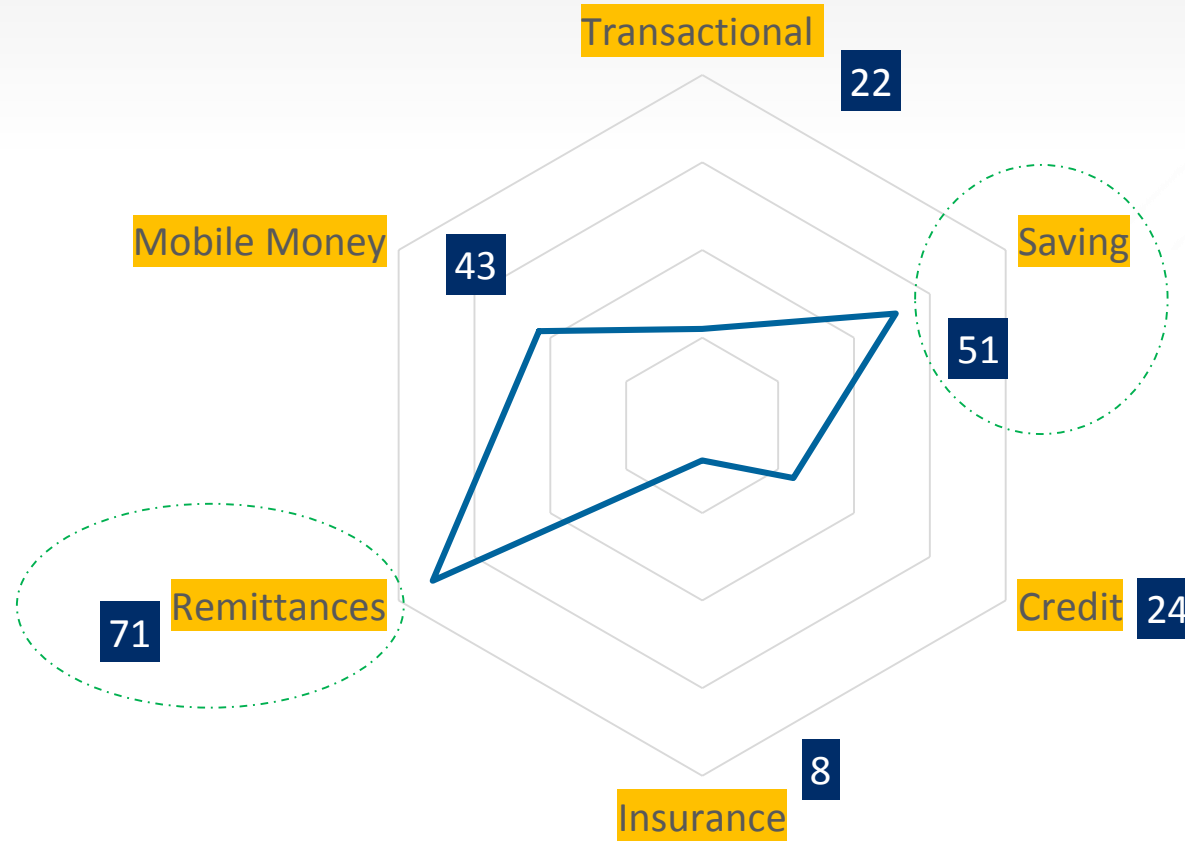


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Financial inclusion:

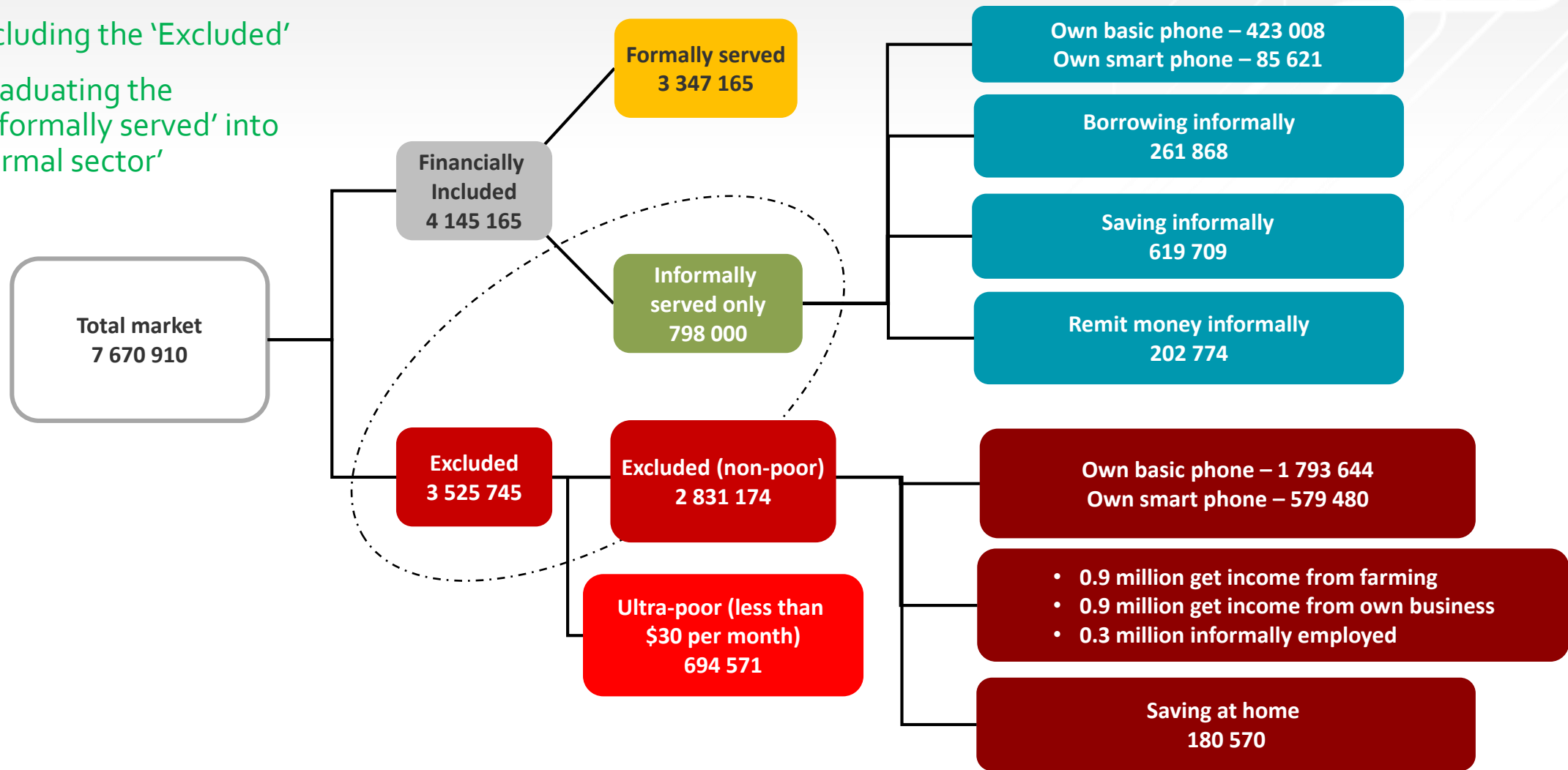
Landscape of Access (of those with any financial product)



- The Landscape of Access is used to illustrate the extent to which financially included individuals have/use financial products/services (excluding those borrowing from family/friends and those who save at home/hiding in secret place).
- It also highlights the drivers of overall inclusion – in Haiti’s case – its savings and remittances

Access Frontiers

- Including the 'Excluded'
- Graduating the 'informally served' into 'formal sector'



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Key findings

The study FinScope Haiti 2018, revealed how the Haitians 15 years and older manage their finances and elements that influence their access to financial services. The study also identified the role of formal and informal financial sectors in the financial environment of Haiti. From this study, the following conclusions are drawn:

Linking this with the National FI Strategy Pillar on facilitating access to financial products and services, results below refers:

1. Almost 54% of the population 15 years and over have access to financial services. However there are disparities and levers that should act to enable a broader inclusion of the population. It therefore appears that:

- 44% of 15 years and over are served formally including banks and other non-bank formal products and services;
- 11% of 15 years and over are served by banks;
- 42% of 15 years and over use other non-bank formal products and services;
- 19% of 15 years and older use of non-formal only mechanisms to manage their finances; and
- 46% of 15 years and over are financially excluded.

Key findings (continued)

2. Formal credit (**4%**) is not used so widely in Haiti, but seems to be a slight preference for informal credit (**5%**). Furthermore, about **5%** are accessing credit from their family and friends.

Linking this with the National FI Strategy Pillar on Credit for economic growth, it can be observed that:

- Business owners show pockets of utilising credit to grow or expand their businesses as only 21% of credit is used to start, or grow business – a positive step
- Business owners still have a preference for informal credit (6%)

3. The consumer education and financial literacy are real issues in Haiti - mainly in the area of insurance, where most adults are not financially knowledgeable. In addition,

- About **53%** of adults indicated a need for financial education, mainly seeking information on how to save and advantages of financial investments vehicles;
- An additional **45%** of adults do not seek financial advice anywhere and are trapped by lack of financial information;

Linking this with the National FI Strategy Pillar on consumer education, the results support a concerted effort to drive financial literacy, especially amongst the youth and informally employed

Recommendations

1. Implement a FinScope Small Business Survey

- Significant amount of adults are self-employed and majority excluded, addressing how business owners can utilise access to financial services to grow and expand their businesses will have a higher impact and prospects for economic growth in Haiti. This survey aids in better understanding the business value chain and business owners financial needs to better serve them.
- See here for more details:
- <https://finmark.org.za/programme/data-for-financial-markets/finscope/finscope-msme/>

2. Consumer education /literacy programmes

- In order to create a better value proposition for financial inclusion, Haitian adults need to understand the benefits of using appropriate financial services.
 - The results show the barriers to financial inclusion mostly relate to lack of financial awareness
-
- Visit - <https://www.i2ifacility.org/data-portal/HTI>



Thank you

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