

## Survey Highlights

**FinScope  
Myanmar 2013**





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What is the Access Strand? Access Strand – Myanmar; by region, area, gender, Savings Strand, Credit Strand, Landscape of Access, Insurance Strand.



# Introduction and background

## FINMARK TRUST



Making financial markets work for the poor

FinMark Trust, an independent trust based in Johannesburg, South Africa, was established in 2002, and is funded primarily by UKaid from the Department for International Development (DFID) through its Southern Africa office. FinMark Trust's purpose is 'Making financial markets work for the poor'. This is done by promoting financial inclusion and regional financial integration as well as institutional and organisational development, in order to increase access to financial services for the un-served and under-served. In order to achieve this, FinMark Trust commissions research to identify the systemic constraints that prevent financial markets from reaching out to these consumers and by advocating for change on the basis of research findings. FinMark Trust is driven by its purpose to start processes of change that ultimately lead to the development of inclusive financial systems that can benefit all consumers.

## ABOUT UNCDF



UNCDF is the UN's capital investment agency for the world's 48 least developed countries. It creates new opportunities for poor people and their small businesses by increasing access to microfinance and investment capital. UNCDF focuses on Africa and the poorest countries of Asia, with a special commitment to countries emerging from conflict or crisis. It provides seed capital – grants and loans – and technical support to help microfinance institutions reach more poor households and small businesses, and local governments finance the capital investments – water systems, feeder roads, schools, irrigation schemes – that will improve poor people's lives. UNCDF programmes help to empower women, and are designed to catalyse larger capital flows from the private sector, national governments and development partners, for maximum impact toward the Millennium Development Goals.

## LIFT – THE LIVELIHOODS AND FOOD SECURITY TRUST FUND



### Livelihoods and Food Security Trust Fund



In 2009, LIFT – the Livelihoods and Food Security Trust Fund – was launched to help Myanmar make faster progress towards the achievement of the Millennium Development Goal (the eradication of extreme poverty and hunger). LIFT's donors agreed on a multi-donor trust fund approach with the conviction that pooling resources allows for programme coherence and leads to greater impact.

We would like to thank Australia, Denmark, the European Union, France, Ireland, the Netherlands, New Zealand, Sweden, Switzerland, United Kingdom and the United States of America for their kind contributions to improving the livelihoods and food security of the poorest and most vulnerable people in Myanmar. Their support to the Livelihoods and Food Security Trust Fund (LIFT) is gratefully acknowledged.

The views expressed herein can in no way be taken to reflect the official opinion of Australia, Denmark, the European Union, France, Ireland, the Netherlands, New Zealand, Sweden, Switzerland, United Kingdom, and the United States of America.

## FINSCOPE SURVEY

The FinScope survey is a research tool developed by FinMark Trust. It is a nationally representative survey of how people source their income, and how they manage their financial lives. It must be noted that it is a consumer perception study. Respondents are not asked to provide proof of accounts held and figures are not based on supply-side numbers provided by financial institutions or regulatory authorities. In South Africa, FinScope is conducted annually since 2002. FinScope has now been conducted in Myanmar to benchmark the state of financial access and usage. It 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. To date, FinScope surveys have been conducted in 18 countries.

## SURVEY OBJECTIVES

To measure and profile the levels of access to financial services by all adults in Myanmar (18 years and older), across income ranges and other demographics, and making this information available for use by key stakeholders such as policy-makers, regulators, and financial service providers.

Information provided by the survey helps extend the reach of financial services in the country, as it provides an understanding of the adult population in Myanmar in terms of:

- Livelihoods and how they generate their income
- Their financial needs and/or demands
- Their financial perceptions, attitudes, and behaviours

## SURVEY OBJECTIVES CONTINUED

- Their demographic and geographic distribution
- The obstacles they face and the factors that would have an influence on their financial situations
- Current levels of access to, and utilisation of, financial services and products (formal and/or informal)
- The landscape of access (i.e. types of products used in terms of transactions, savings, credit, insurance and remittances)
- Drivers of financial products and services utilisation
- Barriers to utilisation of, and access to, financial products and services
- The size of the market
- The similarities and differences between different market segments

## PARTNERING FOR A COMMON PURPOSE

The FinScope survey is dynamic and the content is evaluated by a number of stakeholders including the private sector, NGO's, and government to ensure that the most relevant financial data is collected. By design, it is intended to involve a range of stakeholders, enriching the survey through a process of cross-cutting learning and sharing of information.

**Making Access Possible (MAP)** is a diagnostic and programmatic framework to support expanding access to financial services for individuals and micro- and small- businesses. The MAP methodology and process has been developed jointly by **UNCDF**, **FinMark Trust** and **Cenfri** to foster inclusive financial sector growth.

At country level, the core MAP partners, collaborate with Government, UNDP, other key stakeholders and donors to ensure an inclusive, holistic process. MAP Myanmar represents a partnership between UNCDF, LIFT, Cenfri and FinMark Trust for the Development of a Strategic Framework for Financial Inclusion in Myanmar. **The FinScope Myanmar was also co-funded by LIFT and UNCDF.** The FinScope study was undertaken by Myanmar Survey Research (MSR), overseen by the MAP Steering Committee, chaired by MMSE and included the National Statistics Office. FinScope, as an integral part of MAP and the larger technical assistance, was the result of a partnership with the following partners:



Co-funded by



**Livelihoods and Food Security Trust Fund**



Empowered lives.  
Resilient nations.

**MSR**  
Myanmar Survey Research





# Sampling and methodology

## TARGET POPULATION

- According to the CSO the total population of Myanmar is estimated to be 61 million based on the mid-year estimates for 2013. FinScope focuses on the 18+ adult population. CSO estimates this population to be 39.8

## COVERAGE AND METHODOLOGY

- Coverage: nationwide survey including urban and rural areas as well as the rich and the poor
- Fieldwork conducted between July and August 2013
- 5100 face-to-face interviews were conducted by Myanmar Survey Research

## SAMPLE AND FIELDWORK VALIDATION

- Survey data was weighted by Central Statistical Organisation data to latest population estimates in 2011
- Nationally representative sample. Representative at three levels: national, urban/rural, and geographical region
- Enumerator areas (EAs) were drawn systematically using Probability Proportional to Size (PPS) sampling
- EA- based sample. 633 EA's selected nationally with approximately 8-9 interviews per EA
- To identify respondents, two further levels of random sampling were applied:
  - Households were selected through systematic random method within each sampled EA
  - Individual respondents were then randomly selected from a list of all qualifying adult members (18 years and older) in the selected household using the Kish grid method
- Only one respondent was selected and interviewed in each selected household
- Prior to the survey a listing was conducted in each of the sample areas to update the population to the latest demographics
- Further technical details on the sample and methodology can be found in the technical document

## BASE SIZES

- When interpreting the data, it is important that conclusions are not based on analysis done on responses of few respondents. As an indication of reliability of the analysis, base sizes have been included for the charts in this booklet
- The findings presented in this brochure reflect the survey findings, weighted to the adult population of the country.
- Note that figures have been rounded to the nearest percentage typically and hence not all the tables or graphs may add up to 100%

## CURRENCY CONVERSION

- The local currency in Myanmar is Kyat (MMK). The six month average to 30 September 2013 was 946 per USD



# FinScope Myanmar 2013 Survey Highlights

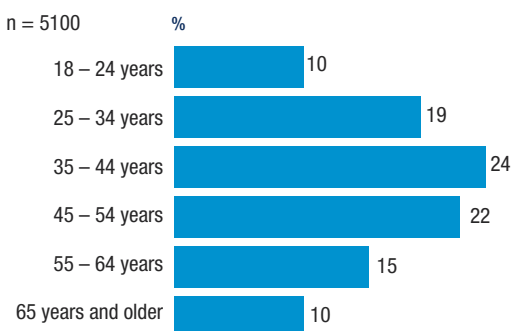
This booklet reflects on some of the FinScope Myanmar 2013 survey highlights. A more comprehensive understanding can be obtained from mining the FinScope Myanmar 2013 dataset.

## Understanding people's lives

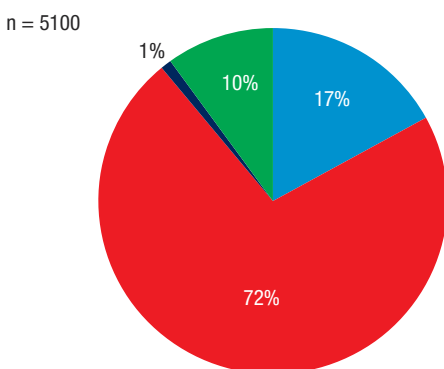
According to the FinScope survey, the total adult population of Myanmar (18 years and older) broken down by region is estimated to be:

Geographical region	Adult population	Percentage
Hilly	7 824 160	19.7
Dry	13 033 785	32.8
Plain and Delta	13 692 490	34.4
Coastal	5 229 065	13.1
<b>Total</b>	<b>39 779 500</b>	<b>100.0</b>

## AGE PROFILE OF THE ADULT POPULATION

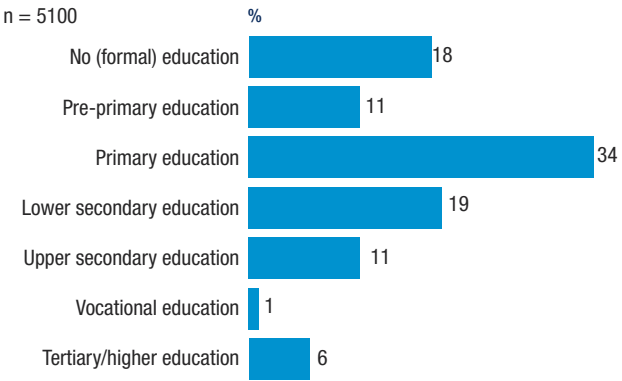


## MARITAL STATUS



- 17% Never married
- 72% Married
- 1% Separated
- 10% Widowed

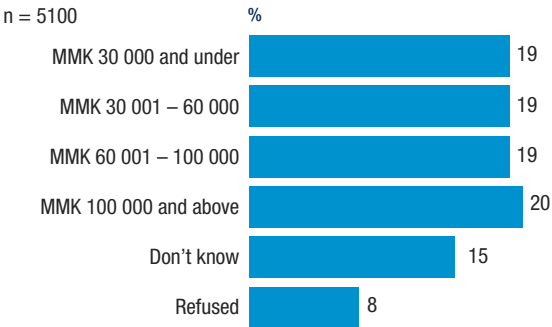
## HIGHEST LEVEL OF EDUCATION



## EDUCATION BY AGE GROUP

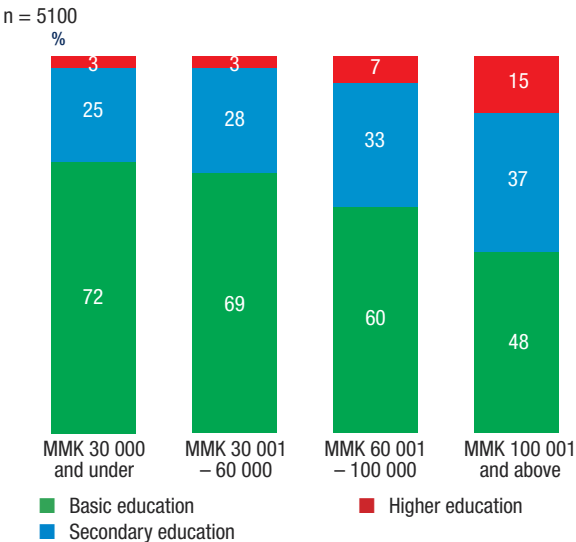
- Low levels of education: 63% of the adult population have primary education or less (including 18% without any formal education)
- In general, levels of education are slightly better among younger adults (34 years and younger)
- In Myanmar, there is only a small correlation between the level of income and the level of education

## INCOME PROFILE OF ADULT POPULATION



In the following analysis, basic education refers to primary school or lower, secondary education refers to both lower and upper secondary education and higher education refers to vocational education or higher.

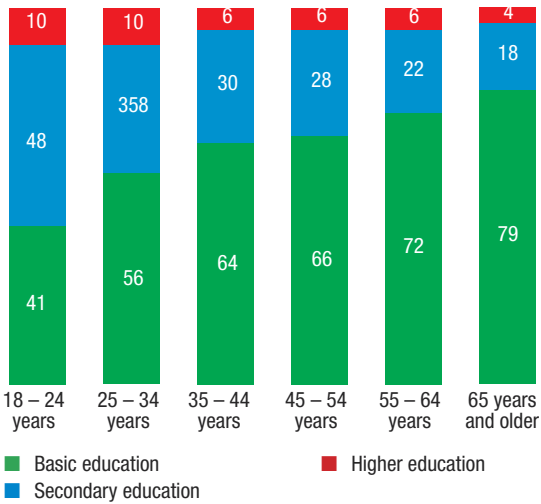
## LEVEL OF EDUCATION BY INCOME GROUP



## LEVEL OF EDUCATION BY AGE GROUP

Encouragingly, education levels appear to be rising

n = 5100  
%

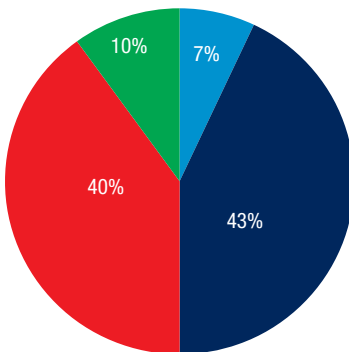


## MAIN SOURCE OF INCOME BY INDIVIDUAL

Main source of income to make a living	Total %
Farming activities – money from farming	30
Monetary contribution from household member	20
Self-employed	17
Salary/wage from company, Government, farm or individual	12
Piece work	8
Household member/someone else pays my expenses	7
Remittances (money or goods assistance from other people outside the household)	1
Pension or annuities	1
Make goods to sell	1
Other	3

## HOUSEHOLD INVOLVEMENT WITH FARMING

n = 5100

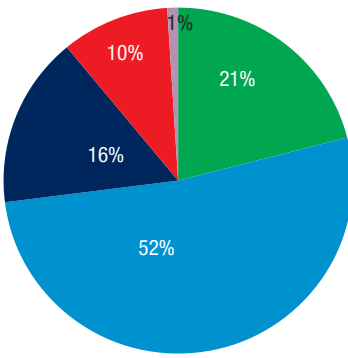


- 43% Not involved with farming at all
- 40% Involved in farming only
- 10% Involved in farming and other work
- 7% Only involved in farming as farm worker

- People citing farming involvement by their household
- 57% of households cite involvement in farming directly or as farm worker

## PERCEPTIONS OF GENERAL STATE OF HEALTH

n = 5100



21%	Very good	10%	Bad
52%	Good	1%	Very bad
16%	Satisfactory		

When ill or in need of medical attention:

- More than one third of the respondents (35.9%) go to a private/hospital for treatment
- Nearly a third of them (30.1%) report to seek treatment from a public health facility in rural areas such as an RHC or Sub-RHC
- A total of 14.2% and 11.0% of the adult population go to a pharmacy/medical shop or a government hospital respectively when ill or in need of medical attention



# Living conditions in Myanmar

## ACCESS TO INFRASTRUCTURE

Rainy Season							
Total n=5100 Time taken to access infrastructure	Grocery/ Convenience Store %	Place to access public transport %	Medical facility %	Market %	Post Office %	Bank branch %	ATM %
Less than 5 minutes	47	13	5	5	1	1	0.2
5 – 14 minutes	30	30	18	16	8	8	2
15 – 29 minutes	12	26	27	24	19	17	5
30 – 59 minutes	11	17	23	24	22	20	4
1 hour – 1 hour 59 minutes	–	8	16	18	19	22	3
2 – 5 hours	–	4	8	10	15	18	3
More than 5 hours	–	1	2	–	4	4	0.3
Don't know	–	1	1	–	10	8	58
No facilities	–	–	0	3	2	2	25

- More than half (56%) claim that they have access to a medical facility within 30 minutes
- Three quarters of the respondents (77%) say that they can have access to a medical facility within an hour
- Grocery stores and public transport have the ubiquitous infrastructure nationally
- Very few people have heard of or experienced ATM's in their local areas

Open Season							
Total n=5100 Time taken to access infrastructure	Grocery/ Convenience Store %	Place to access public transport %	Medical facility %	Market %	Post Office %	Bank branch %	ATM %
Less than 5 minutes	49	14	5	5	1	1	0.2
5 – 14 minutes	29	32	20	17	10	9	2
15 – 29 minutes	12	27	30	27	21	18	5
30 – 59 minutes	10	15	22	23	22	20	4
1 hour – 1 hour 59 minutes	–	7	15	16	18	21	3
2 – 5 hours	–	3	7	8	13	16	3
More than 5 hours	–	1	2	–	3	4	0.3
Don't know	–	1	1	1	10	9	57.5
No facilities	–	–	0	3	2	2	25

## OWNERSHIP OF HOUSEHOLD ASSETS

Household assets	Total n = 5100 %
Video, VCD, DVD player	52
Television	52
Radio	49
Motorcycle	44
Bicycle	41
Bed	41
Electric iron	22
Battery for lighting	22
Electric fan	19
Ox cart	16
Cooking stove – electrical	14
Sewing machine – manual	13
Refrigerator	12
Solar panels	11
Generator	11
Electric pot	10
Water boiler	10
Agricultural vehicle (tractor)	7
Satellite dish for TV reception	6
Cooking stove – gas	5
Washing machine	4
Air conditioner	3
Car (automobile)	2





# Technology

## USAGE OF COMMUNICATION DEVICES

Communication device usage	Total n = 5100 %
Mobile phone	42
Landline at home	10
Public pay phone	41
Computer or laptop	3
Internet	2
Email	2

- 42% of adults reported that they use a mobile

## COMMUNICATION DEVICE OWNERSHIP AMONG USERS

	Mobile phone n=2040 %	Computer or laptop n=112 %
Yes	56	67
No	44	33

## COMMUNICATION DEVICES USAGE BY INCOME

	TOTAL	MMK 30 000 and under %	MMK 30 001 – 60 000 %	MMK 60 001 – 100 000 %	MMK 100 001 and above %
Mobile phone	42	32	34	46	62
Landline at home	10	7	7	9	18
Public pay phone	41	39	44	45	45
Computer or laptop	3	0.7	1.3	2.7	5.2
Internet	2	0.7	0.8	2.4	5.3
Email	2	0.3	0.6	2.0	3.4

- The estimated number of mobile phone owned is 9 350 000



# Housing overview

## OWNERSHIP STATUS OF DWELLINGS

Ownership status of dwellings	Total %
Own dwelling and NO outstanding payment	83
The dwelling is provided to household for free	11
Household rents this dwelling	3
Own this dwelling but have outstanding payment (e.g. home loan)	1

- 84% own their dwelling, while only 1% claim to owe money on the home

## KEY TAKE-OUTS

- Relatively aged population – 47% are 45 years or older
- 82% of the adult population have lower secondary education or below, which is also associated with lower earnings
- 41% of households make joint financial decisions
- 42% of adults say that they earn a regular monthly income
- Average monthly income is MMK 93 000
- 69% of the population is rural
- Farming is an important economic activity – 57% of households are involved directly or indirectly from farming
- 28% of adults depend on others for their income, either through household money or remittances



# Financial services consumption

Each MADB loan is typically a group loan that covers a number of individual farmers. FinScope figures are based on the number of farmers who claim to benefit from MADB loans. The data might differ from the supply side information.

## BANK PRODUCTS

Bank products	Total %
Loan from MADB	13
Savings book/Savings account	4
Personal loan account	0.2
Current/Cheque account	0.1

- The use of other forms of loans such as vehicle loan and home loan, electronic money and online banking are still very rare in Myanmar

## SAVINGS METHODS

Savings methods	Total %
Savings in a secret place at home	16
Savings in livestock	11
Savings in jewellery/gold	10
Savings with someone in household/family who keeps it safe for you	3
Savings in a savings group	3
Savings in kind	2
Saving at another state owned bank	2
Saving at (MFI) Microfinance Institution	1
Saving at a private domestic bank	1
Savings with someone in community who keeps it safe for you	1
Saving with a Cooperative	0.4

## SAVINGS GROUP MEMBERSHIP BY TYPE

Membership type	Belongs to savings group %
Su jay savings group	61
Community funeral assistance	12
Other savings group	10
Free funeral societies	7
Donation groups	5
Government Employee savings group	5
Community health assistance	3
Savings group for production	1
Free ward clinics/health associations	0.3

- The primary form of savings is outside the formal system

## BORROWING BY TYPE

Borrowing type	Total %
<b>Formal borrowing</b>	
Borrowed from MADB	13
Borrow from MFI	3
Borrowed from Village Fund	1
Borrowed money/received goods in advance from cooperative	1
Borrowed money from a commercial bank	0.1
<b>Informal borrowing</b>	
Borrowed money from family/friends that you had to pay back	16
Borrowed money from a money lender	15
Received goods in advance from a shop/store and had to pay back later	5
Pawned assets to obtain cash	3
Borrowed money from your employer	2
Received money from family/friends that you did not have to pay back	2
Borrowed money/received goods in advance from an agricultural buyer	1
Borrowed money from a religious institution (temple/mosque/church) or other community based organisation	1
Borrowed money from savings group	1
Borrowed goods from a farmer/someone else to sell	0.3
Received a loan from the Government Scheme/Institution	0.2

## INSURANCE PRODUCT USAGE

Insurance product usage	Total n = 5100 %
Motor vehicle insurance	0.9
Life assurance/Credit life	0.7
Fire insurance	0.6
Property insurance	0.1

All the services mentioned above are offered by the government. The population of adults who are covered by other forms of insurance are negligible (property insurance, personal injury/accident insurance, agricultural/crop insurance, medical insurance, health insurance for senior citizens, funeral fund and pension schemes).

## SUMMARY

- 4.4% of adults have a savings account
- 16.4% of adults are saving in a secret place at home
- Only 1% have savings at a private domestic bank
- 16% have borrowed from family/friends that they had to pay back; 15% loaned money from a money-lender and 13% borrowed from Myanmar Agricultural Development Bank (MADB)

# Banking status

## ADULT 18 YEARS AND OLDER WHO HAVE A BANK ACCOUNT IN THEIR NAME

The estimates for the adult population that have a bank account are as follows:

n = 5100	Adult population	Percentage
Total adult population	39 779 500	100
Banked	6 909 708	17
Unbanked	32 869 762	83

## PROFILES OF THE BANKED AND NOT BANKED

	Total	Banked	Unbanked
<b>Estimated number of adults</b>	<b>39 779 500</b>	<b>6 909 708</b>	<b>32 869 792</b>
	100%	17%	83%
<b>Highest level of education</b>	<b>%</b>	<b>%</b>	<b>%</b>
Basic education	63	55	65
Secondary education	30	34	29
Higher education	7	11	6
<b>Main source of income</b>	<b>%</b>	<b>%</b>	<b>%</b>
Self-employed farming activities	30	68	33
Self-employed formal sector (with tax)	6	8	8
Money from people who live in the household	20	29	33
Salary from Government/state enterprise	2	7	3
Self-employed informal sector (without tax)	11	9	16
Household member/someone else pays my expenses	7	9	13
Piece work	8	4	14
Salary/wages from private company	2	3	3
Pension or annuities	1	3	1
Remittances	1	3	4
Property/rental income/ subletting (non-business purpose)	1	1	1
Salary/wage from a farm (farm worker)	6	4	10
Elderly/disability assistance from Government	–	–	–
Salary/wages from an individual	2	1	3
Make goods to sell	1	1	1
Other	3	3	5

## PROFILES OF THE BANKED AND NOT BANKED

	Total	Banked	Unbanked
<b>Personal income grouped</b>	<b>%</b>	<b>%</b>	<b>%</b>
MMK 30,000 and below	19	13	20
MMK 30,001 – 60,000	19	17	20
MMK 60,001 – 100,000	19	20	19
MMK 100,001 and above	20	27	18
Don't know	15	14	16
Refuse	8	10	8
<b>Region</b>	<b>%</b>	<b>%</b>	<b>%</b>
Hilly	20	11	21
Dry	33	38	32
Plain and Delta	34	34	35
Coastal	13	18	12

- Adults who are banked are mostly between the ages of 45 and 54 years (26%)
- Only 7% of those between the ages of 18 and 34 years of age are banked
- 24% of adults who are banked live in urban areas and 76% live in rural villages
- Slightly more males than females are banked (51%)



## DISPERSION OF THE BANKED POPULATION

	Total	Banked	Unbanked
<b>Estimated number of adults</b>	<b>39 779 500</b>	<b>6 909 708</b>	<b>32 869 762</b>
	<b>100%</b>	<b>17%</b>	<b>83%</b>
<b>Age groups</b>	<b>%</b>	<b>%</b>	<b>%</b>
18 – 24	10	7	10
25 – 34	19	15	20
35 – 44	24	23	24
45 – 54	22	26	22
55 – 64	15	18	15
65 and older	10	11	10
<b>Urban/Rural</b>	<b>%</b>	<b>%</b>	<b>%</b>
Urban	31	24	32
Rural	69	76	68
<b>Location</b>		<b>%</b>	<b>%</b>
Metropolitan (Yangon/Mandalay)	10	9	10
Semi-urban (main cities of States and Regions)	2	1	2
Towns	19	14	20
Rural villages	69	77	68
<b>Gender</b>	<b>%</b>	<b>%</b>	<b>%</b>
Male	49	51	49
Female	51	49	51
<b>Marital status</b>	<b>%</b>	<b>%</b>	<b>%</b>
Never married	17	18	16
Married	72	73	72
Separated	1	1	2
Divorced	–	–	–
Widowed	10	8	10
<b>Highest level of education</b>	<b>%</b>	<b>%</b>	<b>%</b>
No (formal) education	18	14	19
Pre-primary education	11	8	12
Primary education	34	33	34
Lower secondary education	19	21	19
Upper secondary education	11	13	10
Vocational education	1	2	1
Tertiary/Higher Education	6	9	5
<b>Farming</b>	<b>%</b>	<b>%</b>	<b>%</b>
Involved in farming only	40	66	34
Involved in farming and other work	10	13	9
Farm worker	7	1	8
Not involved with farming at all	43	20	45

## MOST SERVICES FROM BANKS ARE ALSO OFFERED ELSEWHERE

n = 5100

%



■ Completely agree      ■ Agree      ■ Disagree  
■ Completely disagree      ■ Not sure

## BANKS TRY TO UNDERSTAND YOUR NEEDS AND OFFER PRODUCTS THAT MEET THEM

n = 5100

%



■ Completely agree      ■ Agree      ■ Disagree  
■ Completely disagree      ■ Not sure

## PERCEIVED ADVANTAGES OF BANKING

Perceived advantages of having a bank account	Banked %
Receive interest on savings	47
Money is safe from theft	41
Helps to access loans	14
Easy way of receiving money from others	6
Safe way of receiving money from others	6
Salaries can be deposited by employers	4
Easy way of sending money to others	6
Safe way of sending money to others	6
Don't know	21



## PERCEIVED ADVANTAGES OF BANKING

Perceived advantages of having a bank account	Unbanked %
You receive interest on savings	40
Money is safe from theft	30
Easy way of sending money	4
Helps to access loans	8
Safe way of sending money	2
Easy way of receiving money	3
Safe way of receiving money	3
Salary can be deposited by employer	3
None/no advantages	1
Don't know	36

Reasons for not having a bank account or using bank services	Unbanked %
Do not need it – insufficient or no money coming in to justify it	62
Income coming in, but insufficient balance after expenses	24
Do not understand how banks work	9
Cannot maintain the minimum balance	5
Banks are too far away or transport too difficult	3
Bank accounts are not for people like me	2
Do not know how to apply for a bank account	1
Do not understand the financial language used in banks	1
Do not understand benefits from having a bank account	1
Do not have the documentation required	1
Can get services needed elsewhere in the community	1
Need permission of someone else to open it	1
Do not trust banks	1
Other	1
Don't know	15

## OTHER PERCEPTIONS ABOUT BANKING

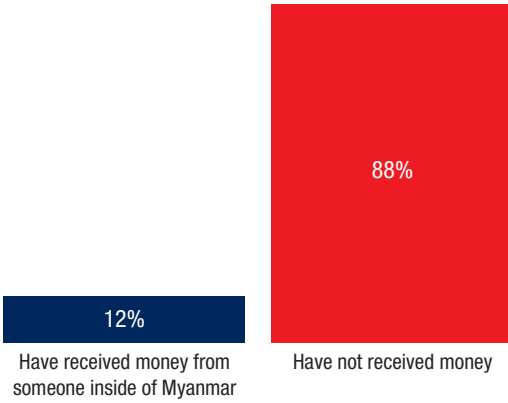
- 62% of adults who don't have a bank account believe that they can easily lead a life without a bank account
- 35% believe that most services from banks are also offered elsewhere
- 68% believe that they can trust banks with their money
- 31% believe that banks try to understand their needs and offer products to meet the needs
- 56% believe that having a bank account makes it easier to obtain credit

# Remittances

- A total of 12% have received money from someone living in a different place within a country

## RECEIVED MONEY

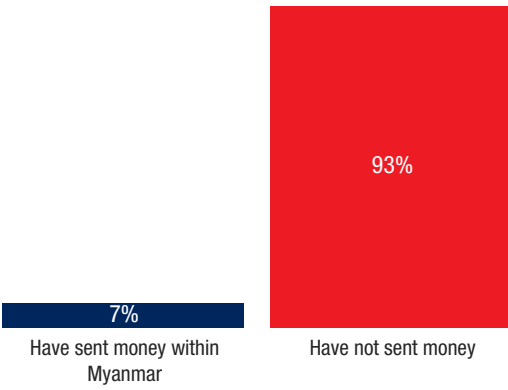
n = 5100



- Altogether 7% have sent money within the country in the last 12 months

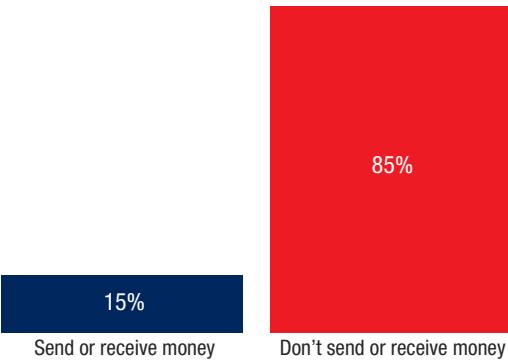
## SENT MONEY

n = 5100



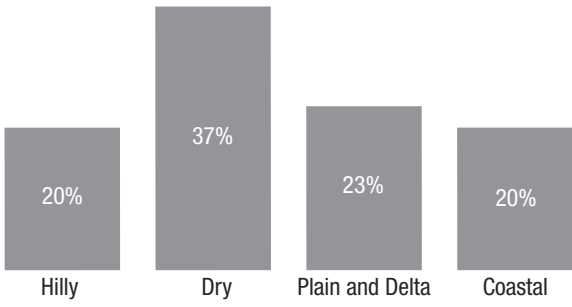
## PERCENTAGE OF ADULTS WHO SEND OR RECEIVE MONEY

n = 5100



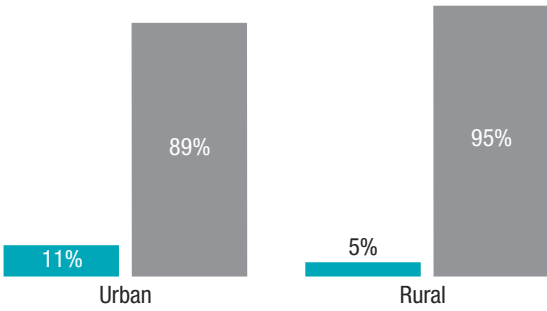
## REGIONAL PROFILES OF THOSE SENDING MONEY

n = 5100



## URBAN/RURAL PROFILE OF THOSE SENDING MONEY

n = 5100



Yes

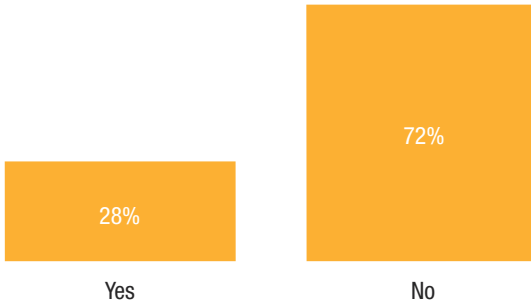
No



# Savings and investments

## PERCENTAGE OF ADULTS WHO HAVE SAVINGS

n = 5100



## SAVINGS PRODUCTS USED BY INDIVIDUALS WHO CURRENTLY HAVE SAVINGS

	Savings products currently have %
Secret place at home (piggy bank)	58
Jewellery/gold	29
Livestock	19
With someone in household/family who keeps money safe for you	11
Savings group	10
Savings in (other) kind	6
Care Myanmar	6
(MFI) Microfinance institution	5
Private domestic bank	3
With someone in community who keeps money safe for you	2
Cooperative	2
MADB	1

## HAVE SAVED ENOUGH TO COVER ONE MONTH OF HOUSEHOLDS' EXPENSES – OF THOSE WHO SAVE

Saved enough to cover households' expenses	Saved to cover one month expense %
Yes	46
No	41
Refuse to answer/Don't know	13

## REASONS FOR NOT SAVING (THOSE WHO SAY THEY CANNOT SAVE)

- All money goes into household expenses (50%)
- No money left after living expenses (28%)
- Don't have an income – no money to save (15%)
- Surplus money is saved in kind (6%)

## REASONS ADULTS SAVE OR PUT MONEY AWAY BASED ON THOSE WHO SAVE

Reasons adults save or put money away (of those who save)	Total n = 1802 %	Urban n = 668 %	Rural n = 1134 %
Living expenses when you do not have money at that time	57	56	57
Medical expenses either planned or emergency.	32	34	31
An emergency other than medical	23	25	22
Education or school fees	17	17	17
Starting or expanding my business	14	18	11
Gold/valuable jewelry	11	10	12
Buying farming expenses such as seeds or fertiliser	8	2	12
Religious festivities	7	8	6
Retirement or old age	9	11	7
Buying livestock	4	2	6
Funeral expenses when needed	6	4	7
Improving or renovating a dwelling	6	7	5
Buying or building a dwelling to live in	5	7	3
Buying household appliances, goods or furniture	3	5	2
Buying a bicycle, motorcycle, car, pickup truck or other transport	3	4	2
Ordination as a monk	2	1	3
Buying farming equipment	2	1	3
Other	7	5	8



## PROFILE OF ADULTS WHO SAY THEY CURRENTLY HAVE SAVINGS

	Adults who say they have savings n = 1391
<b>Total number of adults who currently have savings</b>	<b>11 204 010</b>
<b>Age groups</b>	<b>%</b>
18 – 24	8
25 – 34	21
35 – 44	25
45 – 54	23
55 – 64	14
65 years and older	8
<b>Geographical areas</b>	<b>%</b>
Hilly	19
Dry	28
Plain and Delta	39
Coastal	14
<b>Urban/rural</b>	<b>%</b>
Urban	43
Rural	57
<b>Location</b>	<b>%</b>
Metropolitan (Yangon/Mandalay)	14
Semi Urban (Chief cities of States & Regions)	3
Towns	26
Rural villages	57
<b>Gender</b>	<b>%</b>
Male	47
Female	53
<b>Marital status</b>	<b>%</b>
Never married	16
Married	74
Separated	2
Divorced	0
Widowed	8
<b>Farming</b>	<b>%</b>
Involved in farming only	33
Involved in farming and other work	11
Not involved with farming at all	52
Farm worker	3
<b>Personal income grouped</b>	<b>%</b>
MMK 30,000 and under	12
MMK 30,001 – 60,000	17
MMK 60,001 – 100,000	22
MMK 100,001 and above	32
Don't know/Refused to answer	11
Refuse	6

## DO YOU BELONG TO A SAVINGS GROUP?

<b>n=5100</b>	Population	Percentage
Yes	2 583 906	7
No	37195 594	93

## SAVINGS GROUP MEMBERSHIP BY TYPE

<b>Membership type</b>	Belongs to savings group %
Su jay savings group	61
Community funeral assistance	12
Other savings group	10
Free funeral societies	7
Donation groups	5
Government Employee savings group	5
Community health assistance	3
Savings group for production	1
Free ward clinics/health associations	0.3

## TOP REASONS FOR BELONGING TO SAVINGS GROUP

<b>Belong to savings group</b>	Belong to savings group n=331 %
It is an easy way of saving	43
Can obtain money easily when needed	24
Can turn to them when in financial need	23
To borrow money	14
Trust and know them	12
It is compulsory	7
Easy to become a member	6
Don't get charged fees	5
To socialise or meet friends	3
To exchange ideas with other members	2

## PROFILES OF ADULTS THAT BELONG TO A SAVINGS GROUP

	Belong to savings group n = 331 %
<b>Total number of adults that belong to a savings group</b>	<b>2 583 06</b>
<b>Age groups</b>	<b>%</b>
18 – 24	9
25 – 34	22
35 – 44	30
45 – 54	21
55 – 64	12
65 and older	6
<b>Geographical areas</b>	<b>%</b>
Hilly	18
Dry	35
Plain and Delta	36
Coastal	11
<b>Urban/rural</b>	<b>%</b>
Urban	43
Rural	57
<b>Location</b>	<b>%</b>
Metropolitan (Yangon/Mandalay)	11
Semi-urban (main cities of States & Regions)	3
Towns	29
Rural villages	57
<b>Gender</b>	<b>%</b>
Male	43
Female	57
<b>Marital status</b>	<b>%</b>
Never married	13
Married	77
Separated	1
Divorced	1
Widowed	8
<b>Farming</b>	<b>%</b>
Involved in farming only	32
Involved in farming and other work	12
Not involved with farming at all	4
Farm worker	52
<b>Personal income grouped</b>	<b>%</b>
MMK 30,000 and below	15
MMK 30,001 – 60,000	18
MMK 60,001 – 100,000	20
MMK 100,001 and above	28
Don't know/Refuse to answer	19



## DEMOGRAPHICS OF THOSE WHO BELONG TO SAVINGS GROUPS TEND TO BE:

- Between 25 and 54 years (73%)
- Live in dry or plain & delta (71%)
- Live in rural areas (57%)
- Female (57%)
- Married (77%)
- Fairly distributed between different income groups

## SAVINGS SUMMARY

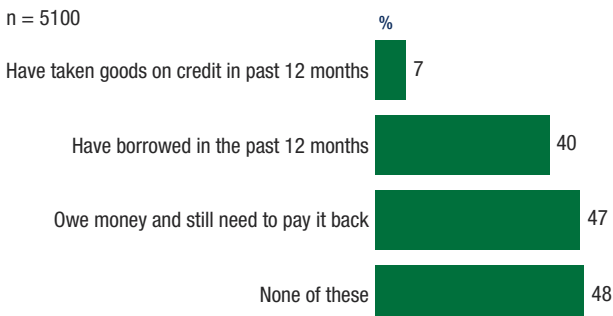
- 28% (11 204 010) of adults say that they are able to save money
- Of those who say they are able to save money, 56% claim to be saving for living expenses when they do not have the money at that time and 32% report that they intend to save for medical expenses for either planned or for emergency
- A large proportion of individuals responded that they were saving in a secret place at home livestock and jewelry (gold)
- The key reasons for saving is for consumption smoothing, namely, living expenses when income is scarce, medical and other emergencies and education



# Borrowing and credit

## CLAIMED BORROWING

n = 5100



- In the past 12 months 47% have borrowed or taken goods on credit and 48% have not borrowed or taken goods on credit
- 7% have taken goods on credit in past 12 months
- 48% of adults say they are not borrowing or owing money
- Borrowing money from a religious institution, savings group, from the government scheme, institution such as a commercial bank, SMIDB, specialised financial institution and (non-bank) financial institution is negligible in Myanmar

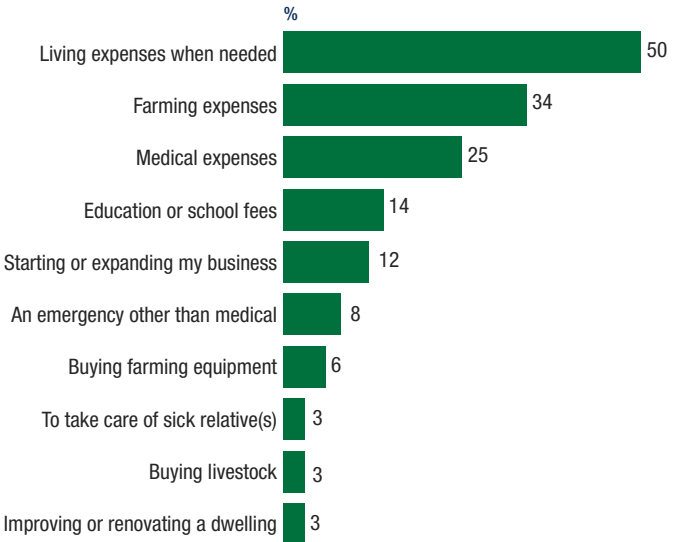
## BORROWING/CREDIT PENETRATION AND PRODUCT MECHANISMS

Borrowing/product mechanisms	Total n = 5100 %
Borrowed money from family/friends that you had to pay back	16
Borrowed money from a money-lender	15
Borrowed from MADB	13
Received goods in advance from a shop/store and had to pay back later	5
Pawned assets to obtain cash	3
Borrow from MFI	3
Borrowed money from your employer	2
Received money from family/friends that you did not have to pay back	2
Borrowed from Village Fund	1
Borrowed money/received goods in advance from an agricultural buyer	1
Borrowed money/received goods in advance from Cooperatives	1

## PROFILES OF THOSE WHO BORROWED IN THE PAST 12 MONTHS

	Have borrowed in the past 12 months n=2028	Owe money and still need to pay it back n=2416
<b>Estimated number of adults</b>	<b>15 819 684</b>	<b>18 845 442</b>
<b>Age groups</b>	<b>%</b>	<b>%</b>
18 – 24	8	8
25 – 34	19	19
35 – 44	26	27
45 – 54	25	24
55 – 64	14	14
65 and older	8	8
<b>Farming</b>	<b>%</b>	<b>%</b>
Involved in farming only	51	50
Involved in farming and other work	11	11
Not involved with farming at all	30	31
Farm worker	8	8
<b>Highest level of education</b>	<b>%</b>	<b>%</b>
No formal education	17	19
Primary education	55	53
Secondary education	24	25
Higher education	4	3
<b>Geographical area</b>	<b>%</b>	<b>%</b>
Hilly	18	20
Dry	35	32
Plain and Delta	36	34
Coastal	11	14
<b>Urban/rural</b>	<b>%</b>	<b>%</b>
Urban	18	18
Rural	82	82
<b>Location</b>	<b>%</b>	<b>%</b>
Metropolitan (Yangon/Mandalay)	3	4
Semi-urban (main cities of States & Regions)	2	1
Towns	13	13
Rural villages	82	82
<b>Gender</b>	<b>%</b>	<b>%</b>
Male	48	49
Female	52	51
<b>Marital status</b>	<b>%</b>	<b>%</b>
Never married	13	12
Married	77	78
Separated	1	1
Divorced	0.4	0.3
Widowed	9	9

## TOP REASONS FOR BORROWING MONEY



## TOP 10 REASONS FOR NOT BORROWING MONEY

Reasons for not borrowing money	Not borrowing n=2433 %
Can pay living expenses with what have/ don't need to borrow money	57
Fear of debts	30
Worried would not be able to pay back the money	22
Not allowed to borrow money by spouse, by family or other	8
No specific reason	5
Interest charged on borrowed money is too high	4
Do not have a credit record	4
Borrowing money is shameful or embarrassing	4
Do not want to borrow from money-lenders	2
Had no one to borrow from	2

- Other reasons given are that borrowing money is shameful or embarrassing (4%), do not want to borrow from money-lenders (2%) and could not find anybody to borrow money from (2%)

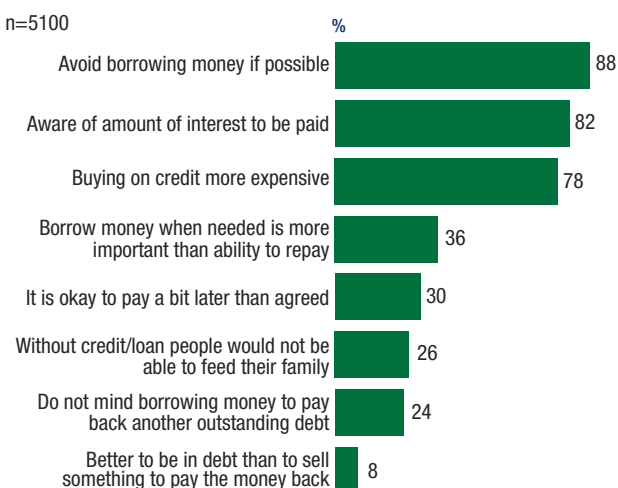
## TOP REASONS FOR BORROWING FROM MADB

Reasons for loan – those who borrow from MADB	MADB borrowers %
Farming-seeds or fertiliser	77
Living expenses	35
Medical expenses	16
Farming-buying farming equipment	16
Education/school fees	12
Business-starting or expanding a business	8
Emergency other than medical	5
Farming-buying livestock	5
Paying off debt	3
Take care of sick relative(s)	2
Other	6

## TOP REASONS FOR BORROWING FROM FAMILY/FRIENDS THAT THEY HAD TO PAY BACK

Reason for loan for those who borrowed from friends and family	%
Living expenses	60
Medical expenses	32
Farming-seeds or fertiliser	23
Education/school fees	18
Business-starting or expanding a business	12
Emergency other than medical	10
Housing/land-improving or renovating a dwelling	4
Take care of sick relative(s)	4
Housing/land-buying or building a dwelling to live in	3
Wedding	3
Farming-buying farming equipment	2
Funeral expenses	2
Paying off debt	2
Farming-buying livestock	2
Other	5

## PERCEPTIONS REGARDING BORROWING



# Insurance and risk management

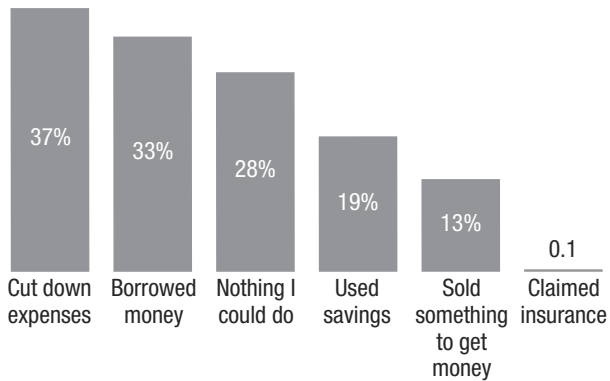
Insurable risks	Experienced in past 12 months %
Illness within household/family	31
Harvest failure/loss of crop harvest	22
Drought	21
Unforeseen school/education fees	17
Flooding/storms	6
Death or illness of livestock	6
Death of or loss of main income earner	3
Loss of savings	3
Disability-self or household member	2
Death of family member	1
Fire or destruction of household property	1

## ECONOMY/INFLATIONARY PRESSURES

Economy/Inflationary pressures	Experienced in past 12 months %
Rise in prices of goods	42
High prices of fertilisers	9
Loss/failure of your business	9
Loss of job-self or household member	5
Low selling prices	8
Rise in fuel prices	6
Rise in electricity/water prices	6
Rent increases	5
Competition-difficult to sell goods/products	5
Lack/shortage of subsidised fertiliser	3

## HOW THEY COPE FINANCIALLY WITH THE PROBLEM

n = 5100



## TOP REASONS FOR NOT HAVING INSURANCE

Reasons for not having insurance	No insurance n = 1364 %
Have never thought about it	49
Do not need it	39
Do not know where to get it/how it works/how to get it	30
Cannot afford it	11
Protects self in other ways	7
No specific reason	7
Do not want to think about bad things happening	3
Do not trust it or the companies	1

## PERCEPTIONS ABOUT INSURANCE BY THOSE WHO ARE AWARE OF INSURANCE

### Positive

- 75% say having insurance protects you when you have a problem
- 73% claim being insured stops them from worrying about losing things
- 69% report that the security of having insurance is worth the cost
- 60% say that having insurance is a way of saving on a long term basis

### Not-so-positive

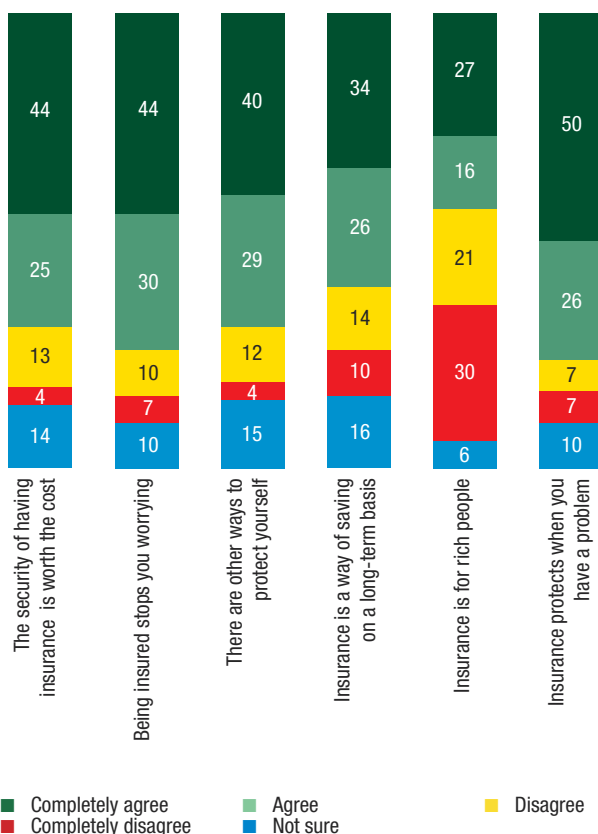
- 69% say that there are other ways to protect themselves against future problems than insurance
- 43% report that insurance is meant for rich people



## PERCEPTIONS OF INSURANCE STATEMENTS (OF THOSE AWARE OF INSURANCE)

n = 1532

%



## TYPE OF INSURANCE HELD

n = 1389

Based on those who are aware of insurance

	Have %	Used to have %	Never had %
Motor vehicle insurance	3.0	0.4	96.6
Life assurance/Credit life	2.2	2.0	95.8
Fire insurance	2.0	0.4	97.6
Property insurance	0.3	0.3	99.4
Travel insurance	0.1	0.3	99.6
Agricultural/Crop insurance	0.1	0	99.9
Personal injury/Accident insurance	0.1	0	99.9

## INSURANCE SUMMARY

- 7% of adults in Myanmar have some form of insurance despite a number of risks they face
- Insurance is largely driven by indirect insurance issued to clients of Micro Finance Institutions. The study did not probe if someone had or were aware of this insurance
- The insurance sector needs to be developed and extended dramatically
- Besides the need for multiple insurance products, the availability of a portfolio of insurance products will also enhance the effectiveness of other financial services, particularly credit
- In line with international experience, agricultural and health insurance may have to be extended to low-income groups on a subsidised basis



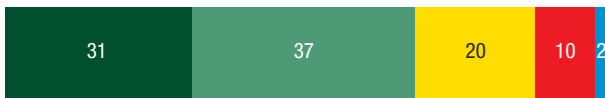
# Financial literacy

## Spending perceptions

### THEY ADJUST THEIR EXPENSES ACCORDING TO THEIR INCOME

n = 5100

%



■ Completely agree    ■ Agree    ■ Disagree  
■ Completely disagree    ■ Not sure

### YOU THINK CAREFULLY BEFORE MAKING A SPENDING DECISION

n = 5100

%



■ Completely agree    ■ Agree    ■ Disagree  
■ Completely disagree    ■ Not sure

### THEY LIKE TO BE IN CONTROL OF THEIR FINANCES

n = 5100

%



■ Completely agree    ■ Agree    ■ Disagree  
■ Completely disagree    ■ Not sure

### OFTEN SPEND MORE MONEY THAN IS AVAILABLE

n = 5100

%



■ Completely agree    ■ Agree    ■ Disagree  
■ Completely disagree    ■ Not sure

### CONTRASTING STATEMENTS

- 68% of the adults say that they adjust expenses according to their income
- 85% of the adults say that they think carefully before making a spending decision
- 82% claim that they like to be in control of their finances
- 80% reported having spent more money than is available

**Note:** Although 68% of the adults say they adjust expenses according to their income, there are 80% of adults who reported having spent more money than is available. Those who make contrasting statements account for 53% of the total adults.

## THEY WOULD RATHER REQUEST HELP FROM A STRANGER THAN IN THEIR COMMUNITY

n = 5100

%



■ Completely agree     ■ Agree     ■ Disagree  
■ Completely disagree     ■ Not sure

## THEY HAVE SOMEONE IN THE COMMUNITY TO HELP THEM WHEN THEY NEED IT

n = 5100

%



■ Completely agree     ■ Agree     ■ Disagree  
■ Completely disagree     ■ Not sure

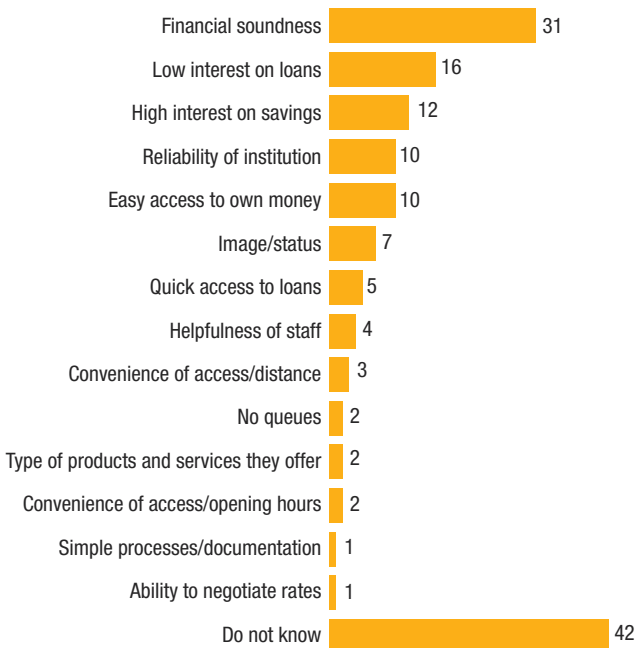
## DISPUTES

- Less than 1% **of those adults with a bank account** reported having a dispute with a financial institution/service provider
- 54% of those who had a dispute said that it was about them not repaying loan/credit on time
- 33% claimed that the dispute was over interest rates being too high
- 13% said that they reported to the ward/village committee about the dispute
- 7% said that they handle the dispute directly with the institution/service provider
- 80% said that they did nothing to settle the dispute

## BASIS TO SELECT FINANCIAL INSTITUTION – ALL ADULTS

n = 5100

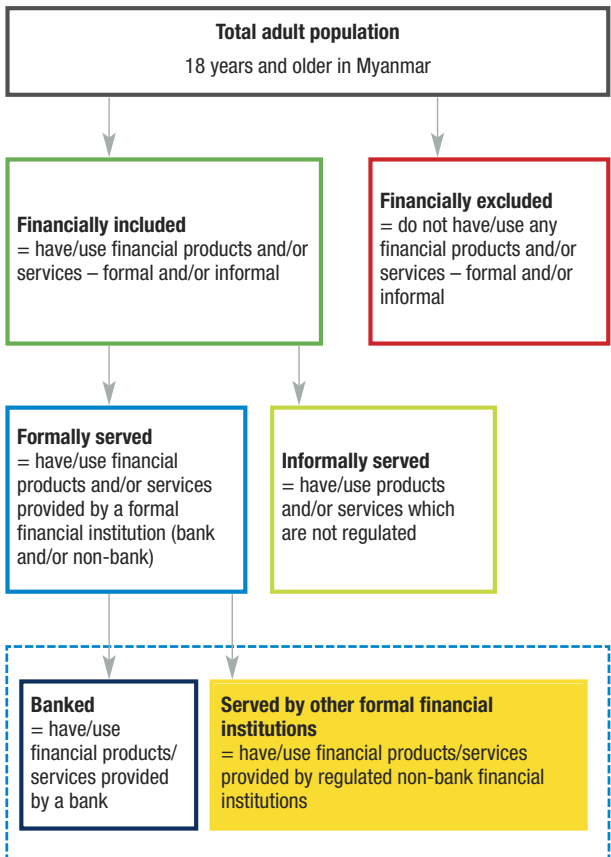
%



# Access Strand

## WHAT IS THE ACCESS STRAND?

- The Access Strand focuses on the financial system in its broadest sense and assumes that all adults in a country will fall into one of three broad segments
- The segments are differentiated by current product usage indices ranging from people who are formally included (by commercial banks and other formal institutions), those who use informal products and mechanisms only, and those who use no products or services to manage their financial lives (neither formal nor informal)
- Overlaps in product usage are taken out in the Access Strand
- The FinScope methodology uses financial product usage to segment the adult population (aged 18 years and older)



## ACCESS STRAND IN MYANMAR

The overlaps in financial product usage are removed in building the strand. The results show the following segments:

- Individuals who have/use commercial bank products (17% of the adult population)
- Individuals who have/use other formal non-bank products/services but no commercial bank products (13% of the adult population)
- Individuals who have/use only informal mechanisms and do not have/use any formal products (31%)
- Individuals who are not covered by banking services or other forms of financial services (both formal and informal) to manage their financial lives (39%), i.e. they do not use any financial products/services neither formal nor informal; if they save they save at home; if they borrow, they borrow from friends and family

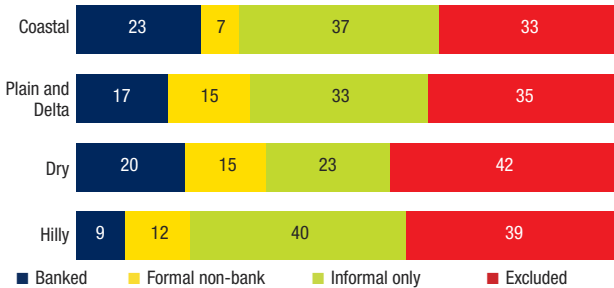
In Myanmar some pawnshops and cooperatives are regulated formally and others are informal. In FinScope, we captured the type institution that people use. We have taken a cautious approach to the estimation of formal financial inclusion and classified all cooperatives and pawnshops as formal as we were informed by the supply side diagnostic results that most of these are regulated.

%



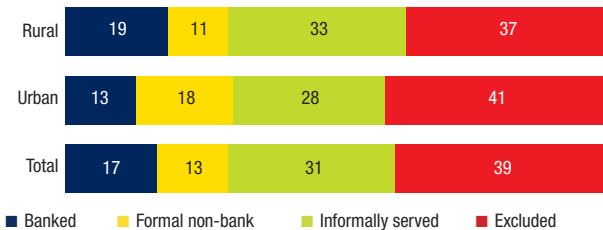
## ACCESS STRAND BY REGION

%



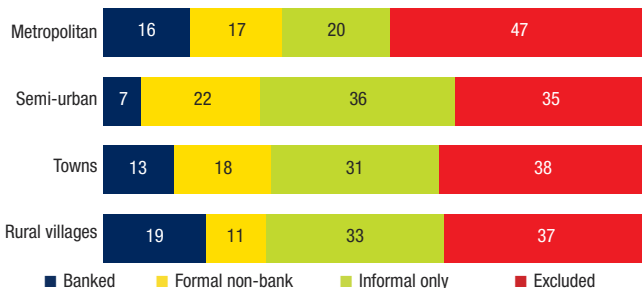
## ACCESS STRAND BY URBAN AND RURAL AREAS

%



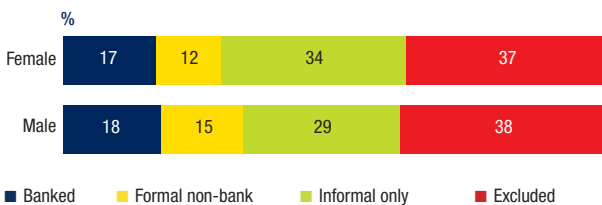
## ACCESS STRAND BY LOCATION

%



40

## ACCESS STRAND BY GENDER



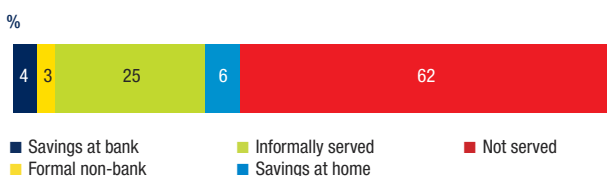
## ACCESS STRAND SUMMARY

- Financial inclusion is limited in Myanmar
- Only 30% are formally served, i.e. have/use commercial bank products and/or other formal non-bank products/services
- Adults residing in rural areas are more likely to have/use banking products (19% banked) compared to individuals residing in semi-urban areas (7%), towns (13%), or metro areas (16%) due to the existence of MADB
- 31% of the adult population rely on informal mechanisms only
- Slightly more men are served formally (33%), compared to women (29%)

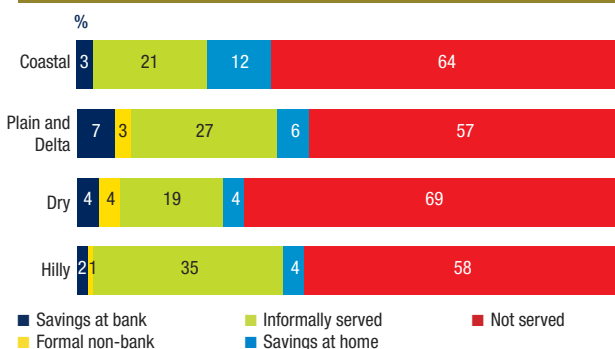


## SAVINGS STRAND

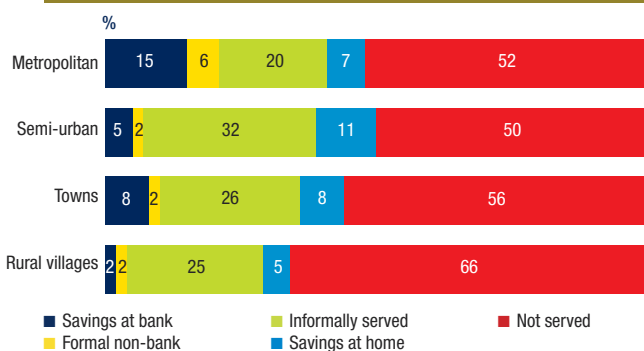
- 4% of adults have/use savings products from a commercial bank (however, they could also have other savings products and/or save at home but the defining characteristics are that they save with a bank)
- 3% have/use savings products from other formal (non-bank) institutions, but do not have savings products from a bank (they could also use informal savings mechanisms and/or save at home)
- 25% only rely on informal mechanisms such as savings groups (they do not have any formal financial savings products, but they might also save at home)
- 6% keep all their savings at home (piggy bank), i.e. these individuals do not have/use formal or informal savings products or mechanisms
- 62% claim not to save at the time of the survey, neither at home nor through an informal or formal financial services provider



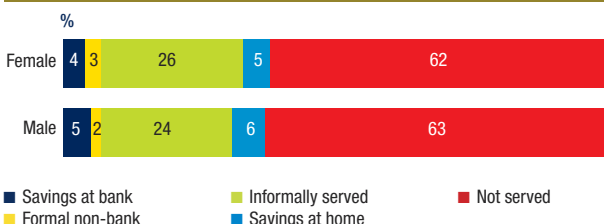
## SAVINGS STRAND BY REGION



## SAVINGS STRAND BY LOCATION

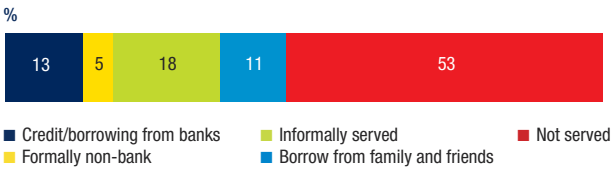


## SAVINGS STRAND BY GENDER

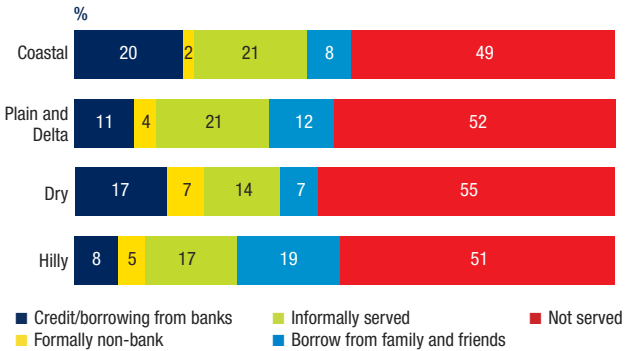


## CREDIT STRAND

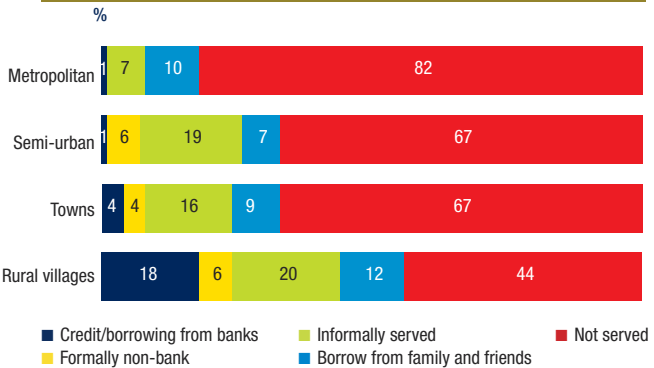
- 13% of adults have/use credit/loan products from a commercial bank (however, they could also have other credit/loan products and/or borrow from friends and family but the defining characteristics are that they borrow from a bank)
- 5% have/use credit/loan products from other formal (non-bank) institutions, but do not have credit/loan products from a bank (they could also use informal credit/loan products and/or borrow from friends and family)
- 18% only rely on informal mechanisms such as informal money-lenders (they do not have any formal financial credit/loan products, but they might also borrow from friends and family)
- 11% only borrow from friends and family, i.e. these individuals do not have/use formal or informal credit/loan products or mechanisms
- 53% claimed not to borrow at the time of the survey, neither from friends nor family nor from formal nor informal financial services providers



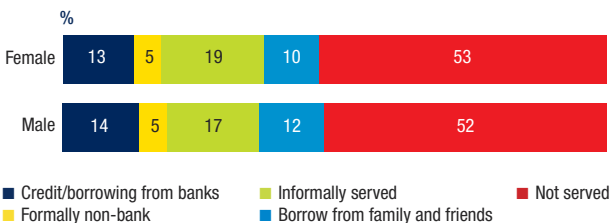
## CREDIT STRAND BY REGION



## CREDIT STRAND BY LOCATION



## CREDIT STRAND BY GENDER



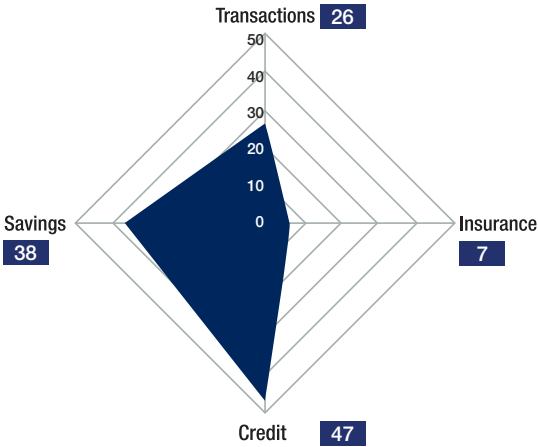
# Landscape of Access

The FinScope survey provides a measure and understanding of consumer demand with regards to four categories of financial products, namely transactions, savings, credit, and insurance products

The Landscape of Access serves as an indicator to describe the following:

- Transactions: the proportion of the adult population with a secure mechanism in which funds can be deposited, transmitted, and withdrawn to meet regular transaction needs
- Savings: the proportion of the adult population with a means of accumulating money, whether on a contractual or discretionary basis – excludes those that save at home
- Credit: the proportion of the adult population with funds/services having been provided in advance against a committed repayment stream – excludes those that borrow from friends and family
- Insurance: the proportion of the adult population with products/services covering a defined risk event in return for a premium (includes life, burial, health, and short-term insurance)

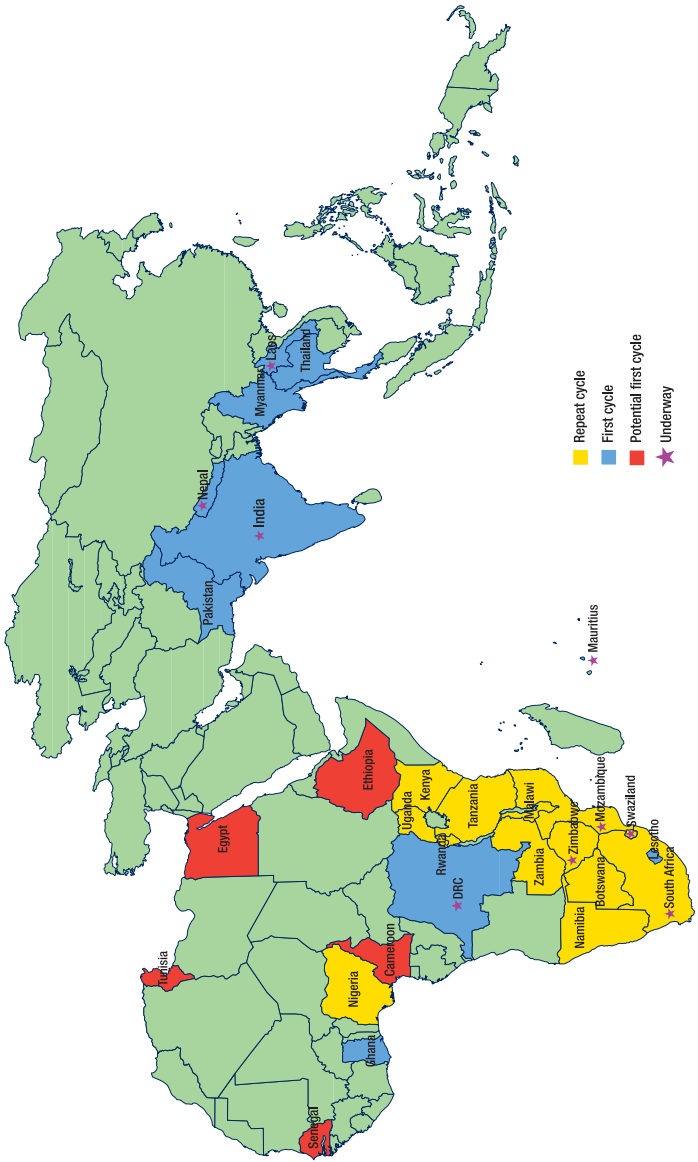
## LANDSCAPE OF ACCESS



- The landscape of access is based on a set of formal and informal products that people claim to have



# FINSCOPE SURVEY FOOTPRINT



# Contact

For more information on FinScope Consumer Survey Myanmar 2013, and access to the dataset, please contact:

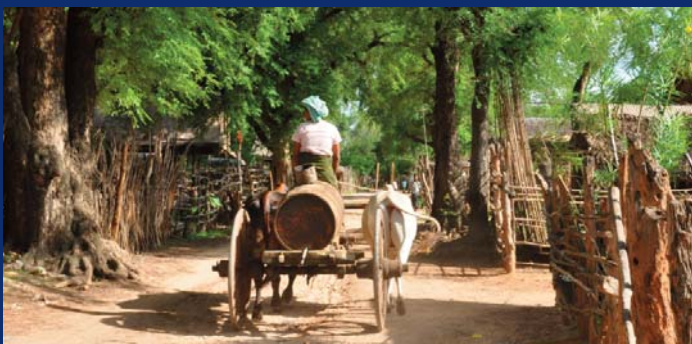
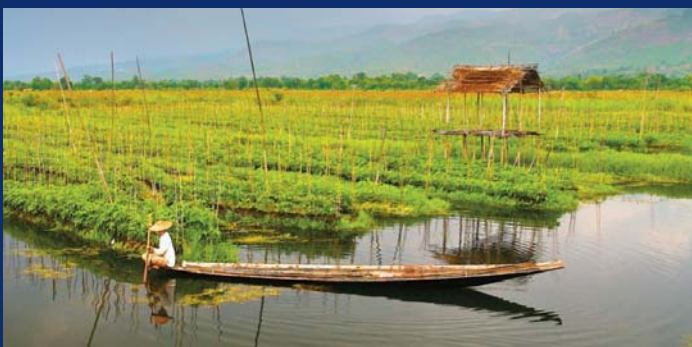


Making financial markets work for the poor

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