



20 years of making
financial markets
work for the poor

FinScope Zimbabwe 2022 Consumer Survey

Main Results

August 2022

FinScope

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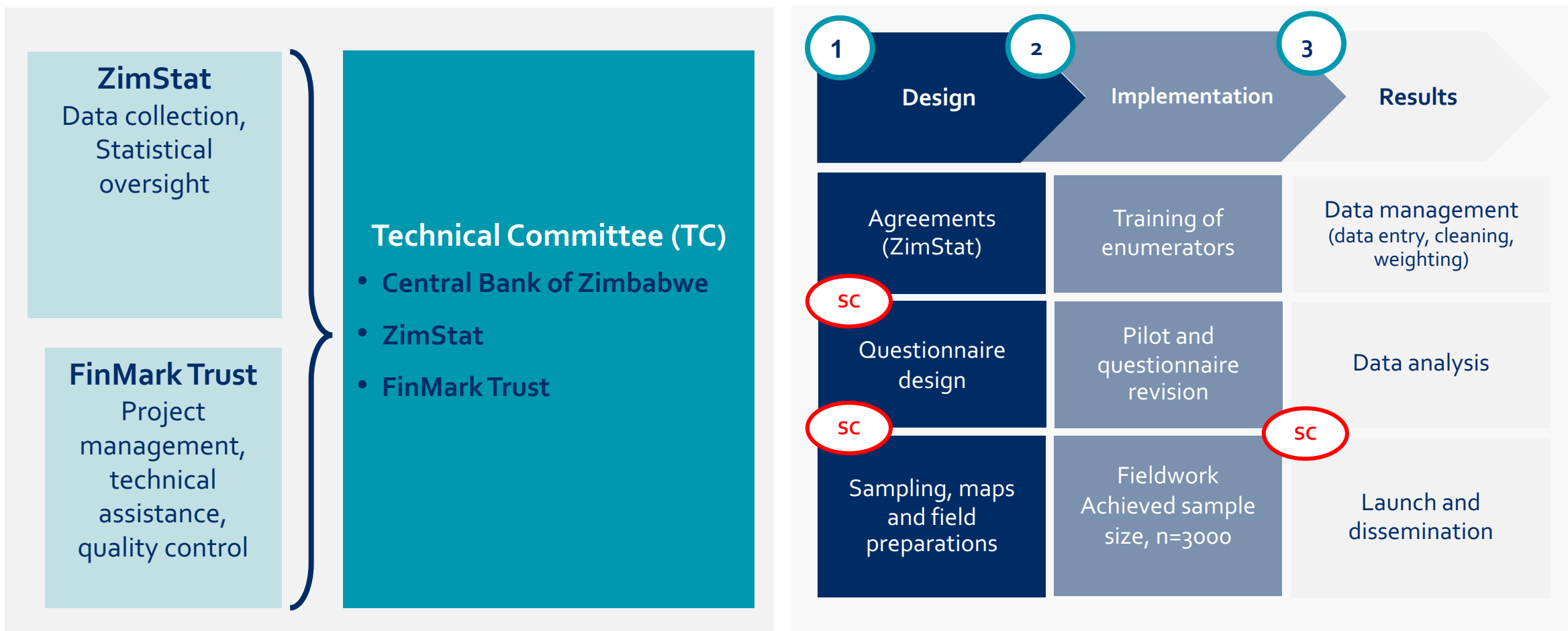
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Objectives of FinScope Consumer Zimbabwe 2022

- To describe the **levels of financial inclusion** (i.e. levels of access and usage of financial products and services both formal and informal).
- To describe the **landscape of access and usage** (i.e., the type of products and services used by financially included individuals)
- To identify the **drivers of, and barriers** to financial access.
- To assess **trends/changes/interventions** over time (from 2014).
- Understand how adults generate income and the impact of Covid-19 pandemic on the livelihoods and usage of financial services
- To stimulate evidence-based dialogue that will ultimately lead to effective public and private sector interventions that will increase and deepen financial inclusion.
- To assess financial inclusion phase 1 outcome from the demand side; and set a baseline for NFIS 11 targets

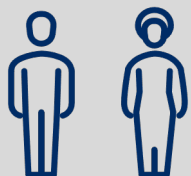
Partnering for a common purpose and Research processes



Methodology: Two critical stages to define desired universe

Respondent profile

- Universe: **Adult population in Zimbabwe**
- Residents of Zimbabwe who are **18 years and older**



Sample and methodology

- Sample drawn by **Zimbabwe National Statistics Agency (ZimStat)**, representative at national, district, settlement (urban, peri-urban and rural) and ecological zones
- HH based methodology - Enumerator areas (EAs) randomly selected using probability proportional to size (PPS) sampling and household listing data
- Computer Assisted Personal Interviewing (CAPI)
- Fieldwork conducted by **ZimStat** (April 2022 and May 2022) and 3 000 interviews were successfully completed

Quality control and data validation

- **Quality control / field checks** conducted by ZImStat, **FinMark Trust**
- Data validation against Census data and any other data sources
- Weighting of the data conducted by **ZimStat and FMT**



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Understanding people's lives:

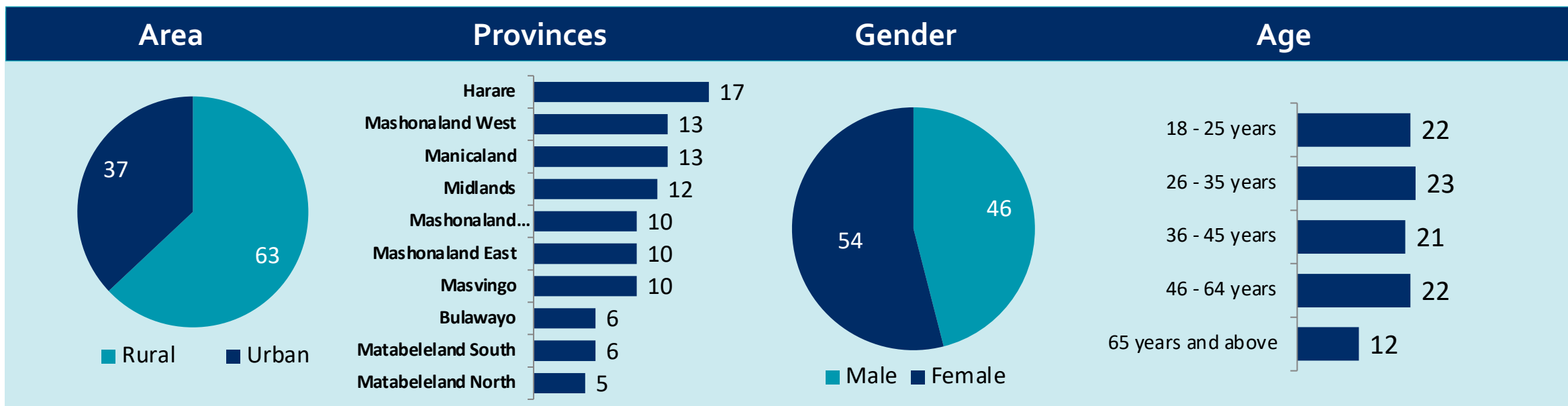
Zimbabwe is a small country with about 7 million adult population of which 45% are youth aged 18 - 35 years



Total adult (18+ years) population 7.05 million

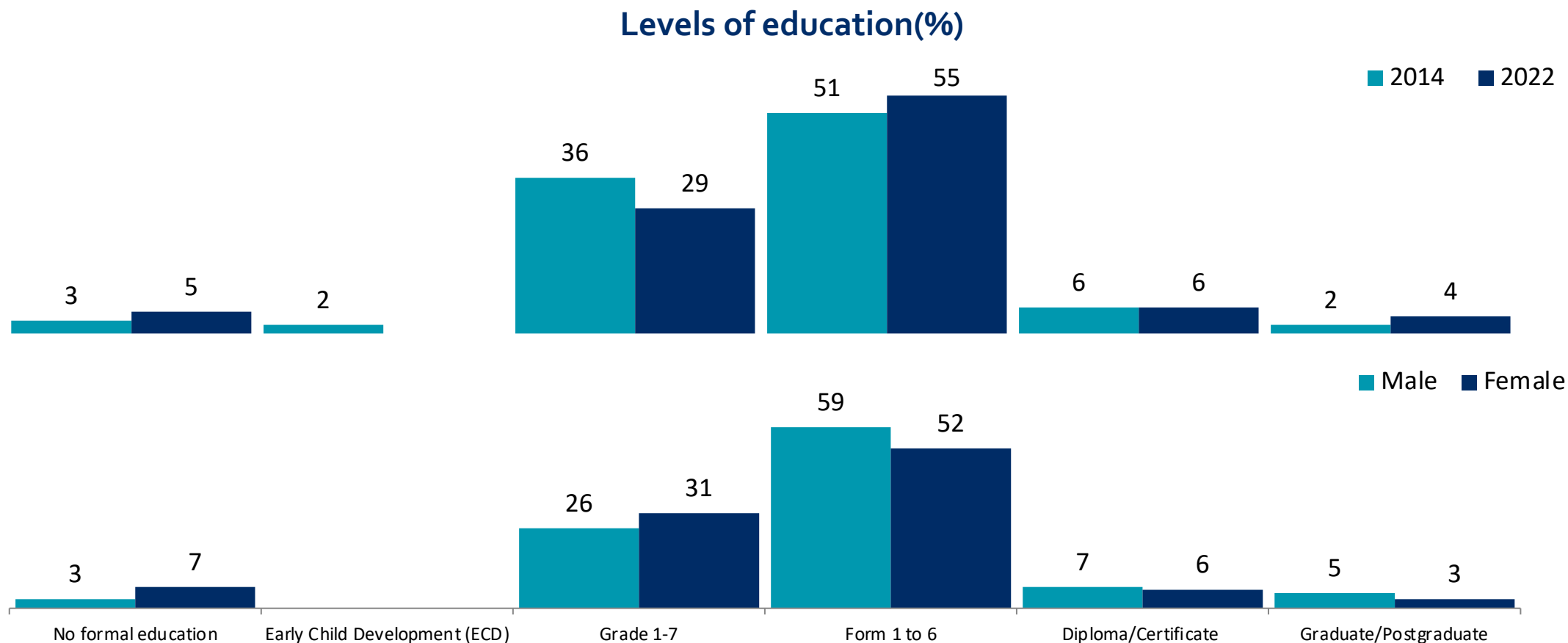


- Slight growth in adult population - 49 762 growth in adult population since 2014 (from 6 998 144 to 7 047 906 in 2022).
- There is an increase in the proportion of adults residing in urban areas – 509 362 more adults since 2014
- Slightly higher proportion of females



Understanding people's lives: SDG 4

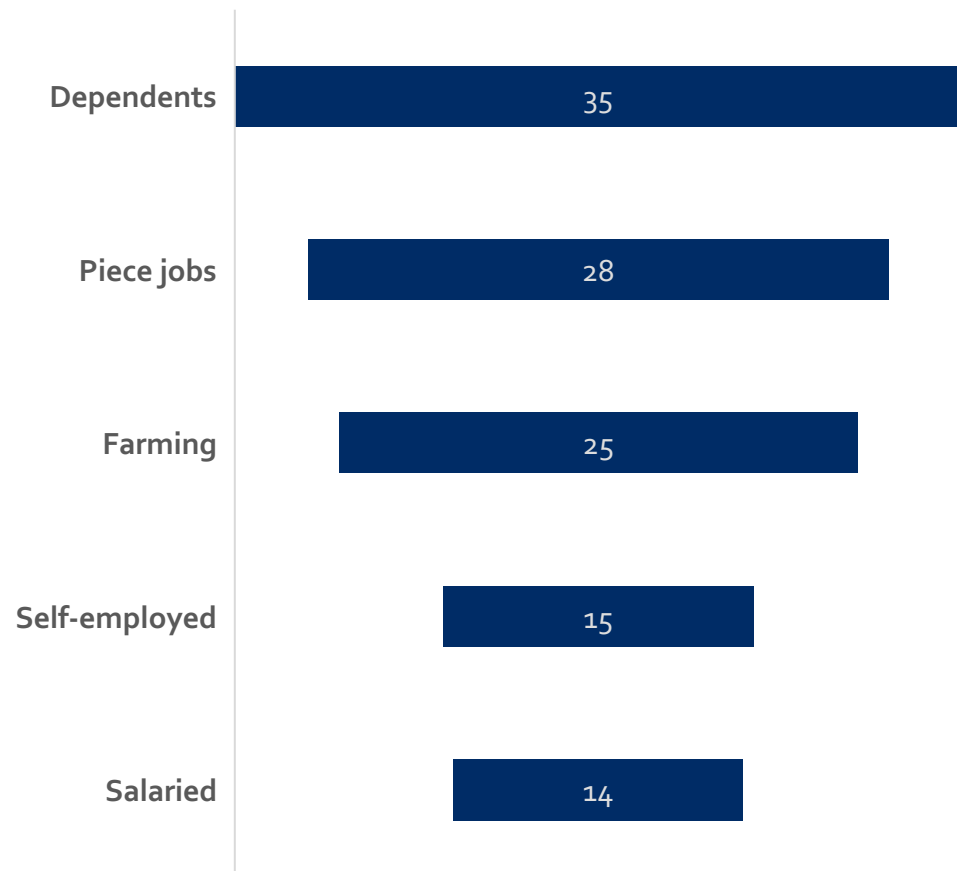
No major shifts in the levels of education achieved since 2014- Two thirds(65%) of the adults have secondary education and above



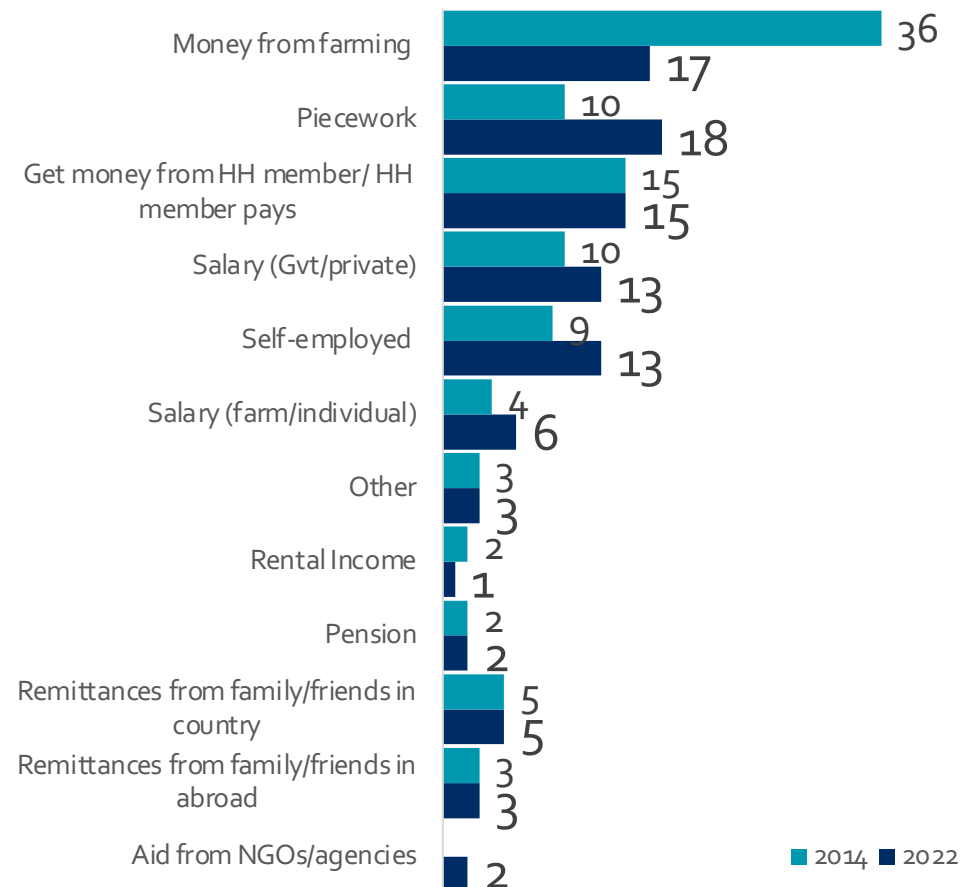
Understanding people's lives: SDG 8

About 3 in 5 (58%) adults rely mainly on piece jobs, farming and support from family members

Top 5 sources of income (with overlaps) %



Main source of income (without overlaps%)

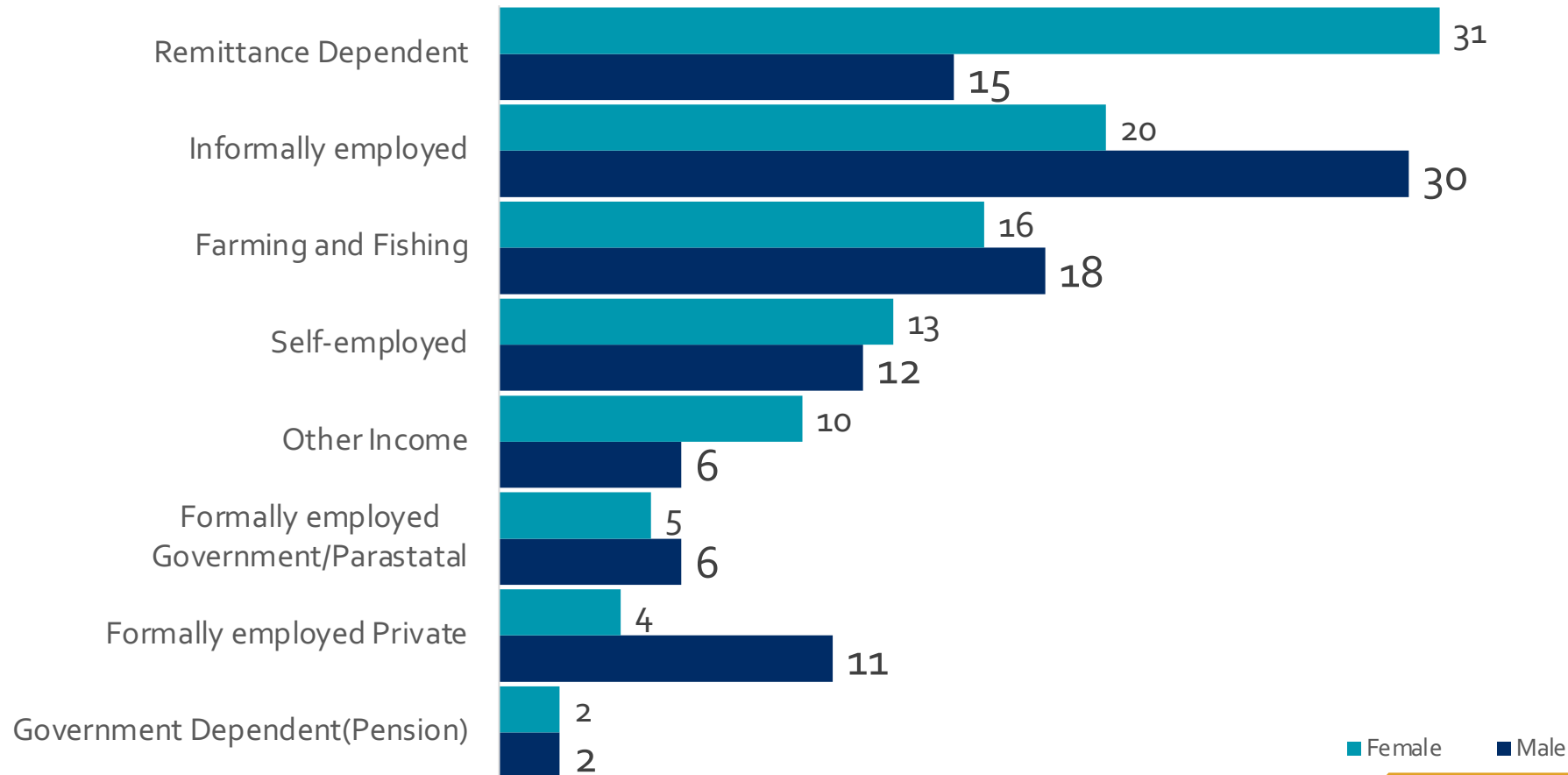


*Dependents- Gets money from HH member, HH paying for their expenses or adults receiving remittances or maintenance

Understanding people's lives: SDG 5

Lower levels of females (9%) in formal employment compared to males (17%).

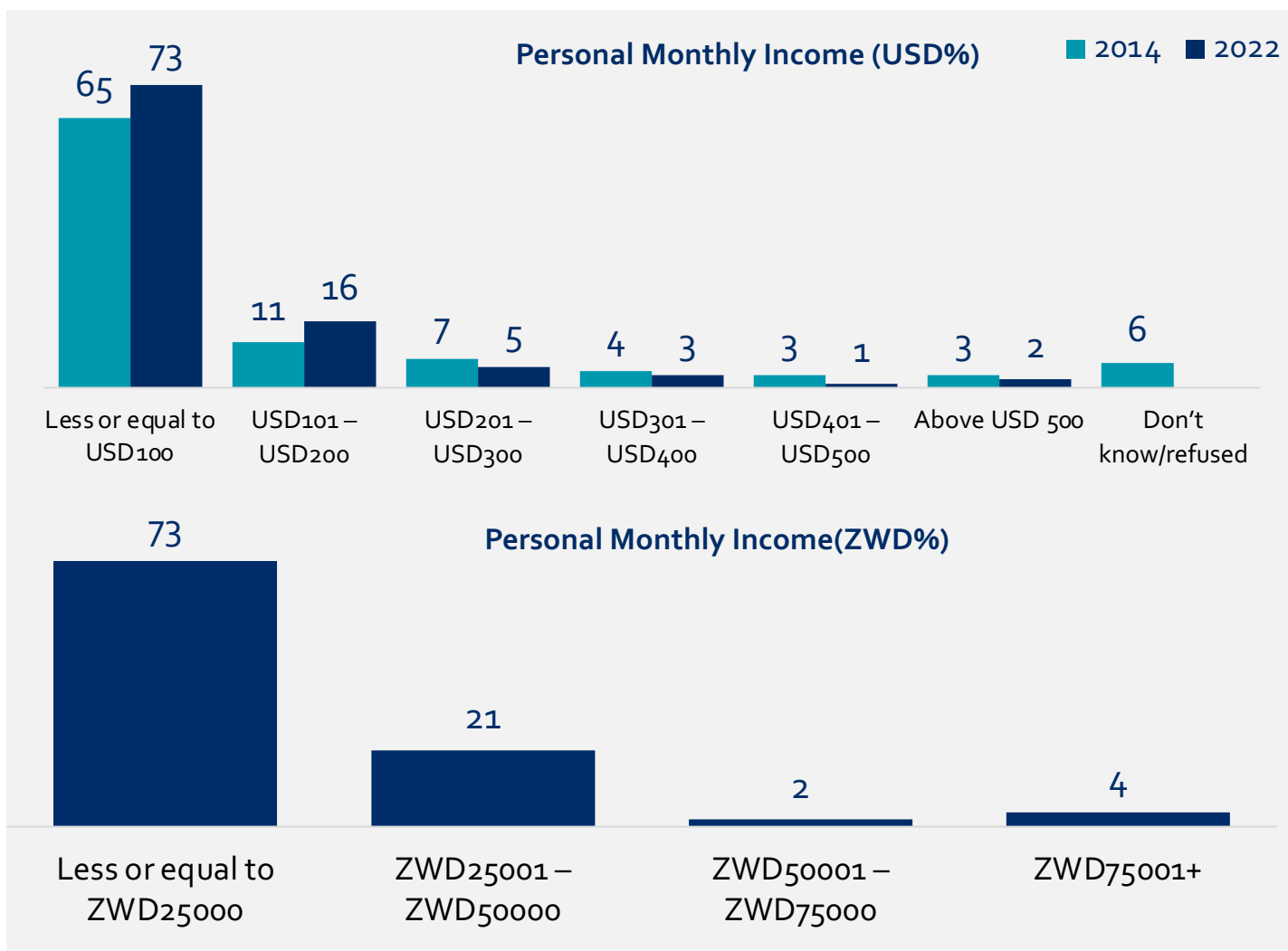
Main source of income by gender (%)



Female Male

Understanding people's lives:

Majority of the adults earn USD100 or less



Currency earned

- USD 58%
- ZWD 26%
- Both 16%

Average Personal Monthly Income (PMI)

- Mean USD 100
- Median USD 50

Average Household Monthly Income (PMI)

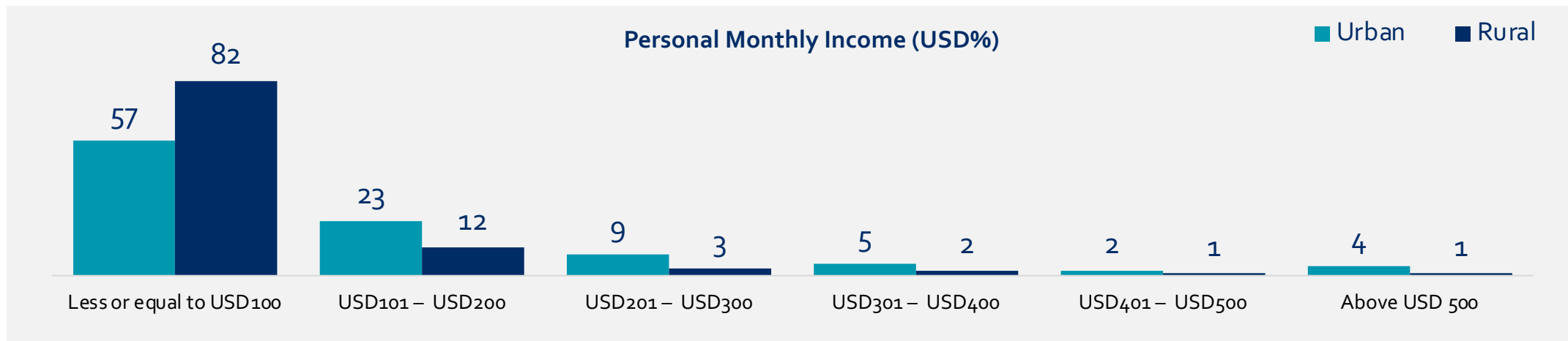
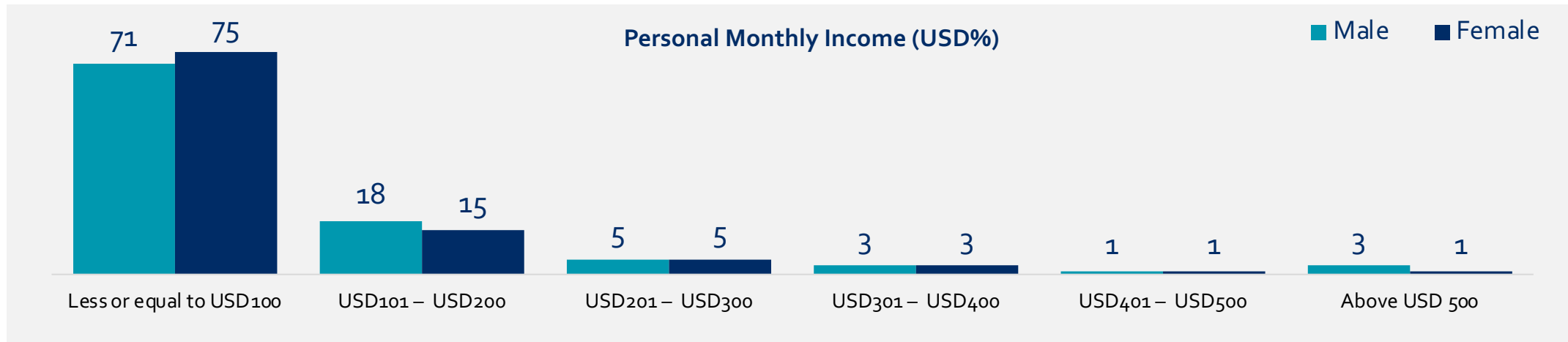
- Mean USD 370

No. of ppl contributing to HH income

- 0-1 64%
- 2+ 36%

Understanding people's lives:

Income distribution by gender and area

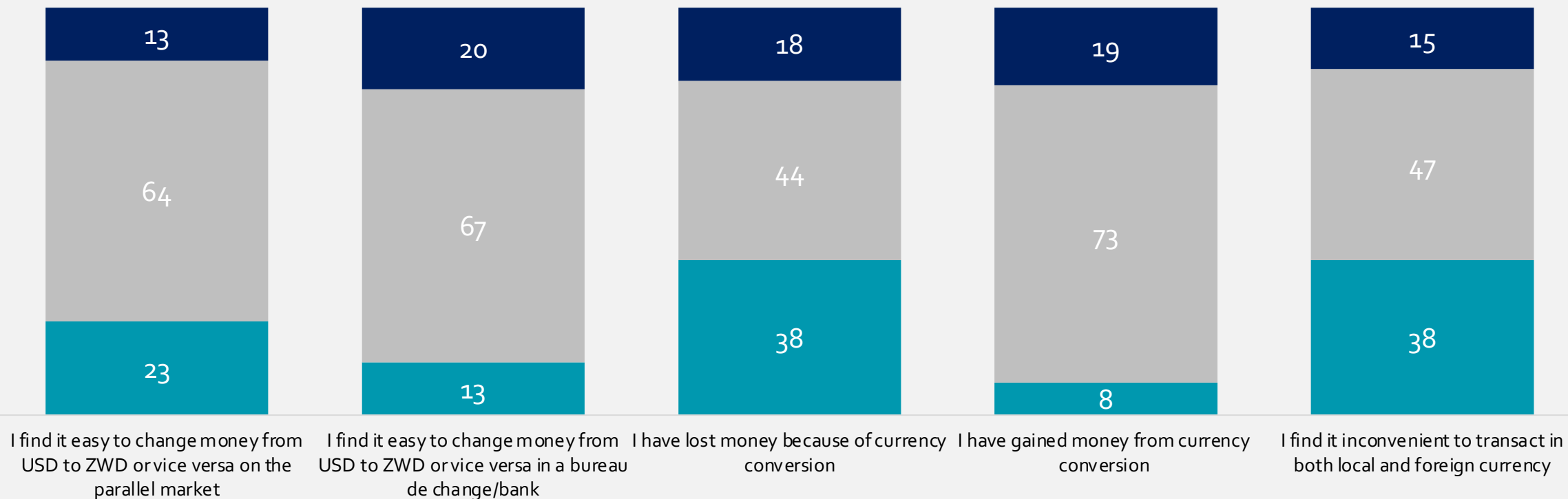


Understanding people's lives:

Almost two thirds of the adults find it difficult to change money from ZWD to USD or vice-versa. 38% of adults reported that they have lost money because of currency conversion.

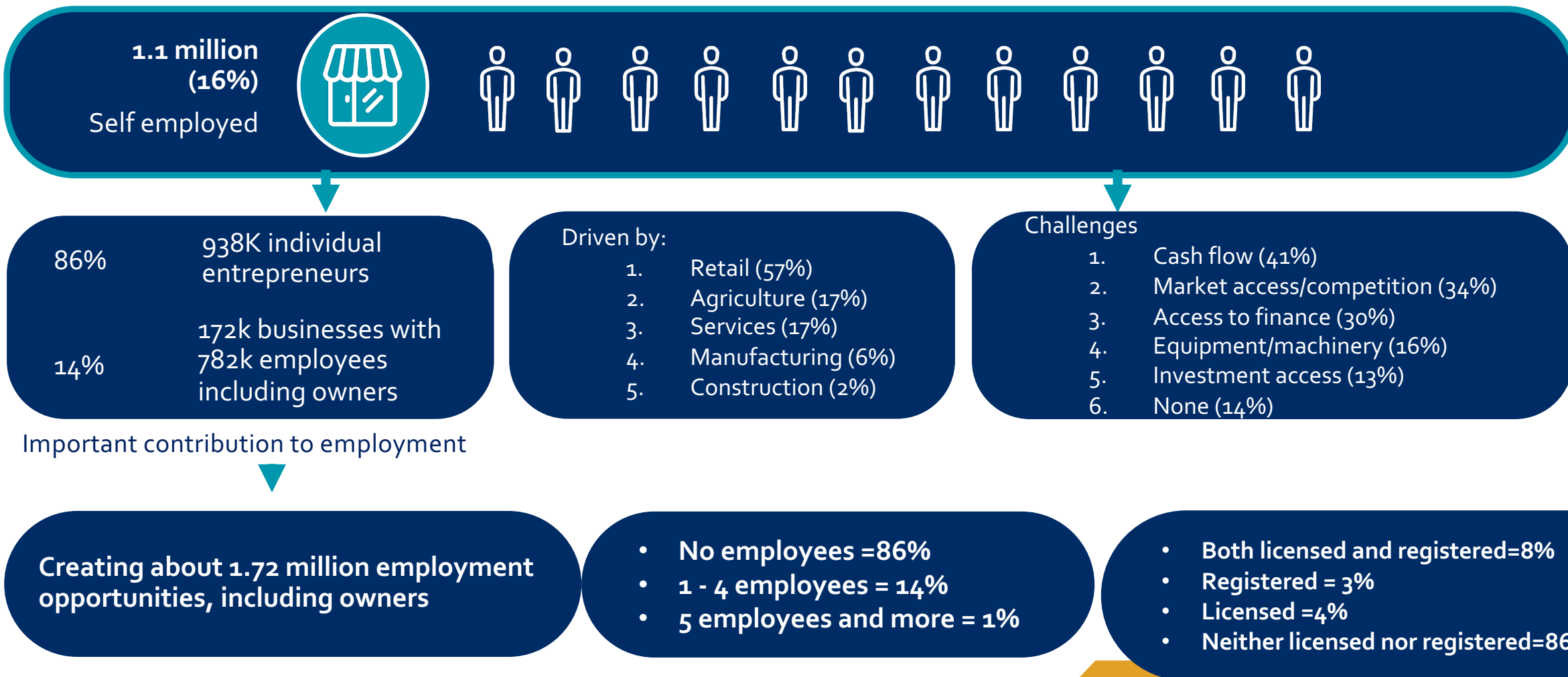
Perceptions about use of multiple currencies (%)

■ Don't know/ NA ■ Disagree ■ Agree



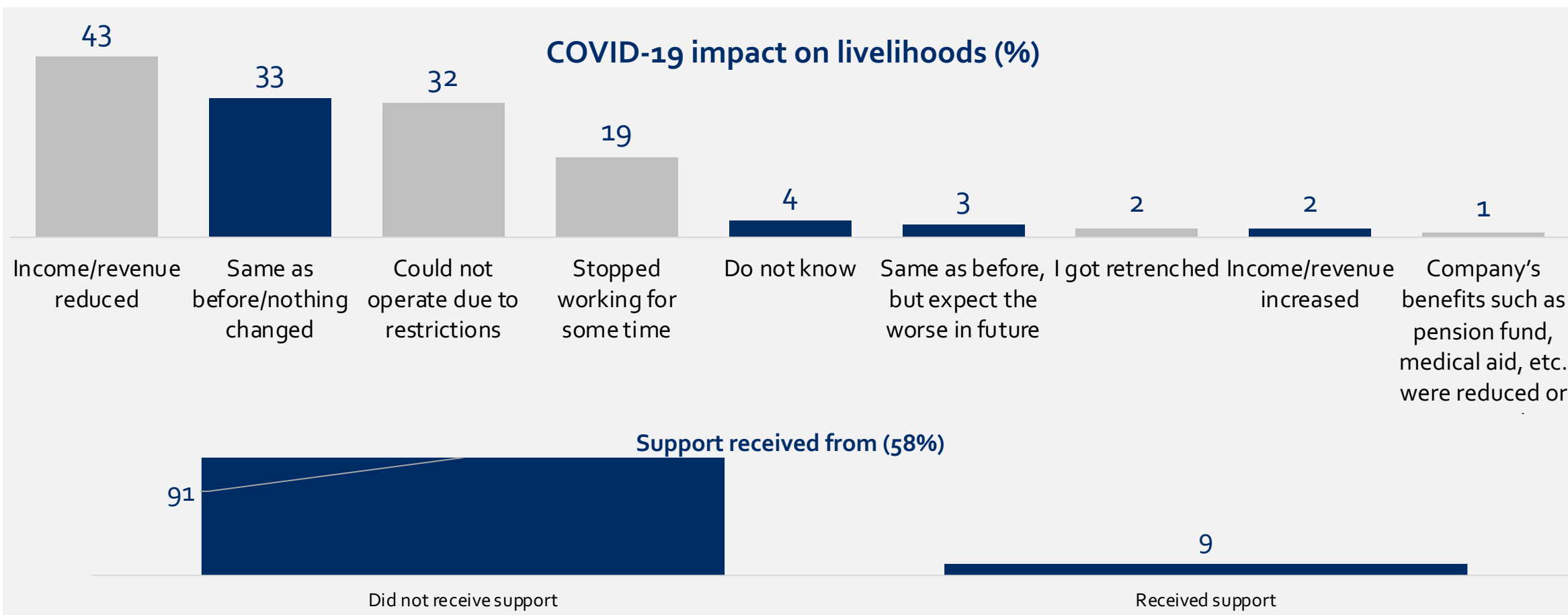
Understanding people's lives:

There are about 1.1 million business owners in Zimbabwe – Most of them are involved in retail activities



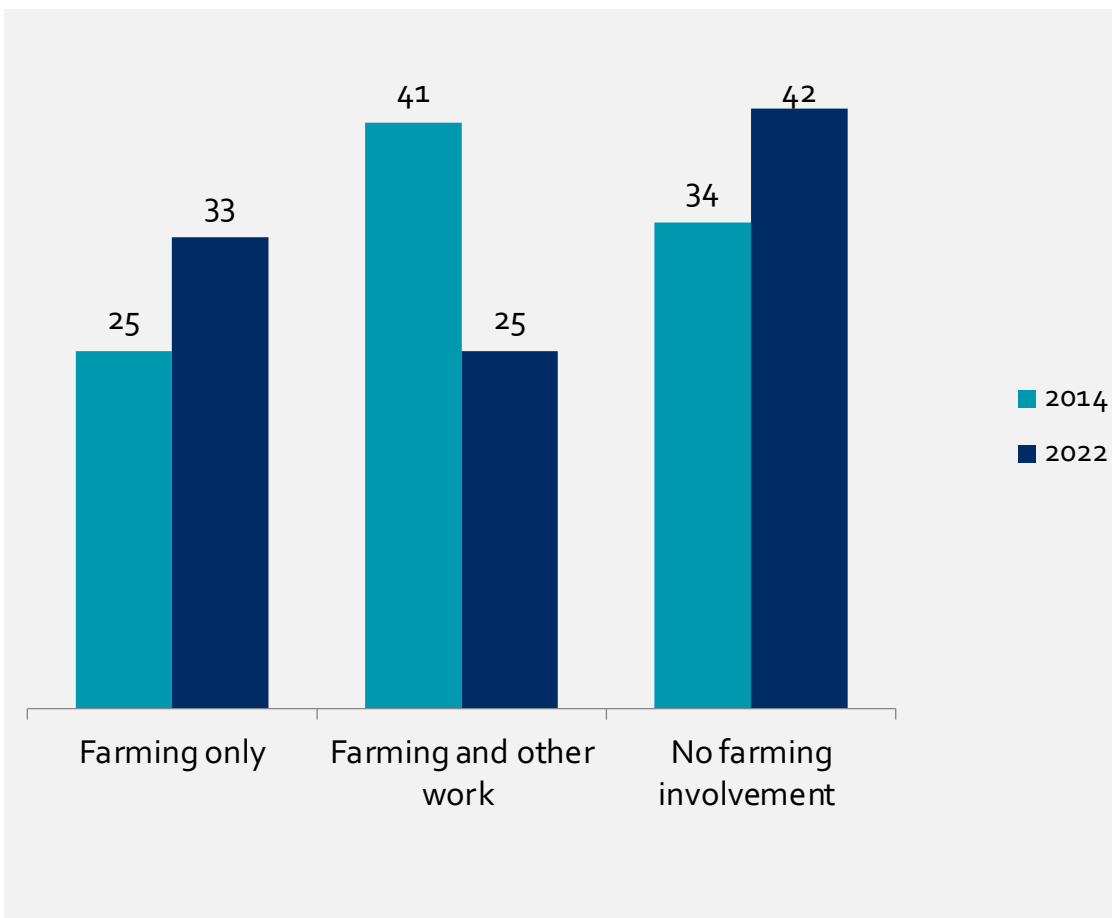
Understanding people's lives:

Impact of Covid-19 on livelihoods – about 3 in 5 (58%) adults were negatively affected



Understanding people's lives:

Although there is a decline in households involved in farming, about 3 in 5 (58%) adults are from HH involved in farming activities.



58% of households are involved in farming – decline from 66% in 2014. More HHs are now involved in farming only compared to 2014

95% of these households are involved in crop production, 45% in Livestock breeding
(Crop prod only 52%, Livestock only 2%, Both 43%)

65% of farmer households are consumption farmers, 30% both consume and sell their produce with only 5% primarily commercial

Most farmed crop : maize 86%, nuts 38%, sorghum 18%, Beans 15%

Main livestock: Poultry 67%, Cattle(beef) 46%, Goats 54%, Cattle 9%

Most income comes from: maize

Understanding people's lives:

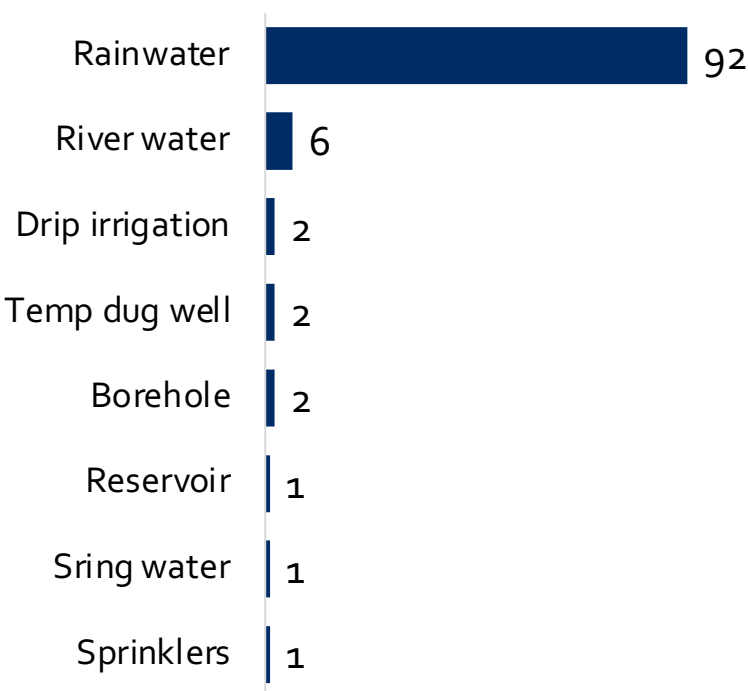
Farming activities by gender, area and province

	Farming only (%)	Farming and other work (%)	Not involved in farming(%)
National	33	25	42
Male	33	26	42
Female	33	25	42
Urban	6	16	79
Rural	47	31	22
Manicaland Province	36	25	39
Mashonaland Central Province	39	41	20
Mashonaland East Province	45	25	30
Mashonaland West Province	35	22	42
Matabeleland North Province	38	37	25
Matabeleland South Province	32	24	44
Midlands Province	43	23	34
Masvingo Province	47	29	24
Harare Province	3	20	78
Bulawayo Province	10	9	82

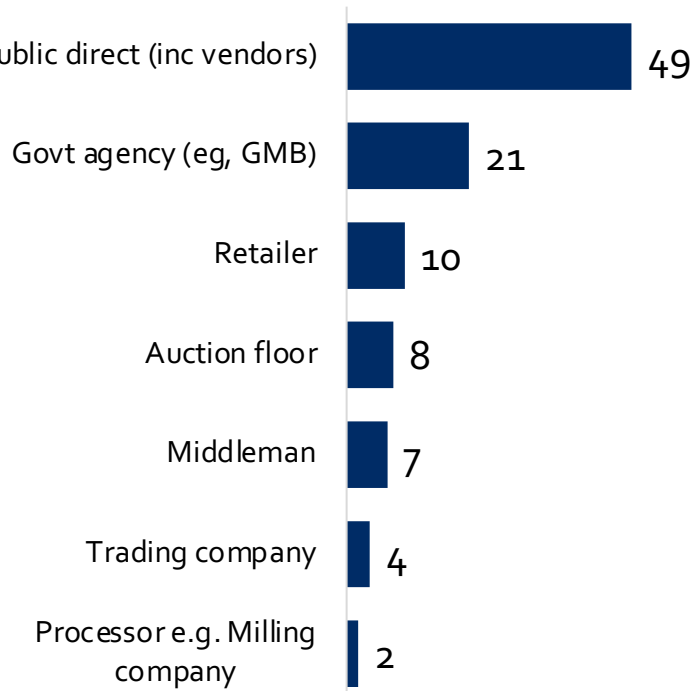
Understanding people's lives:

Half of the farmers sell their produce direct to the public - lack of inputs was cited as the greatest challenge they face.

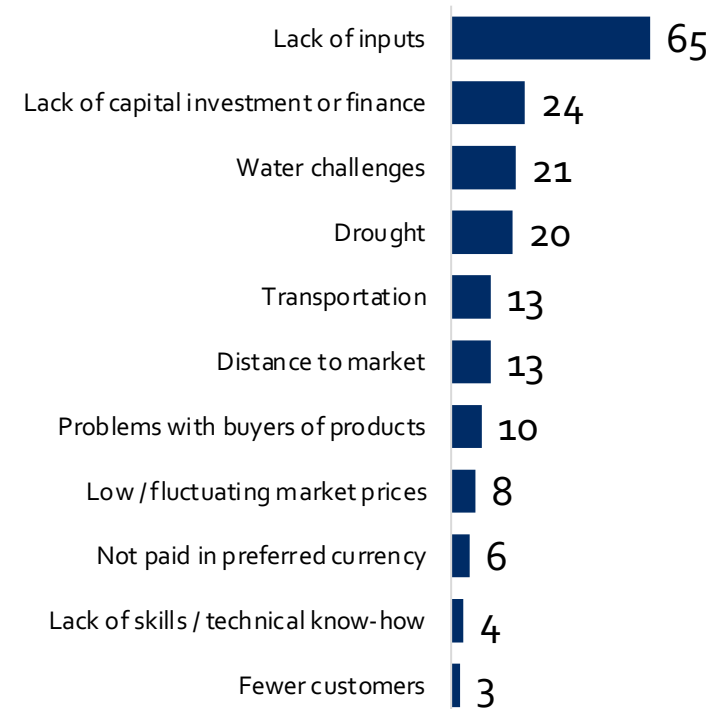
Type of watering system (%)



Sell to (%)

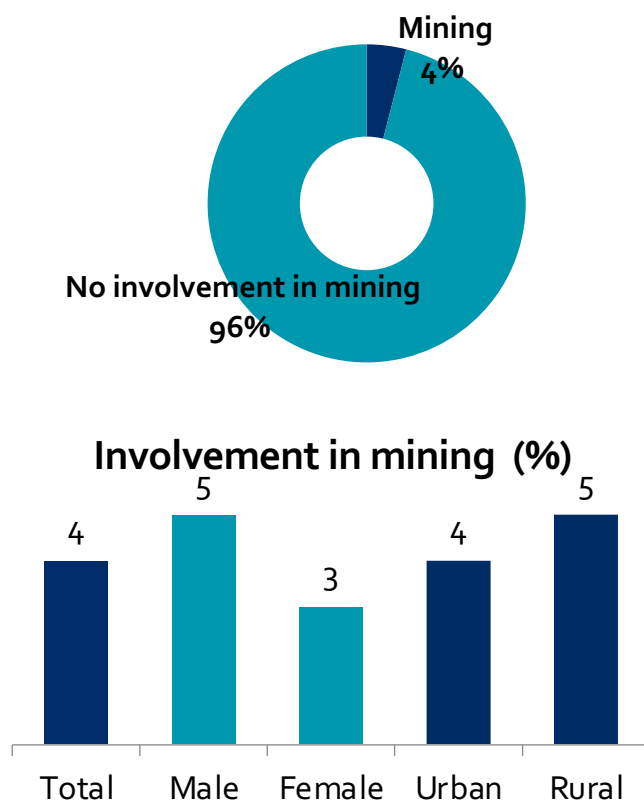


Challenges faced in farming (%)

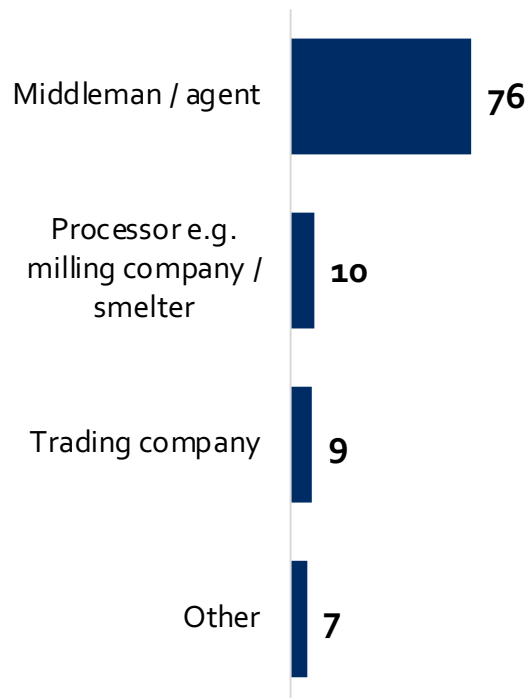


Understanding people's lives:

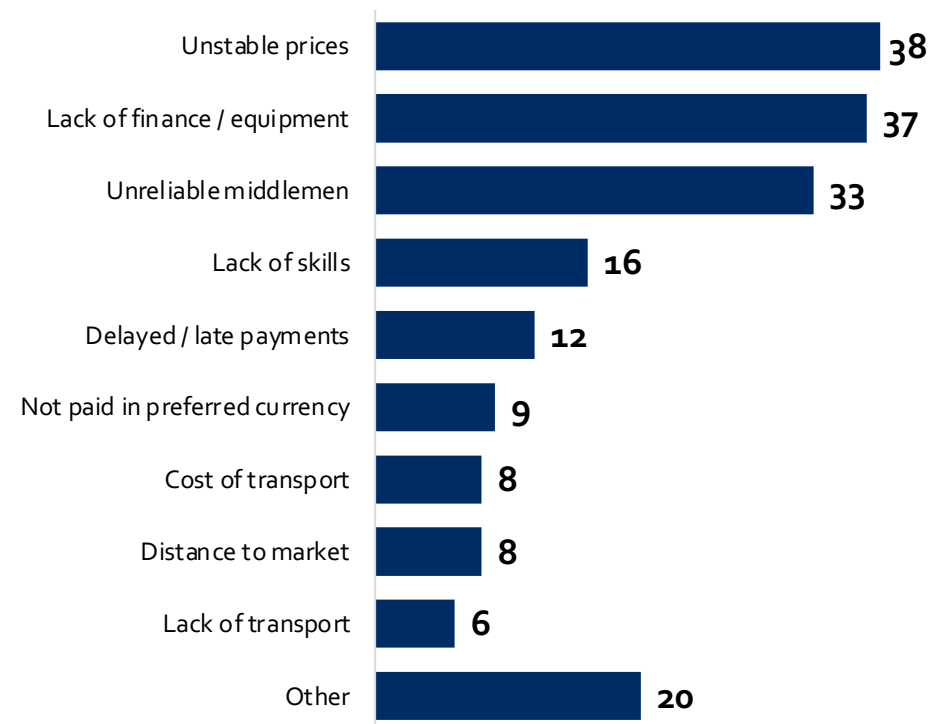
Only 4% of the households are involved in mining and gold is the most mined mineral.



Buyers of minerals (%)



Challenges faced in mining (%)



Products mined:




96% Gold

1% Nickel

5% Other

Understanding people's lives: Access to basic services –SDG1&6

Slight improvements in access to basic services – flush toilets, protected well/borehole

		2014	2022	Urban	Rural
Household's main source of water - SDG6					
	Public water (tap indwelling/yard)	27	25	55	10
	Protected well/ borehole	48	56	41	64
	Unprotected well	15	10	2	14
	River/ streams	8	7	11	
Have electricity connection			39	85	12
Household main type of fuel for cooking					
	Electricity	29	24	59	5
	Wood	68	65	14	92
	Gas	1	11	26	2
Household main type of toilet SDG 6					
	Flush toilet	32	35	90	5
	Blair toilet	36	40	7	58
	Pit toilet	13	10	2	15
	None/Bush	20	13	1	20

Understanding people's lives: Access to basic services – SDG1

	Have an electricity connection (%)	Have tap indwelling/ public tap piped borehole or dug well	Have a flush toilet (%)
National	39	82	35
Manicaland Province	26	97	16
Mashonaland Central Province	22	92	17
Mashonaland East Province	29	85	24
Mashonaland West Province	35	84	30
Matabeleland North Province	17	87	16
Matabeleland South Province	18	85	14
Midlands Province	27	87	21
Masvingo Province	13	87	17
Harare Province	83	99	90
Bulawayo Province	98	100	99

Understanding people's lives: Access to Infrastructure – SDG11

Financial institutions remain less accessible especially among the rural populace

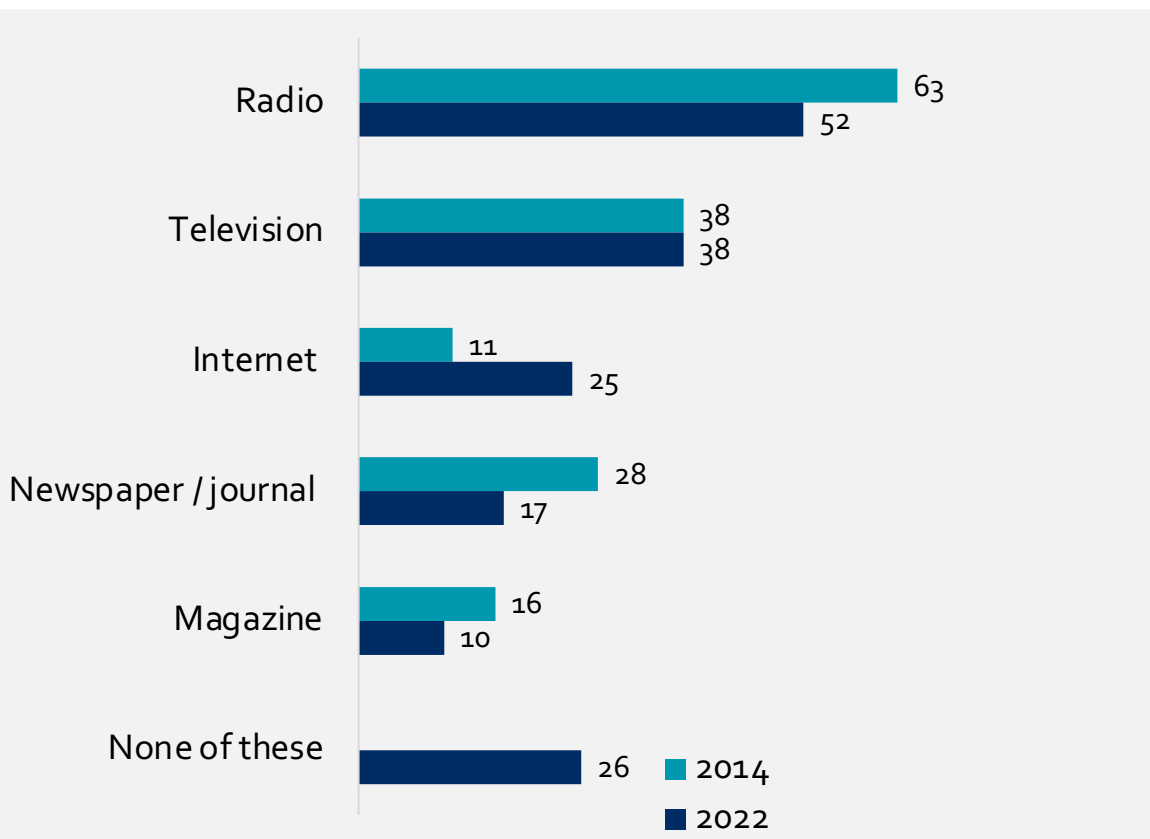
% of adults reaching the destination within less than 30 minutes

	Total	Urban	Rural
Mobile money shops	36	75	13
POS	29	54	5
ATM	21	52	4
Bank branch	22	52	5
Grocery store	69	93	55
Public transport/ Bus stops	74	96	62
School	58	82	43
Medical facility	44	78	23

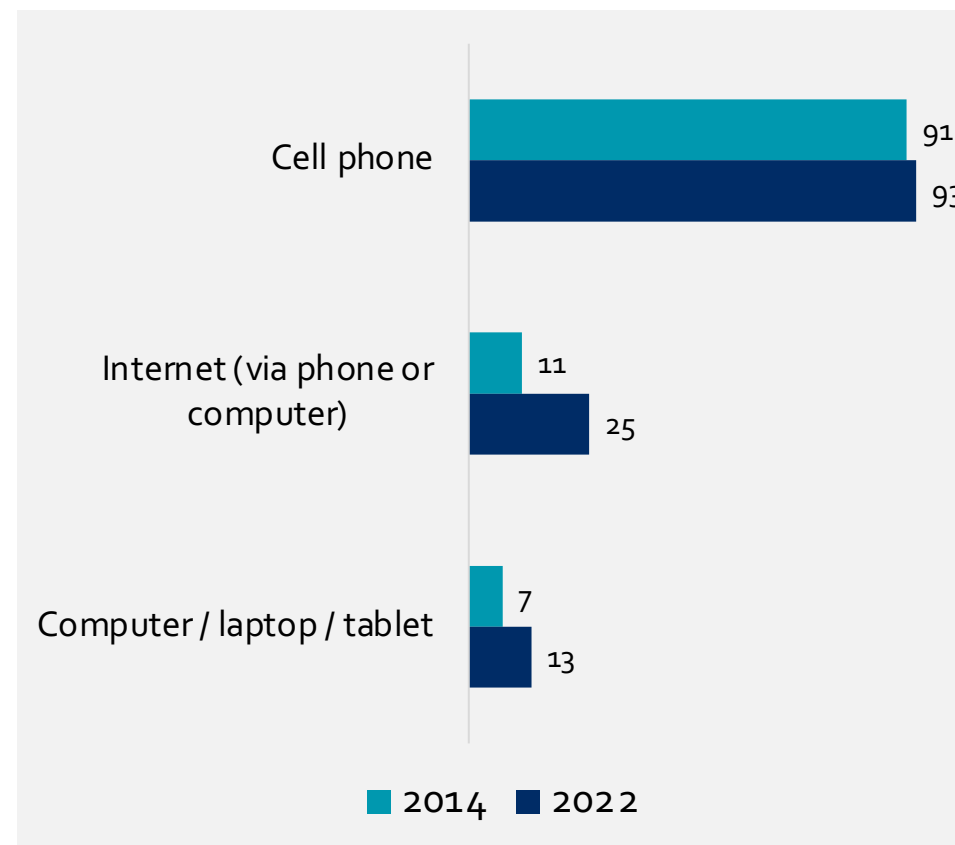
Communication and media access:

93% of adults have access to a cell phone - Electronic and social media platforms could be used to deliver financial programs

Media accessed past month(%)



Communication device access/own (%)



Understanding people's lives:

Communication and media access (access/own)

	Cell phone	Internet via computer/ phone	Computer/ laptop/tablet
Male	93	27	12
Female	93	23	12
Age groups			
18-35 years	96	29	13
36-64 years	94	25	13
65+ years	78	7	4
Urban	98	48	27
Rural	90	11	3
Manicaland Province	94	16	7
Mashonaland Central Province	91	18	8
Mashonaland East Province	92	12	9
Mashonaland West Province	96	27	10
Matabeleland North Province	88	18	9
Matabeleland South Province	87	19	4
Midlands Province	84	13	8
Masvingo Province	95	19	7
Harare Province	98	45	25
Bulawayo Province	98	62	34

Summary

- No major shifts in the levels of education achieved although more adults enrolled for secondary and tertiary education – Two thirds (65%) of adults have secondary education and above
- Reliance on family for support (dependents), informal or piece jobs and farming remain leading sources of income (these livelihoods are often related to low levels of income)
- Majority of adults earn USD 100 ZWD 25 000 or less
- Financial institutions remain less accessible especially among the rural populace. Nonetheless the use of **mobile phones for financial services is bridging the access gap**

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Dimensions of financial capability

Managing money

Planning and 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?

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?

Planning ahead

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?

Choosing and using products

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?

Accessing information

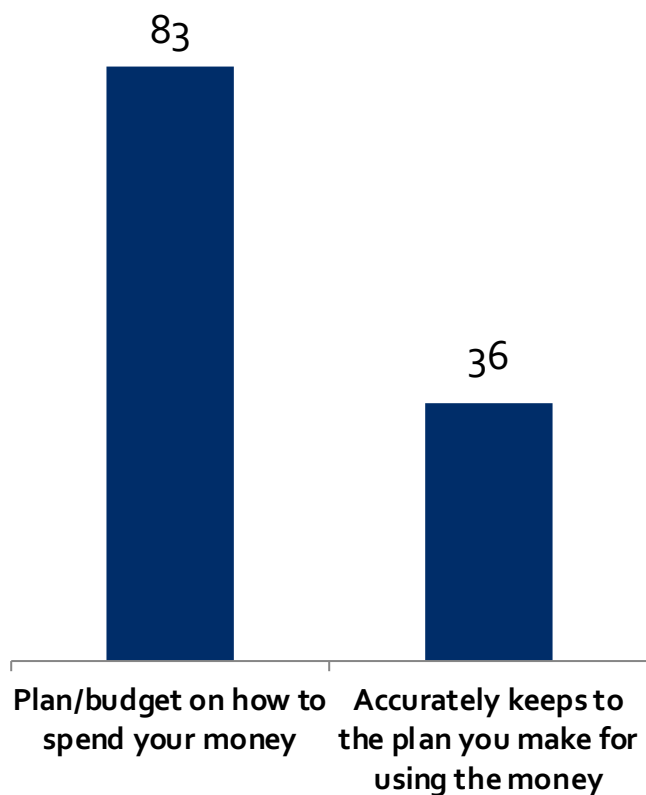
Explores how well an individual is informed about financial matters, how aware they are of information channels, and the steps they take to stay informed.

- Where do people usually get financial advice?

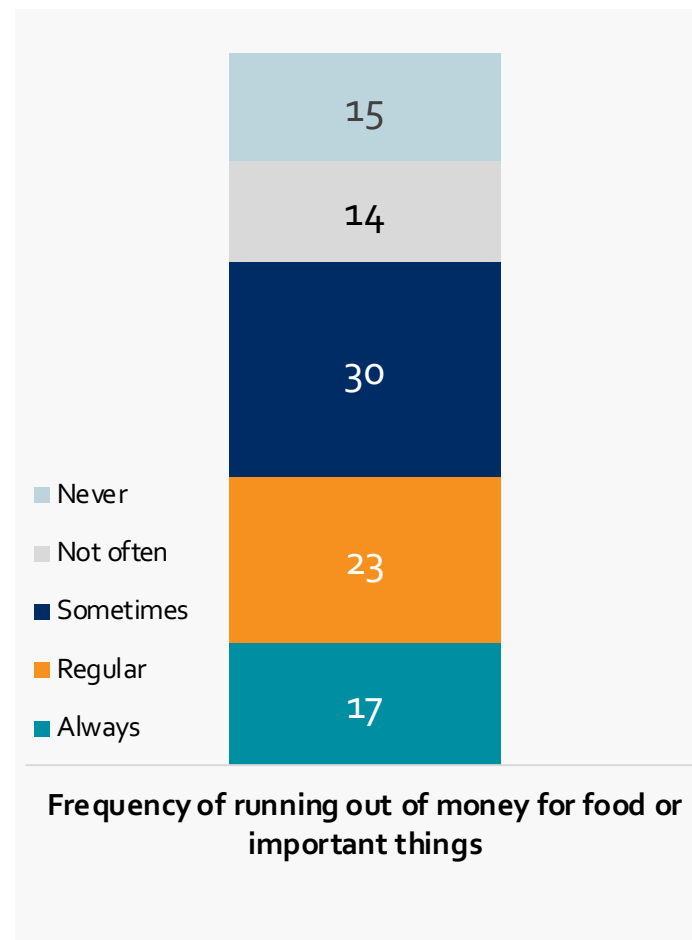
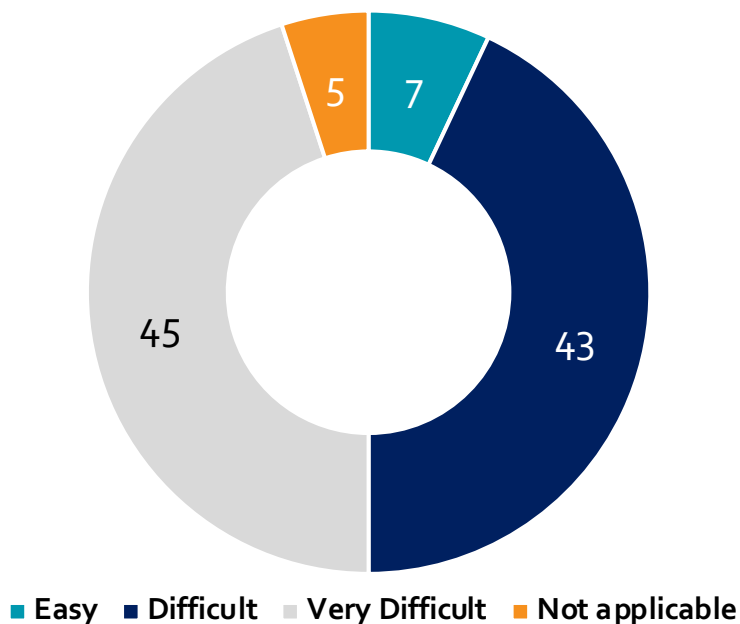
Financial capability: Managing money

88% adults find it difficult to keep up with financial commitments even though they plan on how they will spend money

Planning and tracking



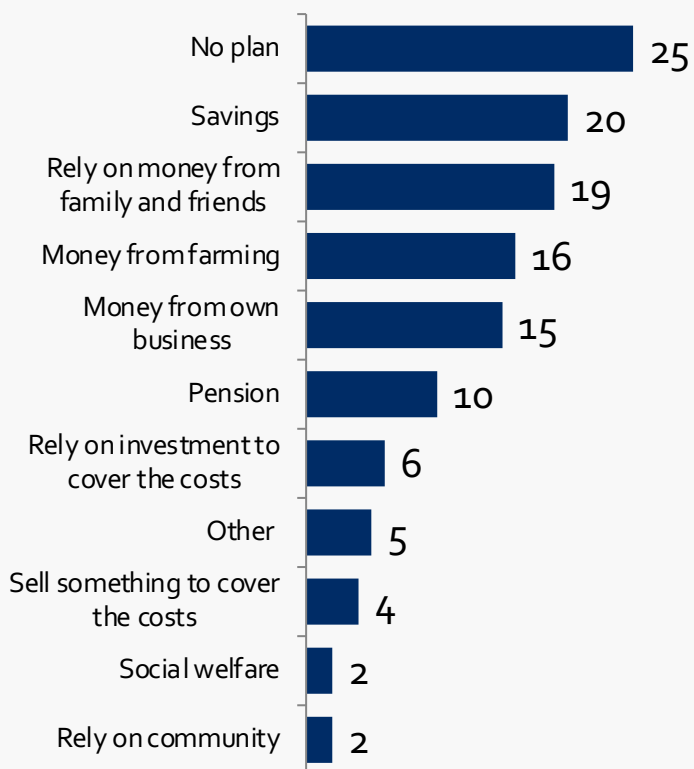
Difficulty with keeping up with financial commitments



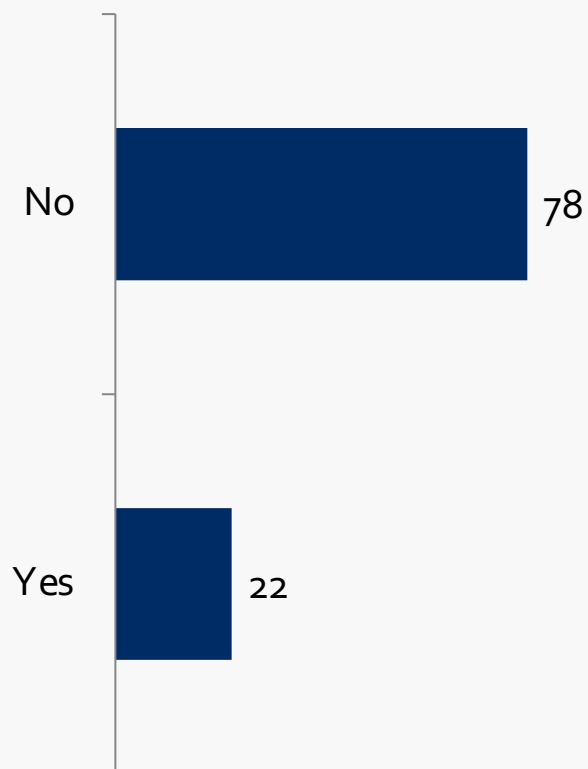
Financial capability: Planning ahead

One in every four adults do not have a plan of how they will be meeting their expenses in their old age

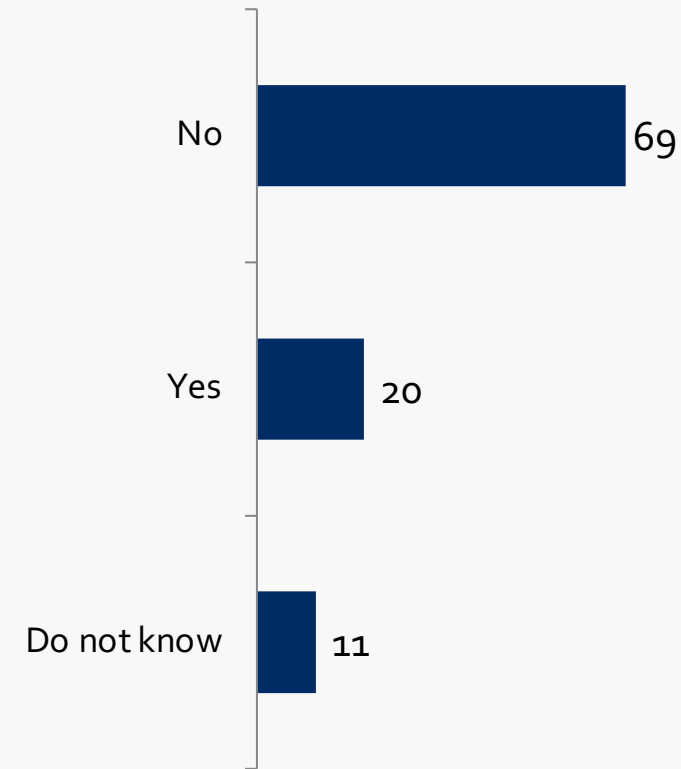
Planning for old age (%)



Have made funeral provisions (%)



Have rainy day funds (%)



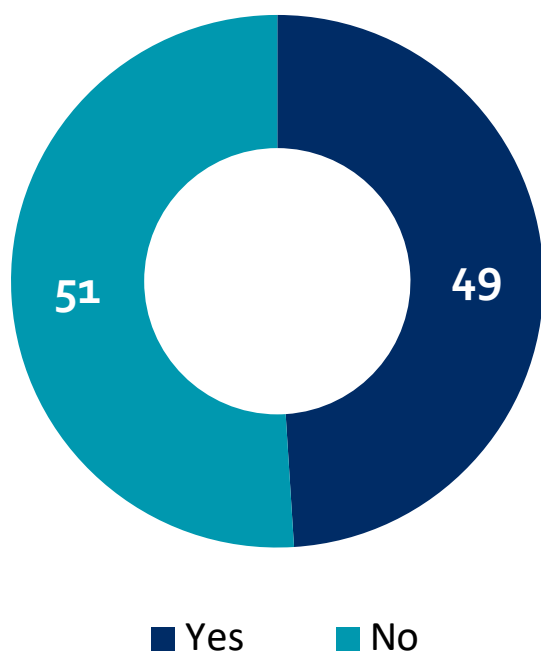
Financial capability: Funeral provisions

	2014 (%)	2022 (%)
Funeral provisions overall	15	22
Funeral insurance by funeral homes	15	14
Funeral insurance policy (including banks)	1	1
Funeral insurance by employer	0.3	2
Burial society	8	7
Male	26	22
Female	23	22
Age groups		
18-35 years	18	15
36-64 years	30	28
65+ years	27	25
Urban	34	31
Rural	20	17
Manicaland Province	19	16
Mashonaland Central Province	14	23
Mashonaland East Province	22	19
Mashonaland West Province	14	18
Matabeleland North Province	21	17
Matabeleland South Province	21	24
Midlands Province	34	20
Masvingo Province	30	25
Harare Province	31	29
Bulawayo Province	44	25

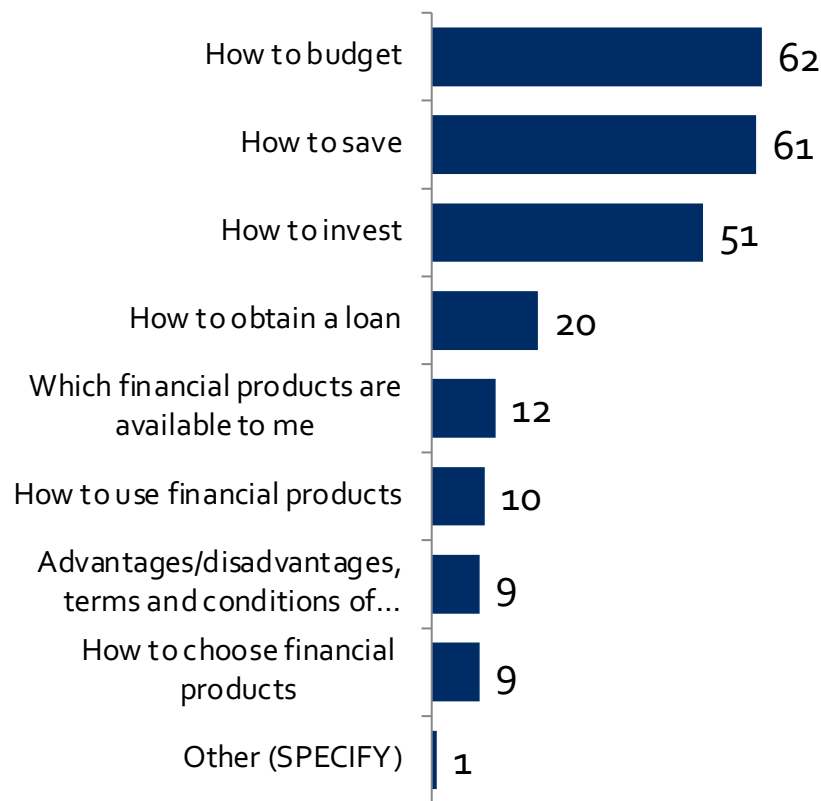
Financial capability: Accessing information

Almost half of the adults do not get any financial advice – only 3% seek professional advice

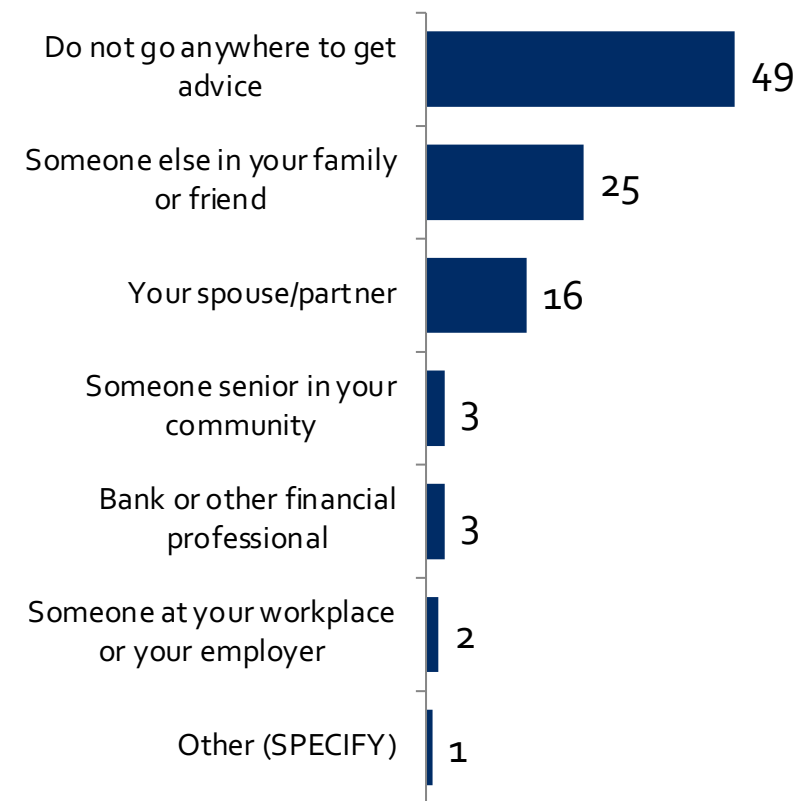
Need financial education (%)



Financial education required (49%)



Source of financial advice (%)



Financial capability:

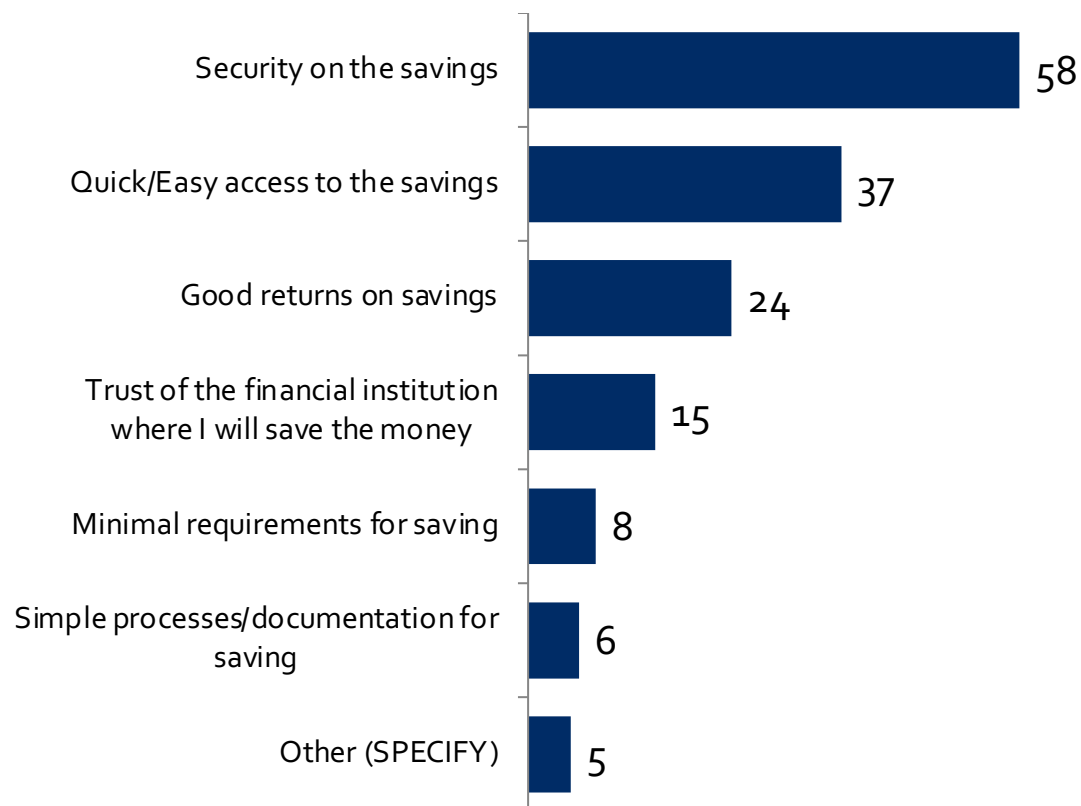
Accessing information

	(%)
Requires financial education	49
Male	48
Female	50
Age groups	
18-35 years	52
36-64 years	51
65+ years	35
Urban	49
Rural	50
Manicaland Province	64
Mashonaland Central Province	67
Mashonaland East Province	46
Mashonaland West Province	59
Matabeleland North Province	24
Matabeleland South Province	40
Midlands Province	32
Masvingo Province	42
Harare Province	46
Bulawayo Province	57

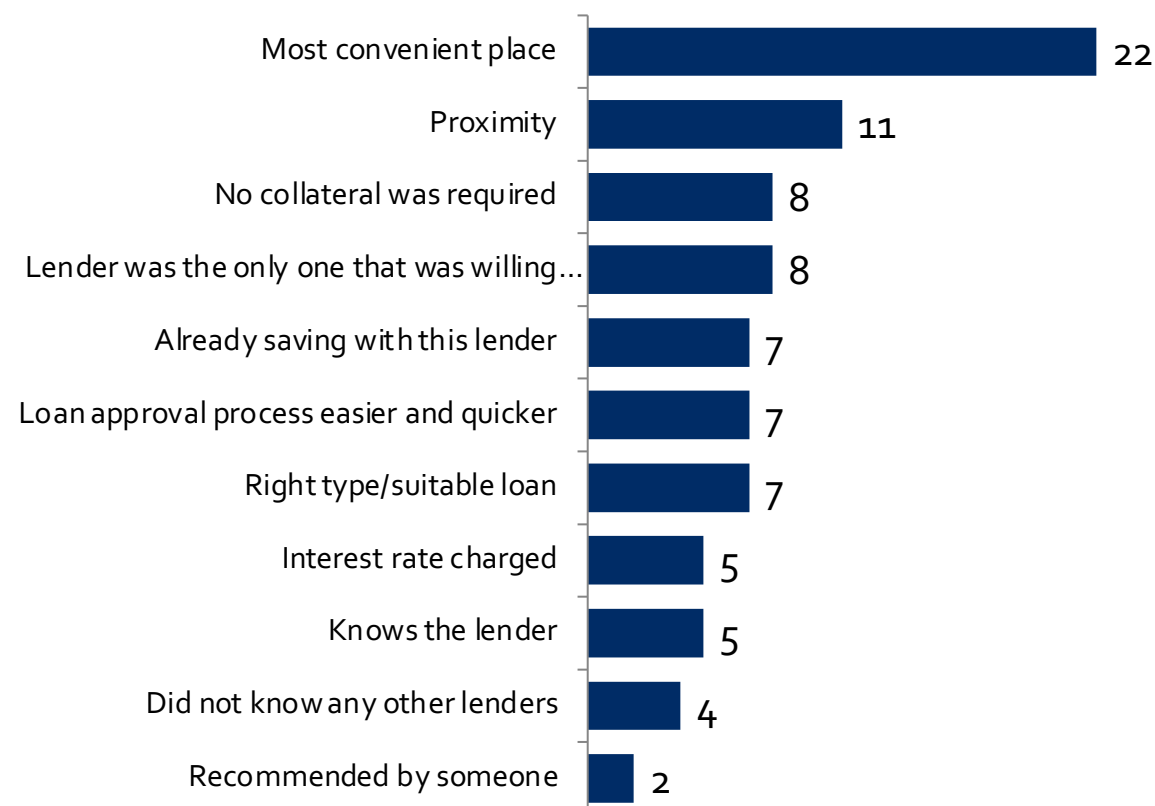
Financial capability: Choosing products

Perceived security, ease of access, convenience and proximity are the key determinants of choice for saving mechanisms and credit sources

Factors influencing choice of saving mechanism (%)



Factors considered by credit users when they took the last credit/loan (%)



Financial capability:

Choosing products - Factors influencing choice of saving and credit mechanism

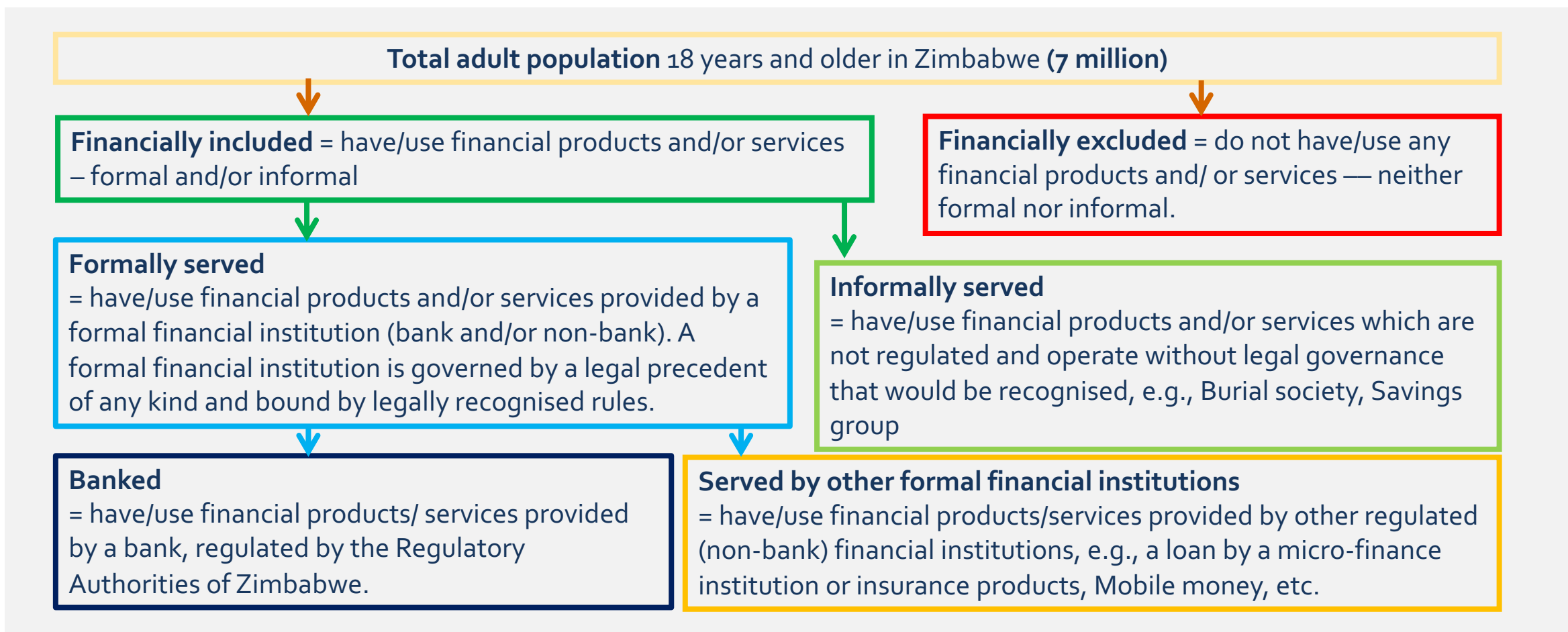
	Overall	Male	Female	18-35 years	36-64 years	65+ years
Factors influencing choice of saving mechanism						
Security on the savings	58	59	58	58	59	58
Quick/Easy access to the savings	36	37	36	37	37	32
Good returns on savings	24	24	24	23	27	16
Trust of the financial institution where I will save the money	15	15	16	15	18	11
Minimal requirements for saving	8	7	8	7	9	5
Simple processes/documentation for saving	6	5	7	5	8	6
Main factor considered by credit users when they took the last credit/loan						
Most convenient place	22	20	16	17	17	25
Proximity	11	7	10	8	9	8
Lender was the only one that was willing lend to you	8	7	5	6	7	5
No collateral was required	8	6	7	8	5	-
Right type/suitable loan	7	4	4	4	5	1
Loan approval process easier and quicker	7	3	5	4	7	4
Already saving with this lender	7	6	6	4	7	8
Knows the lender	5	3	3	4	3	7
Interest rate charged were lower	5	3	4	4	4	-

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Defining financial inclusion:



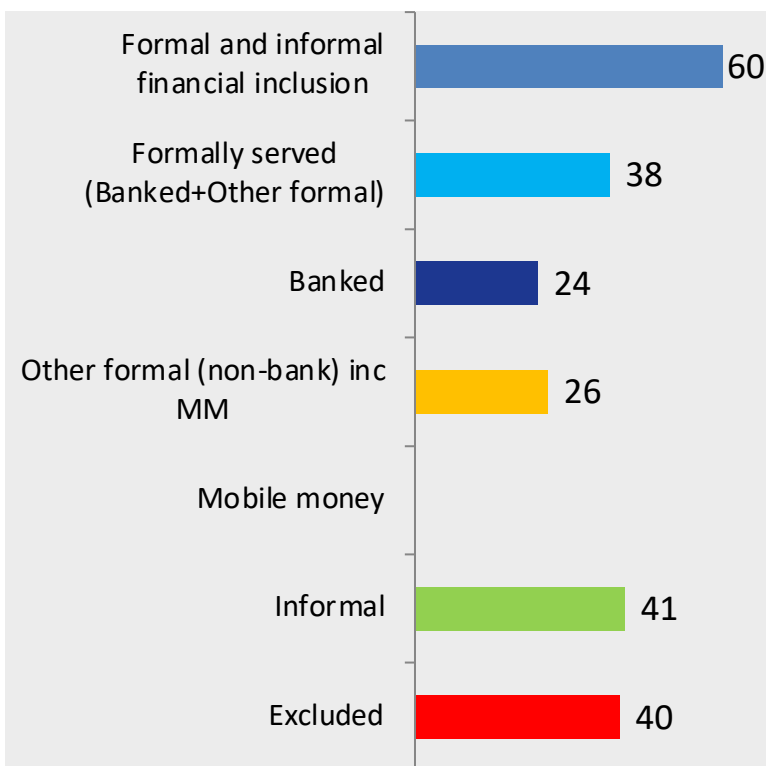
Inclusion classification

Banking	Other formal (non-bank)	Informal	Excluded
<ul style="list-style-type: none"> ➤ Currently use commercial bank ➤ Savings at a bank ➤ Credit at a bank ➤ Send/receive money through banking channels <p>Have following products:</p> <ul style="list-style-type: none"> • Debit/Current/Credit/ATM card • Use internet /cellphone banking; wallet money • Foreign currency account, etc. 	<ul style="list-style-type: none"> ➤ Insurance products from insurance providers ➤ Mobile money ➤ Products from Microfinance institution (MFI) ➤ Products from Pension fund administrators ➤ Retirement products/services ➤ Funeral products ➤ Money transfer agencies • Mukuru/ Money gram/Western Union/Hello Paisa etc. 	<ul style="list-style-type: none"> ➤ Burial society ➤ Money lenders ➤ Credit and savings from: <ul style="list-style-type: none"> • Saving in Rotating Savings & Credit Association (ROSCA) • Saving in Accumulated Savings & Credit Association (ASCA) • Saving in other saving club • Someone in community who keeps money for you or borrow from 	<ul style="list-style-type: none"> • Save at home • Borrow from family members and/or friends • Send or receive through family members/relatives/friends or transfer money personally

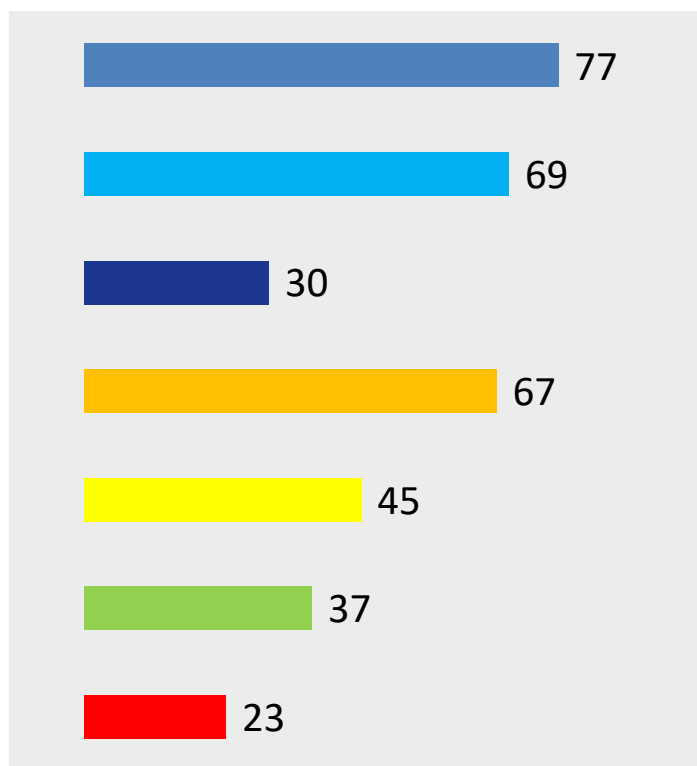
Financial inclusion:

More people are formally served, banked products and other formal (non-bank) financial service/products are playing a critical role in deepening and increasing financial inclusion

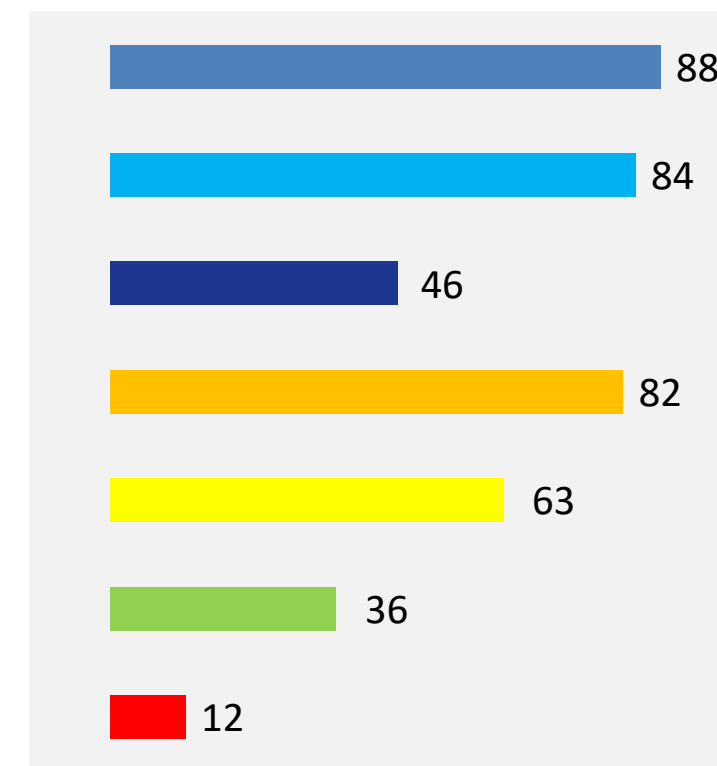
2011 (%)



2014 (%)



2022 (%)



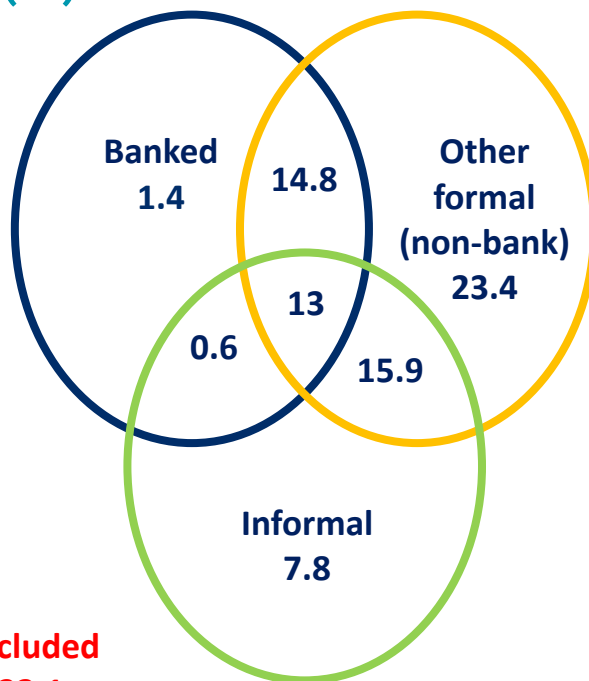
Drivers of financial inclusion

Banked	2014	2022	Other formal (non-bank)	2014	2022	Informal	2014	2022
	30%	46%		67%	82%		37%	36%
1. Bank products/services	30%	46%	1. Insurance products	26%	22%	1. Burial society	8%	7%
• Transactions products			2. Mobile money accounts	45%	63%	2. Informal money lenders/Chimbadzo	2%	4%
• Savings/investment at a bank			3. Microfinance institution (MFI)	0.4%	2%	3. Savings groups	11%	11%
• Credit at a bank			4. Pension	10%	9%	4. Savings in livestock	15%	12%
			5. Capital markets (Investment products)	1%	2%			
			6. Used money transfer agencies	25%	21%			

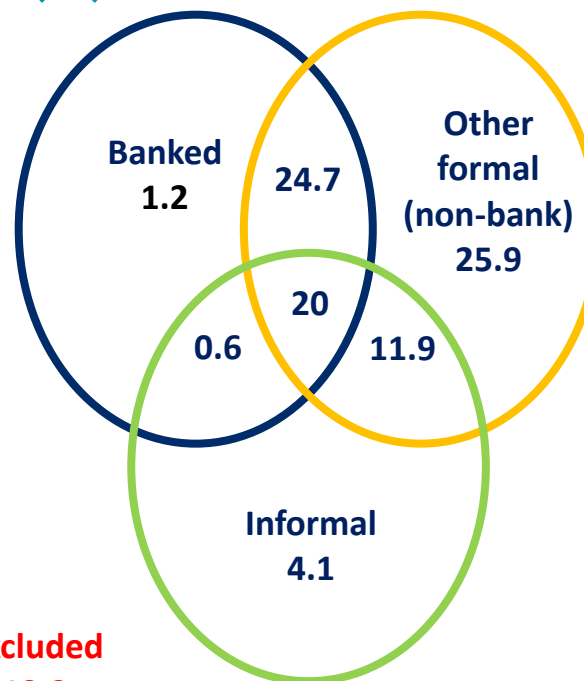
Financial inclusion: Overlaps:

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

2014 (%)



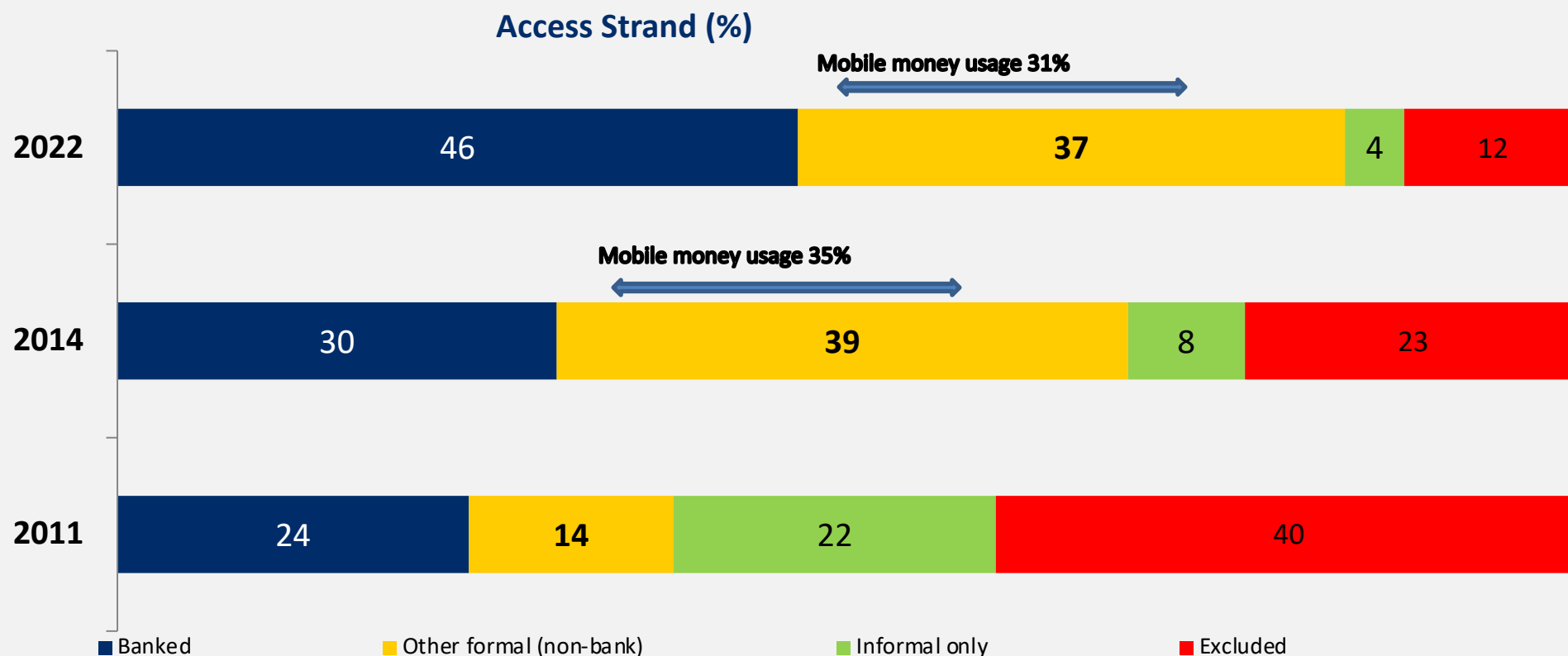
2022 (%)



- **33%** use a combination of formal and informal mechanisms to manage their financial needs, thus indicating that their needs are not fully met by the formal sector alone
- **4%** of the adult population **ONLY** rely on informal mechanisms such as savings groups (Mukando), Chimbado or Burial Societies to save or borrow money or cover risk
- **1%** of adults rely exclusively on banking services yet **26%** rely exclusively on other formal mechanisms

Financial inclusion: Access Strand

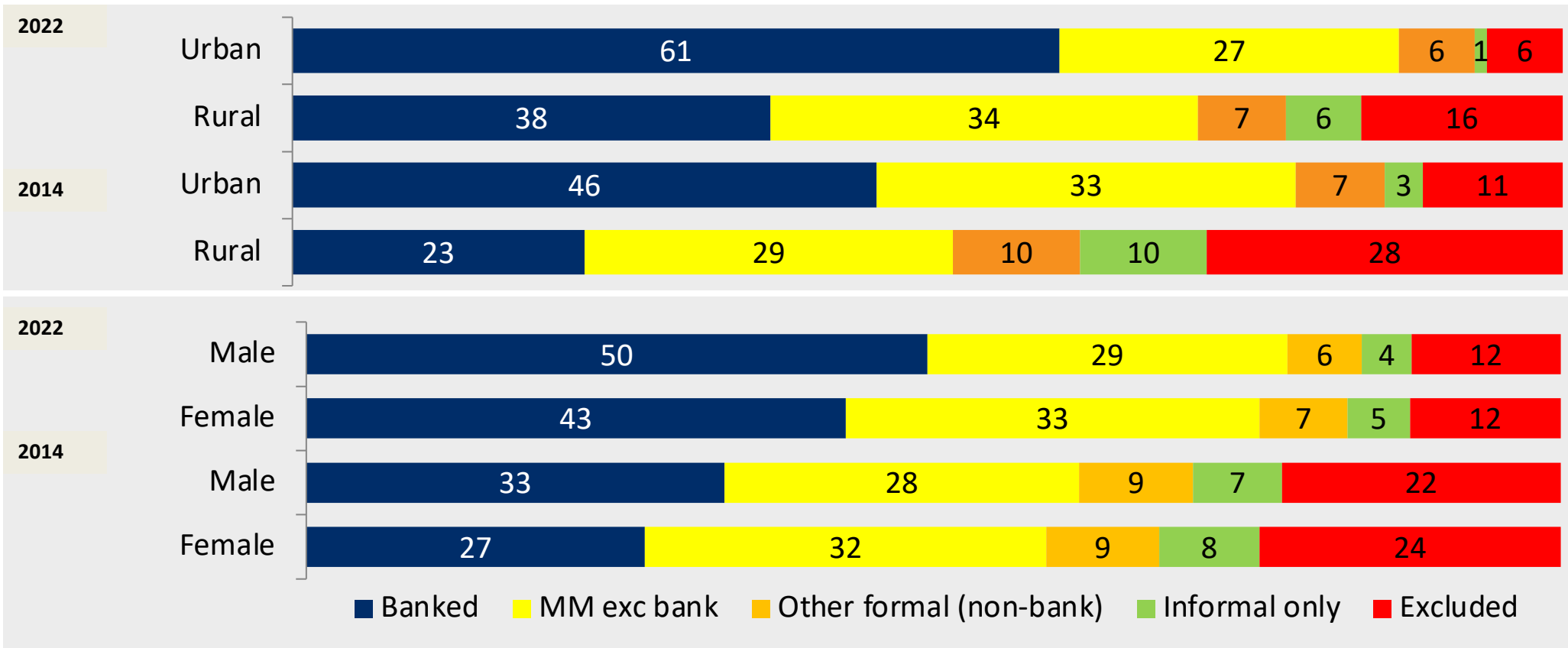
Notable increase in the use of banking products and drop in financial exclusion



Access Strand by area and gender

High formal financial inclusion (banking) among adults in the urban areas - Mobile money aiding in driving formal financial inclusion among the rural populace

Area and gender(%)



Financial inclusion

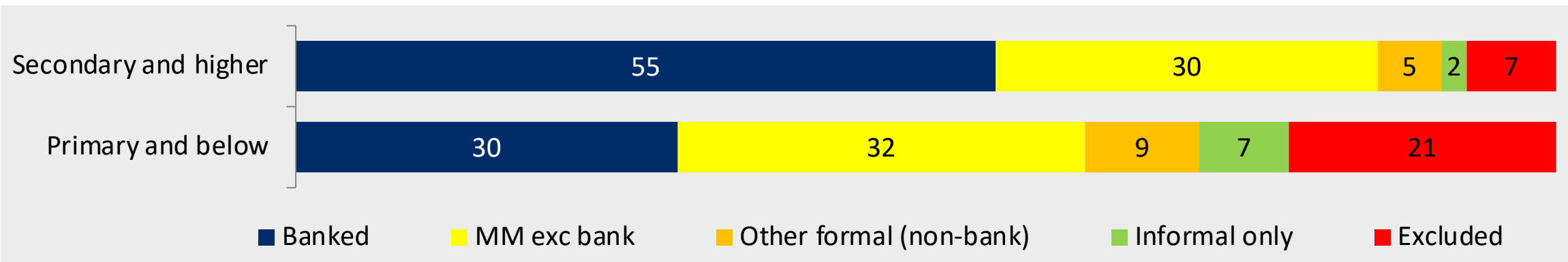
Gender disaggregation among area

		Male (%)	Female (%)
Urban	Banked	67	57
	MM only excluding bank account	23	30
	Other formal (non-bank)	5	6
	Informal	1	1
	Excluded	5	7
Rural	Banked	41	35
	MM only excluding bank account	32	35
	Other formal (non-bank)	6	7
	Informal	6	6
	Excluded	15	16

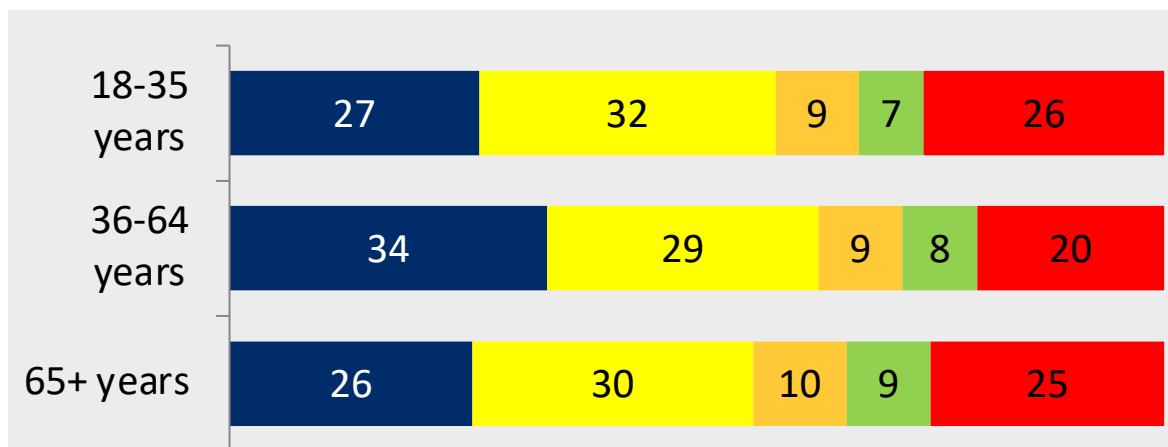
Access Strand by education and age

Adults with lower levels of education, youth and senior adults(retired) are more likely to be financially excluded

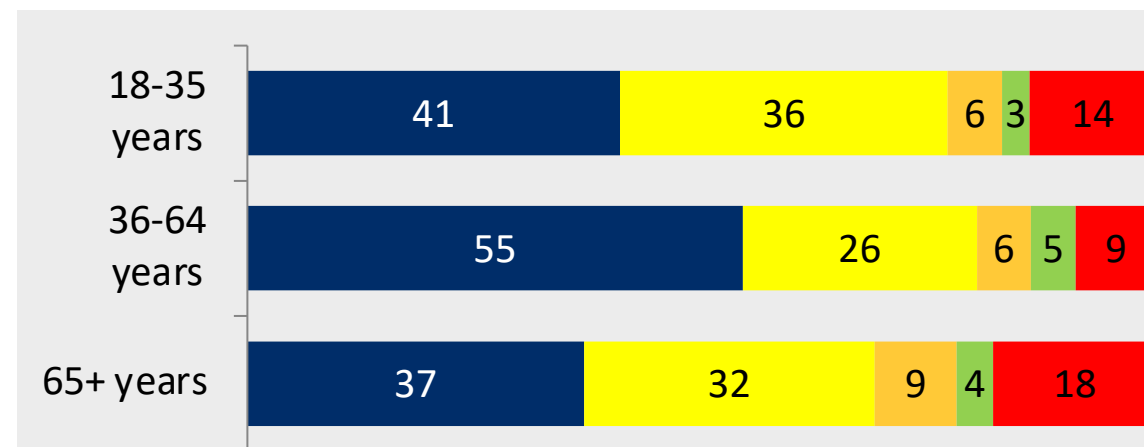
By age and education (%)



2014 (%)

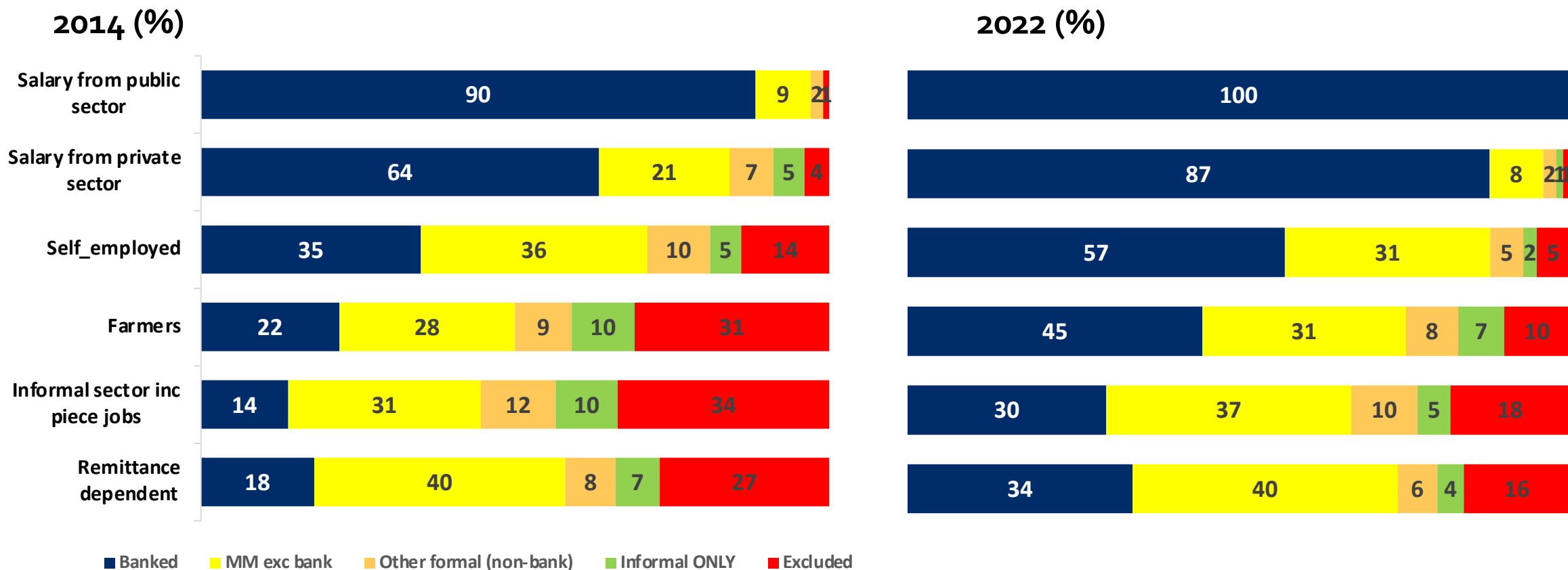


2022 (%)



Access Strand by livelihoods

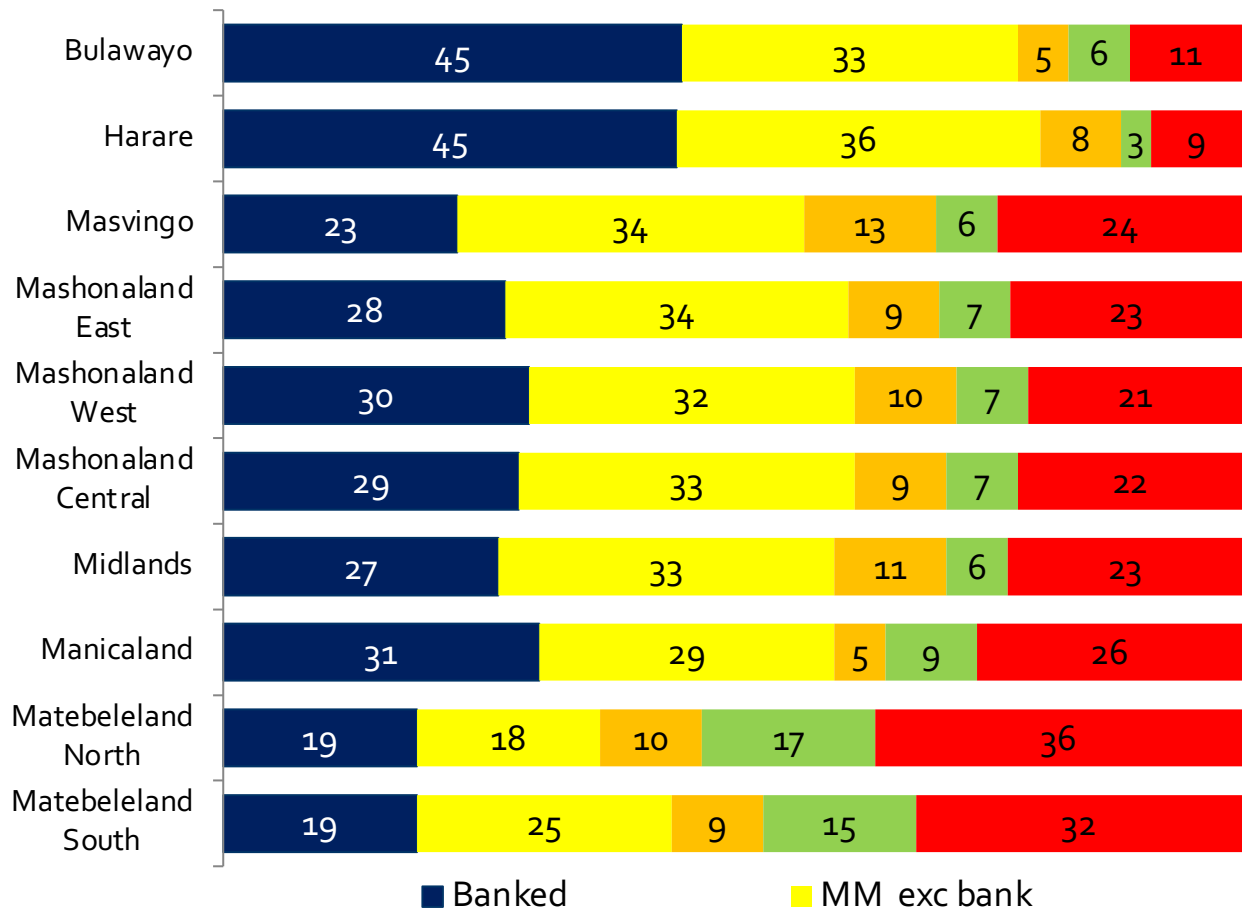
Adults who rely on piece jobs, farming and family support are more likely to be financially excluded



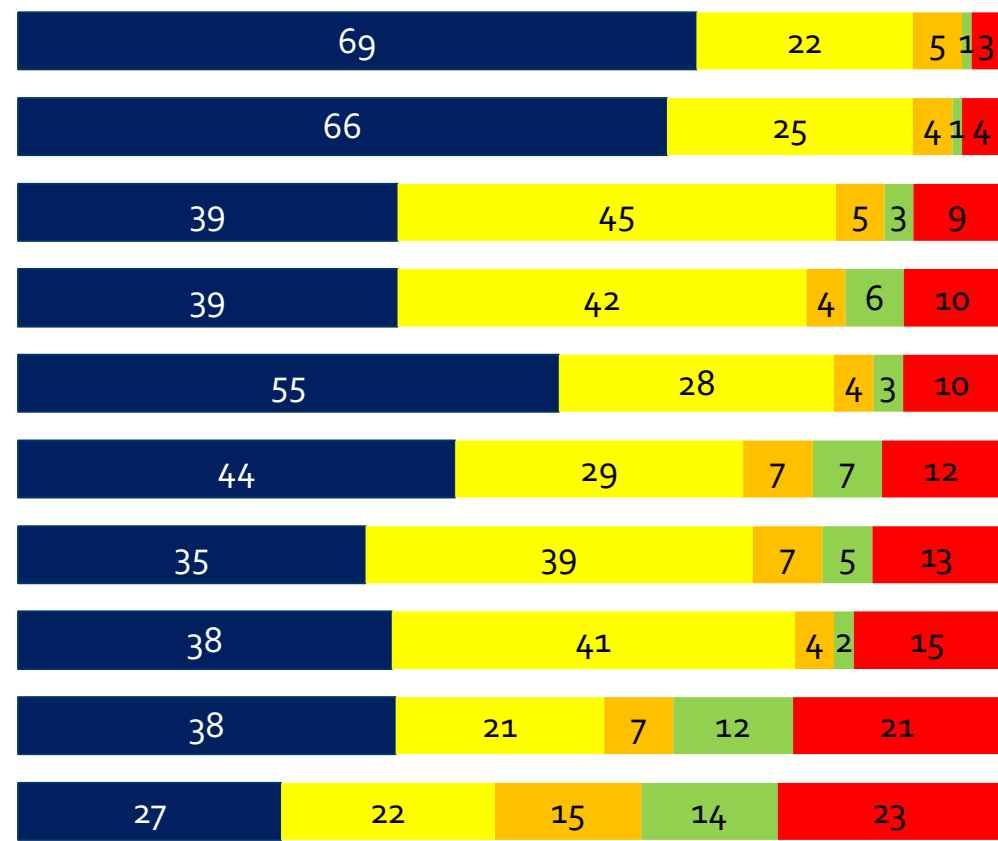
Access Strand by Provinces

Highest level of inclusion in Harare and Bulawayo, Zimbabwe's main urban centers.

2014 (%)

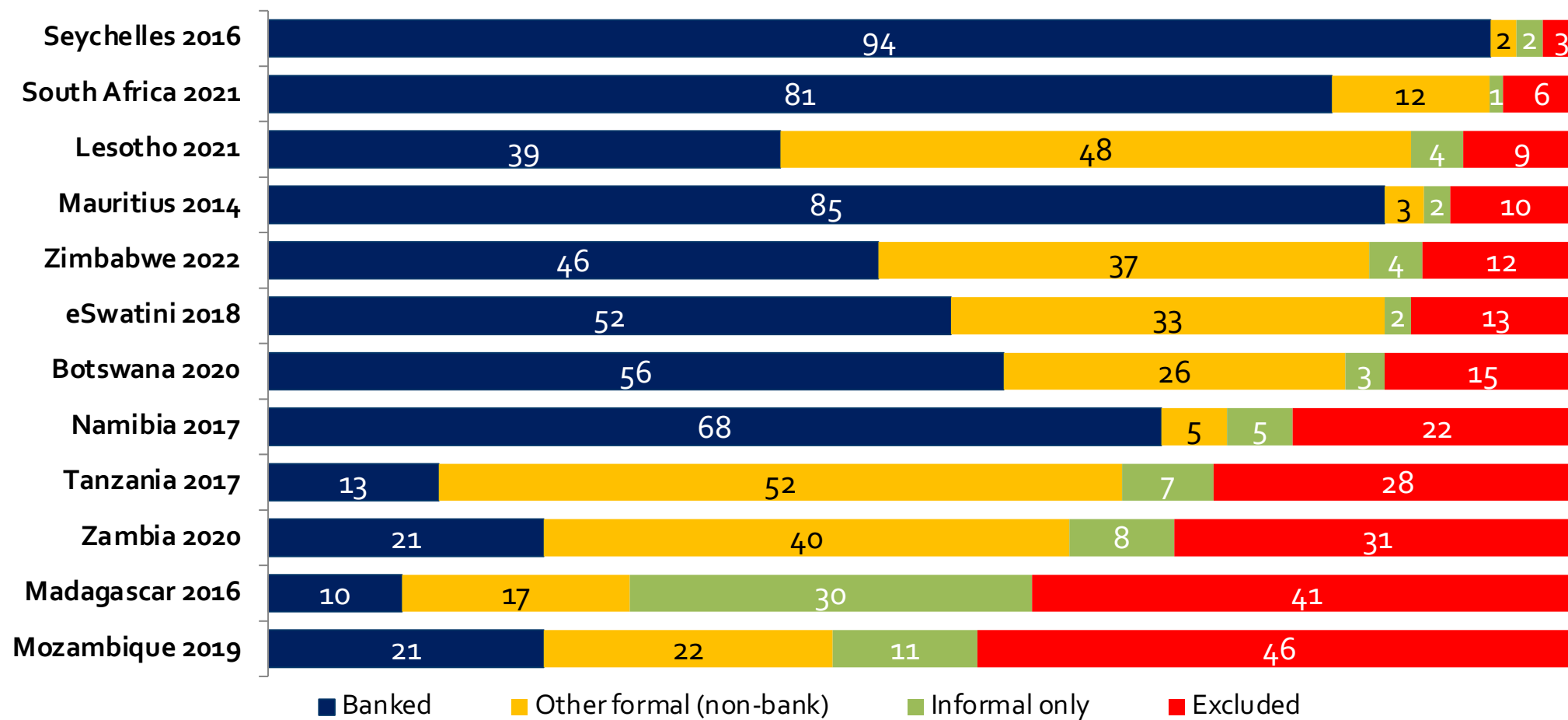


2022 (%)



Access Strand:

Compared to the selected SADC countries, Zimbabwe is ranked 5th in proportion of financially included adults



Summary – Financial Access Journey: 2011-2022

- **Formal financial** inclusion **has expanded significantly over the past decade (11 years)**. From 38% in 2011 to 69% in 2014 and now at 84% in 2022. This results in **financial exclusion dropping** to 12% in 2022 from 40% in 2011
- Uptake and usage of **both banking products and mobile money** has driven growth in formal inclusion.
- Constant decline in adults relying **ONLY on informal sources**
- Significant progress in **reducing financial inclusion rural/urban gap** - (17% gap in 2014, **this is down to 10% in 2022**)
- Another notable key achievement is the closing of the gender gap in financial inclusion.

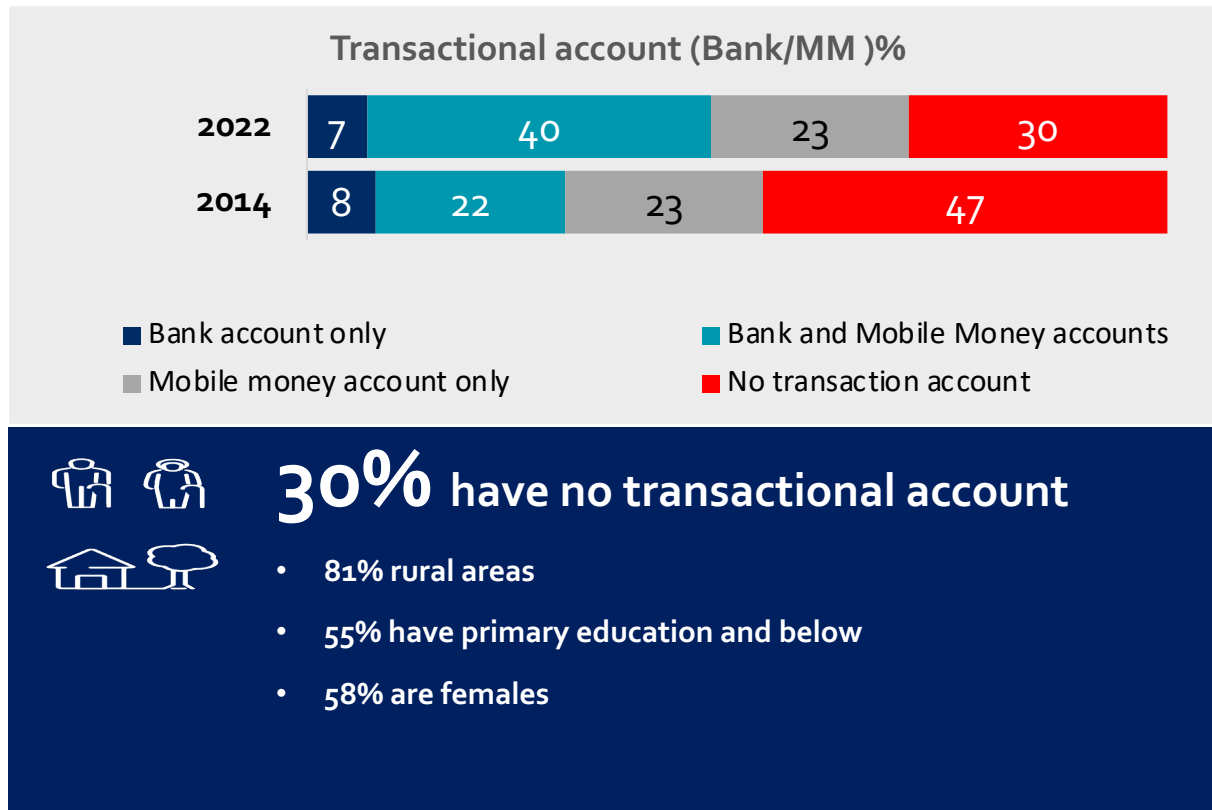
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Transactional accounts:

70% of adult Zimbabweans have a transaction platform or account that allows them to transact digitally through either a bank or mobile money account



Household uptake of Bank account /MFI /Mobile money



72% of HH have access to either a bank account/MFI/Mobile money

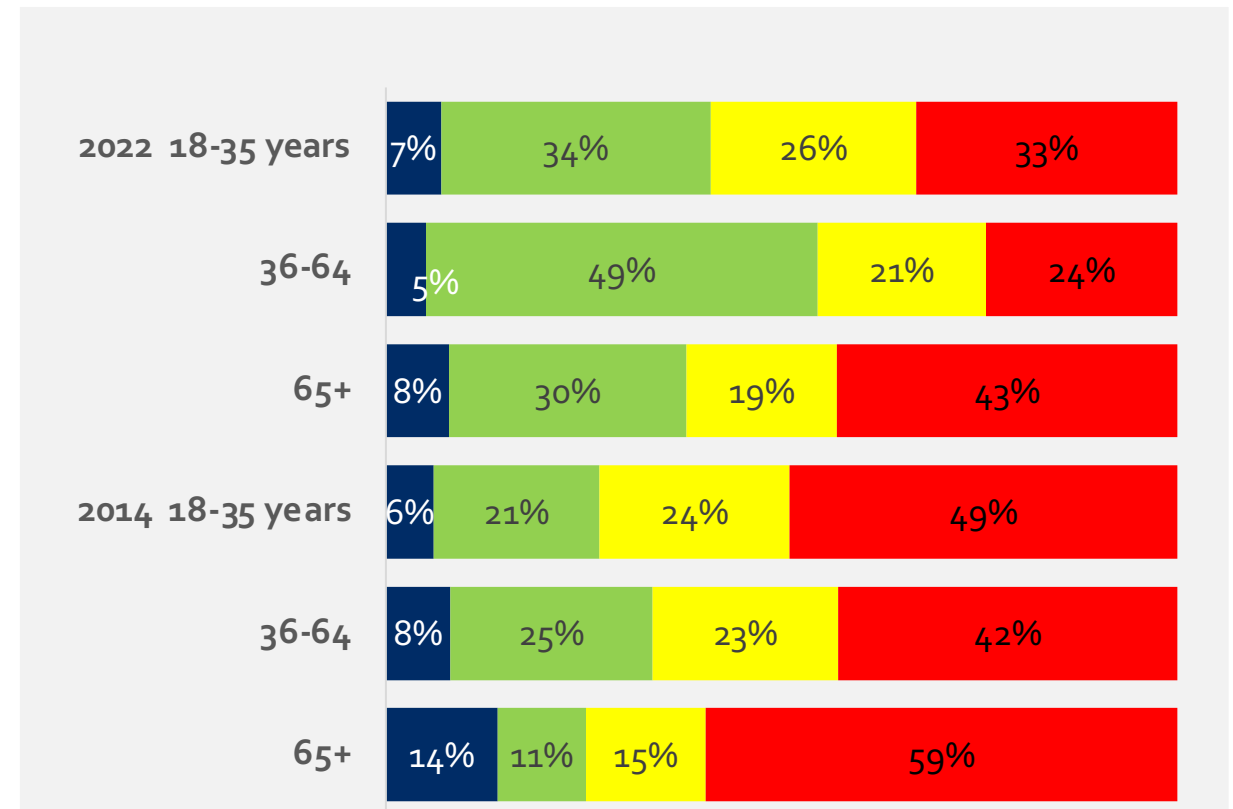
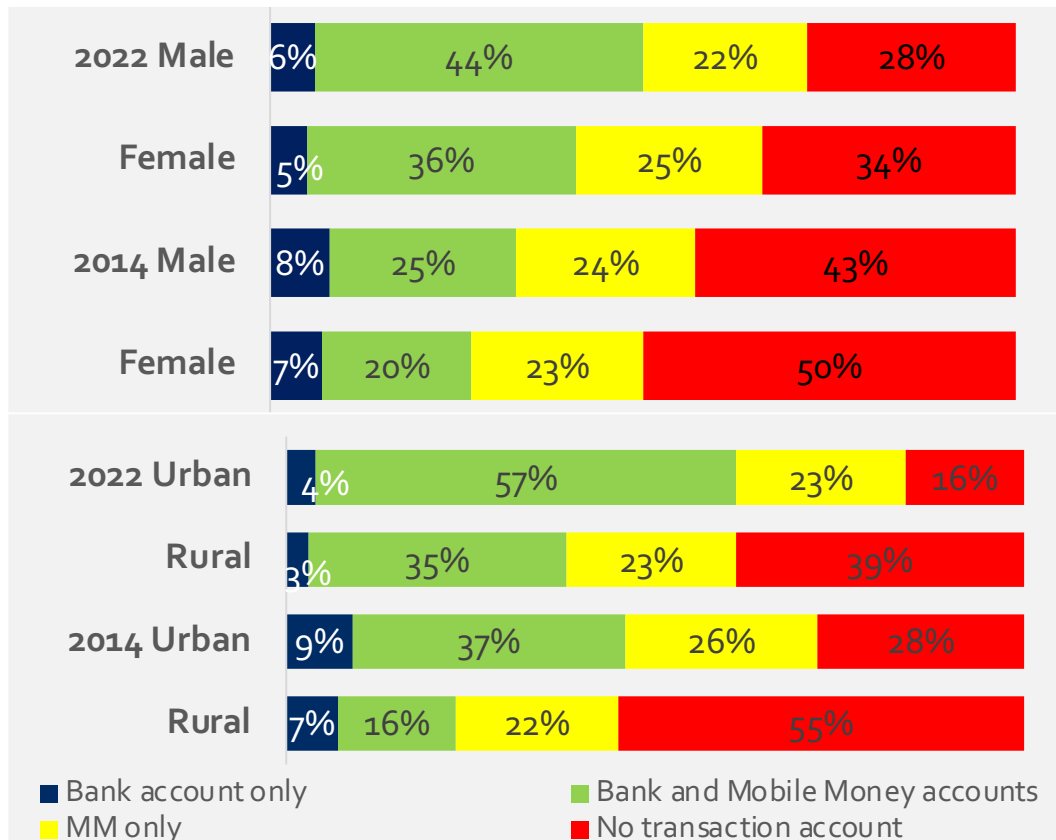
(Urban 91% Rural 62%)
(Male 75% Female 71%)

- **47% Bank account**
(Urban 67% Rural 35%)
(Male 49% Female 44%)
- **66% Mobile money**
(Urban 86% Rural 56%)
(Male 69% Female 66%)
- **1% MFI**
(Urban 2% Rural 0.2%)
(Male 1% Female 1%)

Transactional accounts

Notable increase in uptake of transactional accounts (either bank or mobile money accounts) across all groups

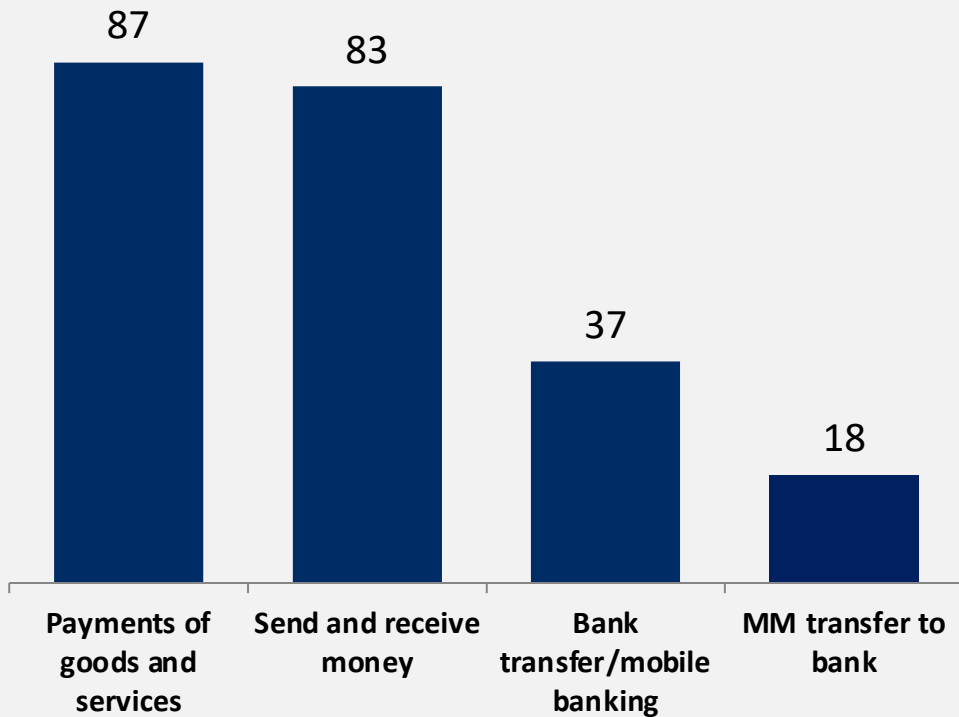
Transactional account (Bank/MM)%



Transactional accounts -Usage

Payments, sending and receiving of money drives the need to transact digitally

Main transactions performed digitally (%)



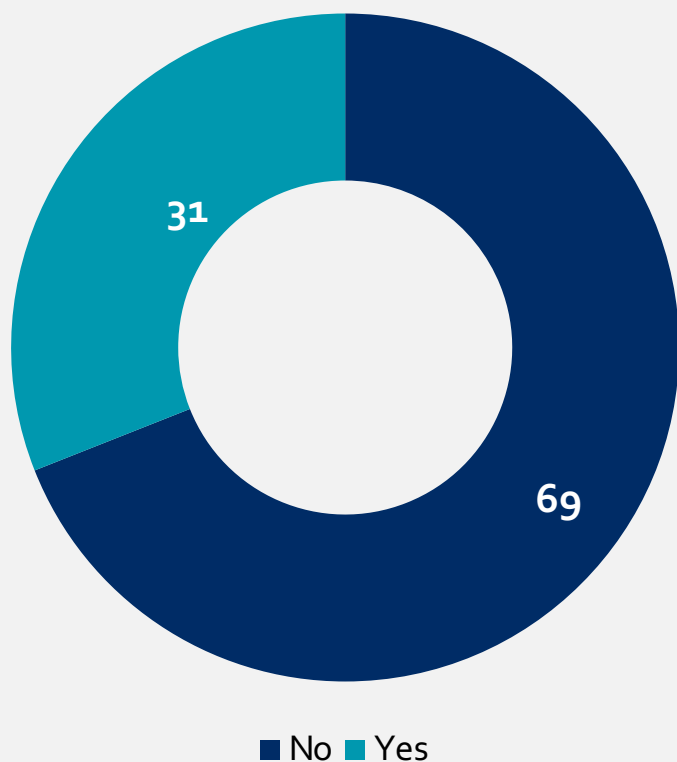
Most digital channel used(%)



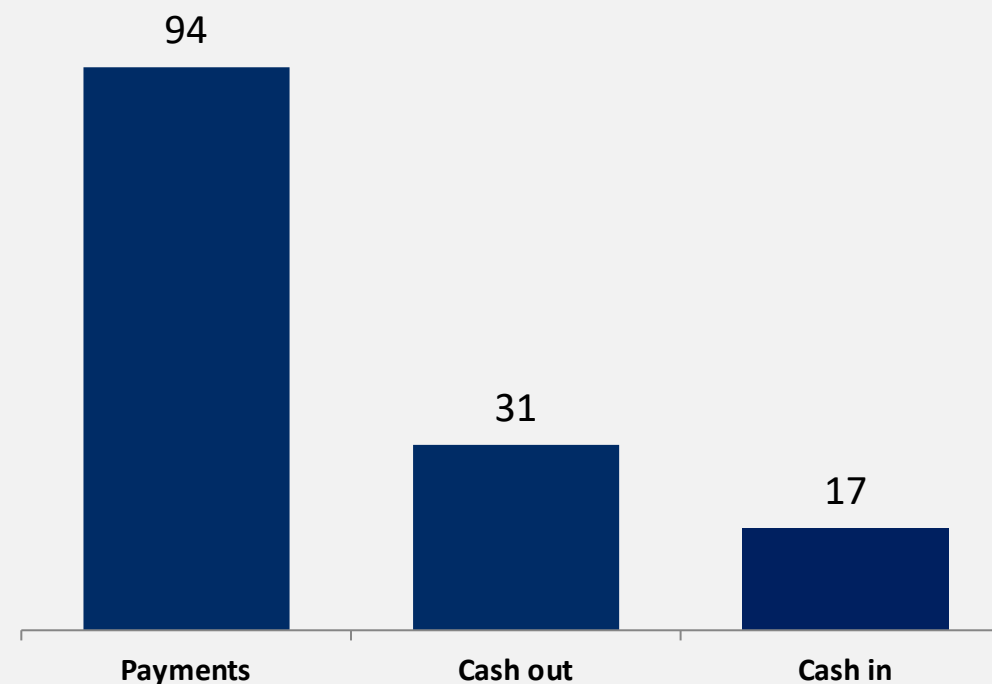
Transactional accounts - Usage

31% of adults have transacted via POS in the past 3 months - majority of them were making payments

Transacted via POS/ mPOS in the past 3 months (%)



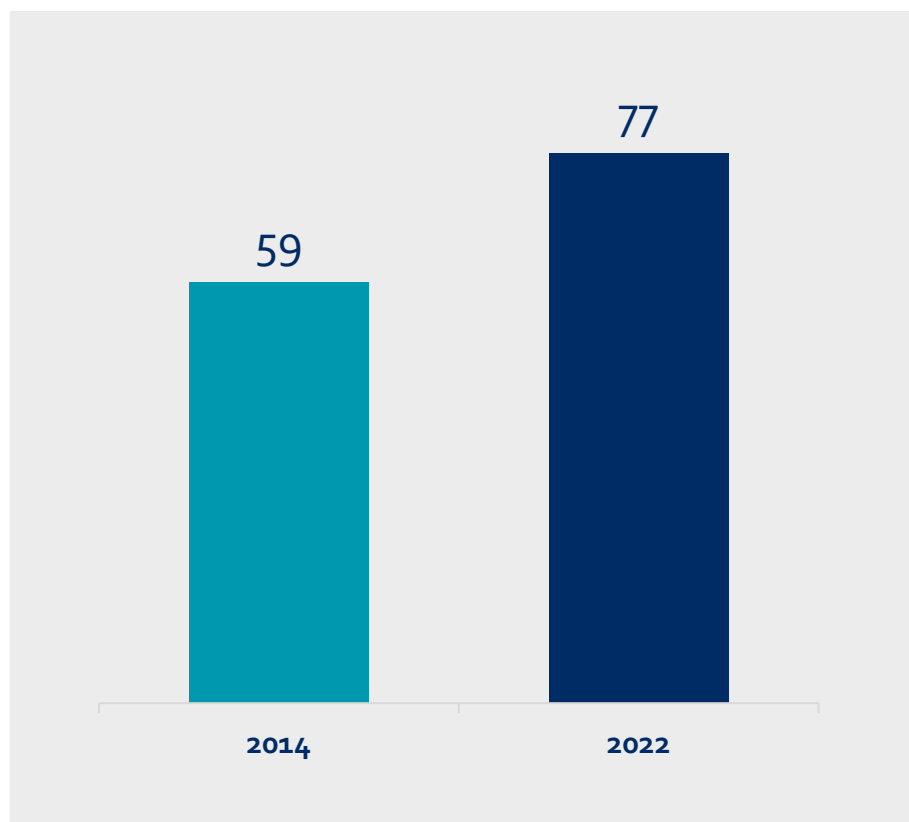
Transactions via POS/ mPOS (%)



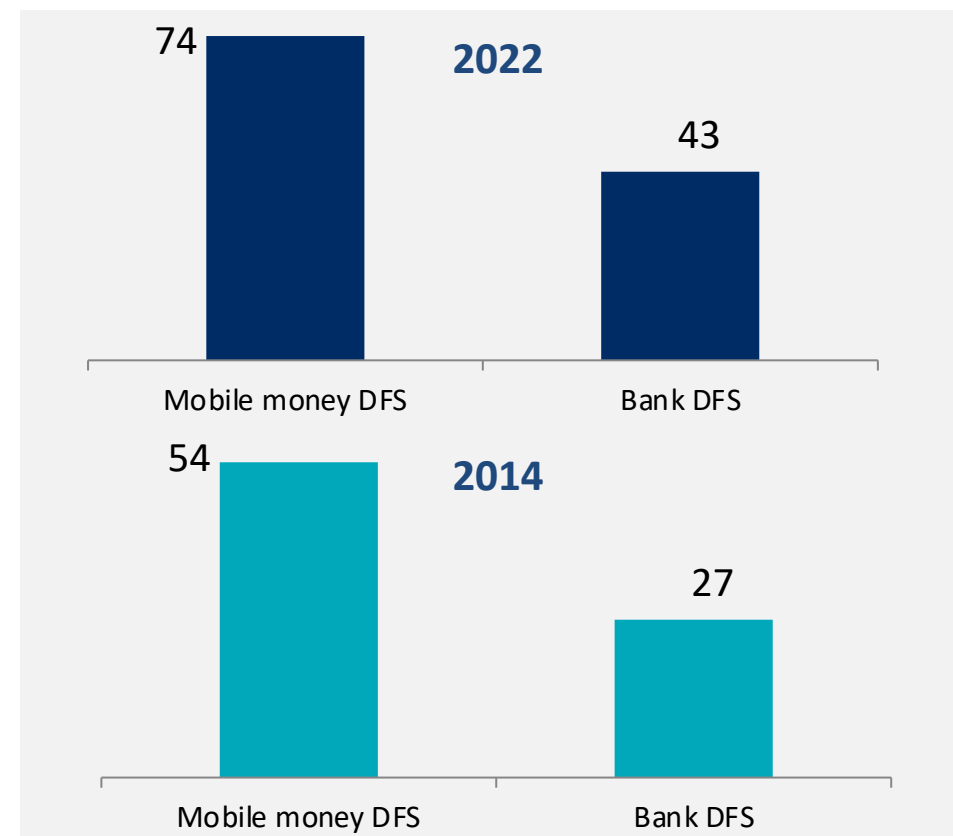
Digital financial Services: -Usage

77% of adults used Digital Financial Services, mainly driven by mobile money

DFS usage (%)



DFS Main Drivers (%)

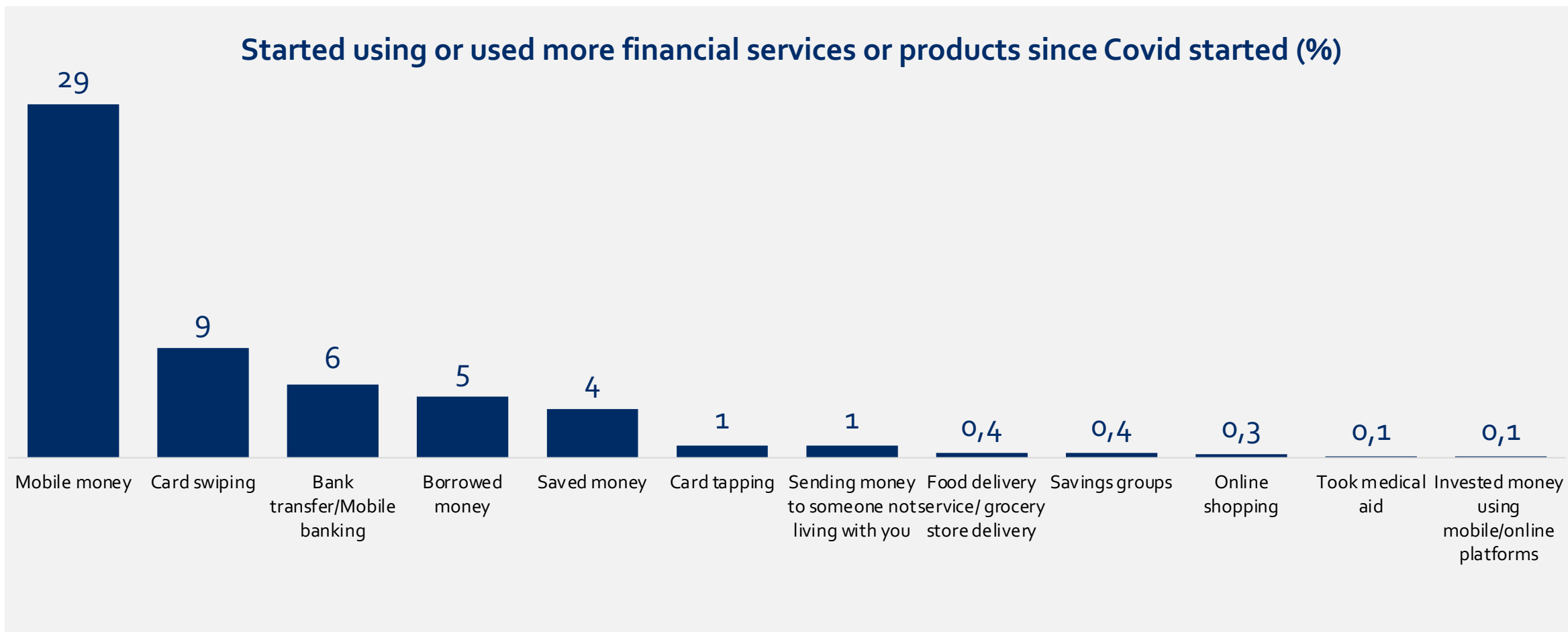


Digital financial services – Bank and MM digital transactions

	Bank DFS (%)		Mobile Money DFS (%)	
	2014	2022	2014	2022
Overall	27	43	54	74
Male	31	46	54	75
Female	24	40	52	73
Urban	42	58	72	86
Rural	21	34	46	67
Age groups				
18-35 years	24	38	53	73
36-64 years	31	49	56	78
65+ years	23	36	47	62
Manicaland Province	18	38	54	76
Mashonaland Central Province	19	41	47	66
Mashonaland East Province	18	36	55	75
Mashonaland West Province	27	52	47	76
Matabeleland North Province	18	37	30	52
Matabeleland South Province	13	23	38	41
Midlands Province	25	36	55	72
Masvingo Province	20	39	51	82
Harare Province	41	63	73	84
Bulawayo Province	40	67	68	89

Digital financial Services:

Impact of Covid-19 on use of financial products or services- Adults used more digital products or services



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Banking

Banking:

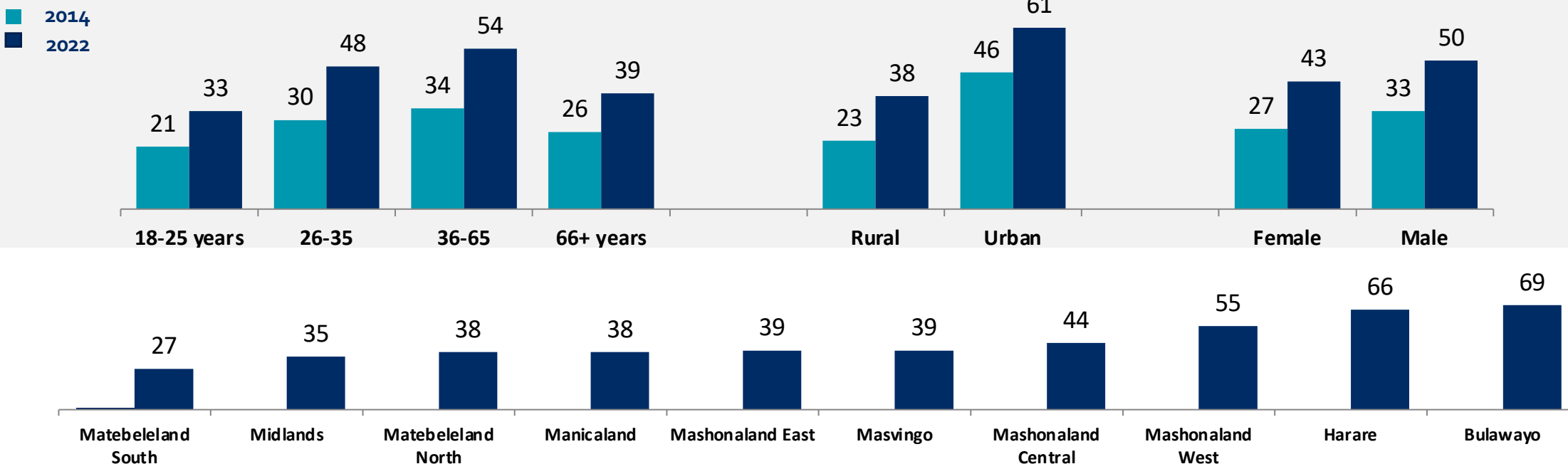
About 3,3 million or 46 percent of Zimbabweans are banked –1,2million adults have been brought into banking between 2014 and 2022

	2011	2014	2022
No. of banked adults in Zimbabwe	1.45 mil (24%)	2.08 mil (30%)	3.27 mil (46%)
No. of unbanked adults in Zimbabwe	4.53 mil (76%)	4.89 mil (70%)	3.78 mil (54%)
Total adult population	5.98 mil	6.99 mil	7,05 mil

Banking:

Youth (less than 25 years), senior adults (66+ years) and adults residing in rural areas are less likely to use bank services

Bank penetration across gender, age, area (%)



Banking:

Where is the growth? - Banking continues to be mainly driven by the uptake of transactional products

Banking products/usage	2014	2022
ATM/Debit card	14%	24%
Savings account	12%	16%
Current or cheque account	2%	5%
Nostro/Foreign currency account	1%	5%
Banking services		
Cellphone banking	8%	16%
Internet banking	1%	5%

Bank account usage

67% of banked adults use their bank accounts on a monthly basis or more frequently –mostly to payments and receive money

Bank account usage
(%)



Main transactions performed (%)



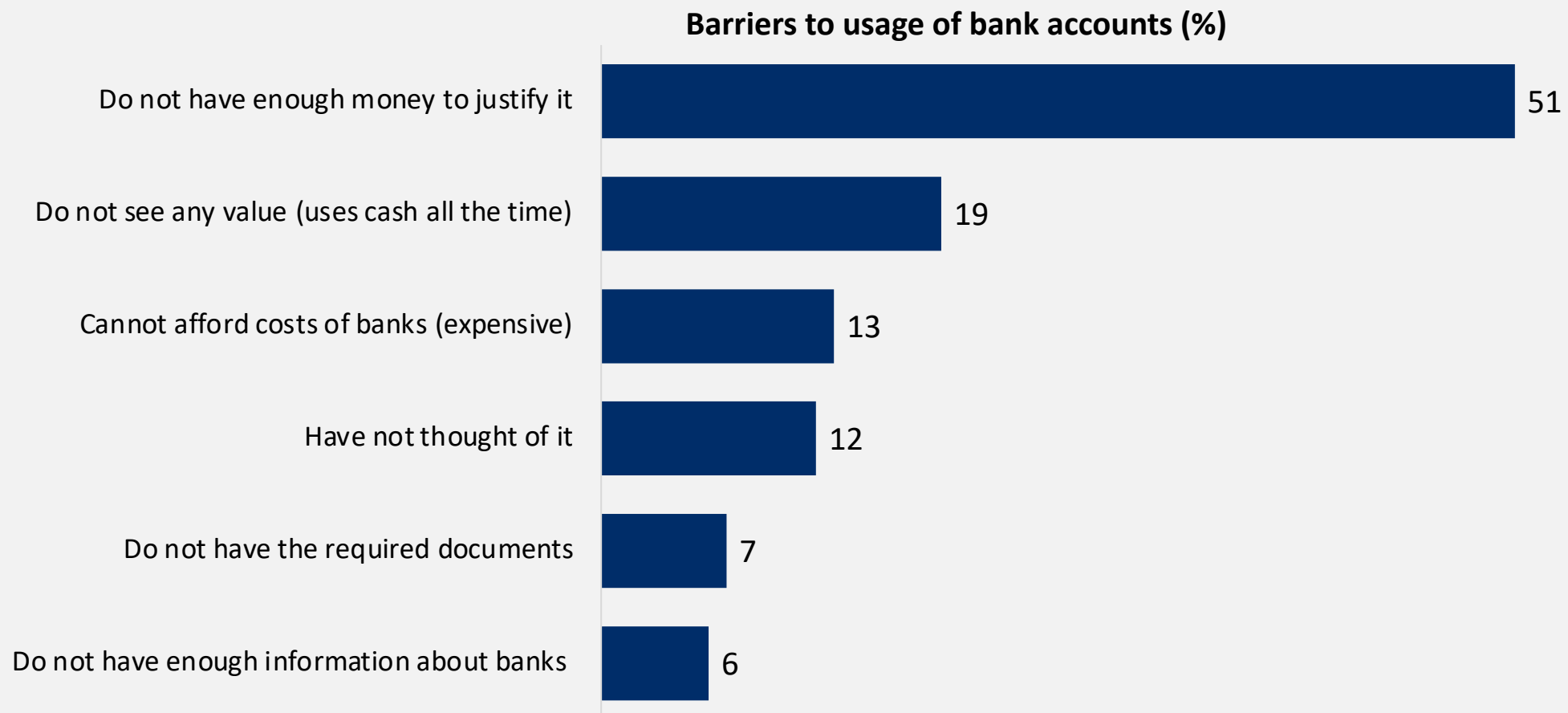
Bank account usage

Bank Usage by gender, area and age

	High (Weekly/fortnightly)	Medium (Monthly)	Low (Occasionally)
Male	19	50	31
Female	15	49	35
Urban	25	48	28
Rural	9	52	40
Age groups			
18-35 years	20	44	37
36-64 years	18	51	32
65+ years	7	66	28
Manicaland Province	23	49	28
Mashonaland Central Province	20	51	29
Mashonaland East Province	21	51	28
Mashonaland West Province	21	49	30
Matabeleland North Province	20	50	30
Matabeleland South Province	18	47	35
Midlands Province	23	47	30
Masvingo Province	23	45	32
Harare Province	32	48	20
Bulawayo Province	34	44	22

Banking

Barriers in uptake of bank accounts



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Mobile Money

Mobile money

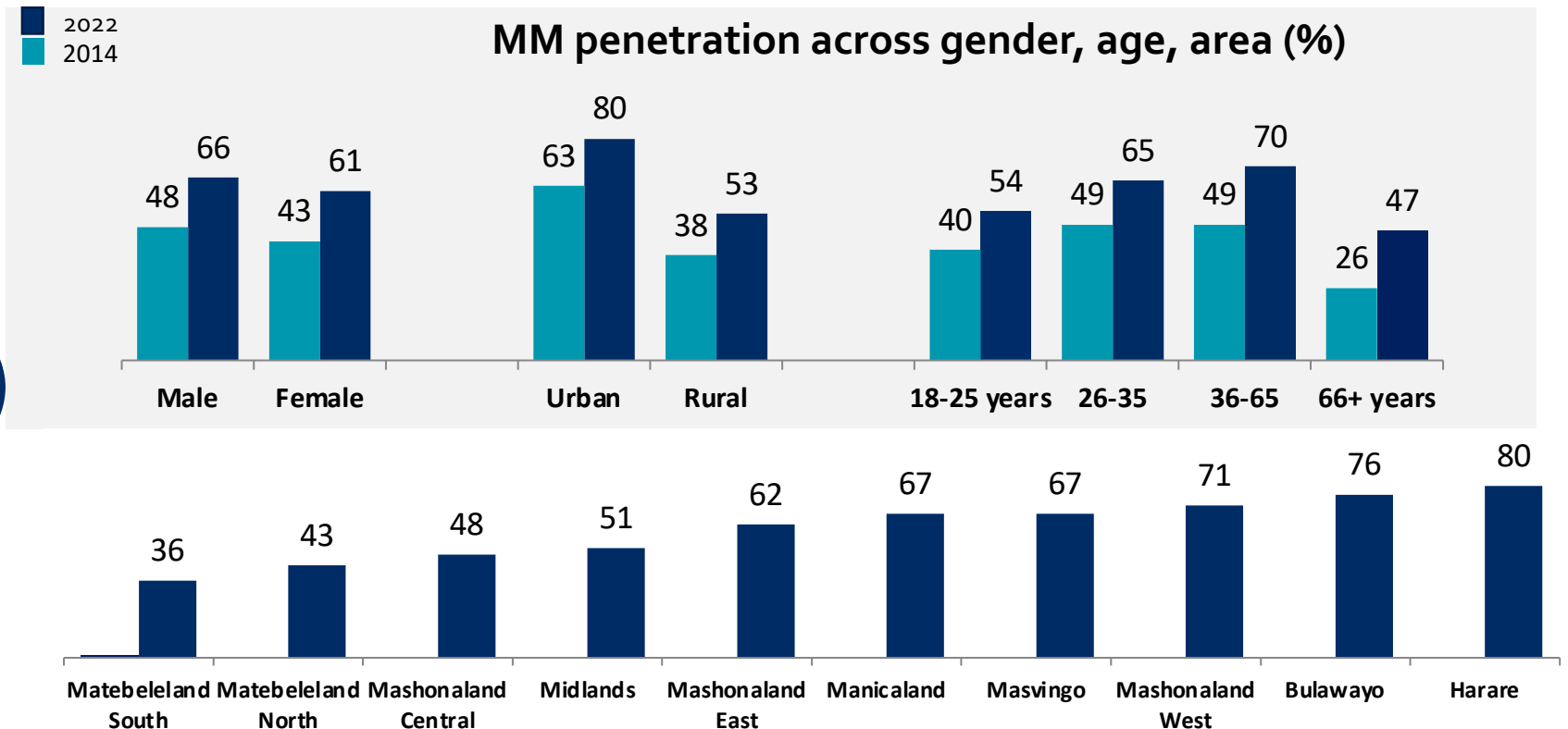
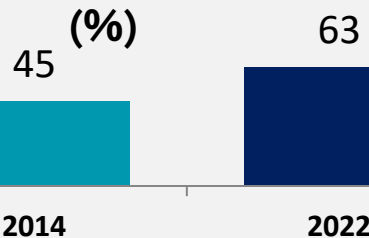
Majority of adults do own a mobile phone but only 63% or 4.4 million adults have registered accounts



93% Have access to a mobile phone

63% Own Mobile Money

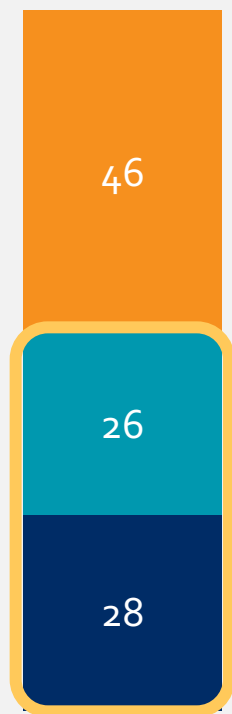
Mobile money ownership



Mobile money usage

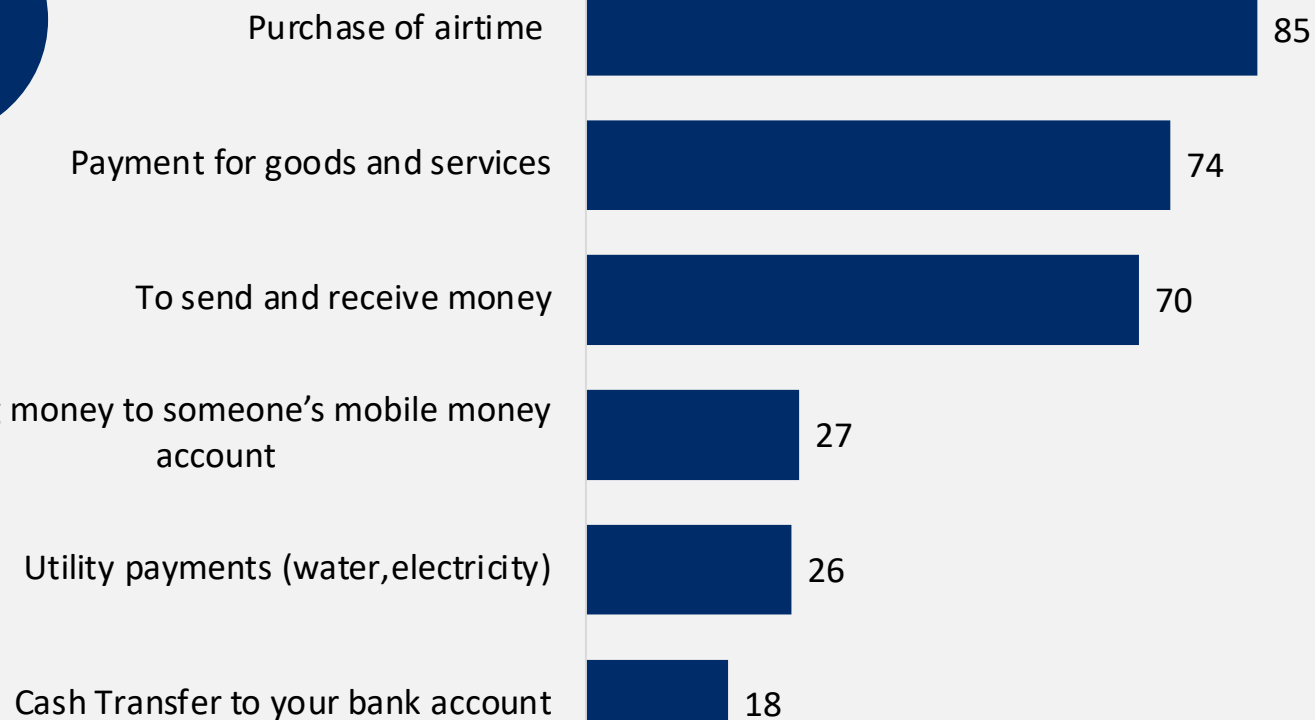
Payments are the major drivers of usage among mobile money users

Mobile money usage (%)



■ High(daily/weekly) ■ Medium(monthly)
■ Low(occasionally)

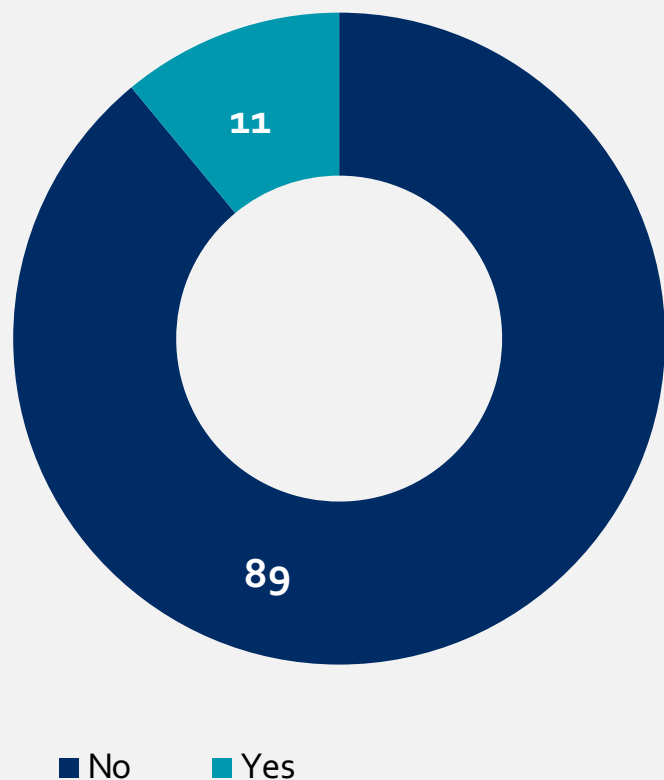
Mobile money transactions (%)



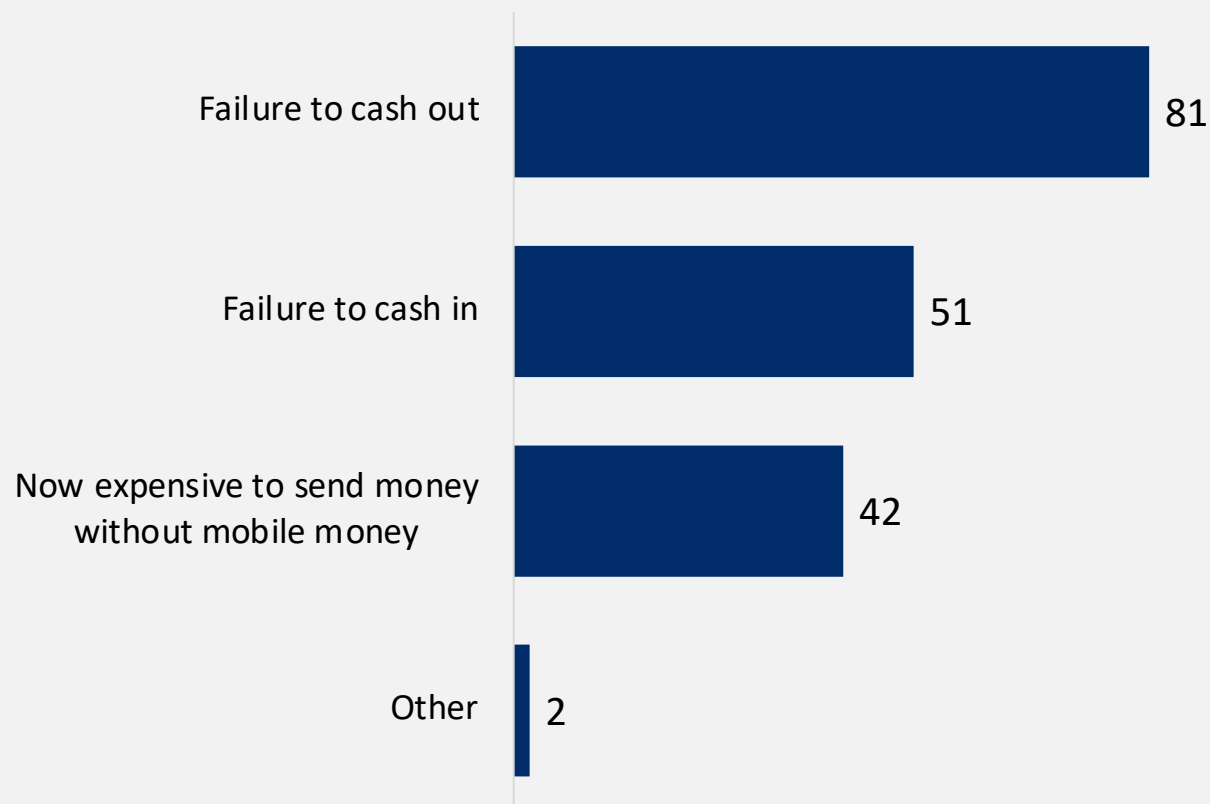
Mobile money challenges

11% of adults have been inconvenienced by the unavailability of Cash in Cash out agents – major hindrance being failure to cash out

Have been inconvenienced by agents stopping operation (%)



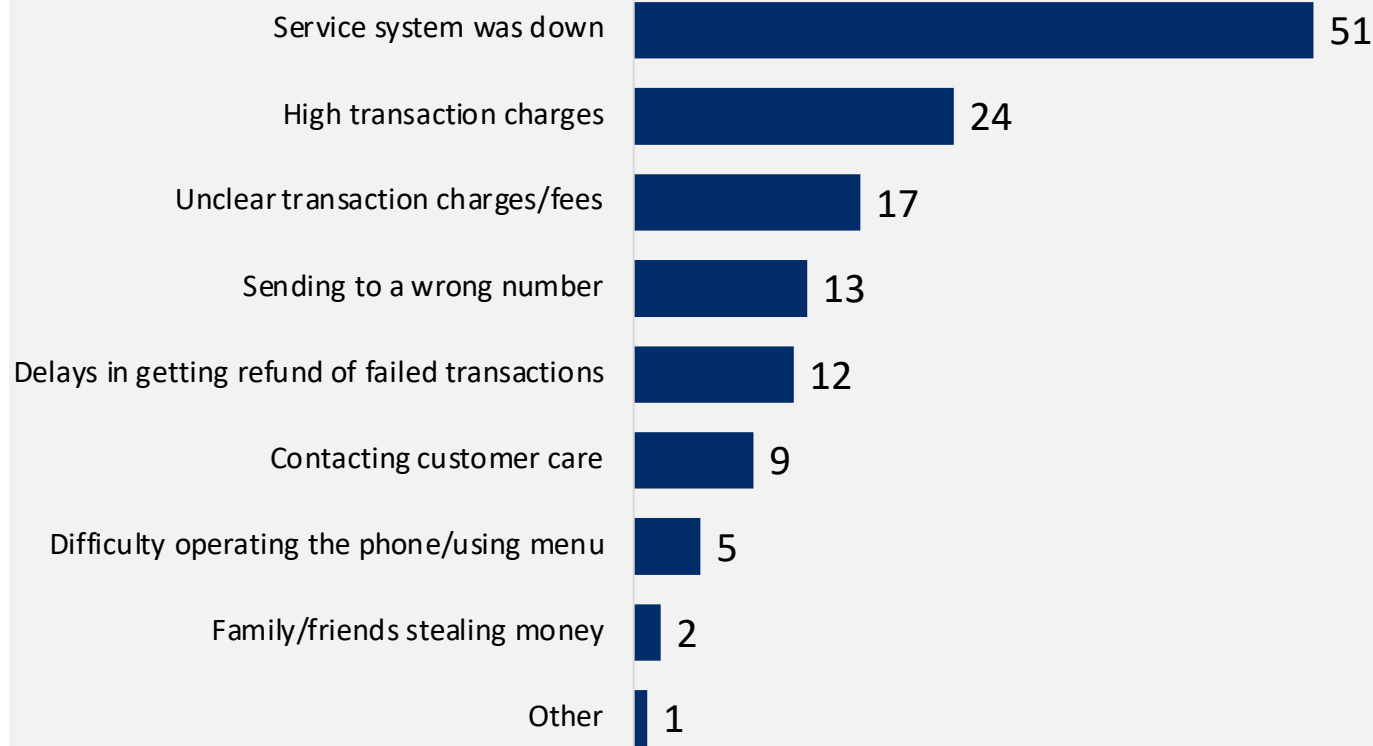
Challenges faced (11%)



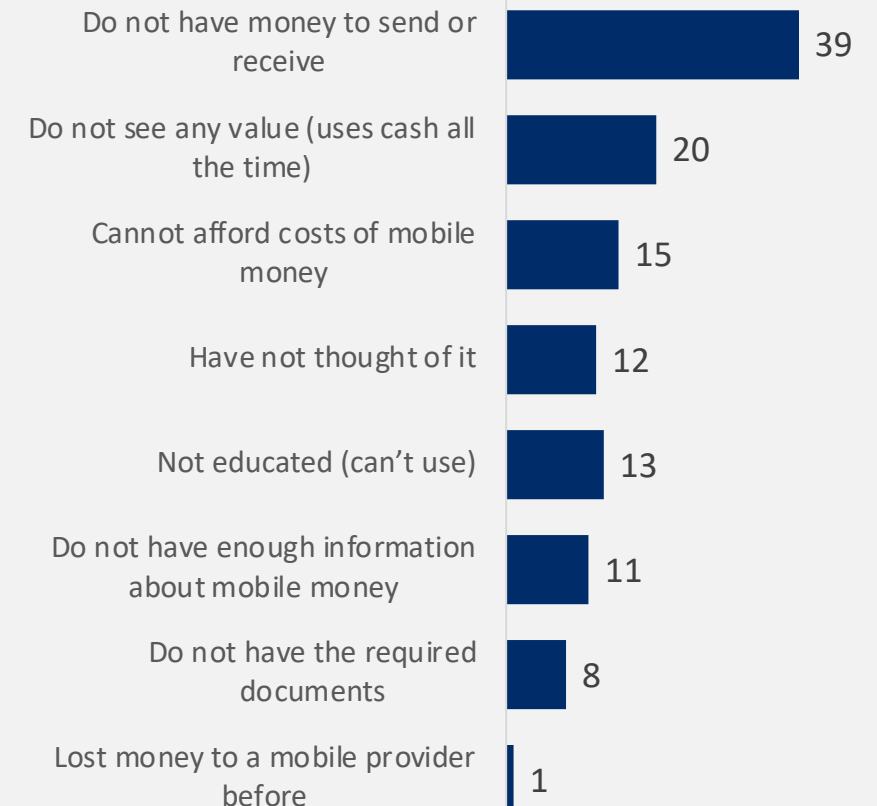
Mobile money challenges

Service reliability and high / opaque pricing are the key challenges in the mobile money market

Mobile money challenges (%)



Barriers to usage of mobile money (%)



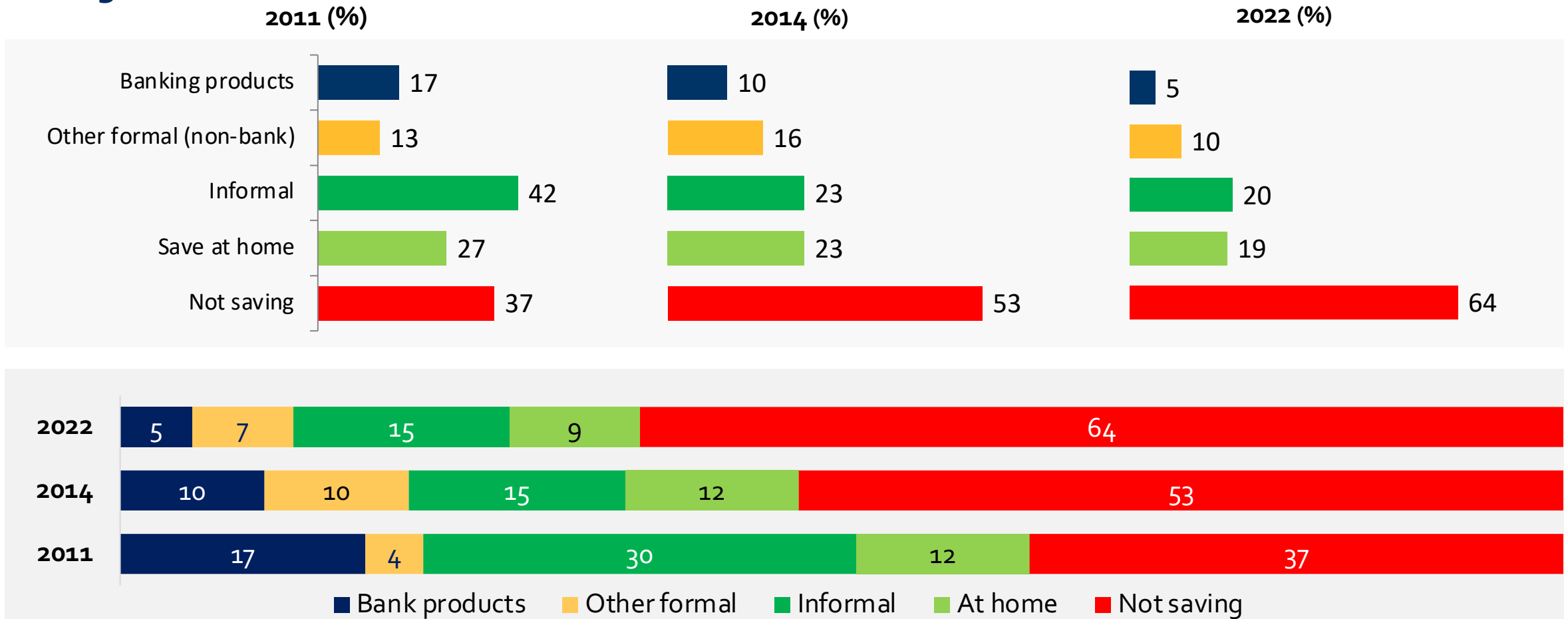
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Savings and investments

There is more reliance in informal saving mechanisms including keeping cash at home than formal savings



Landscape products

Saving products or mechanisms

	2014	2022		2014	2022		2014	2022
Banking products	10%	5%	Other formal (non-bank)	16%	10%	Informal	23%	20%
Savings/investment at a bank	10%	5%	<ul style="list-style-type: none"> • Mobile money savings (e.g., Ecocash Save • Pension fund • Capital markets 	6%	2%	Savings with a membership organisation (Mukando)	11%	11%
				10%	9%	Savings in livestock	15%	12%
				1%	3%	Savings with your employer	1%	1%
						Savings at home or with family member	23%	19%

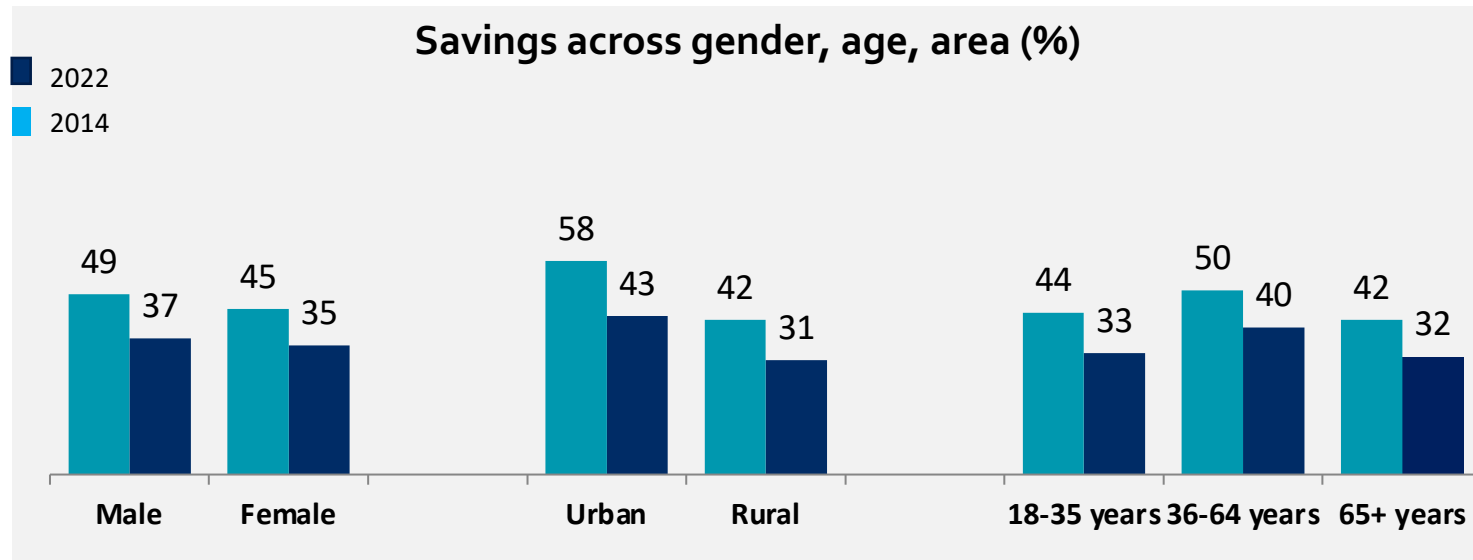
Savings and Investments

Pension, and saving groups are the major drivers of both formal and informal savings respectively

Saving mechanisms	2014	2022	Investing mechanisms (Capital markets)	2014	2022
Savings at bank (all savings products at bank)	10%	5%	Unit trusts	0.1%	0.3%
Savings at other formal institutions (e.g. NSSA)	16%	10%	Investment a bank	0.3%	1%
Savings through investing in cattle or livestock	15%	12%	Treasury bills and government bonds	0.3%	0.1%
Savings with a membership organisation (Mukando)	11%	11%	Shares	0.2%	0.4%
Savings in a secret place or at home	21%	15%	Derivatives		0.2%
			Linked deposits	0.2%	1%

Savings and Investments

Savings behavior could be defined as short-term- of those saving only 37% had their savings for over a year



Saving behaviour of adults



53% save occasionally or yearly



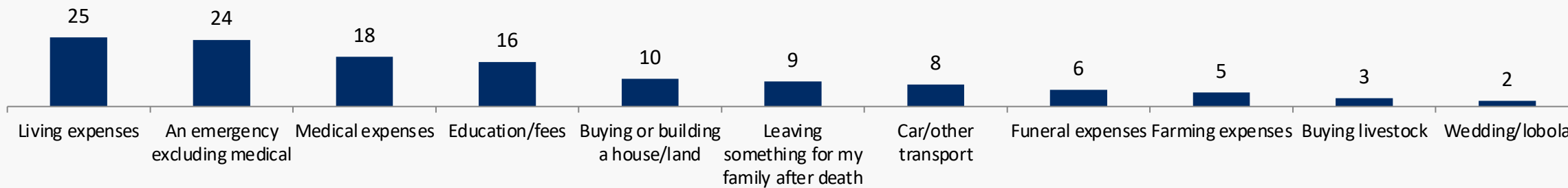
47% take their savings occasional

37% had their savings for over a y



Average money saved up = \$USD

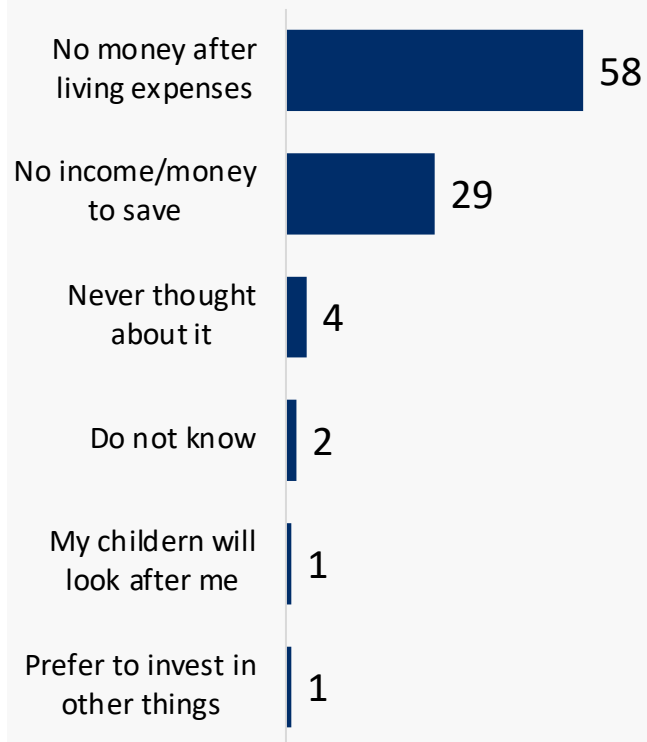
Drivers of savings (%)



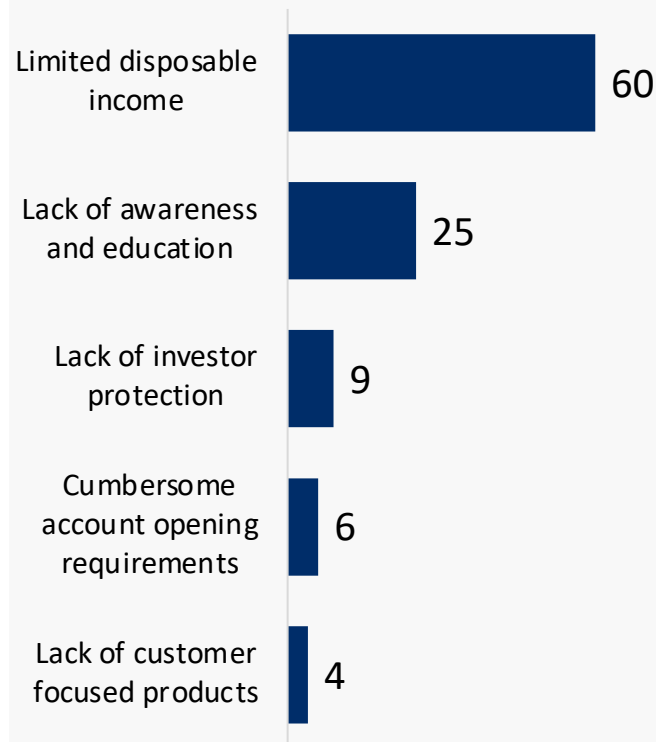
Savings and Investments

Although awareness of investment products is low –adults cited limited disposable income as a major reason for not investing/saving

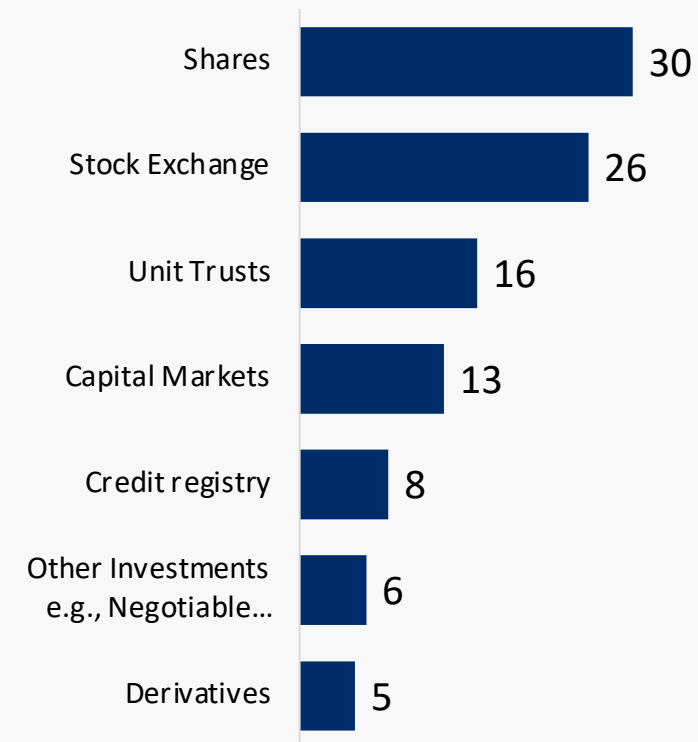
Reasons for not saving (%)



Reasons for not investing (%)



Awareness of the following terms (%)



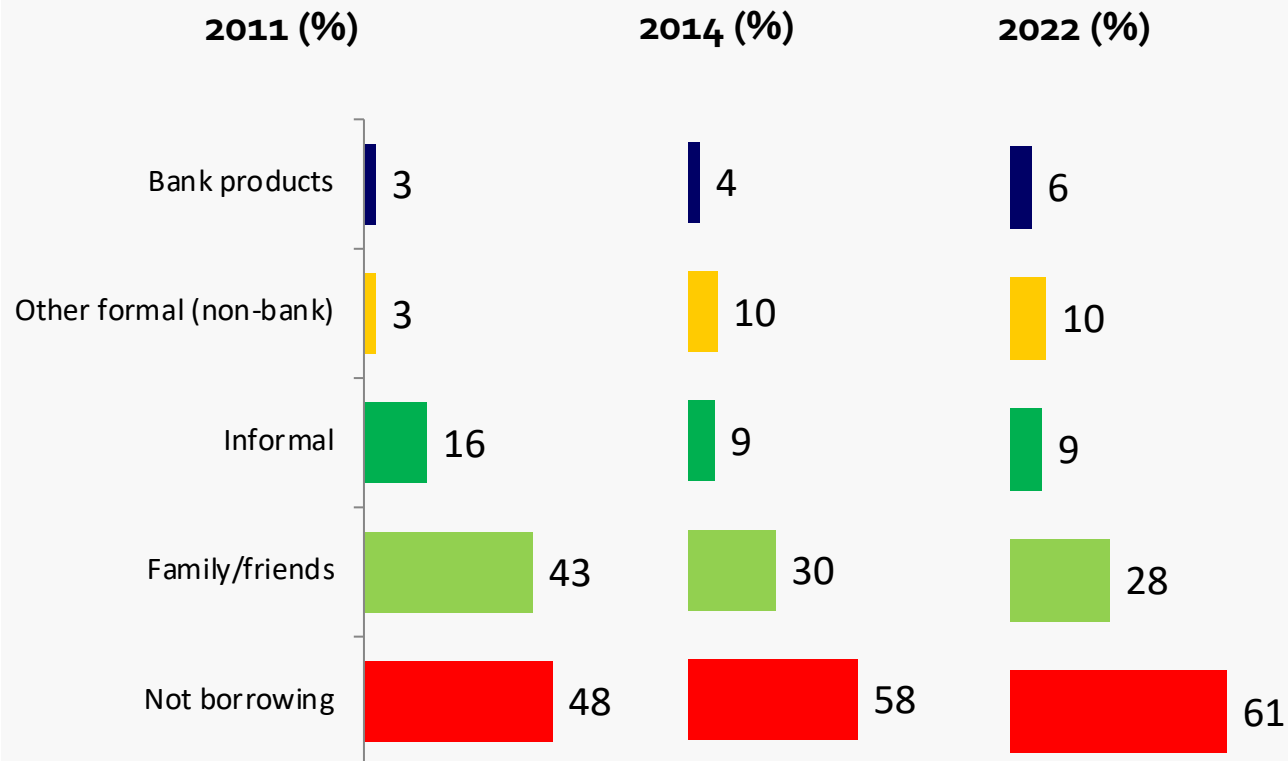
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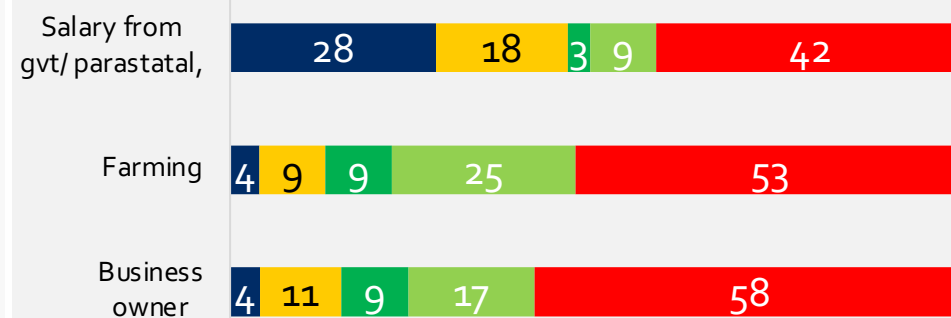
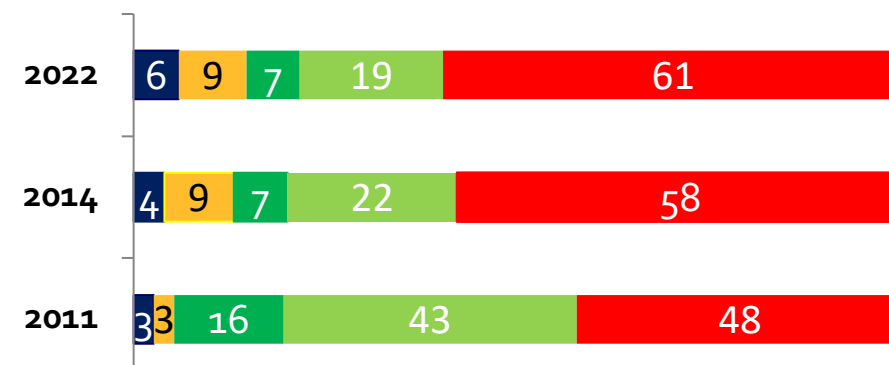


Borrowing and credit

Overall credit consumption slightly declined –adults mainly relying on friends and family for financial support



Credit Strand(%)



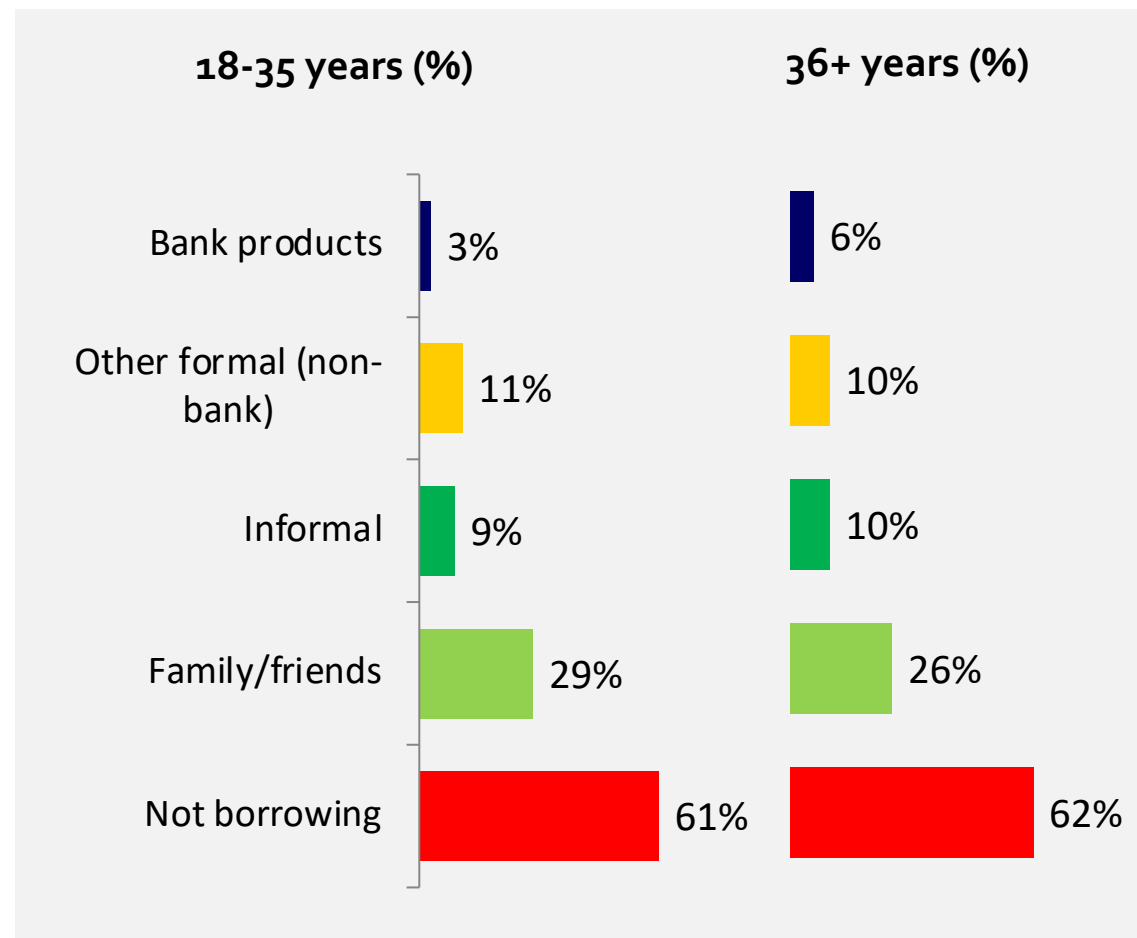
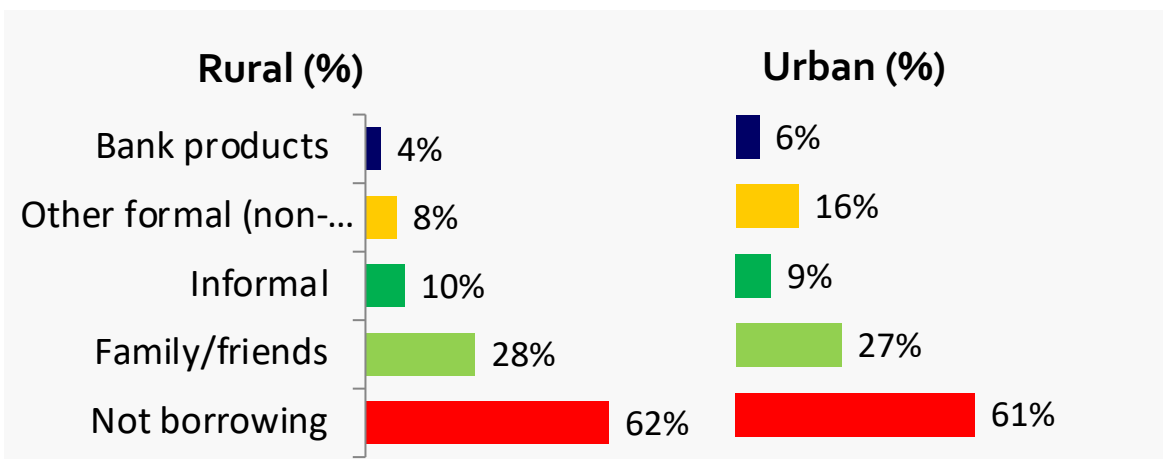
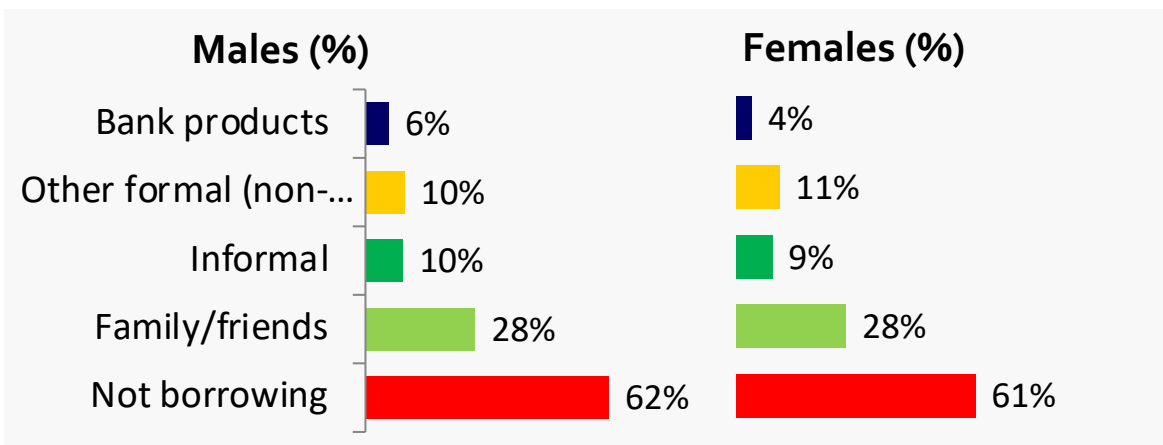
Borrowing and credit

Credit products or mechanisms

	2014	2022		2014	2022		2014	2022
Banking products	4%	6%	Other formal (non-bank)	10%	10%	Informal	9%	9%
1. Bank products/services	4%	6%	1. Microfinance institution, Zambuko Trust	1%	1%	1. Money lenders/chimbadzo	3%	4%
			2. Mobile money services and mobile network operator (airtime) (e.g., Eco Cash, borrow airtime)	8%	9%	2. Savings group	2%	3%
			3. Store credit e.g. Edgars	2%	1%	3. Got goods in advance	5%	4%
						4. Employer	2%	1%
						Family and friends	30	28

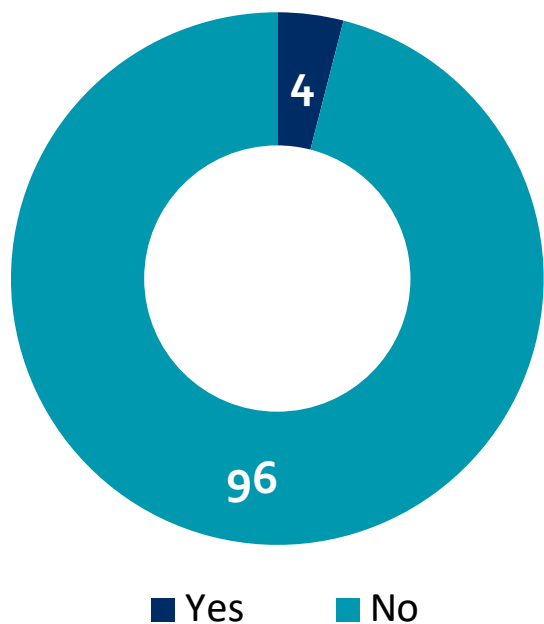
Borrowing and credit

Among all the groups reliance on family and friends for financial support is driving credit uptake

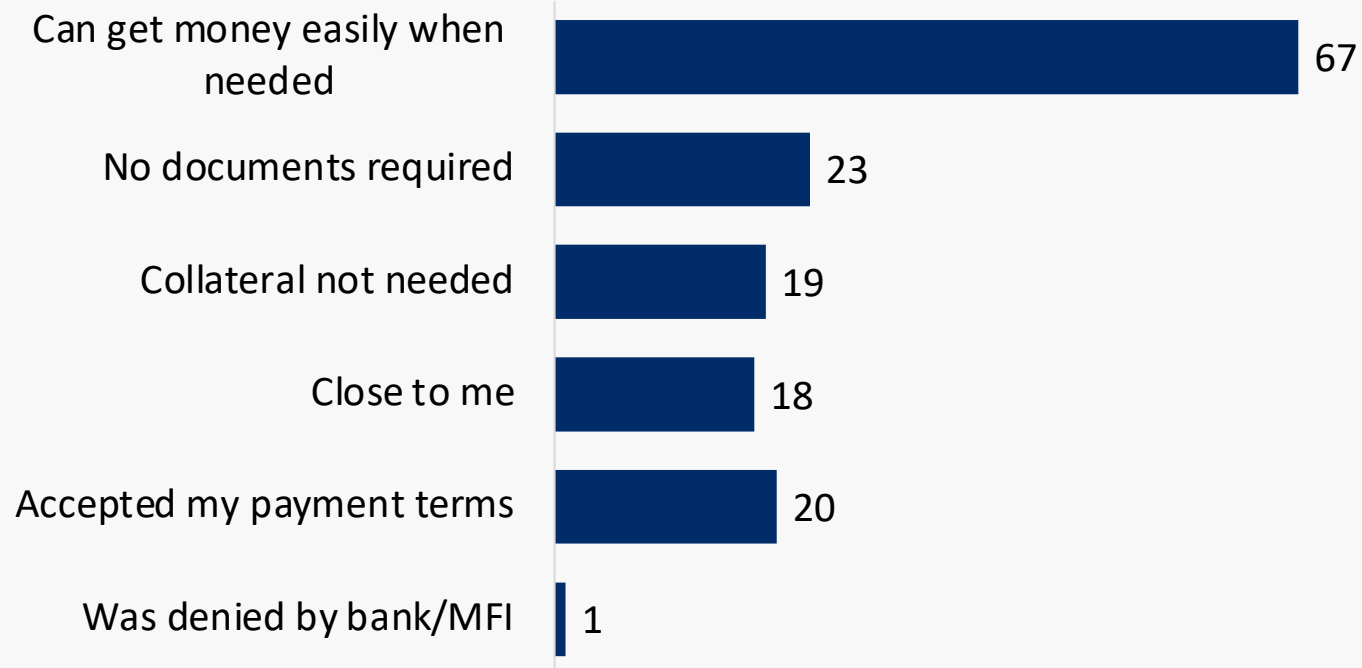


Borrowing and credit

Borrowed from informal money lender/chimbado (%)



Reasons for using informal money lender (4%)



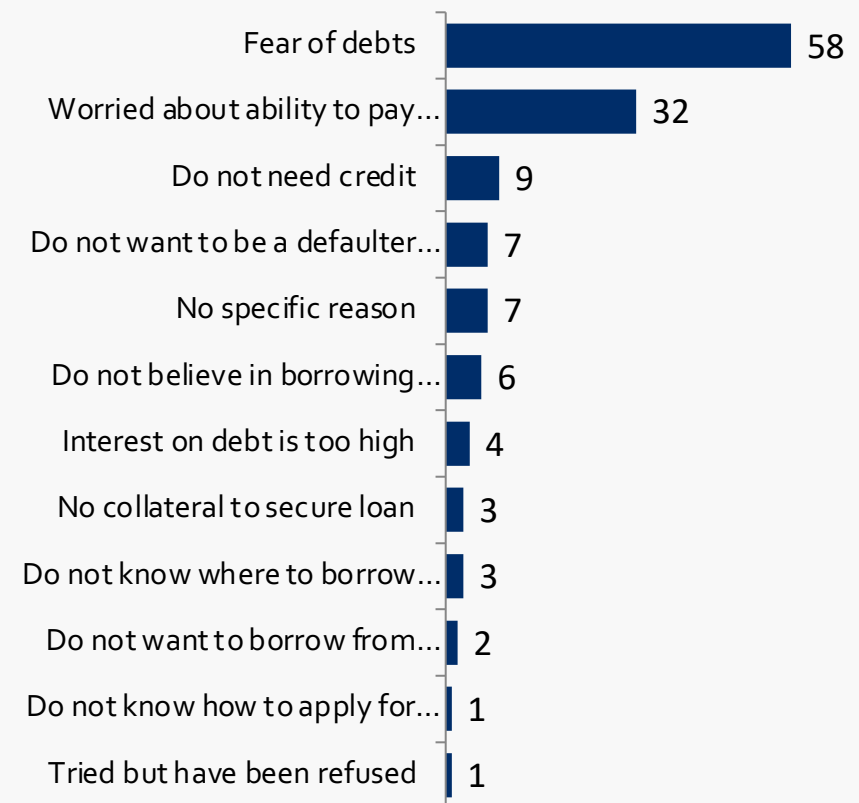
Borrowing and credit

Majority of credit users borrow to meet living expenses. Most of those who do not borrow fear debts and are worried of their ability to repay

Drivers for credit (%)



Barriers to credit (%)



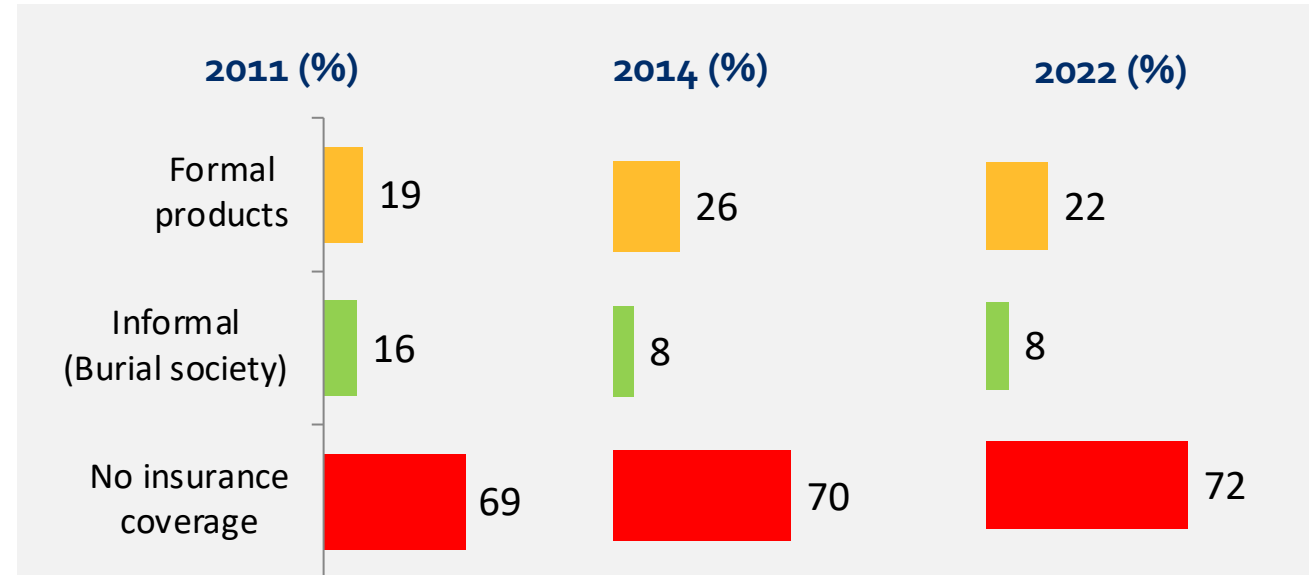
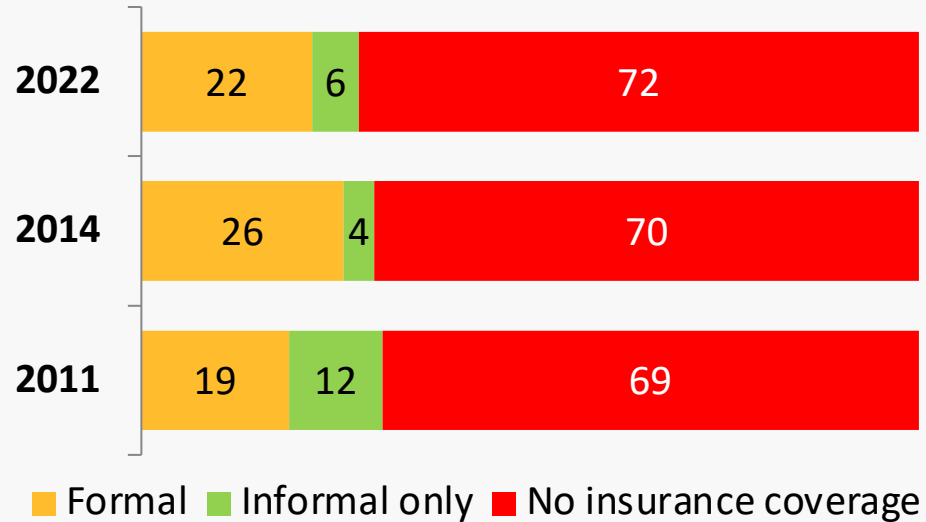
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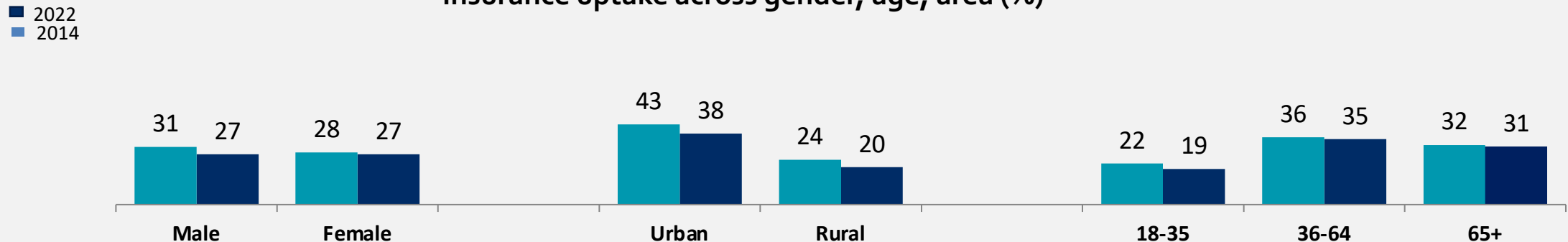


Insurance and risk management

28% of adults have insurance driven by uptake of formal insurance

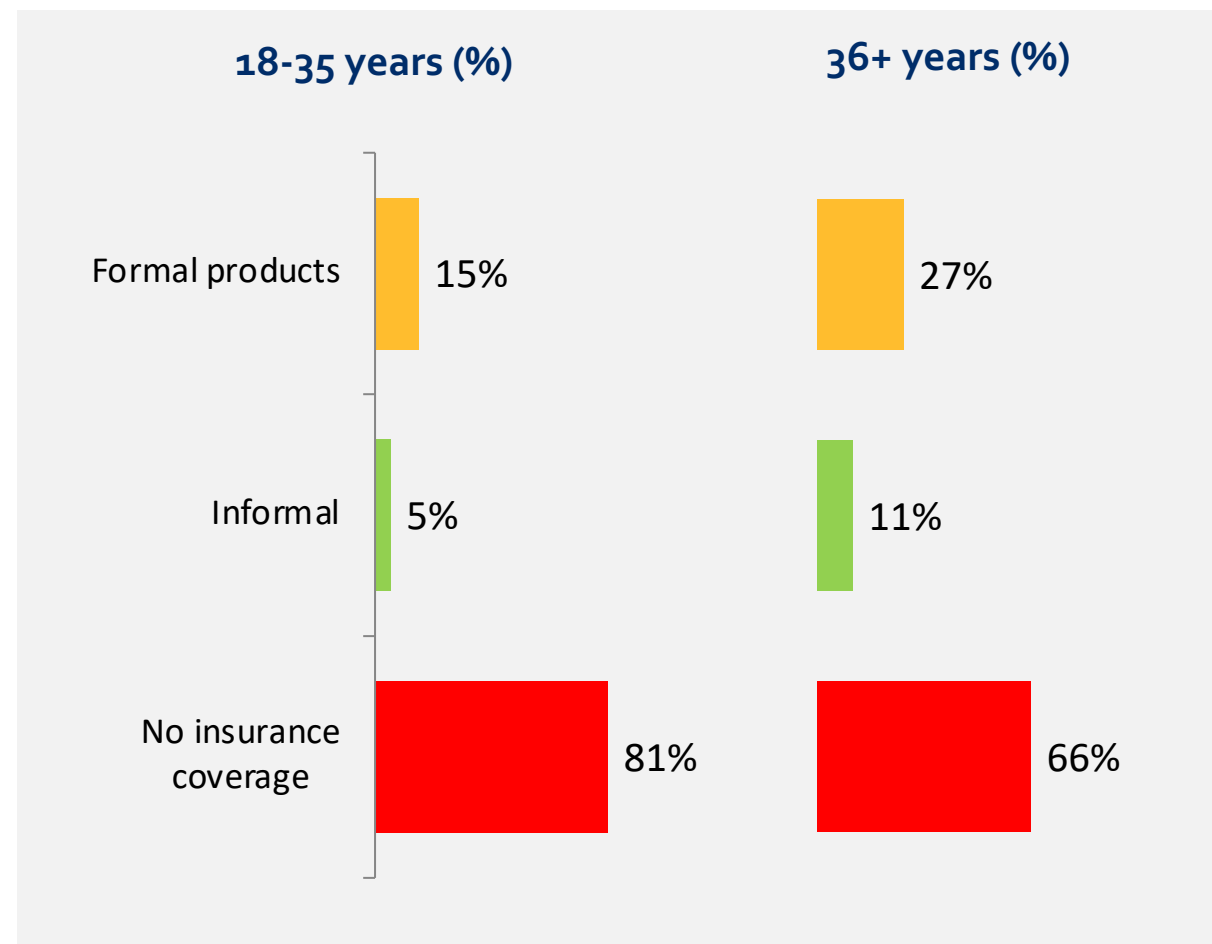
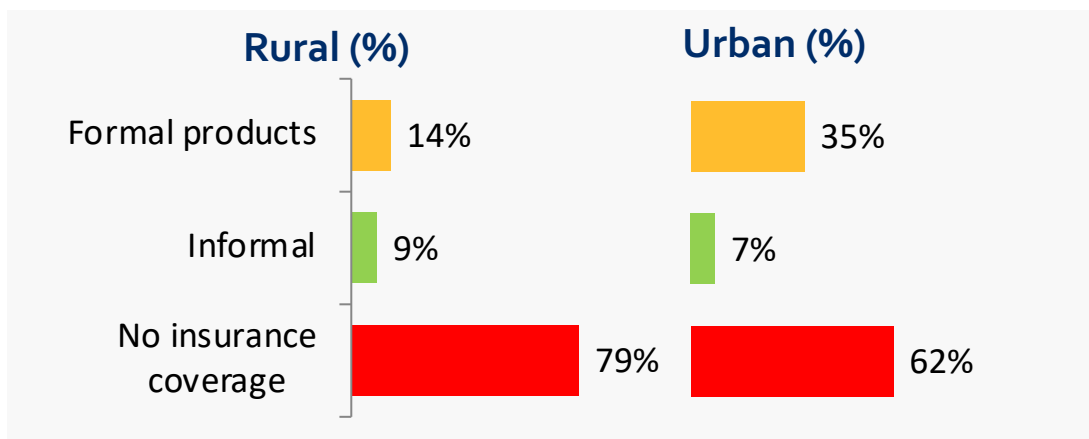
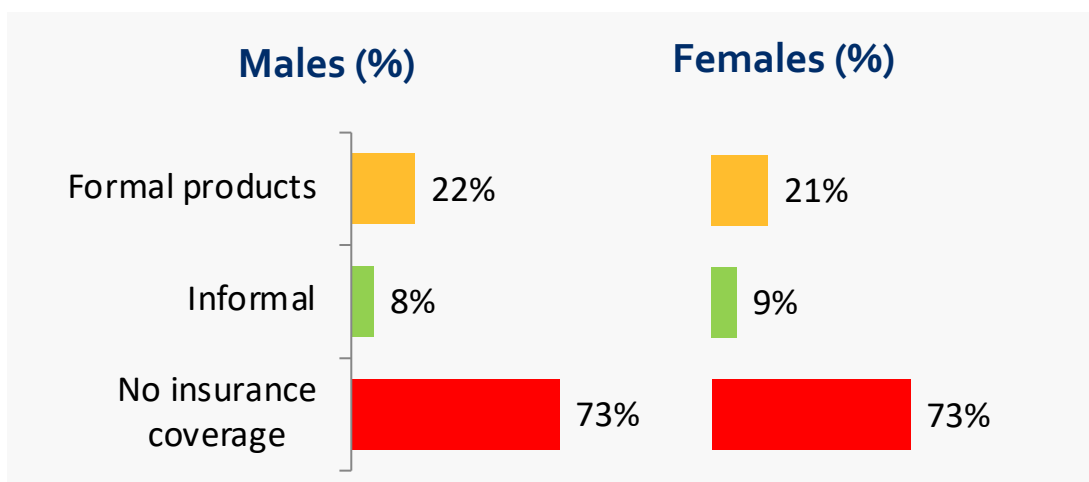


Insurance uptake across gender, age, area (%)



Insurance and risk management

Same proportion of males and females have insurance. Youths and adults residing in the rural areas are less likely to be insured



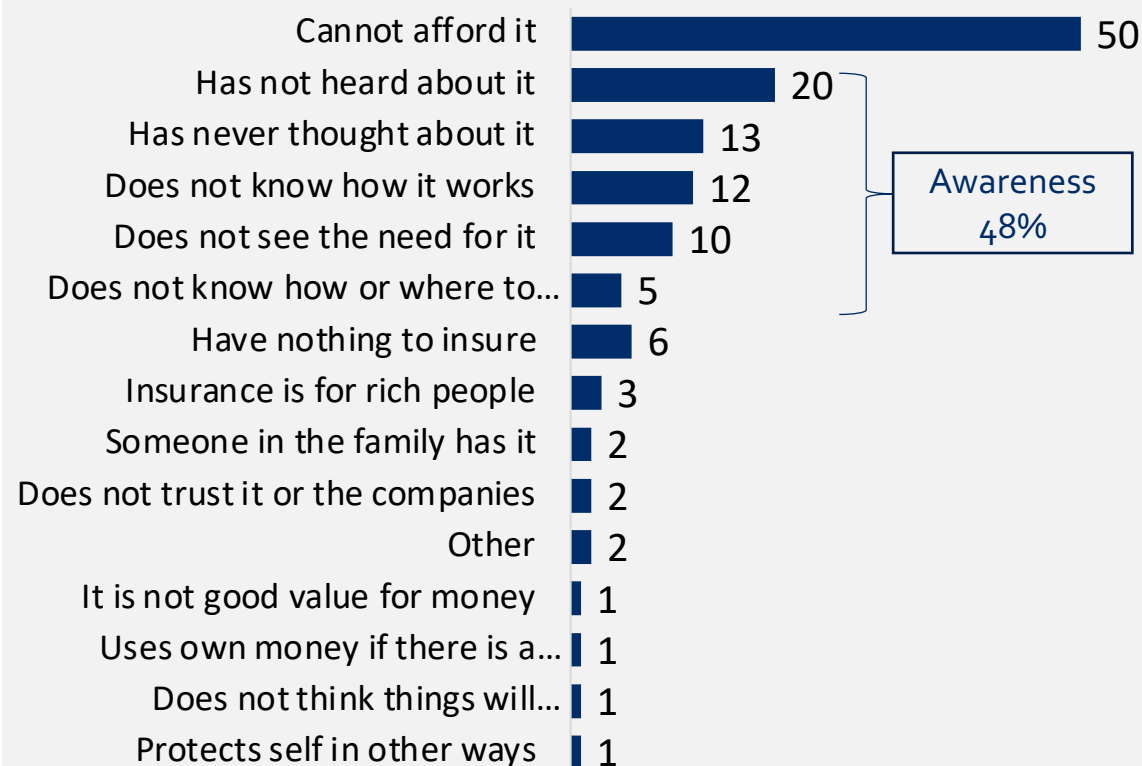
Insurance and risk management

The insurance sector continues to be driven by uptake of funeral insurance or cover- affordability and awareness are the main barriers

Of those insured uptake of insurance products is driven by:

- Funeral cover/insurance 72%
- Motor insurance: 32%
- Medical aid 30%
- Life assurance 12%

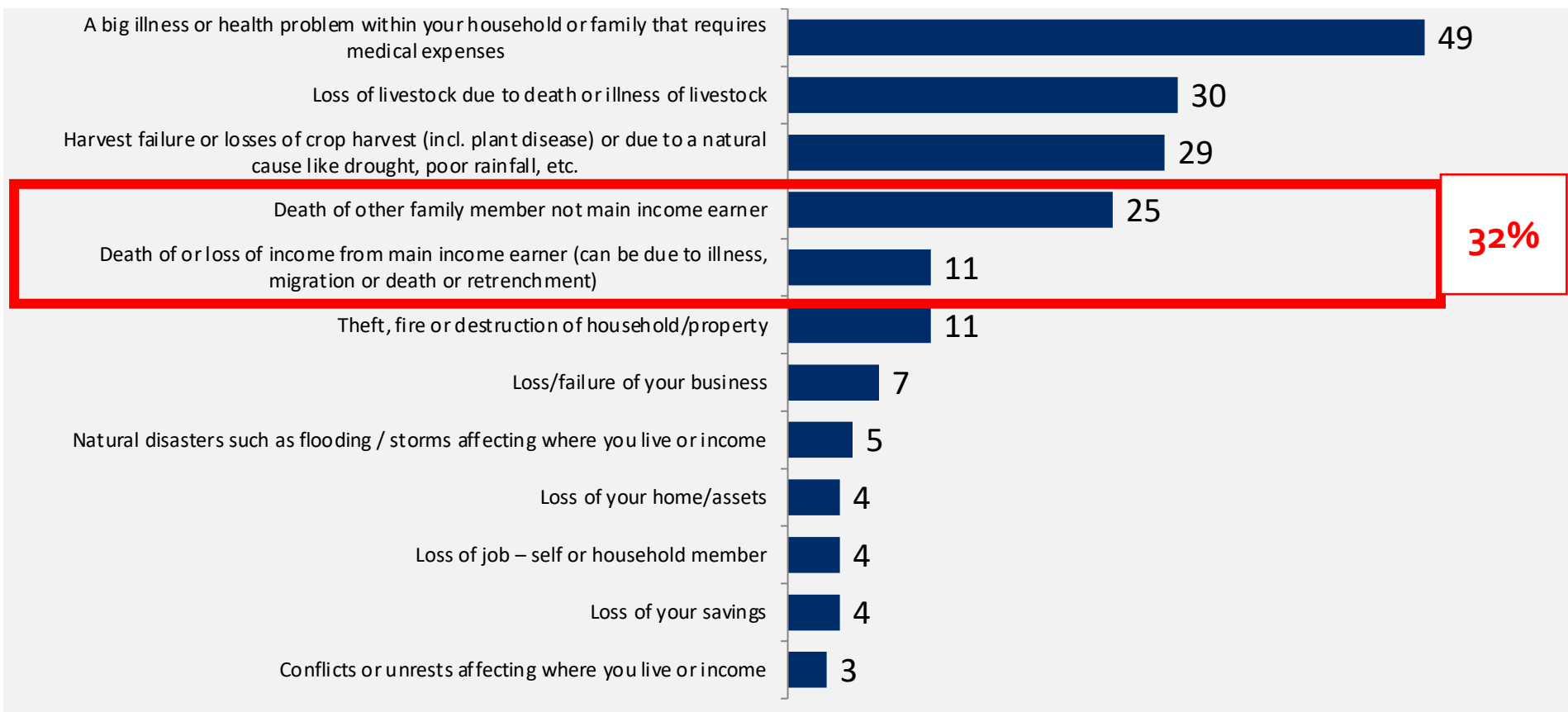
Barriers to insurance



Risks experienced past year

Half of the adults experienced a risk event that had a negative impact – most adults experienced illness of their loved ones

Risk experienced in the past 12 months (%)

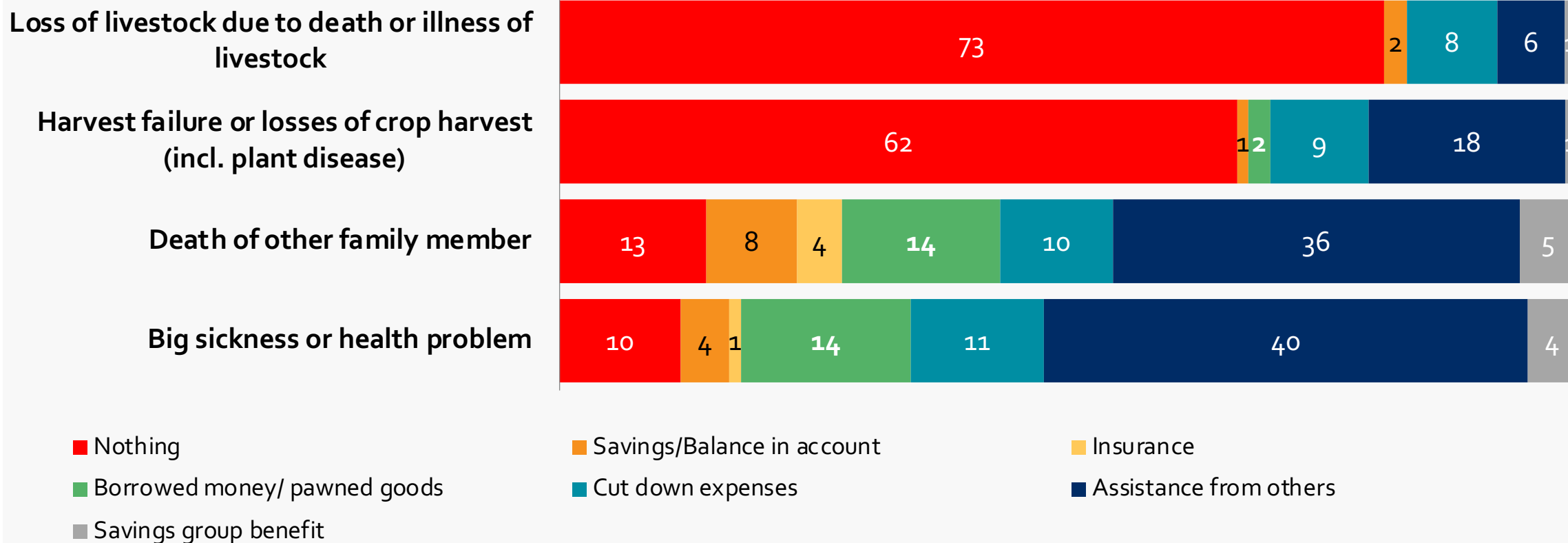


Risks and coping strategies

Most of the adults who experienced loss of livestock or crop failure did nothing about the situation

%

Coping strategies for main risks experienced (%)



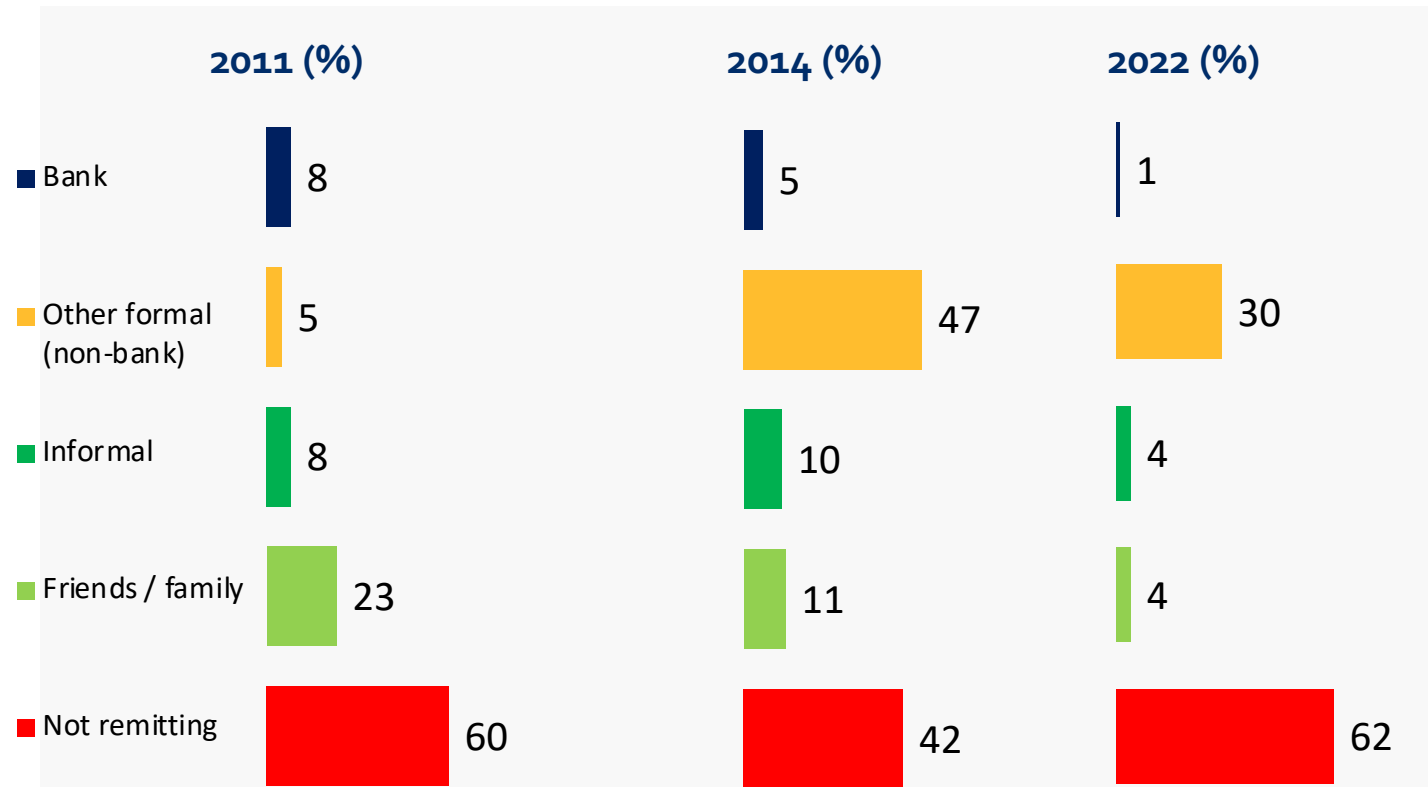
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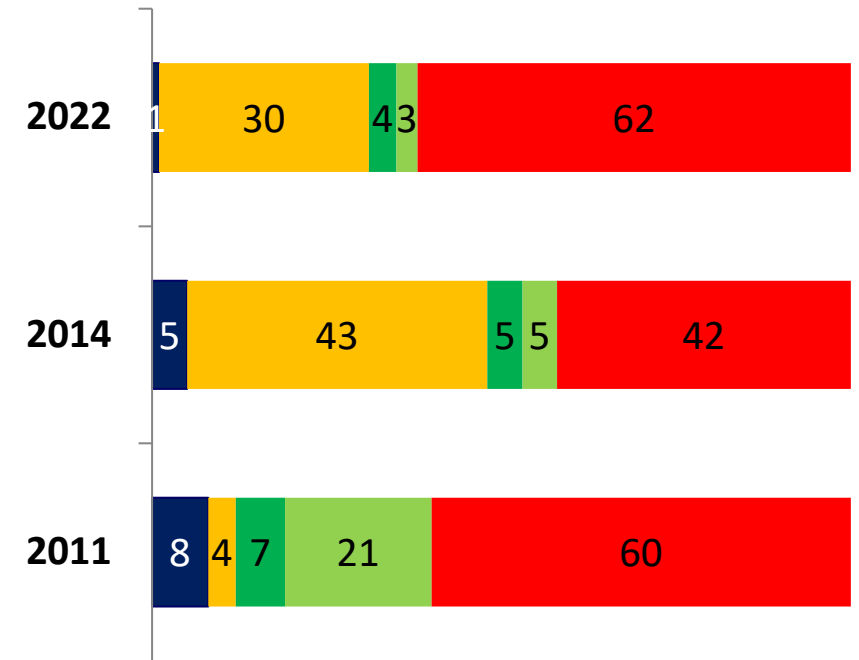


Remittances

There has been a huge decline in individuals who remit



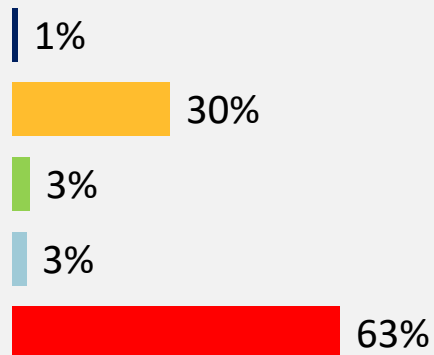
Remittances only includes adults who have sent or received money from their loved ones - relatives, other dependents and/or friends. This excludes normal transfer of money from one person to another



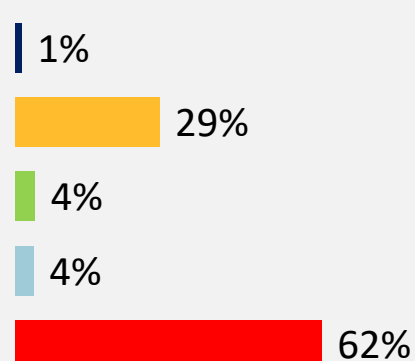
Remittances

Youth and adults residing in the rural areas are less likely to remit than their counterparts

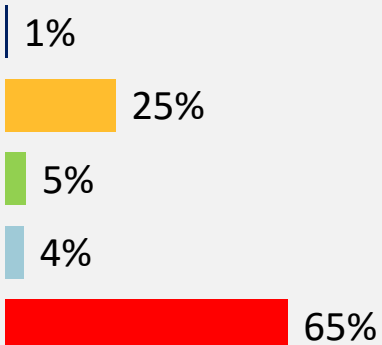
Male (%)



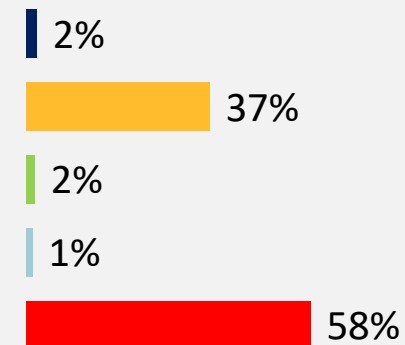
Female (%)



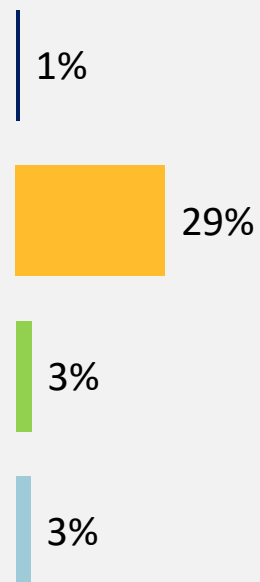
Rural (%)



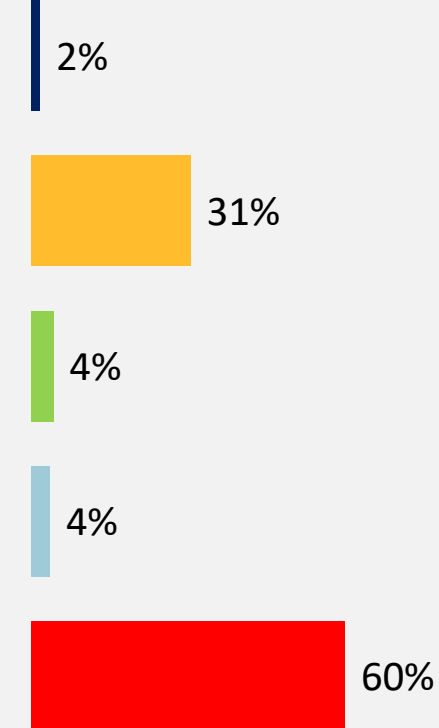
Urban (%)



18-35 years (%)



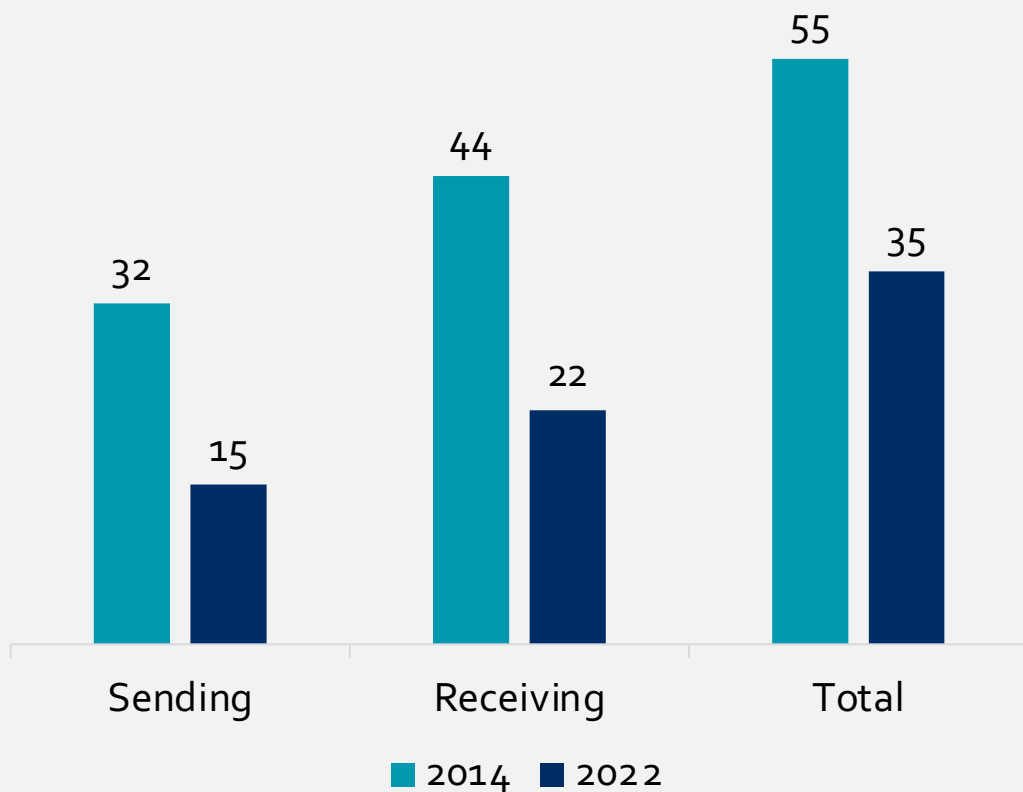
36+ years(%)



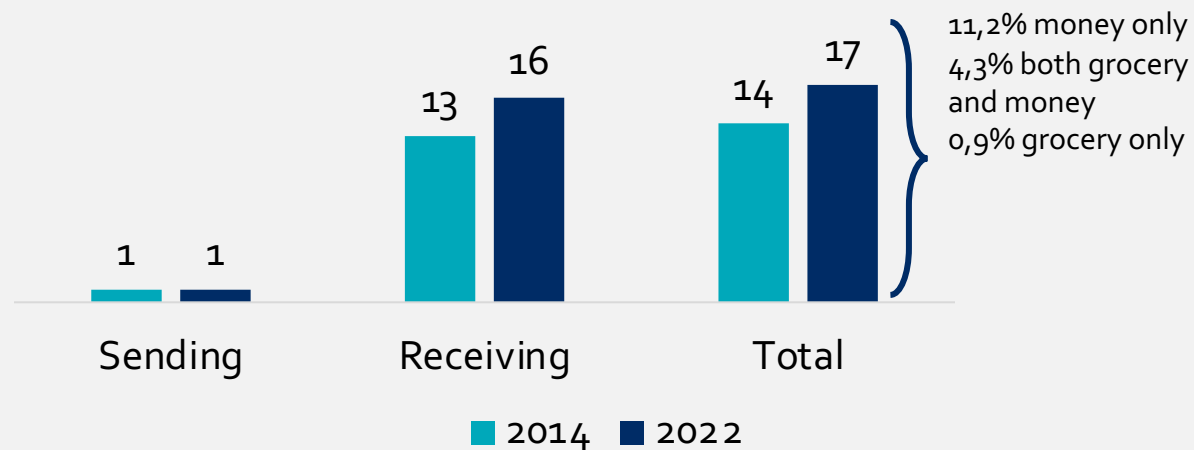
Remittances

Cross border remittances have increased but domestic remittances have drastically reduced

Domestic remittances (%)



Cross-border remittances (%)



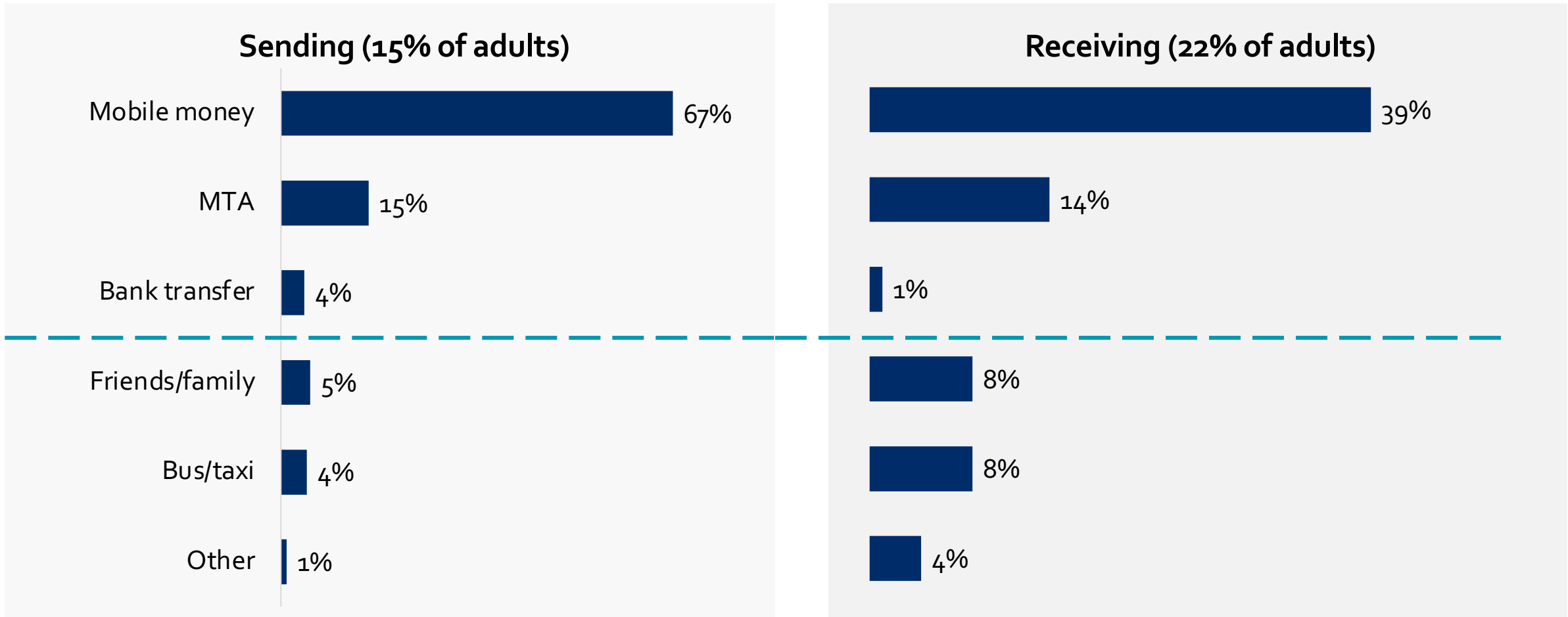
Remittances

Remittance products or mechanisms

	2014	2022		2014	2022		2014	2022
Banking products	5%	1%	Other formal (non-bank)	47%	30%	Informal	4%	4%
1. Bank services	5%	1%	1. Money transfer agencies	25%	21%	1. Bus/taxi/other	4%	4%
			2. Mobile money	41%	28%			
						Family and friends	11%	4%

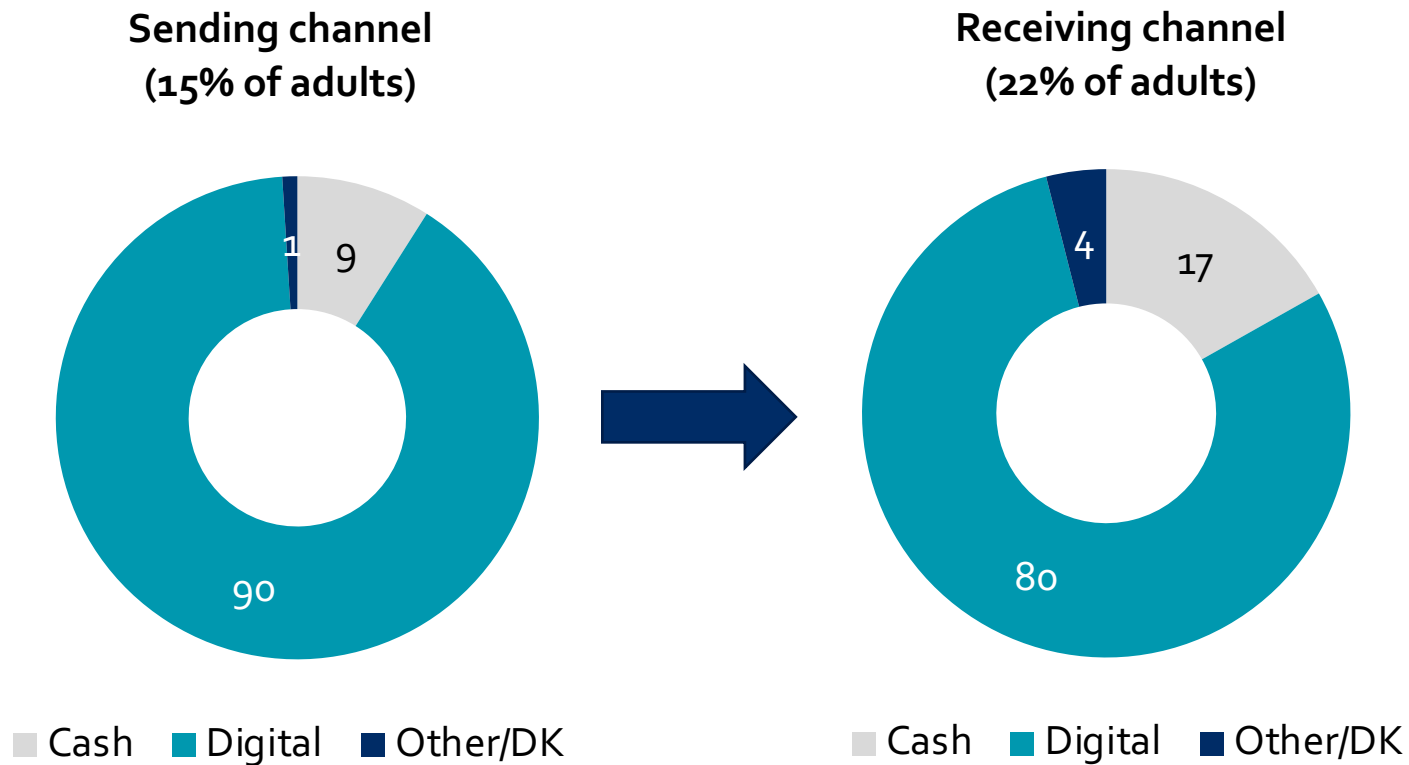
Remittances: Domestic

Services used within Zimbabwe– Mobile money is mainly used to remit money domestically but MTA are also playing a key role



Remittances: Domestic

Similar to 2014 - digital channels are commonly used for remittances



Digital sending channel*



Digital receiving channel*

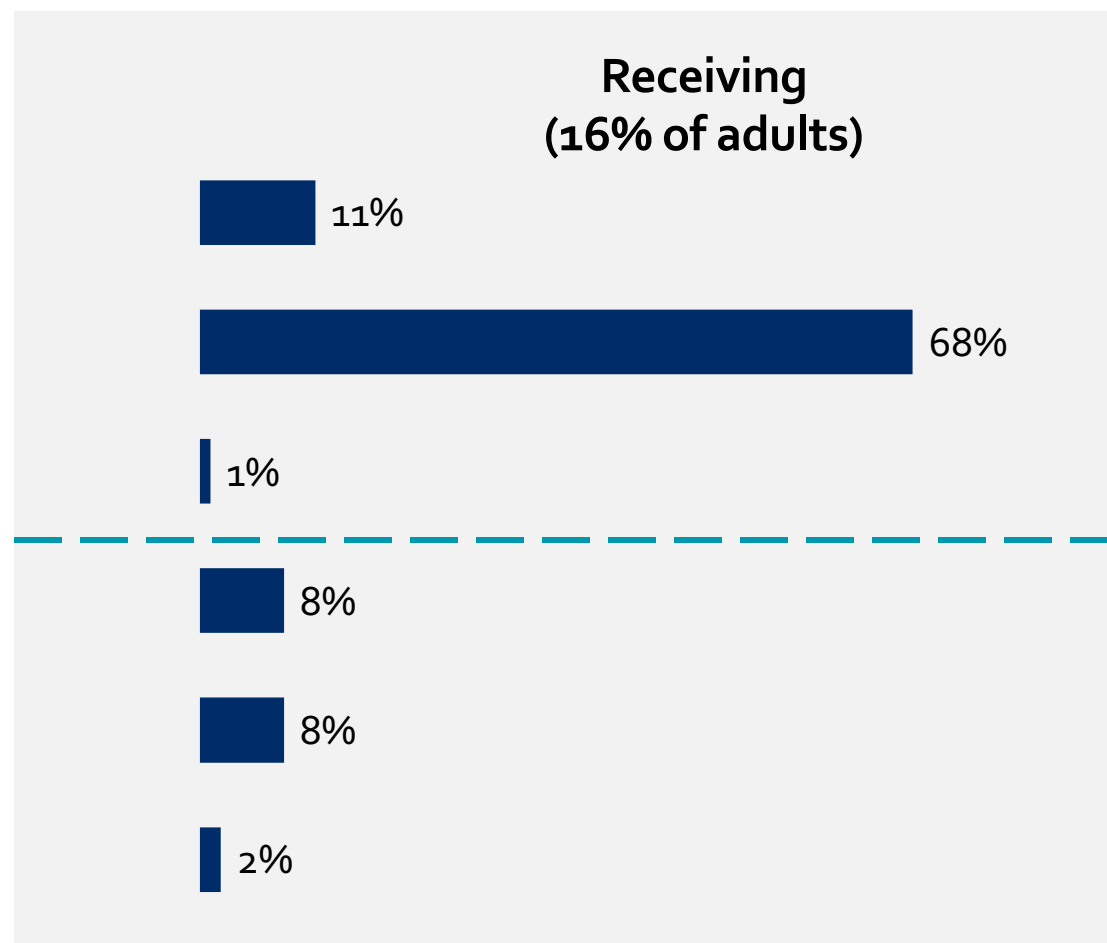
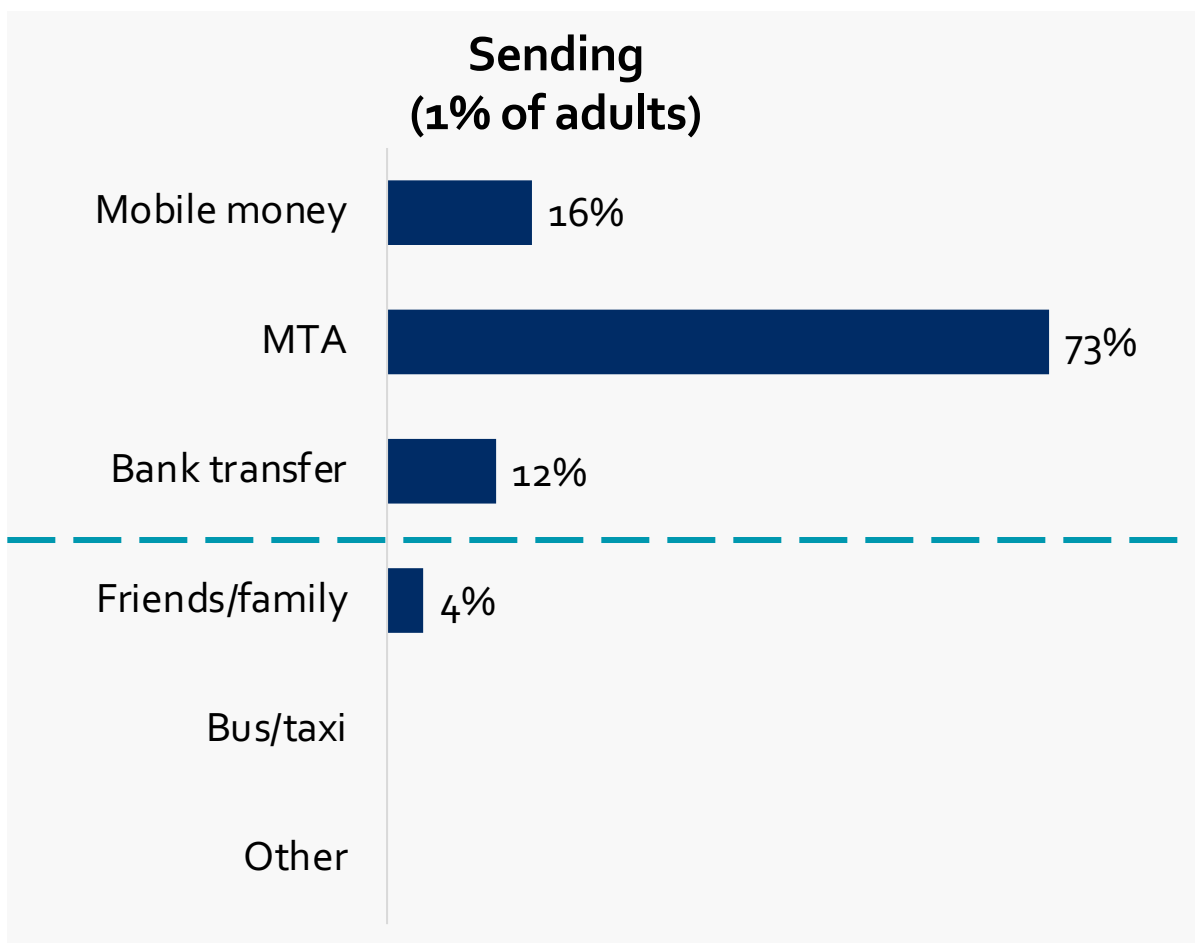


2022 2014

* Digital channels include Banks, Mobile money and Money transferring agencies

Remittances: Cross border

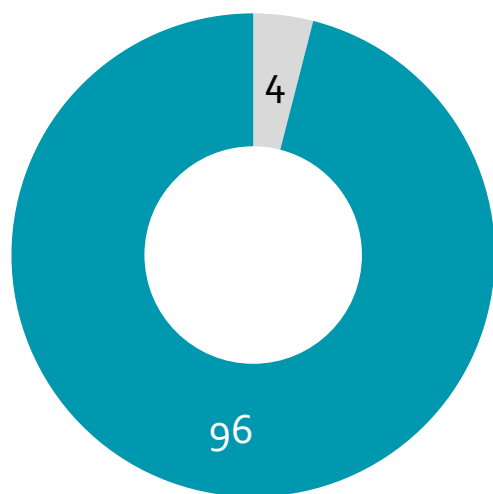
Services used across borders- Money transferring agencies mostly used for remittances



Remittances: Cross border

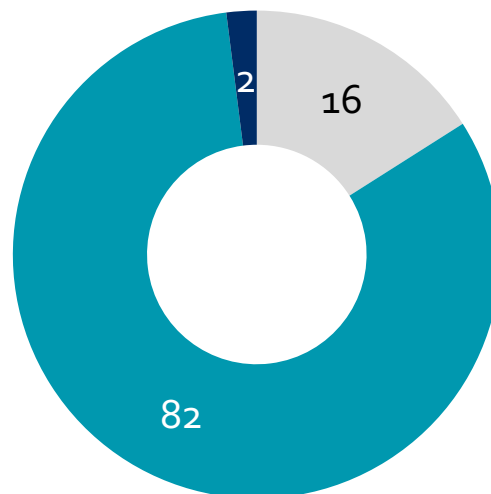
Digital channels are mostly used to send and receive money across the borders

Sending from Zimbabwe
Sending channel



■ Cash ■ Digital ■ Other/DK

Receiving in Zimbabwe
Receiving channel



■ Cash ■ Digital ■ Other/DK

Digital sending channel*



Digital receiving channel*

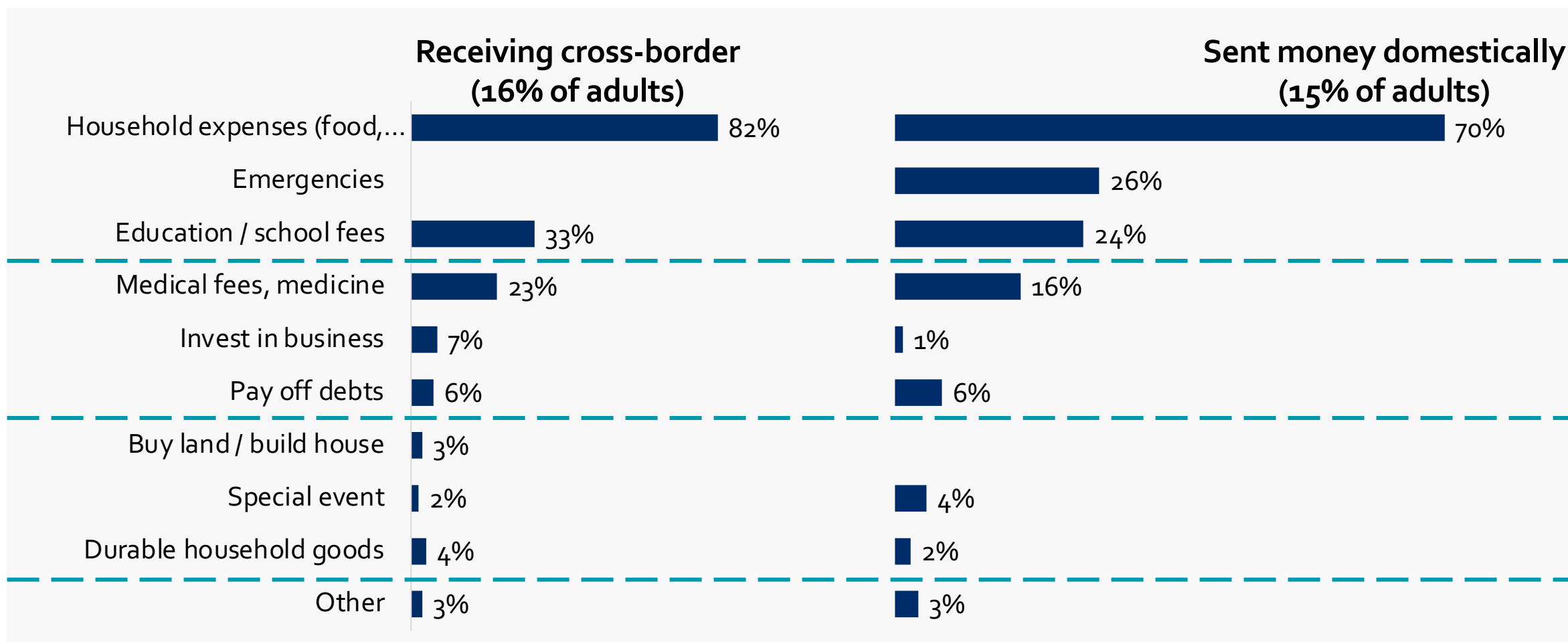


■ 2022 ■ 2014

* Digital channels include Banks, Mobile money and Money transferring agencies

Remittances:

Usage and drivers – Remittances are mostly used for meeting household expenses

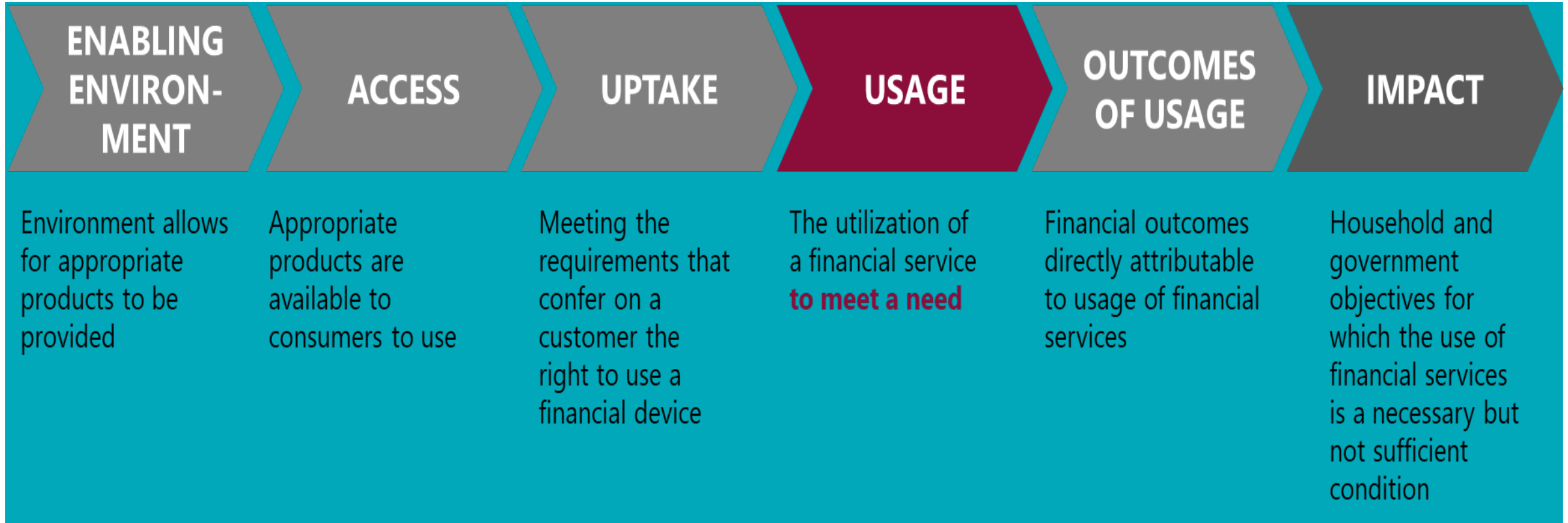


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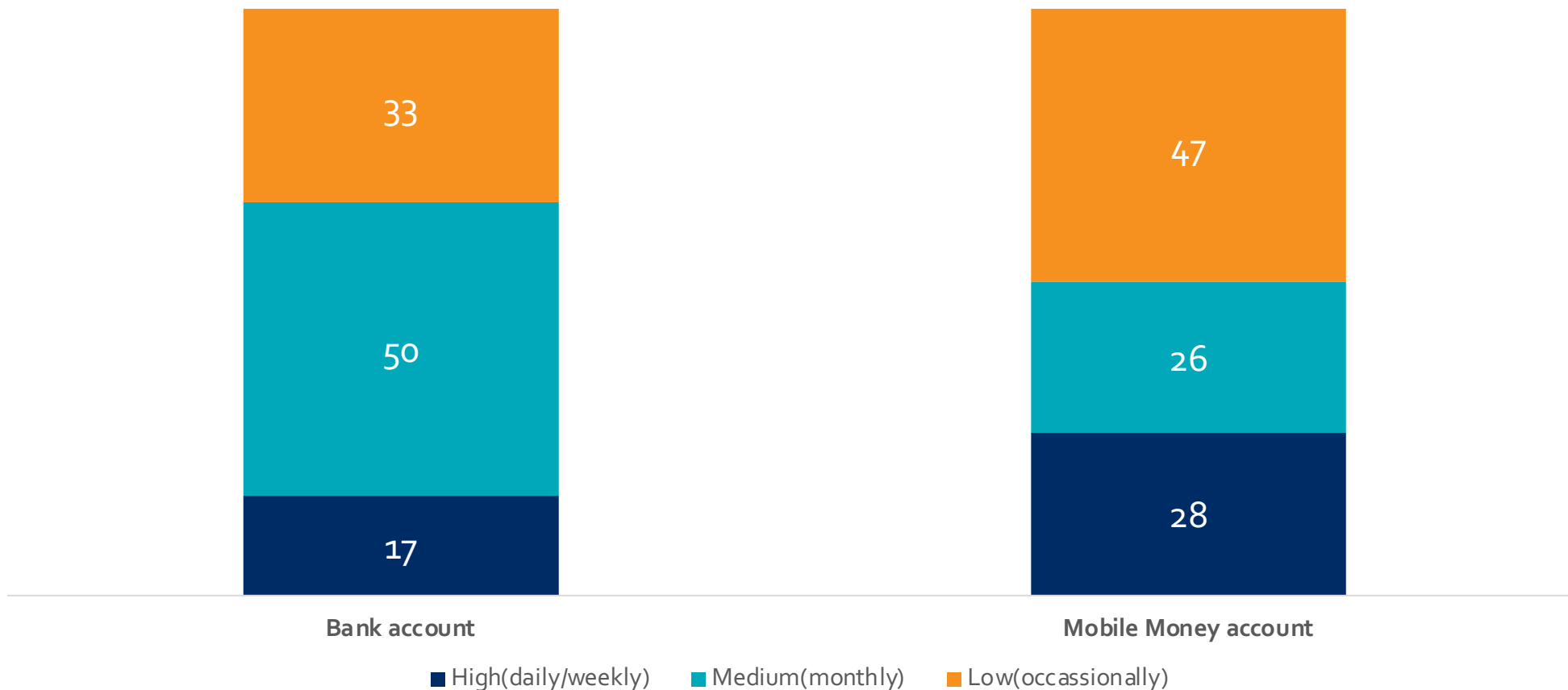


Financial Inclusion Chain



Usage of accounts – bank and mobile money

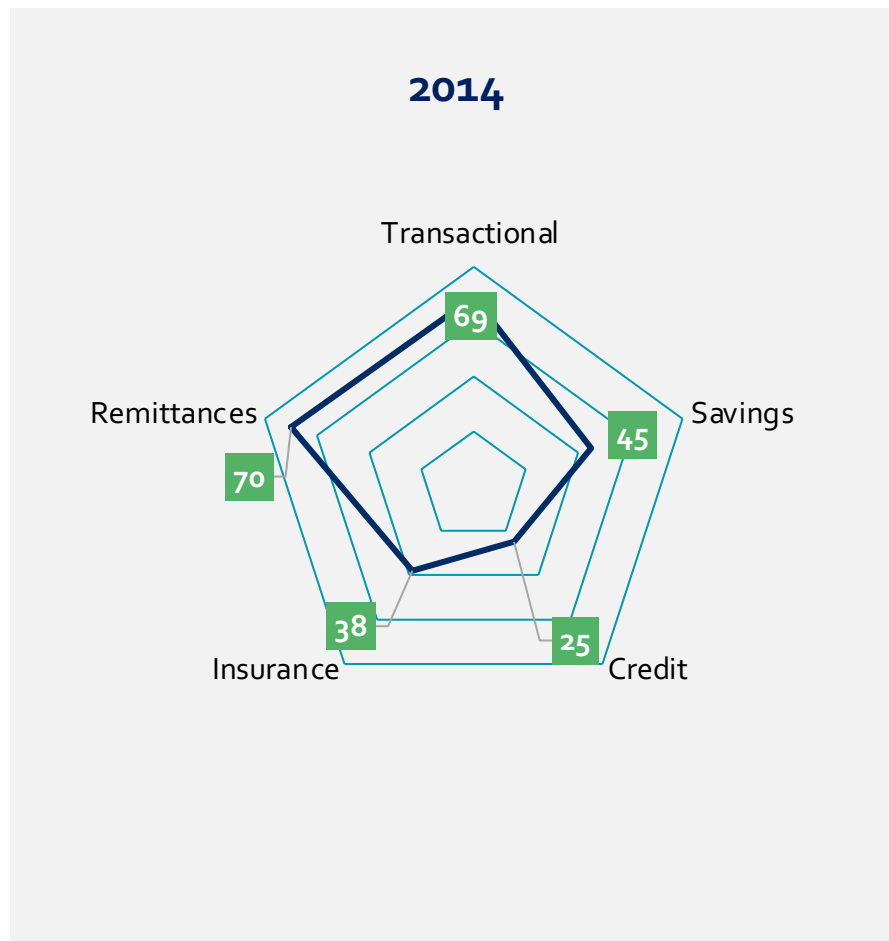
A higher proportion of bank users use their accounts on a monthly basis than mobile money users



- High = Use the account more frequently either daily or weekly
- Medium = Use the account on a monthly basis
- Low = Use the account less often (occasionally)

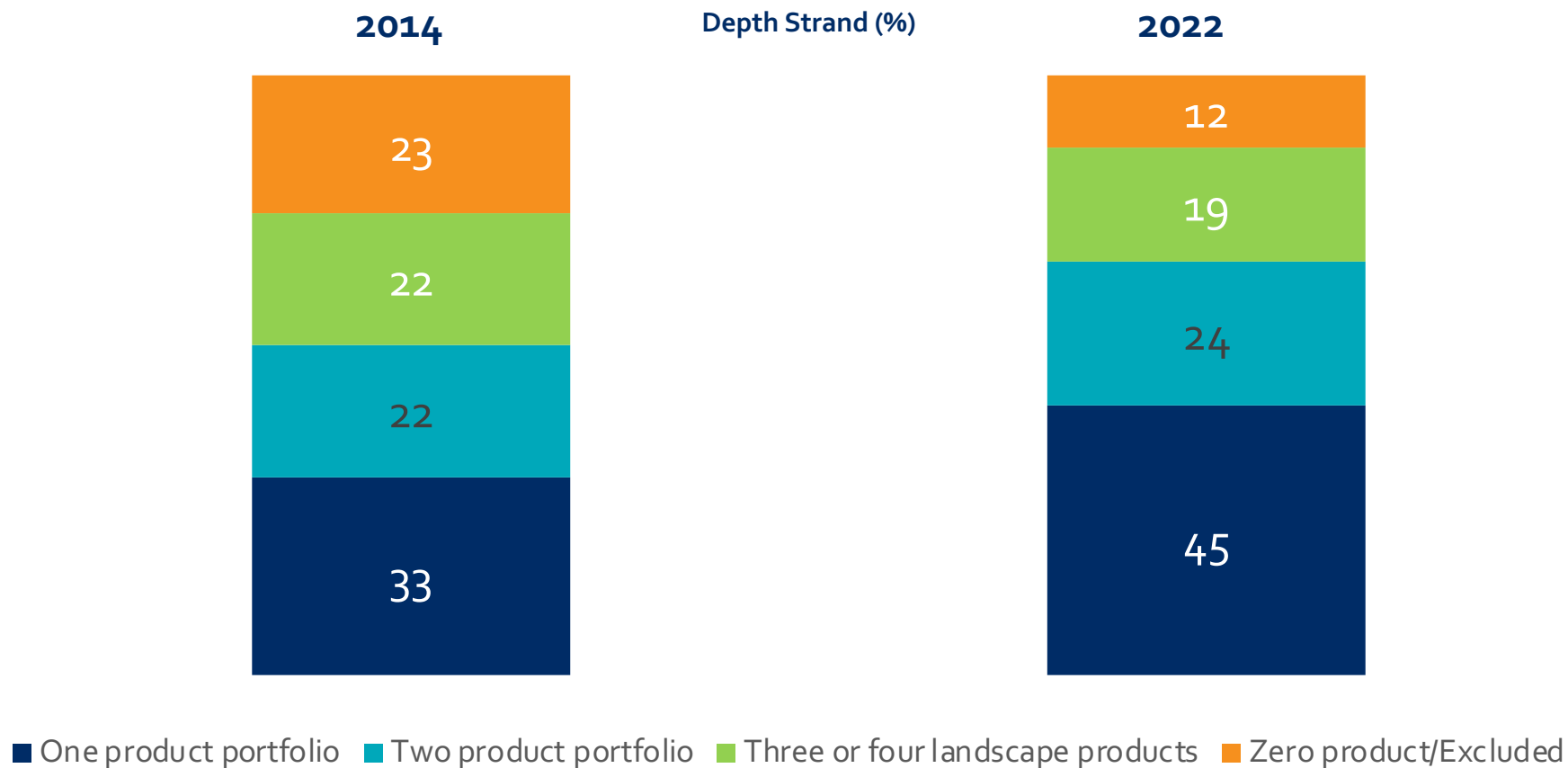
Landscape of access:

(Of those financially included –both formal and informal) – What's driving financial inclusion?



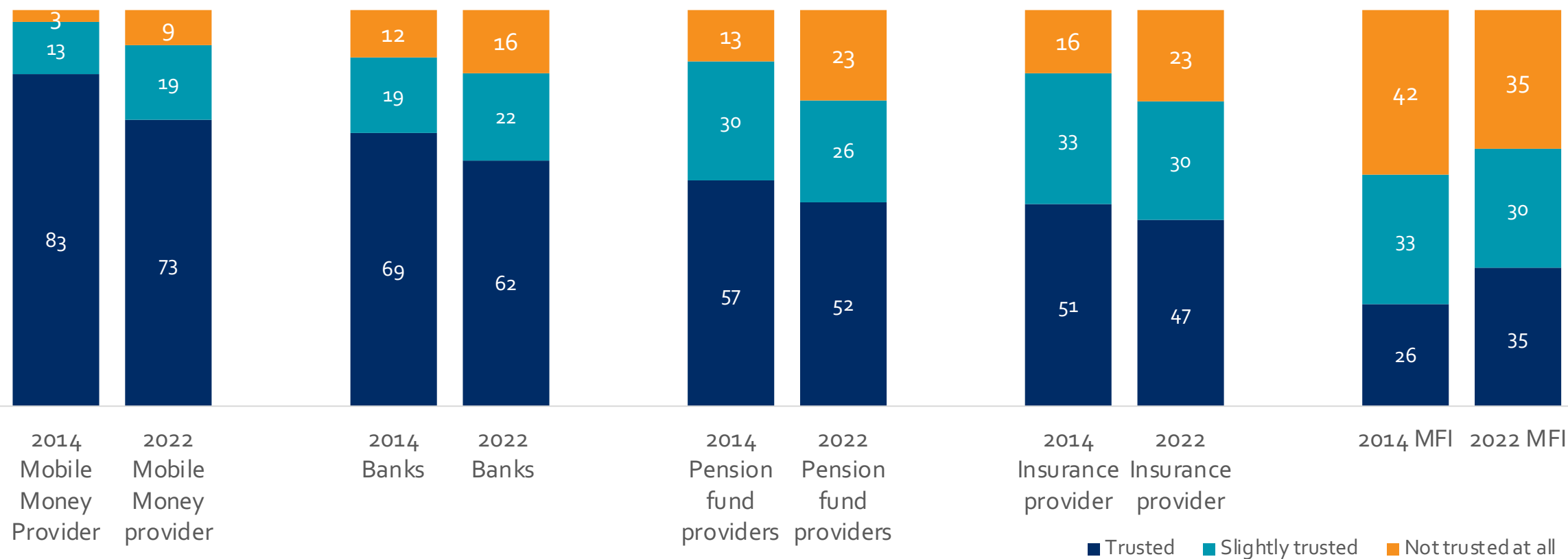
Depth strand (Landscape product portfolio)

The number of adults relying on one product increased by 11 percentage points from 33% to 45%. Most of these adults have a transactional/payment product.



Level of trust with financial institutions

The level of trust/satisfaction with financial institutions has gone down except for MFIs



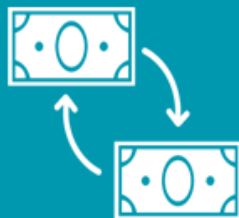
ZIMBABWE
O Bul

Outcomes: How do financial services help people to meet their needs

Financial needs

Transfer of value

Send money or digital value from one person to another



Meeting goals

Achieve life objectives or obligations that require funding across income cycles



Liquidity

The need to meet expenses in each income cycle



Resilience

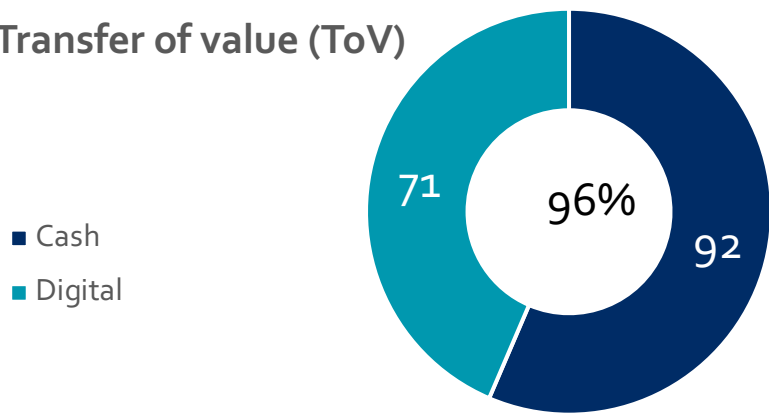
The ability to deal with unexpected shocks that have a financial impact



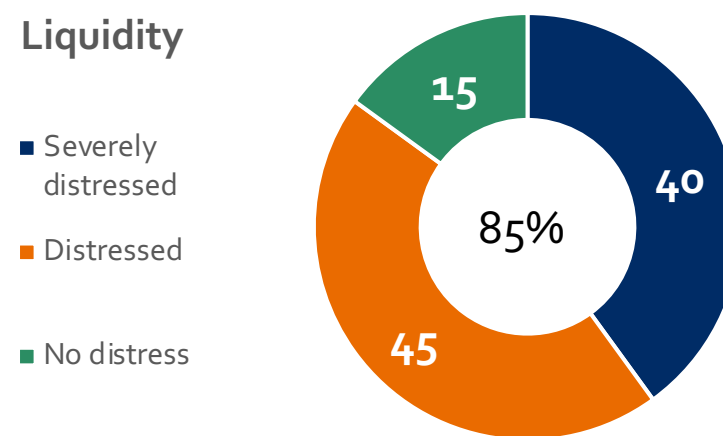
Financial needs

Is the financial sector meeting the needs of Zimbabweans?

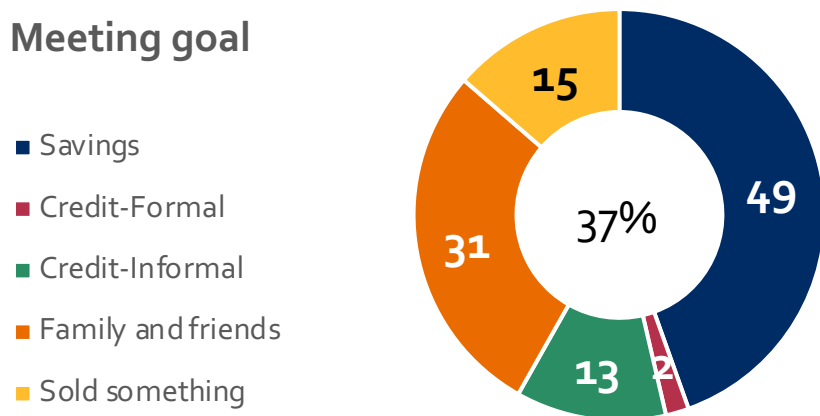
Transfer of value (ToV)



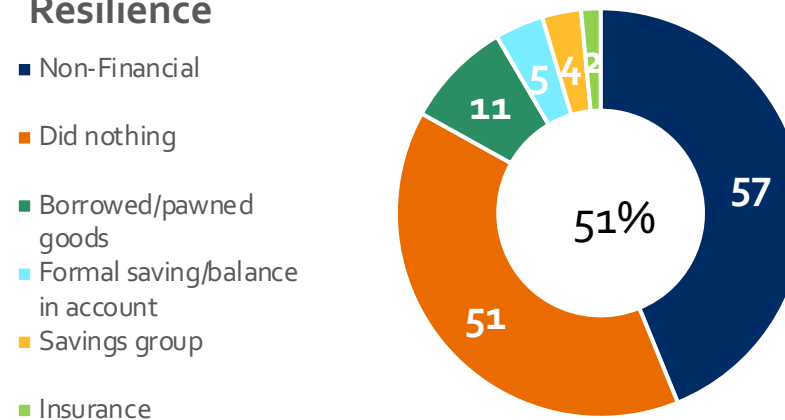
Liquidity



Meeting goal

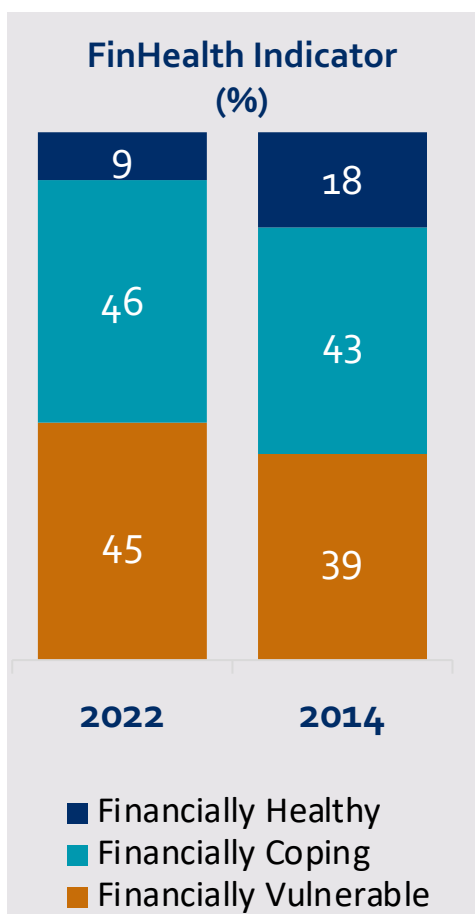


Resilience



Financial health:

Majority of Zimbabweans do plan and prioritise ahead, but challenges with liquidity management do not allow them to build and maintain reserves

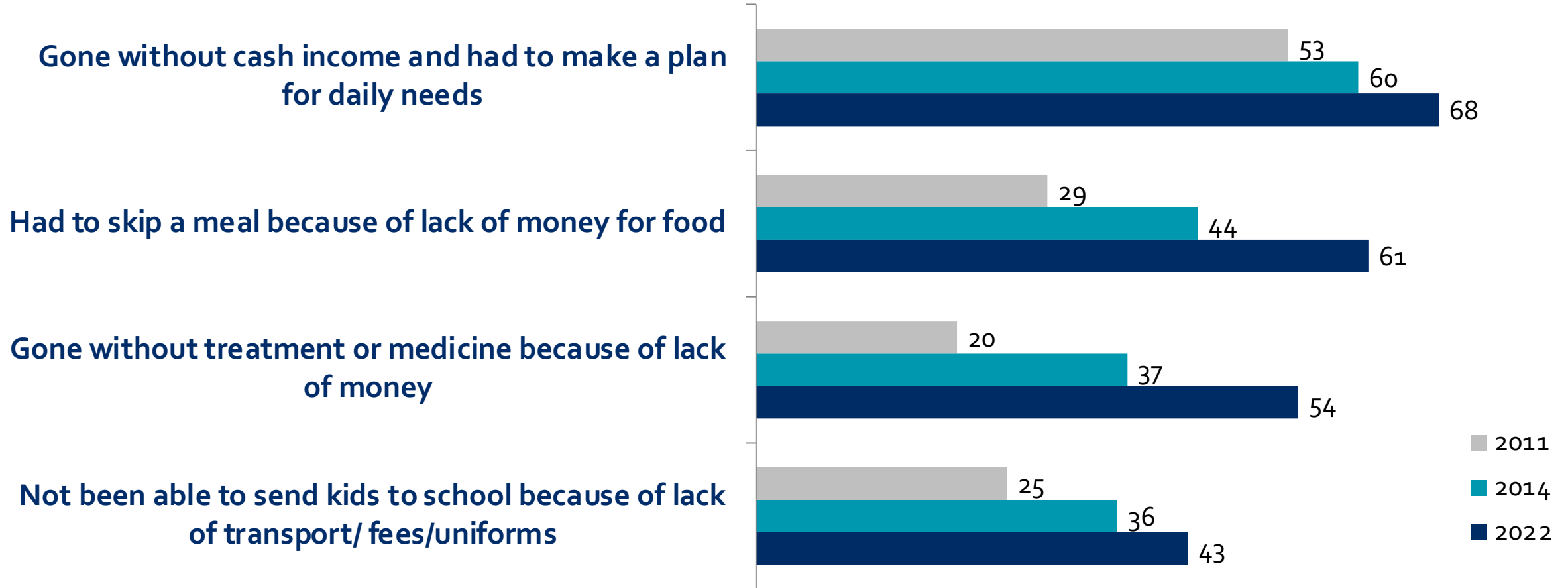


FinHealth dimensions	Low score	Medium	High score
Planning and prioritising (Plan score)	22%	47%	31%
Ability to manage day to day (spend score)	40%	45%	15%
Build and maintain reserves (save score)	68%	25%	7%
Ability to manage risks	45%	36%	19%

What are the welfare/vulnerability indicators saying?

SDG1,2,3,4

Welfare outcomes have deteriorated



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Summary:

Summary of financial inclusion indicators

Financial inclusion overview	2014 (%)	2022 (%)
Financially included (formal and informal)	77	88
Formally served	69	84
Banked	30	46
Other formal (non-bank) including mobile money	67	82
Mobile money	45	63
Informal	37	36
Financially excluded	23	12

Landscape Products	2014 (%)	2022 (%)
Credit - Formal	13	15
Informal	9	9
Family and friends	30	28
Not borrowing	58	61
Insurance - Formal	26	22
Informal	8	8
Not insured	70	72
Savings – Formal	12	20
Informal	20	23
At home	23	19
Not saving	53	64
Remittances – Formal	48	31
Informal	10	4
Family/Friends	11	4
Not remitting	42	62

Conclusions

The FinScope Zimbabwe 2022 Consumer Survey revealed how adult (18 years and older) Zimbabweans manage their finances and elements that influence their uptake and usage of financial services. The following conclusions are drawn:

- Majority of the adult population earn **small, inconsistent and irregular incomes**. These include those who rely on piece jobs, farming and remittances/family support. About 14% of the adults are formally employed and 16% are self employed.
- Most of the Zimbabweans **do plan and prioritise ahead**. However, they have challenges with liquidity management which **impedes them from building and maintaining reserves** – this leaves most adults financially vulnerable.

Conclusions – FI Progress

Zimbabwe is among the top 5 financially included countries in the Southern African Development Community (SADC) where FinScope surveys were done. This makes the financial inclusion story in Zimbabwe an encouraging one. Some of the highlights of the positive financial inclusion include:

- A substantial increase in formal financial inclusion **from 69% in 2014 to 84% in 2022**, thereby reducing the proportion of **excluded adults from 23% in 2014 to 12% in 2022**
- Great progress in **reducing rural/urban financial exclusion gap** - (17% in 2014, **this is down to 10% in 2022**)
- A key achievement is the closing of the gender gap in financial inclusion.
- **Increased uptake/usage of mobile money and bank transactional accounts** has been key in driving formal financial inclusion.
 - About 70% of Zimbabweans have at least a transactional account through either a bank account and/or mobile money (63% mobile money and 46% bank account)
 - Besides banking, mobile money has also aided in increasing formal financial inclusion in Zimbabwe especially among the youth, females and the rural populace. Youth, elderly and the rural populace still lag in uptake of second generational products.
 - Although savings have generally declined savings group (mukando) continue to play an important role in Zimbabwe.

Recommendations – Focus Areas

The priorities of financial inclusion in Zimbabwe continue to ensure that the lives of Zimbabweans are improved. To this end the following areas could be prioritised:

- **Second generation financial products.** Given the good progress in financial inclusion (reach), there is need to promote second generation financial products such as savings wallets, microinsurance, and microcredit, taking advantage of the rails provided by mobile money and traditional bank accounts.
- **Promote fintech innovations.** Fintechs play a key role in increasing financial services reach and fostering competitiveness among market participants and ultimately deliver value to consumers. Potential areas where Fintechs can also have transformative impact in this market is on the provisioning of credit.
 - The promotion of Fintechs which potentially use data and technology to mitigate the traditional financial market frictions of information asymmetries can help to advance credit to the credit constrained segments including low-income individuals, farmers and MSMEs.
- **Farmers and MSMEs are the most credit constrained economic agents.** Access to credit can help individuals, farmers and MSMEs to acquire human and physical capital and engage in entrepreneurial activities which can serve as conduits for upward social mobility.
 - Policy interventions that seek to expand access to credit for these segments are a priority for economic growth.

Recommendations – Focus Areas

- **Promote the introduction/expansion of climate insurance.** The country's exposure to climate risk is worsening. The intensity and frequency of droughts and floods have increased over the last 2 decades, posing a threat to critical climate-dependent sectors such as agriculture. The lack of access to financial products including insurance limits the ability of farmers to cope with different risks including climate related risks. This causes farmers to minimise their investments, reducing their productivity. Whenever risks materialise, they can also reverse income gains that had previously been achieved.
 - Promoting climate insurance can help to increase farmers' resilience and provide liquidity whenever shocks occur. It can also unlock barriers to access of other financial services, e.g. credit, by mitigating some of the risks associated with agriculture lending.
- **Other Inclusive micro-insurance products.** Besides agriculture, the greater part of economic activities in Zimbabwe happen in the informal sector through MSMEs. Similar to farmers, these economic agents lack suitable insurance products to deal with shocks. The lack of insurance products reverse the progress made by MSMEs in the event of adverse events occurring.
 - Promotion of suitable micro insurance products will help MSMEs to preserve their economic gains and ultimately help them to escape poverty.

Recommendations – Focus Areas

- **Continue prioritising financial consumer education** through financial literacy programmes that will enable consumers to gain knowledge, skills, attitude and behaviour to be aware of financial opportunities, and make informed choices. **Given the rise of DFS,** the future will increasingly be digital. Consumer education should strengthen digital literacy. Channels for delivering messages are key in order to reach the targeted groups
- **Adopt Financial Inclusion 2.0 (FI2.0)** and embrace a focus towards addressing real economy needs through better financial solutions. Identify and facilitate the implementation of the financial interventions that will improve the resilience and sustainable livelihoods for the target groups.
- **Continued enabling regulatory environment** - conducive macro-economic environment is critical to ensure the achievement of financial inclusion goals. The Central bank is recommended to keep implementing measures that assist in regaining confidence in the banking sector by consumers.
- **Strengthen sector and policy coordination** to ensure that financial inclusion priorities are streamlined in government ministries and agencies as well as development partners programmes. Continued monitoring and evaluating of financial inclusion targets is key.



20 years of making
financial markets
work for the poor

Thank You

FinScope

For more information on FinScope Zimbabwe
2022 Consumer Survey please contact:

Tabitha Chamboko
TabithaC@finmark.org.za

Dr Kingstone Mutsonziwa
kingstonem@finmark.org.za

<https://www.finmark.org.za/data-for-financial-markets#consumer>