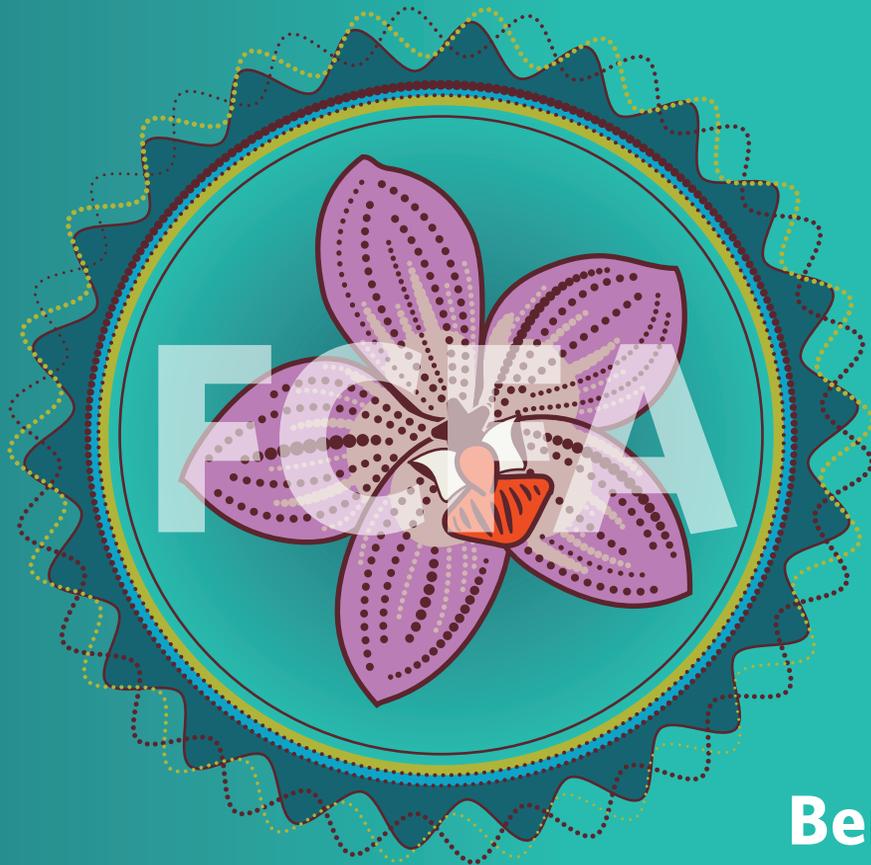


FinScope  
Consumer  
Survey  
Highlights



Benin 2018



### ***The cover symbol***

*Through the MAP programme, we hope to effect real change at country level and see the impact of financial inclusion on broader national growth and development. The cover graphic features a flower synonymous to Benin. The flower symbolises growth and development while the circle represents inclusive growth. Each flower is an example of the successful growth in a unique environment. By combining the flower with the currency symbol of Benin we represent the characteristics of the country, linking financial inclusion with successful growth.*

---

### ***Partnering for a common purpose***

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, other key stakeholders and donors to ensure an inclusive, holistic process. FinScope Benin represents a partnership between the Ministry of Social Affairs and Microfinance, UNCDF, FinMark Trust and the Institute of National Statistics and Economic Analysis (INSAE) for the Development of a Strategic Framework for Financial Inclusion in Benin.

The FinScope survey is dynamic and the content is evaluated by a number of stakeholders including the private sector, NGOs and Government to ensure that the most relevant consumer data is collected.

This pocket guide represents some of the key market data on financial inclusion. Additional deeper dives on key thematic areas can be found on the data dashboards on agriculture and youth.

Through the Government Actions Program 2016 – 2021, the current government of Benin would

like to consolidate democracy, the rule of law and good governance and then initiate the structural transformation of the economy in order to improve the living conditions of the people. To do this, the FinScope study and the MAP process are timely to make a significant contribution to the implementation of the Government's Actions Program, especially with regard to the socio-economic development of Benin. This constitutes the basis for the elaboration of the National Financial Inclusion Strategy by which the Government intends to strengthen monetary policy, increase the efficiency of the banking system by improving intermediation and improve access to finance for the population.

### ***Methodology***

- According to the adult population projection 2018, the total adult population is estimated to be 6,4 million.
- Nationally representative individual-based sample of the adult population aged 15 years and older at department and urban/rural level.
- Sampling frame and data weighting conducted by the INSAE and weighted to the INSAE Population Projections 2018 aligned to census data.
- 6 948 face-to-face interviews conducted by INSAE (July 2018 - September 2018).

### ***Survey objectives***

The objectives of FinScope Consumer Survey Benin 2018 were to understand the adult population in terms of:

- Livelihoods and how they generate their income.
- Their financial needs and demands.
- Their financial perceptions, attitudes, and behaviours.
- Their demographic and geographic distribution.
- Current levels of access to, and utilisation of, financial services and products.

---

*Published May 2019*



**DEPARTMENTS  
OF BENIN**

● CAPITAL CITY  
*Porto Novo*

Burkina Faso

Niger

Alibori

Atacora

Borgou

Donga

Nigeria

Ghana

Togo

Collines

Plateau

Zou

Couffo

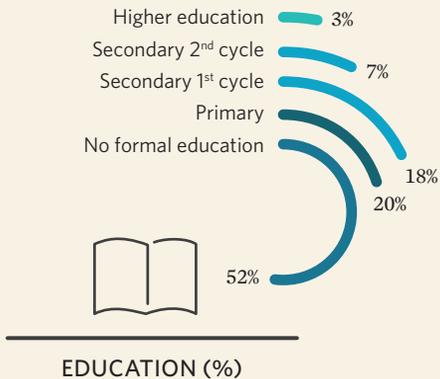
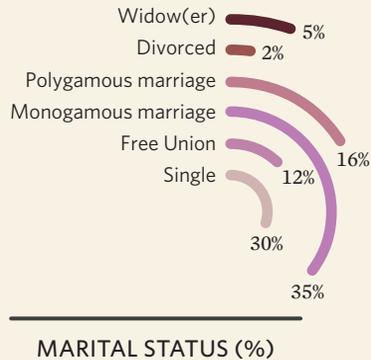
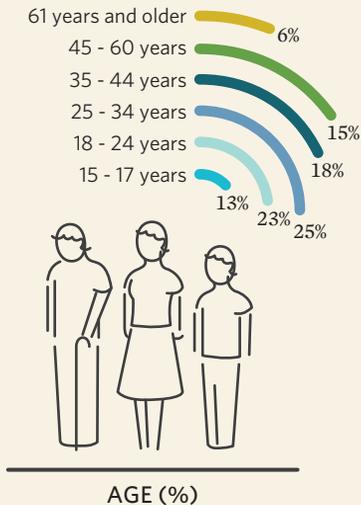
Ouémé

Littoral

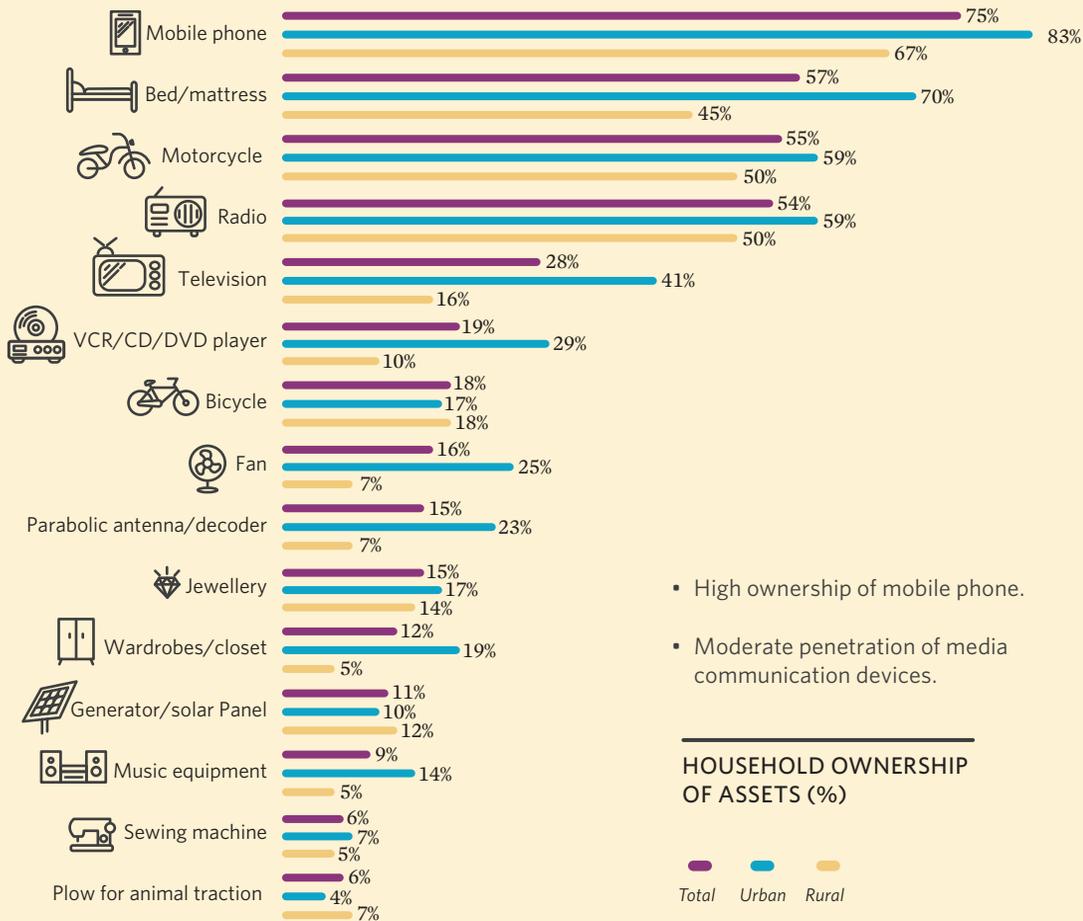
Mono Atlantique



## DEMOGRAPHICS



## DEMOGRAPHICS



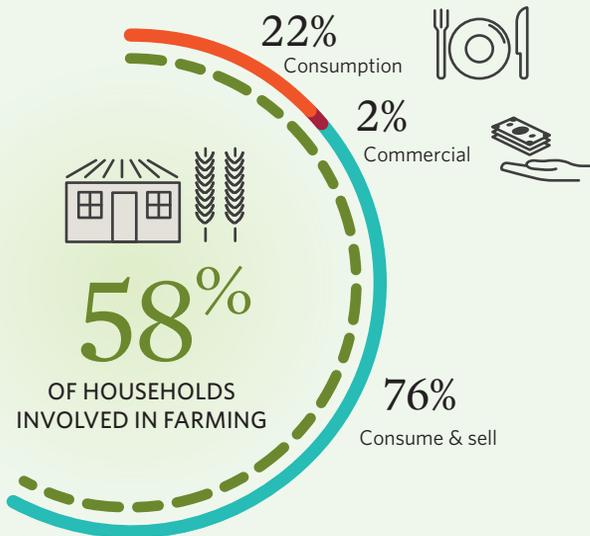
- High ownership of mobile phone.
- Moderate penetration of media communication devices.

### HOUSEHOLD OWNERSHIP OF ASSETS (%)

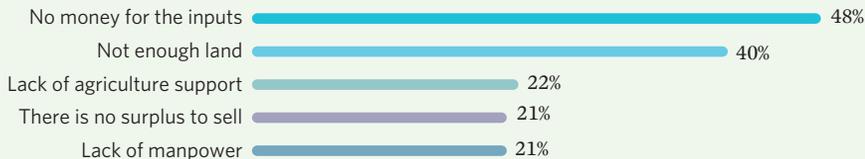
■ Total    ■ Urban    ■ Rural

## UNDERSTANDING PEOPLE'S LIVES

### Agriculture



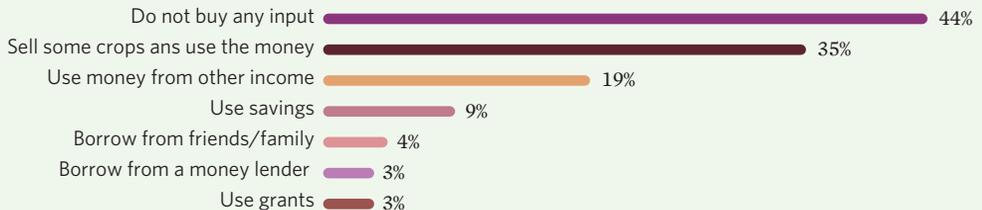
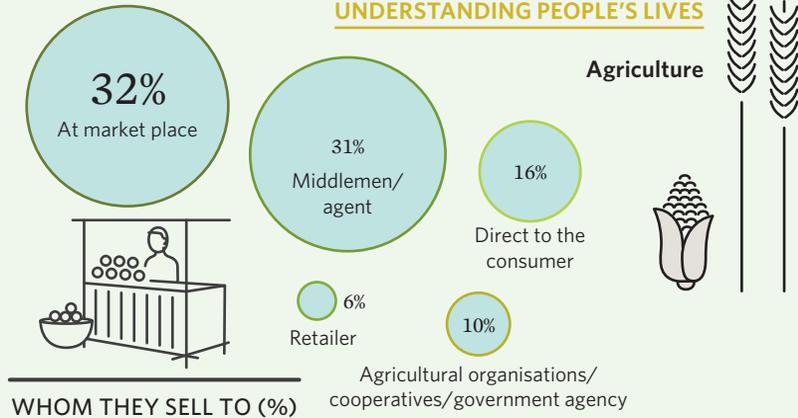
- 58% of the Benin households are involved in farming.
- The main income generating livestock are cattle, poultry and sheep while for crops - corn, cotton and cassava.
- 22% of farmer households are consumption, 2% are fully commercial and 76% both consume and sell their produce.
- 59% of farmer households own the land they farm on with only 14% being in possession of a document for the land they farm on (title deed or petits papiers).



BARRIERS TO COMMERCIALISING (%)

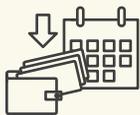
## UNDERSTANDING PEOPLE'S LIVES

- Market places and agents are popular markets for commercial farmers.
- Lack of funds is the most common barrier to commercialising.
- Only 9% of farmer households received formal training/technical assistance mainly on farming techniques.

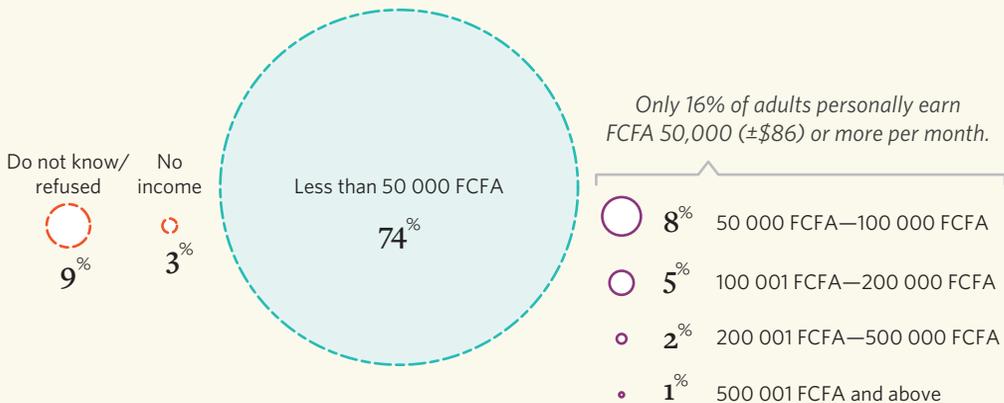


## UNDERSTANDING PEOPLE'S LIVES

### Income/livelihoods



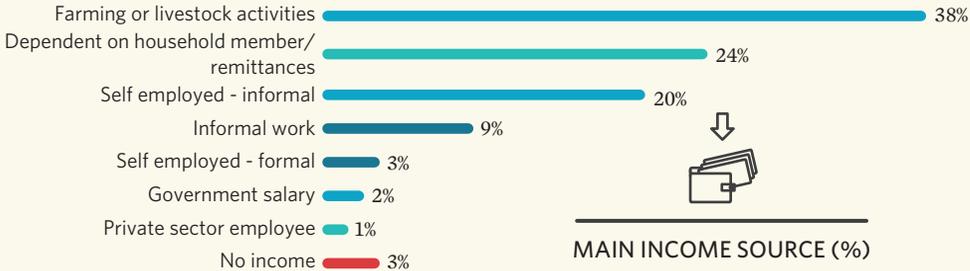
#### PERSONAL MONTHLY INCOME (%)



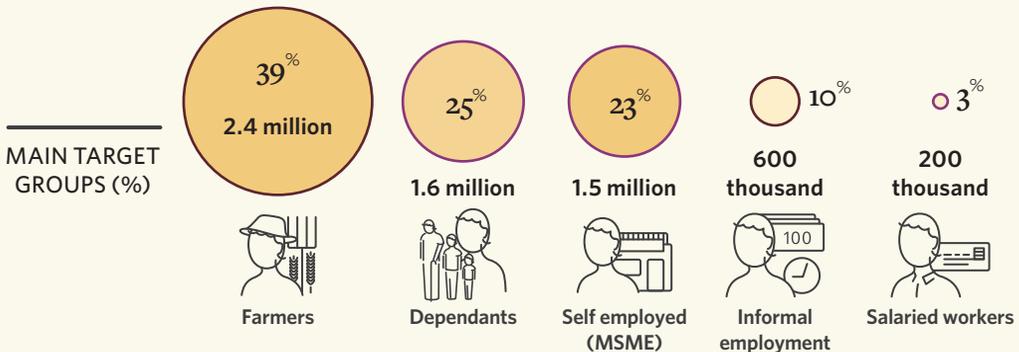
1USD = ± FCFA580



Income/livelihoods



- Most adults depend on irregular income sources such as farming or informal work or remittances.
- Almost 2 in 5 adults claim farming as a main income source.
- 23% of adults rely on informal work to make a living.
- Rural people rely more on farming compared to urban people.
- Urban individuals equally rely on remittances and support from other household member as rural individuals.
- 25% of adults are dependent on family/friends.
- 3% of adults are formally employed.



## UNDERSTANDING PEOPLE'S LIVES

### Infrastructure

Adults using  
or aware of  
destination

Mean time taken  
to reach destination  
[minutes (')] |



Total



Urban



Rural



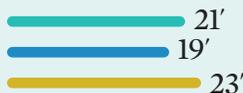
Market

91%



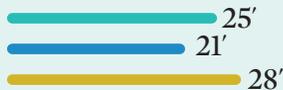
Health centre

90%



School

73%



Mobile money  
agent

48%



ATM

23%



MFI

36%



Bank agency

29%



## UNDERSTANDING PEOPLE'S LIVES

### Infrastructure



Walk



Car/motorbike

56%

31%

59%

30%

89%

9%

68%

21%

20%

60%

31%

51%

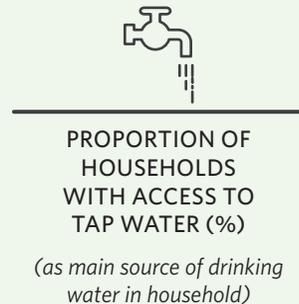
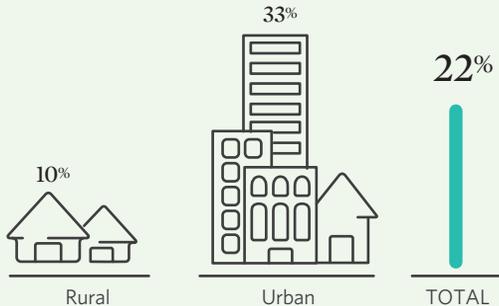
22%

56%

- Financial service access points are furthest to rural adults with mobile money agents being the closest. Most rural adults have to walk while urban adults drive or ride to these points.
- Improving physical access to financial service points can increase financial service uptake significantly. One way would be to use existing structures such as grocery stores and schools to have financial services points (e.g. agents).

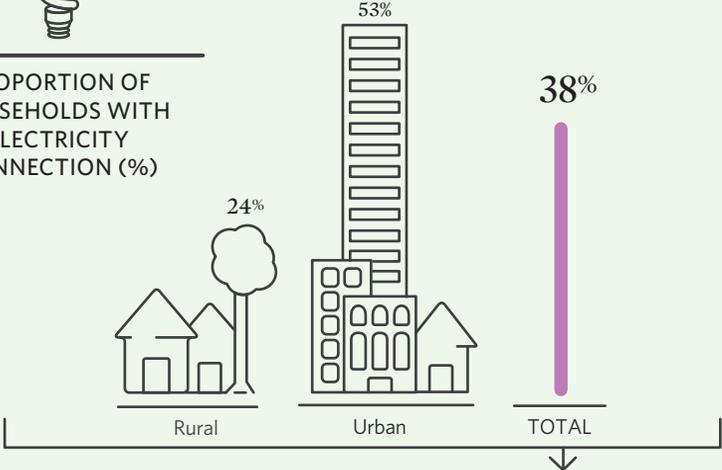
## UNDERSTANDING PEOPLE'S LIVES

### Access to services

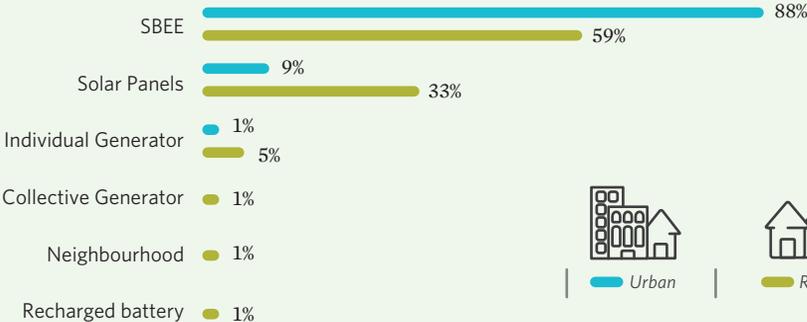




PROPORTION OF HOUSEHOLDS WITH ELECTRICITY CONNECTION (%)

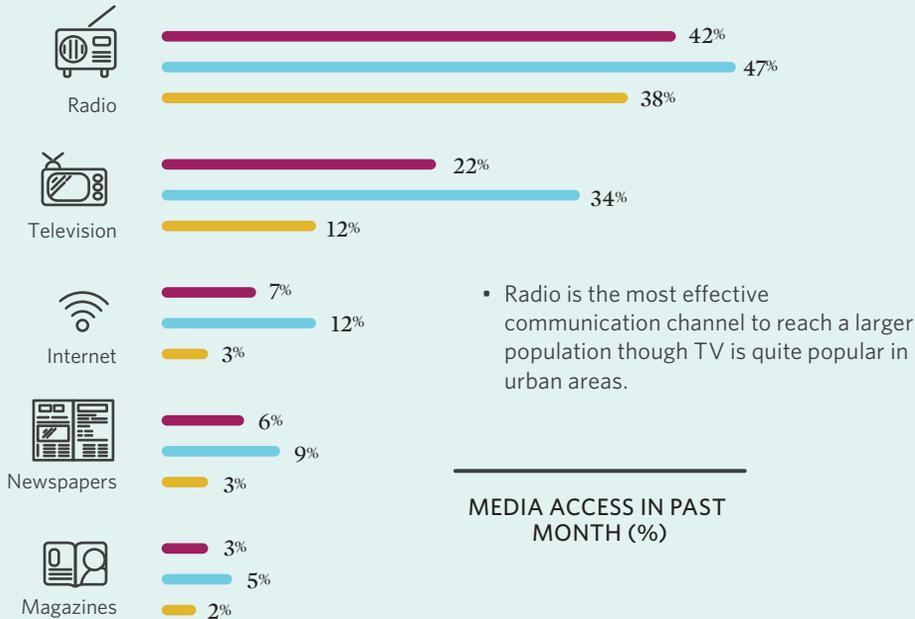


SOURCES OF ELECTRICITY (%)



## UNDERSTANDING PEOPLE'S LIVES

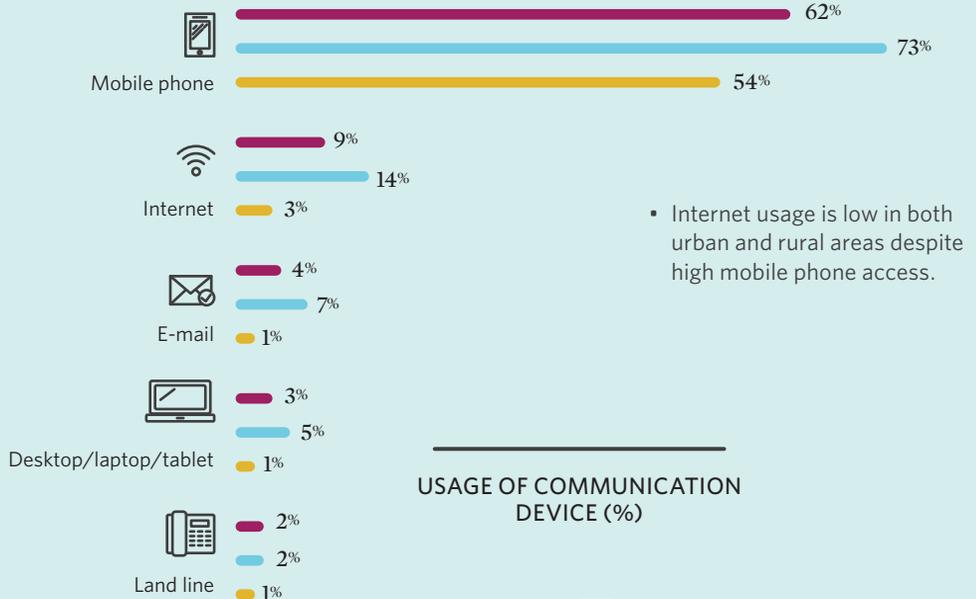
### Media access



### MEDIA ACCESS IN PAST MONTH (%)



### Communication devices/tools

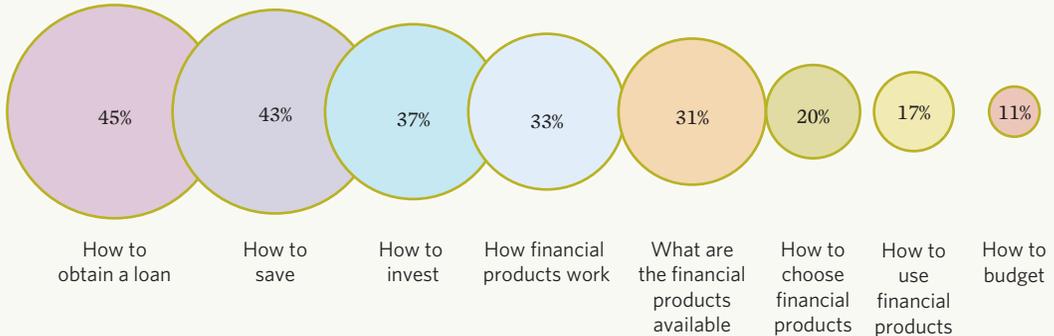


#### USAGE OF COMMUNICATION DEVICE (%)

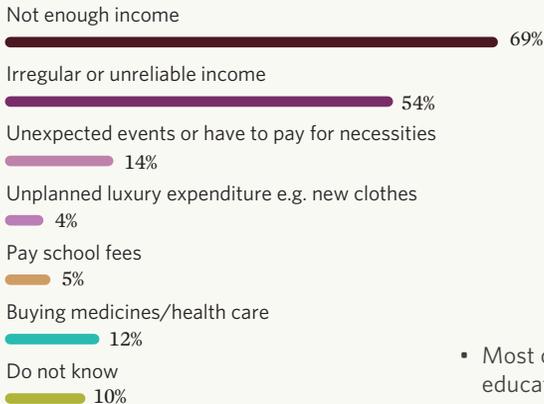


## FINANCIAL CAPABILITY

### Managing money



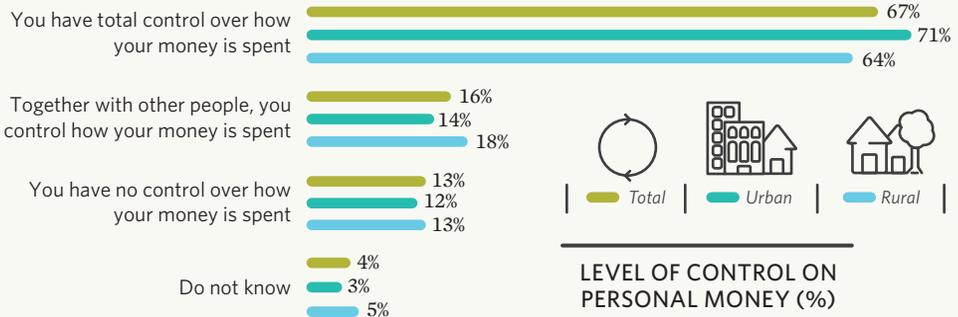
### CAUSES FOR RUNNING OUT OF MONEY (%)



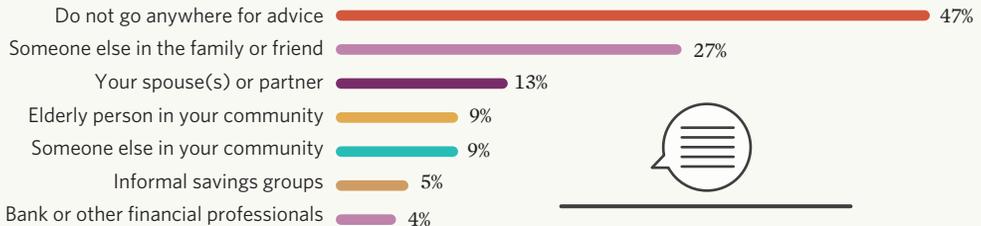
### DESIRED FINANCIAL EDUCATION (%)

- Most of the adults who run out of money have primary education or less and have irregular incomes.

### Managing money and seeking financial advice



LEVEL OF CONTROL ON PERSONAL MONEY (%)



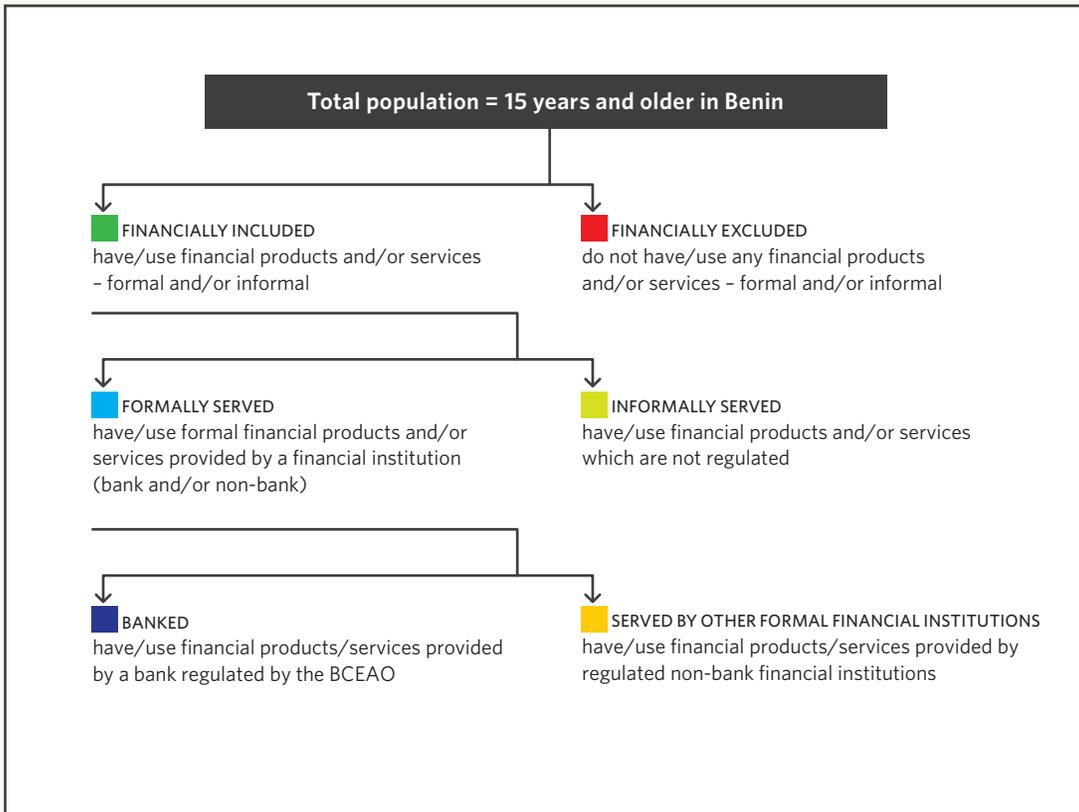
WHERE DO YOU USUALLY GO TO GET FINANCIAL ADVICE?

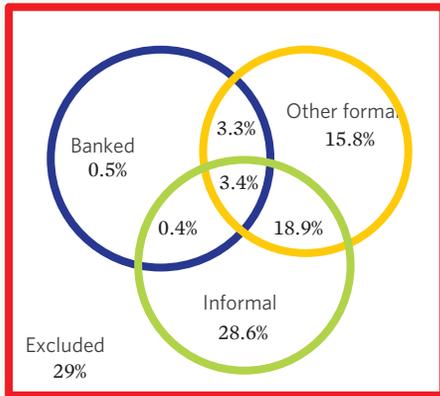
(\*of those with any income source) (%)

- About half of the adults do not go to anyone for financial advice while only 4% seek professional help.

## FINANCIAL INCLUSION

### Defining financial inclusion by category



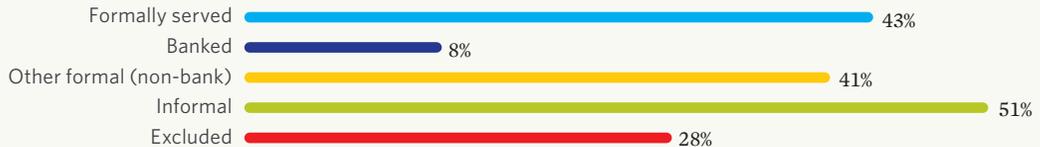


**Overlaps**

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

- Under 1% of adults rely exclusively on banking services yet 16% rely exclusively on other formal (non-bank) mechanisms.
- 23% 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.
- 29% of the adult population ONLY rely on informal mechanisms such as savings groups (Tontine), Money lenders or Taxi drivers to save or borrow money or remit money.

**Overview (%)**



- 43% of adults are formally served, including both banked and other formal non-bank products/services (mainly driven by mobile money & MFIs).
- 8% of adults are banked (mainly driven by transactions and uptake of savings accounts).
- 41% of adults have/use other formal non-bank products/services.
- 51% of adults have/use informal mechanisms for managing their finances (driven by informal savings and credit mechanisms).
- 29% of adults are financially excluded.

## FINANCIAL INCLUSION

### Overall Financial Access Strand



In constructing this strand, the overlaps in financial product/services usage are removed, resulting in the following segments:

- Financially excluded adults, i.e. they do not use any financial products/services – neither

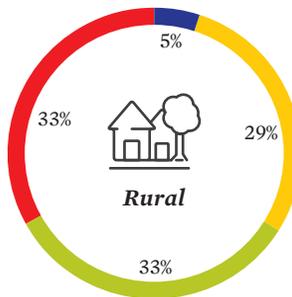
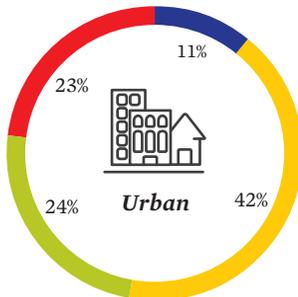
formal nor informal – to manage their financial lives (29%).

- Adults who have/use informal mechanisms only but no formal products/services (29%).
- Adults who have/use other formal non-bank products/services but NO commercial

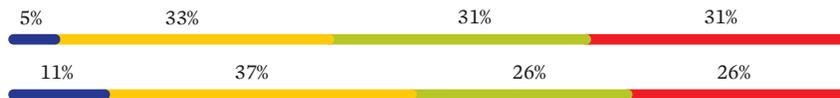
bank products (35%) – they might also have/use informal mechanisms.

- Adults who have/use commercial bank products/services (8%) – they might also have/use other formal and/or informal mechanisms.

### Access Strands by location and gender



Female

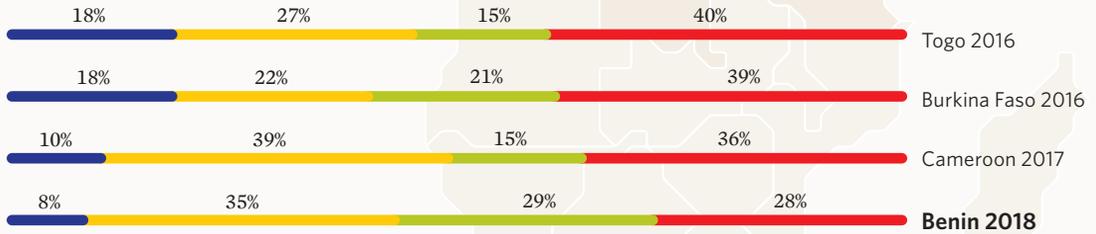


Male



ACCESS STRANDS

Regional Financial Access Strand (%) (ranked by excluded)



## LANDSCAPE PRODUCTS



**Banking  
& MFI**



**Banked**



**MFI (current)**



**MFI (current & past)**

Percentage of adults  
currently using  
product in Benin

● **8%**

● **10%**

● **14%**

Percentage of  
adults not using  
product in Benin

**92%**

**90%**

**86%**

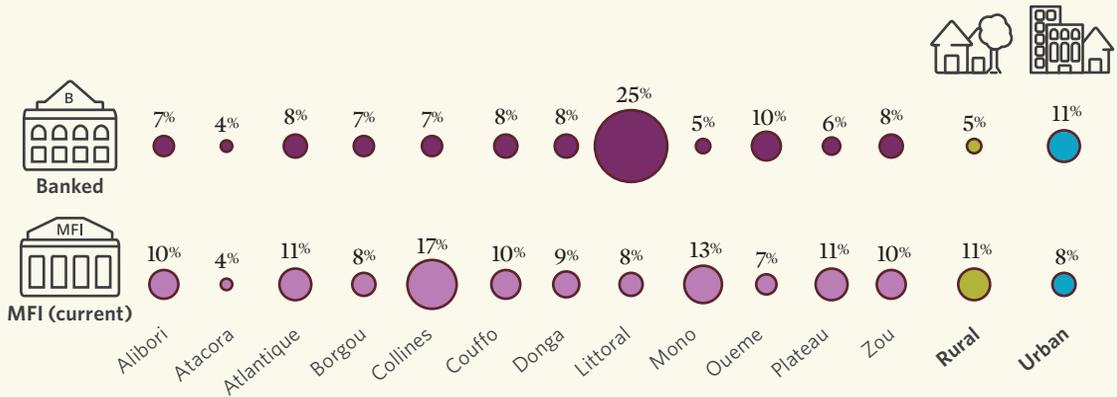
There is a slightly higher uptake (current users) of MFI products and services than bank uptake in Benin.

## LANDSCAPE PRODUCTS

Banking  
& MFI



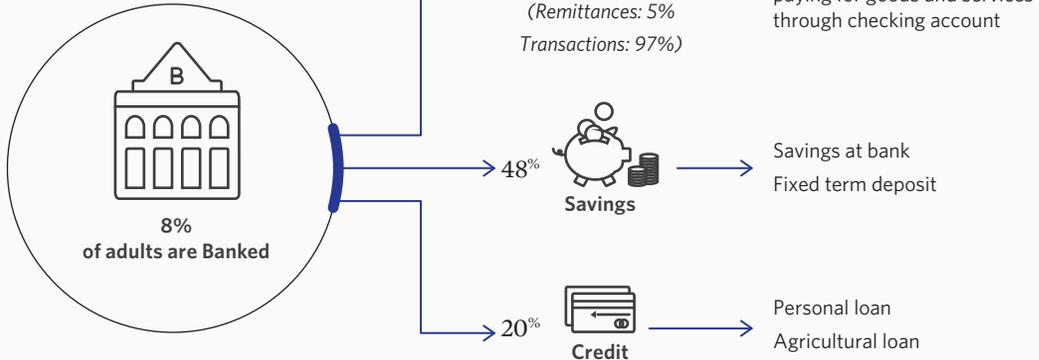
- Banked adult proportions are highest in Littoral and MFI user proportions are highest in Collines.
- Penetration of MFI is higher in rural areas with lower uptake of bank products.





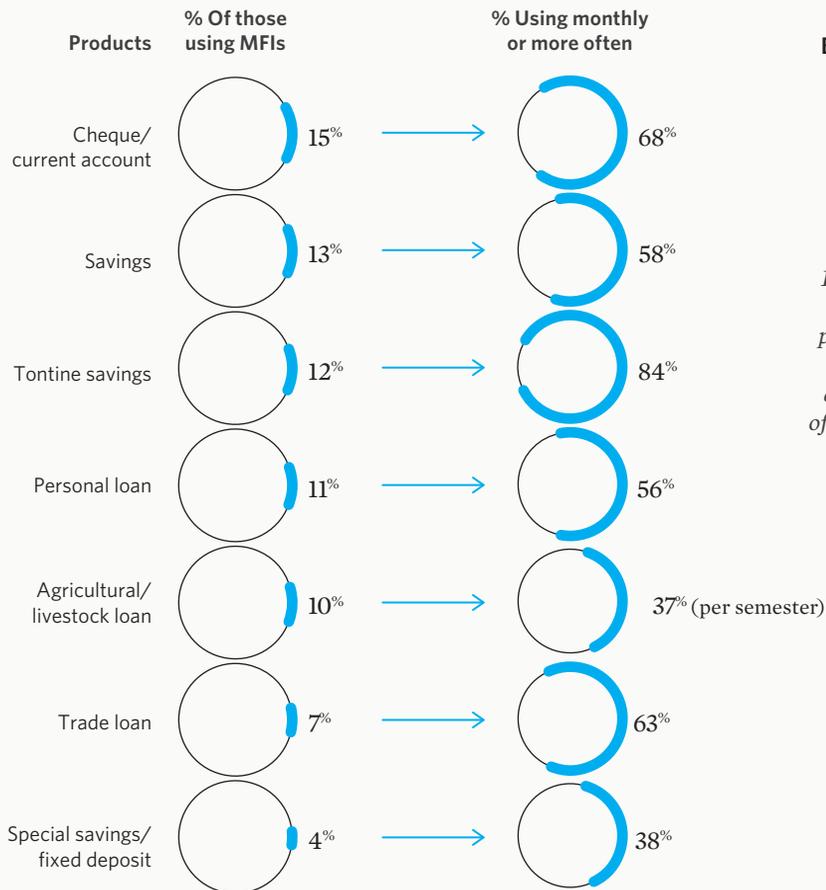
## Banking & MFI

*What products/services are driving the banked?*



- Payments are the major driver of banking largely driven by transactions.

**Banking  
& MFI**



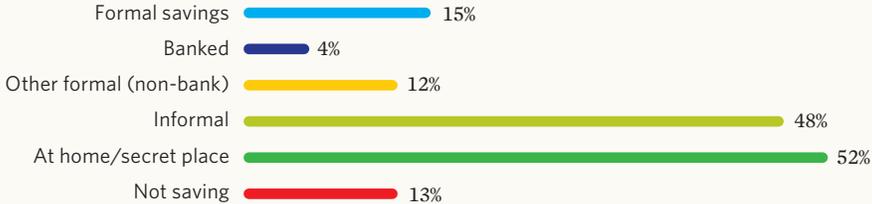
**What products/  
services are  
driving MFIs?**

*Interpretation: Of those using MFI products/services, 15% use current account with 68% of these using them monthly or more frequent.*

## Savings and investments (%)



### Overall



### Savings Strand



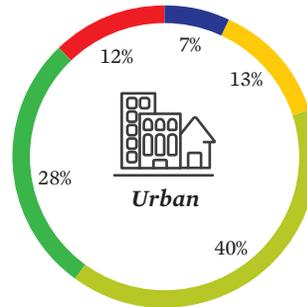
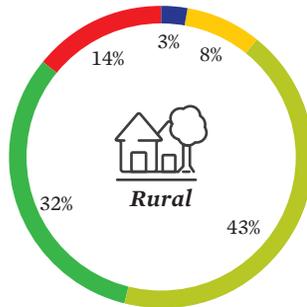
In constructing this strand, the overlaps in financial product/services usage are removed.

- 13% of the population were not saving at the time of the survey.
- 30% keep all their savings at home, i.e. they do not have/use formal or informal savings products or mechanisms.

- 42% rely on informal mechanisms such as savings groups (they might also save at home, but they do not have/use any formal savings products).
- 11% have/use formal non-bank savings products (they might also have/use informal savings mechanisms, but they do not

- have/use savings products from a commercial bank).
- 4% have/use savings products from a commercial bank (they might also have/ use other formal and/or informal mechanisms, or save at home).

Savings Strand by area type



Savings and investments (%)



What is driving savings?

MAIN NEEDS FOR USING FINANCIAL PRODUCT/SERVICE

NUMBER OF SAVERS



Savings at bank (all savings products at bank)	→ 280 thousand	→ Living expenses and education
Savings through mobile money	→ 400 thousand	→ Living expenses and medical expenses
Savings with/membership with informal group (Tontine)	→ 1,4 million	→ Living expenses and business start-up/expansion
Saving in livestock	→ 240 thousand	→ Living expenses and accumulating wealth
Savings in a secret place /at home	→ 2,1 million	→ Living expenses and medical expenses
Savings through MFI	→ 240 thousand	→ Living expenses and business start-up/expansion

## LANDSCAPE PRODUCTS

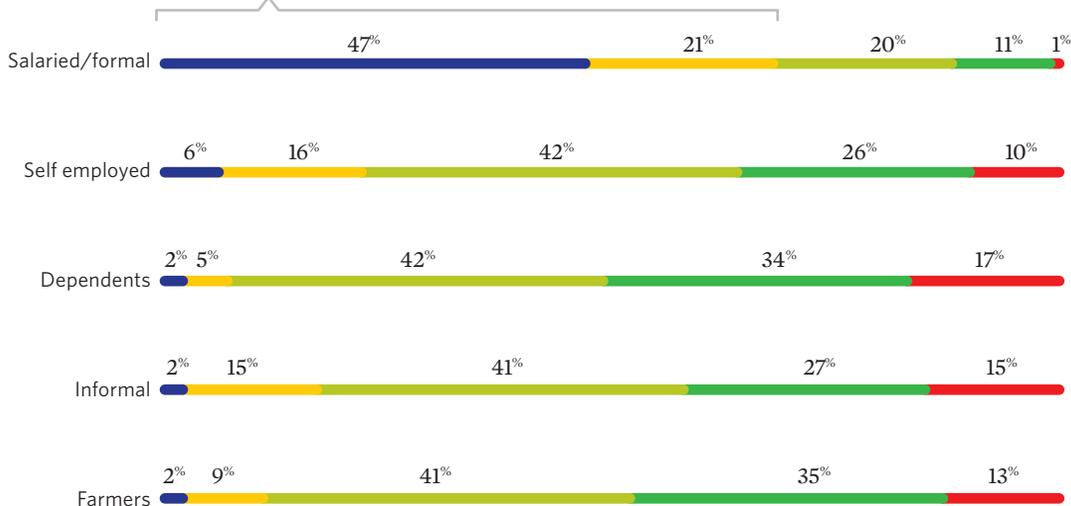
### Savings and investments (%)



Savings are the main driver of financial inclusion in Benin but mostly driven by informal mechanisms e.g. savings groups. A larger proportion of adults do not use formal or informal savings mechanisms but save at home or in a secret place. This is more common for adults that get their livelihoods from informal sectors or dependent on other household members.

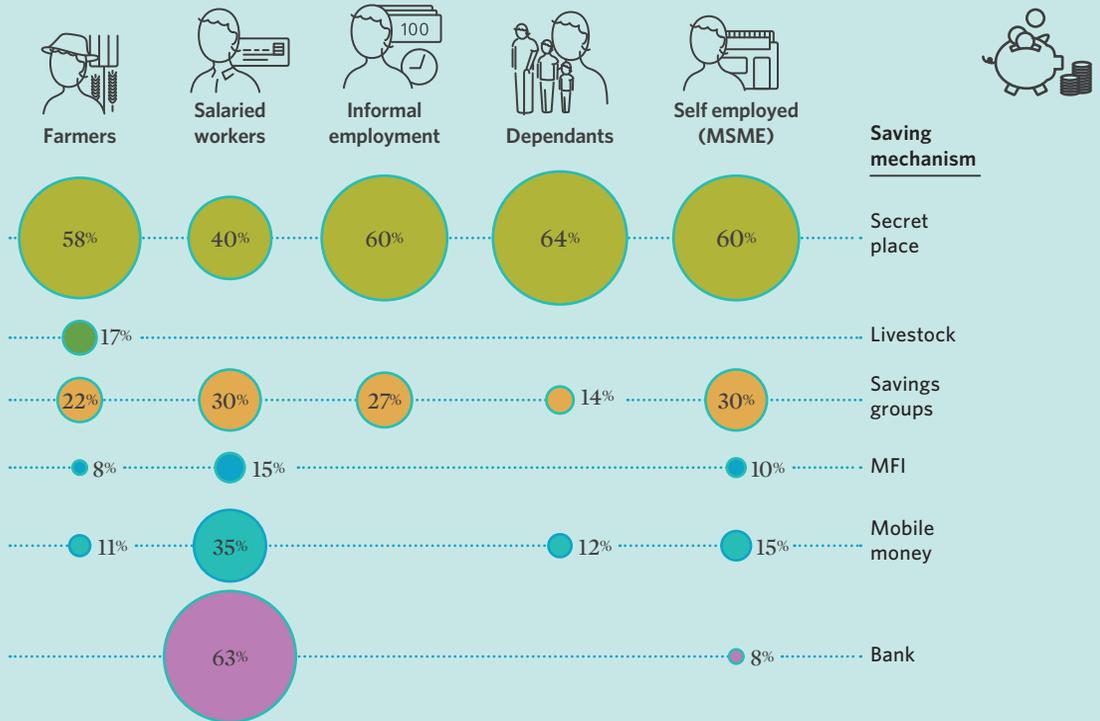
### Savings Strand by target group

*Salaried employees mainly use formal savings channels (68%)*



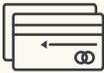
LIVING NEEDS AND MAIN SAVINGS MECHANISMS

Savings and investments (%)

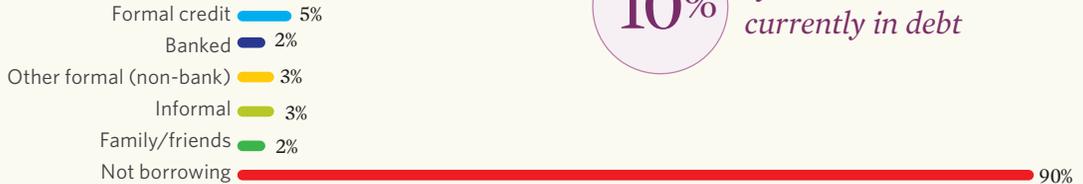


Living expenses are the single most common need for savings amongst the different livelihood groups. Saving in a secret place and savings groups are the most common mechanisms for four of the livelihood groups except for the salaried who mainly use banks to cope with living expenses.

## LANDSCAPE PRODUCTS



### Borrowing and credit



**10%** of adults are currently in debt

### Credit Strand



In constructing this strand, the overlaps in financial product/services usage are removed.

- 90% claimed not to borrow at the time of the survey, neither from friends/family nor from formal/informal financial services providers.
- 2% borrow only from friends and family, i.e. these individuals do not have/use formal or

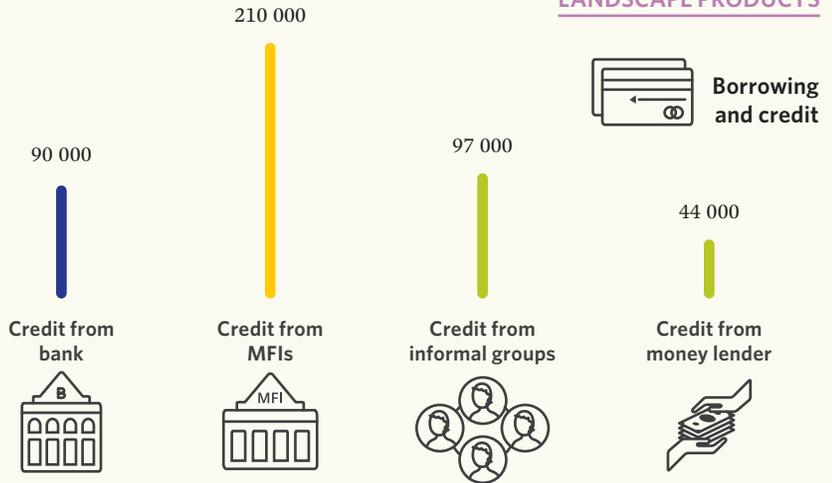
informal credit/loan products or mechanisms.

- 3% 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).
- 3% 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).

- 2% 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).

NUMBER OF BORROWERS PER BORROWING MECHANISM



*Credit Strand by area type*



## LANDSCAPE PRODUCTS



### Insurance and risk management



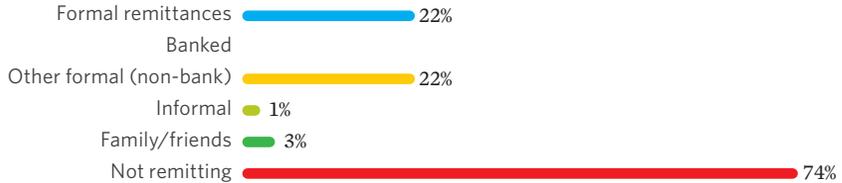
- Only 5% of the Beninese have insurance.
- Of those insured, the uptake of a motor insurance (32%), medical aid (14%), pension scheme (11%), loan scheme (12%), life assurance (7%) and travel insurance (6%) are the popular products driving insurance.
- The main barrier to insurance uptake is that most people cannot afford it while others are unaware of the products. Of those without any mechanism covering risk, almost half (43%) believe there are other ways to cover risk other than insurance.

---

### Insurance Strand



*Overview of those who remitted in the past 12 months*



*Remittances Strand*



- 23% of adults received money from within the country while only 3% received money from abroad in the last 12 months (18% sent money within the country).
- More males sending money (22%) than females (14%).
- 32% of adults remitted within Benin and 4% remitted abroad.



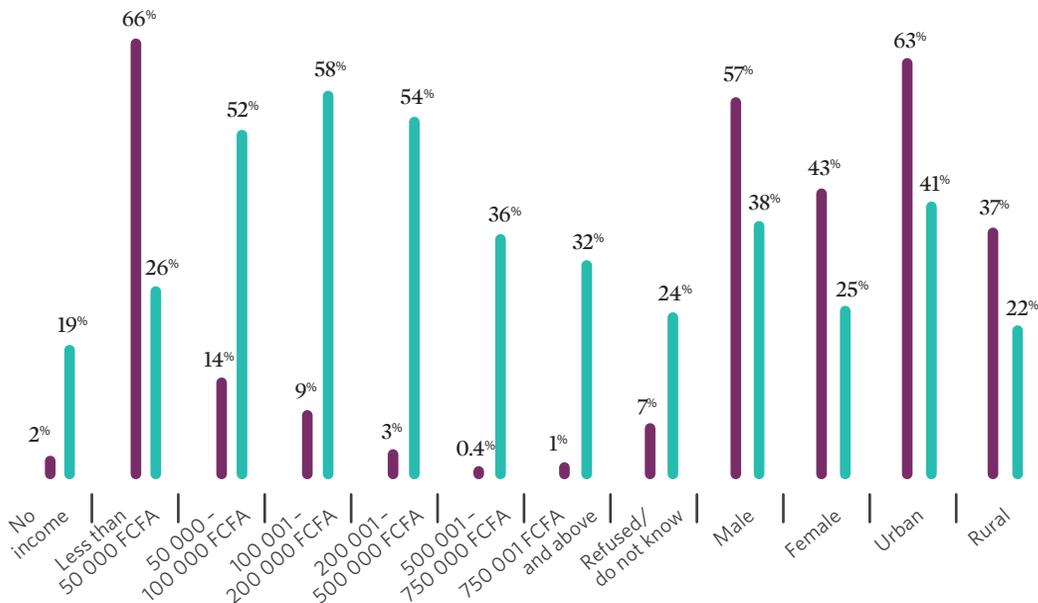
## LANDSCAPE PRODUCTS



### Mobile money

Use mobile money services (profile) %

Use mobile money service (within group) %

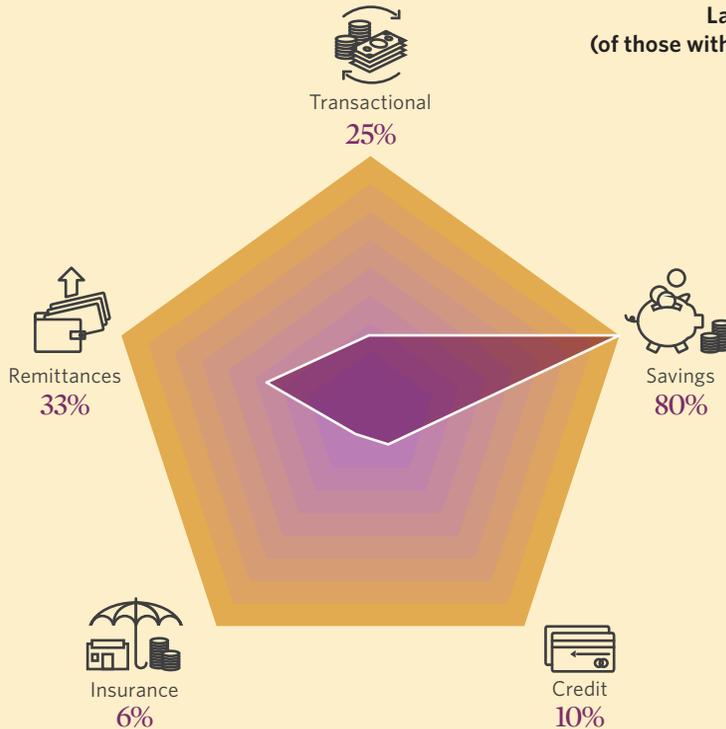


- 22% of adults own mobile money services while 31% use mobile money services implying usage by non-registered adults.
- Higher usage of mobile money amongst urban adults, males and those earning less than 50 000 FCFA.

Of those who use mobile money services (31%):

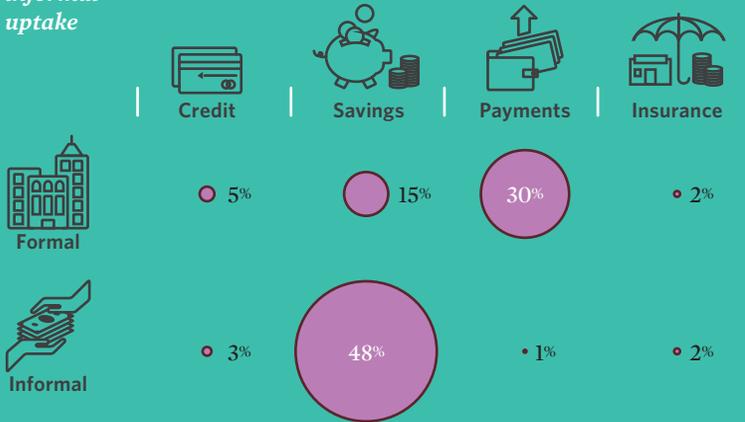
- 66% use it to remit.
- 19% use it to keep money/save.
- 17% transact through mobile money (pay utility bills, buy airtime, etc.).

Landscape of Access  
(of those with financial product)



The Landscape of Access is used to illustrate the extent to which financially included individuals have/use financial products/services (excluding those borrowing from family/friends and those who save at home/hiding in secret place).

*Formal vs. informal uptake*



- Savings are largely informal while payments are mostly formal.
- Formal savings are driven by bank and MFI savings products.
- Payments are driven by mobile money and bank payments.
- Credit is driven by MFIs.



### Financial inclusion priorities



#### 1.

Uptake of banking products and service is low with most of the banked individuals using banks for transactional purposes. The survey showed that 5% of individuals who are not banked use over-the-counter services at banks.

#### 2.

MFI credit is the most commonly used credit source. MFIs also play a significant role in providing savings products. Overall, MFIs are the second biggest formal financial service provider after mobile money.

#### 3.

Mobile money is the single biggest driver of formal financial services in Benin. One in three adults using mobile money mainly to remit and transact, with other mobile money users using it as a savings mechanism.

#### 4.

Savings is the biggest driver of financial inclusion in Benin largely driven by informal mechanisms. Acceptance of traditional savings collateral can

be explored. Financial education is critical to transform savings behaviour from largely informal to formal mechanisms.

#### 5.

Insurance to better manage impact of risks - insurance is driven by motor vehicle insurance with very low life assurance and health care as well as agricultural/livestock insurance.

#### 6.

Consumer education and financial literacy are real issues in Benin - interaction with financial products like insurance is largely encumbered by financial literacy. Financial education should be expanded in school curriculum as well as service providers actively empowering their clients.

