

# Drivers of access to credit in South Africa

## Research question

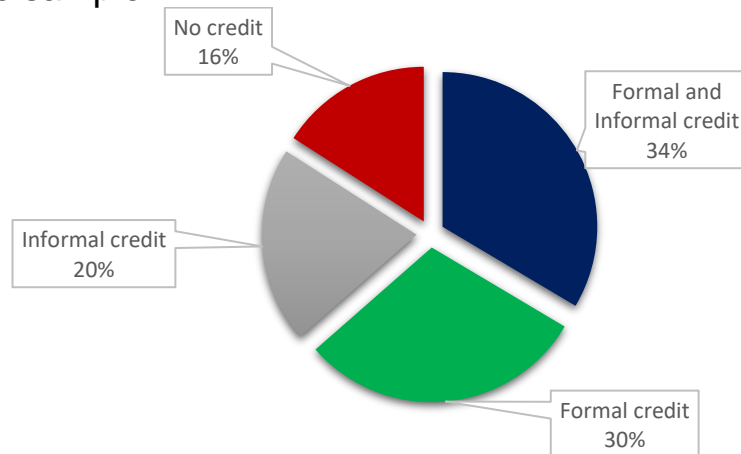
- What role does demographics and the transactional behaviour at individual level play in influencing the probability of gaining access to different types of credit namely: formal, informal and the combination of formal and informal credit.

## Descriptive statistics

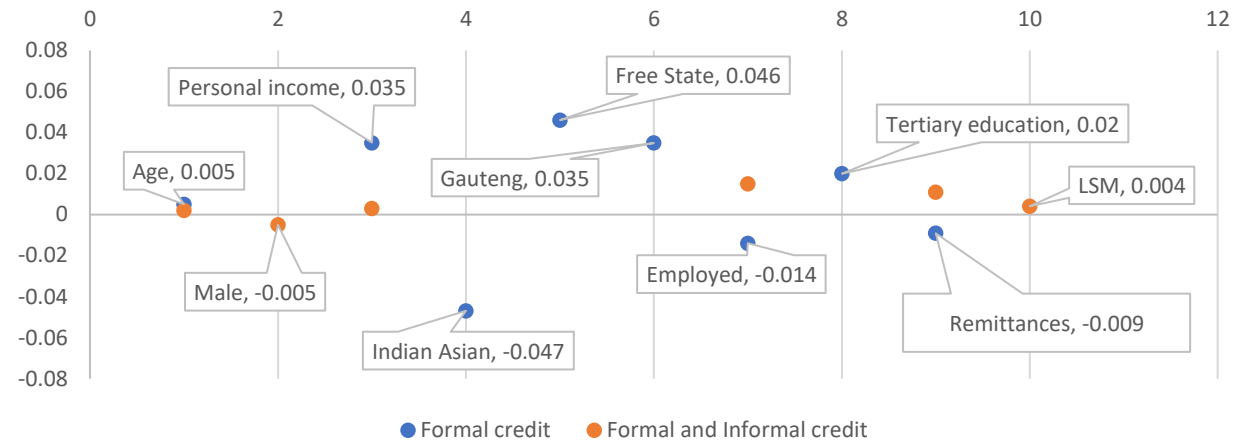
Credit	Count	Weighting to Population
Formal credit	458	3037996
Informal credit	369	3460289
Formal and informal credit	111	608813
No credit	4026	33799637
Total	4964	40906735

- Individuals had access to the combination of formal and informal credit according to the weighting of the 2019 StatsSA estimates were about 608 813, that is 111 individuals in the sample.

- Employed individuals have the most access to the combination of formal and informal credit



## Marginal effect estimates



## Results

### Formal Credit

- The marginal effect for the log of personal income is 8.75x higher for access to formal credit compared to access for informal credit.
- Rise in income by 10% translates to a 0.35 percentage point rise in the probability of access to formal credit

### Formal and Informal Credit

- Being Male as well as a higher LSM increases the likelihood of gaining access to formal and informal credit.
- Usage of the combination of formal and informal credit is a result of banking frontier expansion and improved credit regulations.



UNIVERSITEIT VAN PRETORIA  
UNIVERSITY OF PRETORIA  
YUNIBESITHI YA PRETORIA

Faculty of Economic and  
Management Sciences

Fakulteit Ekonomiese en Bestuurswetenskappe  
Lefapha la Disaense tša Ekonomi le Taolo

Tshidiso Mofokeng

[Tshidiso.b.m@gmail.com](mailto:Tshidiso.b.m@gmail.com)

SCAN for paper:

