

# FINANCIAL INCLUSION **insights**

APPLIED RESEARCH FOR  digital financial inclusion

## TANZANIA

### WAVE 3 REPORT FII TRACKER SURVEY

Conducted September-October 2015

March 2016



## TANZANIA



## PUTTING THE USER FRONT AND CENTER

The Financial Inclusion Insights (FII) program responds to the need identified by multiple stakeholders for timely, demand-side data and practical insights into digital financial services (DFS), including mobile money, and the potential for their expanded use among the poor.

The FII team conducts regular survey and qualitative research in [Kenya](#), [Tanzania](#), [Uganda](#), [Nigeria](#), [India](#), [Pakistan](#), [Bangladesh](#) and [Indonesia](#) to:

- **Track access to and demand** for financial services generally, and the uptake and use of DFS specifically;
- **Measure adoption and use** of DFS among key target groups (females, BOP, rural, unbanked, etc.);
- **Identify drivers and barriers** to further adoption of DFS;
- **Evaluate the agent experience** and the performance of mobile money agents; and
- **Produce actionable, forward-looking insights** to support product and service development and delivery, based on rigorous FII data.

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The FII program is managed by InterMedia. Visit the FII Resource Center to learn more: [www.finclusion.org](http://www.finclusion.org).

**TANZANIA****CONTENTS**

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## TANZANIA

### Survey demographics

% of survey	
<b>Gender</b>	
Male	49%
Female	51%
<b>Geography</b>	
Urban	29%
Rural	71%
<b>Income</b>	
Above the \$2.50/day poverty line	17%
Below the \$2.50/day poverty line	83%

% of survey	
<b>Age</b>	
15-24	24%
25-34	29%
35-44	22%
45-54	13%
55+	11%
<b>Aptitude</b>	
Basic literacy	84%
Basic numeracy	96%

Figures are weighted to reflect national census data demographics.

Source: InterMedia Tanzania FII Tracker survey (N=3,001, 15+), September-October 2015.

**TANZANIA**

# **EXECUTIVE SUMMARY**

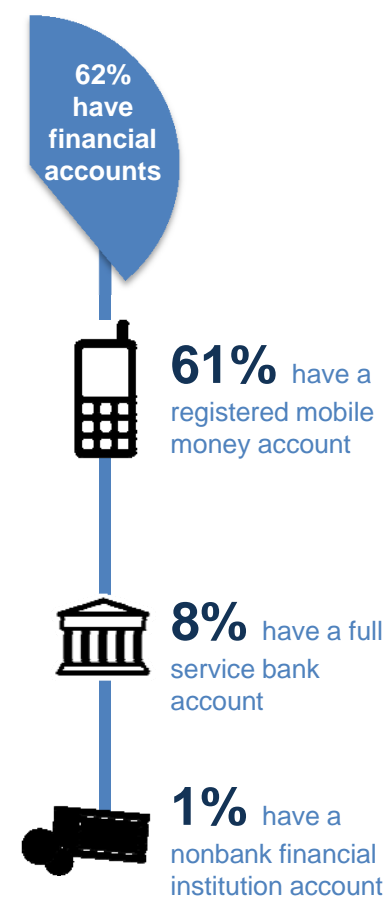
## TANZANIA

### Notable statistics

- **Greater mobile money access and an increased number of accounts provide more Tanzanians with access to finance.**
  - Nearly two-thirds of Tanzanian adults now have a registered financial account (vs. 50% in 2014).
  - Growth in mobile money access and account ownership drove this increase. Six in 10 have registered accounts (61%), up from 44% in 2013.
  - Promotional activities by Tigo Pesa, Vodacom M-Pesa and Airtel Mobile Money are proving effective as mobile money is quickly becoming the main, and almost sole, pillar of financial inclusion. Usage has far surpassed that of banks and nonbank financial services.
  - Nearly all (95%) of Tanzanians know of at least one mobile money provider, and for every five people who know of mobile money, three use it.
  - Most of mobile money use is through a registered account. Unregistered use declined vs. previous waves.
- **Mobile money use extends to impoverished groups.**
  - Mobile money access and account ownership extend to those groups often overlooked—women, lower income and those in rural regions of the country. Rural Tanzanians and those living below the poverty level show particularly high increases in access and use vs. 2013.
- **Bank account access, usage declines after a temporary increase in 2014.**
  - 2014 surveying detected a significant increase in bank account access and ownership due to heavy marketing campaigns by banks. Rural, women and lower income groups were key targets of these campaigns.
  - 2015 surveying showed bank account access and ownership retreated back to the 2013 stance, with the most notable attrition from among rural, lower income groups previously targeted. This decline occurred as mobile money usage increased among the same consumer groups.

### 2015: Registered users of financial services\*

(Shown: Percentage of Tanzanian adults, N=3,001)



\*Overlap representing those who have multiple kinds of financial accounts is not shown.

Source: InterMedia Tanzania FII Tracker survey Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Tracking market movement

- Financial inclusion in Tanzania, historically, has been driven by mobile money services: access to, registered usage and active use saw a steep incline in 2015 after a slight drop in 2014. Bank usage dropped sharply in 2015.
  - Sixty-one percent of adults now have a registered mobile money account, up from 38% in 2014 and 44% in 2013. Fifty-three percent of adults are now active mobile money account users, up from 34% in 2014 and 38% in 2013.
  - Access to and active usage of bank accounts declined in 2015. Eight percent had access to a full-service bank account in 2015 compared with 24% in 2014, and 11% in 2013, while 5% actively used bank accounts, a drop from 16% in 2014 and 8% in 2013.
- Greater inclusion of impoverished groups contributed to the growth in mobile money accounts and usage.
  - Mobile money access and account ownership extended to those groups often overlooked, including women, lower income and those in rural regions of the country. Rural Tanzanians and those living below the poverty line showed particularly high increases in access and use compared with 2014.
  - Registered mobile money account use increased among:
    - The rural population (54% in 2015, up from 32% in 2014).
    - Those living below the poverty line (58% in 2015, up from 35% in 2014).
    - Women (57% in 2015, up from 34% in 2014).
    - The urban population (79% in 2015, up from 48% in 2014).
  - Active registered mobile money account use increased among:
    - The urban population (72% in 2015, up from 45% in 2014).
    - Those above the poverty line (75% in 2015, up from 53% in 2014).
    - Women (49% in 2015, up from 30% in 2014).

**TANZANIA**

## Tracking market movement

- Bank account access and ownership fell between 2013 and 2015, most notably among the rural and lower income groups. This decline occurred as mobile money usage increased among the same consumer groups.
  - Bank account access fell most sharply among the rural population (5% in 2015 from 24% in 2014) and among those below the poverty line (6% in 2015 from 24% in 2014).
    - Bank account holders also fell most sharply among the rural population (5% in 2015 from 19% in 2014) and among those below the poverty line (6% in 2015 from 19% in 2014).
  - Women also showed a decline in bank account access in 2015, dropping to 6% from 21% in 2014.
    - This group also showed a decline in bank account ownership in 2015, dropping to 6% from 16% in 2014.



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# **FINANCIAL INCLUSION**

## TANZANIA

### Understanding financial inclusion

#### What is financial inclusion?

Financial inclusion is having an account with an institution that provides a full suite of financial services and comes under some form of government regulation.

These services include savings, money transfers, insurance or investment. Institutions that only offer loans to consumers, such as some microfinance institutions (MFIs), are not considered to be full-service institutions. *(Source: InterMedia FII Program)*

#### How is it measured?

To determine financial inclusion, we look at the percentage of adults who report having an account in their name with at least one institution offering a full-suite of financial services.

#### What is included in this?

Banks, nonbank institutions and mobile money services are included in the financial inclusion measure. In the case of Tanzania, nonbank financial institutions include MFIs, cooperatives, Post Office Banks and village savings groups. In all countries, individuals must have an account in their own name.

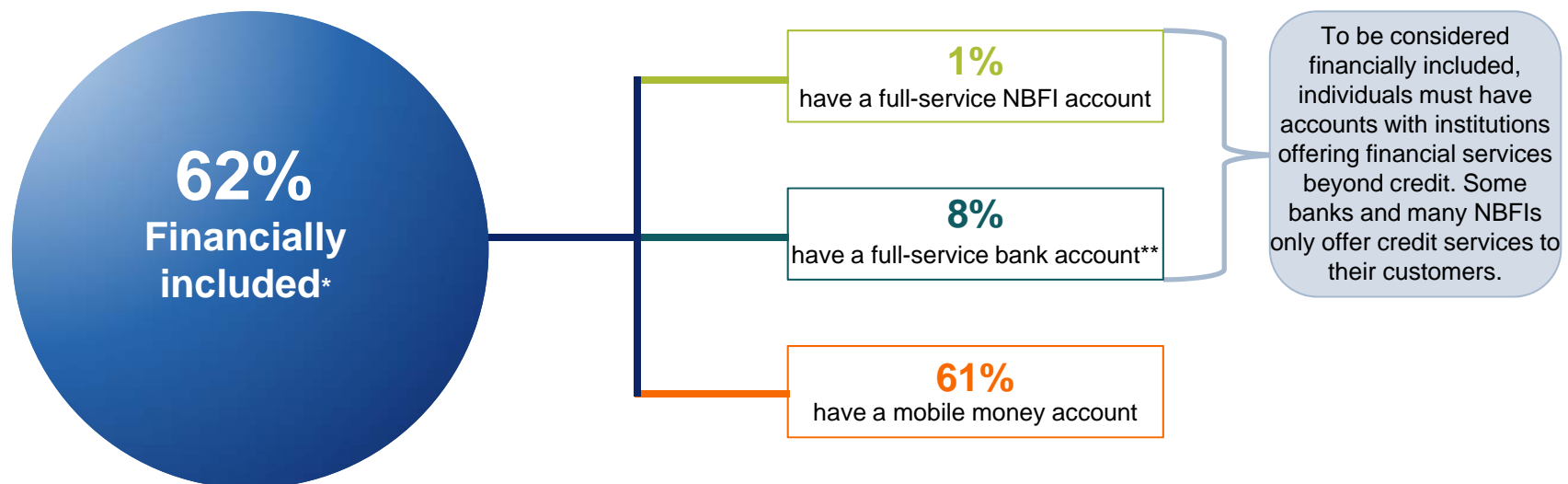
#### What isn't included?

Excluded from the financial inclusion measure are money guards, savings collectors, hawala/hundi networks, and digital recharge cards – such as gift cards – that are not attached to a bank or MFI account.

Additionally, individuals who have accessed formal financial services but do not have their own account, such as those using another family member's account, are not included.

## TANZANIA

### Two-thirds of Tanzanians are financially included, most of them have mobile money accounts



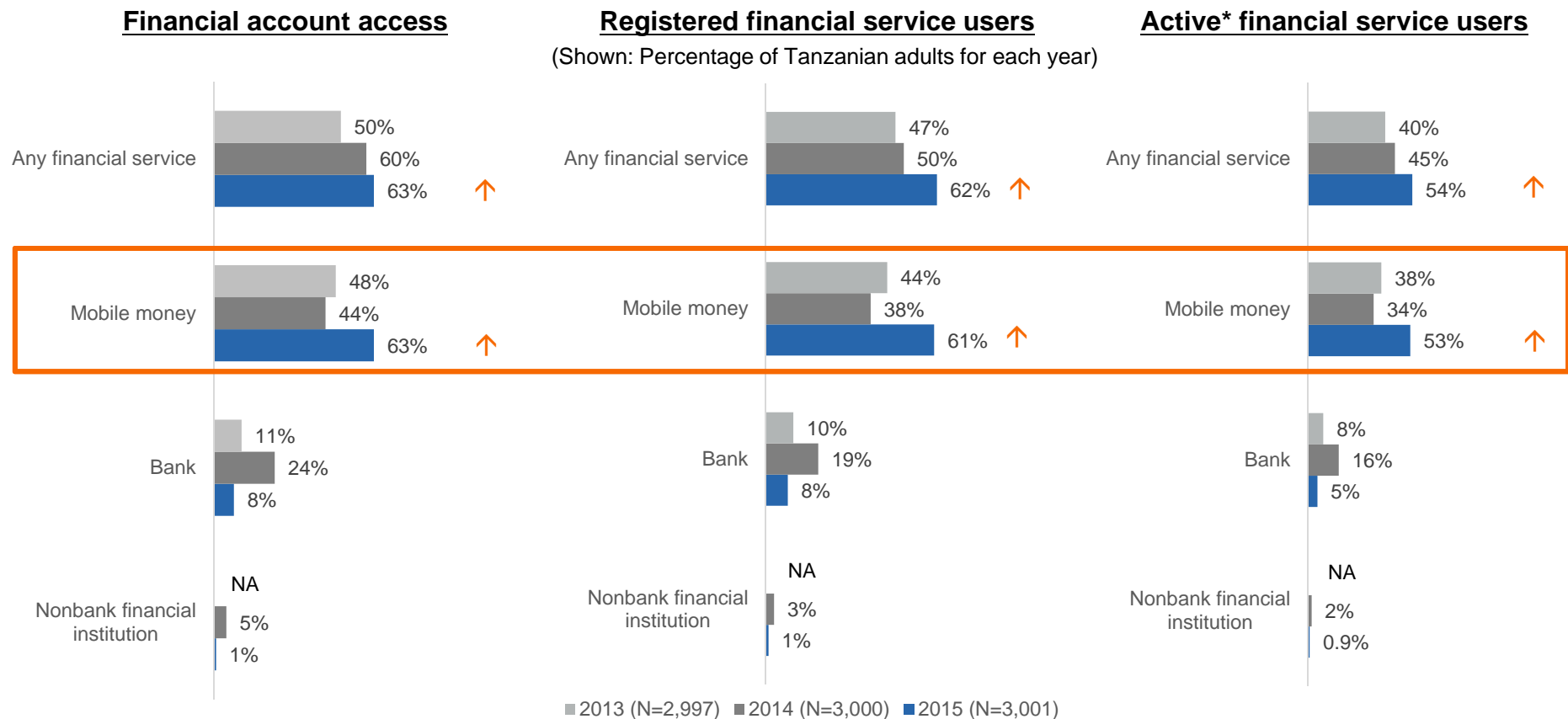
\*Overlap representing those who have multiple kinds of financial accounts is not shown.

\*\*Throughout this report, bank account holders have accounts at full-service institutions, unless otherwise noted.

Source: InterMedia Tanzania FII Tracker survey Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Market overview: Access to and use of financial services grew vs. 2013; new increases are due to mobile money



Types of account ownership are not mutually exclusive. \*A registered account used in the last 90 days.

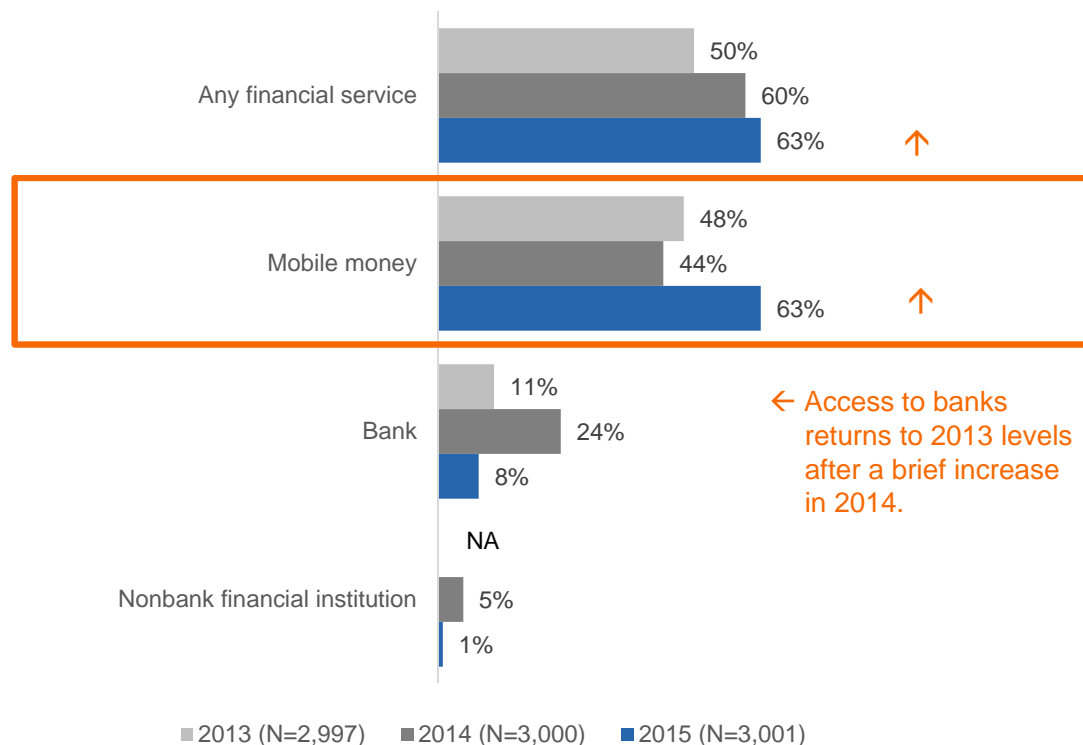
Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### A majority of Tanzanians now have access to mobile money, an increase of almost 50 percent vs. 2014

#### Access to financial services

(Shown: Percentage of Tanzanian adults for each year)

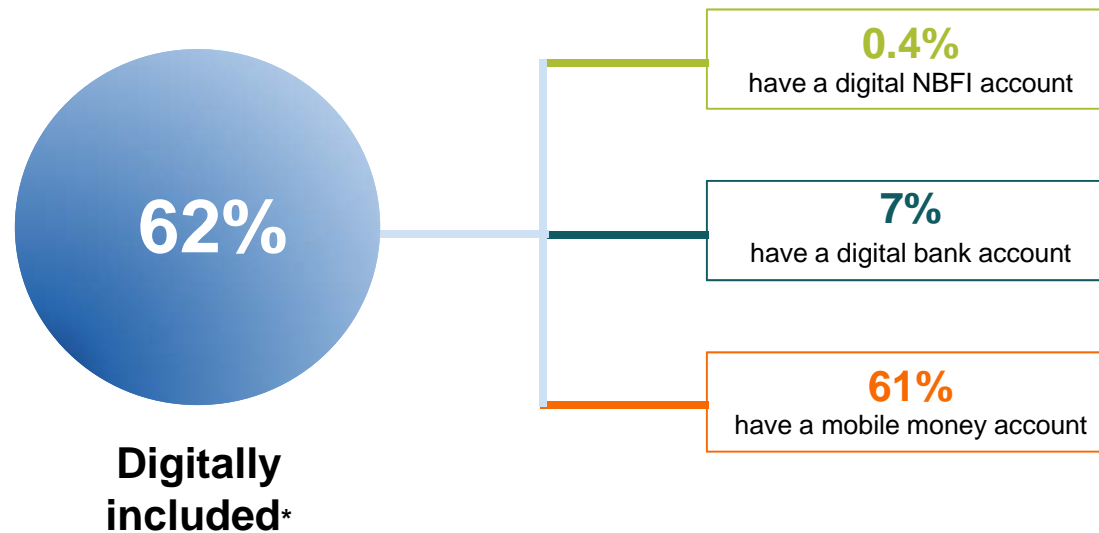


Types of accounts are not mutually exclusive.

Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Nearly two-thirds of adults now have digital access to their financial service accounts in Tanzania



\*Overlap representing those who have multiple kinds of financial accounts is not shown.

Digital access means that individuals can access their accounts via any number of electronic platforms, including debit and credit cards, electronic money transfers, or mobile phones.

Source: InterMedia Tanzania FII Tracker survey Wave 3 (N=3,001, 15+), September-October 2015.

**TANZANIA**

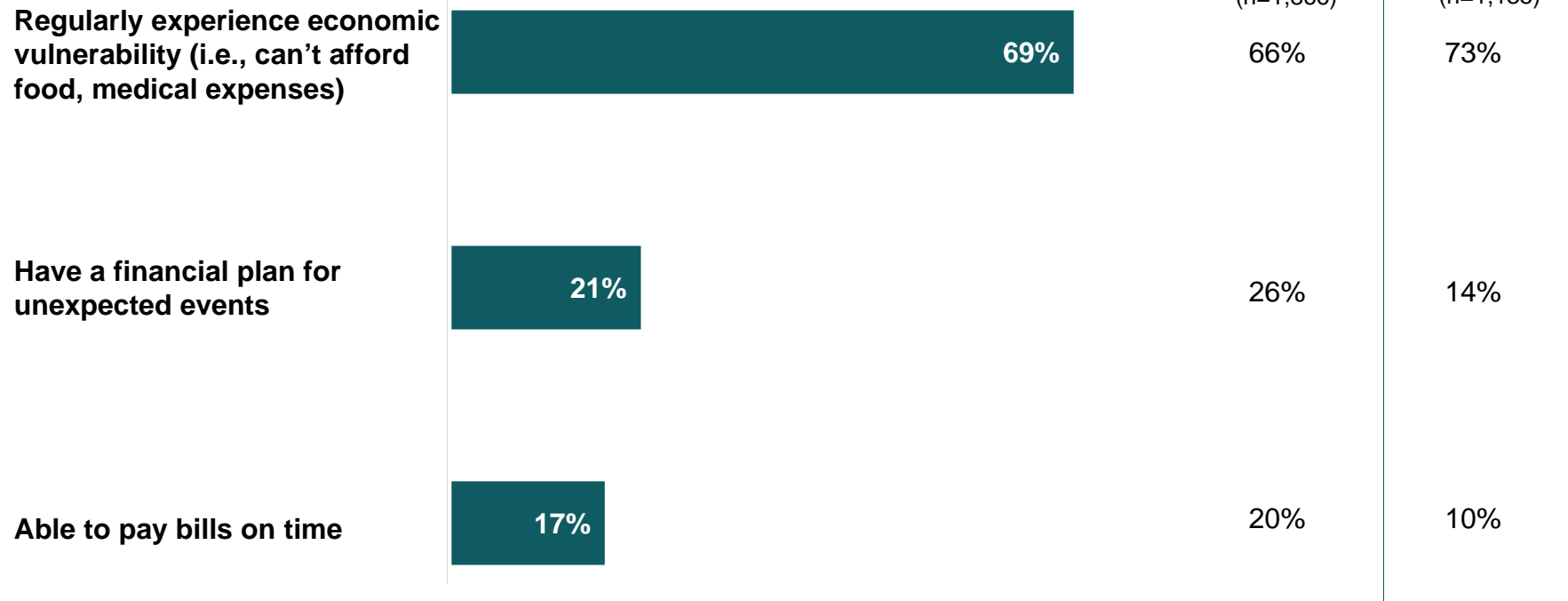
# **TANZANIANS' FINANCIAL LIVES**

## TANZANIA

### Few adults have a financial plan for unexpected events and fewer are able to pay bills on time; the vast majority experience economic vulnerability

#### 2015: Financial responsibility, vulnerability

(Shown: Percentage of Tanzanian adults, n=3,001)



\*Question allowed for multiple responses.

Source: InterMedia Tanzania FII Tracker survey Wave 3 (N=3,001, 15+), September-October 2015.

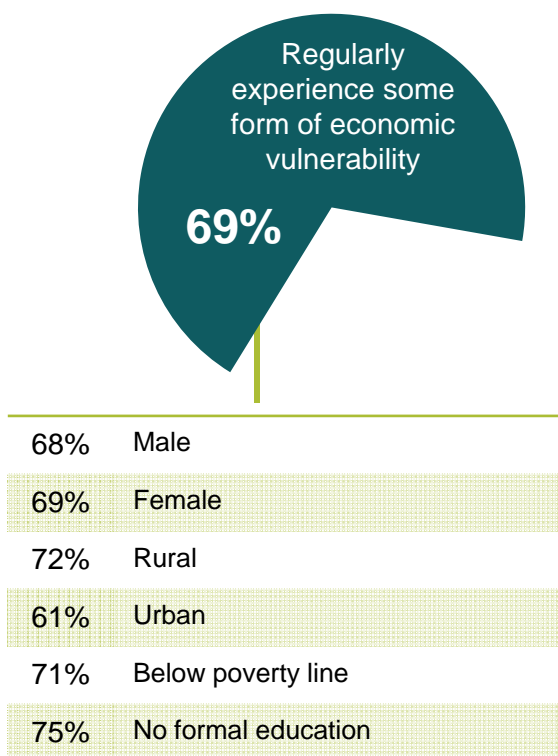


## TANZANIA

### Forgoing food and medical help are the most common forms of economic vulnerability among Tanzanian adults

#### 2015: Economic vulnerability

(Shown: Percentage of Tanzanian adults, n=3,001)



#### Form of economic vulnerability

(Shown: Percentage of vulnerable adults, n=2,050)

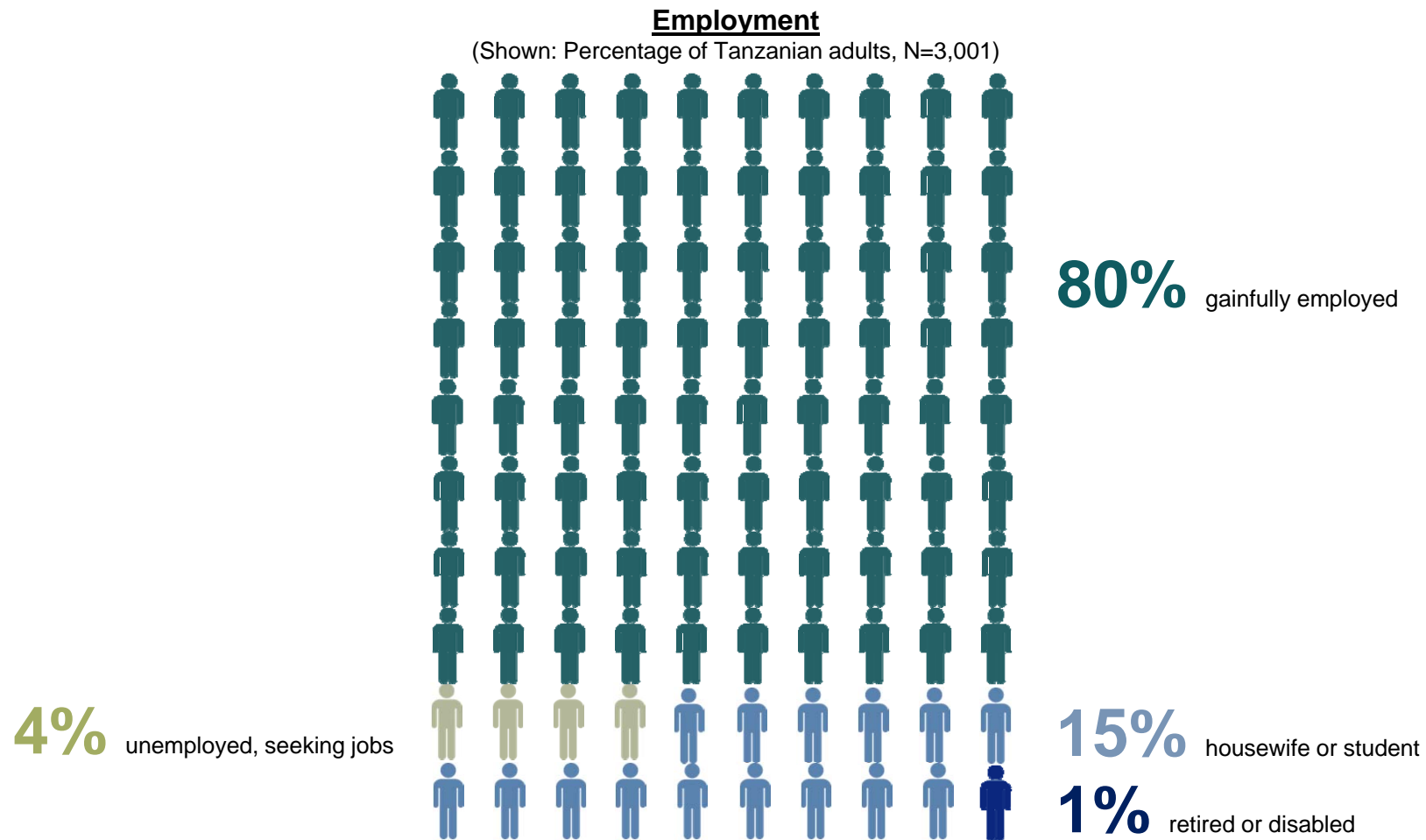
%

Gone without food to eat	58%
Gone without medical help	55%
Gone without cooking fuel	48%
Miss an important family event (i.e., funeral, wedding, etc.)	40%
Gone without fertilizer for the farm	27%
Couldn't pay school fees	23%
Gone without help from a veterinarian	17%
Had to close down business temporarily or completely	9%

← Most adults are in rural areas, live below the poverty line and have no formal education.

## TANZANIA

Four in every five adults in Tanzania are gainfully employed; housewives and students comprise 15 percent of the population

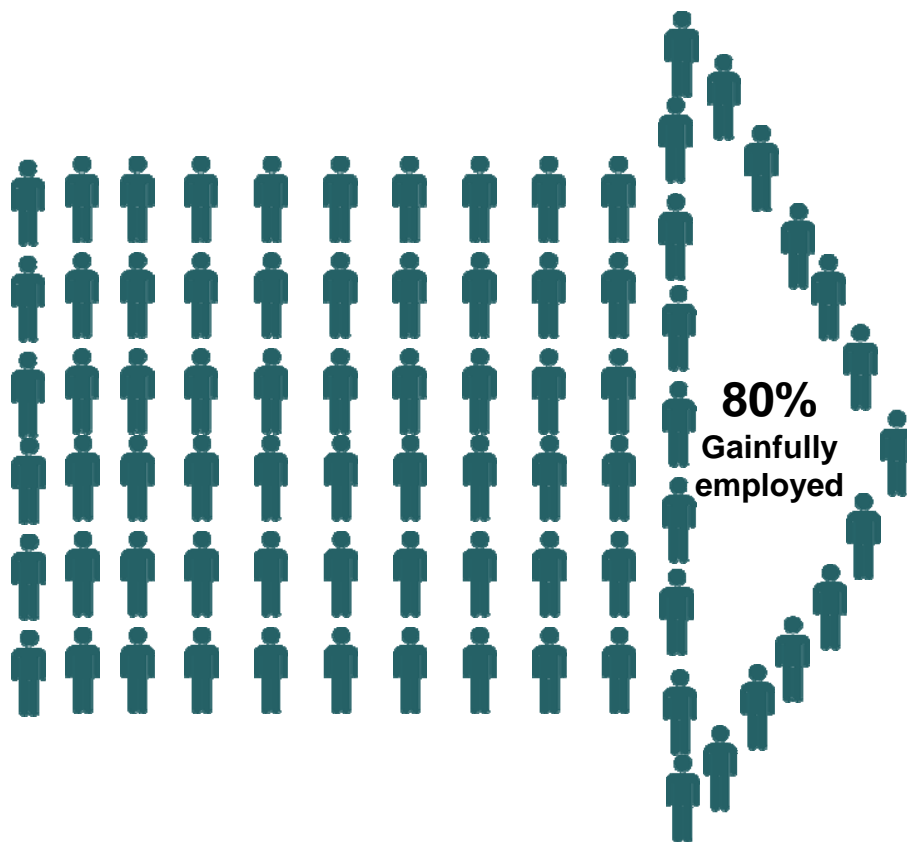


## TANZANIA

### Almost 70 percent of gainfully employed adults work on or own a farm, others are business owners

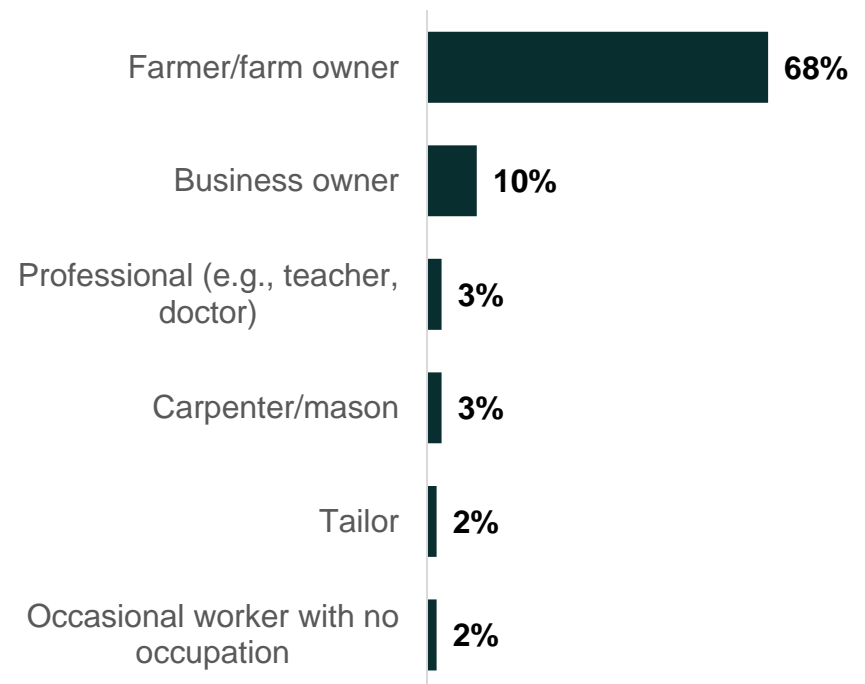
#### Employment

(Shown: Percentage of Tanzanian adults, N=3,001)



#### Most common primary occupation

(Shown: Percentage of gainfully employed adults, n=2,408)

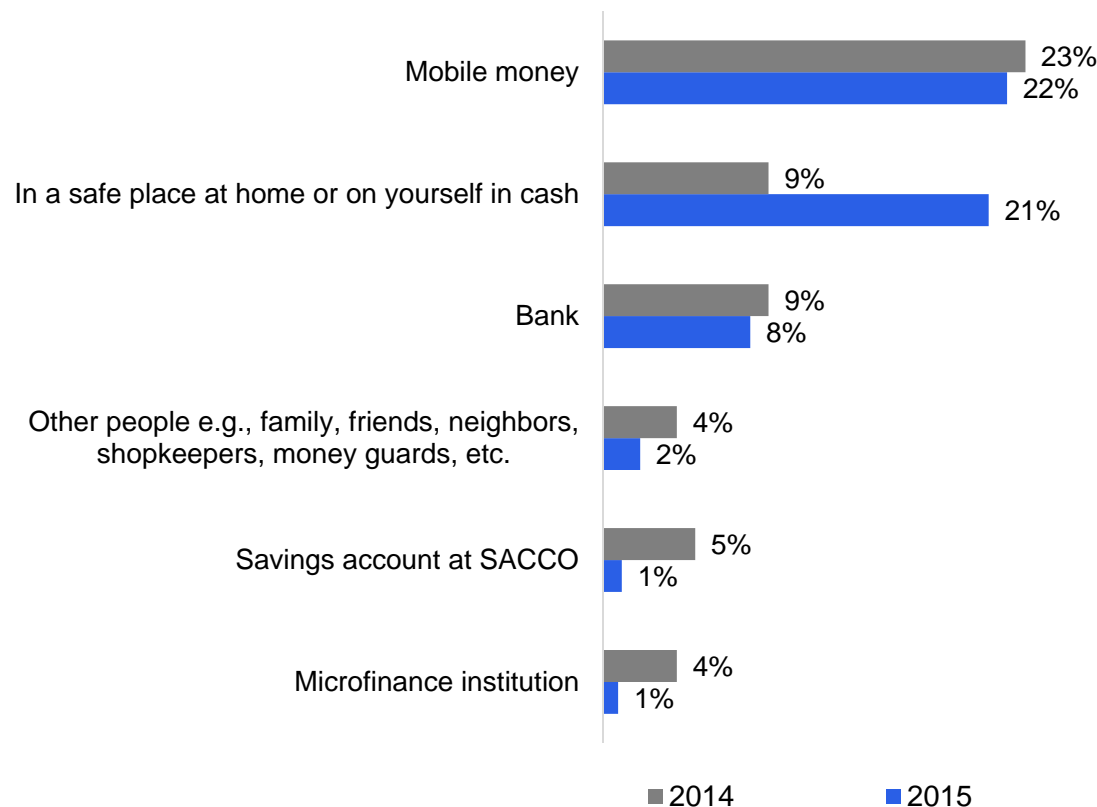


## TANZANIA

### Mobile money is still the most popular savings instrument in Tanzania; the number of people who save money in a safe place at home also increased

#### Do you save money with any of the following?

(Shown: Percentage of Tanzanian adults)



#### Savings

(Shown: Percentage of Tanzanian adults, N=3,001)

**48%**

currently have savings

**37%**

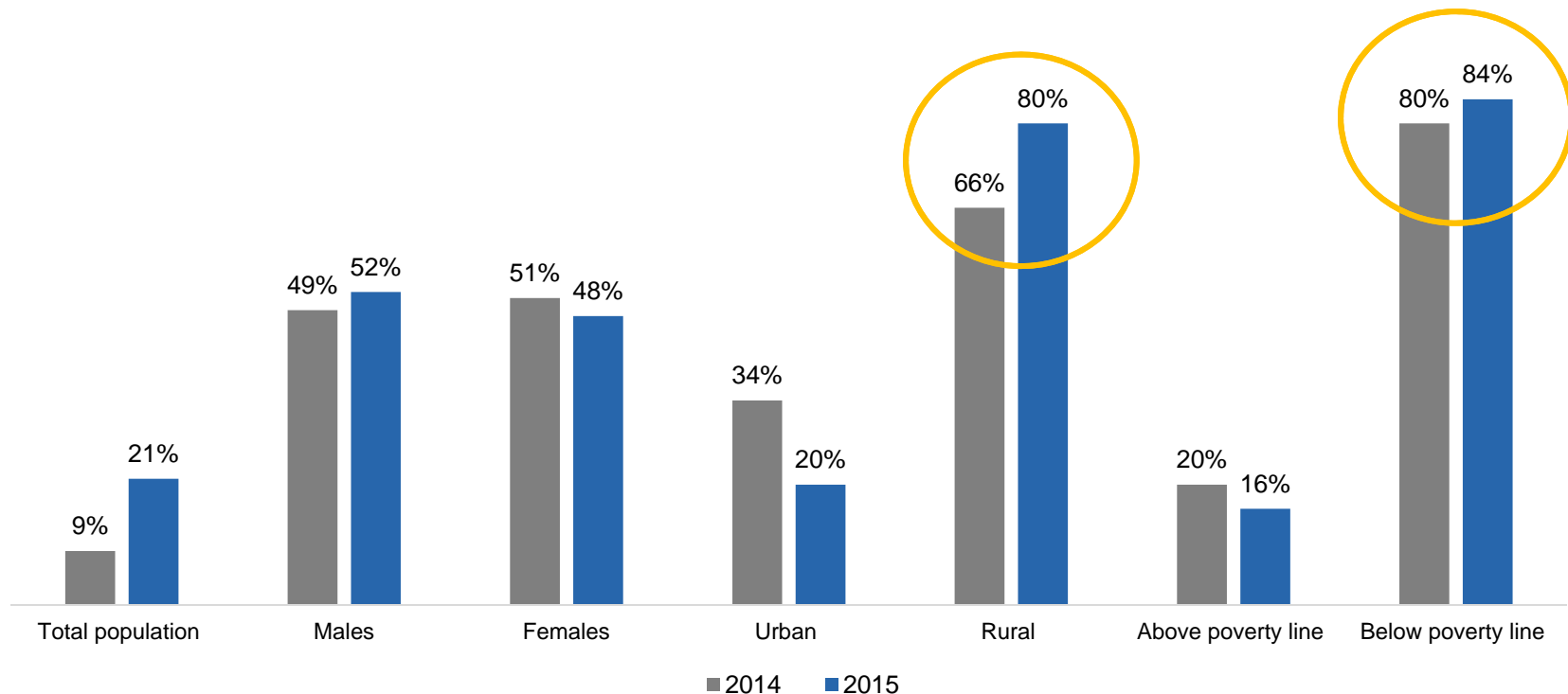
know the interest rate they earn on their savings.

## TANZANIA

### Most of those who save money in a safe place at home live in rural areas and below the poverty line

#### Demographic profile: People who save money in a safe place at home or on themselves, in cash

(Shown: Percentage of Tanzanian adults who save money in a safe place at home )

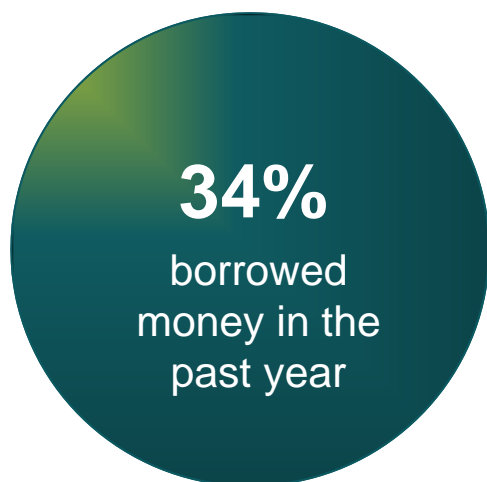


## TANZANIA

### Family, friends and neighbors are the top sources of loans for the one-third of Tanzanians who borrowed money in the past year

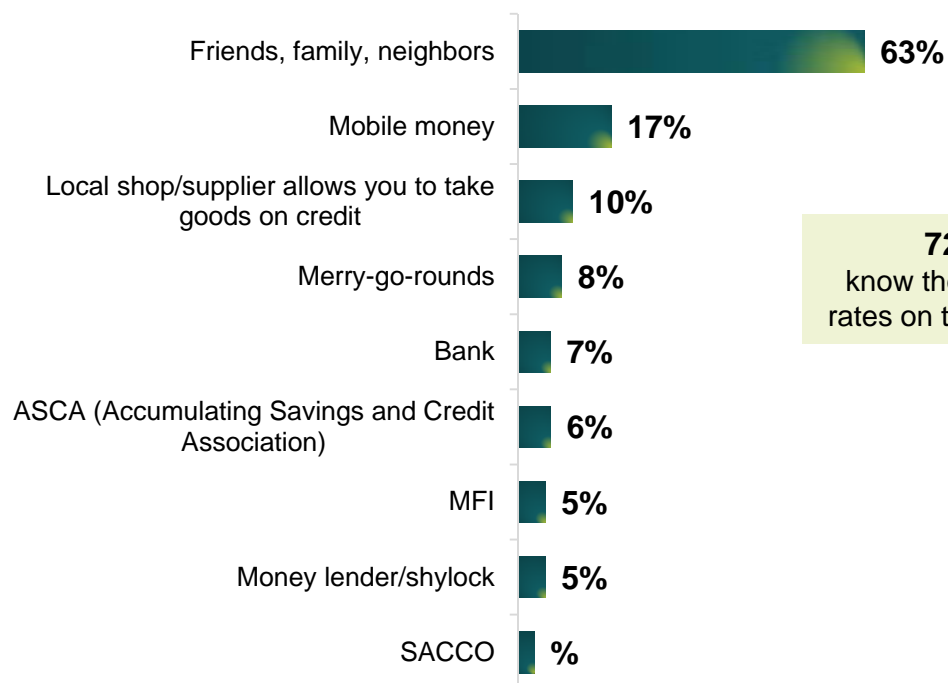
#### 2015 : Borrowing

(Shown: Percentage of Tanzanian adults, N=3,001)



#### Source of loans

(Shown: Percentage of adults who borrow, n=1,044)



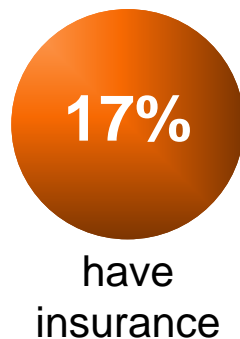
**72%**  
know the interest  
rates on their loans.

## TANZANIA

**Medical insurance is the most common form of insurance in Tanzania; home, income protection and education insurance are in the second tier**

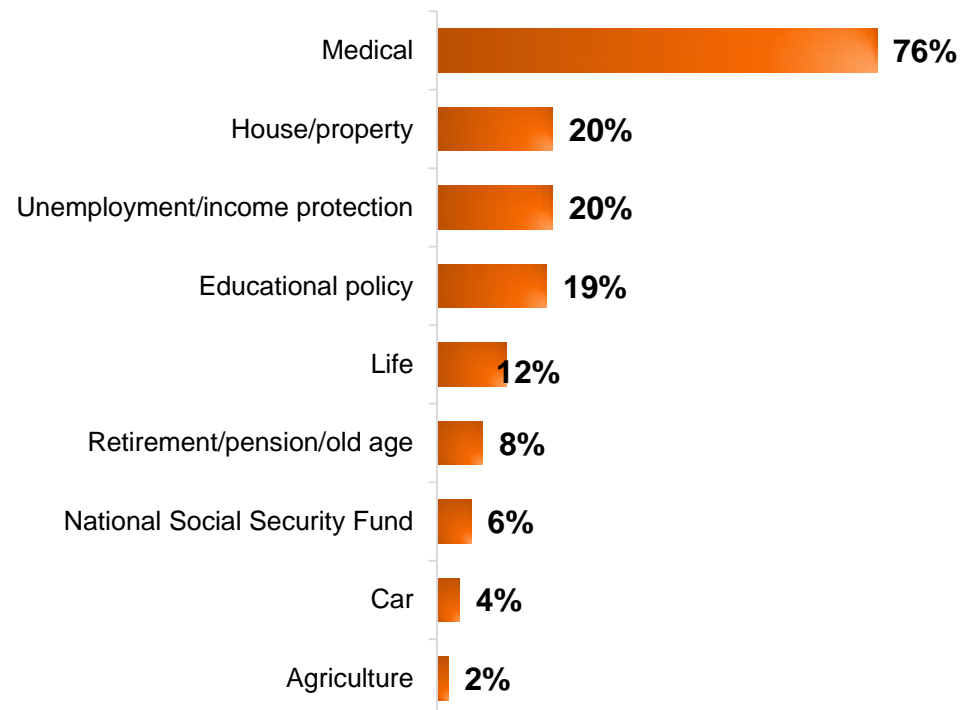
### 2015: Insurance

(Shown: Percentage of Tanzanian adults, N=3,001)



### 2015: Type of insurance

(Shown: Percentage of adults with insurance, n=481)



**TANZANIA**

# **ACCESS TO AND USE OF MOBILE PHONES**

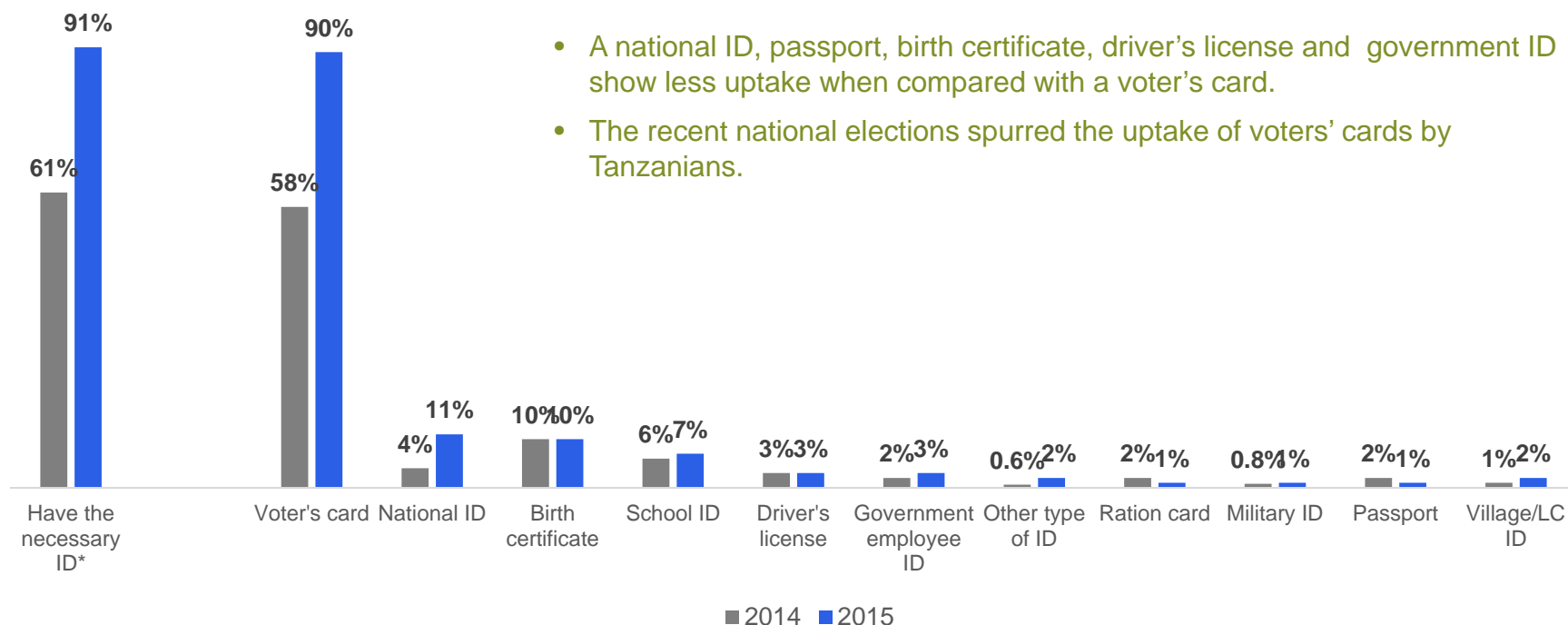


## TANZANIA

### Most Tanzanian adults have the type of ID required by financial institutions to register a mobile money or bank account

#### Type of identification reported by Tanzanian adults

(Shown: Percentage of Tanzanian adults who report each type of ID)



- A national ID, passport, birth certificate, driver's license and government ID show less uptake when compared with a voter's card.
- The recent national elections spurred the uptake of voters' cards by Tanzanians.

\*Identification documents (ID) necessary for registering a mobile money or a bank account include one of the following: a National ID, passport, voter's card, driver's license, company or government ID, or village/LC ID.

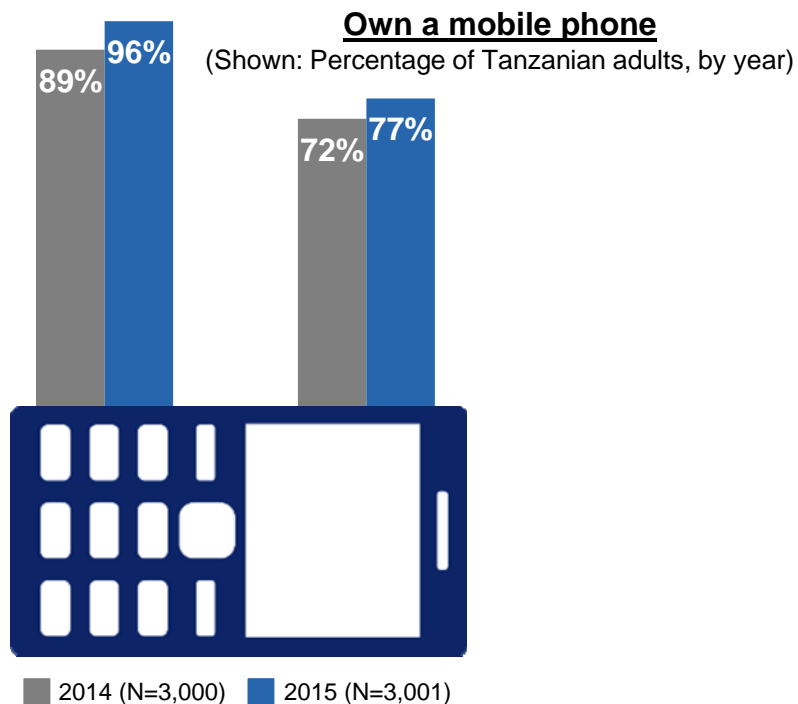
Source: InterMedia Tanzania FII Tracker surveys ; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Access to and ownership of mobile phones has increased vs. 2014; sending and receiving text messages has also increased

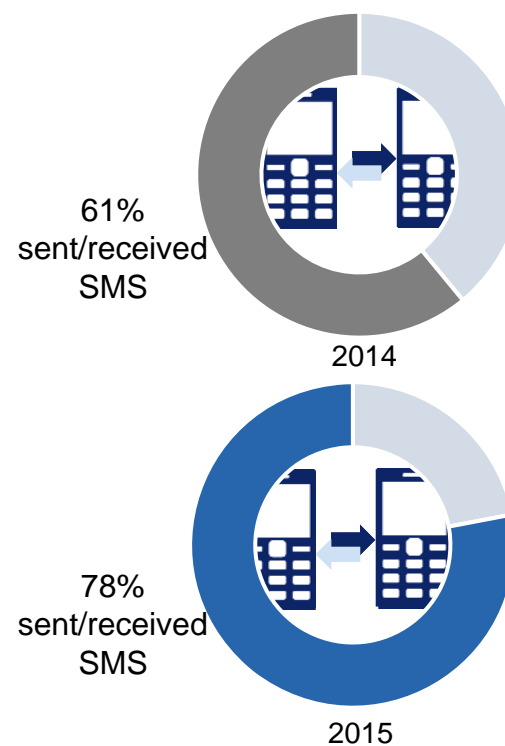
#### Have access to a mobile phone

(Shown: Percentage of Tanzanian adults, by year)



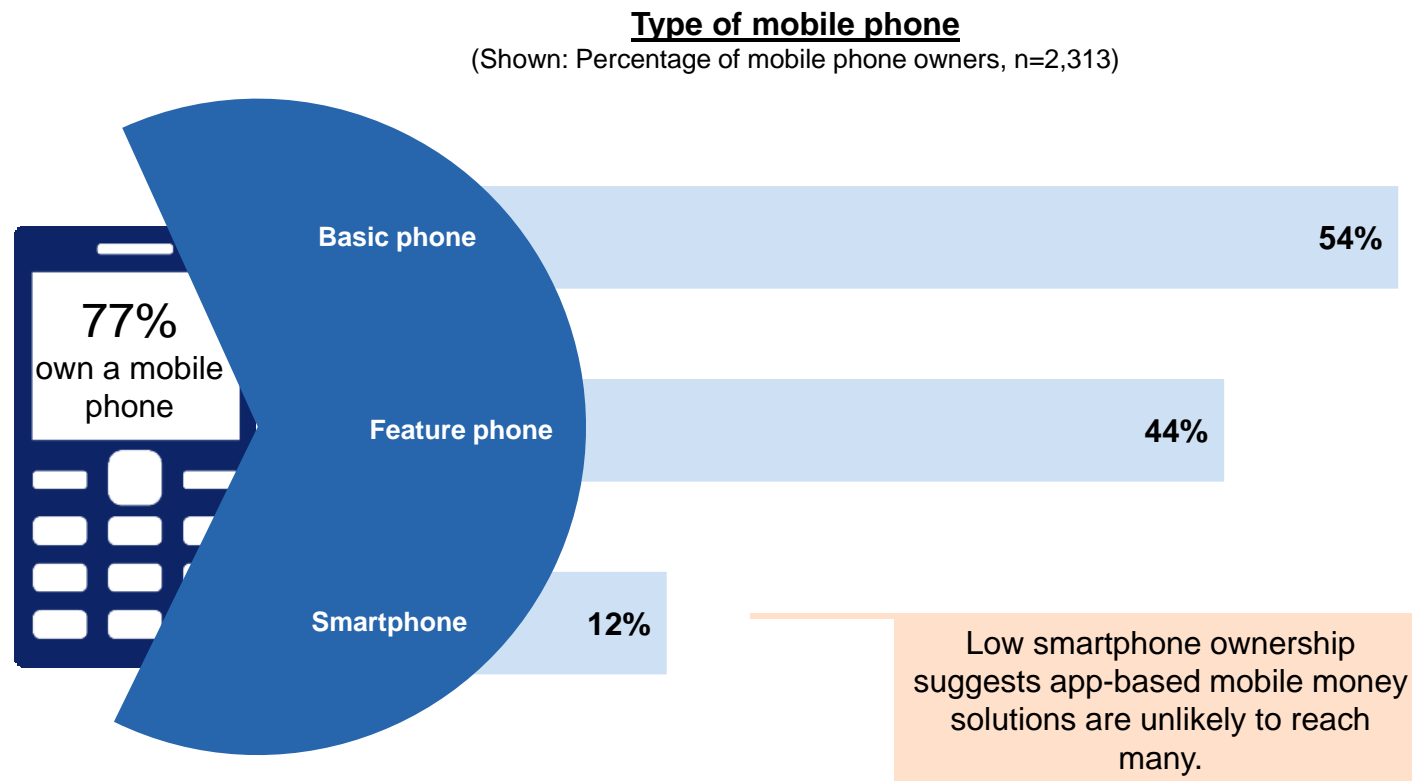
#### Basic mobile phone competency (has sent/received text messages [SMS])

(Shown: Percentage of Tanzanian adults, by year)



## TANZANIA

### Feature phone ownership comes close to basic phone ownership; smartphones lag

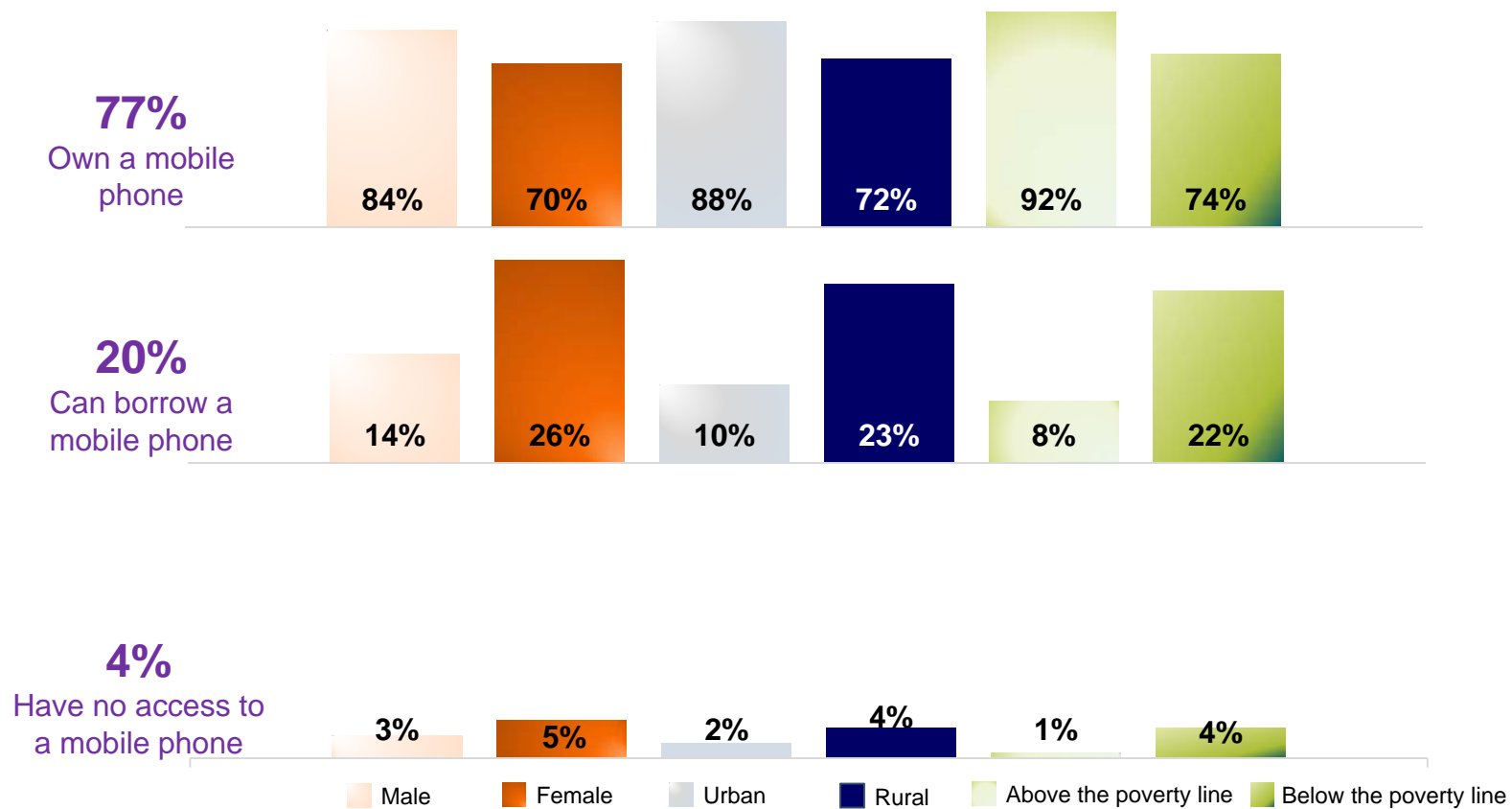


## TANZANIA

### Women, lower income and rural residents are more likely to borrow or be without a phone vs. own a phone

#### 2015: Dynamics of mobile phone access

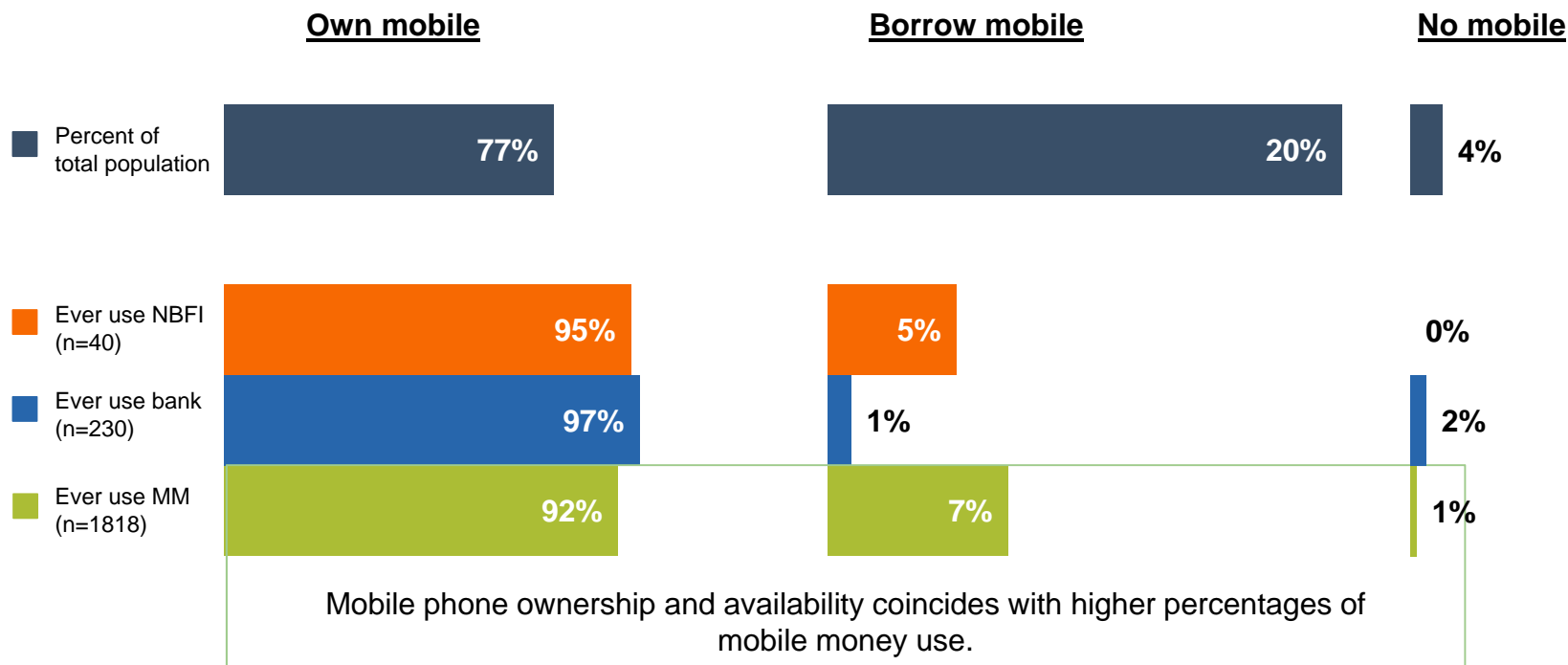
(Shown: Percentage of mobile phone owners who fall into each category)



Source: InterMedia Tanzania FII Tracker surveys ; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Use of financial services accounts, especially mobile money, hinges on access to mobile phones

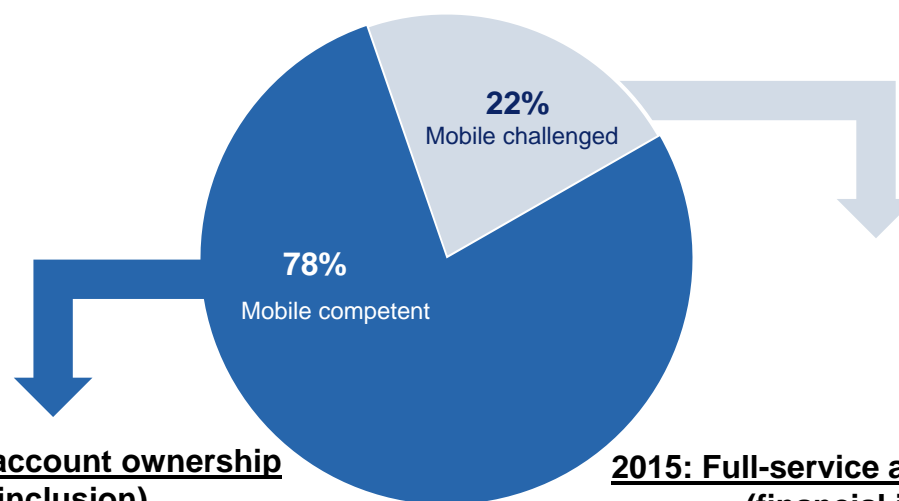


## TANZANIA

**Financial inclusion is significantly higher among those who have basic mobile phone competency (can send or receive text messages)**

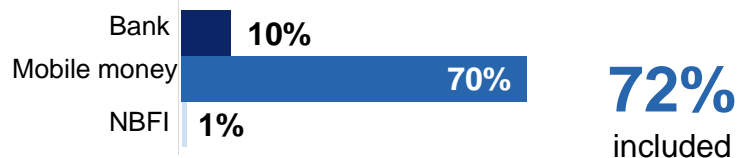
### 2015: Mobile phone competent

(Shown: Percentage of Tanzanian adults, N=3,001)



### 2015: Full-service account ownership (financial inclusion)

(Shown: Percentage of mobile competent, n=2,377)



### 2015: Full-service account ownership (financial inclusion)

(Shown: Percentage of mobile challenged, n=624)

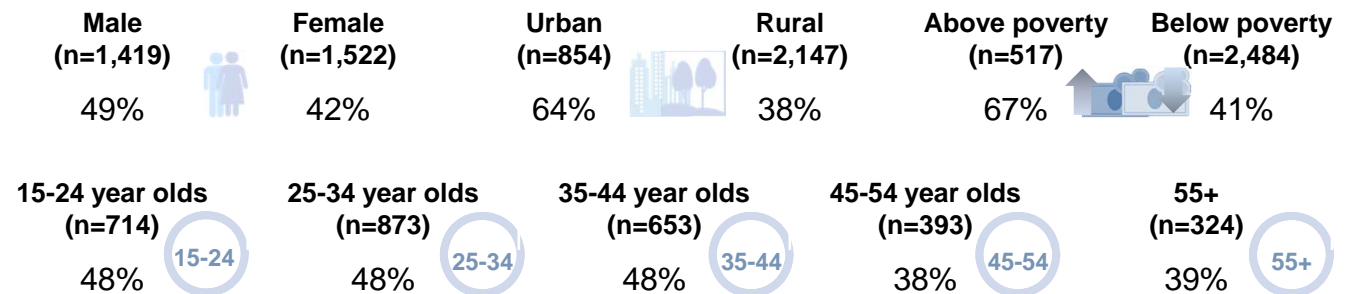
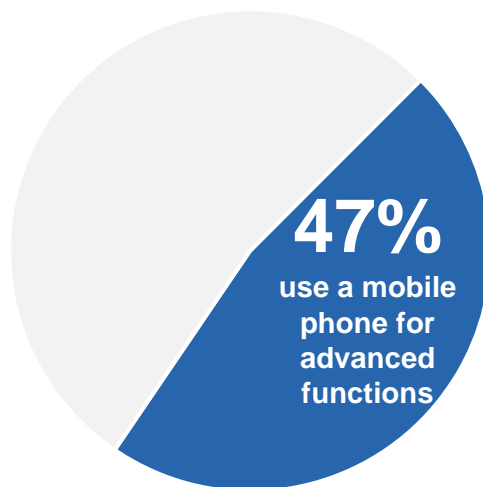


## TANZANIA

The older individuals are the less likely they are to use mobile phones for advanced functions, such as using the internet or sending picture messages

### 2015: Advanced phone use by demographic

(Shown: Percentage of subgroups)

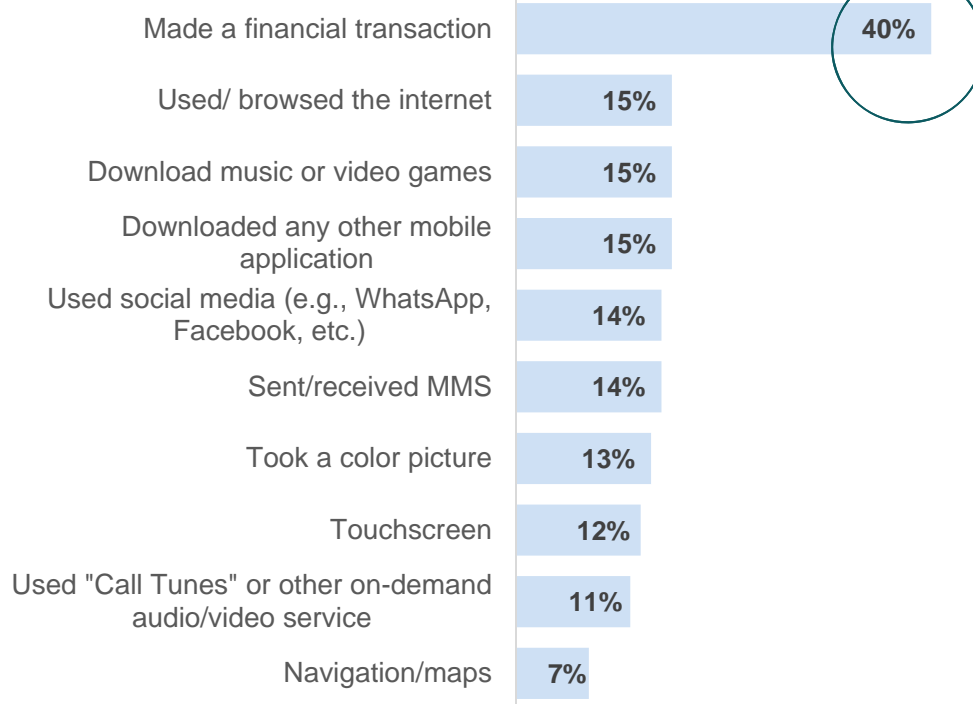
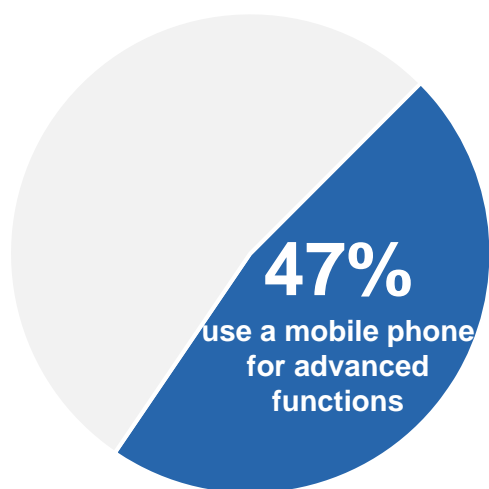


## TANZANIA

**Financial transactions are the most commonly used advanced phone function, followed by internet use, music/app downloads and social media use**

### Advanced phone use

(Shown: Percentage of mobile phone users, n=2,890)





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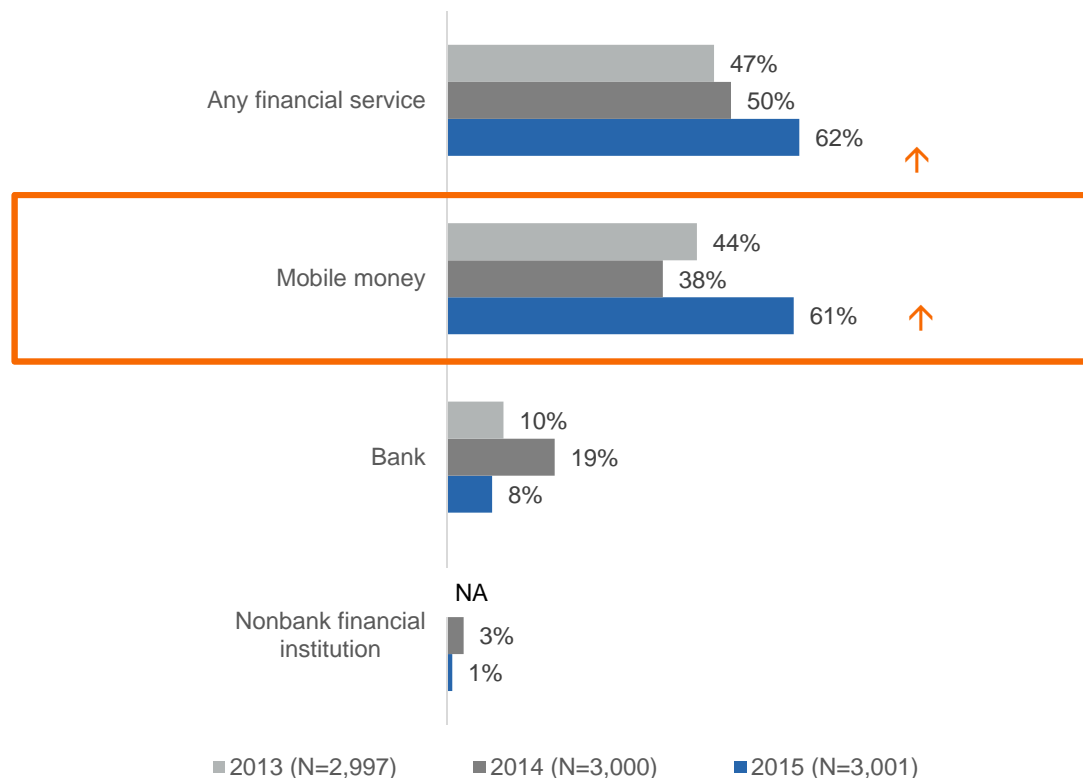
## **FINANCIAL SERVICES USE**

## TANZANIA

### More Tanzanian adults now have registered financial accounts; registered usage grew nearly 20 percent since 2013 due to mobile money registration

#### Registered financial service users

(Shown: Percentage of Tanzanian adults for each year)



Types of accounts are not mutually exclusive.

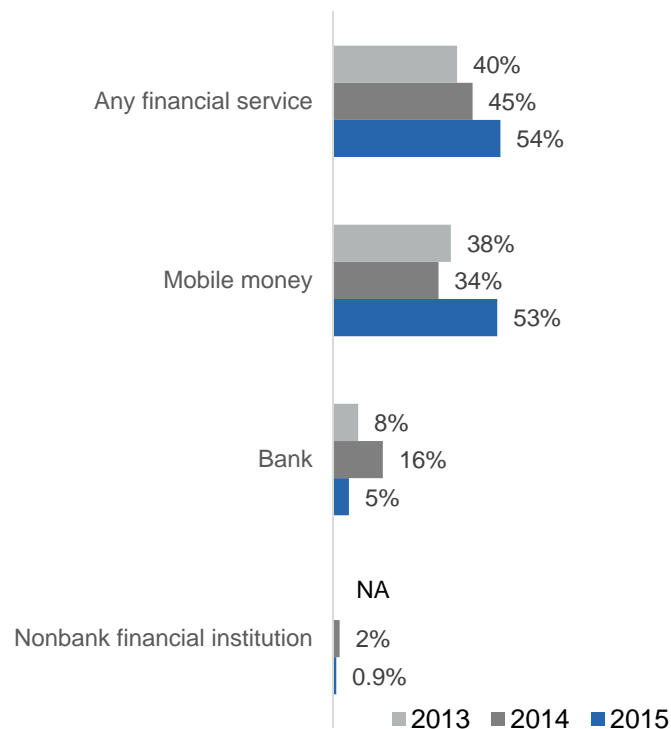
Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### More than half of Tanzanian adults now have active registered financial accounts, driven by growth in mobile money accounts

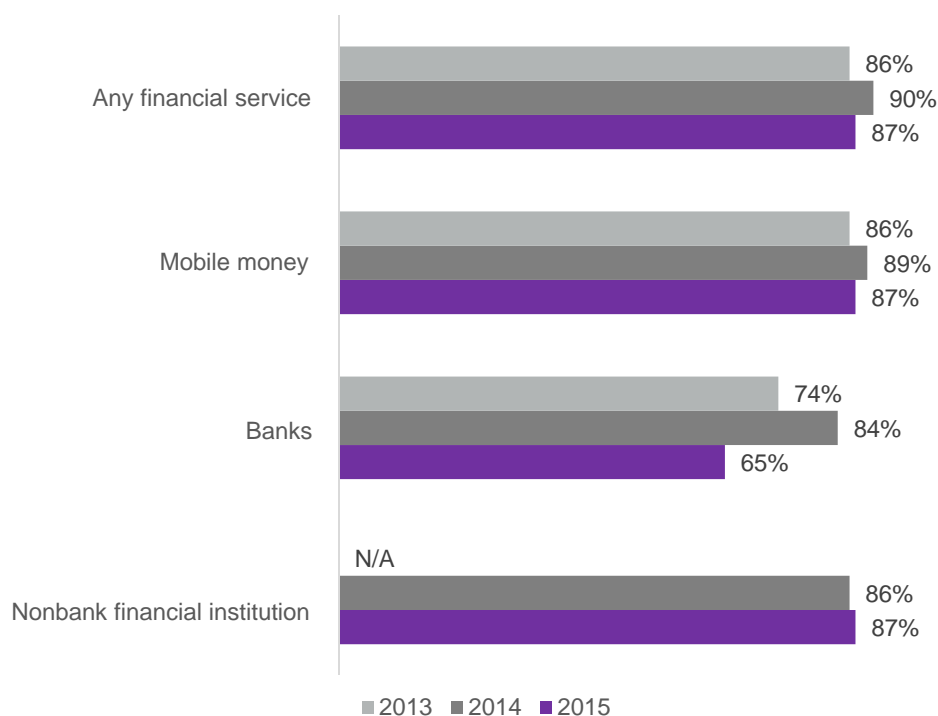
#### Active financial account holders

(Shown: Percentage of Tanzanian adults)



#### Active financial account holders

(Shown: Percentage of registered users for each type of account, by year)



Types of accounts are not mutually exclusive.

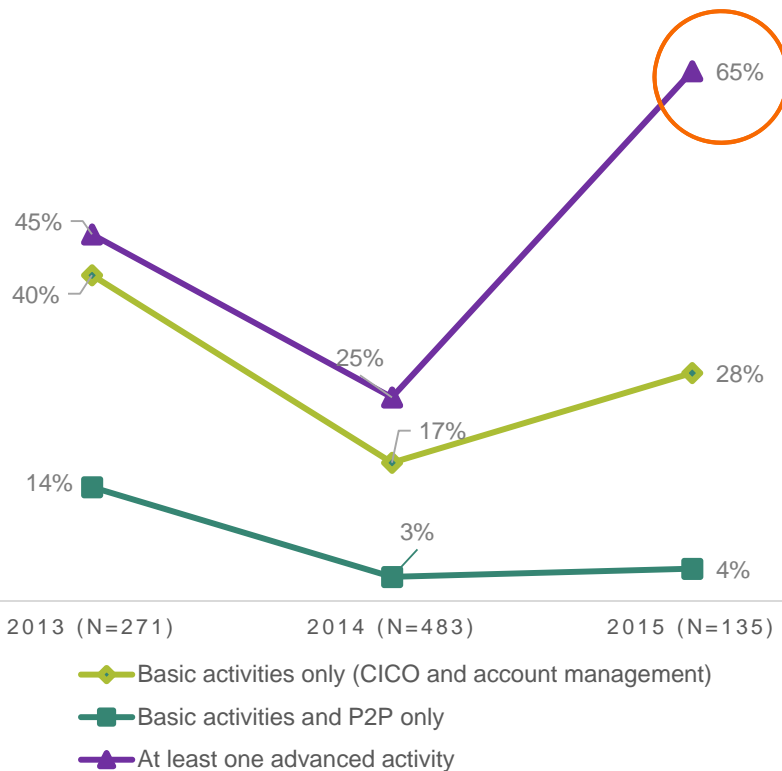
Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### More active account holders are using advanced functions vs. 2013, 2014

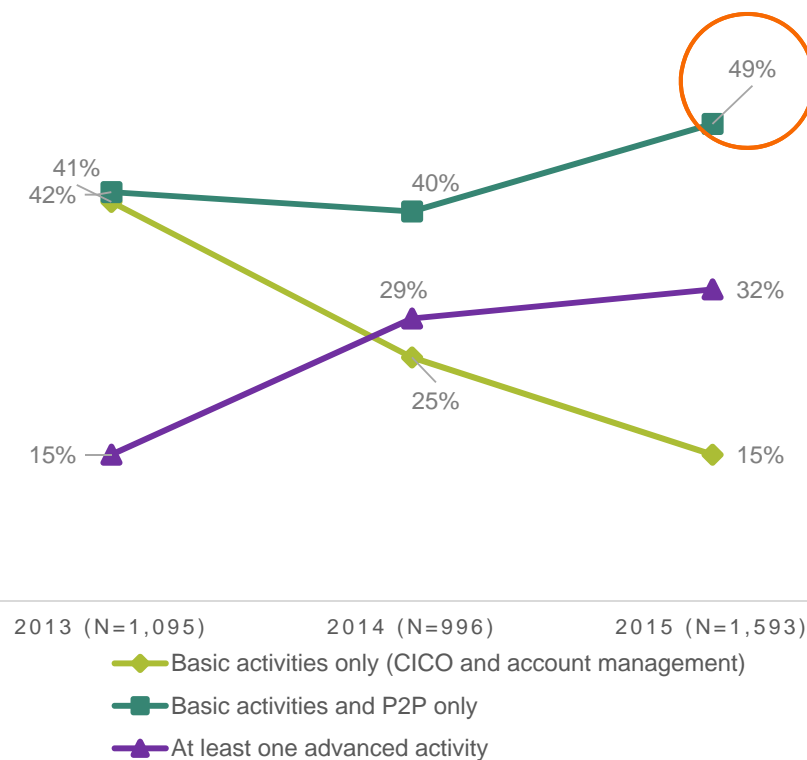
#### Bank uses, by type

(Shown: Percentage of active bank account holders)



#### Mobile money uses, by type

(Shown: Percentage of active mobile money account holders)



Due to the changes in the questionnaire some data points may not be directly comparable across years.

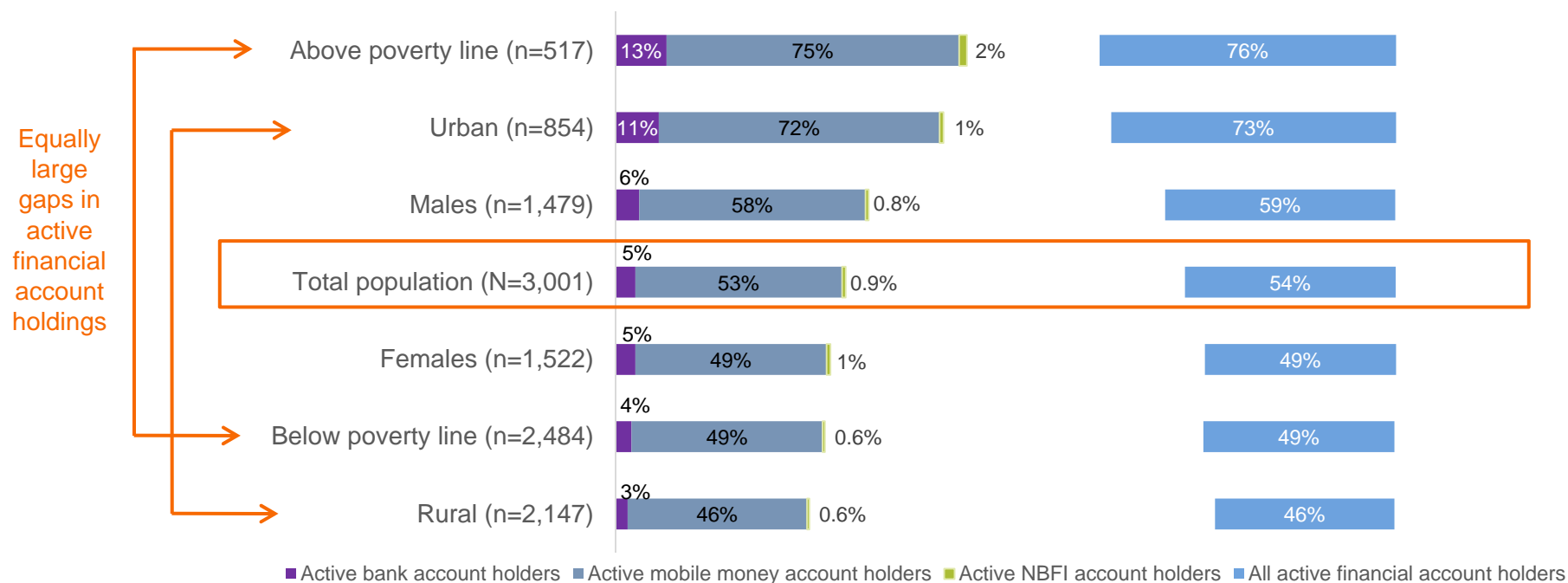
Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

**There are disparities in active account use by poverty level, urbanicity and gender; poverty level and urbanicity divides are greater than the gender gap**

### 2015: Active account usage by demographic

(Shown: Percentage of each subgroup)



Types of accounts are not mutually exclusive.

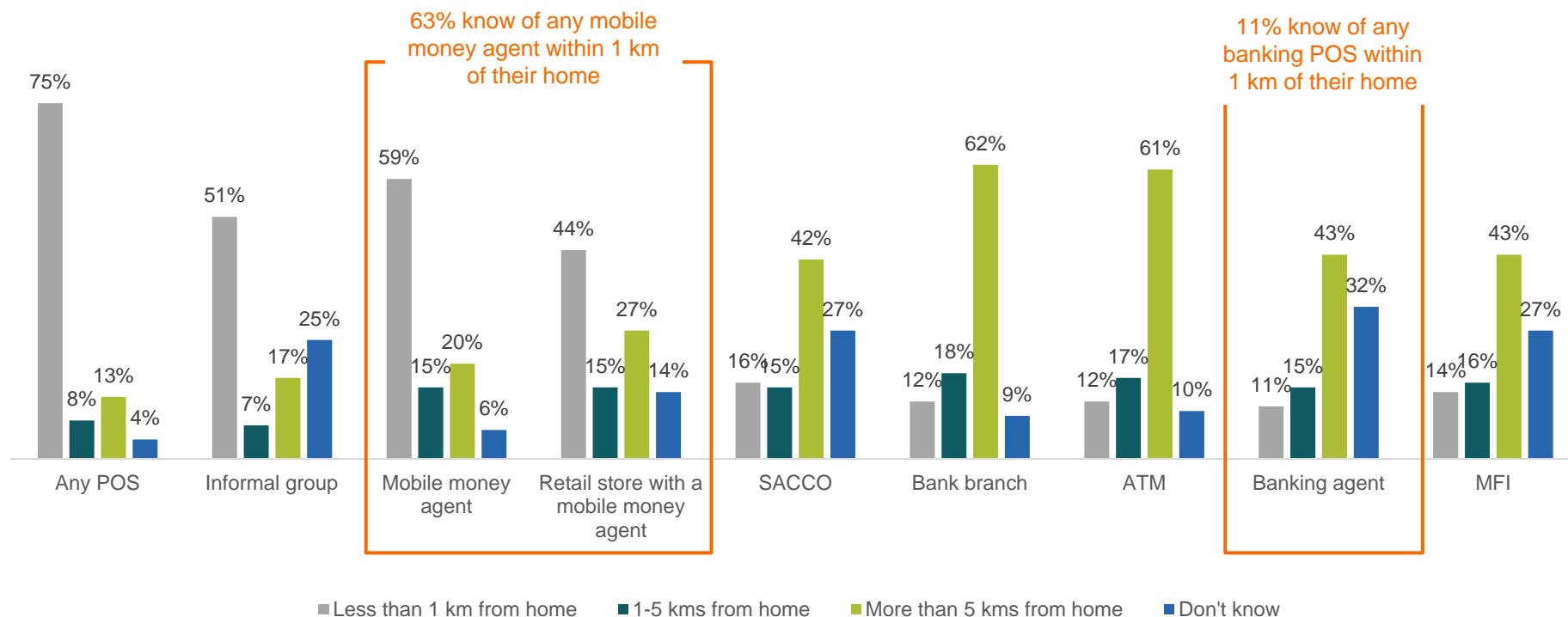
Source: InterMedia Tanzania FII Tracker survey Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

**Nearly two-thirds of adults know a mobile money agent within 1 km of where they live; banks, SACCOs, MFIs and ATMs are farther away**

### 2015: Proximity to points-of-service (POS) for financial institutions

(Shown: Percentage of Tanzanian adults N=3,001)



Source: InterMedia Tanzania FII Tracker survey Wave 3 (N=3,001, 15+), September-October 2015.

**TANZANIA**

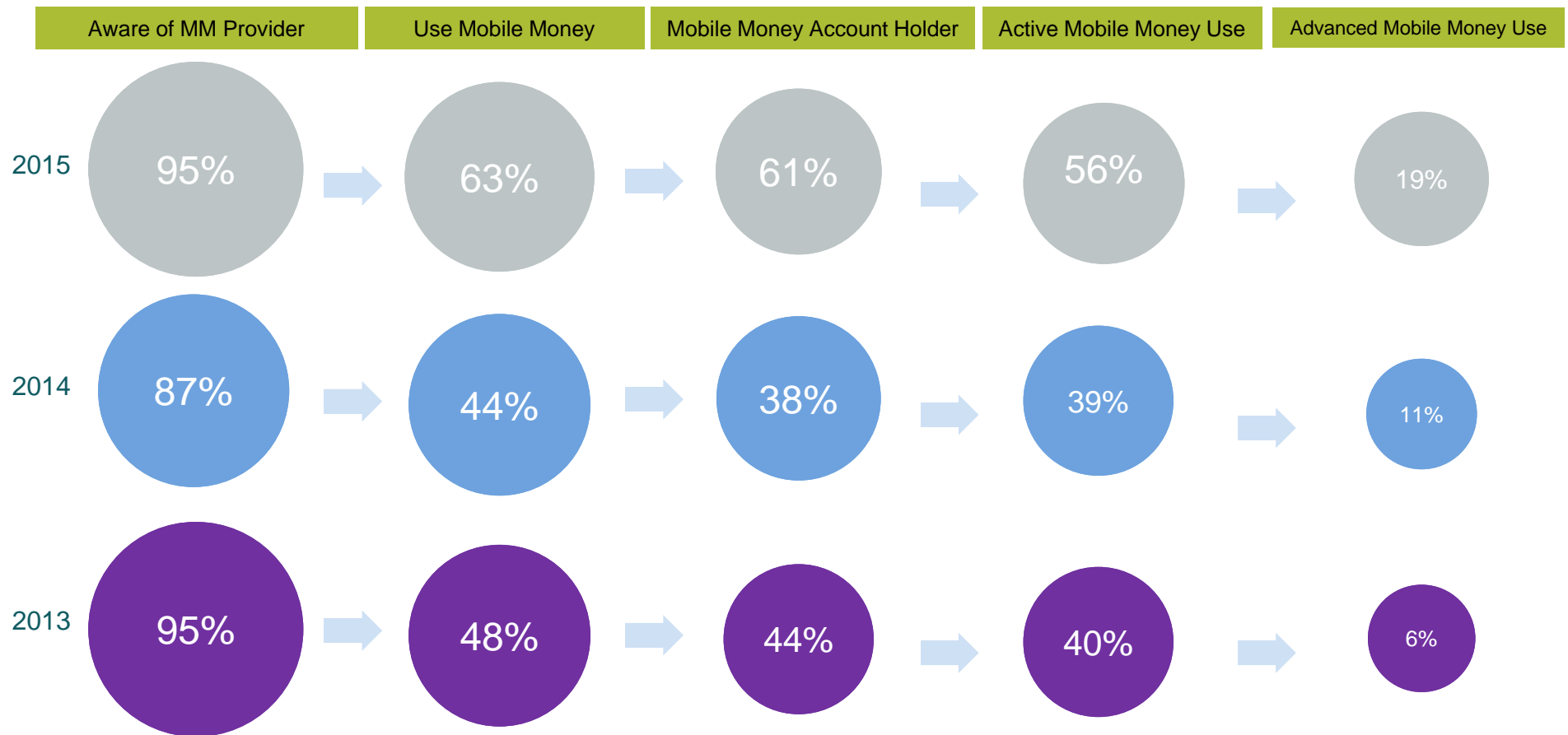
**MOBILE MONEY SERVICES  
(2013-2015)**

## TANZANIA

**Key measures: Mobile money provider awareness as well as usage showed an increase vs. 2014; advanced usage grew incrementally since 2013**

**2013 to 2015: Progression from awareness of at least one mobile money (MM) provider to use**

(Shown: Percentage of Tanzanian adults for each year)



Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.



## TANZANIA

### Registered mobile money user profile

		2013	2014	2015
Gender	Male	50%	42%	66%
	Female	39%	34%	57%
Age	Younger (15-34)	46%	36%	61%
	Older (35+)	42%	40%	61%
Income	Above poverty line	65%	58%	79%
	Below poverty line	41%	35%	58%
Education	Primary or lower	38%	34%	56%
	Secondary or higher	64%	47%	78%
Urbanicity	Rural	37%	32%	54%
	Urban	63%	48%	79%
Have other formal accounts	Full-service bank account	78%	37%	81%
	NBFI account	N/A	64%	80%

Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Mobile money nonuser profile

		2013	2014	2015
Gender	Male	46%	52%	34%
	Female	58%	59%	41%
Age	Younger (15-34)	51%	57%	36%
	Older (35+)	54%	55%	39%
Income	Above poverty line	29%	32%	19%
	Below poverty line	56%	60%	41%
Education	Primary or lower	59%	59%	44%
	Secondary or higher	32%	48%	18%
Urbanicity	Rural	61%	62%	17%
	Urban	31%	45%	46%
Have other formal accounts	Full-service bank account	15%	39%	9%
	NBFI account	N/A	34%	22%

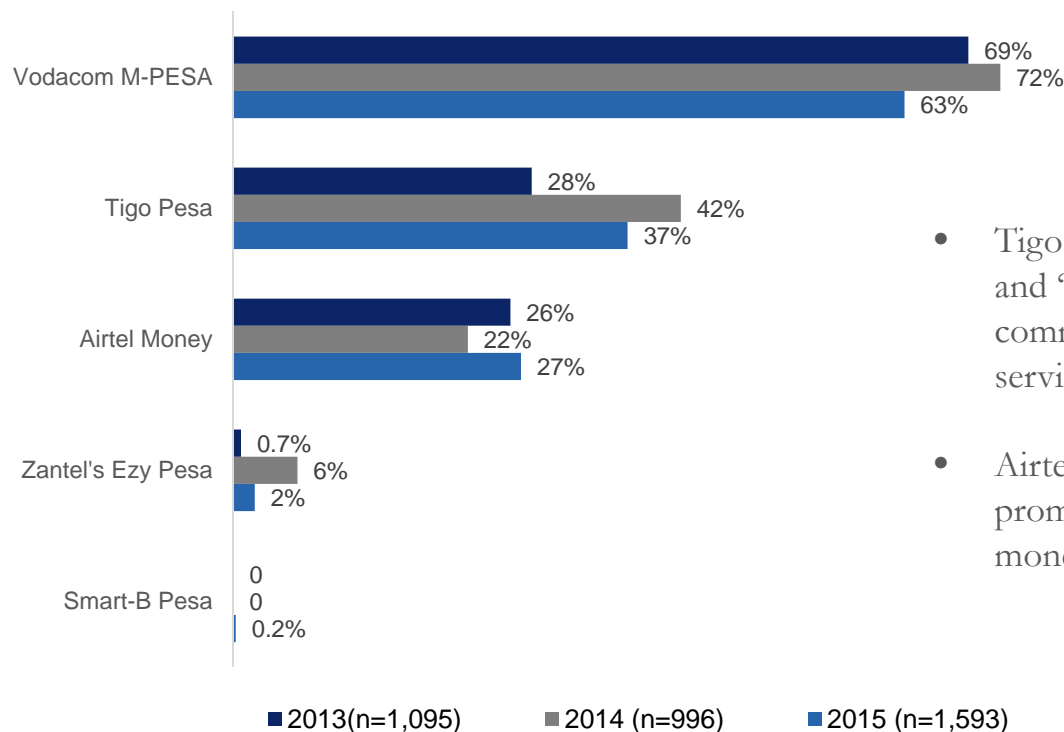
Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Vodacom maintains its dominant position in the Tanzanian market even though TIGO and Airtel launched promotions to acquire new customers

#### Registered mobile money usage by wave

(Shown: Percentage of active mobile money use)



- Tigo Pesa launched “Chagua Tigo Pesa” and “Tigo Pesa Nani Zaidi” television commercials promoting uptake of its service.
- Airtel Money’s campaign largely promoted its no-fee service for sending money.

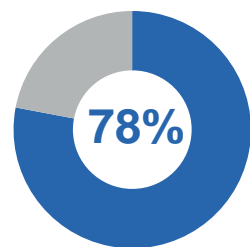
Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

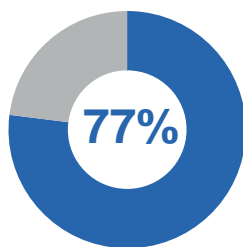
### More now have the necessary ID for opening a financial account; lack of equipment and skills remains a challenge

#### 2015: Key indicators of preparedness for digital financial services

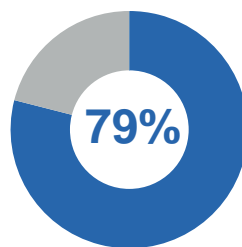
(Shown: Percentage of Tanzanian adults, N=3,001)



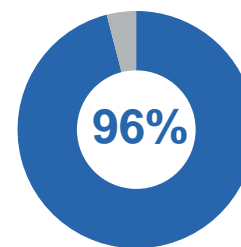
Ever send/receive  
text messages



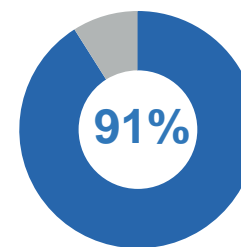
Own a  
mobile phone



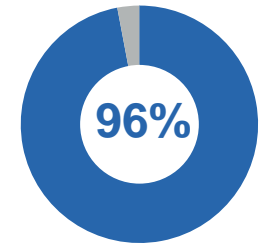
Own a  
SIM card



Have basic  
numeracy



Have  
the  
necessary  
ID\*



Have access to  
a mobile phone

2014	61%	72%	64%	93%	61%	89%
2013	NA	67%	70%	79%	66%	87%

\*Identification documents (ID) necessary for registering a mobile money or a bank account include one of the following: a National ID, passport, voter's card, driver's license, company or government ID, or village/LC ID.

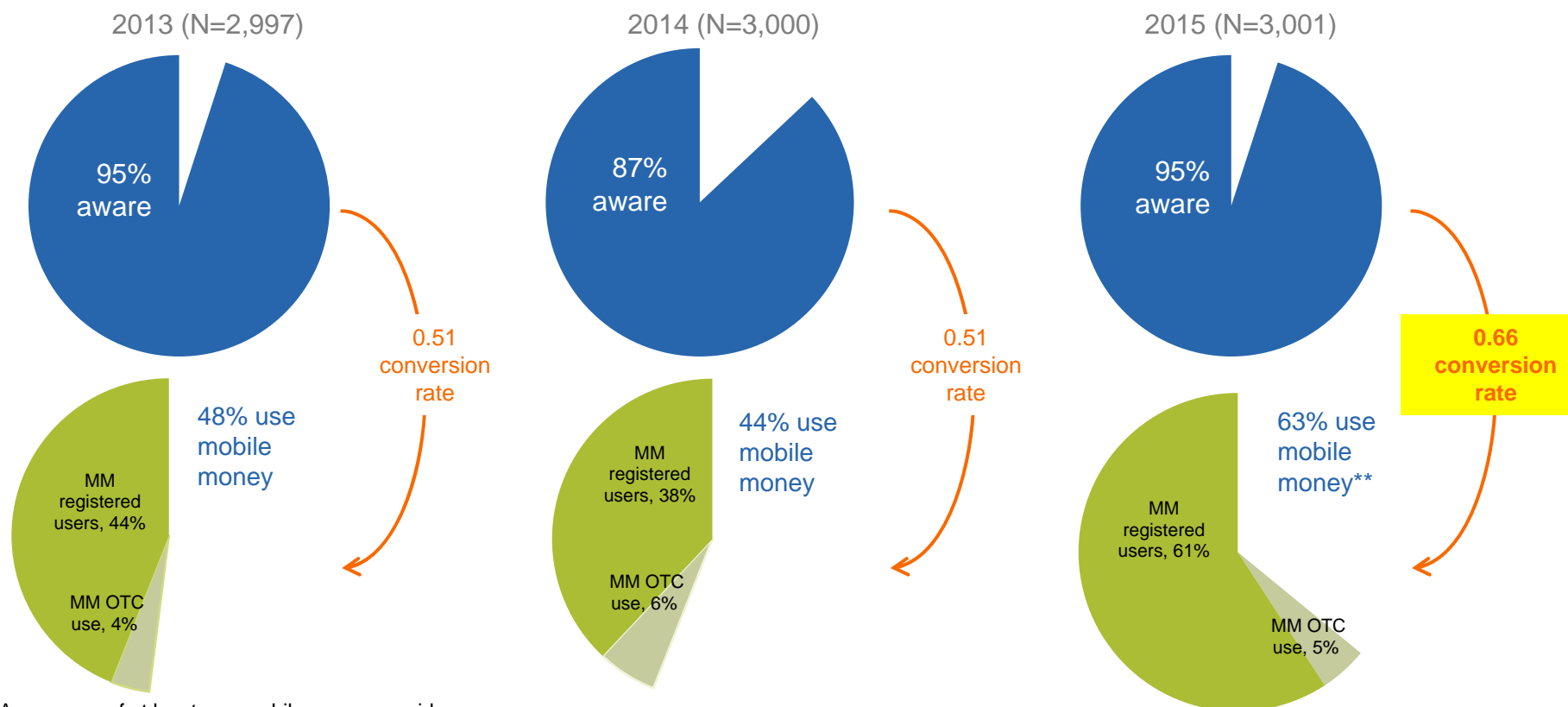
Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000, 15+), August-October, 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Most Tanzanians know of a mobile money provider; awareness is more likely to lead to usage and accounts vs. 2014

#### Conversion from awareness of mobile money providers\* to mobile money use

(Shown: Percentage of Tanzanian adults for each year)



\*Awareness of at least one mobile money provider.

\*\* Reflects overlap between registered use and OTC. Three percent of adults have a registered account but use OTC.

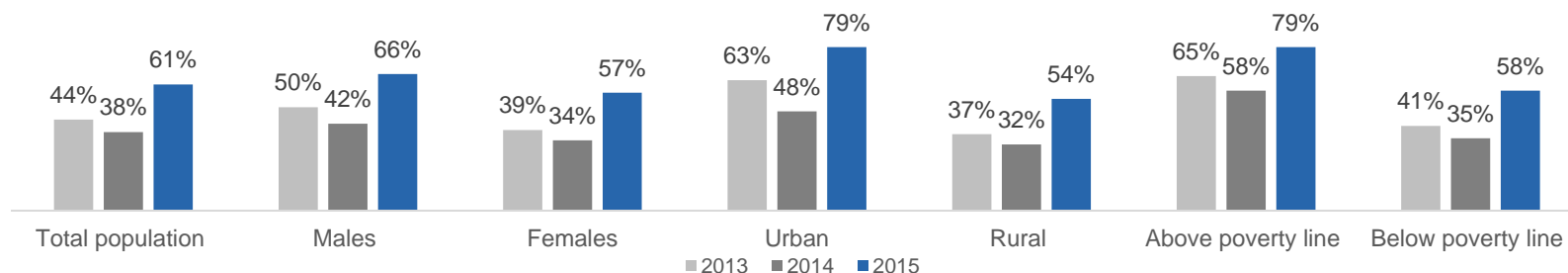
Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Growth in mobile money account ownership and use includes rural, lower income groups and women

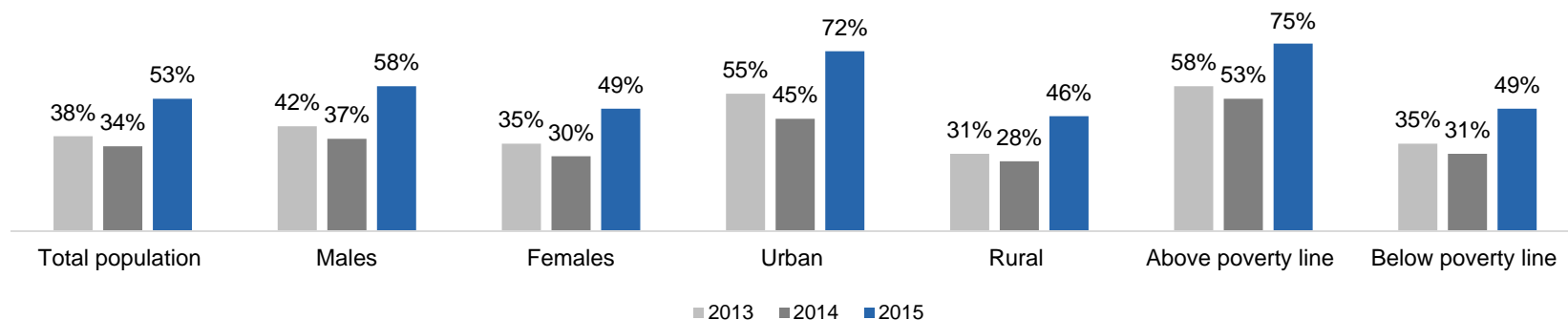
#### Demographic trends for **all** registered mobile money account use

(Shown: Percentage of Tanzanian adults who fall into each category\*)



#### Demographic trends for **active** registered mobile money account use

(Shown: Percentage of Tanzanian adults who fall into each category\*)



\*Categories are not mutually exclusive.

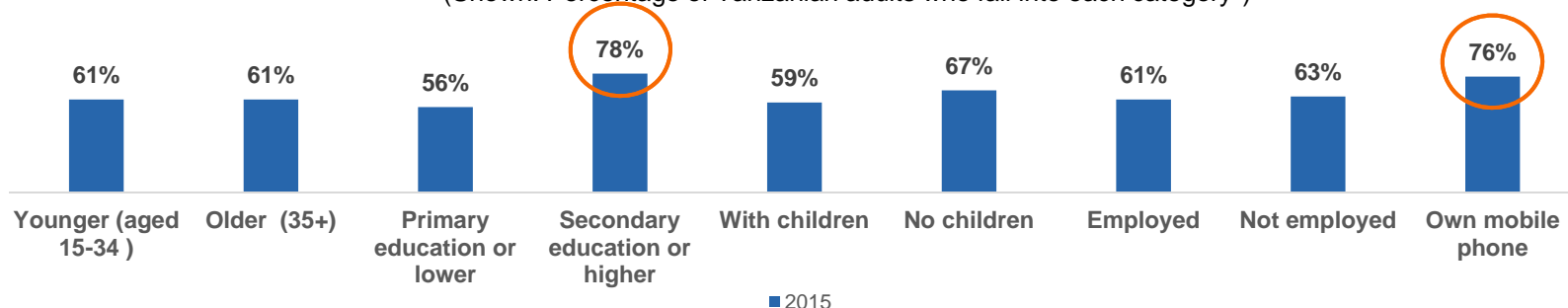
Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Most registered users have a secondary education or higher and own a mobile phone

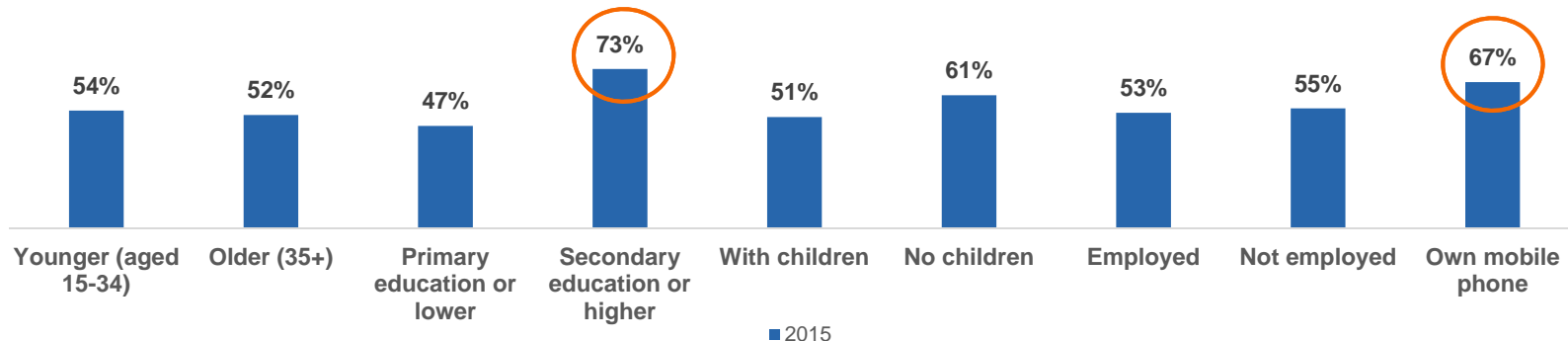
#### Demographic trends for **all** registered mobile money account use: 2015

(Shown: Percentage of Tanzanian adults who fall into each category\*)



#### Demographic trends for **active** registered mobile money account use : 2015

(Shown: Percentage of Tanzanian adults who fall into each category\*)



\*Categories are not mutually exclusive.

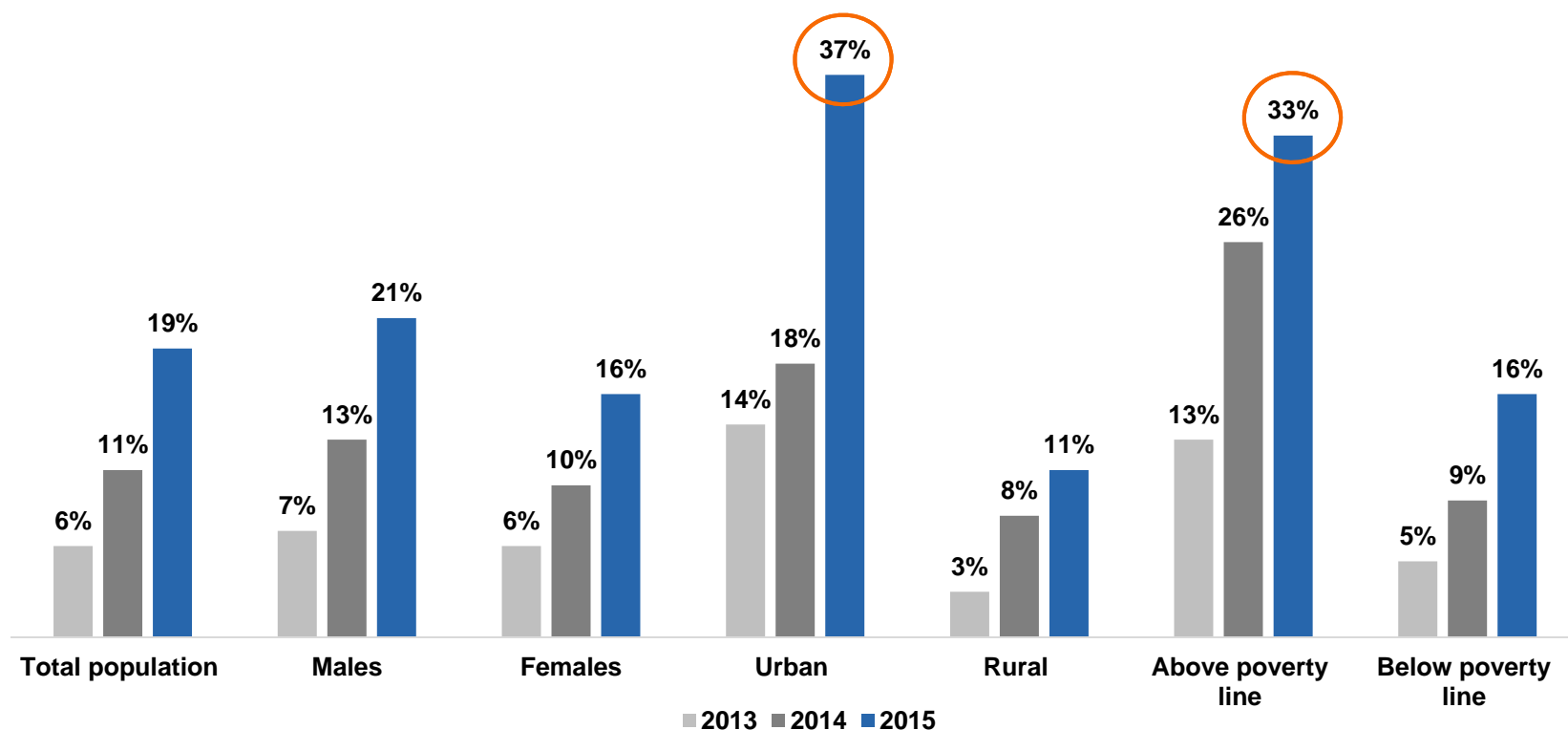
Source: InterMedia Tanzania FII Tracker surveys Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Advanced mobile money usage is mostly among urban residents who live above the poverty line

#### Demographic trends for advanced mobile money users

(Shown: Percentage of Tanzanian adults who fall into each category\*)



\*Categories are not mutually exclusive.

Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.



## TANZANIA

### One-third of active registered users have used advanced mobile money functions, mostly for paying bills and savings

#### 2015: Advanced mobile-money account uses

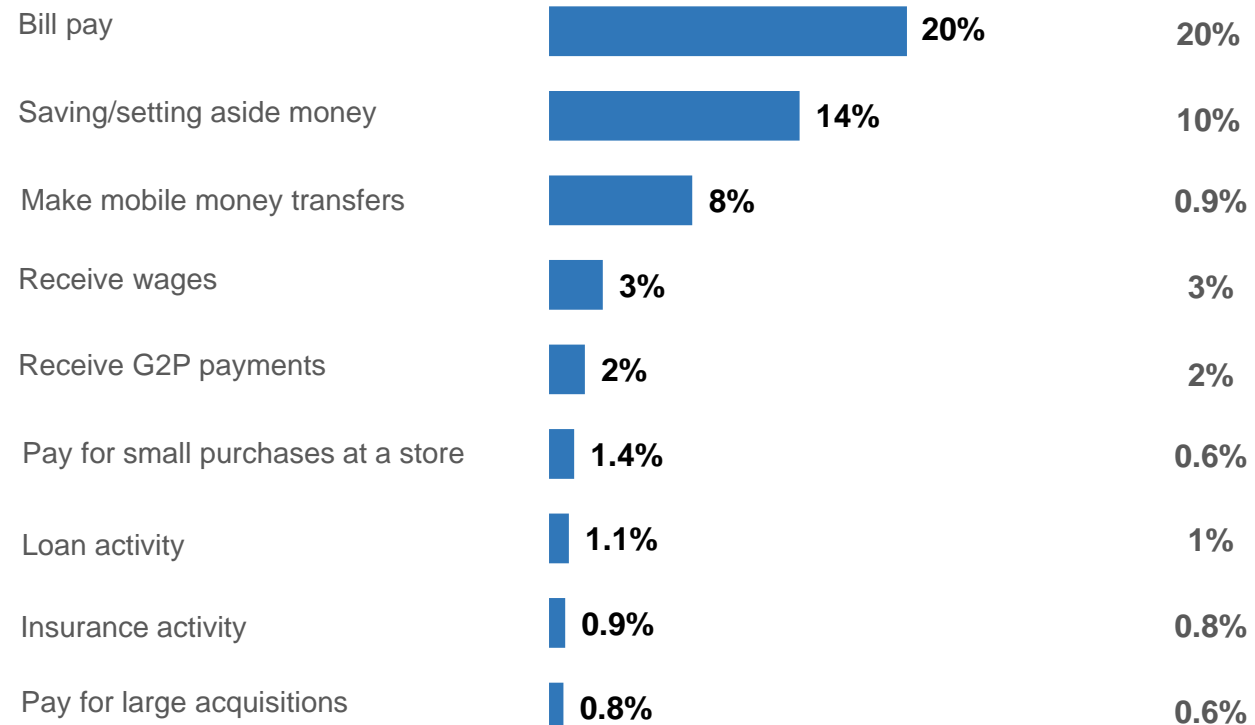
(Shown: Percentage of active mobile money account holders, n=1,593)

2014  
(n=996)

# 32%

of active registered users have used at least one advanced mobile money function\*

(vs. 29% in 2014 and 15% in 2013)



Due to the changes in the questionnaire some data points may not be directly comparable across years.

Question allowed for multiple responses. \*If airtime top-ups are included in advanced functions, the percentage jumps to 72%.

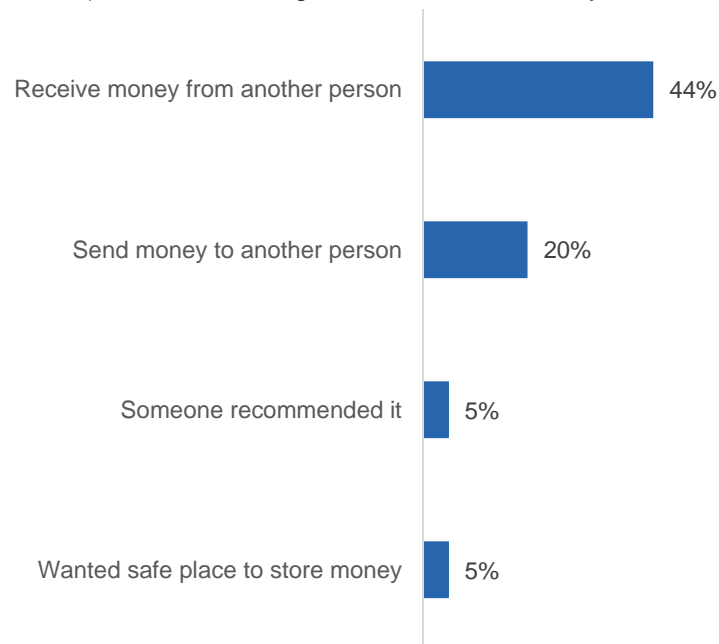
Source: InterMedia Tanzania FII Tracker surveys Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Most mobile money users are drawn to the service as a remittance channel; CICO and P2P transfers drive continued use

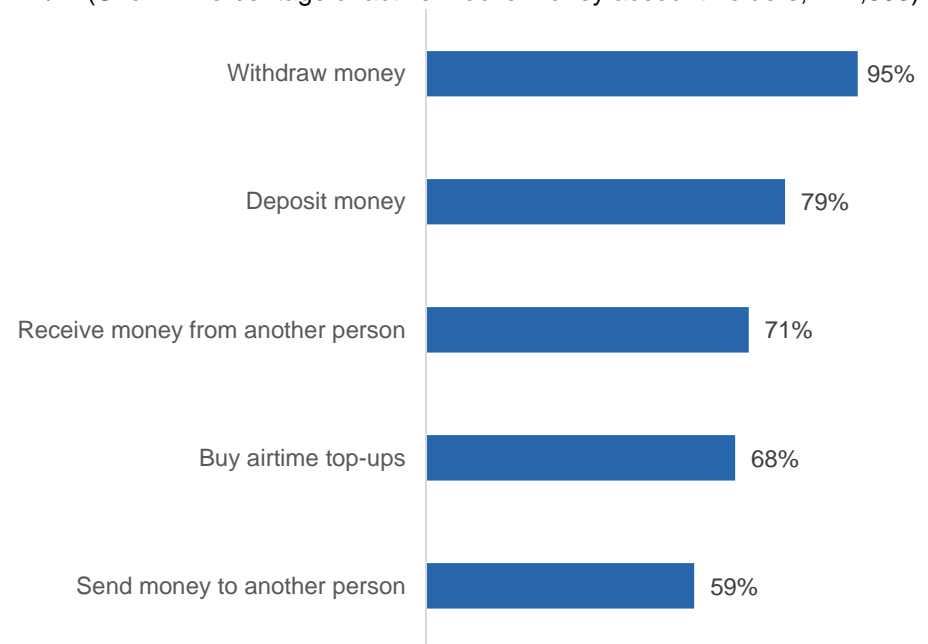
#### 2015: Top reasons active account holders start to use mobile money

(Shown: Percentage of active mobile money account holders, n=1,593)



#### 2015: Top uses of mobile money services among active account holders\*

(Shown: Percentage of active mobile money account holders, n=1,593)

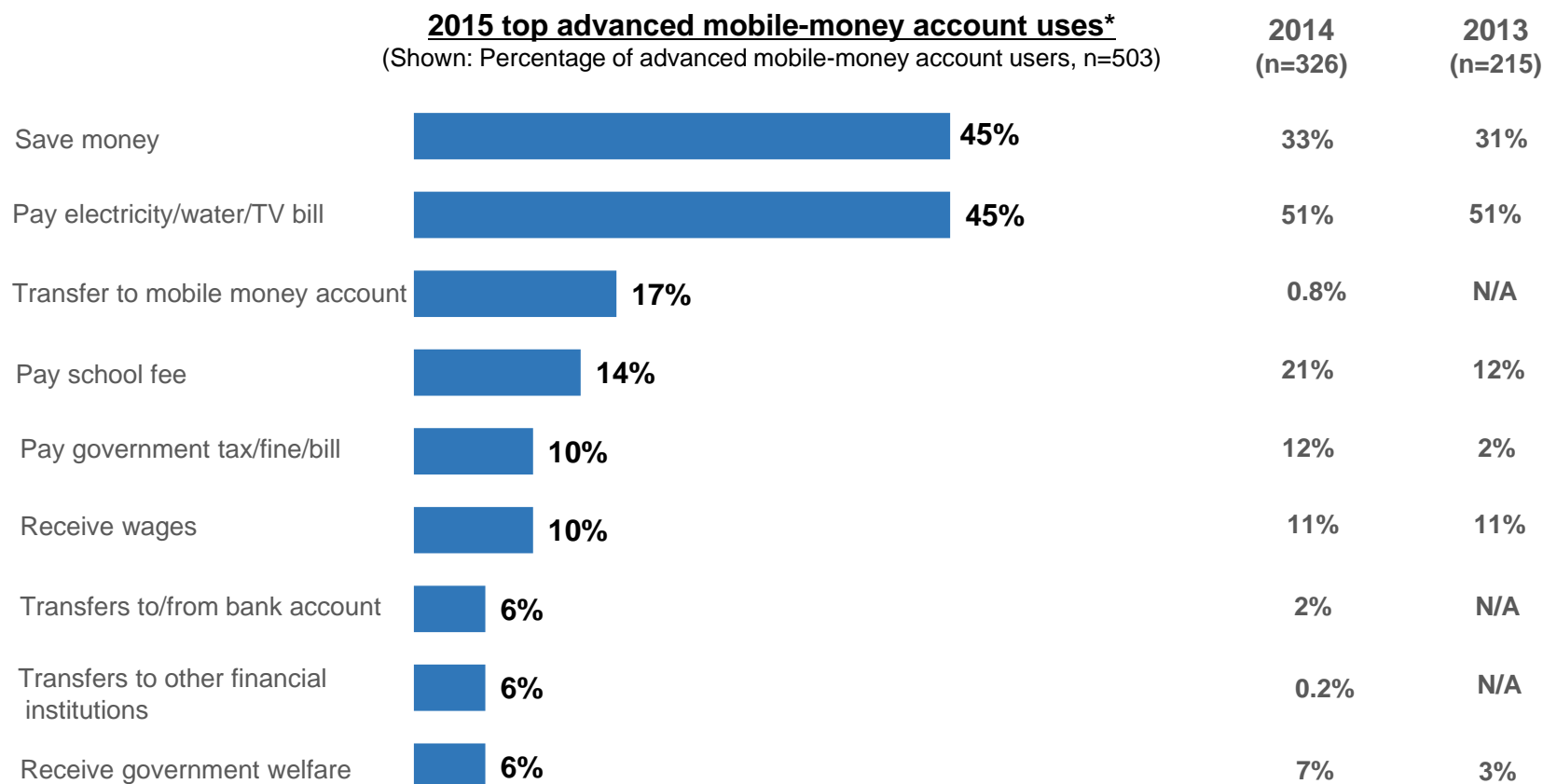


\*Question allowed for multiple responses.

Source: InterMedia Tanzania FII Tracker survey Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Activities among advanced mobile money account users



\*Categories are not mutually exclusive. Due to the changes in the questionnaire, some data points from 2013 may not be directly comparable.

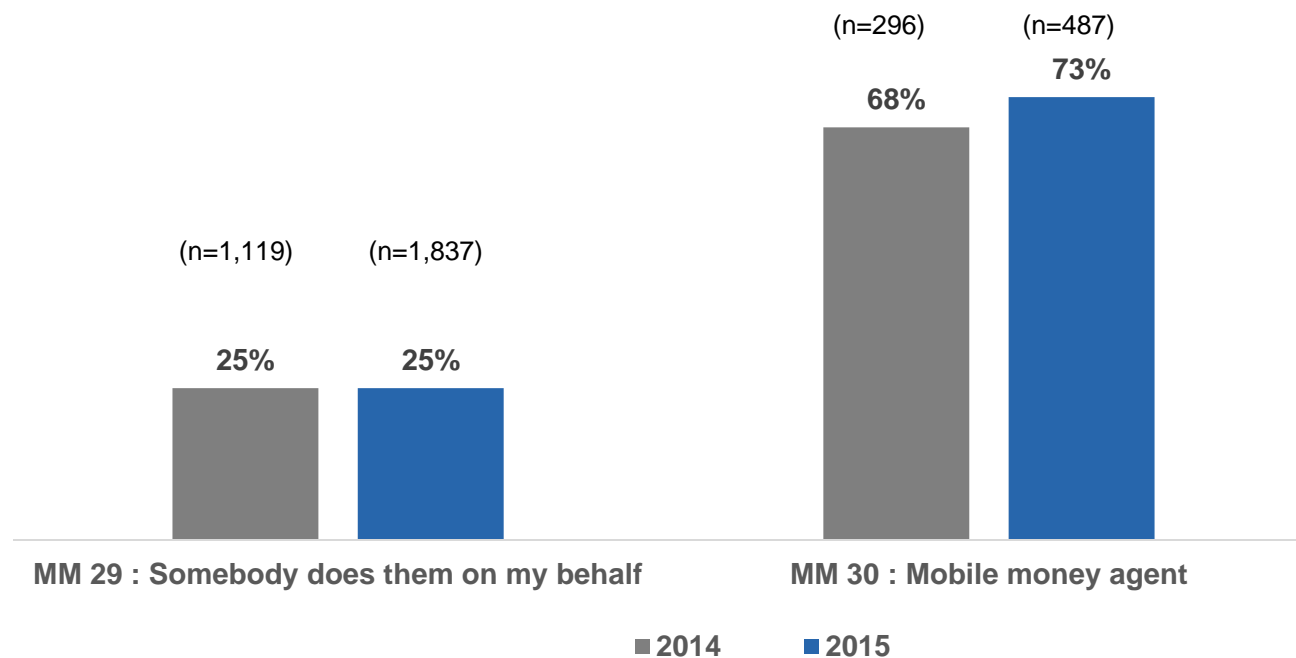
Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Mobile money agents still play a big role in assisting users with making financial transactions

#### Agent-assisted transactions: 2014- 2015

(Shown: Percentage of registered mobile money users)



**MM29.** Do you usually make transactions with your mobile money account yourself or does somebody else do them on your behalf?

**MM30.** Who is the person who makes transactions on your behalf most frequently?

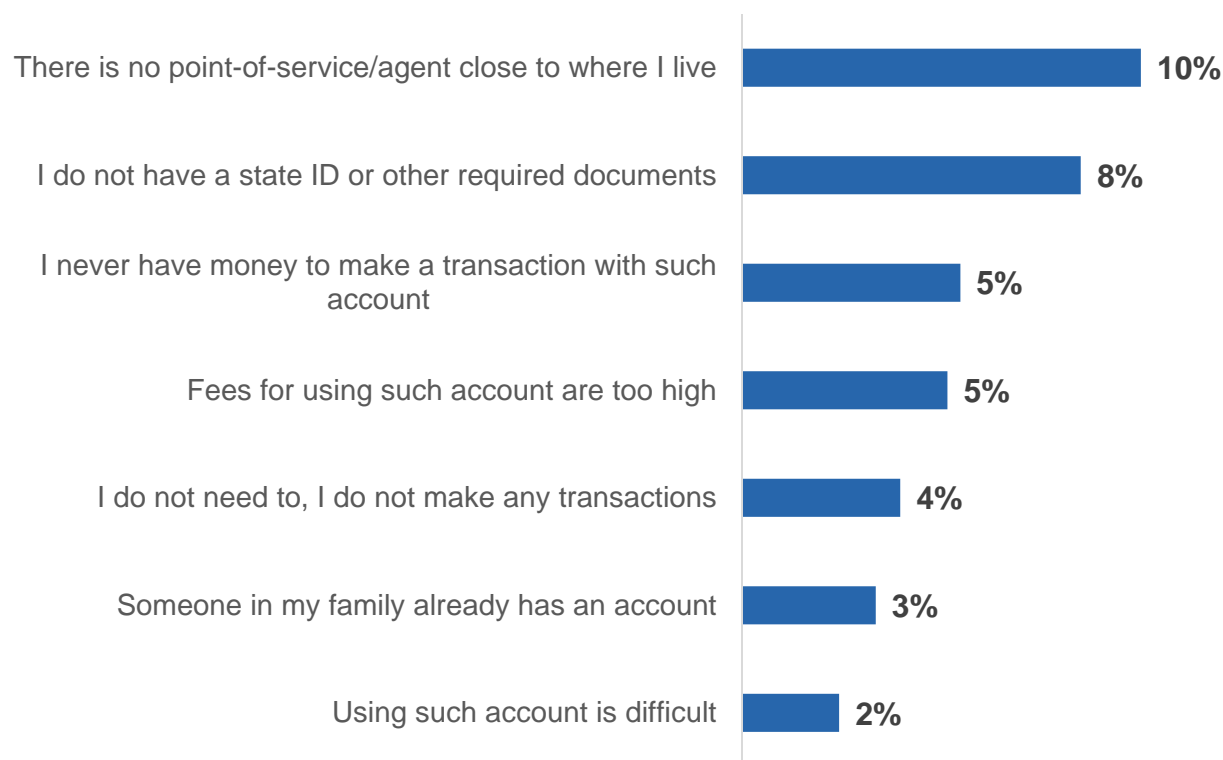
Source: InterMedia Tanzania FII Tracker surveys; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Lack of access to a point of service and required documents are the main hindrances to signing up for a mobile money account

#### 2015: Main reason for not signing up for a mobile money account

(Shown: Percentage of adults who access mobile money but are not registered, n=158 )



**MM13. What is the main reason you have not signed up for a mobile money account even though you are using the services?**

Question allowed for a single response.

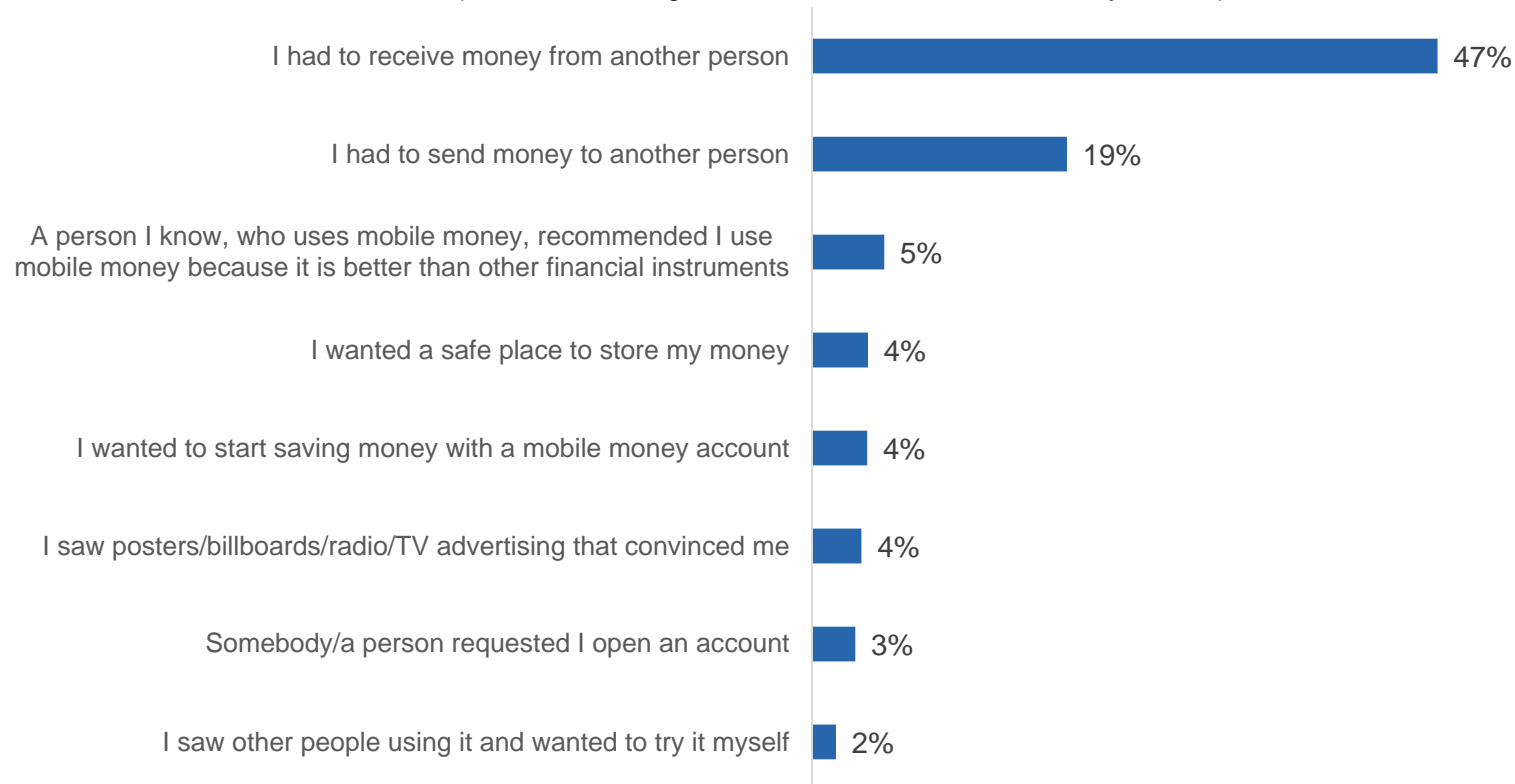
Source: InterMedia Tanzania FII Tracker survey Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Receiving money is the main reason for starting to use mobile money

#### **2015: Main reason for starting to use mobile money**

(Shown: Percentage of adults who access mobile money, n=187 )



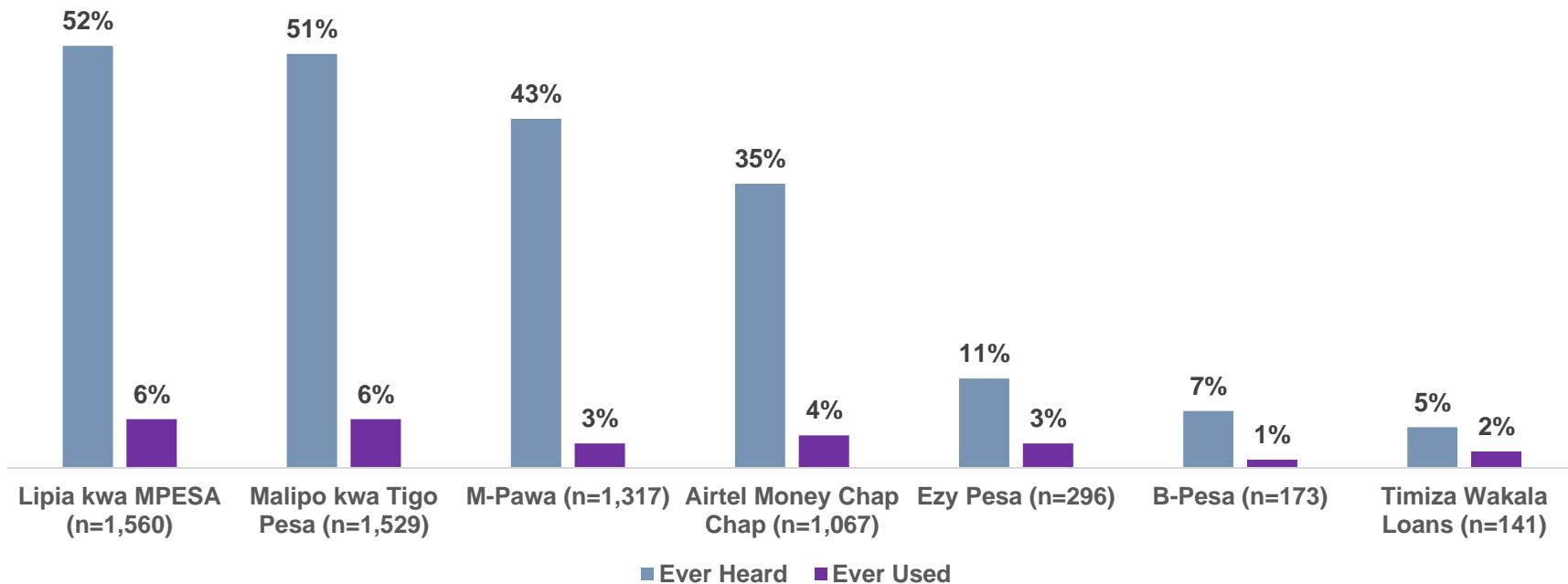
Question allowed for a single response.

Source: InterMedia Tanzania FII Tracker survey Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

**Lipia kwa M-PESA, Malipo kwa Tigo Pesa and M-Pawa show comparably high awareness scores, usage is however a fraction of awareness**

### 2015: Mobile money brand awareness and usage



**MMP1: Have you ever heard about this product? (Asked of all respondents)**

**MMP2 : Have you ever used this mobile-banking product? (Asked of only those who are aware of the mobile money product)**

**TANZANIA**

**BANK SERVICES  
(2013-2015)**

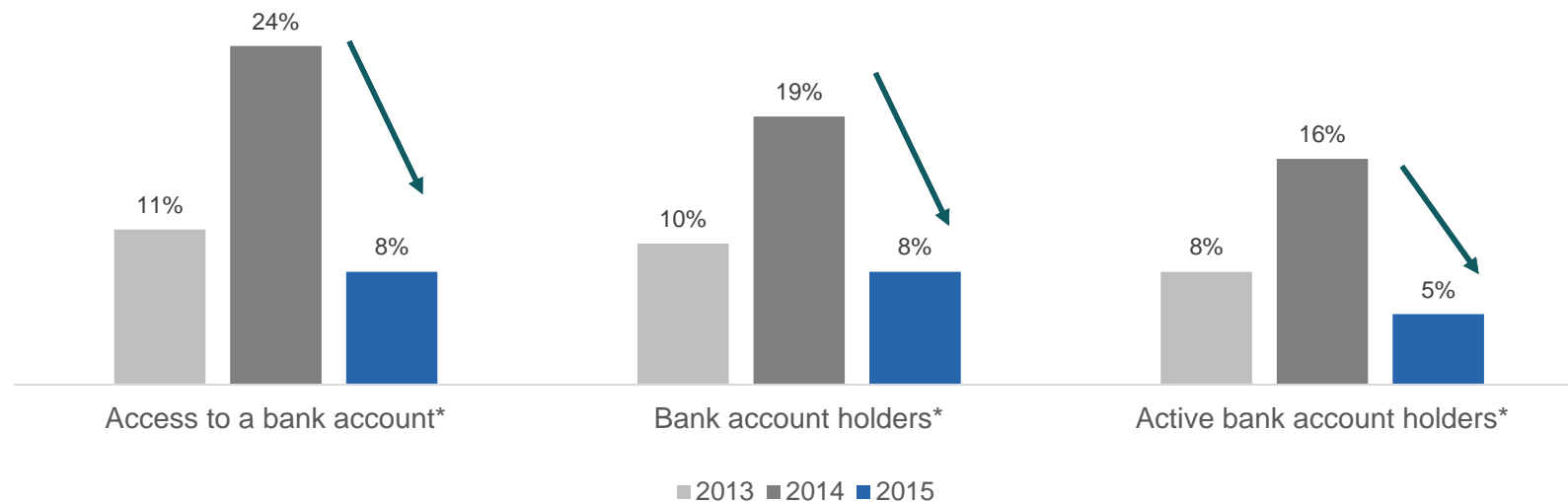


## TANZANIA

### Bank account access, ownership and active use retreats after a 2014 surge

#### Bank account access and use: 2013- 2015\*

(Shown: Percentage of Tanzanian adults who fall into each category, 2013 (W1) N=2,997; 2014 (W2) N=3,000; 2015 (W3) N=3,001)



\*Categories are not mutually exclusive.

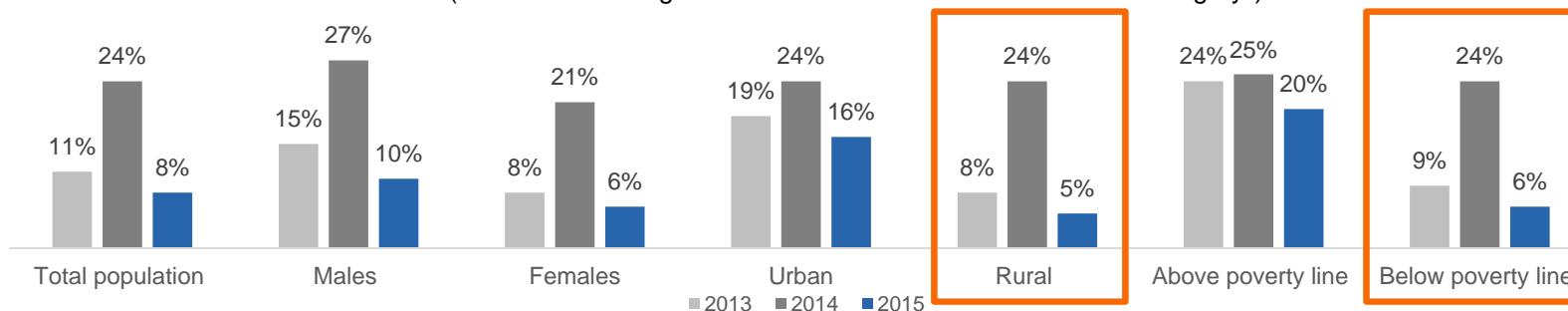
Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Bank account access, ownership fell most sharply for rural, lower income groups who conversely showed a rise in mobile money use

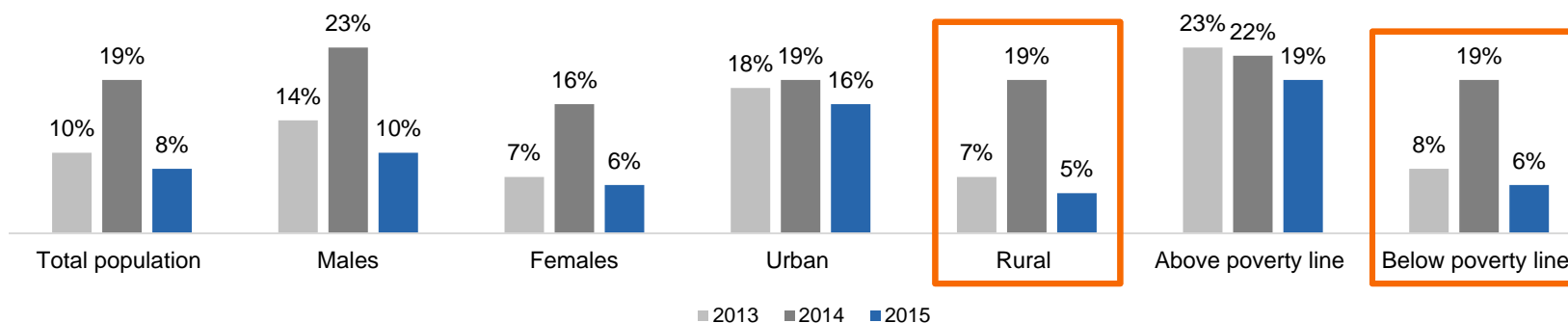
#### Demographic trends for access to bank accounts

(Shown: Percentage of Tanzanian adults who fall into each category\*)



#### Demographic trends for bank account holders

(Shown: Percentage of Tanzanian adults who fall into each category\*)



\*Categories are not mutually exclusive.

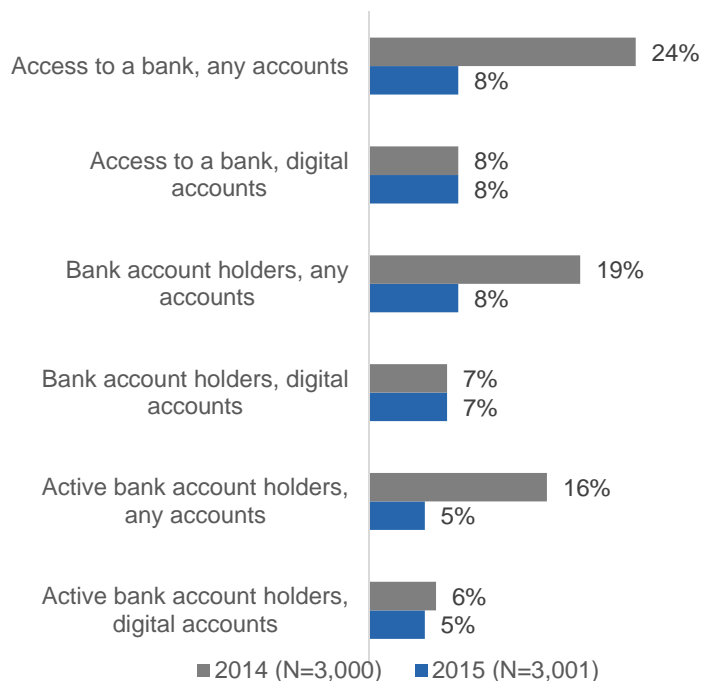
Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### The retrenchment in bank account access and usage includes digital accounts

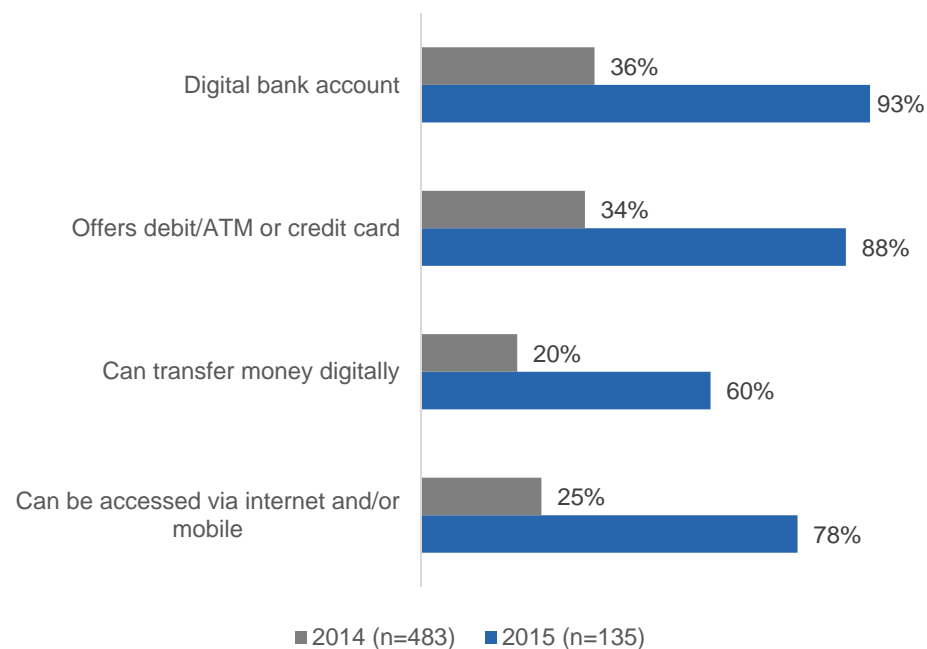
#### Digital bank account access and usage

(Shown: Percentage of Tanzanian adults)



#### Digital access among active bank account holders

(Shown: Percentage of active bank account holders)



Digital bank accounts are those that offer at least one of the following options: debit/ATM or credit cards, internet or mobile access, or a digital money transfer capability.

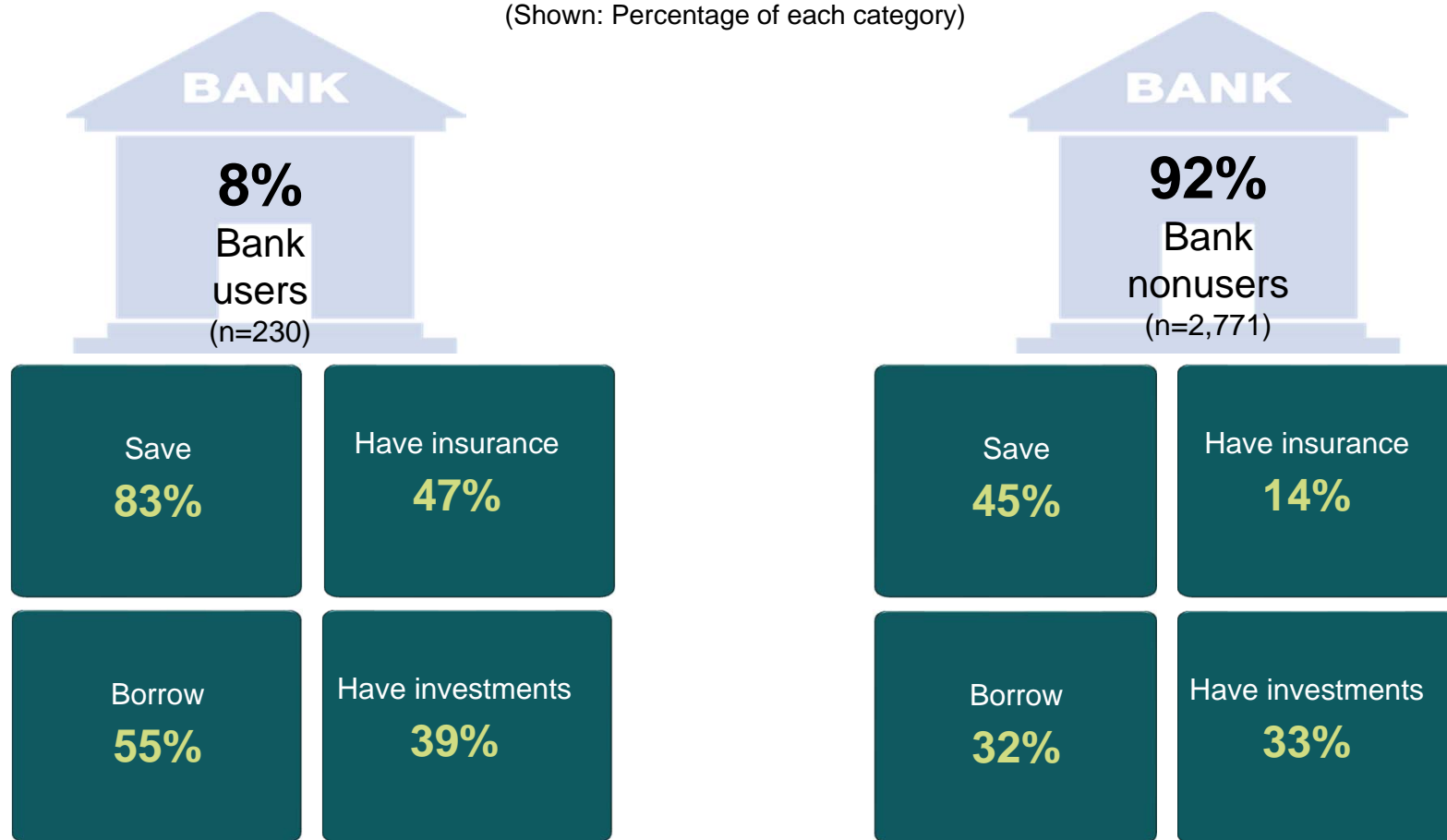
Source: InterMedia Tanzania FII Tracker surveys Wave 2 (N=3,000 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Bank users are more financially active than those who do not use banks

#### Financial activities engagement for bank users and nonusers

(Shown: Percentage of each category)



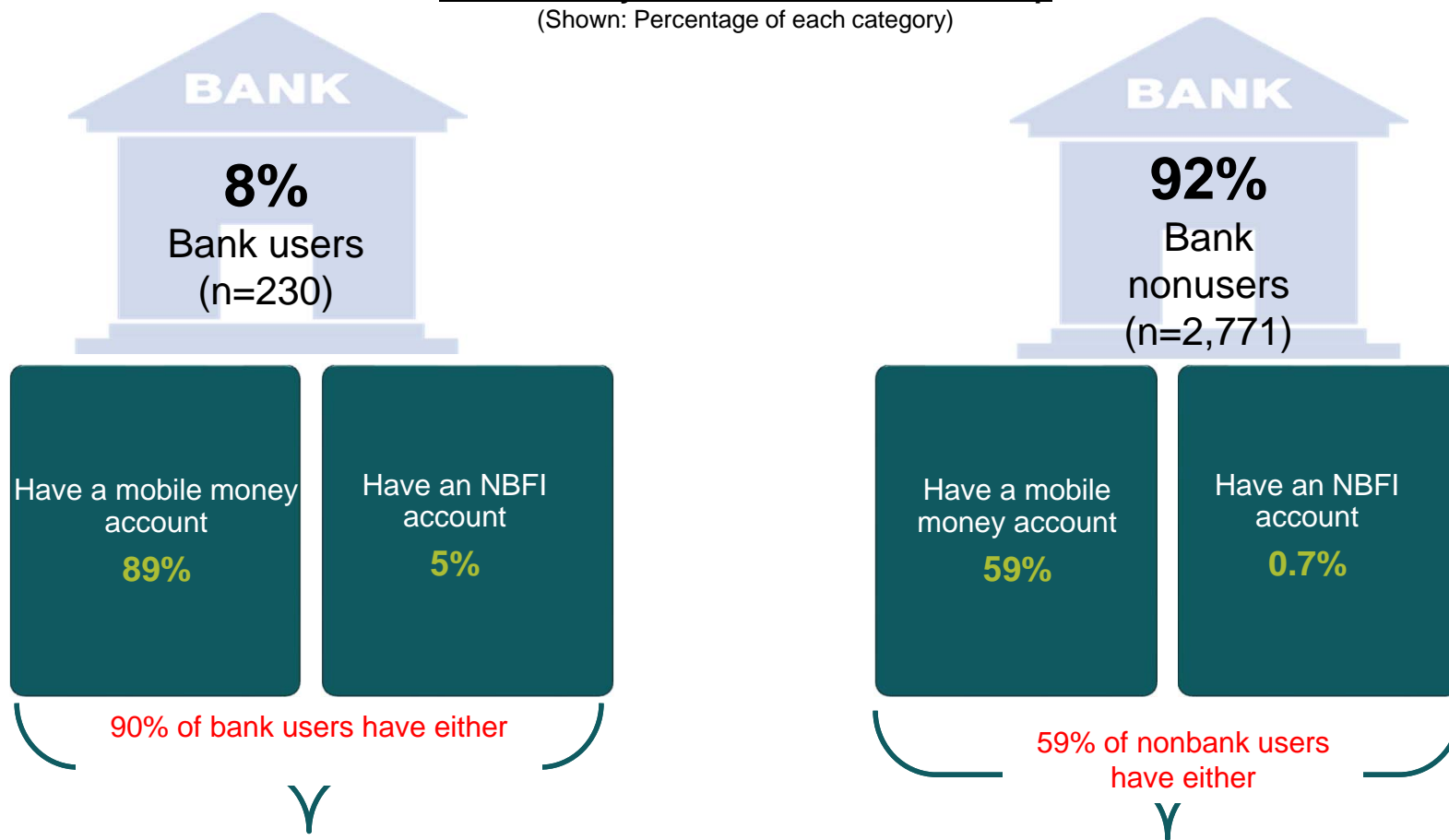
Source: InterMedia Tanzania FII Tracker survey Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Nine in 10 bank users have either a mobile money or NBFi account

#### Mobile money and NBFi account ownership

(Shown: Percentage of each category)

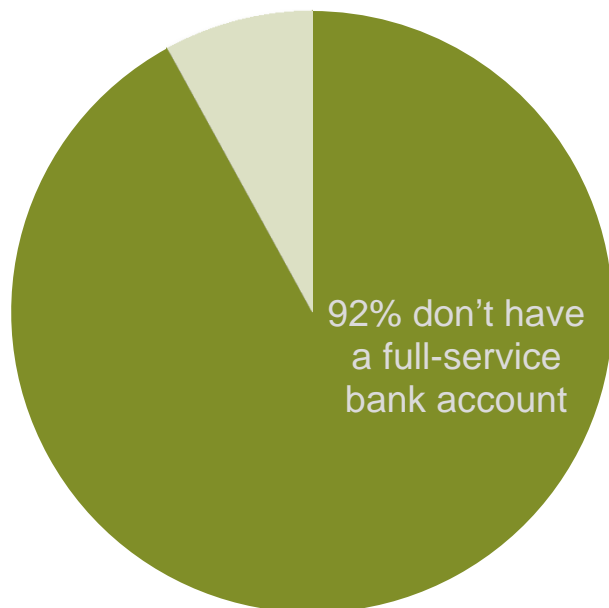


Source: InterMedia Tanzania FII Tracker survey Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

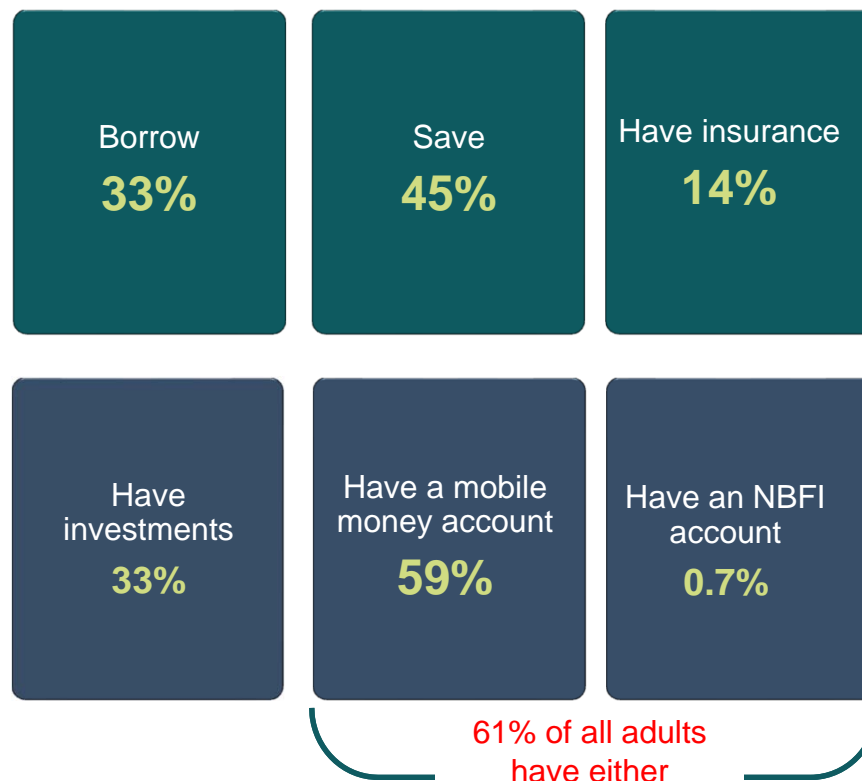
### Those who do not have a bank account still engage in financial activities; nearly two-thirds have an alternative financial account

2015 (N=3,001)



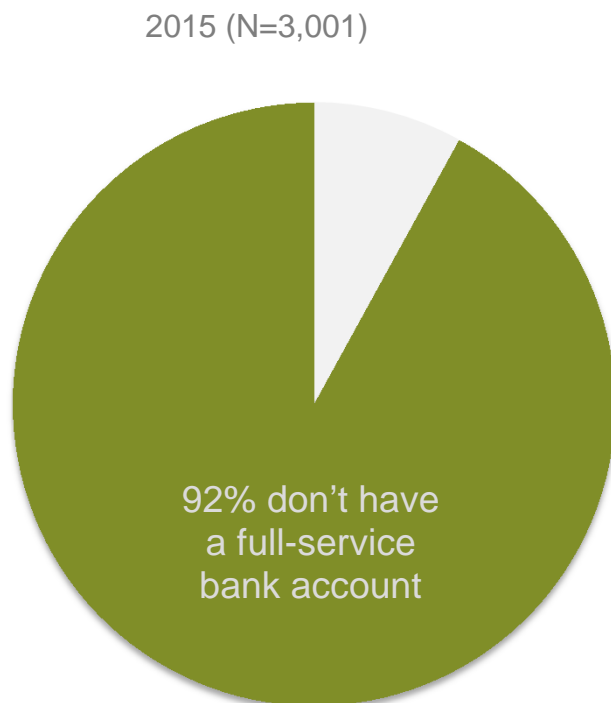
#### Tanzanians without a full-service bank account

(Shown: Percentage of those without a full-service bank account, n=2,781)



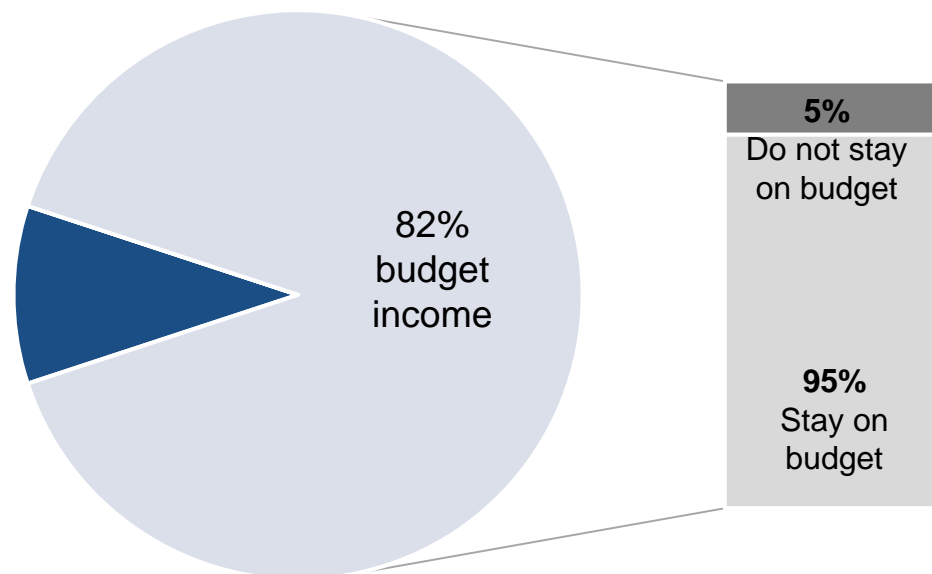
## TANZANIA

**Of those who don't have a bank account, a majority budget their money and adhere to their budgets**



### Responsible financial behavior of Tanzanians who do not have a full-service bank account

(Shown: Tanzanians without a full-service bank account, n=2,781)

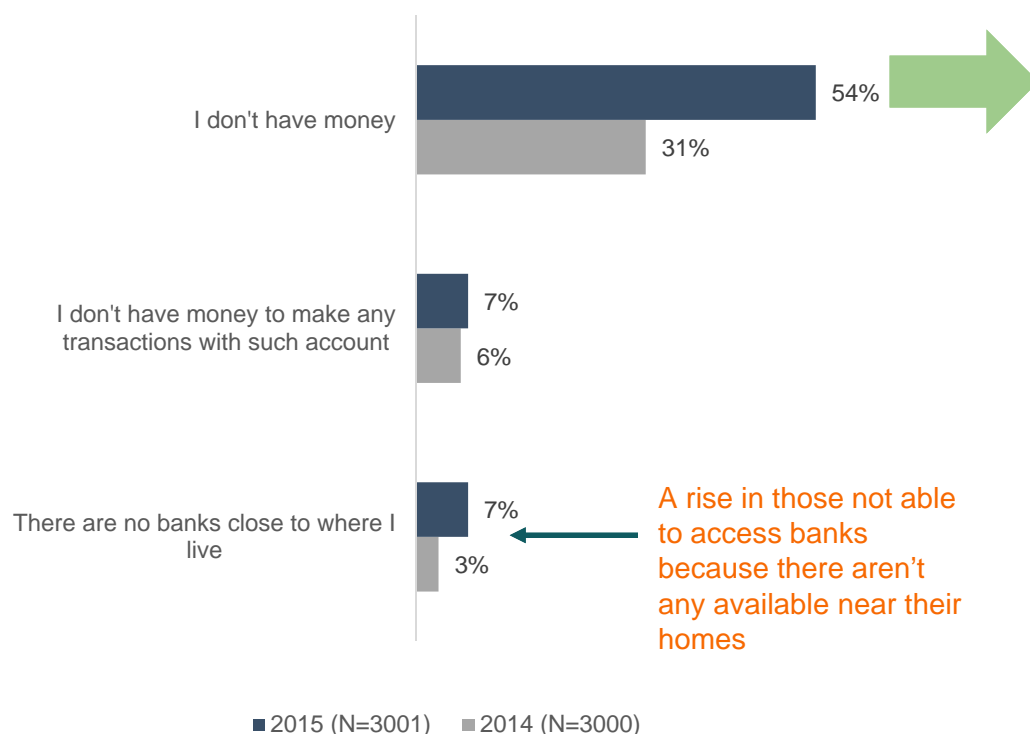


## TANZANIA

### Perceived lack of money is the key barrier to opening a bank account, mostly reported among rural groups and the poor

#### Top three reasons for not having a bank account

(Shown: Percentage of Tanzanian adults)



A rise in those not able to access banks because there aren't any available near their homes

#### 2015: Those who say they don't have enough money to open a bank account

(Shown: Percentage of each category)





## TANZANIA

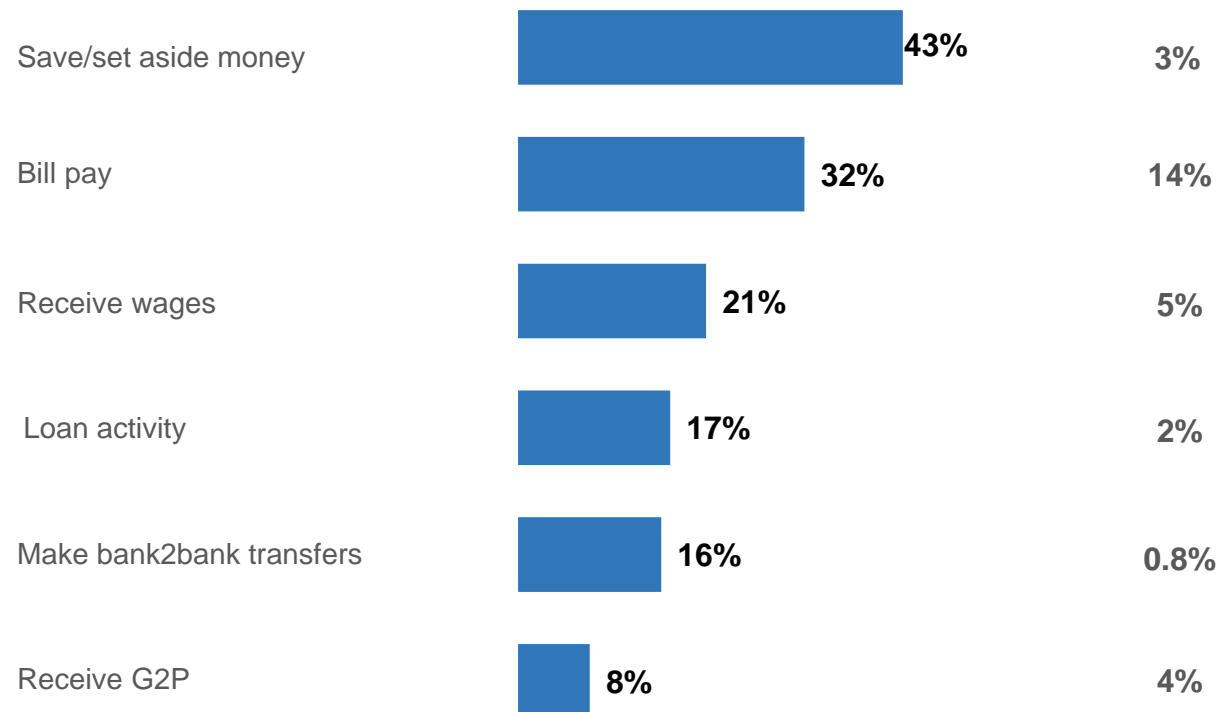
### More active bank account holders now use advanced services; savings, bill pay and payroll dominate advanced use

#### Top advanced bank account uses

(Shown: Percentage of active bank account holders, n=135)

2014  
(n=483)

**65%**  
of active registered  
bank users have used  
at least one advanced  
banking function  
  
(vs. 25% in 2014 and  
45% in 2013)



Due to the changes in the questionnaire some data points may not be directly comparable across years.

Question allowed for multiple responses.

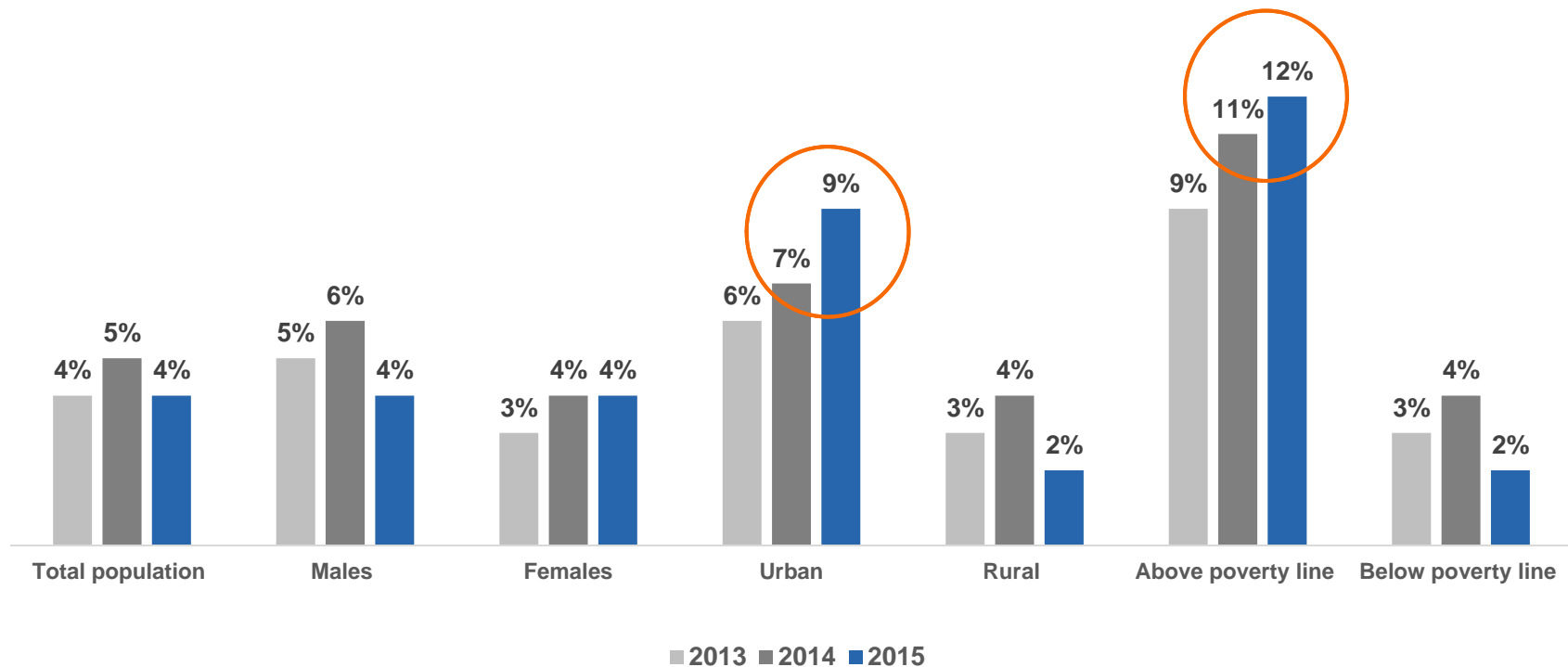
Source: InterMedia Tanzania FII Tracker surveys Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Advanced bank usage is mostly among the urban population living above the poverty line

#### Demographic trends for advanced bank users

(Shown: Percentage of Tanzanian adults who fall into each category\*)

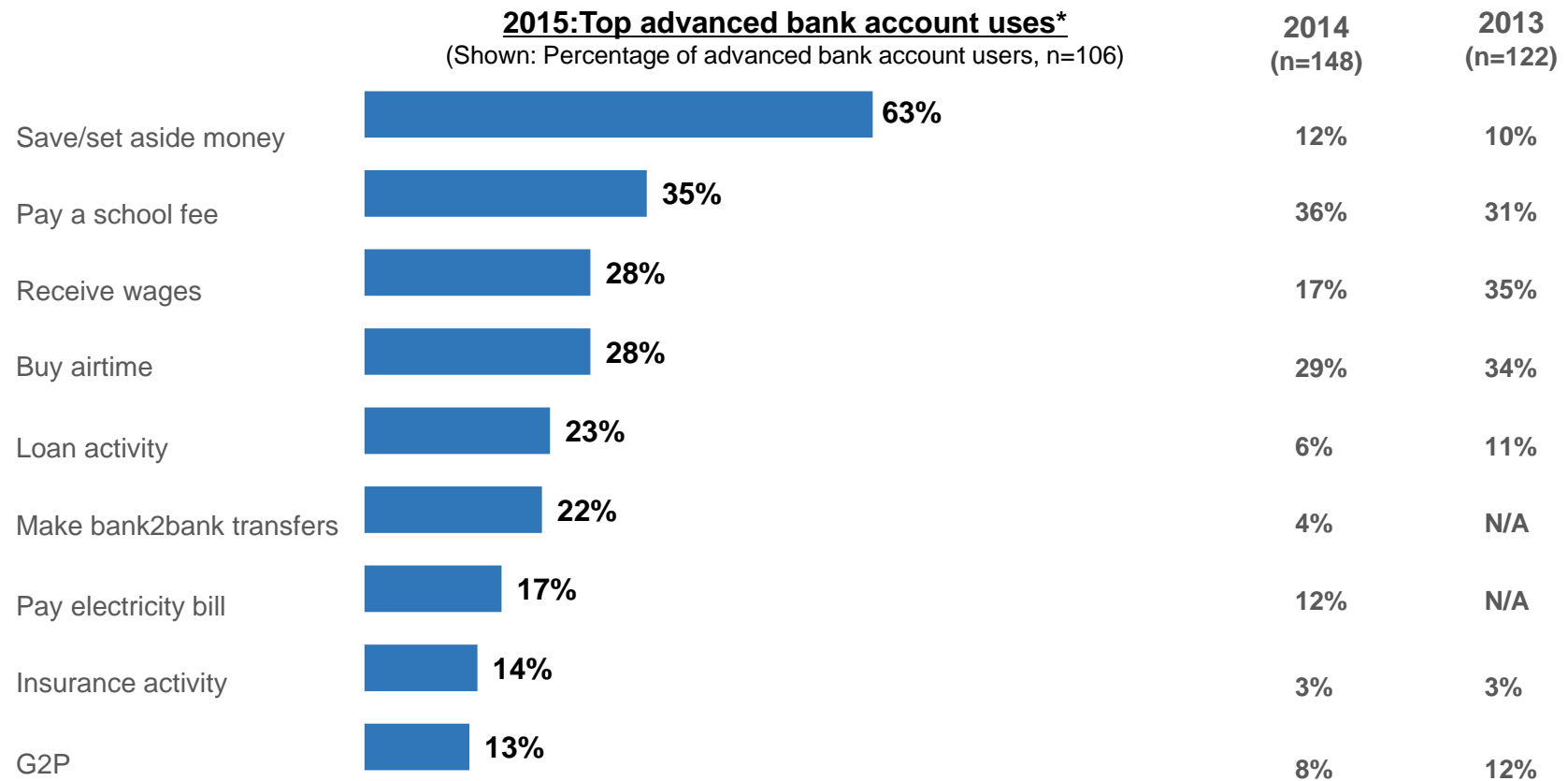


\*Categories are not mutually exclusive.

Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Advanced bank users mostly save/set aside money



\*Categories are not mutually exclusive. Due to the changes in the questionnaire, some data points from 2013 may not be directly comparable.

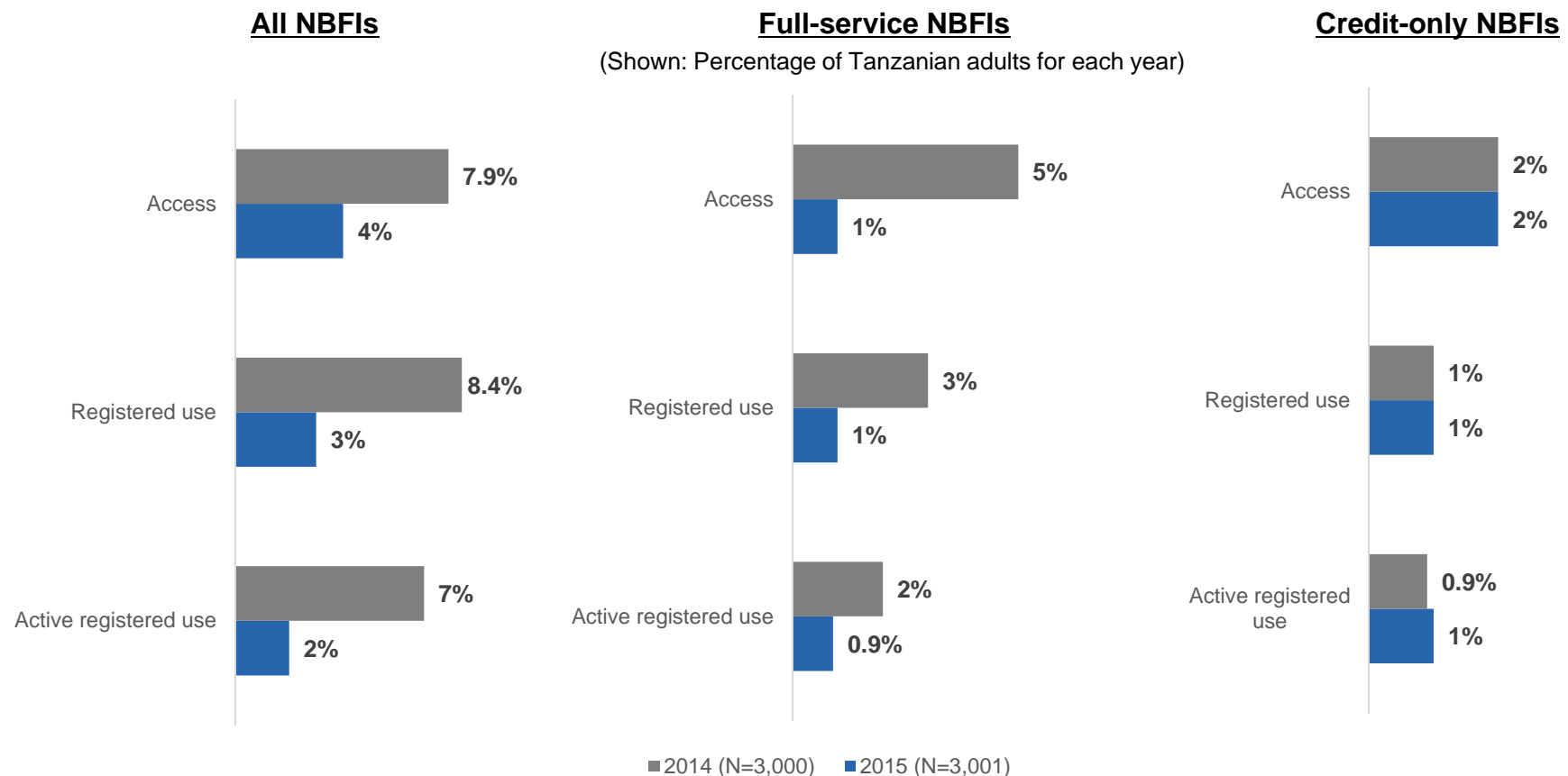
Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

**TANZANIA**

**NONBANK FINANCIAL SERVICES  
(2014-2015)**

## TANZANIA

### Most nonbank financial institutions (NBFIs) offer their customers at least one other service aside from credit



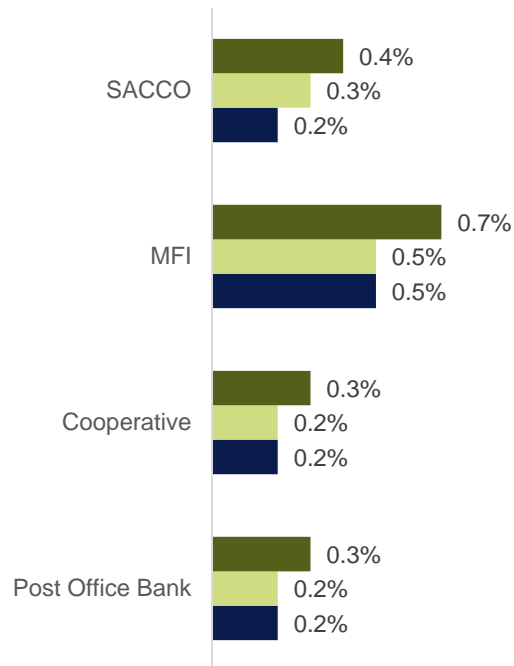
Source: InterMedia Tanzania FII Tracker surveys Wave 2 (N=3,000 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### Nonbank financial institutions' contribution to financial access is negligible

#### 2015: NBFI usage

(Shown: Percentage of Tanzanian adults, N=3,001)



■ Ever used ■ Registered user ■ Active registered user

Question allowed for multiple responses.

#### 2015: NBFI use

(Percentage of NBFI account holders among the total population, N=3,001)

	Ever Used	Active use
SACCO	2%	61%
MFI	2%	85%
Cooperative	1%	70%
Post Office Bank	0.3%	73%

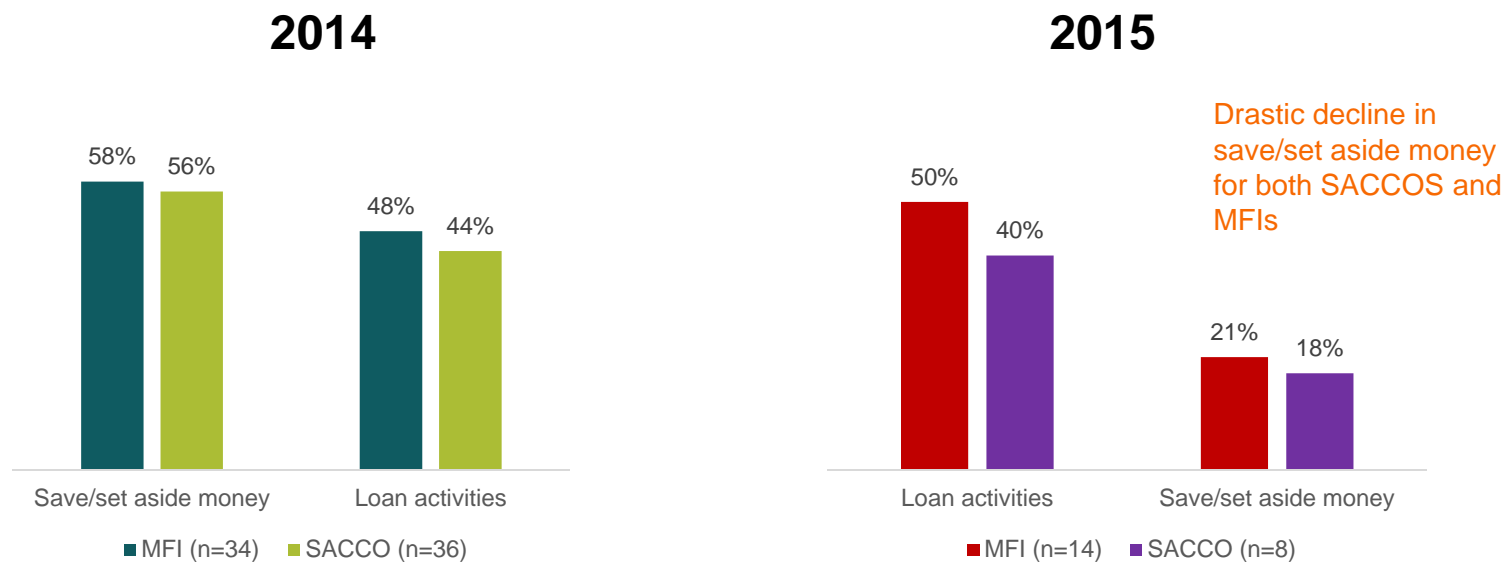
Source: InterMedia Tanzania FII Tracker survey Wave 3 (N=3,001, 15+), September-October 2015.

## TANZANIA

### NBFIs continue to serve loan products in Tanzania; saving money in SACCOs and MFIs shows a decline vs. 2014

#### Use of nonbank financial institution accounts\*

(Shown: Percentage of account holders for each institution)



\*Subgroups of registered cooperative and Post Office Bank users are too small for further analysis.

Source: InterMedia Tanzania FII Tracker surveys ; Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

**TANZANIA**

## **SPECIAL TOPIC: CROSS-COUNTRY INDICATORS**



## TANZANIA

### More than half of adults have digital stored-value accounts; many now use them as an access channel for other financial services

Main FSP Indicator	2014	2015	Base Definition
	%	%	
	Base n	Base n	
Adults (15+) who have active digital stored-value accounts	35%	54%	All adults
	3,000	3,001	
Poor adults (15+) who have active digital stored-value accounts	32%	49%	All poor
	2,633	2,484	
Rural women (15+ ) who have active digital stored-value accounts	25%	38%	All rural females
	1,049	995	
Adults (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P and bill pay)	6%	13%	All adults
	3,000	3,001	
Poor adults (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P and bill pay)	5%	10%	All poor
	2,633	2,484	
Rural women (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P and bill pay)	3%	5%	All rural females
	1,049	995	

Digital stored-value accounts: accounts in which a monetary value is represented in a digital electronic format and can be retrieved/transferred by the account owner remotely. For this particular study, DSVAs include a bank account or NBFi account with digital access (a card, online access or a mobile phone application) and a mobile money account.

Source: InterMedia Tanzania FII Tracker surveys Wave 2 (N=3,000, 15+), August-October 2014; Wave 3 (N=3,001, 15+), September-October 2015.

**TANZANIA**

# **METHODOLOGY AND RESEARCH DESCRIPTION**

**TANZANIA**

## FII Tanzania Tracker Survey details

### Survey Summary

- Annual, nationally representative survey (N=3,001) of Tanzanian adults aged 15+
- Face-to-face interviews lasting, on average, 73 minutes
- Third survey (wave 3) conducted from Sept. 1 to Oct. 24, 2015
- Tracks trends and market developments in DFS based on the information gathered in the first survey, conducted in 2013, and second survey conducted in 2014

### Data Collection

- Basic demographics and poverty measurement (Grameen Progress Out of Poverty Index)
- Access/use of mobile devices
- Access/use of mobile money
- Access/use of formal financial services (e.g., bank accounts)
- Access/use of semi-formal and informal financial services (e.g., SACCO, cooperatives, self-help groups)
- Financial literacy and preparedness
- General financial behaviors

**TANZANIA**

## **SAMPLING APPROACH**

### **Target population, sample size and sampling frame**

The sample size for this study was 3,001 Tanzanian adults (15+), which allowed for cost-effective representation of the population at the country level as well as by key subgroups, including by sex, age and urban/rural residence. The survey sample distribution was based on the 2012 census.

### **Sample design and allocation**

InterMedia used a multistage, stratified, clustered and randomized sampling methodology that included proportional distribution of the sample (3,000 interviews) across Tanzania's 30 regions, stratified by urban and rural populations.

### **Selection of Enumeration Areas/Primary Sampling Units (PSUs)**

Enumeration areas (EAs)/Villages – the smallest administrative units as defined by the 2012 Tanzanian Population and Housing Census – were the primary sampling units (PSUs) for the study. Within each region, all districts, and then all wards within each district, were listed and stratified first into urban and rural. Within each strata, wards were then sampled using a probability proportionate to population size approach (PPPS). Individual urban and rural EAs/villages were then listed and selected also using a probability proportionate to population size approach (PPPS).

### **Sampling Start-Points, Households and Respondents**

- One start-point within each EA was chosen by randomly selecting from a list of local landmarks identified by village elders.
- Households (see Glossary) were selected using a random route walk, standardized skip pattern and process for substitution.
- One respondent per household was selected using the Kish grid method and relevant consent for eligible respondents under 18 years of age was obtained.

# GLOSSARY

## GLOSSARY

- **Access** – Access to a bank, NBFIs or mobile money account; those with access have used the services either via their own account or via the account of another person.
- **Active account holder** – An individual who has a registered financial services account and has used it in the last 90 days.
- **Advanced use** – The use of an account for services other than basic or P2P services. (For the purposes of this study, in the case of mobile money, airtime top-ups are not considered an advanced use.)
- **Basic use** – The use of an account to cash-in (deposit) or cash-out (withdraw), or conduct account maintenance.
- **DFS access** – Access to a DFS account through one's own account or someone else's account.
- **Below the poverty line** – In this particular study, adults living on less than \$2.50 per day, as classified by the Grameen PPI.
- **Cooperative** – Typically, a business or other professional organization that is owned and run jointly by its members, who share the profits or benefits. Cooperatives can release some of the profits/funds as loans to its members.
- **Digital financial services (DFS)** – Financial services that are provided through an electronic platform (mobile phones, electronic cards, the internet, etc.).
- **Financial inclusion** – For the purposes of this report, financial inclusion is defined as having an account with an institution that provides a full suite of financial services and comes under some form of government regulation. Services include: savings, money transfers, insurance or investment.
- **Full-service financial institution** – Financial institutions that offer its customers at least one of the following services: savings, money transfers, insurance or investment.
- **Informal financial institutions** – Financial institutions or services that do not offer accounts or a full suite of services. These vary from highly informal services such as money guards (individuals who keep money for others) to established community savings groups or collectives.
- **Microfinance institution (MFI)** – An organization that offers financial services to low-income populations. Almost all give loans to their members, and many offer insurance, deposit and other services.
- **Mobile money (MM)** – A service in which a mobile phone is used to access financial services.

## GLOSSARY

- **Nonbank financial institution (NBFI)** – A financial organization that is not formally licensed as a bank or a mobile money provider, but whose activities are regulated, at least to some extent, by the central bank within the respective country. Such financial institutions include microfinance institutions (MFI), cooperatives, Post Office Savings Banks and village-level, semi-formal savings groups.
- **Post Office (Savings) Bank** – A government-run bank that operates through local post offices.
- **P2P transaction** – The use of an account to send or receive money to or from other individuals.
- **Registered account holder** – An individual who has a full-service bank, NBFI or mobile money account in their own name that offers more than just credit services.
- **Savings and credit cooperative (SACCO)** – A unique member driven, self-help group, which is owned and managed by its members who have a common bond (e.g., work for the same employer, belong to the same church, live in the same village, etc.). All members contribute to the SACCO fund, which can be used for group investment or a part of which can be given to members as loans.
- **Unregistered/OTC user** – An individual who has ever used a bank, NBFI or mobile money services through someone else's account, including a mobile money agent's account or the account of a family member or neighbor.
- **Urban/rural** – Urban and rural persons are defined according to their residence in urban or rural areas as prescribed by the national bureau of statistics.
- **Village level semi-formal savings group** – a savings group, often tied to initial or ongoing support from an NGO, that requires members to regularly contribute to a group-managed fund and disburses loans based on pre-determined requirements and loan terms.

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