2024 FinAccess Household Survey

December 2024

ACCESS | USAGE | QUALITY | IMPACT

finaccess

2024 FINACCESS HOUSEHOLD SURVEY

Collaborating Partners

Central Bank of Kenya

KNBS KENYA NATIONAL BUREAU OF STATISTICS

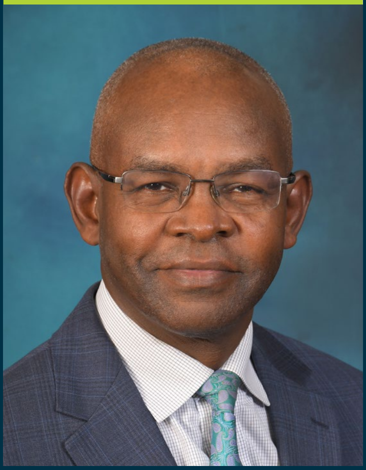
fsd Kenya

2024 FINACCESS HOUSEHOLD SURVEY

CONTENTS

The 2024 FinAccess Household Survey Report is the 7th edition based on the Financial Inclusion Survey. The report provides key developments in access, usage, quality and impact dimensions of financial inclusion. The report also has delved into emerging issues like sustainable finance and investment and Inclusion for Persons with Disabilities.

FOREWORD



DR. KAMAU THUGGE, CBS
Governor, Central Bank of Kenya

DR. MACDONALD OBUDHO, EBS, MBS Director General, Kenya National Bureau of Statistics

Ms. TAMARA COOK
CEO, Financial Sector Deepening Trust Kenya

We are pleased to present the *2024 FinAccess Household Survey Topline Findings Report* to our stakeholders. This is the seventh Survey since the 2006 baseline Survey and subsequent Surveys conducted in 2009, 2013, 2016, 2019 and 2021. The FinAccess Surveys were initiated to enhance the measurement of financial inclusion; provide better understanding of the financial inclusion landscape indicators to track financial inclusion dynamics over time; and provide rich data to support evidence-based policy formulation and use by stakeholders. The financial inclusion measurement cuts across the four dimensions of: *Access, Usage, Quality and Impact/ Welfare*. The Surveys are conducted in line with the Kenya Vision 2030 financial sector development agenda outlined in the various Medium Term Plans (MTP) towards achieving an inclusive financial services ecosystem.

The 2024 Survey was managed by the Central Bank of Kenya (CBK) in collaboration with the Kenya National Bureau of Statistics (KNBS) and Financial Sector Deepening Trust (FSD) Kenya. We also acknowledge with appreciation of the technical and financial support from the members of the Alliance for Financial Inclusion (AFI), SACCO Societies Regulatory Authority (SASRA), Insurance Regulatory Authority (IRA), Capital Markets Authority (CMA), Retirement Benefits Authority (RBA), Kenya Deposit Insurance Corporation (KDIC), UN Women Kenya Country Office, Equity Bank, Safaricom Limited, Kenya Mortgage Refinance Corporation (KMRC) and International Fund for Agricultural Development (IFAD). We take this opportunity to encourage other public and private sector players to partner with us in rolling out future Surveys to enhance its sustainability through regular and timely collection of current data to capture recent developments in the rapidly evolving financial sector at the household level. The Surveys provide very useful data that is widely used by the public and private sector players in influencing policy, strategies, innovations and supporting research.

Implementation of the 2024 Survey followed statistical best practices based on the Kenya Statistical Quality Assurance Framework (KeSQAF) and the conduct of surveys including: survey planning and design, methodology, data collection, analysis and reporting. The survey provides reliable data and useful insights to guide evidence-based decision-making and policies geared towards financial deepening and enhanced financial inclusion across the country.Definition of concepts have been provided for users and this has been maintained across the various survey cycles to provide comparisons across time and countries.

The 2024 Survey is unique in several ways. First, it provides the first data point for time series analysis of the change in financial inclusion at the county level (47 devolved Government Units). This will highlight the heterogeneity of the financial inclusion landscape across the counties. Secondly, the questionnaire was expanded to improve the measures of the four dimensions of financial inclusion. Emerging issues such as sustainable finance (green finance), financial health, Micro and Small Enterprises (MSEs), agriculture and Persons with Disabilities (PWDs) have also been covered. These new additions, coupled with continuous tracking of time series variables along the access, usage, quality and impact dimensions, provide rich information for policy makers, private sector players, investors, researchers and academicians.

Results of the topline findings indicate that the financial inclusion landscape was impacted by the various reforms instituted in the last three years and especially the regulatory environment governing digital credit providers. Overall, financial access has improved from 83.7 percent in 2021 to 84.8 percent in 2024. Similarly, the adult population that reported being completely excluded from accessing any form of financial services or products in the last 12 months has declined from 11.6 percent in 2021 to 9.9 percent in 2024. Notably, access to informal-only financial services increased to 5.2 percent in 2024 from 4.7 percent in 2021. The usage and quality of financial services and products continue to deepen, on account of increased adoption of technology and innovations, use of a portfolio of products and services; government policies, and private sector strategies. Indeed, mobile money remains the equalizer in access to financial services across various demographics.

We wish to take this opportunity to thank the analytical team that delved through the massive datasets to prepare this report. Special mention goes to the staff from CBK, KNBS, FSD Kenya, CMA, IRA, RBA, SASRA, KDIC and UN Women who provided both technical and financial support.

We invite the public to access the Survey information including the Survey report, infographics, presentations and datasets through the CBK, KNBS and FSD Kenya websites. We also encourage you to conduct analysis and research towards meeting your needs or in furtherance of knowledge. We have also created a data visualization portal available at the KNBS website to enable users to interact with data and generate their own charts for quick research work and generate user-specific reports. We hope all readers and stakeholders will find this report and the datasets useful for their various needs.

DR. KAMAU THUGGE, CBS
CBK Governor

DR. MACDONALD OBUDHO, EBS, MBS
Director General, KNBS

MS. TAMARA COOK
CEO, FSD Kenya

ACKNOWLEDGEMENTS

This report presents the top line findings of the seventh edition of the 2024 FinAccess Household Surveys since the baseline survey in 2006. The survey was made possible through public–private partnership with the Central Bank of Kenya (CBK), Kenya National Bureau of Statistics (KNBS) and Financial Sector Deepening Trust (FSD Kenya) taking lead. The survey also received invaluable technical and financial support from the Joint Financial Sector Regulators Forum comprising of; Insurance Regulatory Authority(IRA), Capital Markets Authority(CMA), Retirement Benefits Authority(RBA), SACCOs Societies Regulatory Authority(SASRA), and safety net providers Kenya Deposit Insurance Corporation(KDIC) and Policyholders Compensation Fund(PCF). We also acknowledge financial contribution and technical input to the questionnaire by the Alliance for Financial Inclusion (AFI), United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), International Fund for Agricultural Development (IFAD), Kenya Mortgage Refinance Company (KMRC), Equity Bank and Safaricom.

We take this opportunity to sincerely thank the leadership of CBK, KNBS and FSD Kenya for their direction, guidance, funding and unwavering support to ensure the survey was successfully conducted. The stewardship was ably provided by: Dr. Kamau Thugge, CBS, Governor of the CBK, Dr. Susan Koech, Deputy Governor of the CBK, Dr. Macdonald Obudho, MBS, EBS, Director General, KNBS and Ms. Tamara Cook, CEO of FSD Kenya. We also wish to thank Prof. Robert Mudida, Director of Research Department at the CBK; Mr Cappitus Chironga, Deputy Director, Research Department at the CBK; Mr Collins Omondi, Director of Macroeconomic Statistic at KNBS; and Dr Amrik Heyer, Senior Research Advisor at FSD Kenya for providing invaluable oversight, support and guidance in planning, implementing and conducting the survey under FinAccess Management (FAM). Special thanks to the technical coordination team led by Dr. Isaac Mwangi of CBK as well as Ms. Tabitha W. Mwangi of KNBS and Geraldine Lukania Makunda of FSD Kenya in overall implementation of the survey.

Successful rollout of the 2024 Survey and publication of this report was made possible by joint efforts of the Coordinators, Supervisors, Research Assistants, among other personnel. Special mention include: Rosemary Okoko, Peter Grivines, John Kipkirui, Dr. Moses Mathu, Faustinah Karuri, Lewis Wandaka, Dr. Peter Wamalwa, Dr. Samuel Kiemo and Amos Lupembe from the CBK; Simon Gaitho, Peter Kihara, Zachary Ochola, James Ng'ang'a, Paul Waweru, Paul Samoei, John Bore, Maurice Kamau, Cruyff Matunde, Rajab Mbaruku, Silvester Maingi, Lucas Sagire, Felix Kemboi, Candy Ading, Isaac Otachi, Mike Okero and Peter Kamau from KNBS; Sharon Juma and Mr Peter Gakure (FSD Kenya); Wilberforce Ong'ondo, Samuel Kamunyu and Joseph Mariga of CMA, Jude Kibet and Teresa Nyatuka of IRA; Kenneth Bichang'a and Evans Kimosop (SASRA); and Keizi Lazarus and Leonard Apiyo (RBA); Julie Nkirote; Caroline Mutungi (KDIC) and Caneble Oganga (UN Women); Dr. Martha A. Omolo of University of Exeter; and Rachel Nguli, Digital Financial Specialist – Digifin.

We also recognize; Sylvia Anam and Chris Mwangi of CBK and Conrad Karume of FSD Kenya for the design and artwork of the various survey outputs. The communications team led by Wallace Kantai of CBK, Katunge Kiilu of KNBS, Collins Baswony and Christine Ng'ang'a of FSD Kenya, Joshua Musyimi and Maureen Nyagah of UN Women, Fahari Mwagonah and Emmy Mwavua of CBK who did a fantastic job in planning, publicity, and all logistics that made the launch of the survey successful. We also acknowledge efforts and contributions of all other persons not mentioned here, but who made the entire process of the 2024 FinAccess survey successful.

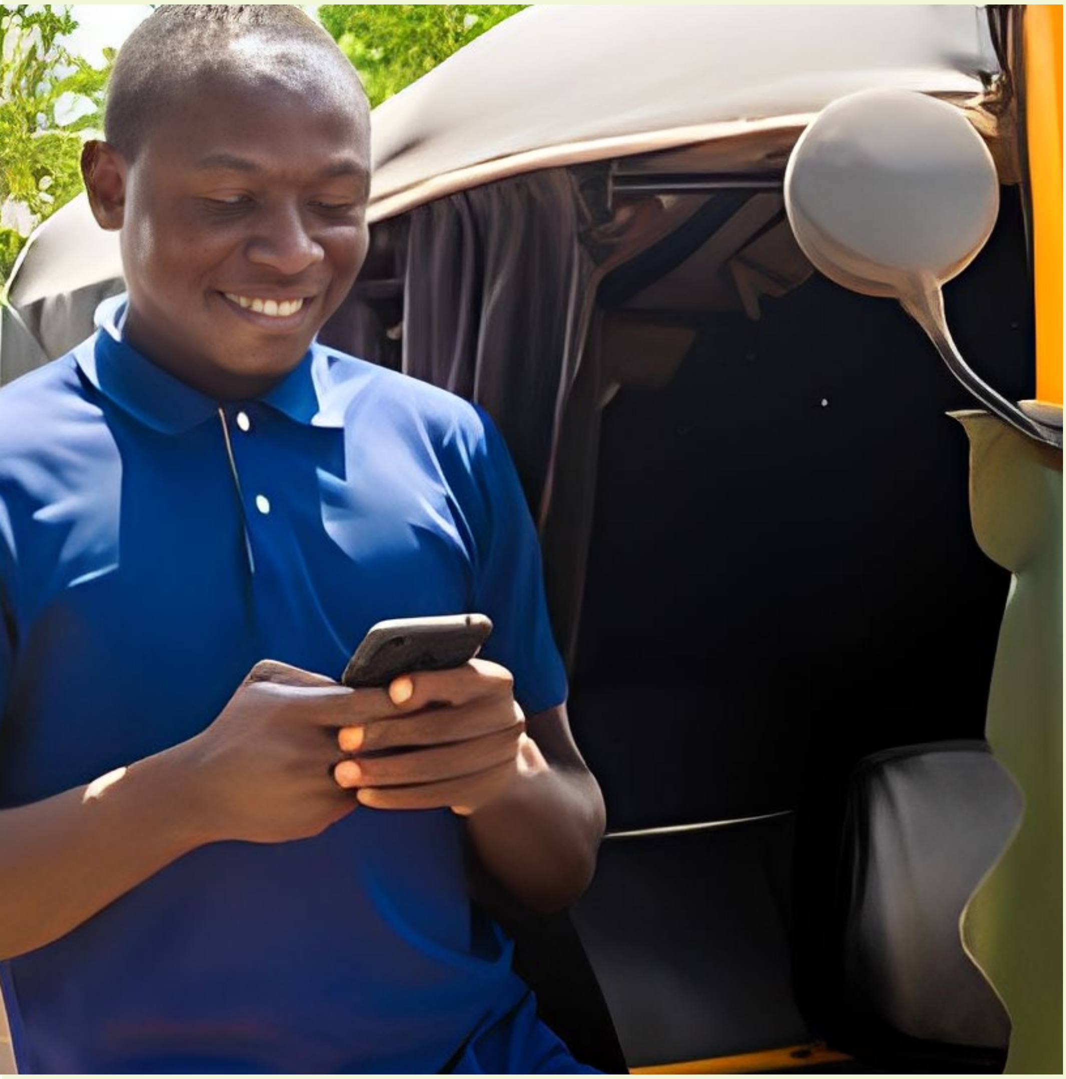
EXECUTIVE SUMMARY

Kenya's financial sector continues to show strong growth, significantly contributing to the country's GDP. The FinAccess surveys delve beyond macro statistics to assess how the benefits of financial sector growth are distributed across the population. They examine whether financial services provide high-quality, affordable, and relevant solutions and explore who benefits from these services. The surveys also investigate how well Kenya's financial sector supports its population in managing day-to-day needs, coping with shocks, and investing in the future. The Survey seeks to find out whether the sector is bridging economic and social inequality or widening the divide.

These core questions have been central to the FinAccess surveys since their inception in 2006. Seven nationally representative household surveys have been conducted, most recently in 2024. Over the years, new frameworks and tools, such as the Financial Health Index introduced in 2016 and an expanded sample in 2021 to include all 47 counties, have enhanced the survey's value. The 2024 FinAccess Household survey has gone a step further, focusing more on the quality of the financial services and the impact they have on consumers. It has an improved framework for measuring financial literacy based on the Organisation for Economic Co-operation and Development (OECD) standards to enable country comparisons. It has also refined consumer protection and market conduct measurement by constructing an index reflecting the level of consumer protection for financial services from demand side. The survey includes a new module on the Persons With Disabilities (PWDs) and enhanced module on how the general populace is using financial solutions to cope with climate change risks from the demand side.

Being a countrywide survey involving all facets of the financial sector, conducting a FinAccess Household Survey is an expensive exercise in terms of people, time and finances. It is therefore a collaborative effort led by the Central Bank of Kenya, in partnership with the Kenya National Bureau of Statistics and Financial Sector Deepening (FSD) Kenya.

Other partners who came on board to provide technical and financial support include; Alliance for Financial Inclusion (AFI), domestic financial sector regulators, Kenya Deposits Insurance Corporation, Kenya Mortgage Refinance Company (KMRC), International Fund for Agricultural Development (IFAD), UN Women, Equity



9.9%

of Kenyan adults remain financially excluded, with rural youth forming nearly half of this group (45.5 percent). Key barriers include lack of mobile phone and lack of Identity Card (ID).

Bank, and Safaricom. This is good for sustainability of the surveys by bringing on board new ideas, pooling resources together and expanded use cases of survey datasets.

Below are the key findings from the 2024 survey:

1. **Financial Access:** Formal financial access increased from 83.7 percent in 2021 to 84.8 percent in 2024, driven by digital technology, which nearly closed the gender gap in formal access.

2. **Exclusion:** 9.9 percent of Kenyan adults remain financially excluded, with rural youth forming nearly half of this group (45.5 percent). Key barriers to exclusion include lack of mobile phone (64.1 percent) and lack of Identity Card (51.5 percent).

3. **County Comparison:** Kiambu, Nairobi, Kirinyaga, Nyeri, Isiolo, and Mandera are the most included counties. On the flipside, Turkana, West Pokot, Elgeyo Marakwet, Trans-Nzoia, Migori, and Narok are the most excluded.

4. **Providers:** Uptake of brick-and-mortar bank accounts and SACCOs has notably increased but digital services recorded mixed results. Mobile money, mobile bank, and Fuliza moderated in growth ; while digital MFIs, including 'buy now pay later' (hire purchase) have recorded increased uptake following the regulation of DCPs.

Braille ATM keypad: Persons with Disabilities are significantly less included than average, at 77.9 percent compared with 84.8 percent.

5. **Insurance, Pensions, and Securities:** The use of NHIF has declined, possibly due to the ongoing transition to SHIF; NSSF usage has slightly increased due to the lifting of the NSSF Act (2013) = . The use of securities has also increased with the introduction of apps.

6. **Payments:** 52.6 percent of Kenyans now use mobile money daily, more than doubling, from 23.6 percent in 2021, indicating increased digitilization in payments.

7. **Savings and Credit:** While credit usage has risen to 64.0 percent, the population of savers has declined to 68.1 percent for the first time since 2009.

8. **Hustler Fund:** The government's Financial Inclusion (Hustler) Fund has seen rapid uptake, with 28 percent of the population borrowing from the Fund. The Hustler Fund is more popular in urban areas with higher-income populations who are formally or informally employed.

9. **Debt Distress:** Debt distress is a major challenge, with 16.6 percent of borrowers completely defaulting on their loans (did not pay at all) compared to 10.7 percent in 2021.

10. **Consumer Protection:** System downtime is a major issue faced by consumers; users of MFIs and digital apps also suffer from unethical practices and hidden charges. 9.8 percent of mobile money users reported losing money.

11. **Financial Literacy:** 42.1 percent of the population is considered to have high financial literacy as they were able to answer all the three questions

on inflation, interest rates and risk diversification correctly.

12. **Financial Health:** Financial health remains low, with 18.3 percent of Kenyans financially healthy compared to 17.1 percent in 2021. There was an improvement in the percentage of Kenyans able to manage day-to-day and cope with shocks, but a significant decline in those able to invest in the future.

13. **Green Finance:** 34 percent of the population reported some form of green investment, with solar equipment and tree planting being key among these. The main sources of finance were personal income, social networks, and savings.

14. **Persons with Disabilities:** Financial inclusion for Persons with disabilities (PWDs) averaged 77.9 percent which is lower than national average of 84.8 percent. Only 7 percent were found to be financially healthy.

Overall, the survey findings indicate that Kenyans continue to access a diverse range of services, with a notable increase in the use of innovative digital solutions like 'buy now pay later,' alongside traditional services such as brick-and-mortar banks and SACCOs.

The narrowing gaps in financial access across various demographics indicate progress in addressing inequalities, especially in gender, where the gap is now less than 2 percent. However, significant disparities persist across counties, and exclusion among rural youth remains a concern. Additionally, ongoing consumer protection issues and rising debt stress are worrisome. Improving financial health must be a central priority for policy and innovation in the coming years.

Policymakers, researchers, innovators, development partners and other key stakeholders can leverage on these datasets to address their varying needs in pursuit of their mandates.

01 INTRODUCTION

Kenya's Financial Inclusion Landscape

The financial sector is one of the key sectors of the economy and its continuous monitoring and support is necessary to enhance national development.

01

The 2024 Financial Access Household Survey (hereafter referred to as 2024 FinAccess Survey) is the seventh in a series of surveys that measure and track developments and dynamics in the financial inclusion landscape in Kenya from the demand–side. This follows the successful rollout of the 2006 baseline survey, and

the subsequent FinAccess surveys of 2009, 2013, 2016, 2019 and 2021. The surveys constitute an important tool for providing better measurement and understanding of the financial inclusion landscape in four dimensions – *Access, Usage, Quality and Impact/ Welfare.*

The Central Bank of Kenya (CBK) in collaboration with The Kenya National Bureau of Statistics (KNBS) and Financial Sector Deepening (FSD Kenya), measures financial inclusion through the Financial Access Surveys.

FinAccess Survey is a leading source of reliable data on financial access and usage in Kenya and is used widely by both public and private sector and international development partners to inform policy formulation and research. Given the rapid pace of financial market development in Kenya, the surveys provide an important tool to provide high granular, timely and reliable data to review progress and monitor trends to enhance pro-poor and pro-growth financial sector development policies.

The 2024 FinAccess Survey introduced new perspectives on measurement of financial inclusion across the four dimensions; access, usage, quality and impact, explored emerging issues such as green finance, while maintaining time series to track progress both at the national and county levels. Given the growing interest in consumer protection, the survey introduced heat maps to illustrate the salient issues that characterize the financial service providers as well as the drivers and barriers to access. The analysis also employed new measures of financial literacy to align it with Organisation for Economic Co-operation and Development (OECD) measurement.

This chapter provides the survey rationale, approach and methodology, data processing and dissemination, and survey demographics as outlined below. The 2024 FinAccess Survey covered the four dimensions of financial inclusion – *Access, Usage, Quality and Impact/ Welfare*. It is therefore well aligned with global definitions and approaches such as those used by the World Bank and the Alliance for Financial Inclusion (AFI), thus enabling robust cross–country comparisons.

- ***Access*** captures individuals with an active account in their own name in the last twelve (12) months with at least one financial service provider in either the formal or informal category. Those individuals who have access to financial services but do not have their own account, such as those using another family member's account, are not included. A consumer who does not access any financial services or products from any formal or informal category is classified as excluded.

- ***Usage*** measures the actual use of an account in their own name and/or through someone else's account (indirect usage) in the last twelve (12) months with at least one financial service provider in either the formal or informal category.

- ***Quality*** measures whether the financial product/ service is appropriate and matches the clients' needs, the range of options available to customers, and clients' awareness and understanding of the product and services and its features.

- ***Impact*** captures the likely outcomes or welfare gain in the use of financial services and products on the consumers' financial behaviour and welfare.

1.1 ECONOMIC CONTEXT

Kenya's real Gross Domestic Product (GDP) grew by 4.6 percent in the second quarter 2024 compared to a growth of 5.6 percent in a similar period of 2023 and an annual growth of 5.6 percent during 2023. This growth was supported by growth in the following sectors of the economy; Accommodation & Food Services (26.6 percent) and Information & Communication (7.2 percent), Agriculture, Forestry & Fishing (4.8 percent) and Real Estate (6.0 percent). The Financial and Insurance sector expanded by 5.1 percent in 2024 quarter two compared to a growth of 13.2 percent in the second quarter of 2023.

Broad money supply (M3) increased by 3.4 percent in the second quarter of 2024 compared to a contraction of 5.3 percent in the previous quarter, mainly reflecting increased corporate sector deposits. Total assets increased by 0.5 percent to Ksh.7,552.0 billion in June 2024, from Ksh.7,513.1 billion in March 2024. The deposit base also increased by 1.2 percent to Ksh.5,589.1 billion in the second quarter of 2024, from Ksh.5,525.3 billion in the first quarter of 2024. Domestic credit extended by the banking system increased by 0.2 percent in the second quarter of 2024 compared with a contraction of 1.5 percent in the previous quarter.

The overall inflation rate as of November 2024 stood at 2.8 percent compared to 6.8 percent recorded in the same period in 2023. The monetary policy stance by the Monetary Policy Committee (MPC) of Central Bank reduced the Central Bank Policy rate to 12.0 percent in October 2024 from the peak of 13.0 percent in June 2024, on account of lower and stable overall inflation around the midpoint of the target range in the near term. Commercial banks' average lending and deposit rates increased in 2024 in line with the tight monetary policy stance. The weighted average lending rate increased

to 16.9 percent in September 2024 from 14.0 percent in September 2023 while the weighted average deposit rate increased to 11.2 percent from 8.7 percent over the same period.

1.2 SURVEY OBJECTIVES

The main objective of FinAccess Surveys is to monitor developments and progress achieved in financial inclusion, for policy makers and industry players to gain a better understanding of the inclusivity and overall dynamics of Kenya's financial inclusion landscape. The detailed survey objectives were:

- Tracking trends and progress on financial inclusion.
- Providing information on barriers to financial inclusion.
- Providing information on market conditions and opportunities.
- Providing data for academic research on financial inclusion.

1.3 SURVEY DESIGN AND METHODOLOGY

Survey Design

The 2024 FinAccess was a cross-sectional Survey that targeted individuals aged 16 years and above residing in conventional households in Kenya. Data analysis, however, was conducted on individuals aged 18 years and above, as national identity cards, which is a key requirement to accessing formal financial services, is only issued to this age group.

Sample Size and Distribution

The Survey sample was designed to provide estimates at national as well as rural and urban areas, and across all the forty-seven (47) counties. The minimum sample size for the survey was computed for each of the Survey domains, resulting in a total sample size of 28,275 households and 1,885 Enumeration Areas (EAs). The sample distribution by counties is detailed in **Appendix 4.**

Sample Frame

The sample was drawn from the Kenya Household Master Sample Frame (K-HMSF), which was developed based on the 2019 Kenya Population and Housing Census. The K-HMSF comprises of 10,000 clusters selected using Probability Proportional to Size (PPS) methodology from approximately 128,000 Enumeration Areas (EAs) created during the cartographic mapping of the 2019 Population and Housing Census.

The sampling frame is stratified into 92 sampling strata, including urban and rural strata in 45 counties, while Nairobi and Mombasa Counties are entirely urban. Additionally, the K-HMSF is divided into four components known as C1, C2, C3, and C4, each containing 2,500 clusters, which can serve as independent sampling frames. For strata requiring a sample size beyond what a single component can support, two or more components can be combined to meet the survey's sampling requirements.

Selection of Sampling Units

A multi-stage stratified cluster sampling procedure was employed to select the sampling units. Three sets of units were sampled, namely, EAs, the households and an eligible individual within the households.

Sampling of the EAs

The EAs were the primary sampling units and were randomly selected independently from each of 92 strata in the K-HMSF. The EAs were systematically selected with equal probability given that the master sample from which the sample was selected had been drawn with probability proportional to size.

Sampling of Households

From each Enumeration Area (EA), a uniform sample of 15 households was selected using systematic sampling procedure from the households list in the Kenya Household Master Sample Frame(K-HMSF). Sampling of the household was conducted centrally at the head office, and interviews were carried out exclusively in the preselected households.

Sampling Target Individuals within the Households

The survey targeted one eligible individual per selected household. Interviewer listed all the usual members of the sampled households, and one individual aged 16 years or older was randomly selected using Kish Grid. The Kish Grid random number table was integrated into Survey solutions CAPI software, ensuring that respondent selection was automatic, with no manual intervention by the enumerator.

Data Weighting

The Survey data was not self-weighting due to non-proportional allocation of the sample to the sampling strata. The resulting data was, therefore, weighted and adjusted for non-response to ensure the data was representative at the national and county level. The sampling weights W are calculated as the inverse of the product of the selection probabilities. The probability (*P*) of selecting an individual for a FinAccess Survey is a product of four factors *P*:

$$P=\prod_{(i=1)}^{4} p_i$$

Where;

P1	the probability of selecting the EA for the K-HMSF master sample among all the EAs in the 2019 Kenya Population and Housing Census.
P2	the probability of selecting the cluster for the 2024 FinAccess, among all the clusters in the K-HMSF master sample.
P3	the probability of selecting the household among all the households listed in the selected cluster.
P4	the probability of selecting the eligible person among all eligible members in the household

The resulting inverse of the product of the selection probabilities is the design weight. The design weight is further adjusted for non-response to provide estimates that are representative of the target population. The EA weights for individual weights were computed as the product of sample EA design weight, household, and individual response adjustment factors as follows:

$$W_{ij}=D_{ij} \times \frac{S_{ij}}{I_{ij}} \times \frac{C_j}{c_j}$$

Where;

W_{ij}	overall final cluster weight for cluster i in stratum j;
D_{ij}	sample EA design weight obtained from inverse of cluster selection probabilities for cluster i in stratum j;
S_{ij}	number of eligible households in EA i in stratum j; where eligible households include those successfully interviewed, those with partial interviews, those whose households were away at the time of visits and households who refused to be interviewed;
I_{ij}	number of responding households in cluster i in stratum j;
C_j	number of selected eligible individuals in stratum j; and
c_j	number of responding selected individuals from stratum j;’

The weights were further post-stratified to the projected 2024 mid-year population based on the conventional households’ population of the 2019 Kenya Population and Housing Census. Raking was further undertaken to adjust for county, sex and age distributions.

Survey Response Rates

A total of 28,275 households were selected for the Survey at the national level. Among these, 24,684 households[1] were found to be eligible for interviews at the time of data collection, and 20,871 were successfully interviewed resulting in an overall household response rate of 84.6percent. The rural households’ response rate was 87.6 percent compared to 79.4percent for the urban households as detailed in **Table 1.1**.

1. Reasons given for households being illeligible were: dwelling destroyed; vacant dwelling; away for an extended period

Table 1.1: Response Rates

Results	Residence		Totals
	Rural	Urban	
Households Selected	17355	10920	28275
Eligible Households	15464	9220	24684
Households Interviewed	13549	7322	20871
Response Rate percent	87.6	79.4	84.6

A total of 20 EAs, which had been selected for the Survey, could not be covered due to several factors, in particular; insecurity and movement of the entire population in the EA in cases of nomadic areas.

SURVEY DEMOGRAPHICS

The survey sample was designed to achieve a statistically valid and reliable nationally representative sample of individuals aged 16 years and above. Apart from the demographic characteristics of the interviewed respondents (16+ years), the rest of the report analysis focuses on adults aged 18 years and above. This is in line with the legal age for obtaining a national identification document that forms the main basis for access to all financial services provided by financial institutions.

The proportion of respondents interviewed who comprised the adult population (18 years and above) comprised 92.1 percent, with the 16- to 17-year-olds accounting for 7.9 percent as shown in **Figure 1.1.** Female respondents accounted for 51.5 percent of those interviewed during the survey with male respondents being 48.5 percent. The distribution of respondents by residence, as shown in **Figure 1.2**, indicates that 59.3 percent of respondents were from rural areas.

Figure 1.1: Sex Distribution (18+ Years)

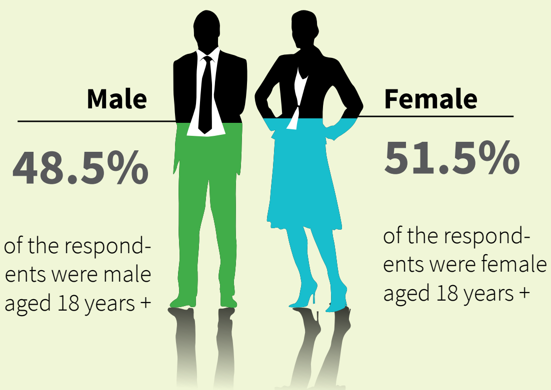


Figure 1.2: Residence

Figure 1.3: Age Distribution (%)

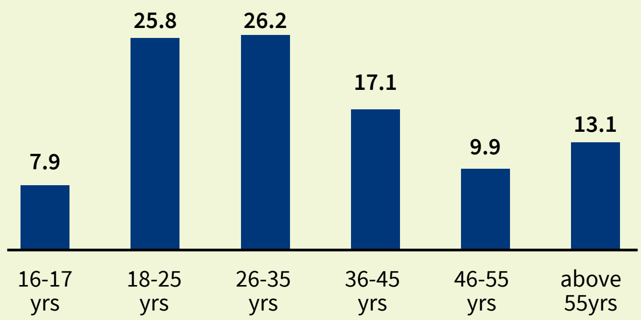


Figure 1.4: Education Level (%)

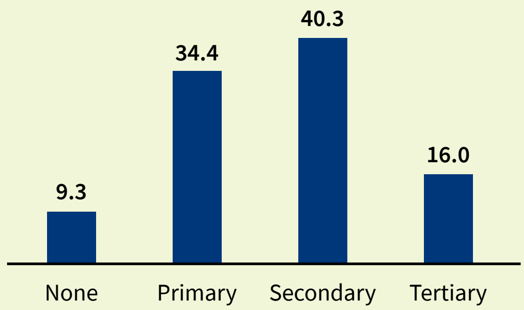


Table 1.2: Education Level by Age group

Education level of Respondent	16-17yrs (%)	18-25yrs (%)	26-35yrs (%)	36-45yrs (%)	46-55yrs (%)	>55yrs (%)
None	3.3	13.1	18.9	16.0	10.5	38.2
Primary	6.5	14.8	22.8	23.9	13.9	18.1
Secondary	13.2	36.3	24.7	12.4	7.1	6.3
Tertiary	0.0	30.0	41.6	15.3	7.7	5.3
Other	13.4	48.2	18.2	8.5	3.8	8.0
Total	**7.9**	**25.8**	**26.2**	**17.1**	**9.9**	**13.1**

Wealth Quintiles

The wealth quintile distribution by residence of households interviewed during the survey is as presented in **Figures 1.5** to **1.7.** Majority of urban population was within the Highest and Second highest quintiles at 47.6 and 29.3 percent respectively, while only 2.7 percent of the rural households were in the Highest quintile with 31.5 percent being in the lowest quintile.

Figure 1.5: Wealth Quintile by Residence (%)

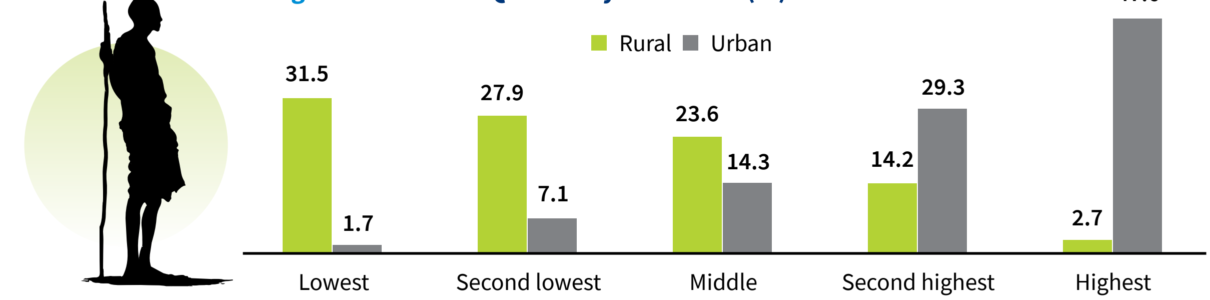


Figure 1.6: Wealth Quintile by Sex (%)

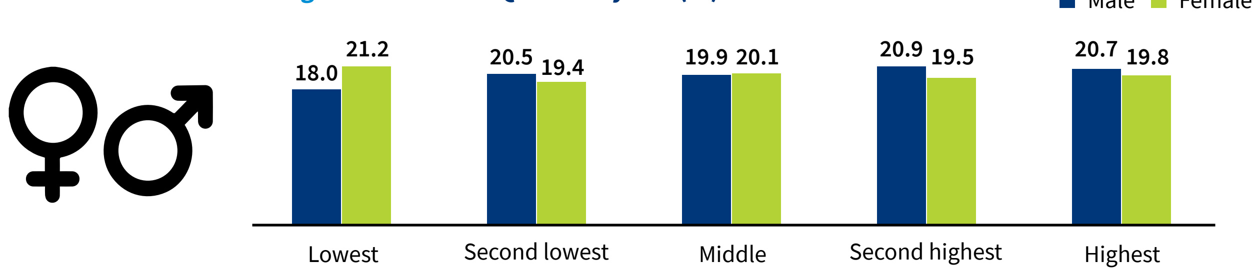
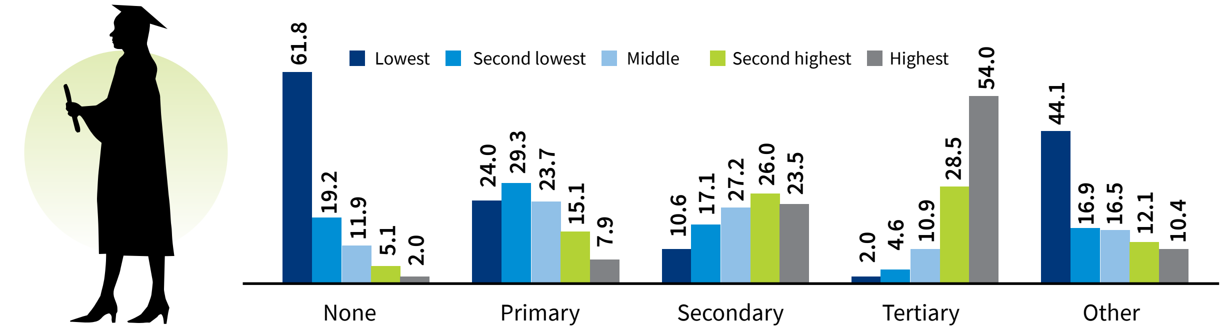


Figure 1.7: Wealth Quintile by Education (%)



1.4 PERSONS WITH DISABILITIES (PWDs)

The survey also collected information on Persons with Disabilities (PWDs) based on a series of six questions. This included various difficulties faced in functioning which included: difficulty seeing even if wearing glasses, difficulty hearing even if using a hearing aid, difficulty walking or climbing stairs, difficulty remembering or concentrating, difficulty with (self-care) such as washing all over or dressing, and difficulty communicating. The level of difficulties was categorized into; no difficulty at all, some difficulty, a lot of difficulty and completely unable to carry out the six functions/actions described above. A total of 935 individuals reported having a disability. **Figure 1.8** shows the distribution by sex and age of those 935 individuals who reported to be disabled.

Figure 1.8(a): Persons with Disabilities (PWDs) by Sex (16yrs+)

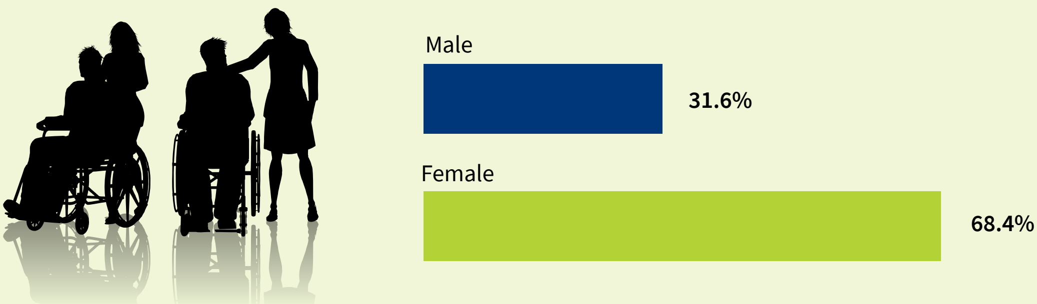
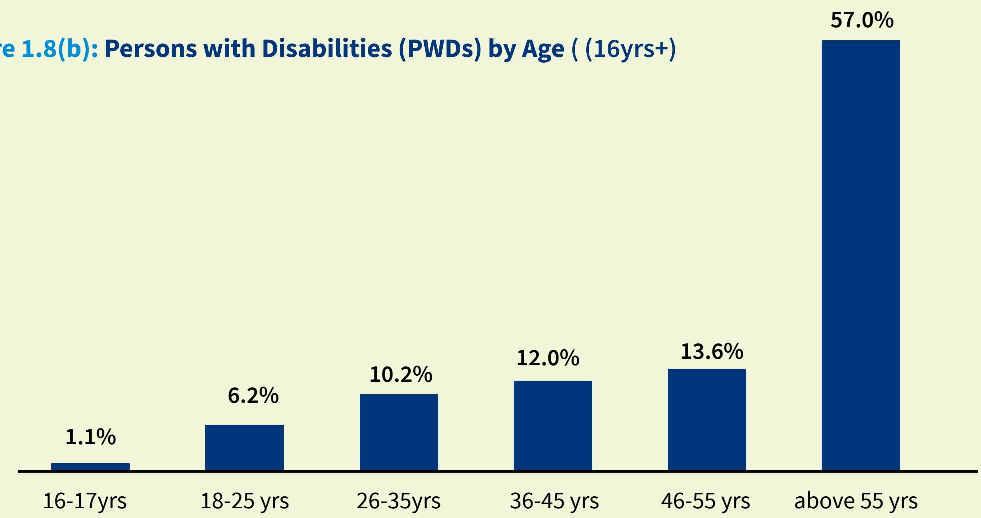


Figure 1.8(b): Persons with Disabilities (PWDs) by Age ((16yrs+)



1.5 CLASSIFICATION OF TERMS

Financial inclusion refers to access and usage of financial services and products by individuals to meet their financial and other needs. This inclusion is categorized in terms of formality, informality and exclusion of financial access to individuals. Formal providers of financial services and products are classified into: Formal prudential, Formal non-prudential, Formal registered and Informal.

Table 1.3: Classification of Access to Financial Services

Classification	Definition	Institution type	FinAccess Survey cycles						
			2006	2009	2013	2016	2019	2021	2024
Formal (prudential)	Financial services and products used through prudentially regulated and supervised financial service providers by an independent statutory Government Agency including CBK, CMA, IRA, RBA and SASRA	Commercial banks and mortgage finance companies covering both traditional brick and mortar and mobile bank services regulated and supervised by CBK, such as: • Mobile bank products in partnership with MNOs such as KCB M–PESA, M–Coop Cash and M–Shwari, etc. • Equity Bank Equitel	✓	✓	✓	✓	✓	✓	✓
		Fuliza is categorized as a bank product						✓	✓
		Microfinance banks including mobile bank products offered by these institutions regulated by CBK			✓	✓	✓	✓	✓
		Capital markets intermediaries licensed and regulated by CMA	✓	✓	✓	✓	✓	✓	✓
		Insurance service providers licensed and regulated by IRA	✓	✓	✓	✓	✓	✓	✓
		Pensions intermediaries licensed and regulated by RBA	✓	✓	✓	✓	✓	✓	✓
		Deposit taking SACCO societies with Front Office Service Activity (FOSA) that are licensed and regulated by SASRA			✓	✓	✓	✓	✓
		Specified Non-Deposit Taking SACCO societies including non-deposit taking business in which the total non-withdrawable deposits from members amounting to KSh 100 million and above. SACCOs mobilising membership from persons who are ordinarily resident outside the country (Diaspora SACCOs) and SACCOs mobilising membership through digital and other electronic payments platforms (Virtual SACCOs) that are authorized and regulated by SASRA						✓	✓
Formal (non-prudential)	Financial services and products accessed and used through financial service providers/ channels that are subject to non-prudential regulation and supervision (oversight) by Government Ministries/ Departments with focused legislations.	Mobile Financial Services (MFS) or simply mobile money including:		✓	✓	✓	✓	✓	✓
		Mobile money such as Safaricom M–PESA, Airtel money, MobiKash, T–cash, and Tangaza Pesa (no longer operational from 26th October 2021	✓	✓	✓	✓	✓	✓	✓
		Kenya Post Office Savings Bank/ Postbank	✓	✓	✓	✓	✓	✓	✓
		National Social Security Fund (NSSF)	✓	✓	✓	✓	✓	✓	✓
		National Hospital Insurance Fund (NHIF)		✓	✓	✓	✓	✓	✓

Classification	Definition	Institution type	FinAccess Survey cycles						
			2006	2009	2013	2016	2019	2021	2024
Formal (registered)	Financial services and products offered through providers that are legally registered legal persons and/ or operate through some form of Government interventions/ oversight	Development Finance Institutions (DFIs) including AFC, ICDC, KIE, Youth Fund, Women Fund, HELB, and JLB, etc.	✓	✓	✓	✓	✓	✓	✓
		Credit–Only Microfinance Institutions (MFIs) of various institutional forms	✓	✓	✓	✓	✓	✓	✓
		Non–Specified Deposit Taking SACCO Societies include non-deposit taking business in which the total non-withdrawable deposits from members is below KSh 100 million. These SACCOs are regulated by the Commissioner for Co-operatives Development and County Cooperative Officers.	✓	✓	✓	✓	✓	✓	✓
		Hire Purchase Companies	✓	✓	✓	✓	✓	✓	✓
		Digital Apps/ Mobile money Apps such as TALA, BRANCH, etc.				✓	✓	✓	✓
Informal	Financial services offered through different forms not subject to registration and regulation, but have a relatively well–defined organizational structure	Groups including ASCAs, ROSCAs and Chamas	✓	✓	✓	✓	✓	✓	✓
		Shopkeepers, supermarkets and supply chain credit facilities, etc.	✓	✓	✓	✓	✓	✓	✓
		Employers	✓	✓	✓	✓	✓	✓	✓
		Moneylenders/ shylocks	✓	✓	✓	✓	✓	✓	✓
		Unregulated or unregistered Online Forex Trading and Payment Platforms/ Account including crypto and community currencies						✓	✓
Excluded	Consumers who have financial services and products from social networks or those excluded from any form of financial services and products	Social networks arrangements such as family, friends, and neighbours	✓	✓	✓	✓	✓	✓	✓
		Keeping money in secret places	✓	✓	✓	✓	✓	✓	✓
		Those not having any form of financial service and product	✓	✓	✓	✓	✓	✓	✓

02 ACCESS

to Financial Services and Products

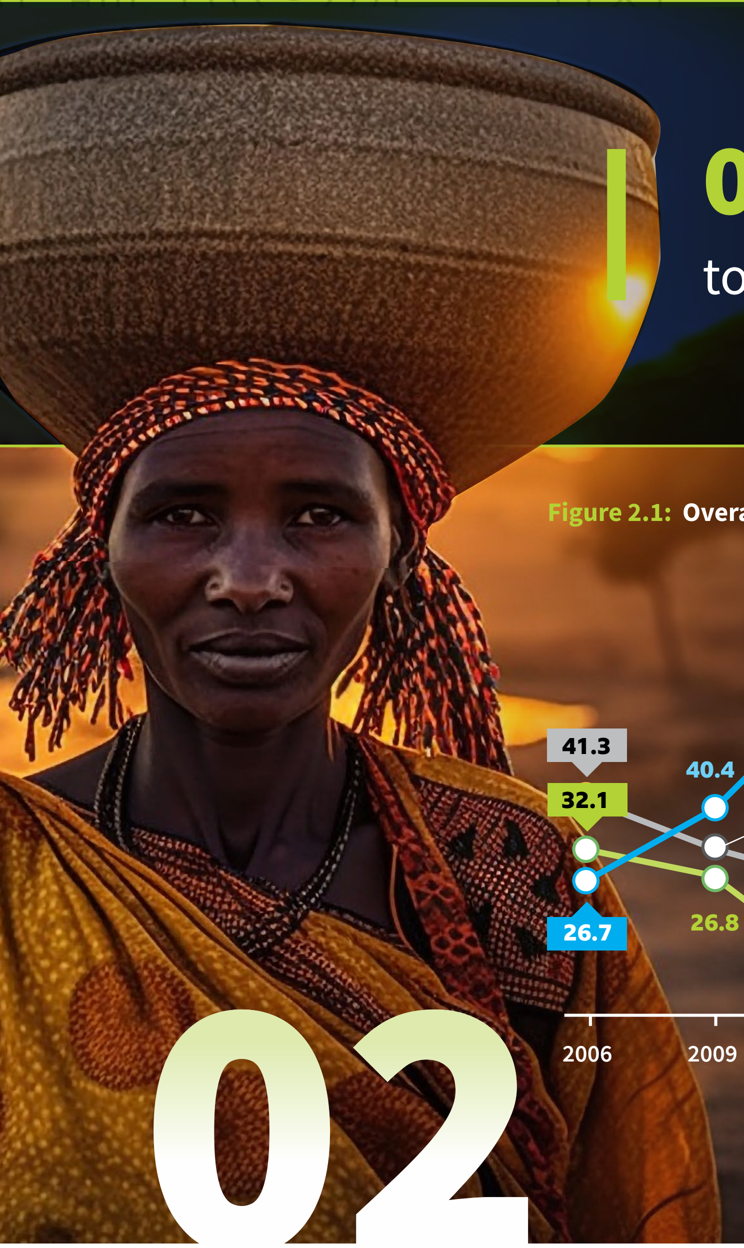
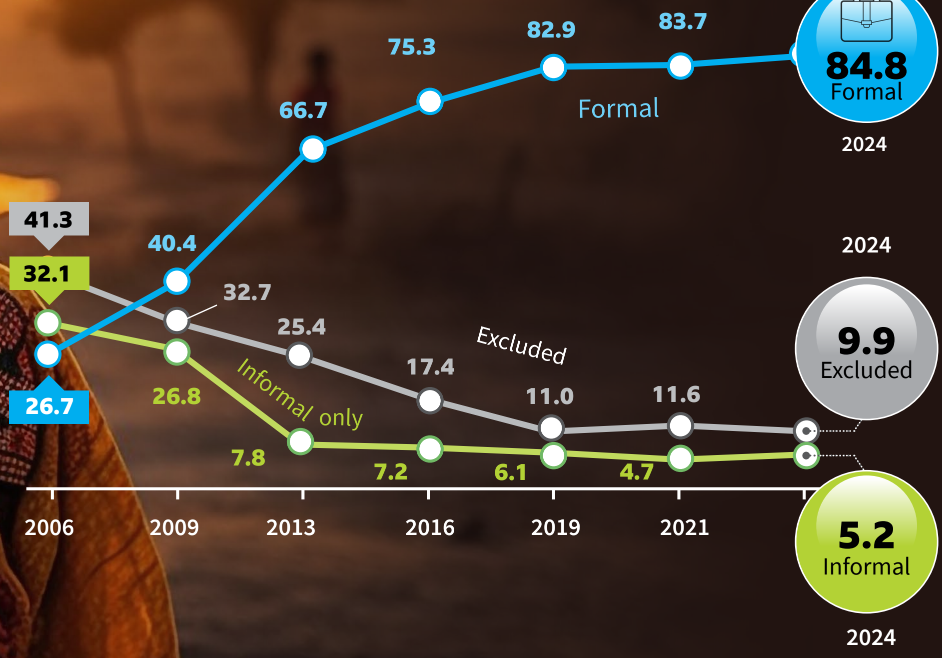


Figure 2.1: **Overall Financial Access 2006 to 2024 (percent)**



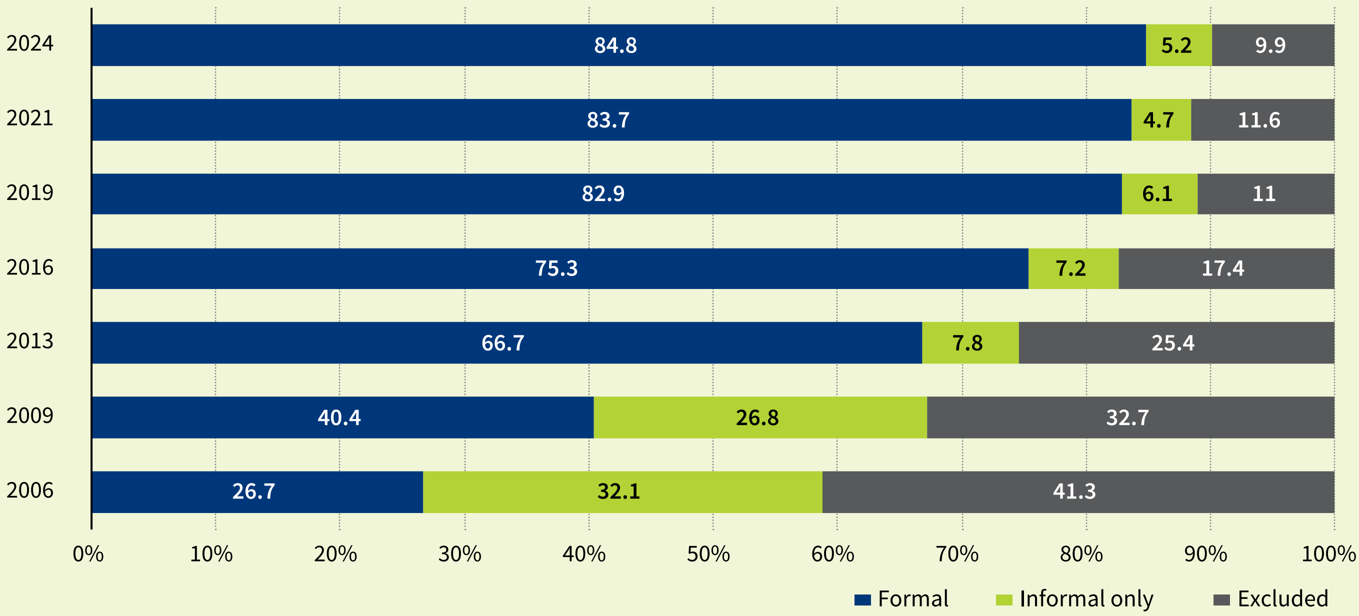
This chapter highlights the key findings on the access dimension of financial inclusion, analyzed across various providers and demographic characteristics such as age, gender, education, residence, and key socio-economic indicators like livelihoods and wealth quintiles.

2.1 ACCESS BY CATEGORIES

Access to formal financial services has seen a substantial increase, expanding from the baseline of 26.7 percent in 2006 to 84.8 percent in 2024 (**Figure 2.1**). This growth is on account of financial technology and innovations especially in mobile money, physical expansion as formal financial services providers take services closer to the population. This was also supported by a conducive regulatory environment and various government initiatives towards an inclusive financial system.

The survey findings show that exclusion has decreased by 1.7 percentage points from 11.6 percent in 2021 to 9.9 percent in 2024 mainly on account of an increase in informal utilization of financial services (**Figure 2.2**).

Figure 2.2: Overall Financial Access 2006 to 2024 (%)



Category	Percentage Change	
Formal Access	1.1	▲
Informal only	0.5	▲
Excluded	1.7	▼

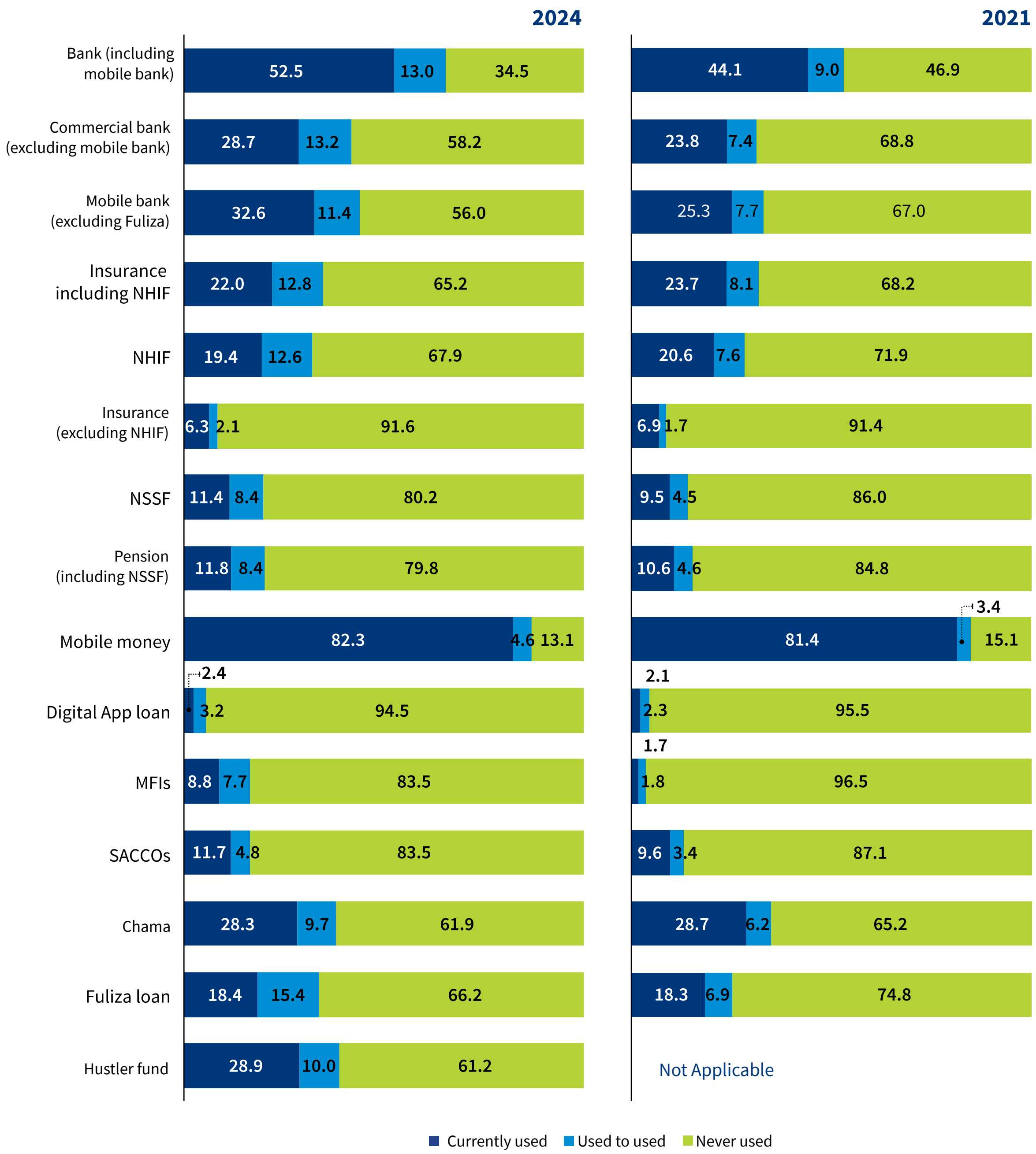
The above developments are atributed to introduction of Financial Inclusion (Hustler) Fund, regulation of digital credit providers by Central Bank of Kenya, expansion of traditional bank channels, the lifting of the court injunction that imposed mandatory registration and contribution of NSSF by employers and increased investments due to digital innovations.

Additionally, there was an expansion of SACCOs under the regulation of SASRA under the Non-Withdrawable Deposit Taking SACCOs. Lower interest rates on loans levied by SACCOs compared to commercial banks may also have motivated their higher usage (**Figure 2.3**).

2. 2 FINANCIAL ACCESS BY PRODUCTS

The *'Used to use'* cases increased between 2021 and 2024, with loss of income and cost of financial services being cited as the main reasons. *'Never used'* cases cited affordability, relevance and awareness as limitations to access. For mobile money, the main reason was phone ownership and eligibility due to lack of Identity cards.

Figure 2.3: Access by Products (%)



2.3 FINANCIAL ACCESS OVERLAPS

Kenyans continued to access multiple types of providers with a combination of both formal and informal financial services and products. The proportion of those who accessed a combination of both formal prudential, formal non-prudential, formal registered and informal providers have increased from 22.5 percent in 2021 to 30.5 percent in 2024. Those accessing both informal and formal non-prudential and registered channels declined from 20.1 percent in 2021 to 16.2 percent in 2024. Those combining formal prudential and formal other (non prudential and registered) increased from 18.2 percent in 2021 to 23.1 percent in 2024.

Access is increasingly becoming formalized due to adoption of financial technology, mainly; mobile bank, Fuliza and mobile money (**Figure 2.4**).

Figure 2.4: Financial Access Overlaps/Combinations (%)

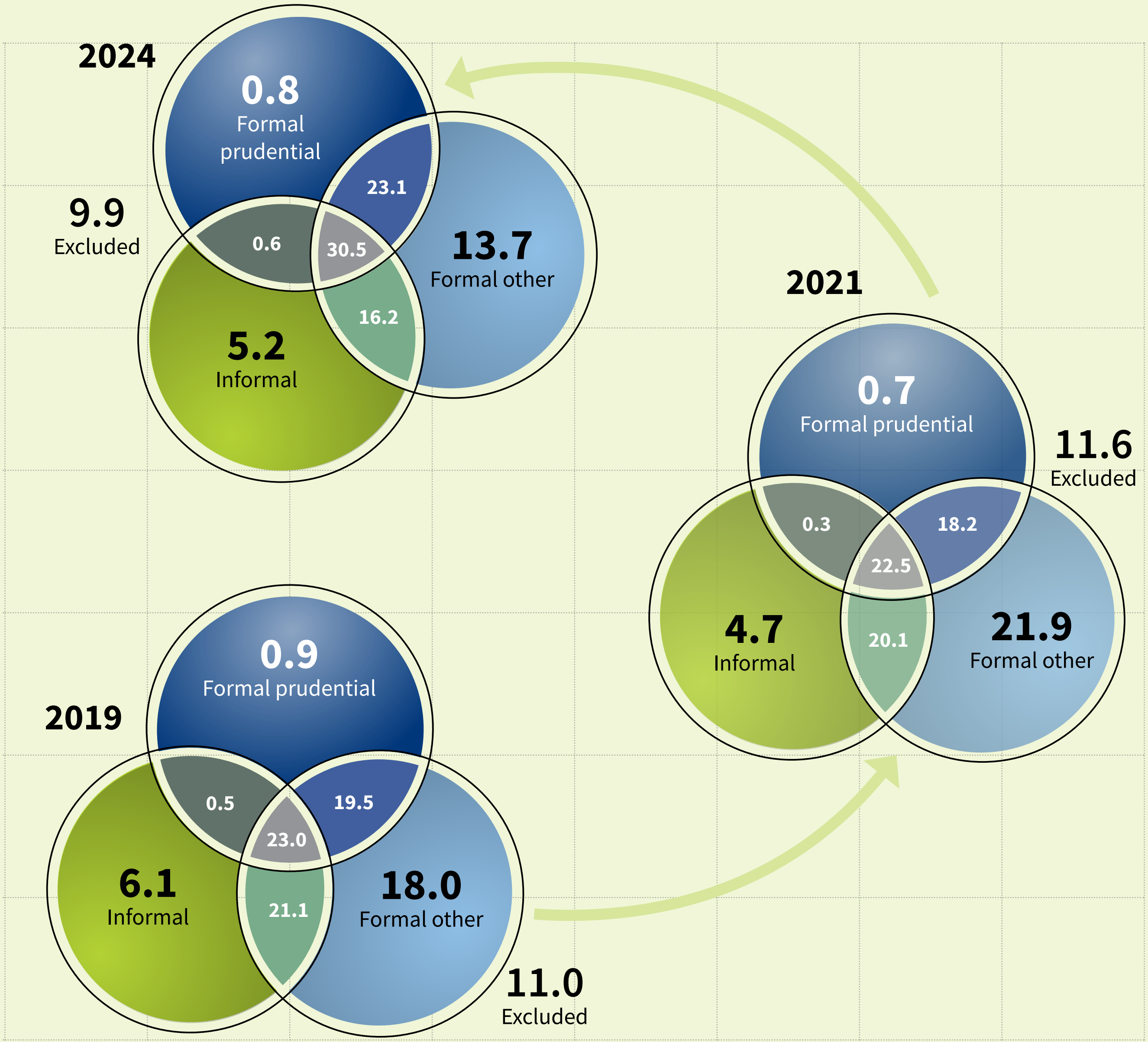
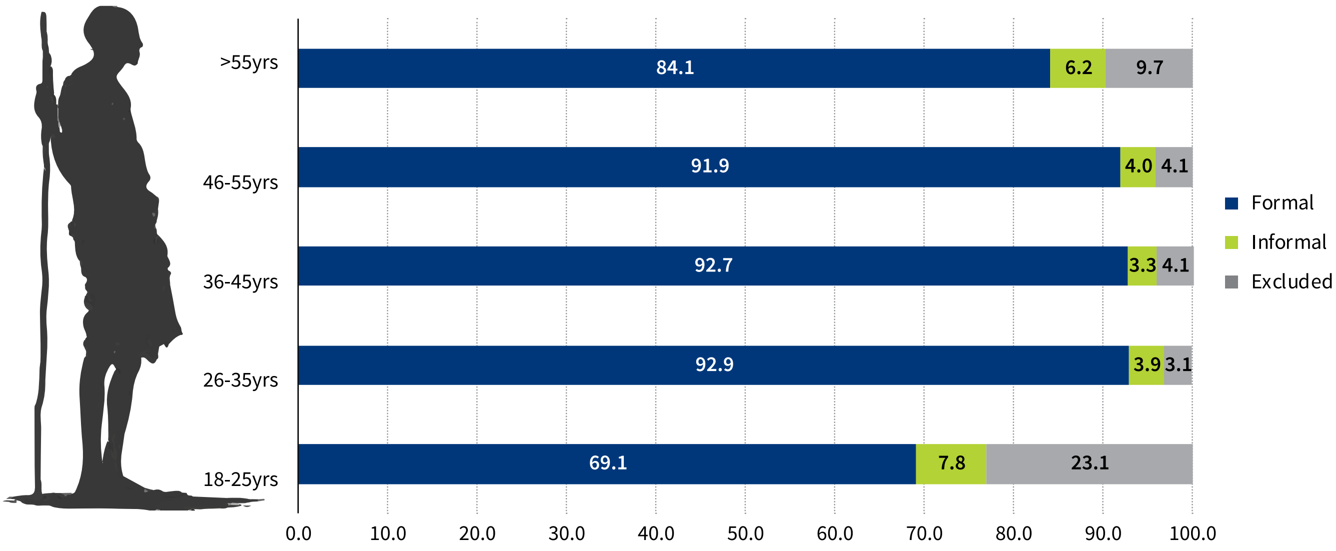


Figure2.5: Access by Age (%)



2.4 ACCESS BY DEMOGRAPHICS

Population demographics are key drivers of financial access at any given point in time. As a norm, therefore, the report also analysed access strand by selected demographic indicators, In particular, financial access by age, sex, education, residence (rural/urban), livelihoods, wealth quintiles, and County are analysed. The survey indicates that young people in the 18-25 years age group, and older people above 55 years remain the most excluded in accessing any form of financial services and/or products in 2024 as was in 2021. In particular, the 18–25 years old had the highest exclusion rate of 23.1 percent in 2024, an increase from 22.5 percent in 2021 (**Figure 2.6**). Lack of a National Identification Card (IDs) among this age group largely explains the high exclusion rate. Of the 2.3 million people without IDs, 1.9 million (83.4 percent) are in the 18-25 years age group.

Disaggregating the age group further by individual ages, indicates that 72.1 percent of youth aged 18 years do not have IDs. This is expected since you can only obtain an ID upon attaining 18 years (**Table 2.1**).

Figure 2.6: Financial Exclusion by Age Group and Residence (%)

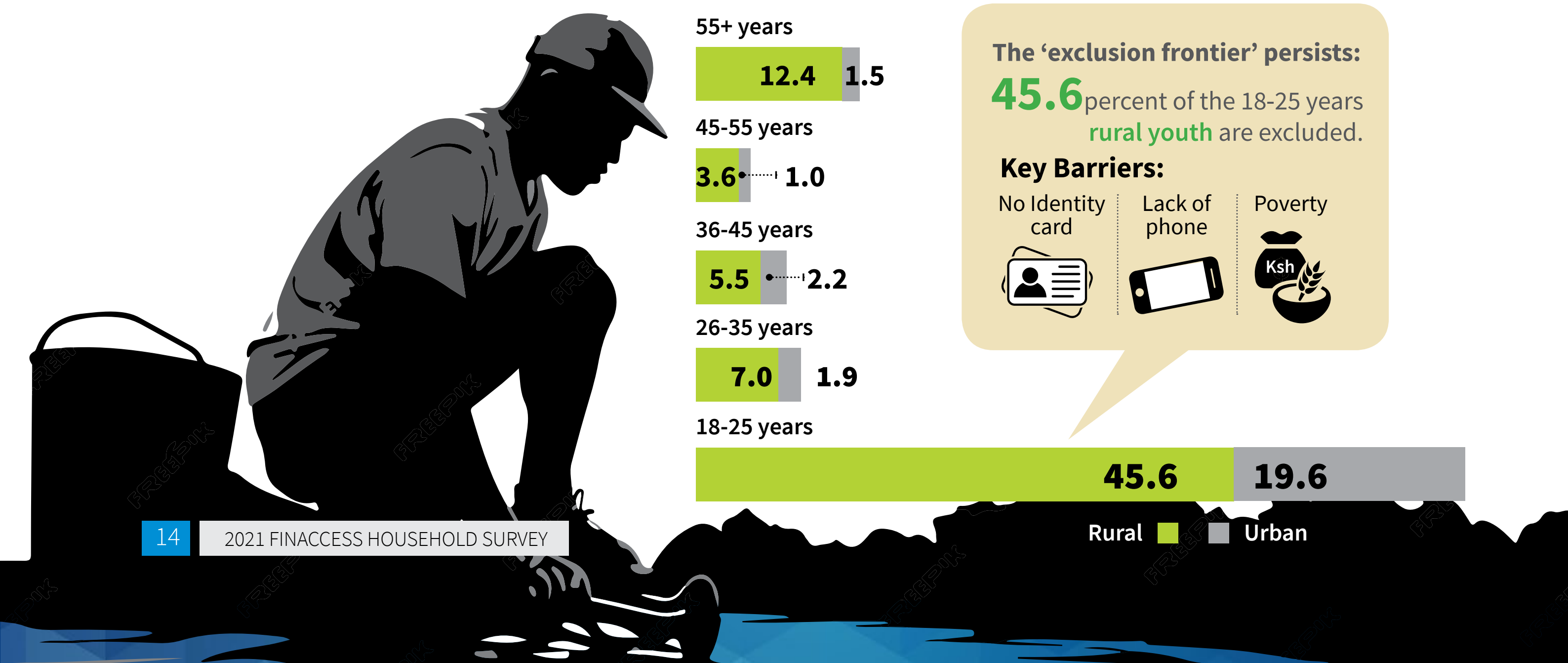


Table 2.1: Ownership of ID card by age

Age	Population	With IDs	Without IDs	with IDs (percent)	without IDs (percent)
18-25 Yrs	7,869,765	5,946,358	1,923,406	75.6	24.4
• 18 Yrs	1,167,840	325,741	842,099	27.9	72.1
• 19 Yrs	930,434	501,441	428,993	53.9	46.1
• 20 Yrs	1,024,828	778,209	246,619	75.9	24.1
• 21 Yrs	942,721	811,564	131,157	86.1	13.9
• 22 Yrs	910,086	778,503	131,583	85.5	14.5
• 23 Yrs	901,514	841,450	60,064	93.3	6.7
• 24 Yrs	1,112,568	1,033,725	78,844	92.9	7.1
• 25 Yrs	879,773	841,938	37,835	95.7	4.3
26-35 Yrs	8,007,561	7,845,748	161,813	98.0	2.0
36-45 Yrs	5,235,668	5,156,398	79,271	98.5	1.5
46-55 Yrs	3,012,526	2,964,750	47,776	98.4	1.6
> 55 Yrs	4,016,548	3,956,959	59,589	98.5	1.5
Total	**28,142,068**	**25,836,426**	**2,305,643**		

2.5 ACCESS BY SEX

Access to formal financial services and products between the female and male population narrowed to 1.6 percentage points in 2024 from 4.2 percentage points in 2021, indicating a continued low uptake in the period between 2019 and 2024 **(Figure 2.7a)**.

The gap in exclusion rates among males and females also decreased to 0.2 percentage points in 2024 compared with 1.6 percentage points gap in 2021 **(Figure 2.7b)**. The Survey results indicate that a higher proportion of females continue to access financial services and products through informal channels only compared to their male counterparts. Access through informal channels only by females in 2024 was at 5.9 percent, down from 6.0 percent in 2021 **(Figure 2.7c)**.

Access through informal channels by men also went up from 3.2 percent in 2021 to 4.5 percent in 2024. The higher reliance by women on informal channels may reflect persistent gender inequalities in access to formal channels such as lack of collateral, financial literacy gaps and structural barriers like lack of ID.

Figure 2.7(a): Inclusion Male vs Female (%)

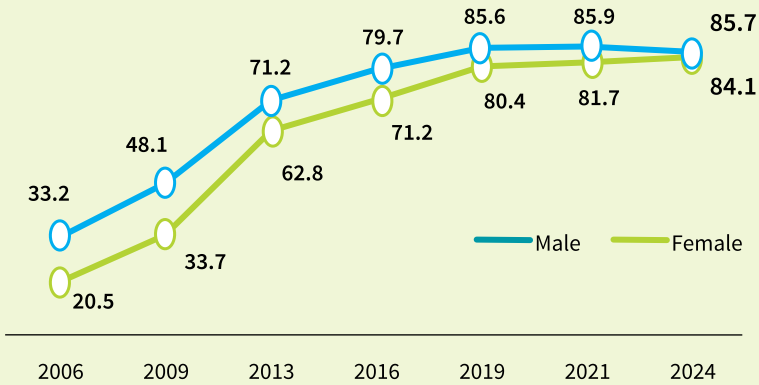
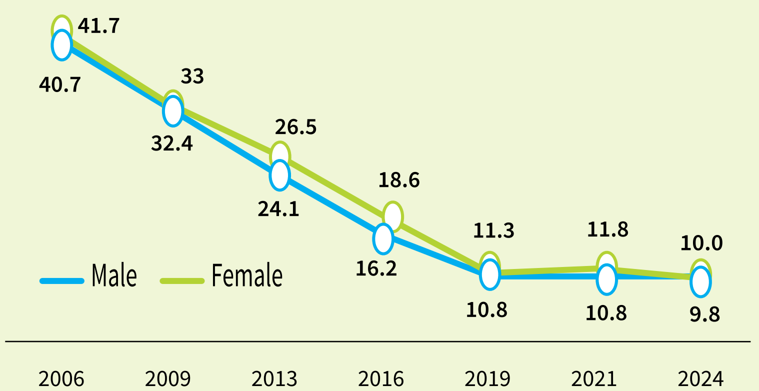


Figure 2.7(b): Exclusion Male vs Female (%)



98.5 percent of the respondents with tertiary education had access to formal financial services compared with **74.9** percent of those with no education

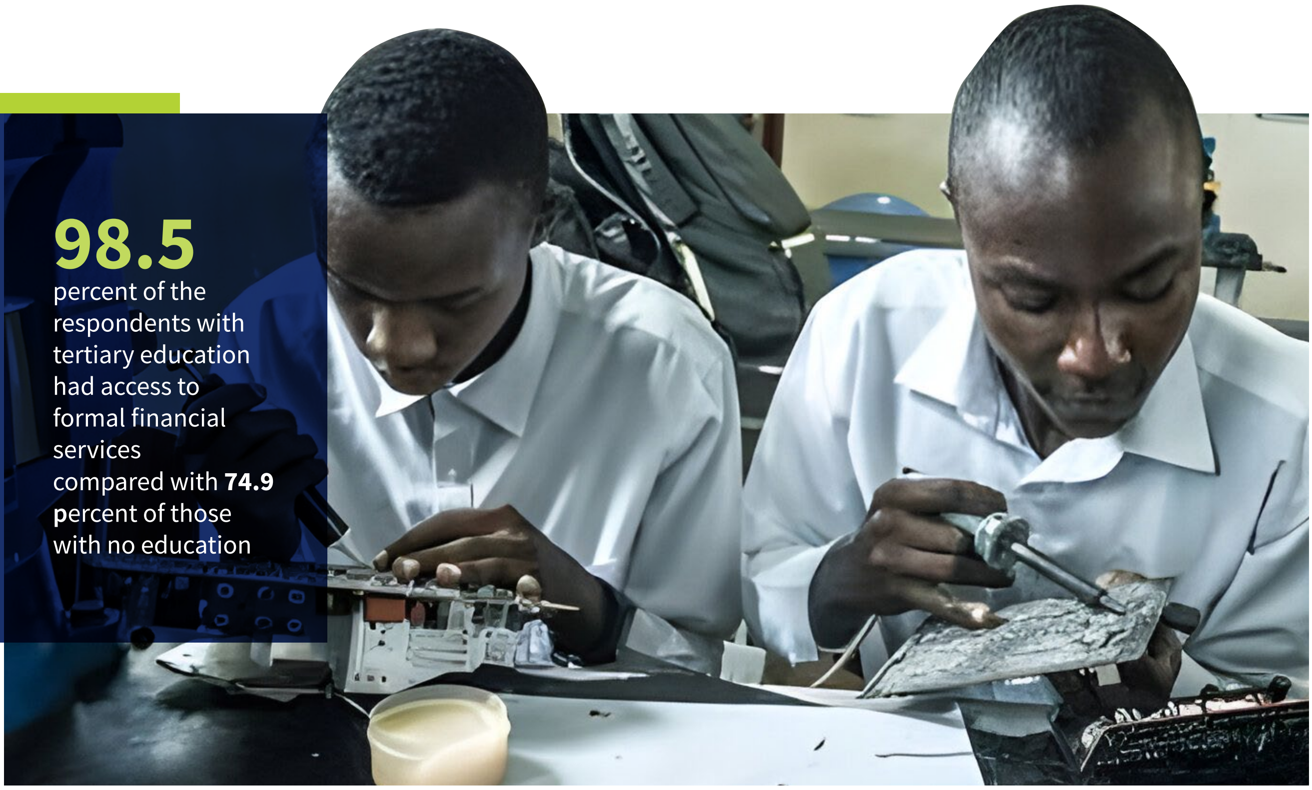
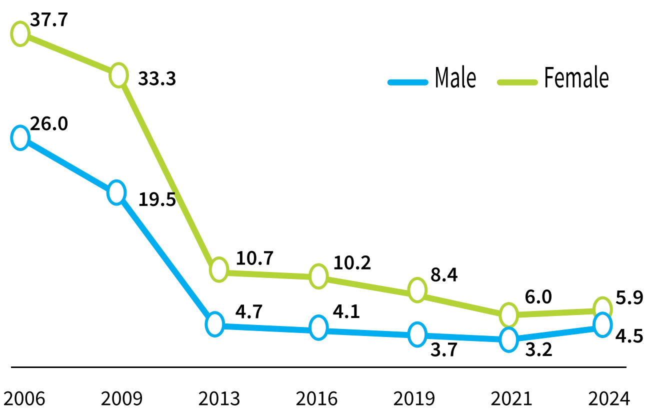


Figure 2.7(c): Informal Access only (%)



2.6 ACCESS BY EDUCATION

Education level of an individual plays a major role in determining access to formal financial services and products. Education influences access to information thereby increasing capacity to make financial decisions. In 2024, 98.5 percent of the respondents with tertiary education had access to formal financial services compared with 75.4 percent of those with no education that accessed formal financial services and products. In addition, the population with no education had the highest exclusion rate at 16.7 percent and the highest financial access through the informal channels at 8.4 percent (**Figure 2.8**).

Figure 2.8: Financial Inclusion by Education (%)

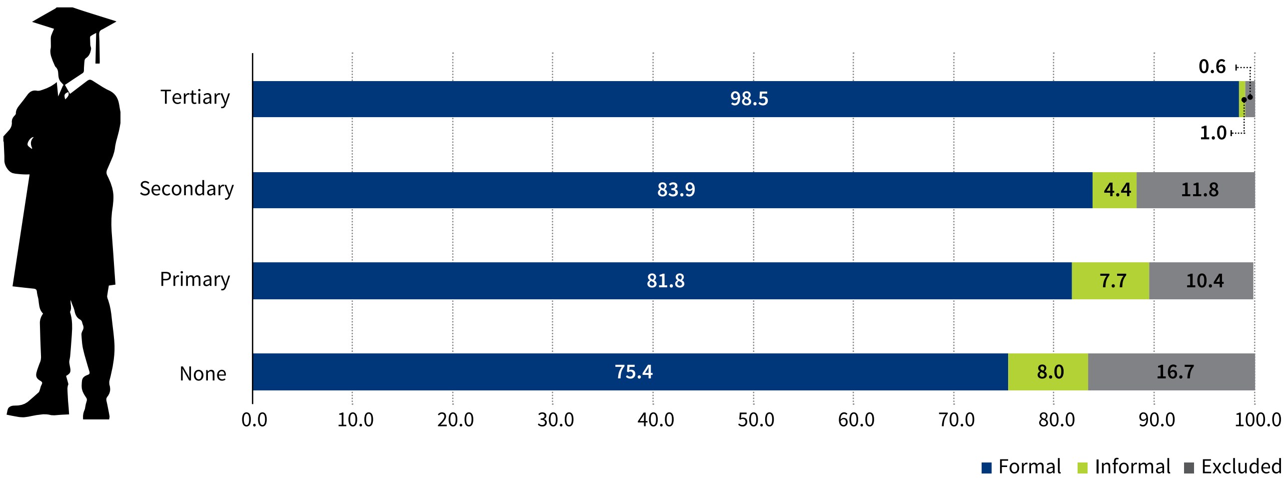


Figure 2.9(a): Formal Access: Rural vs Urban (%)

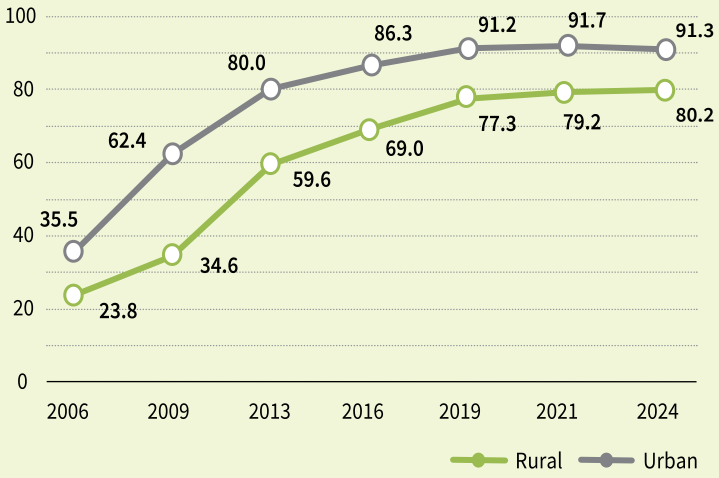


Figure 2.9(b): Informal Access only: Rural vs Urban (%)

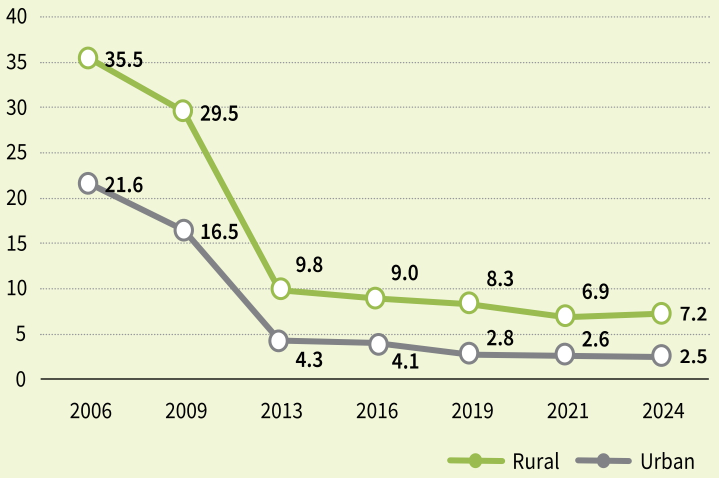
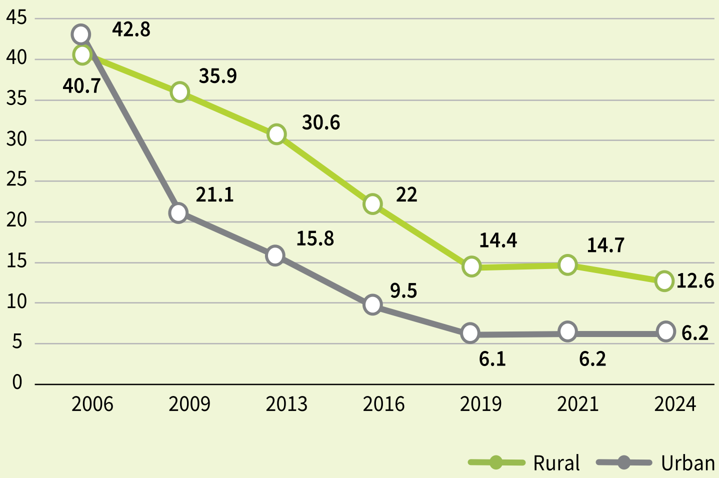


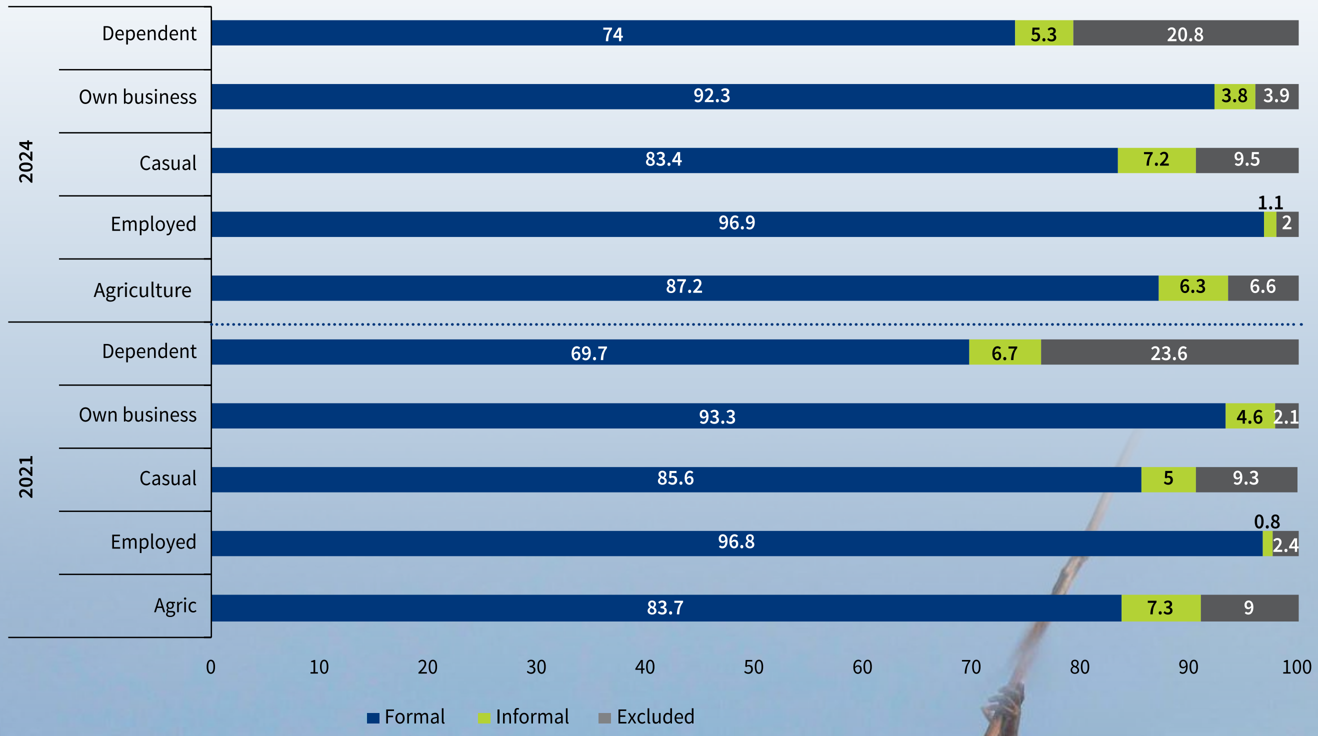
Figure 2.9(c): Excluded: Rural vs Urban (%)



2.7 ACCESS BY RESIDENCE

Urban populations recorded the highest access to financial services and products through formal providers and had the lowest exclusion levels. The rural population, however, recorded the highest access to financial services and products through informal providers and had the highest exclusion rates. The rural-urban gap in access to formal financial services providers continued to narrow on account of continued penetration of formal financial services providers through digital channels and physical channels like branches and agents. The excluded in urban areas remained stable at 6.2 percent in 2024 **(Figure 2.9c)** while the excluded in rural areas decreased from 14.7 percent 2021 to 12.6 percent in 2024.

Figure 2.10: Financial Inclusion by Livelihoods (%)



2.8 ACCESS BY LIVELIHOOD

The employed and those who own businesses had the highest access to financial services through formal channels at 96.9 percent and 92.3 percent, respectively. The population that own business and casuals that access formal financial services recorded a decrease in 2024. However, casuals, those in agricultural related activities and dependents relied more on informal channels to access financial services and products. The least excluded section of the population are those employed and own businesses indicating livelihood has significant impact on financial inclusion (**Figure 2.10**).

2.9 ACCESS BY WEALTH QUINTILE

Wealth quintile has been generated from an index that places individual housholds on a continuos scale of relative wealth based on living standards **(Appendix 1)**. The highest wealth quintile had the highest access through formal prudential channels while the lowest quintile had the highest exclusion levels. Compared to 2021, there was a general increase in access through formal channels in the lowest and second lowest wealth quintiles reflecting a reduction in the excluded population in these categories. The share of the population that is excluded from financial services increased in the medium and highest wealth quintiles. This may be a result of self exclusion in these categories. However, exclusion by other wealth quintiles declined reflecting the rapid adoption of Hustler Fund by population in the lower wealth quintiles to access digital over draft facility (**Figure 2.11**).

Figure 2.11: Access Strands by Wealth Quintile (2024) (%)

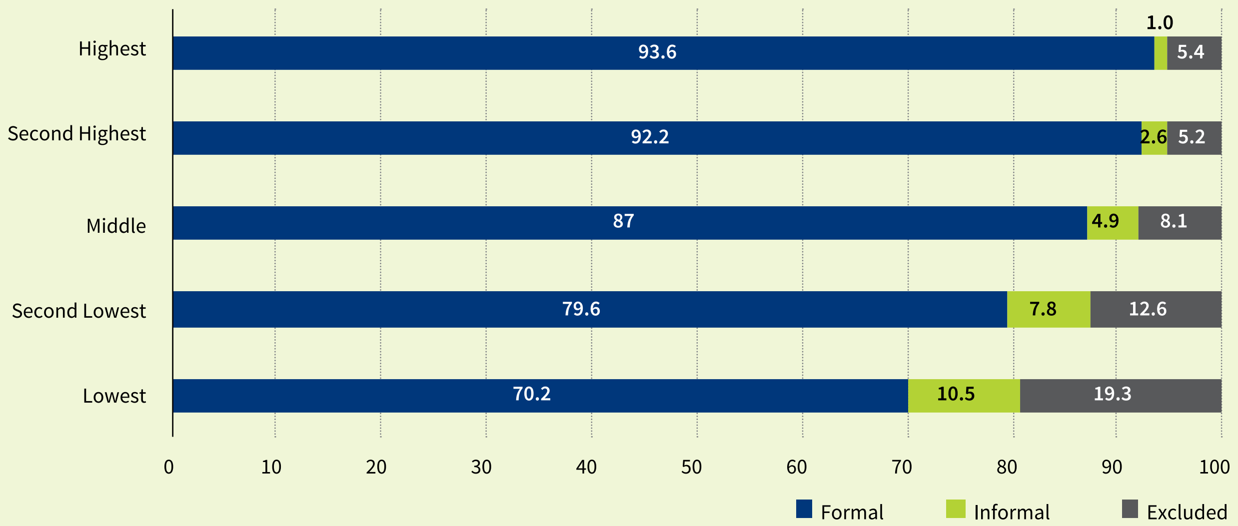


Figure 2.11: Access Strands by Wealth Quintile (2021) (%)

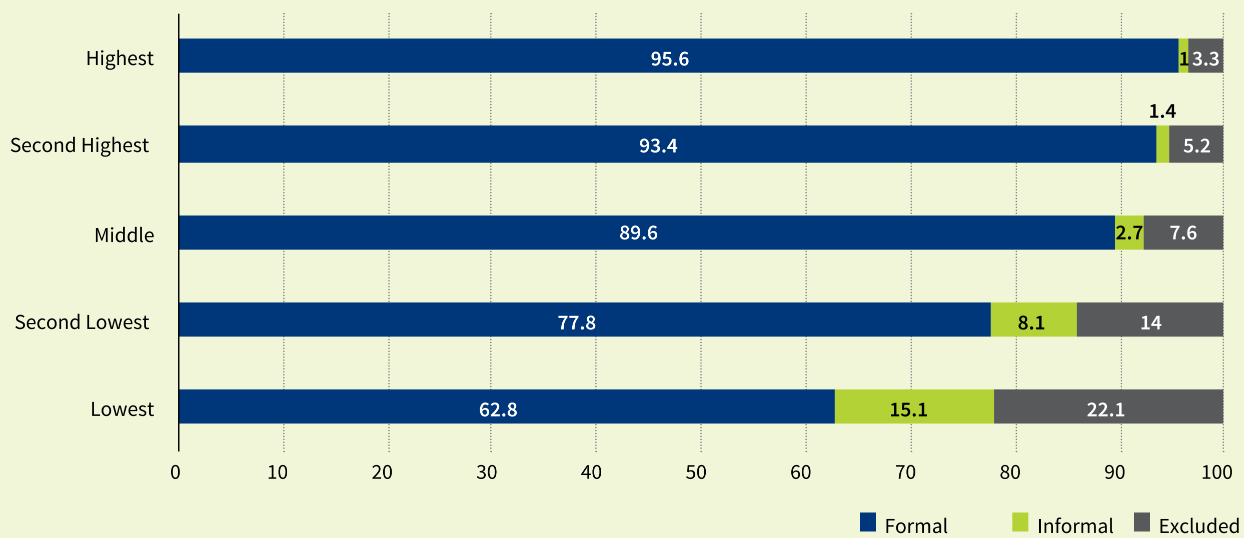
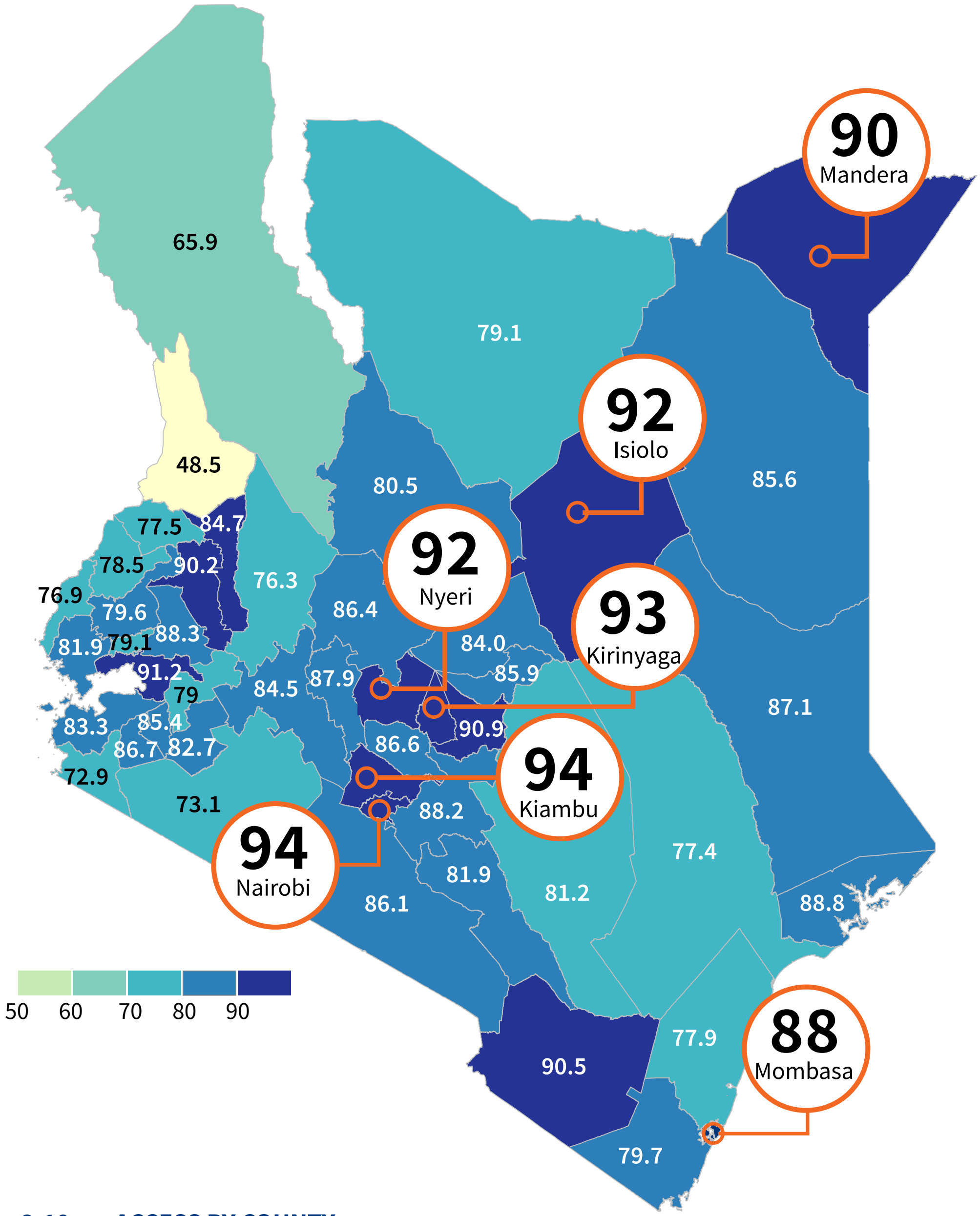


Figure 2.12(a): County Comparisons: Formal Inclusion (%)



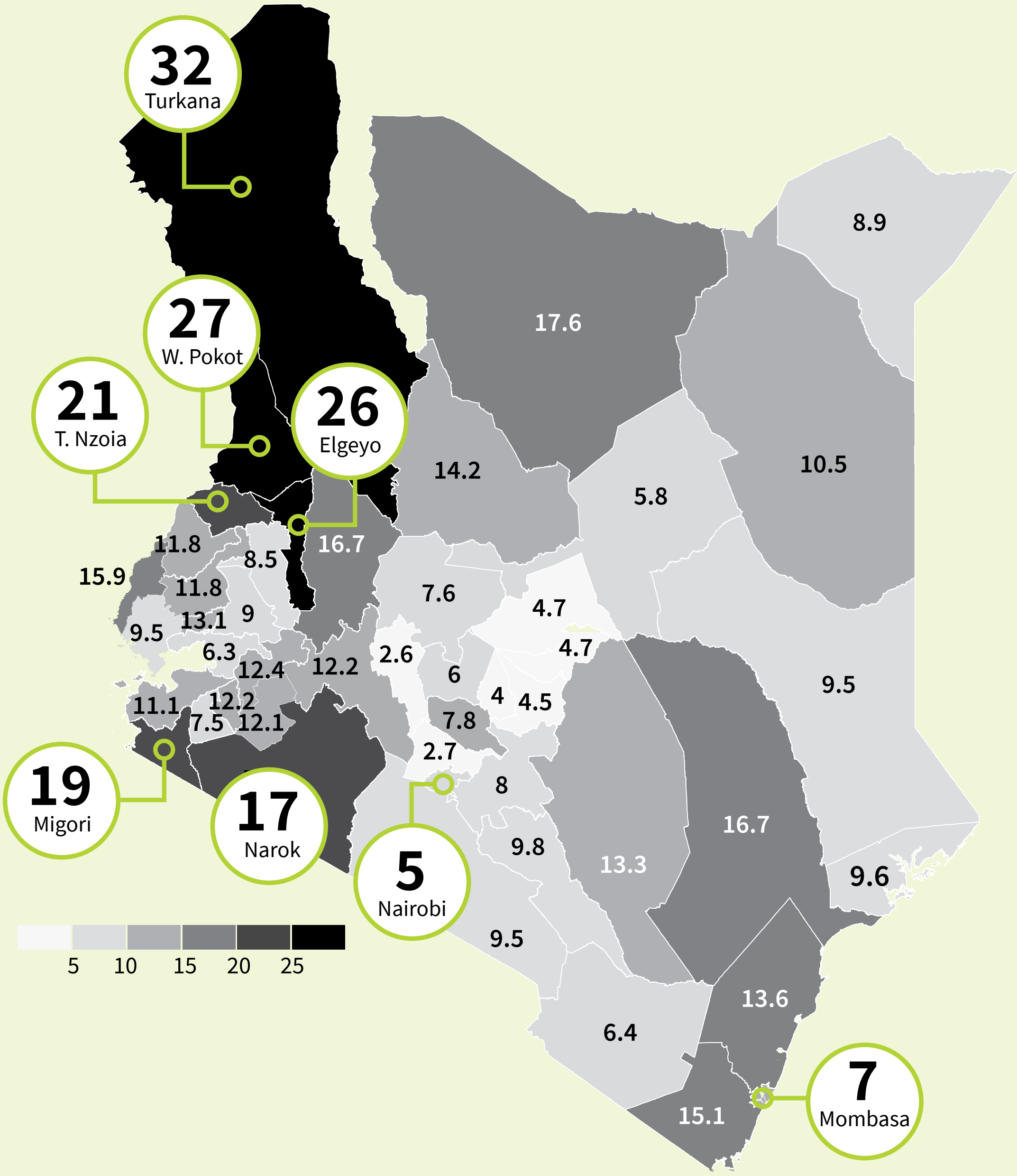
County	%
Kiambu	94.0
Nairobi City	93.7
Kirinyaga	92.8
Nyeri	91.6
Isiolo	91.5
Kisumu	91.2
Embu	90.9
Taita-Taveta	90.5
Uasin Gishu	90.2
Mandera	89.7
Lamu	88.8
Nandi	88.3
Machakos	88.2
Nyandarua	87.9
Mombasa	87.6
Garissa	87.1
Kisii	86.7
Murang'a	86.6
Laikipia	86.4
Kajiado	86.1
Tharaka-Nithi	85.9
Wajir	85.6
Nyamira	85.4
Elgeyo-Marakwet	84.7
Nakuru	84.5
Meru	84.0
Homabay	83.3
Bomet	82.7
Makueni	81.9
Siaya	81.9
Kitui	81.2
Samburu	80.5
Kwale	79.7
Kakamega	79.6
Marsabit	79.1
Vihiga	79.1
Kericho	79.0
Bungoma	78.5
Kilifi	77.9
Trans Nzoia	77.5
Tana River	77.4
Busia	76.9
Baringo	76.3
Narok	73.1
Migori	72.9
Turkana	65.9
West Pokot	48.5

2.10 ACCESS BY COUNTY

Kiambu county leads in terms of formal financial inclusion at 94.0 largely because the population is more informed about financial services, high literacy levels, access to financial services and higher incomes hence affordability. On the other hand, Turkana county leads with the level of exclusion largely due to long outstanding political instability, low education levels and long distances to financial services.

County	%
Kiambu	2.7
Nairobi City	5.1
Kirinyaga	4.0
Nyeri	6.0
Isiolo	5.8
Kisumu	6.3
Embu	4.5
Taita-Taveta	6.4
Uasin Gishu	8.5
Mandera	8.9
Lamu	9.6
Nandi	9.0
Machakos	8.0
Nyandarua	2.6
Mombasa	6.8
Garissa	9.5
Kisii	7.5
Murang'a	7.8
Laikipia	7.6
Kajiado	9.5
Tharaka-Nithi	4.7
Wajir	10.5
Nyamira	12.2
Elgeyo-Marakwet	10.9
Nakuru	12.2
Meru	4.7
Homabay	11.1
Bomet	11.3
Makueni	9.8
Siaya	9.5
Kitui	13.3
Samburu	14.2
Kwale	15.1
Kakamega	11.8
Marsabit	17.6
Vihiga	13.1
Kericho	12.4
Bungoma	11.8
Kilifi	13.6
Trans Nzoia	21.0
Tana River	16.7
Busia	15.9
Baringo	16.7
Narok	17.4
Migori	19.0
Turkana	31.5
West Pokot	27.0

Figure 2.12(b): County Comparisons: Total Financial Exclusion (%)



Over the last three years, formal inclusion has shifted significantly across counties. The proportion of formally included individuals increased in 30 counties, decreased in 15 counties, and remained unchanged in 2 counties. Garissa, Samburu, and Elgeyo Marakwet counties recorded the highest improvements, with increases of 26.3, 12.0, and 11.0 percentage points, respectively, largely driven by the adoption of mobile money.

Figure 2.12(c):
Change In Inclusion 2021 vs 2024 (%)

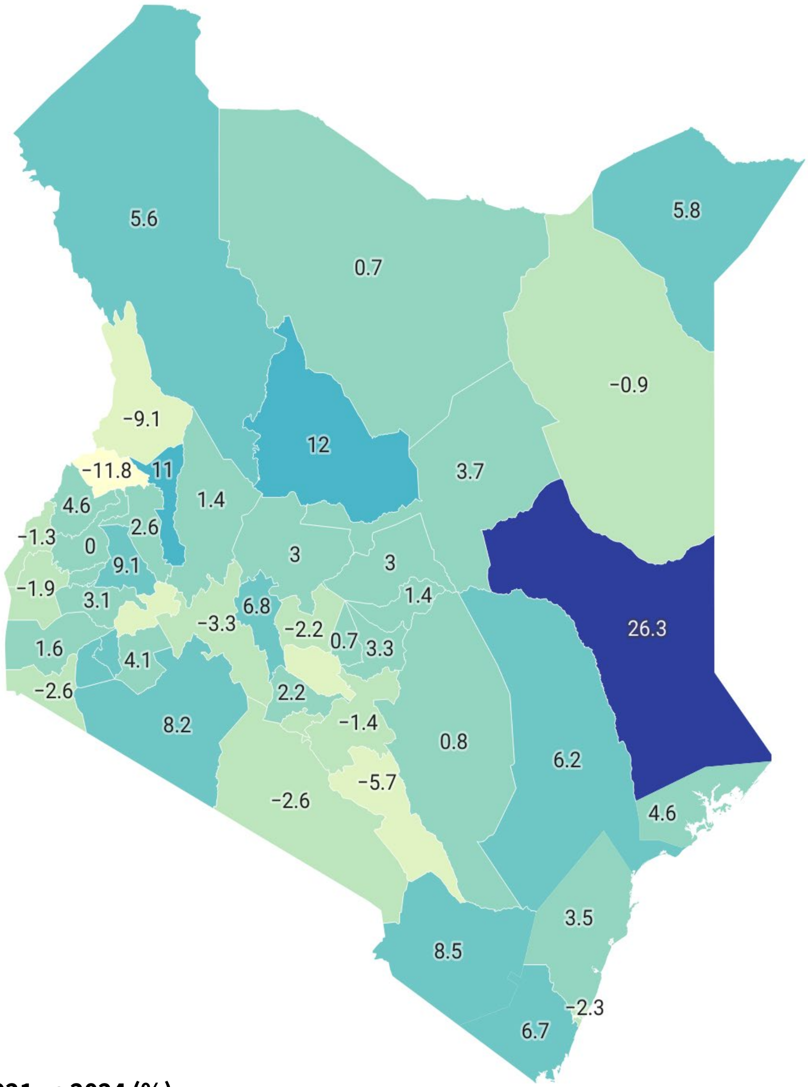
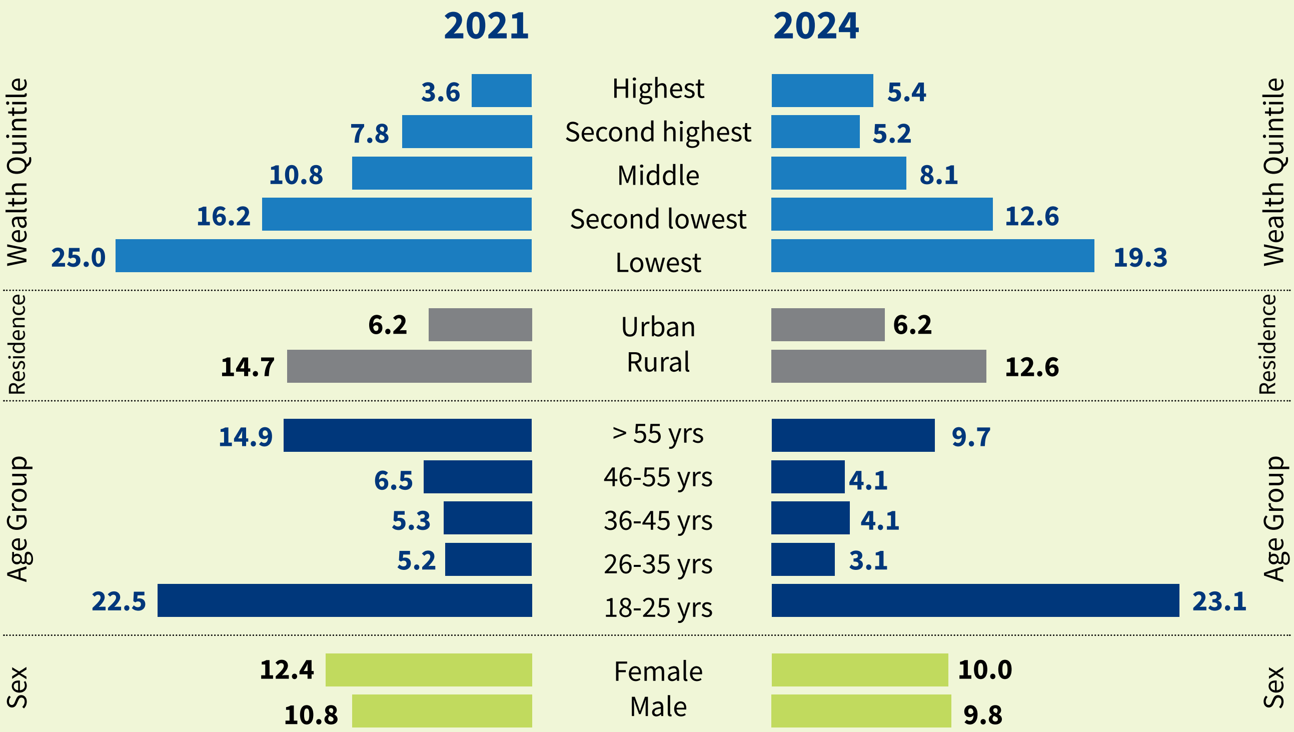


Table 2.2: Change in Inclusion: 2021 vs 2024 (%)

County	2021	2024	Change	County	2021	2024	Change	County	2021	2024	Change
Garissa	60.8	87.1	**26.3**	Isiolo	87.8	91.5	**3.7**	Wajir	86.5	85.6	**-0.9**
Samburu	68.5	80.5	**12.0**	Kilifi	74.4	77.9	**3.5**	Nairobi City	95	93.7	**-1.3**
Elgeyo-Marakwet	73.7	84.7	**11.0**	Embu	87.6	90.9	**3.3**	Busia	78.2	76.9	**-1.3**
Nandi	79.2	88.3	**9.1**	**Kisumu**	**88.1**	**91.2**	**3.1**	Machakos	89.6	88.2	**-1.4**
Taita-Taveta	82.0	90.5	**8.5**	Meru	81.0	84.0	**3.0**	Siaya	83.8	81.9	**-1.9**
Nyamira	76.9	85.4	**8.5**	Laikipia	83.4	86.4	**3.0**	Nyeri	93.8	91.6	**-2.2**
Narok	64.9	73.1	**8.2**	Uasin Gishu	87.6	90.2	**2.6**	Mombasa	89.9	87.6	**-2.3**
Nyandarua	81.1	87.9	**6.8**	Kiambu	91.8	94	**2.2**	Migori	75.5	72.9	**-2.6**
Kwale	**73.0**	**79.7**	**6.7**	Homabay	81.7	83.3	**1.6**	Kajiado	88.7	86.1	**-2.6**
Tana River	71.2	77.4	**6.2**	T-Nithi	84.5	85.9	**1.4**	Nakuru	87.8	84.5	**-3.3**
Mandera	83.9	89.7	**5.8**	Baringo	74.9	76.3	**1.4**	Makueni	87.6	81.9	**-5.7**
Turkana	60.3	65.9	**5.6**	Kitui	80.4	81.2	**0.8**	Murang'a	92.8	86.6	**-6.2**
Kisii	81.1	86.7	**5.6**	Kirinyaga	92.1	92.8	**0.7**	**Kericho**	**85.8**	**79.0**	**-6.8**
Lamu	84.2	88.8	**4.6**	Marsabit	78.4	79.1	**0.7**	West Pokot	57.6	48.5	**-9.1**
Bungoma	73.9	78.5	**4.6**	**Vihiga**	**79.1**	**79.1**	**0**	Trans Nzoia	89.3	77.5	**-11.8**
Bomet	78.6	82.7	**4.1**	Kakamega	79.6	79.6	**0**				

Figure 2.13: **Exclusion by Demographics (%)**



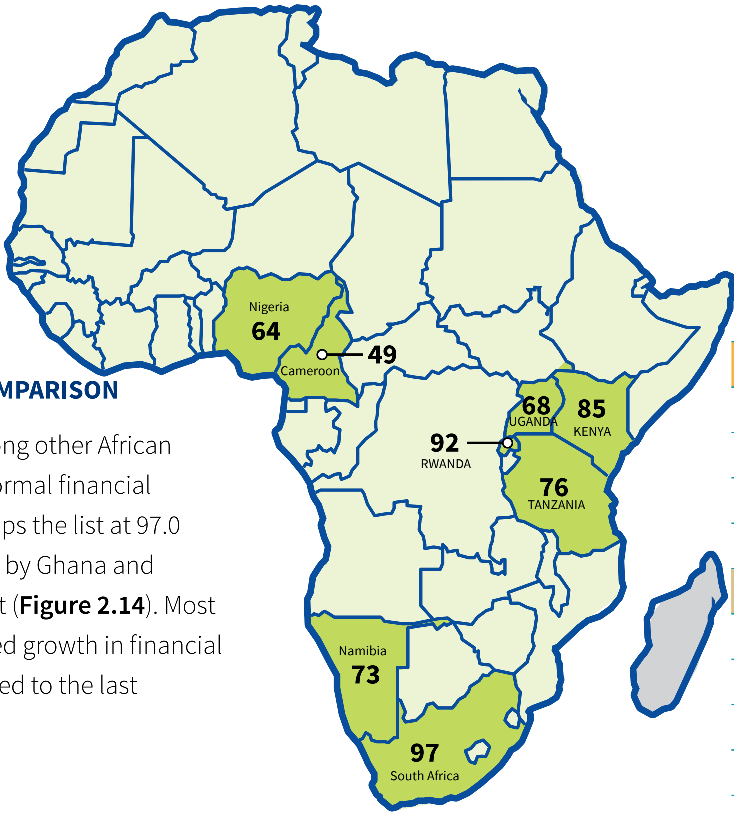
2.11 EXCLUSION BY DEMOGRAPHICS

Overall, income disparities, age and residence appear to be the key drivers of inclusion. The gender gap in financial exclusion narrowed to 0.2 percentage points in 2024 from 1.6 percentage points in 2021. Further, the 18-25 years age group is the most excluded. The group's level of exclusion also increased in 2024 relative to 2021 by 2 percentage points. This group mainly constitutes dependents and the school going population. Challenges associated with obtaining national identity cards have also contributed to high exclusion levels in this age group. The population in the lowest income quintile is the most excluded as would be expected. However, the exclusion level has increased in 2024 relative to 2021 among the highest wealth quintile. In addition, those with primary or no education rank high in terms of exclusion in 2024 (**Figure 2.13**). In terms of residence, people in the rural areas are also the most excluded, partly due to long distance to financial services and poor infrastructure. A further analysis of the exclusion by area of residence indicates that the 18-25 year age group residing in the rural area has the highest exclusion rate at 47.1 percent. Lack of employment of opportunities and low income levels could also explain the higher levels of exclusion among this age group (**Table 2.3**).

Table 2.3: **Exclusion by Age vs Residence (%)**

	Residence		Phone Ownership		Identity Card	
Age group	**Rural**	**Urban**	**No**	**Yes**	**No**	**Yes**
18-25	45.55	19.59	36.5%	28.6%	47.2%	18.0%
26-35	6.98	1.90	6.5%	2.4%	1.7%	7.1%
36-45	5.51	2.15	6.1%	1.6%	0.8%	6.9%
46-55	3.55	0.84	3.1%	1.3%	0.7%	3.7%
Above 55	12.43	1.49	12.8%	1.1%	1.1%	12.8%
Overall	**74.0%**	**25.9%**	**64.1%**	**35.9%**	**51.5%**	**48.5%**

Figure 2.14: Financial Inclusion in Africa (%)

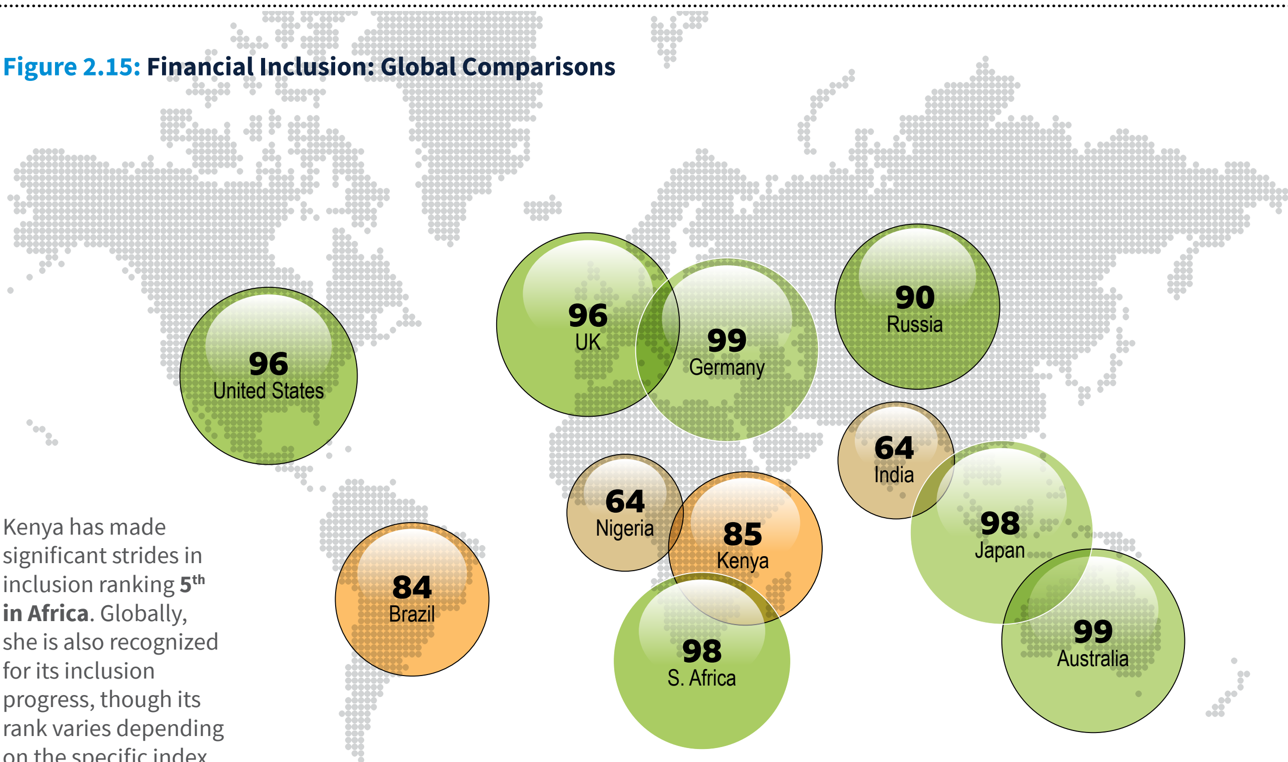


Country	Year	FI
South Africa	2022	97
Seychelles	2016	95
Ghana	2022	95
Rwanda	2024	92
Kenya	**2024**	**85**
Tanzania	2023	76
Namibia	2017	73
Uganda	2023	68
Nigeria	2023	64
Cameroon	2017	49

2.12 COUNTRY COMPARISON

Kenya ranks highly among other African countries in access to formal financial services. South Africa tops the list at 97.0 percent (2022) followed by Ghana and Seychelles at 95 percent (**Figure 2.14**). Most countries have registered growth in financial inclusion when compared to the last FinAccess survey.

Figure 2.15: Financial Inclusion: Global Comparisons



Kenya has made significant strides in inclusion ranking 5th **in Africa**. Globally, she is also recognized for its inclusion progress, though its rank varies depending on the specific index or measure used.

*NB: Nigeria, Kenya and South Africa shows Formal Financial inclusion. All other countries show account ownership of 15 year olds and above.

Data Source: World Bank, Access to Finance (A2F) Survey, 2024

> *Despite formal financial inclusion marginally improving from 2021, Kenya still ranks highly among other African countries in access to formal financial services.*

03 USAGE
of Financial Products and Services

By adult population, mobile money and banks served the largest number of consumers, reaching 22.9 million and 14.1 million users, respectively, by 2024.

03

The Usage Dimension of Financial Inclusion assesses how frequently, regularly, and consistently financial services are used, revealing the reasons behind usage or non-usage despite accessibility. The 2024 FinAccess Household Survey examines this dimension, focusing on providers, products, and digital platforms facilitating transactions. Through a time-series analysis, it tracks trends across demographics such as age, gender, education, residence, and wealth, concluding with key insights.

3.1 USAGE BY PROVIDERS OF FINANCIAL SERVICES AND PRODUCTS

The 2024 FinAccess Survey highlights shifting financial preferences in Kenya, with mobile money usage rising to 82.3 percent, driven by expanded services, improved infrastructure, and greater adoption for government services and e-commerce. Bank usage increased to 52.5 percent, supported by infrastructure growth (resulting from increased financial access touch points) and programs like Inua Jamii. SACCO participation grew to 11.7 percent, reflecting their broader reach, while informal group membership rose to 30.7 percent, emphasizing the continued importance of grassroots financial systems. Investments in securities increased to 3.1 percent, boosted by new apps and higher returns, showcasing diverse consumer financial needs. In contrast, insurance and pension uptake saw slight declines. Fuliza overdraft usage held steady at 18.4 percent, indicating consistent demand for short-term credit.

Since users of these providers and products consume them as a portfolio, the response rates are not additive. This implies that consumers of mobile money are also consuming services and products offered by banks, insurance companies, SACCOs, pensions, among other providers **(Figure 3.1).**

Numbers at a glance:
Percentage of adults using financial services, 2024

82 percent mobile money users

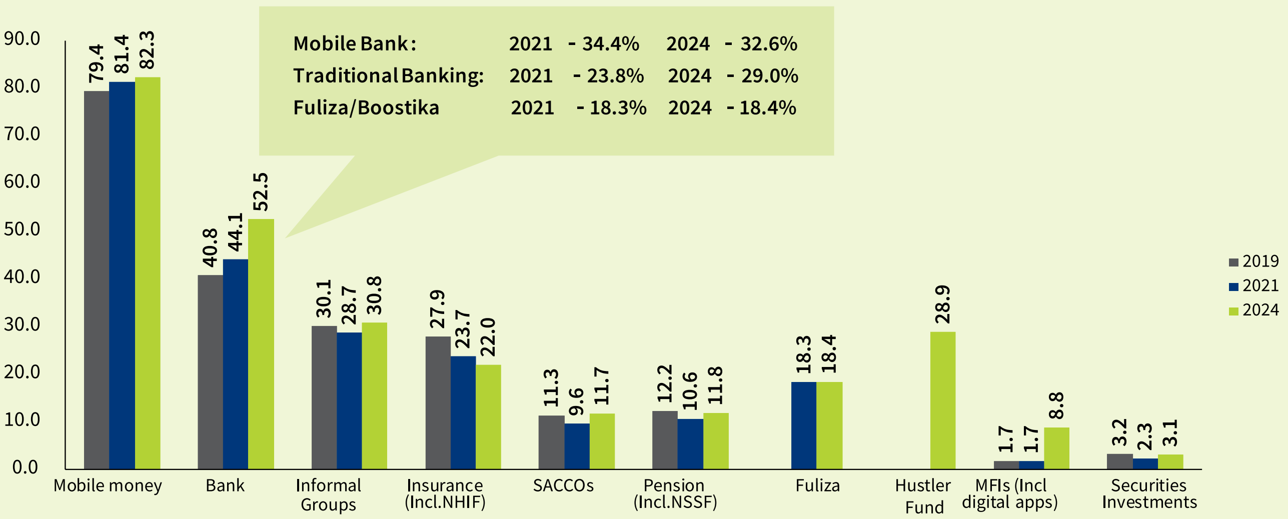
53 percent bank users

31 percent informal groups users

29 percent hustler fund users

The Usage Dimension of Financial Inclusion examines how often and effectively financial services are utilized, exploring trends by demographics and digital platforms. The 2024 FinAccess Survey provides insights into usage patterns, highlighting key drivers and barriers to engagement across providers, products, and socioeconomic groups.

Figure 3.1: Usage of Financial Services and Products by Providers (%)



A significant development highlighted in the survey is the launch and adoption of the Hustler Fund, a loan disbursed through select banks and facilitated by mobile money operators. The findings show that 28.9 percent of respondents have accessed the fund in the past 12 months. Additionally, the regulation of digital credit providers has contributed to a marked increase in the usage of microfinance institutions, rising from 1.7 percent in 2021 to 8.8 percent in 2024.

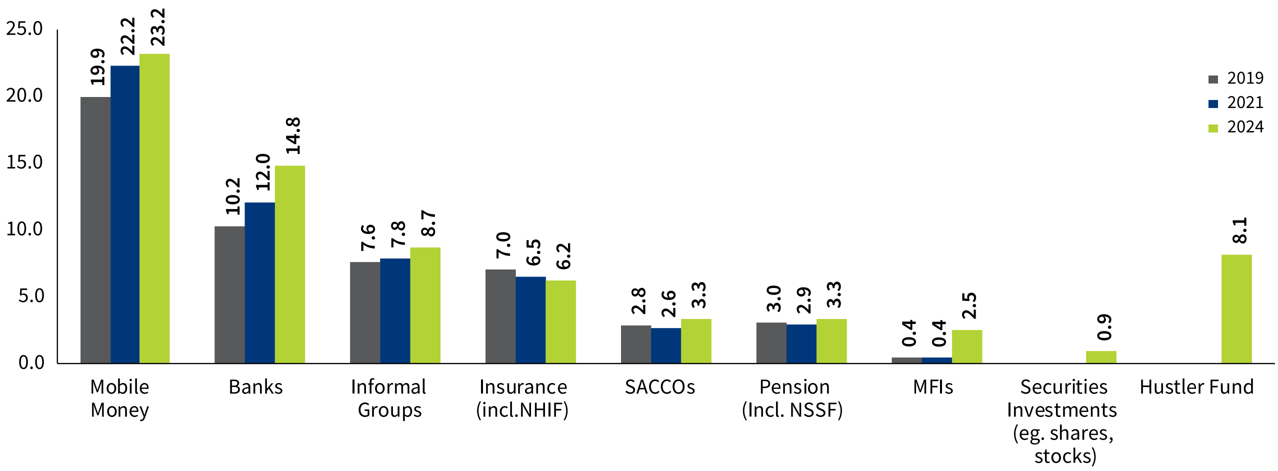
Table 3.1: Breakdown of Credit Only Providers

	2021		2024	
	population	Percentage	population	Percentage
Digital loans that you get through the phone that you download through apps	583,263	2.1	668,491	2.4
Hire purchase /Lipa mdogo mdogo	579,242	2.1	1,751,994	6.2
Traditional MFI Usage	455,350	1.7	212772	0.8

3.2 USAGE OF FINANCIAL PROVIDERS BY POPULATION

By adult population, mobile money and banks serves the largest number of consumers, reaching 23.2 million and 14.8 million users, respectively. This dominance reflects mobile money's intermediary role as the primary digital financial service for Kenyans, followed by banks with steady growth. Informal groups also held significant appeal, rising from 7.8 million users in 2021 to 8.7 million in 2024, underscoring the continued reliance on community-based support systems. **(Figure 3.2).**

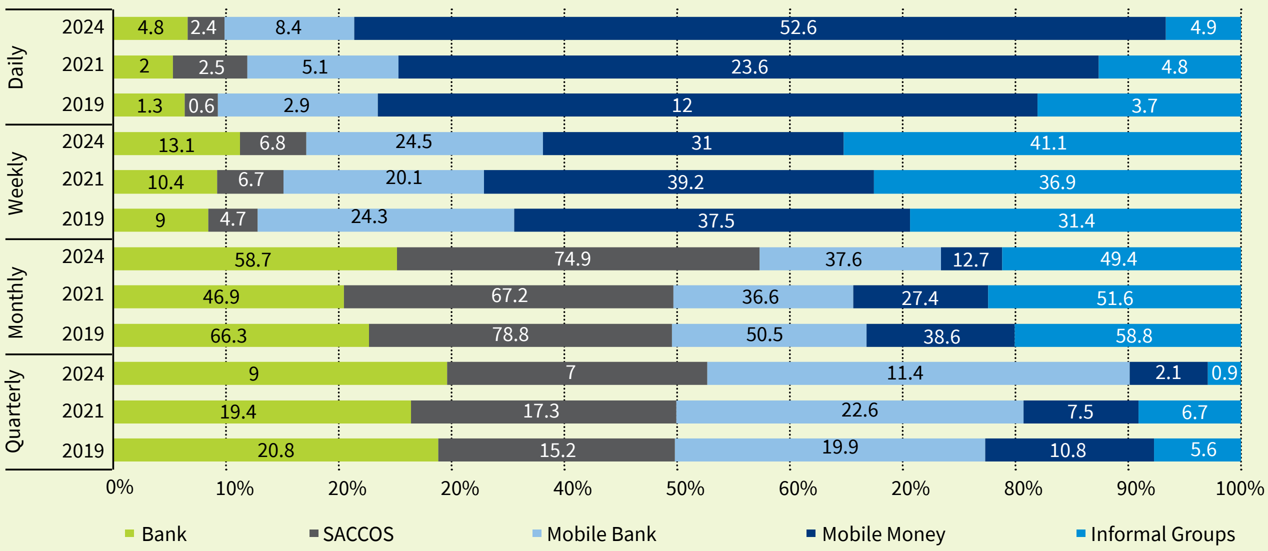
Figure 3.2: Usage of Financial Providers by Population



3.2 ANALYSIS OF USAGE BY FREQUENCY

The 2024 findings reveal a significant surge in daily financial service usage in Kenya, driven by mobile money, which more than doubled to 52.6 percent from 23.6 percent in 2021, highlighting its convenience and accessibility. Daily mobile bank usage increased to 8.4 percent, while daily bank transactions rose to 4.8 percent. Monthly usage patterns showed varied trends, with banks rising from 46.9 percent to 58.7 percent, and SACCOs maintaining high engagement at 74.9 percent. These trends indicate that while mobile money dominates daily transactions, banks and SACCOs play a vital role in managing monthly financial obligations such as loan repayments, savings contributions, and salary deposits **(Figure 3.3).**

Figure 3.3: Usage of Financial Providers by Frequency (%)



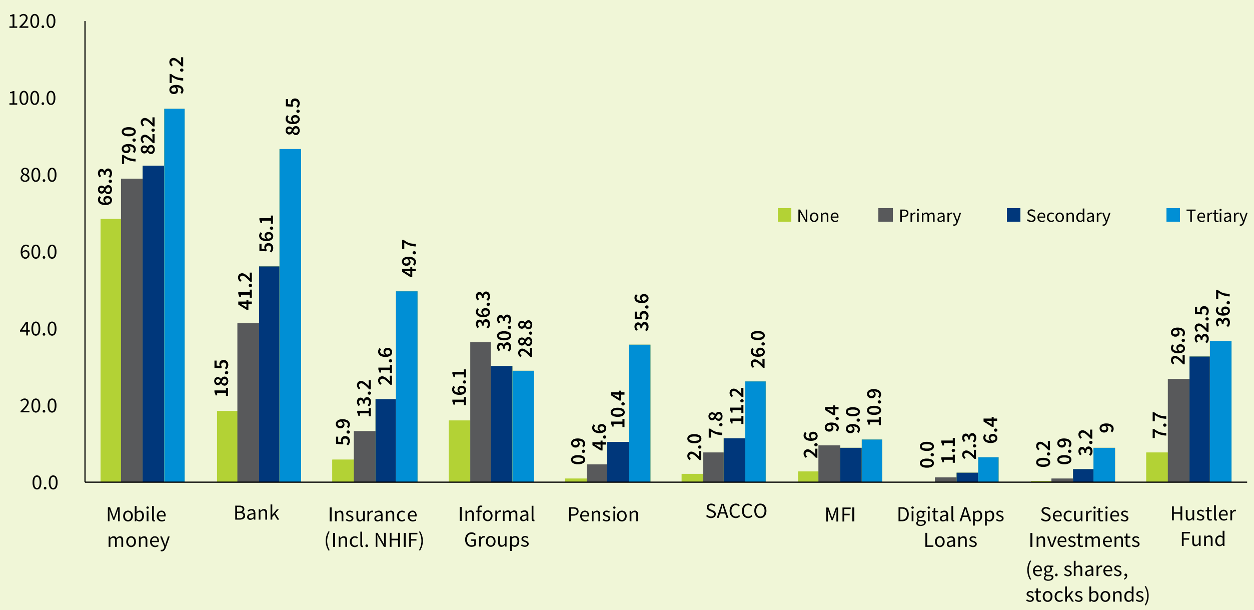
3.3 ANALYSIS OF USAGE DIMENSION BY DEMOGRAPHICS

Financial service providers serve diverse populations across different regions of the country. This section explores usage patterns by key factors such as education level, residence, gender, and wealth quintile.

3.3.1 Education Level and Usage Patterns

The 2024 FinAccess Survey reveals how education level significantly influences the usage of various financial services and products. Individuals with tertiary education are the most active consumers of formal financial services, with 97.2 percent using mobile money and 86.5 percent using bank. The outcome underscores the critical role education plays in financial inclusion, with higher education levels facilitating access to diverse financial products and services, while those with less formal education are more reliant on informal, accessible options **(Figure 3.4).**

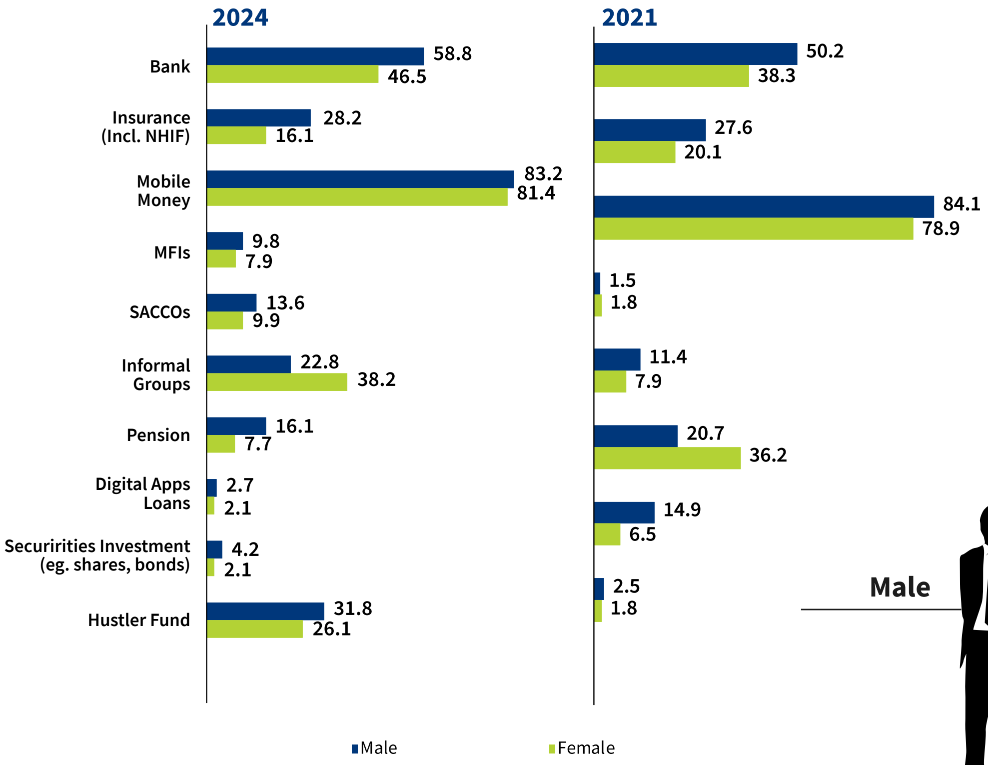
Figure 3.4: Usage of Financial Providers by Education (%)

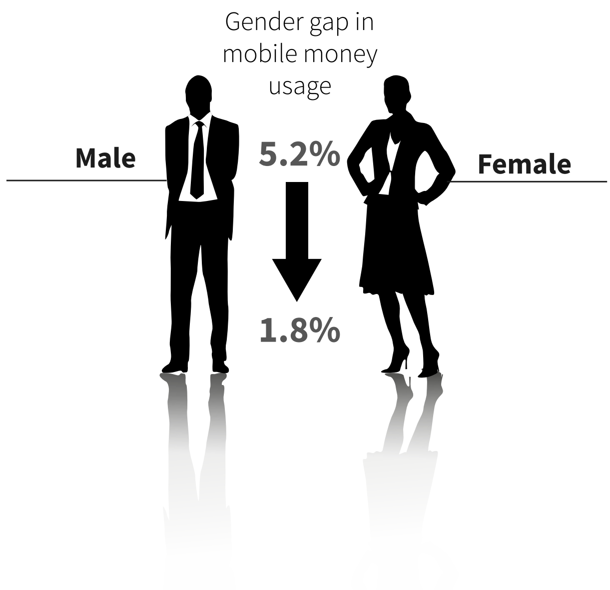


3.3.2 The Narrowing Gender gap

The 2024 data highlights the narrowing gender gap in financial services usage, particularly in mobile money, where the gap reduced to 1.8 percent, down from 5.2 percent in 2021. However, gender gap in banking, insurance and pensions persists, underscoring structural barriers that demand targeted policy and programmatic interventions **(Figure 3.5).**

Figure 3.5: Usage of financial service providers by sex (%)

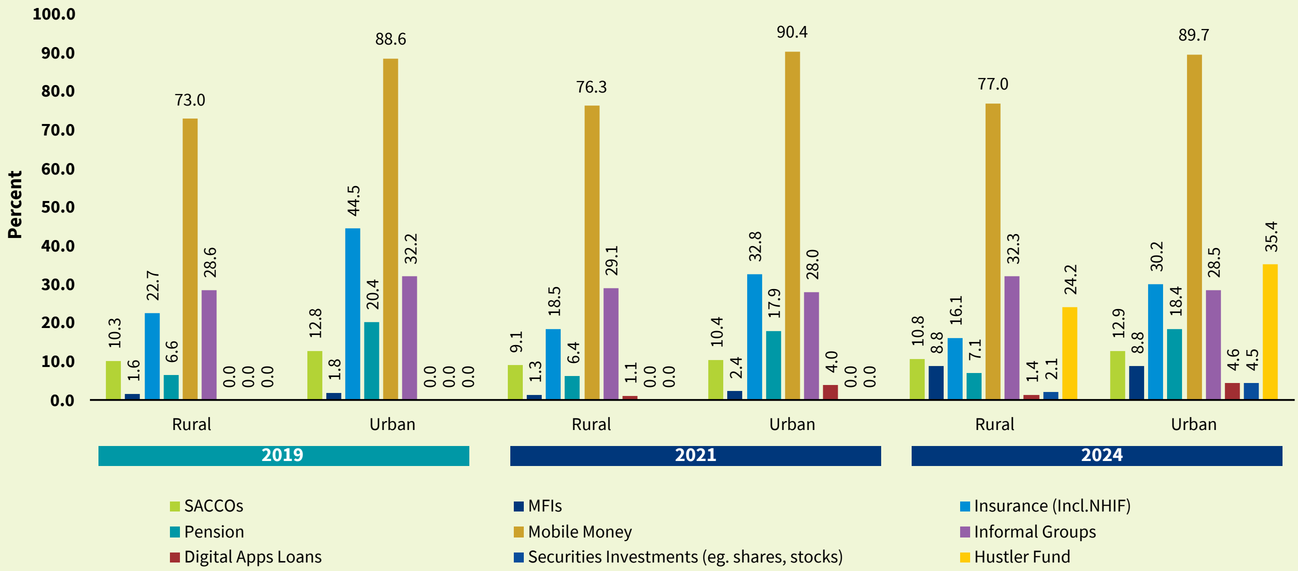




3.3.3 Does the Rural-Urban Divide Impact Usage?

Financial services usage continues to grow in rural and urban areas, driven by mobile money, which has narrowed the rural-urban divide. Mobile money remains dominant, used by 77.0 percent of rural and 89.7 percent of urban residents. While informal financial services have declined overall, rural informal group usage rose to 32.3 percent in 2024, contrasting with a drop to 28.5 percent in urban areas. SACCOs are more popular in urban areas, aided by advanced mobile channels **(Figure 3.6).**

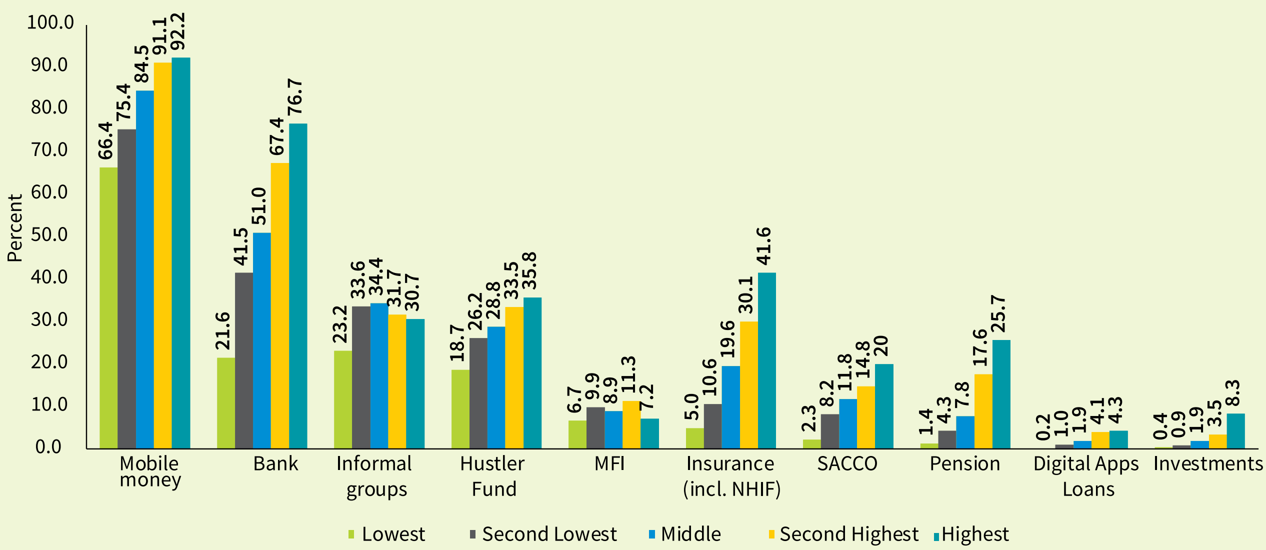
Figure 3.6: Usage of Financial Service Providers by Residence (%)



3.3.4 Financial Services by Wealth Quintile

Social status influences the usage of various financial services providers and products. Usage of mobile money, banks, Hustler fund, insurance, SACCO, pension and investments are dominant among highest wealth quintiles. Informal group usage remains relatively stable across wealth quintiles, with slight decreases as wealth increases. Hustler fund is particularly significant among middle and higher-income groups, reflecting its appeal as an accessible credit option **(Figure 3.7).**

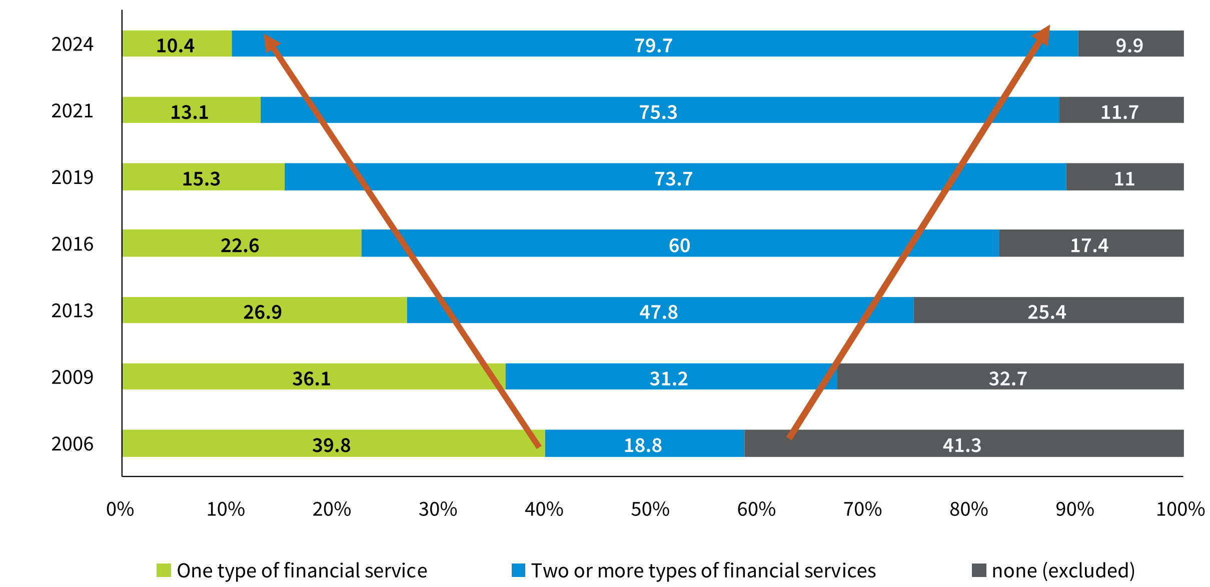
Figure 3.7: Usage of Financial Providers by Wealth Quintile (%)



3.3.5 Usage by the Portfolio of Financial Service Providers

The survey data indicates that consumers are transitioning from using a single service to using many services. This reflects the increasing complexity of financial needs, which require a range of financial products and services to address them However, the marginal decline in non-usage to 9.9 percent suggests that some segments, particularly those without national IDs, still face barriers to accessing financial services. **(Figure 3.8).**

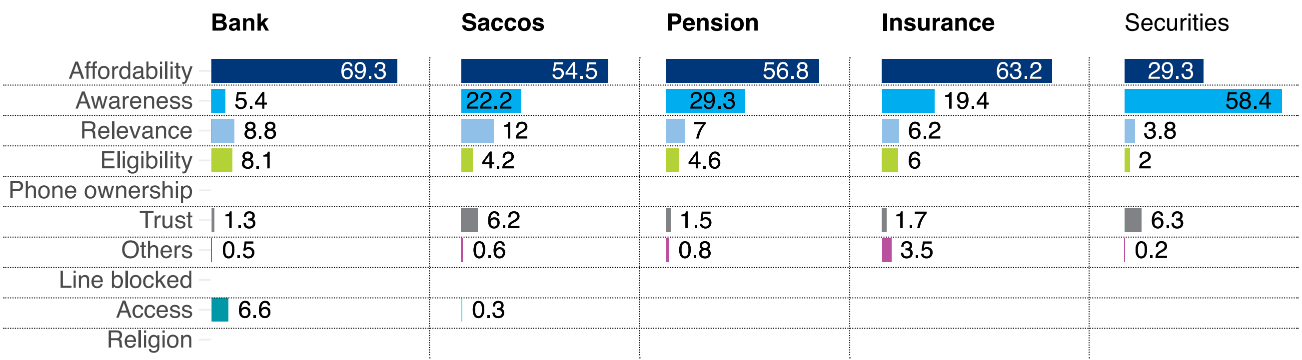
Figure 3.8: Usage by a Combination of Financial Services (%)

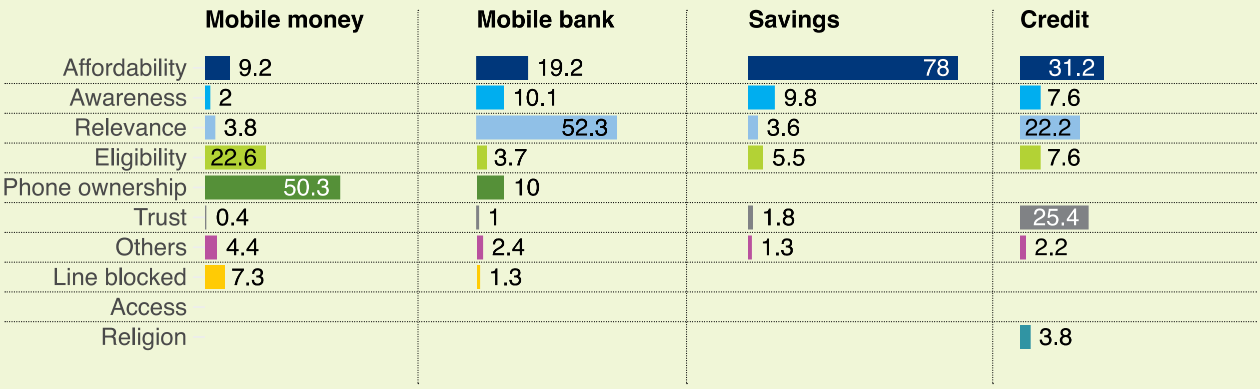


3.3.6 Barriers to Financial Services Usage

Affordability is the leading barrier to financial product usage, especially for savings, banks, and insurance. Awareness gaps hinder uptake of securities and pensions, while relevance affect mobile bank and credit. Trust concerns are significant for credit and SACCOs, while eligibility challenges impact mobile money and banks. Mobile phone ownership is also a major barrier for mobile money usage **(Figure 3.9).**

Figure 3.9: Barriers to Financial Services Usage (%)





- ***Affordability***: *Barriers related to lack of income, inability to maintain minimum balances, or meet costs of financial services;*
- ***Awareness***: *Lack of knowledge about the service, how to use it, or where to access it;*
- ***Relevance/Suitability***: *When services don't meet needs or users have alternative preferences;*
- ***Trust***: *Concerns about fraud, provider reliability, or previous negative experiences;*
- ***Eligibility***: *Barriers related to lacking required documentation (like ID) or qualifying criteria;*
- ***Physical Access***: *Distance to service points or lack of nearby facilities.*

3.4 USAGE BY PROVIDERS, SERVICES AND PRODUCTS

3.4.1 Bank Accounts Usage

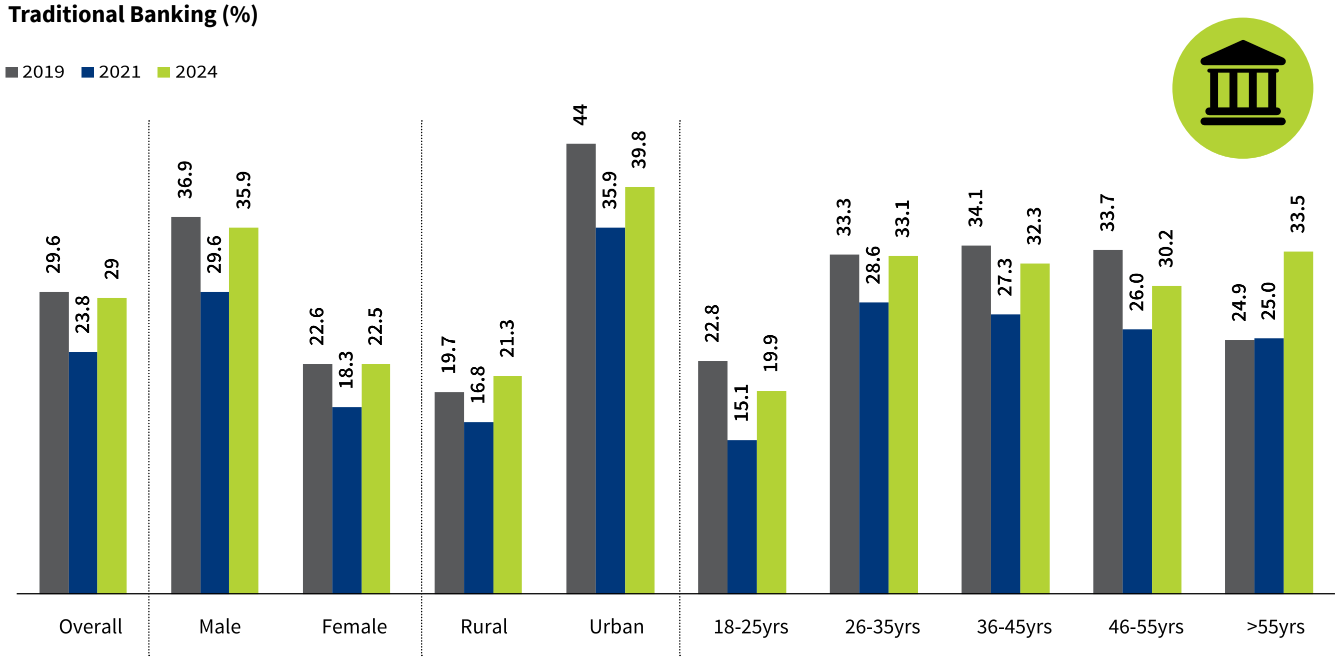
In Kenya, 14.8 million adults rely on banking channels or services to manage their finances, highlighting the critical role banks continue to play in national development. Commercial banks, accounts for over 98.8 percent of users, while microfinance banks account 1.2 percent of the traditional bank users.

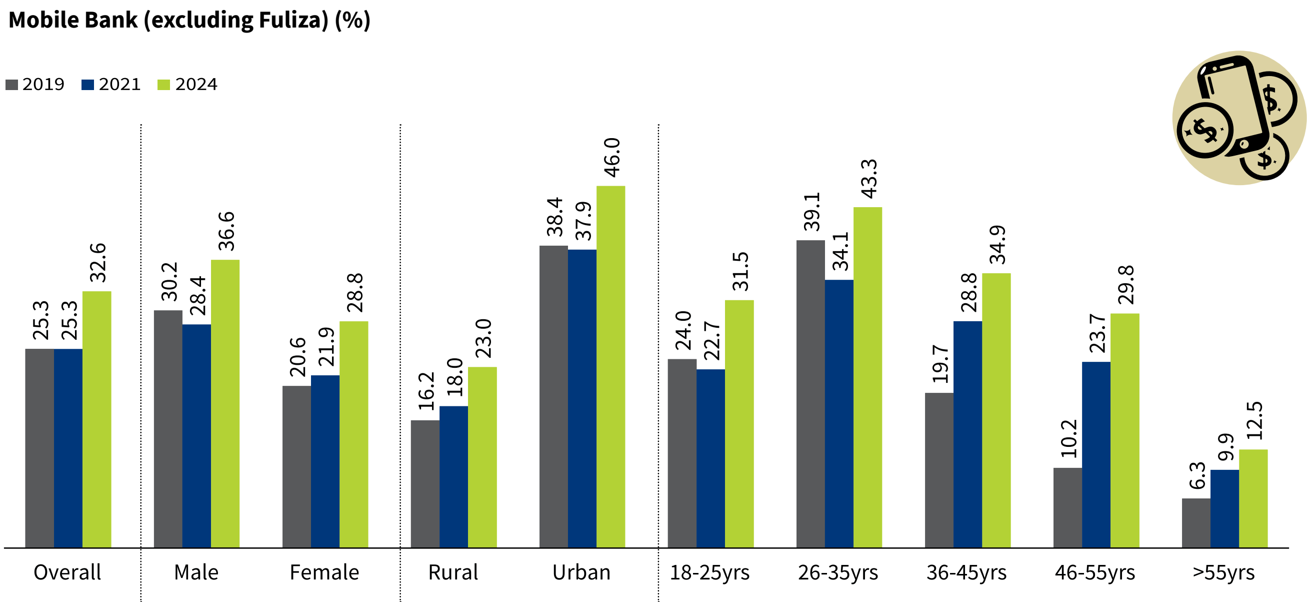
3.4.2 Traditional Banking versus Mobile Bank Usage

The 2024 FinAccess Survey reveals different trends in financial service usage. Mobile bank increased from 25.3 percent in 2021 to 32.6 percent in 2024, with urban usage at 46.0 percent and rural adoption at 23 percent. While mobile bank has reduced barriers for women, the gender gap persists at 7.8 percent, reflecting ongoing challenges in digital inclusion.

Traditional banking saw slight increases, particularly among older adults (55+ years), whose usage grew from 25 percent to 33.5 percent likely due to the Government's cash transfer programme. These trends highlight a shift where younger, urban users favor use of mobile bank, while older and rural populations rely on traditional methods. Targeted interventions are needed to enhance digital financial inclusion, especially for women and rural communities.

Figure 3.10: **Traditional versus Mobile Bank Usage by Demographics**

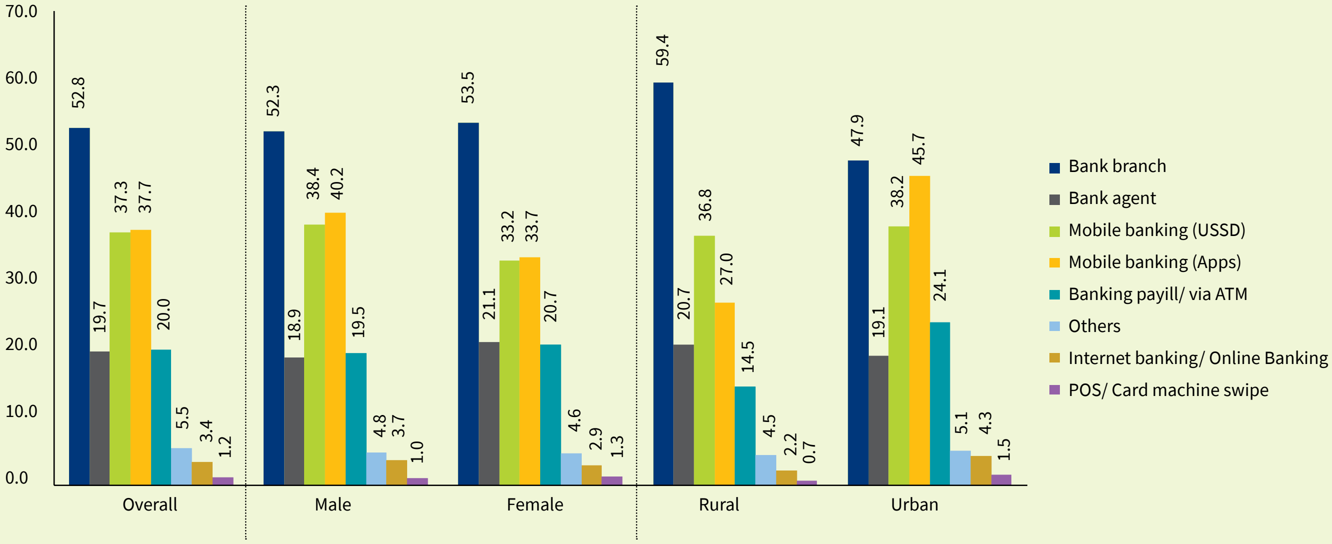




3.4.3 Channels of Bank Usage

Bank branches remain the most common banking access point (52.8 percent), with women slightly preferring physical interactions (53.5 percent against 52.3 percent for men). Mobile banking apps are popular, especially among urban residents (45.7 percent), but a gender gap persists, with 40.2 percent of men using apps compared to 33.7 percent of women, reflecting a digital gender divide. Women favor agent-based services (21.1 percent) more than men (18.9 percent), indicating a preference for decentralized channels. Rural users rely more on bank branches (59.4 percent), while urban users favor mobile banking (45.7 percent). Other common channels include bank paybill services (20.0 percent), bank agents (19.7 percent), and online banking (3.4 percent).

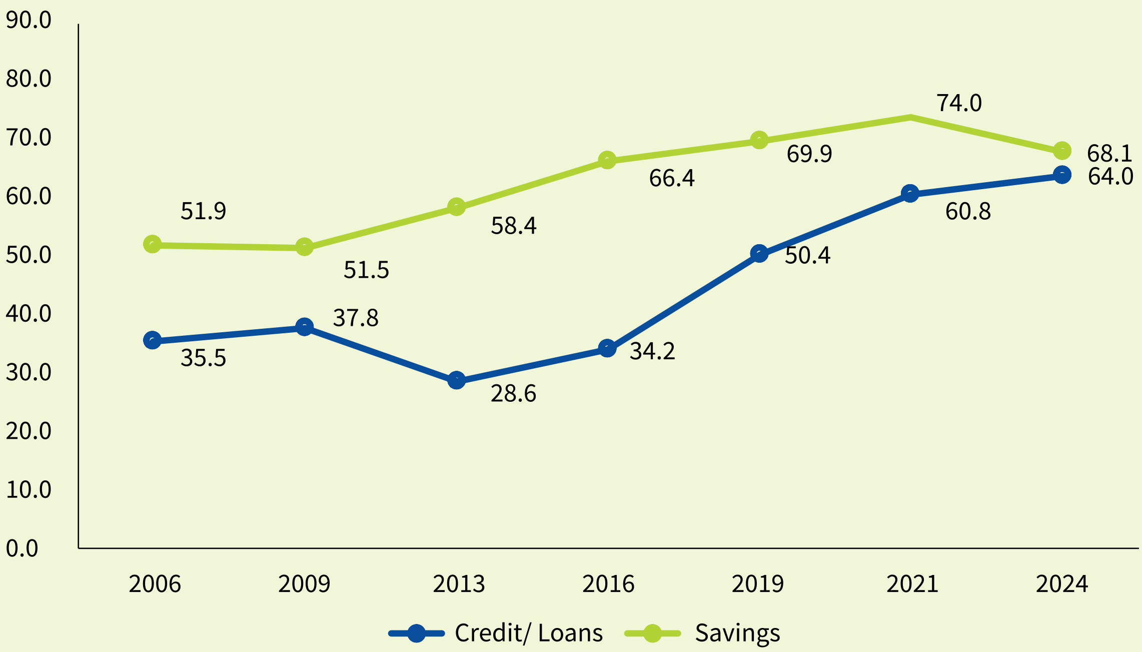
Figure 3.11: **Channels of Bank Usage (%)**



3.4.4 Credit Usage

Overall credit consumption grew in 2024, reaching 64.0 percent, up from 60.8 percent in 2021, though the pace of growth has slowed. This increase may be attributed to the rise of app-based digital loans and mobile money credit. With high mobile money penetration and a growing number of digital credit providers in Kenya, these platforms provide a convenient and accessible way for adults to secure loans. Savings dropped from 74.0 percent in 2021 to 68.1 percent in 2024, as household prioritized meeting day to day needs.

Figure 3.12: **Uptake of Credit Against Savings Rate (%)**

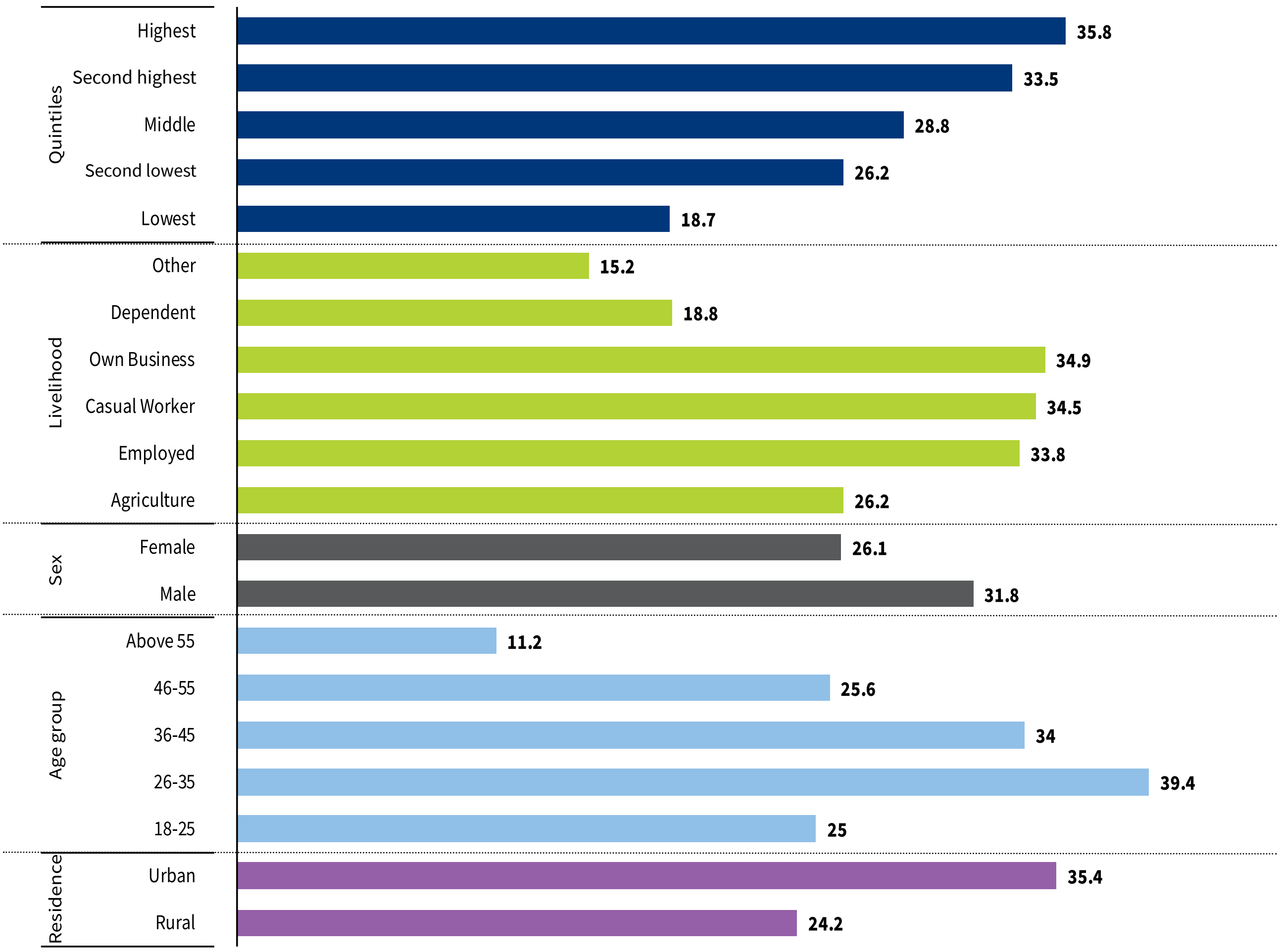


3.4.5 Financial Inclusion (Hustler) Fund

The Hustler fund is a Government digital financial inclusion product launched in November 2022 to improve financial access to finance for personal, micro, small, and medium-sized enterprises (MSMEs) in Kenya. The usage of hustler fund loan services was at 28.9 percent of the population in 2024. This represents 8.1 million of the adult population. 35.4 percent of the urban population are users of hustler funds financial service while the rural dwellers account for 24.2 percent of the users. 31.8 percent of the adult population that use hustler funds are male while 26.1 percent are female. 35.8 percent of the users are in the highest wealth quintile, while 18.7 percent of the users are in the lowest wealth quintile.

Majority of the users of this facility (39.4 percent) are within the age group of 26-35 years of age, while the age group above 55 years has the least number of users, reflecting 11.2 percent of the population.

Figure 3.13: Financial Inclusion (Hustler) Fund usage by demographics (%)

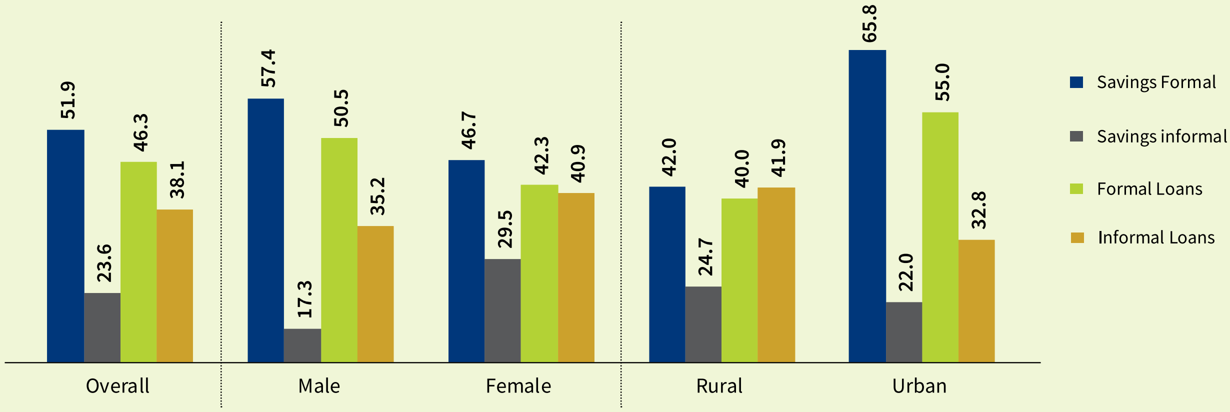


3.4.6 Savings

Formal institutions are the preferred means for savings and loans in Kenya, with 51.9 percent of Kenyans saving and 46.3 percent borrowing through formal channels. In addition, women are more likely than men to use informal loans and savings. While 40.9 percent of women take informal loans, only 35.2 percent of men do.

A similar trend is observed in savings, with 29.5 percent of women using informal savings compared to 17.3 percent of men. This may be due to women's involvement in informal financial networks, such as savings groups or chamas, which offer greater flexibility, social support, and accessibility.

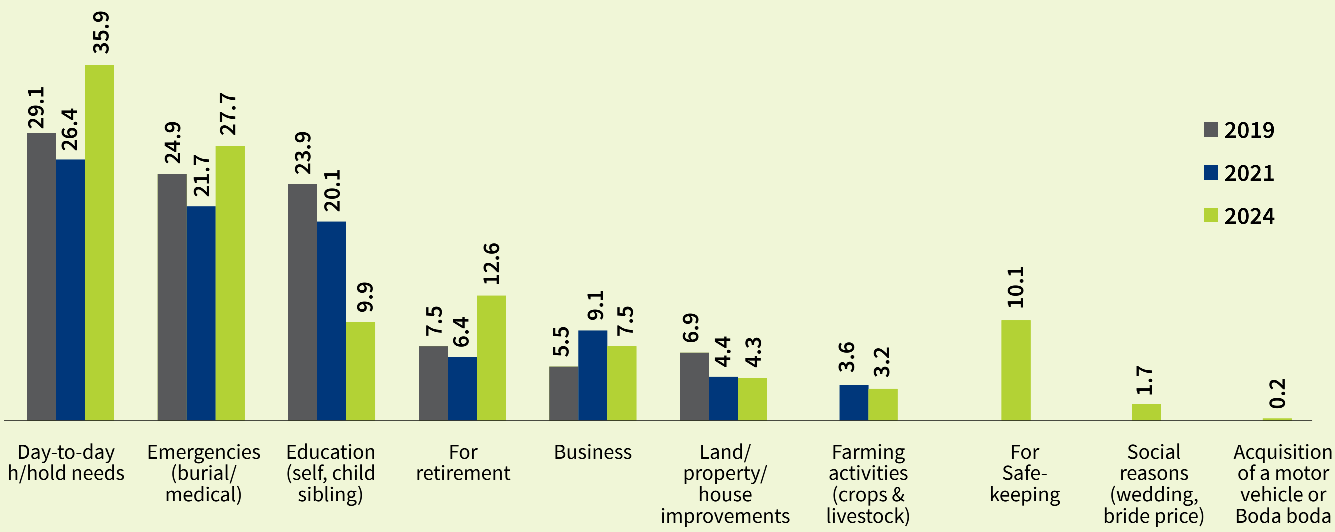
Figure 3.14 (a): Usage of formal products vs informal products (%)



Reasons for Saving

Survey respondents highlighted several key reasons for saving. The majority, 35.9 percent, save for day-to-day needs, followed by 27.7 percent who save for emergencies. Education needs accounted for 9.9 percent of savings, while 12.6 percent save for retirement. Business-related savings were reported by 7.5 percent, while 10.1 percent save simply for safekeeping. A smaller portion, 4.3 percent, save with the goal of purchasing land, property, or house improvement. These findings suggest that the savings culture is primarily driven by immediate needs, with a strong emphasis on day-to-day expenses and emergency preparedness.

Figure 3.14 (b) : Reasons for Saving (%)

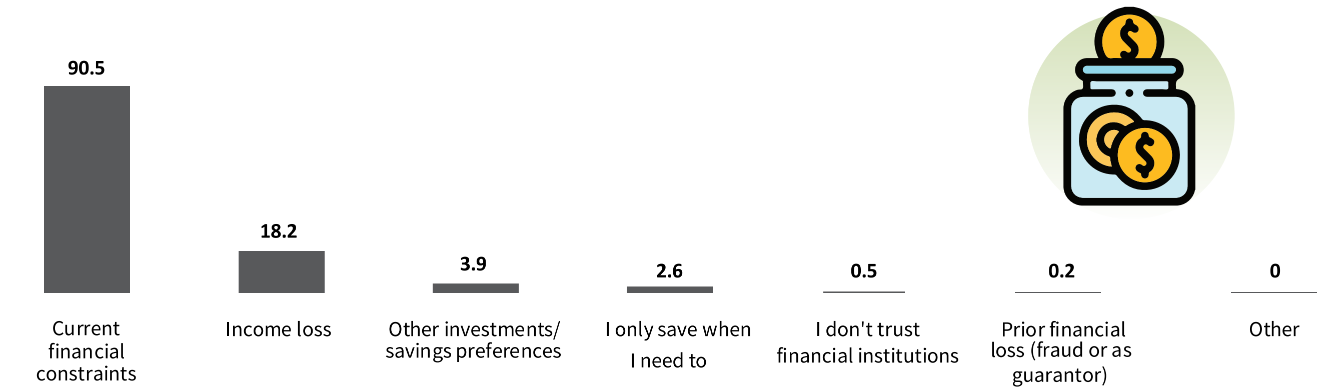


Reasons for Stopping Savings

The survey findings indicate that the main reason for stopping savings is current financial constraints, cited by 90.5 percent of respondents. This was followed by 18.2 percent who mentioned loss of income, and 3.9 percent who preferred other investment or savings options.

Notably, prior financial loss due to fraud or acting as a guarantor were the least reported reasons, mentioned by only 0.5 percent and 0.2 percent of respondents, respectively.

Figure 3.15. Stopped Savings (%)



3.5 SACCO USAGE

The overall SACCO usage improved from 9.6 percent to 11.7 percent, as more individual households joined SACCOs which offered loans at a relatively lower rate during the high interest rate period. Mobile channels (e.g., USSD, apps, pay bills, POS, and ATMs) emerged as the most preferred usage mode at 70.6 percent, surpassing traditional SACCO usage (branches and headquarters) at 66.1 percent. Notably, rural users showed a higher preference for traditional channels at 75.1 percent compared to 51.7 percent in urban areas, reflecting differing levels of access and technology adoption. Additionally, older users (above 55 years) demonstrated a strong inclination toward traditional channels, with 80.2 percent opting for traditional usage versus 41.8 percent for mobile channels, highlighting a significant generational gap in technology adoption.

SACCO Usage by Channels

Traditionally, SACCO members primarily accessed services at SACCO headquarters, a practice now standing at just 1.1 percent as the sector has embraced the technological revolution. SACCOs have adopted modern service delivery channels such as agency banking, internet platforms, and mobile technologies, significantly transforming member interactions.

Figure 3.16: Traditional SACCO vs Mobile SACCO usage (%)

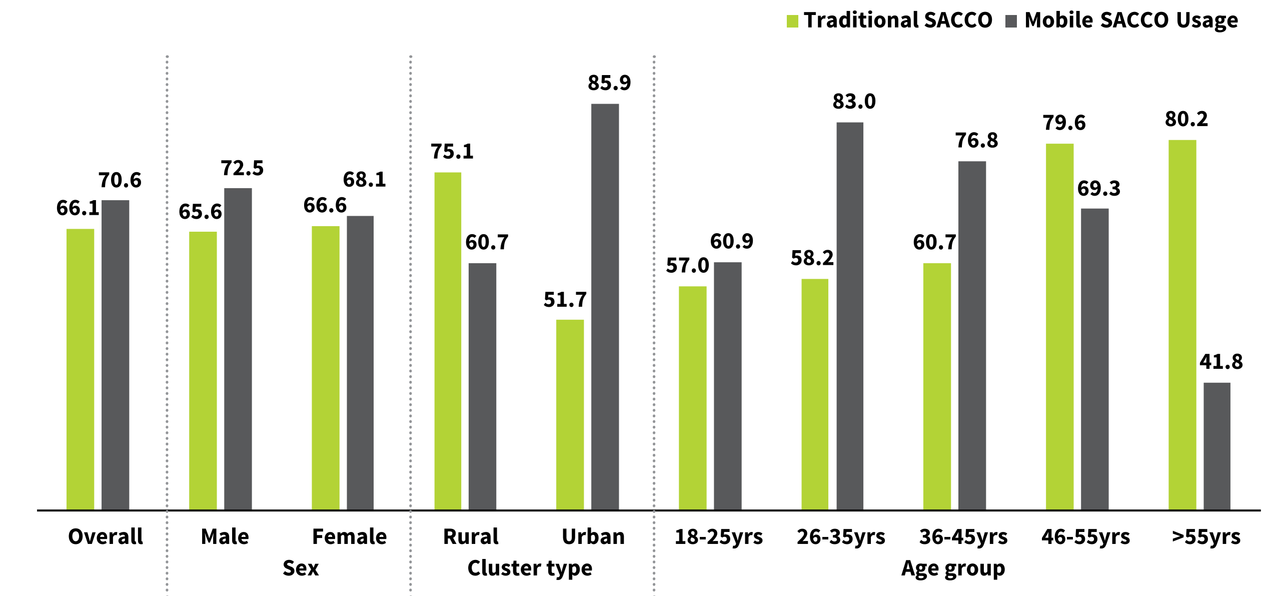
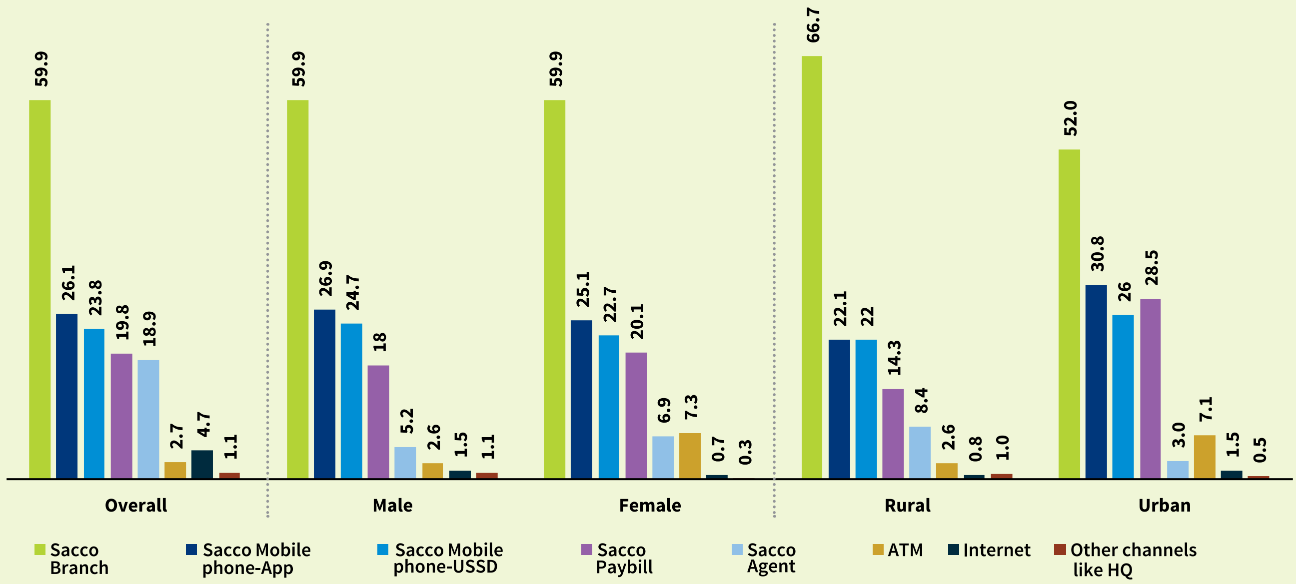


Figure 3.17: SACCO Usage Channels by Gender and Residence (%)



Despite the shift towards technology, SACCO members continue to express strong confidence in branch-based services, particularly in rural areas, where usage remains high at 66.7 percent, compared to 52.0 percent in urban settings.

In contrast, urban members show higher adoption rates of digital payment options such as Paybill services, with usage at 28.5 percent compared to 14.3 percent in rural areas. Interestingly, female members prefer this channel more strongly than male members, potentially due to its simplicity and accessibility.

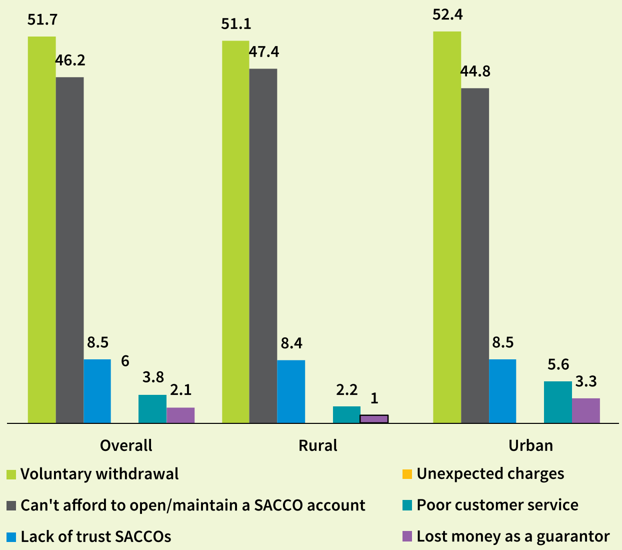
Mobile phone-based platforms, including apps and USSD, have also gained traction, with urban users slightly leading at 56.8 percent compared to 44.1 percent in rural areas. However, gender differences in mobile usage reveal that males dominate at 51.6 percent compared to 47.8 percent among females, a gap attributed to the perceived complexity of these technologies.

These insights highlight the evolving landscape of SACCO service delivery, emphasizing the importance of addressing barriers to technology adoption, particularly in rural areas and among female users. Tailored training and simplified user interfaces could enhance inclusivity and accelerate the shift toward digital channels.

Reasons for stopping to use a SACCO

The majority of respondents who ceased using SACCOs identified voluntary withdrawal (51.7 percent) and an inability to maintain their accounts (46.2 percent) as the primary reasons for discontinuation. Interestingly, urban respondents were more likely to cite voluntary withdrawal compared to their rural counterparts, at 51.1 percent versus 47.4 percent, respectively.

Figure 3.18: Reasons for Stopping to use a SACCO (%)

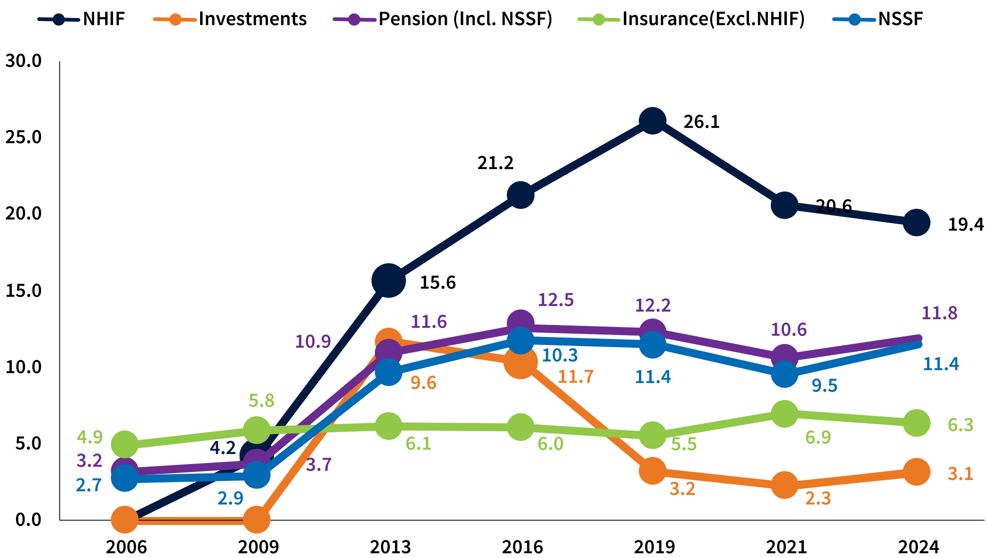


3.6 INSURANCE, PENSIONS AND INVESTMENTS USAGE

Usage of NSSF and investment increased in 2024. However, the overall usage of pensions including NSSF, Insurance and NHIF declined during the period.

The investments are measured by those respondents who reported investment in equities and bonds. The Survey shows that the NSE-20 share index and the market capitalization have also been on a downward trend. Pensions usage including NSSF remains steady, on account of NSSF uptake.

Figure 3.19: **Usage of Insurance, Pension and Investment Provider (%)**



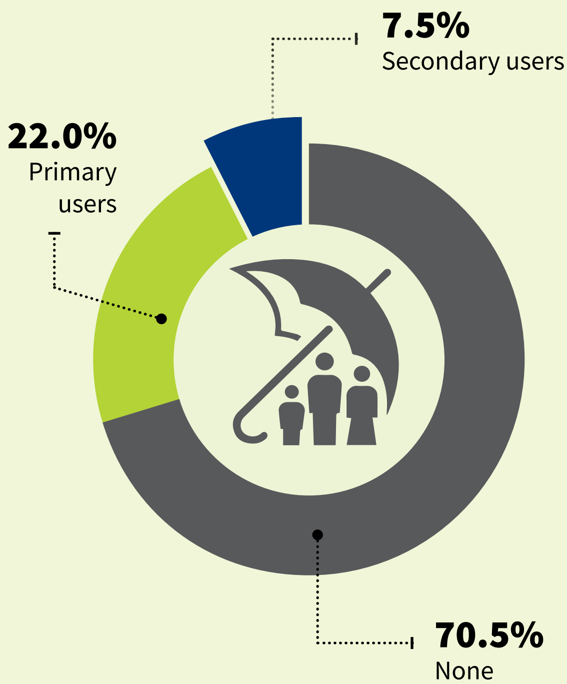
3.6.1 Insurance Usage

Primary and Secondary insurance (Incl. NHIF) usage

A significant risk protection gap exists, with 70.5 percent of households lacking insurance coverage. Only 22 percent of respondents have primary insurance in their own name, while a smaller proportion (7.5 percent) access insurance as dependents **Figure 3.20.**

This could be attributed to the fact that the majority of Kenyans are employed in the informal sector where incomes are irregular. Traditional insurance requires fixed regular premium payments; failure to pay may lead to policy lapses which further disincentivizes these individuals from purchasing insurance.

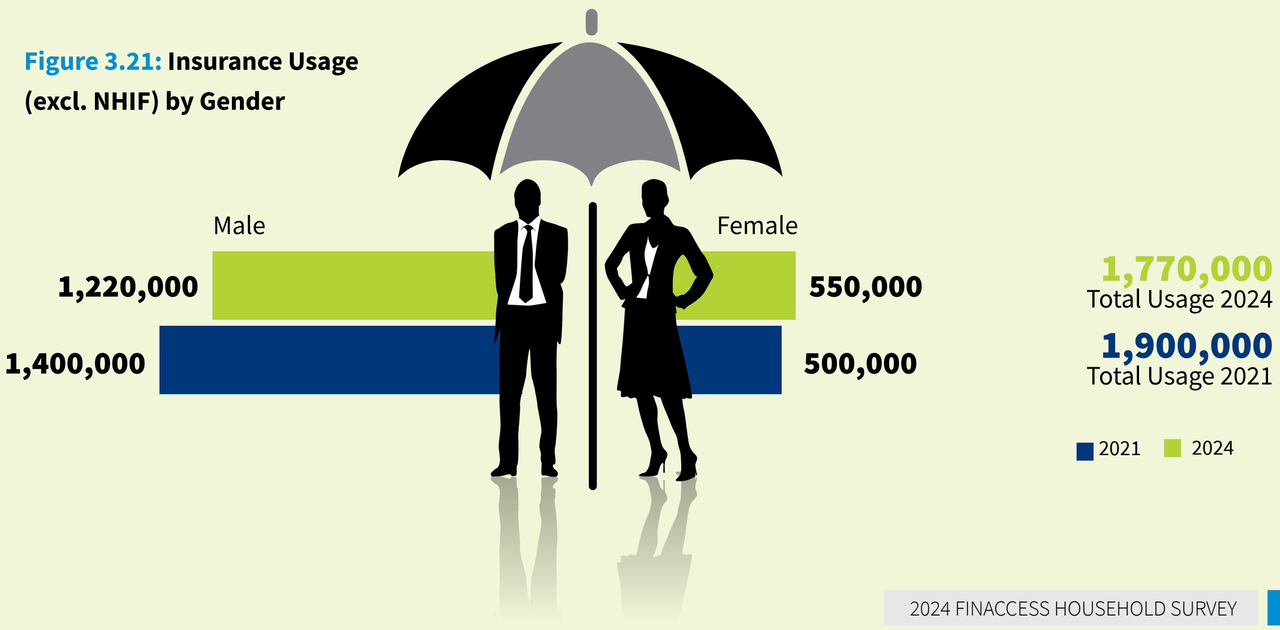
Figure 3.20: **Primary and Secondary Insurance (Incl. NHIF) usage (%)**



Population Using Insurance Excluding NHIF by Gender

In 2024, the population using insurance (excl. NHIF) declined by about 0.13 million from 1.9 million in 2021 to 1.77 million in 2024 (**Figure 3.21).** This could be attributed to the declining disposable income among the population.

Figure 3.21: **Insurance Usage (excl. NHIF) by Gender**



Population Using Insurance Excluding NHIF by Livelihood

The survey indicates that insurance usage (excluding NHIF) varies by livelihood with those employed making the majority of insurance users totaling 0.66 million, followed by business owners at 0.45 million (**Figure 3.22)**. This could be attributed to the fact that those employed have regular income and can afford to pay for insurance, or the employer pays for their insurance.

Figure 3.22: **Population Using Insurance Excluding NHIF by Livelihood**

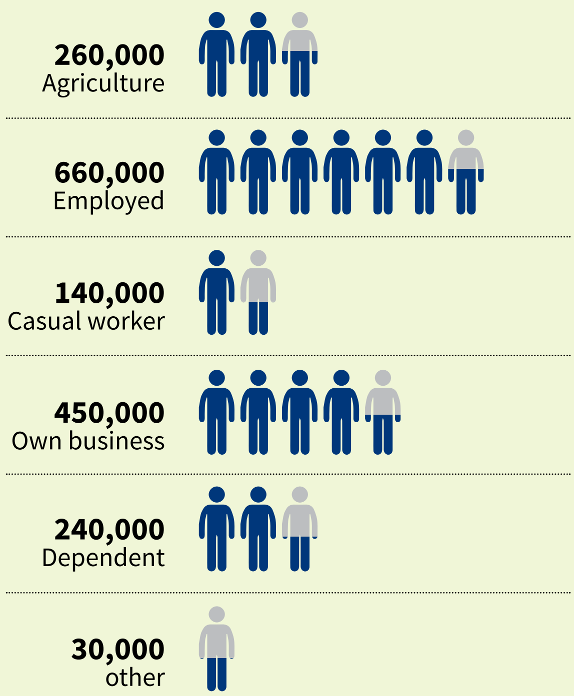
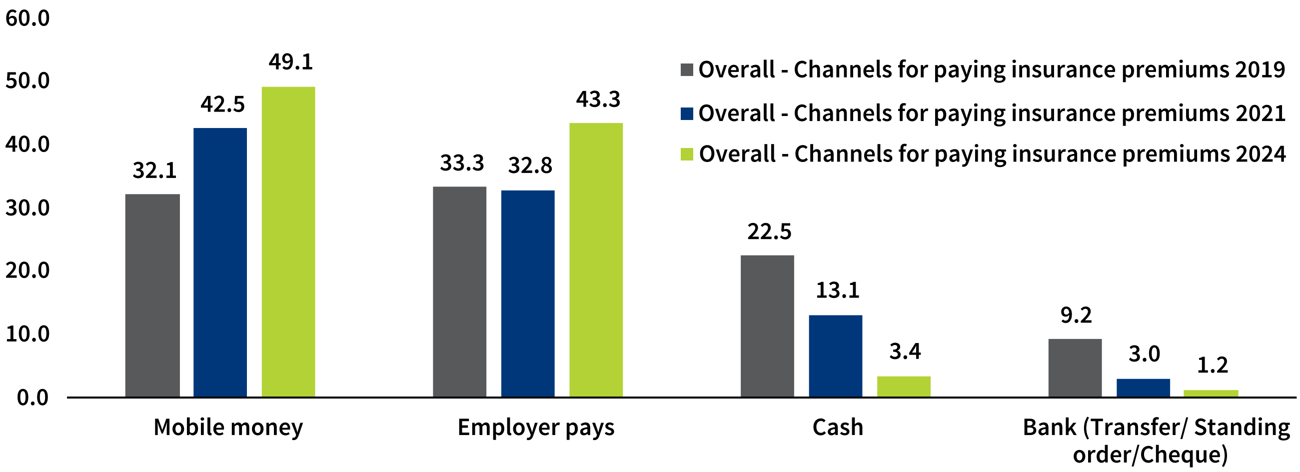


Figure 3.23: Channels for Paying Insurance Premiums (%)



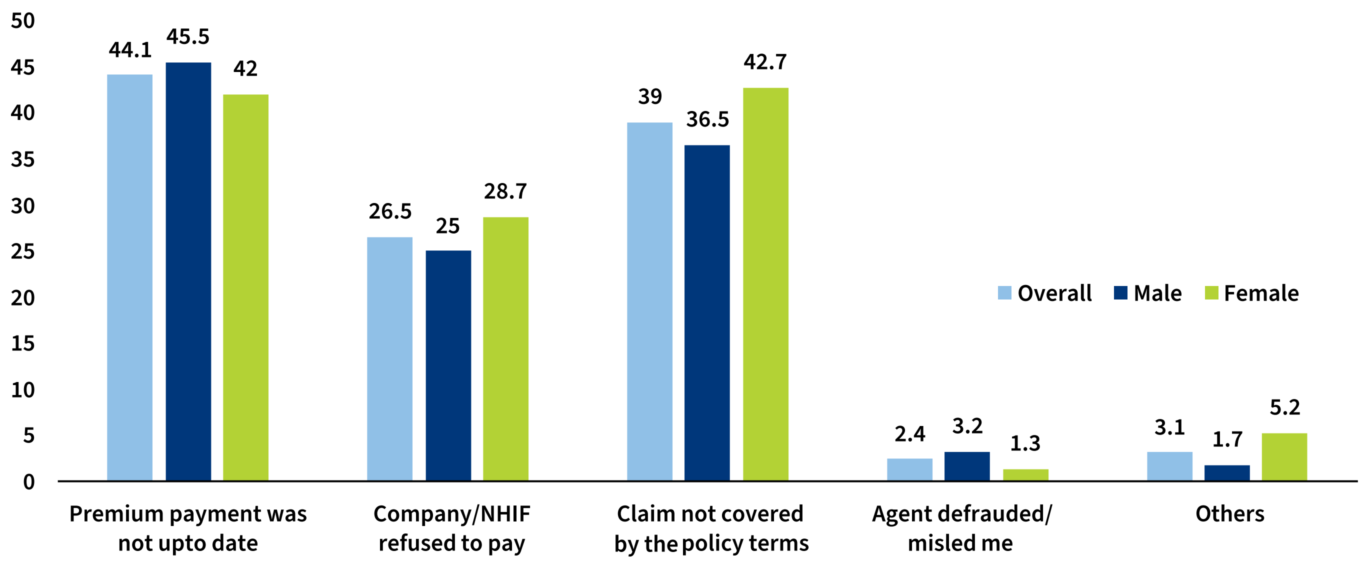
Channels for Paying Insurance Premiums

Mobile money and employer are the main channels used by the adult population in Kenya to pay insurance premiums payments (**Figure 3.23**).

Reasons Insurance Claim Was Not Paid

The survey sought to establish the reasons why respondents' insurance claims were not paid. The most common reason was overdue premium payments, as cited by 44.1 percent of the respondents, with men being more affected by this issue than women at 45.5 percent and 42.0 percent, respectively. This could be attributed to falling disposable income, or, lack of awareness on implications of defaulting in premium payments. The second most frequent reason cited by 39.0 percent of respondents was, claim of risk not covered by their insurance policy, with this reason affecting 36.5 percent of males and 42.7 percent of females. This shows a lack of understanding of policy terms among respondents. Additionally, 26.5 percent of respondents cited refusal of payment by the NHIF or insurance company, impacting 25.0 percent of males and 28.7 percent of females. This could be further an indication of lack of understanding of the policy coverage on the respondents part, or their rights as policyholders, as no reason for not being compensated for claims made was cited (**Figure 3.24).**

Figure 3.24: Reasons insurance claim was not paid (%)



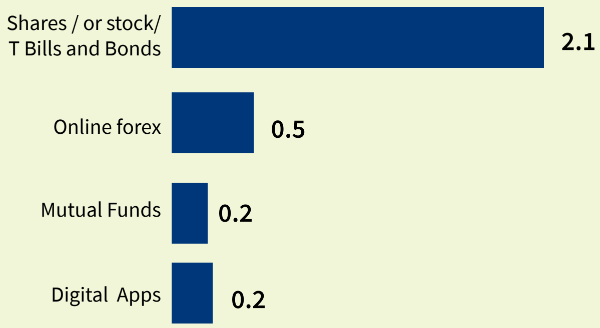
3.6.2 Investments Usage:

Investment in securities saw a slight increase, partly driven by the introduction of mobile trading apps like Dhow CSD and Dosikaa, along with improved returns on money markets.

Securities Investment by Asset Classes

Shares and stocks, treasury bills and bonds, are the main investment option at 2.14 percent. This preference indicates that traditional financial instruments remain a core focus for investors. Online forex follows at 0.5 percent, reflecting a niche interest in speculative trading. Digital apps and mutual funds, at 0.23 percent and 0.21 percent, respectively, show relatively lower adoption, suggesting limited engagement with these platforms and products. The overall low percentages point to an opportunity to promote alternative investment channels and diversify investor participation in the financial markets.

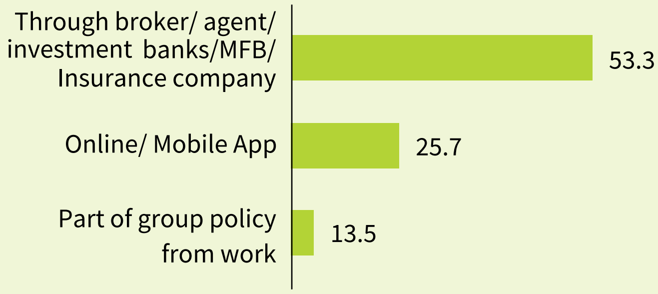
Figure 3.25: Securities Investment by Asset Classes, 2024 (%)



Channels for Investments

The data reveals that most investors (53.3 percent) rely on traditional intermediaries such as brokers, agents, or financial institutions for their investments. Online and mobile app platforms account for 25.7 percent, indicating growing adoption of digital tools, though they remain secondary to traditional channels. Workplace investment plans, like ESOPs, contribute 13.5 percent, reflecting their importance in encouraging investments. Other methods make up 6.6 percent, while uncertainty about investment channels is minimal at 0.6 percent. These findings highlight the need to enhance awareness and accessibility of digital platforms and employer-sponsored initiatives to broaden investment participation.

Figure 3.26: Channels Used for investments (%)

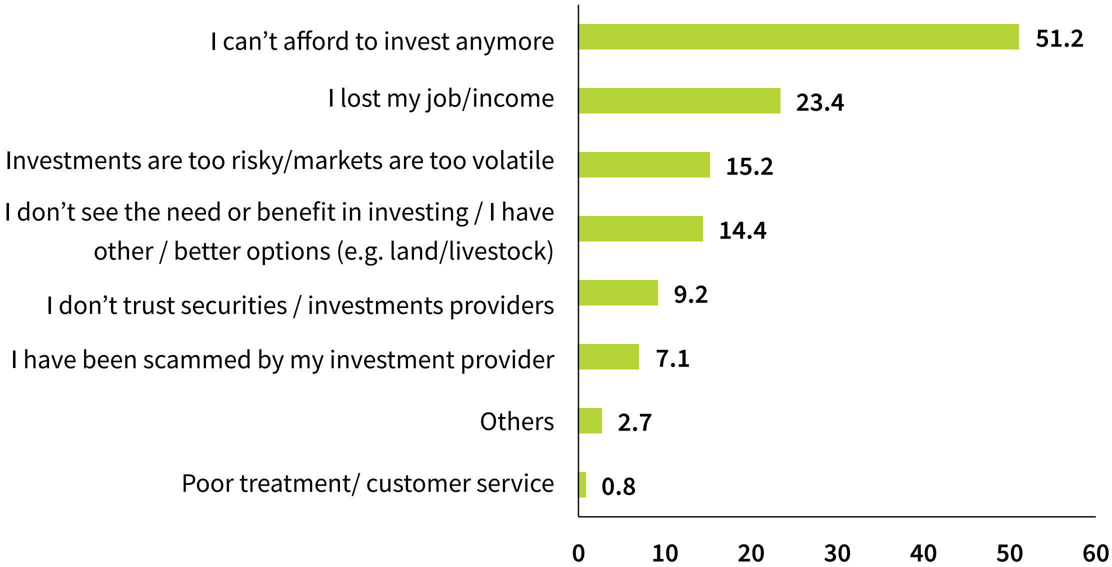


Reasons for stopping to invest

The primary reason for ceasing investment was affordability, reported by 51.2 percent of respondents, underscoring the significant impact of financial constraints on investment decisions. Loss of income or employment followed at 23.4 percent, highlighting the role of economic instability in deterring individuals from maintaining their investments.

Concerns about risky investments were cited by 15.2 percent of respondents, reflecting apprehension about market volatility and potential losses. Additionally, 14.4 percent indicated a lack of understanding or appreciation for the benefits of investing, pointing to a critical need for enhanced financial education and awareness programs to empower individuals with the knowledge necessary for informed decision-making. Confidence issues also emerged as notable barriers, with 9.2 percent citing distrust and 7.1 percent attributing their decision to experiences with scams. These findings reveal significant challenges in fostering trust and ensuring security within the investment landscape, underscoring the importance of regulatory oversight and transparent practices. Other minor factors included dissatisfaction with customer service (0.8 percent) and

Figure 3.27: Reasons for Stopped Investing, 2024 (%)



miscellaneous reasons (2.7 percent), suggesting that while these issues are less prevalent, they still play a role in discouraging some individuals from investing.

Overall, these insights emphasize the importance of addressing affordability, building investor confidence, improving financial literacy, and ensuring secure and transparent investment practices to promote sustained participation in the investment market.

3.6.3 Pension Usage

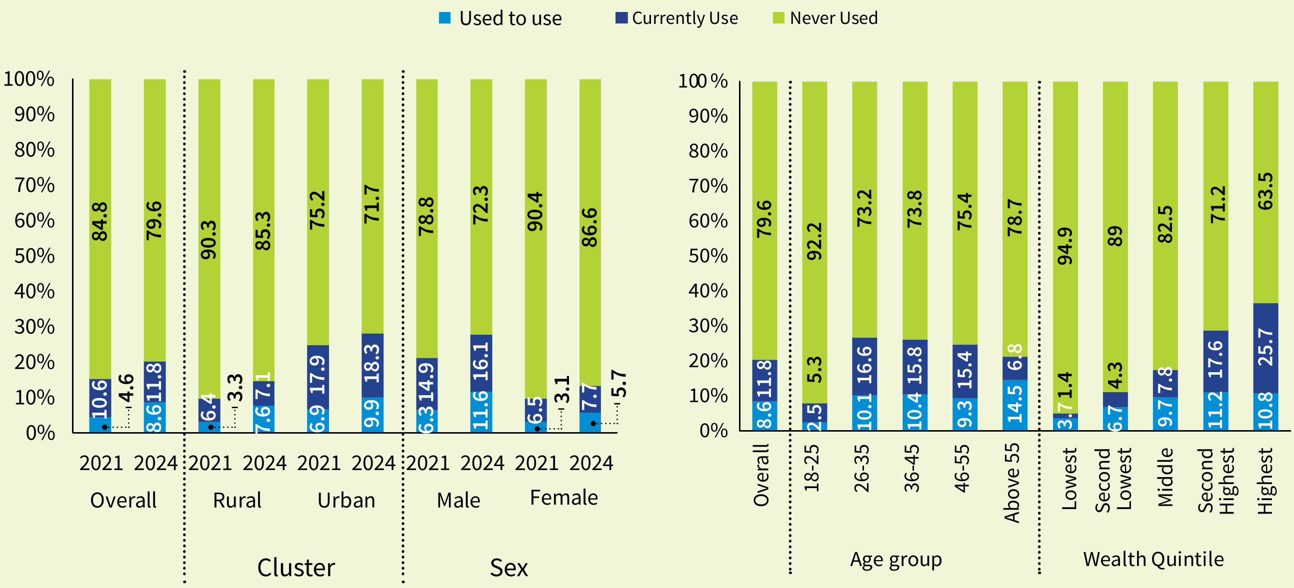
Pension usage among the adult population increased in 2024 to 11.8 percent from 10.6 percent in 2021. There was a significant growth of 4 percent in the proportion of the population that stopped using pension products from 4.6 percent in 2021 to 8.6 percent in 2024.

This can be explained by loss of jobs and the general reduction in disposable income caused by the recent economic shocks witnessed over the past years since the aftermath of disruption from the covid pandemic, political instability in Russia, Ukraine, and the Middle-east. However, the proportion of the adult population that has never used pension products reduced significantly from 84.8 percent in 2021 to 79.6 percent in 2024.

Pension usage by residence shows that those in urban areas were saving more for retirement relative to their counterparts in rural areas. Pension usage by gender indicated a higher rate among the male adult population at 16.1 percent compared to the female adult population at 7.7 percent. The trend in usage by sex mirrors the labour trends in Kenya where more males are employed than the female. Likewise, pension usage was relatively higher among the population aged 26 to 55 years which reflects the working age population. The results also indicate that pension usage among the adult population increases as the wealth quintile increases.

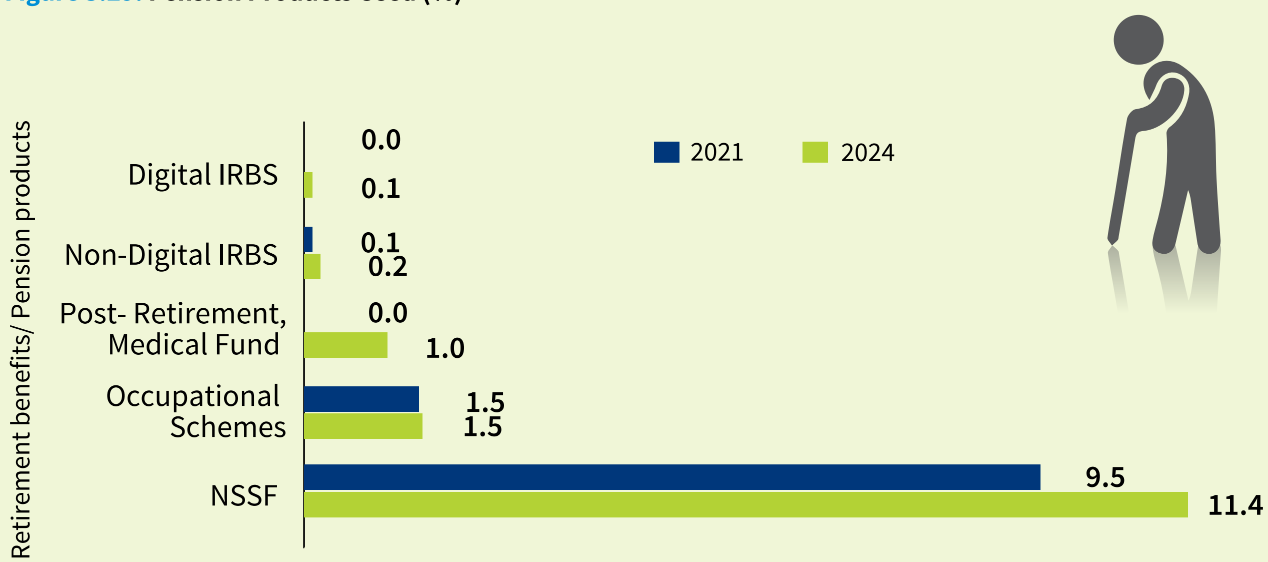
The adult population that were currently using pension products were mainly using it to make contributions through retirement benefits schemes at 94.0 percent whereas another 6.0 percent were using it by receiving pension payments after retirement. On the other hand, the adult population that previously used pension products were mostly those who had retired and were already paid their retirement benefits in lump sum or were waiting to be paid their retirement benefits after retirement at 78.6 percent. In addition, another 21.0 percent that previously used pensions products had been paid their retirement benefits as a lump sum one off payment **(Figure 3.28)**.

Figure 3.28: Pension Usage by Demographics (Residence, Sex, Age and Wealth quintile)



A majority of the adult population saving for retirement were doing so through NSSF at 11.4 percent which remains the dominant pension product. Usage of NSSF recorded an improvement from 9.5 percent reported in 2021 attributable to the commencement of implementation of the NSSF Act, 2013 in 2022 after the court injunction that had existed since 2013 was lifted. The increased enforcement of the Act might have also enhanced compliance among employers to contribute for their employees to NSSF. The usage of occupational retirement benefits schemes usage remained the same for both periods. The results also indicate an uptake of Post Retirement Medical Fund (PRMF) by 1.0 percent of the population which is a positive move though this is still a new product intended to enable the working age population to save for their medical expenses in retirement during their active working life. There was low uptake of both digital and non-digital Individual Retirement Benefit Schemes (IRBS) **(Figure 3.29)**.

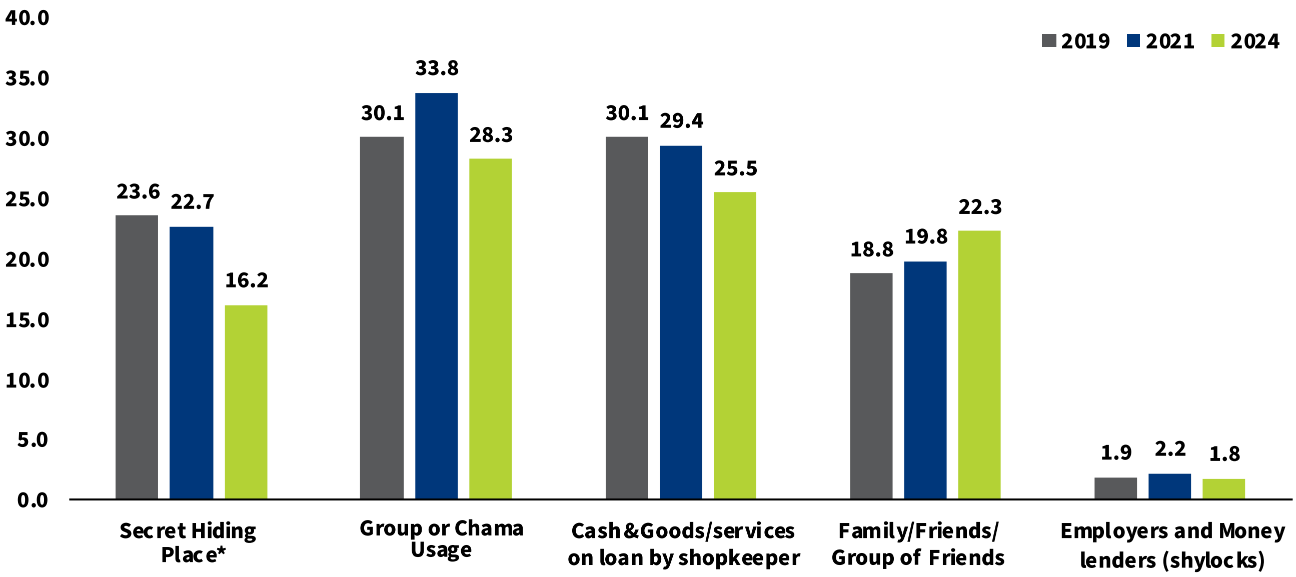
Figure 3.29: Pension Products Used (%)



3.7 USAGE OF INFORMAL CHANNELS

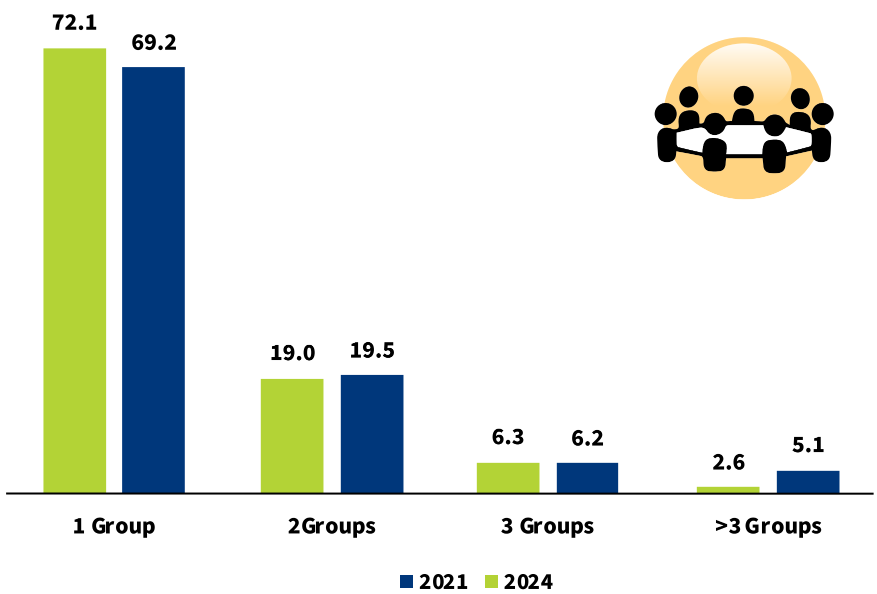
Informal financial service providers in this Survey are those not registered and/or regulated by any authority or legal entity. Informal usage combines Informal Groups (ASCAS, ROSCAs and Chamas), Family / Neighbours / friends, shopkeepers and employers. Overall informal financial services usage was at 30.8 percent of the population in 2024. This included informal loans (38.1 percent of the adult population) and informal savings (23.6 percent of the adult population). Usage of informal groups of financial services increased to 30.6 percent in 2024 compared to 28.7 percent in 2021. This reflects 8.6 million of the adult population in 2024 compared to 7.8 million in 2021. This increase was largely reflected in informal financial services such as family and friends. However, usage of groups or chamas, employers, shylocks and money lenders declined compared to 2021 **(Figure 3.30)**

Figure 3.30: Usage of Informal Channels (Credit and Savings) (%)



A large proportion of the group/ chama users (69.2 percent) belonged to one group, compared to 72.1 percent in 2021. Notably, the number of users in more than three groups/chamas almost doubled compared to 2021 this is due to .increasing diversification of financial needs and social support systems **Figure 3.31.**

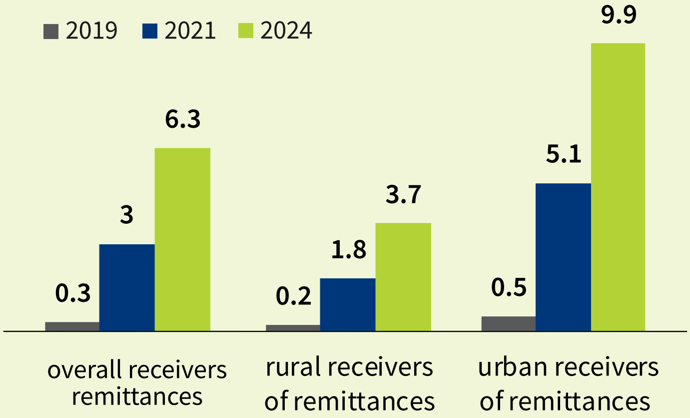
Figure 3.31: Membership of Groups (%)



Remittances

The number of remittance receivers expanded significantly, from only 75,080 in 2019 to 1.78 million in 2024, marking a steady rise in the percentage of adults receiving remittances (0.3 percent in 2019 to 6.3 percent in 2024). The share of rural receivers increased from 0.2 percent in 2019 to 3.7 percent in 2024, while the share of urban receivers grew more rapidly, from 0.5 percent in 2019 to 9.9 percent in 2024. These figures highlight the growing importance of remittances as a financial resource for both rural and urban households, with urban areas consistently maintaining a higher percentage of receivers.

Figure 3.32: Cross-border Remittances Trends (%)



3.8 MODES OF PAYMENTS

A majority of Kenyans use both cash and non-cash across all types of transactions. Exclusive use of cash declined while mobile money increased.

Figure 3.33(a): Modes of Payments 2021 (%)

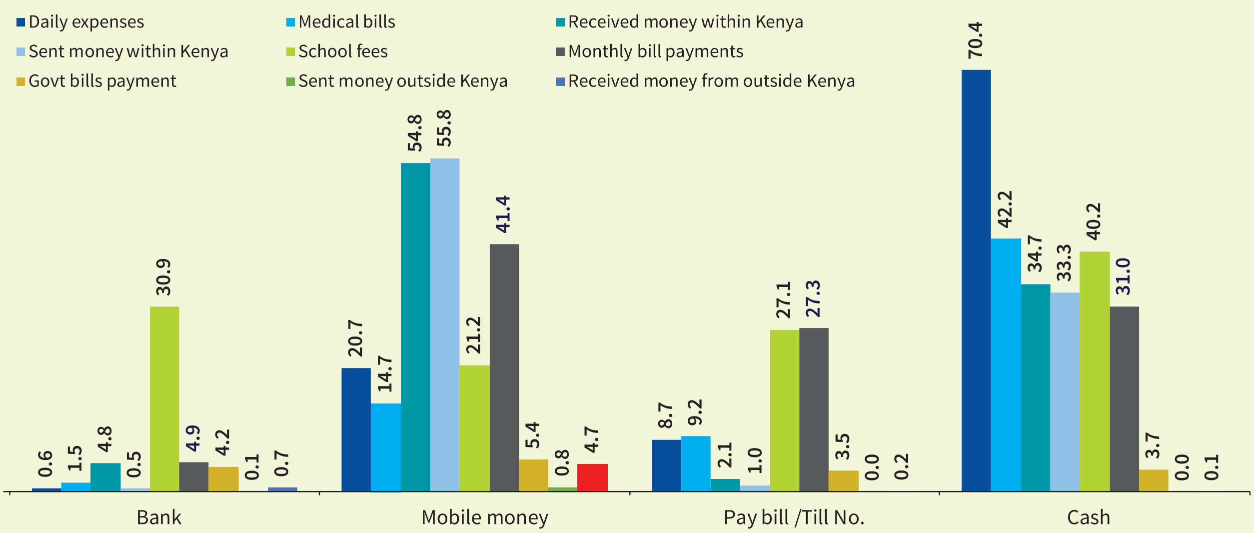
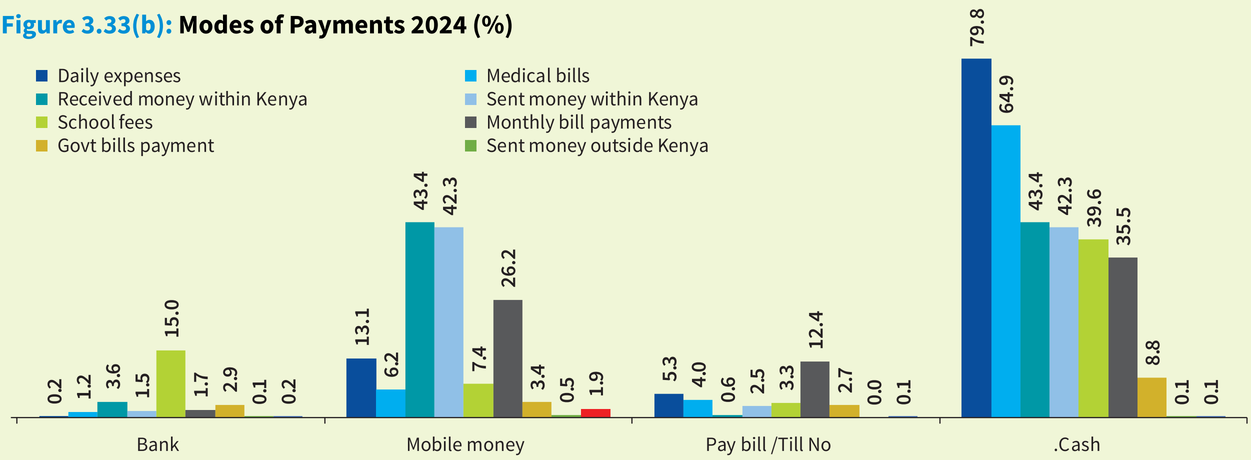


Figure 3.33(b): Modes of Payments 2024 (%)



> *Addressing quality concerns in the era of financial digitalisation and misinformation.*

The quality dimension measures whether the financial products and services match clients' needs, the range of options available to customers, and clients' awareness and understanding of financial products by focusing on financial literacy and consumer protection concerns.

04

04 QUALITY of Financial Services and Products

4.1 FINANCIAL LITERACY

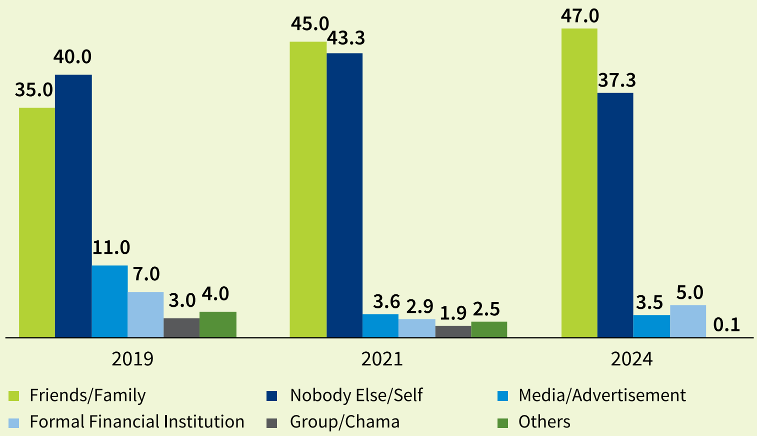
Financial literacy encompasses the awareness, knowledge, skills, and attitudes needed to make informed and effective financial decisions. A critical aspect of this literacy is the source of financial advice individuals rely on, which reflects their trust in specific institutions or individuals. Trustworthy and accessible financial advice can guide sound decision-making, reinforcing consumer confidence in the financial ecosystem.

Key components of financial literacy include understanding basic financial terms and being able to recognize and evaluate transaction costs associated with financial services. This knowledge is vital for protecting consumers from exploitation, enabling them to make informed choices about financial products and services. Furthermore, financial literacy supports effective personal financial planning and budgeting, equipping individuals to manage their resources wisely and achieve their financial goals.

Sources of Financial Advice

Friends and family remain a significant source of financial advice in 2024. However, self-reliance emerged as the primary source of financial advice, with 37.3 percent of respondents relying on themselves. Additionally, there has been a notable increase in the use

Figure 4.1: Sources of Financial Advice by Sex (%)

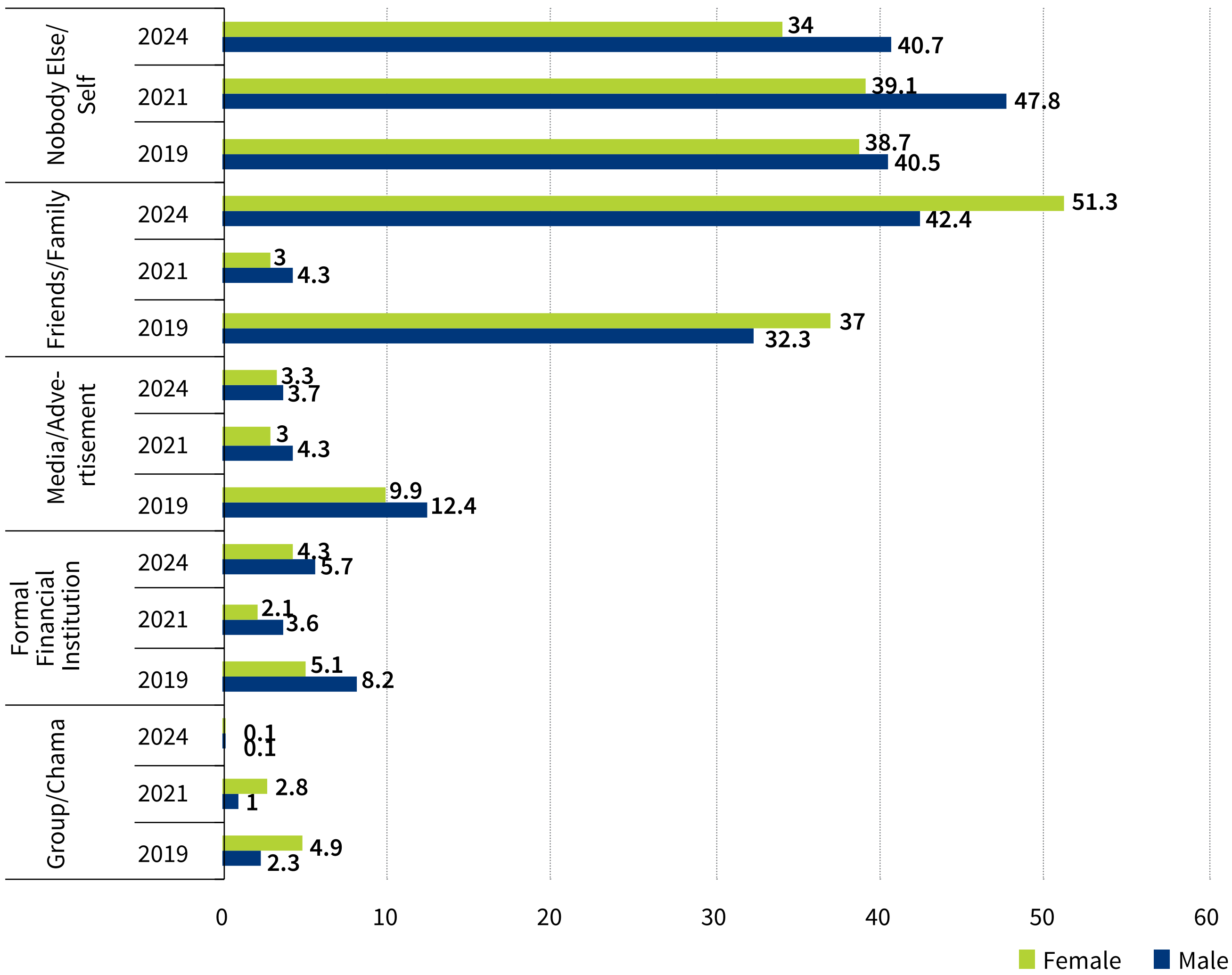


of formal financial institutions registering 5.0 percent in 2024 compared to 2.9 percent 2021.

Sources of Financial Advice by Sex

Across the years, more males relied on themselves for financial advice compared to females. In addition, the gender gap narrowed slightly to 6.7 percentage points in 2024 from 8.7 percentage points in 2021, reflecting increased autonomy among females in financial decision-making. However, reliance on personal networks (friends and family) for financial advice significantly increased among females and males to 51.3 percent and 42.4 percent, respectively, in 2024, from 3.0 percent and 4.3 percent, respectively, in 2021. Subsequently, notable growth was observed in seeking advice from the formal financial institutions by males and females, with males seeking advice increasing to 5.7 percent in 2024 from 3.6 percent in 2021 compared to females seeking advice, which rose to 4.3 percent in 2024 from 2.1 percent in 2021. The influence of media and advertisements as a source of financial advice has diminished among males, with a significant decrease from 4.3 percent in 2021 to 3.7 percent in 2024, while on the other hand, females recorded an increase from 3 percent in 2021 to 3.3 percent in 2024. Group/Chama usage has almost disappeared in 2024, reflecting a significant shift away from informal, community-based sources of financial advice.

Figure 4.2: Sources of Financial Advice by Sex (%)



a) *Sources of financial advice by education*

A large portion of respondents across all education levels rely on themselves for financial advice. This is most common among those with no formal education (47.3 percent) and those with secondary education (32.8 percent). Friends and family are also a major source of advice for many people, especially those with no formal education (44.0 percent) and primary education (45.3 percent), showing the importance of informal support networks.

b) *Sources of financial advice by residence*

Urban residents took the lead in seeking financial advice from Friends and Family, recording 48.5 percent against those in the rural areas standing at 45.9 percent. On the other hand, rural residents took the lead in self-reliance on financial advice recording 39.3 percent against those in the urban areas that recorded 34.4 percent.

Figure 4.3 Sources of Financial Advice by Education (%)

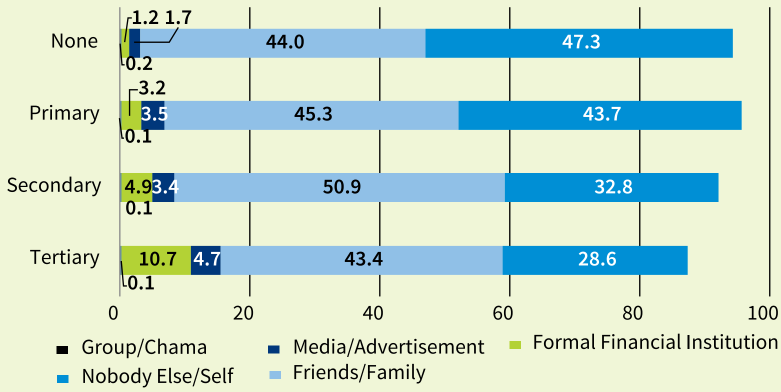


Figure 4.4 Sources of Financial Advice by Residence (%)

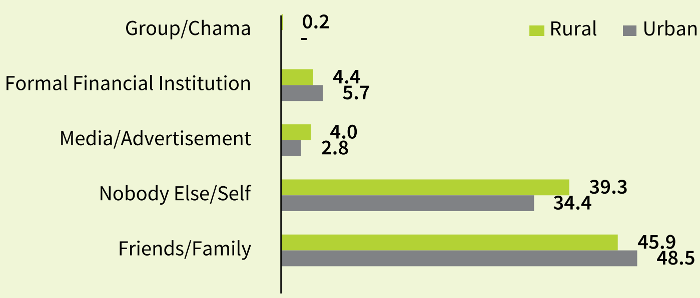
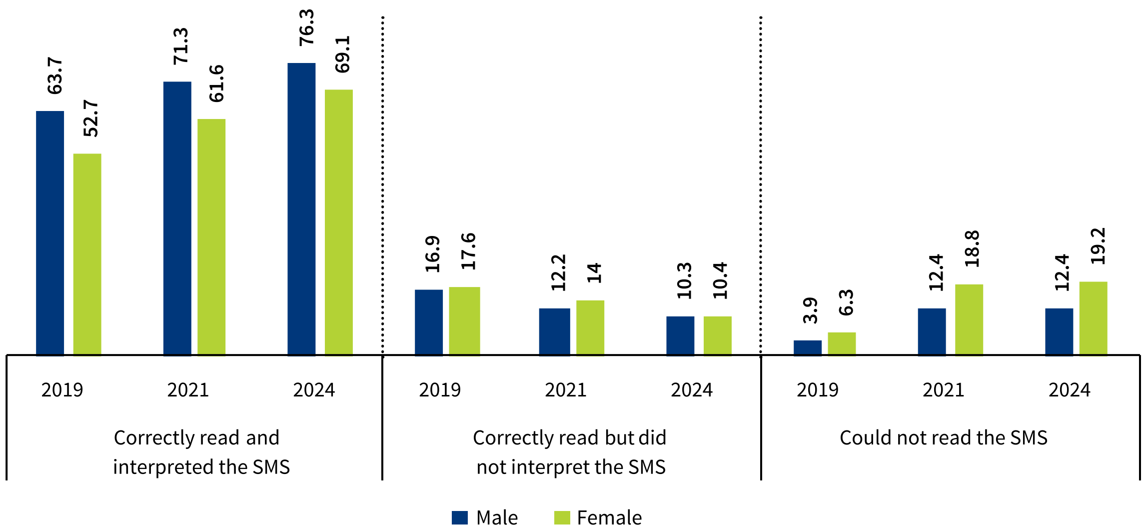


Figure 4.5: Knowledge of Transaction costs by Sex (%)



4.2 KNOWLEDGE OF COST OF BORROWING AND TRANSACTION COST

a) Knowledge of Transaction Costs

Respondents were shown a typical SMS message displaying transaction values and related costs, similar to those used by financial service providers. Results showed that 72.7 percent of respondents could accurately read and interpret a message indicating transaction costs on a mobile phone, with 76.3 percent of males and 69.1 percent of females interpreting the information correctly.

b) Knowledge on Transaction Costs by Education

The survey results indicated that 81.0 percent of the respondents who did not attend school could not read the SMS. Respondents with Tertiary level of education were able to read and interpret the SMS recording 97.1 percent followed by secondary and primary at 90.2 percent and 59.0 percent respectively.

Figure 4.6: Knowledge on Transaction Cost by Education (%)

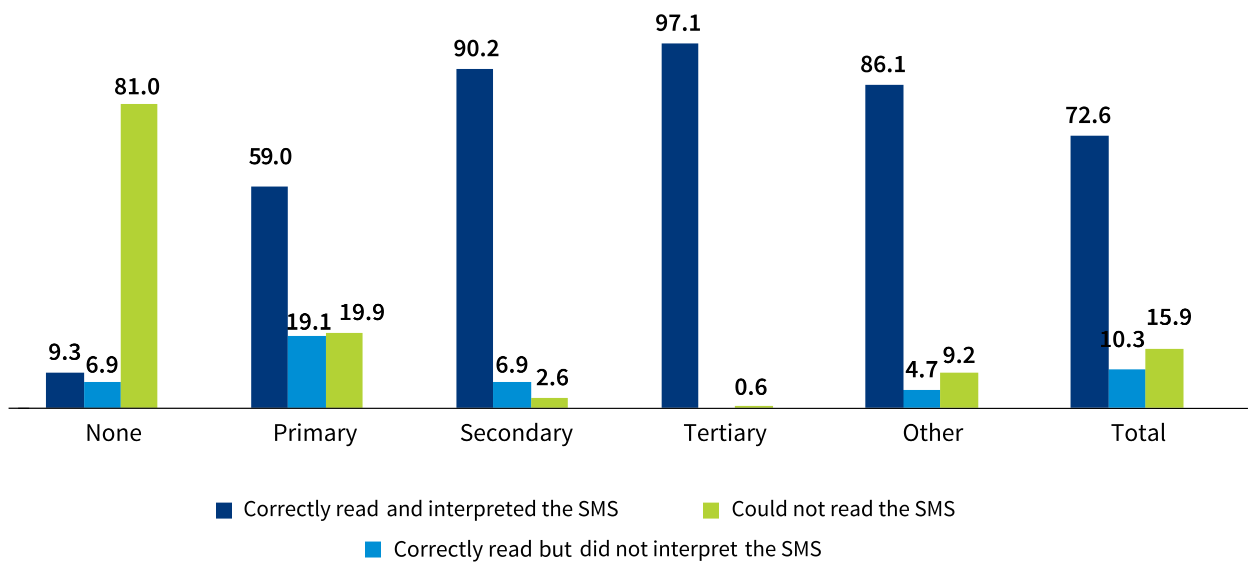


Table 4.1: Financial Literacy (%)

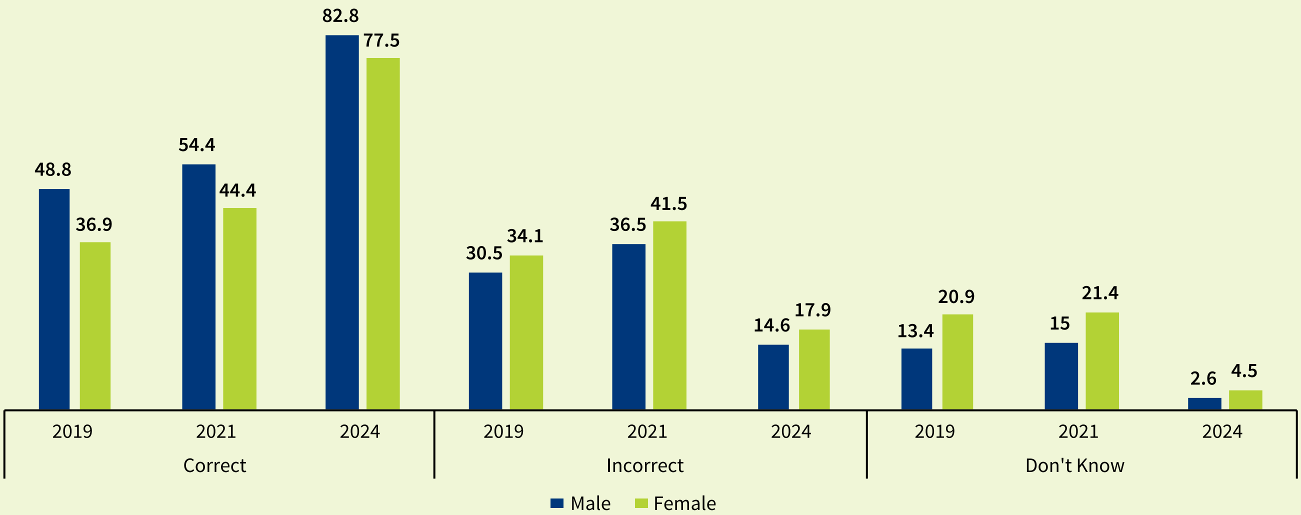
		Knowledge on interest rates		knowledge on inflation rates		Risk diversification	
		correct	incorrect	correct	incorrect	correct	incorrect
Total		**80**	**16.3**	**86.8**	**13.2**	**54.9**	**45.1**
Cluster Type	Rural	76.9	17.6	85.1	14.9	52.6	47.4
	Urban	84.4	14.6	89.1	10.9	58.1	41.9
Sex of Selected Individual	Male	82.8	14.6	86.8	13.2	58.3	41.7
	Female	77.5	18	86.8	13.2	51.6	48.4
Agegroup of Selected Individual	18-25	81	16.3	86.6	13.4	59.7	40.3
	26-35	83.1	15	88.1	11.9	58.2	41.8
	36-45	81.4	16.5	85.9	14.1	55.9	44.1
	46-55	82.6	14.7	87.5	12.5	54.5	45.5
	Above 55	68.4	20.1	84.9	15.1	37.7	62.3
Education Level of Respodent	None	47.7	33.7	75.6	24.4	37	63
	Primary	77.6	18.3	86.7	13.3	50.9	49.1
	Secondary	85.7	13.5	87.5	12.5	57.5	42.5
	Tertiary	90.9	8.9	91.7	8.3	67.1	32.9

The survey result indicated that majority of respondents were able to respond correctly the questions on interest rate and inflation rates recording 80.0 percent and 86.8 percent respectively, compared to risk diversification question that only 54.9 percent respondents answered correctly as shown in **Table 4.1** above.

4.3 COST OF BORROWING

The survey assessed respondents' ability to accurately calculate 10.0 percent interest on a Ksh 1,000 loan. Approximately 80.1 percent of respondents provided the correct interest cost, 16.2 percent gave incorrect answers while 3.5 percent did not know. Among respondents, 82.8 percent of males correctly calculated the interest, compared to 77.5 percent of females.

Figure 4.7: Knowledge on cost of Borrowing by Sex (%)



Financial Literacy Index

The financial literacy index is a composite measure that combines 3 questions asked to all the survey respondents. These are:

i) *Suppose you borrowed Ksh 1,000 at an interest rate of 10 percent per month. If you are to repay the loan plus interest after one month, do you think you would have to repay...."More than Ksh 1,000, Exactly Ksh 1,000 or Less than Ksh 1,000*

ii) *If you spent Ksh 500 for your daily needs in July last year, Can your Ksh 500 today buy.....More than last year July, the same as last year July, less than last year July?*

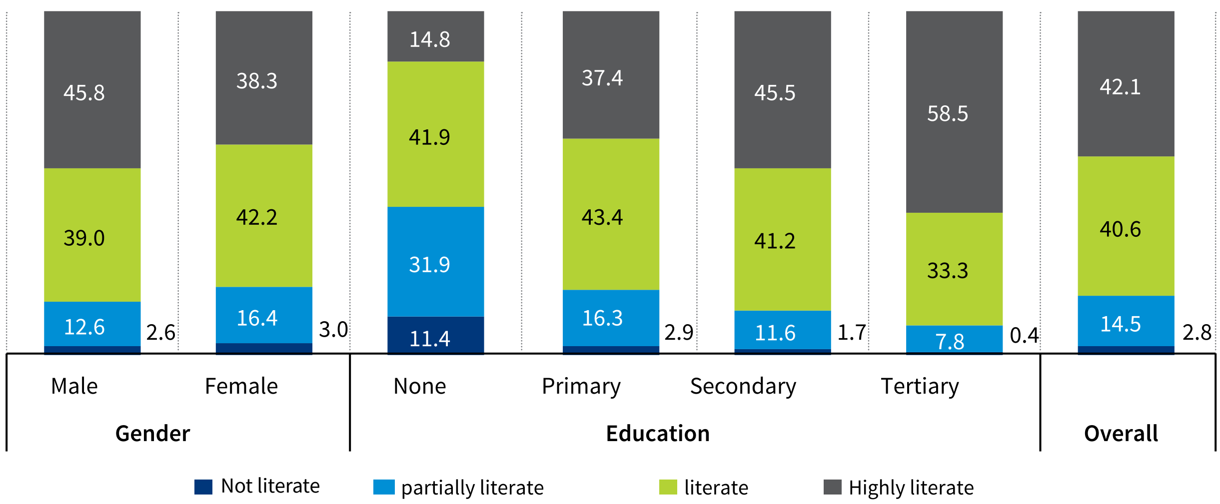
iii) *Suppose you have a large sum of money you would like to invest. Would you...Invest in multiple assets or invest in single assets?*

One is considered highly financially literate when they correctly answer all 3 questions, financially literate when they answer two questions correctly, partially or fairly financially literate when they answer one question correctly, while those who do not get any of the 3 questions correct are not financially literate.

Overall, 42.1 percent of those interviewed were highly literate, 40.6 percent were literate, 14.5 fairly literate and 2.8 percent not financially literate. The results reveal that a gender gap exists in financial literacy at 7.5 percentage points where 45.8 percent of men reported being highly literate compared to women at 38.3 percent. This gap highlights that men generally exhibit higher financial literacy levels than women, possibly due to socioeconomic factors such as access to financial education and productive resources. Further, non-financial literacy was slightly higher among women at 3 percent compared to men at 2.6 percent. This reflects disparities in access to financial knowledge, potentially stemming from structural barriers that limit women's opportunities towards access to financial education.

For those with tertiary education 58.5 percent were Highly literate; 33.3 percent were literate and 0.4 percent were not literate. A majority of those with no education are literate, recording 41.9 percent, while 31.9 percent are fairly literate and 11.4 percent are not literate. This is an indication that there exists other informal channels of acquiring financial literacy. Among the males, the highly-literate (45.8 percent) surpass the literate (39.0 percent) compared to females where the literate (42.2 percent) surpass the highly literate (38.3 percent).

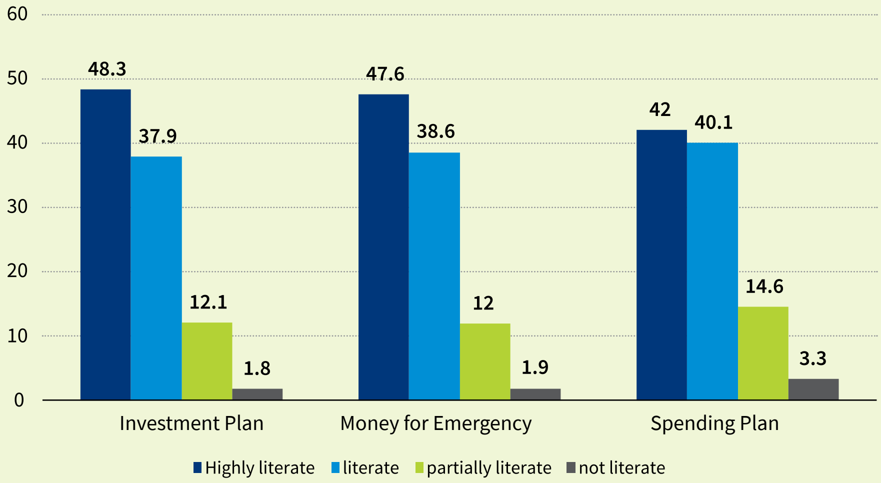
Figure 4.8: Financial Literacy Index (%)



Capability Index

Capability index is the measure of the literacy level and financial decisions such as non monetary investments, keeping money aside for emergencies and having a spending plan. The survey results showed that the highly literate and literate individuals make better financial decisions compared to individuals who are not financially literate as shown in **Figure 4.9**.

Figure 4.9: Capability Index (%)



4.4 LOAN DEFAULT

The Survey sought to measure the extent to which households defaulted on existing loans in the 12 months leading up to the Survey period. A default has been defined to include missing a scheduled repayment, paying late, or paying less than the required amount. These indicators reflect households' cash flow management abilities and have implications on the profitability of credit providers. The Survey results indicate that the proportion of those who reported to have borrowed and defaulted by not paying at all increased from 10.7 percent in 2021 to 16.6 percent in 2024. However, the percentage of those who paid late or missed a payment reduced from 45.8 in 2021 to 37.2 in 2024. In addition, the percentage of those who did not have any form of default increased from 42.6 in 2021 to 45.9 in 2024.

Figure 4.10: Defaulters by Type (%)

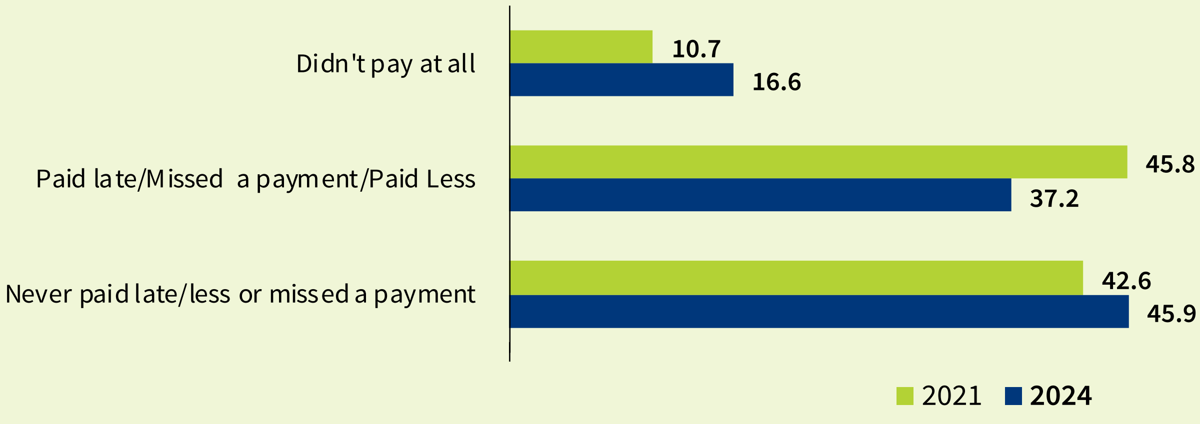
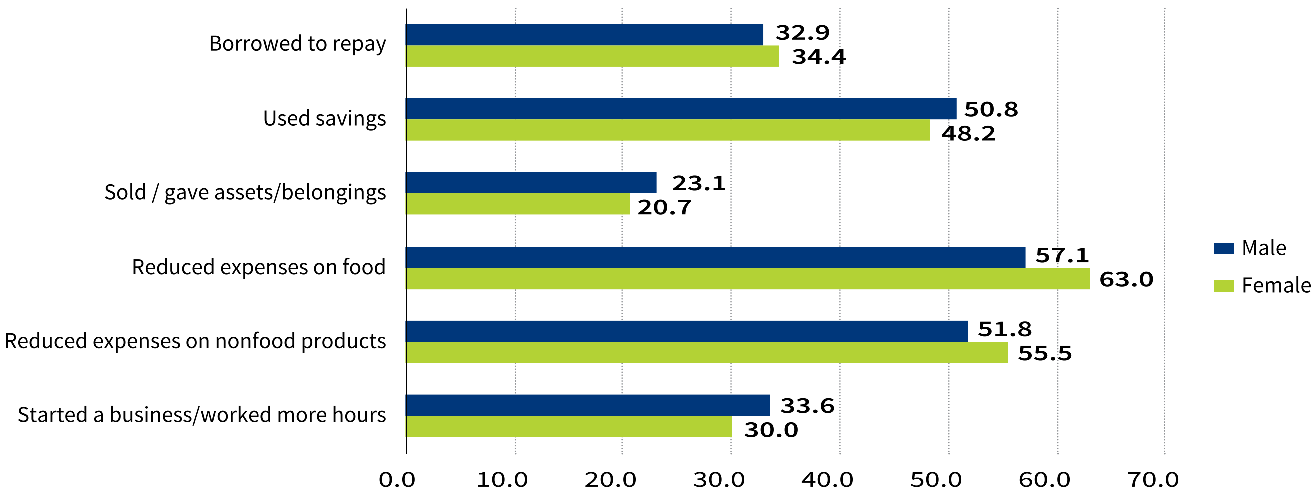


Figure 4.11: Action Taken to Repay the Loan (%)

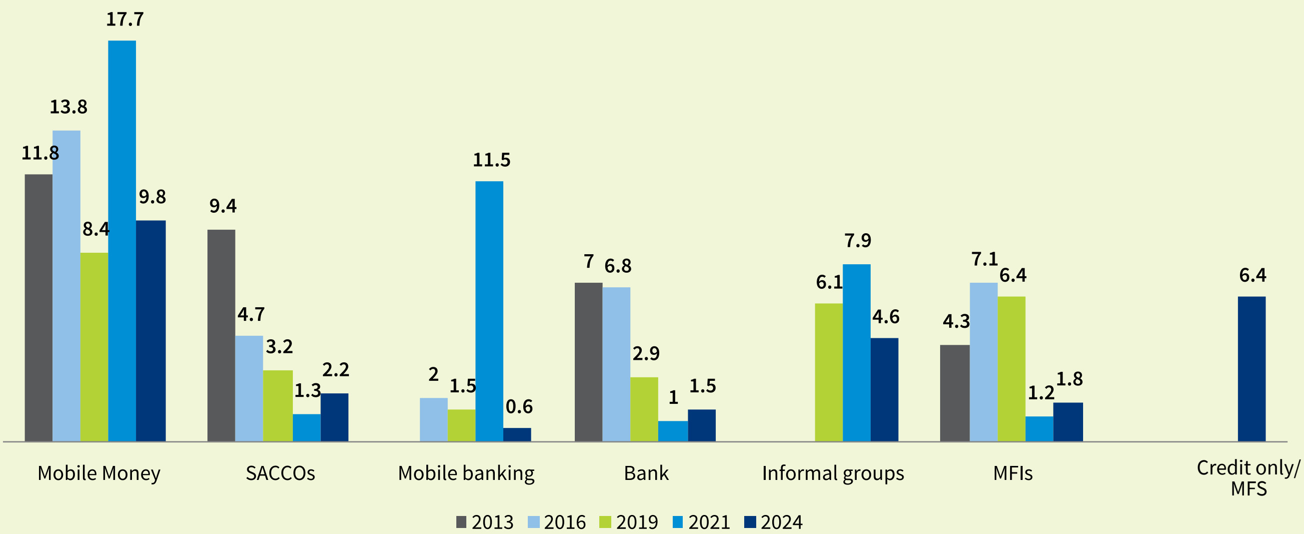


Strategies employed by households in debt repayment and resolving household indebtedness in 2024 include; cut down on other expenses (food and non-food), ran down savings, looked for additional work/business and took another loan to repay. The most popular action to repay is by reducing expenses on food with females surpassing males by recording 63.0 percent and 57.1 percent respectively. The least sought action to pay is by selling or giving assets and belongings which saw females record 20.7 percent and males 23.1 percent. Males are more willing to part with their assets and belongings as compared to females.

The most popular action to repay is by reducing expenses on food with females surpassing males by recording **63.0 percent** and **57.1 percent** respectively.

4.5 RISKS OF MONEY LOSS AND INCIDENCES OF FRAUD

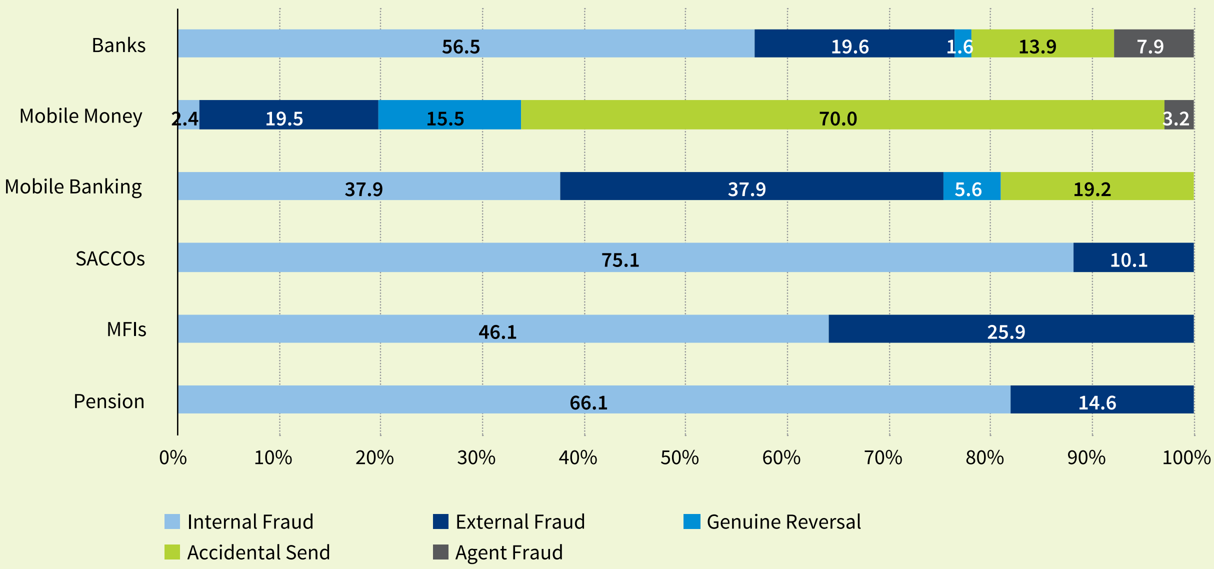
Figure 4.12: Respondents Reporting Incidences of Money Lost and Incidents of Fraud by Provider/Product (%)



How money was lost

Regarding money loss, respondents cited various incidences. Internal fraud in SACCOs and pension schemes was the most prevalent at 75.1 percent and 66.1 percent, respectively, while accidental sending of money was prevalent in mobile money services at 70.0 percent.

Figure 4.13: How Money Was Lost (%)



4.6 CONSUMER PROTECTION

Challenges Faced by Consumers of Financial Products and Services

Figure 4.14: Issues by Service Provider (%)

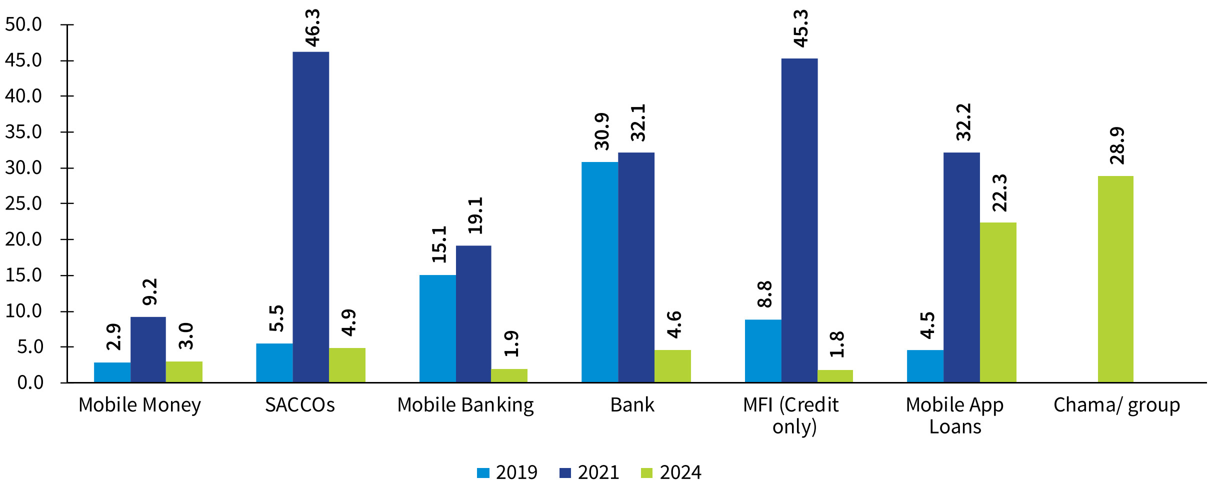
Issues	Bank	SACCO	MFI Traditional	Digital Apps	Hire Purchase	Mobile Money	Mobile Bank	Securities
Unexpected or hidden charges account	4.6	4.9	49.4	22.3	9.5	3	1.9	2.8
Unethical Practices	1	1.5	62.7	34.9	15.6	N/A	1.5	0.6
System downtime	11	0.8	47.8	22.5	10.3	21.1	5.6	4.4
Money Lost	1.5	2.2	17.5	6.4	2.5	9.8	0.6	4.4

Service Provider

The Constitution of Kenya and the Consumer Protection Act of 2012 strongly uphold the rights of consumers of goods and services, emphasizing their access to information and the delivery of quality services. The 2024 FinAccess Survey examined customer experiences, focusing on the service quality and information provided by financial service providers to evaluate consumer protection practices.

Respondents reported various challenges in the use of financial services and products. For mobile money users, 21.1 percent reported system failures as a key issue, followed by Money lost at 9.8 percent. SACCOs users cited system failures at 9.8 percent. In mobile bank, system failure and communication hurdles were reported by 5.6 percent of respondents. Bank users noted system failure as their top issue at 11.0 percent.

Figure 4.15: Unexpected or Unclear Charges Faced by Consumers (%)



Transparency in service-related costs ensures that users have the necessary information to make informed decisions about products and services. The survey results indicate significant improvements in transparency by 2024 compared to 2021.

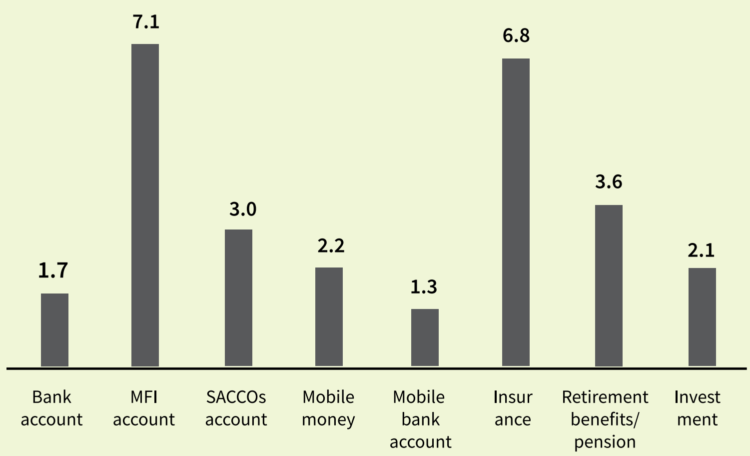
SACCOs experienced substantial reductions in reported transparency issues, dropping to 4.9 percent from 46.3 percent . SACCOs have enhanced member awareness through public campaigns, increased use of SMS communication to educate members, and improved product disclosures for savings and loans. Additionally, the regulator, SASRA, introduced market conduct guidelines that enhanced price transparency and promoted fair credit charges.

Similarly, banks reported a decline in transparency issues from 32.1 percent in 2021 to 4.6 percent in 2024, while mobile bank saw a drop from 19.1 percent to 1.9 percent over the same period. Despite these advancements, new concerns emerged for Chama/groups, with 28.9 percent of users reporting unexpected charges in 2024.

Overall poor service received 2024

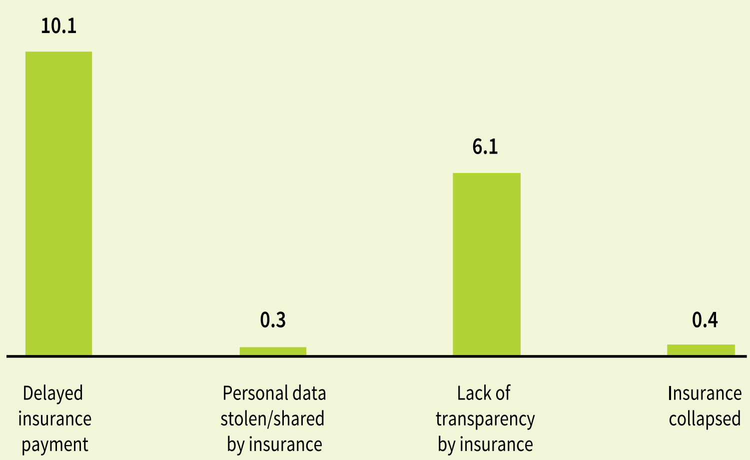
User experience with products and services is a critical factor in promoting financial inclusion. Poor customer service that falls short of expectations discourages service usage and signals a lack of understanding of user needs by service providers. The highest reports of poor service were among account holders of MFIs and Insurances, at 7.1 percent and 6.8 percent, respectively. In contrast, mobile bank account recorded the fewest instances of poor service (**Figure 4.16**).

Figure 4.16: Overall Poor Service Received 2024 (%)



Insurance consumers encountered various challenges, with delayed payments being the most prevalent, impacting 10.1 percent of the respondents. This points to a problem in the timely processing of claims. Another concern was the lack of transparency, noted by 6.1 percent of respondents, which reveals shortcomings in communication of terms and conditions of insurance policies by insurance providers. Although insurance collapses were less common at 0.4 percent, they still posed threats to consumer trust and financial security (**Figure 4.17**).

Figure 4.17: Insurance Consumer Protection Issues (%)



The most faced challenges by pension consumers that affected their financial security was delayed pension payments at 3.5 percent of the pension consumer. This problem might be more pronounced among those in schemes with funding issues, particularly the unfunded

Figure 4.18: Pension Consumer Protection Issues (%)

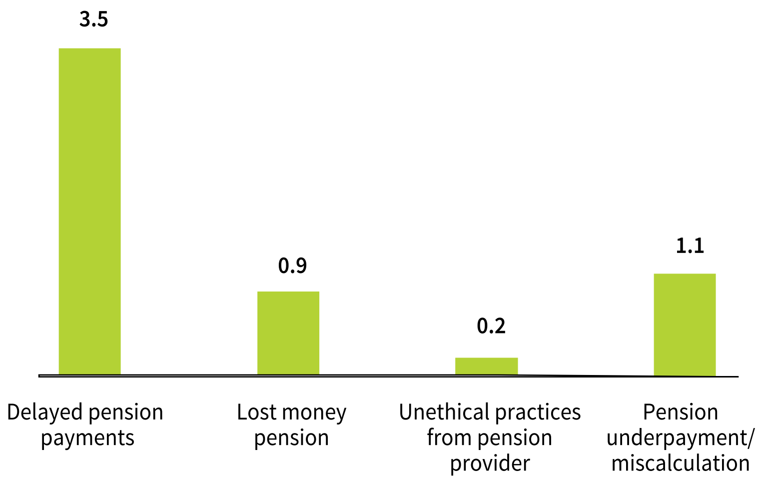


Figure 4.19: Securities Investment Consumer Protection Issues (%)

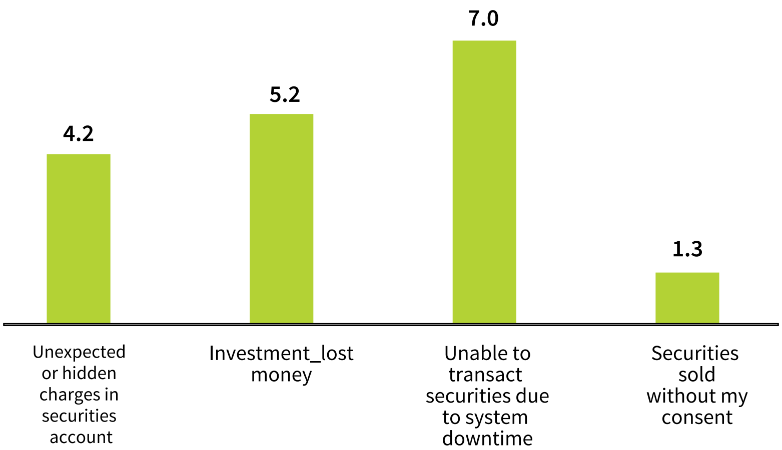
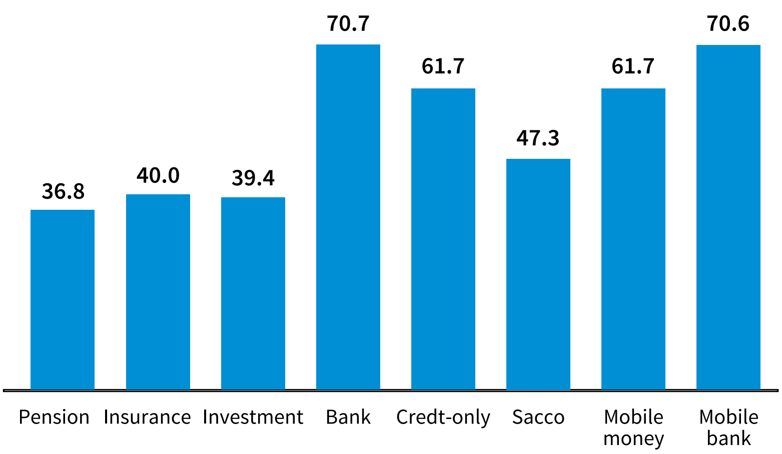


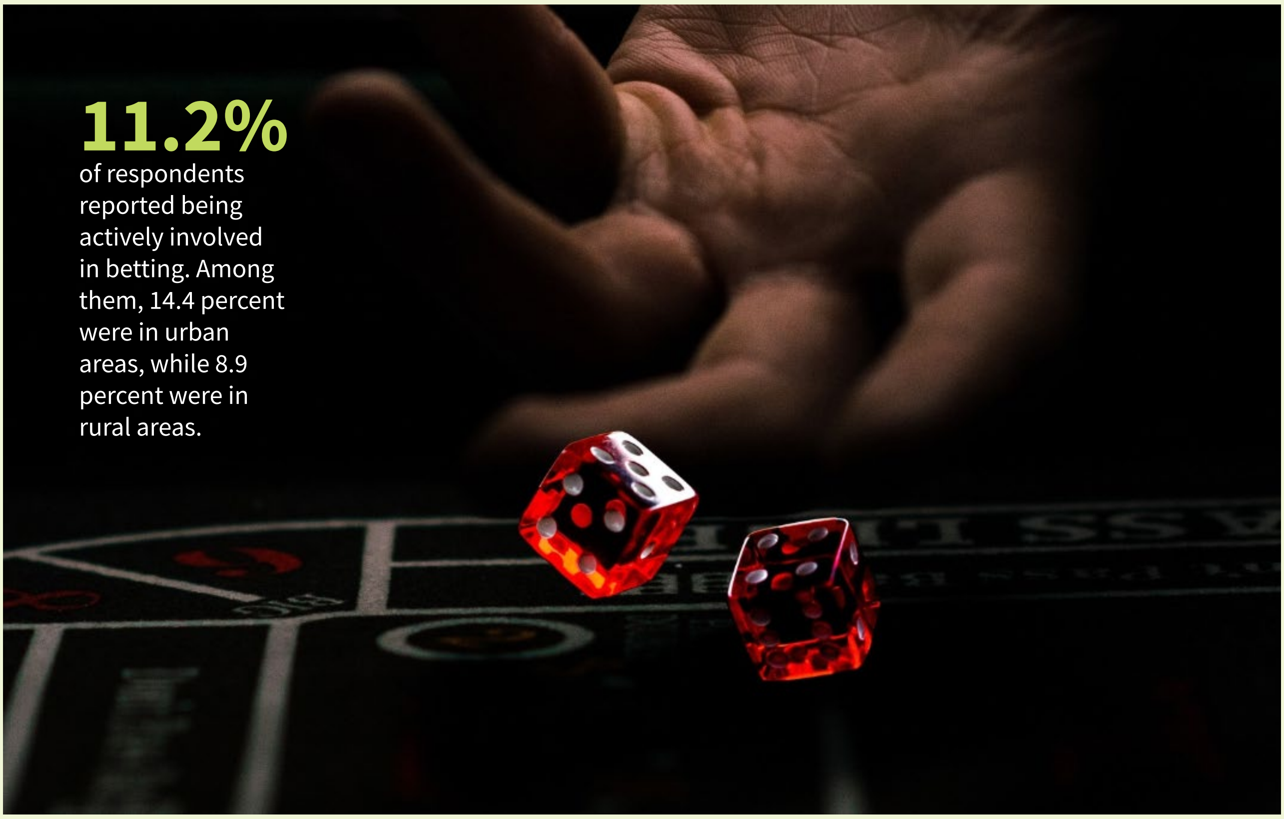
Figure 4.20: Users Reporting Successful Resolution of a Challenge (%)



defined benefits scheme for civil servants. The other consumer protection challenges experienced by pension consumers were underpayment or miscalculation of pensions at 1.1 percent and loss of pension money reported by 0.9 percent. In addition, there were minimal unethical practices by pension providers, reported by a minority of pension users at 0.2 percent. The other issues reported were fairness and trustworthiness of pension service providers(**Figure 4.18**).

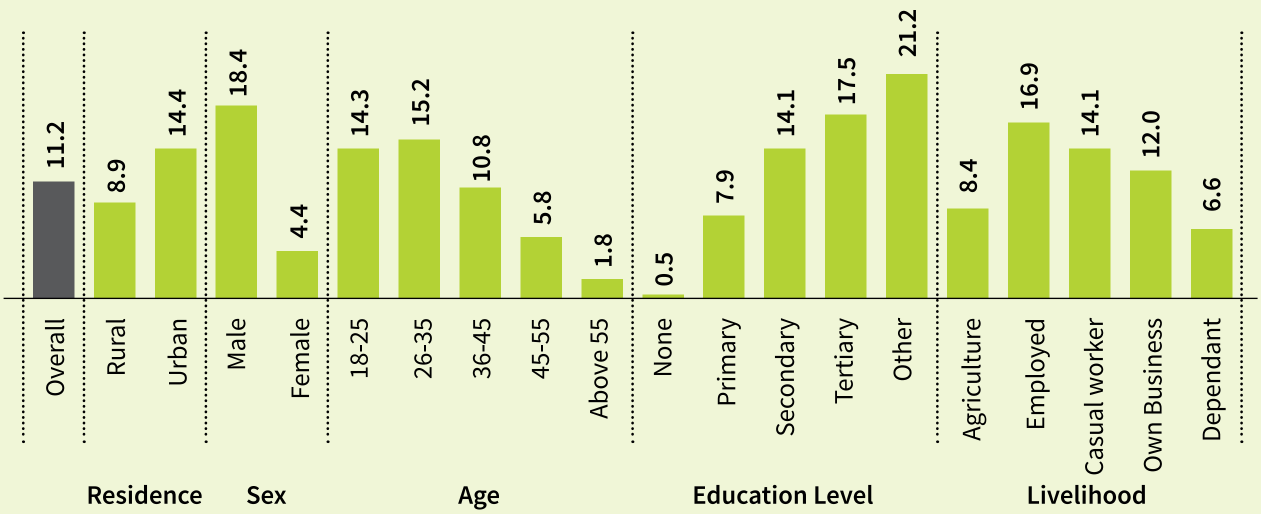
In the securities investment landscape within the capital markets, the most prominent challenge impacting investors in the capital markets space was system downtime, affecting 7.0 percent of participants. This issue is particularly significant for those dependent on digital trading platforms, where frequent outages can disrupt trading activities. Investment losses were another notable concern, reported by 5.2 percent of investors, alongside unexpected or hidden charges in securities accounts, which affected 4.2 percent. Additionally, a smaller proportion of investors (1.3 percent) experienced unauthorized sales of their securities. These challenges highlight the need for enhanced reliability, transparency, and trust in the services provided by market intermediaries
(**Figure 4.19**).

It is a common occurrence to encounter challenges in the course of providing and consuming financial services. A vibrant and robust financial system is effectively responsive to challenges that emanate from consuming financial services. Banking service providers, standing at 70.7 percent were reported to be the most successful in resolving reported cases while Pension service providers standing at 36.8 percent were the least effective (**Figure 4.20**).



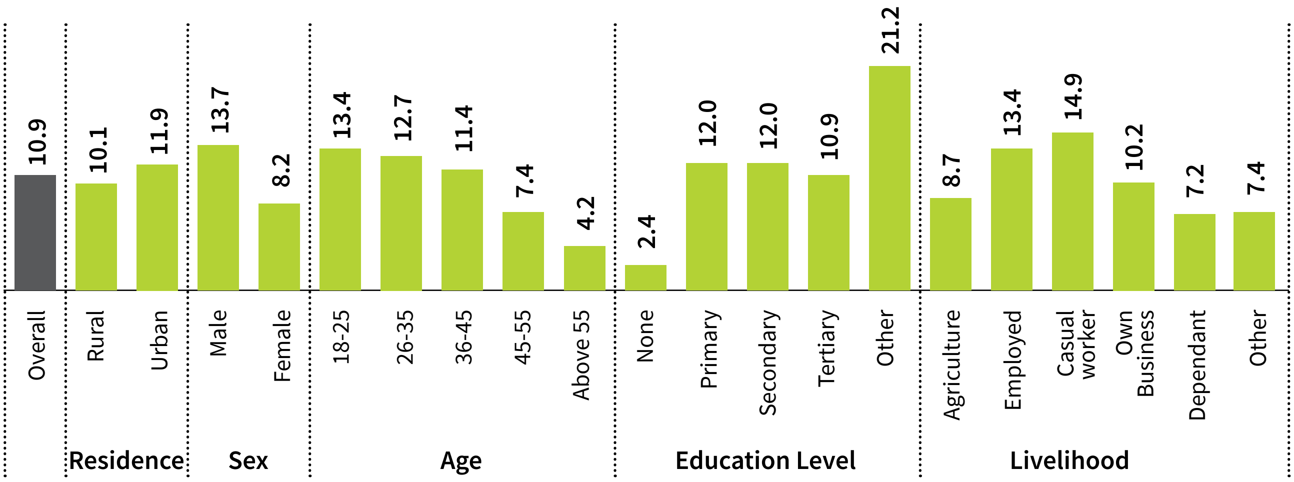
4.7 PERCEPTIONS ON BETTING/ GAMBLING

Figure 4.21: Proportion of Individuals Engaged in Betting (%)



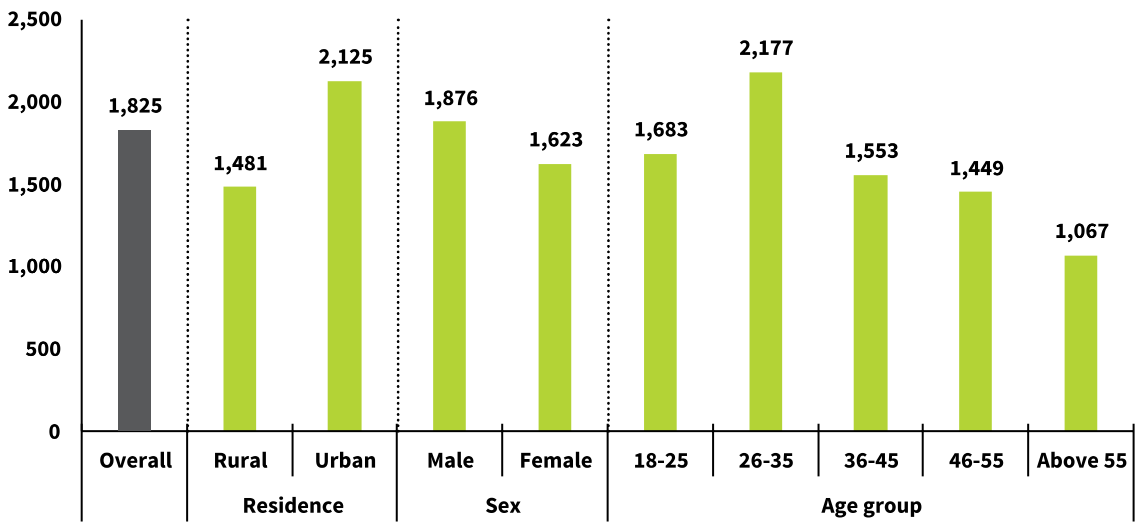
Gaming companies have continued to leverage mobile phones and mobile money to reach a broader audience through gambling, particularly sports betting. In the 2024 Survey, 11.2 percent of respondents reported being actively involved in betting. Among them, 14.4 percent were in urban areas, while 8.9 percent were in rural areas. The highest participation was seen among young males aged 26 to 35, with 15.2 percent, followed by those aged 18 to 25 at 14.3 percent.

Figure 4.22: Individuals Who Perceive Gaming as a Good Source of Income by Demographic (%)



The Survey explored perceptions of gambling as a viable source of income. In 2024, 10.9 percent of respondents viewed gambling as a good income source. Among these, urban respondents showed a slightly higher perception at 11.9 percent compared to rural respondents at 10.1 percent. Males had a higher perception (13.7 percent) compared to females (8.2 percent). However, the highest perception was observed in the 18-25 age group at 13.4 percent, followed by 26-35 age group at 12.7 percent.

Figure 4.23: Average Amount Spent on Gambling (Ksh)



The survey sought to find out the average amount spent on gambling across different demographics in 2024. Overall respondents spent Ksh 1,825 on betting. Urban residents spent an average of Ksh 2,125 on gambling, significantly higher than rural residents, who spent Ksh 1,481. In addition, Males spent more on average (Ksh 1,876) compared to females (Ksh 1,623).

These findings, combined with earlier findings showing a high perception of gambling as a potential income source among younger people, suggest that younger, urban, and educated individuals are more likely to invest in gambling, possibly due to optimism or a perceived income opportunity.

05 IMPACT
of Financial Products and Services

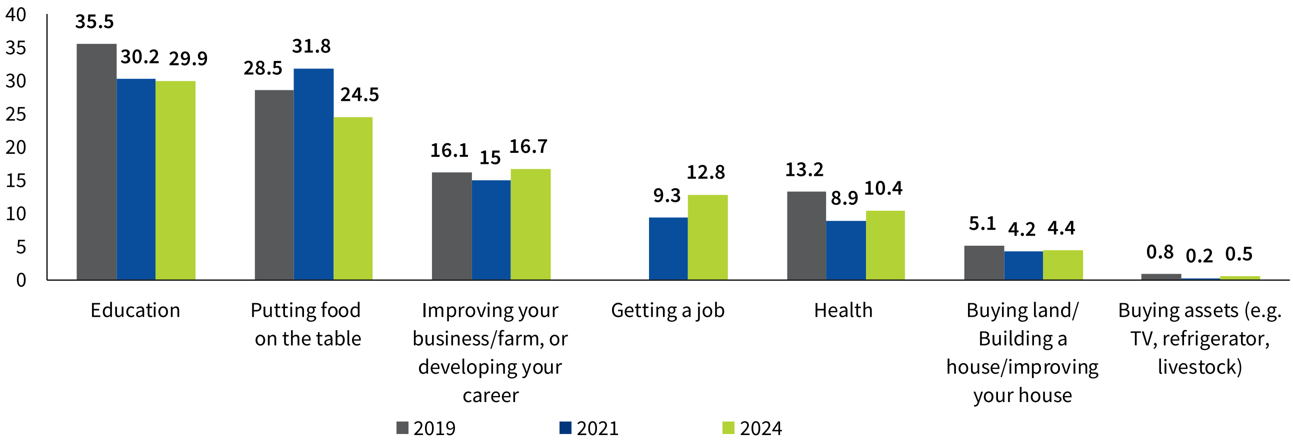
05

The Impact dimension is analyzed in this chapter by assessing individual household's life priorities relevance of financial services in meeting needs, dealing with shocks, and financing livelihoods. The chapter further looks at the measurement of the financial health among households, business, and agriculture finance.

5.1 MAIN LIFE PRIORITIES

To better understand the financial lives of individuals and the role of financial products in supporting them, the survey examined the perception of the respondents to understand their main life priorities. The survey findings indicate that the key priority is education (29.9 percent), closely followed by putting food on the table (24.5 percent) and improving business (16.7 percent). The proportion of adult respondents that regard getting a job or developing their career increased from 9.3 percent in 2021 to 12.8 percent in 2024. In addition, respondents that reported health as key priority increased from 8.9 percent in 2021 to 10.4 percent in 2024 (**Figure 5.1(a)**).

Figure 5.1(a): Life Priority (%)



Analysis by wealth quintiles indicate that putting food on the table is the key priority among respondents in the lowest wealth quintile at 35.3 percent while educating self or family members is the key priority among respondents in the highest wealth quintile. In addition, more people in the highest wealth quintile are looking for a job or developing their career in 2024 at 16.5 percent compared to 5.4.0 percent in 2021 (**Figures 5.1 (b) and 5.1(c)**).

Figure 5.1(b):Top 5 life Priorities - Lowest Wealth Quintile (2024 vs 2021)

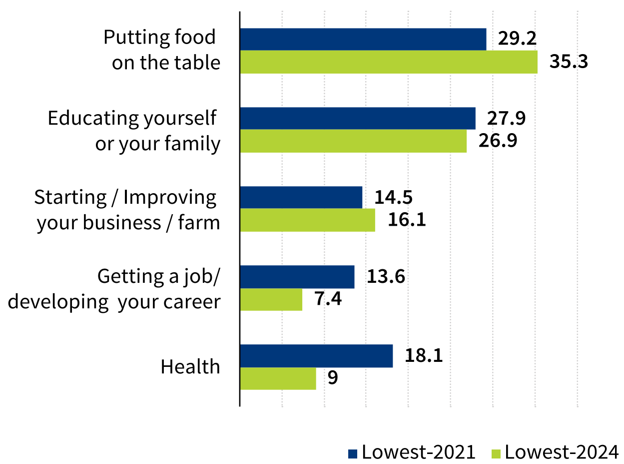
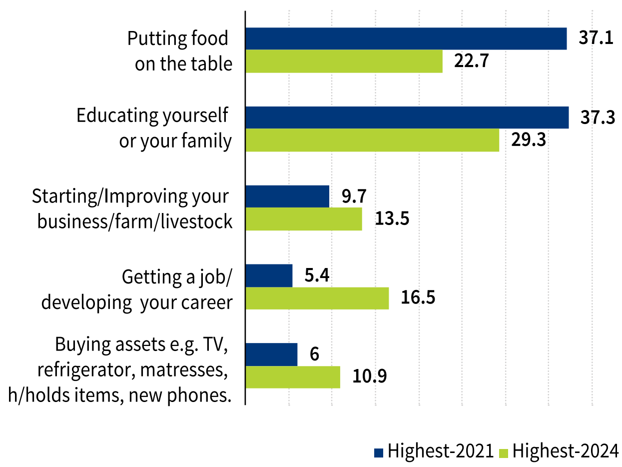


Figure 5.1(c): Top 5 life Priorities - Highest Wealth Quintile (2024 vs 2021)



5.2 RELEVANCE OF THE FINANCIAL SECTOR IN MEETING THE NEEDS

This section seeks to establish the effectiveness of the available financial instruments in enabling people to meet their day to day needs when they are faced with shortfalls between income cycles. The survey findings reveal a decline in the proportion of the adult population reporting having a challenge in meeting every day needs from 62.5 percent in 2021 to 57.2 percent in 2024. Additionally, the findings reveal a decline in the incidence of shocks to 43.9 percent in 2024 from 67.1 percent in 2021. This could be partly attributed to the wearing off of the negative effect of Covid 19 pandemic. There was a marginal drop of 0.4 percent in meeting future goals in 2024 (**Figure 5.2**).

5.3 MAIN SHOCKS EXPERIENCED

Health and environmental challenges dominate the top shocks experienced by the adult population in 2024, with major health issues emerging as the most significant concern, consistently affecting 33.7 percent of the respondents, with slightly higher prevalence in rural areas at 34.9 percent compared to urban areas at 31.7 percent. High rainfall or flooding impacted 11.9 percent overall, more common in rural areas (13.4 percent) than urban areas (9.6 percent). Death of a main income earner or family member was uniformly reported at 10.0 percent. Loss or damage due to drought was higher in urban areas (15.9 percent) than rural (12.2 percent).

Economic shocks manifest differently across rural and urban landscapes, reflecting the distinct economic structures of these environments. Income loss and wage cuts show pronounced variation, with urban areas experiencing a more significant percentage of income disruption (15.9 percent) compared to rural regions (5.9 percent). The consistent 10.0 percent impact of losing a main income earner across both rural and urban contexts highlights a shared economic fragility, regardless of geographical location (**Figure 5.3(a)**).

Figure 5.2: Dealing with Various Financial Needs (%)

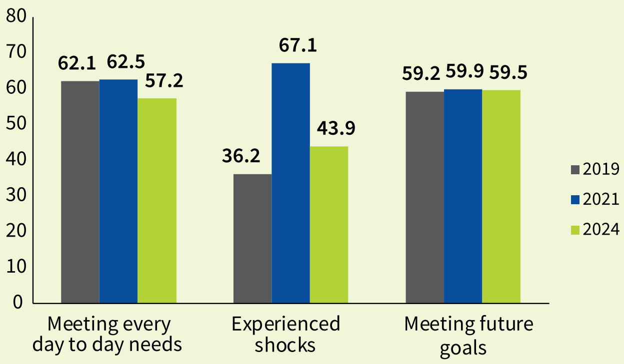
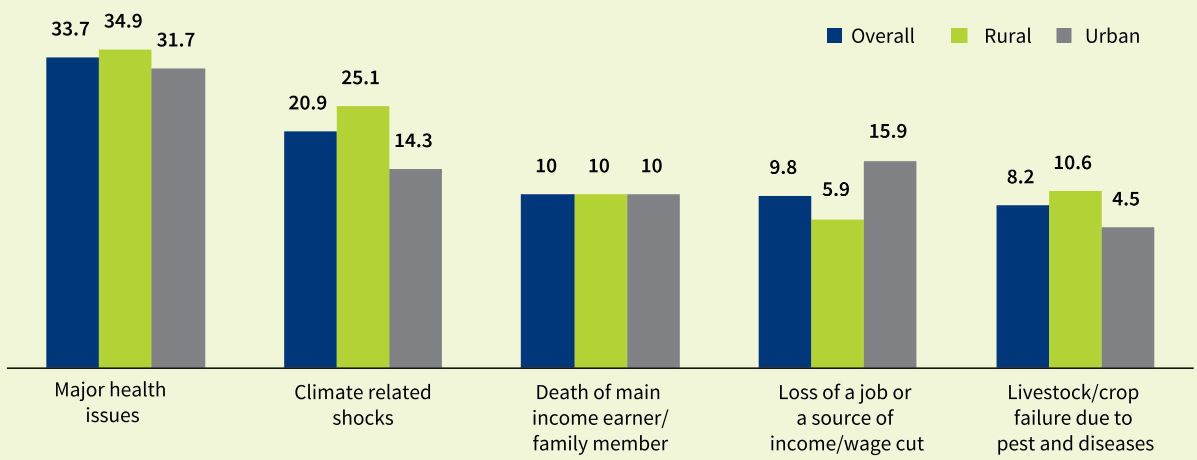


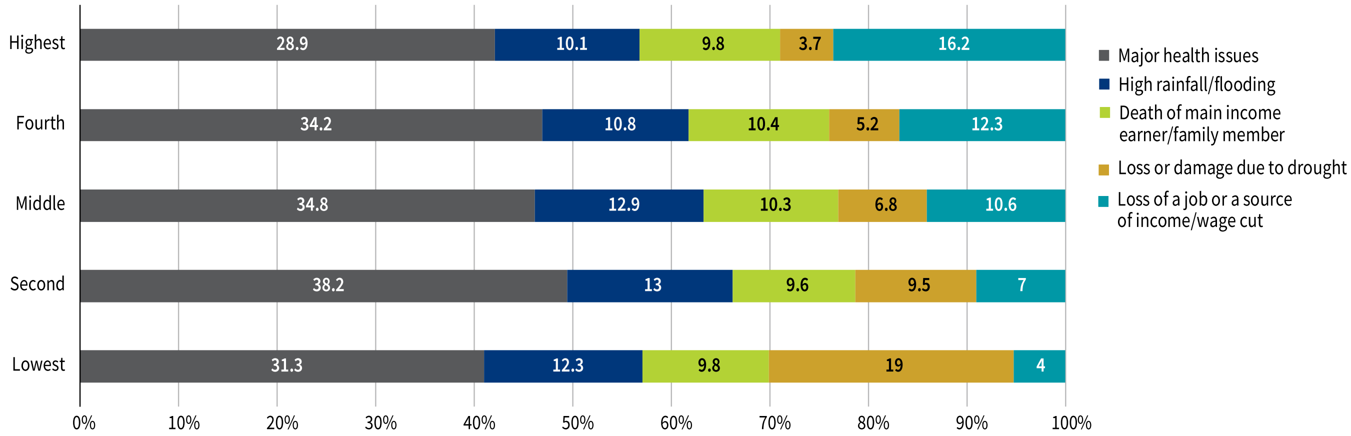
Figure 5.3(a): Top 5 Shocks Experienced (%)



Main Shocks by Wealth Quintile

The prevalence of major health issues was highest among the second wealth quintile at 38.2 percent and lowest among the highest wealth quintile at 28.9 percent. High rainfall or flooding affected a consistent share across quintiles, ranging from 10.1 percent (highest quintile) to 13 percent (second quintile). Death of a main income earner or family member was uniformly reported across quintiles (around 10 percent). Loss or damage due to drought was most severe for the lowest quintile (19 percent), while minimal for the highest (3.7 percent). Job loss or wage cuts predominantly affected the highest quintile (16.2 percent) and decreased with wealth (**Figure 5.3(b)**).

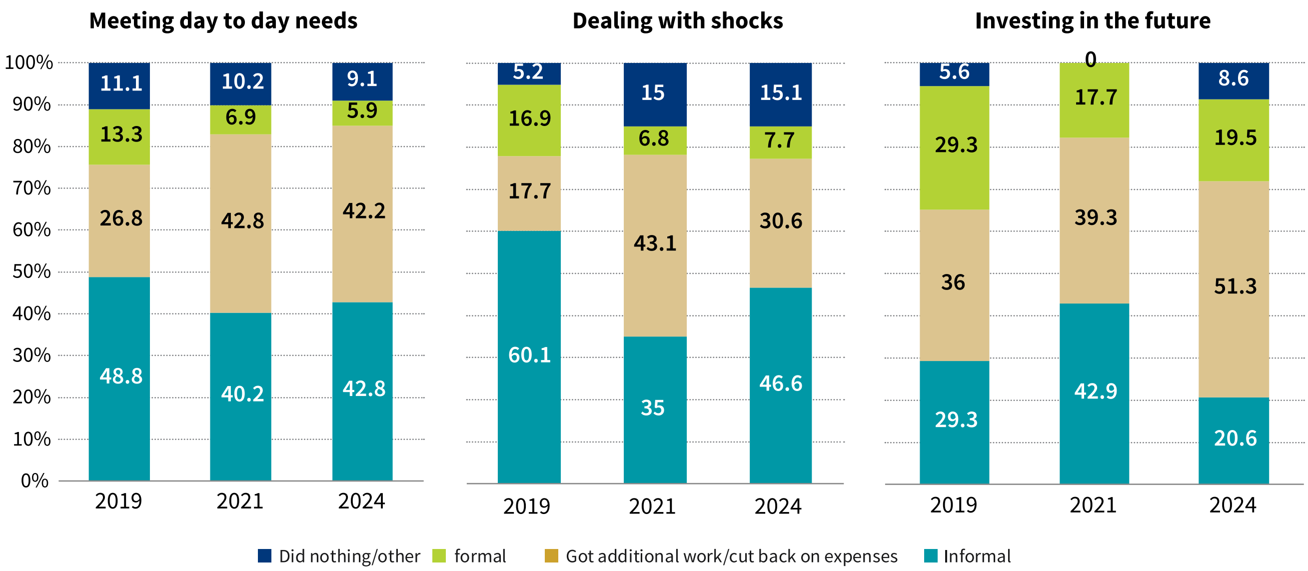
Figure 5.3(b): Major Shocks Experienced in 2024 by Wealth Quintile (%)



5.4 DEVICES/SOLUTION FOR DEALING WITH FINANCIAL NEEDS

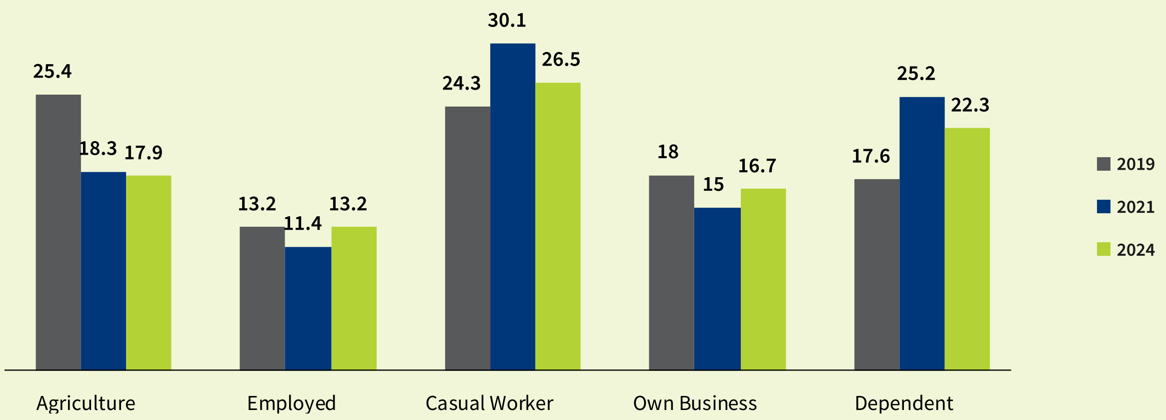
Generally, most respondents rely on getting additional work/cutting back on expenses as well as informal techniques in dealing with their financial needs. Formal financial instruments have seen a consistent decline in usage dealing with various financial needs (**Figure 5.4**).

Figure 5.4: Devices/solution for Dealing with Financial Needs (%)



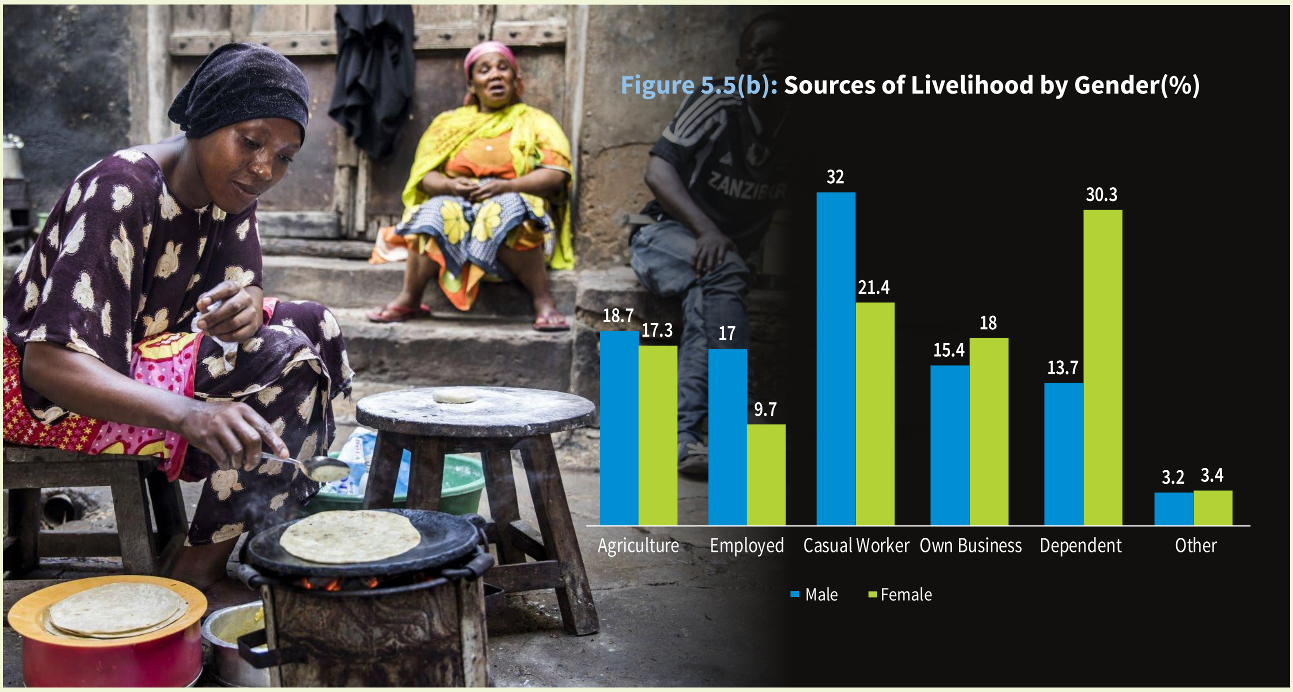
5.5 FINANCING LIVELIHOODS

Figure 5.5(a): Main Source of Livelihoods (%)



The survey results showed that casual labor was the main source of livelihoods for most respondents at 26.5 percent. While this result is consistent with the 2021 survey results, it was however lower than the proportion reported in 2021 of 30.1 percent. Reliance on agriculture as a source of livelihood dropped from 18.3 percent in 2021 to 17.9 percent in 2024, while employment saw an increase from 11.4 percent to 13.2 percent over the same period. The proportion of respondents that derive livelihoods from operating businesses participation slightly rose from 15.0 percent in 2021 to 16.7 percent.

Males predominantly engage in casual work (32.0 percent) and agriculture (18.7percent) as their primary livelihoods, while females are more likely to rely on being dependents (30.3 percent) and own businesses (18.0 percent). Employment is more common among males (17.0 percent) compared to females (9.7 percent), reflecting notable gender disparities in livelihood sources (**Figure 5.5(b)**).



Younger individuals (18–25 years) primarily rely on dependence (39.4%) and casual work (27.5%), with minimal participation in agriculture (8.1%). Older groups, particularly those above 55, depend more on agriculture (34.2%) and less on casual work (11.7%) or employment (4%). Middle-aged groups (26–55 years) balance between casual work, agriculture, and running their own businesses and less on dependence **(Figure 5.5(c)).**

Livelihood sources vary significantly across wealth quintiles. The findings indicate that respondents in the lower wealth quintiles rely more on casual work (34.1 percent in the second lowest quintile and 29.2 percent in the lowest quintile), agriculture (27.6 percent in the lowest quintile), and dependence (23.2 percent in the lowest quintile). In contrast, higher quintiles see a shift toward employment (27.2 percent in the highest quintile) and own businesses (22.3 percent in the highest quintile and 20.1 percent in the fourth quintile), with less reliance on agriculture and casual work as shown in **Figure 5.5(d).**

Figure 5.5(c): Source of Livelihood by Age groups (%)

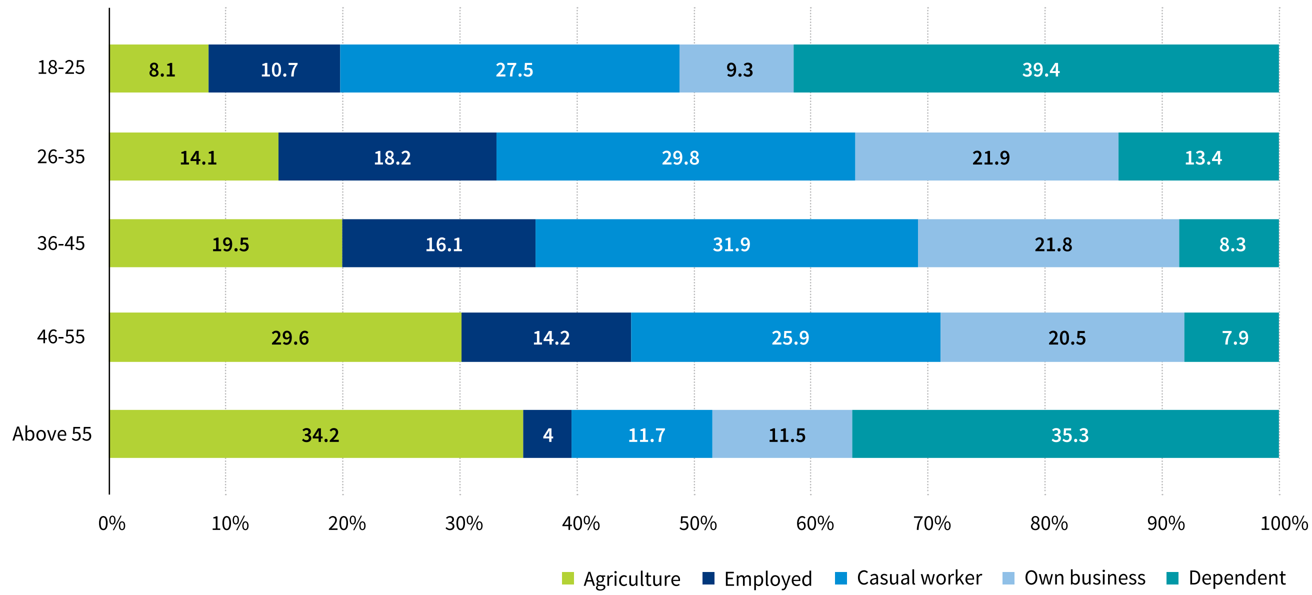
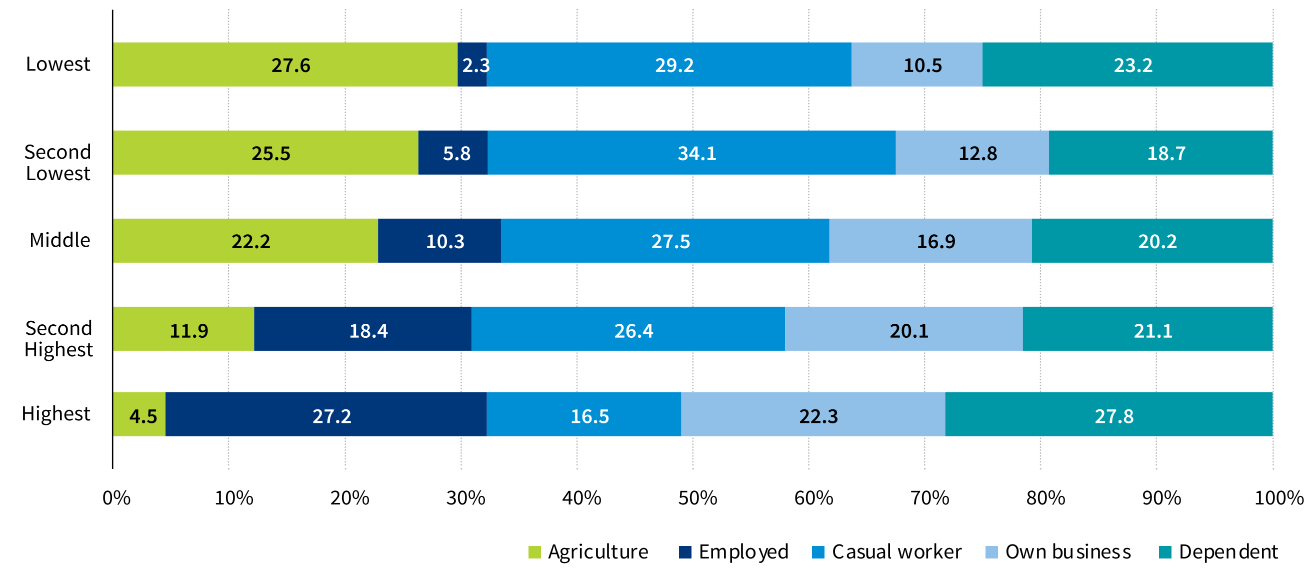


Figure 5.5(d): Source of Livelihood by Wealth Quintile (%)



5.6 BUSINESS AND AGRICULTURE

Main source of business operating capital

The survey sought to establish how businesses finance their day to day operations. As shown in **Figure 5.6 (a)**, the findings indicate that reinvesting business income was the dominant way of financing day to day business operations at 82.1 percent. More male operated businesses (85.6 percent) relied on this source compared to female operated businesses at 79.2 percent. Similarly, a higher proportion of rural based businesses (84.3 percent) rely on reinvested business income compared to urban based businesses.

Other sources of business operating capital

Businesses also rely on other ways to finance their day to day operations. However, the results in **Figure 5.6(b)** reveal that loans and savings play a minor role as source of business operating capital. Compared to males, females relied more on assistance from family/friends and savings at 4.8 percent and 6.3 percent, respectively.

Figure 5.6(a): Main Source of Business Operating Capital (%)

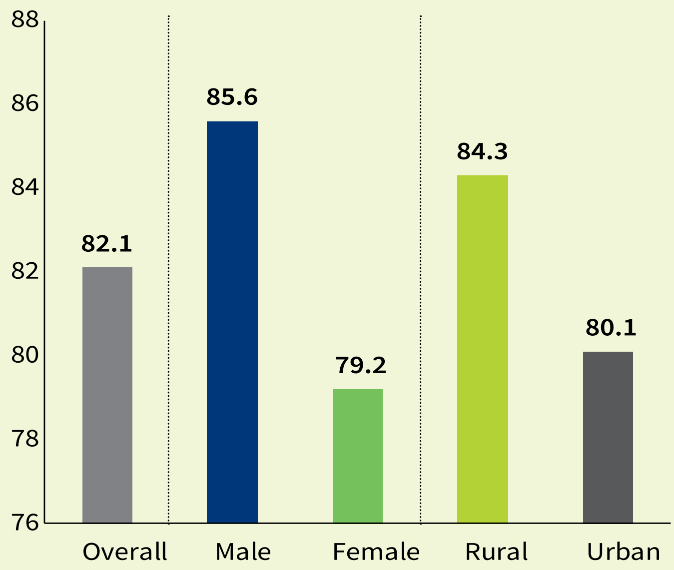
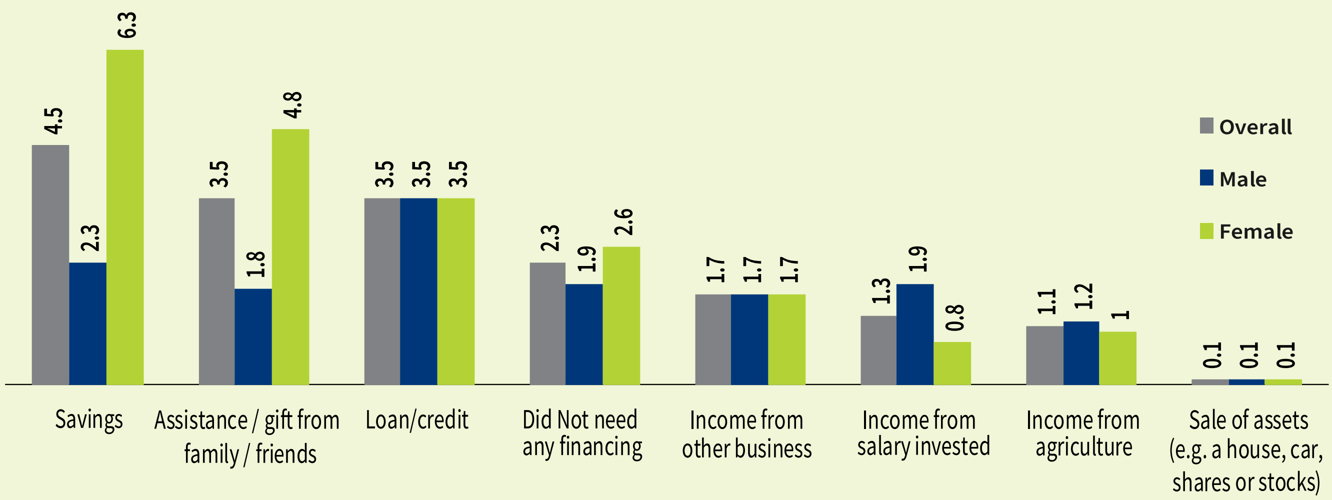


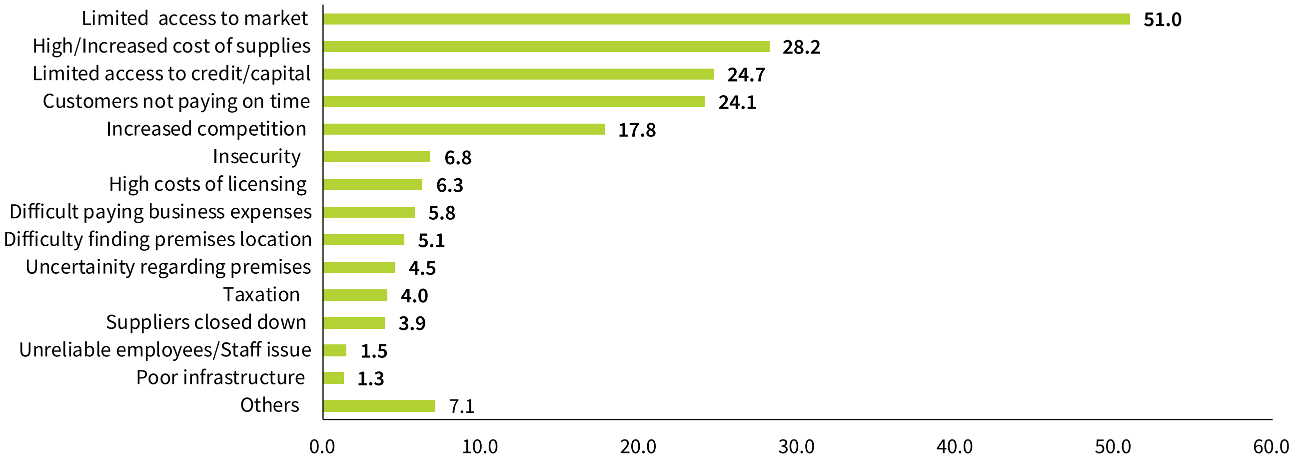
Figure 5.6(b): Other Sources of Business Operating Businesses (%)



Challenges faced by businesses

The survey sought to find out operational challenges faced by businesses. The results in **Figure 5.6(c)** indicated that limited access to the market was largely cited by the respondents as a major challenge at 51.0 percent in 2024. High cost of supplies, limited access to credit and customers not paying on time significantly contributed to hindering smooth business operations with 28.2 percent, 24.7 percent and 24.1 percent respectively.

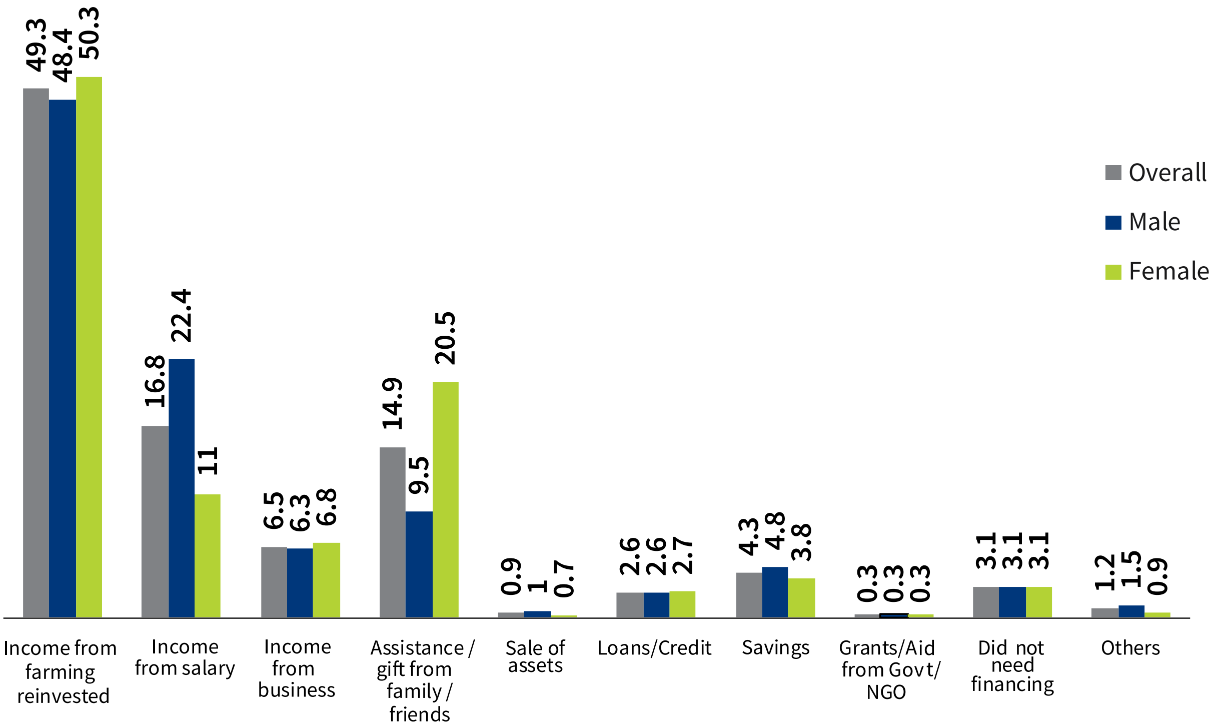
Figure 5.6(c): Challenges faced by businesses (%)



Source of Day to Day Agricultural Financing

The primary source of agricultural financing is reinvested income from farming 49.3 percent, with slightly higher reliance among females at 50.3 percent than males at 48.4 percent. Notable gender differences include higher dependence on salary income by males at 22.4 percent compared to females at 11.0 percent and greater reliance on family or community assistance by females at 20.5 percent versus males at 9.5 percent **Figure 5.6(d)**.

Figure 5.6(d): Source of Day to Day Agricultural Financing (%)



Challenges in agriculture

Agriculture is one of the top three major sources of livelihood for the adult population in 2024 survey. The survey sought to find out main challenges faced by the sector that led to its decline. The findings indicated that drought was highly ranked as the leading threat at 19.2 percent. High cost of inputs came second with 17.3 percent, closely followed by pests and diseases at 16.6 percent **Figure 5.6(e).**

Figure 5.6(e): Main challenge experienced in agriculture (%)

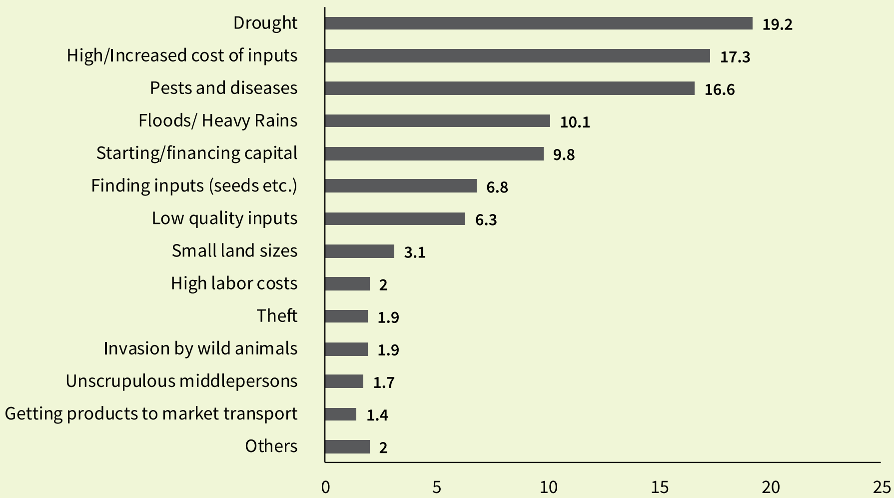


Table 5.1: Developments in Financial Health Measurement in FinAccess Surveys

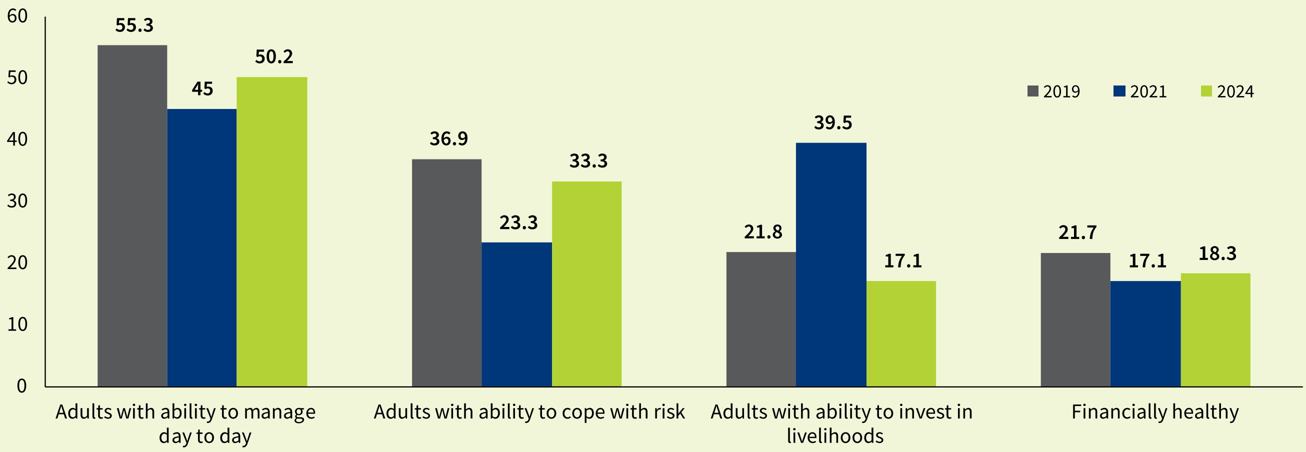
2021	2024
Ability to Manage Day-to-day	
• Never went without food during the last year • Does not have trouble making ends meet between income cycles • Has a plan/budget for allocating income and Expenses	• Never went without food during the last year. • Able to meet their regular spending. • Has a plan/budget for allocating income and Expenses.
Ability to Cope with Risk	
• Never went without medicine in the last year • Regularly kept money aside for emergencies • Can get hold of a lump sum within 3 days	• Never went without medicine in the last year • Regularly kept money aside for emergencies • Can get hold of a lump sum within 3 days
Ability to Invest in the Future	
• Using savings or credit to invest in productive assets • Education or old age; is using /plans to use savings • Pension or investment income to make ends meet in old age; has been regularly putting aside money for the future	• Using savings or credit to invest in productive assets • Education or old age; is using /plans to use savings • Pension or investment income to make ends meet in old age; has been regularly putting aside money for the future.

5.7 TRENDS IN FINANCIAL HEALTH

The need to track financial health is informed by the demand for indicators that inform policy, products and services which support financing of the well-being of the population. The status of financial health is not only dependent on individuals' attributes including employment status but also the prevailing economic environment, the security of income and ability to access social protection. The 2024 FinAccess survey was conducted in a more stable period compared to the post COVID-19 period during the 2021 FinAccess (**Table 5.1**).

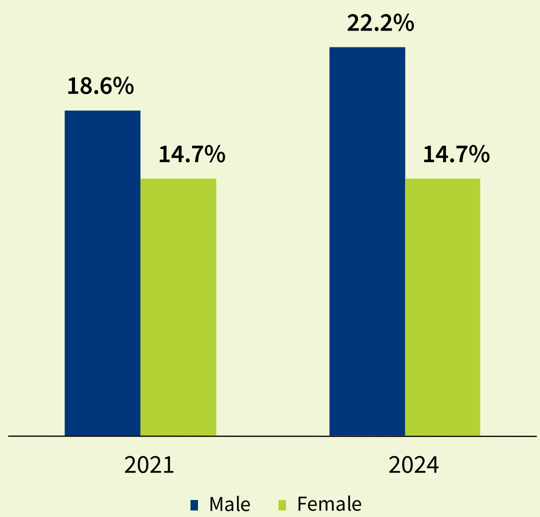
The proportion of the adult population that is financially healthy increased from 17.1 percent in 2021 to 18.3 percent in 2024. This implies that 18.3 per cent of the adult population is able to meet the criteria for meeting day to day needs, cope with shocks and invest in future goals. The ability to manage day-to-day needs showed a modest recovery, increasing from 45.0 percent in 2021 to 50.2 percent in 2024. Similarly, the ability to cope with risks improved from 23.3 percent in 2021 to 33.3 percent in 2024, signaling better resilience. However, the ability to invest in livelihoods declined sharply from 39.5 percent in 2021 to 17.1 percent in 2024, indicating reduced capacity for long-term financial growth (**Figure 5.7(a)**).

Figure 5.7(a): Trends in Overall Financial Health (%)



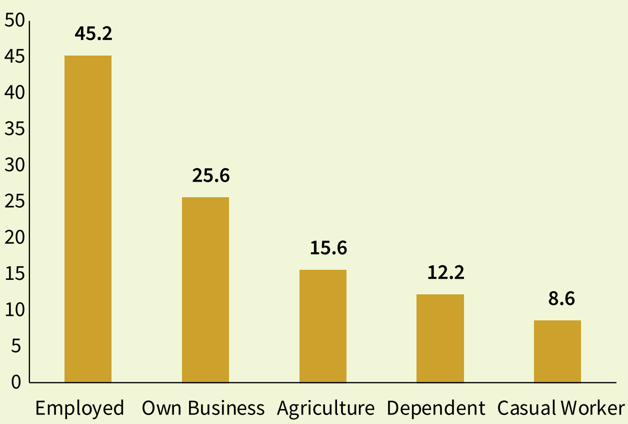
The survey results indicated that the financial health gap between men and women is 7.5 percentage points (22.2 percent) for males and (14.7 percent) for women, showing noticible gender inequalities in economic opportunities and resources. The financial health among men rose from 18.6 percent in 2021 to 22.2 percent in 2024. Women's financial health stagnated at 14.7 percent **(Figure 5.7(b)).**

Figure 5.7(b): Financial Health by Sex



The most financially healthy adults are employed at 45.2 percent followed by those with their own business at 25.6 percent. Those whose livelihood is dependent on agriculture is 15.6 percent in 2024. The survey results also indicated that those who are dependent are more financially stable than casual workers **(Figure 5.7(c)).**

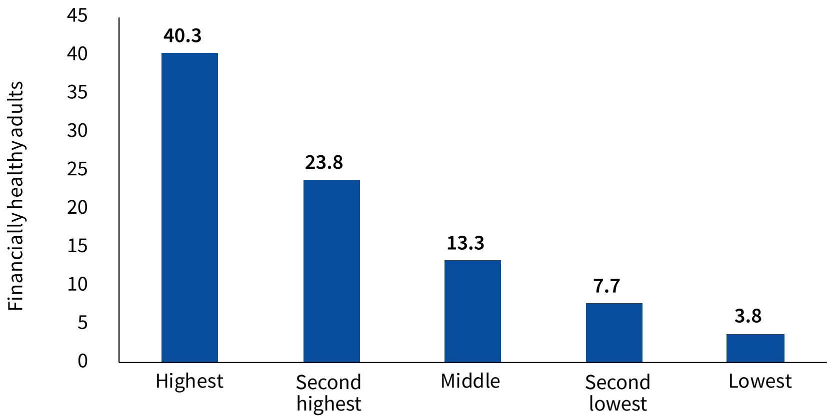
Figure 5.7(c): Financial Health by Livelihood (%)



Financially Healthy Adults by Wealth Quintiles

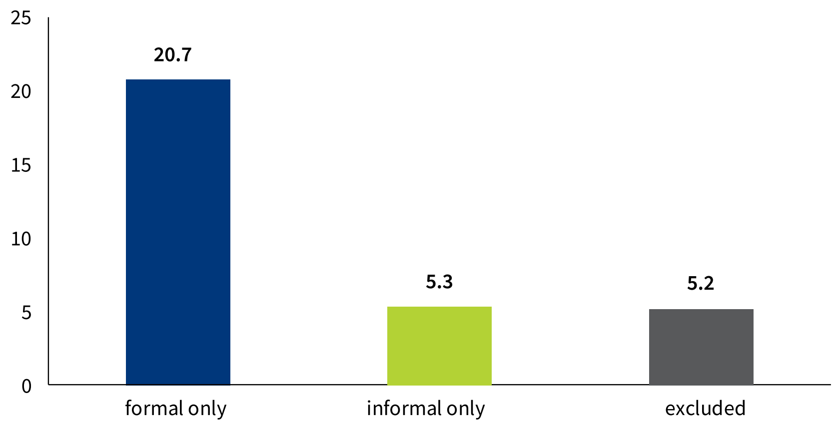
Financial health varied significantly across wealth quintiles, with a clear positive correlation between wealth and financial well-being. Only 3.8 percent of the adult population in the lowest wealth quintile were financially healthy, compared to 40.3 percent in the highest quintile. The second lowest quintile recorded (7.7 percent) the middle quintile (13.3 percent) and the second highest quintile (23.8 percent), reflecting a gradual increase in financial health as wealth levels rise. This disparity highlights the financial vulnerability of lower-income groups (**Figure 5.7(d)).**

Figure 5.7(d): Financially Healthy Adults by Wealth Quintiles (%)



Among the formally included 20.7 percent were financially healthy, 5.3 percent of the informal only and 5.2 percent of the excluded **(Figure 5.7(e)).**

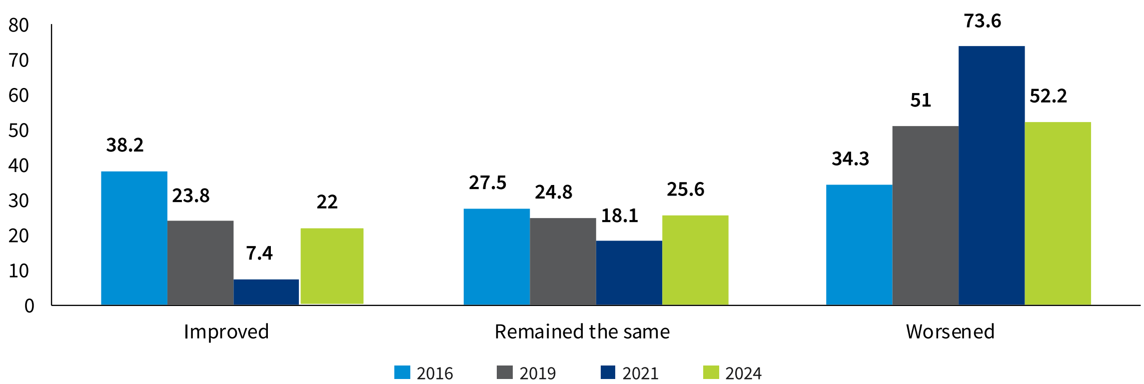
Figure 5.7(e): Financial Health by Access (%)



5.8 PERCEPTIONS ON FINANCIAL SITUATION

Overall, the perception of respondents to their financial situation has greatly improved to 22.0 percent in the 2024 survey compared with 7.4 percent during the 2021 survey. A sizable proportion of the sampled population reported that their lives had worsened (52.2 percent). However, this was much better compared to previous post COVID-19 survey results in which the 73.6 percent reflected a worse financial position **(Figure 5.8).**

Figure 5.8 : Perception of Financial Situation, 2016 - 2024 (%)



5.9 SOCIAL IMPACTS

Food Vulnerability

The number of people who are food vulnerable declined to 6.0 percent in 2024 from 12.3 percent in 2021. These levels were last witnessed in 2016. As shown in **Figure 5.9(a)** the most food vulnerable are found in rural areas with 6.9 percent compared to urban areas with 4.7 percent (**Figure 5.7(b)**).

Figure 5.9(a): Food Vulnerability Over the Years (%)

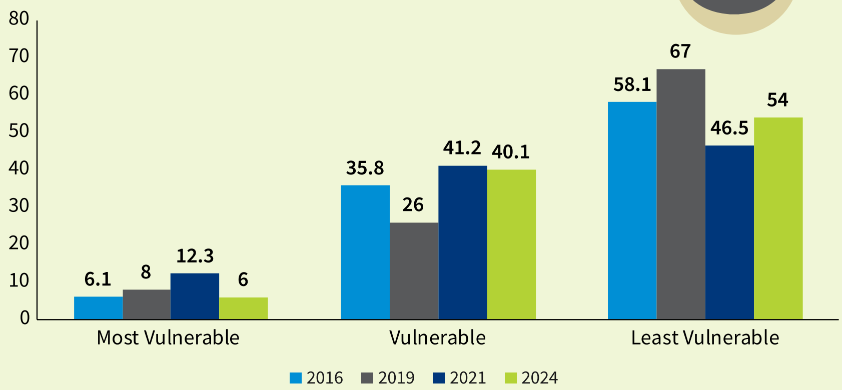
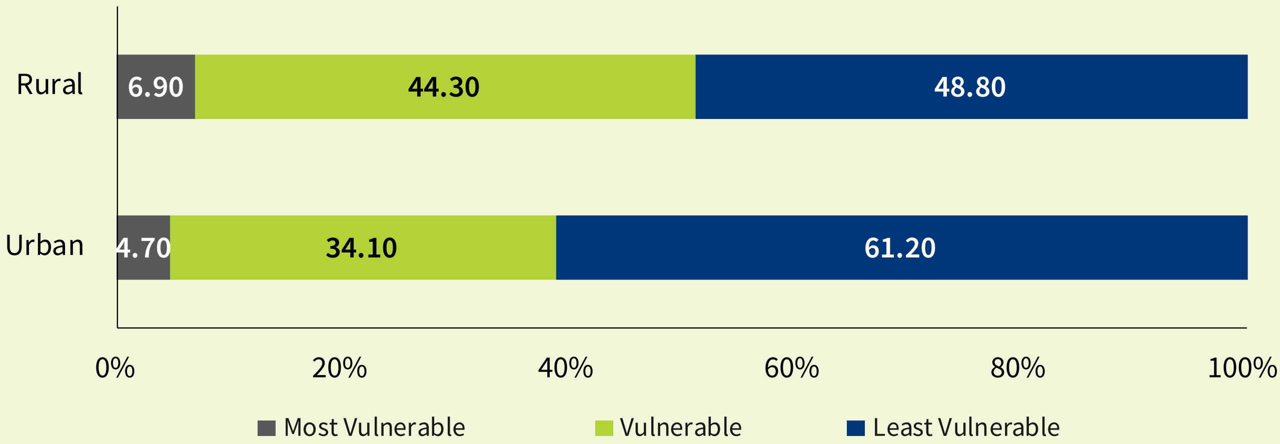


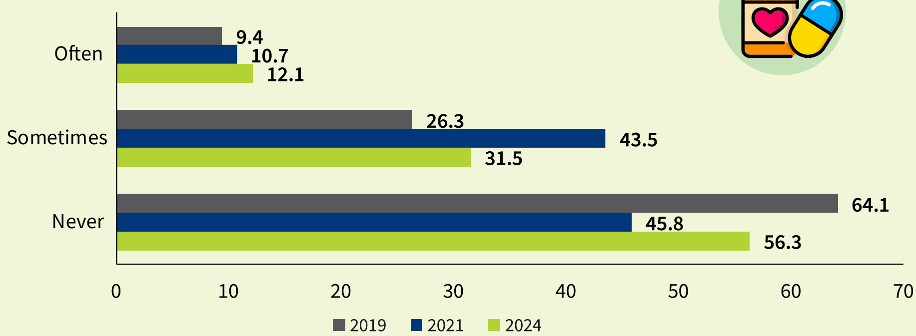
Figure 5.9(b): Vulnerability by Residence (%)



Gone Without Medicine

The survey findings indicate that about 56.3 percent of the population have never gone without medicine in 2024 as compared to 45.8 percent in 2021. Further, 31.5 percent of the population will sometimes go without medicine in 2024 compared to 43.5 percent in 2021. In addition, 12.1 percent in 2024 of the population often go without medicine compared to 10.7 percent in 2021 (**Figure 5.7(c)**).

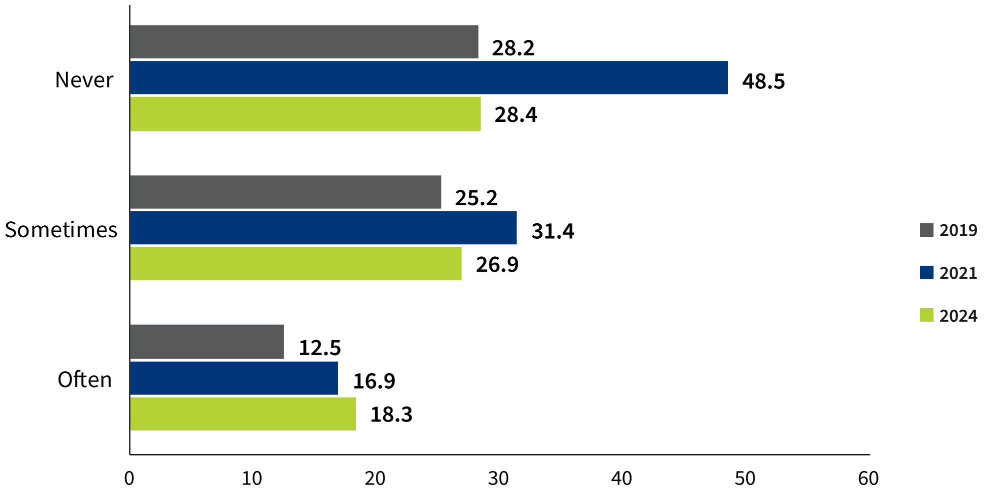
Figure 5.9(c): Gone Without Medicine (%)



Sent Home for Lack of School Fees

Between 2021 and 2024, the proportion of students sent home for fees often increased from 16.9 percent to 18.3 percent, while those sent home sometimes decreased from 31.4 percent to 26.9 percent, and the "never" category dropped significantly from 48.5 percent to 28.4 percent (**Figure 5.7(d)**).

Figure 5.9(d): Sent Home for Lack of School Fees (%)



06 Emerging Issues

in Kenya's Financial Inclusion Landscape

6.1 CLIMATE INVESTMENTS

Climate investments span critical areas including solar-powered technologies, water conservation strategies, tree planting initiatives, energyefficient cooking solutions, and biogas systems. Solar powered equipment includes technologies that harness solar energy to power machinery, lighting, and cooking devices, including solar pumps, lamps, and phone charging systems. Water conservation and management techniques focus on efficient water use through methods like drip irrigation, well digging, rainwater harvesting, and water tank installations. Tree planting initiatives, including agroforestry, afforestation, and reforestation. Energy-efficient cooking stoves represent technological innovations designed to reduce fuel consumption. Biogas systems convert organic waste into renewable methane gas, thus helping in conserving the environment.

Climate investment data reveals that just over onethird (34.9 percent) of the total population participates in various green initiatives. 34.9 percent of individuals reported investing in climate-friendly initiatives. Key areas of investment included solar-powered equipment and tree planting, each at 18.8 percent. Water conservation efforts accounted for 6.8 percent, while purchases of efficient cooking energy represented 3.4 percent. Biogas systems saw minimal uptake, at only 0.3 percent (**Figure 6.1 (a)**).

There are significant patterns across gender lines, males demonstrate a higher overall engagement (37.7 percent) compared to females (32.3 percent), suggesting a gender gap in climate investment participation. For solar-powered equipment there is a relatively balanced adoption rate between males (19.3 percent) and females (18.3 percent), indicating that renewable energy solutions have broad appeal across gender groups.

The most pronounced gender disparity appears in tree planting initiatives, where male participation (22.5 percent) significantly exceeds female participation (15.2 percent). Water conservation and management shows similar gender-based patterns though with smaller gaps (7.4 percent for males vs 6.2 percent for females). Lower-cost interventions like energy-efficient cooking stoves show more balanced adoption rates (3.6 percent males vs 3.2 percent females), while high-cost investments like biogas systems have a slight male preference (0.5 percent vs 0.2 percent for females). These patterns suggest that gender disparities in climate investments may be influenced by factors such as access to resources, land ownership, and decision-making power within households (**Figure 6.1 (b)**).

Figure 6.1(a): Investment in Climate Products (%)

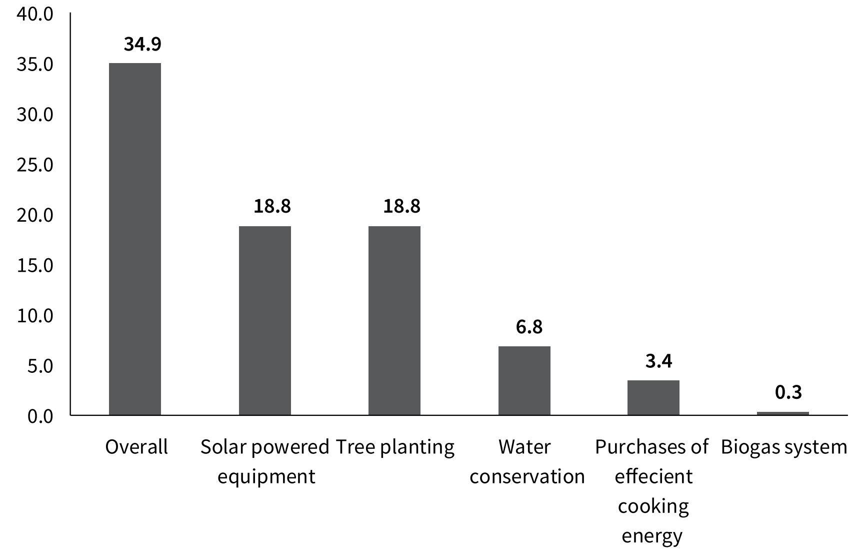
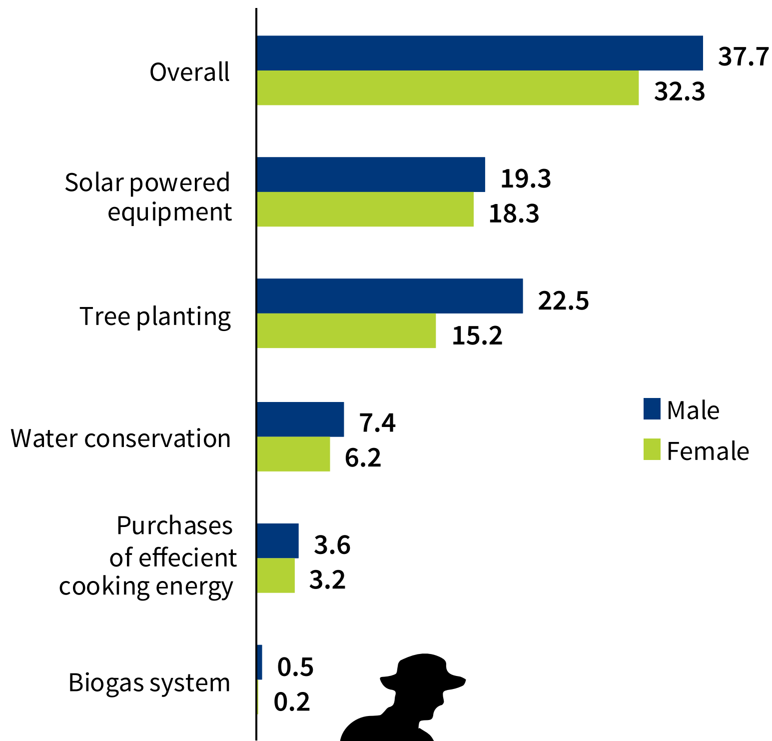
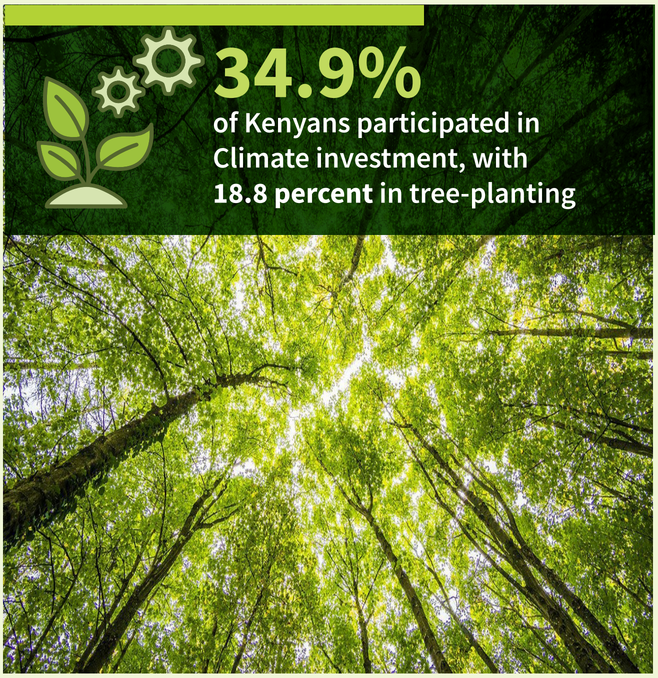
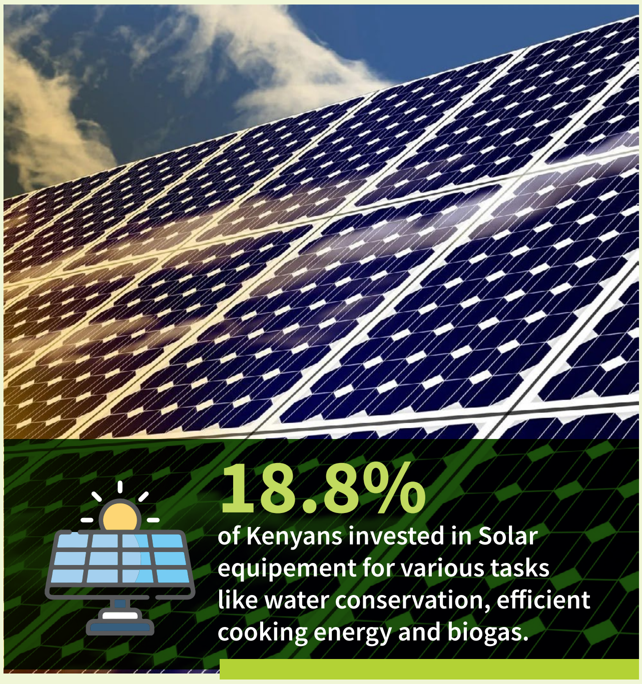


Figure 6.1(b): Investment in Climate Products by Gender (%)







A significant rural-urban divide exists in climate-related investments, with rural areas showing substantially higher overall participation at 41.1 percent compared to 26.2 percent in urban areas. Solar-powered equipment demonstrates the most striking difference, with rural adoption at 25.1 percent being more than double the urban rate at 10.0 percent.

Tree planting initiatives also see stronger rural participation at 21.2 percent versus 15.4 percent in urban areas. Water conservation and management projects show a smaller gap, with rural areas at 7 percent and urban areas at 6.4 percent. Urban areas lead in the adoption of energy-efficient cooking stoves at 5.3 percent compared to 2.0 percent in rural regions. Biogas systems remain the least adopted technology across both demographics, with minimal uptake of 0.3 percent in rural and 0.4 percent in urban areas.

Figure 6.1(b): Investment in Climate Products by Residence (%)

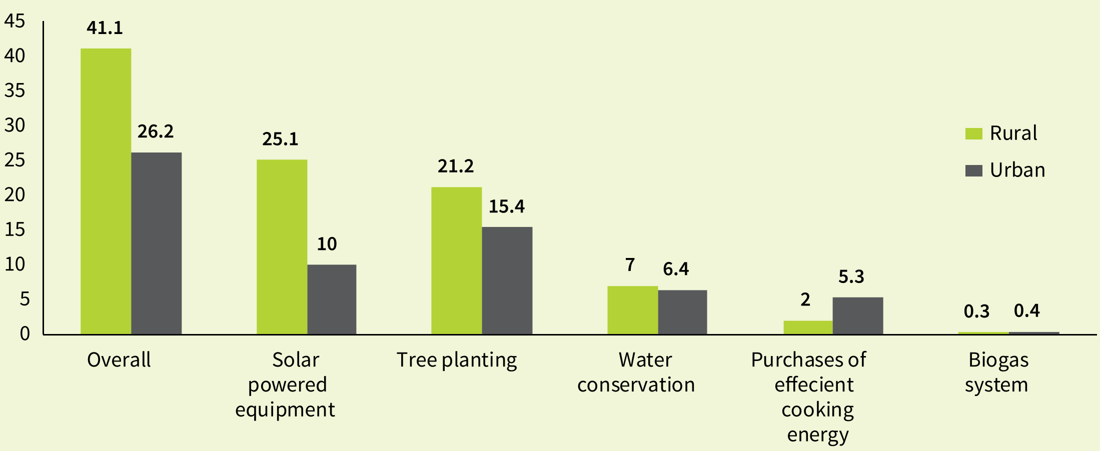
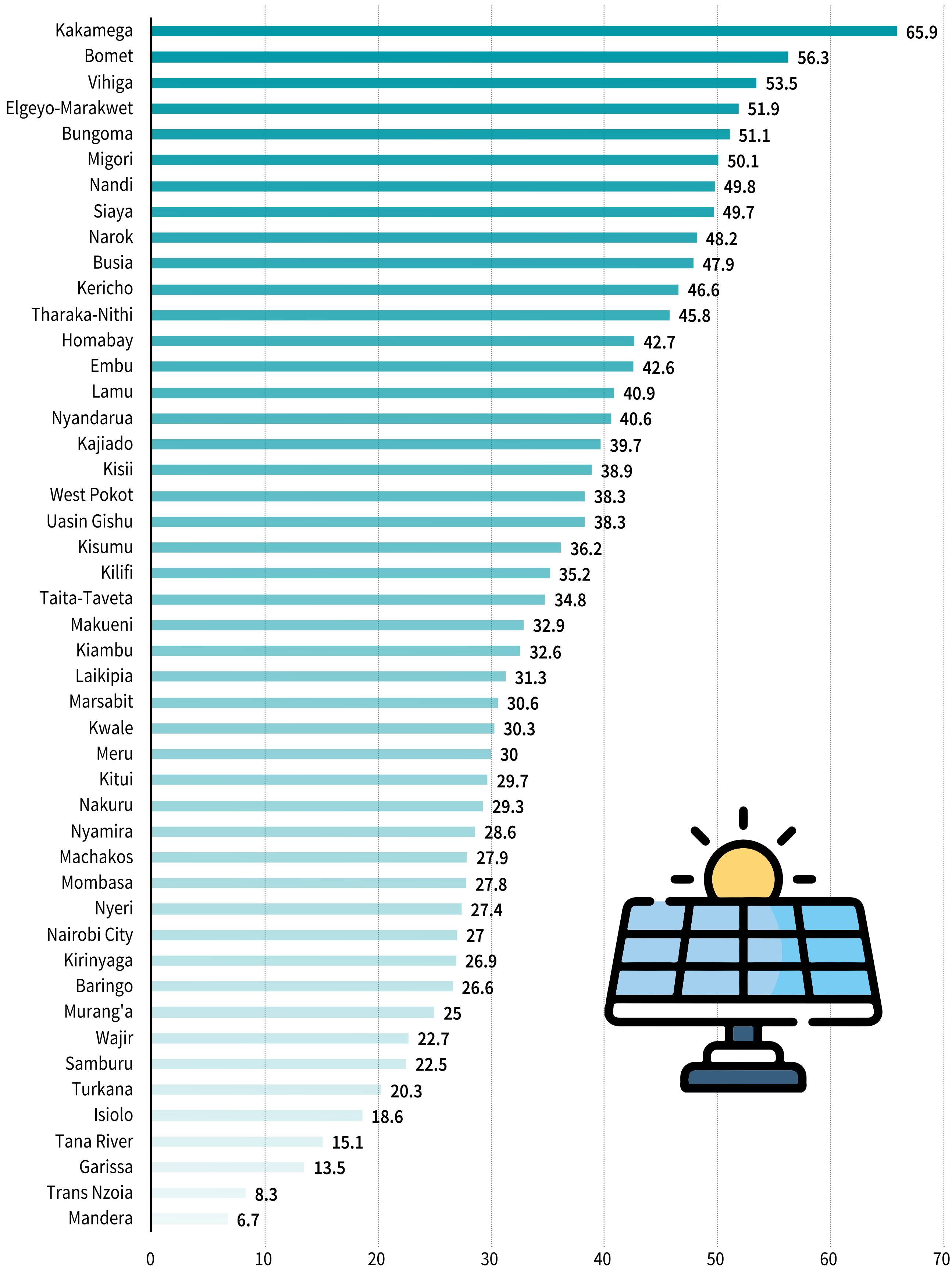


Figure 6.1(d): Climate Investments by County (%)

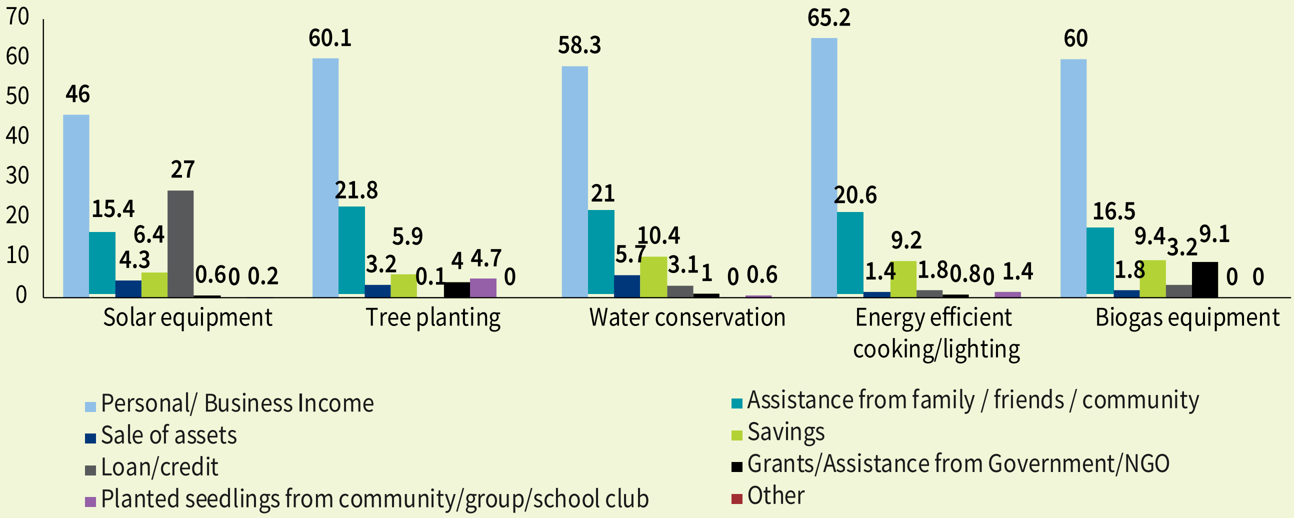


Financing Climate Investments

Personal and business income emerges as the predominant source of financing across all climate investments, with particularly high utilization for energyefficient solutions (65.2 percent for cooking/ lighting and 60.0 percent for biogas equipment) and water conservation (58.3 percent). However, there's a notable variation in its use for solar equipment, where only 46 percent rely on personal income. There is a significant role of loans/credit (27 percent) in solar equipment financing, which is markedly higher than for other climate investments.

Social capital plays a crucial secondary role in financing climate investments, with family, friends, and community assistance contributing between 15.4 percent and 21.8 percent across different investments. The role of formal financing mechanisms varies significantly: while loans are prominent for solar equipment (27 percent), they play a minimal role in other investments (0.1 - 3.2 per cent). Savings contribute modestly across all investments (5.9 - 10.4 percent), while institutional support through government or NGO grants remains minimal (0.6 - 9.1 percent) (**Figure 6.1 (e)**).

Figure 6.1(e): Finance Climate Investments (%)



6.2 PEOPLE WITH DISABILITIES

A total of 925 respondents (18+ years) reported that they could not/ had a lot of difficulty in; seeing; even if wearing glasses, hearing; even if using hearing aid, walking or climbing steps, remembering or concentrating, self-care such as washing all over or dressing, and communicating using your usual language.

Among the respondents that reported having any form of disability, 77.9 percent had access to formal financial services while 7.6 percent had access to informal financial services only and 14.5 percent were excluded (**Figure 6.2(a)**).

Most of the respondents reported current usage of mobile money (69.5 percent), followed by bank usage at 38.7 percent followed by informal group usage at 24.9 percent. 19.3 percent were insurance users and 8.3 percent were Sacco users (**Figure 6.2 (b)**).

There was a high dependency rate with 39.2 percent classified as dependent, followed by agriculture, 24.8 percent engaged in agriculture, 14.7 percent working as casual laborers, 12.3 percent running their own businesses, and only 5.6 percent in formal employment (**Figure 6.2 (c)**).

Figure 6.2(a): PWD Access to Finance (18+years)

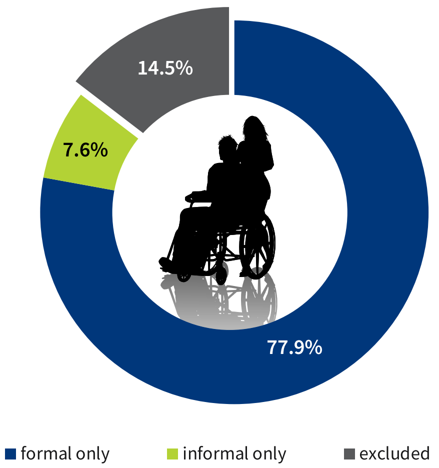


Figure 6.2(b): PWD Usage by Provider (18+years) %

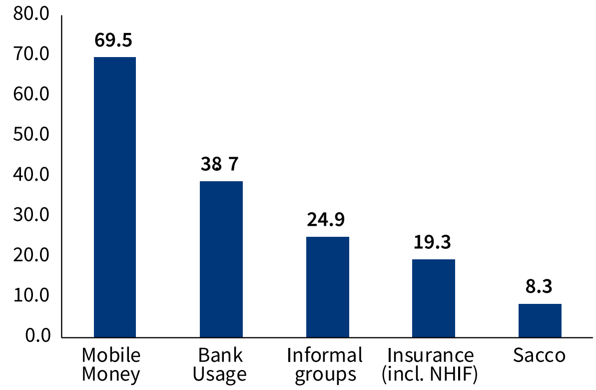


Figure 6.2(c):
PWD Livelihood (18+years) (%)

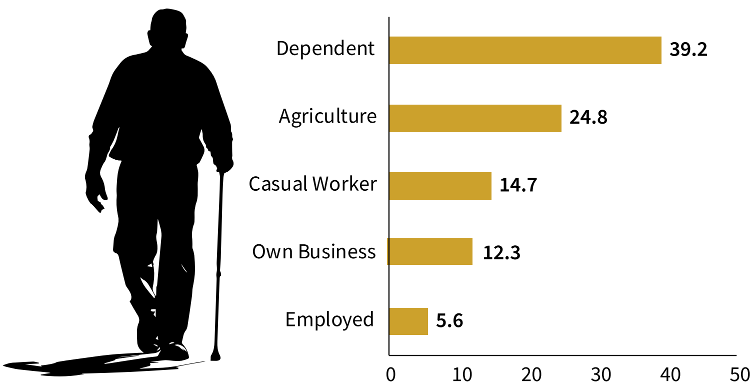
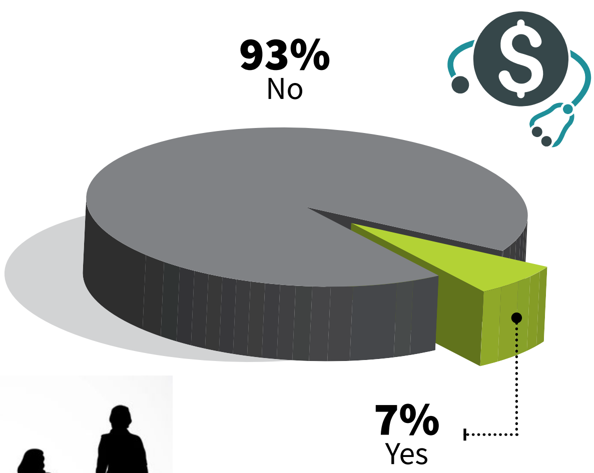


Figure 6.2(d):
PWD Financially Healthy (18+years)



07 Conclusion
and Policy Recommendations

FinAccess Household Surveys provide a rich data source for indicators relevant in tracking developments in the financial landscape. The surveys are relevant in assessing the access, usage, quality and impact of financial services since 2006. The surveys are conducted every two to three years, to track changes in the financial landscape driven by technology, policy changes, and demographic shifts.

Over time, Kenya has made gradual improvements in financial inclusion, which need to be sustained. The 2024 survey was unique in several ways. First, the survey introduced new indicators of green investments, and the devices used to finance them. Secondly, the survey introduced revised disability indicators for analyzing the interplay with financial inclusion and financial health. Other areas explored included improving the measurement of financial health, consumer protection among others.

The survey was rolled out under a collaborative effort led by the Central Bank of Kenya, in partnership with the Kenya National Bureau of Statistics and Financial Sector Deepening (FSD) Kenya. This survey has witnessed increased partnership with both public and private partners including; the domestic financial regulators, Alliance for Financial Inclusion (AFI), Kenya Mortgage Refinance Company (KMRC), Kenya Deposit Insurance Corporation, International Fund for Agricultural Development (IFAD), UN Women, Equity Bank, and

Safaricom. This is good for the sustainability of the surveys by bringing on board new ideas, pooling resources together and expanded use cases of survey datasets. The data was collected in all the 47 counties where the drawn sample employed the Kenya Household Master Sample Frame (K-HMSF), which was developed based on the 2019 Kenya Population and Housing Census. A response rate of 84.6 percent was achieved from the sample and was weighted to the population.

From the survey findings, formal access has grown from 26.7 percent in 2006 to 83.7 percent in 2021, reaching 84.8 percent in 2024. This growth is largely attributed to supportive regulatory reforms such as the 2022 amendment of the CBK Act to regulate digital credit providers, increased improvement in market infrastructure which has led to an expansion in bank branches and agency networks. The 2024 FinAccess survey shows improved gender equality in financial access, with the gender gap narrowing to 1.6 percent from 4.2 percent in 2021. In terms of exclusion rates, 9.9 percent of Kenyan adults were found to be totally financially excluded, with rural youth taking the lions share. Key barriers include affordability, lack of a phone and lack of identification card (ID). For other products and services, relevance/suitability of the financial products and lack of awareness were mentioned as some of the barriers to access. Future gains will require targeted efforts to sustain growth and close the remaining gender gap. Key elements like education levels and means of livelihood must be maintained to improve financial inclusion.

In 2024, the daily usage of mobile money increased from 23.6 percent in 2021 to 50.2 percent. This indicates that the users are relying on mobile money and mobile bank for undertaking transactions and managing liquidity. In 2024, 28.9 percent of the adult population used the hustler fund, with 35.8 percent of users in the highest wealth quintile and only 18.7 percent in the lowest. Improving the terms and conditions of the hustler fund loan facility, especially for youth and lowest wealth quintiles, could accelerate the Bottom-Up Economic Transformation Agenda.

Effective financial inclusion requires financial products and services to match consumer expectations and welfare. Poor customer service discourages usage, particularly among MFI and insurance account holders, while mobile bank accounts recorded the

least complaints. Measured against three components of financial literacy (Interest rates, Inflation and risk diversification) 42.1 percent of the adult population were found to be highly financially literate (all three answered correctly), 40.6 percent were literate (any two answered correctly) while 14.5 percent were partially literate (one answered correctly). A financially literate person is able to make informed financial decisions, cope with shocks and invest for the future.

Overall, the survey findings reveal that Kenyans continue to access a diverse range of services, with a notable increase in the use of innovative digital solutions like digital credit providers, Hustler fund, 'buy now pay later,' alongside traditional services such as brick-and-mortar banks and SACCOs. The narrowing gaps in financial access across various demographics indicate progress in addressing inequalities, especially in gender, where the gap is now less than 2 percent.

Despite the progress made, significant disparities persist across counties, and exclusion among rural youth remains a concern. Additionally, ongoing consumer protection and rising debt stress are of policy concern. Improving financial health must be a priority. Policymakers, researchers, innovators, development partners and other key stakeholders can leverage on these datasets to address their varying needs in pursuit of their mandates. Policies to enhance livelihoods, earnings, and household incomes are essential to improve financial product uptake. Regulators should promote products and services that cater to all income groups, particularly the poor. Developing tools to track consumer protection and financial health can guide regulators to improve the quality and standards of financial services.

APPENDIX 1

Wealth Index Computation

Wealth Index computation follows a statistical procedure known as Principal Components Analysis (PCA) where the variables used are based on data collected from household miscellaneous demographics, housing conditions module of the questionnaire. Each household asset for which information is collected is assigned a weight or factor score generated through PCA. The resulting asset scores are standardized in relation to a standard normal distribution with a mean of zero and a standard deviation of one.

Each household is assigned a standardized score for each asset and where the score differs depending on whether the household owned that asset. The scores are summed by household and individuals are ranked according to the total score of the household in which they reside. The sample is then divided into population quintiles of five groups with the same number of individuals in each. The quintiles are then used in the tabulation.

$$Y_1 = l_{11}X_1 + l_{12}X_2 + \ldots + l_{1p}X_p,$$
$$Y_2 = l_{21}X_1 + l_{22}X_2 + \ldots + l_{2p}X_p,$$
$$\vdots$$
$$Y_p = l_{p1}X_1 + l_{p2}X_2 + \ldots + l_{pp}X_p,$$

With p original variables: Linear transformation of the original variables X

Requirements:

Y_j are uncorrelated

Y_j has maximal variance

l_j has unit length

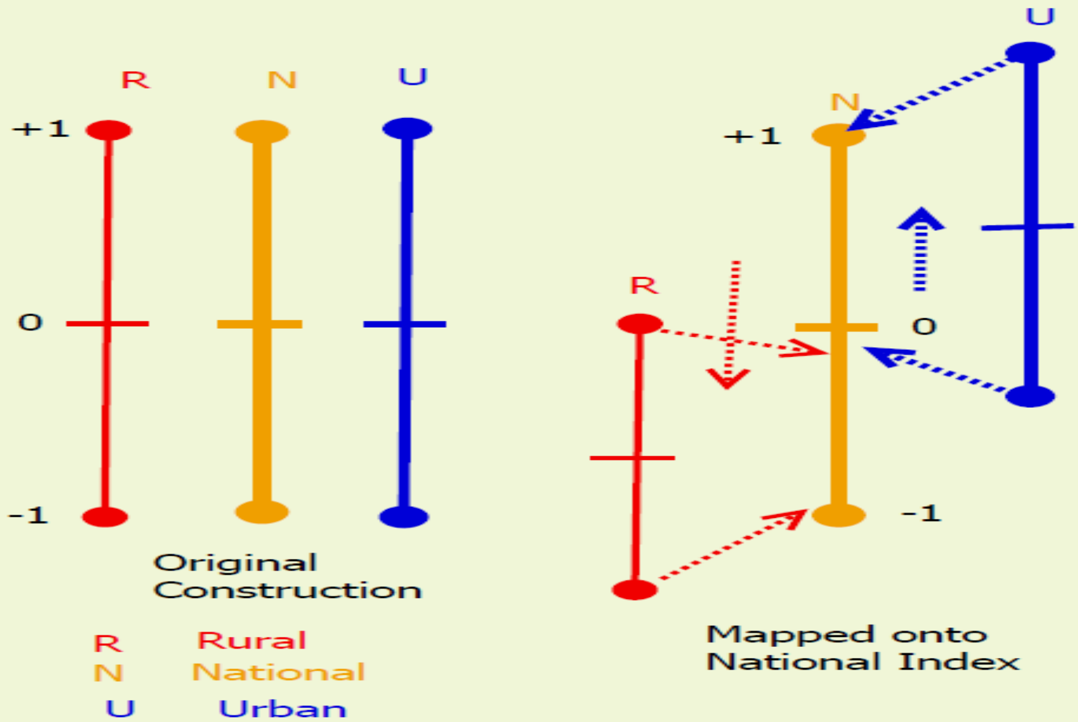
$$Y_j = 0.3piped_{water} + 0.01flush_{toilet} + \ldots\ldots\ldots - 0.005mobile_{phone}$$

Wealth Index Calculation

The Principal Components Analysis (PCA) is employed separately running for urban and then for rural households. Standardizes indicator variables (using Z-score) and then calculate the coefficients. Standardized Household indicator values are multiplied by the coefficients and summed to arrive at HH index value

A single composite national index is created by combining the Urban Index and Rural index. The national index is created using common variables to both urban and rural. Reflect the same direction in relation to wealth. Perform PCA and Calculate the coefficients and household index value. Regress urban and then rural index on common index. Use regression constant and coefficient to adjust urban and rural index respectively to create a composite national wealth index.

In some cases, the wealth index poses a problem where the index is too much urban in its construction and not able to distinguish the poorest of the poor from other poor households. In the case of 2024 FinAccess, three (3) PCAs were performed namely National, Urban and Rural. The National index with common variables was calculated then both Urban and Rural index scores separately based on common variables and other additional variables that shift the direction of wealth depending on the residence (whether urban or rural). An adjustment to the National index was made by regressing the area-specific index scores (Urban/Rural) on the National index score. The regression constant and coefficient were used to adjust urban and rural index respectively to create a composite national wealth index as shown in the diagram below.



APPENDIX 2
Terms and Abbreviations

Abbreviation/ Concept	Definition
Airtel money	Mobile–based money transfer service by Airtel Kenya Limited
AFC	Agricultural Finance Corporation
ASCA	Accumulating Savings and Credit Association
ATM	Automated Teller Machine
CBK	Central Bank of Kenya
Chama	Informal groups
CMA	Capital Markets Authority
CRB	Credit Reference Bureau
DCP	Digital Credit Provider
DFI	Development Finance Institution
DFS	Digital Financial Services
Digital Loan Apps	Financial services provided through mobile phone–based software applications such as TALA, O-Kash etc.
DT–SACCO	Deposit Taking SACCO
EA	Enumeration Area
Equitel	A mobile app and Mobile phone–based banking services by Equity Bank Limited
FSD Kenya	Financial Sector Deepening Trust Kenya
Fuliza	A mobile money overdraft facility
HELB	Higher Education Loans Board
Income earner	Individual who has work and/or investments that provide a defined income stream on a regular basis
Informal group	In this Survey, a group refers to a collection of individuals who use different financial services jointly, such as merry–go–rounds/ Chamas, investment clubs, welfare groups, ROSCAS and ASCAS (see definitions listed elsewhere here).
In kind	Refers to payment in form of a service or product but not with money value
IRA	Insurance Regulatory Authority
IRBS	Individual Retirement Benefit Scheme
KCB M–PESA	Mobile phone-based banking services and product by Kenya Commercial Bank Limited
KDIC	Kenya Deposit Insurance Corporation
KIE	Kenya Industrial Estate
KISH	Sampling method for randomly selecting an individual in the household
KMRC	Kenya Mortgage Refinance Company
KNBS	Kenya National Bureau of Statistics

Abbreviation/ Concept	Definition
M-Coop Cash	Mobile phone–based banking services offered by the Cooperative Bank of Kenya Limited
Merry–go–round	A group in which the members contribute a fixed amount for a fixed duration, and each member is paid the entirety of the collected money on a rotating schedule
MFB	Microfinance bank
MFI	Microfinance Institution
MFS	Mobile phone financial services or simply mobile money offered by MNO
MNO	Mobile Network Operator
Mobile Bank	Mobile phone–based banking services and products by commercial banks such as Timiza, M-Shwari, HF Whizz, Eazzy Loan
Mobile Banking	Banking services accessed through mobile devices, including fund transfers, account inquiries, and bill payments
Mobile Money	Financial transactions conducted through mobile phones, including transfers, payments, and savings.
M–PESA	Mobile–based money transfer service offered by Safaricom Kenya Limited
M–Shwari	Mobile phone–based banking services from Commercial Bank of Africa (CBA)
NASSEP	National Sample Survey and Evaluation Programme
NHIF	National Hospital Insurance Fund
NSE	Nairobi Securities Exchange
NSSF	National Social Security Fund
POS	Point of Sale Device
PWDs	Persons With Disabilities
QTC	Questionnaire Technical Committee
RBA	Retirement Benefits Authority
ROSCA	Rotating and Savings Credit Associations
SACCO	Savings and Credit Co–operative
SASRA	SACCO Societies Regulatory Authority
Wealth quintile	Each household respondent is given an affluence score based on household assets. The population is equally divided into groups (quintiles) and each respondent is placed in their corresponding quintile based on the level of affluence/ social strata

APPENDIX 3
Financial Health

	2016	2019	2021	2024	Question 2024
Ability to manage day to day	**63**	**55.3**	**45.0**	**50.2**	
Manage: no trouble making money last	41.8	28	28.9	**42.6**	In the past 12 months, was there a time when you couldn't meet your regular spending needs? (R1A)
Manage: plan for allocating money	73.5	62.3	62.2	**57.1**	" In the past 1 month, did you or any household member have to eat fewer meals in a day or go without food due to lack of money?(B1Di) In the past 12 months, did you or any household member have to eat fewer meals in a day or go without food due to lack of money? (B1Diii)"
Manage: never went without food	58.1	66.6	46.5	**53.9**	Has a plan for how to allocate money for things like food, clothing, bills and other needs from month to month (B1C3)
Ability to cope with risks	**52.4**	**36.9**	**23.3**	**33.3**	
Risk: never went without medicine	64.6	64.1	45.8	**56.3**	In the last year, never went without medicine when needed (B1F1)
Risk: could raise lumpsum in 3 days	36.8	19.5	21.6	**24.9**	Would be able to raise lump sum equivalent to one month of typical spending in 3 days? (B1J/ B1K)
Risk:kept money aside for future	56.4	41.4	35	**33.2**	In the last year, regularly kept money aside for emergencies or unexpected expenses (B1C2)
Ability to invest in livelihoods and the future	**46.5**	**21.8**	**39.5**	**17.1**	
Invest: set money aside for future	55.7	33.4	38.1	**43.8**	Currently using savings to help achieve a specific goal that requires a lot of money (R3C, F1)
Invest:money aside for productivity	39.6	17.4	32.4	**14.4**	Is using savings or credit to invest in productive assets (e.g. land, securities, housing, agricultural inputs), education or old age (F1A-F1L(4,5, 6,7,8))
Invest: saving for old age	43.7	22.5	58.1	**15.1**	Intends to (or currently is if age > 65) using savings, pension or investment income to make ends meet in old age (Pension usage, investment usage and if F1A-F1L (9))
Financially healthy adults	39.4	21.7	17.1	**18.3**	

APPENDIX 4
Distribution of clusters and households by county

County Code	County Name	No. of Clusters			No. of Households		
		Rural	Urban	Total	Rural	Urban	Total
1	MOMBASA	0	46	46	-	690	690
2	KWALE	25	13	38	375	195	570
3	KILIFI	24	19	43	360	285	645
4	TANA RIVER	18	12	30	270	180	450
5	LAMU	15	10	25	225	150	375
6	TAITA TAVETA	20	13	33	300	195	495
7	GARISSA	22	14	36	330	210	540
8	WAJIR	23	13	36	345	195	540
9	MANDERA	21	14	35	315	210	525
10	MARSABIT	19	12	31	285	180	465
11	ISIOLO	14	15	29	210	225	435
12	MERU	35	13	48	525	195	720
13	THARAKA NITHI	25	9	34	375	135	510
14	EMBU	27	12	39	405	180	585
15	KITUI	33	10	43	495	150	645
16	MACHAKOS	27	20	47	405	300	705
17	MAKUENI	30	11	41	450	165	615
18	NYANDARUA	28	11	39	420	165	585
19	NYERI	27	15	42	405	225	630
20	KIRINYAGA	25	14	39	375	210	585
21	MURANG'A	32	13	45	480	195	675
22	KIAMBU	21	35	56	315	525	840
23	TURKANA	25	12	37	375	180	555
24	WEST POKOT	27	8	35	405	120	525
25	SAMBURU	20	10	30	300	150	450
26	TRANS NZOIA	26	14	40	390	210	600
27	UASIN GISHU	21	23	44	315	345	660
28	ELGEYO MARAKWET	26	7	33	390	105	495
29	NANDI	30	10	40	450	150	600
30	BARINGO	25	11	36	375	165	540
31	LAIKIPIA	22	14	36	330	210	540
32	NAKURU	25	27	52	375	405	780
33	NAROK	29	12	41	435	180	615
34	KAJIADO	19	26	45	285	390	675
35	KERICHO	28	12	40	420	180	600
36	BOMET	31	8	39	465	120	585
37	KAKAMEGA	34	13	47	510	195	705
38	VIHIGA	27	10	37	405	150	555
39	BUNGOMA	32	13	45	480	195	675
40	BUSIA	27	12	39	405	180	585
41	SIAYA	31	11	42	465	165	630
42	KISUMU	23	20	43	345	300	645
43	HOMA BAY	31	12	43	465	180	645
44	MIGORI	28	13	41	420	195	615
45	KISII	31	13	44	465	195	660
46	NYAMIRA	28	9	37	420	135	555
47	NAIROBI CITY	0	64	64	-	960	960
	TOTAL	**1,157**	**705**	**1,885**	**17,355**	**10,920**	**28,275**

SCAN QR CODE
TO DOWNLOAD

CONTACT **US**

BANKI KUU YA KENYA

comms@centralbank.go.ke • www.centralbank.go.ke
Haile Selassie Avenue
P.O. Box 60000 - 00200, Nairobi Kenya
Tel/fax: +254 (20) 2860000

KNBS
KENYA NATIONAL
BUREAU OF STATISTICS

directorgeneral@knbs.or.ke • www.knbs.or.ke
Real Towers, Upperhill, Nairobi
P.O. Box 30266 - 00100, GPO NAIROBI.
Tel: +254 (701) 244533, (735) 004401

fsd Kenya

info@fsdkenya.org • www.fsdkenya.org
Green Suites Palm Suite,
Riverside, Riverside Drive
P.O. Box 11353, 00100 Nairobi, Kenya
Tel: +254 (20) 513 7300