



FinScope Tanzania 2023 Key Findings Launch

10th July 2023

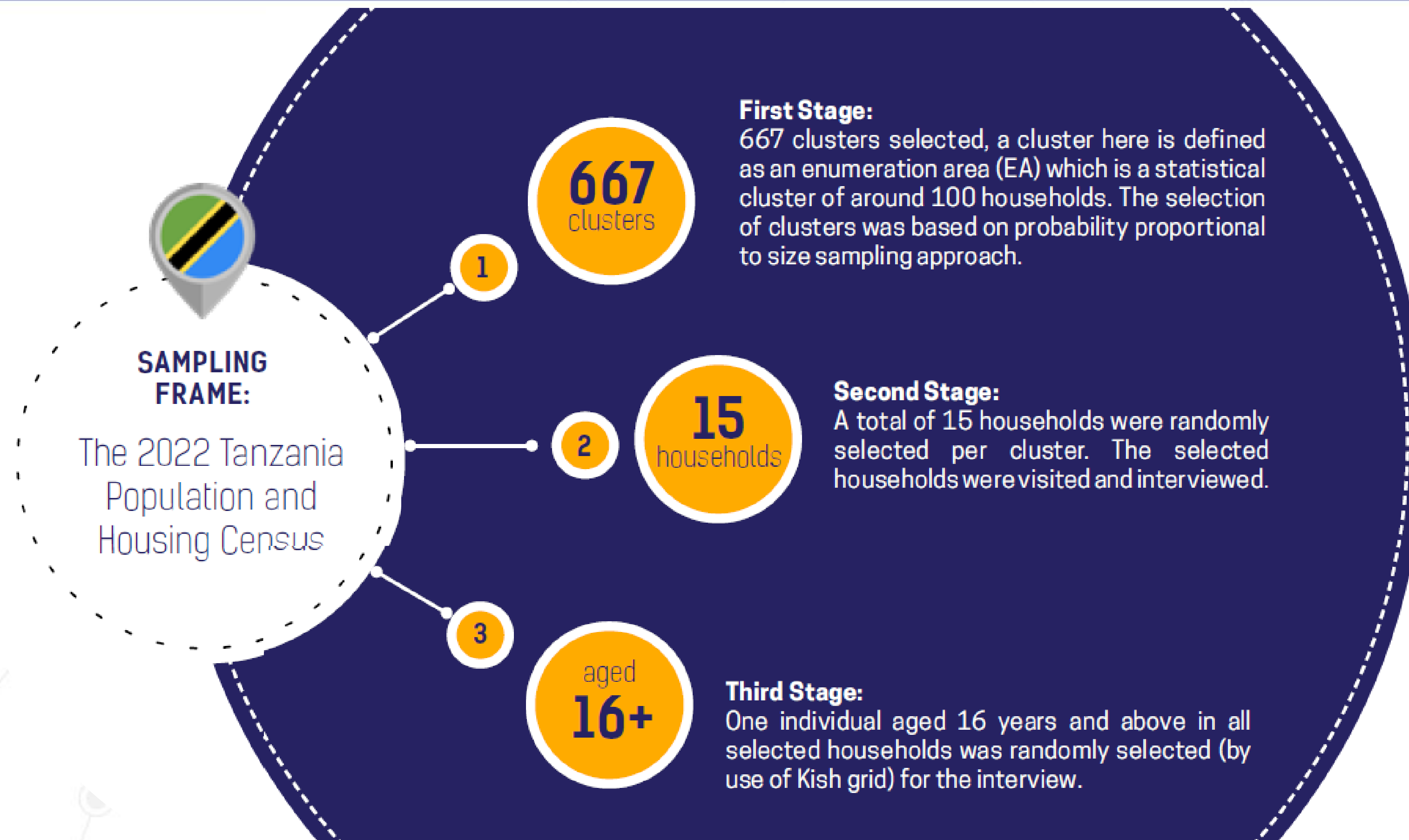
Bank of Tanzania Auditorium



Methodology and Research Process

How was the research designed and implemented?

Multi-Stage Sampling



Tool Development



Household Questionnaire

- List usual members and visitors to identify eligible individuals
- Basic characteristics of each person in the household (age, sex, education, etc.)
- Housing characteristics (drinking water, sanitation facilities, materials used for floor, etc.)
- Collect data on disability



Individual Questionnaire

- Person's demographic information (age, sex, education, disability status)
- Money Generating Activities and Main Expenses
- Planning, Cash Flow and Risk Management
- Saving and Borrowing
- Payments (Person to Business, Government to Persons, Bill Payments)
- Service Providers (Commercial Banks, Community Microfinance incl. Savings Groups, SACCOS, MFI, Mobile Money etc.)
- Literacy and Numeracy

The questionnaires were finalized in English and translated into Swahili and scripted in the program with both languages using the **Survey Solutions**.



Training

Training of Trainers:

14th to 18th February 2023 in Dodoma with 22 trainers

- Intended to equip trainers with the necessary skills to enable them to be in charge of the main training as trainers and/or supervisors
- Trainers were able to test the questionnaires (Paper and CAPI system) and address several issues related to questionnaires

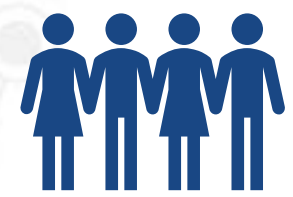


Training of interviewers:

20th to 28th February 2023 with 116 interviewers
(104 from Mainland and 12 from Zanzibar)

- NBS and OCGS staff as well as other staff from key partners acted as team leaders
- Fieldwork practice lasted for 2 days and was organized in two areas (Rural & Urban)

Data Collection Process



- Total of **22 teams** (2 teams in Zanzibar and 20 teams on the Mainland)
Team comprised with 1 team supervisor, 5 to 6 interviewers (female and male), and 1 driver



- Fieldwork Period: **1st March – 19th April 2023**

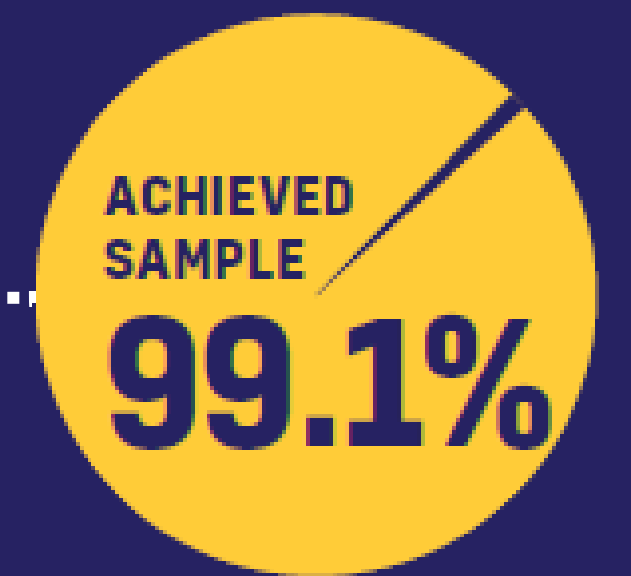
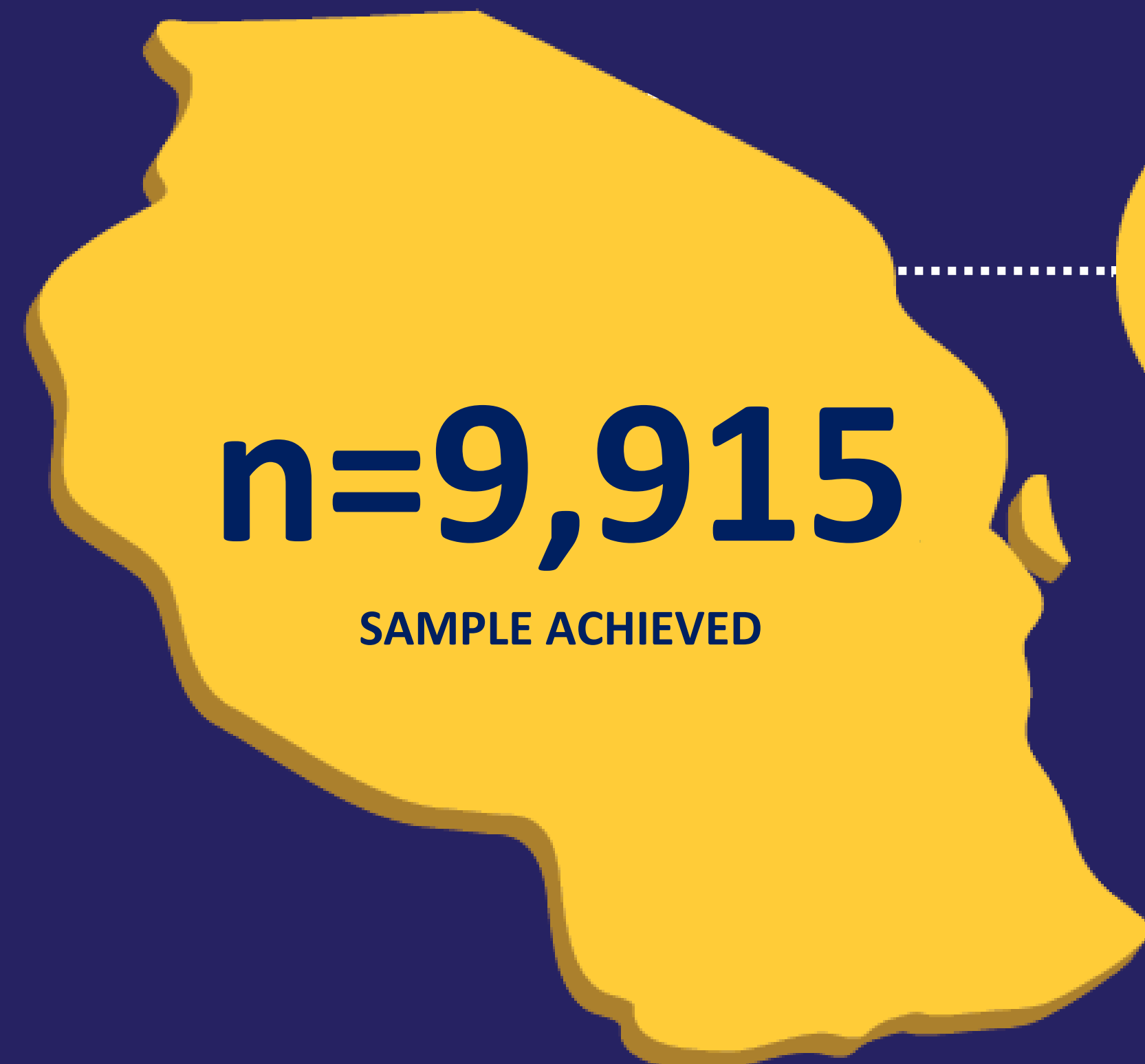


- Data was collected using tablets through the *CAPI* system and were transferred via Synchronization to the NBS's Server located at the central office in Dodoma





Targeted Sample vs. Achieved Sample



**For the individual questionnaire*

Key Findings

Key Findings Analysis

Analysis Process and Key Findings Structure

- Upon completion of fieldwork the data was cleaned, coded and **weighted** by NBS.
- Then FSDT and FMT embarked on defining the **analysis dimensions** and levels of disaggregation levels.
- The data was analyzed on **national level** and to understand specific tendencies further disaggregated by **gender, rural-urban as well as regions**. The key findings report and presentation mainly focuses on presenting national results.
- It was further agreed that, where possible, a **comparison with FinScope Tanzania 2017** findings is made.

3. FINDINGS

3A DEMOGRAPHICS

3B ADDRESSABILITY

3C FINANCIAL BEHAVIOUR

3D FINANCIAL INCLUSION

3E FINANCIAL USAGE

3F FINANCIAL SERVICE SATISFACTION

3A. Demographics

Who are the people?

Age, Gender, Education, Economic Activities

Setting and Gender Splits

Chart 1: Rural - Urban Split

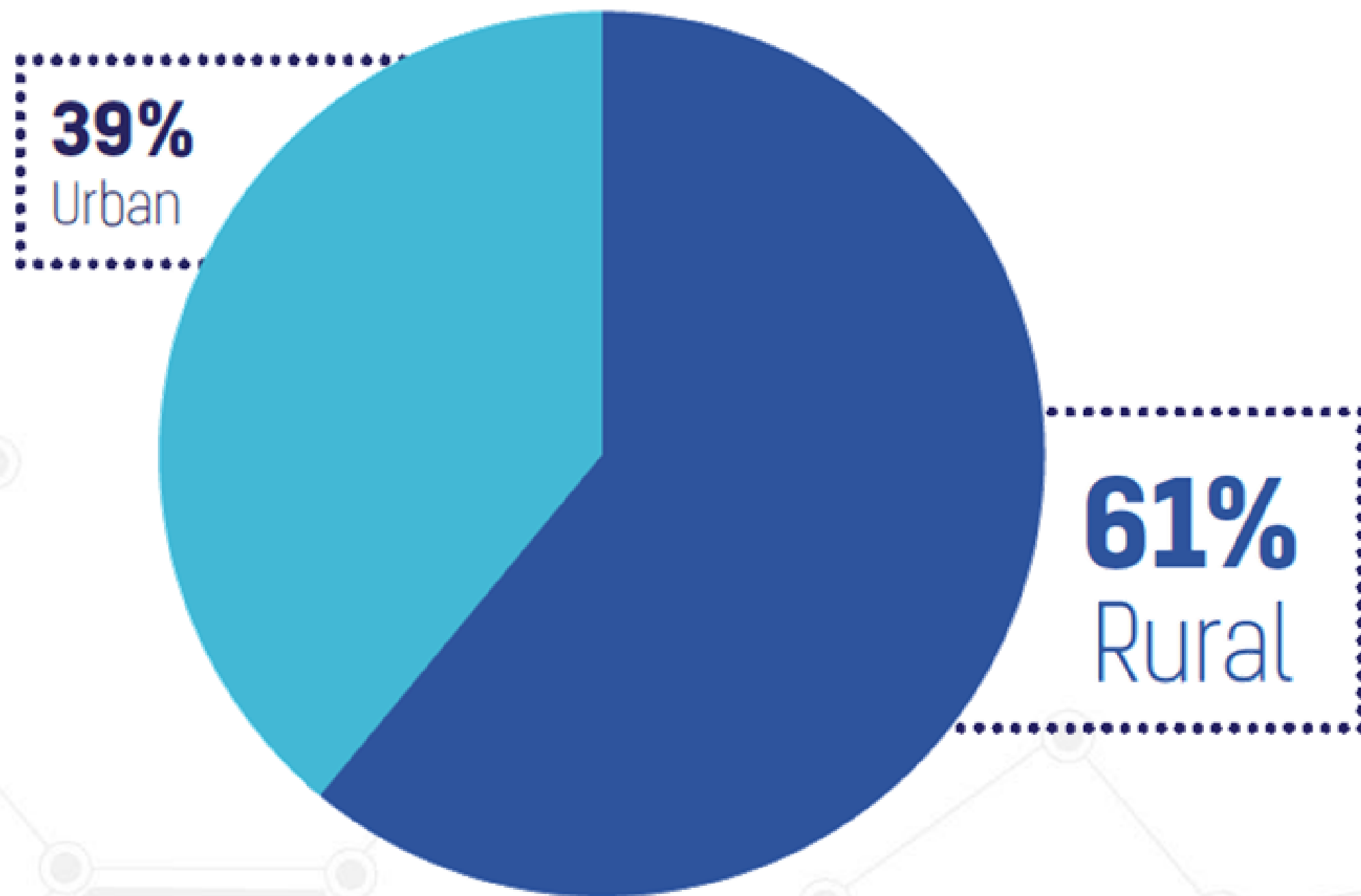
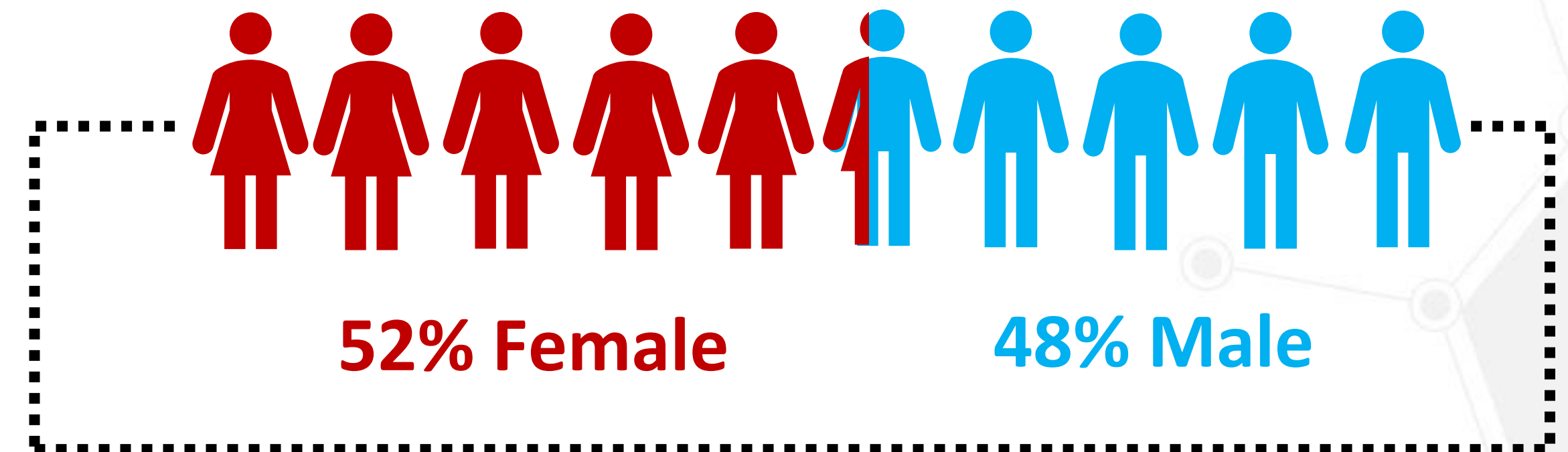


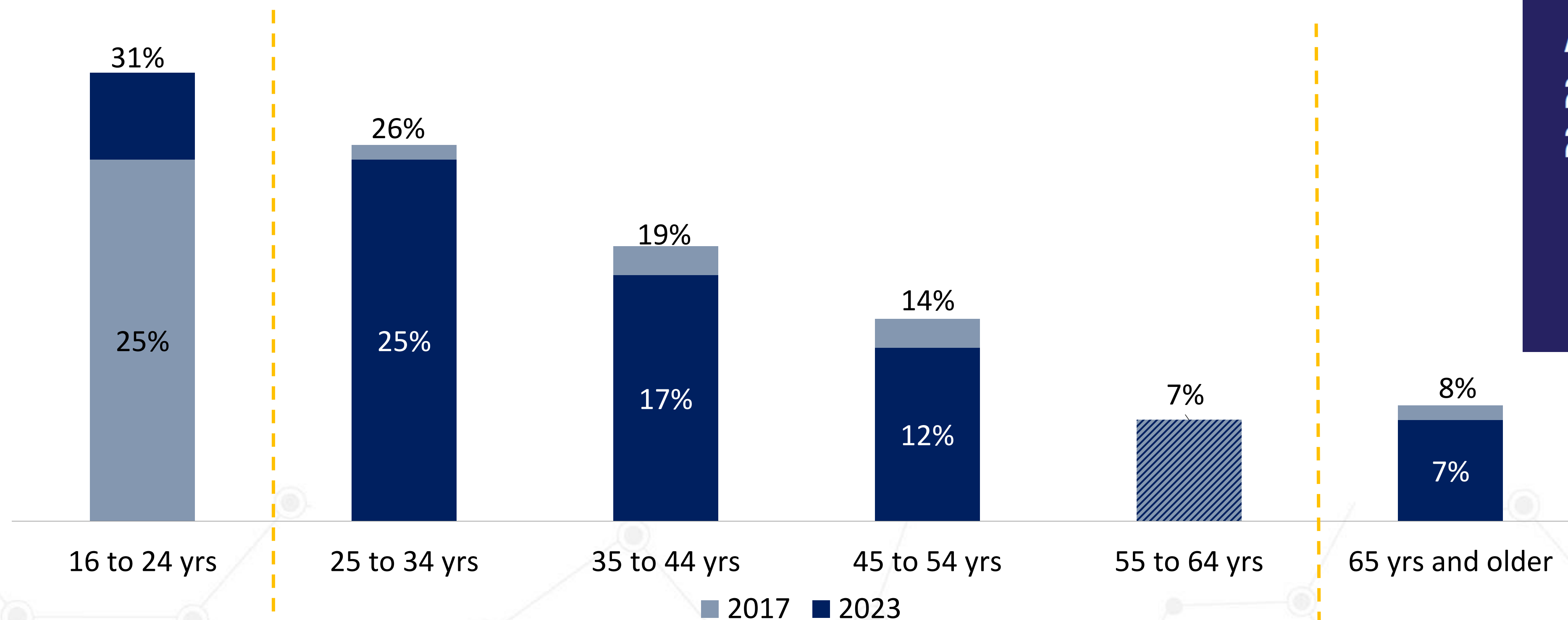
Chart 2: Gender Split



Source: FinScope Tanzania 2023 (March-April 2023)

A notable increment in younger youth can be observed

Chart 3: Age Group Distribution



62% of adult Tanzanians are within the economically-active age ranges in 2023

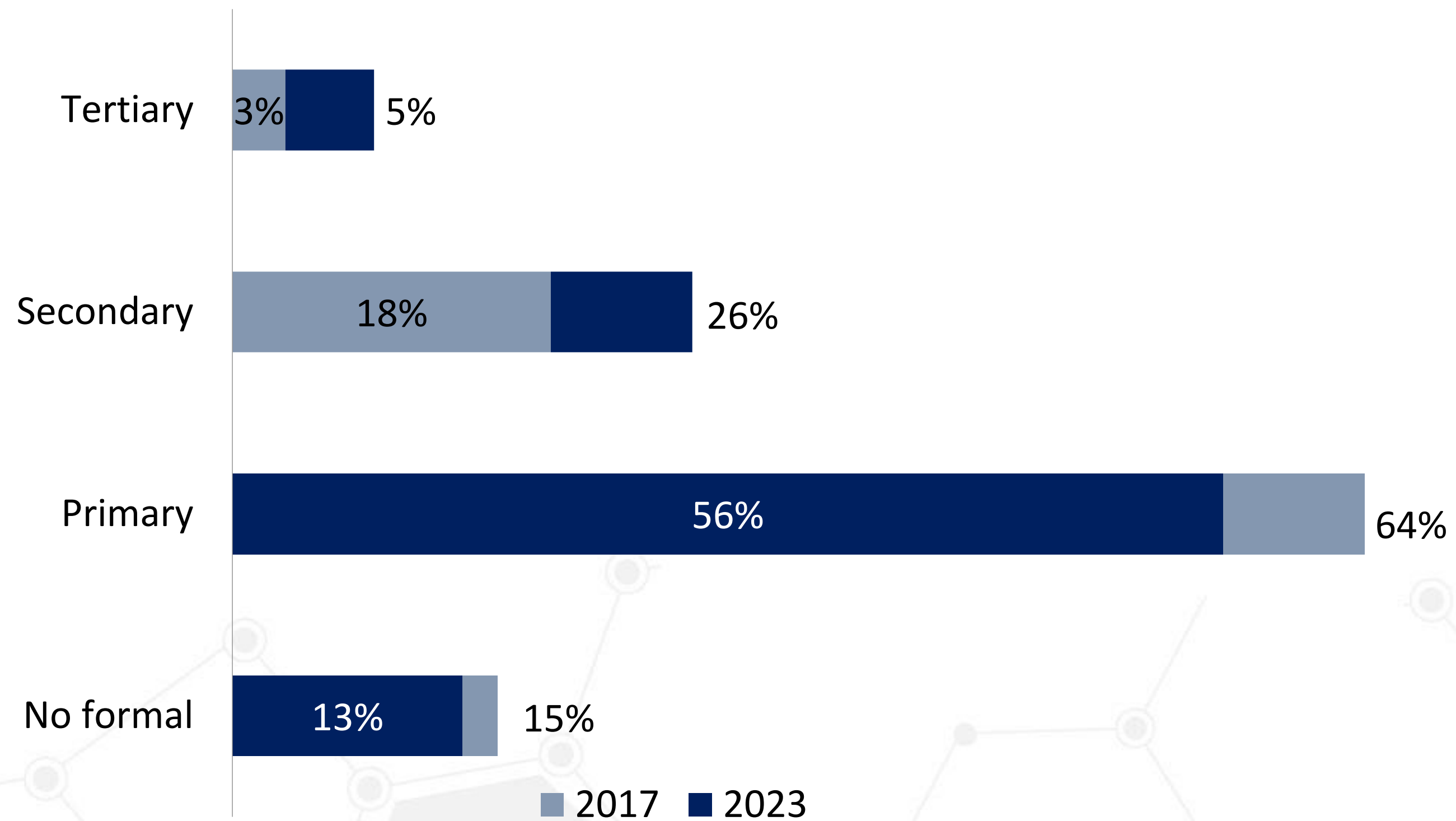
Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

ADULT POPULATION (16 Years+)
2023: 34,134,251
2017: 27,864,302

23%
 adult population growth

Finding 1: Over 3 in 10 adult Tanzanians have ended their formal education post primary school

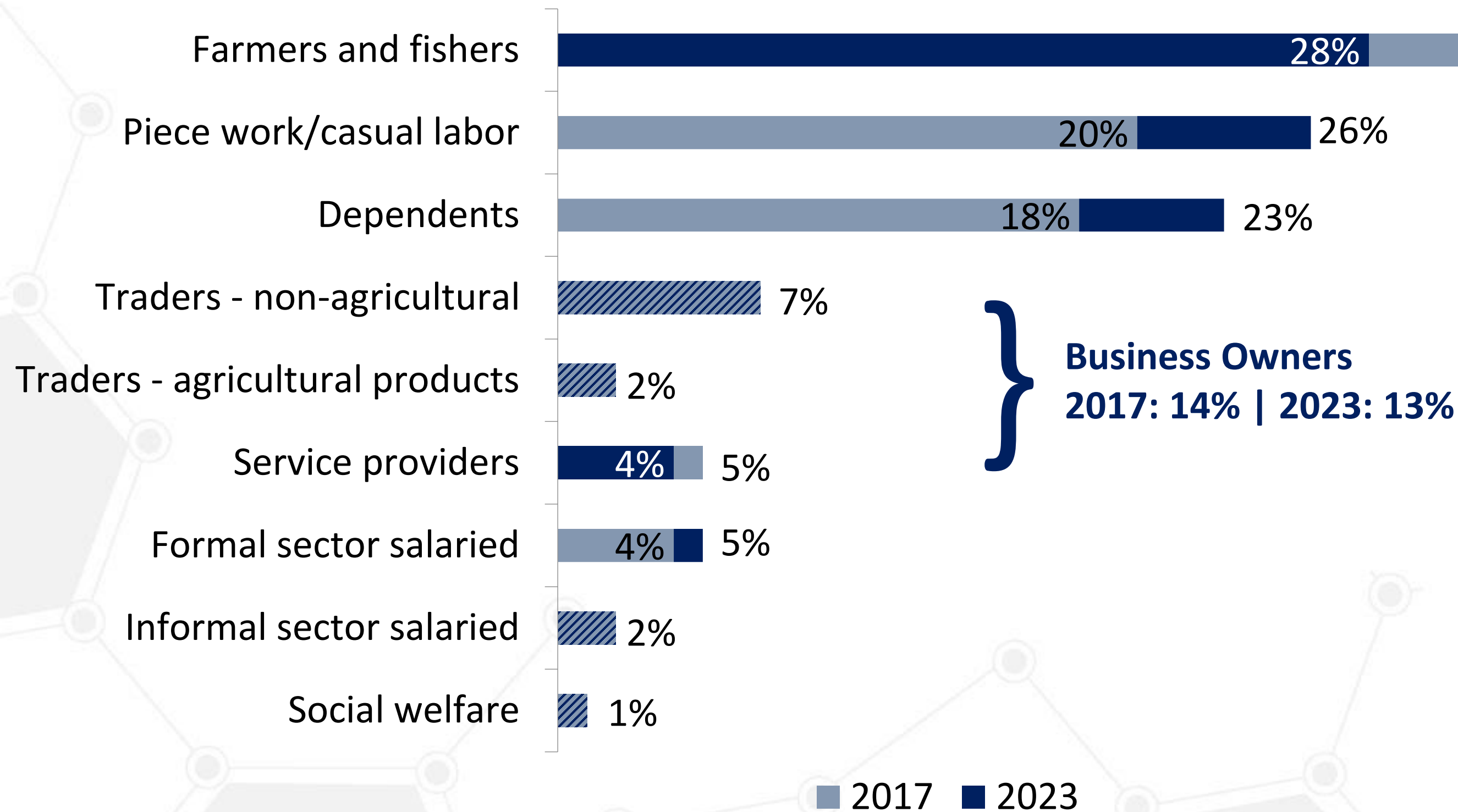
Chart 4: Highest Level of Education attained



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

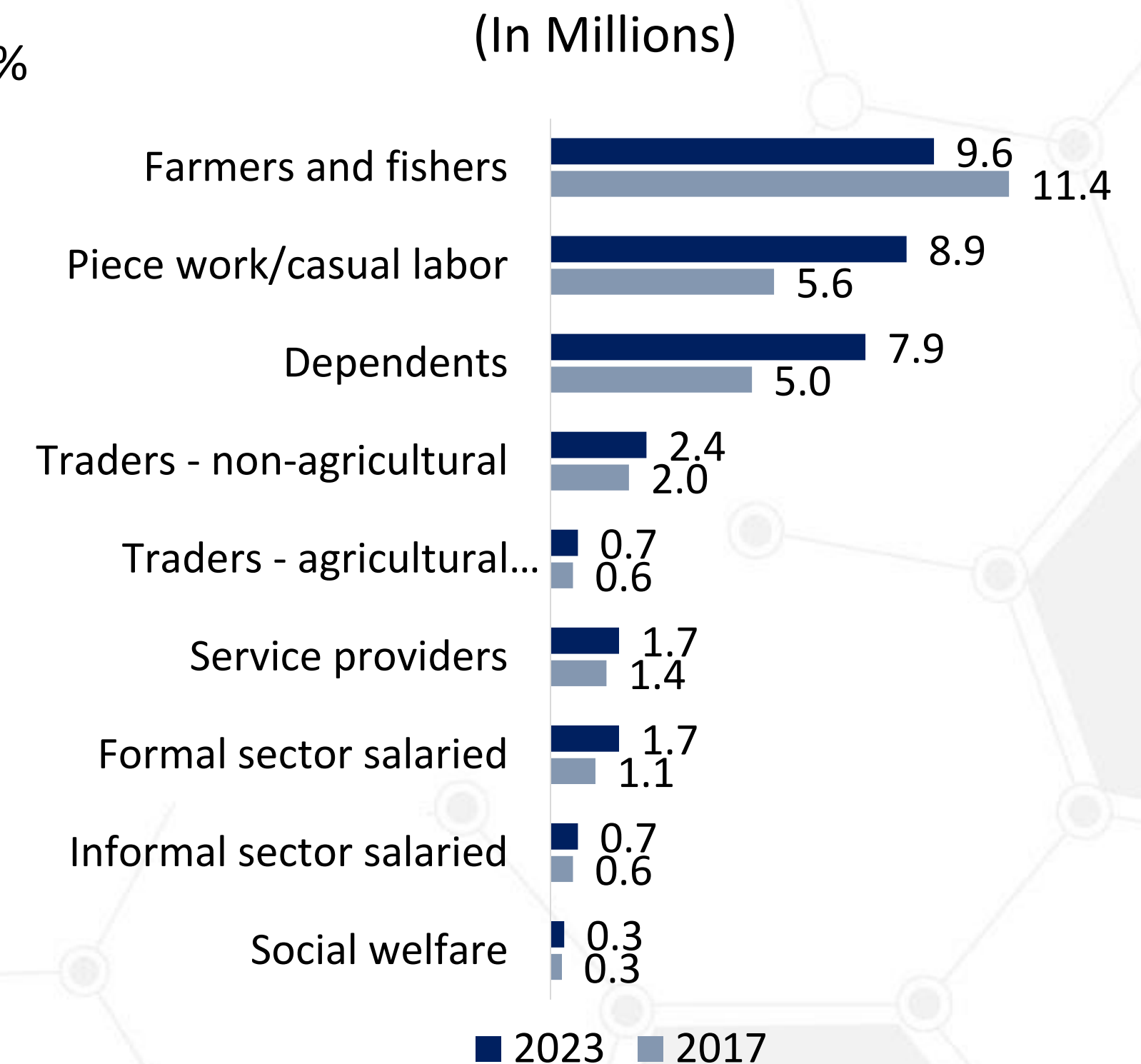
Finding 2: There has been a shift in primary income source away from farming towards casual labor and dependency

Chart 5a: Main revenue generating activity



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Chart 5b: Main revenue generating activity (In Millions)



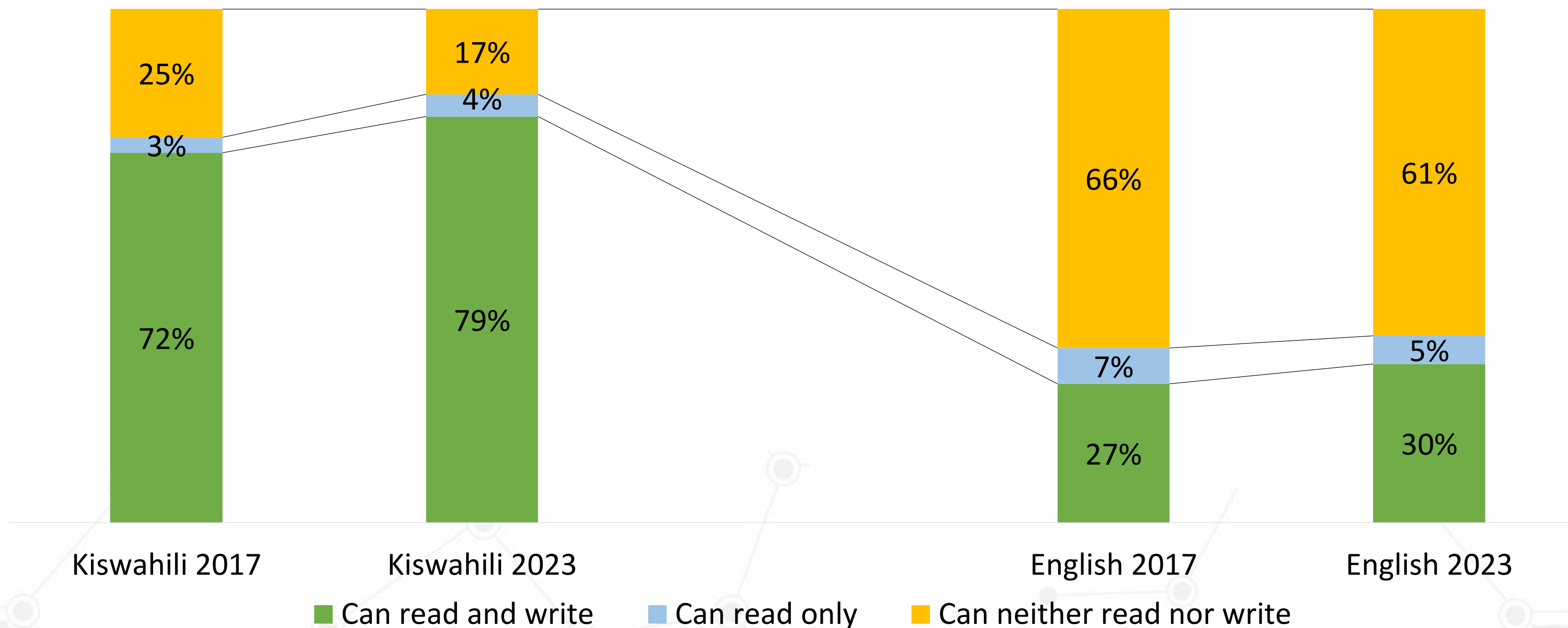
*Chart does not add up to 100% due to "other category" not shown in chart

3B. Addressability

Can adult Tanzanians be served by financial service providers?
Literacy, Collateral, Identification, Connectivity & Proximity

Finding 3: Kiswahili remains the language of the consumer

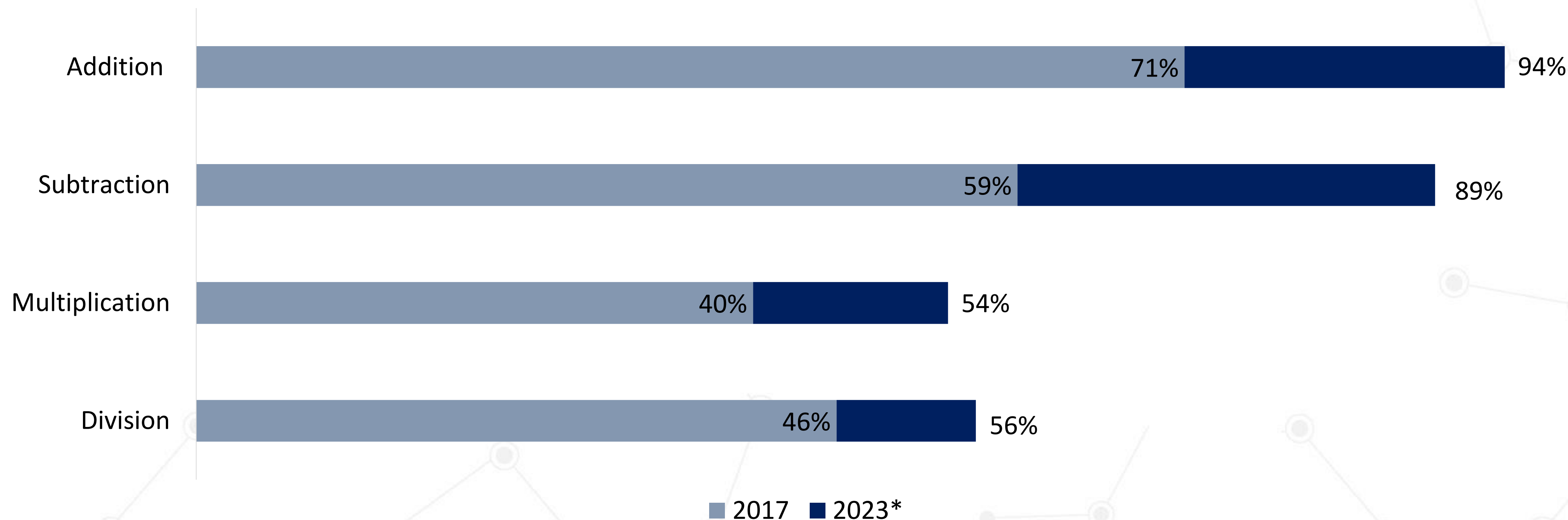
Chart 6: Literacy - English & Kiswahili



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 4: The skills gap in multiplication and division vis-à-vis addition and subtraction remains

Chart 7: Numeracy Skills

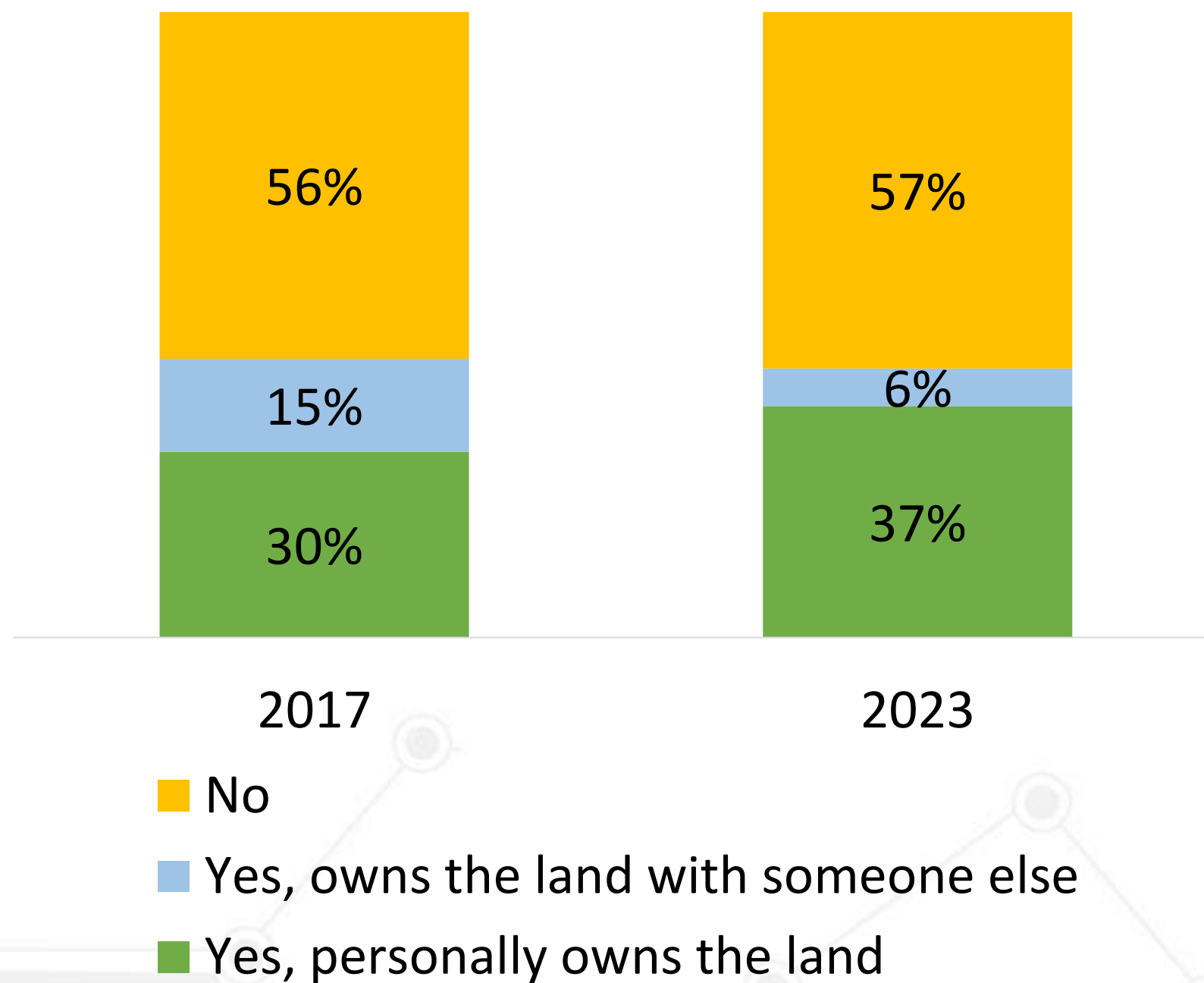


*Due to a change in methodology in 2023 during the administration of this assessment, the base for 2023 excludes 17% of the overall sample as they opted to use a calculator, an option that was not offered in 2017

Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 5: 7%-point increase in claimed land ownership and 5%-point increase in proof of ownership

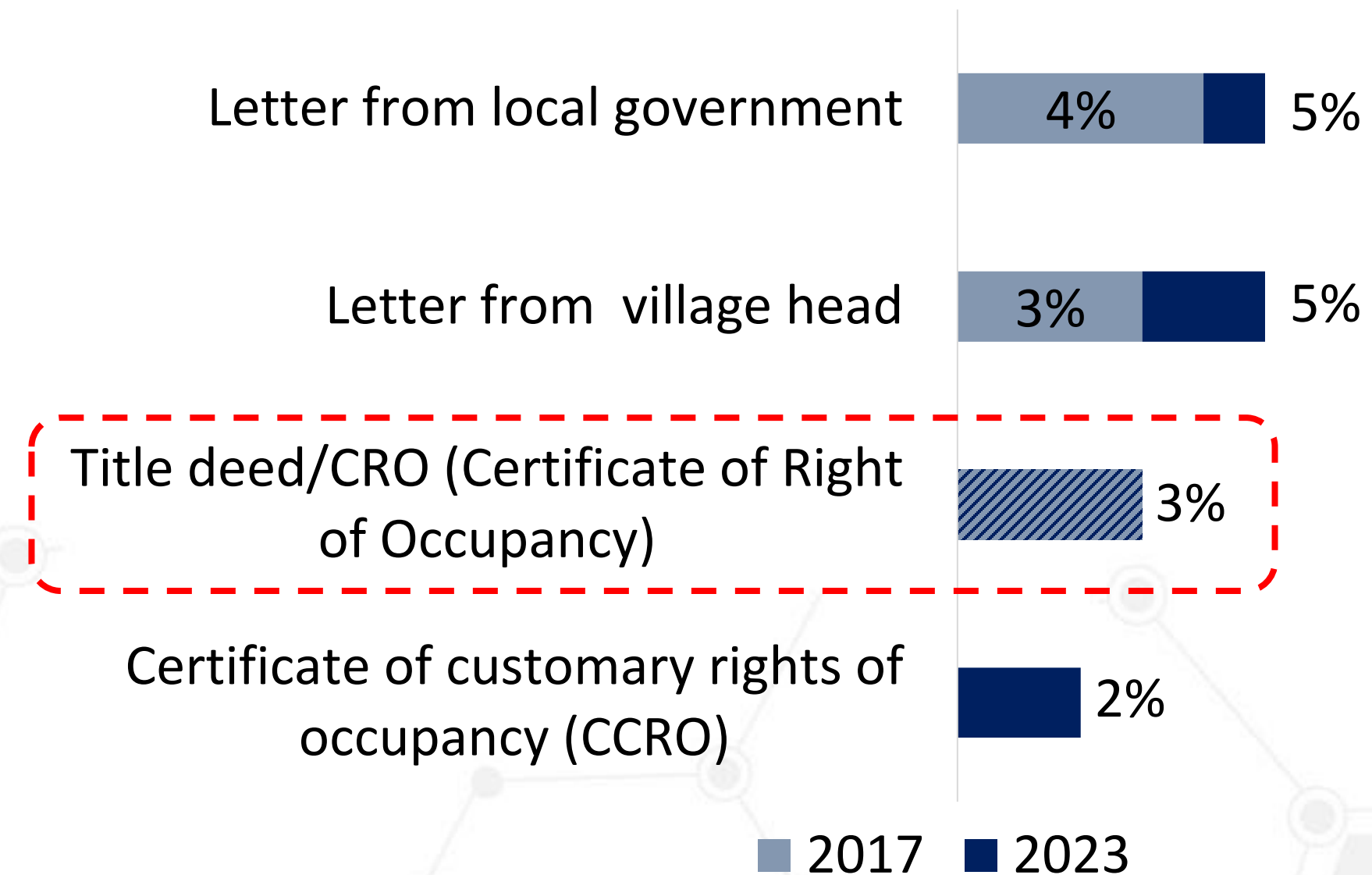
Chart 8: Do they own the land they live on?



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

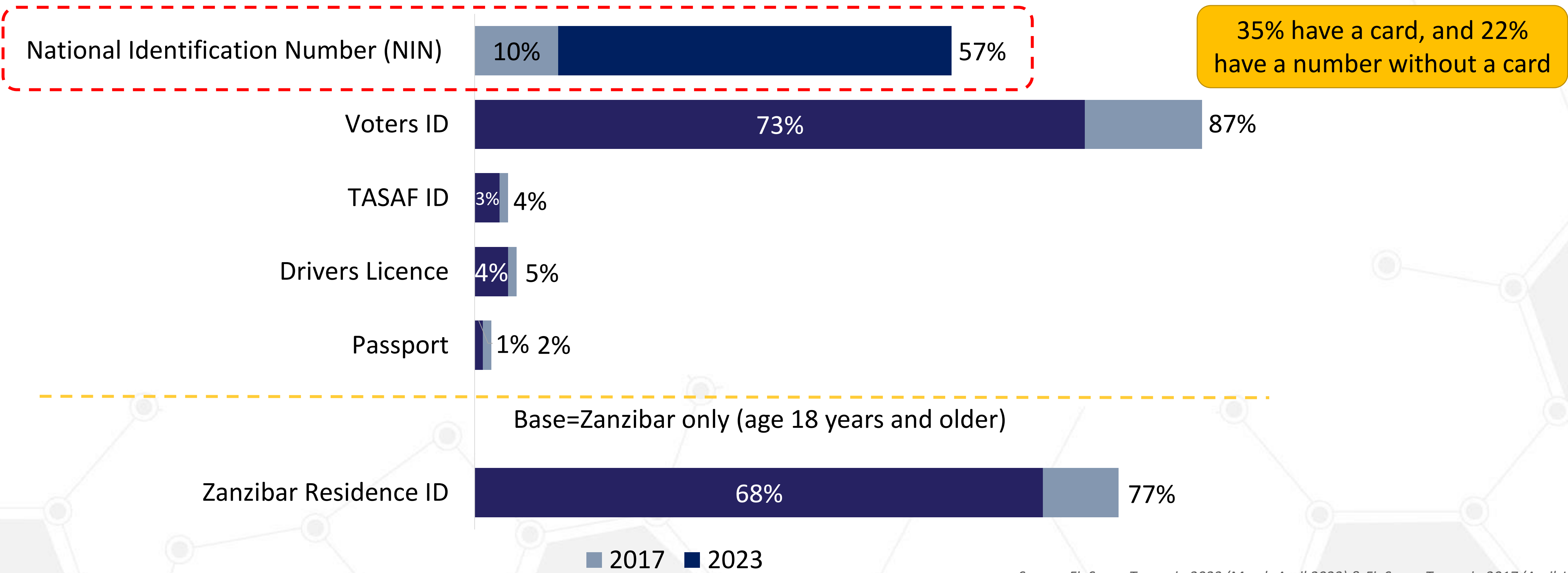
15% of adult Tanzanians have some proof of ownership vs. 10% in 2017

Chart 9: What documentation do they have?



Finding 6: Significant progress made with NIN uptake

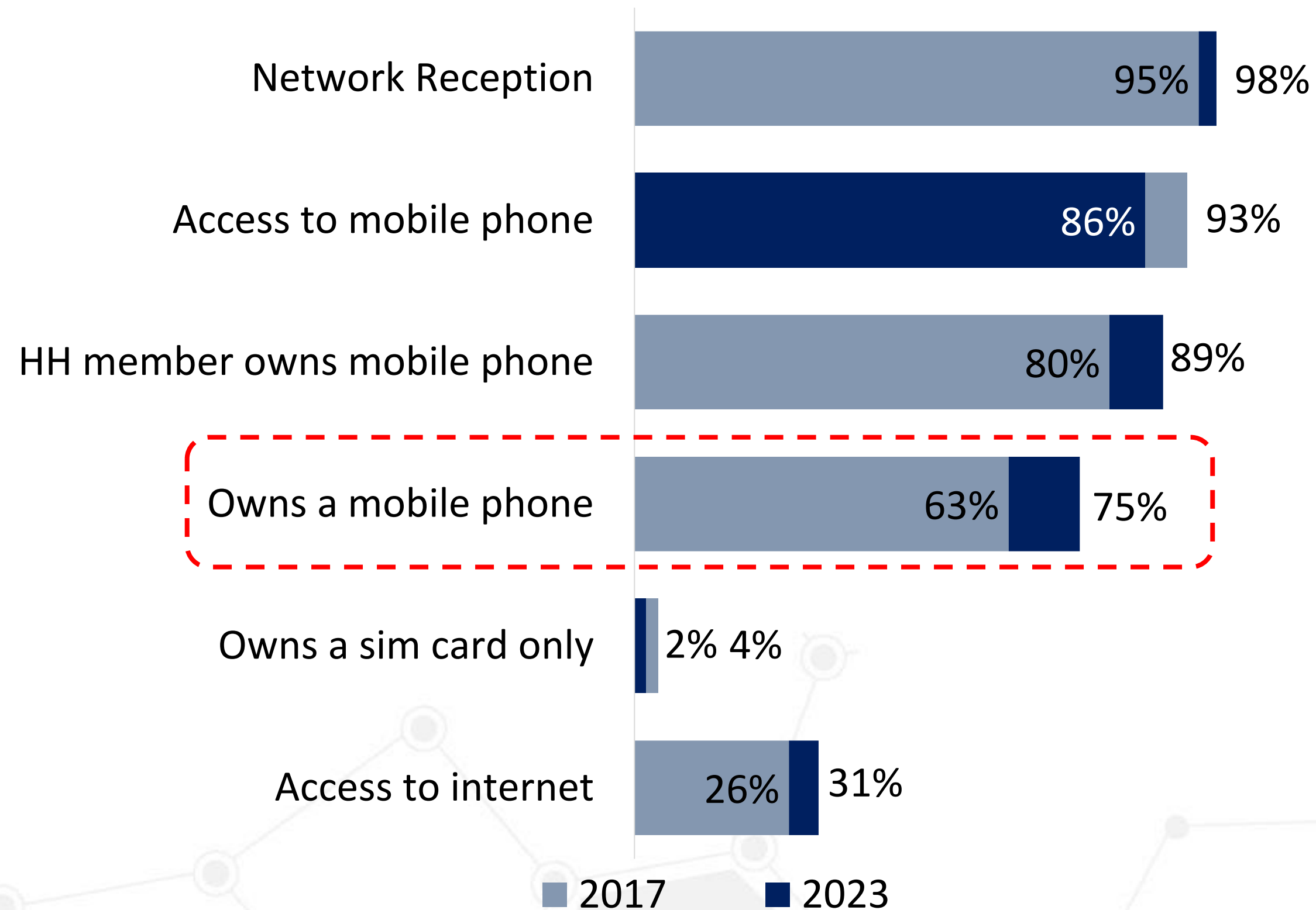
Chart 10: Personal Identification Document
Base=National (age 18 years and older)



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 7: 75% of Tanzanian adults own a mobile phone

Chart 11: Do you have access to?

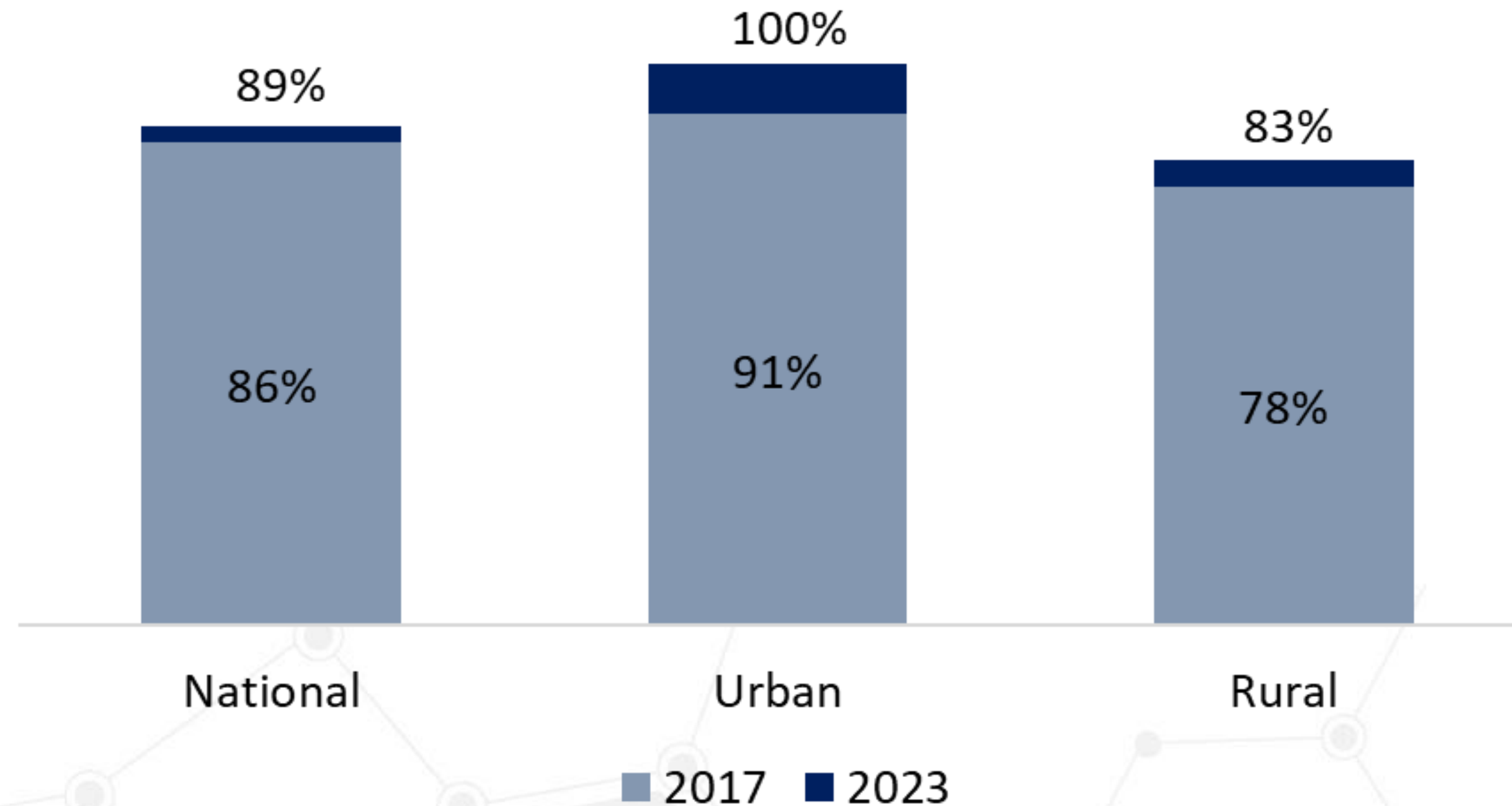


19% of Tanzanian adults own a smartphone, up from 11% in 2017

Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

89% of Tanzanians live within 5km of a financial access point

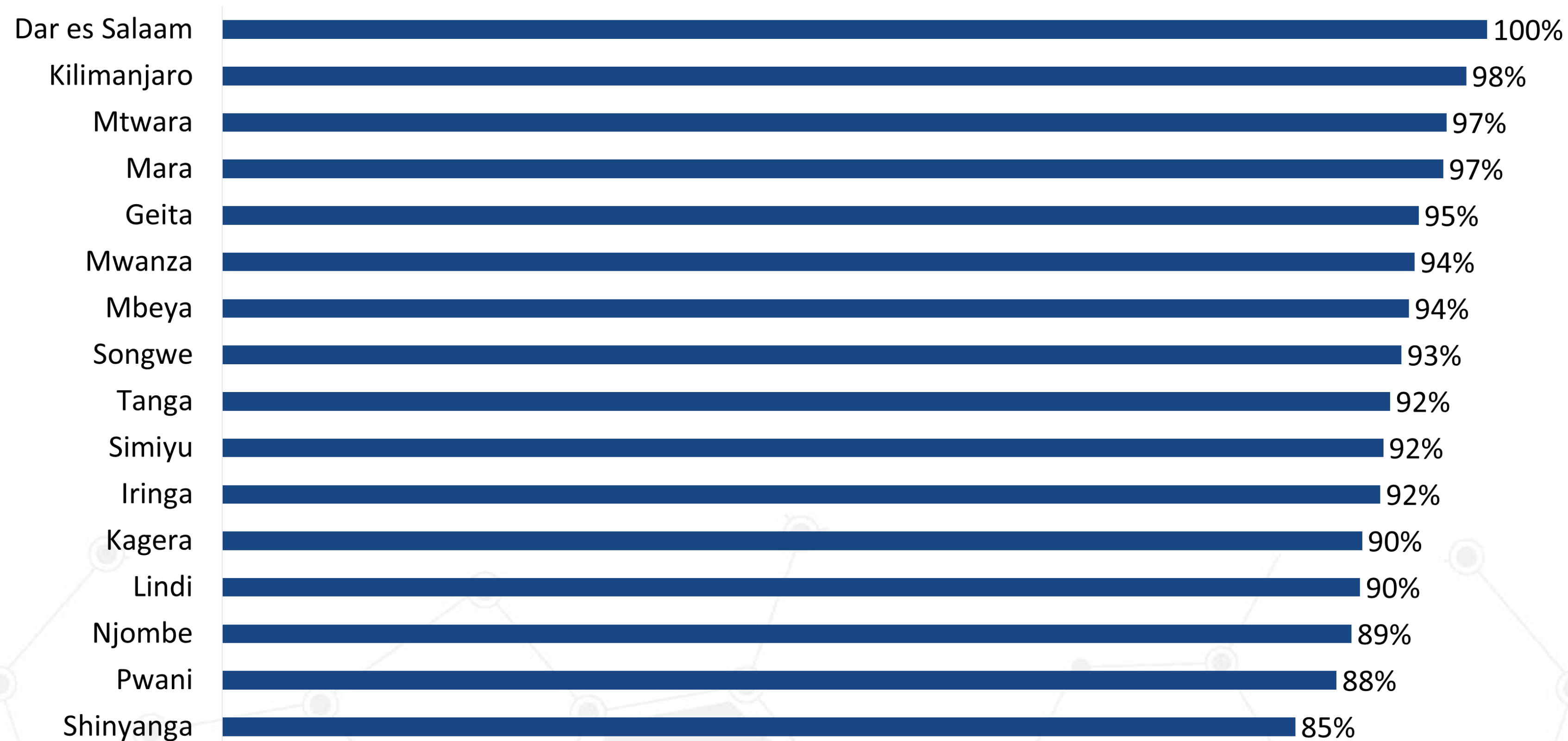
Chart 12: Tanzanians that live within 5km radius of a financial access point



Source: FinScope Tanzania 2017 (April-July 2017) | for 2023 data was taken from the Financial Services Registry and most recent geo-spatial population data

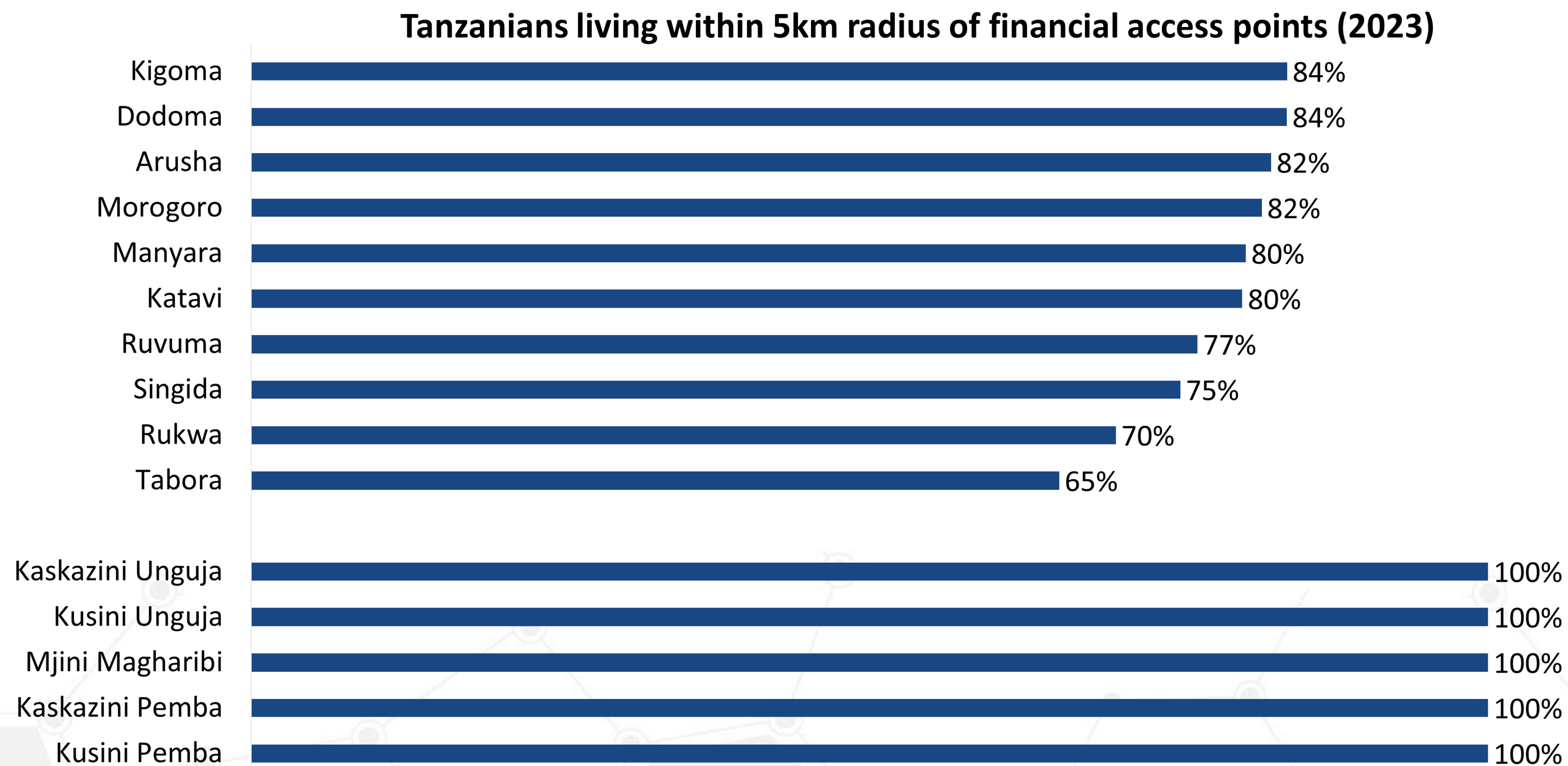
Tanzanians live within 5km of a financial access point by Region

Tanzanians living within 5km radius of financial access points (2023)



Source: For 2023 data was taken from the Financial Services Registry and most recent geo-spatial population data

Tanzanians live within 5km of a financial access point by Region



Source: For 2023 data was taken from the Financial Services Registry and most recent geo-spatial population data

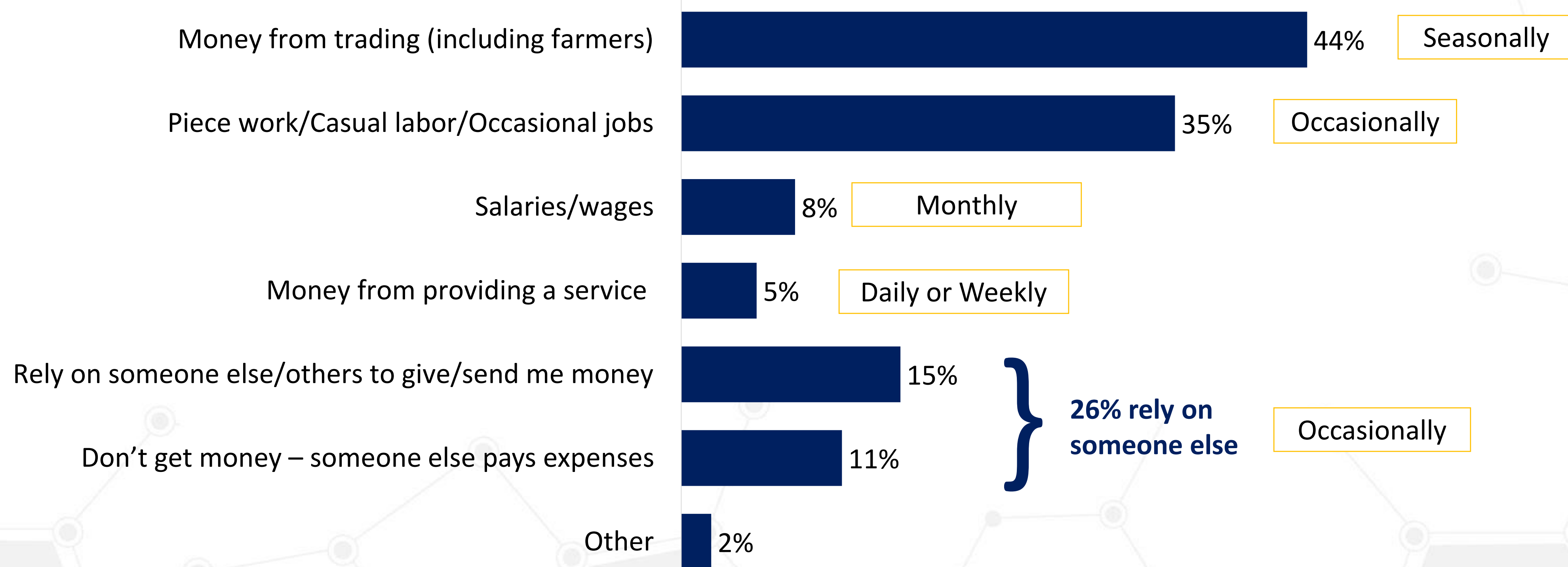
3C. Financial Behaviour

How do Tanzanians manage their finances?

Sources, Expenses, Priorities & Coping Mechanisms

Finding 8: Most Tanzanians rely on seasonal or occasional income

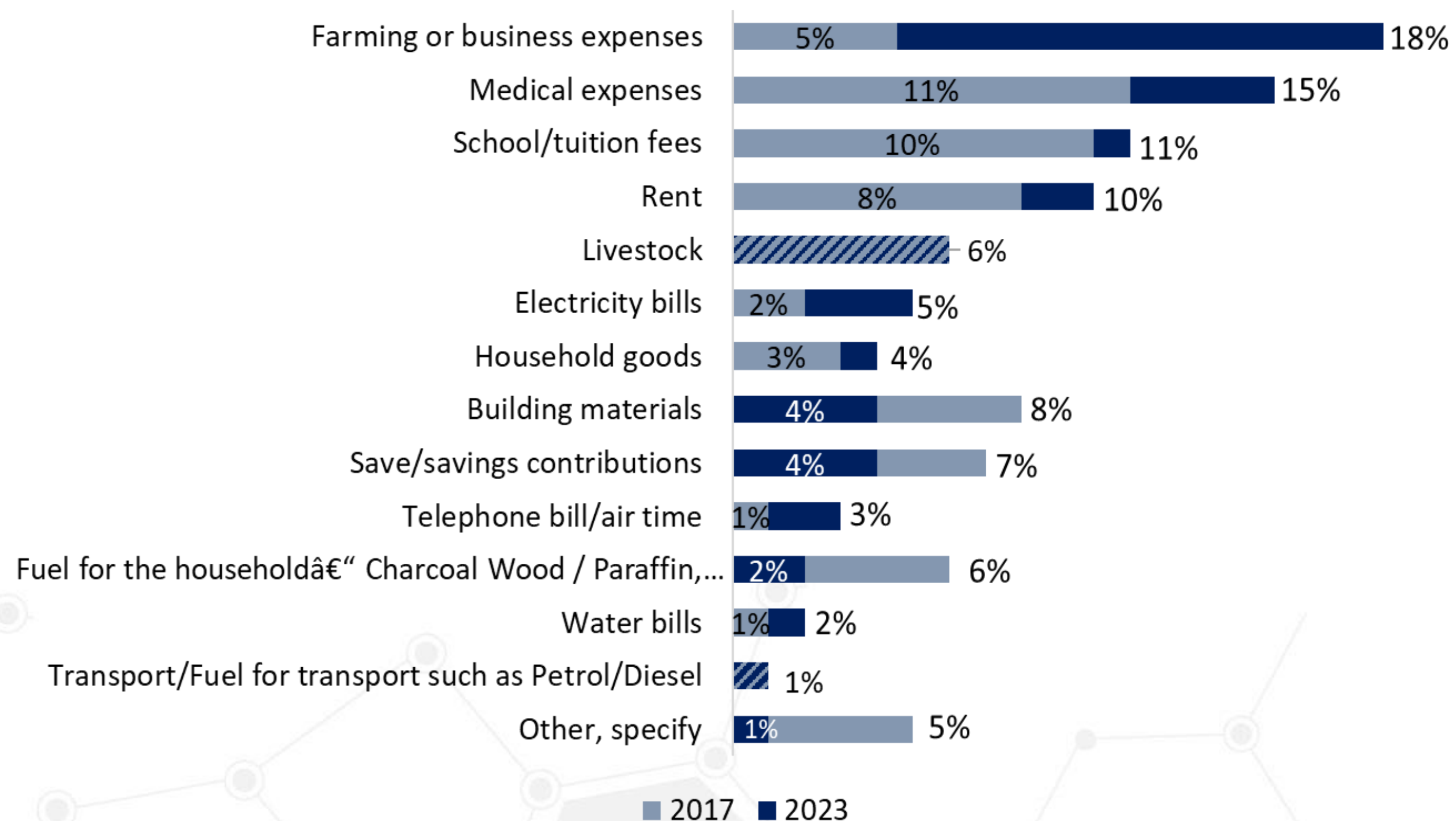
Chart 13: How is personal revenue generated and how frequently is money received from these sources?



Source: FinScope Tanzania 2023 (March-April 2023)

Finding 9: Farming or business (productive) expenses are regarded as priority expenses

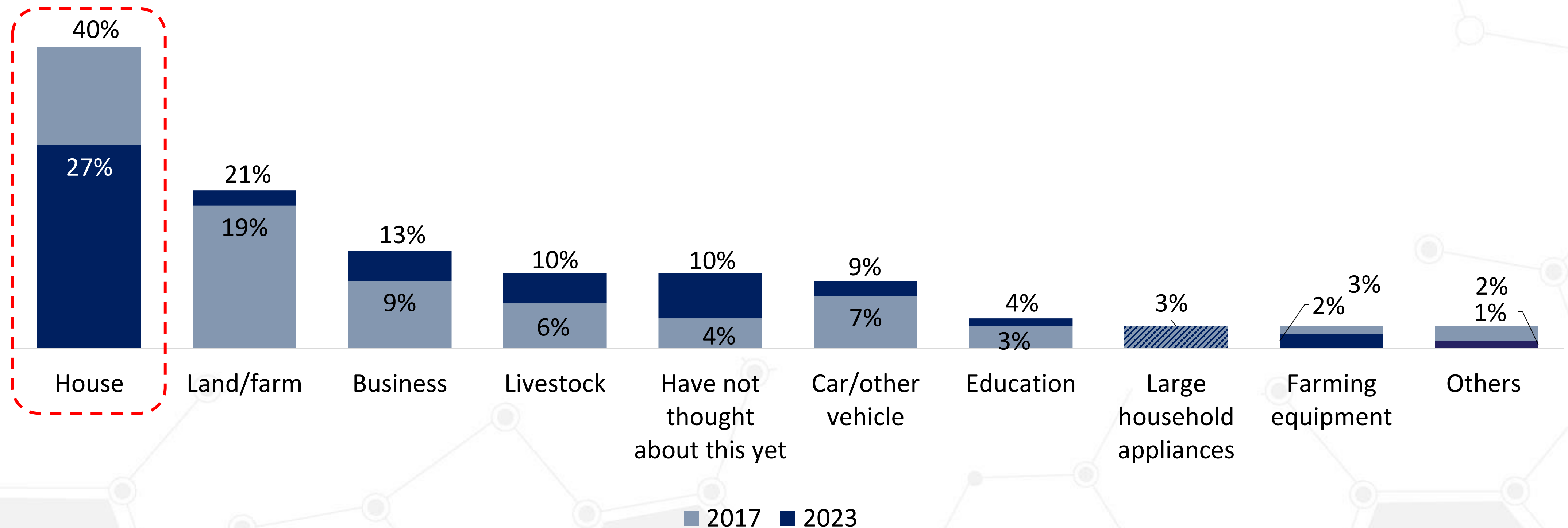
Chart 14: What is the most important payment to make when you get money? (excluding food and clothes)



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 10: Ownership of a house or property remains a main future spending need for Tanzanian adults

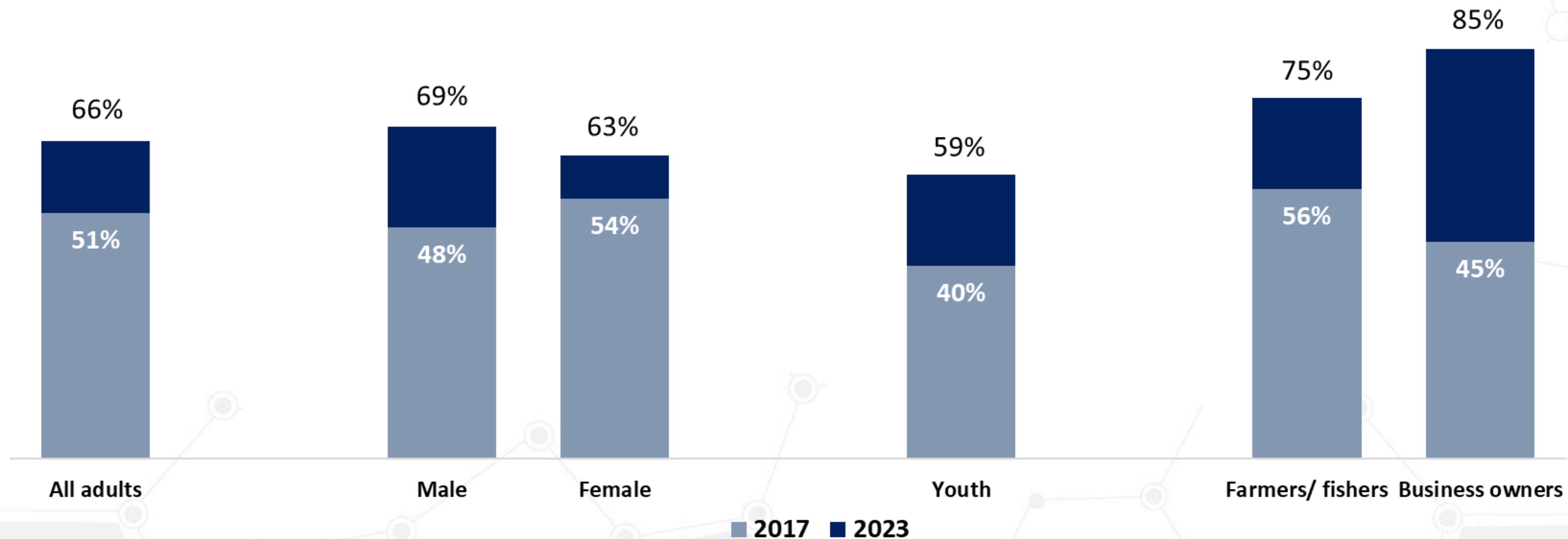
Chart 15: Can you think about something you want to buy but you cannot afford?



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 11: Two thirds of Tanzanians claim to be struggling to keep up with regular expenses

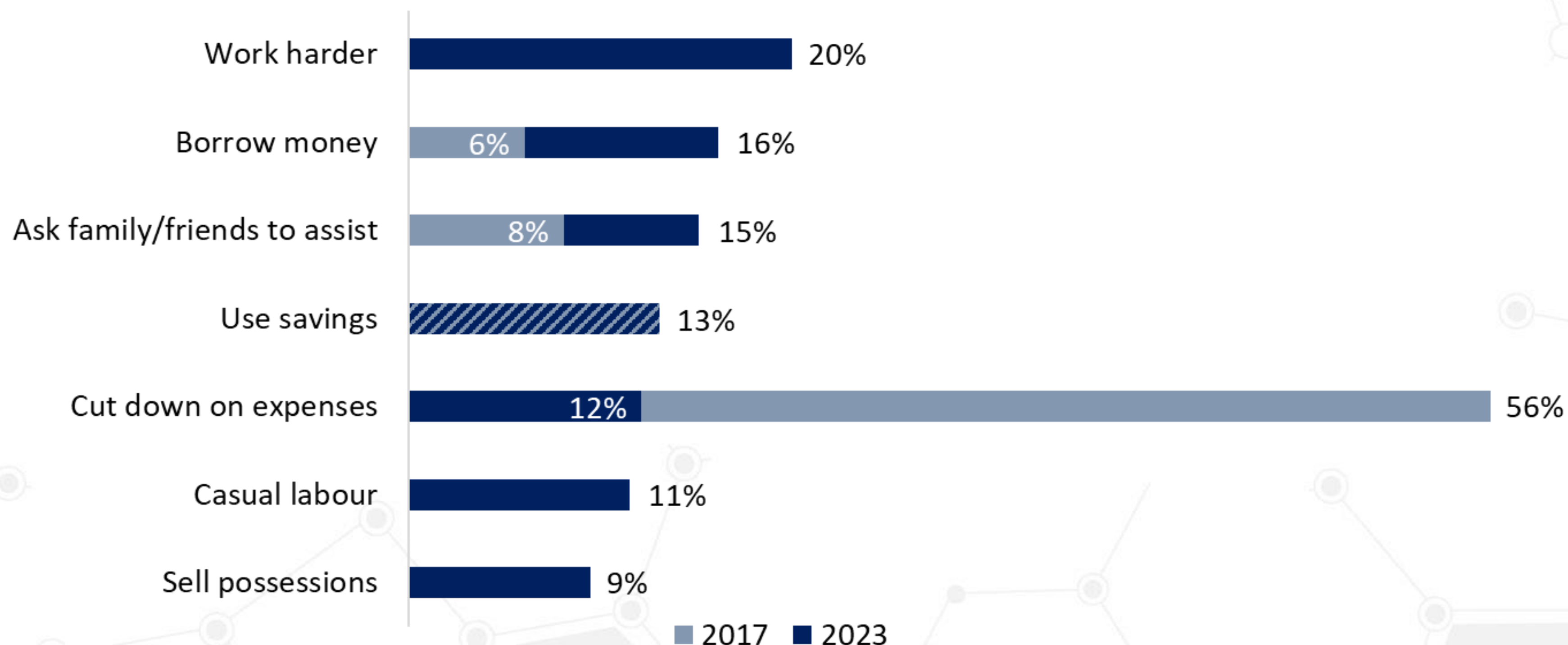
Chart 16: Percentage of adults who claim that they often/always struggle with regular expenses



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 12: 2 out of 10 Tanzanian adults “work harder” when they do not have enough money for regular expenditure

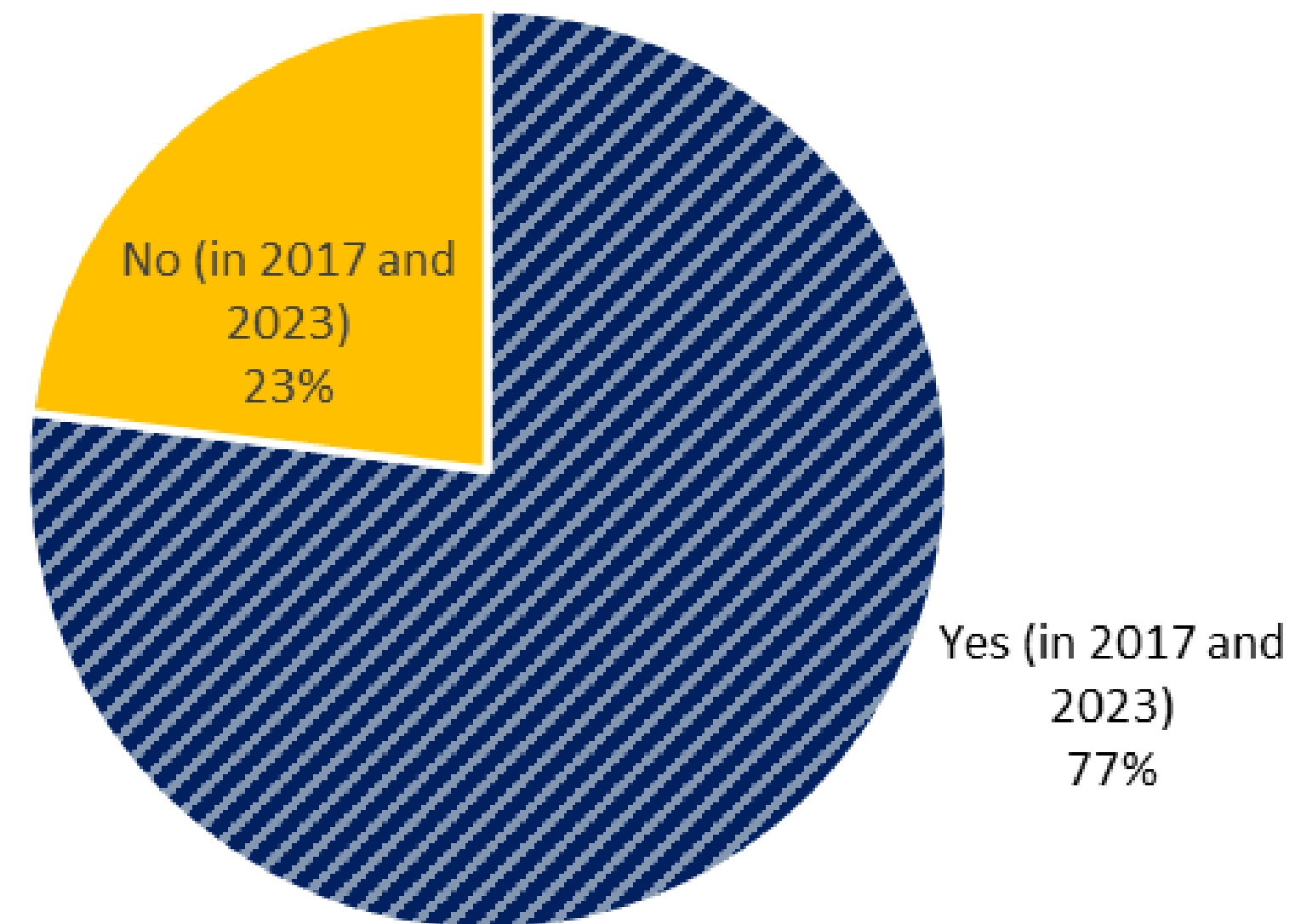
Chart 17: What do you do when you don't have enough money to cover all your expenses?



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 13: 77% of adult Tanzanians claim to keep track of money they get and spend

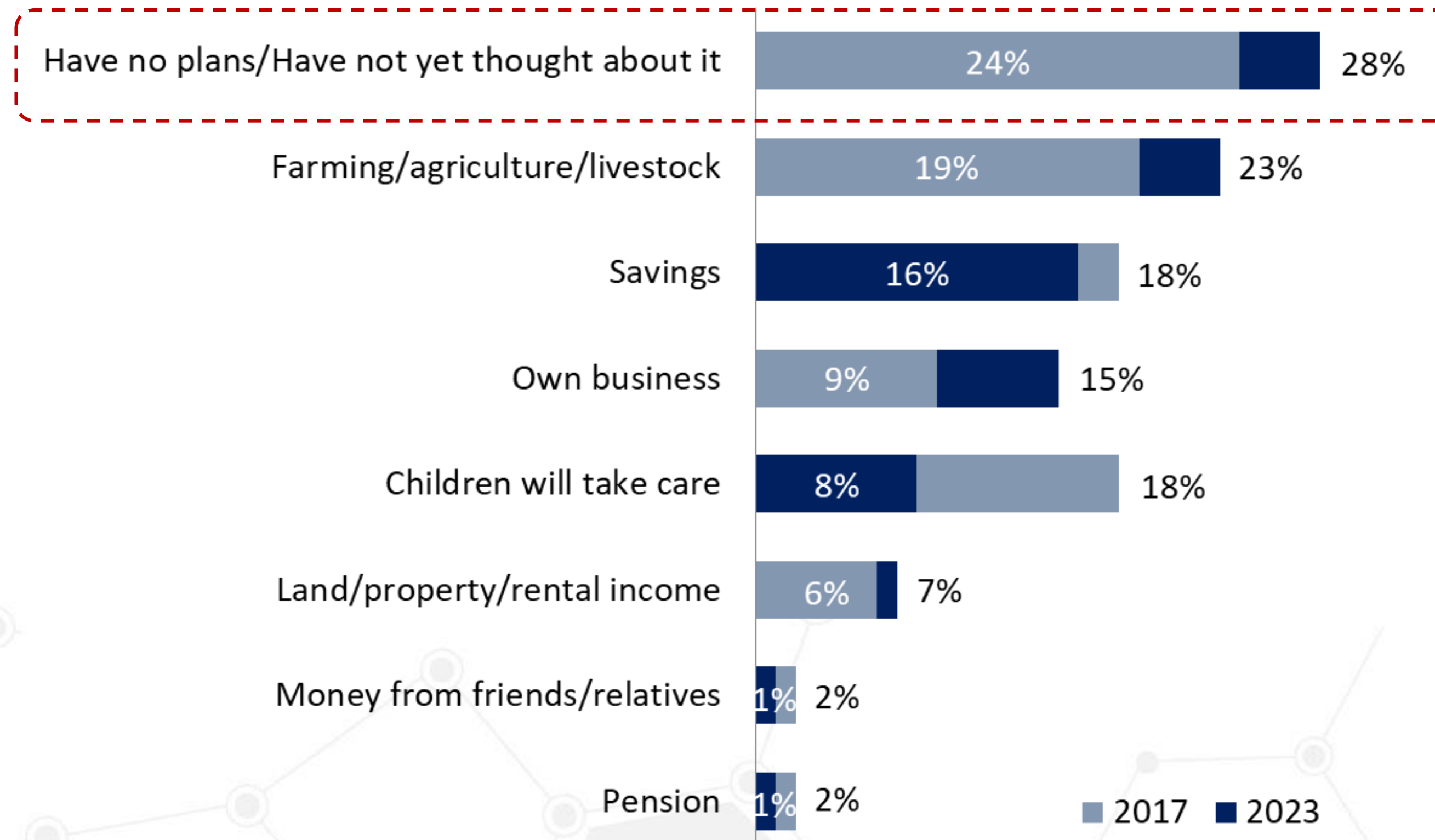
Chart 18: Do they keep track of the money they get and spend?



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 14: More than a quarter of adults aged 55 years and below have no retirement plans

Chart 19: How do Tanzanians aged 55 and below plan for retirement?



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

**This chart presents the main form of retirement plan respondents have*

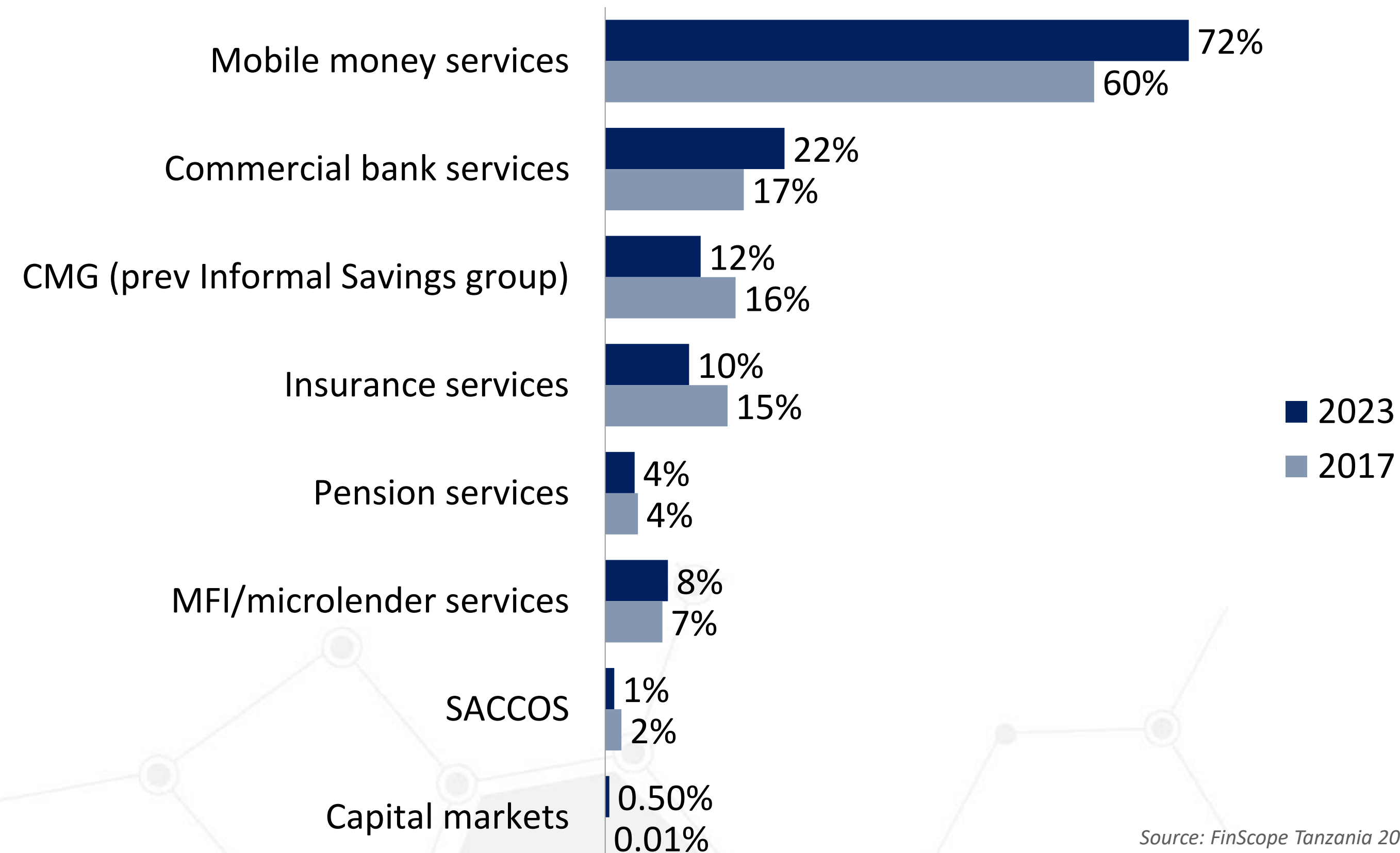
3D. Financial Inclusion

Which financial services are people accessing?

Uptake of formal and alternative finance

Finding 15: Uptake of mobile money has grown by 12%-points from 2017

Chart 20a: Uptake of Formal Financial Services

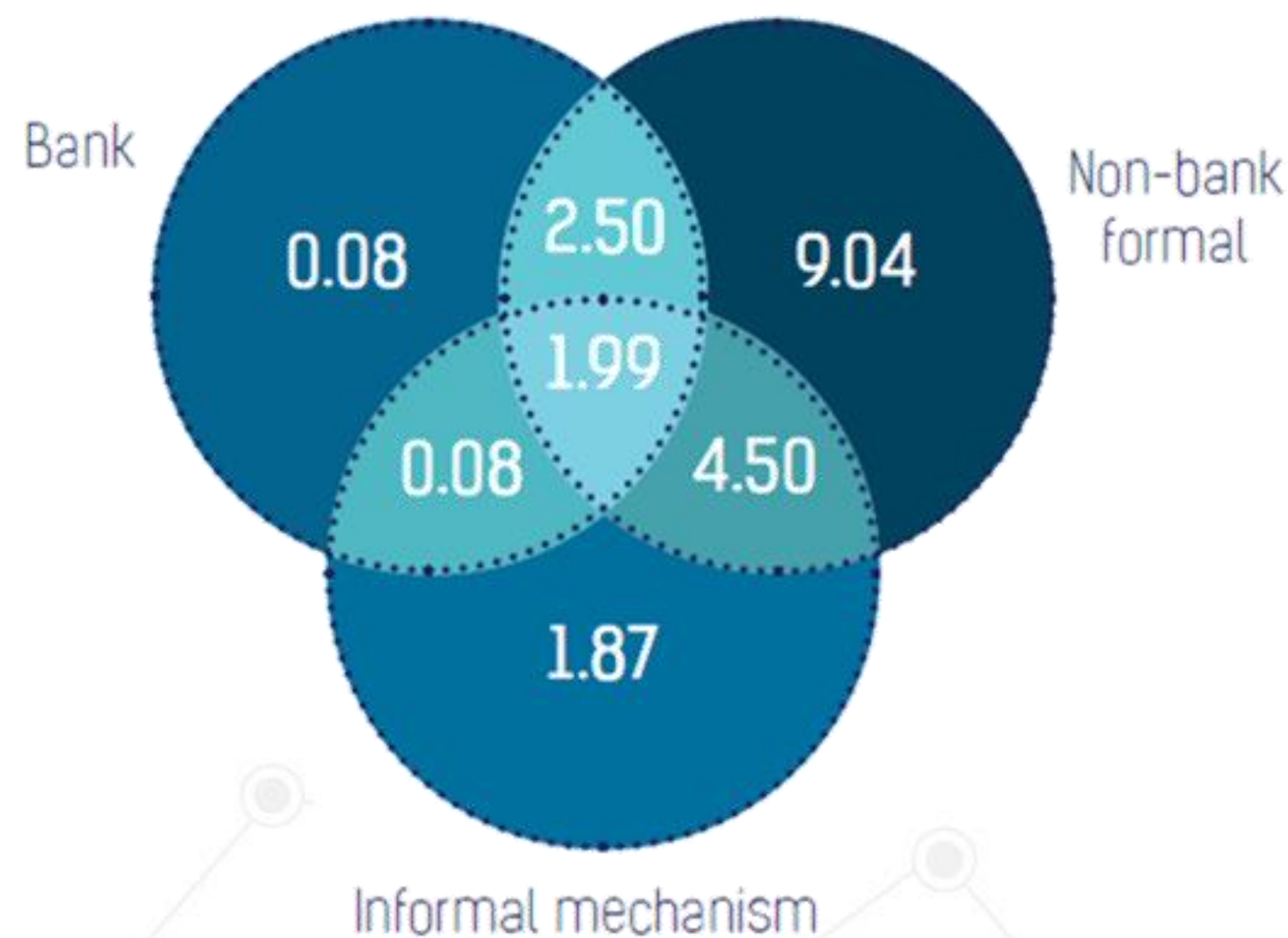


Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 16: There has been significant expansion in those using multiple forms of service categories

Chart 21a: **Financial Service Overlap 2017**

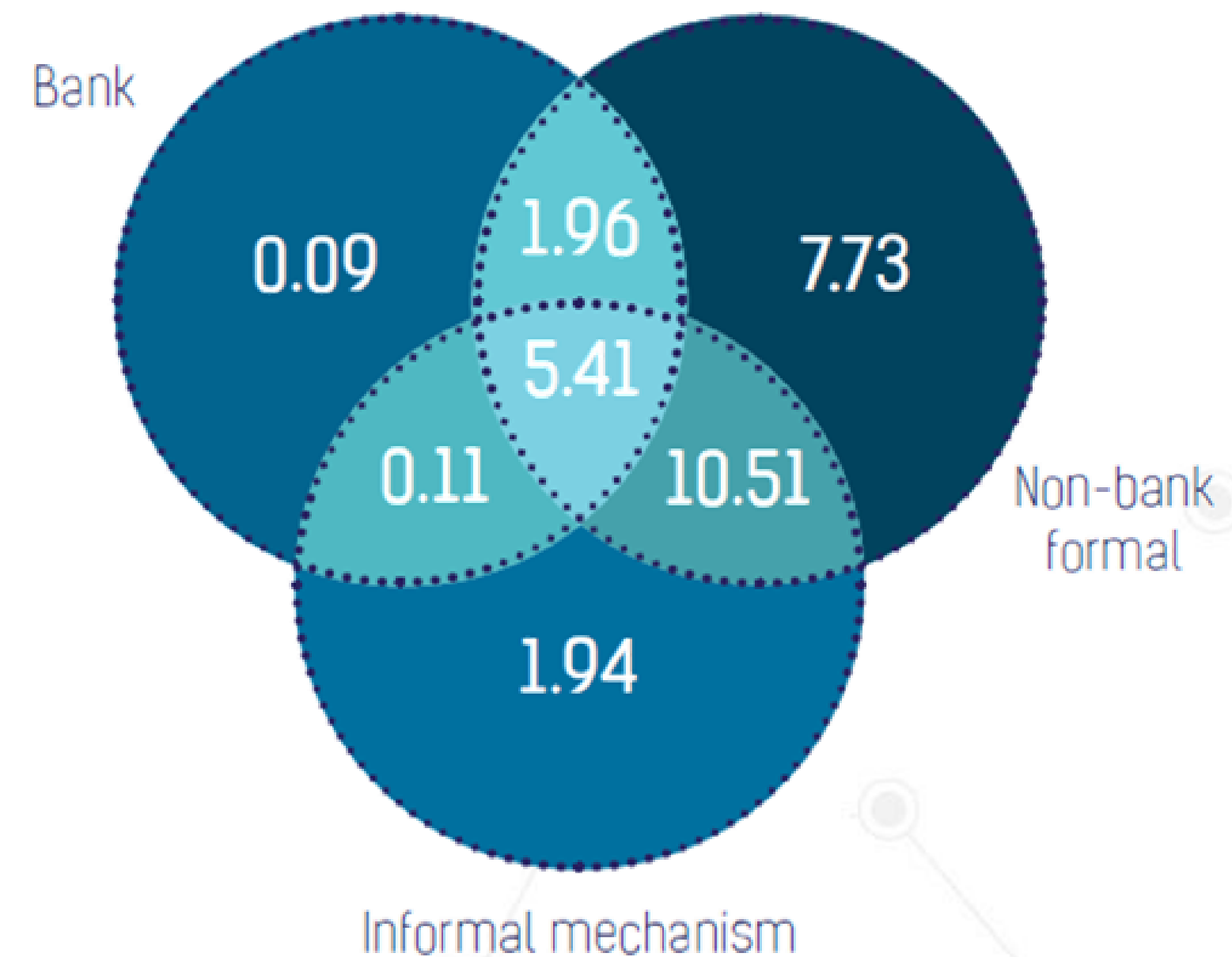
(Numbers displayed are in millions)



7.79 FINANCIALLY EXCLUDED

Chart 21b: **Financial Service Overlap 2023**

(Numbers displayed are in millions)



6.37 FINANCIALLY EXCLUDED

Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

The Financial Access Strand Explained

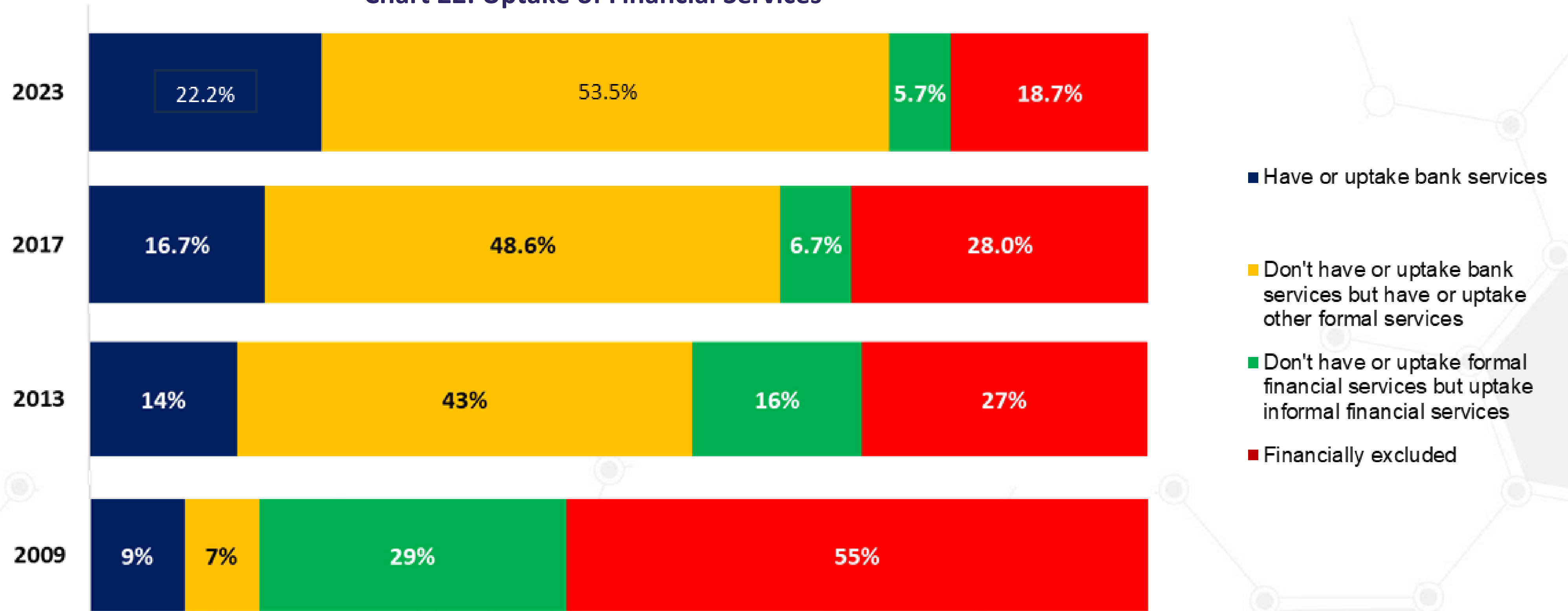
FORMAL	Banked	Commercial banks Postbank
	Non-bank formal	Insurance SACCOs MFIs/micro lenders Remittance companies Mobile Money Pension Capital Market Investments (i.e. bonds, UTT) CMGs
	Informal only (external)	Social Groups for crowd funding (i.e. upatu, umoja) Shops/supply chain credit Informal money lenders
	Excluded	Friends/family Save at home/in kind

Note: CMGs were previously classified as informal but in 2023 are classified as non-bank formal

Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 17: Formal Financial Inclusion has grown from 65% to 76%

Chart 22: Uptake of Financial Services

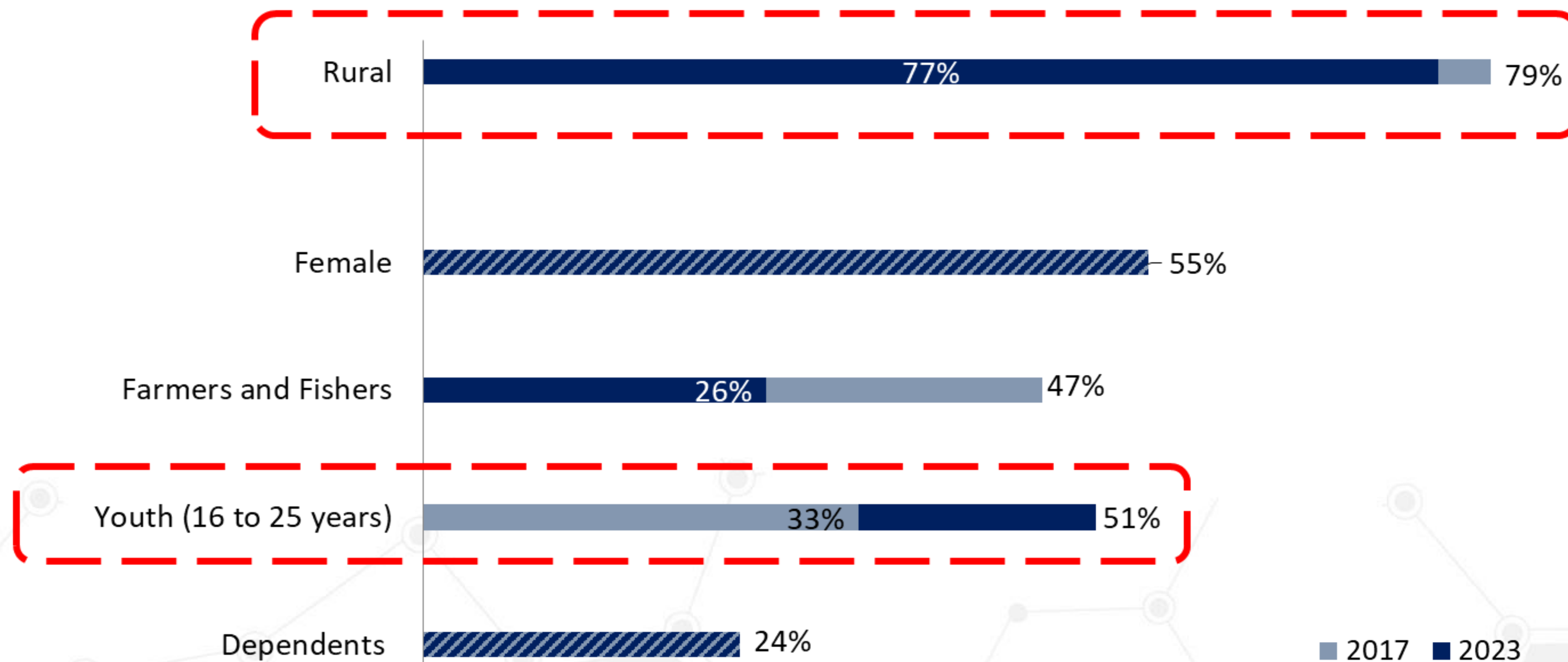


Source: FinScope Tanzania 2009, 2013, 2017, 2023

Finding 18: Youth and people in rural areas remain the most excluded





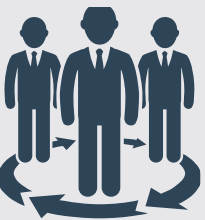
Chart 23: Who is being left behind?

Base=excluded only



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 19: A perceived lack of income and awareness are the biggest barriers cited for formal financial services uptake

	Provider	Primary barrier	Secondary barrier
	Mobile money	Lack of access/ownership of phones	Do not engage in frequent transactions
	Banks	Insufficient income to even consider opening an account	Cannot maintain minimum balance on the account due to insufficient income
	Insurance	Potential customers do not want to think about bad things happening to them, hence they do not take up.	Lack of awareness of how insurance services work and how to obtain them and the perceived high cost of insurance and inability to afford insurance payments.
	MFIs	Insufficient income to become an MFI customer.	Lack of awareness of how MFIs operate and where they are located.
	SACCOS	Lack of awareness of how SACCOs operate, how to join them and where they are located.	Membership fee is perceived to be too high.

Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 20: The financial inclusion gender and urban-rural gaps have narrowed

Chart 24a: Uptake of Financial Services by Gender

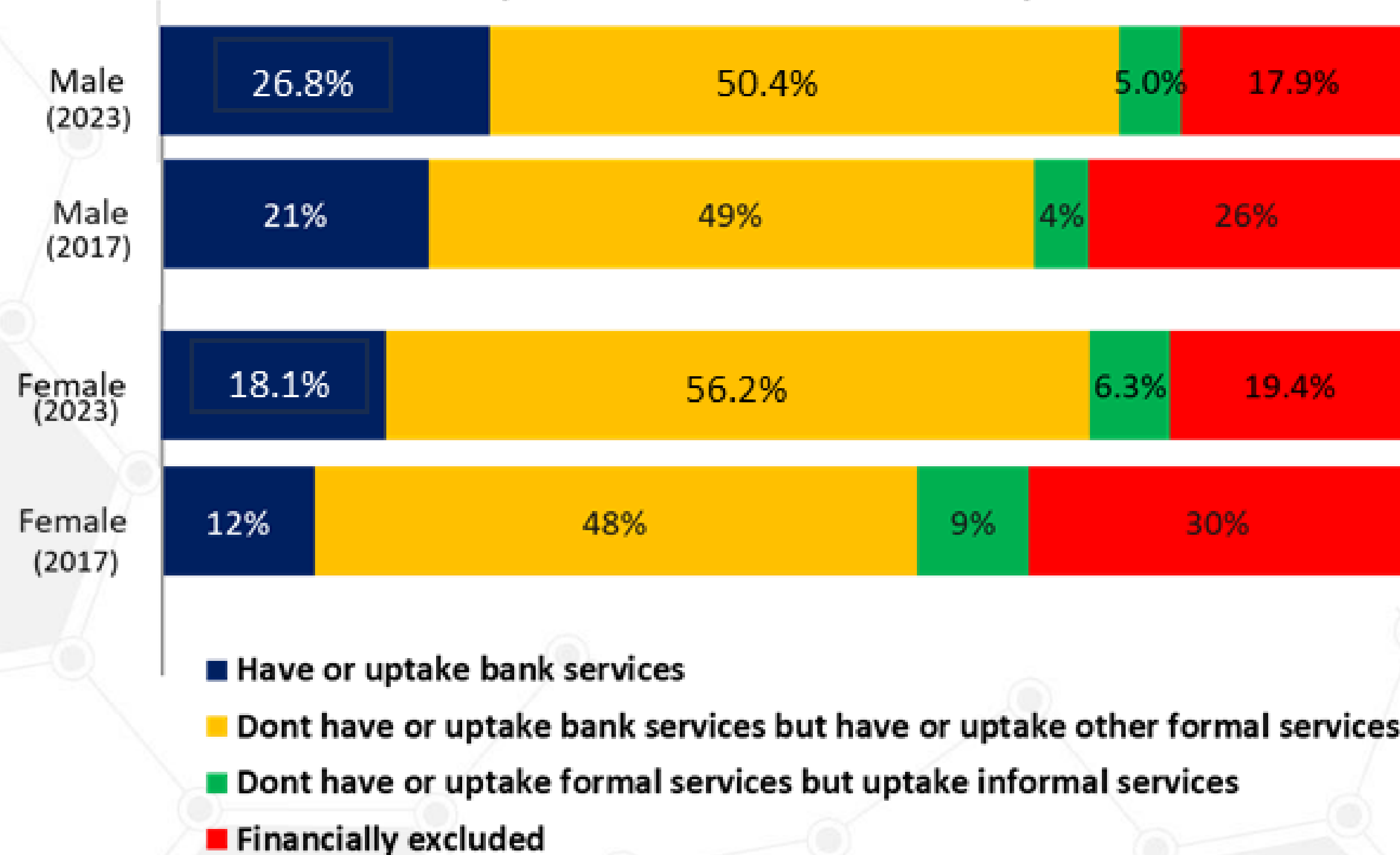
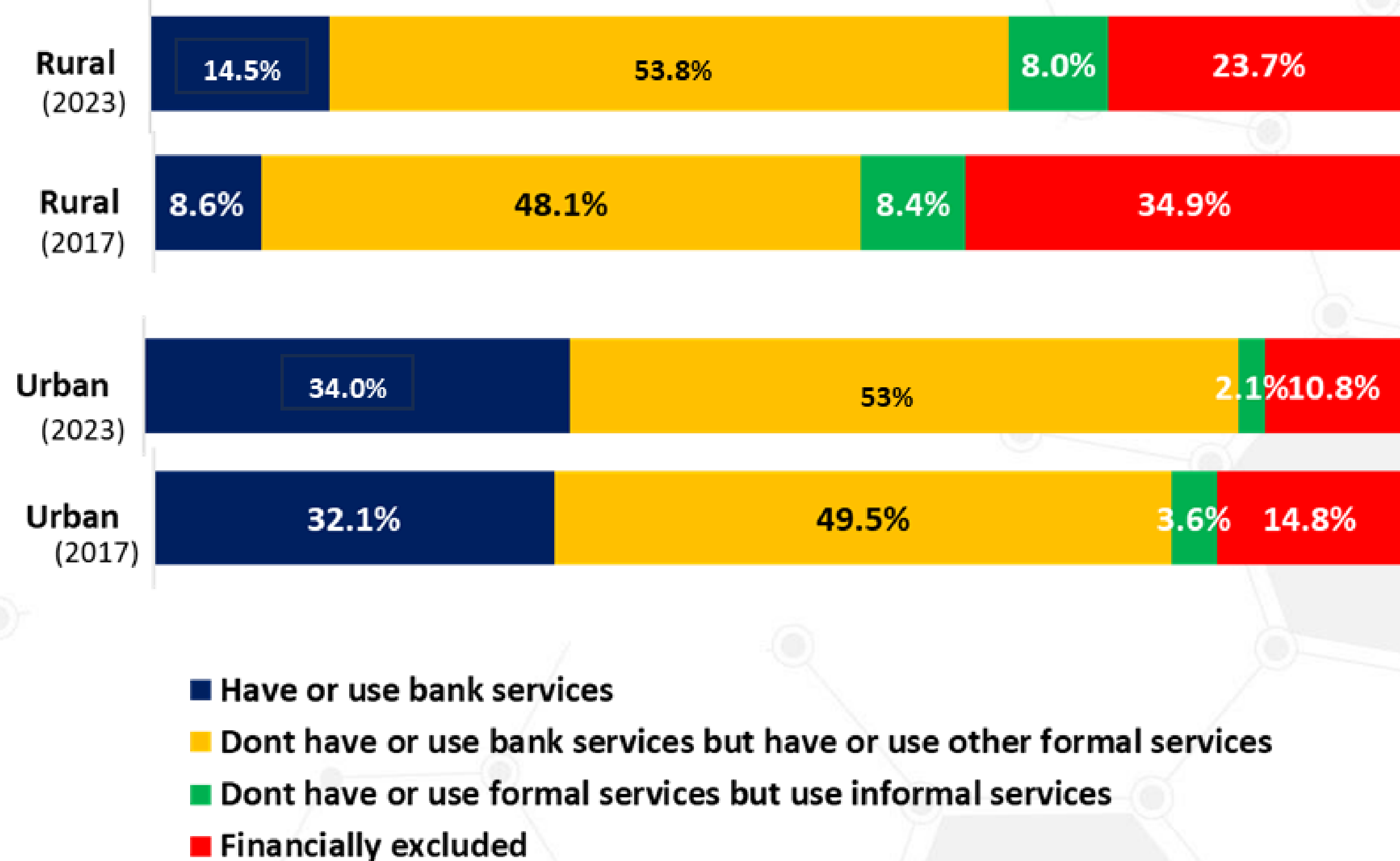
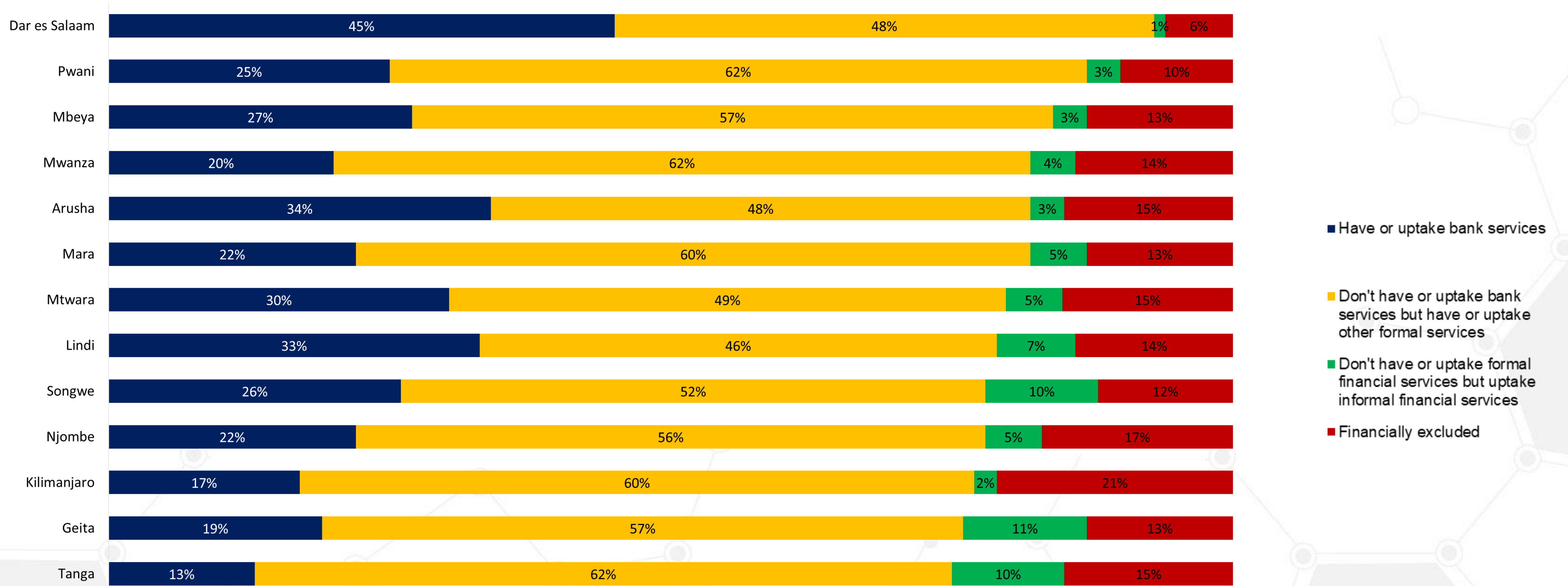


Chart 24b: Uptake of Financial Services by Setting



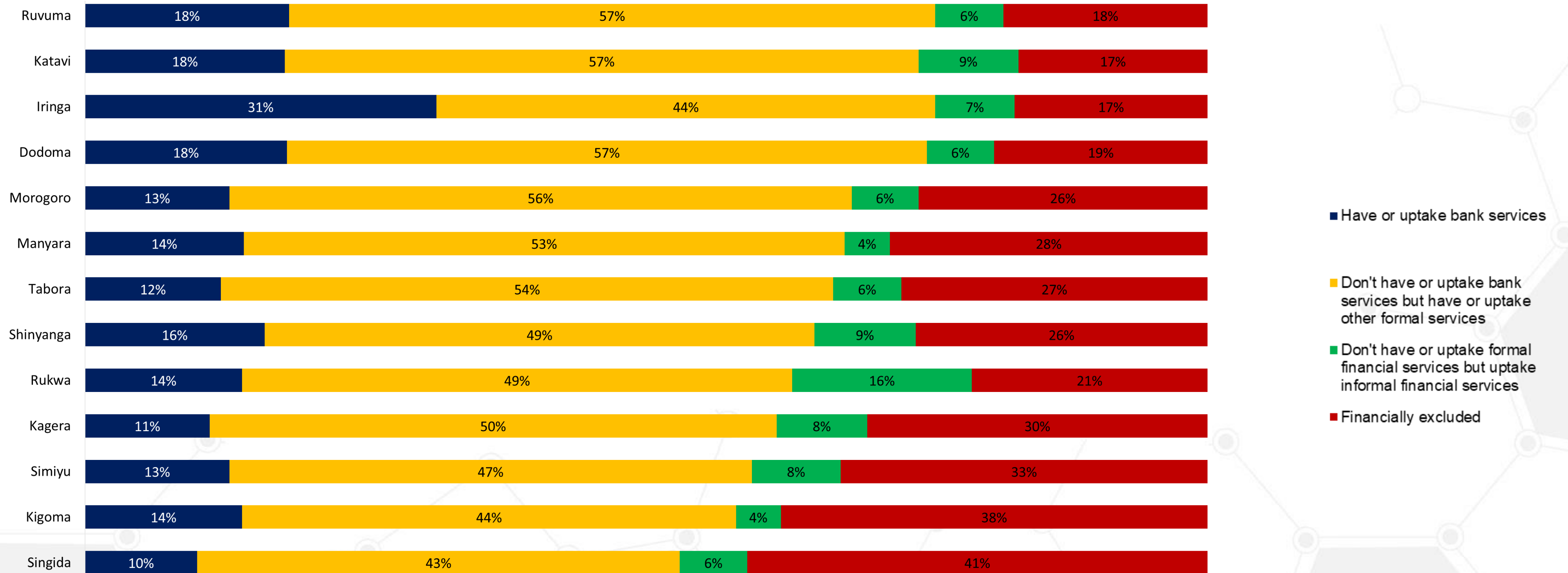
Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Regional Comparison of levels of financial inclusion in 2023



Source: FinScope Tanzania 2023 (March-April 2023)

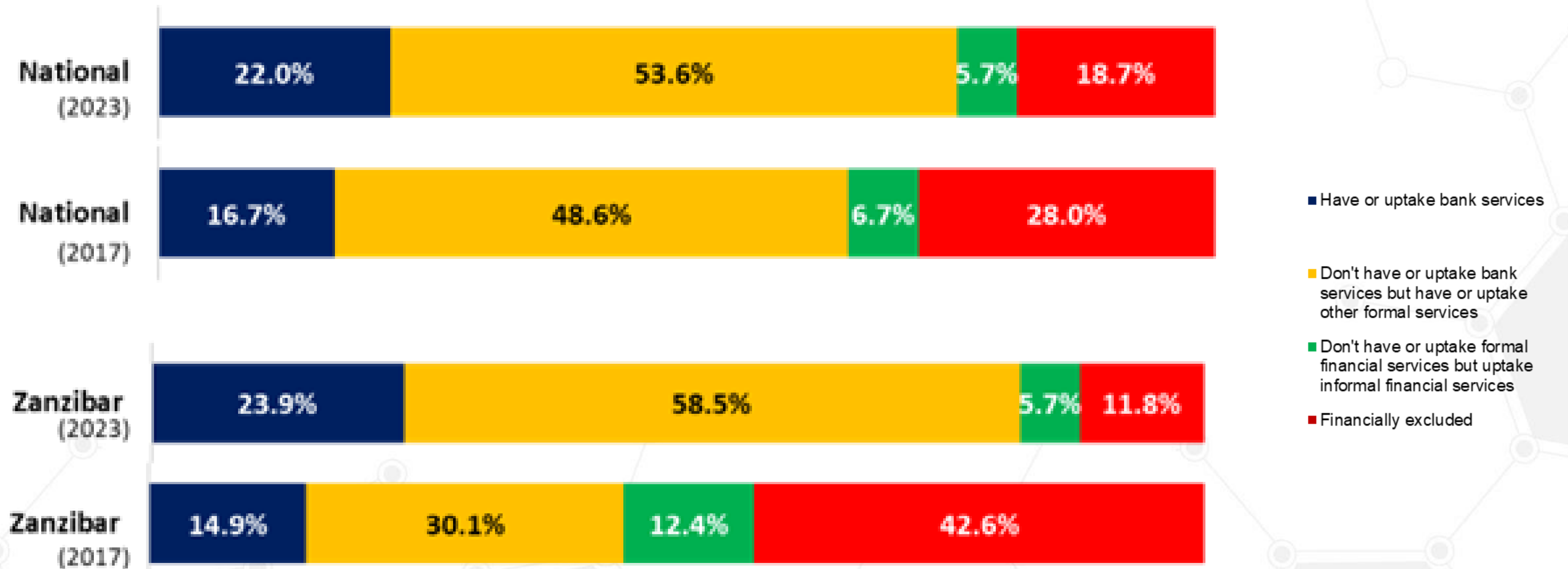
Regional Comparison of levels of financial inclusion in 2023



Source: FinScope Tanzania 2023 (March-April 2023)

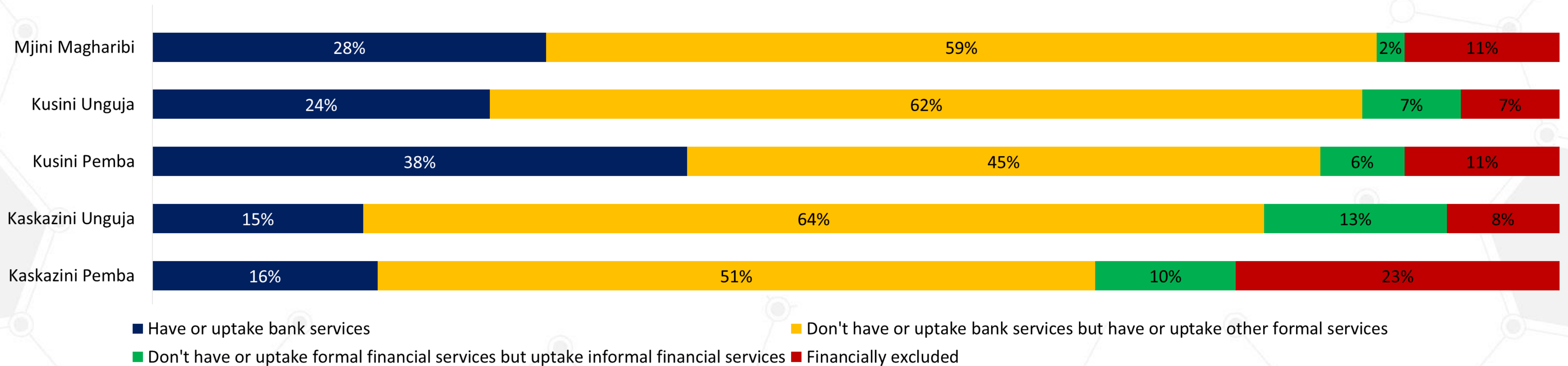
Finding 21: Zanzibar has made significant strides in the reduction of financial exclusion as well as increase of financial inclusion

Chart 25: Uptake of Financial Services in Zanzibar



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

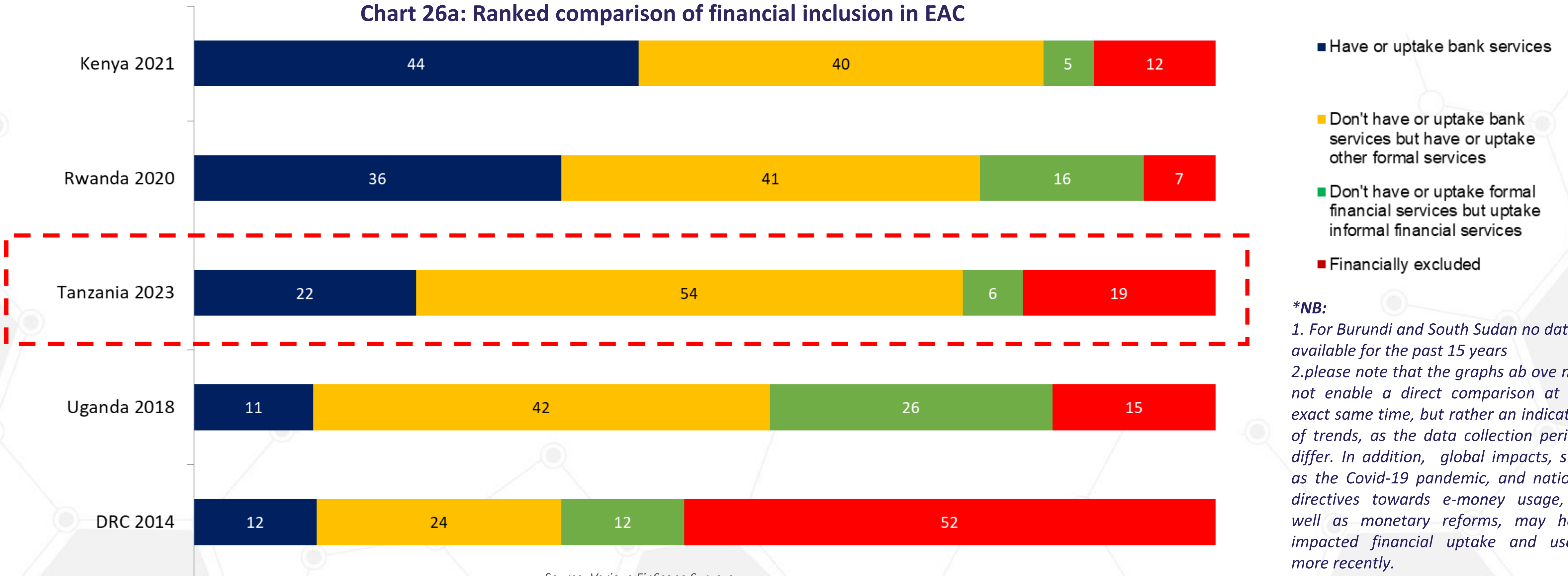
Regional Comparison for Zanzibar levels of financial inclusion in 2023



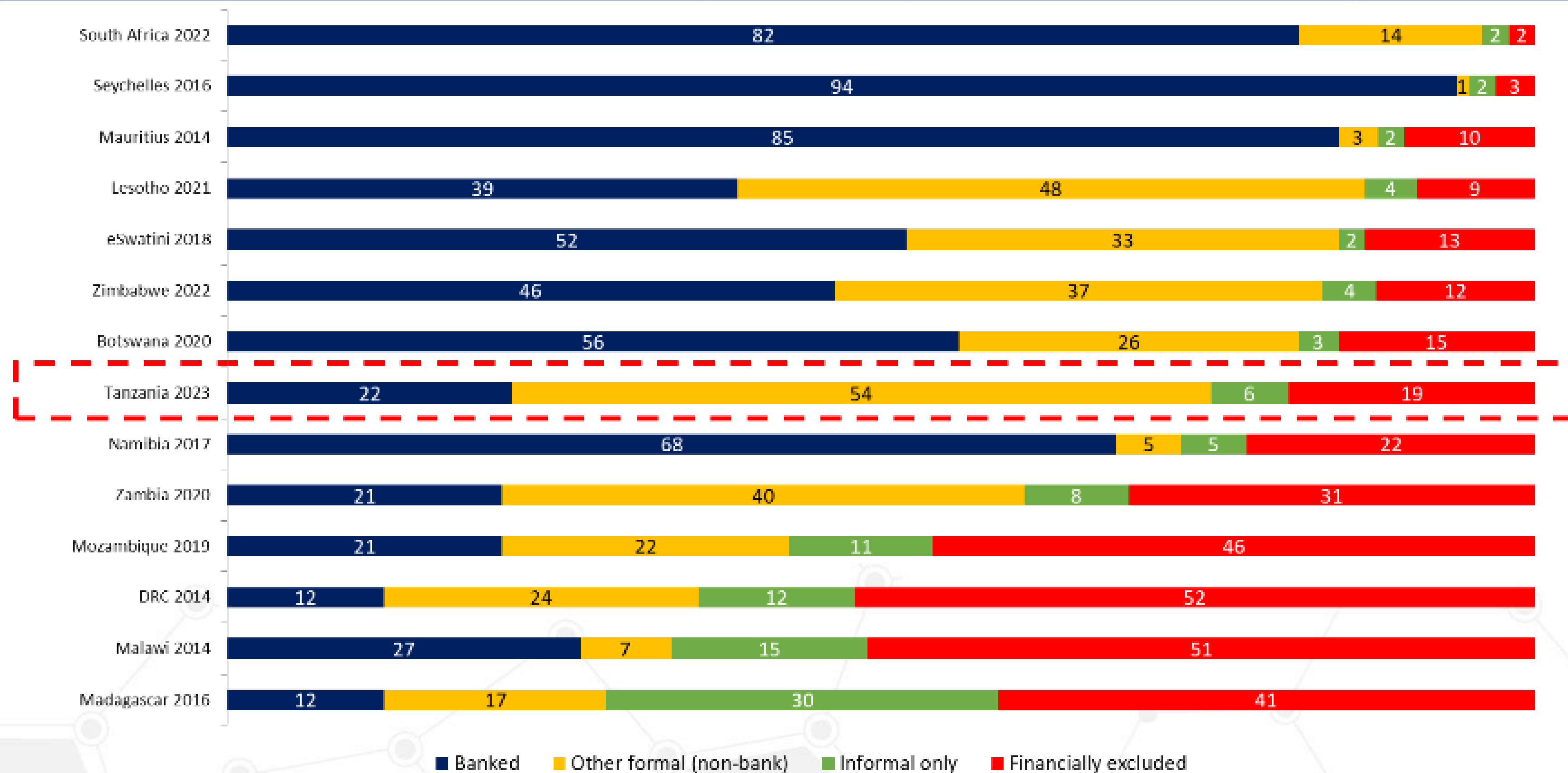
Source: FinScope Tanzania 2023 (March-April 2023)

Finding 22: Tanzania's levels of financial exclusion remains high compared to most EAC counterparts

Chart 26a: Ranked comparison of financial inclusion in EAC



Ranked comparison of financial inclusion in SADC



Source: Various FinScope Surveys

**NB: please note that the graphs above may not enable a direct comparison at the exact same time, but rather an indication of trends, as the data collection periods differ. In addition, global impacts, such as the Covid-19 pandemic, and national directives towards e-money usage, as well as monetary reforms, may have impacted financial uptake and usage more recently.*

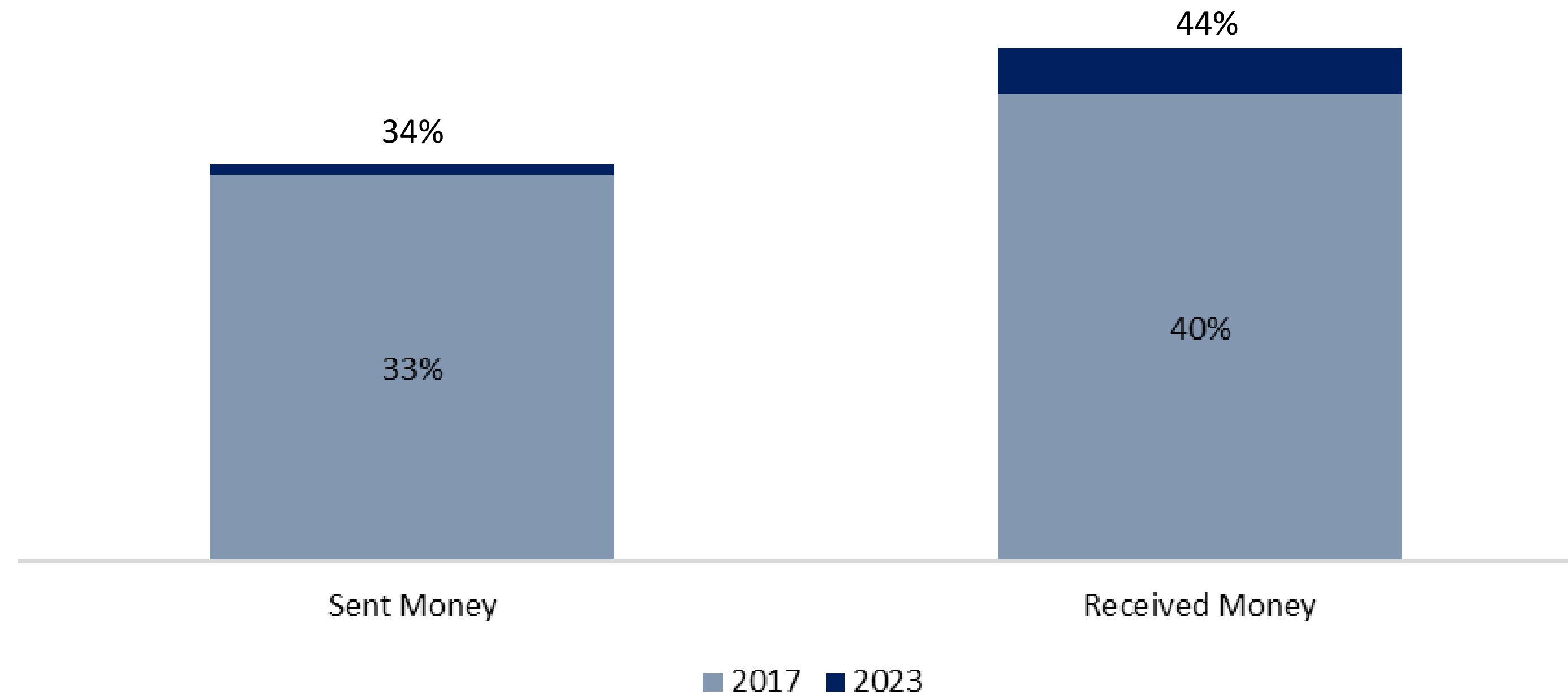
3E. Financial Services Usage

Which financial services are people using to meet which needs?

Usage, key financial service interactions

Finding 23: Remittance levels have largely remained the same

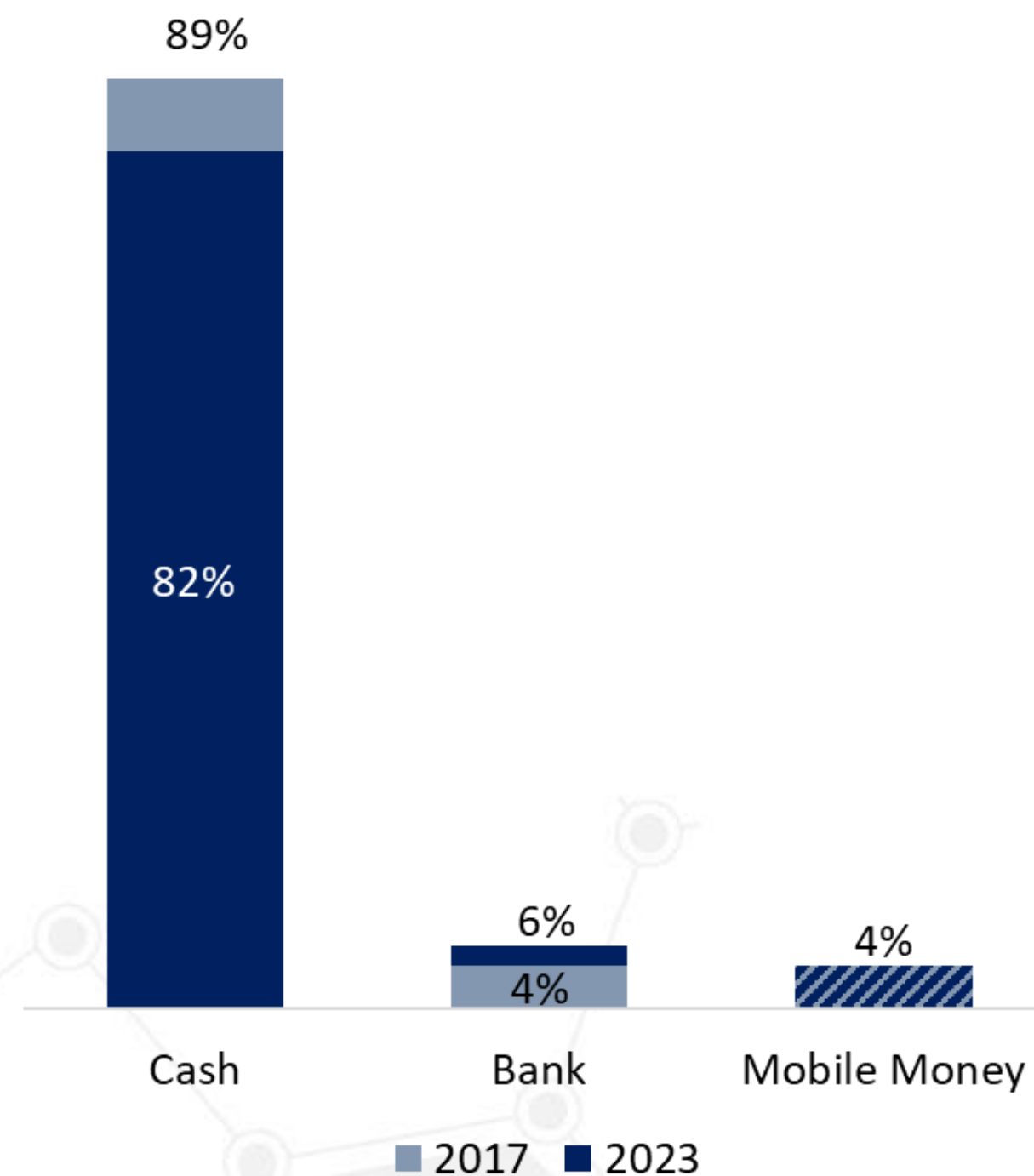
Chart 27: In the past 12 months have you ever sent or received money?



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Majority of Tanzanians still received most of their income through cash

Chart 29: How do Tanzanians receive an income? Through...
Refers to how they mainly receive their funds



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

** numbers may not add up to 100% as not everyone receives an income*

Finding 24: The Tanzanian payment space remains largely untapped

Chart 30a: How do they make payments? – 2017 Data

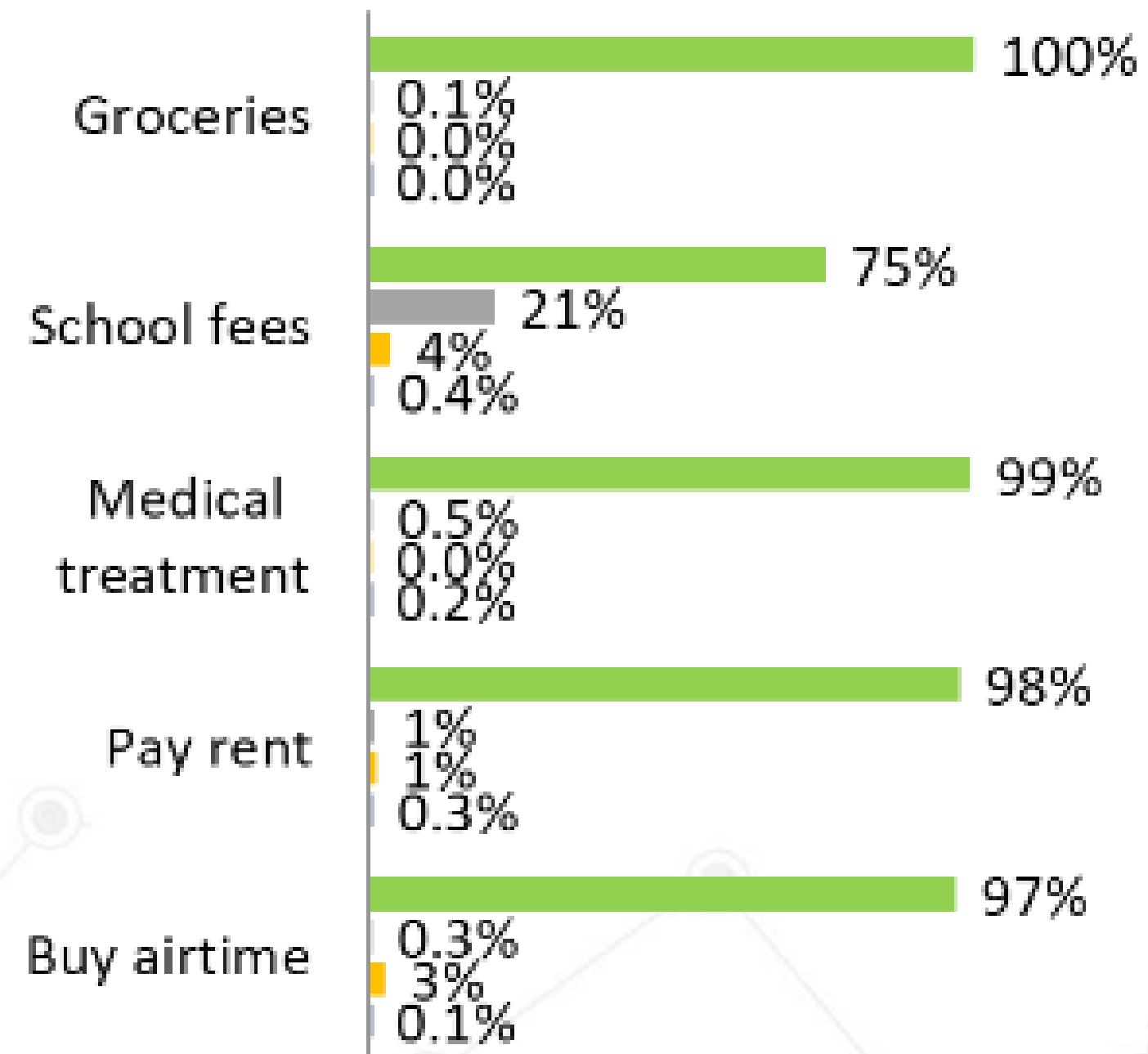
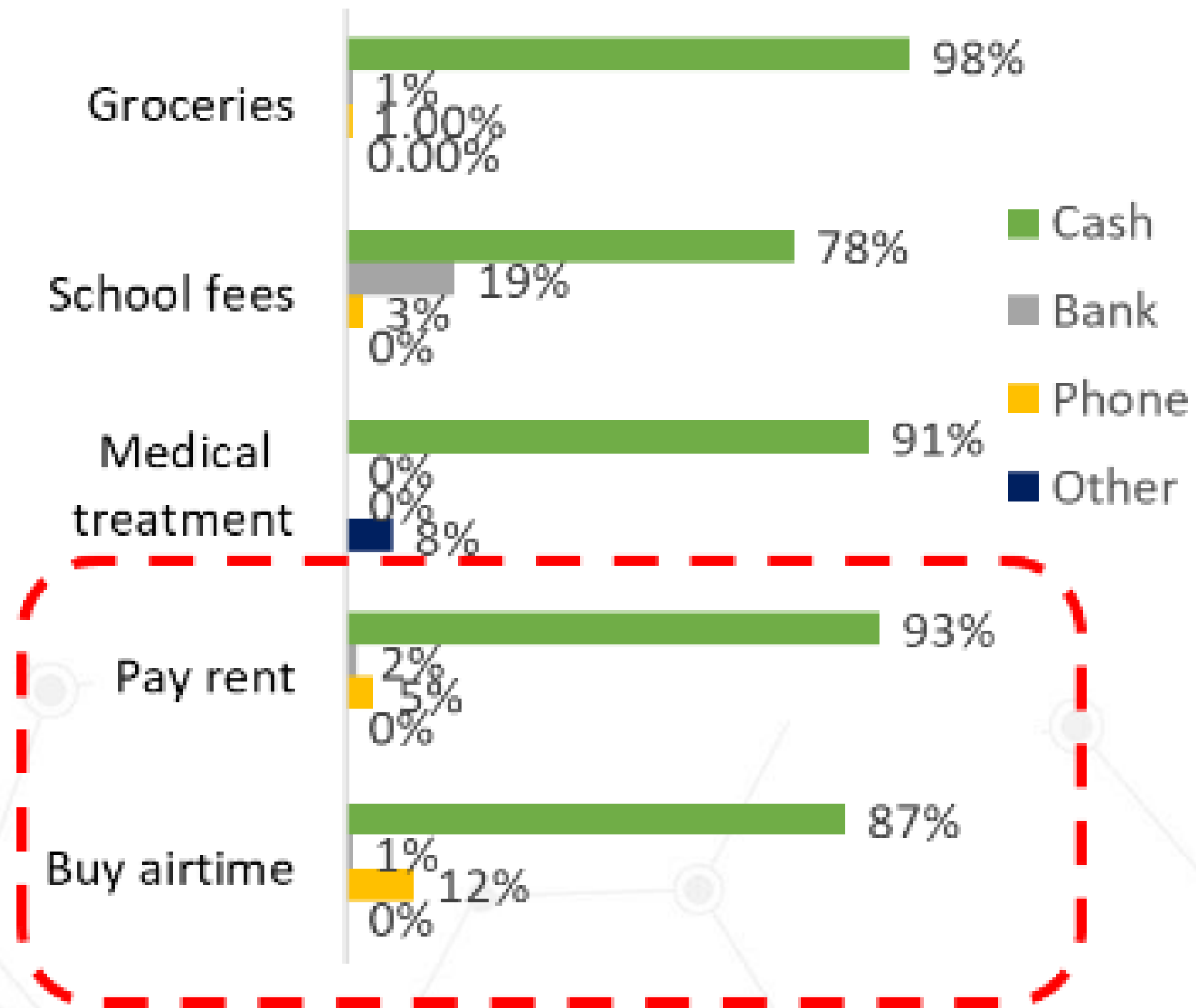


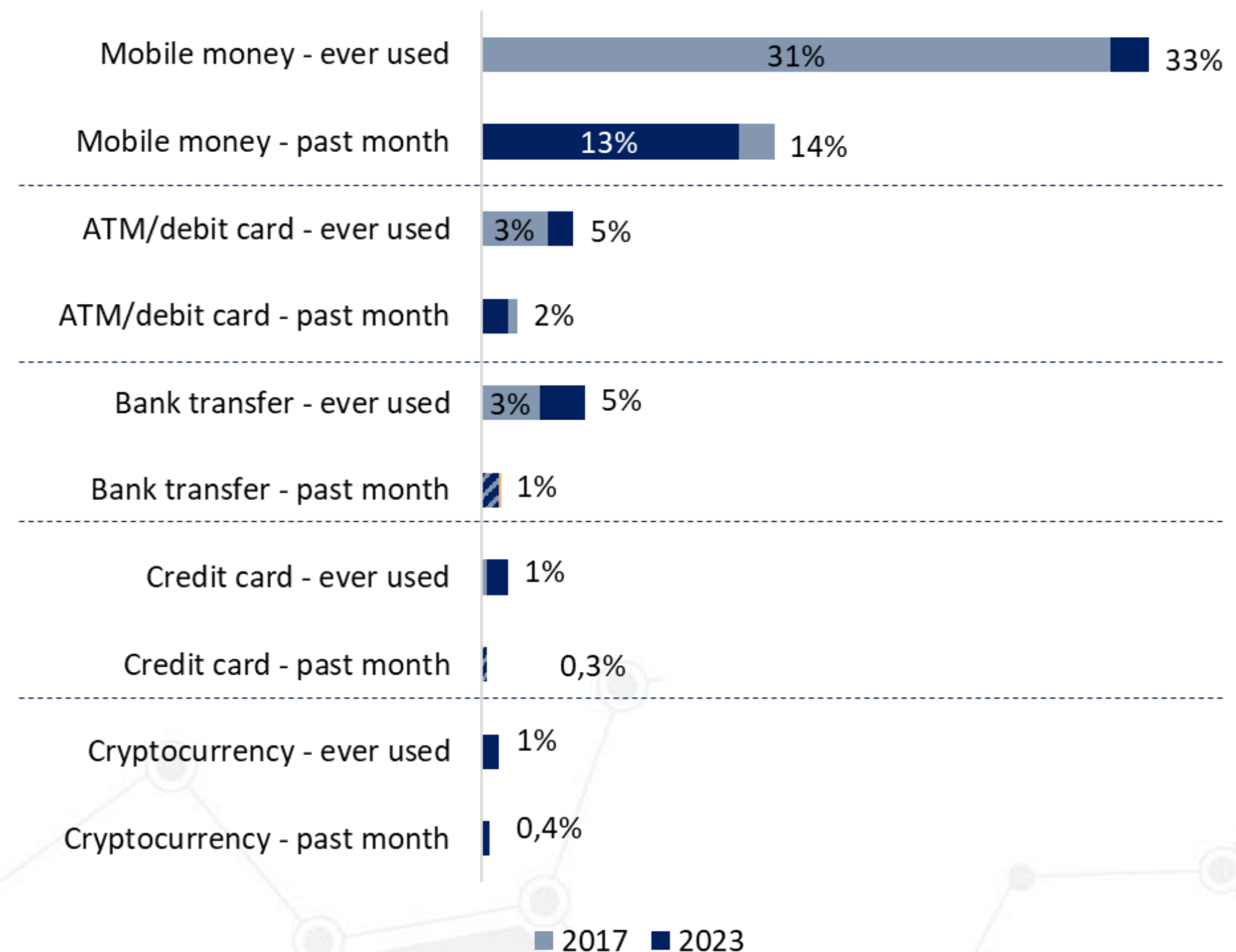
Chart 30b: How do they make payments? – 2023 Data



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 25: There is a gap in converting trial into regular use of digital financial services for purchasing goods

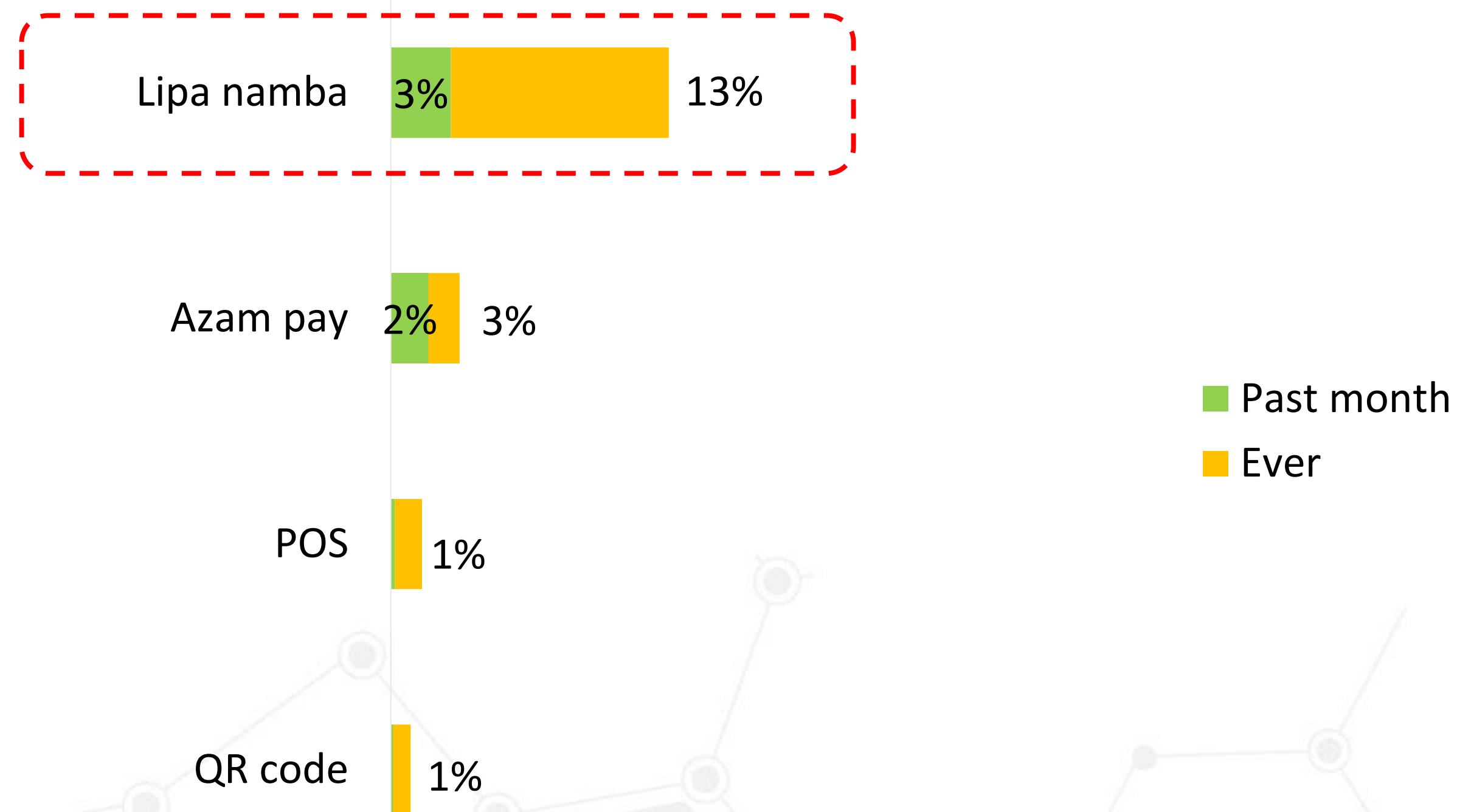
Chart 31: Digital payment instruments used to purchase goods, all adults



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 25: There is a gap in converting trial into regular use of digital financial services for purchasing goods

Merchant payment channels used to purchase goods, 2023 all adults

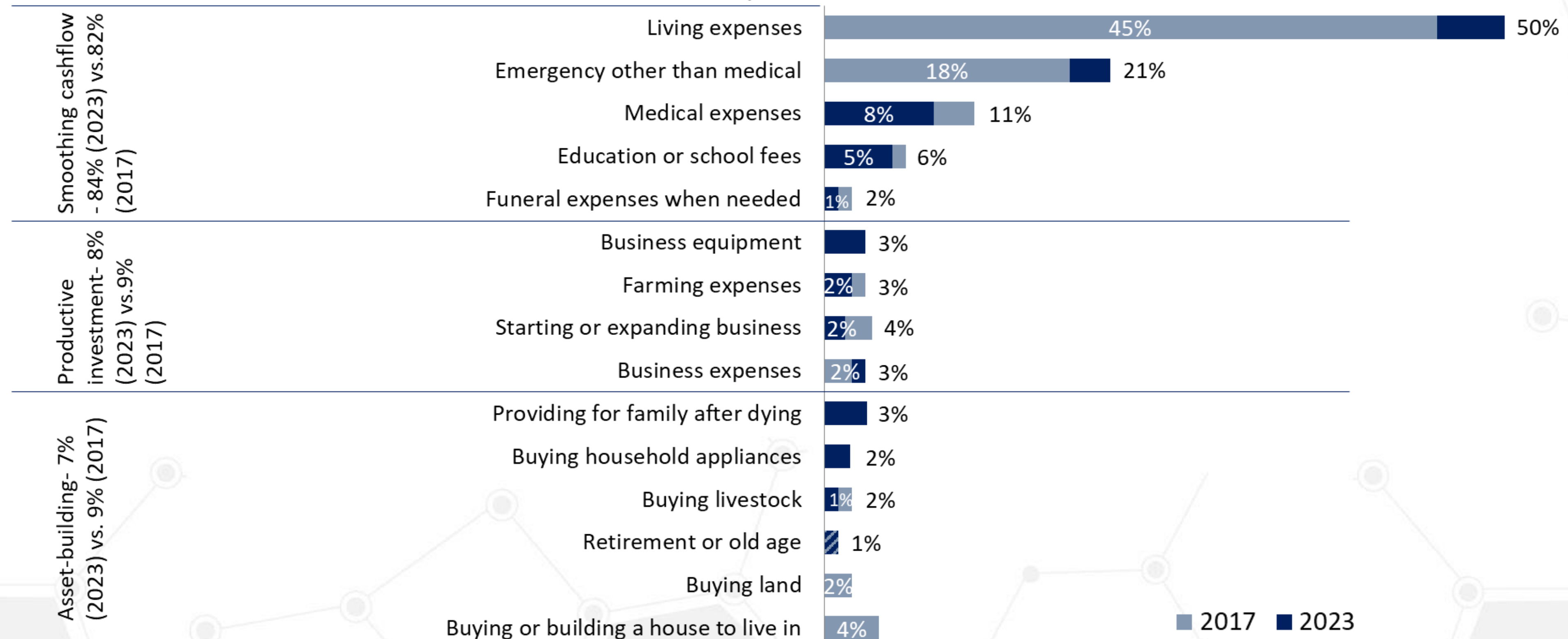


Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 26: 47% of adult Tanzanians saved in the past 12 months, primarily to smooth cash flow

Chart 33: Why are they saving?

Base=only those who save



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 27: Informal means of savings remain dominant; however bank savings are on the rise

Chart 34a: Where are people saving? (formal)

Base= those that save

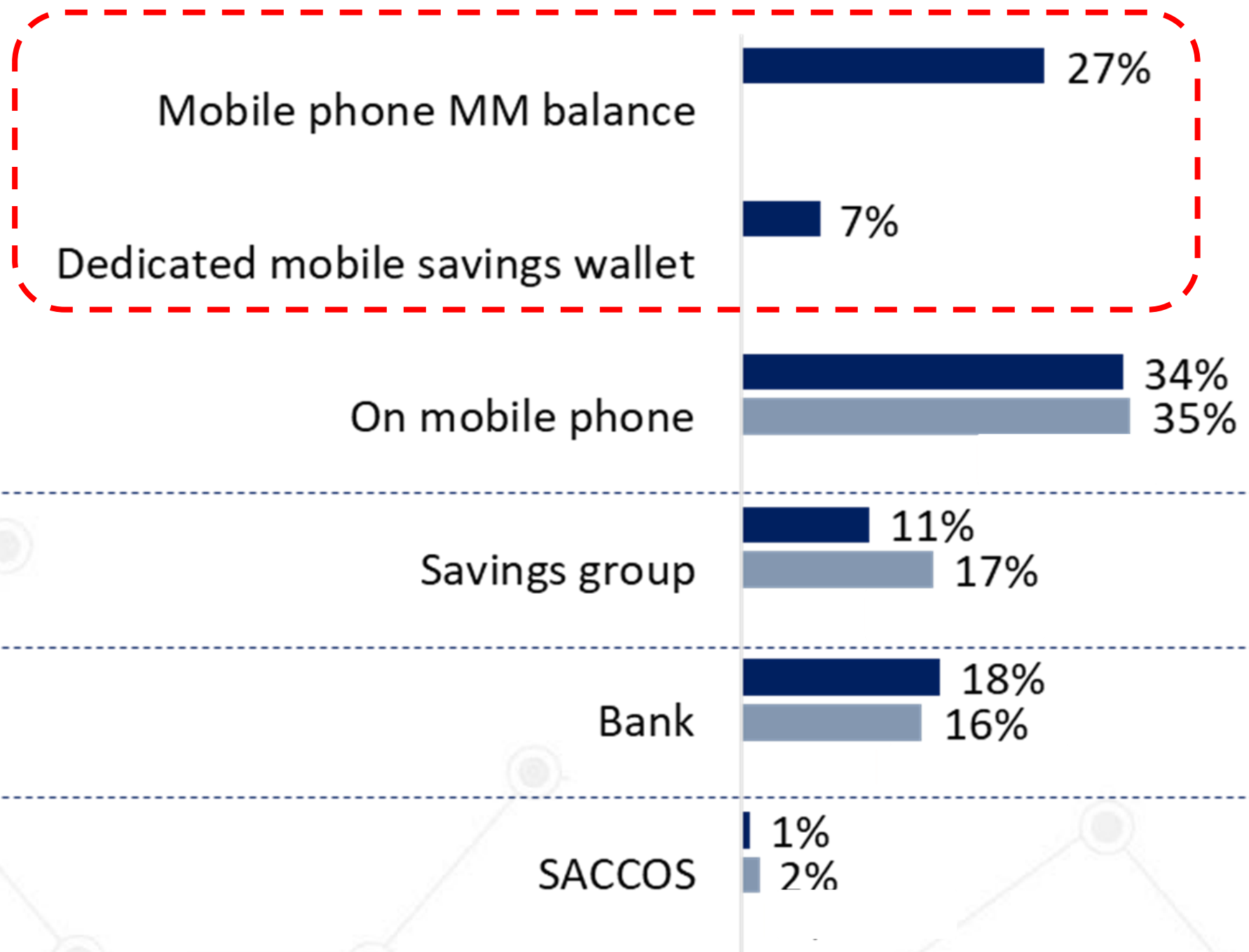
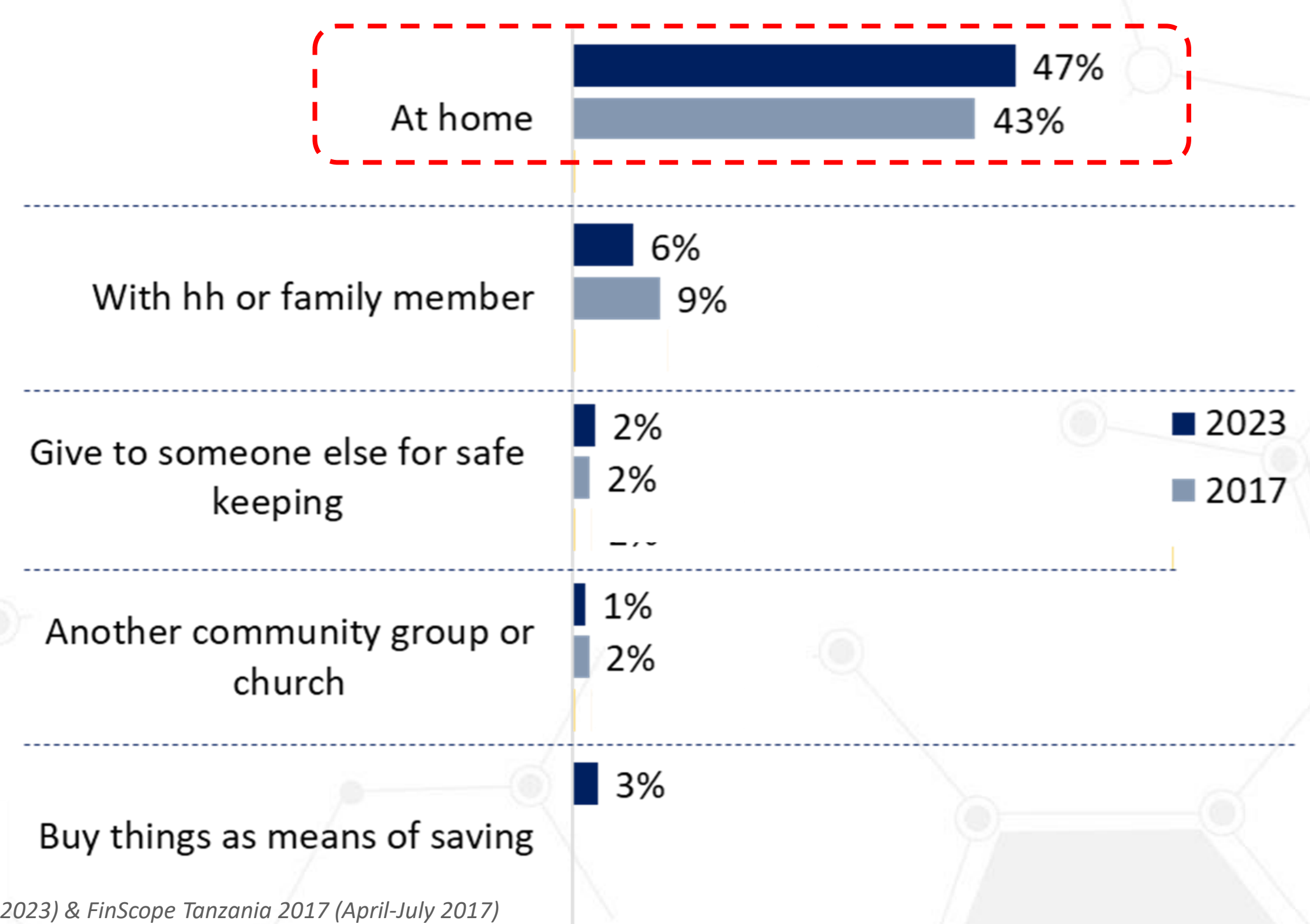


Chart 34b: Where are people saving? (informal)

Base= those that save

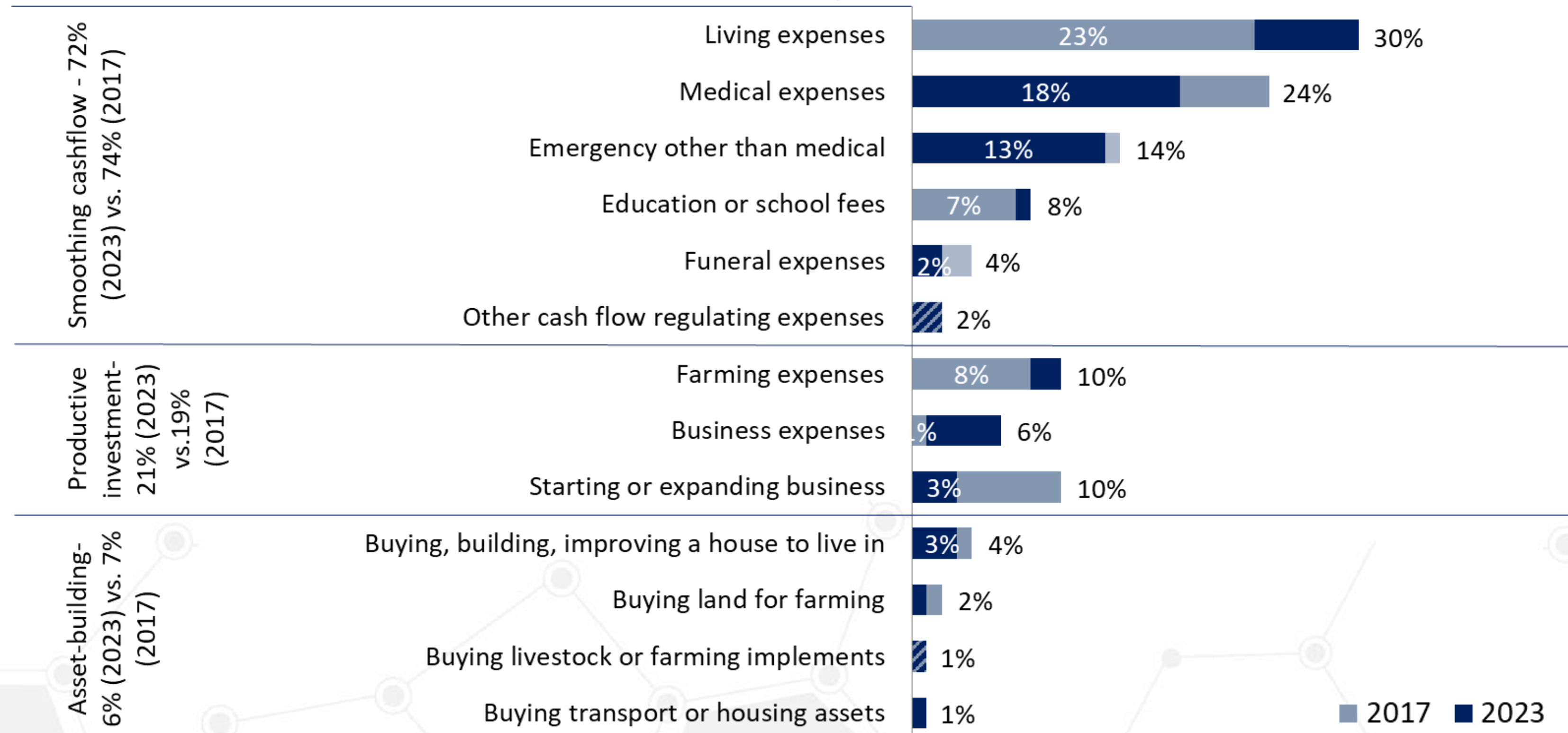


Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 28: 36% of adult Tanzanians borrowed in the past 12 months, mainly for smoothing cash flow

Chart 35: Why do they borrow?

Base=only those who borrow

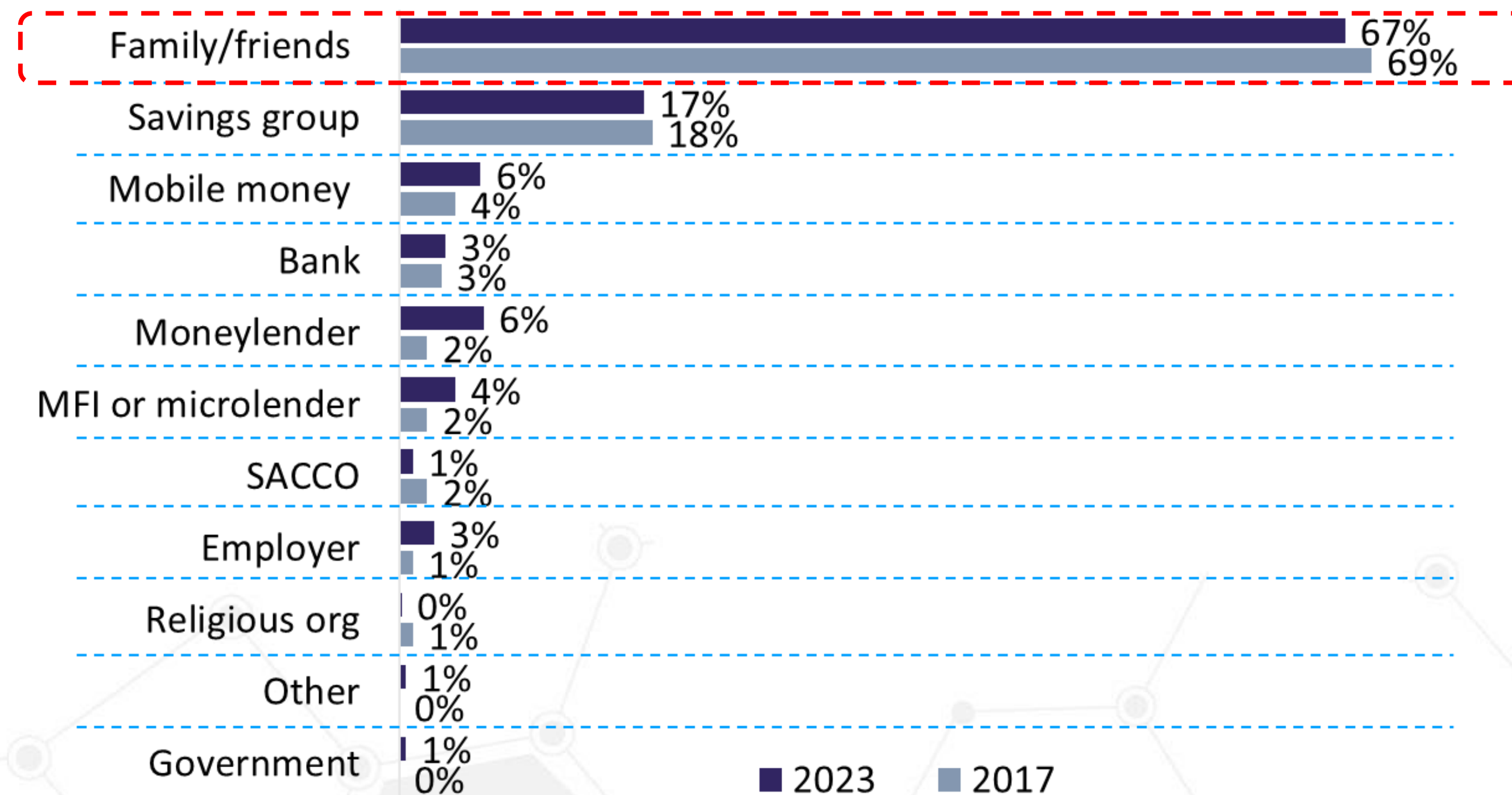


Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 29: Friends and family remain the key sources of credit

Chart 36: Where are borrow from?

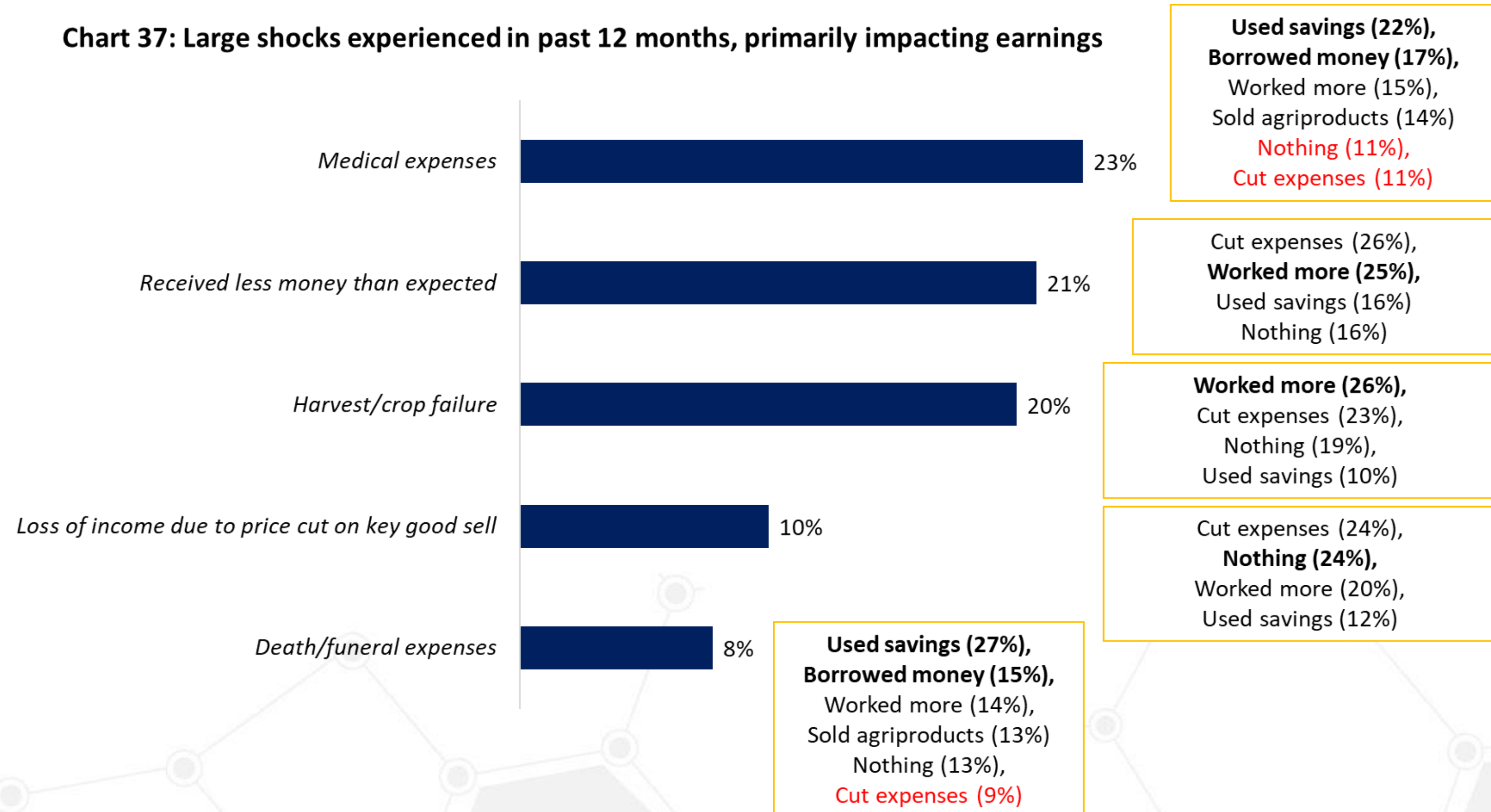
Base= those that borrow



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 30: Responses to income and expense shocks differ by type of shock

Chart 37: Large shocks experienced in past 12 months, primarily impacting earnings

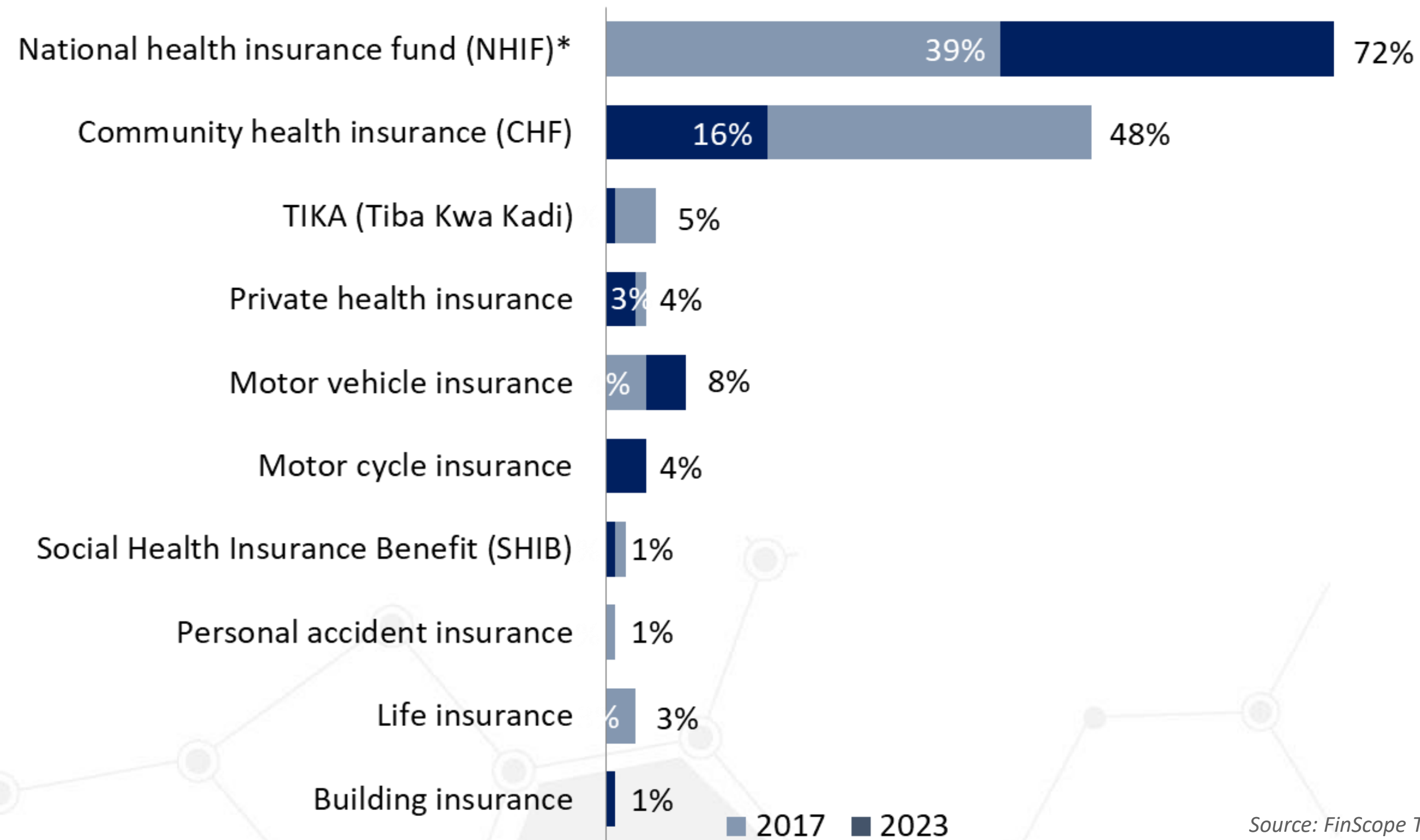


Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 31: Medical insurance remains the driver of insurance uptake, but the composition has shifted from CHF to NHIF

Chart 38: What insurance products are people using?

Base=only those insured



Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

Finding 32: Over a third (35%) of CMG members joined to access emergency funds

Chart 39a: Main reason started using

Base=only CMG members

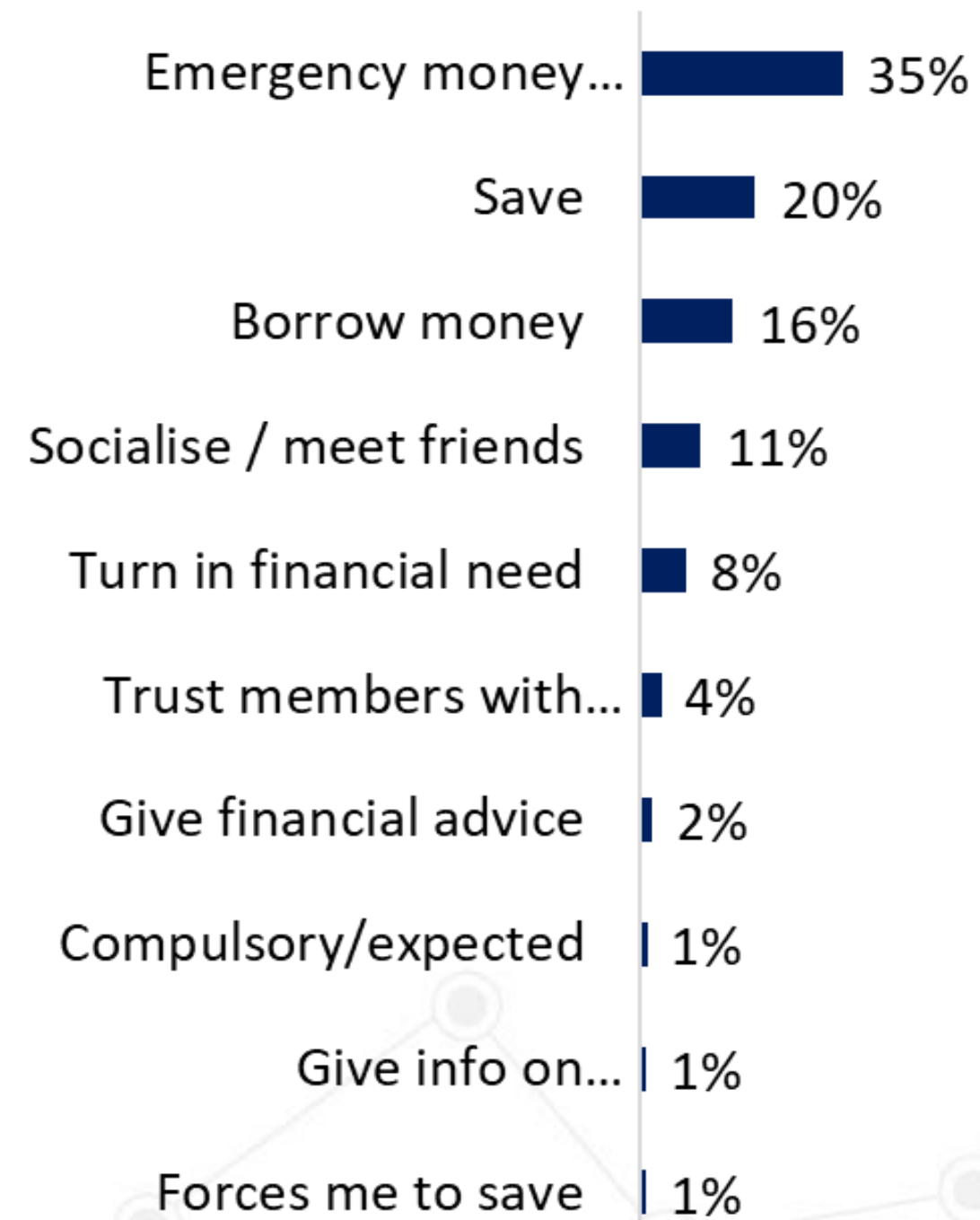
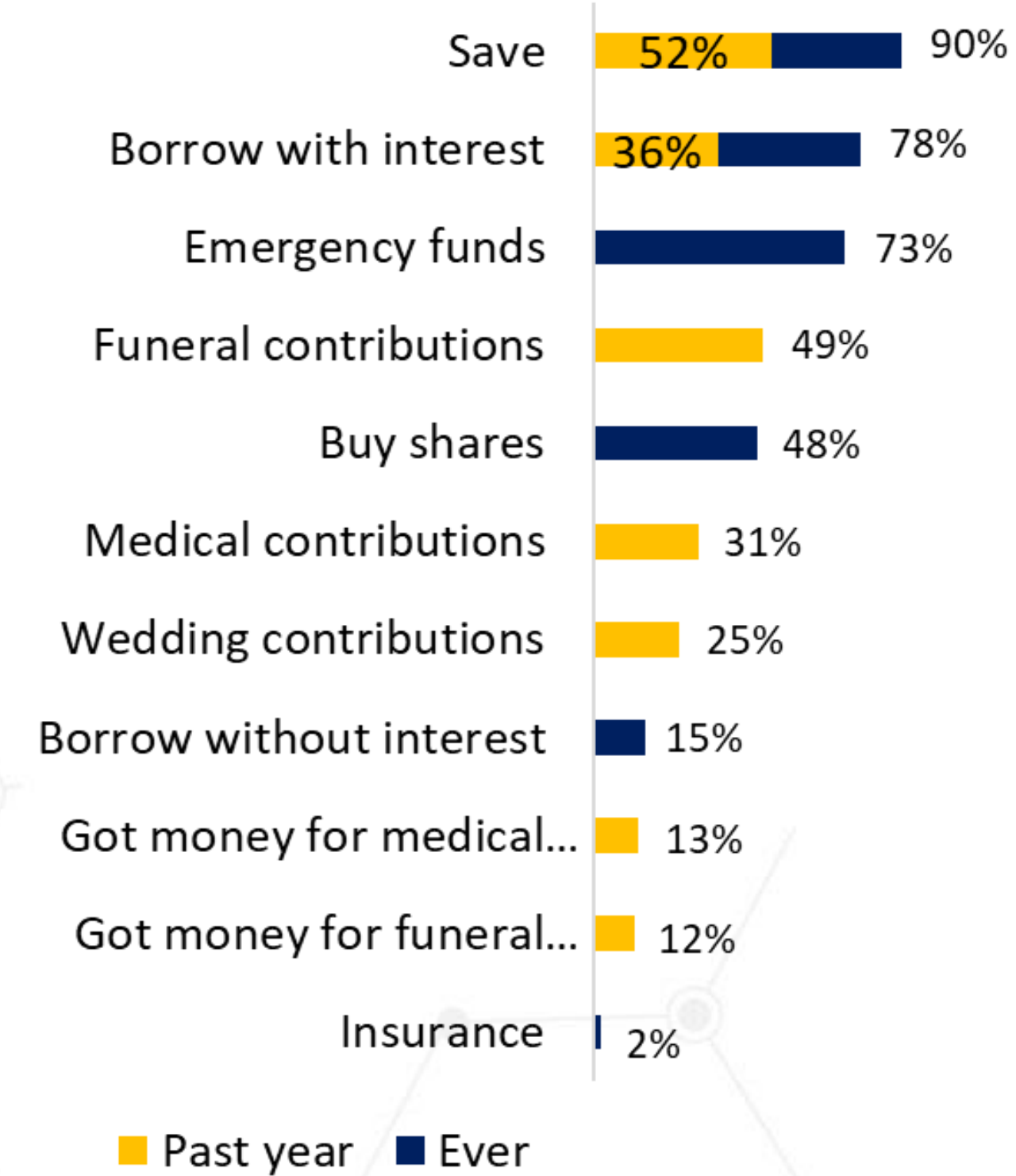


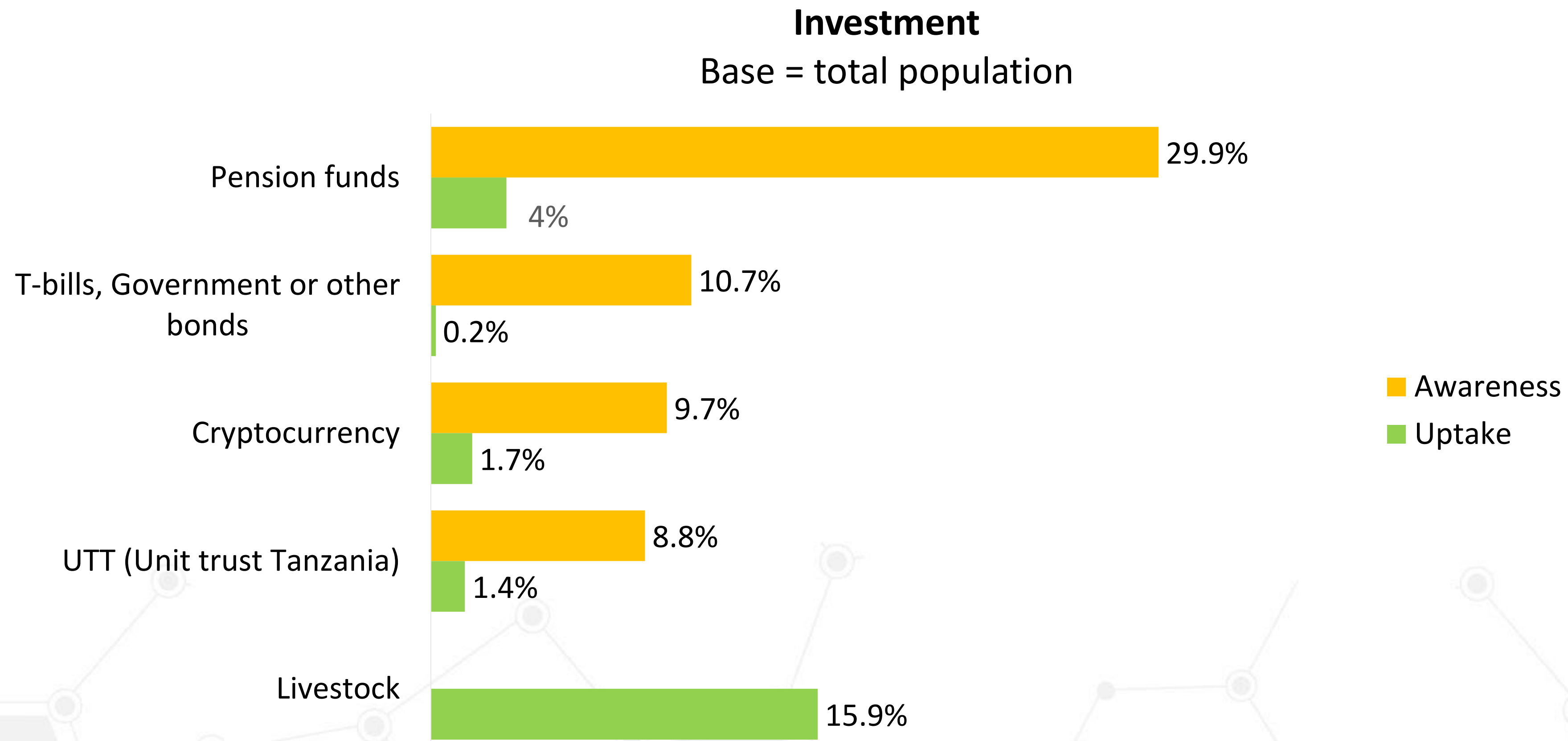
Chart 39b: Services used

Base=only CMG members



Source: FinScope Tanzania 2023 (March-April 2023)

Finding 33: About 3 in 10 Tanzanians are aware of a variety of Investment vehicles but only about half of them have taken them up



Source: FinScope Tanzania 2023 (March-April 2023)

3F. Financial Service Consumer Satisfaction

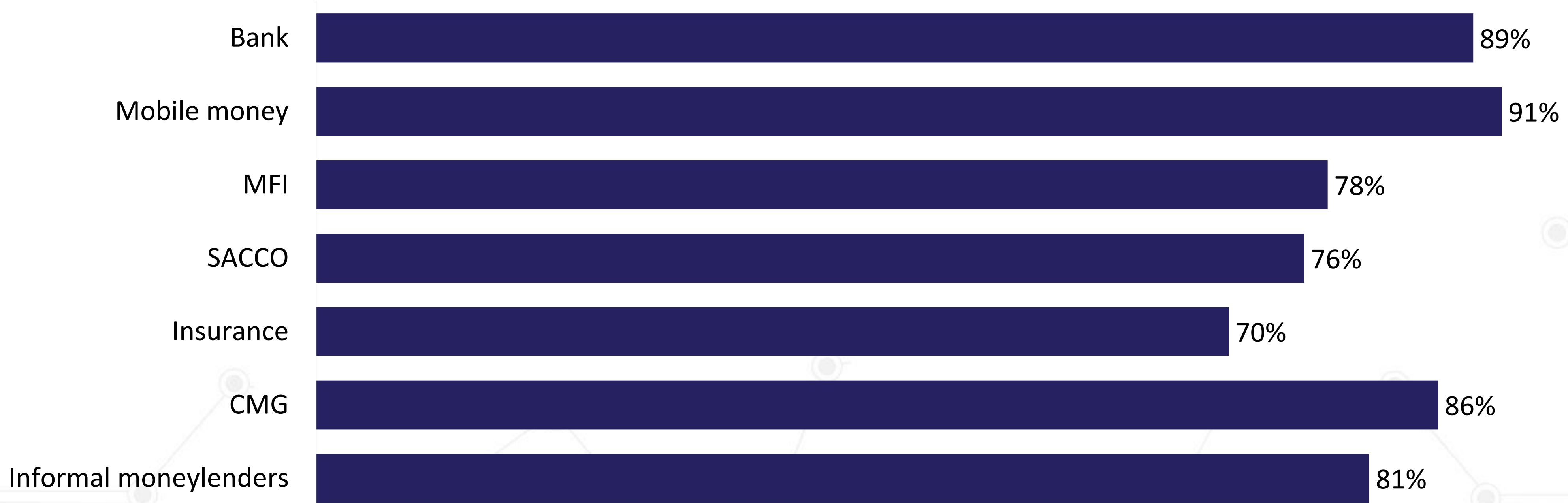
How satisfied are Tanzanians with the services they use?

Product Market Fit, Reasonable Costs, Past 30 and 90 Day Usage

Finding 35: Majority of customers are satisfied with product/service market fit

Chart 43: Products and services meet financial needs

Base: Only those using the respective service

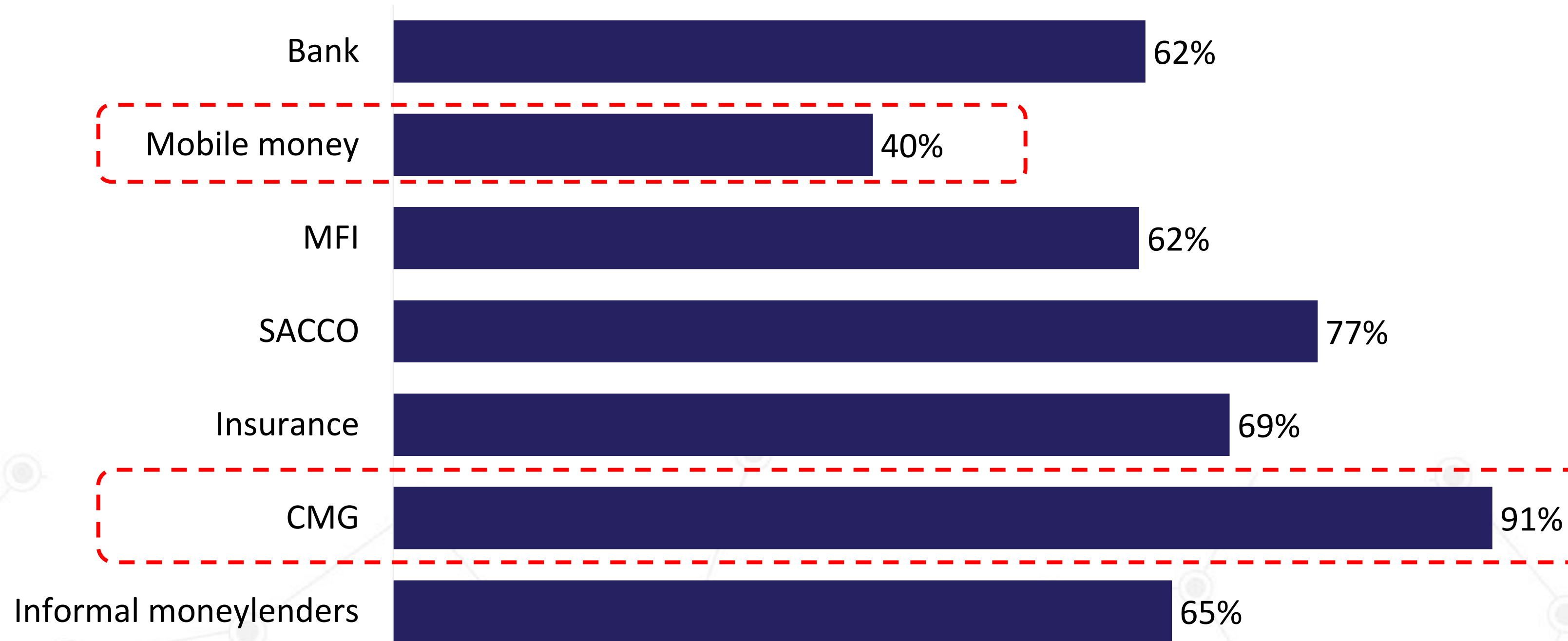


Source: FinScope Tanzania 2023 (March-April 2023)

Finding 36: Member-led financial service provider (i.e. CMGs and SACCOs) consumers perceive their services as more reasonably priced

Chart 44: Have reasonable fees and charges

Base: Only those using the respective service



Source: FinScope Tanzania 2023 (March-April 2023)

Nonetheless, overall past 30 and 90 days usage of Mobile Money and Banking has increased

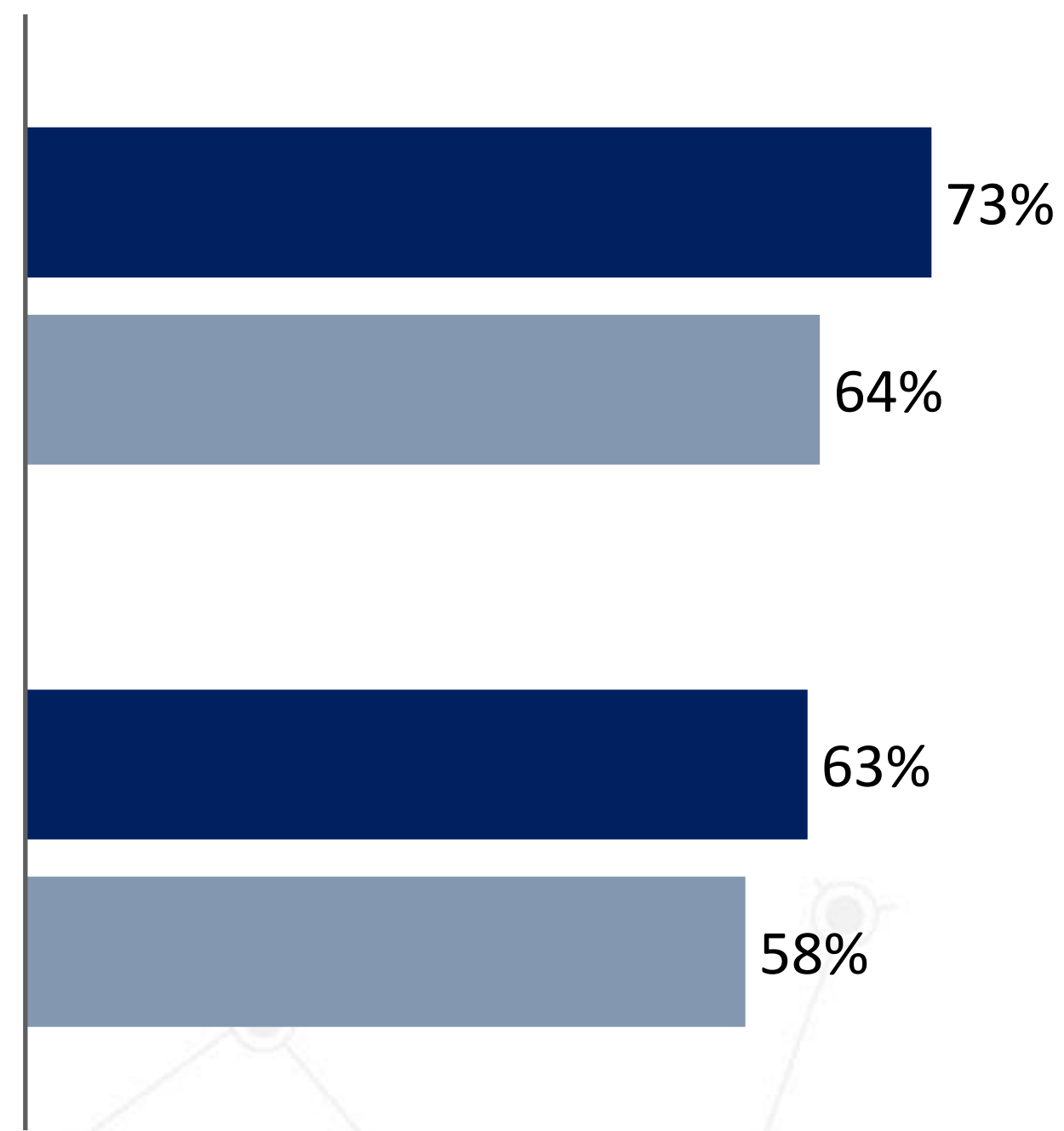


Mobile Money Customers

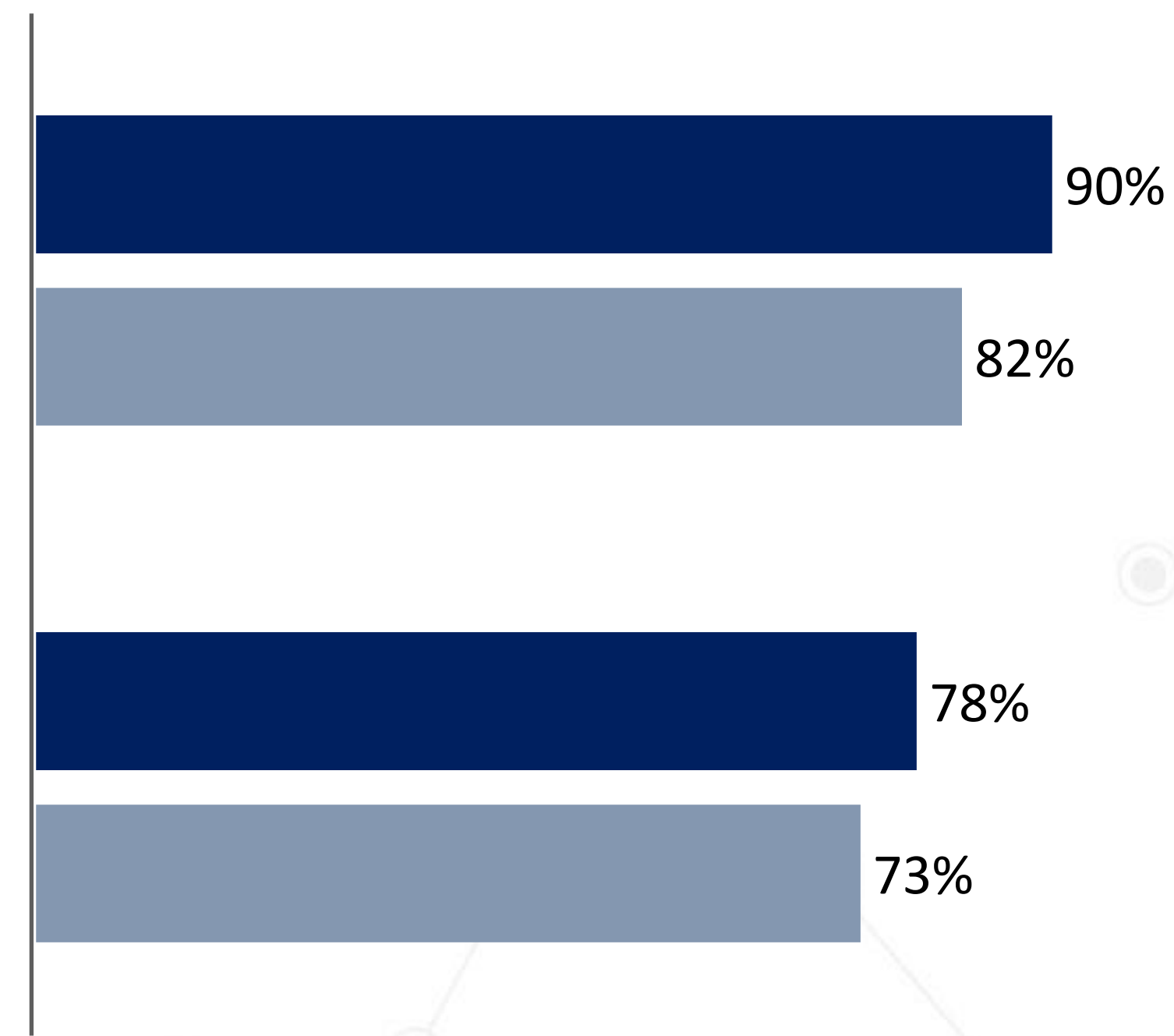


Bank Customers

Past 30 days usage



Past 90 days usage



■ 2023 ■ 2017

Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)



Asanteni Sana!



KEY FINDINGS 2023