

FINANCIAL INCLUSION **insights**

APPLIED RESEARCH FOR  digital financial inclusion

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QUICKSIGHTS REPORT FII TRACKER SURVEY

Conducted June-July 2014

November 2014



THE UGANDA FII TRACKER SURVEY - DETAILS

Survey summary

- Annual, nationally representative survey (N=3,001) of Ugandan adults aged 15+
- Face-to-face interviews lasting, on average, 58 minutes
- Second survey (wave 2) conducted from 6/14/2014 to 7/25/2014
- Tracks trends and market developments in DFS based on the information gathered in the first survey, conducted from 9/19/2013 to 12/15/2013

Data collected

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

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Survey Demographics

Demographic	% of Survey (N=3,001)
Male	47%
Female	53%
Urban	25%
Rural	75%
Above the \$2.50/day poverty line	32%
Below the \$2.50/day poverty line	68%
Ages 15-24	34%
Ages 25-34	23%
Ages 35-44	15%
Ages 45-54	10%
Ages 55+	17%

Figures are weighted to reflect national census data demographics.

Source: InterMedia Uganda FII Tracker survey (N=3,001, 15+), June-July 2014.

NOTABLE STATISTICS

- **Thirty-nine percent of Ugandan adults have a financial services account either through a bank, mobile money service or a non-bank financial institution (NBFI), with an additional 9 percent accessing financial services through someone else's account.**
 - Thirty-three percent of Ugandans have a mobile money account., while an additional 10 percent of Ugandans have access to mobile money through using someone else's account.
 - Fourteen percent of Ugandans have bank accounts (less than half the number who have mobile money accounts). Of those who have active bank accounts, 94 percent have access to digital services with their accounts, either through ATMs/credit cards, mobile/internet or cash transfer capabilities.
 - Seven percent of Ugandans have accounts with NBFIs such as Savings and Credit Cooperative Organizations (SACCOs), Microfinance Institutions (MFIs), cooperatives or Post Office banks; 2 percent are accessing through accounts that belong to other people.
- **Socio-economic and demographic gaps persist, despite some positive growth in certain segments.**
 - Among women, 27 percent have an active mobile money account registered in their name compared with 32 percent of men
 - The gap between those above and below the poverty line remains high with 50 percent among those well-off reporting active registered mobile money accounts compared with 20 percent of the below-the-poverty-line segment in 2014.
 - The difference between urban and rural users' mobile-money account adoption also persists, with a 53 percent to 20 percent gap, respectively, in line with the previous year.

NOTABLE STATISTICS (cont.)

- **Nine in 10 Ugandan adults are aware of mobile money services and can name at least one service provider.** Of these, 48 percent know about the services but have never actually used a mobile money.
- **MTN Mobile Money remains the dominant mobile money provider with 86 percent of users using the services.** The acquisition of Warid Pesa helped Airtel Money increase its market share by four percentage points to reach 30 percent of mobile money users.*
- **Person-to-person transfers remain the main trigger to opening a mobile money account, with 52 percent having opened an account to receive money and 20 percent to send.** In addition to this P2P use, users with an account use it most frequently for deposits, withdrawals and airtime top-ups.
- **Use of mobile money services beyond basic cash transfers is picking up:** Fourteen percent and 12 percent of active mobile money account holders report they save and pay bills using their accounts.

* Mobile money users can use more than one service provider.

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Nearly half of Ugandans have access to financial accounts; mobile money access surpasses banks, and now a third have mobile money accounts

Bank and mobile-money (MM) account access and use: 2013 vs. 2014*

(Shown: Percentage of Ugandan adults who fall into each category, 2013 (W1) N=3,000, 2014 (W2) N=3,001)



*Differences in waves are not significant at the 95% confidence level for access to a bank account, bank account holders, MM account holders and active MM account holders. Categories are not mutually exclusive.

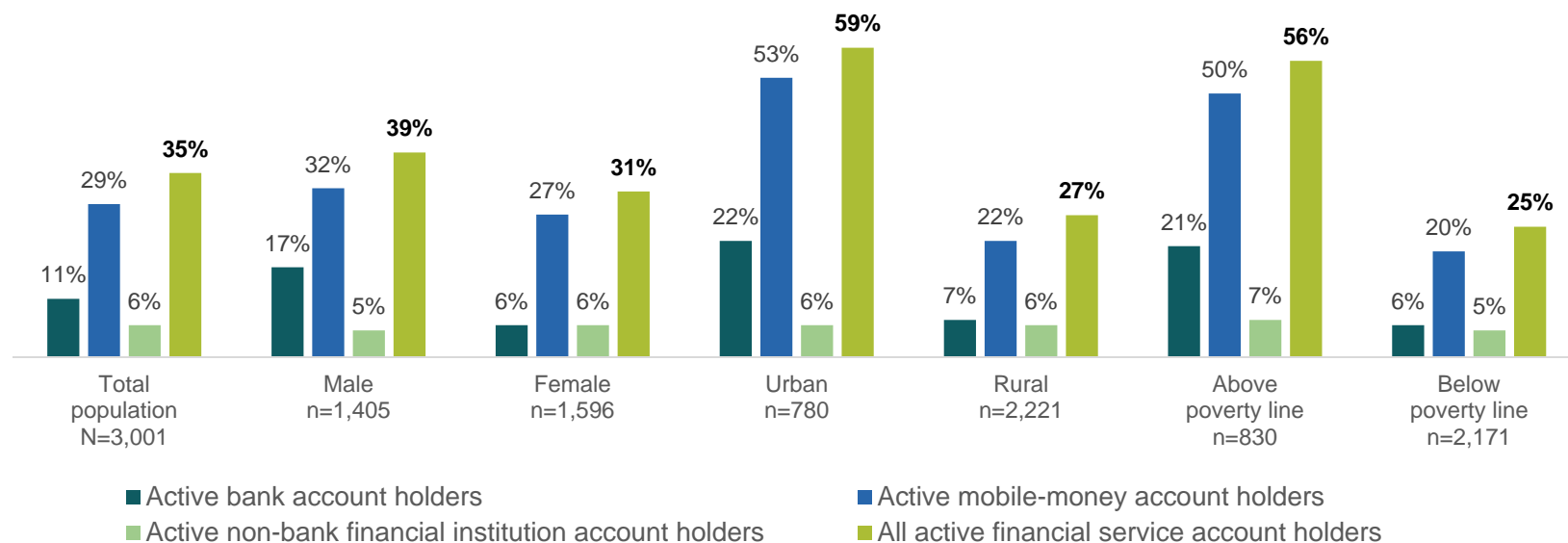
Source: InterMedia Uganda FII Tracker surveys Wave 1 (N=3,000, 15+), September-December, 2013, and Wave 2 (N=3,001, 15+) June-July, 2014.

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Men, urban dwellers and those above the poverty line are more likely to have active accounts; mobile money activity surpasses bank and non-banks

Financial inclusion measures by key demographic groups

(Shown: Percentage of each subgroup)



Account categories are not mutually exclusive.

Source: InterMedia Uganda FII Tracker survey (N=3,001, 15+), June-July 2014.

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A third of adult Ugandans have digital stored-value accounts; but only about one in 10 use them as an access channel for other financial services

Main FSP Indicator	%	Base n	Base Definition
Adults (15+) who have active digital stored-value accounts	33%	3,001	All adults
Poor adults (15+) who have active digital stored-value accounts	22%	2,171	All poor
Rural women (15+) who have active digital stored-value accounts	22%	1,127	All rural females
Adults (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P, and bill pay)	10%	3,001	All adults
Poor adults (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P, and bill pay)	5%	2,171	All poor
Rural women (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P, and bill pay)	5%	1,127	All rural females

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

Source: InterMedia Uganda FII Tracker survey (N=3,001, 15+), June-July 2014.

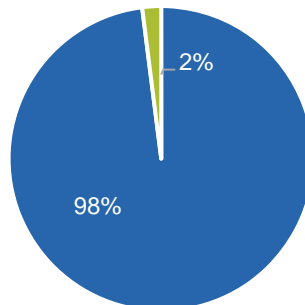
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Almost all Ugandans are aware of mobile money (MM) generally and of specific mobile money providers; awareness of the concept and that of brands is identical

Concept awareness (Recognize concept of MM)

(Base: All Ugandans, N=3001)

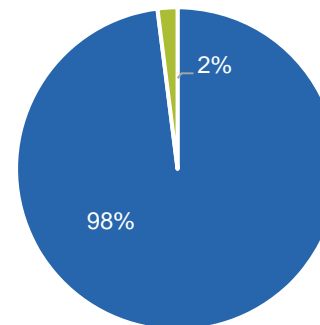
■ Aware ■ Unaware



Brand awareness (Recognize at least one MM provider)

(Base: All Ugandans, N=3001)

■ Aware ■ Unaware



Among those aware of the concept and at least one brand

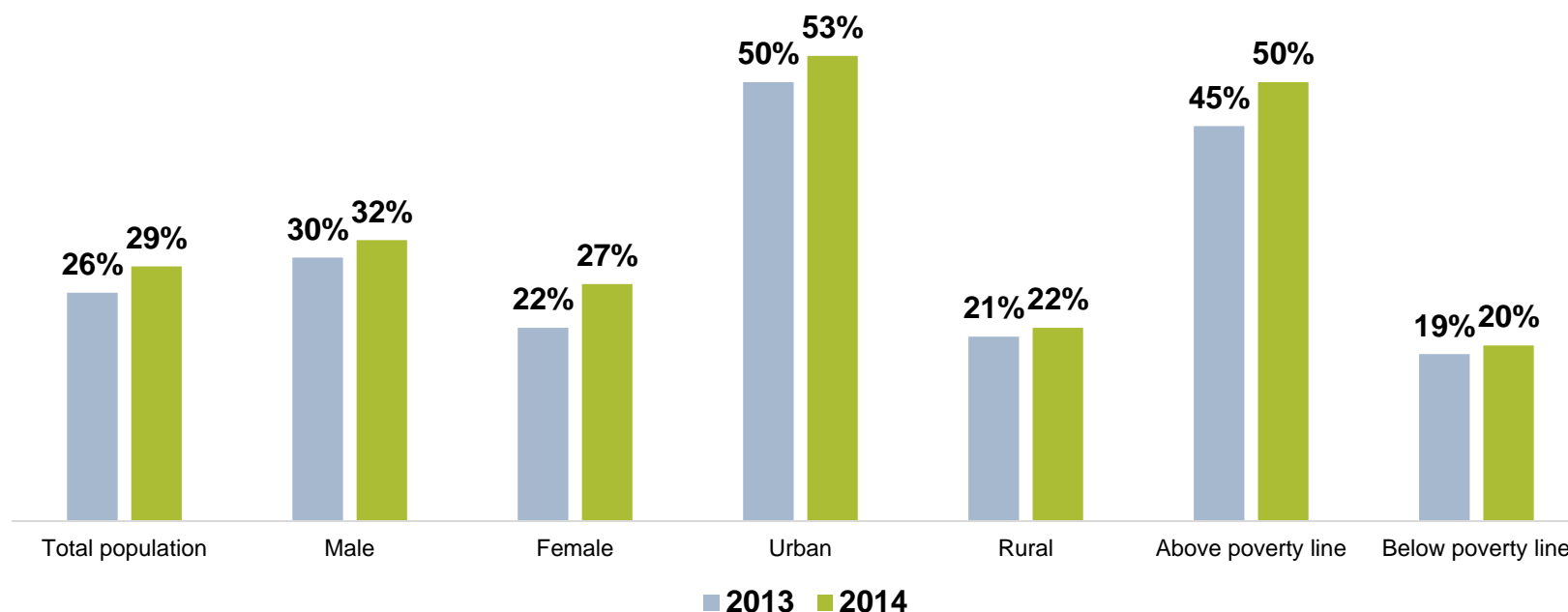
- 47% have used mobile money
- 36% have registered mobile money accounts

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Half of those above the poverty line and in urban areas now have active registered mobile money accounts, as well as nearly three in 10 women

Demographic trends for active registered mobile money account use*

(Shown: Percentage of Ugandan adults who fall into each category, W1 N=3,000, W2 N=3,001)



*Differences in waves are not significant at the 95% confidence level for access to a bank account, bank account holders, MM account holders and active MM account holders. Categories are not mutually exclusive.

Source: InterMedia Uganda FII Tracker surveys Wave 1 (N=3,000, 15+), September-December, 2013, and Wave 2 (N=3,001, 15+) June-July, 2014.

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Radio and television remain the top initial exposure channels for mobile money; word of mouth, billboards and agents are less pronounced for first learning

“From which source of information did you first learn about this mobile money service?”

Rank	Top 5 initial sources <i>(percentage of active mobile money account holders)</i>	2013 (Wave I) <i>(n=788)</i>	2014 (Wave II) <i>(n=855)</i>
①	Radio	86	82
②	Television	22	26
③	Family and friends	15	13
④	Billboards	11	9
⑤	Field agents/promoters of mobile money	9	5

Categories are not mutually exclusive.

Source: InterMedia Uganda FII Tracker surveys Wave 1 (N=3,000, 15+), September-December, 2013, and Wave 2 (N=3,001, 15+) June-July, 2014.

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Ugandans open mobile money (MM) accounts for person-to-person transfers; P2Ps are a top ongoing use along with deposits, withdrawals and airtime top-ups

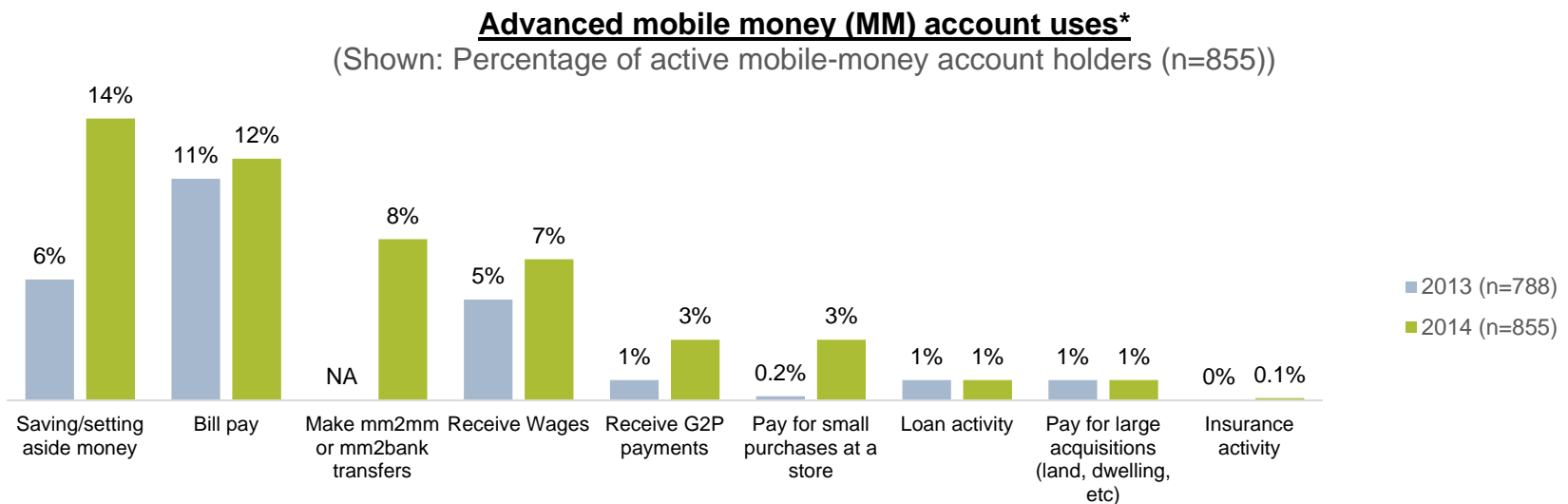
Rank	Top reasons for starting to use an MM account (percentage of active account holders n=855)	%	Rank	Top uses for MM accounts (percentage of active account holders n=855)	%
①	I had to receive money from another person	52	①	Withdraw money	96
②	I had to send money to another person	20	②	Deposit money	78
③	I wanted to start saving money with an m-money account	6	③	Receive money from other people for regular support/allowances, or emergencies	55
④	I wanted a safe place to keep/store our money	5	④	Buy airtime top-ups	53
⑤	Most of my friends/family members are already using the services	3	⑤	Send money to other people for regular support/allowances, or emergencies	44
⑥	Somebody/another person requested that I sign up for an account	3	⑥	Receive money from other people for other reasons or no particular reason	40

Question allowed for multiple responses

Source: InterMedia Uganda FII Tracker survey (N=3,001, 15+), June-July 2014.

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Savings and bill pay are the more common advanced uses followed by inter-account transfers



*Due to the changes in the questionnaire between W1 and W2, some data points are not directly comparable.

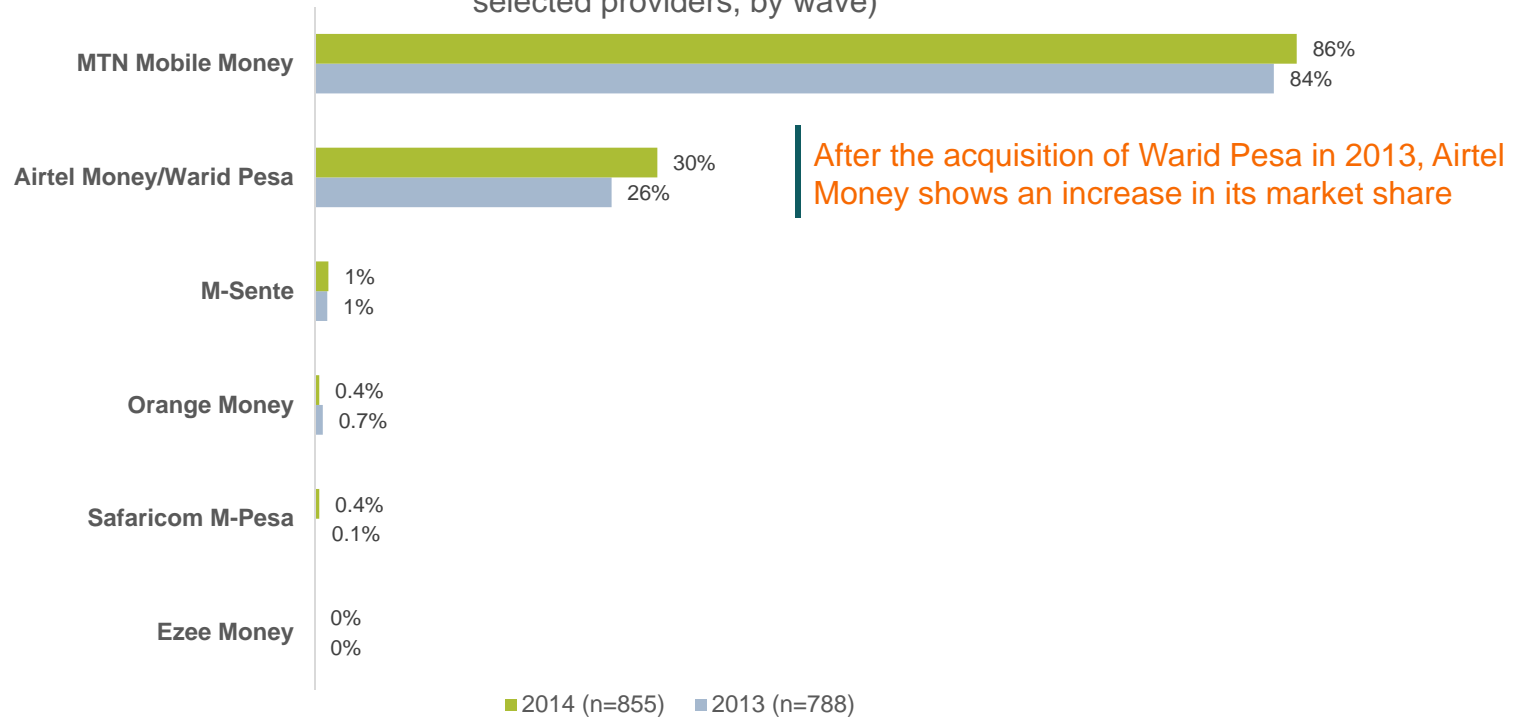
Question allowed for multiple responses.

Source: InterMedia Uganda FII Tracker surveys Wave 1 (N=3,000, 15+), September-December, 2013, and Wave 2 (N=3,001, 15+) June-July, 2014.

MTN mobile money is the dominant market player, in line with 2013

Active mobile money provider account holdings

(Shown: Percentage of active mobile money account holders who report using selected providers, by wave)



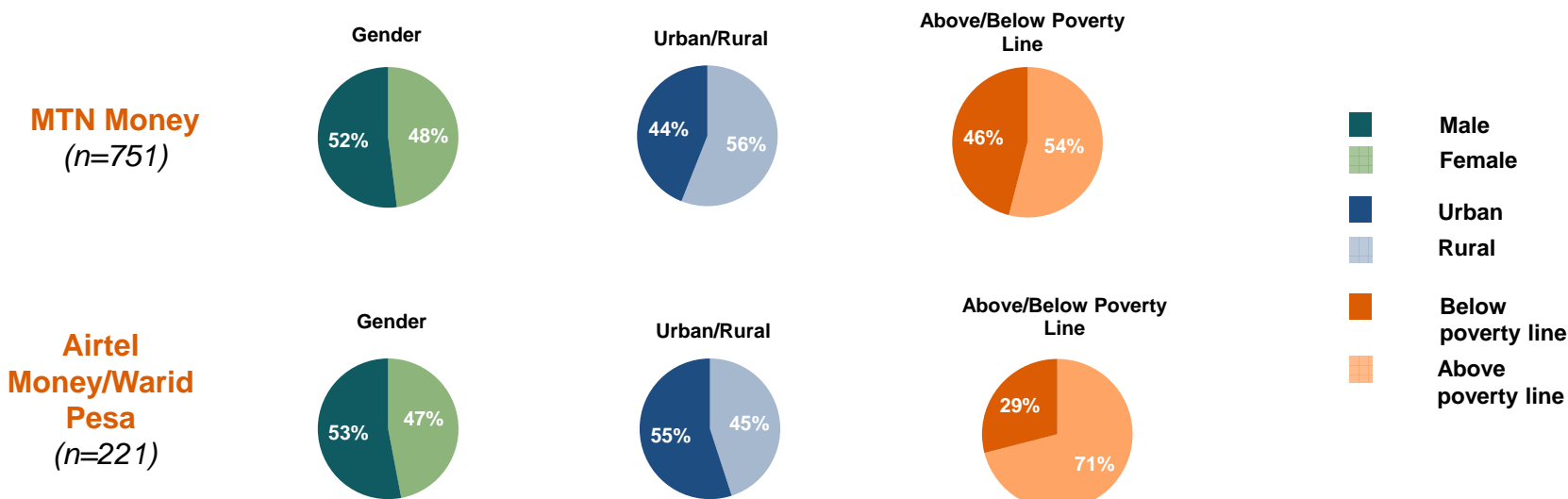
Active MM account holders can have accounts with more than one provider.

Source: InterMedia Uganda FII Tracker surveys Wave 1 (N=3,000, 15+), September-December, 2013, and Wave 2 (N=3,001, 15+) June-July, 2014.

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Airtel Money/Warid Pesa has higher use rates among those living above the poverty line, and urbanites; MTN Money has more rural and below the poverty line users

Demographic trends for mobile money account use, by provider



Active MM account holders can have accounts with more than one provider.

Source: InterMedia Uganda FII Tracker survey (N=3,001, 15+), June-July 2014.

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At least a quarter of active bank account holders engage in advanced financial activities, including savings and wage pay

	Top uses for Active Bank accounts (n=328)	%
Basic Uses	Withdraw money	97
	Deposit money	90
	P2P transfers	26
Advanced Uses	Bill pay	33
	Save/set aside money	23
	Receive wages	23
	Loan activity	12
	Receive G2P payments	10
	Make MM2MM / MM2Bank transfer	9

- The most common bank account uses still mainly involve withdrawing and depositing
- Bill pay is the most common advanced use service

Question allowed for multiple responses

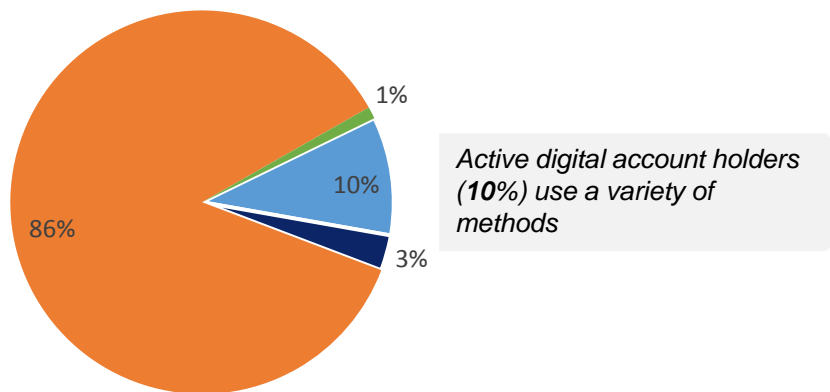
Source: InterMedia Uganda FII Tracker survey (N=3,001, 15+), June-July 2014.

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Fourteen percent of adult Ugandans can access a bank account via digital means; 10 percent are active holders of a digital bank account

Digital bank account access*

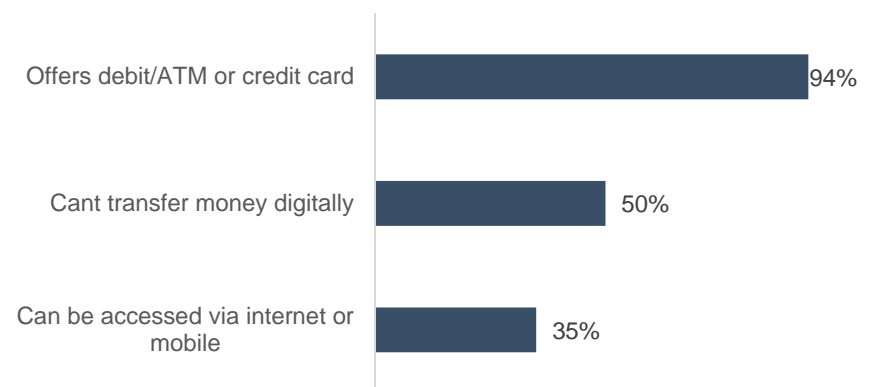
(Total population, N=3,001)



- Active, digital bank account users
- Lapsed digital bank account holders
- Do not have digital access to a bank account
- Digital bank account users, not registered

Method of access

(Shown: Active digital bank account holders, n=307)



*Question allowed for multiple responses.

Source: InterMedia Uganda FII Tracker survey (N=3,001, 15+), June-July 2014.

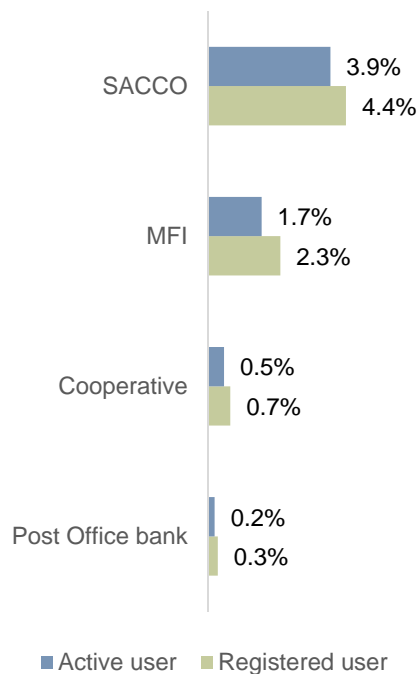
* Digital bank accounts are those that offer at least one of the following options: debit/ATM or credit cards, internet or mobile access, or a digital money transfer capability.

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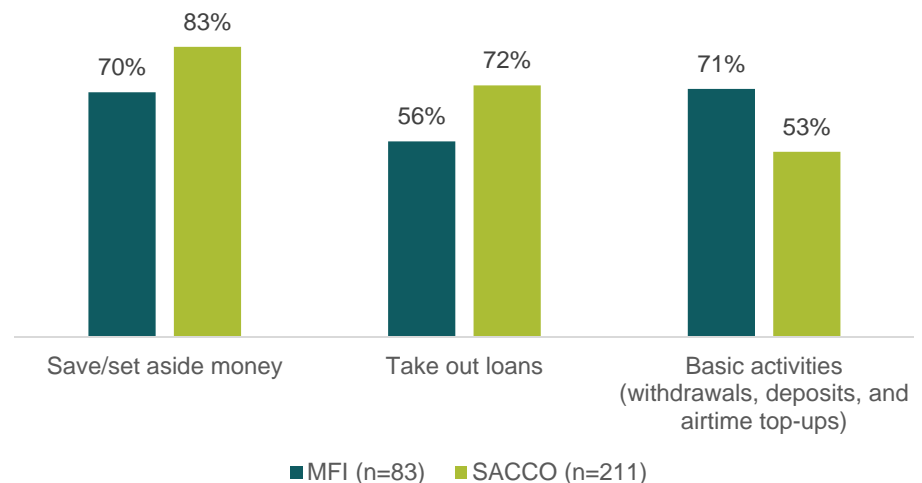
Those who use non-bank financial institutions use them in various ways, including to save money and take out loans

Financial institution usage

Percentage of non-bank financial institution account holders among the total population (N=3,001)



How non-bank financial institutions are used*



- SACCOs are more likely to be used for savings and loans.
- MFIs are utilized more for basic activities.

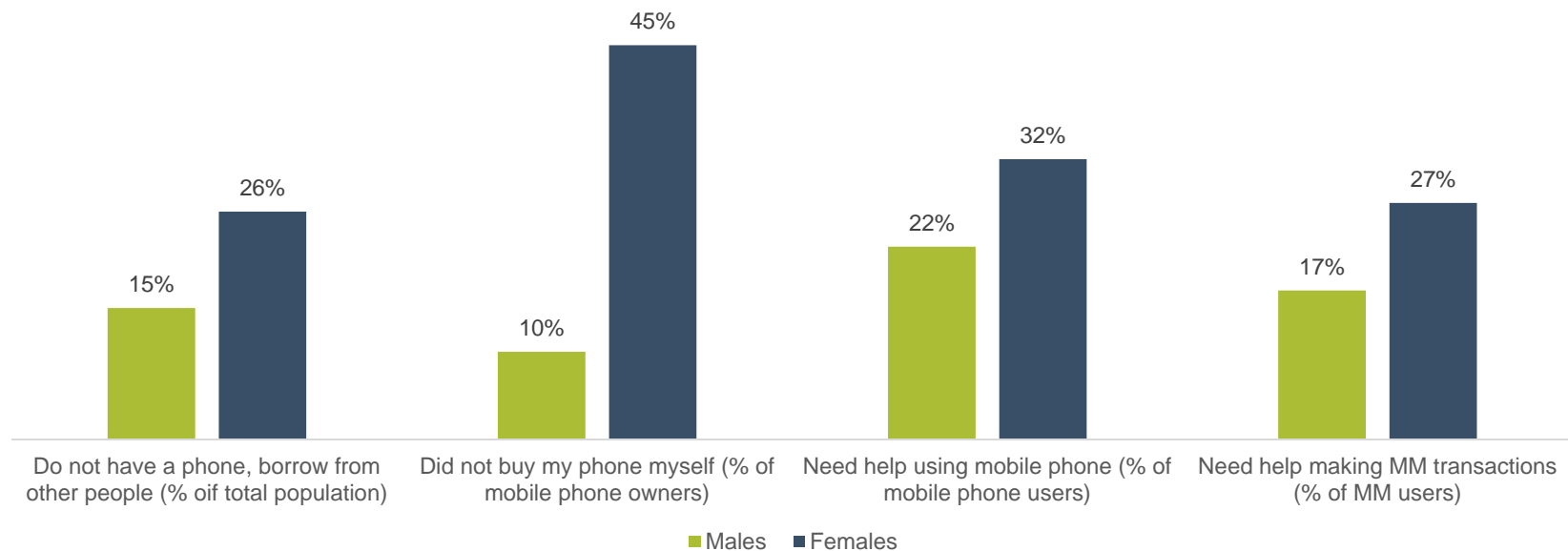
*All differences are statistically significant at the 95% confidence interval.

Question allowed for multiple responses

Source: InterMedia Uganda FII Tracker survey (N=3,001, 15+), June-July 2014.

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Fewer women than men purchase or own their own phones



- More women than men use mobile phones that belong to other people.
- More women than men ask other people for help when using mobile phones and making mobile money transactions.

Question allowed for multiple responses.

Source: InterMedia Uganda FII Tracker survey (N=3,001, 15+) June-July, 2014.

GLOSSARY OF TERMS

- **Access** – Access to a bank account or mobile money account means a respondent can use bank/mobile money services either via their own account or via an account of another person.
- **Active account holder** – An individual who has a registered DFS account and has used it in the last 90 days.
- **Active user** – An individual who has used any DFS for any type of transaction in the past 90 days via his/her own account or somebody else's account.
- **Adults with DFS Access** – Adults who either own a DFS account or have access to someone else's account.
- **Below the poverty line** - In this particular study, adults living on less than \$2.50 per day, as classified by the Grameen PPI.
- **Digital financial services (DFS)** – Financial services that are provided through an electronic platform (mobile phones, electronic cards, the internet, etc.). **For this particular study, digital financial services include bank services and mobile money services.**
- **Digital stored-value account (DSVA)** – accounts in which a monetary value is represented in a digital electronic format and can be retrieved/transferred by the account owner remotely. For this particular study, DSVAs include a bank account or NBFi account with digital access (a card, online access or a mobile phone application) and a mobile money account.
- **Grameen Progress out of Poverty Index (PPI)** – A poverty measurement tool from the Grameen Foundation wherein a set of country-specific questions are used to compute the likelihood that a household is living below the poverty line.
- **Lapsed registered/non-registered user** – An individual who has used a DFS on their own or somebody else's account, but has not done so in the last 90 days.
- **Mobile money (MM)** – A service in which a mobile phone is used to access financial services.
- **Registered active user** – A person with a registered DFS account that has used it in the last 90 days.
- **Urban/rural** – Urban and rural persons are defined according to their residence in urban or rural areas as prescribed by the national bureau of statistics.

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