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

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

• **Track access to and demand** for financial services generally, and the uptake and use of DFS specifically;

• **Measure adoption and use** of DFS among key target groups (females, BOP, rural, unbanked, etc.);

• **Identify drivers and barriers** to further adoption of DFS;

• **Evaluate the agent experience** and the performance of mobile money agents; and

• **Produce actionable, forward-looking insights** to support product and service development and delivery, based on rigorous FII data.

The FII program is managed by InterMedia. Visit the FII Resource Center to learn more: [www.finclusion.org](http://www.finclusion.org).
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EXECUTIVE SUMMARY
Half of Tanzanian adults are financially included through banks, mobile money or nonbank financial institutions

- Inclusion is driven primarily by mobile money services.
- There’s overlap among different types of financial services. For example, 20% of registered mobile money users have a bank account and 10% have a nonbank financial institution (NBFI) account.
- The use of NBFI and informal services is not common, although there could be under-reporting out of fear of fraud or taxation.

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

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
Forty percent of Tanzanians have digital access to their financial accounts

- Mobile money accounts are by far the most common form of digital financial accounts.

- Banks are second, although less than half of bank account holders (and only 7% of the population) can access their accounts digitally through an ATM card or mobile app, or online.

- Only 4% have accounts at nonbanking financial institutions; less than a quarter of these account holders have digital access.

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

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
Growth in bank account access, ownership means three in 10 have access to formal financial services and a half owns an account

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

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

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to a bank account or MM account or both*</td>
<td>50%</td>
<td>60%</td>
</tr>
<tr>
<td>Registered bank or MM account or both</td>
<td>47%</td>
<td>51%</td>
</tr>
<tr>
<td>Access to a bank account*</td>
<td>11%</td>
<td>26%</td>
</tr>
<tr>
<td>Bank account holders*</td>
<td>10%</td>
<td>21%</td>
</tr>
<tr>
<td>Active bank account holders*</td>
<td>8%</td>
<td>16%</td>
</tr>
<tr>
<td>Access to an MM account</td>
<td>48%</td>
<td>44%</td>
</tr>
<tr>
<td>MM account holders</td>
<td>44%</td>
<td>38%</td>
</tr>
<tr>
<td>Active MM account holders</td>
<td>38%</td>
<td>34%</td>
</tr>
</tbody>
</table>

*Significant differences in waves are within the 95% confidence level for access to a bank account, bank account holders, mobile money account holders and active mobile money account holders. Categories are not mutually exclusive.

Key changes were made in the Tanzanian financial sector in 2013 and 2014

**BANKING SECTOR**

- **A push for community banks.** The Finance Ministry is collaborating with the Bank of Tanzania (BoT) and the Parliament to develop a network of community banks. The residents of remote communities, which are currently not covered by traditional banks, can lobby for the establishment of a community bank and request assistance from the Tanzanian government.

- **Banking agent network expansion.** The government established guidelines for agency banking in September 2012. Following this, in 2013, CRDB Bank launched its agency banking network, Fahari Huduma. The government is encouraging more banks to establish agency banking networks.

- **National IDs increase access to banks.** The new Tanzania National ID cards are being accepted by banks as a legal source of customer information, providing users with easier access to bank products, including loans.

**MOBILE MONEY SECTOR**

- **Interoperability expands boundaries for mobile money transfers.** In August 2014, Tanzania’s mobile networks, Tigo, Airtel and Zantel, announced Africa’s first mobile money interoperability agreement.

- **Mobile money transfer tax increased.** The Tanzanian government proposed a reform on the excise duty on mobile money transfer fees. The 2014/15 national budget includes a proposal to remove the 0.15% excise duty on money transfers and replace it with a 10% excise duty on charges and/or service fees, which are levied by banks and telecommunication companies.

- **New tax on international remittance charges.** The Tanzanian government plans to introduce a regulation on “transfer remittances” that will ensure the government can tax transaction fees on international remittances.

- **Tigo Pesa shares profits with users.** Tigo Pesa distributed a portion of the profits accumulated in the Tigo Pesa Trust Account to Tigo Pesa account holders, making Tigo Pesa the first telecom company in the world to do so.

What might be the effect of these events on the use of banking and mobile money services?
Change I: Changes in bank and mobile money account use within demographic groups with high use rates are driving overall changes

Bank and mobile money accounts use, by demographics
(Shown: Percentage of each subgroup)

- Active bank account use is relatively even by demographic groups; active use of mobile money accounts fluctuates significantly by demographic groups.
- It is possible that changes in demographic groups with high user rates brought down the overall use of mobile money.
- It is also possible that the most dramatic increases in bank use are among previously underserved groups due to the spread of agent banks, community banking and female-oriented promotions.

Account categories are not mutually exclusive.

Source: InterMedia Tanzania FII Tracker survey (N=3,000, 15+), August - October 2014.
Active mobile money account declined across most demographic groups, but the most significant declines were among groups that drive uptake and use: males, urban and those above the poverty line.

Changes in mobile-money account use between 2013 and 2014, by demographics
(Shown: Percentage of each subgroup)
Active bank account use increased most dramatically among males, females, rural and those below the poverty line

Changes in bank accounts use between 2013 and 2014, by demographics
(Shown: Percentage of each subgroup)

Account categories are not mutually exclusive.

Source: InterMedia Tanzania FII Tracker survey (N=3,000, 15+), August - October 2014.
Change II: An increase in bank use was due to some mobile money users adopting banks and dropping out as mobile money users

There is very limited overlap between users of banks and mobile money; the more advanced the use – the smaller the overlap.

Most of those using both financial institutions are superusers (i.e., mostly urbanites, living above the poverty line, with high levels of literacy and educational attainment).

The limited overlap potentially means an increase in the group of bank users might lead to a decrease in the group of mobile money users.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
TANZANIA

There is a decline in the use of mobile money services across demographic groups, but most significantly among males, females, urban and those above the poverty line.

Changes in mobile money and bank account use between 2013 and 2014, by selected demographics
(Shown: Percentage of each subgroup)

Account categories are not mutually exclusive.

Source: InterMedia Tanzania FII Tracker survey (N=3,000, 15+), August - October 2014.
remittance related statistics
(Shown: Percentage of all adults, N=3,000)

33% receive remittances from at least one source

4% active bank account holders

13% active MM account holders

2% moved locations 1-4 times “in the past 12 months”

Senders

Recipients

- Each remittance case includes at least two agents, a sender and a recipient.
- In many cases, however, a recipient is also a sender, adding at least one more agent to the transaction.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
Several challenges and opportunities define the context of DFS development in Tanzania

**CHALLENGES**

- Financially vulnerable population.
- **Limited technical literacy**: Mobile phone users require help when using phones for activities beyond making/receiving calls.
- **Limited financial literacy**: Few Tanzanians are aware of the use-terms of their savings and borrowing tools; fewer prepare for financial shocks.
- **Limited understanding and motivation for adopting financial services**: There is a strong perception of digital financial services being (a) expensive, and (b) designed for specific activities, including P2P for mobile money and (direct deposit) bill pay for banks.

**OPPORTUNITIES**

- **High rates of literacy and numeracy**.
- **High rate of mobile phone ownership**: Increase in ownership among vulnerable populations (female, rural and poor).
- **Limited OTC**: Most bank and mobile money use are tried to an account.
- **Tanzanians’ receptivity to DFS product innovations when they align with their needs**: Existing cases of mobile money use for bill pay and business transactions, as well as the successful launch of M-Pawa, are examples of Tanzanians’ willingness to try products if the products’ clearly articulated value aligns with their existing needs.
- **Existing market niches**: There are financial activities with high potential for digitalization, including P2G payments, wage disbursements, and savings.
## Summary highlights and recommendations

<table>
<thead>
<tr>
<th>Highlights</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank account holders and mobile money (MM) account holders are two different segments, who use banks and MM similarly</td>
<td>There is a potential for addressing both through joint/collaborative products and educational campaigns</td>
</tr>
<tr>
<td>Tanzanian adults struggle to budget their expenses</td>
<td>The pricing structure of financial services should reflect the limited income and many monetary demands that are a part of Tanzanians’ financial struggles</td>
</tr>
<tr>
<td>Tanzanians save for occasional emergencies and financial shocks</td>
<td>The terms of savings products should have flexible/not punitive cancellation clauses</td>
</tr>
<tr>
<td>There are existing financial activities that have potential to be digitized: savings, wage-streams, loan activities and insurance-related transactions</td>
<td>Advantages of using DFS products should be communicated clearly and regularly, power-agencies (i.e., the government) should be engaged in promoting new products, which should come with education through customer Service, agents and promotional materials</td>
</tr>
<tr>
<td>61% of Tanzanians have the skills and equipment needed to use DFS; 44% have ever tried mobile money</td>
<td>It is important to understand the segment that has not tried mobile money and experiment with various incentives</td>
</tr>
<tr>
<td>Mobile money users receive information on average from four different resources</td>
<td>Communicate one message across different media; the message has to be simple but focused</td>
</tr>
<tr>
<td>Users of the most common advanced MM activities (bill pay, business transactions and savings) are different user segments</td>
<td>It is possible to cross-promote products to those already using advanced activities</td>
</tr>
</tbody>
</table>
CHANGES TO THE TANZANIAN FINANCIAL INCLUSION ECOSYSTEM IN 2013-2014
The government is considering mobile money regulation and is proposing a new tax

- **National Payments Act**
  - The National Payments Act is a new law aimed at regulating mobile money and internet banking transactions.
  - The act is on the Parliament’s agenda for early 2015 for review and consideration, specifically on how to integrate new/innovative payment channels (mobile money, internet banking and mobile banking) into the existing framework governing financial transactions.

- **New tax on international remittance charges**
  - The Tanzanian government plans to introduce a regulation on “transfer remittances” that will ensure the government can tax transaction fees on the remittances that Tanzanians living and working abroad send to their families in Tanzania. Essentially, the senders of the money will have to pay higher fees, and the funds gained through this taxation will be used to foster social economic development in the country.

- **Tax on mobile money transfers increased**
  - The Tanzanian government proposed a reform on the excise duty on mobile money transfer fees. The 2014/15 national budget includes a proposal to remove the 0.15% excise duty on money transfers and replace it with a 10% excise duty on charges and service fees, which are levied by banks and telecommunication companies. The actual impact of this change will depend on the amounts being transferred; those sending small amounts would be the least affected.
Tanzania’s telecoms become interoperable amidst increasing numbers of offers and users in the sector

• **Interoperability expands the boundaries for mobile money transfers.**
  
  – In August 2014, Tanzania’s mobile networks, Tigo, Airtel and Zantel, announced Africa’s first mobile money interoperability agreement allowing mobile money customers to transfer cash to each other regardless of which of the three provider networks they use.

• **Mobile money agents lead in profitability among agents in other EA countries.**
  
  – Mobile money agents in Tanzania reportedly make a substantial profit, with 49 percent earning at least $100 per month in profits compared with only 40 percent in Uganda (Agent Network Accelerator Survey in Tanzania, 2013, Microsave).

• **A new entrant in the telecom space is launched, as the number of mobile money users grows.**
  
  – Smart Telecom was launched in the Tanzania market in April 2014 and will introduce Smart Mobile Money in 2015.

  – Vodacom reports adding as many as 150,000 M-Pesa customers a month, while Tigo Tanzania reports an addition of over 1 million mobile money users in the year 2013-2014.

• **Tigo Pesa shares profits with users.**
  
  – Tigo Pesa will distribute a portion of the profits accumulated in the Tigo Pesa Trust Account to Tigo Pesa account holders, making Tigo Pesa the first telecom company in the world to do so. This move will likely result in a spike in uptake of the Tigo Pesa mobile money services with some users getting a second and third account, and some switching from other providers to Tigo Pesa.
The government encourages expansion of banking coverage

- A push for community banks is being made.
  - The Tanzanian government understands that access to banks is an important element in efforts to fight poverty and improve the welfare of its citizens. However, establishing formal bank branches in remote areas is a costly and time-consuming process. Hence, the Finance Ministry is collaborating with the Bank of Tanzania (BoT) and the Parliament to develop a network of community banks. The residents of remote communities, which are currently not covered by traditional banks, can lobby for the establishment of a community bank and request assistance from the Tanzanian government. The role of the BoT and the Parliament is to establish a legal framework and the licensing procedure to ensure that community banks are in compliance with the overall Tanzanian financial rules and regulations.

- The field is set for banking agent expansion.
  - The government established guidelines for agency banking in September 2012. Following this, in 2013, CRDB Bank launched its agency banking network, Fahari Huduma. The government is encouraging more banks to establish agency banking networks. Since banking agents are mobile, having an extended banking agent network helps banks significantly increase their coverage of rural and remote areas at a lower cost than would be required to establish brick-and-mortar bank branches.

- National IDs are increasing access to banks.
  - The new Tanzania National ID cards are being accepted by banks as a legal source of customer information, providing users with easier access to bank products, including loans.
Tigo Pesa leads in digital space innovations

• Value-added products and service innovations increase.
  
  – In May 2014, Vodacom Tanzania and Commercial Bank of Africa launched a banking service called M-Pawa allowing Tanzanians to have an interest-bearing savings account and borrow money via their mobile phones.

  – Tigo Tanzania launched Tigo Wekeza (Tigo Invests), the world’s first mobile money service that allows customers to earn interest on their balances, which is deposited to their accounts via automatic cash returns. The product was unveiled in September 2014.

  – In August 2014, Equity Bank launched its latest innovation, EAZZY 24/7 mobile banking, a platform that allows customers to access banking services using their mobile. The service is accessible through Vodacom, Airtel, Tigo and Zantel.
The timing of the FII surveys captured only some of the impact of Tigo Pesa’s 2014/2015 aggressive marketing campaign to boost digital financial services uptake.

Wave 1 Data Collection
- Strong MM account numbers
- Relatively low bank account usage

Wave 2 Data Collection
- Increase in bank accounts
- Static, slight shift in MM
- Growth in Tigo Pesa accounts

NOT in the field
No way of detecting the impact of Tigo Pesa’s marketing efforts on the uptake of mobile money services.
CONTEXT: CONSUMER PROFILE
The Tanzanian population is primarily young and largely lives below the poverty line

<table>
<thead>
<tr>
<th>Demographic</th>
<th>% of Survey (N=3,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>48%</td>
</tr>
<tr>
<td>Female</td>
<td>52%</td>
</tr>
<tr>
<td>Urban</td>
<td>34%</td>
</tr>
<tr>
<td>Rural</td>
<td>66%*</td>
</tr>
<tr>
<td>Above the $2.50/day poverty line</td>
<td>13%</td>
</tr>
<tr>
<td>Below the $2.50/day poverty line</td>
<td>87%</td>
</tr>
<tr>
<td>Ages 15-24</td>
<td>28%</td>
</tr>
<tr>
<td>Ages 25-34</td>
<td>30%</td>
</tr>
<tr>
<td>Ages 35-44</td>
<td>18%</td>
</tr>
<tr>
<td>Ages 45-54</td>
<td>11%</td>
</tr>
<tr>
<td>Ages 55+</td>
<td>13%</td>
</tr>
</tbody>
</table>

*Some rural areas were urbanized during the 2012 census. Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+) August-October, 2014. Figures are weighted to reflect national census data demographics.
Almost four in five are employed; men, rural and lower income adults are more likely to have jobs

**Employment demographics**
(Shown: Percentage of each demographic group who have a job with regular pay, occasional pay, or self-employment)

- Total (N=3,000): 77%
- Male (n=1,415): 84%
- Female (n=1,585): 70%
- Urban (n=931): 65%
- Rural (n=2,069): 83%
- Above the poverty line (n=367): 68%
- Below the poverty line (n=2,633): 78%

*Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+) August-October, 2014.*
Two in five are engaged in agriculture and are mostly self-employed

**Tanzanian adults working in agriculture, by place of residence**
(Shown: Percentage of Tanzanian adults, N=3,000)

- Total (N=3,000): 40%
- Urban (n=931): 25%
- Rural (n=2,069): 47%

One in four urbanites are engaged in agriculture.

**Tanzanian adults working in agriculture, by type of employment**
(Shown: Percentage of Tanzanians in each group)

- Self-employed: 75%
- Full-time: 58%
- Unemployed (subsistence farming): 23%
- Part-time: 8%
- Working occasionally, irregular pay: 6%

*People who work in agriculture include all Tanzanians who said they engage in agriculture-related activities, including growing, selling, processing, as well as producing and selling farming inputs (supplies, equipment and services, and renting farmland).

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+) August-October, 2014.
It’s a challenge for the poor to buy basic necessities, let alone save; most cannot afford food or clothes

**Poverty status**
(Shown: Total population, N=3,000)

- 87% Above the poverty line
- 13% Below the poverty line

Among those below the poverty line, 57 percent report not having money for food or clothes

**Poor household’s self-reported purchasing power**
(Shown: Tanzanians living below the poverty line (n=2,633))

- 33% Not enough money for food
- 24% Enough money for food but not clothes
- 30% Enough money for food and clothes, can save a bit
- 4% Enough money to buy some expensive goods
- 3% Enough money to buy anything we want

*Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August - October 2014.*
About three in five Tanzanians have the type of ID required by financial institutions to register an account

**Type of identification reported by Tanzanian adults**  
(Shown: Percentage of Tanzania adults who report each type of ID, N=3,000)

<table>
<thead>
<tr>
<th>ID Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any ID</td>
<td>68%</td>
</tr>
<tr>
<td>Voter’s card</td>
<td>58%</td>
</tr>
<tr>
<td>Birth certificate</td>
<td>10%</td>
</tr>
<tr>
<td>School ID</td>
<td>6%</td>
</tr>
<tr>
<td>National ID</td>
<td>4%</td>
</tr>
<tr>
<td>Driver’s license</td>
<td>3%</td>
</tr>
<tr>
<td>Passport</td>
<td>2%</td>
</tr>
<tr>
<td>Government employee ID</td>
<td>2%</td>
</tr>
<tr>
<td>Other type of ID</td>
<td>2%</td>
</tr>
<tr>
<td>Ration card</td>
<td>2%</td>
</tr>
<tr>
<td>Military ID</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

- A voter ID, driver’s license, passport, school ID or the national ID are required for registering a financial account.
- Only 2% say the lack of an ID is a reason they do not have a mobile money account, and
- 0.4% say the same about a bank account.
- Comparatively, 33% say a perceived lack of money prevents them from signing up for a financial account.

*Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.*
Younger consumers are the least likely to have any type of ID; fewer women, lower-income consumers have IDs

Ownership of identification, by demographics
(Shown: Percentage of Tanzanian adults in each category)

- Those without an ID are almost twice less likely to use mobile money services: 50% vs. 30%.
- The lack of ID has little effect on the use of banks: 27% of those with an ID use a bank vs. 23% of those without an ID.
- Those who use financial services without an ID use other people’s accounts, including mobile money agents.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.
TANZANIANS' MOBILE PHONE USE
Access to mobile phones is widespread and many own a device; women, rural and poor are more likely to borrow than other groups.

**Mobile phone ownership and access, by demographic group**
(Shown: Percentage of each demographic group who owns a mobile phone)

<table>
<thead>
<tr>
<th>Category</th>
<th>Own a phone</th>
<th>Borrow a phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total (N=3,000)</td>
<td>89%</td>
<td>17%</td>
</tr>
<tr>
<td>Male (n=1,415)</td>
<td>89%</td>
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<td>88%</td>
<td>18%</td>
</tr>
</tbody>
</table>

*Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.*
After calls and SMS, financial transactions are the leading type of mobile phone use

**Mobile phone uses**

(Shown: Percentage of Tanzania adults with access to mobile phones who ever performed a given activity n=2,768)

- Any activity: 83%
- Make calls: 82%
- Receive calls: 81%
- Send/receive SMS: 68%
- Make a financial transaction: 44%
- Download music, video or games: 14%
- Take a color picture: 13%
- Use the internet: 13%
- Send/receive MMS: 13%
- Download/use mobile app: 12%
- Use on-demand provider services: 12%
- Use touch screen: 11%
- Use social networking sites: 11%

**Source:** InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.

- On average, mobile phone users can perform three activities on a mobile phone.
- 7% of mobile phone users can perform 10+ activities on their mobile phones.
- 48% of mobile phone users can perform at least one advanced activity, excluding voice calls and SMS.
Users can perform most activities on their phones without help; complex actions like transacting can be challenging for women, rural, and the poor.

**Mobile phone uses with and without assistance**
(Shown: Percentage of those who ever performed a specific activity)

- 75% make financial transactions without help, 25% with assistance.
- 76% use on-demand provider services without help, 24% with assistance.
- 76% download music, video and audio without help, 24% with assistance.
- 78% download/use a mobile app without help, 22% with assistance.
- 78% use social networking sites without help, 22% with assistance.
- 80% use touch screen without help, 20% with assistance.
- 81% use the internet without help, 19% with assistance.
- 83% took color picture without help, 17% with assistance.
- 91% send/receive MMS without help, 9% with assistance.
- 93% send/receive SMS without help, 7% with assistance.
- 93% make calls without help, 7% with assistance.
- 93% receive calls without help, 7% with assistance.

- 19% of all mobile phone users need help with at least one mobile phone activity.
- 20% each among rural and below-the-poverty-line mobile phone users need help.
- 22% of female mobile phone users need help with at least one activity on a mobile phone.

*Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.*
Those who borrow a phone tend to use it less frequently and are less likely to make mobile financial transactions.

Frequency of mobile phone use, by mobile phone ownership

Have a phone (n=2,165)
- At least once a day: 71%
- At least once a week or less frequently: 20%
- Never: 9%

Borrow a phone (n=513)
- At least once a day: 42%
- At least once a week or less frequently: 51%
- Never: 7%

Mobile phone uses, by mobile phone ownership

(Shown: Percentage of Tanzanian adults who ever performed a given activity)

- Make calls: 80%
- Receive calls: 79%
- Send/receive SMS: 57%
- Make a financial transaction: 47%
- Download music/video games: 16%
- Use internet: 16%

Potential to elevate financial transactions on mobile devices to a level closer to text usage.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
TANZANIA

TANZANIANS' FINANCIAL BEHAVIORS
Most grapple with debt and inadequate income, and are unable to set money aside for emergencies

80% have debts that exceed their savings almost all the time or always

69% are unable to earn more than they spend each month

87% had no money left over last month after paying all expenses

78% almost never or never have an emergency fund to cover unplanned expenses

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
It’s rare that there’s money left over at the end of the month, and it’s common that individuals have to borrow to pay expenses

Which of the following statements describes your financial situation last month?
(Total population, N=3,000)

- I paid all typical family/personal expense and had some money remaining: 13%
- I paid all typical family/personal expense and had no money remaining: 35%
- I had to borrow money to pay some typical family/personal expenses: 13%
- I had to borrow money to pay all typical family/personal expenses: 39%

How often does the following apply to you: I spend less money than I make each month?
(Total population, N=3,000)

- Always or most of the time: 14%
- Sometimes: 30%
- Rarely: 17%
- Never: 39%

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
Whenever there is extra money, consumers save it; few share money with other people, spend, or invest

After paying your and your family’s typical expenses, what was the main expense for which you used leftover money last month?
(Shown: Percentage of adults who had leftover money “last month,” n=382)

- Saving money: 86%
- Investing: 4%
- Other (Specify): 3%
- Repaying loans: 2%
- Sending money to other people, including sending regular support money, emergency support, gifts, etc.: 2%
- Paying for insurance: 1%
- Entertainment: movies, restaurants, sport shows, theater plays, restaurants: 0.2%

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
Mobile money is by far the most popular savings instrument; yet most are unclear on interest earnings

**Where do you save money?**
(Shown: Percentage of Tanzanian adults, N=3,000)

<table>
<thead>
<tr>
<th>Savings Instrument</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any savings instrument</td>
<td>37%</td>
</tr>
<tr>
<td>Mobile money</td>
<td>23%</td>
</tr>
<tr>
<td>In a safe place at home or on yourself in cash or in-kind assets, such as gold</td>
<td>9%</td>
</tr>
<tr>
<td>Bank</td>
<td>9%</td>
</tr>
<tr>
<td>Informal financial service provider such as cooperatives and VSLA</td>
<td>5%</td>
</tr>
<tr>
<td>Other people, e.g., family, friends, neighbors, shopkeepers, money guards, etc.</td>
<td>4%</td>
</tr>
<tr>
<td>Microfinance institution</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Do you know what interest rate you earn on your savings from this savings tool?**
(Shown: Percentage of adults who save with each tool)

<table>
<thead>
<tr>
<th>Savings Tool</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi-formal and informal financial service provider such as SACCO, cooperatives and VSLA (n=165)</td>
<td>42%</td>
</tr>
<tr>
<td>Bank (n=267)</td>
<td>31%</td>
</tr>
<tr>
<td>Microfinance institution (n=106)</td>
<td>30%</td>
</tr>
<tr>
<td>Mobile money (n=662)</td>
<td>14%</td>
</tr>
<tr>
<td>Other formal financial institutions (n=17)</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
Savings are mostly a means for sustaining a household through routine financial hardships, not a tool for building a future

**Why do you save money?***
(Shown: Percentage of adults who save, n=1,119)

- Just to make ends meet on a daily basis: 63%
- Protect my family from poverty and crime: 46%
- Protect my belongings: 34%
- Start/expand my own business: 25%
- Save as much as I can: 24%
- Build children’s fund for education: 21%
- Education for myself: 19%
- Buy expensive and prestigious things: 7%
- Give back to my community: 6%
- Get ready for retirement: 5%

*Questions allowed for multiple answers.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
A third of Tanzanians receive remittances, mostly women, those above the poverty line and the unemployed

Remittance recipients, by demographics
(Shown: Percentage of each demographic group who receive remittances)

Those living in urban areas and those above the poverty line are more likely to report remittances likely because urban dwellers and the well-off are within reach of several different remittance channels (cash, mobile money or a bank).

They also are more likely to have a network of people who have money, as opposed to rural residents and the poor, whose social networks are similarly rural and poor, and unable to provide them with financial support.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
Loans are not common and mostly serve to bridge financial gaps, family and friends are the main source for borrowing.

Where do you borrow from?
(Shown: Percentage of Tanzanian adults, N=3,000)

<table>
<thead>
<tr>
<th>Source of Loan</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any lender</td>
<td>8%</td>
</tr>
<tr>
<td>Other people, e.g., family, friends, neighbors,…</td>
<td>4%</td>
</tr>
<tr>
<td>Informal financial service provider such as…</td>
<td>3%</td>
</tr>
<tr>
<td>Bank</td>
<td>2%</td>
</tr>
<tr>
<td>Microfinance institution</td>
<td>2%</td>
</tr>
<tr>
<td>Mobile money</td>
<td>2%</td>
</tr>
<tr>
<td>Other formal financial institutions</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Do you know what interest rate you pay on a loan from this institution?
(Shown: Percentage of adults who borrow from each lender)

<table>
<thead>
<tr>
<th>Source of Loan</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microfinance institution (n=51)</td>
<td>56%</td>
</tr>
<tr>
<td>Informal financial service provider such as cooperatives and VSLA (n=85)</td>
<td>53%</td>
</tr>
<tr>
<td>Other people, e.g., family, friends, neighbors, shopkeepers, money guards, etc. (n=118)</td>
<td>48%</td>
</tr>
<tr>
<td>Bank (n=55)</td>
<td>45%</td>
</tr>
<tr>
<td>Other formal financial institutions (n=17)</td>
<td>33%</td>
</tr>
<tr>
<td>Mobile money (n=61)</td>
<td>26%</td>
</tr>
</tbody>
</table>

- 91% of borrowers repay loans early or on the agreed date.
- 45% borrowed to cover routine living expenses.
- 15% each paid education-related fees or invested in their businesses.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
### Top five reasons Tanzanians do not save with formal FIs (n=2,190, those who do not save with an FI)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Reason</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I can save using other means</td>
<td>42</td>
</tr>
<tr>
<td>2</td>
<td>I do not have enough money to save</td>
<td>27</td>
</tr>
<tr>
<td>3</td>
<td>I do not know how to open an account</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Paperwork is too complicated</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>There is no formal financial institution close to where I live</td>
<td>3</td>
</tr>
</tbody>
</table>

### Top five reasons Tanzanians do not borrow from formal FIs (n=289, those who do not borrow from an FI)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Reason</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I can borrow through other means</td>
<td>48</td>
</tr>
<tr>
<td>2</td>
<td>I do not know how to open an account</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Interest rate is too high</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>There are no formal FIs close to where I live</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>I prefer to rely on people, not formal FIs, for borrowing</td>
<td>3</td>
</tr>
</tbody>
</table>

---

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.

Access to alternative financial options, not the lack of knowledge or perceived need, might be the key barrier to adopting formal FIs.

Access to alternatives may diminish the relevance of formal financial services.
Over a quarter of Tanzanians have at least some investments; mostly through traditional assets (i.e., land) or a business.

- 21% of investors have two or more assets.
- Those living above the poverty line are more likely to invest than the poor; 38% vs. 25%, respectively.
- Rural residents are more likely to invest than urban dwellers: 28% vs. 23%, respectively.
- Rural investors actively buy or rent, and invest in, their own businesses.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
Consumer usage of insurance is limited overall, and mostly confined to medical insurance

Do you have this type of insurance?
(Shown: Percentage of Tanzanian adults, N=3,000)

How many different types of insurance do you have?
(Shown: Percentage of Tanzanians who have insurance, n=361)

Those living above the poverty line are twice more likely to have insurance than their poor counterparts: 23% vs. 11% respectively.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+) August-October, 2014.
Two in five have a plan to endure at least one financial shock, but there’s not always money to support the plan

Does your family have a plan to manage the unexpected expenses/financial shocks, which might result from the following? (Shown: All adults, N=3,000)

- At least one of the financial shocks: 39%
- Major medical emergency (including childbirth): 28%
- Death in the family: 26%
- Loss of a house: 19%
- Loss of harvest or livestock: 19%
- Loss of (other, non-house) property: 17%
- Bankruptcy/loss of a job or a business: 16%

Emergency fund available:
- Always: 8%
- Sometimes: 14%
- Rarely: 32%
- Never: 46%

- Those living above the poverty line are more likely than the poor to have an emergency plan: 58% vs. 36%.
- 9% have a living will.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
Offering bank or mobile money products that accommodate Tanzania’s existing financial activities, especially savings and wage-streams, may hold potential

### Tanzanian adults’ selected financial activities
(Shown: Percentage of Tanzanian adults, N=3,000)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Any instrument</th>
<th>Bank or mobile money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Save money</td>
<td>37%</td>
<td>4%</td>
</tr>
<tr>
<td>Receive P2P transfers</td>
<td>33%</td>
<td>23%</td>
</tr>
<tr>
<td>Receive wages, regular or occasional</td>
<td>19%</td>
<td>2%</td>
</tr>
<tr>
<td>Buy insurance</td>
<td>12%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Own a business, make business-related payments</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>Loan-related activities</td>
<td>8%</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
UPTAKE AND USE OF MOBILE FINANCIAL SERVICES
Most are aware of mobile money (MM); awareness of provider brands is somewhat higher than awareness of the concept

**Concept awareness**
(Recognize concept of MM)
(Shown: All Tanzanians, N=3000)
- **Aware**: 73%
- **Unaware**: 27%

**Brand awareness**
(Recognize at least one MM provider)
(Shown: All Tanzanians, N=3000)
- **Aware**: 87%
- **Unaware**: 13%

Among those aware:
- 95% are aware of at least one mobile money provider.
- 56% have used mobile money.
- 49% have registered mobile money accounts.

Among those aware:
- 80% are aware of the concept of mobile money.
- 51% have used mobile money.
- 43% have registered mobile money accounts.

*Source: InterMedia Tanzania FII Tracker survey (N=3,000, 15+), August - October 2014.*
Most consumers are aware of mobile money; providers are better known than the concept

<table>
<thead>
<tr>
<th></th>
<th>2013 (N=2,997)</th>
<th>2014 (N=3,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile money concept awareness</td>
<td>Not asked</td>
<td>73%</td>
</tr>
<tr>
<td>Mobile money provider awareness</td>
<td>95%</td>
<td>87%</td>
</tr>
<tr>
<td>Nonusers of mobile money aware of service providers</td>
<td>46%</td>
<td>43%</td>
</tr>
<tr>
<td>Mobile money users</td>
<td>48%</td>
<td>44%</td>
</tr>
<tr>
<td>Mobile money registered users</td>
<td>44%</td>
<td>38%</td>
</tr>
<tr>
<td>Mobile money users who access services through other people’s accounts</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Active mobile money account holders</td>
<td>38%</td>
<td>34%</td>
</tr>
</tbody>
</table>

About a third have an active registered mobile money account, including underserved groups; it’s more common among urban, higher income groups.

Demographic trends for active registered mobile money account use*
(Shown: Percentage of Tanzanian adults who fall into each category, W1 N=2,997, W2 N=3,000)

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

It’s mostly radio, billboards and television that provide initial information about mobile money

<table>
<thead>
<tr>
<th>Rank</th>
<th>Top 5 initial sources (percentage of active mobile money account holders)</th>
<th>% 2013 (W I) (n=1,095)</th>
<th>% 2014 (W 2) (n=996)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Radio</td>
<td>81</td>
<td>79</td>
</tr>
<tr>
<td>2</td>
<td>Billboards</td>
<td>35</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Television</td>
<td>34</td>
<td>36</td>
</tr>
<tr>
<td>4</td>
<td>Family and/or friends</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>5</td>
<td>Field agents/promoters of mobile money</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>

There is some overlap in the initial sources of information for Tanzanians who use more than one provider.

Categories are not mutually exclusive.

Tanzanians open mobile money (MM) accounts for person-to-person transfers; deposits, withdrawals and airtime top-ups become common uses

<table>
<thead>
<tr>
<th>Rank</th>
<th>Top reasons for starting to use an MM account <em>(percentage of active account holders n=996)</em></th>
<th>%</th>
<th>Rank</th>
<th>Top uses for MM accounts <em>(percentage of active account holders n=996)</em></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I had to receive money from another person</td>
<td>34</td>
<td>1</td>
<td>Withdraw money</td>
<td>93</td>
</tr>
<tr>
<td>2</td>
<td>I had to send money to another person</td>
<td>21</td>
<td>2</td>
<td>Deposit money</td>
<td>73</td>
</tr>
<tr>
<td>3</td>
<td>I wanted to start saving money with a mobile money account</td>
<td>7</td>
<td>3</td>
<td>Buy airtime top-ups</td>
<td>56</td>
</tr>
<tr>
<td>4</td>
<td>I wanted a safe place to keep/store our money</td>
<td>7</td>
<td>4</td>
<td>Receive money from other people for regular support or emergencies</td>
<td>47</td>
</tr>
<tr>
<td>5</td>
<td>I saw other people using it and wanted to try it myself</td>
<td>4</td>
<td>5</td>
<td>Send money to other people for regular support/allowances, or emergencies</td>
<td>40</td>
</tr>
<tr>
<td>6</td>
<td>I saw a media advertisement that convinced me</td>
<td>3</td>
<td>6</td>
<td>Receive money from other people for other reasons or no particular reason</td>
<td>24</td>
</tr>
</tbody>
</table>

Question allowed for multiple responses.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.
Consumers aren’t using many advanced mobile money services, and it’s mostly limited to savings and bill pay

**Advanced mobile money uses**
(Shown: Percentage of active mobile money account holders)

Wave 2:
- 29% of active account holders make advanced transactions.
- Average active account holders make one advanced transaction.
- 7% of active account holders make two or more advanced transactions.

*Due to the changes in the questionnaire between Waves 1 and 2, some data points are not directly comparable.*

*Question allowed for multiple responses.*

Expanding active mobile money use by attracting a larger portion of regular payments streams has potential; P2G payments are especially promising due to the government’s role in selecting delivery channels.

**Bill pay activity on mobile money (MM) accounts**
(Shown: Percentage of active MM account holders who use accounts to make payments, n=222)

- Pay electricity bill: 61%
- Pay school fee: 29%
- Pay TV bill, satellite, cable: 28%
- Pay a government bill (P2G): 19%
- Pay a medical bill: 19%
- Pay a water bill or pay for water access: 15%
- Pay for solar energy: 7%
- Pay rent: 3%

- Of active account holders who make payments, 60% make one payment, 25% make two and 15% make three to seven different payments via their MM account.
- Almost all bills are paid, on average, once a month.
- Rent is paid bi-monthly.
- Bills for solar energy are paid less frequently than once a month.
- Medical bills are likely paid on an as-needed basis.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
Receiving payments from customers is by far the most common business-related transaction conducted via a mobile money account, followed by payments to suppliers and employees.

**Business-related transactions via mobile money (MM) accounts**
(Shown: Percentage of active MM account holders who use accounts to make payments, n=162)

- Receive payments from customers: 47%
- Pay suppliers: 38%
- Pay employees: 34%
- Reinvest in business (equipment, expansion, …): 17%
- Receive payments from distributors: 15%
- Pay for agricultural inputs: 12%
- Pay bills (rent, taxes, utilities): 11%

- All top business transactions have different payment amounts and frequencies. They cannot be accommodated by one mobile money product.
- On average, businesses use their mobile money account for 1-2 transactions.
- However, majority make on average 5-7 business-related transactions a month.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
The majority of those using a mobile money account to save report no particular purpose or timeline for saving; a combination of an incentive couples with no-penalty flexible withdrawals might convince more people to use mobile money accounts for savings.

**Savings activity on mobile money (MM) accounts**
(Shown: Percentage of active MM account holders who use accounts to save, n=108)

- Set money aside for no particular purpose, just in case: 69%
- Save money for a future purchase or payment: 59%
- Set money aside for retirement: 6%

- Average savers, use their active MM account for just one savings goal.
- Most contribute to their savings on a monthly basis.

*Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.*
Active mobile money account holders, who use their accounts for bill pay, savings and business transactions, are three different user segments.

**Demographics of active mobile-money account holders, by type of account use**
(Shown: Percentage of each user group)

**Bill pay, n=222**
- Gender: 53% Male, 47% Female
- Urban/Rural: 60% Urban, 40% Rural
- Above/Below Poverty Line: 72% Above, 28% Below

**Business activities, n=162**
- Gender: 61% Male, 39% Female
- Urban/Rural: 39% Urban, 61% Rural
- Above/Below Poverty Line: 77% Above, 23% Below

**Savings, n=108**
- Gender: 55% Male, 45% Female
- Urban/Rural: 55% Urban, 45% Rural
- Above/Below Poverty Line: 63% Above, 37% Below

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.
Three months after launch, 3% have tried M-Pawa, mostly men, rural, those below the poverty line, and those younger than 35 years old.

**M-Pawa users** (Shown: Percentage of each group)

- Total population (N=3,000): 3%
- Active mobile money account holders (n=996): 9%
- Mobile money users (n=1,303): 9%

**Demographics of M-Pawa users** (Shown: Percentage of M-Pawa users, n=80)

- Male: 59%
- Female: 41%
- Urban: 35%
- Rural: 65%
- Above the poverty line: 83%
- Below the poverty line: 17%
- Age: Younger than 35: 58%
- Age: 35 and above: 42%

*Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.*
MOBILE FINANCIAL SERVICES: USER SEGMENTATION
There are three factors that are most likely to predict the use of digital financial services:

1. Demographics and educational attainment
2. Financial knowledge and behavior
3. Technical comfort

Technical comfort is defined as a combination of skills necessary to conduct activities on a mobile phone and the confidence to conduct such activities independently.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
A combination of demographics predicts bank, mobile money usage among Tanzanians

The most likely financially included: Tanzanian men in urban areas, above the poverty line, better educated and employed
TANZANIA

Fluency in using text messages in different languages and combinations of languages is a strong predictor of active use of mobile money.

- Tanzanians require a relatively advanced level of education to be active users of mobile money because the ability to use text messages in different languages, send messages frequently (at least weekly), and understand texts that are formal rather than casual are the key predictors of active use of mobile money accounts.

- Offering mobile phone users basic training on how to use text messaging at the time of purchase could help advance the use of digital financial services.

When controlling for:
- Gender
- Wealth
- Age
- Education
- Employment status
- Urbanicity
- Access to a mobile phone

Active registered mobile money use

PREDICT

Understanding text messages from official organizations (SMS)

Basic operations with a mobile device

Understanding text messages (SMS) in various languages

Frequency of sending/receiving text messages (SMS)

SUGGESTS

- Important for motivating usage
- Optimal target
Higher levels of financial knowledge and responsible financial behavior predict registered mobile money use

When controlling for:
- Gender
- Wealth
- Education
- Urbanicity
- Access to a mobile phone

Age and employment status

Financial literacy: planning and numeracy

Financial behaviors: loan repayment behaviors and savings with formal and informal institutions

Active registered mobile money use

SUGGESTS

- Younger, employed are prime targets among nonusers
- Older, unemployed may need different recruitment strategies

AFFECT

PREDICT

Financial literacy and responsible financial behaviors, including timely loan repayment and savings, are positively correlated with mobile money account registration and active use. In addition, financial literacy is correlated with age and employment status. This suggests an opportunity to rely on young Tanzanians as change agents for promoting greater financial literacy among older family members, and to help remove some barriers to DFS uptake and use.
There are six groups of consumers based on registration and type of use or nonuse:

<table>
<thead>
<tr>
<th>Unaware nonusers</th>
<th>Knowledgeable nonusers</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Do not use mobile money</td>
<td>- Do not use mobile money</td>
</tr>
<tr>
<td>- Cannot name any service providers</td>
<td>- Can recall at least one service provider</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inactive account holders</th>
<th>Unregistered users</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Have a mobile money account registered in their names</td>
<td>- Use mobile money services through somebody else’s account, including through an agent’s account (OTC services), or the accounts of their friends, relatives, neighbors, or other people</td>
</tr>
<tr>
<td>- Used this account more than 90 days prior to the survey</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Active account holders</th>
<th>Superusers</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Have a mobile money account registered in their names</td>
<td>- Have a mobile money account registered in their names</td>
</tr>
<tr>
<td>- Used this account for at least one transaction in the 90 days prior to the survey</td>
<td>- Use this account at least once a week</td>
</tr>
<tr>
<td></td>
<td>- Make at least one beyond-basic-wallet transaction (excluding CICO, airtime top-ups and P2P)</td>
</tr>
</tbody>
</table>

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
Knowledgeable nonusers are the largest segment of the population followed by active account holders, including nonusers

Segments of mobile money users and nonusers
(Shown: Percentage of all adults, N=3,000)

- Unaware nonusers: 13%
- Knowledgeable nonusers: 43%
- Unregistered users/OTC: 6%
- Inactive registered users: 4%
- Active registered users (without superusers): 26%
- Superusers: 8%

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.
Extreme poverty and the lack of mobile phone ownership are the two key differentiating factors across segments

<table>
<thead>
<tr>
<th></th>
<th>Superuser (n=234)</th>
<th>Active registered user (n=762)</th>
<th>Registered inactive user (n=123)</th>
<th>Unregistered user (n=184)</th>
<th>Knowledgeable nonuser (n=1,294)</th>
<th>Unaware nonuser (n=403)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% men</td>
<td>56</td>
<td>52</td>
<td>54</td>
<td>42</td>
<td>44</td>
<td>46</td>
</tr>
<tr>
<td>% women</td>
<td>44</td>
<td>48</td>
<td>46</td>
<td>58</td>
<td>56</td>
<td>54</td>
</tr>
<tr>
<td>% urban</td>
<td>54</td>
<td>27</td>
<td>27</td>
<td>38</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>% rural</td>
<td>46</td>
<td>73</td>
<td>73</td>
<td>62</td>
<td>73</td>
<td>73</td>
</tr>
<tr>
<td>% younger than 35 years old</td>
<td>61</td>
<td>55</td>
<td>52</td>
<td>63</td>
<td>60</td>
<td>56</td>
</tr>
<tr>
<td>% 35 years old and older</td>
<td>39</td>
<td>45</td>
<td>48</td>
<td>37</td>
<td>40</td>
<td>44</td>
</tr>
<tr>
<td>% living below the poverty line</td>
<td>69</td>
<td>83</td>
<td>83</td>
<td>79</td>
<td>91</td>
<td>97</td>
</tr>
<tr>
<td>% with basic literacy</td>
<td>95</td>
<td>93</td>
<td>90</td>
<td>91</td>
<td>83</td>
<td>82</td>
</tr>
<tr>
<td>% with basic numeracy</td>
<td>93</td>
<td>94</td>
<td>93</td>
<td>93</td>
<td>93</td>
<td>94</td>
</tr>
<tr>
<td>% who have a mobile phone</td>
<td>96</td>
<td>95</td>
<td>88</td>
<td>65</td>
<td>57</td>
<td>58</td>
</tr>
</tbody>
</table>

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.
Superusers and unaware nonusers own bank accounts at the same rate; this signals that mobile money might serve as a substitute for banks and vice versa

<table>
<thead>
<tr>
<th></th>
<th>Superuser (n=234)</th>
<th>Active registered user (n=762)</th>
<th>Registered inactive user (n=123)</th>
<th>Unregistered user (n=184)</th>
<th>Knowledgeable nonuser (n=1,294)</th>
<th>Unaware nonuser (n=403)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% who have a job (regular, self-employed or occasional assignments)</td>
<td>80</td>
<td>77</td>
<td>81</td>
<td>74</td>
<td>75</td>
<td>82</td>
</tr>
<tr>
<td>% who have a bank account</td>
<td>33</td>
<td>17</td>
<td>12</td>
<td>14</td>
<td>19</td>
<td>32</td>
</tr>
<tr>
<td>% who have an account with semi-formal FIs</td>
<td>16</td>
<td>8</td>
<td>10</td>
<td>4</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>% who borrow money</td>
<td>19</td>
<td>12</td>
<td>18</td>
<td>7</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>% who save</td>
<td>72</td>
<td>64</td>
<td>62</td>
<td>38</td>
<td>21</td>
<td>9</td>
</tr>
<tr>
<td>% who have an emergency fund</td>
<td>77</td>
<td>76</td>
<td>74</td>
<td>62</td>
<td>44</td>
<td>21</td>
</tr>
<tr>
<td>% who have insurance</td>
<td>30</td>
<td>18</td>
<td>9</td>
<td>11</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>% who have investments</td>
<td>49</td>
<td>36</td>
<td>43</td>
<td>29</td>
<td>20</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.
ZOOMING IN ON USERS BY PROVIDER
Vodacom M-PESA is the leading market player, in line with 2013; Tigo Pesa is catching up

**Active mobile-money provider account holdings**
(Shown: Percentage of active mobile-money account holders who report a registered account with selected providers, by wave)

<table>
<thead>
<tr>
<th>Provider</th>
<th>2014 (n=996)</th>
<th>2013 (n=1,095)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vodacom M-PESA</td>
<td>72%</td>
<td>69%</td>
</tr>
<tr>
<td>Tigo Pesa</td>
<td>42%</td>
<td>28%</td>
</tr>
<tr>
<td>Airtel Money</td>
<td>22%</td>
<td>26%</td>
</tr>
<tr>
<td>Zantel's Ezy Pesa</td>
<td>6%</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

Active mobile-money account holders can have accounts with more than one provider.

Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014, and Wave 2 (N=3,000, 15+), August-October 2014.
Vodacom shows the highest rates of mobile money (MM) uptake and use among its SIM holders; Tigo follows closely.

<table>
<thead>
<tr>
<th>Provider</th>
<th>Ever used MM service</th>
<th>Have a registered MM service</th>
<th>Active MM account holder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vodacom SIM card holders (n=1,106)</td>
<td>44%</td>
<td>39%</td>
<td>27%</td>
</tr>
<tr>
<td>Tigo SIM card holders (n=854)</td>
<td>33%</td>
<td>26%</td>
<td>17%</td>
</tr>
<tr>
<td>Airtel SIM card holders (n=821)</td>
<td>21%</td>
<td>15%</td>
<td>9%</td>
</tr>
</tbody>
</table>

*Active mobile-money account holders can have accounts with more than one provider.*

*Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014, and Wave 2 (N=3,000, 15+), August-October 2014.*
Airtel Money has highest use rates among those living above the poverty line; Tigo Pesa leads in urban areas; Vodacom M-PESA has more rural and below the poverty line users.

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

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August - October 2014.
Airtel Money agents are the most visible, followed by Vodacom M-Pesa agents; Tigo Pesa users have highest visibility of Tigo Pesa agents

Which mobile money agent is the closest to where you live, regardless of whether you use this agent?

(Percentage of each subgroup)

Active mobile-money account holders can have accounts with more than one provider.

Source: InterMedia Tanzania FII Tracker surveys Wave 1 (N=2,997, 15+), November 2013-March 2014, and Wave 2 (N=3,000, 15+), August-October 2014.
USE OF BANKING SERVICES IN TANZANIA
Bank account use is comparable to ownership, suggesting that most use is tied to an account.

**Demographic trends for access to and registered use of bank accounts**
(Shown: Percentage of Tanzanian adults who fall into each category, N=3,000)

- Total (N=3,000): 26% use a bank, 21% have a bank account
- Male (n=1,415): 29% use a bank, 24% have a bank account
- Female (n=1,585): 23% use a bank, 17% have a bank account
- Urban (n=931): 26% use a bank, 21% have a bank account
- Rural (n=2,069): 25% use a bank, 20% have a bank account
- Above the poverty line (n=367): 27% use a bank, 23% have a bank account
- Below the poverty line (n=2,633): 26% use a bank, 20% have a bank account

*Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.*
While unregistered (OTC) use of banking services is not common, unregistered users are a separate segment with limited access to/use of banking services.

**Bank account access and ownership**
(Percentage of each subgroup)

- **Access to a full-service bank**: 93% (616), 92% (153)
- **Access to digital banking services**: 36% (616), 16% (153)
- **Access to/use of advanced activities**: 19% (616), 10% (153)

**Source**: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.

- Full-service banks are banks that offer clients at least one of the following services: savings, investment, insurance, money transfers.
- Digital bank accounts offer at least one of the following options: debit/ATM or credit cards, internet or mobile access, or a digital money transfer capability.
**Bank account use is mostly basic; advanced use is limited, and mostly for bill pay**

<table>
<thead>
<tr>
<th>Top uses for Active Bank account holders (n=483)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withdraw money</td>
<td>38</td>
</tr>
<tr>
<td>Deposit money</td>
<td>37</td>
</tr>
<tr>
<td>P2P transfers</td>
<td>11</td>
</tr>
<tr>
<td>Bill pay</td>
<td>14</td>
</tr>
<tr>
<td>Receive wages</td>
<td>5</td>
</tr>
<tr>
<td>Receive G2P payments</td>
<td>4</td>
</tr>
<tr>
<td>Make MM2MM / MM2Bank transfer</td>
<td>4</td>
</tr>
<tr>
<td>Save/set aside money</td>
<td>3</td>
</tr>
<tr>
<td>Loan activity</td>
<td>2</td>
</tr>
</tbody>
</table>

- 22% of active bank account holders use their accounts for advanced activities.
- Active account holders conduct, on average, one advanced activity.
- 6% conduct two advanced activities.
- 4% conduct three or more advanced activities.

*Question allowed for multiple responses.*

*Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.*
Digital bank accounts are rare, leaving most without digital access; those with a digital account access it through more than one channel.

**Digital bank account access**

(Total population, N=3,000)

- Lapsed digital bank account holders: 1%
- Active digital account holders: 92%
- Digital account users, not registered: 0.8%
- Do not have digital access to a bank account: 6%

*Active digital account holders (6%) use a variety of methods*

**Method of access**

(Shown: Percentage of active digital bank account holders, n=177)

- Have debit/ATM and/or credit card: 95%
- Can access bank account via internet or mobile: 69%
- Can transfer money digitally: 54%

*Question allowed for multiple responses.*

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

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.
Many think they do not have the money required to have a bank account, or are unsure of its utility

<table>
<thead>
<tr>
<th>Rank</th>
<th>Top five reasons Tanzanians do not have a bank account (n=2,382, those who do not have a bank account)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>I do not have any money</td>
<td>38</td>
</tr>
<tr>
<td>2.</td>
<td>I do not know what it is</td>
<td>25</td>
</tr>
<tr>
<td>3.</td>
<td>I do not have money to make transactions with such account</td>
<td>8</td>
</tr>
<tr>
<td>4.</td>
<td>There are no banks close to where I live</td>
<td>4</td>
</tr>
<tr>
<td>5.</td>
<td>I do not know how to open one</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.
UPTAKE AND USE OF NONBANK FINANCIAL SERVICES
Few have accounts at nonbank financial institutions; those that do use them to save and borrow money

**Financial institution usage**
(Shown: Percentage of nonbank financial institution registered users and active account holders among the total population, N=3,000)

<table>
<thead>
<tr>
<th>Financial Institution</th>
<th>Active Account Holder</th>
<th>Registered User</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any account</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>MFI</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>SACCO</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Cooperative</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Post Office</td>
<td>0.4%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

**How nonbank financial institutions are used**
(Shown: Percentage of registered users for each institution)

Question allowed for multiple responses.
Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.
While banks rarely provide customers with digital access to their accounts, nonbank financial institutions have almost no digital offers.

**Account holders and digital access**
(Shown: All adults, N=3,000)

- **Bank account holders**
  - % with digital account: 13%
  - % with no digital accounts: 7%

- **Nonbank FI account holders**
  - % with digital account: 7%
  - % with no digital accounts: 1%

*Some variation in percentages due to rounding

*Question allowed for multiple responses.*

_Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014._
SPECIAL TOPICS: THE GENDER STORY
Women tend to require more assistance in obtaining and using digital equipment and digital services than men do.

Use of mobile phones and digital financial services among males and females
(Shown: Percentage within each subgroup)

- 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 (MM) transactions.

*Question allowed for multiple responses.*

*Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.*
Women who borrow a phone, did not buy their phone, and who need help with phone activities appear to be three different consumer segments

<table>
<thead>
<tr>
<th></th>
<th>Women who borrow a phone (n=338)</th>
<th>Women who need help using a phone (n=314)</th>
<th>Women who did not buy their mobile phone (n=327)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrow a phone</td>
<td>--</td>
<td>34%</td>
<td>NA</td>
</tr>
<tr>
<td>Need help using a phone</td>
<td>31%</td>
<td>--</td>
<td>25%</td>
</tr>
<tr>
<td>Did not buy their phone</td>
<td>NA</td>
<td>26%</td>
<td>--</td>
</tr>
<tr>
<td>Use a phone weekly</td>
<td>14</td>
<td>28</td>
<td>36</td>
</tr>
<tr>
<td>Can make at least one advanced</td>
<td>36</td>
<td>73</td>
<td>67</td>
</tr>
<tr>
<td>mobile phone activity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>79</td>
<td>69</td>
<td>52</td>
</tr>
<tr>
<td>Below the poverty line</td>
<td>91</td>
<td>88</td>
<td>84</td>
</tr>
<tr>
<td>Younger than 35 yo</td>
<td>66</td>
<td>44</td>
<td>64</td>
</tr>
<tr>
<td>No formal education</td>
<td>11</td>
<td>13</td>
<td>8</td>
</tr>
</tbody>
</table>

Women who borrow a phone and those who did not buy their own phone are more likely to need help performing activities on a mobile phone compared with the national average (22 percent) of all female phone users.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.
Nationwide, gender alone does not cause a significant gap in access and use of DFS; women engage at a rate close to the population proportion.

**Percentage of females among owners of mobile phones and users of digital financial services**

(Shown: Percentage within each subgroup)

- % of the population (N=3,000): 52%
- % of those who own a phone (n=2,165): 49% (-3)
- % of registered bank users (n=618): 45% (-7)
- % of registered MM users (n=1,119): 47%
- % of active bank account holders (n=483): 44% (-8)
- % of active MM account holders (n=996): 47% (-5)

Access, use for women lag in rural, lower-income areas, causing a greater gap and greater deviation from the norm.

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.
Active bank account use by gender is similar in urban and rural areas; mobile money use among females lags across urban and rural areas.

**Active bank account holders, by gender and residence**
(Shown: Percentage within each subgroup)

- **Urban**
  - Male (n=395): 19%
  - Female (n=536): 13%

- **Rural**
  - Male (n=1,020): 19%
  - Female (n=1,049): 14%

**Active mobile money (MM) account holders, by gender and residence**
(Shown: Percentage within each subgroup)

- **Urban**
  - Male (n=395): 49%
  - Female (n=536): 41%

- **Rural**
  - Male (n=1,020): 32%
  - Female (n=1,049): 24%

Lower overall MM usage

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October 2014.
TANZANIA

Bank account use is static across poverty level by gender; women across poverty level trail in mobile money use

Active bank account holders, by gender and poverty status
(Shown: Percentage within each subgroup)

<table>
<thead>
<tr>
<th></th>
<th>Male (n=171)</th>
<th>Female (n=196)</th>
<th>Male (n=1,244)</th>
<th>Female (n=1,388)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above the poverty line</td>
<td>20%</td>
<td>15%</td>
<td>19%</td>
<td>13%</td>
</tr>
<tr>
<td>Below the poverty line</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Active mobile money (MM) account holders, by gender and poverty status
(Shown: Percentage within each subgroup)

<table>
<thead>
<tr>
<th></th>
<th>Male (n=171)</th>
<th>Female (n=196)</th>
<th>Male (n=1,244)</th>
<th>Female (n=1,388)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above the poverty line</td>
<td>63%</td>
<td></td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td>Below the poverty line</td>
<td></td>
<td>33%</td>
<td>28%</td>
<td></td>
</tr>
</tbody>
</table>

Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August - October 2014.
SPECIAL TOPICS:
CROSS-COUNTRY INDICATORS
### Cross-Country Indicators

<table>
<thead>
<tr>
<th>Category</th>
<th>Wave 2 (%)</th>
<th>Wave 2 (Base n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of adults (15+) with access to digital financial services</td>
<td>46%</td>
<td>3,000</td>
</tr>
<tr>
<td>% of adults (15+) with registered digital stored-value accounts</td>
<td>40%</td>
<td>3,000</td>
</tr>
<tr>
<td>% of adults (15+) with active digital stored-value accounts</td>
<td>36%</td>
<td>3,000</td>
</tr>
<tr>
<td>% of adults (15+) below the poverty line (&lt;$2/day) with active digital stored-value accounts</td>
<td>32%</td>
<td>2,633</td>
</tr>
<tr>
<td>% of males (15+) with active digital stored-value accounts</td>
<td>40%</td>
<td>1,415</td>
</tr>
<tr>
<td>% of females (15+) with active digital stored-value accounts</td>
<td>32%</td>
<td>1,585</td>
</tr>
<tr>
<td>% of rural males (15+) with active digital stored-value accounts</td>
<td>34%</td>
<td>1,020</td>
</tr>
<tr>
<td>% of rural females (15+) with active digital stored-value accounts</td>
<td>25%</td>
<td>1,049</td>
</tr>
<tr>
<td>% of adults (15+) who actively use at least one digital financial service beyond basic wallet, person-to-person (P2P) and bill pay payments</td>
<td>6%</td>
<td>3,000</td>
</tr>
<tr>
<td>% of adults (15+) below the poverty line (&lt;$2/day) who actively use at least one digital financial service beyond basic wallet, P2P and bill pay payments</td>
<td>5%</td>
<td>2,633</td>
</tr>
<tr>
<td>% of males (15+) who actively use at least one digital financial service beyond basic wallet, P2P and bill pay payments</td>
<td>7%</td>
<td>1,415</td>
</tr>
<tr>
<td>% of females (15+) who actively use at least one digital financial service beyond basic wallet, P2P and bill pay payments</td>
<td>5%</td>
<td>1,585</td>
</tr>
<tr>
<td>% of rural males (15+) who actively use at least one digital financial service beyond basic wallet, P2P and bill pay payments</td>
<td>6%</td>
<td>1,020</td>
</tr>
<tr>
<td>% of rural females (15+) who actively use at least one digital financial service beyond basic wallet, P2P and bill pay payments</td>
<td>4%</td>
<td>1,049</td>
</tr>
<tr>
<td>% of adults (15+) who use mobile money (over-the-counter use or their own account)</td>
<td>44%</td>
<td>3,000</td>
</tr>
</tbody>
</table>

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

*Source: InterMedia Tanzania FII Tracker survey Wave 2 (N=3,000, 15+), August-October, 2014.*
METHODOLOGY AND RESEARCH DESCRIPTION
### THE TANZANIA FII TRACKER SURVEY - DETAILS

#### Survey summary
- Annual, nationally representative survey (N=3,000) of Tanzanian adults aged 15+
- Face-to-face interviews lasting, on average, 68 minutes
- Second survey (wave 2) conducted from August 2014 to October 2014
- Tracks trends and market developments in DFS based on the information gathered in the first survey, conducted from November 2013 to March 2014

#### 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
Target population, sample size and sampling frame
The sample size for this study was 3,000 Tanzanian adults (15+), which allowed for cost-effective representation of the population at the country level as well as by key subgroups, including by sex, age and urban/rural residence. The survey sample distribution was based on the 2012 census.

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

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

Sampling Start-Points, Households and Respondents
• One start-point within each EA was chosen by randomly selecting from a list of local landmarks identified by village elders.
• Households (see Glossary) were selected using a random route walk, standardized skip pattern and process for substitution.
• One respondent per household was selected using the Kish grid method and relevant consent for eligible respondents under 18 years of age was obtained.
GLOSSARY
• **Access to an account**—An individual is said to have access to an account if he/she has used either mobile money or bank services, at least once, either via their own account or via an account of another person.

• **Account holder**—An individual who has a registered bank or mobile money digital account.

• **Active account holder**—An individual who has a registered digital account and has used it in the last 90 days.

• **Agent**—A person or business contracted by a DFS provider to provide services to customers using their own bank or mobile money account.

• **Bank/banking services**—All services offered by a bank through a branch, ATM, kiosk, business correspondent, or other delivery channel.

• **Banked**—An individual with a registered account at a formal financial institution. For this particular study, the banked are all individuals with their own bank accounts.

• **Digital account**—A financial account that can be accessed through digital means such as an ATM/debit card or via the internet or mobile phone.

• **Digital financial services (DFS)**—All bank and mobile money services.

• **Financial inclusion**—For the purposes of this study, those with a bank, nonbank financial institution or registered mobile money account that offer a range of financial services beyond credit are considered financially included.

• **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.

• **Household**—For the purposes of this study, a household is defined as a group of people who fulfill any two of the following requirements: sleep under one roof, eat from one pot, or have one common decision-maker.

• **Mobile money services**—Mobile money services include 1) nonbank semi-closed mobile money accounts/wallets and 2) full-service mobile money bank accounts that allow for cash withdrawals. Semi-closed mobile wallets are *not* considered to be bank accounts, while full-service mobile money bank accounts are considered bank accounts.

• **Poor/below poverty line**—“Poor” adults, or those living below the poverty line, are defined as those living on less than $2.50 per day (at 2005 purchasing power parity), as classified by the Grameen Progress out of Poverty Index (PPI).

• **Technical comfort**—A combination of skills necessary to conduct activities on a mobile phone and confidence to conduct such activities independently, without other people’s assistance.

• **Unbanked**—Individuals without a registered bank account.

• **Urban/rural**—Urban and rural persons are defined according to their residence in urban or rural areas. The population in the survey was divided between towns and villages, which were classified as such based on the size of each of their populations. Towns are urban areas, villages are rural.
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