

# A Picture of The Demand Profile for Mobile Savings in Kenya

Findings from the FSD M-Savings  
survey 2010



**World Bank Group**

# Outline

## Mobile Money - Transfers

- Trends by region, gender, age group
- Remittances

## Mobile Money – Savings, and Mobile Savings

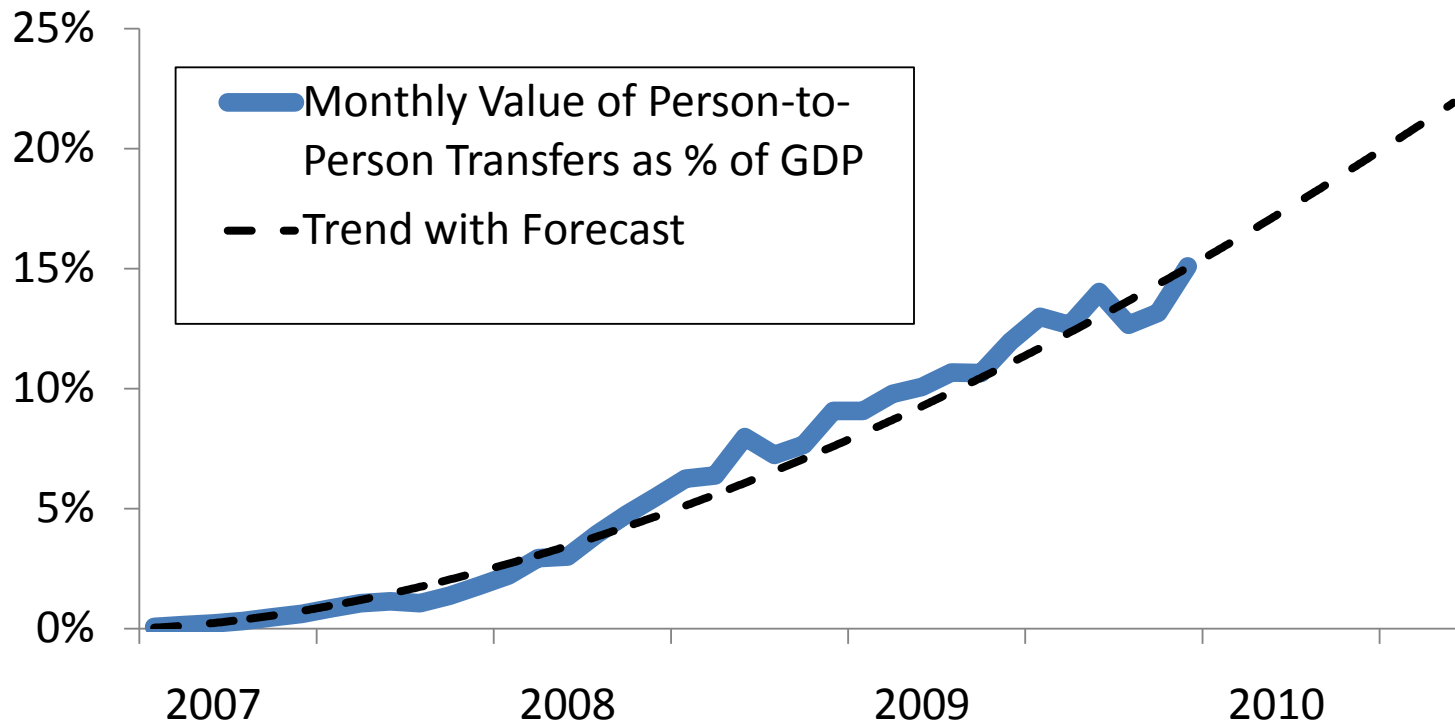
- Trends by region, gender, age group
- Frequency and amounts saved
- Uses

## Mobile Money - Transfers

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Mobile Money – Savings, and Mobile Savings

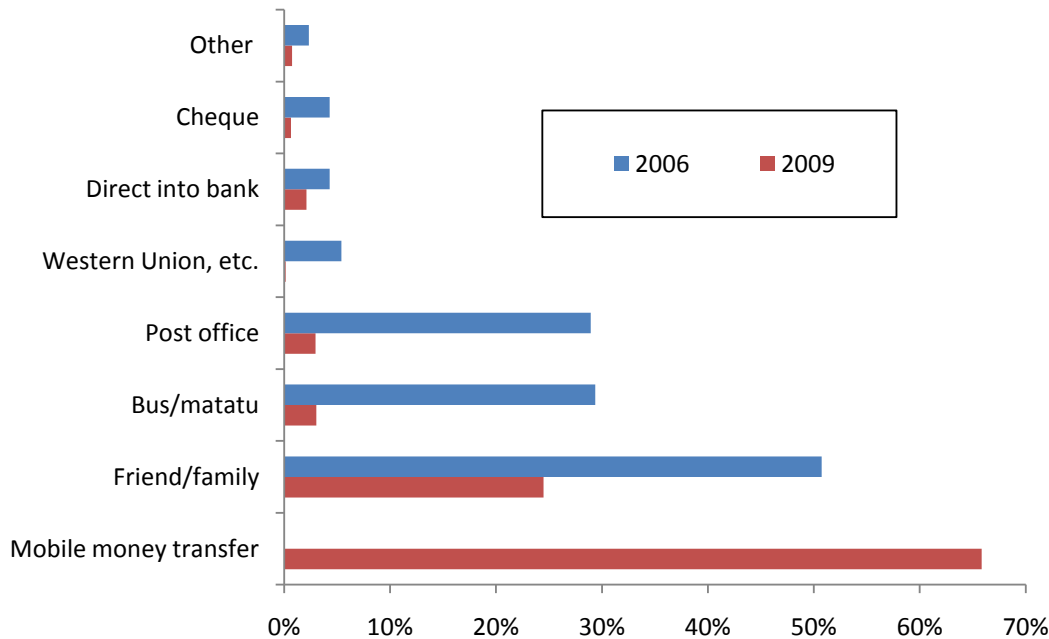
# The value of person-to-person transactions alone is estimated to exceed 20 percent of GDP



Source: Safaricom, Zain (Airtel) and the Central Bank of Kenya

The World Bank estimates Kenya 2010 GDP at US\$ 30 billion, at a 5 percent growth rate.

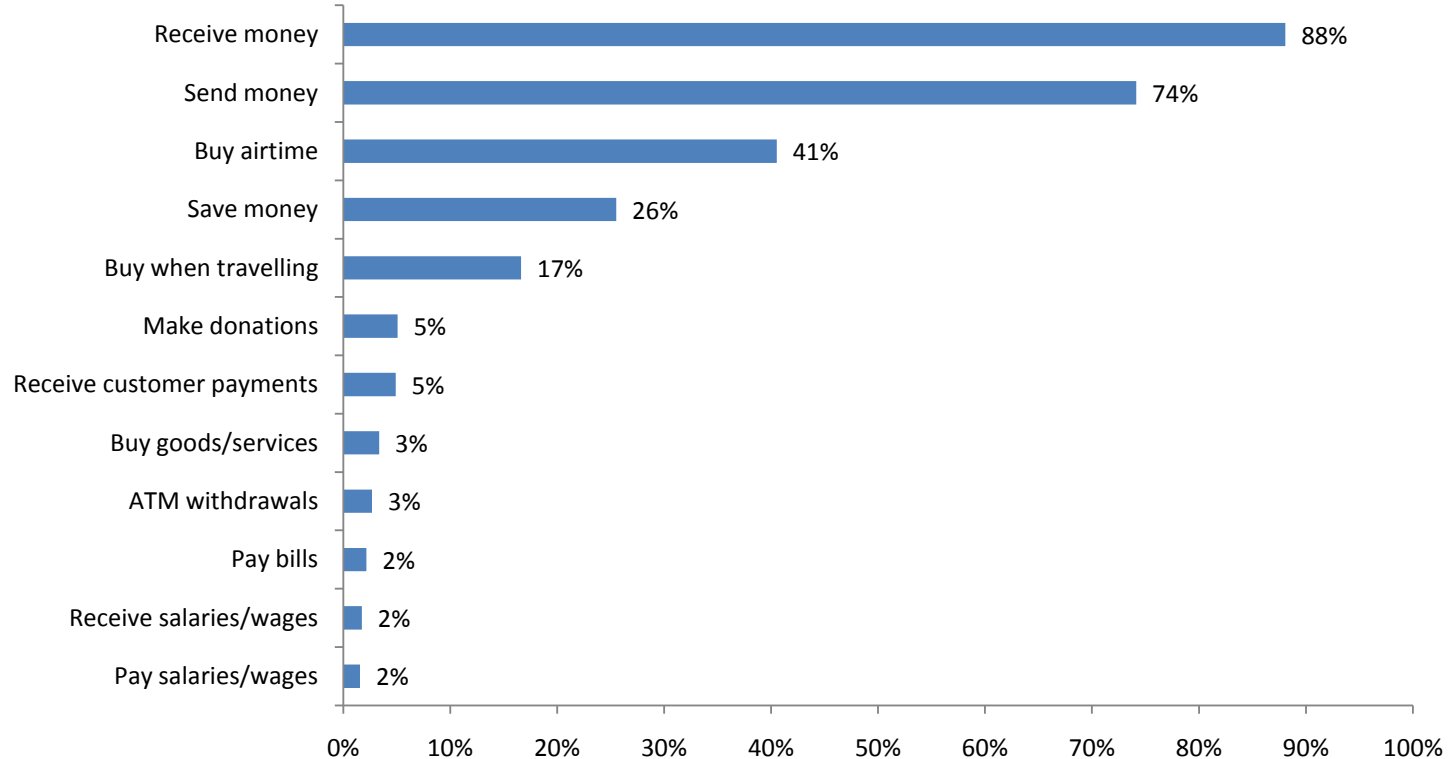
# Mobile money transfers have transformed the cash transfers industry in Kenya



Over the last three years mobile money transfers have taken significant market share from other transfer products.

Source: FSD-Kenya FinAccess 2009 survey

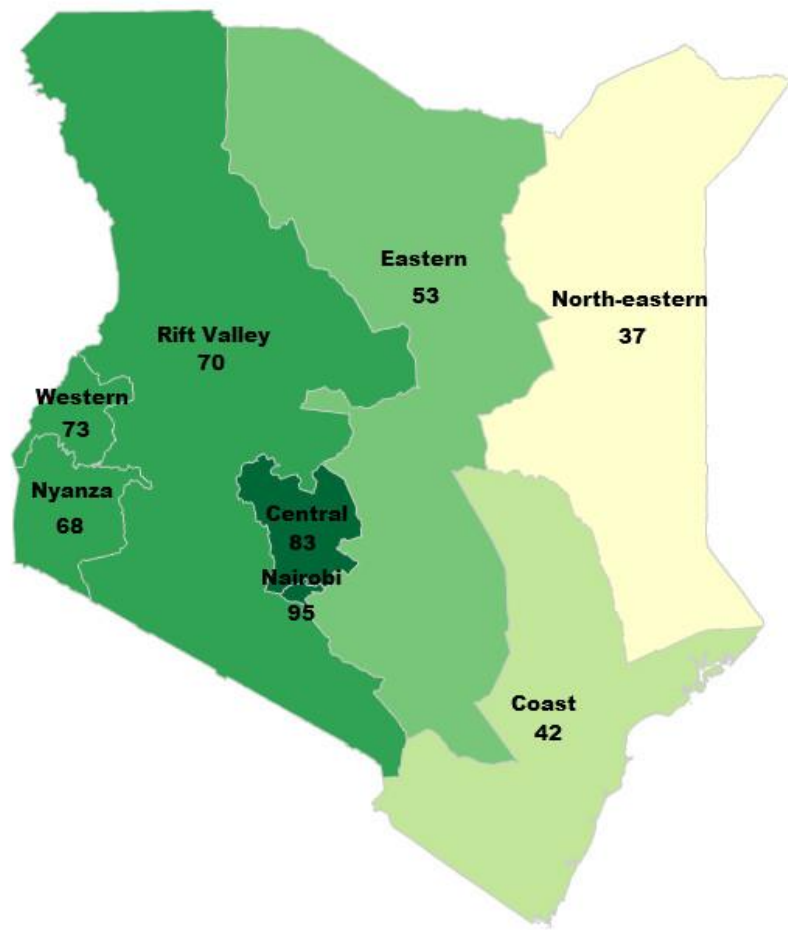
# Remittances are the dominant use of mobile money transfers.



Source: FSD-Kenya FinAccess 2009 survey

In addition, airtime purchases and savings are highly ranked.

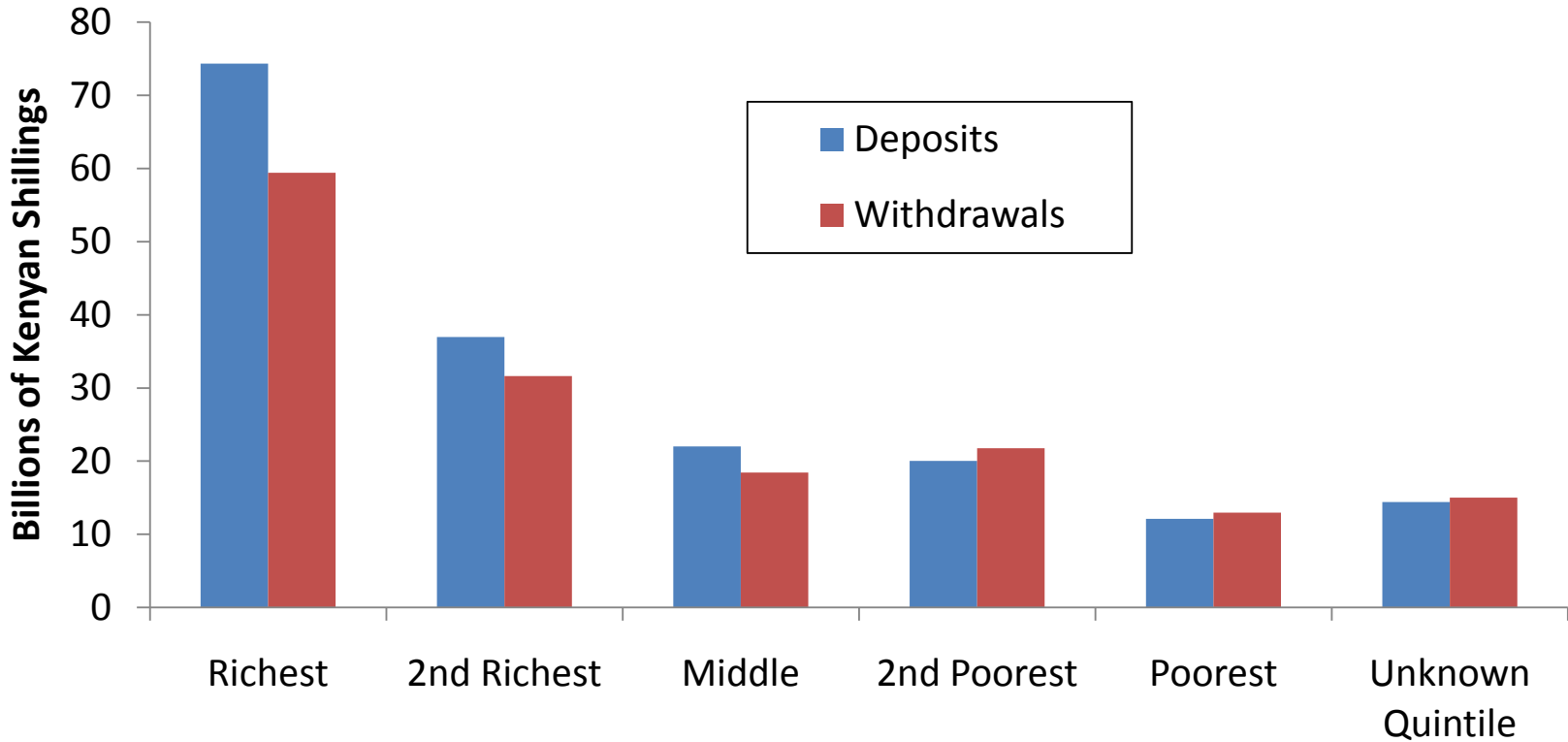
# Mobile money transfers usage is highest among urban Kenyans



... but also substantial among rural residents. As of August 2009, 47 percent of rural Kenyan adults and 69 percent of urban Kenyan adults had used mobile money.

Source: World Bank 2010 projections of FSD-Kenya FinAccess 2009 survey

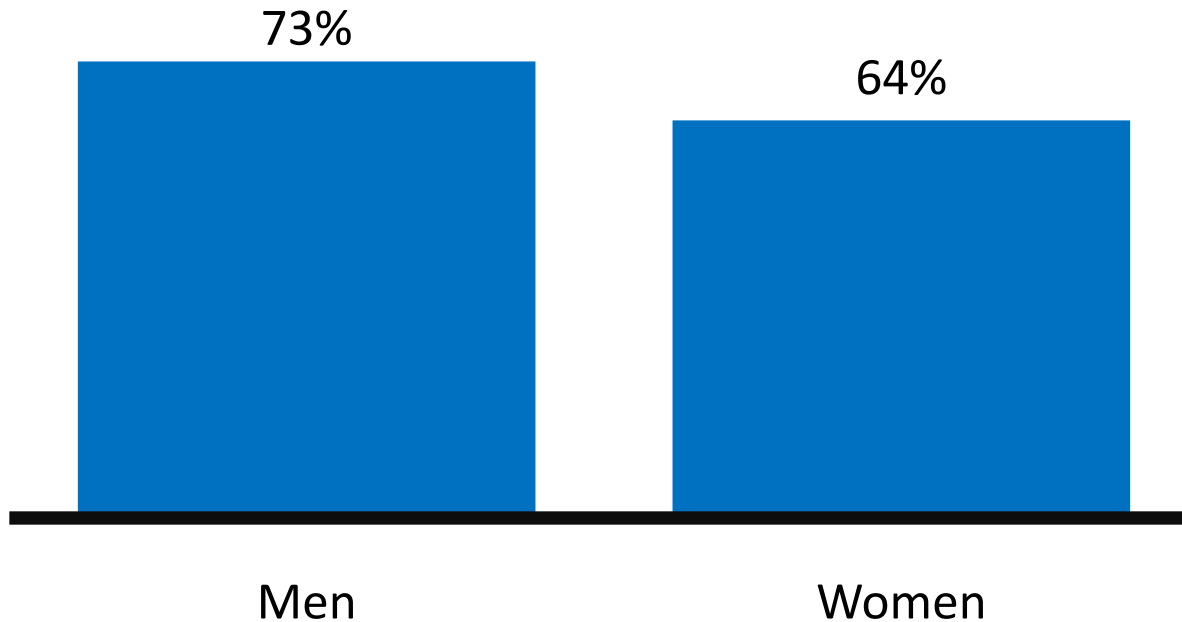
# Remittances are largely wealth transfers from wealthier urban areas to rural areas



Source: FSD-Kenya FinAccess 2009 survey. Wealth quintiles created using principal components analysis.



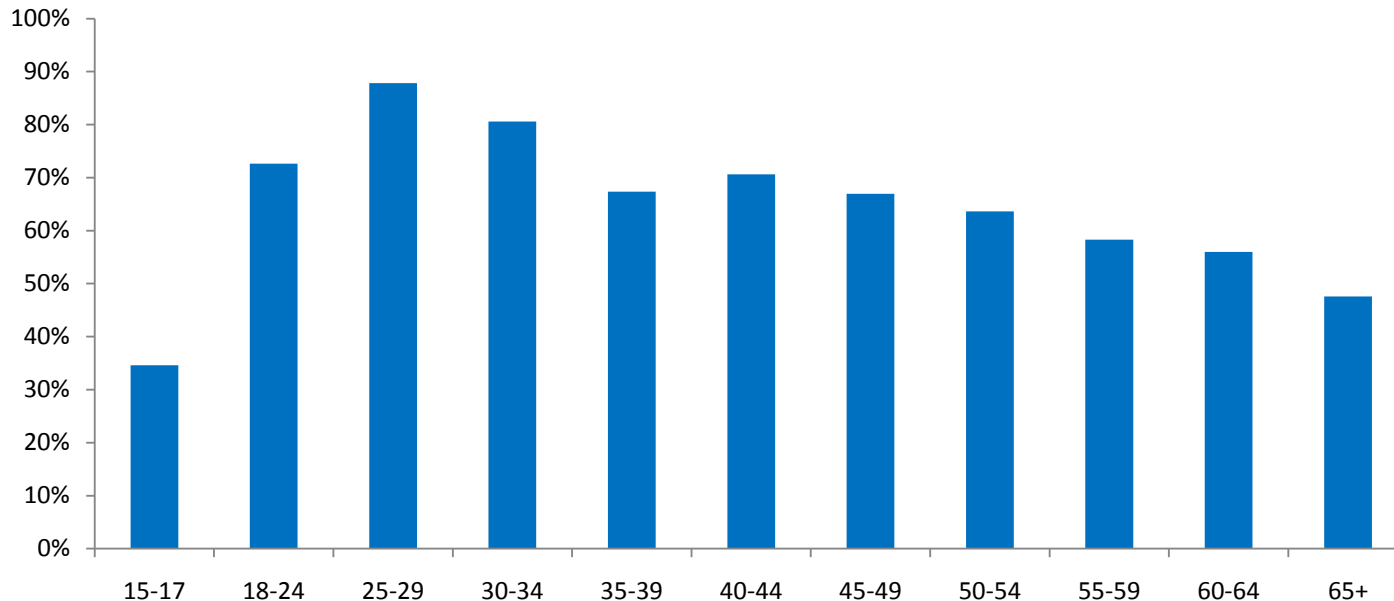
## Men are more likely to use mobile money for transfers than women



Source: World Bank 2010 projections of FSD-Kenya FinAccess 2009 survey

Additionally, women are more likely than men to use mobile money to receive and not to send money.

# Mobile money usage for transfers is highest among those aged 25-29



Source: World Bank 2010 projections of FSD-Kenya FinAccess 2009 survey

Usage falls with age, but even among the oldest Kenyans—those over age 65—approximately half use mobile money

## Mobile Money - Transfers

## Mobile Money – Savings, and Mobile Savings

- Trends by region, gender, age group
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# Types of Savings Products

## Savings Accounts

*Bank account,  
SACCO, ROSCA*

- Interest on savings
- Deposit insurance
- Security
- Liquidity, dependent on branch location
- Highly regulated
- Loans
- Insurance
- Payment and transfer system

## Mobile Money

*M-PESA, YuCash,  
ZAP*

- Liquidity
- Payment and transfer system
- Security

## Mobile Savings

*M-KESHO, KCB  
Connect, Pesa Pap*

- Interest on savings
- Security
- Liquidity
- Loans
- Insurance
- Payment and transfer system

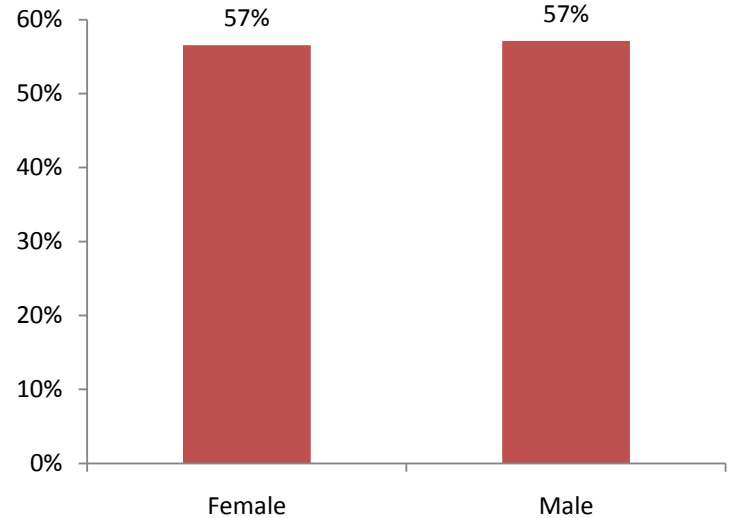
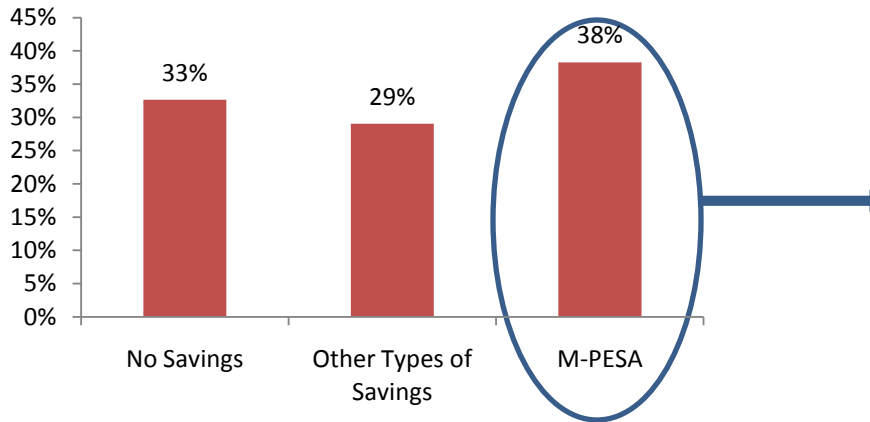
# Mobile savings offer great potential...

70 percent of Kenyan individuals over the age of 14 have access to a mobile phone

Conversely, only 39 percent of Kenyan adults have a deposit account

... mobile phone networks offer the potential to reach a large number of unbanked individuals.

# Do Kenyans Save with M-PESA?

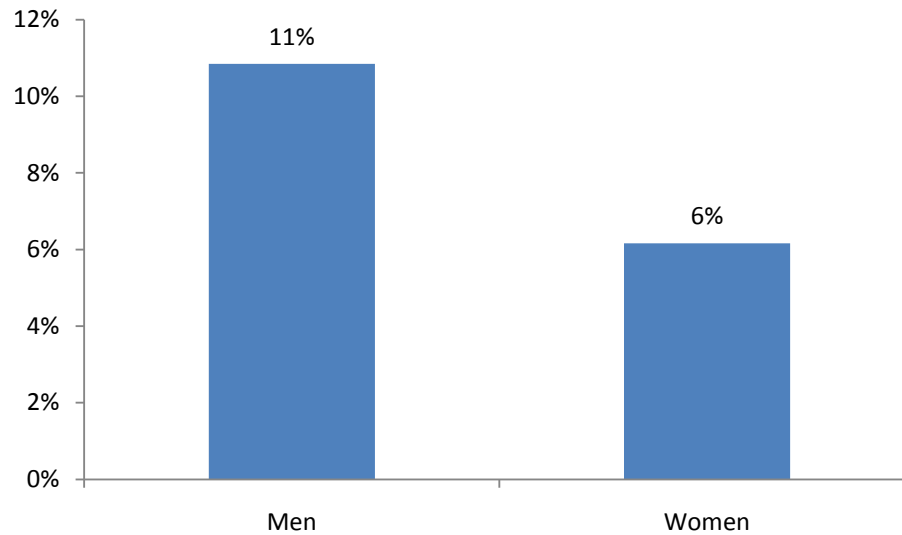


Source: FSD-Kenya Mobile Savings 2010 survey

38 percent of mobile phone users save a portion of their income with M-PESA.

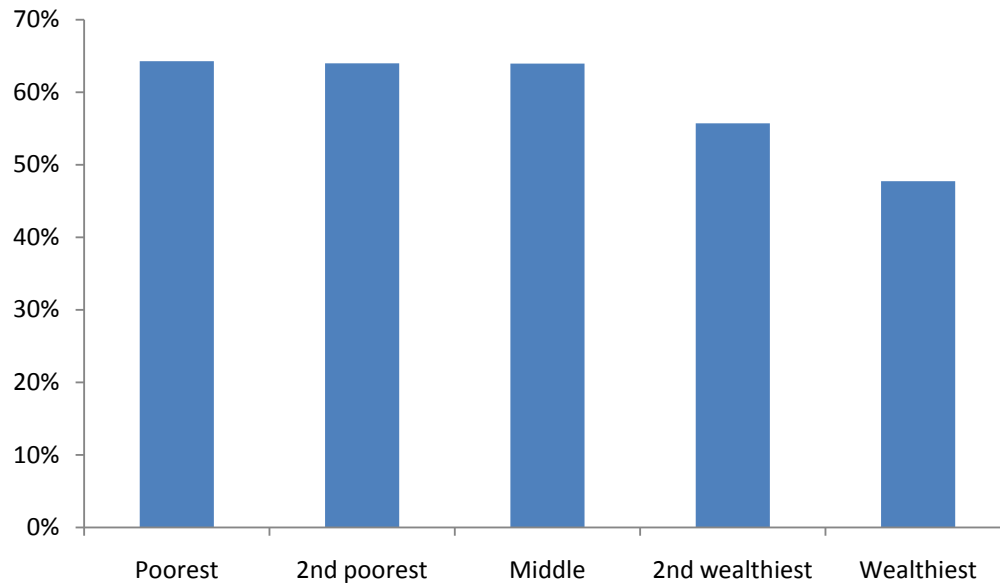
Men and women are equally likely to save with M-PESA

# Uptake of mobile savings is twice as high amongst men as it is amongst women



Source: FSD-Kenya Mobile Savings 2010 survey

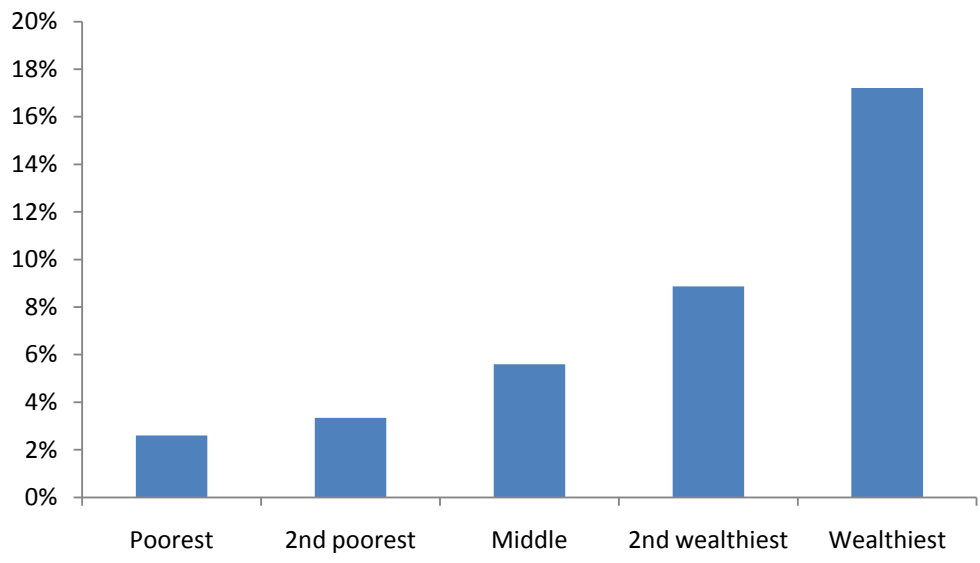
# Savings with M-PESA are highest across lower and middle wealth quintiles



Source: FSD-Kenya Mobile Savings 2010 survey. 1 percent of the observations are unknown.

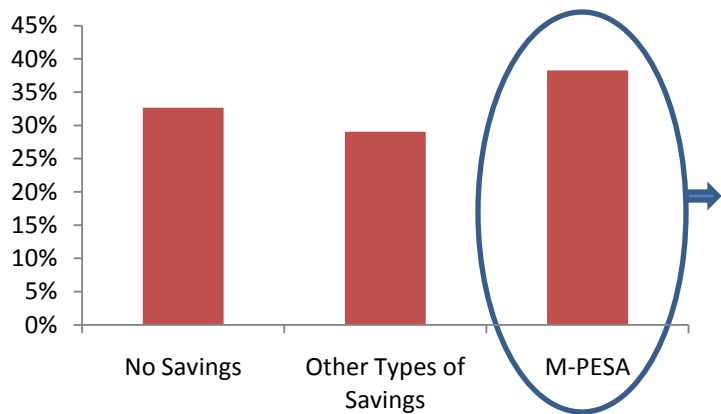


# ... while the lowest quintile of Kenyans by wealth is the least likely to use mobile savings

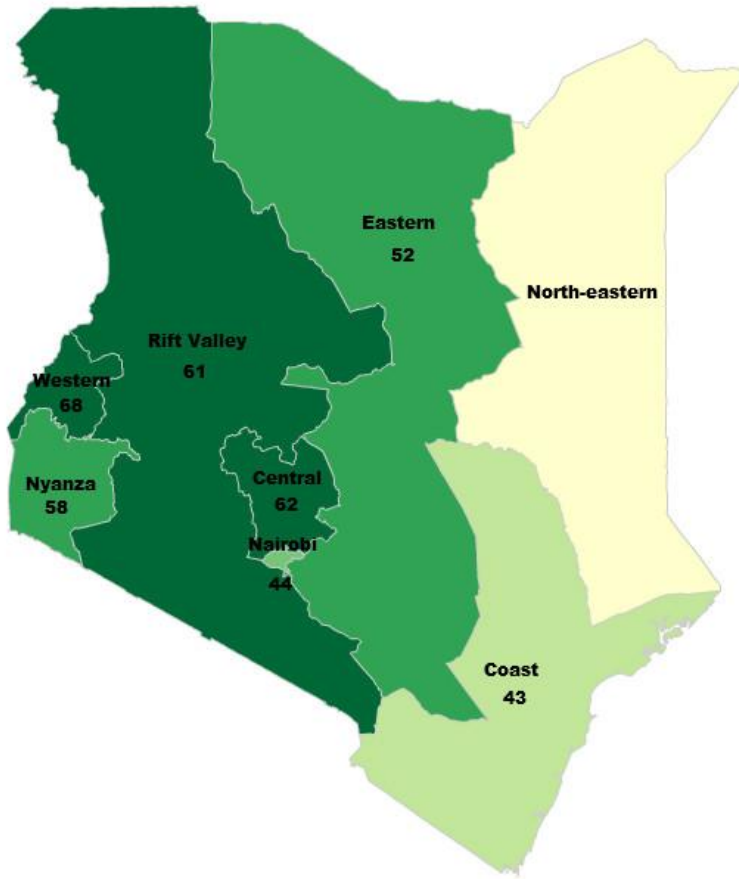


Source: FSD-Kenya Mobile Savings 2010 survey. 1 percent of the observations are unknown.

# M-PESA Savings by Region

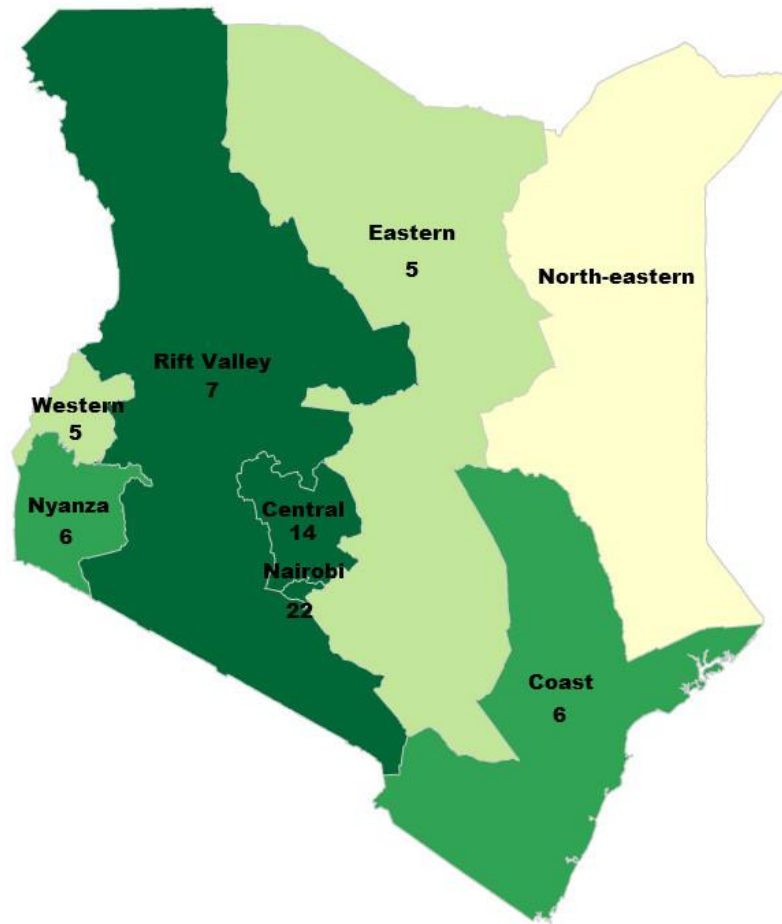


Source: FSD-Kenya Mobile Savings 2010 survey



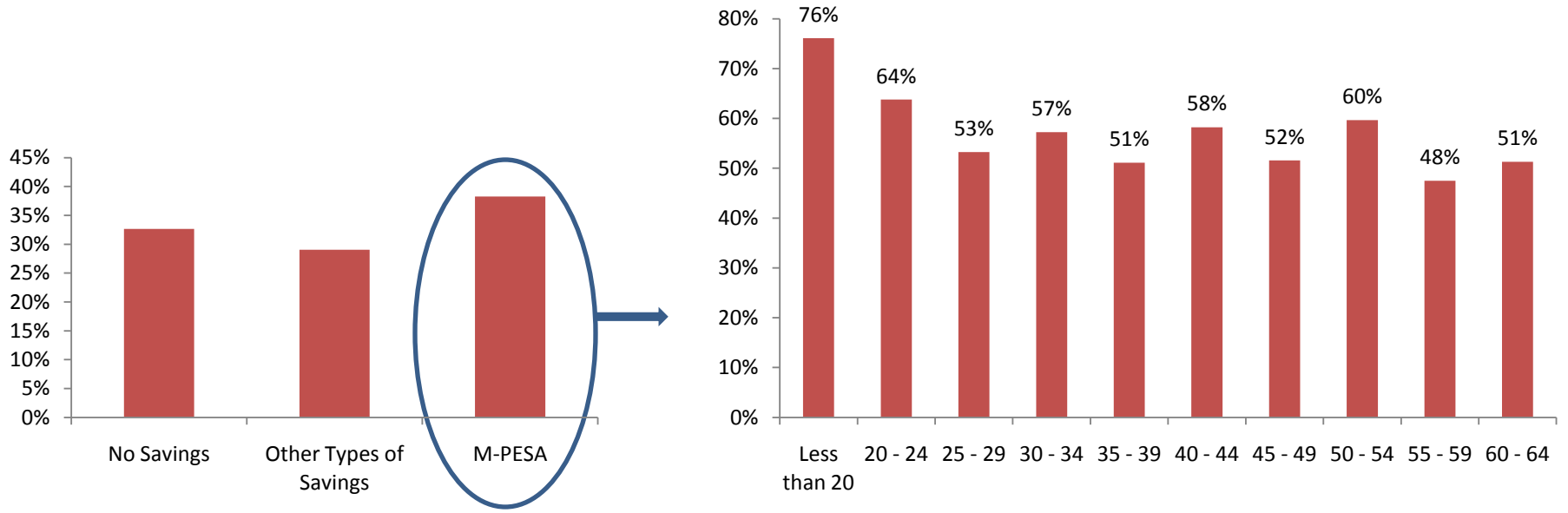
Savings with M-PESA are most popular in the Western province

# ... but mobile savings have been adopted most rapidly in urban areas



Source: FSD-Kenya Mobile Savings 2010 survey

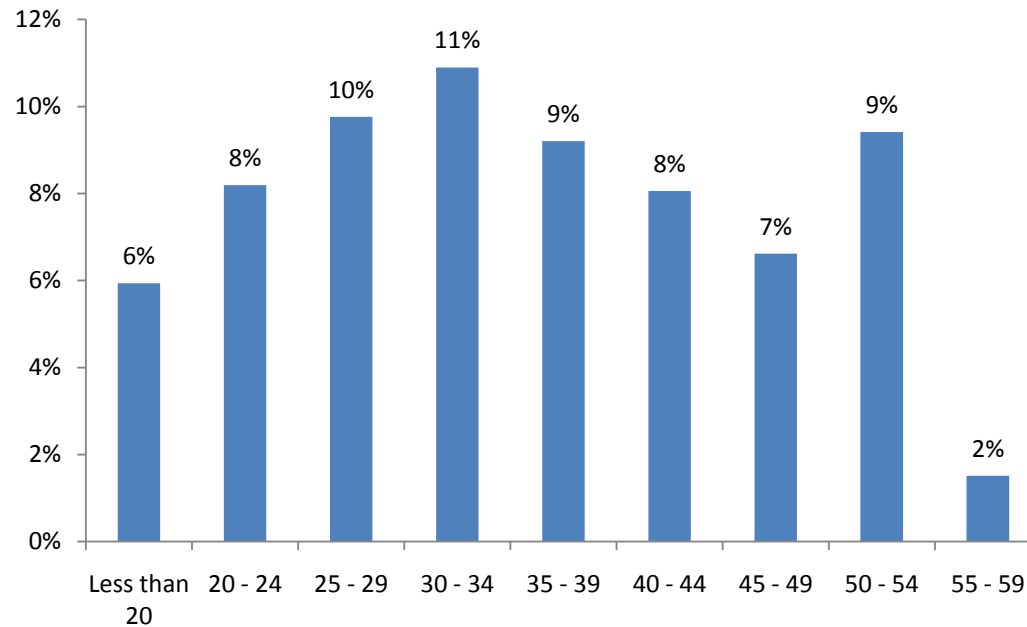
# M-PESA Savings by Age-Group



Source: FSD-Kenya Mobile Savings 2010 survey

Savings with M-PESA are highest amongst those below age 25

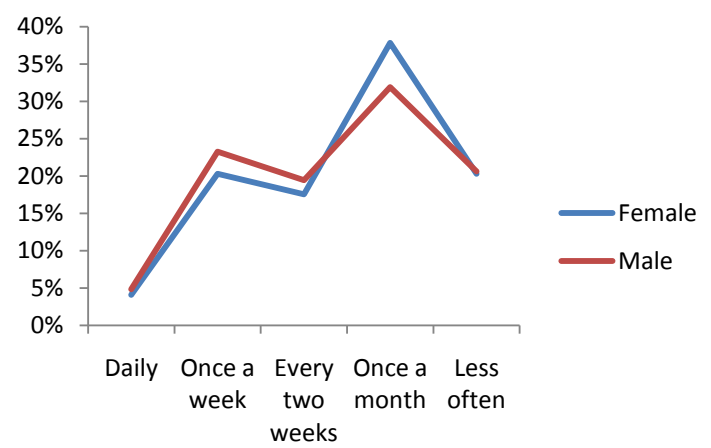
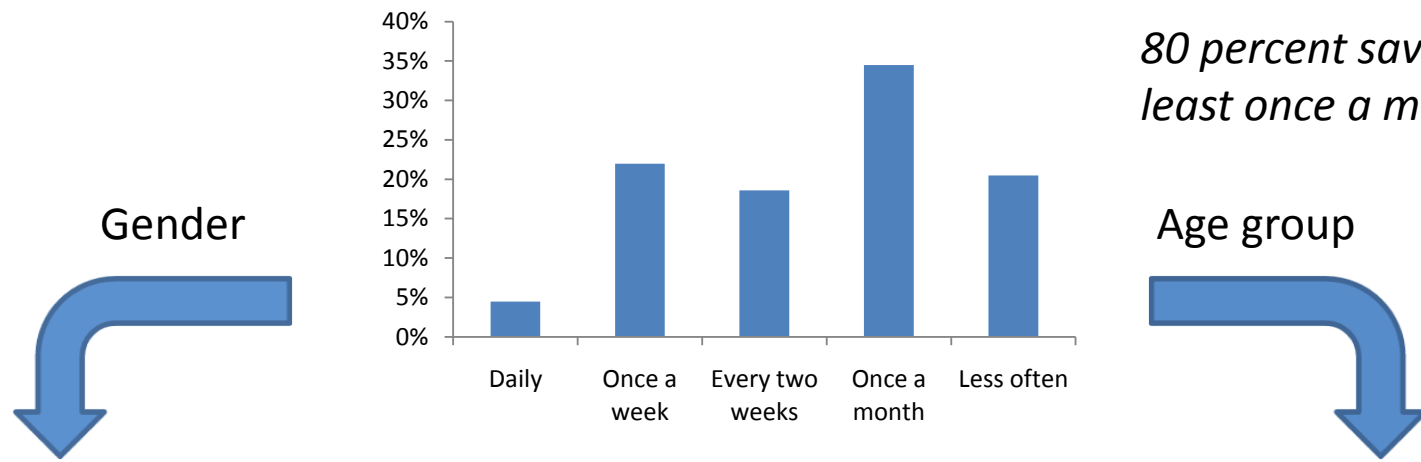
# Mobile savings usage is highest amongst those in their late twenties and early thirties



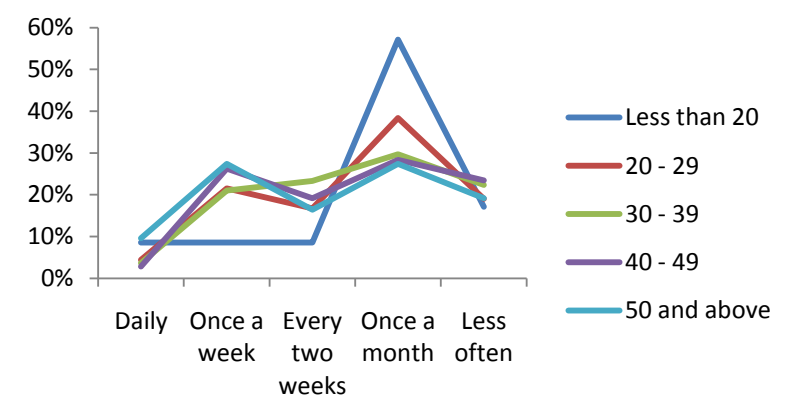
Source: FSD-Kenya Mobile Savings 2010 survey

# M-PESA savings frequency

*80 percent save at least once a month.*

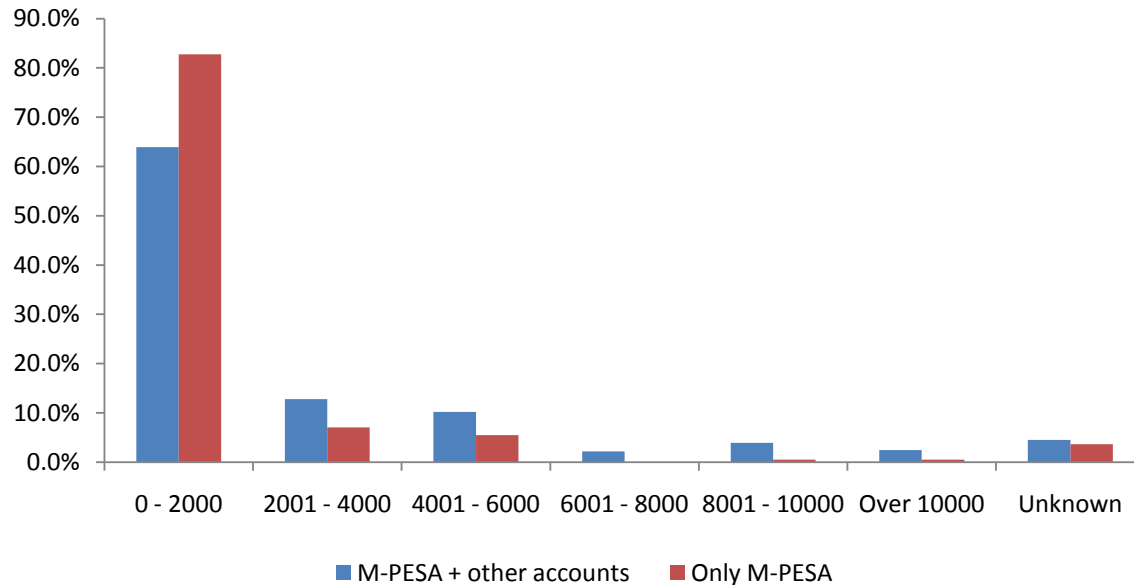


Men save more frequently than women.



Savings frequency increases with age.

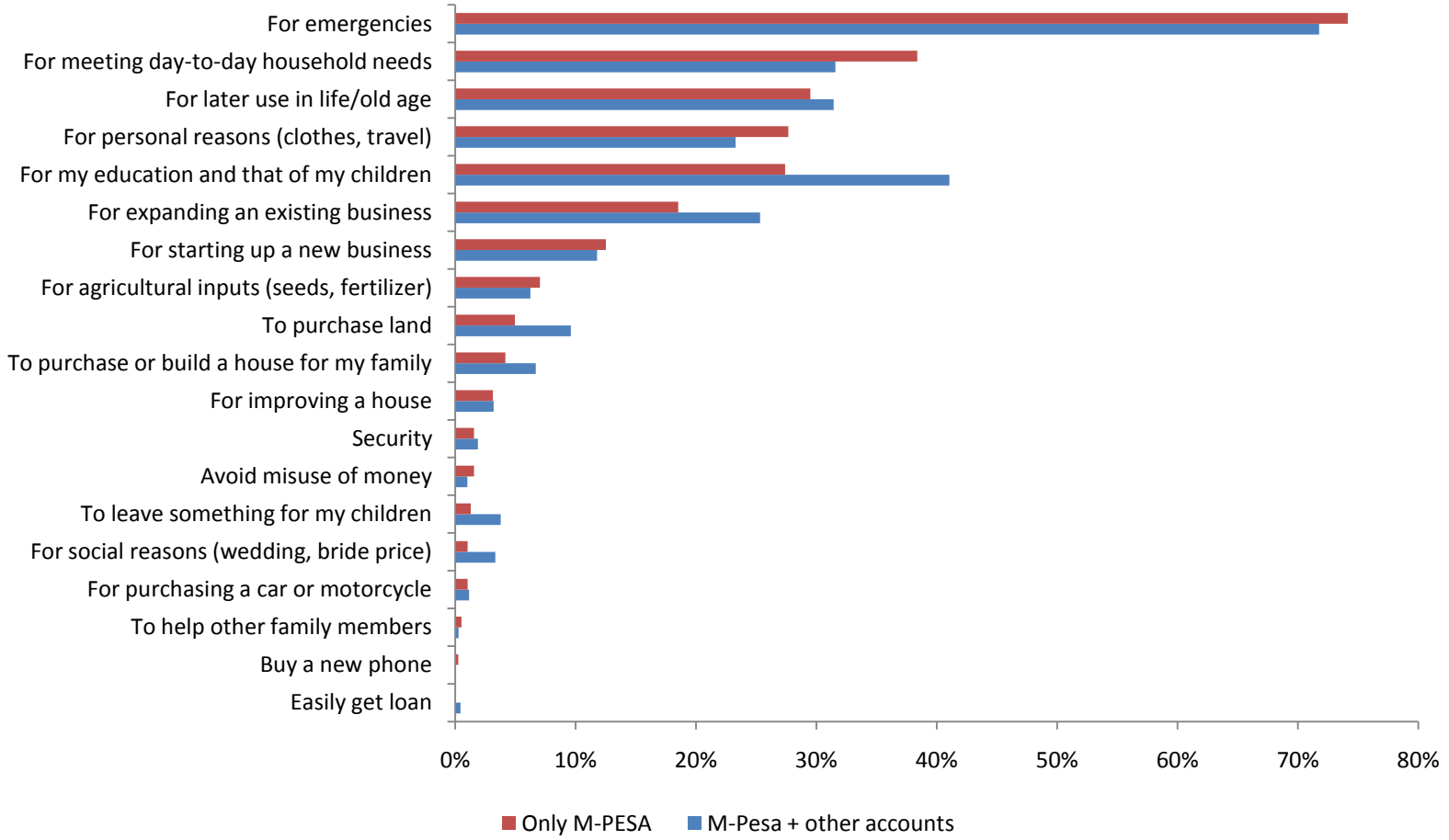
# Most M-PESA users save up to KSh. 2,000 per month



Source: FSD-Kenya Mobile Savings 2010 survey

Of M-PESA users, those who hold only M-PESA accounts are likely to save less than those who hold M-PESA accounts in addition to other types of accounts.

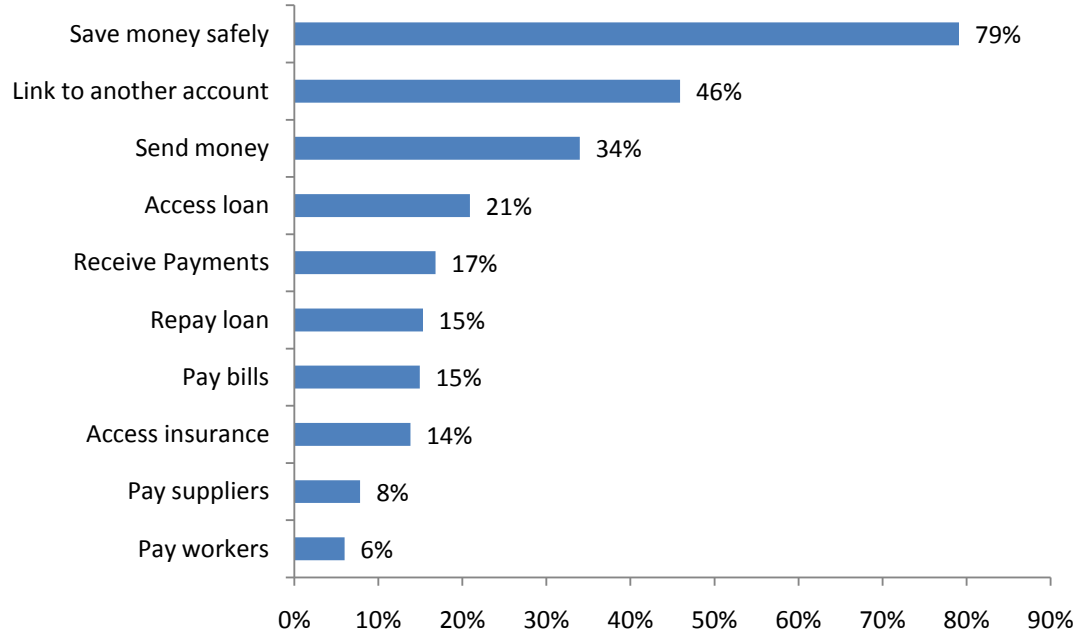
# Access to liquidity ranks as the most popular use amongst M-PESA savers



Source: FSD-Kenya Mobile Savings 2010 survey



# Security ranks as the most popular use of mobile savings



Source: FSD-Kenya Mobile Savings 2010 survey

In addition, users value the convenience offered by the ability to link mobile savings to other accounts

# Thank You