FinScope 2010

A Livelihood Approach
Give a man a fish...
methodological journey

remittances

Barriers

inclusion

informal

Credit and loans

Banking

Unlocking the essence

insurance

formal uptake

Savings

Mzansi Financial

unserved

South African living

Who are they? Landscape

Income generation profile

Who are they?
1. Background
1. Background

Making financial markets work for the poor

• A diverse financial system has the ability of bringing poor people into the mainstream of the economy allowing these individuals to also contribute more actively. To achieve this successfully, we need to challenge our current paradigms.

• FinMark Trust South Africa has been promoting the drive for financial inclusion since 2003. The main aim is to:
  • IMPROVE PEOPLE’s livelihoods – to achieve this we need to start with UNDERSTANDING LIVELIHOODS and the REALITIES of South African people
1. The 2010 journey
A change in approach for the FinScope 2010 survey:

• Introduction of Livelihood Model

To provide knowledge on:
• the situations and strategies adopted by individuals to generate an income,
• in relation to the opportunities, vulnerabilities and barriers to financial inclusion they experience or face.

• Why?

• Move from just understanding financial landscape from a product perspective to understanding the financial landscape within context of livelihood dynamics and the current realities of South Africans influencing financial inclusion.
• This understanding should assist in the facilitation and design of appropriate financial structures, mechanisms and products driven by people’s realities, or elicit opportunities beyond the financial landscape that can contribute to the sustainability of livelihoods.
1. The 2010 journey
Understanding livelihoods:

- Aspirations and Needs
- Vulnerabilities
- Capacities
- Capabilities
- Opportunities

What makes and can make livelihoods better
Threats to livelihoods
Usage and diversity of multiple livelihood strategies
1. Background

Research Objectives

Livelihood capacity

• Focus on how different individuals and households within communities have different livelihood outcomes, different access to livelihood capacities and capabilities and are affected by other factors in different ways.
• In the longer term the impact of livelihood strategies on financial inclusion can be understood.

Financial landscape

• Understanding the use of and demand for financial services
• Track usage of financial products across both formal and informal sectors.
• Identify how people’s financial services needs and perceptions are evolving and if evolving in favour of the poor and/or under-served, i.e. promoting “pro-poor” innovation in the financial sector.
• Identify how well the financial markets (formal and informal) are currently meeting people’s needs.
2. The methodological journey
2. The methodological journey

Research design

- Household survey of 3900, 60 min F2F interviews conducted nationally
- Questionnaire was translated into vernacular languages
- Qualitative methodology through ethnographic observations provided an appropriate vehicle for providing richer meaning to the data.

Sampling methodology

- Representative sample at national, provincial and urban / rural levels (weighted and benchmarked to Stats SA 2009 adult population estimates)
- Enumerator Area-based → 650 EA
- Selection of individual respondent per household by Kish Grid method

Respondent profile

- Universe = Adult population - South African residents 16 years and older
  Total Adult Population – minimum age defined by the age at which individuals can enter into a legal financial transaction in their own capacity
3. Unlocking THE ESSENCE of South African living
3. Unlocking the essence of South African Living

Overall: 16+ who are they?

**Age**

- 60+ yrs: 11.2
- 45 - 59 yrs: 11.6
- 30 - 40 yrs: 36.1
- 18 - 29 yrs: 35.7
- 16 - 17 yrs: 5.3

**Level of education**

- No formal education: 3.4
- Some primary school: 6.7
- Primary school completed: 4.8
- Some high school: 23.5
- Standard 8 or Grade 10 leaver: 14.9
- Matriculated: 29.8
- Some university completed: 4.2
- University completed: 5.7
- Any post-graduate qualification completed: 2.8
- Any other post-matric qualifications: 2
- Some technical training: 1.1
- Credits from a technikon or other tertiary education: 0.8

53.3% of respondents have some secondary school education.

46.6% of respondents have some university education.
3. Unlocking the essence of South African Living

Overall: Income generation profile

More than one source of income:
- Dependent on government type grants: 40.1%
- Small business owners: 39%
- Pension: 39%
- Dependent on family: 25.8%
- Salaries and wages: 12.9%

Dependent on family only: 60.03%
Dependent on government type grants only: 32.23%
Dependent on both: 7.73%
3. Unlocking the essence of South African Living

**Income generation**

- Dependent on family: 41.1
- Salaries and wages: 31.6
- Dependent on government type grants: 19.5
- Small business owners: 6
- Pension: 1.8
3. Unlocking the essence of South African Living

The unserved

23.5% of the current South African population is *unserved*, thus they have NO products. If we want to serve these individuals we need to again understand THEIR realities.
3. Unlocking the essence of South African Living

Unserved: 16+ who are they?

**Age**

- 60+ yrs: 5.2
- 45 - 59 yrs: 4.8
- 30 - 40 yrs: 21.3
- 18 - 29 yrs: 52.8
- 16 - 17 yrs: 15.9

**Level of education**

- No formal education: 2.8
- Some primary school: 9.7
- Primary school completed: 5
- Some high school: 35.2
- Standard 8 or Grade 10 leaver: 18.4
- Matriculated: 26.4
- Some university completed: 1.3
- University completed: 0.4
- Any post-graduate qualification...: 0.6
- Credit from a technikon or other...: 0.2

**Does your household have no**

- No access to tap water inside the dwelling: 58
- Sometimes gone without medicine or medical treatment that was needed: 31
- Mainly do not use electricity for cooking: 24
- Have no toilet facilities: 18
- Mainly do not use electricity for lighting: 17
3. Unlocking the essence of South African Living

Unserved: Income generation profile

- Dependent on family: 79.2%
- Dependent on government type grants: 16.6%
- Salaries and wages: 6%
- Small business owners: 3.5%
- Pension: 0.6%
4. Attributes of the unserved

Key attributes

1. Frequently have problems making ends meet
2. Personal finances is stressful and a real burden
3. Often go without cash income
4. Limited access to basic amenities a daily reality
4. Attributes of the unserved

Vulnerabilities

1. **Loss of income**
   - *Death of or loss of income from main income earner*
   - *Illness within household or family*

2. **Expense**
   - *Medical Emergency*
   - *Funerals*

3. **Unsustainable interventions**
   - *Sporting events, such as the Soccer World Cup, help to build the nation*
4. Attributes of the unserved

Aspirations

• **Not to worry about food**

• **To get grant from the government**

• **Get a driver’s license**

• **Get a bursary**

• **Better education**
4. Context to the South African reality

- **Physiological needs:** food, water, warmth, rest
- **Safety needs:** security, safety
- **Belongingness and love needs:** intimate relationships, friends
- **Esteem needs:** prestige and feeling of accomplishment
- **Self-actualization:** achieving one’s full potential, including creative activities

[Diagram of Maslow's Hierarchy of Needs]
5. Money management
5.1 Savings
5. Money management

5.1 Savings in general

Do you have savings?

Claimed savings

- 2010: 43
- 2009: 39
- 2008: 37

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5. Money management
5.1 What’s happening in the savings space?

Savings mechanisms/products

- **Bank products**
  - 2009: 10 (8.5%)
  - 2008: 9 (9.4%)

- **Products with other formal institutions**
  - 2009: 21 (16.6%)
  - 2008: 16 (16%)

- **Informal products**
  - 2009: 18 (9.7%)
  - 2008: 15 (8.8%)

- **Save at home**
  - 2009: 7 (12.7%)
  - 2008: 6 (8%)
5. Money management

5.1 What’s happening in the savings space?

Savers are saving to manage day-to-day living:

- Not currently saving: 57%
  - In case of an emergency: 14.8%
  - For school fees or education: 9.6%
  - For funeral costs: 9.3%

Those not saving cite:

- I don’t have a job: 42.5%
- I don’t have money to save or invest: 29.8%
- Never thought about it: 18.9%
- It is too expensive: 15.3%
5.2 Borrowing behaviour
5. Money management

5.2 Borrowing behaviour

- 2008: 27
- 2009: 24
- 2010: 28

Borrowed
5. Money management
5.2 What’s happening in the credit and borrowing space?

Borrowing channels / products

- **Bank loan products**
  - 2009: 13 (4.5%)
  - 2008: 11 (14%)

- **Products with other formal institutions**
  - 2009: 11 (23.1%)
  - 2008: 10 (10%)

- **Informal products**
  - 2009: 12 (4.0%)
  - 2008: 12 (4.0%)

- **Borrowing from friends / family**
  - 2009: 9 (12.4%)
  - 2008: 9 (11%)
5. Money management
5.2 What’s happening in the credit and borrowing space?

Borrowing channels / products

- Daily living basic needs: 34
- For food: 22
- Transport: 14
- To pay debt / account: 8
- Studies / pay school fees: 6
5. Money management

Two significant shifts and what it means

- Unserved
- Inclusion
  - Credit and Borrowing
- Informally served
- Formally served
  - Savings
5.3 Remittances
5. Money management

5.1 What’s happening in the remittance space?

Sending money

Overall, there is more receiving than sending of money happening, MULTIPLE SENDING

- Paid into a bank account: 65
- Cash with a relative or friend: 20
- Post Office, Money-gram or Western Union: 6
- Internet transfer: 3
- Taxi, bus, other vehicle for a fee: 2
- Other: 7

Sending money to someone living in a different place within South Africa

- Yes: 12%
- No: 88%

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6. Financial inclusion
6.1 Defining financial inclusion

The FinScope methodology uses financial product usage to segment the adult population.

Total Adult Population – minimum age defined by the age at which individuals can enter into a legal financial transaction in their own capacity.

Financially Excluded = adults who do not have/use any financial products and/or services – if borrowing, they rely only on friends/family; and if saving, they save at home.

Financially Included = adults who have/use financial products and/or services - formal and/or informal.
6.1 Defining financial inclusion

The FinScope methodology uses financial product usage to segment the adult population

- **Financially Included** = adults who have/use financial products and/or services - formal and/or informal

- **Formally served** = adults who have/use financial products and/or services provided by a regulated financial institution (bank and/or non-bank)

- **Informally served** = adults who have/use financial products and/or services which are not regulated, e.g. cooperatives, farmers associations, savings clubs/groups, private moneylenders
6.1 Defining financial inclusion

The FinScope methodology uses financial product usage to segment the adult population

Formally served

Banked = adults who have/use financial products and/or services provided by a commercial bank regulated by the central bank

Served by Other Formal financial institutions = adults who have/use financial products and/or services provided by regulated non-bank formal financial institutions (e.g. regulated microfinance institutions, insurance companies, retail credit providers, remittance service providers)
6.1 Defining financial inclusion

- **Formally served**
  - Have/use only bank products
  - Have/use bank and non-bank formal products
  - Have/use non-bank formal products

- **Informally served**
  - Have/use only informal products
  - Have/use bank and informal products
  - Have/use non-bank formal products and informal products
6.1 Financial inclusion

- Formally served (banked and formal non-banked) 67.5 (64%) (65.8%)
- Banked 62.5 (60%) (62.7%)
- Formal 46.6 (39%) (35%)
- Informal 37.9 (41%) (46%)

Excluded (23.5%)
76% of the informally served use formal products, it is about choice.

- **Formally served**
  - 13.3% Have/use only bank products
  - 22.3% Have/use bank AND non-bank formal products
  - 19.3% Have/use bank AND non-bank formal products AND informal products
  - 2.1% Have/use non-bank formal products AND informal products

- **Informally served**
  - 7.6% Have/use bank products AND informal products
  - 8.9% Have/use only informal products
  - 2.9% Have/use only non-bank formal products

Financial Inclusion
6.1 Financial inclusion

Access strand

(N = 3900)

Formally served (62.5%) (banked and formal non-bank)
Informal only (8.9%)
Financially excluded (23.5%)

2010
62.5
5.1
8.9
23.5

2009
60
4
10
26

2008
63
3
11
24

Banked Formal non-bank Informal only Not served
6.1 Financial inclusion

Access strand

(N =3900)

Formally served (banked and formal non-bank) Informal only Financially excluded

Overall financial services
- Banked: 62.5%
- Formal non-bank: 5.1%
- Informal only: 8.9%
- Not served: 23.5%

Pension
- Banked: 90.7%
- Formal non-bank: 1.3%
- Informal only: 3.6%
- Not served: 3.9%

Salaries and wages
- Banked: 90.3%
- Formal non-bank: 3.5%
- Informal only: 85.2%

Small business owners
- Banked: 78.1%
- Formal non-bank: 6.1%
- Informal only: 5.6%
- Not served: 10.2%

Dependent on government type...
- Banked: 49.2%
- Formal non-bank: 10%
- Informal only: 16%
- Not served: 14.8%

Dependent on family only
- Banked: 40.4%
- Formal non-bank: 4.6%
- Informal only: 11.1%
- Not served: 43.9%
6.1 Financial inclusion

Urban – Rural access strand

(N = 3900)

<table>
<thead>
<tr>
<th></th>
<th>Banked</th>
<th>Formal non-bank</th>
<th>Informal only</th>
<th>Financially excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>69.7</td>
<td>4.2</td>
<td>5.1</td>
<td>21</td>
</tr>
<tr>
<td>Rural</td>
<td>48.9</td>
<td>6.7</td>
<td>16.3</td>
<td>28.1</td>
</tr>
<tr>
<td>2010</td>
<td>62.5</td>
<td>5.1</td>
<td>8.9</td>
<td>23.5</td>
</tr>
</tbody>
</table>
6.1 Financial inclusion

Urban

(N = 3900)

Formally served (banked and formal non-bank)

Informal only

Financially excluded

Overall financial services

Overall Urban

Salaries and wages

Pension

Small business owners

Dependent on government type grants

Dependent on family

- Banked
- Formal non-bank
- Informal only
- Not served

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6.1 Financial inclusion

Rural

(N = 3900)

Formally served (banked and formal non-bank)  Informal only  Financially excluded

Overall financial services
- Banked: 62.5%
- Formal non-bank: 5.1%
- Informal only: 8.9%
- Not served: 23.5%

Overall Rural
- Banked: 48.9%
- Formal non-bank: 6.7%
- Informal only: 16.3%
- Not served: 28.1%

Salaries and wages
- Banked: 75.7%
- Formal non-bank: 29.4%
- Informal only: 12.3%
- Not served: 12.3%

Pension
- Banked: 46.3%
- Formal non-bank: 18.3%
- Informal only: 4.6%
- Not served: 30.7%

Small business owners
- Banked: 77.5%
- Formal non-bank: 4.2%
- Informal only: 6.8%
- Not served: 11.5%

Dependent on government type grants
- Banked: 49.3%
- Formal non-bank: 11.2%
- Informal only: 25.4%
- Not served: 14.1%

Dependent on family
- Banked: 31.4%
- Formal non-bank: 5.2%
- Informal only: 17.9%
- Not served: 45.4%

- Banked
- Formal non-bank
- Informal only
- Not served

Making financial markets work for the poor
6.2 Landscape of financial access

The FinScope landscape of access describes the percentage of the adult population:

- 68% who have/use TRANSACTIONAL formal or informal
- 33% who have/use CREDIT - formal or informal
- 35% who have/use SAVINGS - formal or informal
- 50% who have/use INSURANCE - formal or informal
6.2 Landscape of financial access

**Salaries and wages**

- Transactional: 92.20%
- Insurance: 76.00%
- Savings: 64.90%
- Credit: 53.30%

**Dependent on government type grants**

- Transactional: 65.60%
- Insurance: 54.90%
- Savings: 25.50%
- Credit: 23.20%

**Dependent on family**

- Transactional: 49.30%
- Insurance: 22.20%
- Savings: 13.70%
- Credit: 21.00%
7. Banking
7. Banking

Banked products

- 2010: 62.5
- 2009: 59.8
- 2008: 62.7
### 7.1 Main Banking Products Held

<table>
<thead>
<tr>
<th>Product</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATM card</td>
<td>55</td>
<td>57</td>
<td>58</td>
</tr>
<tr>
<td>Debit card or Cheque card</td>
<td>27</td>
<td>33</td>
<td>39</td>
</tr>
<tr>
<td>Savings or Transaction account (not Mzansi or Post Office/Post Bank)</td>
<td>27</td>
<td>33</td>
<td>39</td>
</tr>
<tr>
<td>Mzansi account</td>
<td>11</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Cell phone transactions to check balances, transfer money between accounts or pay third parties</td>
<td>4</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Credit card eg Visa, MasterCard or American Express or Diners Club</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Internet banking to check balances, transfer money between accounts or pay third parties</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposit account (fixed term or notice deposit)</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Car or vehicle loan from a bank either directly or via a dealer</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home loan, bond or mortgage to buy, build, extend or improve a house from a big or small bank, bond originator or SA Home loans</td>
<td>5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
7.2 Mzansi

2010 Users profile:
- 39% receive social grant
- 23% personally earn less than R1 000pm
- 39% LSM 1 – 5

2009 Users profile:
- 37% receive social grant
- 39% personally earn less than R1 000pm
- 56% LSM 1 - 5
8. Insurance
8. Insurance

![Diagram showing the growth of insurance formal and informal products from 2008 to 2010.]

- **Insurance formal products**: 12.6% (2008), 30.9% (2009), 39.5% (2010)
- **Insurance informal products**: 10.3% (2008), 12.6% (2009), 27% (2010)
8. Overall insurance

- Life assurance Nett: 2010 - 16, 2009 - 16, 2008 - 16
- Health insurance Nett: 2010 - 14, 2009 - 11, 2008 - 9
8. Overall Funeral cover

Funeral cover : nett 44%  
(2009 = 40%, 2008 = 43%)

- Belong to a burial society (not AVBOB)
  - 2010: 16
  - 2009: 20
  - 2008: 25

- Funeral policy with a bank
  - 2010: 12
  - 2009: 8

- Funeral cover through an undertaker or funeral parlour
  - 2010: 12
  - 2009: 8
  - 2008: 9

- Funeral policy with an insurance company
  - 2010: 10
  - 2009: 8

- Funeral cover from any other
  - 2010: 5
  - 2009: 3

- Funeral cover from a funeral home
  - 2010: 5
  - 2009: 3

- Funeral cover or insurance from your current employer or a union
  - 2010: 3
  - 2009: 2

- Funeral cover from a shop / store
  - 2010: 3
  - 2009: 3

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8. Insurance
Funeral insurance

Funeral insurance strand

(N = 3900) Products with formal institutions (32.3%) Informal products (12.1%) No funeral insurance (55.6%)

2010

Formally served
Informal product: 12%
5. Money management
Two significant shifts and what it means

unserved -> inclusion
Credit and Borrowing

Informally served -> Formally served
Savings/Insurance
9.1 Drivers of formal uptake
9.1 Drivers of formal uptake

Income generation activities & LLH strategy needs

**Income generation**
- Salaries and wages
- *Earn between R3,000 - R9,999*

**Money management**
- Saving
- Insurance
- *Having money available to spend*

**Life view**
- *A clear sense of direction for the future*
- Satisfied with lifestyle
- Optimism about lifestyle
- Aspirations – ambitious, financially secure

**Decision making**
- Being able to make own financial decisions

**Networks**
More likely to take up insurance if the previous characteristics apply and the following vulnerabilities exist:

Fear of -Loss of income - main perceived risk - uptake of insurance

• Death of or loss of income from main income earner
• Death of other family member/s excluding main income earner
• Loss of my employment

Expense Funeral

Crime is a reality – asset insurance
9.2 Drivers of informal uptake
9.1 Drivers of informal uptake

Income generation activities & LLH strategy needs

**Income generation**
- Dependant on family
- Dependant on government type grants
- Earn between R1,000 - R1,249

**Networks**
- Strong sense of community involvement
- Heavy reliance on community networks (friends, family, someone in community to rely on)

**Value**
Strong sense of association with “own” (culture; language etc)
Strong belief that “Government will take care” (sense of entitlement)
9.1 Drivers of informal uptake
Vulnerabilities – is informal insurance adequate?

**Death & Loss of income**

- Death of or loss of income of main income earner
- Death of other family member/s excluding main income earner
- Becoming disabled
- Losing Government grant
- Loss of Social Grant
10. Barriers to financial inclusion
## 10. Barriers to Financial inclusion

### Banking
- No money to save: 30.4%
- No job: 26.3%
- No regular income: 26%

### Borrowing
- No job: 37.8%
- Don’t want to have debt: 25.3%
- Can not afford it: 23.1%

### Life insurance
- No job: 22%
- Never thought about it: 15.3%
- It is too expensive: 18.2%
- Prefer to use funeral or burial cover: 14.4%

### Household insurance
- Don’t have any contents or possessions to insure: 25.1%
- No job: 20.8%
- Don’t need insurance: 18.2%

### Medical aid
- Can not afford it: 41.3%
- Use a cheap or free clinic or hospital: 40.4%
- Too expensive: 24.7%

### Funeral cover
- No job: 41.4%
- No regular income: 15.1%
- Never thought about it: 12.4

### Retirement
- No money to invest: 26.2%
- No job: 47.5%
- Never thought about it: 17.5%

### Savings
- Never thought about it: 18.9%
- No money to save or invest: 29.8%
- No job: 42.5%
11. Key take outs
11. Key take outs

**Income generation**
The three main income generation activities for the South African adult population are:
1. Salaries and wages
2. Grants
3. Small Business

Financial Institutions tend to look for salaries & wages, this market is saturated, they have what they need. If we want to increase inclusion, we cannot continue to focus only on these individuals. If we look at the small business owners, they are often also not the ideal target market for financial institutions, yet they have significant transactional needs.

**Dependency**
52% of South African are dependent on others for their income. As opposed to being a risk this is posing an often unrecognised opportunity as these transfers could be formally/safely channelled through a formal system, which can impact positively on livelihoods.

A lot of individuals have a strategy in place to build a sustainable income, and financial institutions should keep this in mind. Individuals develop their financial sustainability by adopting specific strategies to sustain their livelihoods. One shouldn’t only look at salaries & wages, but at how individuals plan to ensure a more predictable or sustainable income for themselves. Sustainability will be built if we support livelihood strategies effectively. This should be recognised by the entire framework not only the financial service providers.
11. Key take outs

The unserved market
Due to the realities of the inserved market their aspirations are very basic. Financial service providers need to look at this as potential opportunities – not just for the private sector but also for government. If the unserved are supported in their more basic needs, it could lead to more sustainable incomes. Financial inclusion is not the biggest intervention necessarily for the unserved, but effective support of their livelihood strategies can lead to financial inclusion. These interventions should however be sustained – (Soccer World Cup).

Financial inclusion is not the biggest intervention necessarily required for the unserved, but rather effective support of their livelihood strategies which can lead to financial inclusion. This group of individuals have a very strong belief in the SA Government of the day, believing that the government will take care of them and their needs (sense of entitlement). If we want to extend the boundaries of inclusion we will have to know and understand the daily realities of the unserved. If not, the already served will grow to be served even better and the unserved will continue to be unserved.

Money management
A very positive take out from FinScope 2010 is the emerging pattern of increased savings. This increase is also evident in an increasing shift from the informal to formal providers. This is supported by the Reserve Bank, as this is to be expected after a recession, when individuals are increasingly cautious, spend less and are even more likely to save. The challenge going forward will be the sustainability of these emerging behaviours.

Even on the lowest income levels, increased saving were evident. This means that the lack of saving is linked to financial literacy issues as opposed to “not being able to”. Ensuring more secure or save saving is another identified opportunity due to an increased realisation of the significance of “save” saving.
11. Key take outs

**Money management**
Borrowing and credit also increased, and also using less risky mechanisms (family and friends).
This means:
- South African are recovering from the recession
- Spend less, save more, and feel safer to borrow
- All of this is done more cautiously
- Financial literacy seem to have increased but still need sustained attention

Credit and borrowing is contributing to the shift from being excluded to being included (rather than borrowing from family and friends the shift is towards borrowing informally)
Similarly savings and insurance contribute towards the shift from being informally served to being formally served.

**A significant myth, demystified**
38% of the Adult population use informal products and mechanism. The informal sector therefore playing a very significant role in the financial inclusion in South Africa. Contrary to popular believe FinScope shows that individuals do not necessarily use informal products because they have no choice (i.e. no access to formal services). FinScope findings show that ¾ individuals who use informal products also use formal products. For them it clearly is a choice and not a situation of not having options.

This is specifically true with regard to burial societies, 12% of the formally served are also members of burial societies, clearly indicating that these informal sector organisations address a specific need which is not met by the formal sector.
Teach a man to fish...
Thank you!