

OLDMUTUAL

2024 FINANCIAL SERVICES MONITOR

KNOW BETTER. DO BETTER



DO GREAT THINGS EVERY DAY





The Old Mutual Financial Services Monitor serves to assess the current state of wellness in Kenya and how this has shifted in the last year.

The study provides deep insight into working Kenyans' behaviour and attitudes, exploring their savings behaviour, expense management practices, as well as their financial goals and priorities, as they strive toward financial wellness.

Old Mutual
Financial
Services Monitor:
Championing
the Financial
well-being of
Kenyans.



The survey focuses its lens on working adult Kenyan consumers, earning a personal monthly income of KES 12 000 and more.



Annual Survey



Kenya



Face-to-face
interviews



n= 650
Fieldwork:
Sep-Oct
2024



Personal
monthly income:
KES12,000+



20 - 59
years old

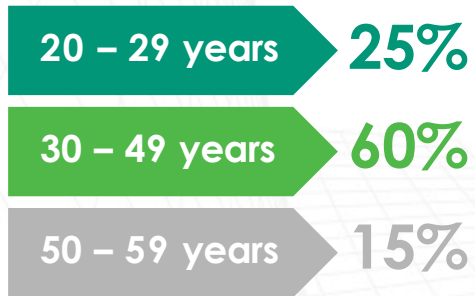
Age, personal income, gender, region and employment sector were quota controlled to provide a representative view of Kenya's adult working population.



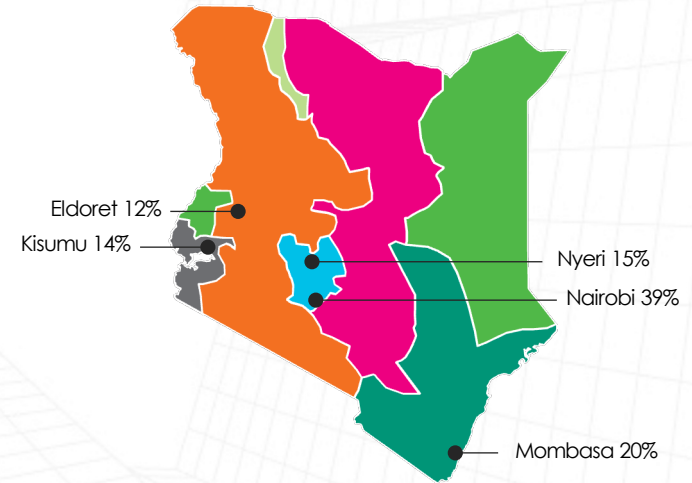
GENDER



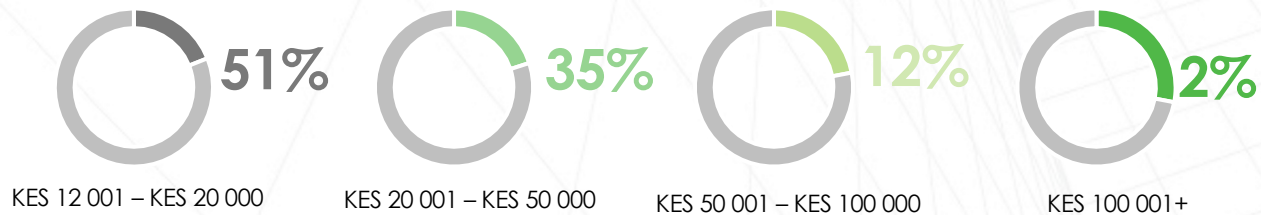
AGE



REGION



PERSONAL MONTHLY INCOME



Sample: 650



The 2024 results paint a picture of working Kenyans that are **further financially strained**. This has caused consumers to be more prudent about how they handle their finances.

Kenyans are working hard to **secure and stretch the income they currently earn, while also trying to find ways of making additional income through alternative sources – such as owning and running businesses**. However, challenges are still evident as many **continue to borrow** to help supplement their income.

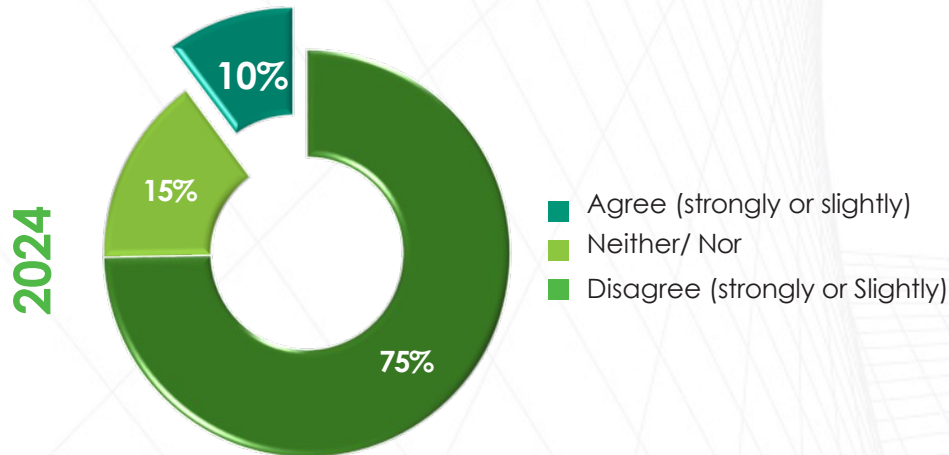
Cutting down on expenses and particularly **budgeting, are some of the ways consumers are managing their household finances**.

The challenging economic environment has not deterred Kenyans from looking after their future. They are doing this by **prioritising saving for their family's future, having medical insurance in place and more focus on retirement savings**.

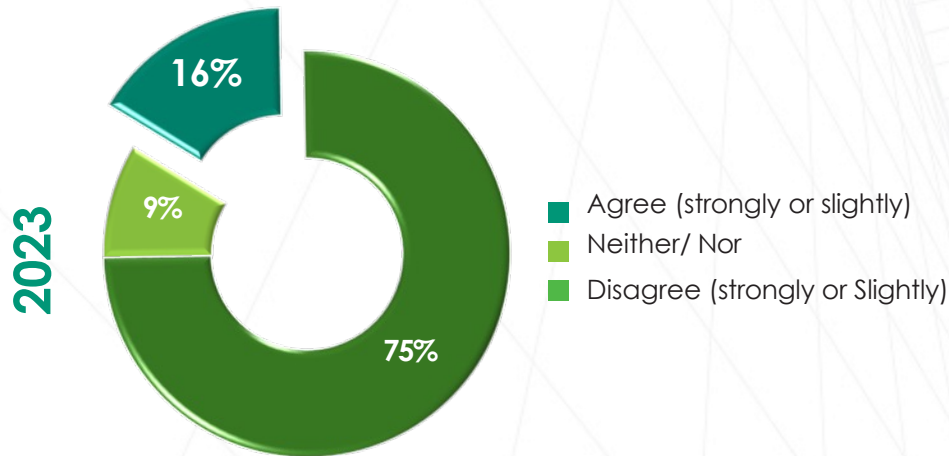
Despite their harsh financial realities, Kenyans remain optimistic about their financial outlook, due to expectations of improved business operations, more stable income and saving & investing more.



Confidence in the economy has declined since 2023 with **only 1 in 10** showing confidence. Some consumers who were positive previously, have now shifted to a neutral stance.



“I feel confident about the Kenyan economy”



MAIN REASONS FOR LOW CONFIDENCE

“High cost of living / higher living standards”

“Higher taxation / over taxation”

“High cost of commodities & basic goods / expensive/ high prices of products & services”

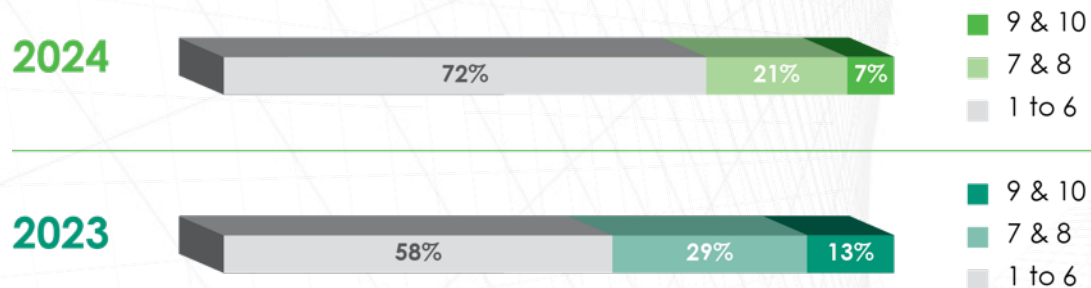
“Unemployment / difficult to find a job”

“Business is on a downward trend /low profit margins / not a good business environment / difficult to open a business”

FINANCIAL WELLNESS INDICATORS

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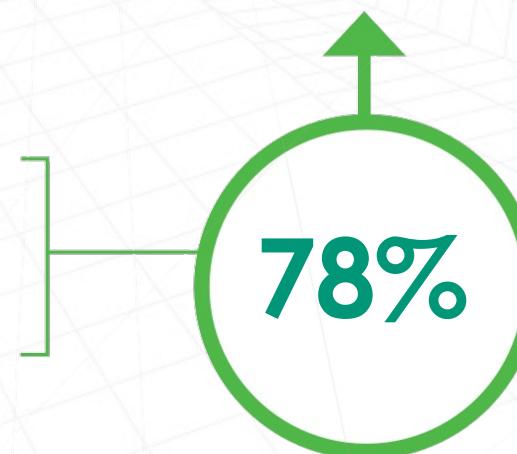


In the latest study, working Kenyans are less satisfied with their overall financial situation than they were in 2023. **Less than 3 in 10 are satisfied.**

TOP REASONS FOR DISSATISFACTION
Not enough income to cater for basic needs
High cost of living
Business not performing as well as expected
Financial situation is unpredictable
Saving is hard

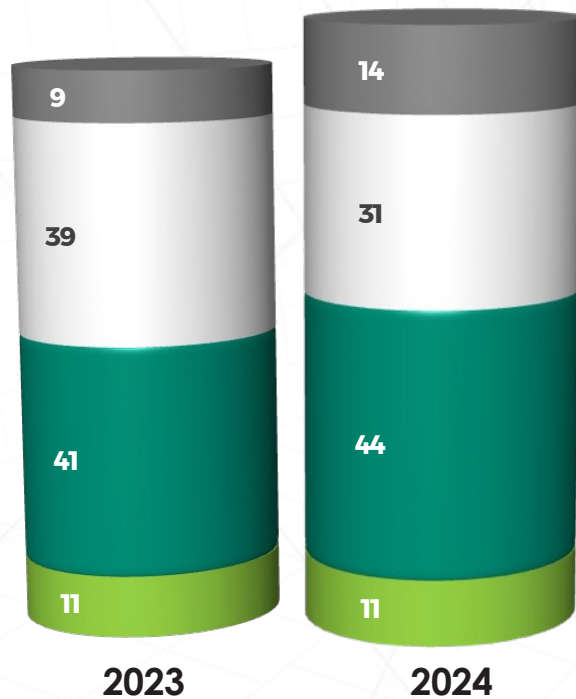
PERSONAL EARNINGS	2024
I am earning significantly less than a year ago	9%
I am earning a bit less than a year ago	35%
I am earning about the same as before	34%
I am earning more now than a year ago	22%

The struggle with having enough income is evident as almost **8 in 10** are earning less or the same as a year ago. Spending power has been eroded.





4 in 10 working Kenyans remain highly stressed.



Overwhelming stress is increasing

- Overwhelming stress
- High stress
- Low stress
- No stress



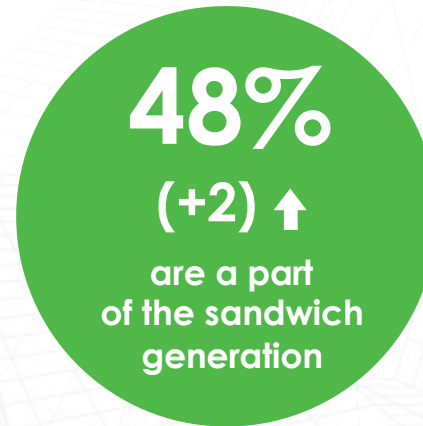
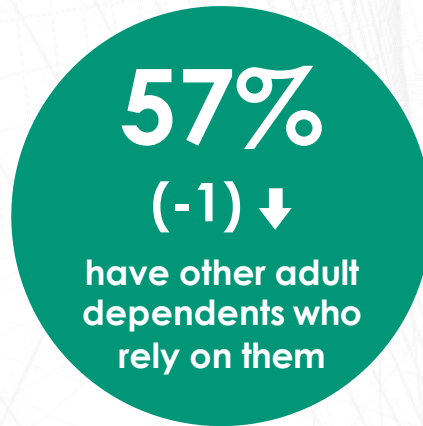
47%

Agree (strongly or slightly) that financial stress is badly affecting their mental and physical health

FINANCIAL STRESS	Male		Female		20-29 Years		30-49 Years		50-59 Years		Formal Sector		Informal Sector	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Sample	513	650	256	325	257	325	128	163	308	390	154	195	359	455
I feel overwhelming stress	7%	12%	11%	15%	8%	9%	10%	15%	8%	16%	7%	10%	10%	15%

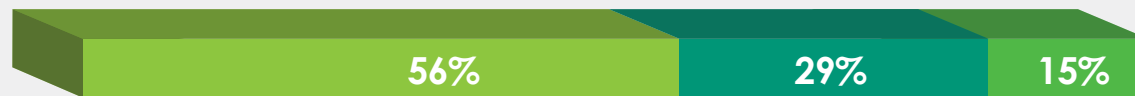


Financial dependency remains substantial. There is significantly more households that have children which, once again, highlights the financial burden placed on income generators.



Almost half of Kenyans are part of the sandwich generation. More females are part of the sandwich generation. (52% females vs 44% males).

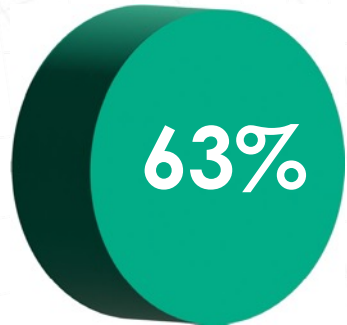
SHIFT IN NUMBER OF THOSE FINANCIALLY SUPPORTED, COMPARED TO A YEAR AGO



- Unchanged – the number of people I support is the same as before
- I am giving financial support to more people now, compared to a year ago
- I am supporting fewer people now

2024

NOTE: Sandwich generation are those who have both dependent children and other (adult) dependents.



From a personal perspective, Kenyans remain optimistic, as **6 in 10 working Kenyans** expect their financial situation to **improve in the next 6 months.**



Reasons for improvement:

1. **Improved operations:** business
 - Expecting more profits
 - Expanding the business
 - Planning to start or open a business, or add a side hustle for income growth
2. **Getting better salary/ income** more stable
3. **Saving and investing more**



Other areas of improvement besides income:

4. **Cutting down on unnecessary expenditure**
5. **Proper budgeting/ setting financial goals/ more financial discipline**
6. **Invest in farming or livestock rearing or agricultural activities**

FINANCIAL PRIORITY 1: INCOME SECURITY

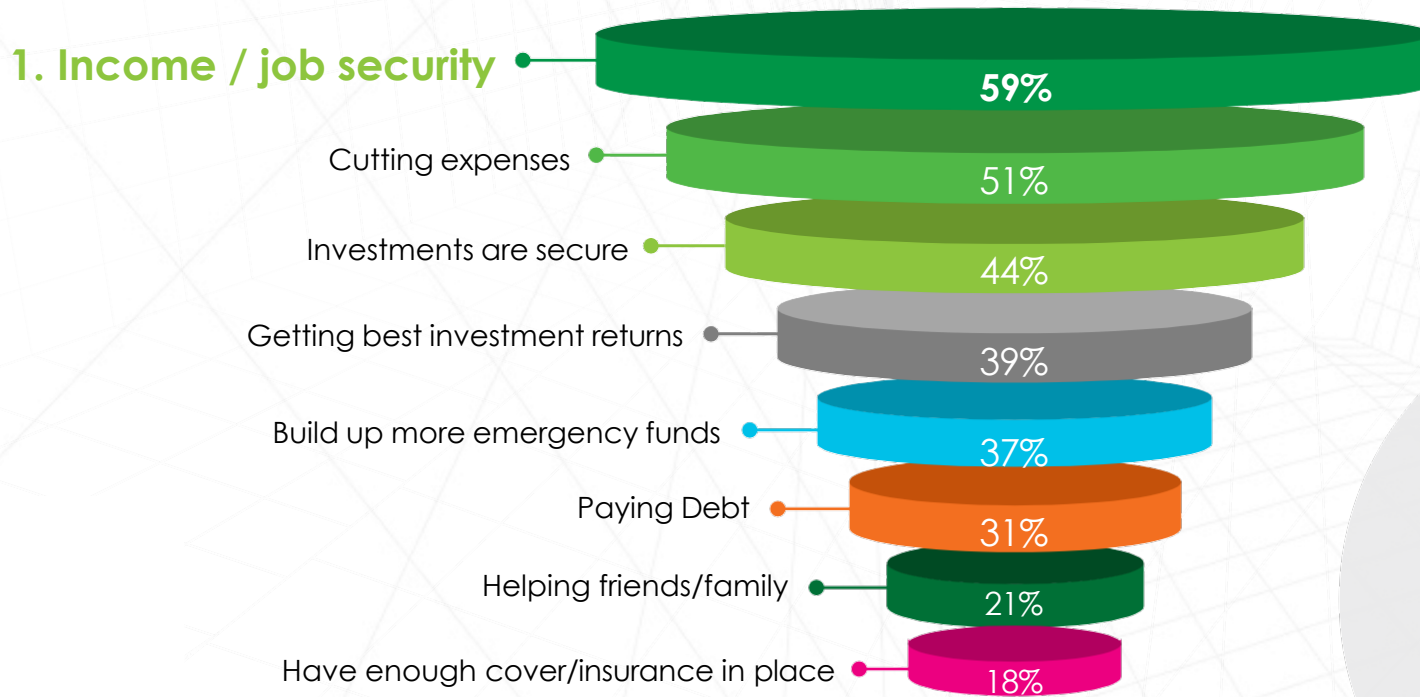
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The top financial priority remains income security; and half of working Kenyans worried about losing their income.

Financial Priorities: 2024



51%
of Kenyans are worried about losing their jobs/income

FINANCIAL PRIORITIES: **INCOME SECURITY**

Financial priorities ranked as 1st, 2nd or 3rd most important.



The entrepreneurial spirit remains steadfast as half of working Kenyans own or run a business – more females and those in the informal sector.



50%
(-4%) ↓
own a business

47%
have these businesses as their main source of income

BUSINESS OWNERS							
	Male	Female	20-29 Years	30-49 Years	50-59 Years	Formal Sector	Informal Sector
Sample	325	325	163	390	98	195	455
Own a business	45%	55%	43%	52%	54%	33%	57%

20% ARE POLYJOBBERS
(supplementing their main source of income with side hustles or additional work). This has remained stable since 2023.

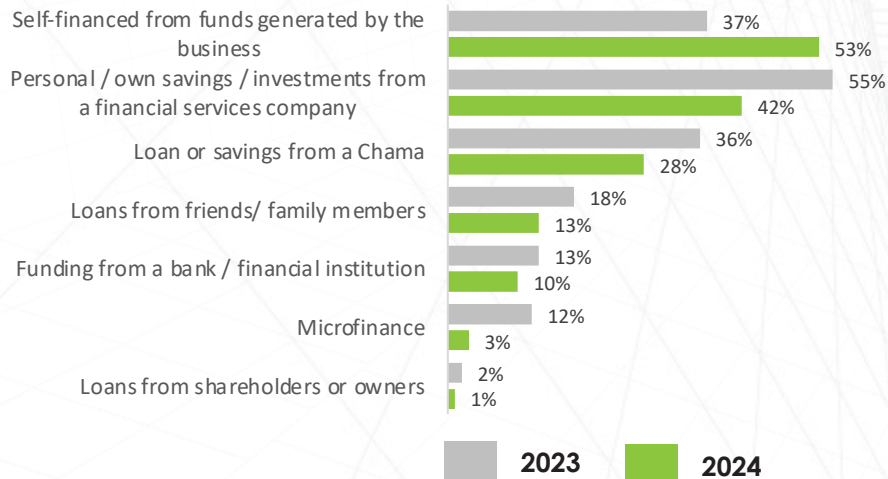


	Male	Female	20-29 Years	30-49 Years	50-59 Years	Formal Sector	Informal Sector
Sample	325	325	163	390	98	195	455
Polyjobbers	27%	13%	17%	21%	19%	30%	15%



About 3 in 10 of these businesses are formally registered. Business financing primarily comes from business profits, personal savings or loans/savings from Chamas. **Very few businesses are accessing funding from formal financial institutions.**

Business financing



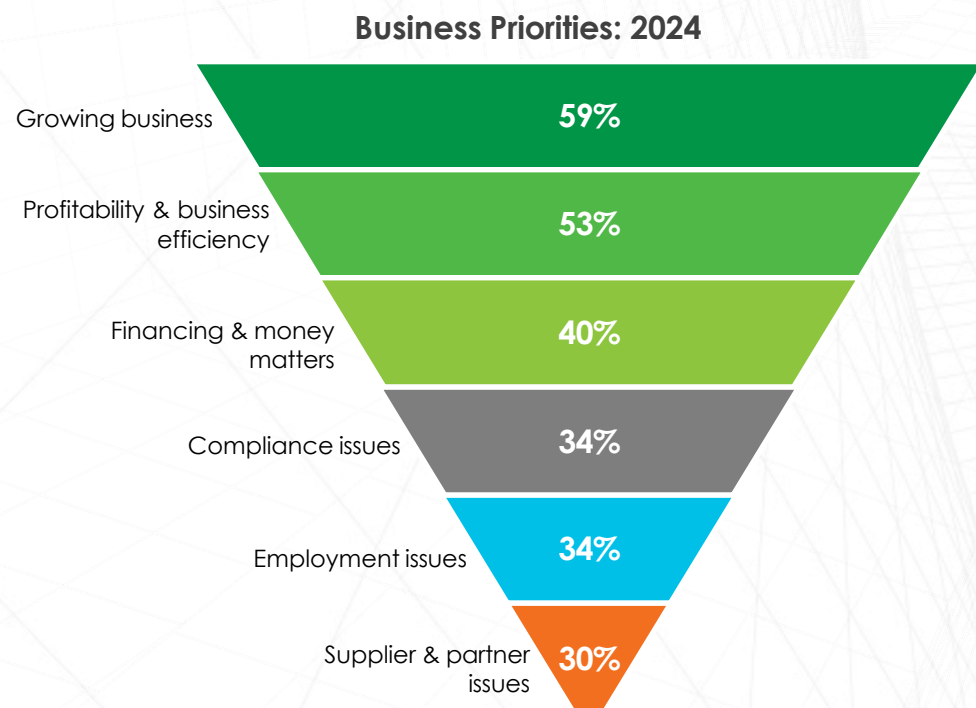
Formally registered business:
28%

Only 16% of business owners have business insurance



Top priorities for businesses is to grow and be profitable.

However, due to financial pressure over the last year, 2 in 5 have had to borrow money to help sustain their business.



Business priorities ranked as 1st, 2nd or 3rd most important.

FINANCIAL AND ECONOMIC PRESSURES CHANGES	%
Had to borrow money to put into the business	41%
Had to shop around and negotiate for better deals with suppliers	31%
Fallen behind on payments to suppliers	26%
Have had to adapt or change my line of business (i.e what I sell / services I provide)	18%
Had to pause or stop investing more money in the business	18%
Had to let staff go	16%
Had to write off bad debt	16%
Had to cut back wage bill	10%
Had to change or downscale my business premises	9%
Approached a creditor to make other payment arrangements (e.g. smaller repayments, asked for payment holiday etc..)	7%
Had to cancel or cut back on business insurance	3%

None of the above 14%



27% receive monies from family/friends living in Kenya or outside the country.

	Total	Male	Female	20 – 29 years	30 – 49 years	50 – 59 years	Formal sector	Informal sector
Sample:	650	325	325	163	390	98	195	455
Money from friends / family in Kenya	18%	15%	20%	28%	13%	21%	14%	19%
Money from friends/family/spouse living in another country	9%	9%	9%	11%	7%	11%	10%	8%
Rental income	3%	5%	1%	2%	3%	3%	4%	2%
Money from the government, such as a grant	2%	2%	3%	1%	3%	2%	3%	2%



Although Kenyans are working hard to make a living, income challenges are clear, as **only 3 in 10 manage to have money left** at the end of the month, after expenses.

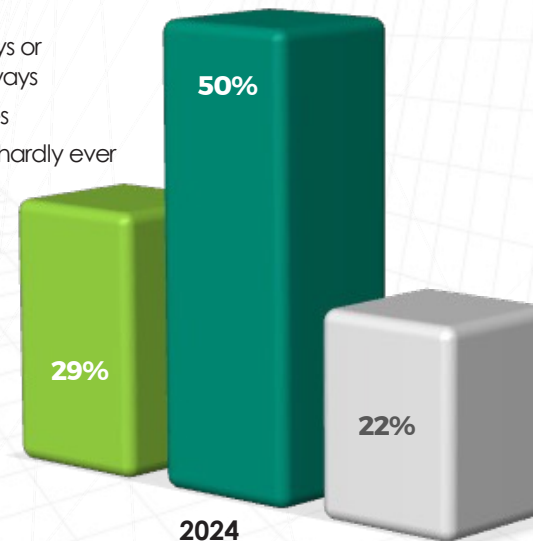


Only
37%

Say they are financially secure as they have enough money to pay for unplanned events

Does your household income cover all expenses with a bit of money to spare at the end of the month?

- Yes, always or nearly always
- Sometimes
- Never, or hardly ever



MONIES LEFT OVER	Male	Female	20-29 Years	30-49 Years	50-59 Years	Formal Sector	Informal Sector
Sample:	650	325	325	163	390	98	195
Yes, always or nearly always	32%	25%	30%	27%	33%	39%	24%
Sometimes	49%	50%	53%	51%	37%	47%	51%
Never, or hardly ever	19%	24%	16%	22%	29%	14%	25%

Females and those informally employed struggle the most.

FINANCIAL PRIORITY 2: CUTTING EXPENSES

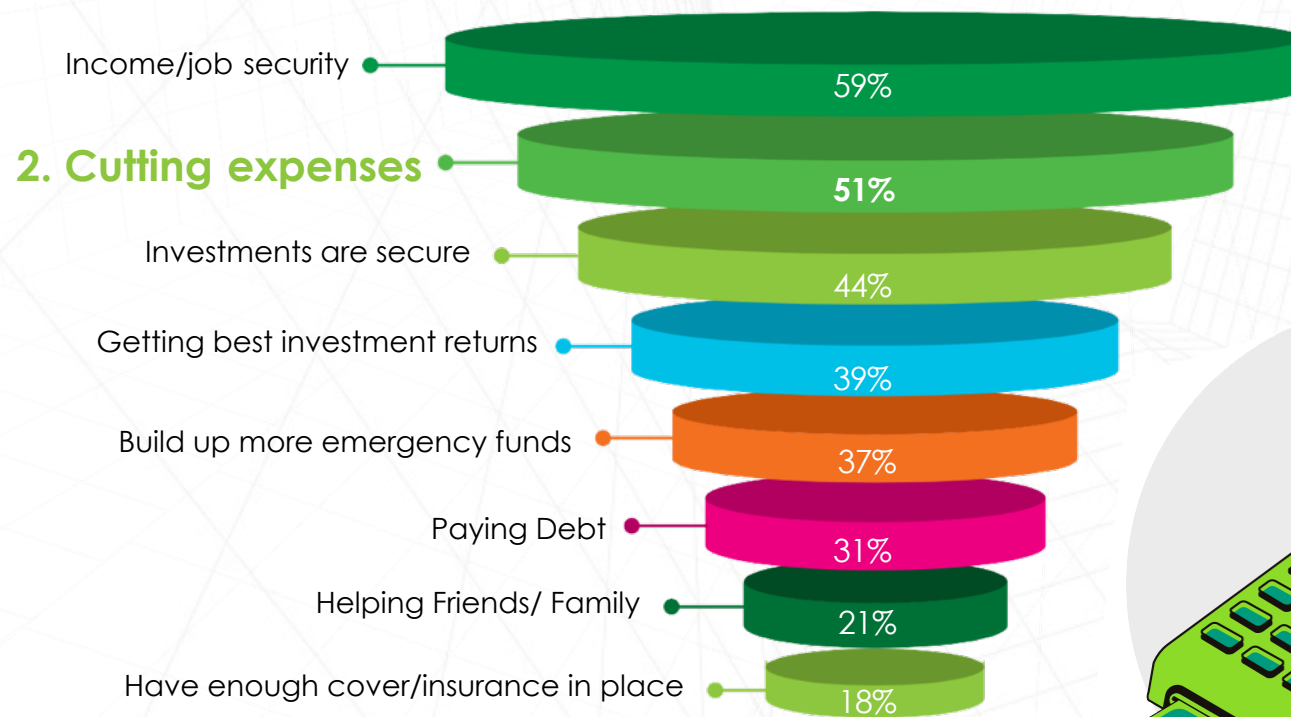
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Cutting expenses is the 2nd priority. It was mentioned as one of the key ways consumers believe would improve their finances and overall financial wellbeing.

Financial Priorities: 2024



Financial priorities ranked as 1st, 2nd or 3rd most important.

To manage their income better in the last 6 months, Kenyans have focused on cutting expenses and budgeting.



Something new or different tried in the last 6 months – with regards to handling money:

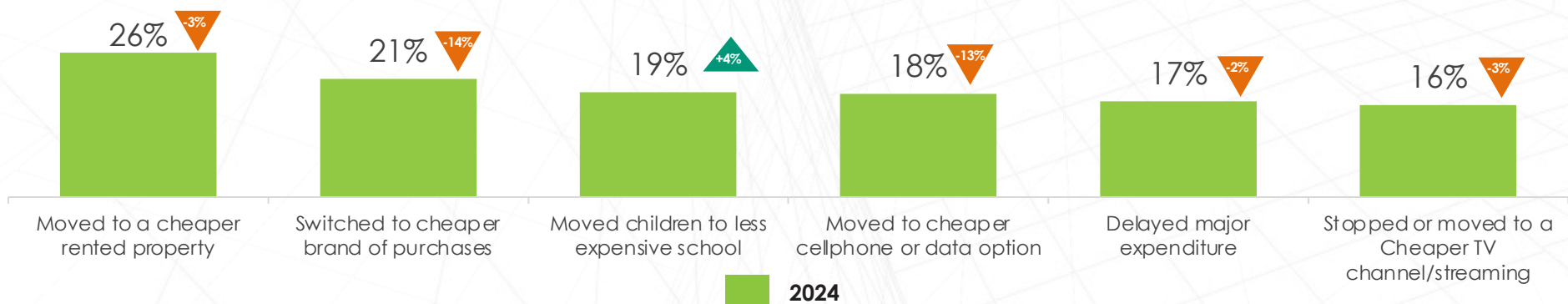
Cutting expenses

- "Cut down on unnecessary expenses e.g. luxuries"
- "Eating at home / Taking lunch from home"
- "Reduced overall budget"
- "Minimising amount spent on entertainment / Reduce weekend expenditure / vacations"

Budgeting

- "Strict budgeting / Good planning"
- "Setting financial goals"
- "Keeping book of all household expenses"

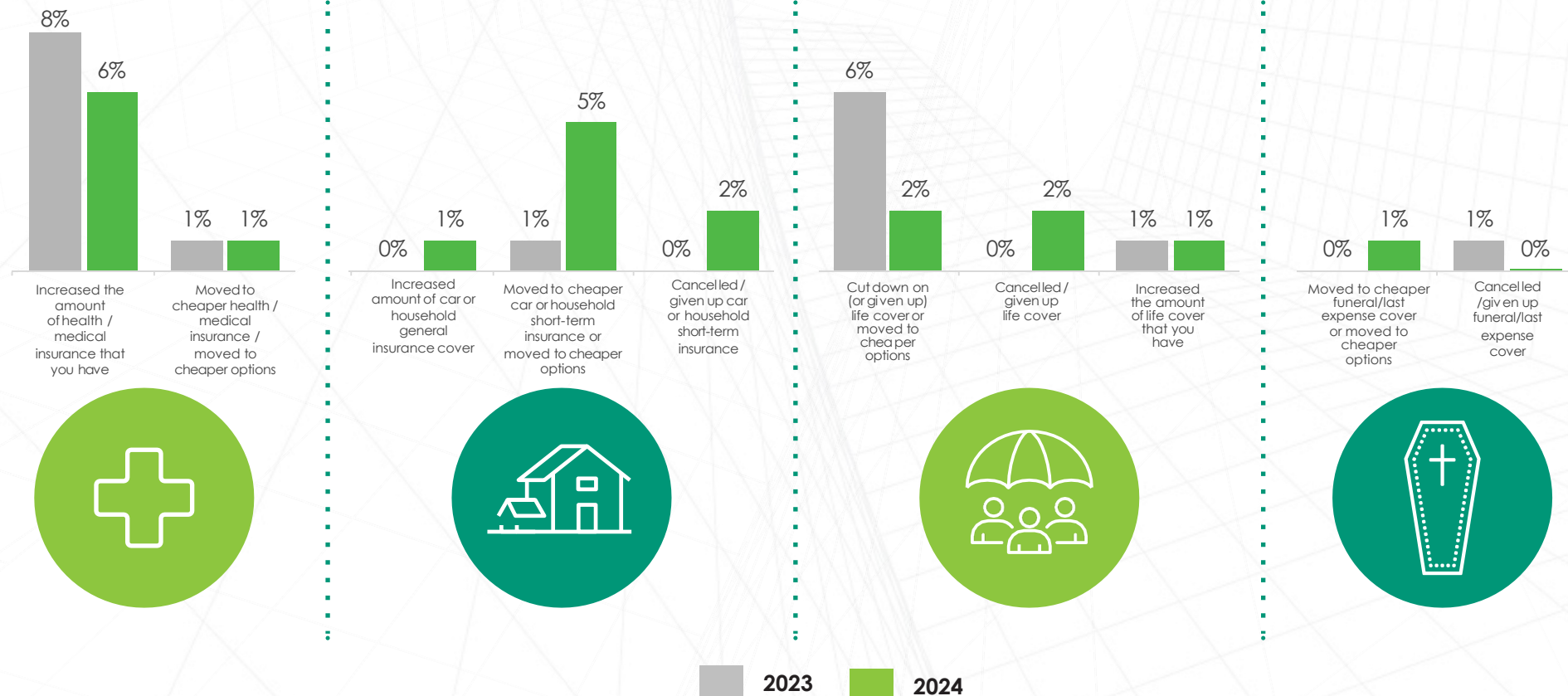
Lifestyle adaptations: Kenyans are **managing their expenses mainly by moving to cheaper rented property and purchasing cheaper brands**. Slightly more consumers are moving their children to less expensive schools, compared to the previous year.



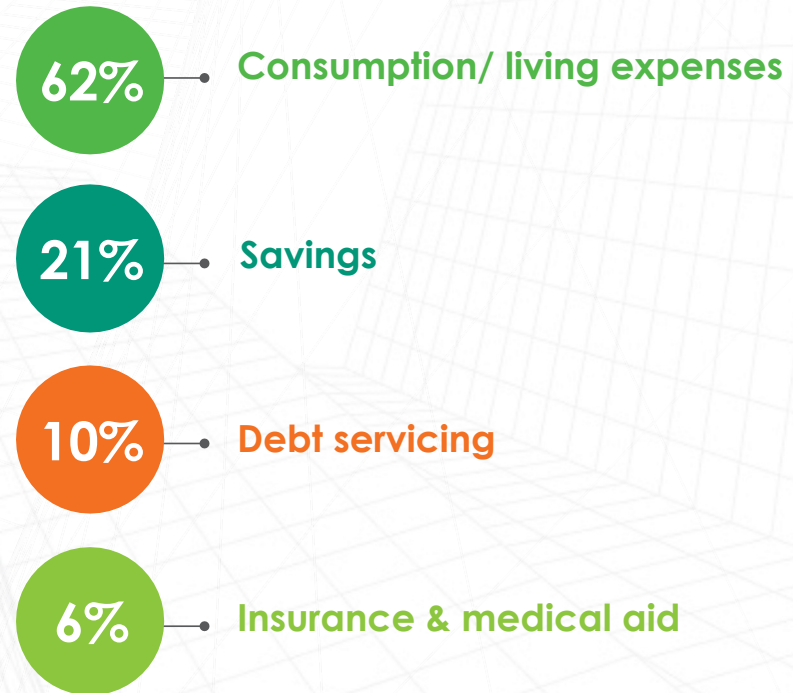


Consumers are likely to cut down on medical / health insurance, in cases where they have it.

85%
have not made changes to their insurance covers



Consumption makes up the majority of the Kenyan household monthly spending.



FINANCIAL PRIORITY 3: INVESTMENTS

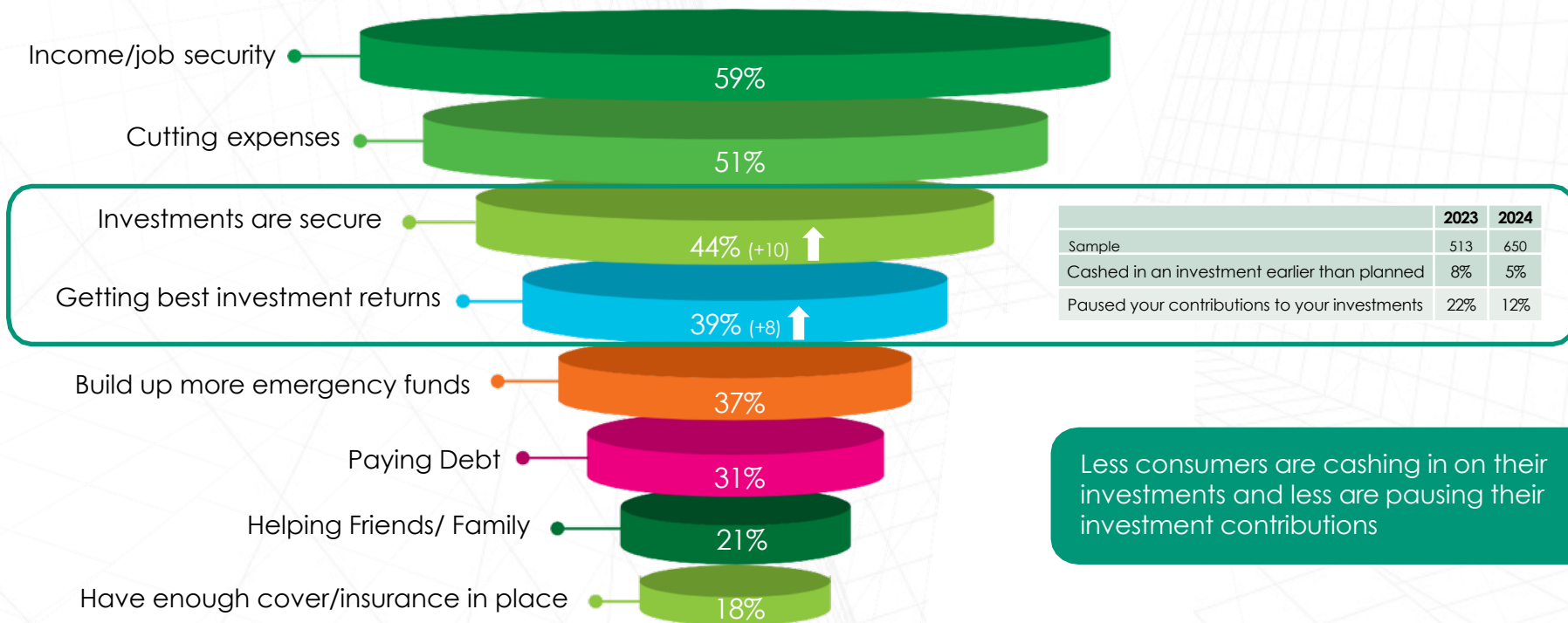
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Investments as a financial priority has **increased significantly** since the previous year.

Financial Priorities: 2024



Less consumers are cashing in on their investments and less are pausing their investment contributions

Financial priorities ranked as 1st, 2nd or 3rd most important.

When asked what consumer are doing differently to handle their monies, many **mention saving and investing more.**

Something new or different tried in the last 6 months – with regards to handling money:



Saving

- Saving even more / Saving money in the bank
- Saving in Chamas / Increased Chama contributions
- Saving in mobile money facility



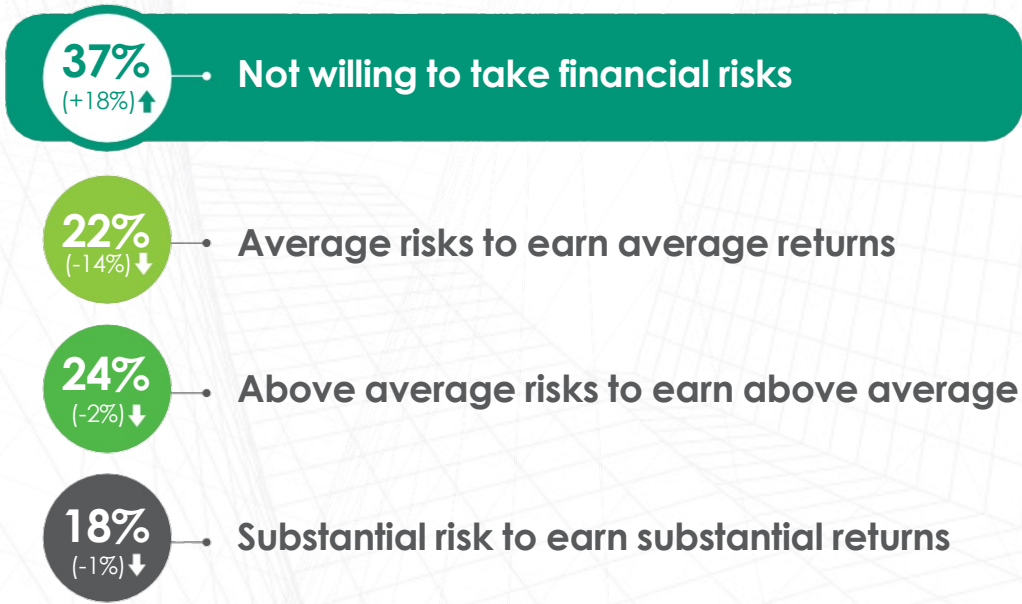
Investing

- Investing in business / starting a new business
- Buying stock / products for business





While investing has become more important to consumers, **there has been a significant increase in those not willing to take financial risks** (risk aversion). We do see however that 42% are willing to take above average and substantial risks to earn good returns; which has remained fairly steady since the previous year.



Confidence in making savings and investment decisions:

22% (T2B)

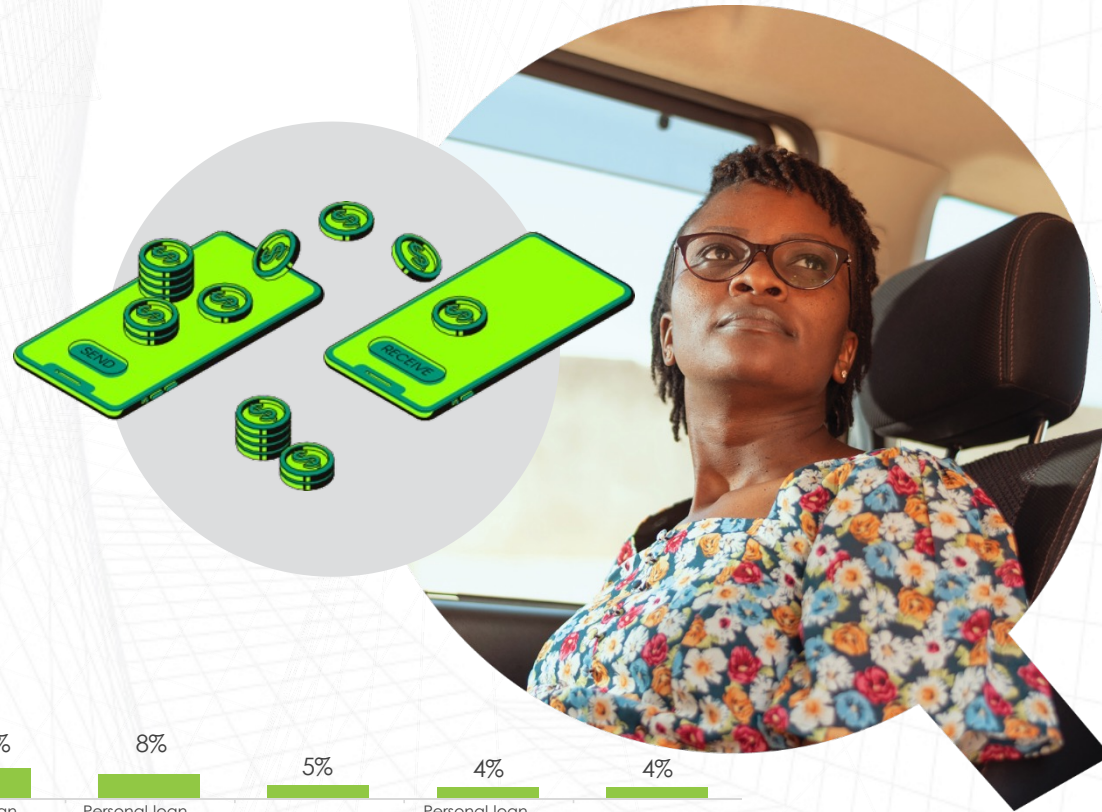
Confidence in making savings and investment decisions remains relatively low.

DEBT MANAGEMENT

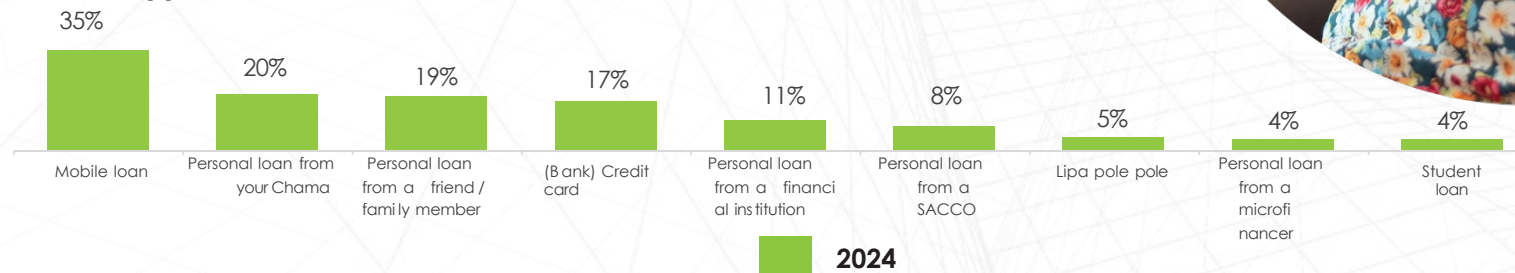
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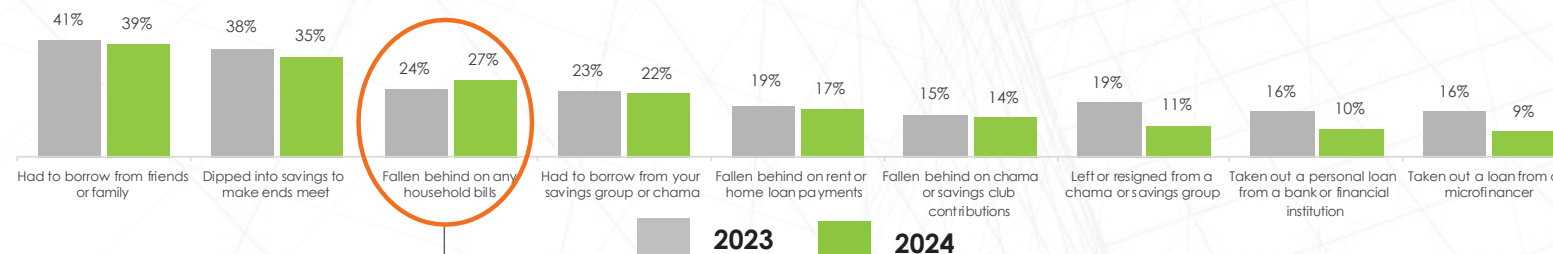
Kenyans are still borrowing to help sustain their livelihoods. They are doing this mainly through **mobile loans, personal loans from Chamas and loans from friends and family.**



Credit types



Coping mechanisms in the last year



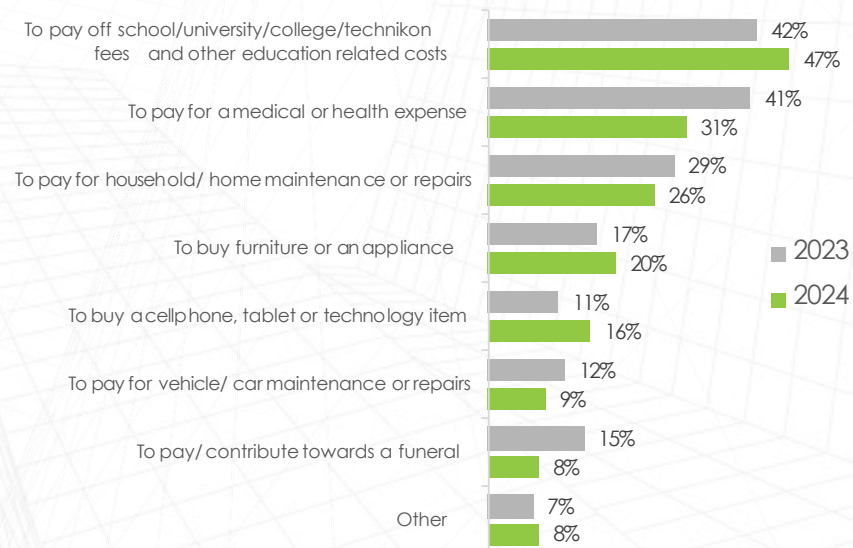
The number of consumers who have fallen behind on their household bills has increased slightly.



As seen in previous results, **loans are taken out for business purposes and to make ends meet.** Loans that are taken out for emergency purposes are usually to pay for education and medical expenses.

REASONS FOR TAKING A LOAN	
Buy stock / equipment for business	44% (+4%) ↑
Everyday expenses / ends meet	44% (+6%) ↑
Buy / pay for item or service	26% (+3%) ↑
Unexpected expense / emergency	24% (-9%) ↓
Pay off debt	14% (+3%) ↑
Lend money	6% (-%)
Pay for special celebration	1% (-3%) ↓

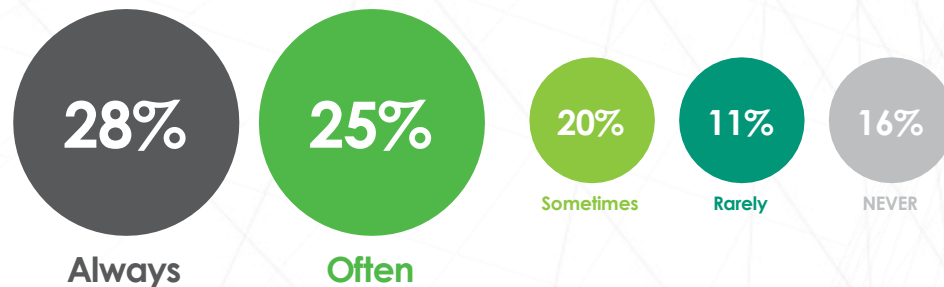
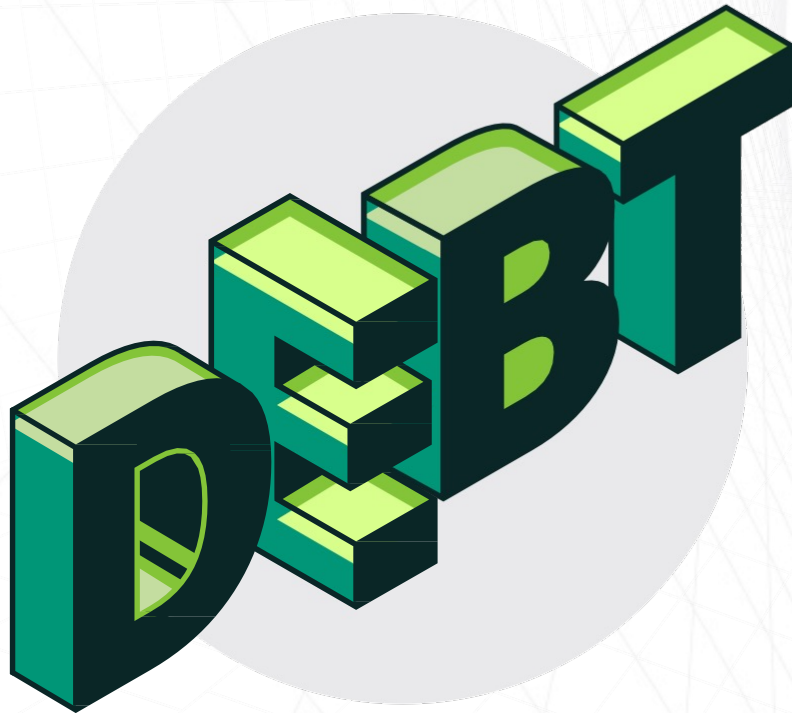
Unexpected expenses/items to pay for:



Debt servicing accounts for 10% of monthly household spending.



Over half of consumers are worried about their debt.



What consumers have done to manage their debt

Some consumers have taken out a loan to try consolidate their debt.



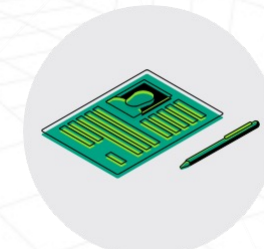
16%

Taken out a loan to consolidate debt



12%

Approached a creditor to make other payment arrangements



2%

Applied for formal debt review/debt counselling

HEALTH & WELLNESS

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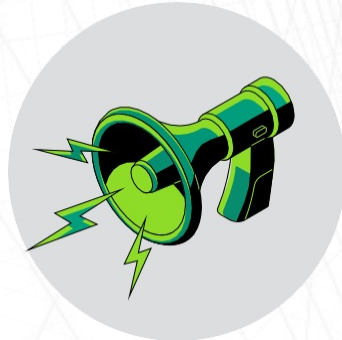




Medical insurance remains a key feature in Kenyans financial portfolio and the results reveal an increase in incidence of medical insurance.




42% ▲^{+7%}
Have insurance as an employee benefit



56% ▲^{+10%}
Have insurance in their personal capacity



 Likelihood of **taking up medical insurance** in the next year:
17% (T2B)

44%
(of those that don't have insurance in their personal capacity)
Say medical insurance is too expensive

Working Kenyans are very health conscious and strive to have a good balance between financial duties and enjoying life.



57% try to find a good balance between **financial concerns** and **enjoying life**



Almost 9 in 10 (87%) deem it important to be **physically healthy**

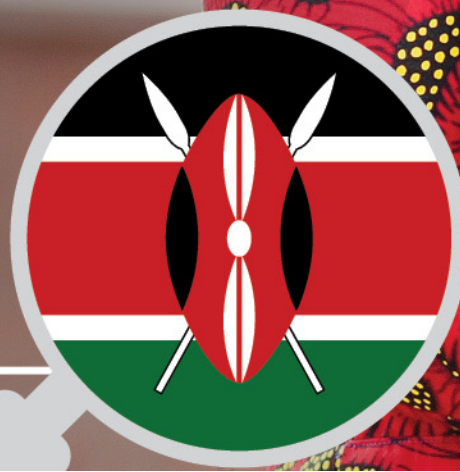


79% set **financial goals** for themselves



SAVINGS

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There are various ways that Kenyans' prefer to save - indicating that **they do not want all their eggs in one basket.**



In a/my business

47%



At a bank

45%



In property

39%



SACCOs & Chamas

33%



Mobile Money facility

26%



Livestock

23%



Trading and investing in shares

7%



Kenyans currently make more use of Chamas and mobile money facilities as savings platforms, than banked savings.



Use their mobile money facility for saving

58%



Currently save in a Chama

48%



Have cash savings at home (unbanked cash)

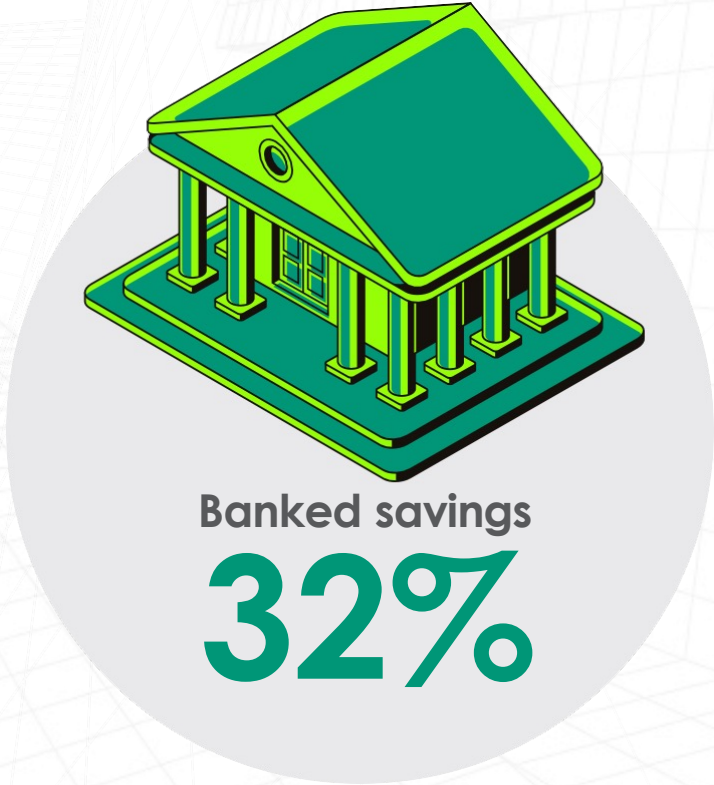
24%



Currently save in a SACCO

16%

VS



Banked savings

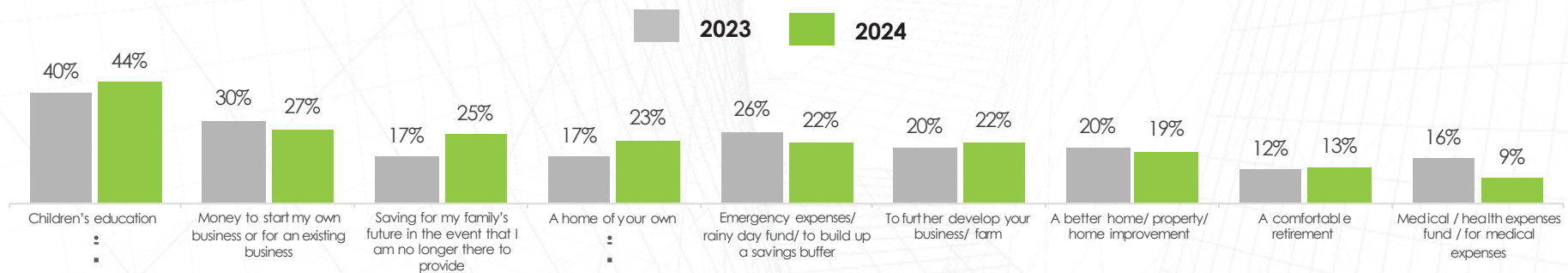
32%

Benefits of using mobile money: **convenience, ease of use and quickness.**

Benefits of having a Chama: **affordability (low contributions); access to loans and flexibility**

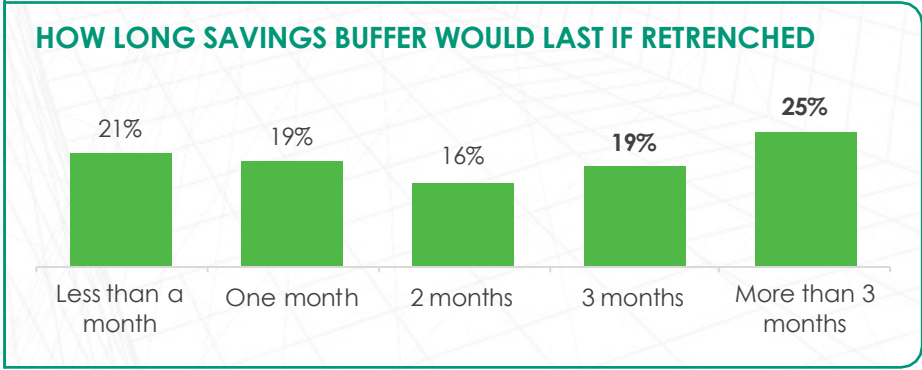


Children's education remains the leading savings goal among Kenyans.
There is also a significant increase in saving for family's future, indicating the importance of family and making decisions based on their needs.



Only **5%** are saving through a formal education policy

84% currently rent where they live



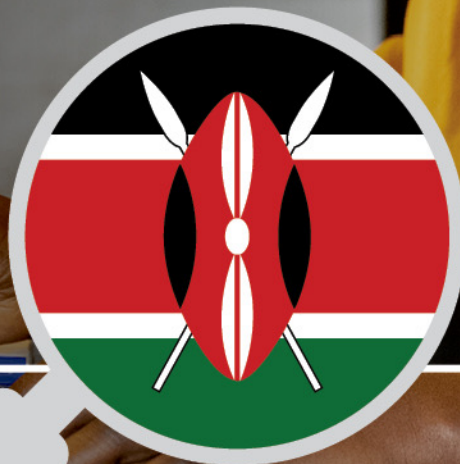


Saving for children's education is top priority across life stages. Saving for retirement is one of the top priority among 50+ year olds.

20 - 29 YEARS	30 - 49 YEARS	50 - 59 YEARS
Children's Education	Children's Education	Children's Education
Money To Start Own Business	Money To Start Own Business	Saving For Family's Future
Further Develop Business	Saving For Family's Future	Better Home/ Home Improvements
Emergency Expenses	Own Home	Retirement
Own Home	Emergency Expenses	Emergency Expenses

RETIREMENT SAVINGS

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More consumers are saving for retirement than the previous year. However, majority don't deem their savings adequate; as those that are not confident they have enough money to retire has increased.



36% +10%

Started saving for retirement

85% +4%

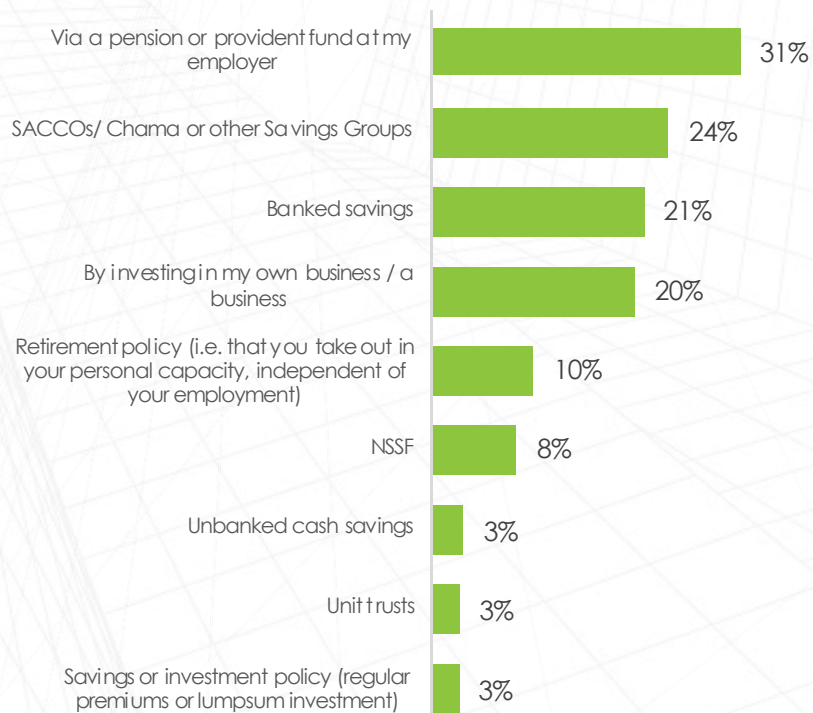
Feel it's important to save for retirement

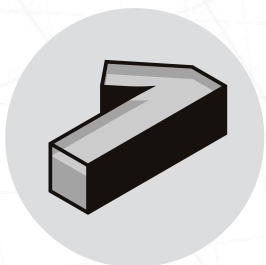
39% +6%

not confident that they have enough savings for retirement

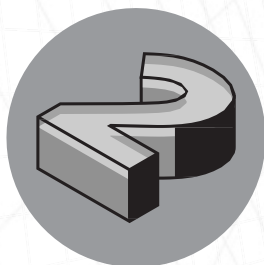
Pension/provident fund through an employer is the primary methods used to save for retirement.

Saving methods used for retirement: 2024





"Income doesn't allow me to save/ no extra money to put into a retirement plan/ expenditure is greater than income/ lots of expenses"



"Saving for education"



"Life is demanding and try to fend for daily needs/ concentrate more on daily basics"



Among those that have not started saving for retirement, not enough money and other priorities (such as paying for education) are leading barriers to not having started saving for retirement.



"Never thought of retirement money"



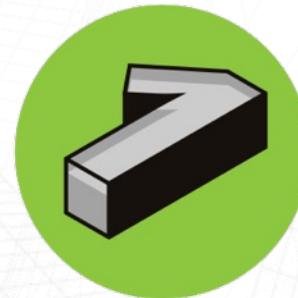
"In the future I will, I am planning to start saving"



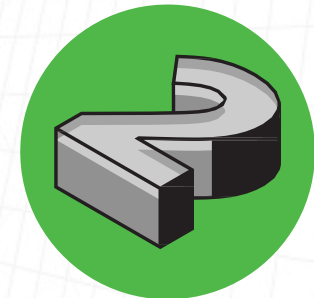
"It is not a priority, don't see why it's important"



When zooming in on the actions that **Kenyans aged 50 years and older** have taken to prepare for their retirement, the following are noted:



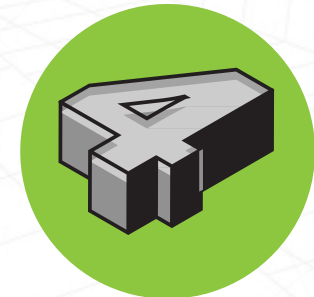
Retirement policies
(taking one up or maintaining current one)



Business expansion



Investing in livestock/farming



Saving in a bank

Despite the higher incidence of those saving for retirement, majority of consumers will still look to their children to take care of them when they are old. Reliance on government remains very low.



“My children should look after me financially when I are old” - T2B



The government will look after me if I am unable to look after myself” - T2B

NOTE: T2B is those that strongly and slightly agree with the statement

FINANCIAL KNOWLEDGE AND ADVICE

FINANCIAL SERVICES
MONITOR



Most Kenyans do not use a financial adviser and gather financial information from word of mouth, personal relationships and traditional media.



... **88%**
Do not have a financial advisor

... **12%**
Have a financial advisor

3/4
(of those that have an adviser) have consulted with them in the last year

MEDIA	%
Word of mouth / friends and colleagues	50%
TV	40%
Internet / websites	40%
Radio	38%
Newspapers	19%
Bank Consultant	13%
Social media – Youtube	12%
Social media – Facebook	12%
Magazines	10%
Brochures from banks / financial institutions	9%

CONCLUSION

FINANCIAL SERVICES
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The Old Mutual Financial Services Monitor highlights how Kenyans are continuing to find ways to thrive in tough times.

Working Kenyans are committed to creating a better future for themselves and their families by managing their money better today, while investing for tomorrow.

The country's entrepreneurial spirit remains strong, and is a key part of how Kenyans are sustaining their livelihood, what they are saving towards, and some are even looking at business ownership as part of their retirement planning.

Consumers should be cautious of placing heavy reliance on debt. A continued focus on debt management is needed to improve financial wellbeing.

A key aspect to Kenyans achieving their financial aspirations is through getting financial advice to support them in managing their financial priorities for today and tomorrow.



2024

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KNOW BETTER. DO BETTER

