Opportunities and Challenges for Youth Financial Inclusion in Africa

SEEP is a Collaborative Learning Network

Markets that provide opportunities for all people to engage and prosper.

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Objectives & A Few Questions Upfront

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Webinar Objectives

• Present new information on the youth market for financial services in three African countries

• Discuss the implications of the new information for how FSPs serve the youth market

• Identify concrete action steps that participants in the webinar can take to improve the provision of financial services to the youth market
Warm Up Question 1

When you think about the youth market for financial services, what words or phrases immediately come to mind?

Please write your words and phrases in the Q&A box so everyone can see them.
What examples have you observed of financial service providers serving or failing to serve the youth market?

Please make a note of examples so that you can return to them later.
Opportunities and Challenges for Youth Financial Inclusion in Africa

August 27, 2019 | 9:30 – 10:30 am EDT

Guy Stuart
Microfinance Opportunities

Marcienne Umubyeyi
L-IFT

Lise Paaskesen
Lise Consultancy
Key Findex Findings – The Size of the Youth Market

Guy Stuart
Microfinance Opportunities (MFO)
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Youth Access in Senegal

• Youth and adult access = 53%

• Access by age
  • Mid-teens – 42%, of which about 3 in 4 are digital
  • Youth (18 to 24) – 60%, of which about 3 in 4 are digital
  • Young adults (25 to 30) – 64%, of which about 3 in 5 are digital

• Unserved youth market (estimates based on census data)
  • Mid-teens – 580,000
  • Youth (18 to 24) – 760,000
  • Young adults (25 to 30) – 260,000
Youth Access in Nigeria

• Youth and adult access = 45%

• Access by age
  • Mid-teens – 30%, of which about 3 in 5 are digital
  • Youth (18 to 24) – 50%, of which about 1 in 7 are digital
  • Young adults (25 to 30) – 54%, of which about 1 in 8 are digital

• Unserved youth market (estimates based on census data)
  • Mid-teens – 7.5 million
  • Youth (18 to 24) – 8.63 million
  • Young adults (25 to 30) – 2.78 million
Youth Access in Morocco

• Youth and adult access = 31%

• Access by age
  • Mid-teens – 7%, of which about 3 in 4 are digital
  • Youth (18 to 24) – 33%, of which about 1 in 3 are digital
  • Young adults (25 to 30) – 38%, of which about 1 in 5 are digital

• Unserved youth market (estimates based on census data)
  • Mid-teens – 1.6 million
  • Youth (18 to 24) – 2.2 million
  • Young adults (25 to 30) – 1.8 million
Key Diaries Findings

Marcienne Umubyeyi
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L-IFT
Low-Income Financial Transformation
Looking at the Four Main Elements of Young People’s Financial Lives

- Savings
- Income
- Loans
- Expenditures
Tracking Financial & Other Support Amongst Young People

Giving and receiving support
Evidence of Young People’s Expenditure

Assessing Financial Diaries of Young Savers in Senegal
Key Qualitative Findings

Lise Paaskesen
Lise Consultancy
mail@liseconsultancy.nl
Qualitative: Influencing Factors on Access

Gender relations
Age
Life cycle development

“If the husband does not make enough money, we help him. But, we also have to do the housework and make sure the food is cooked.”
~ Young women, Mbour area, Senegal ~

“We feel the pressure to become the man of the house. We keep our challenges to ourselves and have little support. It is not easy for us.”
~ Male youth, Benin City, Nigeria ~

“We meet every week and learn how to do embroidery here. We like coming here – it gives us a chance to leave the house, meet other women and learn something. Otherwise, we would just be at home.”
~ Young woman, Casablanca ~
Qualitative: Support Offered to Young Entrepreneurs & Challenges Remaining

Entrepreneurial Ecosystem
- Young people prefer self-employment
- Urban vs. rural

Training and Education
- What knowledge are young people looking for?
- Which type of training is given?

“When we get married, we are forced to put our dreams on hold. This affects productivity and excludes us.”
~ Young women, Benin City, Nigeria ~

“I am a tailor. But, I do not have a sewing machine. I can work from home, though my husband fears it will take too much time from housework. If I could just buy a machine, I can earn little money.”
~ Young woman, Mbour area, Senegal ~

“What we lack is support in how to come up with an idea for a business. There is training and education, but we want to know how you start a business.”
~ Group of young people, Casablanca ~
Task for the Audience:

Based on what you have learned today, give one example of a concrete “next step” you would like to take.

Put these in the Q&A box and we will try to highlight some at the end.
Conclusions 1: Implications for Scale2Save Partner Banks

Scale2Save. Micro Savings, Maximum Impact.

To establish the viability of small-scale savings accounts

Objective:
Bank 1 million people

Geographic scope:
6 countries in Africa

Projects:
9 with innovative models

Timeframe:
Sep 2016 to Feb 2022
Conclusions 2: Implications arising from the Field Work

Family accounts to enable young people’s finances

- Facilitate intra-family transactions
- Help even youngest to access accounts
- Get young people onboard early and get familiar
- Demonstrate the increasing size of their financial lives
- Track record and (family) guarantee for loans
Based on what you have learned today, here are a few examples of a concrete “next step” that you would like to take.
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<thead>
<tr>
<th>Panelist Name</th>
<th>Organization</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
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For more information about SEEP’s Savings Led Working Group, contact **Eloisa Devietti**: devietti@seepnetwork.org

[www.seepnetwork.org](http://www.seepnetwork.org)
SEEP Announcements

Webinar Spotlight
What Does Consumer Protection Mean for Savings Groups?
September 10 | 9:00 – 10:00 am EDT

Request for Proposals now live!
Submit a Peer Learning Session Proposal for one or more of the four Technical Tracks:

Track 1: Leaving No One Behind
Track 2: Springboards for Youth to Education, Employment and Entrepreneurship
Track 3: Gender-transformative Approaches for Women’s Economic Empowerment
Track 4: Achieving Scale and Sustainability through Digital Savings Groups