



Improving Urban Poor Women's Wellbeing through Financial Inclusion



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Study Area – Mukuru, Nairobi



- ❖ Informal Settlement (Slum)
- ❖ Population - 302,000
- ❖ Population density - 471 per acre
- ❖ Two main areas
 - ✓ Mukuru kwa Ruben
 - ✓ Mukuru kwa Njenga
- ❖ Challenges:
 - ✓ High poverty levels
 - ✓ Environmental hazards
 - ✓ Poor quality and access to basic services

Status of Women in the Study Area



- Lack of access to affordable financial services
 - Few financial service providers targeting women
 - Exorbitant bank charges
- Financial illiteracy and information asymmetries
- Distance to the nearest service points a challenge
- Lack of collaterals
- Other socio-cultural factors

Savings groups

- Provide women financial security (easily available in shock situations)
- Possibility to use micro-loans
- Enhance savings behavior by enforcing a consistent commitment to save.
- Women practice business, public speaking, and decision-making skills
 - Develop their self-confidence and empower them to become leaders in their communities





SHORT CLIP

Saving groups in Mukuru kwa Njenga slums



Research Objectives

1

Document the most promising and innovative financial schemes to women empowerment.

2

Investigate the motivating factors for joining & remaining in Savings Groups.

3

Examine the effects of SGs on Women's usage of financial services, income, empowerment, consumption, & ability to cope with economic shocks

4

Recommend practical policy-relevant directions on how to support and scale-up savings schemes



Experimental Research

Treatment Group

- World Concern supported Saving Groups

Control Groups

- Women in ordinary Saving Groups
- Women not in any Savings Group

Data Collection

- ❖ Data was collected in three rounds
 - ❖ Baseline (610)– December 2018 – January 2019
 - ❖ End-line (463)– February 2020
 - ❖ Part of end-line - Jan 2021 (data on the COVID-19 pandemic)
- ❖ Data was collected using three sets of instruments:
 - ❖ Household questionnaires;
 - ❖ Key Informants interviews
 - ❖ Focus Group Discussions





Intervention for Treatment Group

World Concern intervened as follows:

- ❖ Mobilized communities to form Saving Groups
- ❖ Conducted community training
- ❖ Micro-enterprise development training
- ❖ Supplied Saving Groups kits
- ❖ Conducted Saving Groups follow-up activities
- ❖ Monitoring and Evaluation
- ❖ Weekly data collection and analysis
- ❖ COVID-19 community sensitization

Findings



Research Objective 1: Document the most promising and innovative financial schemes for women empowerment

- ❖ Informal Lending Institution (Chamas)
 - ❖ Rotating Savings and Credit Associations (ROSCAs)
 - ❖ Accumulating Savings and Credit Associations (ASCAs)
 - ❖ Welfare Groups
 - ❖ Investment Groups
- ❖ Savings and Credit Co-operative Societies (SACCOs) & Financial Services Associations (FSAs)
- ❖ Moneylenders and moneylending
- ❖ Informal asset financing
- ❖ Agency banking model
- ❖ Digital banking (e.g. Mpesa & Mshwari)
- ❖ Others: Family and Relatives



FINDINGS

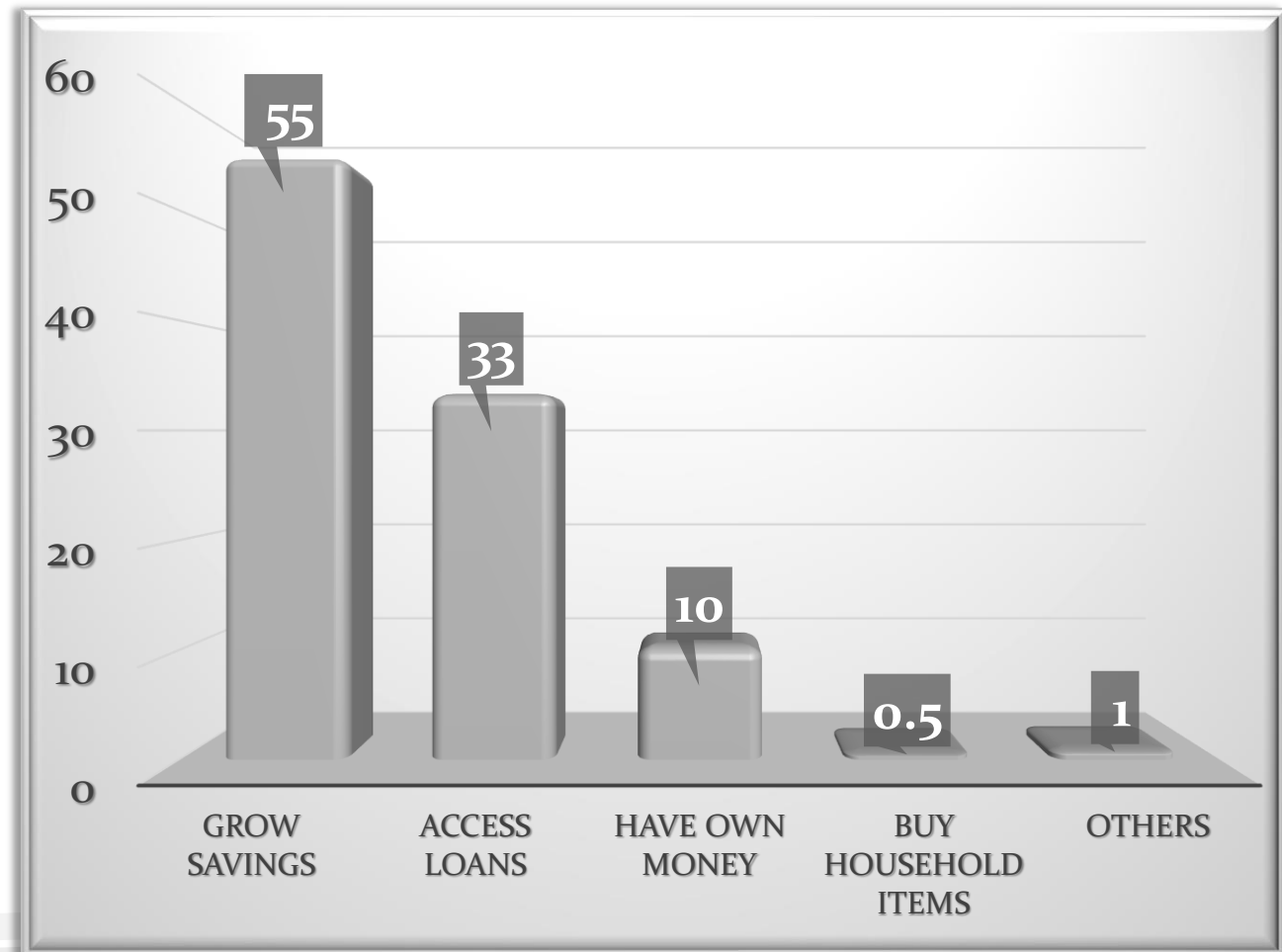
Research Objective

1: Document the most promising and innovative financial schemes to women empowerment

- ◆ Institutions are nimble and efficient
- ◆ Easiness in deposit taking and access to loans
- ◆ Growth through harnessing of local resources
- ◆ Leverages group solidarity, personal relationships, and trust
- ◆ Locally owned and managed
- ◆ Focus on client's asset accumulation and consumption smoothening
- ◆ Provides incentives for individual growth and financial discipline
- ◆ Target on community wealth creation and distribution

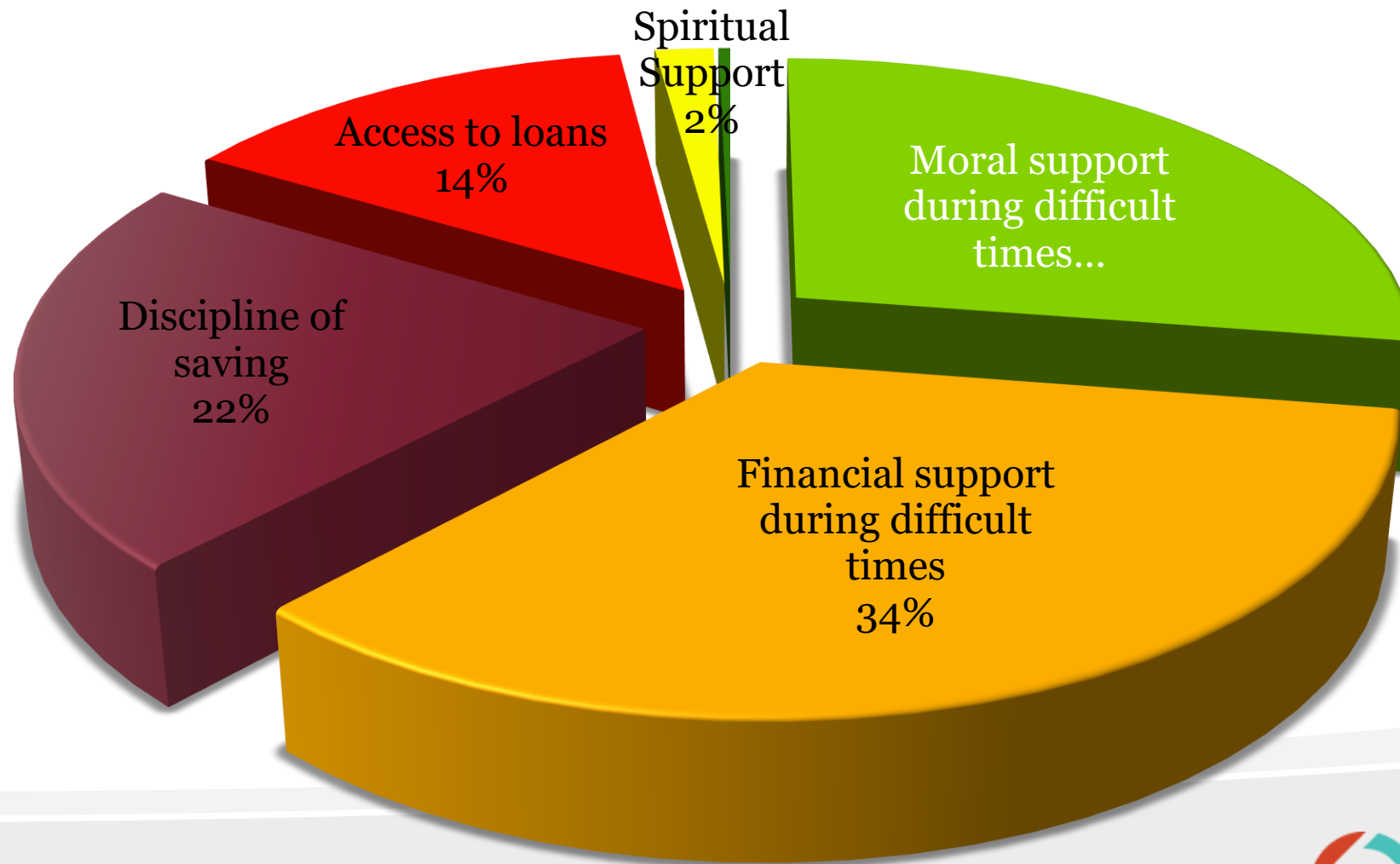
FINDINGS: Motivation to join SGs

Research Objective 2: Investigate the motivating factors for joining and remaining in Savings Groups.



FINDINGS

RO2: Motivating Factors to remain in SG





FINDINGS (Baseline Descriptive)

RO3: Examine the effects of SGs on Women's usage of financial services, income, empowerment, consumption, and their ability to cope with economic shocks

Characteristics/Variables	WC SGs n = 198	Other SGs n = 203	Not in SG n = 209
Respondent's age	34.32	30.78	29.97
Female-headed household	33%	17%	23%
Respondent is married	72%	87%	76%
Post-primary education level	58%	58%	68%
Able to read, write and count	91%	93%	94%
Total household members	4	4	4
Number of dependents	4	4	3
Self employed (Business)	71%	67%	57%
Casual labourers	17%	21%	17%
Emergency savings	61%	55%	45%

RO3: COMPARISONS ON EMPOWERMENT DOMAINS

Empowerment Variables	WC SGs	OTHER SGs	Not in SGs
Economic empowerment index	↑ 12%	↑ 2%	↑ 1%
Confidence and self-worth	↑ 41%	↑ 21%	↓ 22%
Intra-household decision-making	↑ 4%	↑ 8%	↓ 1%
Social empowerment index	↑ 78%	↑ 34%	↓ 39%
Financial security	↑ Ksh 4493	↑ Ksh 2513	↓ Ksh 339



FINDINGS

RO₃: EMPOWERMENT DOMAINS

We did not detect effects on

- Household expenditures
- Household asset index
- Voice and leadership



EFFECTS OF COVID-19

Effect	Percent
Reduced business/economic activity	89
Closure of business	53
Job loss	29
Limited movement	37
Non-participation in social functions	34



COPING MECHANISMS FOR COVID 19

Coping Mechanism	Percent (%)
Support from SG	42
Accessed my savings with SG	89
Received a loan	15
In-kind support from group members	37
Support from Govt	5
Support from family/friends	34
Support from NGO/Church	8
Used own saving	13
Sold property	3
Reduced/switching consumption expenses	79
Relocated some family members to the village	42



CONCLUSION

- ◆ Informal financial services have had a positive impact in enhancing financial inclusion for women
- ◆ Women in Saving Groups had better socio-economic outcomes than women not in any saving group
- ◆ Women supported by World Concern had better socio-economic outcomes than women in unsupported Saving groups
- ◆ Saving Groups promoted women's agency and self-efficacy – Groups enabled them to have decision-making authority and confidence to lead
- ◆ Saving Groups had a positive impact on participant's ability to respond and cope with COVID 19



RECOMMENDATIONS



Program Development

- ◆ Increased training and financial support to reach the unbanked population with Saving Groups
- ◆ Develop innovative methods for wholesale lending to Saving Groups (revolving fund) to increase their lending portfolio
- ◆ Improve efficiency and reach of SGs by leveraging technology eg development of SGs App to ease record keeping and communication
- ◆ Development of affordable and relevant insurance products for SMEs to withstand various shocks e.g. pandemics



Recommendations

Policy and Research

◆ Policy development on how to:

- ◆ regulate informal money lenders and lending
- ◆ Strengthen/facilitate informal financial institutions to achieve financial inclusivity for all
- ◆ reduce red tape and bureaucracy for informal groups accessing state funding

◆ Further Research:

- ◆ Saving Groups and resilience building
- ◆ Moneylenders as community economic development agents



Thank You