



Press Release
15 December 2016

**1 out of 5 citizens (22%) has a bank account, up from 19% in 2014
At the same time, 1 in 6 citizens (14%) remain financially excluded**

15 December 2016, Dar es Salaam: One out of five citizens (22%) have an individual or joint bank account, up from 19% in 2014. Access to bank accounts varies significantly between different groups: the richest households 56%, poorest households 6%; urban citizens 41%, rural citizens 13%; and men 24%, women 20%.

There is little difference between age groups in terms of access to bank accounts. Among those who did not have a bank account (78%), eight out of ten (81%) cite a lack of money as the main reason why they did not have one.

These findings were released by Twaweza in a research brief titled *Money Matters: Citizens and financial inclusion*. The brief is based on data from *Sauti za Wananchi*, Africa's first nationally representative high-frequency mobile phone survey. The findings are based on data collected from 1,800 respondents across Mainland Tanzania (Zanzibar is not covered in these results) between 14 and 26 September 2016.

The share of the adult population using mobile money has expanded from 61% in 2014 to 80% in 2016. This means that the Government target of achieving 50% financial inclusion by 2016 has been exceeded by a large margin. A new target of 80% financial inclusion by 2017 has been set in recognition of the fact that, according to the Bank of Tanzania, 50% of citizens used mobile money services in 2014. It is worth noting that the *Sauti za Wananchi* sample shows higher figures for users of mobile money services because *Sauti za Wananchi* distributes mobile phones to the sample.

Users of mobile money services are generally satisfied with the services offered: 8 out of 10 (79%) report this. One out of ten (10%) however are unsatisfied, almost all of these cite cost as the reason for their discontent. When all citizens were asked about the cost of mobile money services generally, 4 out of 10 (38%) thought these were too expensive.

Most mobile money users (79%) are sending and receiving money through the service. Far fewer citizens are using mobile money to save money (22%) or to pay utility bills (11%).

Access to other financial services has also grown in Tanzania, however at a much slower rate than mobile money services.

One out of three citizens (35%) has ever borrowed money and the largest share of these loans (41%) were taken from family or friends. A total of 31% borrowed money from formal sources including banks (16%), microfinance institutions (11%) and SACCOs (4%). The majority of Tanzanians have borrowed money for their business (34%) or their daily household expenses (26%).

One in four citizens (27%) has an insurance product, the majority of who (98%) report having health insurance.

Overall, one in six (14%) adults in Tanzania is financially excluded, defined as not having a bank account, mobile money account, insurance product or loan from a formal financial institution (bank, MFI or SACCO). The rate of financial exclusion varies between groups:

- Men 12%, women 16%
- Urban 7%, rural 18%
- Richest households 2%, poorest households 24%
- Aged 18-29: 12%, aged over 50: 17%

Aidan Eyakuze, Executive Director of Twaweza, said: *“Access to financial services, and financial inclusion generally, has improved significantly, in the country. Access to credit and insurance, the ability to send and receive money simply and securely, and safe places to store any savings can help to both reduce the vulnerability of the poor and increase their productivity. Government can take credit for for creating an enabling environment for companies and particularly for facilitating our inter-operable financial network. At the same time, financial inclusion is currently driven almost entirely by mobile money. And the data show that these services are used largely for money transfers. This means that many citizens are not enjoying the increased security associated with insurance, access to credit and savings. Moving forward, the onus is on mobile money operators, banks and other financial institutions to come together and offer services and solutions that really work for the excluded.”*

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Notes to Editors

- This brief and the data contained can be accessed at www.twaweza.org, or www.twaweza.org/sauti
- Twaweza works on enabling children to learn, citizens to exercise agency and governments to be more open and responsive in Tanzania, Kenya and Uganda. We have programs, staff and offices across all three countries, and a globally respected practice of learning, monitoring and evaluation. Our flagship programs include *Uwezo*, Africa’s largest annual citizen assessment to assess children’s learning levels across hundreds of thousands of households, and *Sauti za Wananchi*, Africa’s first nationally representative mobile phone survey. We undertake effective public and policy engagement, through powerful media partnerships and global leadership of initiatives such as the Open Government Partnership

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