



EFInA
Enhancing Financial Inclusion & Advancement
...Evidence Driven, People Focused

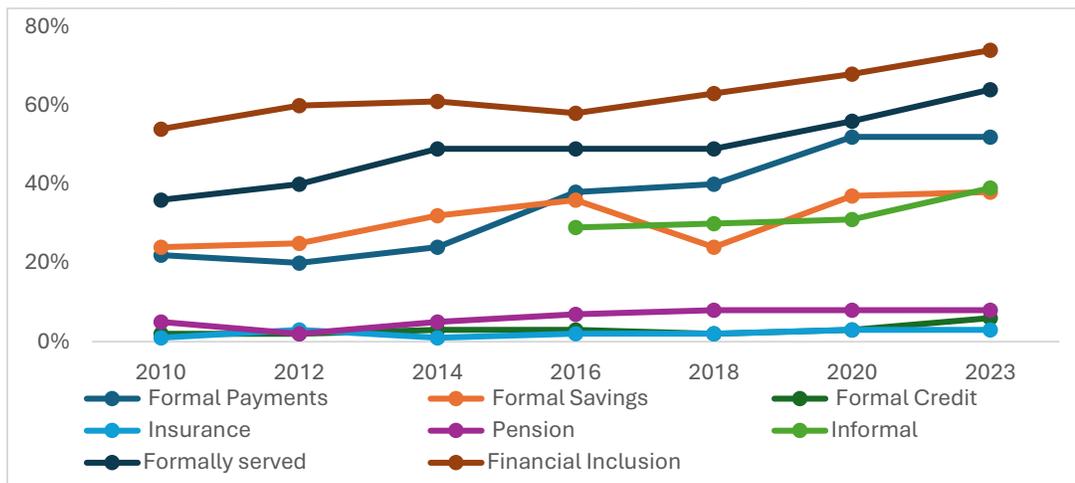
The State of Financial Health in Nigeria

A story of growing vulnerability and the quest for financial resilience

Overview of Nigeria’s Financial Inclusion Journey

While Nigeria’s financial inclusion landscape has experienced notable growth in access and digital payments, a significant opportunity still exists to enhance impact by improving the usage, quality, and relevance of financial services—especially to boost financial health and resilience among underserved segments.

Figure 1: Nigeria's Financial Inclusion Trend (% of adults)



Source: A2F Surveys (2008 - 2023)

As shown in Fig. 1 above, the limited uptake of resilience-focused financial solutions, such as credit, insurance, and pensions, represents a missed opportunity to build financial stability. This disconnect weakens the transformative potential of finance to improve livelihoods, grow small businesses, and drive inclusive economic development. To close this gap, Nigeria must join the global movement and prioritize **financial health** as a core metric of progress—ensuring that access translates into real, measurable well-being for individuals and communities.

Defining and Measuring Financial Health

EFInA’s A2F survey measures financial health as how well Nigerians are **spending, saving, planning, and managing risk** in ways that enables them to be resilient and pursue opportunities. The survey identifies 7 indicators across these four dimensions:

Spend	ability to manage day-to-day financial obligations	<ul style="list-style-type: none"> Spend less than income Gone without food
Save	build and maintain reserves, with the ability to satisfy liquidity needs	<ul style="list-style-type: none"> Have savings to cover monthly income
Plan	Intentional prioritization of developmental outcomes	<ul style="list-style-type: none"> Plan ahead financially Confidence in meeting long-term life goals
Manage Risk	Able to leverage financial resources to weather and recover from shocks	<ul style="list-style-type: none"> Access to emergency funds^a Gone without medicine

^aDenotes the percentage of adults, who report that in case of an emergency it is possible for them to come up with 1/10 of gross national income (GNI) per capita in local currency - N45,000 in 2020, N75,000 in 2023

Trends in Financial Health of Nigerians from 2020 - 2023- A Nation Living on the Edge

In terms of **Day-to-Day Financial Stability** – how well individuals can meet their basic needs and manage everyday expenses without disruption, the data suggests a weakening of resilience:

- 84% of adults reportedly faced liquidity distress (ran out of money in the past 12 months) in 2023, up 11 points from 2020. Approximately 82m adults faced severe liquidity distress due to rising inflation and stagnant incomes
- 58% of adults sometimes go without food due to financial constraints, up 19 points from 2020, suggesting more households are food insecure
- 78% of adults report that it will be very difficult to raise emergency funds within 7 days in the case of an emergency, up 15 points from 2020, a critical stress signal
- 58% of adults sometimes go without medicine, up 23 points from 2020, suggesting significant decline in health resilience from rising difficulty accessing essential healthcare

In terms of **Financial Resilience and Planning** - the ability to plan for the future, absorb shocks, and progress toward long-term goals, the data suggests growing optimism, though this has yet to translate into financial resilience:

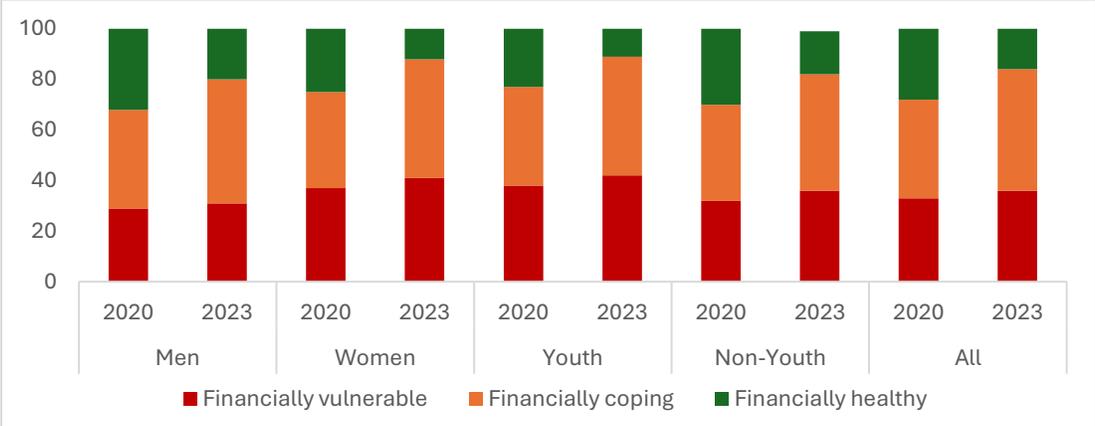
- 77% of adults do not have enough savings to cover three months of income, up 2 points from 2020, indicating exposure to shocks and deepening vulnerability to poverty cycles
- 76% planning financially, up 7 points from 2020, suggesting more adults proactively managing finances as a coping mechanism to financial stress
- 61% of adults are not very confident that they will meet their long-term life goals, down 4 points from 2020. Better financial planning potentially increasing financial confidence despite economic strain

Across demographics, women and non-youth (30 years and older) experienced a steeper rise in liquidity distress and food insecurity between 2020 and 2023. Men and non-youths report higher difficulty assessing emergency funds—highlighted by a 16-point increase in those reporting it was “very difficult” to raise 10% of GNI in 7 days. Short-term saving capacity remained low across the board but was particularly limited among women and youth (15-29 yrs), who recorded gaps of 7 and 10 percentage points, respectively, compared to men and non-youth. While access to healthcare deteriorated significantly for all, non-youth saw the sharpest decline in the ability to afford medicine. Interestingly, youth and women showed the most notable growth in financial planning—likely influenced by the growing use of technology to foster peer-driven financial communities and democratize access to knowledge, tools, and networks that empower women and young people.

In sum, while there were modest gains in financial planning and confidence, overall economic resilience and access to basic needs deteriorated, particularly for women and youth. The consistent rise in food and medicine insecurity, along with growing difficulty in raising emergency funds, underscores that despite increasing financial awareness, many adults remain in precarious financial conditions with limited safety nets.

Overall, the share of financially healthy adults dropped from 28% to 16% between 2020 and 2023, nationally. This suggests a widespread erosion of resilience and capacity to manage long-term financial well-being. The sharpest decline is seen among women, down from 25% to 12%, and non-youth, down from 30% to 17%. Still, women and youths are less financially healthy at just 12% and 11% of adults, respectively, compared to 20% and 17% for men and non-youth, respectively.

Figure 2: Financial Health (% of adults)



Source: A2F Survey (2020, 2023)

Financial vulnerability increased across all groups, with women and youth most affected (41% and 42%, respectively in 2023). This indicates a significant portion of these segments are unable to absorb shocks or meet basic needs. The share of financially coping adults grew, suggesting many are just managing to get by but lack stability or long-term security. Given recent economic happenings after the A2F 2023 survey, this middle group may be especially at risk of sliding into vulnerability.

While the financial health data reflects conditions from 2023, nearly two years ago, it remains highly relevant today. The survey was conducted during a period of significant economic disruption, marked by 17-year high inflation, rising energy costs, naira liquidity pressures following the currency redesign, and major policy shifts including the removal of fuel subsidies and the harmonisation of the foreign exchange market under a new administration. Although these measures aimed to stabilize the economy, they compounded financial pressures on households and businesses. As we move through 2025, many of these economic challenges persist—record-high inflation and elevated energy prices continue to shape everyday financial realities. The decline in financial health captured in 2023 offers a critical signal: without timely and targeted interventions to strengthen financial resilience, the economic burden on Nigerians is likely to deepen, with long-term consequences for livelihoods, businesses, and inclusive growth.

Recommendations

1. Expand Focus from Access to Financial Health:
 - o Encourage policymakers and providers to prioritize financial health outcomes—not just account ownership or payment access.

- Incorporate financial health measurement into monitoring and evaluation frameworks, particularly the National Financial Inclusion Strategy (NFIS).
- 2. Promote Inclusive and Resilience-Building Solutions:
 - Leverage behavioral insights to scale access to savings, insurance, pension, and responsible credit to help households manage risk and plan for the future.
- 3. Integrate Financial Health into Social Protection and Economic Policies:
 - Align financial sector reforms with broader economic policies (e.g., subsidy removal, FX harmonization) to ensure citizens can weather shocks.
- 4. Targeted Interventions for Youth and Women:
 - Design youth-friendly financial tools that combine digital literacy, goal setting, and flexible savings.
 - Deploy gender-intentional policies that address structural barriers (like income gaps, caregiving roles, or mobility constraints).

APPENDIX

Table 1: Financial Health Indicators by Gender

		Adults	Male	Female	Youth	Non-Youth
Spend less than income - How often have you experienced running out of money	Monthly	28%	27%	28%	31%	27%
	More than one month in the last year	46%	46%	46%	41%	47%
	One month in the last year	11%	11%	10%	8%	11%
	Hasn't happened in the last year	16%	16%	15%	20%	15%
Gone without food due to financial reason	Often	15%	14%	16%	15%	15%
	Sometimes	43%	42%	44%	43%	43%
	Rarely	23%	24%	22%	22%	23%
	Never	19%	20%	18%	20%	18%
Have savings to cover monthly income	Less than one month	11%	9%	12%	8%	6%
	One month	17%	16%	17%	11%	10%
	2-3 months	26%	26%	26%	14%	18%
	4-6 months	18%	18%	17%	8%	12%
	More than 6 months	17%	19%	15%	7%	13%
Confidence in meeting long- term life goals	Not at all confident	8%	8%	9%	8%	9%
	Slightly confident	12%	10%	13%	10%	13%
	Somewhat confident	18%	18%	19%	17%	18%
	Moderately confident	19%	18%	19%	17%	19%
	Very confident	39%	43%	36%	44%	38%
Plan financially	Strongly disagree	5%	4%	5%	6%	5%
	Disagree	7%	6%	7%	8%	7%
	Neutral	12%	10%	13%	13%	12%
	Agree	44%	43%	45%	43%	44%
	Strongly agree	32%	36%	29%	29%	33%
Never or rarely went without medicine	Often	12%	12%	12%	12%	12%
	Sometimes	46%	45%	47%	43%	47%
	Rarely	20%	21%	20%	21%	20%
	Never	21%	22%	21%	24%	20%
Access to funds	Very difficult	78%	73%	83%	86%	76%
	Somewhat difficult	14%	18%	11%	8%	16%
	Not difficult at all	5%	7%	3%	3%	6%
N		111.3m	55m	56.3m	47.6m	77.7m

Source: A2F Survey (2023). Adults – 18yrs and above, Youth sample – 15yrs and above

Table 2: Trends in Financial Health by Gender

Indicator (% of adults)	Men		Women		Youth		Non-Youth	
	2020	2023	2020	2023	2020	2023	2020	2023
Experienced running out of money	73%	84%	73%	85%	69%	80%	73%	85%
Sometimes go without food due to financial reason	38%	56%	40%	60%	39%	42%	38%	42%
Have savings to cover income –more than three months	30%	27%	20%	20%	16%	15%	27%	25%
Confidence in meeting long-term life goals – very confident	38%	43%	32%	36%	37%	44%	34%	38%
Plan financially	72%	79%	66%	74%	62%	72%	70%	77%
Sometimes went without medicine	34%	43%	36%	41%	34%	55%	35%	59%
Access to funds - very difficult to raise 10% of GNI in 7 days	57%	73%	69%	83%	73%	86%	60%	76%

Source: A2F Survey (2020, 2023)