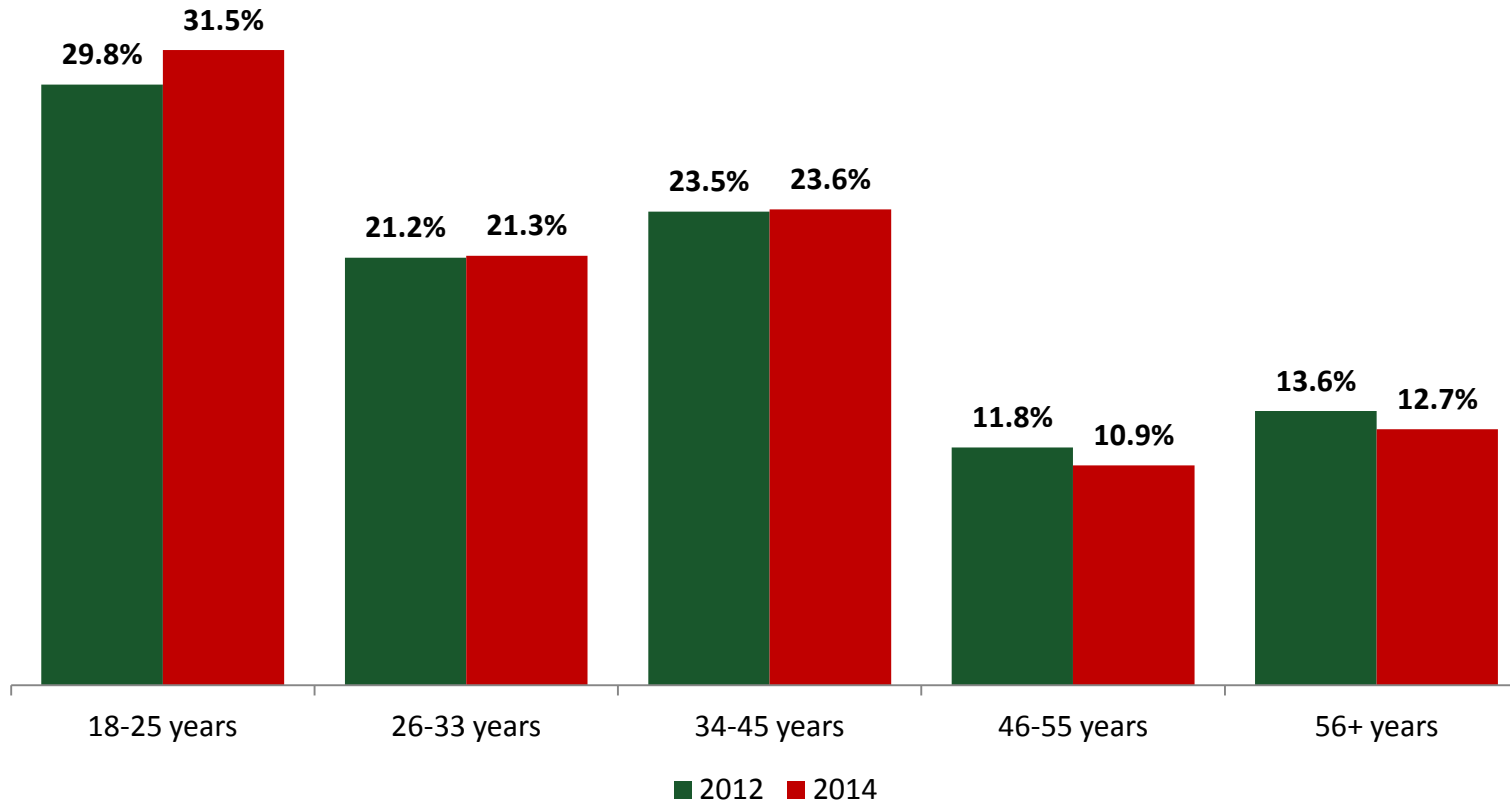


EFInA: Did You Know Series Series Five

EFInA Access to Financial Services in Nigeria 2014 Survey
Key Findings: The Profile of Young Adults (18 to 25 years)
in Nigeria

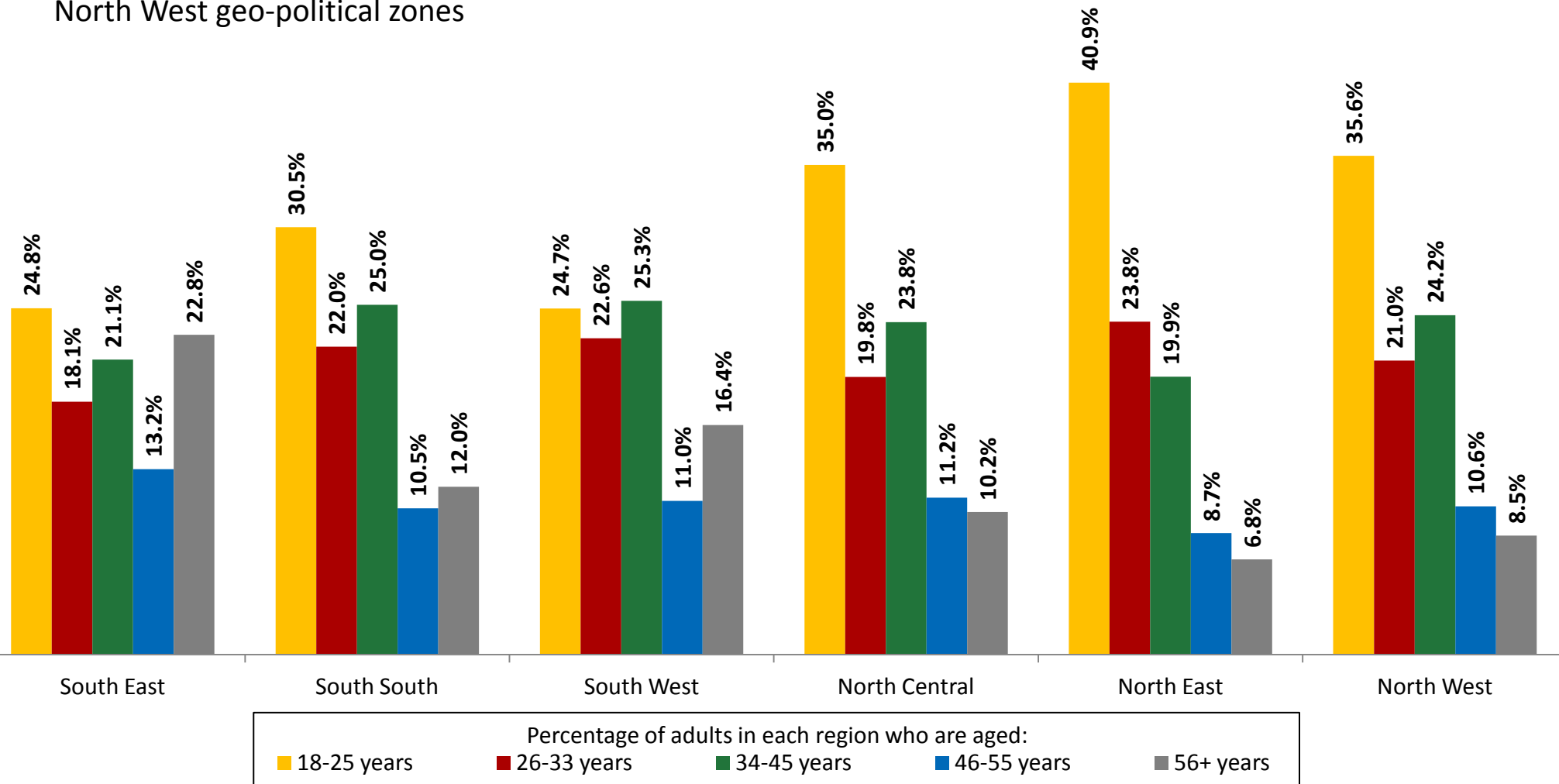
Age Distribution of the Nigerian Adult Population

- As of 2014, there were 93.5 million adults (18 years and above) in Nigeria
- Of which 29.5 million are young adults (defined in this analysis as people between the ages of 18 and 25), which is equivalent to 31.5% of the total adult population
- The adult population in Nigeria grew by 5.6 million between 2012 and 2014, of which 3.3 million (58.1% of the growth) was from this young adult age group



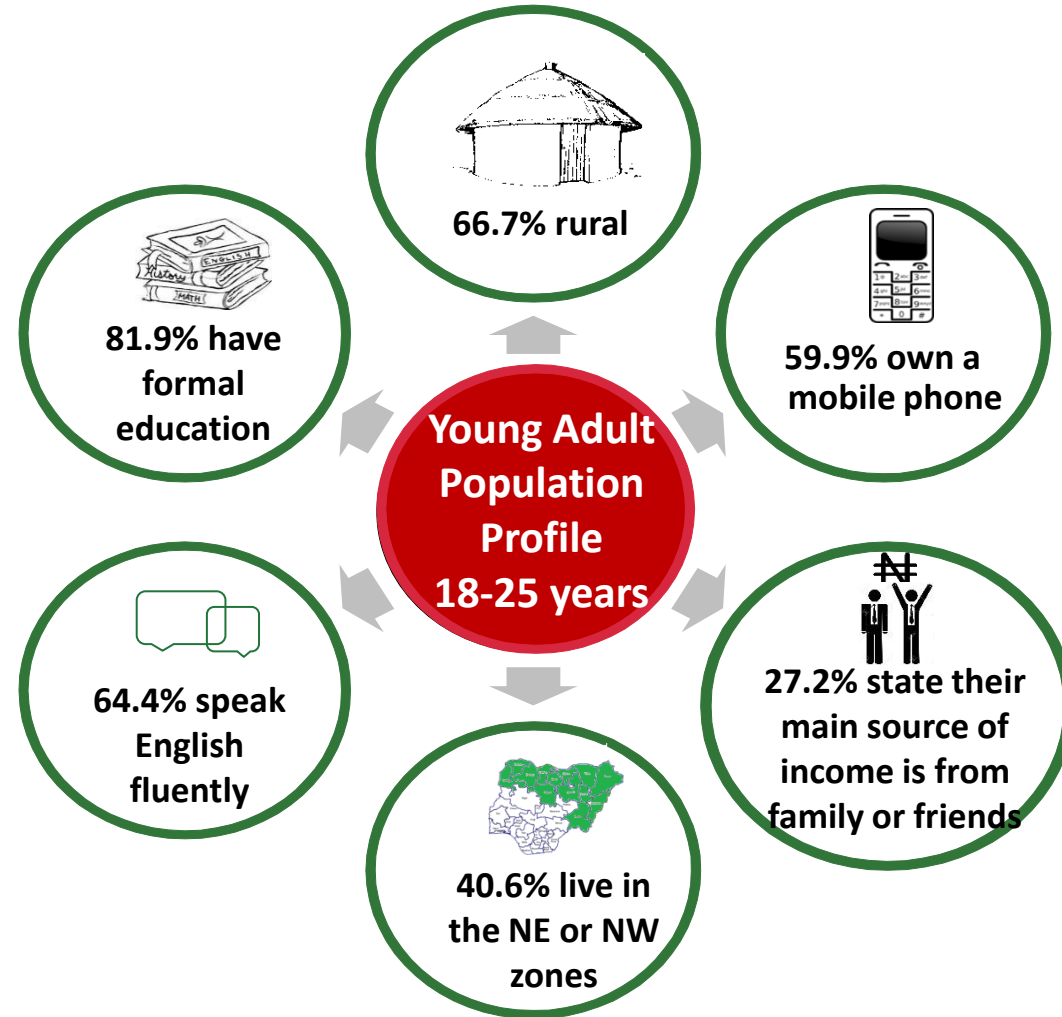
Age Distribution of the Adult Population by Geo-Political Zones

- The Northern geo-political zones have higher percentages of young adults than the Southern geo-political zones
- 16.8 million young adults (56.9% of the total young adult population) live in the North Central, North East and North West geo-political zones



Summary of the Demographic Profile of Young Adults

- Of the **29.5 million young adults** in Nigeria:
 - 45.0% (13.3 million) are male while 55.5% (16.2 million) are female
 - 66.7% reside in rural areas while 33.3% reside in urban areas
 - 40.6% live in the North East or North West geo-political zones
 - 81.9% have some level of formal education (primary levels or higher)
 - 64.4% speak English fluently
 - 59.9% own a mobile phone
 - 81.2% are interested in financial matters
 - 71.6% say they are prepared to learn how to use new technology
 - 27.2% report that their main source of income is money from family or friends

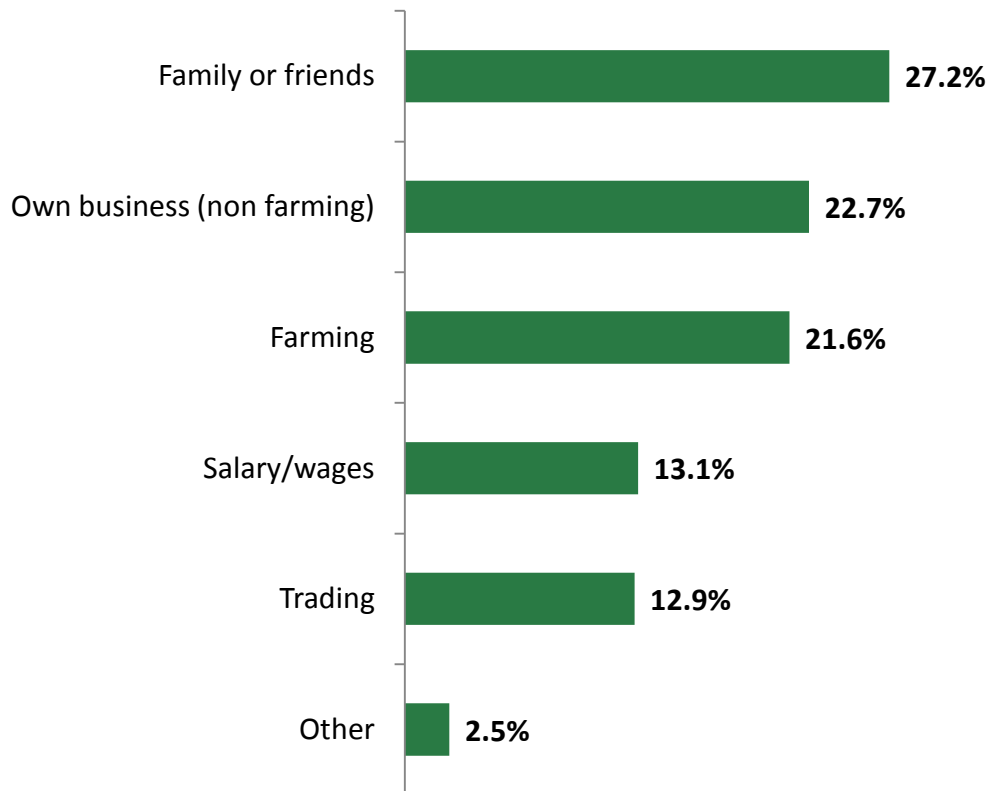


Main Source of Income/Income Distribution

- 35.6% of young adults say that they rely on trading or their own business as their main source of income
- 27.2% of young adults report that their main source of income is money from family or friends
- 27.5% of young adults report having no income

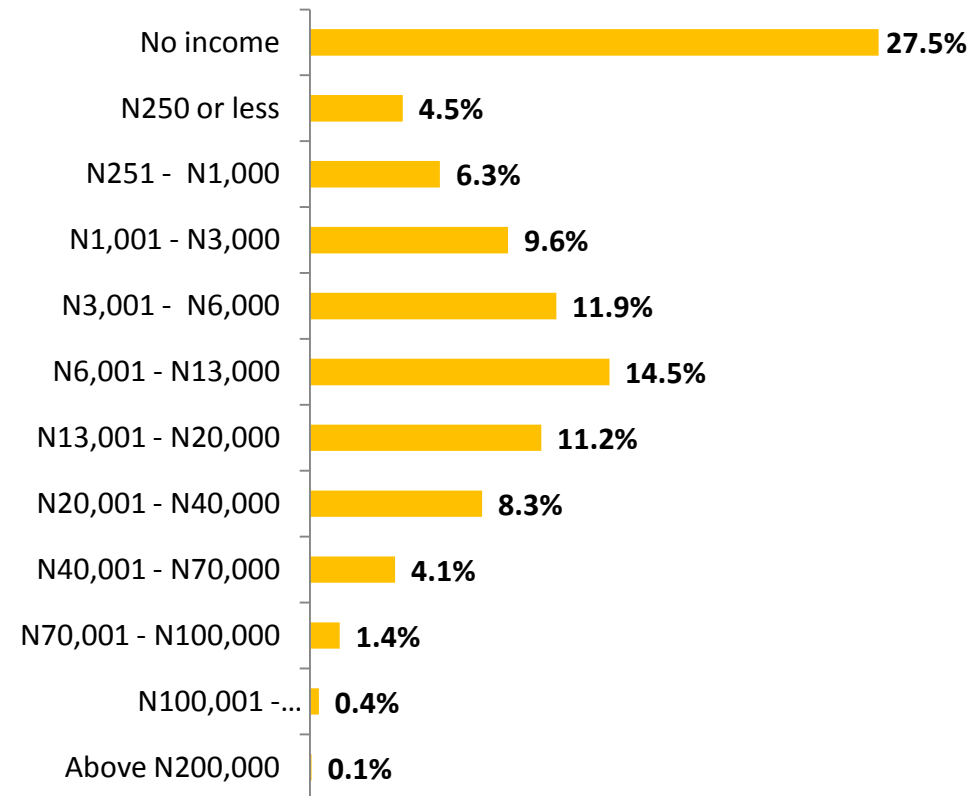
Main source of income

Percentage of young adults



Average monthly income levels

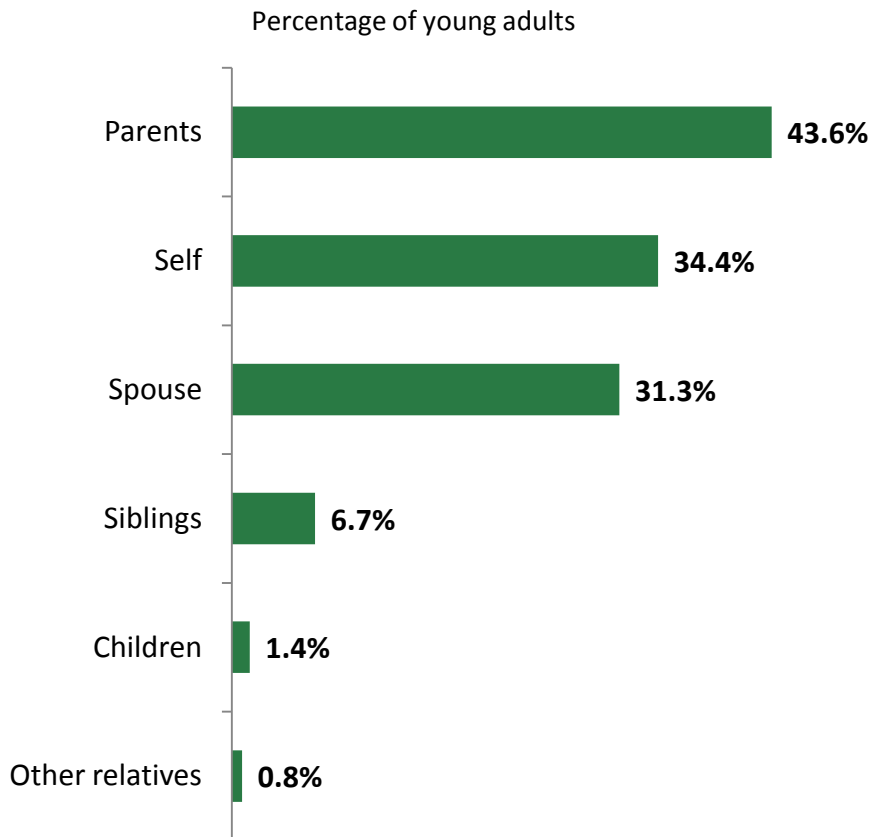
Percentage of young adults aware of and are willing to disclose income levels



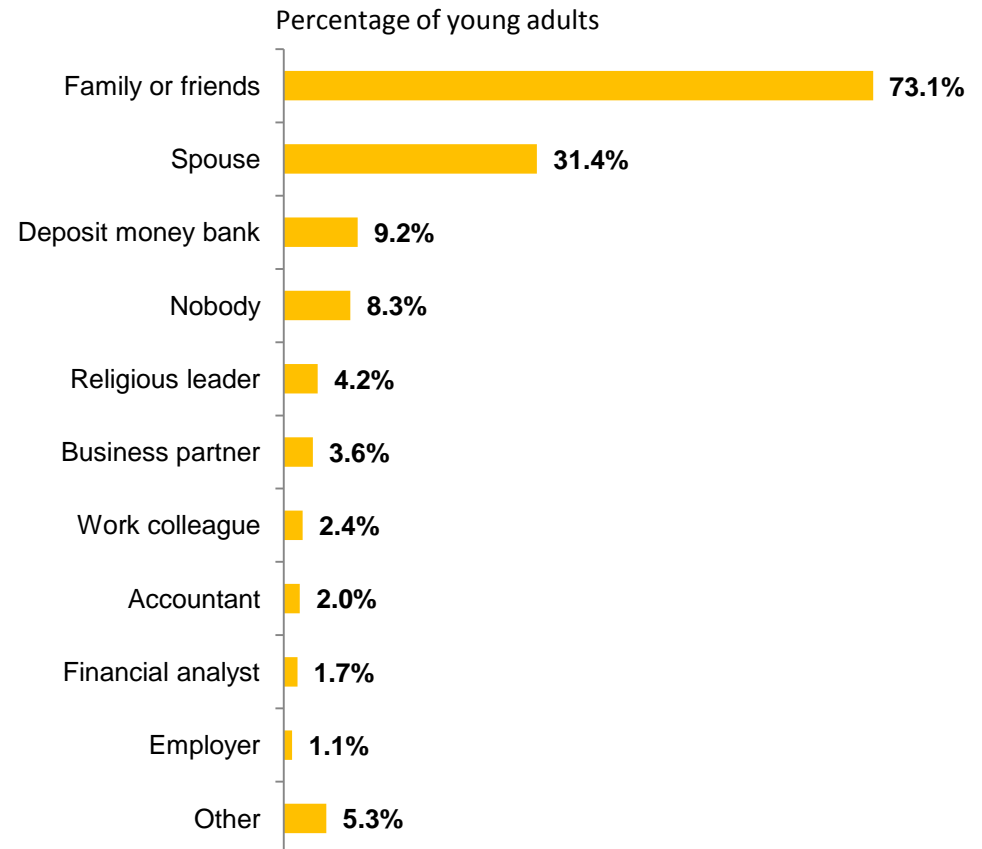
Financial Decision-Making and Advice

- When asked who makes financial decisions in the household, the most common response among young adults was ‘parents’, cited by 43.6% of young adults
- The majority of young adults (73.1%) get financial advice from family or friends

Who makes the main decisions about how money is spent in this household?



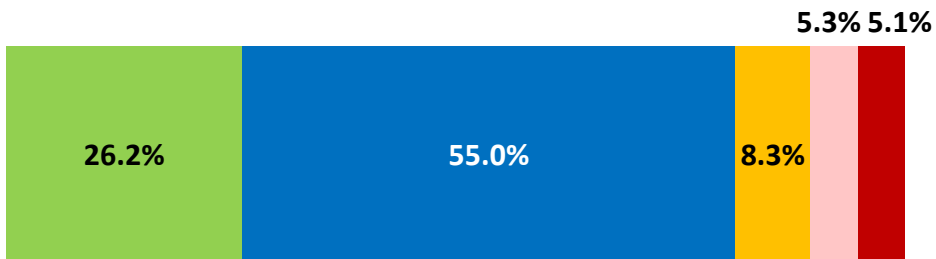
If you need financial advice who or where do you go to?



- 23.9 million (81.2%) young adults are either interested or strongly interested in financial matters
- The financial topics young adults express the most interest in learning about are how to open a bank account, how to save regularly and how to save for old age

How interested are you in financial matters?

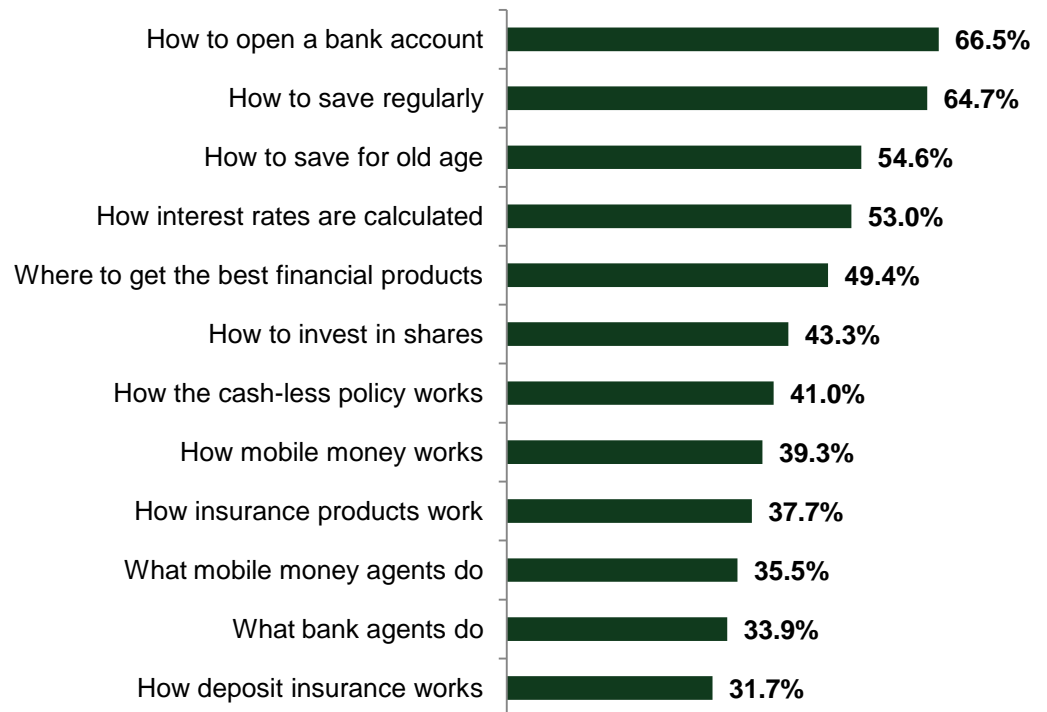
Percentage of young adults



- Strongly interested
- Interested
- Neither interested nor uninterested
- Uninterested
- Not interested at all

What would you like to know more about in order to better understand financial matters?

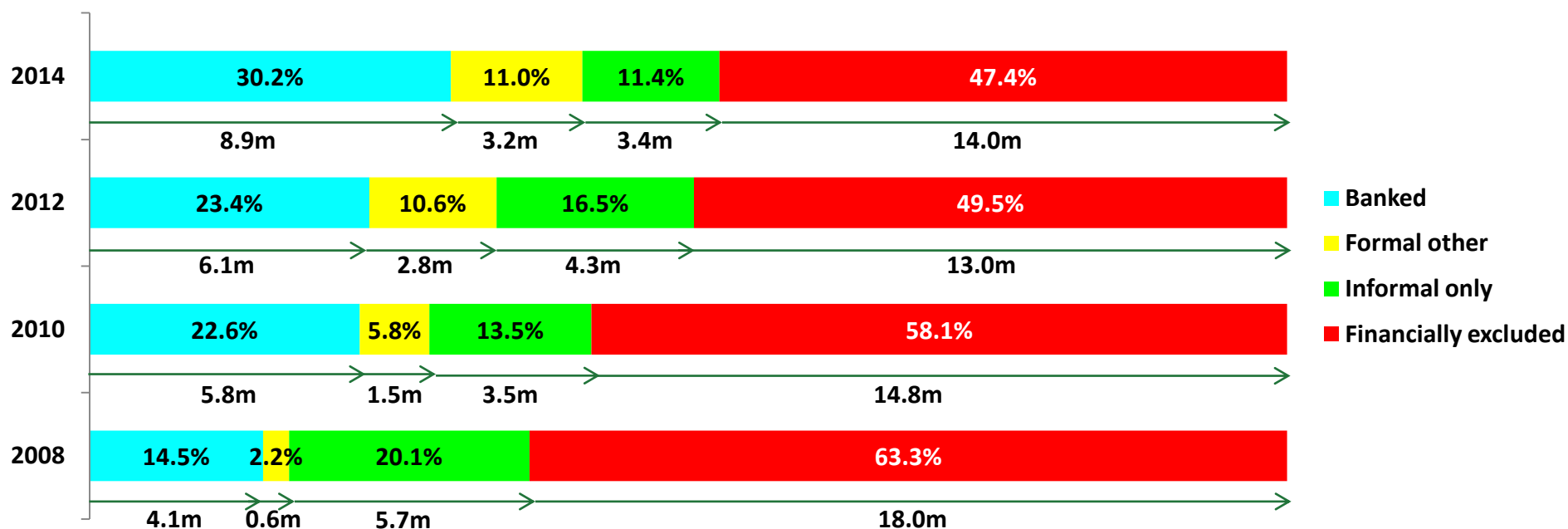
Percentage of young adults



EFInA Financial Access (2008 to 2014)

Enhancing Financial Innovation & Access

- The number of young adults that are banked increased from 4.1 million (14.5% of young adults) in 2008 to 8.9 million (30.2% of young adults) in 2014
- The number of financially excluded young adults decreased from 18.0 million (63.3% of young adults) in 2008 to 14.0 million (47.4% of young adults) in 2014



DEFINITIONS OF FINANCIAL ACCESS

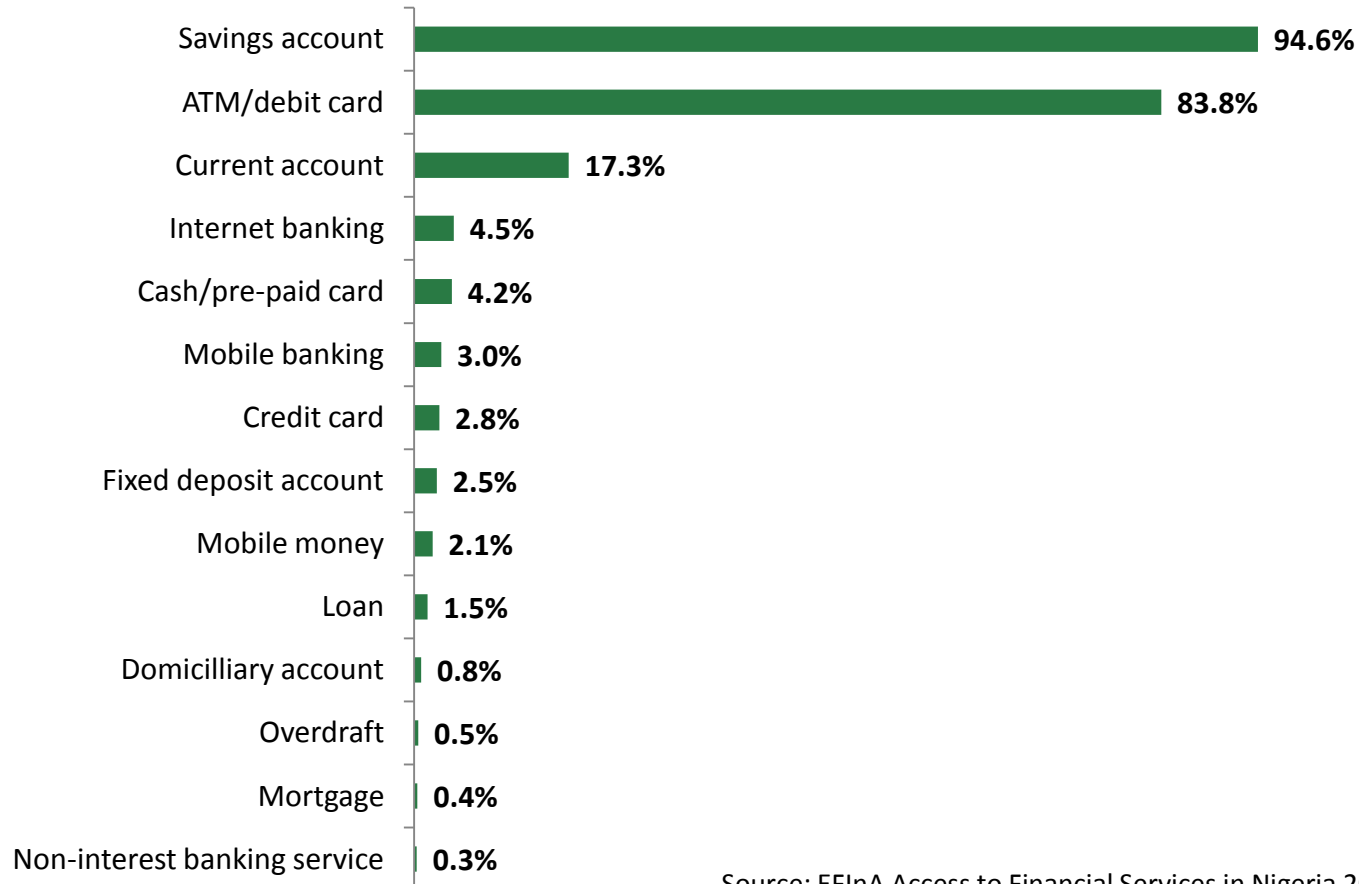
- **Banked:** all adults who have access to or use a deposit money bank in addition to having/using a traditional banking product, including ATM card, credit card, savings account, current account, fixed deposit account, mortgage, overdraft, loan from a bank, or no-interest banking product; including indirect access
- **Formal other:** all adults who have access to or use other formal institutions and financial products not supplied by deposit money banks, including Insurance companies, microfinance banks, pension schemes or shares. It also includes remittances (through formal channels); including indirect access
- **Informal only:** all adults who do not have any banked or formal other products, but have access to or use only informal services and products. This includes savings clubs/pools, esusu, ajo, or moneylenders; as well as remittances (through informal channels such as via a transport service or recharge card)
- **Financially excluded:** adults not in the banked, formal other or informal only categories, even though the person may be using or have access to any of the following: loan/gift from friends or family and loan from employers, as well as remittances via a friend/family member

Uptake of Deposit Money Bank Products

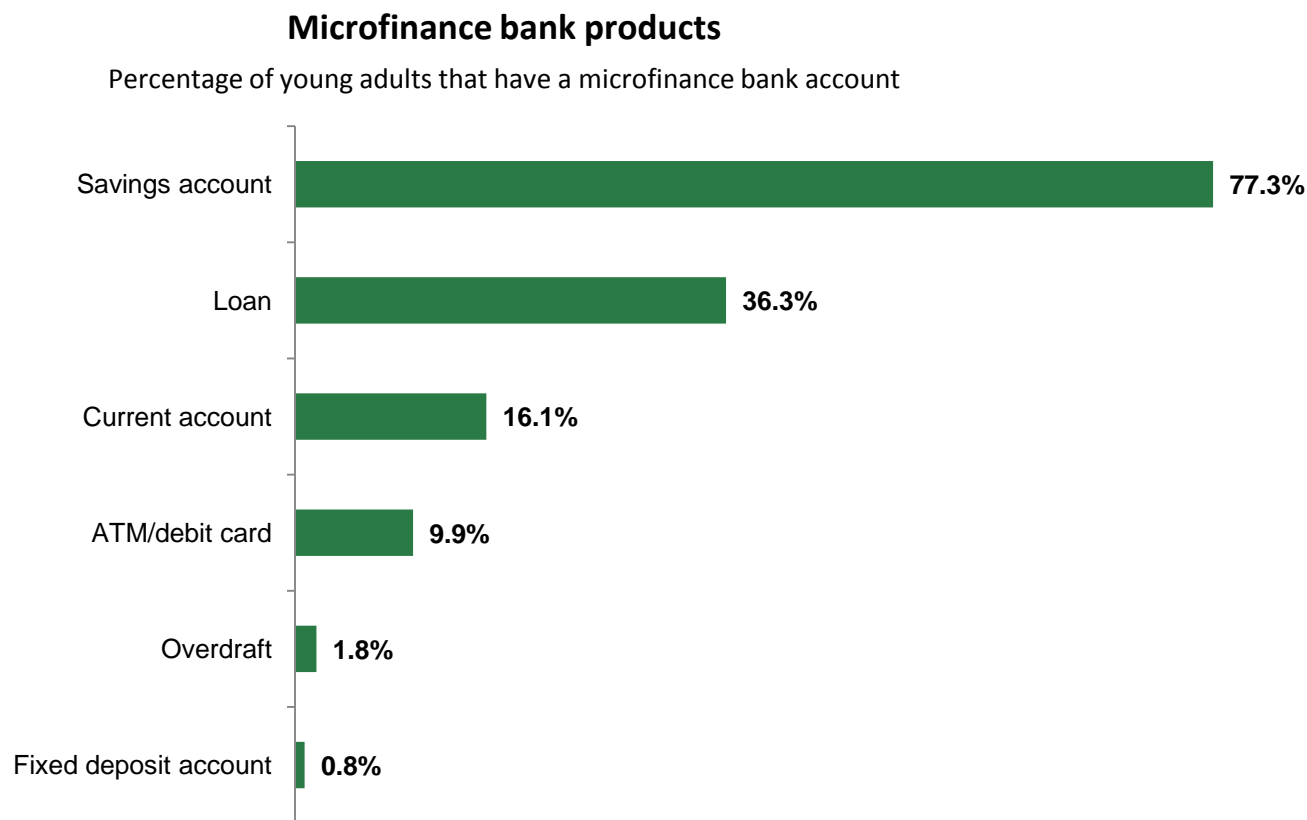
- Of the 6.4 million young adults who have their own deposit money bank account, 6.1 million (94.6%) have a savings account
- Fewer than 0.1 million young adults (1.5% of young adults with a bank account) have a loan from a deposit money bank

Deposit money bank products

Percentage of young adults that have a deposit money bank account



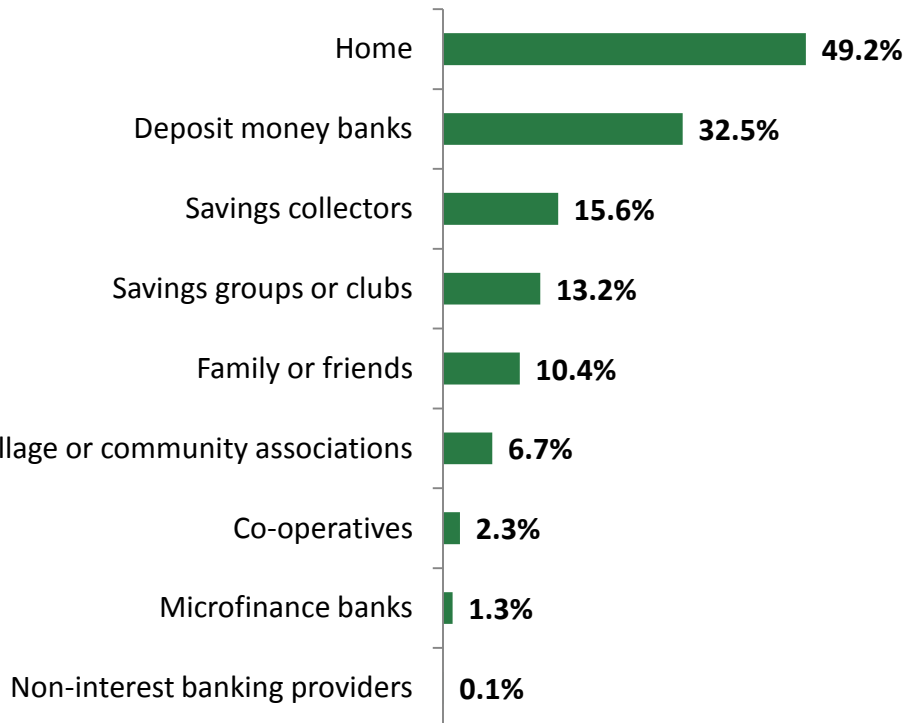
- 0.4 million young adults (1.4% of young adults) have a microfinance bank account, of which 57.9% are male and 42.1% are female
- The microfinance bank products most frequently used by young adults are savings accounts, followed by loans



- 17.2 million young adults (58.2% of young adults) save
- Of those, 8.5 million (49.2% of young adults that save) save at home, and 5.6 million (32.5% of young adults that save) save with deposit money banks
- Emergencies and day-to-day household needs are the top two reasons for saving

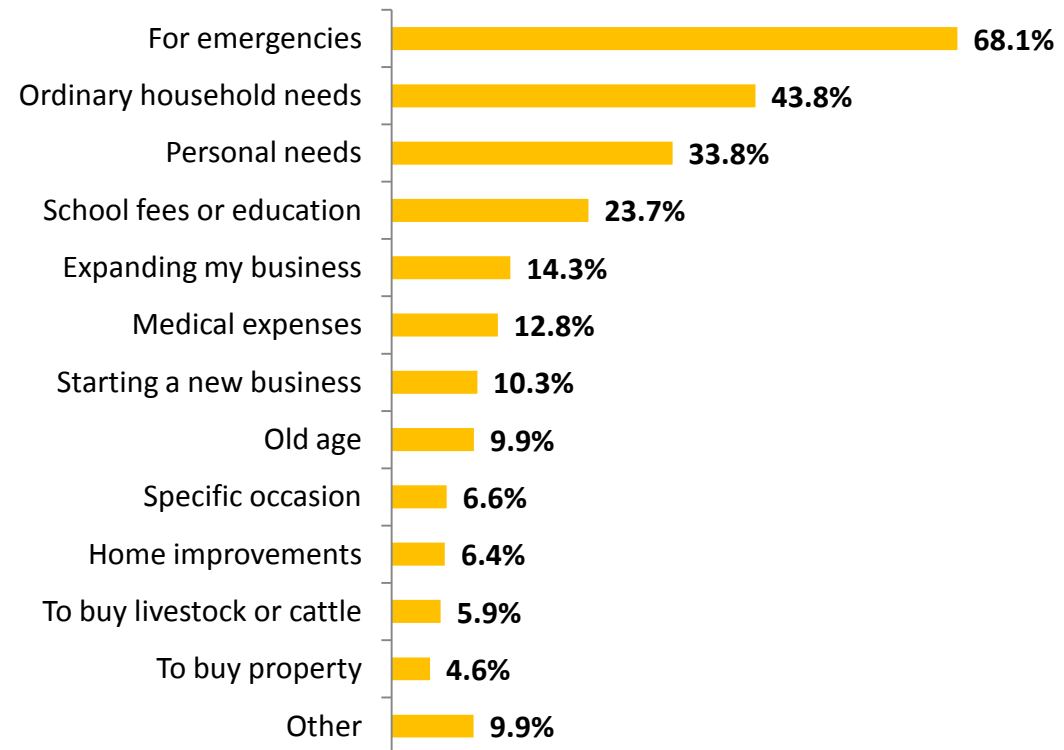
With whom or which institution do you have savings?

Percentage of young adults that save



Why are you currently saving/keeping money aside?

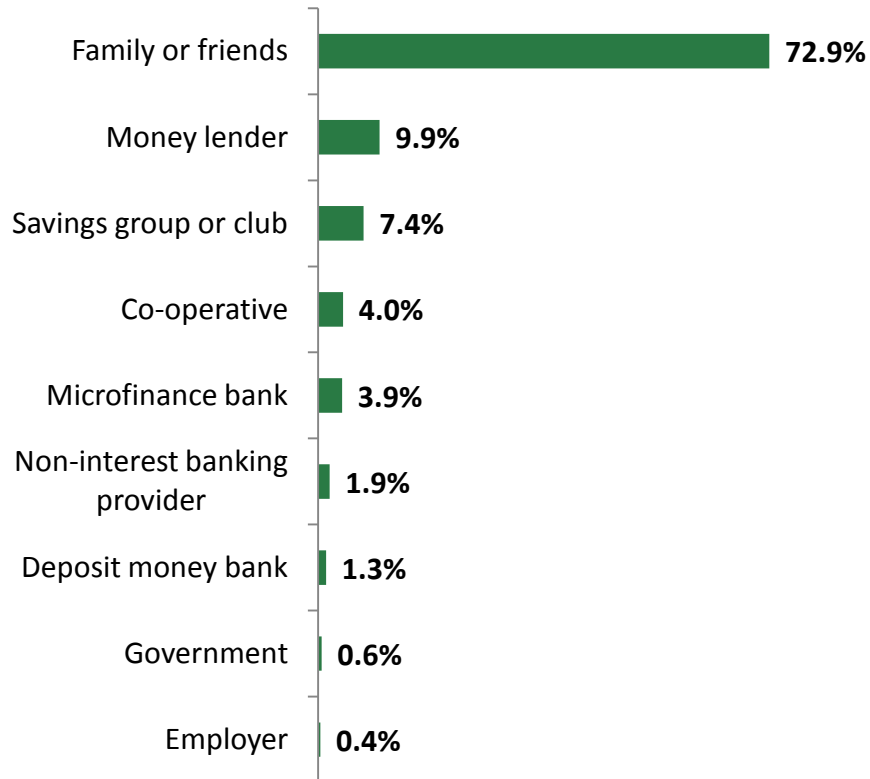
Percentage of young adults that save



- 3.1 million young adults (10.6% of young adults) said that they had taken out a loan in the prior 12 months to the survey being conducted
- The most common source of credit among young adults is family or friends, used by 2.3 million young adults
- The top two reasons cited by young adults for borrowing money are starting or expanding a business, and basic needs such as food and clothing

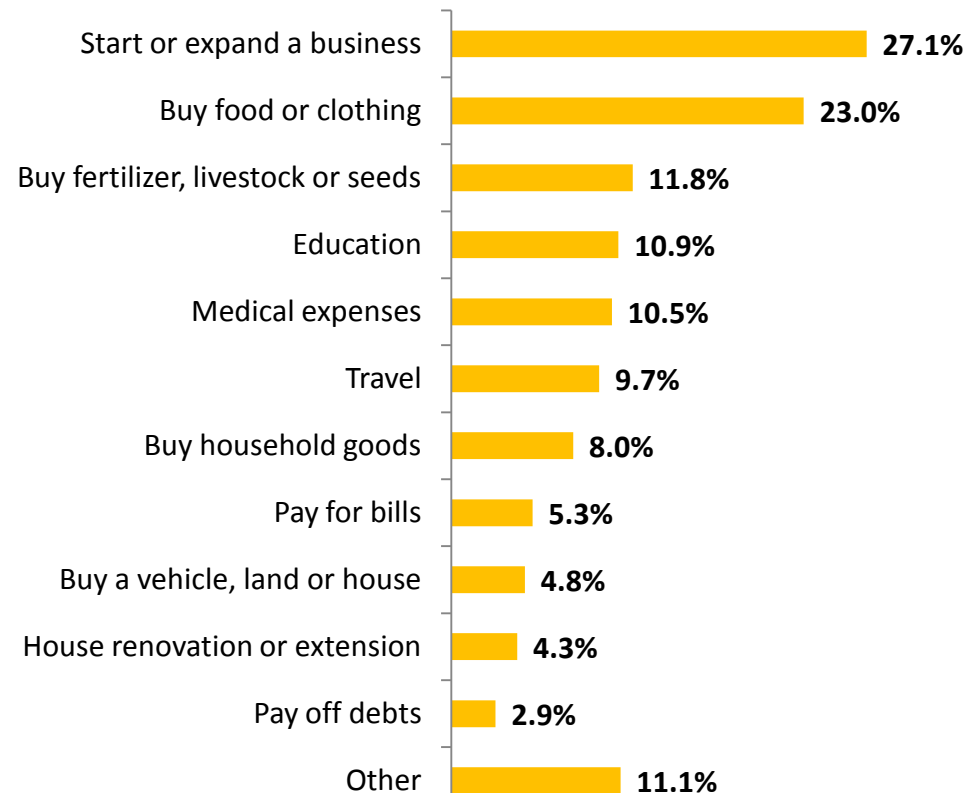
Who did you borrow or take loans from?

Percentage of young adults that borrowed in the prior 12 months



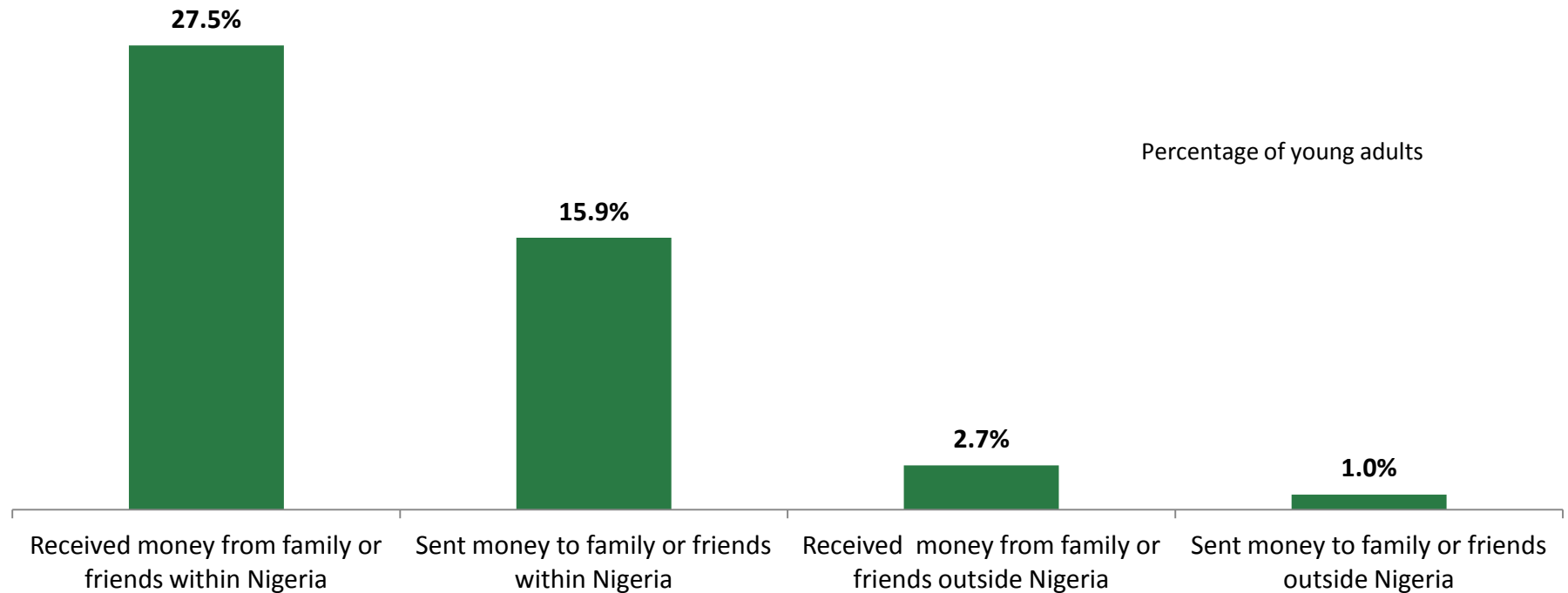
For what purposes did you borrow/take a loan?

Percentage of young adults that borrowed in the prior 12 months



In the six months prior to being interviewed:

- 8.1 million young adults (27.5% of young adults) received remittances from within Nigeria
- 4.7 million young adults (15.9% of young adults) sent remittances within Nigeria
- 0.8 million young adults (2.7% of young adults) received remittances from outside Nigeria
- 0.3 million young adults (1.0% of young adults) sent remittances outside of Nigeria

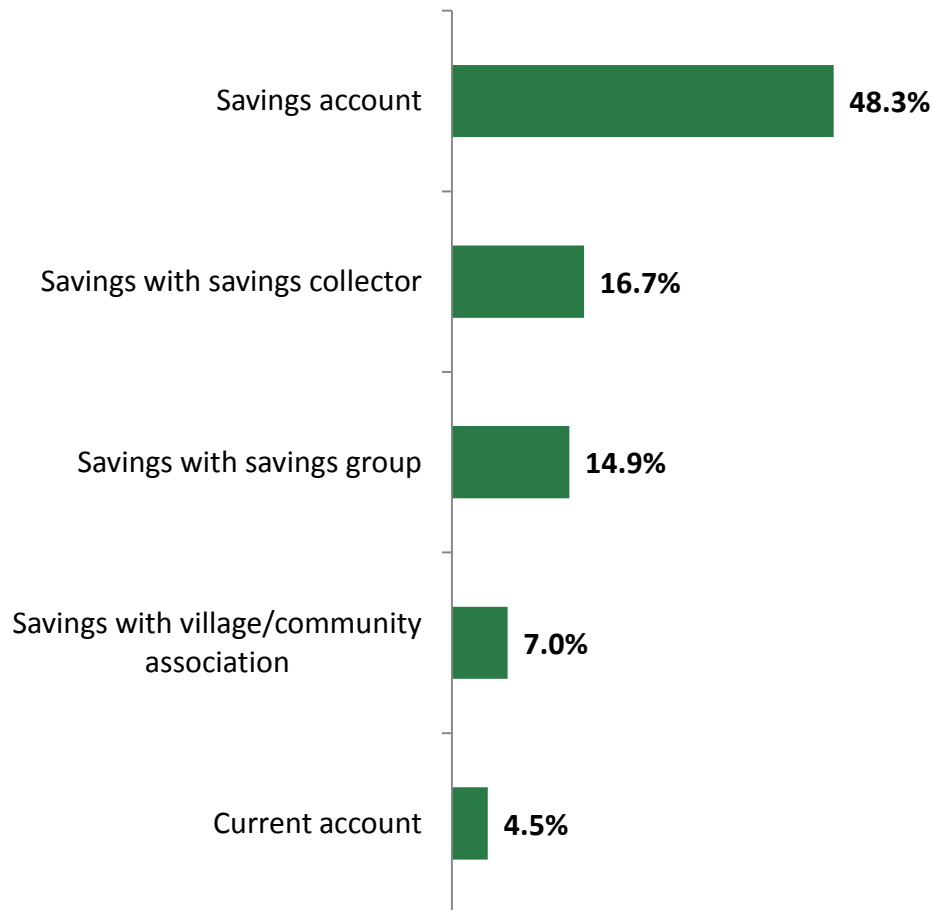


Most Important Financial Product and Why

- For young adults who use financial products, their most important financial product is a savings account; ease of access is cited as the top reason for this choice

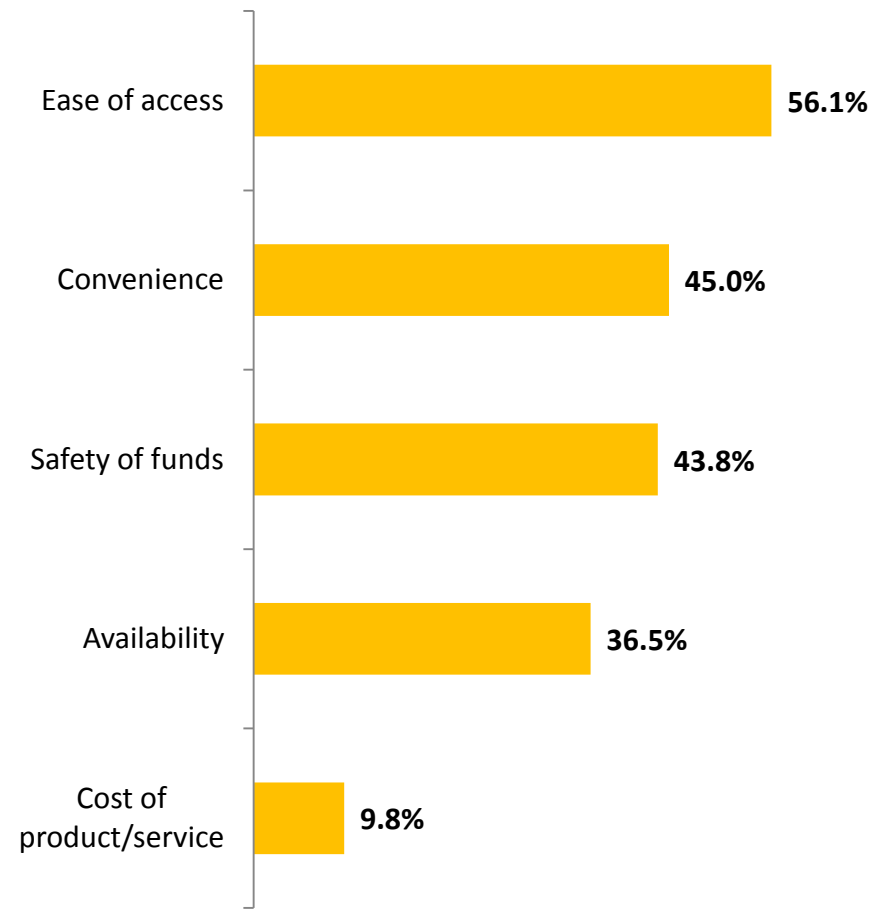
Top 5 most important financial products

Percentage of young adults who use financial products



Top 5 reasons for the most important product

Percentage of young adults who use financial products

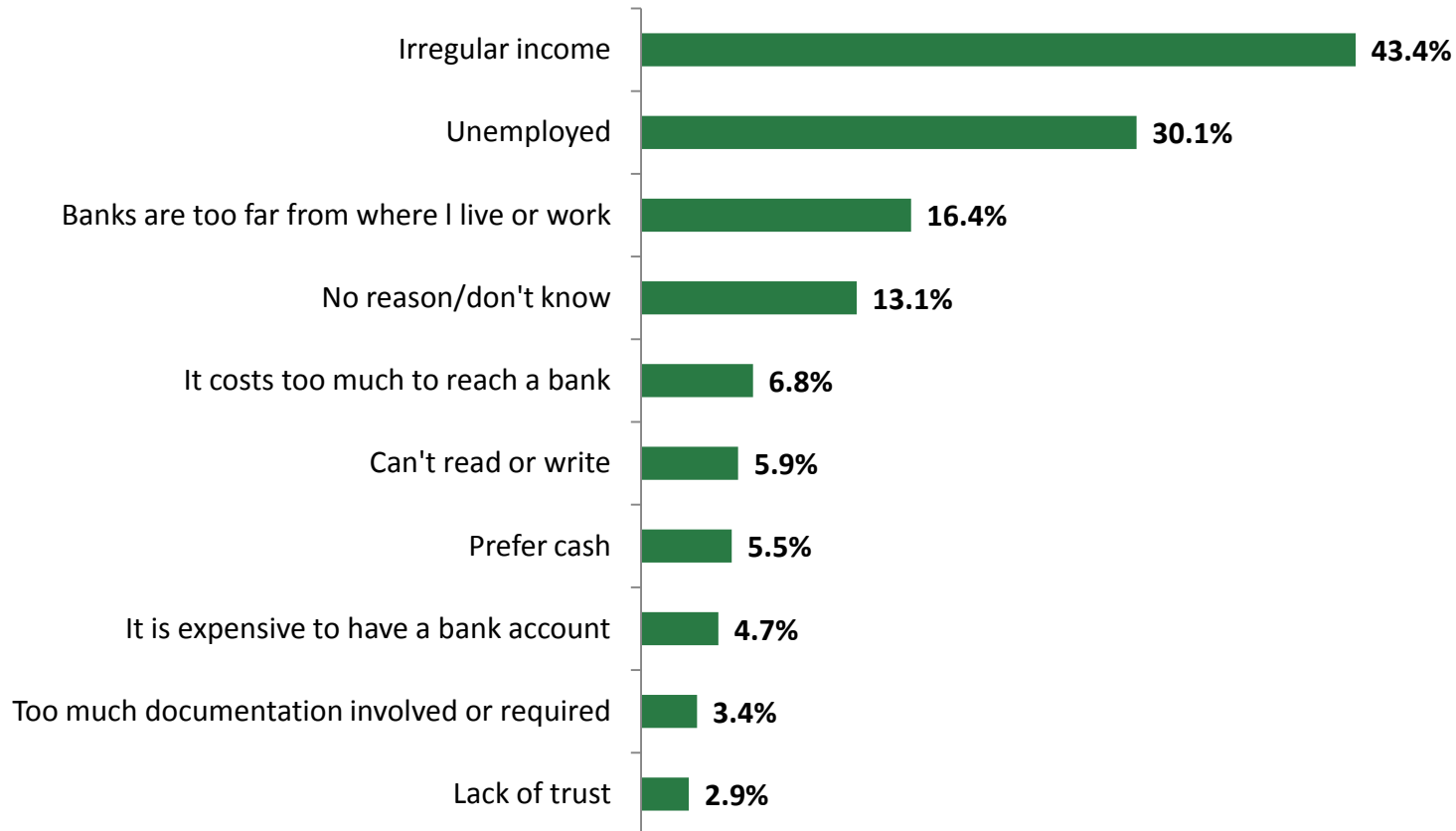


Deposit Money Banks: Barriers to Access

- 8.9 million young adults (30.2% of young adults) have or use a deposit money bank account
- Irregular income, unemployment and long distance to the nearest deposit money bank are the top 3 factors hindering young adults from using deposit money banks

Top 10 reasons given for not having a deposit money bank account

Percentage of young adults who do not have deposit money bank accounts

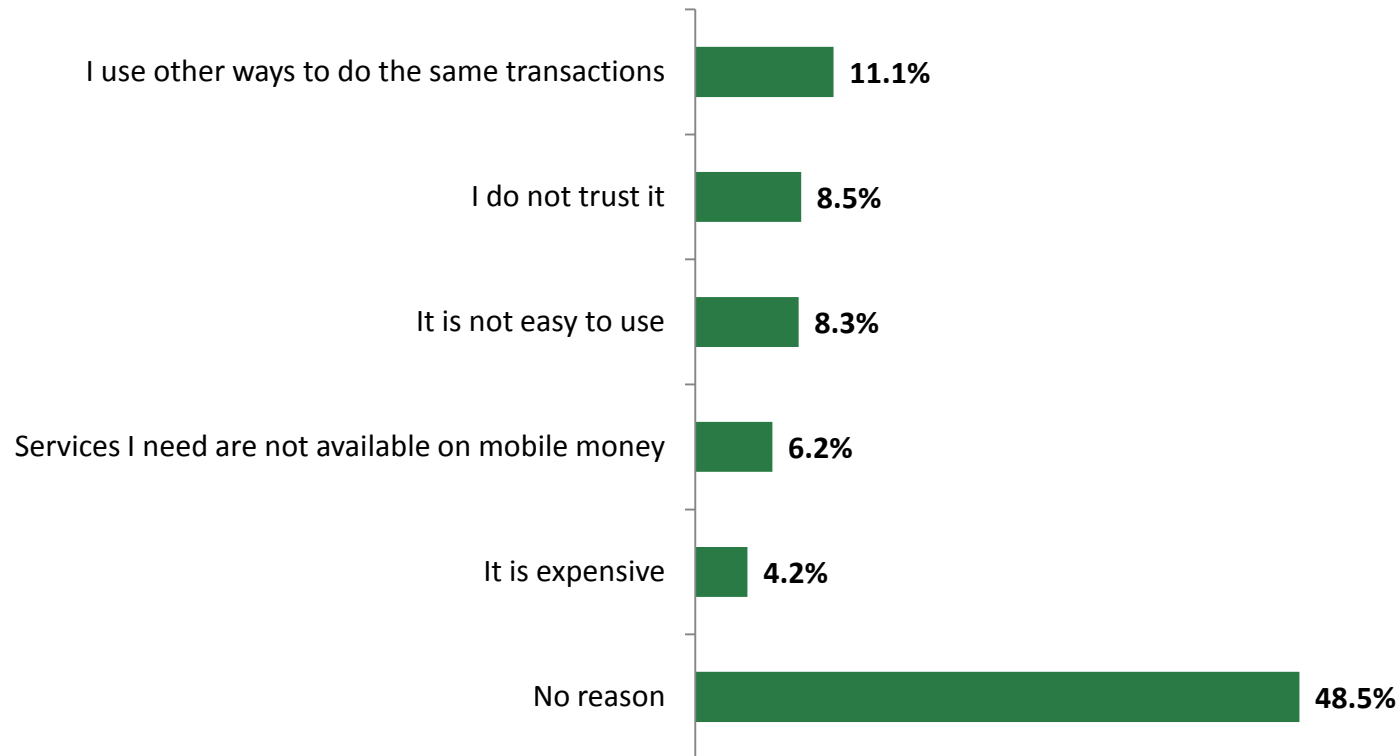


Mobile Money: Barriers to Access

- 3.8 million young adults (13.0% of young adults) say that they have heard of mobile money; only 0.4 million young adults have used mobile money
- Of young adults who have heard of mobile money but never used it, 11.1% say they use other ways to do the same transaction. 48.5% gave no reason as to why they have not used mobile money

Why do you not use mobile money?

Percentage of young adults who have heard of mobile money but never used mobile money

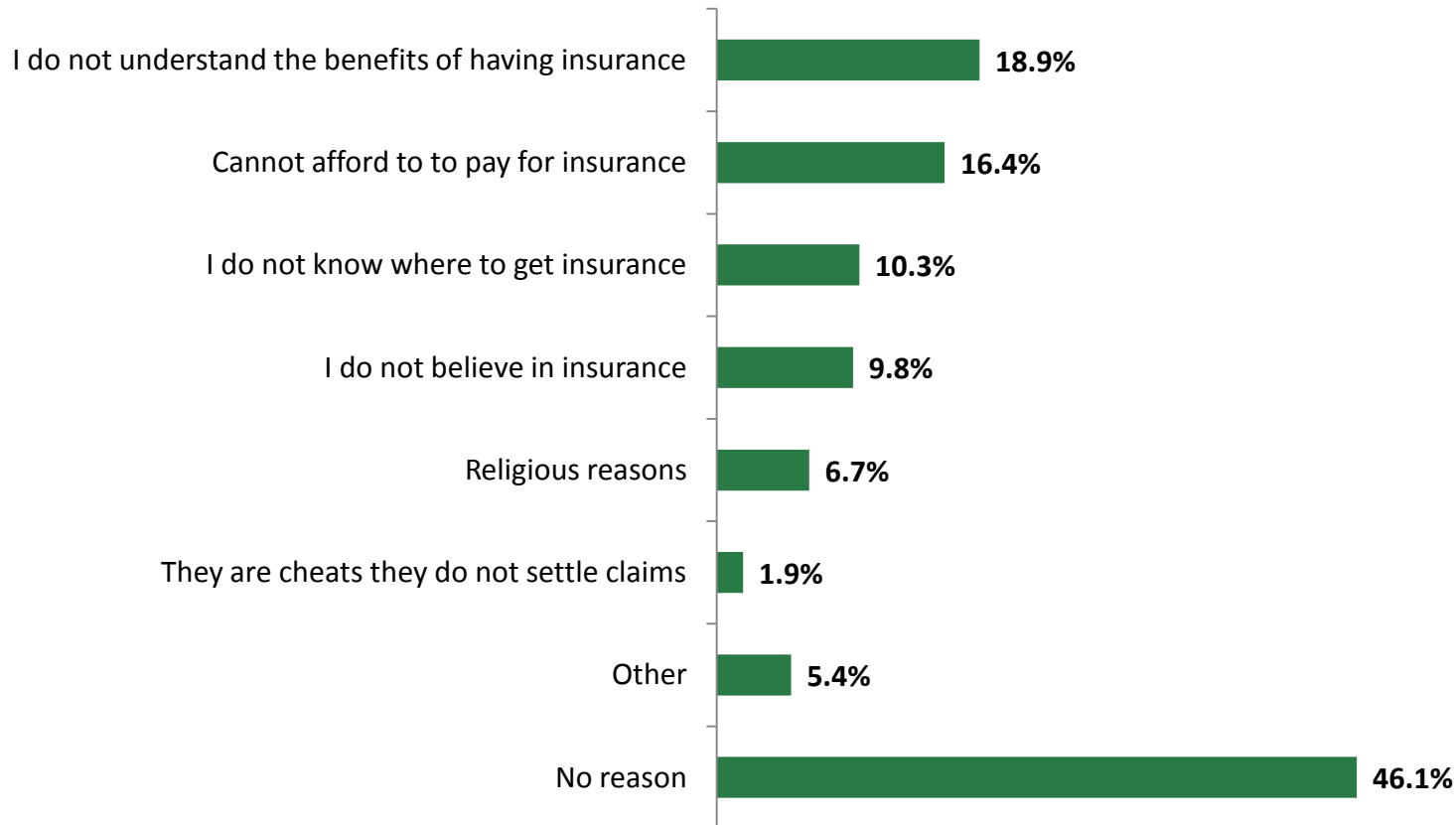


Insurance: Barriers to Access

- 0.1 million young adults (0.4% of young adults) have an insurance policy
- Of the 29.4 million young adults that do not have an insurance policy, 18.9% say they do not understand the benefits of having insurance. 46.1% gave no reason as to why they do not have insurance

Why do you not have insurance?

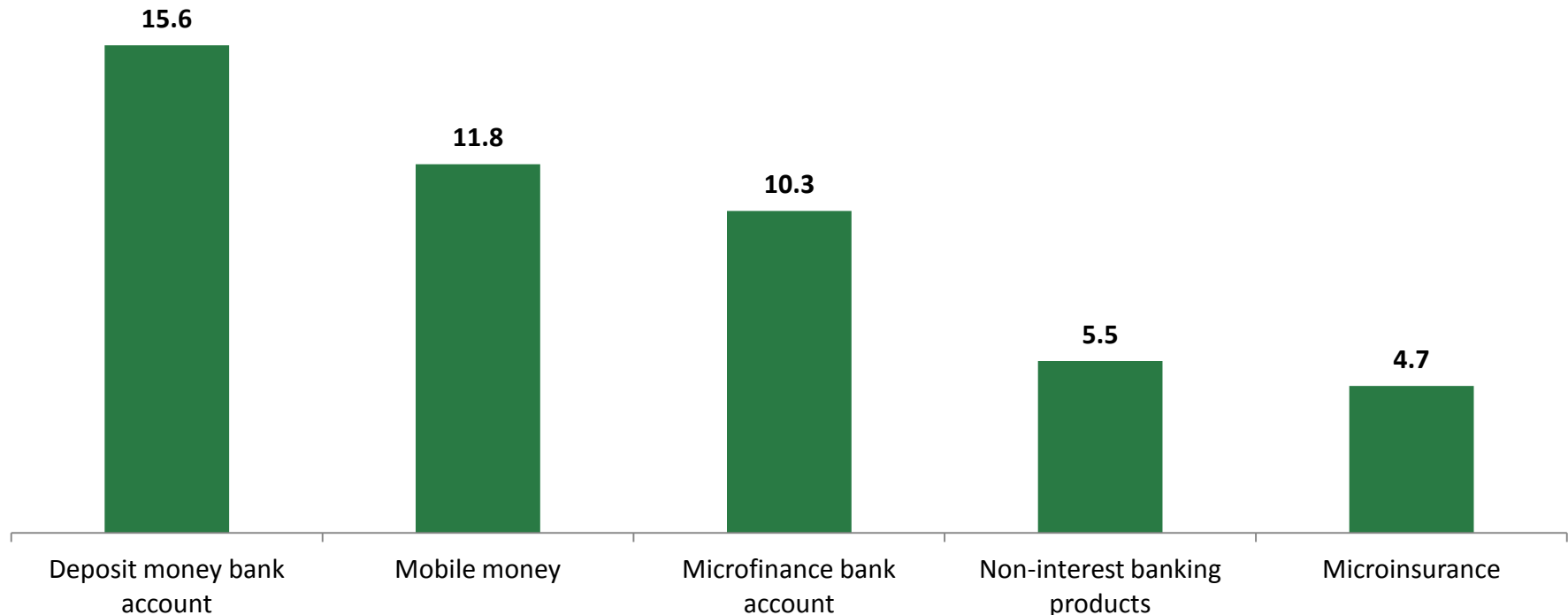
Percentage of uninsured young adults



Opportunities for Deepening Financial Inclusion

- 15.6 million young adults (76.5% of those who have never had a bank account) say they would like to have a deposit money bank account
- 11.8 million young adults (40.3% of non-users) say that they would like to use mobile money
- 10.3 million young adults (35.8% of non-account holders) say they would like to have a microfinance bank account

Number of young adults who are non-users and would like to have the product (in millions)



Factors That Would Enhance the Uptake of Financial Products

Factors Cited by Young Adults Who Are Non-users	Deposit Money Bank	Microfinance Bank	Mobile Money	Insurance
Demand side				
When I understand the benefits	X	X		X
When I have a job or income	X	X		
When I understand how it works		X	X	X
When I feel it is safe to send/receive money or pay bills using my phone			X	
When many people are using mobile money			X	
Supply side				
When banks are closer to where I live or work	X	X		
When I know where to get the product				X
When I can afford the product				X
When I trust the provider of the product		X	X	
When I trust the provider to settle claims				X
Better loans available		X		
When there is an agent close to me			X	
When there is an agent close to my recipient			X	
When the products meet my needs		X		
When the product is easy to use			X	

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