

## **UNDERSTANDING THE LOW INCOME POPULATION IN NIGERIA**

- Savings habits
- Challenges faced when using banks
- Potential for using mobile phones to manage their finances

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## **1.0 Background**

Access to a range of affordable, safe and reliable financial services i.e. credit, savings, investments, insurance, and transfer services) provide the necessary lubricant for economic growth and will contribute to reducing poverty in Nigeria. Readily accessible and affordable formal savings services will help smoothen out consumption, and offer a buffer in family events/emergencies that typically plunge poor people into chronic poverty or tip those on the edge into poverty.

The EFInA Access to Financial Services in Nigeria 2010 survey, highlighted that 23.8 million adults are currently saving at home, which has a negative impact on the country's economic growth and development.

EFInA engaged Real Edge Research Options (RERO) to undertake qualitative research to deepen our understanding of the low income population in Nigeria, especially their savings habits, challenges faced when using banks and the potential for using mobile phones to manage their finances.

### **1.1 Research Objectives**

The broad objective of the study is to better understand the characteristics of the low income population in Nigeria, so as to encourage financial institutions to provide appropriate and affordable financial products (especially savings products) that best suits their needs. The research covered the following:

- The role of savings in their lives
- The types of savings products they currently use
- Advantages/disadvantages of using formal/informal savings products
- Challenges faced when using banks
- What financial institutions can do to attract their patronage
- The potential for using mobile phones to manage their finances
- Which organizations they would trust for providing mobile financial services

### **1.2 Research Methodology**

To achieve the objectives of the study, a qualitative research approach was adopted using Focus Group Discussions (FGDs).

#### **1.2.1 Focus Group Discussion (FGD)**

In February 2011, RERO conducted 28 Focus Group Discussions. Each session consisted of 9 to 10 people that were carefully selected to ensure homogeneity amongst the target sample. Each session was a closed round table discussion which lasted about 90 minutes. This approach allowed respondents to freely express themselves and therefore provided deep insights into their saving culture, the role of savings in their lives, challenges faced, etc.

### 1.2.2 Focus Group Participants

A total of two hundred and seventy one respondents were sampled for this study, across the six geo-political zones in Nigeria with the following demographics:

- Gender  
Male/Female (25%:75%) – to identify whether there are any gender specific issues when dealing with access to finance
- Age  
18 to 25 yrs (41%) & 26 to 40 yrs (59%)
- Socio Economic Classification (SEC)  
C2D (49%) & DE (51%)
- Locations  
Urban and rural areas in Lagos, Benin, Enugu, Kaduna, Nasarawa and Yola
- Banking status  
Banked/Unbanked (51%:49%)

## 2.0 Detailed Findings

### 2.1 Understanding the sources of income of the low income population

#### 2.1.1 Respondents occupation

Respondents work in both formal and informal sectors. It is commonplace to find respondents undertaking more than one job, in order to sustain themselves.

- *"...I work as an agent for those who want to rent houses and I also do my tailor work" (26 - 40 yrs male, Benin)*
- *"...During the trade fair, I go to the venue to do some part time job" (26 - 40 yrs male, Enugu)*
- *"I am a brick layer but I also cut timber in the bush" (26 - 40 yrs male, Benin)*
- *"I sell provisions, but in our village, people are building houses everyday so I sell sand, gravel and sometimes when I help someone sell a plot of land, they give me 10% of the money" (26 - 40 yrs female, Lagos)*
- *"I am a civil servant but I sell recharge cards and minerals when I get home just to make ends meet" (26 - 40 yrs female, Kano)*

They also engage in menial jobs (farming, truck pushing and sporting activities) from time to time while others enjoy from the national cake doled out by politicians as a result of the forth coming elections.

- *"As elections are around the corner, politicians send their agents to different wards to give out money so that we can vote for them" (26 - 40 yrs male, Yola)*

The table below provides a breakdown of respondents' occupation:

**Table 1: Respondents occupation**

	Women	Men
<b>Urban</b>	<ul style="list-style-type: none"> <li>▪ Artisans - hair dressers, tailors</li> <li>▪ Petty traders – second hand clothes, earrings, pepper, provisions, ice</li> <li>▪ Sales girls</li> <li>▪ Civil servants - clerks, teachers</li> <li>▪ Pay phone operator/recharge card seller</li> <li>▪ Caterers</li> <li>▪ Sell cooked food, sachet water</li> </ul>	<ul style="list-style-type: none"> <li>▪ Artisans – mechanics, painters, electricians, barbers</li> <li>▪ Drivers</li> <li>▪ Truck pushers (those who help others carry their wares in the market usually with a wooden/iron cart on two wheels)</li> <li>▪ Traders – sachet water, foodstuff, burukutu, second hand clothes</li> <li>▪ Okada riders (commercial bike riders)</li> <li>▪ Sell computer accessories, recharge cards, sachet water</li> </ul>

	Women	Men
<b>Rural</b>	<ul style="list-style-type: none"> <li>▪ Farmers</li> <li>▪ Hair dressers</li> <li>▪ Petty traders... awara (soya bean cake – north), sweets, provisions, pepper, kunu, food stuff</li> <li>▪ Burukutu brewer</li> </ul>	<ul style="list-style-type: none"> <li>▪ Farmers</li> <li>▪ Teachers</li> <li>▪ Traders – honey, food stuff, fruits</li> <li>▪ Artisans – bricklayers, electricians, etc.</li> </ul>

### 2.1.2 Average monthly income

Their average monthly income (from salary/ trading/ business) ranges from N5,000 to N40,000.

- *"I am a driver and I am paid N15,000 monthly" (26 – 40 yrs male, Lagos)*
- *"They pay me N8,000 in the shop where I am a salesgirl" (18 – 25 yrs female, Lagos)*
- *"As a civil servant they pay us N25,000 monthly" (26 – 40 yrs female, Kano)*

A few respondents claim to get some irregular sums of money from relatives, friends and boyfriends when in urgent need.

- *"Sometimes if my business is not moving, I go to my parents for assistance" (18 – 25 yrs female, Kano)*
- *"My boyfriend gives me money once in a while and I use the money to take care of myself" (18 – 25 yrs female, Kaduna)*
- *"My parents give me money but it's not fixed and it is not regular" (18 – 25 yrs female, Lagos)*
- *"My friends lend me some money when I explain my problem to them" (26 – 40 yrs male, Kaduna)*

### 2.1.3 Spending Patterns

With an average monthly income of between N5,000 to N40,000, food, shelter and clothing are the key priorities for the low income population covered in this study. The study found that men and women generally have similar spending patterns.

They also spend their income on the following:

- Tithes
- Bills – rent, school fees, utility bills
- Travel/transportation
- Plough back into business
- Savings
- Personal grooming: hair, makeup, toiletries, etc.
- Assist family members
- Personal entertainment

## 2.2 Understanding the role of savings in the lives of the low income population

### 2.2.1 Respondents perceptions of savings

There is a spontaneous association of saving with 'banks' as it is perceived as the safest place to keep money and other valuables. However, some respondents are averse to the idea of banking because of negative hearsay – fee deductions, bureaucracy, tedious processes, etc. Majority of the respondents also associated savings with attributes such as:

- **Contributions:** Participation in any form of contribution no matter how small gives a feeling of saving and security for the future
- **Security:** Savings evokes a feeling of confidence and comes in handy when things do not go according to plan
- **Emergency:** Emergency situations cease to be a threat with savings
- **Future:** Thoughts of the future encourages saving
- **Planning:** Savings brings plans to life; plans cannot come to fruition without savings
- **Happiness:** Savings brings a feeling of happiness
- **Progress:** Resources saved helps to achieve life's desires
- **Achievement:** It evokes a sense of achievement
- **Rainy day:** Helps prepare for possible difficult days in the near future

### 2.2.2 Role of savings

Both savers and non-savers agree that savings plays an important role in people's lives. Savings ensures the continuity of a business as it provides fresh funds to grow the business. For several respondents, it helps in the attainment of set goals, and at the same time encourages financial discipline. Savings also act as a means of insurance, so that emergencies can be dealt with as they arise.

- *"It is good to save because of emergencies" (Consensus)*
- *"I know what I make in my bricklayer work but with my savings, I know that I have something to fall back on" (26 – 40 yrs male, Enugu)*
- *"Savings help in times of emergencies and ill health" (26 - 40 yrs female, Yola)*
- *"I save to meet unplanned demands, I save because of emergencies and to take care of my children's needs in school" (18 - 25 yrs female, Yola)*
- *"Savings provide a cushion during emergencies. When in need you can always go and get your money" (26 - 40 yrs female, Nasarawa)*
- *"While I am convinced that what I can save and have been saving is very small and unstable, the little that I save gives me a sense of security and satisfaction, I know I have something to always fall back on" (26 - 40 yrs female, Yola)*



### 2.2.3 Benefits of saving

Emergencies: most respondents associate emergencies mainly with ill health, unexpected need to travel, social engagements, and responsibilities.

- *"We can fall sick at anytime and to go to the hospital, you need money to pay for the treatment" (Consensus)*
- *"Most hospitals will not treat you if you don't have money, so we need to prepare for a rainy day" (Consensus)*
- *"When you have savings, it prevents you from embarrassments during emergencies" (26 – 40 yrs female, Nasarawa)*
- *"There was a time one of my sisters was getting married and she needed support for one or two things. I had to give her money" (26 – 40 yrs female, Kano)*
- *"Whenever I have any form of emergency, my meeting contribution can help me raise the money....they can even assist me..." (26 – 40 yrs female, Benin)*

Control mechanism for unnecessary spending: a high number of respondents suggested that holding cash allows one to spend frivolously. Thus they believe that saving guards against frivolities.

- *"If the money is with you, you will spend it anyhow" (Consensus)*
- *"..If I have N500, I split it into two. I give Akawo (daily contribution collector) N300 and use N200 to take care of my immediate needs" (26 - 40 yrs female, Benin)*
- *"Because I want to save I am forced to spend less and this is a good thing for me because I spend money anyhow when it is there" (26 - 40 yrs male, Nasarawa)*

Help plan for the future: most respondents suggested that saving is the key to future planning; having savings gives some form of control over the future.

- *"Nobody knows tomorrow, so if we spend all our money now, what will happen if we lose our jobs or die tomorrow ... so we need to plan now" (26 – 40 yrs male, Yola)*

Boosts self confidence and gives a sense of security: some respondents suggested that having savings gives them a sense of confidence as well as security.

- *"When I have money, I feel confident and I am without any fear because I know I have back up somewhere" (Consensus)*
- *"In fact if you are working and saving at the same time, you will have peace of mind. May be you have been saving since the beginning of the year to the end, if you check out what you have saved, you will know that you have something and that you are not working for nothing" (26 – 40 yrs female, Kano)*

Accrued money can be used for other investments: some of the respondents believe that savings are a means of investment, as it can be used to start up new businesses or expand existing ones.

- *"All the small money I save, by the time it is plenty, I can invest it in something that will fetch me more money like land" (26 – 40 yrs male, Yola)*
- *"It was the meeting contribution that I used to start my house project in the village" (26 - 40 yrs male, Benin)*

#### 2.2.4 Savings habits

Respondents use both informal and formal saving mechanisms. Most savers do not use or depend on just one method for "safety" reasons.

- *"I can't put all my eggs in one basket" (Consensus)*
- *"This is money we are talking about here and you know how difficult it is to make N10 nowadays" (26 – 40 yrs male, Yola)*
- *"I am ready to follow anybody up that plays with my money but sometimes there's nothing much you can do" (26 – 40 yrs male, Lagos)*

A major factor in determining which formal or informal method to use (especially contributions and group savings) is word of mouth and other people's experiences.

- *"I asked around before deciding where I want to put my money because somebody can take the money and run away with it" (25 – 40 yrs male, Nasarawa)*

**Table 2: Summary of savings methods utilized**

	Formal savings	Informal savings		
		Contribution	Saving at home	Other forms of savings
<b>Lagos</b>	<ul style="list-style-type: none"> <li>• Banks</li> <li>• MFBs</li> <li>• Cooperatives</li> </ul>	<ul style="list-style-type: none"> <li>• Daily (Ajo)</li> <li>• Group (Adako)</li> </ul>	<ul style="list-style-type: none"> <li>• Inside chairs</li> <li>• Wooden safes</li> <li>• Pockets</li> <li>• Within books</li> </ul>	<ul style="list-style-type: none"> <li>• Kola nut</li> <li>• Melon seed (Egusi)</li> <li>• Palm oil</li> <li>• Shares</li> </ul>
<b>Kaduna</b>	<ul style="list-style-type: none"> <li>• Banks</li> <li>• MFBs</li> </ul>	<ul style="list-style-type: none"> <li>• Daily (Adashe)</li> <li>• Group (Adashe)</li> <li>• Multipurpose</li> </ul>	<ul style="list-style-type: none"> <li>• Cupboard</li> <li>• Wooden safe (Asusu)</li> <li>• Clay safe (Asusu)</li> <li>• Tin safe (Asusu)</li> </ul>	<ul style="list-style-type: none"> <li>• Grains (Hatsi)</li> <li>• Land</li> <li>• Livestock</li> </ul>

	Formal savings	Informal savings		
<b>Kano</b>	<ul style="list-style-type: none"> <li>Banks</li> <li>MFBs</li> </ul>	<ul style="list-style-type: none"> <li>Daily (Adashe)</li> <li>Group (Adashe)</li> <li>Welfare</li> </ul>	<ul style="list-style-type: none"> <li>Cupboard</li> <li>Wooden safe (Asusu)</li> <li>Clay safe (Asusu)</li> <li>Tin safe (Asusu)</li> </ul>	<ul style="list-style-type: none"> <li>Grains (Hatsi)</li> <li>Land</li> <li>Livestock</li> <li>Poultry</li> <li>Gold</li> </ul>
<b>Yola</b>	<ul style="list-style-type: none"> <li>Banks</li> <li>MFBs</li> <li>DEC (Development Exchange Centre)</li> </ul>	<ul style="list-style-type: none"> <li>Daily (Adashe)</li> <li>Group (Adashe)</li> </ul>	<ul style="list-style-type: none"> <li>Siblings/relatives</li> <li>Clay safe (Asusu)</li> <li>Tin safe (Asusu)</li> </ul>	<ul style="list-style-type: none"> <li>Shares</li> <li>Jewellery (Gold &amp; Silver)</li> <li>Livestock</li> </ul>
<b>Nasarawa</b>	<ul style="list-style-type: none"> <li>Banks</li> <li>MFBs</li> </ul>	<ul style="list-style-type: none"> <li>Daily (Adashe)</li> <li>Group - amongst peers (Adashe)</li> </ul>	<ul style="list-style-type: none"> <li>Ceiling</li> <li>Holes in the ground</li> <li>Inside shoes</li> <li>Clothes pocket</li> </ul>	<ul style="list-style-type: none"> <li>Land</li> <li>Foodstuff – rice, beans</li> </ul>
<b>Enugu</b>	<ul style="list-style-type: none"> <li>Banks</li> <li>MFBs</li> </ul>	<ul style="list-style-type: none"> <li>Daily (Esusu)</li> <li>Group</li> </ul>	<ul style="list-style-type: none"> <li>Wooden box</li> <li>Purse</li> <li>Beneath pillows, mattresses, rugs</li> </ul>	<ul style="list-style-type: none"> <li>Palm oil</li> <li>Egusi</li> </ul>
<b>Benin</b>	<ul style="list-style-type: none"> <li>Banks</li> <li>MFBs</li> <li>Cooperatives</li> </ul>	<ul style="list-style-type: none"> <li>Daily (Olidara)</li> <li>Group</li> <li>Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Wooden box</li> <li>Purse</li> <li>Beneath pillows, mattresses, carpets</li> </ul>	<ul style="list-style-type: none"> <li>Kolanut</li> </ul>

A mix of both formal and informal savings mechanisms are utilized across all the regions. There is a higher incidence of home savings in rural areas.

### 2.2.5 How much of their income is saved?

Savers conceive savings to be “a means to an end” which comes in useful during an emergency. The amount saved in formal institutions is not fixed but dependent on how much income they have left, after all necessary expenses have been taken care of.

Many of the respondents save little amounts of money on a daily or weekly basis, which makes going to the bank frequently tedious and expensive. Therefore, they tend to save small sums of money through informal methods and save larger/substantial amounts at the bank.

- “I save whatever is left after I have removed my feeding money, transportation money and paid people back what I owe them” (26 – 40 yrs female, Lagos)
- “I don’t have a specific amount I save in the bank ... it is when I have gathered all the small money I have at home that I go and put it in the bank” (26 – 40 yrs male, Kaduna)

- *"I cannot go to the bank every day because it is costly, so I keep the money with the Akawo so that at the end of the month I can move it to the bank where it is safer" (18 – 25 yrs female, Benin)*
- *"I'll spend about N170 to go to the bank and back, it doesn't make sense for me to go to the bank when I have just N200 to save ... so I usually wait for the money to be much before I think of going to the bank" (26 – 40 yrs female, Lagos)*

However amounts saved using informal methods (daily contribution and group savings) is relatively fixed i.e. certain amount is saved over a period of time depending on what the saver can afford or on an agreed amount between the collector and the depositor. This amount is not fixed as it could increase or decrease in the next saving period depending on income generated versus expenditure.

- *"You can start with any amount if you are doing daily contribution ... it depends on what you can begin with" (Consensus)*
- *"Someone can start with N50, N100" (Consensus)*
- *"The last contribution we did, everybody dropped N5,000, but this year we increased it to N7,000 per person" (26 – 40 yrs female, Enugu)*

Some respondents save by investing in seasonal products, livestock and land. The majority however claimed that savings is lowest or does not happen during festive periods (Christmas, Salah and Easter); beginning of a school year (January, May, September); and when there are major family projects to sponsor or contribute towards (weddings, funerals, building a house).

- *"I hardly save in December or January when there are clothes/food to buy for the family and school fees to pay" (26 – 40 yrs male, Nasarawa)*

**Table 3: Average amounts saved by respondents**

Saving methods	Average amount saved	Frequency
<b>Informal</b>		
Daily contribution	N50, N100, N200	Daily
Weekly contribution	N500, N1,000, N2,000	At the end of the week
Monthly contribution	N5,000, N7,000, N10,000, N20,000	AT the end of the month
<b>Formal</b>		
Bank	Depends on level of expenditure for the month and whether the amount is sufficient to warrant a trip to the bank  <u>Business people</u> N2,000 – N15,000 per month  <u>Salaried workers</u> N2,000 – N5,000 per month	  <u>Business people</u> Irregular  <u>Salaried workers</u> Month end /beginning of the month

## 2.2.6 Advantages/disadvantages of formal vs. informal saving methods

### Formal savings

#### *Advantages*

Security: money kept in the bank is relatively safe.

- *"Banks are generally a safe place to keep money" (Consensus)*

#### *Disadvantages*

Too onerous: respondents were largely uneducated, hence they found account opening, deposit & withdrawal processes intimidating and stressful. There were also complaints about the security measures taken before gaining access into a bank branch even though they know that it is in their best interest.

- *"They said I was too young so they didn't allow me use the national ID and I don't even own a car so I don't have driver's license.....banks ask for all these things before you can open an account " (18 – 25 yrs female, Enugu)*

Proximity: majority of respondents, especially those in the rural areas complained that banks are too far away, costing an average of N50 to N300 to get there, which is expensive when one is only saving N2,000.

Unexplained deductions: across all locations, there were complaints about deductions (excluding alerts) which is very frustrating, as it reduces the amount available to spend.

- *"Do you know that they charge you if they send you a text message on your birthday, I don't know who asked them for the message" (18-25 yrs female, Yola)*

Low interest rates on savings: respondents expect the interest paid on their savings to be fair, as they believe banks use their money to generate profits.

- *"My money is never the way I left it ... all I notice is deductions, I have never seen where they give me interest" (Consensus)*

Increased fraud rate especially with ATMs: there were several stories recounted of ATM fraud that they either experienced or heard of.

- *"The banks now force people to use their card (ATM) and they know that all these 419 boys (fraudsters) can just take your money and you won't know" (26 – 40 yrs female, Benin)*

### **Informal savings**

#### *Advantages*

No processes: little or no documentation/paperwork is required.

- *"The only paper we use is the card and it is the alajo (collector) that fills it and returns it back to us" (Consensus)*
- *"I don't have to fill any form or sign anywhere" (Consensus)*

Convenient: most of the savings is done at home, shops or place of work (via collectors) without having to spend money on transportation or time away from work. For example, some petty traders/recharge card sellers said they could not afford the time it takes to go to the bank.

- *"I don't have to leave my shop to go to the bank, they come to meet me where I sell my goods" (26 – 40 yrs female, Enugu)*
- *"I sell recharge cards and if I am not there, the customer can easily go to the next shop to buy" (18 – 25 yrs female, Lagos)*
- *"The alajo moves around to collect money, which for me is stress free ... even with the adako, we only go once a month to the house of the person collecting for the month" (26 – 40 yrs female, Lagos)*

No deductions: respondents consider this very important since their savings is minimal and any deduction no matter how little impacts on their lives. Informal collectors do not remove any charges except the first payment made which represents his/her fee.

- *"It is how you leave your money that you will find it, they don't remove anything except the first money you give the collector) at the beginning" (Consensus)*
- *"...Even if Akawo (collector) removes money it is better because he comes to meet you in the shop to collect the money and also comes to give you money in your shop" (18 – 25 yrs female, Benin)*

#### *Disadvantages*

No guarantee: there are several instances where the collector runs away with people's money. This is a major source of concern that acts as a barrier to using this method.

- *"Some of the collectors just disappear with people's money, that is why I don't like patronizing them" (18 – 25 yrs female, Kano)*
- *"My mum was doing daily contribution in her office then she came home one day crying that the collector had run away with all their money" (18 – 25 yrs female, Lagos)*

Theft: this is usually common with home savings. Respondents agree that it is largely unsafe to save at home as it could be easily stolen.

- *"It is really not safe because when armed robbers/thieves come to the house, they will take all the money away" (Consensus)*

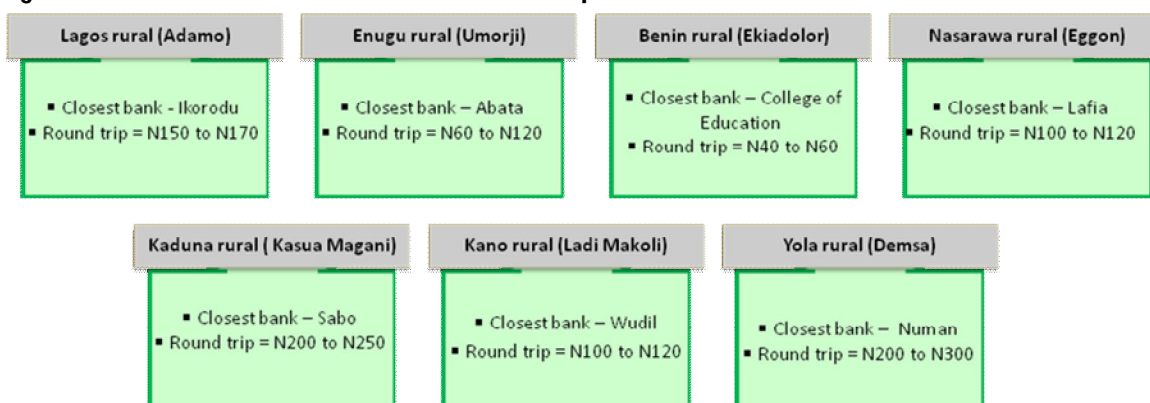
## **2.3 Exploring respondents attitude to banks**

### **2.3.1 Access to banks**

People in the urban areas have better access to banks than those in rural areas. However, some of the respondents said that they still have to pay about N30 to N100 for a round trip to the bank.

In the rural areas, there is usually just one bank or none at all. Respondents would either have to take a taxi, bus or bike to the bank closest to them. Transportation costs vary from N50 to N300. To reduce their transportation costs, some respondents would only go to their bank on market days or when they have cause to go to town.

**Figure 1: Rural locations – cost of a round trip to the closest bank**



### 2.3.2 Banks patronized and why?

Bank patronage either in the rural or urban areas is basically driven by proximity as there is no distinctive difference in product offerings and services rendered by most banks. The least patronized banks are those who are perceived to have high incidence of ATM fraud and make unexplained deductions from customers' accounts.

- *“They are thieves in that bank, they took N7,000 from my husband's account through the ATM and when he went to complain, they started saying nonsense and up till now, they haven't given him back the money” (26 – 40 yrs female, Lagos)*

**Table 4: Banks patronized by respondents**

	Urban		Rural	
Region	Banks	Reasons	Banks	Reasons
Lagos	GT Bank	Friendly, fast, reliable, strong capital base, can withdraw all your money	First Bank	Strong heritage, popular, recommendation
	First Bank	Strong heritage, strong capital base, recommendation	UBA	High presence, recommendation
	UBA	High presence, recommendation, corper/student account		
	Skye Bank	Friendly services, recommendation		



	Urban		Rural	
Region	Banks	Reasons	Banks	Reasons
Kaduna	GT Bank	Friendly, fast, good network, good customer service, efficient, proximity	Union Bank	Proximity
	Oceanic Bank	Reliable, recommendation, proximity	UBA	Proximity, recommendation, popular
	FCMB	Prompt, efficient, good network		
	Bank PHB	Proximity		
	Intercontinental	Recommendation		
	UBA	Very popular		
Yola	GT Bank	Proximity, salary account, fast	Union Bank	Proximity
	Zenith	Proximity		
	First Bank	Reliable, proximity		
	UBA	Proximity		
	Oceanic Bank	Proximity		
Benin	UBA	Corper account, recommendation	Skye Bank	Proximity
	First Bank	Reliable, stable		
	GT Bank	Friendly services		
Nasarawa	Diamond Bank	Very popular	UBA	Proximity
	First Bank	Very popular	Diamond Bank	Proximity
	UBA	Recommendation	Union Bank	Proximity
	GT Bank	Reliable, friendly nature of staff	Eggon Microfinance Bank	Proximity
	Union Bank	Salary account		
	Bank PHB	Proximity		

	Urban		Rural	
Region	Banks	Reasons	Banks	Reasons
Kano	GT Bank	Good customer service, friendliness of staff	UBA	Proximity, recommendation
	First Bank	Reliable, strong capital base	Union Bank	Proximity
	Unity Bank	Salary account		
	Oceanic Bank	Recommendation		
Enugu	First Bank	Reliable	First Bank	Proximity
	UBA	Recommendation		
	Intercontinental	Proximity		
	GT Bank	Proximity, recommendation		
	Oceanic Bank	Recommendation		
	Skye Bank	Proximity		

### 2.3.3 Challenges faced when using banks

Slow paced services and long queues: respondents complained about the amount of time it takes bank staff to serve their customers. For low income earners, time is valuable and spending more than 10 minutes in the bank is seen as a waste of time.

- *"Sometimes you'll go to the bank and find a long queue especially on Fridays and the end of the month when people are receiving their salaries" (Consensus)*
- *"You can imagine some of them taking over 20 minutes to attend to just one customer ... that is why we have long queues in the bank" (26 – 40 yrs male, Kano)*
- *"That branch is like a ministry, when you go there, you'll see them jisting away and not attending to anybody" (26 - 40 yrs female, Kano)*

Unreasonable bank charges and hidden charges: it was a consensus opinion that banks charge for everything including unsolicited messages. According to respondents, most of these charges are not made known when the account is opened.

- *"...They would charge for passbook, ATM, SMS and other things, but my contribution charges nothing" (26 – 40 yrs female, Enugu)*
- *"They send you text messages on your birthday and festive periods and then they take it from your money" (26 – 40 yrs male, Kaduna)*
- *"There is no interest on the money saved in the bank, but they now charge us for saving with them" (26- 40 yrs female, Benin)*

- *"What these people in the bank do to their customers at times is bad because you would have a certain amount in your account, but when you get there you'll find out that they have deducted a certain amount from your account and when you ask they will start telling you it is a charge for this and that" (26 – 40 yrs male, Kaduna)*
- *"They are supposed to inform me before they deduct any money from my account, even the ATM card nobody told me that there would be charges for it. If you're lucky to meet the good bankers they'll explain to you but if you meet the wrong one they won't explain anything to you" (26 – 40 yrs male, Kano)*

Unfriendly staff: respondents complained bitterly about the unfriendly nature of some bank staff that are usually impatient to offer any form of assistance.

- *"The way they answer you when you ask them simple questions is so annoying" (Consensus)*
- *"Manner of approach is very important when dealing with people no matter how much the person has" (Consensus)*
- *"Some of them will be answering calls while people are waiting and when you confront them, they will ask you if they can't make calls again" (18 – 25 yrs female, Kaduna)*
- *"Most bankers are always in a bad mood and they carry it to work taking it out on small savers like us" (26 – 40 yrs female, Lagos)*
- *"When they receive their salary, they are always happy but at the middle of the month they would change, I went to the bank today and a man was complaining bitterly and nobody answered him" (26 – 40 yrs male, Kaduna)*

ATM fraud: the high incidence of ATM fraud negates the main benefit of saving in a bank i.e. security. This is a major challenge as nobody wants to lose even the smallest amount of money.

- *"It is not wise to use the ATM because all these yahoo boys (fraudsters) have found a way of stealing people's money through the ATM" (Consensus)*

Unreliable network: this slows down the entire process of paying in and receiving money. The ultimate effect is frustration on the part of the consumer.

- *"Network failure is a regular problem associated with the banks here" (26 - 40 yrs female, Nasarawa)*
- *"The bank here always complains about no money, no network, but they are happy to collect our money at all times, they don't need network to collect our money" (26 - 40 yrs female, Yola)*

Required opening and minimum balance: this deters people who do not have the initial lump sum to open an account. Most respondents opined that their accounts should remain active, even if there is no money in the account.

- *"They ask us to pay money before we can open account, which I don't have" (26 – 40 yrs female, Enugu)*

- *"They charge like N5,000 to open an account and then they ask you to leave a minimum of N2,000" (26 – 40 yrs female, Enugu)*
- *"Their minimum balance is N1,000 and it's not fair because there are times you would need that money and you can't withdraw it" (18 – 25 yrs female, Kaduna)*

### 2.3.4 Reasons for not using banks

#### *Internal factors*

Lack of funds: respondents claim that their earnings are insufficient, so they don't have enough to save

- *"I know that the bank is still the best place to put your money, but because I do not have plenty money, for now I do not use e banks" (26 - 40 yrs male, Nasarawa)*

Low literacy: several respondents, especially those in the rural areas are not literate, so the process of filling out forms or going through other bank processes does not appeal to them.

- *"I don't know how to read and write and I know that if I go to the bank, they will give me paper to fill and I don't want to embarrass myself" (26 – 40 yrs female, Kano)*

#### *External factors*

Intimidating environment: several respondents especially in the North believe that banks are meant for wealthy people who have a lot of money to save. In addition, bank staff are unfriendly/disrespectful which discourages many rural respondents from saving in a bank

- *"The bank is only for rich people that have plenty money & me I don't have that kind of money" (Consensus, Kaduna, Kano, Yola)*

Lack of trust in any system: there is very little trust in any system when it comes to their money.

- *"My money is very dear to me & I don't think anybody can keep my money better than me". (18 – 25 yrs female, Kaduna)*

Proximity: many respondents stated that there was no rationale in travelling long distances to save small amounts of money.

- *"I feel discouraged to pay N600 to and from the bank just to save a few thousand naira" (18 - 25 yrs female, Nasarawa)*
- *"I don't have much money and the bank is not close, if I want to save N300 and I remove N100 for transport costs what I have left is not much" (26 – 40 yrs male, Lagos)*

### 2.3.5 What banks can do to attract the low income population

Most respondents are not satisfied with the services rendered by most banks with the exception of a few – GT Bank and First Bank.

To attract the low income population, banks need to do the following:

- Educate consumers about procedures & charges
- Increase branch presence - proximity is key to encouraging the low income to save formally
- Provide home to home/street by street collection: like daily contributions
- Minimise bank charges & deductions
- Provide prompt and reliable services
- Increase interest paid on savings
- Ensure that their bank staff are more friendly
  - *“They don’t help in opening account for people who cannot read or write, none of them understands my language” (26 – 40 yrs male, Kano)*
- Reduce the processes
- Make loans available with flexible payment terms
- Offer advisory services
- Introduce Islamic (non-interest) banking
  - *“I have a lot of friends that said if there is an Islamic bank they will keep 100% of their money there, but due to its absence, none of them patronize any of the current banks” (26 – 40 yrs male, Kano)*
  - *“Our religion does not allow us to collect interest from the banks, but there are no Islamic banks so we use the ones that are available ... but what I do is to give the interest out as alms on Fridays” (26 – 40 yrs female, Kano)*

## 2.4 Understanding respondents appetite for mobile payments

### 2.4.1 Ownership and usage

Majority of the respondents have phones with basic functions. Usage is largely traditional i.e. making and receiving calls/texts, listening to radio and playing games. However, a few respondents in the rural areas (3 in Kaduna, 4 in Kano) mostly women do not have mobile phones due to lack of funds.

### 2.4.2 Awareness of mobile payments

There is a general lack of awareness by most respondents of the concept of using mobile phones to make payments.

- *“My friend told me that you can send money to someone from the convenience of your home or anywhere you are and the person will get it and if someone sends you money, all you have to do is go to the bank and cash it” (18 – 26 yrs female, Kano)*

However, once the concept of mobile payments was described, most respondents showed high excitement and expressed interest in the service as it would address many of the current challenges faced with saving in a bank i.e. proximity/convenience, little or no documentation requirements, no transportation cost, etc.

- *"We don't have to spend money going to the bank" (Consensus)*
- *"There's no need to go to the bank again if we have this" (Consensus)*
- *"Transactions can be done on the go without having to go to the bank" (Consensus)*
- *"Ha this is just like a bank" (Consensus)*
- *"This will save us from the stress of going to the bank all the time" (Consensus)*
- *"It would be very useful in places like our village where there are no banks" (Consensus in locations without a bank)*
- *"It is good, but would be challenging for people that are illiterate" (Consensus)*
- *"Since it's mobile, you can use it anywhere" (18 – 25 yrs female, Kaduna)*
- *"Good and innovative, it is a new way to have access to my money" (26-40 yrs male, Yola)*
- *"If it can be reliable it's a good thing. I can just carry my phone and punch it and somebody in other part of Nigeria will just get it. There was a time I paid some money in the bank for somebody; it took like three days before that person got the money. It's a good thing but this one that the network fluctuates sometimes that could be a challenge for this new idea" (26-40 yrs male, Yola)*

The most frequently asked questions regarding mobile payments are:

- Will my money be safe if I lose my phone?
- Will the agents be available 24 hours a day and 7 days a week?
- Won't this mean insecurity for our neighbourhood?
- What about those of us that cannot read English – will it be in our local language?
- Will it be done by just one network or all of them?
- Will it be nationwide, even in this our village?
- How will we know the agents?

#### Perceived benefits

- Convenient: since it is believed that there will be agents everywhere
- Security of funds: just like a bank
- Fast
- Easy/direct access to money
- Little/no processes
- No embarrassment, as little amounts of money can be saved
- Improved status since respondents can also boast of having an account
  - *"With this, once people talk about going to the bank, me too can say that I have a bank account" (26 – 40 yrs male, Lagos)*
  - *"Sometimes when I see people write a cheque, they always feel proud that they have a bank account .... I can also feel proud too if they start this thing because it is like a bank" (26 – 40 yrs male, Lagos)*

- *“There are times that someone owes you money and then they will bring out their cheque book telling you that they have not been able to get to the bank, it’s just about showing off and I used to wish that I was like them” (26 – 40 yrs male, Lagos)*

### Concerns

- Fraud: some respondents are of the opinion that the service is open to fraud/can be easily hacked just like the ATM
  - *“Won’t all these bad boys(fraudsters) have access to someone’s account the way I hear that they steal people’s money through the ATM” (26 – 40 yrs male, Lagos)*
- Might require some added specifications: considering the low literacy levels of respondents i.e., a large number of them do not know how to compose or send text messages. This is seen as a possible setback for the service since it is text based
  - *“The idea is a very good one but most of us don’t know how to read or even send text messages, so how will we do it” (26 – 40 yrs female, Kano)*
- Possible network issues: since the service will be powered through mobile phone/service providers, the recurrent network failure currently experienced is also seen as a possible barrier that could lead to inefficiencies
  - *“I think it will also have network failures since it is those network providers that will operate it” (26 – 40 yrs male, Kano)*
- Work hours/availability of agents: respondents wondered if agents would be available 24 hours a day and 7 days a week just like the ATM, so that one can have access to funds when needed
- Security issues - around the agents/neighbourhood
  - *“This one might be inviting thieves to our area since people will know that these agents always have money with them” (18 – 25 yrs female, Lagos)*

**Table 5: Banks respondents would trust to provide mobile payments**

	Urban		Rural	
Locations	Bank	Reasons	Banks	Reasons
Lagos	GT Bank	Reliable, prompt, good track record, friendly services	First Bank	Strong heritage, good track record
	First Bank	Strong heritage, financially stable	UBA	Wide presence
	Zenith Bank	Reliable, good track record	Intercontinental	Stable, reliable
Kano	First Bank	Popular, strong heritage, financially stable	First Bank	Popular, strong heritage
	Intercontinental	Reliable	GT Bank	Reliable and friendly services

	Urban		Rural	
Locations	Bank	Reasons	Banks	Reasons
Kaduna	First Bank	Trustworthy, popular, strong heritage	First Bank	Trustworthy, popular
	GT Bank	Efficient, stable, reliable, friendly staff	GT Bank	Good track record
	Zenith Bank	Reliable, good track record, financially stable		
	Intercontinental	Trustworthy, stable, popular		
Enugu	GT Bank	Reliable, friendly staff	First Bank	Strong heritage
	First Bank	Large presence, popular		
Benin	First Bank	Good track record, friendly staff	First Bank	Good track record, strong heritage, popular
	Zenith Bank	Good track record		
Nasarawa	GT Bank	Trustworthy	Diamond Bank	Heritage, proximity
	Diamond Bank	Heritage and Proximity	UBA	Large presence
	Intercontinental	Trustworthy	Union Bank	The bank in our community
Yola	GT Bank	Trust worthy, good track record	GT Bank	Trusted bank
	First Bank	Strong heritage	First Bank	Strong heritage

**Table 6: GSM providers respondents would trust to provide mobile payments**

	Urban		Rural	
Locations	GSM provider	Reasons	GSM provider	Reasons
Lagos	MTN	Reliable, stable	MTN	Popular, efficient
	Etisalat	Trustworthy, reliable services	Glo	Philanthropic nature, indigenous, affordable and reasonable offerings
			Etisalat	Regular promos
Kano	MTN	Innovative, trustworthy, wide coverage, stable, huge financial muscle	MTN	Very popular, wide coverage
	Glo	Stable		
Kaduna	MTN	Reliable, status symbol	Glo	Very popular, trustworthy
	Etisalat	Young, innovative		
	Glo	Stable		
Enugu	MTN	Very popular, large patronage, wide coverage	MTN	Very popular



	Urban		Rural	
Locations	GSM provider	Reasons	GSM provider	Reasons
Benin	Glo	Philanthropic nature, regular promos	Glo	Fast, reliable services, regular promos, affordable tariff and offerings
	MTN	Wide coverage, stable	MTN	Wide coverage, fast and reliable services, easily connects while browsing
Nasarawa	MTN	Wide coverage, reliable network	MTN	Wide coverage
	Etisalat	Promising network	Etisalat	Reliable network
Yola	MTN	Wide coverage, reliable network	MTN	Wide coverage, reliable network
	Glo	Wide coverage, reliable network	Glo	Wide coverage

### 2.4.3 Prospects for a new service provider for mobile payments

Most respondents claim they would not patronize a new service provider, due to a lack of trust. Majority would wait to hear about other people's experiences and if satisfied then they could give it a try.

- *"I will wait for other people to try them first before I can use them because this is a money matter" (Consensus)*
- *"I will not allow anybody to use my money as experiment, when I hear that they are good then I can put my money there" (26 – 40 yrs male, Kaduna)*

Some respondents would try it out at inception, if the new service provider collaborates with known/trusted existing provider.

- *"If they work hand in hand with a company like MTN that we all know, then I can give them a try" (26 – 40 yrs male, Lagos)*

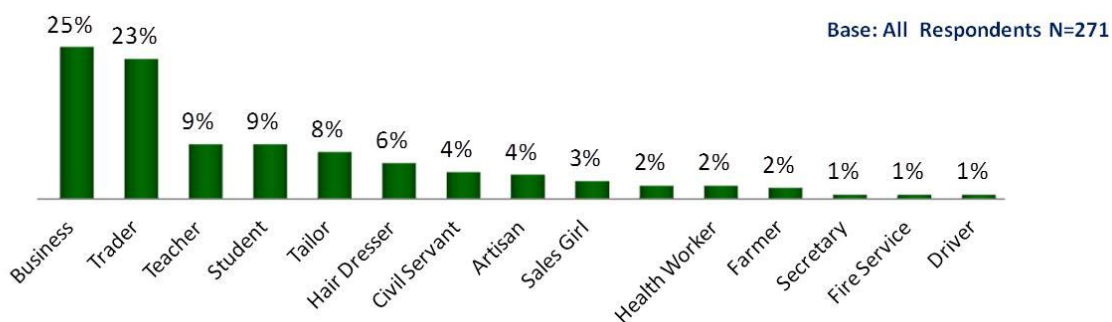
## Annex A: Respondents Profile

Twenty eight focus group discussions were conducted, totalling 271 people across the six geo political zones, as follows:

**Table 7: Detailed sample split**

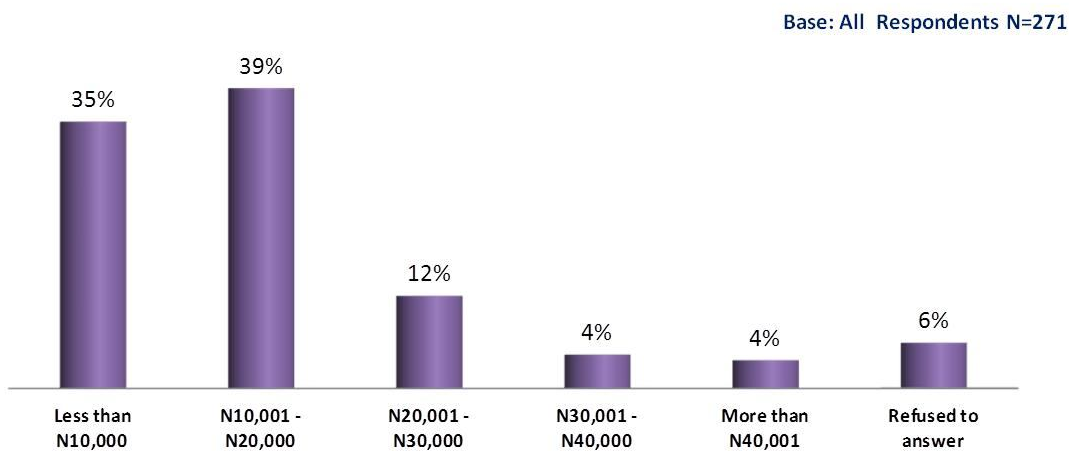
	Urban			Rural				
Locations	C2D			DE			Total no. of focus groups	Total no. of participants
	Male	Female		Male	Female			
	26 – 40 yrs	18 – 25 yrs	26 – 40 yrs	26 – 40 yrs	18 – 25 yrs	26 – 40 yrs		
Lagos		1	1	1		1	4	40
Benin	1		1		1	1	4	36
Enugu	1	1			1	1	4	37
Kano		1	1	1	1		4	39
Kaduna	1	1			1	1	4	40
Yola		1	1	1		1	4	39
Nasarawa	1		1		1	1	4	40
Total	4	5	5	3	5	6	28	271

**Figure 2: Respondents occupation**



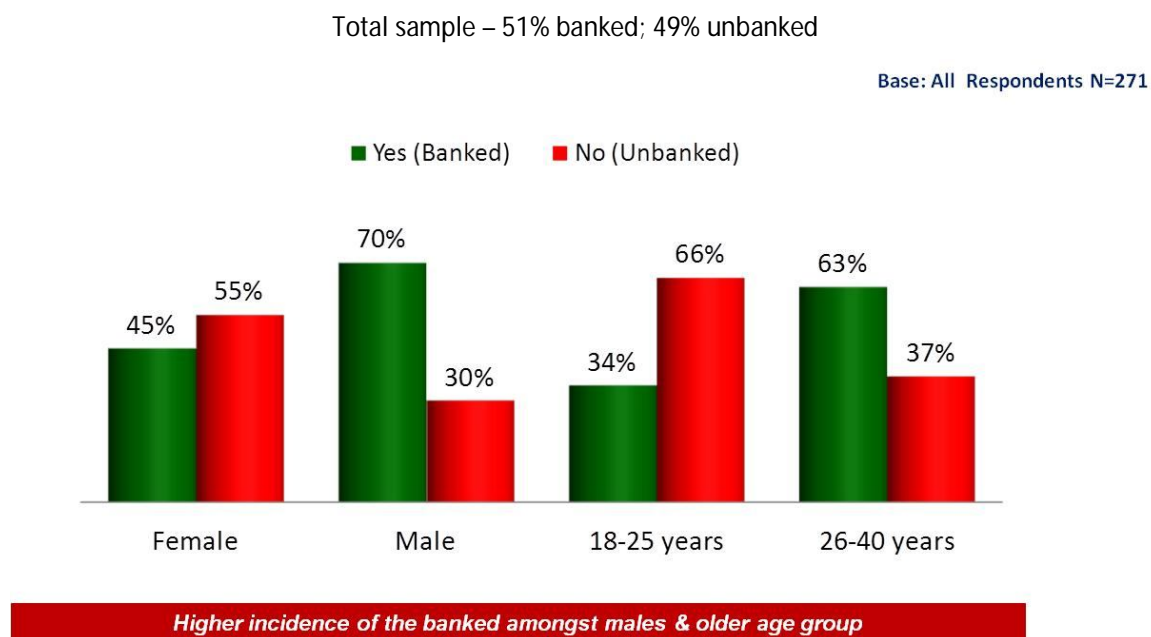
**Almost half of the respondents are into business and trading**

**Figure 3: Respondents monthly income**

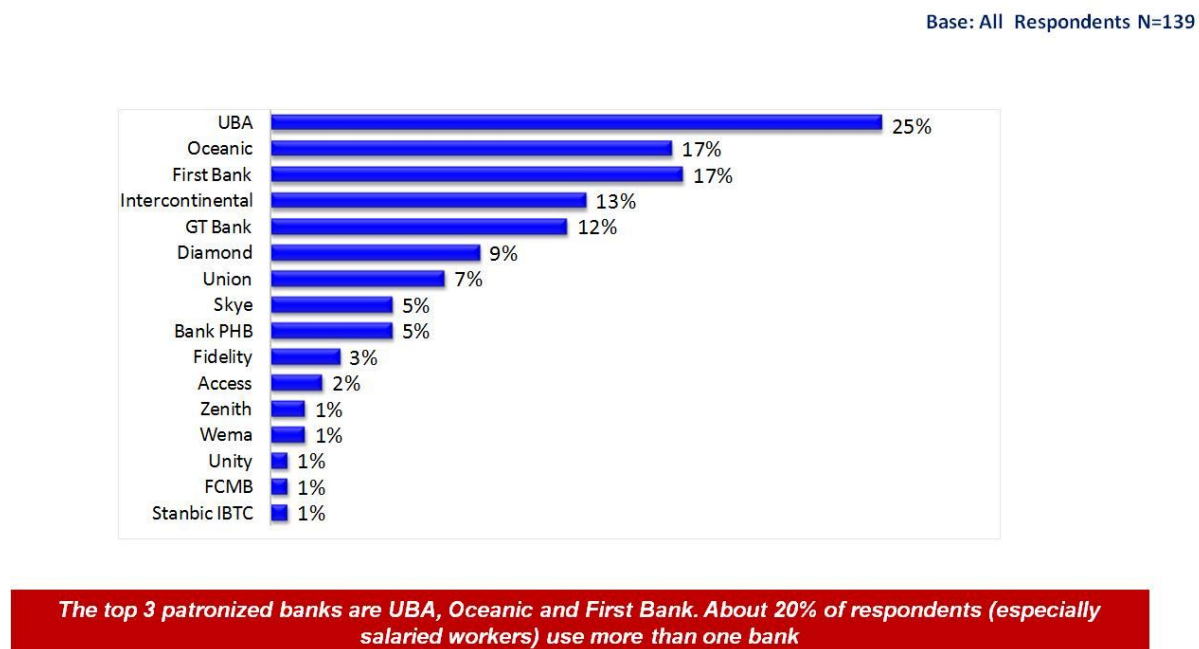


**74% of respondents earn N20,000 or less monthly**

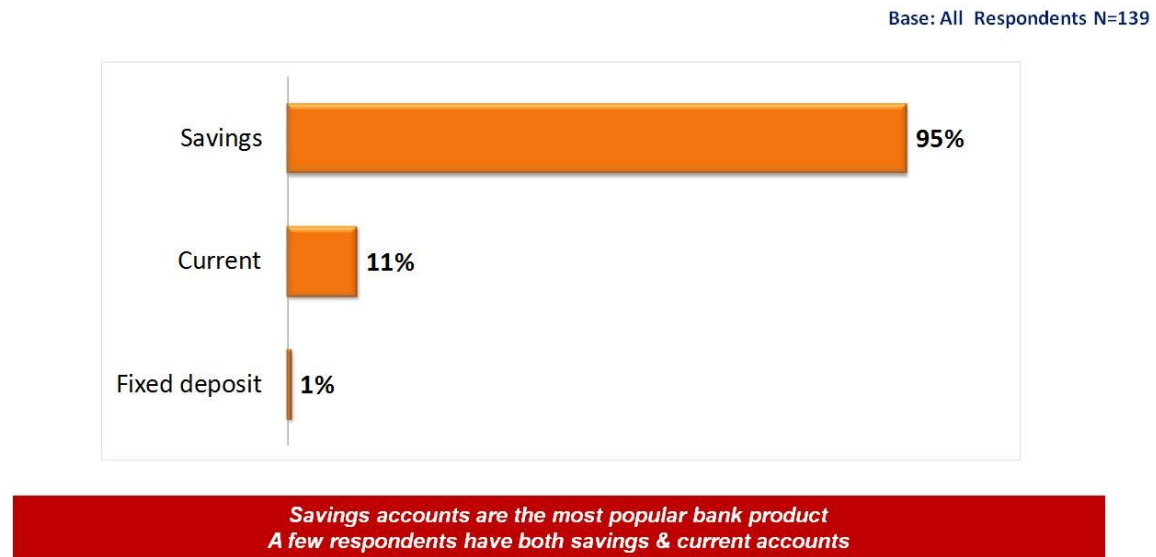
**Figure 4: Banking status by gender and age**



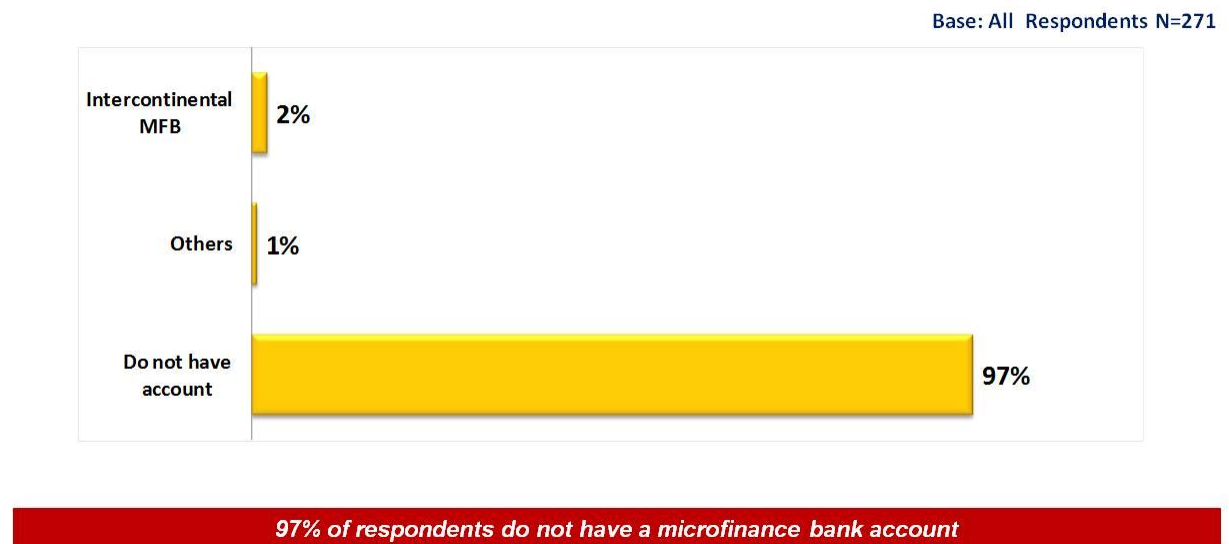
**Figure 5: Banks patronized by respondents**



**Figure 6: Bank products utilized by respondents**



**Figure 7: Usage of microfinance banks**



## **Annex B: Formal savings**

### **Banks**

The majority of the respondents perceive banks to be the safest place to keep savings/valuables.

- *“The bank is a central store, a safe and guaranteed place to keep money” (26 – 40 yrs male, Kaduna)*
- *“When I was growing up, my parents used banks and I think that is how it should be done because your money is safe there” (26 – 40 yrs male, Kano)*
- *“I like my money, it is sweat and I will not want anybody to joke with it ... I know the bank cannot play with my money” (26 – 40 yrs male, Kano)*

Some of those who currently save in the banks say they do so because they do not have a choice as they are compelled to open salary accounts or National Youth Service Corps accounts.

#### Likes

- Safety of funds
- Easy access to your money without unnecessary protocols - ATM
- Proper documentation that protects the saver's money

#### Concerns

- Inaccessibility: especially in rural areas
- Long queues resulting in loss of time
- Unfriendly nature of some staff members
- Inability to provide loans except with costly collateral
- Protocols involved in opening an account, withdrawals and deposits
- Fear of bank liquidation/failure as experienced in the past

### **Microfinance Banks (MFBs)**

Majority of the respondents were negatively disposed to microfinance banks as a result of negative personal and word of mouth experiences. According to some of them, although MFBs were set up to cater for the needs of low income people like them, the MFBs behave like deposit money banks especially regarding interest rates and bureaucracy. Respondents expect MFBs to have friendlier services and products that would cater to their needs.

#### Likes

- No specific likes

#### Concerns

- Unstable
  - *“How many of them really have money to survive, tomorrow you will hear that they have packed up” (26 - 40 yrs male, Kaduna)*
- Perceived as untrustworthy

- *“Ha they are all thieves, I can never patronize them” (Consensus)*
- *“The one that came to our village, took people’s money and ran away with it and till now, nobody has heard from them” (26 – 40 yrs female, Lagos)*

**Development Exchange Centre (DEC)**

The Development Exchange Centre is an NGO that first started as a resource centre for groups of women to share and exchange development information. Since then, it has expanded its objectives to include microfinance services, community development initiatives, literacy classes and various capacity building and entrepreneurship skill development workshops.

Several female respondents in Yola said that they depend on the DEC for their financial needs. In certain parts of Adamawa State there are a total 6 DEC groups with 30 women in each group. The group receives a bulk loan which is repaid by the group members on a weekly basis with little interest at the end of full payment. When the loan is paid, larger loans are made available to the group and the process continues.

- *“Many of us have improved our businesses and families through our participation in the DEC programme” (26-40 yrs female, Yola)*

When there is a default by one member in a group, all the members of the group are made to pay, so members ensure that people in their group are trusted/reliable persons. The loan provided is used by members for various needs including purchase of cows, goats, building of houses and children’s education.

## Annex C: Informal savings

### Contribution

#### *Daily contribution*

##### Mode of operation:

Contributions are done on a daily basis. There are no rules or specific amounts required to start. It could be as low as N50 depending on what the individual is comfortable with/can continue with. Typical amounts saved daily are N100, N200 or N500.

It involves a collector (male or female) who moves around daily and at specific times of the day to collect money from depositors, usually from the same community or neighbourhood. A printed card is filled daily by the collector to record deposits made. Most localities have known collectors that have been in the business for quite some time.

There are no deductions, the only fee paid is the first deposit which goes to the collector and serves as payment for his/her services. Accumulated money is collected at an agreed date (usually at the end of the month, but a few collect at the end of the year).

Several years ago in Kaduna there was a type of daily contribution called multipurpose which has since ceased to exist (it was shut down by the Central Bank).

- *"The multipurpose really helped people save money their money then and a lot of people trusted them not knowing they did not have a license to run it" (18 – 25 yrs female, Kaduna)*
- *"I think the Central Bank came down on them because they were not registered and they ran away with people's money" (18 – 25 yrs female, Kaduna)*

The differentiating factor between multipurpose and daily contribution is that multipurpose pays 10% interest at the end of the month to the depositors. This is because the organizers use savers money to trade/do business so the profit made is shared and paid out as interest. With this saving method, a certain amount of money is deposited daily and just like the conventional daily contribution, the initial deposit is paid as a service charge to the collector.

- *"I used to deposit N200 every day, then they will remove N200 and give me my total money plus 10% interest at the end of the month" (18 – 25 yrs female, Kaduna)*

##### Likes

- Enables one to exercise some level of control on unnecessary spending
- Convenient: as collectors come around
- No protocol involved
- Stress free as you save what you have
- No feeling of intimidation/inferiority



### Concerns

- Disappearance of collectors without notice, leaving depositors in debt
  - *“My mum had a poultry farm and was doing this daily contribution with a man, then after a while we didn’t see the man again, he ran away with people’s money” (26 – 40 yrs male, Kaduna)*

### Profile of a typical user

Someone with very low income e.g. petty traders, market women, artisans, etc.

- *“For me, I think it is for market women that is why I don’t do it” (26 – 40 yrs male, Kaduna)*

### Group saving (weekly and monthly)

#### Mode of operation

This is usually amongst a group of people known to each other (friends, neighbours, colleagues, etc). A certain agreed amount of money is contributed over a certain period. At the end of the agreed period, one member of the group collects the total amount. This is repeated at the end of each period until every member of the group has collected the agreed amount – the cycle continues until there is a disagreement. Average amounts contributed are as follows:

- Weekly contributions: N500 or N1,000 or N2,000
- Monthly contributions: N5,000, N7,000, N10,000 or N20,000

This type of group contribution varies across locations. For example:

- Welfare: a common practice amongst teachers in Kano. Each member of the group contributes N500 monthly and is not allowed to collect their money until there is an emergency.
- Meeting contribution: a common practice in Benin where each member is mandated to contribute N2,500 every month out of which N2,000 is left in the coffers. The accumulated money is collected at the end of the year by the depositors. The remaining N500 is used to cover the monthly levies and entertainment on meeting days.

There are no limits to the number of people in group contributions but usually it is a minimum of 8 people. However, some respondents claimed to belong to groups of 20-25 in rural northern Nigeria (Kano, Kaduna) as money contributed is small i.e. N500/N1,000 per week/month.

A ballot paper is usually generated to determine which member’s turn it is to collect the agreed amount. This practice is more common with women who see it as an opportunity to raise large sums that can be put to good use, such as for their business or some other investment. Each group has a coordinator (usually the originator) that sets the rules and accepts contributors.

### Likes

- The money saved and collected is considered a source of capital for business and other capital intensive projects (purchase of land/building and houses)
  - *“If I need money this month, I want a certain amount and I can’t get this money because I have not saved up to that amount in the bank, but when two, three, four, ten people gather*

*the money, you will get what you want. You can beg the person before you to allow you collect when you desperately need money” (26 – 40 yrs female, Kano)*

- No collateral required
- No unnecessary deductions except small levies
- Convenient/stress free as it does not require travel time and transportation costs
- No feeling of intimidation/inferiority as form filling is not required
- Encourages financial discipline
  - *“When you are desperately in need of money you can just go to the bank and collect money from your account but when it is contribution they will not give you unless it is your turn” (26 – 40 yrs female, Kano)*

### Concerns

- Delays and non-remittance on the part of some group members
  - *“We have seen and heard of many cases where some people collect money and then they stop contributing when it is other people’s turn, that is why our own collection and distribution is done in the office once we get our salary” (18-25 yrs female, Nasarawa)*
- An avenue for show-off amongst members: this is peculiar to groups that have a meeting point (home/shop of collector for the month) where money is dropped off monthly
  - *“One thing I don’t like is that when we go to drop the money with the person that is supposed to collect, you will see people competing with clothes, jewellery, shoes ... so that people will think they have arrived” (18 – 25 yrs female, Kaduna)*

### Rules

- Each group member must have a source of income
- Contributions must be paid as at when due, as late remittance attracts additional fees/penalty

### Profile of a typical user

Someone who earns an average monthly income of N30,000 and above.

## **Saving at home**

*Tin, clay, ceiling, between books, cupboard, etc*

Respondents described these as traditional saving methods that were handed down by their fore fathers. These are still in use by the very low income earners who do not see the need to engage in either formal or informal savings and want to have timely access to and control over their money.

The tin safe is made from used tins of milk and cocoa beverages sealed with glue but with a straight hole on top. This is to prevent theft and help individuals control their spending. The safe is destroyed when it is full or when the saver is in dire need of the money.

- *“I put N100 in my gongoni every day and break it when it is full or when I have one or two problems to solve” (26 – 40 yrs female, Kano)*
- *“For me, I save inside it and the moment I have a problem I will just break it” (18 – 25 yrs male, Kano)*

Clay safe is made from clay with a little opening at the top and serves the same purpose as the tin safe. It can be destroyed when full or when the owner is in need.

Wooden safes have locks and are made by carpenters. They are more expensive than the clay/tin safe. However, the lock can be easily broken and therefore the owner/anybody can easily open it at anytime.

Some rural dwellers living in mud houses with earthen floors dig holes in the ground and save their money there to prevent theft.

#### Likes

- No charges
- Convenient
- Easy/direct access

#### Concerns

- High tendency to be wasteful as it is almost like no saving because the owner has access all of the time
- No documentation hence if some money is stolen, there's the possibility that the actual amount stolen will be unknown
- Higher risk of theft

### **Other forms of saving**

#### *Livestock - rams, goats, cows*

This is common practice in the northern parts of Nigeria. Respondents claim to buy livestock when they are young, breed them and sell them especially during festive seasons (Salah, Christmas).

- *"You can sell a goat at anytime and get your money instantly" (26 – 40 yrs female, Kano)*

A kid (young goat) costs about N5, 000 to N7,000 and can be sold for over N35,000 during Salah. Though a lot of money is invested on feeding and healthcare, they can still achieve a minimum of between N10,000 and N15,000 as profit.

- *"You know we use ram to celebrate Salah and it is usually very expensive ... if you have trained some, you'll make money during that season" (26 – 40 yrs male, Kano)*

The nanny (female goat) is the most expensive and in higher demand since it is more profitable.

- *"Goats give birth twice a year and if you get a lucky goat that gives birth to two or three at a time, in a year you will have four or six goats including the one you had and they grow fast especially the male goat" (26 – 40 yrs female, Kano)*

The calf (young cow) on the other hand is very expensive (N20,000 to N40,000) and sold for a minimum of N60,000. Price is dependent on size.

The critical challenge in livestock savings is the cost of feeding and health care of the animals.

### *Poultry*

The same principle which applies to livestock applies to poultry i.e. buy chicks at N80 to N100 and sell them when mature for a minimum of N1, 200.

- *“Keeping poultry is a good way of saving and creating wealth for future us” (26 – 40 yrs female, Yola)*

### *Jewellery – Gold, Silver*

Investing in jewellery is a common practice in the northern parts of Nigeria but not amongst our respondents as it involves a lot of money. Very few claimed to buy gold/silver when the price is low and resell during festive periods especially Salah when the prices are high.

- *“My gold is like an insurance for my children so that when I die they can sell it and use the money for something or I can sell it if we don’t have money because nobody knows tomorrow” (26 – 40 yrs female, Kano)*
- *“The value of gold never goes down and it doesn’t fade, so if you buy it today you can resell it and make more money later” (26 – 40 yrs female, Kaduna)*
- *“I buy Azunfa (Silver) and Zinari (Gold) for resale from time to time in order to make additional income” (26-40 yrs female, Yola)*

### Likes

- The value usually appreciates more than it depreciates
- More profit, if sold during festive seasons

### Dislikes

- Possible theft

### *Food savings (egusi, kolanut, palm oil)*

Certain food items are seasonal hence they are very expensive when out of season. Typical examples are egusi, kolanut, palm oil, etc. These out of stock (OOS) occasions create big opportunities as respondents claim to buy, store properly and resell during OOS, thereby making very huge profits.

- *“When palm oil is scarce, the price goes up ... what I do is that when it is in season I buy it and store it in big kegs and keep in my house since it doesn’t get spoilt even after 2 years and sell when there is a scarcity. I usually make like 3 times the amount of money I used to buy them” (26 – 40 yrs female, Enugu)*

- *"I buy kolanut when they are fresh and wrap them in leaves, then sell them later when it is not in the market" (26 – 40 yrs female, Benin)*
- *"I buy palm oil and egusi when they are in season and keep because they don't get spoilt easily, when it is now scarce, I bring them out and sell at a higher price" (26 – 40 yrs female, Lagos)*