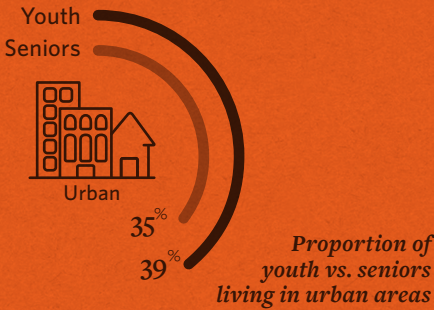




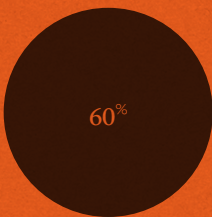
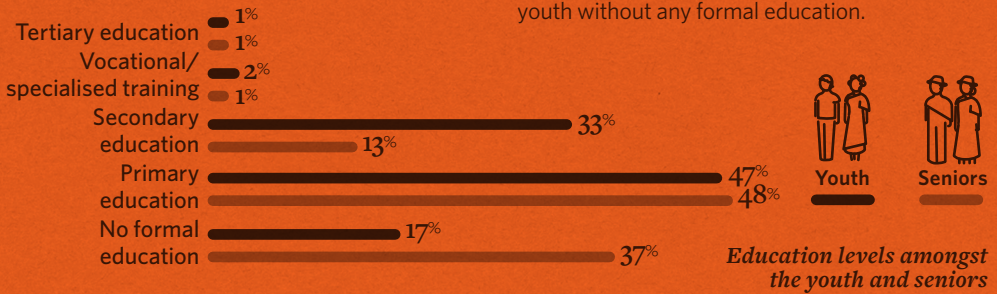
## 63% of the Mozambican population of 16 years and older are youth (16 to 35 years)



While there is a similar proportion of youth and seniors residing in urban areas, the urban youth are nearly double (3.5 million) in count to urban seniors (1.8 million).

The youth show better educational attainments (with more than double) than seniors with secondary education and have a lower proportion without any formal education.

A gender gap against females exists within the youth without any formal education.



Do not go anywhere for advice

- 18% Village chief/ community leader
- 9% Ward Committee
- 9% Religious leader/monk
- 3% Consultant/household accountant
- 3% Community scholar/local elder/knowledgeable person in the community
- 2% Bank
- 1% Non-bank formal institution
- 5% Other

### Only 3% of the youth approach professionals for financial advice.

The most common medium preferred by the youth to get or buy financial services is through radio (11%), mobile phone (7%) and via text message (5%).

### A low financial literacy score of both youth and seniors sits at 37%.

No major differences are noted within the medium and high literacy groups.

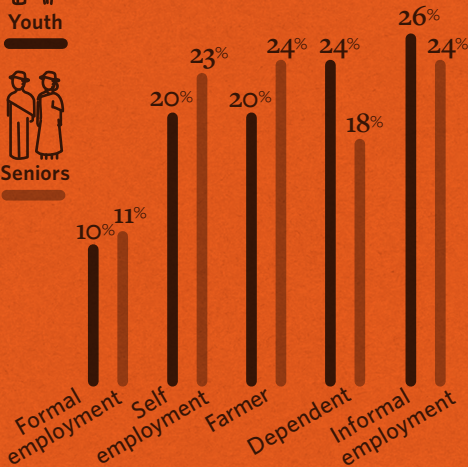
Sources of financial advice amongst the youth (except family/friends)



Youth



Seniors



**A significant proportion of youth are dependants.** Nearly one in every four youth rely on receiving assistance from family members whilst informal employment provides most of the youth with a livelihood (26%). Similarly, seniors largely depend on informal employment and farming (both 24%) for a living with less being dependent on other household members or annuities (18%). Despite the average youth being more educated than seniors, 10% of the youth are formally employed compared to 11% of seniors. Overall, there are no major differences between the youth and seniors both having high proportions with irregular and seasonal income.

Main sources of income by target groups(%)



Target groups are created using main income sources of adults. This allows homogeneous groups of adults to be analysed and targeted based on their main livelihood source.

**Youth earn less than seniors in the self employed, informal and dependent target groups.** Formally salaried youth and seniors earn near identical salaries also marking the highest earning group (averaging \$115 per month for youth) yet farmer youth earn \$24 more than seniors farmers. On average, the youth earn \$39 per month which is slightly less than the senior monthly average of \$44 per month. This may be attributed to the level of skills and work experience as well as seniors having more people contributing to their upkeep as dependants.

Average income by main target group

(Exchange rate: 1 USD = 62.65 MZN)  
 (Average rate as at December 2019)

# Mozambique YOUTH



**The majority of the youth (79%) find it difficult to cope with financial commitments.** This compares to the slightly higher proportion (81%) of seniors that find it difficult to keep up with financial commitments. Despite, lower average monthly income among the youth, a slightly higher proportion of them (10%) found it easier to keep up with financial commitments versus seniors (7%).

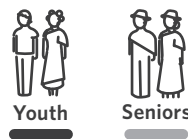
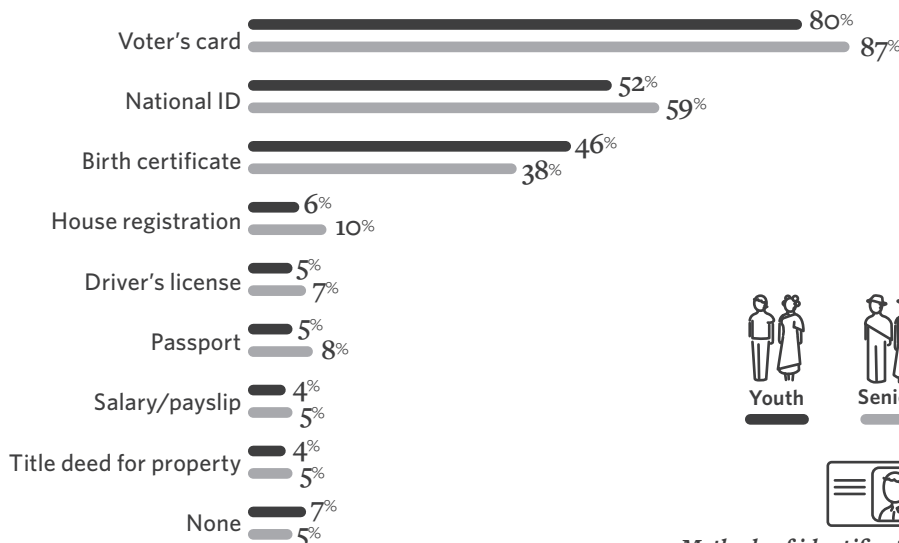
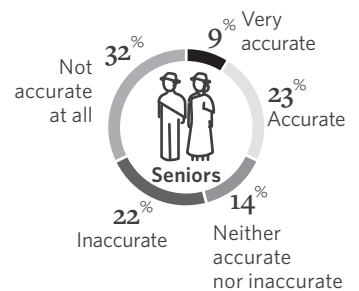
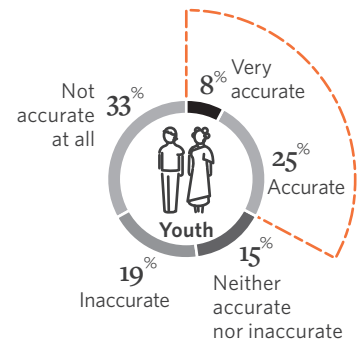
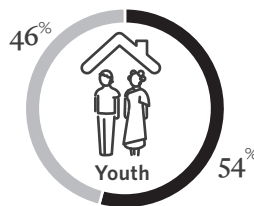
**Document ownership used in identification of individuals is lower amongst the youth.** Voter's card ownership seems more popular with about 4 in 5 youth having one compared to national ID with just over half (52%). Overall, there is low ownership of payslip owing to low proportion of salaried youth. This can prove to be a significant barrier in trying to access formal financial services.

**One in three youth have a low financial literacy level.** The main determinant being the low financial behaviour and perceptions exhibited by the youth such

as the level of accuracy in accounting for monthly expenditure. There are generally minimal differences between the youth and seniors in terms of financial awareness although youth show a slightly higher proportion of those with high financial awareness (30%).

**54% of youth are head of households compared to 80% of seniors.** While 69% of youth are married, one in 4 youth are single.

**Two in five** youths accurately accounted for personal monthly income. This is likely to be the proportion involved in formal employment and self employed segments.



Methods of identification



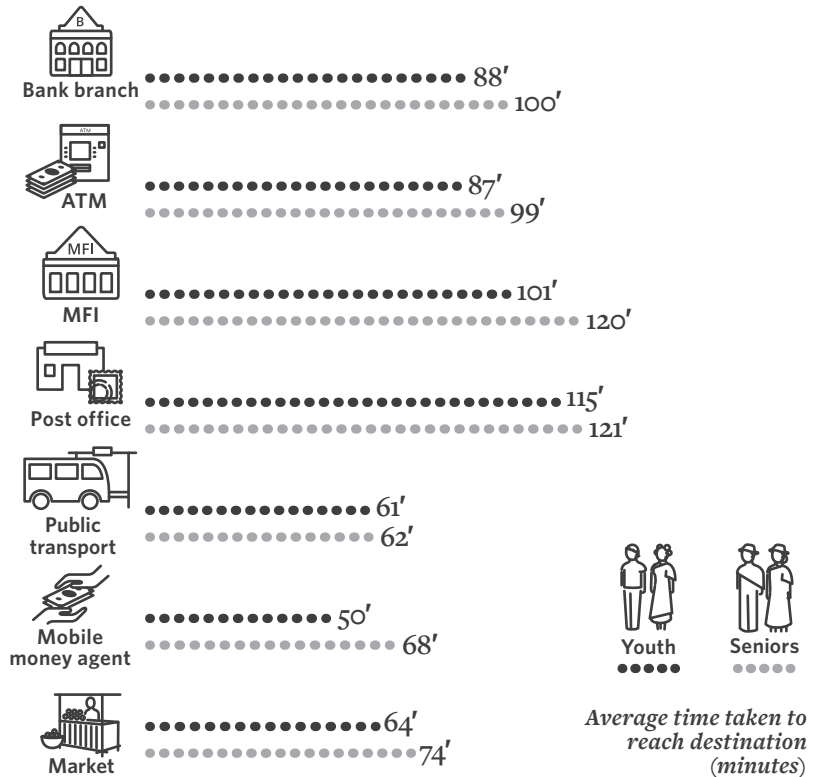
Accuracy in accounting for personal monthly expenditure

RADIO IS THE MOST WIDELY ACCESSED MEDIA AND COMMUNICATION PLATFORM



# Youth Access to Infrastructure

**Mozambican youth take above 85 minutes on average to reach a bank branch, ATM or MFI.** It takes nearly two hours to reach a post office for all adults. There are no major differences in the average time taken to different access points between the youth and seniors. The least accessible infrastructure among all adults are financial service points while the most accessible are mobile money agents and market places.

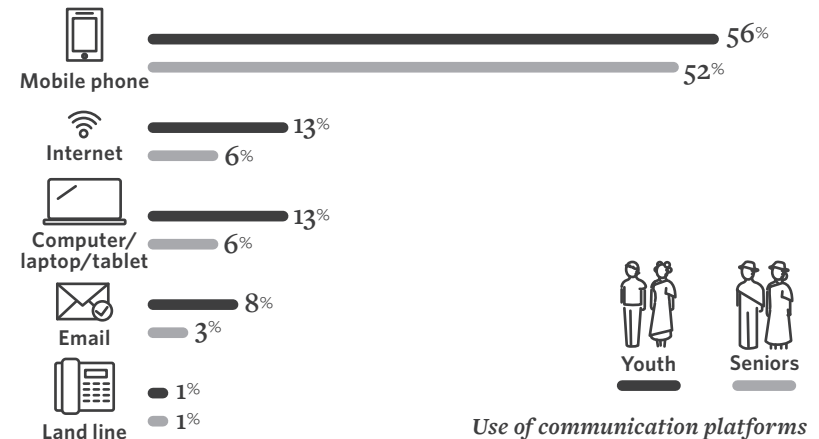
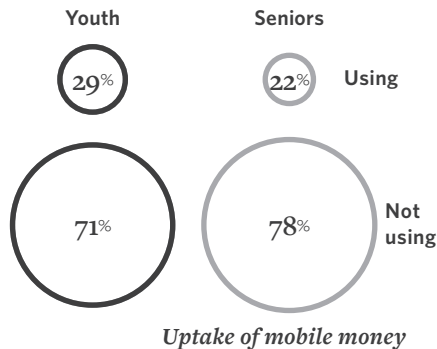
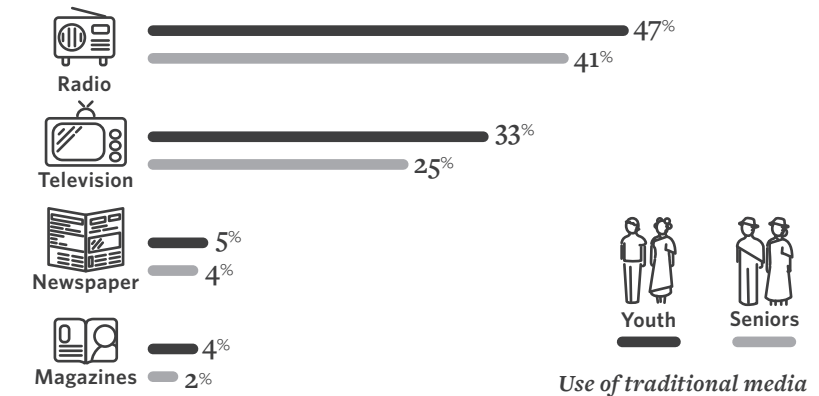


## Mozambican youth show a preference to use technology for media and communication.

Generally, the youth have higher use or ownership of the radio and television. The use of mobile phones on regular basis is high for youth, especially for basic phones with 86% regular use. Financial information conveyed via the radio and phone would reach a higher youth audience.

## Mobile phone ownership is similar among the youth (56%) and seniors (52%).

Consideration of mobile phones as a media access medium can be useful.

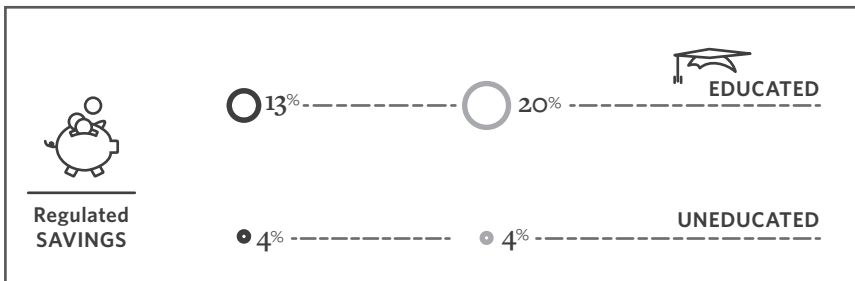
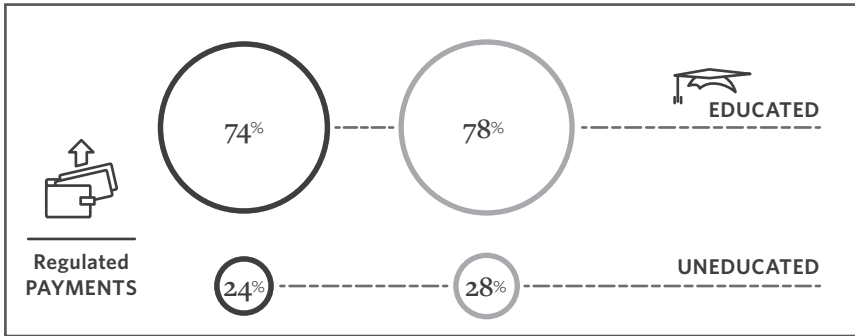




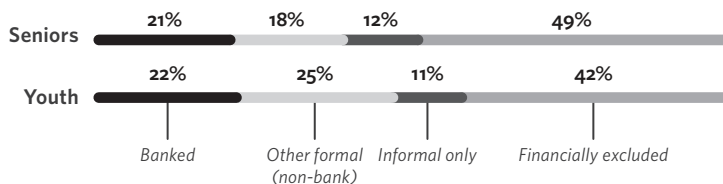
Youth



Seniors



### Education levels and use of formal products



### Financial Access Strand

**About two in five youth (42%) are financially excluded.** This proportion is lower than that of seniors (49%) yet in absolute numbers there are more youth (3.8 million) that are excluded than seniors (2.6 million). Regulated financial access among the youth is slightly higher at 47% compared to 39% of the senior adults. Among the youth, those aged between 16 to 20 years are more financially excluded (45%) compared to those aged 21 to 35 years (42%). This might be attributed to youth being less economically active and also largely being dependants. Moreover, regulation doesn't allow youth below 20 to open an account in a bank. There is need for financial institutions to offer low cost accounts with lower requirements.

**Education plays a role in access levels to formal financial services.** 77% of educated youth have formal financial services versus 28% of uneducated youth. This may be explained by the employment prospects that come with higher educational attainments. When looking among the educated groups of the youth and seniors, a small difference is noted in formal product uptake. The educated seniors have 79% of them having/using formal financial services compared to 77% of educated youth.

**Usage exclusive to informal financial services is highest amongst uneducated youth (14%) versus 5% of educated youth.** The same applies to educated seniors who use only informal services

(13%) compared to 4% educated seniors. In both age groups, the uneducated show more reliance on informal financial services with the educated having higher reliance on regulated financial products.

**A lower proportion of youth (4%) borrow from banks and formal financial institutions.** 9% of educated youth borrow from financial institutions versus 14% of educated seniors. The use of informal credit sources such as money lenders is not widely popular with both youth and senior having low usage of this mechanism (both 3%). Overall, the uptake of credit appears to be low.

**Bank and other formal (non-bank) product penetration is improving amongst the youth.** A higher proportion of the youth (22%) are banked while 21% of the seniors are banked. There are 44% of youth that have mobile money, MFI, and other formal (non-bank) products (currently use) which is higher to that of seniors (44%).

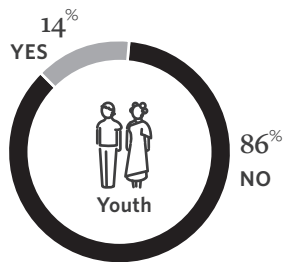
**The main product driving the banked population among the youth is current/cheque account (20%) and salary account (22%).** There is low penetration of cellphone banking among the banked population with 1% of youth.

Similarly for the seniors, the most popular product driving bank access is also the current/cheque account (26%) and salary account (31%).

### Uptake of mobile money

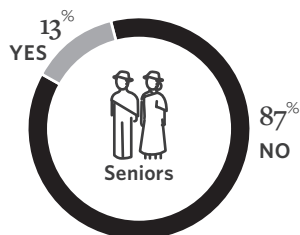


**There has been a huge improvement since 2014 in the uptake of mobile money.** An increased awareness of the benefits of using mobile money among the youth can also boost the uptake of mobile money as it is most accessible. Of those youth not using mobile money, lack of information about mobile money (13%) was the most common barrier by the youth together with not having money to send or receive (8%), lack of agents in their area (5%), among others.



**The biggest risks among the youth that have experienced some form of insurable risk in the past is:**

- Big illness requiring treatment - 21%
- Death - 26%



**Despite one in four adult youth having experienced death or illness of a household member (including main income earner), 86% of youth are not aware of the term insurance (as well as 87% of seniors).** Awareness of insurance services particularly low-cost products targeted at the poor and youth need to be sensitized.

19% of youth also experienced agriculture related risk yet only 11 percent of all youth are formally insured. One in five youth of the youth depend on farming for a livelihood yet the mechanisms used mainly for mitigating agricultural risks are selling something, cutting down expenses or doing nothing.

*Awareness of insurance(%)*

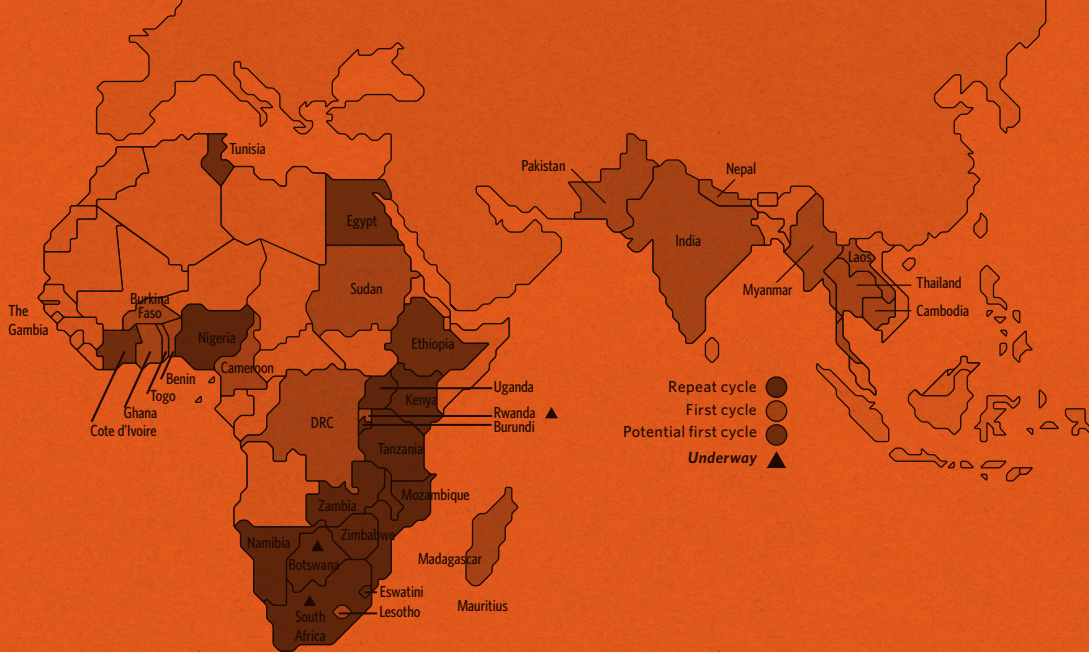
		Youth	Seniors	All
Credit	Regulated	4%	4%	4%
	Unregulated	3%	3%	3%
	Family & friends or self	2%	2%	2%
Payments	Regulated	42%	35%	40%
	Unregulated	3%	4%	4%
	Family & friends or self	3%	4%	3%
Insurance	Regulated	11%	10%	11%
	Unregulated	8%	8%	8%
Savings	Regulated	7%	7%	7%
	Unregulated	29%	24%	27%
	Saving at home	34%	28%	32%

**The table on the left summarises the usage of financial services of the youth versus the senior population.** There are no major differences between the two groups with regards to regulated and unregulated access to credit. The youth population has higher access in regulated payments and insurance compared to the seniors. There are no significant differences in the uptake of unregulated payments and insurance products with the exception of savings products showing higher uptake compared to seniors. There are more youth saving informally than those using formal channels. Generally, credit and insurance show areas of very low uptake.

**Low cost saving accounts and financial education are key for the youth.** Since more youth are mainly involved in saving through informal mechanisms and at home, there is a need to understand the usage of informal savings groups (mainly xitiques). Offering financial education on the benefits of formal versus informal will also help to transform their financial behaviour and choice. Usage of informal services is not only limited to financial education but cost, convenience, social triggers, and access issues with formal institutions. Mobile money services can also be tailor made to suit the needs of youth and offer savings with interest paid on wallets balances as a driver.

**Small and medium enterprise development - the youth have most of the active labour force participants and a high proportion of dependants (24%).** In order to transform them into productive areas, the growth of employment is made viable through the development of the small and medium enterprise sector. Youth mainly derive an income from this sector with 1 in 5 youths being reliant on self-employment. Engaging the needs of these youth and establishing firm entrepreneurial-led businesses and farming will be key in expanding access to employment for other youth who are dependants, involved in informal sectors and non-commercial farming.

*Usage of financial services among youth and seniors in Mozambique*



## The country data dashboards

The country data dashboards are a sub-set of the larger FinScope Consumer Survey, with the data and insights presented in the dashboards being drawn and summarised from the nationally representative FinScope survey for that country. (More information and data on FinScope can be obtained from the full FinScope 2019 Consumer Survey).

The FinScope survey provides a detailed understanding of the demand-side characteristics and explanatory factors for the entire adult population. The questionnaire explored a myriad of questions covering - living conditions, income and expenditure, perception and attitudes, and barriers and drivers of financial products and services, financial services usage (transactions/ payments, savings and investments, credit, remittances and insurance). Age, among other key demographic variables, was captured and benchmark weighted to represent the age distribution of the

Mozambican adult population. This allowed the segmentation of adults to youth (those 35 years and under) and seniors (those 36 years and older). Insights could then be drawn on their perceptions, attitudes, behaviour and financial inclusion. A livelihood segmentation was also applied based on the adult's main income source. The youth face significant and specific challenges with regards to accessing financial products and services and using these tools to contribute meaningfully to their lives. As such this dashboard attempts to describe youth specific challenges across various themes emerging from the study.

The country-specific dashboards focus in on the areas that have emerged, during that country's FinScope survey process and research, as strategic for financial inclusion interventions. The details and salient points highlighted via the dashboards will help financial services providers to develop products and services tailored to meet the differential needs of segments within each dashboard focus area.

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## About FinScope Mozambique

The FinScope survey is a research tool which was developed by FinMark Trust. It is a nationally representative survey of how individuals source their incomes, and how they manage their financial lives. The FinScope survey is dynamic and the content is evaluated by a number of stakeholders including FSPs, NGOs and Government to ensure that the most relevant consumer data is collected. This dashboard represents some of the key market data on financial inclusion with a focus on agriculture.

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