



Kadale Consultants

**FinScope Malawi 2008
For FinMark Trust**

Report

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Acronyms

ATM	Automatic Teller Machine
DFID	Department for International Development
DMS	Deepening Malawi's Microfinance Sector Programme
FMB	First Merchant Bank
FSAP	Financial Sector Assessment Programme
FIMA	Financial Inclusion in Malawi (Project)
GoM	Government of Malawi
MFI	Micro Finance Institution
MFMW4P / M4P	Making Financial Markets Work for the Poor
MK	Malawi Kwacha
MoF	Ministry of Finance
MSB	Malawi Savings Bank
MUSCCO	Malawi Union of Saving and Credit Cooperatives
NBM	National Bank of Malawi
NSO	National Statistics Office
OIBM	Opportunity International Bank Malawi
RBM	Reserve Bank of Malawi
SACCO(s)	Savings and Credit Cooperatives
SMS	Short Text Message
TAs	Traditional Authorities
ToRs	Terms of Reference
UNCDF	United Nations Capital Development Fund

Exchange Rate at December 2008 - MK 140:\$1.

Executive Summary

FinScope Malawi 2008 was commissioned by the Ministry of Finance and the FinMark Trust, with funding from the United Kingdom's Department for International Development, to understand adult Malawians' financial lives. The objective of the survey was to inform financial sector policymakers and financial service providers with insights about adults' financial needs, preferences and attitudes towards finance. From this policymakers could create a "pro-poor" financial inclusion strategy and financial service providers could design new financial products and services aimed at lower income groups.

In total, 4,993 households were surveyed by NSO in November and December 2008 and the analysis was carried out by Kadale Consultants with additional technical input provided by FinMark and local experts. The results were launched at a public event in Lilongwe on the 19th March 2009 and Blantyre on 16th April 2009. A full database is available for independent analysis.

FinScope Malawi 2008 confirms some views about finance attitudes, needs and use, but it also challenges some of the orthodox views on Malawians and their finances.

A key headline finding of the study is that Malawian adults are more likely to have bank accounts than originally estimated with 19% being banked, of which 4% are indirectly banked. This figure is considerably higher than previously thought, with most estimates at much lower than 10%. It is also higher than some regional peers (Zambia 15%, Rwanda 14%, Tanzania 9%¹). However, there is also a high proportion of adults that are totally financially excluded (55%) in that they use neither formal products such as bank accounts nor informal products such as katapila (informal) loans.

When analysing adults' financial habits it was found that many more adults are likely to save (74%) than borrow money (22% in the past 12 months) although the most common items that adults borrow or save for are very similar: medical expenses, living expenses and farming expenses. The community has an important role in adults' financial lives as a key source of loans since friends, family and the community are relied on rather than formal institutions. Financial institutions are also not first choice for storing savings. Instead adults prefer to hide their money in a secret place from where it is more convenient to deposit and withdraw funds. The role of the formal banks is more as a deposit-taking and transaction-making provider where adults are either storing their money away from the temptation to spend it and from others or for remittances to friends and relatives in other parts of the country.

When it comes to bank selection, convenience of access is again the key factor. Adults are four times more likely to use MFIs instead of banks for loans. Insurance penetration is very low (3%) as expected, despite adults valuing their health as their greatest asset and citing medical expenses as their greatest emergency expense.

The key reasons for adults being financially excluded are that they have insufficient income, they cannot afford the products or that there is a lack of awareness of financial products. To increase the proportion of adults who are financially included the following high-level recommendations are made for policymakers and financial institutions:-

¹ FinScope surveys were conducted in 2006, 2008 and 2006 in these countries respectively

For Policymakers:

#1 Undertake and complete the supply side study in the near future to allow valid comparisons to be made between supply and demand side studies;

#2 Develop a financial inclusion strategy based on the findings of the supply and demand side studies, utilising these studies as the source of baseline data and target setting;

#3 Ensure that the Financial Inclusion Strategy process is well integrated with the Financial Sector Strategy development, so that the latter reflects financial inclusion objectives and strategies, being one of the most important financial sector priorities.

#4 FIMA should promote the availability of FinScope's demographic and financial data to other Ministries and government agencies for use in their decision making.

#5 GoM should speed up its initiatives to pay a significantly greater proportion of its employees through bank accounts, particularly those in urban areas, or close to bank infrastructure. If necessary, this may require arrangements with banks to provide stripped down, low cost accounts, with low or no minimum balance requirements.

#6 GoM should work with financial sector stakeholders to develop a series of financial education initiatives, aimed at improving financial literacy.

For Financial Service Providers

7 Financial service providers need to review the FinScope Malawi 2008 database to gather new / more accurate information on key target groups currently served or that the providers want to serve.

#8 Financial service providers need to design, develop, test and launch new products and delivery systems that more closely meet the needs of significant, viable segments.

For (Non-Financial) Development Partners

#9 (Non-financial) development partners should review the questionnaire to determine what information it contains that could be useful for their activities and decision making.

FinScope Malawi 2008 contains a wealth of data, based upon a valid sample of the adult population of Malawi. One of the key objectives of FinScope is to provide information to stakeholders to use to develop policies and products that address relatively neglected target groups. Therefore, the database is available in both excel and SPSS from the Reserve Bank of Malawi (Research Department), Ministry of Finance (Financial Inclusion Malawi Project), Kadale Consultants Ltd. and FinMark Trust, Pretoria, South Africa.

Finally, FinScope is a very valuable assessment at a particular point in time. Its value can be increased by repeating it on a regular basis, probably after at least 18 months. This then provides information on trends and the chance to add in other emerging issues to the questionnaire.

1 Introduction

The important contribution to poverty reduction through increased access to credit, savings, insurance and transfers/transaction opportunities is well recognised amongst policymakers in Malawi. The need for a comprehensive strategy to deepen financial access in Malawi was a particular recommendation of the Financial Sector Assessment Programme (FSAP) in 2007. In order to drive this priority economic development area, the Government of Malawi (GoM), through the Ministry of Finance (MoF), requested technical assistance from FinMark Trust (FMT) to implement a 'FinScope' survey² into the state of access to finance in Malawi. This report documents the high level outcomes of the FinScope Malawi 2008, as well as recommendations for policymakers and the financial sector.

FinScope Malawi 2008 is a nationally and district representative survey of the perceptions of the adult population about financial services and issues. It provides insights into how adults source their income and manage their financial lives. It looks at the use of, and demand for, financial services as well as attitudes, behaviour and quality-of-life factors that could impact on access to, and the consumption of financial services and products. The focus is on the total adult population - rich and poor, urban and rural. The use of all financial products – formal as well as informal – is explored to build a comprehensive picture of the demand side of the financial market. In addition, the potential role of the informal sector in financial market development is considered.

FinScope Malawi 2008 is one of a series of FinScope surveys that have been carried out across Africa and Pakistan over the past few years that have been implemented by the FMT. The breadth of information collected in the survey allows analysis of the population across a multitude of different variables such as specific district, rural / urban, income level, household size, age group, gender, etc. This report captures the main findings in a manner comparable to FinScope reports in other countries. However, there is clearly still much analysis that could be performed on the data that has not been covered in this report. Stakeholders are recommended to review the data available to see how it can help them to address financial and development questions that are significant to them. The database is available from:

1. The Ministry of Finance (MoF)
2. The Research Dept. of the Reserve Bank of Malawi (RBM)
3. Kadale Consultants Ltd.

This report has been written with the following objectives in mind: -

1. To provide the context for FinScope Malawi 2008 so that stakeholders and other interested parties understand the motivation for the survey, how the findings may be used and how it will compliment other steps being taken to improve financial access for the poor (Section 2.1);
2. To provide background information about FinScope as a tool and describe how it can be used to build inclusive financial markets (Section 2.2);
3. To provide the methodology of FinScope Malawi 2008 so that users of the survey can understand the implementation arrangements and the rigorous approach to sampling that produced the data set (Section 3);
4. To present high level findings of FinScope Malawi 2008 to give stakeholders an understanding of the current financial access, which can be used as a baseline for future developments (Section 4);

² FinScope is a protected name, owned by FinMark Trust.

5. To make recommendations to stakeholders (financial sector and policymakers) as to how to improve financial access in particular by poorer adults (Section 6);
6. To recommend the next steps for the dissemination and application of the FinScope Malawi 2008 data (Section 7).

1.1 Improving Access to Financial Services In Malawi

The need for a comprehensive strategy to deepen financial access in Malawi was a recommendation of the 2007 FSAP. This programme echoed previous reports that described high levels of financial exclusion in Malawi. In the absence of credible demand side data, earlier reports³ indicated that 3% of the population had access to a savings account, only 1% had access to formal credit and that insurance penetration was even lower. Furthermore, these reports noted greater financial exclusion amongst rural households compared to the urban.

In response to the early indication of high levels of financial exclusion, financial sector stakeholders, particularly GoM, development partners and the commercial sector have taken steps to improve financial access.

1.1.1 Government Initiatives

Through the MoF, GoM has taken steps with support from the United Nations Capital Development Fund (UNCDF) to establish the FIMA project. FIMA's remit is threefold:

- i. To facilitate a dialogue among stakeholders in the development of a more inclusive financial sector;
- ii. To support financial sector innovation which targets the poorer population and encourages deeper and broader financial access;
- iii. To build the capacity of key institutions supporting micro, rural and agricultural access to finance.

FIMA will develop a national strategy for building an inclusive financial sector as part of a wider financial sector strategy. FIMA was a key stakeholder in commissioning and implementing the FinScope survey and was also a driving force behind commissioning the complimentary Financial Supply Side survey, expected to be complete in September 2009.

In addition, GoM has taken a number of steps to improve the legislation governing the Financial Sector by preparing the Financial Services Bill (FSB) 2008 and a number of other Acts which are waiting to be passed by Parliament. These new pieces of legislation will create a platform for sustainable growth and innovation in the financial services industry and improve the legal framework governing financial institutions so they are more accountable and the market is more stable. Of note for increasing breadth and depth of financial access, the Microfinance Bill will allow for deposit-taking in the case of MFIs if they are prepared to move to a higher level of supervision and regulation. The Financial Cooperatives Bill will strengthen the Savings and Credit Co-operatives (SACCOs).

1.1.2 Microfinance Sector Initiatives

The Microfinance sector in Malawi is young by regional standards, but has seen rapid growth in recent years. The Malawi Microfinance Network (MAMN) has been established with the remit of facilitating dialogue amongst the microfinance community and with other

³ UNCDF Microfinance report and the UNDP

stakeholders and capacity building to Microfinance Institutions (MFIs) to improve and develop their services. The United States Agency for International Aid and Development (USAID) funded Deepening Malawi's Microfinance Sector (DMS) Project has also provided support at macro, meso and micro-levels, including extending financial access to farmers, rural communities and low income groups.

In addition to the well-established MFIs, a number of payroll-lenders began offering loans from 2006, which has substantially expanded access to credit amongst the employed population.

1.1.3 Commercial Sector Initiatives

Less than 15 years ago, Malawi had just two banks. Whilst these two banks⁴ continue to be the biggest individual banks, the sector has seen an increase in the number of smaller and/or more specialised banks. Some of the newer banks, such as First Merchant Bank (FMB), NBS Bank,⁵ Opportunity International Bank of Malawi (OIBM), plus the revitalised state-owned Malawi Savings Bank (MSB) have been relatively aggressive and innovative in seeking market share at the expense of the two major incumbents. Whilst the banks have particularly targeted the higher income population, several innovations have also increased access to financial services amongst other income groups. Increased access to banking services has been achieved through a mixture of technology, distribution and product/service innovation including:

1. Card based accounts, targeting Farmers (FMB, OIBM and NBS), lower income households (OIBM, NBS) and civil servants (MSB);
2. Use of internet and Short Text Message (SMS) banking (FMB initially, but most others now);
3. Introduction of kiosks and branches in low income (urban) areas (OIBM); and
4. Mobile banks (NBS and OIBM).

1.2 Outline of the FinScope Survey

1.2.1 The Importance of Market Information

An inclusive financial market is one that operates on the financial principles of efficiency, stability and consumer protection. An inclusive financial market also provides the majority of the population with access to financial services so that all those who want to use these services, are able to access them. A financial market that seems to work efficiently but from which a large proportion of the population is excluded cannot be regarded as truly working effectively. Within a "making markets work" paradigm, special attention is given to making markets "**work for the poor**" (MFMW4P or M4P) that is the central remit of FMT.⁶ By setting this objective, one can define specific actions required to ensure that finance-led growth has the desired impact on poverty alleviation.

A M4P country financial strategy can only be defined by understanding the poor as well as the complexities of financial markets; and any strategy requires interventions that are evidence-based. In FMT's experience, an effective way to meet this requirement is the provision of market information that has proved to be highly effective in facilitating processes of change towards M4P. The FinScope survey and the financial sector supply-side survey are diagnostic tools for M4P.

⁴ National Bank of Malawi (NBM), owned by Press Corporation (with a GoM stake), and Standard Bank of Malawi (part of Standard Bank), and formerly Commercial Bank of Malawi.

⁵ Formerly New Building Society.

⁶ Making Financial Markets Work for the Poor is alternately known as MFMW4P or abbreviated to M4P

Financial access issues are complex. M4P requires an understanding of what will make access lead to effective usage i.e. that allows an individual to use the financial system for economic activities, good cash management, and risk mitigation. Effective access can be defined as occurring when the dimensions of access are optimised. Dimensions of access include for example: -

1. **Physical access** – i.e. being able to access a financial service within an acceptable time and with minimised “opportunity costs”;
2. **Affordability** – i.e. the cost of service is perceived to be within the price range the individual is willing and able to pay. The concept of affordability is complex as an individual may be willing to pay more for a service when there is little choice or competition, as often noted in micro lending; whereas with greater competition, the amount an individual might be willing to pay may be lower. Price is a factor that needs to be considered in discussing access; and
3. **Appropriateness** – i.e. the service is designed and delivered in a manner that makes it usable for an individual. For example, low-income households may want a safe place to put their money, and make small deposits on a regular, even daily basis. A service that restricts transactions to office hours is not appropriate as it means that some cannot access these services on a regular basis. Understanding needs is therefore very important in designing appropriate and usable financial services.

1.2.2 FinScope Objectives and Attributes

FMT developed the FinScope survey as a tool to assess financial access in any particular country and to identify the constraints that prevent financial markets from reaching out to poorer consumers. The FinScope survey looks at the use of, and demand for, financial products and services⁷ and how this varies across the adult population.

The survey aims to establish credible benchmarks and indicators of access, provide insights into regulatory and market obstacles to growth and innovation and highlight opportunities for policy reform where government can actively drive financial inclusion initiatives. This is achieved by gathering information on a wide spectrum of financial usage and interest areas, including key product categories such as transactional services, savings and investment, credit and insurance.

Broad themes captured by the survey are tailored to suit local situations and information needs. These themes generally include:-

1. Housing and asset ownership as indicators of wealth and vulnerability e.g. cell-phone, water and power access;
2. Expenditure and transaction information such as financial priorities, method of payment, financial strategies for life events e.g. births, marriage, sickness, funerals;
3. Sources of income including adults who run their own business, types of salaried employment and insights into farming and fishing as sources of income;
4. Access to financial and other key infrastructure such as banks, markets, and airtime sources;
5. Financial decision making, attitudes and knowledge/literacy – awareness of providers;

⁷ The terms ‘Products’ and ‘Services’, in relation to the financial sector, are used interchangeably.

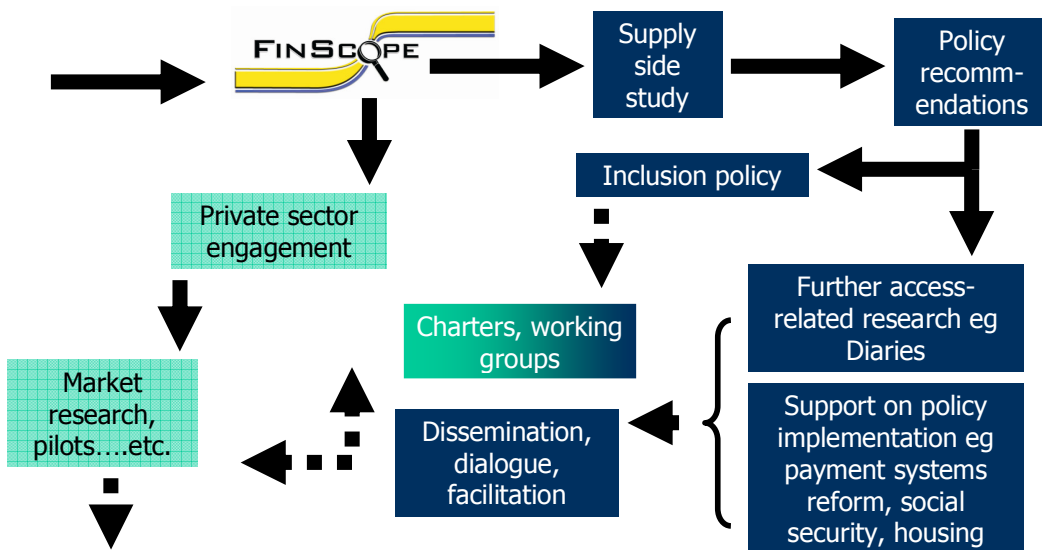
6. Financial product usage and factors in selection across all product types including transmission services, savings, investment, loans and insurances; and
7. Demographics and psychographics such as life aspirations, education levels, choice of health service provider and levels of income.

The overall objectives of the FinScope surveys are twofold: -

1. To measure and track the landscape of access to financial services across key product categories; and
2. To understand the characteristics of individuals within different market segments with the aim of identifying opportunities for expanding access to those financially excluded or underserved or those who are at present beyond the 'access frontier' of financial institutions.

A typical process of dissemination and usage of FinScope surveys to support the development of financial sector policy is described in the figure below:

Figure 1 Map of how FinScope findings can be disseminated



Source: FMT

FinScope's standardized methodology ensures that a country's progress towards achieving success in improving access to finance can be compared and monitored, engendering peer pressure between countries. Comparison of FinScope surveys within a region also contributes towards greater harmonization, cross-fertilization and regional integration around financial policy.

FinScope therefore plays an important role in building the information architecture that is key to strengthening a financial sector's organisational and institutional infrastructure.

1.2.3 FinScope Milestones

FinMark Trust is a not-for-profit Trust with DFID funding. FMT's vision is to support the development of financial markets across Africa. By 2012 it is intended that 20 countries in Africa will have undertaken the FinScope survey⁸ and that repeat surveys will take

⁸ FinScope has already reached 15 countries with more countries indicating an interest.

place on a two to three year cycle to enable trends within countries to be monitored and compared with peer countries. The full FinScope consumer survey has been completed in nine countries to date excluding Malawi – South Africa, Botswana, Namibia, Zambia, Kenya, Tanzania, Uganda, Nigeria and Rwanda. Pilot surveys have also been conducted in Lesotho and Swaziland. Seven countries⁹ are in the process of or have completed repeat surveys now undertaking repeat surveys to track progress made in improving financial inclusion since the initial baseline survey.

A few case studies illustrating strategic applications of the data by policy makers and providers in Southern Africa are described in Figure 2 below.

Figure 2 Case studies in use of FinScope for policy and product development

Supporting monitoring and evaluation by South Africa National Treasury (SANT); SANT's financial sector policy is guided by five fundamental principles: financial stability; prudential soundness; competition; consumer protection and financial access. To further its understanding of trade-offs between financial stability and financial access, the SANT became a syndicate member of the FinScope South Africa survey in 2005. SANT is using FinScope data to benchmark and monitor financial sector developments, review the impact of legal and regulatory reform on access and define policies to support financial sector development without compromising stability.

Providing insights for shaping the mass-market retail strategy for ABSA bank: ABSA, South Africa's largest retail bank has committed itself to extending access of financial services to the poor. ABSA has been a syndicate member of FinScope South Africa since 2003 and has invested significant funds in using the data to develop a richer understanding of the underserved segment of the market. Since 2003 it has invested over \$5million in product development for the lower income market using FinScope demographic data to define customer segments.

Encouraging low-income savings innovation by Bank Windhoek: bank Windhoek and FinMark Trust co-funded FinScope Namibia. Using the data, Bank Windhoek designed the Easy Save savings product with a very low minimum balance, minimal opening requirements, low fees and a free life insurance worth \$400 to encourage financial inclusion amongst those traditionally excluded from using the bank's services. The product was targeted at those earning less than \$240 per month and is considered highly successful.

1.3 Commissioning FinScope Malawi 2008

In light of recommendations that a nationally representative demand-side survey was required to map the nation's financial habits and needs before drafting a financial sector policy and strategy, the MoF approached FinMark Trust to conduct the FinScope survey in Malawi. Additional encouragement and support for the process was provided by the FIMA project and the RBM. FinMark Trust themselves was keen to survey Malawi in order to improve its regional perspective and reach. Funding for the survey was sought and secured from DFID Malawi in response to its interest in supporting private sector development and financial inclusion.

At the outset of the survey, the objectives amongst key stakeholders for FinScope Malawi 2008 were as follows: -

1. To map the landscape of financial access to provide information about current levels of access as well as providing a baseline to measure the success of future

⁹ Zambia, Tanzania, Kenya, Uganda, Namibia, South Africa, Botswana

- initiatives to improve access. This can also to be used to benchmark Malawi against regional peers;
2. To provide insights for the drafting of the financial sector policy with a particular focus on the financial inclusion policy interventions. These demand-side insights from FinScope will be complimented by a supply-side survey following shortly;
 3. To verify that the outcomes of the draft financial sector legislation are desirable and suitable for the financial needs of individuals and will help to improve financial access;
 4. To further the RBM's understanding of individuals' financial habits in particular their relationship with savings and cash; and
 5. Identify obstacles preventing financial inclusion and mechanisms for increasing financial breadth so that financial access can be improved overall through commercial product innovation and expansion of financial services into new customer segments.

The commercial banks, MFIs and insurers warmly welcomed the commissioning of FinScope Malawi 2008, as it has filled an information gap with nationally and district representative data. FinScope Malawi 2008 is therefore the first comprehensive customer insight survey in Malawi into individuals' financial needs, perceptions and behaviour.

2 FinScope Malawi 2008 Methodology

As mentioned above, the MoF is the in country "host" of the survey supporting the selection of suppliers, providing input throughout the process and taking responsibility for disseminating the results.

In an attempt to publish the results of FinScope before the general election scheduled for 19th May 2009, the implementing team had an extremely narrow window for implementation since the process began in September 2008 and FinScope surveys have typically taken at least 9-12 months in other countries. The process could not be started earlier since the preliminary census results were only available in September and these form the basis for the sampling and weighting of the data set.

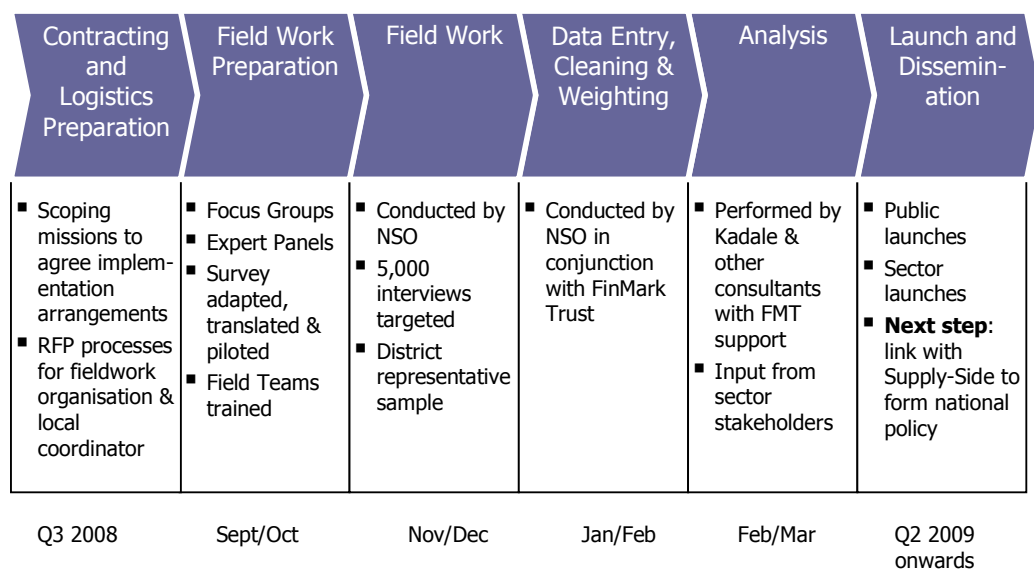
The challenge was therefore for FinScope Malawi 2008 to be completed in record time, whilst still retaining strong local stakeholder consultation and robustness. In order to deliver FinScope under such tight time pressures, FMT decided to use the National Statistical Office (NSO) for implementing the field work and a locally based consulting firm as project managers and analysts. The key role of the local project management team was: -

1. Overall project management and coordination;
2. Stakeholder relationship management;
3. Coordinating the local input into adaptation of the survey for Malawi;
4. Implementing quality control measures throughout the fieldwork;
5. To analyse the FinScope Malawi 2008 dataset and coordinate wider input from other local experts and stakeholders;
6. Preparation of FinScope dissemination materials including the presentations, brochure and technical report; and
7. Coordinate FinScope dissemination events in Lilongwe and Blantyre.

2.1 Implementation Process

FinScope Malawi 2008 was implemented in five steps as outlined in the figure below:

Figure 3 FinScope Malawi 2008 Implementation Process



2.1.1 Step 1: Contracting and Logistics Preparation

In the initial phase of work, FinMark Trust took part in a scoping mission to Malawi to understand the local context for implementing the survey and to agree with the MoF the high-level implementation plan. Besides setting an overall timeline for the survey, the outcome of this visit was the agreement that a local coordinator was required to manage the survey to meet the demanding timelines. In addition, terms of reference for the local coordinator and the research house for the fieldwork as well as shortlists of suppliers that would be invited to take part in the RFP process were agreed between all key parties.

After this visit, the RFP process was managed by FinMark Trust in collaboration with other stakeholders resulting in the selection of the National Statistical Office (NSO) and Kadale Consultants Ltd. ('Kadale') for the field work and the local co-ordinator role respectively. NSO was selected in particular since they had just completed the 2008 population census and were therefore best placed to mobilise a large number of enumerators and locate the sample households from the census households interviewed. It was agreed as part of the selection of NSO that FinScope Malawi 2008 would be a district-representative sample – the first FinScope survey to provide data to this level of geographical detail. Besides undertaking the fieldwork, NSO was also allocated the task of data entry, data cleaning and data weighting.

2.1.2 Step 2: Field Work Preparation

The key activities in preparing the fieldwork were to train Kadale and NSO in the application of the Finscope survey; adapt the questionnaire based on Malawian financial habits, needs and demographics; plan the fieldwork and train the enumerators.

During this field preparatory phase, one of the most important tasks was the design of the questionnaire¹⁰ for Malawi and its translation into Chichewa. Focus groups were set up by the local co-ordinator with communities across several districts to capture financial habits, attitudes and needs across different tribes and sources of income. In particular the team was keen to capture the details of *informal* financial products and services being used across the country, sources of income (e.g. fishing and farming), life events and household assets which was sometimes difficult to fully cover in other countries. This qualitative input was complemented by a series of sector specialist and stakeholder workshops aimed at gathering additional Malawi-specific amendments and additions to the FinScope template questionnaire. Besides adapting the questionnaire for Malawi, these workshops had the added benefits of gaining stakeholder buy-in to the process.

The final stage in the preparation of the questionnaire¹¹ was the translation from English to Chichewa, piloting the translated version and training enumerators.

2.1.3 Step 3: Sampling

The final task in preparation of the fieldwork was the development of a sampling frame that would facilitate the drawing of a robust and district representative sample. The development of the sampling frame and the drawing of the sample selection was supervised and validated by the FMT.

The FinScope survey is a representative survey of the adult population of a country. The age range for a FinScope survey is defined by the legal age at which individuals are allowed to enter into binding contracts and hold a bank account. The age range for Malawi was defined as individuals 18 years and older.

As the FinScope survey is an individual based survey and not a household based survey, it was paramount to select a representative sample of individuals from the adult population (i.e. 18 years and older) by applying random sampling rules. These rules are based on three random selection elements: -

1. Geographical area – NSO used an EA-based sampling frame, designed to ensure that the data would be representative at a national, urban-rural and district level. A probability proportion to size (PPS) sample of 500 EAs was selected by NSO NSO were familiar with these EAs after recently completing the census;
2. Visiting points within the EAs – once the 500 sample EAs were identified, possible visiting points within these EAs had to be identified. Visiting points refer to potential households to be interviewed within a sampled EA. As the aim was to complete 5000 interviews (10 interviews per sampled EA), at least 10 visiting points had to be selected at random within each of the sampled EAs. A visiting point does not necessarily result in an interview - individuals in household might refuse to be interviewed or might be absent from the dwelling during the fieldwork period for example. Drawing a sample of visiting points within a selected EA therefore has to allow for possible substitutions. To ensure that the sample of visiting points within an EA would facilitate 10 interviews, a random sample of 15 visiting points was drawn within each of the sampled EAs. Visiting points were drawn at random by NSO using household numbers generated for the purpose of the 2008 census.
3. Individual within the household – 10 households were selected at random from the sample of 15 visiting points within each sampled EA (using specific substitution rules where necessary). Once the household was selected, an

¹⁰ The Finscope Rwanda questionnaire was used as a base

¹¹ A full version of the English Questionnaire is included in Annex 2. A ChiChewa version is available on request from kadale@africa-online.net

individual in the household had to be selected for the purpose of an interview. The individual to be interviewed was selected at random from the adults in the household (i.e. individuals 18 years and older) by using a Kish grid. If the selected interviewee indicated by the Kish grid was not available at the time of the first visit, the enumerator made up to two further attempts to interview the selected respondent, before moving to a substitute household.

2.1.4 Step 4: Field Work

NSO set up five regional teams of six enumerators (including one supervisor) to conduct the interviewing, each team being allocated specific districts, traditional authorities and EAs to interview. All of the field team enumerators received one week's training at the end of October before going out into the field. During the training the enumerators were given the background of the FinScope survey; the interviewee selection process was explained to them; they compared the Chichewa version of the survey to the English version and updated the Chichewa translation as a group to ensure they all had a common understanding of each question; they conducted role plays to practice administering the survey and then on the final day they piloted the survey out in the field followed by a group feedback session. A field guide was also created to guide the enumerators in their application of the questionnaire and in particular the selection of the interviewee at random (using the Kish grid) from all of the adult household members.

Team supervisors received additional training on their supervisory roles and the quality control checks they were required to carry out on each questionnaire to ensure they were complete and correctly applied.

Quality control measures were applied throughout the fieldwork that included: -

1. Team supervisor back-checking questionnaires and checking each completed questionnaire for completeness and accuracy;
2. Field visits by the Kadale team, who shadowed each enumerator at least once on an interview followed by a debriefing session if problems were encountered;
3. Field visits by the NSO project management team to debrief enumerators on any problems encountered and check that questionnaires were properly administered;
4. Field visits by FMT personnel to check questionnaires were properly administered;
5. A field visit by the DFID Malawi to observe the process; and
6. Back-checking of a sample of scripts by Kadale either through a follow on visit or by means of a follow up telephone interview

All teams completed the fieldwork by Christmas 2008 and a total of 4,998 questionnaires were submitted including 5 interviews with children (under 18) acting as household heads. As this sample was not adequate to provide information on how these individuals earn a living and manage their money, these 5 interviews were disregarded leaving a sample of 4,993 for the data entry team. It was generally recognised that the fieldwork was conducted efficiently and thoroughly and the only challenge encountered during the fieldwork was in the Northern Region where households proved difficult to find and travel times were longer due to the remoteness of the EAs. As a result these fieldwork teams were the last to complete the fieldwork.

2.1.5 Step 5: Data Entry, Cleaning and Weighting

The FinScope Malawi 2008 survey results were captured in CSPro by a specialist team based at NSO in Zomba. Quality control checks were performed on the data entry by Kadale and NSO conducted sampled double data entry checks. The process of data

entry was also conducted efficiently by NSO however discrepancies were identified at this stage with some of the questionnaires where some questions had not been completed in full.¹² During the data cleaning process this was rectified to a large extent by reverting back to the field teams who were asked to provide the missing information wherever possible.

The data cleaning and weighting processes were supervised and supported by FinMark Trust who oversaw reviews of the dataset until the data set was officially signed off and considered complete. The weighting was performed using the preliminary 2008 census data made available by the NSO.

2.1.6 Step 6: Analysis Phase

Kadale conducted the analysis with input provided by the key stakeholders (MoF, DFID, RBM) and input from other stakeholders in the finance sector. Local consultants provided additional support to develop specific insights into two key areas for Malawi: -

1. Barriers to financial inclusion with a focus on comparing the relative importance of cultural (e.g. tribe, religion) and classical barriers (e.g. income, gender); and
2. Demand and uses of finance in agricultural households, since agriculture is such an important source of income in Malawi.

As will be described in the next section, only a relatively small proportion of the available data has been analysed to date due to the vast wealth of information collected. Whilst the high level findings have been well analysed, since this data is a public good others are encouraged to use the dataset to support their own research.

2.1.7 Step 7: Launch and Dissemination

The FinScope Malawi 2008 findings were shared at a preview launch event with key stakeholders (MoF, RBM, DFID) followed by a national launch event at the RBM Clubhouse in Lilongwe on 19th March 2009. Senior representatives from each of the financial sectors, development partners, government representatives, civil society and the media attended the national launch event. A representative from each sector gave responses at the end of the launch and feedback in general was very encouraging. To bring the findings to life, short video clips were also captured and played during the launch event so that individual stories could illustrate the findings. Presentations and video clips available from kadale@africa-online.net or the Ministry of Finance.

An additional launch event was held in Blantyre on 16th April 2009, predominantly attended by the commercial sector (banks and insurers), many of which are Blantyre based. These launch events will be followed up by sector workshops later on in third quarter 2009 at which point the supply-side study should be complete. Anecdotally, the findings are already starting to be used by a number of commercial organisations in shaping their strategies and FinScope Malawi 2008 has been referenced in various reports and analyses since the launch including but not limited to the UN Habitat Shelter Profile for Malawi, the shaping of FmB's new commercial strategy, OIBM's analysis of demand for health insurance, a World Bank report on the Malawi Regional Communications Infrastructure Project including mobile phone ownership.

¹² In particular the reporting of which institutions were being used for provision of financial services

3 FinScope Malawi 2008 Findings

This section provides an overview of the FinScope Malawi 2008 sample and a summary of the top-line findings. These findings have been presented to and discussed with MoF, DFID, RBM and various stakeholder groups such as the banking and insurance sectors.

The FinScope Malawi 2008 data confirmed and put numbers to many trends and concepts that are already known, such as the low penetration of bank products, the dominance of using cash for transactions, and the importance of informal and microfinance services. These findings however present only a small part of the data in the FinScope Malawi 2008 data set. The full value of the data will come from further data mining for specific questions and concepts by academics, financial market researchers, and policy makers. For example, the data could be used to define indicators of financial inclusion and financial access standards/targets for financial institutions. Several private sector financial institutions have shown specific interest in the database and in some cases the top-line findings have already been incorporated into corporate strategy.

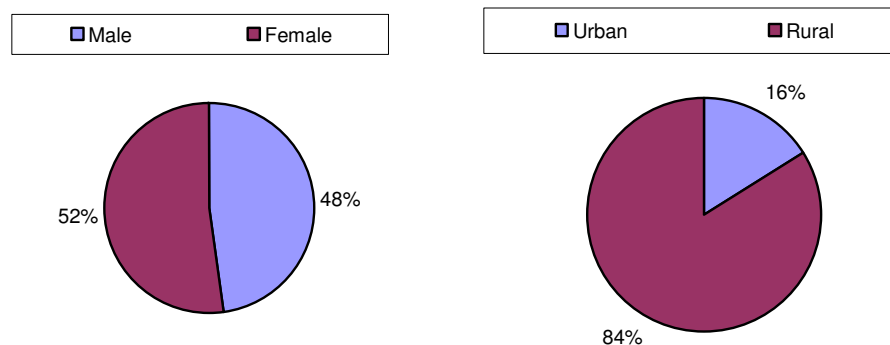
As described above, NSO carried out the national census in mid 2008, this allowed the FinScope Malawi 2008 sample distribution to be based on up to date population density figures which makes the survey district representative. Having the ability to drill down to the district level enhances the scope and potential uses of the database significantly for both the private and public sectors.

The FinScope Malawi 2008 dataset is freely available to all interested parties in MS Excel and SPSS formats. The FinMark Trust strongly encourages all stakeholders to leverage the database where suitable and incorporate its findings into strategy/policy development. There is also a chartbook of the key tables and charts available on request from kadale@africa-online.net and the Ministry of Finance.

3.1 FinScope Malawi 2008 Sample Profile

The Malawian adult population is fairly young, with people 18 years and older representing only 47% of the total population.¹³ Both the national census and the FinScope survey find that 52% of the adult population is female. Further, 84% of adults live in rural areas and only 23% of the adult population has secondary school or higher levels of education. The figures below give a demographic profile of the FinScope Malawi 2008 sample.

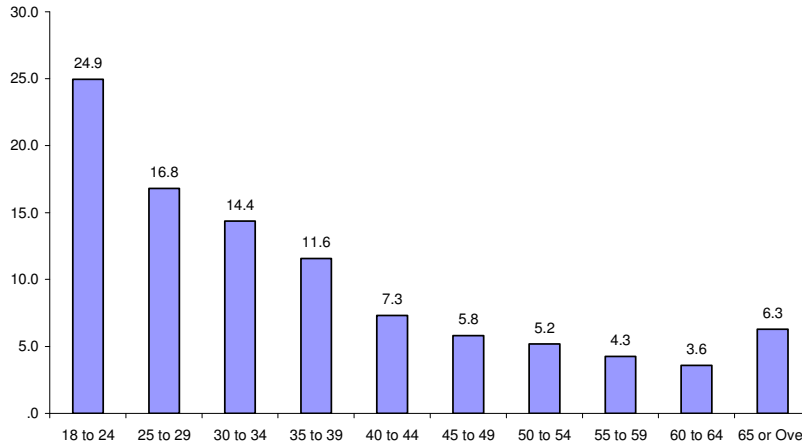
Figure 4 Male/Female and Urban Rural profiles



Source: FinScope Malawi 2008

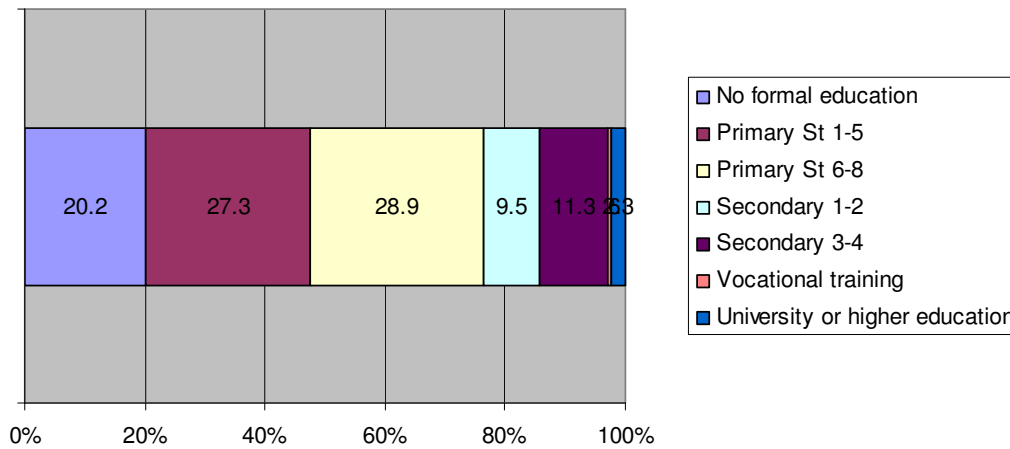
¹³ NSO 2008 population and housing census, Preliminary Report, Sept 2008

Figure 5 Adult population age distribution



Source: FinScope Malawi 2008

Figure 6 Adult population education levels



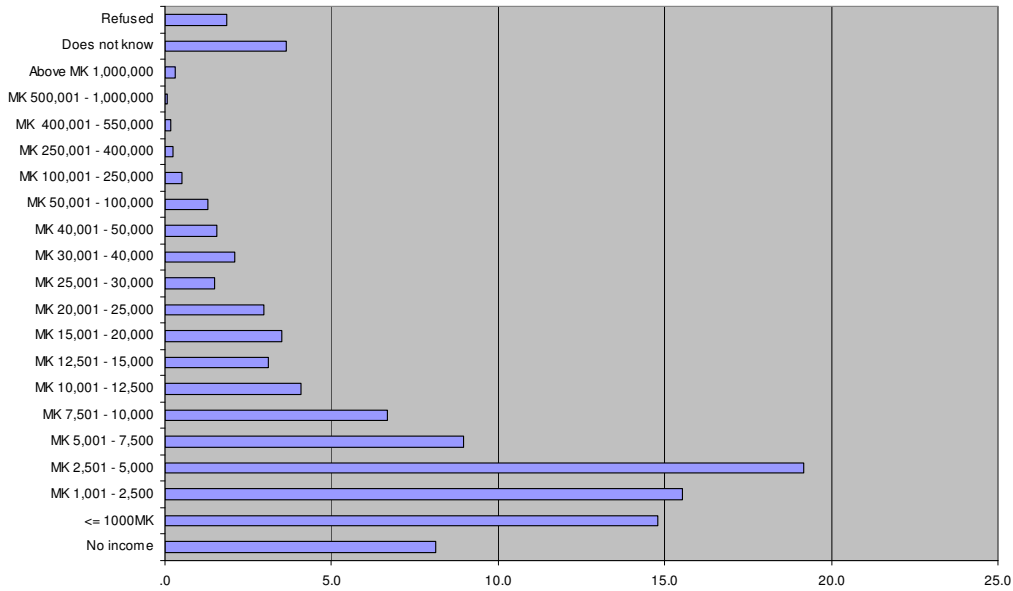
Source: FinScope Malawi 2008

3.2 Income and Expenditure

As highlighted above, FinScope captures a large spectrum of information including the quality of housing. This is a useful indicator that can contribute to poverty ranking if desired. According to FinScope, 82% of adult Malawians live in homes that they or their immediate family own. The most common type of roof material is grass thatched (64%) followed by iron sheet (34%) roofs. Walls are typically constructed of unburnt (40%) or burnt brick (48%), and floors are generally earth/sand (73%) or dung (23%). The majority of water (52%) is sourced from boreholes with paraffin providing 85% of all lighting and 88% of all energy used for cooking.

Poverty is widespread in Malawi with over 55% of adults earning less than MK 5,000 (\$36) per month. The income distribution of the population, as mentioned below is a key constraint to formal financial access.

Figure 7 Income distribution

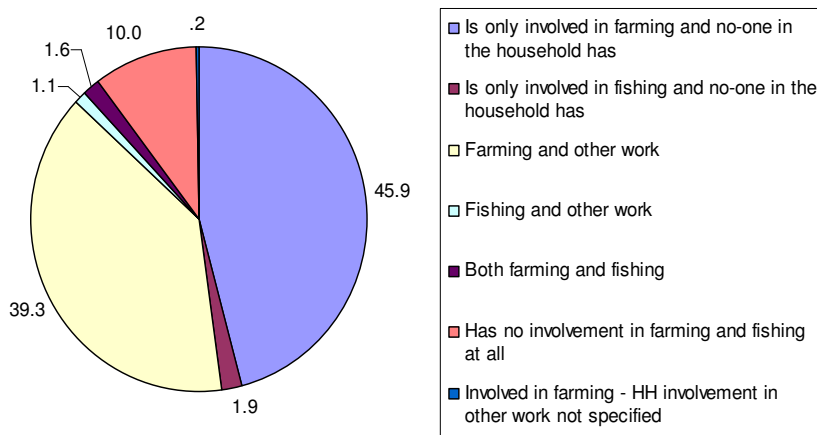


Source: FinScope Malawi 2008

A number of other summary points can be made:

Over 88.9% of the adult population has some involvement in farming, with 45.9% only involved in farming with no other means of income. Maize is the biggest source of farming income for 28.5% of the farming population, whilst 18.3% cite tobacco as their biggest source of income.

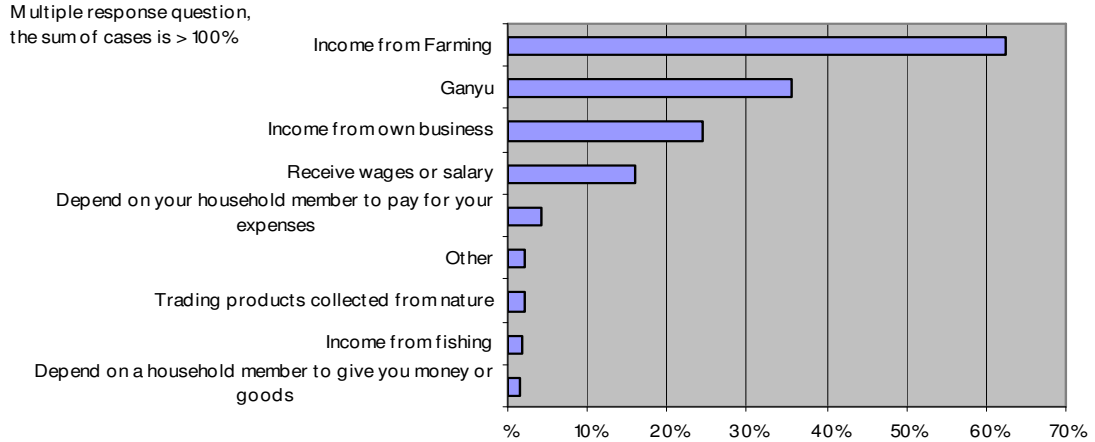
Figure 8 Involvement with Farming and/or Fishing



Source: FinScope Malawi 2008

Ganyu is the term used for informal daily-hired manual labour. 35.6% of adults are involved in such work which is seasonal, irregular and paid in either cash or food (typically maize).

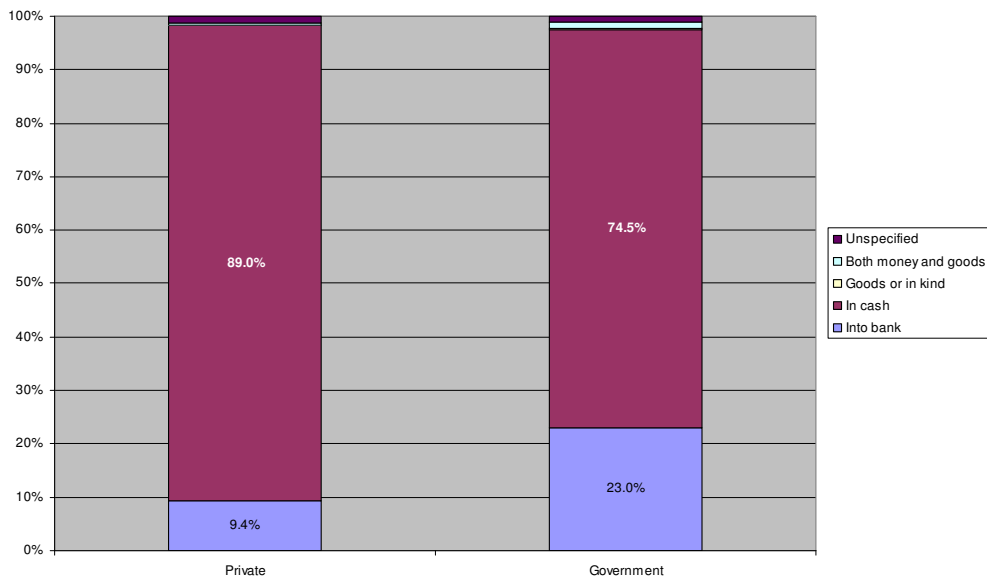
Figure 9 Sources of income



Source: FinScope Malawi 2008

Only 16.1% of adults receive wages or a salary, and as expected most of these adults are based in urban areas. Despite ready accessibility to banks, only 9.4% of private sector employees have their pay paid into a bank account, compared to 23.0% of Government employees. Employees, with regular income represent a relatively easy group to bring into the banked population.

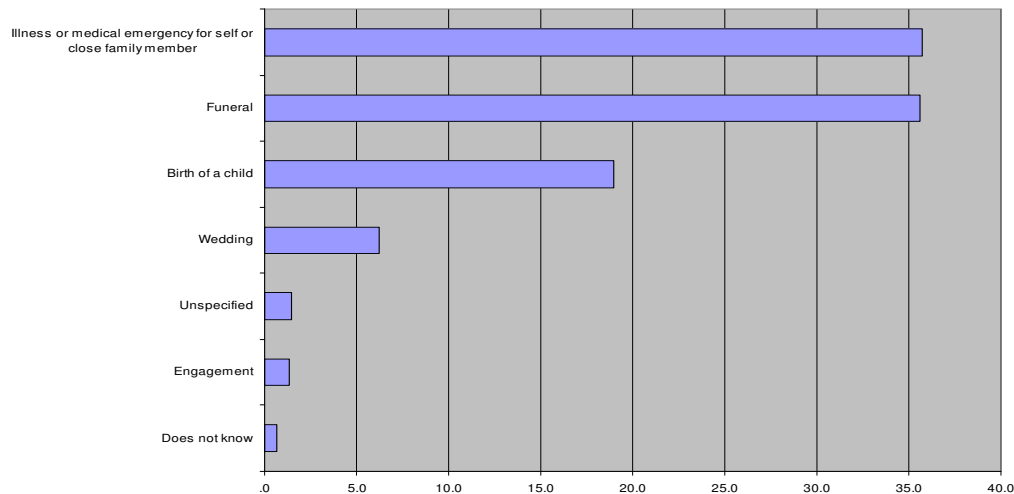
Figure 10 Method of Payment - Salaried individuals only



Source: FinScope Malawi 2008

The key sources of financial strain are medical emergencies and funerals are on a par as the most costly events. Adults rely on their family (35%), borrow money (31%) or depend on the community (17%) to pay for funerals. However, for medical expenses the onus is on the immediate family or borrowing rather than the community.

Figure 11 What is your most costly event?

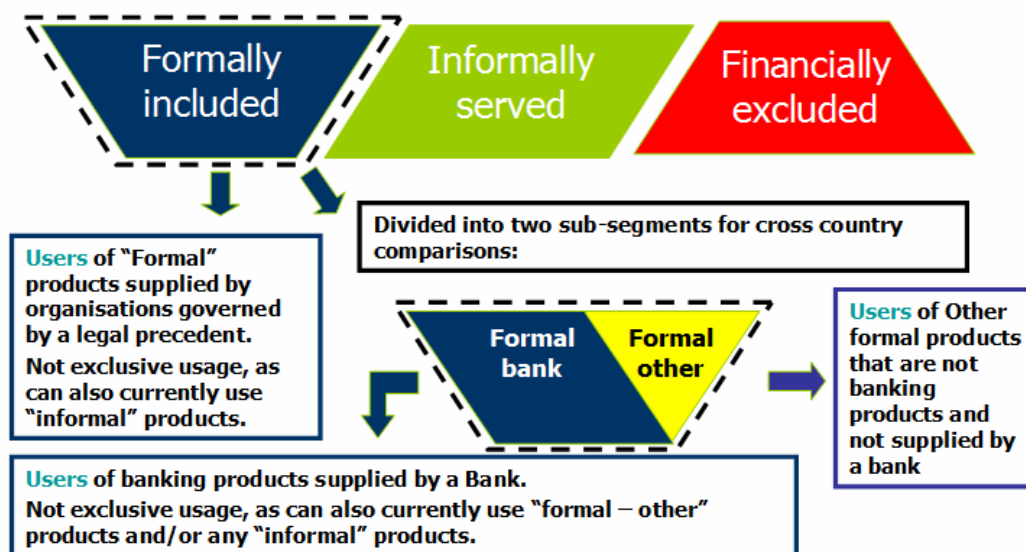


Source: FinScope Malawi 2008

3.3 The Financial Access Strand

FinScope uses the Financial Access Strand to compare financial access across countries. The Financial Access Strand focuses on the financial system in its broadest sense and categorising all adults into one of three broad segments namely formally included, informally served or financially excluded as described by the diagram below.

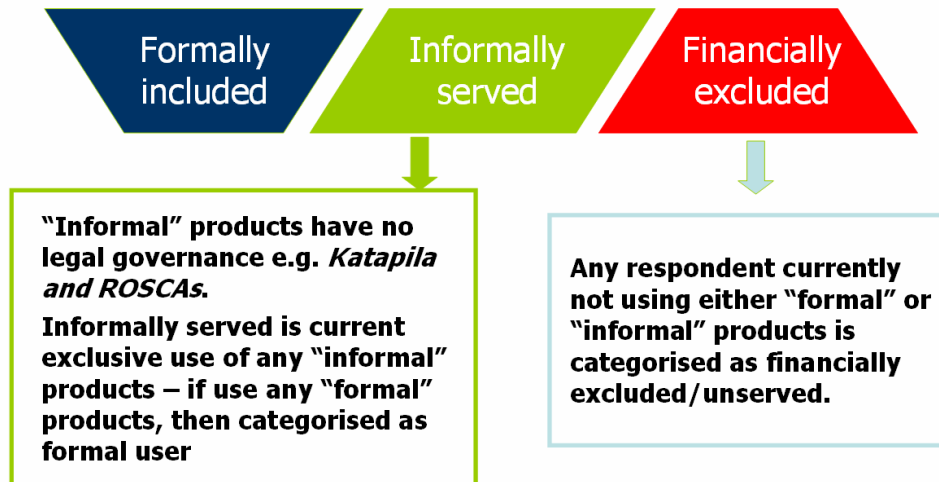
Figure 12 The Financial Access Strand – Formally Included.



Source: FinMark Trust

The formally included segment is split into the formally banked and the formal other. The formally banked includes any user of a bank product (formally banked). Formal other includes those who use products from legally recognised financial institution, including insurance companies and formally established Micro Finance Institutions.

Figure 13 The Financial Access Strand – Informally Served and Financially Excluded



Source: FinScope Malawi 2008

The informally served include those accessing informal financial services provided from within the community, but not from formally established institutions. For example, this would include 'katapila' operators (informal lenders for profit) and community based Rotating Savings and Credit Associations.¹⁴ If a person is using a formal service and an informal service, then s/he is included in formally served. Finally, there is the category for Financially Excluded which is all those who are accessing neither a formal nor an informal service.

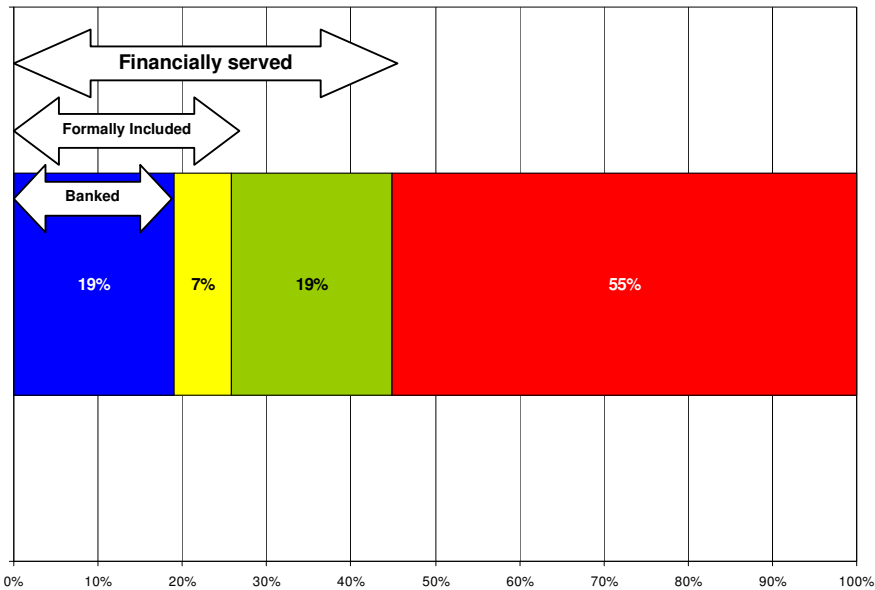
3.3.1 Malawi's Financial Access Strand

The access strand categorises the population as banked (blue), formally included (blue and yellow), financially served (formal and informal – blue, yellow and green) and financially excluded (red).

The Financial Access Strand for Malawi indicates that the overall level of formal financial access for adults is 26%, with 19% of adult Malawians reported to be banked whilst an additional 7% have formal financial access through other formal institutions, such as MFIs and insurance. Although the banked population is a much higher level than most stakeholders expected, a simple bottom up analysis of the reported number of accounts at the leading banks supports this figure.

¹⁴ In practice most of these are not formally Associations', rather this is the common term used for them.

Figure 14 Malawi Financial Access Strand



Source: FinScope Malawi 2008

Financial Access further expands by 19% when considering those using only informal providers. Formal other (i.e. formal financial institutions excluding banks) and informal providers are therefore demonstrated to play an important role in pushing frontiers of access, resulting in 45% of adult Malawians categorised as financially served. However, this still leaves more than half of Malawians manage their lives without using any formal or even informal financial services.

Important features of the Financial Access Strand include: -

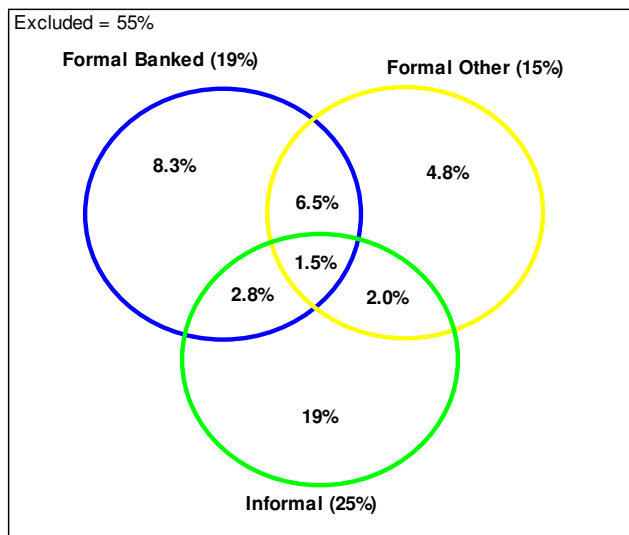
1. Slight access differences exist between the genders, with women having less access to banks - 17% of adult females are banked compared to 21% of adult males being banked. Women also have higher levels of financial exclusion at 58% of adult females compared to 52% of adult males;
2. The higher the education level the more likely to be banked - only 6% of those adults without formal education are banked; as opposed to whilst this proportion increases significantly with higher levels of education;
3. Urban adults are (inevitably) far better served by formal institutions - 44% of the urban population is banked compared to 14% of the rural population;
4. Of those adults formally banked, 15% have direct access to a bank account (own and/or joint) and 4% (i.e. 25% of the banked population) have indirect access, meaning they use someone else bank account.

The figure below highlights the extent of overlap amongst the various segments of the Financial Access Strand. The most significant points to note here are:

1. Only 8% of adults rely on banking products alone, a further 8% also use other formal products
2. Although 19% of adults use informal serves only. 25% of adults use the informal sector in total. Service providers within the informal category include ROSCAs, CBOs, shop credit, Katapila etc.

- There is limited cross-over between informal & formal product usage, only 6% of the adult population use both.

Figure 15 Financial Access Overlap

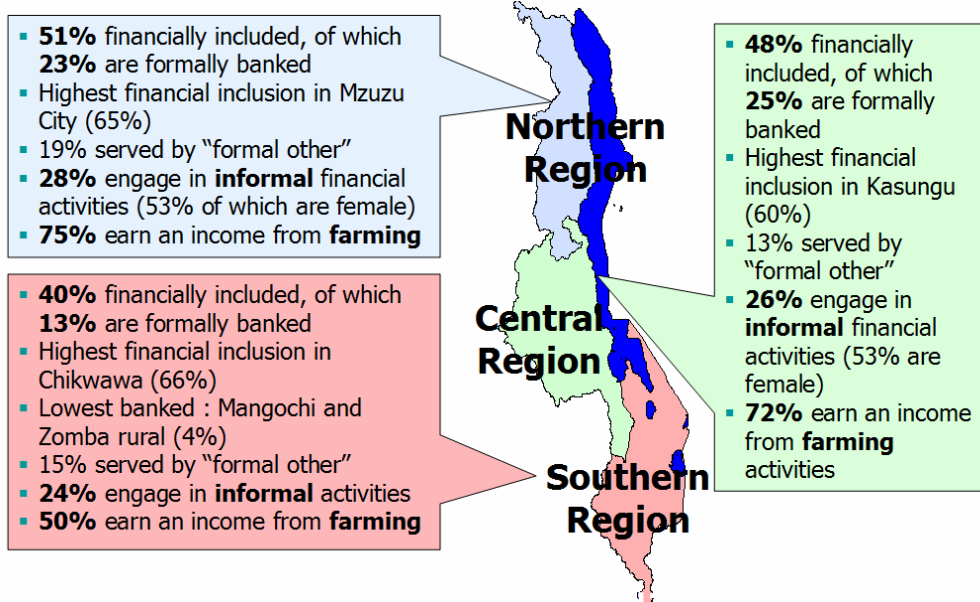


Source: FinScope Malawi 2008

3.3.2 Regional and District Level Access Comparisons

As well as the major differences between rural and urban areas highlighted above, there are stark regional financial access divergences. The figure below illustrates these regional variations. Broadly put the Northern region, which accounts for 13% of the population, has the highest rate of formal product usage, with 51% of the adult population financially served and 23% formally banked. By contrast the Southern region (45% of the population) is the least banked at 13% and most financially included at 60%. Income distribution within each of these regions and average educational standards are key factors that could explain such geographical variations.

Figure 16 Summary Profile by Administrative Region (adult population)

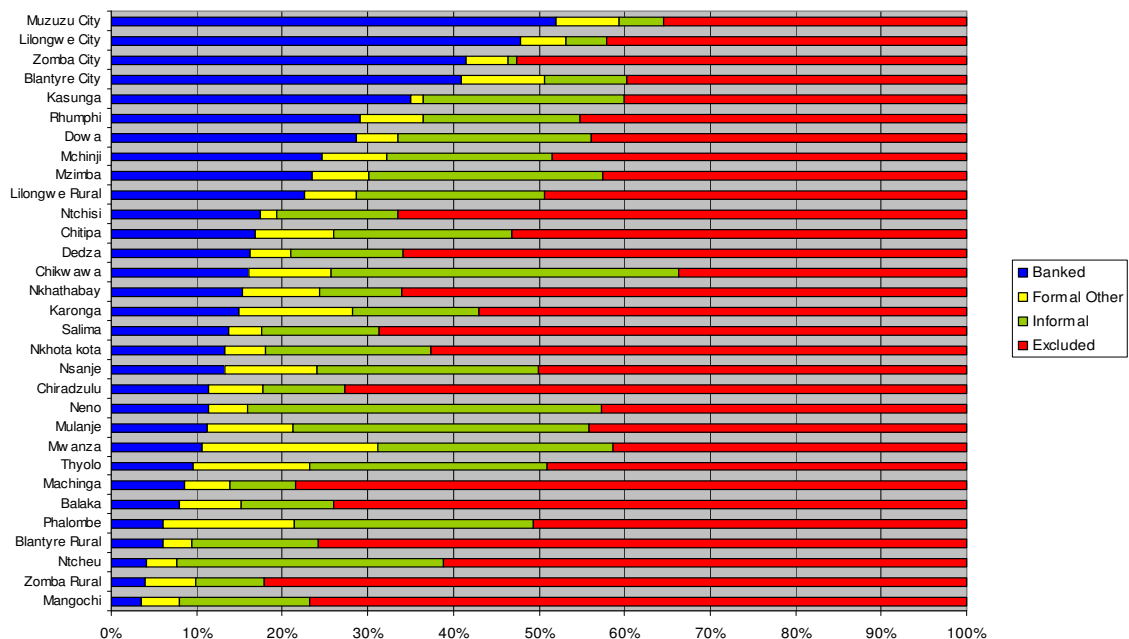


Source: FinScope Malawi 2008

At the district level there are also considerable variations; the percentage of adults who are banked ranges from 52% in Mzuzu City to 4% in Mangochi. The prevalence of other formal and informal product usage also varies significantly and is not clearly correlated to the percentage of adults who are banked.

Interestingly some of the most poorly served adults live in the rural areas just outside the cities, particularly Blantyre and Zomba. Simple demographic analysis has not produced a conclusive answer as to why this is the case but does suggest that further detailed studies should focus on cultural behaviour patterns and sources of income as well as more traditional explanatory variables such as education and income distribution.

Figure 17 Financial Access Strand by District

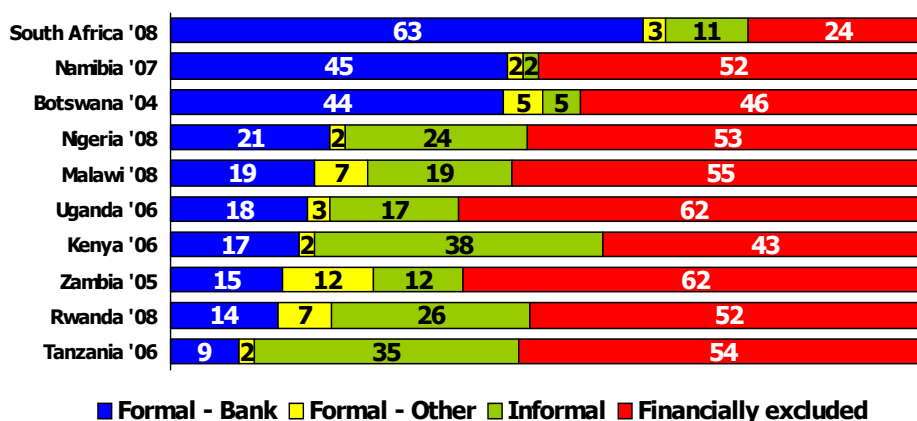


3.3.3 Financial Access Strand Country Comparisons

Figure 15 provides an overview of the comparison of the Access Strands of African countries where the FinScope survey has been conducted. With 19% of the adult population being banked, Malawi seems to be quite well positioned in comparison to other nations, which in many cases (such as Kenya and Tanzania) have significantly higher GDP per capita. It should be noted that some of the FinScope surveys are a few years old and current financial access figures may be slightly better than shown.

The picture however is not as impressive when we rank countries in terms of the proportion of the adult population being financially included (i.e. using either formal or informal financial products). Here Malawi lies much lower down the table given the large percentage of financially excluded. This illustrates the challenge for Malawi is not simply to increase the number of adults using formal products but also to grow the informal base, from which increasing formal product usage is less of a jump.

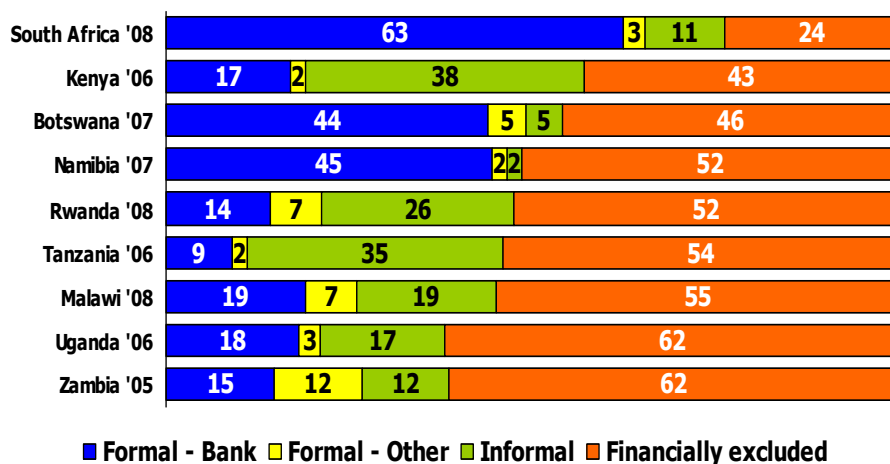
Figure 18 Access Strand by country (ranked by % of population banked)



*Banked, plus Formal Other = Formally Served
Formally served, plus Informal Other = Financially Included*

Source: FinScope Malawi 2008

Figure 19 Access Strand by country (ranked by % of population financially included)



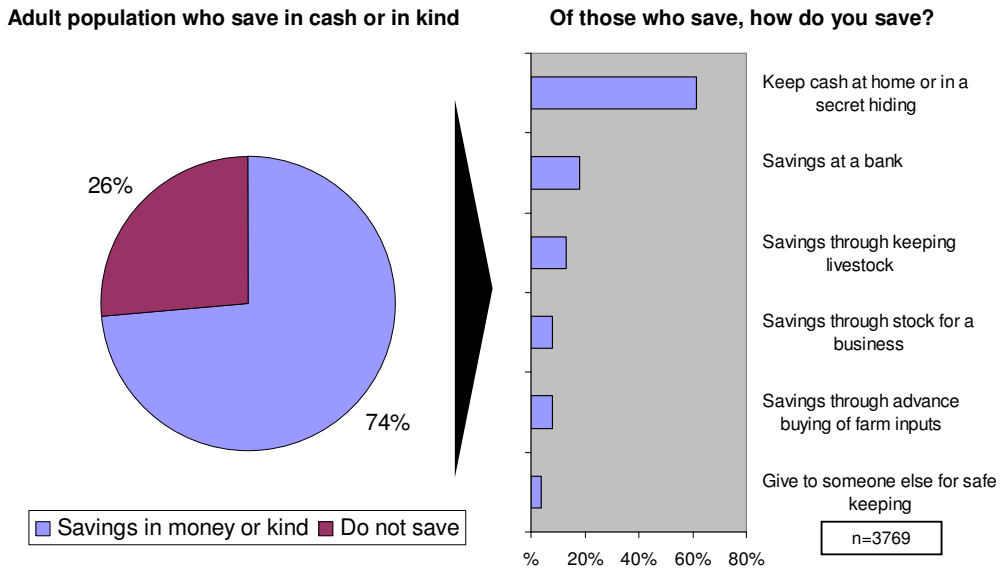
*Banked, plus Formal Other = Formally Served
Formally served, plus Informal Other = Financially Included*

3.4 Financial Products

3.4.1 Savings

Nearly 75% of adults save, but most prefer to save by hiding cash at home rather than at a bank. However, when asked if it is safe to keep cash at home 79% of adults stated it was not. This suggests that adults would be receptive to alternative methods of saving.

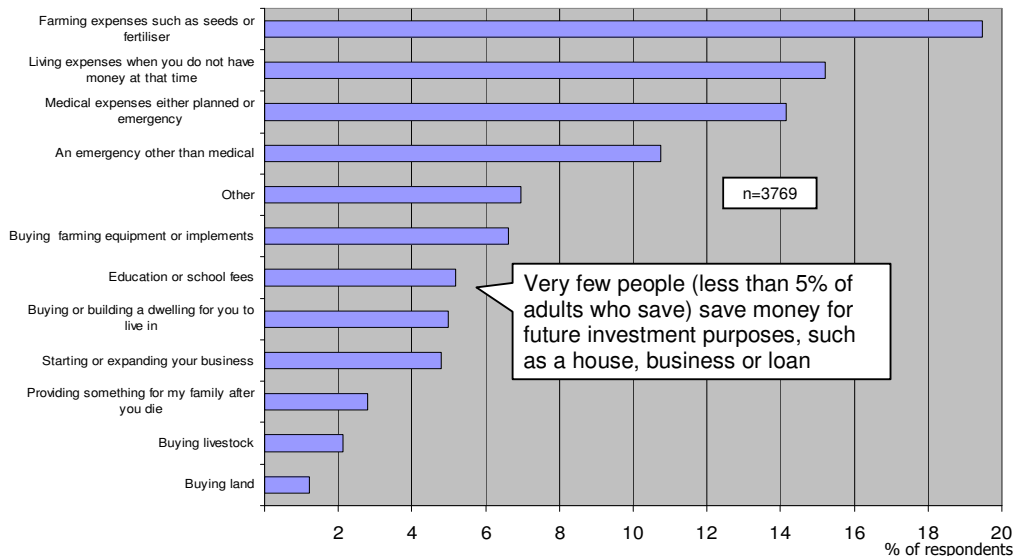
Figure 20 Methods of Saving



Source: FinScope Malawi 2008

Adults opt to save in their chosen way primarily due to ease of access and convenience. It should be noted that savings here does not necessarily refer to a long term accumulation of wealth but rather often it is a (temporary) means of storing money. The most important things that adults save for are income smoothing, paying for farming inputs and medical expenses, with very few adults saving for investment purposes.

Figure 21 What is the most important thing you save for?

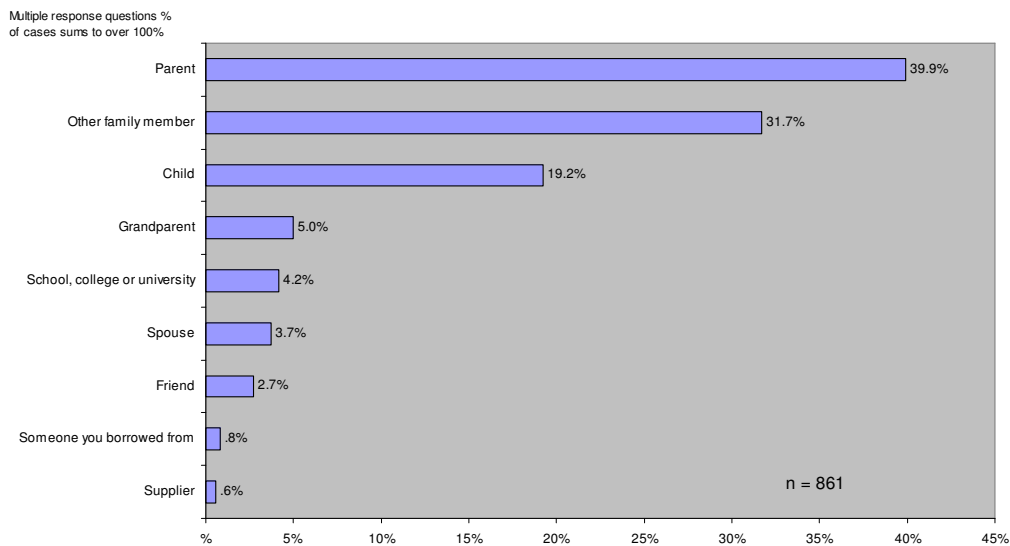


3.4.2 Remittances

Remittances from abroad is very limited in Malawi; the FinScope survey results show just 3% of adults have received money from outside the country in the past 12 months. Transfer of money within the country is much more prevalent with 16% of adults having sent money to someone within Malawi in the past 12 months, and 14% having received money. Parents are often the recipients of money from their children, rather than the other way around.

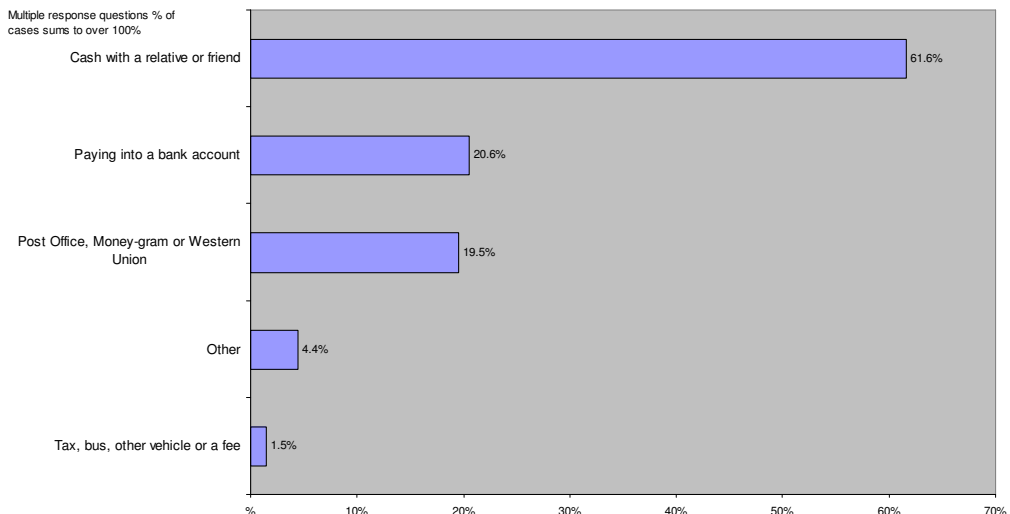
The most common mechanism used to transfer money is sending cash with a relative or friend (62%). Only 21% of internal remittances are made via bank accounts with a similar proportion being made via the Post Office, Western Union or Money-gram (Figure 20).

Figure 22 For those who send money, who do you send money to?



Source: FinScope Malawi 2008

Figure 23 For those who send money, how do you send money?



n = 861

3.4.3 Borrowing

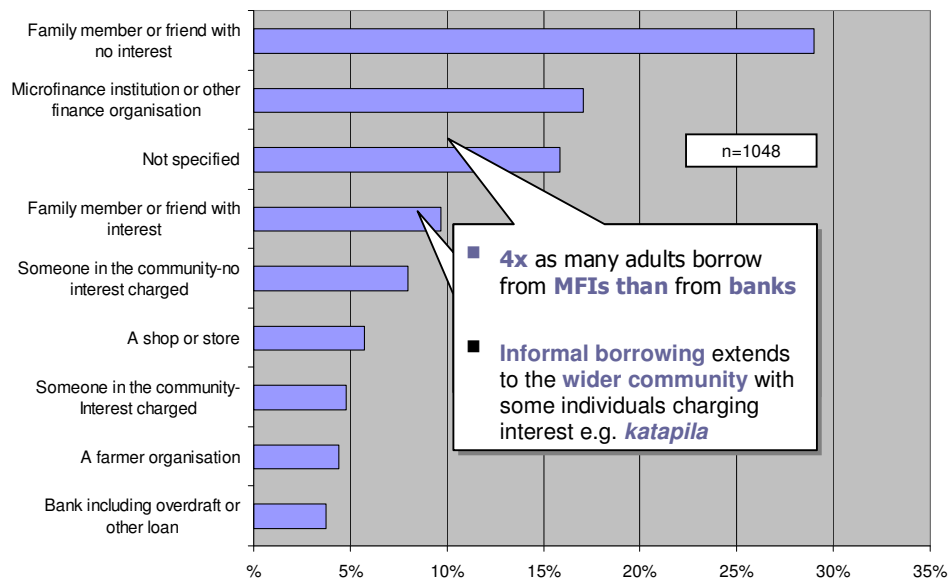
FinScope reveals that only 22% of adults reported that they have borrowed money in the past 12 months. This is lower than perhaps expected. It is possible that adults were limiting their responses to formal loans, rather than the wider variety of forms of borrowing, including goods. The analysts think this number is an underestimate of the true value, given the reluctance of individuals to say they borrow. This reported percentage should be used with caution.

Nearly 40% of adults who borrow money, do so from friends or family, sometimes with interest as shown below; this type of borrowing is not included in the formal or informal access categories, and if this were the only form of borrowing, these individuals would be classified as financially excluded (according to the FinScope definitions which regard friends and family as safety nets rather than service providers).

Importantly, four times as many adults borrow from MFIs (17%) than from banks (less than 4%), though it is likely that banks would account for a higher relatively proportion of money lent. Banks are predominately used for transactions and safekeeping of money.

With regard to the question “who did you borrow from?”, responses were not obtained from some 16% of respondents. Whilst not all of these will necessarily be informal lenders, katapila operators, it is possible that a substantial proportion might be as many respondents might not have wanted to admit borrowing from a money lender which is often stigmatised. Borrowing from family members, friends and community (with and without interest) is the most common source of loans.

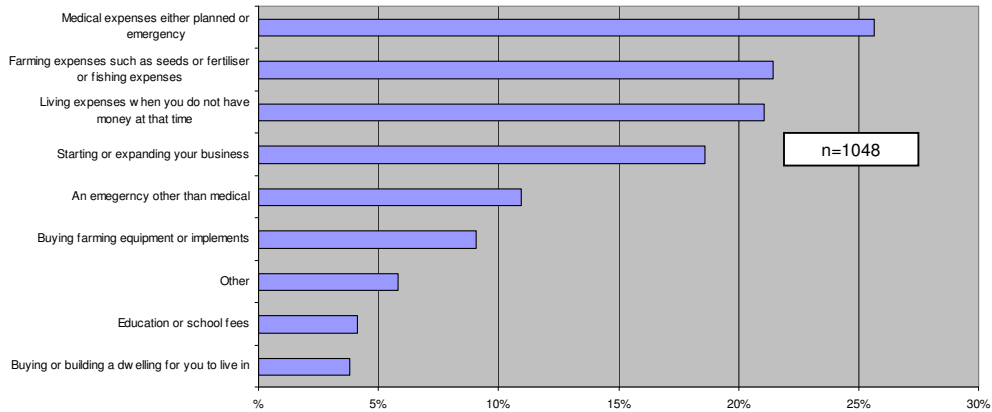
Figure 24 Who do you borrow from?



Source: FinScope Malawi 2008

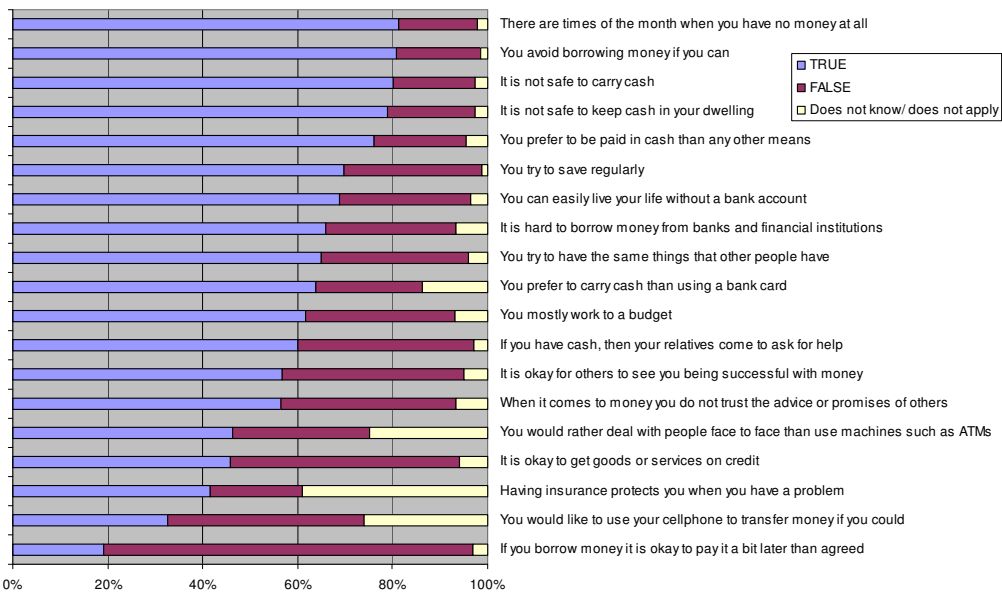
Loans are used for the same type of expenses as savings, but also for investing in businesses or enabling adults to buy farming inputs.

Figure 25 Why have you borrowed money?



The attitudes towards money broadly and borrowing more specifically are also captured by FinScope. Over 80% try to avoid borrowing if possible, 65% try to save regularly and less than 20% believe it is okay to pay back a loan later than agreed.

Figure 26: Attitude towards money



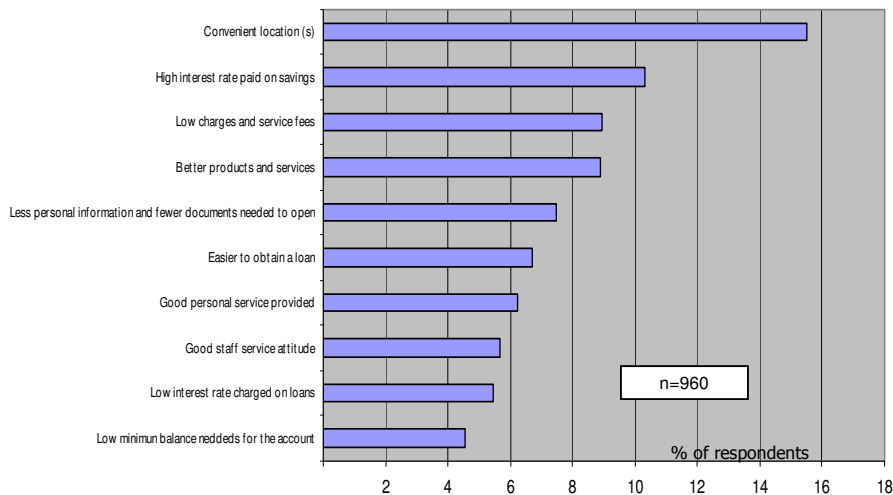
Source: FinScope Malawi 2008

3.5 Financial Institutions

3.5.1 Banks

When selecting a bank the criteria used by most adults reflect the fact that accounts are principally used for deposits in Malawi. Low charges and fees, high interest on savings and a convenient location are the most important factors in deciding which bank to use.

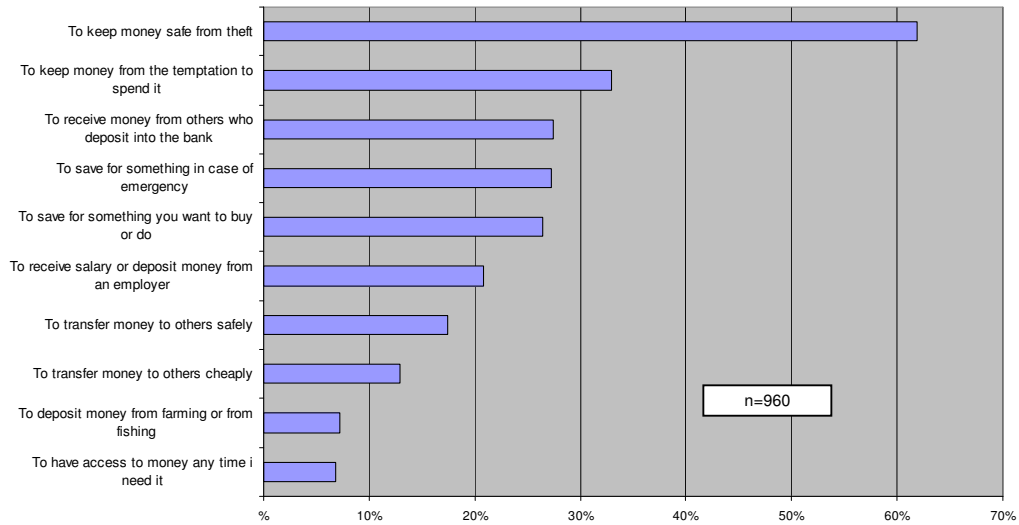
Figure 27 What is most important when selecting a bank?



Source: FinScope Malawi 2008

FinScope Malawi 2008 has found that 19% of the adult population are banked. However, when considering the range of banking services used by this portion of adults is narrow. 85% of the banked population stated that they predominantly withdraw and deposit cash. Less than 20% use ATMs on a regular basis, only 9% have set up debit orders on their accounts and less than 4% have made credit card purchases. Further, banks are not typically used for loans; 68% of banked adults are accessing savings/transaction accounts, whilst less than 5% access loan products. When asked about the reasons to have a bank account, most referred to using banks as safety deposits; to protect cash from theft or temptation to spend it as shown below. Such findings demonstrate the lack of depth of financial access even within the banked segment.

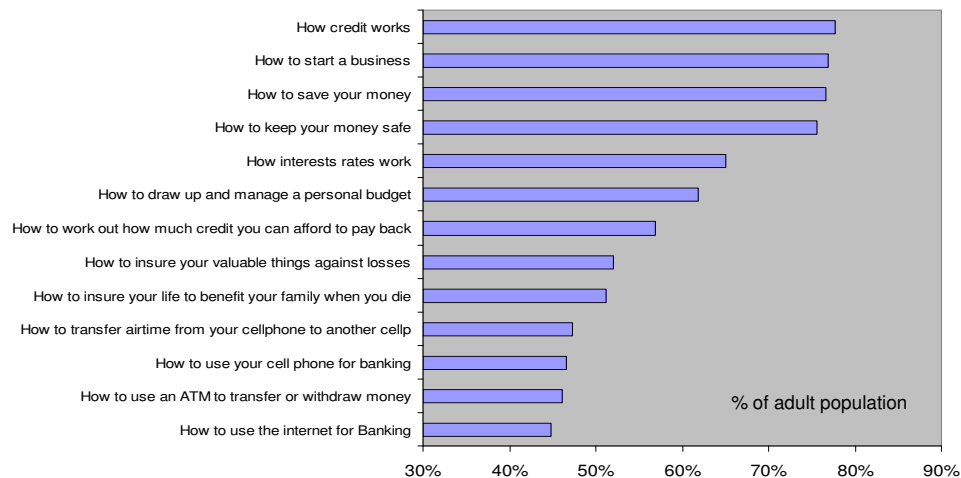
Figure 28 Those who are banked: why do you have a bank account?



Source: FinScope Malawi 2008

Despite the relatively unsophisticated usage of banks, adults are keen to learn more about products and services provided. Most said they are interested in finding out about loan products and savings as well as how to start a business.

Figure 29 What would you like to know more about?



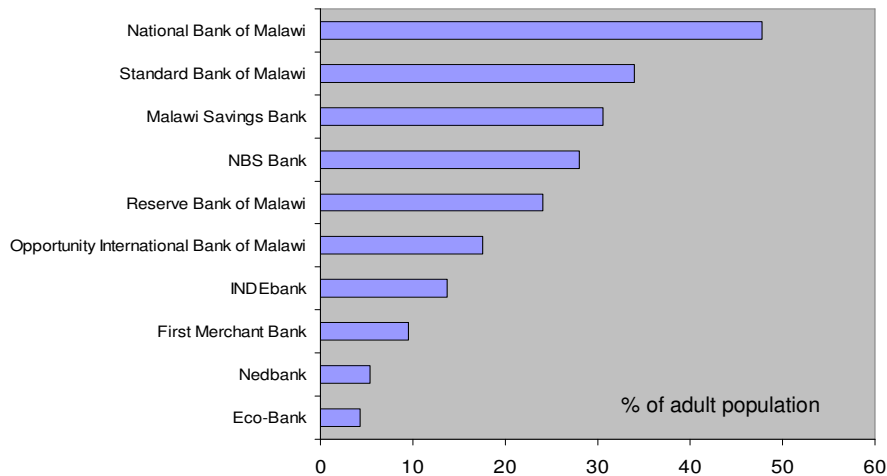
Source: FinScope Malawi 2008

FinScope gathered additional data on nature of the banking sector, some of the main results include:

- The majority of those with bank accounts say they have only one account (84%);
- 77% of respondents with bank accounts in Malawi say these are used for personal use with only 9% classified as for business use only;
- 77% of those with access to a bank account have it in their own name or with their partner, the remainder have indirect access; and
- A third of adults using someone else's bank account indirectly are charged for it.

Institutional awareness of banks in Malawi is a reflection of market share, number and spread of outlets and the duration of presence in country. National Bank of Malawi is the most established and was mentioned by 48% of the adult population on an unprompted basis. Standard Bank¹⁵ and Malawi Savings Bank are also well established and together with NBM cater to a broader demographic than some of the smaller younger banks.

Figure 30 Unprompted Institutional Awareness

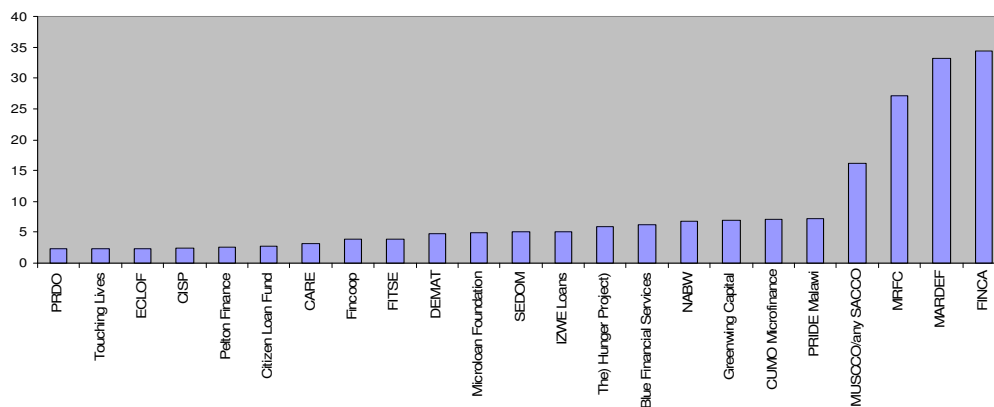


Source: FinScope Malawi 2008

3.5.2 MFIs

Microfinance institutions provide over four times as many loans as banks to individuals. There are over twenty MFIs in Malawi and those that are most well know are generally long established, such as FINCA and the government institutions (figure 28).

Figure 31 Unprompted Awareness of MFIs



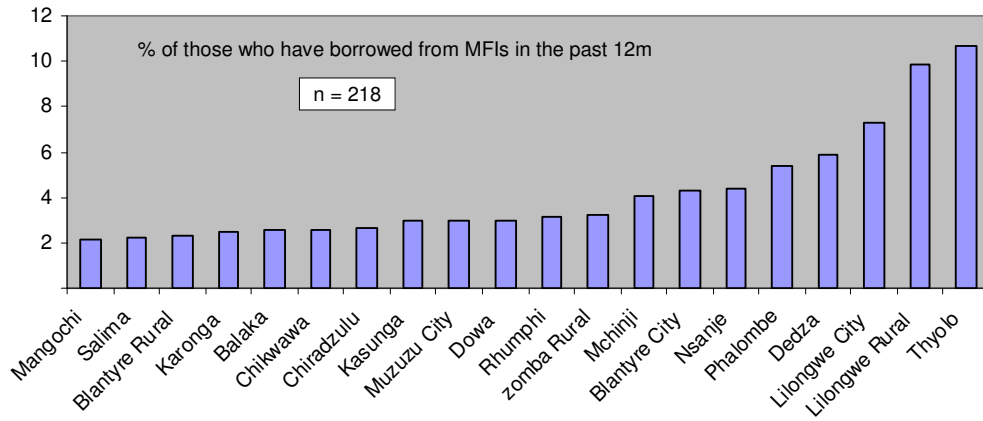
Source: FinScope Malawi 2008

¹⁵ Previously Commercial Bank of Malawi

Although MFIs do serve the lower income groups relative to banks, the income demographic of MFI clients is higher than that of the total adult population. Only 29% of MFI clients earn less than MK 5,000/ month, the equivalent figure for the total adult population is over 55%. Further, some 44% of those who used a MFI in the past 12m are also banked which emphasises the fact that many of those that are banked, use MFIs to get loans. Further, 22% of MFI clients are also informally served, perhaps emphasising MFIs as important 'linking' institutions spanning across the different groups.

The penetration of MFIs varies regionally; over 10% of MFI clients are in Thyolo with a similar portion from the rural outskirts of Lilongwe. The least well-served districts include Mangochi and Salima.

Figure 32 Location of MFI Borrowers

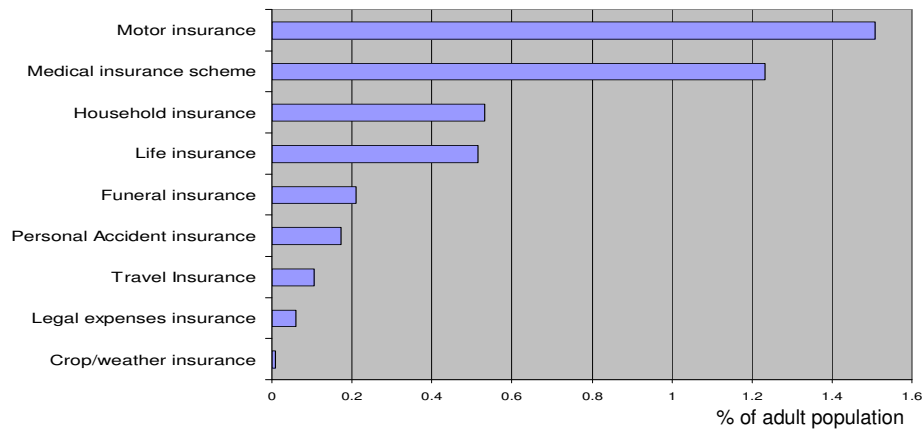


Source: FinScope Malawi 2008

3.5.3 Insurers

Less than 3% of adults have insurance with the most common insurance products being motor and health insurance. Importantly, there is likely to be a high degree of overlap - individuals that have insurance are likely to have more than one type of insurance.

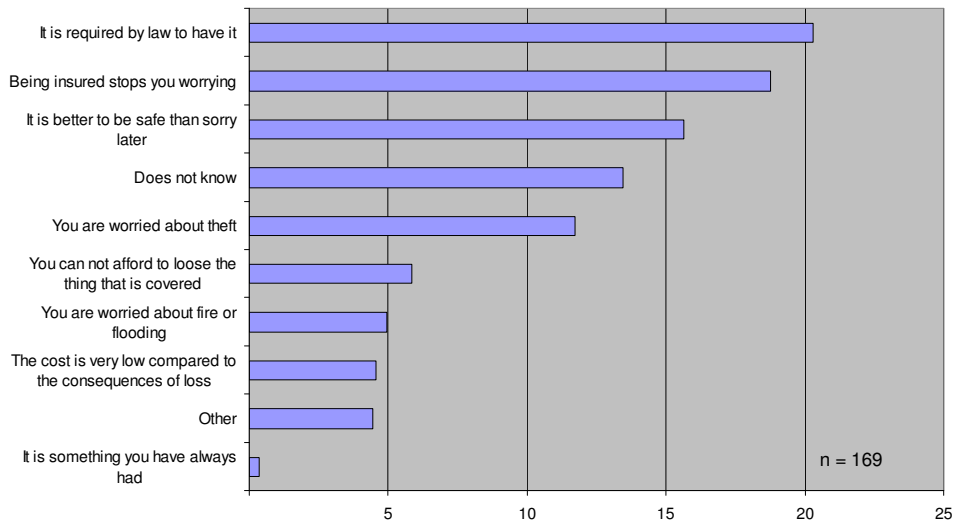
Figure 33 What type of insurance product do you currently have?



Source: FinScope Malawi 2008

The legal requirement for motor insurance is the single largest reason why adults are insured. There appears to be a need to improve adults' understanding of the benefits of insurance and for the development of more products for lower income groups.

Figure 34 For those with insurance, why do you have it?



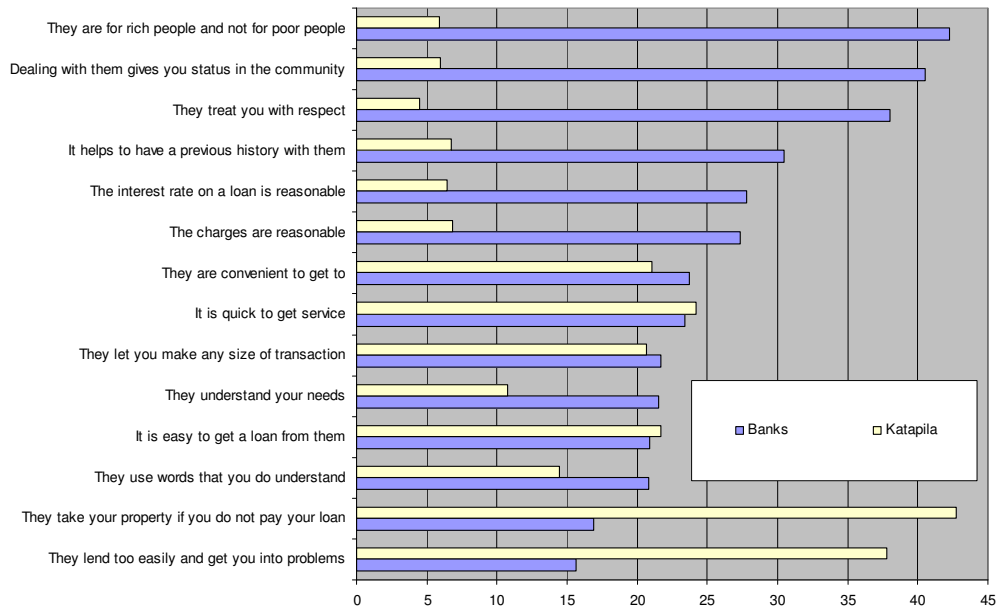
Source: FinScope Malawi 2008

When asked what their most valuable possession was, the vast majority of adults listed their health and ability to work. Medical and funeral expenses were listed as the greatest financial strains, indicating a need to improve access to affordable insurance cover.

3.5.4 Informal providers

13% of adults who borrow money do so from someone in the community (a money lender); a further 15% did not divulge the source of their loans and it is quite likely that a significant portion of these adults are also borrowing from such informal lenders. The key reasons why borrowers opt for informal borrowing relate to convenience and the ease of getting finance. Adults generally believe that informal lenders (Katapila) lend too easily and this can lead to problems such as having property taken away.

Figure 35 Which statements do you associate with each type of finance providers?



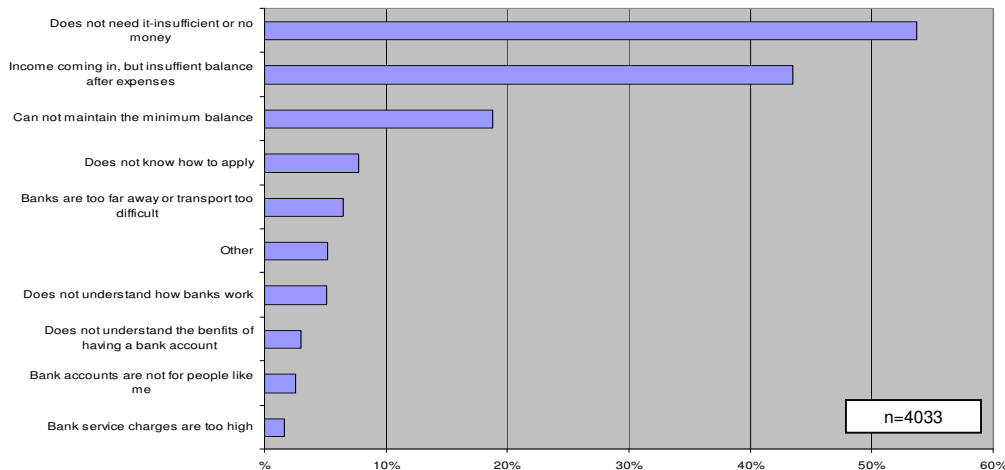
Source: FinScope Malawi 2008

3.6 Barriers to financial inclusion

As state earlier, 55% of adult Malawians are financially excluded according to FinScope findings with 19% banked, 7% accessing other formal financial services and a further 19% using informal financial services.

The main reasons adults do not have bank accounts are income-related. 98% of adults without a bank account stated they had insufficient money either before or after expenses. 19% also stated they could not maintain the minimum balance requirement. Less than 10% cite physical access as a reason for not being banked. However, since the majority take public transport to reach a bank (45% of those banked), cost of access could be an issue. Cultural and social factor were found not to represent significant barriers to access.

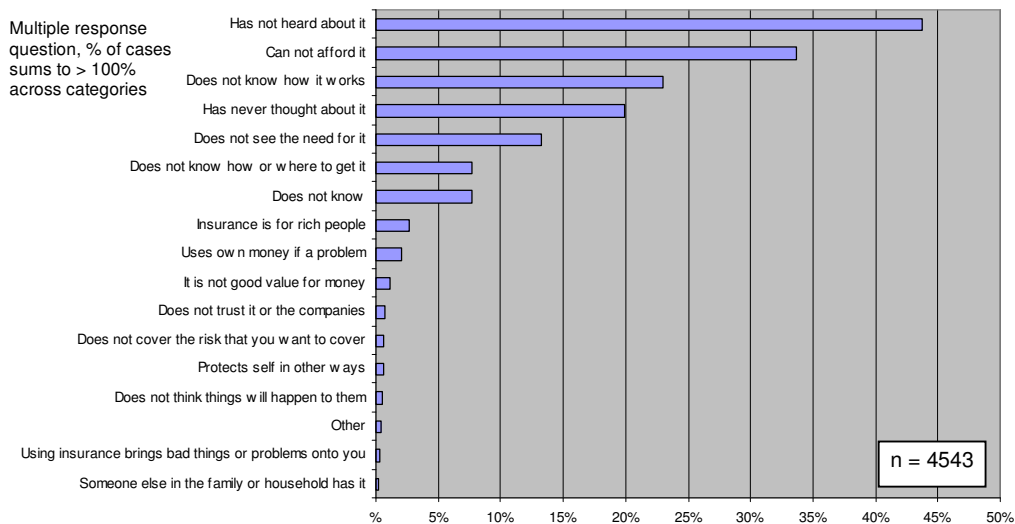
Figure 36 For those who have never had a bank account, why not?



Source: FinScope Malawi 2008

With regard to the barriers to insurance penetration, after affordability, product awareness is the main reason why adults do not have insurance. Improving financial literacy is central to improving access in Malawi and together with more suitable product development may be one of the most important policy initiatives for the GoM to consider.

Figure 37 Why do you not have an insurance product?

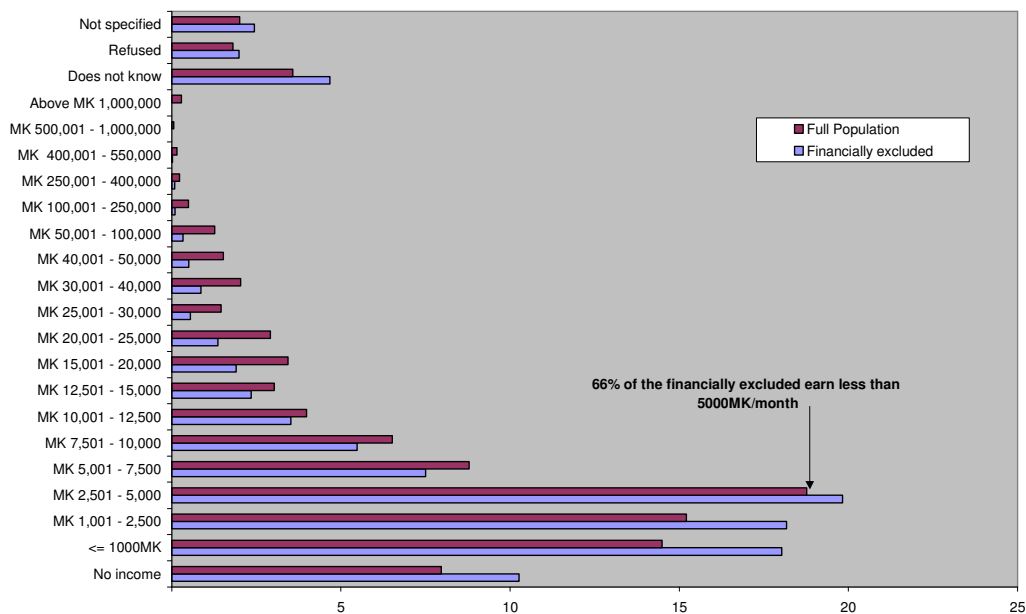


Source: FinScope Malawi 2008

Key demographics of the financially excluded are:-

- 66% earn less than MK 5,000 per month compared to 55% for the total adult population;
- 52% of adult males and 58% of adult females are excluded;
- 58% of the rural adult population and 40% of urban adult population are financially excluded;
- 68% of adults with no formal education are financial excluded whilst only 30% of those who have completed secondary education are excluded; and
- Over 65% of widowed and divorced adults are financially excluded.

Figure 38 Income distribution of financially excluded vs. total population (adults)



Source: FinScope Malawi 2008

4 Conclusions and Key Challenges

In summary, FinScope Malawi 2008 supports a number of hypotheses about access to the financial sector that were already widely held: -

1. There is a **high level of financial exclusion** particularly in rural areas and amongst the lower income brackets;
2. Many adults have **such low levels of income** that formal financial products are either not affordable or they have insufficient funds to warrant using formal products
3. Many adults **use informal** financial mechanisms **in conjunction with formal sector** products;
4. **Convenience** is the most important factor in choosing a financial provider; **trustworthiness** is also important, particularly for those using informal finance;
5. **Family, friends and the broader community** are important in the provision of finance, particularly for life events such as **weddings, funerals and illness**.
6. **Money transfers** are a common way for the extended family to provide financial support within Malawi; and
7. Penetration of **insurance and pension products are very low**.

However FinScope Malawi 2008 also identifies a number of elements that have not been highlighted or even known concerning use and demand for financial services: -

1. A **much higher proportion** of Malawians **are banked** than previously thought. This seems to be a function of recent product innovations and activity by several newer banks to target a wider cross-section of the population, particularly with (card-based) transaction smoothing accounts.
2. However, the **use of banking services appears to be relatively shallow**, with many not accessing loans, and not many using banks for saving.
3. Malawi has a **conflicting relationship with cash** in that adults are paid and save in cash, yet they are very much aware this is not secure from theft, family or temptation to spend it;
4. A **large proportion of adults are saving** in some way, either in cash or kind. This is relatively high compared to peer countries;
5. However **those saving** in cash and in kind **informally vastly exceed those saving formally** in bank accounts;
6. Relatively **few adults report they have borrowed** in the past year, in contrast to views that Malawians are heavily (and increasingly) indebted. There is possibly considerable under-reporting suggesting embarrassment about borrowing; although they don't seem to indicate that it is shameful/embarrassing to borrow (less than 1% of those who don't borrow think it is embarrassing)
7. Formal and informal **savings are mainly short-term cash deposits to smooth household cashflow** rather than for longer-term capital accumulation. These deposits are made in anticipation of identified, near term consumption needs such as living expenses, farming inputs or medical costs;
8. In general there is **limited evidence of long term accumulation** and there is limited evidence of any planning for old age such as pension-contributions;
9. **Adults understand loans need to be repaid** and it is not acceptable to default;
10. Adults **value their health and their ability to work above everything else**, indicating strong demand for an affordable health insurance product.

The key challenge for policymakers and for the financial community is to address the high level of financial exclusion in Malawi given that many are excluded for income-related reasons. The reasons for exclusion highlight several groups of the population who could gain financial access, if products were more affordable, accessible and if they

knew more about the benefits. The challenge will be how formal financial providers, particularly banks, adapt services built around serving middle and high income earners to new target groups, such as the urban waged, and higher income rural adults.

Another key challenge is how adults can be encouraged to move away from a largely cash-based society towards safer, more transparent mechanisms for storing and transferring cash. The onus is on the policymakers, RBM and the commercial financial sector to develop and market lower cost, more accessible mechanisms for receiving and accessing cash and on employers to move away from paying their employees in cash.

5 Recommendations

FinScope's primary purpose is to inform stakeholders who make financial policy and those who provide services to adults. The recommendations are therefore split into those aimed at policy makers, and those aimed at providers. In addition, FinScope also contains demographic and other data that should be of interest to non-financial development partners, on which there is one recommendation to make use of the database.

5.1 Recommendations to Policy Makers

FinScope provides a rigorous view of the demand side of the financial market, but for policy makers to have a full picture, it is essential to complete the planned supply side study. This needs to be undertaken in the near future so that supply and demand side findings from the same time period can be compared.

#1 Undertake and complete the supply side study in the near future to allow valid comparisons to be made between supply and demand side studies;

The demand and supply side studies are important steps towards a fuller picture of the problem of financial exclusion and how it could be addressed. It is important that GoM develops and implements a strategy to promote financial inclusion based upon the demand and supply side studies.

#2 Develop a financial inclusion strategy based on the findings of the supply and demand side studies, utilising these studies as the source of baseline data and target setting;

GoM is embarking on the development of a Financial Sector Strategy, following on from the FSAP process. The Financial Inclusion Strategy needs to be integrated with the Financial Sector Strategy, but still be sufficiently prominent to ensure that financial inclusion is high on the overall agenda.

#3 Ensure that the Financial Inclusion Strategy process is well integrated with the Financial Sector Strategy development, so that the latter reflects financial inclusion objectives and strategies, being one of the most important financial sector priorities.

FinScope contains a wealth of representative demographic and financial related information at national, regional and district levels. This includes data on housing, poverty indicators, access to health, education levels etc. This data can be of wider use than just in relation to development of finance related policies and programmes, and should be promoted to other arms of government for policy making.

#4 FIMA should promote the availability of FinScope's demographic and financial data to other Ministries and government agencies for use in their decision making.

There are two areas where GoM is best place to act upon. First of all only 23% of Government employees are paid through a bank account, and 74.5% are paid in cash. Delivery of cash to many different locations throughout the country, every month is a logistical challenge and very costly in time, vehicle use and other related costs (police escorts, theft etc.). GoM has already taken the initiative to start paying more employees through MSB, starting with teachers, though it has chosen to use Malswitch card based accounts that are relatively expensive. Certainly, there is no obvious impediment to paying urban based employees through accounts, as long as the cost to the employee is not high and access is sufficiently flexible.

#5 GoM should speed up its initiatives to pay a significantly greater proportion of its employees through bank accounts, particularly those in urban areas, or close to bank infrastructure. If necessary, this may require arrangements with banks to provide stripped down, low cost accounts, with low or no minimum balance requirements.

Secondly, FinScope found relatively low levels of financial literacy. Whilst it is in the interests of service providers to improve financial literacy, this is more in the nature of a public good. GoM could work closely with the Bankers Association of Malawi, the Insurance Association of Malawi and the Malawi Microfinance Network to develop a number of financial literacy initiatives. This will need to be a sustained initiative over several years, given the scale of the task.

#6 GoM should work with financial sector stakeholders to develop a series of financial education initiatives, aimed at improving financial literacy.

5.2 Recommendations to Service Providers

Financial sector providers are the interface with the users of financial services. Provision in Malawi is becoming increasingly crowded. Therefore, providers need to use the FinScope data to identify improvements to existing products that can better serve their clients based on a better understanding of the users needs, perceptions and preferences. But more than just improving existing offerings, providers need to look more closely at some of the under- / un-served groups to reappraise the potential demand from these groups and design new services that address their needs profitably. As the financial sector becomes more crowded, and the most visibly attractive segments become saturated, then providers that better segment and target viable market segments will increase market share and profitability.

7 Financial service providers need to review the FinScope Malawi 2008 database to gather new / more accurate information on key target groups currently served or that the providers want to serve.

Following a better understanding of the target segments, particularly those that have been under or un-served, service providers need to design and develop products and delivery systems that better meet target group needs, based on data that is within FinScope and providers own research.

#8 Financial service providers need to design, develop, test and launch new products and delivery systems that more closely meet the needs of significant, viable segments.

5.3 Recommendations to Development Partners

Although FinScope naturally has a strong financial focus and content, it is important for wider development partners to recognise the potential value of this database. To enable financial segmentation to occur the questionnaire, in annex 2, included many questions that are essentially 'demographic' in nature and of interest to a wider range of (non-financial) stakeholders. For example the initial sections focus on issues such as housing and asset ownership. There are also sections on farming and fishing characteristics, business ownership and livelihoods more generally. Data has been gathered on access to water, sanitation and electricity. As the data is representative to district level, this can be useful to make district comparisons, or even to get the data for particular districts.

#9 (Non-financial) development partners should review the questionnaire to determine what information it contains that could be useful for their activities and decision making.

6 The Way Forward

FinScope Malawi 2008 contains a wealth of data, based upon a valid sample of the adult population of Malawi. As well as gathering finance related information, the FinScope database also contains demographic and psychographic of the population that is of wider interest to a range of government, private sector and development partners.

One of the key objectives of FinScope is to provide information to stakeholders to use to develop policies and products that address relatively neglected target groups. Therefore, it is important that the FinScope database is available to those who want to be informed on the demographics and financial needs, perceptions and attitudes of a range of less well served target groups. There is no charge for the database from these sources.

As a result the database is available in either Excel or SPSS from the following:

1. Reserve Bank of Malawi, Research Department, Lilongwe – contact MacDonald Mwale, Head of Research, 01 770600, mmwale@rbm.mw (Excel only)
2. Ministry of Finance, Financial Inclusion Malawi Project, Lilongwe – Mr. Fletcher Chilumpha, FIMA Project 01 789355, fchilumpha@finance.gov.mw (Excel only)
3. Kadale Consultants Ltd., Blantyre – Mr. Jason Agar, 01 872933, Kadale@africa-online.net
4. FinMark Trust, Pretoria, South Africa – Mrs Irma Grundling, FinScope Senior Adviser, +27 83540 3345 +27 11315 9197 irmag@finmark.org.za

Finally, FinScope is a very valuable assessment at a particular point in time. Its value can be increased by repeating it on a regular basis, probably after at least 18 months. This then provides information on trends and the chance to add in other emerging issues to the questionnaire. Because of its rigorous nature, FinScope is not a low cost survey, but it could be commissioned on a syndicated basis, such as through key industry associations to ensure the costs and access to the information are shared.

Kadale Consultants Ltd.,
11 Jacaranda Avenue,
Mandala,
P.O. Box 2019,
Blantyre,
MALAWI.

00 265 1 (SW) 872933 / Director 00 265 1 875576

Annex 1- Sources Consulted

1. Burritt, K. for UNCDF (June 2005), "Expanding Access to Financial Services in Malawi"
2. IMF (May 2008), "Financial Sector Assessment Programme – Technical Note on Access to Financial Services"
3. Extracts describing the FinScope Survey and FinMark as an organisation were directly used from the FinMark FinScope Rwanda (December 2008)

Annex 2 Questionnaire (English)

Questionnaire Number

Implemented by:

2008

Project Co-ordinated by:

National Statistical Office
P.O. Box 333
Zomba.
Tel: +265 1 524 130

**Finscope Malawi
Survey**

Kadale Consultants Ltd
P.O. Box 2019
Blantyre
Tel: +265 1 872 933

English Questionnaire

Explain to household:

Hello, my name is... I am interviewing people on behalf of the National Statistical Office of Government of Malawi. We are interviewing people to find out more about the lives of Malawians so others can get a full understanding of what living in Malawi is like. The interview will take about one hour and your answers are strictly confidential – nobody will find out what you said.

Before I interview, I need to make a list of everyone in your household in order to choose one person in particular to interview. Please do not feel bad if we do not choose you because we do not have enough time to interview everyone.

A. INTERVIEW DETAIL

DISTRICT

TA, STA, or TOWN

ENUMERATION AREA

PLACE/VILLAGE NAME _____

HOUSEHOLD ID

ORIGINAL VISITING POINT	01
SUBSTITUTE VISITING POINT	02

NAME OF HOUSEHOLD HEAD:			
Name of actual respondent:			
Address of respondent:.....			
Tel. No: (Home)		(Work)	
Cell No:.....			
Interviewer:		<input type="text"/> <input type="text"/> <input type="text"/>	
Field Supervisor:		<input type="text"/> <input type="text"/> <input type="text"/>	
Type of Area	City	-	01
	Town/Trading Centre	-	02
	Rural	-	03

Start Time (24 hr clock, e.g. 15h00) hr Mins
End Time (24 hr clock, e.g. 17h00) hr Mins Time taken – coding Minutes Mins

Time of interview	
Morning (before 12:00)	01
Afternoon (12:01-17:00)	02
Evening (17:01 or later)	03

Fill In Codes Applicable From Day And Response Boxes Below.

VISITS:	DAY	DATE	TIME	RESPONSE
First visit				
Second visit				
Third visit				
Substitute 1				
First visit				
Second visit				
Third visit				
Substitute 2				
First visit				
Second visit				
Third visit				

Day		Response		
Monday	01	Interview completed		01
Tuesday	02	Revisit: Appointment made		02
Wednesday	03	Selected respondent not at home		03
Thursday	04	Nobody at home		04
Friday	05	Do not qualify: Vacant house/flat/stand/not a house or flat		05
Saturday	06	No person qualifies according to the survey specifications		06
Sunday	07	Respondent is physically/mentally not fit to be interviewed		07
		Respondent cannot communicate with interviewer because of language		08
		Refusals: contact person in household refused		09
		Interview refused by selected respondent		10
		Interview refused by parent		11

B. HOUSEHOLD REGISTER

- Record full names of all members of the household in separate grids below in order of oldest to youngest.
- Note: A household is defined as "one or more persons, related or unrelated, who live together and make a common provision for food. They regularly take all their food from the same pot, and/or share the same grain store (nkhokwe) or pool their income for the purpose of sharing food. The persons in a household may live in one or more dwelling units"
- Head of household must be currently living in the household and is the person(s) who the household regards as head of the household.
- An income earner is regarded as a person who contributes either by cash or in kind (goods or labour) to the household.
- Only respondents 18 years+ qualify for an interview.
- If Head of the Household (HoH) is younger than 18, then do not use the KISH but interview the child.
- Record person selected for interview from Kish table in column provided.
- Re-assure respondent of the confidentiality of all information.

	A1	A2	A3	A4	A5	A6	A7
	Household Listing Please tell me all the people aged 18 and in this household, starting with the Head of Household and then oldest (top) to youngest (bottom) whom we can interview	What is his or her age? (years)	What is his or her sex? M= 01 F= 02	What is his/her relation to Head of Household? HoH =01 Spouse/partner =02 Child =03 Parents (in-law) =04 Brother/Sister =05 Other relative =06 Not related =07	Is he/she an income earner? Yes=01 No=02	What is his or her marital status? Married =01 Single, never married =02 Separated =03 Divorced =04 Widowed =05	Person selected for interview
QUALIFIERS 18+ Persons who qualify (and who will be available)	Head of Household:	01		01			01
		02					02
		03					03
		04					04
		05					05
		06					06
		07					07
		08					08
		09					09
		10					10
	Please tell me the names of all the children aged under 18 in this household and other people who are not available for an interview.	What is his or her age? (years)	What is his or her Sex? M=01 F=02	What is his/her relation to Head of Household? HoH =01 Spouse/partner =02 Child =03 Parents (in-law) =04 Brother/Sister =05 Other relative =06 Not related =07 Other =08	Is he/she an income earner? Yes=01 No=02	What is his or her marital status? Married =01 Single, never married =02 Separated, still married =03 Divorced =04 Widowed =05	Reason does not qualify Less than 18=01 Away=02 Sick=03 Other=04
NON-QUALIFIERS Persons who do not qualify (or who will not be available)		01					
		02					
		03					
		04					
		05					
		06					
		07					
		08					
		09					
		10					

KISH TABLE

Interviewer: in order to determine who you will interview you need the last two digits of the household ID as stated on page 1 of the questionnaire, and the number of qualifying adults (18+) in the household who qualify for the survey.

1. Find the number running down the left side of the table that matches the end of the household ID, and the total number of household members that qualify running across the top of the table.
2. Circle the number where these two numbers meet in the table.
3. This is the number of the person that you will interview – record on previous page and check details.
4. Interview the selected individual.

HOUSEHOLD NUMBER ENDS IN				NUMBER OF QUALIFYING ADULTS IN HOUSEHOLD THE RESPONDENT MUST BE DRAWN FROM																								
				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
01	26	51	76	1	1	1	3	2	4	1	3	5	8	6	5	12	10	1	6	8	7	19	19	13	21	13	24	25
02	27	52	77	1	2	3	4	3	1	2	2	3	4	8	3	7	2	5	14	4	15	4	8	6	16	14	22	19
03	28	53	78	1	1	2	1	4	2	7	6	9	3	5	11	2	1	3	11	7	10	16	16	10	5	2	2	3
04	29	54	79	1	2	3	2	1	3	5	8	6	2	4	2	4	8	11	10	16	6	9	10	15	11	12	11	18
05	30	55	80	1	1	1	4	5	6	3	5	7	5	9	8	13	3	2	13	5	18	1	4	1	20	11	5	24
06	31	56	81	1	2	2	2	3	5	6	7	8	7	1	4	9	14	8	2	17	17	14	12	14	22	10	3	14
07	32	57	82	1	2	1	1	4	1	4	1	4	6	3	6	5	7	13	9	2	3	13	14	8	2	7	20	4
08	33	58	83	1	1	2	3	2	5	1	4	2	1	7	10	6	5	4	15	10	5	2	13	4	17	5	17	8
09	34	59	84	1	1	3	2	5	6	2	2	1	9	10	1	10	4	6	6	1	9	10	1	5	6	9	1	12
10	35	60	85	1	2	2	4	1	3	3	6	9	10	11	12	3	9	15	7	8	11	6	3	9	4	3	10	1
11	36	61	86	1	1	1	3	1	4	5	3	1	6	2	9	13	11	14	4	11	4	15	15	17	1	1	23	2
12	37	62	87	1	2	3	1	3	2	7	5	6	5	7	7	8	6	10	3	3	1	12	20	7	13	22	12	16
13	38	63	88	1	1	2	1	5	3	6	4	3	4	6	2	11	13	12	1	15	8	7	2	12	15	21	13	7
14	39	64	89	1	2	3	2	4	1	4	7	8	2	5	6	11	12	9	16	13	16	11	18	18	14	16	18	23
15	40	65	90	1	2	1	4	2	4	3	8	7	7	11	1	3	5	7	12	14	13	8	17	20	19	20	19	11
16	41	66	91	1	1	3	3	1	6	5	1	5	9	10	3	2	11	13	8	12	12	5	6	21	8	8	4	15
17	42	67	92	1	1	2	3	4	2	6	4	2	3	2	12	5	2	10	13	5	8	18	9	16	10	17	16	20
18	43	68	93	1	2	1	4	2	6	4	1	4	8	9	10	7	9	3	12	12	9	7	20	19	9	19	21	13
19	44	69	94	1	2	2	1	3	5	2	8	9	10	4	9	8	13	1	1	14	10	19	10	11	18	15	7	6
20	45	70	95	1	1	3	2	5	4	1	3	8	1	3	8	6	6	9	5	7	13	4	15	1	7	22	15	21
21	46	71	96	1	1	1	2	5	1	7	2	3	2	1	11	4	7	5	3	2	1	3	12	18	5	19	14	9
22	47	72	97	1	2	1	3	1	3	2	6	2	1	8	7	1	4	2	11	8	2	17	4	17	21	16	3	5
23	48	73	98	1	2	3	4	2	2	6	7	7	8	3	4	9	3	6	2	11	11	16	2	8	11	23	6	22
24	49	74	99	1	1	2	1	4	6	3	5	5	3	1	5	13	1	14	8	14	6	15	9	14	3	6	9	17
25	50	75	00	1	1	2	3	3	2	4	6	4	7	5	3	12	12	12	4	6	2	17	11	2	12	4	8	10

1. HOUSING AND VULNERABILITY RANKING

If the person selected to interview is a different from the person(s) that you got the household list from, then give the following introduction:

"Hello, my name is... I am interviewing people on behalf of National Statistical Office of the Government of Malawi We are interviewing people to find out more about the lives of Malawians so others can get a full understanding of what living in Malawi is like. The interview will take about one hour and your answers are strictly confidential – nobody will find out what you said. Will you participate?"

First, we would like to find out some things about you and your household. "A household is one or more persons, related or unrelated, who live together and make a common provision for food. They regularly take all their food from the same pot, and/or share the same grain store (nkhokwe) or pool their income for the purpose of sharing food. The persons in a household may live in one or more dwelling units"

Q 1.1	
Do not read out	In total, how many separate dwellings and pieces of land do you own?
Single mention	
1. None	01
2. One	02
3. Two	03
4. Three or more	04

Read out	Q1.2 Is this dwelling that your household is currently living in:
Single mention	
1. Owned by you	01
2. Owned by another member of your family	02
3. Rented	03
4. Provided by your employer rent free	04
5. Other	05
6. Does not know (DO NOT READ OUT)	06

Q 1.3 to 1.5	Q.1.3	Q.1.4	Q. 1.5
Do not read out	How many rooms do the dwelling units have excluding, bathrooms, toilets, storerooms and garages?	How many of these rooms are used for sleeping?	How many people usually sleep in the dwelling units?
Single mention for each column			
Check: Number of sleeping rooms must be less than or equal to number of living rooms in Q.1.3			
Check: Number of people mentioned in Q.1.5 cannot be less than total number of people in household register.			
1. One	01	01	01
2. Two	02	02	02
3. Three	03	03	03
4. Four	04	04	04
5. Five	05	05	05
6. Six	06	06	06
7. Seven	07	07	07
8. Eight	08	08	08
9. Nine	09	09	09
10. Ten or more	10	10	10

Prompt as necessary	Q.1.6
Single mention	What is the main material used for the roofs of the dwelling unit?
1. Grass thatch	01
2. Iron sheets	02
3. Iron and tiles	03
4. Asbestos	04
5. Cement	05
6. Other	06
7. Does not know (Do not read out)	07

Q.1.7

<ul style="list-style-type: none"> • Prompt as necessary • Single mention 	What is the main material used for the walls of the dwelling unit?
1. Burnt bricks	01
2. Unburnt bricks	02
3. Concrete	03
4. Stones	04
5. Mud, wattle or dung	05
6. Reeds or straw	06
7. Wood, planks or timber	07
8. Plastic or carton	08
9. Other	09
10. Does not know (Do not read out)	10

<ul style="list-style-type: none"> • Prompt as necessary • Single mention • This describes the actual floor not the covering, that is not carpet or linoleum 	Q.1.8 What is the main material of the floor of the dwelling unit?
1. Earth or Sand	01
2. Dung	02
3. Wood or planks unpolished	03
4. Wood polished	04
5. Concrete or cement	05
6. Bricks	06
7. Tiles (clay, ceramic or other decorative)	07
8. Other	08
9. Does not know (Do not read out)	09

Q.1.9 - 1.10	Q.1.9	Q.1.10 On average how long does it take to get to the source of water?						
<ul style="list-style-type: none"> • Prompt as necessary • Single mention each column 	What is the main source of drinking water for household members?	Under 2 minutes	2 to 5 minutes	6 to 10 minutes	11 to 15 minutes	16 to 20 minutes	21 to 30 minutes	More than 30 minutes
1. Piped into dwelling	01							
2. Piped into yard/plot	02							
3. Community standpipe	03	01	02	03	04	05	06	07
4. Unprotected well	04	01	02	03	04	05	06	07
5. Protected well	05	01	02	03	04	05	06	07
6. Borehole	06	01	02	03	04	05	06	07
7. Protected spring	07	01	02	03	04	05	06	07
8. Unprotected spring	08	01	02	03	04	05	06	07
9. River/stream	09	01	02	03	04	05	06	07
10. Pond/Lake	10	01	02	03	04	05	06	07
11. Rainwater	11	01	02	03	04	05	06	07
12. Dam	12	01	02	03	04	05	06	07
13. Tanker/Bowser	13	01	02	03	04	05	06	07
14. Bottled water	14							
15. Other	15	01	02	03	04	05	06	07

Q.1.11 - 1.12	Q.1.11	Q.1.12	
<ul style="list-style-type: none"> • Prompt as necessary • Single mention each question 	What is the type of toilet facilities household members mainly use?	Do two or more households share it? Yes	No
1. Flush toilet	01	01	02
2. Traditional pit latrine	02	01	02
3. Ventilated improved pit latrine (VIP)	03	01	02
4. No toilet	04	01	02
5. Other	05	01	02

<ul style="list-style-type: none"> • Prompt as necessary • Single mention 	Q.1.13 What source of energy does the household mainly use for lighting?
1. Electricity	01
2. Paraffin	02
3. Candles	03
4. Firewood	04
5. Other	05
6. None/Does not know (Do not read out)	06

	Q.1.14
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<ul style="list-style-type: none"> • Prompt as necessary • Single mention 	What source of energy does the household use for cooking?
1. Electricity	01
2. Paraffin	02
3. Gas	03
4. Charcoal	04
5. Firewood/sawdust	05
6. Straw	06
7. Other	07
8. None/Does not know (Do not read out)	08

Q 1.15 – Q 1.16 <ul style="list-style-type: none"> • Read out • Multiple mention possible for each question • Check: cannot mention both statements 7 and 8 	Q.1.15 Does the household own the following?		Q.1.16 If the household does not own it, does the household have access to it?	
	Yes	No	Yes	No
1. Electric device to heat water or other water heater	01	02	01	02
2. Electric or gas cooker or hotplate	01	02	01	02
3. Refrigerator or deep freezer	01	02	01	02
4. TV set	01	02	01	02
5. Radio	01	02	01	02
6. Fixed line telephone or wireless phone (MTL Liberty line)	01	02	01	02
7. One cellphone	01	02	01	02
8. More than one cellphone	01	02	01	
9. Torch	01	02	01	02
10. Bicycle	01	02	01	02
11. Motorcycle	01	02	01	02
12. Car, truck or other vehicle	01	02	01	02
13. Bed	01	02	01	
14. Lounge suite or sofa	01	02	01	
15. Plough	01	02	01	02
16. Donkey or ox drawn cart	01	02	01	02
17. None of the above	01	02	01	02

Q.1.17	Which of the following describes your literacy rate most accurately ?
1. Can read and understand questions	1
2. Can read but does not always understand questions	2
3. Cannot read and does not understand questions	3

	Q.1.18 In the last 12 months, how often have you or a member of your household					
	Always	Often	Sometimes	Rarely	Never	Does not know / does not apply (Do not read out)
• Read out						
• Single mention per statement.						
1. Been unable to send children to school	01	02	03	04	05	06
2. Gone without one meal in a day	01	02	03	04	05	06
3. Felt unsafe from crime in your area	01	02	03	04	05	06
4. Gone without medicine or medical treatment when needed	01	02	03	04	05	06
5. Had no cash in the home at all	01	02	03	04	05	06
6. Been unable to assist those who depend on you financially	01	02	03	04	05	06
7. Gone without a pair of shoes	01	02	03	04	05	06
8. Gone without a blanket when needed	01	02	03	04	05	06

2. FARMING AND FISHING

• Read out • Single mention		Q.2.1 Some people are involved in farming or fishing. Your household.....	
1.	Is only involved in farming and no-one in the household has any other work	01	⇒ <i>Continue to Q.2.2</i>
2.	Is only involved in fishing and no-one in the household has any other work	02	
3.	Farming and other work	03	
4.	Fishing and other work	04	
5.	Both farming and fishing	05	
6.	Has no involvement in farming or fishing at all	06	⇒ <i>Go to Q.3.1</i>

• Read out • Single mention only		Q.2.2 You farm or fish for.....	
1.	Only for selling	01	⇒ <i>Go to Q.2.4</i>
2.	Mainly for selling	02	
3.	Both selling and consumption equally	03	
4.	Own consumption mainly	04	
5.	Own consumption only, including storing for later consumption	05	⇒ <i>Go to Q.2.3</i>

• Do not read out • Multiple mention possible – enumerator to classify		Q.2.3 Why do you farm or fish only for your own consumption?
1.	The market is too far away	01
2.	There is no transport to the market	02
3.	Transport is too expensive	03
4.	There is no surplus to sell	04
5.	Nobody in the household is able to travel	05
6.	There is no need to sell as have other source of income	06
7.	Other	07
8.	Does not know	08

Q.2.4 – 2.6 • Do not read out • Single mention each question	Q.2.4 Which farming/fishing activity brings in the most income for you?	Q.2.5 Which farming/fishing activity brings in the second most income for you?	Q.2.6 How many beef and dairy cattle does your household have? <i>Go to Q2.7 if code 01. Go to Q.2.8 if code 02-05</i>				
			0	1-2	3-5	6-10	More than 10
1. Cattle – Beef	01	01	01	02	03	04	05
2. Cattle – Dairy	02	02	01	02	03	04	05
3. Other livestock	03	03					
4. Tobacco	04	04					
5. Tea	05	05					
6. Sugar	06	06					
7. Cotton	07	07					
8. Coffee	08	08					
9. Groundnuts	09	09					
10. Paprika	10	10					
11. Chillies	11	11					
12. Other spices and herbs	12	12					
13. Fruits	13	13					
14. Vegetables	14	14					
15. Irish potatoes	15	15					
16. Sweet potatoes	16	16					
17. Rice	17	17					
18. Sorghum	18	18					
19. Cassava	19	19					
20. Maize	20	20					
21. Wheat	21	21					
22. Millet	22	22					
23. Pulses (Beans, lentils, etc)	23	23					
24. Fishing – lake or river	24	24					
25. Fish pond	25	25					
26. Other (<i>Specify</i>)	26	26					
27. None							

<ul style="list-style-type: none"> Do not read out Single mention 	Q.2.7 Do you own any livestock at all?	
1. Yes	01	Go to Q.2.8
2. No	02	Go to Q.2.9

<ul style="list-style-type: none"> Read out statements Single mention each statement Check: If mention 1-9, then cannot mention 10 	Q.2.8 Thinking of your livestock would you		
	Yes	No	Does not know (Do not read out)
1. Sell one or more animals to buy fertiliser, seed or chemicals	01	02	03
2. Sell one or more animals to pay for medical costs	01	02	03
3. Sell one of more animals to pay for school fees and costs	01	02	03
4. Sell one of more animals to improve your dwelling	01	02	03
5. Sell one or more animals to buy other better quality animals	01	02	03
6. Sell one or more animals to help a dependent who needs money	01	02	03
7. Sell one or more animals to pay for food	01	02	03
8. Sell one or more animals to pay for an engagement or wedding	01	02	03
9. Sell one or more animals to pay for land preparation or give an animal to pay for labour	01	02	03
10. Never sell for any reason	01	02	03

<ul style="list-style-type: none"> Do not read out for Q2.9 BUT prompt for Q2.10 Inputs include seed, fertiliser, chemicals (Pesticides, herbicides), animal feed, veterinary drugs, nets and fish bait Single mention Q.2.9. Multiple mention possible Q.2.10 	Q.2.9 For your farming or fishing activities, you need things like seed or fertiliser or pesticides or food for livestock, where do you mainly get the money for it? Or if you don't buy it, how do you mainly get it?	Q.2.10 What other sources do you have?
1. You buy them with your own money	01	01
2. You manage with what you have already (prompt - keeping seed from your own harvest, using organic fertiliser, re-use nets, grass for feed etc.)	02	02
3. You get them in advance from a buyer to whom you have to sell your crop, livestock or fish when it is ready	03	03
4. You get credit from an input supplier or distributor	04	04
5. You get them on credit or by a loan from a farmer organisation such as a co-operative or association	05	05
6. You get a loan from a bank	06	06
7. You get a loan from a Micro-Finance or other finance organisation	07	07
8. Government or a government body gives them to you or subsidises the cost	08	08
9. A Non-Government Organisation gives them to you or subsidises the cost	09	09
10. A relative or friend gives them to you from their own money or gives you money	10	10
11. A relative or friend takes a loan out to buy them for you	11	11
12. You borrow from a community group where you save and lend to each other	12	12
13. You borrow from a money lender	13	13
14. Other (Specify)	14	14
15. You do not use any inputs for your farming or fishing activities	15	15
16. Does not know (Do not read out)	16	16

3. EXPENDITURE, INCOME AND TRANSACTIONS

Read out: An Expense is anything that you pay for, whether in cash, in kind (goods or services) or any other form.

<ul style="list-style-type: none"> • <i>Do not read out, prompt as necessary</i> • <i>Single mention for each column</i> 	Q.3.1		
	What are your three largest expenses in a normal month?		
	Largest	Second Largest	Third Largest
1. Expenses for running your dwelling (including water, electricity, rent, etc.)	01	01	01
2. Expenses for transport or travelling (including fuel, spare parts, minibus etc.)	02	02	02
3. Food and other groceries (including soaps, matches, paraffin etc.)	03	03	03
4. House repairs, improvements and furniture	04	04	04
5. Insurances	05	05	05
6. Loan repayments	06	06	06
7. Saving	07	07	07
8. Clothes	08	08	08
9. Airtime and telephone bills	09	09	09
10. Paying domestic workers in your household	10	10	10
11. Education and school fees	11	11	11
12. Medical expenses	12	12	12
13. Sending assistance to family or friends not living in your household	13	13	13
14. Expenses on farming or fishing (including buying livestock, seeds, fertiliser,	14	14	14
15. Expenses on a business that you run (including buying materials or stock,	15	15	15
16. None, does not spend anything (<i>Do not read out</i>)	16	16	16
17. Other (<i>specify.....</i>)	17	17	17

If respond code 16 for largest, then go to Q.3.5

<ul style="list-style-type: none"> • <i>Do not read out</i> • <i>Multiple mention possible for each question</i> 	Q.3.2	Q.3.3	Q.3.4
	How do you usually pay for food?	How do you usually pay for clothing?	How do you usually pay for big household goods such as a cooker, a fridge or items of furniture?
1. By using cash	01	01	01
2. By getting credit from the supplier	02	02	02
3. By exchanging goods for this	03	03	03
4. By borrowing money and paying in cash or cheque	04	04	04
5. By doing ganyu or providing labour for it	05	05	05
6. By cheque	06	06	06
7. By debit card	07	07	07
8. By Malswitch card	08	08	08
9. By credit card	09	09	09
10. By other bank card	10	10	10
11. By paying in instalments	11	11	11
12. Other (<i>Specify.....</i>)	12	12	12
13. Does not buy this item (<i>Do not read out</i>)	13	13	13

Q.3.5 – Q.3.9 Read out: Income means either money, or goods that you receive that you can sell or trade for other things you need:	Q.3.5 How do you get money or goods to pay or exchange for your expenses?	Q.3.6 Do you work on a full-time, part-time, seasonal or occasional basis?				Q.3.7 Do you receive money, goods or services daily, weekly, monthly, irregularly or only once a year?						Q.3.8 Are you paid into the bank, paid in cash, given in goods or in kind, or given both money and goods?				Q.3.9 Is this income from family, friend, an employer, the Government (as employer or for other reason) or other?			
		Full-time	Part-time	Seasonal	Occasional	Daily	Weekly	Fortnightly	Monthly	Irregularly	Once a year	Into bank	In cash	Goods or in kind	Both money and goods	Family/ Friends	Business, NGO or other employer	Government	Other
• Read out • Multiple mention possible each column																			
1. Depend on a household member to pay for your expenses (parent, spouse, child or other)	01																		
2. Depend on a household member to give you money or goods to use for your expenses	02					01	02	03	04	05	06	01	02	03	04	01			
3. Receive wages or salary	03	01	02	03	04	01	02	03	04	05	06	01	02	03	04	01	02	03	04
4. Pension from former employer	04	01	02	03	04	01	02	03	04	05	06	01	02	03	04		02	03	04
5. Ganyu	05			03	04	01	02	03	04	05	06		02	03	04				
6. Income from farming (includes selling crop produce, selling livestock)	06	01	02	03	04	01	02	03	04	05	06	01	02	03	04				
7. Income from fishing (includes processing own fish – drying, smoking)	07	01	02	03	04	01	02	03	04	05	06	01	02	03	04				
8. Income from own business (such as trading, providing service, making/manufacturing, buying and selling crops, produce or fish)	08	01	02	03	04	01	02	03	04	05	06	01	02	03	04				
9. Trading products collected from nature (such as wood, thatch, charcoal, honey, muti etc.)	09					01	02	03	04	05	06	01	02	03	04				
10. Rental income (form renting rooms, house, land, equipment, vehicle or other property)	10					01	02	03	04	05	06	01	02	03	04				
11. Provide financial services to your community for profit (lending money)	11					01	02	03	04	05	06	01	02	03	04				
12. Money, food or other goods from Aid agency or NGO	12					01	02	03	04	05	06	01	02	03	04				
13. Money from friends or family from another area of Malawi (Rural)	13					01	02	03	04	05	06	01	02	03	04	01			
14. Money from friends or family from another area of Malawi (Urban)	14					01	02	03	04	05	06	01	02	03	04	01			
15. Money from friends or family outside Malawi	15					01	02	03	04	05	06	01	02	03	04	01			
16. Other (Specify.....)	16	01	02	03	04	01	02	03	04	05	06	01	02	03	04	01	02	03	04

Q.3.10 - Q.3.11 <ul style="list-style-type: none"> • Read out those that respondent listed in Q.3.5 only • Single mention for each question 	Q.3.10 What is largest source of income?	Q.3.11 What is your second largest source of income?
1. Depend on a household member to pay for your expenses (parent, spouse, child or other)	01	01
2. Depend on a household member to give you money or goods to use for your expenses	02	02
3. Receive wages or salary	03	03
4. Pension from former employer	04	04
5. Ganyu	05	05
6. Income from farming (includes selling crop produce, selling livestock)	06	06
7. Income from fishing (includes processing own fish – drying, smoking)	07	07
8. Income from own business (such as trading, providing service, making/manufacturing, including buying and selling crops, produce or fish)	08	08
9. Trading products collected from nature e.g. wood, thatch, charcoal, honey, muti etc.	09	09
10. Rental income (renting out rooms, houses, land, equipment, vehicle or other property)	10	10
11. Provide financial services to your community for profit (lending money)	11	11
12. Money, food or other goods from Aid agency or NGO	12	12
13. Money from friends or family from another area of Malawi (Rural)	13	13
14. Money from friends or family from another area of Malawi (Urban)	14	14
15. Money from friends or family outside Malawi	15	15
16. Other	16	16

Q.3.12 – Q.3.13	Q.3.12 What is the biggest threat to your income? <ul style="list-style-type: none"> • Do not read out • Single mention only 	Q.3.13 Which of the following are also big threats to your income? <ul style="list-style-type: none"> • Read out • Multiple mention • Cannot repeat biggest risk
1. Drought or loss of access to water for farming	01	01
2. Flooding	02	02
3. Death of or loss of income from main income earner	03	03
4. Death of other family member excluding main income earner	04	04
5. Illness within your household or family	05	05
6. Separation or divorce	06	06
7. Theft	07	07
8. Fuel shortages or fuel price increases	08	08
9. Rise in prices	09	09
10. Rise in interest rates	10	10
11. Loss of your land or access to land you use	11	11
12. Loss of natural resources or loss of access to them e.g. forest, rivers, lake etc	12	12
13. Increase in household size (more dependents on household income)	13	13
14. Fire	14	14
15. Jealousy of others towards me	15	15
16. Harvest failure or losses of crop after harvest	16	16
17. Death or illness of livestock	17	17
18. Corruption by someone else	18	18
19. Loss of your employment	19	19
20. Loss of your business	20	20
21. Loss of your home	21	21
22. Loss of your savings	22	22
23. Other (Specify.....)	23	23
24. You do not see any risks to your household finances	24	24

<ul style="list-style-type: none"> • Read out • Single mention in each column • Cannot repeat once row used 	Q.3.14 Which event in life is.....		
	Q.3.14.a The most costly for you?	Q.3.14.b The second most costly for you?	Q.3.14.c The third most costly for you?
1. Birth of a child	01	01	01
2. Engagement	02	02	02
3. Wedding	03	03	03
4. Funeral	04	04	04
5. Illness or medical emergency for self or close family member	05	05	05
6. Does not know (Do not read out)	06	06	06

<ul style="list-style-type: none"> • Read out • Single mention in each column 	Q.3.15 The best way to pay for.....				
	The birth of a child	An engagement	A wedding	A funeral	An illness or medical emergency for self or close family member
1. Is to save for the event	01	01	01	01	01
2. Is to borrow money when it happens	02	02	02	02	02
3. Is to rely on family to help when it happens	03	03	03	03	03
4. Is to rely on the community at the time when it happens	04	04	04	04	04
5. Is to sell something to pay for it when it happens	05	05	05	05	05
6. Rely on some good fortune to assist when it happens	06	06	06	06	06
7. Other (<i>Specify</i>)	07	07	07	07	07
8. Does not know (Do not read out)	08	08	08	08	08

<ul style="list-style-type: none"> • Read out • Single mention in each column • Cannot repeat once row used 	Q.3.16 What is.....		
	Q.3.16.a the most valuable thing that you have?	Q.3.16.b the second most valuable thing that you have?	Q.3.16.c the third most valuable thing that you have?
1. Your land	01	01	01
2. Your dwelling or other buildings	02	02	02
3. Your business or businesses	03	03	03
4. Your health and ability to work	04	04	04
5. Being part of a family that gives you financial support	05	05	05
6. Your wife/children/family	06	06	06
7. Your vehicle or means of transport	07	07	07
8. Your savings	08	08	08
9. Your household goods and furniture	09	09	09
10. Other (<i>Specify</i>)	10	10	10
11. Does not know (Do not read out)	11	11	11

<ul style="list-style-type: none"> • Read out each statement and record response before reading next statement • Single mention per statement 	Q.3.17 Is this statement true or false or does not apply to you?			
	True	False	Does not apply to you	Does not know (Do not read out)
1. You will never move and will probably spend your whole life in this dwelling	01	01	01	01
2. Your dwelling and land is something to keep and never sell	02	02	02	02
3. If you needed a large sum of money you would sell your dwelling and land	03	03	03	03
4. You would sell your dwelling and land to buy a bigger property	04	04	04	04
5. You would use your dwelling or land as security when borrowing money	05	05	05	05
6. You think of your dwelling or land as an investment that will increase in value over time	06	06	06	06
7. Your dwelling is an asset to earn money e.g. by renting it out to someone else	07	07	07	07
8. Your land is an asset that you can use to earn money	08	08	08	08
9. You have enlarged or plan to enlarge your dwelling	09	09	09	09
10. You plan to buy another piece of land or dwelling to add to your wealth	10	10	10	10

4. ACCESS TO FINANCE INFRASTRUCTURE

	Q.4.1 – Q.4.5 <ul style="list-style-type: none"> • <i>Read out part a, then part b of each question</i> • <i>Single mention per question</i> • <i>Do not ask part b. of each question if code 06 in part a.</i> 	Q.4.1.a How would you get to the nearest bank branch or mobile bank if you had to visit it?	Q.4.2.a How would you get to the nearest office of any other finance organisation if you had to visit it?	Q.4.3.a How would you get to the nearest market if you had to visit it?	Q.4.4.a How would you get to the nearest place to buy airtime if you had to visit it?	Q.4.5.a How would you get to the nearest private money lender if you had to visit them?
A	1. Walk	01 (Ask Q.4.7)	01	01	01	01
	2. Own or household's motor vehicle or motorcycle	02	02	02	02	02
	3. Other transport you or household owns such as bicycle, ox cart etc.	03	03	03	03	03
	4. Public transport - bus, bicycle, taxi etc.	04 (Ask Q.4.6)	04	04	04	04
	5. Other	05	05	05	05	05
	6. Never travels there/ Does not know where it is (Do not read out)	06	06	06	06	06
	<ul style="list-style-type: none"> • <i>Do not read out statement, but prompt if necessary</i> 	Q.4.1.b How long would it take to get there?	Q.4.2.b How long would it take to get there?	Q.4.3.b How long would it take to get there?	Q.4.4.b How long would it take to get there?	Q.4.5.b How long would it take to get there?
B	1. Under 10 minutes	01	01	01	01	01
	2. 11 to 20 minutes	02	02	02	02	02
	3. 21 to 30 minutes	03	03	03	03	03
	4. 31 minutes to 1 hour	04	04	04	04	04
	5. 61 minutes to 120 minutes (2 hours)	05	05	05	05	05
	6. 121 minutes to 180 minutes (3 hours)	07	07	07	07	07
	7. More than 3 hours	08	08	08	08	08

Go to Q 4.6 for those who use public transport to get to a bank (Q.4.1.a – response 04)

Go to Q.4.7 for those that walk to a bank (Q.4.1 a – response 01)

All others go to Q.5.1.

<ul style="list-style-type: none"> • <i>Prompt if necessary</i> • <i>Single mention only</i> 	Q.4.6 How much does it cost to travel by public transport to the nearest bank, including the cost to return home?
1. Less than MK 30	01
2. MK 31-50	02
3. MK 51-100	03
4. MK 101-200	04
5. MK 201-300	05
6. MK 301-500	06
7. More than MK 501	07

<ul style="list-style-type: none"> • <i>Do not read out</i> • <i>Multiple mention possible</i> 	Q.4.7 Why dont you use public transport to get to the nearest bank?
1. Bank is close by so I can walk	01
2. I cannot afford public transport	02
3. There is no public transport to use	03
4. Public transport does not come often enough	04
5. Public transport is not reliable	05
6. Public transport is unsafe	06
7. I don't visit the bank	07
8. Other	08

5. FINANCIAL DECISION MAKING, KNOWLEDGE OF PROVIDERS AND UNDERSTANDING

<ul style="list-style-type: none"> • Read out • Single mention only 	<p>Q.5.1 Who is responsible for the household's financial decisions?</p>	
1. You alone	01	⇒ Go to Q.5.3
2. You and your husband or wife or partner jointly	02	
3. You and all your household members together	03	
4. Your husband or wife or partner makes the decision without you	04	⇒ Go to Q.5.2
5. Other family or household members make the decision without you	05	

<ul style="list-style-type: none"> • Do not read out • Single mention 	<p>Q.5.2 Do you have your own money that you can decide what to do with?</p>
1. Yes	01
2. No	02

<ul style="list-style-type: none"> • Read out • DO NOT EXPLAIN MEANING TO RESPONDENT • Single mention per word/phrase. 	<p>Q.5.3 Which of the following statements best describes your knowledge of each word or phrase.</p>		
	Never heard of this	Heard this but do not know what it means	Know what this means
1. Debit card	01	02	03
2. Credit card	01	02	03
3. Savings account	01	02	03
4. Current account or cheque account	01	02	03
5. ATM or Money Card or cash card	01	02	03
6. Interest on savings	01	02	03
7. Loan	01	02	03
8. Interest on a loan	01	02	03
9. Collateral	01	02	03
10. Grace period	01	02	03
11. Pension	01	02	03
12. Life insurance	01	02	03
13. Shares	01	02	03
14. Stock Exchange	01	02	03
15. Inflation	01	02	03
16. Personal budget	01	02	03
17. Investment	01	02	03
18. Treasury Bill	01	02	03
19. Asset	01	02	03
20. Liability	01	02	03

<p>Banks Q.5.4 Please name any banks that you know or have heard of:</p> <ul style="list-style-type: none"> • DO NOT EXPLAIN TO RESPONDENT 	<p>Unprompted awareness</p> <ul style="list-style-type: none"> • Do not read out list 	<p>Prompted awareness</p> <ul style="list-style-type: none"> • Read out list 	<p>Mistaken awareness as other lender, insurer or medical</p>
1. Eco-Bank	01	01	01
2. First Merchant Bank	02	02	02
3. INDEbank	03	03	03
4. Malawi Savings Bank (MSB)	04	04	04
5. National Bank of Malawi	05	05	05
6. NBS Bank	06	06	06
7. Nedbank	07	07	07
8. Opportunity International Bank of Malawi	08	08	08
9. Security Bank	09	09	09
10. Standard Bank of Malawi	10	10	10
11. Reserve Bank of Malawi	11	11	11
12. Other Bank - 1 (Specify.....)	12		
13. Other Bank - 2 (Specify.....)	13		
14. I Do not know or heard of any bank	14		

Other Financial Services Q.5.5 Please name any other financial institutions or lenders that you know or have heard of: • DO NOT EXPLAIN TO RESPONDENT	Unprompted awareness <i>Do not read out list</i>	Prompted awareness • <i>Read out list</i>	Mistaken awareness as bank, insurer or medical
15. CARE	15	15	15
16. CISP	16	16	16
17. CUMO Microfinance	17	17	17
18. DEMAT	18	18	18
19. ECLOF	19	19	19
20. FINCA	20	20	20
21. Fincoop	21	21	21
22. FITSE	22	22	22
23. (The) Hunger Project	23	23	23
24. MARDEF	24	24	24
25. Microloan Foundation	25	25	25
26. MRFC	26	26	26
27. MUSCCO/any SACCO	27	27	27
28. NABW	28	28	28
29. Touching Lives	29	29	29
30. PRDO	30	30	30
31. PRIDE Malawi	31	31	31
32. SEDOM	32	32	32
33. Blue Financial Services	33	33	33
34. Citizen Loan Fund	34	34	34
35. Greenwing Capital	35	35	35
36. IZWE Loans	36	36	36
37. Pelton Finance	37	37	37
38. Katapila (<i>any named person or use of generic term 'katapila'</i>)	38	38	38
39. Other - 1 (<i>Specify</i>)	39		
40. Other - 2 (<i>Specify</i>)	40		
41. Don't know or have not heard of any	41		

Insurance Companies Q.5.6 Please name any insurance or pension companies you know or have heard of: • DO NOT EXPLAIN TO RESPONDENT	Unprompted awareness • <i>Do not read out list</i>	Prompted awareness • <i>Read out list</i>	Mistaken awareness as bank, other lender or medical insurer
42. Agents (<i>see listing</i>)	42	42	42
43. Broker (<i>See listing</i>)	43	43	43
44. Citizen	44	44	44
45. Charter	45	45	45
46. First Merchant Bank	46	46	46
47. General Alliance	47	47	47
48. National Bank	48	48	48
49. NICO Life or NICO General	49	49	49
50. Old Mutual	50	50	50
51. Prime	51	51	51
52. Real	52	52	52
53. Reunion	53	53	53
54. Trust Finance	54	54	54
55. United General Insurance	55	55	55
56. Vanguard	56	56	56
57. Other - 1 (<i>Specify.....</i>)	57		
58. Other - 2 (<i>Specify.....</i>)	58		
59. Don't know or have not heard of any	59		

Medical Insurance Schemes/Providers Q.5.7 Please name any Medical Scheme or insurers you know or have heard of: • DO NOT EXPLAIN TO RESPONDENT	Unprompted awareness <i>Do not read out list</i>	Prompted awareness <i>Read out list</i>	Mistaken awareness as bank, other lender or general / life insurer
60. MASM	60	60	60
61. Oasiz	61	61	61
62. Prosperity Health	62	62	62
63. Other - 1 (<i>Specify.....</i>)	63		
64. Other - 2 (<i>Specify.....</i>)	64		
65. Don't know or have not heard of any	65		

<ul style="list-style-type: none"> • Read out • Multiple mention possible 	Q.5.8 Which of these things would you like to know more about?
1. How to keep your money safe	01
2. How credit works	02
3. How to save your money	03
4. How interest rates work	04
5. How to insure your valuable things against losses	05
6. How to insure your life to benefit your family when you die	06
7. How to use an ATM to transfer or withdraw money	07
8. How to use your cellphone for banking	08
9. How to transfer airtime from your cellphone to another cellphone	09
10. How to use the internet for banking	10
11. How to work out how much credit you can afford to pay back	11
12. How to start a business	12
13. How to draw up and manage a personal budget	13
14. Anything else? (<i>Specify.....</i>)	14
15. None (<i>Do not read out</i>)	15

<ul style="list-style-type: none"> • Do not read • Multiple mentions possible – prompt for anyone else? 	Q.5.9 Who do you ask if you need financial advice?
1. Someone in a savings club	01
2. One or your children	02
3. Your spouse or partner	03
4. A friend	04
5. A parent and/or grandparent	05
6. Family members other than spouse or parents or children	06
7. Your employer	07
8. A traditional leader	08
9. A Government Official	09
10. A bank	10
11. A farmer co-operative or association or club	11
12. Someone in a ROSCA/Chipereganyu	12
13. An insurance provider	13
14. A Microfinance organisation	14
15. A Katapila	15
16. Someone you trust in the community (<i>e.g. Teacher</i>)	16
17. A financial adviser	17
18. Other (<i>Specify.....</i>)	18
19. Would not ask anyone for help	19
20. Does not know (<i>Do not read out</i>)	20

<ul style="list-style-type: none"> • Read out statements • Single mention per statement 	Q.5.10. Which of the following statements is true or false for you?		
	True	False	Does not know / does not apply (<i>Do not read out</i>)
1. You try to save regularly	01	02	03
2. You avoid borrowing money if you can	01	02	03
3. You can easily live your life without a bank account	01	02	03
4. When it comes to money you do not trust the advice or promises of others	01	02	03
5. You would rather deal with people face to face than use machines such as ATMs	01	02	03
6. You would like to use your cellphone to transfer money if you could	01	02	03
7. You prefer to be paid in cash than any other means	01	02	03
8. It is okay for others to see you being successful with money	01	02	03
9. You prefer to carry cash than using a bank card	01	02	03
10. You mostly work to a budget	01	02	03
11. It is okay to get goods or services on credit	01	02	03
12. It is not safe to carry cash	01	02	03
13. There are times of the month when you have no money at all	01	02	03
14. If you have cash, then your relatives come to ask for help	01	02	03
15. It is not safe to keep cash in your dwelling	01	02	03
16. It is hard to borrow money from banks and financial institutions	01	02	03
17. You try to have the same things that other people have	01	02	03
18. If you borrow money it is okay to pay it a bit later than agreed	01	02	03
19. Having insurance protects you when you have a problem	01	02	03

<ul style="list-style-type: none"> • Read out statements and record response before going to next statement • Multiple mention possible per statement, but not if answer either code 05 or 06 	Q.5.11					
	Which of the following statements do you associate with each type of finance providers?					
	Banks	Other Lending organisations/ MFIs	Community Groups	Katapila	None of these	Does not know/ Does not apply (Do not read out)
1. Getting things done with them is easy	01	02	03	04	05	06
2. It is quick for them to give you a loan	01	02	03	04	05	06
3. The process for getting a loan is easy	01	02	03	04	05	06
4. They are for rich people and not for poor people	01	02	03	04	05	06
5. They understand your needs	01	02	03	04	05	06
6. You trust them	01	02	03	04	05	06
7. They take your property if you do not pay your loan	01	02	03	04	05	06
8. They treat you with respect	01	02	03	04	05	06
9. It helps to have a previous history with them	01	02	03	04	05	06
10. They operate at times that are convenient to you	01	02	03	04	05	06
11. They give you cash in hand when you need it	01	02	03	04	05	06
12. The charges are reasonable	01	02	03	04	05	06
13. The interest rate on a loan is reasonable	01	02	03	04	05	06
14. They lend too easily and get you into problems	01	02	03	04	05	06
15. They are understanding when you cannot make your payments	01	02	03	04	05	06
16. They are your ideal place to go	01	02	03	04	05	06
17. It is quick to get service	01	02	03	04	05	06
18. They use words that you do understand	01	02	03	04	05	06
19. They are convenient to get to	01	02	03	04	05	06
20. Dealing with them gives you status in the community	01	02	03	04	05	06
21. It is easy to get a loan from them	01	02	03	04	05	06
22. The information they give is easy to understand	01	02	03	04	05	06
23. They let you make any size of transaction	01	02	03	04	05	06

<ul style="list-style-type: none"> • Read out statements • Multiple mention possible per statement, but not if answer code 03 or 04 	Q.5.12			
	Which of the following statements do you associate with each type of organisation:			
	Insurance companies	Medical insurance companies / schemes	None of these	Does not know/ Does not apply (Do not read out)
1. Getting things done with them is easy	01	02	03	04
2. They pay quickly when you claim	01	02	03	04
3. They are for rich people and not for poor people	01	02	03	04
4. It helps to have a previous history with them	01	02	03	04
5. They operate at times that are convenient to you	01	02	03	04
6. The charges are reasonable	01	02	03	04
7. You understand how they work	01	02	03	04
8. They are your ideal place to go	01	02	03	04
9. They treat you with respect	01	02	03	04
10. They offer the services you need	01	02	03	04
11. They are easy to get to	01	02	03	04
12. Dealing with them gives you status in the community	01	02	03	04
13. Their requirements to be insured are easy to meet	01	02	03	04

6. FINANCIAL PRODUCT USAGE

Q.6.1-6.2 <ul style="list-style-type: none"> • Read out statements • Single mention per statement • Circle if "yes" • For each 'have now' (Code 01) ask Q.6.2 before moving onto the next row in Q.6.1 • For each code 02 or 03, then ask Q.6.1.d 	Q.6.1 Which of these products or services...				Q.6.2 With which organisation do you have this?
	Q.6.1.ado you have now	Q.6.1.bdid you have in the past but do not have now	Q.6.1.c ...have you never had	Q.6.1.d If mention 02 or 03 then ask.....would you like to have in the next year	<ul style="list-style-type: none"> • Multiple mention possible per statement • Ask respondent for name and show card if literate. Fill in code from card Q.6.2. • If not on the list, write in the name not a code.
Bank Accounts and Cards					
1. Current account with cheque book	01	02	03	04	
2. Current account with ATM card	01	02	03	04	
3. Debit Card (Electron/ MasterCard / Visa)	01	02	03	04	
4. Credit Card	01	02	03	04	
5. Malswitch Card / Cash Card	01	02	03	04	
6. Savings account with ATM Card	01	02	03	04	
7. Savings account - Fixed Term Deposit / Call Account	01	02	03	04	
Loans					
8. Overdraft on your bank account	01	02	03	04	
9. Personal or consumer loan	01	02	03	04	
10. Business loan	01	02	03	04	
11. Education loan	01	02	03	04	
12. Agricultural Loan	01	02	03	04	
13. Housing Loan	01	02	03	04	
14. Unspecified type of loan (if does not know type)	01	02	03	04	
Medical and General Insurance					
15. Medical insurance scheme	01	02	03	04	
16. Motor insurance	01	02	03	04	
17. Household insurance	01	02	03	04	
18. Life insurance	01	02	03	04	
19. Crop/weather insurance	01	02	03	04	
20. Funeral insurance	01	02	03	04	
21. Travel Insurance	01	02	03	04	
22. Personal Accident insurance	01	02	03	04	
23. Legal expenses insurance	01	02	03	04	
24. Other insurance (Specify.....)	01	02	03	04	
Pension and Life Insurance					
25. Pension/Retirement fund	01	02	03	04	
26. Life insurance policy	01	02	03	04	
27. Other (Specify))					

• Do not read out • Single mention	Q.6.3 Do you currently use a bank account whether your own or someone else's?	
1. Yes	01	⇒ Go to Q.6.4
2. No	02	⇒ Go to Q.6.6

• Read out • Single mention • Check: If mention code 01, must have bank account in Q.6.1	Q.6.4 Who is the bank account holder?
1. You alone	01
2. Your wife or husband or partner with you	02
3. Your wife or husband or partner without you	03
4. Your child	04
5. Your parent	05
6. Another family member	06
7. Your neighbour or friend	07
8. Your farmer organisation – co-operative, association or club	08
9. Your Church, Mosque or other community body,	09
10. Other (Specify.....)	10
11. Does not know (Do not read out)	11

Ask Q.6.5 if code 03 to code 10. Otherwise go to Q.6.6

<ul style="list-style-type: none"> • Do not read out • Single mention 	Q.6.5
	If you use someone else's bank account, do they charge you to use it?
1. Yes	01
2. No	02

Enumerator – Determine if the interviewee is currently banked?	
Currently banked	<i>Must have at least one 'have now' response Q.6.1 (code 01 for any statement 1 – 8) ⇒ Go to 7.1</i>
Used to be banked	<i>Must not currently have a bank account Q.6.1 (no code 01 mentions for any statement 1 – 8) and must have given one or more response 'used to have' (code 02) for one or more statement 1 – 8 about bank accounts ⇒ Go to Q.6.6</i>
Never banked	<i>If 'never had' Q.6.1 (code 03 mentioned for all statements 1 – 8) ⇒ Go to Q6.7</i>

5. 6.	Do not read out – enumerator to classify Multiple mention possible for each question	Q.6.6 If previously Why did you use to have a bank account but do not have it now?	Q.6.7 If never had Why do you not have a bank account?
1.	Does not need it – Insufficient or no money coming in to justify it	01	01
2.	Income coming in, but insufficient balance after expenses	02	02
3.	Cannot maintain the minimum balance	03	03
4.	Need permission of someone else to open it	04	04
5.	Bank accounts are not for people like 'me'	05	05
6.	Banks are too far away or transport too difficult	06	06
7.	Banking hours are not convenient	07	07
8.	Bank service charges are too high	08	08
9.	Does not understand how banks work	09	09
10.	Does not understand the financial language used in banks	10	10
11.	Banks do not provide the products or services needed	11	11
12.	Does not have an ID document or salary slip or letter from the Chief to be able to open an account	12	12
13.	People may be jealous or think person has lots of money	13	13
14.	Does not want to be identified for tax purposes	14	14
15.	Does not trust banks	15	15
16.	Fears embarrassment or refusals	16	16
17.	Does not know how to apply	17	17
18.	Does not understand benefits from having a bank account	18	18
19.	Can get services needed in the community	19	19
20.	Other (<i>Specify</i>)	20	20
21.	Does not know	21	21

If previously banked (answered Q.6.7) or not currently banked, ⇒ Go to Section 8 (Insurance)

7. BANK ACCOUNTS

Ask Q.7.1 if respondent currently has or uses any bank account (code 01 in Q.6.1 statements 1-8 or code 01 in Q.6.3).
Otherwise ⇒ go to Section 8

<ul style="list-style-type: none"> Do not read out Single mention each question 	0 None	1 only	2	3	more than 3	Does not know/ will not say
Q.7.1 How many different bank accounts do you have only in your name?	01	02	03	04	05	06
Q.7.2 How many bank accounts do you have in joint names with other people?	01	02	03	04	05	06
Q.7.3 Including your own and joint accounts, how many different banks do you bank with?	01	02	03	04	05	06

<ul style="list-style-type: none"> Do not read – enumerator to classify Multiple mention possible 	Q.7.4 Why do you have or use a bank account(s)?
1. To receive salary or deposit money from an employer	01
2. To receive money from others who deposit into the account	02
3. To transfer money to others cheaply	03
4. To transfer money to others safely	04
5. To save for something you want to buy or do	05
6. To save for something in case of emergency	06
7. To keep money safe from theft	07
8. To keep money from the temptation to spend it	08
9. To keep money hidden from family members or relatives	09
10. To access a personal or consumer loan	10
11. To access a loan for a vehicle or car	11
12. To access a home loan	12
13. To deposit money from a business	13
14. To deposit money from farming or from fishing	14
15. To access a loan for a business	15
16. To access a loan for farming or fishing activities	17
17. To access advance payments on harvest	18
18. To have access to money any time I need it	19
19. Other (Specify.....)	20
20. Does not know (<i>Do not read out</i>)	21

<ul style="list-style-type: none"> Read out Single mention Check: if respondent uses bank account for business, must have business income (codes 06-11 in Q.3.5) 	Q.7.5 Is your main bank account for.....
1. Personal use only	01
2. Business use only	02
3. Mostly personal and some business use	03
4. Mostly business and some personal use	04
5. Equal business and personal use	05

<ul style="list-style-type: none"> • Read out • Multiple mention possible 	Q.7.6	
	Which of the following things have you done in the last 12 months?	
	Yes	No
1. Deposited cash into a bank account	01	02
2. Withdrawn cash from a bank account	01	02
3. Paid people or bills by cheque	01	02
4. Sent money to a person or organisation in Malawi through a bank account	01	02
5. Sent money to a person or organisation outside of Malawi through a bank account	01	02
6. Used Cashpoint or ATM to pay bills	01	02
7. Received transfers from someone else into my bank account	01	02
8. Transferred money between my bank accounts	01	02
9. Sent money or cheque though a truck or taxi or bus driver or company	01	02
10. Sent money or cheque through friends or family or a person you know	01	02
11. Cashed a cheque	01	02
12. Bought airtime through an ATM or account	01	02
13. Made credit card purchases	01	02
14. Requested a mini statement or normal statement	01	02
15. Paid for goods and services with debit card	01	02
16. Set up a debit order on a bank account	01	02
17. Set up a stop order on a bank account	01	02
18. None of these	01	02

<ul style="list-style-type: none"> • Do not read out • Single mention 	Multiple Response	Single Response	
	Q.7.7 What are the important factors when choosing a bank for your accounts?	Q.7.8 Of these factors that you have just mentioned, which is the most important one to you?	Q.7.9 Of these factors that you just mentioned, which is the second most important to you?
1. Low charges and service fees	01	01	01
2. Low interest rate charged on loans	02	02	02
3. High interest rate paid on savings	03	03	03
4. Low minimum balance needed for the account	04	04	04
5. Better products and services	05	05	05
6. Easier to obtain a loan	06	06	06
7. More flexible loan conditions	07	07	07
8. Convenient location(s)	08	08	08
9. Access to a mobile bank	09	09	09
10. Better availability of ATMs	10	10	10
11. Better opening times and days	11	11	11
12. Malawi ownership	12	12	12
13. Foreign ownership	13	13	13
14. Joint Malawi and foreign ownership	14	14	14
15. Good staff service attitude	15	15	15
16. Good personal service provided	16	16	16
17. SMS access to the account	17	17	17
18. Internet access to the account	18	18	18
19. Better technology	19	19	19
20. Less personal information and fewer documents needed to open the account	20	20	20
21. Well known and reputable bank	21	21	21
22. Other – 1 (<i>Specify</i>)	22	22	22
23. Other – 2 (<i>Specify</i>)	23	23	23

8. INSURANCE AND PENSIONS

Enumerator – Check Q.6.1 to determine which question

Has medical insurance	If Code 01 for statement 15 ⇒ go to Q.8.3
Previously had medical insurance	If Code 02 for statement 15 ⇒ go to Q.8.2
Never had medical insurance	If Code 03 for statement 15 ⇒ go to Q.8.1

	Q.8.1 Why do you not have health insurance?	Q.8.2 Why do you no longer have health insurance?
<ul style="list-style-type: none"> Do not read out – enumerator to classify Multiple mention possible 		
1. Has not heard about it	01	
2. Has never thought about it	02	
3. Does not see the need for it	03	03
4. Does not know how it works	04	04
5. Does not know how or where to get it	05	05
6. Does not trust it or the companies	06	06
7. Insurance does not pay for the treatment or services that I need now or did not pay for treatment or services I needed in the past	07	07
8. Someone else in the family or household has it	08	08
9. Protects self in other ways	09	09
10. Does not think things will happen to them It is	10	10
11. Using insurance can bring bad things or problems onto you	11	11
12. You only use Government services which are free		
13. Uses own money if a problem	12	12
14. It was not good value for money	13	13
15. Cannot afford it	14	14
16. Medical insurance is for rich people	15	15
17. Not able to access or reach medical services that can be used	16	16
18. Needed consent from some other person	17	17
19. Other (<i>Specify.....</i> <i>.....</i>)	18	18
20. Does not know (<i>Do not read out</i>)	19	19
	Go to NEXT PAGE	Go to NEXT PAGE

	Q.8.3 Which statement about medical insurance applies to you?	
<ul style="list-style-type: none"> Read out Single mention 		
1. You are the main member of a medical insurance scheme	01	⇒ Go to Q.8.4
2. You are the beneficiary of a medical insurance scheme without being a main member	02	⇒ Go to Q.8.6
3. You are not covered by medical insurance	03	⇒ Go to Q.8.1, but recheck Q.6.1.a statement 15
4. Does not know (<i>Do not read out</i>)	04	⇒ Go to Q.8.6

	Q.8.4 Who is included under your medical insurance?	
<ul style="list-style-type: none"> Read out Single mention 		
1. Your medical insurance scheme just covers you	01	⇒ Go to Q.8.5
2. Your medical insurance covers you and your family	02	⇒ Go to Q.8.5
3. Does not know (<i>Do not read out</i>)	03	⇒ Go to Q.8.5

	Q.8.5 How is your medical insurance paid for?
<ul style="list-style-type: none"> Read out Single mention 	
1. Your medical insurance is paid for in full by your employer	01
2. Your medical insurance is paid for mostly by your employer, but you provide a top up payment	02
3. Your medical insurance is paid for by you	03
4. Your medical insurance is paid for by someone else other than your employer or the other person's employer	04
5. Does not know (<i>Do not read out</i>)	05

Enumerator to complete from Q.6.1 a-c	Does the person have any other insurances?
Has general insurance	If at least one code 01 for any statements 16-24 ⇒ go to Q.8.8
Previously had general insurance	If no mentions of 01, but at least one code 02 for any statement 16-24 ⇒ go to Q.8.7
Never had general insurance	If no mentions of 01, but at least one code 03 for any statement 18-27 ⇒ go to Q.8.6

<ul style="list-style-type: none"> Do not read out – enumerator to classify Multiple mention possible 	Q.8.6 Why do you not have any insurance?	Q.8.7 Why do you no longer have insurance?
1. Has not heard about it	01	
2. Has never thought about it	02	
3. Does not see the need for it	03	03
4. Does not know how it works	04	04
5. Does not know how or where to get it	05	05
6. Does not trust it or the companies	06	06
7. Does not cover the risk that you want to cover (specify.....)	07	07
8. Someone else in the family or household has it	08	08
9. Protects self in other ways	09	09
10. Does not think things will happen to them	10	10
11. Using insurance brings bad things or problems onto you	11	11
12. Uses own money if a problem	12	12
13. It is not good value for money	13	13
14. Cannot afford it	14	14
15. Insurance is for rich people	15	15
16. Other (Specify.....)	16	16
17. Does not know	17	17
	Go to Q.8.10.	Go to Q.8.10.

<ul style="list-style-type: none"> Do not read out – enumerator to classify Multiple mention possible for Q.8.8 Single mention for Q.8.9 	Q.8.8 Why do you use insurance?	Q.8.9 Of these reasons, what is the most important one?
1. You cannot afford to lose the thing that is covered	01	01
2. You are worried about theft	02	02
3. You are worried about fire or flooding	03	03
4. Someone else pays for it so not my decision	04	04
5. Being insured stops you worrying	05	05
6. The cost is very low compared to the consequences of loss	06	06
7. It is required by law to have it	07	07
8. It is something you have always had	08	08
9. It is better to be safe than sorry later	09	09
10. Other (Specify.....)	10	10
11. Does not know (Do not read out)	11	11

For those who are employed (code 03 Q.3.5), Otherwise go to Section 9 Savings and Investment

<ul style="list-style-type: none"> Do not read out Single response only 	Q.8.10 Does your employer offer a pension scheme?	If yes, then Q.8.11 Are you a member of the scheme?	
1. Yes	01	01	Go to section 9
2. No	02	02	Go to Q.8.12

<ul style="list-style-type: none"> Read out Single response only 	Q.8.12 Why are you not a member?
1. Not entitled to be a member as not a permanent employee	01
2. Not entitled to be a member as not high enough grade	02
3. Decided not to be a member as contributory cost was too high	03
4. Decided not to be a member for other reasons	04
5. Other (Specify.....)	05
6. Does not know (Do not read out)	06

9. SAVINGS AND INVESTMENT

Read: Savings include cash that you keep at home, with another person, with a community group, such as Chipereganyu, or with a financial organisation like a bank. Savings can also include saving in kind, such as livestock, farm inputs, money in a business and so on.

<ul style="list-style-type: none"> Read out statements Single mention per product/service For statements 1 and 2 (had in past or never had) ask Q.9.2 For statements 1 and 2 ('have now') ask Q.9.3 before moving onto the next row in Q.9.1 	Q.9.1 Which types of savings...			Q.9.2 Would you like to save with a bank or another finance organisation in the next year?	Q.9.3 Which bank or other finance organisation do you have your savings ...
	Q.9.1.ado you have now?	Q.9.1.bdid you have in the past but do not have now?	Q.9.1.c ...have you never had?	<ul style="list-style-type: none"> Circle if "Yes" 	<ul style="list-style-type: none"> Ask respondent for name and fill in code from card or fill name if not on the card Multiple mention possible per statement
1. Savings at a bank	01	02	03	04	
2. Savings at another finance organisation e.g. SACCO	01	02	03	04	
3. Savings with your employer	01	02	03		
4. Savings with a membership organisation such as a farmers' organisation or church group	01	02	03		
5. Membership of an informal savings and credit group (ROSCA)	01	02	03		
6. Membership of an informal savings only group (Chipereganyu, community group saving for an event, kitchen top up etc)	01	02	03		
7. Keep cash at home or in a secret hiding place that is not for your living expenses	01	02	03		
8. Give to someone else for safe keeping	01	02	03		
9. Savings through advance buying of farm inputs	01	02	03		
10. Savings through keeping livestock	01	02	03		
11. Savings through stock for a business	01	02	03		
12. Savings in Treasury Bills or Government Bonds	01	02	03		
13. Money held in Shares / Stock Market	01	02	03		
14. Other (<i>Specify</i>)	01	02	03		
15. None of these (<i>Do not read out</i>)	01	Go to Q.9.9.			

<ul style="list-style-type: none"> Do not read out Multiple mention possible 	Q.9.4 You have just explained to me where you put your savings, why did choose this option?	Q.9.5 Of these reasons that you just gave me, which is the most important one for you? <i>Single mention only</i>	Q.9.6 And the second most important one? <i>Single mention only</i>
1. It is convenient to get to	01	01	01
2. It is convenient to pay in	02	02	02
3. It is convenient to withdraw from	03	03	03
4. Your savings are hidden from others	04	04	04
5. It does not cost much to use	05	05	05
6. The service is very good	06	06	06
7. It is simple to use	07	07	07
8. It is safe or trustworthy	08	08	08
9. It gives the best rate of interest	09	09	09
10. It keeps your money safe from temptation to spend it	10	10	10
11. It keeps your money safe from relatives and others that want to use it	11	11	11
12. They understand you	12	12	12
13. Other (<i>Specify</i>)	13	13	13
14. Does not know (<i>Do not read out or show</i>)	14	14	14

<ul style="list-style-type: none"> Do not read out Multiple mention possible If more than one thing listed ask Q.9.8 , if not go to Q.9.10 	Q.9.7 What are you currently saving for?	Q.9.8. Which of the things you are saving for is most important? <i>Single mention only</i>
1. Medical expenses either planned or emergency	01	01
2. An emergency other than medical	02	02
3. A wedding or dowry	03	03
4. Funeral expenses when needed	04	04
5. Living expenses when you do not have money at that time	05	05
6. Farming expenses such as seeds or fertiliser or fishing expenses such as nets or a boat	06	06
7. Providing something for my family after you die	07	07
8. Paying off a debt	08	08
9. Security or cash collateral so that you can borrow money	09	09
10. Buying land	10	10
11. Buying or building a dwelling for you to live in	11	11
12. Buying a dwelling or land to rent out	12	12
13. Buying household appliances, goods or furniture	13	13
14. Buying livestock	14	14
15. Buying farming equipment or implements	15	15
16. Buying a bicycle, motorcycle, car, truck or other transport	16	16
17. Starting or expanding your business	17	17
18. Putting money or goods into someone else's business	18	18
19. Retirement or old age	19	19
20. Education or school fees	20	20
21. Holidays or travel	21	21
22. Invest in shares, Treasury Bills or Government Bonds	22	22
23. Just to keep it safe for when I might need it	23	23
24. Other (<i>Specify</i>)	24	24

<ul style="list-style-type: none"> Read out. Single mention only 	Q.9.9 How much do you save from your income?
1. None of it	01
2. Some of it	02
3. Most or All of it	03
4. Does not know (<i>Do not out</i>)	04
5. Refused (<i>Do not read out</i>)	05

If Q.9.1. statement 15 (none of these) ask Q.9.10, others go to Q.9.11

<ul style="list-style-type: none"> Do not read out Multiple mention possible 	Q.9.10 Why do you not save?
1. No money left over after living expenses	01
2. All your money is putting into the household pot	02
3. Do not have any income – so nothing to save	03
4. You prefer to spend money when you have it	04
5. You cannot open an account with a bank or other finance organisation	05
6. You cannot get to a bank or other finance organisation	06
7. It is not safe to keep money in a bank or other financial organisation	07
8. Saving is for rich people who can afford to save and still pay their living expenses	08
9. You are worried who would get your money after you die	09
10. You are worried that your relatives would come for your savings	10
11. Other (<i>Specify</i>)	11
12. Does not know (<i>Do not read out</i>)	12

<ul style="list-style-type: none"> • Read out • Multiple mention possible for Q.9.11 • Ask Q.9.12 and Q.9.13 for every statement after you have asked Q.9.11 for that statement • Single mention per statement Q.12 and Q.13 	Q.9.11 Which of the following have you invested in or put money into for the main reason of making a profit?	Q.9.12 Which of the ones you mentioned are		Q.9.13 Which of the ones you mentioned give a high return or profit?	
		Very safe (will get your money back)	Not very safe (might not get it back)	High	Not high
1. Property in Malawi including second homes and rental properties	01	01	02	01	02
2. Investments outside Malawi including property	01	01	02	01	02
3. Land including farmland in Malawi	01	01	02	01	02
4. Cattle and other livestock	01	01	02	01	02
5. Farming equipment or structures (irrigation, dams, buildings etc.)	01	01	02	01	02
6. Fishing equipment (such as boats or nets)	01	01	02	01	02
7. Improving, extending or building your home	01	01	02	01	02
8. Investment in your own business (such as buying more stock, or equipment)	01	01	02	01	02
9. Investment in someone else's business	01	01	02	01	02
10. Holding or buying forex	01	01	02	01	02
11. Buying agricultural crops from farmers	01	01	02	01	02
12. Buying shares, such as Initial Public Offerings (IPOs)	01	01	02	01	02
13. Other (Specify.....)	01	01	02	01	02
14. None you do not invest	01				

10. CREDIT AND LOANS

Tell the respondent: People can borrow money or goods and services.

<ul style="list-style-type: none"> • Read out • Single mention 	Q.10.1 Have you borrowed any money or goods or services in the past 12 months?	
1. Have not borrowed money or goods / services	01	⇒ Go to Q.10.2
2. Have borrowed money, but not goods / services	02	⇒ Go to Q.10.3
3. Have borrowed money and / or goods /services	03	⇒ Go to Q.10.4

<ul style="list-style-type: none"> • Do not read out • Multiple mention 	Q.10.2 Why have you not borrowed money?	Q.10.3 Why have you not borrowed good/services Go to Q.10.11 if Q.10.1 =1
1. Fear of debts	01	01
2. You can pay your living expenses with what you have	02	02
3. You are worried that you would not be able to pay back the money	03	03
4. Interest charged on borrowed money is too high	04	04
5. You do not know where to borrow money	05	05
6. You do not want to become a defaulter or be known as a defaulter	06	06
7. You do not know how to apply	07	07
8. You do not believe in borrowing money	08	08
9. I do not have assets to give as security or collateral	09	09
10. You do not have a credit record	10	10
11. You do not have an ID document or salary slip	11	11
12. You do not trust banks or other lenders	12	12
13. You do not want to borrow from moneylenders	13	13
14. Borrowing money is shameful or embarrassing to you	14	14
15. You are not allowed to borrow money by spouse, by family or other	15	15
16. You tried, but have been refused	16	16
17. Had no one to borrow from	17	17
18. Other (<i>Specify</i>)	18	18
19. Does not know (<i>Do not read out</i>)	19	19

<ul style="list-style-type: none"> • Do not read out • Multiple mention 	Q.10.4 When taking your last loan, what were the most important factors in deciding who to borrow from?
1. You were already saving with this lender	01
2. You had previously borrowed or had an outstanding loan with this lender	02
3. The interest rates charged were lower than others	03
4. The loan approval process was easier	04
5. You did not know any other lenders	05
6. The lender was able to process the loan quicker than other lenders	06
7. This was the most convenient place to borrow	07
8. This lender was the only one that was willing lend to you	08
9. This lender has the right type of loan for you	09
10. You were advised by someone else to go there	10
11. You saw the advertising and felt confident of the lender	11
12. You know the reputation of this lender	12
13. The requirement for collateral was easier to meet	13
14. Collateral for the loan was not required	14
15. The term of the loan was more suitable to your needs	15
16. Other terms of the loan were more suitable to your needs	16
17. You could use the loan for any purpose	17
18. I know and trust them	18
19. Other (<i>Specify</i>)	19
20. Does not know (<i>Do not read out</i>)	20

<ul style="list-style-type: none"> Do not read out Multiple mention possible Ask both Q.10.6 and Q.10.7 for each reason mentioned in Q.10.5 before asking Q.10.6 and Q.10.7 for the next reason mentioned in Q.10.7. 	Q.10.5 Why did you borrow money or goods/services in the past 12 months?	Q.10.6 In what form do you have to pay back?			Q.10.7 Over how many months do you have to pay back? <i>Single mention per statement</i>				
		In cash	In kind	Don't have to	1	2-3	3-6	6-12	> 12
1. Medical expenses either planned or emergency	01	01	02	03	01	02	03	04	05
2. An emergency other than medical	02	01	02	03	01	02	03	04	05
3. A wedding or dowry	03	01	02	03	01	02	03	04	05
4. Funeral expenses when needed	04	01	02	03	01	02	03	04	05
5. Living expenses when you do not have money at that time	05	01	02	03	01	02	03	04	05
6. Farming expenses such as seeds or fertiliser or fishing expenses such as nets or boats	06	01	02	03	01	02	03	04	05
7. Paying off another debt	07	01	02	03	01	02	03	04	05
8. Security or cash collateral so that you can borrow more money from someone else	08	01	02	03	01	02	03	04	05
9. Buying land	09	01	02	03	01	02	03	04	05
10. Buying or building a dwelling for you to live in	10	01	02	03	01	02	03	04	05
11. Buying a dwelling or land to rent out	11	01	02	03	01	02	03	04	05
12. Buying household appliances, goods or furniture	12	01	02	03	01	02	03	04	05
13. Buying livestock	13	01	02	03	01	02	03	04	05
14. Buying farming equipment or implements	14	01	02	03	01	02	03	04	05
15. Buying a bicycle, motorcycle, car, truck or other transport	15	01	02	03	01	02	03	04	05
16. Starting or expanding your business	16	01	02	03	01	02	03	04	05
17. Putting money or goods into someone else's business	17	01	02	03	01	02	03	04	05
18. Retirement or old age	18	01	02	03	01	02	03	04	05
19. Education or school fees	19	01	02	03	01	02	03	04	05
20. Holidays or travel	20	01	02	03	01	02	03	04	05
21. Invest in shares, Treasury Bills or Government Bonds	21	01	02	03	01	02	03	04	05
22. For another person to use	22	01	02	03	01	02	03	04	05
23. Other (<i>Specify</i>)	23	01	02	03	01	02	03	04	05

<ul style="list-style-type: none"> Do not read out Multiple mention possible 	Q.10.8 Where did you borrow money from?	Q.10.9 Where did you get goods or services from??	Q.10.10 Which is the best source to borrow from in an emergency? <ul style="list-style-type: none"> Single mention
1. A shop or store	01	01	01
2. An agricultural buyer (trader or processor)	02	02	02
3. A farmer organisation	03	03	03
4. Family member or friend with no interest	04	04	04
5. Family member or friend with interest	05	05	05
6. Someone in the community - no interest charged	06	06	06
7. Someone in the community - interest charged	07	07	07
8. Employer	08	08	08
9. Bank including overdraft or other loan	09	09	09
10. Micro finance institution or other finance organisation	10	10	10
11. ROSCA or other community-based lending club	11	11	11
12. Church or other religious body that you belong to	12	12	12
13. Other community group that you belong to	13	13	13
14. Other (<i>Specify.....</i>)	14	14	14

<ul style="list-style-type: none"> • Read out • Multiple mention possible 	Q.10.11	
	Are these statements true or false for you?	
	True	False
1. Being able to get a loan when you need it is more important to you than paying a high rate of interest on the loan	01	01
2. Sometime in the past you borrowed to pay another loan	02	02
3. Taking a loan or credit for someone else is a risky thing to do	03	03
4. It is better to remain with the debt than to sell something to pay it	04	04
5. In the past you have sold something to repay a debt	05	05
6. It is better to keep savings than to use them to pay a debt	06	06
7. You would consider using a money lender in an emergency	07	07
8. It is more important to get a loan or credit quickly than to have to wait for long	08	08
9. It is better to get a loan from someone close by than to have to travel even if they charge you more	09	09
10. You have used money lenders in the past	10	10
11. A lender has taken your collateral in the past	11	11
12. You have never missed a repayment	12	12
13. You were refused a loan or credit but no reason was given	13	13
14. It is better to borrow yourself than as part of a group	14	14
15. If you borrow from your family, most of the time you do not expect to pay back	15	15

<ul style="list-style-type: none"> • Do not read out • Single mention 	Q.10.12
	If you were able to borrow a large sum of money, what would you use it for?
1. Buying farming inputs or equipment	01
2. Buying fishing equipment or a boat	02
3. Buying livestock	03
4. Buying land	04
5. Investing in an existing business	05
6. Starting a new business	06
7. Buying household goods or furniture	07
8. Buying consumer goods	08
9. Buying a vehicle or transport	09
10. Buying a dwelling or building a dwelling	10
11. Improving your dwelling	11
12. Buying treasury bills	12
13. Buying shares	13
14. Giving to someone else	14
15. Lending to someone else	15
16. Paying off another debt	16
17. Buying forex	17
18. Saving	18
19. Other (Specify.....)	19

11. MONEY TRANSFERS

<ul style="list-style-type: none"> Read out Single mention per statement 	Q.11.1	
	Within the last 12 months, have you...	
	Yes	No
1. Sent money to someone living in a different place within Malawi	01	02
2. Sent money to someone living in another country	01	02

If no to all, then go to Q.11.5

If yes to one or more, go to Q.11.2

<ul style="list-style-type: none"> Read out Ask Q.11.3 and Q.11.4 for each person that sent money to in Q.11.2 before asking for the next type of person. 	Q.11.2 To whom have you sent money to in the past year? <i>(Multiple mention possible)</i>	Q.11.3 How often do you send money to this person? <i>(Single mention only)</i>				Q.11.4 Do you mostly send by..... <i>(Single mention only)</i>				
		Weekly	Monthly	Seasonally	Only once a year	Paying into a bank account	Post Office, Money-gram or Western Union	Cash with a relative or friend	Taxi, bus, other vehicle for a fee	Other
1. Spouse	01	01	02	03	04	01	02	03	04	05
2. Child	02	01	02	03	04	01	02	03	04	05
3. Parent	03	01	02	03	04	01	02	03	04	05
4. Grandparent	04	01	02	03	04	01	02	03	04	05
5. Other family member	05	01	02	03	04	01	02	03	04	05
6. Friend	06	01	02	03	04	01	02	03	04	05
7. Supplier	07	01	02	03	04	01	02	03	04	05
8. Someone you borrowed from	08	01	02	03	04	01	02	03	04	05
9. School, college or university	09	01	02	03	04	01	02	03	04	05
10. Other Specify.....)	10	01	02	03	04	01	02	03	04	05

<ul style="list-style-type: none"> Read out Single mention per statement If no for Q.11.5 1 & 2 Go to next section 	Q.11.5	
	Within the last 12 months, have you...	
	Yes	No
1. Received money from someone living in a different place within Malawi	01	02
2. Received money from someone living in a different country	01	02

<ul style="list-style-type: none"> Read out Ask Q.11.7 and Q.11.8 for each person that you received money from in Q.11.6 before asking for the next type of person. 	Q.11.6 From whom have you received money from in the past year? <i>(Multiple mention possible)</i>	Q.11.7 How often do you receive money from this person? <i>(Single mention only)</i>				Q.11.8 Do you mostly receive money <i>(Single mention only)</i>				
		Weekly	Monthly	Seasonally	Only once a year	deposited into a bank account	Through post Office, Money-gram or Western Union	Through cash with a relative or friend	Through taxi, bus, other vehicle for a fee	Through other means
1. Spouse	01	01	02	03	04	01	02	03	04	05
2. Child	02	01	02	03	04	01	02	03	04	05
3. Parent	03	01	02	03	04	01	02	03	04	05
4. Grandparent	04	01	02	03	04	01	02	03	04	05
5. Other family member	05	01	02	03	04	01	02	03	04	05
6. Friend	06	01	02	03	04	01	02	03	04	05
7. Customer	07	01	02	03	04	01	02	03	04	05
8. Someone who owes you money	08	01	02	03	04	01	02	03	04	05
9. Other (Specify)	09	01	02	03	04	01	02	03	04	05

12. ADDITIONAL DEMOGRAPHICS AND PSYCHO-GRAPHICS

	Yes	No	
Q.12.1 Are you a Citizen of Malawi	01	02	If not a Citizen of Malawi go to Q.12.6

	(Write in)	Code
Q.12.2 What is your tribe?		

	(Write in)	Code
Q.12.3 What is your main language?		

	(Write in)	Code
Q.12.4 What is your religion?		

<ul style="list-style-type: none"> • Single mention per statement 			If not, Q.12.5.a What district did you mainly grow up in or would you call your home? (Write in)
	Yes	No	
Q.12.5 Is the place where you are living now in the same district as the one you grew up in or the place you would call home?	01	02	

<ul style="list-style-type: none"> • Read out • Single mention 	Q.12.6	
	Do you generally feel that your...	
	1. Health status is good	01
	2. Health status is average	02
3. Health status is poor	03	

<ul style="list-style-type: none"> • Do not read out. • Single mention. 	Q.12.7	
	When you are ill, where do you mostly go to be treated?	
	1. Public hospital or clinic	01
	2. Private doctor	02
	3. Private hospital	03
	4. Traditional healer	04
	5. Friend or family	05
	6. Other (Specify.....)	06
7. Does not take treatment (Do not read out)	07	

<ul style="list-style-type: none"> • Read out • Single mention only 	Q.12.8	
	Which of these statements best describes how you feel about your life?	
	1. In almost all ways, my life is ideal	01
	2. In many ways, my life is ideal	02
	3. My life is ideal in some ways but not ideal in other ways	03
	4. In many ways, my life is not ideal	04
5. My life is not ideal in almost every way	05	

<ul style="list-style-type: none"> • Read out • Single mention only 	Q. 12.9	
	Do you generally feel that your life is....	
	1. Getting better	01
	2. Getting worse	02
	3. Not getting better or worse	03
4. Does not know (Do not read out)	04	

<ul style="list-style-type: none"> • Read out • Multiple mention possible 	Q.12.10	
	Which of the following did you read, watched or listened to in the last month?	
	1. Television	01
	2. Radio	02
	3. Newspapers	03
	4. Magazines	04
	5. Internet	05
6. None of these	06	

<ul style="list-style-type: none"> • Read out • Single mention. 	Q.12.11 What is the highest stage of education you reached?
1. No formal education	01
2. Primary Standard 1-5	02
3. Primary Standard 6-8	03
4. Secondary 1-2	04
5. Secondary 3-4	05
6. Vocational training Institute	06
7. University or other higher education	07

<ul style="list-style-type: none"> • Do not read out • Single mention only. 	Q.12.12 In total how much money did you get in income last month after deduction of any taxes?	Q.12.13 Is this an actual figure or an estimated figure?	
		Actual	Estimate
1. No income	01	01	02
2. Less than or equal to MK 1,000	02	01	02
3. MK 1,001-2,500	03	01	02
4. MK 2,501-5,000	04	01	02
5. MK 5,001-7,500	05	01	02
6. MK 7,501-10,000	06	01	02
7. MK 10,001-12,500	07	01	02
8. MK 12,501-15,000	08	01	02
9. MK 15,001-20,000	09	01	02
10. MK 20,001-25,000	10	01	02
11. MK 25,001-30,000	11	01	02
12. MK 30,001-40,000	12	01	02
13. MK 40,001-50,000	13	01	02
14. MK 50,001-100,000	14	01	02
15. MK 100,001-250,000	15	01	02
16. MK 250,001-500,000	16	01	02
17. MK 400,001-550,000	17	01	02
18. MK 500,001-1,000,000	18	01	02
19. Above MK 1,000,001	19	01	02
20. Does not know	20	01	02
21. Refused	21	01	02

<ul style="list-style-type: none"> • Read out • Single mention 	Q.12.14 Was this a....
1. Good month	01
2. A bad month	02
3. An average month	03
4. Does not know (Do not read out)	04
5. Refused (Do not read out)	05

<ul style="list-style-type: none"> • Read out. • Circle true or not true 	Q.12.15	
	Which of the following statements is true for you	
	True	Not true
1. You would like to leave a legacy for your children	01	02
2. I have hope for the future	01	02
3. My family life is important to me	01	02
4. You feel that you can achieve more with my life	01	02
5. You think of yourself as a spiritual person	01	02
6. You have many dreams in life but feel that you may not achieve them	01	02
7. Other people are often jealous of your success	01	02
8. You would rather hide your success	01	02
9. You like to attend community events such as weddings and engagements	01	02
10. Financial success gives you status	01	02
11. You do not get bothered with other people's problems	01	02

<ul style="list-style-type: none"> • Read out • Single mention per statement 	Q. 12.16				
	In your household, please tell me				
	None	1	2	3	4+
1. The number of adults 18+ who have passed away in the past year	01	02	03	04	05
2. The number of children aged 6-18 who have died in the last year	01	02	03	04	05
3. The number of children under the age of 5 who have died in the past year	01	02	03	04	05

THANK RESPONDENT AND CLOSE INTERVIEW

I hereby certify that this interview has been carried out by me in accordance with the instructions I received from NSO, and has been checked.

SIGNED _____

Go to front page and fill in the closing time and the duration.

Checked by

	TEAM LEADER	FIELD MANAGER
DATE:		
SIGNATURE:		