

Financial Inclusion

Insights, Challenges, and Policy



KADUNA STATE

"We aim to address the exclusion of about 2.1 million poor, undeserved, and vulnerable citizens from financial services. Our target is to include one million unbanked citizens in the next year through this financial inclusion strategy". — Governor Uba Sani, Kaduna State

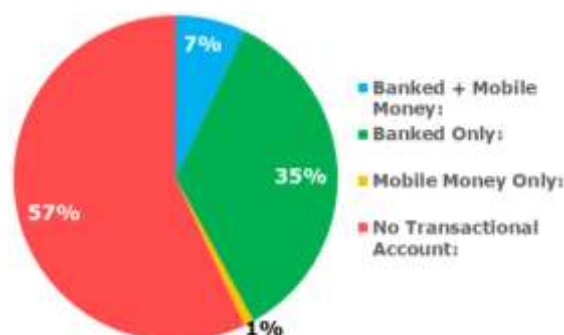


Transactional Accounts in Kaduna State

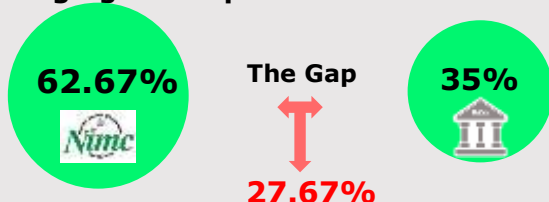
Key Insights on Financial Inclusion and Account

This factsheet provides insights into the ownership of transactional accounts in Kaduna State, highlighting the financial behaviours of individuals who have either a bank or mobile money account that they use for everyday transactions. Understanding the distribution of account ownership can help pinpoint the gaps in financial inclusion and drive targeted interventions.

Overall Transactional Account



Bridging the Gap: NIN vs. Bank Account



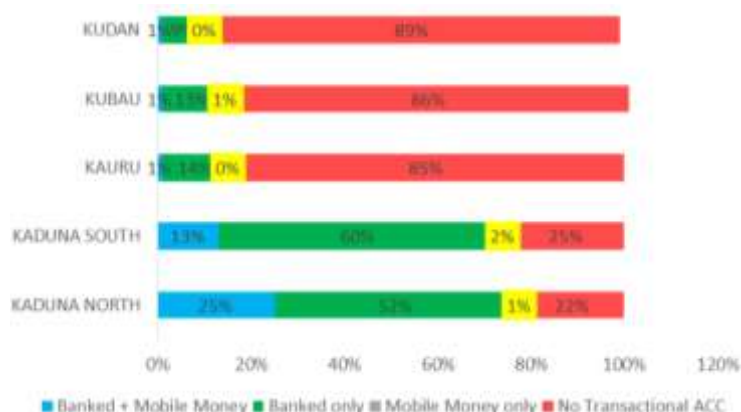
Individuals with NIN but without a bank account

Call to Action:



- **Leverage NIN** for simplified account onboarding
- **Expand Digital Financial Services (DFS)** to close the gap

LGA-Level Transactional Account Ownership: Highest and Lowest



Key Observations

- Kaduna North has the highest percentage of individuals with transactional accounts (banked + mobile money: 25%).
- Kudan has the lowest percentage, with 89% of its population lacking a transactional account.
- Mobile money usage remains low in most LGAs, with no LGA having more than 3% of individuals relying solely on mobile money.

Policy Recommendations

Expand Financial Literacy Programs:

Particularly in LGAs with low account ownership like Kudan and Kubau.

Promote Mobile Money:

Leveraging mobile money services in rural and underserved LGAs to expand financial inclusion.

Increase Access to Banking Infrastructure:

More branches or agent banking services in rural areas.

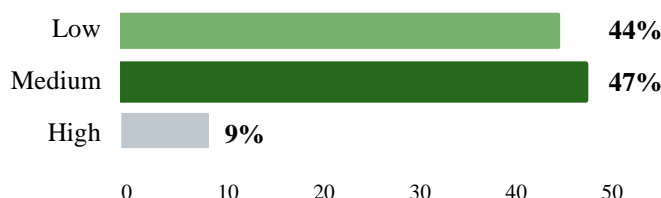
Financial Inclusion

Financial Health

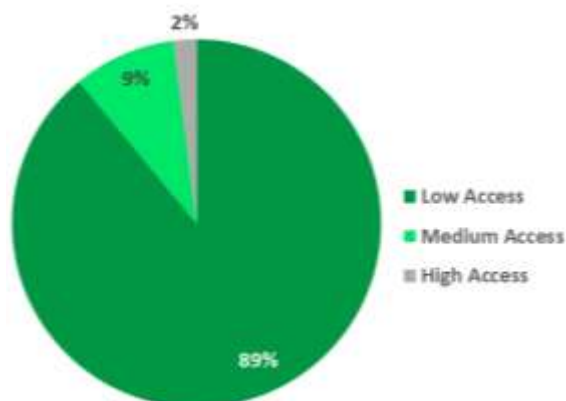
Financial inclusion is a critical factor in ensuring individuals and businesses can access essential financial services. This report captures key insights on financial health, access to funds, and financial resilience in Kaduna State, based on the 2023 survey. Financial health, which measures overall financial well-being, is assessed across five key areas: spending, saving, planning, access to funds, and resilience. It evaluates how effectively individuals manage daily expenses, save regularly, plan for future needs, access funds when required, and cope with unexpected financial setbacks. These factors together provide a comprehensive view of financial stability and preparedness in the state.

DISTRIBUTION OF FINANCIAL HEALTH IN KADUNA STATE

- Financial Health Categories.



ACCESS TO FUNDS BY INDIVIDUALS



While **11%** of individuals can successfully raise **₦75,000** in an emergency, there is potential for improving financial resilience across the state.

FINANCIAL RESILIENCE IN KADUNA



Financial Health



CHALLENGES:

- ❑ **Financial Health Disparities:** Over **90%** of the population is classified as having low or medium financial health, while only **9%** achieve high financial health.
- ❑ **Limited Access to Financial Services:** The majority of individuals face difficulties accessing funds for personal or business needs.
- ❑ **Vulnerability to Financial Shocks:** A significant portion of the population lacks the financial resilience to handle emergencies, making them vulnerable to economic downturns.

Recommendations:

1. **Promoting Financial Health:** Financial health interventions need to focus on improving individuals' ability to manage day-to-day expenses, build savings, and plan for unexpected financial shocks.
2. **Improve Financial Literacy:** Educational programs are needed to improve financial planning and resource management skills.
3. **Expand Access to Financial Services:** Increase the availability of loans, savings accounts, and emergency funds, particularly in rural areas.

Financial Inclusion

Financial inclusion ensures that individuals and businesses have access to useful and affordable financial products and services that meet their needs. This factsheet highlights the state of financial inclusion in Kaduna State, based on data from the 2023 survey.

Key Statistics:

Mobile Phone Ownership:



Households with Mobile Phones: **73%**

Individual Ownership of Mobile Phones: **86%**



Usage of Financial Services:

Usage of Financial Services:

Average Mobile Money Usage Rate: **4.64%**

Usage by Males: **5.20%**

Usage by Females: **4.08%**



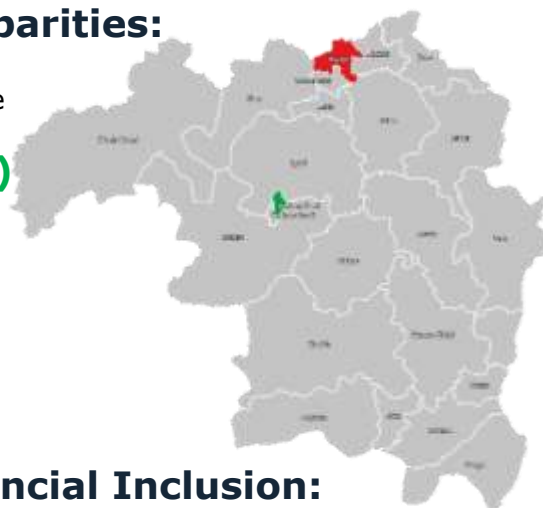
Geographic Disparities:

LGA with Highest Mobile Phone Ownership:

Kaduna North **(97%)**

LGA with Lowest Mobile Phone Ownership:

Kudan **(68%)**



Barriers to Financial Inclusion:

Average Barrier Score: **9.36**

Main Barriers: **Lack of knowledge, trust issues**

Success Stories:

- In LGAs like **Kaduna North**, where mobile phone ownership is high, there has been a noticeable uptick in the use of mobile money services, demonstrating the impact of accessibility and awareness.

Challenge

- Low Financial Literacy: Many individuals lack the knowledge to effectively use financial products.
- Trust Issues: Concerns about the security of financial transactions deter many from using services.
- Geographic Disparities: Rural areas have significantly lower access to financial services.

Recommendation:

- Enhance Financial Literacy: Implement targeted educational campaigns to improve understanding of financial services, especially in rural areas.
- Increase Trust: Develop initiatives to build trust in financial institutions, such as transparent communication and community engagement.
- Expand Mobile Money Networks: Focus on expanding mobile money agent networks in underserved LGAs.