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ABBREVIATIONS

CHF  Community Health Fund
CMG  Community Microfinance Groups
FSDM  Financial Sector Development Masterplan
FSDT  Financial Sector Deepening Tanzania
FSR  Financial Services Registry
GDP  Gross Domestic Product
KYC  Know-Your-Customer
MFI  Microfinance Institutions
NBS  National Bureau of Statistics
NHIF  National Health Insurance Fund
NIN  National Identification Number
OCGS  Office of Chief Government Statistician Zanzibar
SACCO  Saving and Credit Cooperative Organisations
TCRA  Tanzania Communications Regulatory Authority
NFIF II  National Financial Inclusion Framework II

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1 Introduction

Since 2014, the journey towards financial inclusion and unlocking the power of finance towards economic growth for Tanzanians has been crafted into a second and intentional National Financial Inclusion Framework (NFIF I 2014-2016). While the first framework was focused on enhancing core enablers that would increase access and ease uptake, the subsequent National Financial Inclusion Framework II (NFIF II 2018 – 2022) focused on ensuring that financial sector development made two mutually reinforcing contributions to poverty reduction: namely the derived benefits that result from enhanced and more equitable economic growth; and the direct benefits from using appropriate financial products and services.

In addition to the implementation of the NFIF II, the financial sector further embarked on the development of the Financial Sector Development Masterplan (FSDMP) 2020/21 – 2030 which was formulated to address the key challenges in all sub-sectors of the financial sector to create a stable, safe, efficient, competitive and sound financial system. The identified challenges include inadequate access and usage of financial services; inadequate legal regime and supervisory framework for financial consumers; financial system vulnerability; limited long-term resources; inadequate technical and institutional resources for the financial sector to meet new technology demands; and an inadequate policy and legal framework to foster innovation.

For both, the NFIF II and the FSDMP FinScope Tanzania 2023 provide endline, as well as interim, assessment measures respectively. Hence, together in a public-private sector collaboration -- spearheaded by the Ministry of Finance and Planning Tanzania and Zanzibar, Bank of Tanzania, the Financial Sector Deepening Tanzania (FSDT), National Bureau of Statistics (NBS) and the Office of Chief Government Statistician Zanzibar (OCGS), key partners were incorporated to design, implement, and analyze the FinScope Tanzania Survey. These key implementation partners include financial services provider (FSP) industry associations, other financial sector regulators, government organizations, and academia and development partners to design, implement and analyze FinScope Tanzania 2023.

FinScope Tanzania is a comprehensive financial sector demand-side survey of Tanzanian adults aged 16 years and above. It provides an understanding of the financial services uptake landscape across the country and is a reliable measure for demand and usage of financial services across various population segments. Further, FinScope Tanzania’s insights clearly present barriers and levers to financial inclusion.

5 main objectives

The survey has five main objectives:

- To understand the behavior (cash flow management, investing, saving etc.) and define the financial service needs of consumers (individuals, farmers, business owners)
- To establish credible benchmarks and measure the effectiveness of financial inclusion and progress made towards national targets under the NFIF, FSDMP as well as other national development plans
- To provide insights into policy, regulatory and market obstacles to access and usage of financial services
- To provide insights which will feed into innovation within the financial and real economic sectors
- To highlight opportunities for policy review needed to drive financial sector development

FinScope Tanzania 2023 is the fifth wave in the FinScope Tanzania series with previous waves in 2006, 2009, 2013 and 2017.¹

The FinScope Tanzania 2023 report, dashboard and data have been made available on the website of all core implementation partners: Ministry of Finance and Planning Tanzania and Zanzibar, Bank of Tanzania, FSDT, NBS and OCGS.

¹ The spacing for FinScope surveys is usually 3 to 4 years, in this case a combination of factors led to the delay in the roll out of the 2023 FinScope, which mainly include overlap of the actual FinScope Tanzania data collection timetable with general elections in 2020, following which Covid-19 advisories for data collection discouraged large face-to-face surveys. Subsequently, the performance of the population and housing census in 2022 and the need to use this sampling and population frame for the survey design and weighting, lastly a shift in the management of the FinScope Tanzania implementation also impacted.
2 Methodology
As was the case with previous FinScope Tanzania surveys, the sampling design was done by NBS and OCGS in consultation with the Technical Committee.

Similarly, to the 2017 FinScope Tanzania Survey, this wave did not provide for a replacement strategy of households or individuals who were unable to participate in the survey. The main reasons for non-participation were unavailability of household members due to travel, burial or refusal in survey participation.

Results from the survey can be disaggregated by national, regional level, rural and urban areas, gender and for some specific districts for district level estimates.

FinScope Tanzania 2017 expanded to allow results to be representative at district level for five regions in the mainland Singida, Iringa, Rukwa, Mtwara and Mwanza.

In contract, FinScope Tanzania 2023 over-sampled specific districts in nine regions to enable richer sub-level analysis. The selection of districts was oriented on the agro-economic zones of Tanzania to ensure a broad representation, considering the close relation between financial behaviors and economic activities. The regional selection was based on size of the region in the specific agro-ecological zone, how the region is representative in terms of agro-ecological features, poverty incidence as well as levels of financial exclusion during the FinScope Tanzania 2017.

The 2022 FinScope Tanzania Survey is a national representative demand-side survey of adults (those aged 16 years or older) living in Tanzania. Using the the latest population census from 2022 by the National Bureau of Statistics, the size of the Tanzanian adult population is currently estimated to be 34,134,251 and this accounts for 55% of the total Tanzanian 2022 Census population of 61,741,120.

2A SAMPLING DESIGN

In alignment with previous FinScope Tanzania sampling strategies, the FinScope Tanzania 2023 Survey sampling was conducted in three stages.
2B KEY SAMPLING STATISTICS

Fieldwork: March to April 2023
Sample target was n=10,005 16+ adult Tanzanians, across 667 EAs with 15 interviews per EA
Achieved sample was n=9,915, which translates into a response rate of 99.1% of the targeted sample
This was weighted to be representative of the 16+ population, estimated by NBS to be 34,134,251 adults
95% confidence level, 1% margin of error at national level reporting
3 Findings
3 FINDINGS

This report presents the key findings of the FinScope Tanzania 2023 Survey. Throughout the report, analysis findings will be reported on a national level and compared with the FinScope Tanzania 2017 Survey results. This comparison was made throughout large parts of the report to allow better tracking of the development in key indicators. The below figure provides an example of how these 2017 and 2023 comparisons are shown. In addition, the report does on several occasions also provide a further disaggregated analysis by gender, age group, setting or region where significant observations were made. To easily identify statistics specific to women and youth, symbolics have been placed next to the paragraphs.

Brief Guide to reading of graphs that compare FinScope Tanzania 2017 and 2023 Data

- **Light grey-blue areas** represent FinScope Tanzania 2017
- **Dark blue areas** represent FinScope Tanzania 2023 Data
- In the case of this bar, is the 2023 value (31%) higher than the 2017 value (25%)
- In the case of this bar, is the 2017 value (26%) higher than the 2023 value (25%)
- Diagonal stripes pattern indicates the value for 2017 and 2023 is the same

The 2023 report structure is informed by the NFIF II value creation map for financial inclusion which outlines that addressability, uptake and usage need to interact for satisfaction with financial service usage to occur. As such, the report starts by drawing a picture of who the Tanzanian consumers are (demographics), whether they have the basic pre-conditions to be served (addressability), how they currently manage their finances (financial behavior), what their state of uptake and usage of financial services is (financial inclusion) and the extent to which they are satisfied with the services provided (financial service satisfaction).
In line with the general population distribution, around 6 in 10 Tanzanians (61%) of Tanzanian adults surveyed live in rural areas and are slightly more likely to be female (52%). In terms of the Rural-Urban Split, a notable 5%-point shift from 2017 can be observed, where only 34% of Tanzanian adults lived in urban areas in 2017, increasing to 39% in 2023. This trend is reflective of the general urbanization and population growth rate of Tanzania.
While in 2017 around 2 in 10 Tanzanian adults had ended their formal education post primary school, in 2023 around 3 in 10 Tanzanian adults had done so. This reflects further in the literacy and numeracy performance of Tanzanian adults today, seen in chart 6 and 7 in the addressability section below.

Given the significant total adult population growth of 23%, the notable increase of 16-24-year-olds between the FinScope Tanzania 2017 to 2023 is not surprising. As corollary, the share of Tanzanian adults that fall within the economically active ages of 25 to 64 years of age, has fallen since 2017. This is further reflected in findings presented in chart 5a showing a shift in the main revenue generating activities away from farming towards casual labor and dependency.

**ADULT POPULATION (16+ YEARS)**

2023: 34,134,251

2017: 27,864,302

*In 2023: 62% of adult Tanzanians are within the economically-active age ranges*
The general trend away from agriculture as the main source of revenue, previously observed in the Integral Labour Force Survey (2014, 2020/21), has now also been reflected in the FinScope Tanzania 2023 findings. Although, 28% of the population refer to agriculture as their main revenue generating activity, a 13%-point shift compared with 2017 away from agriculture can be observed. On the other hand, piece work/casual labor has grown by 6%-points (from 20% to 26%) and dependency has grown by 5%-point (from 18% to 23%). As mentioned, this has been fueled by the large increase of new labor market entrants, between the age of 16 to 24 (refer to chart 3), who account for 62% of the dependents. This shift can also be observed in nominal terms, as indicated in Chart 5b. Additionally, it is key to note that 7 out of 10 of the dependents are women.
3B. ADDRESSABILITY
In this section, key addressability categories, such as literacy and numeracy; collateral ownership; identification documentation; access to connectivity; and proximity to financial services are unpacked to better understand whether Tanzanian adults can be served by financial service providers.

FINDING 3
KISWAHILTI remains the language of the consumer

FINDING 4
The skills gap in multiplication and division vis-à-vis addition and subtraction remains

To adequately comprehend and make informed financial decisions, consumers need to have a sound understanding of basic arithmetic. Although numeracy levels, across various arithmetic functions have significantly increased from 2017 to 2023, the results continue to indicate a large gap between relatively more basic addition and subtraction and the slightly more complex arithmetic of multiplication and division. This still calls for financial service providers to avoid using technical financial terms and jargon, such as interest and repayment rates, and rather communicate in a manner that is more visual or example driven as they brand their services and offer opportunities.

Similar to the result in 2017 (72%), Kiswahili remains the dominant language among consumers (79%) and the growth in the literacy rate is reflective of increased levels of education outlined in chart 4 above.


To adequately comprehend and make informed financial decisions, consumers need to have a sound understanding of basic arithmetic. Although numeracy levels, across various arithmetic functions have significantly increased from 2017 to 2023, the results continue to indicate a large gap between relatively more basic addition and subtraction and the slightly more complex arithmetic of multiplication and division. This still calls for financial service providers to avoid using technical financial terms and jargon, such as interest and repayment rates, and rather communicate in a manner that is more visual or example driven as they brand their services and offer opportunities.
Although most Tanzanians 18 years or older hold a Voters ID card (73%), the penetration of the National Identification Number (NIN) increased significantly from 10% in 2017 to 57% in 2023. Considering all formal financial service providers require their customers to present a formal ID to fulfil Know-Your-Customer (KYC) requirements, ID penetration is a key accessibility indicator. This was underlined further by the requirement of the Tanzania Communications Regulatory Authority (TCRA) from 2020, which requires all sim card subscribers to present a valid NIN. Overall, over 8 in 10 Tanzanian adults hold some form of ID. Among younger youth between 16 and 24 years, however, only 4 in 10 do so. This indicates a clear gap of formal forms of identification for younger youth, which is a key uptake barrier to formal financial services for them as well as account ownership in their own name.
75% of adult Tanzanian adults own a mobile phone.

**FINDING 7**

In contrast to FinScope Tanzania 2017, FinScope Tanzania 2023 did not directly assess proximity to financial services. However, the newly established Financial Services Registry (FSR), hosted by the Bank of Tanzania has the capability to provide detailed proximity information to the sector.

**Chart 12: Tanzanians that live within 5km radius of a financial access point**

Overall, proximity of Tanzanians living within 5km of a financial access point has increased from 86% to 89%. Further, rural access has increased significantly from 78% to 83% and urban access has increased from 91% to 100%.

Network reception continues to be good, with 98% of respondents indicating network coverage in their area.

**Chart 11: Do you have access to?**

- Network Reception: 2017 95% 2023 98%
- Access to mobile phone: 2017 86% 2023 93%
- HH membership owns mobile phone: 2017 80% 2023 89%
- Owns a mobile phone: 2017 63% 2023 75%
- Owns SIM card only: 2017 2% 2023 4%
- Access to internet: 2017 26% 2023 31%


Although mobile phone ownership has increased by 12%-points there are important disparities. While 80% of men claim mobile phone ownership, only 71% of women do so. Further, among younger youth, 16-24 years, only 61% claim to own a mobile phone. Access to a mobile phone, and in particular ownership, is a key lever towards financial inclusion in Tanzania. Mobile money has been one of the driving forces towards the rapid expansion of financial inclusion levels in Tanzania. In addition to the gender gap a rural-urban gap can be observed, with only 69% of Tanzanians in rural areas owning a mobile phone vis-a-vis 85% of Tanzanians located in urban areas. Lastly, it is important to note that overall 19% of Tanzanian adults own a smartphone, which is an 8%-point increase from 2017, but still less than 2 in 10 Tanzanians overall.

Network reception continues to be good, with 98% of respondents indicating network coverage in their area.
The map above indicates the percentage of people living in 5km proximity by region. Substantial differences are notable. In particular, Tabora remains behind in terms of proximity, with only 65% of people staying within 5km proximity of a financial access point.

Source: FinScope Tanzania 2017 (April-July 2017) | for 2023 data was taken from the Financial Services Registry and most recent geo-spatial population data
3C FINANCIAL BEHAVIOR

This section unpacks how Tanzanians receive, manage and spend their money. As such it directly showcases financial use cases.

FINDING 9
Farming or business (productive) expenses are regarded as priority expenses

Key expenditures have shifted towards more business and farming expenses (18%), which indicate an increased priority of income-generating promotional expenditures versus building expenses, such as construction materials (4%) and savings (4%). Medical expenses remain a key expenditure and show a slight increase of 4%-points from 2017 to 15% of Tanzanians identifying it as a key expense. Utility bills and rent have also become more relevant, which is in line with increasing levels of urbanization as well as electrification and tap water provision at household level.

FINDING 8
Most Tanzanians rely on seasonal or occasional income

Most Tanzanians receive their income occasionally or seasonally. This is mainly driven by the fact that their income generation is linked to agricultural activities or to piece work/casual labor which is highly volatile to seasonal and market developments. Only those in the service industry and with a salary/wage report a regular income, mainly on a weekly or monthly basis. Although a decrease in money from trading from 59% in 2017 to 44% in 2023 was observed, the general distribution of frequency of income remained largely the same.

These earning dynamics impact their ability to manage various expenses.

3C FINANCIAL BEHAVIOR

This section unpacks how Tanzanians receive, manage and spend their money. As such it directly showcases financial use cases.
FINDING 11
Two thirds of Tanzanians claim to be struggling to keep up with regular expenses

Chart 16: Percentage of adults who claim that they often/always struggle with regular expenses

<table>
<thead>
<tr>
<th>All adults</th>
<th>Male</th>
<th>Female</th>
<th>Youth</th>
<th>Farmers/fishers</th>
<th>Business owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>66%</td>
<td>69%</td>
<td>63%</td>
<td>59%</td>
<td>75%</td>
<td>85%</td>
</tr>
<tr>
<td>51%</td>
<td>48%</td>
<td>54%</td>
<td>40%</td>
<td>56%</td>
<td>45%</td>
</tr>
</tbody>
</table>


Business owners (85%) and farmers/fishers (75%) struggle most with regular expenses. Although overall levels of Tanzanian adults claiming to struggle with regular expenses has increased from 51% to 66%, women are now less likely to face these struggles versus their male counterparts. It is important to note that when looking at the above results the overall economic context of the two data collection periods of 2017 and 2023 should not be left out. Due to the occurrence of the global Covid-19 pandemic and a subsequent global economic recession a general decline in GDP growth has been observed across Sub-Saharan Africa with the African Development Bank forecasting sub-Saharan Africa’s average GDP growth at 3.6%. That said, Tanzania is expected to outperform this average with an expected 5.3% to 6.5% growth in 2023 from its success of a 4.6% growth in 2022. However, compared to 2016 when GDP growth was at 6.8%, and in 2017 when it was at 6.3% a gap still remains.

FINDING 10
Ownership of a house or property remains a main future spending need

Chart 15: Can you think about something you want to buy but you cannot afford?

<table>
<thead>
<tr>
<th>Item</th>
<th>2017</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>House</td>
<td>27%</td>
<td>40%</td>
</tr>
<tr>
<td>Land/farm</td>
<td>10%</td>
<td>21%</td>
</tr>
<tr>
<td>Business</td>
<td>9%</td>
<td>13%</td>
</tr>
<tr>
<td>Livestock</td>
<td>6%</td>
<td>10%</td>
</tr>
<tr>
<td>Have not thought about this yet</td>
<td>4%</td>
<td>10%</td>
</tr>
<tr>
<td>Car/other vehicle</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Education</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Large household appliances</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Farming equipment</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Others</td>
<td>1%</td>
<td>3%</td>
</tr>
</tbody>
</table>


The shift in priority expenses is further reflected in anticipated future spending needs and aspirations as more Tanzanians intend to spend on land/farms, livestock or business. Although most Tanzanians still anticipate spending on housing (27%), a significant decline has been observed compared to 2017 (40%).

Further qualitative assessments will be required to investigate this trend.
FINDING 12
2 out of 10 Tanzanian adults “work harder” when they do not have enough money for regular expenditure.

FINDING 13
77% of adult Tanzanians claim to keep track of money they get and spend.

Charts:
- **Chart 17: What do you do when you don’t have enough money to cover all your expenses?**
  - Work harder: 20% (2017), 20% (2023)
  - Borrow money: 6% (2017), 16% (2023)
  - Ask family/friends to assist: 8% (2017), 15% (2023)
  - Use savings: 13% (2017), 13% (2023)
  - Cut down on expenses: 12% (2017), 56% (2023)
  - Casual labour: 11% (2017), 11% (2023)
  - Sell possessions: 9% (2017), 9% (2023)

- **Chart 18: Do they keep track of the money they get and spend?**
  - Yes: 77% (2017 and 2023)
  - No: 23% (2017 and 2023)


In 2017, most respondents (56%) claimed to cut down expenses when they lacked money to cover their expenses, but only 12% cite this in 2023. In contrast, in 2023, only 3 in 10 Tanzanians said they increased their work levels (20% worked harder and 11% performed additional casual labor). Further, 3 in 10 said they borrowed money or asked for financial assistance from friends and family.

As in 2017, 77% of Tanzanians said that they keep track of the money they get and spend. In 2023, two thirds of these respondents evaluated their tracking as accurate. Further, 47% said that they usually prepare a budget for income and spending.
When it comes to retirement plans, 28% of Tanzanians, 55 years or below, have none and this is alike what was observed in 2017 (24%). However, there is an increase in Tanzanian adults planning to rely on farming/agriculture/livestock (19% in 2017 to 23% in 2023) and on their own business (9% in 2017 to 15% in 2023). There is also a significant decrease in Tanzanian adults who expect their children to take care of them (18% in 2017 to 8% in 2023).
3D FINANCIAL INCLUSION

This chapter unpacks the current levels of financial inclusion and uptake of formal as well as alternative financial services of Tanzanians.

KEY DEFINITIONS

Financially Included - Individuals 16 years or older who have/use financial products/services to manage their financial lives.

Financially Excluded - Individuals 16 years or older who use NO "external" financial mechanisms - rely only on themselves/family/friends for saving, borrowing and remitting; their transactions are cash-based or in-kind.

It is important to note, that in the context of Tanzania the set of financial services defined as “formal” has changed since the last FinScope was conducted in 2017. This is due to the implementation of the Microfinance Act in 2018, which led to the reclassification of informal financial services, such as Community Microfinance Groups (CMGs), to formal financial services under the Act.

This reclassification was implemented in the FinScope Tanzania 2023 analysis but being cognizant of the limitations of a demand-side survey, which may lack the ability to independently validate whether CMGs were fully registered or not from a supply-side or regulatory perspective³.

³ Considering these demand-side survey constraints, for the purpose of analysis all CMGs were treated as formally registered, even if they are in the process of achieving full registration status.

As in 2017, the largest increment in 2023 is observed among Mobile Money services, with a 12%-point increase to 72% of Tanzanian adults utilizing mobile money services. Banking services see an increment of 5%-points, a development mainly driven by banking services that can be accessed through mobile phones.

As in 2017, the largest increase in 2023 is observed among mobile money services, with a 12%-point rise to 72% of Tanzanian adults utilizing these. Banking services see an increase of 5%-points, a development mainly driven by services that can be accessed through mobile phones.

Changes observed in MFIs/microlenders, pension providers, and SACCOs, as well as in capital markets, remain within the margin of error of this study and on a nominal scale these services observe a rise in uptake, considering the significant population growth. CMGs, which were formally included within social groups, retain a similar level of penetration. It is important to note that not all group members were fully aware of whether their groups were formalized. However, 4 in 10 of those who were aware claimed that their groups had fully completed the registration and 9 in 10 confirmed that their group had a constitution in place.

FinScope Tanzania 2023 retains a differentiation between formal MFIs/microlenders, which have formal business outlets and informal money-lenders. Only 5% of informal money-lender users (which is 0.2% of the total adult population) claimed to have asked these money-lenders if they were registered. Unlike for CMGs, where members play an active role and have a high level of awareness on their registration status, levels of inquisitiveness and awareness for users of informal money-lenders are low.

The Tanzanian Insurance sector, from a supply side perspective, has seen an 82% increase of its total Gross Premiums Written (GPW) between 2017 (637,141 Million TZS) to 2023 (1,159,348 Million TZS). FinScope Tanzania, being a demand side household survey, measures insurance uptake in terms of people reporting that they have insurance cover, hence awareness is key, but also the overall FinScope insurance sub-sector number does not double count individuals, meaning that if a person has a health insurance cover, a funeral cover and a motor-insurance cover in the overall sub-sector number she or he will only be counted once. That said, the most notable decrease in the FinScope sub-sector number is observed in the insurance sub-sector, from 15% in 2017 to 10% in 2023. Even on a nominal scale a decrease of 0.7 million people can be observed (see Chart 20c). This insurance sub-sector measure is inclusive of all types of insurance (i.e., health, life, accident, motor, agriculture, mobile insurance etc.). However, it is mainly driven by health insurance as the key product. A shift like this in the insurance market is not all surprising as insurance is a time-bound product which requires yearly re-subscription. Further, it is heavily linked to the employment status of people, which means once this changes a shift in insurance uptake can be anticipated. In addition, several market developments, such as changes in the CHF premium rates and the number of NHIF beneficiaries per policy subscription may have impacted.

Lastly, we observe a sustained decline in shop and supply chain credit from 25% in 2013, to 12% in 2017 and 8% in 2023. This is a development which is usually directly linked to increased urbanization rates and hence a change in the existing social fabric.

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Lastly, we observe a sustained decline in shop and supply chain credit from 25% in 2013, to 12% in 2017 and 8% in 2023. This is a development which is usually directly linked to increased urbanization rates and hence a change in the existing social fabric.
**FINING 16**

**Significant expansion in those using multiple forms of service categories**

There has been significant expansion in those using both formal and informal mechanisms, especially those which are non-bank formal (from 4.5 million to 10.51 million), as well as all three forms of financial service categories (from 1.99 million to 5.41 million). This increased overlap is a sign of the increased diversification of financial sector usage and indicates that those with banking services are also further pulled towards using informal and non-banking services.

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**FINING 17**

**Formal Financial Inclusion has grown from 65% to 76%**

The financial access strand, a common financial inclusion visualization for showing financial inclusion levels across sub-Saharan Africa indicates that formal financial inclusion in Tanzania has grown by 11%-points from 65% in 2017 to 76% in 2023. This development was mainly driven by the significant increase in mobile money uptake, and only marginally influenced by the regulation driven formalization of CMGs. This is because only 1.6% of the population that use CMGs do not use mobile money at the same time as well.

Equally remarkable is the decline in financial exclusion, from 28% to 18.7%, which translates to a reduction of 1.42 million from 2017, reducing the number of excluded to 6.27 million adults (see Chart 21a/b). This is commendable when considering a population growth of 23%.
**FINDING 18**

Youth and people in rural areas remain the most excluded

---

**Chart 23: Who is being left behind?**

**Base=excluded only**

<table>
<thead>
<tr>
<th>Provider</th>
<th>2017</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>77%</td>
<td>79%</td>
</tr>
<tr>
<td>Female</td>
<td>55%</td>
<td></td>
</tr>
<tr>
<td>Farmers and Fishers</td>
<td>26%</td>
<td>47%</td>
</tr>
<tr>
<td>Youth (16 to 25 Years)</td>
<td>33%</td>
<td>51%</td>
</tr>
<tr>
<td>Dependents</td>
<td>24%</td>
<td></td>
</tr>
</tbody>
</table>


Overall, youth and people in rural areas that are dependent on agriculture activities as well as on others remain the most excluded people. However, it is worth noting that youth between 16 and 25 years have become increasingly excluded at now 51% from 33%. This is mostly because of a rise in the number of people at the lower end of this age group, which also lies behind the overall adult population growth of 23%. The seeming decline of farmers and fishers who are excluded is mainly driven by the fact that there was a general decline of people with agriculture as their main source of income. Although women account for 55% of the excluded, this does not indicate a significant skewedness, considering that overall they account for about 52% of the adult population.

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**FINDING 19**

Perceived lack of income and awareness biggest barriers cited for formal financial services uptake

Most Tanzanian adults who are not using formal financial services claim that they have insufficient income to utilize these services. This reflects the general perception that formal financial services require a substantial initial income. For mobile money, the uptake barriers were mainly related to the fact that people lack access to a mobile phone or sufficient use cases that would justify the use of mobile money. Although there is a positive correlation between mobile phone ownership and the use of mobile money, almost a quarter of people without a mobile phone still utilize mobile money services. This suggests that alternative access channels to mobile money, such as agents or third-party phones and over-the-counter solutions, enable almost 1 in 10 mobile money users to access the service.

<table>
<thead>
<tr>
<th>PROVIDER</th>
<th>PRIMARY BARRIER</th>
<th>SECONDARY BARRIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Money</td>
<td>Non-users do not have the necessary device, a phone, to be able to use services.</td>
<td>Non-users state that they do not engage in frequent transactions and hence do not need it.</td>
</tr>
<tr>
<td>Banks</td>
<td>Insufficient income to even consider opening an account.</td>
<td>Cannot maintain minimum balance on the account due to insufficient income.</td>
</tr>
<tr>
<td>Insurance</td>
<td>Potential customers do not want to think about bad things happening to them, hence they do not take up.</td>
<td>Lack of awareness of how insurance services work and how to obtain them as well as the perceived high cost of insurance and inability to afford insurance payments.</td>
</tr>
<tr>
<td>MFIs</td>
<td>Insufficient income to become an MFI customer.</td>
<td>Lack of awareness of how MFIs operate and where they are located.</td>
</tr>
<tr>
<td>SACCOs</td>
<td>Lack of awareness of how SACCOs operate, how to join them and where they are located.</td>
<td>Membership fee is perceived to be too high.</td>
</tr>
</tbody>
</table>

Source: FinScope Tanzania 2023 (March-April 2023)
Financial inclusion, gender, and rural-urban gaps have narrowed.

**FINDING 20**

The rural-urban gap narrowed on all measures: in terms of banking uptake (4%-points), overall formal financial inclusion (5%-points) as well as exclusion (7%-points).

**Source:** FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

The formal financial inclusion gender gap has narrowed from 10%-points in 2017 to 3%-points in 2023. In addition, a significant decrease in female exclusion from 30% in 2017 to 19.4% in 2023 needs to be noted. Nonetheless, the banking gender gap has remained more or less the same, with about 9%-point more men being banked compared to women. This indicates a less deepened financial service penetration among women than among men.

**Source:** FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)

The rural-urban gap narrowed on all measures: in terms of banking uptake (4%-points), overall formal financial inclusion (5%-points) as well as exclusion (7%-points).
Regional breakdowns clearly indicate that regions initially left behind in 2017, such as Singida, continue to be left behind even in 2023, with Singida maintaining the lowest level of financial inclusion at 53%. Nonetheless, most regions show an increase in financial inclusion. A few regions, such as Kilimanjaro and Arusha, indicate a decline in financial inclusion, as well as a rise in financial exclusion. Further and in-depth analysis will be required to understand the underlying reasons.

A detailed financial access strand by region can be found in Annex I.
**FINDING 19**

Tanzania’s levels of financial exclusion remains high compared to most EAC counterparts

**Chart 26a: Ranked comparison of financial inclusion in EAC**

<table>
<thead>
<tr>
<th>Country</th>
<th>2023</th>
<th>2018</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>44</td>
<td>40</td>
<td>12</td>
</tr>
<tr>
<td>Rwanda</td>
<td>36</td>
<td>41</td>
<td>16</td>
</tr>
<tr>
<td>Tanzania</td>
<td>22</td>
<td>54</td>
<td>41</td>
</tr>
<tr>
<td>Uganda</td>
<td>11</td>
<td>25</td>
<td>15</td>
</tr>
<tr>
<td>DRC</td>
<td>12</td>
<td>24</td>
<td>26</td>
</tr>
</tbody>
</table>

**NB:** please note that the graphs above may not enable a direct comparison at the exact same time, but rather an indication of trends, as the data collection periods differ. In addition, global impacts, such as the Covid-19 pandemic, and national directives towards e-money usage, as well as monetary reforms, may have impacted financial uptake and usage more recently.

Source: Various FinScope Surveys conducted during years indicated in the graph

Although Tanzania has made significant progress with formal financial inclusion and in the reduction of financial exclusion in comparison to other East African countries, Tanzania remains the country with one of the highest levels of financial exclusion. Further, it is important to note that in comparison with most of the SADC countries it shows a significant gap in terms of banking uptake. This suggests there is a substantial scope for further efforts in terms of financial deepening and efforts towards reaching the last mile of the excluded. To better understand what causes the different dynamics in the countries, a further qualitative comparative analysis and policy review is required.

**FINDING 21**

Zanzibar has made significant strides in the reduction of financial exclusion and increase in financial inclusion

**Chart 25: Uptake of Financial Services in Zanzibar**

<table>
<thead>
<tr>
<th></th>
<th>National 2023</th>
<th>National 2017</th>
<th>Zanzibar 2023</th>
<th>Zanzibar 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have or uptake bank services</td>
<td>22%</td>
<td>16.7%</td>
<td>25.2%</td>
<td>14.9%</td>
</tr>
<tr>
<td>Don’t have or uptake formal services but uptake informal services</td>
<td>53.6%</td>
<td>48.6%</td>
<td>57.3%</td>
<td>30.1%</td>
</tr>
<tr>
<td>Don’t have or uptake bank services but have or uptake other formal services</td>
<td>57%</td>
<td>6.7%</td>
<td>5.7%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Financially excluded</td>
<td>18.7%</td>
<td>28%</td>
<td>11.8%</td>
<td>42.6%</td>
</tr>
</tbody>
</table>


In 2017 formal financial inclusion in Zanzibar was far behind the national average with only 45% of Zanzibaris reporting the uptake of formal financial services, while in 2023 82.5% of Zanzibaris are financially included. An increase that was mainly driven by the significant increase in mobile money uptake from 38% to 78%, which also sets Zanzibar 6%-points ahead in the level of financial inclusion compared to the national average. As in the past, overall bank uptake in Zanzibar continues to be high. However, an even larger increase of uptake can be observed as levels rise by 10%-points to 25.2%. These massive strides can be attributed to both public sector policy interventions and clear goals in the development vision as well as heavy investments by the private sector players, mainly banks and mobile money companies who have expanded their footprint significantly since the last FinScope Tanzania 2017.
### Ranked comparison of financial inclusion in SADC

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Banked</th>
<th>Other formal (non-bank)</th>
<th>Informal only</th>
<th>Financially excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>2022</td>
<td>82</td>
<td>14</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Seychelles</td>
<td>2016</td>
<td>94</td>
<td>2</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Mauritius</td>
<td>2014</td>
<td>85</td>
<td>2</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Lesotho</td>
<td>2021</td>
<td>39</td>
<td>4</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>eSwatini</td>
<td>2018</td>
<td>52</td>
<td>2</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>2022</td>
<td>46</td>
<td>4</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Botswana</td>
<td>2020</td>
<td>56</td>
<td>3</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Tanzania</td>
<td>2023</td>
<td>22</td>
<td>6</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Namibia</td>
<td>2017</td>
<td>68</td>
<td>5</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Zambia</td>
<td>2020</td>
<td>21</td>
<td>8</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Mozambique</td>
<td>2019</td>
<td>21</td>
<td>11</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>DRC</td>
<td>2014</td>
<td>12</td>
<td>12</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>Malawi</td>
<td>2014</td>
<td>27</td>
<td>15</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Madagascar</td>
<td>2014</td>
<td>12</td>
<td>30</td>
<td>41</td>
<td></td>
</tr>
</tbody>
</table>

Source: Various FinScope Surveys conducted during years indicated in the graph
3E FINANCIAL USAGE

Tanzanians use financial services for a variety of reasons, such as remittance, payments, savings, borrowing, risk mitigation and investment. The below section outlines the uptake of the various forms of financial interactions and how Tanzanians fulfill their transactions.

a. Remittance

**Finding 23**

Remittance levels have largely remained the same

*Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)*

The most used form of financial interaction is sending or receiving money from people. Overall, 55% of Tanzanians were engaged in a remittance transaction in the past 12 months. Although multiple channels exist, the most preferred is by far mobile money with about 9 in 10 Tanzanians claiming to transfer their remittance through it. Further, 4 in 10 of those utilizing mobile money for their remittance claim that their transaction is interoperable.

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b. Payments

**Finding 24**

The Tanzanian payment space remains largely untapped

*Source: FinScope Tanzania 2023 (March-April 2023) & FinScope Tanzania 2017 (April-July 2017)*

4 Interoperable transactions or payments have so called “off-us” transactions, meaning transactions that are done between either various providers (i.e., from mobile money wallet provider A to mobile money wallet provider B) or between various channels (i.e., from bank account A to mobile money wallet provider A).
A rise in uptake of digital airtime purchase from 3% to 12% and an increase in people paying rent through their phone from 1% to 5% can be observed. However, generally, the payment space remains untapped, especially for more frequent payments such as groceries. Further, no major shift in how people receive their income has been observed. People who received income through mobile money have remained at the same level and this is surprising, considering the massive increase in new users.

Overall, 39% of Tanzanians reported that they are aware of mobile money merchant payment services. However, only 33% have used mobile money to make a payment or purchase goods. Further, only 13% have done so in the past month. This indicates a gap in the conversion to regular usage and lasting behavior change. The most used merchant payment channel was the “lipa number”, the human readable code for merchant payments. QR codes were only ever used by 1% of the population and no significant recent usage has been identified. This may, among other reasons, also be linked to the still relatively low smartphone penetration of 19% of the entire adult population.

There has been a rise of Tanzanians that have saved in the past 12 months with 47% of Tanzanians reporting to have saved in 2023 compared with 43% in 2017. However, the majority (84%) continue to save to smooth cash flow. This type of saving does not contribute to an effective increase in assets or productive investment but is rather a form of risk mitigation in times of need.
d. Borrowing

FINDING 28

36% of adult Tanzanians borrowed in the past 12 months, mainly for smoothing cash flow.

Chart 35: Why do they borrow?

<table>
<thead>
<tr>
<th>Basis</th>
<th>Population Group</th>
<th>Description</th>
<th>2017</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Living expenses</td>
<td>23%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Medical expenses</td>
<td>18%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Emergency other than medical expenses</td>
<td>13%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Education or school fees</td>
<td>7%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Funeral expenses</td>
<td>2%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other cash flow regulating expenses</td>
<td>2%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Farming expenses</td>
<td>8%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Business expenses</td>
<td>6%</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Starting or expanding business</td>
<td>3%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buying, building, improving a house to live in</td>
<td>3%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buying land for farming</td>
<td>2%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buying livestock or farming implements</td>
<td>1%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buying transport or housing assets</td>
<td>1%</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>


In 2017, 44% of Tanzanian adults had borrowed in the past 12 months, while in 2023 only 36% reported to have done so. Over 7 in 10 Tanzanian adults have borrowed to smooth their cash flow. The number of borrowers taking a loan to start or expand their business fell 7%-points, instead the number of borrowers taking loans for business expenses rose 5%-points and for farming expenses by 2%-points.

The preferred means of savings remains informal, with 47% of Tanzanians who save, saving at home. However, a slight 2%-points increase in direct savings with banks can be observed among savers. The use of dedicated mobile savings wallets, which retain an actual bank account for deposit receipt at the backend, are on the rise, with 7% of savers utilizing the service.

Friends and family remain the key sources of credit

Chart 36: Where do people borrow from?

Base: those that borrow

<table>
<thead>
<tr>
<th>Source</th>
<th>2017</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family/friends</td>
<td>67%</td>
<td>69%</td>
</tr>
<tr>
<td>Savings group</td>
<td>17%</td>
<td>18%</td>
</tr>
<tr>
<td>Mobile money</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Bank</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Moneylender</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>MFI or microlender</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>SACCO</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Employer</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Religious org</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Government</td>
<td>1%</td>
<td>0%</td>
</tr>
</tbody>
</table>

As in 2017, friends and family remain the key source of credit with over two-thirds (67%) of Tanzanian adult borrowers accessing their loans in this way. The proportion borrowing credit from banks is unchanged, while mobile money loans and informal money lenders have seen a 2%-points and 4%-points increase respectively. Easy and timely access, proximity, convenient repayment terms were the most significant choice drivers.

Although 62% of those borrowing borrowed more than once in the past 12 months around 9 in 10 borrowers evaluate their current debt as manageable.

Further inquiry showed that only 7% of Tanzanian adults are aware of a credit reference bureau, which may limit their ability to effectively manage their credit score, as well as their prospects of formal credit access and a more advanced credit line.

Responses to income and expense shocks differ by type

Chart 37: Large shocks experienced in past 12 months, primarily impacting earnings


- **Medical expenses**: 23%
  - Used savings (22%), Borrowed money (17%), Worked more (15%), Sold agriproducts (14%), Nothing (11%), Cut expenses (11%)
- **Received less money than expected**: 21%
  - Cut expenses (26%), Worked more (25%), Used savings (16%), Nothing (10%)
- **Harvest/crop failure**: 20%
  - Worked more (26%), Cut expenses (23%), Nothing (19%), Used savings (11%)
- **Loss of income due to price cut on key good sell**: 10%
  - Cut expenses (24%), Nothing (24%), Worked more (20%), Used savings (12%)
- **Death/funeral expenses**: 8%
  - Used savings (27%), Borrowed money (15%), Worked more (14%), Sold agriproducts (13%), Nothing (13%), Cut expenses (9%)

Medical expenses were a shock primarily impacting earnings, according to 23% of Tanzanian adults. 21% received less money than expected and 20% suffered from some form of crop or harvest failure. In contrast, in case of less income from their economic activities, people tend to predominantly work more or cut down their expenses in case of a medical expense they fall back on savings (22%) or borrowing (17%).

Insurance is one of the key formal risk mitigation mechanisms and it retains an important measure to assess risk preparedness of adult Tanzanians. With 10% of the Tanzanian adult population utilizing some type of insurance, it is worth unpacking this sub-sector a little further.
Over a third (35%) of CMG members joined their group to access emergency funds. Of these, 49% accessed funds for funeral expenses and 31% for medical contributions. As such, CMGs are a key risk mitigation method.

It is interesting to note that 2% of CMG members have also gained insurance benefits through their CMG. As such, the groups also function as an intersection between community finance and the larger insurance sector.

Medical insurance remains driver of insurance uptake, but composition has shifted from CHF to NHIF.

Medical insurance continues to contribute to the majority of insurance uptake in Tanzania. In 2017, the majority of health insurance uptake was seen through CHF, with 48% of insured Tanzanian adults covered through it. In 2023, only 16% of insured Tanzanian adults relied on it. Instead, a significant increase in NHIF beneficiaries is observed, increasing from 39% of the insured in 2017 to 72% of the insured in 2023. As previously outlined, various market dynamics, such as the rise in the CHF premium and increased marketing promotion through NHIF, are likely to have led to the shift.

Of those Tanzanians that are covered by insurance, 68% report to have made a claim within the past 6 months, which indicates a good level of usage to actively benefit from the risk coverage that their premiums provide.

In addition to insurance services, CMGs, which are used by 12% of Tanzanian adults, provide another formal risk mitigation mechanism.
Although 3 in 10 Tanzanians are aware of some form of investment vehicle, only half of them have taken them up. The most uptake (15.9%) is seen for investment in livestock. More formal investment vehicles such as bills, bonds, shares or UTTs see only marginal uptake. Yet, about 1 in 10 Tanzanians are aware of them.

Pension fund uptake remains strongly linked to employment. Although awareness is significant (30%), only 1 in 10 of those aware have actually taken up the opportunity.
Generally, consumers are highly satisfied with the services’ accessibility and the information provided to them. However, SACCO users indicate lower satisfaction levels when it comes to their availability compared with their peers. This may be because SACCO infrastructure is mostly limited to a few key offices and lacks other channels which are more digital.

Further, insurance users lag other financial service consumers when it comes to satisfaction levels. This fact has also been identified in previous FinScopes, where generally low levels of awareness on how insurance operates was recorded.
Consumers generally describe a high level of product-market fit which is encouraging. However, among insurance users only 7 in 10 indicate that they feel that the product meets their needs. This should be explored further, especially due to the fact that, unlike mobile money and banking insurance, services required annual re-subscription. High levels of satisfaction in terms of product/solution market fit are paramount to retain customers.

The indicator that fewest FSP users generally agree with is the measure of “reasonable cost”. Membership-driven organizations, such as CMGs and SACCOs, perform significantly better in this indicator with 91% of CMG users and 77% of SACCO users claiming the cost is reasonable. This may be due to a combination of actual affordability of the cost; the more participatory approach these sub-sectors use to define their costs of service; and the potentially lower opportunity costs associated with them i.e., credit without additional collateral etc.

The banking sector, with 61% of its customers confirming reasonable costs, is far behind the indicator high performer CMG and should reassess various aspects which may lower the customer assessment, such as opportunity cost, ledger fees etc.

Mobile money is even further behind, with only 4 in 10 of its customers claiming reasonable costs. This is concerning since mobile money is the most penetrated financial service in the country this result reflects negatively on the sub-sector and more so on the sector at large. Around 9 in 10 mobile money users confirm that they are well connected with this service, receive satisfying consumer support and have the highest product market-fit affirmation. But they also perceive the high cost of service to be a key concern. This particularly effects the recency and frequency of service usage of lower-income earners in rural areas, it was observed.

**FINDING 36**

Member led financial service provider (i.e. CMGs and SACCOs) consumers perceive their services as more reasonable priced.
Conclusion

FinScope Tanzania 2023 set out to clearly articulate and document key demand-side developments by comparing its results with those of FinScope Tanzania 2017. In doing so it shed light on the financial behaviors and needs of Tanzanian adults aged 16 and older, providing a reliable measure for the demand and usage of financial services across population segments. This can be used to inform the assessment of the NFIF II (2018-2022) and the formulation of the NFIF III (2023-2027), as well as offer a temperature measure along the path towards the implementation of the FSDMP (2020/21-2029/30). Further, FinScope Tanzania 2023 highlights areas of opportunity and gaps that can be picked up by policy makers, regulators and innovators in the sector to foster the development of evidence-driven policy and regulatory and solution design.

The analysis, building on the NFIF’s value creation map for financial inclusion, outlines that previous key access barriers, such as proximity to a financial access point (increased from 86% to 89%), access to a National Identification Number (NIN) (increased from 9% to 52%), ownership of a mobile phone (increased from 63% to 75%) are slowly diminishing as key access enablers increase.

However, it is important to point out that youth below the age of 18 are still excluded from having a NIN; people in rural areas are still more likely to live over 5km away from a financial access point; and access to a mobile phone is still skewed towards men (80% vs. 71%).

Further, uptake has increased significantly, with 76% of Tanzanians being formally financially included versus 65% in 2017. Moreso, a significant decline of financial exclusion was observed, with only 19% of Tanzanians still excluded compared with 28% in 2017. Although success seems evident, not all sub-sectors have seen this. Take the notable decline in the insurance sub-sector, for example, where only 10% of Tanzanians (5%-points less than in 2017) are covered by any type of insurance. In addition, those aged 16-24 remain a key excluded group, which, paired with their mainly occasional income sources such as casual labor/piece work, makes them more volatile to financial shocks.

Although uptake of mobile money has significantly contributed to the increase of formal financial inclusion in Tanzania, usage remains a key concern. The recency of usage (past 90 days), especially among rural population segments has seen a decline. This is driven by the low satisfaction levels in terms of “reasonability of cost” of service, as well as other factors, such as proximity and lack of use cases. The predominant financial sector use case remains remittance (55%). Financial services, such as formal credit (15%), formal savings (17%) and formal payments (13%), remain low.
FinScope Tanzania 2023 outlines the current financial sector demand-side development constraints and provides relevant insights and information to support Tanzania’s financial sector players in reaching the next frontier. This unfolds itself through the need for universal access and leaving no one behind; strengthened sub-sector development, especially for insurance; social protection and investment; as well as a need to shift from trial and awareness towards uptake and usage.

The sector players, public and private alike, are challenged to utilize the evidence generated to increase uptake of services, such as insurance, pension, formal investment vehicles, as well as the regular usage of digital payments. Further, the report has offered qualitative insights, which can be picked up by academia and market researchers. It has also highlighted where further deep-dive analysis should occur to enhance these insights further.

Both structural and behavioral shifts are needed to address remaining barriers to financial inclusion and achieve increased quality of service delivery and customer satisfaction. This ultimately increases the financial sector’s value for Tanzanians and its contribution to economic growth and well-being.
### Financial Inclusion Strand by Region

#### Uptake of Financial Services by Region*

<table>
<thead>
<tr>
<th>Region</th>
<th>Have or uptake bank services</th>
<th>Don’t have or uptake bank services but have or uptake other formal services</th>
<th>Don’t have or uptake formal financial services but uptake informal financial services</th>
<th>Financially excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dar es Salaam</td>
<td>48%</td>
<td>3%</td>
<td>18%</td>
<td>10%</td>
</tr>
<tr>
<td>Pwani</td>
<td>62%</td>
<td>9%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Mbeya</td>
<td>47%</td>
<td>18%</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>Mwanza</td>
<td>62%</td>
<td>4%</td>
<td>16%</td>
<td>15%</td>
</tr>
<tr>
<td>Arusha</td>
<td>48%</td>
<td>3%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
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</table>

*sorted by level of formal financial inclusion (starting with the highest to the lowest) and separated by Mainland and Zanzibar Regions.