

FINANCIAL SECTOR DEEPENING UGANDA

PROMOTING INCLUSIVE FINANCIAL MARKETS THAT FOSTER JOB CREATION, REDUCE POVERTY, AND IMPROVE UGANDA'S COMPETITIVENESS

Assessing the Economic Resilience of Ugandan Households Before COVID – Part I of Series

Final Report –May 2020

About Financial Sector Deepening (FSD) Uganda

- [FSD Uganda](#) is the country's leading institution on financial inclusion and inclusive financial market development.
- FSD Uganda provides technical assistance and catalytic grants to enable innovation and scale.
- This is achieved through research, policy analysis that enables evidence-based decisioning, private sector support through de-risking and experimental grants that push the frontiers of thinking on how the financial sector can serve the real economy, particularly the most vulnerable.
- We have a focus on women, refugees, youth, and small holder farmers.

ABOUT THIS REPORT

- This is an analysis commissioned by FSD Uganda in partnership with the Ministry of Finance, Planning and Economic Development (MoFPED).
- **This is Part I of a two-part analysis.** Part I aims to understand the resilience and coping mechanisms of adults in Uganda prior to the COVID-19 crisis.
- Part II are phone-based surveys of the impact of COVID-19 on Households. The results of the first wave of these phone surveys are expected mid-May 2020.
- In a COVID-19 lockdown incomes of people who rely on daily trade, or service are heavily compromised, or impaired. What exacerbates this further is that a systematic risk like a pandemic affects everyone at the same time; meaning, even domestic and international remittance reliance is frayed as everyone is affected, compromising any reliance on friends and family networks.
- The analysis was conducted by FSD Uganda and Altai Consulting Limited.



*Rolex makers, rural area, Uganda, 2019
Credit: Altai Consulting*

EXECUTIVE SUMMARY – KEY FINDINGS (I/)

1 Many Ugandans were already struggling prior to the crisis

3 out of 4 Ugandans claimed that they **did not have enough money to pay for living expenses**, prior to the COVID-19 crisis.

2 The lockdown is a necessary measure; however, over half of Ugandan adults would not be able to sustain their current lifestyle even with 1 day of lockdown

57% would **not be able to sustain their current lifestyle after just 1 day of lockdown**

81% would **not be able to sustain it after 15 days**

3 Uganda is at risk of losing significant gains made in financial inclusion impacting the goals of the National Financial Inclusion Strategy (NFIS) and Financial Sector Development Strategy (FSDS)

4,800 UGX (1.3 USD) **is the median amount of liquid savings (cash) available to Ugandans at any given time.**

These will be easily drawn down in a lockdown when income is heavily compromised, while expenditures have not reduced proportionately.

35% Ugandans invested in assets such as livestock to resell in the future and **42%** belong to a **Savings Group**.

However, an economic crisis could result in distress asset sale, meaning that people will resort to selling assets like livestock at below market value. Depending on how long the lockdown or its effects last, there could be a draw down on savings at⁵ these savings groups.



EXECUTIVE SUMMARY – KEY FINDINGS (2/)

4 The Pandemic is not gender agnostic: It is leaving women worse-off

Women have **6 times less savings** than men (median amount).

In case of an emergency **nearly 60% women** would not be able to come-up with emergency funds, **compared to 50% men**.

Women rely on **social networks and remittances more than men**; both of which are heavily compromised in a pandemic.

5 3 million Ugandans are at survival risk; and 23% are at risk of losing 100% of their daily income

3 million adults mostly in urban areas are at survival risk (food and roof). In a protracted health care crisis (e.g. reinfections) this situation could become worse.

6 Agriculture is not immune, there could be a lag-time before longer-term effects are witnessed

The degree of impact is dependent on the agricultural value chain. Dairy farmers faced heavy price volatility as dairy processors temporarily shut down, while tea growers are unable to export rising tea inventory in time due to slow moving cross-border trade and suppressed global demand during the pandemic, resulting in a drop in prices to as high as 40%. (Source: Bloomberg and field reports).

7 1.2 million refugees in Uganda are heavily impacted

Lockdowns prevent many refugees who depend on daily trade from earning a livelihood. This exacerbates an already troubling situation where the General Food Assistance (GFA) has already witnessed 30% reduction. Moreover, social distancing in refugee settings is nearly impossible.



EXECUTIVE SUMMARY – KEY FINDINGS (3/)

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A large percentage of the poorest 40%, middle 40% and richest 20% earners save and lend with savings groups; mobile money serves as a popular pull-push and remote payment channel

Of the **richest 20%** earners, only **23%** bank with the commercial banking sector

41% of the poorest 40%; 45% of the middle-income 40%; and 36% of the richest 20% save and lend with savings groups

In terms of gender differences, same percentage of men and women save with savings groups; however 11% of adult men have bank accounts in contrast to only 9% adult women.



RECOMMENDATIONS: A CALL TO ACTION TO ALL STAKEHOLDERS (I/)

- The evidence in this report highlights the fragility of the financial lives of many adult women and men. A pandemic such as COVID-19 could further deepen structural divides and disadvantages.
- Beyond immediate economic recovery, Uganda – like many countries, could help rebuild the financial lives of millions of residents in a manner that is more inclusive and better resilient to shocks.
- The recommendations section of this report is a call out to policy makers, regulators, private sector entities and development partners. Immediate, medium and long-term solutions need to keep the most vulnerable at the center.

RECOMMENDATIONS (2/)

Monetary and fiscal policy relief and stimulus

I. The Informal Sector, MFIs and SACCOs: The Bank of Uganda (BoU), the Uganda Microfinance Regulatory Authority (UMRA)* and the Ministry of Finance, Planning and Economic Development (MoFPED) have been at the forefront in supporting people and businesses. A link to the various monetary policy initiatives by the Central Bank can be [read here](#).

- As the analysis in this report shows **majority of adults, especially the poorest** save and lend with SACCOs and other institutions that are Tier III and below.
- Therefore, there is a need for a deliberate strategy, and mechanisms to support non-deposit taking microfinance institutions, SACCOs, and Cooperatives. Clients of these institutions are already struggling and are at serious risk of not paying their loans on time. Customer repayment holidays that are being granted by some of these institutions are necessary, but they will create liquidity pressures. The pressures faced might force institutions to reduce credit - at a time when clients need it the most - **resulting in a longer-lag time in the recovery of low-income earners.**
- These are extraordinary times, requiring extraordinary solutions and approaches. Policy Makers, Regulators and Development Partners will need to work together with various formal and informal financial institutions to **ensure relief and stimulus measures are structured in a manner that not only reach but also help the recovery of the most vulnerable.**



RECOMMENDATIONS (3/)

Monetary and fiscal policy relief and stimulus:

2. Fiscal Policy (in particular, tax relief) in conjunction with employment retention and promotion:

- Uganda has yet to release any tax-relief measures at the time of the publication of this report. Apart from general tax relief and other stimulus measures, the government has the opportunity to incentivize employment retention and employment promotion.
- For e.g. companies that can demonstrate how relief measures would result in **higher long-term job retention**, and maybe even job increases in their firms should be entitled to additional benefits. **Thus safeguarding livelihoods and minimizing job losses.**

Manufacturer-Wholesaler-Retailer Distributor Value Chains

3. Fiscal policy incentives, development partner programs should focus on designing programs that help the bounce back of smaller retailers and traders:

- Small retailers are unlikely to get relief timely relief from commercial banks and might end up going to expensive money lenders to jump start their business. Fiscal relief tied to how corporations provide support to their distributors – especially small retailers could go a long way in more flexible and long-term support.

RECOMMENDATIONS (3/)

Bridging the Digital Divide is crucial – now more than ever.

4. Early reports indicate that more digitally connected an economy; the greater the resilience (The rise of E-commerce):

- Digital platforms in Uganda (Examples include: Xente, SafeBoda, Jumia, Minute 5, coupled with multiple logistics companies like Pink Tie, Sendy and more) have emerged as solutions for the movement of both essential and non-essential goods.
- These digital platforms have onboarded new companies that sell fresh produce, provisions, essential medical and non-medical equipment to serve customers and businesses during a lockdown. The technology adoption curve of companies and customers who weren't convinced of the value of digital has been steep.
- **However, individual phone and internet ownership is still low, with 46% adult women owning phones compared to 58%.** Deliberate policy and private sector efforts that increase phone and internet ownership among women, and the poorest sections of society is critical – now more than ever – else it will only deepen the digital divide, leaving women and the poorest heavily exposed to future shocks.

RECOMMENDATIONS (4/)

Fintechs help build competitive financial markets

4. Stimulus packages by the government and development partners should include Fintechs

- Fintechs are key constituents of a vibrant, competitive financial ecosystem. Many Fintechs in Uganda are young, with barely 3 to 4-month of cash runways. The pandemic has severely impacted multiple Fintechs, especially those in digital credit, payments and with cash-in, cash-out agents. There is a need to support this fledging industry.
- A potential solution would be to work with financial institutions that are getting stimulus support from the government and development partners and earmark funding for concessional long-term working capital loans for Fintechs to help them recover from the shocks.

Digitization of Social Welfare (G2P) Payments

5. Social welfare payments are complex, and they target the most vulnerable in society. There is a need to relook at their current design.

- Social welfare payments that target the elderly, mothers with infants, differently-abled adults are complex. Identification, verification of recipients, coupled with low phone and formal account ownership, low financial and technology literacy make the end-to-end digital delivery of G2P payments challenging.

RECOMMENDATIONS (5/)

Digitization of Social Welfare (G2P) Payments (Contd..)

- During the COVID-19 lockdown, thousands of old-age recipients of Uganda's SAGE program have been left stranded. The Ministry of Gender, Labour and Social Development (MoGLSD) has taken progressive steps and built standard operating procedures to continue the delivery of G2P payments with payment service providers during the pandemic.
- Going forward, policy makers and development partners might have to consider approaches that in-build digital resilience into the design of G2P programs.

Temporary Unconditional Cash Transfers (UCTs) should be actively considered for households that are extremely poor.

6. UCTs can be extremely catalytic for the poor; especially those at risk of survival during a lockdown

- Time-Bound UCTs can help the extreme poor but more importantly during a lockdown it can help those at risk of survival support themselves and their families.
- Secondly, UCTs have been proven to be an effective instrument help the poor get the economic boost needed to help themselves get out of the poverty trap.

Capacity of adults to cope with the economic consequences of COVID-19

Using Pre-COVID information on Ugandan adults

BEING ABLE TO COPE CAN MEAN BEING ABLE TO MAINTAIN ONE'S INCOME, SUSTAIN ONE'S LIFESTYLE, HAVE COPING MECHANISMS OR MEET SURVIVAL NEEDS

- Being “at risk” during a crisis can mean different things. This analysis considers **four dimensions**:

Likelihood to lose 100% of one's main source of income	Capacity to sustain lifestyle	Availability of coping mechanism	Capacity to meet survival needs
Those receiving their income daily or irregularly are at risk of losing 100% of their income if they cannot work due to travel restrictions or as a consequence of the economic shock	Possibility, thanks to savings to maintain one's pre-lockdown lifestyle by compensating for any income losses incurred by the lockdown	Possibility to resort to alternative solutions (other than savings) to cope with the crisis and try to sustain one's lifestyle	Guarantee to meet basic survival needs (roof & food) even during lockdown, as one owns one's house and produces one's food
<i>E.g.: a boda boda driver earning money on a daily basis depending on the number of rides he does is likely to lose all of his income if a lockdown is introduced. Conversely, an employee of a telecom company being paid on a monthly basis has higher chances of receiving his full (or partial) salary at the end of the month, despite the lockdown</i>	<i>E.g.: the housewife of a rich household is likely to be able to maintain her lifestyle for certain time thanks to the household's savings. After a certain number of days, her husband earns less because of the lockdown and household savings are drained; therefore less money will be available to her individually, preventing her from maintaining her pre-lockdown lifestyle</i>	<i>E.g.: a poor worker claiming to have to cut down on meals in the pre-lockdown scenario - in case of a crisis is unlikely to have any alternative to cope with the lockdown economic effects. Conversely those claiming to have the possibility to stay with relatives have a partial coping mechanism to cope with financial hardship</i>	<i>E.g.: a farmer in rural Uganda might not have any savings enabling him to sustain his lifestyle during the crisis, but as he owns his home and produces food crops, he will still be able to meet his basic survival needs. This would not be the case for a poor worker living in Kampala, who might not be able to pay his rent and buy food.</i>



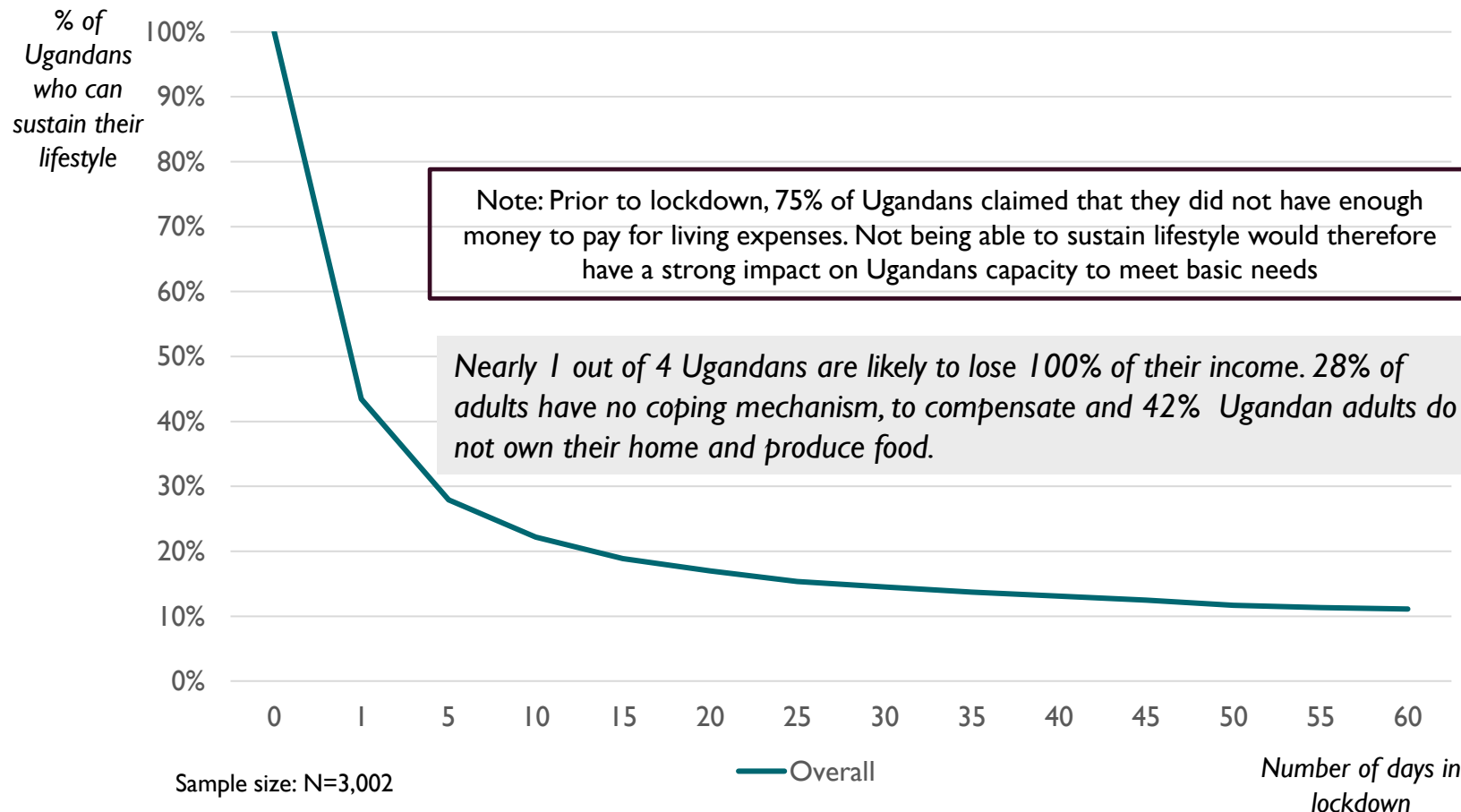
1 OUT OF 2 UGANDANS WILL NOT BE ABLE TO SUSTAIN THEIR LIFESTYLE WITH EVEN 1 DAY OF LOCKDOWN

This slide shows the % of Ugandans potentially at risk, looking at different dimensions. Not all persons have the same degree of risk.

% likely to lose 100% of one's main source of income

23%

Ugandans at risk of not being able to sustain their lifestyle:
% of Ugandans able to sustain their lifestyle based on the number of days in lockdown



% with no coping mechanisms

28%

% at risk survival needs (roof & food)

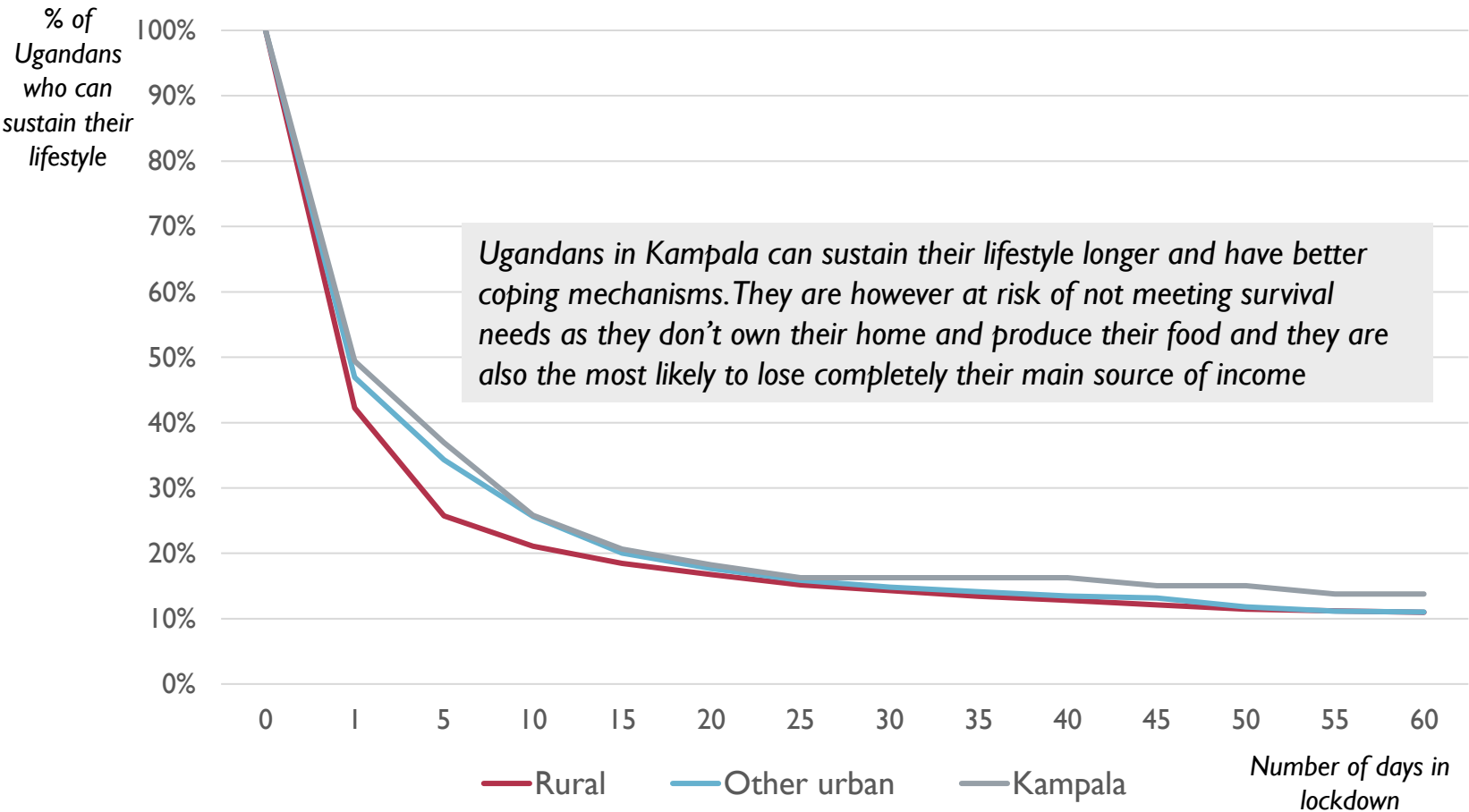
42%

IMPACT OF LOCKDOWN: RURAL VS. URBAN

% likely to lose 100% of one's main source of income

- 43%
- 30%
- 20%

Ugandans at risk of not being able to sustain their lifestyle:
% of Ugandans able to sustain their lifestyle based on the number of days in lockdown



This slide shows the % of Ugandans potentially at risk, looking at different dimensions. Not all persons have the same degree of risk.

% with no coping mechanisms % at risk survival needs (roof & food)

- | | |
|-----|-----|
| 11% | 97% |
| 21% | 65% |
| 31% | 33% |

Sample sizes: N=2,173 for Rural, N= 676 for other urban, N=153 for Kampala

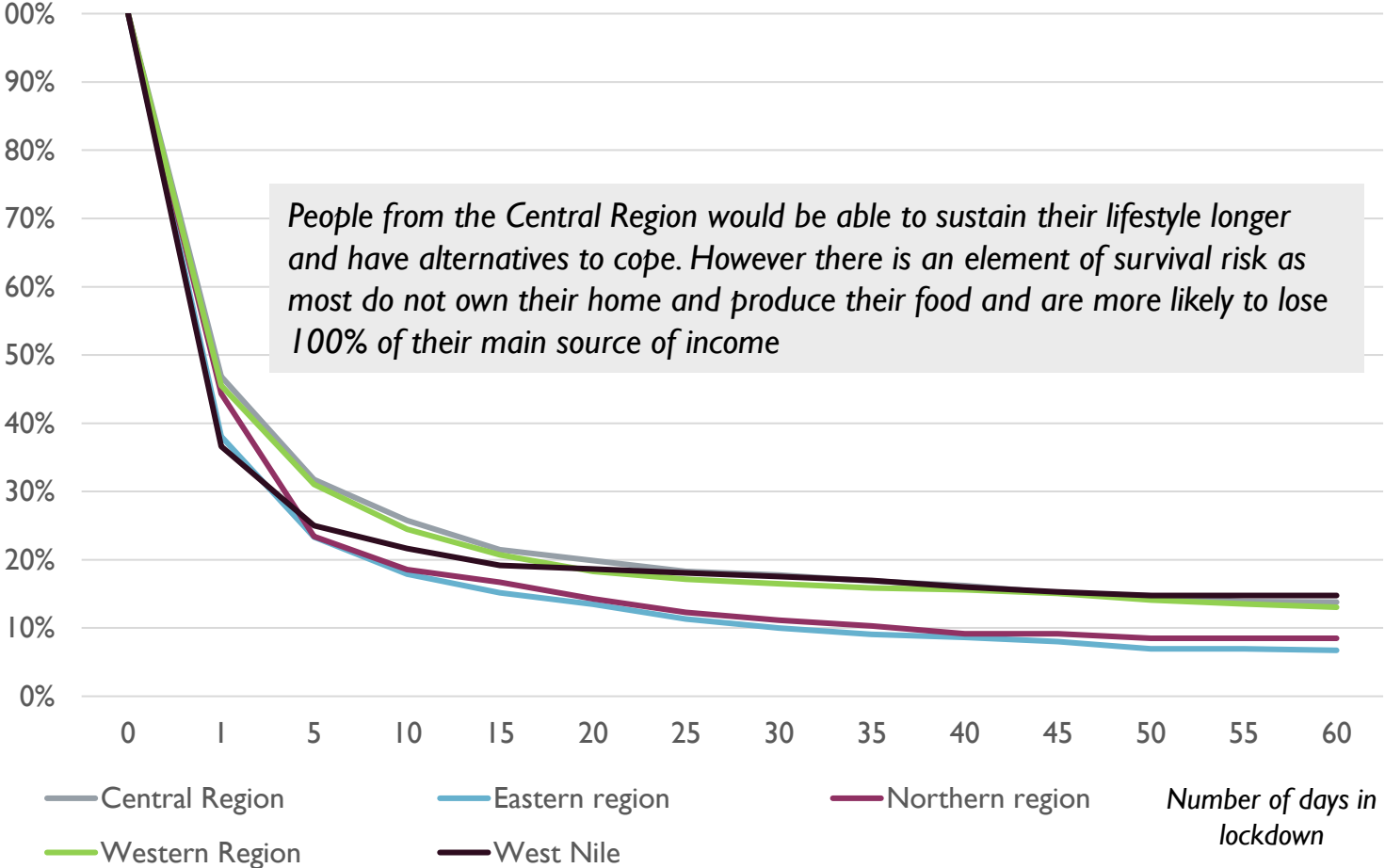
IMPACT OF LOCKDOWN ACROSS REGIONS FOLLOWS SIMILAR PATTERNS WITH WEST NILE AND THE EASTERN REGION FEELING THE IMPACT SOONER

% likely to lose 100% of one's main source of income

- 31%
- 23%
- 15%
- 19%
- 17%

% of Ugandans who can sustain their lifestyle

Ugandans at risk of not being able to sustain their lifestyle:
% of Ugandans able to sustain their lifestyle based on the number of days in lockdown



This slide shows the % of Ugandans potentially at risk, looking at different dimensions. Not all persons have the same degree of risk.

% with no coping mechanisms

- 14%
- 24%
- 53%
- 29%
- 48%

% at risk survival needs (roof & food)

- 57%
- 37%
- 33%
- 39%
- 30%

Sample sizes: N=929 for Central Region, N=720 for Eastern Region, N=390 for Northern region, N= 782 for Western region, N= 181 for West Nile.

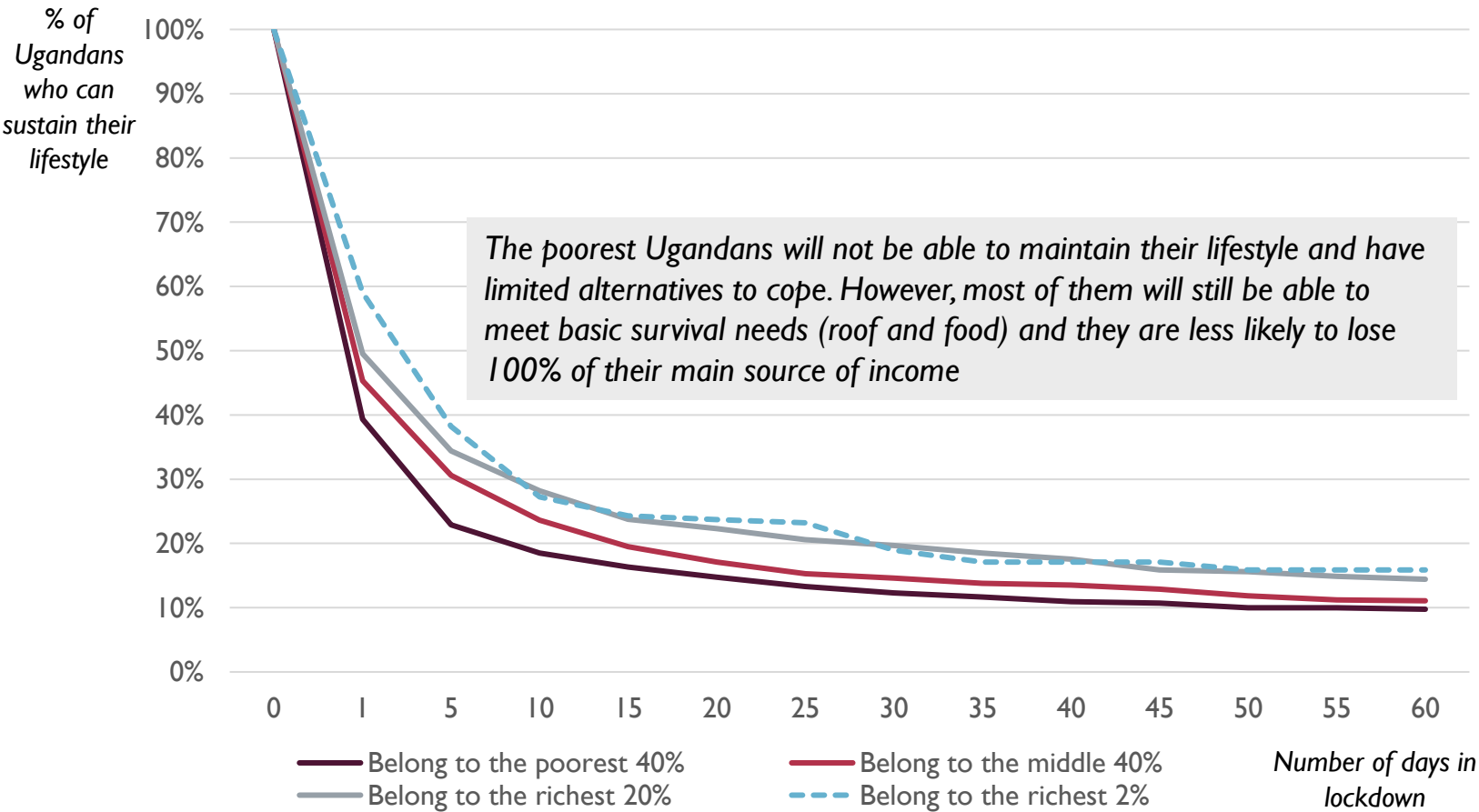
IMPACT OF LOCKDOWN BY POVERTY

This slide shows the % of Ugandans potentially at risk, looking at different dimensions. Not all persons potentially at risk have the same degree of risk.

% likely to lose 100% of one's main source of income

- 35%
- 17%
- 23%
- 34%

Ugandans at risk of not being able to sustain their lifestyle:
% of Ugandans able to sustain their lifestyle based on the number of days in lockdown



- | % with no coping mechanisms | % at risk survival needs (roof & food) |
|-----------------------------|--|
| 15% | 83% |
| 36% | 31% |
| 24% | 41% |
| 17% | 74% |

Sample sizes: N=1,230 for the poorest 40%, N=1,137 for the 40% in the middle, N=635 for the richest 20%. N=76 for the richest 2%

Note: Poverty levels are based on the PPI score.

GENDER: NO SIGNIFICANT DIFFERENCES IN TERMS OF MAINTAINING LIFESTYLE BUT WOMEN ARE AT MORE SURVIVAL RISK THAN MEN

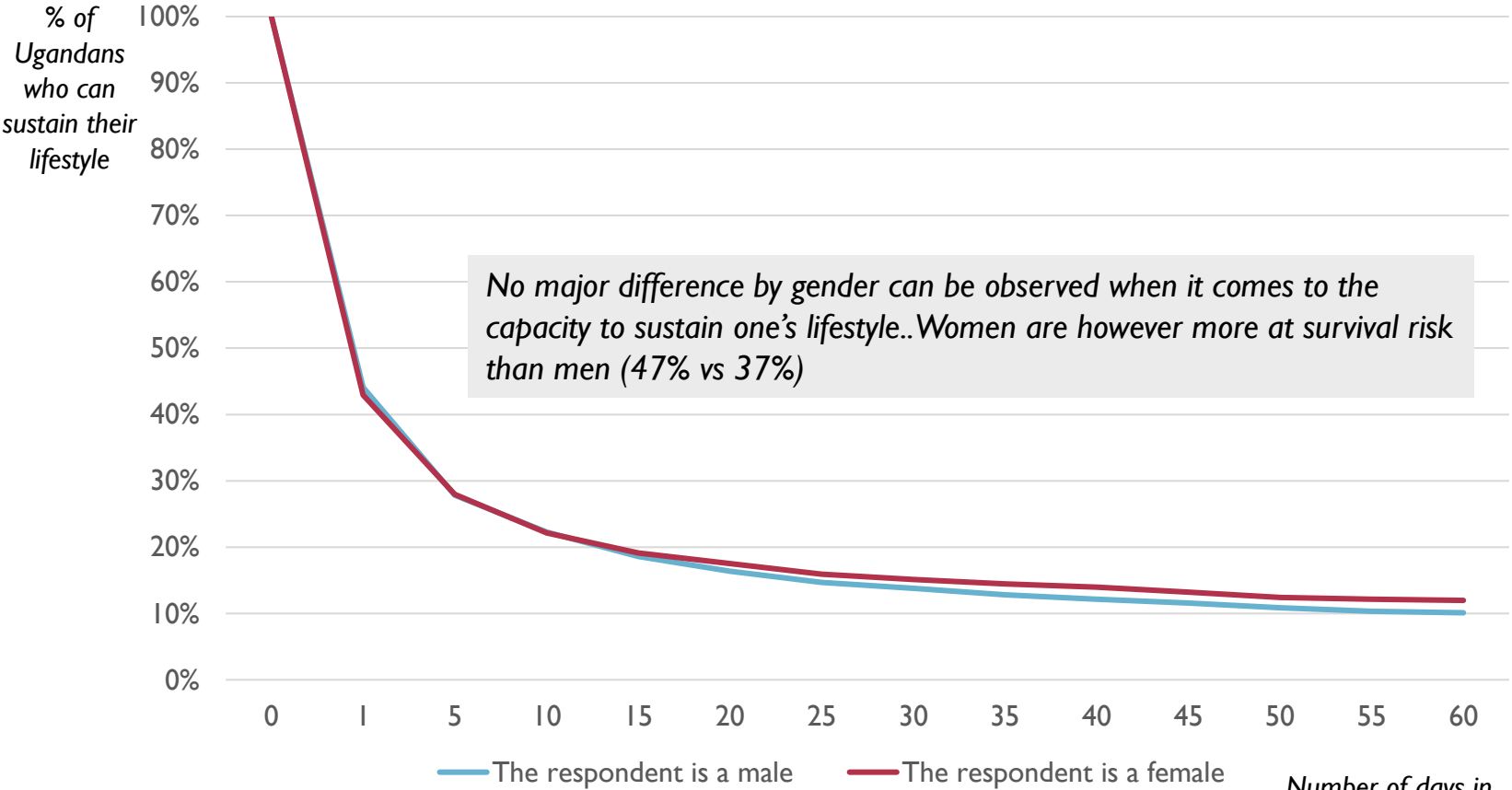
This slide shows the % of Ugandans potentially at risk, looking at different dimensions. Not all persons potentially at risk have the same degree of risk.

% likely to lose 100% of one's main source of income

24%

20%

Ugandans at risk of not being able to sustain their lifestyle:
% of Ugandans able to sustain their lifestyle based on the number of days in lockdown



% with no coping mechanisms

26%

30%

% at risk survival needs (roof & food)

47%

37%

Sample sizes: N=1,052 for the male respondent, N=1,950 for the female respondent.

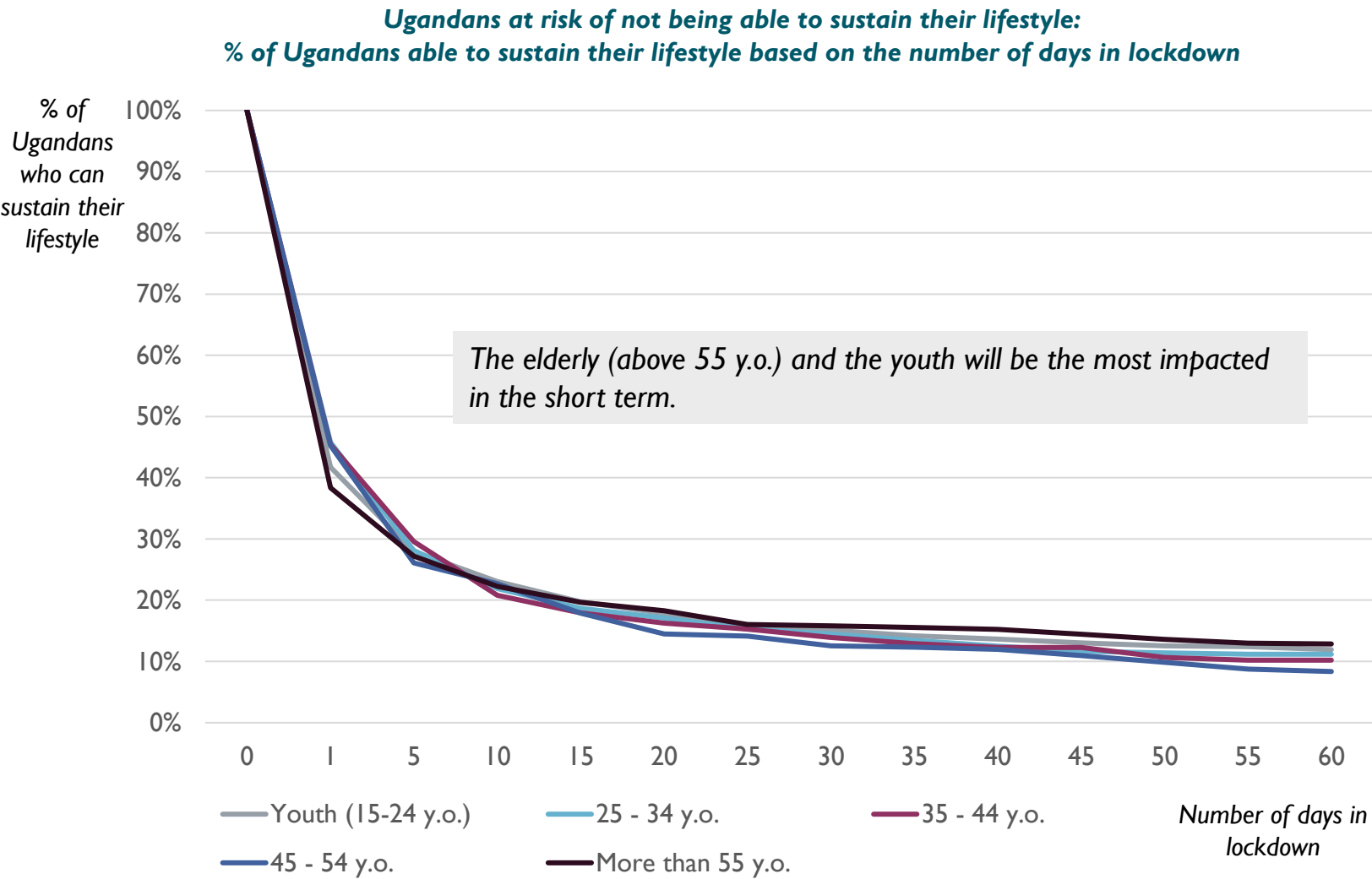


IMPACT OF LOCKDOWN ON DIFFERENT AGE GROUPS

This slide shows the % of Ugandans potentially at risk, looking at different dimensions. Not all persons potentially at risk have the same degree of risk.

% likely to lose 100% of one's main source of income

- 25%
- 27%
- 21%
- 19%
- 16%



- | % with no coping mechanisms | % at risk survival needs (roof & food) |
|-----------------------------|--|
| 26% | 59% |
| 26% | 45% |
| 33% | 31% |
| 33% | 25% |
| 24% | 33% |

Sample sizes: N=854 for Youth, N=874 for 25-34 y.o., N=489 for 35-44 y.o., N=375 for 45-54 y.o., N=410 for More than 55 y.o..

UGANDANS AT RISK DEPENDING ON THE DIMENSION CONSIDERED

		Likely to lose 100% of one's income	Number of days one can sustain its lifestyle				Coping mechanisms			At risk survival needs	
			1 day	15 days	1 month	2 months	None	Partial	Good		
Overall	-	23%	43%	19%	15%	11%	28%	72%	0%	42%	N=3,002
Poverty level	The poorest 40%	18%	39%	16%	12%	10%	36%	64%	0%	31%	N=1,230
	The middle 40%	23%	45%	20%	15%	11%	24%	76%	0%	41%	N=1,137
	The richest 20%	34%	50%	24%	20%	14%	28%	72%	0%	74%	N=635
Urbanity	Rural	20%	42%	19%	14%	11%	31%	70%	0%	33%	N=2,173
	Other urban	30%	47%	20%	15%	11%	21%	79%	0%	65%	N=676
	Kampala	43%	49%	21%	16%	14%	11%	89%	1%	97%	N=153
Region	Central	30%	47%	22%	18%	14%	14%	86%	0%	57%	N=929
	Eastern	24%	38%	15%	10%	7%	24%	76%	0%	37%	N=720
	Northern	15%	44%	17%	11%	9%	53%	47%	0%	33%	N=390
	Western	19%	46%	21%	17%	13%	29%	71%	0%	39%	N=181
	West Nile	18%	37%	19%	18%	15%	48%	52%	0%	30%	N=782

Note: Poverty levels are based on the PPI score.

CROSS-ANALYSIS – AT RISK SURVIVAL NEEDS AND DIFFERENT SOCIO-DEMOGRAPHIC SEGMENTS

42% of Ugandans are potentially at risk of not meeting basic survival needs (roof and food) and among those 32% belong to the poorest. **Meaning, close to 3million Ugandans are at risk of survival (roof and food)**

Those potentially at risk of not meeting basic survival needs (roof and food), across dimensions

Poverty level	Urbanity	Gender	Age
<ul style="list-style-type: none"> 40% poorest 32% 40% middle 37% 20% richest 32% 	<ul style="list-style-type: none"> Kampala 11% Other Urban 29% Rural 60% 	<ul style="list-style-type: none"> Male 41% Female 59% 	<ul style="list-style-type: none"> 15-24 y.o. 39% 25-34 y.o. 30% 35-44 y.o. 12% 45-54 y.o. 8% 55+ y.o. 11%

Note: Number of adults at risk of not meeting basic survival needs computed based on the % of adults not owning one's home and producing one's food, poverty level estimates and World Bank population data

5/8/2020

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KEY FINDINGS: CAPACITY TO COPE

- **“Being at risk”** therefore entails **different realities**, which will **call for different types of interventions** from various stakeholders.
- **23% of Ugandans** receive their income on a daily (or irregular) basis. If they cannot work due to travel restrictions or as a result of the economic crisis (cannot find a casual job), they are **at risk of losing 100% of their income**. Those who receive their income less frequently, are more likely to be paid (part) of their income, even in case of a lockdown.
- **More than half of adult Ugandans do not have enough savings to compensate for their estimated loss of income** resulting from a lockdown. They would not be able to maintain their lifestyle after just one day of lockdown.
- **28% of Ugandan adults do not have any coping mechanism** i.e. they have no alternative to cope with a potential loss of income.
- **42% of Ugandans adults** do not own their roof or produce their own food; among them, 32% belong to the 40% of the poorest OR 13% of Ugandan adults i.e. **3m persons are therefore at high risk**.
- Differences by segment exist: **rural dwellers are more likely not to be able to maintain their lifestyle, but they are less at survival risk** (as they are more likely to own their house and produce their food). **Urban poor are particularly at risk** and are most likely not to meet their survival needs and should receive the most support in the immediate to short term.

Understanding the financial resilience of Ugandans requires understanding how they:

I. Earn i.e. Livelihoods

II. Save

III. Mobilize funds in case of Emergency

IV. Cope when faced with Financial Hardship

V. Interact with the financial sector

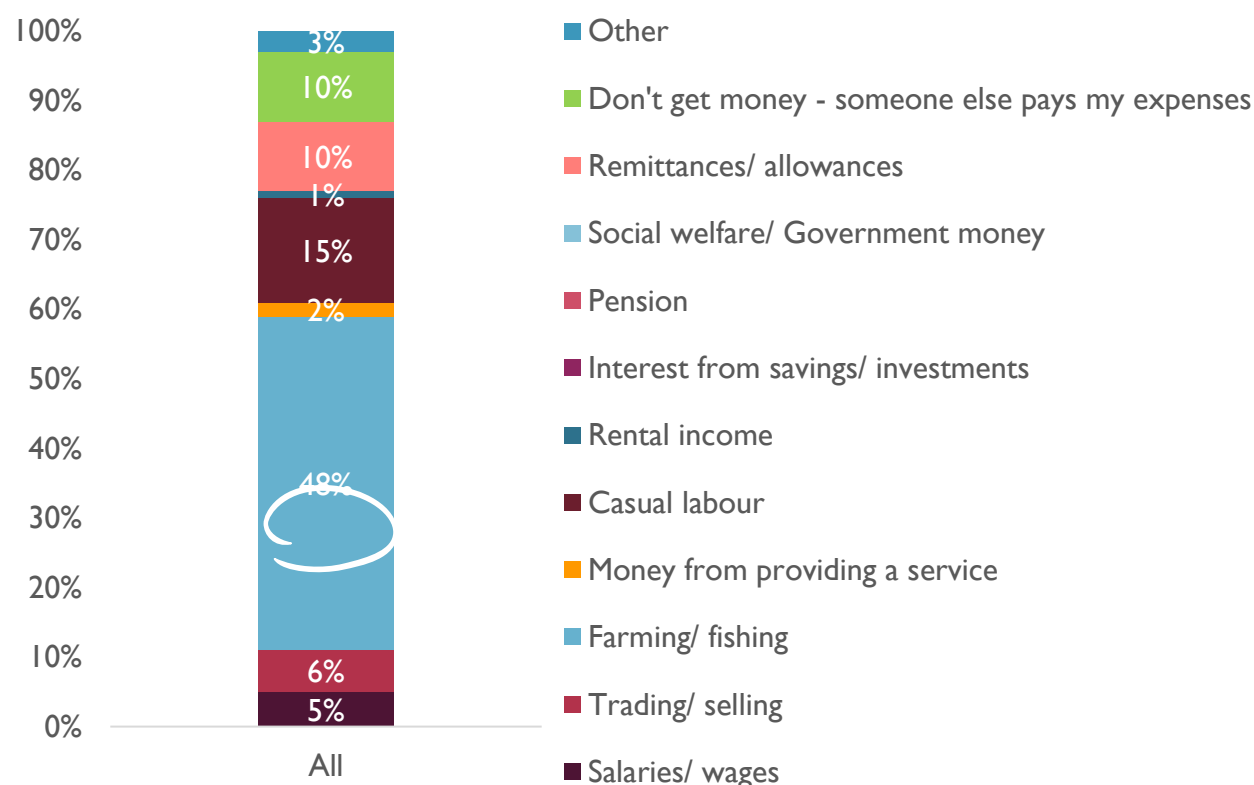
I) How Ugandans Earn a Living

CLOSE TO HALF OF UGANDANS EARN MONEY FROM FARMING/FISHING, AN ACTIVITY THAT IS LIKELY TO BE IMPACTED BY RESTRICTIONS ON MARKET GATHERINGS

- 48% adults earn from farming or fishing activities. Depending on the farming value chain the impact could be varied across farmers. E.g. Perishable produce like dairy or fish farmers could be more impacted in the short term than others.
- Additionally, since everyone in the agriculture value chain is affected by the pandemic, this could potentially impact gaining credit for inputs and also pose a challenge in the future.
- 20% of adults rely on others for income, which makes them particularly vulnerable during the crisis.

	% of those involved in farming producing*:
Food crops (maize, rice, beans, etc.)	71%
Cash crops (coffee, cotton, cashew nuts, etc.)	20%
Fruit (bananas, mangos, pineapple, etc.)	18%
Vegetable (tomatoes, carrots, cabbages, etc.)	8%
Cattle	16%
Goats, sheep, pigs, etc.	27%
Other livestock (poultry, rabbit, etc.)	21%
Aquaculture	1%
Beekeeping	1%

Livelihoods (main source of income)



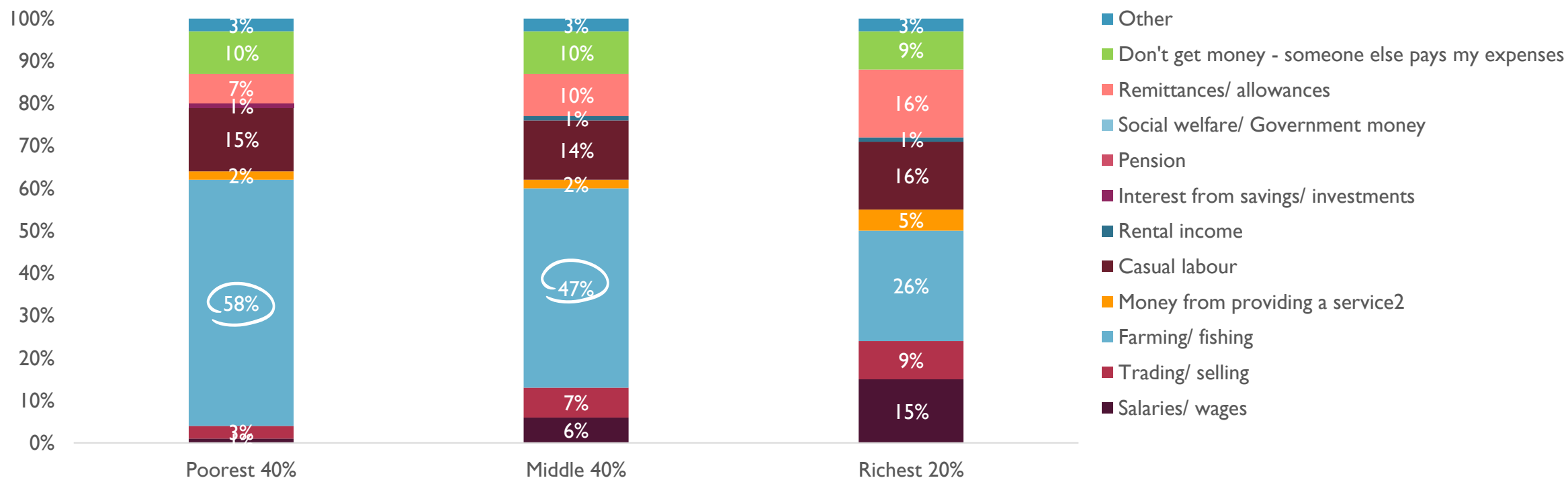
Source: FinScope 2018; N=3,002

Note: 370,000 Ugandans benefit from SAGE (Social Assistance Grants for Empowerment)

*Note: many Ugandans are engaged in multiple farming activities.

FARMING/ FISHING IS THE DOMINANT LIVELIHOOD FOR THE POOREST AND MIDDLE-INCOME EARNERS

Livelihoods (main source of income) by poverty level



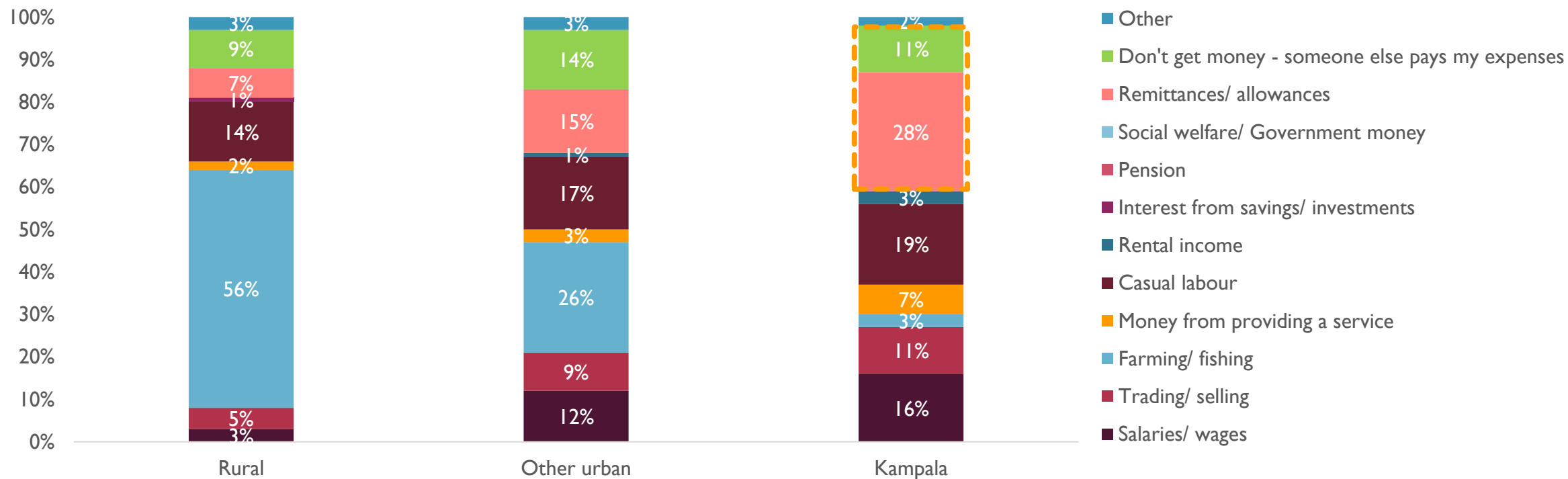
Source: FinScope 2018; N (poorest 40%)=1,230; N (middle 40%)=1,137; N (richest 20%)=635.

Note: Poverty levels are based on the PPI score.

MORE THAN HALF OF THE ADULTS IN KAMPALA COULD BE AT RISK

- 39% of adults in Kampala (or nearly 2 out of every 5 adults) are dependent on others for an income. However, during a pandemic social support structures become frayed as everyone is impacted; reducing remittance flows and ability to take care of expenses of adult dependents.
- An additional 19% (or nearly 1 out of 5 adults) do casual labour; another resilience mechanism that is not available during a lockdown.

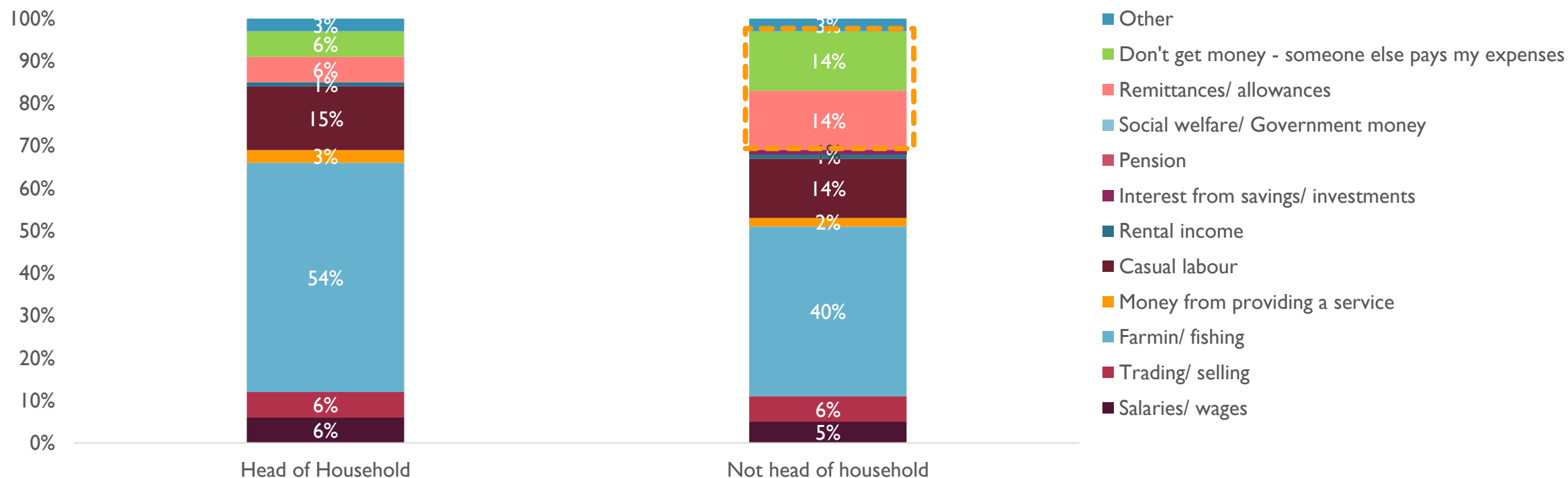
Livelihoods (main source of income) by location



Source: FinScope 2018; N (rural)=2,173; N (other urban)=676; N (Kampala)=153.

ADULTS WHO ARE NOT HEAD OF THEIR HOUSEHOLD ARE MORE LIKELY TO RELY ON OTHERS FOR THEIR INCOME

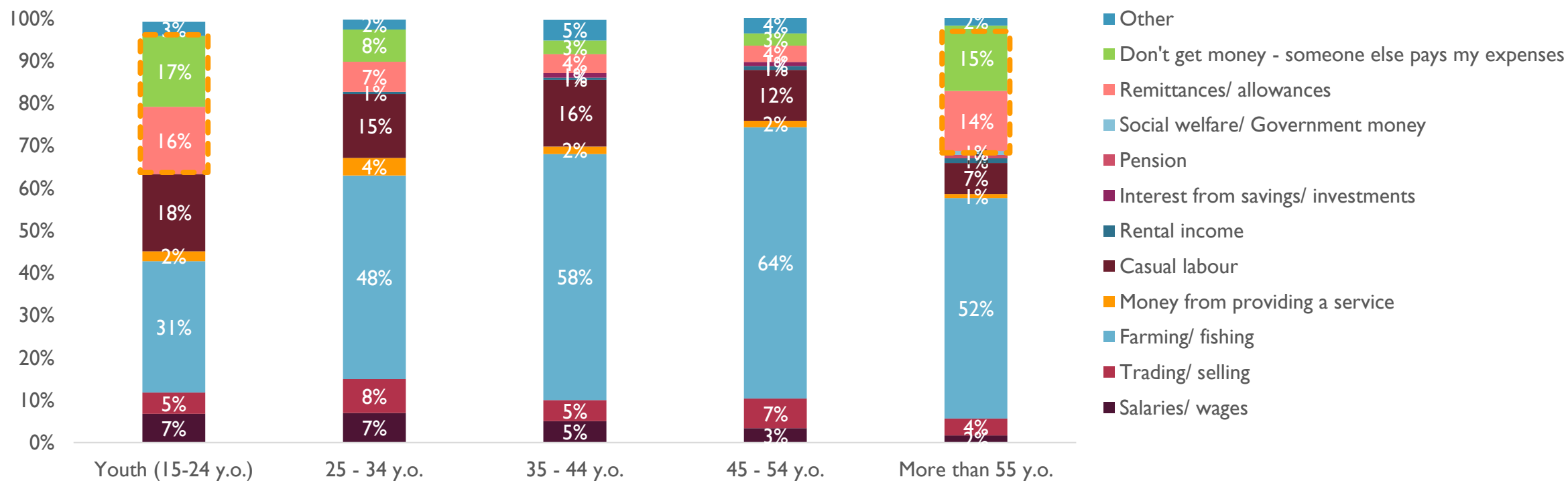
Livelihoods (main source of income) by status in the household



Source: FinScope 2018; N (Head of HH)=1,483; N (not head of HH)=1,519.

THE YOUNGEST AND THE ELDEST ARE MORE LIKELY TO BE DEPENDENT ON OTHERS PAYING FOR THEM OR REMITTANCES/ALLOWANCES

Livelihoods (main source of income) by age of the respondent



Source: FinScope 2018; N (Youth)=854; N (25-34 y.o.)=874; N (35-44 y.o.)=489; N (45-54 y.o.)=375; N(More than 55 y.o.)=410.

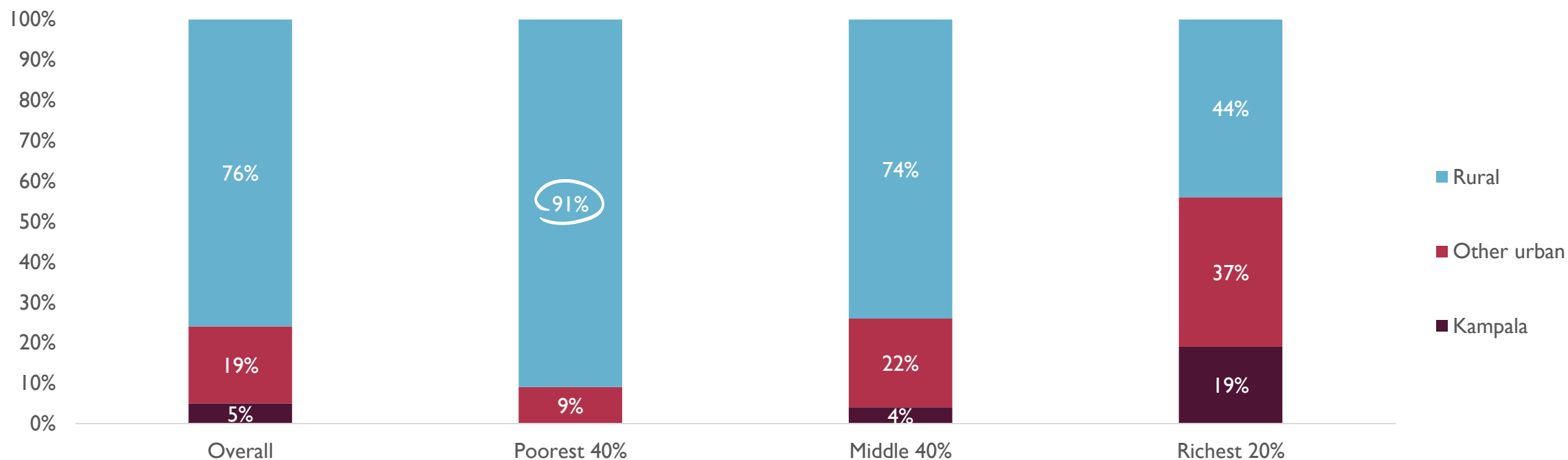
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THE POOREST UGANDANS OVERWHELMINGLY LIVE IN RURAL AREAS WHILE THE RICHEST ARE CONCENTRATED IN KAMPALA

Location by poverty level



Source: FinScope 2018; N (poorest 40%)=1,230; N (middle 40%)=1,137; N (richest 20%)=635.

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Note: Poverty levels are based on the PPI score.



CROSS-ANALYSIS – POVERTY LEVEL AND FREQUENCY OF INCOME

	Poorest 40%	Middle 40%	Richest 20%
Occasionally	10%	9%	7%
Daily	7%	14%	28%
Weekly	8%	8%	7%
More than once a month but not weekly	5%	4%	2%
Monthly	6%	10%	20%
Every 2 months	2%	1%	2%
Annually	1%	1%	0%
Seasonally	48%	41%	22%
Not applicable (don't earn money, someone pays for expenses)	10%	10%	9%
Other	3%	2%	3%

N=1,230

N=1,137

N=635

- **The poorest** tend to rely on **farming** and therefore to have **seasonal income**
- **Salaried work is not widespread** in Uganda and large traders or highly educated free lancers also earn income from their everyday sales/ occasional contracts, similarly to casual workers

5/8/2020

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Note: Poverty levels are based on the PPI score.



2) How Ugandans Save

IN TIMES OF FINANCIAL HARDSHIPS, SAVINGS COME IN HANDY, BUT NOT ALL SAVINGS ARE LIQUID OR EASILY ACCESSIBLE.

- **Different options** are available to save money over time:

Liquid savings (easily accessible)

- **Liquid savings** is defined as money put away over time to have it available for future use. It does not include cash kept at home for everyday expenses
- **54%** of Ugandans have had liquid savings over the past 12 months

Note: Some respondents considered as “liquid” i.e. “money that is available for future use” savings from savings groups, while others did not”. This probably depends on the functioning of the savings group they belong to, and the easiness to access funds when they request it.

Semi-Liquid and Illiquid savings

Investment

- **Investment** refers to having bought, built or started anything with the intention to sell in the future for a profit
- **35%** of Ugandans invested over the past 12 months
 - **67%** bought livestock
 - **11%** started a business
 - **10%** bought land/farm/property

Saving Groups

- **42%** of Ugandans belong to a savings group. Among them:
 - **66%** contribute to it weekly
 - **16,000 UGX** (4.3 USD) is given to the savings group monthly (median)
 - **150,000 UGX** (40 USD) is the amount received at each pay-out (median)



THE MEDIAN **POOREST 40%** BARELY HAVE ANY READY LIQUID SAVINGS; WHILE THE **MIDDLE INCOME** ISN'T MUCH DIFFERENT WITH MEDIAN LIQUID SAVINGS AT **USD 1.6**

Savings available

	Overall	Poorest 40%	Middle 40%	Richest 20%
	N=3,002	N=1,230	N=1,137	N=635
Liquid assets				
■ % of adults that had liquid savings over the past 12 months	54%	47%	56%	64%
■ Amount of savings available at any given point in time				
■ Median	4,800 UGX (1.3 USD)	0 UGX (0 USD)	6,000 UGX (1.6 USD)	40,000 UGX (10.7 USD)
■ Mean	949,123 UGX (253 USD)	399,994 UGX (107 USD)	1,095,260 UGX (292 USD)	1,660,168 UGX (443 USD)
Semi Liquid and Illiquid assets				
■ % of adults that have illiquid investment or belong to a savings group	58%	56%	62%	57%
■ Illiquid investment (% in livestock)	35% (67%)	32% (76%)	37% (64%)	38% (53%)
■ Savings group	42%	40%	47%	37%
■ Monthly contribution to savings group (median)	16,000 UGX (4.2 USD)	10,000 UGX (2.6 USD)	20,000 UGX (5.2 USD)	30,000 UGX (7.9 USD)

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Note: Poverty levels are based on the PPI score.



ADULTS IN KAMPALA HAVE THE HIGHEST MEDIAN SAVINGS, BUT A GREATER PERCENTAGE OF RURAL ADULTS SAVE WITH SAVINGS GROUPS AND IN ILLIQUID INVESTMENTS

Savings available		Rural	Other urban	Kampala
Liquid assets		N=2,173	N=676	N=153
■ % of adults that had liquid savings over the past 12 months		52%	57%	73%
■ Amount of savings available		0 UGX (0 USD)	40,000 UGX (10.7 USD)	160,000 UGX (42.7 USD)
■ Median				
■ Mean		856,307 UGX (229 USD)	1,176,132 UGX (314 USD)	1,633,700 UGX (436 USD)
Semi Liquid and Illiquid assets				
■ % of adults that have illiquid investment or belong to a savings group		61%	53%	44%
■ Illiquid investment (% livestock)		37% (70%)	28% (58%)	24% (37%)
■ Savings group		44%	38%	28%
■ Monthly contribution to savings group (median)		12,000 UGX (3.2 USD)	25,000 UGX (6.7 USD)	40,000 UGX (10.7 USD)



MEDIAN SAVINGS FOR WOMEN IS **6 TIMES LOWER** THAN THAT OF MEN, COMPROMISING THEIR RESILIENCE LEVELS (1/2)

Savings available			
		Male	Female
Liquid assets		N=1,052	N=1,950
■ % of adults that had liquid savings over the past 12 months		55%	53%
■ Amount of savings available		9,600 UGX (2.6 USD)	1,600 UGX (0.4 USD)
■ Median			
■ Mean		1,393,144 UGX (2.6 USD)	570,998 UGX (152 USD)
Semi Liquid and Illiquid assets			
■ % of adults that have illiquid investment or belong to a savings group		59%	58%
■ Illiquid investment (% livestock)		41% (64%)	29% (70%)
■ Savings group		39%	45%
■ Monthly contribution to savings group (median)		20,000 UGX (5.3 USD)	15,000 UGX (4.0 USD)



MEDIAN SAVINGS OF MEN ARE 1.5-2X TIMES OF WOMEN. A HIGHER PERCENTAGE OF WOMEN ENGAGE AND SAVE MORE WITH SAVINGS GROUPS THAN MEN (2/2)

Savings available	Poorest 40%		Middle 40%		Richest 20%	
	Male	Female	Male	Female	Male	Female
Liquid assets						
■ % of adults that had liquid savings over the past 12 months	N=286 48%	N=451 45%	N=220 56%	N=353 57%	N=86 67%	N=105 62%
■ Amount of savings available	0 UGX (0 USD)	0 UGX (0 USD)	24,000 UGX (6.4 USD)	10,000 UGX (2.6 USD)	90,000 UGX (23.9 USD)	60,000 UGX (15.9 USD)
■ Median						
■ Mean	587,886 UGX (156 USD)	270,406 UGX (72 USD)	1,786,326 UGX (474 USD)	572,553 UGX (152 USD)	2,607,019 UGX (692 USD)	1,316,275 UGX (349 USD)
Semi Liquid and Illiquid assets						
■ % of adults that have illiquid investment or belong to a savings group	58%	55%	62%	61%	57%	56%
■ Illiquid investment (% livestock)	39% (73%)	26% (80%)	43% (60%)	31% (69%)	44% (53%)	32% (53%)
■ Savings group	37%	43%	45%	49%	32%	41%
■ Monthly contribution to savings group (median)	12,000 UGX (3.2 USD)	10,000 UGX (2.6 USD)	20,000 UGX (5.3 USD)	20,000 UGX (5.3 USD)	30,000 UGX (8.0 USD)	30,000 UGX (8.0 USD)



25-34-YEAR-OLDS HAVE THE HIGHEST MEDIAN OF LIQUID SAVINGS AVAILABLE THAN ANY OTHER AGE GROUP

Savings available

	15-24 y.o.	25-34 y.o.	35-44 y.o.	45-54 y.o.	55+ y.o.
	N=854	N=874	N=489	N=375	N=410
Liquid assets					
■ Have had liquid savings over the past 12 months	50%	60%	55%	57%	42%
■ Amount of savings available					
■ Median	0 UGX (0 USD)	24,000 UGX (6.4 USD)	12,000 UGX (3.2 USD)	12,000 UGX (3.2 USD)	0 UGX (0 USD)
■ Mean	567,890 UGX (150 USD)	1,039,458 UGX (275 USD)	1,580,490 UGX (419 USD)	644,663 UGX (171 USD)	1,066,183 UGX (282 USD)
Semi Liquid and Illiquid assets					
■ % of adults that have illiquid investment or belong to a savings group	51%	62%	71%	63%	47%
■ Illiquid investment (% in livestock)	33% (68%)	40% (64%)	39% (68%)	35% (66%)	25% (72%)
■ Savings group	31%	45%	54%	49%	38%
■ Monthly contribution to savings group (median)	20,000 UGX (5.3 USD)	20,000 UGX (5.3 USD)	20,000 UGX (5.3 USD)	20,000 UGX (5.3 USD)	10,000 UGX (2.6 USD)



MAJORITY OF THE POOR OWN THEIR HOMES (ILLIQUID ASSET) BUT DON'T FORMALLY OWN THEIR LAND (1/2)

- **The poorest** are the **most likely to own their houses** but the majority of them (68%) own it according to **customary/ clan laws**, which does not increase individual resilience to shocks since for e.g. it cannot be easily put down as a collateral for a loan.
- On the other hand, **the richest** are less likely to own their home, but when they do, they are **more likely to own it formally** (freehold or title deed), making it a **more liquid asset**

	Poorest 40%	Middle 40%	Richest 20%
<ul style="list-style-type: none"> ■ Owns one's home 	61%	55%	26%
<ul style="list-style-type: none"> ■ Type of home ownership <ul style="list-style-type: none"> ■ Customary/ clan 	68%	52%	35%
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ■ Freehold/ title deed 	7%	16%	21%
<ul style="list-style-type: none"> ■ Owns land <i>(other than the land on which one's live)</i> 	38%	39%	34%
	N=689 to 1,230	N=625 to 1,137	N=165 to 635

Note: Poverty levels are based on the PPI score; owning one's home means personally owning or owning together with someone else.

WOMEN OWN FEWER FORMS OF TRADITIONAL COLLATERAL – HOMES OR LAND (2/2)

Making it harder for financial institutions that work with legacy structures to serve women and help them bounce back from an economic shock

	Poorest 40%		Middle 40%		Richest 40%	
	Male	Female	Male	Female	Male	Female
■ Owns one's home	71%	53%	67%	45%	30%	16%
■ Type of home ownership						
■ Customary/ clan	69%	67%	52%	52%	38%	32%
■ Freehold/ title deed	6%	8%	16%	15%	23%	20%
■ Owns land <i>(other than the land on which one's live)</i>	47%	30%	50%	29%	44%	26%
	N=316 to 440	N=422 to 790	N=257 to 396	N=317 to 741	N=61 to 216	N=76 to 419

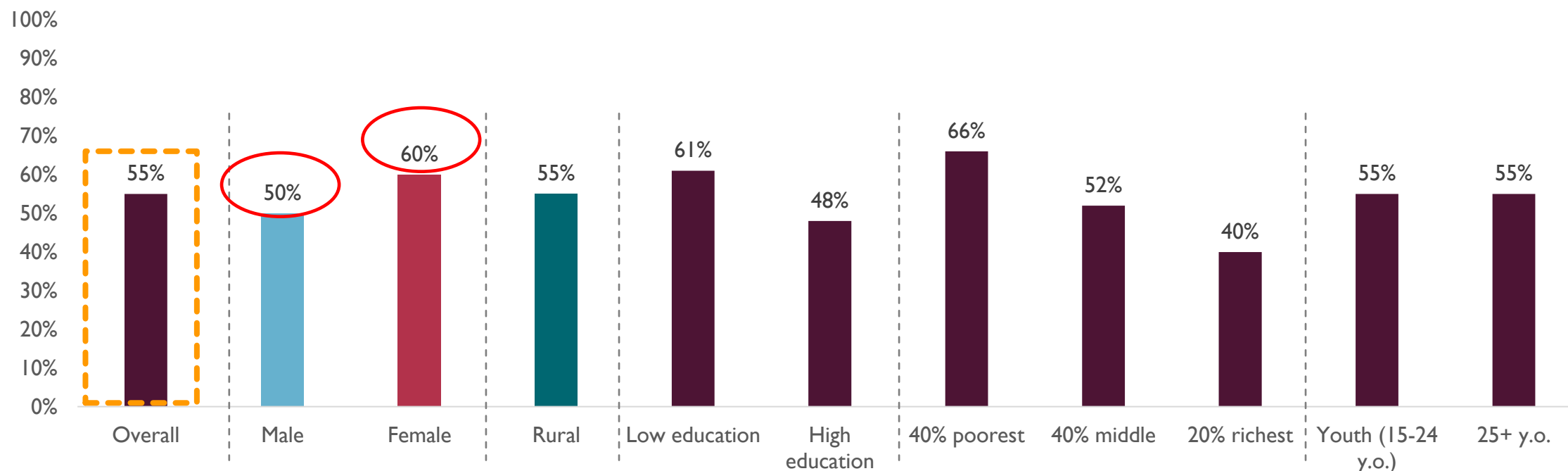
Note: Poverty levels are based on the PPI score; owning one's home means personally owning or owning together with someone else.



3) Ability of Ugandans to raise emergency funds in a crisis

1 IN 2 MEN CANNOT RAISE EMERGENCY FUNDS IF NEEDED WHILE 3 OUT OF 5 WOMEN CANNOT RAISE THE SAME

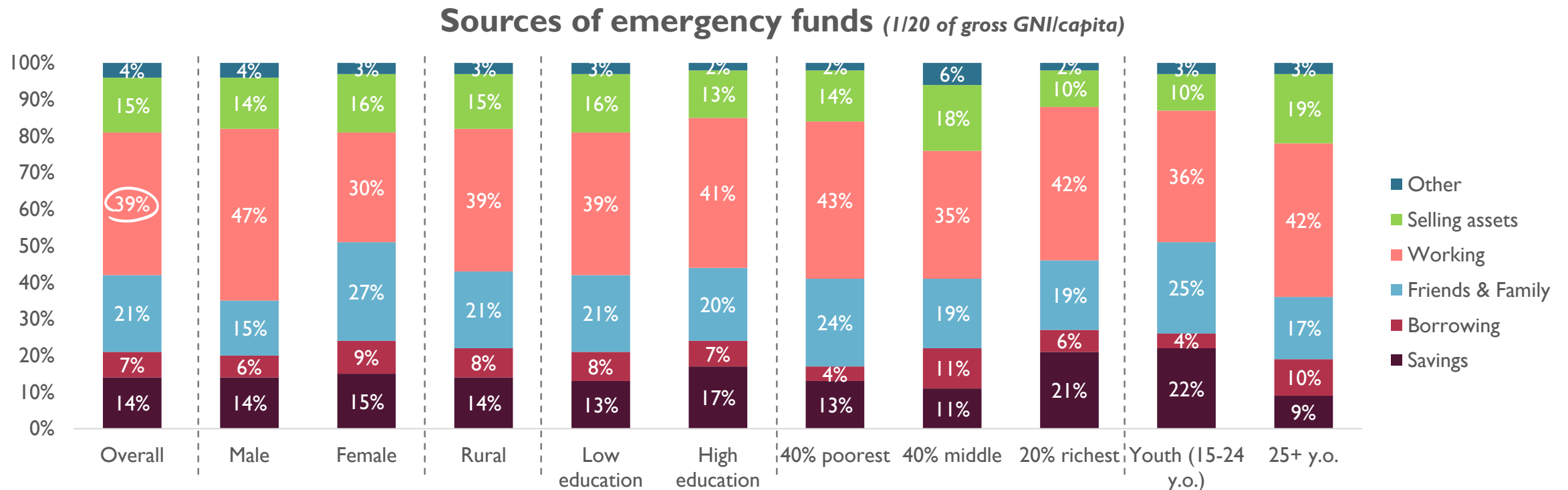
Cannot come up with emergency funds (1/20 of gross GNI/capita)



Source: Findex 2017; N (overall)=1,000; N (male)=421; N (female)=579; N (rural)=N/A; N (low ed.)=513; N (high ed.)=480; N (40% poorest)=345; N (40% middle)=395; N (20% richest)=260; N (youth)=357; N (25+)=642

Notes: Low education – primary level or less; high education – secondary level or higher.

WORKING MORE IS THE MOST COMMON SOURCE OF EMERGENCY FUNDS FOR ALL SEGMENTS, BUT THIS OPTION MAY NOT BE AVAILABLE DURING LOCKDOWN



Source: Findex 2017; N (overall)=457; N (male)=222; N (female)=235; N (rural)=N/A; N (low ed.)=189; N (high ed.)=266; N (40% poorest)=110; N (40% middle)=189; N (20% richest)=158; N (youth)=159; N (25+)=298

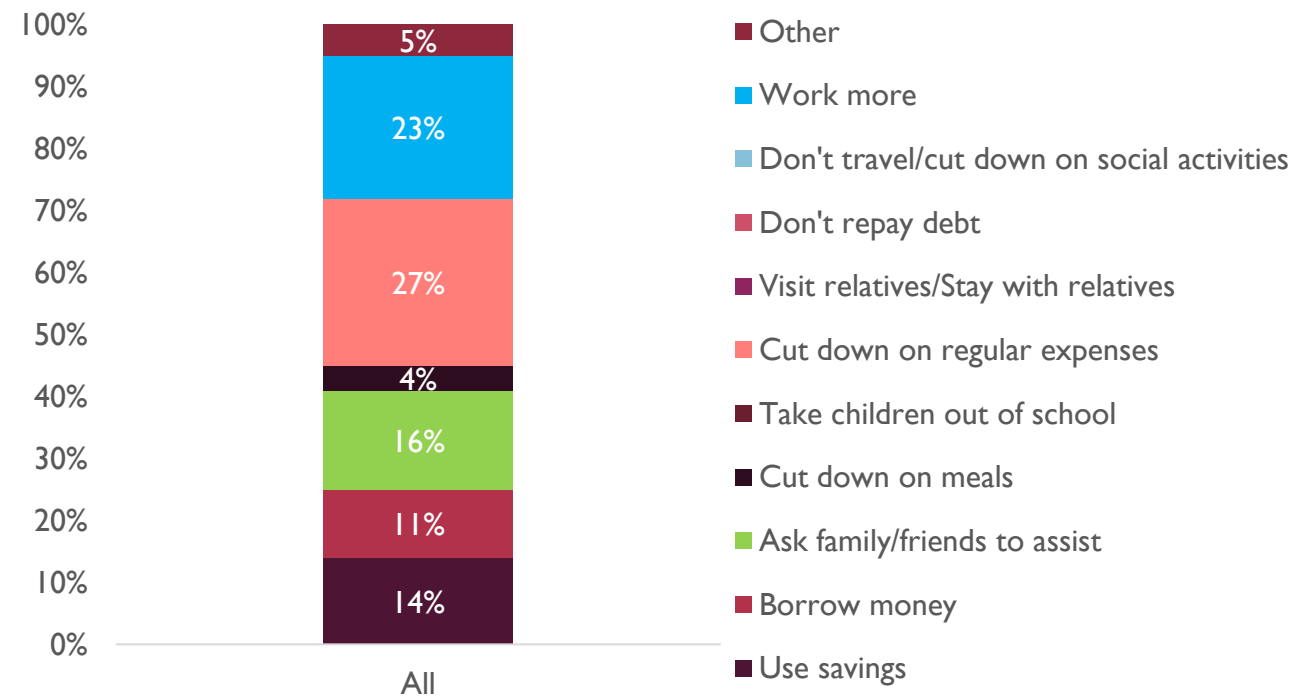
Notes: Low education – primary level or less; high education – secondary level or higher.

4) Coping mechanisms when facing financial hardship

SOME OF THE COPING MECHANISMS TRADITIONALLY USED BY UGANDANS MAY NOT BE AVAILABLE AT A TIME OF TRAVEL RESTRICTIONS/ECONOMIC SHOCKS

- **Coping mechanisms** refer to the alternatives at one's disposal when facing financial difficulties
- In such situation, Ugandans tend to **cut down on regular expenses (27%)**, **work more (23%)**, **ask family or friends to assist (16%)**, use **savings (14%)** or **borrow money (11%)**
- However, **at a time of travel restrictions or economic shocks, some of these coping mechanisms may not be available** anymore (or only partially available). E.g.: working more, asking family or friends, borrowing money, etc.

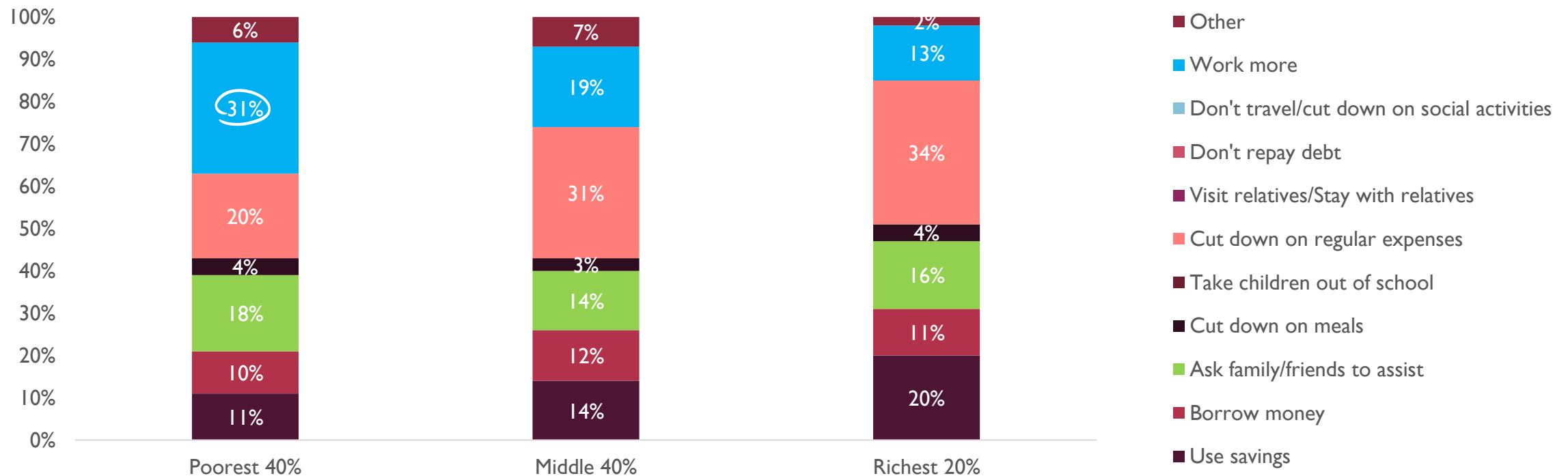
Coping mechanism when running out of money



Source: FinScope 2018; N=3,002

1 OUT OF 3 OF THE POOREST UGANDANS TEND TO WORK MORE IN CASE OF FINANCIAL DIFFICULTIES, SHOWING LITTLE CAPACITY TO REDUCE EXPENSES

Coping mechanism when running out of money by poverty level



Source: FinScope 2018; N (poorest 40%)=1,089; N (middle 40%)=1,001; N (richest 20%)=559 – only those who declare getting money.

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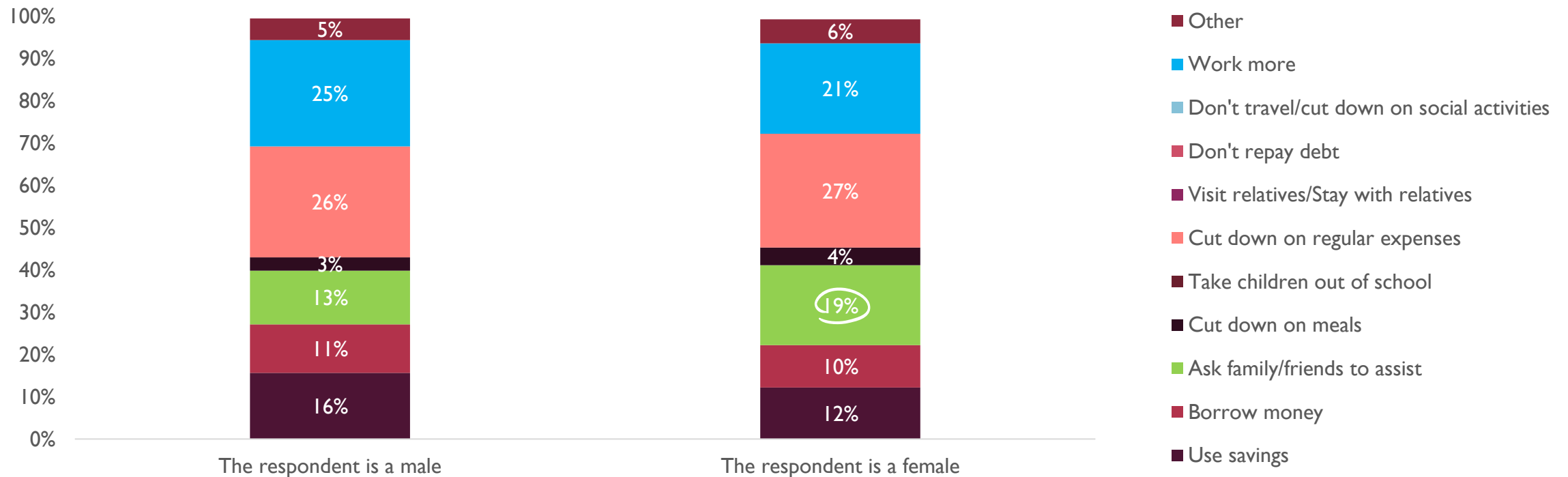
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Note: Poverty levels are based on the PPI score.



COMPARED TO MEN, WOMEN ARE MORE LIKELY TO ASK ASSISTANCE FROM FRIENDS AND FAMILY WHEN RUNNING OUT OF MONEY

Coping mechanism when running out of money by gender



Source: FinScope 2018; N (Male)=986; N (Female)=1,663 – only those who declare getting money.

5) Interaction with Financial Services and Technology

MOBILE MONEY IS THE MOST POPULAR FINANCIAL SERVICES CHANNEL, BUT MOST UGANDANS SAVE AND LEND WITH SAVINGS GROUPS

<u>Institutions used</u>		Banks	Microfinance institutions	Formal money lenders	SACCOS	Cooperatives	Mobile money services	Insurance services	Pension services	Savings groups	Money lenders in community	
Overall	-	10%	2%	0%	5%	1%	54%	1%	1%	41%	2%	N=3,002
Poverty level	The poorest 40%	3%	1%	0%	2%	0%	34%	1%	0%	41%	1%	N=1,230
	The middle 40%	13%	2%	0%	6%	1%	64%	1%	1%	45%	2%	N=1,136
	The richest 20%	23%	3%	1%	7%	1%	84%	3%	2%	36%	1%	N=635
Urbanity	Rural	7%	1%	0%	4%	1%	48%	1%	1%	43%	2%	N=2,173
	Other urban	18%	3%	1%	6%	0	70%	2%	2%	37%	2%	N=676
	Kampala	38%	5%	1%	10%	0%	90%	5%	3%	28%	3%	N=153
Gender	Male	11%	2%	0%	5%	1%	55%	1%	1%	41%	2%	N=1,052
	Female	9%	2%	0%	5%	0%	53%	1%	1%	41%	2%	N=1,950
Age	15-24 y.o.	7%	1%	0%	3%	0%	54%	2%	1%	31%	1%	N=819
	25-34 y.o.	14%	1%	0%	7%	0%	62%	2%	1%	44%	3%	N=846
	35-44 y.o.	12%	2%	0%	6%	1%	57%	1%	1%	53%	3%	N=473
	45-54 y.o.	10%	4%	0%	5%	0%	56%	1%	1%	48%	1%	N=366
	55+ y.o.	9%	1%	1%	3%	1%	36%	1%	2%	36%	1%	N=356

Note: Poverty levels are based on the PPI score.

UNIQUE PHONE AND CONSISTENT INTERNET ACCESS IS LOW, ESPECIALLY AMONG WOMEN AND THE POOREST 40%

		Access a phone	Own a phone (personally own a handset)	Owens a smartphone (only those owning a phone)	Own a SIM (that one can use anytime)	Has used mobile money (in the past 12 months)	Access Internet	
Overall	-	70%	52%	14%	56%	54%	10%	N=3,002
Poverty level	The poorest 40%	54%	28%	3%	33%	32%	2%	N=1,230
	The middle 40%	79%	63%	9%	66%	64%	10%	N=1,136
	The richest 20%	92%	84%	26%	88%	84%	30%	N=635
Urbanity	Rural	66%	46%	5%	50%	47%	5%	N=2,173
	Other urban	82%	66%	22%	70%	69%	20%	N=676
	Kampala	87%	85%	45%	87%	90%	46%	N=153
Gender	Male	75%	58%	11%	63%	59%	13%	N=1,052
	Female	66%	46%	14%	50%	49%	8%	N=1,950
Age	15-24 y.o.	69%	47%	19%	53%	53%	16%	N=819
	25-34 y.o.	76%	60%	21%	66%	63%	14%	N=846
	35-44 y.o.	75%	56%	5%	58%	55%	3%	N=473
	45-54 y.o.	75%	56%	7%	59%	53%	4%	N=366
	55+ y.o.	53%	35%	8%	36%	34%	3%	N=356

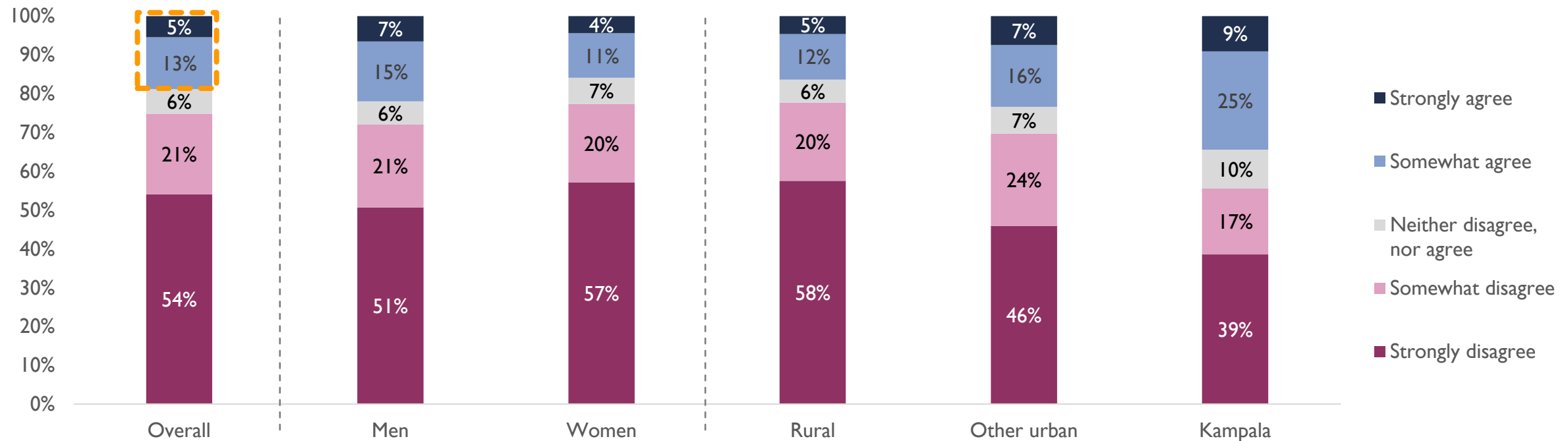
Note: Poverty levels are based on the PPI score.



5) Additional insights from the 2017 Financial Inclusion Insights (FII) dataset

LESS THAN A FIFTH OF UGANDANS CLAIM TO HAVE ENOUGH MONEY TO PAY FOR THEIR LIVING EXPENSES

I have enough money to pay for my living expenses



Source: Financial Inclusion Insights 2017; N (Overall)=3,001; N (Men)=1,126; N (Women)=1,875; N (Rural)=2,165; N (Other urban)=673; N (Kampala)=163.

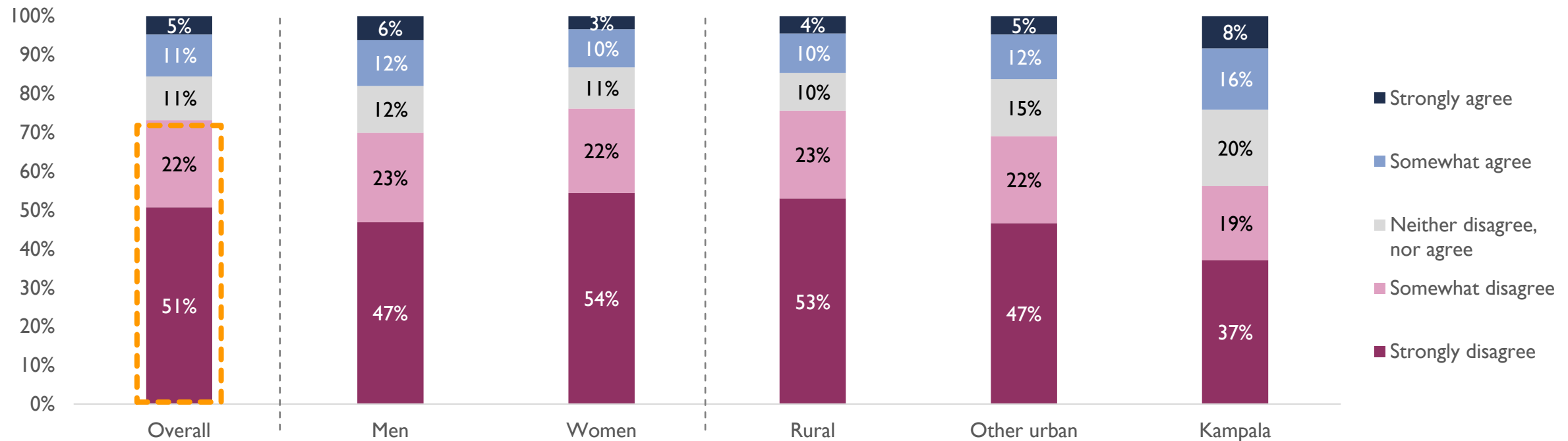
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SIMILARLY, A LARGE MAJORITY CLAIM TO STRUGGLE TO EARN ENOUGH TO PAY BACK THEIR DEBT AND PAY FOR THEIR LIVING EXPENSES

I earn enough money to pay back debt and also pay for my living expenses



Source: Financial Inclusion Insights 2017; N (Overall)=3,001; N (Men)=1,126; N (Women)=1,875; N (Rural)=2,165; N (Other urban)=673; N (Kampala)=163.

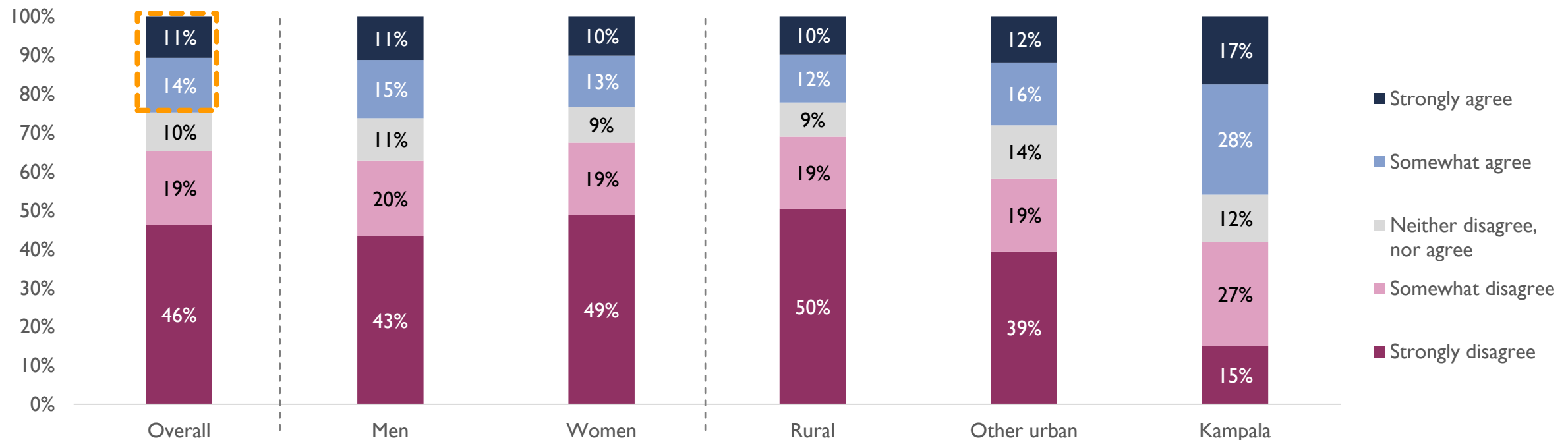
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ONLY ABOUT A QUARTER OF ADULTS SAY THEY PAY THEIR BILLS ON TIME AND IN FULL, SHOWING CLEAR FINANCIAL DIFFICULTIES

I pay my bills on time and in full



Source: Financial Inclusion Insights 2017; N (Overall)=3,001; N (Men)=1,126; N (Women)=1,875; N (Rural)=2,165; N (Other urban)=673; N (Kampala)=163.

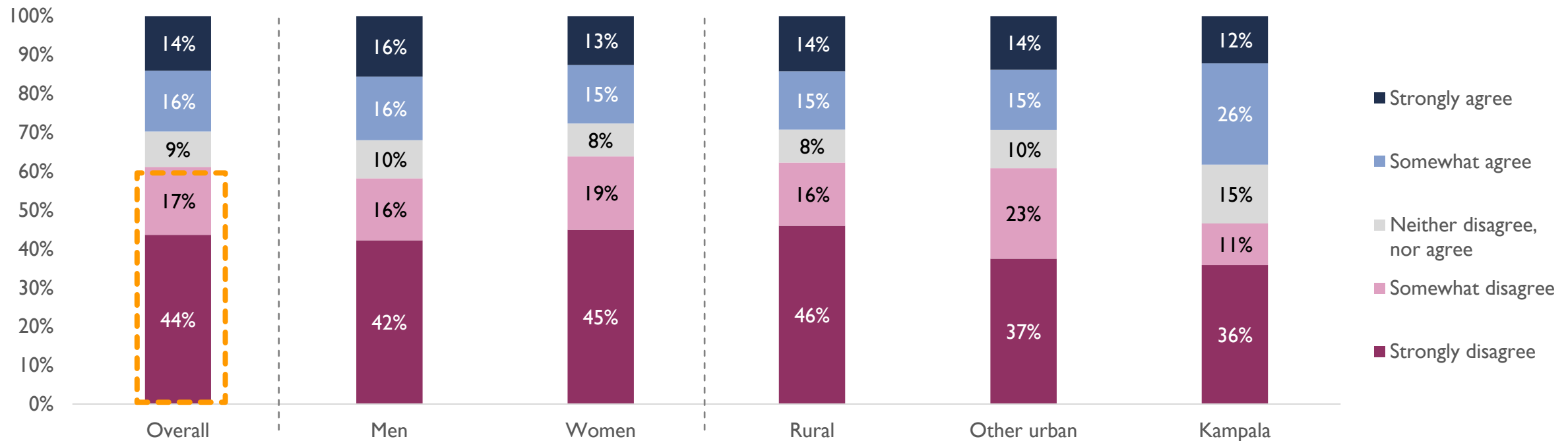
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A MAJORITY OF THE POPULATION ALSO STRUGGLE TO SAVE MONEY ON A TYPICAL MONTH. THIS IS PARTICULARLY TRUE OUT OF KAMPALA

I spend less money than I make each month



Source: Financial Inclusion Insights 2017; N (Overall)=3,001; N (Men)=1,126; N (Women)=1,875; N (Rural)=2,165; N (Other urban)=673; N (Kampala)=163.

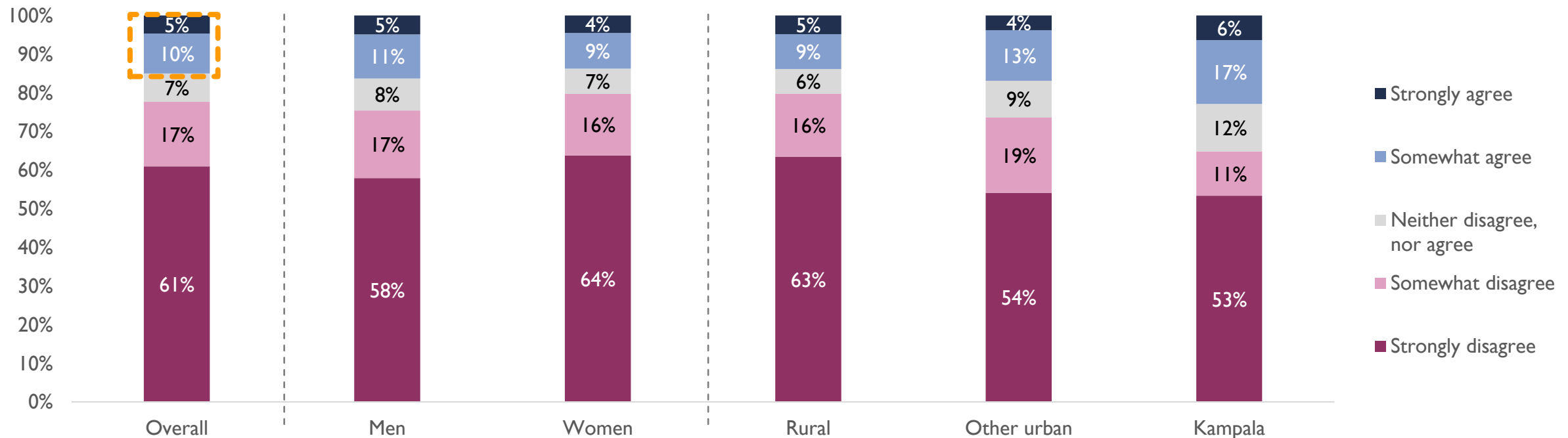
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ONLY 15% OF UGANDANS CLAIM TO HAVE AN EMERGENCY FUND TO COVER UNPLANNED EXPENSES, WITH ONLY LIMITED DIFFERENCES AMONG CATEGORIES

I have an emergency fund that is large enough to cover unplanned expenses



Source: Financial Inclusion Insights 2017; N (Overall)=3,001; N (Men)=1,126; N (Women)=1,875; N (Rural)=2,165; N (Other urban)=673; N (Kampala)=163.

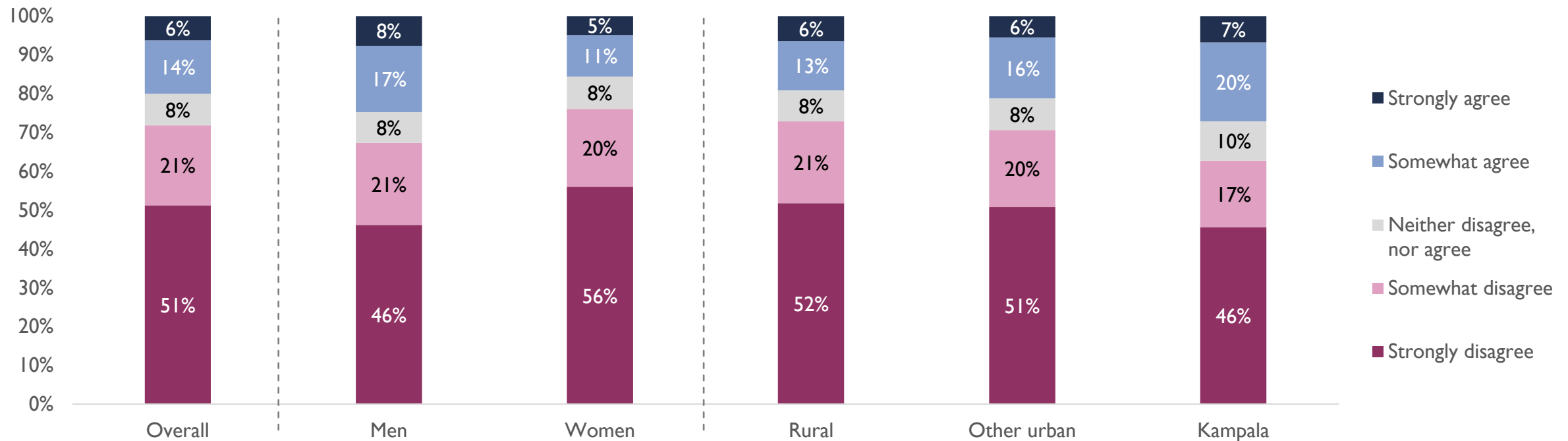
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A FIFTH OF RESPONDENTS CONSIDER THEY HAVE SAVINGS AND ASSETS (WHICH MAY BE ILLIQUID) THAT CAN KEEP THEM FINANCIALLY SECURE IN THE FUTURE

I have savings or assets that will keep me financially secure in the future



Source: Financial Inclusion Insights 2017; N (Overall)=3,001; N (Men)=1,126; N (Women)=1,875; N (Rural)=2,165; N (Other urban)=673; N (Kampala)=163.

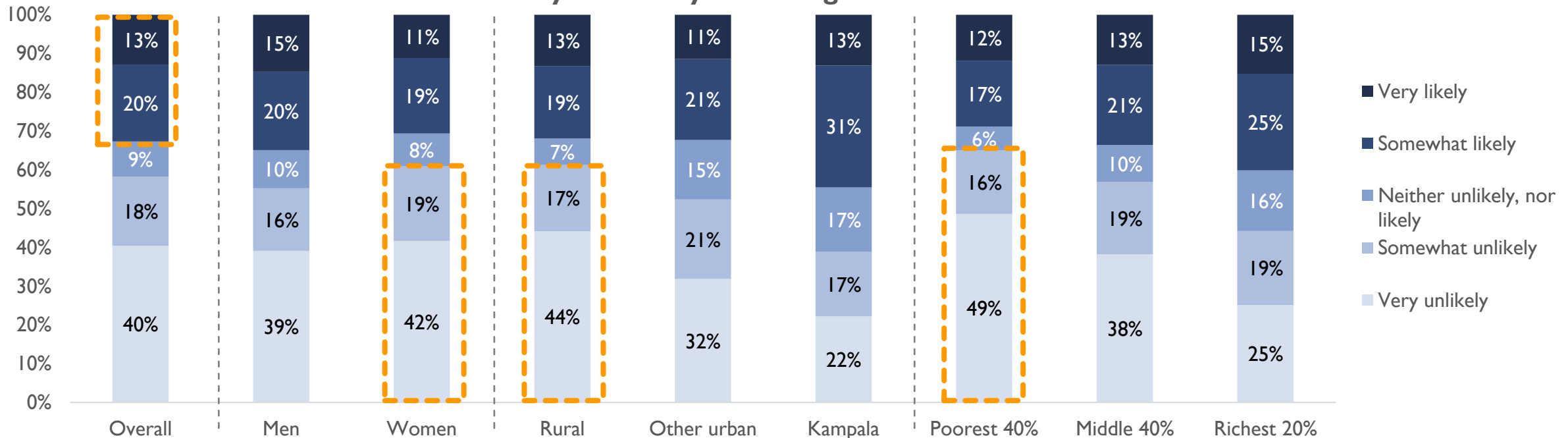
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A THIRD OF RESPONDENTS SAY THEY COULD GATHER AN IMPORTANT SUM BUT POOR, WOMEN, AND RURAL INDIVIDUALS WOULD STRUGGLE MORE

If you had an emergency and urgently needed to pay a sum equal to one year of your income, how likely is it that you could gather sufficient funds?



Source: Financial Inclusion Insights 2017; N (Overall)=2,935; N (Men)=1,099; N (Women)=1,836; N (Rural)=2,127; N (Other urban)=653; N (Kampala)=155; N (Poorest 40%)=1,245; N (Middle 40%)=1,107; N (Richest 20%)=583 – excluding the ones that do not know.

5/8/2020

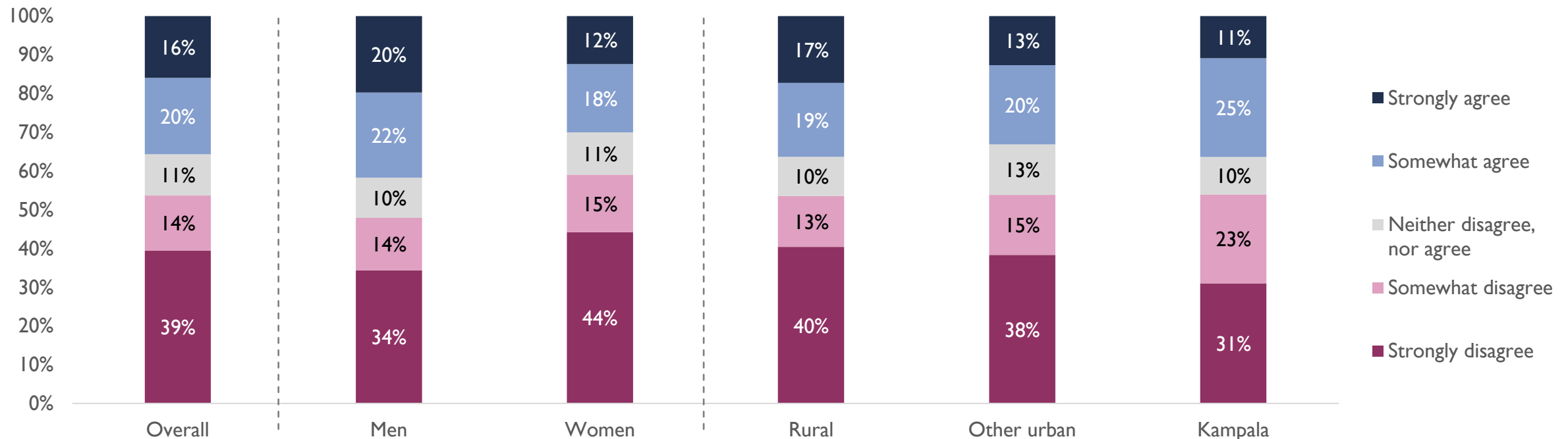
60

Note: Poverty levels are based on the PPI score.



A THIRD OF ADULTS, ACROSS MOST CATEGORIES, ALSO CLAIM THAT THEIR FRIENDS AND FAMILY RELY ON THEM TO GET FINANCIAL SUPPORT

Friends and family rely on me to help with their finances



Source: Financial Inclusion Insights 2017; N (Overall)=3,001; N (Men)=1,126; N (Women)=1,875; N (Rural)=2,165; N (Other urban)=673; N (Kampala)=163.

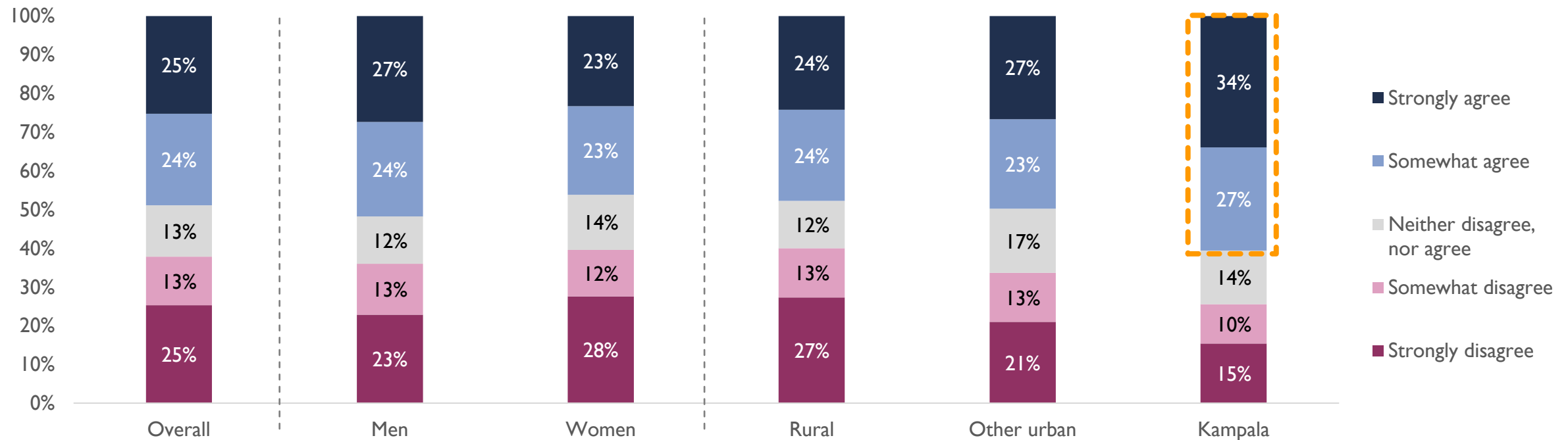
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INDIVIDUALS IN KAMPALA ARE MORE CONFIDENT THAT THEIR INCOME WILL GROW THAN IN RURAL AREAS

I am confident that my income will grow in the future



Source: Financial Inclusion Insights 2017; N (Overall)=3,001; N (Men)=1,126; N (Women)=1,875; N (Rural)=2,165; N (Other urban)=673; N (Kampala)=163.

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KEY FINDINGS: INSIGHTS FROM THE 2017 FII DATASET

- Insights from this section are based **on perception** and, in practice, a **given situation** can lead to **different perceptions** from individual to another
- Even if it is sometimes difficult to reconcile the figures from all questions, the **conclusion** is **clear**: the **bulk** of adults consider they are in a **difficult situation**
 - **Less than one adult out of five** claim to have **enough** money to cover their **living expenses** and **most** adults **struggle** to pay their bills on time and in full. Few have an emergency fund
 - **Less than a third** claim to be able to **save** some money on a **monthly** basis
- However, despite this gloomy perception, **up to a third** of Ugandans claim they could gather a **sum equivalent to a year of income**
 - This implies they are **confident** they could get support from **friends and family**. Similarly about a third of adults claim that their friends and family depend on them for financial support.
 - But such support unlikely if the situation of **most** adults **deteriorate** at the **same time e.g. a pandemic**



Annexes: methodological details

VARIABLE CAPACITY TO SUSTAIN ONE'S LIFESTYLE - STEP 1: CREATION OF A VARIABLE "REVENUE PRE-LOCKDOWN"

- Creation of a variable "Revenue pre-lockdown" using question D8

D8	Ask ALL except if D2.1=10 You said that you get money from [...] <i>Read out all sources.</i> Can you tell me approximately how much you get from [...] ? You can give me an average either per day or month or per annum? <i>Read out each source.</i>			
	Source	Daily	Monthly	Per Annum
	Don't know	997	997	997
	Refused	998	998	998

VARIABLE CAPACITY TO SUSTAIN ONE'S LIFESTYLE - STEP 2: CREATION OF A VARIABLE "ESTIMATED REVENUE DURING LOCKDOWN"

- Creation of a variable "Estimated revenue during lockdown" using questions D2.4, D4 and D5
 - Hypothesis – Estimated revenue retained during lockdown:
 - 100% of pre-lockdown revenue for answers 5, 6, 7, 8 to D2.4 (social welfare money/ grant from Government for example)
 - 80% of pre-lockdown revenue for answer 1 to D2.4 (salaries/wages)
 - 70% of pre-lockdown revenue for answers 9 and 10 to D2.4 (respondents relying on others to pay their expenses)
 - 10% of pre-lockdown revenue for answer 4 to D2.4 (piece work, casual labour)
 - If respondent answered 2 to D2.4, estimated revenue during lockdown depends on answer to D4:
 - 60% of pre-lockdown revenue for answers 1, 2, 3, 4, 5, 9 to D4 (sales of food products)
 - 30% of pre-lockdown revenue for answers 6, 7, 8 to D4 (sales of non-food products)
 - If respondent answered 3 to D2.4, estimated revenue during lockdown depends on answer to D5
 - 100% of pre-lockdown revenue for answer 9 to D5 (health services providers)
 - 60% of pre-lockdown revenue for answers 3, 6, 7, 8, 10, 11 to D5 (mobile money agent, information/research services, etc. for instance)
 - 10% of pre-lockdown revenue for answers 1, 2, 4, 5 to D5 (hairstylist, boda boda driver, restaurant, etc. for example)

D2.4		Only for those with more than one source of money: You said you get money from [...] <i>Read out money sources mentioned by the respondent in 2.1</i> On which of these sources do you rely most to cover your expenses? <i>Single mention</i>			
		2.1	2.2	2.3	2.4
	Salaries/wages	1			
	Money from trading/selling				
	<i>Anything you produce/grow/raise/make/collect/buy with the intention of selling</i>	2			
	Money from providing a service – i.e. such as transport, hairdressing, processing, hospitality services (food & accommodation)	3			
	Piece work/Casual labor/Occasional jobs	4			
	Rental income	5			
	Interest from savings, investments, stocks, unit trusts etc.	6			
	Pension	7			
	Social welfare money/grant from Government	8			
	Someone else/others give/send me money	9			
	Don't get money – someone else pays my expenses <i>Single response</i>	10			
	IF D2.1=10, go to D10				
	Other, specify	11			

D4		Only for those with D2.4=2 You said you get money from selling things – what kind of things do you MAINLY sell (get most money from)? <i>Don't read out; Probe. Single mention</i>	
	Crops/produce you grow		1
	Products I get from livestock		2
	Livestock		3
	Fish you catch yourself/aquaculture		4
	Things you buy from others – agricultural products		5
	Things you buy from others – non-agricultural products		6
	Things you make (clothes, art, crafts)		7
	Things you collect from nature (stones, sand, thatch, herbs)		8
	Things you process (honey, dairy products, flour)		9
	Other, specify		10

D5		Only for those with D2.4=3 You said you get money from providing a service – what kind of services do you MAINLY provide (get most money from)? <i>Don't read out. Single mention</i>	
	Personal services (hairstylists, massage, etc.)		1
	Telecommunications/IT		2
	Financial services e.g. Moneylender, mobile money agent		3
	Transport		4
	Hospitality – Accommodation, restaurants, etc.		5
	Information/research		6
	Technical – mechanic, etc.		7
	Educational/child care		8
	Health services – traditional healer etc.		9
	Legal services		10
	Security		11
	Other, specify		12

VARIABLE CAPACITY TO SUSTAIN ONE'S LIFESTYLE - STEP 3: CREATION OF A VARIABLE "SAVINGS AVAILABLE"

- Creation of a variable "Savings available"
 - Questions F3, F4.2 and F6 used to determine the average amount of money saved monthly

F3	<p><i>I would now like you to think about putting aside or saving some of your money. Everyone keeps some cash at home for everyday expenses – this is not what I am referring to. I am talking about money that you are putting away over time with the intention to keep doing so to ensure that the amount increases over time and you have it available for future use.</i></p> <p>In the past 12 months – did you save or put money aside for this purpose?</p> <p>Yes <i>Continue</i></p> <p>No <i>Go to F7</i></p>	
F4	<p>1. Please tell me which of the following did you use for saving or keeping money you put away in the past 12 months? <i>Read out 1=Yes; 2=No</i></p> <p>2. For each mechanism a respondent has ask: How often did you save/put money in [...] <i>Read out each option in 5.1. Single mention per mechanism</i> <i>1=Less than once a month; 2=Once a month; 3=More than once a month</i></p>	

F6	How much money did you save/put away the last time you saved/put money away?	
	<i>Ugandan shillings</i>	
	Refused	997
	Can't remember	999

- Questions G3, G3.2 and G3.3 used to determine the number of months of savings available at t0 (beginning of lockdown)
 - Hypothesis: respondents borrow money when they have no more savings available to finance their needs

G3.1	Did you borrow money from anybody or any institution during the past 12 months?	
	Yes <i>Continue</i>	1
	No <i>Go to G4.1</i>	2
G3.2	Did you borrow more than once?	
	Yes	1
	No	2
G3.3	When was the last time you borrowed? <i>Read out; Single mention</i>	
	Yesterday/today	1
	In the past 7 days	2
	In the past 30 days	3
	In the past 90 days	4
	More than 90 days ago but less than 6 months ago	5
	6 months or longer ago	6

VARIABLE CAPACITY TO SUSTAIN ONE'S LIFESTYLE - STEP 4: CREATION OF A VARIABLE “NUMBER OF DAYS ONE CAN SUSTAIN ITS LIFESTYLE DURING LOCKDOWN”

- Creation of a variable “Number of days one can sustain its lifestyle during lockdown”, which indicates the number of days a respondent can support its pre-lockdown lifestyle with its savings, taking into account revenue losses due to lockdown
- This variable is the result of a computation:

$$\text{Savings available} / (\text{Revenue pre-lockdown} - \text{Estimated revenue during lockdown})$$

VARIABLE “AT RISK OF NOT MEETING BASIC SURVIVAL NEEDS (ROOF & FOOD)”

- Having a **place to sleep** (roof) and **access to food** are two extremely basic needs
- During a crisis, **owning one's home¹** and **producing one's food²** are two important resilience/survival factors
- This variable is created using questions C11.1 and C13.1 and C14
 - Hypothesis:
 - Respondents answering 4, 5 to C11.1 are considered at risk of losing their roof
 - Respondents answering 2 to C13.1 and not answering 5 to C14 (production of food crops) are considered as at risk of not accessing food

C11.1	Which of the following applies to you? <i>Read out; Single response</i>	
	You personally own the house/plot where you live <i>Continue</i>	1
	You own the house/plot together with someone else <i>Continue</i>	2
	A household member owns the house/plot <i>Go to C12</i>	3
	The house/plot is rented <i>Go to C12</i>	4
	You don't own or rent the land/house <i>Go to C12</i>	5
	Don't know (<i>Don't read out</i>) <i>Go to C12</i>	6

C13.1	Are you personally involved in any agricultural/fishing/aquaculture activities? <i>YES continue NO go to C17</i>	Yes	No
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C14	Which of these farming activities are you involved in? <i>Read out; Multiple mention</i>	
	Cattle	1
	Goats, sheep, pigs, etc.	2
	Other livestock such as poultry, rabbits etc.	3
	Cash crops – coffee, cotton, cashew nuts, spices etc.	4
	Food crops – maize, rice, beans, etc.	5
	Fruit – bananas, mangos, pineapple, oranges, coconuts, etc.	6
	Vegetables – tomatoes, carrots, onions, cabbages, etc.	7
	Aquaculture	8
	Beekeeping	9

VARIABLE “HAVE A COPING MECHANISM”

- Creation of a variable “Have a coping mechanism” using E7
 - Hypothesis
 - No coping mechanism: if answers 4 or 10 to E7
 - Partial coping mechanism: if answers 1, 2, 3, 5, 6, 7, 8 to E7
 - Good coping mechanism: if answers 9 to E7

E7	<i>Ask only if D2.1 NOT= 10</i>	
	When you see that you are going to run out of money, how do mostly you ensure that you money lasts until you get money again? <i>Don't read out, single mention</i>	
	Use savings	1
	Borrow money	2
	Ask family/friends to assist	3
	Cut down on meals	4
	Take children out of school	5
	Cut down on regular expenses	6
	Visit relatives/Stay with relatives	7
	Don't repay debt	8
	Don't travel/cut down on social activities	9
	Work more/do more work	10
	Other, specify	11

VARIABLE LIKELINESS TO LOOSE 100% OF ONE'S MAIN SOURCE OF INCOME

- Creation of the variable using D2.2
 - D2.2 provides the main income frequency and can be used as a proxy in terms of vulnerability in the current crisis. People receiving their income daily are likely to loose 100% of their income if they cannot work due to travel restrictions/inability to find a job as a consequence of an economic shock. On the contrary, those earning their income on a monthly basis are likely to be still (at least partly) paid, even if their capacity to work is affected by the lockdown
 - Those who answered options 1 or 8 to D2.2 (daily or occasionally) are considered as likely to loose 100% of their main source of income

D2.2	For each money source ask: How often do you receive the money you get from? <i>Read out; Single mention</i> 1=Daily; 2=Weekly; 3=More than once a month but not weekly; 4=Monthly; 5= Every 2 months; 6=Annually; 7=Seasonally; 8= Occasionally - no particular schedule; 9=Upon completion of job; 10=Other
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TO BUILD THE CATEGORIES FOR WEALTH, WE RELIED ON THE PPI, WHICH IS THE BEST AVAILABLE PROXY FROM THE RESEARCH

- The FinScope research did **not measure wealth directly**. This is **legitimate** since:
 - Most respondents would be likely to be **reluctant** to answer such questions
 - Wealth is **multi-dimensional** and getting a comprehensive picture per individual would be very difficult
 - Some individuals may **not** be **well aware** of the wealth owned by the household but focusing on the individual level would not be relevant
- However, the research measures the likelihood of individuals to be live below the poverty line by using the **PPI®** (Poverty Probability Index) combining a set of **10 questions** customized for Uganda. Note that the approach is **standard** and was part of **both** the **FinScope** and **FII** research projects
- Based on the answers, a **score** is calculated for **each respondent** - and the **categories** used in the document are based on this score

Important: A PPI score must be converted into a poverty likelihood using the PPI Look-up Table.

Indicators	Responses	Score
1. How many members does the household have?	A. Nine or more	0
	B. Eight	3
	C. Seven	4
	D. Five or Six	6
	E. Four	8
	F. Three	12
	G. Two	21
	H. One	28
2. Are all household members ages 6 to 12 currently in school?	A. No	0
	B. Yes	2
	C. No one ages 6 to 12	5
3. Can the (oldest) female head/spouse read and write with understanding in any language?	A. No	0
	B. No female head/spouse	0
	C. Yes	3
4. What type of material is mainly used for construction of the wall of the dwelling?	A. Unburnt bricks with mud, mud and poles, or other	0
	B. Unburnt bricks with cement, wood, tin/iron sheets, concrete/stones, burnt stabilized bricks, or cement blocks	4
5. What type of material is mainly used for construction of the roof of the dwelling?	A. Thatch, or tins	0
	B. Iron sheets, concrete, tiles, asbestos, or other	5
6. What source of energy does the household mainly use for cooking?	A. Firewood, cow dung, or grass (reeds)	0
	B. Charcoal, paraffin stove, gas, biogas, electricity (regardless of source), or other	6
7. What type of toilet facility does the household mainly use?	A. No facility/bush/polythene bags/bucket/etc., or other	0
	B. Uncovered pit latrine (with or without slab), Ecosan (compost toilet), or covered pit latrine without slab	4
	C. Covered pit latrine with slab	6
	D. VIP latrine, or flush toilet	11
8. How many mobile phones do members of your household own?	A. None	0
	B. One	7
	C. Two	12
	D. Three or more	22
9. Does any member of your household own a radio?	A. No	0
	B. Yes	7
10. Does every member of the household have at least one pair of shoes?	A. No	0
	B. Yes	9
Total Score:		

Scorecard to convert the answers to the research questions into a PPI score in Uganda