This Bago region dashboard on financial inclusion gives a high-level overview of the adult population uptake and usage of financial products and services. The dashboard also describes the adult perceptions, attitudes and needs within the Bago region.

Demographics

Bago is home to about 3.25 million adults or close to 10% of the adult population in Myanmar. The largest concentration of adults are in Yangon (17%) and Mandalay (13%).

Marital status

- Married: 69% in Bago, 71% in Myanmar
- Divorced/Separated: 2% in Bago, 2% in Myanmar
- Widowed: 7% in Bago, 6% in Myanmar
- Single: 23% in Bago, 21% in Myanmar

Age (%)

- 18 - 24 years: 14% in Bago, 19% in Myanmar
- 25 - 34 years: 24% in Bago, 24% in Myanmar
- 35 - 44 years: 21% in Bago, 21% in Myanmar
- 45 - 54 years: 20% in Bago, 17% in Myanmar
- 55 - 64 years: 12% in Bago, 11% in Myanmar
- 65 years and older: 9% in Bago, 9% in Myanmar

Male vs. female

- Bago: Male 53%, Female 47%
- Myanmar: Male 51%, Female 49%
% OF BAGO HOUSEHOLDS INVOLVED IN FARMING

49% are dependent on savings for their farming inputs

12% borrow from MADB

1% claim not to use any inputs

Household involvement in farming (%)

37% OF FARMER HOUSEHOLDS ARE MOSTLY SUBSISTENCE OR LARGELY FARMING FOR OWN CONSUMPTION

Collection centres

Middleman/agents

42% Directly to consumers

Processing centres

Retailer

Markets for commercial farmers

Main source of income (%)

1USD = ± MMK1,320

No income

$1—$100

$101—$200

$201—$300

$301—$400

$401—$500

$501—$1000

Refused/ do not know

Monthly income USD (%)
Dealing with finances is stressful/a burden
- Bago: 64%
- Myanmar: 63%

You adjust your expenses according to your income
- Bago: 89%
- Myanmar: 81%

A budget helps to keep track of how much money you can spend
- Bago: 92%
- Myanmar: 81%

You often have to spend more money than you have available
- Bago: 45%
- Myanmar: 49%

You keep track of your income and expenditure on a monthly basis
- Bago: 15%
- Myanmar: 26%

Unplanned expenses e.g. new clothes
- Bago: 26%
- Myanmar: 23%

Irregular/unreliable income
- Bago: 9%
- Myanmar: 23%

Not enough income
- Bago: 20%
- Myanmar: 35%

Unexpected events /have to pay for necessities
- Bago: 1%
- Myanmar: 1%

Other
- Bago: 22%
- Myanmar: 22%

Don't know
- Bago: 7%
- Myanmar: 9%

Reasons for not planning (% of those not planning)

88% of adults have had a major expense or event

- Borrow/credit: 9%
- Rely on family/friends: 41%
- Savings: 45%

88% of adults have had a major expense or event

42% of Bago adults have depleted household funds for food and other critical living needs before their next income

Poverty symptoms reduced nationally between 2013 and 2018 (22% to 18%). Bago has lower than national average prevalence of all symptoms.

3% of households experiencing poverty symptom

Skipping meal
- Bago: 11%
- Myanmar: 15%

Skipping treatment
- Bago: 3%
- Myanmar: 6%

Skipping school
- Bago: 3%
- Myanmar: 6%
Financial Inclusion

FinScope measures the perceived ownership/usage of financial products. If an adult (18 years or older) believes to currently have or use a product or service from an institution (e.g. MADB) or family/friend, the individual is classified as accessing financial services, either formally or informally. This classification may deviate from supply-side information (on formal product reporting) as one adult may have multiple products with similar institutions (e.g. savings account with two banks). FinScope only counts this adult once although having multiple products in the access strand. The ‘banked’ category has precedence over other formal channels which has precedence over informal channels. Hence, Finscope and supply-side may differ when reporting on adult perceptions versus accounts in the corresponding supply side analysis.

Overall 48% of Myanmar adults are formally served while 50% are informally served. 49% of Bago adults are formally served with 50% of adults being served informally. Bago region has 21% of its households with a formal account compared to 24% nationally.

Bago adult product ownership or usage is largely driven by the MADB (20%), MFIs (8%) and Cooperative (5%). MADB credit is the major driver for formal credit product uptake.

Financial access (overall)

Bank access is identical to the national average in Bago together with a slightly lower other formal (non-bank) product uptake. Low economic activity, stability, remote financial access points and general perceptions of financial services contribute to lower than average financial inclusion compared to national averages.
Bago adults use different financial mechanisms (both formal and informal), ranging from borrowing and pawnng of goods to saving and investing, to meet their top three needs which are medical, living, and education expenses.

Formal vs. informal usage of financial products

Bago adults have a high use of formal products with only credit being largely formal (29%). Informal credit is the most popular informal mechanism followed very closely by informal savings mechanisms.

Informal credit comprises mostly of current borrowing from money lenders, employers, and getting goods in advance from shop/store. Informal insurance largely comprises of community based groups or solidarity systems and funeral or burial societies referred to as Nar yay athin. Informal savings comprises village savings groups such as Su Jay or Su-mae, savings in livestock and jewellery.

Savings and Investments

A small proportion of Bago adults save through informal mechanisms (17%) compared to the national average of 34%. Bago has the highest proportion of adults that are not currently saving through any mechanisms.
Borrowing and Credit

Mostly borrowing from bank (mainly driven by MADB) and informal borrowing in Bago drives credit.

<table>
<thead>
<tr>
<th>Product depth strand (%)</th>
<th>Bago</th>
<th>Myanmar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have one regulated product</td>
<td>20%</td>
<td>14%</td>
</tr>
<tr>
<td>Have/use three regulated products</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Informal product(s) only</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Have/use two regulated products</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Do not use any formal/informal product(s)</td>
<td>51%</td>
<td>54%</td>
</tr>
</tbody>
</table>

Credit strand (%)

- **Bago Myanmar**
- **Credit at bank**
- **Credit at other formal (non-bank)**
- **Credit informal**
- **Credit with family/friends**
- **Do not borrow**

Remittances and mobile money

Bank remittances – both banked and unbanked users (over the counter) – constitute one of the two main drivers of formal remittances.

<table>
<thead>
<tr>
<th>Remittances overall (with overlaps) (%)</th>
<th>Bago</th>
<th>Myanmar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remittances through bank</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Remittances through other formal (non-bank)</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Remittances through informal channels</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Remittances through family/friends</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Do not remit</td>
<td>79%</td>
<td>79%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bago</th>
<th>Myanmar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aware of mobile money</td>
<td>4%</td>
</tr>
<tr>
<td>Registered with mobile money</td>
<td>11%</td>
</tr>
<tr>
<td>Used mobile money</td>
<td>2%</td>
</tr>
<tr>
<td>Banked and remit via bank</td>
<td>1%</td>
</tr>
<tr>
<td>Unbanked and remit via bank</td>
<td>82%</td>
</tr>
</tbody>
</table>

Insurance and risk management

The most common income security risks encountered by Bago adults in the past 12 months were major illness (21%) and crop failure (17%). The main coping mechanisms for both risks is pawning goods or borrowing money.

<table>
<thead>
<tr>
<th>Insurance overall (with overlaps) (%)</th>
<th>Bago</th>
<th>Myanmar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Other formal (non-bank)</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>Insured through others</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Not insured</td>
<td>91%</td>
<td>84%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bago</th>
<th>Myanmar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured from other formal (non-bank)</td>
<td>3%</td>
</tr>
<tr>
<td>Insurance from informal sources</td>
<td>6%</td>
</tr>
<tr>
<td>Insure through others</td>
<td>1%</td>
</tr>
<tr>
<td>Not insured</td>
<td>91%</td>
</tr>
</tbody>
</table>

Formal insurance is largely driven by social security benefit while informal insurance is largely driven by informal funeral funds and solidarity systems.
**Product Depth Strand**

The product depth strand classifies adults with their current number of different regulated (formal) products across the four main categories of credit, savings, payments (transactions and remittances), and insurance. The last two tiers are those only using informal (unregulated) products and the excluded (those that do not have/use any financial product/service).

**Bago product depth strand by gender (%)**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Have one regulated product</th>
<th>Have/use two regulated products</th>
<th>Have/use three regulated products</th>
<th>Informal product(s) only</th>
<th>Do not use any formal/informal product(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>39%</td>
<td>8%</td>
<td>4%</td>
<td>13%</td>
<td>36%</td>
</tr>
<tr>
<td>Female</td>
<td>32%</td>
<td>9%</td>
<td>1%</td>
<td>16%</td>
<td>42%</td>
</tr>
</tbody>
</table>

**Landscape of Access**

The Landscape of Access is used to illustrate the extent to which financially included individuals have/use financial products/services (excluding those borrowing from family/friends and those who save at home/saving in secret place). The population here would include those formally included as well informally included.
Key findings

» Bago has similar to national average formal financial access in 2018 at 47% compared to 48%. Formal financial access is driven mainly by MADB credit (20%), in line with the national average, MFIs, and formal remittance channels.

» Bago has a lower than national average uptake of informal financial products (35% versus 50%) largely driven by borrowing from money lenders, village savings groups and informal funeral funds/solidarity systems.

» Bago has a lower proportion of adults (15%) dependent only on informal mechanisms as compared to the national average (22%).

» Most adults only use one formal product (35%) with less using two or three regulated products (11%).

» The proportion of households with one account is at 21% for Bago which is three percentage points lower than the national average of 24%.

» Urban and rural adults in Bago are almost equally formally included (45% and 47% respectively). Urban and rural adults are nearly equally served at 14% and 15% respectively. A higher excluded population is in urban areas (41%) versus rural areas (38%).

» Bago has the highest proportion of adults (66%) that are not currently saving through any formal or informal means.

Note to Reader: The data displayed depicts the understanding, perceptions and responses to questions of the surveyed adult population asked by well-trained enumerators. The dashboard reflects the demand-side data on financial inclusion for understanding consumer perceptions and behaviour. Disparities emerging between the FinScope findings and supply-side are due to measurement differences, duplication, literacy, awareness, etc. Some of these disparities are explored for follow-up investigation in the MAP Diagnostic Report. Some graphs are not meant to be added due to multiple mention/overlaps. Some of the numbers in the graphics may add to less or more than 100% due to rounding off.