This Kayah state 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 Kayah region.

Demographics

Kayah is home to about 185 thousand adults or close to 1% of the adult population in Myanmar. The largest concentration of adults are in Yangon (17%) and Mandalay (13%).
**Household involvement in farming (%)**

- **Kayah**: 60%
- **Myanmar**: 38%

  - 28% of Kayah households are dependent on savings for their farming inputs.
  - 7% of Kayah claim not to use any inputs.
  - 1% of Kayah borrow from MADB.

**Main source of income (%)**

- **Kayah**
  - No income: 37%
  - $1—$100: 33%
  - $101—$200: 18%
  - $201—$300: 6%
  - $301—$400: 2%
  - $401—$500: 1%
  - $501—$1000: 1%
  - Refused/ do not know: 15%

- **Myanmar**
  - No income: 33%
  - $1—$100: 33%
  - $101—$200: 18%
  - $201—$300: 6%
  - $301—$400: 2%
  - $401—$500: 1%
  - $501—$1000: 1%
  - Refused/ do not know: 15%

**Collection centres**

- Middleman/agents: 42%
- Directly to consumers: 43%
- Processing centres: 10%
- Retailer: 3%
- No income: 36%

- Markets for commercial farmers

**Farming & fishing**: 20%

- **Self-employed**: 15%
- **Formally-employed (Government)**: 5%
- **Formally-employed (Private)**: 2%
- **Informally-employed**: 1%
- **Remittances dependent**: 3%
- **Other income**: 18%
- **No income**: 36%

**Remittances dependent (%)**

- 28% of these are dependent on savings for their farming inputs.
- 7% of Kayah claim not to use any inputs.
- 1% of Kayah borrow from MADB.

**Monthly income USD (%)**

- **Kayah**
  - No income: 37%
  - $1—$100: 33%
  - $101—$200: 18%
  - $201—$300: 6%
  - $301—$400: 2%
  - $401—$500: 1%
  - $501—$1000: 1%
  - Refused/ do not know: 15%

- **Myanmar**
  - No income: 33%
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  - $201—$300: 6%
  - $301—$400: 2%
  - $401—$500: 1%
  - $501—$1000: 1%
  - Refused/ do not know: 15%

**Grocery store**: 12'

- **Public access**: 27'
- **ATM**: 53'
- **Post office**: 58'
- **Market**: 39'
- **Medical facility**: 54'
- **MFI**: 31'
- **Mobile money**: 34'

**Mean time taken to reach destination (minutes - dry season)**

- **Kayah**
  - Grocery store: 12'
  - Public access: 27'
  - Bank: 53'
  - ATM: 58'
  - Post office: 39'
  - Market: 54'
  - Medical facility: 31'
  - MFI: 34'
  - Mobile money: 33'

- **Myanmar**
  - Grocery store: 10'
  - Public access: 24'
  - Bank: 53'
  - ATM: 58'
  - Post office: 34'
  - Market: 34'
  - Medical facility: 23'
  - MFI: 24'
  - Mobile money: 38'

**1USD = ± MMK1,320**
Dealing with finances is stressful/a burden
- 72% Kayah
- 63% Myanmar

You adjust your expenses according to your income
- 86% Kayah
- 81% Myanmar

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

You often have to spend more money than you have available
- 61% Kayah
- 49% Myanmar

You keep track of your income and expenditure on a monthly basis
- 26% Kayah
- 49% Myanmar

Unplanned expenses e.g. new clothes
- 39% Kayah

Irregular/unreliable income
- 30% Kayah
- 23% Myanmar

Not enough income
- 5% Kayah
- 20% Myanmar

Unexpected events / have to pay for necessities
- 2% Kayah
- 17% Myanmar

Other
- 17% Kayah
- 22% Myanmar

Don’t know
- 7% Kayah
- 9% Myanmar

Kayah
Myanmar

Agreeing with statement (%)

51%
OF KAYAH 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%). Kayah citizens have a lower than national average prevalence of hunger and educational symptoms due to a lack of money. Hunger symptoms are lowest in Kayah state.

57%
OF ADULTS HAVE HAD A MAJOR EXPENSE OR EVENT

1%
Borrow/credit

36%
Rely on family/friends

64%
Savings

Mechanism for paying for major expense (%)
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. 38% of Kayah adults are formally served with 49% of adults being served informally. Kayah state has 13% of its households with a formal account compared to 24% nationally - being just about half of the national average.

Kayah adult product ownership or usage is largely driven by other formal (non-bank) credit (19%). Overall, penetration levels are driven by the MFIs (14%), MADB (8%) and Cooperatives (6%).

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<table>
<thead>
<tr>
<th>Financial access (overall)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank access is much lower in Kayah together with 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.</td>
</tr>
</tbody>
</table>

- **Kayah**: 18% formally served, 20% informally served, 26% excluded
- **Myanmar**: 25% formally served, 23% informally served, 22% excluded

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<table>
<thead>
<tr>
<th>Penetration levels - formal product up-take (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kayah: MADB 8%, MFI 14%, Cooperatives 6%</td>
</tr>
<tr>
<td>Myanmar: MADB 13%, MFI 11%, Cooperatives 5%</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Focus</th>
<th>Regulated/unregulated</th>
<th>Uptake</th>
<th>Main Financial Product</th>
<th>Main Provider(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access Products</td>
<td>Formal</td>
<td>38%</td>
<td>Payments, credit</td>
<td>MADB, MFI, cooperatives, banks</td>
</tr>
<tr>
<td></td>
<td>Informal</td>
<td>49%</td>
<td>Savings, credit</td>
<td>Savings groups, jewellery, livestock, money lenders</td>
</tr>
<tr>
<td>Depth Multiple products</td>
<td>Formal</td>
<td>17%</td>
<td>Savings</td>
<td>MADB, MFI</td>
</tr>
<tr>
<td></td>
<td>Informal only</td>
<td>26%</td>
<td>Credit</td>
<td>Money lenders</td>
</tr>
<tr>
<td>Area Urban</td>
<td>Formal</td>
<td>42%</td>
<td>Payments</td>
<td>Bank</td>
</tr>
<tr>
<td></td>
<td>Informal</td>
<td>41%</td>
<td>Savings</td>
<td>Savings groups, jewellery</td>
</tr>
<tr>
<td>Rural</td>
<td>Formal</td>
<td>36%</td>
<td>Credit</td>
<td>MFI</td>
</tr>
<tr>
<td></td>
<td>Informal</td>
<td>52%</td>
<td>Credit, savings</td>
<td>Savings groups, jewellery, livestock, money lenders</td>
</tr>
<tr>
<td>Gender Male</td>
<td>Formal</td>
<td>32%</td>
<td>Payments</td>
<td>Bank</td>
</tr>
<tr>
<td></td>
<td>Informal</td>
<td>51%</td>
<td>Savings</td>
<td>Savings groups, jewellery</td>
</tr>
<tr>
<td>Female</td>
<td>Formal</td>
<td>45%</td>
<td>Credit, payments</td>
<td>MFI, banks</td>
</tr>
<tr>
<td></td>
<td>Informal</td>
<td>46%</td>
<td>Credit</td>
<td>Money lenders</td>
</tr>
</tbody>
</table>

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**Overview of financial access (%)**

**Financial access strand (%)**

- **Kayah access strand by gender (%)**
- **Kayah access strand by location (%)**
Kayah adults use different financial mechanisms (both formal and informal), ranging from borrowing and pawning 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**

Kayah adults have a high use of informal products except for payments/remittances which are largely formal. Informal savings are the most popular informal mechanism followed very closely by informal credit mechanisms.

Informal credit comprises mostly of current borrowing from money lenders, employers and getting goods in advance from shop/store. Informal insurance largely comprises 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 significant proportion of Kayah adults save through informal mechanisms (27%) compared to a higher national average of 34%.

There is also a significant prevalence of adults that save at home or in a secret place (31%). Formal savings only total 16% of Kayah adults.
Borrowing and Credit

No bank borrowing but mostly MFI borrowing in Kayah. Borrowing from informal (mainly driven by money lenders) in Kayah is higher at 26% compared to 22% nationally.

Remittances and mobile money

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

Insurance and risk management

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

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).

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

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have one regulated product</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>Have/use two regulated products</td>
<td>10%</td>
<td>17%</td>
</tr>
<tr>
<td>Have/use three regulated products</td>
<td>1%</td>
<td>6%</td>
</tr>
<tr>
<td>Informal product(s) only</td>
<td>35%</td>
<td>18%</td>
</tr>
<tr>
<td>Do not use any formal/informal product(s)</td>
<td>34%</td>
<td>37%</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

» Kayah has lower than national average formal financial access in 2018 at 38% compared to 48%. Formal financial access is driven mainly by MFI credit (14%), in line with the national average, MADB and formal remittance channels.

» Kayah has a similar national average uptake of informal financial products (49% versus 50%) largely driven by borrowing from money lenders, village savings groups and informal funeral funds/solidarity systems.

» Kayah has a higher proportion of adults (26%) dependent only on informal mechanisms as compared to the national average (22%).

» Most adults only use one formal product (21%) with less using two or three regulated products (17%).

» The proportion of households with one account is at 13% for Kayah which is almost twice lower than the national average of 24%.

» Urban adults in Kayah are more formally included at 42% while rural adults are at 36%. Urban adults that are informally served sit at 24% while rural adults sit at 27% indicating higher rural dependency on the informal services alone. A higher excluded population is in rural areas (37%).

» Nearly half of adults are aware of mobile money but with insignificant uptake

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.