

## Economic Comfort Segments

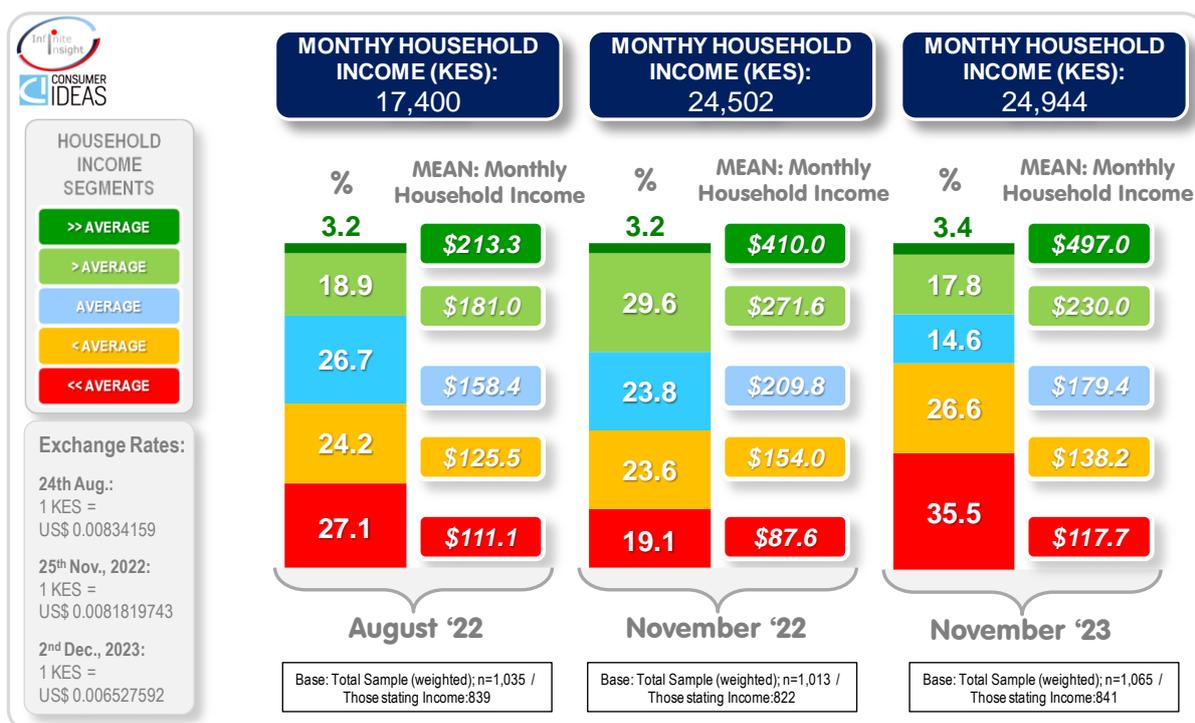
Excerpts from the CATI Omnibus in Kenya  
(August 2022 to November 2023)

### Background:

On a CATI project, sponsored by our partners, [D3 Systems](#), we had the opportunity to insert a few questions of our own. We decided to devise a classification of households' economic status, in order to replace the lengthy LSM predictor questions in telephonic surveys. We have run these questions in two consecutive CATI surveys.

### Economic Comfort Segments & Household Incomes:

The baseline measurement was taken prior to President Ruto's inauguration on September 13<sup>th</sup>, 2022. The results of the follow-up survey in November of that year reflect the initial optimism: mean household incomes increased and the proportion of self-perceived economically disadvantaged households decreased. Only among the least affluent segment did incomes decline.



A year later (November 2023), little remains of the initial optimism. Not only have household incomes in Kenya shillings stagnated (except among the most affluent), but the erosion of the shilling against the US dollar has resulted in a drastic decline (again except among the most affluent). Furthermore, the proportion of below average income households has increased from 43% in November 2022 to 62% in the current wave. The emerging middle class is under severe pressure. Unsustainable foreign debt, devaluation of the shilling, inflation, a rigorous taxation policy, and removal of subsidies result in a palpable erosion of spending power.

## Demographic Profiles:

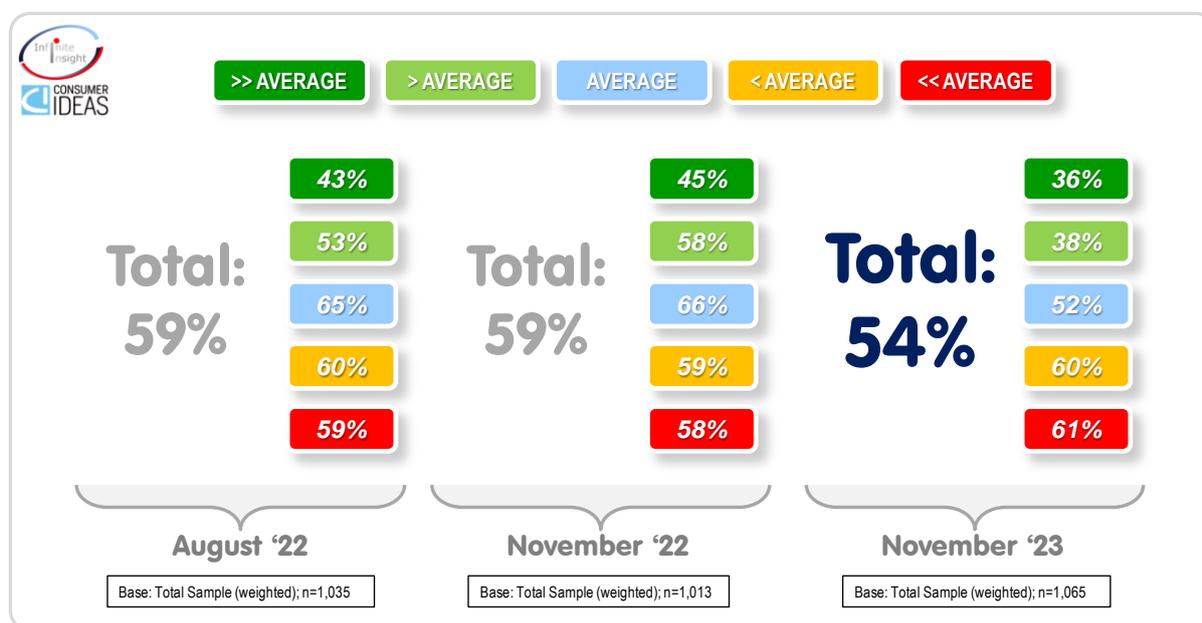
The following table details key demographics across segments:

	TOTAL	>> AVERAGE	>AVERAGE	AVERAGE	<AVERAGE	<<AVERAGE
<i>Weighted Base:</i>	1,065	36	190	155	283	378
	%	%	%	%	%	%
<b>PROVINCE:</b>						
Central	13	22	15	14	14	11
Coast	9	11	10	11	10	6
Eastern	15	6	12	14	10	20
Nairobi	11	11	16	17	11	5
North Eastern	4	6	3	3	5	4
Nyanza	13	11	13	10	16	12
Rift Valley	25	28	21	23	25	28
Western	10	6	9	7	8	14
<b>URBANISATION:</b>						
Urban	35	50	46	40	40	23
Rural	65	50	54	60	60	77
<b>EDUCATION:</b>						
No education/only basic education	7	0	5	5	7	10
Completed primary	47	31	41	40	42	60
Completed secondary school	29	31	29	30	36	22
Completed Middle Level/TVET	7	17	9	10	7	3
Completed University	10	22	16	14	7	5
<b>AGE:</b>						
Younger (18 to 34 yrs.)	54	56	59	60	56	47
Older (35 yrs. +)	46	44	41	40	44	53
<b>GENDER:</b>						
Male	51	58	55	55	52	48
Female	49	42	45	45	48	52
<b>EMPLOYMENT STATUS:</b>						
Working full-time (40 hours+)	35	53	46	46	31	28
Working part-time (< 40 hours)	27	8	28	28	26	29
Unemployed, looking for work	11	8	5	4	15	13
Unemployed, not looking for work	2	0	1	3	5	1
Housewife	4	3	4	4	3	5
Student / Apprentice	3	17	1	4	5	1
Retired / Disabled	1	0	1	0	1	2
Farmer	15	11	14	11	12	20

Working full-time, with a university degree, and living in urban areas positively impacts on financial comfort; while being a farmer impacts negatively.

## Stop-Gap Loans:

Toward the end of the month, when the paycheque is exhausted, a substantial proportion of Kenyan households resorts to loans to bridge the gap. In both waves in 2022, 59% of respondents required such loans.



In November of 2023, the proportion has actually contracted to 54%; however, it is among the financially less-stressed that loan-taking is being reduced. Households below the Kenyan average continue to require loans at levels unchanged from the previous year.

## Sources of Loans:

The following table compares all and main sources for loans across Economic Comfort Segments:

	Total		>> AVERAGE		> AVERAGE		AVERAGE		< AVERAGE		<< AVERAGE	
Weighted Base:	574		13		72		81		170		232	
	All Sources	Main Source										
	%	%	%	%	%	%	%	%	%	%	%	%
Mobile Loans	52	34	54	31	51	29	54	37	58	36	48	35
Contribution Schemes (Chama)	38	24	23	0	35	25	33	20	38	24	42	26
Friends	35	13	31	23	14	7	32	14	41	14	39	15
Family members	24	8	8	0	17	8	26	14	24	8	27	6
Bank	18	10	46	31	29	17	15	5	17	10	15	9
SACCO	14	8	23	15	18	10	12	10	10	5	16	8
Employer	7	1	0	0	6	1	5	1	8	2	7	1
Logbook loans	1	0	0	0	0	0	0	0	2	1	0	0

Mobile loans, Round-Robin contribution schemes (chamas), friends, and family members are the most important sources; formal bank loans/overdrafts benefit only the more affluent segments.

## Methodology:

The polls were conducted telephonically (CATI), using mixed method dialling protocols (RDD + geographically targeted calling).

Quality Control measures included verification calls and auditing of recorded interviews; Informed Consent was obtained from all respondents.

Results are nationally representative by province, urbanisation within each province, and gender. The table to the right lists unweighted results.

Imbalances were corrected by weighting educational achievement.

The Universe is Kenyans, aged 18 and above.

ACHIEVEMENT (unweighted)			
	August '22	Nov.'22	Nov.'23
<b>Total (absolute):</b>	<b>1,033</b>	<b>1,014</b>	<b>1,065</b>
<b>Province:</b>	%	%	%
Nairobi:	9.1	9.1	11.1
Rift Valley:	26.2	26.3	24.9
Central:	12.1	11.0	13.3
Coast:	8.8	10.2	8.7
Eastern:	14	14.2	14.7
North-Eastern:	5.2	4.2	4.0
Nyanza:	14.1	14.5	12.9
Western:	10.4	10.5	10.3
<b>Gender:</b>	%	%	%
Male:	51.1	49.6	51.5
Female:	48.9	50.4	48.5
<b>Urbanisation:</b>	%	%	%
Urban:	32.0	31.0	35.2
Rural:	68.0	69.0	64.8
<b>CATI Protocols:</b>	%	%	%
RDD:	41.1	75.7	66.2
Target Dialing:	58.9	24.3	33.8
<b>Fieldwork:</b>			
Start:	27/07/2022	15/11/2022	01/11/2023
End:	04/08/2022	21/11/2022	11/11/2023
<b>Margin of Error:</b>	±3.1%	±3.1%	±3.1%

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