

# Webinar: Exploring the impact of COVID-19 on livelihoods in Africa – Financial Health

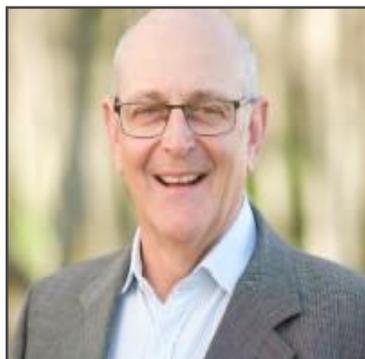
Moderator: Hennie Bester, Director at Cenfri and insight2impact (i2i) programme lead

Panelists:

- Elisabeth Rhyne, Former Managing Director of the Centre for Financial Inclusion, ACCION
- Amolo Ng'weno, CEO of BFA Global
- Paul Gubbins, Research Advisor, FSD Kenya



# Meet the moderator and the panel



Hennie Bester

Director at Cenfri  
and insight2impact  
programme lead



Elisabeth Rhyne

Former Managing  
Director of the  
Centre for Financial  
Inclusion, ACCION



Amolo Ng'weno

CEO, BFA Global



Paul Gubbins

Research Advisor,  
FSD Kenya



How financially prepared  
were adults around the  
world for Covid-19?

# An introduction to Financial Health

## Defining Financial Health

- A state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial futures, and is able to make choices that allow them to enjoy life.

*U.S. Consumer Financial Protection Bureau (CFPB)*

- The extent to which someone is able to meet all their current commitments and needs comfortably and has the financial resilience to maintain this in the future.

*Elaine Kempson, Personal Finance Research Centre,  
University of Bristol, U.K.*

- Financial health comes about when your daily financial systems allow you to be resilient and pursue opportunities over time.

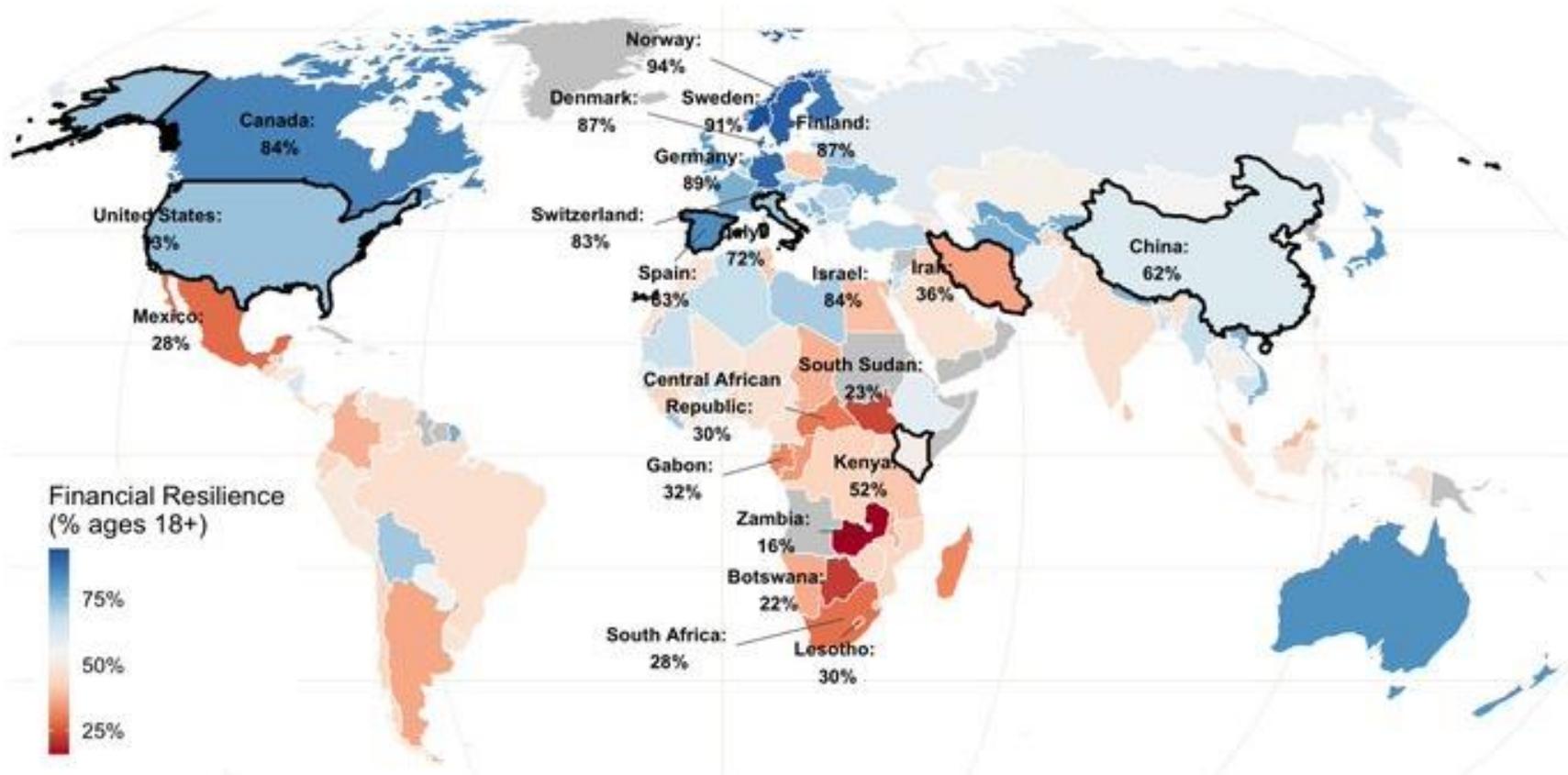
*Financial Health Network. U.S.*

## The Elements of Financial Health

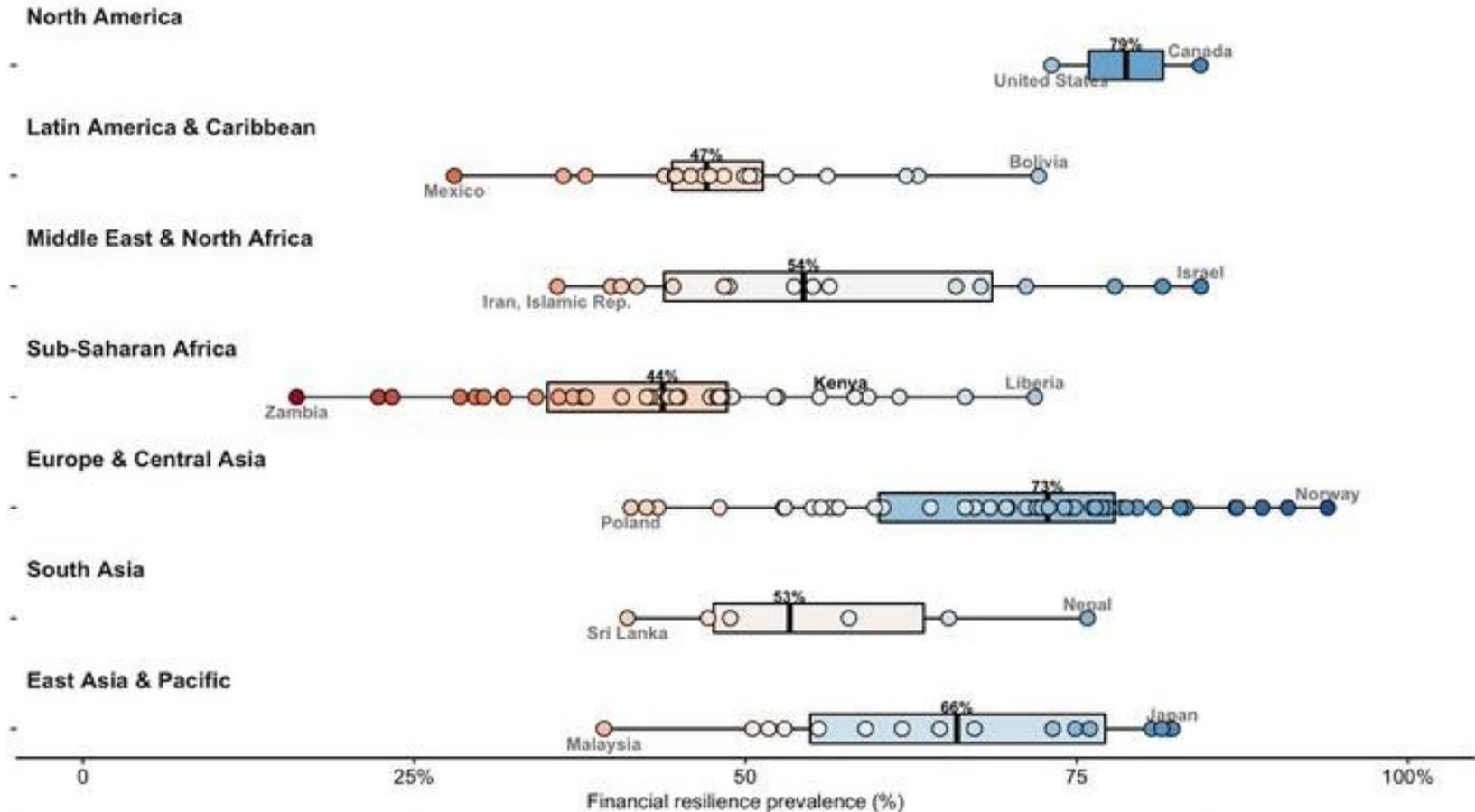
1. Smooth short-term finances, including the ability to meet ongoing financial obligations and consumption needs.
2. Preparedness to meet and recover from financial shocks
3. A longer-term perspective that involves maintaining or improving well-being
4. Feelings of confidence and well-being or control (Not in all frameworks)

# Financial Resilience around the world

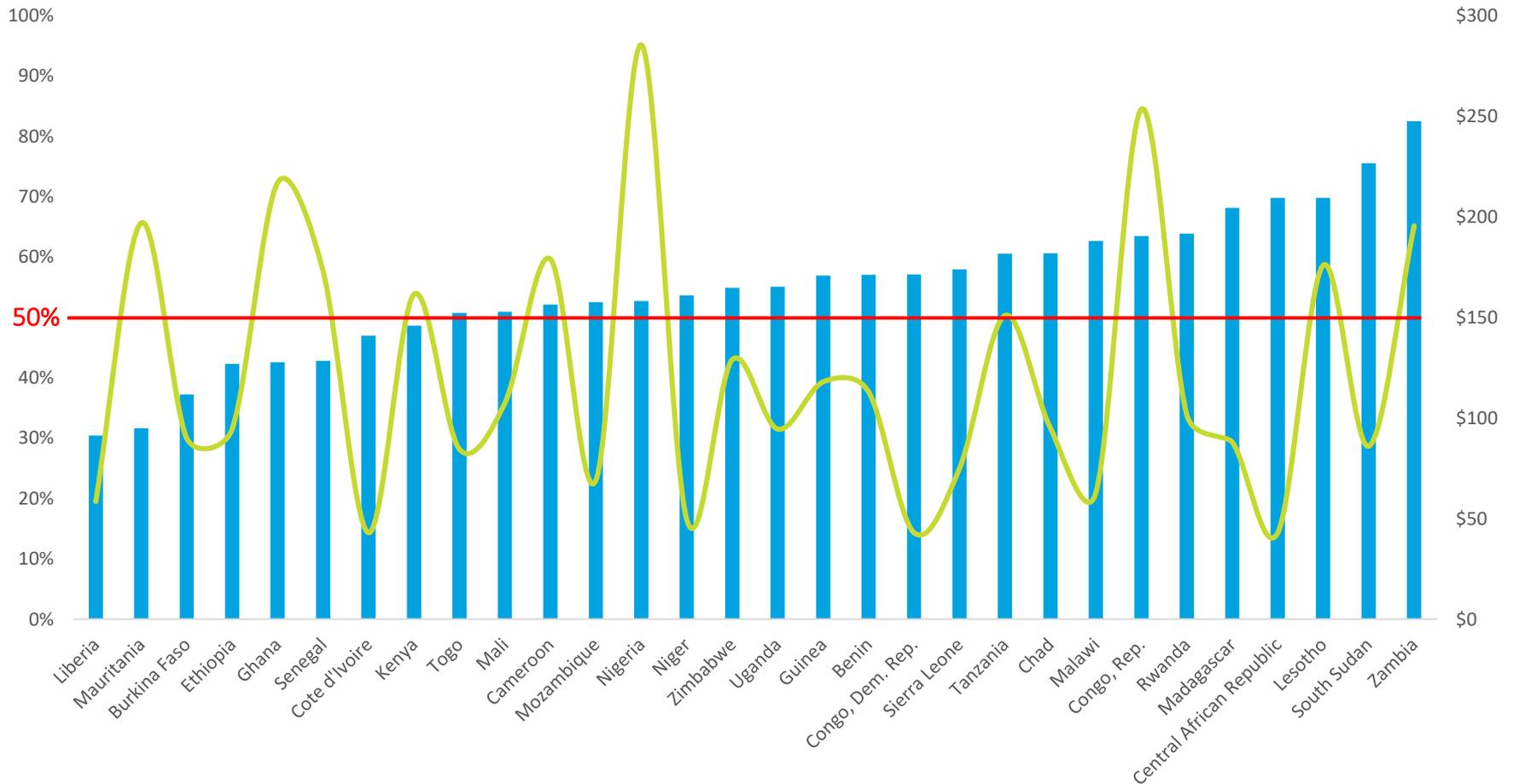
% of adults (18+) able to raise 1/20 of GNI per capita in 30 days by country



# There is variation in financial resilience by region



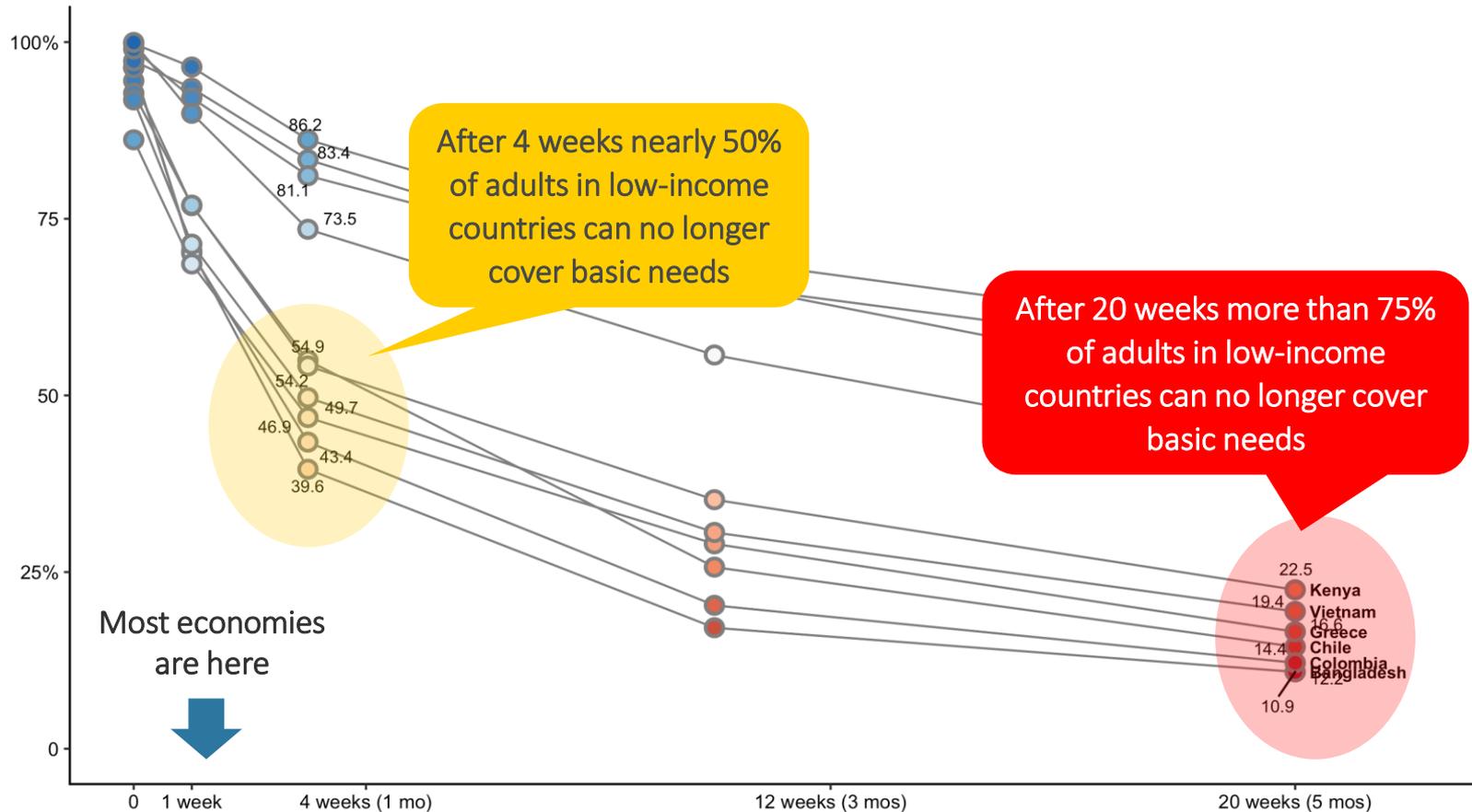
# But across Africa most adults cannot produce emergency funds even when scaled for GNI



# How long can adults around the world survive without income?

**For how long would adults be able to cover all basic needs using savings or asset sales in the event they lost their income?**

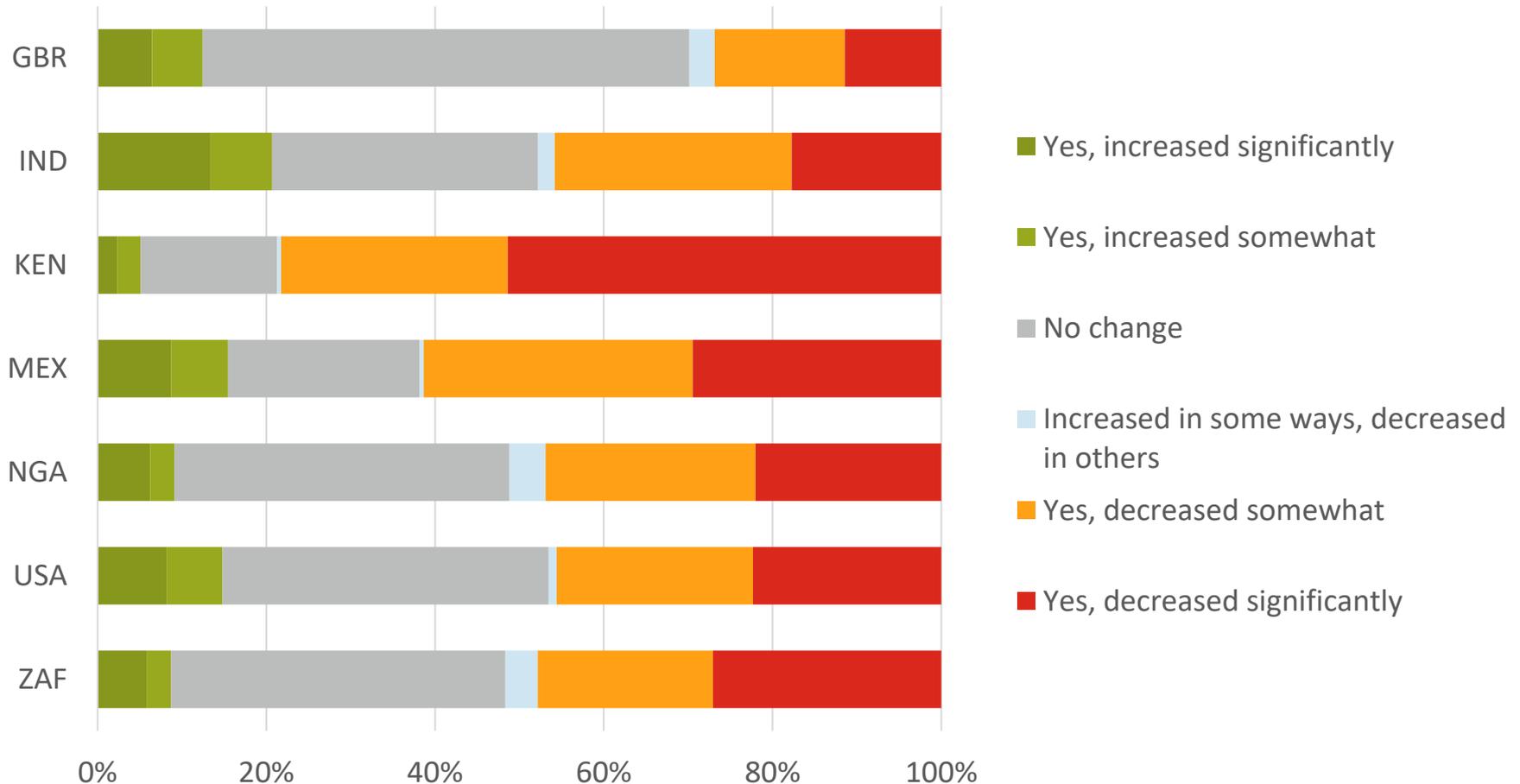
The share of financial 'survivors' at time t (in weeks).



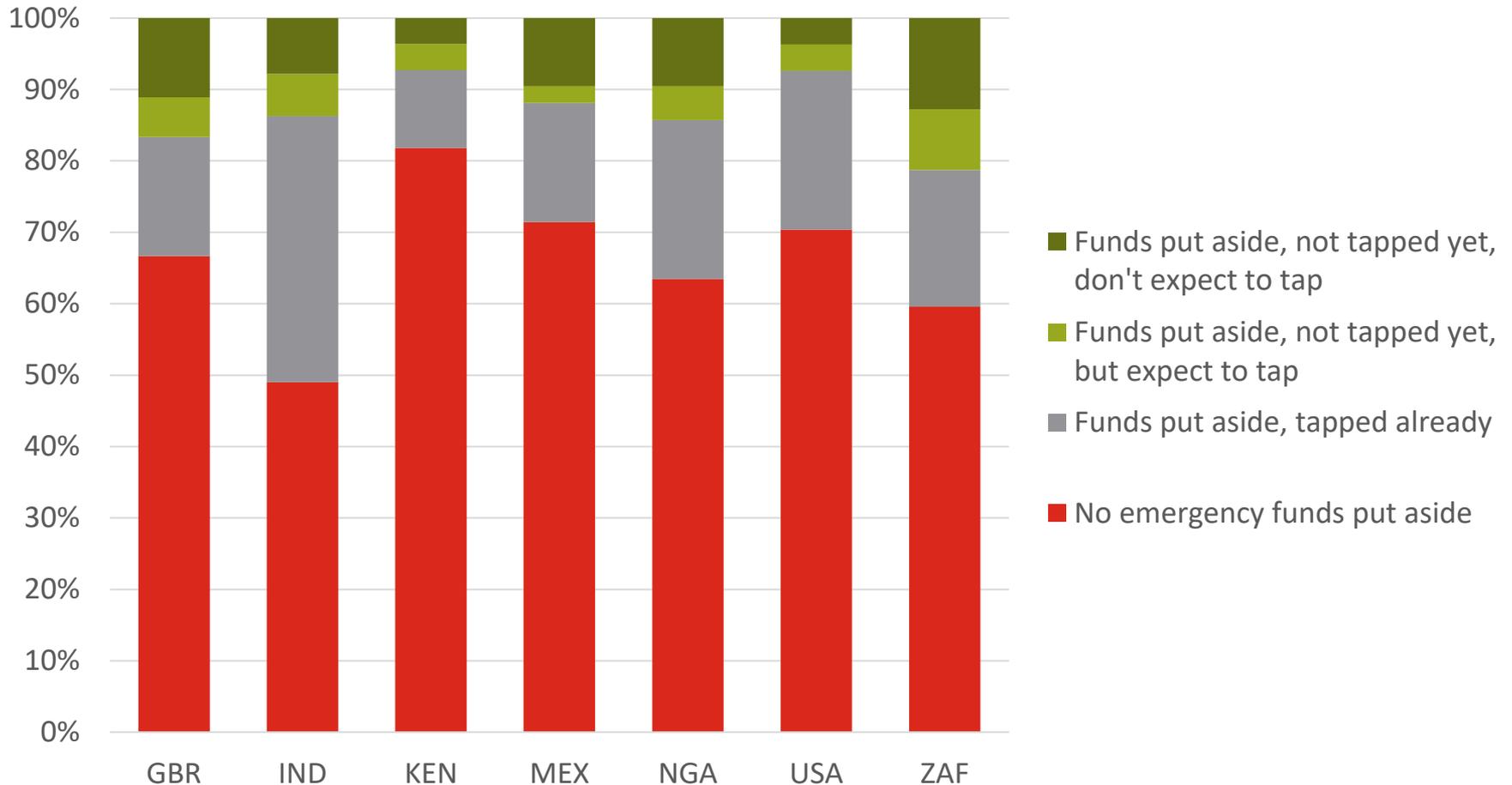


How are adult's financial health currently being affected by Covid-19?

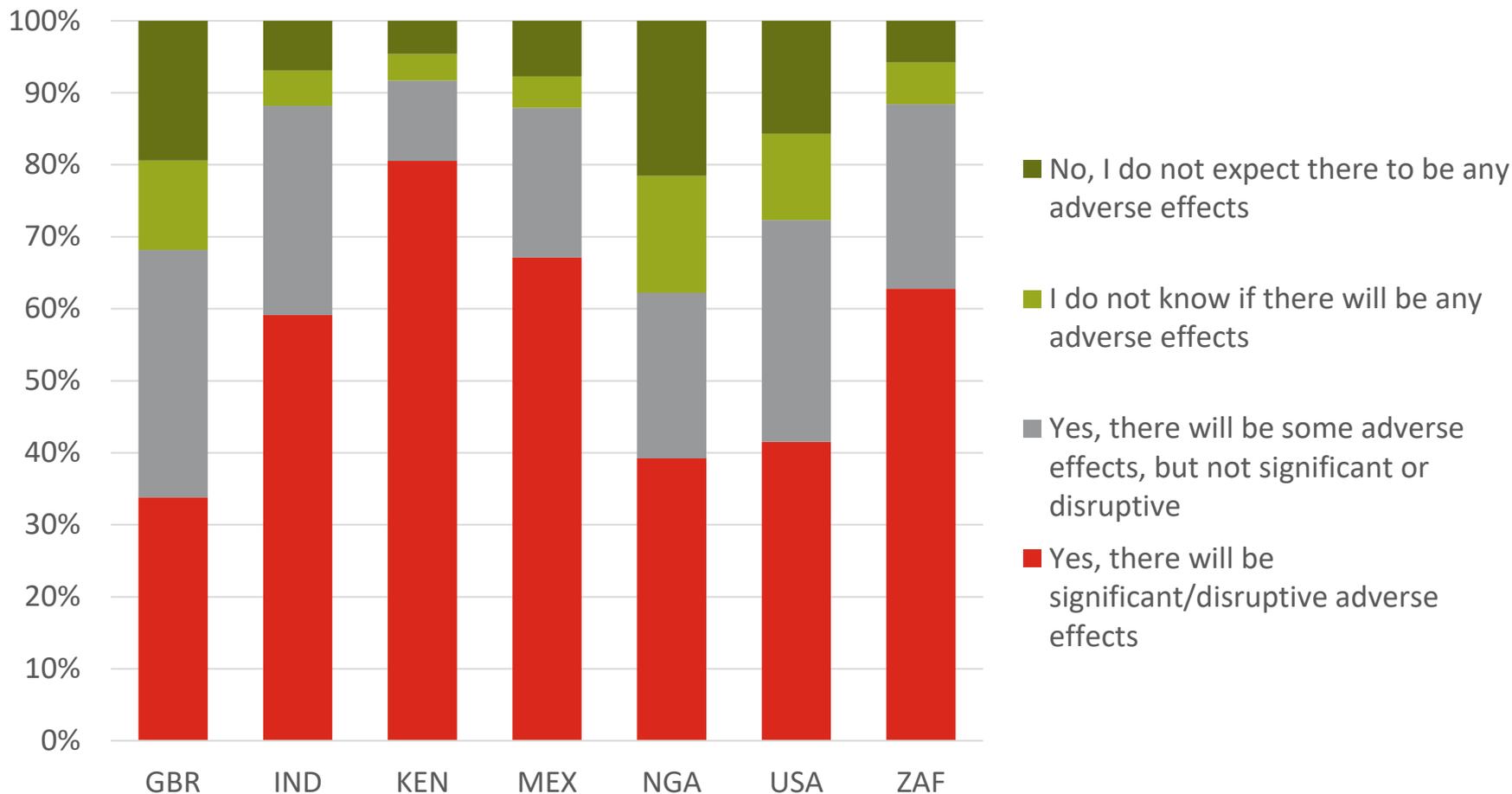
# Most peoples incomes have changed to some degree from Covid-19



# Few adults put aside money for such an emergency, and for those that did, most have already tapped them already

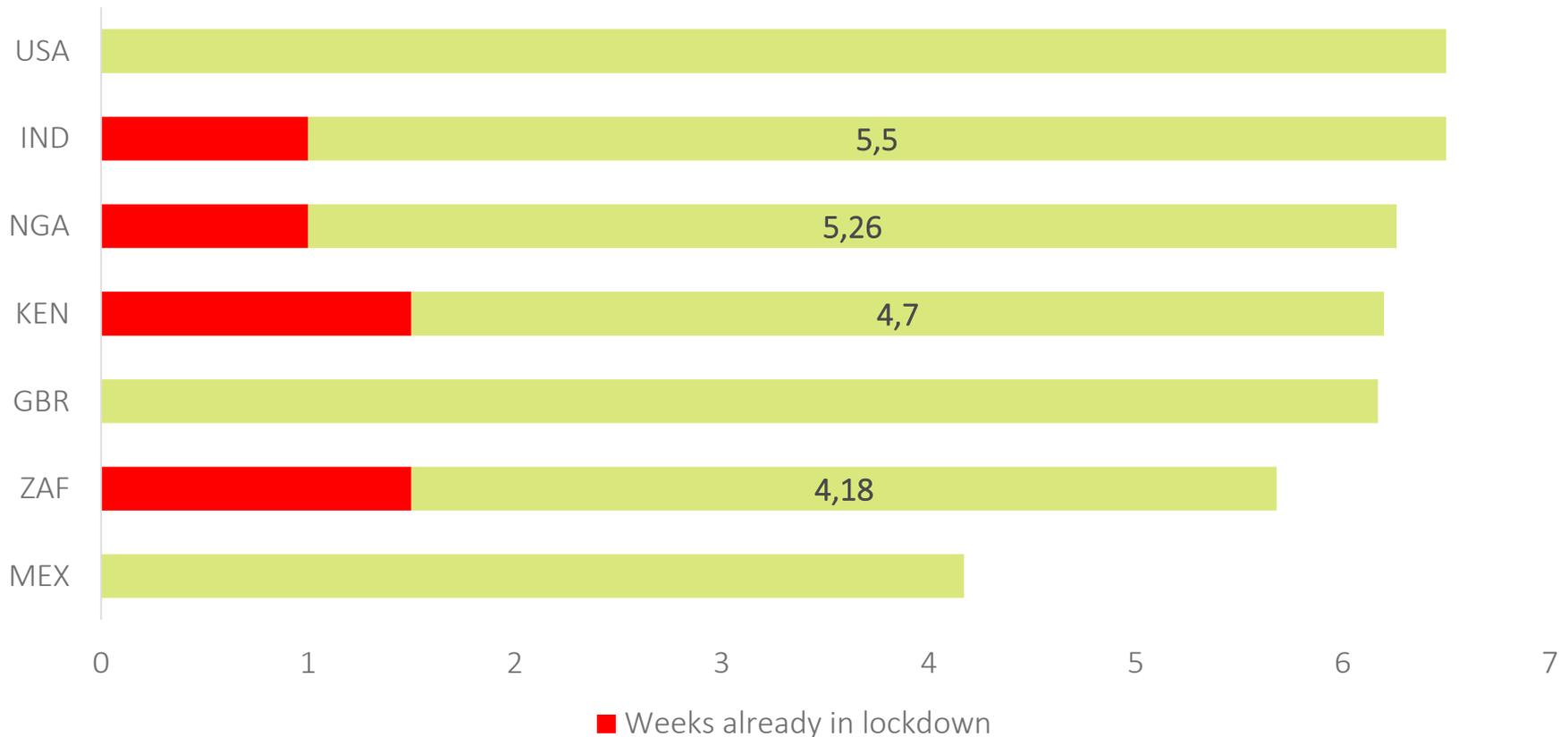


# Most adults think the spread of Covid-19 will affect their financial well-being



# If revenue fell by half or more, how many weeks would you be able to continue operations from cash on hand, and available lines of credit?

(Average) weeks businesses can continue operations from available resources



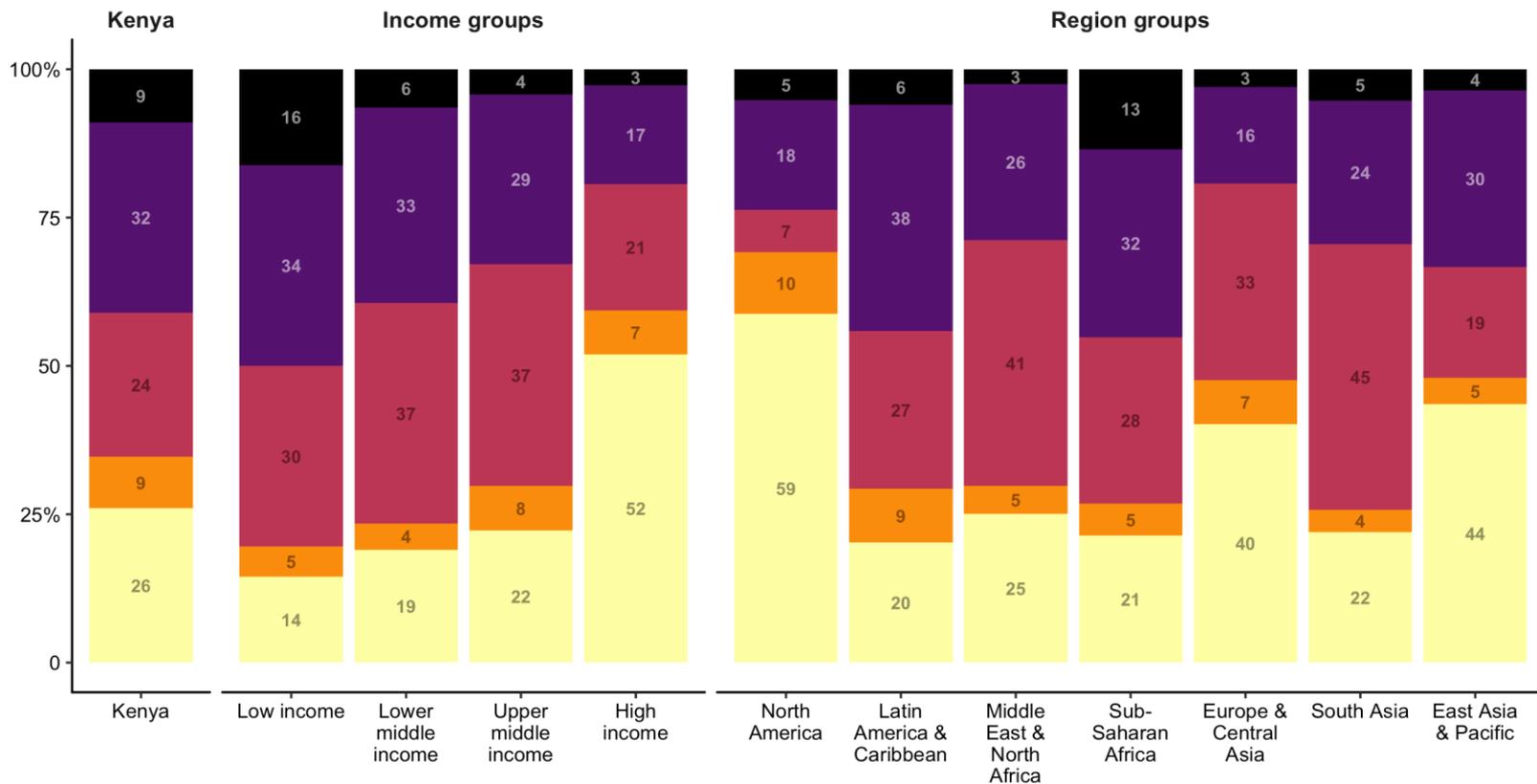


# Deep dive: Covid-19 and financial health in Kenya

# How do financially resilient individuals access emergency funds in Kenya and around the world?

Source of emergency funds:

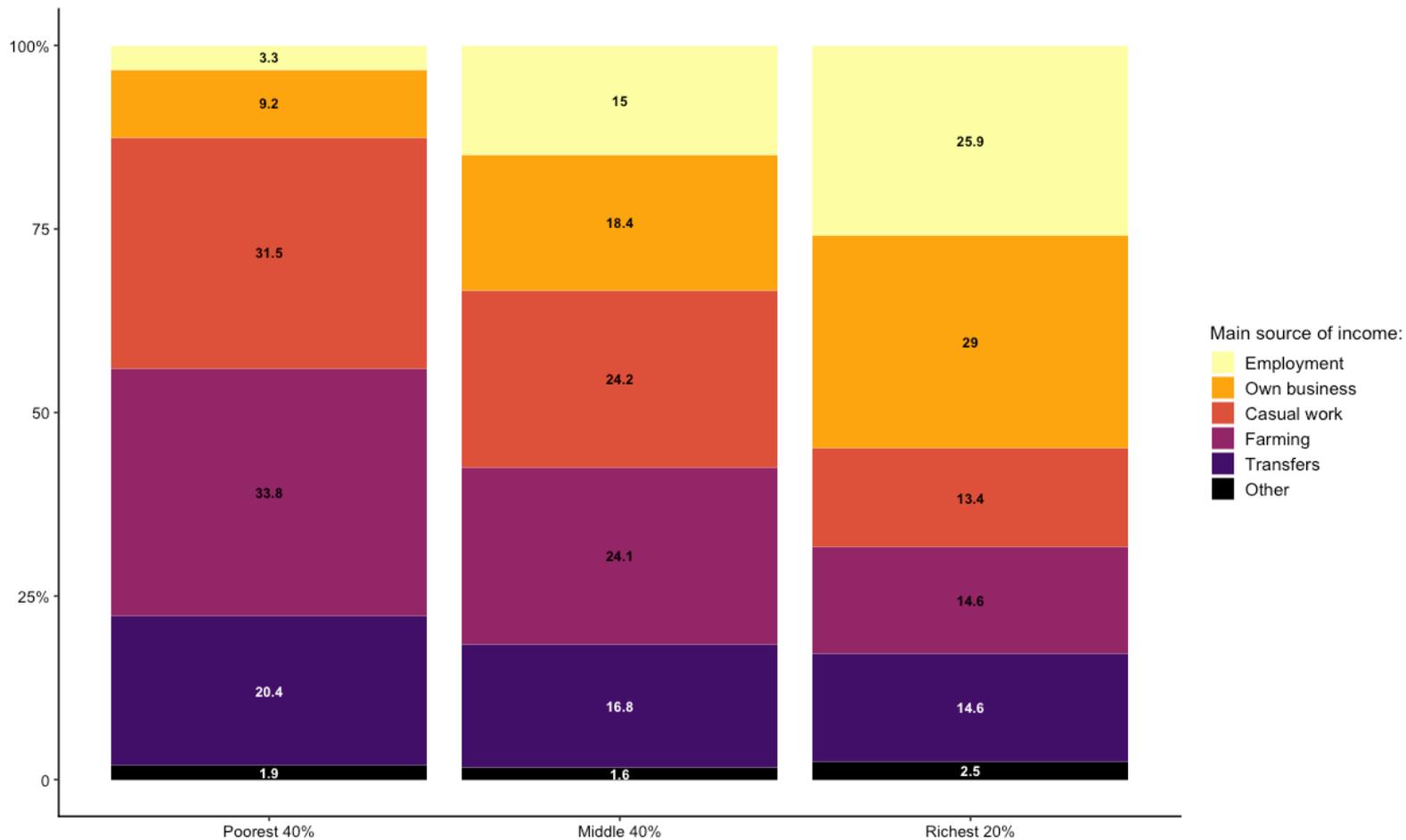
- Selling assets or other
- Working
- Borrowing
- Social network
- Savings



# How do livelihoods differ by income category in Kenya?

## Livelihoods in Kenya

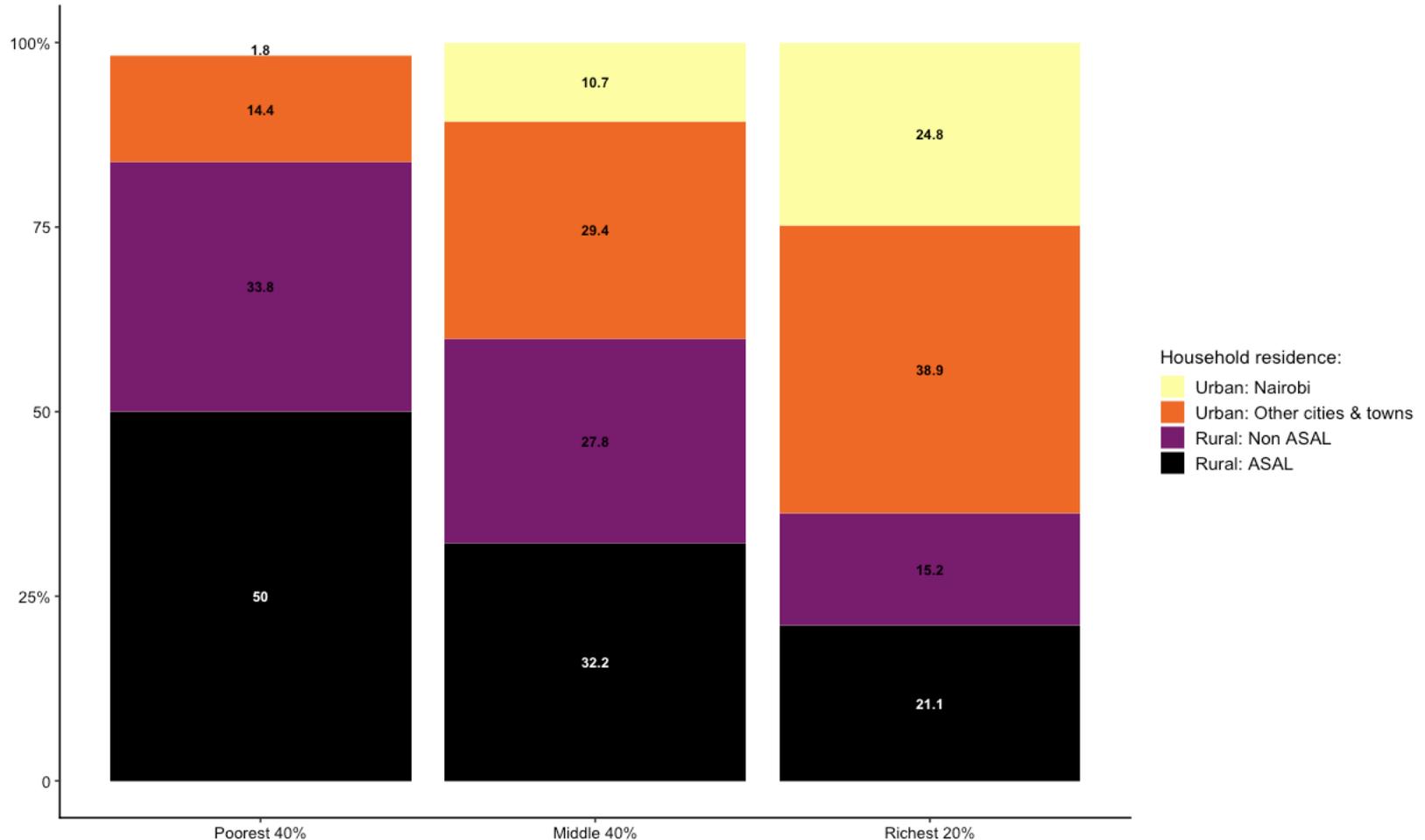
The share of adults by main source of income, within wealth groups, 2018.



# How do livelihoods differ by income category in Kenya?

## Where do people live in Kenya?

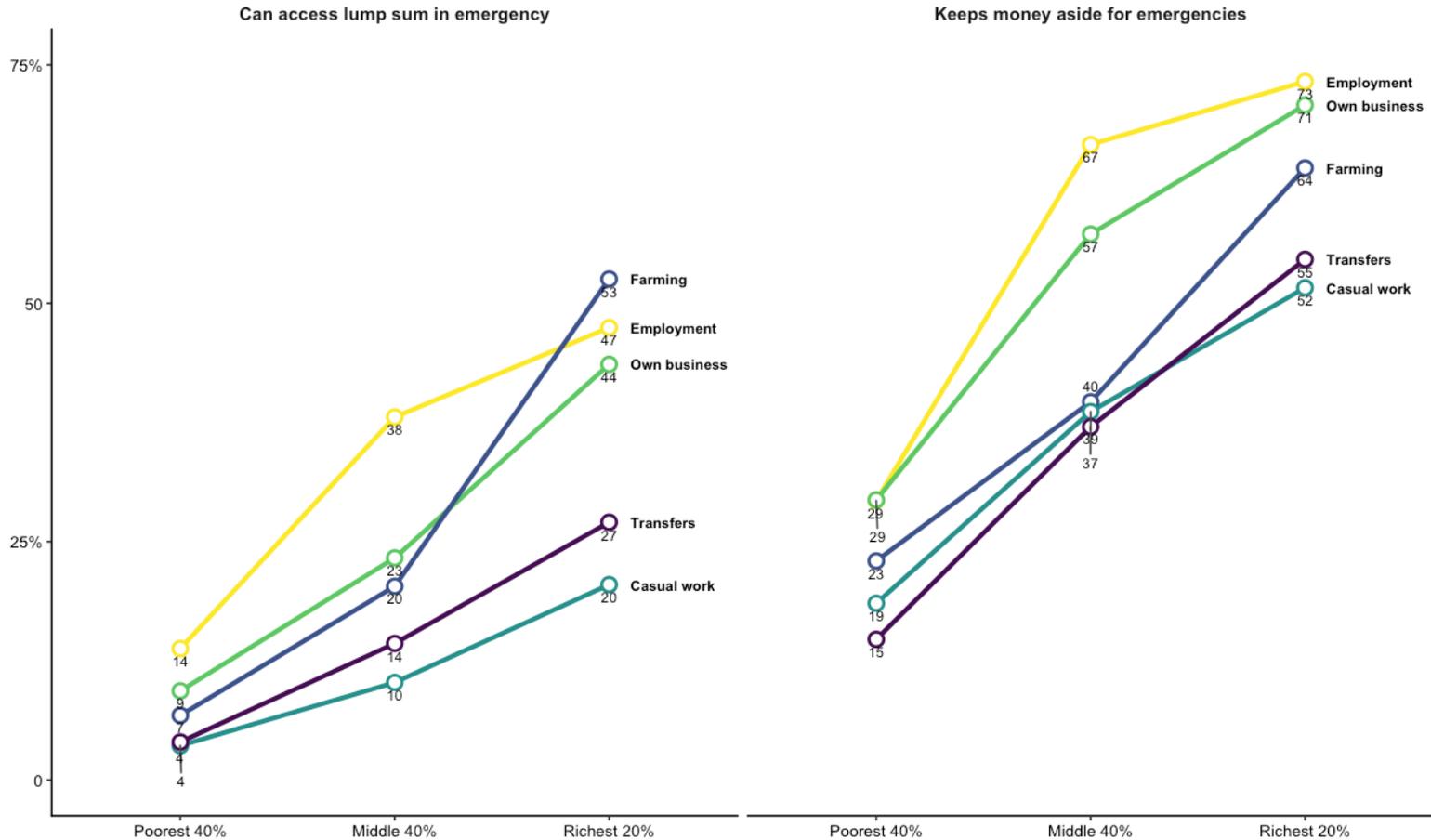
The share of Kenya's population by geographic residence within wealth groups, 2018.



# Financial resilience and livelihoods in Kenya?

## Financial resilience & livelihoods in Kenya

Indicators of financial resilience (% of adults 18+) by livelihood and wealth





# How governments, private sector and development partners responding?

# What can we do?

- Keep people safe
- Get everyone linked to digital payments — both individuals and merchants
- Directives to financial institutions on forbearance
- Reprogram current programs toward covid19 response
- Get there quickly with income support — within next 2 months
- Differentiate support by segments where possible
- International institutions need to step in
- Behavioural and hygiene interventions
- Messaging to inform: utilize high adoption of mobile phones

# Thank you

Please engage with us:

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## About Cenfri

Cenfri is a global think-tank and non-profit enterprise that bridges the gap between insights and impact in the financial sector. Cenfri's people are driven by a vision of a world where all people live their financial lives optimally to enhance welfare and grow the economy. Its core focus is on generating insights that can inform policymakers, market players and donors who seek to unlock development outcomes through inclusive financial services and the financial sector more broadly.