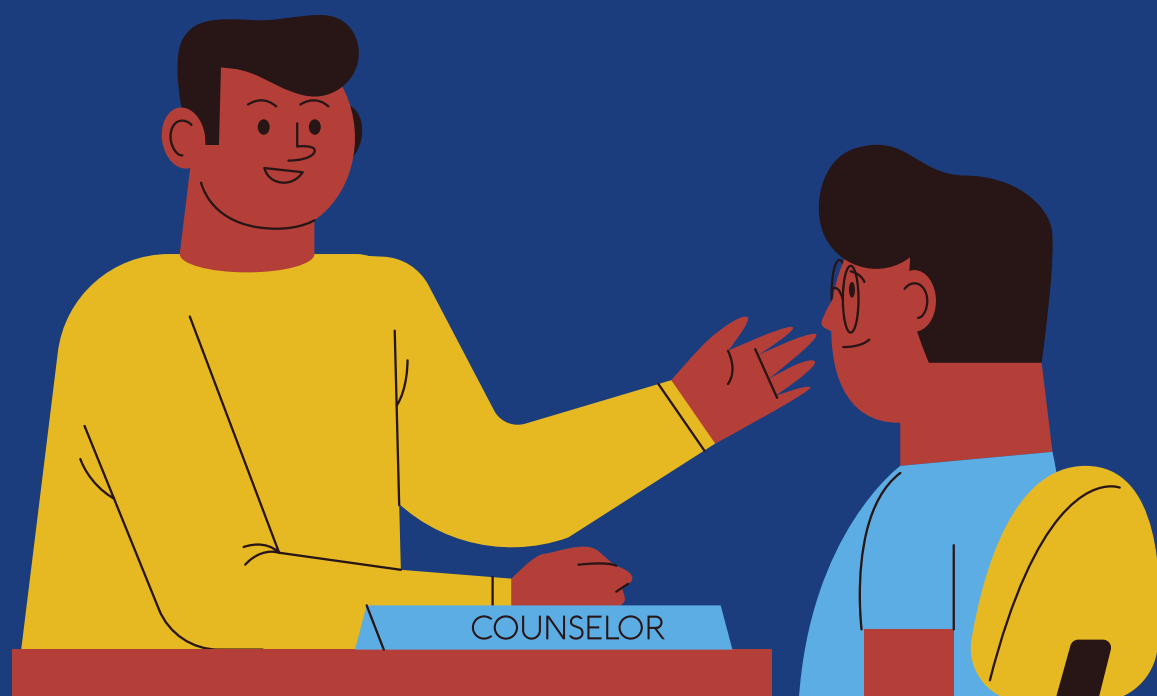
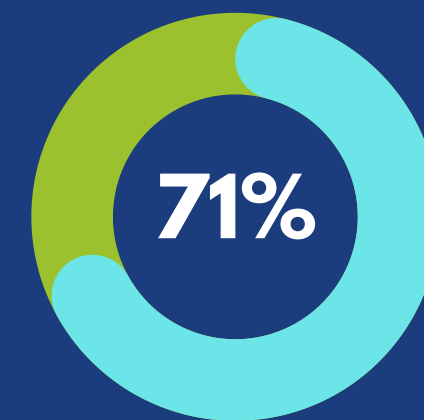


Bridging the Gap between Women, Youth and Finance in Kisumu, Kenya

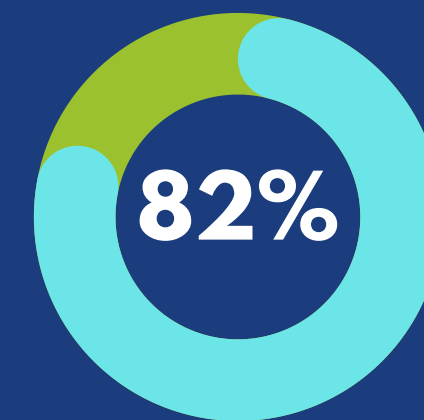


In Kenya **youth employment rate currently is at 7%** according to the last census. With limited opportunities in white-collar jobs, **the unemployment rate continues to increase**. The high levels of youth unemployment and limited economic opportunities calls for the need for self-employment and shift to blue-collar job opportunities. Young Women Christian Association (YWCA) is currently implementing a climate action project with a component of savings and investment within the group to contribute to having youth being in organized groups and coming up with Income Generating Activities (IGAs) for the groups' sustainability. As a youth serving organization working towards empowering youth YWCA decided to conduct research focusing on women and youth groups so as to understand how we can **empower women and youth within groups through linkages to finances to contribute to self-employment**.

Unequal Access to Microfinance Institutions (MFIs)



71% of women access loans more compared to men

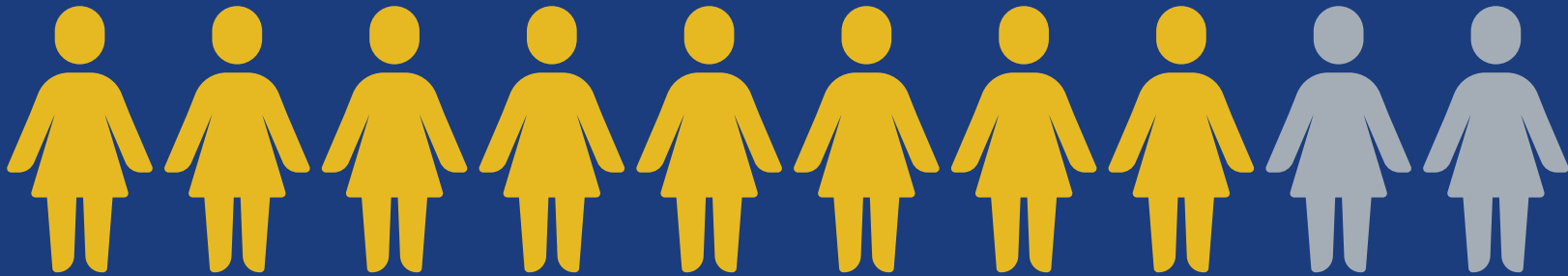


82% in urban areas access loans more compared to rural areas

From the research findings **71% of women access loans more as compared to men**. Women tend to access loans more since they are in organized groups and as a group they can easily access loans from affirmative action funds and from financial institutions. Women are also more aware of the loaning opportunities as compared to men. **Additionally, 82% of those in urban areas access loans more as compared to those in rural areas**. Those in urban areas are more informed on the financial opportunities and can more easily access the institutions offering loaning.

"Some of the terms for loaning from banks are not friendly to most of us. Especially individuals, you must have a collateral which most of us do not have. As a group we can easily apply for women's and youth funds"

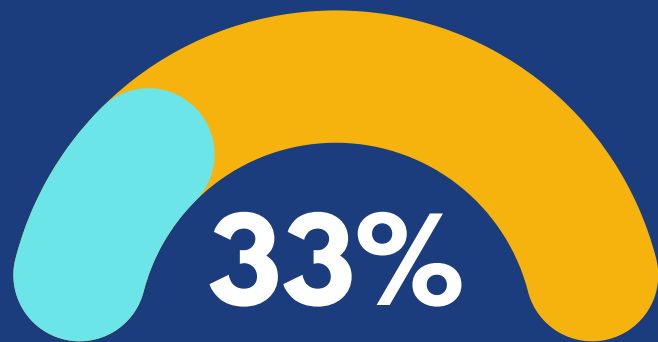
Desire for Financial Institutions Linkages



8 out of 10 youth want to be linked with financial institutions

80% of the groups are willing to be linked with financial institutions as long as the terms and conditions from the MFIs are friendly.

Group savings are not common with youth



Only 33% of the youth in groups are actively participating in savings

Through the study only 33% of the youth in groups are actively participating in savings within the groups. These were those who belonged to groups that have IGAs within the group. Lack of a sustainable income was a major hindrance to youth and women consistency in saving within the groups.

Low Uptake of Loans from MFIs

Only 13% of the respondents have taken loans from MFIs because of the terms and conditions from the institutions. Some of the institutions charge high interest rates and the loans take long process before one is given money; this makes most people prefer mobile loans and taking loans from SACCOs (credit cooperative)

“They require very many things like copies of ID, registered certificate, constitution approved by social services and many other things. Some of the banks frustrate you if you want a loan. I prefer mobile loans since Loans from banks are not helpful as you are not given the money at once as requested. You end up using the loan for a different need.”



Recommendations

The state department for women and youth affairs should look into **developing and incorporating financial literacy skills programs as part of their support to women and youth** (such as being part of the capacity building in the affirmative action funds), with more focus on women and youth in the rural areas .

MFIs should look into **developing loan products for youth and women that are more suitable for their needs** -faster application processes, loan approval/rejection turn around times and feedback on why loans applied for were not granted.

Additionally, MFIs should **raise awareness on their financing packages and debunk false perceptions**-mobile loans tend to charge higher interest but there is a perception that MFIs have higher interest rates .

YLOs/YSOs working on entrepreneurship **support programs for youth need to incorporate financial literacy skills training**, including topics on requirements to access formal finance, such as being in organized groups .



Methodology

Methodology: this product is the result of a mixed methods research, conducted by Young Women Christian Association, that involved 331 participants from Kisumu Kenya. Respondents for the research were drawn from both male and female youth below 35 years and women from the informal settlements and rural areas of Kisumu with low-income status. There were people with small scale businesses as a source of income.. The data was collected through the following mechanisms:

- 150 Surveys
- 37 key informant interviews
- Focus Groups with 144 youth

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