

Tala Kenya

Impact Performance

Report

TALA

60_decibels

Source: Tala Kenya



Contents

<hr/>		
About This Report		03
Top Insights		04
Performance Snapshot		05
<hr/>		
 01: Profile		06
 02: Impact		10
 03: Satisfaction		18
 04: Segmentation		23
<hr/>		
Appendix		27
About 60 Decibels		32

About This Report

This report is designed to provide you with an in-depth understanding of your borrowers, their profiles, the outcomes they experience, how satisfied they are, and how you can improve your impact and business performance.

The insights are based on phone interviews with 250 borrowers. These interviews were conducted by 60 Decibels-trained researchers. We really enjoyed hearing from your borrowers – they had a lot to say!

We employed a random sampling method to select borrowers. To learn more about our methodology, head to the [Appendix](#).

250 borrowers interviewed, 37% were female.



“

Tala offers instant loans when you meet the criteria. I find it easy to access funds and on repaying my loans the loan limit goes up.

– Female, 27



Top Insights

Tala borrowers in Kenya are satisfied and experiencing positive quality of life improvements. Here are top insights we found interesting:

1

Market Contribution: Tala is providing first access to 44% of borrowers and 55% say they could not find a good alternative to Tala's digital loans. Despite the highly competitive market, 69% of the borrowers who have access to an alternative find Tala to be better.

Customers are on average 40 years old and live in a household of 5. 17% of all borrowers live under \$3.20 per day resulting in an inclusivity ratio of 0.39. This means that Tala in Kenya is serving a customer base that is slightly wealthier than the Kenyan average.

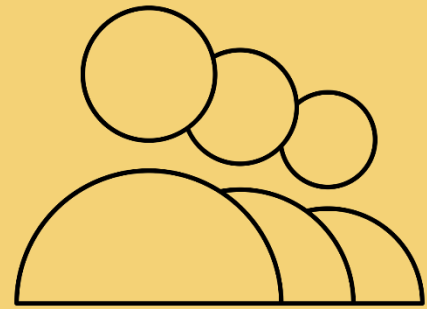
See slides:
[7-9](#)

2

Impact on Life and Finances: Tala in Kenya has a positive impact on the lives of its borrowers. Over 4 in 5 borrowers report an improvement in their overall quality of life because of Tala's digital loans.

Borrowers feel more in control and less stressed about their finances because of Tala's digital loans. 44% of borrowers say their ability to save has improved.

See slides:
[11-17](#)



01: Profile

This section helps you understand your borrower base, and if you are reaching a previously underserved population.

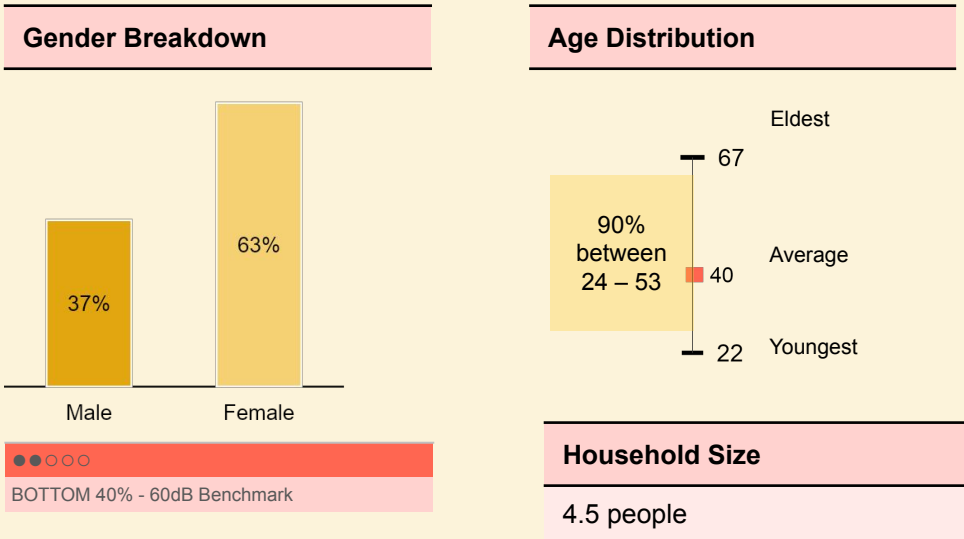
The key indicators in this section are:

- **Inclusivity Ratio:** Are you reaching less well-off borrowers? How representative is your borrower base of the national population of the country you are working in?
- **First Access:** What proportion of your borrowers are accessing a similar product/service for the first time?
- **Access to Alternatives:** Do your borrowers have access to alternatives? Is there competition in the market?



A typical Tala borrower in Kenya is a 40-year-old female, in a household of 5.

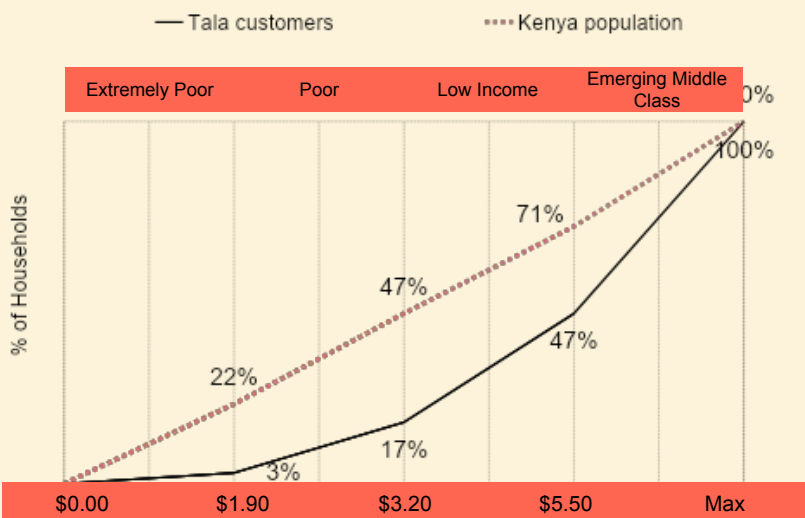
Demographics



17% of borrowers live under \$3.20 per day (2011 PPP), compared to 47% nationally.

Borrowers' Income Distribution Relative to Country Average

% living below \$x.xx per person per day (2011 PPP) (n = 239)

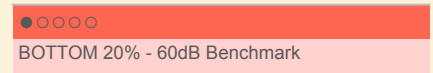


Inclusivity Ratio

Degree to which Tala is reaching low- income borrowers in Kenya (n = 239)

0.39

1 = parity with population;
 > 1 = over-serving;
 < 1 = under-serving.
 See [Appendix](#) for calculation.

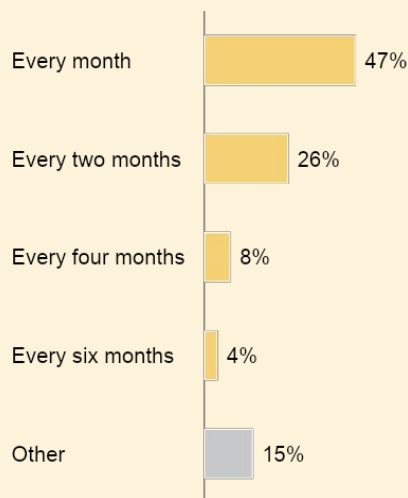




47% of borrowers take digital loans from Tala every month. 70% use their loan for business purposes - mainly to increase their stock.

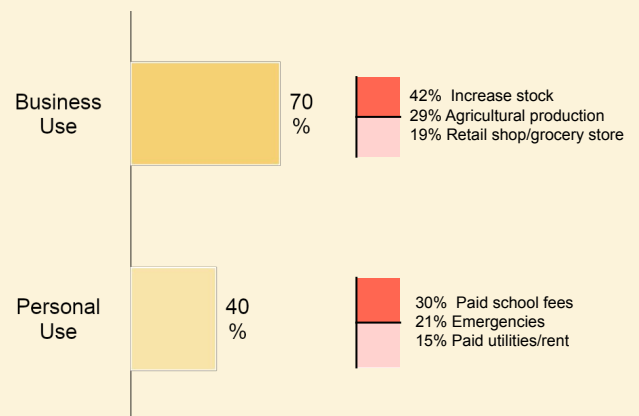
Frequency of Taking a Loan from Tala

Q: How frequently do you take Digital Loan from Tala since you started using the app? (n = 249)



Primary Loan Use

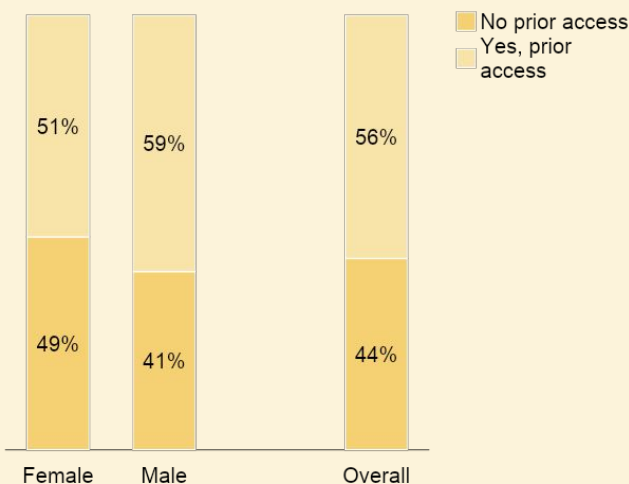
Q: What did you use your Digital Loan for? (n = 250). Open-ended, coded by 60dB.



44% of borrowers are accessing a digital loan for the first time through Tala.

First Access

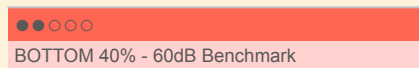
Q: Before Tala, did you have access to a digital loan like Tala provides? (n = 249 | Female = 92, Male = 157)

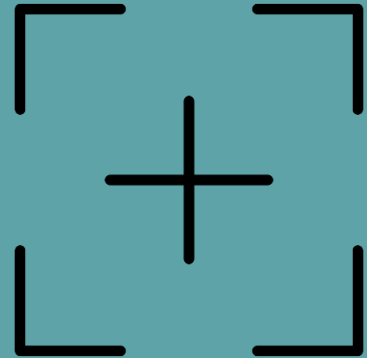


“

With funds from Tala I have been able to add stock to my store and my profits have at least covered some of the costs.

– Female, 54





02: Impact

We believe that the best way to understand the social impact that you are having, is to simply ask borrowers whether their quality of life has changed as a result of access to the Tala's digital loan, and if so, how.

This section shows you the degree to which you are impacting the quality of life, and what outcomes, if any, are borrowers experiencing, in their own words.

The key indicators in this section are:

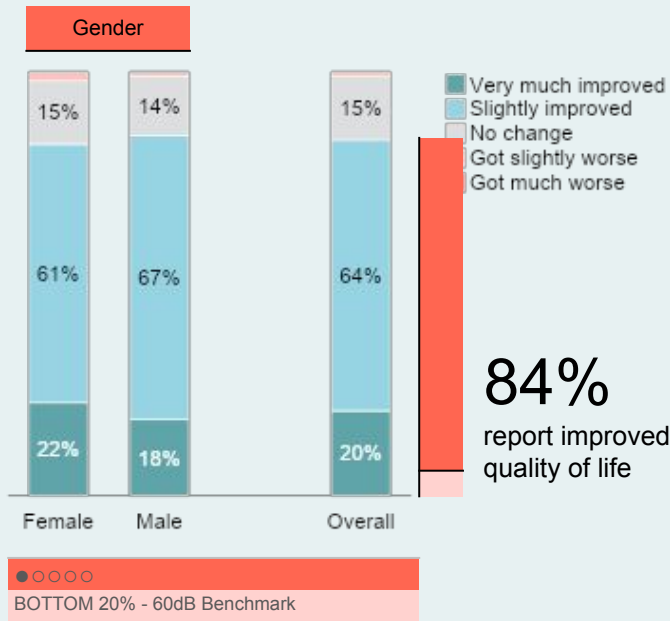
- **Quality of Life Change:** To what extent has the quality of life of your borrowers changed as a result of your offering?
- **Financial Stress and Management:** How has your borrower's ability to manage finances and stress changed because of Tala?
- **Decision Making:** To what extent has Tala's digital loan influenced decision-making for female borrowers?



84% of borrowers in Kenya report that their quality of life has improved as a result of Tala.

Perceived Quality of Life Change

Q: Has your quality of life changed because of Tala?
 (n = 245 | Female = 92, Male = 153)



The top three self-reported outcomes for 84% of borrowers reporting quality of life improvements are:

Open-ended, coded by 60dB (n = 206)

27%

talk about improved access to finance
 (22% of all borrowers)

23%

mention the ability to afford household and bills
 (19% of all borrowers)

“

I now get more income from my business thus I can now cater for my family’s needs more than before. I can pay my electricity bills and water bills.

– Male, 35

18%

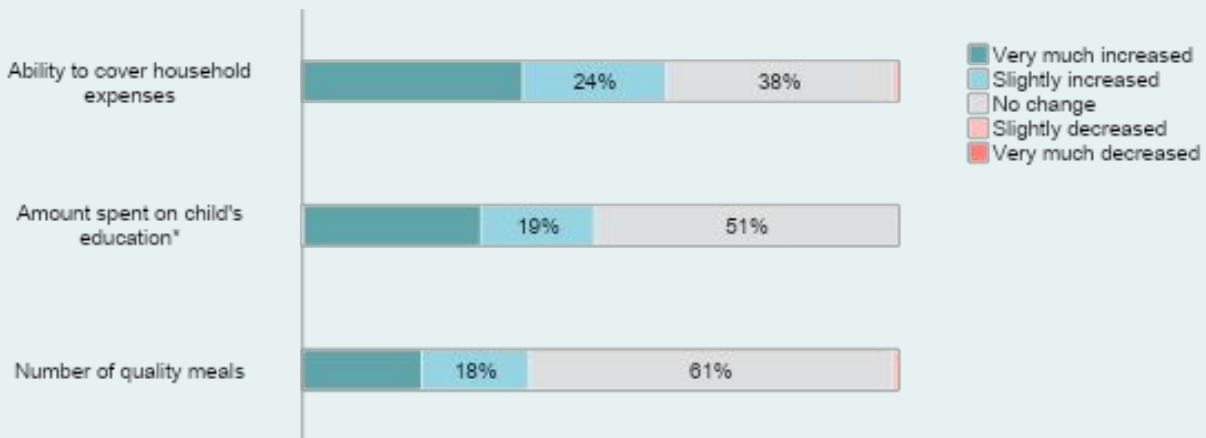
report being able to buy inventory or stock
 (15% of all borrowers)



Tala’s digital loans have the biggest positive effect on borrowers’ ability to cover household expenses.

Impact on Household Outcomes

Q: Because of Tala, how have the following things changed? (n = 250)*

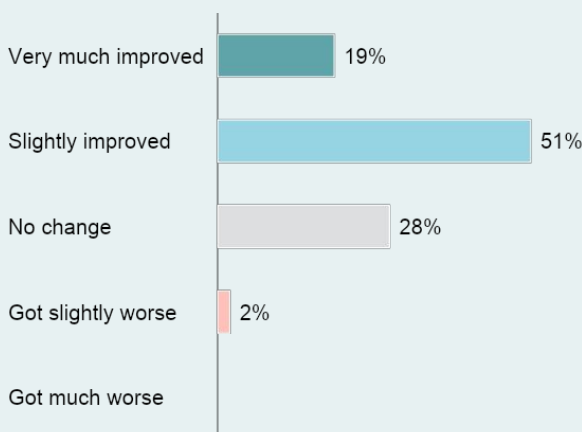


*The sample size for amount spent on children’s education is n = 227, excluding 20 clients who do not have school-aged children.

19% of borrowers report their ability to manage finances has ‘very much improved’, and 13% report their independent financial decision-making has ‘very much increased’.

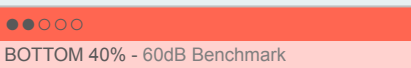
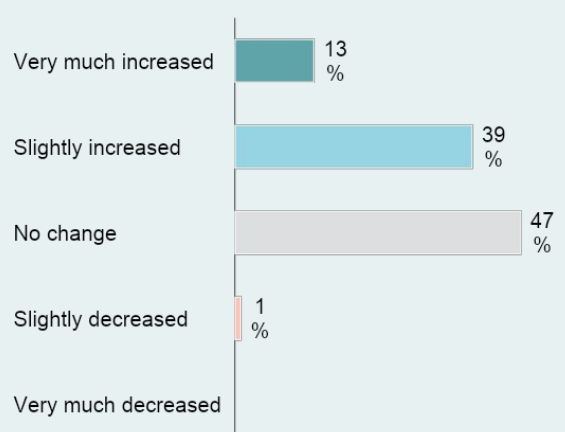
Ability to Manage Finances

Q: Has your ability to manage your finances changed because of Tala? (n = 248)



Independent Decision Making

Q: Has your ability to make decisions on what you do with your money (i.e. spend or save) without consulting your spouse/another adult changed? Has it: (n = 250)

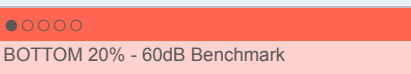
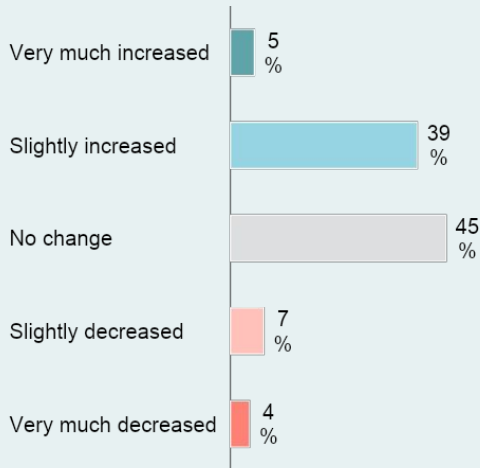




5% report a significant increase in savings balance. 13% report stress related to their finances has significantly decreased.

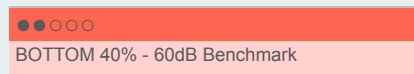
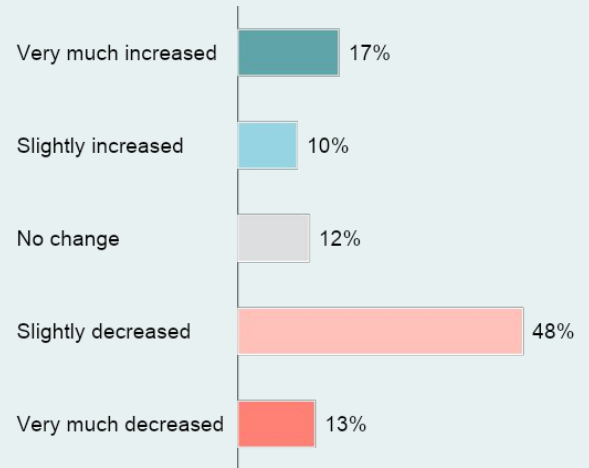
Change in Savings Balance

Q: Because of Tala, has your savings balance changed? (n = 248)



Change in Financial Stress

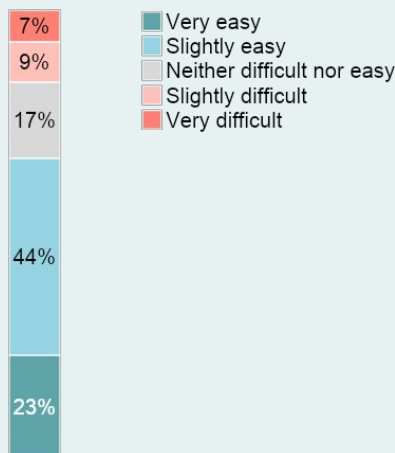
Q: Has your stress related to your finances changed because of Tala? Has it: (n = 247)



23% of clients would find it 'very easy' to come up with 11,000 Ksh at short notice. 88% say their ability to meet such a major expense has improved because of Tala.

Emergency Expenses

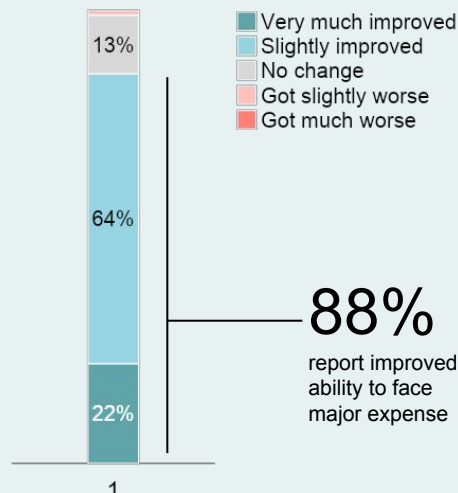
Q: Imagine that tomorrow you have an emergency and need to come up with 11,000* KES within the next month. How easy or difficult would it be to come up with this money? (n = 249)



*This is approximately 1/20th of GNI/capita in Kenya and is considered a proxy for a 'sizeable' emergency expense

Change in Financial Resilience

Q: Has your ability to face this major expense changed because of Tala? (n = 245)

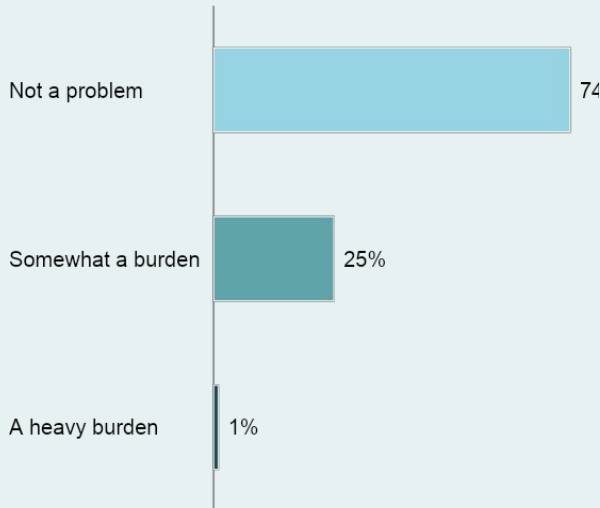




3 in 4 borrowers report their digital loan repayments are not a problem.

Burden of Tala Repayments

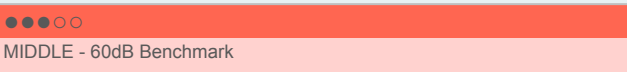
Q: Thinking about your digital loan repayments to Tala, are they a heavy burden, somewhat of a burden, or not a problem? (n = 249)



“

Tala’s rates are not that high compared to other loan apps and they also give us a duration of one month for one to pay back which to me I feel it's enough time.

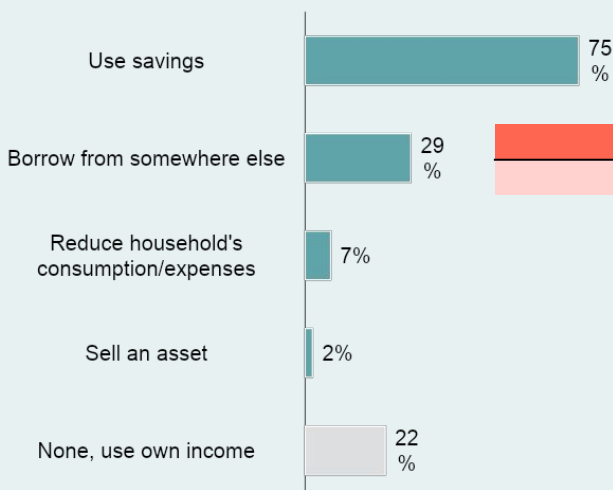
– Male



3 in 4 borrowers report using savings to cover loan repayments. Of the 29% who borrow, 68% borrow from friends or family members.

Repayment Arrangements

Q: Have you had to do any of the following in order to make Digital Loan repayments from Tala? (n = 250) Multiple Select



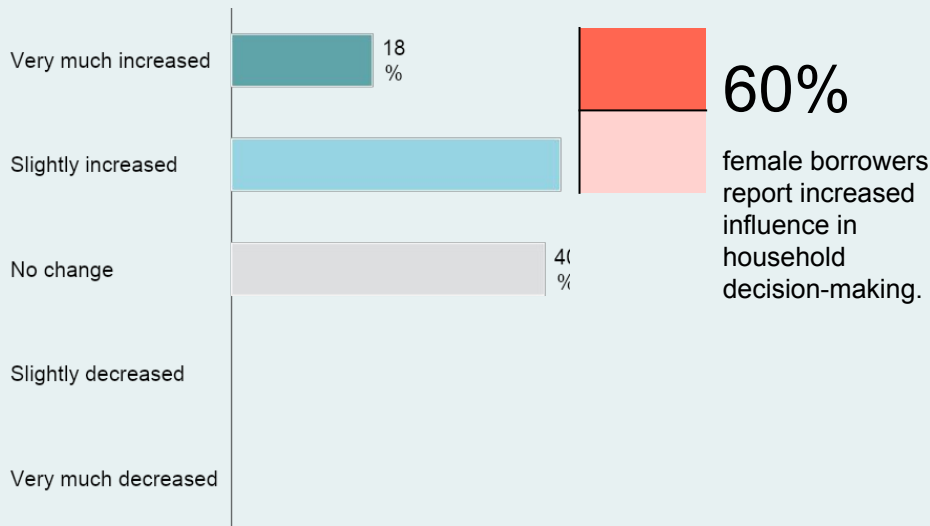
Borrowing Sources	
Friend or family member	68%
Other digital credit (other than Tala)	14%
Money lender	10%
MFI or bank	4%
Local vendor/dealer	4%



3 in 5 female borrowers report an increase in their influence on household decision-making because of Tala.

Influence on Household Decision making

Q: Has your influence on household decisions changed because of Tala? (n = 89) Only asked to female borrowers



Top three self-reported changes for 60% of female borrowers who report increased influence in household decision-making:

Open-ended, coded by 60dB (n = 53)

64%

talk about having financial independence
(14% of all borrowers)

27%

report being able to pay for emergencies
(6% of all borrowers)

“

I am now able to pay school fees for my children. I also participate in decision making in the house.

– Female, 40

14%

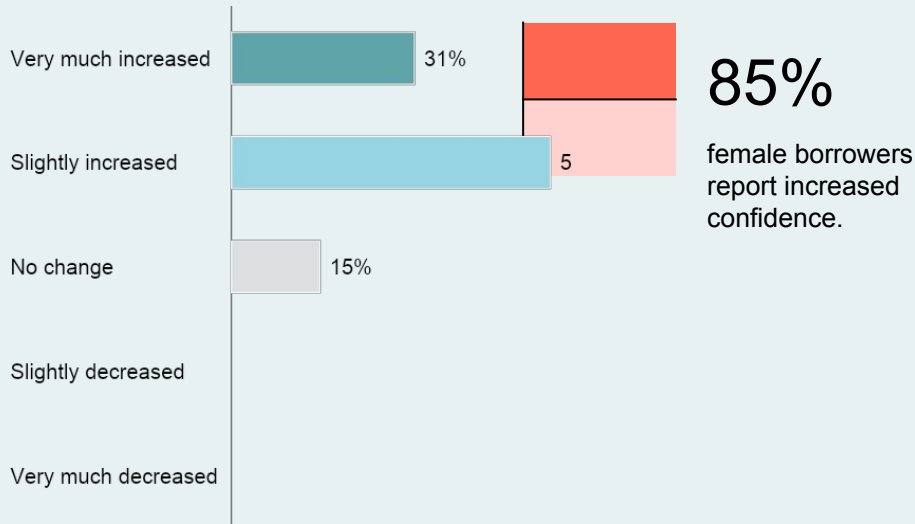
mention the product helps them with financial planning
(3% of all borrowers)



85% of female borrowers report an increase in their confidence.

Change in Confidence

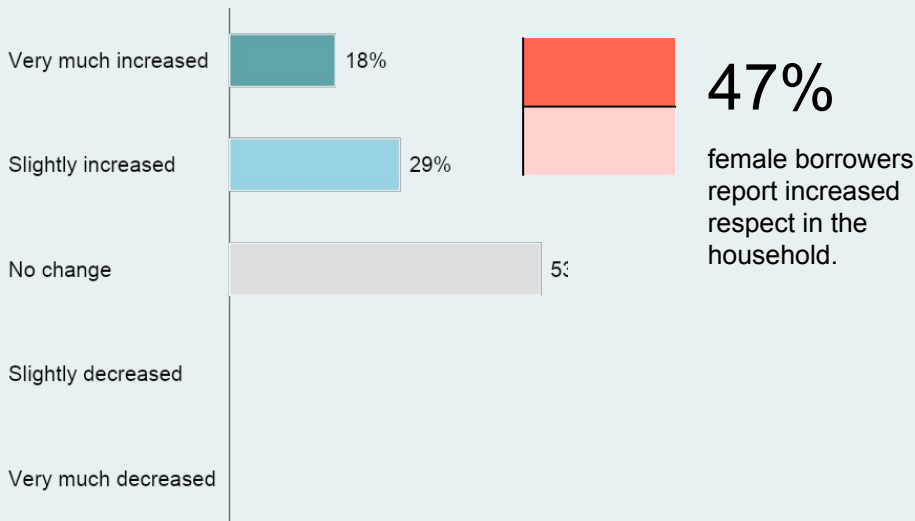
Q: Has your confidence in yourself and your abilities changed because of Tala? (n = 93) Only asked to female borrowers

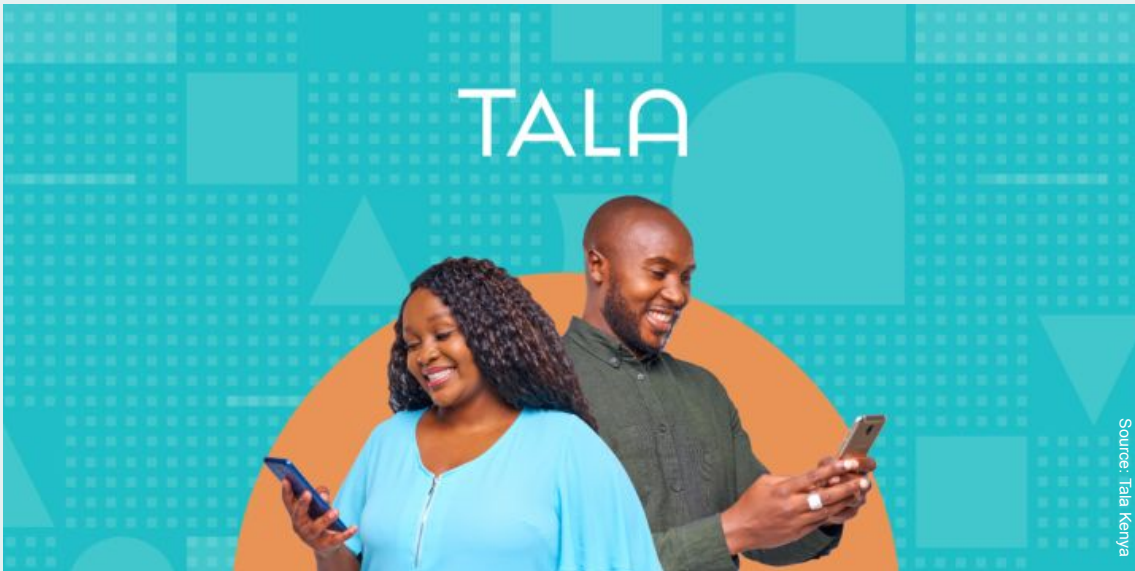


47% of female borrowers report an increase in the respect they receive in their household because of Tala.

Respect in Household

Q: Has the level of respect you receive within your household changed because of Tala? (n = 89) Only asked to female borrowers





“

With loans from Tala, I can restock parts and resale on time. This has helped me have some extra money to cater for my other bills and still have some more cash to buy more stock as Tala offers a flexible loan repayment time.

– Male, 32



Appendix

Methodology

About the 60dB Methodology

In October 2022, 60 Decibels' trained researchers conducted 250 phone interviews with Tala's digital loan borrowers in Kenya. The borrowers were randomly selected from a random sample of Tala's borrower database. Here is the breakdown of how we collected this data:

Country	Kenya
Contacts Shared	2,000
Interviews Completed	250
Response Rate	83%
Languages	Kiswahili
Average Survey Length	11 mins
Confidence Level	85%
Margin of Error	5%

Calculations and Definitions

For those who like to geek out, here's a summary of some of the calculations we used in this report.

Metric

Calculation

Inclusivity Ratio

The Inclusivity Ratio is a metric developed by 60 Decibels to estimate the degree to which an organization is reaching less well-off customers. It is calculated by taking the average of Company % / Country %, at the \$1.90, \$3.20, and \$5.50 lines for low income and low-middle income countries, or at the \$3.20, \$5.50 and \$8.00 lines for middle income countries. The formula is:

$$\sum_{x=1}^3 \frac{(\text{Tala Poverty Line } \$x)}{(\text{Kenya Poverty Line } \$x)} / 3$$

60 _decibels

TALA

About 60 Decibels

We're a tech-enabled impact measurement company, working in over 50 countries worldwide. Our repeatable, standardized approach to gathering data allows us to gather robust impact indicators and rich graduate insights direct from end users.

We also provide genuine benchmarks of impact performance, enabling our clients to understand their impact relative to peers and to make informed decisions regarding how to improve their impact. Our clients include over 350 of the world's leading impact investors, companies, foundations, corporations, NGOs, and public sector organizations.

Thank You For Working With Us!

Let's do it again sometime.

We'd love to hear your feedback on working with 60dB; take 5 minutes to fill out our feedback survey [here!](#)

Stay In Touch

Please sign up for [The Volume](#), our monthly collection of things worth reading.

Acknowledgments

Thank you to Tala's team for their support throughout the project.