



TALA

# MoneyMarch 2025: Investing in the Future



## Why This Report Matters

It explores how consumers **earn, spend, save, borrow, and invest amid rising living costs and shifting financial behaviors**. It provides key insights to help financial institutions, policymakers, and businesses support consumer resilience.

## Areas of Exploration

- Income sources
- Expenses & Coping strategies
- Borrowing, Savings & Investments
- Financial Outlook

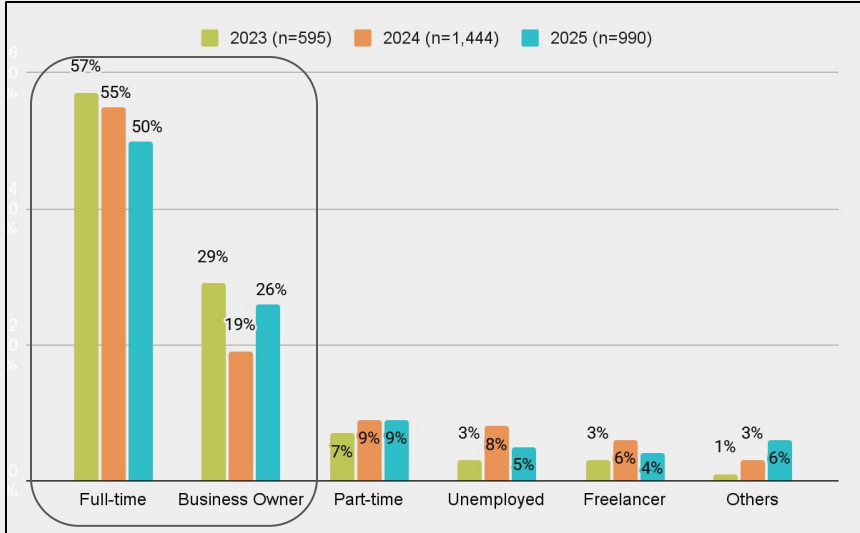
A young man with short dark hair and a light beard is leaning out of the open window of a bus. He is wearing a bright blue short-sleeved polo shirt with orange accents on the collar and sleeves. The bus is white with a dark frame around the window. The background shows lush green trees, suggesting a rural or natural setting. The lighting is bright and natural, indicating daytime.

**Where We Stand Today**

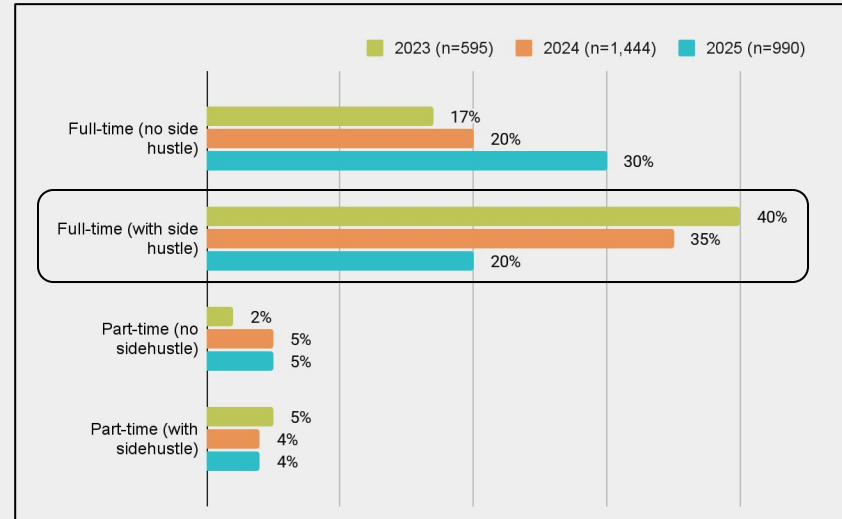
# Main income source:

Full-time employment is declining, while business ownership is on the rise. However, fewer workers are engaging in side hustles, signaling financial constraints in diversifying income streams.

### Main Source of Income

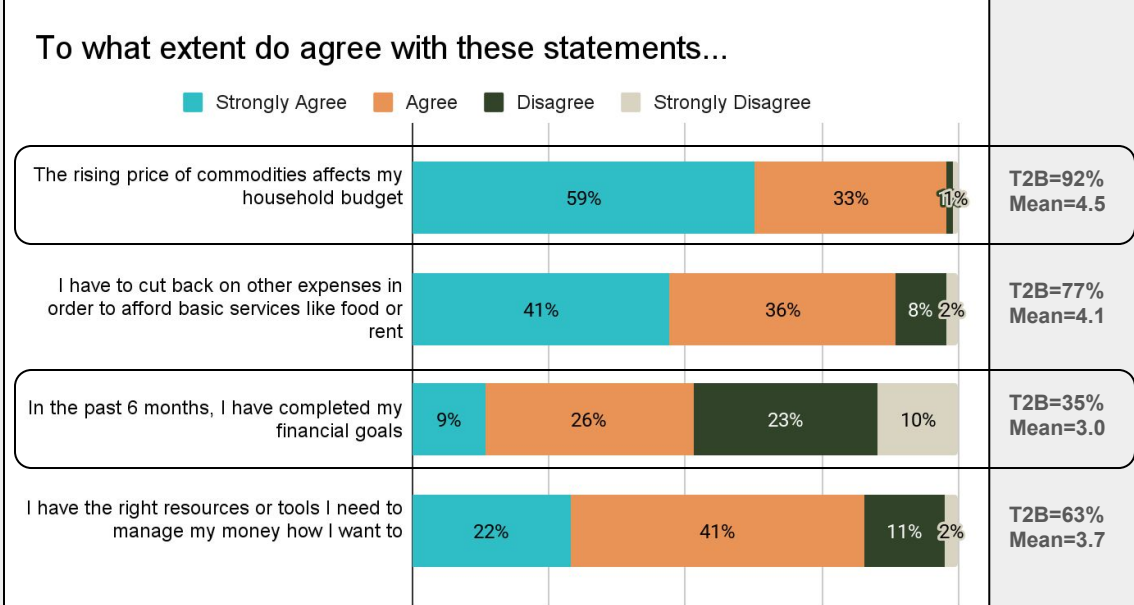


### Main Source of Income vs Side Hustles



# What consumers are facing:

92% say rising costs affect their household budgets. Consumers are cutting back on non-essentials and struggling to meet financial goals.

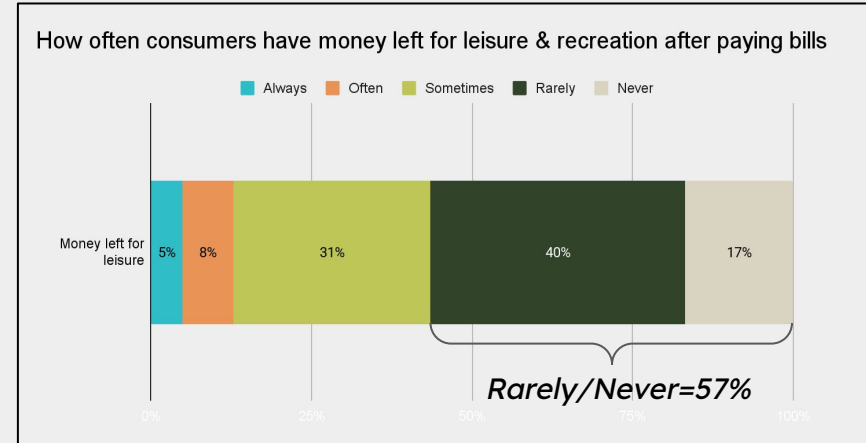


# Where the Money Goes:

Increased spending on essentials leaves little for savings or leisure

## Monthly Household Expenses

		INDEX
Education	64%	172
Electricity	58%	157
Groceries/ food	57%	155
Internet/ mobile data	52%	140
Transportation expenses	51%	139
Loan payments	49%	133
Water utilities	49%	133
Rent/ house payment	47%	127
Savings	44%	120
Self-indulgences/ shopping	38%	102
Medication or medical-related	33%	89
Regular repairs (house, car, etc.)	28%	75
Leisure/ Recreation/ Reward	16%	43
Business expenses	2%	6
Supporting family and friends	1%	4
Other	2%	5



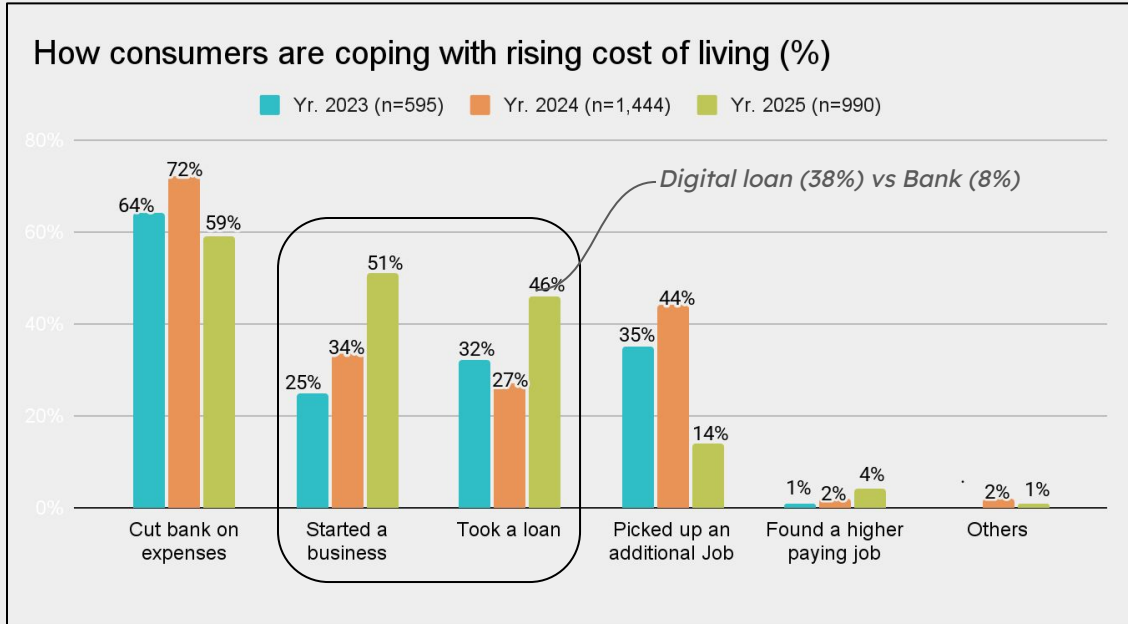
NOTE: **xx / xx** indicates over-indexed or under-indexed performance

A woman with a warm smile, wearing a vibrant red jacket and a patterned headscarf, stands in the center of a small, cluttered shop. She is holding a black smartphone in front of her. The shop is filled with various goods, including large blue water jugs, colorful snack bags, and boxes of instant noodles. A single light bulb hangs from the ceiling, illuminating the scene. The background shows shelves and more products, creating a sense of a busy, everyday marketplace.

# How are they managing Financial Gaps

# How Consumers are Coping with Rising Expenses:

Half of the consumers have started a business (□17pp) to supplement income in addition to taking a loan (□19pp).

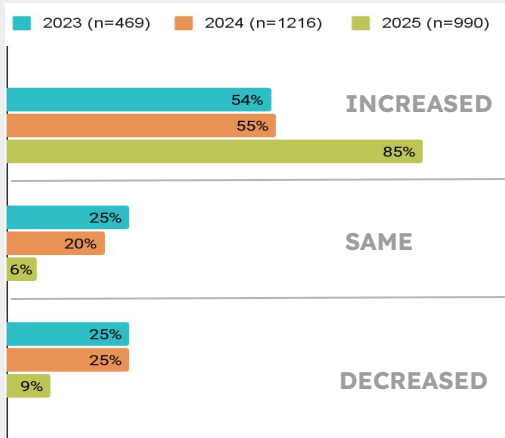




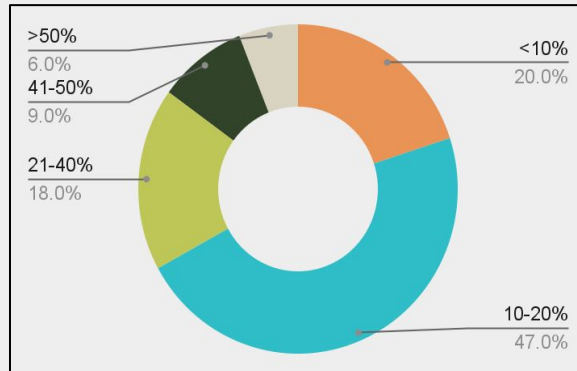
# Change in Overall Living Expenses:

More than 1 in 3 consumers feel utility costs have increased by over 20% in the past 6 months.

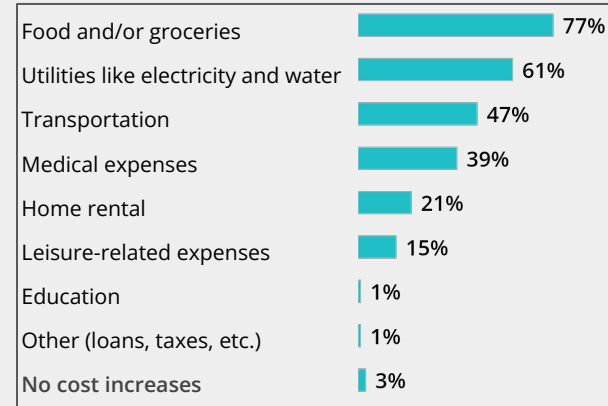
## Change in living expense in P6M



## Perception: How much is the increase P6M



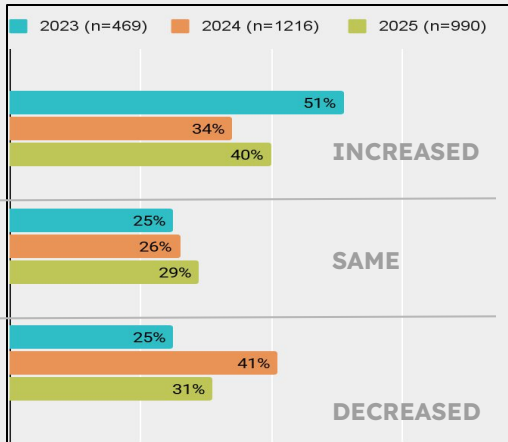
## Perception: Commodities impacted by increased cost



# Borrowing Habit:

Over a third of consumers have increased borrowing. Loans are mainly used for business expense, education (school fees), and daily expense in attempt to manage the rising cost of living.

## Change in borrowing in the P6M



## Reasons for borrowing

		INDEX
Business expenses (restock)	43%	283
Education	35%	230
Day-to-day living needs	24%	158
Medical expenses	18%	118
Emergency expense	18%	118
Start a side business or hustle	17%	112
Paying off another loan	15%	99
Home improvement	13%	85
Start a business	9%	59
Farming supplies	7%	46
Goods and appliances	5%	33
Travel or vacation expenses	3%	20
Personal enjoyment	3%	20
Other	3%	20

NOTE: **xx** / **xx** indicates over-indexed or under-indexed performance

n=990

# Borrowing Sources:

Digital lending dominates borrowing, with consumers consolidating loans to fewer lenders. However, while most feel confident managing debt, a significant portion remains uncertain.

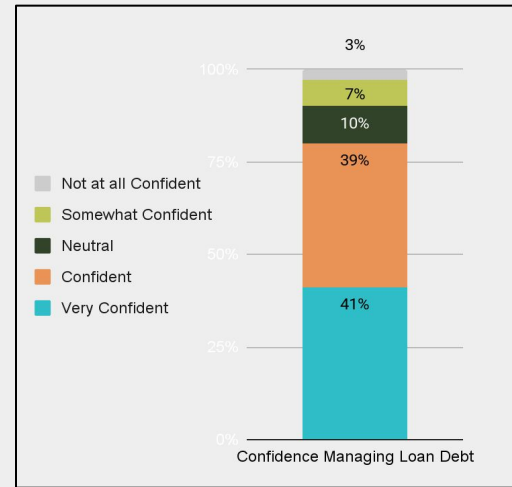
## Where consumers are borrowing from

2025 (n=400)	%	INDEX
Digital loan/lending apps	92%	<b>360</b>
From banks	32%	<b>125</b>
From my family/friends	26%	102
From cooperatives	21%	<b>82</b>
From unofficial or informal lenders	4%	<b>16</b>
From government	2%	<b>8</b>
Other	2%	<b>8</b>

## Av. number of digital lenders used in a month

	2023	2024	2025
<b>1 Lender</b>	42%	43%	<b>52%</b>
<b>2-3 Lenders</b>	47%	45%	<b>41%</b>
<b>3+ Lenders</b>	11%	12%	<b>7%</b>

## Confidence in managing loan debts



A young woman with her hair in a bun, wearing a grey t-shirt, is looking back over her shoulder towards the camera with a slight smile. In the background, a male student is sitting at a desk, focused on his work. Behind them is a whiteboard filled with mathematical equations and a green chalkboard with a small blue butterfly sticker on it.

**Are they planning for the future?**

# Financial Goals (Next 5 years):

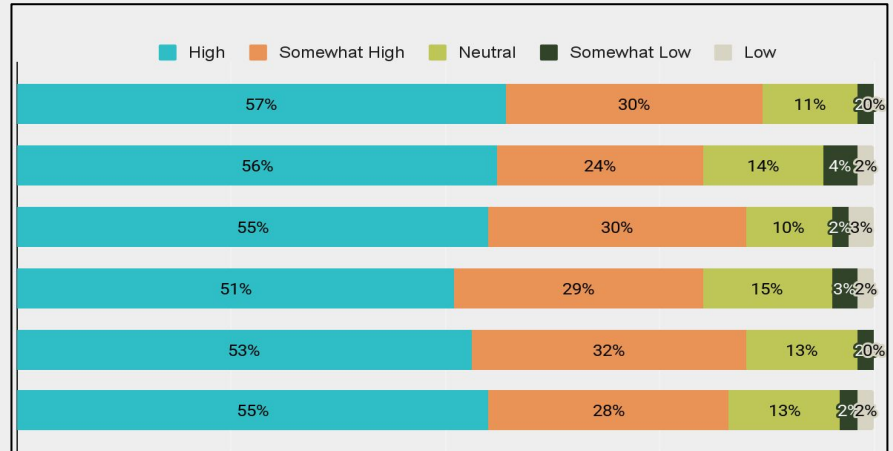
Entrepreneurship and home ownership are top financial goals that consumer want to achieve in the next 5 years. Despite the high cost of living, consumers remain optimistic about achieving their goals.

## Top financial goals (next 5 years)

		INDEX
Starting a business	72%	210
Home ownership	62%	181
Education	36%	105
Retirement	17%	49
Emergency Fund	17%	49
Other	2%	6

	T2B	MEAN
Starting a business	87%	4.40
Home ownership	80%	4.28
Education	85%	4.32
Retirement	80%	4.25
Emergency Fund	85%	4.35
Other	83%	4.32

## Confidence in achieving the financial goals

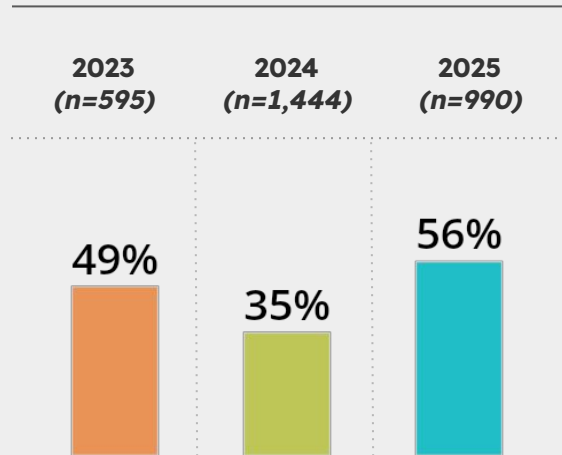


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# Saving Habit:

Savings rebounded after a dip in 2024. Financial security is the main reasons for saving motivation. Interestingly, consumers overwhelmingly prefer traditional savings options.

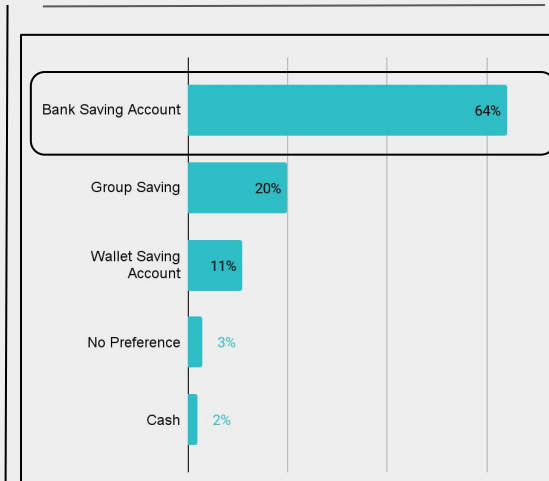
Number of consumers that have saved in the P6M



Reasons why consumers save (n=554)

Reason	Percentage	INDEX
Financial security	52%	624
Capital for business	46%	551
Emergencies	39%	467
Education	38%	462
Personal things	19%	227
New house	12%	145
Travel	7%	87
Vacation	7%	84
New car	7%	84
I just save; no goal	4%	45
Hobbies	3%	42
Other	1%	11

Where consumers prefer saving (n=554)

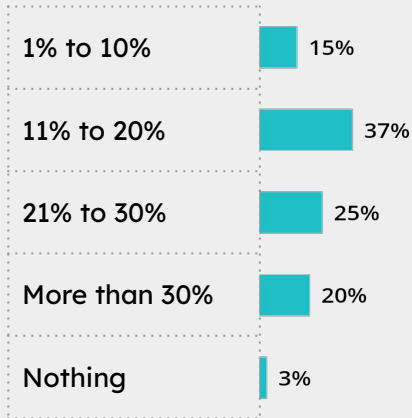


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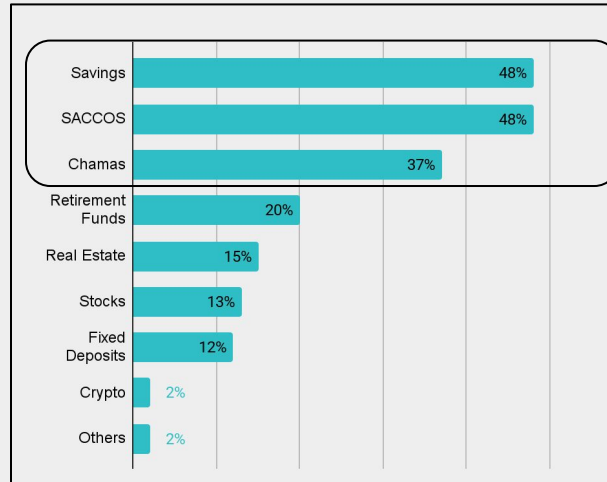
# Investment Habit:

Most consumers invest a moderate portion of their income, primarily in savings, SACCOs, and Chamas. Wealth growth remains the top motivation for investing.

Income set aside for investment (n=990)



Types of investments consumers have (n=960)



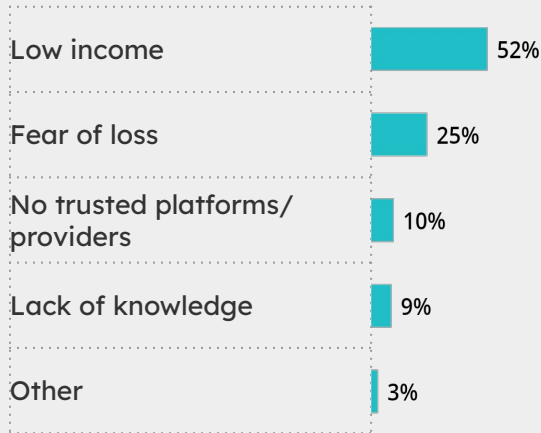
Reasons why consumers invest (n=960)

<b>Wealth growth</b>	<b>67%</b>
Business	50%
Retirement	43%
Education	27%
Inflation protection	14%
Other	3%

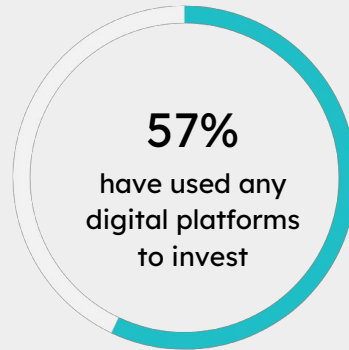
# Barrier of Investing & Digital Usage:

Low income is the biggest barrier to investing, followed by security concerns. Digital investment adoption is growing, with 57% of consumers using digital platforms, but trust and security remain key hurdles to wider adoption.

## Main Challenge to Investing (n=960)



## Use of digital platform to invest (n=990)



## What would encourage digital usage (n=564)

	%	INDEX
Trust/ security	50%	117
Easy access	50%	116
Convenience	45%	105
High returns	38%	89
Low fees	31%	72



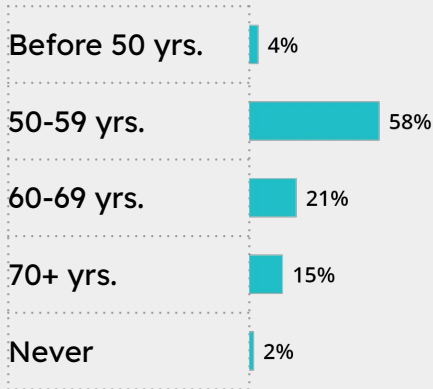
# Retirement:

Retirement savings remain critically low, with high living costs being the biggest barrier. Despite this, most consumers plan to retire between 50-59 years, raising concerns about financial security in later life.

Consumers with a retirement plan (n=990)



Age consumers plan to retire at (n=990)



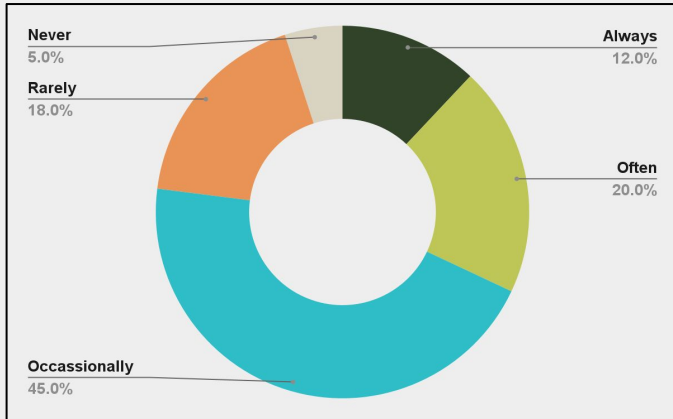
Barriers to saving for retirement (n=821)

	%	INDEX
<b>High expenses</b>	<b>59%</b>	<b>180</b>
Lack of enough income	31%	94
Uncertainty	30%	92
Lack of/limited financial knowledge	30%	91
No access to pension plans	14%	42

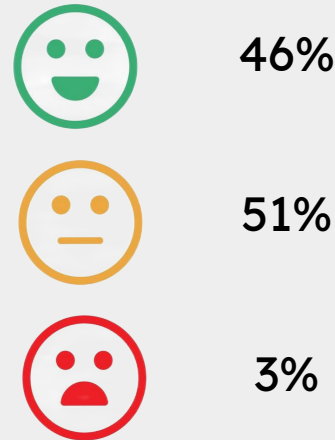
# Emotional Side of Money:

While financial stress is common, most consumers remain hopeful about their financial future. While optimism remains, targeted financial literacy and support systems are essential for reducing financial uncertainty.

How often they are stressed about their financial situation



How they feel about their financial future



**End!**