



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

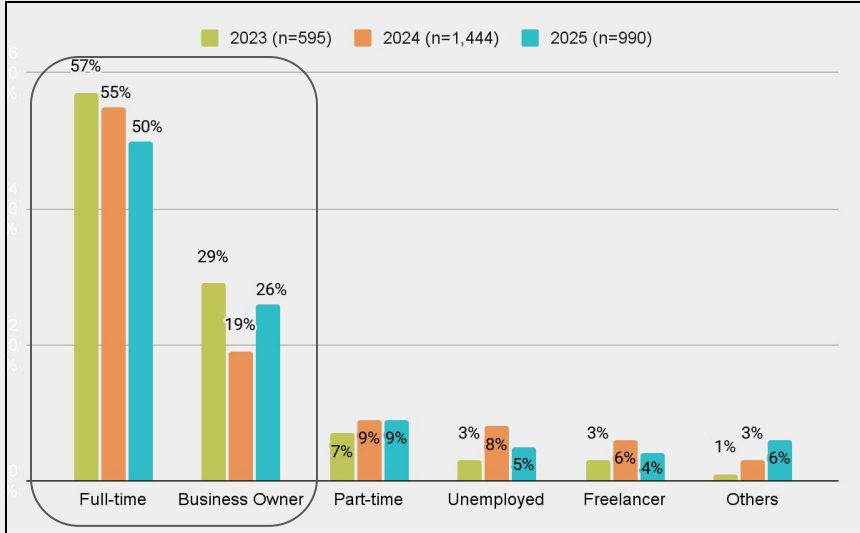
Where We Stand Today



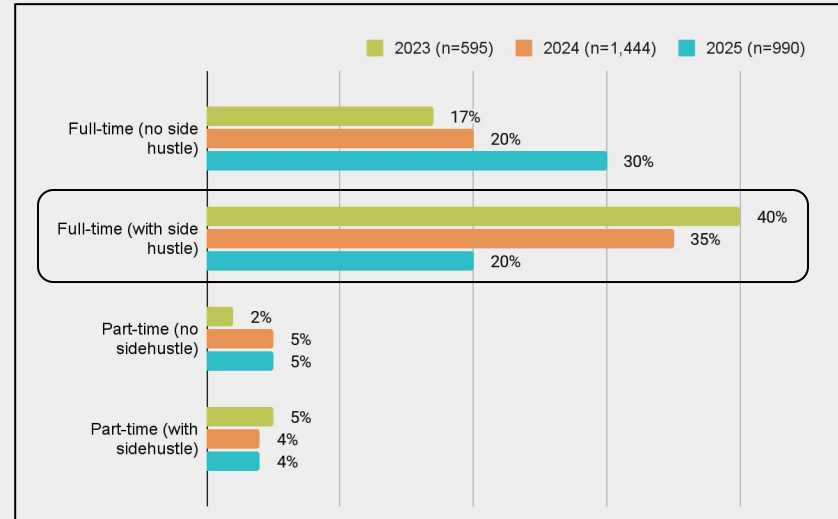
Main income source:

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

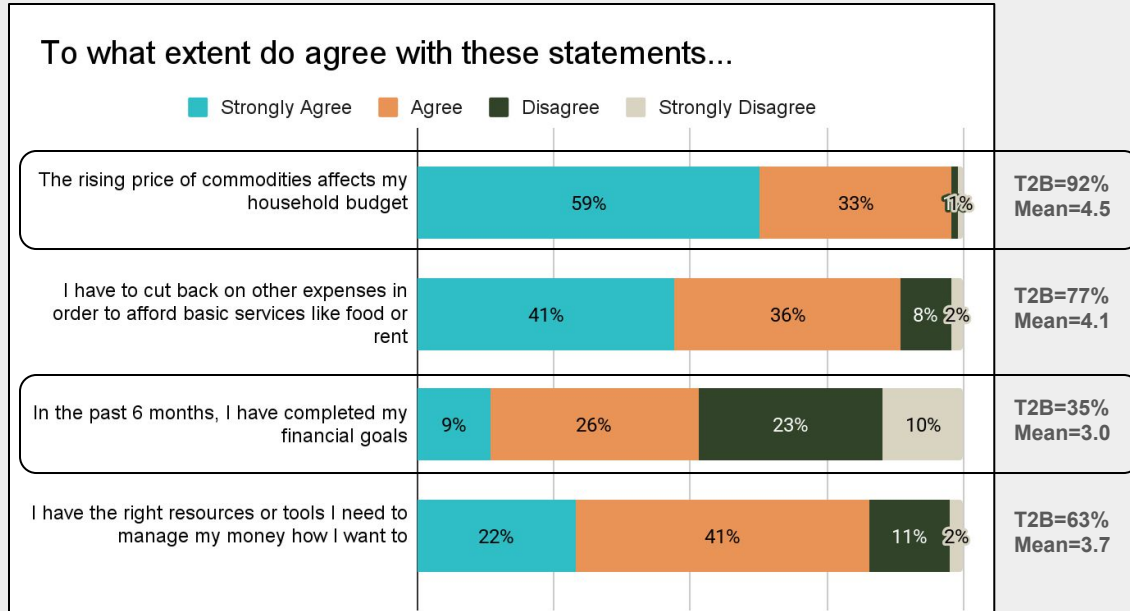


Main Source of Income vs Side Hustles



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.

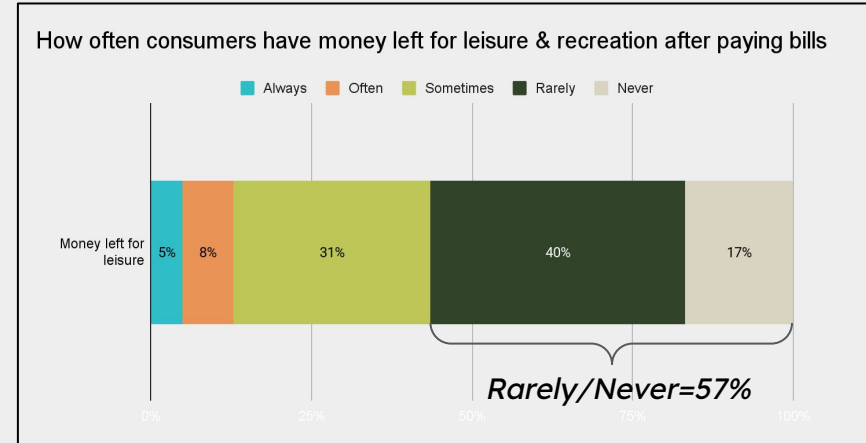


Where the Money Goes:

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



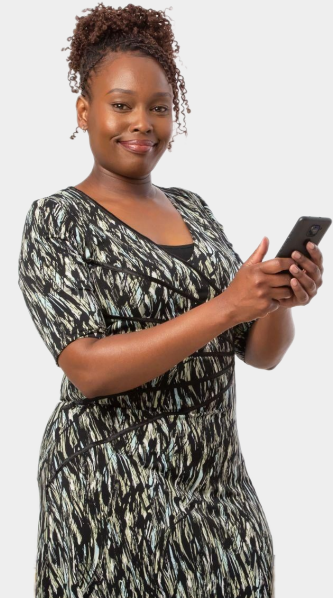
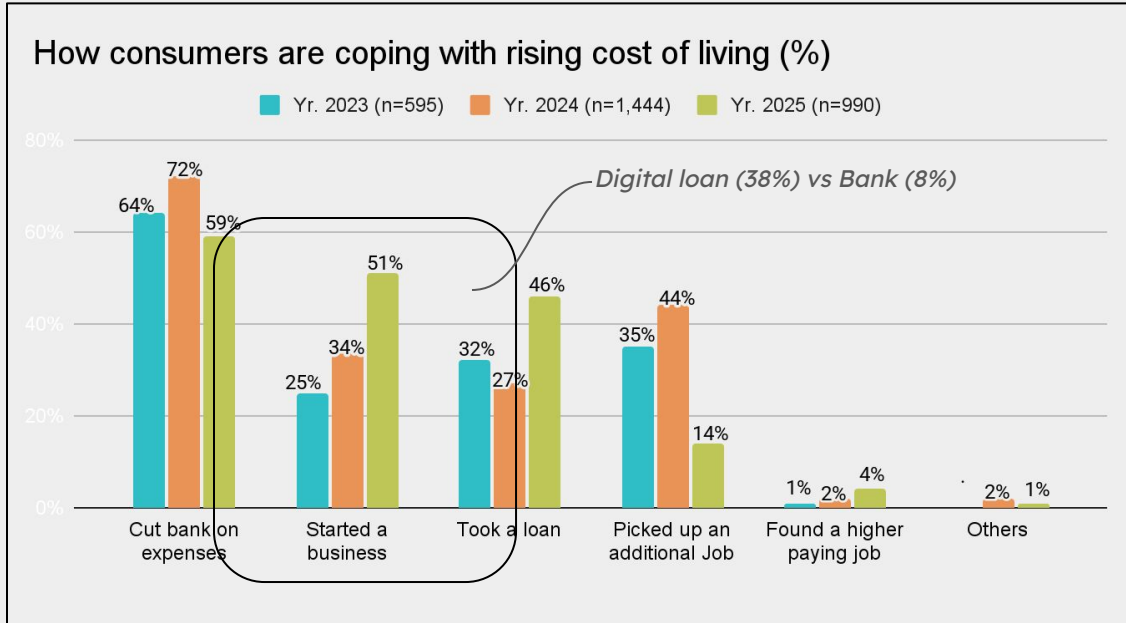
NOTE: **xx / xx** indicates over-indexed or under-indexed performance

A young girl in a light blue school uniform and a man in a dark blue polo shirt are sitting at a wooden desk. The girl is writing in a notebook with an orange pen, and the man is looking at the notebook with a smile. A laptop is open on the desk to the right. The background is plain white.

How are they managing Financial Gaps

How Consumers are Coping with Rising Expenses:

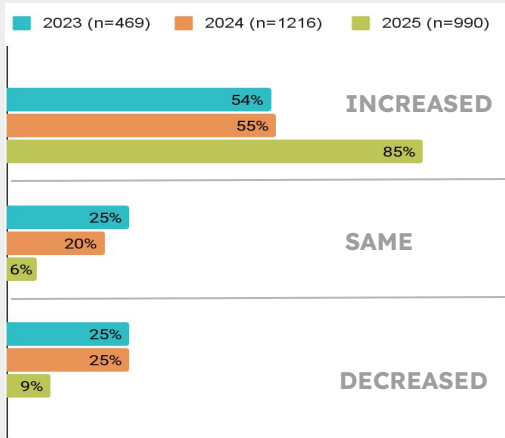
Half of the consumers have started a business (□17pp) to supplement income in addition to taking a loan (□19pp).



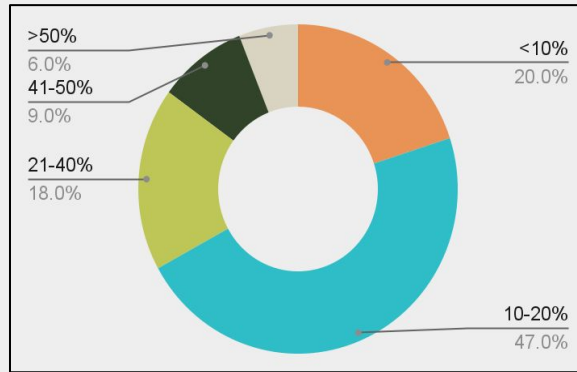
Change in Overall Living Expenses:

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

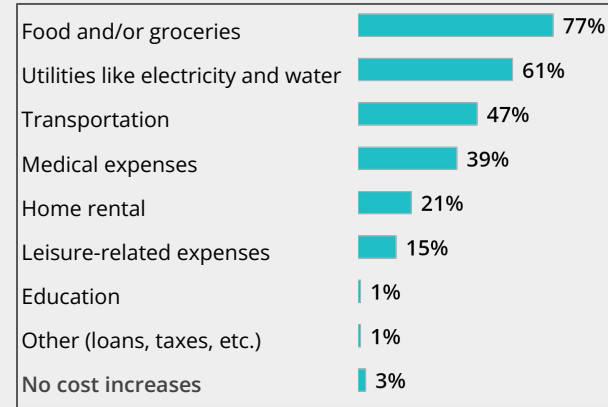
Change in living expense in P6M



Perception: How much is the increase P6M



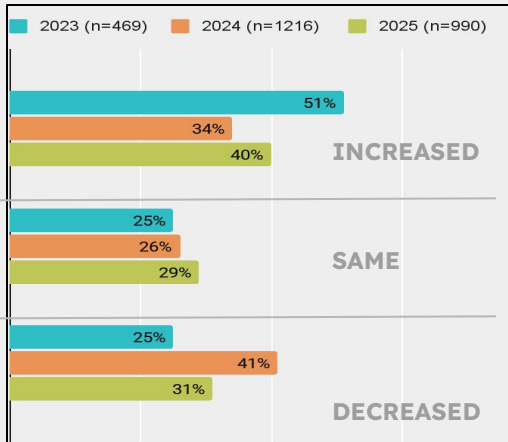
Perception: Commodities impacted by increased cost



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.

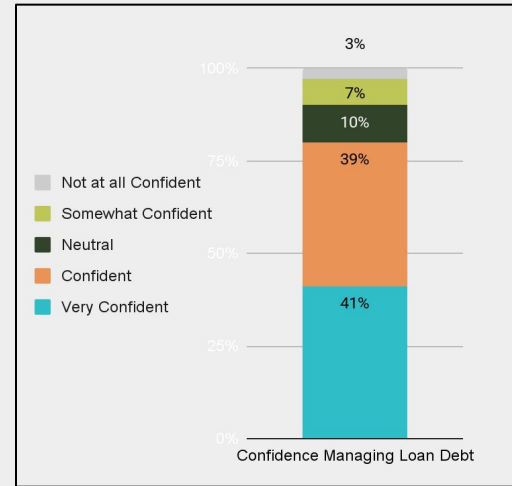
Where consumers are borrowing from

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

Av. number of digital lenders used in a month

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

Confidence in managing loan debts



Are they planning for the future?



Financial Goals (Next 5 years):

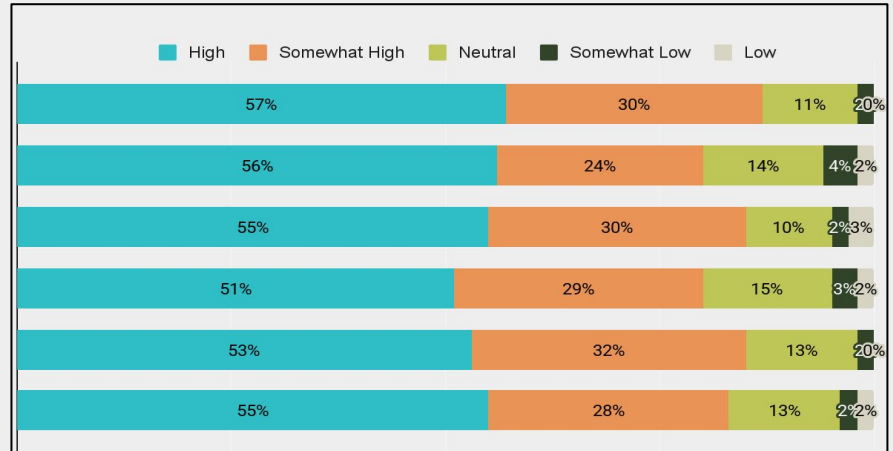
Entrepreneurship and home ownership are top financial goals that consumer want to achieve in the next 5 years. Despite the high cost of living, consumers remain optimistic about achieving their goals.

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

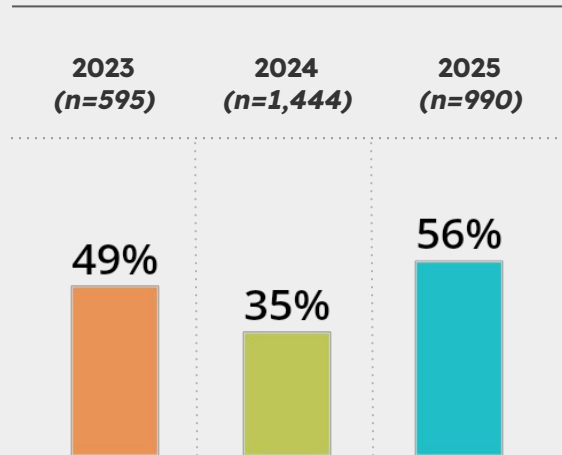


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Saving Habit:

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

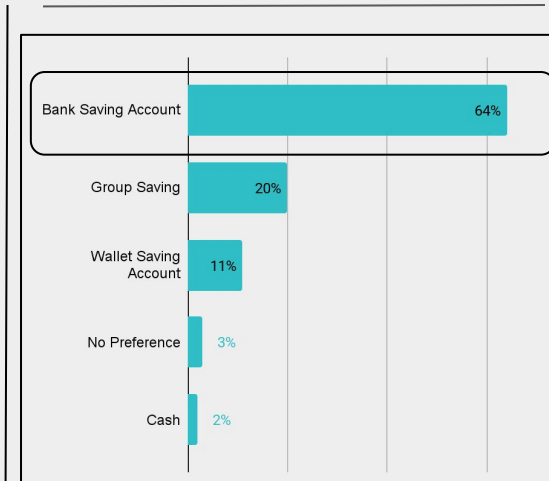
Number of consumers that have saved in the P6M



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)

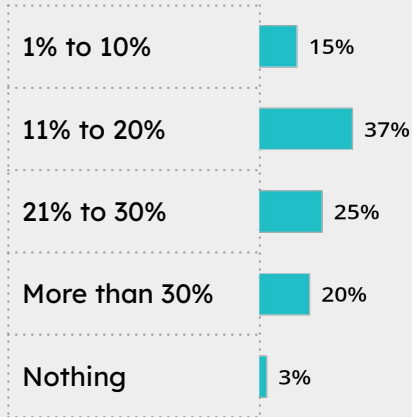


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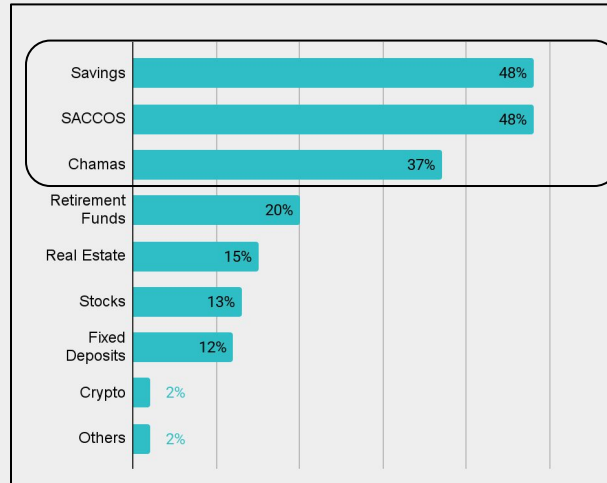
Investment Habit:

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)



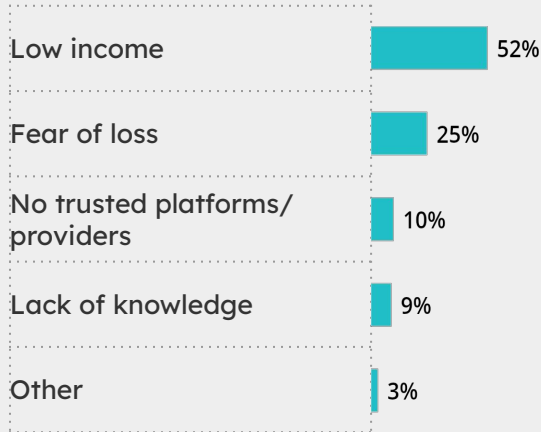
Reasons why consumers invest (n=960)

Wealth growth	67%
Business	50%
Retirement	43%
Education	27%
Inflation protection	14%
Other	3%

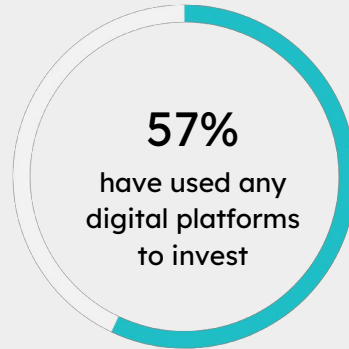
Barrier of Investing & Digital Usage:

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

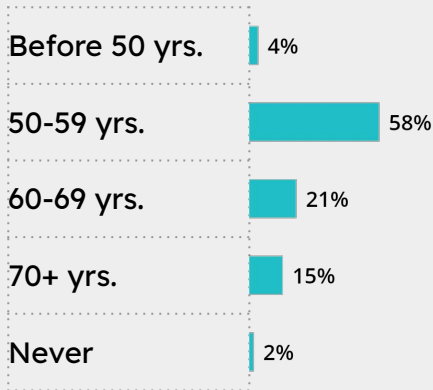
Retirement:

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)



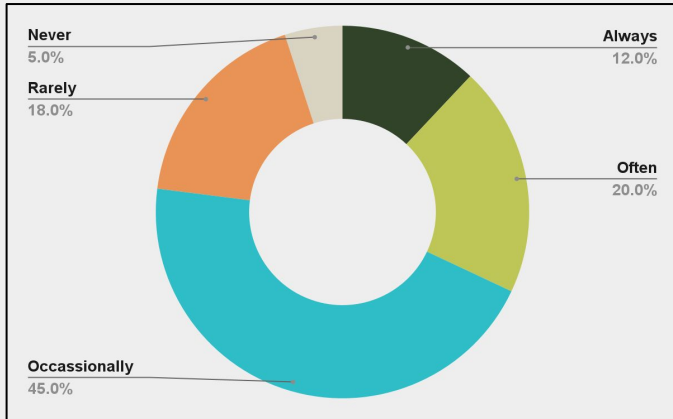
Barriers to saving for retirement (n=821)

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

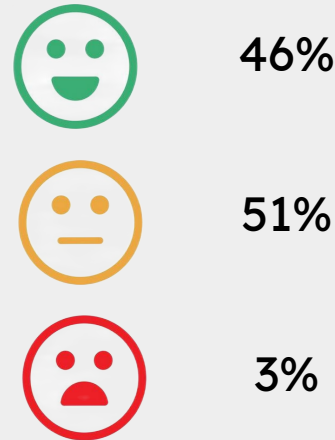
Emotional Side of Money:

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!