

# FMO

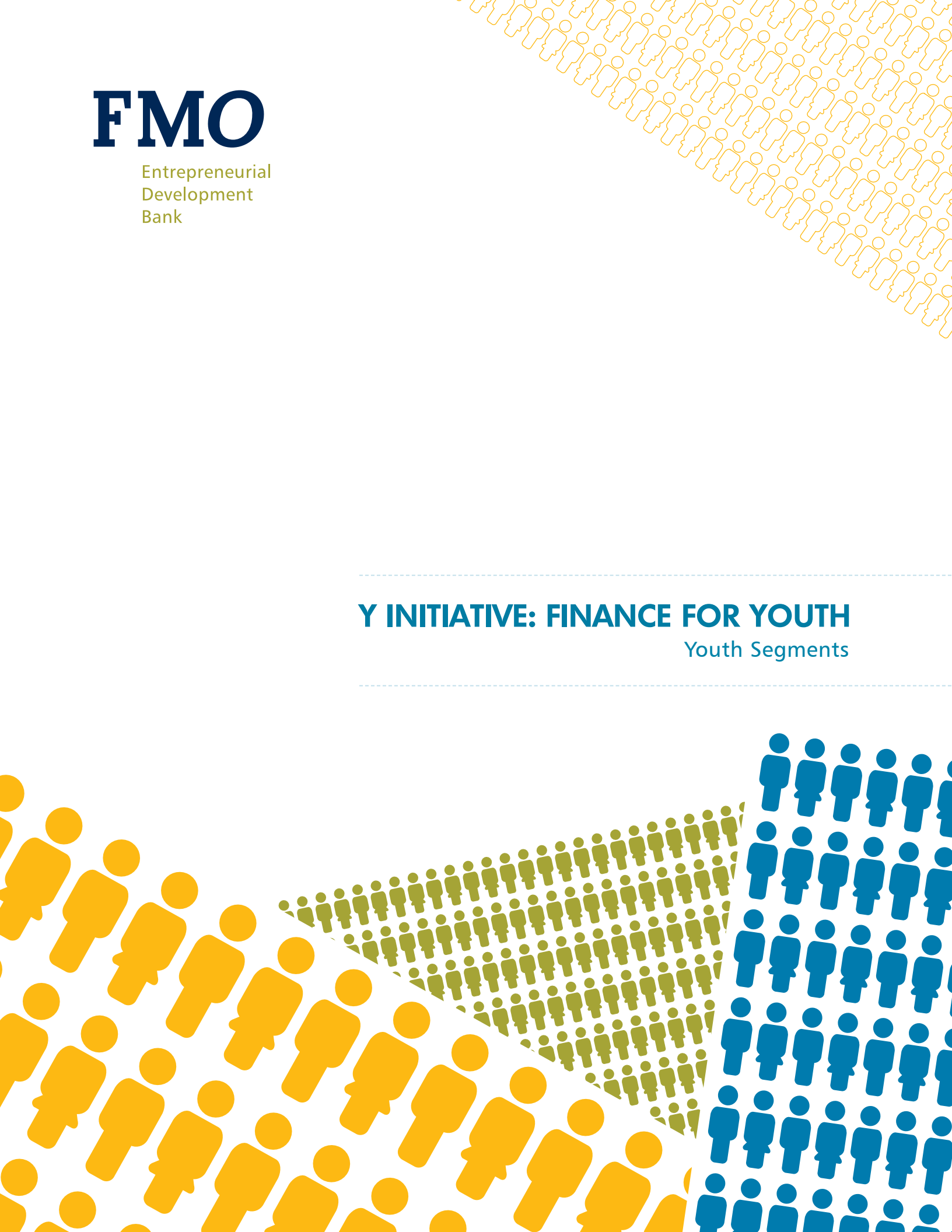
Entrepreneurial  
Development  
Bank

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## Y INITIATIVE: FINANCE FOR YOUTH

Youth Segments

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## YOUTH ENTREPRENEUR



The young entrepreneur is typically between the ages of 24 and 35. They are out-of-school and have a secondary level of education although some may have a technical or university degree and may continue their studies while also owning a business. They live mainly in the urban and peri-urban areas, may be single or married and may have their own family if at the older end of this age range. They own a small business in the industry, commerce or services sector. They treat business income as working capital that is separate from personal finances. The youth entrepreneur is the strongest user of formal financial services with their own savings account and perhaps a business account if the business is registered in addition to business loans from banks or MFIs. They use digital platforms for payments, sends remittances to other family members through mobile money and may also have accessed digital credit previously. The youth entrepreneur values convenience, flexibility, security, efficiency and speed in financial products. They save to accumulate business capital and may invest in another business. The youth entrepreneur separates out business and personal income and keeps some written record of business income and expenses. They make decisions on their own or with a spouse or other family member. They may have some savings for unexpected events.

## Demographic Profile

CATEGORY	DESCRIPTION
Age	24-35
Lifestage	Out-of-School May continue studies through TVET or university May have own family if older
Gender	Male or female
Level of Education	Secondary education Some with University Education, Technical Education or Diploma Certificate
Location	Mainly urban and peri-urban
Marital Status	Mix of married and single
Children	Varies based on marital status

## Livelihood Strategy

CATEGORY	DESCRIPTION
Type	Small Business
Sector	Industry, Commerce, Services
Stage of Business	Operations or Growth Phase (after start-up/launch phase)
Customer Base	Horizontal networks for females Vertical networks for males Desire stronger networks for customer base
Aspirations	Grow Business (e.g. different location, hire employees, own brand, move online) If have family – provide for family (e.g. health and education), especially for females
Monthly Income	Medium

## Touchpoints

CATEGORY	DESCRIPTION
Social Media Use	Active especially if sell products and services online (e.g. FB, WhatsApp, Instagram)
Cell Phone Use	Have own cell phone
Groups (social, financial)	Online groups (FB, WhatsApp) Association/industry groups
Influencers	Spouse (if married), Family and friends Other business owners with more experience

## Access (Barriers and Opportunities/Pain Points)

CATEGORY	DESCRIPTION
Information	Social Media, Internet Searches Trade Associations Online courses, webinars, YouTube TV
Networking/ Mentoring	Mentor may be someone who helped them as they were starting business, in same industry Desire more mentors and access to entrepreneur networks
Technology	Access to internet, cell phone Some have access to computer Use for personal and business purposes
Finance	Need more capital to grow or formalize business

## Financial Needs

CATEGORY	DESCRIPTION
Household (independent vs. dependent)	Independent but may have some dependents if married and with children
Liquidity Management	Business income as working capital, separate from personal finances
Business Management	Basic to intermediate business management skills Limited digital skills (desire to increase digital skills)
Risk Management	Insurance for business
Desired Characteristics/ Expectations of FSPs	Convenience, Flexibility, Secure, Efficiency/ Speed Goal oriented savings tools Increasing loan sizes with flexible repayment terms aligned with income flows

## Financial Behavior

CATEGORY	DESCRIPTION
Use of Informal Financial Services (e.g. savings groups, credit groups, shopkeepers, money lenders)	Limited use of informal financial services May still borrow from friends and family Some payments in cash May send remittances through informal channels (e.g. driver) May deposit savings with shopkeeper
Use of Formal Financial Services (e.g. credit, savings, payments, insurance)	Strongest users of formal financial services Personal savings account May have business account if registered Loans from banks or MFIs
Use of Digital Financial Services	Use digital platforms for payments Send remittances to other family members through mobile money
Planning Ahead (e.g. Short and Long-Term Goals; Preparing for Shock/ Emergencies)	Save to accumulate business capital for business growth and expansion May invest in another business
Money Management (e.g. Budgeting, Record Keeping)	Some written record of business income/expenses but not used for financial decision making Separate business and personal/ household income
Financial Decision Making (e.g. Influencers; Dependent vs. Independent)	Makes decisions on own or with spouse or another family member
Risk Mitigation	Some reserves for unexpected events

## Background Materials

- CGAP Paper on IOC Business Her Own Way: <https://www.cgap.org/research/publication/business-her-own-way-creating-livelihoods-through-informal-online-commerce>
- Caribou/MCF Paper on Platform Livelihoods for Youth in Kenya [https://www.platformlivelihoods.com/wp-content/uploads/2021/09/QYDEL-Part-1\\_Final.pdf](https://www.platformlivelihoods.com/wp-content/uploads/2021/09/QYDEL-Part-1_Final.pdf)
- 'Relentless Entrepreneurs' and from UNCDF Gambia <https://www.uncdf.org/download/file/127/6608/demand-side-research-for-youth-financial-services-december-2017-vfpdf>

## URBAN YOUTH



The youth gig worker is between the ages of 18 and 30, primarily male and mainly lives in urban and peri-urban areas. He is mainly out-of-school and working in the gig economy and is predominately male due to restrictive social norms that limit the role of females for gig jobs such as motorcycle and taxi drivers. He is fairly well educated with at least a secondary school degree and some with a technical or university degree. He may be married and have his own family but may also be single. He works mainly in the service industry in logistics and app-based delivery. The youth gig worker is independent from his parents although he may still support them in addition to supporting any dependents. He has more regular weekly income flows through the platforms he uses and manages separately from personal finances. He may save informally through savings schemes and borrow informally through friends and family. However, he is also likely to have a savings account or an asset-based loan and use mobile money for payments and to send/receive remittances to/from family members. Key attributes such as flexibility, convenience and efficiency for onboarding and transaction affect their choice of financial tools His savings goals are based on his weekly income targets and his budget is also aligned with his weekly expenses. He may be saving in the long term for an asset but he also may lack social protection or insurance in case of injury or an unforeseen event. He typically makes decisions on how own but may seek additional support from another family member or peer.

## Demographic Profile

CATEGORY	DESCRIPTION
Age	18-30
Lifestage	Out-of-school, Working, May Return to school at later point May have Own Family
Gender	Predominantly Male Some Female but more limited due to social norms for more common jobs (e.g. motorcycle/taxi drivers)
Level of Education	Mainly Secondary School Some with University Education, Technical Education or Diploma Certificate
Location	Mainly urban, some peri-urban
Marital Status	Married and single
Children	Varies based on marital status

## Livelihood Strategy

CATEGORY	DESCRIPTION
Type	Gig worker
Sector	Service Industry: Logistics, App Based Delivery
Aspirations	Most choose this out of necessity May desire to become an entrepreneur later
Customer Base	Mainly through the platform but also seek off-platform customers (e.g. restaurant owners)
Monthly Income	Mainly through the platform but also seek off-platform customers (e.g. restaurant owners)
Monthly Income	Medium

## Touchpoints

CATEGORY	DESCRIPTION
Social Media Use	Very active (e.g. WhatsApp, FB, WeChat, Platforms)
Cell Phone Use	Very Active – Smart Phone
Groups (social, financial)	Motorcycle/Taxi Drivers Associations, Church Groups, Friends Groups, Social Media Groups (WhatsApp)
Influencers	More successful youth or adults in gig economy Spouse (if married) and other family members or friends

## Access (Barriers and Opportunities/Pain Points)

CATEGORY	DESCRIPTION
Information	Mainly through groups (e.g. community networks, interest groups/drivers groups) and support forums for hacks and tips for success
Networking/ Mentoring	Lack time for mentoring and networking aside from trying to expand customer base
Technology	Access platforms and social media through cell phone Limited use of computers
Finance	Work long hours and need 'quick', easy access financial services Low financial literacy levels

## Financial Needs

CATEGORY	DESCRIPTION
Household (independent vs. dependent)	Independent from parents although may still support them, in addition to supporting any dependents
Liquidity Management	Have more regular weekly income flows through platform that manage separately from personal finances
Business Management	Get some support through platforms for bookkeeping, budgeting and saving but most likely require more as they are very busy and lack strong business management skills
Risk Management	Need insurance in case of injury Vulnerable to financial shocks such as medical emergencies or loss of work during pandemic
Desired Characteristics/ Expectations of FSPs	Flexibility, Convenience, Fast/ Efficiency (onboarding and transactions)

## Financial Behavior

CATEGORY	DESCRIPTION
Use of Informal Financial Services (e.g. savings groups, credit groups, shopkeepers, money lenders)	May save through daily savings schemes (e.g. boda investment scheme) Use family and friends for informal loans
Use of Formal Financial Services (e.g. credit, savings, payments, insurance)	Some may have savings account or asset-based loan
Use of Digital Financial Services	Use mobile money for payments, to save and to send remittances to family
Planning Ahead (e.g. Short and Long-Term Goals; Preparing for Shock/ Emergencies)	Save to purchase asset (if don't already own one) Savings goals based on weekly income targets Most don't save for emergencies
Money Management (e.g. Budgeting, Record Keeping)	Receive weekly remittance from platforms (if work under company such as Jumia, uberEats) Budget how much need for fuel, leasing asset (if don't own asset) and other expenses
Financial Decision Making (e.g. Influencers; Dependent vs. Independent)	Makes decisions on own but may seek support from spouse, another family member or peer
Risk Mitigation	Most lack social protection or insurance in case of injury or shock

## Background Materials

- Caribou/MCF Paper on Platform Livelihoods for Youth in Kenya [https://www.platformlivelihoods.com/wp-content/uploads/2021/09/QYDEL-Part-1\\_Final.pdf](https://www.platformlivelihoods.com/wp-content/uploads/2021/09/QYDEL-Part-1_Final.pdf)

## RURAL YOUTH



The rural youth is between the ages of 18 to 30. They are mainly out-of-school and working, have mainly a primary education level and may have his/her own family. The rural youth has many diversified income sources based on seasons and works primarily in the agricultural, service and commerce sectors. As a result, they need to streamline income in between seasons and may depend on the income of others such as parents or a spouse. The rural youth is the strongest users of informal financial tools such as savings and loans groups, saving or borrowing from shopkeepers and friends or family members, and saving at home such as in the form of assets. Rural youth save mainly in the short term to cover emergencies or low-income periods or for community events. Rural youth may save and send or receive payments through a mobile phone but are less likely to access digital credit or save through a bank account. Key attributes such as access, trusted sources and flexibility affect their selection of financial tools. Rural youth typically only keep a mental recording of income and expenses and their decision-making power is directly related to income and contributions to the household and gender as females may have more limited decision-making power for larger assets, particularly if they don't have their own source of income.

## Demographic Profile

CATEGORY	DESCRIPTION
Age	18-30
Lifestage	Out-of-School, Working Most likely has own family and lives with extended family
Gender	Male or female
Level of Education	Primary education, some with secondary education
Location	Rural area
Marital Status	Most likely married but some still single
Children	Most likely has multiple children if married

## Livelihood Strategy

CATEGORY	DESCRIPTION
Type	Diversified income sources based on seasons including both seasonal work for hire and small income generating activities
Sector	Agriculture, Services, Commerce
Aspirations	Own house or land Become employed or start own business
Customer Base	Mainly horizontal networks (own circle of family and friends)
Monthly Income	Low

## Touchpoints

CATEGORY	DESCRIPTION
Social Media Use	Low due to limited internet and smartphone access and cost of data Use mainly for communication purposes
Cell Phone Use	May have access to cell phone but limited ownership of cell phone Less ownership among females
Groups (social, financial)	Religious groups, Savings groups (YSGs, VSLAs), Association Groups, Sports and youth clubs, Farmer's Groups
Influencers	Shopkeepers, Community leaders/village chiefs, Spouse (if married) and other family members

## Access (Barriers and Opportunities/Pain Points)

CATEGORY	DESCRIPTION
Information	Regional and Community Radio, Megaphones, TV
Networking/ Mentoring	Mainly horizontal networks (own circle of family and friends)
Technology	Limited access to computers (mainly through internet café) and some cell phone access
Finance	Low financial and digital literacy levels Limited access to traditional banks Limited access to internet, smartphones or agents for digital financial services Limited property rights for collateral requirements

## Financial Needs

CATEGORY	DESCRIPTION
Household (independent vs. dependent)	May depend on income of others (e.g. parents, spouse) but aim to be independent
Liquidity Management	Streamline income in between seasons
Business Management	Basic business management skills (if any)
Risk Management	Adapt to financial shocks especially during low-income periods
Desired Characteristics/ Expectations of FSPs	Access, Trusted Sources, Flexibility

## Background Materials

- Seasonal In-Between' and from UNCDF Gambia <https://www.uncdf.org/download/file/127/6608/demand-side-research-for-youth-financial-services-december-2017-vfpdf>
- 'Independent Informal Male and Informal Female Youth' from FSDT <https://www.fsd.or.tz/wp-content/uploads/2021/05/Rural-Youth-Inclusive-Finance-Study.pdf>
- Synthesis from FMO which draws mainly on IFAD [https://www.ifad.org/documents/38714170/41187395/11\\_Gasparri+and+Munoz\\_2019+RDR+BACKGROUND+PAPER.pdf/](https://www.ifad.org/documents/38714170/41187395/11_Gasparri+and+Munoz_2019+RDR+BACKGROUND+PAPER.pdf/) and Making Cents Paper <https://www.findevgateway.org/paper/2016/03/rural-youth-economic-empowerment-program-2013-2016-findings-five-youth-inclusive>

## Financial Behavior

CATEGORY	DESCRIPTION
Use of Informal Financial Services (e.g. savings groups, credit groups, shopkeepers, money lenders)	Strongest users of informal financial tools Use shopkeepers for informal savings and loans (trusted source) Savings and loan groups Borrow from friends and family Save at home Primarily use cash to receive income and for payments
Use of Formal Financial Services (e.g. credit, savings, payments, insurance)	Few borrow formally Borrow for medical emergencies and to meet daily living expenses Some borrow for productive purposesW2 Few have formal savings account
Use of Digital Financial Services	Save money through mobile phone May access digital loan but limited Use mainly for remittances to family/friends
Planning Ahead (e.g. Short and Long-Term Goals; Preparing for Shock/ Emergencies)	Save in form of assets such as livestock and poultry Save mainly to manage cash flow Save for short term goals such as to cover emergencies or community events
Money Management (e.g. Budgeting, Record Keeping)	Mental recording and management of income/ expenses
Financial Decision Making (e.g. Influencers; Dependent vs. Independent)	More financial decision-making power as become more independent and/or contribute to household income Males may have more decision-making power for large purchases than females Females have more decision-making power if have own source of income
Risk Mitigation	Borrow from friends and family or reliance on savings for emergencies or during low-income periods Try to diversify sources of income

## YOUNG WOMAN



The young woman is typically between the ages of 18 and 24. She is typically married with children, has a primary or secondary school degree and lives in urban and peri-urban areas. She works mainly in the informal sector in the commerce or services industry. She is often dependent on her spouse's income, may have some of her own income and ensures the income she manages stretches for the household budget and priority financial needs. Similar to the rural youth, the young woman saves and borrows through shopkeepers, family members, friends and savings groups. She may also save money secretly through some of these channels for key household budget items such as medical expenses, school fees, food and clothing. The young woman has limited use of formal traditional and digital financial services although she may receive government transfers linked to an account or electronic transfers from her parents or a spouse. Key attributes that she values in her financial products include safety, privacy, convenience and trust. Her savings goals are related to her family or social events. She has limited decision making power in the household but may have more if she has her own source of income.

### Demographic Profile

CATEGORY	DESCRIPTION
Age	18-24
Lifestage	Married with children
Gender	Female
Level of Education	Mainly primary school Some with secondary school degree
Location	Urban and peri-urban
Marital Status	Married
Children	1-4 children

### Livelihood Strategy

CATEGORY	DESCRIPTION
Type	Informal employment or informal business that operate in home
Sector	Industry, Commerce, Services
Aspirations	Own source of income to gain independence Start small home-based business (if don't already have)
Customer Base	Horizontal networks (own circle of family and friends)
Monthly Income	Low

### Touchpoints

CATEGORY	DESCRIPTION
Social Media Use	Moderate use mainly for communication and information (e.g. FB, WhatsApp, WeChat)
Cell Phone Use	Access to cell phone but mostly share ownership with spouse
Groups (social, financial)	Religious groups, Community Savings Groups, Farmer's Groups
Influencers	Spouse, Church and Community Leaders Other mothers from community Peer groups



## Access (Barriers and Opportunities/Pain Points)

CATEGORY	DESCRIPTION
Information	TV, Radio Trusted sources from community and family (mainly male members of family)
Networking/ Mentoring	This is not a priority
Technology	Limited access mainly through shared cell phone
Finance	May need permission of spouse to have own account Low financial and digital financial literacy levels Limited access due to social norms and restricted mobility

## Financial Needs

CATEGORY	DESCRIPTION
Household (independent vs. dependent)	Dependent on spouse's income May have some income of own
Liquidity Management	Ensure portion of spouse's income and/or own income stretches for household budget
Business Management	Limited business management skills (if any)
Risk Management	Safe place to keep savings for emergency purposes
Desired Characteristics/ Expectations of FSPs	Safety, Privacy, Convenience, Trust

## Financial Behavior

CATEGORY	DESCRIPTION
Use of Informal Financial Services (e.g. savings groups, credit groups, shopkeepers, money lenders)	Save through shopkeepers, family members, friends and savings groups Save money secretly mainly for school fees Borrow from friends and family
Use of Formal Financial Services (e.g. credit, savings, payments, insurance)	Limited use of formal financial services May receive cash transfers linked to an account
Use of Digital Financial Services	Limited use of digital financial services
Planning Ahead (e.g. Short and Long-Term Goals; Preparing for Shock/ Emergencies)	Goals are focused around family (e.g. health, education) and may save for school fees May also save for social ceremonies/events
Money Management (e.g. Budgeting, Record Keeping)	Manage household expenses
Financial Decision Making (e.g. Influencers; Dependent vs. Independent)	Limited decision-making power May have more decision-making maker if have own independent source of income
Risk Mitigation	May save secretly for emergencies

## Background Materials

- IDEO, 'Becoming a Mother' persona; [https://static1.squarespace.com/static/5d94e54cb06c703e5199d288/t/60c938dd9a65595b8a5ada59/1623800042900/Lifestages\\_Final\\_Feb2021.pdf](https://static1.squarespace.com/static/5d94e54cb06c703e5199d288/t/60c938dd9a65595b8a5ada59/1623800042900/Lifestages_Final_Feb2021.pdf)
- 'Women and Family' Persona, KIT 'Why a Segmentation Strategy Matters for Serving the Women's Market' [https://www.kit.nl/wp-content/uploads/2021/09/Working\\_Paper\\_Why\\_Segmentation\\_Matters.pdf](https://www.kit.nl/wp-content/uploads/2021/09/Working_Paper_Why_Segmentation_Matters.pdf)
- 'Secret Saver', Women and Money Report, Ideo [https://static1.squarespace.com/static/5d94e54cb06c703e5199d288/t/60c931ef54473e6b91ae8e1b/1623798282681/Women\\_Money\\_FinalReport\\_2021.pdf](https://static1.squarespace.com/static/5d94e54cb06c703e5199d288/t/60c931ef54473e6b91ae8e1b/1623798282681/Women_Money_FinalReport_2021.pdf)
- 'Pragmatic Provider', CGAP <https://www.findevgateway.org/slide-deck/2020/11/personas-women-entrepreneurs>
- 'Grounded Optimist', UNCDF Gambia <https://www.uncdf.org/download/file/127/6608/demand-side-research-for-youth-financial-services-december-2017-vf.pdf>

# YOUTH MIGRANT



The youth migrant is between the ages of 18 and 34. They have a primary or secondary level education and lives mainly in the urban or peri-urban areas. They have temporary or part-time employment mainly in the informal sector. They are more likely to be financially independent if it's been a while since they have migrated. They may need to stretch the budget by having multiple sources of income. The youth migrant uses informal sources for sending/receiving money to/from other family members, borrow from other family members and may participate in a savings group. They may receive some government support in an account and are more likely to use formal financial services if they are more established in the new city/country. They may use digital financial services mainly to send/receive money to/from family members. The youth migrant values privacy, safety, trust and convenience in financial products. The youth migrant doesn't keep close track of income and expenses has a short planning horizon, particularly if they have come from an unstable situation. Young women tend to have more financial decision-making power and independence if they migrate.

## Demographic Profile

CATEGORY	DESCRIPTION
Age	18-34
Lifestage	Out-of-School, working
Gender	Male or female
Level of Education	Primary education and secondary level
Location	Urban and peri-urban
Marital Status	Married and single
Children	Children if married

## Livelihood Strategy

CATEGORY	DESCRIPTION
Type	Temporary or part-time employment, informal sector
Sector	Different than economic activities of local population
Aspirations	To ultimately resettle in another country but in meantime to settle in to host country with stable source of income
Customer Base	Other migrants from same country/city)
Monthly Income	Low

## Touchpoints

CATEGORY	DESCRIPTION
Social Media Use	Use mainly for communication purposes with family members in home country (e.g. FB, WhatsApp) May use to seek employment opportunities
Cell Phone Use	May own or share a cell phone
Groups (social, financial)	Informal groups or associations in refugee camps Savings groups
Influencers	Friends and family members from same country/city who are in later stage of displacement Community leaders from refugee camps or settlements

## Access (Barriers and Opportunities/Pain Points)

CATEGORY	DESCRIPTION
Information	Migration and Employment Centers Information centers in refugee camps or humanitarian coordination hubs Other migrants from host country
Networking/ Mentoring	Leave behind social networks and family members so need to start over again
Technology	Limited to cell phone use
Finance	Mistrust FSPs and fear discrimination Difficulty overcoming language barriers Perceived as high 'flight' risk from FSPs Uncertain legal status and lack of ID

## Financial Needs

CATEGORY	DESCRIPTION
Household (independent vs. dependent)	Independence related to stage of displacement (i.e. more likely to be independent if in a later stage)
Liquidity Management	May need to stretch the budget by having multiple sources of income
Business Management	Limited business management skills
Risk Management	Risk averse due to previous situation in home country
Desired Characteristics/ Expectations of FSPs	Privacy, trust, safety, convenience

## Financial Behavior

CATEGORY	DESCRIPTION
Use of Informal Financial Services (e.g. savings groups, credit groups, shopkeepers, money lenders)	Most likely receive humanitarian aid in cash Use informal sources for sending/receiving transfers to/from other family members More likely to use informal sources during second stage of displacement (initial displacement phase) Borrow from other family members May participate in savings group
Use of Formal Financial Services (e.g. credit, savings, payments, insurance)	May receive some humanitarian aid or social protection payment in account
Use of Digital Financial Services	May use digital transfers to send/receive money from to/from family members
Planning Ahead (e.g. Short and Long-Term Goals; Preparing for Shock/ Emergencies)	More risk adverse due to endured conflict and fleeing from home country so more likely to focus on short term goals
Money Management (e.g. Budgeting, Record Keeping)	Don't keep close track of income and expenses
Financial Decision Making (e.g. Influencers; Dependent vs. Independent)	Women have more independence if they migrate May consult spouse if married
Risk Mitigation	May have some form of insurance if in permanence stage of displacement

