



**From
Outreach
to Impact**



Karminia runs a shoemaking business in Bolivia and employs 20 people. She explains she had received a loan and good business advice from her financial service provider.



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Executive summary: key findings and recommendations

In 2023, Oikocredit worked with 34 partner organisations to find out what changes their clients have experienced over the past 12 months. The resulting survey data in this report reflects changes as perceived by end-borrowers and is therefore considered relevant and valid in providing a systematic and efficient way of listening to the voices of clients.

The data collected through the responses of more than 40,500 end-clients in Latin America & the Caribbean, Africa and Asia points to several key findings and recommendations. A multi-disciplinary team, led by the Oikocredit Strategy & Sustainable Impact unit, compiled the surveys in collaboration with teams at the participating financial service providers (FSPs).

Key findings

1. The majority of respondents (74%) said that participating FSP partners had a positive influence on their wellbeing over the last 12 months.
2. Many (35%) of respondents said they had become more worried about the future.
3. The study confirmed a strong relationship between savings and respondents' ability to cope with health needs and emergencies.
4. Among respondents who provided information on the impact of extreme weather on their income, 47% said their income had been disrupted by an extreme weather event in the last 12 months.

Recommendations

1. Investigate which client groups are most affected by extreme weather events and explore solutions.
2. Continue to promote savings because only 54% of respondents said they have savings.
3. Since respondents say their internet access has increased, explore opportunities for further responsible digitalisation of products and services.
4. A common request among respondents was for financial training. Providing financial literacy and business training would provide opportunities at both client and partner level.

Client Self-Perception Survey 2023: From Outreach to Impact

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1. Introduction

The End-Client Survey (ECS) programme pushes the frontiers in exploring the impact of financial service providers (FSPs) on their clients. Keeping these end-clients – their perception of change in their lives, their emerging needs and challenges – at the centre of our work is critical to creating social impact.

Oikocredit launched the programme in 2021 because many organisations in Africa, Asia and Latin America serving people with a low-income have a mission to improve their clients' lives. Yet, many organisations lack the capacity to structurally monitor and measure what is happening in the lives of their clients. End-clients, in turn, are limited in the way they can effectively express their needs. This makes it difficult for organisations to (1) make evidence-based decisions on how to improve their products and services to meet the needs of their clients, and (2) to report on social impact changes over time. Following a second successful year with 19 partner

organisations, Oikocredit expanded the programme and partnered with 34 financial service providers (FSPs) in 2023. The aim is to continue building capacity and providing digital surveying and data analysis support on client outcomes in the years ahead. The 2023 aggregate report combines the survey data from 30 of the 34 FSPs and presents the most actionable insights. Gender, extreme weather and digital access are topics that featured prominently.

After describing the methodology and the demographics of clients included in the survey, the report addresses the most significant insights relating to income, savings, business development, access to basic facilities and ability to cover health and medical needs. Following this are examples of how partners have actioned the data, and finally an appendix with additional details about the survey data.



2. Methodology

The survey focuses on the self-perception of clients and provides valuable insights through collaborative efforts between Oikocredit and programme partners. Data is collected through a short digital questionnaire about the perceived changes in clients' lives over the past 12 months. The Client Self-Perception Survey is completed through a variety of digital channels to best accommodate a diversity of clients and to ensure an inclusive collection method. Clients are randomly selected within FSPs. At the FSPs level, Oikocredit deliberately selected programme partners based on their clear social mission and a commitment to systematically tracking social changes at their client level. Data collected contains a rich source of information covering income and savings, food and nutrition, housing and basic facilities, internet, gender, education, business, health and mental wellbeing and extreme weather.

The survey questionnaire is adapted to the specific FSP and clients while maintaining standard questions. Sample size is aimed to reflect a high confidence level of 90 to 95% with at least 700 respondents per FSP where possible. It is important to note that the samples are not necessarily representative of the FSP and, in aggregate, are not representative of the inclusive finance sector or a geographic region. Surveying inherently carries bias; we therefore always recommend cross referencing results with available internal data. The survey data indirectly reflects how effective the work of Oikocredit and our project partners has been in generating positive change as perceived by clients and is therefore subjective.

In 2023, we conducted the survey in nine languages with 34 FSPs in fifteen countries across Africa, Asia and Latin America & the Caribbean. In 2023, 42,710 clients participated in the survey programme. (2022: 19 FSPs and 16,471 clients participated).

Graphs throughout this report reference an 'n-number' (n=). This indicates the total sample size of the respondents for each data visualisation. See the appendix for further information.

3. Demographics

In 2023, 34 Oikocredit partners participated in the Client Self-Perception Survey on change. This report explores the aggregate data of the 30 partners which completed the surveys by October:

- Seven partners in Central America & the Caribbean
- Eight partners in South America
- Six partners in Africa
- Nine partners in Asia

Of 40,966 total respondents from 30 partners, 77% were women. This high percentage is a result of the strategy of several of the participating FSPs to focus on women. Among those who gave information on their age, most respondents (55%) were aged between 25 and 44. Of those who responded to a question on their highest level of education, 33% answered primary school and 47% responded secondary school.

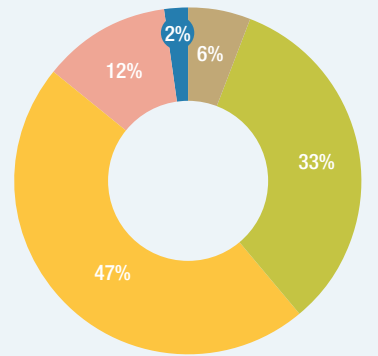
Commerce (the sale of goods for profit, e.g. shop owner, clothes seller) was the most common business sector among respondents who identified their business sector.

Of those respondents who replied to number of years as client with the respective FSP, 39% responded less than 12 months and 23% responded more than five years.



Demographics by education

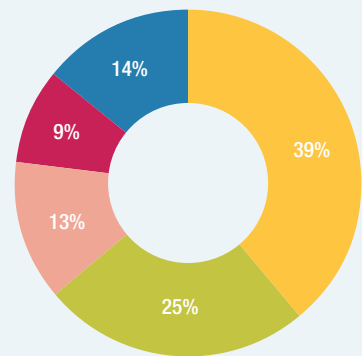
(n=40,332)



■ Not formal ■ Primary ■ Secondary
 ■ University ■ Other

Respondents by business sector

(n=40,647)



■ Commerce ■ Agriculture ■ Services
 ■ Production ■ Other

4. Wellbeing and future outlook

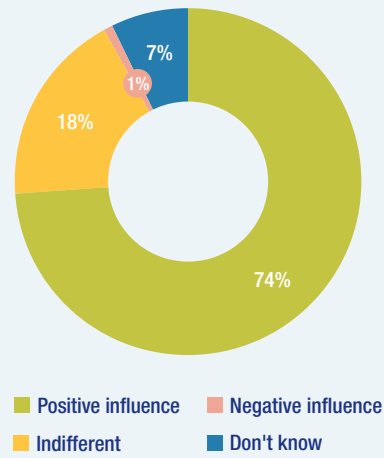
Of all respondents, 74% said that Oikocredit's partner FSP had had a positive influence on their wellbeing over 12 months and 18% said there was no direct influence.

When asked about their outlook for the future, 35% of respondents replied that in the past twelve months they had become more worried about the future. Men were more often worried about the future than women. Younger respondents, aged 18 to 24 years, were more often worried about the future than respondents from older age groups.

Further analysis of client responses at FSP level showed that for ten of the participating FSP partners, respondents who had been clients five years or longer were more likely to report that the partner had positively influenced their wellbeing than those who had been clients for a shorter time.

Influence of FSP on wellbeing over the past 12 months

(n=40,855)



5. Change in income

The majority of respondents perceived an improvement in their income over the last 12 months.

Out of the respondents who provided information about their perception of change in their income, 54% reported an improvement in income and 11% of respondents said they perceived a decrease in income in the last 12 months. The most common client explanation for income improvement was increased sales of their existing products and services. Conversely, the most common explanation for a decrease in income was decreased sales of existing products and services.

Out of 40,414 respondents who provided information about the level of sufficiency of their income, 84% said their income was more than enough or enough to meet basic needs over 12 months.

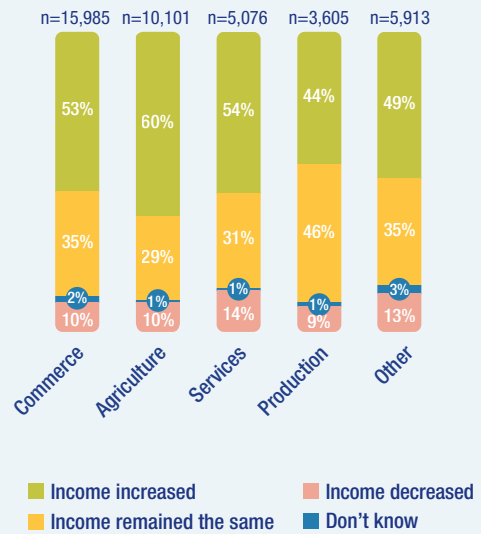
For all business sectors except production, over 50% of respondents stated their income increased.

Of all respondents, 40,680 answered both questions on perception of change in income over the past 12 months and their business sector.

- The highest percentage of respondents indicating their income had increased were active in agriculture (60%). For respondents from other business sectors, the percentage that perceived an income increase was comparably lower: services (54%), commerce (53%), and production (44%).
- Even though the majority of clients working in the commerce, agriculture and services sectors perceived an increase in their income, 46% of respondents from the production sector said that their income had remained the same over the past 12 months.

Change in income by business sector

(n=40,680)



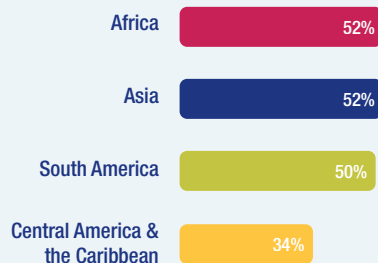
A substantial proportion of clients had their income disrupted by an extreme weather event.

From respondents that provided information on the impact of extreme weather on their income, 47% said their income had been disrupted by an extreme weather event in the last 12 months.

- Disruption of income due to extreme weather was perceived more frequently among respondents in Asia (52%), Africa (52%) and South America (50%).
- Respondents in Central America and the Caribbean show the lowest percentage (34%) based on aggregated responses.

Extreme weather affected income

(n=40,574)



Note that results are not representative for the regions. Disaggregated results showed notable differences across different FSPs and also across branches of participating FSPs.

Income disruption was related to extreme weather over 12 months.

Further statistical analysis at FSP level confirmed a significant relationship between their clients perceiving extreme weather disruption and clients perceiving a decrease in their income. For fourteen FSP partners, respondents who experienced an extreme weather effect on their income were more likely to report a decrease in their income over the last 12 months. This statistical relationship was most common for the participating FSP partners in Central America and the Caribbean.

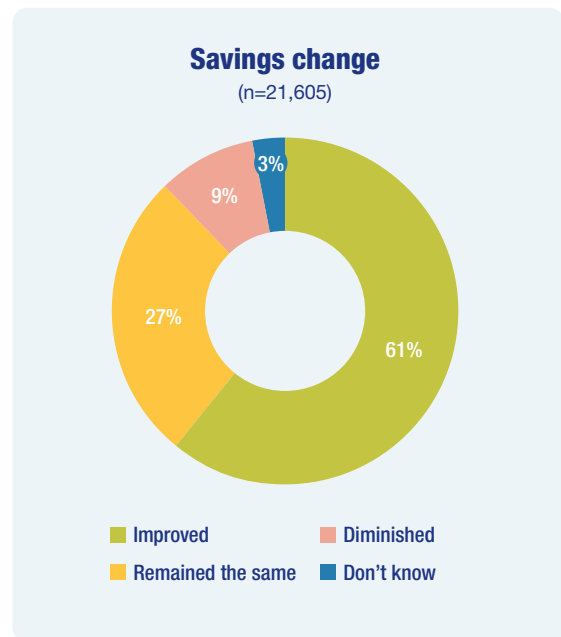


6. Change in savings

Many respondents perceived an improvement in their savings over the last 12 months.

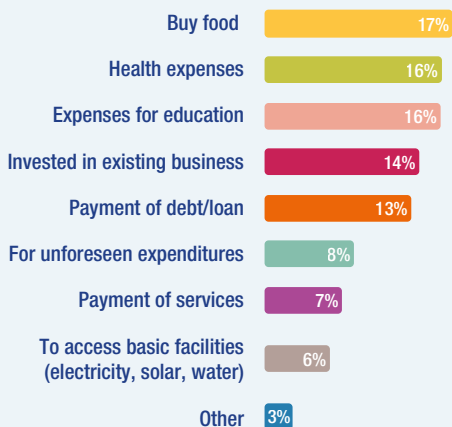
Of the total respondents, 54% said they have savings. Of these respondents, 21,605 provided information on their perception of change to their savings in the last 12 months. The majority, 61%, said their savings had improved.

Of the respondents with savings, 21,525 indicated how long they could support themselves using only their current savings. The highest percentage indicated that they could support themselves for up to 1 month (39%).



Most common reasons why respondents withdrew savings over 12 months

(n=12,674)



Most respondents with savings withdrew savings over 12 months.

Of respondents with savings, 12,674 said they had withdrawn savings over the last 12 months. The reasons respondents had withdrawn their savings differed notably from FSPs across the regions:

- For respondents in Africa, the main reasons for withdrawing savings were to invest in their business (23%), to pay for services (17%) and to pay debt or loan (15%).
- For respondents in Asia, the main reasons for withdrawing savings were to buy food (18%), to cover expenses for education (17%) and to cover health expenses (16%).
- For respondents in Central America and the Caribbean, savings were most often used to cover health expenses (22%), to invest in an existing business (21%) and to buy food (13%).
- For respondents in South America, the most common reasons for withdrawing savings were to invest in an existing business (24%), to buy food (17%) and to cover health expenses (16%).

7. Business development

The majority of respondents are entrepreneurs.

Of 40,690 respondents who indicated their source of income over the past 12 months, 71% said they were an entrepreneur with no additional form of income and 8% said they combined entrepreneurship with salaried employment.

A total of 39,092 respondents stated their use of the internet or smartphone was for business purposes. Of these respondents, 65% said they used the internet or their smartphone to support their economic activities over 12 months. A notably higher percentage of respondents from participating FSP partners in Central America and the Caribbean (81%) stated they were using internet or smartphone to support their economic activities.

The majority of respondents with a business expanded.

Of the respondents who said they have a business, the majority (65%) said that sales had increased in their business over the past 12 months.

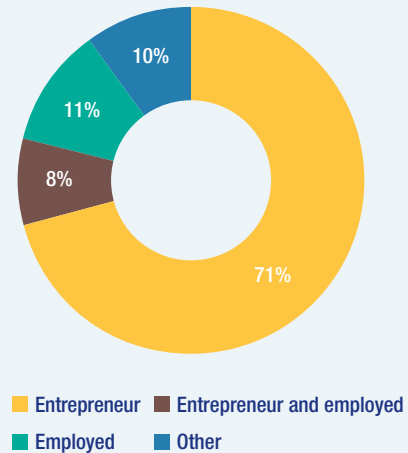
- 62% added a new product or service to their business over 12 months.
- 40% purchased new equipment or machinery for their business.
- 20% employed someone new in their business.

A total of 40,435 respondents answered both the question on whether they have a business and the question on income change.

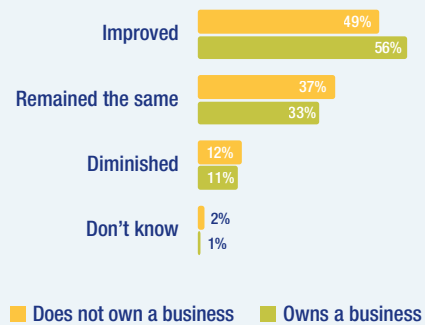
- Among 28,735 respondents with a business, 56% said their income had increased over the past 12 months.
- Among respondents without a business, a lower percentage of 49% said their income had increased.

Respondents source of income

(n=40,690)



Income change with or without a business



8. Housing and basic facilities

Of 40,244 respondents who answered the question on whether their house had been repaired or improved in the last 12 months, 40% answered “Yes”. Based on aggregate results of participating FSPs,

- 45% of respondents in Central America answered they had repaired or improved their house over 12 months.
- 41% of respondents in South America.
- 38% of respondents in Asia.
- 36% of respondents in Africa.

Repairing or improving the house was significantly related to income increase.

Statistical analysis at FSP level confirmed a relationship for their clients between home improvements and increased income. For 19 of the participating FSPs, respondents who repaired or improved their house over 12 months were more likely to have perceived an increase in their income. This relationship was particularly prevalent among clients of the participating FSPs in South America and Africa whose responses were assessed on this relationship.

Out of 39,750 respondents who answered the question on changes in their access to basic facilities (electricity, cooking, water, sanitation), only 3% said their access had diminished over the last 12 months.

Among 39,110 respondents who provided information on their digital devices and access to the internet over the last 12 months, 79% said they own a smartphone that connects with applications and can be used for video calls.

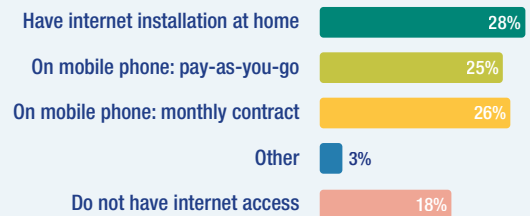
Among 37,367 respondents who gave information on their main way of accessing the internet over the last 12 months, the majority replied they were accessing the internet mainly through their cell phone:

- 26% through a monthly repayment contract.
- 25% by recharging their balance/ “pay as you go”.

Out of 39,098 respondents who answered the question on internet improvement, 38% said they had invested to access or improve their internet connection over 12 months.

Access to the internet

(n=37,367)





9. Health and food access

Most respondents improved and maintained their ability to meet health needs.

Among 39,875 respondents to the question about changes in their household's ability to cope with health needs and emergencies over the last 12 months, 45% reported an increase in the ability to cope with health needs and emergencies. A relatively higher percentage of respondents in Africa (58%) stated their ability to cope with health needs had increased compared with respondents in South America (35%).

Among respondents who said their household had decreased in ability to cope with health needs and emergencies the last 12 months, this was most often attributed to a lack of funds.

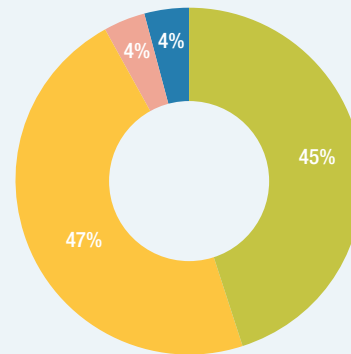
Most respondents have been eating regularly over the last 12 months.

Among the 39,465 respondents who gave information on the food that had been consumed by their household over the last 12 months, the majority stated they were eating regularly.

- Of these respondents, 54% had replied they ate regularly and nutritiously and 42% had said they ate regularly but not always nutritiously.
- Of these respondents, 4% had said they had been "sometimes" or "often" hungry over 12 months. Relatively more respondents from participating FSPs in Africa had said they were "sometimes" or "often" hungry.

Household ability to cope with health needs/emergencies

(n=39,875)



Improved Diminished
Remained the same Don't know

10. Actioning the data

The support offered by Oikocredit to participating FSP partners extends beyond the technical support needed to oversee the collection of survey responses. A substantial part of Oikocredit's support relates to converting survey findings into actions.

Once results have been collected, Oikocredit's survey programme team works with the respective teams of the FSPs to review results and support them in preparing their key findings and recommendations to present to their board and management. FSP partners then commit to actions based on the data. While partners have taken unique action that fits with their mission, strategy, infrastructure and capabilities, some common themes can be recognised.

Notably, participating FSP partners started embedding the survey data into their operations. These organisations have defined particular results from the survey as social indicators of their organisational mission. Others have used the survey results to adjust the design or delivery of existing products and services.

Actions based on the 2023 results are grouped by theme as summarised in Table 1.

Reporting on outcomes

Participating FSPs have presented key results and recommendations to their board and management teams.

Partner FSPs in El Salvador and Cambodia have published results from the Client Self-Perception Survey.

Other participating FSPs in Brazil, Cambodia, Indonesia, and the Philippines have a framework in place to include results from the survey into their respective annual and social impact reports.

Multiple partners in Honduras, Kenya, Uganda, India, the Philippines, and Indonesia have disaggregated the results and are reporting tailored insights and recommendations to respective branches.

Product design and delivery

A partner in Kenya is developing an environmental product for clients of their rural branches based on client demand as revealed through the survey.

A Philippine partner has adjusted the maximum loan amount following clients' responses to questions on product improvements.

Based on insights from the survey, a Brazilian partner adjusted the name of a loan product from "emergency loan" to "health loan" to improve clients' understanding of the loan's purpose.

A partner in El Salvador has combined their client self-perception survey results with internal management information system (MIS) data to promote savings products more effectively by targeting relevant client demographics.

Service improvements

Based on clients' request for shorter waiting time for loan approval and disbursement, several partners in El Salvador and Honduras have mapped the client journey, from application to disbursal, to identify efficiency improvements.

A partner in the Philippines has adjusted loan approval and disbursement time and is monitoring turnaround time through the MIS.

A partner in Kenya has enhanced the complaint mechanism based on requests from clients for an improved complaints procedure.

Strengthening non-financial services

Based on requests from clients for training on climate change adaptation, a Kenyan partner is expanding the scope of their quarterly branch trainings. The partner has hired a consultant to understand and address the climate issues that clients are experiencing.

Responding to client needs that the survey highlighted, a Philippine partner has delivered in-person trainings on financial literacy and instructed their development officers to allocate more time to client check-ins.

Based on survey results which showed clients were worried about their future, a partner arranged for clients to have the opportunity for psychological support.

Several partners in Cambodia and Indonesia have expanded the scope of online trainings and social media materials dedicated to financial health and business management.

Establishing outcome indicators and baselines

A partner in El Salvador has combined survey results with MIS data to define three strategic multi-variable indicators on themes of quality of family life, economic resilience, and financial health.

A Cambodian partner has established baselines on themes of education, home, and facilities improvements.

Deeper research studies based on survey results

A partner in Peru has completed a follow-up longitudinal study targeting those respondents that participated in the survey across multiple years. Combining the survey results with MIS information has enabled the partner to redefine the concept of well-being and apply it as a standard to monitor and promote strategically.

A partner in Uganda has launched a follow-up survey to explore customer experience more deeply.

Overview of actions

The following matrix shows which themes were actioned most. Please note that while the matrix covers actions that have been taken by programme partners at the time of publication, it is not complete. Actions based on the annual survey information are often implemented in the succeeding year.

Table 1. Actions by theme

	Public reporting on outcomes	Product design & delivery	Service improvements	Strengthening non-financial services (trainings)	Establishing indicators & baselines	Deeper research studies using results
Customer experience	4	1	6	1		1
Financial & mental wellbeing	3	2		3	1	2
Health, food & education	3			1	2	1
Housing & facilities	2				2	1
Business development	1			2		1
Climate		1		1		1
Demographics			1	1		

11. Our approach

The Client Self-Perception Survey Programme is a follow-up to Oikocredit's Client Outcomes Programme and respective lessons learned. We learned that organisations often have client data but find it challenging to systematically analyse and action the data. We have incorporated solutions to these challenges into the current programme: digitalisation facilitates ease of collection, monitoring and analysis; establishing a survey and baseline standard ensures comparison year-on-year; and actioning data happens when the data is relevant and stakeholders can simultaneously access the same data dashboards.

Equally important is the close collaboration between Oikocredit and the FSPs. By working as a team to collect and analyse survey data the next step to actioning the data is achieved. The goal is to discover how clients have perceived the changes that have taken place in their lives over the past 12 months and, by doing so, to identify opportunities, risks and impact. The aim is for partners to integrate their clients' responses into reports

for management decision-making. To facilitate this, partners have direct access to their clients' responses via an interactive PowerBI dashboard which enables easy disaggregation of data. Other features of the programme are data analysis workshops, peer exchanges and the aggregate data report.

The survey employs interactive and user-friendly software so that partners can efficiently collect, visualise and enhance data and better understand clients' needs and tailor products and services accordingly. After careful review of a number of survey software applications, ODK (getodk.org) came up as the preferred provider. By standardising the survey questionnaire while allowing for tailoring to specific FSPs' products, locations and language requirements, we created data which the FSPs could use for action planning. This fulfils key objectives of the programme which are to support participating partners, survey respondents and Oikocredit in learning from each other and to advance evidence-based decision making for positive social impact.

12. Appendix

This appendix provides additional detail on the survey data used as the basis for this report.

Methodology for hypothesis testing

We conducted hypothesis testing to determine whether the evidence supports our narrative, to avoid false claims and to provide a robust framework for decision-making based on data instead of personal opinions. We adopted an econometric approach based on multinomial analysis models. This is a commonly used multivariable method of data analysis in health and social sciences research including in perception analysis. This tool can be applied to analyse the data of cross-sectional, case-control or cohort studies. Since most of our outcome variables are categorical variables with more than two levels, and because we have chosen to provide more insights about end-clients' perceptions, our statistical approach is based on multinomial logistic regression. Finally, we computed the marginal effects when possible and interpreted them in terms of the average size effect of the independent variable of interest on our outcome variable.

Regarding the independent variables or predictors, and based on the hypothesis tested, we took into consideration the respondent's age, gender, education level, whether the respondent has a business, has children under 15 years of age, experienced extreme weather, enjoyed improved toilet facilities, had access to internet, and made home improvements. Since the multinomial logistic regression does not make any assumptions concerning the distribution of the predictor variables, we dealt with the multicollinearity problem (which is a frequent issue in such analysis) by ensuring we had robust standard errors of coefficient.

Key words: **client's perception, social science, multinomial logistic regression, marginal effects.**

To confirm Oikocredit's narrative, five hypotheses were tested on the individual data sets of each programme partner. Table 2 summarises how many times a programme partner, from each region, tested each hypothesis as being positive and statistically significant.

Table 2. Hypothesis by region

Hypothesis	Africa (n=5)	Asia (n=7)	Central America & the Caribbean (n=7)	South America (n=8)
H1. Clients without savings were more likely to say their family have decreased their ability to cover health and medical needs and emergencies, compared to clients with savings.	1	2	1	4
H2. Clients who decreased savings said their family has decreased the ability to cover health and medical needs, emergencies.	5	2	2	4
H3. Clients who have been supported for longest by their FSP were more likely to say their FSP had a positive influence on their wellbeing.	3	2	3	2
H4. Clients from one business sector were more likely to say their income was disrupted by extreme weather.	2	4	6	2
H5. Clients who repaired/improved their house over 12 months were more likely to say their income increased.	4	5	3	7

Table 3. Number of participating FSP partners by country and region analysed for the 2023 report

Region	Country	Number of FSPs	Number of respondents per country	Number of respondents per region
Africa	Kenya	4	2,783	4,651
	Nigeria	1	798	
	Uganda	1	1,070	
Asia	Cambodia	3	2,212	17,285
	India	2	2,417	
	Indonesia	2	8,604	
	Philippines	2	4,052	
Central America & the Caribbean	El Salvador	3	5,894	9,883
	Guatemala	1	666	
	Honduras	3	3,323	
South America	Bolivia	3	2,307	9,147
	Brazil	3	1,980	
	Ecuador	1	1,574	
	Peru	1	3,286	

Table 4. Business sectors – definitions

Commerce	The purchase and sale of goods with profit motive, usually for resale.
Services	Involves the provision of services to other businesses and the general population. Occupations associated with the services sector include working as a sales assistant in a shop or as a waiter in a cafe or restaurant; taxi or truck driver; hairdresser; tailor; and tourist guide. Service activities may sometimes overlap with commerce activities.
Agriculture	Involves activities engaged in growing crops, raising animals, and harvesting fish and other animals on a farm or ranch or from their natural habitat.
Production	Involves the aggregating, packing, purifying or processing of raw materials into new commodities or goods with value added. The final products can serve either as finished goods for sale to final customers or as intermediate goods used in the production process of other goods.



Oikocredit's mission

Oikocredit challenges all to invest responsibly. It provides financial services and supports organisations to improve the quality of life of low-income people or communities in a sustainable way.

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