

VisionFund Kenya

Client Impact Survey Report

March 2023



Broadening and Deepening Our Impact

Table of Contents

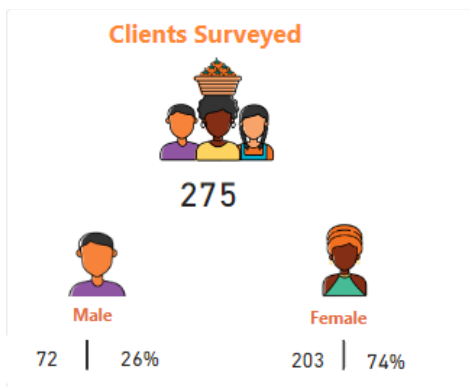
Introduction	3
A. Client Demographics and source of income	3
B. Poverty Probability Index	4
C. Child-wellbeing Outcomes	5
D. Change in Income.....	6
E. Perceived Change in the Quality of Life.....	8
F. Financial Goal Achievement.....	9
G. Feelings of Financial Control.....	10
H. Empowered World View (EWV)	12
I. Customer Satisfaction - Net Promoter Score (NPS)	13
J. Client Voices	14
K. Conclusion and Recommendations	14

Introduction

In our mission to improve the lives of our clients and their children, VisionFund Kenya's focus is to enhance the resilience of families so that households are financially secure and, as a result, the overall well-being of their children is assured. A clear understanding of our work is what we build our successes on to generate even greater impact and further align ourselves towards achieving our goals with our promise to vulnerable children. VFK had great insights from the previous impact survey in March 2022, which were critical towards broadening and deepening our impact.

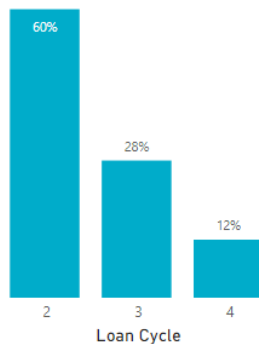
A. Client Demographics and source of income

A total of 275 clients were interviewed, and the figures below summarize their demographic data.



Clients surveyed by age-range	21-40	46%
	41-60	48%
	Over 60	6%

Clients Surveyed by Loan Cycle



Understanding what our clients do to earn income enables VFK to provide essential, solution-led products and services. It also guides our targeting as we focus on unlocking the economic potential for communities to thrive.

From the survey results, the main source of income for the majority of clients interviewed is from agriculture or animal business (41%), followed by commerce or trade business (36%). The findings are shown in the figure below;

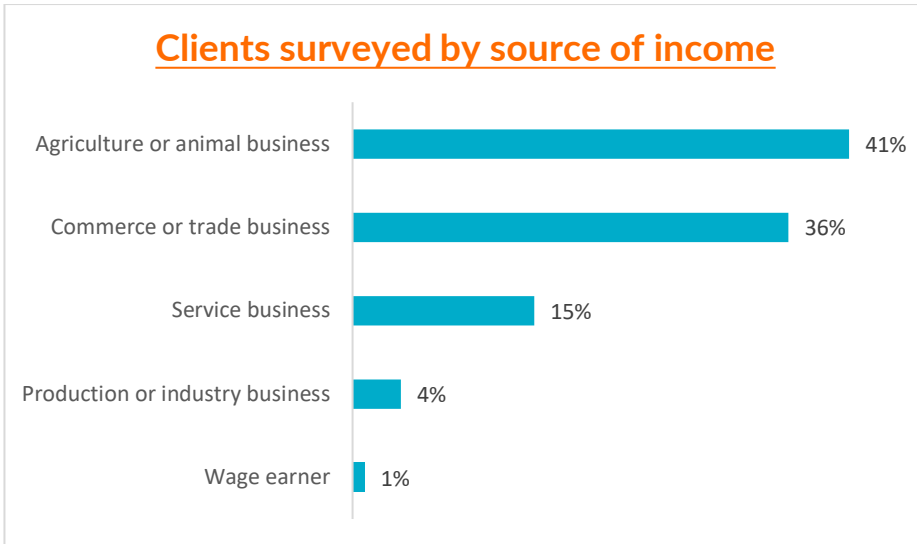


Figure 1. Clients surveyed by their sources of income

B. Poverty Probability Index

Serving 10 million clients and their children requires our full commitment to maximize all opportunities to engage and enable our clients to move out of poverty. This is Our Livelihoods Promise.

VisionFund Kenya remains committed to transforming the lives of the poor. We use PPI to identify clients' poverty levels and ensure proper poverty targeting. Kenya is considered a lower middle-income country, and those living below \$1.90/day are considered to be living in poverty. VisionFund Kenya aims to ensure its poverty targeting is at par with the national average. According to World Bank's data, 22.76% of Kenyans live below \$1.90/day, while 51.89% live below \$3.20/day.

Based on the survey findings, 9% of the clients interviewed live below \$1.90/day, while 30% live below \$3.20/day. The chart below shows the poverty probability of our clients under the various poverty lines; the table below indicates the finding for the various poverty lines;

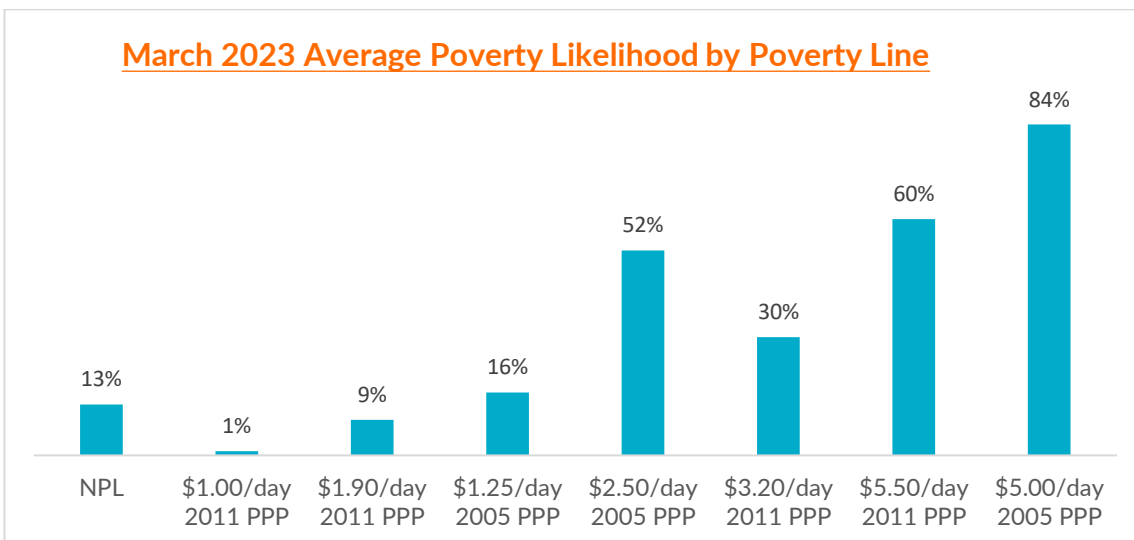


Figure 2. Poverty probability index

A comparison between previous survey (March 2022) and current survey (March 2023) is as shown below;

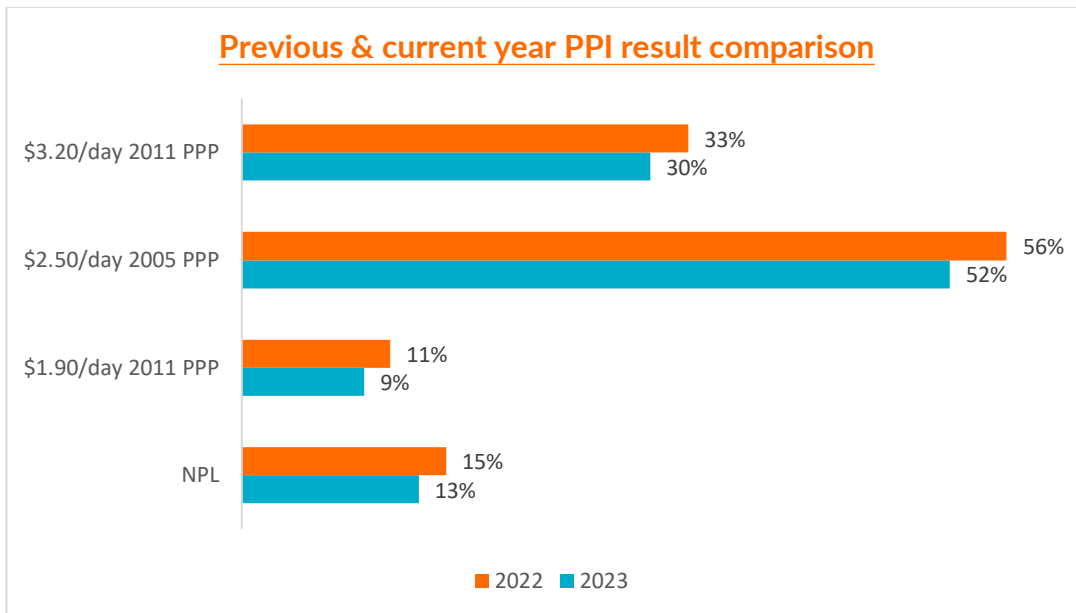


Figure 3. Probability Poverty Index comparison results for 2022 and 2023 client survey.

Our March 2022 results showed that 11% of VFK clients were living below the \$1.90/day compared to the country's average of 22.76%. This indicated that we still have a huge population that needs our financial services, and therefore essential to target low-income clients and provide suitable products and services to unlock our clients' economic potential.

During the year, we rolled out insurance and WASH products which are more affordable to clients in this category, but our March 2023 results indicated a further decrease to 9% for clients living below \$1.90/day. This gap shows that VFK still needs to expand its reach to more clients living below the national poverty line to ensure that we reach and enable low-income clients to move out of poverty. As spelled out in Our Livelihood Promise, serving 10 million clients and their children requires the full commitment of VisionFund and World Vision to maximize all opportunities to engage and enable clients to move out of poverty, and VisionFund Kenya is committed to its promise to the most vulnerable in Kenya by reaching out to them and helping them move out of poverty.

C. Child-wellbeing Outcomes

Our mission of working towards brighter futures for children means that our financial services must benefit our clients' children. Our focus is to ensure that our products and service offerings contribute to the child wellbeing objectives (CWBOs) and use these results to measure our contributions to the Sustainable Development Goals (SDGs).

The survey results indicate that the previous loan from VisionFund Kenya improved the wellbeing of the children under our clients' support. Ninety-one percent (250 out of 275) of clients reported supporting 689 children, an average of 2.7 children per client. Only one client out of those supporting children (99.6%) reported that the loan did not benefit the children they support.

The top three reported child wellbeing improvements in both previous and current client surveys in March 2022 and March 2023 were;

1. Children under 18 years were able to stay in school or training because their parents were able to pay fees,
2. Children had sufficient and varied nutritious food,
3. Children had sufficient clothing, shoes, and school supplies.

These CWBOs contribute to VisionFund's evidence of impact, which links our work to related UN Sustainable Development Goals;

- SDG 1 – No Poverty, by improving clients' quality of life due to VF loans.
- SDG 2 & 3-Zero Hunger & Good Health and Well-being. By 2030, all children and their families have access to safe and nutritious food all year round.
- SDG 4 – Quality education. Children under 18 years old were able to stay in school or training because fees were paid to ensure quality education.
- SGD 6 – Clean water and sanitation.

Figure 4 below shows a comparison of the reported CWBOs in March 2022 and March 2023;

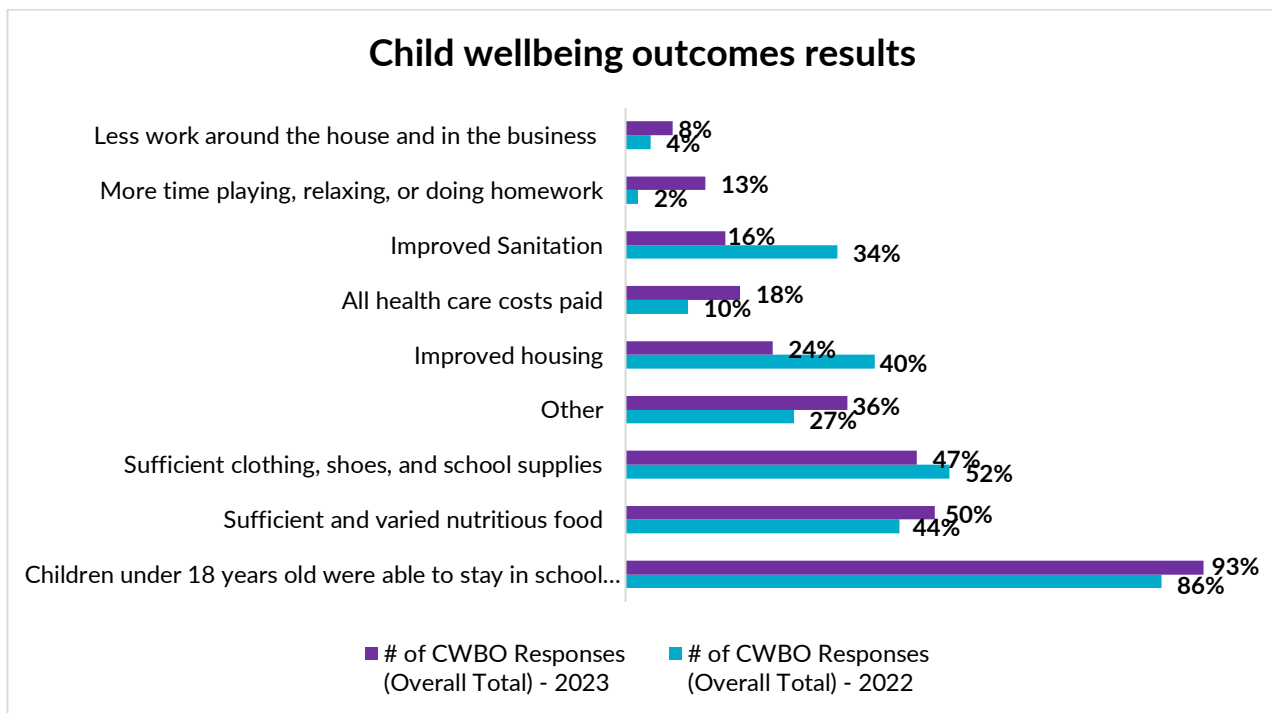


Figure 4. Child wellbeing outcomes previous and current results comparison

D. Change in Income

In line with SDG 1 of eradicating all poverty, our mission is to empower families to improve their income and create jobs. Besides training our clients to grow successful businesses and using their income to support their children and families, we provide products and services that meet our client's needs.

Results from our March 2023 client impact survey showed that 98% of our clients reported increased income due to VFK loans. Clients who reported that their income *'very much improved'* were 48%, whereas 50% mentioned that their income had *'slightly improved.'* This confirms that VisionFund loans do contribute to improving the lives of our clients' families and children.

Below is a snapshot of the results;

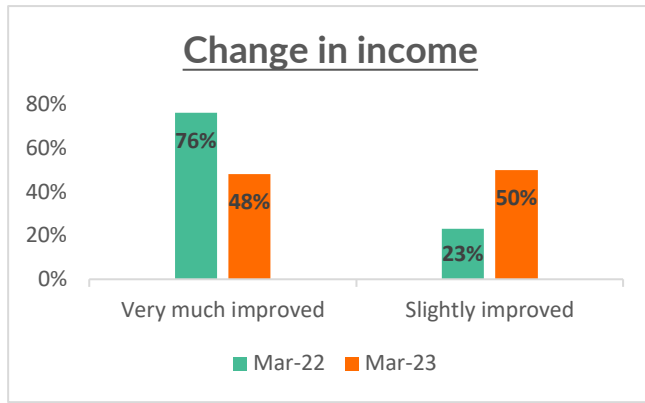
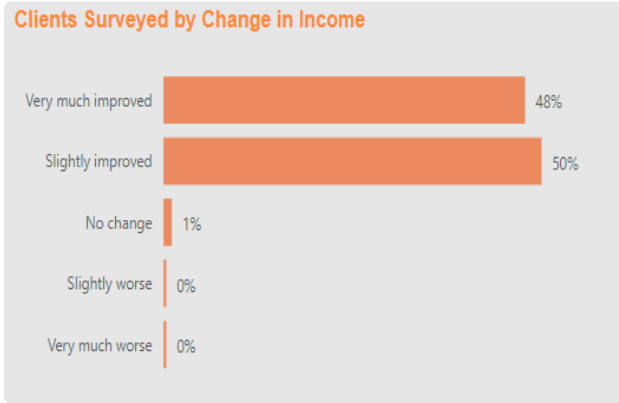


Figure 5. Clients change in income (2022 vs. 2023)

Figure 6. Change in income March 2022 vs. March 2023

The survey results show that clients who reported ‘very much improved’ reduced from 76% in 2022 to 48% in 2023. This may indicate some financial constraints or challenges that our clients may have experienced in the past year. Based on the clients’ responses, the reasons which may have contributed to the reduction in the change in income include;

- **Poor business performance**
 - Poor business performance leads to reduced incomes causing clients to delay repaying their loans and finding a balance in providing for their family’s needs. Clients suggested they need flexibility in repaying their loans in such situations.
- **Lower loan amounts**
 - Clients indicated that lower loan amounts were approved for clients applying for repeat loans and suggested that they needed higher amounts to grow their businesses.
 - Clients also mentioned that they needed top-up loans to boost their business.
- **Prolonged drought**
 - Kenya experienced a prolonged drought period in 2022, which affected agriculture and food production.
- **Healthcare emergencies**
 - Clients still need more knowledge on insurance as sickness means more expenses or hinders them from opening their businesses, affecting their incomes.

Below are some clients’ voices concerning their report on their change in income

“Business is doing bad, if VFK can reduce monthly payment and increase payment period until business start picking up.” - Female, 36 years

“Drought is really affecting us, praying we don't have difficulties paying loan,” - Female, 51 years.

“Despite the economic status being tough, I still thank God that VF Kenya listens to me and offers me assistance.”, Male, 40 years.

“I was funded a motorcycle which has helped me to open a new business.”, Female, 44 years.

The main reasons given by clients who reported that their income had ‘slightly improved’ because of VF Kenya included;

- Ability to add more stock to the business, which improved their incomes.
- Ability to pay school fees for their children.
- Ability to improve the living standards of their families.

A review of our clients' voices tells us how we can provide more solutions to enable our clients to grow their businesses and increase their incomes consistently as we continue to serve them.

E. Perceived Change in the Quality of Life

Clients were asked to imagine a ladder with steps numbered from zero at the bottom to ten at the top. The top of the ladder represents the best possible life, and the bottom represents the worst possible life for them.

In the March 2023 survey, 87% of the clients indicated they were at the bottom of the ladder (steps 0-4), and 3% were at the top (steps 7-10). After taking the loan, those at the bottom of the ladder were 2%, whereas those at the top increased to 87% because of VisionFund loans. The clients at the bottom of the ladder reduced from 87% to 2%, whereas those at the top increased from 3% to 87%.

The distribution of clients' quality of life before and after the loans is depicted in the bell curve below;

Quality of Life Before and After the Loan From VisionFund

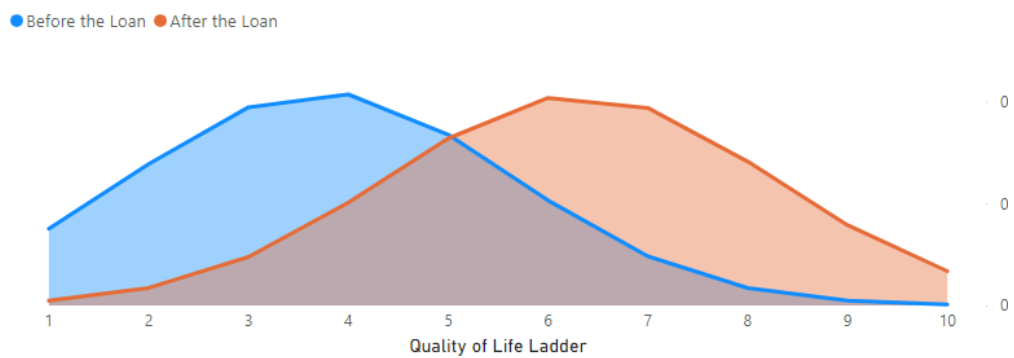


Figure 7. Quality of life before and after VisionFund Kenya

A comparison of the results between March 2022 and March 2023 also shows that in both surveys, most of the clients moved up the ladder after taking loans. Moreover, March 2022 results showed that 79% of clients were at the top of the ladder after the loan, which increased to 87% in the March 2023 survey. This is evidence that VisionFund continuously improves the clients' quality of life.

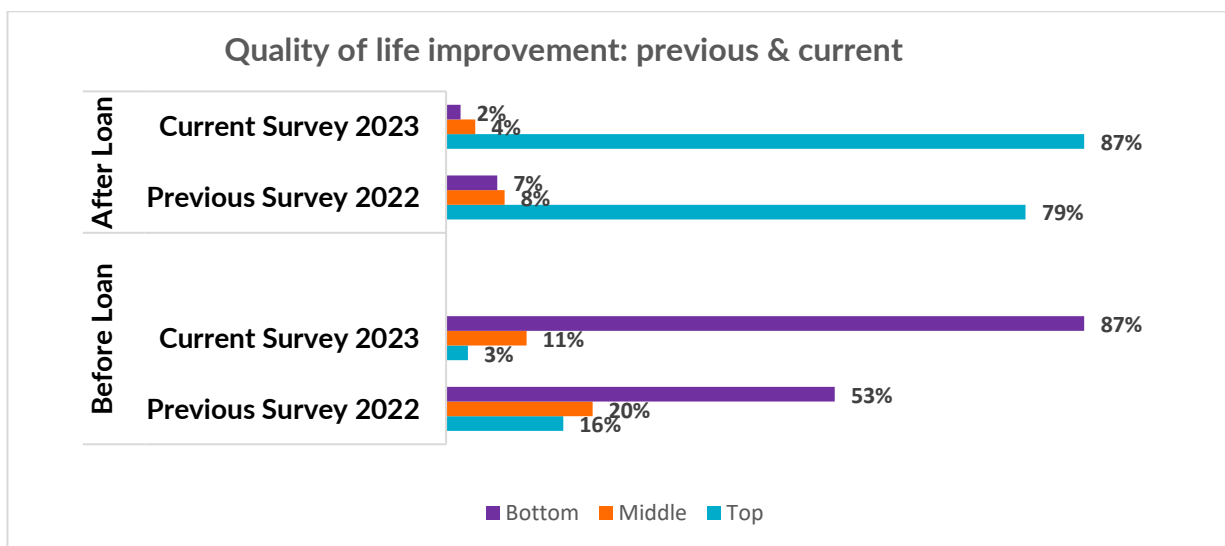


Figure 8. Quality of Life previous & current survey comparison

Further findings indicate that male clients and those in the production or industry business are more likely to report improved quality of life. There was no significant correlation between age and quality of life.

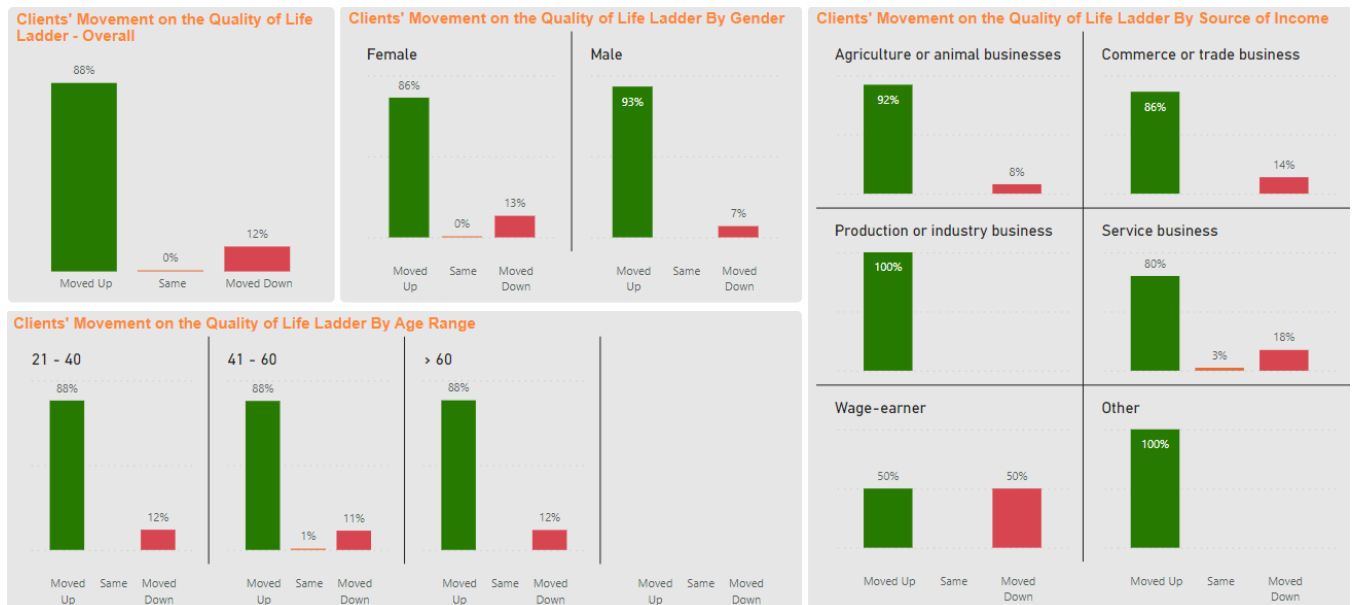


Figure 9. Clients' quality of life by gender, source of income, and age.

F. Financial Goal Achievement

Clients were asked about the main goal that they wanted to achieve with their most recent loan from VisionFund. Sixty-three percent of the clients reported that they partially achieved the goal, whereas 36% reported achieving their goals in full.

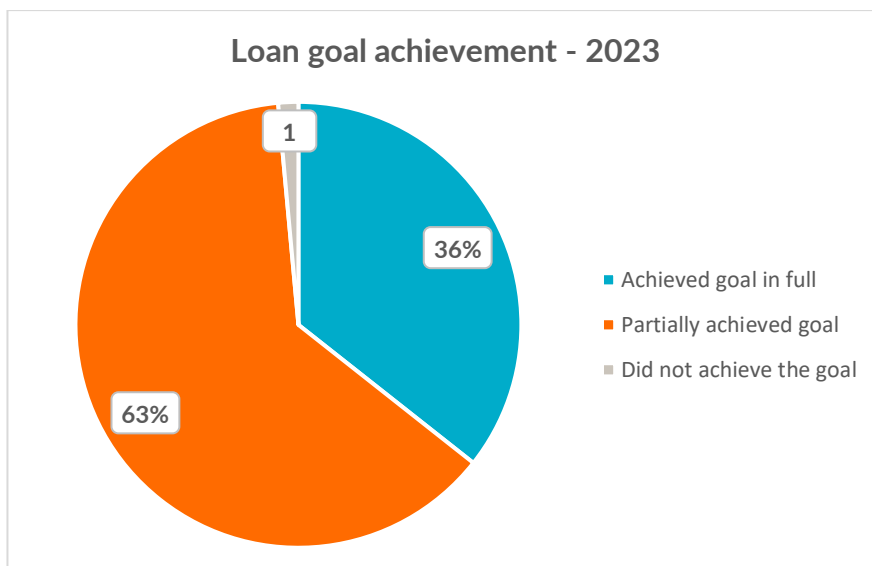


Figure 10. clients' loan goal achievement

VisionFund Kenya believes that its clients are capable of achieving their personal goals to achieve life in all its fullness as long as they are provided with the right tools. Understanding clients' main goals enables VisionFund Kenya to develop products and provide financial solutions that address the clients' needs.

Figure 11 below shows the results of clients' main goals for taking loans in 2023, where majority took loans for livelihood purposes.

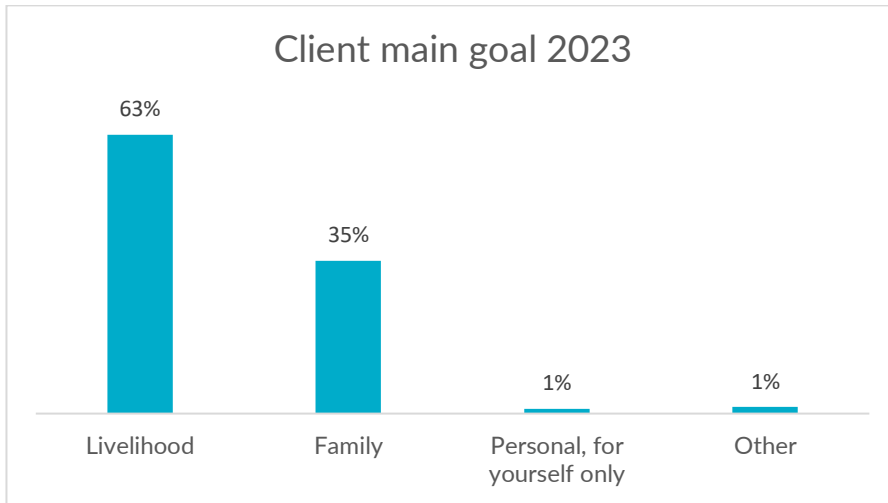


Figure 11. Clients' main loan goal

We further compared the loan goal results with previous survey, and the results are summarized in Figure 12 below;

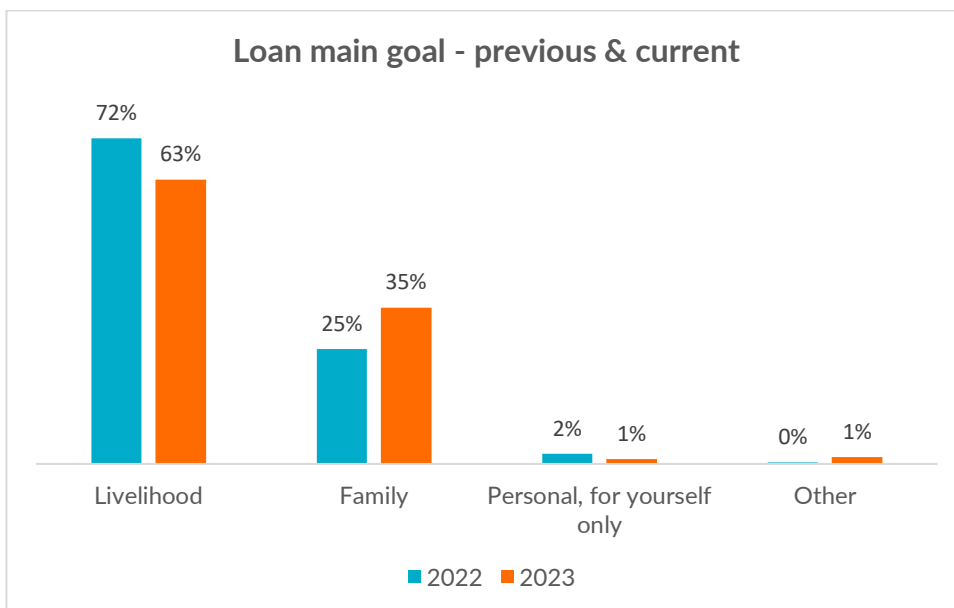


Figure 12. Loan main goal previous & current survey comparison

From the comparisons, we note that livelihood was the highest of all the clients' main loan goals in both surveys. However, the results indicate that clients' livelihood purposes reduced from 72% to 63%, whereas the family goals increased by 10% to stand at 35%. This might indicate that more clients took loans to meet direct family needs instead of starting or boosting their existing businesses. This finding also explains why more clients in March 2023 reported only a slight increase in income compared to March 2022.

G. Feelings of Financial Control

Clients with good financial control are able to manage their businesses and have a sustainable income growth. VisionFund Kenya offers client education and financial literacy training before lending to enable

them to borrow and use the loans wisely and help grow their businesses. In addition, embedded education is conducted in the regular group meeting session to enhance client skills in business and financial management.

Clients were asked whether feelings of control over their finances had changed because of VisionFund Kenya, and 99% reported having more control over their finances. Forty-eight percent said it had 'very much improved' whereas 51% reported as 'slightly improved'.

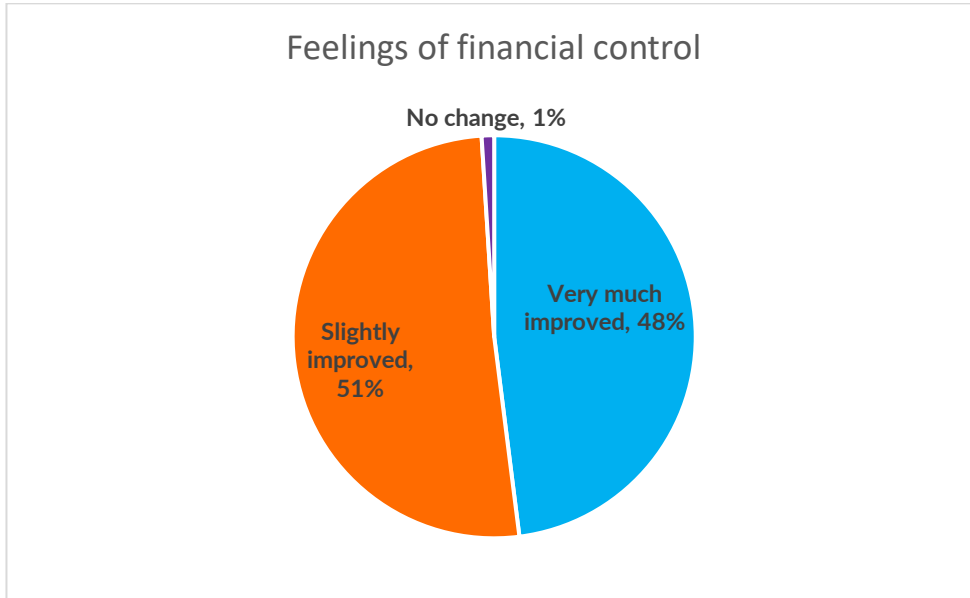


Figure 13. Clients' feeling of financial control results.

The table below shows the feeling of financial control by gender. The results indicate a slight correlation between gender and change in feelings of financial control. More women compared to men report "very much improved" feelings of financial control.

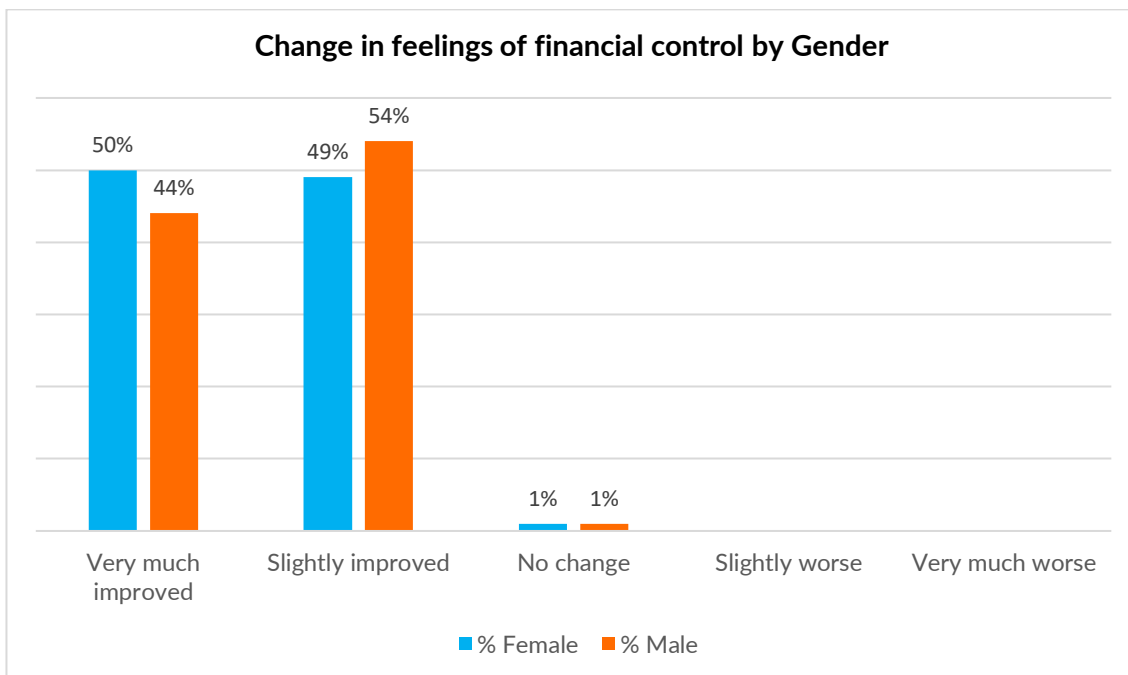


Figure 14. Clients' feelings of financial control by gender

There is a correlation between the client's financial goal achievement, feelings of financial control, and the loan goal. Clients who report achieving their loan goals in full are also likely to report an increased ability to control their finances.

H. Empowered World View (EWW)

Empowered Worldview (EWW) is one of our Livelihoods Promise 2030 strategic initiatives. It is a dynamic faith-based empowerment approach that encourages individuals and communities to examine beliefs, mindsets, and behaviors based on scripture and God's plan. Participants meet in a workshop to explore community challenges and affirm their identity, dignity, and agency. This allows them to experience change and fully participate in sustainable, transformative change. As an enabling faith-based model, EWW helps our work have a deeper impact on accomplishing our Child Wellbeing (CWB) objectives effectively. It enables our clients to discover the resources available to them and understand God's original plan for humankind.

We incorporated two additional EWW questions into the survey where clients were asked about their level of agreement on two statements concerning resources and beliefs.

The things I need to solve my problems are readily available to me.

Ninety-one percent of clients agreed with this statement, while 9% disagreed. There was no significant correlation between the level of agreement and gender. However, clients above 60 years are more likely to agree with this statement.

% Clients that strongly agree, agree, disagree, and strongly disagree with the statement "The things I need to solve my problems are readily available to me"



Figure 15. The things I need to solve my problems are readily available to me.

My spiritual beliefs empower me to succeed in life

When asked whether their spiritual beliefs empowered them to succeed in life, all clients agreed with this statement. Fifty-two percent said they "strongly agreed", while 48% "agreed". The trend was the same for age range and sources of income.

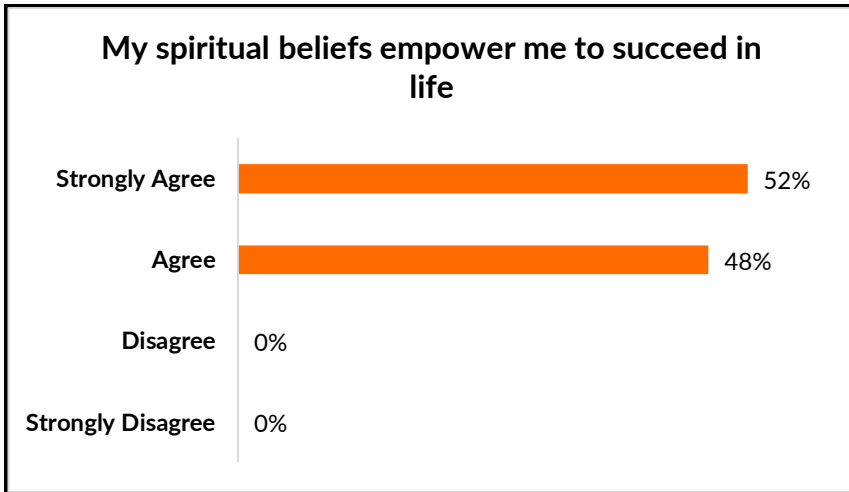


Figure 16. My spiritual beliefs empower me to succeed in life

While clients’ spiritual beliefs empower them to succeed in life, their belief that they have all the solutions to succeed is not as strong. This shows that there is a critical path for EWV to enhance the self-efficacy necessary for clients to move out of poverty and achieve life in all its fullness by tapping into their strong spiritual beliefs. The EWV pilot program has been rolled out to VFK staff and pilot branches where ToTs have been selected and trained and where pilots are ongoing in Eldoret, Naivasha and Narok Branches.

I. Customer Satisfaction - Net Promoter Score (NPS)

We aspire to be a customer-centric organization by delighting our clients through our products and services as we seek to broaden and deepen our impact on their lives.

Net Promoter Score (NPS) is used to gauge customer loyalty, satisfaction, and enthusiasm with a company. It is calculated by asking customers the question: “On a scale from 0 to 10, how likely are you to recommend this company/product to a friend or colleague?” a score of “0” stands for “not at all likely” and “10” stands for “extremely likely”.

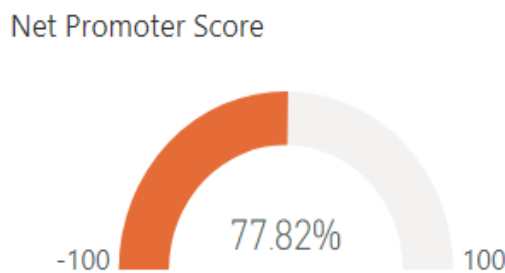


Figure 17. Net Promoter Score

The current average for financial inclusion is 44%, and a score of 77.8% is good for VisionFund Kenya as it depicts our good customer engagement with our clients. Our NPS has notably improved from March 2022 as the score has increased from 71% to 77.82%. However, there is still room for improvement, which gives us the confidence to engage our clients further and find ways to improve their satisfaction and loyalty.

Promoters represent the most enthusiastic and loyal customers who are most likely to act as VFK's brand ambassadors and increase the referral flow to fuel our growth. Our promoters were 80% of the clients surveyed. From the clients' voices, VFK has enabled them to pay school fees for their children,

improve the lives of their families, and improve businesses, resulting in increased income and a good relationship with VFK. We seek to keep working with our promoters by encouraging clients to give us feedback and continuously satisfy their expectations.

Detractors are clients who are unlikely to recommend a company/product to others and could actively discourage potential customers from the organization. We only had 2% detractors, but we acknowledge that the passives (18%) could easily become detractors if we do not listen to them.

Customer feedback is essential to us to enhance our customer experience. The survey gives us great insights to improve our customer satisfaction by designing and delivering great solutions, which will result in a positive customer experience. We aim to listen to our clients' voices and devise solutions to their complaints to improve our relationship with them.

J. Client Voices

Here are some of our client voices that affirm the increase in our net promoter score from 71% in 2022 to 78% in 2023;

"With the profit I get from my salon, I am able to cater for the basic needs of my family which was more challenging initially.", *Female, 52 years.*

"Were it not for VisionFund Kenya, my children would not have managed to go to school.", *Female, 36 years.*

"We are really growing and developing with the flexible loans from VisionFund Kenya, I have been a client since the KADET era.", *Male, 61 years*

"VisionFund Kenya is a special MFI which knows how to handle clients perfectly. Nevertheless, I suggest we be getting full information concerning the loan products available and all the deductions incurred.", *Female, 67*

"VFK has greatly assisted me with getting school fees for my children when my spouse passed on.", *Female, 65 years.*

"My construction project has been successfully completed and I am yearning to benefit more with VFK loan", *Female, 67 years.*

K. Conclusion and Recommendations

It is our goal to deepen and broaden our impact on our clients through our work. The survey has given us a deeper understanding of how VisionFund Kenya has improved the quality of life of our clients and their children. Female clients make up 67% of our clients, which gives us a great opportunity to empower families through women clients to create incomes and jobs.

Research shows that when a woman invests a loan capital in developing her own small business, her family benefits from nutritious food on the table, school fees for the children are paid on time and other household needs are met. This is reflected in the survey results, where 91% of the clients surveyed supported 689 children. The clients reported improvements in the well-being of their children because of VisionFund loans. These improvements include; children under 18 years being able to stay in school or training because the fees were paid, children receiving sufficient and varied nutritious food, and children being provided with sufficient clothing and school supplies because of VisionFund loans.

PPI enables us to assess our outreach to the most vulnerable in society. We aim to increase our financial inclusion rate to guide VFK towards serving clients with little access to financial services, mainly the

low-income. We note a slight change where 30% of our clients are below the \$3.20/day 2011 poverty line compared to 32% in the previous survey. This means we still have more clients who need our financial services.

The EWV results give us a great perspective on our clients' spiritual empowerment. Our vision is to enable them and their children to experience life in all its fullness. Therefore, we aim to empower our clients through this program so that they may know their potential and God's plan for their lives. From their feedback, we will be able to tailor our training effectively.

As we focus on making impact evident, we have seen great support from all teams, including the call centre staff, who have been building their capacity to ensure quality client data collection. We are very grateful for their support.

Having the impact dashboard available to us is also a significant milestone, enabling VisionFund to enhance its impact reporting.