



FINAL SURVEY REPORT

DYNAMICS AND PERCEPTIONS OF THE KENYAN YOUTH ON SAVING FOR

But I'm only
25 years. *Kuna*
time right?



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Preface

The National Treasury contracted Ipsos to carry out a survey on the dynamics and perceptions of the Kenyan youth on savings for retirement on behalf of Retirement Benefits Authority (RBA). The overall objective of the survey was to inform reforms in the retirement benefits sector that would be beneficial to the youth to avert their destitution in old age and ease pressure on old age cash transfers to those above 70 years. The findings would inform development of retirement benefits products, channels for retirement savings and communication methods that would resonate with the youth. The findings would also inform the development of a policy framework that would promote saving for retirement among the youth.

This document is the Final Report of Findings from the implemented survey. It incorporates recommendations captured in the Stakeholders' Engagement Report (submitted initially), as well as recommendations made during review sessions held with the RBA team. The final Draft Policy Framework document informed by the findings of this survey, which also incorporates recommendations from the review sessions, has been presented as a separate document.



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We are grateful to Dr. Shem Ouma and Lazarus Keizi of Retirement Benefits Authority (RBA) for their technical support during the entire process of execution of this survey, and particularly during writing of the survey's inception report, design of the data collection instruments, data collection and writing of this report of findings.

Thanks to George Oyuga of Enwealth Financial Services Limited for his industry expertise and technical input in the inception report, data collection instruments and this report of findings. George also drafted a Policy Framework Document informed by findings emanating from this survey. This draft will be refined by RBA and used to engage relevant stakeholders in the industry in efforts to review and improve the existing policy framework in favour of the Kenyan youth, which will work towards subsequently promoting their active involvement in saving for retirement.

We are also grateful to the Ipsos support team comprising of statisticians, coordinators, and data collectors (interviewers, supervisors, moderators, recruiters, and quality control staff). We acknowledge Nicholas Mwenda (quantitative sample designer), Gerald Njoroge and Janet Kemunto (quantitative and qualitative field coordinators), Simon Maweu (data analyst), Gideon Okinyi (questionnaire scripter), and Jacob Wanda (coding supervisor).

Finally, our deepest appreciation goes to all the survey respondents, comprising of youth in Kenya (aged 18-35 years), and parents/guardians of younger youth (aged 15-17 years) interviewed in the qualitative phase of the survey. Without your participation, it would not have been possible to generate the data used in writing this report, and subsequent policy recommendations which will be used promote active involvement of youth in saving for retirement to avert old age poverty. *Asanteni Sana!*

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Acronyms

- APY-** The Atal Pension Yojana
CAPI- Computer Assisted Personal Interviewing
DB- Defined Benefits
DC- Defined Contributions
EPFO- Employees Provident Fund Organization
ERS- Economic Recovery Strategy for Wealth and Employment Creation
FGDs- Focus Group Discussions
GOK- Government of Kenya
HHs- Households
ILO- International Labour Organization
KIHBS- Kenya Integrated Household Budget Survey
KNBS- Kenya National Bureau of Statistics
MSMEs- Micro-Small and Medium-Sized Enterprises
MTPs- Medium-Term Plans
NPS- Defined Contribution based New Pension System
NSSF- National Social Security Fund
OECD- The Organisation for Economic Co-operation and Development
PHC- Population and Housing Census
PPF- Public Provident Fund
PPS- Probability Proportional to Size
PM-SYM- Pradhan Mantri Shram Yogi Maan-dhan
PSV- Public Service Vehicle
QC- Quality Control
RBA- Retirement Benefits Authority
SOE- State-Owned Enterprise
SSA- Sub-Sahara Africa
UN- United Nations
WHO- World Health Organization



Operational Definition of Terms

Unemployed vs. employed- the unemployed comprise all persons within a specified age [in the case of this survey, persons aged 18 to 35 years] who, during the reference period were i) without work, that is, were not in paid employment, or self-employment, ii) currently available for work, that is, were available for paid employment or self-employment, and iii) seeking work, that is, had taken specific steps in the specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land, building, machinery or equipment to establish own enterprise; arranging for financial resources; applying for permits and licences, etc. The employed are understood to be in the opposite situation. (International Labour Organization, 1982).

Informal vs. formal sectors- the informal sector is broadly characterised as consisting of units engaged in the production of goods and/or services with the primary objective of generating employment and incomes to the persons concerned. These units typically operate at low level organization, with little or no division between labour and capital factors of production and on a small scale. Labour relations- where they exist- are based mostly on casual employment, kinship or personal and social relations, rather than contractual arrangements with formal guarantees. The formal sector is understood to be the opposite. (International Labour Organization, 1993).

Youth- in the Kenyan context, 'youth' means the collectivity of all individuals in the Republic of Kenya who: a) have attained the age of 18 years but b) have not attained the age of 35 years (Constitution of Kenya, 2010, Chapter 17, Article 260). In the global context, 'youth' means persons aged 15 to 24 years (International Labour Organization, 2017). In the context of this survey, where reference is made in the Kenyan context, 'youth' will be persons aged 18 to 35 years. Where examples are cited in the global context, and where not specified, youth will be persons aged 15 to 24 years.



EXECUTIVE SUMMARY

The National Treasury contracted Ipsos to carry out a survey on the dynamics and perceptions of the Kenyan youth on savings for retirement on behalf of Retirement Benefits Authority (RBA). The overall objective of the survey was to inform reforms in the retirement benefits sector that would be beneficial to the youth to avert their destitution in old age and ease pressure on old age cash transfers to those above 70 years. The findings would inform development of retirement benefits products, channels for retirement savings and communication methods that would resonate with the youth. The findings would also inform the development of a policy framework that would promote saving for retirement among the youth.

A mixed methods approach was applied in the survey comprising of desk research (review of relevant literature), and primary research. The primary research phase included a quantitative segment (a nationally representative household survey- 1,570 interviews with youth aged 18 to 35 years), and a qualitative segment (12 focus group discussions- FGDs- with youth aged 15 years to 35 years). The main challenge faced during the implementation of the survey was the outbreak of the COVID-19 pandemic (reported in Kenya in March 2020), where measures implemented to avert its spread (such as cessation of movement) halted the implementation processes by about 3 months. Summarized below are the findings emanating from the survey's implementation process.

Structure of employment in Kenya

Youth in Kenya (persons aged 18 to 35 years) are approximated to make up about 31% of the population (14.5 million persons) (KNBS Population and Housing Census, 2019). Currently, from the Vision 2030, labour market improvements are expected to occur principally as a result of actions taken to strengthen economic growth. Thus, specific job-centred measures or a labour market strategy are noticeably absent. Youth have been particularly affected by the weak formal job creation, with adults benefiting from a disproportionate share of the jobs created.

From the KNBS (2019) Economic survey, the Kenyan economy created 840.6 thousand new jobs in 2018, and jobs in the informal sector (constituting of 83.6% of the total employment) also increased by 5.4%, to 14.9 million persons. The number of self-employed and unpaid family workers within the modern [formal] sector was also estimated to have increased from 139.4 thousand in 2017 to 152.2 thousand in 2018 by the same survey. Findings from the quantitative phase of the survey implemented showed that 50% of youth interviewed were either currently in employment or self-employment. However, 30% of youth interviewed were currently unemployed, more so, in the urban setting (32%), and those of the female gender (37%). A significantly high proportion of youth with no education (58%) were also noted to comprise the unemployed youth.

From the quantitative survey findings, youth who were currently employed were mainly working in the private sector (78%). This may be attributed to the growth in the private sector reported by KNBS (Economic Survey report of 2019), where the private sector was reported to have recorded a significant growth in 2018- of 3.0% in employment levels compared to 2.7% in 2017. Leading activities providing wage employment in the private sector from the same KNBS report included agriculture, forestry, and fishing (15.3%), manufacturing

(14.6%) and wholesale and retail trade, and repair of motor vehicles (13.5%). From the quantitative survey findings, youth working in the private sector were largely in wholesale and retail trade and repairs (33%), and agriculture, forestry, and fishing (21%). The quantitative survey findings also indicated that youth currently employed were largely in full-time employment- 6 to 8 hours a day (73%). When asked about their preference of employment type in the same survey, 66% of the youth interviewed would prefer long-term and pensionable jobs (compared to short-term jobs), largely because of job security (46%), and the ability of these type of jobs to allow for continuous saving (e.g. in pension schemes) (33%).

Further, findings from the qualitative survey indicated that youth in employment were also engaging in 'side-hustles'/other income generating activities. A similar trend was observed from the quantitative phase where interviewed youth reported that in the past 12 months, their sources of income to sustain livelihoods included running own businesses/self-employment (28%), farming (27%), casual work (21%), employment (20%), and a significantly higher proportion (38%) was receiving money/support from family/friends. Money/support from family/friends was also reported as the main source of income in the past 12 months by 27% of the youth interviewed, which could be attributed to the significantly high levels of unemployment- more than half (52%) of youth interviewed indicated that they were without work/not in paid employment or self-employment in the past 12 months. On average, youth were observed to be earning a monthly income of Kes. 20,828 from the different sources of income.

Knowledge, perceptions, attitudes, and experiences of youth in saving for retirement

Findings from desk research indicated that workers fail to save in a pension scheme due to lack of knowledge of what a pension is, and why it is important when retiring. From the qualitative phase, it was established that youth generally associate retirement with old age, the lack of income, and reliance on savings to sustain livelihoods upon retirement. It was observed that there was a general fear of life after retirement, especially among those who perceived that they would not be ready at that time. Findings from the quantitative phase showed that almost half of youth interviewed (43%) had never heard about saving for retirement before, more so, in the rural areas (47%), among females (47%), and especially among youth with no education (90% of youth with no education had never heard of saving for retirement in the past). Subsequently, 65% of youth interviewed indicated that their knowledge about pension/pension products was either very little/patchy, or that they knew nothing at all. More than half (62%) indicated that they did not know of any pension product/retirement plan, more so, in the rural areas (66%), among females (69%), and among youth with no education (94%). Among youth who had heard about saving for retirement in the past (57%), a significant proportion (63%) had largely learnt about it through word of mouth/friends/family.

Despite there being a legal framework that governs the management of retirement benefits in the country (which guarantees security of funds), and there being no institution that has ever collapsed with members' funds, insights from the qualitative phase showed that there was a general fear among the youth of not accessing funds saved through pension/pension products. Factors associated with the inaccessibility of funds included misappropriation of the funds, corruption, collapse of the institutions managing the funds, lengthy/tedious process of



accessing the funds and not reaching the retirement age, among others. Further, the qualitative phase showed that in addition to little or no awareness of informal/individual savings plans for retirement, there was the perception that these were largely unregulated and the risk of losing money was high. Similar fears were echoed through the quantitative phase of the research where youth feared losing savings in case the company offering the product collapsed (30%), saving and not being able to access part of the dues upon retirement (22%) and saving and not reaching the age of retirement to access the dues (19%). These would be ideal topics to cover/address in future campaigns aimed at creating awareness and encouraging subsequent uptake of pension among the youth.

According to findings from the FinAccess Household Survey (2019), only 5% of the population planned to rely on pension/provident fund/retirement savings in old age. From the quantitative survey findings, 32% of youth interviewed indicated that they had no strategies to meet expenses in old age. Further, among those who indicated they had strategies in place, 20% indicated that they had implemented none of them. Additionally, among those who had already implemented the strategies, 21% indicated that they perceived that the strategies would not provide enough money to cover expenses in old age. Further, among those with no strategies, 38% indicated that they were not worried at all about how they would cover expenses in old age. This trend could be a result of low awareness levels of saving for retirement and its importance.

Subsequently, there was low usage of pension services among the youth; only 11% of youth interviewed in the quantitative survey indicated that they were currently enrolled in NSSF, with an additional 2% indicating that they were currently enrolled in other pension services other than NSSF. The highest uptake of savings and investment products was seen in the use of mobile money, where 59% of youth were currently saving/investing through mobile money providers. However, even though saving/investing patterns were encouraging, only 15% of those currently using various saving/investing products indicated that these were for latter years/old age.

From the quantitative survey findings, among the few youths who were enrolled in individual pension schemes, it was observed that some of the attractive features about these schemes that made them subscribe included the ability to contribute what one can afford, and a faster claiming process among others. A similar trend was observed from the qualitative phase, where the few youth who were saving for retirement using alternative means- such as through SACCOs, savings accounts in banks etc.- indicated that key features that made these products attractive to them included flexibility in the payment plans (with largely any amount being accepted as a deposit, frequency of payment aligned with income flow, and a variety of channels being available to make payments), attractive returns/interest rates/dividends, and ability to borrow loans against the funds among other features. These are some of the features that providers of pension/pension plans could consider incorporating to attract clientele from this group.

Challenges faced in saving for retirement

Several challenges faced by youth in saving for retirement were observed from the survey implementation. The first challenge was the challenging economic times. As seen in the preceding sections, 30% of youth interviewed in the quantitative survey were currently unemployed, with 52% indicating that they were without work/not in paid employment or



self-employment in the past 12 months. Indeed, findings from the FinAccess Household Survey (2019) indicated that 51% of the population perceived that their financial status in 2018 had worsened compared to 2017. From the quantitative survey findings, close to half of youth who were currently not enrolled in any pension scheme (43%) indicated that one of the main reasons for not enrolling in a pension program was the lack of enough income to do so. This was also echoed in the qualitative phase, where the main barrier for not saving for retirement was indicated as the lack of regular income to cater for basic needs and save for retirement. It was also observed that among youth currently enrolled in pension schemes (13%), majority (83%) had not attempted to make voluntary contributions, while most of those enrolled in individual pension schemes (7 out of 15) had also made withdrawals from their savings which may be attributed to challenging economic times.

Secondly, findings from desk research indicated that financial literacy, which is a key contributor to financial health remained low in Kenya; and was reported to have declined from 39.4% in 2017 to 21.7% in 2019 according to the KNBS (2019) Economic Survey Report findings on financial literacy. This report further indicated that 39.6% of those surveyed relied on their own knowledge for decision making, while 34.7% sought advice from friends and family. Findings from the quantitative survey showed similar results; 66% of youth interviewed indicated that they relied on friends/family for financial advice/information, while a significant proportion (20%) relied on their own personal experiences. This is bound to result to unsound financial decisions, more so, saving for retirement, especially considering that even the available financial information may not be too focused on pension savings.

Thirdly, as seen in preceding sections, awareness about pension/saving for retirement among the youth remains low, with close to half of those interviewed in the quantitative survey (43%) indicating that they had never had about saving for retirement in the past. Lack of awareness is a major contributor of low uptake of pension/pension products among the youth. Lastly, there are fears and misconceptions about pension/pension products among the youth as seen in the preceding sections, some of these including the fear of losing savings, and not being able to access part of the savings upon retirement. These fears would continue to act as barriers to uptake of pension services among the youth if not addressed.

Youth aspirations after working life

Findings from the qualitative phase indicated that youth generally aspire to live a comfortable life in old age; the ‘good life’, where they will own their own their own homes, travel the world, run their own businesses, become role models for their children etc. Future messaging aimed at driving uptake of pension among the youth could capture this desired life at retirement to generate interest. Family was noted to be a main driver/motivator for the youth; to be seen by their families as succeeding (younger youth) or to see their families succeed (older youth). Role models inspiring them were observed to cut across; from international to local renown figures, as well as prominent family members and schoolteachers (for the younger youth). These would be key influencers to partner with/engage in creating awareness to drive uptake of pension services among the youth in future. Further, it was observed that the youth generally envisioned to retire as early as 45 years, and as late as 80 years- with the disparities in age alluding to the fact that youth may not resonate with age when thinking about retirement- redefining retirement to align to dreams as opposed to age, may be more



appealing to this group. With regards to perceived challenges at retirement, it was observed that the youth were largely aware of the realities/challenges that come with old age, among them including dependency on children/others, ill health due to old age, loneliness/boredom, and financial challenges. Future messaging targeted at driving uptake of pension could twin the benefits of saving for retirements-leading to the achievement of the ‘good life’- and the reality of not planning for old age by highlighting these challenges.

Ideal pension program for the youth

The implemented survey sought to find out the perceived ideal pension program from youth not currently enrolled in any pension scheme- in terms of preferred frequency of making contributions and mode of making payments. It was observed that monthly contributions would work best, as reported by 73% of those interviewed, largely because this would be aligned to pay dates or days when income would stream (reported by 53%). With regards to the preferred mode of making payments, more than half of youth not currently enrolled in a pension program (61%) would prefer making payments through mobile money. From the qualitative phase of the survey, other features indicated included the ability of the pension program to earn attractive returns, allow for borrowing of loans with low interest, and have other benefits embedded- such as insurance policies- health, education etc.

Preferred communication modes

Desk research findings showed that youth were generally relying on radio, television and online sites for news and information. Affinity towards internet was higher among this group compared to other available media channels. These findings were similar to the quantitative survey findings, where radio (60%), television (48%) and social media sites (45%) were reported as the most relied on sources for news and information. Variations were seen across different settings, where for instance radio listenership was higher in rural areas, while watching television and accessing social media sites was higher in the urban settings. Varying channels across setting in future campaigns targeted at the youth would therefore increase reach. Some of the popular radio channels included Citizen Radio, Jambo Radio and Radio Maisha, while popular television channels included Citizen TV and KTN Home. Further, popular social media sites included WhatsApp, Facebook and YouTube. These would be ideal channels to utilize in future targeted campaigns.

Making pension attractive to the youth

Interviewed youth were asked to make recommendations on how pension can be made more attractive among them. It was observed that awareness creation was by far the most effective way to drive uptake, as recommended by 74% of those interviewed. Some of the key topics of interest to cover in future campaigns would be the benefits of saving for retirement; more than half (58%) of youth interviewed indicated that they would be interested in learning about this in future. Some of the most effective channels to share this content as seen above would be through radio, television, and social media sites. The most effective language to use when sharing content would be Kiswahili as recommended by more than half of youth interviewed (68%). The English language and vernacular languages would also come in handy depending on setting (rural/urban) and level of education of youth targeted; use of vernacular languages would for instance resonate more with youth with no education, and residing in the rural areas.



RBA awareness and level of confidence

This survey also sought to gauge the level of awareness about RBA among the youth, as well as their level of confidence in the Authority's ability to execute its mandate. It was observed that RBA's awareness remains low among the youth; with only 9% of youth interviewed indicating that they had heard about RBA and they knew what the organization does, more so in the urban setting (13% of those who had heard about RBA and knew what the organization does) and among males (12% of those who had heard about RBA and knew what the organization does). From the qualitative phase, a similar trend was seen, where awareness was largely observed among youth in formal employment, with unemployed youth or those in informal employment largely having never heard about RBA in the past, or confusing it with NSSF. All participating youth were informed about RBA and its mandate towards the end of the interviewing process and asked about their level of confidence in RBA executing this mandate. Only 35% of the youth indicated that they were very confident/confident, which could be attributed to the low awareness levels at the onset. Similar insights were derived from the qualitative phase, where those who were not aware of RBA before the survey largely cited the lack of awareness as the reason for not having confidence in the Authority. Some also cited the frustrations experienced by people known to them in accessing funds upon retirement as their reason for not having confidence in RBA executing its mandate.

Jurisdictional comparative analysis

Findings from desk research indicate that governments generally face challenges such as population ageing, low returns on retirement savings, low growth, less stable employment careers and insufficient pension coverage among groups of workers. These issues have eroded the belief that pension systems, pay-as-you-go or funded, will deliver on their promises once workers reach retirement age. To improve the design of financial incentives to save for retirement, the OECD (2018) Pensions Outlook report recommends that tax rules should be straightforward, stable and consistent across all retirement savings plans. Aligning charges levied by pension providers on scheme members with the cost of managing retirement savings requires better disclosure, pricing regulations and structural solutions. The regulatory and legal frameworks of pension funds should be at arm's length from government. Pension funds should have clearly stated missions to guide investment policy; an oversight board that is accountable to the competent authorities and to members; and transparency about their governance arrangements and their investment and risk management to keep them accountable to different stakeholders. Policies to improve the sustainability of pension systems in light of increases in life expectancy will need to consider how those in different socio-economic and gender groups may be affected.

Conclusions and recommendations

Youth in Kenya comprise of a significant proportion of the population, and therefore of the workforce. The current lack of specific job-centred measures or labour market strategies to address their needs has affected their income generation capacities, and subsequent abilities to secure their future in old age. Youth with no education, living in the rural areas, and of the female gender would most likely be particularly affected. Additionally, the low awareness levels about pension/saving for retirement, and subsequent low uptake of pension services among the youth is bound to expose them to destitution in old age. This is despite the youth largely aspiring to have successful lives after working life, but which they are currently largely not preparing for.

The following recommendations would work towards informing reforms in the retirement benefits sector that would be beneficial to the youth to avert their destitution in old age and ease pressure on old age cash transfers to those above 70 years as envisioned by the survey:

- 1) Addressing existing gaps in the labour market, by having job-specific measures/strategies targeted at improving the employment rates among the youth. Specific measures especially addressing the following groups, which are bound to be excluded:
 - a. Youth in the rural areas
 - b. Youth with no education
 - c. Female youth
- 2) Addressing existing knowledge gaps about pension/saving for retirement among the youth. For instance, covering the following topics in future campaigns:
 - a. Benefits/importance of saving for retirement
 - b. Available channels/methods of saving for old age
 - c. Debunking myths/fears/concerns about pension/pension products
 - d. Available sources of information about pension
 - e. Channels of addressing grievances on pension- regulatory framework in the pension industry
- 3) Improving financial literacy among the youth to help them make sound financial decisions. For instance, educating them about:
 - a. Available source of financial education- including topics on pension/saving for retirement
 - b. Importance of budgeting/saving etc.
- 4) Improving pension product offering by providers for resonating with the youth- a needs-driven approach. For instance, have products with the following features:
 - a. Flexible payment plans- aligning payments to pay dates/dates when income is likely to stream in
 - b. Mobile money payment channels
 - c. Ability to access part of the funds for emergencies etc.
- 5) Adopting communication channels/methods that resonate with the youth, and aligned to their setting (where they are likely to access information):
 - a. Radio (rural/urban)
 - b. Television (urban)
 - c. Social media (urban)
- 6) Re-looking at the existing policy framework to determine:
 - a. The extent to which current pension systems are sustainable with increased life expectancy. e.g. assessing the extent to which youth in different socio-economic and gender groups are excluded/barriers of uptake
 - b. Recommended policy changes/amendments to address barriers of uptake - e.g. ensuring consistency of retirement plans available in the market that are inclusive/easily accessible by youth in different socio-economic and gender groups

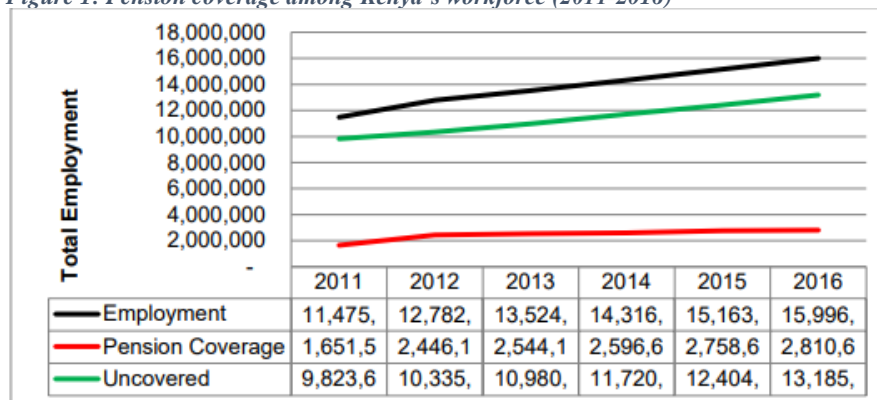
1. INTRODUCTION

The National Treasury contracted Ipsos to carry out a survey on the dynamics and perceptions of the Kenyan youth on savings for retirement on behalf of Retirement Benefits Authority (RBA). This report presents the findings from the survey. This sub-section of the report presents the background and context of the survey, the survey objectives, the survey scope, the target profile, and the technical approach/methodology and implementation process.

1.1 Background and context of the survey

According to RBA’s (Strategic Plan-2019-2024)¹, the overall performance of the retirement benefits sector in Kenya has been positive over time. The national pension coverage for instance was noted to have increased from 15% in 2014, to 20% in 2018, and in 2019 rose to 22%. The growth in industry assets was also witnessed over the same period, where these increased from Kes. 633.5 billion in 2014 to Kes.1.324 trillion in 2019. This notwithstanding, the pension coverage is still primarily targeted to the formal sector, and even in this sector, coverage is still low. According to a case study done by RBA dubbed *Impact of the Digitalisation of Financial Services on Supervisory Practices in The Private Pension Sector* (October, 2018)², pension coverage fell far below total employment as shown in the figure below, indicating that most of the workforce was not covered.

Figure 1: Pension coverage among Kenya’s workforce (2011-2016)



¹ <https://www.rba.go.ke/strategic-plan/>

² <http://www.iopsweb.org/WP-33-Case-study-Kenya.pdf>



Further, majority of the Kenyan workforce (approximately 82.7% as estimated by the World Bank, 2016³) is in the informal sector, and the establishment of retirement benefits schemes is also purely on voluntary arrangements. Moreover, most business owners and self-employed individuals do not have pension arrangements. Similarly, participation of the youth in pension schemes remains another ever increasing challenge, based on high levels of unemployment and the informal nature of youth engagement into income generating activities. Meanwhile, life expectancy continues to improve; from the latest World Health Organization (WHO) data published in 2018, life expectancy in Kenya stands at 66.7 years,⁴ which demonstrates that Kenyans are now living longer after retirement and therefore majority of youth face old age poverty upon retirement. It is against this backdrop that RBA sought to carry out a survey aimed at understanding the dynamics and perceptions of the Kenyan youth on saving for retirement.

1.2 Survey objectives

The overall objective of the survey was to inform reforms in the retirement benefits sector that would be beneficial to the youth to avert their destitution in old age and ease pressure on old age cash transfers to those above 70 years. The findings would inform development of retirement benefits products, channels for retirement savings and communication methods that would resonate with the youth.

Specifically, the survey sought to achieve the following objectives:

- To explore how the youth perceive saving for retirement
- To explore how the youth, identify retirement benefits products that would adequately address their needs
- To identify the mode of communication that youth prefer
- To establish the suitable language in terms of persuasion; for example, in advertising to the youth the need to save for retirement in order to avoid old age poverty; and
- To examine how labour market dynamics, affect the youth and their savings behaviour towards retirement.

³ <http://documents.worldbank.org/curated/en/262361468914023771/pdf/106986-WP-P151793-PUBLIC-Box.pdf>

⁴ <https://www.worldlifeexpectancy.com/kenya-life-expectancy>

1.3 Survey scope

To achieve the outlined objectives, the survey targeted to cover the scope of work summarized in the table below:

Table 1: Scope of work summary

Scope of work
Assess the structure of employment in Kenya with an emphasis on distribution of the youth across sectors i.e. formal vs. informal sector: sector wise vis agriculture, manufacturing, transportation, information and communication, financial and insurance activities, construction, accommodation and food services etc.
Determine the sources of livelihood and activities the youth are engaged in
Determine the potential of the youth in saving for retirement and provide useful solutions
Establish experiences, perceptions, attitudes, and challenges that are faced by the youth in saving for retirement
Conduct a jurisdictional comparative analysis on the patronage of the youth to retirement benefits and identify potentialities in the Kenyan context, lessons from different jurisdictions to inform reforms in the sector that will enable youth to save for retirement
Establish preferred communication modes including language useful for the promotion of the youth to save for retirement
Create an understanding of youth aspirations after working life
Establish whether the youth prefer short-term employment to permanent and pensionable jobs with qualifying reasons
Develop a framework that will guide extending pension coverage to the youth in the country and propose a policy framework that would promote youth saving for retirement

1.4 Target profile

As alluded in the survey objectives and scope above, this survey targeted the youth in Kenya. The Government of Kenya (GOK) defines youth as any person aged between 18 years and 35 years. This definition was adopted in this survey. In addition, as discussed in the inception meeting held on the 28th of January 2020, the qualitative phase of the survey incorporated respondents aged 15 years to 17 years to provide an overview of issues of interest from this age category.

2. TECHNICAL APPROACH AND IMPLEMENTATION

This sub-section of the report presents the technical approach/methodology and the implementation process adopted to answer the survey objectives and survey scope described in the preceding sections.

2.1 Technical approach

A mixed methods approach was adopted for this survey. This comprised of desk research, qualitative and quantitative research methods. Desk research comprised of reviewing available and relevant literature/publications to answer the survey's scope of work as applicable. Preliminary desk research findings were also useful in informing the design of

the data collection tools used in primary data collection (qualitative and quantitative research).

Qualitative research on the other hand, comprised of carrying out focus group discussions (FGDs) with youth working in formal and informal sectors, as well as the unemployed, to explore diversity in views and experiences that may exist among these groups. The qualitative research component also sought to explore experiences, perceptions, attitudes and challenges that are faced by the youth in saving for retirement, understand youth aspirations after working life, and youth preferences for short-term employment to permanent and pensionable jobs in-line with the survey’s scope of work.

Quantitative research targeted a nationally representative sample of Kenyan youth (aged 18-35 years), whose objective was to obtain national indicators on some of the areas under investigation. These included the structure of employment in Kenya, level of unemployment, livelihood activities that the youth engage in, potential of the youth in saving for retirement, preferred mode of communication, and youth’s preference for short-term vis-à-vis permanent and pensionable employment.

The technical/methodology adopted is summarized in the table below.

Table 2: Technical approach/methodology summary

Scope of work	Methodology/approach
Assess the structure of employment in Kenya with an emphasis on distribution of the youth across sectors i.e. formal vs. informal sector: sector wise vis agriculture, manufacturing, transportation, information and communication, financial and insurance activities, construction, accommodation and food services etc.	<ul style="list-style-type: none"> - Desk research - Quantitative research
Determine the sources of livelihood and activities the youth are engaged in	- Quantitative research
Determine the potential of the youth in saving for retirement and provide useful solutions	- Quantitative research
Establish experiences, perceptions, attitudes, and challenges that are faced by the youth in saving for retirement	<ul style="list-style-type: none"> - Desk research - Qualitative research - Quantitative research
Conduct a jurisdictional comparative analysis on the patronage of the youth to retirement benefits and identify potentialities in the Kenyan context, lessons from different jurisdictions to inform reforms in the sector that will enable youth to save for retirement	- Desk research
Establish preferred communication modes including language useful for the promotion of the youth to save for retirement	<ul style="list-style-type: none"> - Desk research (media consumption) - Quantitative research
Create an understanding of youth aspirations after working life	<ul style="list-style-type: none"> - Qualitative research - Quantitative research
Establish whether the youth prefer short-term employment to permanent and pensionable jobs with qualifying reasons	<ul style="list-style-type: none"> - Quantitative research - Qualitative research
Develop a framework that will guide extending pension coverage to the youth in the country and propose a policy framework that would promote youth saving for retirement	- Development of policy framework from survey output

The implementation process of the above methodologies is expounded in subsequent sub-sections below.

2.2 Implementation process

The implementation approach of the survey took the following shape:

Figure 2: Implementation approach summary

Pre-data collection	Data collection	Post-data collection	Quality control
<ul style="list-style-type: none"> • Inception meeting and report • Data collection instruments • Sampling design • Recruitment and training 	<ul style="list-style-type: none"> • Desk research • FGDs • Quantitative survey • Ethical considerations • Data collection challenges 	<ul style="list-style-type: none"> • Data processing and management • Data analysis and reporting • Policy framework development 	<ul style="list-style-type: none"> • Pre, during and post data collection

Each component above is expounded in the sections below.

2.2.1 Pre-data collection

Pre-data collection comprised of holding an inception meeting (Ipsos and RBA survey team leads) and subsequently documenting the agreed-on way forward in an inception report, designing data collection instruments, firming up the sampling design, and recruiting and training of data collection teams. These activities are expounded in subsequent sections below.

a) Inception meeting and report

Upon survey commissioning, an inception meeting between the Ipsos and RBA implementing teams was held on 28th January 2020 at the RBA offices in Rahimtula Towers in Upper Hill, Nairobi. The agenda for this meeting was to review the Technical Proposal submitted at the bidding stage to ensure that all concerned parties had a common understanding of the survey objectives and scope of work, and the approach that will be used to achieve the desired outcome. The agreed-on way forward was captured in an inception report which guided subsequent activities in the implementation processes. This report was reviewed and approved by RBA before adoption.

b) Data collection instruments

Based on the methodology presented in preceding sections, the data collection instruments used in this survey included a desk research guide, screener questionnaire for recruitment



of FGD participants, discussion guide for FGDs, quantitative questionnaire for the nationally representative survey, consent form and a training manual that was used in training of data collection team. These instruments were submitted to RBA for review and input before adoption. Final versions used to collect data are embedded in the Annex section of this report.

Translation of instruments: Ipsos translated the final approved discussion guide, questionnaire and consent form into Kiswahili for use in data collection. The questionnaire was also translated to Somali. This was in anticipation that some youth in the North Eastern region of Kenya would not be conversant with English or Kiswahili from past experience. The translated versions of the instruments were also shared with RBA at the preliminary stages.

Questionnaire programming: For the quantitative survey, a computer assisted personal interviewing (CAPI) approach to data collection was used. This approach enhanced quality, security, and confidentiality of data besides speedy data collection. The final approved paper questionnaire including translations was converted into electronic format and uploaded onto smartphones for use in data collection. All aspects of the paper questionnaire were maintained in the electronic version and a round of tests carried out by to ensure this was the case before use.

c) Sampling design

As indicated in the technical approach/methodology section in the preceding sections, qualitative (FGDs) and quantitative (nationally representative) surveys were implemented as part of the scope of work. The sampling design adopted for these segments was as expounded below.

Focus group discussions: FGDs with youth from formal and informal sectors, as well as unemployed youth were carried out to capture any diversity in views and experiences that may exist across these groups. In total, 12 FGDs of mixed gender (a ratio of 50:50) distributed across major urban areas were carried out as shown in the table below.

Table 3: FGDs sample design

Region	Setting	Groups	Description	Age band	Gender
Nairobi	Urban	Group 1	Formal- temporary/short-term	18-24 years	Mixed
		Group 2	Unemployed	15-17 years	Mixed
Mombasa	Urban	Group 3	Informal	15-17 years	Mixed
		Group 4	Unemployed	18-24 years	Mixed
Kisumu	Urban	Group 5	Formal- temporary/short-term	18-24 years	Mixed
		Group 6	Formal- permanent & pensionable	25-30 years	Mixed
Nyeri	Urban	Group 7	Informal	31-35 years	Mixed
		Group 8	Unemployed	25-30 years	Mixed
Busia	Urban	Group 9	Informal	25-30 years	Mixed
		Group 10	Formal- permanent & pensionable	31-35 years	Mixed
Garissa	Urban	Group 11	Informal	25-30 years	Mixed
		Group 12	Unemployed	15-17 years	Mixed

Selection of FGD participants was achieved through purposive sampling based on pre-determined criteria. Selection was using snowballing and was guided by a short questionnaire with screener questions to ensure that only those who met the pre-determined criteria were selected. Initially, the FGDs were planned to be done through a face to face interaction where recruited participants would be invited to a central location within their locality. Following the COVID-19 outbreak, however, which resulted in cessation of movement, participants were invited for the group discussions using virtual means (WhatsApp groups). A pilot FGD was done at the preliminary stages to test the viability of this methodology and results shared/presented to the RBA team before rolling out main data collection.

Nationally representative quantitative survey: The sample for the nationally representative quantitative survey was based on the 2019 population and housing census (PHC) data. According to the 2019 PHC data, youth (aged 18- 35 years) were 14,515,248. Based on this figure, a sample size of 1,570 at 95% confidence level and +/-2.5% margin of error was implemented as shown in the table below.

Table 4: Quantitative survey sample design

Population 18 - 35 years as of 2019 PHC data				Sample n=1570		
Region	Rural	Urban	Total	Rural	Urban	Total
Central	827,321	862,019	1,689,340	130	50	180
Coast	623,517	737,837	1,361,354	100	60	160
Eastern	1,545,163	405,469	1,950,632	190	20	210
Nairobi	-	1,884,655	1,884,655	-	200	200
North Eastern	498,334	189,939	688,273	60	10	70
Nyanza	1,391,682	385,631	1,777,313	190	-	190
Rift Valley	2,680,230	1,170,849	3,851,079	330	80	410
Western	1,124,358	188,244	1,312,602	120	30	150
Grand Total	8,690,605	5,824,643	14,515,248	1,120	450	1,570



Selection of sampling points: First, the proposed sample was stratified into urban and rural to reflect the national split. Next, multi-stage random sampling with probability proportional to size (PPS) was used to sample from the largest sampling unit (District) all the way down to the smallest sampling unit in each stratum. Once the smallest sampling units (sub-locations) were selected, the same number of households (HHs) were sampled from each location to ensure that all HHs in the population had the same probability of being selected irrespective of the size of the sub-location. A total of 10 HHs per sub-location were done. Ipsos worked with local guides to assist the field team in identifying the boundaries of selected sub-locations.

Sampling of households: The random route method was used to select HHs in which interviews took place. Only HHs with youth aged 18-35 years were eligible. Ineligible HHs were replaced with the next household. Replacement of HHs also happened if the selected youth refused to participate in the survey. Where the selected youth was not available at the time of visit, an enumerator made up to two additional visits to do the interview. Hence a maximum of three visits. If the interview was unsuccessful at the third visit, the HH was replaced with the next HH. To achieve spread of interviews, a sampling interval was used to skip HHs in densely populated sampling points e.g. in urban areas.

Sampling of respondents: Only one youth were interviewed per HH. The CAPI program was designed to include a KISH Grid which randomized and selected one youth from a list of youth in the HH. At the household, the interviewer entered names and ages of all household members, from the oldest to the youngest. Once done, the program made a random selection of one person aged 18-35 years based on the information entered. This was the person targeted for interview.

d) Recruitment and training of data collection team

Team recruitment: Selection of data collection team was given great consideration. The standard recruitment criteria used for recruiting data collectors included: their ability to read and write in English and a local language- Kiswahili, and Somali for the North Eastern team- to the level required to correctly administer the data collection tool; post-secondary



level education; experience in carrying out similar studies. Considering that training and data collection was carried out during the COVID-19 outbreak period, majority of the most experienced teams in the Ipsos database were available for engagement and recruitment. Considering the restrictions put in place during the COVID-19 period, such as cessation of movement, the recruitment process considered engagement of teams in their respective regions of residence. As such, a team of 79 persons (65 interviewers and 14 supervisors) were recruited for training. This team was organized into smaller groups of 1 supervisor to 5 enumerators to enhance close supervision. For the FGDs, the same COVID-19 measures recommended by the government defined the approach adopted. An online data collection was considered for FGDs in line with the ban effected by the government restricting congregation of people in groups. At the onset, a pilot FGD had been carried out by the Ipsos project management team using a WhatsApp group discussion/chat approach, and the experience and findings shared with RBA. This approach was considered for adoption during the main data collection process. As such, a team of 8 recruiters, 5 moderators, and 3 supervisors/QC staff were recruited for training. Since the WhatsApp approach would enable exporting of chats/discussions immediately after conclusion of the group discussions, no transcription would be required. Two quality control staff were recruited to oversee implementation of both the quantitative and qualitative phases.

Team training: As a standard, Ipsos conducts intensive training before commencement of any research study to ensure quality output. Length of training period is dependent on the complexity of the survey. For this survey, training was carried out during the COVID-19 outbreak period where movement and congregation in groups was restricted. As such, innovative ways of carrying out extensive training were adopted. For the qualitative phase, which was implemented first, the moderators were trained using an online approach for a period of 2 days. The recruiters and supervisors were trained separately for a period of 2 days. Topics covered during the training sessions included research basics, recruitment skills- including observance of COVID-19 recommended measures (recruitment was done face to face), moderating skills using an online approach- learnings obtained from the pilot FGD done at the onset were instrumental in guiding this process-, supervision and prompting skills to keep respondents engaged throughout the discussions, survey



background and objectives, as well as a review of the discussion guide for the moderators to understand the rationale for each question/section and how to administer each section.

For the quantitative phase, training was phased, such that the Nairobi team was trained first using a face to face approach at the Ipsos office. This was because it was possible to congregate this team in the office while adhering to the government recommended measures of curbing the spread of the COVID-19 disease. The Nairobi team was trained for a period of 4 days; 3 days of classroom training, and 1 day of pilot and debrief. Training for the regional teams followed and took a period of 5 days; 4 days of classroom training, and 1 day of pilot and debrief. The regional team training was administered online, where smaller groups in each region congregated in a central location for following the training online. Strict adherence to the government measures of curbing the spread of COVID-19 was observed by ensuring that each team had a supervisor overseeing their movement and conduct. Congregating them in a centralized location also enhanced the quality of the training and ensured easy management of the training sessions through the supervisors.

Topics covered during the quantitative training sessions included: adherence to recommended COVID-19 measures during training and data collection, research basics and interviewing skills, research ethics, survey background and objectives, selection of households and respondents, review of questionnaire including rationale for each question and response options, concepts and definitions, role-play and dummy interviews, and pilot of the questionnaire.

Pilot: As part of training, pilot interviews were conducted to expose the team to real data collection situation (quantitative survey) especially since this would take place in unprecedented times of the COVID-19 outbreak. The pilot exercise reflected the actual data collection process and involved all the steps from start to finish including observing recommended measures to curb the spread of COVID-19 (e.g. all interactions with the respondents were to be done outside the household to observe social distancing- including the interviewing process), sampling of households and respondents, quality control procedures, uploading of data to the server, debrief sessions by supervisors, etc. This allowed for a chance to review the entire process for any issues that would potentially affect

data collection to be addressed beforehand. Besides using the pilot to assess the data collection process, it also provided an opportunity for coding open-ended questions in the questionnaire through the pilot data obtained with potential codes on such questions. It also allowed for a chance to test the scripted version of the questionnaire, as well as the viability of the translations. Lessons learnt from the pilot exercise were used to plan the main data collection processes.

2.2.2 Data collection

Data collection activities comprised of carrying out comprehensive desk research, qualitative (FGDs) and quantitative (household) interviews. These activities also incorporate quality control measures and well as ethical considerations as expounded below.

a) Desk research

Desk research activities (review of relevant and available literature) was carried out in line with the scope of work as outlined below. Desk research was carried out during the pre-data collection and during data collection phases. Insights emanating from this exercise were useful in guiding the design of the primary research data collection instruments, as well as informing the overall objectives of the survey as captured in this report.

Table 5: Desk research scope of work

Scope of work	Methodology/approach
Assess the structure of employment in Kenya with an emphasis on distribution of the youth across sectors i.e. formal vs. informal sector: sector wise vis agriculture, manufacturing, transportation, information and communication, financial and insurance activities, construction, accommodation and food services etc.	- Desk research
Establish experiences, perceptions, attitudes, and challenges that are faced by the youth in saving for retirement	- Desk research
Conduct a jurisdictional comparative analysis on the patronage of the youth to retirement benefits and identify potentialities in the Kenyan context, lessons from different jurisdictions to inform reforms in the sector that will enable youth to save for retirement	- Desk research
Establish preferred communication modes including language useful for the promotion of the youth to save for retirement	- Desk research (media consumption)

b) Focus group discussions (FGDs)

Data collection for FGDs was carried out between 17th June and 23rd June 2020. The FGDs were conducted by 5 moderators who were experienced in moderating group discussions. Group discussion were done using an online approach (WhatsApp chats/discussions) in light of the outbreak of the COVID-19 disease which restricted movement and congregation of people in groups. Each group discussion had a supervisor and a quality



controller who assisted the moderator to manage group dynamics and keep the participants engaged. Each group had 6 participants and each participant was provided with internet bundles to connect in the discussions online. Informed consent was administered to each participant during recruitment. For those aged below 18 years, signed consent was sought from the parents/guardians before the participants were recruited to participate in the group discussions. For each group, the supervisors screened the recruited participants before admission to the WhatsApp group for engagement in the discussions to ensure that they met the required criteria. Group discussions were broken into two or three sessions (spread over 2 or 3 days depending on participants' availability) to ensure that participants were not fatigued.

c) Nationally representative quantitative survey

The quantitative phase of the survey took place between 3rd July and 11th July 2020. The quantitative survey involved face-to-face interviews with individual youth randomly selected at the household level. Interviews were conducted using CAPI on the *Ipsos iField platform*. This is an integrated data collection application with capabilities for fieldwork management and quality control. The application has language switching capabilities which allows enumerators to switch from one language to the other ensuring that respondents are interviewed in a language they are conversant with. The electronic/scripted version of the questionnaire was used by enumerators to administer interviews. An electronic KISH Grid was also integrated into the data collection program to facilitate random selection of youth at the household.

Strict adherence to the laid out COVID-19 measures was observed during data collection, where all enumerators were provided with face masks and hand sanitizers. Additionally, to ensure social distancing, all interactions with respondents, including the interviewing process were done outside the household. All interviews done were uploaded onto the Ipsos central server. The iField application operates off-line and therefore enumerators continued to work even when their smartphones/mobile devices were disconnected from the mobile network or WIFI. Synchronization for data upload was then triggered automatically as soon as a connection was available.



d) Ethical considerations

Each respondent was asked for informed consent to participate in the survey. The consent forms provided information about the survey, risks and benefits for participating, confidentiality, voluntary participation and contacts of researchers. Only persons who consented willingly after being given all the necessary information participated in the survey. Consent forms were also used during recruitment of FGD participants. Once eligibility of a respondent to participate in the FGDs was established, he/she was asked to provide informed consent before they were invited to the discussion. For persons aged below 18 years, consent was sought from the parents/guardians. In addition, the field team was trained on how to hold interviews in private and to keep all written records confidentially while in the field. Data was uploaded as soon as interviews were completed to ensure that no data was saved on the devices. This prevented loss of data as well as enhanced confidentiality of data. The devices used for data collection had security features that restricted access only to the interviewer it was assigned. All hard copies (e.g. consent forms) were given to the supervisors at the end of each day for courier back to the Ipsos offices.

e) Data collection challenges

Two main challenges were experienced during data collection as described below:

COVID-19 pandemic: recruitment, training and roll out of data collection was scheduled to take place in the month of March/April 2020. However, this was the period when the outbreak of the COVID-19 disease was announced in Kenya, and subsequent measures to aid its curbing implemented by the government. This halted all processes and delayed the survey implementation process by a period of close to 3 months. Consultations were held between the Ipsos and RBA lead teams, which informed the resumption of the preparation processes in the months of May/June 2020 in anticipation that the situation would normalize soon. Additionally, alternative and innovative approaches to carrying out data collection were also discussed, which informed the adoption of an online methodology for the qualitative segment. A telephonic approach for the quantitative segment had also been discussed for adoption, but the feasibility of using a face to face approach became feasible before the telephonic approach could be adopted. A face to face approach for the

quantitative segment was preferred because it would limit the introduction of limitations to that would have come from adoption of a telephonic approach to data collection (such as biasing the study to only those with access to a mobile phone, excluding those in no-network areas, excluding populations in deep rural areas etc.).

Insecurity: Insecurity issues were reported by the data collection teams in two sampling areas in Lamu and Marsabit counties as shown below. The two sampling points were replaced with other sub-locations within the same locality as shown in the table below.

Table 6: Sampling points replacement

Province	County	Subcounty	Ward	Location	Sublocation	Comment
Coast	LAMU	LAMU WEST	KIONGWE	PANDANGUO	JIMA (original sampling area)	Reported insecurity in the area
Coast	LAMU	LAMU WEST	KIONGWE	PANDANGUO	PANDANGUO (replacement sampling area)	Replacement
Eastern	MARSABIT	MARSABIT CENTRAL	CENTRAL	SONGA	LEYAI (original sampling area)	Reported insecurity in the area
Eastern	MARSABIT	MARSABIT CENTRAL	CENTRAL	SONGA	SONGA (replacement sampling area)	Replacement

Suspicion of non-compliance of COVID-19 prevention measures: Since data collection was rolled out during the COVID-19 pandemic, there was high suspicion from the public towards the data collection team. In one locality in Nakuru County (Kiamaina) for instance, the area chief had denied the team entry to carry out data collection because of suspicion that they would spread the COVID-19 disease in the area. The team had to be subjected to testing and verifications that they had adhered to the government guidelines. This followed a directive from the Deputy County Commissioner in the area who instructed the area chief to carry out these tests. The team passed all the tests and were eventually allowed to proceed with data collection, albeit after delays.

Hiked public transportation fares: Following the government regulations on curbing the spread of the COVID-19 disease, public service vehicles (PSVs) were only allowed to ferry a limited capacity of passengers. To make up for the losses, the PSVs had resulted in hiking fares, a factor which affected the team's movement as they had to be facilitated from the Ipsos office in Nairobi after verifications.

2.2.3 Post-data collection

Post-data collection activities comprised of data processing and management, data analysis and reporting, as well as the development of the draft policy framework as part of the scope of work. These activities are expounded below.

a) Data processing and management

For the quantitative component, electronic data collection enhanced cleanliness of data by incorporating question filters, skip routings and logic checks in the data collection program. This resulted in a relatively clean set of data from the field. During the data collection process, the daily monitoring of data also ensured obtaining a complete sample that matched the original sample plan. A data cleaning syntax was developed based on the logic of the questions as indicated in the questionnaire. The checks involved item by item identification of errors and inconsistencies in the data.

Data coding: For responses to open-ended questions and “other specified” responses that required coding, development of the code list begun once all the interviews had been completed. The code list was developed in English based on 200 randomly selected cases from all the visited locations. Once the code list was finalized and approved by the project managers, the coding team was trained, and the coding process supervised.

Chats reviews: Group discussion chats were downloaded and reviewed against the discussion guide to ensure that all topics were covered in the discussions. The group discussions were also summarized by the moderators at the end of each session to help them review their work and capture any areas that had not been addressed in the discussions.

Data protection: With electronic data collection, data is uploaded to the server immediately an interview is completed thus minimizing the risk of losing data. Where this is not possible because of network issues, the data is uploaded immediately the interviewer gets to a place where he/she can access network, usually on the same day of interview. For the data collected via WhatsApp chats, these are downloaded immediately after completion of a group discussion and the group disabled. All soft copy data is kept under password protected files accessible only to the authorized study personnel. As per Ipsos Limited



policy, data is backed up every day using disks and at the end of each week. The week's data is backed up and the disk is stored offsite.

b) Data analysis and reporting

Quantitative data was disaggregated by variables of interest such as setting, gender, and employment status, analysed descriptively and presented in %age frequencies. Cross-tabulations and correlations was done for variables of interest. Qualitative data were coded and analysed thematically. This report has triangulated data from all three sources: qualitative, quantitative and desk research data. A draft of the report would be provided to RBA for reviews and feedback before finalization. The feedback process was envisaged to incorporate two stakeholder engagement sessions: with the first one being with the internal stakeholders of RBA, and the second being with external stakeholders of the organization. The feedback obtained from these sessions would be used to revise and finalize the survey report.

c) Policy framework development

The final survey report and recommendations would be used to inform development of a policy framework document that would be submitted to RBA for review and input. Feedback from initial reviews would be incorporated and the updated version of the policy framework document shared with RBA to take up further discussions with its external stakeholders before adoption/implementation.

2.2.1 *Quality control*

Ipsos' commitment to quality ensures that all research surveys are subject to standard rigorous quality control (QC) procedures, especially in relation to survey design, planning and set-up, tool design, sampling, fieldwork, and data processing. Some of the QC measures that were applied in the survey implementation process are summarized in the table below.

Table 7: Quality control measures summary

Pre-Data Collection QC Procedures	
QC measure	Description
Inception meeting & report	With a detailed understanding from the inception meeting, Ipsos developed an inception report that ensured quality by defining and documenting the methodology and implementation process. The inception report set the ground for execution and was reviewed and approved by RBA team before being adopted.
Design of data collection tools	Design of all data collection tools was given enough time and attention including translation and piloting of the discussion guide and questionnaire to ensure quality. Care was taken during the translation process to ensure that the meaning of questions is not lost in translation. Quality of the electronic CAPI questionnaire was ensured by checking and testing the script against the approved paper version of the questionnaire. The RBA team was also provided with access to the final electronic questionnaire for review.
Recruitment and training of field team	Recruitment of qualified, experienced and competent field team is a key component of quality control in research surveys. Ipsos engaged specialized qualitative and quantitative teams that were already experienced in implementing research surveys using these methodologies. The recruited data collection teams were also taken through rigorous training to ensure they understood the survey, implementation protocols and expectations before data collection commenced. In light of the COVID-19 outbreak, the most experienced teams in the Ipsos database were available for engagement in this survey as normalcy had been halted by the outbreak (where these teams would have ordinarily been engaged in other research projects).
Data Collection QC procedures	
QC measure	Description
Recruitment of FGD participants	A recruitment questionnaire/screener was used to ensure that only those who fit within the required criteria were selected to participate in the FGDs. Supervisors assigned to oversee each group also ensured that the right respondents had been recruited by making telephonic verification calls before admission into the group discussions. The supervisors also confirmed that the respondents had consented to participate in the discussions.
Supervisor accompanied interviews	Supervisors observed 5%- 10% of all interviews done by every interviewer. This was intensified during the initial days of data collection to evaluate and improve interviewer performance by noting errors such as: inaccurate asking of questions and ensuring that the households and respondents were selected in the right way using the agreed random process. The accompanying supervisor also observed adherence of the recommended prevention measures of COVID-19. He/she noted down his/her observations without disrupting the interview. At the end of the interview, the supervisor discussed the identified errors and issues with the interviewer to enable them make corrections at an early stage of data collection.
Spot-checks	The supervisors and the field manager moved around during interviews and made unexpected visits to observe interviewers as they conducted interviews to ensure that the data collection process was being done as required. The RBA team was also invited to carry out spot-checks before data collection was completed.
Back-checks	An independent QC team stationed at the Ipsos offices made verification back-check calls as data collection was ongoing. These checks ensured that about 5% of interviews done by each interviewer were selected randomly and the respondents re-contacted and asked a few questions to determine the validity of the responses. The validation questions were determined by the project management team. Where inconsistencies were noted, appropriate action was taken- including cancellation of suspicious interviews and debriefing the concerned interviewers.
Debrief sessions	For the qualitative phase, debrief sessions were held at the end of each group discussion to check that all questions that needed to be administered were administered. Since the moderation was done through WhatsApp chats, the supervisor and QC personnel were able to follow the discussions and prompt the moderator when a question was missed. This team also discussed their experience at the end of each session for better planning of the next session. For the quantitative component, each supervisor held daily meetings with the interviewers assigned to him/her to discuss any issues or challenges they were encountering during data collection. During these sessions, the supervisor clarified and responded to any questions that the interviewers had. The issues were also be relayed to the field manager who in consultation with the project manager and team leader provided guidance on the issues. A debrief was provided to the entire team in case of cross cutting issues. This was made easier using a WhatsApp group that was created for the entire team. The group provided a useful platform for discussing and resolving data collection issues real time.
Checking of all incoming data	Daily, the project manager and field manager checked incoming data. If quality issues were noted, immediate action was taken. The action taken varied depending on the nature of the issue and included debrief of the interviewer concerned, debrief of the entire team, back-check of the case with the issue, back-check of all cases for the interviewer concerned etc. If the issue was a result of serious malpractice such as cheating, the interviewer was dismissed, and his/her interviews re-done/replaced.
Audio recording of sections of quantitative interviews	The quantitative data collection program has the functionality of recording sections of an interview in session, then only a specialized team in the quality control department listens to the recordings to validate that indeed an interview took place. This was applied to this survey as the sensitivity of the questions asked was low (recording of parts of an interview is optional and depends on the sensitivity of a survey).
QC measure during data processing	
QC measure	Description
Review of group chats	The downloaded group chats were reviewed by the project managers. The moderators were also tasked with making summary notes at the end of each group session to capture key emerging insights per session. These summaries were also reviewed by the project managers where it was possible to capture issues of lack of in-depth moderations for particular sections in good time.
Cleaning of quantitative data	During data processing, QC covered checks on inconsistencies, missing data, duplicates, and outliers. All these were flagged out and validated. All cases found to be unusable were dropped from the main data set.

3. THE SURVEY FINDINGS

As captured by a paper published by The Organization for Economic Co-operation and Development (OCED, n.d)⁵, saving for old age is important. It allows individuals to transfer any savings made in the wet season of their earning years to the corresponding dry times of old age, when earnings income is lower or non-existent, reducing the burden on government. In line with this survey's objectives and survey scope, this section presents amalgamated findings from all data sources applied, i.e. desk research, qualitative and quantitative research.

Before delving into the main survey findings, the section begins with an overview of the **demographic profile** of youth interviewed in the **primary search phase** (quantitative and qualitative research) to provide context of the findings presented in the report emanating from this phase. A detailed version of the demographic information is presented in the Annex section of this report.

Quantitative phase

A nationally representative sample was drawn for the quantitative survey using the latest available population and housing census data (KNBS, 2019), and was distributed proportionate to population size across 8 regions in Kenya, i.e. Rift Valley, Western, Eastern, North Eastern, Nyanza, Central, Coast and Nairobi. About 71% of youth interviewed were residing in the rural setting, while 29% were in the urban setting. In terms of gender, 51% of youth interviewed were female, while 49% were male. Regarding the highest level of education completed, youth interviewed had largely completed secondary education (29%) as their highest level of education. Further, youth interviewed were mainly single/never married (62%) and majority (89%) were of the Christian faith. In terms of living standards, youth interviewed were largely living in permanent/semi-permanent dwellings (80%), largely in a house/bungalow (56%), where the floor was largely made of cement (54%), where the walls were largely made of mud/wood (27%) and brick/block

⁵ <http://www.oecd.org/finance/private-pensions/43920158.pdf>



(23%), while the roof was mainly made of iron sheets (86%). On average, 2 rooms in the dwelling were used for sleeping. More than half of youth interviewed collected firewood as the main source of cooking fuel (52%) and used electricity as the main source of lighting (52%). A significant proportion drew water for use from rivers/ponds/streams (21%) and used a covered pit latrine as the main type of toilet in the household (50%).

Qualitative phase

The qualitative phase of the survey applied a purposive mode of selecting youth to participate, where these were drawn from the urban setting of 6 regions: Nairobi, Mombasa, Kisumu, Nyeri, Busia and Garissa. The targeted sample was distributed across these regions by age, and employment type, where age bands included 15-17 years, 18-24 years, 25-30 years, and 31-35 years. Employment types targeted included: formal-temporary/short-term employment, formal-permanent and pensionable employment, informal employment, and the unemployed youth. Each group comprised of a 50:50 gender ratio (3 males and 3 females).

3.1 Structure of employment in Kenya

This sub-section of the report presents findings on the characteristics of youth in Kenya, the existing employment framework in the country, formal vs. informal sectors of employment, part-time vs. full time employment, sources of income for youth and average income earned, preference for short-term vs. full-time employment, as well as the level of unemployment in Kenya.

3.1.1 Characteristics of youth in Kenya

According to a report by the Development for International Development (DFID, 2018)⁶, The United Nations (UN) projections indicate that the world's population will reach 10 billion by 2055, and more than 95% of this growth will happen in low and middle-income countries- including Kenya. From the latest census report by the Kenya National Bureau

⁶ <https://www.afidep.org/resource-centre/downloads/research-reports/east-african-regional-analysis-of-youth-demographics/>



of Statistics (KNBS, 2019)⁷, Kenya's population currently stands at 47.6 million people, where the youth (persons aged 18 to 35 years) are approximated to make up about 31% of the population (approximately 14.5 million). From the DFID (2018) report, the youth population in Kenya (persons aged 15 to 34 years) is estimated to reach 24.1 million by the year 2030, with the proportion against the total population estimated at 36%.

3.1.2 Existing employment framework in Kenya

According to a report by the International Labour Organization (2013)⁸ with regards to development planning in Kenya where employment falls, in the last decade, two major development plans were formulated in Kenya; the Economic Recovery Strategy for Wealth and Employment Creation (ERS) for the period 2003-2007 and Vision 2030 for 2008-2030, which superseded the ERS. Vision 2030 is the long-term development plan aimed at improving the quality of life in Kenya. It includes over 120 projects implemented in five-year Medium-Term Plans (MTPs). In terms of employment, as formulated in Vision 2030, labour market improvements are expected to occur principally as a result of actions taken to strengthen economic growth. Thus, specific job-centred measures or a labour market strategy are noticeably absent. Youth have been particularly affected by the weak formal job creation, with adults benefiting from a disproportionate share of the jobs created.

As captured by ILO (2013)⁹, Kenya's Vision 2030 does highlight the need for making young people more "competitive" and "prosperous". Plans for youth are proposed in several areas including improving practical skills and identifying specific barriers to youth employment. This complements a series of government programmes, institutions and policy frameworks that have been implemented in recent years to address the challenges confronting youth, notably: (i) in 2005, a new Ministry of Youth Affairs and Sports was established; (ii) in 2007, the government established the Kenya National Youth Policy, a legislative framework to enhance youth participation in national development; (iii) in 2008,

⁷<https://www.knbs.or.ke/?wpdmpromo=2019-kenya-population-and-housing-census-volume-iii-distribution-of-population-by-age-sex-and-administrative-units>

⁸ https://www.ilo.org/wcmsp5/groups/public/---africa/documents/publication/wcms_231155.pdf

⁹ https://www.ilo.org/wcmsp5/groups/public/---africa/documents/publication/wcms_231155.pdf

the Ministry of Youth Affairs and Sports launched the Youth Employment Marshall Plan to address the long-term challenges of youth employment; and, (iv) in 2010, the Kenya Youth Empowerment Program was launched in cooperation with the World Bank. The latter absorbed some of the activities of the Marshall Plan, but included a wider spectrum of activities- e.g. training and policy development.

3.1.3 Formal vs. informal sectors of employment

According to ILO (1993)¹⁰, the informal sector is broadly characterised as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned. These units typically operate at low level organization, with little or no division between labour and capital factors of production and on a small scale. Labour relations- where they exist- are based mostly on casual employment, kinship or personal and social relations, rather than contractual arrangements with formal guarantees. The formal sector is understood to be the opposite.

The productivity level of Kenyan jobs is low on average according to a Knowledge, Evidence, and Learning for Development (K4D) report by DFID (2018).¹¹ The report further notes that limited growth in the country's formal sector means that over 80% of workers are confined to informal jobs, which are typically low pay and low skill. Job quality is even lower in urban areas, despite the higher rates of non-agricultural wage work. The formal employment opportunities that do exist are concentrated in the services sector, particularly commerce, and the public sector.

From the KNBS (2019) Economic Survey Report¹², the Kenyan economy created 840.6 thousand new jobs in 2018. In the modern [formal] sector, total employment increased, from 2.8 million persons in 2017 to 2.9 million persons in 2018. Jobs in the informal sector, which constituted 83.6% of the total employment, increased by 5.4% to 14.9 million

¹⁰ <https://stats.oecd.org/glossary/detail.asp?ID=1350>

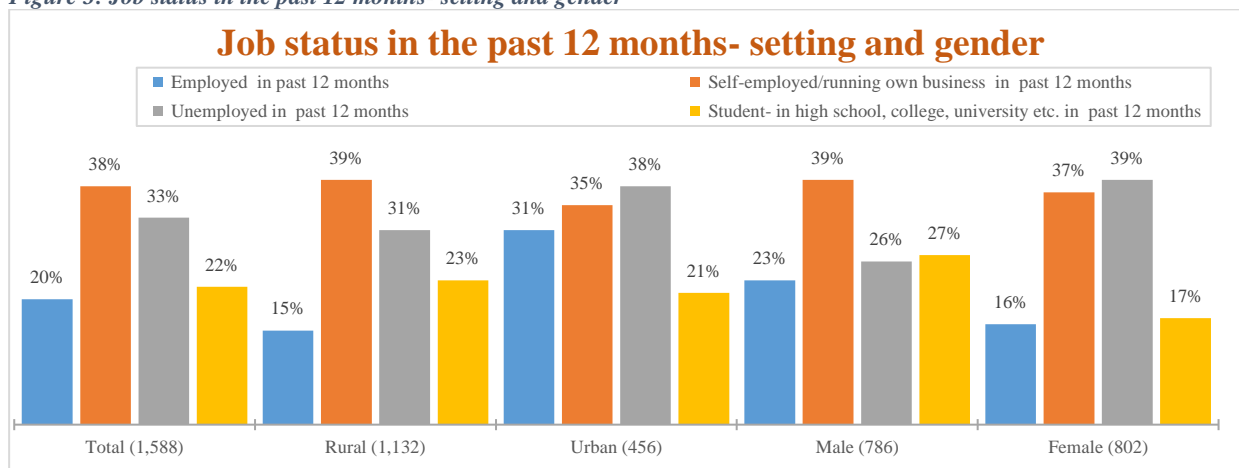
¹¹ https://assets.publishing.service.gov.uk/media/5afacd43ed915d0df4e8ce4d/Jobs_in_Kenya.pdf

¹² https://www.knbs.or.ke/?page_id=3142

persons. The number of self-employed and unpaid family workers within the modern [formal] sector was estimated to have increased from 139.4 thousand in 2017 to 152.2 thousand in 2018.

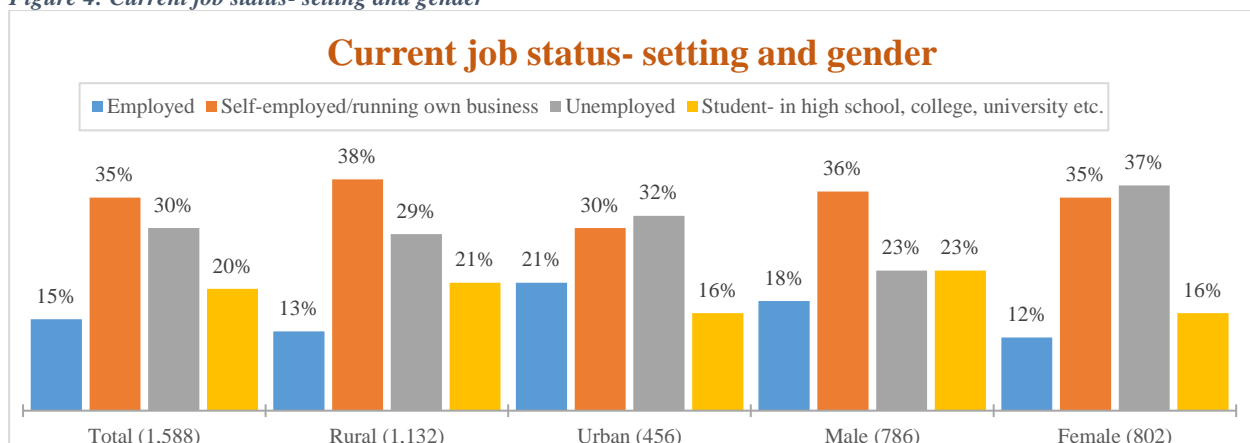
From the quantitative phase of the survey, it was observed that more than half of youth interviewed (58%) were either employed or in self-employment in the past 12 months as shown below, which could be a reflection of the new jobs created in 2018 as reported by KNBS. However, as shown in the figure, a significant proportion (33%) were unemployed in the past 12 months, more so in the urban setting (38%), and those of the female gender (39%).

Figure 3: Job status in the past 12 months- setting and gender



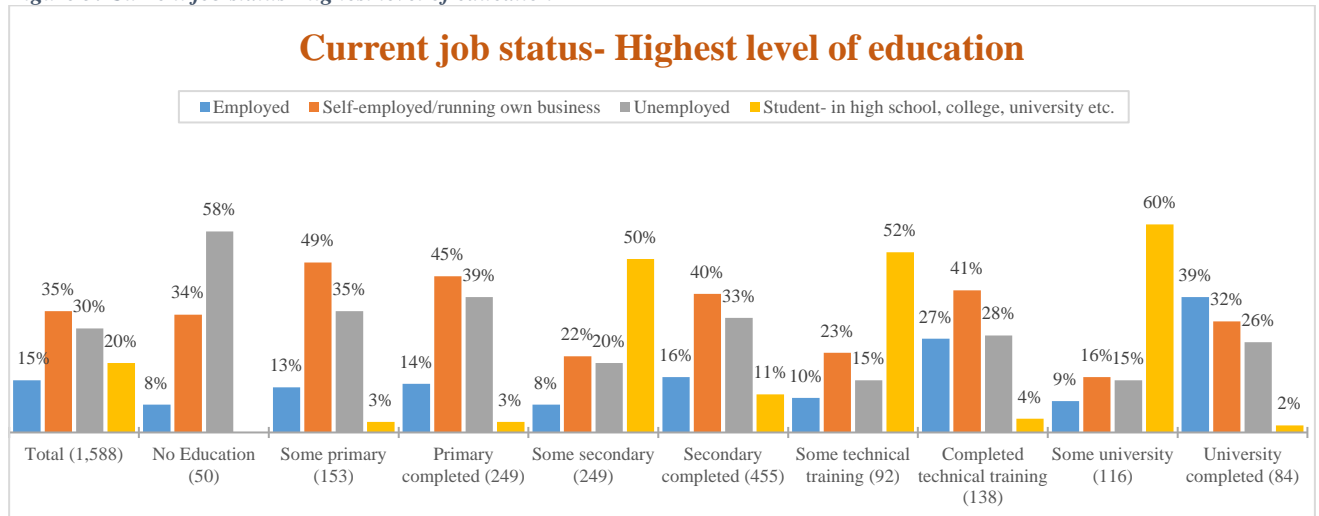
No major variations were observed when interviewed youth were asked about their current job status. As shown below, half of those interviewed (50%) reported that they were currently either employed or in self-employment.

Figure 4: Current job status- setting and gender



Additionally, those currently not employed were observed to be largely youth with no education (58%) as shown below.

Figure 5: Current job status- highest level of education

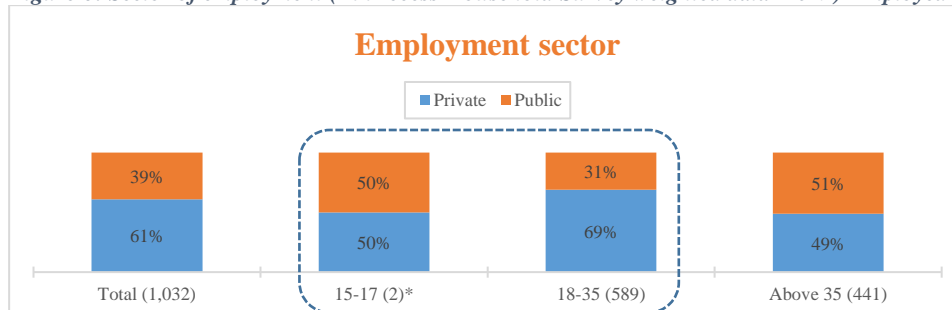


The KNBS Economic Survey Report (2019)¹³ further indicated that the private sector recorded a significant growth in 2018, of 3.0% in employment levels compared to 2.7% in 2017. The leading activities providing wage employment in this sector were agriculture, forestry and fishing (15.3%), manufacturing (14.6%), and wholesale and retail trade, and repair of motor vehicles (13.5%). Total employment in the public sector on the other hand went up from 833.1 thousand persons in 2017 to 842.9 thousand persons in 2018, an increase of 1.2%. This was however a suppressed growth compared to that of 7.5% realized in 2017. Transport and storage registered the highest growth of 3.7% in 2018. Other economic activities in the public sector that realized growth in employment were professional, scientific, and technical activities (3.2%), water supply, sewerage, waste management and remedial activities (3.1%), and financial and insurance activities (2.7%). There was, however, a decline of 4.3% in arts, entertainment and recreation industry.

¹³ Ibid

Findings from a household survey carried out by FinAccess in 2019¹⁴ indicated that those who were employed in 2018, and aged 15 to 35 years, were largely in the private sector as shown in the figure below.

Figure 6: Sector of employment (FinAccess Household Survey weighted data- 2019)-Employed



Similar findings were observed from the quantitative phase of the implemented survey, where it was observed that those who reported being employed in the past 12 months were mainly in the private sector (79%), largely males (80%) and in urban areas (85%) as shown below.

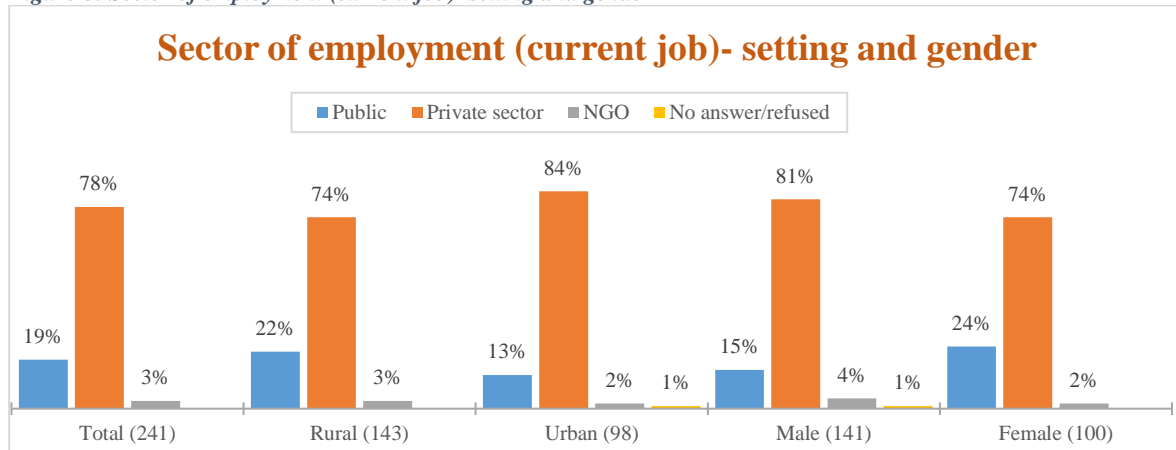
Figure 7: Sector of employment (job held in the past 12 months)- setting and gender



A similar trend was observed, where youth who reported that they were currently employed, also mainly indicated that this was in the private sector (78%), male (81%) and in urban areas (84%) as shown below.

¹⁴ <https://fsdkenya.org/tag/data/>

Figure 8: Sector of employment (current job)- setting and gender



With regards to the nature of work/main activity, and noting that youth were largely working in the private sector (employed/self-employed), it was observed that their main activity was largely in wholesale and retail trade, repairs (33%) and agriculture, forestry and fishing (21%) among others as shown below, similar to the findings observed from the KNBS 2019 report presented previously.

Table 8: Nature of work/main activity (job held in the past 12 months)- setting

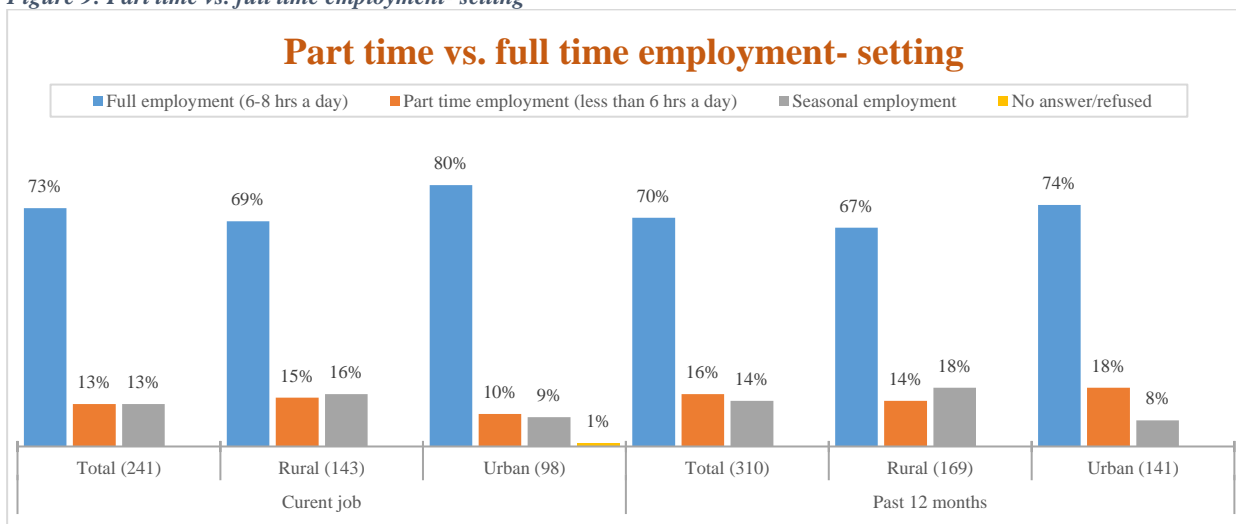
Nature of work/MAIN activity in the work for job held in the past 12 months (employed/self-employed)	Location setting		
	Total (874)	Rural (595)	Urban (279)
Wholesale and retail trade, repairs	33%	33%	33%
Cereals, fruits, vegetables, other agricultural produce/livestock, meat	16%	18%	13%
Clothes (new or second hand)	4%	3%	5%
Electronics	1%	1%	1%
General retail or wholesale shop	5%	5%	6%
Chemists/pharmacies	1%	1%	1%
Motor vehicle trade and repairs (mechanic)	2%	1%	2%
Other retail or wholesale	4%	4%	4%
Agriculture, forestry, and fishing	21%	28%	6%
Other community, social and personal services	8%	8%	9%
Salon, barber, hairdresser etc.	3%	4%	3%
Household repairs e.g. plumbing and electricity repairs, electronics	2%	2%	3%
Waste management and recycling	1%	-	2%
Other community/social or household services	2%	2%	2%
Private households' services	7%	6%	8%
Maids, cooks, babysitters etc.	3%	2%	4%
Security/guard/gate keepers- e.g. askaris	2%	1%	3%
Farm hand	2%	3%	1%
Accommodation and food services activities	7%	4%	12%
Bar, restaurant, catering, mobile food service activities	4%	2%	9%
Lodging, hotel, campsite etc.	1%	1%	3%
Other accommodation and food services	1%	1%	1%
Education	5%	6%	3%
Manufacturing	5%	3%	8%
Furniture	-	1%	-
Food and beverage manufacturing	1%	1%	3%
Tailoring	2%	2%	2%
Machinery and equipment	1%	-	1%
Other manufacturing	1%	-	2%
Transport and storage	4%	4%	3%
Land transport, boda boda, taxi, bus etc.	4%	4%	3%
Air transport	-	-	-
Storage/Warehouse facilities	-	-	-

Professional, scientific, technical and administrative activities	4%	3%	6%
Legal, accounting, auditing, management consulting, architecture	1%	1%	1%
Research (market/scientific/advertising)	-	-	1%
Veterinary services	-	-	-
Travel agent/tour operator	-	-	-
Office administrative support services	1%	1%	1%
Other	2%	1%	2%
Construction	3%	2%	4%
Information and communication	1%	1%	3%
Publishing, broadcasting, radio	-	-	-
ICT services e.g. Software programming and web development	1%	-	3%
Other	-	-	-
Arts and entertainment	1%	-	3%
Health and social work	1%	1%	1%
Government/public administration/social security/police	1%	1%	1%
Mining and quarrying	-	-	-
Real estate	-	-	-
Financial and insurance activities (including mobile money/bank)	-	-	-
Water and electricity supply/management	-	-	-

3.1.4 Part time vs. full time employment

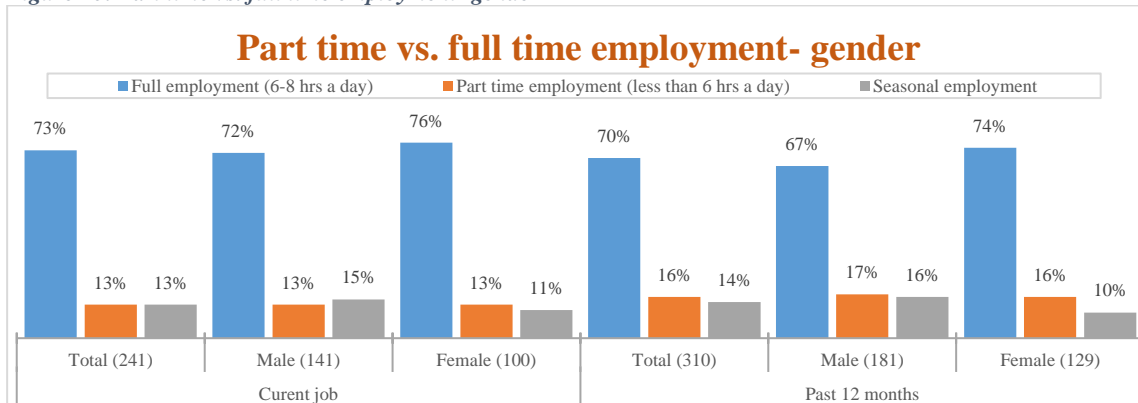
From the quantitative survey findings, it was observed that most youth who were employed, were largely in full time employment- 6- 8 hours a day (73% of those employed in the current job and 70% of those employed in the past 12 months) as shown below. Slightly higher proportions of the youth employed and working full time were observed to be in the urban setting (80% in current job and 74% in a job held in the past 12 months).

Figure 9: Part time vs. full time employment- setting



With regards to gender, slightly higher proportions of female youth who were employed were in full time employment (76% in current job and 74% in a job held in the last 12 months) as shown below.

Figure 10: Part time vs. full time employment- gender

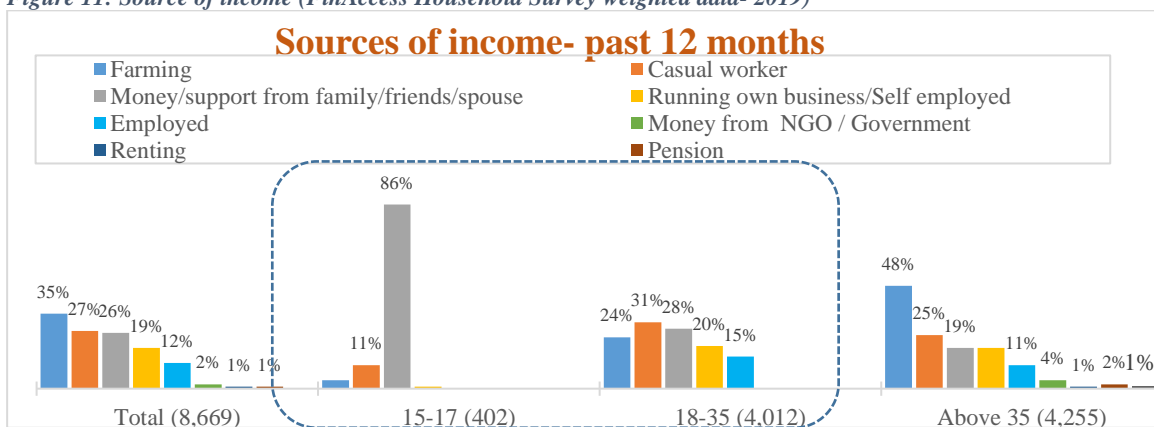


3.1.5 Sources of income/livelihoods and average monthly income

As seen in the preceding sections, significant proportions interviewed in the quantitative phase of the survey were employed or in self-employment (58% in a job held in the past 12 months and 50% in the current job status). It was observed that in addition to employment/self-employment, youth were also depending on other sources of income for sustaining their livelihoods.

According to findings from the 2019 FinAccess Household Survey¹⁵, youth aged 18 to 35 years, reported that they largely depended on casual work as one of the sources of income in 2018 (31%), while those below the age of 18 years were largely being supported by family/friends for their livelihoods (86 %) as shown in the figure below.

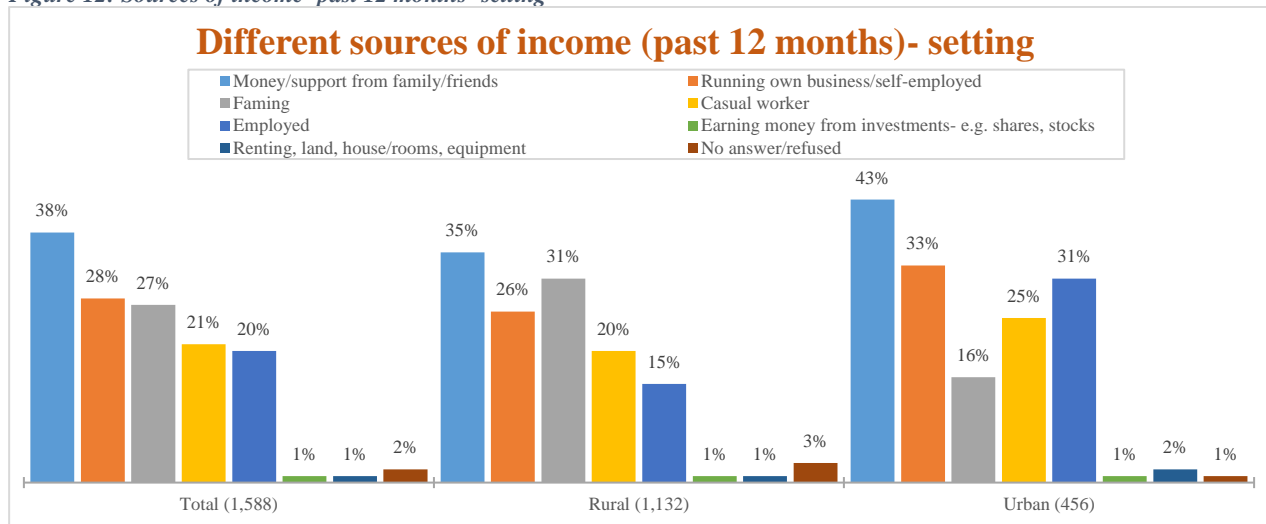
Figure 11: Source of income (FinAccess Household Survey weighted data- 2019)



¹⁵ Ibid

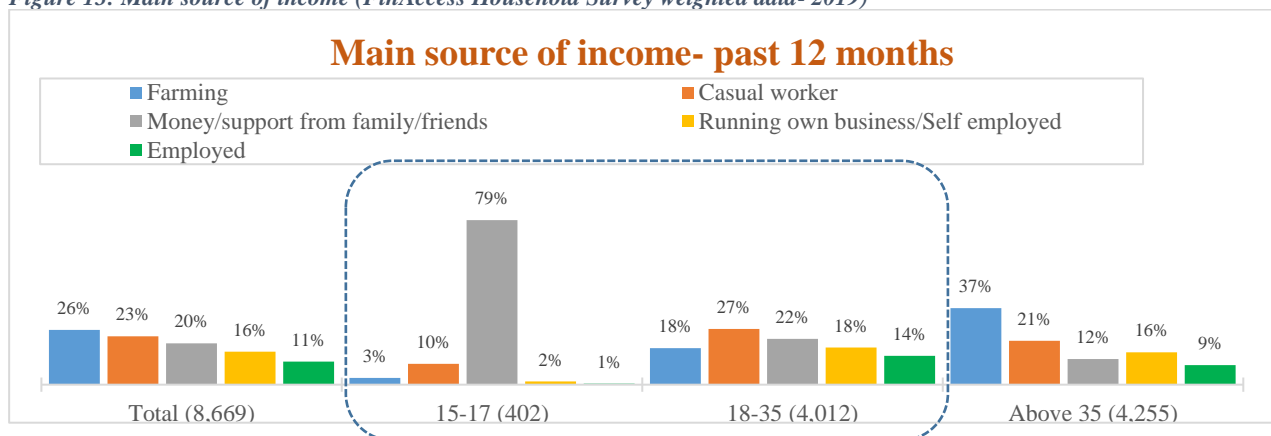
Findings from the quantitative phase of the survey concurred with the 2019 FinAccess Household Survey findings, where a significant proportion of youth interviewed (38%) indicated that one of their sources of income for sustaining their livelihoods in the past 12 months was money/support from family/friends as shown below.

Figure 12: Sources of income- past 12 months- setting



Similarly, from the same survey (FinAccess Household Survey, 2019)¹⁶, casual work was also largely reported as the main source of income in 2018 by those aged 18 to 35 years (27 %), while support from friends/family was also the main source of income for most of those aged 15 to 17 years (79 %) as shown below.

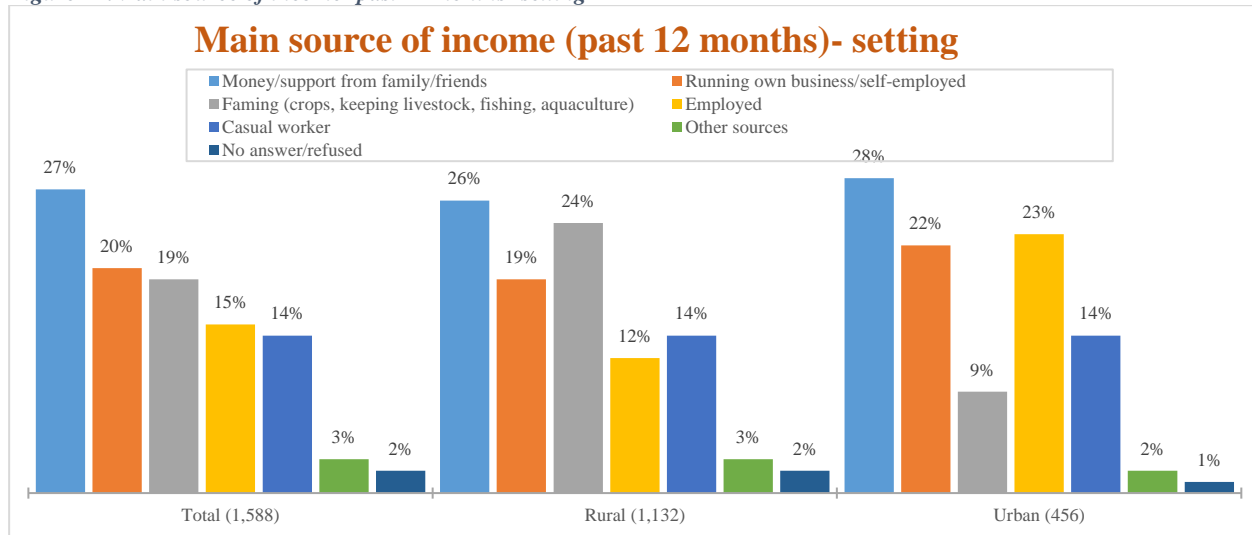
Figure 13: Main source of income (FinAccess Household Survey weighted data- 2019)



¹⁶ Op Cit

Findings from the quantitative phase of the survey implemented were similar, in that a significant proportion of youth interviewed (27%) indicated that money/support from family friends was the main source of income to sustain livelihoods as shown below.

Figure 14: Main source of income- past 12 months- setting



With regards to the average monthly income youth were receiving from the different sources of income, it was observed from the quantitative phase of the survey that youth were earning Kes. 20,828 on average as shown below. Youth in the urban setting were observed earning slightly higher on average, (Kes.27,507), while male youth were also noted to be earning slightly higher (Kes.26,230) compared to the female youth.

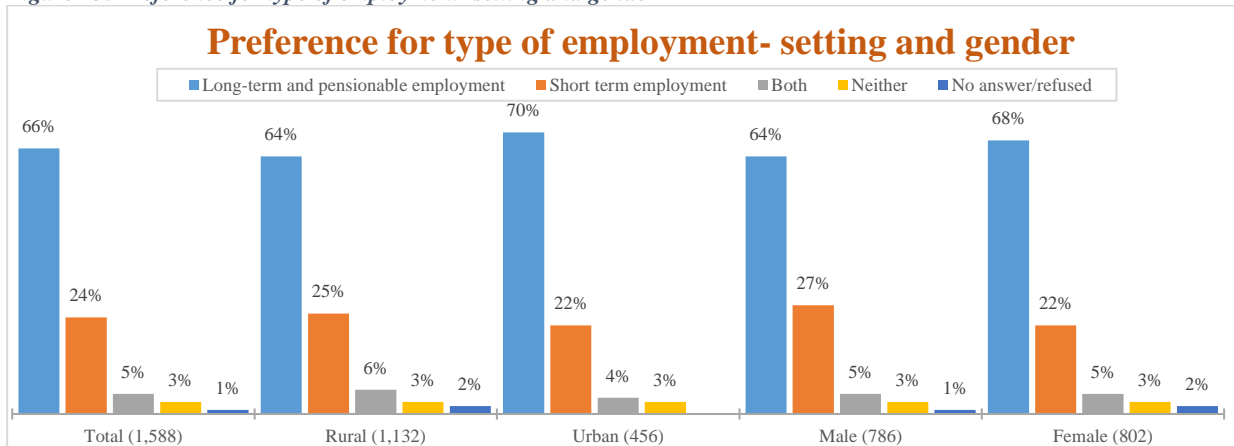
Table 9: Average monthly income (Kes)

Average monthly income (Kes)				
Total (1,505)	Setting		Gender	
	Rural (1,065)	Urban (440)	Male (751)	Female (754)
20,828	18,069	27,507	26,230	15,448

3.1.6 Preference for short-term vs. permanent and pensionable employment

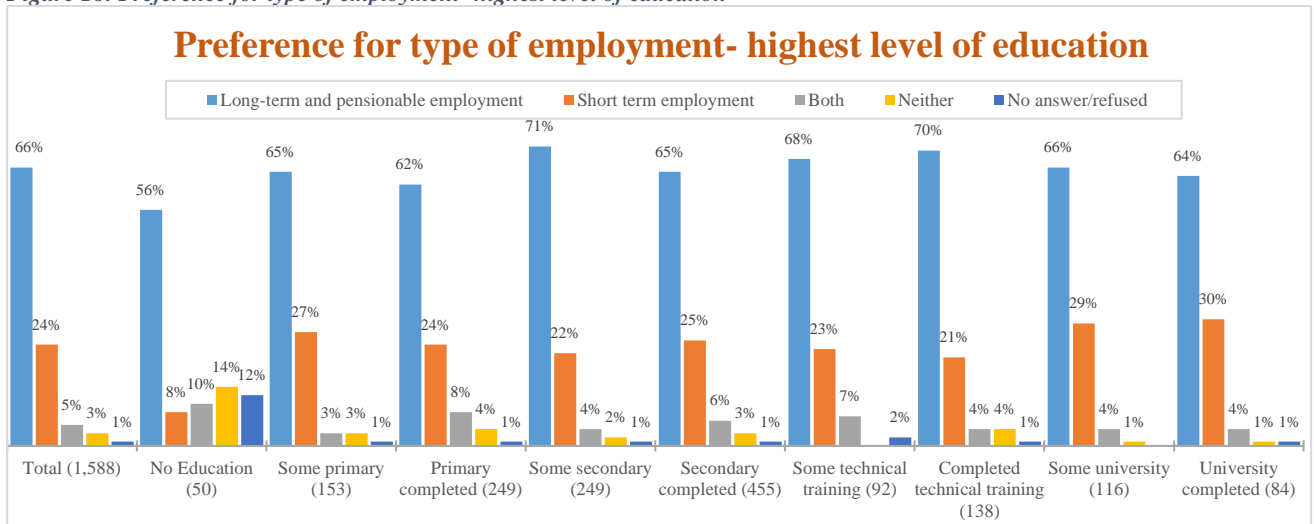
From the quantitative phase of the survey implemented, it was observed that youth would largely prefer long-term and pensionable employment (66%) as shown below, more so, in the urban setting (70%) and among females (68%).

Figure 15: Preference for type of employment- setting and gender



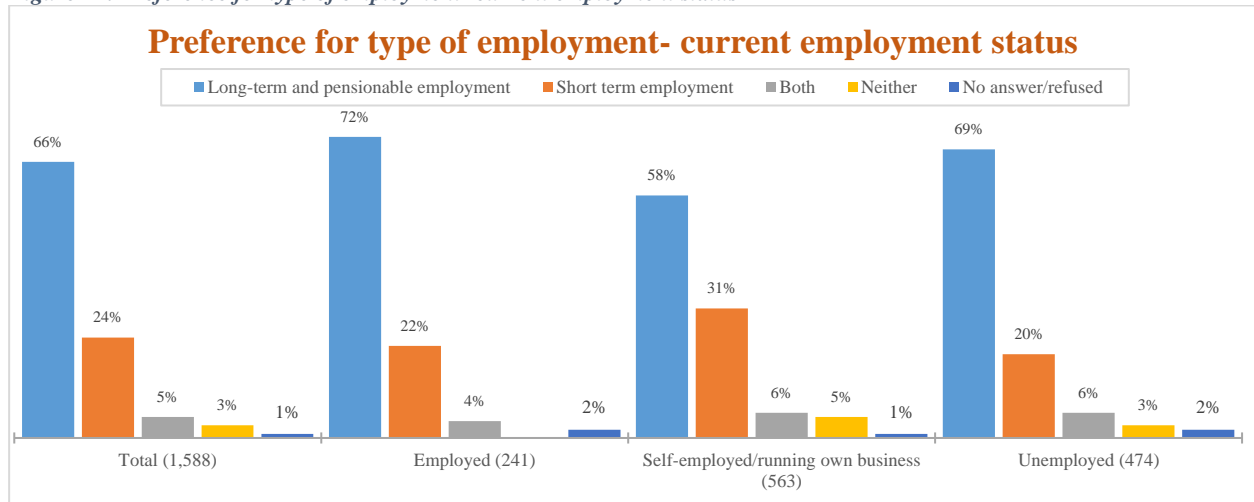
No major variations were observed in terms of highest level of education completed by youth, though, slightly higher proportions of youth with university education were noted to prefer short-term employment as shown below (30% among those who had completed university, and 29% among those with some university education).

Figure 16: Preference for type of employment- highest level of education



With regards to current employment status, it was observed that a significantly higher proportion of those employed (72%) preferred long term and pensionable jobs as shown below.

Figure 17: Preference for type of employment- current employment status



When asked about the reasons for preferring the type of employment selected, youth largely indicated that job security (33%) and ability for the type of employment selected to allow for continuous saving (27%) were the main drivers for preference, more so, for those who indicated they preferred long-term and pensionable employment. Those who preferred short-term employment were particularly keen on this type of employment since it would provide flexibility/time for engaging in other activities (60%).

Table 10: Reasons for preferring short-term vs. long-term employment

Reasons for preferring type of employment	Total (1,566)	Short term employment (385)	Long-term and pensionable employment (1,048)	Both (85)	Neither (48)
There is job security	33%	6%	46%	20%	4%
Allows continuous saving	27%	12%	33%	25%	10%
Guaranteed of continuous income	25%	5%	33%	20%	2%
It gives me time to engage in other activities i.e. business, school, social activities etc.	23%	60%	9%	29%	23%
Assured of getting pension / retirement benefits	18%	1%	25%	12%	-
Working under my own terms and conditions	15%	35%	5%	42%	40%
The job and income will open opportunities to access loans/act as collateral	10%	4%	11%	19%	2%
The job comes with other benefits apart from salary. i.e NHIF, insurance covers, school fees cover, training, sponsorship	8%	1%	11%	9%	4%
Give chances to explore and get knowledge from different sectors or work settings	1%	2%	1%	-	-
Because I am self employed	-	-	-	-	4%
No answer/refused	3%	1%	2%	8%	25%

3.1.7 Level of unemployment

According to ILO (1982)¹⁷, the unemployed comprise all persons above a specified age [in the case of this survey, persons aged 18 to 35 years] who, during the reference period were i) without work, that is, were not in paid employment, or self-employment, ii) currently available for work, that is, were available for paid employment or self-employment, and iii) seeking work, that is, had taken specific steps in the specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land, building, machinery or equipment to establish own enterprise; arranging for financial resources; applying for permits and licences, etc.

According to a United Nations World Youth Report (2018)¹⁸, even though the global economy has started to recover, youth employment has worsened in recent years. This has been driven in part by the failure of economies around the world to return to high rates of economic growth, and by the failure of governments to establish coordinated policy efforts and active labour market programmes designed to help ease the transition to work for those youth whose transitions were delayed by the economic downturn and for more recent graduates. There are presently 71 million young people unemployed, and many millions more are in precarious or informal work. The report further indicates that according to ILO, it is estimated that 156 million youth in low- and middle-income countries are living in poverty even though they are employed.

From the 2018 KIHBS report,¹⁹ the unemployment rate in Kenya was estimated at 7.4% in 2015/2016, with 85% of the unemployed being below the age of 35 years. As captured in the report, youth, women, persons with disabilities, and those from low-income households

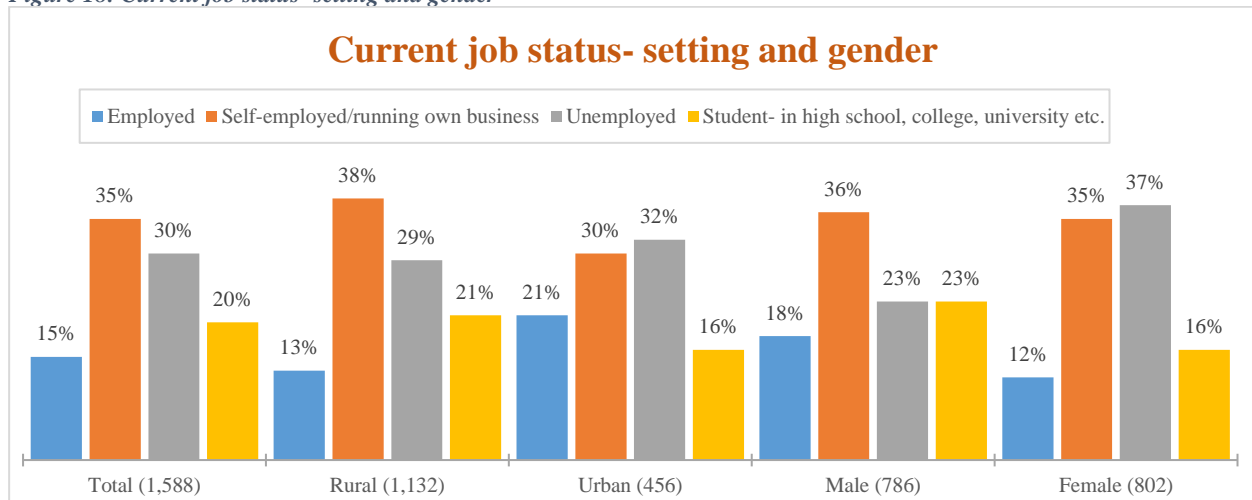
¹⁷ <https://stats.oecd.org/glossary/detail.asp?ID=2791>

¹⁸ <https://www.un.org/development/desa/youth/wp-content/uploads/sites/21/2018/12/WorldYouthReport-2030Agenda.pdf>

¹⁹ https://www.knbs.or.ke/?page_id=3142

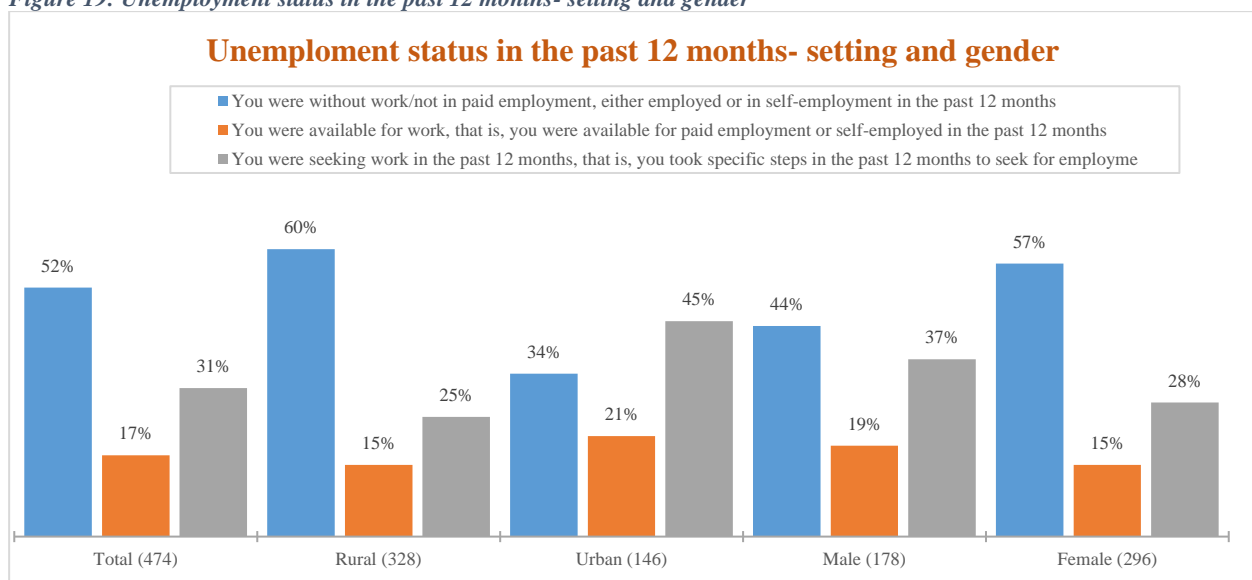
are more likely to be excluded from jobs, particularly better-quality jobs. As seen in preceding sections (shown below), 30% of youth interviewed in the quantitative phase of the survey indicated they were currently unemployed, more so, those of the female gender (37%). About 35%, however, were self-employed particularly in rural areas (38%) but without significant gender disparity.

Figure 18: Current job status- setting and gender



When asked specific situations that applied to them in the past 12 months, more than half (52%) indicated that they were without work/not in paid employment or self-employment in the past 12 months as shown below.

Figure 19: Unemployment status in the past 12 months- setting and gender



According to a Knowledge, Evidence, and Learning for Development (K4D) report by DFID (2018),²⁰ while the efforts to date to address youth-employment challenges have been a welcome initiative, they remain too general in their approach. This is, they target young people in general but fail to identify those in greatest need and to address the main challenges of youth in Kenya, notably; (i) lack of job opportunities available to them; and, (ii) their low employability for the few jobs that are available (there is evidence that Kenyans leave school without suitable skills for the workplace... Moreover, there are limited opportunities for acquiring skills through training after school in Kenya... To the extent that skills must therefore be learnt on the job, youth will be systematically disadvantaged due to their typically lower levels of work experience), among other challenges. Policies and programmes that target a specific challenge- e.g. having the right set of skills- are more effective and efficient than simply targeting an age group.

3.2 Knowledge, perceptions, attitudes, and experiences in saving for retirement

This sub-section of the report presents findings on knowledge, perceptions, and attitudes towards saving for retirement, as well as the experiences of youth in saving for retirement.

3.2.1 Knowledge, perceptions, and attitudes on saving for retirement

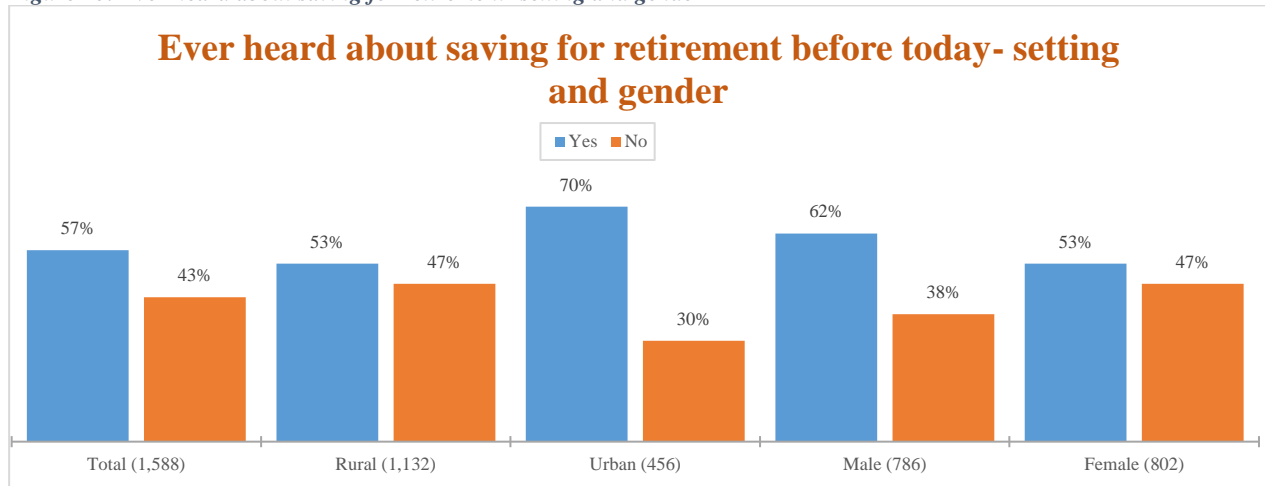
a) Awareness about saving for retirement

Findings from a survey done by Enwealth, a local financial services provider, in 2019 showed that 55% of workers in the informal sector fail to save in a pension scheme due to lack of knowledge of what pension is and why is it important when retiring.²¹ Similarly, findings from the quantitative phase of the survey, showed that almost half of youth interviewed (43%) had never heard about saving for retirement before, more so in the rural areas (47%), and among females (47%) as shown in the figure below.

²⁰ https://assets.publishing.service.gov.uk/media/5afacd43ed915d0df4e8ce4d/Jobs_in_Kenya.pdf

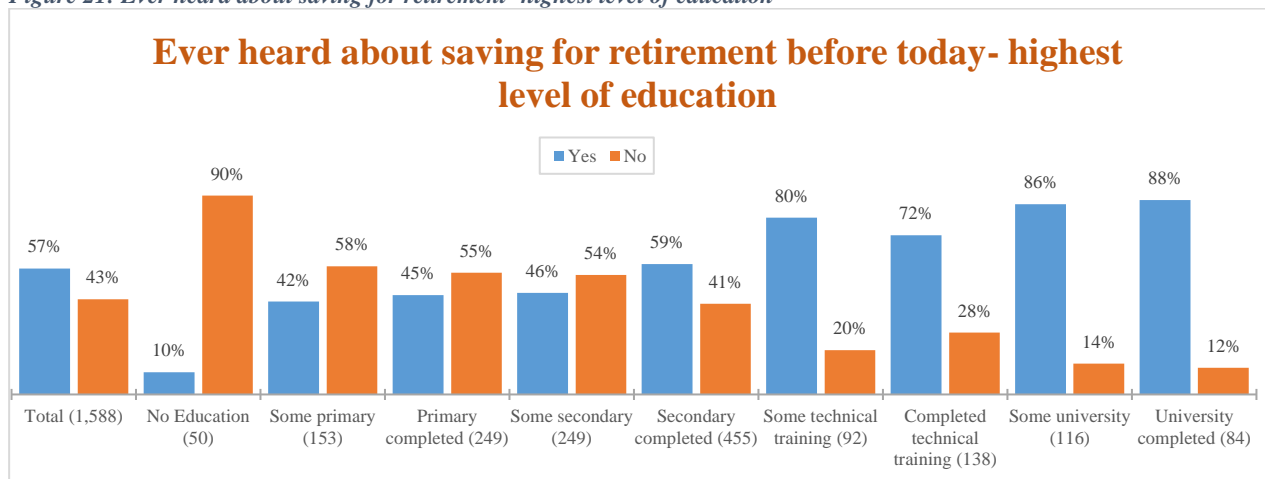
²¹ <https://www.capitalfm.co.ke/business/2019/07/low-pension-uptake-among-informal-sector-sending-millions-to-poverty-in-old-age-expert/>

Figure 20: Ever heard about saving for retirement- setting and gender



With regards to highest level of education completed, it was observed that knowledge about saving for retirement was lowest among those with no education (90% had never heard about saving for retirement) and highest among those with university education completed (88% had heard about saving for retirement) as shown below.

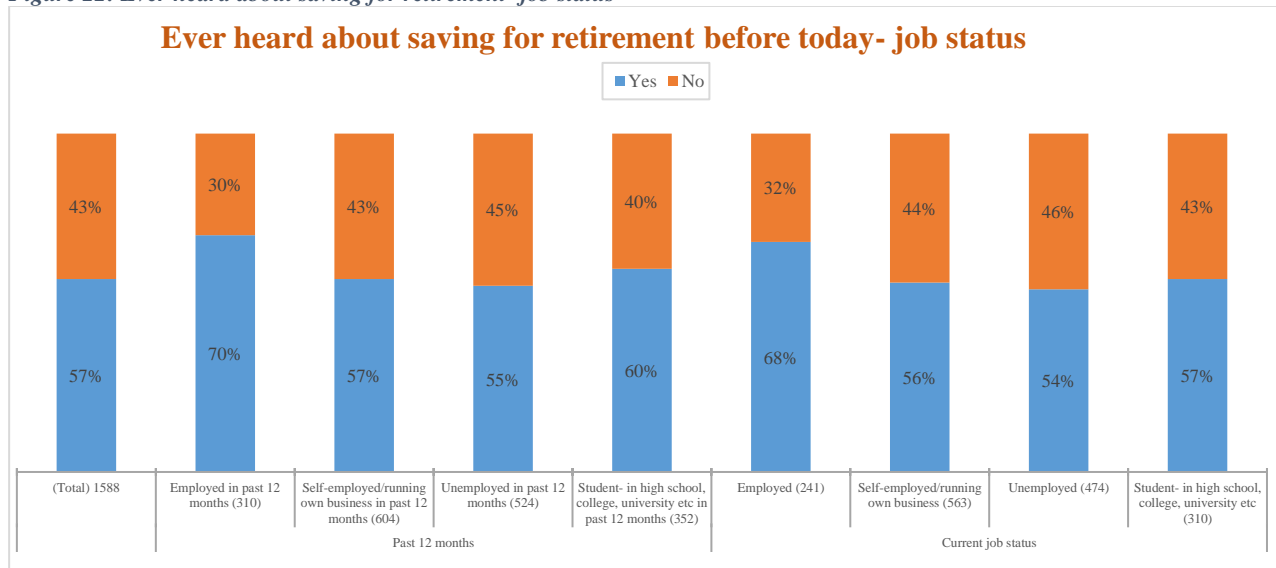
Figure 21: Ever heard about saving for retirement- highest level of education



With regards to status of employment, knowledge about saving for retirement was highest among those who were employed- either in the past 12 months or currently (70% and 68% had heard about saving for retirement respectively) as shown below, and lowest among the unemployed- either in the past 12 months or currently (45% and 46% had never heard about saving for retirement respectively) as shown in the figure below. However, regardless of the status of employment, more than 50% of youth interviewed had some

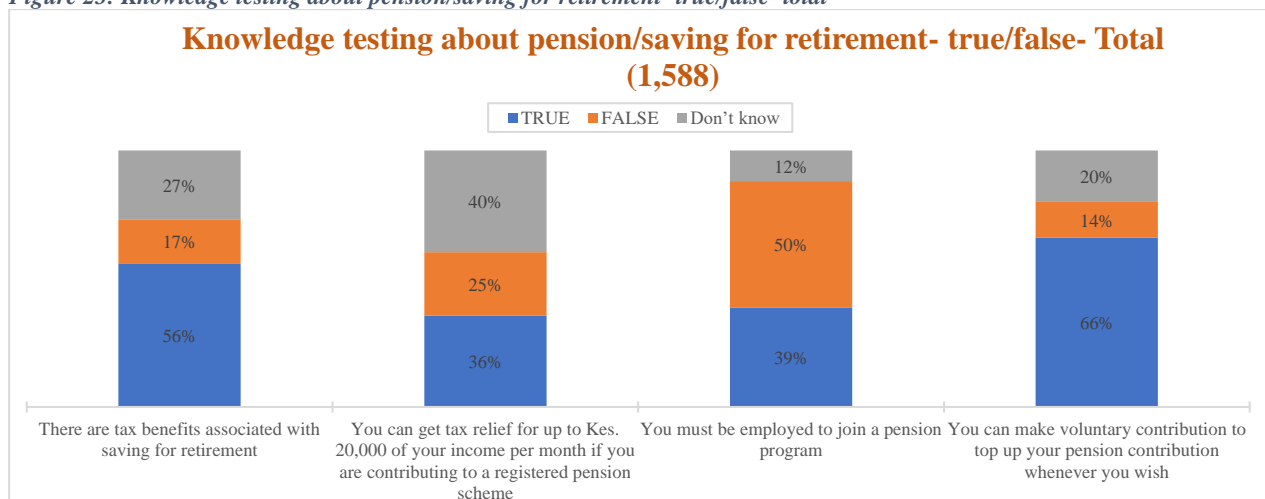
knowledge about saving for retirement. This is positive since all efforts made to boost savings for retirement from the youth should start from this premise.

Figure 22: Ever heard about saving for retirement- job status



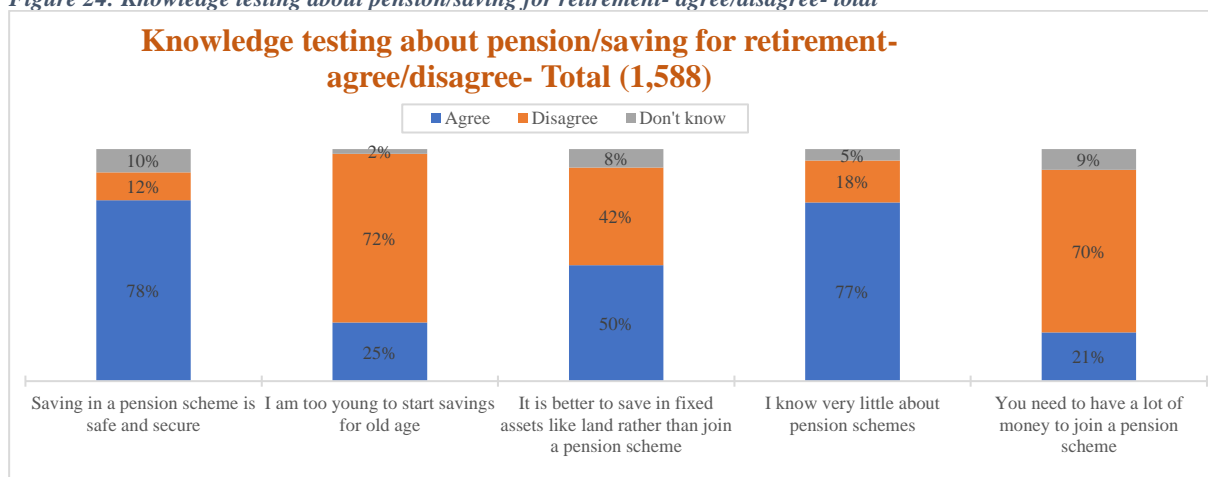
Additionally, several statements were read to the youth to test their level of knowledge about pension/saving for retirement in the quantitative phase of the survey. A similar trend of low awareness and knowledge levels about pension/saving for retirement was observed, where for instance, 39% of youth interviewed believed that one must be employed to join a pension program as shown below. Of significance also is the fact that a high proportion (66%) knew that they can make additional voluntary savings.

Figure 23: Knowledge testing about pension/saving for retirement- true/false- total



Similar results were observed when another set of statements was posed to the youth to test their levels of knowledge about pension/saving for retirement. As shown below for instance, 77% of youth interviewed agreed that they knew very little about pension schemes as shown below. An equally high proportion (78%), however, also agreed that saving in a pension scheme is safe and secure.

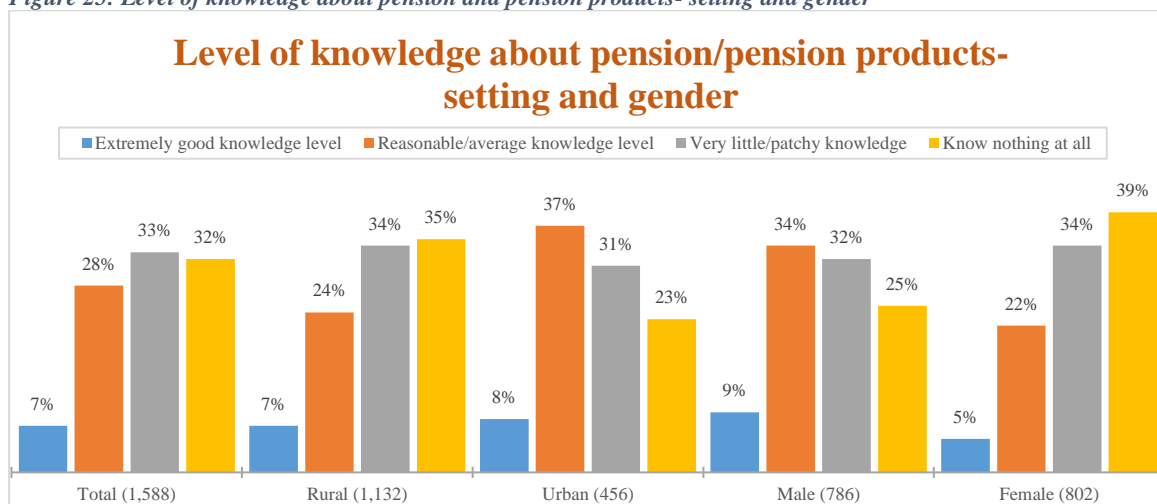
Figure 24: Knowledge testing about pension/saving for retirement- agree/disagree- total



b) Level of knowledge about pension/pension products

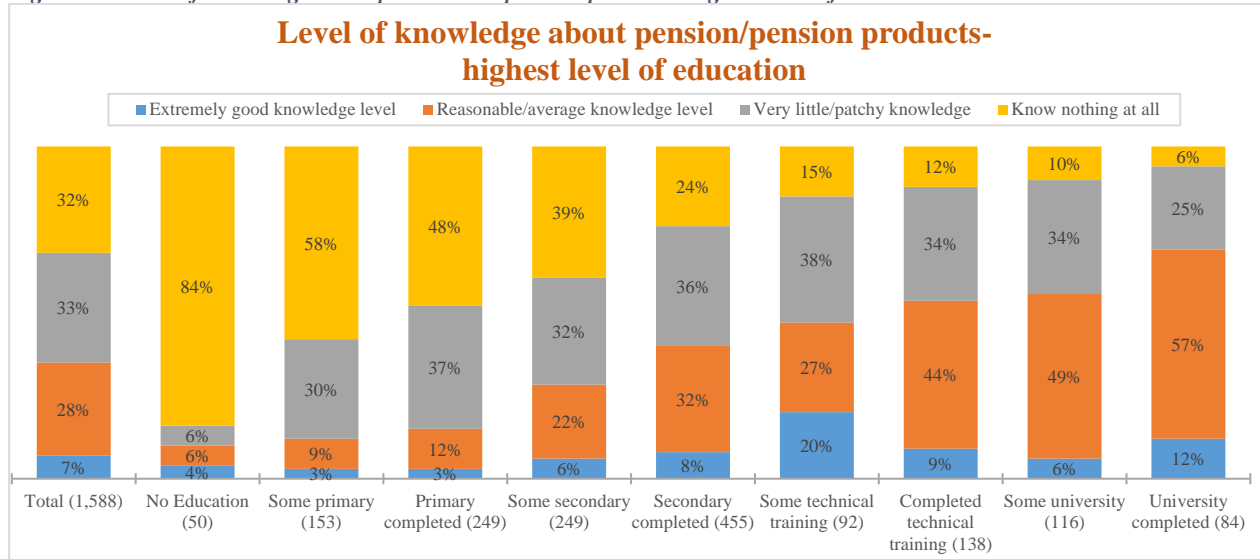
When asked about their level of knowledge about pension and pension products, the same trend was observed; 65% of youth interviewed indicated that their level of knowledge was either very little/patchy, or that they knew nothing at all as shown below. This was more so in the rural areas (69%), and among females (73%).

Figure 25: Level of knowledge about pension and pension products- setting and gender



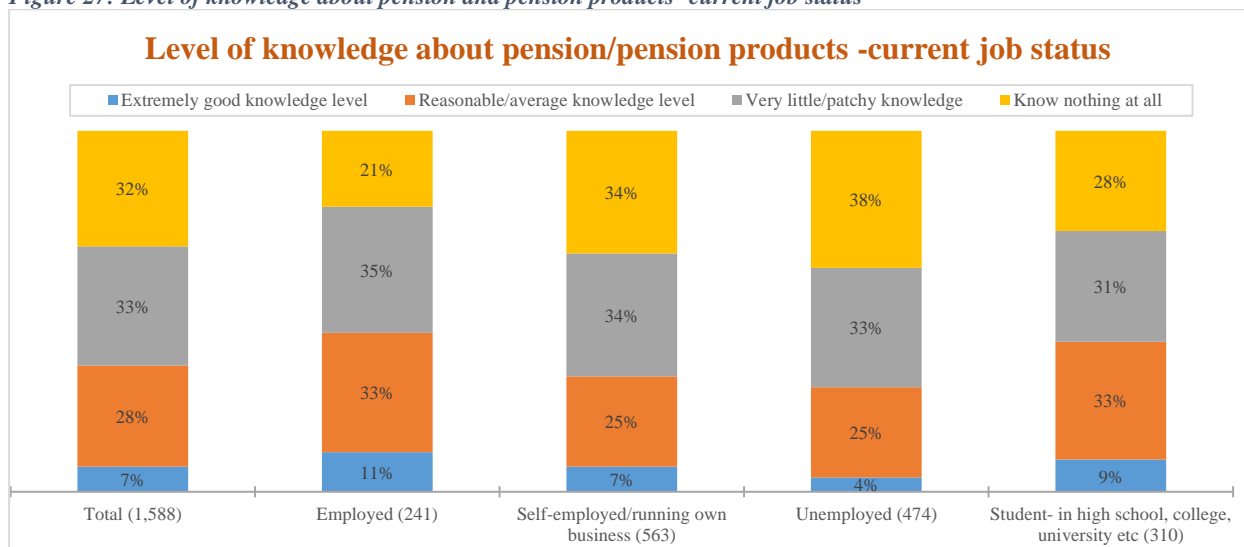
With regards to the highest level of education, low or no awareness of pension and pension products was highest among those with no education as shown below (90% indicated that they had very little/patchy knowledge or knew nothing at all about pension and pension products). It is very clear that as the youth gain more education, their level of awareness about pensions and pensions products increases.

Figure 26: Level of knowledge about pension and pension products- highest level of education



Across current employment status, a similar trend was observed, where low or no knowledge about pension and pension products was highest among the unemployed (71% indicated that they had very little/patchy knowledge or knew nothing at all about pension and pension products as shown below).

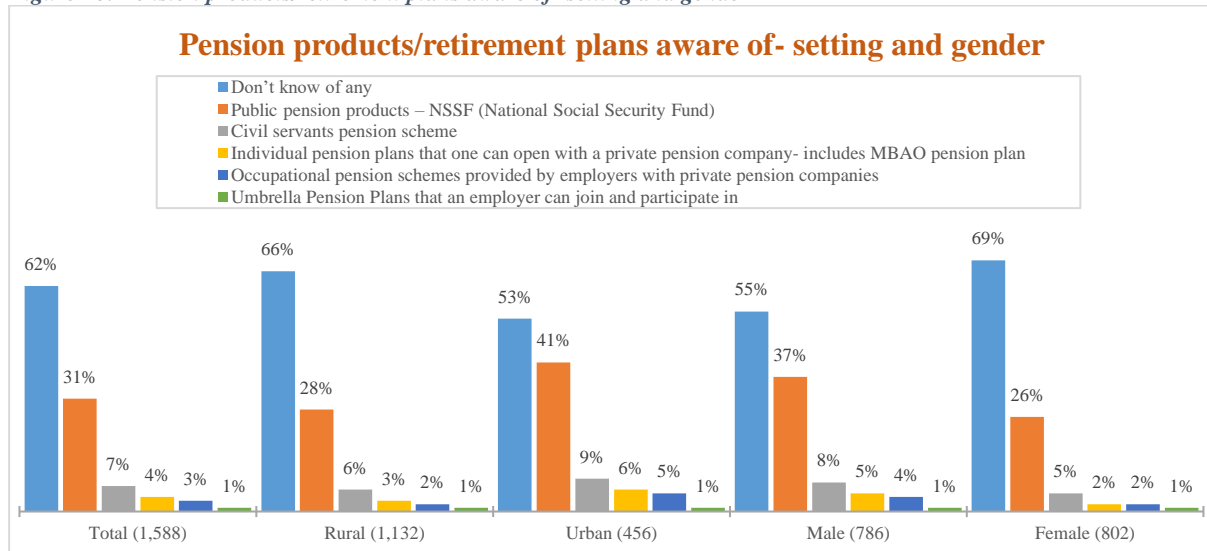
Figure 27: Level of knowledge about pension and pension products- current job status



c) Pension products/retirement plans aware of

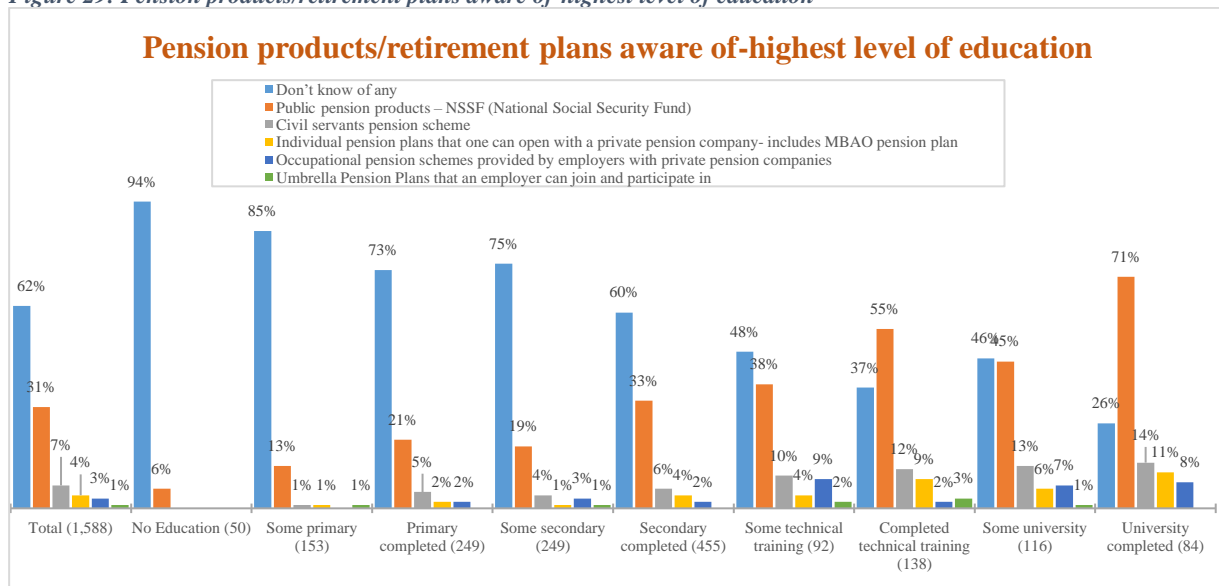
Similarly, when asked about pension products/retirement plans that they were aware of, more than half of youth interviewed (62%) indicated that they did not know of any, more so in the rural areas (66%) and among females (69%) as shown below.

Figure 28: Pension products/retirement plans aware of- setting and gender



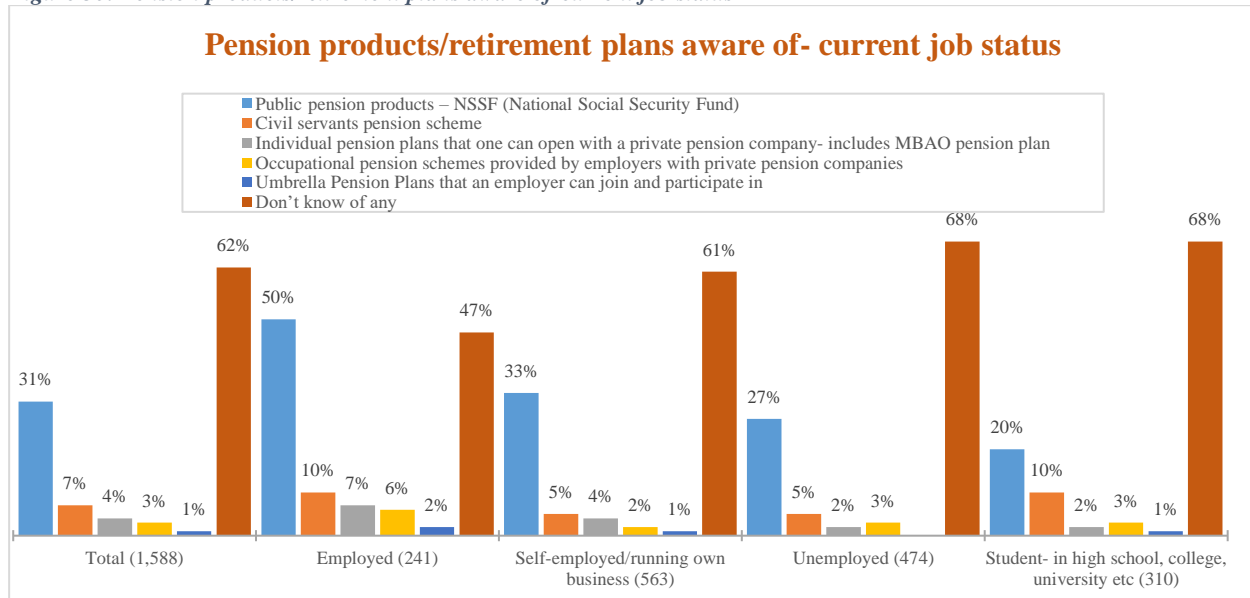
Further, as seen previously, majority of youth with no education (94%) indicated that they did not know of any pension product/retirement plan as shown below. A significant proportion of youth who had completed university education could name NSSF as one of the retirement plans (71%) as shown below. As earlier noted, the level of knowledge of pension products/plans gets enhanced with higher levels of education.

Figure 29: Pension products/retirement plans aware of-highest level of education



Across current employment status, a significant proportion of youth who were currently unemployed and those who were currently students indicated that they did not know of any pension product/retirement plan as shown below (68% respectively).

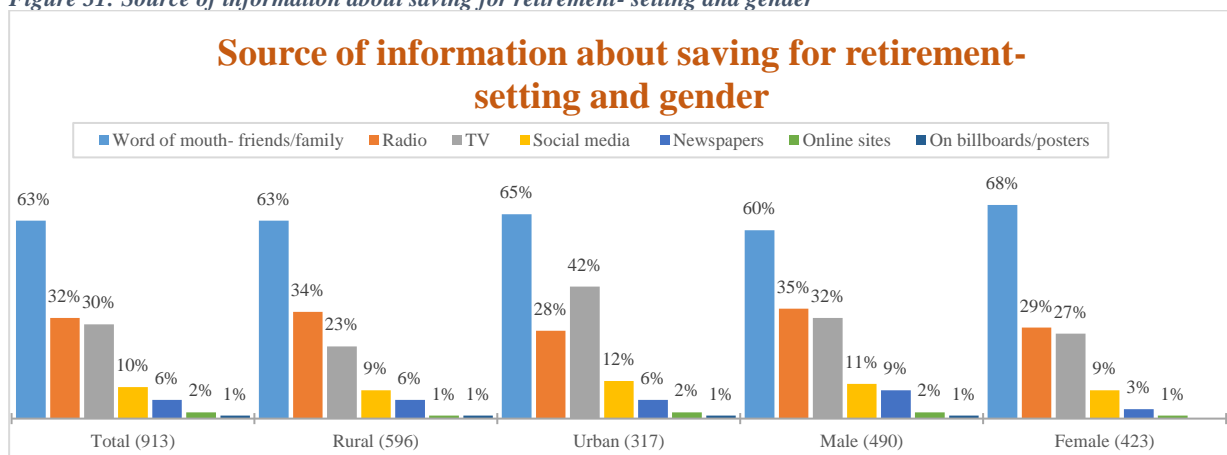
Figure 30: Pension products/retirement plans aware of-current job status



d) Source of knowledge about saving for retirement

Among youth who had heard about saving for retirement in the past (57% presented previously in the awareness about saving for retirement sub-section), more than half of them indicated that this was largely from word of mouth/friends and family (63%) as shown below. This finding was similar across setting where youth resided (rural/urban) and across gender. Word of mouth from friends and family would therefore be a viable source of information for future campaigns targeted at the youth.

Figure 31: Source of information about saving for retirement- setting and gender



3.2.2 Perceptions/attitudes towards retirement

The qualitative segment of this survey sought to establish the associations that the youth had with retirement. As shown in the excerpts below, it was observed that youth largely associated retirement with old age, the lack of income, and reliance on savings to sustain their livelihoods upon retirement, among others. A general fear of life after retirement was also observed for those who perceived that they would not be ready at that time.

Lord! Retirement? I do not want to retire; as a gym instructor, I want to maintain it until death ...This is the time I will now start enjoying the fruits of my savings and projects. At this time, I cannot do what I used to do Relaxing and enjoying my old age as I offer some guidance to the young people... 18 to 24 years, Kisumu, formal, temporary employment

I tremble, because life after retirement is determined by youthful years...31 to 35 years, Nyeri, formal temporary employment

Having to go home... no more salary...25 to 30 years, Kisumu, formal, permanent employment

Wow! Old age... Too old to work...Savings because I will have to rely on it...: How life will be after employment term ends...15 to 17 years, Nairobi, unemployed

Spending your life's savings...just sitting down with the remote and grandchildren...settling down and using money you saved in your working life...15 to 17 years, Mombasa, informal employment

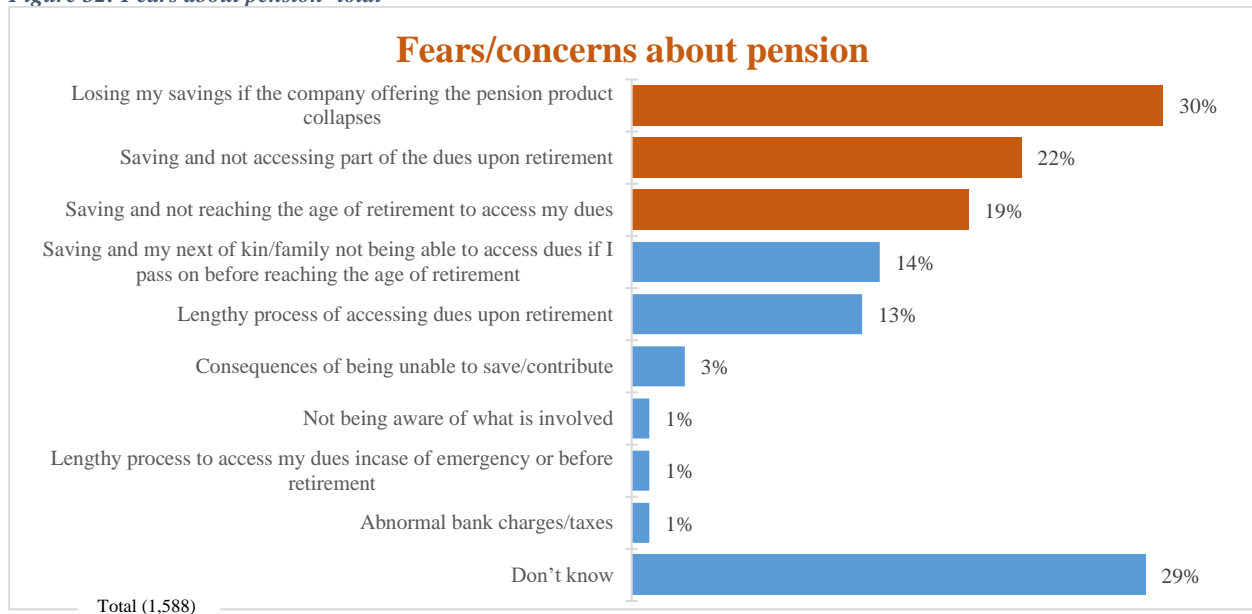
No job... no income... Your age does not allow you to keep on working... Open my own business...18 to 24 years, Nairobi, formal temporary employment

Stress, not sure whether I would have made enough investment to settle down peacefully... Losing my monthly income; not being able to work productively... It is time to eat what I have been toiling for during my working years without straining...31 to 35 years, Busia, formal, temporary employment

Retirement to me is taking a rest after working hard all your life ...stopping to work and resting because of old age...18 to 24 years, Mombasa, unemployed

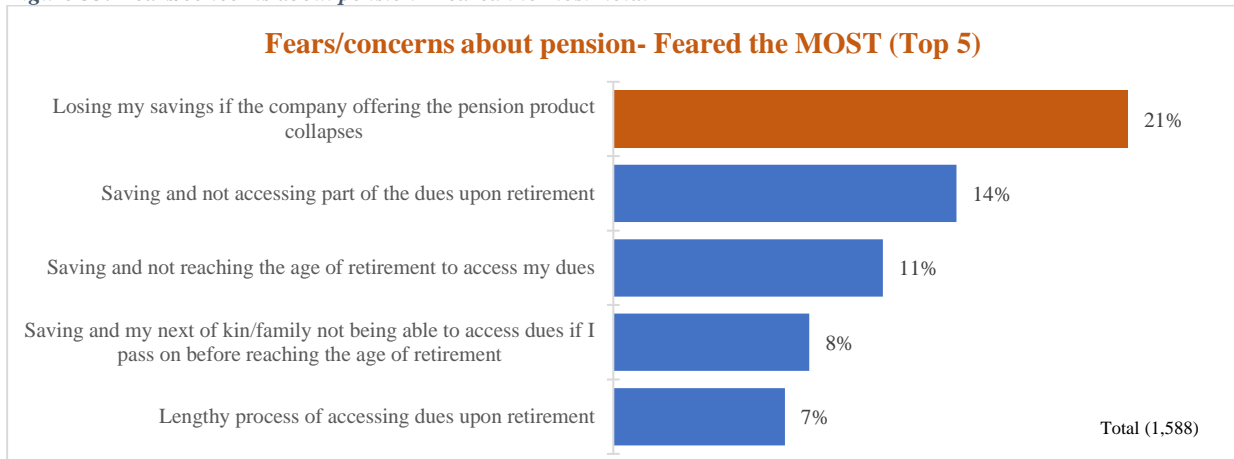
Further, findings from the quantitative survey showed that youth currently hold several fears/concerns regarding pension products/saving for retirement. These included the fear of losing savings in case the company offering the pension product collapses (30%), saving and not being able to access part of the dues upon retirement (22%), and saving and not reaching the age of retirement to access the dues (19%) among others as shown below.

Figure 32: Fears about pension- total



When asked about the one fear/concern that they had about pension/pension products, it was observed that the same reasons topped the list of fears/concerns as shown below, with losing savings in case the company offering the pension product collapses topping the list (21%) as shown below. This is despite there being a legal framework that governs the management of retirement benefits in the country, and there being no institution that has ever collapsed with members' funds. These would be some of the areas to demystify in future campaigns encouraging youth to save for retirement.

Figure 33: Fears/concerns about pension- Feared the most- total

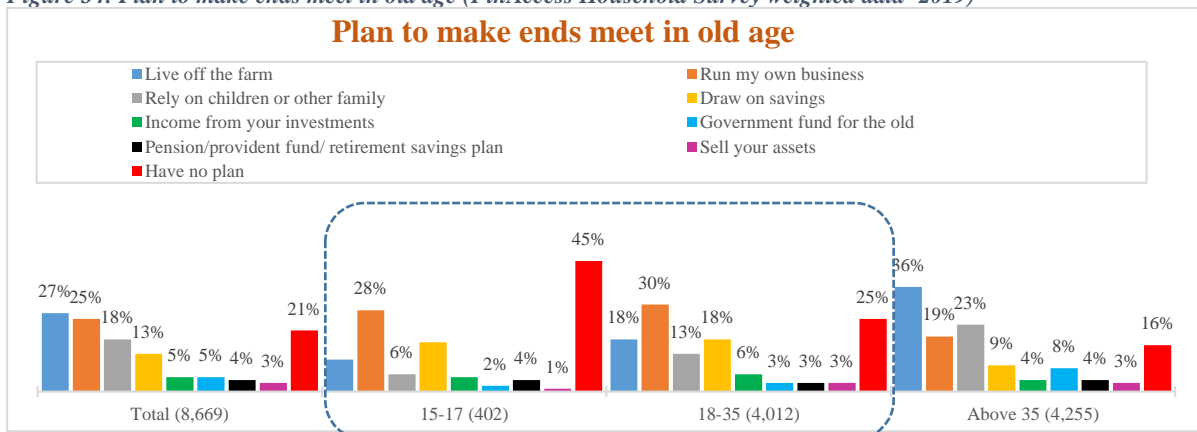


3.2.3 Experiences of youth in saving for retirement

a) Saving for old age

As seen in the preceding sections, awareness, and knowledge about saving for retirement is relatively low among the youth. Consequently, according to findings from the FinAccess 2019 Household Survey²², a significant proportion of the general population had no plan to make ends meet in old age (21%) as shown below- 45% of these were aged 15 to 17 years, while 25% were aged 18 to 35 years. Overall, less than 5% of the population planned to rely on pension/provident fund/retirement savings plan in old age.

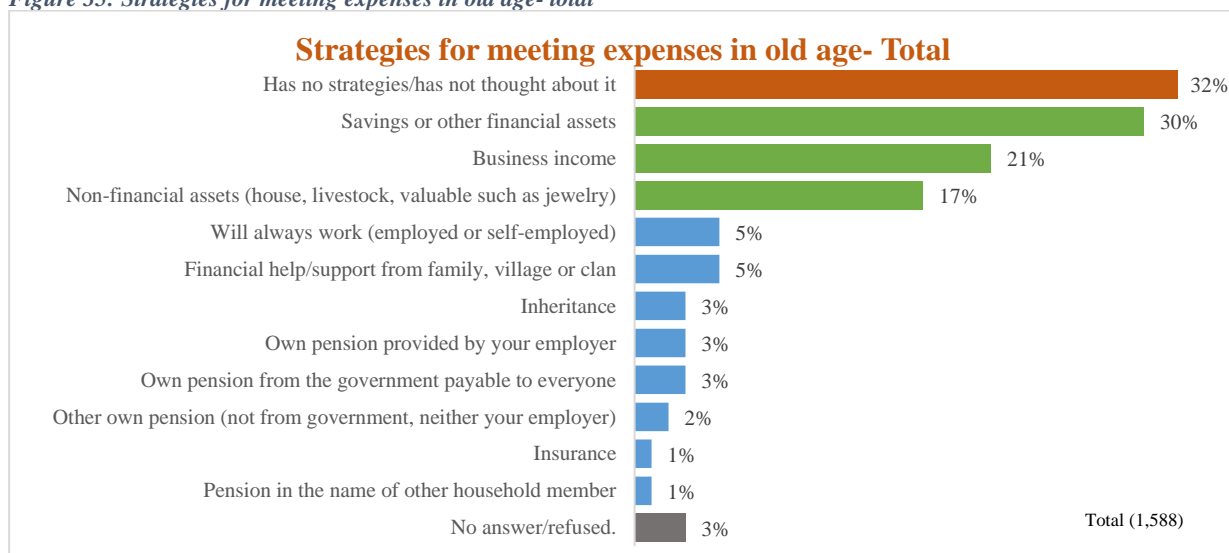
Figure 34: Plan to make ends meet in old age (FinAccess Household Survey weighted data- 2019)



²² <https://fsdkenya.org/tag/data/>

The KNBS (2019) Economic Survey Report²³ indicated that the rate of saving grew from 66.4% in 2016 to 69.9% in 2019. A growing culture of saving would be a form of cushioning the population in old age. From the quantitative survey implemented, it was observed that a significant proportion of youth interviewed (68%) intended to meet expenses in old age through saving of other financial assets, business income, and non-financial assets among other ways as shown in the figure below.

Figure 35: Strategies for meeting expenses in old age- total

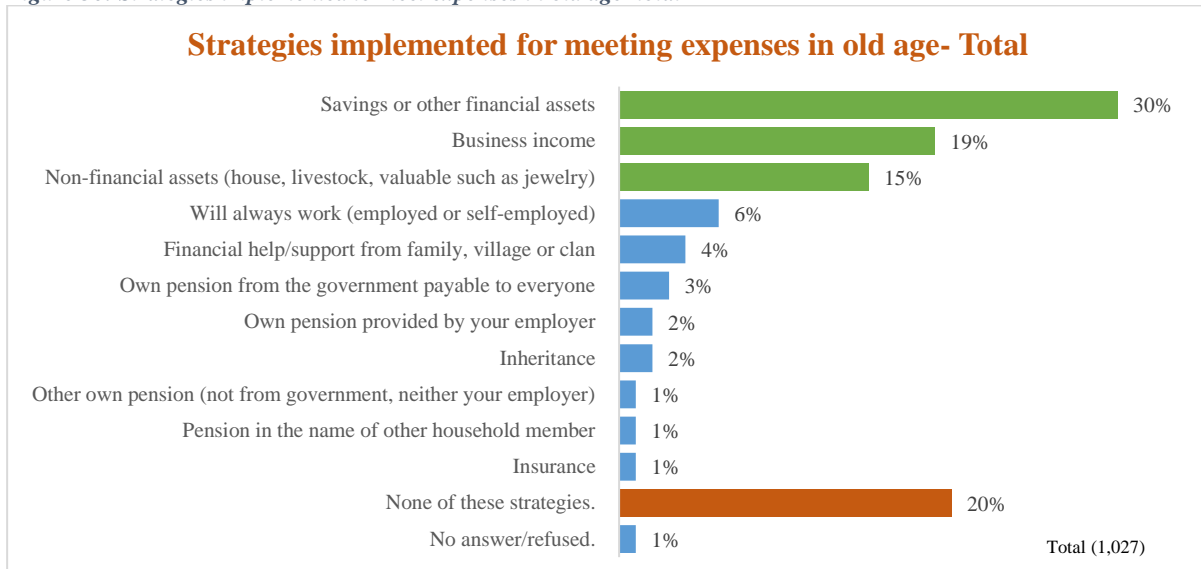


As shown above, however, a significant proportion (32%) indicated that they had no strategies to meet expenses in old age. The low awareness about saving for retirement and its importance could be attributed to this outcome.

Further, those who indicated that they had strategies for meeting expenses in old age were asked which ones they had already implemented. As shown below, some of these included having savings or other financial assets (30%), having business income (19%) and having non-financial assets (15%) as shown below. Notably, however, a significant proportion (20%) indicated that none of the strategies had been implemented yet.

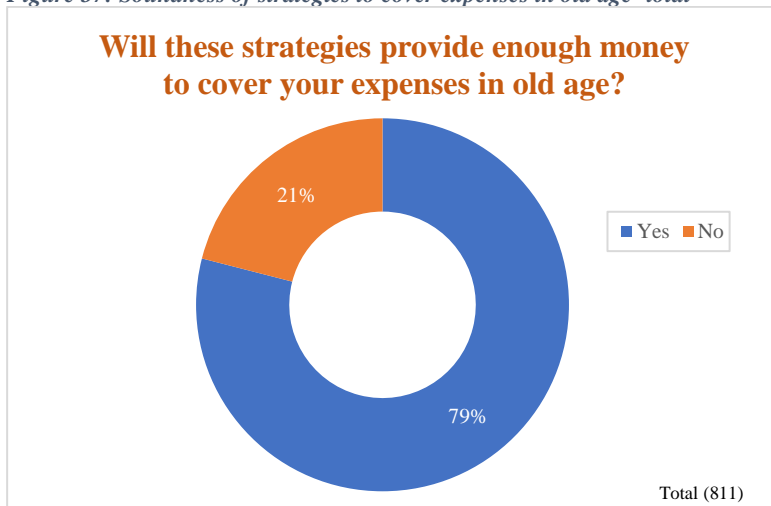
²³ https://www.knbs.or.ke/?page_id=3142

Figure 36: Strategies implemented to meet expenses in old age- total



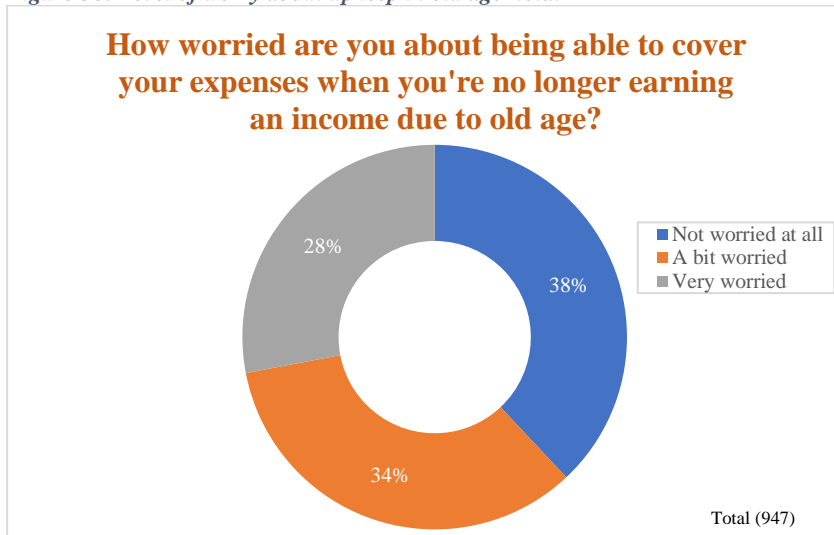
For youth who had implemented strategies to cover expenses in old age, a significant proportion (21%) perceived that the strategies would not provide enough money to cover expenses in their old age as shown below.

Figure 37: Soundness of strategies to cover expenses in old age- total



Similarly, a significant proportion of youth who had not implemented any strategy to cover expenses in old age (38%) indicated that they were not worried at all about how they would be able to cover expenses in old age as shown below.

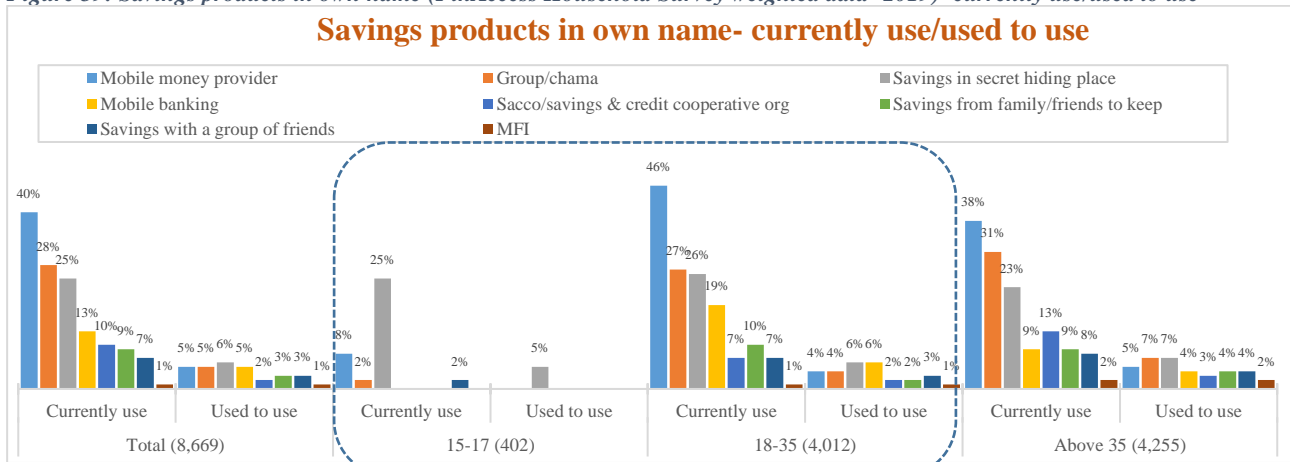
Figure 38: Level of worry about upkeep in old age- total



b) Savings and investments products usage

The FinAccess 2019 Household survey²⁴ showed that the population in Kenya was generally saving through mobile money providers (40 %) among other channels as shown below. Those aged 15 to 17 years were, to a large extent, currently saving in secret hiding places (25 %), while those aged 18 to 35 years were, to a large extent, currently saving through mobile money providers (46 %) among other channels as shown below.

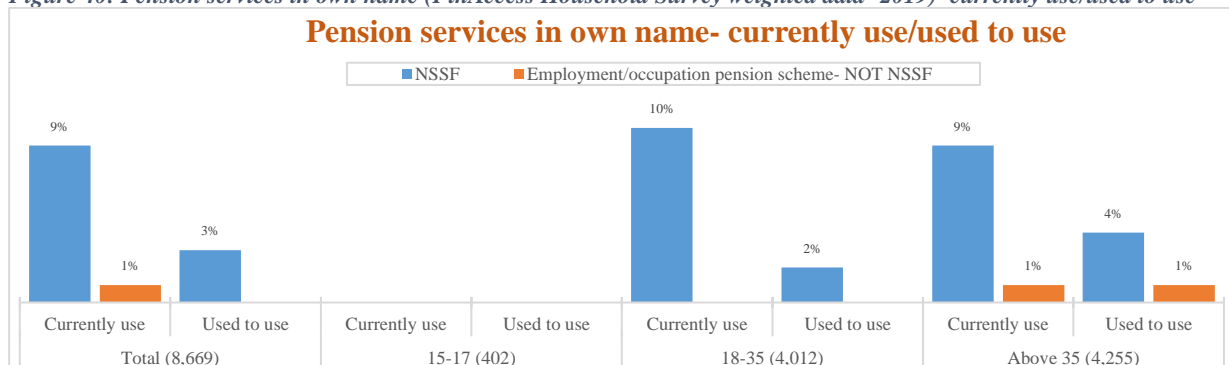
Figure 39: Savings products in own name (FinAccess Household Survey weighted data- 2019)- currently use/used to use



²⁴<https://fsdkenya.org/tag/data/>

From the same survey (FinAccess 2019 Household survey²⁵), however, only a small proportion reported that they currently used pension services (10% or less) as shown below; and this was primarily NSSF.

Figure 40: Pension services in own name (FinAccess Household Survey weighted data- 2019)- currently use/used to use



Findings from the quantitative phase of the survey implemented as part of the scope of work for this report showed similar results. As shown below, more than half of the youth interviewed (59%) indicated that they were currently saving through mobile money providers (balances left in the phone). Significant proportions were also currently saving through mobile banking (38%), through groups or *chamas* (25%) and through keeping savings in secret hiding places (23%).

However, only 11% reported that they were currently enrolled in NSSF as showed below. Additionally, only 2% indicated that they were currently enrolled in other pension services other than NSSF, which is a further indication of low pension coverage among this group.

Table 11: Savings and investments products usage- total

Products	Total (1,588)		
	Currently use	Used to use	Never used
Savings			
Savings through mobile money provider e.g. MPESA, Airtel money	59%	13%	28%
Savings through mobile banking e.g. Mshwari, KCB Mpesa, MCoop Cash, Timiza, HF Whizz, Eazzy 2loan, Equitel etc.	38%	16%	46%
Savings at a group or chama	25%	10%	65%
Savings you keep in a secret hiding place	23%	9%	68%
Bank account for savings or investment (which pays interest)	19%	9%	73%
Savings with a group of friends	17%	8%	75%
Savings given to a friend or family to keep	11%	7%	82%
Savings at a SACCO/Savings and Credit Cooperative Organization)	8%	4%	89%
Savings at a microfinance institution	4%	4%	93%
Securities investment products and non-bank investment product			
Shares and/or stocks	3%	1%	96%
T-bills and bonds including MAKiba	-	-	99%
Mutual funds/unit trust	-	1%	99%

²⁵ Ibid

Pension services			
NSSF	11%	5%	85%
Employment/occupational pension scheme NOT NSSF	1%	1%	99%
Mbao pension scheme	-	1%	99%
Individual pension plan NOT Mbao	1%	1%	98%
Umbrella retirement plan	-	1%	99%
Other retirement pension plan	-	-	100%
Non-Bank investment products			
Digital/crypto currencies e.g. Bitcoin, Litecoin, Nuru Coin etc.	-	1%	99%
Savings in fixed assets e.g. land, housing, trees etc.	8%	1%	91%

c) **Reasons for saving/investing**

It was observed that even though Kenyans were generally saving/investing, retirement/old age was not one of the major reasons for saving/investing. According to findings from the FinAccess (2019) Household Survey, only 9% of those interviewed (using savings/investing products currently or in the past) had intended them for old age as shown below. About 15% of these were aged 15 years to 35 years as shown.

Table 12: Reasons for saving (FinAccess Household Survey weighted data- 2019)- currently use/used to use saving products

Reasons for saving	Total (6,168)	15-17 (133)	18-35 (2,972)	Above 35 (3,063)
To meet day-to-day household needs	48%	42%	46%	51%
For big emergencies such as burial, medical	39%	26%	40%	38%
For education for myself or others	39%	31%	35%	42%
For later in life/for old age	9%	5%	10%	8%
To expand my business / invest in machinery, equipment for business	8%	-	10%	6%
To purchase land	4%	-	5%	4%
For personal reasons such as new clothes, shoes	4%	31%	5%	2%
To invest in the premise or land for my business	3%	2%	3%	3%
To purchase or build a house	3%	-	4%	3%
To acquire household goods	3%	1%	4%	3%
To purchase agricultural inputs (e.g. seeds, fertiliser, insemination)	3%	-	1%	4%
To improve a house	2%	-	2%	2%
To purchase livestock	2%	1%	2%	2%
To leave something for your children	2%	-	2%	3%
To invest in another person's business	1%	-	1%	1%
For agricultural improvements (e.g. irrigation, dam, fencing, preparing land)	1%	-	1%	2%
To purchase agricultural implements (e.g. plough, hoe, tractor, things for the	1%	-	-	1%

Similar insights were gleaned from the quantitative survey implemented as part of the scope of work. As shown below, only 15% of those who indicated they were currently using various savings/investing products indicated they had subscribed to them for latter years/old age.

Table 13: Reasons for saving/investing- total

Reasons for saving/investing (products currently used)	Total (1,315)
To meet personal needs e.g. household needs, clothes, shoes etc	55%
For big emergencies such as medical issues, burials etc	47%
To expand my business- buy machinery, stock, etc	20%
For latter years/old age	15%
For educating myself/others	12%
To buy an asset such as land, a car, motorcycle	11%
For agricultural purposes, such as to purchase livestock, farming inputs, irrigation, to pay farm labour etc	9%
To purchase, build or renovate or build a house	8%
To leave something for my children/inheritance	5%
For social reasons e.g. weddings,	4%
For loan facilitation	3%

It is safe, reliable and secure	2%
It is easily accessible	2%
It's a government policy	1%
To build on personal savings	1%
Other reasons	2%
No answer/refused	2%

d) Enrolling in individual pension plans

As seen previously, only 1% of youth interviewed in the quantitative phase indicated that they were enrolled in individual pension schemes. The qualitative phase showed similar findings where participants had little or no knowledge about these types of pension schemes. From the quantitative phase, it was observed that some of the main reasons why youth currently enrolled in individual pension plans did so, included the ability to contribute what one can afford in the individual pension plans (4 out of 15 mentions), a faster claiming process (3 out of 15 mentions) and the fact that they wanted to leave something behind for their children (2 out of 15 mentions) among other reasons as shown below.

Table 14: Main motivation for enrolling in an individual pension plan- total

Main motivation for enrolling in an individual pension scheme	Total (15)
Contribute what one can afford i.e. option to choose amount to save	4
Claiming process is faster	3
To leave something behind for my children	2
High interest rates/returns compared to others	1
One can access the pension money when need to	1
One can secure a loan using the pension plan	1
Flexible terms and condition i.e. some terms are negotiable	1
It's more secure	1
I saw a friend benefit from it	1

A similar trend was observed from the qualitative phase, where the few youth who were saving for retirement using alternative means- such as through SACCOs, savings accounts in banks etc.- indicated that key features that made these products attractive to them included flexibility in the payment plans (with largely any amount being accepted as a deposit, frequency of payment aligned with income flow, and a variety of channels being available to make payments), attractive returns/interest rates/dividends, and ability to borrow loans against the funds among other features.

Further, it was observed that a significant proportion (6 out of 15 youths with individual pension plans) made the effort to seek information about the individual pension plans before enrolling, as shown below. This is evidence that the youth would take the initiative

to research about available pension plans if prompted/awareness about pension and pension products is driven.

Table 15: Searching for information about individual pension plans- total

Before you got this product, did you search for information from a range of sources?	Total (15)
Yes	6
No	9

Family/friends would be one of the most effective channels of creating awareness; as shown below, most of the youth currently enrolled in individual pension plans (not *Mbao*) (12 out of 15) had learnt about them from family/friends.

Table 16: Source of information about individual pension plan- total

How did you get to learn about this product? (Individual pension scheme- Not <i>Mbao</i>)	Total (15)
From family/friends	12
From the provider/salesperson	1
From my employer	1
From an advertisement in the media- TV, radio, newspaper, billboards, social media	1

Consequently, it was observed that a significant proportion of youth currently enrolled in individual pension plans approached the provider for up-take of the product (10 out of 15) as shown below, most likely after learning about the product from family/friends.

Table 17: Individual pension plans- provider vs. own initiative for up-take

Did you approach the provider or did the provider approach you? (Individual pension scheme- Not <i>Mbao</i>)	Total (15)
I approached the provider	10
The provider approached me	5

Further, it was observed that more than half of the youth with individual pension plans (8 out of 15) did not consider other options before joining the pension scheme they were currently enrolled in. However, a significant proportion (7 out of 15) did consider other options, an indication that providing choice of individual pension plans to the youth would be a driver of up-take.

Table 18: Individual pension plans- considering other options

Did you consider other alternatives before deciding which pension scheme to join?	Total (15)
Yes	7
No	8

It was also noted that trusting the provider with their money was one of the main reasons which made youth currently enrolled in individual pension plans to choose the plans they were enrolled (mentioned by 7 out of 15 youths) in as shown below. It would therefore be

ideal for future messaging, especially by providers of individual pension plans, to focus on assuring youth about the safety of money invested with them.

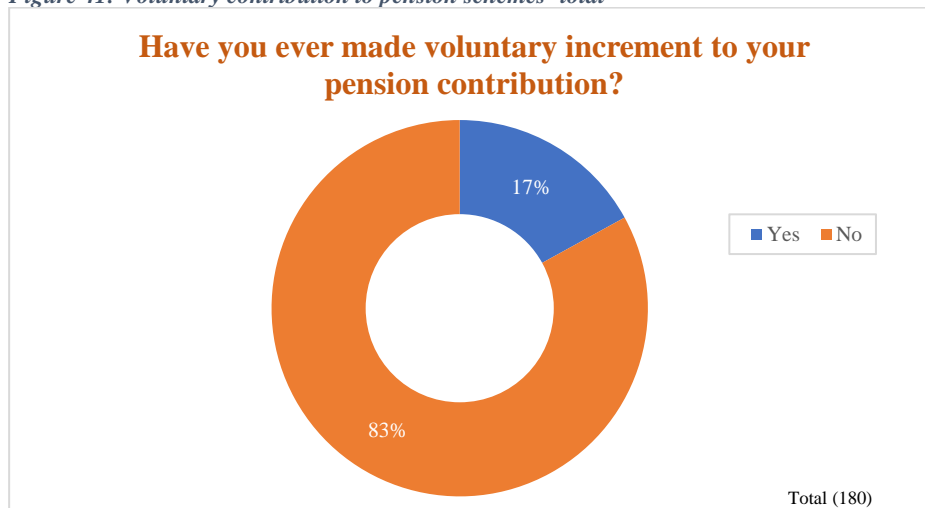
Table 19: Main reason for choosing individual pension plan-total

What was the MAIN reason why you chose this pension scheme and not any other?	Total (15)
Trust the provider with my money	7
Better historical Returns	2
Flexible contribution terms	2
Fast claiming process	1
Didn't have other alternatives	1
Good customer service	1
I was referred by another person	1

e) Frequency of making contributions, mode of payment and frequency of withdrawals

It was observed that only few of the youth who indicated that they currently used pension services had ever made voluntary increment to their pension contribution (17%) as shown below.

Figure 41: Voluntary contribution to pension schemes- total



Further, it was observed that the few who were enrolled in individual pension plans (not Mbao) were largely making contributions monthly (10 out of 15 youths) as shown below.

Table 20: Frequency of making pension contributions- individual pension plan- Not Mbao

How often do you make your pension contribution?	Total (15)
Daily	1
Weekly	1
Monthly	10
Less than once a month	3

Additionally, it was observed that the youth (currently enrolled in individual pension plans) were largely making contributions using mobile money (9 out of 15) as shown below, which would therefore be a viable option to make available to the youth.

Table 21: Mode of payment for making pension contributions- individual pension plan- Not Mbaao

What mode of payment do you use to make your pension contribution?	Total (15)
Mobile money	9
Standing order	3
Direct deposits to the bank	3

When asked about whether they had ever withdrawn the savings from the pension schemes, it was observed that youth who were currently enrolled in individual pension schemes had largely not withdrawn the savings (8 of 15 youths). A significant number (7 out of 15 youths), had, however withdrawn the savings as shown below.

Table 22: Withdrawing money from individual pension plan- total

Have you ever withdrawn the savings from your individual pension plan- NOT Mbaao?	Total (15)
Yes	7
No	8

It was observed that one of the main reasons why youth who had withdrawn their savings did so was to generate more income as shown below (mentioned by 4 out 7 youths).

Table 23: Main reason for withdrawing savings from individual pension plan

MAIN reason for withdrawing/accessing your savings	Total (7)
To buy a proactive asset to generate more income or make profit/investment in a different form	4
Survival in between jobs	2
Emergency purposes	1

It was further noted that those who had not yet withdrawn their savings from the individual pension plans had either not yet thought about it (mentioned by 4 out of 8 youths), or had plans to do so after leaving the current employer or after 10 years (mentioned by 1 youth respectively). Only 2 out of the 8 indicated that they planned to withdraw their savings after retirement, when the savings would be most useful to safeguard them in old age.

Table 24: Plan to withdraw savings from pension- total

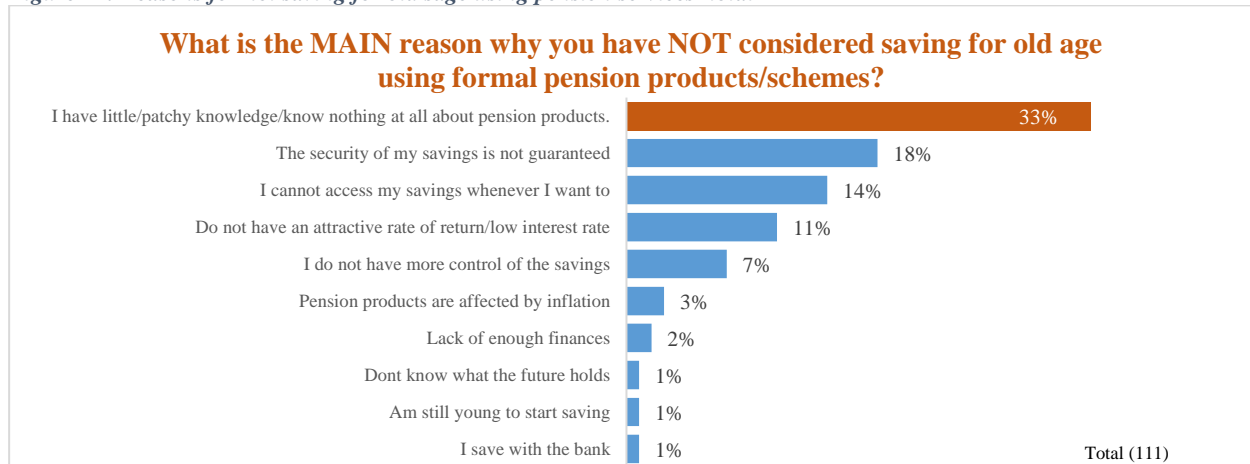
When do you plan to withdraw/access your pension savings?	Total (8)
Have not thought about it	4
After retirement	2
After I leave my current employer	1
After 10 years	1

f) Saving for old age with other products (other than pension)

As seen in the previous sub-sections, 15% of youth interviewed who were currently saving/investing using various products indicated that they were saving for latter years/old age. However, not all were saving for old age using pension services. Those who indicated that they were currently saving for latter years/old age using other products other than

pension services, largely mentioned having little/no knowledge about pension and pension products (33%) among other reasons as the barrier for uptake as shown below.

Figure 42: Reasons for not saving for old age using pension services- total



It was observed that these youth (who were saving for old age using other products other than pension services) had opted to use the different products to save for old age (other than using pension services) because of various reasons as shown below, among the most frequently mentioned across products including the security of the savings, and convenience when the need to use the savings arose. This would resonate with the barriers for uptake of pension services (mentioned further up), such as the perceived lack of security for pension funds, and inability to access the savings at will. Noting that there is a legal framework that governs the management of retirement benefits in the country- which guarantees security of funds- and that the Retirement Benefits Act provides for withdrawal of funds before retirement, awareness creation is key in eliminating these barriers of uptake.

Table 25: Main reason for preferring product

Main reason for preferring product	Savings in fixed assets e.g. land, housing, trees etc. (26)	Bank account for savings or investment (which pays interest) (22)	Savings through mobile banking e.g. Mshwari, KCB Mpesa, M-Coop Cash, Timiza, HF Whizz, Eazzy 2loan, Equitel etc (15)	Savings at a group or chama (13)	Savings through mobile money provider e.g. M-PESA, Airtel money (11)	Shares and/or stocks (8)	Savings given to a friend or family to keep (5)	Savings at a SACCO/Savings and Credit Cooperative Organization) Other retirement pension plan (4)	Savings at a microfinance institution (3)	Savings you keep in a secret hiding place (3)	Savings with a group of friends (2)	T-bills and bonds- including M-Akiba (2)
Have higher rate of return	2	3	-	2	-	1	-	2	-	-	-	-
Not affected by inflation	3	1	1	4	2	3	-	-	-	-	-	-
I have more control of the savings	1	1	3	2	1	-	-	-	3	2	-	-
Security of the savings	10	13	1	2	5	3	1	1	1	1	2	1
Convenience if I want to use the savings	5	4	9	3	2	1	2	-	-	-	2	1
To diversify risk i.e. to have a fallback plan in case one venture fails	1	-	-	-	-	-	1	-	-	-	-	-
It does not require more expenses	1	-	-	-	-	-	-	-	-	-	-	-
For other projects	1	-	-	-	-	-	-	-	-	-	-	-
For future purposes e.g. investment for children	2	-	-	-	-	-	-	-	-	-	-	-
For loan purposes	-	-	1	-	-	-	-	1	-	-	-	-
Easy to use	-	-	-	-	1	-	-	-	-	-	-	-
It is trustworthy	-	-	-	-	-	-	1	-	-	-	-	-

Additionally, the few youth who were using other products to save for old age (other than pension services) had largely done so for more than 12 months as shown in the table below, an indication that there was potential for youth to save for retirement.

Table 26: Duration of saving with other product for old age- total

Saving product	More than 12 months	6 to 12 months	3 to 6 months	Less than 3 months
Savings in fixed assets e.g. land, housing, trees etc. (26)	20	3	2	1
Bank account for savings or investment (which pays interest) (22)	16	1	2	3
Savings through mobile banking e.g. Mshwari, KCB Mpesa, M-Coop Cash, Timiza, HF Whizz, Eazzy 2loan, Equitel etc (15)	6	4	2	3
Savings at a group or chama (13)	7	1	2	3
Savings through mobile money provider e.g. M-PESA, Airtel money (11)	5	1	1	4
Shares and/or stocks (8)	3	1	3	1
Savings at a SACCO/Savings and Credit Cooperative Organization) Other retirement pension plan (4)	3	-	1	-
Savings at a microfinance institution (3)	3	-	-	-
Savings you keep in a secret hiding place (3)	2	-	-	1
Savings with a group of friends (2)	2	-	-	-
Savings given to a friend or family to keep (2)	2	-	-	3
T-bills and bonds- including M-Akiba (2)	-	-	2	-

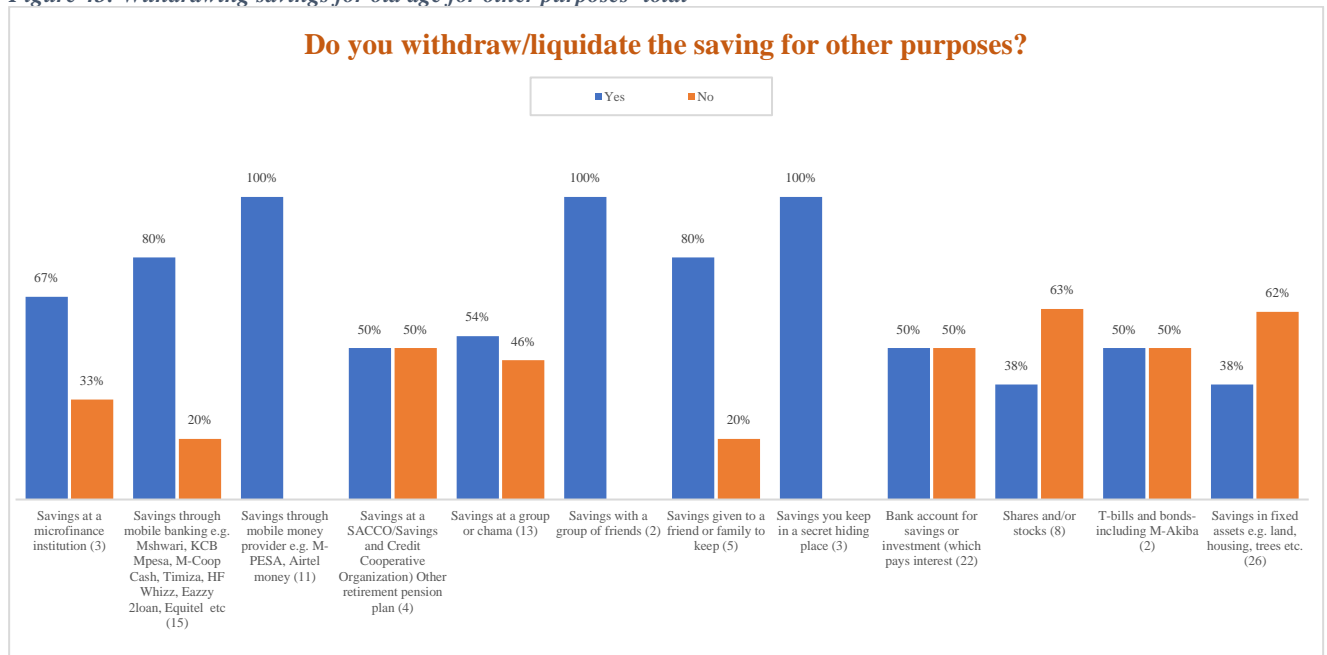
Further, it was observed that youth who were saving for retirement using other products other than pension services were largely making deposits to these products weekly or monthly as shown in the table below.

Table 27: Frequency of saving with other product for old age- total

Other savings products for old age	Daily	Weekly	Monthly	Quarterly	Half yearly	Annually	Irregularly/when I have money to spare
Savings in fixed assets e.g. land, housing, trees etc. (26)	-	5	9	1	2	5	4
Bank account for savings or investment (which pays interest) (22)	2	3	13	2	2	-	2
Savings through mobile banking e.g. Mshwari, KCB Mpesa, M-Coop Cash, Timiza, HF Whizz, Eazzy 2loan, Equitel etc (15)	-	6	7	1	-	-	1
Savings at a group or chama (13)	-	4	7	1	-	1	-
Savings through mobile money provider e.g. M-PESA, Airtel money (11)	-	4	4	1	-	-	2
Shares and/or stocks (8)	1	1	4	-	-	1	1
Savings given to a friend or family to keep (5)	-	-	3	-	-	-	2
Savings at a SACCO/Savings and Credit Cooperative Organization) Other retirement pension plan (4)	-	-	4	-	-	-	-
Savings at a microfinance institution (3)	-	1	1	-	-	-	-
Savings you keep in a secret hiding place (3)	1	1	-	-	-	-	1
Savings with a group of friends (2)	-	1	1	-	-	-	-
T-bills and bonds- including M-Akiba (2)	-	1	-	1	-	-	-

However, as seen previously with youth currently saving for retirement using pension services, even though the youth saving for old age using other products (other than pension services) were making deposits frequently (weekly/monthly), it was observed that they were also largely liquidating the savings for other purposes as shown below.

Figure 43: Withdrawing savings for old age for other purposes- total



3.3 Challenges faced in saving for retirement

This sub-section presents findings on some of the challenges that the youth face in saving for retirement.

a) Challenging economic times

As seen in the preceding sections, 30% of youth interviewed in the quantitative survey indicated that they were currently not employed (with 33% indicating that they were unemployed in the last 12 months). According to an article in the media published in the recent past (dubbed ‘*How Young People Can Save for Retirement, January 2015*’) ²⁶, some of the top reasons for not saving for retirement among the youth include high youth unemployment and stagnant wages. It is certainly not an easy world for the millennials today. Quality jobs are not as readily available as they used to be. This is resulting in higher unemployment and lower wages for the millennial generation.

According to a report by ILO (2013) ²⁷, there has been a growing sense of pessimism among young people regarding their employment prospects and their role in society more broadly. In 2011, only 15.8 % of the population aged 15 to 34 years in Kenya believed the economic conditions of the area where they lived were getting better and only one quarter believed it was a good time to find a job- among the lowest in Africa.

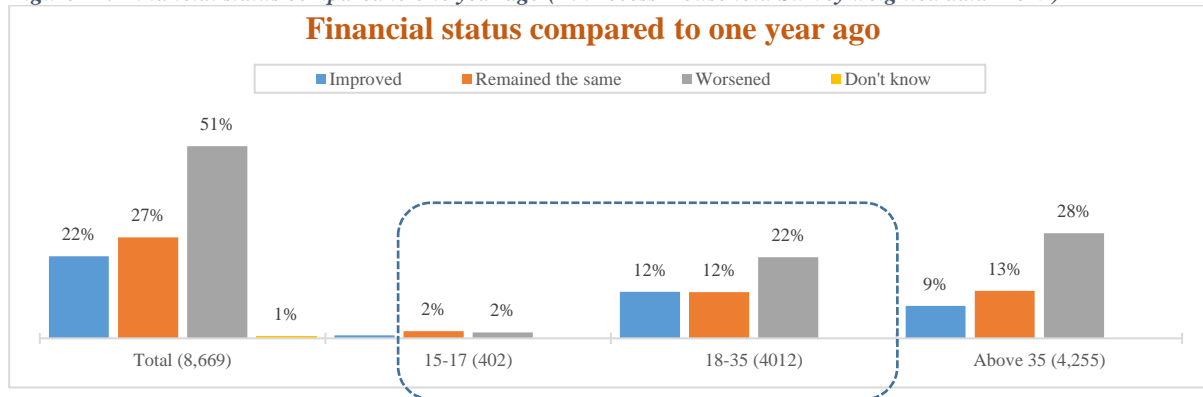
Indeed, findings from the FinAccess (2019) Household survey ²⁸ showed that over half (51%) of the population perceived that their financial status in 2018 compared to 2017 had worsened as shown below. This perception was shared by the youth (15 to 35 years) as shown).

²⁶ <https://www.motif.com/blog/young-people-save-retirement>

²⁷ https://www.ilo.org/wcmsp5/groups/public/---africa/documents/publication/wcms_231155.pdf

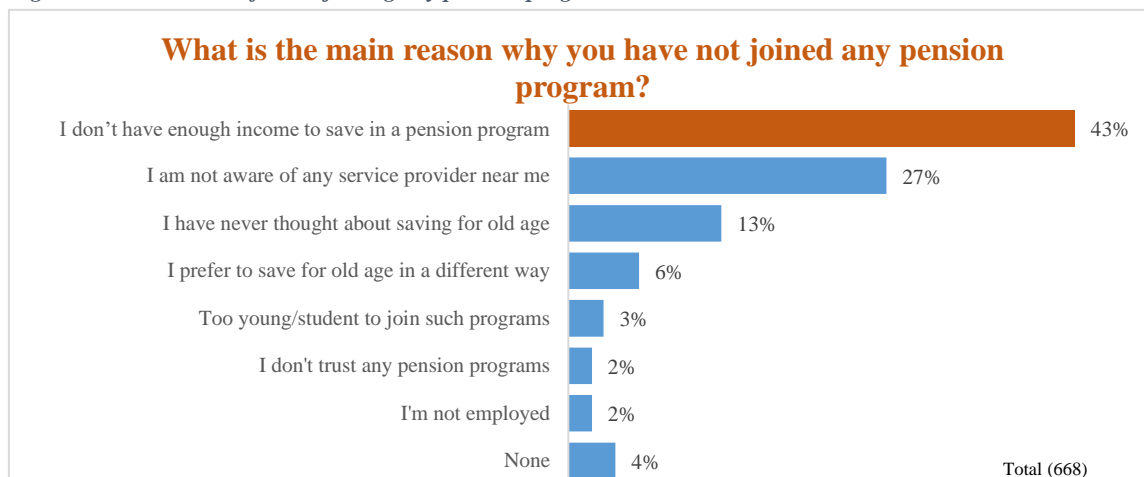
²⁸ <https://fsdkenya.org/tag/data/>

Figure 44: Financial status compared to one year ago (FinAccess Household Survey weighted data- 2019)



From the quantitative survey findings, it was observed that some of the top reasons why youth currently not enrolled in any pension scheme had not done so included lack of enough income (reported by 43% of youth not enrolled in any pension program) among other reasons as shown below.

Figure 45: Main reason for not joining any pension program- total



This was also echoed in the qualitative phase, where the main barrier for not saving for retirement was indicated as the lack of regular income to cater for basic needs and save for retirement as shown below. This was more so among youth with no employment, and those in temporary employment.

No consistent income...15 to 17 years, Nairobi, unemployed

I do not have a stable source of income to motivate me to save... What come sin is for purchasing food, paying rent... saving... may be by the grace of God...18 to 24 years, Mombasa, unemployed

I am not saving because of little earnings.... What I get is only enough to manage day to day running of life... 25 to 30 years, Garissa, informal employment

I have not gotten a stable job to sustain me and my needs...I do not have a stable job... 31 to 35 years, Nyeri, informal employment

I have no stable income... the income is low... 25 to 30 years, Busia, informal employment

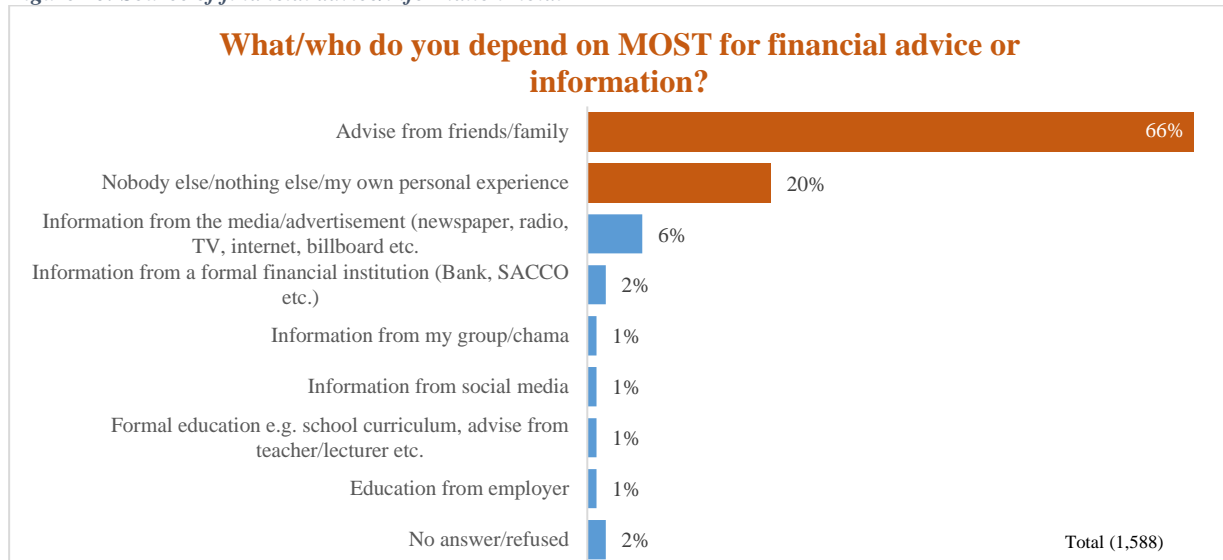
b) Low financial literacy

In addition to challenging economic times, financial literacy, which is a critical contributor to financial health, in Kenya remains low. The KNBS (2019) Economic Survey Report²⁹ defines financial literacy as the awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions, while financial health is defined as the ability to use financial services for managing daily needs and shocks that one may face and helps to achieve one's future goals. From the KNBS (2019) findings on financial literacy, 39.6% of those surveyed relied on their own knowledge for decision making, while 34.7% sought advice from friends and family. Consequently, financial health in 2019 was reported to have declined from 39.4% in 2017 to 21.7% in 2019.

Findings from the quantitative phase of the survey showed similar results, as shown below, more than half of the youth interviewed (66%) indicated that they relied on friends/family for financial advice/information, while a significant proportion (20%) relied on their own personal experiences.

²⁹ https://www.knbs.or.ke/?page_id=3142

Figure 46: Source of financial advice/information- total



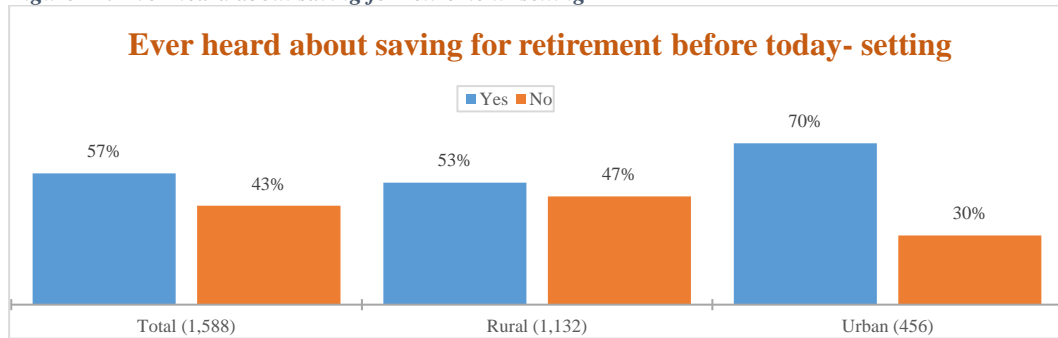
Further, findings from a survey done by Oduko, Gweyi and Nyawira (2015)³⁰ on the determinants of retirement planning in Kenya showed that there was a relationship between financial literacy and retirement planning, as well as various other social economic characteristics. The findings indicated that financial literacy, income, and a respondent's education level are a significant determinant of retirement planning. Overall, however, financial literacy was observed to be a major determinant for membership in pension schemes, largely because financial literacy influences both savings and portfolio choice.

c) Low awareness about pension/pension products

In addition to low financial literacy, as seen in the preceding sections, awareness and knowledge about saving for retirement remains low; 43% of youth interviewed in the quantitative phase of the survey had never heard about saving for retirement in the past, more so in the rural areas (47%) (as shown below), which, would hinder uptake of any form of pension/pension product to safeguard latter years/old age.

³⁰ <https://www.iiste.org/Journals/index.php/RJFA/article/view/19961/20489>

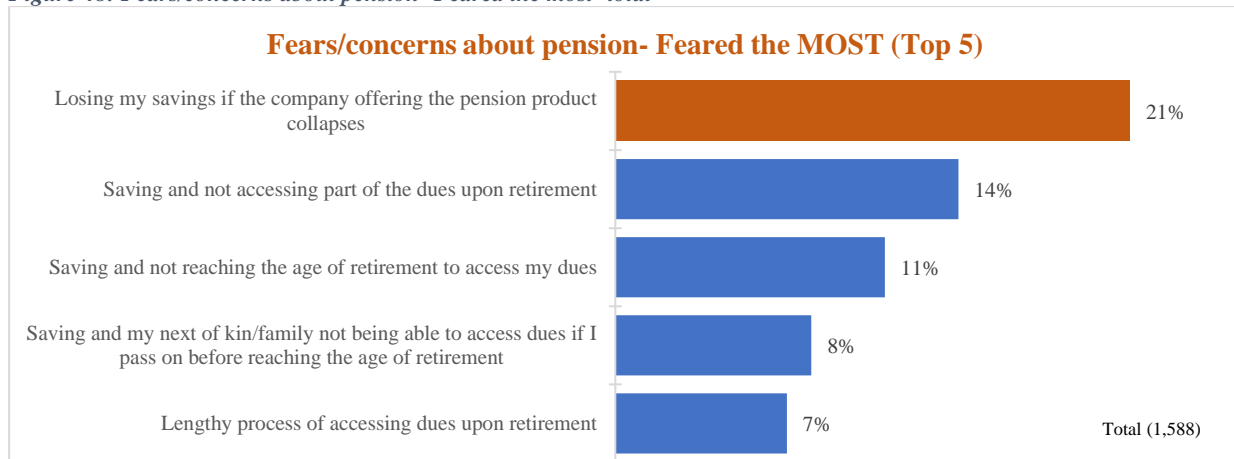
Figure 47: Ever heard about saving for retirement- setting



d) Existing fears about pension/pension products

Further, as seen in the preceding sections, there exists fears/concerns about pension/pension products, with the most prominent one being losing savings if the pension provider company collapses (21% as shown below).

Figure 48: Fears/concerns about pension- Feared the most- total



Similar fears were echoed from the qualitative phase of the survey as shown below:

Money getting lost or closing of the institution...If you lose some of the documents, it means you will not get your pension funds...Embezzlement of funds... 18 to 24 years, Nairobi, formal temporary employment

Corruption...my dad used to complain about some cash not being updated... 15 to 17 years, Nairobi, unemployed

For you to start getting the returns, you will have gone round and round with a lot of frustrations ...25 to 30 years, Kisumu, formal, permanent employment



The qualitative phase further revealed that though the youth generally perceived individual/informal pension schemes as being accessible/inclusive of the population, they also held the misconception that these forms of savings plans were largely unregulated and therefore risky to venture into as shown below.

The institution might collapse with my money... 31 to 35 years, Busia, formal, temporary employment

It might not be legitimate...18 to 24 years, Kisumu, formal, temporary employment

Making payments and being told that the system never reflected...receiving frequent messages like 'Dear customer, the services are not available for now...' and there is nowhere you can report them... 25 to 30 years, Nyeri, unemployed

These fears if not addressed would continue to act as barriers towards uptake of pension/pension products.

Further, findings from a study published by Innovation in Aging (2017)³¹ indicated that negative experiences, such as mismanaging pensions, business failure, and unplanned lending, far outweighed possible positive experiences, such as security in old age. The study was carried out with a sample comprising of 978 persons aged 55 years and older recruited from 9 regions of Kenya (who received pension benefits from among the four types of schemes in Kenya: National Social Security Fund, civil service pension, occupational schemes and voluntary pension schemes). The study made recommendations such as encouraging retirees to annuitize their pension savings in case other sources of retirement income fail, raising the minimum pension amount to dissuade pensioners from investing their retirement savings; conducting business skills training for those exiting the workforce prior to retirement; and encouraging prior retirement planning to avoid income pitfalls in retirement.

³¹ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6242630/>

3.4 Youth aspirations after working life

This sub-section presents findings on youth's aspirations after working life; including aspirations they have in life, what drives them, role models influencing them, perceived retirement age and envisioned life, and perceived challenges at retirement.

a) Aspirations in life

From the qualitative segment, and with regards to aspirations in life, it was observed that youth generally aspire to live a comfortable life in old age; the 'good life', where they will own their own their own homes, travel the world, run their own businesses, become role models for their children etc. as shown in the excerpts below. Incorporating this aspired life in future messaging targeted at driving uptake of pension/saving for retirement would therefore most likely resonate with this group.

I want to open an advertising company in the future...I want to be a great business entrepreneur.... To be a great business lady...To have my own business...To have a happy and lovely life... 18 to 24 years, Nairobi, formal temporary employment

To be a prosperous businessman so that I can employ more people... I would like to own my own hospital and provide free services to the poor... I would like to live a happy comfortable life... I would like to follow my passion which is playing basketball... Adventure, trying out new things and succeeding...15 to 17 years, Nairobi, unemployed

I aspire to own a well-equipped gym... I aspire to lead an independent life with stable businesses...18 to 24 years, Kisumu, formal, temporary employment

I'm aspiring to become a landlord, large scale farmer and finally become a politician...25 to 30 years, Kisumu, formal, permanent employment

To have good health in life and to be entrepreneur of the future...to be a one of kind business lady...31 to 35 years, Nyeri, formal temporary employment

Becoming an expert in farming and creating more job opportunities to youths in my community...venture into real estate... 31 to 35 years, Busia, formal, temporary employment

To lead the changing of lives of the vulnerable people... ..15 to 17 years, Garissa, unemployed

b) What drives the youth

It was observed that the younger youth (15 to 24 years) were largely driven by their families and the desire to be successful in life as shown in the excerpts below. As seen in previous sections of this report, family/friends are key influencers in the decisions that youth make, including taking up pension products/saving for retirement.

My brother's success...envying rich people and their lifestyle...the hope of becoming successful in life by becoming successful... making my family proud...15 to 17 years, Nairobi, unemployed

My family: seeing my parents working really hard to cater for my education and basic needs makes me work hard so that I can take care of them in future... I just really want my name to be on the spotlight as one of the best...18 to 24 years, Mombasa, unemployed

My family keeps me; I would really love to assist them when I become successful... I have so many people to prove wrong... Having my own family and my business...18 to 24 years, Nairobi, formal temporary employment

The urge to be successful...advice from my parents...my parents...15 to 17 years, Mombasa, informal employment

My family is my priority in life, and their support and encouraging words keep me going... Support from family and being optimistic... The desire of being successful in life...18 to 24 years, Kisumu, formal, temporary employment

The older youth (25 to 35 years) on the other hand, seemed to be driven by similar factors, but with a focus on securing their families' future- to, for instance, give their children access to a life they never had- as shown in the excerpts below. Tweaking future communication (to drive uptake of pension/pension products) to focus on such outcomes would therefore appeal more to this group.

The desire to give my kids a much better life...to give my son the life I never had...to see my girl become the best of mums...25 to 30 years, Kisumu, formal, permanent employment

To have good health and to be able to feed my family...31 to 35 years, Nyeri, formal temporary employment

The desire to see youths having something to build their lives on...the desire to succeed...31 to 35 years, Busia, formal, temporary employment

c) Role models

With regards to role models, it was observed that these cut across; from international to local renown figures, to as well as prominent family members who were perceived to have succeed in life as shown in the excerpts below. For the younger youth (15 to 17 years), schoolteachers were also mentioned as role models. These would be key figures to target in creating awareness and interest in saving for retirement.

Bill Gates...Erick Smith...James Mwangi of Equity Bank...my family... my grandfather...my mother...18 to 24 years, Nairobi, formal temporary employment

William Ruto who started as a hustler...my successful uncle...Lionel Messi... my maths teacher...my chemistry teacher...Bill Gates... 15 to 17 years, Nairobi, unemployed

Atwoli... Michael Jordan... Bill Gates...Michael Joseph...Bob Collymore... my mum... my uncle...15 to 17 years, Mombasa, informal employment

Successful business people...S.K Macharia...Moody Awori...my dad...my mum...25 to 30 years, Kisumu, formal permanent employment

Charles Njonjo...Chris Kirubi...Bill gates...Martha Karua...31 to 35 years, Nyeri, formal temporary employment

d) Retirement age and envisioned life after retirement

When asked about their perceived age of retirement, and the envisioned life after retirement, it was observed that youth generally envisioned to retire as early as 45 years,

and as late as 80 years as shown in the excerpts below. They also generally envisioned a successful and comfortable life, which would be ideal to capture in future messaging to drive uptake of pension to secure the desired life at retirement. The disparities in retirement age mentioned by the youth may allude to the fact that youth may not resonate with age when thinking about retirement- redefining retirement to align to dreams as opposed to age, may be more appealing to this group

Mid 60s, living in a mansion in Karen...65 years, living somewhere where I bought land and a house...early 60s living back in the village training my grandchildren on how to achieve their goals in life...15 to 17 years, Mombasa, informal employment

55 years, living in Runda... 60yrs, I will be staying in rural area living in a permanent house owned by me...60 years, living in a one-bedroom stone house...18 to 24 years, Nairobi, formal temporary employment

65 years, my political life will allow me to stay in Karen...60 years, living in a self-contained house in my own compound with rooms enough to accommodate my kids and visitors, and my garden well kept, a peaceful house without a landlord...65 years, living in a four-bedroomed house in Karen with a spacious compound, a swimming pool, a nice garden, and a car parking area....25 to 30 years, Kisumu, formal permanent employment

55 years living in a mansion built by me... possibly 70 years living in Mombasa in a stone-built house... 60 years living in a bungalow...60 years living in my own house in Lavington... 60 years living in Karen in a big big big mansion playing chess with my grandchildren...15 to 17 years, Nairobi, unemployed

65 years, owning a house with several apartments to rent out...50 years, living in Kakamega town owing my own mansion...60 years, living in my own permanent house in Matayos...31 to 35 years, Busia, formal, temporary employment

60 years, living in the countryside surrounded by trees...45 years, staying back in my hometown...60 years, sitting under a tree for shade sipping some fine juice hanging around with my grandchildren... 50 years, living in a big elegant house with a

swimming pool and a parking lot with a fleet of cars...18 to 24 years, Mombasa, unemployed

60 years living in my own compound with a farm for my livestock...55 years living in a two-story building with self-contained bedrooms, and two sitting rooms- one on the ground floor and another on the second floor, and a kitchen garden...31 to 35 years, Nyeri, formal temporary employment

60 years, living in a tower somewhere on the 3rd floor with my limousine parked at the car park ... 80s, still enjoying life, living in my thatched house in Kabasolo...15 to 17 years, Garissa, unemployed

e) Perceived challenges at retirement

With regards to perceived challenges at retirement, it was observed that the youth were largely aware of the realities/challenges that come with old age, among them including ill health due to old age, loneliness/boredom, and financial challenges as shown in the excerpts below. Future messaging targeted at driving uptake of pension could focus on highlighting these realities that come with old age and showcase the benefits of saving for retirement to avert them/minimize their effects. Considering that the youth are aware of the challenges in old age, and still largely not preparing/saving for retirement may allude to the fact that this group does not make decisions based on fear. Twining messages with the possibility of living the aspired life in future with the realities of unpreparedness may be more effective.

Funny sicknesses like pressure... lack of income...my family not being interested in my line of business forcing me to hire an outsider who may inherit my hard-earned business...15 to 17 years, Nairobi, unemployed

Loneliness: I will not be energetic at that age...18 to 24 years, Nairobi, formal temporary employment

Health issues due to old age...my children not following my advice...15 to 17 years, Mombasa, informal employment

Loneliness, all kids will have gone to their hustles and homes...sicknesses...inadequate funds to run all my activities...no monthly salary like before...25 to 30 years, Kisumu, formal permanent employment

Boredom...deteriorating health... limited social life... 31 to 35 years, Nyeri, formal temporary employment

Financial challenges because of the economy... health related problems because of old age...31 to 35 years, Busia, formal, temporary employment

Not having enough savings.....seeing my children not fulfilling the promises they made to me...15 to 17 years, Garissa, unemployed

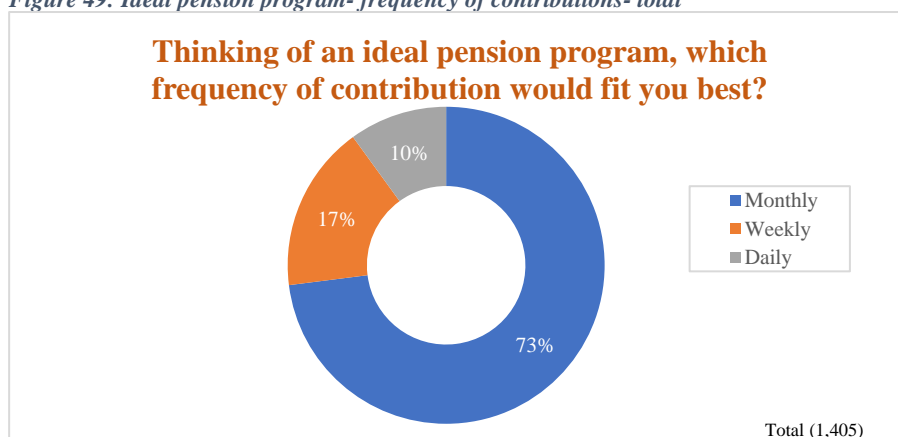
3.5 Ideal pension program for the youth

This sub-section presents findings on the ideal pension program as envisioned by the youth who were currently not enrolled in a pension program (frequency of contribution and mode of making payments).

3.5.1 Frequency of contribution

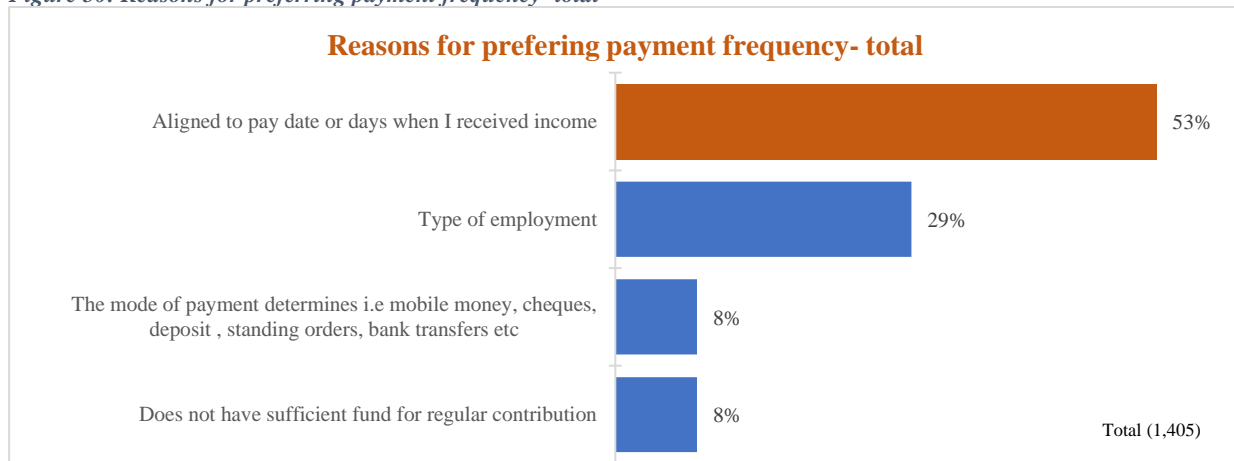
As seen in the preceding sections, findings from the quantitative survey showed that youth currently enrolled in pension schemes were largely making their contributions monthly. In the same survey, youth who were currently not using any pension service (used to use or never used) were asked about their perception of an ideal pension program in terms of frequency of contribution. As shown below, monthly contributions would also be preferred by most of these youth (73%).

Figure 49: Ideal pension program- frequency of contributions- total



When asked about the reasons why they would prefer making payments monthly, more than half of the youth who were currently not using any pension service (used to use or never used) indicated that this was largely aligned to pay dates or days when income would stream in (53%) as shown below.

Figure 50: Reasons for preferring payment frequency- total

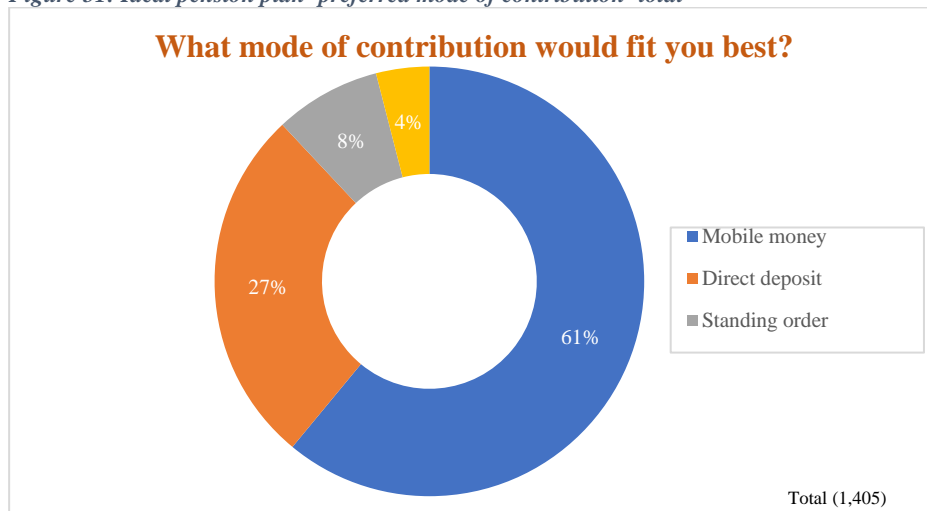


From the qualitative phase of the survey, similar insights were gleaned, where youth largely preferred for the deductions to be aligned with their income, such that the amount payable on deductions and frequency of making the deductions would be aligned to the amount they earn and how frequently they receive the earnings.

3.5.2 Mode of payment to make contributions

Additionally, as seen in the preceding sections, findings from the quantitative survey showed that youth currently enrolled in pension schemes were largely making their contributions through mobile money. In the same survey, youth who were currently not using any pension service (used to use or never used) were asked about their perception of an ideal pension program in terms of mode of payment to make contributions. As shown below, mobile money payment would also be preferred by most of these youth (61%).

Figure 51: Ideal pension plan- preferred mode of contribution- total



Similar insights were gleaned from the qualitative phase, where youth recommended channels such as mobile money, direct deposits, salary checkoffs, standing orders, and online banking. These would be additional channels for providers of pension products to consider/make available.

3.5.3 Other features

From the qualitative phase of the survey, other features indicated included the ability of the pension program to earn attractive returns, allow for borrowing of loans with low interest, and have other benefits embedded- such as insurance policies- health, education etc. as shown below.

The product should earn an interest... the funds should also be accessible in case of an emergency... 15 to 17 years, Nairobi, unemployed.

I should be able to borrow a loan against the funds...18 to 24 years, Kisumu, formal, temporary employment

The product should give good dividends... and loans against the funds with low interest rates...it should come with other benefits like insurance; health, education etc... 31 to 35 years, Busia, formal permanent employment

3.6 Preferred communication modes

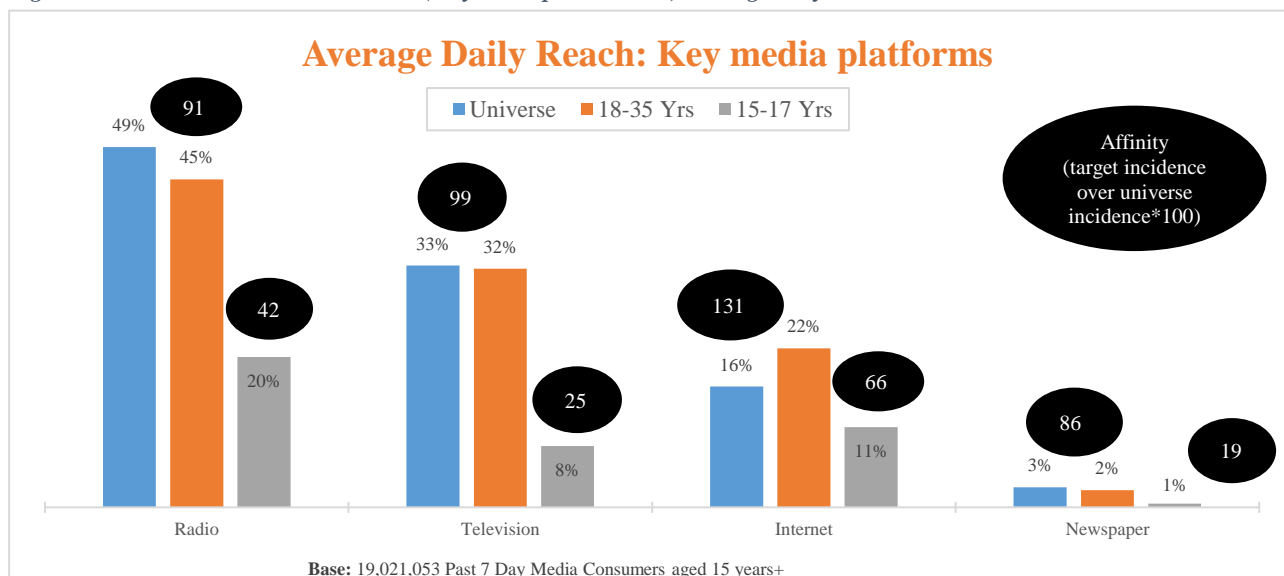
This sub-section of the report presents findings on media consumption patterns, insights which will be useful in guiding future communication targeted at the youth to improve awareness, knowledge, and usage patterns of pension/retirement products.

3.6.1 Media consumption patterns

a) Media reach

Ipsos has been carrying out audience measurement surveys for the last 20 years, providing data to the media industry allowing users to make informed decisions on their media strategies. From findings of the July 2019 tracker³², where a nationally representative panel of past 7 days media consumers (radio, television, internet, newspapers and magazines) comprising of both male and female panellists aged 15 years and above, radio and television remain the strongest media touchpoints for the 18-35 age group as shown in the figure below, and therefore the most appropriate to reach them. Additionally, affinity to internet is much higher (131) among this group in comparison to all other available media as shown. Print liking for this group is the lowest among all media channels.

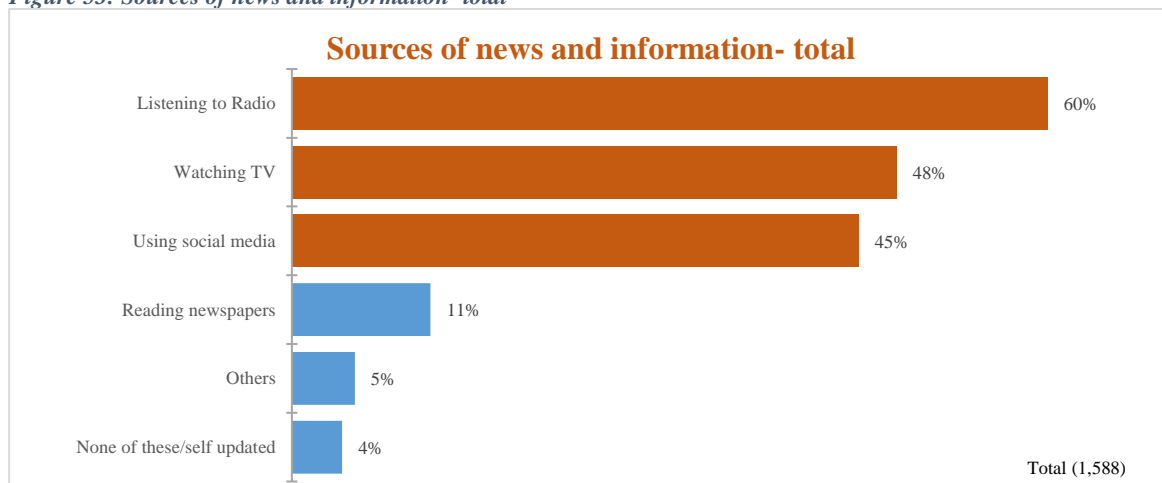
Figure 52: Media audience measurement (July 2019 Ipsos Tracker)- average daily reach



³² Ipsos Media Audience Measurement Tracker Survey- July 2019

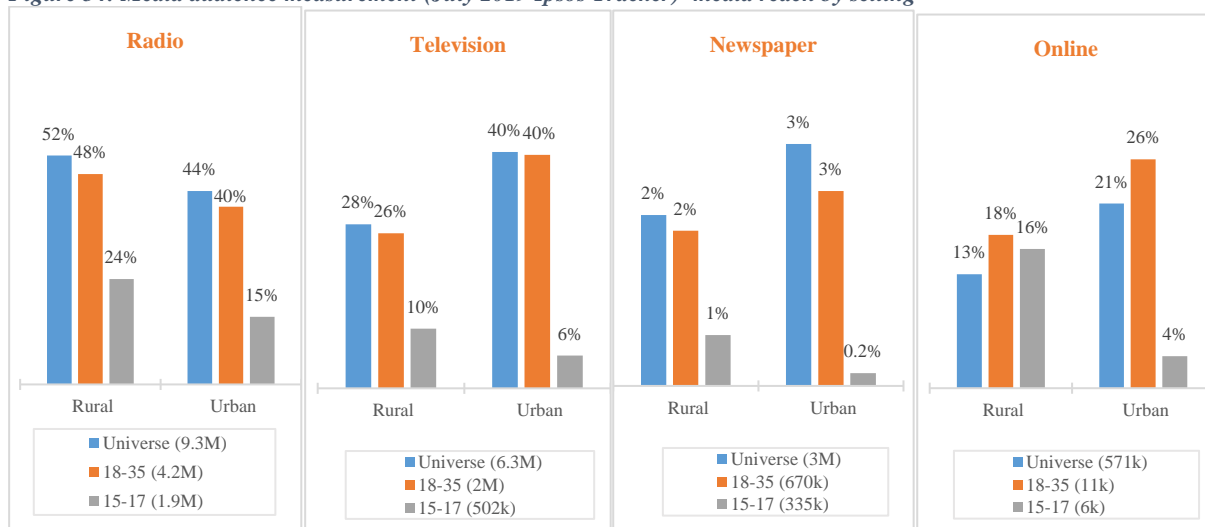
Findings from the quantitative survey implemented as part of the scope of work showed similar insights. As shown below, radio (60%), television (48%) and social media sites (45%) were among the most relied on sources for news and information by youth interviewed.

Figure 53: Sources of news and information- total



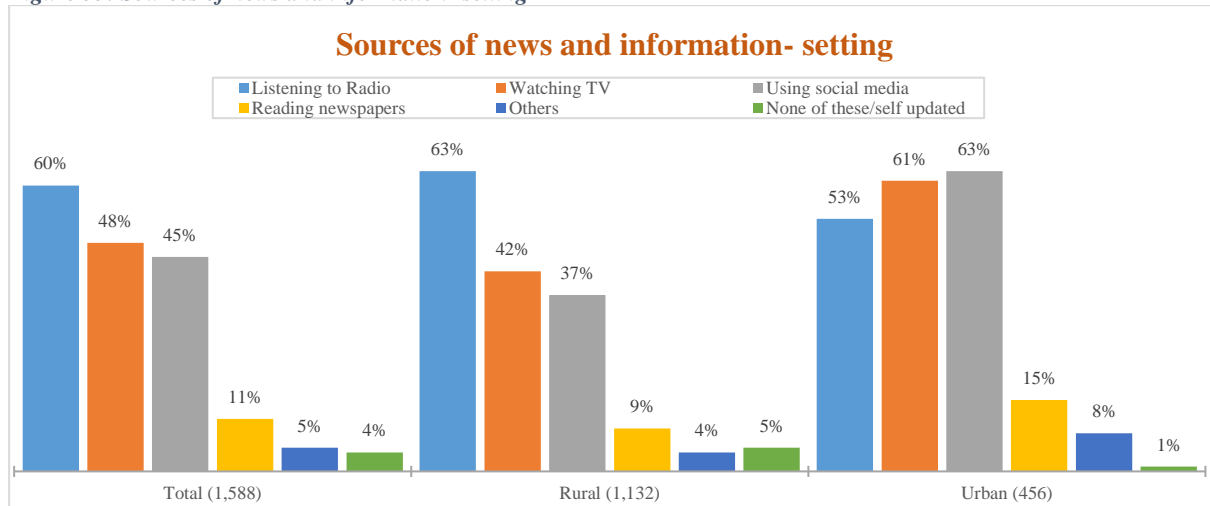
Further, findings from the Ipsos audience measurement July 2019 tracker also showed that radio listenership was slightly higher in the rural setting, while television viewership was higher in the urban setting as shown below. Additionally, access to the internet/online content was also higher in the urban setting as shown.

Figure 54: Media audience measurement (July 2019 Ipsos Tracker)- media reach by setting



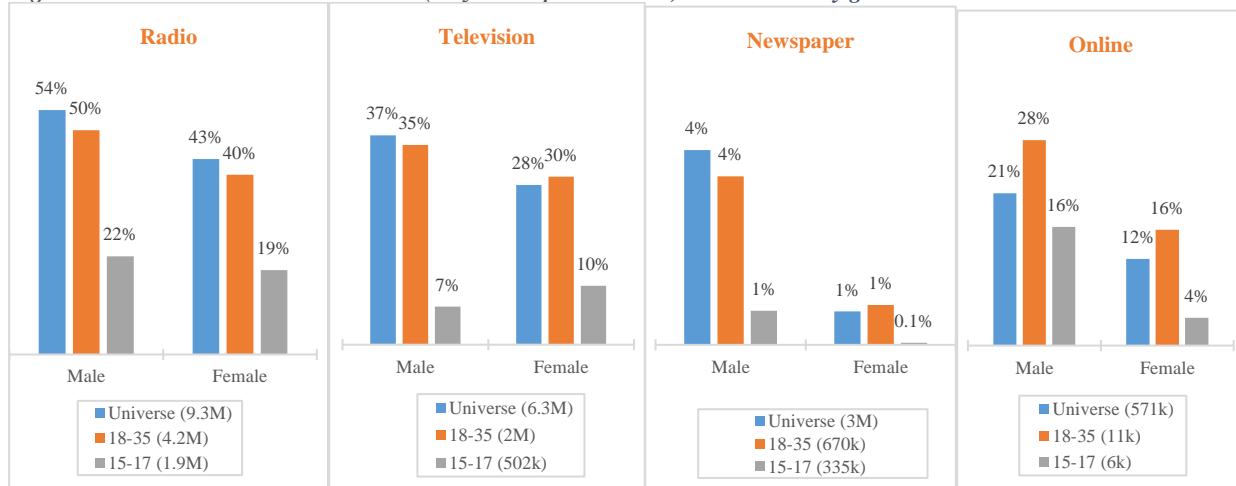
Findings from the quantitative survey showed similar results as shown below. Radio listenership was higher in the rural setting (63%), while watching television and accessing social media sites was higher in the urban setting (61% and 63% respectively).

Figure 55: Sources of news and information- setting



Additionally, findings from the Ipsos audience measurement July 2019 tracker showed that across the different media platforms, males seemed to be consuming media more than the females as shown below.

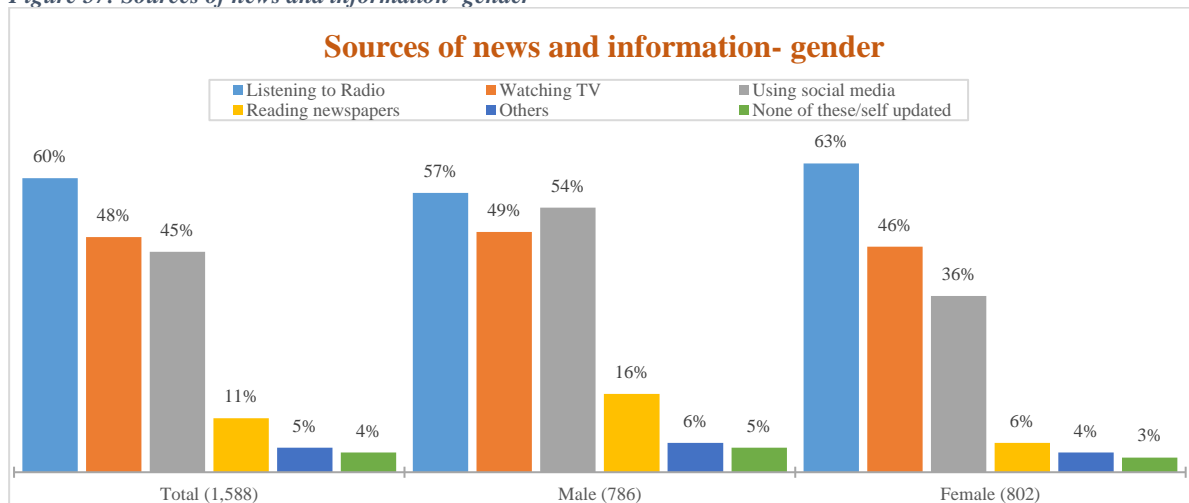
Figure 56: Media audience measurement (July 2019 Ipsos Tracker)- media reach by gender



Similar findings were observed from the quantitative phase, where for instance consumption of news and information from watching TV and accessing social media sites was slightly higher among males than females as shown below. Gender disparities in media consumption can be attributed to differences in levels of education, which would influence

preference, or setting of residence, which would influence access. As seen in the ‘Demographic Information’ section of this report (in the Annex), for instance, a slightly higher proportion of males interviewed in the quantitative survey phase indicated that they had completed secondary education- 32%- compared to 25% of females, while a slightly higher portion of males interviewed were residing in the urban setting- 56%-, compared to 44% of females.

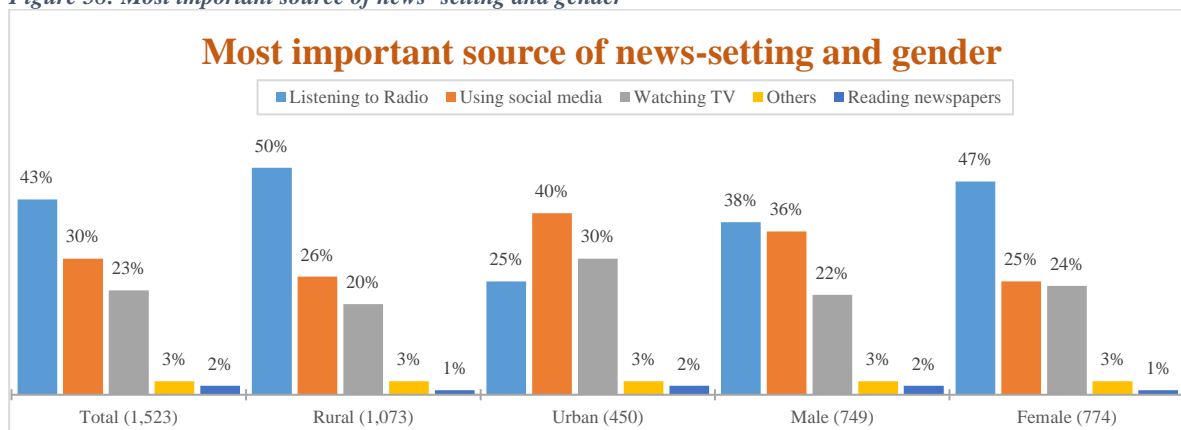
Figure 57: Sources of news and information- gender



When asked about the most important source of news and information, findings from the quantitative survey largely showed that radio (43%), social media sites (30%), and television (23%) were largely the most important sources of news and information, and would therefore be the most appropriate to target this group. Radio would largely be the most appropriate in the rural areas (half- 50%- of youth interviewed indicated this was the most important source of news and information), while social media sites and television would be the most appropriate in the urban areas (40% of youth interviewed indicated social media sites were the most important sources of news and information while 30% indicated television was the most important in this setting as shown below).

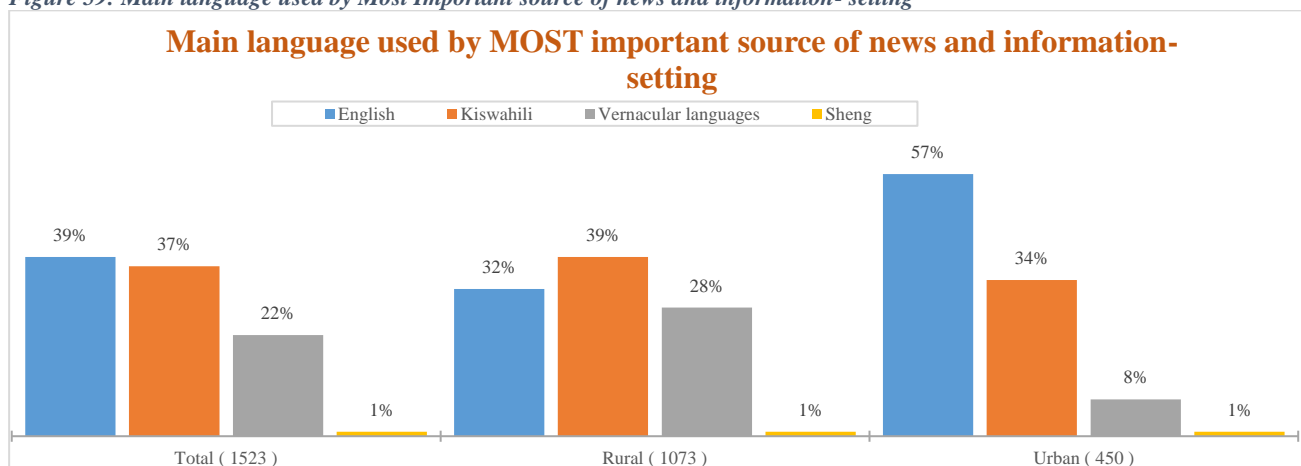
Across gender, radio and social media sites would be the most appropriate for males (38% and 36% respectively), while radio would largely be the most effective for female youth (47%) as shown below.

Figure 58: Most important source of news- setting and gender



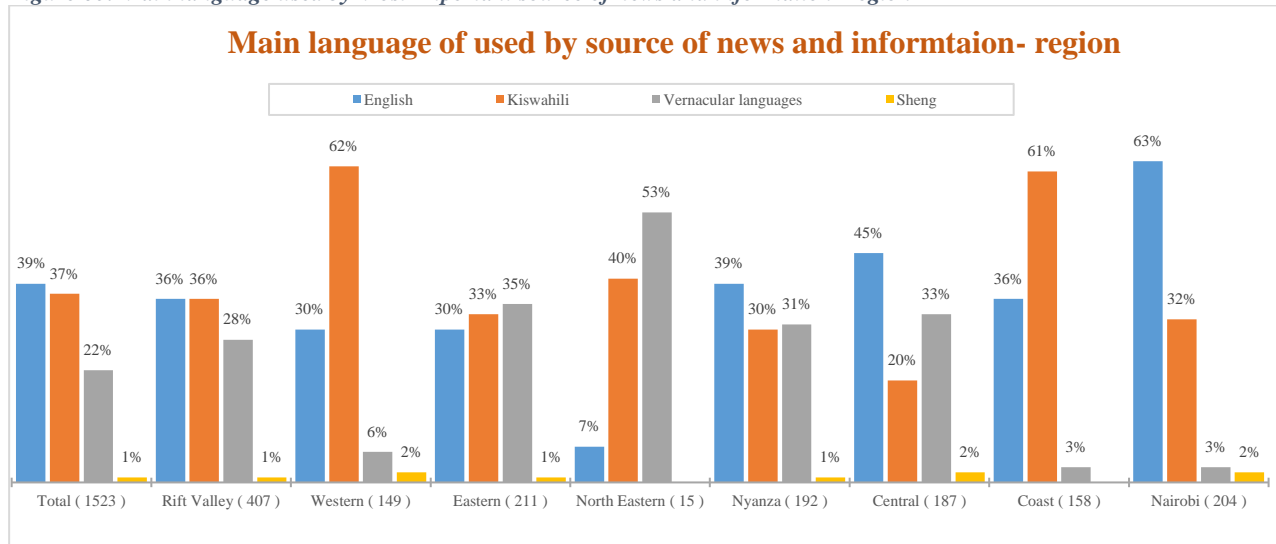
Findings from the quantitative survey further indicated that the main languages used by the most important sources of news and information were English, Kiswahili and vernacular languages (39%, 37% and 22% respectively) as shown below. Kiswahili and vernacular languages were largely used in the rural setting (39% and 28% respectively) while English and Kiswahili were largely used in the urban setting (57% and 34% respectively as shown below). These would therefore be the most appropriate languages to use in future campaigns in the different settings.

Figure 59: Main language used by Most Important source of news and information- setting



Across the different regions, it was observed that English was largely used by media channels in Nairobi (63%), while Kiswahili was largely used by media channels in Western (62%) and Coast (61%) regions. Vernacular languages were mainly used in the North Eastern region (53%) as shown below.

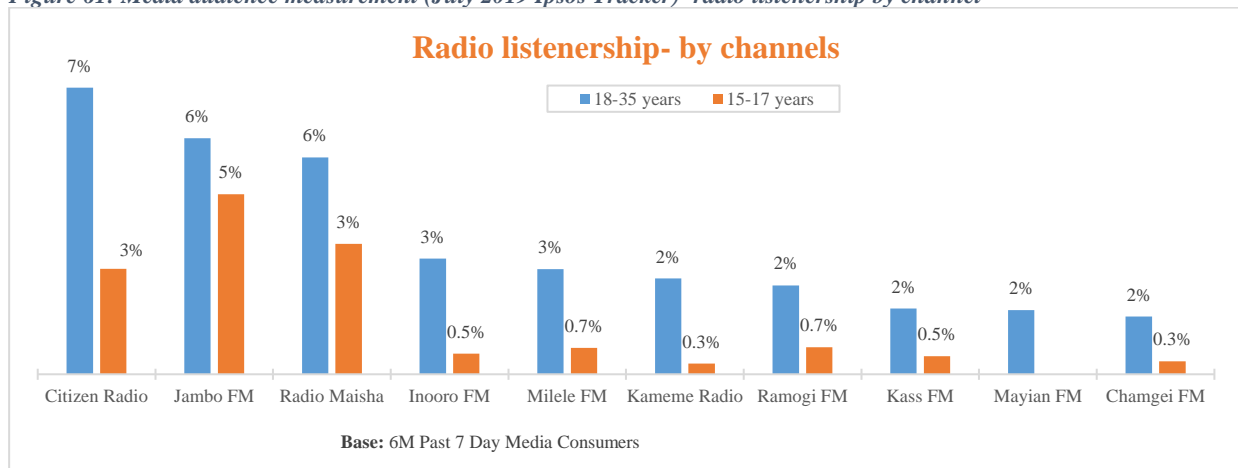
Figure 60: Main language used by Most Important source of news and information- region



b) Radio listenership- top channels

With regard to radio listenership by channel, findings from the Ipsos media audience July 2019 tracker indicated that Citizen Radio, Jambo Radio and Radio Maisha were more popular for persons aged 15 to 35 years as shown below. These would therefore be the most appropriate channels to reach youth in future campaigns.

Figure 61: Media audience measurement (July 2019 Ipsos Tracker)- radio listenership by channel

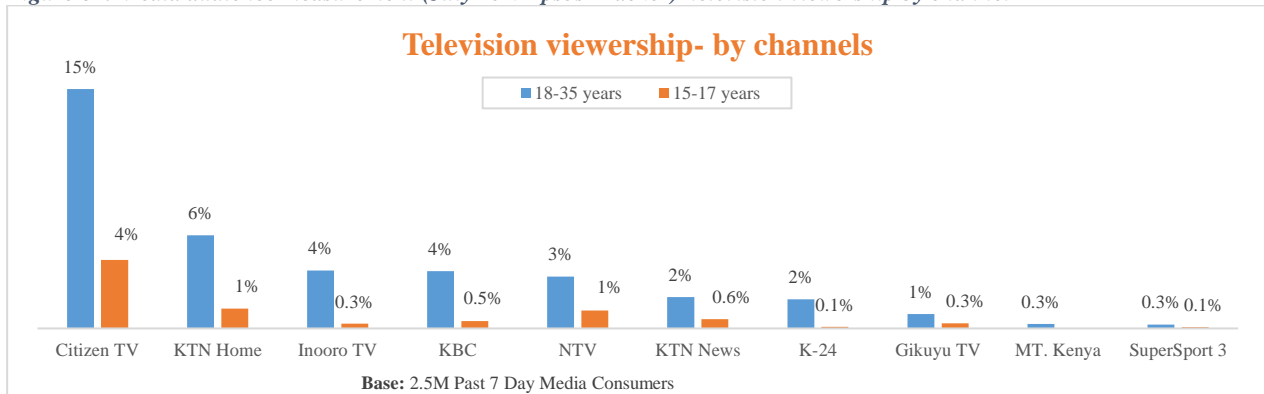


c) Television viewership- by channel

For television viewership, findings from the Ipsos media audience July 2019 tracker indicated that Citizen TV and KTN Home channels were more popular in the same age

category (15 to 35 years) as shown below. These channels would therefore be the most appropriate to utilize in future campaigns targeting the youth.

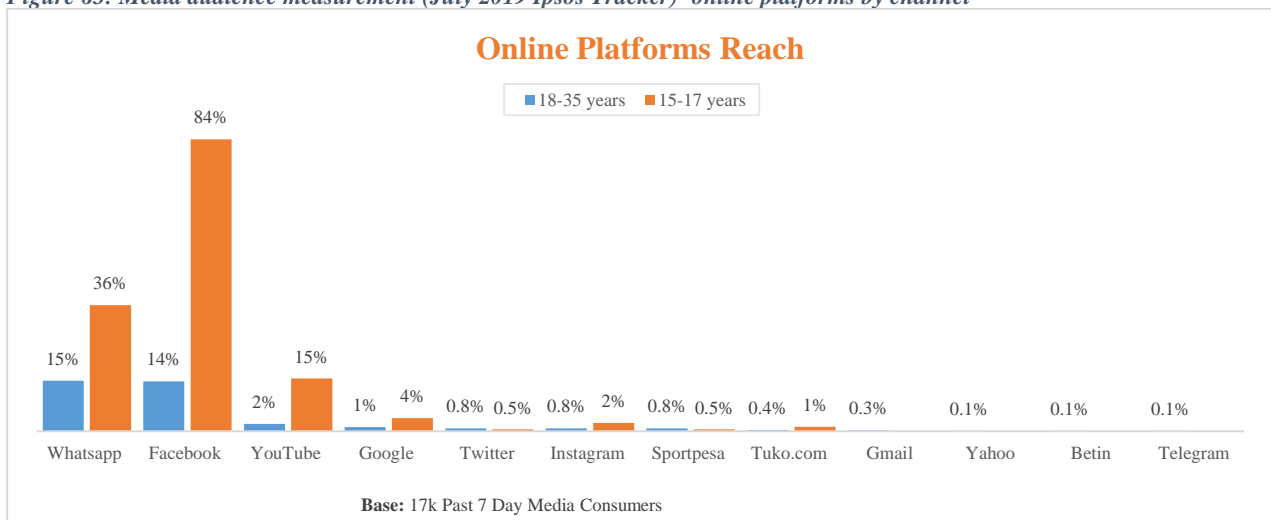
Figure 62: Media audience measurement (July 2019 Ipsos Tracker)- television viewership by channel



d) Online engagement

With regards to online engagement, findings from the Ipsos media audience July 2019 tracker indicated that WhatsApp, Facebook and YouTube were more popular among persons aged 15 to 35 years who were consuming content online as shown below. These channels would therefore be the most appropriate to utilize in future campaigns targeting the youth.

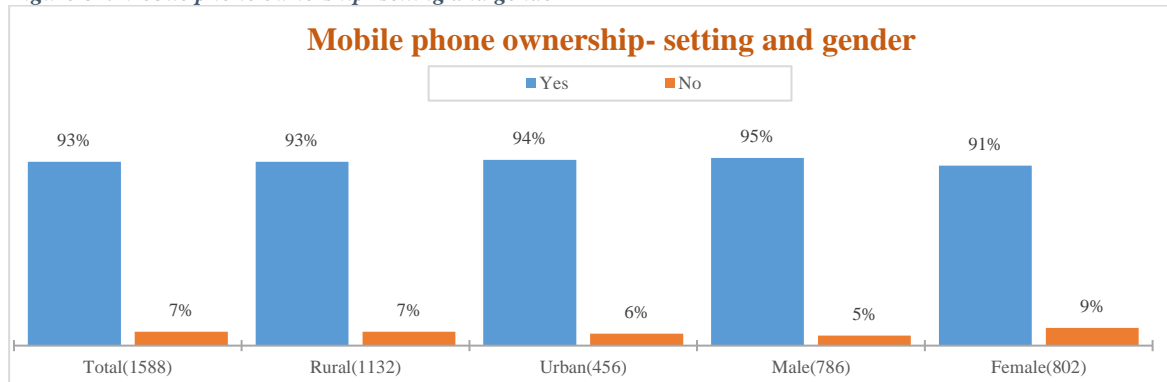
Figure 63: Media audience measurement (July 2019 Ipsos Tracker)- online platforms by channel



e) Mobile phone ownership

Findings from the quantitative survey indicated that mobile phone ownership was high among youth interviewed; 93% of those interviewed indicated that they owned a mobile phone as shown below.

Figure 64: Mobile phone ownership- setting and gender



When asked about the features that the owned mobile phone had, it was observed that the main features included access to internet (66%), touch screen and ability to download and install applications in the phone (58% respectively) and ability to send and receive emails (56%) among other features as shown below. Accessing youth through mobile phones with news and information would therefore be a viable channel to pursue in future campaigns.

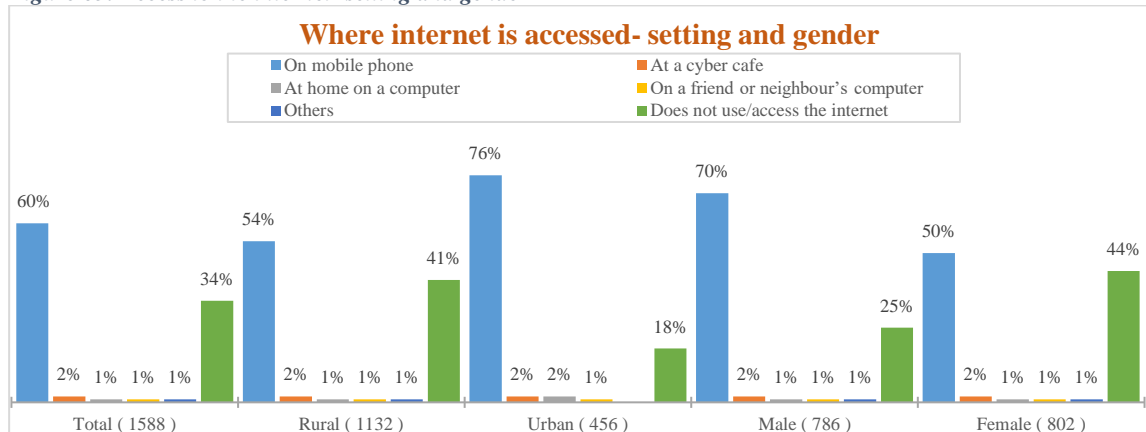
Table 28: Mobile phone features- setting and gender

Mobile phone features	Total (1,477)	Location Type		Gender	
		Rural (1,050)	Urban (427)	Male (748)	Female (729)
Can access internet	66%	60%	82%	74%	59%
Has a touch screen	58%	51%	76%	64%	52%
Can download and install applications on the phone	58%	50%	75%	65%	50%
Can send and receive email	56%	49%	74%	63%	49%
Has QWERTY keypad- letters of the keyboard do not share a key	48%	42%	62%	50%	45%
It is a feature phone	13%	15%	8%	10%	16%
Can make and receive calls	4%	5%	1%	2%	6%
It has key buttons	3%	4%	1%	3%	4%
Can send and receive messages	2%	3%	1%	1%	3%
Don't Know/Not Specified	7%	8%	5%	6%	8%

f) Access to the internet

As seen in the previous sub-section, youth interviewed mainly owned a mobile phone that could largely access internet among other features. As shown below, a significant proportion of those interviewed indicated that they had access to the internet largely through their mobile phone (60%). Channelling relevant content through the internet would therefore reach a sizeable number of youths.

Figure 65: Access to the internet- setting and gender



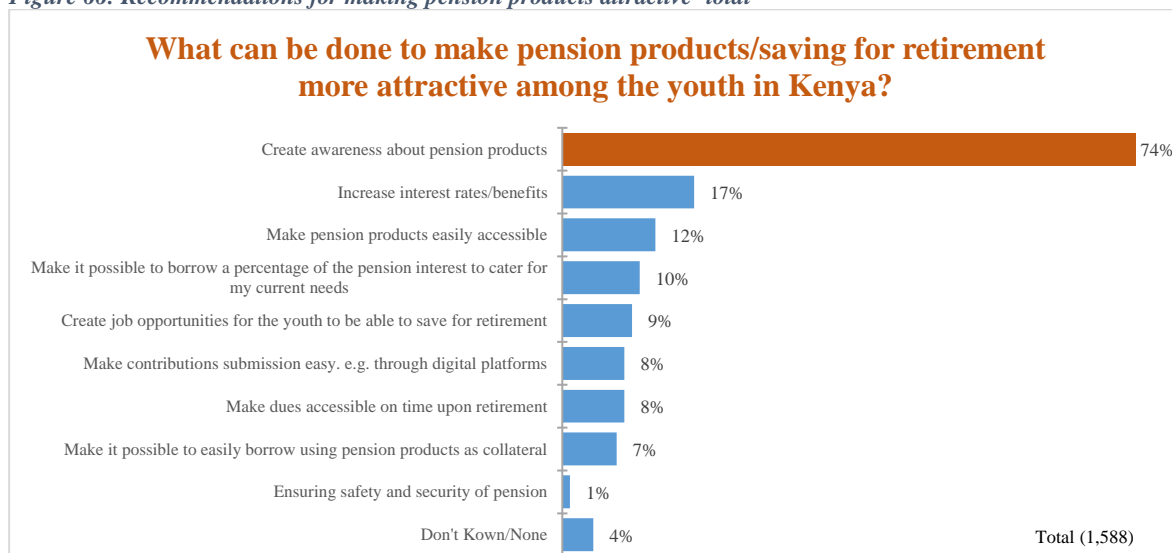
3.7 Making pension attractive to the youth

This sub-section presents recommendations from the youth on making pension attractive to the group, including topics of interest that youth would be interested in learning about, most effective channel to share content on saving for retirement, and most appropriate language to use in communication.

a) What can be done to make pension more attractive

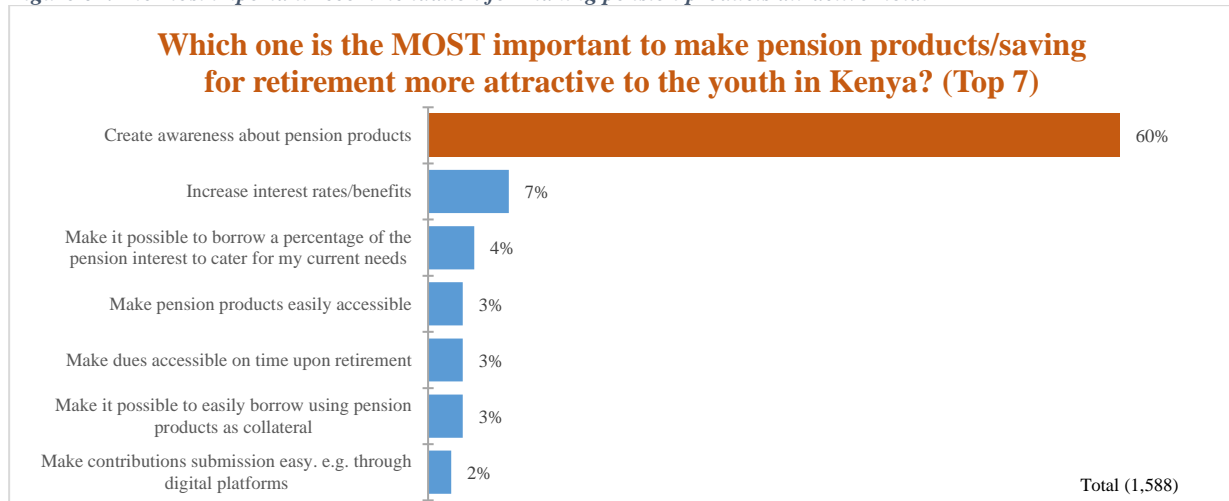
As seen in previous sections, awareness/knowledge about pension/pension products among the youth remains low. Consequently, according to the youth interviewed in the quantitative phase of the survey, awareness creation is by far (recommended by 74%) one of the most effective way of making pension attractive among youth in Kenya among other ways as shown below.

Figure 66: Recommendations for making pension products attractive- total



When asked which one of the recommendations to make pension products/saving for retirement more attractive to the youth in Kenya, awareness creation topped the list again (60%) as shown below.

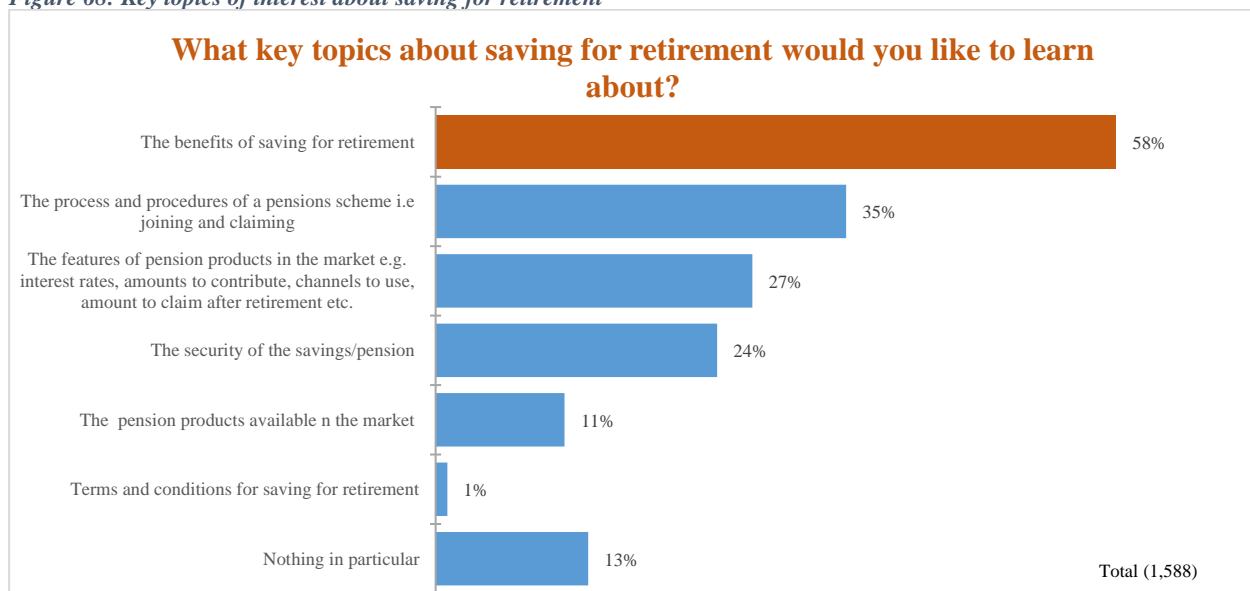
Figure 67: The most important recommendation for making pension products attractive- total



b) Key topics of interest about saving for retirement

It was observed that one of the key topics of interest about saving for retirement that the youth would be interested in learning about was the benefits of saving for retirement (mentioned by more than half of youth interviewed- 58%- as shown below). This would be one of the key topics to cover in future campaigns.

Figure 68: Key topics of interest about saving for retirement



Additionally, summarized below are some of queries asked during the FGDs, which could also form content of future messaging/inclusion in frequently asked questions (FAQs).

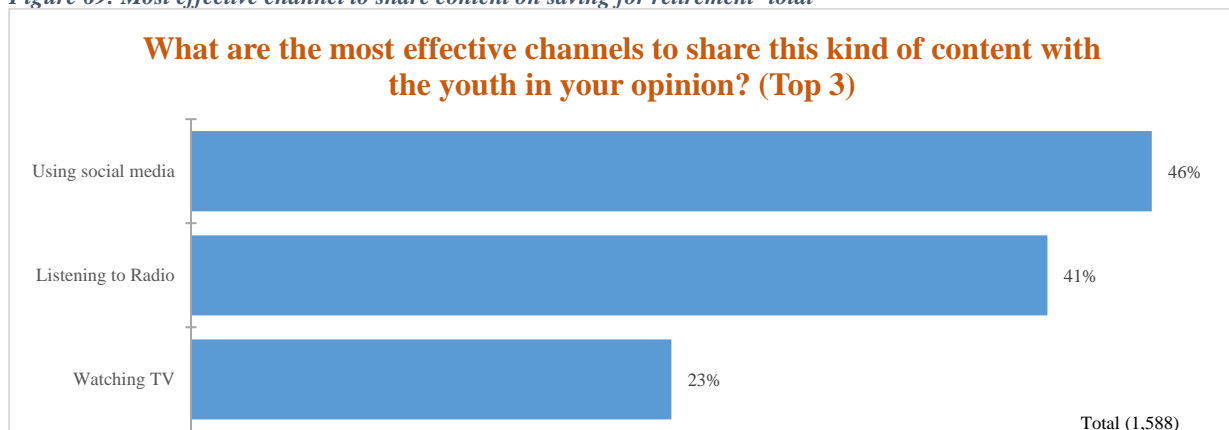
Table 29: Frequently asked questions during FGDs

Summary of sample queries asked during FGDs	
Age group	Query
15-17 years	<ul style="list-style-type: none"> - Is it 100% guaranteed that one will get their savings? - Do people earn interest from their savings? - Can it be channeled to assets? - At what age can one be allowed to get their retirement benefit? - How is the next of kin notified in case the direct beneficiary dies? - For the ones who have not opened an account with the RBA, how can they do so? - Is it only for government employees?
18-24 years	<ul style="list-style-type: none"> - How does RBA work? - What does RBA cater for/whom does it cover? - What % of my income is payable for retirement savings?
25-30 years	<ul style="list-style-type: none"> - After a period of time, can one access a loan from pension? - How does RBA motivate employees to continue saving for retirement? - How does RBA ensure that a person is not frustrated to access dues upon retirement? - Can the government make pension money tax free?
31-35 years	<ul style="list-style-type: none"> - Which is the best method for saving for retirement? - Are retirement funds payable to the contributors' beneficiaries in case they die?

c) Most effective channel to share content on saving for retirement

As seen in the preceding sections, some of the most commonly used media sources of news and information by the youth included social media sites, radio and watching television. These were also the recommended channels to use when sharing content on saving for retirement as shown below.

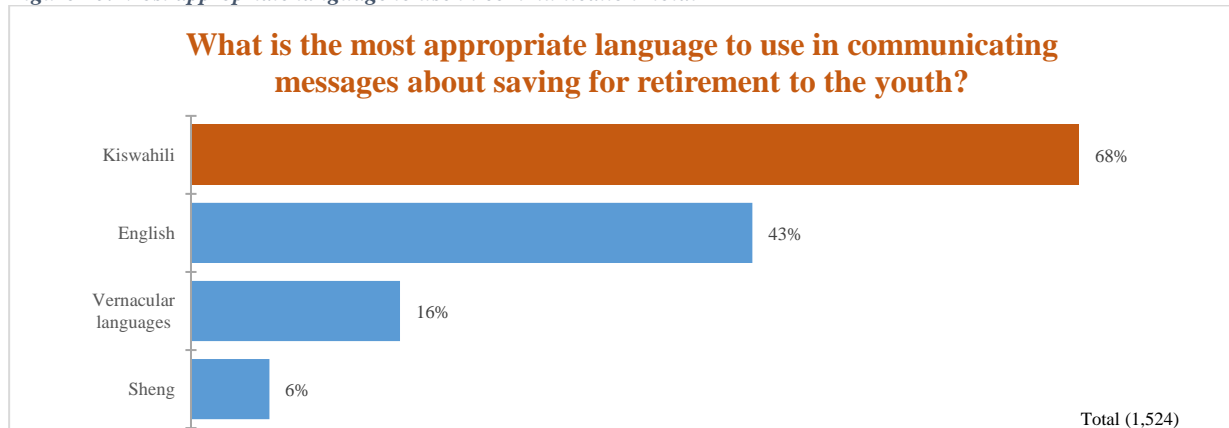
Figure 69: Most effective channel to share content on saving for retirement- total



d) Most appropriate language to use in communication

Similarly, as seen in previous sections, the commonly used languages in preferred media sources of information and news included Kiswahili, English, vernacular languages and Sheng. As shown below, more than half of the youth interviewed in the quantitative phase of the survey (68%) recommended the use of Kiswahili as the most appropriate language to use in communicating messages about saving for retirement.

Figure 70: Most appropriate language to use in communication- total



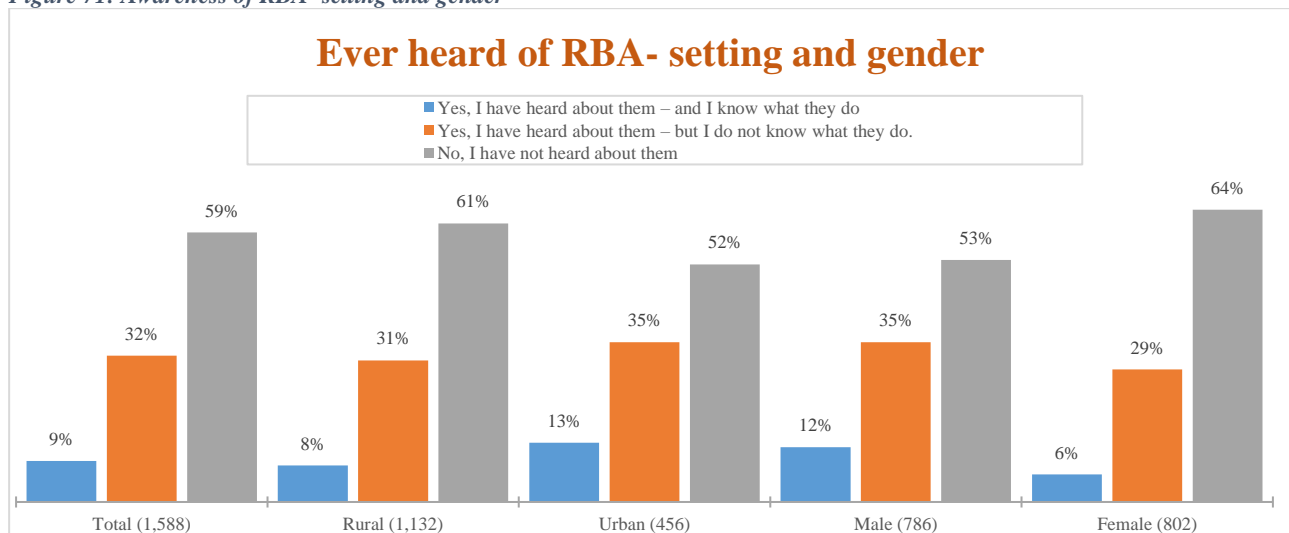
3.8 RBA Awareness and level of confidence

This sub-section of the report presents findings on awareness of RBA and the level of confidence in RBA executing its mandate.

3.8.1 Awareness

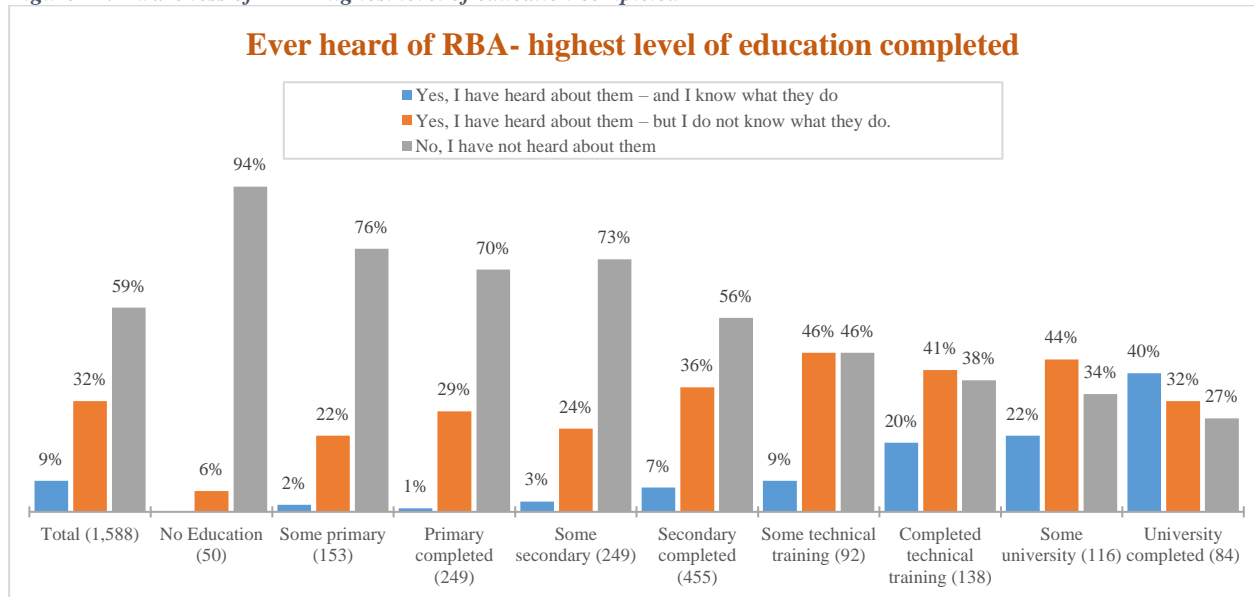
Overall, the level of awareness about RBA was observed to be low. From the qualitative phase, it was observed that awareness tended to be higher among youth with formal employment, unemployed youth, or those in informal employment largely having never heard about RBA in the past, or confusing the organizations with others such as NSSF. These observations were validated by findings from the quantitative phase of the survey, where only 9% of youth interviewed in this phase indicated that they had heard about RBA and knew what the organization does. This was more so in the urban setting (13%) and among males (12%) as shown below.

Figure 71: Awareness of RBA- setting and gender



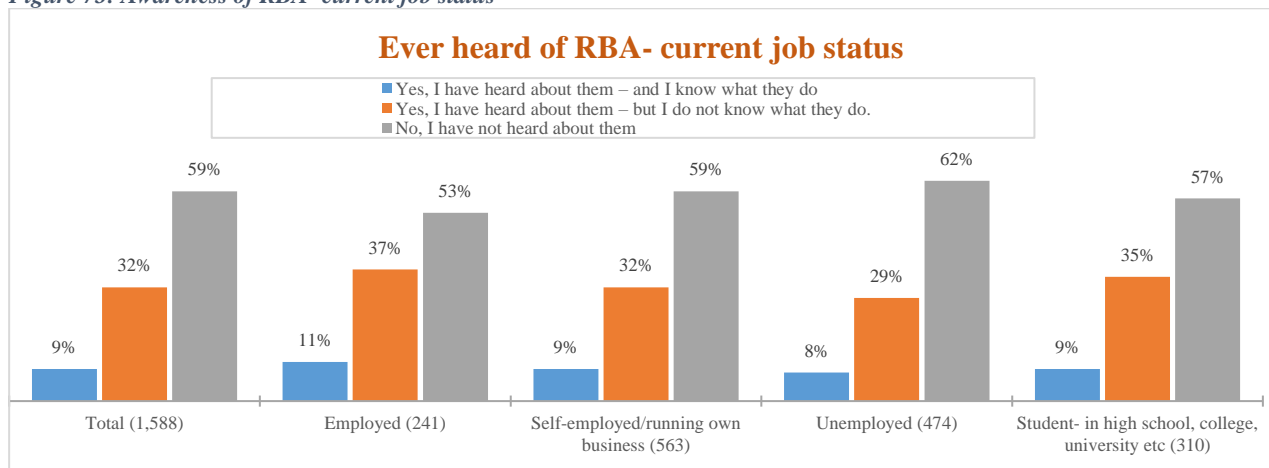
Across highest level of education completed, it was observed that awareness about RBA was highest among youth who had completed university education (40%) as shown below.

Figure 72: Awareness of RBA- highest level of education completed



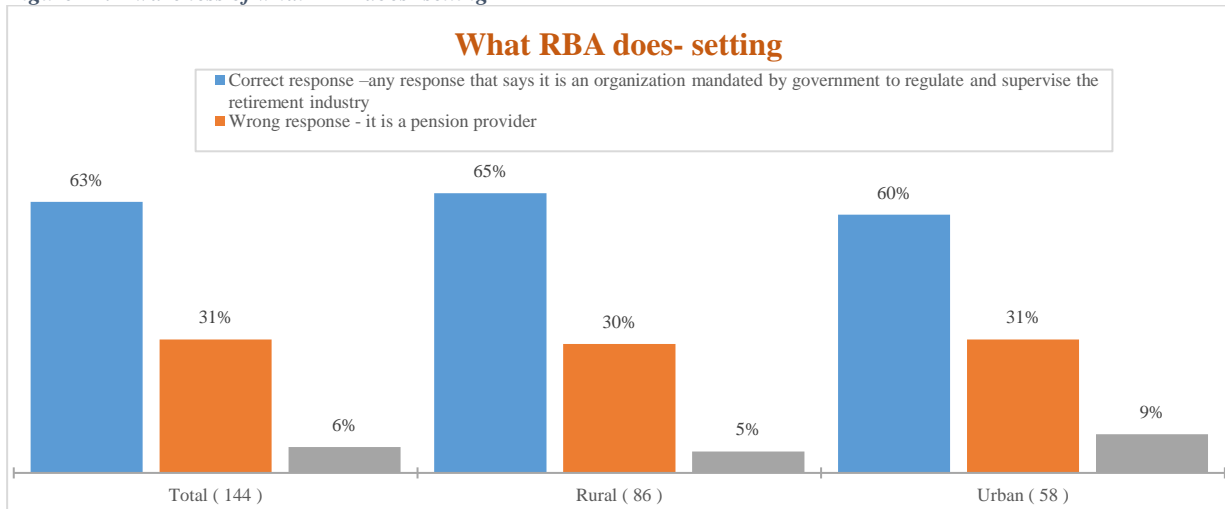
With regards to employment status, awareness about RBA was slightly higher among those who were currently employed (11%) as shown below.

Figure 73: Awareness of RBA- current job status



Despite the low awareness levels, out of those who had indicated that they had heard about RBA and knew what the organization does (9%), the majority of these (63%) were able to provide the correct response when probed as shown below.

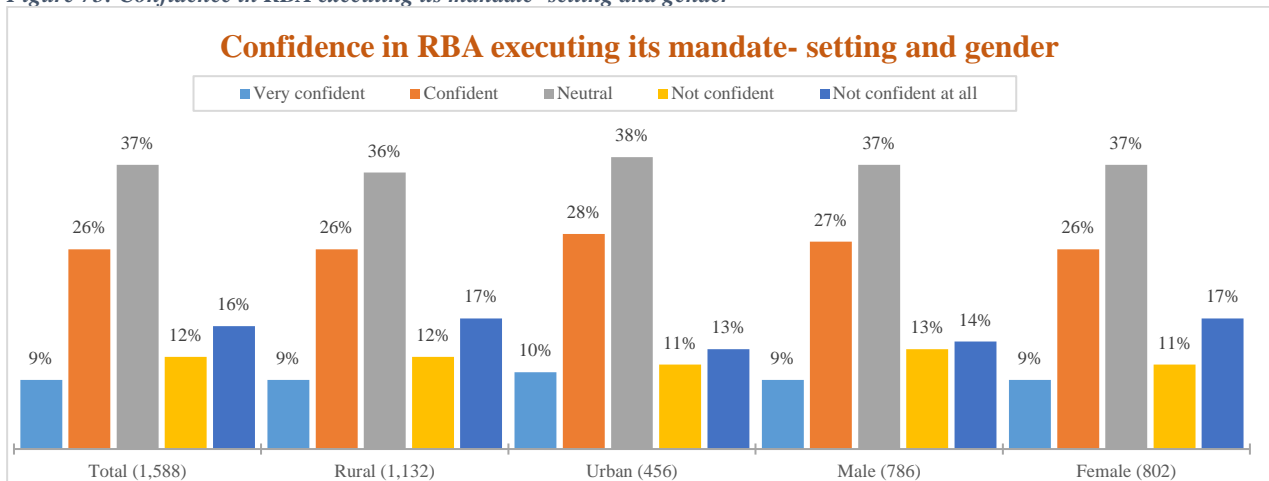
Figure 74: Awareness of what RBA does- setting



3.8.2 Level of confidence in RBA executing its mandate

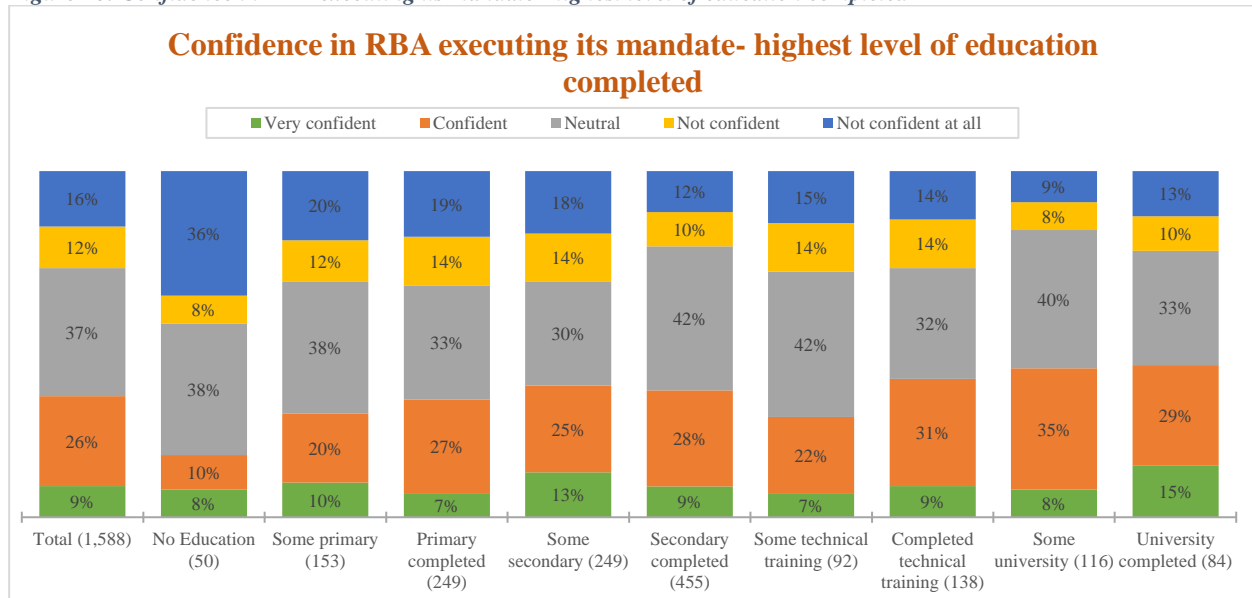
At the end of the interviewing process, youth participating in the survey were informed about what RBA is as an organization, and its mandate, and asked about their level of confidence in RBA executing its mandate. As shown below, only 35% of the indicated that they were very confident/confident, more so in the urban setting (38%), and among males (36%).

Figure 75: Confidence in RBA executing its mandate- setting and gender



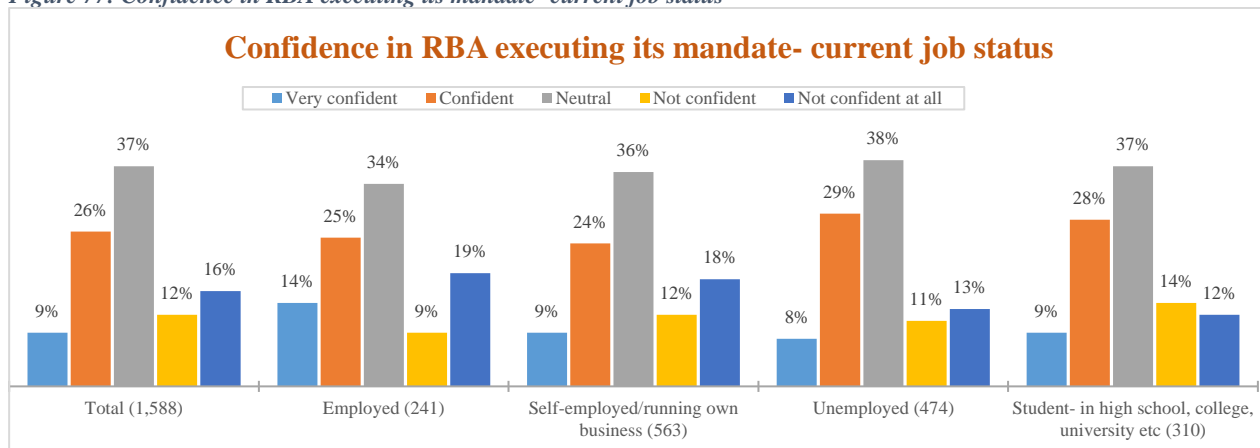
Across highest level of education completed, the level of confidence in RBA executing its mandate was highest among youth who had completed university education (44%- very confident and confident), who were also seen to have the highest level of awareness about RBA in the preceding section.

Figure 76: Confidence in RBA executing its mandate- highest level of education completed



Similarly, with regards to current job status, it was observed that the highest level of confidence in RBA executing its mandate was highest among youth who were currently employed (39%- very confident and confident) as shown below. This group also had the highest level of awareness about RBA as seen in the preceding section.

Figure 77: Confidence in RBA executing its mandate- current job status



One of the main reasons given by youth for their confidence levels in RBA’s ability to execute its mandate was noted as being the lack of awareness of what the organization does (39%) among other reasons as shown below.

Table 30: Reasons for level of confidence in

Reasons for confidence levels in RBA executing its mandate	Total (1,259)	Very confident (146)	Confident (395)	Neutral (433)	Not confident (125)	Not confident at all (160)
Not aware of their activities	39%	3%	7%	59%	62%	78%
It is a government entity	33%	54%	55%	18%	17%	13%
It serves the interest of the public	16%	30%	28%	10%	3%	1%
It creates awareness	8%	12%	11%	7%	5%	1%
There are clear procedures, processes and regulations	8%	21%	13%	4%	4%	1%
It has been in existence for long	7%	9%	9%	7%	3%	1%
High level of bureaucracy	6%	3%	3%	6%	15%	8%

This was validated from qualitative phase findings, where those who were not aware of RBA before the survey largely cited the lack of awareness as the reason for having low/no confidence in the organization executing its mandate. Additionally, some also cited the frustrations experienced by people known to them in accessing funds upon retirement as their reason for not having confidence in RBA, among other reasons as shown in the excerpts below.

Not confident of RBA...I have never heard of it... I prefer doing some research about it so as to know whether they are reliable in doing their job or not...31 to 35 years, Nyeri, informal employment

I am not confident of RBA... I have heard of people complaining of the duration of time taken to access the funds after retirement... some even die before getting their savings ...25 to 30 years, Kisumu, formal permanent employment

Not confident because the government is full of corruption and nepotism... they cannot be 100% trusted...15 to 17 years, Garissa, unemployed

Not very confident... it [RBA] being a government institution... and knowing how this country of ours operates with these leaders of ours being implicated in corruption all the time...25 to 30 years, Nyeri, unemployed

3.9 Jurisdictional comparative analysis

This sub-section of the report provides an overview of how pension is organized across various markets- including sample case studies, as well as lessons learnt to inform reforms and pension outcomes.

3.9.1 Overview

The retirement age across countries varies. Available secondary data shows that the retirement age in Sub-Saharan Africa (SSA) ranks on the lower side of the international spectrum. Majority of the countries in Africa have an official retirement age of 60 years or lower and in several countries- including Gambia, Uganda and Botswana- there are early retirement provisions which permit retirement as early as the age of 45 years. Ghana, Tanzania and Ethiopia provide the option for early retirement from the age of 55 years, while Kenya provides the option for early retirement from the age of 50 years. The average retirement age according to The Organisation for Economic Co-operation and Development (OECD)³³ is 64 years for men and 63 years for women. The pension schemes in most developing countries, such as African countries, are contributory and non-contributory pension schemes. General taxation is the major source of funding for the non-contributory pension schemes in developed countries, while in developing countries, a financial burden is placed on the governments in financing payment for social security.

According to a Pensions Outlook report by OECD (2018)³⁴, governments generally face challenges such as population ageing, low returns on retirement savings, low growth, less stable employment careers and insufficient pension coverage among groups of workers. These issues have eroded the belief that pension systems, pay-as-you-go or funded, will deliver on their promises once workers reach retirement age. While launching the 2018 Pensions Outlook report in Paris, the OECD Secretary General, Angel Gurría said that ‘pension reform remains a continuing challenge as countries need to ensure people get an adequate pension while remaining affordable.’

³³ <http://www.oecd.org/finance/private-pensions/43920158.pdf>

³⁴ <http://www.oecd.org/daf/fin/private-pensions/OECD-Pensions-Outlook-2018-Highlights.pdf>

The OECD (2018) report further notes that many countries have introduced automatic mechanisms to adjust pension benefits to economic and demographic developments, as well as default options to help people that do not want to or cannot make choices. Countries have also taken measures to strengthen safety nets to prevent old-age poverty. Regulators and policy makers have also taken steps to make regulatory and supervisory frameworks for funded pension arrangements more robust to make sure they manage people's savings in their best interest. Combining funded and pay-as-you-go pension, automatic mechanisms, and a strong safety net for pensioners improves retirement outcomes.

Highlighted below are sample case studies of how pension is organized in different jurisdictions.

3.9.2 Sample case studies of pension organization

a) Pension in India

Many of Asia's retirement-income systems are ill prepared for the rapid population ageing that will occur over the next two decades. The demographic transition- to fewer babies and longer lives- took a century in Europe and North America. In Asia, this transition will often occur in a single generation. Asia's pension systems need modernising urgently to ensure that they are financially sustainable and provide adequate retirement incomes.

As cited by OECD (2017)³⁵, workers in India are covered under the earnings-related employee pension scheme and defined contribution employee provident fund administered by the Employees Provident Fund Organization (EPFO) and other employer managed funds. Civil Employees of Central Government who joined services on or after 1st January 2004 are covered under the Defined Contribution based New Pension System (NPS). The normal pension age for earnings-related pension benefits from the Employees' Pension Scheme is 58 years with a minimum of ten years of contributions. The pension age for the earnings-related Employees Provident Fund scheme is 55 years.

³⁵ <https://www.oecd.org/els/public-pensions/PAG2017-country-profile-India.pdf>

Further, about 12 % of the workforce (or approximately 58 million people) are covered under various pension systems according to the 2011 census. Covered individuals belong to the organized sectors and are employed by the government, government enterprises, public and private sector enterprises, which are mandatorily covered by EPFO. Employers with 20 or more employees are covered by EPFO. The remaining 88 % of the workforce are mainly occupied in the unorganized sector (self-employed, daily wage workers, farmers etc.) and some are in the organized sector but are not mandatorily covered by the EPFO. For this share of the workforce, the Public Provident Fund (PPF) and Postal Saving Schemes have traditionally been the main long-term savings instruments, but these have only catered to a relatively small section of this population.

Pension for the informal sector in India

Atal Pension Yojana scheme: As captured by Ratho (2019)³⁶, the Atal Pension Yojana (APY) launched in 2015, had only 8 million beneficiaries by January 2018, accounting for less than 2 % of India's unorganised workers, which makes up 420 million. The APY is a contribution-based pension plan that enables workers to obtain an amount between ₹1,000 crore (USD.14) and ₹5,000 crore (USD.70) per month after retirement, so long as they have paid a premium for a minimum of 20 years. The scheme is meant to provide social security for unorganized workers. In order to incentivize people to enrol in this scheme, the government announced that it would co-contribute 50 % of the total contribution or ₹1,000 crore (USD.14) per annum, whichever is lower, to each eligible subscriber account, for a period of 5 years. Individuals eligible for this contribution were subscribers who had enrolled in APY between June 1, 2015 and March 31, 2016, and were not beneficiaries of any social security schemes, besides not having any taxable income.

Pradhan Mantri Shram Yogi Maan-dhan scheme: Ratho (2019)³⁷ further indicates that the government announced the Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM)

³⁶ <https://www.orfonline.org/expert-speak/will-new-social-security-schemes-provide-relief-informal-sector-57105/>

³⁷ Ibid



scheme, released with 2019-2020's budget, where ₹500 crore (USD.70 Million) was allocated to provide informal workers with the financial safety net they had been lacking. The PM-SYM is an upgrade from the APY in terms of an increase in minimum monthly pension to ₹3,000 crore (USD.42) per month. The scheme has been brought under the Unorganized Workers' Social Security Act, 2008. The Central Government will establish a pension fund to be administered for this scheme where conditions set out include: the unorganised sector worker who wishes to join the scheme shall be not less than 18 years of age and not exceeding 40 years, the worker should also have a savings bank account in his/her name and an Aadhaar number. The scheme also provides that if a pensioner has given regular contributions: and died due to any cause, his spouse shall be entitled to continue with the scheme subsequently by payment of regular contribution. The spouse can also exit the scheme by receiving the share of contribution paid by deceased subscriber along with accumulated interest. His or her spouse shall be only entitled to receive 50 % of the pension. In case of permanent disablement of a subscriber, his or her spouse will be entitled to continue with the scheme or exit by receiving the share of contribution, with interest. If one is a part of any other social security scheme and a tax payer, then he/she is not entitled for government contribution: informal workers will not be eligible for the scheme if they are covered under the National Pension Scheme, the Employees' State Insurance Corporation Scheme or Employees' Provident Fund Scheme. Workers who are under income-tax are not eligible. The strongest criticism has been directed to the strict upper limit of the entry age into the scheme being between the ages of 18 and 40 years. Such a cap prevents older workers, who have at least 20 years of work left- from the age of 40 to 60 years-, from benefiting from the monthly pension that is to be received only after they turn 60 years old.

b) Pension in Mexico

According to an OECD (2019) Economics Surveys Report focusing on Mexico³⁸, the poverty rate among people over 65 years is very high, at more than 30 %. The pension system is fragmented, and multiple pension systems cover private sector employees, different categories of public sector employees at different government levels, state-owned enterprises (SOEs), public universities and military personnel. There is no coordination across the various plans nor across the federal and local levels, even for non-contributory schemes.

Two main schemes cover the majority of formal workers. Reforms in 1997 for private sector workers (IMSS) and 2007 for public sector workers (ISSSTE) replaced the defined benefits (DB) PAYGO system by a defined-contribution regime (DC) with individual retirement accounts. These reforms have improved the capacity to finance pensions, but important challenges remain. First, the reform allowed transitional workers in the private sector to choose whether to move into the DC regime or stay in the PAYGO, which will place pressure on the budget by mid-2030. Second, low contributions to the mandatory pension system in both schemes do not guarantee pension benefits of more than 50 % of final salary. A contribution rate of 6.5 % (the average in IMSS) in the DC scheme may lead to, in the best-case scenario, a replacement rate (which measures how effectively a pension system provides a retirement income to replace earnings, the main source of income before retirement) of only 26 % for a full career average earner, the second lowest replacement rate among OECD countries.

Recent legislation, which ensures all remaining funds in the housing account (INFONAVIT) at the point of retirement are transferred to the pension system and annuitized, rather than being taken as a lump-sum, will help increase future pensions. However, as the housing account can be withdrawn during working life, there will be considerable variation in its future value. Another issue is that high rates of transition into

³⁸ <https://www.oecd.org/economy/surveys/Mexico-2019-OECD-economic-survey-overview.pdf>

and out of informality lead to low density of contributions, and many workers will not have contributed the minimum amount to be entitled a pension (1,300 and 1,250 weeks in the public and private sectors, respectively).

c) Pension in South Africa

As captured by the World Bank (2016),³⁹ while private and employment-based pension programs exist in South Africa for those who have had formal employment, for nearly three-quarters of South Africans, the means-tested non-contributory government sponsored old-age grant is the main source of income over the age of 60 years. This pension program was established in 1928 to benefit the white and coloured populations. It was modestly expanded to the black population in 1944. Only in the early 1990s did the government begin extending pension access to the majority of black South Africans. Historically, women became eligible at age 60, but until 2008 men became eligible at age 65. Between 2008 and 2010, male age-eligibility decreased incrementally to age 60. Pensions are restricted to individuals with South African identification documents (either citizen or permanent resident) who meet the means-test.

As indicated, pension in South Africa is means-tested. The OECD (2017)⁴⁰ adds that this is done with individuals having an income of under ZAR 73,800 (USD.4,945) for singles and ZAR 147,600 (USD.9,889) for couples and no more than ZAR 1,056,000 (USD.70,752) in assets for a single person and ZAR 2,112,000 (USD.141,504) for a couple. The benefit amount is up to ZAR 1,600 (USD. 107) per month for singles and ZAR 3,200 (USD.214) for couples. The benefit is increased to ZAR 1,620 (USD.109) for those aged over 75. The average contribution rate for occupational schemes is around 15 % of earnings, divided between employers and employees. It is not possible to claim the public pension before the normal eligibility age of 60. Receipt of the old-age pension is not dependent on retirement. It is therefore possible to combine pension and employment as long as the recipient's income does not exceed the means test threshold. While people are

³⁹ <http://documents.worldbank.org/curated/en/325281469593828257/pdf/107234-WP-add-series-PUBLIC.pdf>

⁴⁰ <https://www.oecd.org/els/public-pensions/PAG2017-country-profile-South-Africa.pdf>



not obliged to claim the public pension on reaching the qualifying age, there is no advantage in deferring a claim.

d) Pension in Ghana

According a World Bank report (2019)⁴¹, pension in Ghana was introduced through the National Pension Act of 2008. The pension system in Ghana has a three-tier structure, consisting of two mandatory schemes, Tiers 1 and 2, and a voluntary scheme, Tier 3. Tiers 1 and 2 cater exclusively for the formal sector. Tier 3 is open to both formal and informal sector workers. Tier 1, a mandatory defined benefit pension scheme run by the SSNIT, covers both public and formal private sector workers. Under the mandatory schemes, participants pay a contribution rate of 18.5%, out of which 13.5% is remitted to Tier 1. Of the 13.5% paid to Tier 1, 2.5% is transferred to the National Health Insurance Fund. Tier 2 is a mandatory privately managed defined contribution scheme paying predominately lump-sum benefits financed by a contribution rate of 5%. Tier 3 is a voluntary privately managed defined contribution scheme that provides tax incentives among participants and consists of the Provident Fund Scheme and the Personal Pension Scheme.

The Provident Fund Scheme is usually established by an employer as an incentive to give additional benefits to employees. Both employer and employee usually make voluntary contributions, which are also tax exempted up to 16.5% of the employee's basic salary. The personal pension schemes usually target the self-employed and the informal sector. The schemes are fully funded and make provisions for a Retirement Account (cannot be accessed until retirement) and a savings account (can be accessed after five years tax-free in case of an informal sector work and 10 years for the formal work or earlier in which case shall be taxable). There are two types of schemes: *Group Personal Pension Scheme*- which are usually for trade associations or identifiable groups in the informal sector. These come together to establish such a scheme which is often limited to members of that group e.g. Tailor Association. Membership is voluntary and contribution rates are up to 35% of

⁴¹ <https://elibrary.worldbank.org/doi/abs/10.1596/32179>

declared income. The *Personal Pension Schemes* are for individuals who are self-employed. Membership is voluntary and contribution rates are up to 35% of declared income.

Benefits from the Tier 3 (informal sector retirement account) eventually are to be paid in the form of an annuity once the annuities market is developed.

3.9.3 Lessons learnt to inform reforms

To improve the design of financial incentives to save for retirement, the OECD (2018)⁴² Pensions Outlook report recommends that tax rules should be straightforward, stable and consistent across all retirement savings plans. Aligning charges levied by pension providers on scheme members with the cost of managing retirement savings requires better disclosure, pricing regulations and structural solutions. The regulatory and legal frameworks of pension funds should be at arm's length from government. Pension funds should have clearly stated missions to guide investment policy; an oversight board that is accountable to the competent authorities and to members; and transparency about their governance arrangements and their investment and risk management to keep them accountable to different stakeholders. Automatic features, default options, simple information and choice, financial incentives and financial education can result in better retirement outcomes, given that low levels of financial knowledge and behavioural biases can lead people to make unsuitable decisions for retirement. Increased flexibility around retirement age and progressive public pensions and tax rules partly address financial disadvantages in retirement of population groups with shorter life expectancy. Policies to improve the sustainability of pension systems in light of increases in life expectancy will need to consider how those in different socio-economic and gender groups may be affected.

⁴² <http://www.oecd.org/daf/fin/private-pensions/OECD-Pensions-Outlook-2018-Highlights.pdf>

4. CONCLUSIONS AND RECOMMENDATIONS

This section presents the conclusions and recommendations observed from the survey findings.

4.1 Conclusions

Youth in Kenya comprise of a significant proportion of the population, and therefore of the workforce. The current lack of specific job-centred measures or labour market strategies to address their needs has affected their income generation capacities, and subsequent abilities to secure their future in old age. Youth with no education, living in the rural areas, and of the female gender would most likely be particularly affected. Additionally, the low awareness levels about pension/saving for retirement, and subsequent low uptake of pension services among the youth is bound to expose them to destitution in old age. This is despite the youth largely aspiring to have successful lives after working life, but which they are currently largely not preparing for.

4.2 Recommendations

The following recommendations would work towards informing reforms in the retirement benefits sector that would be beneficial to the youth to avert their destitution in old age and ease pressure on old age cash transfers to those above 70 years as envisioned by the survey:

- 1) Addressing existing gaps in the labour market, by having job-specific measures/strategies targeted at improving the employment rates among the youth. Specific measures especially addressing the following groups, which are bound to be excluded:
 - a. Youth in the rural areas
 - b. Youth with no education
 - c. Female youth
- 2) Addressing existing knowledge gaps about pension/saving for retirement among the youth. For instance, covering the following topics in future campaigns:
 - a. Benefits/importance of saving for retirement
 - b. Available channels/methods of saving for old age
 - c. Debunking myths/fears/concerns about pension/pension products

- d. Available sources of information about pension
 - e. Channels of addressing grievances on pension- regulatory framework in the pension industry
- 3) Improving financial literacy among the youth to help them make sound financial decisions. For instance, educating them about:
- a. Available source of financial education- including topics on pension/saving for retirement
 - b. Importance of budgeting/saving etc.
- 4) Improving pension product offering by providers for resonating with the youth- a needs-driven approach. For instance, have products with the following features:
- a. Flexible payment plans- aligning payments to pay dates/dates when income is likely to stream in
 - b. Mobile money payment channels
 - c. Ability to access part of the funds for emergencies etc.
- 5) Adopting communication channels/methods that resonate with the youth, and aligned to their setting (where they are likely to access information):
- a. Radio (rural/urban)
 - b. Television (urban)
 - c. Social media (urban)
- 6) Re-looking at the existing policy framework to determine:
- a. The extent to which current pension systems are sustainable with increased life expectancy. e.g. assessing the extent to which youth in different socio-economic and gender groups are excluded/barriers of uptake
 - b. Recommended policy changes/amendments to address barriers of uptake - e.g. ensuring consistency of retirement plans available in the market that are inclusive/easily accessible by youth in different socio-economic and gender groups

5. ANNEX

5.1 Demographic Information

This section of the report captures the demographic information of the interviewed respondents in the quantitative and qualitative phases of the primary data collection process. It also provides details on the profile of respondents interviewed as part of Ipsos' Media Audience Measurement Tracker (July 2019) whose findings are presented in this report as part of desk research findings.

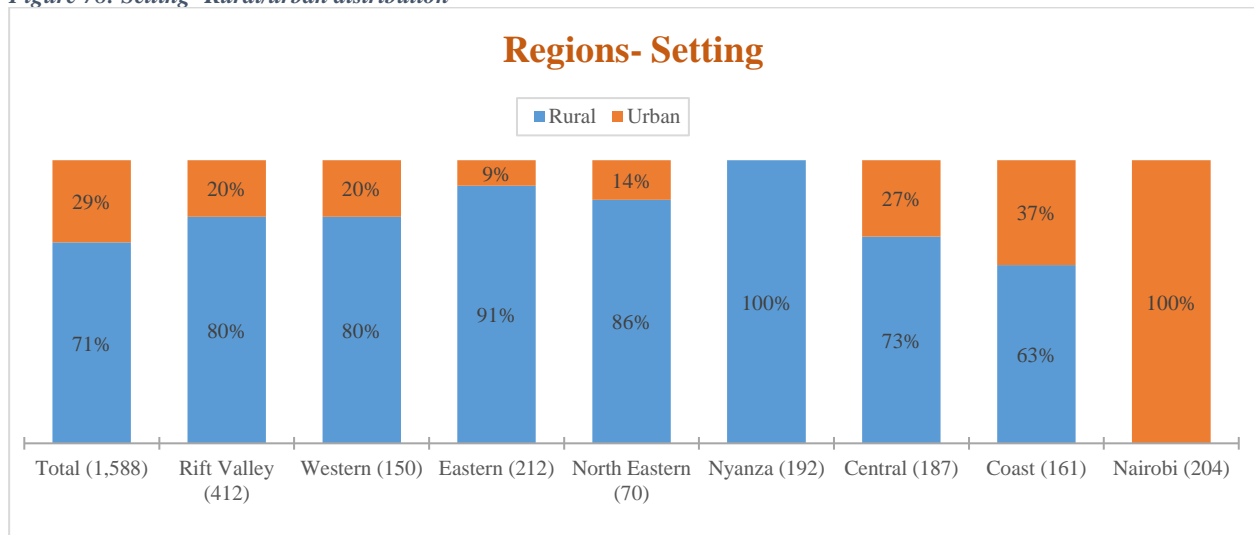
a) Quantitative phase

Presented below is the demographic information of participants interviewed in the quantitative phase, including setting, gender, highest level of education, marital status, religion, and an overview of their living standard measures.

Setting

The sampling for the quantitative phase was done to mirror the national population. Majority of youth interviewed, therefore, were residing in the rural setting (71%) as shown below.

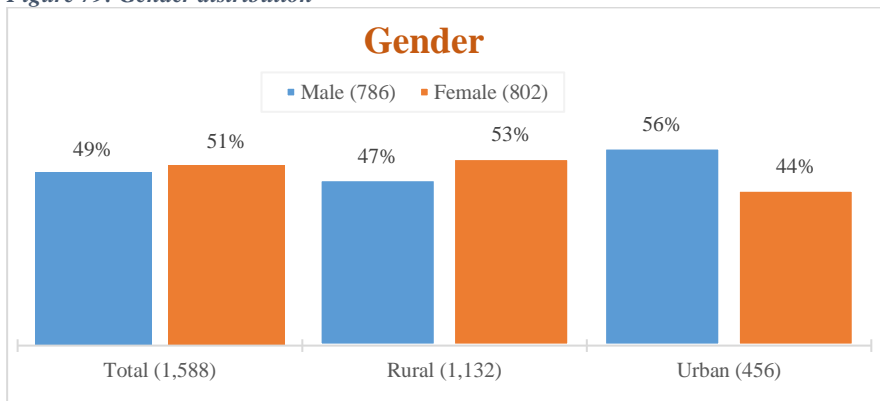
Figure 78: Setting- Rural/urban distribution



Gender

In terms of gender, a slightly higher proportion of youth interviewed were female (51%), with a slightly higher proportion of these (53%) residing in the rural areas as shown below.

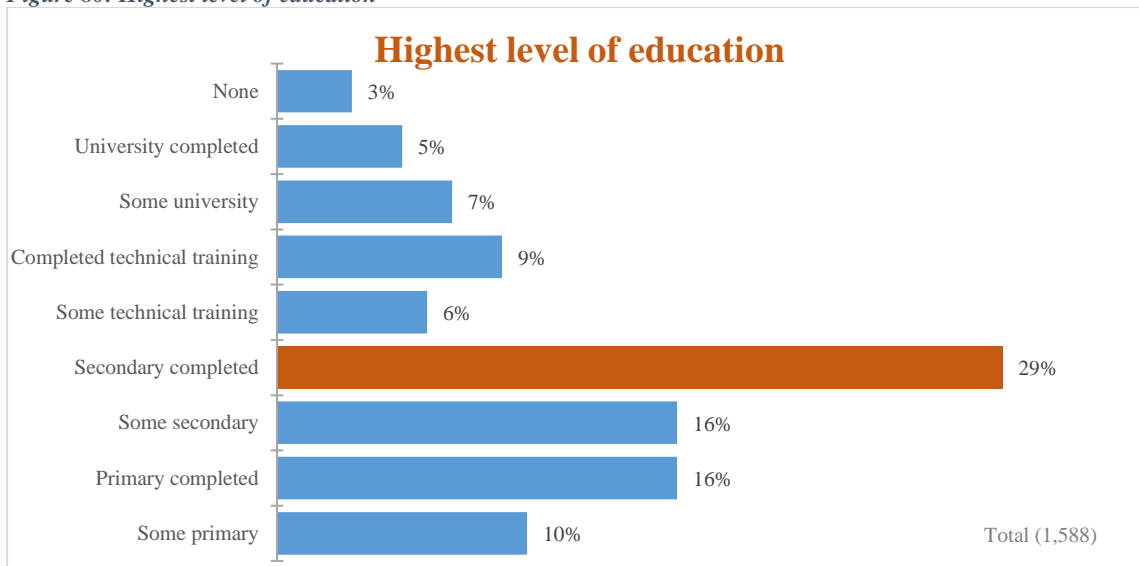
Figure 79: Gender distribution



Highest level of education

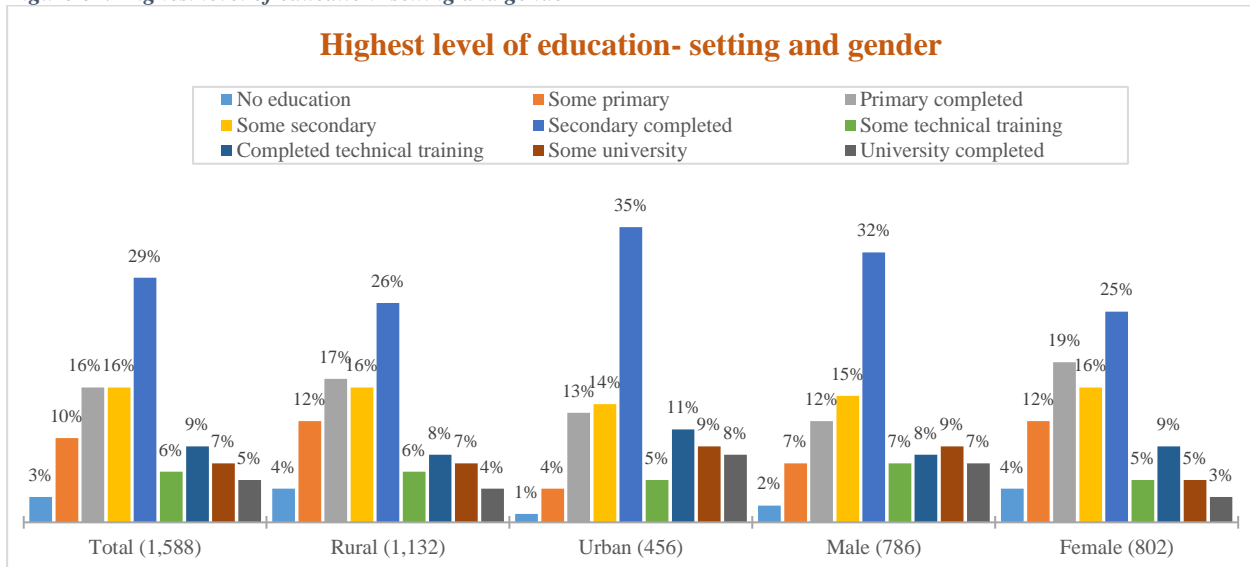
A significant proportion of youth interviewed (29%) had completed secondary as the highest level of education as shown below.

Figure 80: Highest level of education



In terms of setting and gender, a slightly higher proportion (35%) had secondary education completed in the urban areas, with a slightly higher proportion (32%) being male as shown below.

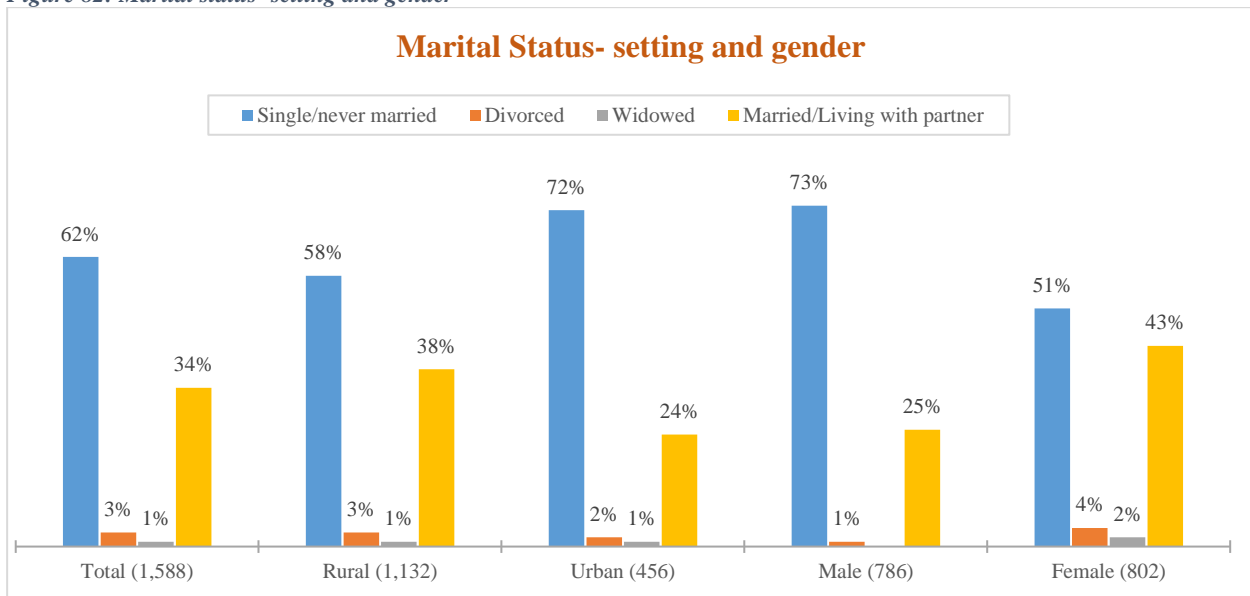
Figure 81: Highest level of education- setting and gender



Marital status

More than half of the youth interviewed were single/never married (62%) more so, in the urban setting (72%) and most (73%) were male as shown below.

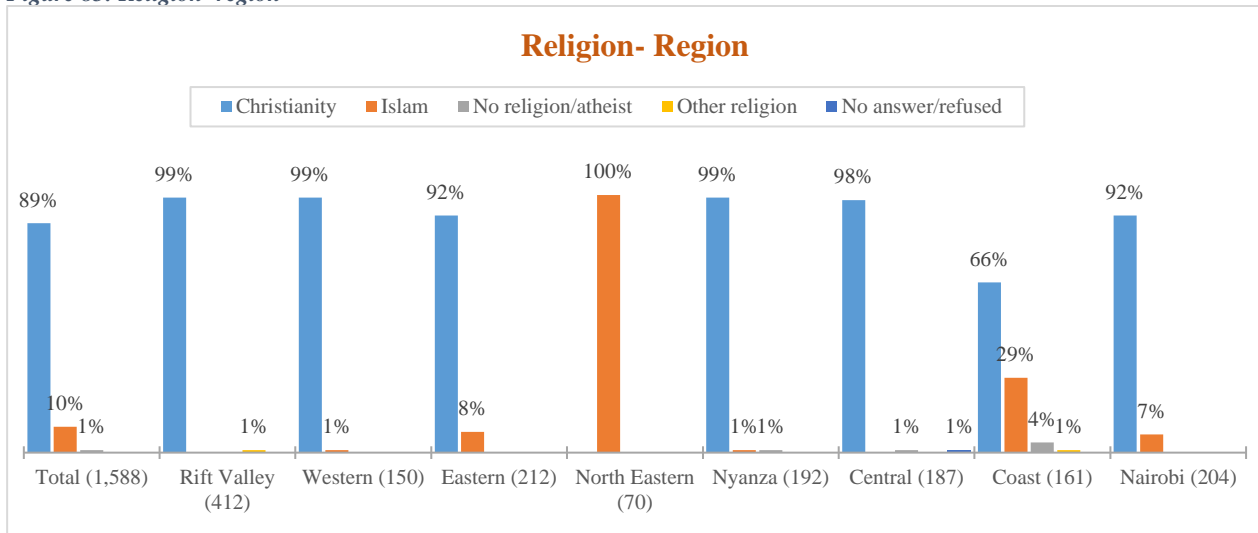
Figure 82: Marital status- setting and gender



Religion

In terms of religion, most of the youth interviewed were Christians (89%), and this was observed in all regions except North Eastern, where all of them (100%) were from the Islam religion as shown below.

Figure 83: Religion- region



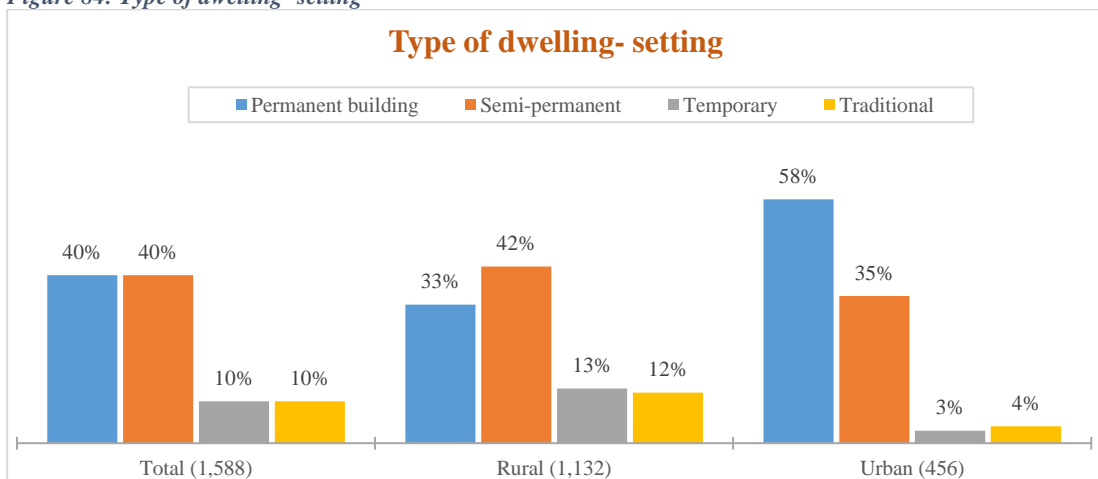
Living standards measure

Presented below are the living standards measure of youth interviewed in terms of: type of dwelling and number of rooms used for sleeping, main source of cooking fuel, main source of lighting, main source of water, main type of toilet, and ownership of household items.

i. Type of dwelling and number of rooms used for sleeping

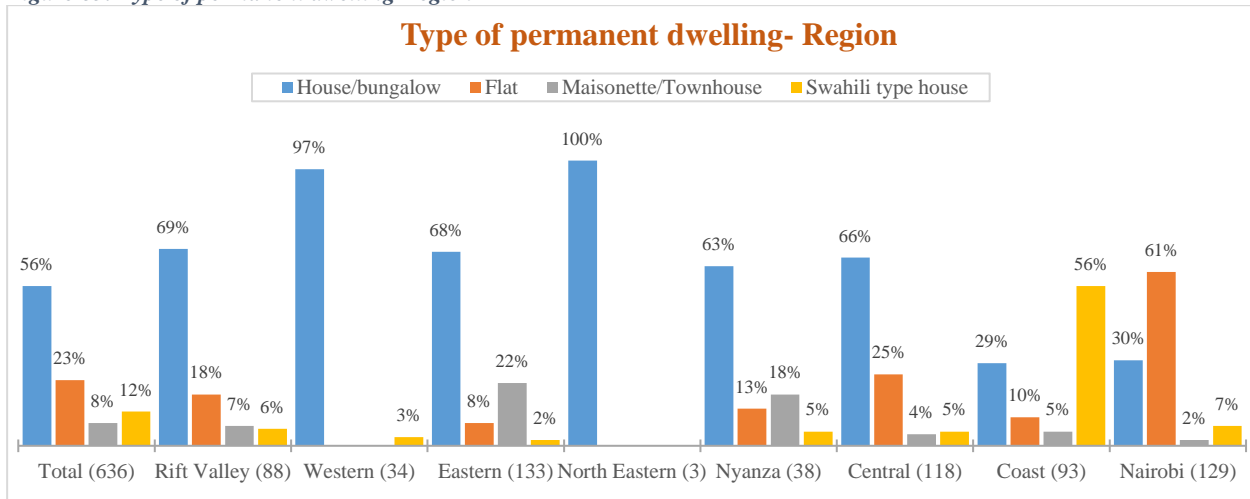
Most youth interviewed were living in permanent/semi-permanent dwellings (80%) as shown below. A slightly higher proportion of those living in permanent dwellings (58%) were in the urban setting, while a slightly higher proportion of those living in semi-permanent dwellings (42%) were in the rural setting as shown below.

Figure 84: Type of dwelling- setting



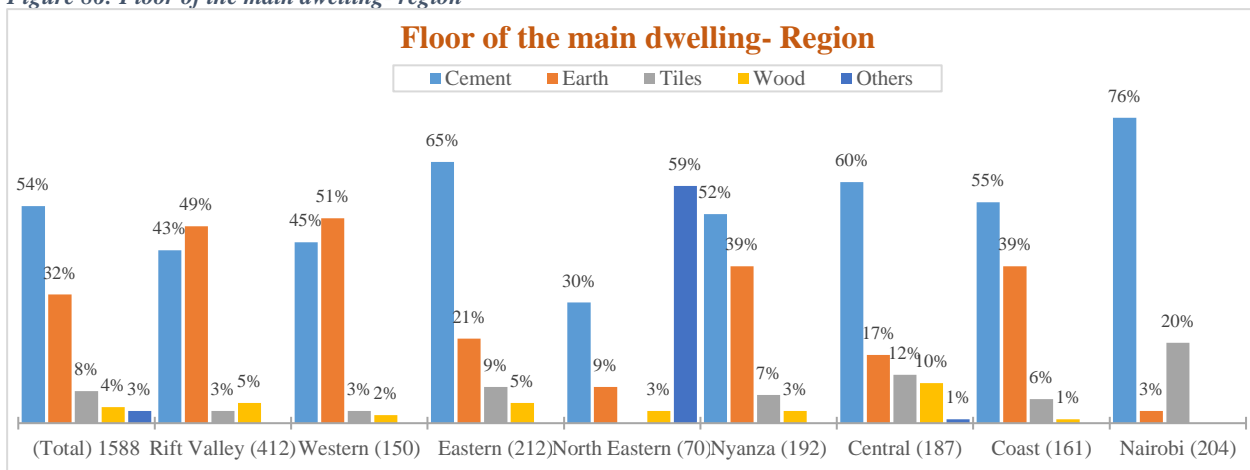
More than half of those living in permanent dwellings were largely living in a house/bungalow (56%), more so in Western (97%) and North Eastern (100%) as shown below.

Figure 85: Type of permanent dwelling- region



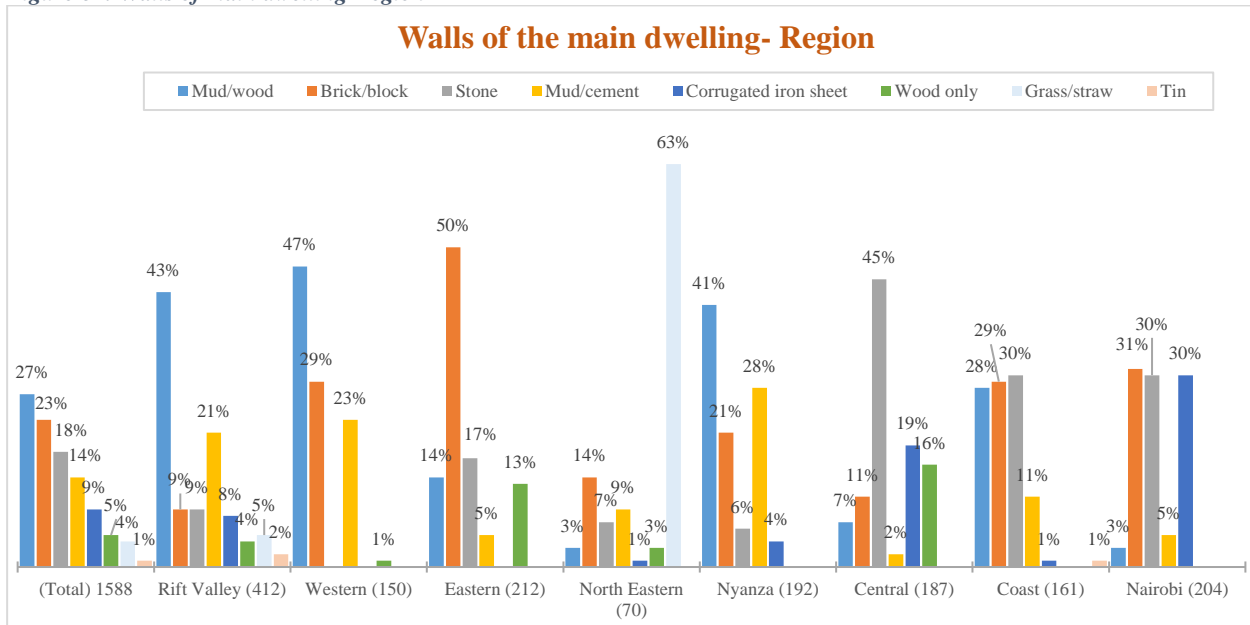
The floor of the main dwelling where youth were living was largely made of cement (54%), more so in Nairobi (76%) as shown below.

Figure 86: Floor of the main dwelling- region



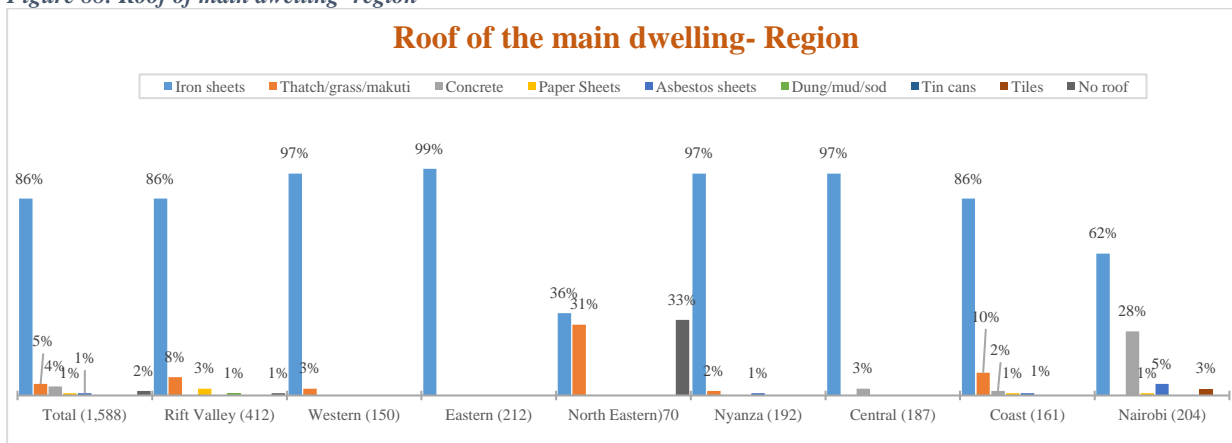
The walls of the main dwelling were largely made of mud/wood (27%) and brick/block (23%). Dwellings where walls were largely made of mud/wood were largely in Western (47%), while dwellings where walls were made of brick/block were largely in Eastern (50%) as shown below.

Figure 87: Walls of main dwelling- region



The roof of the main dwelling where youth were living was mainly made of iron sheets (86%) as shown below.

Figure 88: Roof of main dwelling- region



On average, 2 rooms in the main dwelling where youth interviewed lived were used for sleeping as shown below.

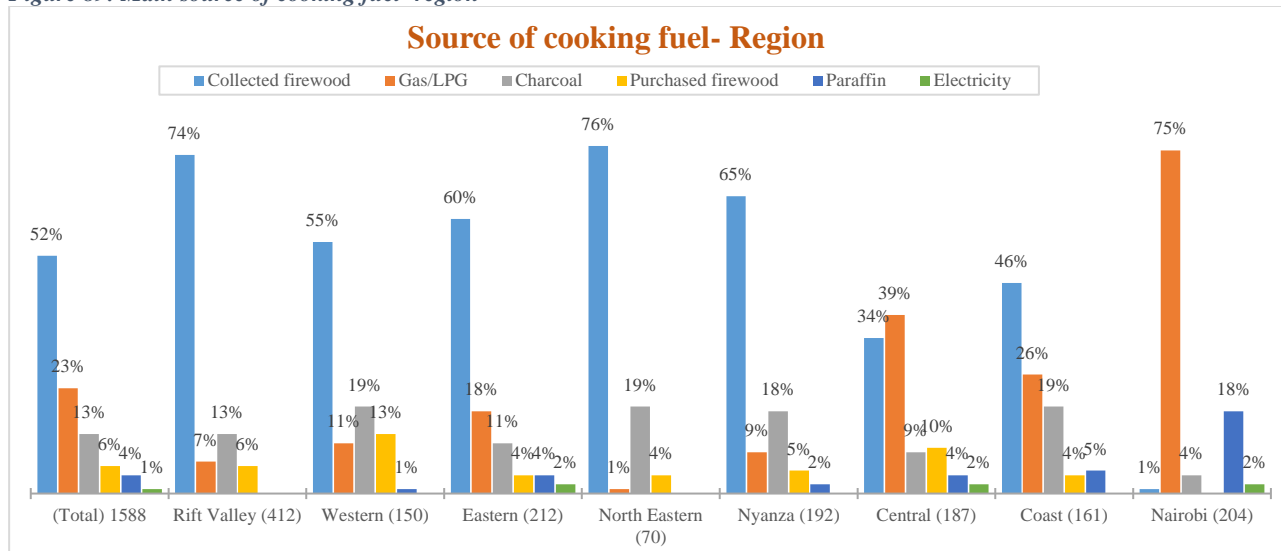
Table 31: Average number of rooms used for sleeping

Average number of rooms used for sleeping in dwelling	
Total (1,588)	1.94
Rift Valley (412)	2.09
Western (150)	2.17
Eastern (212)	1.89
North Eastern (70)	1.83
Nyanza (192)	2.01
Central (187)	2.1
Coast (161)	1.98
Nairobi (204)	1.36

ii. Main source of cooking fuel

With regards to the main source of cooking fuel, and noting that the largest sample of youth interviewed were in the rural areas, collected firewood was reported to be the main source of cooking fuel by more than half of those interviewed (56%) in most regions. In Nairobi and Central regions, however, gas/LPG was reported by significantly higher proportions; 75% and 39% respectively as shown below.

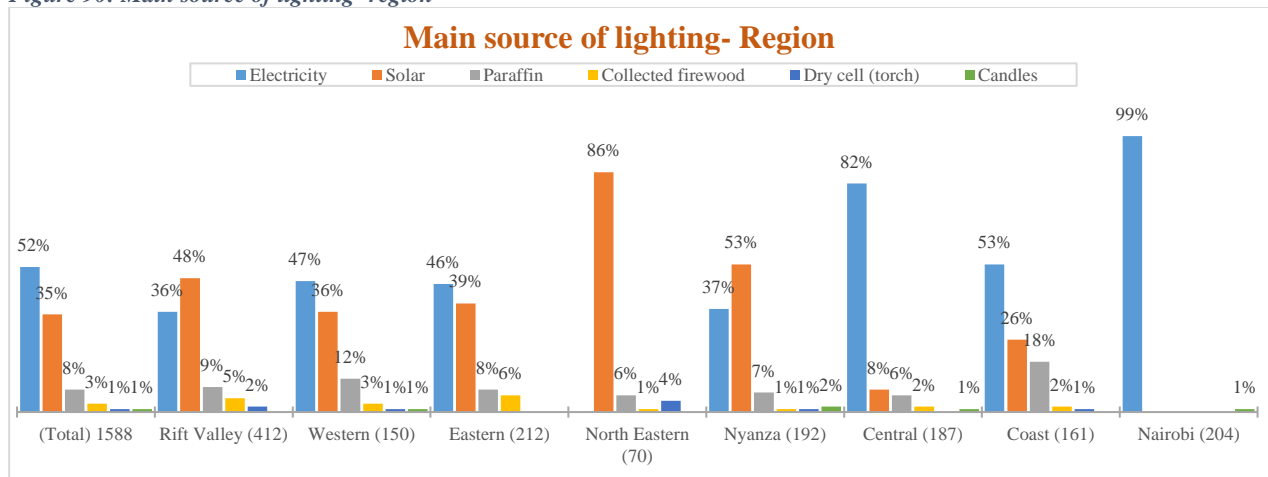
Figure 89: Main source of cooking fuel- region



iii. Main source of lighting

More than half of the youth interviewed were using electricity as the main source of lighting (52%). In North Eastern and Rift Valley regions, however, solar was the main source of lighting; 86% and 48% respectively as shown below.

Figure 90: Main source of lighting- region



iv. Main source of water

A significant proportion of youth interviewed indicated that their main source of water to the household dwelling was from a river/pond/stream (21%) more so in the rural areas (28%) as shown in the table below.

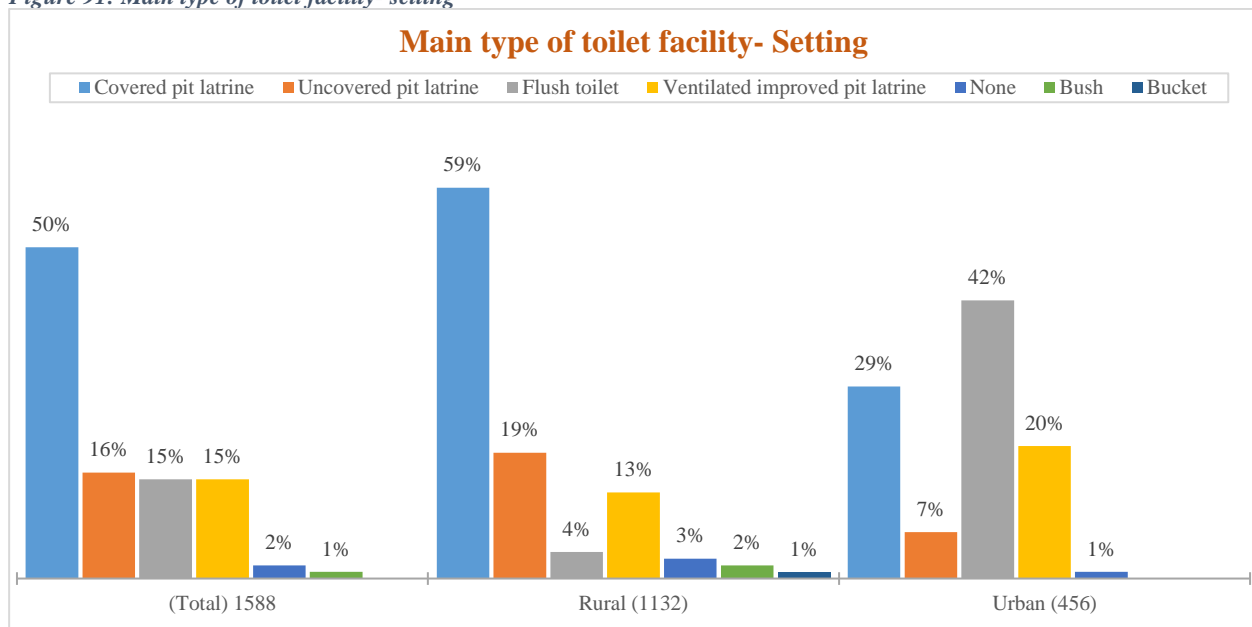
Table 32: Main source of water- setting and region

Main Source of water for the household	Total (1,588)	Location Type		Region								
		Rural (1,132)	Urban (456)	Rift Valley (412)	Western (150)	Eastern (212)	North Eastern (70)	Nyanza (192)	Central (187)	Coast (161)	Nairobi (204)	
River/ponds/streams	21%	28%	6%	29%	17%	27%	1%	47%	18%	7%	-	
Tube/well/borehole with pump	14%	16%	9%	12%	23%	20%	54%	19%	7%	-	4%	
Piped into dwelling	13%	9%	21%	8%	1%	15%	1%	4%	20%	14%	31%	
Piped into plot/yard	13%	9%	25%	5%	6%	14%	-	2%	35%	16%	29%	
Public tap	13%	9%	22%	10%	7%	6%	-	4%	6%	43%	24%	
Protected dug well	13%	15%	9%	23%	30%	5%	39%	5%	8%	1%	1%	
Unprotected dug well/springs	5%	6%	2%	4%	4%	6%	4%	7%	-	14%	1%	
Protected spring	3%	4%	-	2%	11%	2%	-	6%	-	-	-	
Rainwater collection	3%	4%	2%	5%	1%	3%	-	6%	3%	4%	-	
Tankers/Truck/Vendor	2%	1%	4%	1%	-	3%	-	-	2%	-	9%	

v. Main type of toilet

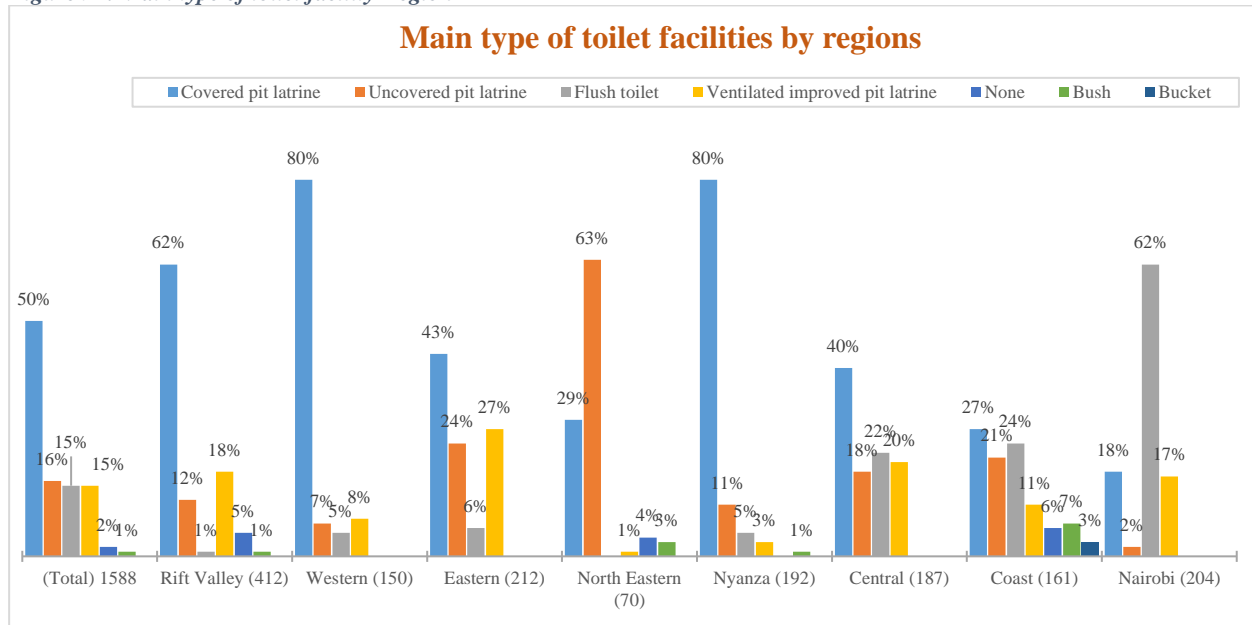
Half of the youth interviewed (50%) indicated that the main type of toilet in accessible by their household was a covered pit latrine, more so in the rural areas (59%) as shown below.

Figure 91: Main type of toilet facility- setting



Across the regions, no significant variations were observed, except in Nairobi, where a flush toilet was reported by more than half of those interviewed in this region (62%) as shown below.

Figure 92: Main type of toilet facility- region



vi. Ownership of household items

Most of the youth interviewed reported owning a frying pan (81%) among other household items as shown below.

Table 33: Items owned by household- setting and region

Items owned by household	Total	Location Type		Region							
		Rural (1,125)	Urban (454)	Rift Valley (410)	Western (150)	Eastern (211)	North Eastern (69)	Nyanza (192)	Central (185)	Coast (159)	Nairobi (203)
Frying Pan	81%	78%	89%	90%	86%	83%	-	68%	96%	65%	99%
Towel	76%	72%	89%	79%	65%	84%	10%	80%	89%	58%	95%
Mosquito Net	75%	77%	68%	73%	86%	76%	99%	95%	46%	85%	58%
Radio with no other components	72%	75%	65%	74%	75%	90%	32%	85%	75%	65%	55%
Colour TV set	53%	45%	71%	41%	49%	49%	1%	55%	76%	47%	80%
Solar Lamp	41%	50%	18%	55%	40%	38%	90%	65%	11%	36%	7%
Electric Iron	27%	18%	49%	15%	19%	18%	-	27%	38%	38%	60%
VCR/DVD player	24%	18%	39%	17%	11%	28%	1%	21%	45%	10%	48%
Charcoal Iron	20%	24%	12%	25%	31%	21%	9%	39%	14%	13%	-
Motorcycle	18%	20%	13%	25%	19%	22%	4%	20%	15%	14%	7%
Bicycle	17%	16%	18%	16%	14%	16%	-	23%	15%	23%	18%
Desktop/laptop computer	15%	10%	26%	9%	6%	9%	-	18%	22%	9%	39%
Built-in kitchen sink	13%	6%	30%	3%	5%	8%	-	10%	18%	16%	44%
Refrigerator	8%	4%	18%	1%	1%	8%	1%	7%	9%	12%	26%
Car	5%	4%	6%	4%	0%	6%	-	4%	10%	1%	10%
Microwave oven	4%	1%	11%	-	2%	3%	-	1%	3%	4%	19%
Black and White TV	3%	4%	2%	5%	5%	6%	-	4%	3%	-	-
Electric stove and oven	3%	1%	8%	1%	1%	2%	-	2%	5%	4%	13%
Camera	3%	2%	4%	2%	2%	2%	6%	3%	1%	1%	6%
Vacuum cleaner	1%	-	1%	-	0%	0%	-	1%	-	1%	2%
Free standing deep freezer	1%	1%	2%	-	1%	1%	-	2%	1%	3%	2%
Fixed telephone line (landline)	1%	1%	1%	1%	0%	1%	-	-	1%	1%	1%

b) Qualitative phase

The demographic profile of participants in the qualitative phase was pre-determined as described in the Technical Approach and Implementation section of this report. This is summarized in the table below.

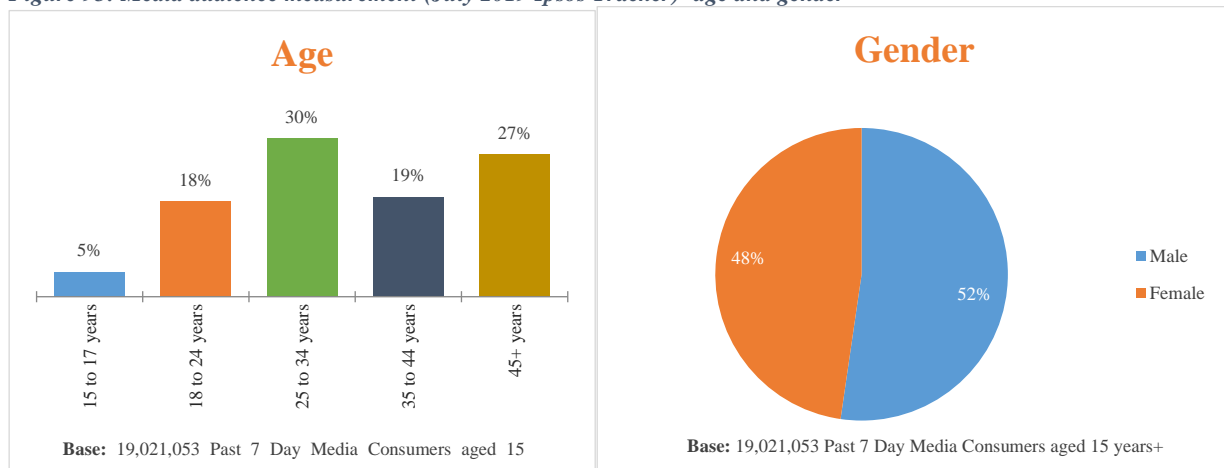
Table 34: Demographic profile- Qualitative phase participants

Region	Setting	Groups	Description	Age band	Gender
Nairobi	Urban	Group 1	Formal- temporary/short-term	18-24 years	Mixed- 3, males, 3 females
		Group 2	Unemployed	15-17 years	Mixed- 3, males, 3 females
Mombasa	Urban	Group 3	Informal	15-17 years	Mixed- 3, males, 3 females
		Group 4	Formal- permanent & pensionable	18-24 years	Mixed- 3, males, 3 females
Kisumu	Urban	Group 5	Formal- temporary/short-term	18-24 years	Mixed- 3, males, 3 females
		Group 6	Formal- permanent & pensionable	25-30 years	Mixed- 3, males, 3 females
Nyeri	Urban	Group 7	Informal	31-35 years	Mixed- 3, males, 3 females
		Group 8	Unemployed	25-30 years	Mixed- 3, males, 3 females
Busia	Urban	Group 9	Informal	25-30 years	Mixed- 3, males, 3 females
		Group 10	Formal- permanent & pensionable	31-35 years	Mixed- 3, males, 3 females
Garissa	Urban	Group 11	Informal	25-30 years	Mixed- 3, males, 3 females
		Group 12	Unemployed	15-17 years	Mixed- 3, males, 3 females

c) Ipsos Media Audience Measurement Tracker- Audience profile

The Ipsos media audience measurement tracker survey (July 2019), targeted a nationally representative panel of past 7 days media consumers (radio, television, internet, newspapers and magazines) recruited in November 2018 and engaged in surveys afterwards. The July 2019 Tracker Survey (from which findings in this report are based) comprised of a panel of 19,021,053 panellists, both male and female, aged 15 years and above. The proportion of persons aged 25 to 34 years was slightly higher (30%) as shown below. Male panellists were also slightly more (52%) than females (48%).

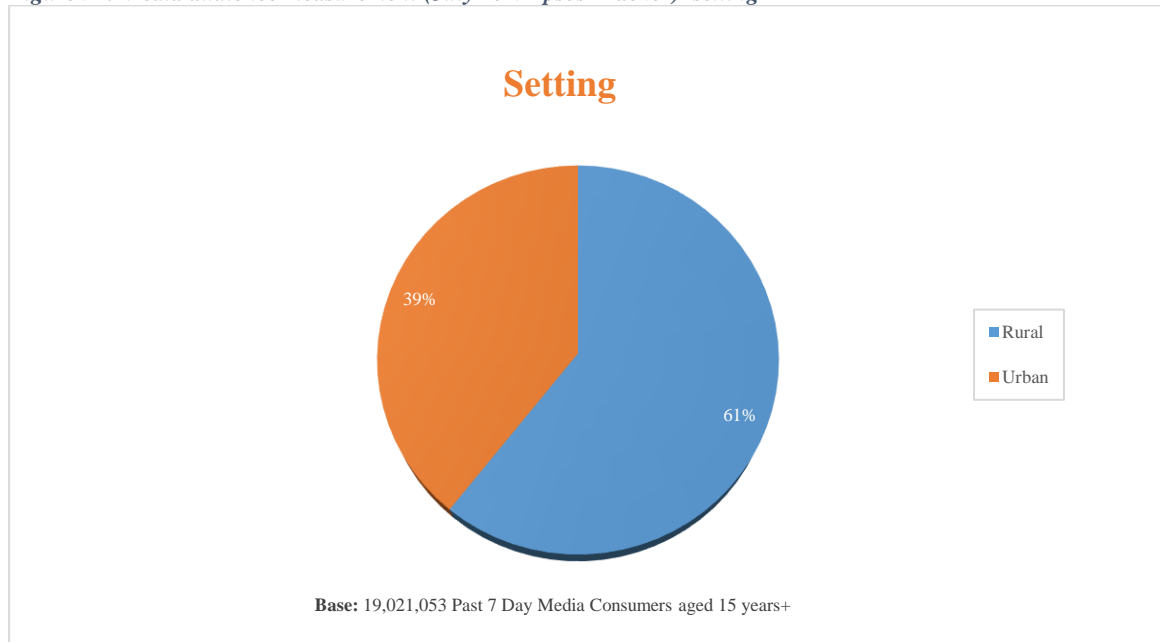
Figure 93: Media audience measurement (July 2019 Ipsos Tracker)- age and gender



Additionally, noting that this was a nationally representative survey, the distribution of those interviewed mirrored the population distribution in Kenya, with those in the rural

setting comprising of 61 %, while those in the urban setting made up 39 % of the panellists as shown below.

Figure 94: Media audience measurement (July 2019 Ipsos Tracker)- setting



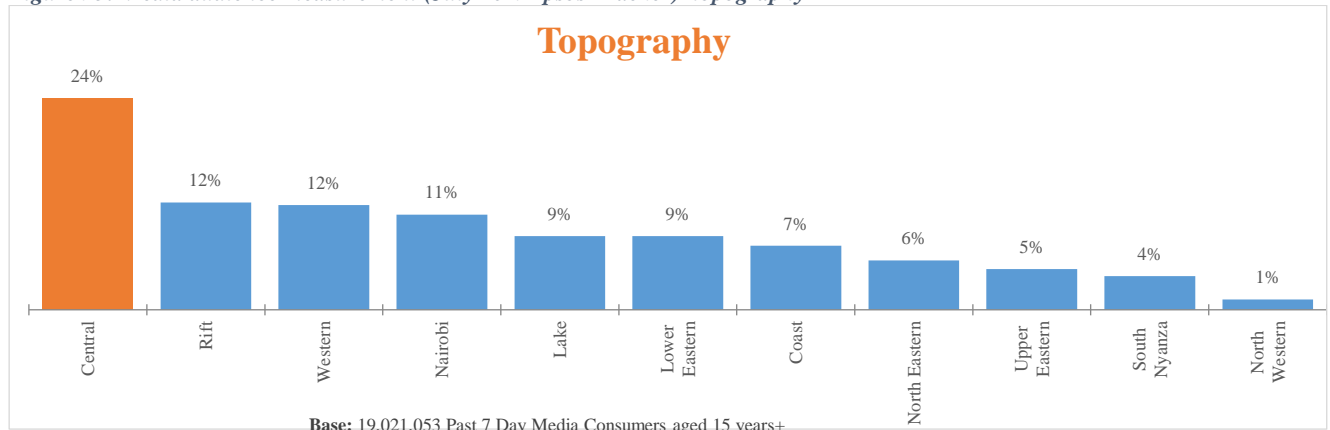
Ipsos defines a topography as a cluster of counties with established homogenous radio listening habits. There are currently 11 identified media topographies as shown in the table below.

Table 35: Media audience measurement (July 2019 Ipsos Tracker)- topography definition

Topography	Counties
Nairobi	Nairobi
Central	Embu, Kajiado, Kiambu, Kirinyaga, Laikipia, Muranga, Nakuru, Nyandarua, Nyeri
Coast	Mombasa, Tana River, Kwale, Lamu, Kilifi, Taita Taveta
Lake	Siaya, Migori, Kisumu, Homa Bay
Lower Eastern	Kitui, Machakos, Makueni
North Eastern	Garissa, Mandera, Wajir
North Western	Marsabit, Turkana, Samburu
Rift	Baringo, Bomet, Elgeyo Marakwet, Kericho, Nandi, Narok, Uasin Gishu
South Nyanza	Kisii, Nyamira
Upper Eastern	Meru, Tharaka
Western	Bungoma, Busia, Kakamega, Trans-Nzoia, Vihiga, West Pokot

The topography of the July 2019 Media Audience Measurement panel was as shown in the figure below, with Central comprising of a higher proportion (24%).

Figure 95: Media audience measurement (July 2019 Ipsos Tracker)- topography



5.2 Qualitative Research Findings- Summary

Attached herewith is a summary of findings from the qualitative phase.



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- 2003 Document

5.3 References (desk research sources)

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5.4 Data collection tools

Attached herewith are the data collection tools used in the survey implementation.

i. Desk research guide

As indicated in the scope of work, some of the information areas will be sought through review of secondary materials. These are summarized below and will guide the desk research process.

Scope of work	Methodology/approach
Assess the structure of employment in Kenya with an emphasis on distribution of the youth across sectors i.e. formal vs. informal sector: sector wise vis agriculture, manufacturing, transportation, information and communication, financial and insurance activities, construction, accommodation and food services etc.	- Desk research
Establish experiences, perceptions, attitudes , and challenges that are faced by the youth in saving for retirement	- Desk research
Conduct a jurisdictional comparative analysis on the patronage of the youth to retirement benefits and identify potentialities in the Kenyan context, lessons from different jurisdictions to inform reforms in the sector that will enable youth to save for retirement	- Desk research
Establish preferred communication modes including language useful for the promotion of the youth to save for retirement	- Desk research (media consumption)

ii. Quantitative survey questionnaire



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iii. FGDs discussion guide



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iv. FGDs screening questionnaire



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v. Consent form



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vi. Confidentiality agreement



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