



Pakistan

Country Report | October 2018



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Approach

Existing approaches to segmentation typically focus on demographic and narrow product-specific usage metrics to identify and market to key consumers groups; however this approach is often insufficient to understand and segment underserved markets

Traditional segmentation approaches drive a strong market and product focus for FSPs...

Many FSPs segment the market using demographic and contextual aspects of the consumer:

- Age
- Gender
- Profession
- Location
- Education

This allows the FSP to design products and marketing approaches tailored to the broad needs and attributes of that segment, e.g.:

- Exciting marketing and cheap entry products for youth consumers
- Products supporting particular needs of women
- Specific products applicable only to farmers—e.g. crop insurance

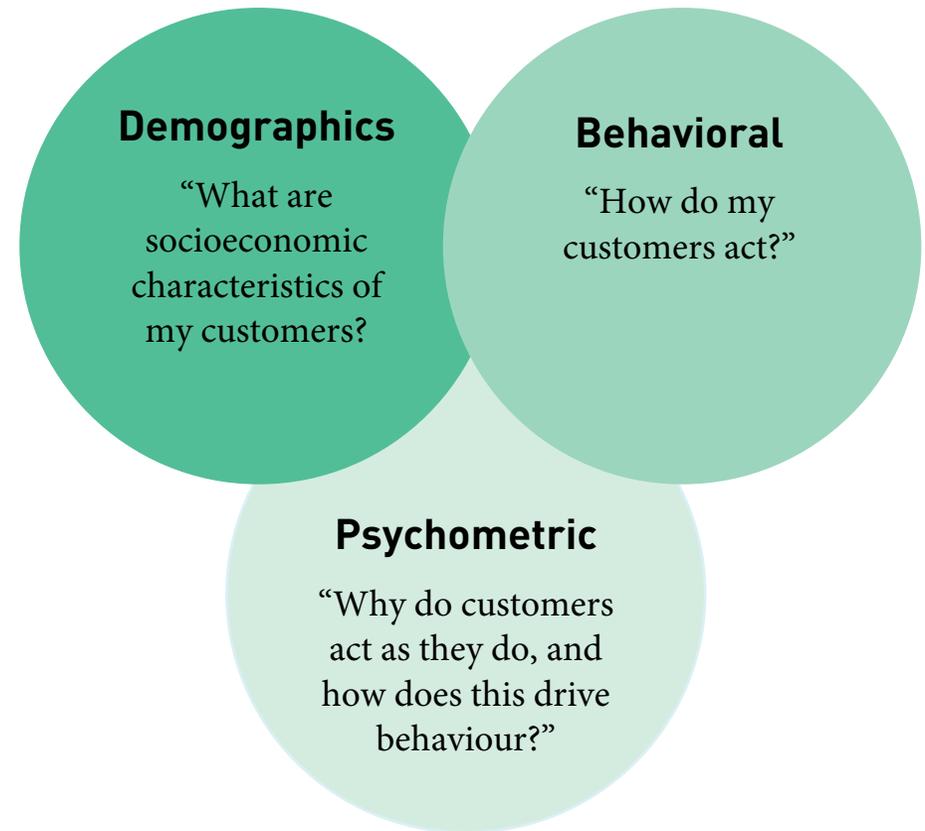
...But despite their benefits, they can underserve some target consumers

- Evidence of failure from non-solution-led approaches
- While these variables are easy to identify, they can overlook important patterns which would help target consumers more effectively
- Few actors combine different types of variables to develop a more complete picture of their current and potential customer base
- They can lead actors to overlook high potential customers or misidentify their needs, and invest in products and channels that sometimes miss the mark
- To drive financial inclusion, a deeper understanding of BoP consumers—how they differ as a whole and within traditional segments—can help FSPs produce more effective market interventions

We have developed a novel approach to segmentation that integrates contextual, behavioral, and psychometric variables

We integrated three variable types into our segmentation approach to expand the information about BoP consumers, strengthening typical approaches to segmentation

- We seek to improve the understanding of currently underserved groups, finding nuances and differences between people that may not be clear from their contexts alone
- Our aim is not to *replace* existing segmentations, but to *augment and strengthen* FSPs' current market approaches: allowing FSPs to better reach their target consumers in the BoP, and offer more suitable products to them



Better understanding of underserved customers can help the private sector better design and target tailored services, thereby expanding provision overall; it can also help development actors and policy makers create more effective programs, policies and regulations

**Better target
and design
marketing
efforts**

**Improve
product
strategy
and design**

**Enhance
loyalty and
promotional
campaigns**

**Improve
selection of
beneficiaries**

**Better tailor
interventions
to beneficiary
needs**

Benefits for financial service providers (FSPs)

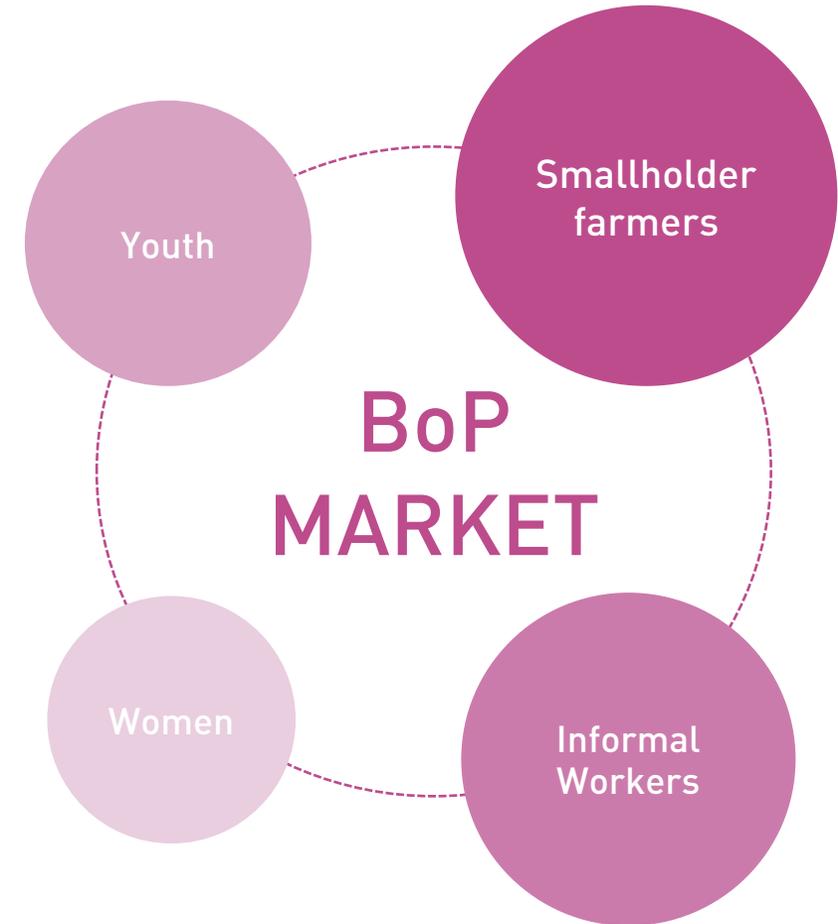
Benefits for development actors and policy makers

Overlaying an existing demographic segmentation with our approach can deliver rich insights into how increasing the customer uptake, use and retention of products

Overlaying a segmentation using behavioral and psychometric approaches with FSPs' existing segmentation strategies can unlock opportunities to drive market share— reaching people that a broad demographic approach to the market may not reach or energize

FSPs will likely find their targets distributed throughout our segments, though likely more concentrated in some of the segments – this will help identify similarities and differences of people within FSPs' target populations, especially among the BoP, leading to better product design and marketing

For example, an FSP targeting youth who had seen success with urban wealthy youth can understand where products and marketing approaches will and will not translate easily to BoP young people



Demographic segments reach deep into the BoP market

Our approach incorporates methods from multiple research and analysis methods, such as human centered design and behavioral science

Customer segmentation research and analysis process

HCD insights and participant profiles

Survey design and implementation

Segmentation and data analysis

Desk research and stakeholder engagement

For the survey, we developed questions covering contextual, behavioral and dimensions and topics

[1] These are non-exhaustive sets of topics [2] These are constructed in the data using combinations of questions on the topic. These questions are in the form of statements, which respondents react to [3] Drawn and adapted from major financial inclusion surveys such as Findex

Context

Selected Dimensions/Topics

Age
Gender
Household context
Education
Source/s and amount of income
Asset ownership

Example Questions

- What is your relationship to the household head?
- Do you own a feature phone?
If so, personally or with someone else?
- What is your primary source of income?
- Do you have a secondary source of income?
If so, what?

Behavioral

Selected Dimensions/Topics

How individuals:
Engage with the community
Manage their day-to-day lives
Seek advice
Respond to risk³
Manage their financial lives

Example Questions

- Please let me know where you find valuable and trustworthy information on financial matters
- How often do you, personally, send money using your mobile money account?
- Suppose somebody close to you gains a lot of wealth and decides to give you a gift. Please tell us how much you would spend on family, save in a bank, keep at home, spend on a future expense or spend on equipment

Psychological

Selected Dimensions/Topics

Self-efficacy
Conscientiousness
Trust in people
Respect for authority
Dependability
Safety of savings²

Example Questions

- Example statements: Rate each of these statements on a scale of 1 to 5 with 1= strongly disagree, 2= disagree, 3=neutral, 4=agree and 5=strongly agree:
- You always return a favor. [Dependability]
 - Most people can be trusted. [Trust]
 - When I get what I want, it's usually because I worked hard for it [Locus of control]

FINANCIAL LIFE IN CONTEXT

Emerging Economies

People's financial lives in emerging economies look both similar and different to those in advanced economies. While the people's **needs and aspirations** are similar, the **contextual realities** that drive behaviors and strategies look very different. Below we detail some of these:

1. **Low and unreliable informal incomes:** earned primarily through informal sector work create major challenges to managing cash flow
2. **Limited access to public services and safety net:** hinders people's ability to mitigate risk and deal with financial shocks
3. **Centrality of social networks for financial management:** personal relationships and social networks are at the core of people's financial lives

4. **Limited efficacy of social networks for financial management:** limited size and scalability of social networks constrains their ability to provide financial services, especially credit and insurance
5. **Marginal utility of most formal financial services:** formal services play a limited role in most people's financial lives, especially people who work in the informal sector
6. **Hybrid financial behaviors and multi-functional financial tools:** people's financial management strategies are holistic and their behaviors are deeply interlinked; they value the multi-functional financial tools commonly provided through social networks, which cut across traditional financial product categories

FINANCIAL HEALTH

in Emerging Economies

We grounded our approach to customer segmentation in the concept of **financial health**, recognizing that it enables us to generate a more realistic and actionable understanding of people's financial lives than is possible using a product or inclusion lens.

We believe products and services designed to strengthen people's financial health are more **salient and valuable** in the eyes of consumers, **expand markets** and ultimately **maximize customer lifetime value** for providers, and are more likely to drive **human development outcomes** we seek.

People are financially healthy when their financial tools and strategies enable them to consistently **meet basic day-to-day needs**, develop and **pursue financial and economic opportunities**, and withstand and **recover from financial and economic shocks**.

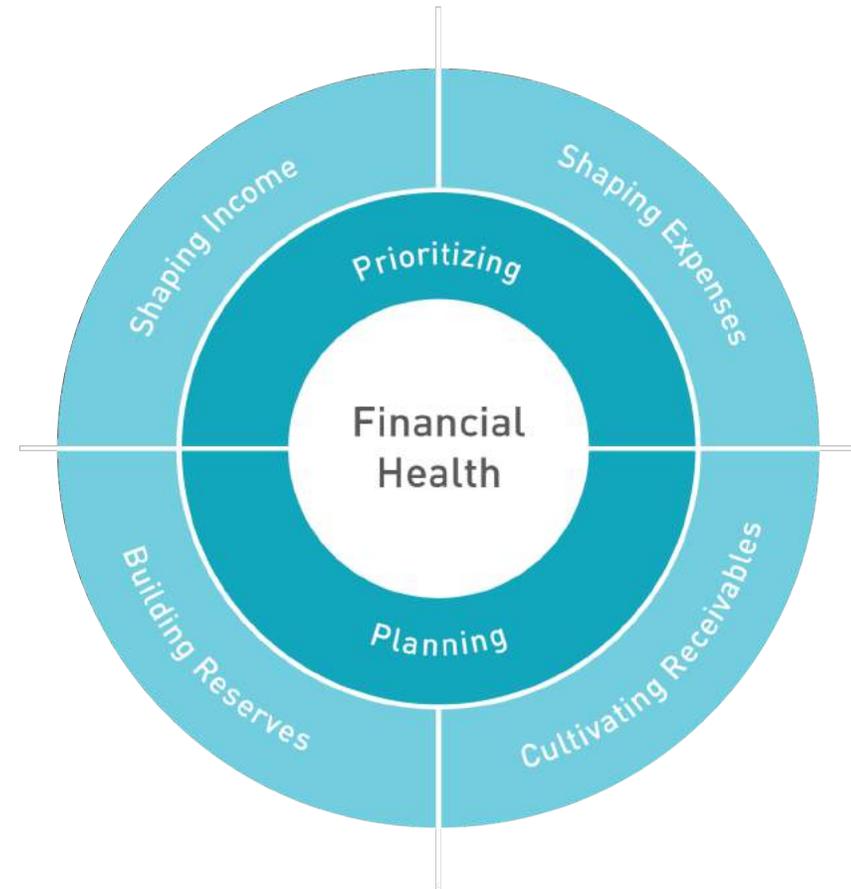


FINANCIAL BEHAVIOR in Emerging Economies

To make financial health actionable for providers and practitioners alike, we developed a **behavioral model** to describe and measure the financial behaviors and strategies people use in pursuit of financial health.

We grounded our segmentation approach in this behavioral model to better understand and describe differences in how people manage their money.

We built contextual and psychometric measures into our segmentation model to compliment our behavioral analysis, recognizing that circumstance, personality, and social norms play a big part in shaping people's financial behavior and ultimately their financial and economic outcomes.



FINANCIAL BEHAVIOR

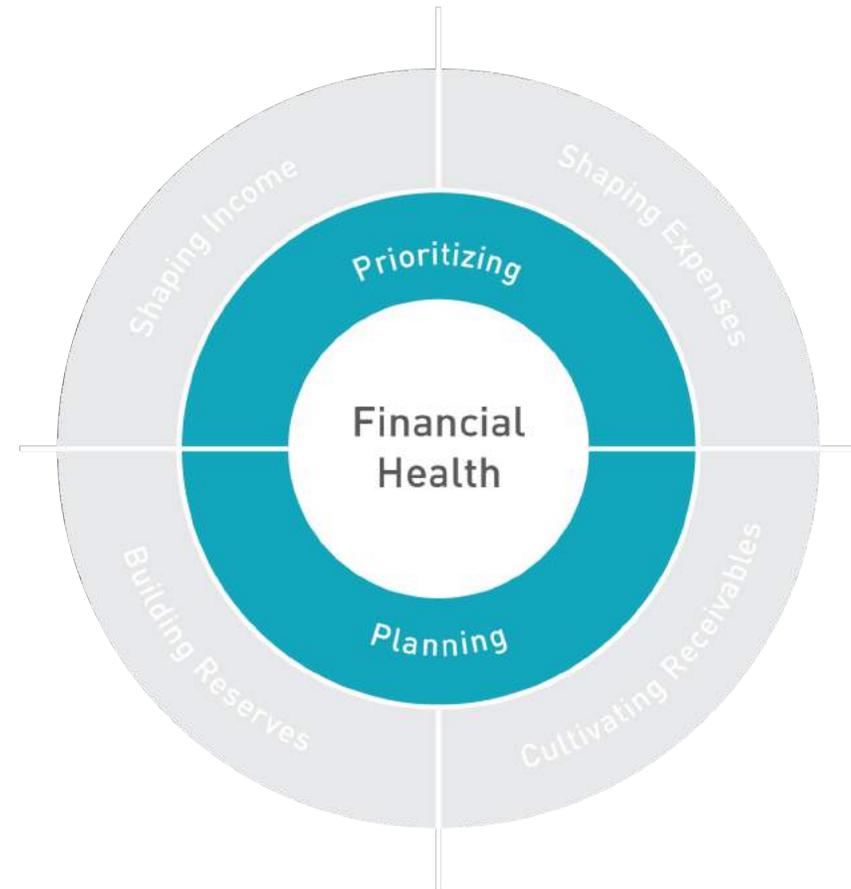
in Emerging Economies

PRIORITIZING

People have virtually **unlimited needs and aspirations**, yet finite financial resources. Whether deliberately or not, people prioritize the use of their financial resources to strike a balance between the two. **Financial priorities are constantly evolving**, shifting as their social, economic, and financial realities change. **Financial stress** often overwhelms people's ability to set and pursue clear priorities, and forces them to pare back to focus only on their most urgent needs.

PLANNING

Most people plan their finances. Whether their plan spans one day, one week, or one year, they deliberately shape their income, build reserves, and cultivate receivables to achieve their priorities. People use a range of planning strategies with **varying levels of complexity and concreteness**, employing a wide financial instruments. **Long-term planning** can improve people's ability to achieve their financial priorities, increases resilience, and reduces their financial stress. **Financial stress** can reduce planning capacity and limit people's attention to their most urgent needs.



FINANCIAL BEHAVIOR

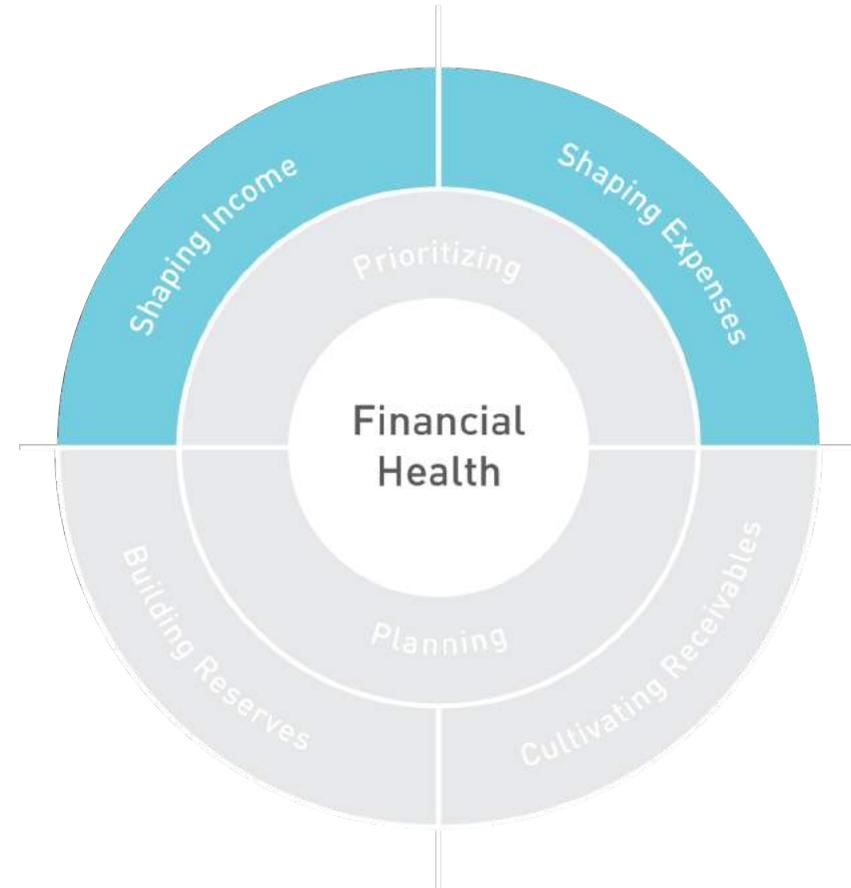
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SHAPING INCOME

People shape income to better meet needs and aspirations. They work to determine the **size and timing** of earnings, and improve income **reliability**, in a manner that best covers expenses.

SHAPING EXPENSES

People shape expenses to better meet needs and aspirations, manipulating expense size and timing **to better match expected income**. Many low- income families run small businesses and manage both household and business expenses together.



FINANCIAL BEHAVIOR

in Emerging Economies

BUILDING RESERVES

Reserves are a person's **net wealth** (including all assets), available **labor potential**, and **social capital**. People build reserves by storing value in a manner that balances their unique needs for financial liquidity, security, and returns. People who establish some level of foundational reserves are better positioned to effectively manage their finances, pursue aspirations, and deal with the unexpected. Establishing a **foundational reserve** often is a **transformational moment** in a person's financial life, instilling self-confidence and opening up many new possibilities, tools, and strategies.

CULTIVATING RECEIVABLES

Receivables are the financial resources a person can obtain, but does not currently hold. This includes all forms of **formal and informal credit**, and **social contributions** from their community in times of need. People cultivate receivables by growing and securing income, building reserves to establish formal and informal credit, and making investments in the social safety net afforded by their network. The **social safety net** pools risk and provides people limited support in select times of acute need. Its strength is related to a person's social status and the size and quality of their social network.



To analyze the psychometrics, we then combined questions to capture attitudes identified in the desk research and through the qualitative research

SELF-PERCEPTION

- Locus of control
- Progress in past 5 years
- Confidence in the future
- Self-efficacy
- Self-esteem

FINANCIAL ATTITUDES

- Perceived simplicity of financial services
- Conscientiousness
- Impulsivity
- Openness
- Deliberateness of savings
- Attitude towards saving
- Safety of savings
- Dependability
- Comfort with debt

COMMUNITY BONDS

- Trust in people
- Trust in social financial networks
- Belief in community's willingness to offer support for education and business
- Perceived equality within the community

INSITUTIONAL TRUST

- Trust in banks
- Trust in media
- Trust in government
- Respect for authority

GENDER ATTITUDES

- Financial management skills
- Financial openness in the family
- Financial education norms
- Observed gender bias in finance
- Technology skills

Segments



Careful Hustlers

19% of adult pop | 24.5 million

Mostly male heads of household, Careful Hustlers are self-confident and want to invest. However, they struggle with the highest income volatility, making it difficult to save and plan for expenses, resulting in unpaid bills and financial emergencies. Yet, they still manage to borrow and do so relatively frequently, albeit primarily through family, which may ease their anxiety around holding debt. They have the lowest confidence in their ability to raise emergency money, and have typically relied on community to do so. They distrust people and banks, and while their overall rates of formal account ownership are low, those who own accounts use them frequently.



Pragmatic Providers

19% of adult pop | 24.5 million

Pragmatic Providers are mostly middle to high SES, rural, married men who with primary or secondary education, Nearly all men in the segment identify as primary decision makers in the household, whereas most women do not. They are Pakistan's most infrequent savers and borrowers, but among its most financially resilient. They mainly manage their money through family, but own and use formal accounts at high rates for Pakistan. They have a strong sense of agency, but low self-esteem and are pessimistic about their future, taking an agnostic view towards planning. They are not deliberate in their savings and are not comfortable holding debt. They have low trust in people, and low to moderate trust in banks.



Modest Upholders

41% of adult pop | 52.8 million

Mostly low to middle income, poorly educated, rural, married women, Modest Upholders are slightly younger than Pakistanis on average and less educated. They are strong financial managers who tend to coordinate family finances despite not being the primary or formal financial decision makers in their families. They are among the most frequent deliberate, goal-based savers and dependable borrowers in Pakistan, doing so primarily through family, but also informal groups. They are future-oriented planners with high self-esteem, but feel limited in their agency. Most find financial services complex and they are split in regards to trusting banks.



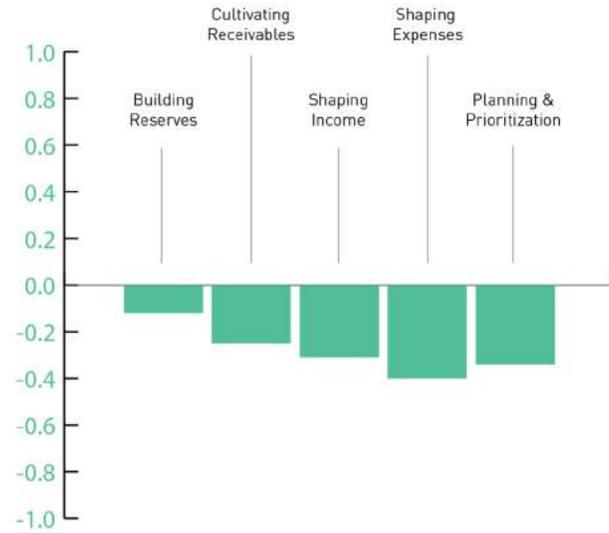
Communal Elites

21% of adult pop | 27.1 million

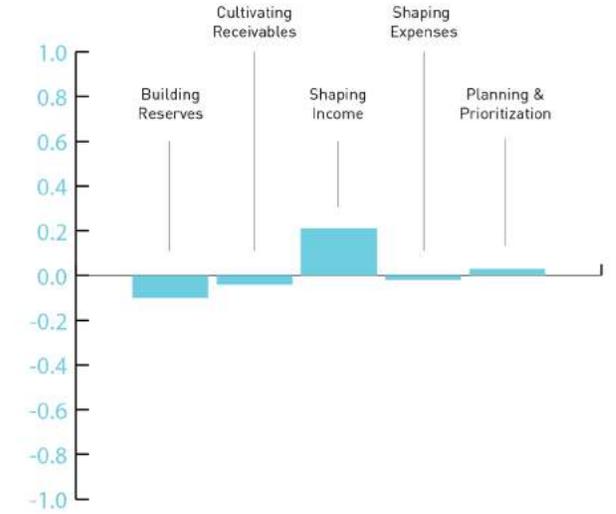
Mostly middle to high-income, married men living in rural areas, Communal Elites are more educated and slightly older than Pakistanis on average, and just over half identify as head of household. They manage their income and expenses more effectively than most, experiencing the fewest types missed bills and emergencies in the recent past, though they still struggle. They save frequently, though not always deliberately despite aspiring to do so, and do not borrow often. They prefer to manage money through family despite being the most frequent owners and users of formal accounts in Pakistan. They trust people and banks, are optimistic, open-minded, and conscientious, but find financial services complex.



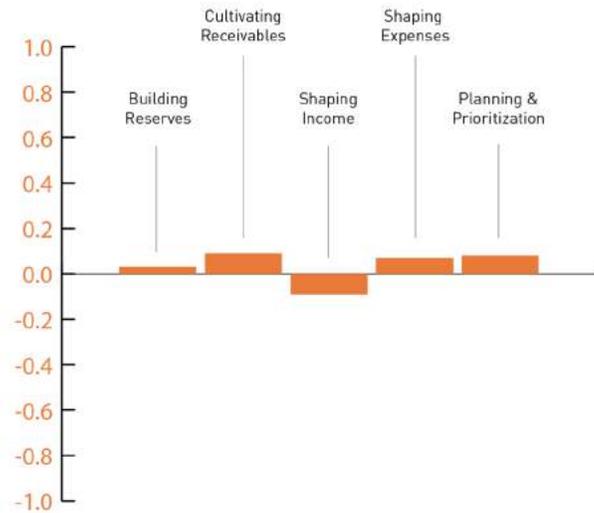
**Careful
Hustlers**



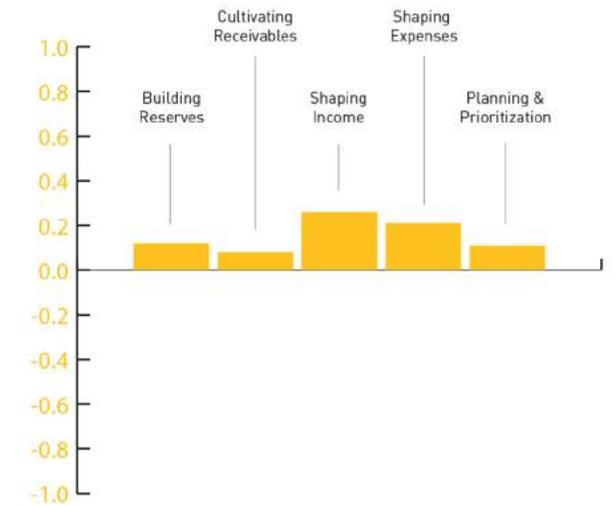
**Pragmatic
Providers**



**Modest
Upholders**



**Communal
Elite**



Careful Hustlers

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Opportunities

Careful Hustlers

19% of adult population | 24.4 million people

Mostly male heads of household, Careful Hustlers are self-confident and want to invest. However, they struggle with the highest income volatility, making it difficult to save and plan for expenses, resulting in unpaid bills and financial emergencies. Yet, they still manage to borrow and do so relatively frequently, albeit primarily through family, which may ease their anxiety around holding debt. They have the lowest confidence in their ability to raise emergency money, and have typically relied on community to do so. They distrust people and banks, and while their overall rates of formal account ownership are low, those who own accounts use them frequently.

Careful Hustlers are mostly **lower-middle income, married men** split almost evenly between **urban** and **rural** locations. Most are 25 to 44 years old, and about a third each have a **primary education**, a **secondary education**, and **no schooling**. Most identify as **head of household**, more than any other segment, and as the primary financial decision maker. A greater proportion of women identify as sole decision-makers in this than any other segment.

Careful Hustlers show the weakest financial behavior of all segments. They are below-average and non-goal oriented **savers**, struggle with the most **volatile incomes** in Pakistan and missed **expenses**, and appear to have limited bandwidth for **expense planning**. They strain to raise money in **emergencies**, relying heavily on **social sources** of financial support, but lacking confidence in their ability to raise these funds if needed..

Their income and expense management struggles likely suppress their confidence and ability to save. Most rarely or never **save**, and only one-fifth are frequent savers. They are the second least frequent savers nationally. Those who save prefer to do so with **family** or in the **home**, which may help them stabilize income and keep in good standing with family members from whom they frequently borrow. They are the most **frequent borrowers** in Pakistan, yet most rarely or never borrow. A quarter are frequent borrowers, doing so quarterly or more and almost exclusively from family.

Careful Hustlers are **self-confident** and **disciplined spenders** eager to make **investments** to stabilize their income and improve their household finances. They do not prioritize saving, as evidenced by their low savings frequency and low allocation of a windfall to either short or long term savings channels. However, they would allocate the second largest amount to **cash reserves**, suggesting a desire to improving household liquidity.

Demographics

- + 75% are **male**
- + 51% **rural**
- + 65% in **SES 1-3**
- + 64% are between the **ages** of 25-44
- + 82% are **married**
- + 58% make household financial **decisions** alone
- + 58% have primary or secondary **education**
- + 29% personally own **land**
- + 23% personally own **livestock**
- + 63% own feature **phones**

Behavior

- + 77% moderate-high weekly **income volatility**
- + 5.25 **unpaid expenses** types in past 6 months
- + 31% are confident in their ability to **pay bills** on time
- + 29% have a **plan** to manage their expenses
- + 21% **save** monthly or more (primarily with family)
- + 24% **borrow** quarterly or more (primarily from family)
- + 81% find it not very possible to impossible to raise **emergency funds**
- + 67% have relied on social sources of **money in emergencies**
- + 18% own **non-mobile formal financial accounts**
- + 15% are members of **informal groups**
- + 63% personally own **feature phones**, and 11% own **smartphones**
- + 6% use **internet** and 7% use **social media** weekly or more



Psychometrics

- + 55% external **locus of control**, 65% high-highest **self-efficacy**
- + 58% low-lowest **self-esteem**
- + 66% low-lowest confidence in the **future**, 63% low-lowest **openness**
- + 48% identify as effective **planners**, 60% mod-high **conscientiousness**,
- + 62% low-lowest spending **impulsivity**, 69% low-lowest savings **deliberateness**
- + 74% low-lowest belief that they earn **enough to save**
- + 50% low-lowest belief that their **savings are safe** from social claims
- + 60% low-lowest **dependability**, 41% low-lowest **comfort with debt**
- + 57% low-lowest **trust in people**
- + 57% low-lowest **trust in banks**
- + 69% high-highest perception **financial services are complex**
- + 71% high-highest **belief girls and boys** should receive same financial education

Aspirations

Careful Hustlers are eager to make investments to stabilize and grow their income and improve their household finances for their families. They do not prioritize saving, as evidenced by their low savings frequency and low allocation of a windfall to either short or long term savings channels. However, they would allocate the second largest amount to cash reserves, suggesting they would prioritize, to a degree, improving their household liquidity.

Karan

A CAREFUL HUSTLER

“We usually get paid monthly, after a project is done. Sometimes it’s weekly, rarely daily. Sometimes we even go two or three months until we get paid. It depends on when the contractor gets paid.”



Journey

Karan is the 19 year old son of a sharecropping family in Sindh province. He is the youngest of three brothers, and has six sisters. Despite his age and position in the family, he is the household's primary earner. Karan credits both his parents' support and his own drive for his current success.

When Karan was only 12 years old, his parents gave him permission to start working and apprenticing with a local mechanic. This set him apart from his peers. He spent the next six years learning the business instead of attending school. Early in his apprenticeship, he decided that he was capable of starting his own shop and began planning to do so. He aspired to escape the sharecropping trap that doomed his parents to poverty.

Karan saved, hiding his earnings from his family so they wouldn't be able to demand it for their many pressing needs. Karan did not feel guilty about saving in secret at that time. He didn't understand the expectations for him to provide for and support his family. He was still a child, and he believed that saving would enable him to open the shop without having to ask his family for burdensome contributions or loans.



“Sometimes my dad asks me for advice, but I’m too young to give good advice.”



“I’ll run the house one day. It’s so much responsibility. I’m very nervous about it. My dad takes advice from my mom. I’m worried about how I would manage expenses, especially for marrying my brother and sister off.”

As he saved, Karan began building relationships at the local spare parts market where the shop owner for whom he apprenticed often sent him. He met his future business partner in that market, a man who knew the supply side of the business very well. Karan himself had, over time, built up an expertise in repairing a wide range of mechanical devices, from motorcycles to generators and farm equipment, and learned to manage shop operations and apprentice other youth.

When he was 18, Karan and his business partner opened their own repair shop. Karan financed his share with the savings he’d stashed away with a committee, (also known as a ROSCA or rotating savings and credit association) he had joined at the spare parts market. His business partner also invested cash to help start the business.

Karan is now deeply grateful to his parents for supporting and encouraging him to begin working at such a young age. He credits them for his success. He notes that none of his peers began working so early, and that few of them now have drive or discipline that matches his own.

Aspirations & Goals

Karan feels a responsibility to take care of the needs of his parents and to support his brothers and sisters. He says, “They know that I'm earning, and they supported me in the past. Now it's my turn to support them.” Despite his success, Karan identifies as poor and says that his family still struggles, so he is barely able to save. Karan spends all he makes, which prevents him from saving towards his two most pressing goals: to expand his business through reinvestment and to build an addition to his family's home so that he can get married.

In fact, Karan hands over his daily earnings to his eldest brother who recently took over management of the family's financial affairs from their father. Karan keeps only a small portion of his earnings for himself, and his brother uses the rest as he sees fit. Karan said that most of this money is spent on the family's daily needs, especially food, utilities, transport, and medical bills. The earnings he provides are also shared somewhat regularly with his sisters and their families.





“We all talk about building our own house every single day. Because we don’t have our own house, we’re depending on others, and we have to do favors for the landlord.”

Karan wants to be married. His parents are looking for a wife for him. Once they find someone suitable, he thinks it will be at least another two to three years before they are able to wed. Among other costs, Karan would need to pay for the expansion of the family home to accommodate his own future family. However, the household's current finances are very tight, and his brothers pressure him to pay to expand their portion of the house as well. Given his modest capacity to save, Karan hopes to build an extension for himself and get married before he worries about his brothers.

Karan isn't clear how he'll save to do this but suggests that the prospect of his marriage would be an acceptable reason to temporarily draw down his support for the broader family and re-allocate money toward savings.

Attitudes, Behaviors, and Tools

Karan thinks he will use the committee to save for the construction of his future family's home. But he's concerned that he would still have to keep regular payouts from the ROSCA in the house and that that would inevitably lead to the money's premature use. He wants to open a bank account to prevent this from happening.

Karan doesn't have a bank account yet and isn't sure which bank he'd use, but his business partner is banked, so Karan plans to turn to him for guidance. Moreover, Karan is non-literate and will need support to set up an account. Despite being non-literate, he believes he'll eventually become comfortable using the ATM and banking app without help. After all, he uses multiple smartphone apps already, navigating by rote memorization of icons, menu layouts, and certain word spellings. He even taught himself the English alphabet to help.

Although Karan wants to expand his business, he feels like it's currently out of reach and impossible to prioritize until he is married. He and his business partner want to move their operation to a significantly larger space and have considered both renting and



“We all talk about building our own house every single day. Because we don't have our own house, we're depending on others, and we have to do favors for the landlord.”



buying. They want the space to accommodate a range of new tools and machinery that he anticipates would help them take on more business. But given the expense, he doesn't see how such an expansion is currently possible.

Karan's views on gender roles in the home, in the economy, and in financial management clearly reflect the conservative traditions of his community and family. Karan is Hindu, and he says that in his community, women are not educated and do not even leave the home, much less go to work. He says that his family has followed this tradition, and if he has daughters, he will not want to educate them.

Asked why, Karan says, "When women study a lot, they begin to think differently from us, and that's not a good thing. In our community, we think it's not good for women. Poor thinking can affect a woman's marriage, because if she goes out and works, people will see it as a problem with her character."

Later he elaborates that, "It's only due to family tradition that I wouldn't want my daughter to be educated, but I face a lot of difficulty because I'm not educated, and I don't want that for my girl." Karan explains that as an educated woman, his daughter could have trouble finding a husband and could even be rejected by his own family, none of whom are educated.

Karan feels similarly reluctant about the prospect of his future wife being educated. He said, “I’m not very educated. I’d prefer the woman I marry to also not be educated so that we can go step-by-step, hand-in-hand. I don’t want to be unjust towards someone who is more educated than me. It’s a matter of respect. And my family might not accept her, and then it would be hard for her.”



“If women in my home were earning, we could save even more and work towards our new home. I’ve never discussed this with my family. We don’t talk about such things. It’s a matter of honor. It wouldn’t be a big issue if I brought it up, but I still don’t.”

User Insights

NEED FOR TOOLS THAT ACCOUNT FOR BOTH GOALS AND VOLATILITY

Karan aspires towards the growth of his business, the growth of his family, and the addition of a home to accommodate a marriage. He believes in himself and his ability to work hard and learn what he needs to succeed, but he doesn't have guidance or a financial strategy suited to his challenges.

Karan would benefit profoundly from products and services that enable more efficient and effective savings that can grow long term without disadvantaging his ability to meet his present challenges. FSPs would do well to market to him as a small businessman, reaching him through, and helping him manage, his business affairs, while noting the broader growth strategies small businessmen can employ at home.

MULTI-PURPOSE AND MULTI-CHANNEL SAVING

Karan chooses his savings channels carefully to align with his savings goals. To invest in his business, he saves in a ROSCA. To invest in his eventual marriage and new accommodations, he saves at home. He saves with the channel that is most likely to respect and affirm the savings goal.

Karan needs savings channels suited specifically to the broad, multifaceted goals he struggles to attain. Tailored marketing, flexibility, and cross-selling opportunities would each be meaningful to him and would likely spur investment and possibly help him establish the support and accountability of those around him.

Careful Hustlers

Demographics

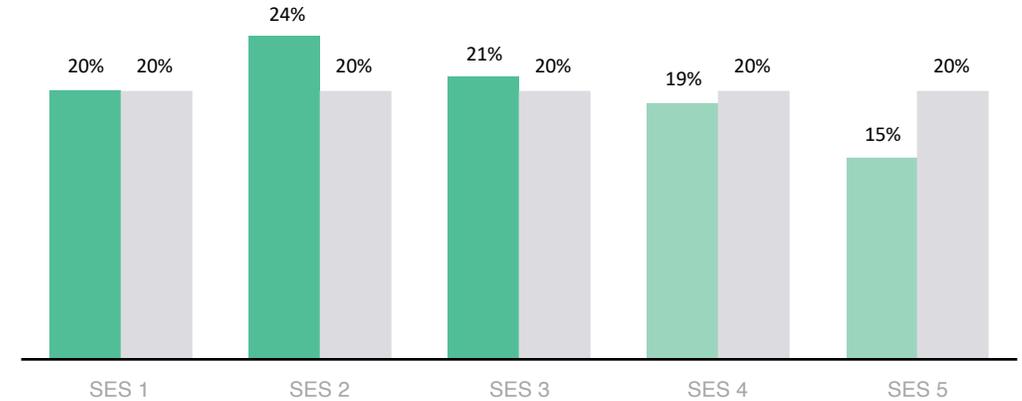
Socioeconomic

Careful Hustlers are mostly lower-middle income, married men split almost evenly between urban and rural locations. Most are 25 to 44 years old, and about a third each have a primary education, a secondary education, and no schooling. Most identify as head of household, more than any other segment, and as the primary financial decision maker in the household. A greater proportion of women identify as sole decision-makers in this than any other segment.

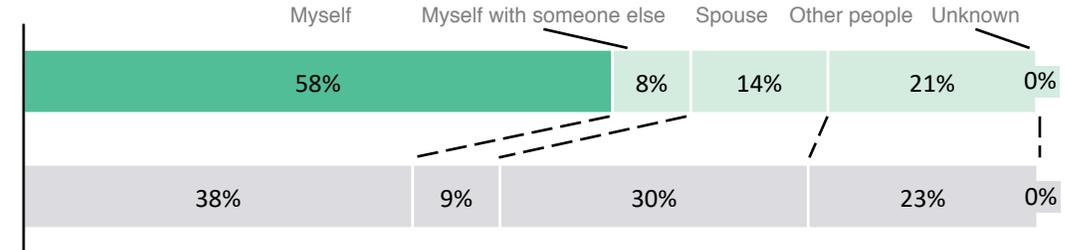
Careful Hustlers are mostly lower-middle income (66% in SES 1-3), married (81%) men (75%) split almost evenly between urban and rural locations. They are both the most urban and most male dominated segment in Pakistan. Most are 25 to 44 years old (62%) and 34% have no schooling, 28% have primary education, and 30% have secondary.

Most identify as head of household (62%), more than any other segment, and most identify as the primary financial decision maker (58%). Within the segment 68% of men identify as primary decision maker, whereas only 28% of women do. Interestingly, a greater proportion of women (28%) identify as sole decision-makers in this than any other segment.

CONCENTRATED IN LOW-MIDDLE SOCIOECONOMIC CLASSES (SEC)



HOUSEHOLD DECISION MAKING



● Careful Hustlers ● Pakistan average

Social Network

Most Careful Hustlers have relied on social sources of financial support in emergencies over the past two years, while few have relied on personal resources. Yet over three quarters are not confident in their ability to raise emergency funds, the lowest rate amongst segments. This may be due both to their heavy reliance on their network, as well as its relatively small size. On average, Careful Hustlers can rely on fewer people when ill than any other Pakistani segment, though they speak on the phone daily with an average number of people.

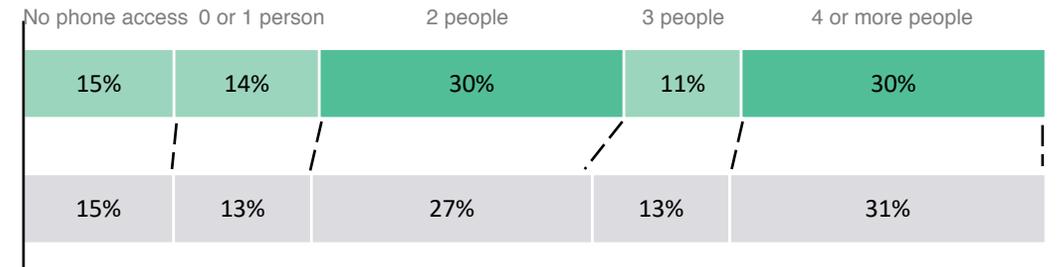
At 67%, Careful Hustlers are the most likely to report relying on social sources for funds in emergencies, yet 74% can draw on no more than one person when ill, and over a third expect help from no one at all. They are well below average (19%) in reliance on personal funds– their next-most likely source of aid. Because Careful Hustlers are among the least frequent savers in Pakistan, their low reliance on personal sources of finance in emergencies is not surprising.

Careful Hustlers tend to borrow from friends and family in their network when faced with an emergency. This reliance cuts against their generally low

NUMBER OF PEOPLE THAT CAN BE DRAWN ON WHEN SICK



USING YOUR PHONE, HOW MANY PEOPLE DO YOU TALK TO IN A DAY?



● Careful Hustlers ● Pakistan average

Social Network

trust in people and may be driven by necessity rather than preference, pointing to an opportunity for formal credit and insurance providers.

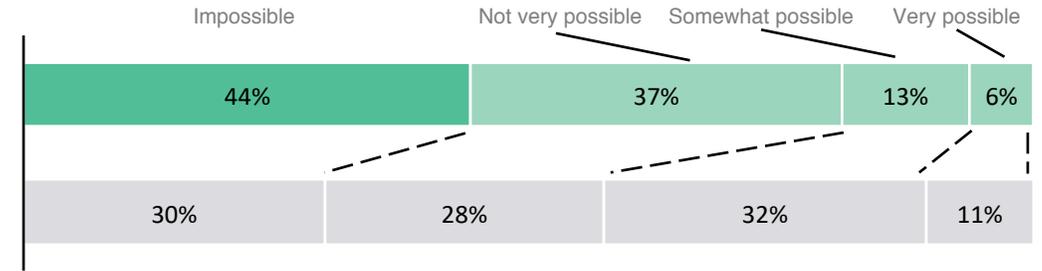
Eighty-one percent of Careful Hustlers feel it would not be very possible or would be impossible for them to raise emergency funds. They have by far the lowest confidence in their ability to raise money in an emergency amongst segments.

Yet, at 67%, Careful Hustlers are the most likely to report having relied on social sources for funds in recent past emergencies. Moreover, 74% say they can draw on no more than one person when ill, and over a third expect help from no one at all.

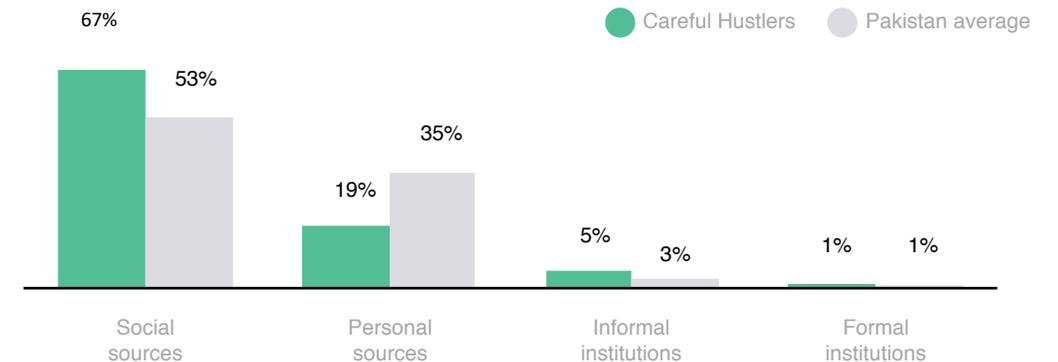
They are well below average (19%) in reliance on personal funds– their next-most likely source of emergency funds. Because Careful Hustlers are among the least frequent savers in Pakistan, their low reliance on personal financial reserves in emergencies is not surprising.

Careful Hustlers tend to rely on friends and family in their network when faced with an emergency. This reliance cuts against their generally low trust in people and may be driven by necessity rather than preference, pointing to an opportunity for formal credit and insurance providers.

CONFIDENCE IN ABILITY TO RAISE EMERGENCY FUNDS



RESILIENCE: PRIMARY SOURCE OF MONEY IN AN EMERGENCY OVER PAST 2 YEARS



Careful Hustlers

Behavior

Finances

Financial Health Overview

Careful Hustlers show the weakest financial behavior of all segments. They are below-average savers, struggle with volatile incomes and missed expenses, appear to have limited bandwidth for expense planning, and strain to raise money in emergencies.

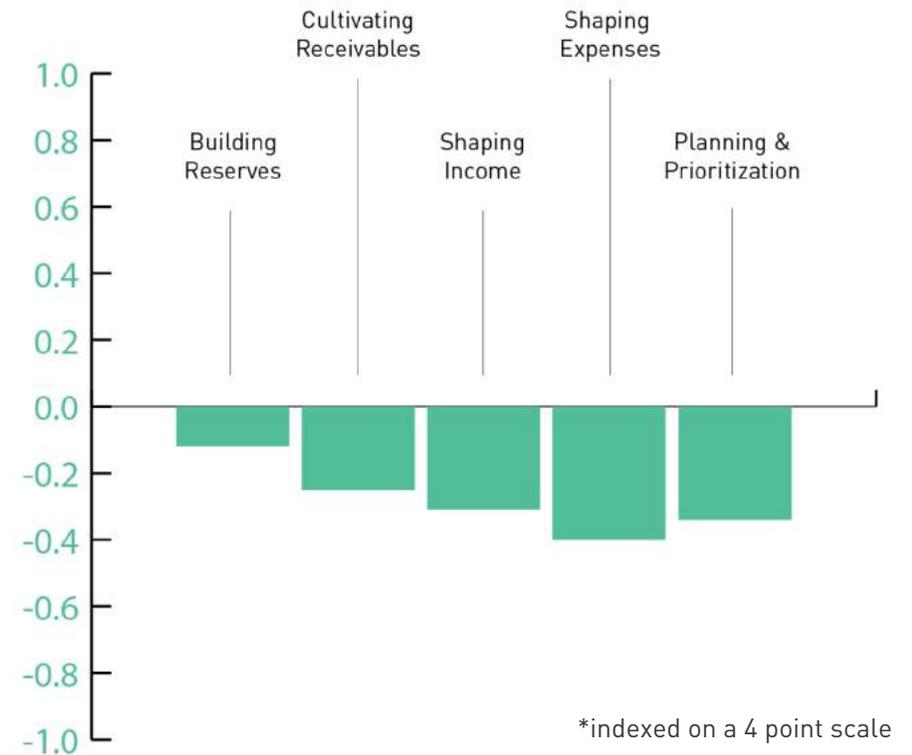
SHAPING INCOME & EXPENSES

Careful Hustlers experience high income volatility, the highest amongst segments, and struggle more than any other segment to plan their expenses and pay their bills. This suggests that their tools and strategies for shaping income and expenses are not sufficient. Moreover, their income and expense management struggles likely suppress their confidence and ability to save, and exacerbate their overall financial management challenges.

BUILDING RESERVES

Most Careful Hustlers rarely or never save, and only one-fifth are frequent savers, doing so monthly or more. They are the second least frequent savers nationally. Those who save prefer to do so with family or in the home, which may help them stabilize income and keep in good standing with family members from whom they frequently borrow. Their rates of land and livestock

FINANCIAL BEHAVIOR INDEX:
segment difference from national average



Finances

Financial Health Overview

ownership are slightly below national averages, which taken alongside their low savings rate and frequent borrowing may contribute to their expense management challenges and financial shocks.

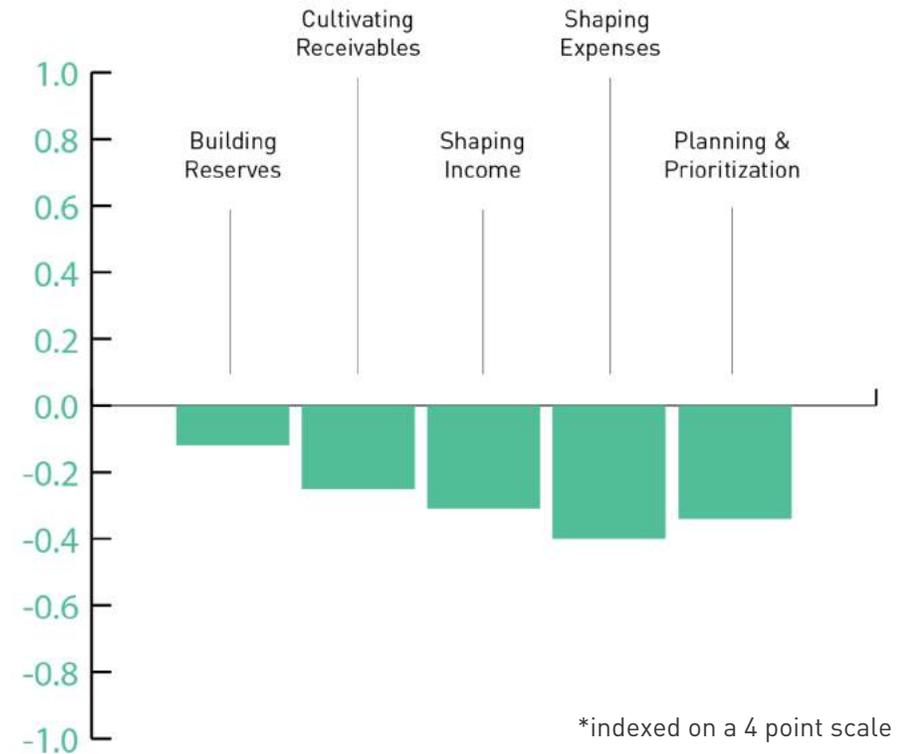
CULTIVATING RECEIVABLES

Careful Hustlers are the most frequent borrowers in Pakistan, yet nearly sixty-percent rarely or never borrow. Nearly a quarter are frequent borrowers, doing so quarterly or more. They borrow almost exclusively from family, which likely eases their anxiety around holding debt. Nearly half are uncomfortable with debt, suggesting they may struggle with repayment and are likely borrowing out of necessity (to stabilize income or deal with emergencies, rather than to make investments). In the face of emergencies most have relied on social sources for funds, but have low confidence in their ability to raise emergency money.

PRIORITIZATION

Careful Hustlers strongly prefer using a windfall to invest, suggesting they are very eager to grow their income and improve their household finances. They do not prioritize saving, as evidenced by their low savings frequency and low allocation of a windfall to either short or long term savings channels. However, they would allocate the second largest amount to cash reserves, suggesting they would prioritize, to a degree, improving their household liquidity.

FINANCIAL BEHAVIOR INDEX:
segment difference from national average



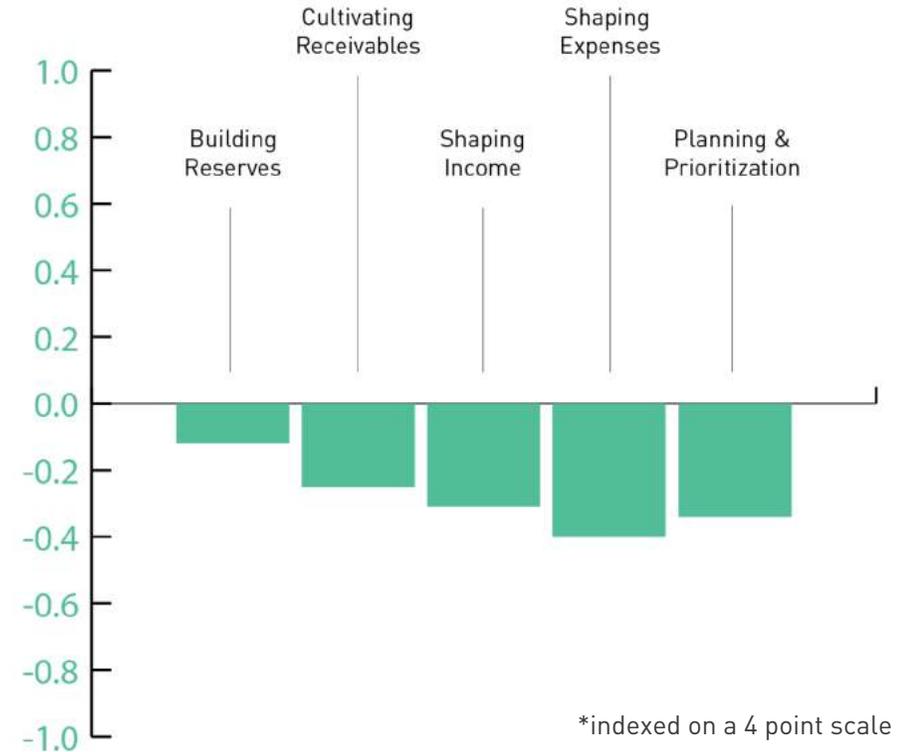
Finances

Financial Health Overview

PLANNING

Careful Hustlers struggle with financial planning, especially when it comes to expenses, though nearly half identify as the type of people who make plans and follow through with them. This may be driven, in part, by the fact that men in this segment defer expense planning to their spouses and, in the rare case of non-elder men in joint households, may defer both expense planning and overall financial planning to senior males in their families. Women in the segment may drive much of the financial planning behaviour we see evident in the data.

FINANCIAL BEHAVIOR INDEX:
segment difference from national average



Finances

Financial Priorities

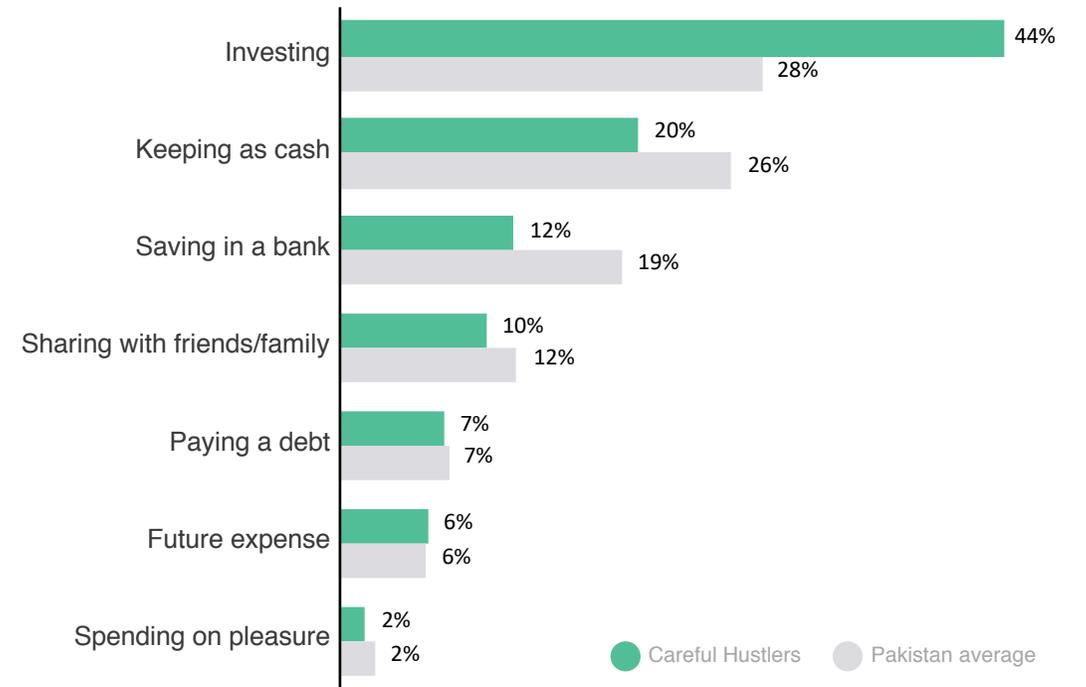
Careful Hustlers strongly prefer using a windfall to invest, suggesting they are very eager to grow their income and improve their household finances. They do not prioritize saving, as evidenced by their low savings frequency and low allocation of a windfall to either short or long term savings channels. However, they would allocate the second largest amount to cash reserves, suggesting they would prioritize, to a degree, improving their household liquidity.

Careful Hustlers would allocate 44% of a windfall to investment, 57% more than the Pakistani average. Their preference to invest large portions of windfalls stands out dramatically from other segments and indicates a strong desire to grow their income, even at the cost of building up their savings. As the only segment *above* the Pakistani average, Careful Hustlers single-handedly skew the national average.

Their status as heads of household may give them unique incentive and authority to make investment decisions. Their high levels of self-efficacy and sense of control may also drive their propensity to invest.

Additionally, compared to other segments Careful Hustlers have limited land and livestock. They may be looking for opportunities to build income-generating asset bases, particularly as a segment struggling to save.

HOW WINDFALL IS PRIORITIZED



Finances

Financial Priorities

Careful Hustlers are less likely than the national average to save a windfall.

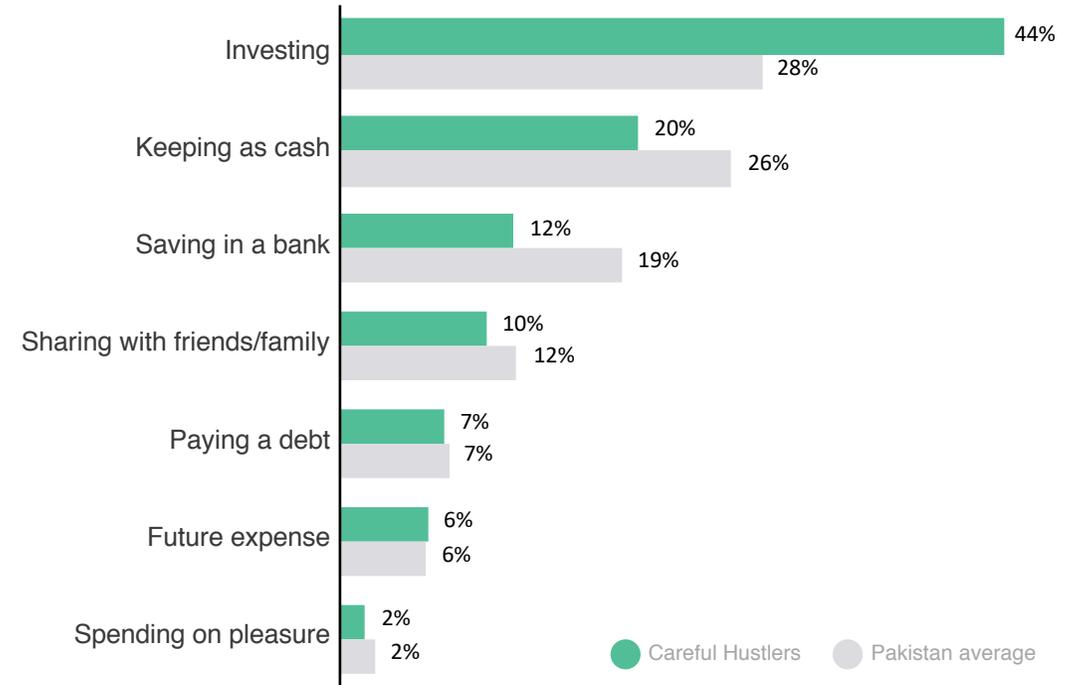
They rank lowest of all segments for saving windfalls in a bank (typically used for securely saving larger sums) and keeping windfalls in cash (frequently a short-term savings choice for unexpected expenses). They rank the second-lowest, behind Independent Traditionalists, for sharing windfalls with friends and family (frequently loci for group savings). It is noteworthy that, despite their income volatility, which may impact savings preferences, and their poor planning in other measures, Careful Hustlers are more forward-looking in their windfall strategies.

They are the least-likely segment to trust banks, and are among the most likely to perceive financial services as complex. This may help explain why they deprioritize saving windfalls in formal channels.

Careful Hustlers low trust in social financial networks may, in part, drive their low preference for sharing windfalls with family and friends. Sixty-eight percent distrust their social financial network, compared to 40% nationally.

They may believe saving in the community would bring limited returns and that investments are their best growth strategy. Careful Hustlers perceive the lowest levels of equality in their community (61% report low to lowest equality). They are also the least likely to believe that their communities would support them in business or in the education of their children (49% disagree-strongly disagree that their communities would provide support).

HOW WINDFALL IS PRIORITIZED



Finances

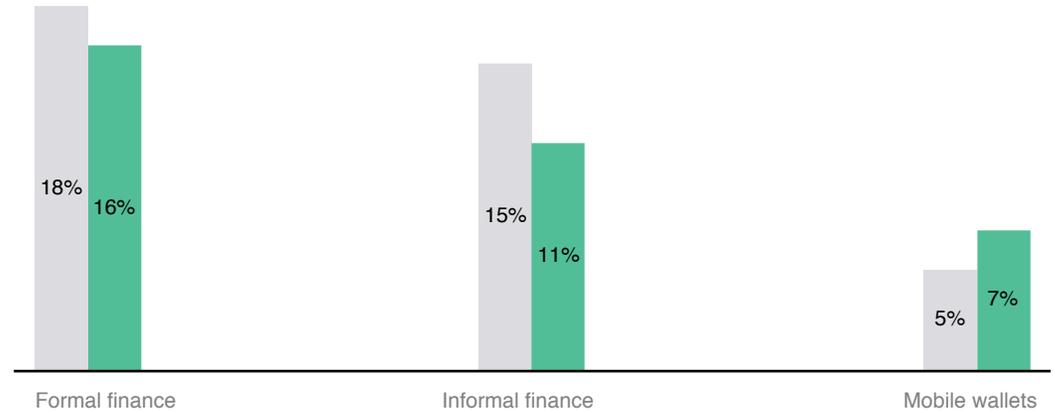
Financial Access

Most Careful Hustlers manage money through family, particularly savings and borrowing, though they do so at rates below the national average. While in absolute terms, few Careful Hustlers own formal financial accounts and mobile wallets, they are more likely to make use of the ones that they do own. In particular this is true of their borrowing, where they report the highest rates of overall borrowing. Very few own informal financial accounts, and those who do use them less than average.

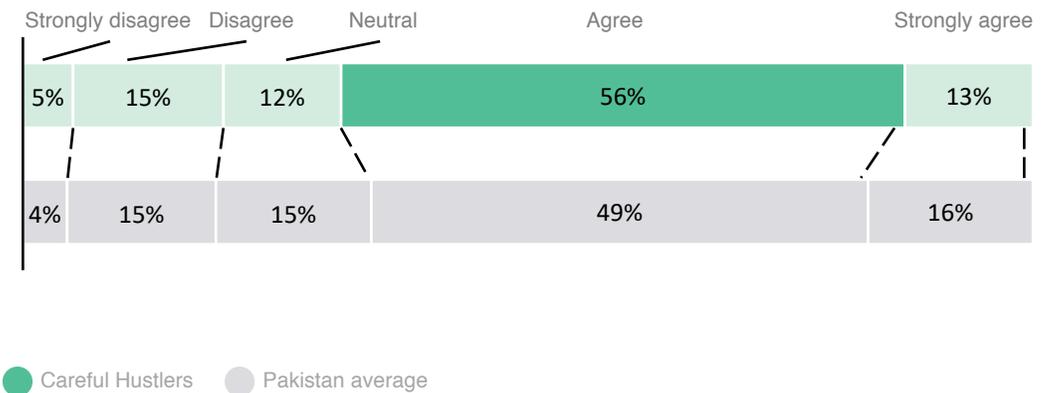
Careful Hustlers absolute non-mobile formal account ownership rate is relatively low at 16% and slightly below the Pakistani average of 18%. Careful Hustlers are the second least frequent savers with banks after Modest Upholders. While 16% own bank account, only 8% report having saved in them and just 4% use them to save once per month or more. Only 4% report ever borrowing from a formal provider.

Eleven percent of Careful Hustlers are members of informal financial groups compared to 15% of Pakistanis overall. Their usage of these groups also lags national averages. They are the second least frequent savers with informal groups and friends after Pessimistic Individualists. Though 11% report being a member of an informal financial group, only 8% report ever saving through such channels. Five percent of Careful Hustlers report saving through groups and friends on a monthly basis. Only 6% report ever borrowing from a formal provider.

FINANCIAL ACCESS



COMPLEXITY OF FINANCIAL SERVICES



Finances

Financial Access

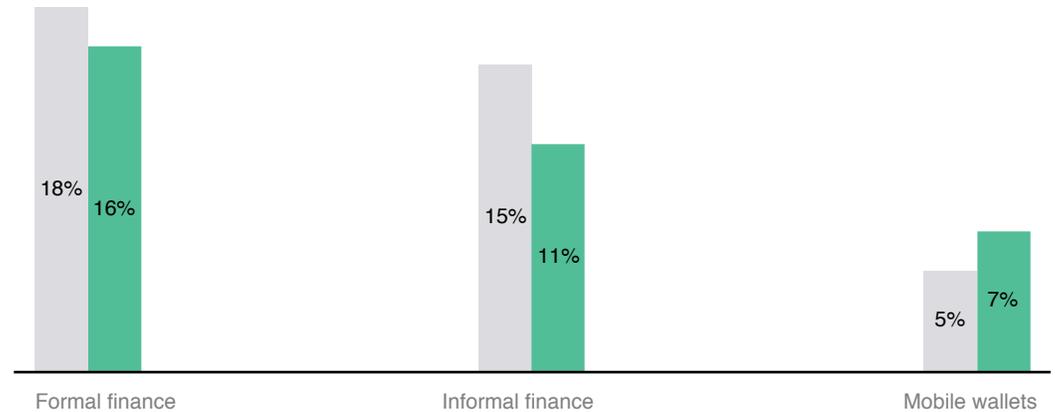
Their low formal and informal account usage masks Careful Hustlers' higher saving and borrowing rates with family. Careful Hustlers prefer to save with family, but do so at the lowest rate of any segment. Fifteen percent save with family at least quarterly, and another 11% do so yearly. They are the most likely segment to borrow from family. Thirty-nine percent of Careful Hustlers borrow from family at least annually while, on a national basis, only 32% do so.

Careful Hustlers are more likely than average Pakistanis to use mobile money for saving and borrowing, but their most common reported use is to receive money. Such money may be remittance related to their income volatility and frequent inability to meet expenses, or it may represent loans disbursed from social channels such as family.

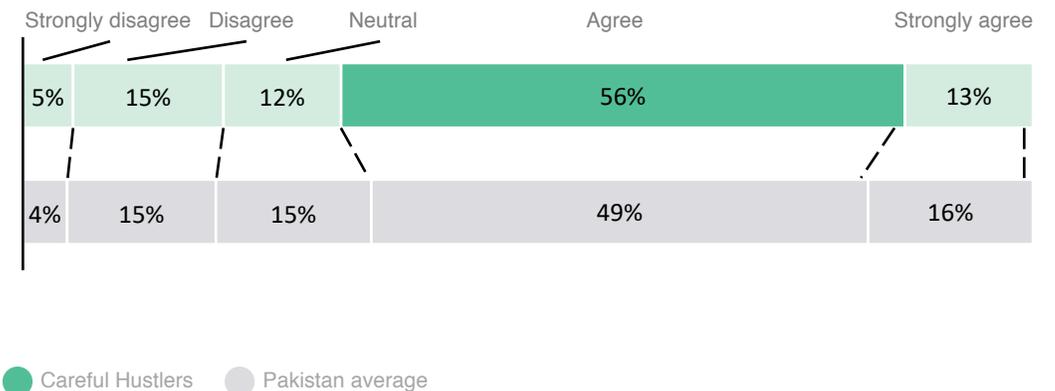
Although 74% report low usage of digital technology, the second-lowest overall, 81% use their phones between one and five times daily, the second-highest overall. Unstructured Supplementary Service Data (USSD)-based services are likely accessible and of interest to this segment.

Careful Hustlers are the second-most likely segment (68%) to believe financial services are complex, slightly above the national average. Formal account ownership lags slightly behind the national average for Careful Hustlers. With a tendency to see the services that formal accounts offer as complex, Careful Hustlers may be disinclined or may struggle to understand how to open formal accounts and the value propositions they could offer.

FINANCIAL ACCESS



COMPLEXITY OF FINANCIAL SERVICES



Finances

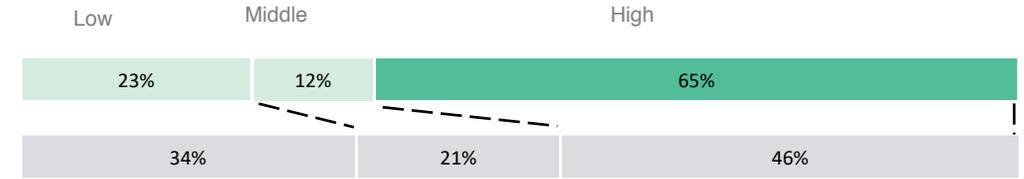
Shaping Income & Expenses

Careful Hustlers experience high income volatility, the highest amongst segments, and struggle more than any other segment to plan their expenses and pay their bills. This suggests that their tools and strategies for shaping income and expenses are not sufficient. Moreover, their income and expense management struggles likely suppress their confidence and ability to save, and exacerbate their overall financial management challenges.

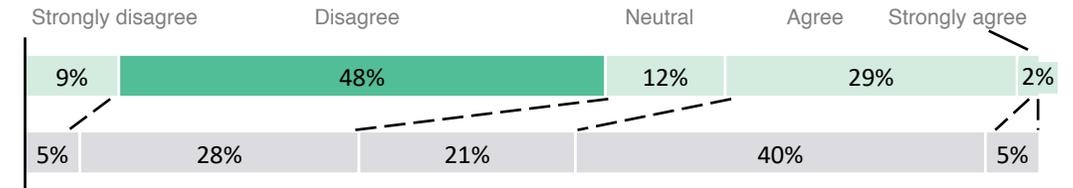
Careful Hustlers experience the highest weekly income volatility of any segment in Pakistan. Sixty-five percent report high weekly income volatility, compared with national averages of 46%.

Perhaps not surprisingly, they report the lowest confidence in their ability to pay household expenses, with 57% feeling they are generally unable to do so compared to 33% of Pakistani's overall. They struggle to meet expenses, and, in fact, have struggled to pay the most types expenses over the past six months of any segment (5.25).

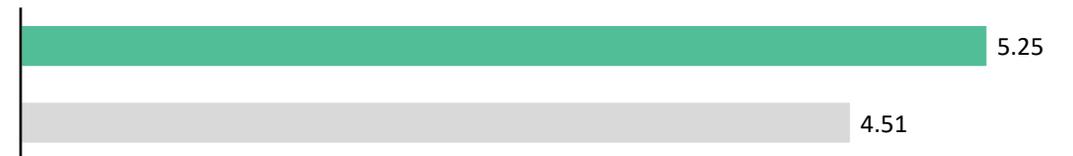
WEEKLY INCOME VOLATILITY



CONFIDENCE IN ABILITY TO PAY HOUSEHOLD EXPENSES



NUMBER OF UNPAID EXPENSE TYPES IN PAST 6 MONTHS



● Careful Hustlers ● Pakistan average

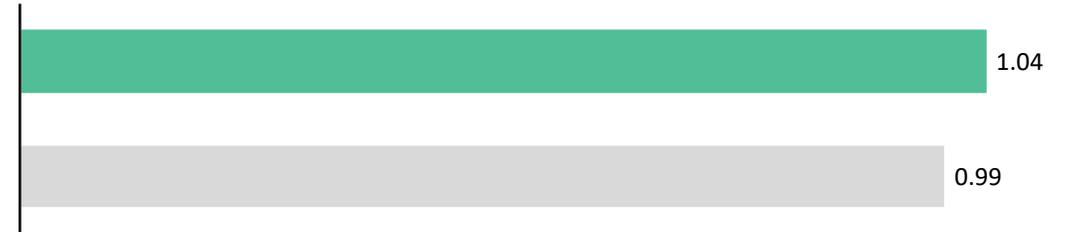
Finances

Shaping Income & Expenses

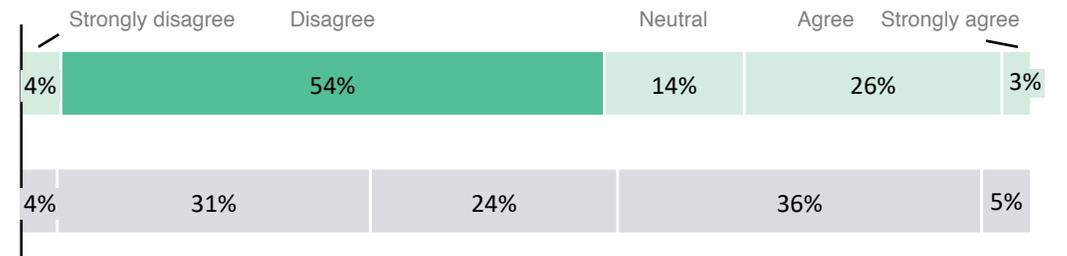
Their expense management challenges may be compounded by the fact that they face, on average, one financial emergency per year. This likely throws their plans into disarray and sets back their progress toward building a stable financial foundation.

Careful Hustlers are the least likely segment to report having a plan to manage their expenses (28%), compared with 41% of Pakistanis in general. Their high income volatility likely makes expense planning very challenging. Moreover, their income and expense troubles probably suppress their confidence and ability to save, ultimately making volatility harder to manage by means other than working more, cutting expenses, and borrowing.

NUMBER OF TYPES OF EMERGENCIES FACED (PAST 2 YEARS)



HAS PLAN TO MANAGE EXPENSES



● Careful Hustlers ● Pakistan average

Finances

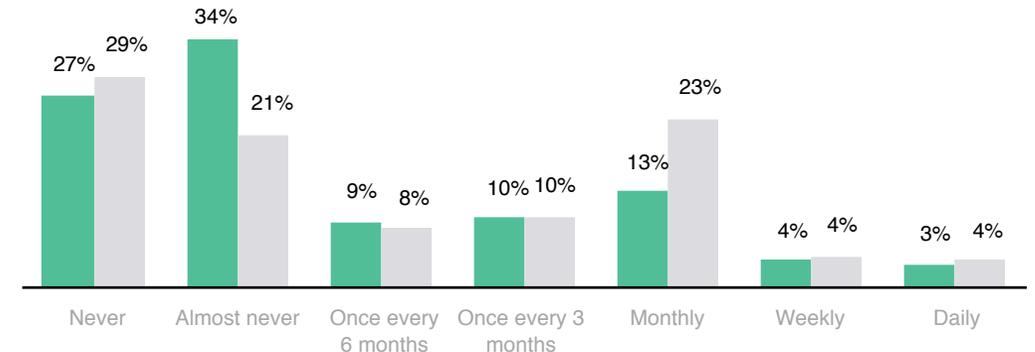
Building Reserves

Most Careful Hustlers rarely or never save, and only one-fifth are frequent savers, doing so monthly or more. They are the second least frequent savers nationally. Those who save prefer to do so with family or in the home, which may help them stabilize income and keep in good standing with family members from whom they frequently borrow. Their rates of land and livestock ownership are slightly below national averages, which taken alongside their low savings rate and frequent borrowing may contribute to their expense management challenges and financial shocks.

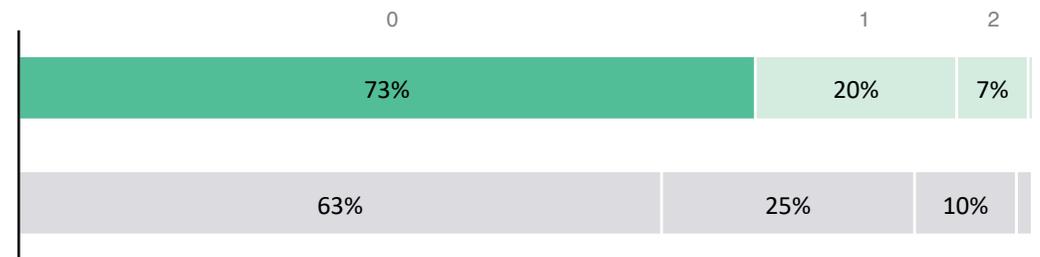
Careful Hustlers are the second least frequent savers after Pessimistic Individualists. Sixty-one percent rarely or never save, compared with 50% of Pakistanis overall. In fact, they are the most likely segment to rarely save (61%). Only 20% save monthly or more, compared with 31% of Pakistanis overall.

They have the second fewest active savings channels after Modest Upholders. Seventy-three percent use no savings channels on a quarterly basis. Among Pakistanis who report saving, most do so monthly, however Careful Hustlers are significantly less likely to save at monthly intervals, perhaps due to their struggles to pay bills.

SAVINGS FREQUENCY



NUMBER OF SAVINGS CHANNELS



● Careful Hustlers ● Pakistan average

Finances

Building Reserves

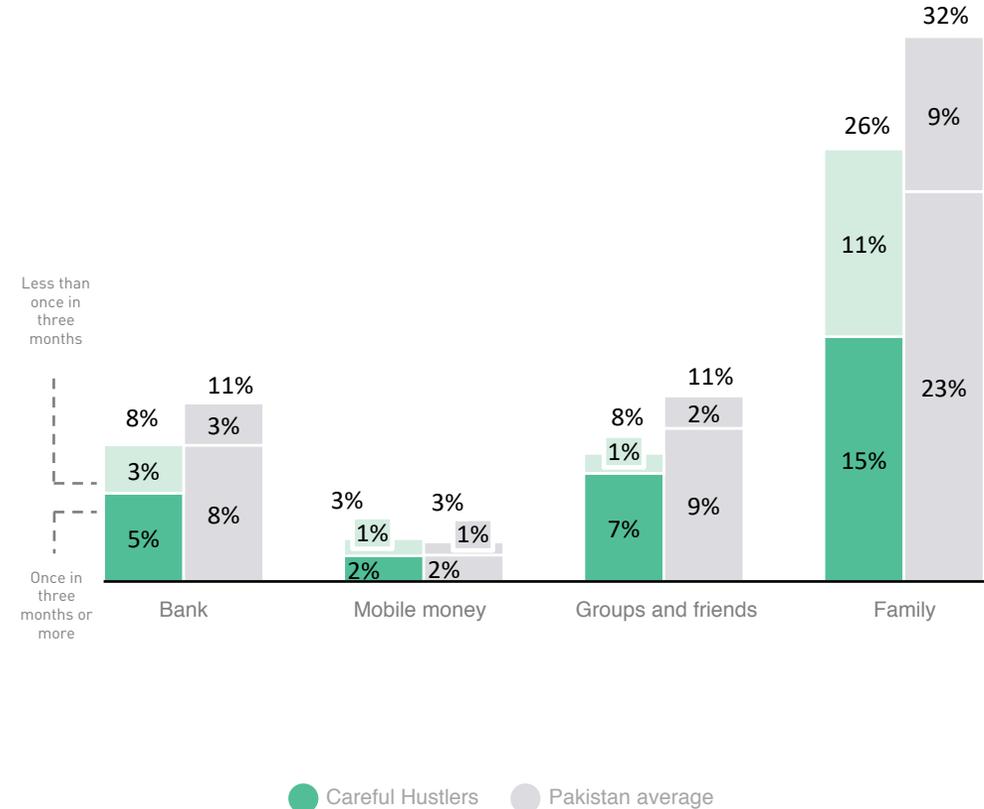
Careful Hustlers prefer to save with family, but do so at the lowest rate of any segment. Fifteen percent save with family at least quarterly, and another 11% do so yearly. They are perhaps deploying their limited savings capacity in ways that help to maintain positive ‘social credit scores’ with their most important source of loans. Moreover, only 32% of Careful Hustlers believe that their savings are safe from the demands of those around them, which may also suppress their rates of saving with family and groups.

Careful Hustlers are the second least frequent savers with informal groups and friends after Pessimistic Individualists. Though 11% report being a member of an informal financial group, only 8% report ever saving through such channels. Five percent of Careful Hustlers report saving through groups and friends on a monthly basis.

Careful Hustlers are the second least frequent savers with banks after Modest Upholders. While 16% own bank account, only 8% report having saved in them and just 4% use them to save once per month or more.

They have the second lowest rate of personal land ownership among Pakistanis, with 29% personally or commonly owning land and another 28% report commonly owning land. Only 10% of Careful Hustlers have ever personally bought land.

SAVINGS CHANNELS

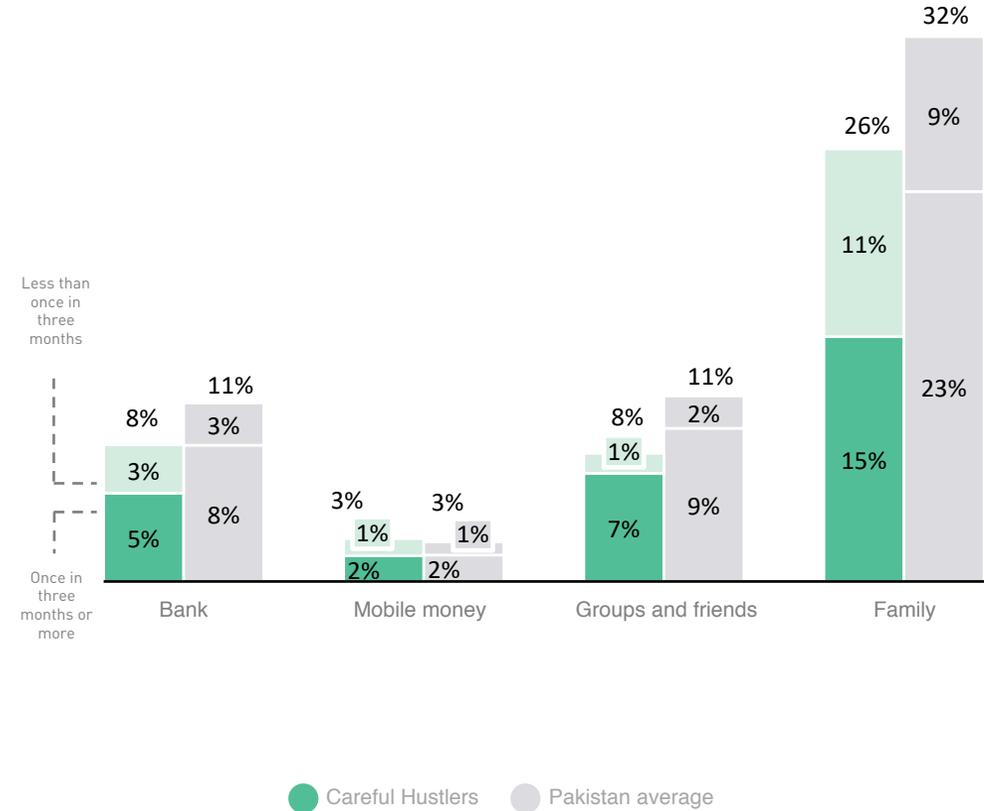


Finances

Building Reserves

Careful Hustlers have the lowest rates of livestock ownership among segments, though they are only slightly below the national average. Twenty-three percent personally own livestock (in line with the Pakistani average), while another 14% commonly own livestock (slightly below the national average of 15%). This may reflect the fact that Careful Hustlers skew more urban than the other segments.

SAVINGS CHANNELS



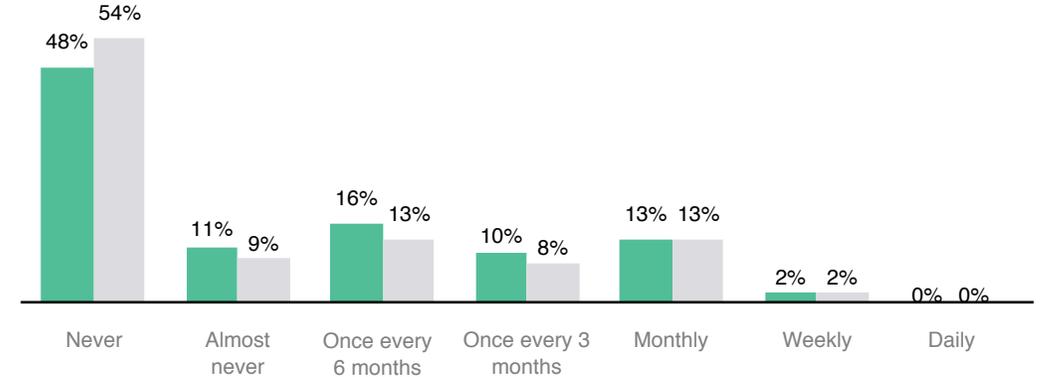
Finances

Cultivating Receivables

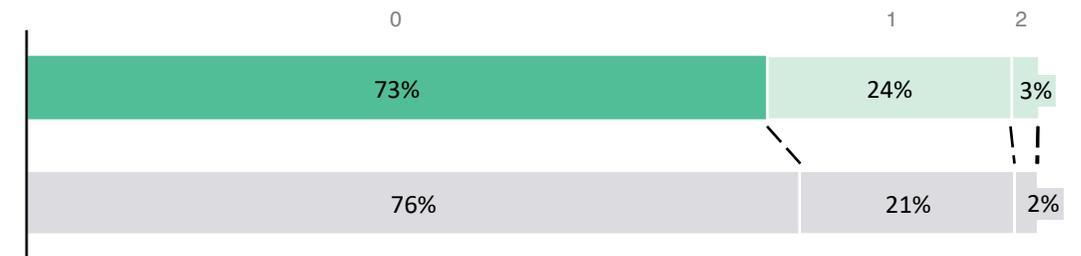
Careful Hustlers are the most frequent borrowers in Pakistan, yet nearly sixty-percent rarely or never borrow. Nearly a quarter are frequent borrowers, doing so quarterly or more. They borrow almost exclusively from family. Nearly half are uncomfortable with debt, suggesting they may struggle with repayment and are likely borrowing out of necessity (to stabilize income or deal with emergencies, rather than to make investments). In the face of emergencies most have relied on social sources for funds, but have low confidence in their ability to raise emergency money.

Careful Hustlers are the most frequent borrowers in Pakistan, though close to the national average. Twenty-four percent borrow quarterly or more and 41% borrow at least annually, compared with national averages of 24% and 37% respectively. Forty-eight percent of Careful Hustlers report never borrowing, compared with 54% of Pakistanis overall. Careful Hustlers maintain the second greatest number of active debt channels, after Modest Upholders, with 24% reporting use of one or more in the last three months..

BORROWING FREQUENCY



DEBT CHANNELS USED IN LAST 3 MONTHS



● Careful Hustlers ● Pakistan average

Finances

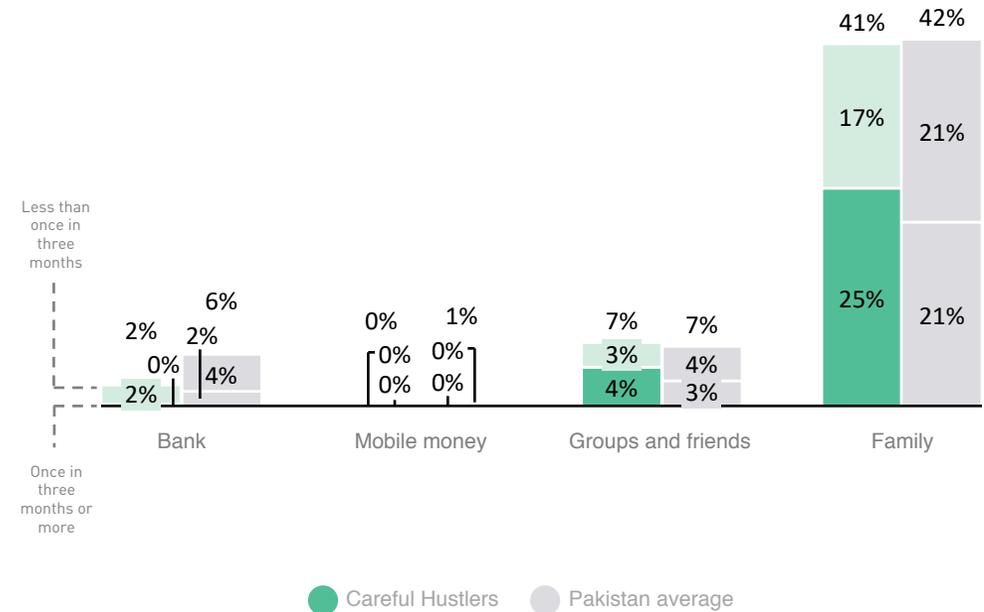
Cultivating Receivables

Thirty-nine percent of Careful Hustlers borrow from family at least annually while, on a national basis, only 32% do so. They are the most likely segment to borrow from family, slightly edging out Modest Upholders.

Assuming that the family members from whom they borrow are the same as those with whom they save, Careful Hustlers' difficulty saving may be linked to their more frequent borrowing behavior and may reflect a desire to maintain good social standing with likely credit channels, pay back outstanding debts, or get ahead of coming credit needs by establishing a kind of deposit base.

By contrast, very few borrow from friends, social groups, or banks, and they do so at about half the average rates of leading segments. Their above-average tendency to borrow with family is made all the more noteworthy in light of their below-average borrowing across so many other channels and their very low likelihood of using more than one such channel.

SOURCE OF BORROWING



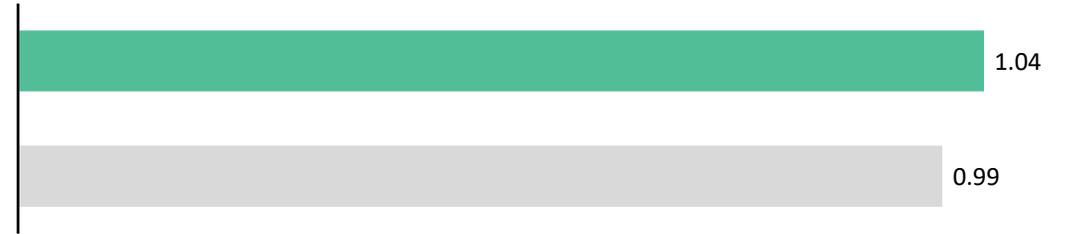
Finances

Cultivating Receivables

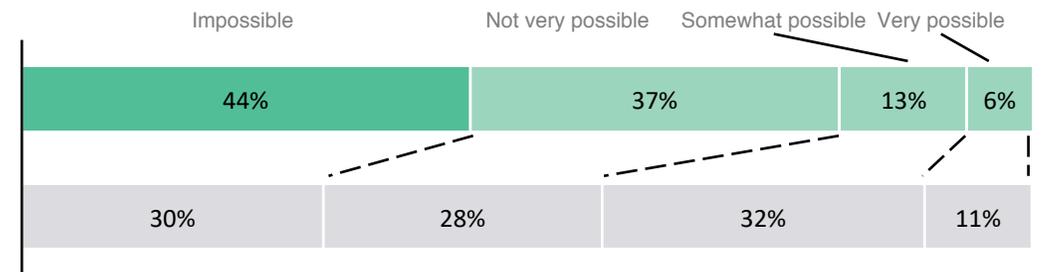
Careful Hustlers have faced the second most types of emergencies among Pakistanis over the past two years, and have the lowest confidence in their ability to raise emergency funds. On average, they have faced 1.03 types of emergencies in the past two years. Eighty-one percent believe it would be impossible or not very possible to raise emergency funds moving forward, yet they have relied more heavily on social sources (67%) for emergency funding over the past two years than any other segment. They have the lowest confidence amongst segments in the ability to raise emergency funds.

With the second-lowest SES, behind only Modest Upholders, their network may be as income-volatile as they are, contributing to their low confidence given their heavy reliance on social sources of emergency support. Additionally, with many reporting that they do not think their communities are equal — that their family, friends or neighbors earn similar livings or are in similar financial situations — they may find it difficult to build broad, reliable sources of social support, particularly given their low trust in the people of their communities (only 16% report trust).

NUMBER OF EMERGENCY TYPES FACED (PAST 2 YEARS)



CONFIDENCE IN ABILITY TO RAISE EMERGENCY FUNDS



Careful Hustlers Pakistan average

Finances

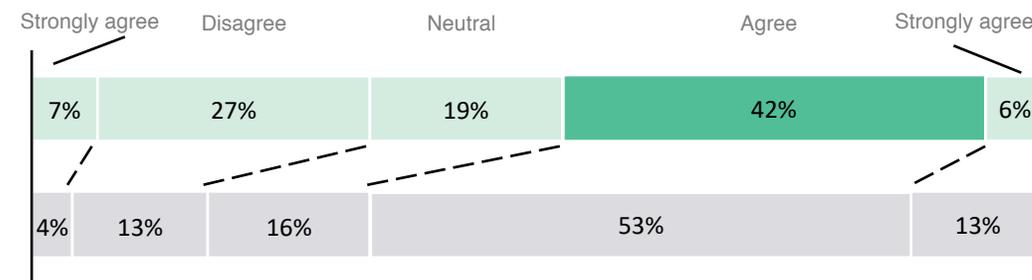
Financial Planning

Careful Hustlers struggle with financial planning, especially when it comes to expenses, though nearly half identify as the type of people who make plans and follow through with them. This may be driven, in part, by the fact that men in this segment defer expense planning to their spouses and, in the rare case of non-elder men in joint households, may defer both expense planning and overall financial planning to senior males in their families. Women in the segment may drive much of the financial planning behaviour we see evident in the data.

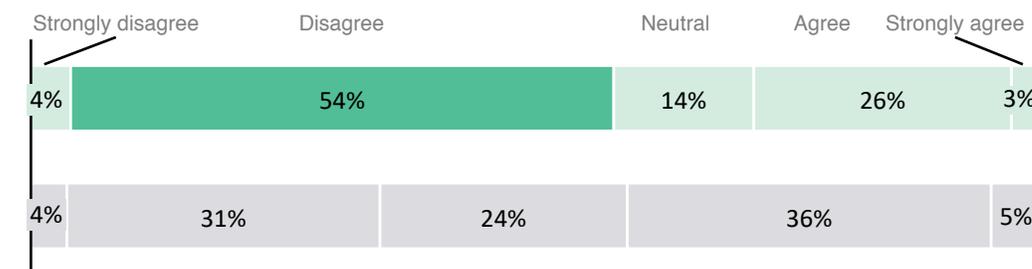
Nearly half of Careful Hustlers (48%) identify as the type of people who ‘make plans and follow through with them.’ While this is nearly half the segment, it is well below the national average of 66%. Moreover, 34% do not identify as strong planners.

Only 29% agree that they have a plan to manage expenses, again well below the national average of 41%. Yet, over half identify as the primary household decision maker. This suggests expense planning may be delegated to other household members, especially spouses.

MAKES A PLAN AND FOLLOWS THROUGH WITH IT



HAS A PLAN TO MANAGE EXPENSES



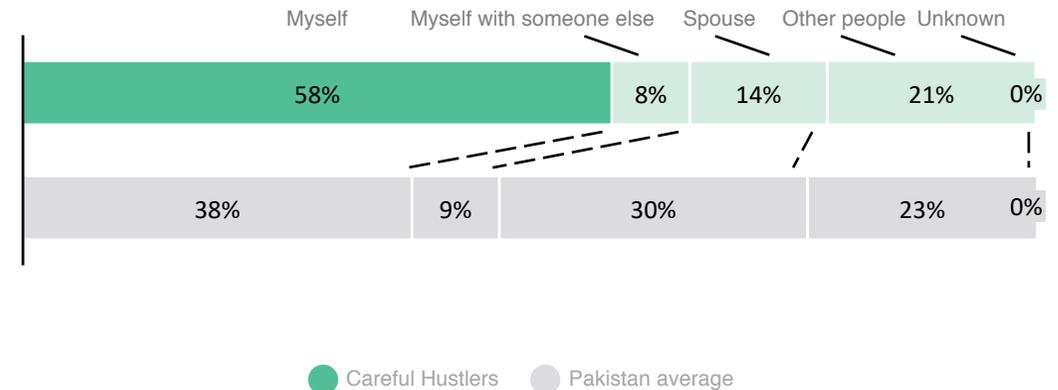
● Careful Hustlers ● Pakistan average

Finances

Financial Planning

Some may also live in joint households and rely on their fathers or elder brothers to manage finances. A significant number of the Confident Hustlers who identify “other people” as primary deciders in their households are men (about one in five). In such cases, they likely must ask the primary decision-maker for funds each time there is a need, leaving them with only a reactive financial strategy, and making it difficult to plan long-term.

HOUSEHOLD DECISION MAKING



Technology

Careful Hustlers tech use lags national averages in virtually every category, likely owing to their middle age, income volatility and frequent lack of formal education. However, they own feature phones and make phone calls at rates well above the national average for Pakistan, though most rarely text or use internet. Their mobile wallet ownership, while in the single digits, is slightly above average.

While their smartphone ownership and overall tech use is well below average – perhaps to be expected in a segment that skews middle aged, their feature phone ownership is the highest of any segment. Taken with their above-average mobile money account ownership, Careful Hustlers likely have experience with and willingness to use USSD-based services. This aligns with their higher-than-average daily phone call rate (at least half use a phone 3-4 times per day), even though their technology use overall lags behind national averages (particularly among male-dominated segments.)

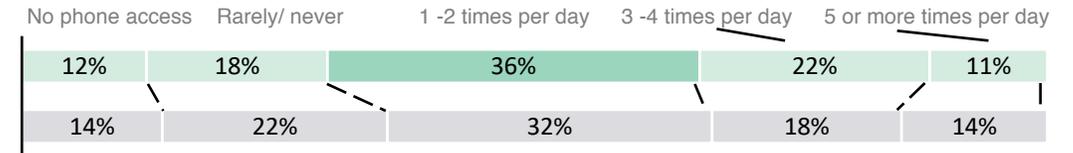
Indeed, because 39% have never attended school or have only informal education, broad smartphone adoption may be challenging.

Careful Hustlers technology use is notably poor across many of the measures except phone calls, and their internet use is the lowest of any segment. Only 19% of the segment send texts, 6% visit websites, 7% use social media, and 3% use computers a few times per week up to daily.

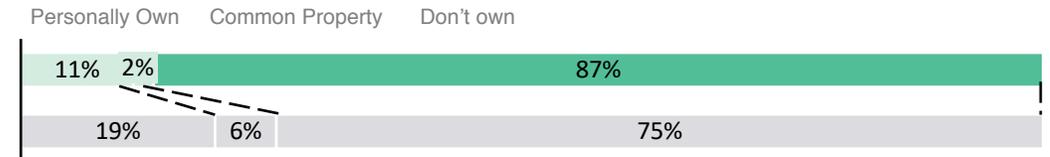
TECH USE FREQUENCY



PHONE USAGE



ACCESS TO SMARTPHONES



ACCESS TO BASIC AND FEATURE PHONES



Careful Hustlers

Psychology

Psychology

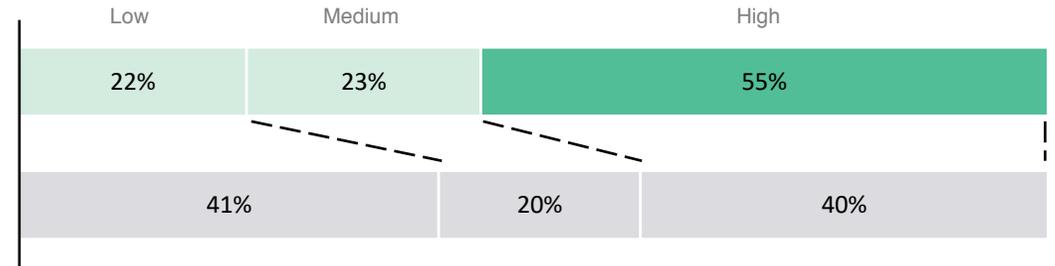
Self-Perception

Most Careful Hustlers have an internal locus of control and high self-efficacy. Yet, despite their strong sense of agency they have dim hopes for the future and low self-esteem. They struggle financially and have a heavy sense of responsibility as heads of household. They likely internalize their struggles and shortcomings as providers, blaming themselves and weighing negatively on their self-esteem and future outlook. Moreover, while they struggle financially, they feel their communities are unequal and do not trust their friends, neighbors and family to provide them support in times of needs, likely further suppressing their self-esteem confidence in the future.

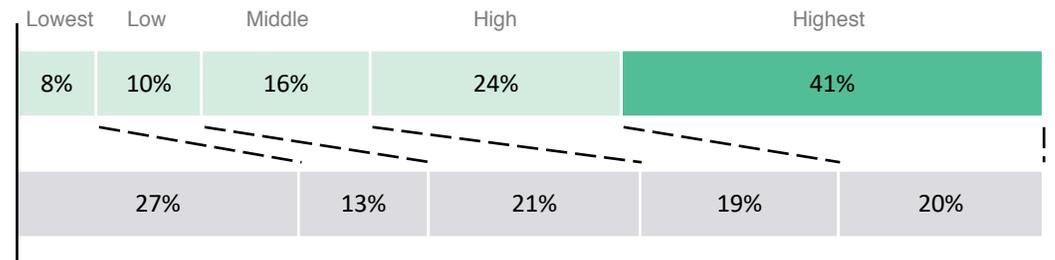
Most Careful Hustlers have an internal locus of control, the second highest level after Pragmatic Providers, and less than a quarter have a clear external locus of control, indicating most feel in charge of their own circumstance and outcomes. Fifty-five percent report high to the highest levels of control compared with 40% of Pakistanis overall, and 22% report the lowest levels of control compared with 41% overall.

Careful Hustlers have the second highest sense of self-efficacy after Pragmatic Providers, with 41% reporting the highest levels and 24% reporting high levels, compared to 20% and 19%, respectively, of Pakistanis overall. Most believe in their ability to improve themselves, including their financial management.

LOCUS OF CONTROL



SELF-EFFICACY



● Careful Hustlers ● Pakistan average

Psychology

Self-Perception

Given this standout belief in their own abilities, their high preference for allocating windfalls to investment seems reasonable, particularly if they're eager to rapidly grow toward greater independence and stability. They seem, broadly, to doubt others and believe that they could 'do the job better.'

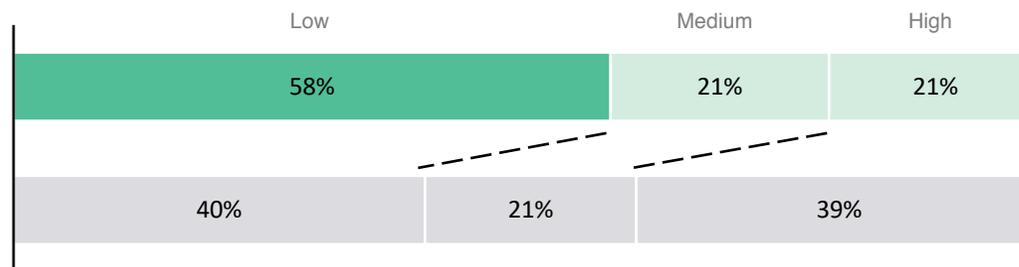
Despite their strong sense of agency, most have low self esteem. Fifty-eight percent report low self esteem compared to 40% of Pakistanis overall. This is likely due to the fact that their financial and economic outcomes are worse than that of their peers, on average, as evidenced by their low SES and below average scores on our financial behavior index. It is possible, given their strong sense of control, that they blame themselves for their relatively poor outcomes, especially in light of their aspirations. Moreover, they are the least likely segment to believe that their communities are equal — that their family, friends or neighbors earn similar livings or are in similar financial situations. They believe it unlikely that their communities would support their growth or needs.

Alongside Pragmatic Providers, Careful Hustlers hold the most negative outlook on their future among Pakistanis. Sixty-six percent believe they will be worse off in the next five years, compared with 40% of Pakistanis overall. Their high locus of control and self-efficacy suggest they find themselves ready and capable of seizing opportunities and converting them to gains. However, despite having a strong desire to make investments, the challenges they face managing highly volatile incomes likely force them to react to constant and immediate scarcity rather than imagine futures in which they are significantly better off.

CONFIDENCE IN THE FUTURE



SELF-ESTEEM



● Careful Hustlers ● Pakistan average

Psychology

Financial Attitudes

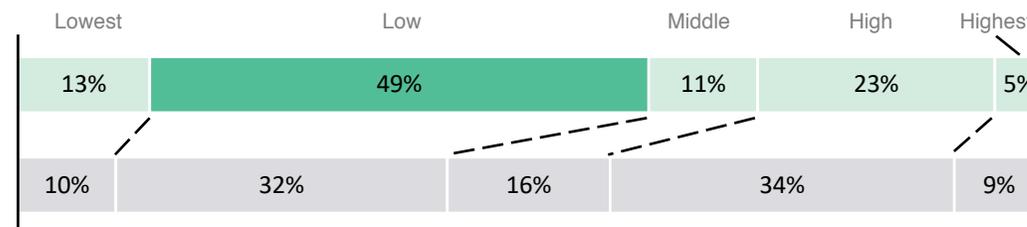
Nearly two-thirds of Careful Hustlers exhibit medium to high conscientiousness and about half identify as effective planners, yet most save and plan for expenses infrequently, and do not save deliberately. Most are not impulsive in their spending or open minded, in fact they are the least so among segment. This suggests they are financially disciplined, but may simply lack the resources or bandwidth to plan effectively given their low SES, high income volatility, challenges meeting expenses, and frequent emergencies. Given their self-confidence, conscientiousness and inclination to invest over saving, they may prefer to experiment with new earning strategies to break out of their precarious financial situation.

Careful Hustlers' conscientiousness is similar to the national averages with 60% showing medium to high conscientiousness. Taken together with the fact that most identify as planners, their reported low rates of expense planning are likely driven less by their attitude and more by their high income volatility, low SES, and frequent financial emergencies.

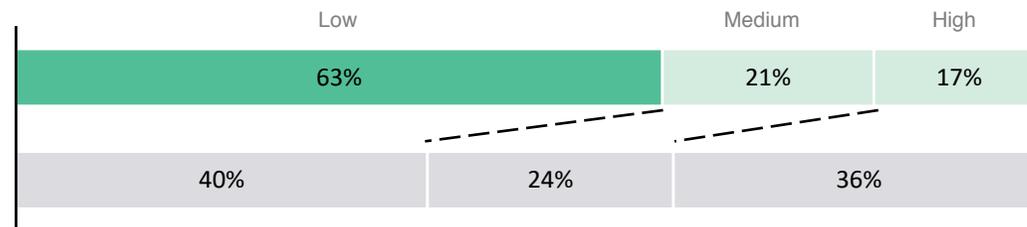
CONSCIENTIOUSNESS



IMPULSIVITY



OPENNESS



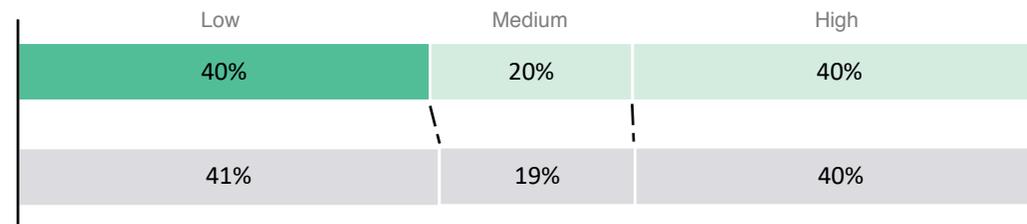
Psychology

Financial Attitudes

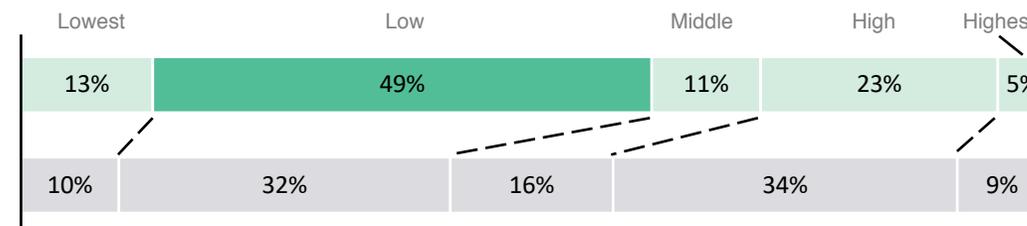
Careful Hustlers score as the *least* impulsive segment. Sixty-two percent show low impulsivity compared to 42% nationally and only 28% show high impulsivity compared to 43% nationally. Their low impulsivity may reflect a real need for discipline in their spending, given the precariousness of their finances.

Together with Pragmatic Providers, Careful Hustlers are the least open segment in Pakistan, with 63% scoring low on measures of openness, compared with 40% of Pakistanis overall. Only 17% show significant openness. Careful Hustlers are regularly unable to meet their household expenses, lack consistent resources and corresponding plans to build reserves, and rarely have significant assets to fall back on. It is, therefore, possible that their low openness is related to the very high risks and switching costs involved in trying new products or services, especially given the meager trust Careful Hustlers have for the institutions and neighbors around them.

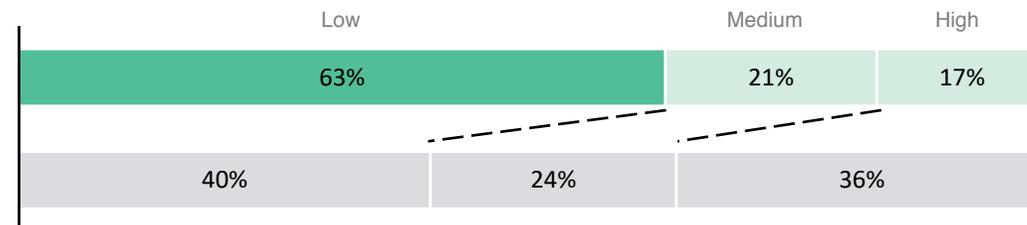
CONSCIENTIOUSNESS



IMPULSIVITY



OPENNESS



Psychology

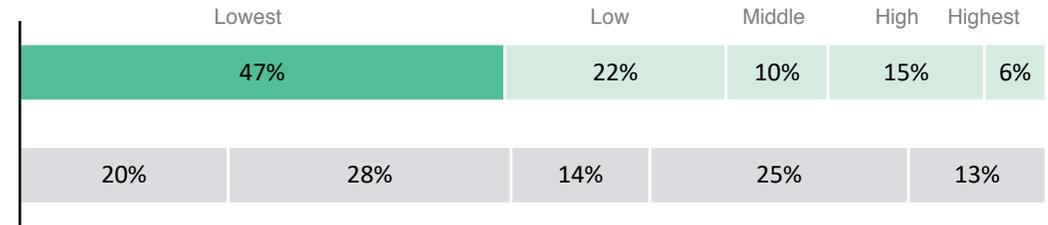
Attitudes Toward Savings

Most Careful Hustlers are not deliberate, goal-oriented savers and feel they don't earn enough to save. Moreover, half feel their savings are not safe from the claims of others, which is not surprising as most identify as head of households. This may help explain why some save frequently with banks and prefer to invest most of a windfall as it would protect their money. Yet, most still save with family, likely reflecting a need to keep cash in home to build a liquid and fungible savings cushion to protect against income volatility.

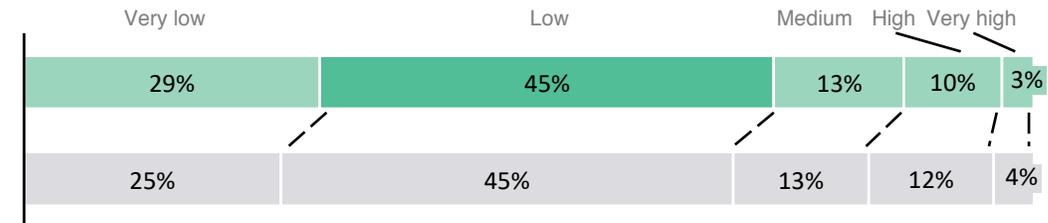
Despite their very low impulsivity, over two thirds of Careful Hustlers do not save deliberately. In fact, they are the least deliberate, goal-oriented savers amongst segments, with 47% measuring lowest and another 22% measuring low, compared with 20% and 28%, respectively, of all Pakistanis. This is in line with their infrequent savings. We would not expect a segment that rarely saves at all, especially, one with such high income volatility and expense management challenges, to save often with a specific goal in mind. This is particularly true for Careful Hustlers, who also prioritize investing over saving.

Seventy-four percent of Careful Hustlers do not feel that they earn enough to save, the second highest rate amongst segments. This likely makes it much harder

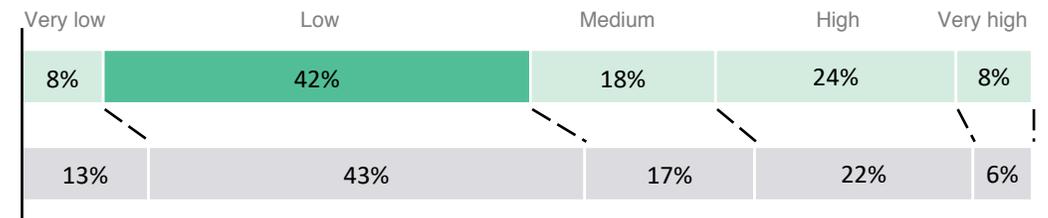
SAVINGS DELIBERATENESS



BELIEF IN EARNING ENOUGH MONEY TO SAVE



SAFETY OF SAVINGS FROM OTHERS



Psychology

Attitudes Toward Savings

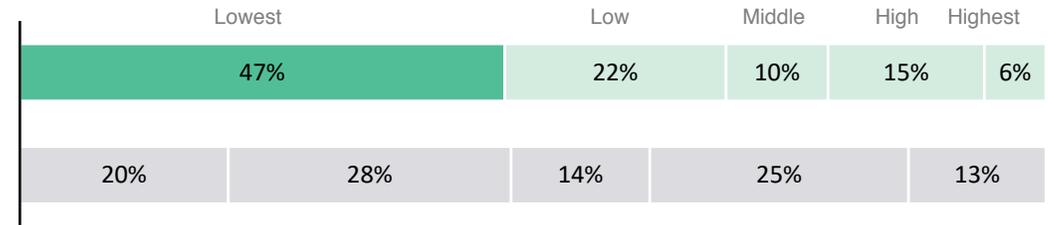
for them to save consistently, to set firm goals for their savings, and when their income volatility is taken into account, to strictly use their savings as originally intended.

Moreover, half of Careful Hustlers are not confident that their savings are safe from the demands of those around them, though nearly 1/3 feel the opposite. Given that most are heads of household, struggle to meet expenses, distrust people when it comes to repayment, and would allocate a significant smaller share of a windfall to friends and family, this outcome is not surprising. As providers, their family and perhaps even some their friends may expect financial support from Confident Builders.

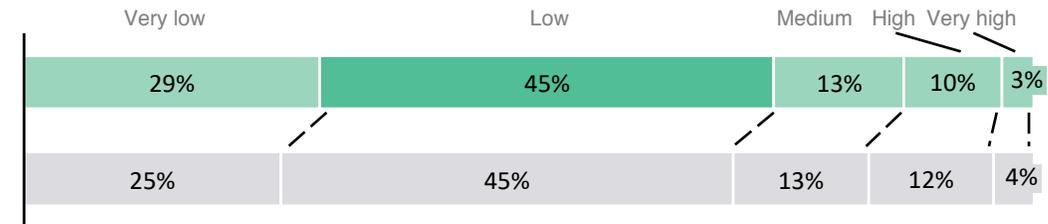
Moreover, beyond their role as heads of household, their attitude towards saving helps explain their desire to put their money to work through investments. Investing rather than saving places money out of the impending grasp of the household and social network. Investing may seem the best way to both protect and grow capital.

It is important to note that Careful Hustlers actually feel that their savings are safer from the claims of their network and less fungible than most Pakistanis. However, Pakistanis, overall, feel that their savings are not safe in this sense, reflecting high income volatility, struggles with expenses, and social- financial entanglement, in general, across the population.

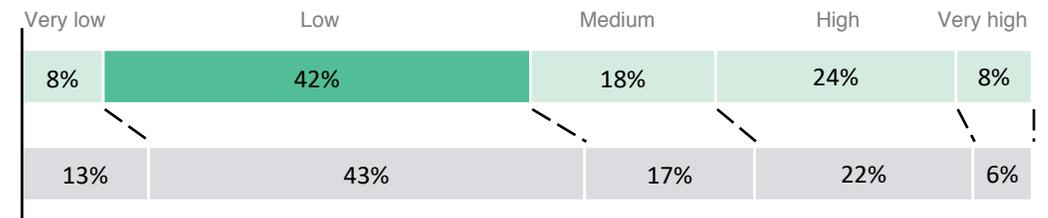
SAVINGS DELIBERATENESS



BELIEF IN EARNING ENOUGH MONEY TO SAVE



SAFETY OF SAVINGS FROM OTHERS



Psychology

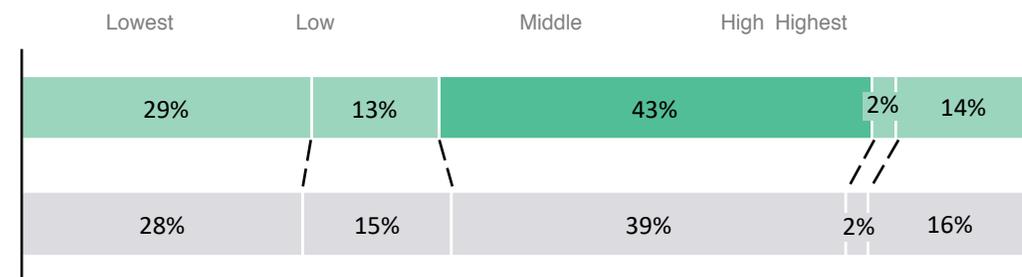
Attitudes Towards Debt

Most Careful Hustlers do not consider themselves to be dependable and are not comfortable holding debt. This is not surprising as they struggle to manage liquidity. Yet, they are the most frequent borrowers in Pakistan, indicating a strong need for capital. They borrow almost exclusively from family, which may provide them with the flexibility needed in terms of repayment, and alleviate some of their anxiety around holding debt. Though they are the most frequent Pakistani borrowers, nearly sixty-percent never borrow. Their attitudes toward debt may suppress their borrowing rates.

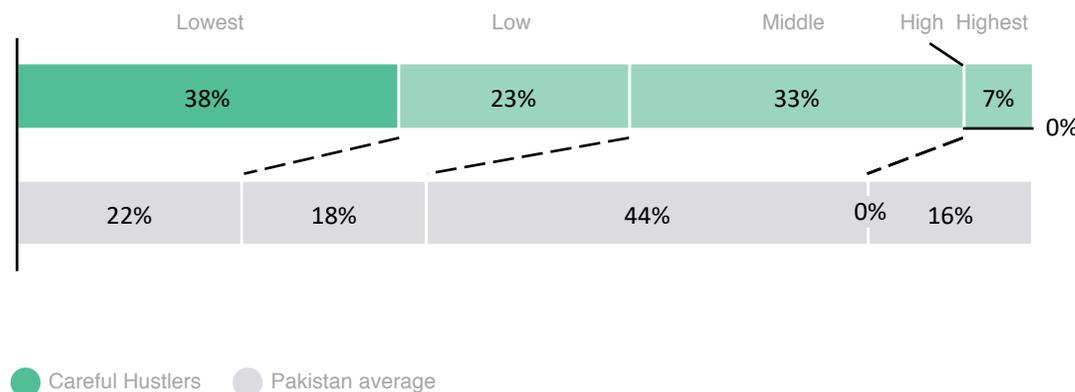
Careful Hustlers do not consider themselves dependable. Sixty percent believe they are not dependable, second only to Pragmatic Providers and well above the national average of 40%.

Despite the fact they are the most frequent borrowers, Careful Hustlers are not, for the most part, comfortable holding debt. Forty one percent report low to lowest levels of comfort, compared with 42% nationally, and only 16% report high to highest levels of comfort, compared with 18% nationally. This indicates many experience anxiety around their debt and may struggle with repayment. They are likely borrowing out of necessity, to smooth income or deal with emergencies, rather than to make investments.

COMFORT WITH DEBT



DEPENDABILITY



● Careful Hustlers ● Pakistan average

Psychology

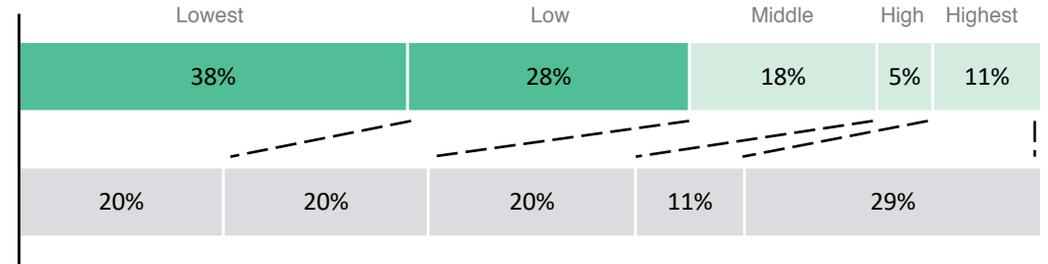
Trust in People

Over two-thirds of Careful Hustlers distrust people and their social financial networks. In fact, they are the least trusting segment in Pakistan. Their low trust may limit their overall use of financial services, and drive their financial management to family based channels, especially for saving and borrowing. They do not view their communities as equal, which may drive their low trust overall, and helps explain their low confidence in their ability to raise emergency and investment funds from social sources, despite relying heavily on these sources in emergency situations.

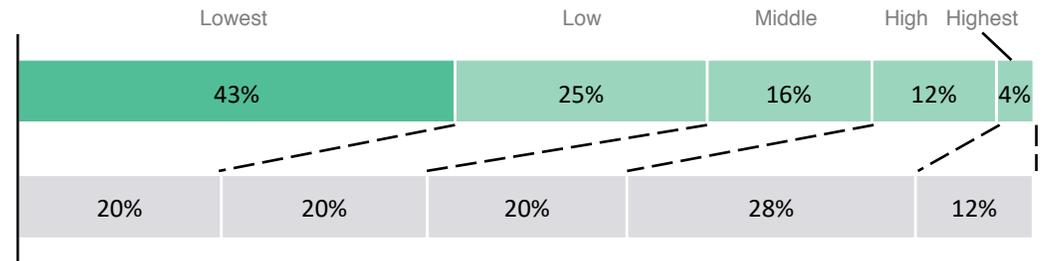
Careful Hustlers have the second lowest trust in people within their community after Pragmatic Providers, with 66% measuring low to lowest trust levels compared with 40% of Pakistanis on average. Only 16% record high to highest trust levels compared with 40% nationally.

Moreover, they have the lowest trust in social financial networks, with 68% reporting low to lowest levels of trust compared with 40% nationally. Only 16% report high to highest levels of trust compared to 40% nationally.

TRUST IN PEOPLE IN COMMUNITY



TRUST IN SOCIAL FINANCIAL NETWORKS



● Careful Hustlers ● Pakistan average

Psychology

Trust in People

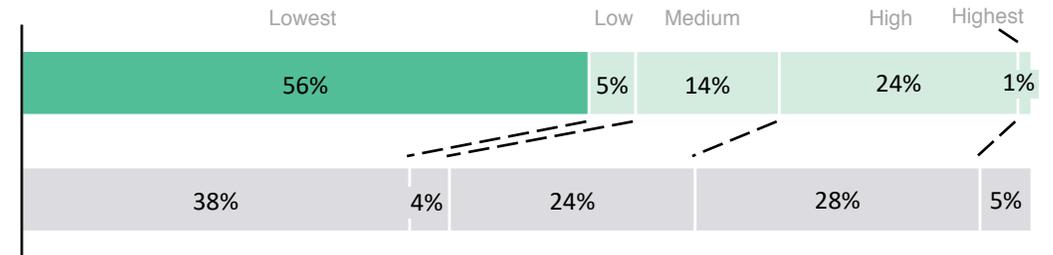
Careful Hustlers view their communities as more unequal than any other segment, with 61% reporting low or lowest perceptions of community equality compared with 42% of Pakistanis overall. Only 25% clearly believe their communities are equal, reporting high to the highest perceptions of equality, compared with 32% of Pakistanis overall.

In Pakistan, having a low belief in community equality correlates with higher daily and weekly income volatility. It may be that people with higher SES or those formally employed may have more homogenous social circles, more stable incomes, or greater ability to draw on social financial networks for income smoothing.

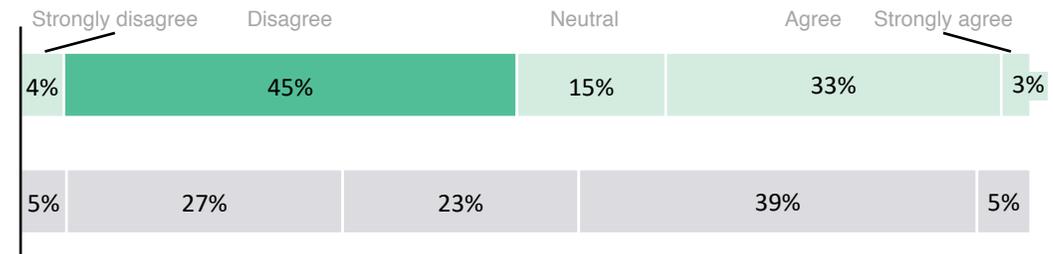
About half of Careful Hustlers (49%) do not believe they can rely on their networks to provide support for their business and education investments, compared with 32% nationally. They perhaps see that those around them are in a higher or lower SES and believe they are, therefore, less inclined to extend help. Their belief that their communities won't provide support or assistance may also relate to their lower self-esteem.

Still, they rely heavily on their social financial network to provide support in times of emergencies, but are the least-likely segment to believe that they are able to raise funds in such circumstances (81% believe it is impossible or not very possible). **This suggests that their distrust of people and their networks may be due to negative past experiences.**

PERCEIVED COMMUNITY EQUALITY



BELIEF IN COMMUNITY SUPPORT FOR BUSINESS & SCHOOL FEES



● Careful Hustlers ● Pakistan average

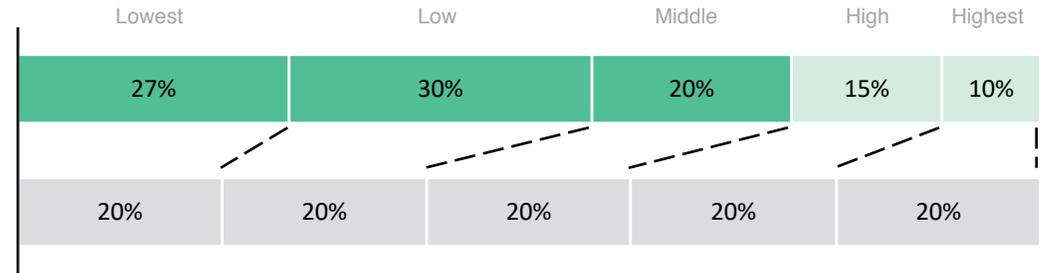
Psychology

Trust in Institutions

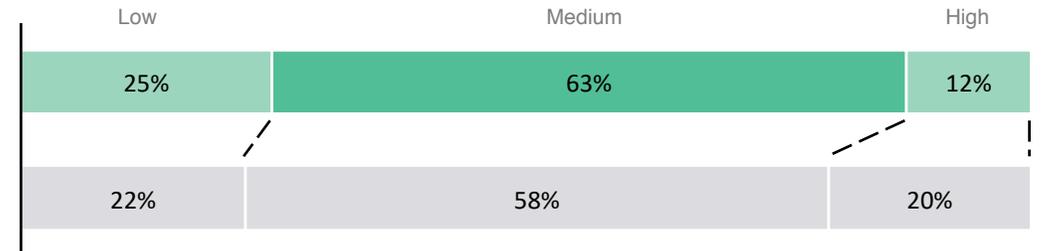
Most Careful Hustlers place minimal trust in banks. While in absolute terms, few Careful Hustlers own formal financial accounts and mobile wallets, they are more likely to make use of the ones that they do own, despite low trust in banks and viewing financial services as complex. Such accounts may appeal to their high locus of control, self-efficacy, distrust of people, and tendency to make financial decisions alone. While their low bank trust may and perceived financial service complexity may be a barrier to account and wallet ownership, their higher than average usage rates suggest these products provide compelling value to Careful Hustlers who own them.

Careful Hustlers place minimal trust in banks, with 57% reporting low to lowest trust. Only one in four Careful Hustlers report trusting banks outright, and they tend, more than the national average, to view financial services as complex. Their high rate of emergencies and unpaid household expenses may make it difficult for this segment to place their funds in more difficult-to-reach places, such as formal accounts. Careful Hustler's non-mobile formal account ownership rates are below average for Pakistan. Their limited exposure, distrust

TRUST IN BANKS



RESPECT FOR AUTHORITY FIGURES



● Careful Hustlers ● Pakistan average

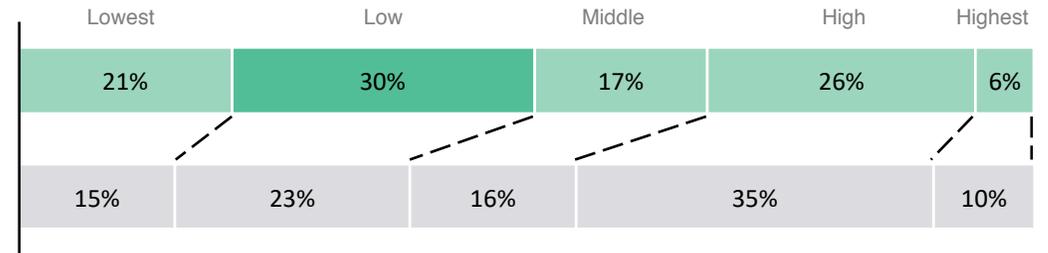
Psychology

Trust in Institutions

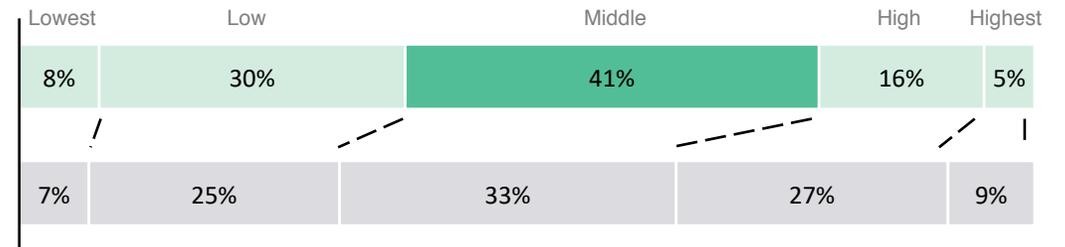
of banks, and perception that such channels are complex pose interesting challenges to those who could offer them services that many users amongst them appear to find valuable. While in absolute terms, few Careful Hustlers own formal financial accounts and mobile wallets, they are more likely to make use of the ones that they do own, despite low trust in banks and viewing financial services as complex. Such accounts may appeal to their high locus of control, self-efficacy, distrust of people, and tendency to make financial decisions alone. Information provided through their feature phones, particularly that which emphasizes secure investments and stabilizing financial tools, could, potentially, overcome their high skepticism.

Neither does this segment seem to hold considerable trust in media, ranking moderate to low nationally. This, perhaps, serves to further isolate them from new market offerings. Their social network awareness is low, but 38% watch television multiple times per week. Television, then, might be the best media channel through which to reach them.

TRUST IN GOVERNMENT



TRUST IN MEDIA



● Careful Hustlers ● Pakistan average

Psychology

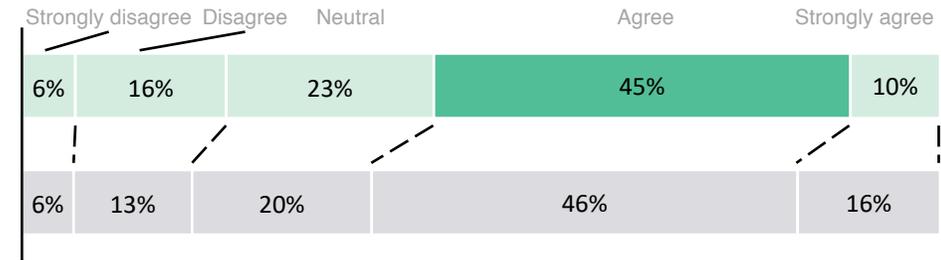
Gender

Men and women within this male dominated segment share very similar gender views. Unlike within the female dominated Modest Upholders, where views on gender are significantly more progressive across metrics, especially for women, Careful Hustlers tend to believe men are better financial managers and technology users than women, and do not consider loan issuance biased against women. They do, however, feel that wives and husbands should know each other's finances and that girls and boys should be educated about money in the same manner.

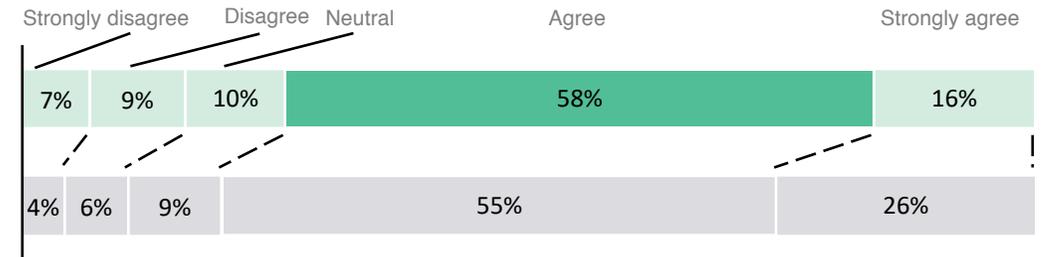
A male-dominated segment, most Careful Hustlers believe men are better financial managers than women. Overall, 55% of the segment believes this to be the case compared with with 62% of Pakistanis overall. Slightly more (21%) disagree with this notion than Pakistanis overall (19%).

A majority of both men and women in the segment share this view. Fifty-six percent of men and 52% of women in the segment agree that men are better financial managers than women, compared with national averages of 60% of men and 64% of women, respectively.

MEN ARE BETTER FINANCIAL MANAGERS THAN WOMEN



HUSBANDS AND WIVES SHOULD KNOW ABOUT EACH OTHER'S AFFAIRS



● Careful Hustlers ● Pakistan average

Psychology

Gender

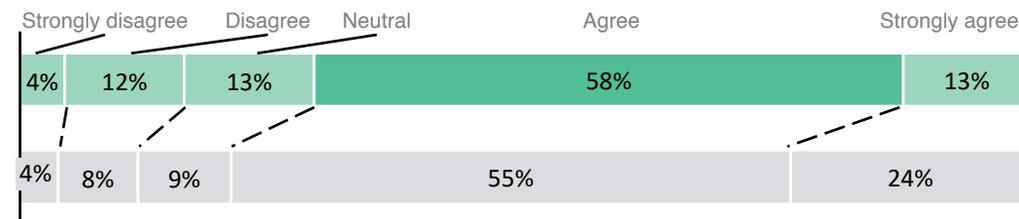
Most Careful Hustlers believe that husbands and wives should know each other's financial affairs. Though 74% agree with this concomitance, compared with 80% of Pakistanis. Careful Hustlers agree at the second lowest rate among segments, after Pragmatic Providers. Social Optimists and Networked Elites agree significantly more emphatically. Interestingly, among Careful Hustlers, women and men in this segment show similar levels of support for the view that wives and husbands should know each others financial affairs.

Moreover, 71% of Careful Hustlers believe that girls and boys should receive the same education about money, compared to 79% of Pakistanis overall. Again, Careful Hustlers agree at the second lowest rate among segments, after Pragmatic Providers. Among Careful Hustlers, women and men feel similarly strongly that girls and boys should be educated about money in the same way.

Thirty-four percent believe that when applying for a loan, the gender of the applicant has no influence on whether the loan is granted, compared to 55% of Pakistanis overall. While this makes them more progressive than Pakistanis on average in recognizing the gender disparities in loan issuance in Pakistan, it's still a large percentage and may reflect the limited account ownership and recent experience applying for formal loans among this segment.

Careful Hustlers are evenly split on the question of whether women understand new technologies better than men, with roughly one third feeling they do, one third feeling they don't, and one third responding "neutral."

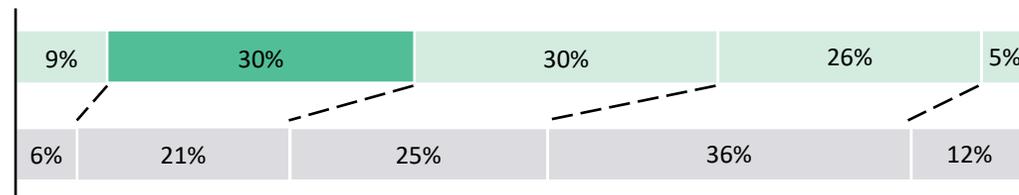
GIRLS AND BOYS SHOULD BE EDUCATED ABOUT MONEY IN THE SAME WAY



WHEN APPLYING FOR A LOAN, THE GENDER OF THE APPLICANT DOES NOT INFLUENCE WHETHER THE LOAN IS GRANTED



WOMEN UNDERSTAND NEW TECHNOLOGIES BETTER THAN MEN



OPPORTUNITIES

How might we leverage Careful Hustlers' desire to make investments and their strong sense of agency to drive higher savings rates?

+

How might we build knowledge and education pathways into products and services that clearly lead to growth and stability from small investments?

Design Principles

Create products and services that:

- Support financial planning, especially for expenses
- Anticipate or insure against frequent financial emergencies
- Restrict liquidity of savings, but include emergency release valves recognizing their volatile incomes and frequent emergencies
- Reduce the perceived risks of borrowing
- Appeal to and reinforce sense of agency by helping them establish clear and achievable near term financial goals that can mature into longer term goals

Engage through:

- Digital channels, leveraging their relatively high levels of tech usage to deliver personalized financial planning tools through digital channels, especially among youth (18-34) in this segment)
- Appeals to their sense of agency, by setting them up for and celebrating their small wins

Pragmatic Providers

PAGE 72
Overview

PAGE 74
User Profile

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Analysis

PAGE 115
Opportunities

Pragmatic Providers

19% of adult population | 24.5 million people

Pragmatic Providers are mostly middle to high SES, rural, married men who with primary or secondary education, Nearly all men in the segment identify as primary decision makers in the household, whereas most women do not. They are Pakistan's most infrequent savers and borrowers, but among its most financially resilient. They mainly manage their money through family, but own and use formal accounts at high rates for Pakistan. They have a strong sense of agency, but low self-esteem and are pessimistic about their future, taking an agnostic view towards planning. They are not deliberate in their savings and are not comfortable holding debt. They have low trust in people, and low to moderate trust in banks.

Most Pragmatic Providers are **middle to high SES, rural, married men** who are slightly better **educated** than the average Pakistani. Nearly all men in the segment identify as **the primary decision maker** in the household, whereas most women do not.

Pragmatic Providers' overall financial behavior is close average for Pakistan, though they struggle with high **income volatility** and **expenses**, and **save** and **borrow** infrequently, but have high **land** and **livestock** ownership rates. They primarily manage finances through **family**, though are among the most frequent **formal account** and **mobile wallet** owners and users in Pakistan. However, absolute ownership and usage rates are still low, especially compared to savings and borrowing rates with family. They are the least frequent members and users of **informal financial groups**.

They have a strong sense of **agency**, but low **self-esteem** and are pessimistic about their **future**. They take an agnostic view towards **planning** and most measure low **conscientiousness** and are not **deliberate**, goal-oriented savers. Given their high SES and agnosticism towards **impulsive** spending, they may feel they do not need to plan carefully. Their weak planning may, in part, contribute to their expenses management challenges and frequent **financial emergencies**. Most are not **comfortable with debt** and do not feel **dependable**, contributing to their lowing borrowing rates.

Most do not **trust people** or their **social financial networks**, perhaps driving their low rates of informal group membership and relatively low rates of saving and borrowing with family and friends. They also have below average trust in institutions, including the second lowest **trust in banks**. Their low trust in banks may suppress their overall account ownership rates, which while high for Pakistan are low in absolute terms. However, once they own accounts, they use them at surprisingly high rates suggesting that low trust does not, by itself, suppress bank usage. They hold conservative views on **women** and finance.

Demographics

- + 67% are **male**
- + 60% **rural**
- + 48% in 4-5 **SES**
- + 59% are between the **ages** of 25 and 34
- + 83% are **married**
- + 51% make household financial **decisions** alone
- + 27% have primary **education**, 35% secondary education
- + 44% personally own **land**
- + 26% personally own **livestock**

Behavior

- + 26% high **income volatility**, 44% medium income volatility
- + 4.7 **unpaid expenses** types in past 6 months
- + 32% confident in ability to **pay their bills** on time
- + 29% have a **plan** to manage their expenses
- + 20% **save** monthly or more (primarily with family)
- + 19% **borrow** quarterly or more (primarily from family)
- + 46% somewhat to very possible to raise **emergency funds**
- + 40% have relied on social sources of **money in emergencies**
- + 22% own non-mobile **formal financial accounts**
- + 9% are members of **informal financial groups**
- + 58% personally own **feature phones**, 20% own **smartphones**
- + 12% use **internet** and 11% use **social media** weekly or more



Psychometrics

- + 77% external **locus of control**, 64% high-highest **self-efficacy**
- + 83% low-lowest **self-esteem**, 67% low-lowest confident in the **future**
- + 64% low-lowest **openness**, 55% low-lowest **conscientiousness**
- + 40% identify as effective **planners**
- + 30% low-lowest spending **impulsivity**, 31% high to highest
- + 60% low-lowest **savings deliberateness**
- + 44% feel they do not earn **enough to save**, 27% feel they do
- + 34% feel **savings not safe** from social claims, 31% feel savings are
- + 74% low-lowest **dependability**, 65% low-lowest **comfort with debt**
- + 77% low-lowest **trust in people**, 44% low-lowest **trust in banks**
- + 32% find **financial services complex**, 31% do not
- + 48% believe **girls and boys** should receive same financial education

Aspirations

Pragmatic Providers aspire to fulfill their roles as breadwinners for their family, build social capital, and avoid reliance on personal networks for financial support and management. They struggle to pay bills and face many financial emergencies. As such, they aspire but struggle to build a savings cushion.

Malang Hassan

A PRAGMATIC PROVIDER

“We are just earning to fill our bellies. I hope our children will grow up, have jobs, and be free of all this. Our parents weren’t educated, we’re not educated, so our conditions are the same. Our children will go to school, improvement will come.”





Demographics

Malang is a middle-aged man and father of six (5 sons and 1 daughter) living in Sind Province. He is a bonded laborer who works as a sharecropper. Malang's family lives in a cluster of six homes in a remote corner of their landlord's 300 hectare property. Their home is a two mile walk from the nearest village. Among Malang's neighbors are several of his brothers and their families. His finances are tight and he struggles to make ends meet. Despite this, he is determined to provide for his children's education, so they do not have to be sharecroppers.

“My parents worked for the landlord. He gave them permission to build a home on the land under the condition that they would vacate it whenever he chooses. If we stopped sharecropping, he would ask us to leave. That's the understanding.”

Journey

Malang is the eldest son born into a large family of bonded sharecroppers. Growing up, his family struggled to get by, especially when harvests were poor. He went to work in the fields at a young age and continued to help his parents with their plot. Neither he nor any of his brothers and sisters ever went to school. There were few schools in the area, and his parents needed assistance.

Malang and all of his brothers ended up in bonded labor to the same landowner. His parents are now elderly and dependent on his support and care. Malang is resigned to his lot in life and deeply pessimistic about his future, though he does not place blame on his parents and is reluctant to criticize his landlord or the sharecropping situation in which he feels trapped.

Malang's parents are in poor health. Their medical bills create constant financial shocks. His brothers help out with their parents' care, but they are also poor sharecroppers with large families and limited financial means. In addition to taking care of his parents, Malang is the sole provider for his wife and children.



“The landlord takes 25% of my share of the harvest to cover input costs. This year I got no money from the annual sugar cane harvest after he took his cut. Nothing for my work.”



“We don’t really dream big dreams, we are laborers. We can only think about the day to day. I will not allow my sons in the field. I will educate them and find them jobs.”

Aspirations & Goals

More than anything Malang blames his lack of education for his situation, explaining, “The arrangement with the landlord is fine. We don’t have any other option. We have no education and there is little work.” He desperately wants to prevent his sons from suffering the same fate. He is determined that they be educated — at least through secondary school and further if he can afford it — so that they never have to work the land.

Malang’s plans for the future are limited but clear. If he gets a bumper crop, he will buy livestock with the extra earnings as these will provide milk for the family and store value for hard times ahead. If he has enough food to eat and limited medical expenses, he will manage to save a bit of his casual labor earnings in his committee savings account. The driving force in his life seems to be a desire to educate his children and insure they do not suffer the same fate as him.

Malang expressed that a very large bumper crop is the only chance he really has for a material change in his life. With that money he could build up a base of livestock, which could generate additional earnings through milk production and provide him with some financial cushion against future financial shocks.

Financial Attitudes, Behaviors, and Tools

Malang described his life as a constant struggle. Despite being a farmer, food is his largest non-medical expense. Like the other families in his share-cropping situation, Malang farms 8 acres and cultivates sugarcane, wheat and rice throughout the year. According to his agreement with the landlord, he is entitled to keep 25% of the proceeds from the harvest. These are the primary earnings with which he supports a family of 10.

Though his wife and daughter help with the farming, no one else in his family receives earnings. He does not permit his sons to farm, saying, “They will not touch the land. They need an education.” Whenever there is no work to do on his land, Malang seeks out day labor on other sharecroppers’ plots or with his landlord.

Through occasional day labor, Malang manages to make ends meet. The proceeds from the farming, even in a good year, barely support the family. This year, as is frequently the case, the harvest was poor.

Malang explains that he does not earn enough to build up any sort of financial reserve, so when droughts strike, as they do every 2-3 years, he barely gets by. Typically, he has to sell off whatever assets he had built up—usually a few goats—to keep food on the table.



“We are barely getting by. We’re covering our expenses with day labor. We have some work, but we’re barely making it.”

In fact, this past January, the sugar cane harvest was poor and he earned no money off of a year's worth of work so Malang sold off all of his livestock and spent down his savings with his committee. Even after liquidating his assets, he barely manages to keep food on the table, given his parents chronic healthcare needs. The landlord took his full share of the harvest to cover the input costs. He is entitled to 25% of Malang's take, regardless of the size of the harvest. The landlord takes a share of the profits but none of the risk.

Malang laments the fact that he has no leverage with the landlord to negotiate a better split on the proceeds. Some sharecroppers are able to get better terms, but only if they can afford inputs on their own and are willing to forgo the landlords input provision. Malang has been unable to save enough to afford inputs or to accumulate livestock as collateral against an input loan. As such, he feels he has no choice in the matter and is at the landlord's mercy.

Malang's daughter is not in school. He wanted to put her in school along with his sons so that when she grew up and married into a family, she would have other options if they did not treat her well. However, his wife felt very burdened with the large family and so argued against schooling their daughter, insisting, instead, that she stay home to assist with domestic work and farming.



“Whenever I have regular day labor, I become a member of a committee. When I have a good harvest, I buy livestock. If I have cash, it will somehow be spent. I have livestock. It will provide milk for the family and I can sell it if I need to.”

Malang said that no women in his family had ever been educated or had any jobs, though all have helped with farming and managed the home. In his view, women should be educated, go outside the home, and work, and he said, in his community, there is no issue with this. In fact, he pointed out that nearly 20 girls in his group of sharecroppers have attained secondary degrees, though none of them have jobs. He said the landlord would not allow them to work because the extra earnings they would bring to the families could allow them to quit farming. Malang and others in the community fear retribution from their landlord because he is politically connected with the local MPA and police, and could kick them out of their homes.

“In my community there is not that thinking. There's no problem with women working, spending money, or going out of the home. Some girls in the community are educated—20 of them have secondary degrees—but none of them have jobs other than helping on the farms. The landlord won't let them.”



User Insights

FOUNDATIONAL RESERVES UNLOCK NEW FINANCIAL STRATEGIES

Malang struggles to build and maintain financial reserves, whether in the form of savings or livestock. Healthcare costs in particular drain his resources and force him to liquidate savings to meet family needs. For this reason, Malang is unable to get ahead of bills, cover emergencies, and most importantly, make investments in his farming that could unlock greater productivity, higher profit margins, and freedom from his landlord.

Malang would benefit from products and services that enable him to put away small savings, while assisting with or allowing for his family's access to basic and preventative health services or insurance products that could help mitigate the constraining impact of sickness on his finances.

OPPORTUNITY: HEALTH SAVINGS AND INSURANCE ACCOUNT

Malang currently saves in livestock or by keeping cash at home to cover needs as they arise. When he has extra money, he joins a ROSCA, but uses it inconsistently given his cash flow and expense challenges.

Malang needs a savings account suited specifically to the erratic nature of his cash flows and tailored to his family's healthcare needs. A dedicated health savings account or one that combines general purpose savings with a low cost, basic health insurance policy, may resonate with burdened household heads like Malang.

Pragmatic Providers

Demographics

Socioeconomic

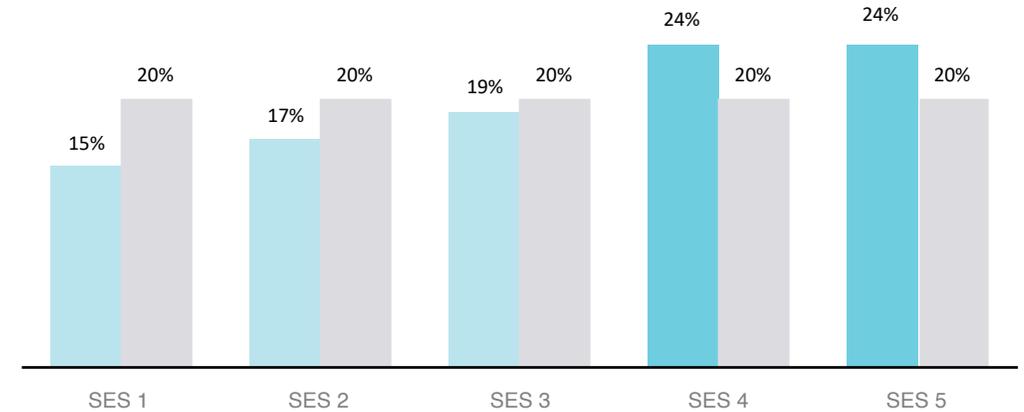
Most Pragmatic Providers are middle to high income, rural, married men who are slightly better educated than the average Pakistani. Most men in the segment identify as the primary decision maker in the household, whereas most women do not.

Pragmatic Providers are predominantly married (82%), men (67%), between 25 and 44 years old (59%), living in rural areas (60%), and concentrated in the top 3 SES quintiles (67%). They are slightly better educated than the average: 63% have completed primary or secondary school and only 27% have no education.

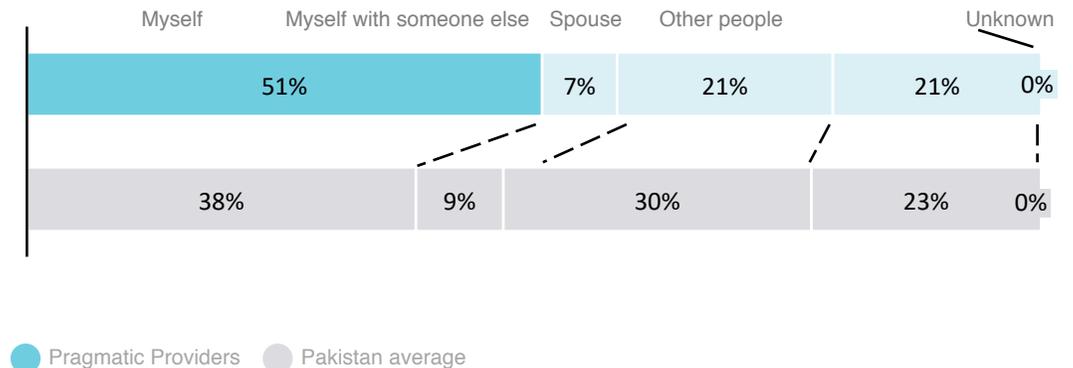
Financial decision making among Pragmatic Providers is strongly divided along gender lines. Just over half (51%) of Pragmatic Providers report being the primary decision maker in their household, and, of those, 90% are men. Another 8% report sharing this authority with someone else and, among those, 69% are men, in line with the percentage of men in the segment as a whole.

Women in the segment much more frequently rely on others for financial decision making. Over a fifth (21%) of Pragmatic Providers report that their spouse makes the financial decisions. Among this cohort, 97% are female. Another 21% report that “someone else” makes financial decisions for them. Among this cohort, 74% are male. As such, it is likely that “someone else” often refers to an elder brother or father in a joint household.

CONCENTRATED IN MIDDLE SOCIO-ECONOMIC CLASSES (SEC)



HOUSEHOLD DECISION-MAKING



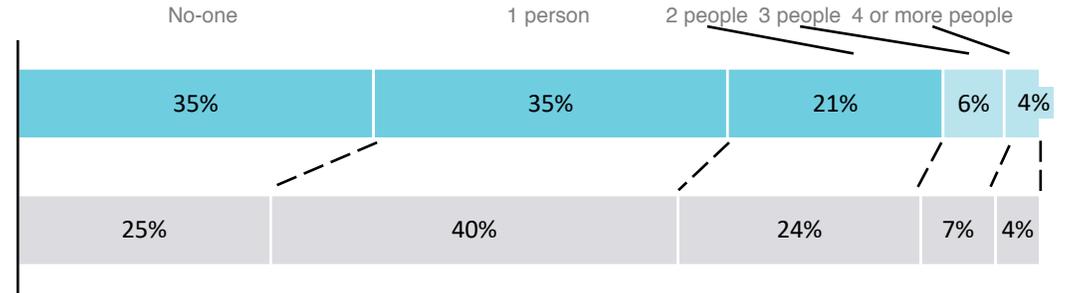
Social Network

Pragmatic providers can draw on fewer people than average for support when ill, perhaps because many look to them for support in times of need. Yet, they are the most confident segment in their ability to raise emergency money. However, nearly half are not confident. Most have relied on personal financial resources in recent emergencies and fewer than average have relied on social sources. Their ability to rely on personal savings and assets may bolster their confidence, but their relative struggle to raise funds from social sources may work suppress their confidence and overall resilience.

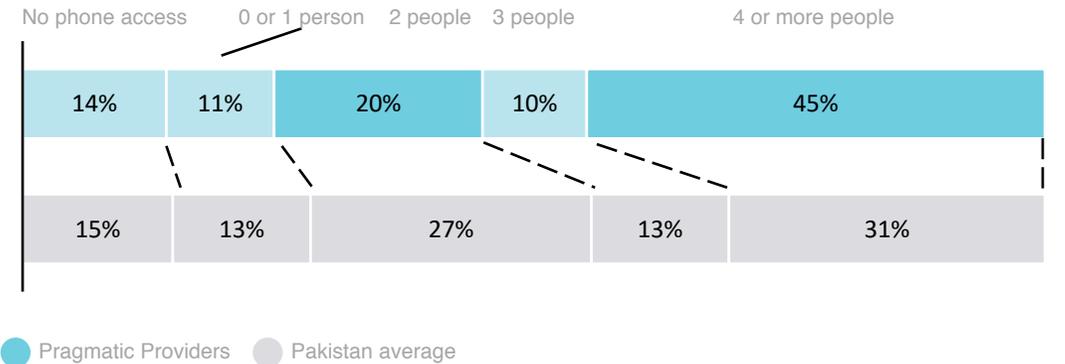
Most Pragmatic Providers can draw on one or less person for support when ill (the 2nd lowest number among segments), yet they are more confident in the ability to raise emergency funds than the the average Pakistani, relying heavily on personal sources.

Nearly a third have no one they can rely on in a crisis and another third only have one person. This could be driven by a number of factors including their low trust in the community, low usage rates of informal financial tools, and predominant role as heads of household. In particular, the reliance of others on

NUMBER OF PEOPLE THAT CAN BE DRAWN ON WHEN SICK



USING YOUR PHONE, HOW MANY PEOPLE DO YOU TALK TO IN A DAY?



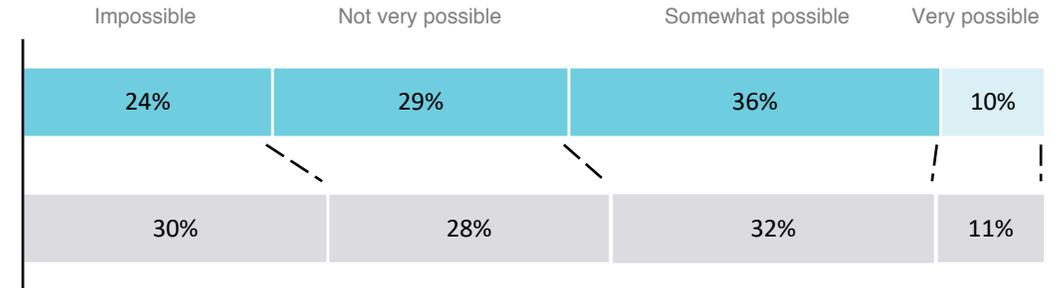
Social Network

their support is evidenced by the fact that Pragmatic Providers would allocate more of a windfall to friends and family than any other segment.

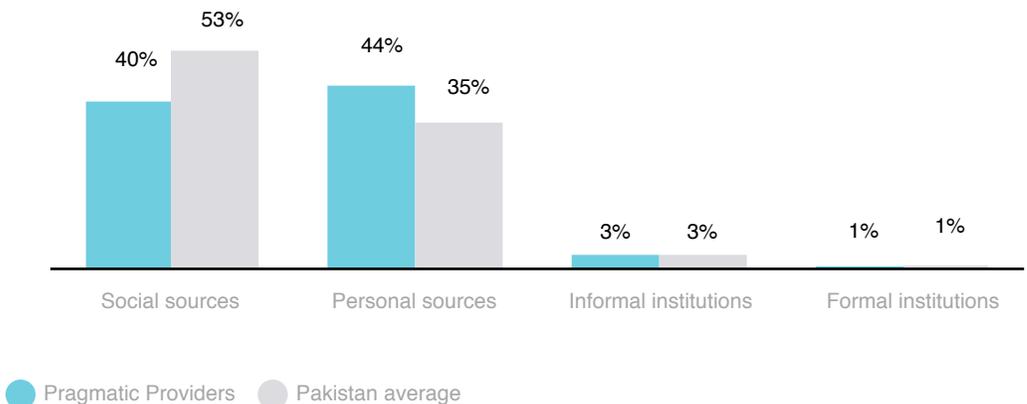
Fifty-five percent of Pragmatic Providers are confident in their ability to raise emergency funds, the highest level amongst segments and significantly higher than the national average of 43%. However, many are not, with 45% reporting that it would not be very possible or would be impossible to do raise emergency funds. While they are bolstered by their ability to rely on savings and assets, many may face challenges due to their relatively limited ability to raise rely on social sources of support.

In the face of financial shocks, nearly half rely on personal sources of money to cover costs, well above the Pakistani average. Notably fewer rely on social sources than the Pakistani average.

CONFIDENCE IN ABILITY TO RAISE EMERGENCY FUNDS



RESILIENCE: SOURCES OF MONEY IN AN EMERGENCY



Pragmatic Providers

Behavior

Finances

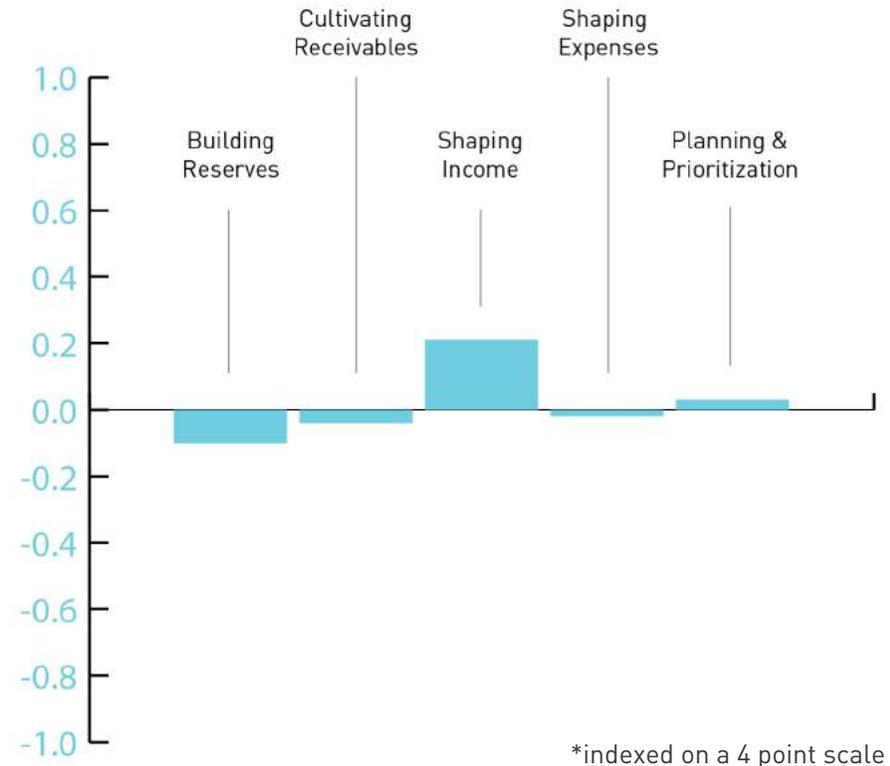
Financial Health Overview

Pragmatic Providers' overall financial behavior is close to the Pakistani average, though the struggle with high income volatility, and both save and borrow infrequently. They primarily manage finances through family, though are among the most frequent formal account and mobile wallet owners and users in Pakistan, though absolute rates are still low, especially compared to savings and borrowing rates with family. They are the least frequent members and users of informal financial groups.

INCOME & EXPENSES

Pragmatic Providers income smoothing strategies are relatively effective compared to other segments, though not sufficient to consistently meet their daily needs in the face of persistent volatility and numerous emergencies. They struggle to meet expenses, and face the most types of financial emergencies of any segment. Their challenges may be compounded by their inconsistent expense planning.

FINANCIAL BEHAVIOR INDEX:
segment difference from national average



Finances

Financial Health Overview

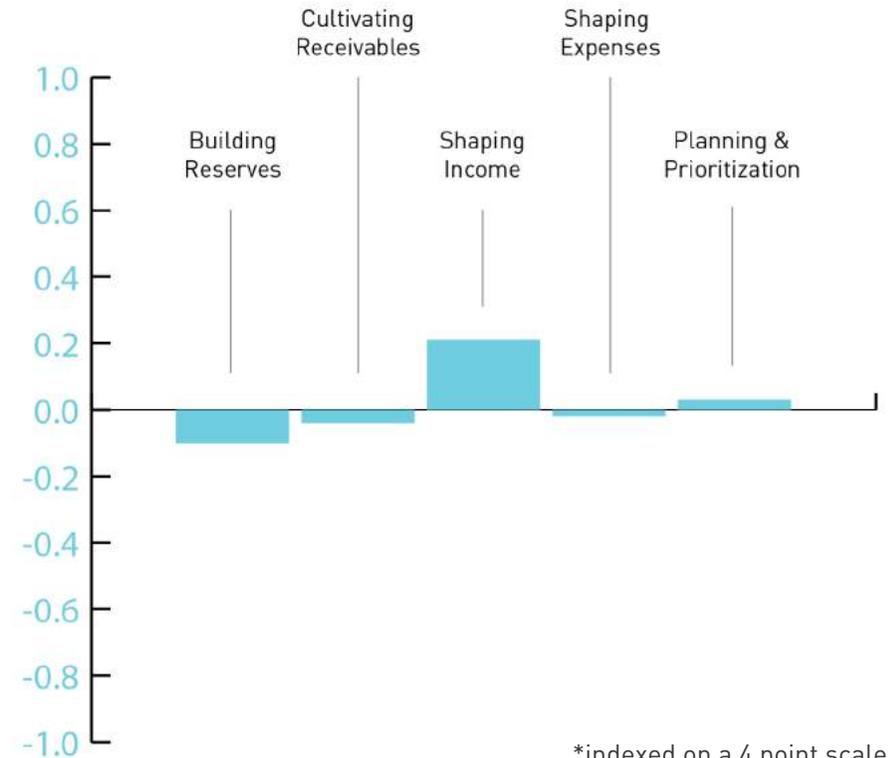
RESERVES

While most Pragmatic Providers save, almost half never do. They are the least frequent savers and use the fewest savings channels in Pakistan. Only one-fifth save frequently (monthly or more). When they do save, they most frequently keep money with family followed by banks. Nevertheless, they may have substantial financial reserves as evidenced by their strong reliance on personal sources for emergency funds, and relatively high confidence in their ability to raise emergency funds. One-fourth of the segment report owning livestock and nearly half personally own land, with a third having purchased it, the highest such. Rates of asset ownership amongst segments.

RECIEVEABLES

Nearly two thirds of Pragmatic Providers never borrow. They are the least frequent borrowers overall and have the fewest active borrowing channels among Pakistanis. Less than one-fifth are frequent borrowers (borrowing quarterly or more). Those borrow most commonly from family, but at the lowest rates of any segment. Banks, which they utilize at rates similar to Communal Elites, act as their second most likely source for borrowing. Pragmatic Providers seem to have a small and reliable social support network but may prefer to use it for business and education loans and support rather than emergencies. They rarely participate in informal financial groups and borrow from them even less frequently, perhaps reducing their ability to leverage land and livestock for loans.

FINANCIAL BEHAVIOR INDEX:
segment difference from national average



Finances

Financial Health Overview

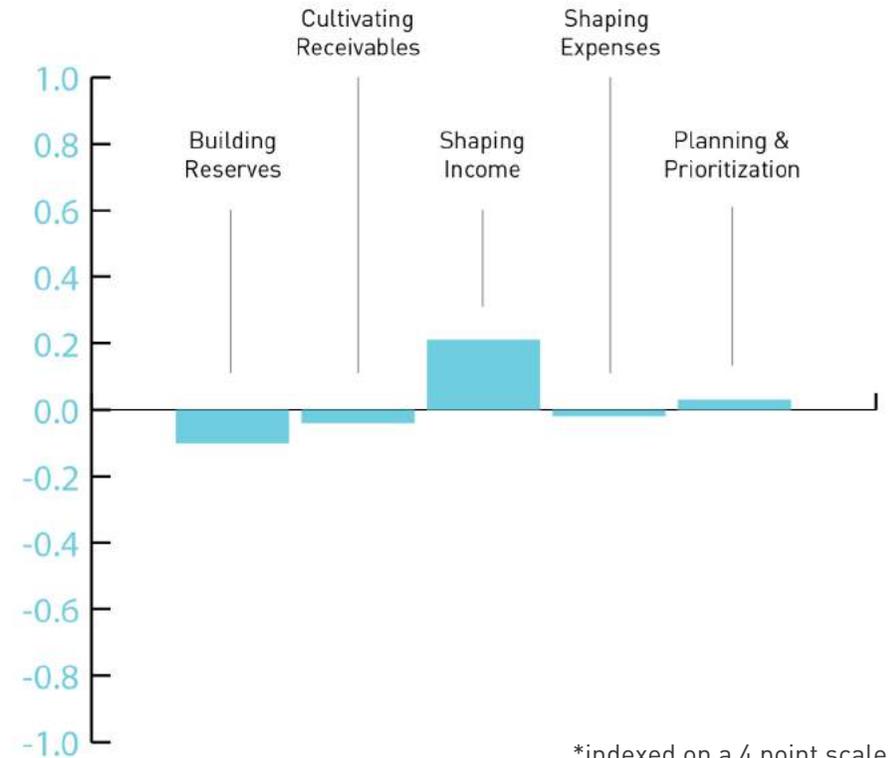
PRIORITIES

Pragmatic Providers are most likely to keep a windfall in cash or save it in a bank, and they deprioritize investment compared to the average Pakistani. The impulse to hold money in cash suggests that they prioritize short term liquidity to overcome immediate challenges and meet daily expenses while the inclination to hold funds in long term savings may relate to their expectation of frequent and unpredictable financial emergencies. Moreover, their propensity to share significantly more with friends and family perhaps reflects their anchoring role as heads of household.

PLANNING

Pragmatic Providers are weaker than average planners across a number of metrics, with most taking an agnostic view towards planning. Just over a third consider themselves strong planners, and less than one third report having a plan to manage expenses. Most measure low conscientiousness, the lowest among segments, and most are not deliberate, goal-oriented savers. Given their high SES, relatively low income volatility, and frequent role as head of household, they may feel they do not need to plan carefully. This is further evidenced by their, agnosticism towards impulsive spending, confidence in understanding financial services, low confidence in the future, and de-prioritization of windfall cash to investments. Their weak planning may, in part, contribute to their expenses management challenges and frequent financial emergencies.

FINANCIAL BEHAVIOR INDEX:
segment difference from national average



*indexed on a 4 point scale

Finances

Financial Priorities

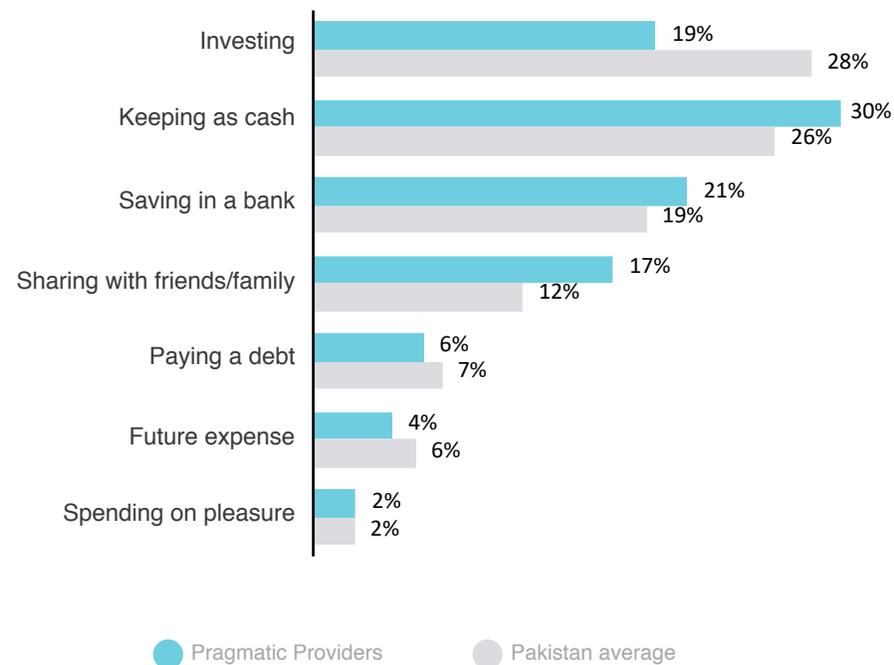
Pragmatic Providers are most likely to keep a windfall in cash or save it in a bank, and they deprioritize investment compared to the average Pakistani. This suggests they would prioritize short term liquidity to manage difficult expenses or long term savings to deal with unpredictable (and frequent) financial emergencies. Moreover, as heads of household, they would share significantly more with friends and family.

When offered an unexpected windfall, Pragmatic Providers are much less likely than others to invest it and are more likely to keep a larger share as cash or to save it in a bank. The prioritization of cash likely reflects short term liquidity needs – they have the second highest number of unpaid expenses among segments (4.7, above the Pakistani average of 4.5). The inclination to save in banks likely reflects a desire to cover long term considerations that they may not currently be prepared for, such as emergency medical expenses. They face the most emergencies per year of any segment (1.2 per year compared with 1 per year for the average Pakistani).

Pragmatic Providers would allocate a larger portion of a windfall to friends and family than the average Pakistani. This may reflect their frequent

role as heads of household, and their corresponding responsibility to provide financial support to close family and friends. It may also be a part of their resilience strategy. Such contributions could serve as an investment in their social safety net, which may help offset the frequent emergencies they face.

HOW WINDFALL IS PRIORITIZED



Finances

Financial Access

Pragmatic Providers primarily manage finances through family, and are also among the most frequent formal account and mobile wallet owners and users in Pakistan, though overall rates are still low, especially compared to savings and borrowing rates with family. They are the least frequent members and users of informal financial groups.

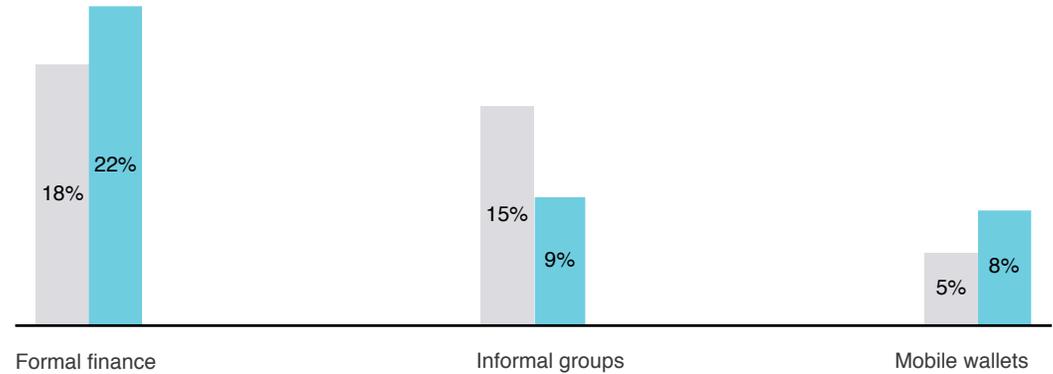
Pragmatic Providers are above average owners and users of non-mobile formal financial accounts. They have the second highest rates of bank account ownership after Communal Elites, and the highest rates of mobile wallet ownership (though mobile wallet ownership and usage rates are very low across all segments). Among all segments, they find financial services to be the least complicated and confusing to use, though nearly a third (30%) still find them challenging.

Despite their lower trust in banks, Pragmatic Providers have similarly high rates of account usage for saving and borrowing as Communal Elites, who are the most trusting and wealthiest of all segments.

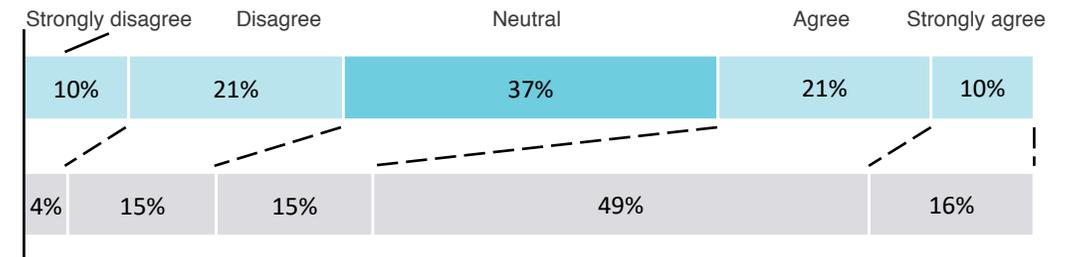
On the other hand, Pragmatic Providers' rates of informal financial group membership and informal usage are the lowest across all segments. Only 9% are members of an informal financial group, and only 40% ever save with family or in the home.

PRAGMATIC PROVIDERS

FINANCIAL ACCESS



PERCEIVED COMPLEXITY OF FINANCIAL SERVICES



● Pragmatic Providers ● Pakistan average

Finances

Shaping Income & Expenses

Pragmatic Providers Struggle to consistently meet their daily needs in the face of persistent volatility, unpaid bills, and financial emergencies, yet their income smoothing are relatively effective compared to other segments who struggle more. Most experience moderate to high income volatility, struggle to pay bills, and face the more types of financial emergencies than any other segment. Their challenges may be compounded by ineffective expense planning

Most Pragmatic Providers experience moderate to high weekly income volatility, though they have the second most stable income after Communal Elites. Given their unpaid expenses and frequent emergencies, they likely struggle to consistently manage liquidity in a way that allows them to meet daily household needs.

Pragmatic Providers have the second highest number of unpaid expenses types among segments (4.71) and most, when asked, do not report having a plan for expenses. Twenty-two percent say they have no plan, 30% say the do have a plan, and the remaining 48% respond “neutral.” Furthermore, they are the second least confident segment, after Careful Hustlers, in their ability to pay all household bills. Though only 20% say they are not confident, 47% respond “neutral.” They have also faced the most types **financial emergencies** in the past two years year of any segment (1.2).

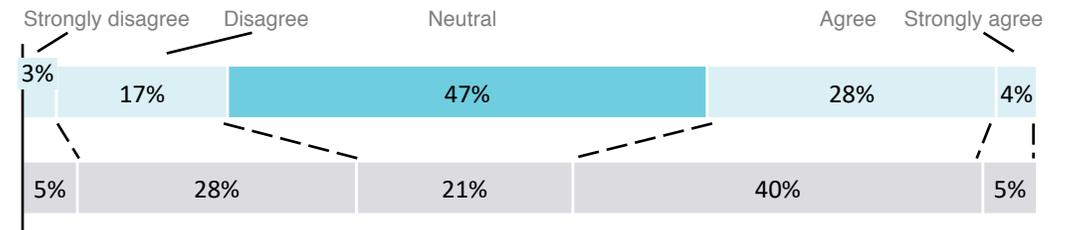
WEEKLY INCOME VOLATILITY



NUMBER OF EXPENSE TYPES HAVING HAD DIFFICULTY PAYING FOR IN PAST 6 MONTHS



CONFIDENCE IN ABILITY TO PAY ALL HOUSEHOLD BILLS



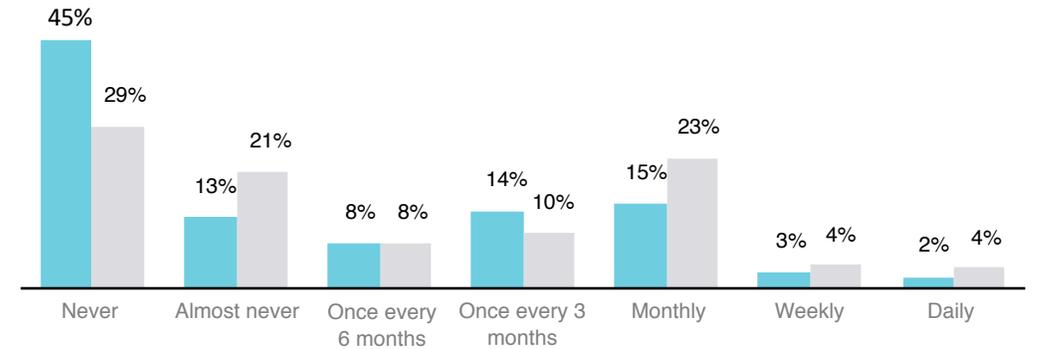
Finances

Building Reserves

While most Pragmatic Providers save, almost half never do. They are the least frequent savers and use the fewest savings channels in Pakistan. Only one-fifth save frequently (monthly or more). When they do save, they most frequently keep money with family followed by banks. Nevertheless, they may have substantial financial reserves as evidenced by their strong reliance on personal sources for emergency funds, and relatively high confidence in their ability to raise emergency funds. One-fourth of the segment report owning livestock and nearly half personally own land, with a third having purchased it, the highest such. Rates of asset ownership amongst segments.

Pragmatic Providers are the least frequent savers and use the fewest savings channels in Pakistan. Forty-five percent never save (the highest rate among segments) and another 13% almost never save. Of those who do save, 22% save once every three to six months (slightly above the national average), and another 20% save monthly or more (below the national average). Seventy percent report having no active savings channels in the past 3 months. Their low rates of saving may reflect their typical occupation as farmers who earn seasonally and spend, reinvest, and distribute most of their earnings among family.

SAVINGS FREQUENCY OVERALL



NUMBER OF SAVINGS CHANNELS IN USE QUARTERLY



● Pragmatic Providers ● Pakistan average

Finances

Building Reserves

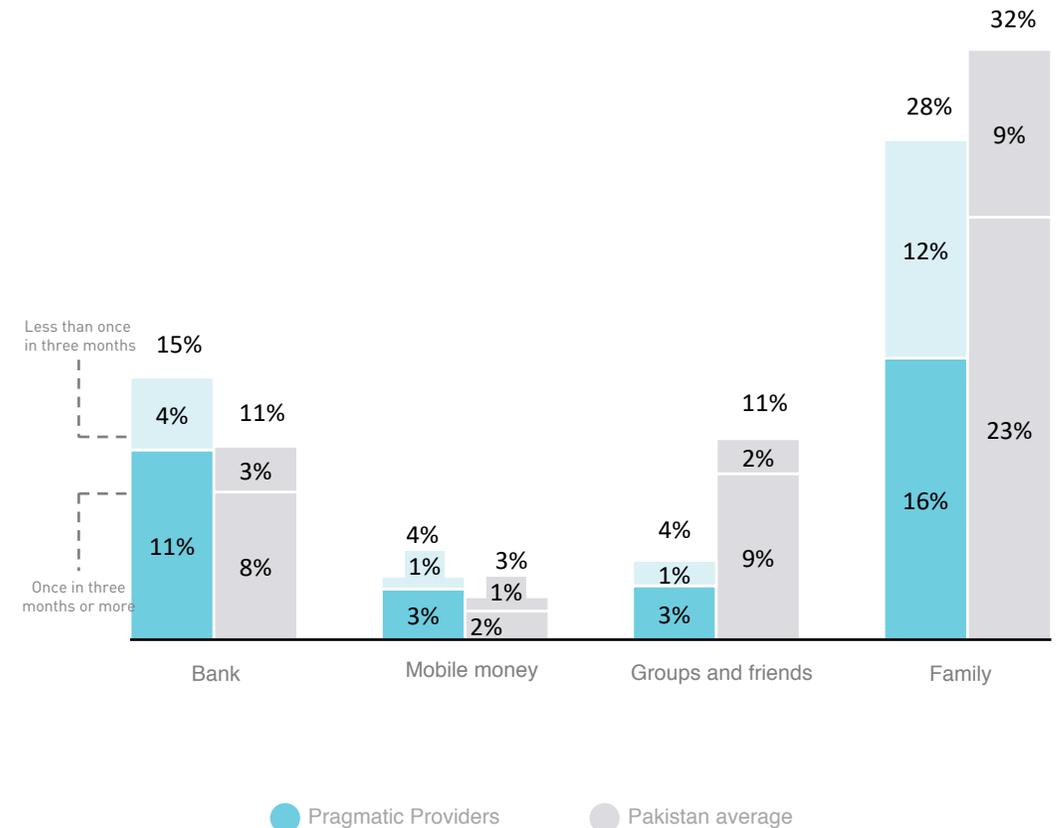
Despite their low savings rates, they may nevertheless have substantial financial reserves as evidenced by their strong ability to raise emergency funds (equal to 6 months income). They likely store their wealth in the form of land and livestock – 32% report having bought land and 60% report having inherited it, while 40% report owning livestock.

Pragmatic Providers are the second most frequent savers with banks after Communal Elites, though only 15% do so. Eighty percent said they don't save in banks because they don't have a bank account, slightly below national average of 83%. Of those who do save in banks, 11% save in a bank at least once every three months, compared with 8% nationally.

Pragmatic Providers are the least frequent savers through informal groups and friends, and second least frequent savers through family and the home. Ninety-two percent are not members of informal financial groups and another 4% never save with such groups despite being members. Sixty percent never save at home, and only 16% do so once every three months or more, well below the national average of 23%.

These low rates of informal saving may reflect gendered financial roles in the household where women are responsible for making more liquid or social savings, as well as the male skew of the segment.

SAVINGS CHANNELS



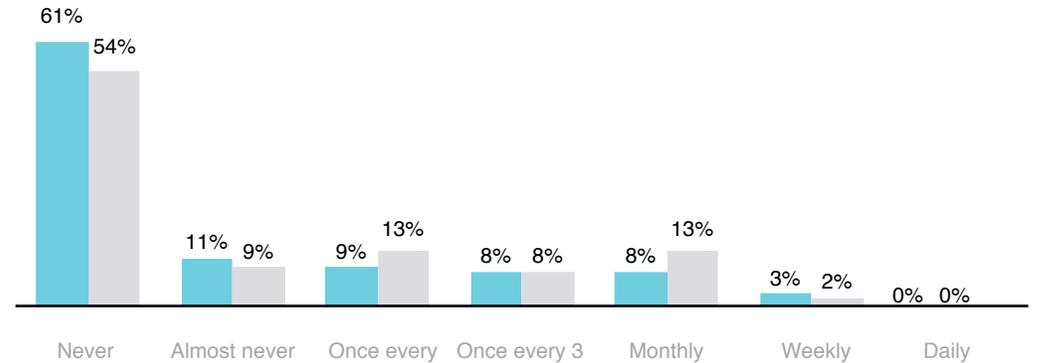
Finances

Cultivating Receivables

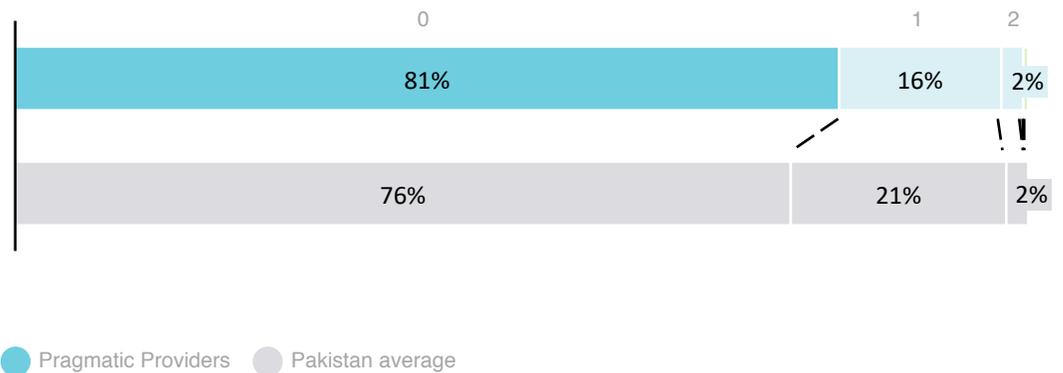
Nearly two thirds of Pragmatic Providers never borrow. They are the least frequent borrowers overall and have the fewest active borrowing channels among Pakistanis. Less than one-fifth are frequent borrowers (borrowing quarterly or more). Those borrow most commonly from family, but at the lowest rates of any segment. Banks, which they utilize at rates similar to Communal Elites, act as their second most likely source for borrowing. Pragmatic Providers seem to have a small and reliable social support network but may prefer to use it for business and education loans and support rather than emergencies. They rarely participate in informal financial groups and borrow from them even less frequently, perhaps reducing their ability to leverage land and livestock for loans.

Nearly two thirds of Pragmatic Providers never borrow, they are the least frequent borrowers overall and have the fewest active borrowing channels among Pakistanis, which is not surprising given that they are the segment least comfortable with holding debt (see psychometrics). Sixty-one percent report never borrowing and another 20% report borrowing only once per year or less, Only 18% are frequent borrowers, doing so quarterly or more.

BORROWING FREQUENCY OVERALL



DEBT CHANNELS USED IN LAST 3 MONTHS



Finances

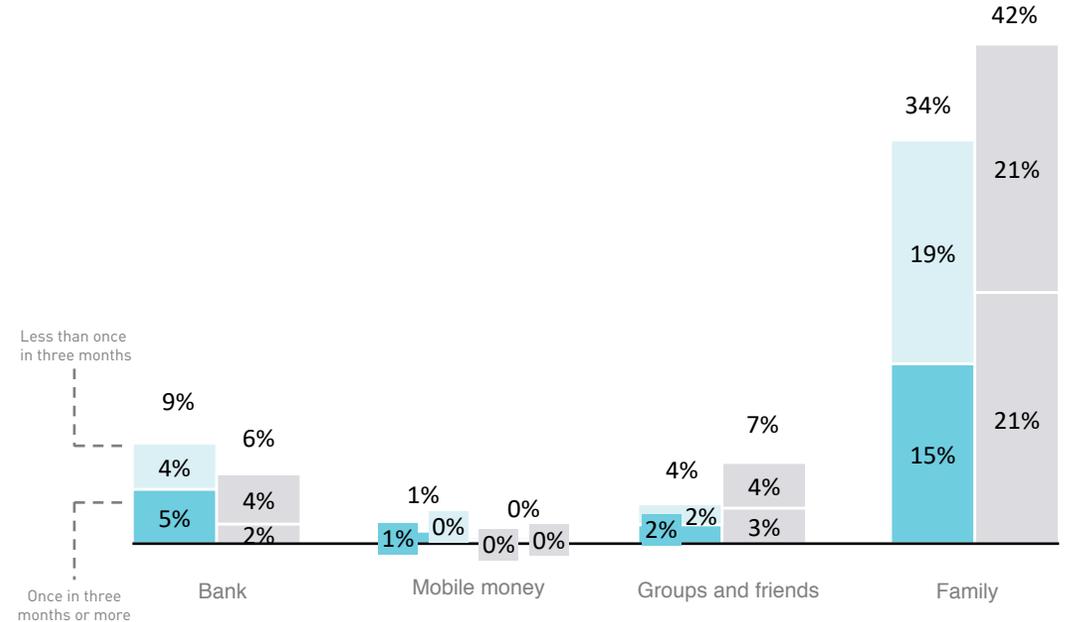
Cultivating Receivables

Pragmatic Providers may have a small and reliable emergency support network that they do not tap regularly for loans. They report the second highest ability to raise emergency funds and are the most certain of their ability to rely on community for investment support in education and business. They may also cover emergencies through the sale of assets like livestock or land.

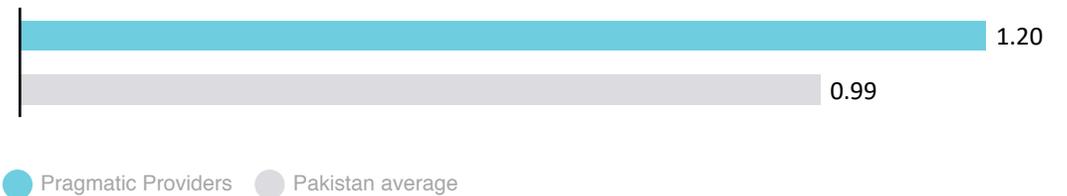
They are the second most frequent borrowers from banks, with nearly half of the account holders having similar borrowing rates to Communal Elites who have higher account ownership. Seven percent, nearly double the national average, borrow from banks once per year or more. While their relative bank borrowing rates are high, their overall rates remain low. Like all other segments, they borrow very infrequently via mobile money. Of the 8% of Pragmatic Providers who have a mobile money account, only one fifth (18%) report having borrowed using it.

Pragmatic Providers are the least frequent borrowers through informal groups, friends, and family. Ninety-three percent report no access to loans from informal groups or friends, by far the highest rate of any segment. Meanwhile, 56% report that they never borrow from family, while 22% report that they borrowed from family in the last year. This is the lowest rate of any segment and still family is the most frequent source of loans for this segment.

SOURCE OF BORROWING



NUMBER OF EMERGENCIES FACED



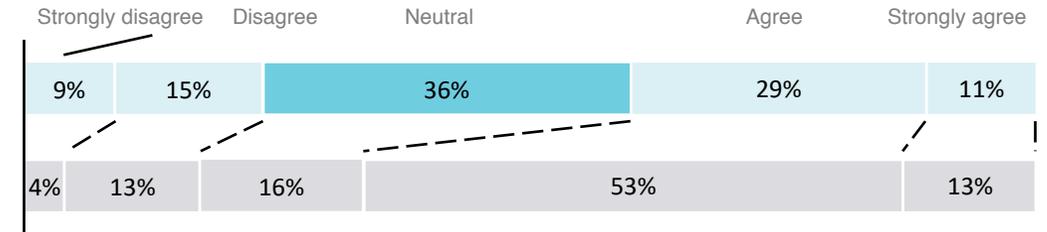
Finances

Financial Planning

Pragmatic Providers take an agnostic view towards planning. Just over a third consider themselves strong planners, and less than one third report having a plan to manage expenses. Most measure low conscientiousness, the lowest among segments, and most are not deliberate, goal-oriented savers. Given their high SES, relatively low income volatility, and frequent role as head of household, they may feel they do not need to plan carefully. This is further evidenced by their, agnosticism towards impulsive spending, confidence in understanding financial services, low confidence in the future, and de-prioritization of windfall cash to investments. Their weak planning may, in part, contribute to their expenses management challenges and frequent financial emergencies.

Most Pragmatic Providers do not identify as strong planners. Forty percent agree or strongly agree that they are the type of person who makes plans and follows through with them compared to 67% nationally, though 24% disagree or strongly disagree with this description, compared to 17% nationally, and a third responded neutrally to the question.

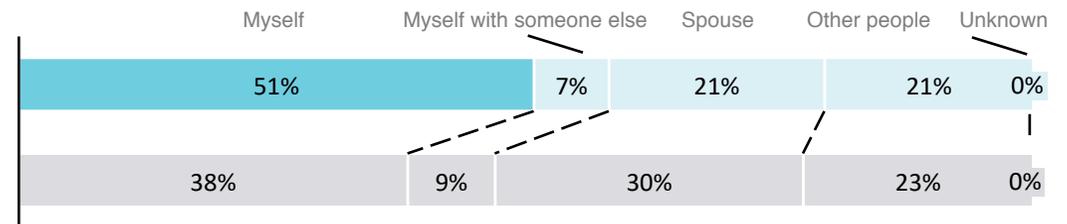
MAKES A PLAN AND FOLLOWS THROUGH WITH IT



HAS A PLAN TO MANAGE EXPENSES



HOUSEHOLD DECISION MAKING



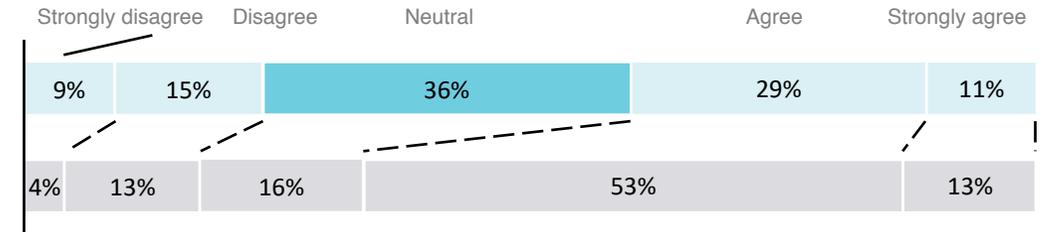
Finances

Financial Planning

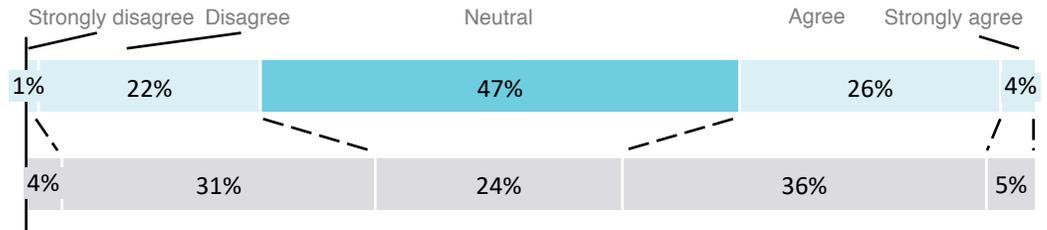
Only 29% report having a plan to manage their expenses, compared with 41% of Pakistanis overall. This is especially surprising considering 58% report that they are the primary decision makers. Gender dynamics may explain this. Women in the segment may plan expenses, while men, nearly all of whom identify as heads of household, may not.

Fifty-one percent of Pragmatic Providers identify as the sole financial decision makers in their households, while another 28% say they make decisions jointly. Only 21% say they do not depend on others to make financial decisions. As such, most are able to play a direct role in financial planning. For those who identify as sole decision makers, their weak planning may adversely affect their households financial strategies. For those in joint decision-making arrangements, it may lead to tensions with partners who desire more deliberate planning.

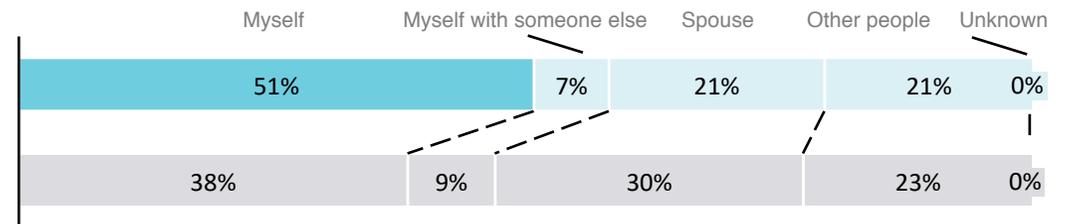
MAKES A PLAN AND FOLLOWS THROUGH WITH IT



HAS A PLAN TO MANAGE EXPENSES



HOUSEHOLD DECISION MAKING



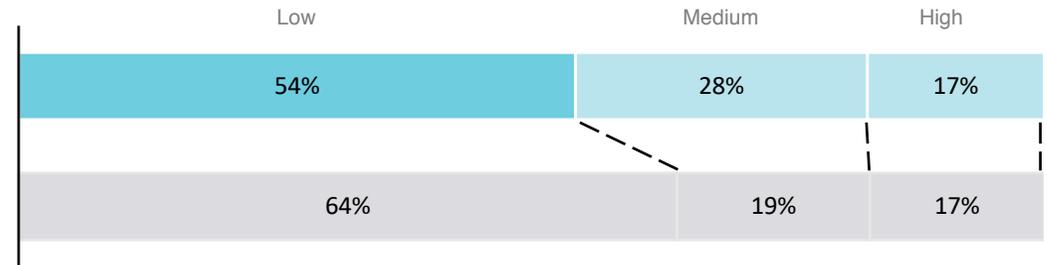
Technology

While most Pragmatic Providers are infrequent users of digital technology, their general tech usage and phone usage rates second highest after Communal Elites. Half use their phone and over a quarter text at least daily, suggesting they have at least baseline levels of digital literacy. Over two-thirds personally own feature phones and one-fourth own smartphones. They are the second most frequent users of the internet, social media, and digital accounts in general, though monthly usage rates of each remain in the single digits, aligned with Pakistani averages.

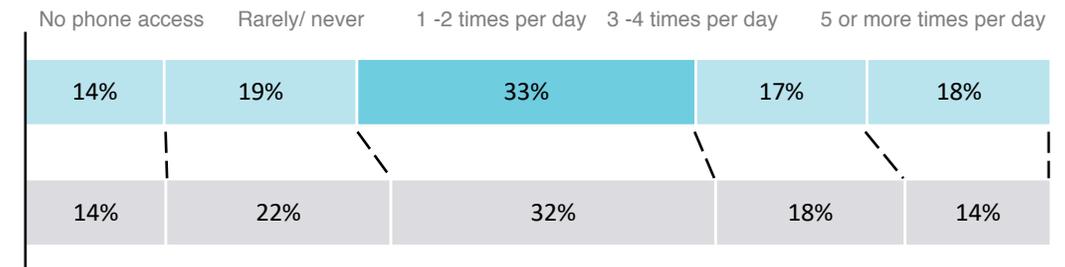
Pragmatic Providers are the second most frequent users of digital technology. They have slightly greater rates of personal smartphone ownership, led by the youth (18-34 year olds) among their ranks, but are slightly less likely to enjoy access to communal smartphones. The elderly (65+) report the highest rates of communal access among this segment. Overall, Pragmatic Providers rank second in smartphone access, with similar rates to Modest Upholders but well behind Communal Elites. Meanwhile, they exhibit the second highest rates of feature phone access after Modest Upholders.

Pragmatic Providers are the second most frequent phone users, though 52% use a phone just two or fewer times per day. They are the second most frequent

TECH USE FREQUENCY



PHONE USAGE



● Pragmatic Providers ● Pakistan average

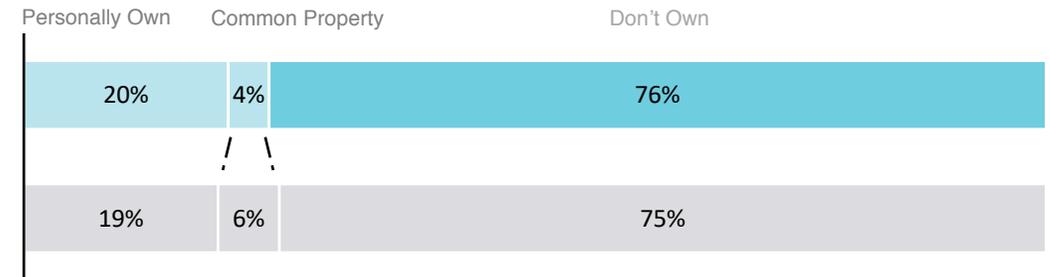
Technology

texters. Twenty-eight percent text daily, compared with 19% nationally, and 11% text at least a few times per week, compared with 8% nationally.

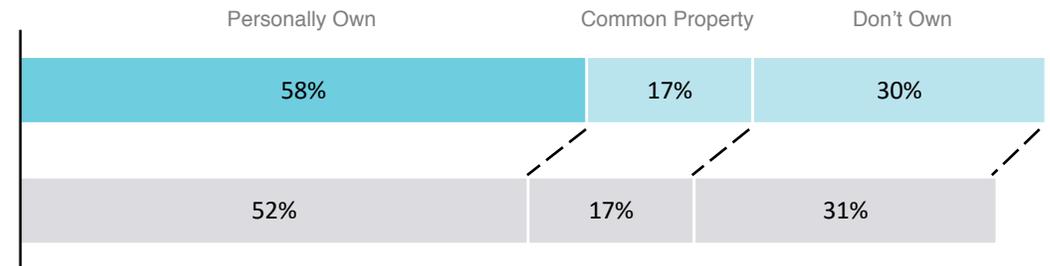
Pragmatic Providers are the second most frequent users of the internet, social media, and digital accounts in general, though monthly usage rates of each remain quite low and reaching only the high single digits or low teens. Still, this is in line with Pakistani averages and well above the two lower ranking segments, Modest Upholders and Careful Hustlers.

Pragmatic Providers are Pakistan’s least frequent TV watchers, though, among those we measured, TV is still by far their preferred media source. Only 31% report watching TV once per month or more, compared with 45% nationally.

ACCESS TO SMARTPHONES



ACCESS TO BASIC AND FEATURE PHONES



● Pragmatic Providers ● Pakistan average

Pragmatic Providers

Psychology

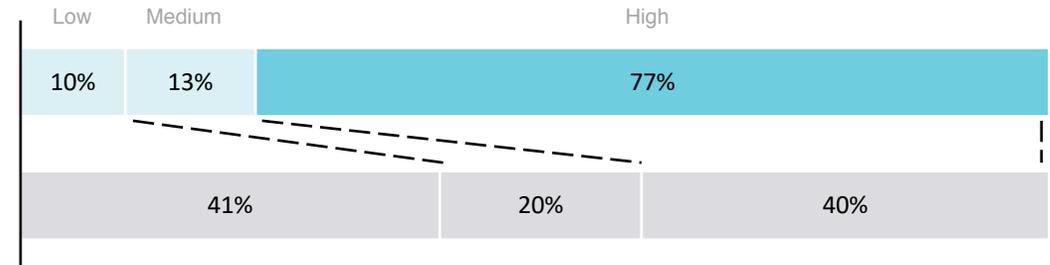
Psychology

Self-perception

Pragmatic Providers enjoy, by far, the strongest sense of control over their lives and exhibit an above average belief in their own abilities. Despite their strong sense of agency, they report far lower than average self-esteem and have very low belief that they will be better off in the future. Their struggles to pay bills, frequent emergencies, and sense or responsibility for their household may, in part, drive this pessimism. Their low use rates of social financial tools may reflect a desire to keep their finances private out of a sense of shame or fear of judgment.

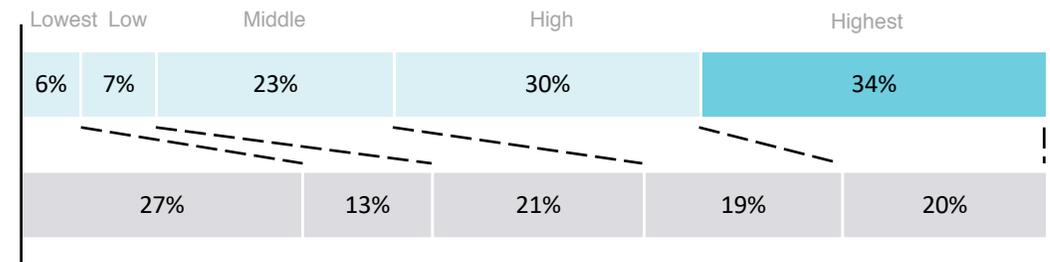
Pragmatic Providers, by far, have the strongest sense of control over their lives and above average belief in their own abilities (2nd highest). This outward sense of agency may be driven, in part, by the fact that many are male heads of household who feel a sense of control over their household and responsibility for its affairs and outcomes. In Pakistan, as exemplified by this segment, those with a strong internal locus of control are less likely to save with family. This may be due, in part, to a desire to insulate finances and exercise more personal control over their management.

LOCUS OF CONTROL



composite measure of a persons sense of control over their life and outcomes relative to powerful people, institutions, and forces, including their ability to protect their interests from others and their belief in fate or luck

SELF-EFFICACY



* Composite measure of a person's belief in the fixedness of natural ability and intelligence, in their ability to learn new things and develop talent through practice, and the importance of experimentation and tolerance for failure

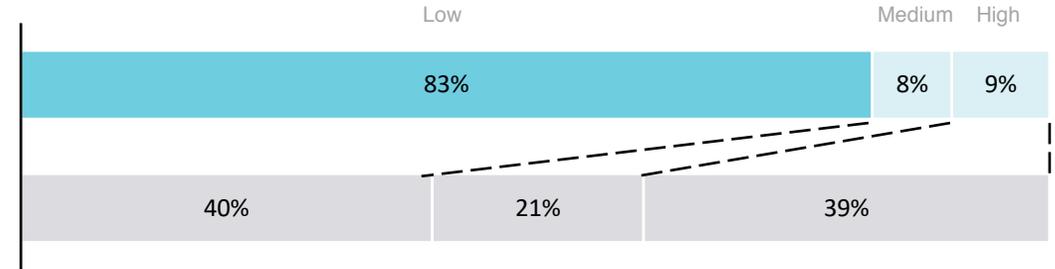
Psychology

Self-perception

Despite their strong sense of agency, Pragmatic Providers have by far the lowest self-esteem in Pakistan and very low belief they will be better off in the future (2nd lowest). Despite their relatively high SES, these characteristics may be due, in part, to the struggles Pragmatic Providers face covering expenses, dealing with frequent financial emergencies, and fulfilling aspirations for themselves and their families. In Pakistan, as with this segment, low confidence in a better future correlates with a lower tendency to save with informal groups and friends.

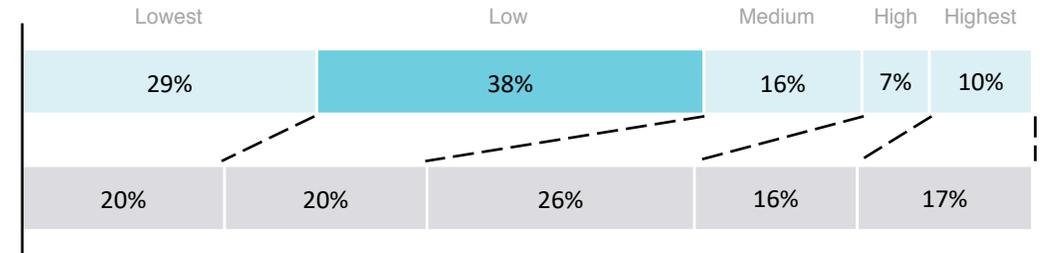
Pragmatic Providers may not want to expose their finances to their peers out of a sense of shame or fear of judgement. Given their strong sense of agency, they may blame themselves for perceived shortcomings. This, in turn, could negatively affect their self-esteem and views of the future. Their dim view of the future may encourage more present-minded financial behavior and suppress savings frequency.

SELF-ESTEEM



composite measure of self-image, satisfaction, and confidence, as well as self-respect, self-worth and pride

CONFIDENCE IN FUTURE



*You will be better off 5 years from now than you are today.

Psychology

Financial Attitudes

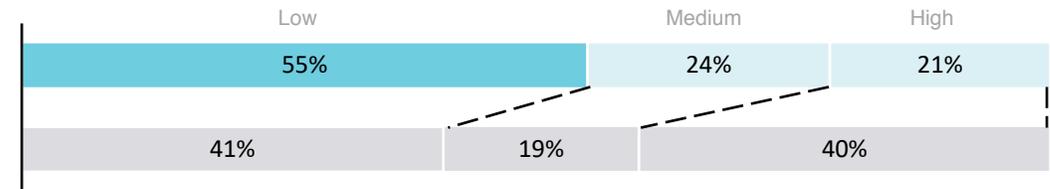
Most Pragmatic Providers measure low conscientiousness, the lowest among Pakistanis, are agnostic when it comes to impulsive spending, and are not open minded. These characteristics may, in part, drive their weak expense planning and low savings rates (see financial planning). Nearly two thirds measure low openness, perhaps suppressing their technology usage rates.

Most Pragmatic Providers are not conscientious. They measure the lowest among Pakistanis. Their below average conscientiousness may be a key psychological driver of their weak financial planning.

They are agnostic when it comes to impulsive spending, with nearly 30% both reporting high and low impulsivity and about 40% answering neutral to the question.

Sixty-four percent of Pragmatic Providers measuring low openness, the second lowest rate among Pakistanis, which may in part suppress their rates of digital technology usage. In Pakistan, low openness correlates with less ability to pay bills, less frequent borrowing from family, and allocation of a higher percentage of a windfalls to friends and family. They demonstrate all of these behaviors above national averages.

CONSCIENTIOUSNESS



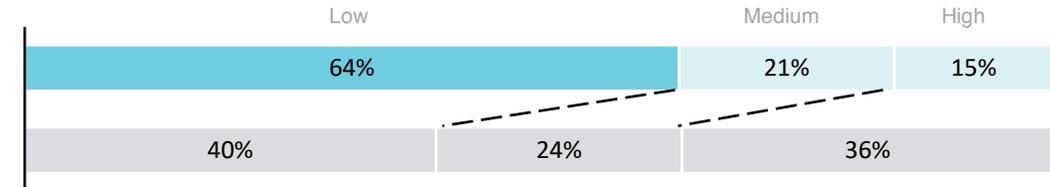
*composite measure of consideration, planning, focus, drive, perseverance and reliability

LIKELIHOOD OF IMPULSIVE SPENDING



* You are prepared to spend now and let the future take care of itself

OPENNESS



*composite measure of curiosity, reflectiveness, and abstract thinking, as well as adaptability, originality, creativity

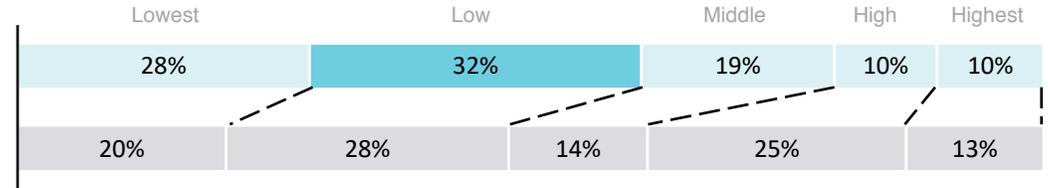
Psychology

Attitudes Toward Savings

Most Pragmatic Providers are not deliberate, goal-oriented savers and just over a quarter feel they earn enough to save. About a third feel that their savings are safe from the claims of their network, while another third feel they are not. Their low savings deliberateness is in line with their low level of conscientiousness and general agnosticism toward financial planning and impulsive spending. These psychological characteristics help explain their overall low savings rate and especially low use of informal savings groups, which require consistent deposits and tend to be used for deliberate goals.

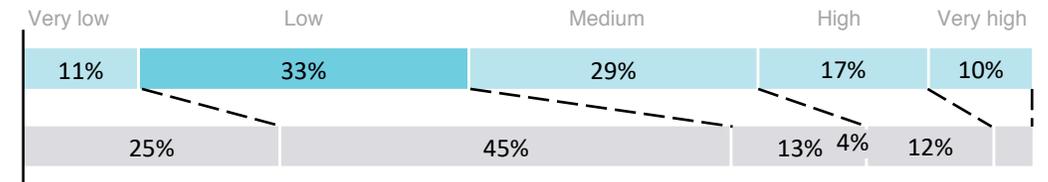
Sixty percent of Pragmatic Providers are not deliberate, goal-oriented savers, making them the second deliberate savers in Pakistan. Taken together with their general agnosticism towards financial planning, this likely suppresses their overall savings. Given that few identify as disciplined spenders, they may chose to direct money to spending and investment opportunities as they arise, including for daily needs and desires, investments in their social safety net, and gifts and support to family and friends, rather than to the formal or informal savings channels more typically used for goal oriented saving. In fact, in Pakistan, as with this segment, low deliberateness correlates with lower likelihood of saving with family, friends, and groups.

SAVINGS DELIBERATENESS



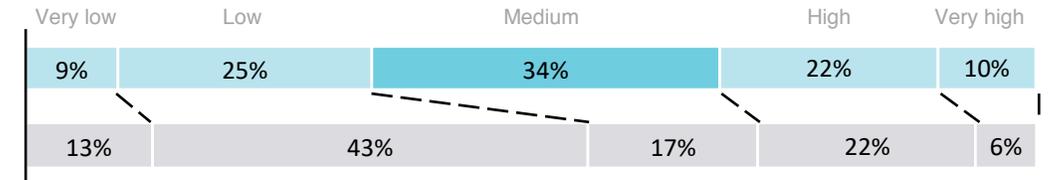
*Composite measure of composite measure of a persons belief in the superiority of saving for a specific purpose and the discipline with which they will maintain the non-fungibility of that money once allocated to a savings goal

BELIEF IN EARNING ENOUGH MONEY TO SAVE



*You make too little money to save it for anything.

SAFETY OF SAVINGS FROM OTHERS



*If you saved money, many people in your life would ask you to give it or loan it to them.

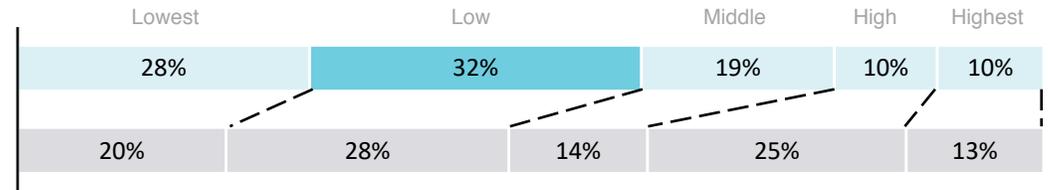
Psychology

Attitudes Toward Savings

Amongst Pakistani Segments, they feel most strongly that they do not earn enough to save, reflecting their high SES. Yet, only 27% feel they earn enough to save. Forty-four percent feel they do not earn enough to save, and another 19% answered neutral. The fact that most do not feel they earn enough to save likely makes it harder for the segment to save deliberately. However, given that relative to other segments they both feel more confident in the sufficiency of their earnings for savings and are less deliberate in their savings, this does not fully explain the low deliberateness and infrequency of their savings.

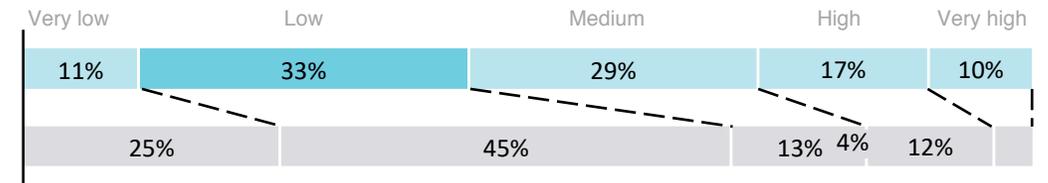
Moreover, they are split on their feelings about the safety of their savings from others. Roughly a third feel their savings are not safe and another third feel they are safe, while a final third answered neutral to the question.

SAVINGS DELIBERATENESS



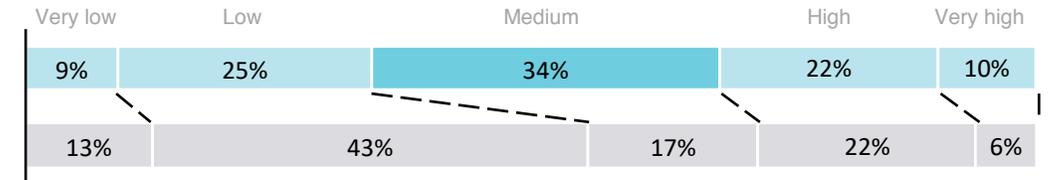
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BELIEF IN EARNING ENOUGH MONEY TO SAVE



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Psychology

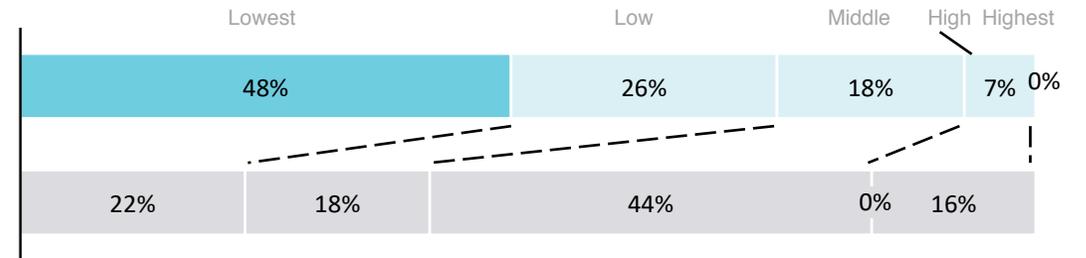
Attitudes Toward Debt

Pragmatic Providers have the lowest comfort with debt and feelings of dependability amongst segments, with most of the segment measuring low to the lowest levels for both variables. These psychological traits may explain the low frequency of their borrowing, despite their high SES and above average access to formal financial services. In particular, they may fear damaging their relationships and status, as well as losing collateral, if they failed to repay informal or formal loans.

Pragmatic Providers have the lowest comfort with debt amongst segments, with 65% reporting low to the lowest levels of comfort. This suggests that they perceive debt as risky and experience anxiety when they owe money.

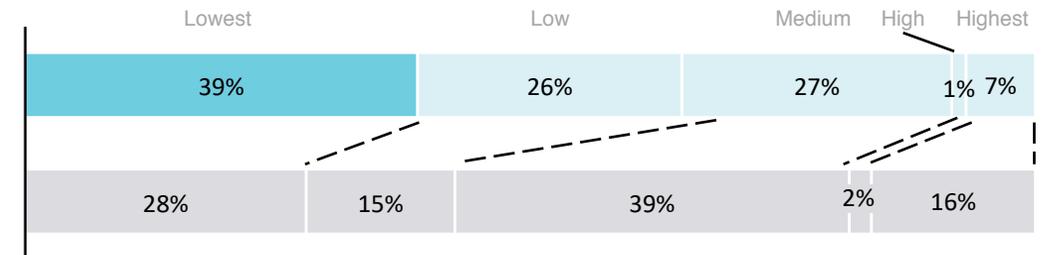
They experience the lowest feelings of dependability of all segments, with 74% measuring low to the lowest levels on dependability. Most may fear that if they borrowed they would be unable to repay the loan, or at the very least would miss payments.

DEPENDABILITY



*composite measure of likelihood of fulfilling promises, returning favors, and looking for guidance from others in new situations

DEBT ORIENTATION



*composite measure of a persons perceived risk and anxiety around holding debt, especially as regards the loss of collateral

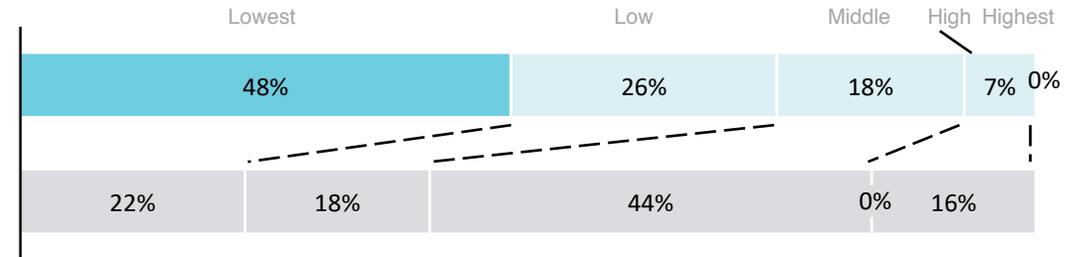
● Pragmatic Providers ● Pakistan average

Psychology

Attitudes Toward Debt

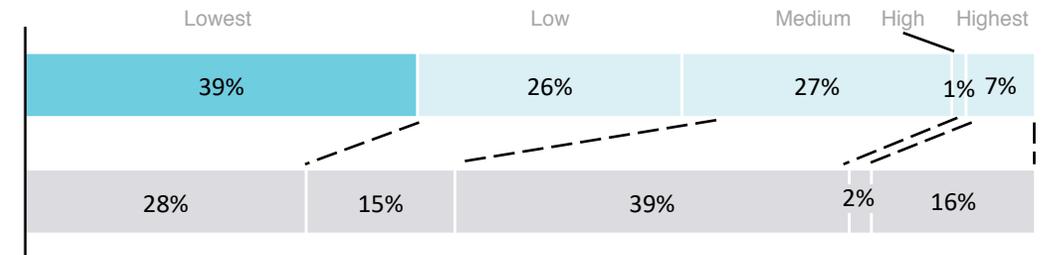
These psychological traits may explain the low frequency of their borrowing, despite their high SES and above average access to formal financial services. Given their relatively high asset ownership, expense struggles, and low savings rate, they may avoid formal borrowing out of fear that they could lose valuable assets to creditors if they failed to repay. The fact that most view themselves as unreliable may cause them to avoid informal borrowing as they fear damaging their relationships and both personal and family status through failure to repay loans.

DEPENDABILITY



*composite measure of likelihood of fulfilling promises, returning favors, and looking for guidance from others in new situations

DEBT ORIENTATION



*composite measure of a persons perceived risk and anxiety around holding debt, especially as regards the loss of collateral

● Pragmatic Providers ● Pakistan average

Psychology

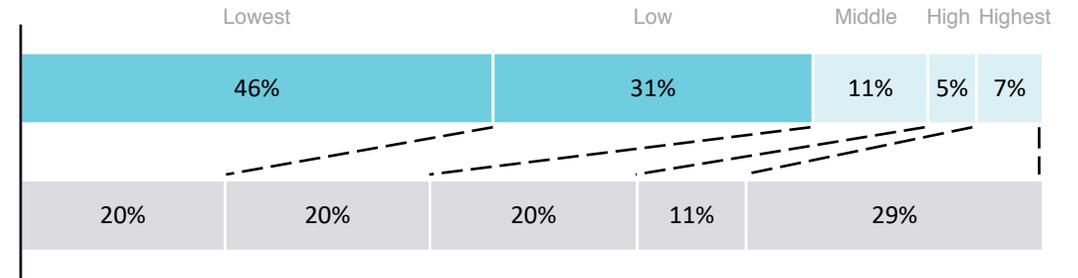
Trust in People

Pragmatic Providers have the lowest trust in people and second lowest trust in their social financial networks among Pakistanis, perhaps driving their low rates of informal group membership, and relatively low rates of saving and borrowing with family and friends. Unsurprisingly, less than half (below the national average) would rely on social sources of finance in an emergency, and most would not be confident in their networks willingness to support their business or education investments. Yet, they view their communities as the most equal.

Among all segments, Pragmatic Providers have the lowest trust in people in their communities. The percentage of Pragmatic Providers that report the “lowest” trust level in people is more than double the average for Pakistan. This attitude seems to be reflected in the low number of people they can draw on when sick.

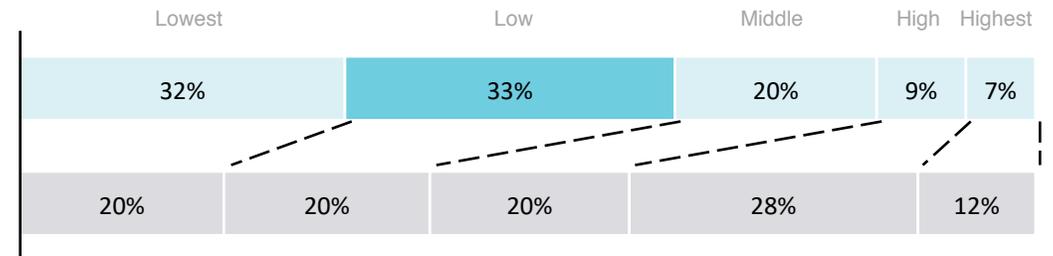
Moreover, they have the second lowest trust in their social financial networks (65% report low to lowest levels of trust). In keeping with these low levels of trust, only 40% would rely on social sources of support in an emergency compared with 55% nationally, and, when ill, they can draw on relatively fewer

TRUST IN PEOPLE



*composite measure of perception of community and neighbors' innate and relative trustworthiness, trust in family and friends to act in one's best interest, need for caution around strangers, and sense of safety and home in one's community

TRUST IN SOCIAL FINANCIAL NETWORKS



*composite measure of a persons comfort loaning money to friends and family for emergencies and investments, as well as confidence they would repay.

● Pragmatic Providers ● Pakistan average

Psychology

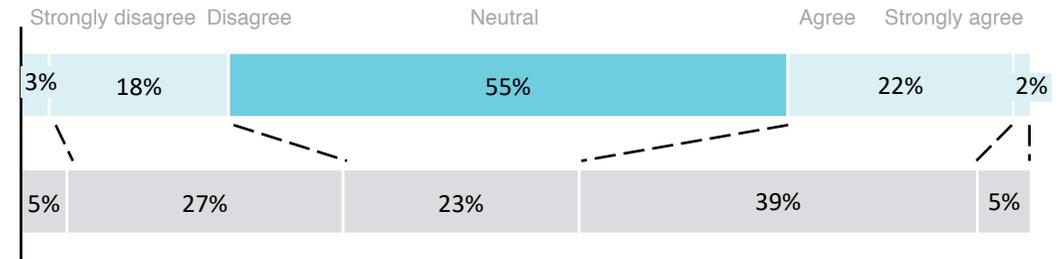
Trust in People

people for financial assistance than the average Pakistani (2nd lowest among segments). Moreover, most are doubtful or uncertain they could rely of their community for support for business and school fees.

In Pakistan, having low financial trust in one's social networks correlates with a lower likelihood of being able to raise emergency funds. However, Pragmatic Providers report the second highest ability to raise emergency funds. Still, relatively few (40%) would rely on social sources to do so, well below the Pakistani average of 53%. Instead, 44% would rely on personal sources to finance emergency spending, well above the Pakistani average of 35%. This may reflect their higher SES and an ability to rely on financial reserves such as land and livestock assets.

Pragmatic Providers have the highest perceptions of equality within their communities, though this view does not translate to trust. In Pakistan, a higher belief in community equality tends to correlate with lower daily and weekly income volatility. This could imply that people with higher SES or those formally employed have more homogenous social circles.

BELIEF IN COMMUNITY SUPPORT FOR BUSINESS & SCHOOL FEES



*You can rely on your family, friends, and neighbors for loans or support to invest in your business or children's education.

PERCEIVED COMMUNITY EQUALITY



*composite measure of belief in similar livelihoods and financial parity amongst family, friends and neighbors

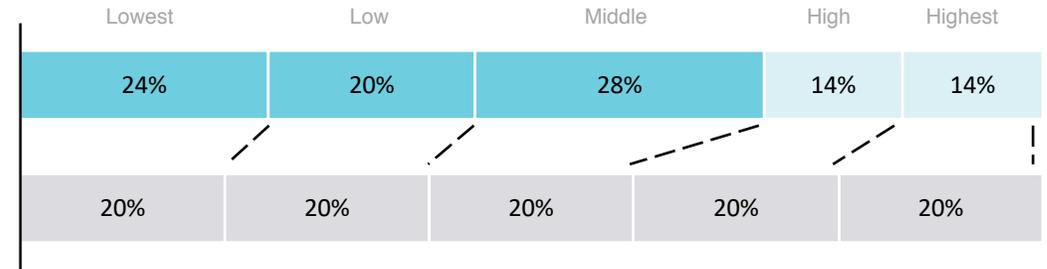
Psychology

Trust in Institutions

Pragmatic Providers have lower than average trust in major institutions, including the second lowest trust in banks, media, and government. This may, in part, be due to their low respect for authority figures—lowest of all segments in Pakistan. Their low trust in banks may suppress their overall account ownership rates, which while high for Pakistan are low in absolute terms. However, once they own accounts, they use them at higher rates. Communal Elites who have higher overall account ownership and higher trust in banks, suggesting that low trust does not, by itself, suppress usage rates for Pragmatic Providers who own accounts, and that the value proposition of banks to the segment is relatively strong, though banks may struggle to break through.

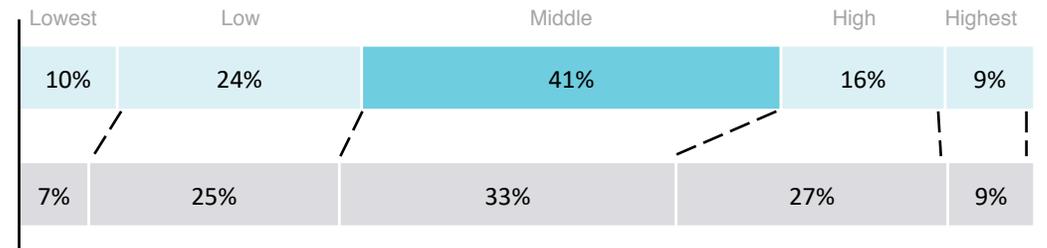
Most Pragmatic Providers have low trust in banks, with 54% reporting low to the lowest trust, though they have slightly higher trust in media and government. Their overall low to moderate trust in institutions may be driven by their low respect for authority figures.

TRUST IN BANKS



*composite measure of belief in security of bank deposits, clarity of bank terms, comfort taking loans, and belief in customer centricity of banks

TRUST IN MEDIA



● Pragmatic Providers ● Pakistan average

Psychology

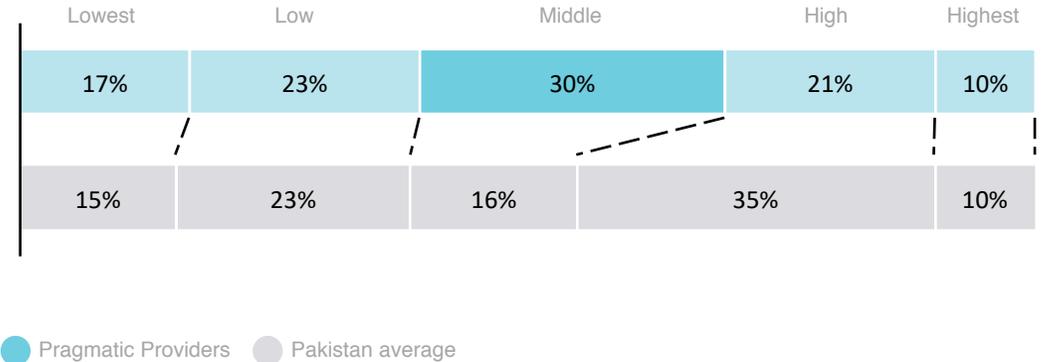
Trust in Institutions

Their low levels of trust in banks may suppress their account ownership rates, which in absolute terms are low, despite being high for Pakistan.

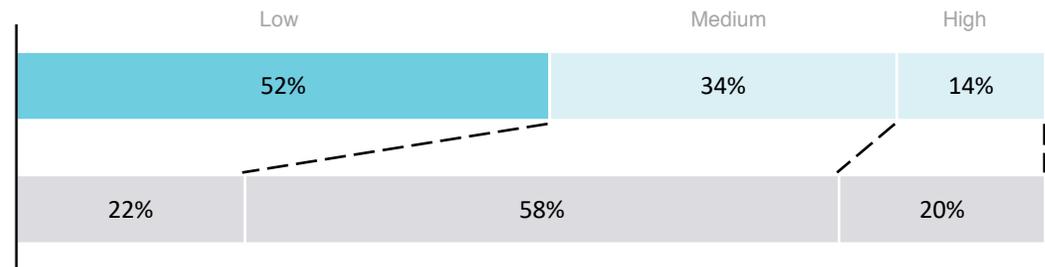
Among Pragmatic Providers, 22% own accounts, the second highest level of account ownership after the wealthier and better educated Communal Elites (28% own accounts). In contrast to Pragmatic Providers, Communal Elites report the highest trust in banks.

Interestingly, Pragmatic Providers who hold bank accounts exhibit saving and borrowing rates just slightly below Communal Elites, suggesting low trust does not suppress usage amongst account owners. While their low trust in banks may suppress overall account ownership, once Pragmatic Providers own bank accounts, it does not seem to negatively impact their usage. Pragmatic providers who own bank accounts may come to trust banks through usage. In fact their higher rates of bank account usage relative to the more trusting Communal Elite segment may suggest that the banks have a stronger value proposition with Pragmatic Providers, but are struggling to break through to the segment.

TRUST IN GOVERNMENT



RESPECT FOR AUTHORITY



*composite measure of belief in benefit on close supervision on workers productivity and degree to which children should be allowed to disagree with parents

Psychology

Gender Attitudes

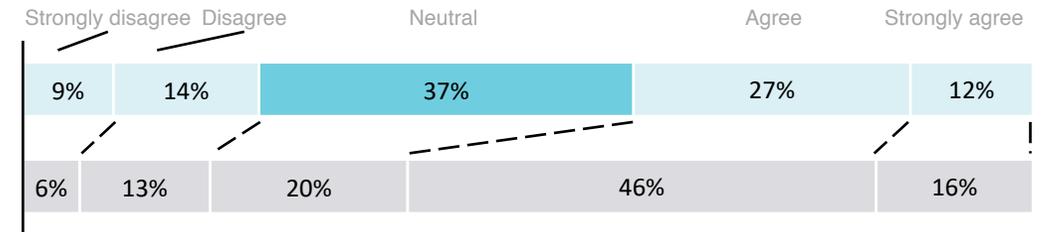
Less than half of Pragmatic Providers believe that men are better financial managers than women. However, a quarter outright refute the notion. Relatively few (about half) believe that wives and husbands should know each other's financial affairs and that girls and boys should be educated about money in the same way, suggesting the segment holds conservative views on women and finance.

Pragmatic Providers report the lowest belief among segments that men are better financial managers than women. Forty percent agree to strongly agree that men are better financial managers than women, compared to 62% nationally, while 23% disagree to strongly disagree, compared to 19% nationally).

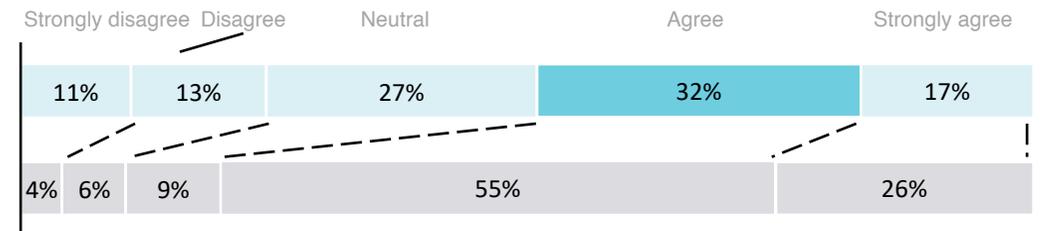
However, they report by far the lowest financial openness within the family among all segments. Forty-nine percent report that they agree to strongly agree that wives and husbands should know each other's finances, compared with 80% nationally, while 24% disagree or strongly disagree compared with 10% nationally.

Pragmatic Providers feel least strongly among segments that boys and girls should be educated about finances in the same manner. Forty-seven percent

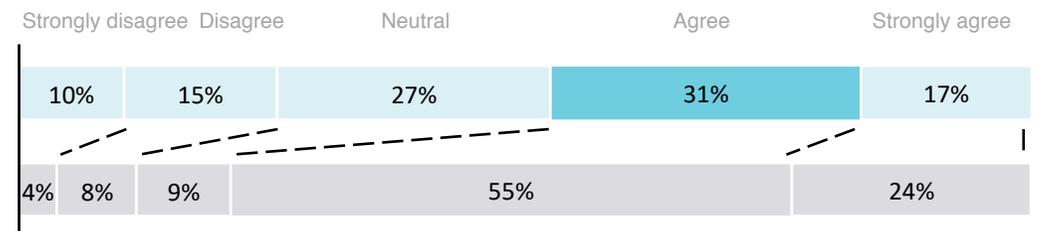
MEN ARE BETTER FINANCIAL MANAGERS THAN WOMEN



WIVES AND HUSBANDS SHOULD KNOW EACH OTHER'S FINANCIAL AFFAIRS



GIRLS AND BOYS SHOULD BE EDUCATED ABOUT MONEY IN THE SAME WAY



Psychology

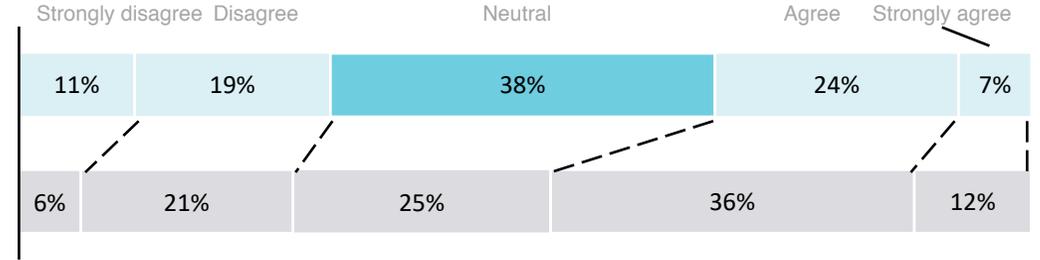
Gender Attitudes

agree to strongly agree, compared with 79% nationally, and 25% disagree to strongly disagree compared with 12% nationally.

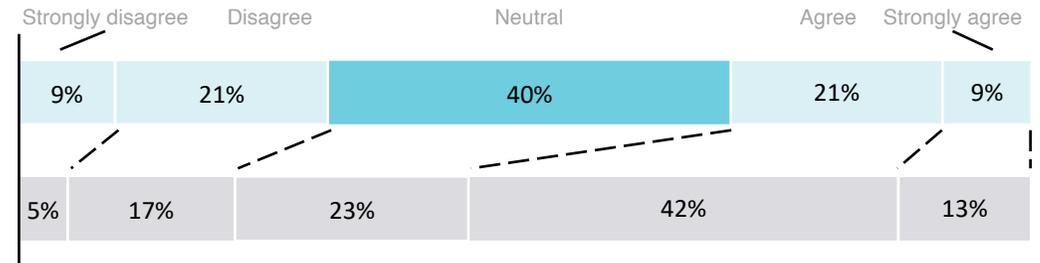
Pragmatic Providers are split in their views about whether the gender of a loan applicant influences the likelihood that the loan is issued, though they perceive less gender-bias than average on this metric. Only 30% agree or strongly agree that gender influences the loan decision, compared with 56% nationally, while 31% disagree or strongly disagree, compared with 21% nationally.

They are also split fairly evenly in their views on gender and technology, but display more bias against women on this topic than the average Pakistani. Thirty-one percent agree or strongly agree that women understand new technologies better than men, compared to 48% of segments nationally, while 31% disagree to strongly disagree, compared to 27% nationally.

WOMEN UNDERSTAND NEW TECHNOLOGIES BETTER THAN MEN



WHEN APPLYING FOR A LOAN, THE GENDER OF THE APPLICANT DOES NOT INFLUENCE WHETHER THE LOAN IS GRANTED



● Pragmatic Providers ● Pakistan average

Design Principles

Create products and services that:

- Support financial planning, especially for expenses
- Anticipate or insure against frequent financial emergencies
- Restrict liquidity of savings, but include emergency release valves recognizing their volatile incomes and frequent emergencies
- Reduce the perceived risks of borrowing
- Appeal to and reinforce a sense of agency by helping them establish clear and achievable, near term financial goals that can mature into longer term objectives

Engage through:

- Digital channels, leveraging their relatively high levels of tech usage to deliver personalized financial planning tools through digital channels, especially among youth (18-34)
- Appeals to their sense of agency by setting them up for small wins and celebrating their achievements

Modest Upholders

PAGE 118
Overview

PAGE 120
User Profile

PAGE 127
Analysis

PAGE 160
Opportunities

Modest Upholders

41% of adult population | 52.8 million people

Mostly low to middle income, poorly educated, rural, married women, Modest Upholders are slightly younger than Pakistanis on average and less educated. They are strong financial managers who tend to coordinate family finances despite not being the primary or formal financial decision makers in their families. They are among the most frequent deliberate, goal-based savers and dependable borrowers in Pakistan, doing so primarily through family, but also informal groups. They are future-oriented planners with high self-esteem, but feel limited in their agency. Most find financial services complex and they are split in regards to trusting banks.

Modest Upholders are mostly **low to middle income, poorly educated, rural, married women**. They skew slightly **younger** with more youth and **middle aged** members than Pakistan overall. Two thirds of Pakistani women fall into this segment. Many non-elder Pakistani men in joint households are Modest Upholders. Most in the segment report that they do not participate in household financial decisions.

They are **future-oriented, strong planners** and consider themselves **dependable**. They exhibit **high self-esteem** despite feeling that they are not particularly efficacious and that their fate is outside of their control. Most Modest Upholders experience moderate to high **income volatility** at above average levels for Pakistan, yet they are among the most effective **expense managers**.

In light of their low SES, high income volatility, and reported lack of control over their finances, Modest Upholders make the best of challenging circumstances. They primarily manage finances through **family**, while their rates of **formal account** and **mobile wallet** ownership and usage are well below average, though they are above average members and users of **informal groups**. About half **save** and over a third **borrow**, both at above average rates for Pakistan. They are **deliberate, goal-based savers** and many are **comfortable holding debt**.

Their **robust social safety nets** help them maintain a fair level of resilience, though while half have relied on social sources of emergency support in the past 2 years, nearly as many have relied on personal sources.

Demographics

- + 79% are **female**
- + 62% are **rural**
- + 49% are **SES 1-2**
- + 65% are **age 25-44**, and 15% are 18-25
- + 82% are **married**
- + 72% are not primary financial **decision makers**
- + 48% have no **education**
- + 73% do not make their own **household financial decisions**
- + 23% personally own **land**
- + 22% personally own **livestock**

Behavior

- + 71% experience moderate to high weekly **income volatility**
- + 4.3 **unpaid expenses** types in past 6 months
- + 53% are confident in their ability to **pay bills** on time
- + 49% have a **plan** to manage their expenses
- + 41% **save** monthly or more (primarily with family and at home)
- + 27% **borrow** quarterly or more (primarily from family)
- + 45% find it somewhat to very possible to raise **emergency funds**
- + 49% have primarily relied on social sources of **financial support**
- + 10% own **non-mobile formal accounts**
- + 18% are members of **informal financial groups**
- + 45% personally own **feature phones**, and 17% own **smartphones**
- + 9% use **internet** and 10% use **social media** weekly or more



Psychometrics

- + 63% external **locus of control**, 62% low-lowest **self-efficacy**
- + 80% mod-high **self-esteem**
- + 76% confident in the **future**, 71% mod-high **openness**
- + 80% identify as effective **planners**, 60% mod-high **conscientiousness**,
- + 59% moderate to high spending **impulsivity**
- + 52% high-highest savings **deliberateness**
- + 80% low-lowest belief that they earn **enough to save**
- + 63% low-lowest belief that their **savings are safe** from social claims
- + 77% mod-high **dependability**, 67% mod-high **comfort with debt**
- + 57% high-highest **trust in people**
- + 41% high to highest **trust in banks**, 39% low to lowest trust in banks
- + 80% high-highest perception that find **financial services are complex**
- + 93% high-highest **belief girls and boys** should receive same financial education

Aspirations

Modest Upholders aspire to keep their needs met and their family's finances in good order, with a particular focus on daily expenses and goal based savings, likely for key family needs like education, marriages, and other cultural milestones. They may also aspire to boost their family's earnings by guiding investments in family business initiatives, including projects they may lead, indicating a deeper desire to participate directly in the household economy.

Sadia

A MODEST UPHOLDER

“My husband cannot be bothered with the dramas and expenses of the household.”





Demographics

Sadia is a middle-aged woman and mother of five (ages 7-16), living in Rawalpindi. She runs a small tailoring business from their home to supplement her husband's earnings with extra income. He works at a steel mill and earns a regular salary, but, with so many kids, she feels her family's finances are tight.

Journey

Sadia's mother cared for her daughters deeply and believed Sadia would be best served by marrying within the family. She, therefore, arranged Sadia's marriage to a distant cousin and when Sadia came of age, sent her from their home in Lahore to live with him in Rawalpindi.

Sadia is very close with her mother. Her mother showed her how to use discerning logic to overcome problems in life and taught her the value of savings, the importance of education, and the need for financial independence. Sadia's mother has always been her safety net.

As newlyweds, Sadia and her husband struggled financially. She and her husband shared a cramped apartment with a leaky roof. Frustrated by her living situation, Sadia asked her mother for help. Her mother sold property and used the cash to build an apartment that Sadia and her family rent in Rawalpindi until today.



“My husband doesn't think the same way as I do. He doesn't think our daughter should be educated. I try to reason with him, but if that doesn't work, I ask my mother to talk to him.”



“Times have changed. Children demand more. Education for my daughters is the most pressing need. If they’re educated, they can become financially independent”.

Aspirations & Goals

Sadia’s main motivation is to be a good mother and, in particular, to provide her four daughters the tools they will need to be secure and financially independent in life. She pushed her husband to support their daughters’ education, at least through secondary school. Monthly school fees burden the family, but Sadia succeeded in prioritizing them in the household.

Sadia is wary of financial risks. She worries about the family’s high monthly expenses and her husband’s employment prospects. He wants to open his own business but she thinks he lacks a “business mind” and has successfully pushed him to stay in his job, an option she views as a more stable. On the other hand, Sadia believes in her own business acumen and hopes to grow her tailoring business by employing her daughters after they graduate.

Sadia finds it difficult to trust people in Rawalpindi and generally avoids strangers, in part, because she was not born there and does not consider it her home community. At times, she feels that even her husband is unwilling or unable to advise her on important matters. But Sadia has always been closer to and relied most heavily upon her sister and mother and works to maintain strong relationships with them.

Financial Attitudes, Behaviors, and Tools

Sadia thinks that her ability to drive major financial decisions is unique among women in her context. She attributes her power to her husband's relatively high tolerance and her sharp logic. She says she has refined her ability to negotiate with him and is aware of his temper and the limits of his tolerance.

Sadia and her husband share in the management of household finances, which are dominated by significant, fixed, monthly expenses such as school fees, rent, and utilities. With his job at the steel mill, Sadia's husband is the main breadwinner. He contributes most of his weekly income to these monthly expenses, then he gives Sadia a daily stipend to manage the variable household needs, which she plans out weekly. Once household expenses are covered, she saves the remainder. Sadia also runs a small tailoring business from home and saves her daily earnings from that business.

Though Sadia's family income is stable, it's not always enough. During Ramadan, for example, her husband's income is reduced by half and their expenses double. This is partially offset by an uptick in her tailoring earnings, but often she has to borrow.



“You should be able to live with what you have and not survive on loans. I see my pockets before the price.”

Sadia hates the idea of borrowing money. She perceives it as shameful that someone would have to borrow beyond their means. When she has to borrow, she almost always goes to her sister and mother. They are supportive, but the tradeoff is that she must listen to their criticism and judgement about her financial management.

Last year, for the first time, her husband insisted that they take out a Ramadan loan from an MFI (Monetary Financial Institution) that his cousin recommended. They have managed to make all of their scheduled repayments so far, but Sadia doesn't like paying interest and feels constantly worried about missing a payment. She would not want another loan from a formal institution.

Sadia strongly believes saving is a pillar of financial stability. She keeps a small amount of cash savings at her house and to avoid the temptation of frivolous spending (she has developed a habit of buying fine clothes for herself and her children), keeps a larger share of her savings at her sister's house. She earmarks these separated funds for specific long-term expenses including potential medical expenses and trips to see her mother in Lahore. One year, she was so successful in saving that she purchased a refrigerator.

In addition to her more moderate savings goals, Sadia dreams of buying her own house and hosting large weddings for each of her four daughters. Because small and medium expenses tend to eat away her savings, she has had little success saving towards these longer-term goals, but she is very intrigued by locked savings schemes which she has heard about from her brother. She feels that if her mother, sister, or brother recommends something, she should try it.



“Your family knows about your financial status, so you feel comfortable borrowing from them.”

User Insights

STIGMATIZATION OF BORROWING CONSTRAINS OPPORTUNITIES FOR INVESTMENT IN BUSINESS & EDUCATION

Sadia wants to provide her 4 daughters an education and bring them into her tailoring business with the hopes of growing it. Yet, she feels that borrowing is shameful and so will try to finance these goals through savings alone.

Sadia would benefit from a loan that would allow her to make her tailoring business more efficient and productive or that would help finance her four daughters' education.

DESTIGMATIZE LOANS BY CHARACTERIZING THEM AS INVESTMENT

Sadia not only feels that borrowing is shameful, but also experiences anxiety around repayments. Despite never having missed a payment, she constantly worries that she will. In a sense, this anxiety drives her attentiveness to the repayment schedule and reduces the risk that she will miss a payment, but it also makes it less likely that she will borrow again.

Sadia needs a loan product that is framed as an investment product and equipped with features that relieve her anxiety about missing repayments. Reminders, generous grace periods, or a total recharacterization of the repayment process could encourage her participation.

Modest Upholders

Demographics

Socioeconomic

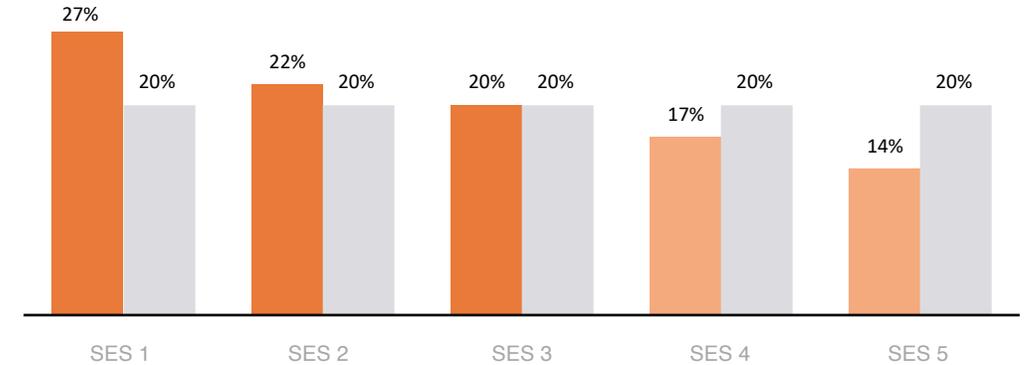
Modest Upholders are mostly low to middle income, poorly educated, rural, married women. They skew slightly younger with more youth and middle aged members than Pakistan overall. Two thirds of Pakistani women fall into this segment. Many non-elder Pakistani men in joint households are Modest Upholders. Most in the segment report that they do not participate in household financial decisions.

Modest upholders are predominantly rural (62%), married (82%), women (79%), between 25 and 44 years old (65%) with low socioeconomic status. Almost half are in the bottom two SES quintiles and a similar percentage have no education.

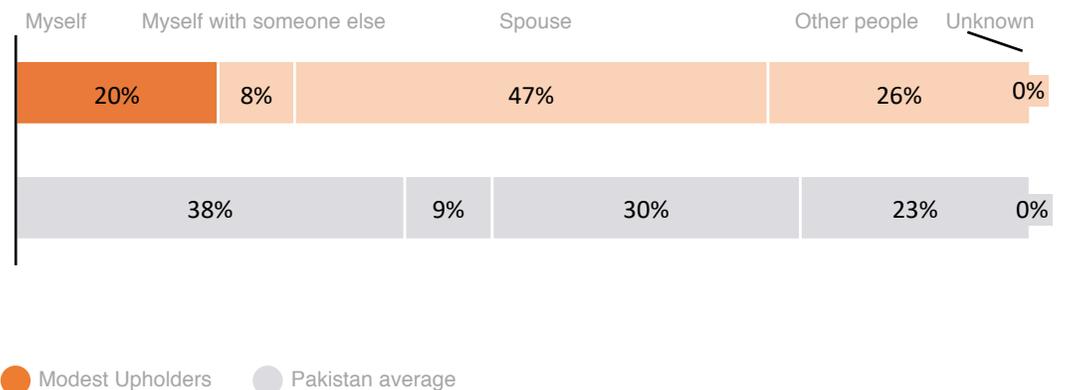
Most are not the primary decision makers in their homes. In fact, 73% report that someone else or their spouse makes the major financial and economic decisions in their home.

Among the 47% of Modest Upholders who report that their spouse makes household decisions, 99.5% are female. Among the 26% who report that “other people” make their financial decisions, 63% are female, suggesting that both men and women in this group may be non-elder members of **joint households**. Among the 20% who report making their financial decisions alone, 53% are female, suggesting there are a number of **female heads of households** within this segment.

CONCENTRATED IN MIDDLE SOCIO-ECONOMIC CLASSES (SEC)



HOUSEHOLD DECISION-MAKING



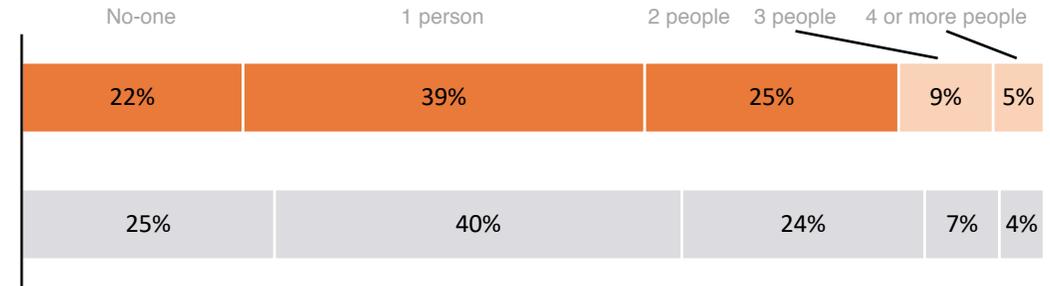
Social Network

Modest Upholders can draw on more people when sick than all but Communal Elites. While slightly over half are not confident in their ability to raise emergency funds, they are more confident than the average Pakistani despite their below average low socioeconomic status and high income volatility. Nearly half rely on social sources for financial support in emergencies and over one third use personal sources. This suggests that not all are able or choose to rely on their networks for assistance. Given the strong savings behavior of roughly half the segment, some may be able to rely on their financial reserves.

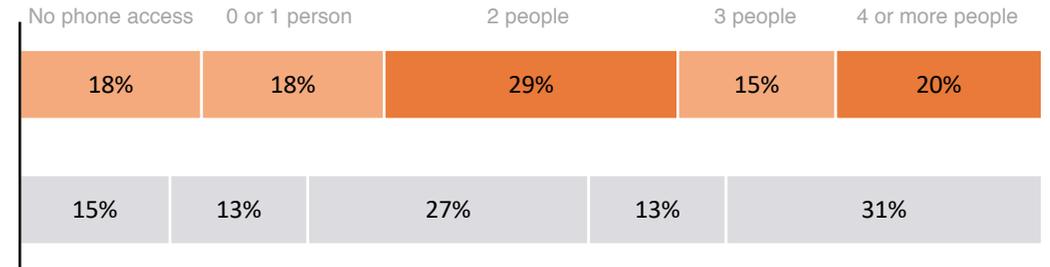
Modest Upholders can draw on more people when sick than all but Communal Elites, reflecting their high trust in people. However, 22% can rely on no-one and another 39% can rely only 1 person..

They speak to fewer people on the phone than any other segment. This may be driven, in part, by the fact that they are predominantly women with less access to phones than men. Their networks may be based more firmly in face to face interpersonal interactions with family and close friends, especially for women who likely experience decreased mobility.

NUMBER OF PEOPLE THAT CAN BE DRAWN ON WHEN SICK



USING YOUR PHONE, HOW MANY PEOPLE DO YOU TALK TO IN A DAY?



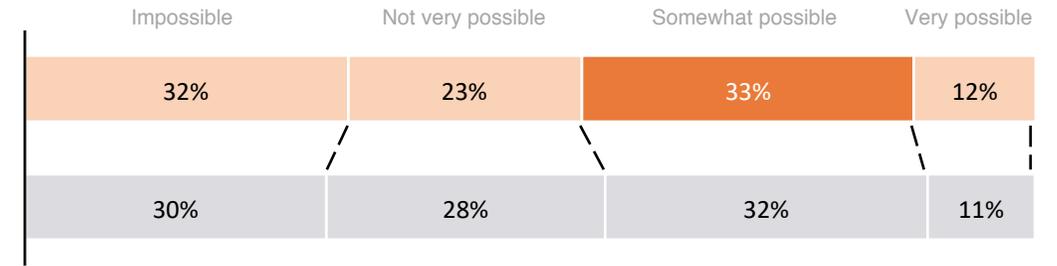
● Modest Upholders ● Pakistan average

Social Network

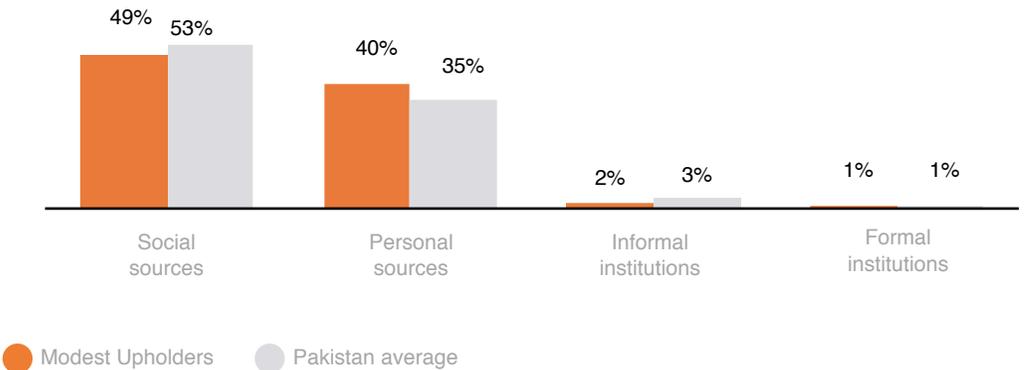
Just over half are not confident in their ability to raise emergency funds, though almost half are. This split may reflect differences in savings behavior given the split between those who have recently relied on personal financial resources over social sources of support in emergencies. It may also reflect gender, age, and broader socio-economic differences in the segment that bear further investigation.

Their financial resilience is not based solely on the size and reliability of their social network. Despite their low SES, 40% rely on personal financial reserves in emergencies, rather than support from others or loans. This reflects the strong savings behavior of roughly half the segment.

CONFIDENCE IN ABILITY TO RAISE EMERGENCY FUNDS



RESILIENCE: SOURCES OF MONEY IN AN EMERGENCY



Modest Upholders

Behavior

Finances

Financial Health Overview

Modest Upholders' overall financial behavior is close to average for Pakistan. This may not be surprising given they make up 40% of the overall population. Still, in light of their low SES, high income volatility, and reported lack of control over their finances, this suggests they are making the best of challenging circumstances. They primarily manage finances through family, while their rates of non-mobile formal account and mobile wallet ownership and usage are well below average, though they are above average members and users of informal groups.

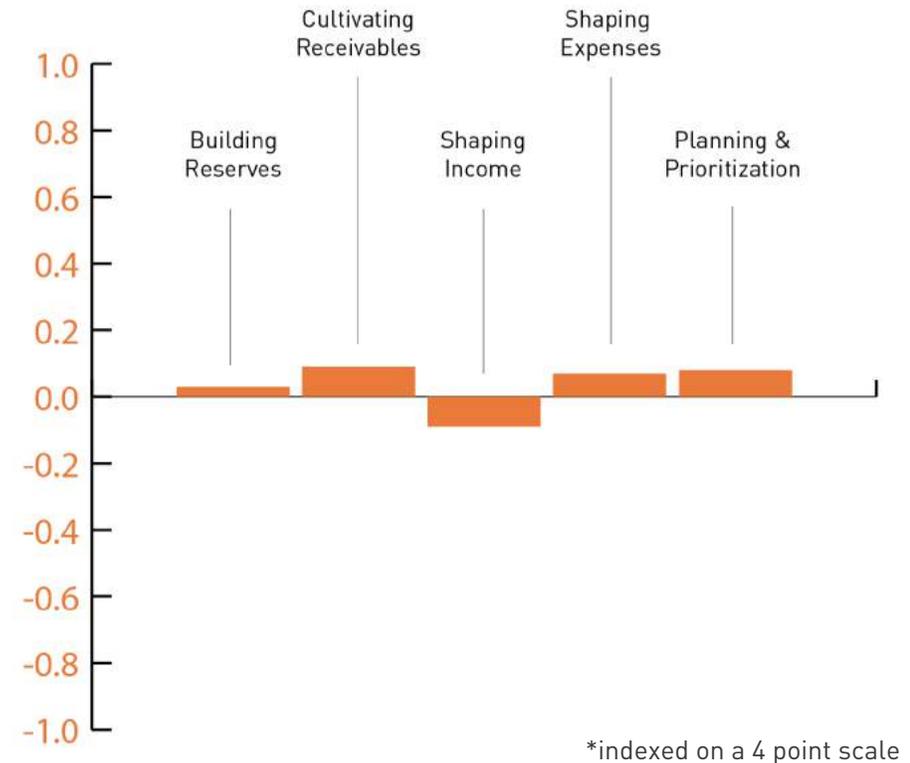
SHAPING INCOME & EXPENSES

Most Modest Upholders experience moderate to high income volatility at above average levels for Pakistan, yet they are among the most effective expense managers. This suggests they effectively manage liquidity to meet daily household needs and pay short-term bills, in line with their priorities.

BUILDING RESERVES

Just over half of Modest Upholders save, and two fifths do so frequently, monthly or more. They prefer to save with family or at home, and do so more frequently than any other segment. They save deliberately and while most

FINANCIAL BEHAVIOR INDEX:
segment difference from national average



Finances

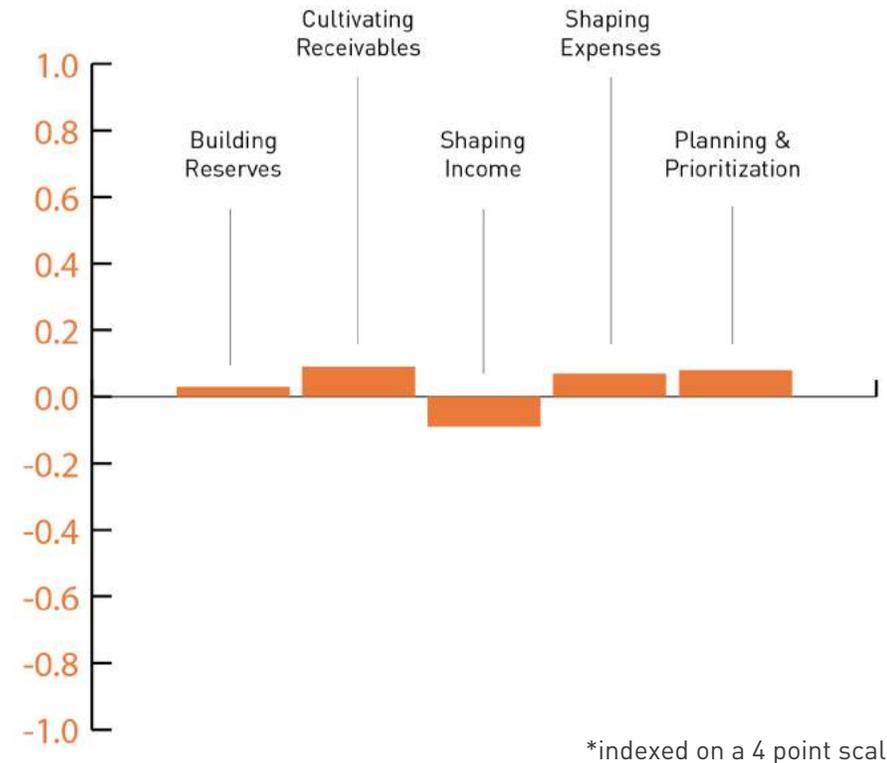
Financial Health Overview

savers among them actively use only one channel, a significant minority use multiple channels despite low formal account ownership. Less than a quarter personally own land or livestock, the lowest rates among segments, though over a third report commonly owning land.

CULTIVATING RECEIVABLES

Over half of Modest Upholders never borrow, yet those who do tend to be frequent borrowers, doing so quarterly or more at the highest rate among segments. In fact, most borrowers amongst them do so monthly, suggesting they use debt to meet regular monthly households expenses that might otherwise go unpaid. They especially favour borrowing from family, though often likely receive direct support rather than loans, and rarely ever borrow from banks. Modest Upholders have faced an average number of financial emergencies over the past two years, and primarily rely on social sources of financial support to deal with them, buoyed by their ability to frequently borrow from family. However, nearly as many have relied on personal financial resources — mostly savings — to manage emergencies in the past two years. They are slightly more confident than average in their ability to raise emergency funds.

FINANCIAL BEHAVIOR INDEX:
segment difference from national average



Finances

Financial Health Overview

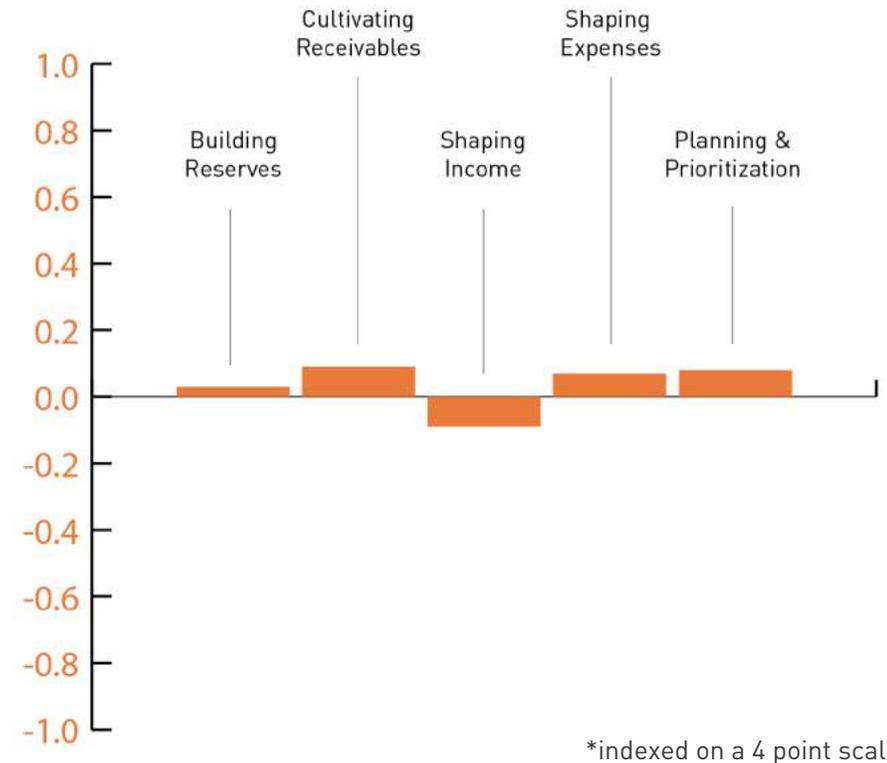
PRIORITIZING

Modest Upholders would reserve the largest share of a windfall for cash reserves, suggesting they prioritize smoothing income, meeting expenses, and maintaining good standing with creditors who may provide crucial liquidity. They would also allocate over a quarter to investments, suggesting a strong desire to grow their household income.

PLANNING

Most Modest Upholders identify as effective planners, about half plan expenses, and nearly two-thirds are save deliberately despite low SES, high income volatility, and having limited control over household financial decisions. Perhaps due to a division of household roles along gender lines, Modest Upholders are more likely than all but the Communal Elites to have a plan to manage their expenses.

FINANCIAL BEHAVIOR INDEX:
segment difference from national average



Finances

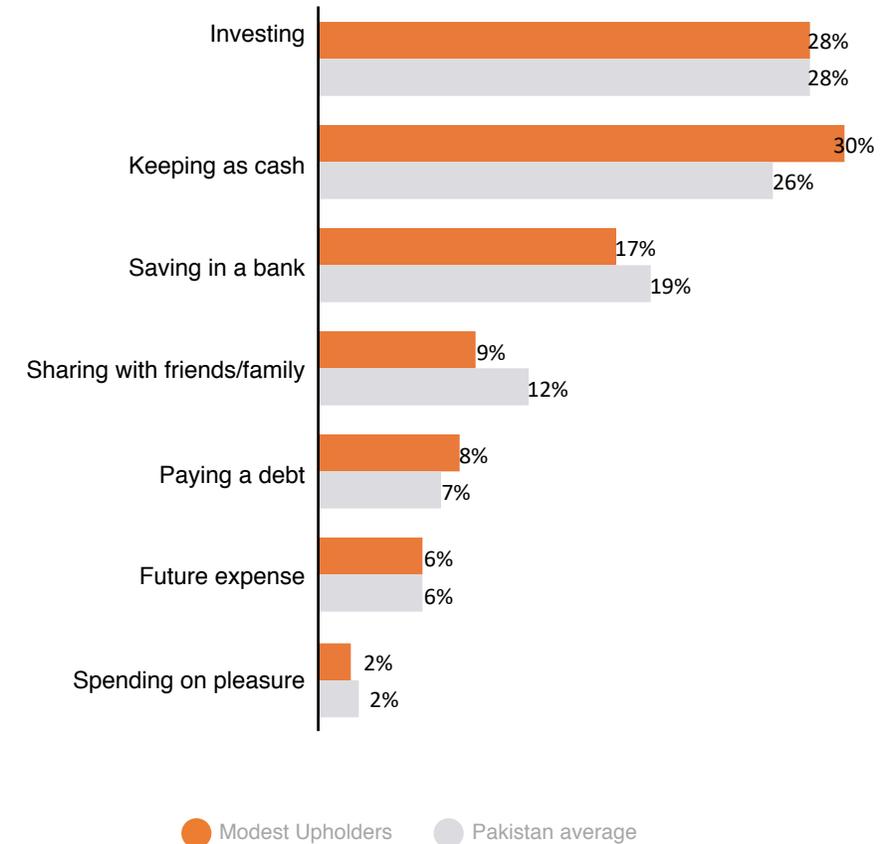
Financial Priorities

Modest Upholders would reserve the largest share of a windfall for cash reserves, suggesting they prioritize smoothing income, meeting expenses, and maintaining good standing with creditors who may provide crucial liquidity. They would also allocate over a quarter to investments, suggesting a strong desire to grow their household income.

Modest Upholders would reserve a larger share of a windfall for cash reserves and paying off debt than the average Pakistani. Given their inclination for financial planning and struggles with volatility, it comes as no surprise that they would keep liquid cash on hand to smooth income and meet short term expenses. Moreover, their higher than average prioritization of paying off debt likely reflects their desire to keep in good standing with their creditors who may provide crucial liquidity.

Modest Upholders would allocate less of a windfall to bank savings and sharing with family and friends. Through qualitative research, we found that people typically save in banks only when they do not need it to generate significant short or medium term returns and when they have in mind a specific, longer-term use for the money. Given that they would allocate over half of a windfall to cash reserves or investments, it may be that Modest Upholders' immediate expenses and their needs for greater income outweigh their desire to build financial reserves.

FINANCIAL PRIORITIES



Finances

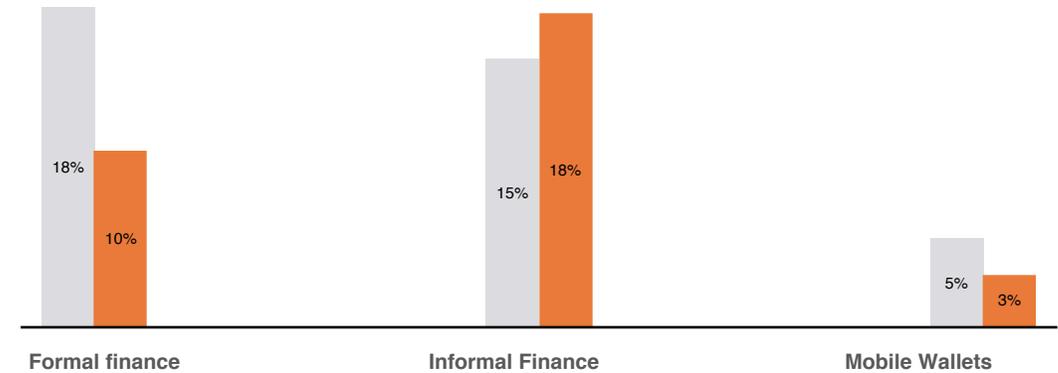
Financial Access

Modest Upholders primarily manage finances through family. Their rates of bank account and mobile wallet ownership and usage are well below average, though they are above average members and users of informal groups. Most find financial services complex, which in addition the restrictions on mobility and account ownership women in the segment face, may drive low rates of formal ownership.

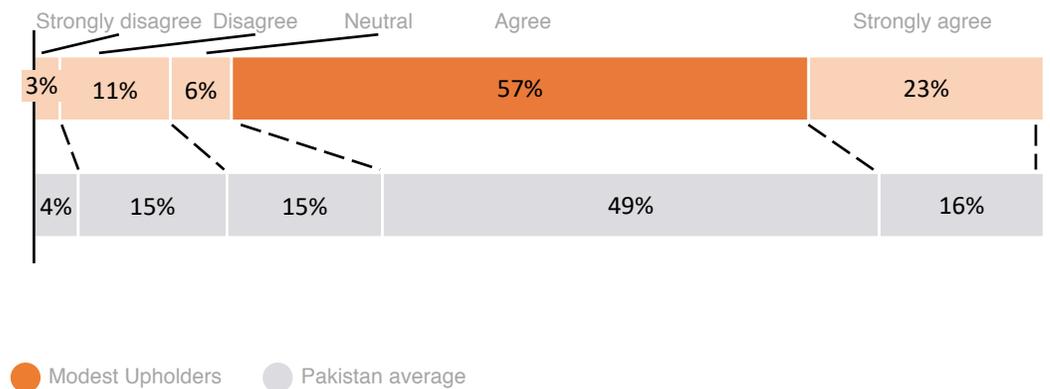
Modest Upholders have significantly lower levels of formal account ownership, including mobile wallets, than the Pakistani average, which is already low. Given that the vast majority of people in this segment are women, it is likely that gendered structural and normative barriers to financial services and mobile technology are driving below average rates of account ownership. Likely, the lack of formal financial products tailored to the needs of Pakistani women is also a factor.

Modest Upholders use informal financial services more frequently than the average Pakistani, but these rates are still very low and do not account for the segments high frequency of saving and borrowing with family. Most Modest Upholders report saving and borrowing with family or at home rather than with informal groups like ROSCAs that may require travel and contact with

FINANCIAL ACCESS



PERCEIVED COMPLEXITY OF FINANCIAL SERVICES



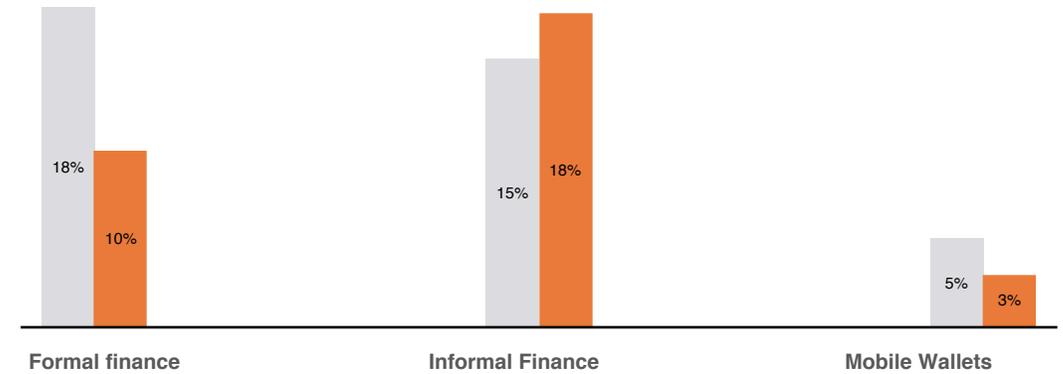
Finances

Financial Access

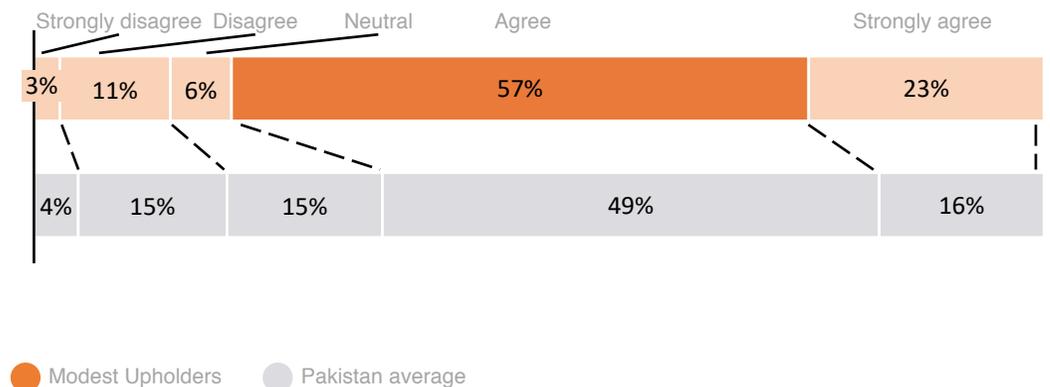
people outside of the family. Their rates of informal usage would likely be higher if it weren't for the strong social norms in Pakistan that constrain women's mobility and access to social networks.

Most Modest Upholders find financial services complex, which may also drive lower rates of adoption, particularly of formal and mobile financial services. 80% of modest upholders find financial services highly or very highly complex. In comparison, 67% of all Pakistanis perceive complexity. Modest Upholders may prefer the family as a debt channel because they consider it more usable and accessible. Their rates of mobile usage are likely further suppressed by their low rates of digital technology use.

FINANCIAL ACCESS



PERCEIVED COMPLEXITY OF FINANCIAL SERVICES



Finances

Shaping Income & Expenses

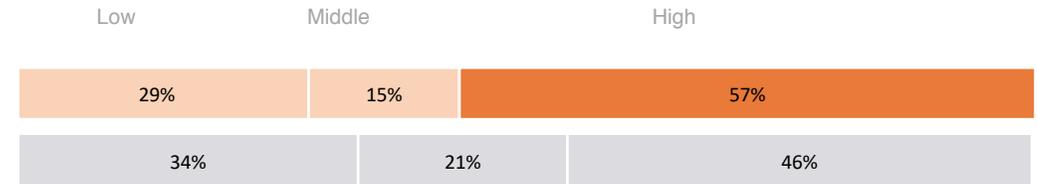
Most Modest Upholders experience moderate to high income volatility at above average levels for Pakistan, yet they are among the most effective expense managers. This suggests they effectively manage liquidity to meet daily household needs and pay short-term bills, in line with their priorities.

Most Modest Upholders experience significant weekly income volatility, the second highest after Careful Hustlers. Seventy-one percent report medium to high weekly income volatility, compared with 66% nationally. Fifty-nine percent do not know how much money they will earn when they wake up each morning. Their high income volatility could be driven, in part, by gender dynamics, if we assume that many women are not earning income and are unaware of their husbands' earnings.

Yet, about half are confident in their ability to pay household bills time and have an expense plan. They report the second highest expense confidence among segments, with 53% feeling that they are typically able to do so, compared with 45% of Pakistanis overall. Forty-nine percent report having a plan to manage their expenses, well above the national average of 41%.

Moreover, they report the struggling with the fewest types of expenses among segments, having faced challenges paying on average 4.3 kinds of expenses over the past 6 months, compared with an average of 4.5 for Pakistanis overall.

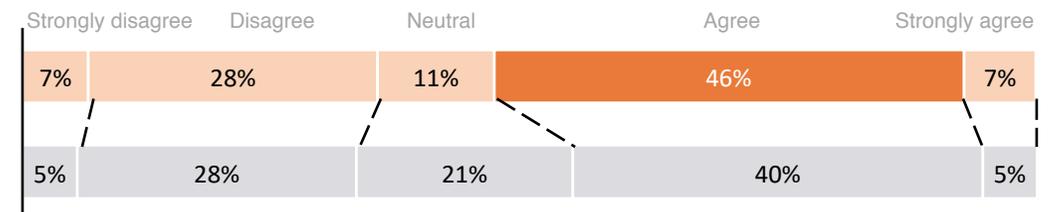
WEEKLY INCOME VOLATILITY



NUMBER OF EXPENSE TYPES HAVING HAD DIFFICULTY PAYING FOR IN PAST 6 MONTHS



CONFIDENCE IN ABILITY TO PAY ALL HOUSEHOLD BILLS



Finances

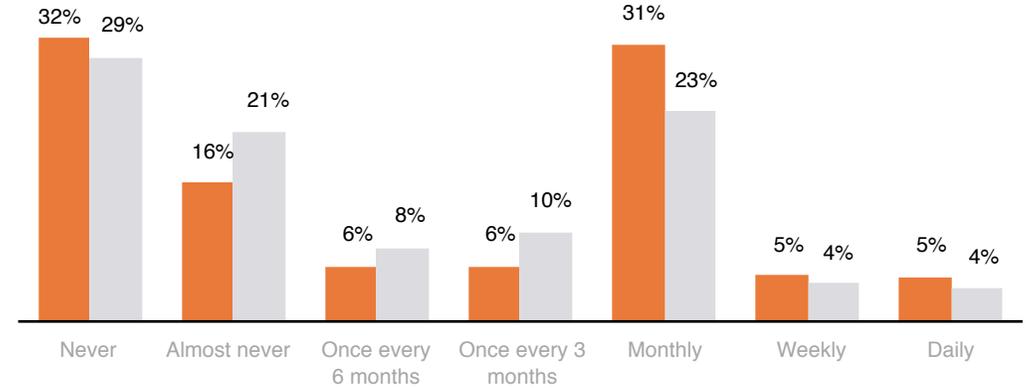
Building Reserves

Just over half of Modest Upholders save, and two fifths do so frequently, monthly or more, making them the second most frequent savers in Pakistan. They prefer to save with family or at home, and do so more frequently than any other segment. They save deliberately and while most savers among them actively use only one channel, a significant minority use multiple channels despite low formal account ownership. Less than a quarter personally own land or livestock, the lowest rates among segments, though over a third report commonly owning land.

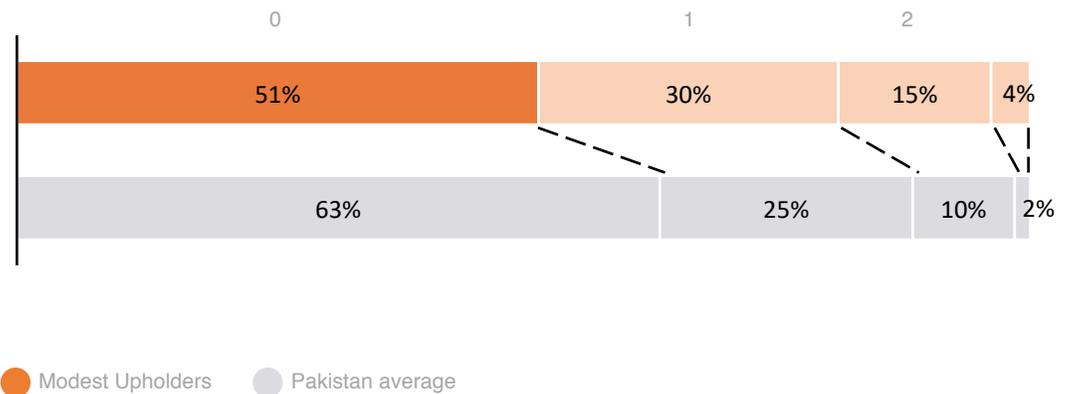
Over half of Modest Upholders save and they are the second most frequent savers in Pakistan, just below the much wealthier Communal Elites. Forty-one percent of Modest Upholders save monthly or more, the highest percentage among segments. Nationally, only 31% save monthly or more. Fifty percent of Pakistanis never or almost never save, compared with 42% of Modest Upholders.

Amongst those who save, most do so using only one active channel, though a significant minority have two active savings channels – typically family and informal – and as a segment they are more likely to maintain multiple active savings channels than Pakistan’s on average. About half report having no savings channels in use use quarterly, slightly more than the 42% who report never savings.

SAVINGS FREQUENCY OVERALL



NUMBER OF SAVINGS CHANNELS IN USE QUARTERLY



Finances

Building Reserves

Their preferred savings channel is family and at home, with 32% saving in this manner, in line with the national average. However, those who do save with family and at home do so more frequently. Twenty-three percent save in this manner once per month or more compared with just 16% nationally.

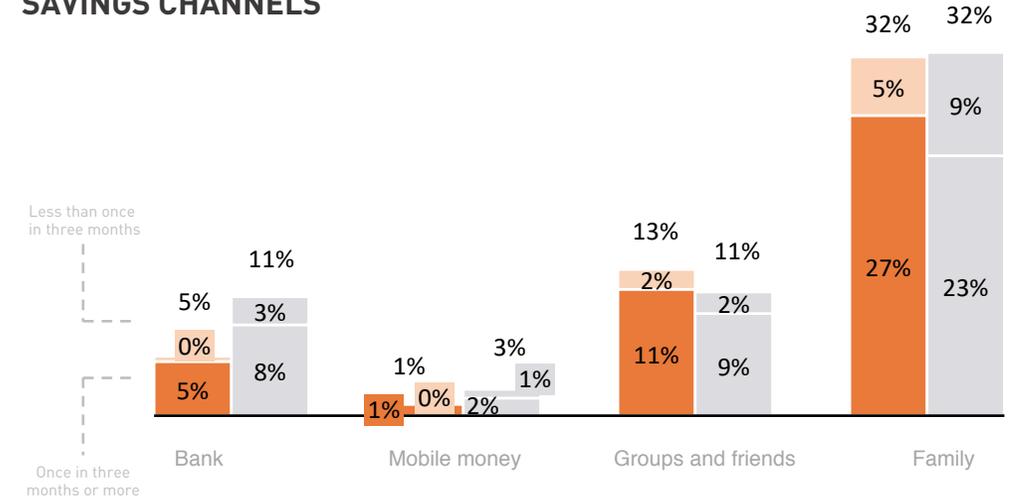
While monthly savings with family and at home is higher than average, such savings measured quarterly-to-annually are slightly below-average. This suggests that Modest Upholders are less likely to contribute *ad hoc* or opportunistically to such savings and instead contribute regularly, perhaps through monthly savings groups.

Modest Upholders are the most likely segment to save once per month or more with informal groups, although their overall quarterly savings with informal groups is still low at 11%, compared with 9% nationally.

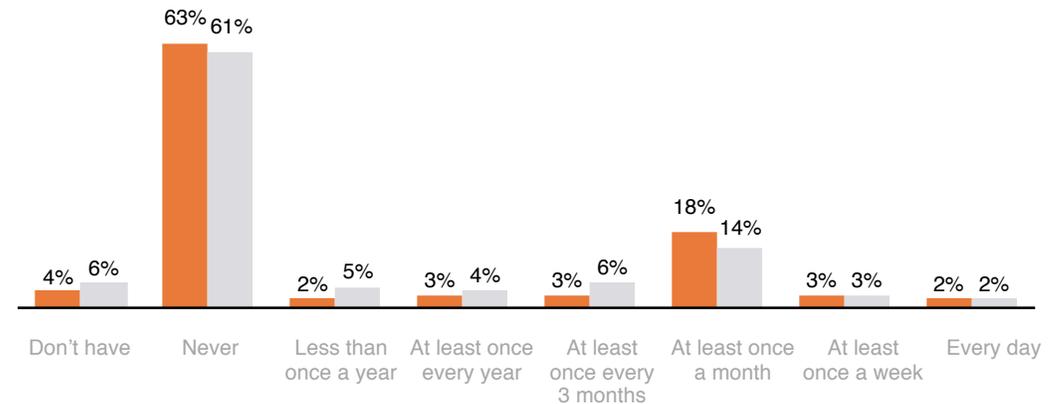
Only 5% ever save in banks, the lowest level among segments, compared with 12% nationally. This is not surprising given that their formal account ownership is little more than half the national rate. Over 90% report zero bank savings due to not owning an account.

While the female-dominated Modest Upholders are among Pakistan’s most frequent savers, **male-dominated Careful Hustlers are the least frequent savers.** This might evidence the allocation of household fund management along traditional gender lines, wherein men set priorities and women manage budgets.

SAVINGS CHANNELS



SAVINGS WITH FAMILY OR HOME



Finances

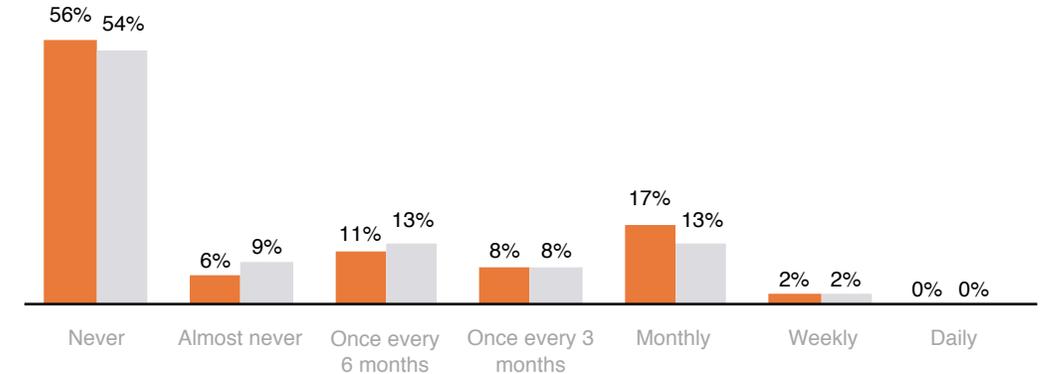
Cultivating Receivables

Over half of Modest Upholders never borrow, yet those who do tend to be frequent borrowers, doing so quarterly or more at the highest rate among segments. In fact, most borrowers amongst them do so monthly, suggesting they use debt to meet regular monthly household expenses that might otherwise go unpaid. They especially favor borrowing from family, though often likely receive direct support rather than loans, and rarely ever borrow from banks.

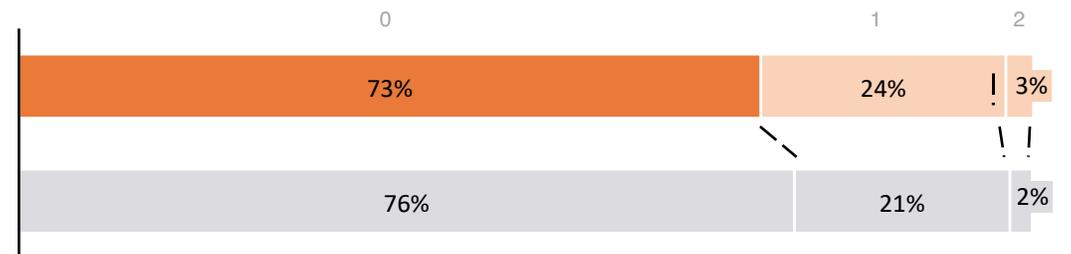
Over half of Modest Upholders never borrow, but still they are the second most frequent borrowers in Pakistan. Twenty seven percent borrow at least once every three months (the highest quarterly rate among segments). However, 56% never borrow at all (second-highest rate). With a tendency to rely on personal rather than social resources in emergencies, they may primarily borrow to meet regular monthly household expenses that might, at times, otherwise go unpaid. The consistent character of their borrowing suggests that they maintaining creditworthiness by planning and managing to repay debts on time.

While most who borrow maintain only one active debt channel, broadly in line with the national average have the highest number of active debt channels amongst segments. Twenty-four percent report using one channel in the past 3 months, compared to 21% nationally.

BORROWING FREQUENCY OVERALL



NUMBER OF BORROWING CHANNELS USED IN LAST THREE MONTHS



● Modest Upholders ● Pakistan average

Finances

Cultivating Receivables

Modest Upholders primarily borrow from family. Twenty-five percent do so at least once every three months (the highest frequency among segments), but 59% never borrow from a close family member (the second lowest frequency among segments). Only 5% of Pakistanis and 4% of Modest Upholders report that they do not have the ability to borrow from family, suggesting that family is, by far, the most commonly available source of loans in Pakistan.

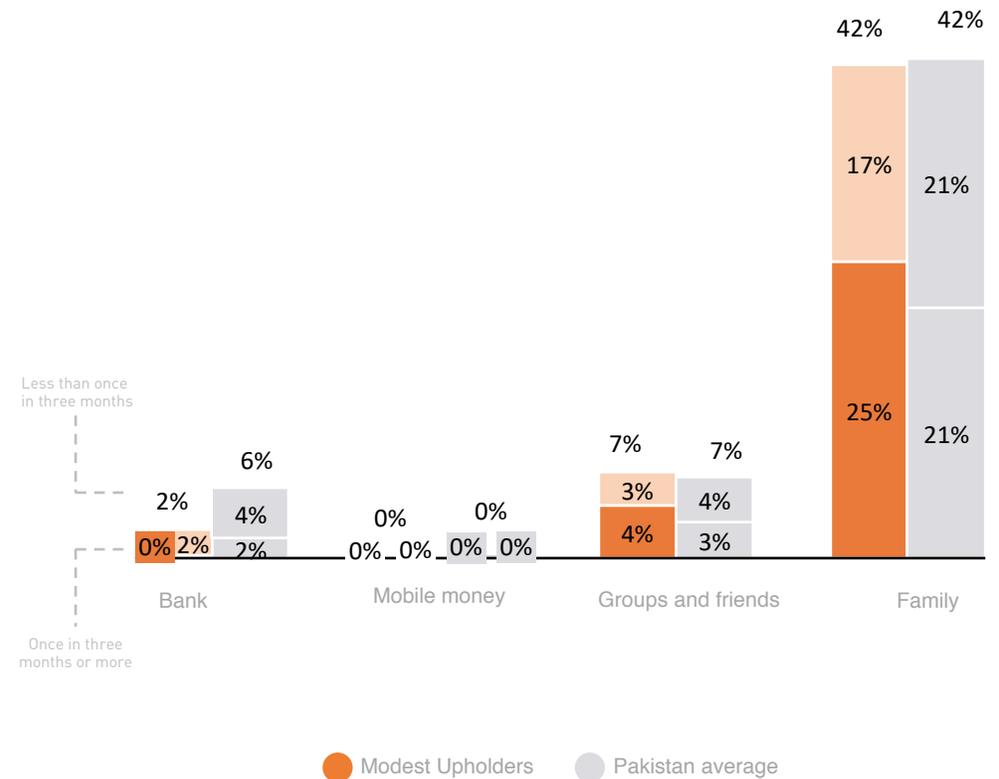
Modest Upholders rarely borrow from informal financial groups and friends. 93% never borrow through these channels (in line with the national average). Modest Upholders have among the highest trust in social financial networks. They tend to view their communities as highly unequal, yet are confident their communities will help them with things like businesses and children’s school fees. It is possible that, to an extent, Modest Upholders are able to rely on the good will and support of their communities without needing to seek actual loans from them.

Social financial norms in Pakistan may not support borrowing behavior from informal groups and friends. Eighty-five percent of Pakistanis and 83% of Modest Upholders report that they do not have the ability to borrow from friends or informal groups. This is reflected in the low rates of membership in informal financial groups across Pakistani segments.

Ninety-eight percent of Modest Upholders never borrow from using non-mobile formal accounts, the highest rate among the segments, and above the Pakistani average of 94%. Ninety percent of Modest Upholders and 83% of Pakistanis overall report that they lack formal accounts from which to borrow.

Among all Pakistanis, 99% never borrow via mobile money, with 95% reporting they lack the ability to do so. Among Modest Upholders, the figures are 100% and 97% respectively.

BORROWING CHANNELS



Finances

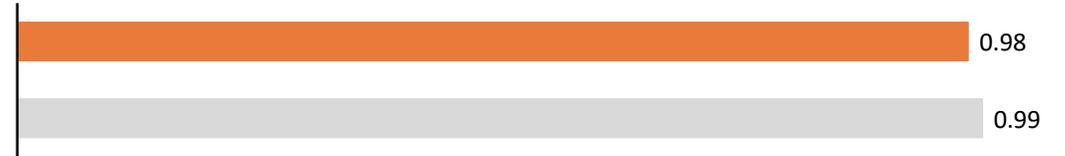
Cultivating Receivables

Modest Upholders have faced an average number of financial emergencies over the past two years, and primarily rely on social sources of financial support to deal with them, buoyed by their ability to frequently borrow from family. However, nearly as many have relied on personal financial resources – mostly savings – to manage emergencies in the past two years. They are slightly more confident than average in their ability to raise emergency funds.

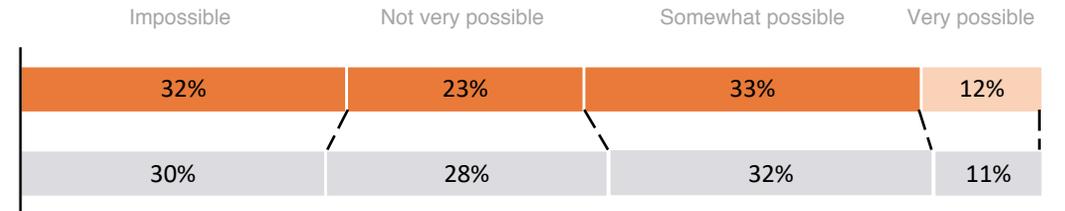
Modest Upholders’ have faced about one type of financial emergency in the past two years, in line with the Pakistani average. Nearly half believe it is somewhat or very possible for them to raise emergency funds, slightly more than average for Pakistan. Their relatively strong ability to borrow, especially from family, as well as their relatively frequent savings may account for their above average ability to raise emergency funds.

Over the past 2 years, about half have relied on social sources of financial support in an emergency, though nearly as many have relied on personal sources. Very few have relied on loans or support from informal or formal institutions. Gender dynamics may also, in part, explain their above average reliance on social sources for money in an emergency. Women make up the vast majority of this very large segment. Due to social norms and their role in family financial management, they may be better placed to tap family for loans and less well positioned to seek loans through formal channels.

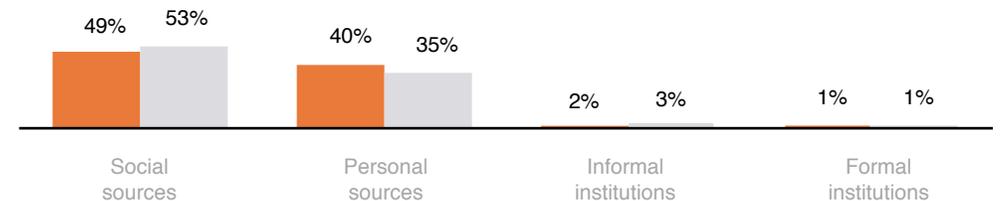
NUMBER OF TYPES OF EMERGENCIES FACED (PAST 2 YEARS)



RESILIENCE: ABILITY TO RAISE EMERGENCY FUNDS



RESILIENCE: PRIMARY SOURCE OF MONEY IN AN EMERGENCY OVER PAST 2 YEARS



Finances

Financial Planning

Most Modest Upholders identify as effective planners, about half plan expenses, and nearly two-thirds are save deliberately despite low SES, high income volatility, and having limited control over household financial decisions. Perhaps due to a division of household roles along gender lines, Modest Upholders are more likely than all but the Communal Elites to have a plan to manage their expenses.

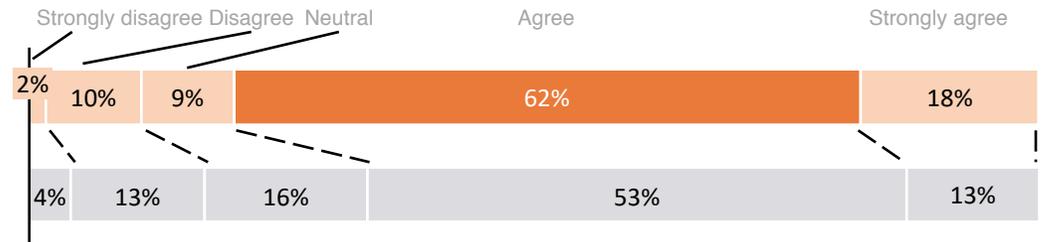
Most Modest Upholders (80%) agree or strongly agree that they make plans and follows through with them, compared with 67% of Pakistanis overall. Together with Communal Elites, they score the highest rate on this metric among segments.

Forty-nine percent report having a plan to manage their expenses, well above the national average of 41%. In fact, together with the Communal Elites, they are the most likely segment to have a plan to manage their expenses. Still, 36% say the do not have one.

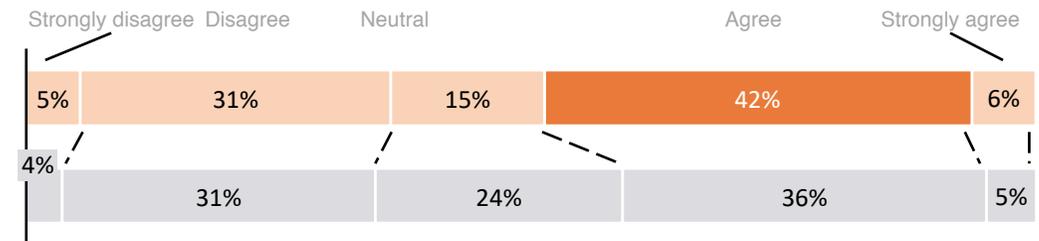
Modest Upholders strongly identify as planners and are actively engaged in expense planning despite the fact that only 28% report participating in household financial decisions. While their opportunities to directly engage or drive house hold financial planning as a whole may be limited, they appear, at the very least, to confidently manage expenses.

MODEST UPHOLDERS

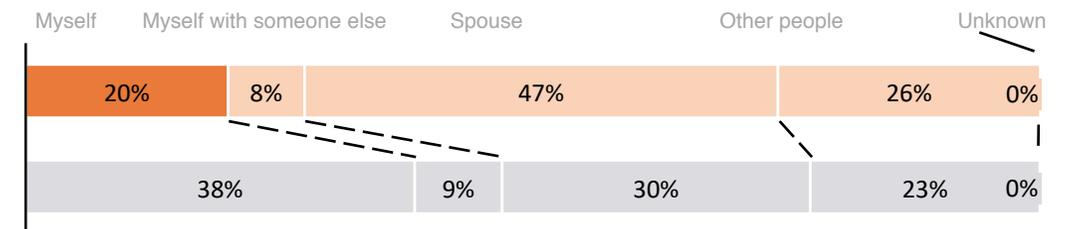
MAKES A PLAN AND FOLLOWS THROUGH WITH IT



HAS A PLAN TO MANAGE EXPENSES



HOUSEHOLD DECISION MAKING



Technology

Most Modest Upholders use digital technology and consume media at a low level. Though most have access to feature phones, they report significantly below-average phone ownership and usage. Most do not text and very few access internet or social media. They prefer instead TV, with nearly half tuning in once a month or more.

Modest Upholders overall rates of digital technology usage is low, as is their overall phone usage, despite their high levels of openness and trust. Seventy-nine percent report low technology usage and 49% rarely or never use phones. Yet, most can at least access a feature phone, though their rates of personal ownership are below average for Pakistan. This is surprising, given their significantly lower rates of usage, and suggests issues other than access, such as availability or affordability of network credit. Few have access to smart phones.

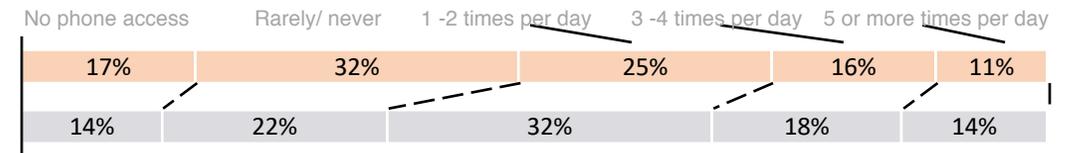
Modest Upholders are the least frequent texters in Pakistan, with only 18% sending text messages once per month or more. This may be driven, in part, by gendered social norms that discourage women from owning and using phones and the internet, which some in Pakistan view as inappropriate and even dangerous.

They are the second-least frequent internet and social media users. Only 9% and 10%, respectively, use such technologies once per month or more. However, they are the second most frequent TV watchers. Forty-three percent tune in once per month or more. Nevertheless, their TV consumption is only slightly more than half that of the highest-use segment, Communal Elites. They are the least likely to use radios, newspapers, or magazines and visit websites only slightly more than Careful Hustlers.

TECH USE FREQUENCY



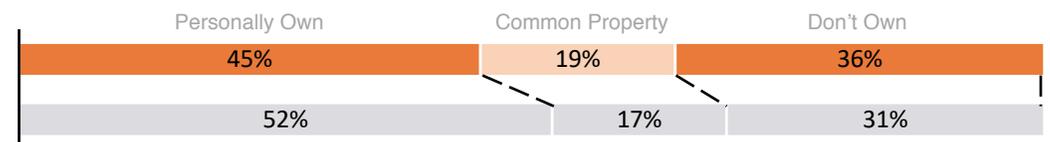
PHONE USAGE



ACCESS TO SMARTPHONES



ACCESS TO BASIC AND FEATURE PHONES



Modest Upholders

Psychology

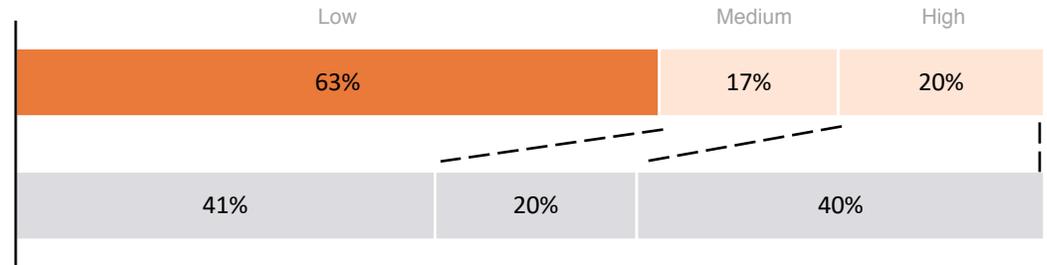
Psychology

Self-Perception

Modest Upholders report a weak sense of agency but high self-esteem. They feel that much of their life and many of their outcomes are beyond their control, and they have limited ability to change their lot. Nevertheless, they are hopeful about their future prospects. We have found that their external locus of control in part drives their high frequency of saving with family and at home. Perhaps they perceive safety and control in the proximity of family and home savings, providing a hedge against the chaos of the world outside. Moreover, we have found their positive view of the future in part drives their higher rates of saving with informal groups and friends.

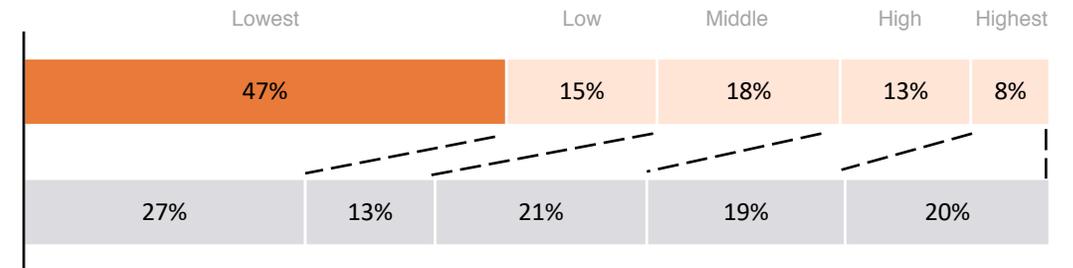
Sixty-three percent of Modest Upholders have a clear external locus of control (highest level among all segments) and 62% have a low sense of self-efficacy (lowest of any segment). Given their low SES, it may be psychologically encouraging to view external factors as having determined their situation. Even with a low level of self-efficacy (understood as low confidence in their ability to personally improve their situation), such dispositions may safeguard the dignity of Modest Upholders and support their ability to self-advocate, as reflected in their high self-esteem.

LOCUS OF CONTROL



*composite measure of a persons sense of control over their life and outcomes relative to powerful people, institutions, and forces, including their ability to protect their interests from others and their belief in fate or luck

SELF-EFFICACY



* Composite measure of a person's belief in the fixedness of natural ability and intelligence, in their ability to learn new things and develop talent through practice, and the importance of experimentation and tolerance for failure

● Modest Upholders ● Pakistan average

Psychology

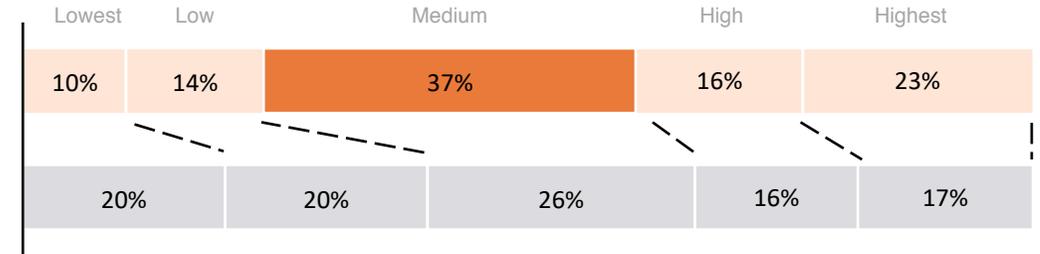
Self-Perception

Interestingly, in Pakistan, we find that having an external locus of control correlates with increased rates of saving with family. Modest Upholders have the strongest external locus of control and are among the most frequent savers with family, potentially taking some pride in their ability to galvanize the cooperation and resilience of those immediately around them.

Modest Upholders take a significantly more positive view of the future than all other segments except the Communal Elites, who are similarly positive. Indeed, despite their challenging socio-economic circumstances and limited agency, Modest Upholders, on the whole, are active and effective financial managers. This may relate to their future orientation. In Pakistan, people who are confident in the future tend to save more frequently with informal groups and friends.

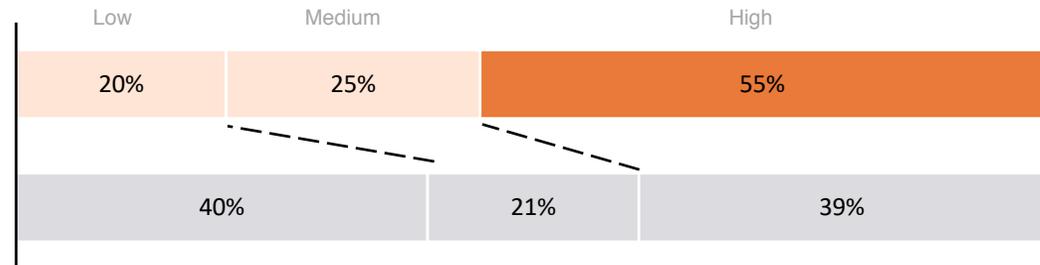
Modest Upholders believe strongly in their own self-worth. They enjoy the highest self-esteem of any segment, despite being the poorest, with 55% measuring at high or highest levels. As noted, this may be tied to their strong external locus of control.

CONFIDENCE IN THE FUTURE



*You will be better off 5 years from now than you are today.

SELF-ESTEEM



* composite measure of self-image, satisfaction, and confidence, as well as self-respect, self-worth and pride

● Modest Upholders ● Pakistan average

Psychology

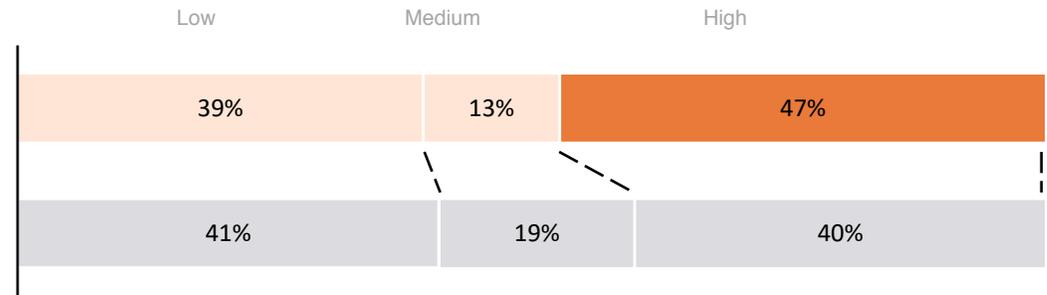
Financial Attitudes

Most Modest Upholders are conscientious and although over half identify as impulsive spenders, also consider themselves effective planners. Nearly half have a plan to manage expenses despite low SES, high income volatility, and limited financial decision making authority in their homes. Moreover, most are future-oriented and deliberate savers. Nearly three quarters are openminded, second only to Communal Elites, which we have found to in part drive their increased borrowing from family, as well as their relatively greater ease managing expenses despite their challenging context.

Nearly half of Modest Upholder are highly conscientious, with 47% measuring high compared to 40% nationally. Over half identify as strong and effective planners, and about half report active expense planning.

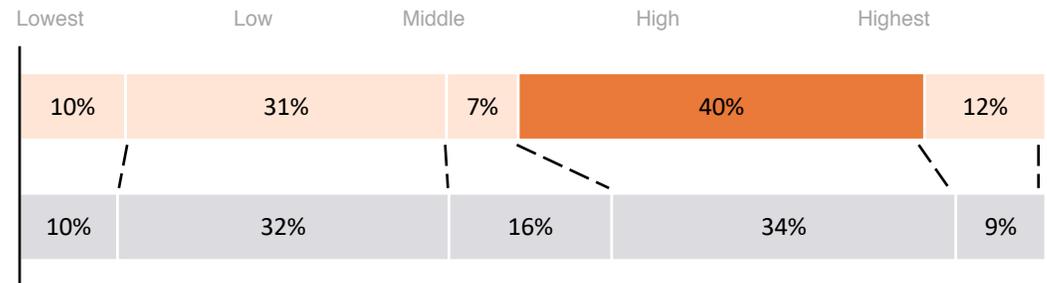
Modest Upholders are split on impulsivity, with 52% considering themselves highly impulsive, and 41% identifying a less impulsive. Their awareness of impulsivity may help them guard against it by implementing strategies and

CONSCIENTIOUSNESS



*composite measure of consideration, planning, focus, drive, perseverance and reliability

LIKELIHOOD OF IMPULSIVE SPENDING



* You are prepared to spend now and let the future take care of itself

● Modest Upholders ● Pakistan average

Psychology

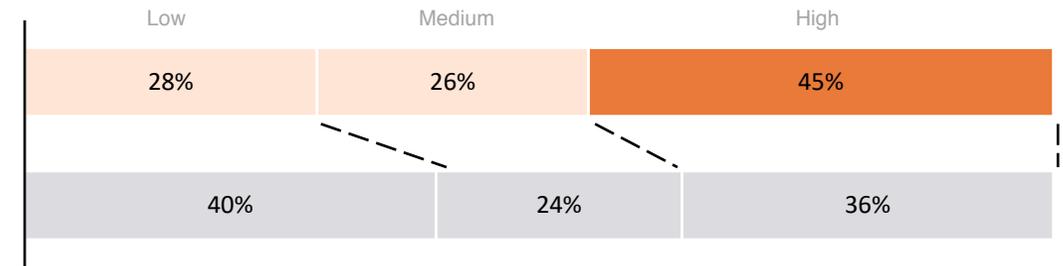
Financial Attitudes

using financial tools that help them set and pursue financial goals in a more disciplined manner.

Modest Upholders are open minded. Forty-five percent score high openness and another 26% score medium openness. They are second only to the wealthier, male-dominated Communal Elites. Only 28% of Modest Upholders score low to lowest on openness compared to 40% nationally.

In Pakistan, openness correlates with more frequent borrowing from family, sharing less of a windfall with family and friends, and a higher likelihood of being able to pay bills. Modest Upholders exhibit all of these behaviors at levels above the national average. Their openness is evident in their trusting nature.

OPENNESS



*composite measure of curiosity, reflectiveness, and abstract thinking, as well as adaptability, originality, creativity

● Modest Upholders ● Pakistan average

Psychology

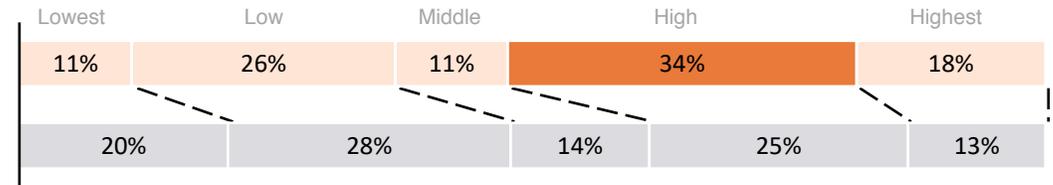
Attitudes Toward Savings

Modest Upholders are conscientious and effective planners and despite exhibiting some spending impulsivity, they are future-oriented and deliberate savers, likely saving cash to manage household expenses and build towards savings goals. While four-fifths feel they do not earn enough to save and nearly two-thirds feel their savings are not safe from the demands of the network, they still save frequently and primarily with family, friends, and informal groups.

Women in the segment realistically may lack access to formal channels, and their low perceptions of the safety of their savings may represent an opportunity for providers.

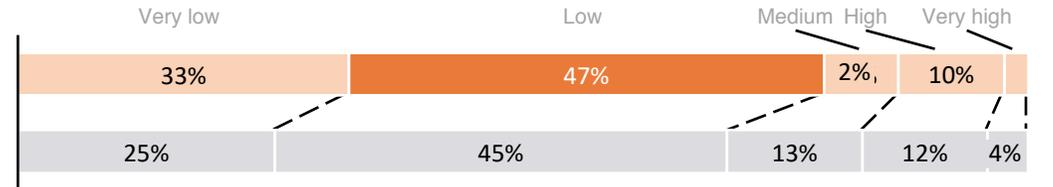
Modest Upholders are also deliberate, goal-oriented savers, with 63% scoring a middle to highest level of deliberateness. In Pakistan, deliberate saving correlates with a higher likelihood of saving with family and informal groups, qualities and behaviors we see in Modest Upholders. People often save with family, friends, and informal groups because the specific savings mechanisms provided by these channels (e.g., money guards and ROSCAs) force discipline and commitment to savings targets but still offer flexibility in

SAVINGS DELIBERATENESS



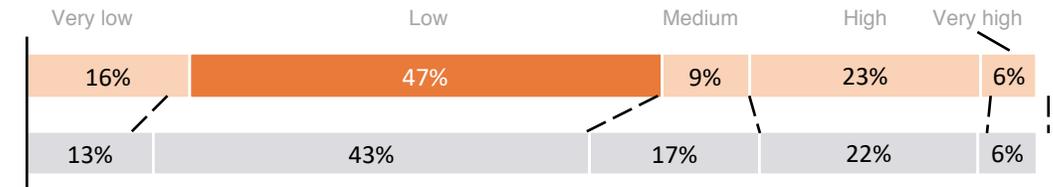
*Composite measure of composite measure of a persons belief in the superiority of saving for a specific purpose and the discipline with which they will maintain the non-fungibility of that money once allocated to a savings goal

BELIEF IN EARNING ENOUGH MONEY TO SAVE



*You make too little money to save it for anything.

SAFETY OF SAVINGS FROM OTHERS



*If you saved money, many people in your life would ask you to give it or loan it to them.

Psychology

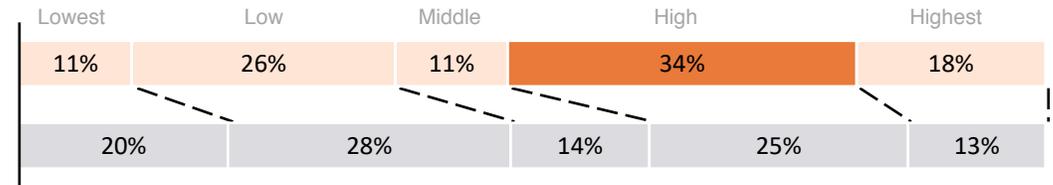
Attitudes Toward Savings

special circumstances. Continued membership in informal groups, in particular, requires that members demonstrate their dependability, which they do as we see in the following “Attitudes Towards Debt” analysis.

Eighty percent of Modest Upholders feel that they do not earn enough to save, compared with 70% of Pakistanis. This is not surprising given their low SES, high income volatility, and reported limited participation in household financial decisions. Moreover, given that most of the segment is women, many may like personal income streams. Yet, despite all this this, over half save and two fifths do so frequently, further indicating their conscientiousness and deliberateness, and discipline.

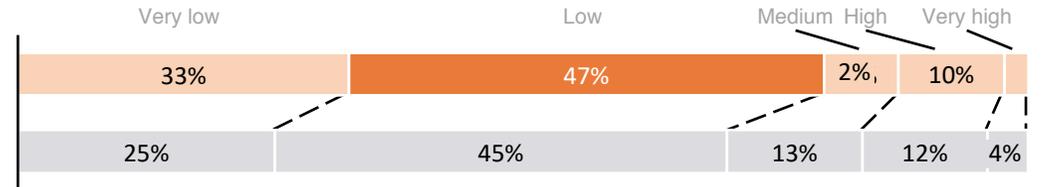
Nearly two thirds feel their savings are not safe from others. Sixty-three percent feel that if they saved money, someone in their life would surely ask for it as a gift or loan, compared with 56% of Pakistanis overall, who feel this way. Despite, this, most still prefer to save at home and with family, friends and informal groups. These may be the only channels realistically available to women in the segment, and their low perception of the safety of their savings may represent an opportunity for formal providers.

SAVINGS DELIBERATENESS



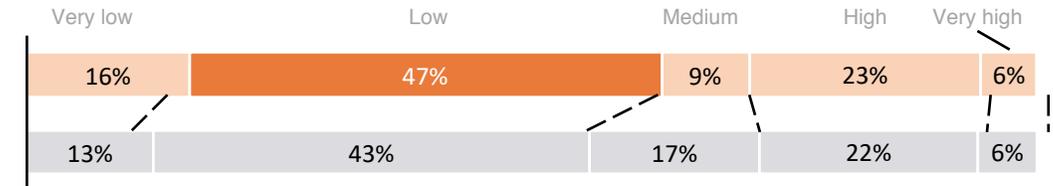
*Composite measure of composite measure of a persons belief in the superiority of saving for a specific purpose and the discipline with which they will maintain the non-fungibility of that money once allocated to a savings goal

BELIEF IN EARNING ENOUGH MONEY TO SAVE



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Psychology

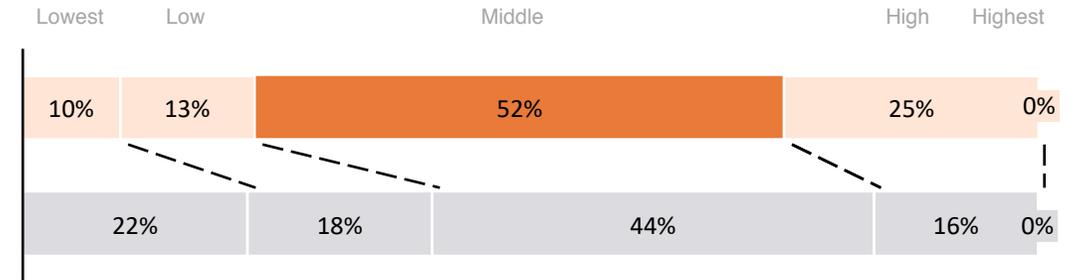
Attitudes Toward Debt

Over three-quarters of Modest Upholders consider themselves dependable and two-thirds are moderately to highly comfortable holding debt, more so than any other segment. Their sense of dependability and comfort with debt may drive their frequent borrowing, especially as they do so primarily from family where the nature and terms of loans and support are much more flexible.

Most Modest Upholders consider themselves dependable, with 77% scoring middle to high on dependability. Their sense of dependability may, in part, explain their ability and comfort borrowing frequently from family.

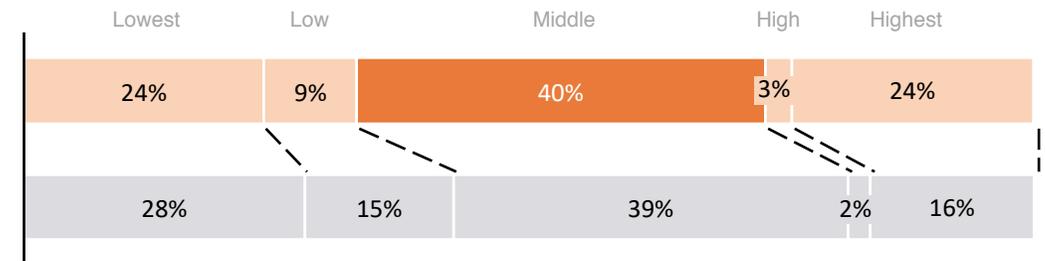
While a plurality report They are the most comfortable segment with holding debt, with 67% reporting moderate to high comfort with borrowing, compared with of Pakistanis overall. This suggests that most would not experience undue levels of anxiety upon taking out a loan.

DEPENDABILITY



*composite measure of likelihood of fulfilling promises, returning favors, and looking for guidance from others in new situations

COMFORT WITH DEBT



*composite measure of a persons perceived risk and anxiety around holding debt, especially as regards the loss of collateral

● Modest Upholders ● Pakistan average

Psychology

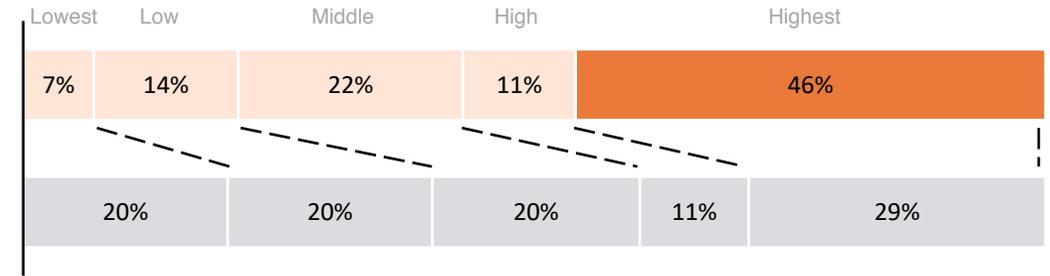
Trust in People

Overall, Modest Upholders are very trusting of people, including when it comes to lending to family and friends. They also believe their network would provide them with support for business and education investments if needed. Their trust may in part drive their high rates of saving and borrowing with family, as well as their above average use of informal financial groups. Yet, most view their communities as unequal, and lightly less than half have relied on their network for emergency support in the past two years.

Among Modest Upholders, 46% have the highest level of trust in people and 59% have high to highest trust in social financial networks. In both cases, these are, by far, the highest levels of any segment. In Pakistan, higher trust in social financial networks correlates with a greater ability to raise emergency funds.

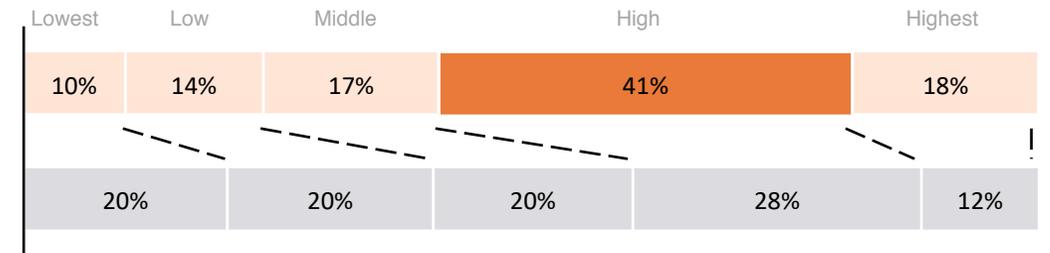
Very few modest upholders distrust people, with only 21% reporting low to lowest levels of trust, compared to 40% of Pakistani's overall. Similarly, very few mistrust their social financial network, with only 24% reporting discomfort with lending money to friends and family, compared to 40% of Pakistani's overall.

TRUST IN PEOPLE



*composite measure of perception of community and neighbors' innate and relative trustworthiness, trust in family and friends to act in one's best interest, need for caution around strangers, and sense of safety and home in one's community

TRUST IN SOCIAL FINANCIAL NETWORK



*composite measure of a persons comfort loaning money to friends and family for emergencies and investments, as well as confidence they would repay.

● Modest Upholders ● Pakistan average

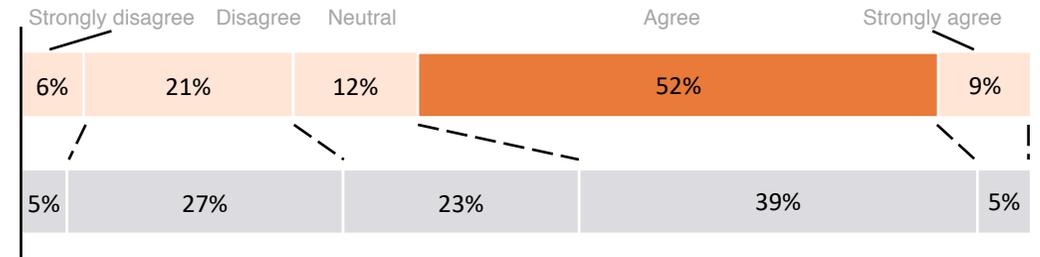
Psychology

Trust in People

Among Modest Upholders, 61% agree to strongly agree that their community would be willing to offer loans or support to invest in their businesses and children’s education. This is, by far, the highest level among all segments. Their strong belief in the likelihood of receiving financial support from their community for non-emergency needs suggests that Modest Upholders cultivate robust social financial networks.

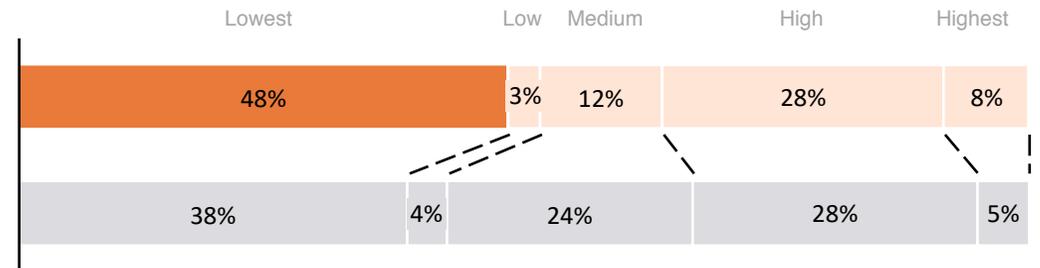
Fifty-two percent of Modest Upholders have low to lowest perceptions of equality with their community, the second lowest rates after Careful Hustlers). In Pakistan, we have found that people like Modest Upholders, who view themselves as unequal to their community, tend to have higher income volatility.

BELIEF IN COMMUNITY SUPPORT FOR BUSINESS AND SCHOOL FEES



You can rely on your family, friends, and neighbors for loans or support to invest in your business or children’s education.

PERCEIVED COMMUNITY EQUALITY



*composite measure of belief in similar livelihoods and financial parity amongst family, friends and neighbors

● Modest Upholders ● Pakistan average

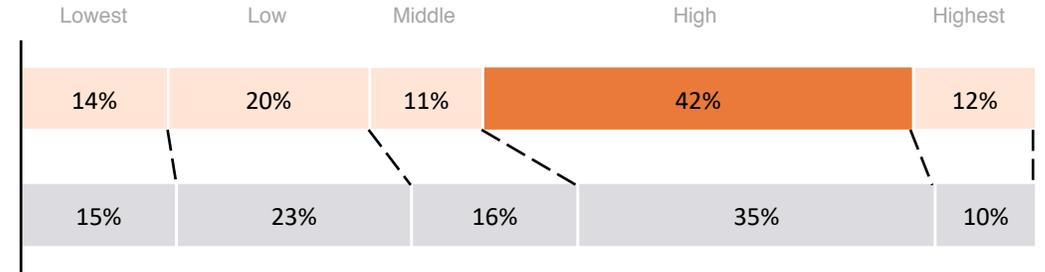
Psychology

Trust in Institutions

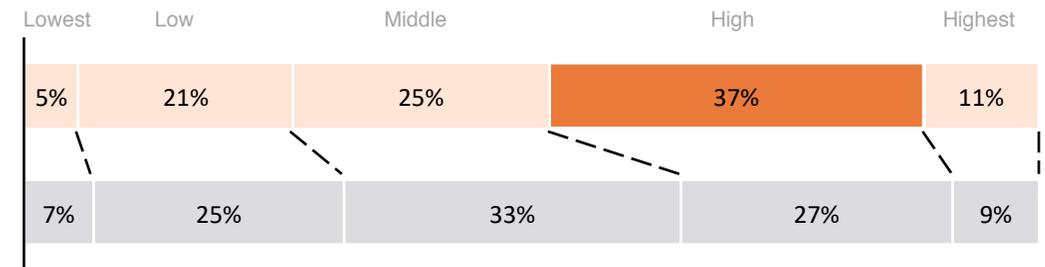
While Modest Upholder trust their community and social financial network most, they also strongly trust institutions, though at slightly lower rates. They trust government and media more than any other segment, and more so than they do banks, where they are split with equal numbers trusting and distrusting banks. Despite this, Modest Upholders have the second highest trust in banks after Communal Elites. Their trust in institutions in general may be driven by their above-average respect for authority, whereas their low rates of formal access coupled with their strong belief that FSPs will discriminate on the basis of gender when considering loan applications (see Gender) likely serve to decrease trust in banks compared to those other figures and institutions.

Fifty-four percent report high to highest levels of trust in government, and 48% report high to the highest levels of trust in media. Both are the highest levels reported by of any segment. Their trust in media is perhaps more likely to be aspirational than heavily experiential, given their generally low-to-moderate levels of media consumption. They may be particularly open to campaigns that leverage well-known public figures.

TRUST IN GOVERNMENT



TRUST IN MEDIA



● Modest Upholders ● Pakistan average

Psychology

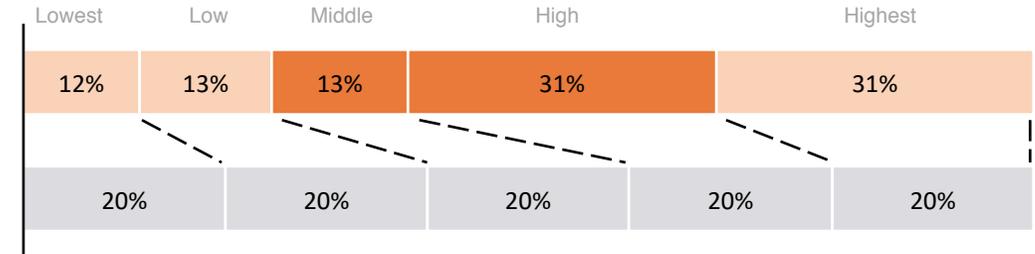
Trust in Institutions

Modest Upholders high trust levels taper off when it comes to banks, though they are the second most trusting of banks after Communal Elites. Forty-one percent have high to the highest level of trust in banks and 39% having low to the lowest levels, both measures in line with national averages.

Their trust in institutions in general may be driven by their above-average respect for authority, whereas their low rates of formal access coupled with their strong belief that FSPs will discriminate on the basis of gender when considering loan applications (see Gender) likely serve to decrease trust in banks compared to those other figures and institutions.

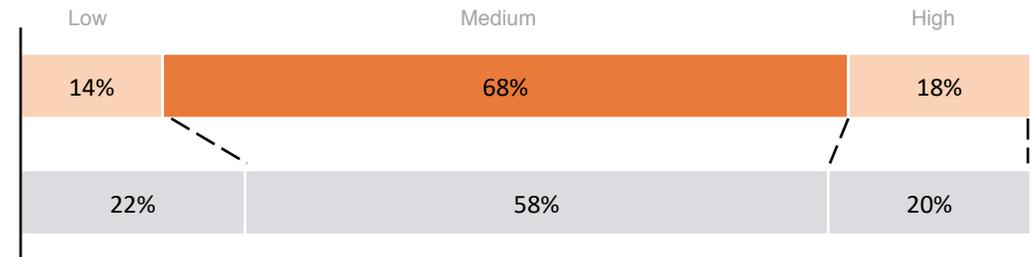
Given their heavy use of phones and trust in those around them, they likely stay up to date through word of mouth rather than mass media consumption. Accordingly, they report more than any other segment high levels of confidence that they are among the first to learn of any news in the community.

TRUST IN BANKS



*composite measure of belief in security of bank deposits, clarity of bank terms, comfort taking loans, and belief in customer centricity of banks

RESPECT FOR AUTHORITY FIGURES



● Modest Upholders ● Pakistan average

Psychology

Gender Attitudes

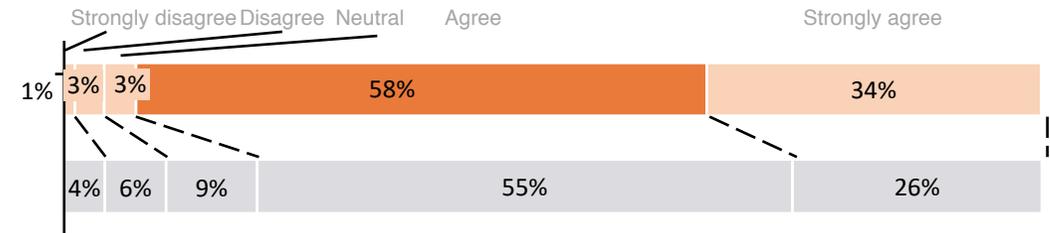
Most Modest Upholders believe that men are better financial managers than women. While slightly more men, overall, hold this view, women who agree tend to feel more strongly about it. Nearly all Modest Upholders believe that wives and husbands should know each other's financial affairs and that girls and boys should be educated about money in the same way, but women in the segment agree more adamantly with these views than men.

Three quarters of Modest Upholders (75%) believe that men are better financial managers than women, compared to 62% of Pakistanis overall. Among Modest Upholders, 49% agree of women agree and 24% strongly agree, while, among men, 72% agree and 10% strongly agree.

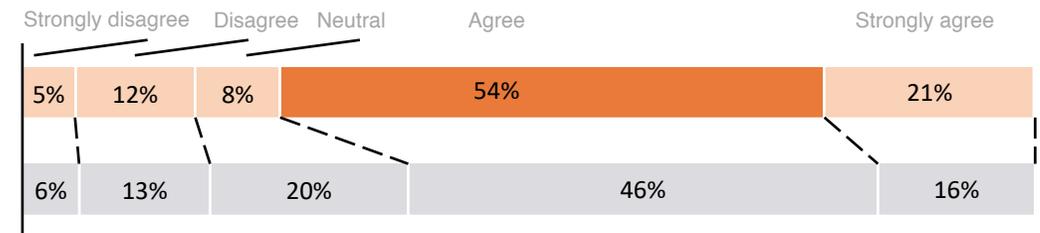
Among Modest Upholders, an overwhelming 93% believe that wives and husbands ought to know each other's financial affairs, compared with 81% nationally. Women in this segment feel even more strongly, with 39% in strong agreement and 55% in agreement, compared to 17% and 73% of men respectively.

Moreover, 92% of Modest Upholders believe that girls and boys should receive the same education about money, compared to 79% of Pakistanis

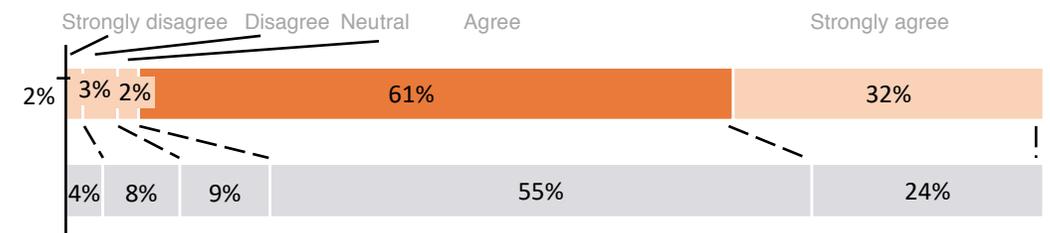
WIVES AND HUSBANDS SHOULD KNOW EACH OTHER'S FINANCIAL AFFAIRS



MEN ARE BETTER FINANCIAL MANAGERS THAN WOMEN



GIRLS AND BOYS SHOULD BE EDUCATED ABOUT MONEY IN THE SAME WAY



Psychology

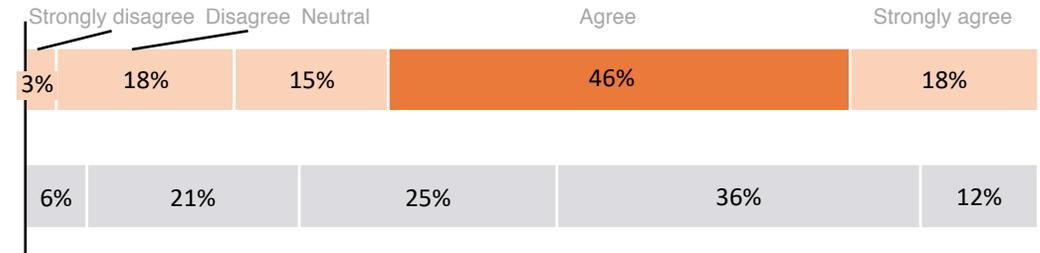
Gender

overall. Among Modest Upholders, 37% of women strongly agree and 55% agree, compared to 11% of men who strongly agreement and 81% who agree.

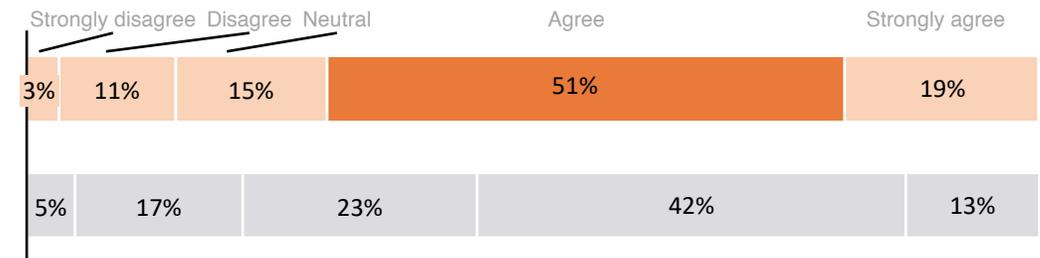
Seventy percent of Modest Upholders believe that, when applying for a loan, the gender of the applicant has no influence on whether the loan is granted, compared to 55% of Pakistanis overall. This may reflect their low levels of experience with formal loans.

Modest Upholders are more likely than average to believe that women understand new technologies better than men, with 64% in agreement compared to 48% of Pakistanis overall.

WOMEN UNDERSTAND NEW TECHNOLOGIES BETTER THAN MEN



WHEN APPLYING FOR A LOAN, THE GENDER OF THE APPLICANT DOES NOT INFLUENCE WHETHER THE LOAN IS GRANTED



● Modest Upholders ● Pakistan average

OPPORTUNITIES

How might we develop products and campaigns that enable the women who frequently save and borrow to act as agents for financial products targeted to their needs?

+

How might we create products and services that equip women to teach their children, especially daughters, to be effective financial managers?

Design Principles

Create products and services that:

- Design products to improve financial literacy and support investments in education
- Create inclusive experiences (or exclusive experiences for women only) that overcome negative perceptions of financial institutions
- Design products that help people achieve highly valued cultural milestones
- Leverage strong planning behavior, future orientation, and dependability, especially for goal based savings, credit, and insurance products
- Develop products that build upon existing routines, such as goal-setting, saving, and planning, rather than expecting novel behaviors from the consumer; this will validate their sense of financial ability and self-confidence.

Engage through:

- Trusted women within their family and immediate friend group (possibly through their mosque)
- Door to door sales and marketing agents, removing the need for women to leave the home to learn about services and engage providers
- Appeals to their role as effective family managers and financial planners

Communal Elites

PAGE 163
Overview

PAGE 165
Analysis

PAGE 202
Opportunities

Communal Elites

21% of adult population | 27.1 million people

Mostly middle to high-income, married men living in rural areas, Communal Elites are more educated and slightly older than Pakistanis on average, and just over half identify as head of household. They manage their income and expenses more effectively than most, experiencing the fewest types missed bills and emergencies in the recent past, though they still struggle. They save frequently, though not always deliberately despite aspiring to do so, and do not borrow often. They prefer to manage money through family despite being the most frequent owners and users of formal accounts in Pakistan. They trust people and banks, are optimistic, open-minded, and conscientious, but find financial services complex.

Communal Elites are mostly **middle to high-income, married men** living in **rural** areas, who are more **educated** and slightly **older** than Pakistanis on average. About over half identify as **head of household** and sole financial decision maker.

They demonstrate the strongest financial behavior of any segment and are particularly effective at shaping their **income** and **expenses**. Most experience low weekly **income volatility**, the lowest amongst segments, and over half report confidence in their ability to pay **household bills** on time, the highest rate amongst segments.

Communal Elites are Pakistan's most **frequent savers** across all measured channels, suggesting many may employ a diverse savings strategy. Most save and a third do so frequently. Nearly half never borrow, they are Pakistan's second **least frequent borrowers**. While they prefer to save and borrow with **family**, they also do so with banks and informal groups. They experience fewer **emergencies** than average and are significantly more **confident** in their ability to raise large sums in such circumstances, which they have primarily done in the past through their **social network**.

Most Communal Elites are **conscientious**, identify as **effective planners**, and have a plan to manage their expenses. Yet, many are not **deliberate**, goal-based savers. Their lower than expected savings deliberateness may be driven in part by their strong feeling that they do not earn enough to save and that people in their lives will likely make claims against savings they make. Yet, they would save the largest proportion of a **windfall in a bank**, suggesting they may aspire to plan their savings more deliberately. They exhibit high levels of **trust** in both their community and in banks and may be particularly **open** to bank products that integrate social elements while protecting savings. While they are the most likely to own **smartphones**, they use **mobile wallets** no more than average.

Context

- + 64% are **male**
- + 61% live in **rural** areas
- + 55% in **SES** 4-5
- + 50% are **age** 25-45 and 34% are age 45+
- + 80% are **married**
- + 46% make household financial **decisions** alone
- + 42% spouse or other people make household financial **decisions**
- + 41% secondary **education**, 9% tertiary education
- + 33% personally own **land**
- + 21% personally own **livestock**

Behavior

- + 54% low **income volatility**
- + 4 unpaid **expenses** types in past 6 months
- + 55% are confident in their ability to **pay bills** on time
- + 46% have a **plan** to manage their expenses
- + 33% **save** monthly or more often (primarily with family)
- + 21% **borrow** quarterly or more often (primarily from family)
- + 55% find it somewhat or very possible to raise emergency funds
- + 57% have relied on social sources of **money in emergencies**
- + 28% own non-mobile **formal financial accounts**
- + 19% are members of **informal groups**
- + 21% use **internet** and 20% use **social media** weekly or more without assistance



Psychometrics

- + 41% external **locus of control**, 40% low-lowest **self-efficacy**
- + 51% high-highest **self-esteem**
- + 50% high-highest confidence in the **future**, 63% high-highest **openness**
- + 80% identify as effective **planners**, 66% mod-highest **conscientiousness**,
- + 47% high-highest spending **impulsivity**
- + 43% high-highest savings **deliberateness**, 41% low-lowest
- + 70% low-lowest belief that they earn **enough to save**
- + 65% low-lowest belief that their **savings are safe** from social claims
- + 72% mod-highest **dependability**, 87% lowest-moderate **comfort with debt**
- + 51% high-highest **trust in people**, 61% high-highest **trust in banks**
- + 64% high-highest perception **financial services are complex**
- + 88% high-highest **belief girls and boys** should receive same financial education

Aspirations

Communal Elites aspire to save with banks towards long term goals and make investments to grow their income, while continuing to use and invest in their social financial networks.

Communal Elites

Demographics

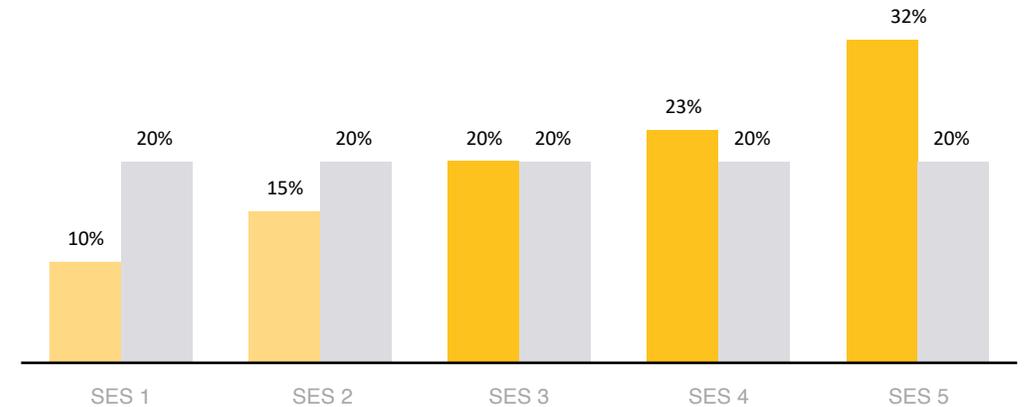
Socioeconomic

Communal Elites are mostly middle to high-income, married men living in rural areas, who are more educated and slightly older than Pakistanis on average. About over half identify as head of household and sole financial decision maker.

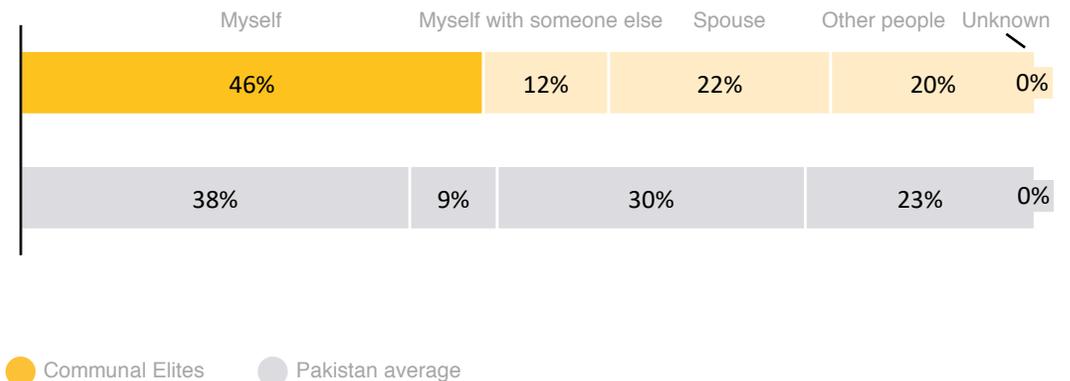
Communal Elites are mostly middle to high-income (55% in SES 4-5), middle-aged to older married (80%) men (64%) living in rural areas (61%). However, they are more likely to be single than any other segment (15%), and many are also young (42% age 18-34). While their wealth may be driven by their strong education, it may likewise relate to their older age.

Just over half of Communal Elites identify as head of household and nearly half identify as sole financial decision maker. Men in this segment are more likely than men in any other segment to share decision making with others in their household (12%), potentially owing to their segment or their participation in joint households or progressive gender views.

CONCENTRATED IN HIGH SOCIO-ECONOMIC CLASSES (SEC)



HOUSEHOLD DECISION MAKING



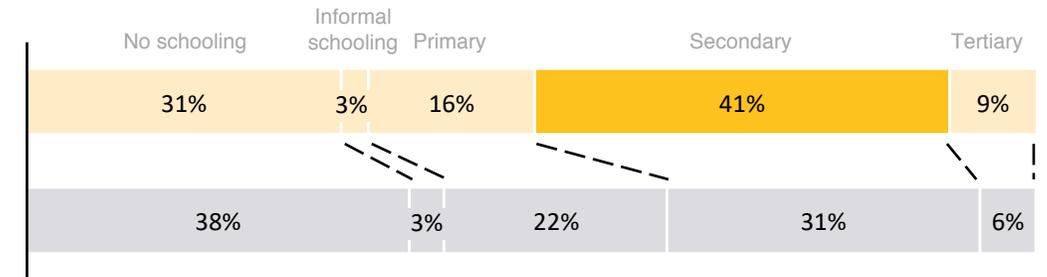
Socioeconomic

Communal Elites are also the best-educated segment in Pakistan, having the largest share nationally with both tertiary and secondary education (50%) – Although Independent Traditionalists are the most likely segment to have education overall.

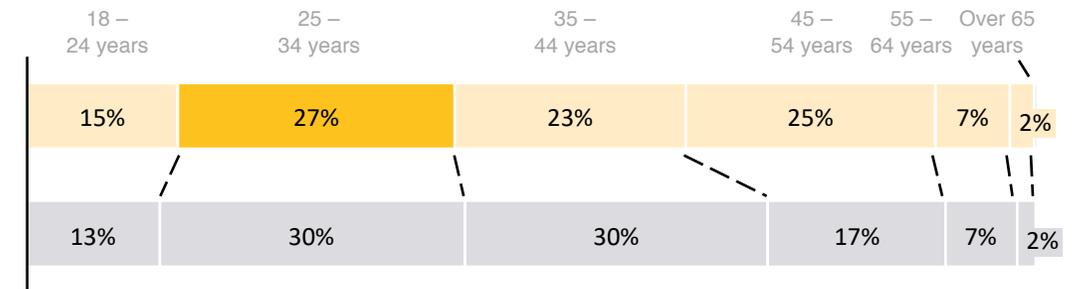
Communal Elites skew slightly older than average for Pakistan, with a smaller portion of the segment middle aged than the national average. However, a significant number are young, 42% of this segment is below the age of 35, with 15% between 18-24 years old.

With a higher proportion of 18-24 year-olds than other segments, they are well-positioned to seize new, promising financial and economic opportunities, especially given their high education levels. With more 45-54 year-olds than other segments, they have likely had opportunities to build stable income bases and grow their asset bases and wealth, while not yet significantly diminishing economic activity in old age.

EDUCATION



AGE



● Communal Elites ● Pakistan average

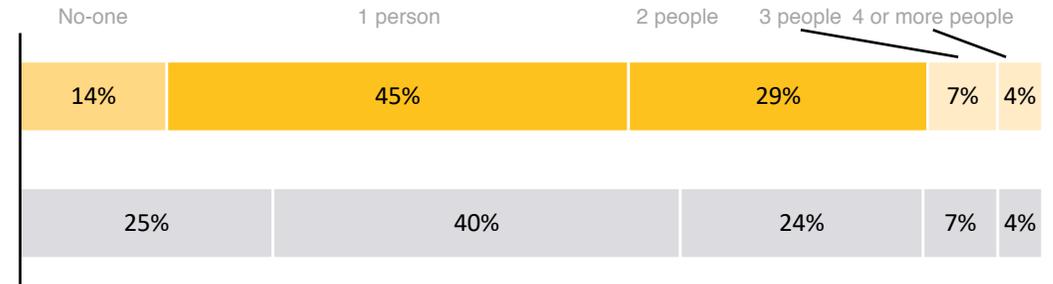
Social Network

Over half of communal elites have relied on social sources of financial support in emergencies over the past two years and are confident in their ability to raise emergency funds in the future. They are the most confident segment in that regard amongst Pakistanis, reflecting their belief in the equality of their community and their relatively high SES. Given their wealth, Communal Elites may be more capable of repaying or reciprocating such support, improving their chances of securing it when needed. Moreover, they have faced fewer types of financial emergencies in the past two years than any segment. As the wealthiest segment, they may tend, in general, to be insulated from shocks.

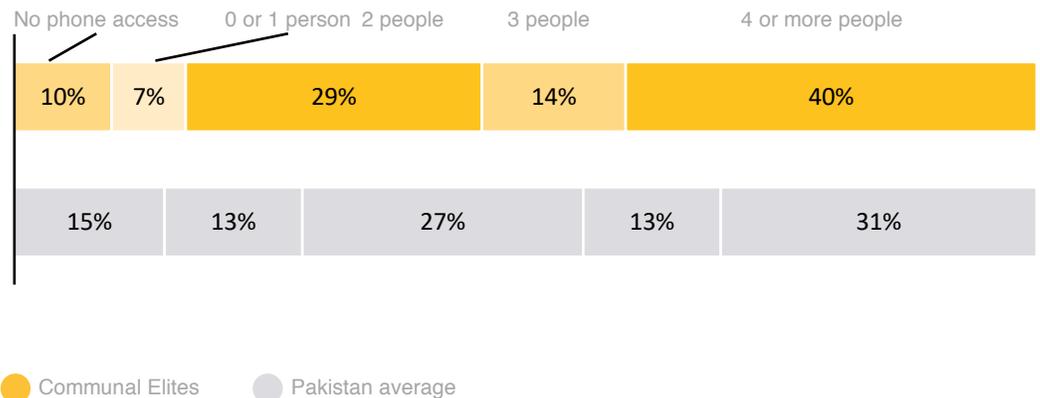
Communal Elites speak to more people on the phone daily than any other segment, a larger than average social network, though this may simply reflect their wealth and ability to afford more calls. Forty percent speak to four or more people daily, the highest of any segment.

Almost half can rely on only one person for support when ill, though very few have no one on whom they can rely upon. On average they can rely on more people than Pakistanis in general, suggesting their social networks may be larger than average.

NUMBER OF PEOPLE THAT CAN BE DRAWN ON WHEN SICK



USING YOUR PHONE, HOW MANY PEOPLE DO YOU TALK TO IN A DAY?



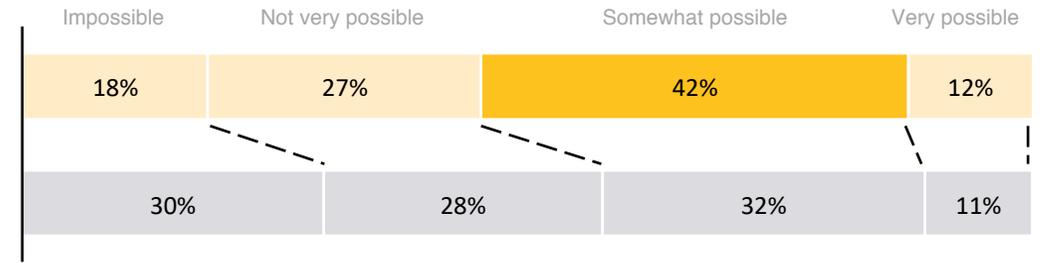
Social Network

Fifty-five percent of Communal Elites are confident in their ability to raise emergency funds, making them the most confident segment in Pakistan in this regard. They believe more strongly than any segment, except for Pragmatic Providers, that their communities are equal, with 72% reporting moderate to high equality. This suggests that their networks may be similarly wealthy and able to provide support when needed.

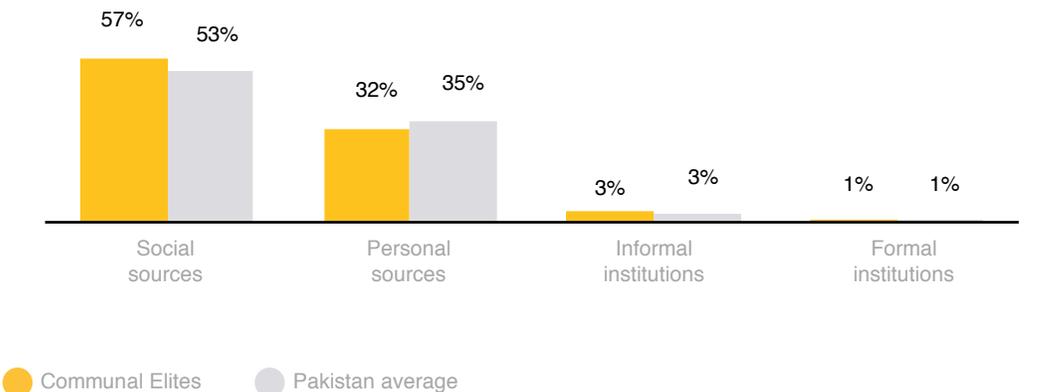
Fifty-seven percent of Communal Elites have relied on social sources of financial support in emergencies over the past two years, while on 32% have relied on personal funds. Given their wealth, Communal Elites may be more capable of repaying or reciprocating such support, improving their chances of securing it when needed. This may be reflected in their high confidence in raising such funds. Moreover, they may be more confident in their ability to cover any shortfalls with savings or sale of assets should they not be able to raise enough money from their network.

Communal Elites have faced fewer types of financial emergencies in the past two years than any segment. As the wealthiest segment, they may tend, in general, to be insulated from shocks, for example due to better health, less volatile income, and a stronger financial reserves.

CONFIDENCE IN ABILITY TO RAISE EMERGENCY FUNDS



RESILIENCE: SOURCES OF MONEY IN AN EMERGENCY



Communal Elites

Behavior

Finances

Financial Health Overview

Communal Elites demonstrate the strongest financial behavior of any segment, and are particularly effective at shaping their income and expenses. While their ability to cultivate receivables lags slightly behind their other measures, they nevertheless tie Modest Upholders for the strongest scores.

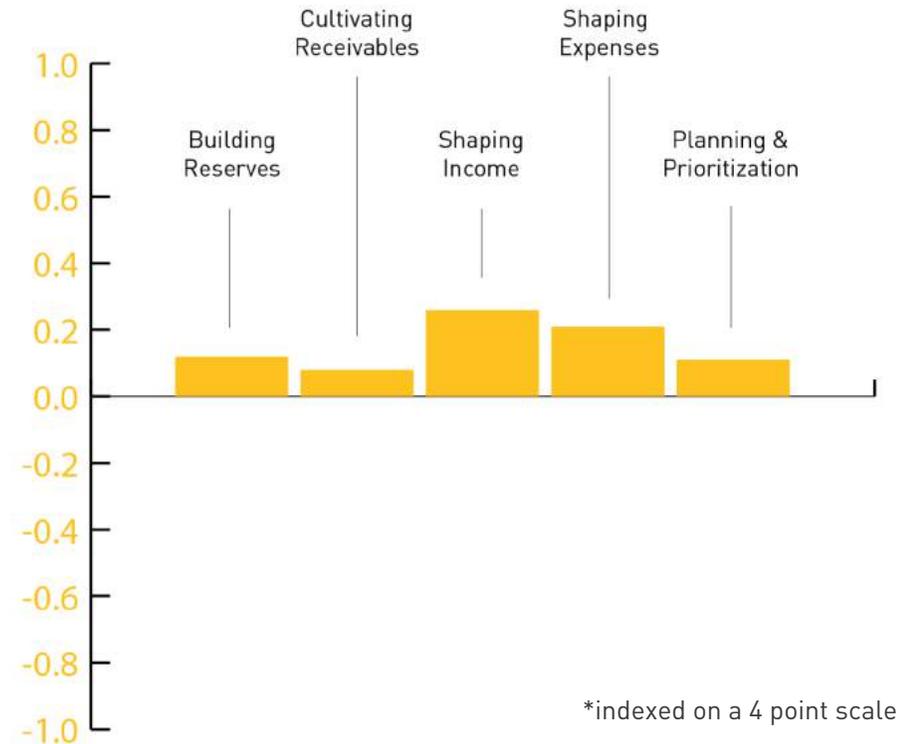
SHAPING INCOME & EXPENSES

Most Communal Elites experience low weekly income volatility, the lowest amongst segments. Over half report confidence in their ability to pay household bills on time, the highest rate amongst segments. Still, they report having struggled with four types of expenses over the past six months, and having struggled with slightly less than one type of emergency over the past two years, the lowest rates among segments.

BUILDING RESERVES

Communal Elites are Pakistan's most frequent savers across all measured channels, suggesting many may employ a diverse savings strategy. Most save and a third do so frequently. Though relative to other segments many save frequently save with formal accounts, like all other segments, they save most frequently with family and in the home, with nearly half using this channel.

FINANCIAL BEHAVIOR INDEX:
segment difference from national average



Finances

Financial Health Overview

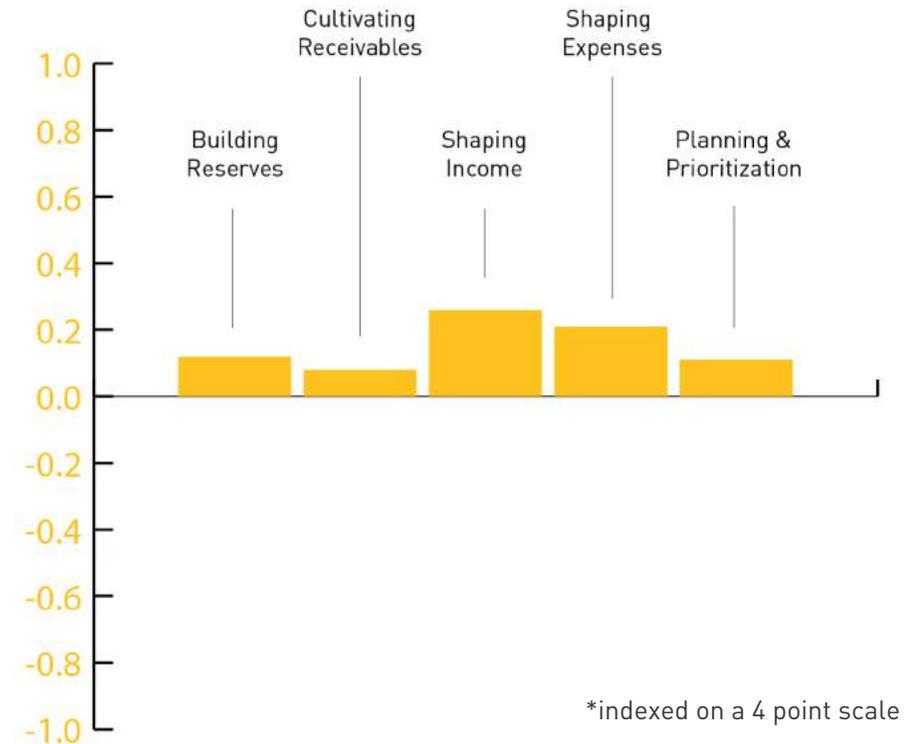
CULTIVATING RECEIVABLES

Nearly half of Communal Elites never borrow, and they are Pakistan's second least frequent borrowers, maintaining the second lowest number of active debt channels of any segment. Only 21% borrow frequently, quarterly or more. Family is, by far, their preferred borrowing channel, with nearly half having borrowed from family in the past. Though they have the highest formal account borrowing rates, they are also the most likely segment to own an account and never use it to borrow, suggesting that relative to account owners in other segments, they see less value in the formal loans to which they have access. Communal Elites experience fewer emergencies than average and are significantly more confident in their ability to raise large sums in such circumstances, which they have primarily done in the past through their social network.

PRIORITIZATION

Given a windfall, Communal Elites prioritize saving in banks, investing, reserving cash at home, and sharing with their friends and family. Relative to other Pakistanis, they prioritize saving in a bank and sharing a windfall with friends and family, while deprioritizing investing and keeping cash in the home. Given their comfortable financial position and low to moderate sense of control, it follows that they would put more of a windfall into bank savings, rather than income generating investments, which carry risk. Moreover, given their high trust in their social financial network and majority position as head of household, it is not surprising that they would share with their network.

FINANCIAL BEHAVIOR INDEX:
segment difference from national average



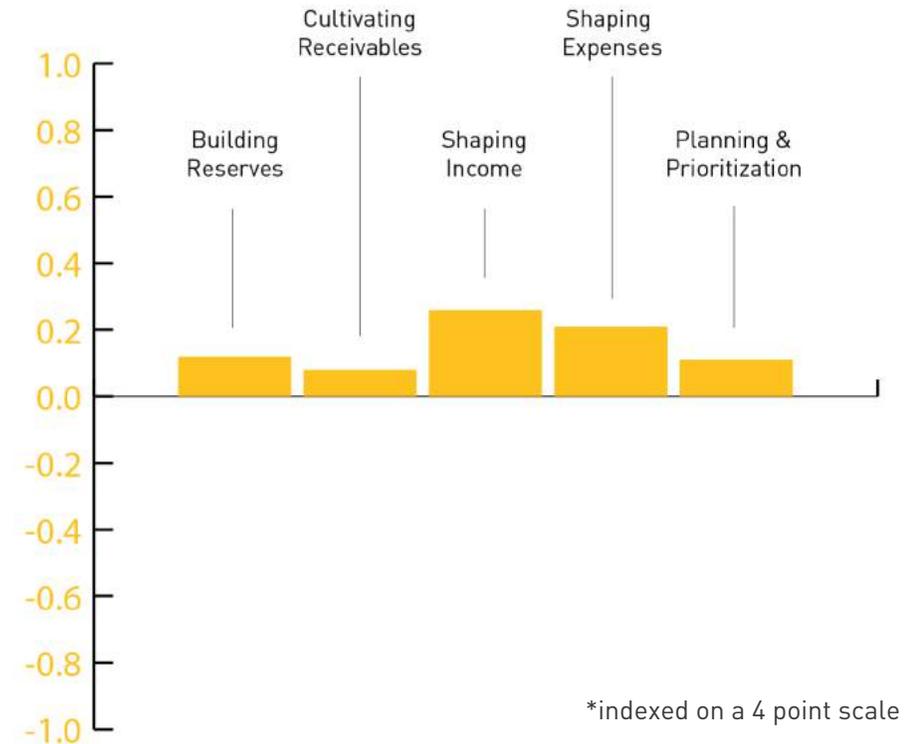
Finances

Financial Health Overview

PLANNING

Most Communal Elites are conscientious and identify as effective planners. Overall they experience low income volatility, have a plan to manage their expenses, and have struggled with the fewest types of bills in the past six months amongst segments. While they are conscientious and confident in the future, just over a third are deliberate, strong goal-based savers, while a similar number are not (see attitudes toward savings). Their lower than expected savings deliberateness may be driven in part by their strong feeling that they do not earn enough to save and people in their lives will likely make claims against savings they make. Yet, they would save the largest proportion of a windfall in a bank, suggesting they may aspire to plan their savings more deliberately.

FINANCIAL BEHAVIOR INDEX:
segment difference from national average



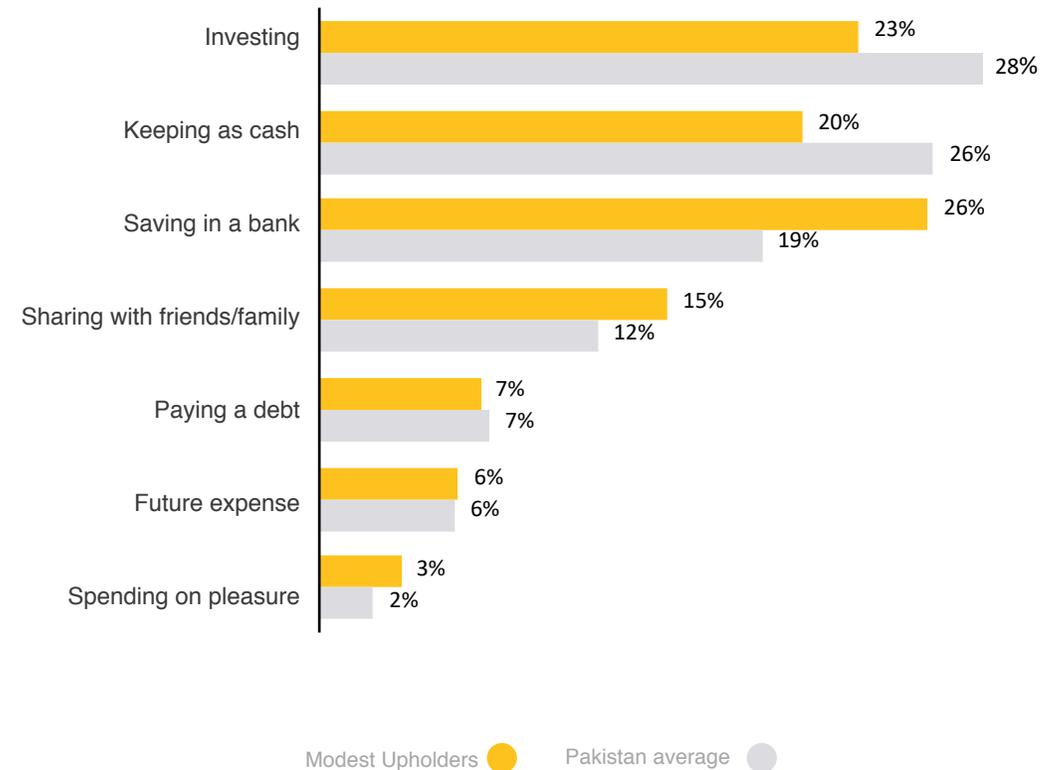
Finances

Financial Priorities

Given a windfall, Communal Elites prioritize saving in banks, investing, reserving cash at home, and sharing with their friends and family. Relative to other Pakistanis, they prioritize saving in a bank and sharing a windfall with friends and family, while deprioritizing investing and keeping cash in the home. Given their comfortable financial position and low to moderate sense of control, it follows that they would put more of a windfall into bank savings, rather than income generating investments, which carry risk. Moreover, given their high trust in their social financial network and majority position as head of household, it is not surprising that they would share with their network.

On average, Communal Elites would allocate 26% of the total amount of a windfall to a bank savings account, compared to 19% nationally. Given their comfortable financial position – they enjoy the lowest income volatility and the highest SES among segments – it follows that they would put more of a windfall

HOW WINDFALL IS PRIORITIZED



Finances

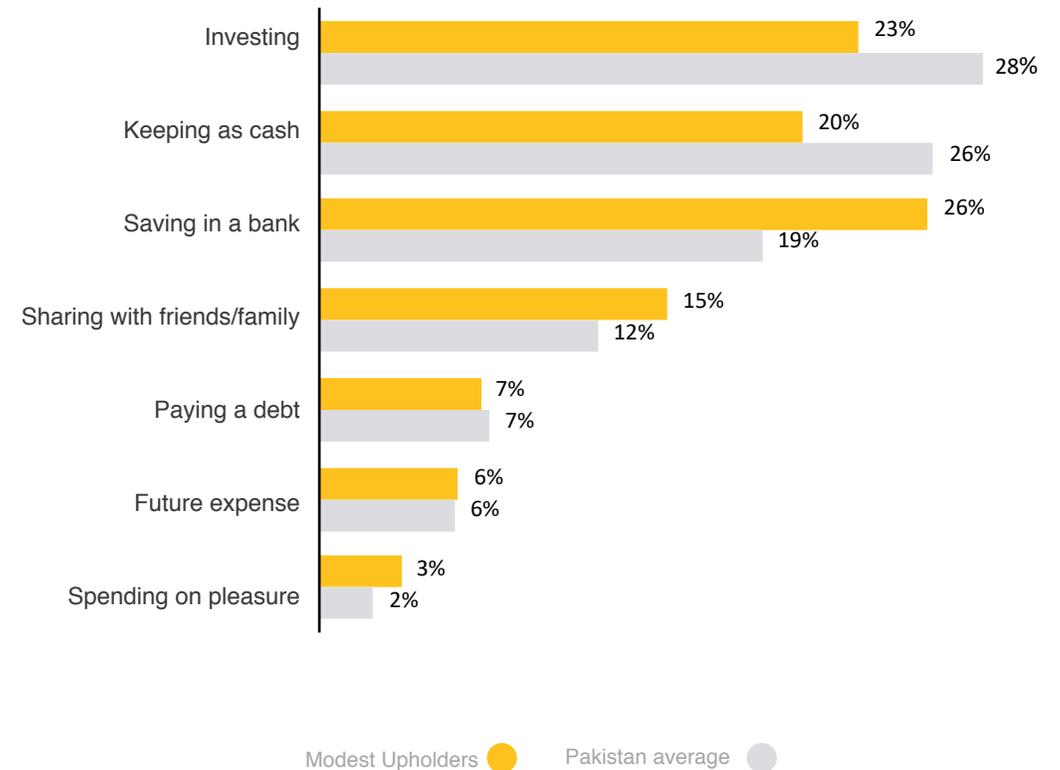
Financial Priorities

into bank savings (typically toward long term goals), rather income generating investments, which carry risk. They also have significantly above-average account ownership and the highest trust in banks. This greater access and high trust may also help explain this allocation. Additionally, Communal Elites are less likely than average to believe that their communities will support their endeavors and so have more incentive to save on their own. They are also less likely to believe that their savings are safe from the demands of those around them and so may shield their money by depositing it in banks.

Communal Elites would invest nearly a quarter of windfall funds. Although this allocation is slightly below average, it still represents a significant portion of the windfall. Communal Elites' high openness may support their intention to invest while the amount of that investment may be moderated by their lower locus of control and their corresponding desire to allocate a greater amount of money to more secure savings.

They would share 15% of a windfall with friends and family, compared with 12% on average for Pakistanis. This allocation indicates that, while they wish to protect some money in bank savings, they also see value in sharing other portions more broadly with their network, possibly to dependents and through informal savings and loans groups and contributions to their social safety net.

HOW WINDFALL IS PRIORITIZED



Finances

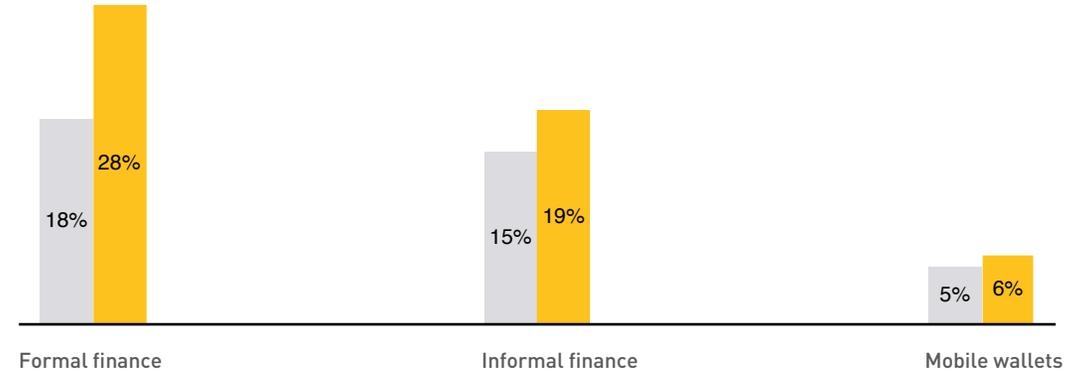
Financial Access

Communal Elites enjoy the greatest access to formal and informal financial services of any Pakistani segment, with the highest usage across both categories and the highest transaction rates with family. Their elevated membership in and use of informal channels suggests they continue to garner value from such groups and demand the unique features they offer, despite owning and using formal accounts at the highest rates in Pakistan. If social elements were integrated into formal services, such features could increase adoption and usage of formal services by this segment.

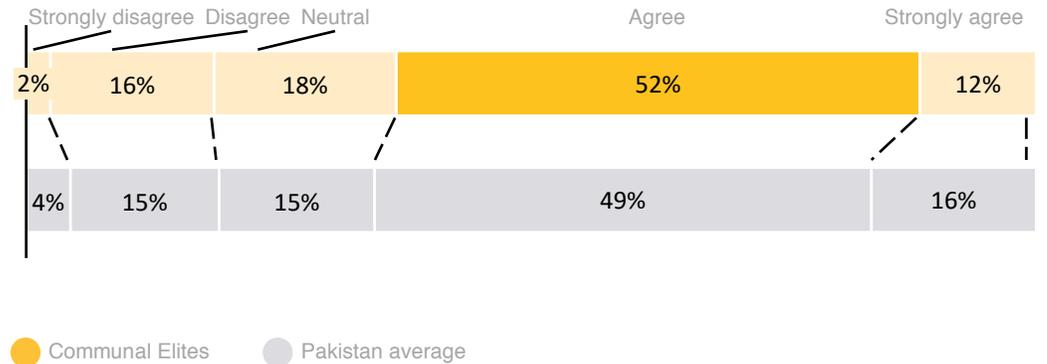
Twenty-eight percent of Communal Elites own accounts with formal financial institutions, the highest level of formal account ownership among segments. Just 6% own mobile wallets, though this is still above the Pakistani average of 5%. However, 63% of the segment finds financial services complex and confusing, which likely suppresses account ownership, usage, or both.

Only 9% of Communal Elites are frequent savers (monthly or more) and 2% are frequent borrowers from banks (quarterly or more) using non-mobile formal channels. Fifteen percent have saved using their account in the past quarter, while

FINANCIAL ACCESS



COMPLEXITY OF FINANCIAL SERVICES



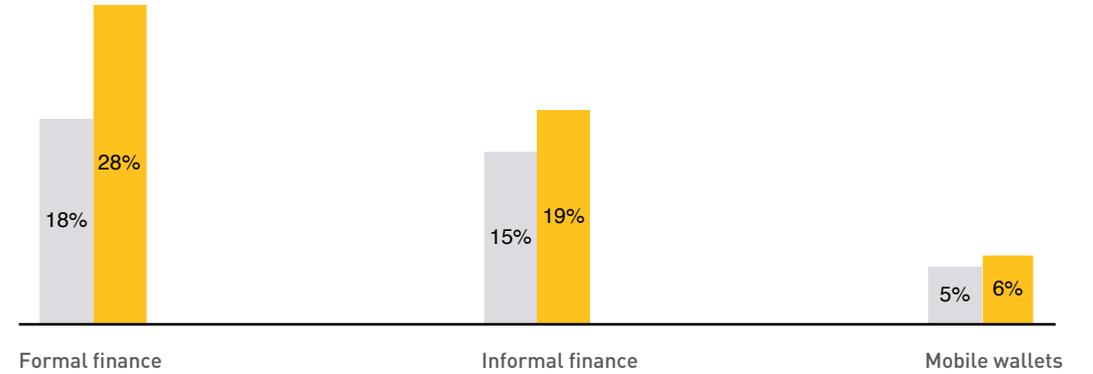
Finances

Financial Access

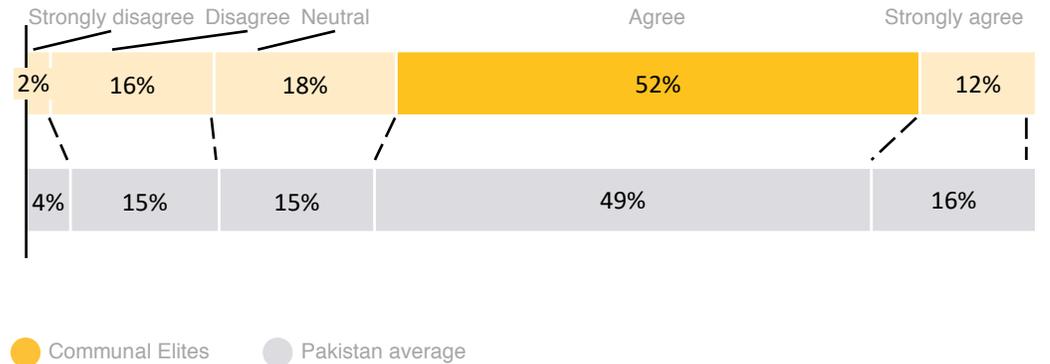
7% have borrowed using in the past year. These rates suggests there is plenty of room for providers to build greater usage.

Although they are the most likely segment to be formally included, they are also the most likely to hold memberships in informal groups. Nineteen percent report such membership. Thirteen percent have used these groups to save at least once in the last three months, and 10% have used them to borrow at least once in the past. These numbers do not account for their saving and borrowing with family or at home, where 30% have saved in the last three months and 43% have borrowed at least once, the highest rates in Pakistan.

FINANCIAL ACCESS



COMPLEXITY OF FINANCIAL SERVICES



Finances

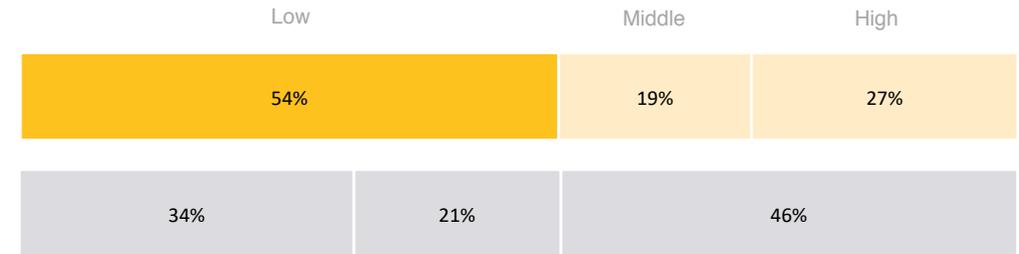
Shaping Income & Expenses

Most Communal Elites experience low weekly income volatility, the lowest amongst segments. Over half report confidence in their ability to pay household bills on time, the highest rate amongst segments. Still, they report having struggled with four types of expenses over the past six months, and having struggled with slightly less than one type of emergency over the past two years, the lowest rates among segments.

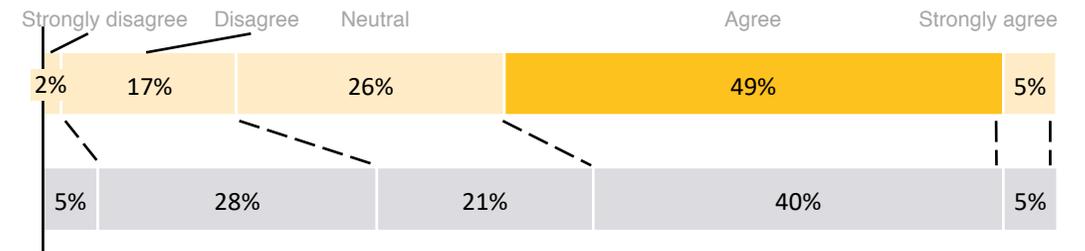
Communal Elites' incomes are the most predictable of any segment, with fifty-four percent reporting low weekly income volatility compared to 34% nationally. However, when taken on a daily basis, their incomes are only slightly more predictable than average. 28% report high ability to predict their daily income at the start of each day, against 24% on average.

Communal Elites report the highest confidence in their ability to pay household bills on time, with 55% feeling that they are typically able to do so compared to 46% of Pakistanis overall, and only 19% feeling they are unable, compared to 33% nationally. They are the least likely segment to feel strongly unable to do so, at just 2% against 5% nationally.

WEEKLY INCOME VOLATILITY



CONFIDENCE IN ABILITY TO PAY HOUSEHOLD EXPENSES



● Communal Elites ● Pakistan average

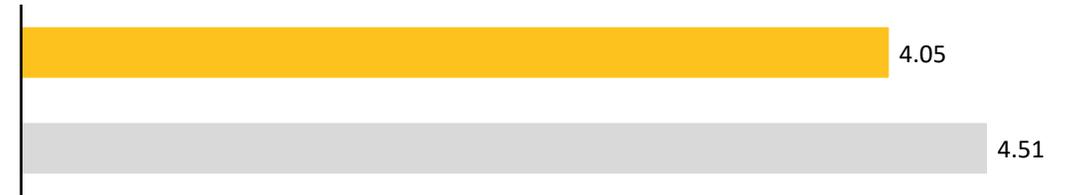
Finances

Shaping Income & Expenses

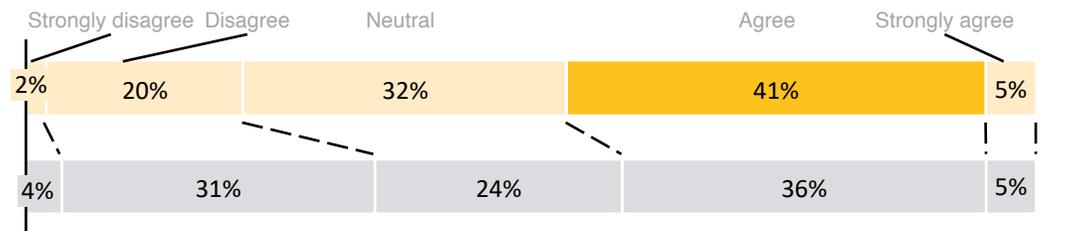
They have struggled with four types of expenses over the past six months, the fewest of any segment, compared with an average of 4.5 for Pakistanis overall. This lower likelihood of struggling is likely linked to them identifying as effective planners. 46% report that they have a plan to manage their expenses, compared with 41% of Pakistanis on average. Communal Elites are also the least likely segment to report having no plan at all. Thirty-two percent report as “neutral,” perhaps relating to their high SES and the relative stability of their income, which, together, may reduce the immediate necessity for expense planning.

They also face the fewest types of emergencies over the past two years, at 0.8 compared to 1 for the average Pakistani. Like all Pakistanis, they are most likely to have experienced a large one-off medical cost due to the illness of a family member – 30% having done so, though this is still the lowest level of any segment and below the 34% national average.

NUMBER OF EXPENSE TYPES HAVING HAD DIFFICULTY PAYING FOR IN PAST 6 MONTHS



HAS A PLAN TO MANAGE EXPENSES



NUMBER OF EMERGENCIES FACED (YEARLY)



Finances

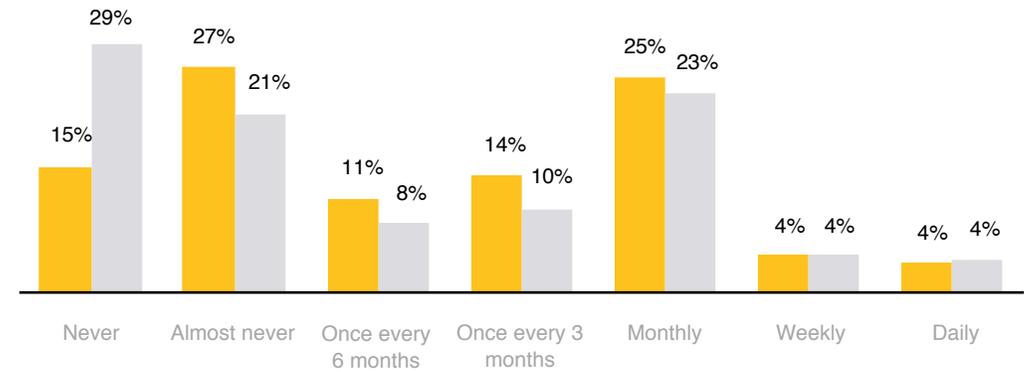
Building Reserves

Communal Elites are Pakistan's most frequent savers across all measured channels, suggesting many may employ a diverse savings strategy. Most save and a third do so frequently. Though relative to other segments many save frequently save with formal accounts, like all other segments, they save most frequently with family and in the home, with nearly half using this channel.

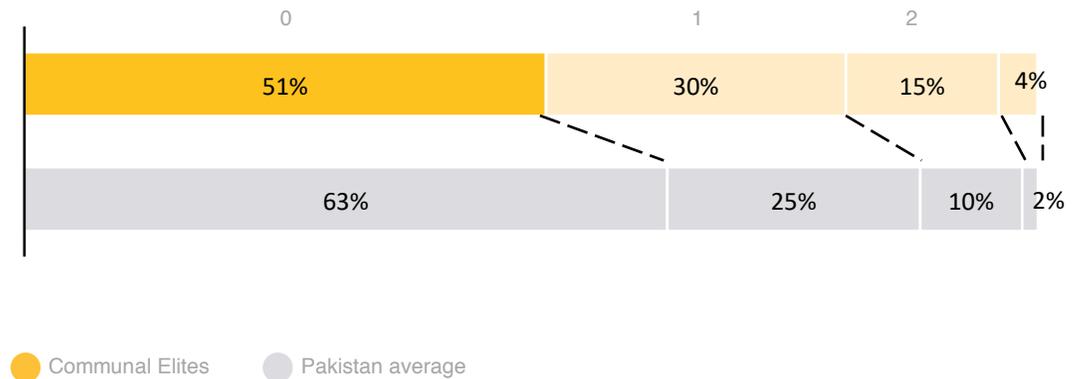
Communal Elites are Pakistan's most frequent savers overall, most save with 33% doing so frequently (monthly or more), second only to Modest Upholders, 40% of whom are frequent savers. The women-dominated Modest Upholders segment also saves more frequently on a weekly and daily basis. This lower rate among Communal Elites may imply a greater likelihood that they earn bi-weekly or monthly salaries, or turn over money management for day-to-day affairs to others in their household and thus, are less involved in decisions to save daily and weekly.

They also maintain a higher number of active savings channels than any segment in Pakistan, with 19% using two or more channels quarterly, compared to 12% nationally.

SAVINGS FREQUENCY



NUMBER OF SAVINGS CHANNELS IN USE QUARTERLY



Finances

Building Reserves

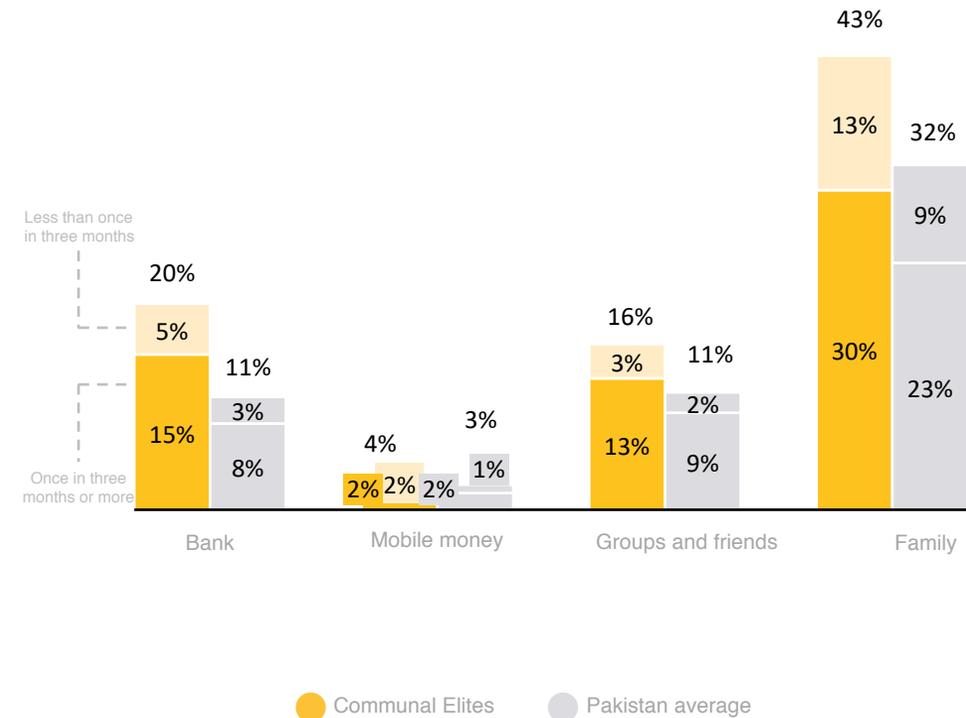
Nearly half of Communal Elites save with family or at home and do so at the highest rate among segments. Thirty percent doing so quarterly or more, compared with 23% of Pakistanis overall. They are the most frequent savers with family and at home. The fact that Communal Elites frequently own and use multiple channels for saving suggests that the value proposition of saving with family or at home is still sufficiently compelling to compete with FSPs.

Few save with banks, but they are the most frequent bank savers in Pakistan, with 15% doing so every three months or more compared with 8% of Pakistanis overall. Their more infrequent bank savings are likely oriented towards long term goals rather than short term liquidity needs. It's likely that Communal Elites present FSPs with the fewest obstacles to acquisition and retention. With investment ranking as their next-highest priority, behind bank-savings, this segment seems to exhibit behavior fit for credit-scoring and cross-selling strategies that build on their multi-channel preferences.

Communal Elites also save with informal groups infrequently, but again are the most frequent savers through this channel among Pakistanis, with 13% doing so quarterly or more compared with 9% of Pakistanis on average.

They have the highest rates of land access (through personally or commonly owned land) among Pakistanis. They own personal land at the national average of 25% but another 20% report commonly owning land, compared with 16% overall. Of the 45% of Communal Elites who own land, 53% inherited it, compared with 48% nationally. Perhaps this segment's wealth has been accumulated generationally. They report average rates of livestock ownership, with 38% owning livestock personally or together with their household.

SAVINGS CHANNELS



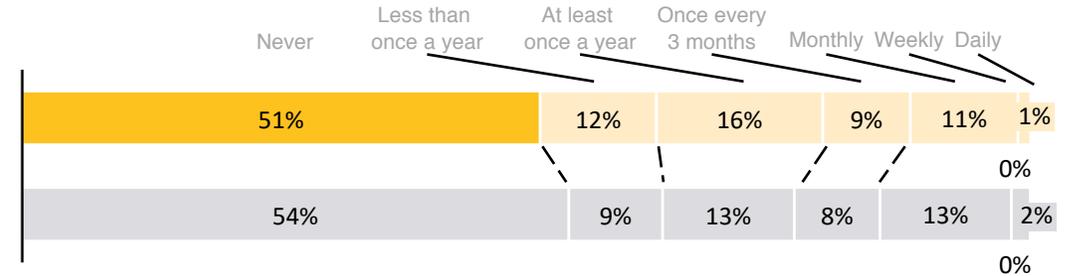
Finances

Cultivating Receivables

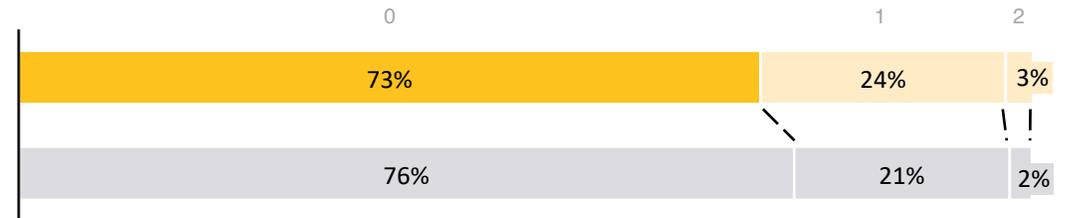
Nearly half of Communal Elites never borrow, and they are Pakistan's second least frequent borrowers, maintaining the second lowest number of active debt channels of any segment. Only 21% borrow frequently, quarterly or more. Family is, by far, their preferred borrowing channel, with nearly half having having borrowed from family in the past. Though they have the highest formal account borrowing rates, they are also the most likely segment to own an account and never use it to borrow, suggesting that relative to account owners in other segments, they see less value in the formal loans to which they have access. Communal Elites experience fewer emergencies than average and are significantly more confident in their ability to raise large sums in such circumstances, which they have primarily done in the past through their social network.

They are Pakistan's second least frequent borrowers. Fifty one percent report never borrowing, compared with 54% of Pakistanis overall. Only 21% borrow at least quarterly or more, compared with 24% of Pakistanis nationally. Both Modest Upholders and Careful Hustlers borrow slightly more than Communal Elites.

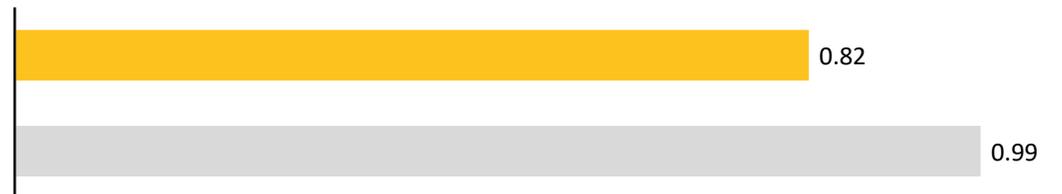
BORROWING FREQUENCY



DEBT CHANNELS USED IN LAST 3 MONTHS



NUMBER OF EMERGENCIES FACED



Finances

Cultivating Receivables

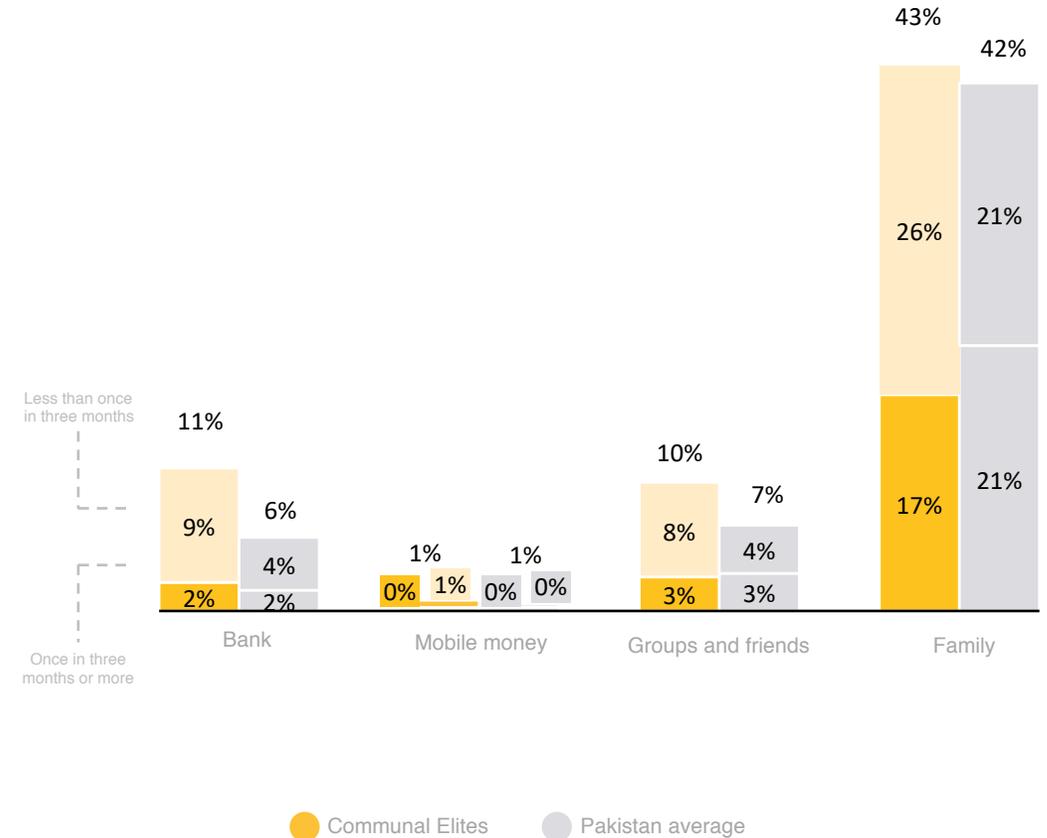
Communal Elites also maintain the second lowest number of active debt channels of any segment, with 21% maintaining one or more compared to 24% of Pakistanis overall. In strong contrast to their diverse saving practices, Pakistanis are unlikely to use multiple debt channels. On average, only 2% use more than one channel at least quarterly.

Communal Elites are the second most likely segment to have no active borrowing channels on a quarterly basis, suggesting they do not use credit to meet typical, short-cycle household needs. It is possible they use credit more often for large financial events, such as a wedding, the purchase of a home, or other more capital-intensive undertakings.

Like all other Pakistani segments, family is, by far, their preferred borrowing channel. Nonetheless, Communal Elites are the second least frequent borrowers through family. Only Pragmatic Providers borrow less frequently in this way. Still, nearly 43% of Communal Elites have borrowed from family in the past, and 17% have done so in the past 3 months. Despite high rates of account ownership, most rarely borrow from banks, suggesting family may provide an option that is both cheaper and more flexible. Meanwhile, their sizable social networks may motivate their continued use of social sources for borrowing.

Communal Elites are the most likely to own formal channels, yet they are also the most likely to never use their formal channels for borrowing. This suggests a missed opportunity for formal providers.

SOURCES OF BORROWING



Finances

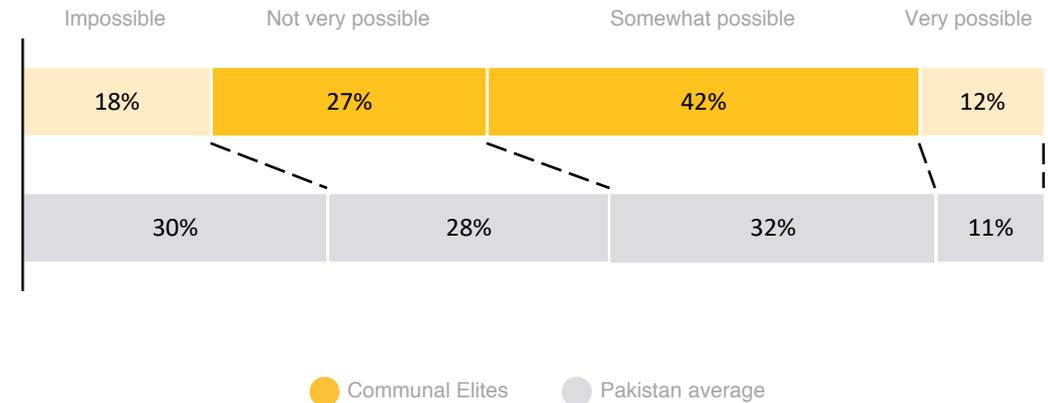
Cultivating Receivables

Only 10% of Communal Elites report having borrowed from an informal group. Though this is above average for Pakistan, roughly half of Communal Elites who are members of informal groups do not use them for borrowing. Just 3% of Communal Elites report borrowing from an informal group in the last 3 months.

Only 11% of Communal Elites report having borrowed from a bank. Though this is nearly twice the national average, it reveals that less than half of the 28% of formal account holders have used such accounts to borrow. Furthermore, only 2% report having done so in the last three months

Communal Elites experience fewer emergencies than average and are significantly more confident in their ability to raise large sums to face such circumstances. Fifty-four percent believe it would be somewhat or very possible. With a below-average number of emergencies, Communal Elites are less likely to be forced into debt by situations out of their control. This allows them to use credit for positive economic or social opportunities.

ABILITY TO RAISE EMERGENCY FUNDS



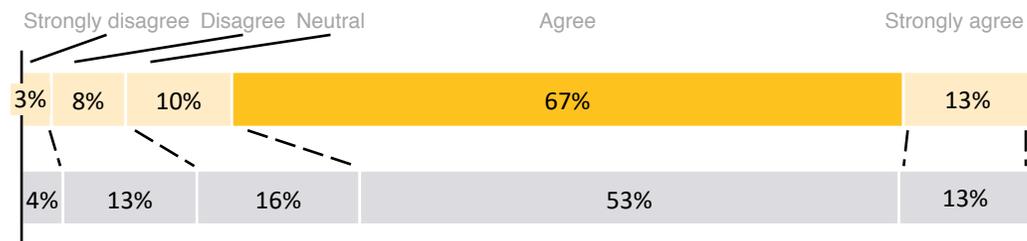
Finances

Financial Planning

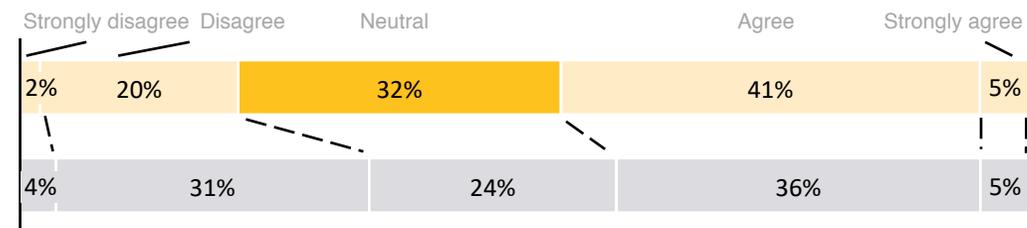
Most Communal Elites are conscientious and identify as effective planners. Overall they experience low income volatility, have a plan to manage their expenses, and have struggled with the fewest types of bills in the past six months amongst segments. While they are conscientious and confident in the future, just over a third are deliberate, strong goal-based savers, while a similar number are not (see attitudes toward savings). Their lower than expected savings deliberateness may be driven in part by their strong feeling that they do not earn enough to save and people in their lives will likely make claims against savings they make. Yet, they would save the largest proportion of a windfall in a bank, suggesting they may aspire to plan their savings more deliberately.

Most Communal Elites (80%) agree or strongly agree that they are the type of person who makes a plan and follows through with it, compared with 66% of Pakistanis overall. Together with Modest Upholders, they are the most likely segment to identify as reliable planners.

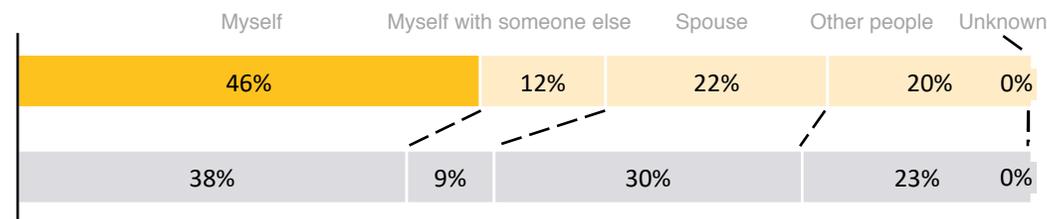
MAKES A PLAN AND FOLLOWS THROUGH WITH IT



HAS A PLAN TO MANAGE EXPENSES



HOUSEHOLD DECISION MAKING



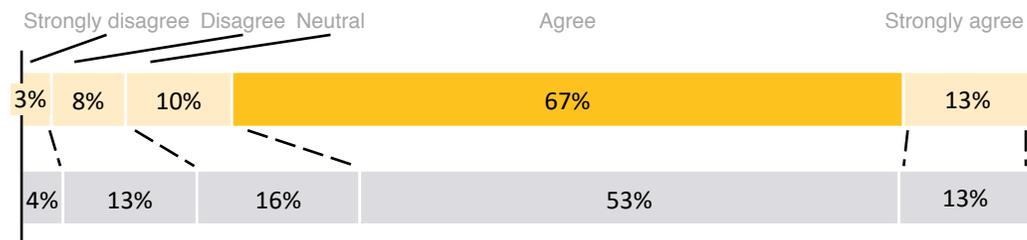
Finances

Financial Planning

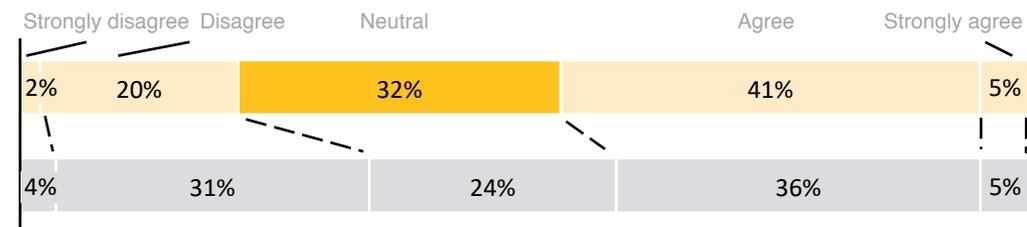
Moreover, 46% report that they have a plan to manage their expenses, compared with 41% of Pakistanis on average. In fact, together with Conservative Individualists, they are the most likely segment to do so. The women-dominated Modest Upholders are not far behind. Communal Elites are the least likely segment to report having no plan at all. Thirty-two percent report as “neutral.” This may relate to their high SES and the relative stability of their income, which, together, may reduce the immediate necessity for expense planning.

Most Communal Elites report that they either make household financial decisions alone (46%) or together with someone else (12%). Both metrics are above the national average and indicate that over half the segment has ample opportunity to directly engage or drive household financial planning. It is also possible that the higher incidence of joint decision-making contributes to this segment’s success in planning.

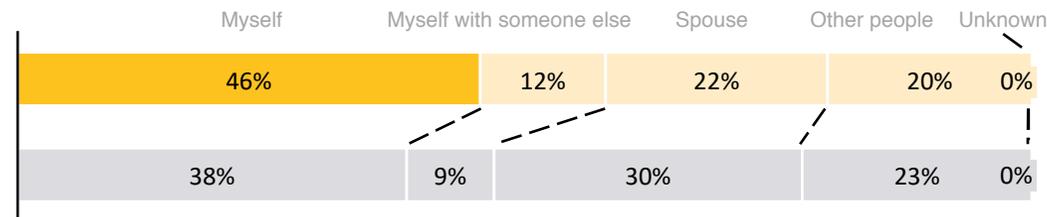
MAKES A PLAN AND FOLLOWS THROUGH WITH IT



HAS A PLAN TO MANAGE EXPENSES



HOUSEHOLD DECISION MAKING



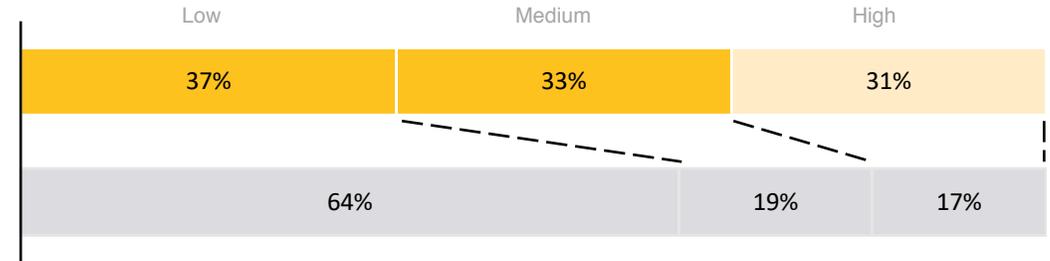
Technology Use

Communal Elites are the most frequent technology users in Pakistan, with most owning or having access to a phone. Over three quarters use phones daily, and about half text weekly. They are the most likely segment to own a smartphone, with over a quarter owning one. About a fifth use the internet and social media on a weekly basis, by far the highest frequent usage rates among segments.

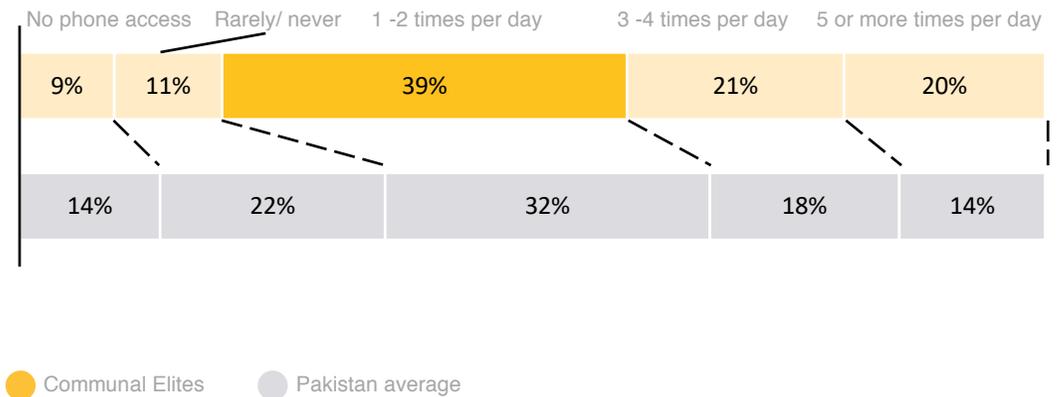
Most Communal Elites own or can access a phone and have the highest rates of phone usage in Pakistan. Only 9% report no phone access. Eighty percent of Communal Elites report using a phone at least once per day, while 49% percent report texting weekly or more. Communal Elites are the *only* segment to have 0% report never using a cell phone. This suggests that even those reporting no access to phones believe that they could get access if needed, perhaps through someone in their household.

Although they report among the highest feature phone ownership nationally (almost three-quarters own or have access), Communal Elites are also the most likely segment to own or have access to smartphones, with 26% owning one personally. This seems to align with having enough wealth to easily own a phone and enough education to confidently operate it. In addition, ownership is split between feature phones and smartphones in proportions

TECH USE FREQUENCY



PHONE USAGE

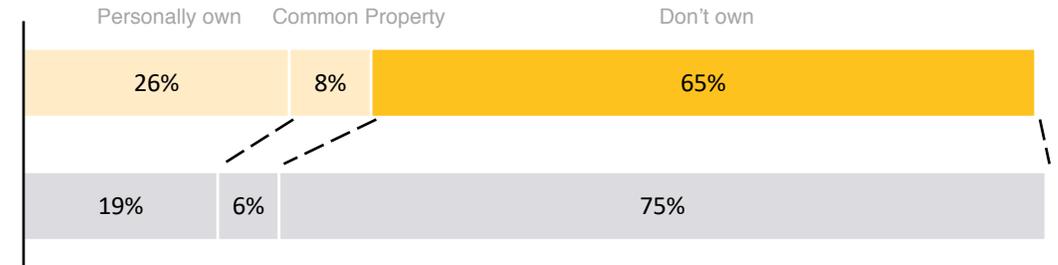


Technology Use

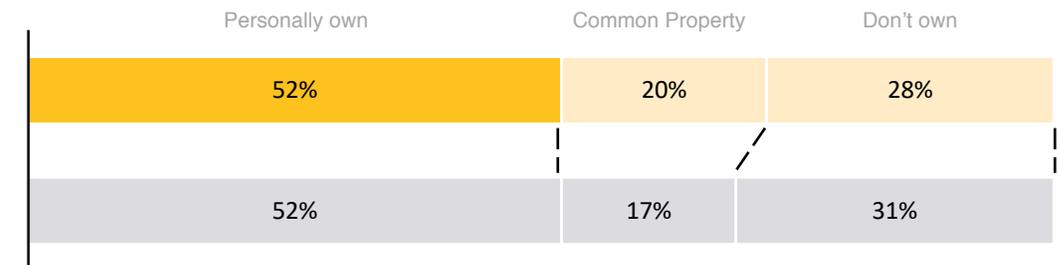
that parallel the age ranges of the users, with younger Communal Elites owning smartphones more frequently, and older communal elites owning feature phones.

Communal Elites lead all segments in regular use of social media and internet, with 20% using social media weekly or more and 21% using internet at similar rates. For DFS providers, outreach through social media channels may be affective. Additionally, if incentivized to refer others in their networks, this segment could be influential in expanding the user base of digital products and services.

ACCESS TO SMARTPHONES



ACCESS TO BASIC AND FEATURE PHONES



● Communal Elites ● Pakistan average

Communal Elites

Psychology

Psychology

Self-perception

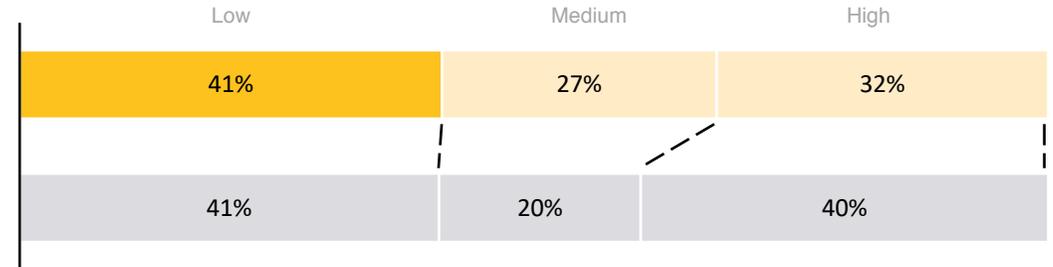
Communal Elites report a relatively weak sense of agency, despite their relative financial well-being. Nonetheless, they exhibit satisfaction with their lives, are optimistic about the future, and have high self-esteem.

Nearly half of Communal Elites have an external locus of control (2nd lowest sense of control after Modest Upholders), while about a third have a clear internal locus of control. Despite their relative financial health, high levels of education, and strong networks, almost half of Communal Elites feel that their circumstance and outcomes are beyond their control. This may be due to their slightly higher rates of shared household decision making and a recognition of the financial and economic interdependence they share with their network.

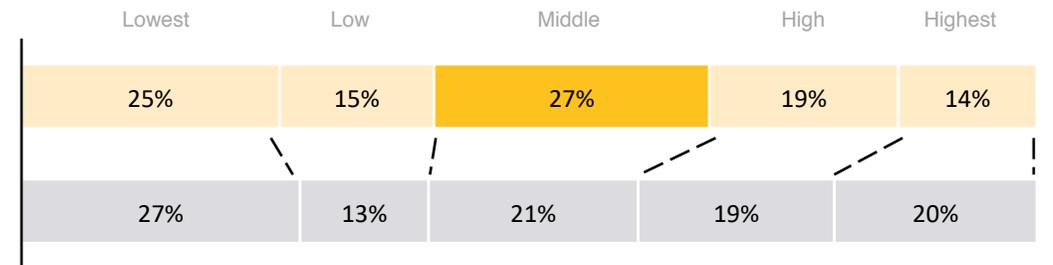
Likewise, Communal Elites have the second lowest sense of self-efficacy, with 40% reporting low to the lowest feelings of self-efficacy. Despite their relatively better circumstances, 40% measure low, in line with national averages, and only 32% measure high, below the national average of 39%. With 59% reporting, at least moderate self-efficacy, they appear comfortable with the prospect of learning new skills and managing strategies in general, but would be perhaps less eager to do so alone. Perhaps, through their higher technology usage they see a range of modern skills and competencies they do not possess, and recognize how increasingly reliant they are on institutional structures, like banks, to thrive in more formally-included communities.

SEGMENT NAME

LOCUS OF CONTROL



SELF-EFFICACY



● Communal Elites ● Pakistan average

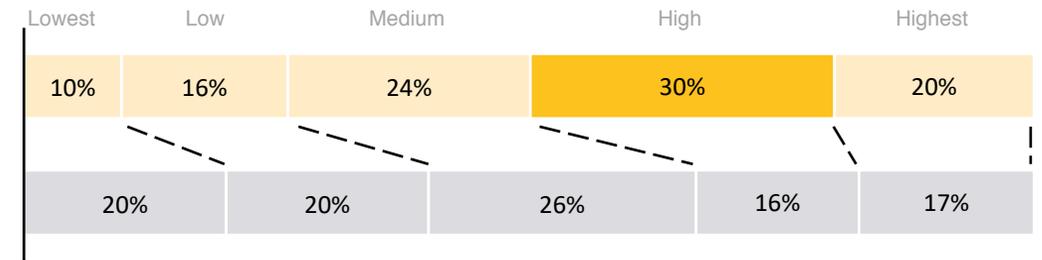
Psychology

Self-perception

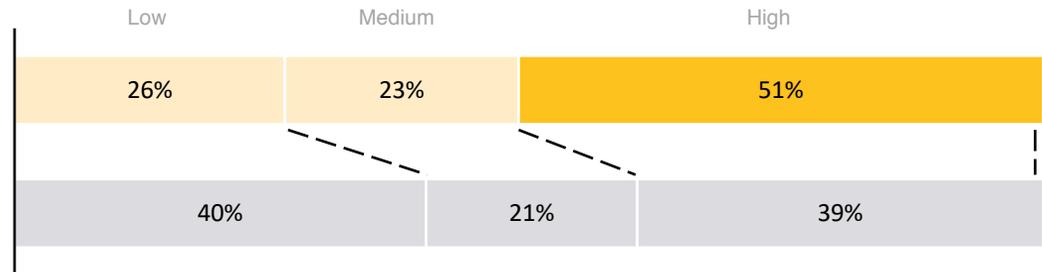
Communal Elites hold markedly more confidence in the future and their optimism rates well above the national average, with 50% feeling high to the highest levels of confidence in the future and another 24% feeling moderately confident. They are roughly twice as likely to report high future aspirations (30% versus 16% nationally), and slightly more likely than average to report the very highest future aspirations (20% versus 17% nationally). This further underlines their likelihood to be strong planners and to save for a purpose. With high trust, self-esteem, and openness, Communal Elites may view people and institutions around them as likely to believe in them, and could be more likely to consider offers of partnership or support to be genuine and worthwhile.

Communal Elites are the most likely segment to express satisfaction with the improvement of their lives over the past 5 years (66% high to highest satisfaction). They also have the most positive views, nationally, of their future prospects (50% high to highest). Their high openness and self-esteem appear well-supported by events. They maintain relatively low income volatility and high SES, show satisfaction with how their lives have improved in the last five years and report confidence in their future prospects. They present a ready audience to FSPs offering mixed portfolios of products and services that emphasize stable paths towards long-term growth.

CONFIDENCE IN THE FUTURE



SELF-ESTEEM



● Communal Elites ● Pakistan average

Psychology

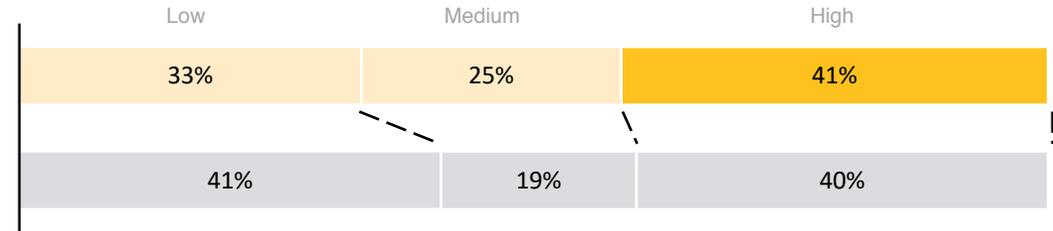
Financial Attitudes

Communal Elites are open minded and conscientious. While they are impulsive spenders, they save deliberately and frequently despite feeling they don't earn enough to save, and plan their expenses. This suggests they are purposeful in their financial management, and spend impulsively when they feel they can afford it. Their openness and impulsivity may indicate a willingness to experiment with new product and services.

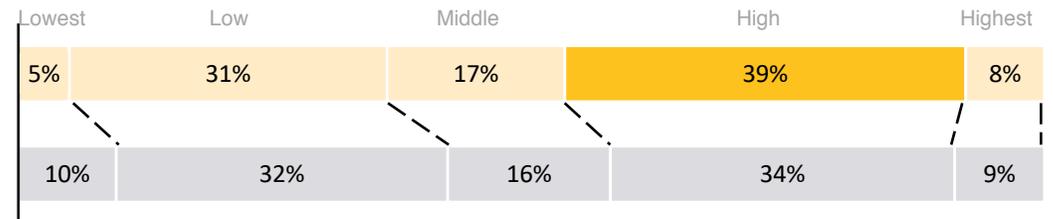
Communal Elites are more conscientious than Pakistanis on average, with 66% measuring medium to high compared to 59% nationally. Given that they are also deliberate savers, it appears Communal Elites are fairly purposeful in their financial management. Most also identify as planners and consider themselves dependable, suggesting they may be likely to follow through on their intentions. This is particularly clear in their capable management of multiple financial channels for saving.

Despite being conscientious planners, Communal Elites are impulsive, 47% measure high to the highest levels on impulsivity, compared with 43% nationally.

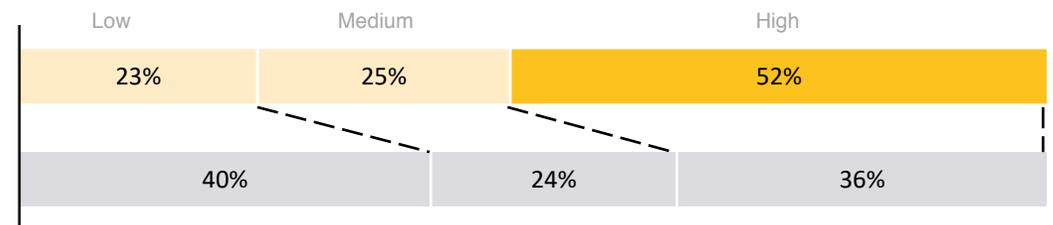
CONSCIENTIOUSNESS



IMPULSIVITY



OPENNESS



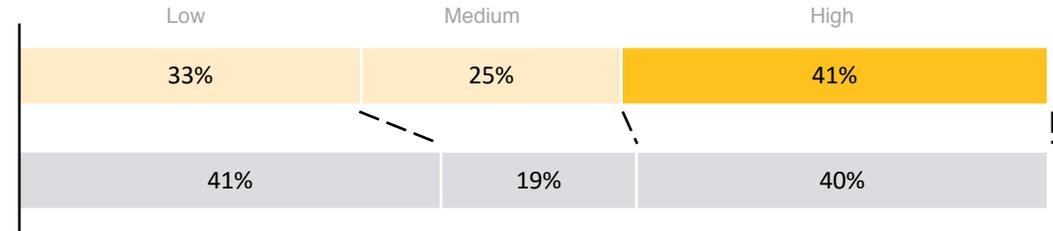
Psychology

Financial Attitudes

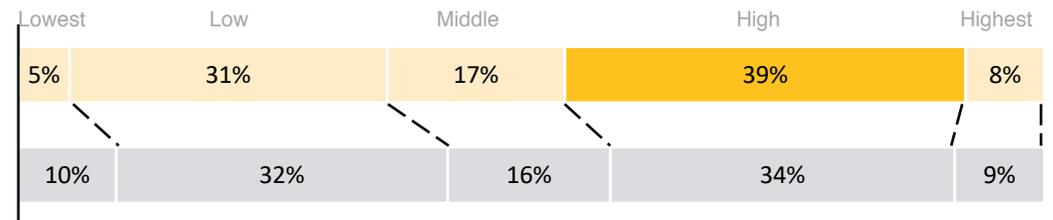
nationally, while another 17% score medium, compared to 16% nationally. Given their relative wealth, they can perhaps afford to be more impulsive than the average Pakistani.

Communal Elites show the most openness to new experiences of any segment in Pakistan (52% high), followed closely by Modest Upholders (45% high). This aligns with their use of multiple financial channels, from formal to informal, as well as their frequent technology use and increased incidence of shared decision-making. Financial service providers can leverage the openness and impulsivity of Communal Elites to provide them opportunities to experiment with new product and features.

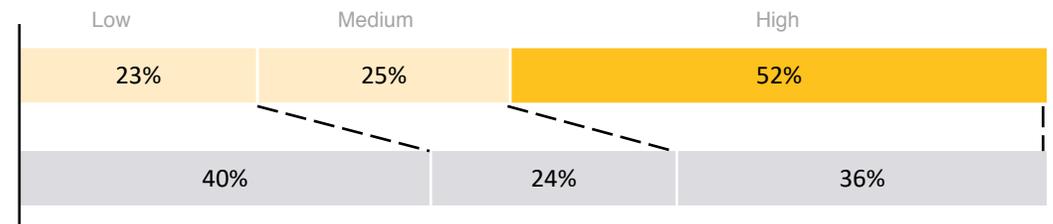
CONSCIENTIOUSNESS



IMPULSIVITY



OPENNESS



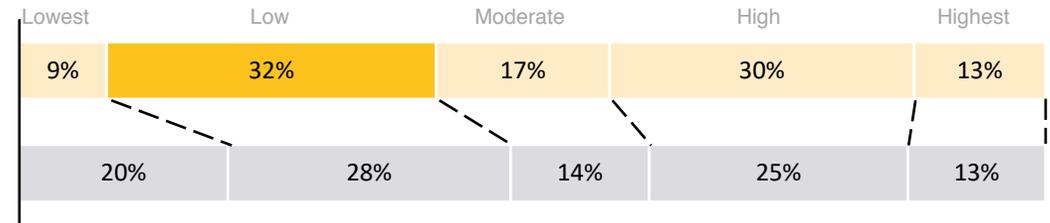
Psychology

Attitudes Toward Savings

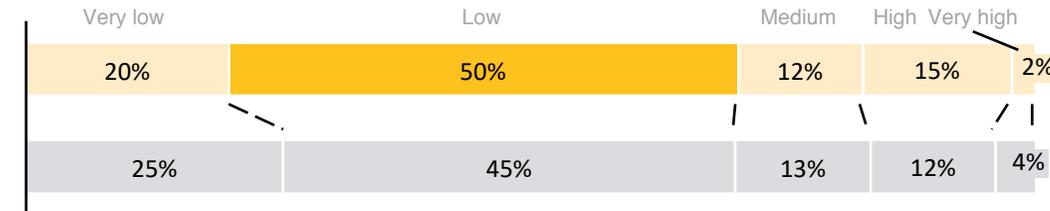
Communal Elites are on average deliberate savers, though about equal numbers measure low and high in terms of savings deliberateness. Nearly three quarters feel they don't earn enough to save, which may make it more difficult for them to save deliberately. Though they experience the lowest income volatility amongst segments, over a quarter experience high income volatility, perhaps driving these challenges. Most also feel that their savings are not safe from the claims of the friends, family and network, which may further suppress their savings, though drive their use of more private formal accounts for long-term savings. As wealthy heads of of household, many in the segment may support numerous nuclear dependents, as well as members of their extended family, eroding their ability to save.

Communal Elites are on average deliberate savers, though about equal numbers measure low and high in terms of savings deliberateness. Forty-three percent of Communal Elites are deliberate, goal based savers, compared

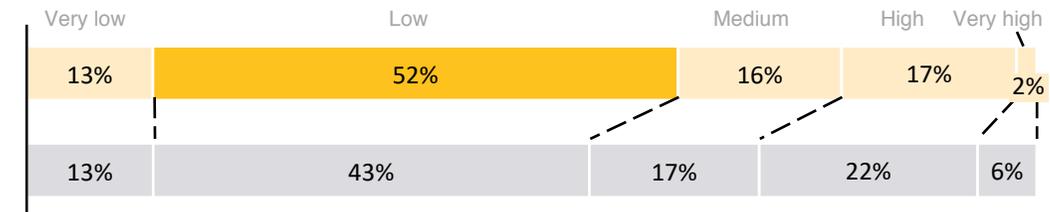
SAVINGS DELIBERATENESS



BELIEF IN EARNING ENOUGH MONEY TO SAVE



SAFETY OF SAVINGS



Psychology

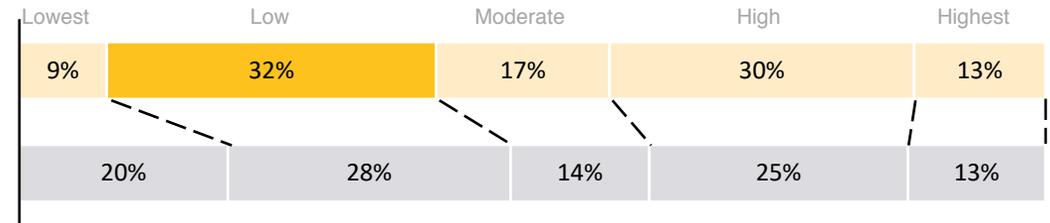
Attitudes Toward Savings

to 38% nationally, while 41% exhibit low deliberateness, compared to 48% nationally. Only Modest Upholders are more deliberate in their savings.

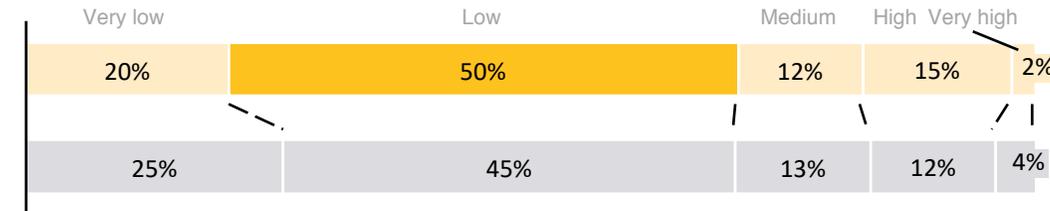
Despite being in the wealthiest segment and saving at the highest rate in Pakistan, most Communal Elites feel they do not earn enough to save. Seventy percent believe they don't earn enough to save, while only 16% feel they do (both in line with the national average for Pakistan).

Communal Elites have the lowest overall confidence in their ability to protect their savings from the demands of those around them. Sixty-five percent feel that if they saved money, someone in their life would ask for it as a gift or loan, compared with 56% of Pakistanis nationally. Only women-dominated Communal Elites feel similarly strongly in this regard. This may be driven, in part, by the fact they have the highest exposure to such claims due to their frequent saving with family and groups. Moreover, they are wealthy and many identify as head of household, suggesting they have dependents who may make claims on their savings or have needs that erode their ability to save. Nonetheless, they must see compelling values in such channels because they continue to utilize them at significantly higher rates than formal accounts.

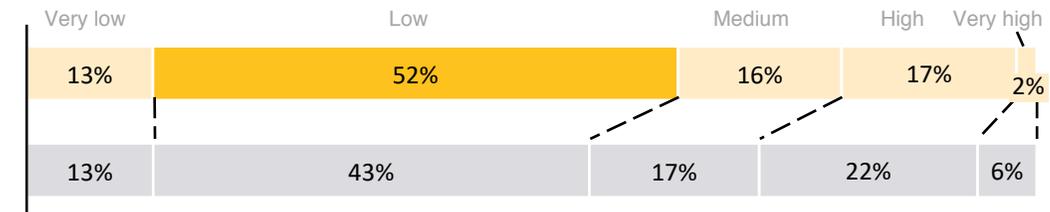
SAVINGS DELIBERATENESS



BELIEF IN EARNING ENOUGH MONEY TO SAVE



SAFETY OF SAVINGS



Psychology

Attitudes Toward Debt

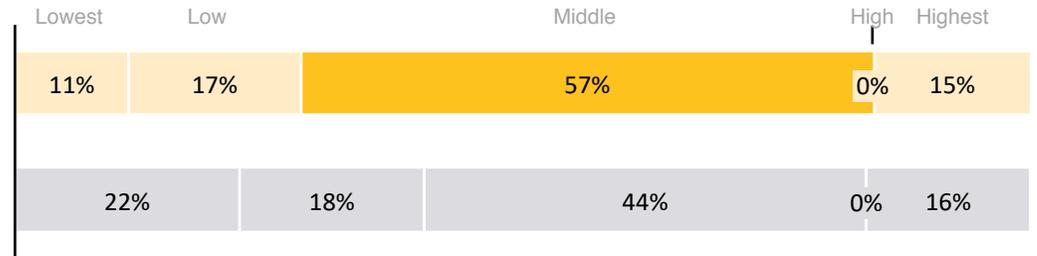
Nearly three quarters of Communal Elites consider themselves dependable, second only to Modest Upholders. Yet, over half are uncomfortable holding debt despite their sense of dependability, relatively high SES and low income income volatility. Their anxiety around holding debt and their relatively lower need for credit may help explain why Communal Elites borrow relatively infrequently.

Communal Elites measure as the second most dependable segment after Modest Upholders, with 72% percent measuring moderate to the highest dependability, compared with 60% of Pakistanis overall.

Just over half are comfortable with debt. Only 14% report high to highest levels of comfort, while another 44% report medium levels, compared with national responses of 16% and 39% respectively. In line with the national average, 43% report low to very low levels of comfort with debt.

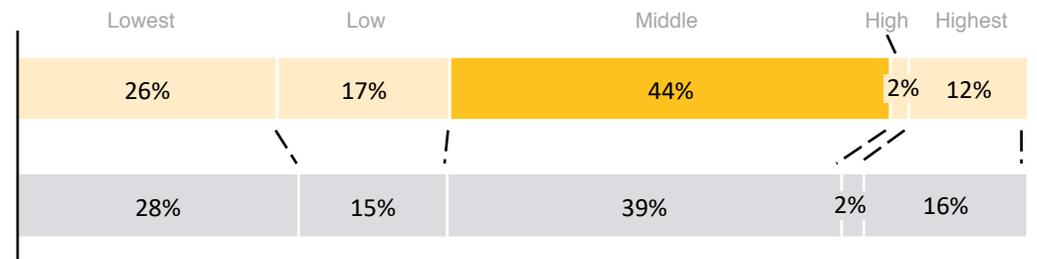
Their anxiety around holding debt and their relatively lower need for credit may help explain why Communal Elites borrow relatively infrequently, despite having formal financial access, trusting social financial networks, and measuring relatively conscientious and dependable.

DEPENDABILITY



*composite measure of likelihood of fulfilling promises, returning favors, and looking for guidance from others in new situations

COMFORT WITH DEBT



*composite measure of a persons perceived risk and anxiety around holding debt, especially as regards the loss of collateral

● Communal Elites ● Pakistan average

Psychology

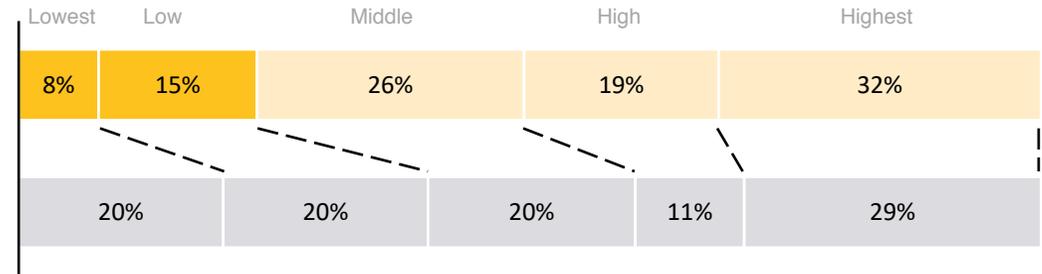
Trust in People

Communal Elites are the second most trusting segment after Modest Upholders, with about half having high to the highest levels of trust in people and their social financial networks. They also tend to view their communities as equal. This robust trust helps explain their deep, but nuanced, financial integration with their networks. They may find social and financial value in saving and borrowing with those around them, particularly in terms of resilience, but such involvement may expose their finances and hinder their ability to build savings due to people frequently asking them for support.

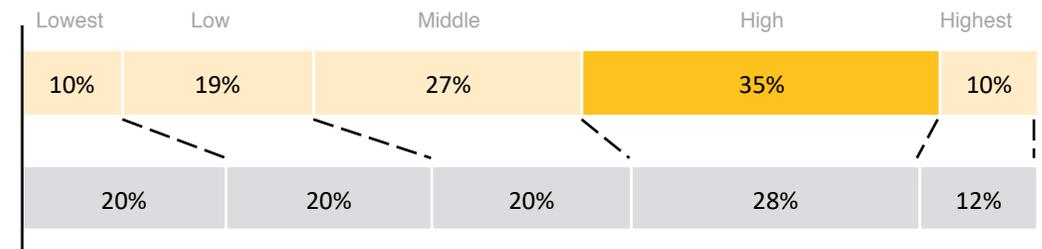
Communal Elites are the second most trusting segment after Modest Upholders, exhibiting faith both in their communities and in their social financial networks. Forty-five percent of Communal Elites trust social financial networks, compared to 40% nationally. Even more, 51%, trust the people around them compare with 40% nationally. They are the least-likely segment to distrust people in their social financial network. Just 23% percent distrust such people.

The benefits they accrue (social capital, status, satisfaction) by saving and transacting with their trusted family and community seem to outweigh the costs. While their trust in their social financial networks is above average, their lack of confidence in the safety of their savings and their belief that they do not have

TRUST IN PEOPLE



TRUST IN SOCIAL FINANCIAL NETWORKS



● Communal Elites ● Pakistan average

Psychology

Trust in People

enough money to save are noteworthy. It is possible that they are respected in their communities and viewed as a resource. They may find economic benefits to saving and borrowing with those around them, but such involvement may also hinder their ability to devote larger shares of their financial activity to formal channels without divesting from their social networks and risking a loss of local support.

Communal Elites believe more strongly than any segment, except for Pragmatic Providers, that their communities are equal, with 72% reporting moderate to high equality, compared to 58% nationally.

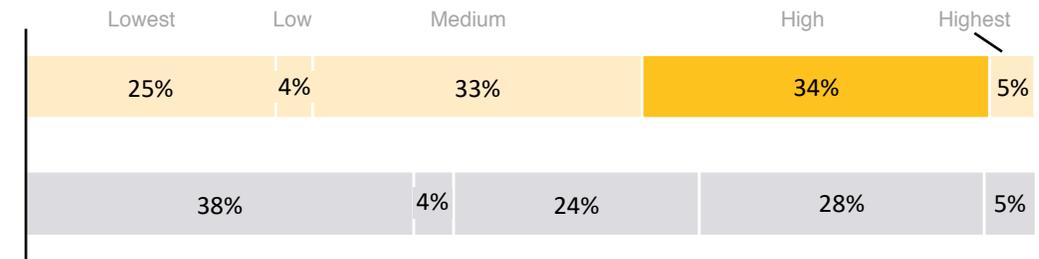
However, they report below average belief that their social financial network would support their business and education investments. Just 39% believe such support is likely, compared to 45% nationally, while 36% believe it is unlikely, compared to 32% nationally.

However, they report having relied more heavily than the average Pakistani on social sources for financial support in times of emergencies over the past two years, and they are among the most confident in their ability to raise such funds.

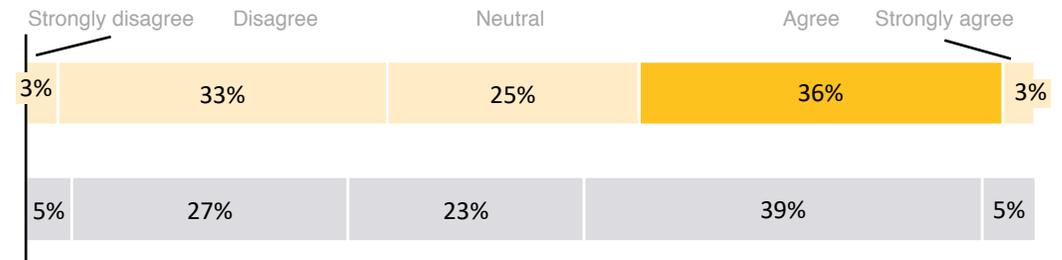
Communal Elites may feel unwilling or unable to tap their network for financial support except in emergency situations. Their communities may see them as better off and expect them to be net contributors to the social safety net.

Communal Elites may rely on their status and connectedness to design and manage their financial strategies, placing significant trust in others along the way. They could be difficult to convert alone, but easier to reach through the money managers, early adopters, and collaborative partners in their households, families, and communities. They may even bring others along with them, once their own loyalty is won.

PERCEIVED COMMUNITY EQUALITY



BELIEF IN COMMUNITY SUPPORT FOR BUSINESS & SCHOOL FEES



Psychology

Trust in Institutions

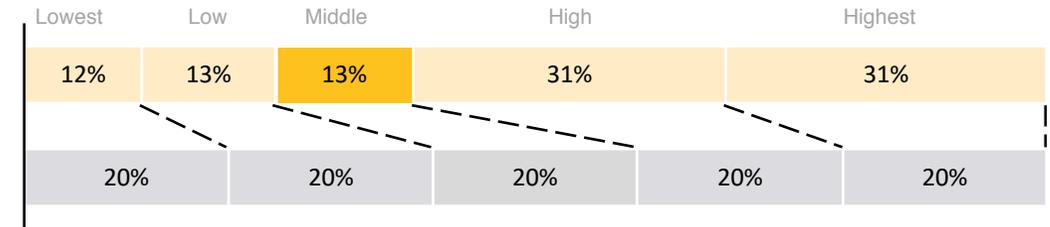
Most Communal Elites also have high trust in banks, media, and government. They report similarly high trust in banks as the do in people. Their trust helps explain their relatively high rates of formal account ownership.

Communal Elites report the highest trust in banks (62%), and government (51%) of any segment. Pakistanis average 40% and 45% trust respectively in these categories. Interestingly, their high trust comes despite the fact that 63% find financial services complex and confusing.

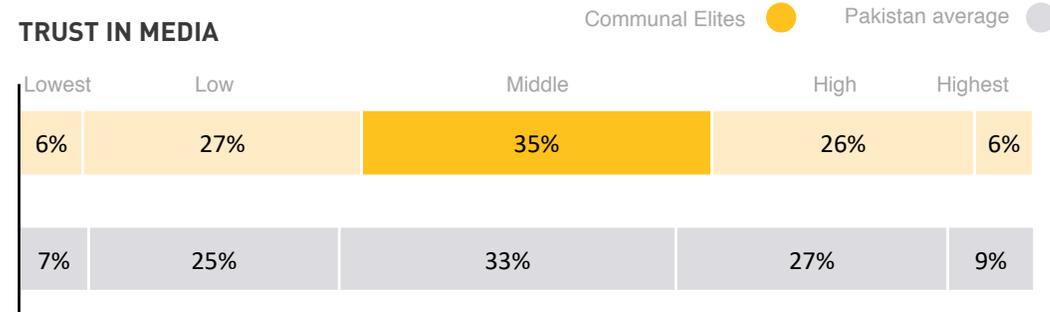
Their relatively high bank savings rate and their interest in increasing bank savings (given a windfall) aligns with their high trust in banks. This suggests that their appetite for increased activity in formal channels has yet to be fully realized and that there is room to build upon existing products. Given Communal Elites' high technology use, FSPs might consider including explicitly social aspects to the functionality and messaging of future service offerings.

Communal Elites have the second highest trust in media and government after Modest Upholders. Thirty-two percent have high trust in media compared with 35% nationally, and 51% have high trust in government compared to 45% nationally.

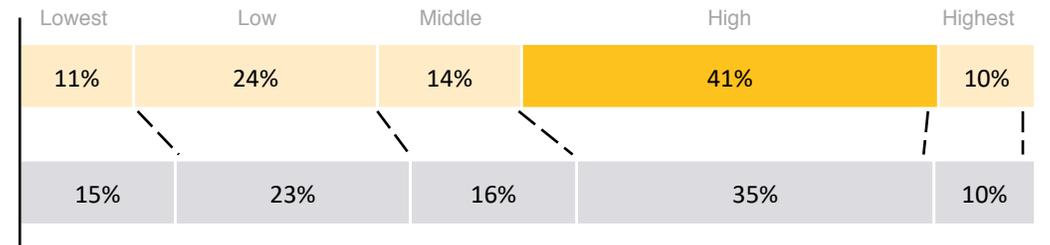
TRUST IN BANKS



TRUST IN MEDIA



TRUST IN GOVERNMENT



Gender Roles

Gender Attitudes

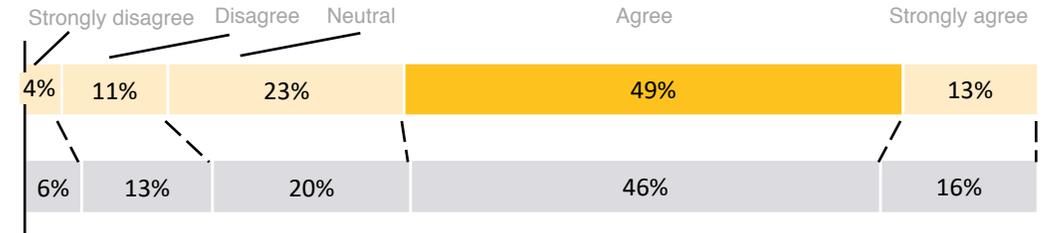
Communal Elites feel that men are better financial managers than women, but that wives and husbands should know each other's finances. They also believe that girls and boys should be educated about money in the same way, suggesting they may believe girls and boys should be brought closer to parity in their financial skills.

Over half of Communal Elites feel that men are better financial managers than women, with 62% agreeing with statement. This is in line with the average for Pakistan. Fewer (15%) outright disagree with this notion than any other segment. Men in this segment hold less progressive gender views in regards to this question than women, with 68% believing men are better financial managers than women, compared to 54% of women.

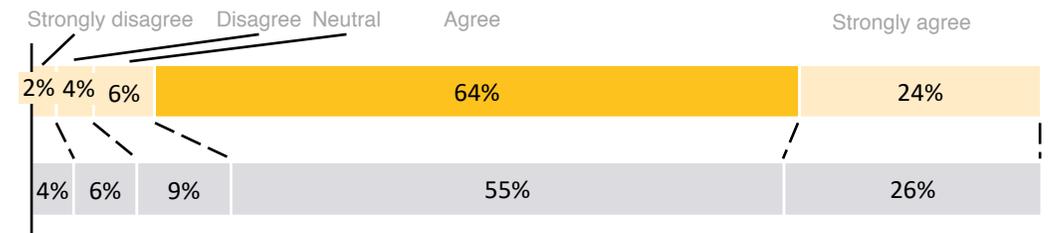
Most Communal Elites believe wives and husbands should know each other's finances, with 88% agreeing and only 6% strongly disagreeing, compared to national rates of 80% and 4%, respectively. However, women in the segment hold more progressive gender views in regards to this question, with 94% in agreement compared to 88% of men. Moreover, only 2% of women outright disagree with the statement compared to 8% of men.

Almost all Communal Elites believe girls and boys should be educated about finance in the same manner, with 87% in agreement and only 8% disagreeing

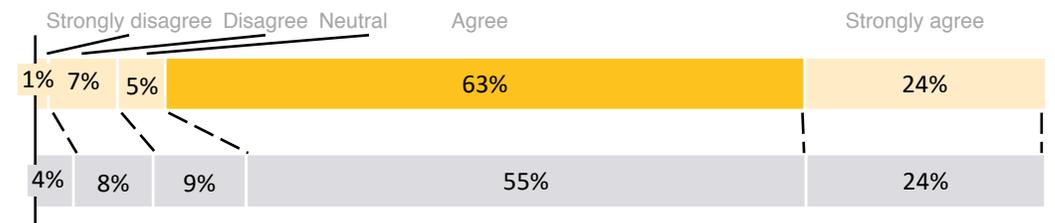
MEN ARE BETTER FINANCIAL MANAGERS THAN WOMEN



WIVES AND HUSBANDS SHOULD KNOW EACH OTHER'S FINANCIAL AFFAIRS



GIRLS AND BOYS SHOULD BE EDUCATED ABOUT MONEY IN THE SAME WAY



Gender Roles

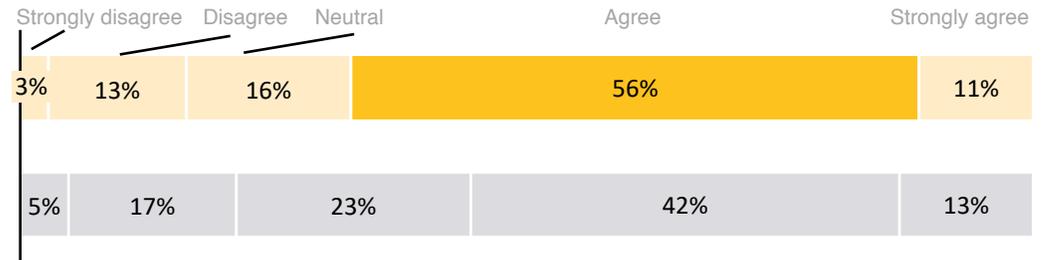
Gender Attitudes

strongly. Given that most Communal Elites feel that men are better financial managers than women, the view that girls and boys should be taught in the same manner suggests **a feeling that girls and boys should be brought closer to parity in their financial management skills**. However, women in the segment hold more progressive gender views in regards to this question, with 94% in agreement compared to 84% of men. Moreover, only 2% of women outright disagree with the statement compared with 8% of men.

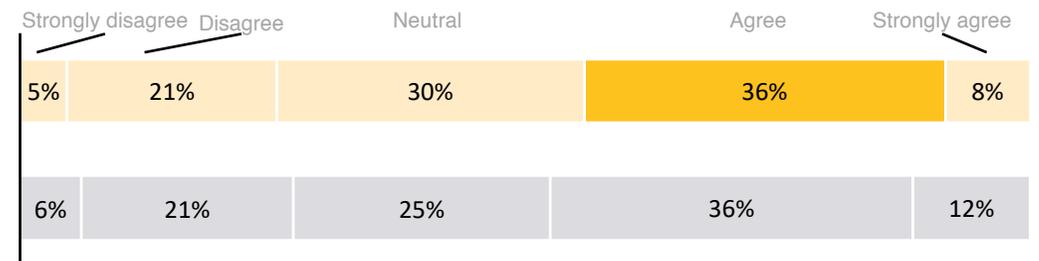
Two thirds of Communal Elites (67%) do not believe the gender of a loan applicant affects whether or not the loan is ultimately issued, whereas 16% believe it does, both in line with averages among Pakistanis. Given that this segment has the most direct experience with formal providers, it is surprising they are not more aware of gender bias against women in loan issuance. Then again, the vast majority of this segment, nearly 90% reports never having borrowed from a bank.

Nearly half of Communal Elites (44%) believe that women understand new technologies better than men, though a quarter disagree outright, compared with 57% and 18% respectively among all Pakistanis.

WHEN APPLYING FOR A LOAN, THE GENDER OF THE APPLICANT DOES NOT INFLUENCE WHETHER THE LOAN IS GRANTED



WOMEN UNDERSTAND NEW TECHNOLOGIES BETTER THAN MEN



● Communal Elites ● Pakistan average

Design Principles

Create products and services that:

- Offer long-term growth and stability
- Facilitate social engagement and messaging
- Offer planning and prioritization functions that help them meet big, longer-term life goals, such as saving for weddings or other important household events
- Help them manage the financial impact of their positions as hubs of their networks, and help them move their social financial activity to more secure and flexible formal channels

Engage through:

- Feature phones, including existing DFS accounts and other USSD-based services
- Formal channels that they already own
- Marketing that affirms and formalizes their identity as hubs of social financial activity and authority



**THE
HUMAN
ACCOUNT**