

Consumer Pulse Study

Consumer behaviours and attitudes about current and future household budgets, spending and debt

Rwanda Q2 2024

TransUnion's quarterly survey explores how consumers' personal finances have changed and what they expect in the near future. The study measures shifting consumer attitudes and behaviours based on income, debt and identity theft dynamics. The analyses and insights give consumers a voice and inform businesses' decision-making as they seek to create economic opportunities for consumers.

KEY TAKEAWAYS



Varied results in household finances. In Q2 2024, consumers in Rwanda experienced notable variations in household income, reflecting the complexity of the economic landscape. While 33% of respondents reported an income increase and 25% saw a decrease, 42% noted no change. The drivers of these shifts were evident: Consumers started new businesses or new jobs, while job loss and salary reductions led to declines. Despite challenges, most (81%) remained optimistic about future income growth, but 42% expressed concerns about meeting financial obligations. Some (35%) respondents reduced their discretionary spending, while others (28%) prioritised faster debt repayment and increased contributions to emergency funds (28%). Looking ahead, 49% of respondents said they intended to allocate more income toward bills and loans, others (43%) will put more toward digital services.



Limited credit access despite high demand. Ninety-eight percent of respondents emphasised access to credit and lending products was crucial for achieving financial goals, but only 37% felt they had sufficient access to such credit. In Q2 2024, 51% of overall respondents planned to acquire new credit or initiate refinancing, particularly Millennials (60%). Among those considering credit, 44% favoured new personal loans, 38% considered student loans and 17% new home loans. However, 49% decided against new credit, citing high costs (27%) and income and employment status concerns (26%).



Limited adoption of digital platforms amidst identity theft and privacy concerns. Most Rwandans recognised the importance of monitoring their credit, many checking their reports at least monthly. However, limited internet access and security concerns hindered Rwanda's ecommerce penetration; only 35% of consumers said they conduct more than half their transactions online. Half of respondents avoided becoming a victim of digital fraud in the last three months (39% overall were unaware they were targeted), but 11% fell victim. The most common types of fraud included money or gift card scams, vishing and money mule scams. Rwandans expressed concern about sharing personal information and a fear of identity theft, underscoring the need for enhanced security measures and transparency in data management.

Household income (HHI), spending and bill payment impact

In Q2 2024, Rwandans observed significant disparities in household incomes, pointing to the varied and complex economic landscape. While 33% of respondents reported an increase and 25% witnessed a decrease, 42% noted no change. The factors driving these fluctuations included starting a new business (22%) or new job (21%), while job loss (28%) and salary reductions (18%) were the primary causes of a decline in income. An encouraging 81% expressed optimism about future income growth in the coming year, indicating resilience in the face of economic uncertainties.

Forty-two percent of all respondents expressed concern about bill repayment and meeting loan obligations, especially Millennials (44%). Of all consumers unable to pay their bills and loans in full, 37% said they planned to seek assistance from friends or family. Additionally, 35% of all respondents intended to make partial payments, while 33% said they would rely on their savings to cover the shortfall.

In the last three months, 35% of respondents (especially Millennials at 38%) reduced their discretionary spending (dining out, travel and entertainment). Some (28%) prioritised faster debt repayment, others (28%) increased their contributions to emergency funds, and 27% expanded their use of digital services. These trends suggest a shift in consumer behaviour toward more cautious financial management strategies, possibly in response to economic uncertainties.

Looking ahead, 49% of respondents intended to allocate their incomes to boosting payments on bills and loans followed by digital services (43%), discretionary items (42%), retail purchases (37%), and large purchases like appliances or cars (36%) – indicating confidence in future economic stability and personal financial security.

These survey results should be contextualised within Rwanda's broader economic landscape. Employment expanded in the last quarter of 2023, leading to a slight decline in the unemployment rate (16.8%). Rwanda sustained strong GDP growth of 8.2% in 2023, driven by robust household consumption. In 2024, GDP is expected to soften to 7%, with risks like weather-related shocks, which could impact food production and lead to higher food prices, thereby adversely affecting impoverished households. High energy costs and persistent poverty presented additional challenges. Inflation, a lingering concern for households (8.9% in Q4 2023) decreased (to 4.6%) in the first four months of 2024, mainly due to reduced food inflation. This will ease financial pressure on consumers and support household spending in the second half of 2024. The Central Bank of Rwanda cut its policy interest in May 2024, the first reduction since 2020. Despite the relatively high bank lending rate (15.9% in April), this move will likely stimulate credit demand over the next year.¹

Figure 1. Household income change last three months

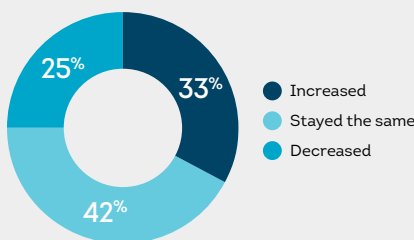


Figure 2. Expected household income change next 12 months

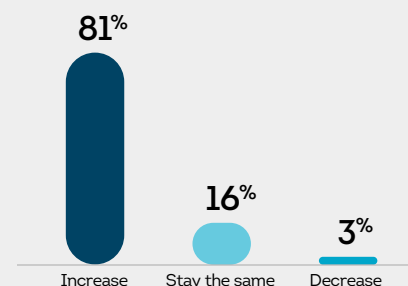
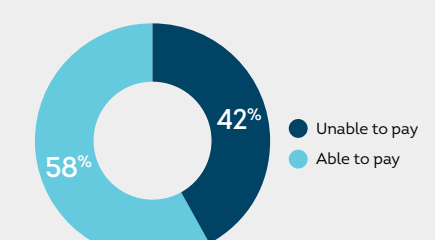


Figure 3. Expect to be unable to pay at least one of their current bills and loans in full



¹ National Bank of Rwanda, BNR-National Bank of Rwanda: Monetary Policy Reports; National Institute of Statistics of Rwanda, Consumer Price Index - April 2024 | National Institute of Statistics Rwanda; World Bank, <https://www.worldbank.org/en/news/press-release/2024/02/28/rwanda-afe-economic-performance-strengthened-in-2023-despite-continued-challenges>

Figure 4. Reasons for change in current household income in past month

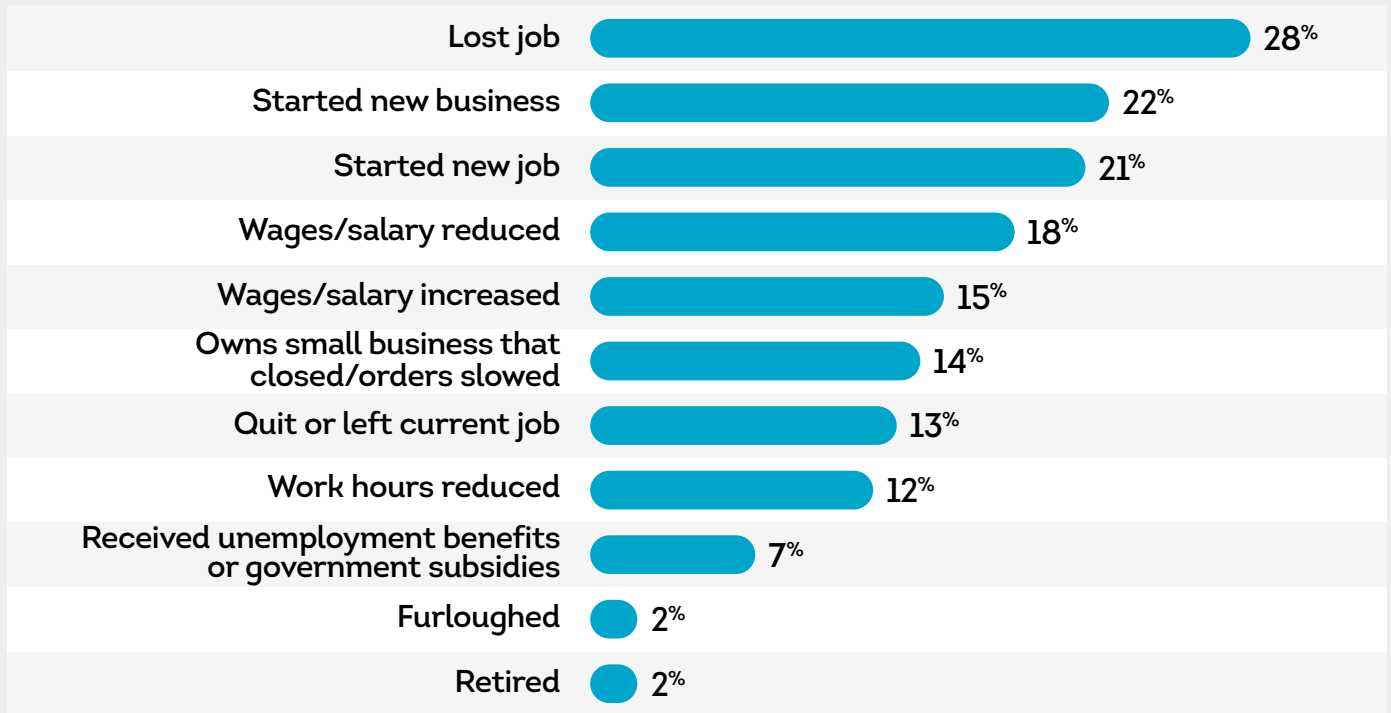


Figure 5. Changes to household budget in the last three months

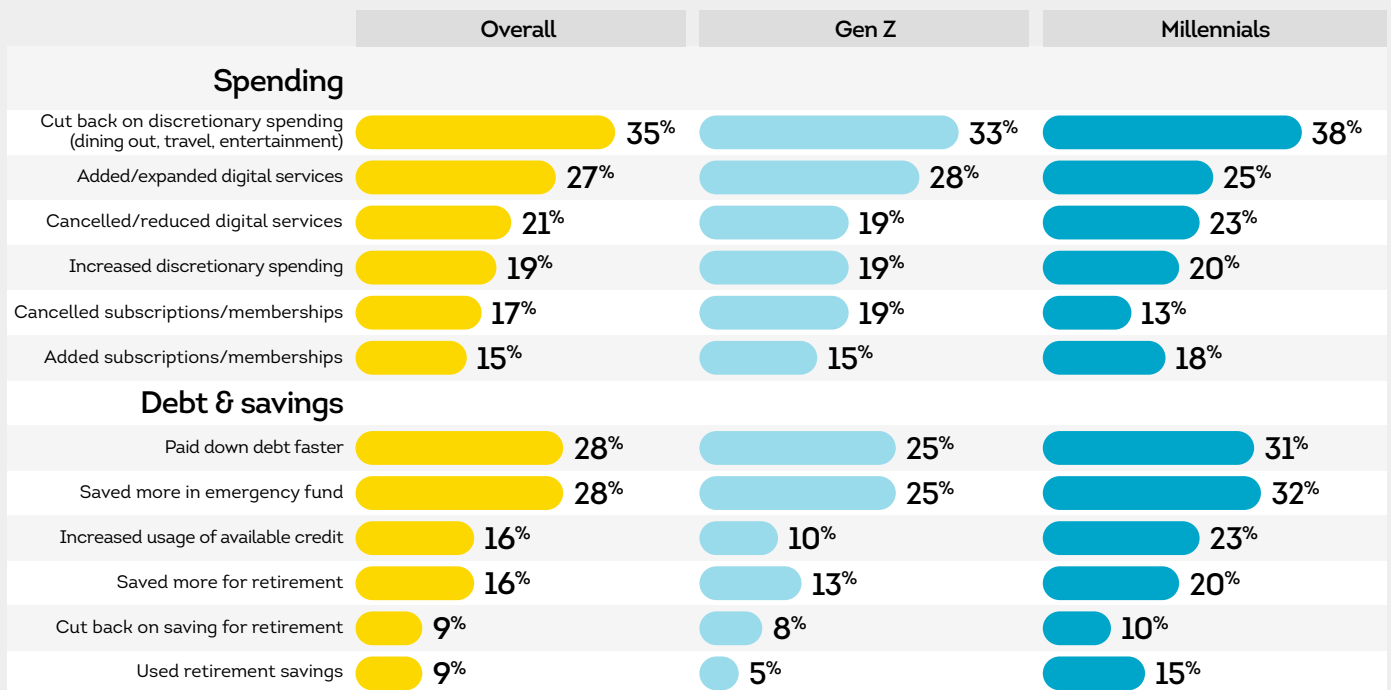


Figure 6. Plans to pay current bills or loans (among those unable to pay bills/loans)

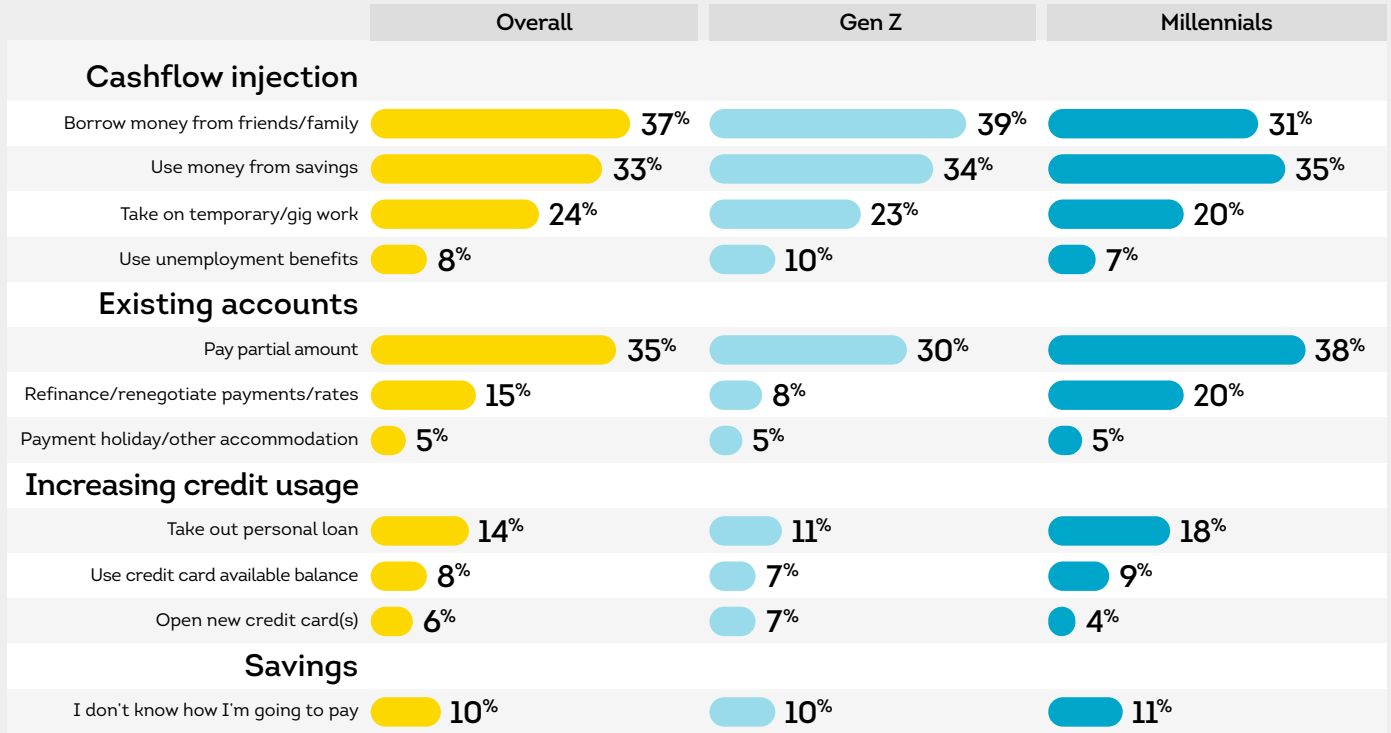
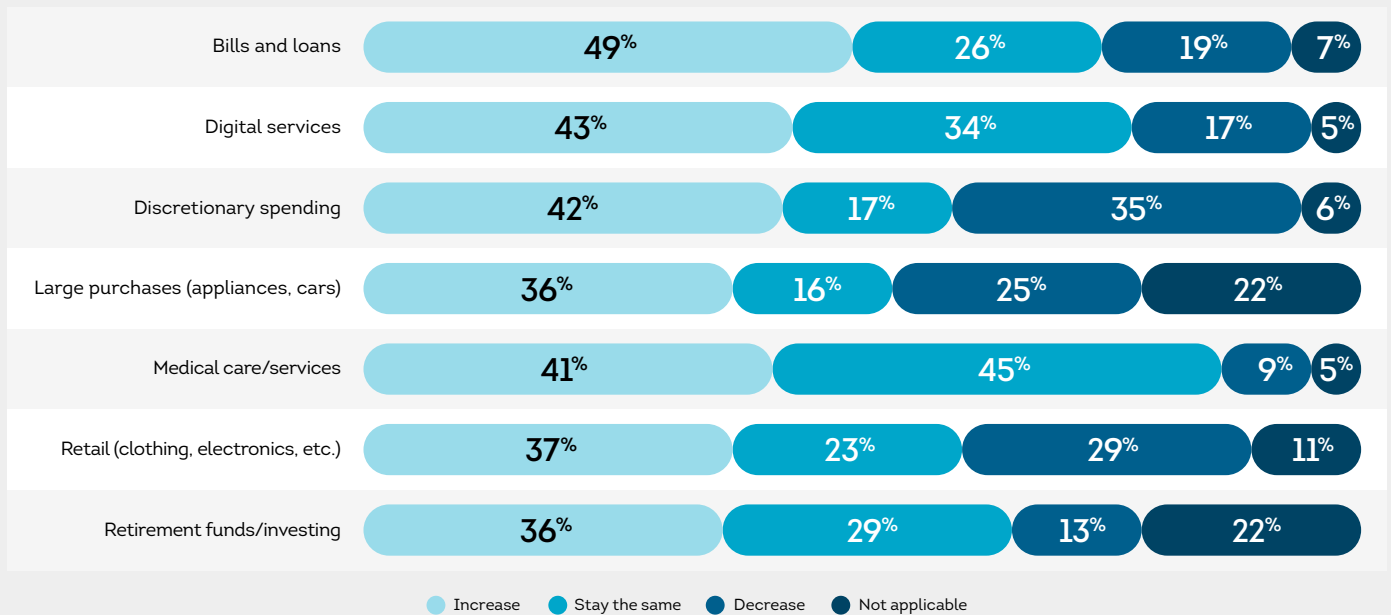


Figure 7. Expected change to household spending over next three months



Attitudes and plans for economic participation

Ninety-eight percent of respondents emphasised access to credit and lending products as essential for achieving financial goals, but only 37% felt they had sufficient access to such financial services (particularly Millennials at 42%).

In Q2 2024, 51% of consumers planned to acquire new credit over the next 12 months. Millennials showed the most interest with 60% considering applying for new credit.

Among those who intended to seek credit, 44% contemplated new personal loans, with Millennials demonstrating particular interest. Student loans would be considered by 38% of all respondents (especially Gen Z), and 17% of all consumers planned to apply for a new home loan.

Of consumers who considered applying for new or refinancing existing credit, 49% ultimately opted out. The primary deterrent (27%) was the high cost of credit (especially among Millennials) followed by concerns about income/employment status (26%) and having found alternative funding sources (24%).

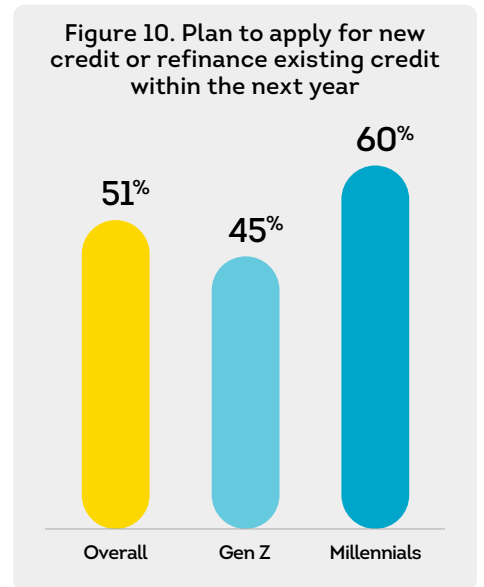
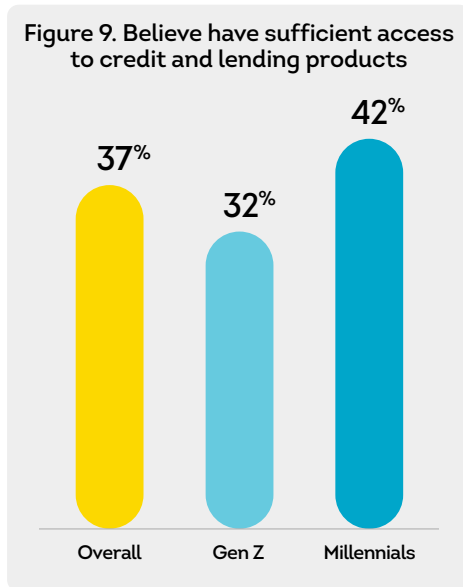
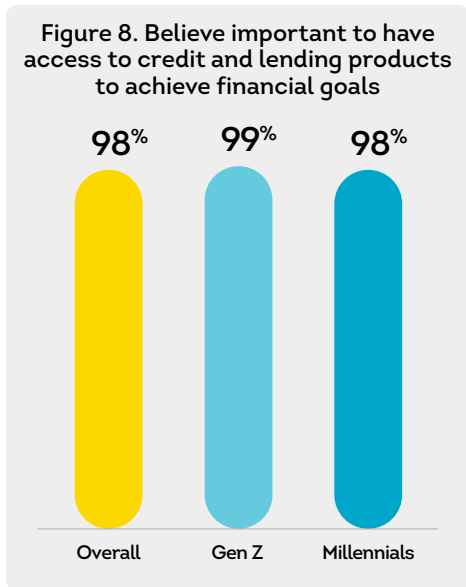


Figure 11. Type of new credit and loan activity planned in next 12 months
(among those who plan to apply for new or refinance existing credit)

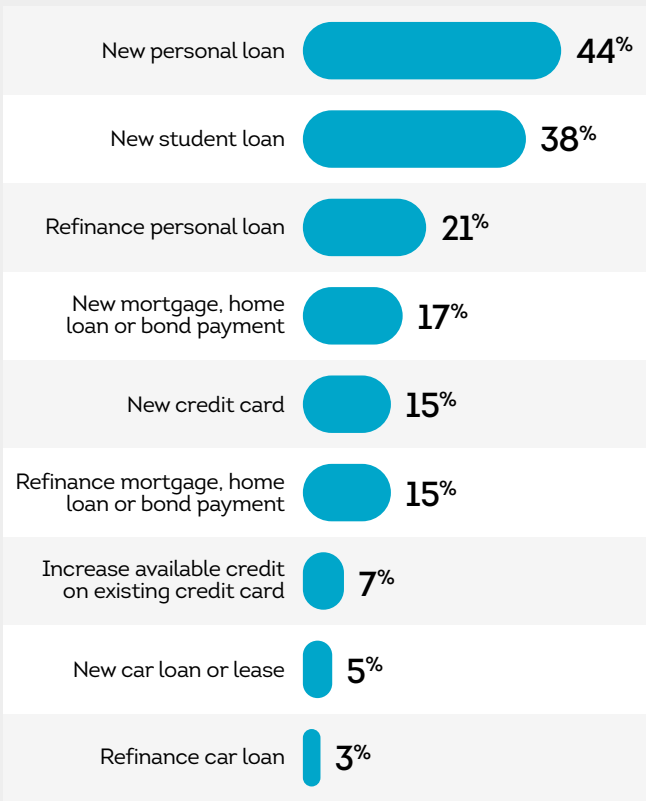


Figure 12. Abandoned plan to apply for new credit or refinance

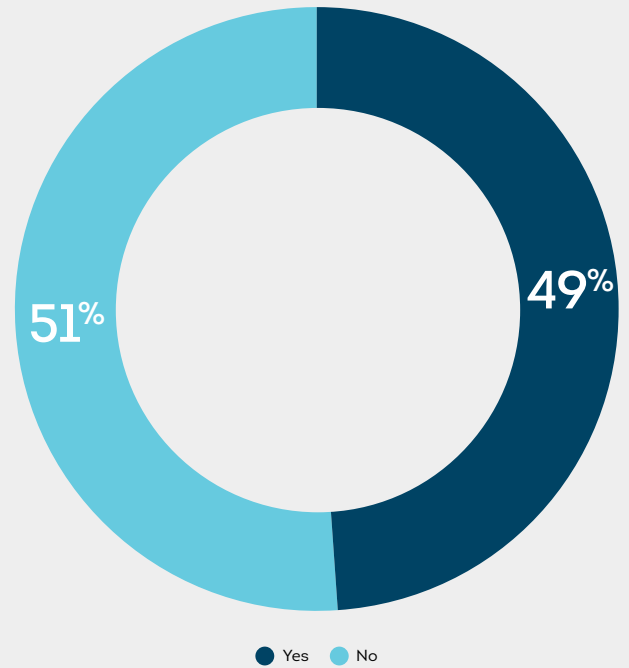
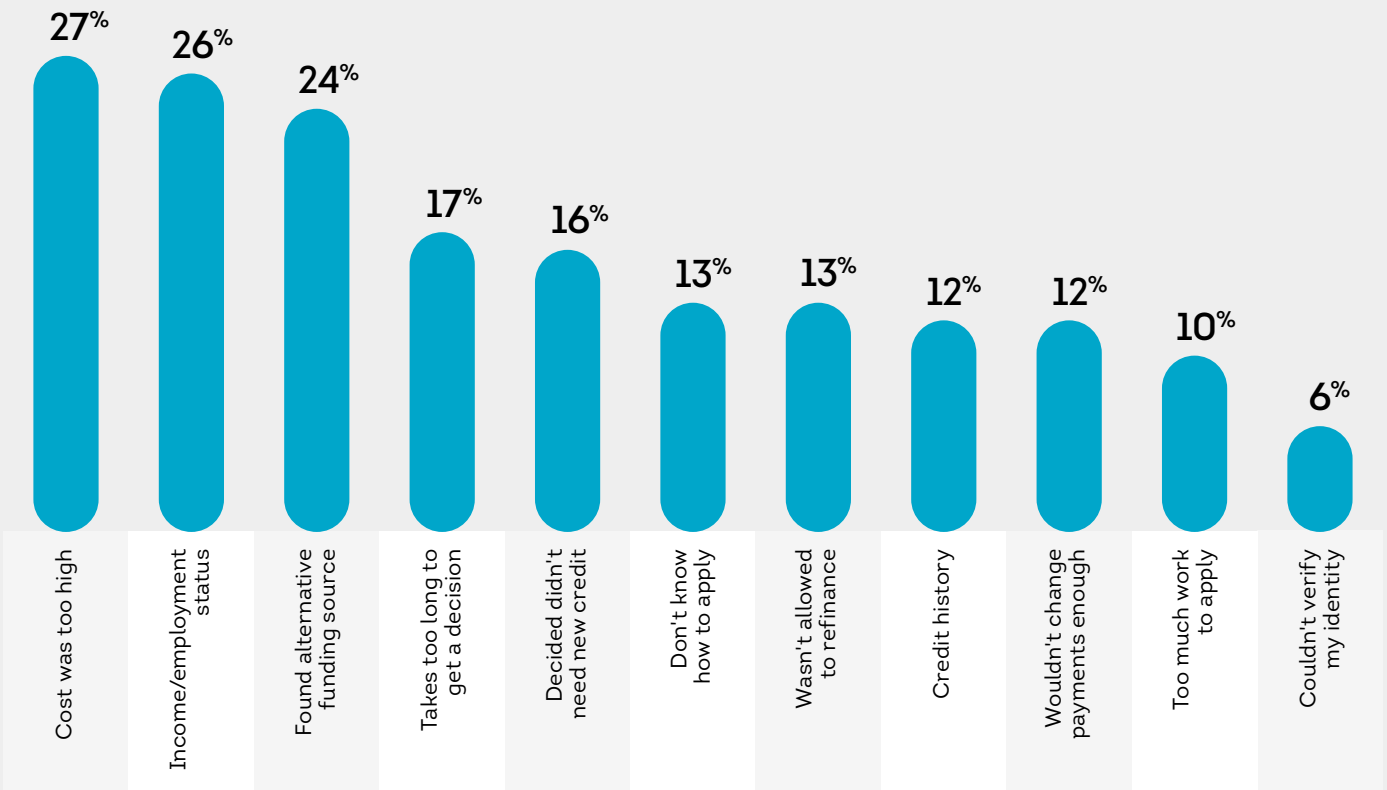


Figure 13. Reasons for abandoning application for new credit or refinance



Attitudes and behaviour to manage financial choices

Nearly all (96%) Rwandans across all age groups recognised the importance of monitoring their credit reports. Among respondents, 64% monitor their reports at least monthly, while 15% don't monitor them at all. The percentage of consumers checking their reports at least monthly was highest among Millennials (69%) – which correlates with their perceived access to credit.

Nearly half (49%) of respondents thought including non-traditional information – such as rental payments, gym memberships and short-term loan history – in credit assessments would boost their credit scores.

Rwanda's ecommerce penetration remained very low with 65% of consumers conducting less than half their transactions online. Only a third of all consumers conduct more than half their transactions online, a percentage evenly spread among Gen Z and Millennials. Limited internet access, with only 30% of Rwanda's population having online connectivity² (mainly via mobile phones), along with concerns regarding online security hindered ecommerce growth. Addressing these barriers is crucial to fully realising Rwanda's economic potential.

Figure 14. Credit monitoring frequency

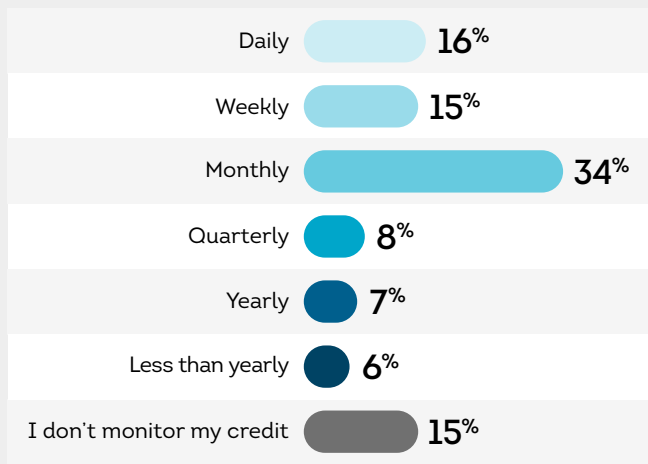


Figure 15. Believe monitoring credit is important

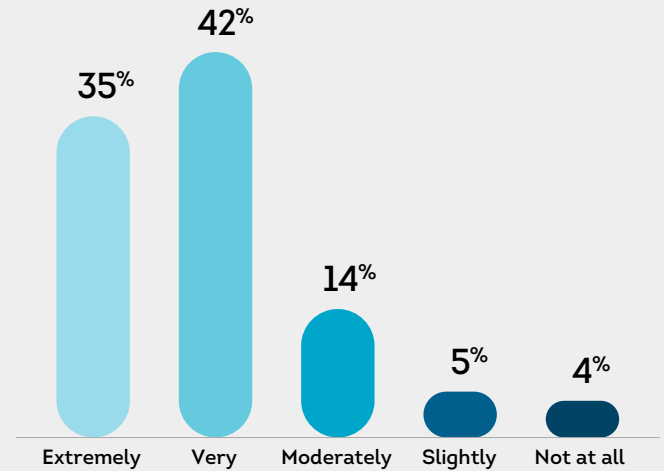


Figure 16. Percentage of transactions done online

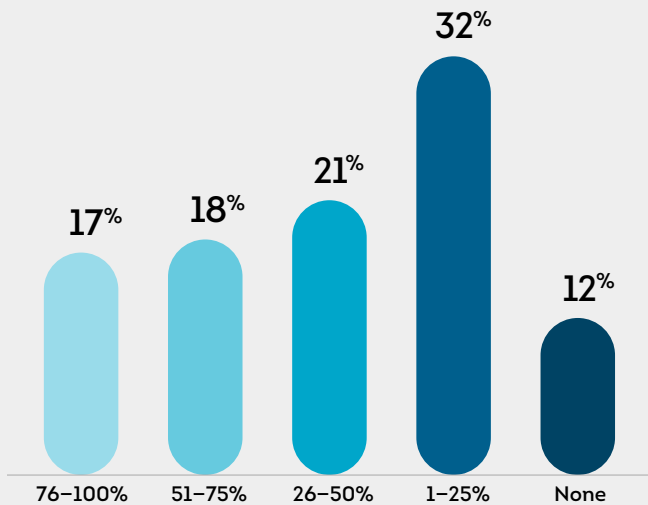
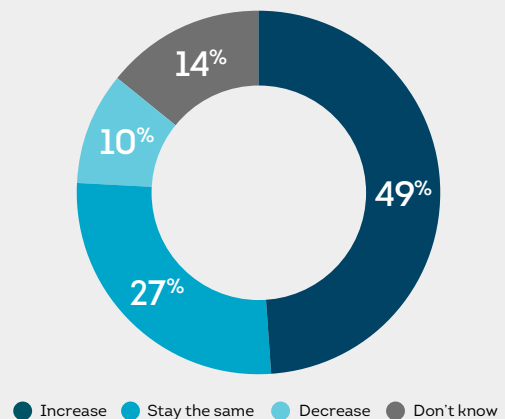


Figure 17. How believe credit score would change if businesses used information not on standard credit report

Examples provided of non-standard information include: rental payments and short-term loan history



² International Trade Administration, US Department of Commerce, [Rwanda - eCommerce \(trade.gov\)](https://www.trade.gov/rwanda)

Identity risks and usage

Half of respondents reported being targeted by fraud in the past three months but avoided becoming victims. Unfortunately, 11% succumbed to digital fraud, with Gen Z being the most targeted (13%). A worrisome 39% of all respondents were unaware they were targeted, indicating susceptibility to scams.

In Q2 2024, fraudsters employed various schemes, underscoring evolving tactics to exploit vulnerabilities in digital communication channels. Money and gift card scams were the most prevalent affecting 44% of respondents. Vishing (fraudulent phone calls designed to extract data) impacted 28% of respondents, while money mule scams (moving illegally acquired money on behalf of someone else) affected 26% of respondents. This highlighted the importance of robust cybersecurity measures and increased consumer awareness to combat the growing threat of digital fraud.

In Q2 2024, 69% of consumers in Rwanda were concerned about sharing personal information. One of the primary worries was fear of identity theft (67%), indicating a necessity for enhanced security measures in online transactions and data management practices. Additionally, invasion of privacy (64%) was a notable concern, more pronounced among Gen Z at 68% and underscoring the importance of transparency and accountability in data collection and utilisation by businesses and institutions.

Figure 18. Personal experience with online, email, phone call or text message fraud attempts in last three months

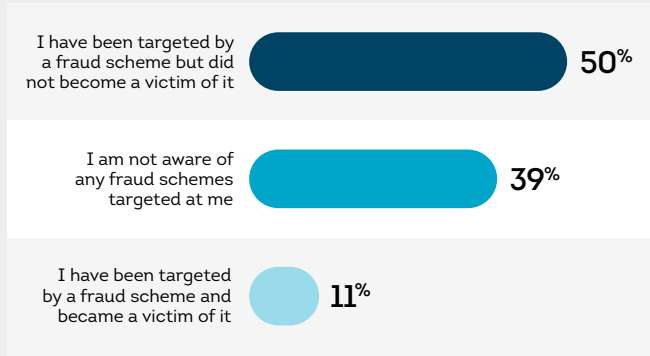


Figure 19. Most frequent fraud schemes targeting consumers
(among those targeted with online, email, phone call or text message fraud)

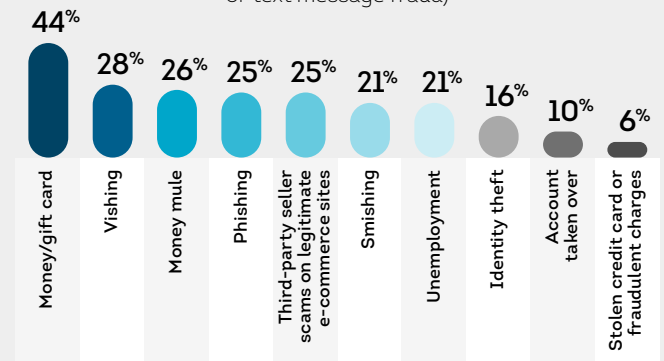


Figure 20. Concern with sharing personal information

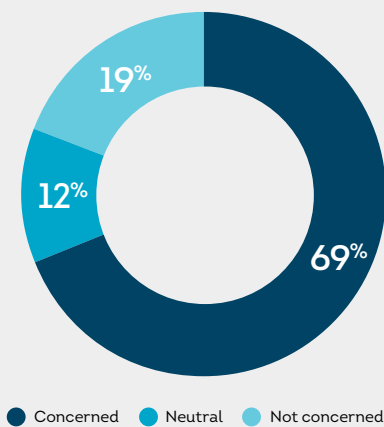
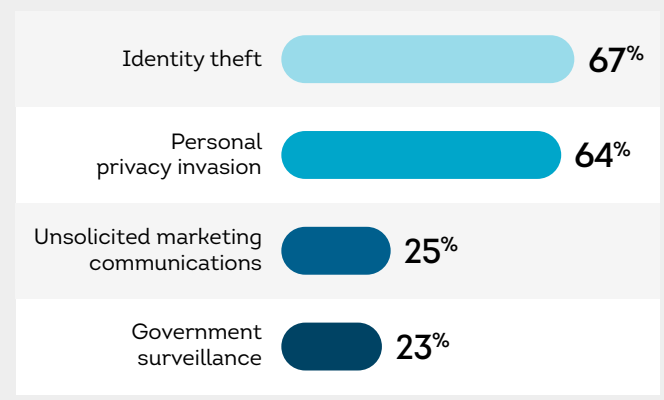


Figure 21. Reasons concerned about sharing personal information



Research Methodology

TransUnion's Consumer Pulse Survey of 294 adults was conducted 1-20 May, 2024 by TransUnion in partnership with third-party research provider, Dynata. Adults 18 years and older residing in Rwanda were surveyed using an online research panel method across a combination of desktop, mobile and tablet devices. Survey questions were administered in English. To increase representativeness across resident demographics, the survey included quotas to balance responses to the census statistics dimensions of age, gender, household income and region. Generations are defined in this research as follows: Gen Z, 18-26 years old; Millennials, 27-42 years old; Gen X, 43-58 years old; and Baby Boomers, age 59 and above. Those not included in this report didn't have adequate base size. These research results are unweighted and statistically significant at a 95% confidence level within ± 5.72 percentage points based on a calculated error margin. Please note that some chart percentages may not add up to 100% due to rounding or multiple answers being accepted.

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