

Vanuatu Financial Services Demand Side Survey 2024



**Vanuatu
Bureau of
Statistics**



Governors Foreword

It is an honor to present the 2nd Vanuatu Financial Services Demand Side Survey report 2024, a comprehensive evaluation of financial access, usage and capability among the adults across Vanuatu.

The survey was undertaken towards the end of the National Financial Inclusion Strategy 2018 – 2023, with intentions to measure the success of this first strategy. Conducted by the Reserve Bank of Vanuatu (RBV) in partnership with the Vanuatu Bureau of Statistics (VBoS), the findings will provide important information to the Government, Reserve Bank of Vanuatu, Financial Services providers, Development partners, Private Sector and other important stakeholders in addressing financial inclusion in Vanuatu. Furthermore, it builds on the 2016 baseline and the supplemented Financial Inclusion supply side data, with the aim to inform the design of the Vanuatu second National Financial Inclusion Strategy 2025 – 2030.

The findings covered a total interview of 1,009 adults across 71 diverse enumeration areas, from Torba Province to Tafea Province, with insights across demographics, including gender, geography, age, education and income sources. Despite the progress in formal financial inclusion, rising from 47% in 2016 to 56% in 2024, the challenge of financial exclusion persists, particularly in rural communities, which majority of adults in Vanuatu earn income from agriculture, mostly are unbanked. Moreover, the findings also highlighted critical gaps in insurance awareness and adoption, low uptake of mobile money services and need for more awareness on green finance initiatives.

However, some positive results worth mentioning are; savings behavior significantly increased from 57% in 2016 to 70% in 2024, indicating growth in many informal savings groups and also informal credit also decreased. Formal savings increased (27% to 43%) though home savings still dominated, particularly among women (60%) and rural residents. Inward remittances also unveil positive growth through Money Transfer Operators and Banks, with women and urban residents more likely to receive funds. Finally, a large percentage (92%) of Vanuatu adult population have access to a mobile phone and 74% have access to a smart phone, this indicates a big potential for digital financial services.

I would like to thank the Alliance for Financial Inclusion (AFI) for the financial assistance in preparing this report and also the FinValue Advisors for the data cleaning, data analysis and report. I would like to thank the Vanuatu Bureau of Statistics (VBoS) for the survey oversight, training, data storage and data tabulations. Additionally, I thank the recruited Field Enumerators for the data collections and outstanding field work. Finally, I would like to thank the Reserve Bank of Vanuatu especially the Financial Inclusion Technical Advisory Committee for the oversight and coordination of the 2nd Demand Side survey.

In summary, as we strive towards a more sustainable, inclusive and resilient financial sector, I am confident that this report will guide strategic decision making, foster effective collaboration and accelerate a shared vision for the development of the National Financial Inclusion Strategy 2025 – 2030.

Acknowledgement

The Reserve Bank of Vanuatu expresses its heartfelt gratitude to all stakeholders who have contributed to designing and conducting the Financial Services Demand Side Survey (DSS) of 2024.

At the outset, we convey our deepest gratitude to the people of Vanuatu who participated in this survey and spared their valuable time to provide their responses.

We sincerely appreciate the efforts of the Vanuatu Bureau of Statistics for their role in undertaking this survey, recruiting enumerators, and conducting data collection across Vanuatu's remote provinces. The successful execution of this survey would not have been possible without the dedicated, on-ground team consisting of enumerators and their supervisors, who traversed the various islands of Vanuatu, often navigating challenging maritime conditions.

Our appreciation extends to the Alliance for Financial Inclusion (AFI) for their technical support and funding, which was instrumental in the analysis of the Demand Side Survey, and to FinValue Advisors Private Limited for their technical expertise in data validation, data analysis, and the drafting of this report.

We extend heartfelt appreciation to the Chairman and members of the Technical and Advisory Committee (TAC) of the Financial Inclusion Unit (FIU), the dedicated FIU team, as well as the Director and the staff of the Economic and Research Department for their unwavering support throughout this project.

As we shift our focus to addressing the gaps and opportunities highlighted by the DSS, we look forward to your continued support and collaboration. We invite further engagement from all partners and stakeholders, working together to ensure financial inclusion for all.

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Abbreviations

ATM	Automated Teller Machine
DFS	Digital Financial Services
DSS	Demand Side Survey
EA	Enumeration Area
EFTPOS	Electronic Funds Transfer at Point of Sale
GPFI	Global Partnership for Financial Inclusion
ID	Identification Document
KYC	Know Your Customer
MFI	Microfinance Institution
NFIS	National Financial Inclusion Strategy
PIRI	Pacific Islands Regional Initiative
RBV	Reserve Bank of Vanuatu
SIM	Subscriber Identity Module
VBoS	Vanuatu Bureau of Statistics
VNPF	Vanuatu National Provident Fund
VRDB	Vanuatu Rural Development Bank

Executive Summary

The 2024 Vanuatu Demand Side Survey (DSS) presents a nationally representative assessment of financial access, usage, and capability among adults in Vanuatu. Conducted by the Reserve Bank of Vanuatu (RBV) in partnership with the Vanuatu Bureau of Statistics (VBoS), the survey builds on the 2016 baseline and aims to inform the design of Vanuatu's second National Financial Inclusion Strategy (NFIS 2: 2025–2030).

The DSS interviewed 1,009 adults across 71 Enumeration Areas using a stratified, three-stage sampling approach. The survey provides disaggregated insights across gender, geography, age, education, and income sources.

Key Findings

- ❑ **Despite an increase in formal financial inclusion, financial exclusion, at an overall level, has shown an upward trend.** Formal financial inclusion increased to 56% in 2024 from 47% in 2016, driven by increased uptake of formal savings and remittance services. However, financial exclusion also rose to 43% as use of informal mechanisms declined sharply—from 21% to 1%—without adequate formal alternatives emerging. Rural areas and those dependent on agriculture remain disproportionately excluded.
- ❑ **Savings behavior among Ni-Vanuatu has shown improvement, yet some segments continue to save at home.** Savings behavior strengthened significantly, with 70% reporting saving activity, up from 57% in 2016. Although formal savings rose to 43%, savings at home remain a dominant choice, particularly among rural and female respondents. Savings groups continue to promote more frequent saving habits, especially in rural areas, but remain limited in reach.
- ❑ **The usage of formal credit and access to informal credit have both shown a downward movement at the same time.** Usage of credit fell from 46% to 14%, with formal access stagnant at ~7%. The sharp decline in informal borrowing (down to 9%) indicates reduced reliance on moneylenders and village groups. Barriers to credit include lack of perceived need, fear of debt, low repayment capacity, and high documentation requirements—especially among youth and informal workers.
- ❑ **The awareness, availability, and uptake of insurance continue to be critically low.** Only 4% of respondents hold any insurance, mostly motor vehicle-related. Awareness is very low, especially among women and informal sector workers. High costs, limited access, and negative experiences, such as claims delays and fraud, contribute to poor perceptions and low demand.
- ❑ **Remittances are increasingly assuming a vital position in Vanuatu's financial sector, but digital channels are yet to be fully tapped.** Around 44% of respondents reported receiving remittances, up from 33% in 2016. Women and urban residents are more likely to receive funds. Transfers are primarily routed through money transfer agencies and banks, with digital channels still underutilized.
- ❑ **The use of mobile money as a financial product and service remains extremely low:** Despite 92% of adults having mobile access and 74% owning smartphones, only 5% have a mobile money account, and just 2% used it in the past year. Major barriers include a lack of awareness, low trust, minimal use cases, and poor connectivity in rural areas.
- ❑ **There is limited appreciation, understanding, and knowledge of climate and green finance among people, but initiatives such as solar power are gaining traction.** Only 31% are aware of financial products to manage climate risk. Willingness to pay for such products is also low (10%), largely due to affordability constraints and lack of relevant, accessible offerings. However, there is high adoption and interest in solar energy, especially in rural areas, indicating potential to link clean energy with financial inclusion.

Building on these findings, this report outlines targeted policy recommendations to address the identified gaps across access, usage, and trust in financial services. Recommendations are designed to promote inclusive growth by strengthening last-mile delivery, enhancing financial product design, supporting underserved segments—particularly women and rural communities—and improving digital and financial capability to ensure meaningful and sustained financial inclusion.

Introduction

The Republic of Vanuatu launched its first five-year National Financial Inclusion Strategy (NFIS) in 2018 to improve access and usage of appropriate financial services for the Ni-Vanuatu population, and MSMEs. As the NFIS 1 concluded, the Reserve Bank of Vanuatu (RBV), in partnership with the Vanuatu Bureau of Statistics (VBoS), conducted the 2024 **Demand Side Survey (DSS)** to complement existing supply-side data and guide the design of **NFIS 2 (2025–2030)**.

Survey Methodology

The 2024 Demand Side Survey (DSS) is a nationally representative, household-based survey grounded in the 2020 Census. Using a stratified three-stage sampling design, 1,009 households were selected from 71 enumeration areas across all six provinces. One respondent aged 15+ was randomly chosen per household using the Kish Grid.

Enumeration was done using digital tools with manual protocols to ensure quality. The data analysis was conducted in STATA using probability-weights and disaggregated by gender, and was supplemented with stakeholder validation. The findings from the DSS will inform the design of NFIS 2, with a focus on gender, rural-urban disparities, climate resilience, and green finance.

Survey Objectives

The DSS aims to:

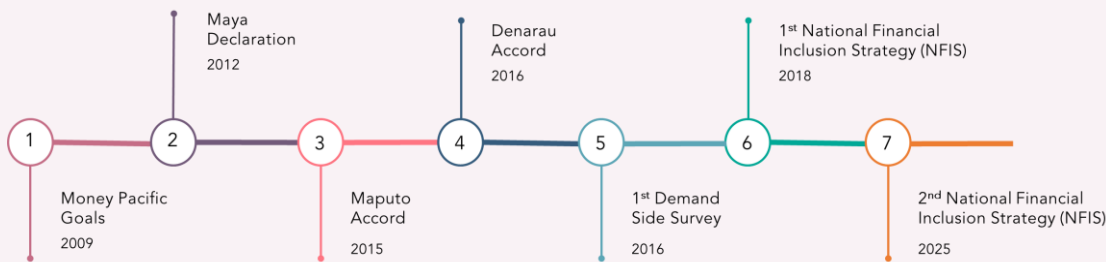
- ❑ Generate reliable, representative data on financial behaviors, needs, and constraints across Vanuatu
- ❑ Assess financial access, usage, and service quality among women, youth, rural populations, and MSMEs
- ❑ Identify key barriers to financial inclusion and opportunities to strengthen climate-resilient financial systems
- ❑ Complement supply-side data to support holistic, evidence-based financial inclusion policymaking
- ❑ Provide actionable insights for the design and prioritization of NFIS 2 (2025–2030)
- ❑ Support RBV and stakeholders in designing targeted, user-focused policy and program interventions to enhance financial resilience
- ❑ Encourage national dialogue through dissemination of findings and promotion of data-driven decision-making



Province	Torba	Sanma	Penama	Malampa	Shefa	Tafea
Sampling proportion	7.82%	17.36%	12.14%	18.22%	33.09%	11.37%

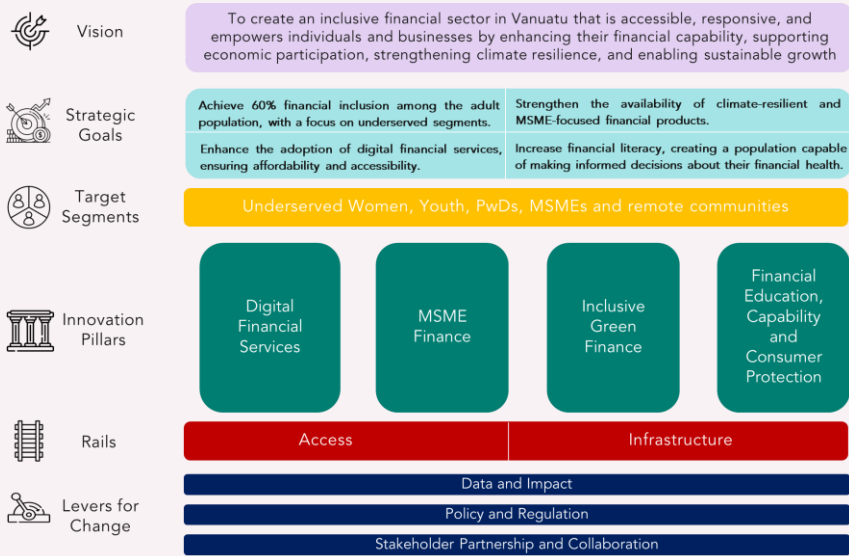
Overview

Vanuatu's Financial Inclusion Journey



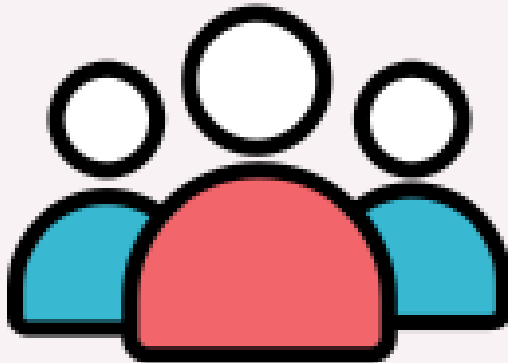
The 2024 DSS was implemented to track progress in financial inclusion since the implementation of the 1st NFIS and help design the 2nd NFIS.

Vanuatu's National Financial Inclusion Strategy (2025 - 2030)

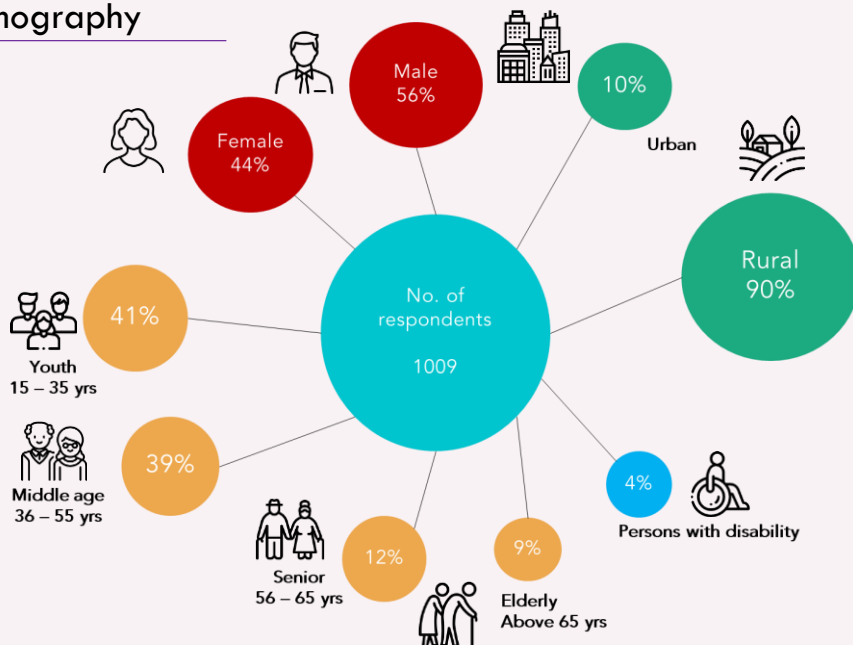


Vision: To create an inclusive financial sector that is accessible and responsive to the needs of individuals and businesses in Vanuatu, contributing to their economic empowerment, climate resilience and sustainable growth.

The People of Vanuatu



Demography

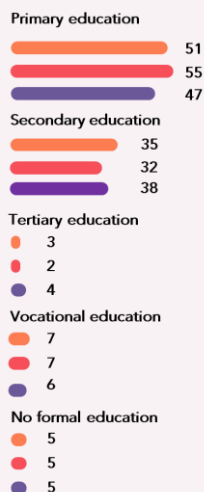


Vanuatu's population is predominantly within the working-age group, with 41% aged between 15 to 35 years and 39% aged between 36 to 55 years. Older age groups are less represented, with just 12% aged between 56 to 65 years and only 9% aged 66 years or above.



Education

By gender (%)



A majority of respondents (51%) have completed **primary education**, followed by 35% with **secondary education**.

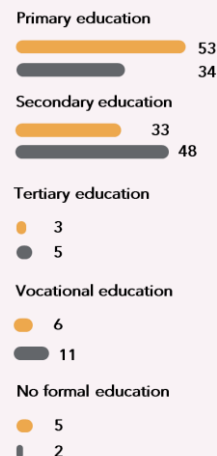
Men are more likely to have only primary education (55%) compared to women (47%). In contrast, women show slightly higher representation in secondary and higher education.

Educational attainment is notably higher in **urban** areas, where 64% have secondary education or above, in contrast to rural areas where 53% have been educated only up to the primary level.

The majority of respondents can read **Bislama** (93%) followed by **English** (74%). However, French literacy is lower at 24%. Only 3% of respondents reported being unable to read in any of the listed languages.

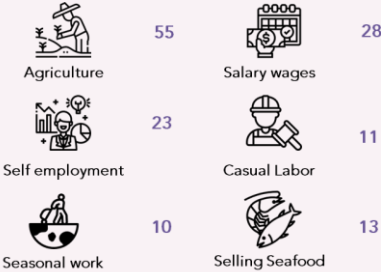
■ Total N = 1009
 ■ Male N = 514
 ■ Female N = 495
 ■ Rural N = 611
 ■ Urban N = 398

By rural/ urban (%)



Livelihood

Main sources of HH income (%)*
N = 1009



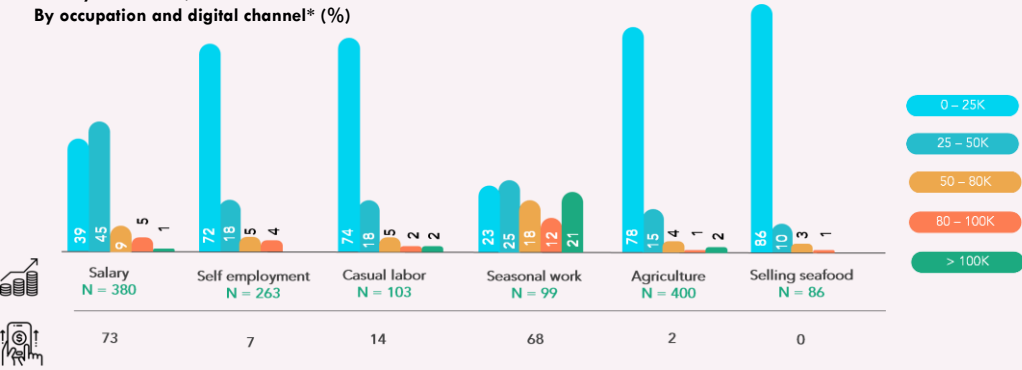
Livelihood trends
By rural-urban* (%)



In 2024, agriculture remained the fundamental source of income for Ni-Vanuatu households, with 55% earning primarily from farming or livestock activities and 60% of rural households relying on it. While formal employment is 28%, it remains heavily an urban feature (66%) compared to 24% in rural areas. Likewise, self-employment, at 23%, remains more prevalent in urban areas (35%) than rural areas (22%). Other sources like casual labor (11%), seasonal work abroad (10%), and fishing (13%) contributed to livelihoods, while income from remittances, handicrafts, and capital investments played a smaller role.

These trends point to a **shift toward subsistence livelihoods**, persistent rural dependence on agriculture and limited formal income opportunities.

Weekly HH income,
By occupation and digital channel* (%)



Households earning from **formal employment** show relatively **higher weekly incomes**, with 60% earning above Vatu 25,000. In contrast, the majority of those engaged in **agriculture (78%), non-farm self-employment (72%), casual labor (74%), and fishing (86%) earn less than Vatu 25,000** per week, reflecting the low-return nature of informal and subsistence-based livelihoods. **Seasonal work** (via Recognized Seasonal Employers) stands out, with **51%** of households earning above Vatu 50,000, highlighting its significance as a high-income opportunity compared to other income streams. This underscores the limited earning capacity of informal and subsistence activities and the economic advantage of formal and overseas employment opportunities.

Access to financial services remains unequal, with 73% of formal workers and 68% under the seasonal worker scheme receiving income through banks or mobile money, while only 2–14% of those in informal employment do so, thereby revealing significant absence of basic rails for financial inclusion.

*Multi-select

Infrastructure

N = 1009

Materials used in



Dwelling

Tin/ iron
42%

Concrete/ brick
38%



Cooking source

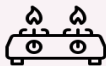
Wood
83%

**Cooking gas/
electricity**
16%

Housing structures are mostly permanent **tin/ iron** structures or made of concrete, reflecting moderate infrastructure development.

Most households in Vanuatu rely on **wood for cooking** (83%) and lack possession of appliances like washing machines (93%) and TVs (78%), though a high proportion (87%) report having internet access.

HHs with access to



Stove

36%



Washing machine

7%



TV

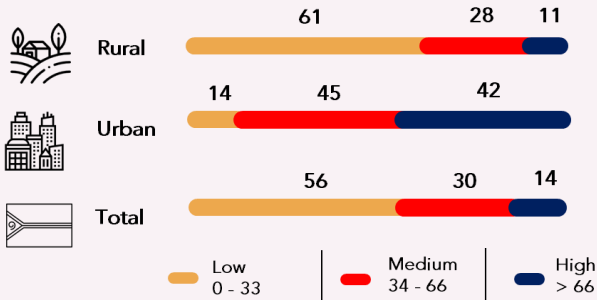
22%



Wi-Fi

87%

Vanuatu's Standard of living index (%)



The standard of living in Vanuatu is significantly **lower in rural areas**, with 61% of rural households falling in the lowest score category (0–33), compared to just 14% in urban areas. In contrast, 42% of urban households enjoy higher living standards (>66), highlighting a stark rural-urban divide.

At the national level, though, the standard of living remains **poor**.

Note: Standard of living was calculated by assigning scores based on household conditions (having permanent or concrete walls, a stove, using electricity or cooking gas, owning a washing machine, TV, and Wi-Fi). Scores were then consolidated at the household level and normalized on a scale of 1–100 and divided into three equal categories: low (0–33), medium (34–66), and high (67–100).

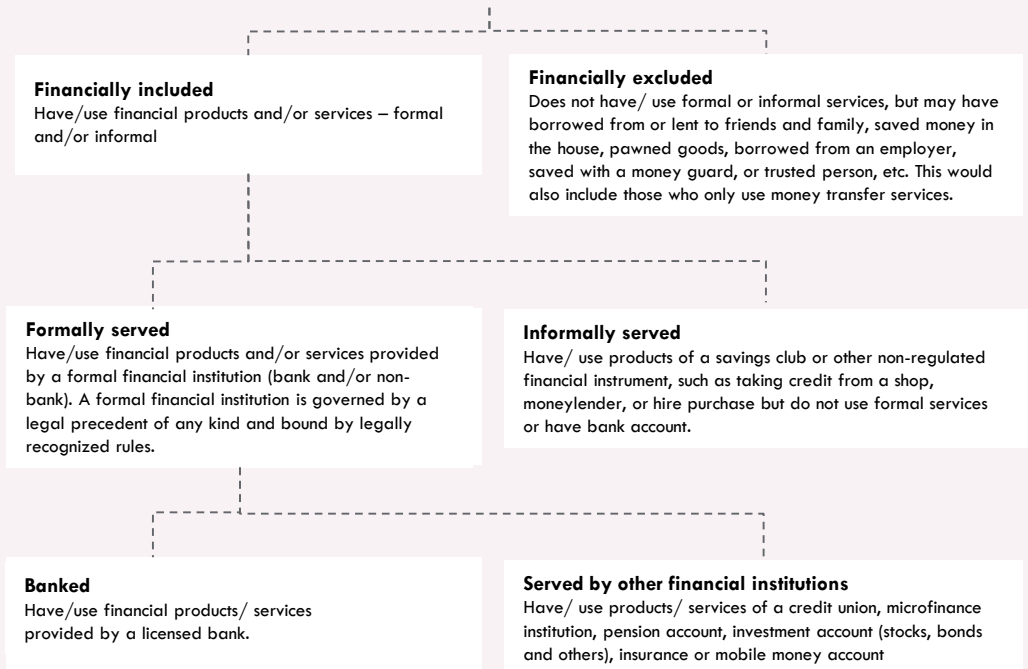
State of Financial Inclusion: Access and Usage



Financial Inclusion Strand

The financial inclusion strand has been analyzed and categorized based on the definition outlined below. The strand considers access and usage trends over the past 12 months

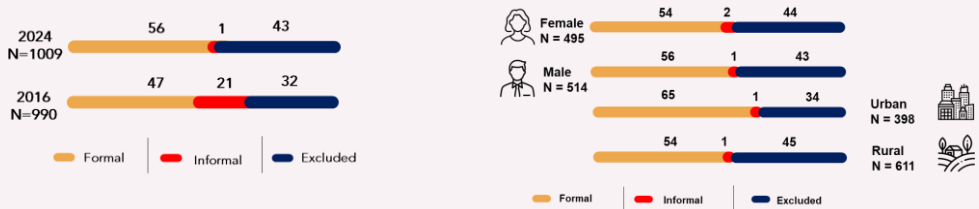
Adult population (15 years and older) in Vanuatu



Financial Inclusion Strand for 2024			DSS 2024
Formal	People who have an account with any formal service provider or have used services from a formal service provider over the past 12 months	Commercial bank, microfinance institution, mobile wallet, VNPF, VRDB, long term investments, credit institution, credit union, village association or cooperatives	56%
Informal	People who are not included in the 'Formal' strand and have used services from informal service providers over the past 12 months	Savings group, money lender, Hire purchase, Layby, credit for small things at the shop	1%
Excluded	People who do not have/ use 'Formal' or 'Informal' financial services	Family/ friends, home, loan from employer, pawning	43%

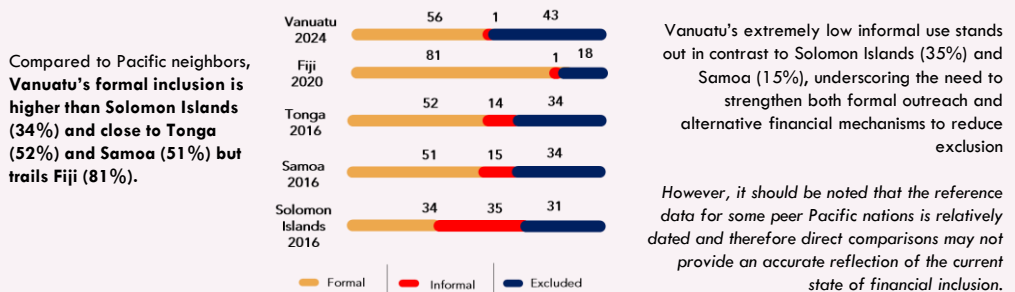
Financial Inclusion Strand

Vanuatu's Financial Inclusion Strand (%)

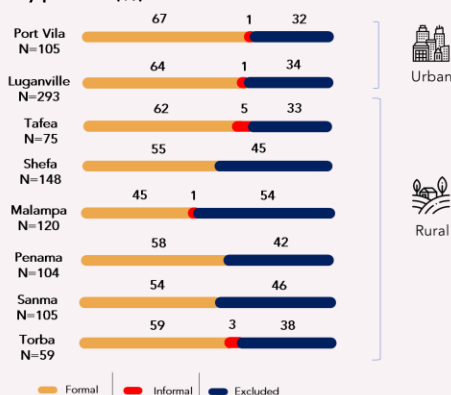


The **2024** data shows that **56%** of individuals in Vanuatu are **formally included** in the financial system, **up from 47% in 2016**. **Financial exclusion, however, remains high at 43%**, a notable rise from 32%, while the use of informal services has dropped sharply from 21% to just 1%. This suggests both a shift to formal channels or a weakening of informal systems like savings groups. Urban areas lead in formal inclusion (65% vs. 54% in rural areas), with exclusion more pronounced in rural communities (45%). Gender differences are minimal.

Financial Inclusion Strand across PIRI members (%)



Financial Inclusion, By province (%)



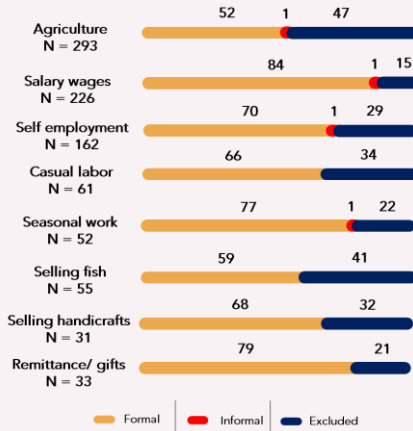
Financial inclusion levels vary significantly across Vanuatu's provinces. **Port Vila (67%) and Luganville (64%) report the highest levels of formal inclusion**, reflecting better access to financial infrastructure in urban centers. In contrast, **Malampa has the lowest formal inclusion (45%)** and the highest exclusion rate (54%), followed closely by Sanma and Shefa. Tafea stands out for relatively strong inclusion (62%) and the highest use of informal services (5%).

Overall, financial exclusion remains high in several provinces, particularly rural ones, highlighting persistent geographic disparities in access to financial services.

Financial Inclusion Strand



**Financial Inclusion strand,
By income source (%)**

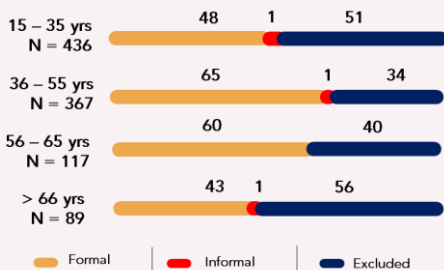


Formal financial inclusion is highest among individuals earning salary wages **from formal employment (84%)** and those receiving remittances or gifts (79%), reflecting stronger links to the formal financial system.

Those engaged in non-farm self-employment (70%) and the seasonal worker scheme (77%) also show high formal inclusion. In contrast, individuals relying on agriculture (52%), **fishing (59%), and casual labor (66%)** show **lower inclusion**, with up to 47% of those with agricultural income being financially excluded



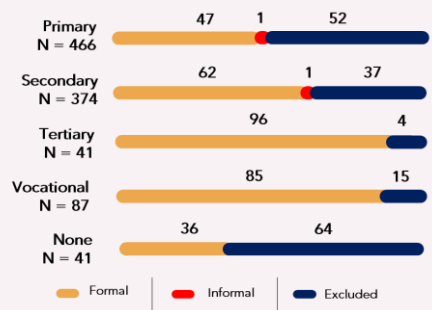
**Financial Inclusion Strand,
By age (%)**



Formal financial inclusion in Vanuatu is **higher** among **middle-aged adults (36–55 years, 65%)** and those with **higher education levels (62% secondary, 85% vocational, 96% tertiary)**. Younger (15–35 years) and older (66+) age groups, as well as those with little or no education, face greater exclusion, highlighting the direct link between education, age, and financial access.



**Financial Inclusion Strand,
By education (%)**



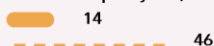
Benchmarking Financial Inclusion

Savings and Loan Behavior (%)

Account with a formal financial institution



Loan in the past year (from any source)



Loan from a financial institution in the past year



Saved any money in the past year (self reported)



Saved any money at a financial institution in the past year (bank, credit union or MFI)



The proportion of people with an **account at a formal financial institution** has slightly **increased from 39% in 2016 to 56% in 2024**. However, the percentage of individuals taking loans has **sharply declined**, from **46% in 2016 to just 14% in 2024**.

In contrast, **savings behavior has improved**, with **70%** of respondents reporting **saving money in 2024**, up from 59% in 2016. Notably, savings at formal institutions have increased, from 27% to 43%, reflecting a shift towards greater financial inclusion and self-reliance, as people prioritize building financial reserves over borrowing.

Benchmarking across GPFJ indicators (%)

Indicator	Lower-middle income countries 2021	Vanuatu 2024	Upper-middle income countries 2021
Account with a formal financial institution	58.5	56	83.8
Loan from a financial institution in the past year	11.7	5.1	35
Saved any money at a financial institution in the past year (bank, credit union, or MFI)	12.6	43.4	35.8
Mobile money account	13.9	4	9.9

In 2024, **Vanuatu is slightly below (56%) the 2021 average for lower-middle-income countries (59%) and well below upper-middle income countries (84%) as per the Global Findex**.

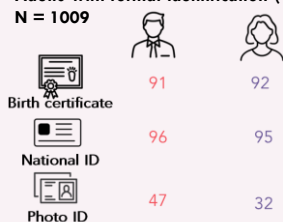
While Vanuatu **outperforms** both lower and upper-middle income countries in terms of **savings** with 43% of respondents having saved money at a financial institution over one year, the country **significantly lags** in credit access, with only **5%** of respondents securing a loan from any source, well below the averages for both income groups (12% and 35% respectively), highlighting significant gaps in formal credit availability.

Financial Infrastructure



Adults with formal identification (%)

N = 1009



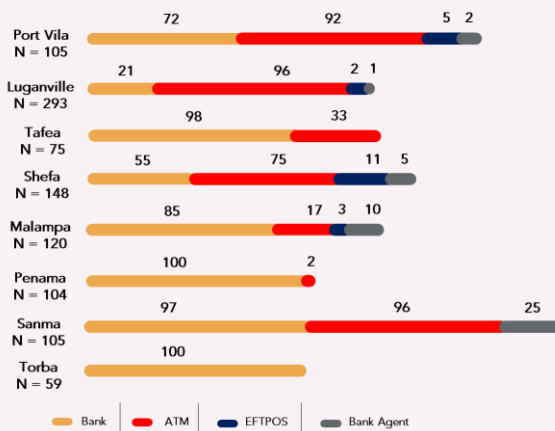
The vast majority of adults have basic formal identification, such as a birth certificate or national ID (over 90%). However, ownership of other photo IDs, such as driver's license, passport, VNPF card, etc., is significantly lower (47%).

Knowledge about the presence of nearby bank branches is highest in Torba, Penama, and Tafea, with nearly all adults in these provinces reporting awareness of a local bank. In contrast, **awareness of ATMs is much more variable—extremely low in Torba and Penama (0–2%)** but very **high in Sanma, Luganville, and Port Vila** (over 90%).

Awareness of EFTPOS and bank agents is generally low across provinces, with only Sanma showing moderate familiarity with bank agents (25%).

This suggests significant disparities in financial literacy or exposure to financial services across regions

Adults that know of a financial access point close to their home* (%)



Urban

Rural

Bank ATM EFTPOS Bank Agent

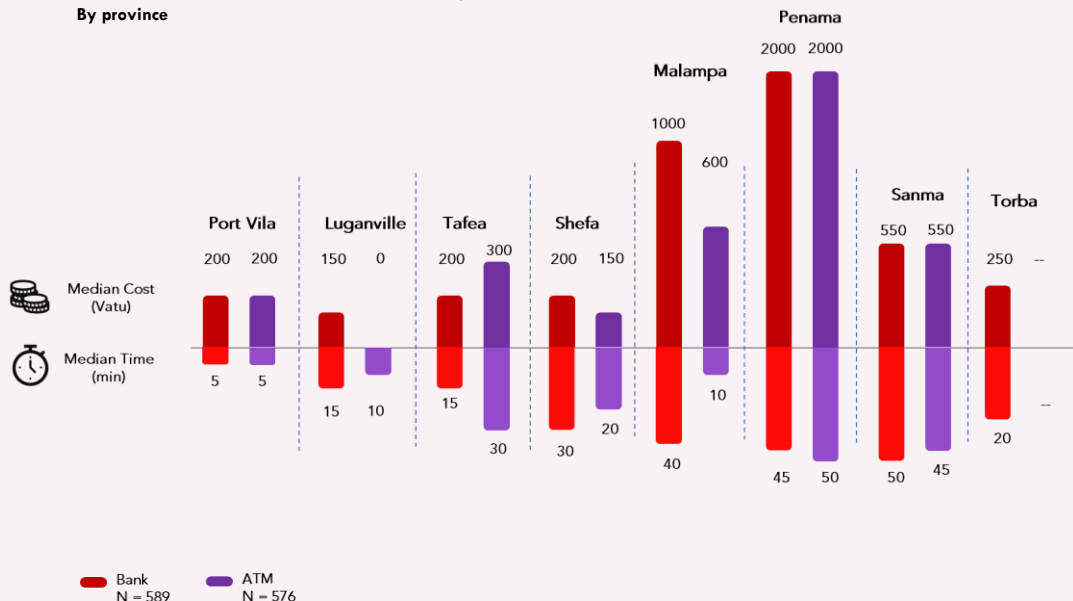
Reported distance to reach the nearest access point (%)

	≤ 5 kms		6 – 10 kms		11 – 20 kms		21 – 30 kms		31 – 40 kms		> 40 km	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
Bank branch or affiliate N = 632	37	99	21	1	19	-	9	-	7	-	9	-
ATM N = 617	22	99	19	1	19	-	15	-	10	-	15	-
EFTPOS N = 32	0	100	52	-	23	-	-	-	-	-	25	-
Bank agent N = 52	23	100	3	-	11	-	14	-	27	-	23	-

Bank branches are the most accessible channel for financial services in rural areas. Approximately 77% of rural respondents report that the nearest bank branch is within 20 km, whereas 99% of urban respondents have access to a bank within 5 kms. In contrast, access to ATMs is more limited – about 40% of rural respondents must travel over 20 kms to reach an ATM, including 15% who travel more than 40 kms and possibly across islands.



Median cost and time to access financial services,
By province



Time taken to access bank branches ranges from 5 to 50 minutes, with Torba, Tafea, and the two economically important centers of **Port Vila and Luganville** being the quickest at under **20 minutes**. Costs of travel/access to services vary significantly within rural provinces, from Vatu 250 in Torba to Vatu 2000 in Penama.

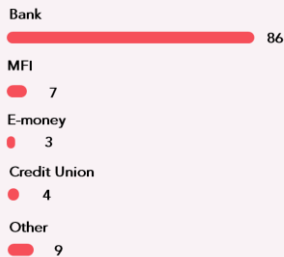
ATM access is quicker for most provinces, with Port Vila at 5 minutes. In Penama, the time taken to access an ATM is higher than that for a bank branch, reflecting its remoteness even further. The **costs** incurred in accessing and using an **ATMs** are generally **lower** when compared with **bank branches**, with Shefa at Vatu 150 and Luganville at no cost, making ATMs more time-efficient and cost-effective than banks.

Account Ownership

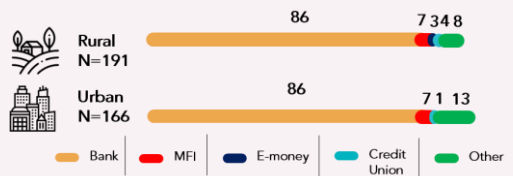


Note: This section on account ownership and usage is subject to a **key methodological limitation**. Due to an error with the design, the survey missed including a question specifically asking whether the respondent 'personally' owns a formal account, which should have been the basis for all related follow-up questions. Instead, the follow-up questions were linked to a preceding question about whether 'any household member' owns a formal account. As a result, it is unclear if respondents answered these questions based on their own account or another household member's account. Additionally, this issue reduced the effective sample size for this section to 357 respondents. **Hence, the findings presented below should be interpreted cautiously.** It is also important to note that this limitation affects only the account ownership section; all other sections and analyses in the report are based on robust and properly framed data.

Formal account ownership (%) N=357

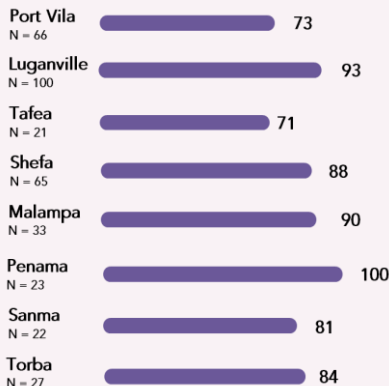


Formal account ownership, By rural-urban* (%)



Among account holders, the **vast majority (86%)** own traditional **bank accounts**. A smaller proportion, especially in rural areas, use alternative financial services, with 7% holding accounts at microfinance institutions (MFIs), 4% with credit unions, and only 3% using e-money accounts. This suggests that while formal banking remains the dominant channel, there is some uptake of financial products from diverse service providers, though digital or mobile-based accounts remain limited.

Bank account ownership, By province (%)

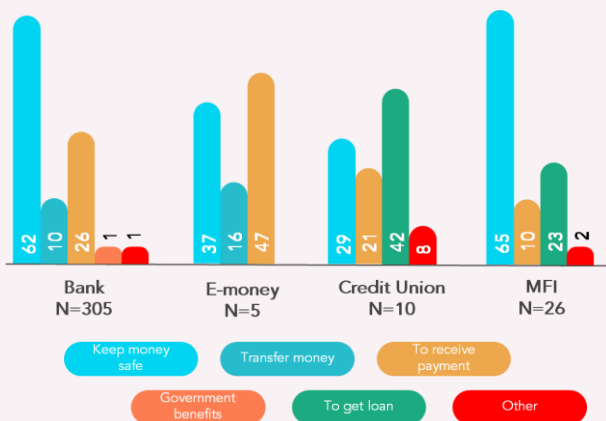


Overall bank account ownership is high across regions (86%), with near-universal access in Penama (100%) and Luganville (93%). Ownership is lowest in Tafea (71%) and Port Vila (73%), indicating some regional disparities.

Account Ownership



Reasons for opening an account* (%)



Across all account types, the most common reason for opening an account is **to keep money in a safe place**, particularly for **bank (62%)** and **MFI (65%)** accounts. For **e-money accounts**, however, a larger proportion (47%) opened them specifically **to receive payments**, while **credit union** users were relatively evenly split across reasons. Notably, **credit unions** had the highest share of users (42%) followed by 23% among MFI users, citing **access to loans** as the main reason, unlike bank and e-money users, where this reason was negligible.

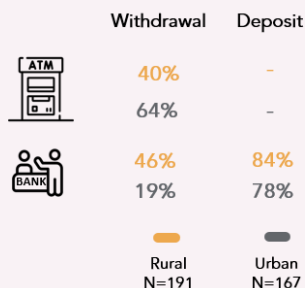
This suggests a **functional segmentation**—bank and MFI accounts are primarily used for saving, e-money for payment receipts, and credit unions for borrowing needs

54% of MFI users opened their accounts **within 30 minutes**, compared to **28% of bank users** who took **less than 10 minutes** to open their accounts. Both groups reported a **median account opening fee of Vatu 1,000**. Experiences with minimum balance requirements were mixed across both banks and MFIs.

Requirements to open an account (%)

	Bank N = 305	MFI N = 26
Minimum balance needed	41% Yes	66% Yes
Account fee	Vatu 1000 Median	Vatu 1000 Median
Time taken to open account	28% < 10 min 32% > 1 hour	54% < 30 min 30% > 1 hour

Channel preferences



There is a clear rural-urban divide in account usage patterns. **Urban** users rely more on **ATMs** for cash withdrawals (64%), while **rural** users prefer **over-the-counter withdrawals** at bank branches (46%).

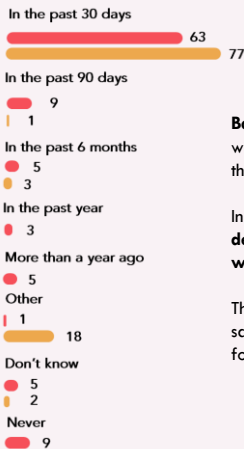
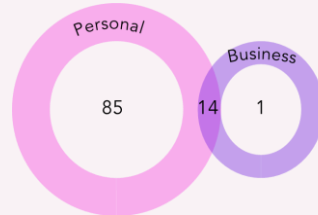
While depositing, both groups overwhelmingly use the bank counter (Rural: 84% and Urban: 78%)

Account Ownership



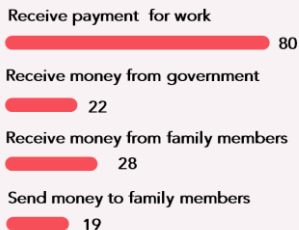
The vast majority (**85%**) of account holders **use their accounts for personal transactions**, with only 1% using them solely for business and 14% using them for both purposes.

Account usage - transaction types (%)



Reason for account usage* (%)

N = 305



In the past year, **80%** of account holders used their accounts to **receive payments for work**, while smaller proportions used them to receive government transfers (22%), receive remittances from family (28%), or send money to family elsewhere (19%).

Account Ownership



Internet Banking

Only about **13%** of account holders have signed up for internet banking, indicating low uptake of digital banking services among respondents.

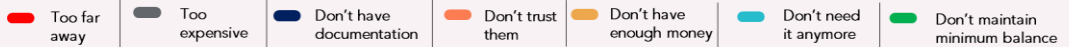
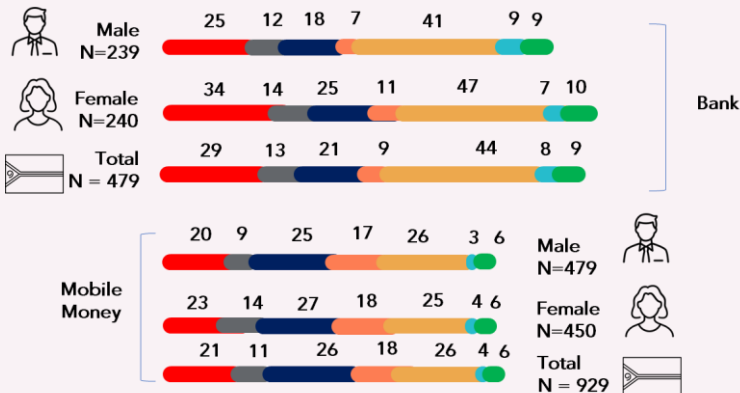
Lack of awareness and digital literacy are the main barriers to internet banking use: nearly 77% of non-users either don't know how to use it (46%) or have never heard of it (30%). Network issues and cost are lesser but notable challenges.



Debit card usage

About **43%** of respondents have a local debit card, mostly used 1-2 times per month, while only 7% have an international debit card, with less frequent usage. A significant portion of international cardholders (38%) do not use their card monthly.

Reasons for not having account,
By gender* (%)



The main barriers to account ownership are **lack of money** (especially for bank accounts at 44%), **distance** (29% for banks vs. 21% for mobile money), and **missing documentation** (21% for banks, 26% for mobile money), with rural populations and women disproportionately affected. Notably, the relative importance of the barriers in 2024 display similarity with that in 2016.

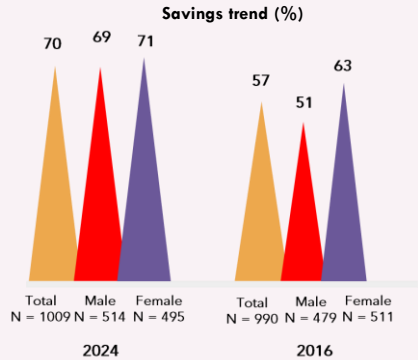
This suggests that financial inclusion efforts need to address affordability, proximity, and KYC requirements—especially for underserved groups—while also recognizing that mobile money, though more accessible, still faces trust and documentation-related challenges.

Savings

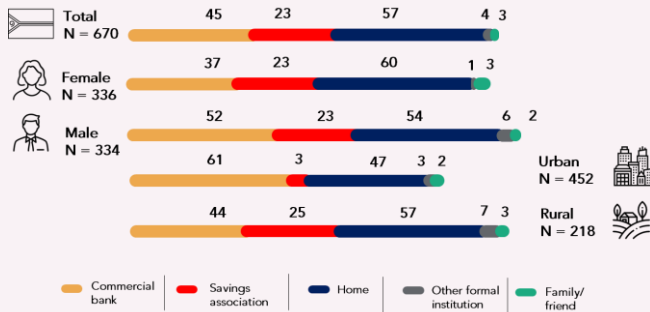


Savings behavior has improved notably since 2016, with **70%** of respondents in 2024 reporting they saved money in the past 12 months—up from 57% in 2016.

There's a sharp rise in savings among men (51% to 69%) and consistently strong rates among women (71%), reflecting overall improvement in financial habits.



Places to save* (%)



Most respondents stored money at **home (57%)** or in **commercial banks (45%)**, with urban residents more likely to put their money in banks (61%) than rural ones (44%). Women were more likely to save at home (60%) as opposed to men (54%). However, men are more likely (52%) to save in a bank as compared to women (38%).

The use of **informal groups**, such as village savings associations, was significantly **higher in rural areas (25%)** than in urban areas (3%), reflecting a higher reliance on informal or community-based options in rural locations.

Perception of different institutions* (%)



Safest



Quickest



Most Convenient

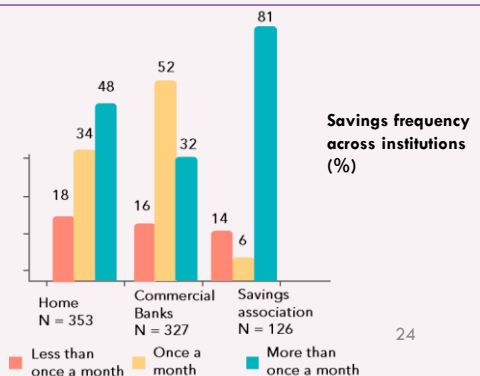
Bank
N - 327

Home
N = 353

Respondents overwhelmingly view commercial banks as the **safest** place to save (93%), while **home saving** is seen as the **quickest to access** (69%) and **most convenient**. **Village associations** are valued as a middle ground, especially for **safety (29%)** and **low charges (14%)**, highlighting their role in accessible community-based saving.

Respondents who saved in savings/village associations did so most frequently—**81%** saved more than once a month up from **56%** percent in 2016. In comparison, 48% of those saving at home and 32% of those using commercial banks saved more than once a month.

Once-in-a-month saving was most common among bank users (52%), while infrequent saving (less than once a month) was relatively low across all methods. This suggests that savings groups foster more regular saving habits.



Savings



Main reasons for saving* (%); N = 670

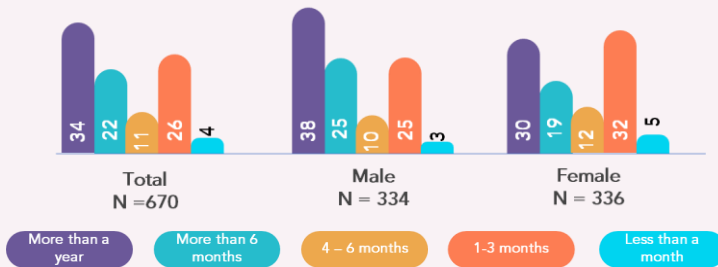


Savings are largely motivated by **future security and some essential life-cycle needs**, with the **top reasons being emergency preparedness (62%)** and **children's education (56%)**. A substantial share also save to have **liquid funds available during times of need (46%)** and to **improve or buy housing (31%)**.

Fewer respondents reported saving for old age (20%) or business investment (19%), suggesting that saving behavior is primarily driven by short- to medium-term household needs rather than long-term wealth building or retirement planning.



Ability to live off savings (%)

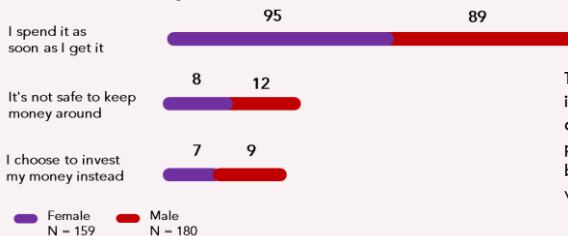


Confidence in achieving long term goals (%) N = 670



Over half of savers (56%) retain savings for more than six months, indicating medium- to long-term saving habits, especially among men. This aligns with the financial optimism expressed by 83% of respondents, who feel confident about achieving their long-term goals.

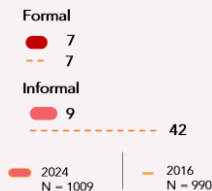
Reasons for not saving* (%)



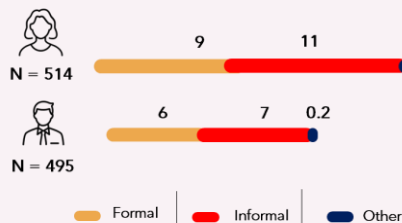
The dominant barrier to saving is immediate spending needs, particularly among women. Concerns about safety or preference for investment remain minimal, but are more pronounced for men than women.



Credit availed trend, By type (%)



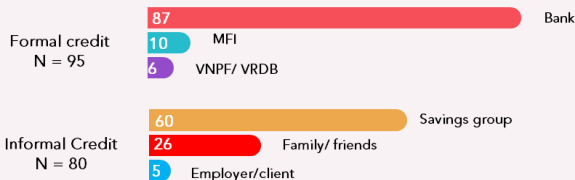
Credit strand, By gender (%)



The data shows a **notable shift** away from informal credit sources in the past decade.

Informal borrowing dropped significantly from 42% in 2016 to just 9% in 2024, while access to formal credit remained nearly unchanged at around 7%. This suggests a **declining reliance on informal lenders**, but no corresponding increase in formal sector credit.

Sources of credit* (%)



Among those who accessed formal credit, bank loans (87%) were by far the most common source across all groups. Women (17%) and urban respondents (16%) reported greater use of microfinance institutions, while men (98%) predominantly accessed credit through banks.

For those accessing informal credit, the **savings groups** are the most common source (60%), especially among **women** compared to men (75% vs 41%) and in both rural and **urban** areas (59% vs 71%). Family and friends (26%) are also a key source, particularly for men and in rural communities.

Informal credit group users primarily avail loan to manage regular expenses, cover education costs, and contribute to social ceremonies, reflecting short-term, community-linked needs.

In contrast, those taking loans from formal banks focus more on long-term goals like purchasing property or vehicles and funding education, indicating a more asset-building and future-oriented approach.

Reason for availing credit* (%)

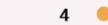
To help with regular expenses



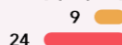
Pay for education



Buy a car/ bike



Buy property



Invest in business



Social ceremonies/ celebrations



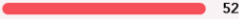
Credit



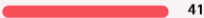
Reasons for not having a loan* (%)

N = 969

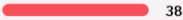
Do not need credit



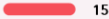
Do not want to be indebted to others



Do not have enough money to repay loans



Loans have high interest



Do not have a guarantor



Can't access loans which are large enough for my needs



Other



Do not know enough lenders in my area



Among those **without loans**, the most common reasons are a **lack of perceived need for credit** (52%) and a desire to avoid indebtedness (41%). About 38% report that they do not have enough money to repay loans, highlighting **financial insecurity as a key barrier**.

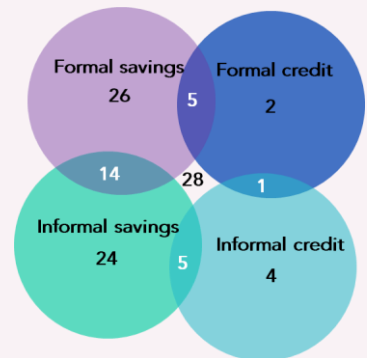
Other reasons point to structural issues such as high interest rates, the absence of a guarantor, or the unavailability of lenders offering adequate loan amounts. Together, these responses reflect both individual preferences and systemic limitations that constrain access to formal and informal credit.

A significant portion of respondents rely exclusively on either formal (26%) or informal (24%) savings. Use of credit, whether formal or informal, is much lower when taken alone. About 14% use both formal and informal savings, and 5% access both informal savings and credit.

Notably, **28% of respondents have no access to either savings or credit**, highlighting a substantial financially underserved segment and suggesting the need for targeted policy interventions to enhance financial inclusion and address the barriers preventing broader access to financial services.

Most common savings and credit instrument combinations (%)

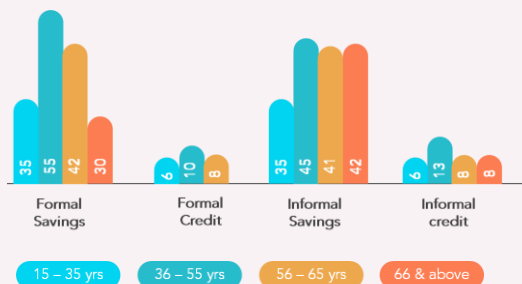
N = 1009



Adults using formal and informal instruments,

By age (%)

N = 1009



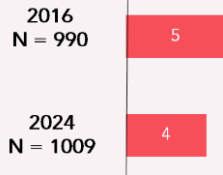
Adults aged **36–55 years** exhibit the highest engagement with both formal and informal financial instruments. In contrast, younger adults (15–35) show lower participation, indicating potential barriers to financial access or differing financial priorities among age groups.

Note: Unlike the earlier classification used for the Financial Inclusion strand, the analysis here for formal and informal instruments includes credit from friends/family, employers, or pawning, and savings kept at home as part of informal sources.

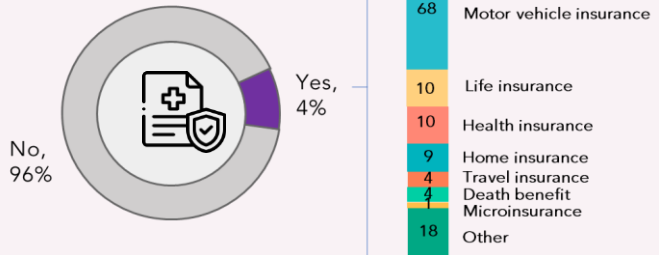
Insurance



Insurance ownership trend (%)

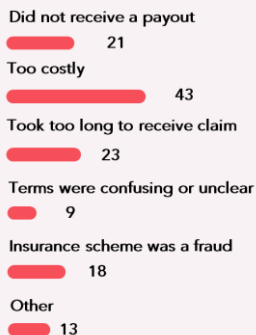


Adults with insurance (%) N = 1009



Insurance coverage is extremely low at 4% (5% in 2016), with slightly **higher uptake** among **urban residents (10%)** and **men (5%)**, indicating limited access and/or perceived value of insurance, particularly in rural areas. **Motor vehicle insurance** is the **most common** type of coverage (68%), while all other forms—including life and health insurance—are held by only about 10% or fewer, indicating limited diversification and low prioritization of insurance types beyond vehicles.

Experience with insurance* (%) N = 63



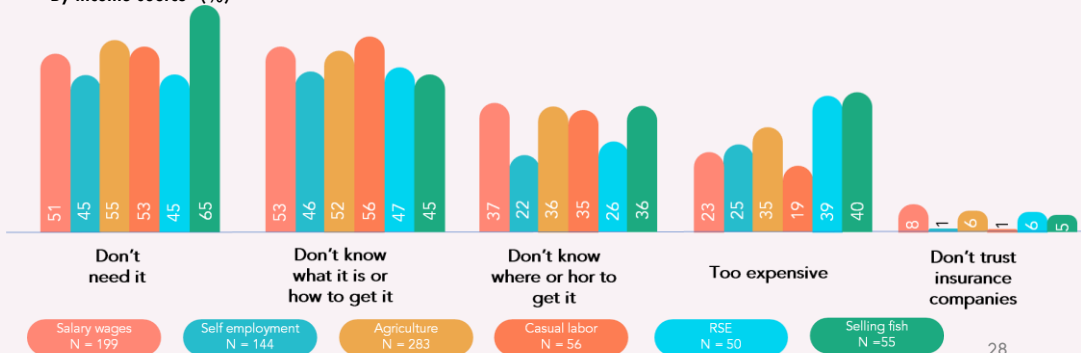
The **most common issue** experienced with insurance was **high cost (43%)**, followed by **delays in claims (23%)** and lack of payout (21%), with 18% reporting fraudulent schemes—highlighting widespread mistrust and dissatisfaction with insurance services

The top reasons for not having insurance are **lack of awareness (55%)** and **perceived lack of need (49%)**, followed by limited access (37%) and high cost (28%), indicating major gaps in financial literacy and accessibility.

The main barriers to insurance vary by income source:

- ☐ Lack of awareness (“don’t know what it is or how it works”) is the top reason overall (55%), especially among casual workers (56%) and salaried workers (53%).
- ☐ Perceived lack of need is highest among those selling fish/seafood (65%) and agricultural workers (55%).
- ☐ Cost is a significant barrier for those with agricultural income (39%) and fish/seafood sellers (40%), indicating affordability challenges in informal sectors.

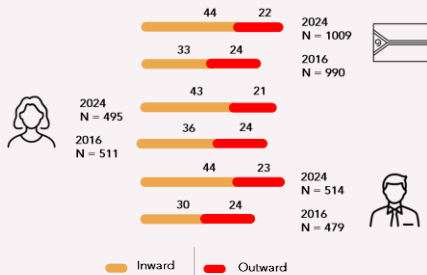
Reason for not having insurance, By income source* (%)



Remittance

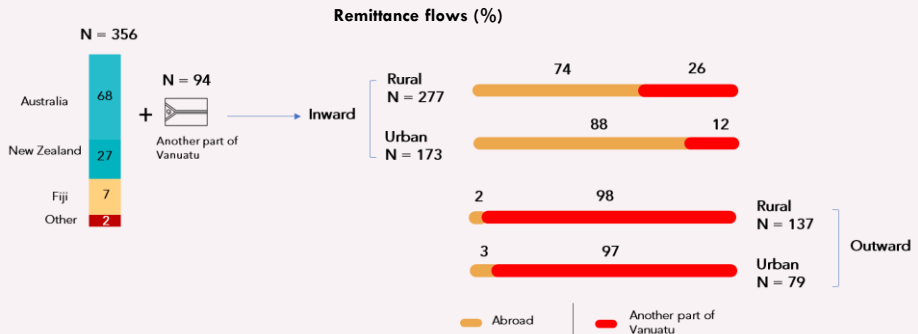


Remittance strand, By gender (%)

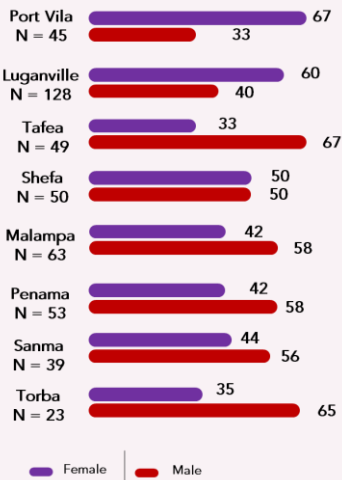


Vanuatu experienced an overall rise in remittance inflows, increasing from approximately 33% in 2016 to over 44% of the population receiving funds from abroad in 2024. This growth reflects the expanding role of remittances in supporting household incomes. Conversely, the proportion of individuals sending remittances abroad declined from about 24% to 22%, indicating a net positive inflow of funds into the country.

The proportion of people receiving **inward remittances increased** significantly in 2024. This growth is seen across both gender, with **male** recipients rising from **30% to 44%** and **female** recipients from **36% to 43%**. It is interesting to note that adults aged **36 to 55** were the most likely to receive remittances, accounting for 39% of recipients, closely followed by the 15 to 35 working age group at 36%.



Remittance, By province and gender (%)



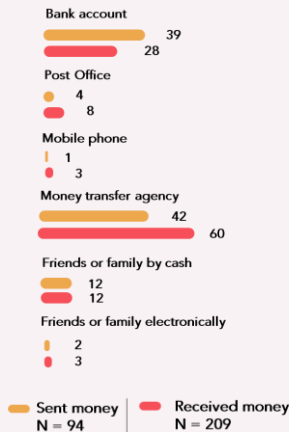
In 2024, over **75%** of adults in Vanuatu reported **receiving remittances** from international sources. More people (88%) in urban areas received remittance from international sources than those living in rural areas (74%). The most predominant remittance originating countries are Australia and New Zealand. This trend reflects the growing impact of overseas employment, particularly through **seasonal labor** programs, on urban household incomes. In contrast, rural communities received remittances from both international and domestic sources, indicating a continued dependence on these transfers due to limited local income opportunities.

Outward remittances to overseas destinations remained minimal, with ~98% money staying within Vanuatu. This pattern suggests Vanuatu's status as a net remittance-receiving nation, where internal transfers play a significant role in supporting rural economies.

Remittance



Remittance channel (%)



Domestic money transfers within Vanuatu predominantly utilized money transfer agencies and similar services, accounting for **42% of inward and 60% of outward** transactions. Bank transfers were the next most common method, comprising 39% of inward and 28% of outward flows. Cash transfers via relatives or acquaintances represented 12% for both directions. Mobile phone-based transfers remained minimal, indicating limited adoption of digital financial services.

Remittances were predominantly received or sent on a **monthly basis** (46% and 36% respectively), or quarterly (inward: 27%, outward: 46%), highlighting the regularity of these financial exchanges within the country. The majority of remittance recipients received modest amounts, with approximately **67%** reporting annual receipts **between Vatu 1 - 50,000**, followed by 28% receiving between Vatu 50,000-250,000.

Use of inward remittance* (%) N = 450

Remittances were primarily used for **personal expenses**, followed by education and health expenses. Men were more likely to allocate remittances for daily and medical expenses, while women prioritized education and emergency situation.

Approximately **21%** of remittance recipients and 18% of senders in Vanuatu reported facing **challenges** during transactions. Notably, women encountered more difficulties receiving funds (24%), while men experienced more issues when sending (21%).

Rural residents reported a higher incidence of facing challenges both while sending and receiving remittances (22% and 20%) compared to their urban counterparts (5% and 10%), re-highlighting ongoing disparities in financial access and infrastructure.

Challenges faced by both recipients and senders included factors such as **distant access points** (17%-32%) and **lack of formal identification** (19%-24%) and **high cost of transaction** (9%-18%). The other challenges reported for **inward remittances** were **lack of cash** with the agent (20%). These issues were more pronounced in rural areas and among women, highlighting the need for improved financial infrastructure and services.

Personal expenses including meals, paying utilities



Education



Health expenses



Dealing with unforeseen circumstances



Building or renovating



Paying for traditional ceremonies

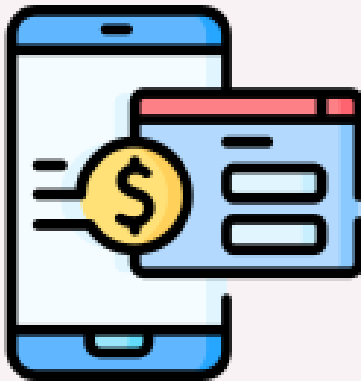


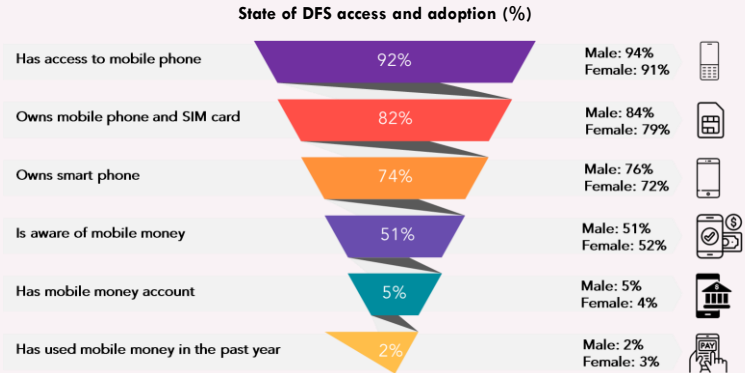
Village and religious obligation



Female Male

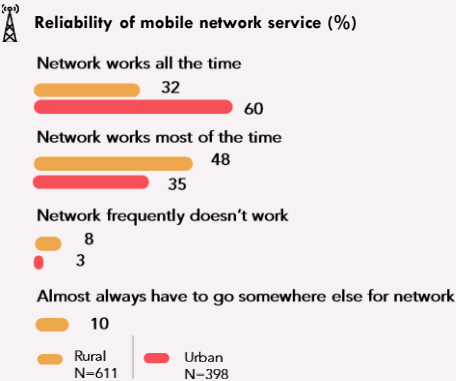
State of Digital Financial Services: Access and Usage





In 2024, **mobile phone** ownership in Vanuatu was widespread, with over **92%** of adults having regular access to a mobile phone and approximately 82% own a mobile phone and a SIM card. The **primary barrier** to mobile phone ownership is financial, with 39% citing the **inability to afford a device**. Additionally, 27% rely on shared phones, and 25% feel no personal need for a phone. Smartphone ownership stood at nearly 74%.

Across most parameters above, men have higher access and ownership of mobile phones and related services compared to women. However, women slightly surpass men in awareness of mobile money (52% vs. 51%) and reported higher usage of mobile money accounts in the past 12 months (3% vs. 2%).



Text messaging is a prevalent mode of communication, with a significant portion (**76%**) of individuals engaging in sending text messages multiple times daily or weekly.

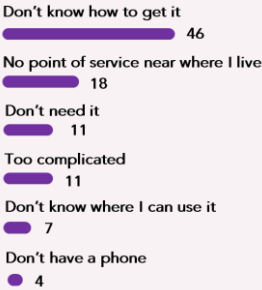
However, mobile **network reliability** in Vanuatu varies significantly between rural and urban areas. In **urban** regions, **60%** of users report reliable service, compared to only **32%** in **rural** areas.

Additionally, 10% of rural respondents report having no mobile service at all, highlighting a substantial connectivity gap between rural and urban communities.

Despite the high level of mobile access, only about **half** of the population (51%) had **heard of mobile money**, and a mere **4%** had a **mobile money account**. Actual usage was even lower, with just 2% having used mobile money services in the past year. Among these users, the primary function is **receiving money** (58%), followed by sending money (29%) and making payments (10%). This indicates that while mobile telephony infrastructure is well-established, adoption of mobile financial services remains limited.

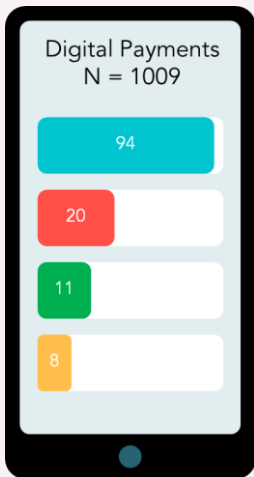
The **main barriers** to mobile money use are a **lack of understanding about how to access it** (46%) and unavailability of services nearby (18%). Additionally, respondents feel they don't need mobile money (11%) or they do not understand its uses (7%). These findings suggest that increasing digital awareness, simplifying the user experience, enhancing use cases, and expanding service points could improve adoption rates.

Reason for not using mobile money* (%)
N = 465



*Multi-select

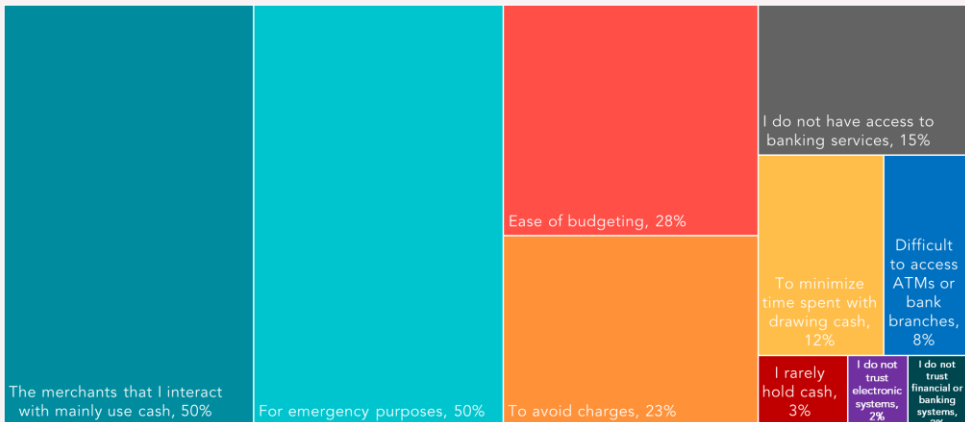
Usage of DFS



The overwhelming majority of respondents (**94%**) prefer to use cash for their everyday financial transactions, including payments and money transfers. Only 20% prefer using digital payments, such as EFTPOS, mobile money, or internet payments. However, a significant portion (11%) **prefer digital payments but lack the knowledge on how to use them**, and 8% prefer digital payments but do not have access to the necessary tools (e.g., a digital payment method). This indicates that while there is some interest in digital payment methods, **barriers related to knowledge and access** are significant challenges to wider adoption.

The **main reasons for using cash** instead of banking services are **convenience and accessibility**. 50% of respondents use cash **because merchants prefer it**, and another 50% keep cash for emergencies. 23% avoid banking services to avoid charges, and 28% find cash easier for budgeting. Other factors include difficulty accessing ATMs or bank branches and a lack of trust in electronic or banking systems.

Preference for cash*
N = 1009



Most respondents (**61%**) **prefer to use only cash for all payments**. Among those open to non-cash methods, school fees (20%), bill payments (15%), and sending money to other towns (12%) are the most common transactions where digital payments are preferred.

Digital payments are also most preferred for electricity (83%) and water (77%) bills.

Financial Capability and Health: Decision Making & Support Systems



Financial Knowledge and Awareness



Awareness of Financial Access Points

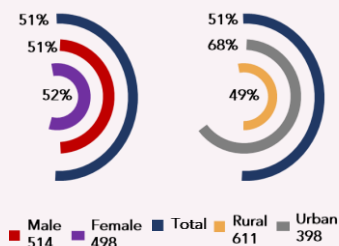
As explained in the sub-section on 'Financial Infrastructure', awareness about the location of financial service points varies significantly across provinces and rural/urban settings.

Awareness of Financial Products

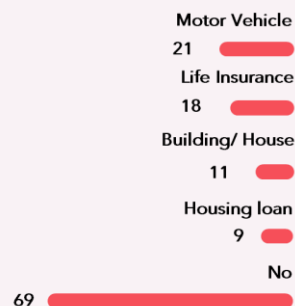
Awareness of financial products shows a clear pattern: savings and remittances are the most commonly recognized, while credit products remain relatively unknown (as discussed in the section on state of financial inclusion).

Awareness on Insurance and green finance is low across categories while mobile money familiarity is generally limited—with notable variation across rural and urban areas. These trends point to gaps not just in access but also in financial literacy and outreach, particularly for newer or less traditional financial tools.

Awareness of Mobile Money (%)



Awareness of climate insurance/ credit products* (%)



Main grievance redressal mechanisms* (%)

N = 1009

Visit branch

36

Call customer service

14

Write email or online complaint

1

Won't do anything

12

Contact immediate representative

8

Don't know

24

Most respondents (36%) prefer visiting the bank branch for redressal of their grievance related to the quality or service delivery of a financial service/product, suggesting limited digital access to customer service features and potentially lower financial capability.

About 24% are unsure what to do, and 12% would take no action, both indicating low financial empowerment. Fewer respondents prefer calling (14%) or using other digital channels like email, which may reflect slightly higher financial or digital capability, but this aspect remains quite uncommon.

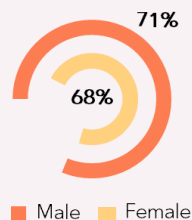
Financial Decision Making



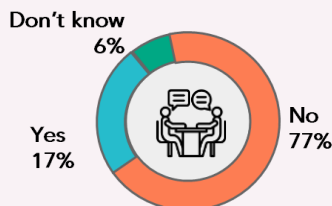
A majority of both men (71%) and women (68%) report being involved in household financial decisions, though slightly more men participate.

This indicates that **financial decision-making** in households is relatively **inclusive**, with both men and women actively participating.

Involvement in household's financial decisions (%)
N = 1009



Financial advice (%)
N = 312



Source of financial advice* (%)
N = 759



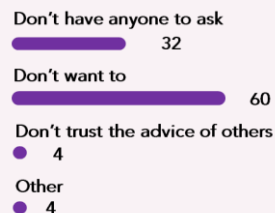
Among those who do not make financial decisions independently within the household, **17% seek financial advice**, while **77% do not**.

Among advice seekers, the most common sources are **friends, family, and financial institutions**.

Men are more likely than women to consult employers (14% vs. 8%), financial institutions (22% vs. 20%), and farmer associations (20% vs. 13%).

Of those not seeking advice, 60% choose not to, 32% have no one to ask, and the rest cite lack of trust.

Reason for not asking advice
N = 249



Financial Planning and Management



Savings Behavior

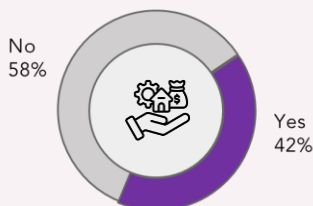
As discussed in the sub-section on 'Savings', Savings are primarily driven by short- to medium-term household needs, with top motivations including emergency preparedness (62%) and children's education (56%). Other common reasons include maintaining liquidity for unforeseen needs (46%) and housing improvements (31%).

These practices reflect a strong orientation toward financial preparedness and household stability. While long-term wealth creation is less common, the underlying motivations still demonstrate a forward-looking mindset rooted in care and responsibility.

Regular saving habits—particularly through informal savings groups—suggest growing financial discipline and a commitment to consistent planning. These behaviors indicate an increasing awareness of the importance of setting aside funds proactively, even in low-resource settings.

Financial Preparedness

Financial services used as a means to manage money (%)
N = 1009



Planning for upcoming financial obligations
N = 1009



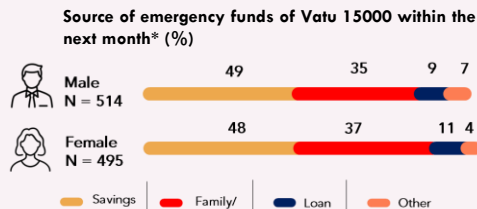
Just under half of respondents (42%) use financial services (bank, MFI, or mobile money) to manage their money, while a slight majority (58%) still rely on informal or no financial mechanisms.

A majority of households (64%) plan for financial obligations at least six months to a year or more in advance. However, 18% plan less than six months ahead, and 12% do not plan at all, indicating varying levels of financial preparedness. Those who are less likely to plan ahead financially – either not at all or only within a six-month horizon – are disproportionately from urban areas (57% compared to 32% in rural areas)

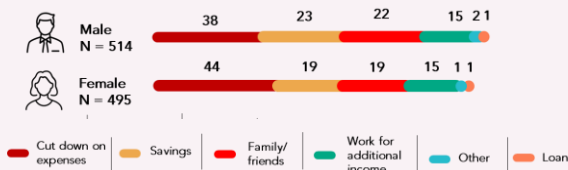
Financial Planning and Management



Coping with emergencies



Means to ensure money lasts until there's money again* (%)



In case of emergencies and unanticipated events, nearly half of respondents (48%) would likely draw up on their savings to come up with a benchmark amount of Vatu 15,000 in the next month, while 36% would turn to family or friends. Formal credit sources like loans from banks and microfinance play a minimal role, indicating limited access to or reliance on institutional lending.

Both men and women primarily ensure their money lasts by cutting down on expenses (38% of men, 44% of women). Other common strategies include asking family or friends and using savings, with similar proportions across genders. Borrowing—whether from institutions or money lenders—remains very low for both groups, further corroborating the low uptake of loans across the country.

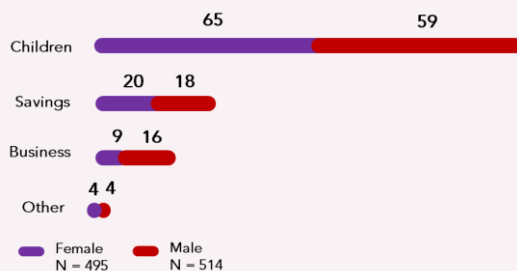
Planning for the future

The majority of respondents (62%) expect their children to support them in old age, with women more likely to rely on this than men.

Savings (19%) and own businesses (13%) are less common strategies, with men more likely than women to plan for self-reliance.

This indicates high reliance on family support, and accumulated savings over formal financial services. Digital and institutional financial access remains low, with financial planning largely short-term and gendered in approach

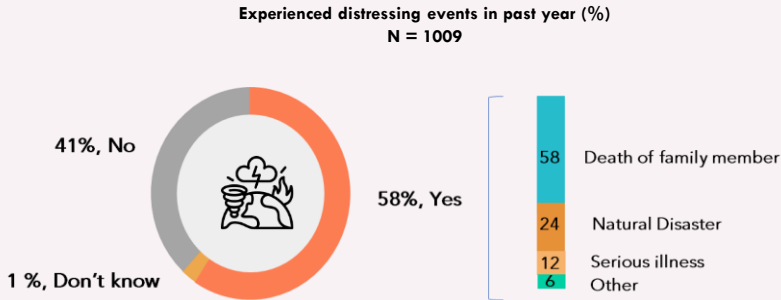
Source of money in old age (%)





Note: The survey was not explicitly designed to assess financial health. Hence, constructing a composite index on Financial Health for Vanuatu is not feasible from the available data. However, the findings still offer valuable insights into the population's financial well-being. By analyzing certain parameters that relate to key dimensions of financial health—such as everyday financial management, resilience to shocks, and confidence in the financial system—a compelling narrative can be constructed to reflect the broader financial realities and behaviors of respondents.

As elucidated in the sub-section on 'Savings', a significant portion of savers demonstrate forward-looking financial behaviors, with over half (56%) retaining savings for more than six months. This habit, more common among men, aligns with the underlying indications of financial optimism—most respondents express confidence in meeting long-term goals. However, immediate financial demands remain the primary barrier to saving, especially for women, suggesting gendered constraints in sustaining financial buffers.

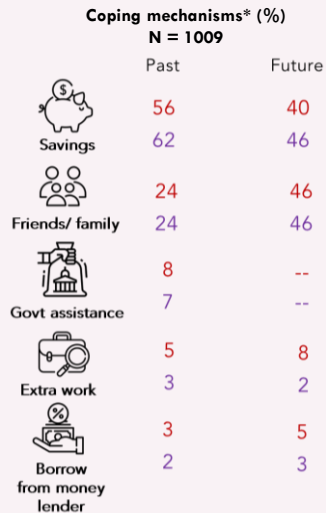


Over half the respondents (58%) reported **experiencing a distressing event** in the past year, with the most common being the death of a family member (58% of those affected), followed by natural disasters and serious illness.

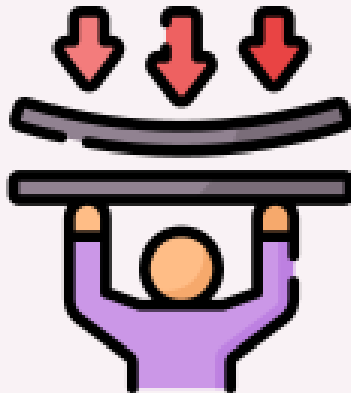
There exist **limited gender differences** in financial coping mechanisms for both past and potential future shocks, with most men and women relying on savings or family support. Slightly more **women have used savings for past events** (62% vs. 56%), while men are more likely to have resorted to extra work to cope (5% vs. 3%).

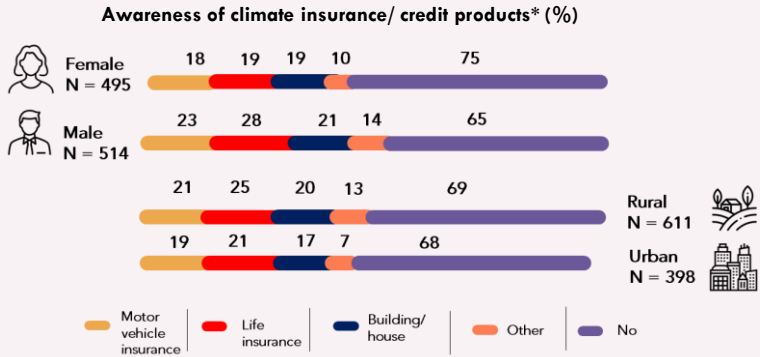
For future events, reliance on family remains high for both genders (46%), but men are more likely to take up **extra work** to cope (8% vs. 2%). Very few rely on insurance or formal credit across genders.

These patterns suggest overall low financial capability with both groups depending heavily on informal support that in turn also reflects their economic vulnerability.

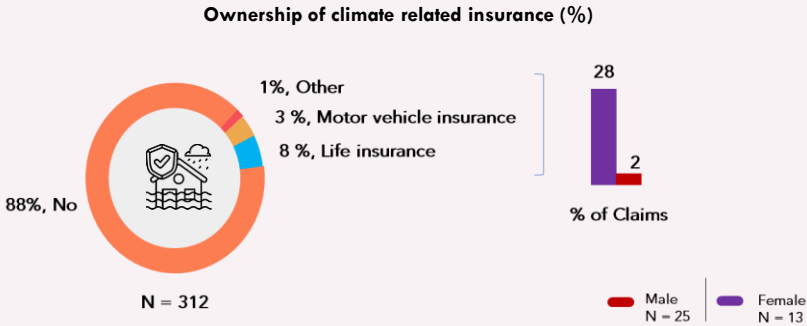


Financial Resilience Building: Access and Usage





Awareness of financial products that could help mitigate climate-related risks remains **very low**, with 69% of respondents reporting no awareness at all. This lack of awareness is **more pronounced among women** (75%) than men (65%). Among those aware, the most recognized products are motor vehicle insurance (21%) and life insurance (18%). Awareness of more climate-relevant products is extremely limited. These patterns indicate low overall financial capability and limited access to or knowledge of financial tools that could support resilience against climate-related shocks, especially among women.



A **vast majority (88%)** of respondents reported having **no climate-related insurance**. Only **8%** have **life insurance** - mostly men (11% vs. 1%)—and just 3% have motor vehicle insurance, with slightly more women (5%) covered than men (2%). Urban respondents show somewhat better coverage for motor vehicle insurance (12% vs 2%), but still low overall.

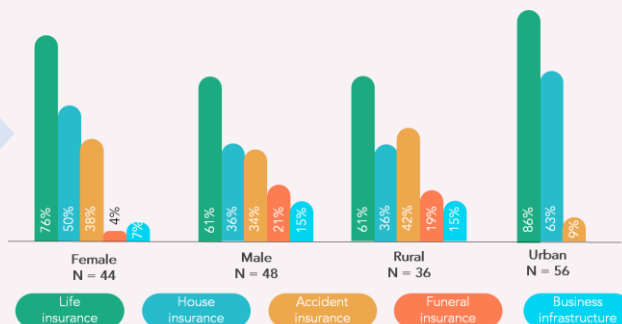
Only 13% of respondents are aware of the terms and conditions to claim insurance. Interestingly, while fewer women may be covered under insurance, they are more likely to make a claim (28% of women, N=13 compared to just 2% men, N=25 who own insurance), possible due to greater need or higher risk exposure.

*Multi-select

Green Finance



Willingness to spend money on **climate risk protection** is **low** overall, with only 10% saying yes. The majority (60%) are unwilling, and 30% remain unsure. **Urban** respondents show slightly **higher willingness** (21%), while rural and female respondents are less inclined.

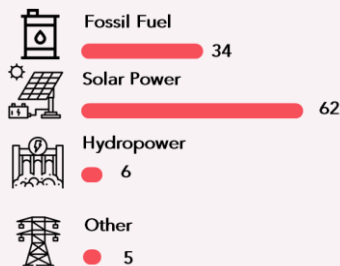


Demand for key insurance products (multi select)
N = 92

Among those willing to spend on climate risk protection, **life insurance is the most preferred option (66%)**, especially among **females (76%)** and **urban** respondents (**86%**), indicating a tendency to prioritize personal security by those people who have better awareness and improved financial capacity. Preferences for business infrastructure, crop, and fisheries insurance remain low across the board, suggesting limited awareness or relevance. People in urban areas prefer house insurance even more strongly (63%) than in rural (36%). Overall, uptake is skewed toward familiar, individual-centric products.

Additionally, respondents show **low propensity to spend on insurance**, pointing towards their limited financial capacity and low risk appetite. Most are only willing to invest small sums, with a median amount of Vatu 5,000 for life insurance, Vatu 7,500 for accident insurance, and Vatu 10,000 for house or crop insurance, indicating a preference for **basic protection**. Higher willingness is seen only for motor vehicle (Vatu 22,500) and fisheries insurance (Vatu 25,500), likely reflecting asset value or external mandates. Overall, these trends reflect affordability constraints and limited prioritization of climate-related financial protection.

Source of electricity*
N = 274



A majority of households (**62%**) currently rely on **solar power**, especially in rural areas (68%) compared to just 17% in urban areas. In contrast, urban households overwhelmingly depend on fossil fuel grid electricity (90%), while only 28% of rural households do. Interest in adopting solar power is extremely high overall (96%), particularly among rural respondents (97%) compared to 86% in urban areas.

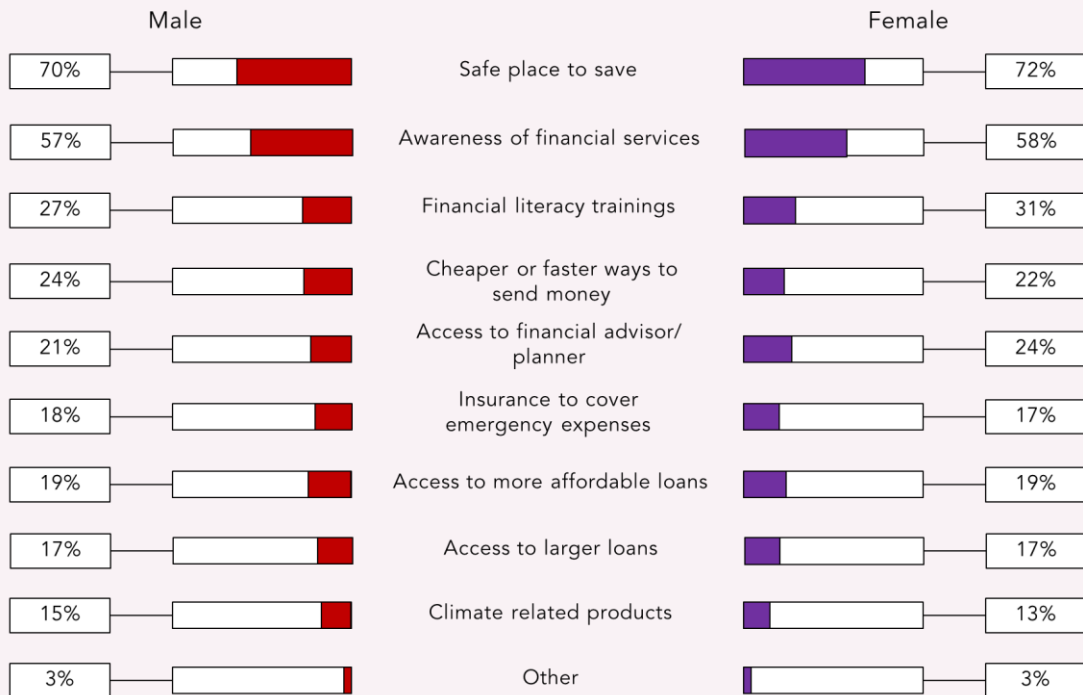
Among the small group (4%) not interested in using solar power, the top reason cited is simply a lack of interest (79%, N=69). Among rural respondents, 16% cite lack of awareness and 8% cite lack of affordability as reasons for not using solar power. Conversely, lack of feasibility in community is the second most cited reason in urban areas at 8%.

These findings suggest that rural disinterest is largely driven by information and cost barriers, while urban reluctance appears to stem more from perception and personal preference.

Emerging needs for Financial Inclusion



Demand for Financial Services



There is a **strong demand** among both men and women in Vanuatu for improved **access to financial services**. The most cited need is for **a safe place to save** (73%), followed by greater awareness of financial services (63%) and financial literacy training (31%).

Additionally, around 29% express a need for cheaper or faster ways to send money, while access to larger and more affordable loans and emergency insurance remain moderate priorities. Notably, interest in climate-related financial products—including credit and insurance—is emerging but still limited (14%). Demand levels are broadly similar across genders.

Key Highlights and Takeaways

Savings Behavior

Savings rose from **57% (2016) to 70% (2024)**, with strong gains among men (51% to 69%).

Formal savings **has increased** from **27% (2016) to 43% (2024)**, but home and informal savings remain significant, especially in rural areas.

Remittance Behavior

Inward remittance recipients rose from **33% (2016) to over 44% (2024)**, with women and urban residents more likely to receive funds. Outward remittances remain low (~2%), indicating Vanuatu as a **net remittance-receiving country**.

Money transfer agencies and banks dominate transfer modes; mobile usage remains minimal.

Mobile Money and DFS

Despite **92%** mobile access and **74%** smartphone ownership, mobile money adoption remains extremely low—**only 5% have accounts**, and **2%** used services in the past year.

Cash remains dominant (94% preference), with digital payments used mainly for utility bills. Barriers include **lack of awareness**, limited-service points, and connectivity issues in rural areas.

Financial Access and Usage

Formal account ownership increased modestly from **47% (2016) to 56% (2024)**.

Bank branches are the most accessible channel with 5 to 50 mins of travel time.

ATM access is faster and more cost-effective than bank visits, especially in urban areas

Credit Behavior

Credit access plummeted from **46% (2016) to 14% (2024)**, indicating shrinking availability of formal and informal loans.

Access to formal credit remains stagnant (~7%), with no substitution for declining informal borrowing (from **42% to 9%**). **Formal bank loans** dominate among credit users (**87%**), mainly for asset-building goals.

Barriers include **high interest rates**, **lack of guarantors**, **low repayment capacity**, and **limited-service availability**, especially in rural areas.

Insurance

Insurance penetration remains **very low** at **4%**, with motor vehicle insurance dominating.

Uptake is **marginally higher** in **urban areas** and **among men**. Major barriers include lack of **awareness (55%)**, perceived lack of need (49%), and high cost (28%), especially among informal sector workers.

Annexures

Annex 1: Sampling Methodology

The sampling methodology employed for the 2024 Demand Side Survey (DSS) in Vanuatu follows a **stratified three-stage sampling design**. This approach was designed to ensure adequate representation of the population across different geographic and demographic segments, thereby enhancing the precision and reliability of survey estimates. The sampling frame is based on the **2020 Vanuatu Census of Population and Housing**.

Sampling Frame

The sampling frame consists of **Enumeration Areas (EAs)**, which correspond to the Vanuatu Bureau of Statistics (VBoS) census enumeration areas. The EAs are considered the **Primary Sampling Units (PSUs)**. The sampling frame is **stratified by urban and rural areas**, with implicit stratification by the **six provinces of Vanuatu**, achieved by ordering the EAs within each stratum by province.

Sampling Design (Three Stages)

Stage1 Selection of Enumeration Areas	Stage 2 Selection of Households (Within Each EA)	Stage 3 Selection of Individuals (Within Each Household)
<p>Stratified Sampling: Within each stratum (urban and rural), EAs were selected using Probability Proportional to Size (PPS) sampling. The measure of size is the total number of households listed in the 2020 Census frame for each EA.</p> <p>Total Sampled EAs: A total of 69 EAs were selected, comprising 32 urban EAs and 37 rural EAs. <i>This distribution intentionally oversamples urban EAs to ensure adequate precision for urban estimates.</i></p> <p>The selection process maintains consistency with the 2016 DSS survey methodology, which also utilized a higher sampling rate for urban EAs to improve estimate precision.</p>	<p>For each selected EA, a fresh listing of households is created through a systematic relisting process.</p> <p>Simple Random Sampling (SRS): A simple random sample of 15 households is then drawn from each selected EA, resulting in a total sample size of 1,035 households (69 EAs x 15 households per EA).</p> <p>Reserve households are also selected to replace those that could not be interviewed.</p>	<p>Within each sampled household, one individual aged 15 years or older is randomly selected to participate in the survey using the Kish Grid method. This ensures an unbiased and representative selection of individuals from each household.</p>

Oversampling Considerations

The sampling methodology deliberately oversamples urban EAs. While the urban stratum constitutes about **25% of households in the Census frame**, a higher sampling rate was applied to urban areas to achieve a sample of **32 EAs**. This strategy is intended to enhance the reliability of survey estimates for urban populations.

Annex 1: Sampling Methodology

Probability Weight Calculation

To ensure that survey estimates are representative of the overall population, **sampling weights** are calculated to account for the probability of selection at each stage and any oversampling of urban areas. The weights are adjusted through the following steps:

EA Design Weight Calculation	Household Weight Calculation	Individual Weight Calculation
<p>For each EA, the probability of selection is determined by the Probability Proportional to Size (PPS) method:</p> <ul style="list-style-type: none"> • $P(EA_i) = H_i/H_{total}$, where: <ul style="list-style-type: none"> ◦ $P(EA_i)$ is the probability of selecting EA i. ◦ H_i is the total number of households in EA i. ◦ H_{total} is the total number of households in the stratum (urban or rural). • The design weight for each EA is the inverse of this probability – $W_{EA} = 1/P(EA_i)$ 	<p>For each selected EA, a fixed number of 15 households is drawn:</p> <ul style="list-style-type: none"> • $W_{HH} = H_{EA}/15$, where: <ul style="list-style-type: none"> ◦ H_{EA} is the total number of households in the EA. ◦ W_{HH} is the household weight. 	<p>From each household, one individual aged 15 years or older is randomly selected:</p> <ul style="list-style-type: none"> • $W_{ind} = HH_{size}/1$, where: <ul style="list-style-type: none"> ◦ HH_{size} is the number of eligible individuals aged 15 or older in the household. ◦ W_{ind} is the individual respondent weight

Final Weight Calculation

The **final weight** for each individual is the product of the three components:

$$W_{final} = W_{EA} * W_{HH} * W_{ind}$$

Adjusting for oversampling of urban population

Since the sampling approach employed oversampling of urban population, the **final design weight** for urban EAs must be **scaled down** to reflect their actual proportion in the population. This adjustment ensures that the estimates derived from the survey are representative of the overall population. The scaling factor is calculated as:

Scaling Factor = Proportion of Urban Households in the Population/
Proportion of Urban Households in the Sample

The **adjusted Final weight** is then:

$$W_{final} * \text{Scaling Factor}$$

Annex 2: Sampling Distribution

The table below presents the distribution of sampled Enumeration Areas (EAs) and individuals interviewed across different geographic strata.

Stratum	Number of EAs & individuals interviewed	
	# EAs	# Individuals
URBAN	28	398
Luganville	21	293
Port Vila	7	105
RURAL	43	611
Torba	4	59
Sanma	7	105
Malampa	8	120
Penama	7	104
Shefa	12	148
Tafea	5	75
TOTAL	71	1009

Annex 3: Financial Inclusion Indicators

1	Financial Inclusion Strand		
1.1	Financial Inclusion Strand by Rural/Urban location		
	Rural	Urban	Total
Formal	54%	65%	56%
Informal	1%	1%	1%
Excluded	45%	34%	43%
N	611	398	1009
1.2	Financial Inclusion Strand by Gender		
	Male	Female	Total
Formal	56%	54%	56%
Informal	1%	2%	1%
Excluded	43%	44%	43%
N	514	495	1009
1.3	Financial Inclusion Strand by Provinces		
	Formal	Informal	Excluded
Torba (N=59)	59%	3%	38%
Sanma (N=105)	54%	0%	46%
Penama (N=104)	58%	0%	42%
Malampa (N=120)	45%	1%	54%
Shefa (N=148)	55%	0%	45%
Tafea (N=75)	62%	5%	33%
Luganville (N=293)	64%	1%	34%
Port Villa (N=105)	67%	1%	32%
Total (N=1009)	56%	1%	43%
1.4	Financial Inclusion Strand by Age group		
	Formal	Informal	Excluded
15 to 35 (N=436)	48%	1%	51%
36 to 55 (N=367)	65%	1%	34%
56 to 65 (N=117)	60%	0%	40%
>=66 (N=89)	43%	1%	56%
Total (N=1009)	56%	1%	43%

Annex 3: Financial Inclusion Indicators

2 Access to Formal Accounts			
2.1 Adults with account at a formal financial institution by Gender			
	Male	Female	Total
Yes	44%	39%	42%
No	56%	61%	58%
N	514	495	1009
2.2 Adults with account at a formal financial institution by Rural/Urban location			
	Rural	Urban	Total
Yes	40%	58%	42%
No	60%	42%	58%
N	611	398	1009
2.3 Adults with account at a formal financial institution by Age Group			
	Yes	No	
15 to 35 (N=436)	35%	65%	
36 to 55 (N=367)	52%	48%	
56 to 65 (N=117)	38%	62%	
>=66 (N=89)	31%	69%	
Total (N=1009)	42%	58%	
2.4 Adults with account at a formal financial institution by Province			
	Yes	No	
Torba (N=59)	52%	48%	
Sanma (N=105)	40%	60%	
Penama (N=104)	36%	64%	
Malampa (N=120)	40%	60%	
Shefa (N=148)	45%	55%	
Tafea (N=75)	25%	75%	
Luganville (N=293)	58%	42%	
Port Villa (N=105)	59%	41%	
Total (N=1009)	42%	58%	

Annex 3: Financial Inclusion Indicators

2	Access to Formal Accounts		
2.5	Adults with a mobile money account by Gender		
	Male	Female	Total
Yes	5%	4%	5%
No	95%	96%	95%
N	514	495	1009
2.6	Adults with a mobile money account by Rural/Urban location		
	Rural	Urban	Total
Yes	5%	5%	5%
No	95%	95%	95%
N	611	398	1009
2.7	Adults with a mobile money account by Age Group		
	Yes	No	
15 to 35 (N=436)	5%	95%	
36 to 55 (N=367)	5%	95%	
56 to 65 (N=117)	2%	98%	
>=66 (N=89)	3%	97%	
Total (N=1009)	5%	95%	
2.8	Adults with a mobile money account by Province		
	Yes	No	
Torba (N=59)	0%	100%	
Sanma (N=105)	2%	98%	
Penama (N=104)	2%	98%	
Malampa (N=120)	8%	92%	
Shefa (N=148)	6%	94%	
Tafea (N=75)	5%	95%	
Luganville (N=293)	6%	94%	
Port Villa (N=105)	3%	97%	
Total (N=1009)	5%	95%	

Annex 3: Financial Inclusion Indicators

3 Savings Behavior			
3.1 Adults who saved money in the past 12 months by Rural/Urban location			
	Rural	Urban	Total
Yes	72%	52%	70%
No	28%	48%	30%
N	611	398	1009
3.2 Adults who saved money in the past 12 months by Age Group			
	Yes	No	
15 to 35 (N=436)	59%	41%	
36 to 55 (N=367)	83%	17%	
56 to 65 (N=117)	72%	28%	
>=66 (N=89)	61%	39%	
Total (N=1009)	70%	30%	
3.3 Adults who saved money at a formal financial institution by Gender			
	Male	Female	Total
Yes	46%	40%	43%
No	54%	60%	57%
N	514	495	1009
3.4 Adults who saved money at a formal financial institution by Rural/ Urban location			
	Rural	Urban	Total
Yes	44%	34%	43%
No	56%	66%	57%
N	611	398	1009
3.5 Adults who saved money at a formal financial institution by Age Group			
	Yes	No	
15 to 35 (N=436)	35%	65%	
36 to 55 (N=367)	55%	45%	
56 to 65 (N=117)	42%	58%	
>=66 (N=89)	30%	70%	
Total (N=1009)	43%	57%	

Annex 3: Financial Inclusion Indicators

3.6 Adults who saved money at an informal financial institution by Gender			
	Male	Female	Total
Yes	37%	44%	40%
No	63%	56%	60%
N	514	495	1009
3.7 Adults who saved money at an informal financial institution by rural/ urban location			
	Rural	Urban	Total
Yes	42%	26%	40%
No	58%	74%	60%
N	611	398	1009
3.8 Adults who saved money at an informal financial institution by Age Group			
	Yes	No	
15 to 35 (N=436)	35%	65%	
36 to 55 (N=367)	45%	55%	
56 to 65 (N=117)	41%	59%	
>=66 (N=89)	42%	58%	
Total (N=1009)	40%	60%	
4. Credit Behavior			
4.1 Adults who have taken loan in the past 12 months by Gender			
	Male	Female	Total
Yes	10%	18%	14%
No	90%	82%	86%
N	514	495	1009
4.2 Adults who have taken loan in the past 12 months by Rural/Urban location			
	Rural	Urban	Total
Yes	14%	12%	14%
No	86%	88%	86%
N	611	398	1009

Annex 3: Financial Inclusion Indicators

4	Credit Behavior		
4.3	Adults who have taken loan in the past 12 months by Age Group		
	Yes	No	
15 to 35 (N=436)	11%	89%	
36 to 55 (N=367)	19%	81%	
56 to 65 (N=117)	8%	92%	
>=66 (N=89)	8%	92%	
Total (N=1009)	14%	86%	
4.4	Adults who have taken loan from a formal financial institution by Gender		
	Male	Female	Total
Yes	6%	9%	7%
No	94%	91%	93%
N	514	495	1009
4.5	Adults who have taken loan from a formal financial institution by Rural/ Urban location		
	Rural	Urban	Total
Yes	7%	13%	7%
No	93%	87%	93%
N	611	398	1009
4.6	Adults who have taken loan from a formal financial institution by Age Group		
	Yes	No	
15 to 35 (N=436)	6%	94%	
36 to 55 (N=367)	10%	90%	
56 to 65 (N=117)	8%	92%	
>=66 (N=89)	0%	100%	
Total (N=1009)	7%	93%	
4.7	Adults who have taken loan from an informal financial institution by Gender		
	Male	Female	Total
Yes	7%	11%	9%
No	83%	89%	91%
N	514	495	1009

Annex 3: Financial Inclusion Indicators

4	Credit Behavior		
4.8	Adults who have taken loan from an informal financial institution by Rural/ Urban location		
	Rural	Urban	Total
Yes	9%	7%	9%
No	91%	93%	91%
N	611	398	1009
4.9	Adults who have taken loan from an informal financial institution by Age Group		
	Yes	No	
15 to 35 (N=436)	6%	94%	
36 to 55 (N=367)	13%	87%	
56 to 65 (N=117)	8%	92%	
>=66 (N=89)	8%	92%	
Total (N=1009)	9%	91%	
4.10	Adults who have taken loan from an informal financial institution by Gender		
	Male	Female	Total
Yes	7%	12%	9%
No	83%	88%	91%
N	514	495	1009
4.11	Adults who have taken loan from an informal financial institution by Rural/ Urban		
	Rural	Urban	Total
Yes	9%	7%	9%
No	91%	93%	91%
N	611	398	1009
4.12	Adults who have taken loan from an informal financial institution by Age Group		
	Yes	No	
15 to 35 (N=436)	6%	94%	
36 to 55 (N=367)	13%	87%	
56 to 65 (N=117)	8%	92%	
>=66 (N=89)	8%	92%	
Total (N=1009)	9%	91%	

Annex 3: Financial Inclusion Indicators

5 Insurance Uptake			
5.1 Adults with any type of insurance by Gender			
	Male	Female	Total
Yes	5%	4%	4%
No	95%	96%	96%
N	514	495	1009
5.2 Adults with any type of insurance by Rural/Urban location			
	Rural	Urban	Total
Yes	4%	10%	4%
No	96%	90%	96%
N	611	398	1009
5.3 Adults with Motor Vehicle insurance by Gender			
	Male	Female	Total
Yes	3%	3%	3%
No	97%	97%	97%
N	514	495	1009
5.4 Adults with Motor Vehicle insurance by Rural / Urban location			
	Rural	Urban	Total
Yes	3%	7%	3%
No	97%	93%	97%
N	611	398	1009
5.5 Adults with Life or Health insurance by Gender			
	Male	Female	Total
Yes	1%	0%	1%
No	99%	100%	99%
N	514	495	1009
5.6 Adults with Motor Vehicle insurance by Rural / Urban location			
	Rural	Urban	Total
Yes	1%	2%	1%
No	99%	98%	99%
N	611	398	1009

Annex 3: Financial Inclusion Indicators

6	Digital Financial Services (DFS)		
6.1	Adults with regular access to a mobile phone by rural/urban location		
	Rural	Urban	Total
Yes	92%	95%	92%
No	8%	5%	8%
N	611	398	1009
6.2	Adults with a smartphone by rural/urban location		
	Rural	Urban	Total
Yes	73%	83%	74%
No	27%	17%	26%
N	611	398	1009
6.3	Adults who have used mobile money in the past one year by rural/urban location		
	Rural	Urban	Total
Yes	2%	3%	2%
No	98%	97%	98%
N	611	398	1009

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