

# ***The Payment Experience of Social Grant Beneficiaries***

## **Extract from Launch of the findings**

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Making financial markets work for the poor

Dr Penelope Hawkins

6 June 2012

# Presentation outline

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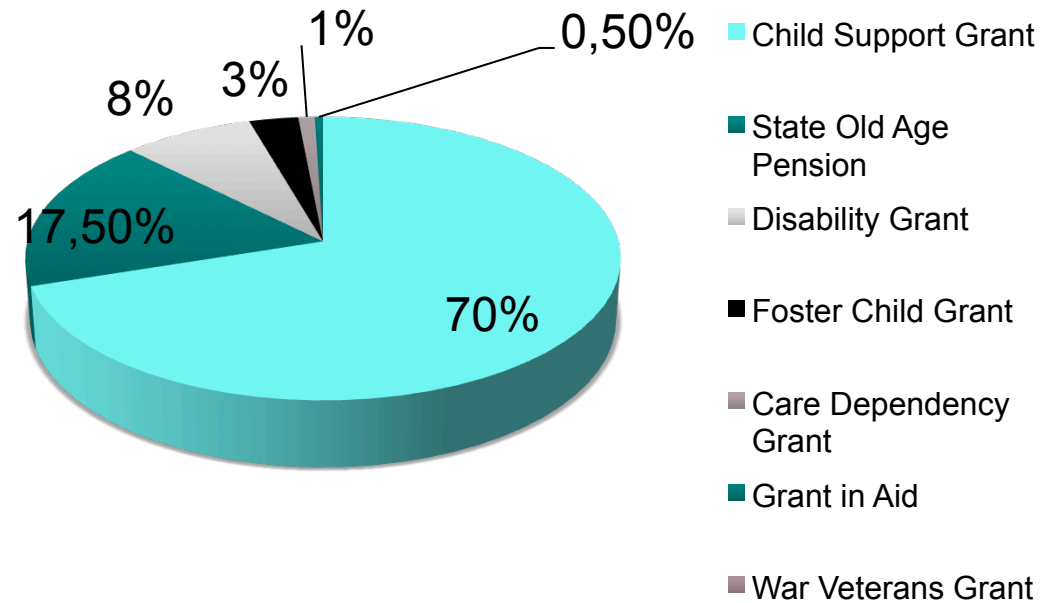
## 1.0 Introduction and Method

2.0 Profile of grant recipients

3.0 Key findings

4.0 Strategic recommendations

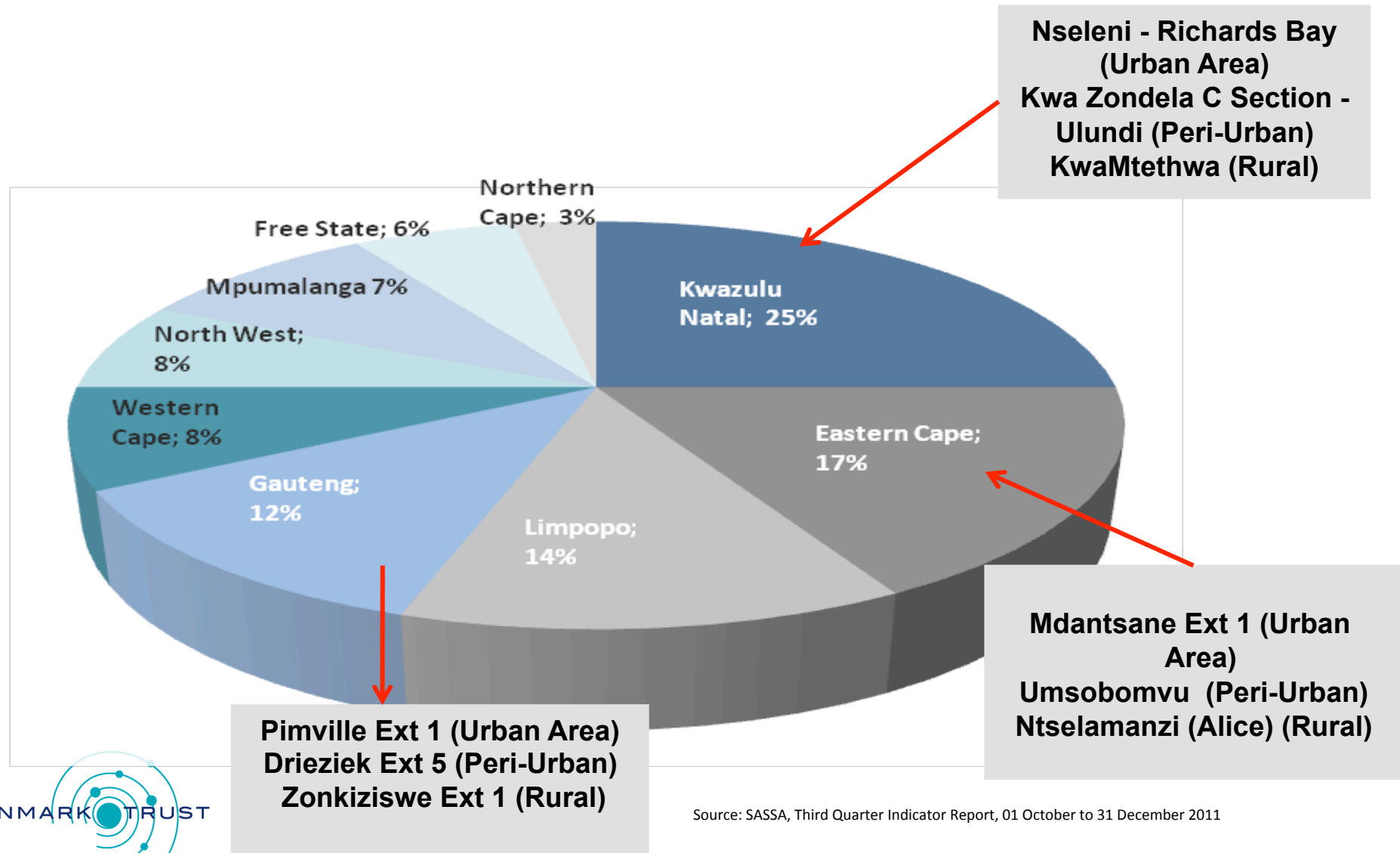
Grant type as a share of total number of grants



# Introduction and Method

- FinMark Trust commissioned Progressus Research Development to document the experience of recipients (cash & electronic grants) to provide insights into:
  - ✦ appropriate design features
  - ✦ how the payment methods operate (in terms of efficiency, effectiveness and cost)
  - ✦ how the payment method impacts on and enhances the beneficiaries' ability to connect to financial services.
- Reference group, chaired by Dr Hawkins, to evaluate the research at key milestones:
  - ✦ DSD – Mr Selwyn Jehoma ✦PASA - Mr Walter Volke
  - ✦ SASSA - Mr John Tsalamandris ✦UWC - Mr David Neves
  - ✦ NT - Mr Roelof Goosen
- Research included status quo review, field work and analysis
  - ✦ Primary research in 9 locations (rural, urban and peri-urban) in three Provinces
  - ✦ Within each location the following was undertaken:
    - ✦ On-site visits at “payday” to evaluate the pay point
    - ✦ Interviews with beneficiaries conducted at the pay point (257 interviews)
    - ✦ A community based survey within the vicinity of the pay point (1025 interviews)
    - ✦ Two focus groups per location (120 participants)

# Provincial selection: Share of number of beneficiaries



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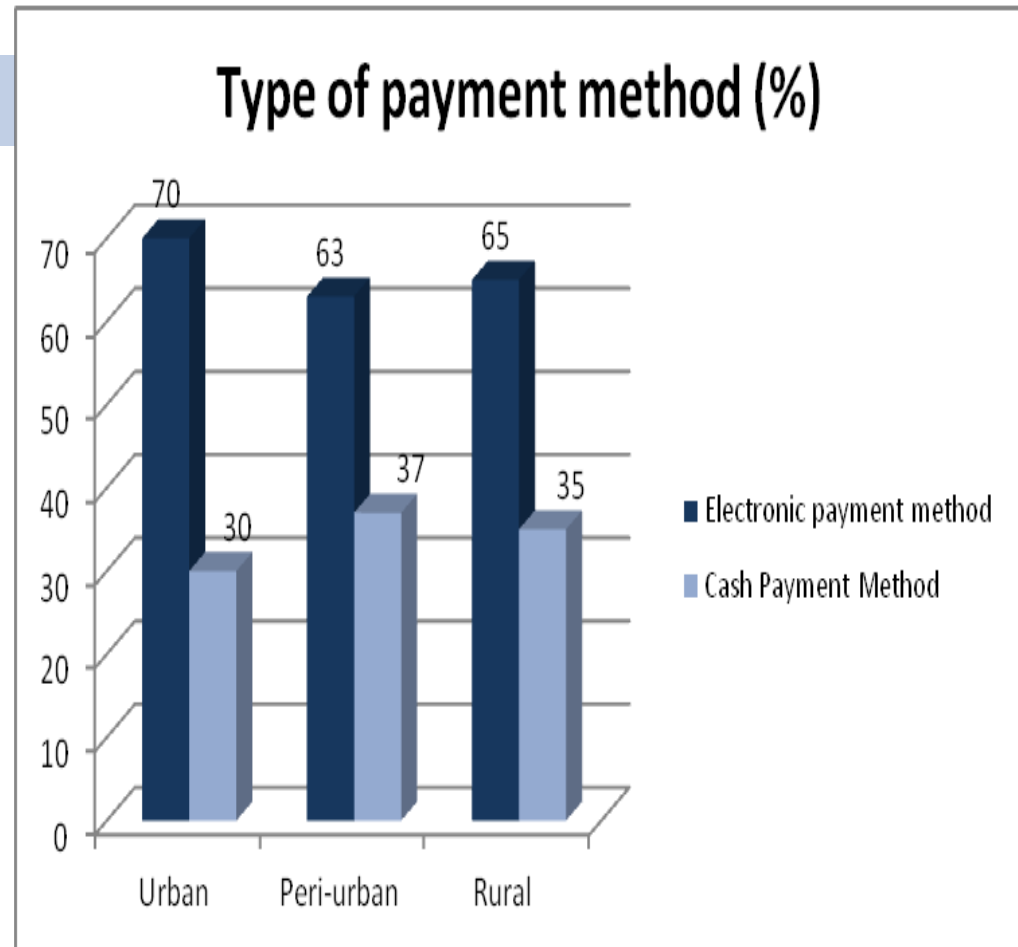
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1.0 Introduction and Method

**2.0 Profile of grant recipients**

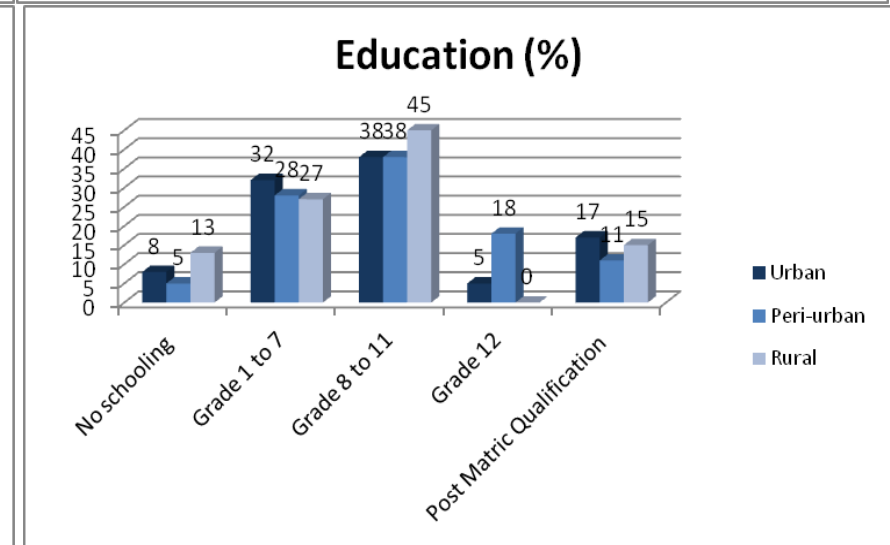
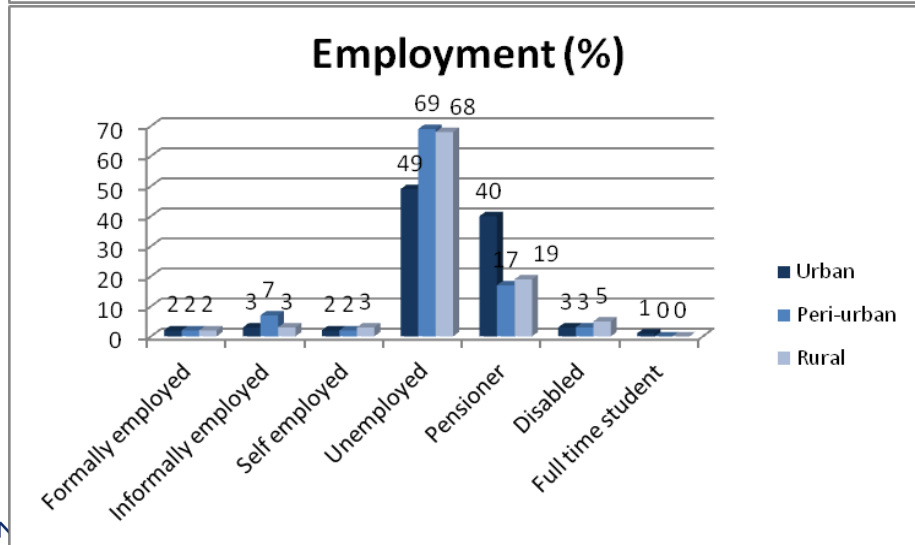
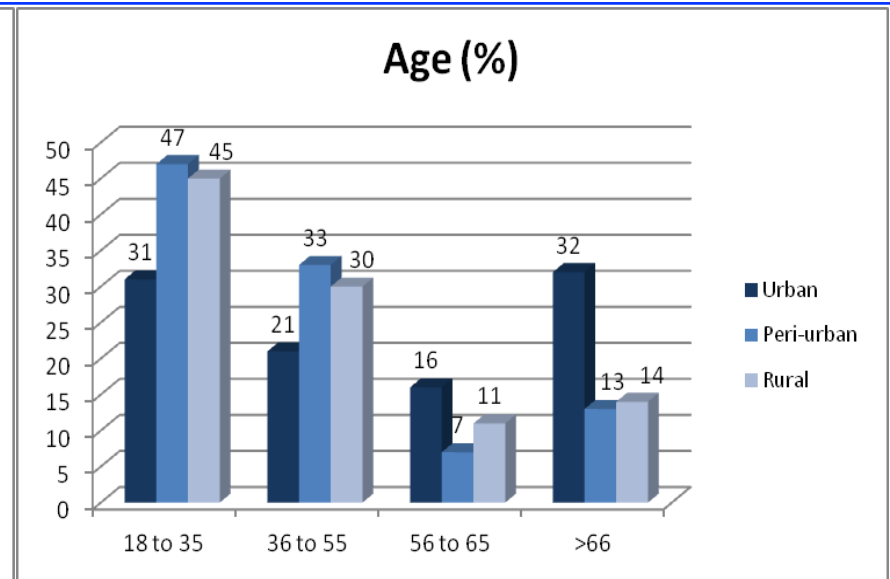
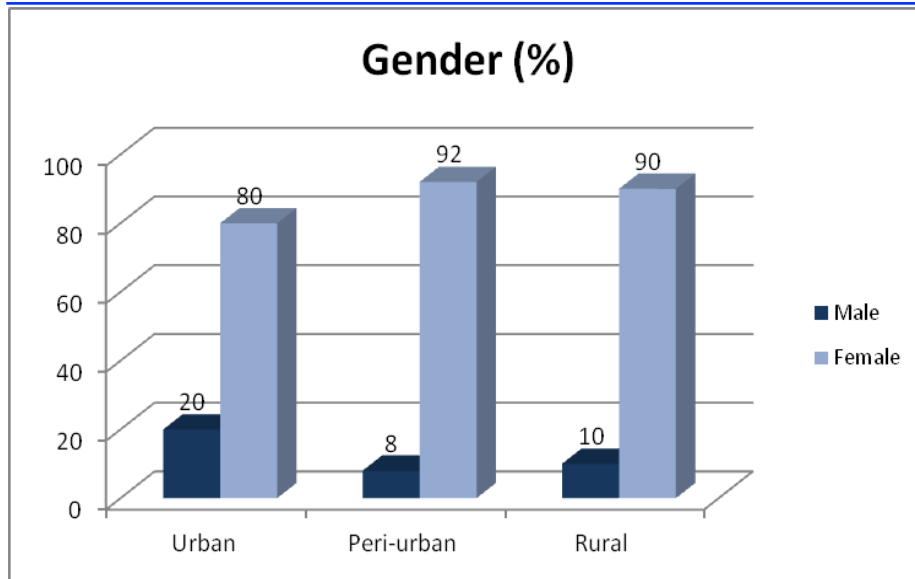
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# Characteristics of grant recipients

**Weighted sample size :**  
 Rural: 1870  
 Peri-Urban: 1856  
 Urban: Pimville : 2255



# Profile of a child grant recipient

Gender: Female (99%)  
Age : Average age - 34  
Education: Most (68%) have Grade 11 or below  
21% have above Grade 12 or above  
Employment status: Unemployed (86%)  
Payment method used: 69% use the electronic payment method



From Focus Group:

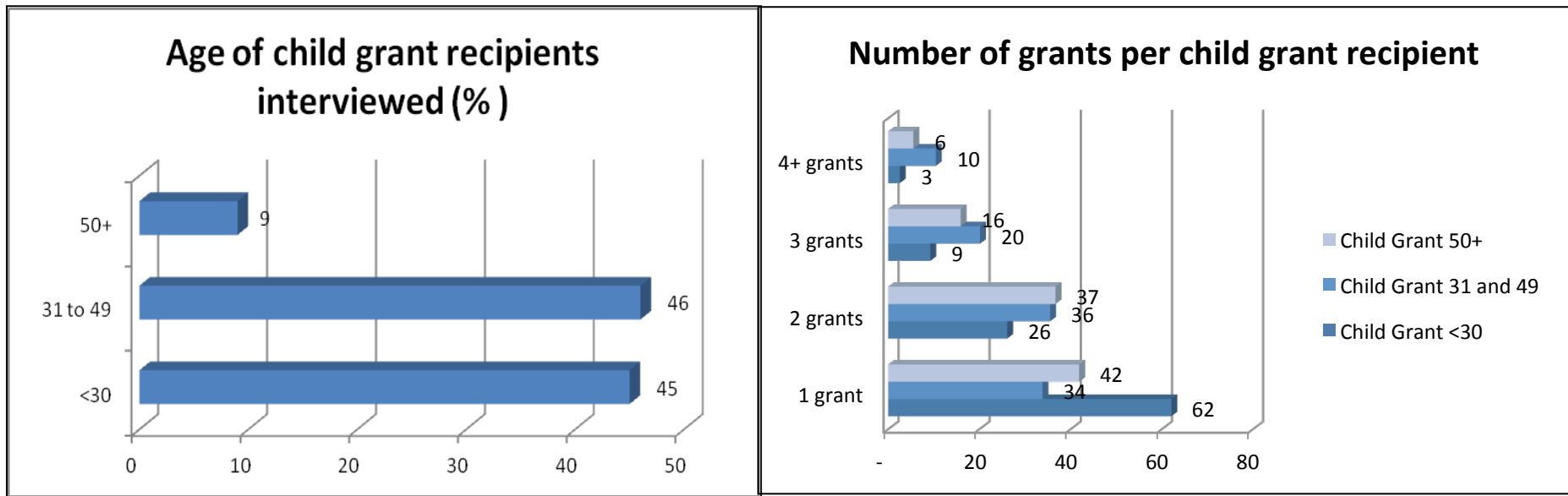
*"In her mind she only wants the money for her hair.... But I don't agree with that - some don't plan the pregnancy and you get some boys who promise to take care of them and when he finds out she is pregnant he will run away and the grant money helps in that case..." (GP)*

*"There is no such thing, because the grant money is R 250 so what is the use because that money is too little" (EC)*

FIN *"I agree with them (referring to statement that girls get pregnant only to get a child grant), but sometimes it's a mistake because the milk is expensive these days and what will happen if the government stops the grant" (KZN)*

# Falling pregnant to obtain a grant?

- *Just under half of child grant recipients are below 30 years of age or between 31 and 49 years of age. Very few (9%) are over the age of 50*
- *Two thirds of child grant recipients who are younger than 30 receive 1 grant, a third of recipients between 31 and 49 receive 1 grant and 42% of recipients older than 50*





# Profile of an old age grant recipient

Gender:	Two thirds female (71%) One third male (29%)
Age :	Average age - 70
Education:	97% have Grade 11 or below
Employment status:	Pensioners (93%)
Payment method used:	52% use the electronic payment method and 48% use the cash payment method



From focus group:

*“When I wake up I bath my grandfather because he needs to wake up very early at 3am because he is thinking of the queue at the Pay Point. We go out of the house at about 5am. We walk or take a taxi. When we get there we find at least 20 people already queued with blankets. We wait until 8am so they can open the gates for us but they start paying at around 09h30am. So if you are number 20 you will go home at around 11h00.”(GP)*

*“The other thing is we (older people) are welcome here (Pay Point) when we come to the Pay-Point, we don’t queue they welcome us nicely. I usually go with my husband and that is the other reason why we don’t want to go to the bank, because of the treatment we get here (EC) From Focus Group:*

*“The ATM can also be a tricky thing and when it tricks you, you never know who you can trust to help you. At the Pay Point it is easier for older people”*

# Profile of a disability grant recipient

Gender:	51% male 49% female
Age :	Average age - 47
Education:	98% have Grade 11 or below
Employment status:	Unemployed (92%)
Payment method used:	63% use the electronic payment method  31% ask someone else to collect their grant for them



## From Focus Group:

*“There is a disadvantage for men in wheelchairs in public – it is not good because they are alone. No one to accompany them even when they are going to take a taxi. Taxi drivers are rude. Our community does not treat people with disabilities well. In Taxis, disabled people pay twice the price – for the wheel chair as well. When they get out of the taxi, the drivers tell them to make it quick because they are working. There are no ramps...”(GP)*

*“The one who is pushing the wheelchair goes and borrow money from Mashonisa and expects the one on the wheelchair to pay when he gets paid”(KZN)*

*“The problem with the disabled people they only know them, when they are about to get paid. They wash and iron for him if it’s close to pay day.” (KZN)*

*“People abuse the disabled people, they will take their money and they don’t care for them until pay day.” (KZN)*