



2023 Current Issues Survey – 1st Release

Economic Demographics, The New Budget, and the Housing Levy

June Omnibus Survey | 4th July 2023

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Introductory Comments



- ❑ This Release reports results of TIFA Research's most recent national survey that was conducted between the 23rd and the 30th of June, 2023, by means of Computer-Assisted-Telephonic-Interviews (CATI) with some 1.500 respondents. The survey topics in this Release concentrate on the state of the economy as experienced and perceived by Kenyans. It also covers aspects of the recently passed 2023-24 Budget including the Finance Bill that the President signed into law on June 26, of which the housing levy constituted a highly contested element.
- ❑ With regard to the presentation of data, TIFA has (where relevant) used correlation-variables to illustrate the degree to which certain demographic and attitudinal factors influence respondents' views regarding particular issues. In this Release, the main ones utilized are monthly income and political alignment, the latter defined as pro-Government and pro-Opposition. To produce this latter dichotomy-'profile', responses to questions about which (if any) political party or coalition (Kenya Kwanza, Azimio la Umoja) is supported, leaving "none" (and those who refused to answer these questions) in a residual category. One challenge regarding political party support is the current legal contestation within the Jubilee party. To overcome this, a question was included to discover which of the leaders of the competing factors (Kanini Kega and Jeremiah Kioni) is considered to be the bona fide Secretary-General, given that Kega is closely linked to former (and ruling) coalition and Kioni to the latter, an Opposition formation. That is, even if Jubilee's overall support is quite modest, it is useful for purposes of correlations to place as many respondents as possible into either of these two political alignment categories.



- ❑ It should also be noted that data collection was completed during the week that the National Assembly went through the final stages of reviewing and approving the Finance Bill and new budget, as well as the president's endorsement of the same, actions that were followed immediately by price increases of all petroleum products – which took effect on 1 July – though in defiance of a High Court order issued in response to legal challenges to certain aspects of the process of the Bill's enactment. (It remains to be seen how the forthcoming court proceedings will play out.) Whatever the case, it is clear that the full impact of the Budget will only be felt after some time, most of these results can constitute bench-marks against which future survey results can be compared.
- ❑ Subsequent Releases will include data related to perceptions of Kenya's current direction, the perceived achievements and failures of the William Ruto government, political alignment trends, and views regarding past and potential future electoral contests, among other issues .



Executive Summary

Mentioned of increases in commodity prices since the August 2022 Elections



**Unga
61%**



**Sugar
51%**



**Petroleum
Products
34%**



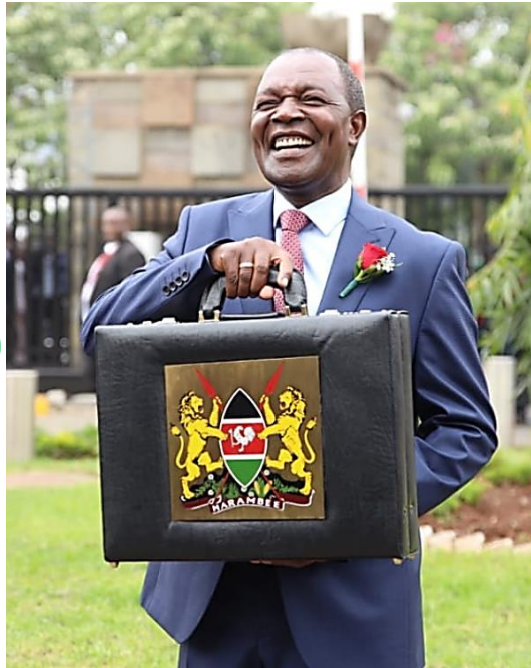
**Cooking Oil
25%**

Kenyans' Views of President Ruto's First Budget: The Best & Worst Provisions



Best provisions in the Budget 2023

- **4%** Education Support
- **4%** Housing Levy
- **3%** Subsidized Farm Inputs

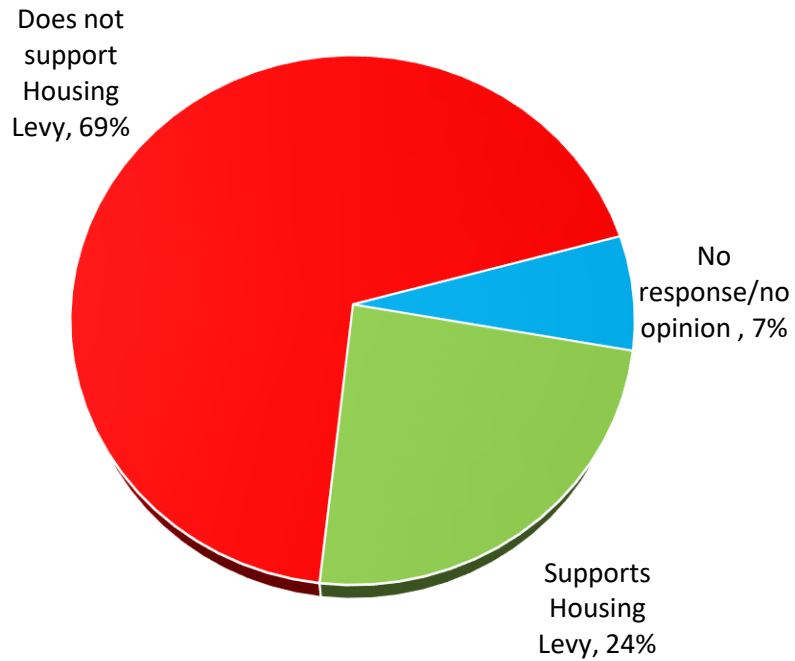


Worst provisions in the Budget 2023

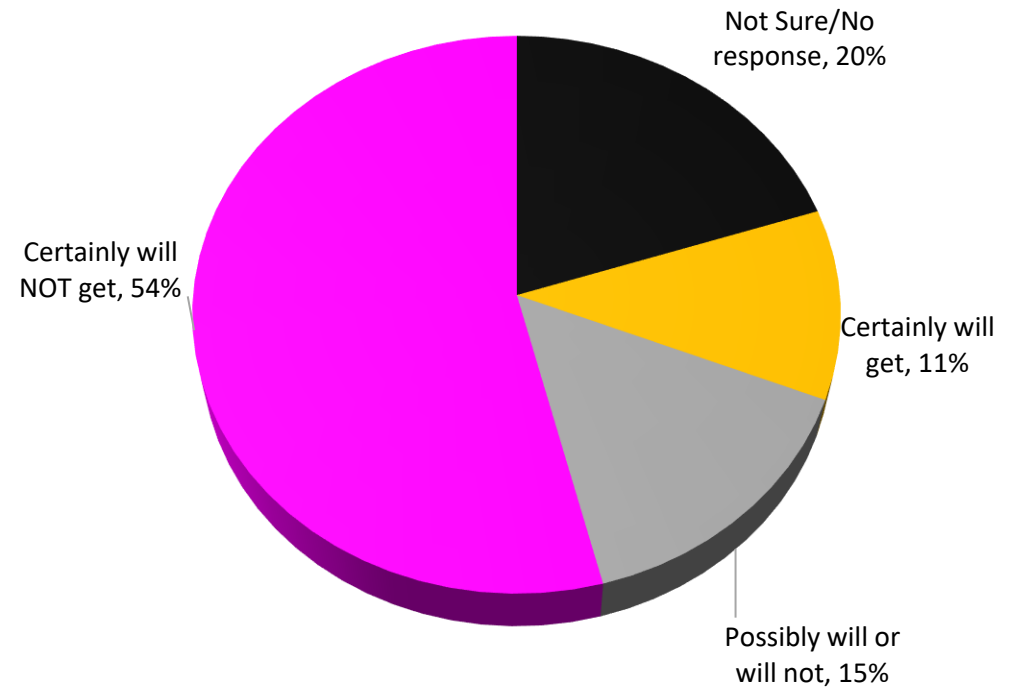
- **24%** Increase VAT on fuel from 8-16%
- **10%** increase on tax on basic foods
- **10%** Housing Levy

Housing Levy: Support and Expectations of House Ownership

Support for Housing Levy



Expectations That Those Who Pay the Housing Levy Will Ever Get a House





Section One: Economic Demographics

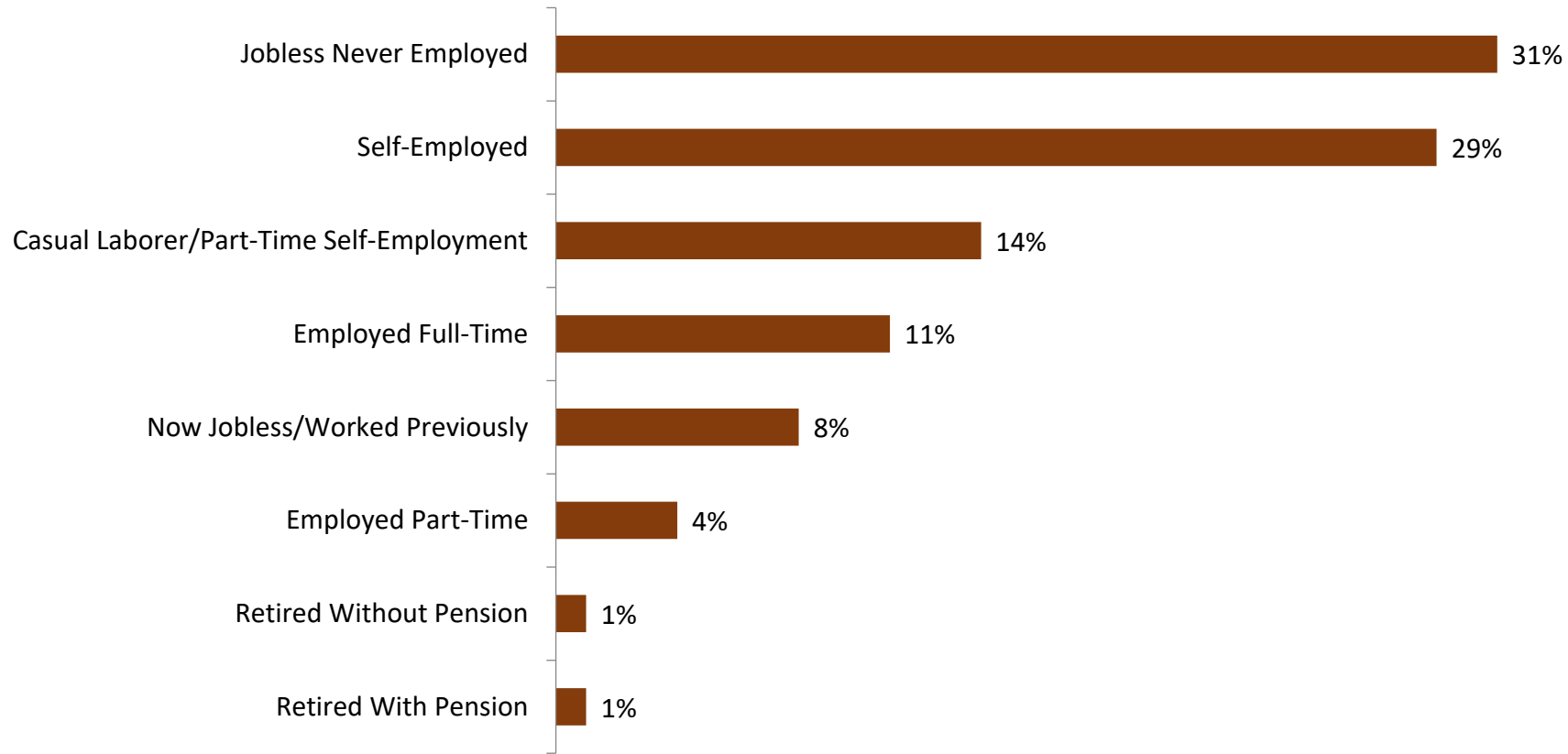
- Employment Status and Monthly Income
- Ability to Save and Main Use of Savings of Those Who Can Save
- Main Household Cooking Fuel
- Proportion of Food Obtained from Family Shamba

Employment Status

by total



- Nearly one-third of Kenyans are who are now jobless have never been employed (31%), with some others now jobless have worked in the past (8%). Most of those working are self-employed (29%), with only about one-in-ten employed full-time (11%).

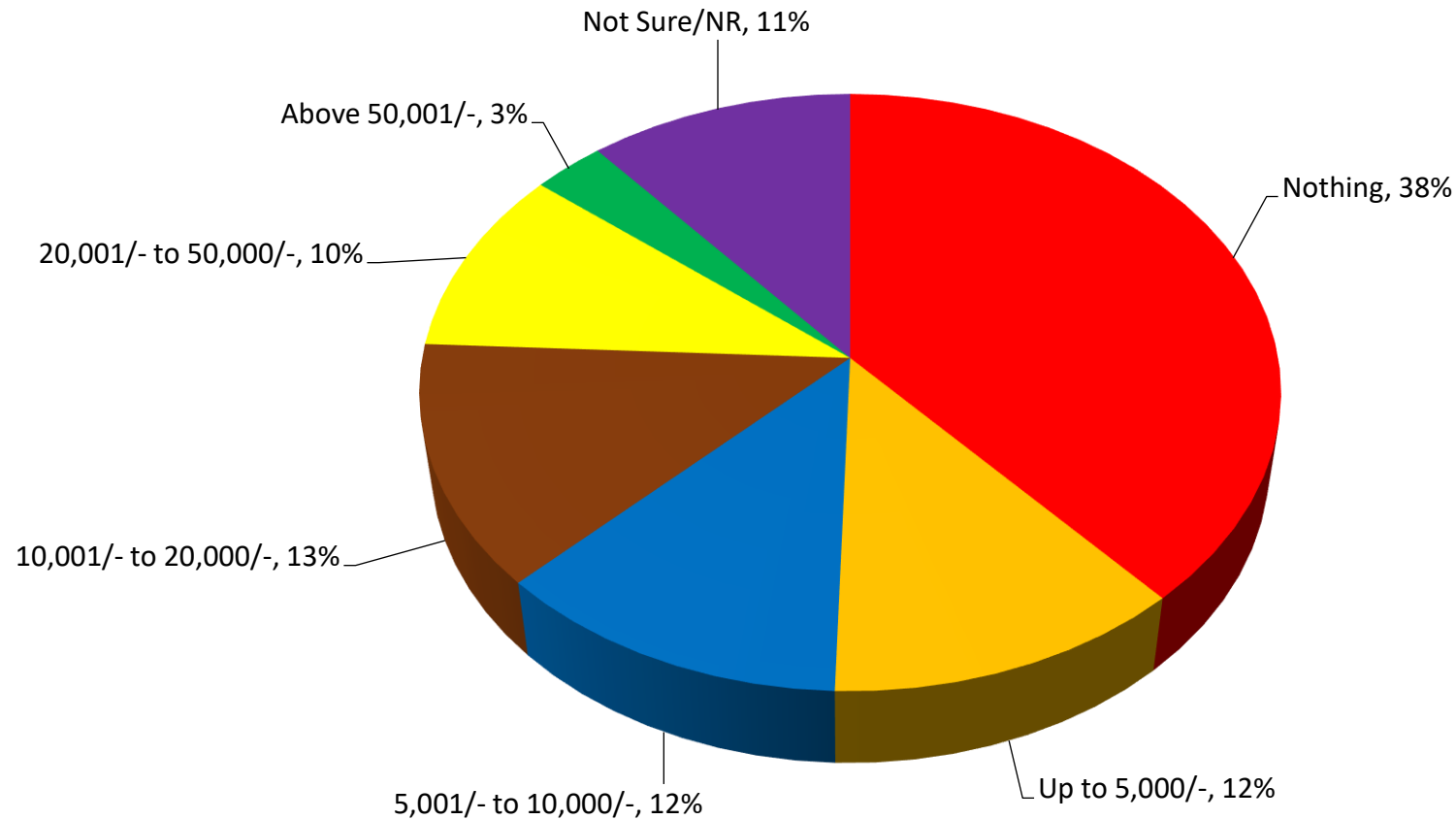


Monthly Income

by total



- ❑ Even those in the two highest monthly income groupings combined (Shs. 20-50,000/- and above Shs. 50,000/-) are fewer than those earning nothing (13% vs. 38%). The vast majority of Kenyans thus survive on extremely modest incomes.

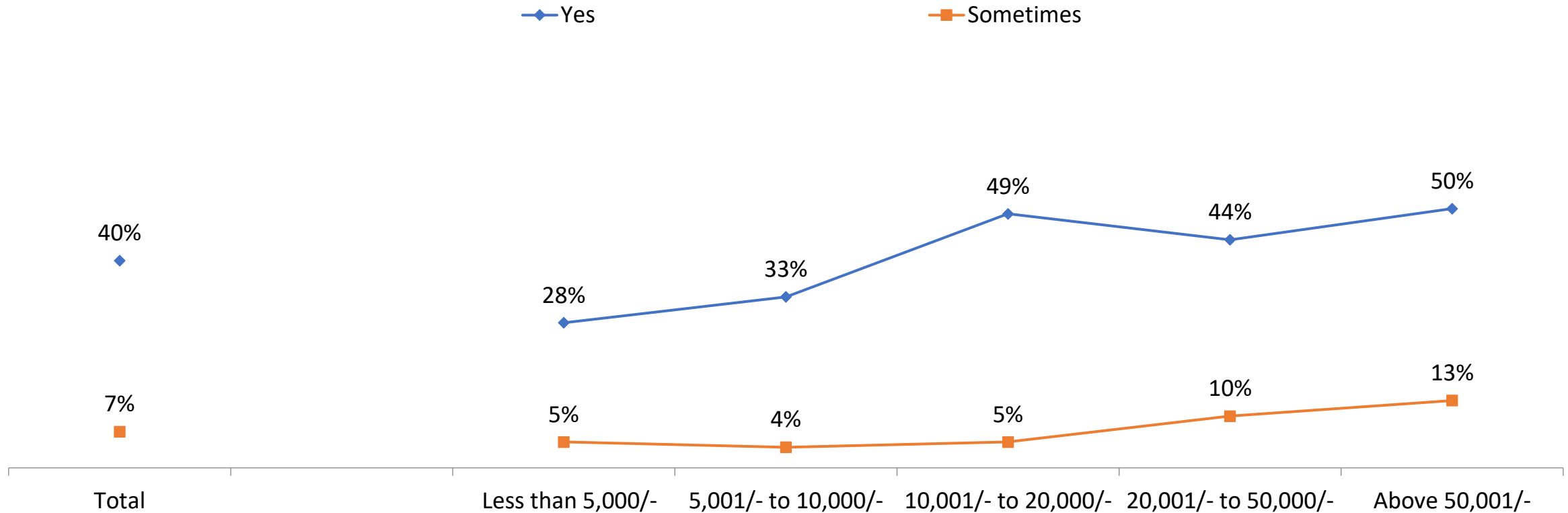


Capacity to Save Any Monthly Earnings

by household heads, by five monthly income categories (Among the 76% household heads among the 62% Working/Earning)



□ While there is a clear correlation between monthly income and the capacity to save at the end of each month, it is perhaps not as great as might be expected, as even just over one-quarter those in the lowest income category report being able to do this (28%), even though most twice as many in the highest income category (50%) say they do so.



Q: "Are you usually able to save any money at the end of each month?" **SINGLE RESPONSE**

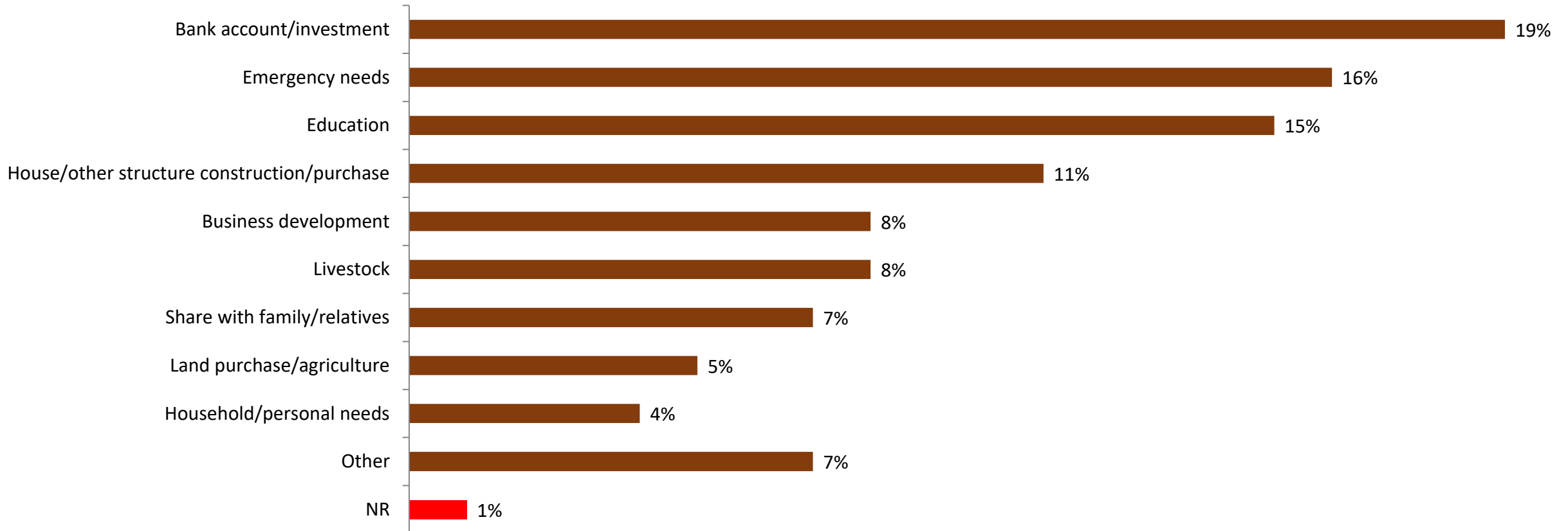
Base = (591)

Main Use/Purpose of Savings (by the 40% of those earning who are usually able to save)

by total



- Among the minority who are usually able to save anything, such funds are put to a wide variety of uses, the three most common being general saving/investment accounts to earn interest (19%), unexpected/emergency needs (16%), and education costs (which are periodic rather than monthly).

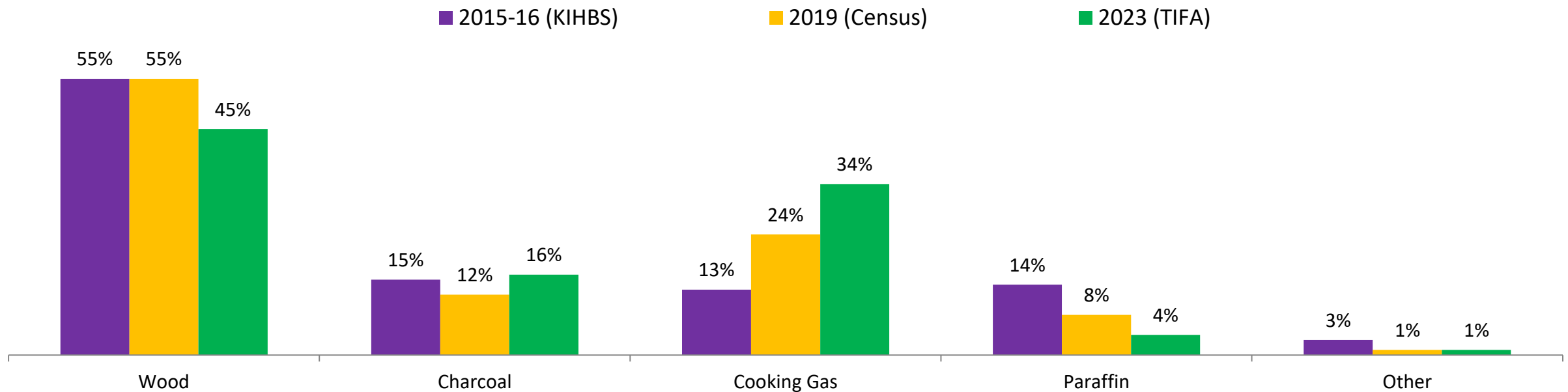


Main Household Cooking Fuel

by Total – Three Surveys (2015-16, 2019, June 2023)



□ Whatever (slight, if likely) differences in survey methodology, it is clear that over the last six years there have been significant changes in the use of cooking fuel by Kenyans. Most striking here is the increase by nearly three times in the proportion of households using cooking gas, (from 13% to 34%), and the decline by an even greater proportion of those using paraffin (from 14% to just 4%). It remains to be seen whether – and if so, to what extent – the proportion of Kenyan households relying mainly on cooking gas will continue to increase following implementation of the elimination of VAT as included in the new 2023-24 Budget, and if the trend depicted here continues, just when it will overtake wood as the most commonly used cooking fuel.



Q: "What is the main type of fuel used for cooking in this household?" **SINGLE RESPONSE**

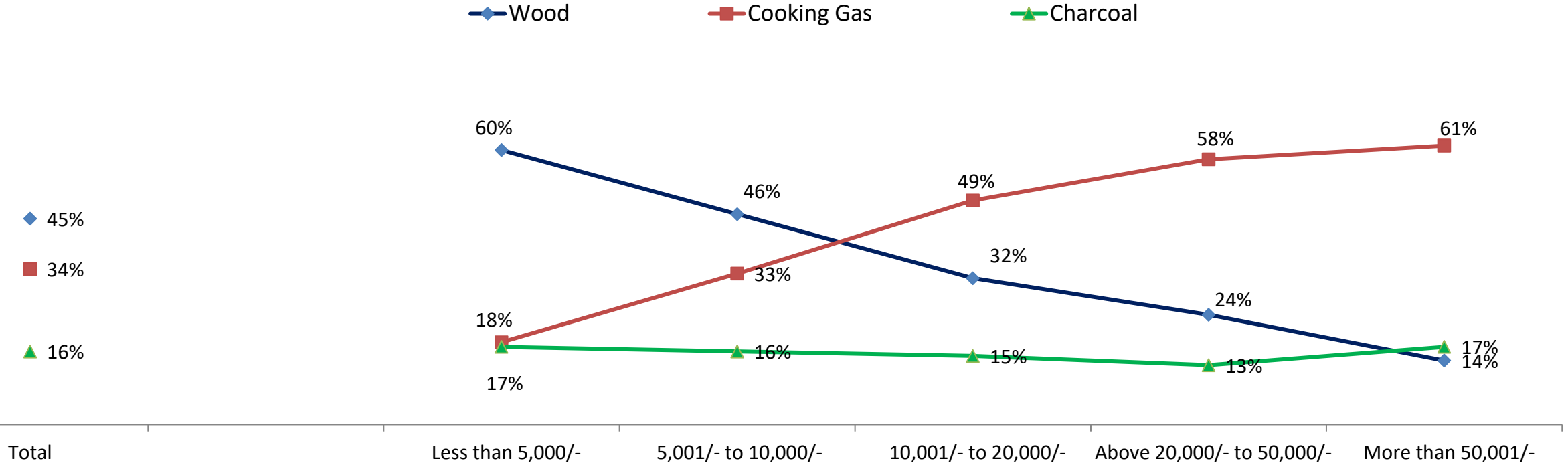
Base = 1,530 (all respondents)

3 Most Commonly Used Household Cooking Fuels

by total, five monthly income groups



While wood remains the most commonly used fuel for cooking (45%), it is closely correlated with income, being mentioned by over half of those earning less than Shs. 5,000/- per month (60%), but far less than cooking gas among those earning above Shs. 50,000/- (14% vs. 61%). For its part, the use of charcoal, though favored by a small minority of Kenyan households overall (16%), does not reflect variations in monthly income.

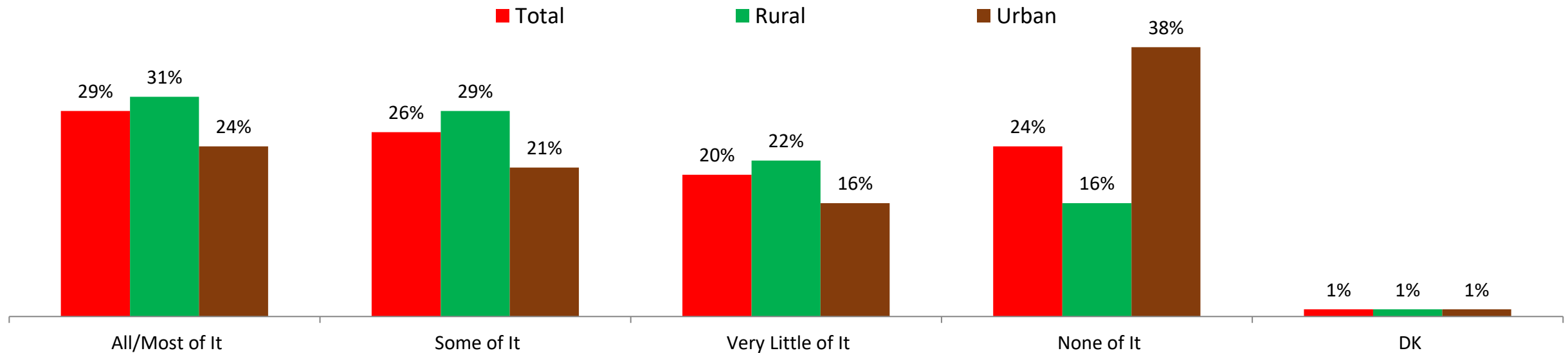


Proportion of Food Obtained from Family Shambas

by total, setting



While it might be assumed that nearly all rural-dwellers largely 'live off the land' while town-dwellers depend upon shops and kiosks for their daily sustenance, the reality appears rather different. Specifically, only about one-third of the former (51%) report that they obtain all or most of their food from their shambas, with nearly one-fifth of them (16%) getting no food at all from the land. For their part, only just over one-third of urbanities (38%) get none of their food from such (individual or family) land. This is so even if the latter must incur transport costs to obtain such home-grown consumables (either by having them sent to them or by going 'home' to get them). Altogether, the figures suggest the extent to which food costs impact nearly all Kenyans, especially given recent inflationary pressures, even if to some extent such figures reflect recent climatic conditions and consequent harvests.



Q: "How much of the food that you/members of your household have been eating over the last year come from crops you grow or are grown for you on your own or anyone's shamba?"

SINGLE RESPONSE

Base = 1,530 (all respondents)



Section Two: Economic Policy

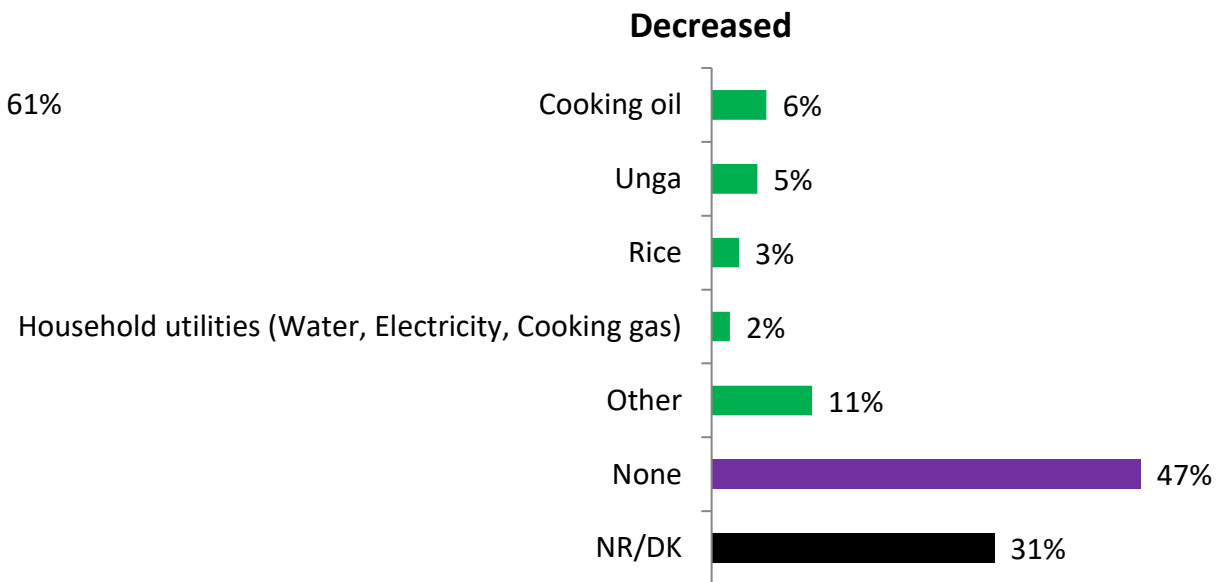
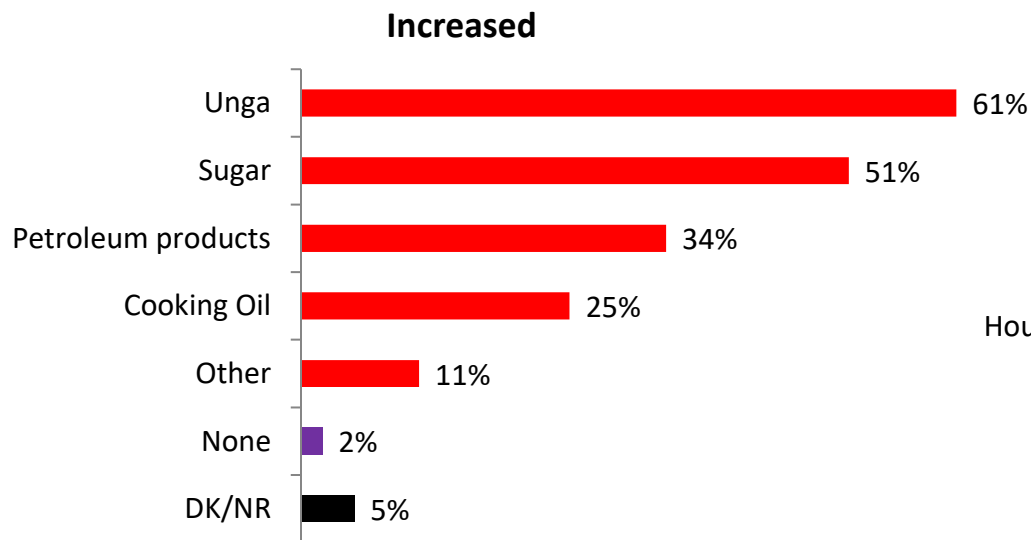
- ❑ Awareness of Price Changes in Basic Commodities Since 2022 Election
- ❑ Views on the New Budget
- ❑ Impact, Views and Expectations of the Housing Levy-Program

Most Frequently Mentioned Commodities Whose Cost Have (According to Respondents) Decreased/Increased Since Last Year's Election

by total



Among commodities most Kenyans consume/use, they are most aware of price increases for unga, sugar and petroleum products since the Ruto government assumed office (61%, 51%, and 34%, respectively). At the same time, only a handful of Kenyans are unaware of any products whose prices have not risen (7%). By contrast, more than three-quarters cannot identify any products whose prices have decreased during this same period (78%). Given that the country's rate of inflation was above 9% during the latter part of last year and only just below that figure during the first half of 2023, this is not surprising. At the same time, it should be noted that the impact of the removal of some subsidies/increase in tax on some of the items mentioned as contained in the new Budget were not (yet) in effect during the period of the survey (the last week of June), especially all petroleum products, whose prices increased only 1 July.



Q: "Since the Ruto government was elected, can you think of any two commodities whose prices have: Increased?" **DOUBLE RESPONSE - DO NOT READ**

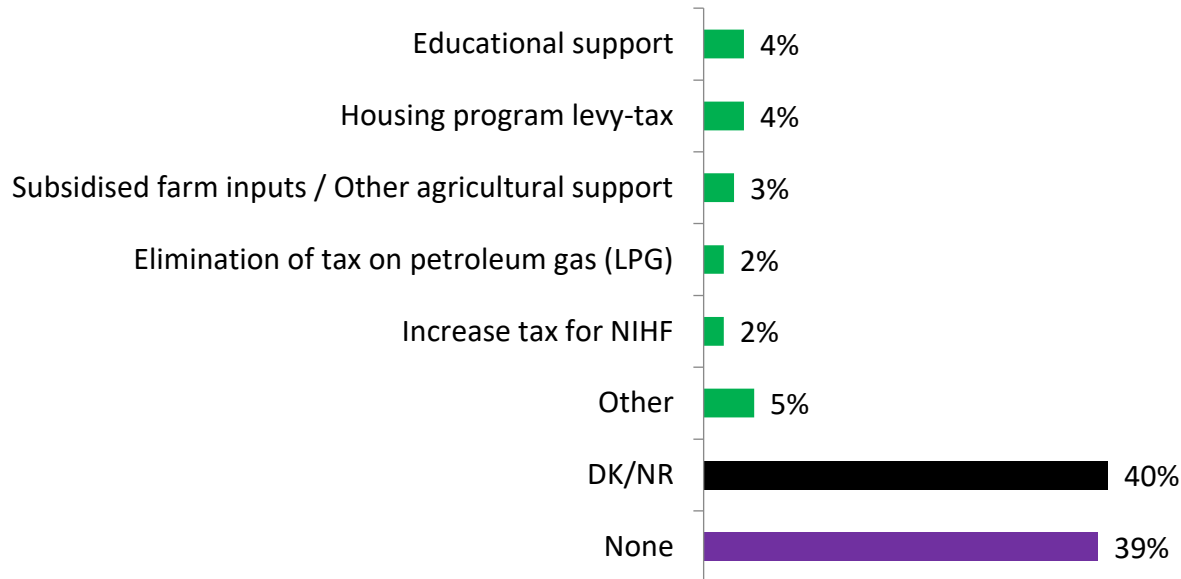
Q: "Since the Ruto government was elected, can you think of any two commodities whose prices have decreased?" **DOUBLE RESPONSE - DO NOT READ**

Perceived Best/Worst Provision of the Budget “For People Like You” by total

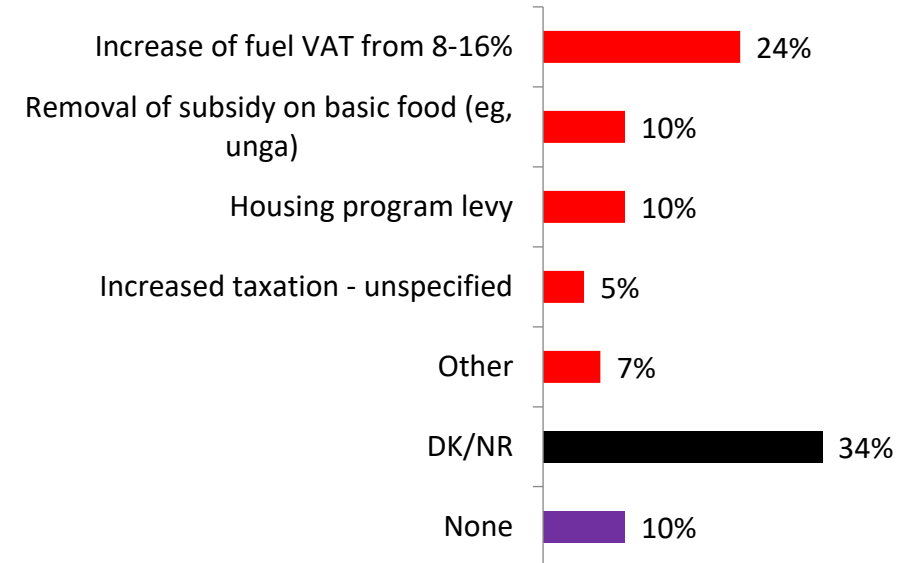


Only a modest minority of Kenyans identified any “best” provisions of the new Budget when invited to do so (21%), with support for the education sector and the new housing program being most frequently mentioned (4% each). By contrast, a clear majority mentioned a provision they consider as “worst” (56%), with the tax on all petroleum products being by far the leading category (24%).

Best Provision



Worst Provision



Q: “What provision of the new Budget would you say is best for people like you?” **SINGLE RESPONSE - DO NOT READ**

Q: “And what provision of the new Budget do you think is worst for people like you?” **SINGLE RESPONSE - DO NOT READ**

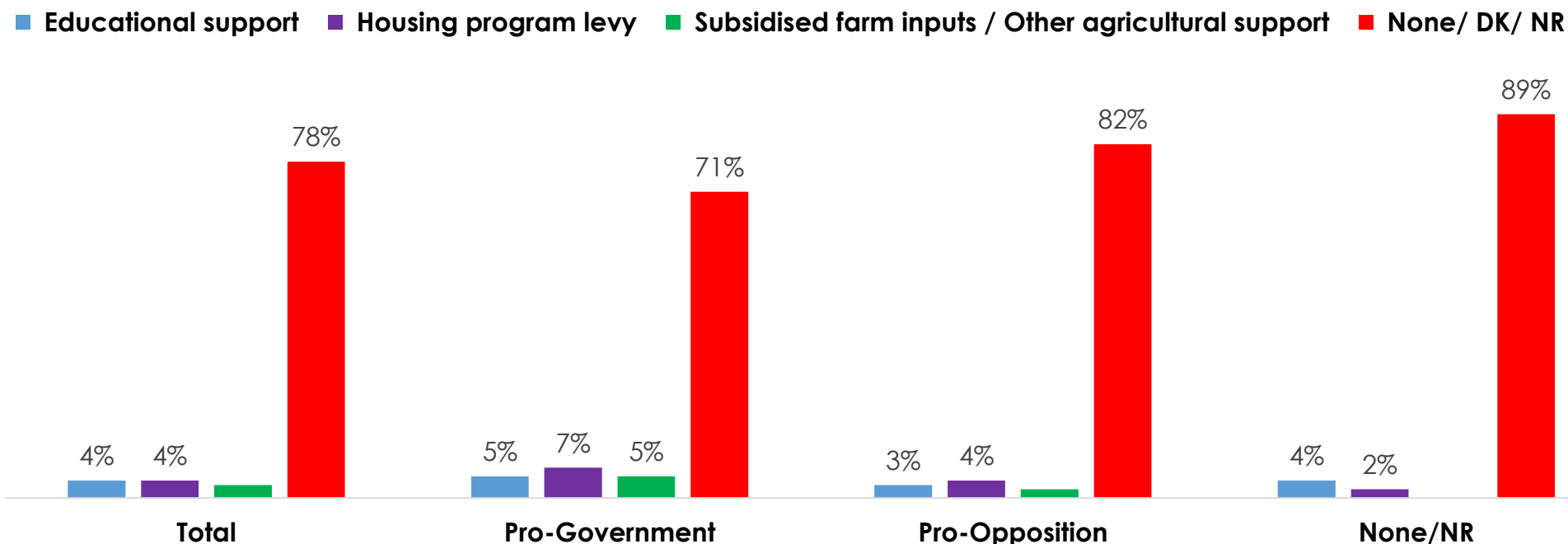
Base = 1,530 (all respondents)

Perceived Best Provision of the Budget “For People Like You” by Political Alignment



□ In identifying what they consider to be the best provisions of the new Budget, there is widespread agreement among Kenyans across the political divide, the only notable difference being that rather more Opposition supporters are unable (or unwilling) to mention any provision they consider to be “best” (82% vs. 71%), which also highlights that even among Government supporters, more than two-thirds likewise find nothing positive in it.

Best Provisions

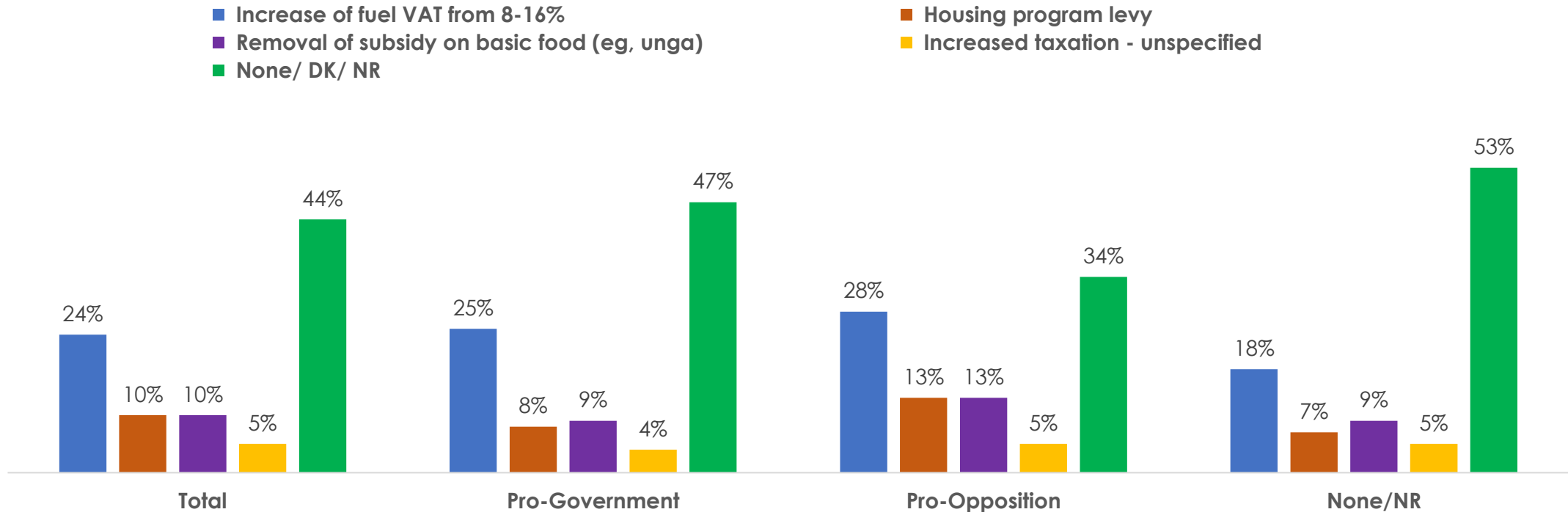


Perceived Worst Provision of the Budget “For People Like You” by Political Alignment



□ There is very little contrast in the views of Government vs. Opposition supporters, with the increase in VAT on petroleum products considered “worst” by both. But again, the main difference is that rather more Government supporters failed to identify any provision as “worst” (and thus mentioned “none”) as compared to those of the Opposition (47% vs. 34%).

Worst Provisions



Q: “And what provision of the new Budget do you think is worst for people like you?” **SINGLE RESPONSE - DO NOT READ**

Base = 1,530 (all respondents)

Perceived Main Purpose of the Budget

by total, political orientation



Kenyans as a whole and across the main political divide have quite diverse perceptions as to the main purpose of the new 2023-24 Budget, with that of increasing government revenue being the most widely held, even if among no category does it reach one-third. However, Government and Opposition supporters differ somewhat in that twice as many of the former see development and service delivery as its main purpose as compared to the latter (18% vs. 9%), while nearly three times as many of the latter believe its main purpose is to allow for corruption.

Main Perceived Budget Purpose	Total		Pro-Government	Pro-Opposition	None/NR
RESPONSES READ OUT:					
Raise revenue/reduce debt/pay for government operations	28%		31%	25%	25%
Increase development and improve services	13%		18%	9%	10%
Reduce the gap between the rich and poor	10%		12%	10%	6%
Reduce dependence on donors for future expenditure	9%		11%	7%	6%
RESPONSES NOT READ OUT:					
("None of these)" Allow for corruption	14%		8%	21%	16%
(None of these) Other	5%		3%	7%	5%
Not Sure	16%		11%	17%	22%
NR	6%		5%	4%	9%



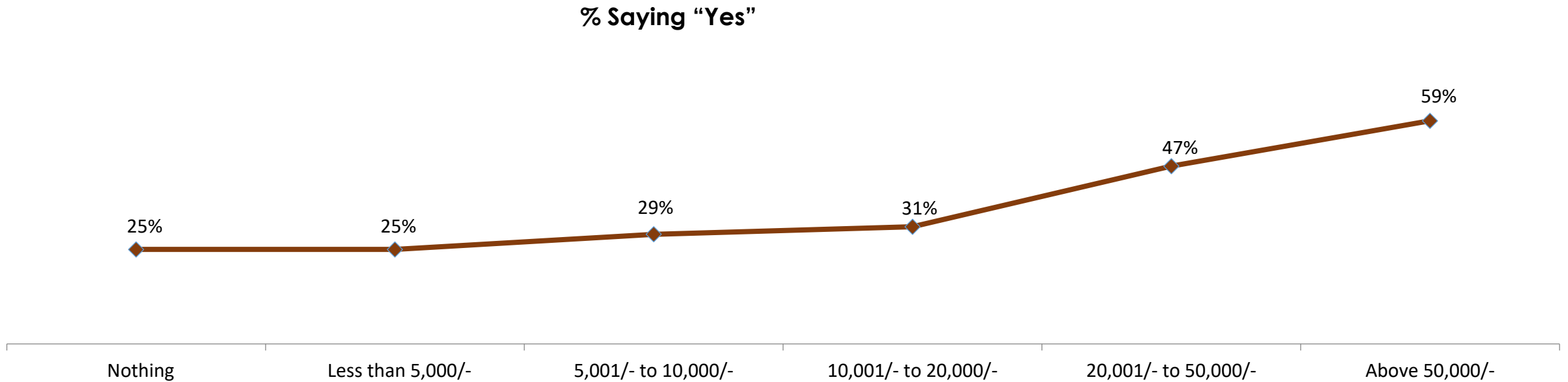
Section Three: The Housing Levy

- Expectations of Having to Pay the Housing Levy
- Expectations that Those Who Pay Will Ever Get a House from the Program
- Support for the Housing Levy-Program

Expectations of Having to Pay the Housing Levy by six monthly income groupings



□ While there is a clear correlation between monthly income and the expectation of being liable to pay into the new housing fund, it is striking that even among those currently earning nothing, one-quarter have such an expectation (25%), while only slightly more than twice that proportion (59%) in the highest income group do so. This latter (and modest) figure may be explained by the fact that only those in the formal sector (and whose employers will be obliged to match their 1.5% contribution) fall within its mandatory-deduction category.



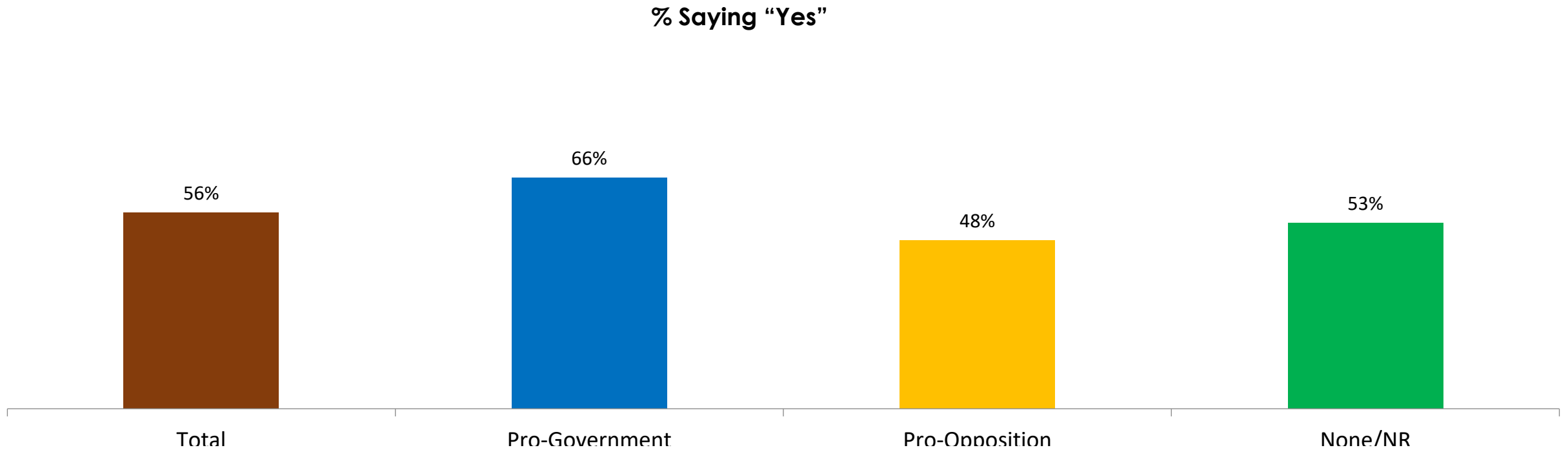
Q: "Are you expecting to be pay the new housing tax of 1.5% of your income every month?"

Base = 1,530 (all respondents)

Expectations of Having to Pay the Housing Levy by the 11% employed in the formal sector



□ Even those (relatively few) employed in the formal sector, only just over half (56%) expect to be contributing to the housing fund once it becomes operational. Among those politically aligned, however, there is a clear margin between supporters of the Government and the Opposition, with considerably more of the former having such an expectation (66% vs. 48%). Whether there is a higher level of support among those (of both political grouping) for the housing fund among those who expect to pay into it as compared with those who do not could be revealed by further analysis of the data.



Q: "Are you expecting to be pay the new housing tax of 1.5% of your income every month?"

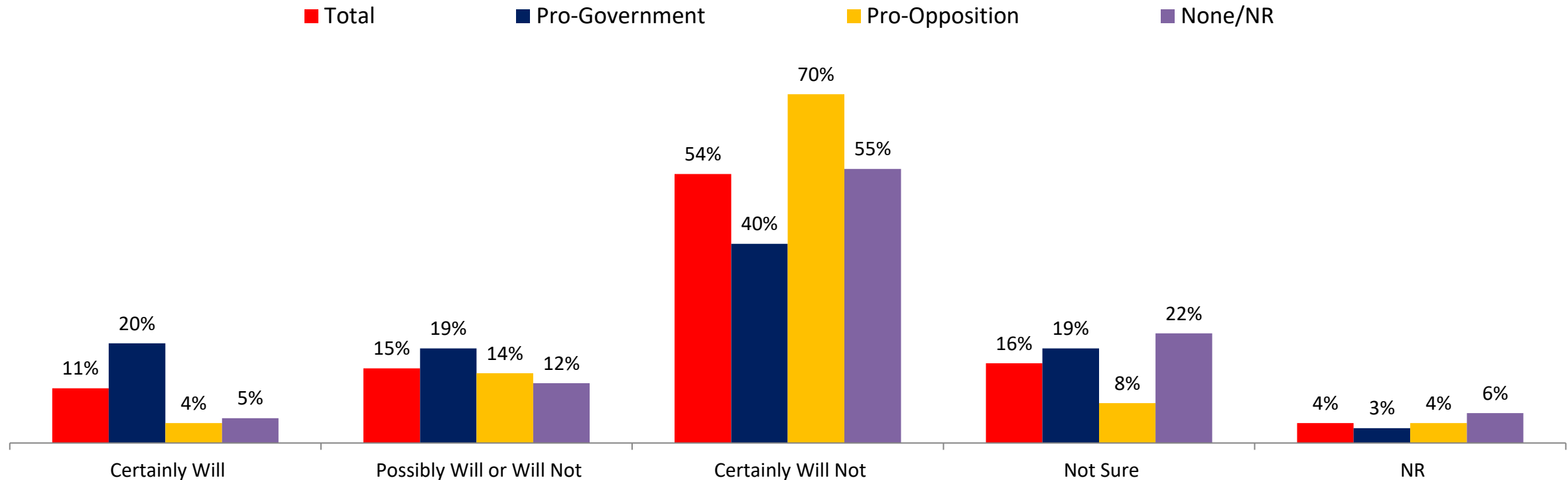
Base = 166)

Expectations That Those Who Pay the Housing Levy Will Ever Get a House

by total, political alignment



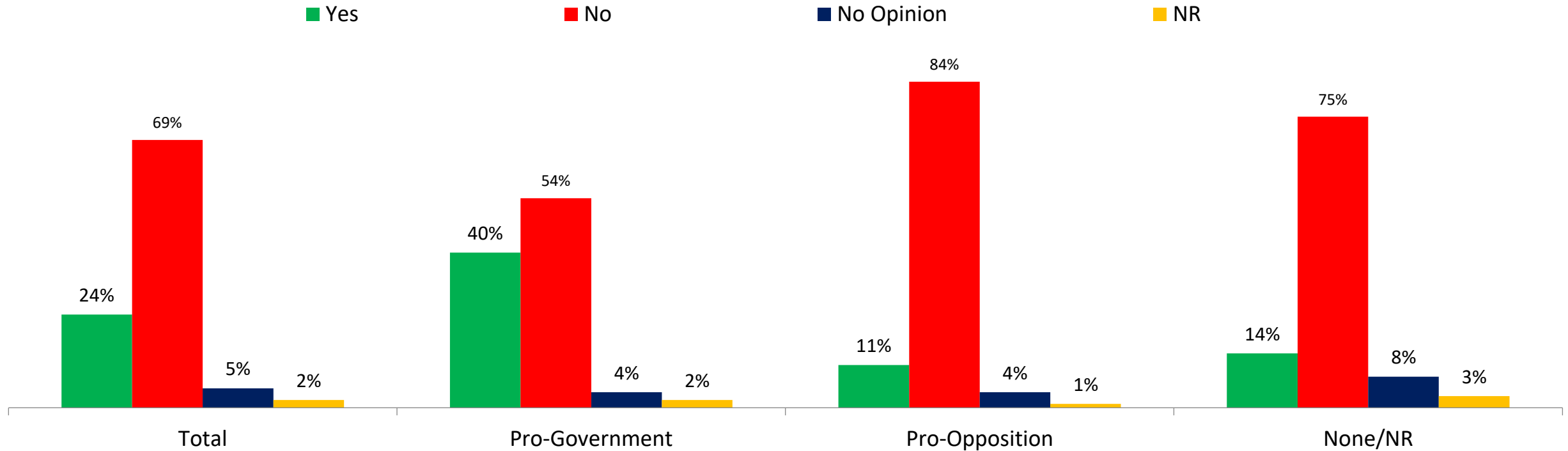
□ Expectations that those who pay the new housing levy will ever get a house are quite most, with nearly five times as many of all Kenyans certain that they will not as compared to those who certain that they will (54% vs. 11%). Such expressed expectations are markedly shaped by political alignment, however, with five times more Government supporters certain they will get a house as compared to Opposition supporters (20% vs. 4%). Still, not all Opposition supporters hold such negative expectations (only 70%).



Support for the Housing Levy by total, political alignment



Among Kenyans as a whole, only one-quarter express support the housing fund-program (24%), more than two-thirds, of a contrary opinion (69%). Even among Government supporters a majority hold this negative view (54%), at least for now. By contrast, and unsurprisingly, nearly all Opposition supporters oppose it (84%), suggesting that to a large extent, such opinions are more a reflection of political alignment than of the details of the program itself (which are to become better known in due course, with whatever impact on the public's opinion about it).





Section Four: Concluding Comments

Several points can be made with regard to findings included in this 1st Release of TIFA's June, 2023 survey:

- ❑ The first is that whatever criteria were employed a few years ago to re-classify Kenya as a “middle income” country, the vast majority of the population continues to struggle with the requirements of daily existence, even if several of the causes of this situation – such as the continuing effects of the Covid pandemic and the war in Ukraine – are (at least hopefully) neither permanent nor of Kenya's own making.
- ❑ A second is that whichever side is most adept at scoring rhetorical points regarding the blame for the country's current economic woes, the current government is facing a considerable challenge in maintaining the level of support it required to triumph in last year's elections. This is especially so since, as widely recognized, it was one of the most issue-based contests in Kenya's history, with the economic well-being/improvement of the least affluent being its most central feature. As such, expectations – especially of those who supported the winners – were, and to a great extent, have remained exceedingly high. Thus, even if the next general election is more than four years away, the Opposition has clearly ‘smelled blood’ in using the incumbents' own campaign promises against it. Moreover, the fact that, by most accounts, quite punitive measures are required to at least partly address the causes of the country's current economic woes, a major question arises as to how much tolerance the largely suffering public has as these measures (only slowly) take effect.



Concluding Comments (con't)

- ❑ It is thus clear from the results contained in this Release, regarding especially the “best” and “worst” aspects of the Budget for ordinary Kenyans as well as its perceived “main purpose” and support for the housing levy, that there is considerable disquiet even among pro-Government supporters. At the same time, Opposition supporters are far from completely unified against it, suggesting that given the largely similar needs and desires of most Kenyans – and assuming the further decline in the salience of ethnic identity as the most important factor in shaping political orientations – the political terrain, in common with the economic ones, is likely to become increasingly fluid. That is, while the in-built advantages of incumbency are undoubtedly considerable, they likewise constitute a threat, given the highly sanguine expectations that accompanied the rise to power of the current, if still quite new, national leadership.
- ❑ This point may be summed up by quoting the political commentator (and former senior media editor) Tom Mshindi: “Whilst the anger will simmer and the grumbling will definitely continue...President William Ruto has got the budget he wanted. So now what is he going to do with it? In the short term, wananchi are going to feel more pain...but people have certain expectations that if met can mitigate the negativity that the Finance Bill has received...We pay taxes to get services, and providing services is one area that our government has continually failed. These taxes must [eventually] be seen to be invested in security Kenyans’ lives...Ease the pain by delivering on the lofty promises.”



Concluding Comments (con't)

- ❑ In terms of their evaluations of the Jubilee government's successes and failures, Ruto supporters are somewhat less willing to give it credit for anything, though in terms of failures, there is nearly complete agreement regarding the perceived failure members of both groupings to cushion them against cost-of-living increases, with nearly half of each of them identifying it as one of its “two main failures”, far more frequently mentioned than anything else. It is thus of no surprise that measures to address this issue is perhaps the most commonly mentioned by both campaigns as they continue to traverse the country in the final weeks.
- ❑ Between half and two-thirds of all Kenyans express a high level of confidence in both the IEBC and the Supreme Court to perform their election-related functions fairly, with only marginal contrasts in this regard between Ruto and Odinga supporters (in particular, slightly less confidence in the IEBC by Odinga's). Such confidence-levels will be important to track as the election itself approaches.
- ❑ Similarly, there is only a minimal contrast between these two groups of supporters/would-be voters with regard to the perceived “main motivation” of those who come forward to contest elections (for whatever positions), with only a slight majority attributing such motivation to personal/family interests as opposed to those of the community/nation, though Odinga's supporters are marginally more negative than are Ruto's about this.



Concluding Comments (con't)

- ❑ In planning its next survey, TIFA will carefully consider which of these issues are worth tracking again, and which should be replaced with other critical election-related issues that may arise in the meantime, keeping in mind that due to interview time-constraints, the content of any such survey is limited.
- ❑ In any case, TIFA (like other survey firms, remains grateful to the thousands of Kenyans who readily agree to participate in such surveys and without whom no one would have an idea as to how prepared the country's citizens are to express their preferences on election day, and what issues they want their next set of leaders to address, among many other pressing realities.





Section Five: Methodology & Demographics

Methodology Overview

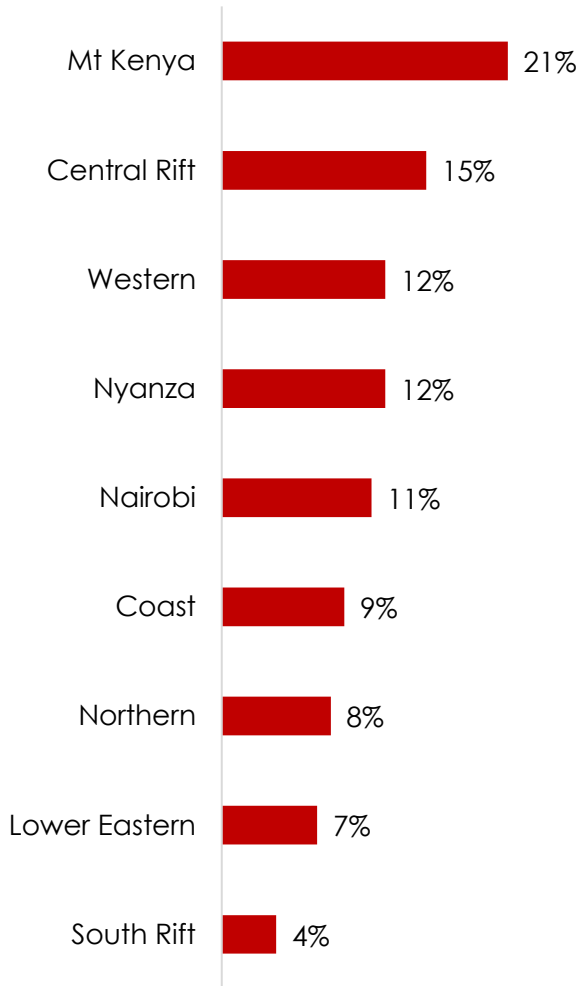


Fieldwork Dates	24 th to 30 th June 2023
Geographical	Nationally Representative Sample (spread across 9 Zones ; <ul style="list-style-type: none">• Central Rift, Coast, Lower Eastern, Mt Kenya, Nairobi, Northern, Nyanza, South Rift, Western
Data collection	<ul style="list-style-type: none">▪ Telephonic Interviews conducted (with respondents whose contacts were collected through face-to-face (i.e., household-based interviews)▪ The interviews conducted in Kiswahili (mainly) and English.
Sample	1,530 respondents
Margin of error	+/- 2.5 % (Note: Larger error-margins for sub-samples)
Funding	TIFA Research

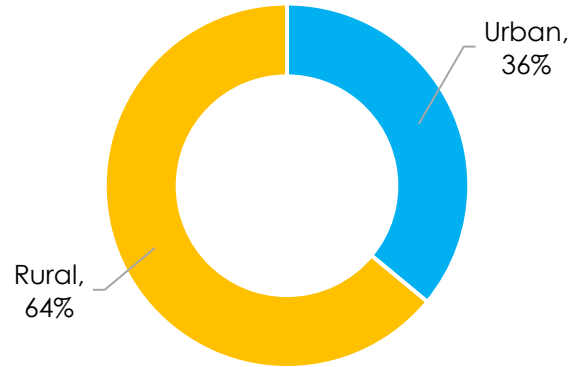
Demographics:

Region, Gender, Age, Religion, Setting & Marital Status

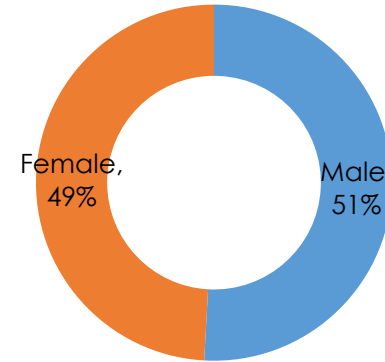
Zone



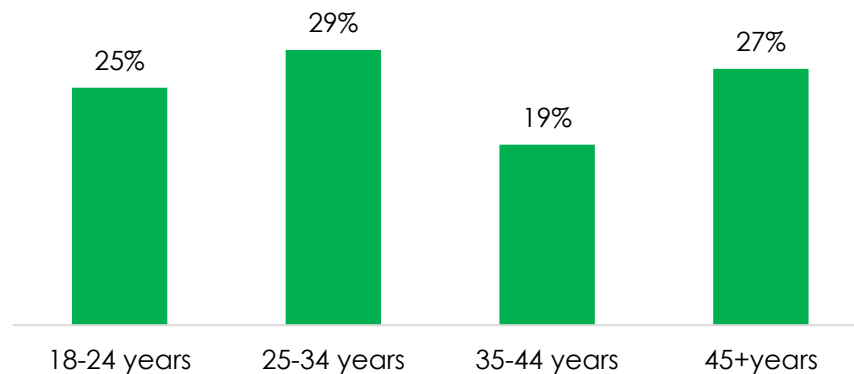
Setting



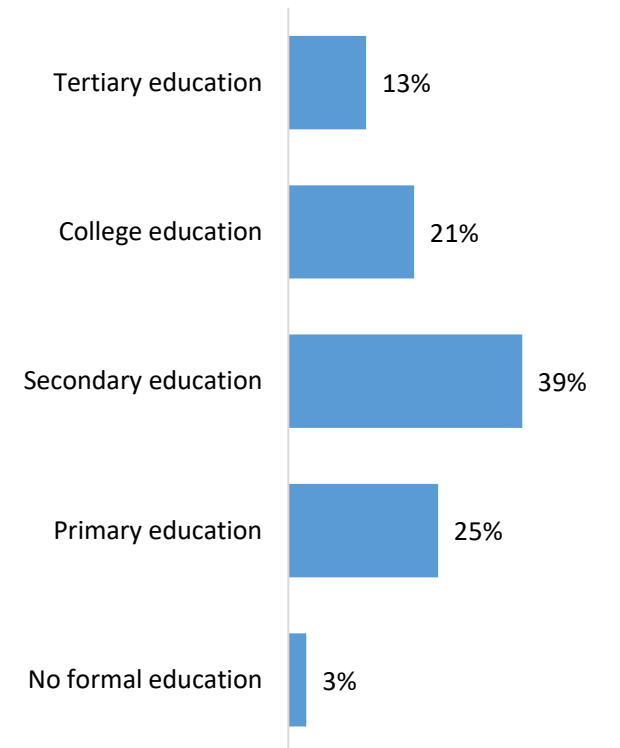
Gender



Age



Highest education level



Sampling Zones Classification



County	Region
Uasin Gishu	Central Rift
Elgeyo-Marakwet	Central Rift
Nandi	Central Rift
Baringo	Central Rift
Nakuru	Central Rift
Kericho	Central Rift
Bomet	Central Rift
Mombasa	Coast
Kwale	Coast
Kilifi	Coast
Tana River	Coast
Lamu	Coast
Taita-Taveta	Coast
Kitui	Lower Eastern
Machakos	Lower Eastern
Makueni	Lower Eastern

County	Region
Trans Nzoia	Western
Kakamega	Western
Vihiga	Western
Bungoma	Western
Busia	Western
Garissa	Northern
Wajir	Northern
Mandera	Northern
Marsabit	Northern
Isiolo	Northern
Turkana	Northern
West Pokot	Northern
Samburu	Northern
Nairobi	Nairobi

County	Region
Meru	Mt Kenya
Tharaka-Nithi	Mt Kenya
Embu	Mt Kenya
Nyandarua	Mt Kenya
Nyeri	Mt Kenya
Kirinyaga	Mt Kenya
Murang'a	Mt Kenya
Kiambu	Mt Kenya
Laikipia	Mt Kenya
Siaya	Nyanza
Kisumu	Nyanza
Homa Bay	Nyanza
Migori	Nyanza
Kisii	Nyanza
Nyamira	Nyanza
Narok	South Rift
Kajiado	South Rift



For Inquiries and Suggestions, Contact:

Dr Tom Wolf
Research Analyst
tpwolf1944@gmail.com

Maggie Ileri
CEO
ask@tifaresearch.com

www.tifaresearch.com