AFRICA GLOBAL FORUM · FACT-CHECKED BRIEFING

Support Money vs Ownership Money

Where Africa's record $100bn in remittances actually goes — and what changing the split is worth

JULY 2026 · PART 3 OF THE “TWO ROOMS” SERIES · SOURCES CITED

~$100bn	72 / 28	~$5.5bn	~$125bn
Africa's record diaspora remittances, 2024 (verified)	modelled split in the big corridors: consumed vs becomes capital	freed per year by hitting the UN 3% fee target — no behaviour change	extra assets a decade of a modest 60/40 split would build

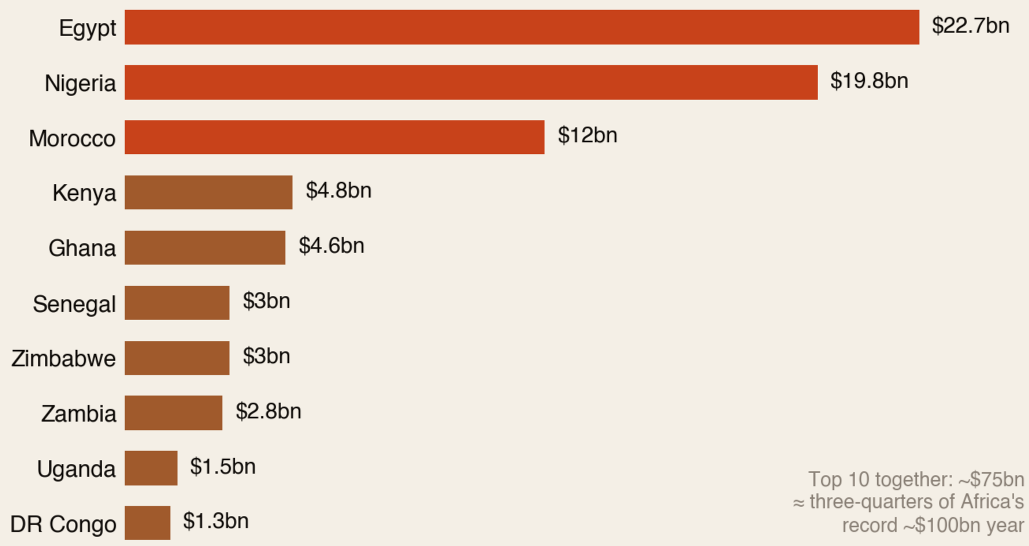
Think of every remittance dollar as facing one question when it lands: **will you be spent, or will you become something?** In Africa's big corridors, about 72 cents of every dollar is consumed the year it arrives and 28 become capital. In high-saving economies like Singapore, South Korea and Norway, more than half of income survives as capital. This report is about that gap — what causes it, what it costs, and what closing even part of it is worth.

It is the third report in AGF's “two rooms” series: The Price of “I Do” (one ceremony), The Living Room vs The Bedroom (one household), and now the whole corridor.

Prepared for the Africa Global Forum community · July 2026

1. The $100 Billion River

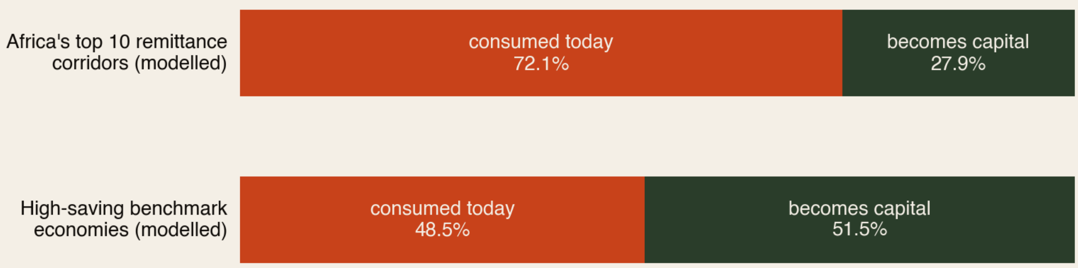
Africa's diaspora sent home a record ~$100 billion in 2024 — bigger than most aid flows and rivalling foreign investment. Ten countries receive about three-quarters of it:



Africa's top 10 remittance recipients, 2024 (World Bank-linked figures — verified against multiple sources).

Three things make this river remarkable. It's huge. It's reliable — families keep sending through recessions, pandemics and coups, which aid and investors do not. And it's personal — it arrives straight into households. That last strength is also the weakness: money that arrives as family support gets treated as family support — absorbed by food, rent, school fees, medical bills and ceremonies before it can become anything else.

2. The Split: What Survives as Capital



The modelled split: consumption vs capital. An illustrative model built from savings-rate and remittance-use data — read it for the size of the gap, not the decimals.

Be clear about what this chart is: a model, not a measurement. Nobody audits every remittance dollar. But the direction is solidly supported — World Bank data shows gross savings of 30–43% of GDP in the benchmark countries against single digits to low twenties across most of the African sample, and remittance-use surveys consistently find most of the money going to daily needs. And one thing the model does *not* say: that African families are doing something wrong. Spending on food, school and medicine when systems are weak is survival finance doing its job. The question is what happens to the part that could be preserved.

3. What High Savers Do Differently (It's Not Virtue)

Pensions take their cut automatically. Singapore's CPF skims salary before it reaches the household.

Mortgages turn rent into equity. The biggest monthly payment builds an asset instead of burning.

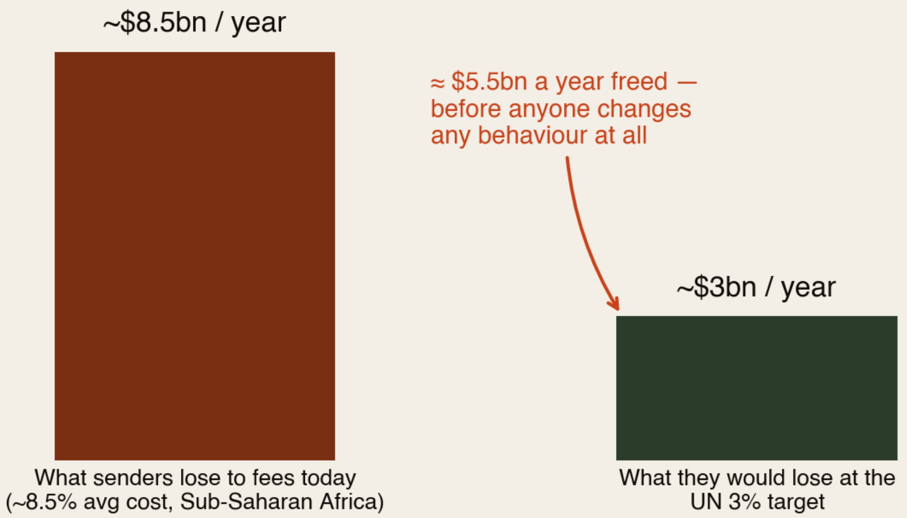
Insurance absorbs the shocks. A medical emergency doesn't wipe out five years of savings.

Trusted products hold value. Money parked in a fund is still there, and grown, a decade later.

High-saving economies don't ask households for heroic monthly discipline. They make capital formation the default and consumption the decision — Africa's corridors currently work the other way around.

4. The Fee Leak: The Easiest Billions

Before a dollar can be consumed or invested, the transfer takes a bite. Sub-Saharan Africa is the most expensive place on earth to send money — ~8.5% average cost, nearly triple the UN's 3% target (verified in AGF's Banks vs Stablecoins research).

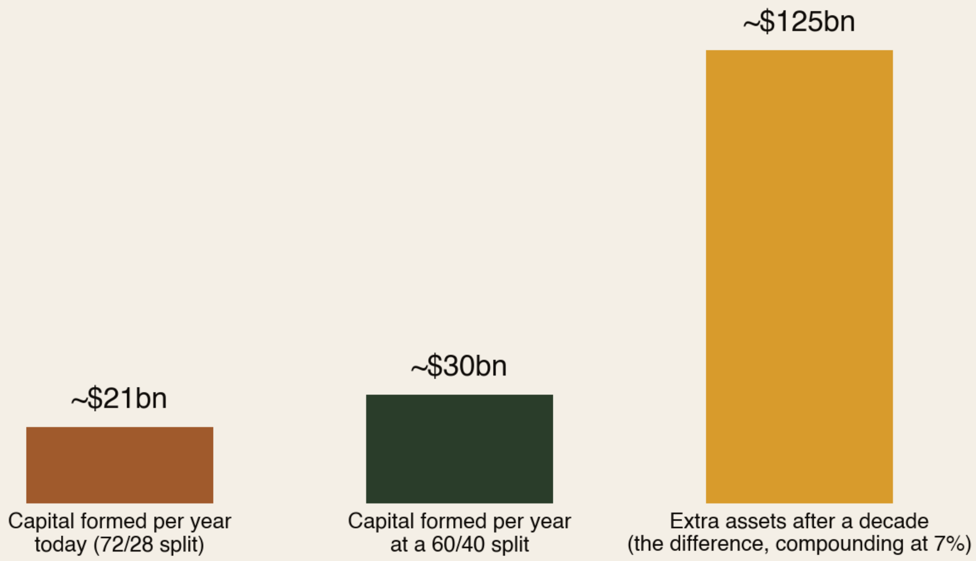


Illustrative: fees on ~$100bn of flows at today's average cost vs the UN 3% target.

That ~$5.5bn is the cheapest capital Africa will ever raise: nobody has to earn more, send more, or spend less. Cheaper rails — mobile money, licensed stablecoin corridors, interoperable systems — are step zero of capital formation.

5. The $125 Billion Prize

Nobody is asking Africa's corridors to jump from 72/28 to Singapore overnight. The modest scenario: just 60/40 — twelve cents more of every dollar preserved.



AGF calculation on the ~$75bn top-10 flow: 27.9% vs 40% converted to capital, the difference compounded for 10 years at 7%. Illustrative arithmetic, not a forecast.

Twelve cents on the dollar, across the big corridors, for a decade, at ordinary returns — and the diaspora quietly builds ~$125 billion of household assets: land with titles, tuition that finished, businesses that survived, deposits that became homes.

6. The Bright Spots Already Working

Kenya: the strongest support-to-capital pathway — remittances land on M-Pesa rails where savings products are one tap away, and 90% of adults have accounts.

Senegal: the proof case — when remittances went digital, women receiving them became more likely to invest in small enterprises.

Nigeria: the biggest upside — $19.8bn of scale and a fintech sector already testing remittance-linked credit for small businesses.

Egypt: proof that policy can pull flows into formal channels, even while household pressure keeps consumption high.

The pattern across all four: nobody preached savings. They changed the plumbing — and behaviour followed.

7. The Diaspora Playbook

For the builders — products that move the split:

The automatic skim. A remittance account that routes 10% of every inflow into protected savings — the CPF idea, sized for a remittance.

The housing wallet. Recurring transfers accumulate toward land, a deposit or materials.

The education fund. School fees as a structured plan, not a termly emergency.

Remittance credit scoring. Years of reliable inflows should unlock formal small-business borrowing. Today they mostly don't.

For the sender — the personal version, this week:

Split before you send. Decide a ratio — say 70% support, 20% asset, 10% emergency — and make it automatic. Deciding once beats renegotiating monthly.

Give the asset money a name. Money labelled “Mama's land” survives pressure that money labelled “savings” does not.

Route around the fee. Moving from an 8–9% channel to a 2–3% one is an instant, permanent raise for your family.

Support money keeps your family standing. Ownership money means one day they won't need it.

8. How We Checked

Built from a contributed comparative analysis (“Consumption vs Capital”), independently fact-checked and extended by AGF. **Verified:** the 2024 top-10 remittance figures and the record ~$100bn total (World Bank-linked, cross-checked); the ~8.5% Sub-Saharan transfer cost (World Bank Remittance Prices Worldwide, via AGF's prior verified research). **Labelled as a model:** the 72/28 and 49/51 splits are illustrative constructions — direction well supported, decimals not statistics. **Caveat:** the source mixes gross national savings (which include government and corporate saving) with household series; we use them directionally only. **Added by AGF:** the fee-leak calculation, the 60/40 compounding scenario, the bright-spots synthesis, the sender playbook, and the link to our wedding and household-spending research, which explains where much of the consumption share goes. Sources: World Bank / Business Insider Africa (2024 ranking); GFRID; UN OSAA policy briefs; World Bank NY.GNS.ICTR.ZS; OECD; Trading Economics.