SAVINGS AND CREDIT COOPERATIVE SOCIETIES' SERVICES AND HOUSEHOLD INVESTMENT AMONG MWALIMU SACCO MEMBERS IN NYANDARUA COUNTY, KENYA

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ABSTRACT

As per research, a significant portion of Kenyans do not use financial services, which also indicates insufficient investment. With the little or no uptake in household investments, there is need to sensitize and empower Kenyans who may be having little knowledge on matters investment which informs the basis of this study. This study therefore focused on savings and cooperative societies' services and their influence on household investments among Mwalimu SACCO members in Ol-Kalou town, Kenya. The survey sought to explore the influence of capital mobilization and credit disbursements, on household investments among Mwalimu SACCO members in Ol-Kalou town, Kenya. Theories underpinning this research were Neoclassical Growth Theory and Keyne's General Theory. The survey embraced explanatory research design. The target population was 154 public schools' teachers registered as members of Mwalimu SACCO in Ol-Kalou town in Nyandarua County Kenya. A total of 64 Public School teachers were chosen at random to take part in the research as participants using a simple random sample method. The information was gathered through questionnaires. Validity and reliability tests were conducted on the questionnaires. The statistical packages for social sciences(SPSS) was utilized to analyze the data that have been obtained. Descriptive statistics like percentages, frequency, mean, and standard deviation were utilized to analyze the data. The researcher also undertook diagnostic tests before conducting inferential analysis. Correlation and regression analysis were utilized to give inferential statistics. Further data displays included figures and tables, which were followed by pertinent conversations. The study established that capital mobilization and credit disbursements, all have positive and significant correlation with household investments amongst Mwalimu SACCO members in Ol-Kalou town in Kenya. The study concluded that capital mobilization, credit disbursements, collateral substitutes and financial education have significant effect on household investments amongst members of Mwalimu SACCO in Ol-Kalou town in Kenya. Conversely, the survey recommended that the government should take this opportunity to support SACCOs in the country as this will enhance capital mobilization thus enhancing household investments. Moreover, strengthening of SACCOs will make available the highly needed credit facilities for business people and potential investors. Conversely, the study recommended that SACCO management should continue enhancing the use of collateral substitutes to unlock financial access to many people. Additionally, SACCO members should take advantage of opportunities provided by the SACCO to enhance their financial education for better investment decisions.

Key Words: Capital Mobilization, Credit Disbursements and Household Investments

INTRODUCTION

Several of the sustainable development goals (SDGs) focus on the uplifting of the socio economic welfare of people. The SDGs lay emphasis on: ending poverty through enabling equal rights and access to economic resources and financial services (SDG 1), promotion of economic growth through access to credit (SDG 8), easing access to microfinance to support own enterprise (SDG 9) and the reduction of income inequalities through microfinance (SDG 10) (UNESCO, 2017). Many people believe that microfinance is an essential tool for helping the poor population escape poverty. SACCOs and microfinance institutions (MFIs) offer loan and insurance services to assist the needy manage their spending, increase their ability to make an income, and live better (Mbagga, 2013).

The present co-operative notion started in England in 1844. The model has grown tremendously over the years globally (Sebhatu, 2011). Raiffeisen created the first rural credit union to foster for the empowerment of the rural people financially in 1864. The communities were believed to have little amounts of cash which were periodical hence were non-bankable (WOCCU, 2012). According to Ongore (2013), SACCOs had spread all over Latin America, Northern America, Europe, and Asia from 1900 to 1930. Father John Mcnulty is reported to be the person who introduced the first SACCO Society in Ghana in 1959. The aim of the SACCO was to raise the economic standards of the people. Kwame (2012) aptly put that the SACCOs progression in Ghana has since spread widely across the African continent. Africa Confederation of Cooperative Society Savings and Credit Association (ACCOSSCA) was established in 1965 to promote the general welfare of SACCOs in Africa as a result of the fast growth of SACCOs (Savings Plus, 2010; Mwakajumilo, 2011).

According to recent studies, SACCOs are related with about 7% of the African population (Pollet, 2009). Despite being large in number, the research shows that the cooperative movement has limitations. Additionally, Pollet (2009) found that there are few specialized social protection measures connected to cooperatives in Africa. Savings from SACCOs in Sub-Saharan Africa raised typically by 31.9% in 2008, which is consistent to past years' average growth rates. Less than in prior years, average loan growth climbed by 12%. (WOCCU, 2009). As an illustration, SACCO loans climbed by 35.3% in 2007 and by 21.2% in 2006. The number of new members has continued to rise. This implies that SACCOs in Africa only loan money to members after carefully scrutinizing them (Bottleberge & Agevi, 2010).

Lumbwa cooperative society was Kenya's first co-operative organization (WOCCU, 2009). The European Farmers formalized this cooperative in 1908. Its primary goals were the marketing and acquisition of agricultural inputs. According to a 2011 KUSCCO assessment, cooperatives have helped Kenya flourish in the areas of credit, housing, storage, fishing, and agriculture. As per conference report from the Ministry of Cooperative Development and Marketing (MCDM) in year 2010, Kenya now has more than 5200 registered SACCOs and more than 5.6 million members. The SACCO industry growth is attributed to the rapid economic growth in Kenya and a high preference for credit by consumers. Gross Domestic Product growth has been comparatively strong for the last 7 years, averaging 5.64% between 2014 and 2016, and the domestic credit market has grown increasingly and averaging 43.85% of GDP on the same period (World Bank, 2017). These trends are projected to continue putting into consideration that Kenya has a population of 48 million of which a quarter use informal financial services providers leaving a significant market for the SACCO sector.

Household savings, according to Sarwary (2021), are the difference between income and expenses. Domestic savings are influenced by the government, the public corporate sector (PCS), and households. Investments made by households have a big impact on how well people and society are doing. Families save money for a variety of reasons, such as: building a reserve against unforeseen events; regulating consumption at different stages of life due to income fluctuations; profiting from interest and appreciation (inter-temporal substitution motive); and taking pleasure in gradually rising expenses. Finally, they save to accumulate down payments for the purchase of homes, cars, and other durables (down payment motive) in addition to feeling financially independent and free, funding speculative or business endeavors, leaving a fortune to future generations, engaging in pure austerity (Kamau, 2014).

The primary goals of SACCOs, according to Cheruiyot *et al.* (2012), are to advance members' economic interests and general welfare. To this end, SACCOs give members access to borrowing opportunities to advance production and welfare goals, which is reflected in the variety of loan products that SACCOs offer, including provident loans that are utilized to stabilize members or families' wages as well as loans for productive purposes like investments and education loans. High savings rates are a prerequisite for high investment rates. SACCOs connect savers and borrowers. Savings and investment money are combined by the savers, who use it as collateral for loans. SACCOs are non-profit firms because their main goal is to assist members with saving (Kyendo, 2011). The purpose of a SACCO is to advance the financial interests of its members, and in particular, to encourage thrift by giving members the chance to build up savings and pay appropriate interest on their investments without taking any risk. Actually, the primary goal of SACCOs is to provide member empowerment by the resources mobilization and the distribution of loans (Njagi, Kimani & Ngugi, 2013).

Locally founded SACCOs have strong foundations in small savings accounts, which serve as a reliable and reasonably source of priced capital and have low administrative charges. Additionally, SACCOs can offer loans at lower interest rates besides other financial organizations. SACCOs can and have the chance to contact customers in locations that banks avoid, including rural or underdeveloped communities (Ofei, 2001). SACCOs' position in many countries' financial systems has been cemented as a result of their increased client appeal (Munyiri, 2010). Actually, SACCOs' main objective is to empower its members by mobilizing resources and distributing loans (Branch, 2015). SACCOs have succeeded in attaining this objective. For instance in Kenya, deposits through SACCOs total over Ksh 200 billion, or more than 30% of the nation's domestic savings (Co-operative Bank of Kenya, 2010).

Investment is a crucial part of any development endeavor, according to Abdi (2015), as it is thought to be the most reliable approach to increase income and foster productivity in order to aid in ending the cycle of poverty. However, Kenya has had very low levels of domestic savings and investment (Lawrence, 2009). According to World Bank (2003), Kenya's capacity utilization is at 63%. The goal of Kenya's financial services vision 2030 is to create a flourishing, internationally competitive industry that stimulates national savings and investment.

SACCOS are an essential part of the financial scheme that empowers people to take part in profitable endeavors that produce income, create job opportunities, strengthen the local economy, and eventually raise their standard of living (Sebhatu, 2012). According to Langat (2016), SACCOs can significantly contribute to the growth of entrepreneurship by providing receptive, reasonably priced, and market-oriented financial services suited to members' individual needs. In a world where economic competition is escalating, SACCOs offer a special tool for attaining one or more economic objectives.

According to Wright (2011), people look for ways to save their extra money for emergencies or so they can make bigger investments in the future without taking out loans. SACCOs give consumers the chance to secure their money with a minimum of losses associated with risky methods of saving, thereby empowering them financially. According to Muriithi and Muriithi (2015) sparing and investing is a essential part in any development attempt as it is accepted to be the guaranteed method for expanding salary and boosting profitability(developing) and a sure way to get away from endless loop of destitution (poverty). Without sparing and investing the general public is probably going to confront extreme issues of poverty. Additionally, Muriithi and Muriithi (2015) note that investment and savings play a significant role in development of economic because rising savings trigger increased investment, which raises gross domestic product.

The Mwalimu National Savings and Credit Co-operative Society Limited was established and listed under the Co-operative Societies Act on October 24, 1974. (Cap. 490, revised in 2004 as a Sacco Society). The Teachers' Service Commission (TSC) employees in post-primary institutes, the TSC secretariat, and the Mwalimu Sacco staff were by that time the Sacco's principal sources of clients. Mwalimu National Sacco Society Ltd, a nationwide Sacco with members in every area of the nation, has gradually expanded her common link to accommodate numerous additional diverse members (Mwalimu National SACCO, 2016).

The SACCO has been offering its services to its members since registering as a cooperative society under the cooperative societies Act (Cap 490 repealed), who are primarily drawn from the Teachers Service Commission payroll and who teach in post-primary institutions. The SACCO uses a delegate system, which effectively means that power is distributed among branches. The delegates are chosen from diverse parts of the nation. Around 18 branches of the society exist around the nation. In October 1998, Mwalimu SACCO created its first strategic strategy. A new strategic plan for the years 2003 to 2008 was created after the old one was amended. Since then, the SACCO has frequently reviewed its strategic plans. The senior managers and board members review the SACCO's strategic strategy once a year. The strategy plan was created to increase productivity and efficacy. The creation of a customer service charter, which established the SACCO's service standards, was one of the plan's accomplishments (Mbai, 2007).

The 78,084 members of Mwalimu Sacco are recruited from the personnel of the Mwalimu National SACCO Society, the TSC secretariat, lecturers, secondary school teachers, elementary school teachers (with a diploma or degree), and members' wives who are employed in a formal capacity. The SACCO currently provides BOSA, WSF (FOSA), and business loans. Products offered by BOSA Credit include regular loans, development loans, emergency loans,super loans, and 72, 60, and 48-month vision loans. WSF Advances (FOSA): WSF Advance; 12 and 48 months; Advance on Salary; Advance against Dividends. Entrepreneur, commercial, and industrial loans are available through Asasi. The SACCO also provides its members with welfare services, such as: Risk and the Burial Benevolent Fund (BBF) (Mwalimu National SACCO, 2016).

Statement of the Problem

Household investments in Kenya like in any other country are a vital constituent in the survival of mankind. Different households use their income for different reasons such as in education, agriculture, business, house or land, day to day use or for emergency (FinAccess, 2016). As per data from the WOCCU (2018), 38.3% of Kenyans do not use financial services, which indicates poor investment. Financial services across households in Kenya are on high demand. The most widely used source of finances for households is shopkeeper loans which mostly cater for the day to day needs, informal financial services such as CHAMAs and semi-formal financial services which are gaining a niche in households such as SACCOs, ROSCAs and ASCAs. This behaviour is mostly attributed to the formal financial services being unavailable, unsuitable or expensive making households' access to finances limited thus inhibiting their households' investments (Finaccess Household Survey, 2019).

Despite the significant progress the government has made in enhancing financial access and becoming more inclusive than the majority of sub-Saharan African countries, according to Kimaiyo (2021). Based on 2015 and 2019 World Bank statistics, gross domestic savings as a GDP percentage has steadily fallen from 8.231% in 2016 to 4.4451% in 2019 (Kimaiyo, 2021). In contrast, compared to other sub-Saharan African nations, Kenya has very low savings as a percentage of GDP. The ACCOSSCA acknowledged SACCOs as a key driver of economic development in its 2016 report. The majority of Kenyans now receive their finances mostly through SACCOs. When many remote locations were perceived as raising their operating costs and the population was left unbanked, SACCOS launched front office services operations (Njenga *et al.*, 2015). With the little or no uptake in household investments, there is need to sensitize and empower Kenyans who may be having little knowledge on matters investment which informs the basis of this study. There has been few and scanty information regarding the influence that SACCOS have on the household investments in Kenya (Kamau, 2014).

The impact of SACCO services on household investments in Kiambu County was investigated in a study by Kamau (2014). The goal of Abdi (2015) was to look into how member demographics affected consumer savings and investment in SACCOs that were registered with the organization responsible for overseeing SACCO societies. Mwaniki (2018) looked into how macroeconomic conditions affected the typical financial performance of Nairobi, Kenya's deposit-taking cooperative societies for savings and loans. Marogocho (2012) assessed the impact of Kenya's SACCOs on the welfare of teachers. These studies were however not specific on the particular SACCO they were studying but were general studies. On the other hand, the studies were done on diverse areas and none was done in Ol-Kalou which presents a contextual gap. Therefore, this study addressed these gaps by seeking to carry out an assessment of SACCOS services as determinants for household investment among Mwalimu SACCO members in Ol Kalou town, Kenya.

Objectives of the Study

i. To assess the effect of capital mobilization on household investments among Mwalimu SACCO members in Ol-Kalou town, Kenya.
ii. To establish the effect of credit disbursements on household investments among Mwalimu SACCO members in Ol-Kalou town, Kenya.

LITERATURE REVIEW

Theoretical Review

The survey was anchored on Neoclassical growth theory as discussed in the following sub-sections.

Neoclassical Growth Theory

Harrod and Robert created the theory in 1987. The neo-classical growth model and Endogenous growth theory may serve as the foundation for this idea. The neo-classical growth theory maintains that the growth rate is exogenously assessed, in accordance with the Solow or Harrod Damar models. The Solow-Swan theory of class expansion, which emphasizes labor and capital, claims that as SACCOs invest, capital is created, but it is also lost due to depreciation. Only when investments outpace depreciation does it appear that wealth is growing in capital (Gartner, 2006). In order to achieve capital expansion, the investment should adhere to the principle of sustaining capital expansion. The raise of SACCOs' wealth is increased by an increase in capital yields. The concept shows how capital accumulation includes growth.

This idea receives strong support from the Harrod Damar Model of Development Economics (1946), that describes the rate of growth in terms of capital productivity and saving. It illustrates how increasing investment leads to the buildup of capital. As per the neoclassical growth theory of Robert Solow and Harrod-Dommar, mobilizing savings is a requirement but not a sufficient condition for growth and development. Savings will result in capital formation, which will lead to investments, which will ultimately result in economic growth. An economy with higher savings grows faster than one with lower savings because it amasses assets more quickly (Lipsey & Chrystal, 1995). SACCOs in Africa are designed to provide a novel approach to enhancing the desired scenario in low-income nations. SACCOs are financial organizations with a strong community emphasis that were founded and are held by its members in order to further their economic interests. Also, it aids human integration development (Syed, 1991).

Growth theory has traditionally focused on the process of accumulating both human and physical capital. The contribution of social capital, or the accumulated productive assets integrated into a society's social structure, growth has recently received a lot of attention (rather than in single individuals or physical goods). Building social capital is fundamentally different from building other types of capital since a large percentage of its benefits cannot be seized for personal gain. People might not be sufficiently motivated as a result to accumulate it (Angelo, Pier & Vanin, 2008). On the other hand, this theory will be crucial in understanding how crucial Saccos are in promoting capital accumulation and how that affects household investments.

Empirical Review

Capital Mobilization and Household Investment

Kimeli, Muganda, and Ogenda (2016) conducted survey on the impact of SACCOs' policies on members' mobilization of savings in Nairobi, Kenya. The survey’s objectives were to identify how cooperative techniques affected members' savings mobilization and examine how family size, income level and attitude acted as intervening factors. The survey employed a sample of 30 SACCOs out of 2,500 in the Nairobi area and 180 SACCO memberships out of 150,000. Simple random sampling methods were utilized to choose them. The results of the analysis were analyzed using a multi-level regression model to assess the correlation between the individual variables and the level of member savings mobilization. The correlation coefficient indicated that training requirements had an on average positive effect on saving mobilization, whereas investment opportunities and intervening elements had a significant positive effect. Therefore, it was determined that cooperative tactics had a limited impact on members' ability to mobilize savings. This study, however, focused on the banking and microfinance sector and had some consequences for investment, economic development, and growth.

In Nairobi County, Kenya, Chelangat and Namusonge (2018) examined research on savings mobilization tactics and the expansion of SACCOs. The survey's goal was to determine how deposit mobilization tactics impacted the expansion of SACCOs. Examining the effects of product development, customer focus strategy, and product marketing on the strategic expansion of SACCOs in Kenya was one of the survey's main goals. A descriptive research design was embraced. A descriptive analysis was utilized to look at both primary and secondary data. According to the study, customer focus strategy, product marketing, and product development/diversification have a major impact on the growth of SACCOs. Product marketing has a negligible effect on cooperatives for savings and credit. The outcomes of the survey uncovered that product marketing and customer focus tactics had the most impact on the growth of SACCOs, while product development had the least. Throughout contrast to the current study, this one concentrated on SACCOs in Nairobi County rather than the Mwalimu SACCO specifically.

A study on the savings mobilization for countries experiencing growth and development with reference to Egypt was conducted by Thirlwall (2014). He discovered that how to encourage investment and how to raise the amount of saving to finance further investment are two of the most crucial concerns in economics development and for developing nations. The study's findings point to a low savings level and relative low standard of living. Raising the domestic saving ratio will be a significant task if Egypt is to maintain its over 5% annual growth rate without being so dependent on foreign borrowing. According to worldwide standards, Egypt's tax effort is good when it comes to involuntary saving, which largely depends on tax efforts. A nation's tax capacity has probably also been achieved given its present rate of growth. The study raises some doubt against inflation-induced forced saving that results from monetary expansion. Comparatively to what it would have been if investment had been limited to the level of domestic saving, foreign saving approximately doubled Egypt's growth rate. As opposed to the mobilization of saving among SACCOs, this research was done in Egypt and centered on a county.

The paper utilizes cross-sectional data obtained from the FinAccess and FinScope surveys of 2013 in Kenya and Tanzania respectively. The Seemingly unrelated regression equations (SURE) approach is used to develop a policy framework for intervention. Estimation results reveal that socioeconomic and demographic factors are key determinants of access to savings and credit in the two countries. Specifically, education, income, age, social capital, location and gender were found to be the most significant determinants of access to and use of credit and savings products in both countries.

Cheruiyot *et al.* (2012) did a survey on the effect of SACCOs' policies on savings mobilization of members in Nairobi, Kenya. A semi-structured questionnaire that was completed by 210 respondents in total was utilized to gather the information. In order to analyze the data and determine how the independent factors relate to the members' mobilization of savings, a multivariate linear regression model was utilized. According to the outcomes, training on all aspects of saving is an essential method for boosting SACCO savings mobilization. Recognizing the finest and most consistent savers through prizes, the creation of new savings, required savings, and an increase in the saving-to-loan ratio is equally significant. Also, the study discovers that people in both urban and rural areas, with high or low incomes, can save when steered and motivated through groups and given justifications as to why it might be essential for them to do so, which leads it to the conclusion that creating awareness has a noteworthy multiplier impact on savings mobilization. Also, survey comes to the conclusion that saving mobilization in the Nairobi Area is favourably impacted by investment opportunities. Finally, the study discovered that the mobilization of savings among SACCO members is strongly influenced by intervening variables such as family size, the number of children in school, and income level.

Credit Disbursements and Household Investments

Ajiambo (2013) looked at the trend and power of the relation between lending policy and monetary execution of SACCOs in Nairobi County, Kenya. The analyst utilized descriptive research design. Secondary and primary information were utilized in the review. The gathered information was handled and broke down with the assistance of SPSS. Correlation analysis and multiple linear regression were utilized to decide the connection between subordinate factors and free factors. The research discovered a strong link between these organizations' borrowing practices and performance. The report urged SACCOs to continuously assess and update their credit criteria in order to increase effective loan applications assessment and guarantee that applications for loan are valued and ranked according to merit.

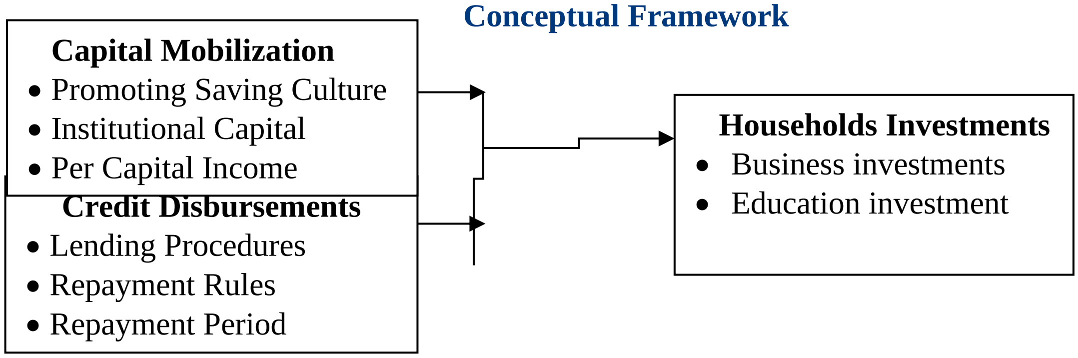
In order to expedite loan recovery and save administrative costs, SACCOs should make timely loan disbursements, according to Ajiambo's (2013) study. This will boost the wealth of SACCOs. SACCOs were encouraged to put up late loan provisions which will be sufficient to settle bad debts, safeguard SACCO resources, and maintain accurate loan assets record to prevent exaggerating in the books. The SACCOs legal framework should be reviewed by the government as well to ensure that the right credit rules are put in place for improved monetary performance.

However, the survey concentrated on the effect of loan policy on monetary performance rather than household investment.

Ulwondi and Muriu (2017) conducted a study titled: Credit Accessibility and Savings Mobilization from Tanzania and Kenya. The survey made use of cross-sectional data. The cross-sectional data from the 2013 FinScope and FinAccess surveys conducted in Tanzania and Kenya, respectively were utilized. A policy framework for intervention is created using the SURE method, or Seemingly Unrelated Regression Equations. According to estimation results, social and demographic factors play a vital role in defining credit accessibility and savings in the two countries. In particular, it was discovered that the most important factors of accessibility and usage of savings and credit products in both nations were education, age, income, social capital, geography, and gender. The study looked at loan availability and savings mobilization in Tanzania and Kenya instead of concentrating on SACCOs.

Amiry (2013) conducted research on how SACCOs affect the social economic uplift of their members' income. The Kinondoni District situation. The research design utilize for the survey was descriptive. In addition to using interviews and observations as data gathering techniques, this study also used questionnaires and documentary analysis as data instruments. Amiry (2013) discovered that despite the few restrictions that Saving and Credit Cooperative Organization Societies face, these organizations are doing remarkable work to increase the income of their members. It was discovered that everyone surveyed was expanding their businesses and households at a good rate. The greatest performers in terms of attracting savings and deposits were Saving and Credit Cooperative Organization Societies, and generally speaking, their lending portfolio was expanding. The results showed that SACCOs are luring more consumers to save and deposit money as well as giving capital in the form of loans to entice business owners to participate in profitable initiatives, which signals a move toward member income contribution. On the other hand, the study looked into how SACCOs raise member income.

Conceptual Framework



RESEARCH METHODOLOGY

The survey was done using an explanatory research approach. Explanatory research strategies, according to Lerissa (2018), look for causes and explanations while offering evidence to confirm or deny an explanation or prediction. The population targeted was 154 participants comprising of Public Schools teachers registered as members of Mwalimu SACCO in Ol-Kalou town in Nyandarua County Kenya (Mwalimu SACCO Membership Records Ol-Kalou, 2020). A representative sample was slected using Nassiuma (2000) formula which gave a sample of 64 respondents. Questiionnaire was used to collect primary data.

Data was compiled and organized, and descriptive analysis employing percentages, frequencies, standard deviation and means values was performed to designate the features of the participants. Correlation and regression in inferential statistics was employed.

RESULTS AND FINDINGS

The researcher distributed 64 questionnaires to be filled by the teachers sampled for the study. Out of this, 55 questionnaires were properly filled and returned. Therefore, the study's response rate was 85.9%, which is regarded as a superb indication that the findings are externally valid and so can be extrapolated.

On general information, Participants' Gender results indicated that 50.9% of participants were men and 49.1% were women. Despite the fact that male respondents made up the majority, the researcher noticed that each gender was adequately represented. On the Ages of the Participants, 40.1% of participants were between the ages of 31 and 40, 29.1% were between the ages of 41 and 50, and 25.5% were between the ages of 20 and 30. The ages between 51 and 60 years had only 5.5% in representation. The researcher observed that there was a uniform mixture of age groups among the respondents; ages that represent the working ages in the civil service. In relation t the period of SACCO Membership, a larger participants comprising of 40% had been members of the SACCO for between six and ten years. 29.1% of the respondents had been members for 11 to 15 years, 25.5% had been members for between 1 to 5 years while about 5.5% had between 16 to 20 years of membership. On the frequency of Saving, 50.9% of the participants who formed the majority saved occasionally, 47.3% indicated that they saved regularly while 1.8% indicated that do not save at all.

Capital Mobilization

The analysis established the means and standard deviation values for the respondents' perceptions in regard to capital mobilization. The results from the analysis were exhibited in Table 1.

Table1: Descriptive Results on Capital Mobilization

Statement	M	Stdv
Through capital mobilization, my savings have improved	3.85	1.283
Capital mobilization has developed saving culture among the SACCO members	3.78	1.031
Capital mobilization has enabled us to save for the future investment	3.80	1.208
Capital mobilization has led to increase in the amount of investment capital available	3.67	1.233
Our SACCO bear supportive savings mobilization strategies and policies	3.51	1.289
Capital mobilization is affected by the incomes of our members	3.58	1.182
Our SACCO has offered a favorable regulatory environment to enhance savings mobilization	3.33	1.263
Overall Mean	**3.65**	

Source: Research Data (2023)

From the results of the analysis in Table 1, the overall mean for all the items in regard to cpital mobilization was 3.65. This indicated that the participants were generally in agreement of the contribution of capital mobilization to the SACCO. Additionally, the study established that the participants agreed with all the statements except one in relation to capital mobilization. They agreed that through capital mobilization, their savings have improved (mean = 3.85; standard deviation = 1.283). Further, they agreed that capital mobilization efforts by the SACCO have helped develop a saving culture among the SACCO members (M=3.78, STD=1.031) and that the same has enabled them to save for future investments (M=3.80, STD-1.208). In line with these findings, Kimeli, Muganda and Ogenda (2016) indicated that investment possibilities had a greater impact on saving mobilization among individuals.

Moreover respondents acknowledged that capital mobilization has helped increase the amount of investment capital available. Respondents also accepted that their SACCO bears supportive capital mobilization strategies and policies (M=3.51, STD= 1.289) and that capital mobilization is affected by the income levels of the SACCO members (M=3.58, STD=1.182). These outcomes support the results by cheruiyot et.al, (2012) who also noted that training on all aspects of saving is essential method for boosting SACCO savings mobilization. Nonetheless, they were apprehensive in that their SACCO offers favourable regulatory environment to enhance savings mobilization (M=3.33, STD=1.263).

Credit Disbursement

The survey also sought participants' views in regard to credit disbursement by the SACCO. The means and standard deviation values were computed and the results exhibited in Table 2.

Table 2: Descriptive Statistics on Credit Disbursement

Statement	M	Stdv
Before loan disbursement, our SACCO offers loan management tips to borrowers to ensure they remain in the path of payment	3.73	1.008
Our SACCO ensure timely loan disbursement to facilitate the members investments	3.51	1.136
Our SACCO has established irrecoverable loan provision policies	3.40	1.314
Our SACCO have mechanisms that they use to control and manage loan default	3.22	1.100
Our SACCO has provided delinquent loan provisions to cover bad debts	3.33	1.123
Our SACCO has formulated effective lending procedures that are followed before loan disbursement	3.42	1.343
Our SACCO has adopted sound loan policies to ensure performances of the loans as they increase disbursement of loans	3.51	1.136
Overall Mean	**3.44**	

Source: Research Data (2023)

The results in Table 2, depicted a mean score of 3.44 that showed that the participants were undecided on the contribution of the credit disbursement on household investments. Moreover, the participants agreed that before loan disbursement, their SACCO offers loan management tips to borrowers to ensure they remain in the path of payment (M=3.73, std=1.008). Additionally they agreed that their SACCO ensures timely loan disbursement to facilitate members investments (M=3.51, STD=1.136). This is in line with recommendation by Ajiambo (2013) who recommended that in order to expendite loan recovery and save administrative costs, SACCOs should make timely loan disbursements. Moreover, they conceded that their SACCO adopts sound loan policies to enhance performances of the loans as they raise loans disbursement (M=3.51, STD=1.136).

However, the participants were indifferent as to whether their SACCO has an established irrecoverable loan provision policies (M=3.41, STD=1.314) and whether their SACCO has mechanisms that they use to control and manage loan default (M=3.22, STD=1.100). Conversely, they were not sure that their SACCOs have provided for delinquent loan to cover bad debts (M=3.33, STD=1.123) or whether their SACCO has effective loan lending procedures that are followed before loan disbursement (M=3.42, STD=1.343). In line with these findings, Amiry (2013) indicated that SACCOs should continuously assess and update their credit in order to increase effective loan application assessment and gurantee that applications for loan are valued and ranked according to merit. The researcher noted that the views from the respondents were so diverse having all the statements return standard deviation values greater than one. As such there was no consensus among the respondents as far credit disbursement was concerned.

Financial Education

The survey further aimed to examine the respondent's views in regard to the role of the SACCO in enhancing financial education among the members of the SACCO. The standard deviation and means values were composed and the results exhibited in Table 3.

Table 3: Descriptive Statistics on Financial Education

Statement	M	Stdv
Our SACCO has helped its members on how to manage their debt portfolio	3.11	1.487
The skills obtained by our members in debt management has helped them to avoid over indebtedness	3.16	1.330
Through debt management training programs to the members, default rate has been reduced	3.25	1.364
The SACCOs advices members on budgeting skills	3.16	1.411
Through budgeting knowledge gained from the SACCO, am able to allocate my income in a strategic manner among various investments	3.29	1.343
Budgeting knowledge enables us to make financial decisions logically	3.16	1.398
Through budgeting knowledge, am able to avoid impulse spending	3.56	1.244
Our SACCO sensitizes us on investment risks	3.18	1.415
The SACCO has several investment options that help us diversify our risks	3.51	1.230
Overall Mean	**3.26**	

Source: Research Data (2023)

The results in Table 3 indicated that the overall mean for all responses was 3.26 which means that the participants were undecided on the role of financial educationon household investments among SACCO members. The participants agreed that through budgeting knowledge, they are able to avoid impulse buying (M=3.56, STD=1.244) and that the SACCO has several investment options that help members diversify their risks (M=3.51, STD=1.23). However, respondents were indifferent as to whether their SACCO has helped them on how to manage their debt portfolio and on whether the skills obtained by SACCO members in debt management has helped them avoid indebtedness with the two statements having a mean value of approximately 3 indicating they were unsure. Nonetheless, this study findings affirm findings by Brown and Graf (2017) who established that investment behavior is strongly related with levels of financial literacy.

Besides, the participants were not sure that through debt management training programs for the SACCO members, default rates have been reduced (M=3.25, STD=1.364) and that the SACCO advices members on budgeting skills. Moreover the respondents were not sure that the budgeting knowledge gained from the SACCO enables them allocate their income in a strategic manner among the various investments available. However, they remained unsure as to whether budgeting expertise helps them make sensible financial decisions and whether their SACCO helps them become more aware of investing dangers. All those statements had mean score values of approximately 3 meaning that they were uncertain. These findings may not be in line with those of Bhushan (2014), who discovered that those with greater financial literacy were more likely to select investments that would provide higher returns than those with greater financial expertise. The researcher observed that the respondents' opinions varied from one another, as seen by the statements' higher-than-one standard deviation values across all subvariables.

Household Investments

The study further sought respondent's views regarding household investments in Mwalimu SACCO members in Nyandarua County. The standard deviation and means values were established and the outcomes exhibited in Table 4.

Table 4: Descriptive Statistics for Household Investments

Statement	M	Stdv
Having a savings account in the SACCO has been so instrumental in developing a saving discipline for me.	3.82	1.234
Savings in the SACCO has enabled me acquire parcels of land.	3.58	1.083
Through accumulations of savings, I have been able to plan for a family house.	3.55	1.119
I have invested in education policies in the SACCO for the benefit of my kids	3.56	1.118
Savings in the SACCO enabled me raise capital to start a side business	3.75	.927
SACCO shares have enabled me to acquire loans to grow my business	3.58	1.257
Overall Mean	**3.64**	

Source: Research Data (2023)

Table 4 indicated that the overall mean of all the responses was 3.64. This indicated that the respondents agreed that the SACCO has a contribution to household investements among SACCO members. The respondents were in agreement that having a savings account in the SACCO has been so instrumental in developing a saving discipline for them (M=3.82, SD=1.234). They also observed that saving in the SACCO has enabled them acquire parcels of land as well as being able to build a family house. Moreover, they agreed that they have been able to have education policies in the SACCO for the benefit of their kids (M=3.56, SD=1.118) and the SACCO savings has helped some of them raise capital to start a side business (M=3.75, SD=.927). Conversely, they accepted that SACCO' shares enables them to acquire loans to grow their businesses.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions of the Study

Based on the study findings, the researcher made various conclusions aligned to the study's objectives and research questions. First and foremost, the study demonstrated that SACCOs help in mobilizing capital for investments amongst their members. Conversely, it was demonstrated that capital mobilization has a significant relationship with household investments among the SACCO members. Regression analysis further vonfirmed that capital mobilization significantly affects household investments. Therefore the study concluded that capital mobilization through SACCOs is a significant determinant of household investments amongst mwalimu SACCO members in Ol-Kalou town, Nyandarua county Kenya.

Secondly, the study established that through SACCOs involvement in credit disbursement, members of the said SACCOs are able to acquire loan management tips hence ensuring repayment of the loans. Also, the SACCOs ensure enhanced access to loan facilities that otherwise would have a problem accessing the service elsewhere. Moreover, credit disbursement was demonstrated to have a significant relationship with household investments amongst the Mwalimu SACCO members. Additionally, regression analysis confirmed that credit disbursement had a significant effect on household investment among Mwalimu SACCO members. Therefore the study concluded that credit disbursement by SACCOs is a significant determinant of household investments among the Mwalimu SACCO members in Ol-Kalou town, Nyandarua County Kenya.

Recommendations of the study

The survey provided a set of recommendations based on the outcomes and conclusions of the research, which are outlined below.

Capital Mobilization

Firstly, the study highlighted the importance of SACCOs in mobilizing capital and enhancing household investment. Therefore the study recommends that government takes the opportunity of investing in supporting SACCOs in the country. This will help in mobilizing capital for household investments as well as help in propping up the country's economy. Investing in SACCO support will consequently enhance capital mobilization that will be available for investments in the country.

Credit Disbursement

The study also showed that SACCOs help in enhancing credit access as was shown by the study findings. Therefore supporting the SACCOs would enhance financial inclusion among the entire citizenry in the country and boost investments. The strengthening of SACCOs will make available the highly needed credit facilities for business people as well as potential investors. This will go a long way in boosting the economy of the country.

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