Factors Affecting Saving Practices of Members of Primary Saving and Credit Cooperatives: a case study in Selected Woredas of Kaffa Zone, SWR, Ethiopia.

A Thesis to be submitted in Partial Fulfillment of the Requirements for the award of Degree of Master of Science in Accounting and Finance (MSc.).

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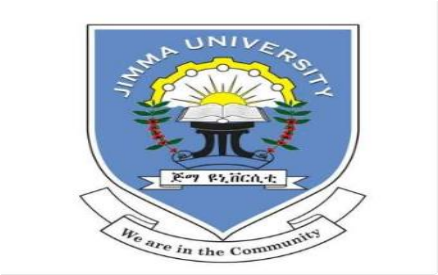

DEPARTMENT OF ACCOUNTING AND FINANCE

COLLEGE OF BUSINESS AND ECONOMICS

JIMMA UNIVERSITY

JUNE, 2023

JIMMA ETHIOPIA

DECLARATION

I, Firehun Gichilo, declare that this thesis entitled: **"Factors Affecting Saving Practices of Members of Primary Saving and Credit Cooperatives: a case study in Selected Woredas of Kaffa Zone, SWR, Ethiopia."** is the outcome of my effort and study and that all sources of materials used for the study have been duly acknowledged.

To the best of my knowledge, this study has not been submitted for any degree at this University or any other University. It is offered for the partial fulfillment of the degree of Masters of Science (Msc.) in Accounting and Finance.

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This is to certify that the thesis entitled "***Factors Affecting Saving Practices of Members of Primary Saving and Credit Cooperatives: a case study in Selected Woredas of Kaffa Zone, SWR, Ethiopia.*****",** *Submitted to Jimma University for the Award of the Degree of Masters of Science (MSc) Degree in Accounting and Finance and is a record of Valuable research work carried out by* ***Mr. Firehun Gichilo Gibo****, ID.No RM0022/14, under our guidance and supervision*

Therefore we hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.

Main Adviser's Name	*Date*	*Signature*
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ACKNOWLEDGMENTS

Above all, I praise almighty God for his kindness to me in finishing this thesis and his endless support throughout my life. It is his elegances that give me the courage to realize my dreams.

Next, I want to sincerely thank and appreciate my main advisor, Mr. Tesfaye Ginbare, and my co-advisor, Mr. Zewude Tariku, for their guidance, assistance, and support throughout the entire thesis-writing process. I have greatly benefited from their extensive knowledge, insightful comments, and helpful criticism. Their patience, understanding, and support have given the current thesis a solid foundation.

I also want to thank everyone who answered the survey and gave up their valuable time and patience to assist me in filling it out. It would be impossible to complete my thesis without their honest contribution. Therefore, I truly appreciated the efforts of my respondents, who kindly and patiently provided me with useful information.

Last but not least, I would like to express my sincere gratitude and thanks to my family, including my mother Alemitu G/Mikael and father Gichilo Gibo, as well as to all of my brothers, sister and friends who have helped me throughout my time at Jimma University.

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ABSTRACT

Members of primary savings and credit cooperative societies can use savings to lower risk, manage costs, and achieve financial objectives. This study aimed to identify the factors that affect the saving practices of members of primary savings and credit cooperative societies. It employed both descriptive and explanatory research designs with both qualitative and quantitative methods. It used proportional, purposeful, and simple random sampling techniques, both primary and secondary data collected from primary SACCO members. The primary data was gathered by distributing survey questionnaires, and 309 questionnaires were returned by sample respondents from a total of 321 kaffa zone selected woredas. Both descriptive and inferential statistical analyses were used to evaluate the data, and the collected data were analyzed through descriptive statistics, correlation, and multiple regression analysis to estimate the causal relationships between the socioeconomic, household-related, and institutional factors and the saving practices of members of primary savings and credit cooperative societies. The study found that eight factors affecting savings, such as length of membership, interest rate, service delivery, credit access, financial awareness, income, age, and level of education, have a positive and significant influence on annual savings. Family size and household head also have a positive effect, but are not statistically significant. Among the independent variables, annual income has the highest value of the Beta coefficient (β=.239, p=<.000) and has the highest influence on the level of annual savings of members. This study found those explanatory variables explained 78.1% of the variation in annual savings, while 21.9% may be explained by other variables. It was recommended that government organizations and non-governmental organizations prioritize raising awareness and encouraging members to save, borrow, and repay loans on schedule to increase member confidence and encourage savings.

Keywords: *- Saving practices, Members, primary SACCOs, Kaffa zone.*

CHAPTER ONE

1.1 Introduction

This chapter intends to assess factors affecting the saving practices of members of primary saving and credit cooperatives (SACCOs) of the case Kaffa zone selected Woredas. The assessment was conducted based on the data obtained from selected primary SACCOs in Kaffa Zone. This chapter offers a general clue about the study by providing general background for the study, the statement problem, the objectives of the study, the research hypothesis, the scope, the significance of the study, and the organization of the paper.

1.2 Background of the Study

Savings play a very important role in sustaining economic development. Although their roles are important at very different levels, especially household, business, and government, the three institutions are closely related. For example, insufficient household savings and insufficient emergency savings can lead to financial hardship. More broadly, this means governments do not have enough money to spend on social and physical infrastructure. Money invested in financial assets flows through financial intermediaries for further investment that enriches the country through increased productivity and economic growth (Jamal et al., 2015).

As the most reliable way to boost income and productivity and end the cycle of poverty, saving is a crucial component of any development effort. If they are unable to work, people who don't save are more likely to experience serious survival issues. It can be said that poor households' capacity for saving, commitment to saving, and amount of money saved is astounding when their need and desire for saving coincide with safe and convenient opportunities. A better quality of life for those who live in rural areas is ultimately a result of higher incomes, which reduce household poverty (Birhanu, 2016).

Savings and credit cooperatives (SACCOs) are a type of financial cooperative that operates in both urban and rural areas. Primary savings and credit cooperatives (SACCOs) are commonly used to refer to financial cooperatives in Ethiopia that are focused on serving the country's rural communities. By providing financial services to the unbanked in rural Ethiopia, they are playing a crucial role. Typically found at the local population's initiative, primary SACCOs are powerful

forces in the advancement of financial inclusion. Of course, support from the government and non-governmental organizations is also provided (Reddy & Tesfaye, 2021).

Savings and credit cooperatives are financial institutions that are owned, controlled, and capitalized by their members. WOCCU (2004) defines savings and credit cooperatives as "*User-owned microfinance institutions that offer savings and credit services to their members...* Membership in a credit union is based on a common bond, a linkage shared by savers and borrowers that can be based on a community, organizational, religious, or employee affiliation. According to Tirfe, (2014), SACCOs play a crucial role in financial intermediation. However, several factors, such as the nation's financial development, individual income levels, geographic location, and economic growth, among others, affect society's access to financial services (Gebremedhin, 2016). Any SACCO's main objectives are to increase members' access to financing when they need it, encourage and promote the growth of a thrift culture among members and in the community, show people how to build an asset that will serve as a guarantee and collateral for future loan access, and establish a connection between rural residents and urban banks (Sebhatu, 2015).

In many developing countries, especially in Africa, savings and investment are the engines necessary for capital accumulation and, thus, economic growth. Savings are said to be the foundation for capital formation, which is a significant contributor to economic growth. However, statistics show that this region of the world has low levels of savings and investment mobilization (Issahaku, 2011). As a result, deposit mobilization is becoming more and more important to economists, international organizations, and developing country governments to boost rural families' economic savings, achieve growth, and promote sustainable financial development (kifle, 2012)

As opposed to commercial banks and other financial institutions, cooperatives are made to make it simpler for people to save and invest, so they are thought to be able to help with this issue (Otto, 2011). Cooperatives encourage their members to save voluntarily and as a matter of duty. As a result, the cooperative instills in its members' the value of saving and hoarding money. Therefore, cooperatives can be viewed as the best system for boosting earnings and savings while fostering economic growth (Nwankwo et al., 2013).

The representative body of the cooperative, the International Co-operative Alliance (ICA, 2016) defined a co-operative as

> *"Cooperative is an autonomous association of people who have come together voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise,"*

The cooperative saving and credit societies are non-bank financial organizations that are owned and run by members, according to the World Council of Cooperative Savings and Credit Societies (WOCCU). Additionally, it operates as a democratic financial cooperative owned by its members (Henock, 2019). Every Cooperative Savings and Credit Society member has the option to run for the board and participate in elections, regardless of the size of their account. Instead of using outside funding to finance their loan portfolios, financial intermediaries like the Cooperative Savings and Credit Society use the savings and stock ownership of their members, creating opportunities for subsequent member generations. To benefit its members and communities, the Cooperative Savings and Credit Society was founded. A non-profit cooperative organization called the Cooperative Saving and Credit Society uses the extra money to offer its members lower loan interest rates, higher savings yields, waived fees, and new goods and services (Dires, 2021)

In Ethiopia, there were 28 saving and credit cooperative societies in existence in 1964 when they were first established (FAC, 2014). These societies established Ethiopian Credit and Cooperative Societies Limited as their new national governing bodies (Muluneh, 2012). The idea of cooperatives spreads gradually to other private and public employees. The success of nearly 700 primarily urban-based saving and credit cooperatives over the course of Ethiopia's cooperative movement's history has shown the potential for growth and increased outreach (Tesfaye, 2018).

Various types of cooperatives exist in the Kaffa zone, including SACCOs, consumer cooperatives, and service cooperatives. Many SACCOs in the Kaffa Zone provide financial services to their members. One of the tools the government uses to help households improve their savings practices, investment capacity, performance, and productivity, and in turn reduce poverty and ensure sustainable economic growth, is the provision of financial services through

SACCOs. Although primary savings and credit cooperatives have a long history of providing financial services to their communities, factors affecting their saving practices, such as limited access to banking services, high transaction costs, and a lack of financial literacy, can adversely affect their ability to effectively encourage saving among their members. However, initiatives such as access to digital banking services, reducing transaction costs, and improving financial literacy can help improve the savings practices of primary savings and credit cooperative societies. To ensure the sustainability and growth of the members of SACCOs, it is important to identify the main factor facing the savings practices of the members of the primary savings and credit cooperatives, and there should be an appropriate response to the factors entered. Also, the study hoped for a closely related solution that does not appear in this topic or this area of study.

1.3 Statement of the problem

Savings and credit cooperatives have been a distinctive and significant part of delivering different financial services in Ethiopia`s rural communities. However, the practice of rural financial cooperative members saving is still quite poor, both in terms of membership and amount saved (Yitayaw, 2021).

The saving culture and level in Ethiopia, predominantly in rural areas, are very low, and little is known about their patterns and determining factors. In most cases, savings in rural Ethiopia are mainly generated from agricultural activities. However, it is true that rural households do make savings in the form of assets and/or cash that may be used by savings institutions and for investments, which are crucial for the welfare of both households and the country (Henock, 2019).

Some of the problems that the primary SACCO faces are: a lack of infrastructure, such as office buildings and equipment; a lack of awareness about SACCOs and their benefits among potential members; a lack of saving habits among the members; a lack of trained manpower; a lack of external funding for SACCOs; limited audit facilities; the small size of membership; a lack of member participation; limited government support; and poor account keeping (Chepngetich, 2021).

Sebhatu (2012) shows that gender, household income, loan amount, and year of cooperative membership significantly increase household savings in the Tigray region of Ethiopia. While in Visakhapatnam district, India, Prakasa & Gedela (2012) conducted research that revealed the householder's age, gender, dependency ratio, income, and medical expenses significantly influenced their saving behavior. Popovici (2012) shows that age, marital status, education, and family structure have an important influence on the level of total savings in Dutch households. In the Philippines, Rodriguez and Meyer (1988) found that factors such as income, household size, and education of the household head play an important and positive role in increasing rural household savings.

According to the findings of Lemma (2019), there is a significant relationship between educational status, training, and savings among SACCO members; however, further research is needed to explore the potential implications of this relationship. Also, between Sebhatu's (2012) and Lemma's (2019) study conclusions; there has been a difference because education attainment and gender are different results of the finding, and this shows that there is a contradiction of variables. My study tries to research the outcomes as much as it can in the hopes that one of them was approved. Interest rate, length of membership in the cooperative, household positioning, and SACCO service delivery are not taken into account in the related study as factors influencing saving practices in primary saving and credit cooperative societies. Furthermore, no extensive study using these variables on primary SACCOs has been conducted in this study area. These were the main reasons why the researcher decided to conduct this study on the saving practices of primary SACCO members to advance the development of our zone and, more broadly, of Ethiopia.

These studies, conducted by different researchers, identified the variables that influence the savings practices of SACCOs by considering different variables, using different methods, and reaching different conclusions. Most of these studies have been conducted abroad. However, neither SACCO union members were closely examined in these studies. The literature indicates that several studies have been conducted in our province on the factors influencing savings practices in savings and credit cooperatives, focusing on the rural and urban, and SACCO unions. Most of the early research in our country was based on savings and credit cooperative

unions. The results of the survey are not sufficiently representative of all non-union members of primary savings and credit cooperative societies.

However, to my knowledge, there are no research studies on the factors influencing the saving practices of members of primary saving and credit cooperative societies that have been targeted, particularly in the Kaffa zone of Ethiopia, which the researcher investigated. Furthermore, no study specifically takes into account institutional-related variables (interest rate, duration of membership in the cooperative, SACCO's service delivery, etc.) when looking at the factors influencing the saving practices of primary SACCO members.

This study was focused on the variables influencing the saving practices of members in primary savings and credit cooperative organizations, which vary greatly in terms of institutional traits, educational attainment, and gender composition. This suggests that additional research is still needed to close the gap. For the first time, research was conducted on actual primary SACCOs in the Kaffa zone selected Woredas to identify primary SACCO members' saving practices. The researcher examined socio-economic, household-related, and institutionally related variables to identify the factors that influence the saving practices of members of primary SACCOs.

1.4 Objectives of the Study:

1.4.1 General Objective

The study's overall objective is to identify factors influencing the saving practices of members of primary saving and credit cooperatives (SACCOs) in selected Kaffa Zone Woredas.

1.4.2 Specific Objectives

The Specific objectives of this study were cover the followings:

1. *To identify the relationship between members' savings behaviors and socioeconomic status among primary saving and credit cooperative societies.*
2. *To determine how household-related factors affect the saving practice of members of primary saving and credit cooperative societies in the study area.*
3. *To investigate how institutional factors affect the savings behavior of members in the primary saving and credit cooperative societies in the study area.*

1.5 Hypotheses of the study

The researcher has developed a null hypothesis to test to determine the sign relation between saving and other independent determinants of saving practice. This hypothesis is based on review of prior empirical studies.

1. **Education Status and Annual Income Level**

Socio-economic factors (income and education) have a positive effect on savings, as income serves as the foundation for saving and education raises awareness of saving. As income and education levels increase, savings increases. According to Lemma, (2019), the model's predictive power increases when education and income level are added, suggesting that these factors significantly influence members' saving practices.

HI (1): There is a significant effect of income on savings, education affects savings

2. **Family Size**

Savings rates and family sizes are negatively correlated. Savings drop as the size of the family increases. The amount spent or consumed increases in direct proportion to family size. Although it was hypothesized that it doesn't matter whether family size increases or decreases, the alternative hypothesis was that it does have a significant impact on people's savings.

HI (2): Family size has a negatively significant effect on savings

3. **Financial Awareness**

People who are more aware of their finances are able to save more and use their credit more effectively. By fostering awareness, members of savings and credit cooperatives gain the confidence to build up their account balances and lessen their reluctance to sign up. Orientation, training, and consulting minimizes the challenges of savings and credits by creating awareness(Lemma, 2019).

HI (3): There is a positive and significant relationship between financial awareness and savings practices.

4. **Household Head**

Household heads have a negative impact on saving, as they are expected to consume more and are held accountable for the family's well-being. Non-headed members of the household are more likely to save, while household heads aren't.

HI (4): There is a negatively significant relationship between Household head and savings practices

5. **Age**

The age of the members does not have an impact on their savings behavior; as per Ethiopian Cooperative Proclamation No. 985/2009, individuals over the age of 18 have the right to participate in cooperative savings and credit societies (Annitah & Muturi, 2015).

HI (5): There is a positive and significant relationship (association) between the age of members and annual saving of members in kaffa zone selected Woreda.

6. **Gender**

Gender effect on the savings is influenced by the community's culture, or habit. In some area or community men (males) are initiated to use savings and borrowing of loans but females (women) are discouraged to do that (Sebhatu, 2012).

HI (6): There is a positive and significant relationship (association) between the gender of members and annual saving of members in kaffa zone selected Woreda.

7. **Credit Access**

Most of the members save for the purpose of credit access because if the number of saving increases, the availability to take credit increases in the same manner. However, the number of savings in the economy determines whether it will expand at a given time and therefore contributes to the expansion of credit (Dires, 2021).

HI (7): There a positive and significant relationship between Credit access and saving practices

8. **Service Delivery and Length of Membership**

As indicated by Henock, (2019) service delivery and length of membership is significantly impact on primary saving and credit cooperative societies members saving practices

HI (8): There a positive and significant relationship between service delivery and length of membership, and members saving practices

9. **Interest Rate**

The interest rate offered by cooperative saving and credit societies are linked to the savings practice of members, leading to an increase in savings when the interest rate is high. Members are motivated to save more when they anticipate and receive their interest earnings annually after an audit (Chepngetich, 2021).

HI (9): There a positive and significant relationship between saving interest rate and saving practices

1.6 The Significance of the Study

The study played a significant role for the following stakeholders: The findings of the study serve as a reference for Woredas cooperative promotion offices as the study has been done for the first time in the study area and to determine the different factors studied in this research to predict the influence of saving practices on members of primary saving and credit cooperative societies. The researcher also believes that this study provided recommendations on how to increase saving practices, manage credit, lend, and maximize the return on credit for primary saving and credit cooperative members, staff, and managers to meet needs in specific research areas and governmental policies. In particular, if the study is published, the findings and results help academicians expand their prospectus. Regarding this, the study offers a deeper understanding of the variables influencing the saving practices of members in primary saving and credit cooperative societies.

1.7 Scope of the study

The study was carried out in the Kaffa Zone and was geographically limited to the Woredas of Saylem, Gesha, and Gewatta, which practice primary savings and credit cooperative societies.

The primary SACCOs are included in three woredas that are currently operational: Saylem, Gesha, and Gewatta. Although various issues concerning the factors influencing saving practices in primary SACCOs can be researched, this study was limited to cooperative institutional characteristics (credit access, interest rate, length of membership, training, and service delivery), Household-related factors (family size, sex, and age) and socio-economically related factors (income level and educational attainment) were the independent variables. This study employs both quantitative and qualitative approaches to investigate the factors that affect the saving practices of members of primary cooperative societies in the Kaffa zone selected Woredas. This study also uses a descriptive and explanatory research design to explain, understand, predict, and control the influence of independent variables on a dependent variable by taking cross-sectional data. The intended research study also limits the collection of data from members and various bodies between April and May 2023. Hence, the study was focused on identifying the factors affecting the saving practices of members of primary savings and credit cooperative societies in the Kaffa zone selected Woredas.

1.8 Limitation of the Study

There are a few limitations being discovered during the process of conducting research. The limitations merely provide platforms for future studies and thus do not divert the significance of the findings.

There were only three woredas included in this study, and the sampling location is only in the kaffa zone. Therefore, the research outcomes are unable to represent the opinions of all primary SACCOs in the country as well as in the Kaffa zone, as there are many registered primary SACCOs in the zone as well as in the country. The other researchers will be expanding the sampling location to include registered primary SACCOs in the zone and in Ethiopia to obtain research outcomes with accuracy.

The number of valid candidates in this study and the sample size are equal to 309 respondents. This small sample size makes it difficult to detect the reliability of the research and is unable to represent the opinions of all primary SACCO members.

1.9 Organization of the paper

The thesis was organized into five main chapters. The first chapter focuses mainly on the background, statement of the problem, objectives, scope, and significance of the study. Relevant literature related to the study is reviewed in chapter two. Chapter three focuses on the description of the study area, materials, and methods of the study. In chapter four, the results obtained from the descriptive statistics and linear regression models were presented and discussed, and Chapter five presents a summary of major findings, conclusions, and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2 Introduction

The literature review constitutes the theoretical framework, empirical literature review, research gap observed, and conceptual framework. It provides insights and more understanding of the assessed factors affecting the saving practices of members of rural saving and credit cooperatives (SACCOs).

2.1 Theoretical Literature

Much of microeconomics and both short- and long-run macroeconomic analysis revolve around saving decisions. Spending dynamics are crucial for business cycle analysis and the management of monetary policy in the short run. Furthermore, the amount of overall savings ultimately determines the size of the overall capital stock, which affects wages, interest rates, and standard of living. Total savings are one of the most critical elements of an economy. It is possible to address the savings problem on both the micro and macro levels (Birhanu, 2015).

Addisu (2017) asserts that theories are crucial for comprehending cash savings from the perspective of what is already known. Two issues are closely related: how to make poor people wealthy and how to assist them in accumulating wealth. Poverty has historically been viewed as a trap because resources are needed to produce more resources. As a result, those who have few resources may only be able to sustain themselves through subsistence consumption; however, if they were to save some resources and produce little, their long-term consumption would gradually increase. Some nations, such as the USA, have realized that capital support in various forms is essential to escaping poverty and have therefore established a policy that subsidizes asset accumulation as well as a policy to assist the poor in accumulating assets through the Individual Development Account (IDA). Additionally, a saving theory that is pertinent to IDA has been developed. The theories are social-psychological, behavioral, and economic (Marl et al., 2001).

2.1.1 Economic theory

This theory assumes that people seek to maximize their long-term utility in connection to opportunities and constraints. It also considers people as being forward-looking, rational, and capable of fixing their preferences. The most fundamental insight of economic theory for saving and poverty is that people with few resources relative to persisting constraints, which can be biological, psychological, and cultural, have fewer resources to save. Because curtailment saving determines future production and income, the poor pay more (in terms of forgone utility) to save, which is why poverty is a trap for the poor (Marl et al., 2001). Saving will affect future production and income, as well as subsequent saving and diversification, because the overall concepts of this theory are closely related to the study concept, particularly about current members' savings. Therefore, this research would also use this theory as a guide to making this study part of another research.

2.1.2 Social/Psychological theory

This theory assumes that people are not always rational enough to decide their preferences, and as a result, social norms and instructions can shape their preferences. Moreover, it assumes that people do not always know how to establish their own goals and even the choices they make. For instance, people who get a chance to see family or friends save may tend to prefer saving as a c themselves might make (Lusarid, 2000, cited in Mark et al., 2001). Moreover, according to Bernheim (1994), the same material indicated that different cultures, familiar norms, and experiences may lead to having various saving goals. For example, the American dream of home ownership is a goal that married people are expected to achieve more than single people (Addisu, 2011).

2.1.3 Behavioral theory

Some assumptions in economic theory are relaxed by behavioral theory. According to Shefrin and Thaler (1988), cited in Mark (2001), people should impose non-findability or resources through systems of mental accounts. For instance, small windfalls perhaps from lottery wins may be assigned to splurges, and similarly, debt may be acceptable for assets such as a home or college education but not for restaurant meals or Christmas gifts. The fact that people are aware of the fact that they do not always act in their own best interests has also been established. This

theory generally viewed people as being shortsighted and forward-looking. They understand why they might be tempted to spend money even though doing so would be detrimental to their long-term financial health. As a result, they might develop internal or external rewards and penalties that make it challenging to spend money rather than put it away (Thaler, 1994; Mainal, 1986; cited in Mark, 2001). In fact, according to Mischel, 1997 the same material indicated that people who are trying to save and succeed may learn to like saving more because repetition is considered as easier than innovations and saving may be habit-forming or acquired.

2.1.1 Concept and Definition of Key Terms

Primary savings and credit cooperatives: - A primary SACCO is one type of cooperative organization whose business is to provide financial savings and credit services to its members. Primary SACCOs are legal institutions registered under the principle of cooperative laws which are owned by their members through the payment of share capital and membership fees to this organization. Primary SACCO is a democratic, unique member-driven, self-help, and not-for-profit financial cooperative which is governed by members who have the same bond. It is open to all that belong to a group, regardless of race, religion, color, creed, gender, or job status (Dires, 2021).

A co-operative: - It is defined as an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise a profit or benefits shared among members themselves (Bailey, 2001)

Savings: -Based on the perspective of this study, the term savings in this context is defined as any money saved, especially through a bank or official scheme (Gebremedhin, 2016).

Credit: - The term "credit" etymologically emanates from the Latin word "cedere," which means "to trust." But based on the context of this study, the term "credit" is therefore defined as any ability of a customer to obtain goods or services before payment, based on the trust that payment will be made in the future (Kibasa, 2013).

2.1.2 Role of saving and credit cooperatives

SACCOs are user-owned financial institutions that offer both savings and credit services to their members. Members of these financial institutions can be both net savers and net borrowers. Depending on a country's legal framework, SACCOs may be authorized to mobilize member savings and non-members savings or member savings only. They are established by voluntary people based on the philosophy of building a self-help society or "people helping people 'which means people who have a common purpose and interest. They are owned, managed, and controlled by members themselves. Members have the right to decide on its issues and to benefit from its service and they are responsible for organizational rules and regulations. The SACCO Society was founded to provide financial services to the poor, such as a safe place for savings and easy access to loans for members. They organize "not for profit or charity," but serve charities at fair profit margins. Other expenses are paid in these organizations, a reserve for a cushion is set aside to cover any loss, and the income from loans is returned to members in the form of a dividend on stock, share, or savings (Zerfeshewa, 2010). The main role and characteristics of SACCOs are: It encourages members to start formal businesses and invest, and provides them with long-term loan services that encourage them to invest even more. Encourage members to buy shares in appropriate amounts by leveraging their savings at appropriate times; use those shares to guarantee the members' savings and loans by providing the appropriate amount of liquidity in the SACCO society to manage the risk of withdrawal or late repayment; it provides some profit from interest earned on the lending operation to pay a dividend to the members based on the shares owned; and it redistributes the profits to the members.

In general SACCO Societies are financial institutions that provide banking services and are designed for people, to have efficient financial service-giving institutions that empower themselves in building assets by teaching thrift culture and making themselves accessible to credit sustainably. Therefore, to be successful and sustainable the SACCO Society should function similarly to banks as a market for money in a group sharing a common bond. SACCO Society is a financial institution that purely deals with mobilizing money from members as savings, and shares and providing easily accessible loans to members on time properly. Since SACCO Society deals with cash (the most liquid asset) that can be easily lost, it needs high-

quality management and special attention to minimize the risk. Therefore, to minimize the risk the function of the SACCO Society should not be mixed with other functions.

2.1.3 Savings products

Savings is money put aside by an individual or household for use in the future for different purposes. A key to good money management, savings help individuals and households manage risk, deal with emergencies, smooth income, build assets, and meet financial goals. People save by putting money aside when it comes in and by spending less when it goes out. For the rural population, their savings are perhaps the most precious asset. The safety of these assets is their primary concern. Many people would not entrust their savings to financial institutions unless they are assured that they are safe there (Annitah & Muturi, 2015). I have made sporadic savings and purchased shares since the establishment of RU SACCOS. Rural SACCOS are active in promoting saving since members' deposits are the principal sources of loanable funds. Rural SACCOS has two classes of clients: members and customers. Customers have access to only limited financial products (irregular savings for adults and minor or child savings) and are excluded from loan products(Alemu, 2021).

Share: Every potential member must purchase the specified minimum share(s) as determined by the primary SACCOs, making each member an owner of the cooperative. Purchasing shares is carried out not only by new members but the existing members are also expected to purchase additional shares from the primary SACCOs in proportion to their savings which would enable them to maintain at least a 3:5 to 1 and 4:1 savings/share leverage ratio (Odhiambo, 2019).

Regular savings (compulsory savings): This is the main type of savings in SACCOS. This part of savings is the predetermined amount that is saved regularly every month without interruption by primary Sacco's members. The amount of monthly regular savings is decided by the member himself/herself within the saving range decided by the cooperative general assembly/board. Members cannot withdraw this type of savings from the cooperatives unless they decide to terminate or withdraw their membership. Every six months, members divide interest for the saved amount of cash. Regular savings are required as a precondition of membership and are used as collateral for loans when members request them. Although regular savings in RUSACCOS are preconditions for receiving loans, unlike savings made in other types of

microfinance, they are not targeted only for loan receiving. It is a continuous financial product that would improve savings culture and build financial and physical capital for the savers. By insisting on regular savings, RUSACCOS could screen out some potential defaulters, increase funds available for lending, and develop among members a degree of identification with the financial health of the institution (Bogale et al., 2017).

Irregular savings (voluntary savings): This type of savings is allowed not only for members but also for non-members. As long as they are interested, non-members can use this product. Irregular savings products can attract idle resources from some clients (both members and nonmembers) and channel them to others (members and cooperatives, which are established under the same proclamation) in the form of loans for investment in productive activities. Unlike regular savings, savers are not obliged to save every month, and their amount is not predetermined. Moreover, these savings bear interest, and the saver can withdraw his or her savings at any time on demand. With this type of savings, savers only benefit from interest payments (Teka & Tekle, 2008).

2.1.4 Saving practice

Saving is a crucial part of human survival, especially in rural areas where incomes are insufficient. He added that agricultural production is seasonal because income flows and expenditure periods vary throughout the year. Here, the gaps between income and expenditure and the money that can be carried over from one period to the next offer good potential for mobilizing savings in rural areas. Recent country studies conducted by the World Bank on households in sub-Saharan Africa revealed that rural households in Africa have a higher average and marginal propensity to save in Primary SACCOs. Long-term financial stability begins with a regular savings strategy for unforeseen expenses, home repair needs, and the acquisition of specialized goods and services, like a boat, a vacation home, or a college education. Once a saving component has been established, additional savings can be put toward investments with higher potential returns. One researcher notes that in the same endeavor, savings must be readily accessible to meet individual or family needs (Marogocho, 2012).

2.1.5 Ways to Save

You can decide to save through formal, semi-formal, or informal institutions, and in the form of cash or non-cash. Assets that can be quickly and easily converted into cash and typically retain their value, such as jewelry, durable goods, or livestock, are considered non-cash forms of saving. Although less liquid than livestock, the land is still a valuable asset in which you can invest and keep your savings (Issahaku, 2011).

Saving money informally includes keeping cash on hand at home, which keeps it readily available and spares you the transaction fees related to saving at formal savings institutions. Due to the temptation to spend money and the possibility of theft, this type of informal savings has two major drawbacks. To resist your spending urges and the pleadings of other family members, you must possess strong self-control. Money saved at home also doesn't earn interest, so it could depreciate over time. Another type of informal saving is saving in kind (gold, livestock, or land). Deposit takers and group savings mechanisms, such as village banks, solidarity groups, and self-help organizations, are examples of semi-formal savings. The group's well-known and straightforward mechanism promotes order, scrutiny, and cooperation among its participants. Each member of a ROSCA receives a lump sum of money all at once, free of loans or interest payments. Members typically do not receive interest on money they have saved, which presents a corresponding restriction. Self-help group members must repay any borrowed funds with interest, but they also occasionally receive dividend payments. Instability within the groups, dissension among participants, and restricted access to funds are some drawbacks of group savings(European et al., 2015).

Another popular choice for saving money is formal savings, which involve financial institutions like banks, credit unions, cooperatives, post offices, or microfinance institutions. These financial institutions typically offer safe and interest-paying savings options. To meet various financial needs, they provide a variety of savings accounts. However, the prerequisites for opening and keeping an account, such as the minimal deposits, user fees, and withdrawal requirements, can be expensive. If you make small, frequent deposits or withdrawals, these requirements are difficult to meet. In the event of an emergency, it might be challenging for you to quickly access your

money due to shortened bank hours. Finally, where banks have failed, the public tends to lose faith in them (Kibasa, 2013).

2.1.6 Characteristics of primary saving and Credit Cooperatives

They offer internally generated capital, usually not needing outside funding to cover operating costs, which are usually kept to a minimum. Most of the clients are typically from lower-income families. The services are usually paid for in most situations.

Cooperatives can be found all over the world with these characteristics. The reason for this is that they always begin with a self-help theory.

Members work cooperatively to improve their socioeconomic circumstances.

- Members have at least one shared interest.
- Members perform those services or produce those goods for a company that is jointly owned and operated, regardless of its physical size or field of endeavor.
- Using the members' combined resources, the unit's objective is to procure goods or services for the members (Cheruiyot et al., 2012).

2.1.7 The factors that affect saving practice and their Theoretical Expectations

A person or family who saves is putting money and resources aside for the future. Individuals and households can use savings to lower risk, deal with unforeseen costs, provide a steady income, amass assets, and reach financial objectives. The majority of people set aside money for a variety of purposes, including asset creation, discretionary spending, unanticipated future events (like illness, accidents, and theft), anticipated future events (like weddings, old age, education, and holidays), and both. You can choose to save through formal or informal channels, with cash or without. The purpose of this study is to evaluate cooperative member saving behaviors in light of the influences of various socioeconomic, household-related, and institutional factors, on savings. In this study, the following variables' effects on savings was examined:

The levels of members’ savings in Birr repaying the cooperative's loan are represented by the dependent variable, which is called net member savings. It is anticipated that other things being

equal, households with higher incomes will save more money. But as we'll see in a moment, this variable is also impacted by other things (Lemma, 2019).

Interest charged on a borrowed loan: This is the amount of interest that must be paid on money borrowed from society. The rate of interest may encourage or dissuade members from borrowing money from society, which may then affect how willing they are to save money with society. The surplus of the society and the annual dividend paid to members could both be impacted by the interest rate. It is expected that this variable will have a positive or negative impact on saving because the interest was expressed in birr rather than a percentage.

Lack of Awareness: According to Njeru, (2018), and Kifle, (2015) SACCO members were poorly informed about the cooperative's values, guiding principles, and regulations. SACCOs are typically thought of as a way for the government and NGOs to provide loans.

Lack of financial literacy: - The idea of financial literacy is not brand-new because attempts were made in the United States before. States began this century by attempting to educate the public about financial issues even though the creation and growth of the financial products market is the main objective to state the obvious. Simply put, it was important to clarify to people which financial products (e. g. credit, bank deposits, etc.) should be used and in what circumstances. But a significant amount has changed since the turn of the century. Innovation is present in the financial sector products as well as in the area of particular commodities. The start of the significant wave of financial innovation has been pinpointed by numerous studies items from the 1980s. The financial products in use up until that point had most likely reached the. It was at this point that they reached the boundaries of their natural potential and began to mimic operations in the real economy. It's about time the financial sector received the necessary pressure to update its financial offerings products and services produced in response to demand. In parallel, this process still goes on today, quickening and becoming more complex economic processes (Beres, 2013).

Inflation: - The inter-temporal consumption argument shows that inflation expectations might also inspire expenses on durables at the expense of financial savings. On the contrary, it is also

advised that inflation reduces the nominal value of monetary wealth and that families seeking to restore their wealth-profits function increase their savings (Evans, 2014).

Employment: - This is an important determinant of savings since the more people employed, the more their ability to Generate income that would be saved if not fully consumed; alternatively, if more people work in one household, the income of one person is not exhausted in consumption but can be partially consumed, and the remainder is postponed (Laurine, 2013)

Demographic factor

According to Muradoglu and Taskin, (2015), the dependency ratio is the one that is most frequently applied. And it was defined as the proportion of the population that was either under 15 or over 60. In contrast to the young and old, who are expected to spend through their prior savings, people of working age are expected to save money. Income and savings are both influenced by one's education level. On the one hand, it establishes a person's capacity for generating income, and the nature of their employment affects the amount of money they end up saving. However, it alters people's values and affection systems, which has an impact on his decision to save. Additionally, household savings are expected to increase. Although there are more working members, people's propensity to save money will increase the membership of those earning money (Aidoo-Mensah, 2018).

Gender of cooperative member: The gender of the cooperative member may have a big impact on saving behavior. This is because a farmer's gender may have an impact on their income and output. Access to other resources may also be impacted, which may have an impact on one's income and well-being. The expected effect of gender on saving could be positive or negative because this variable was expressed as a dummy, with female members equal to 1 and male members equal to 0. The total amount the household earns each year from both on and off the farm is referred to as its annual income. By giving the household access to more productive resources, the income is anticipated to increase food production. This variable will be predicted to either have a positive or negative impact on saving.

Members' well-being can be used by individuals and households to lower risk, deal with unforeseen costs, provide a steady income, build up assets, and accomplish financial objectives.

The majority of people save money for optional uses, asset creation, unanticipated future events (like illness, accidents, and theft), and anticipated future events (like weddings, old age, education, and holidays). The choice is yours as to whether you want to save through formal or informal channels, with cash or without (Alebachew & Eshetie, 2020).

2.2 Empirical Literature Reviews

2.2.1 Evidence from Ethiopia

Mussie Lankamo Scholar et al., (2021): Conduct a Study on Factors Affecting the Performance of Primary Rural Savings and Credit Cooperatives: The Case of Chuko Woreda, Sedama Regional Government of Ethiopia. A linear regression model with a total sample size of 191 and a simple random sampling method was used to select the SACCO sample. The research is descriptive and applies a survey research design. Mixed methods were used to gather and analyze both qualitative and quantitative data. Additionally, they used data from both primary and secondary sources. Six factors (educational status, education, income, management, membership participation, management budget allocation, and access to information) had been hypothesized to have a significant impact on RuSACCO's performance. The performance of RuSACCO is found to be significantly impacted by all seven variables. The study concluded that offering financial services and goods to rural areas is becoming a viable option for rural households. Knowledgeable members are more likely than uneducated households to save more, have better credit scores, and pay their mortgages on time because they can read and comprehend the advice on loan repayment and the significance of savings. Nevertheless, it was discovered that the majority of the primary SACCO management at the inspection site lacked knowledge and experience in educating staff about the organization's vision, challenges, dreams, and goals (Moges et al., 2020).

Bogale et al., (2017), this study examined the factors that affect the saving behavior of rural households in Benishangul Gumuz Regional State. It employed descriptive statistics and a double hurdle model to analyze the data collected from a sample of 325 rural households in the study area. With regards to the extent of saving; the income of the household head, level of education, landholding size, and involvement in petty trade has a positive significant impact on

the amount of saving; whereas household size, employment status, and distance to formal financial institutions significantly reduced the amount of saving by households.

Sebhatu, (2015), a study conducted to the factors influencing household saving habits in the Tigray region of Ethiopia. Multiple regression models have been used for the linear junction of two or greater independent variables to clarify the variant in a dependent variable. The total sample size consists of 120 members and also a simple random sampling technique has been used. The study's findings demonstrated that the amount of savings by cooperative members in the study area has been statistically significantly influenced by factors such as gender, household annual income, loan amount borrowed, and year of membership in the cooperative, according to this the result invite to that rural cooperative members ought to be encouraged and enlighten on the need for savings. Additionally, establishments that might be worried about development tasks want to increase their help to improve the business surroundings of the rural populations.

Lemma, (2019), conducted a study on the factors influencing the savings practices of members of savings and credit cooperatives (SACCOs) in the Gamo Gofa zone of Kucha woreda of the SNNP region of Ethiopia. Multiple regression models have been used to explain a linear junction of two or more independent variables to clarify the variation in a dependent variable. The total sample size consists of 392. A simple random sampling procedure was used to choose the members. The study has used a qualitative and quantitative approach. The study confirmed that participation in education became the most essential unbiased variable observed by using the education fame of respondents, credit acquired and income stage of respondents in the case of sample SACCO participants selected within the take a look at the region. It was found out that rural poor people should store if they had been provided with training or economic education, and suitable financial merchandise like credit availability as per their want, and their income degree and training status were affected by their saving degree. In this regard, the result of the take-a-look discovered, there's a want to focus on supplying training to members with the purpose to mobilize financial savings effectively.

2.2.2 Evidence from external Sources

There have been research papers done on the factors affecting the saving practices of members of rural saving and credit cooperative societies at different times. Hence, this study wants to review some of the theses which have been made on related topics along with their findings

Espanto, (2021), conducted a study on determinants of the saving behavior of Calamba City cooperative members assisted by CLDD. An Ordinary Least Squares (OLS) analysis has been used to identify the variables that influence cooperative members' savings using primary and secondary data from the cooperative members and staff of CLDD in Calamba City. The study Results shows that cooperatives have an impact on how their members save; The Credit Cooperative has the greatest impact on its members' savings of the four different types of cooperative and also Credit and membership duration are important and positively correlated with members' savings. Sex, age, education level, and income were found to be additional factors that significantly impacted cooperative members' savings.

Kaur & Singh, (2021), conducted the study on Factors Influencing Saving Habits among Individuals: A Study of Northern India. Multiple regression models have been used to explain a linear junction of two or more independent variables to clarify the variation in a dependent variable. The total sample size consists of 969. In the study, the data have been analyzed by using the factor analysis technique and descriptive statistics and the study has tested five factors: risk-averse behavior, spending habits, financial decision-making support, live for today, and risk-tolerant behavior which influences the saving behavior of an individual. Finally, their findings concluded that making investors financially successful has been crucial, literate people should possess sufficient knowledge and understanding to make their financial plans.

According to Maria; et al., (2020), the study was conducted on the determinants of savings behavior of members of the savings and credit cooperative society in Anambra State, Nigeria. The study's three distinct objectives were tailored to the three hypotheses that were created. A survey research design was used in the study. 300 participants in the study were drawn at random from ten Local Government Areas (LGAs) in Anambra State and were members of twenty (20) Savings and Credit Cooperative Societies. At a level of significance of 5%, multiple regression analysis was used in the study. The analysis revealed a statistically significant relationship

between institutional factors and the savings behavior of cooperative society members in Anambra State, as well as a statistically significant relationship between socio-economic characteristics and savings behavior. The study concluded that members of the cooperative society in Anambra State's savings behavior are influenced by socioeconomic factors, institutional factors, and cultural factors.

Anigbogu and Okeke (2018), conducted a study on the determinants of shareholder savings in Anambra State. Specifically, the study provides empirical evidence on the socio-economic characteristics of cooperative members and identifies which socio-economic characteristics significantly determine the savings mobilization of cooperative members. It also determines the amount of savings among cooperative members and determines why cooperative members save. Data for the study has been collected from a sample size of 100 shareholders using a well-structured questionnaire and simple random sampling techniques. Data has been analyzed by using descriptive statistics and multiple regression analysis. The study finding shows as the respondents stated that the main reasons for saving were security (being a member specified in the cooperative's statutes), investments, and access to credit. The socio-economic characteristics of members significantly determine the savings of cooperative owners in the country.

Nwodo and Okekpa (2017) describe the savings patterns of small business owners in Nigeria using the Enugu metropolis as an example. The study has been justified because there is a need for a micro-level study on the saving behavior of small business owners at the national level in Nigeria. It focuses on the savings of small business owners, describing the ways they save. The study also uses a descriptive research approach and surveyed 200 randomly selected small business owners in a large city using a standardized questionnaire as a data collection tool. The results show that belonging to a microfinance organization increases the savings rate of business owners. But for most business owners, the motivation to save is to buy equipment, not even for business growth. The survey also found that small business owners focus less on savings.

Numerous scientific studies have looked at the impact of socioeconomic factors and their ability to predict how much money households will save. According to some studies (Christensen, 1993; Newman et al., 2008), educational attainment (Brata, 1999), and the age of the head of the household (Rehman et al., 2010) do have a favorable effect on household savings. Other research

discovered that spending habits, resource ownership, and dependency ratio all had a big influence on household saving decisions (Orebiy, 2005). The main determinants of informal savings among vegetable farmers in developing countries were socioeconomic factors like household income, level of education, interest payments, farm size, and household size (Christensen, 1993; Khalek et al. 2009; Orbeta, 2006;). In contrast to the aforementioned studies, Burney and Khan (1992) found that household income, dependency ratio, education levels of household heads, employment status, and age of household heads had a negative relationship with household savings in both urban and rural Pakistan.

2.3 Conceptual Framework for Saving Practice of primary SACCOs

The conceptual framework is the blueprint of the research work that guides the researcher to conceptually understand the research and outline and operationalize the dependent and independent variables so that the measurement, processing, analysis, and interpretation of the results are going to be easy and meaningful (Leavy, 2022). Since the main objective of this study is to identify and analyze factors affecting members' saving practices in primary savings and credit cooperative societies, to align the conceptual framework with these objective net member savings, levels of annual savings were a dependent variable. Whereas, institutional characteristics (credit access, interest rate, length of membership, training, and service delivery), household-related factors (family size, sex, household head, and age), and socio-economically related factors (income level and educational attainment) were the independent variables. Based on this, a simple schematic relationship between the variables is understood.

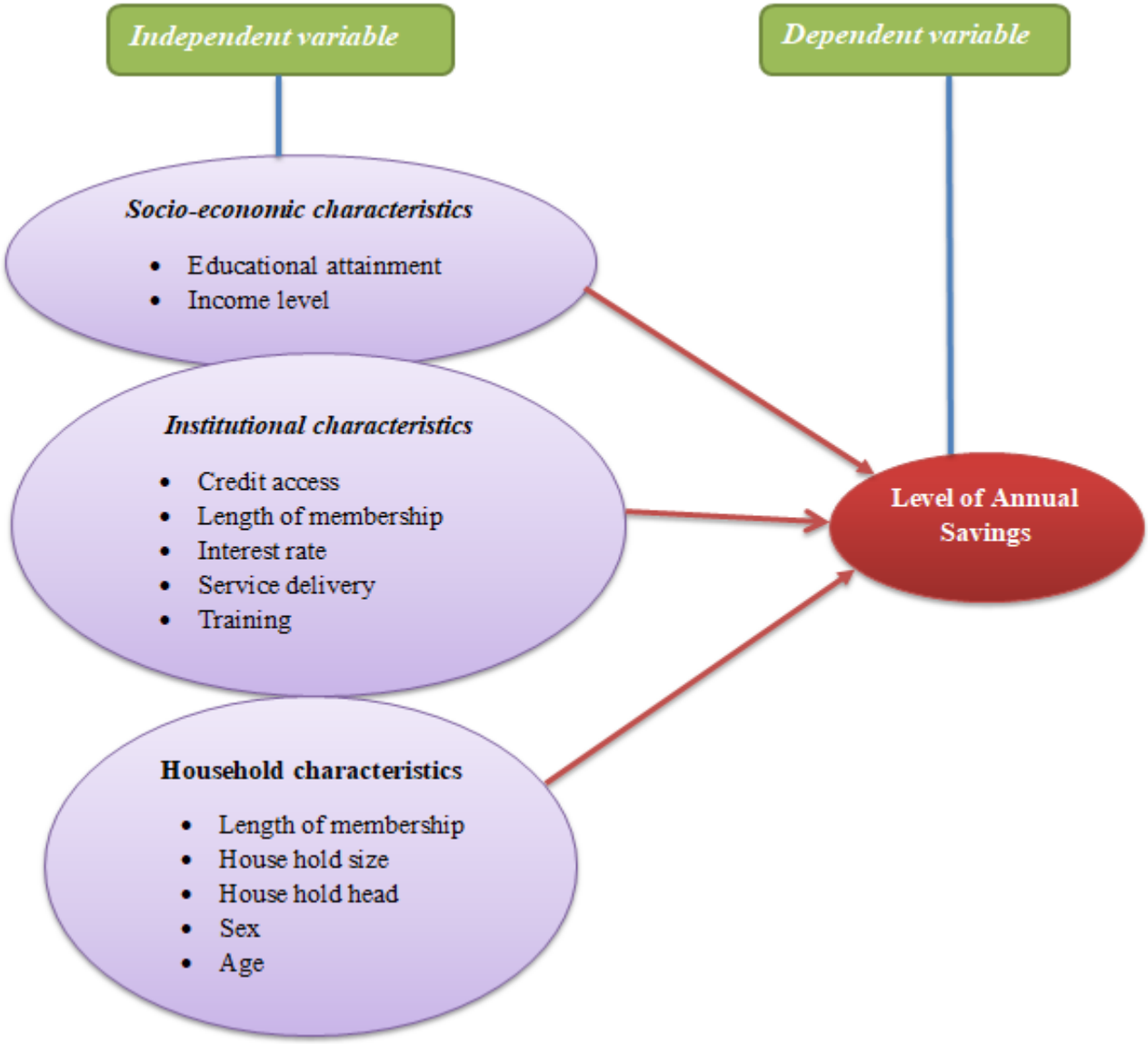

Figure 1: Conceptual frameworks of members' saving practice

- ***Source: - Researchers' framework (2023)***

CHAPTER THREE

RESEARCH METHODS AND METHODOLOGY

3 Introduction

This section deals with research design, research approach, data type, and source, sampling design, data collection instruments, and data processing and analysis techniques are all laid out in the research methodology section. The process of data analysis was next to being thoroughly presented.

3.1 Description of the Study Area

Kaffa Zone is located in the South West Ethiopia Peoples' Region State (SWEPRS), specifically between 60 24' and 70 70' N and 350 69' to 360 78' E. Administratively, the zone is found under the SWERS and is divided into 13 Woredas and three city administrations. Kaffa is surrounded by Debub Omo to the south, Bench Maji to the southwest, Sheka Zone to the west, Oromia Region to the north, and Konta Zone to the east. The administrative center of Kaffa Zone is Bonga. It is located 448 kilometers from Addis Ababa. Based on the Kaffa Zone Finance and Economic Development Department's 2017 statistical abstract, the total population of the zone is 1,237,305, with a population density of 90 persons per square kilometer. About 99,176, or 8.57%, are urban inhabitants (CSA, 2013).

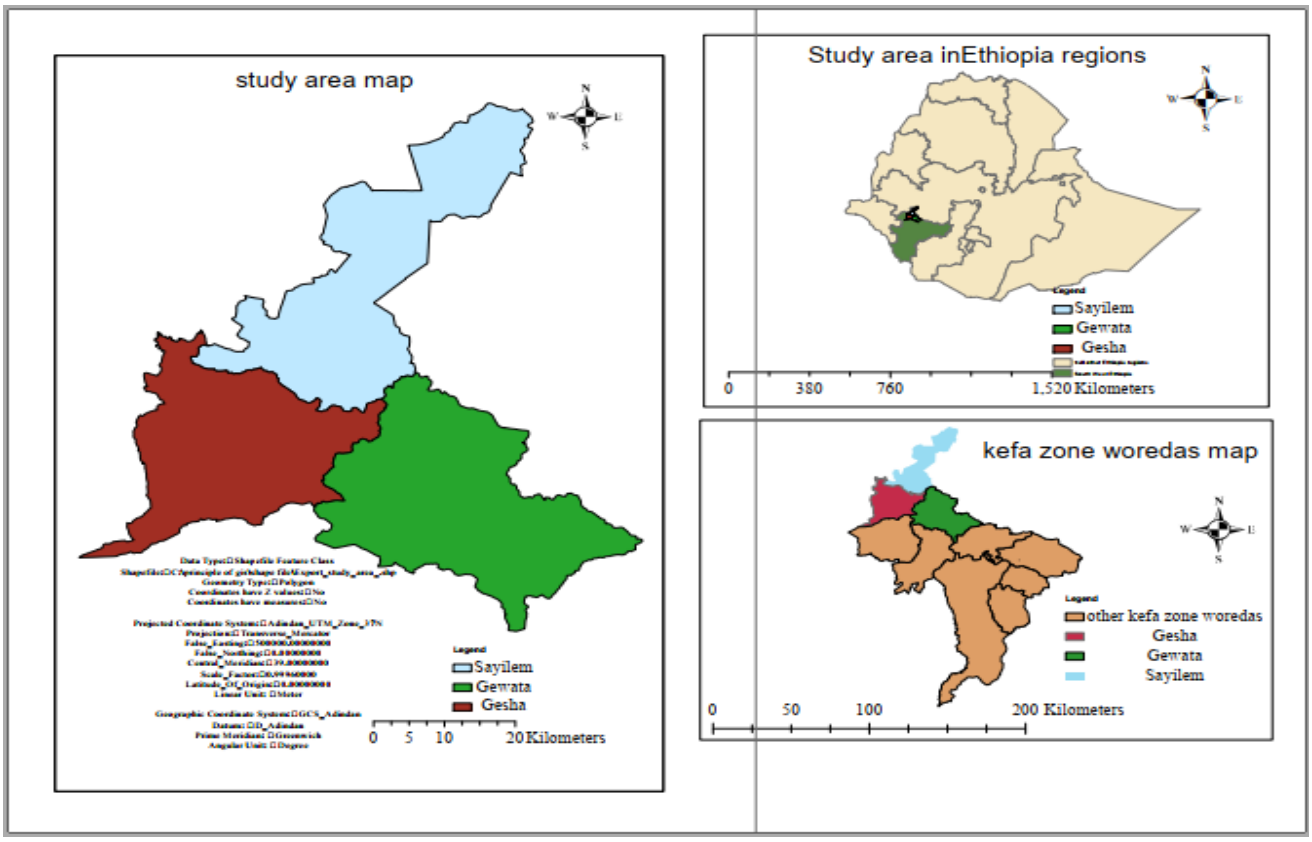

Figure 2: Map of Kaffa zone Saylem, Gesha, and Gewatta Woredas.

- ***Source: - Jimma University GIS Laboratory (2023).***

3.2 Research Design

A research design is simply the framework of the study. *From different types of research designs, descriptive and explanatory types were employed as the main research designs for this study to realize the intended objectives. The purpose behind using descriptive research design is that the researcher is attracted to describing the existing situation under study*. Creswell, John W. (2009) indicates that the descriptive method of research is a technique for gathering information about the present or existing condition. This research design is a fact-finding study with an adequate and accurate interpretation of the findings. This study also uses an explanatory research design to explain, understand, predict, and control the influence of independent variables on a dependent variable by taking cross-sectional data that were collected at one point at a time.

3.3 Research Approach

This study employs both quantitative and qualitative approaches to investigate the factors that affect the saving practice of members of primary saving and credit cooperative societies in the Kaffa zone selected Woredas. *The rationale behind using the combination of both qualitative and quantitative research approaches is to give depth and breadth to the findings by looking at the problem from different perspectives*. Therefore, the two approaches were useful in investigating this study.

3.4 Target Population

According to Ghofar and Islam, (2015), the definition of the population is the identifiable total set of elements of interest being investigated by a researcher. The target population is defined as the whole group an investigator is interested in. *The target population for this study was primary saving and credit cooperatives members in the study area.* There were 52 registered and active SACCOs in the Kaffa zone selected Woredas namely Saylem, Gesha, and Gewatta. Therefore, the target population of *the study comprises 1638 members* who are registered in the above-mentioned Woredas primary savings and credit cooperatives.

3.5 Sample techniques and size

The **sampling technique** is defined as the way of drawing inferences about a population without studying the entire population under study (Creswell, 2018). These techniques differ in terms of cost, effort, and extent to which they generated samples that are fair representations of the general population. To conduct this research, multistage sampling techniques were employed.

According to Taherdoost, (2016), the purposive sampling method involves the selection of subjects according to certain criteria and depends on the knowledge of the researcher. *Consequently, Saylem, Gesha, and Gewatta Woredas were purposely chosen from the Kaffa zone in SWE's regional state because of the following reasons: availability of a larger number of SACCOs; member credit history is relatively good; the records are all well documented; and also, the calculated sample of members was randomly selected from the whole purposely selected population.*

The **sample size** is the total number of units that are to be selected for the analysis in the research study. Finding the ideal sample size is a crucial component of sampling, according to Taherdoost

(2016). They claim that *"smaller samples are less accurate but more convenient, and larger samples are more accurate but very expensive."* In this study, to select a sample size, a list of the population formally registered as primary SACCOs until April 2015 (E, C) in the Kaffa zone selective Woredas cooperative promotion office was used. The total population of the study was 1638. Primary SACCOs include Saylem (494), Gesha (562), and Gewatta (582). The sample size determined was considered representative of selected Woredas primary SACCOs, and it is enough to allow for precision, confidence, and generalizability of the research findings. To determine the required sample size of the primary SACCOs; the researcher used the formula developed by Yemane (1967). It is calculated as follows.

$$\left[\mathrm{n} = \frac{N}{1 + N(e)^2}\right]$$

Therefore, in a population of $\frac{1638}{1+1638(0.05)^2}$ n= 321 (selected sample size).

Where n =- (n): is the sample size

(N): is the population size

(e): is sampling error (0.05) Hence; the total sample size is 321.

The calculated sample size became 321. These samples were distributed into each selected Woredas primary SACCO proportionally. Then the actual sample was taken by lottery method from each primary SACCO.

Table 1: Distribution of primary SACCOs in Selected Woreda

S/no	***Selected Woredas***	***Number of SACCOs members***
1	*Saylem*	*494*
2	*Gesha*	*582*
3	*Gewatta*	*562*
	Total	***1638***

- ***Source: Registry of selected Woredas cooperative sector.***

Therefore, the calculated sample size was 321. Since the number of members in each woreda was not the same; it is proportionate for each woreda by using the following formula.

$$\left[n = \frac{nN1}{N}\right]$$

Where; n is the total number of samples

N is the total population

N1 is the total population in each SACCO

Table 2: Proportionate sample size from each Woreda.

S/No	***SACCOs Organized Woreda***	***Number of SACCOs member***	***Proportionate Sample Size from Each Woreda (n=nN1/N)***	***Sample in percentage %=n/n(100)***
1	*Saylem*	*494*	*321*494/1638 ≈* ***97***	*30.22%*
2	*Gesha*	*582*	*321*582/1638 ≈****114***	*35.51%*
3	*Gewatta*	*562*	*321*562/1638 ≈****110***	*34.27%*
	Total	***1638***	***321***	***100%***

- ***Source: own computation (2023)***

3.6 Data type and Sources

To gather pertinent data for the study, the study relied primarily on primary data sources supported by secondary data. The primary data was collected from the primary SACCOs members, the cooperative promotion office, and the core work process coordinators, while secondary data sources were gathered from a variety of related materials, including organizational documents such as accounting records, register of members, audit report, and the internet, and among others.

3.6.1 Data Collection Instruments

The study employs self-administered survey questionnaires as tools for gathering primary data for the study. On the other hand, documents of the organizations (like accounting records, member's registration record book, etc.), internet sources, related articles, and research served as tools for data gathering from secondary sources. Primary data were collected by using the questionnaire items. It is modified to suit the study area context and sought respondents'

feelings about the overall effect of members' saving practices in primary SACCOs. Besides, the questionnaire was supported by open-ended and closed-ended questions that could raise issues about saving practices in selected Woredas.

The questionnaire that was distributed to primary SACCOs has several sections, the first of which focuses on the characteristics of the respondents. The second section addressed the variables related to saving practices that were used in the questionnaire to collect data. After being written in English, the questionnaires were translated into Amharic.

3.7 Method of Data Analysis

The data collected from the respondents were changed and interpreted into meaningful information, figures, and statements. As a result, it was processed, analyzed, and understood by the data's nature. *The researcher employed both descriptive and inferential statistical methods.* Using the Statistical Package for Social Science (SPSS) software version 25, the quantitative data were verified and presented using the statistical methods designed for this study, such as descriptive analysis, correlation, and multiple regression analysis. For the purpose of triangulation, a qualitative analysis of the open-ended question data was also carried out.

3.7.1 Descriptive Analysis

The descriptive statistical results were analyzed by frequency distributions, tables, and Percentages to give a condensed picture of the data.

3.7.2 Inferential Analysis

To ascertain how members of the Kaffa zone selected Woredas' primary SACCOs to save their money, multiple linear regression models were used to examine relationships between and among variables.

A. Classical Linear Regression Model Assumptions Tests

The tests conducted to determine whether the data supported the assumptions of linearity, homoscedasticity, and independence are the most crucial details in this text. Also, for each independent variable, a variance inflation factor was calculated to rule out any potential multicollinearity problems.

Hypothesis testing was used to assess the significance of the variables included in the study. The F test was used to find out whether the results of the regression analysis were significant or not, while the t-test was used to test the independent variables that had a significant influence on the dependent variable. The significance level was set at the conventional 5-percent level.

3.8 Model specification

This study examined the activities of primary SACCOs in Kaffa Zone, selected woreda, Ethiopia. It used multiple linear regression models to analyze the socio-economic, household-related, and institutional factors of saving. According to Maddala & Lahiri (1992), multiple linear regressions is an important model to analyze data when the dependent variable is continuous. Ordinary least squares (OLS) model the relationship between a collection of independent variables and a dependent variable. The value of a dependent variable is defined as a linear combination of the independent variables plus an error term. The model can be specified as follows:

Equation 1: $\boldsymbol{y = \beta o + \beta X1 + \beta X2 + \beta X3 \ldots\ldots\ldots\ldots\ldots\ldots\ldots \beta Xk + e}$

Equation 2: Level of Savings =α + β1Credit + β2DSex + β3Age + β4Educ + β5LOM + β6HHSize+ β7DHHead + β8Income +β9Inter + β10Faw + β11SD + ui

Where:

Credit = (Dummy: 1 if credit access, 0 otherwise), DSEX = sex of member (Dummy: 1 if female, 0 if male), AGE = age of the member in years, EDUC = number of years of formal education, LOM = length of membership in a cooperative (years), HH SIZE = number of members in the household, DHHEAD = position in the household (dummy: 1 if the head of the household, 0 otherwise), INCOME = monthly income (Birr), D is a vector dummy variable, INTER=interest rate of the society in percentage, SD = service delivery, FAW= Financial awareness/training given from society or any office

The **α** is the intercept, and the **β**s are the regression coefficients to be estimated, while the μ are the error terms designed to capture other variables not included in the models. F and t statistics are employed to test the significance of the estimates of the multiple regression models.

3.9 Validity and reliability test

In order to get their professional opinion on the validity of the data gathered and the instrument used, *senior researchers and peers were consulted about the design, content, and format of the open- and closed-ended questionnaires. Through their input, the researcher is able to identify errors and enhance the instruments*.

Through diagnostic tests, the validity and reliability of the assumptions made by the classical linear regression model (CLRM) is verified. Therefore, the fundamental CLRM assumptions examined in this study include the *tests for independent observation, normality, linearity, homoscedasticity, autocorrelation, and multicollinearity*.

3.10 Variable Definition and Measurements

Dependent variable

Level of annual Savings: this is a continuous variable that represents the average amount of money saved over five years. The marginal propensity to save of the participants in the economy, which establishes the level of savings, is defined as the portion of a small change in disposable income that would be saved rather than spent on consumption. *The formula for calculating it is to divide the change in savings by the change in disposable income that led to the change.* Savings also rely on how willing and capable people and businesses are to do so (Laurine, 2013).

Independent variable

1. **Sex:** is a dummy variable that assumes a value of "1" if the head of the household is male and "0" if they are female. Several studies have shown that sex affects asset accumulation. In Sub-Saharan Africa, women own fewer assets than men (LeBeau et al., 2004). Gedela (2012) found that male-headed households save more than female-headed households.
2. **Age** is a continuous variable that represents the age in years of the members at the time of the study. According to Rehman et al. (2010), members' savings and age are positively correlated. Age and saving rates may be related, according to the life-cycle hypothesis. The capacity of a household to save money increases along with its age.
3. **Family Size of the Household:** This continuous variable is quantified by numbers and refers to the total number of family members living in the household. Families with many

dependents typically have lower levels of savings. Rehman et al. (2010) found that family size significantly reduces household savings.

4. **Household heads**: this is a dummy variable that describes the position of SACCO members in the household and has a value of 1 if the head of the household and 0 otherwise (Bogale et al., 2017).
5. **Length of Membership in SACCOs:** A continuous variable that describes SACCO members and is the length of time, measured in years. It is assumed that as membership in the SACCO increased, so would the number of contributions, enabling expansion and raising the organization's profitability. This might have had a positive or negative effect on their saving behaviors (Saliya, 2018)
6. **Annual Income** is a continuous variable that represents the total annual income a family receives from sales of agricultural products, off-farm activities, and non-farm activities. Income shows that as members' incomes rise, their savings rate will as well. According to Abdelkhale et al. (2009), household income has a significant impact on the amount of savings (Aidoo-Mensah, 2018).
7. **Access to credit:** it is a dummy variable that assumes a value of "1" if the members are credit users and "0" otherwise. Members with better access to credit have a higher tendency to save more than those members who do not access credit services. Empirical studies revealed that the savings of rural households increase with the amount of credit received (Tirfe, 2014).
8. **Interest Rate:** The percentage of a deposit account's balance that savers receive as a return on their investment. The annual interest rate measured in percentage from deposits that the sample members received will be used to calculate it. Members' willingness to save money at primary SACCOs may be affected by their interests, which may encourage or dissuade them. Most of the time, when the interest rate on savings rises, savers are encouraged to do so (Moges et al., 2020).
9. **Education level** is a continuous variable that is determined by a member's educational status, ranging from illiteracy to a college degree. The level of saving and asset-building options available to the members is influenced by education, which has an impact on saving practices. Education encourages household savings (Mengesha & Assefatakele, 2018).

10. **Service delivery**: is a dummy variable that assumes the value of 1 if the SACCCO societies provide a satisfied service and 0 otherwise (Teka & Tekle, 2008).
11. **Financial awareness (training)**: This refers to the member's involvement in raising awareness and providing brief lessons on member's savings. It is a dummy variable that has a value of 1 if the members attended such training and a value of 0 otherwise. This training is being used to encourage saving by the cooperative promotion office, non-governmental organizations, and financial institutions. It is expected that the member's participation in training will increase primary saving and credit cooperative society's members' ability to save. The participation of members in training has a positive impact on their ability to save, according to Girma et al. (2013).

Table 3: Summary of Variable definition, measurement and its expected effect

Dependent variable	***Definition and measurement***	***Nature of variables***	***Expected effect***
Level of annual saving	Measured in Ethiopian birr(Y)	Continuous	
Independent variable			
Gender	Gender (1 male ,0 female)	Dummy	+
Household head	Household head (1 for yes, 0 for no	Dummy	-
Family size	Family size of respondents	Continuous	-
Level of education	Educational status (level of education)	Continuous	+
Credit Access	Credit access (1 for yes, 0 for no)	Dummy	+
Interest Rate	Interest rate (by percentage)	Continuous	+
Financial Awareness / Training	Training access(1 access, otherwise 0	Dummy	+
Service Delivery	Satisfaction of service delivery (1 yes, 0 no)	Dummy	+
Length of Membership	Length of membership by year	Continuous	+
Age	Age of the respondent by year	Continuous	+
Income	Annual income of the members	Continuous	+

- ***Source: - Own Survey Data Results (2023).***

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1. Introduction

This study examines the factor affecting saving practice of members of primary saving and credit cooperative societies. 321 members participated with a 96.3% response rate. According to *Decoster et al., (2011), artificial categorization can be used to present the results in a clearer way. Providing a table or graph with the cross-tabulation scores for the various groups is one of the simplest ways to demonstrate a statistically significant effect. However, there are no natural group means when the effect is on a continuous variable. In this instance, the analyst considers the slope between the predictor variable and the outcome variable as well as how it varies across the levels of other predictors when interpreting the effects. For instance, a researcher would need to plot distinct regression lines between annual savings and the age of each member in order to interpret the effect of the annual saving-by-age interaction effect on saving ratings. Because the ages of the members are compared, this is more complicated than simply comparing the variance in the saving ratings.* The first part includes a summarized description of the socio-demographic characteristics of respondents, such as gender, age, education, marital status, and occupational level and experience in SACCOs. The second part contains various institutional, household-related, and socio-economic characteristics with different variables about the saving practices of the members. The information from the analysis was summarized using charts and tables.

4.1.1. Response Rate

To determine the actual number of responses who actively participated in the study, analysis of the response rate was conducted as shown in the figure here under. *However, out of the 321 questionnaires sent, only 309 questionnaires were received back fully completed making a response rate of 96.27%.* This is in agreement with Wit and Schindler (2003) who indicated that a response rate of between 30 to 80% of the total sample size can be generalized to represent the opinion of the entire population.

4.2. Descriptive analysis

Demographic Characteristics of Respondents

The demographic characteristics of the respondents include; gender, age, level of education, and experience in saccos. This aspect of the data analysis deals with the analysis of the personal data of respondents based on information obtained from the questionnaires. Those all demographic charactestics are used as factors and they are analysized as follow.

4.2.1. Household related factors

Gender and Annual level of saving

As we can see, 149 of the respondents are female, making up 48.2 percent of the total, and 160 of the respondents are male, making up 51.8 percent of the total. Despite the fact that female respondents are 11 or 3.6% more likely to be men than female respondents, the sample distribution includes both genders equally. Based on the responses of the respondents, the gender factor in savings was analyzed. The purpose of this study was to determine whether gender has an impact on savings in primary savings and credit cooperatives. The responses of respondents on gender variables were seen by using cross-tabulation in SPSS, which are shown as follows:

Table 4: Descriptive statics on gender and level of annual savings

			Level of annual Saving			
			Low saving	***Medium saving***	***High saving***	***Total***
Gender	***Female***	Count	108	32	9	149
		% within Gender	72.5%	21.5%	6.0%	
		% within annual Saving	54.0%	36.8%	40.9%	
		% of Total	35.0%	10.4%	2.9%	48.2%
	Male	Count	92	55	13	160
		% within Gender	57.5%	34.4%	8.1%	
		% within annual Saving	46.0%	63.2%	59.1%	
		% of Total	29.8%	17.8%	4.2%	51.8%
Total		Count	200	87	22	309
		% of Total	64.7%	28.2%	7.1%	100.0%

- ***Source: - Own SPSS output report (2023)***

The table shows that the row percentage (i.e., out of 149 female members, 108 (72.5%) are in low savings). the column percentage (i.e., out of 200 low-saving members, 108 (54%) are female). The Cell percentages (i'e., out of 309 members 108(35%) of female are in low saving level the overall row percentage (i.e., out of all 309 members, 149 (48.2%) are females and the overall column percentage (i.e., out of all 309 members, 200 (64.7%) are at a low saving level).

The gender effect on savings is likely the same, but males have higher average annual savings than females; 8 (38.1%) females are in high savings, whereas 13 (61.9%) males are in high savings. In medium savings, there is an increase in the percentage of males over females of 28%, showing that males use savings more than females. *Totally, being female is a critical factor for savings.* To visualize this gender effect on savings, see the following graph:

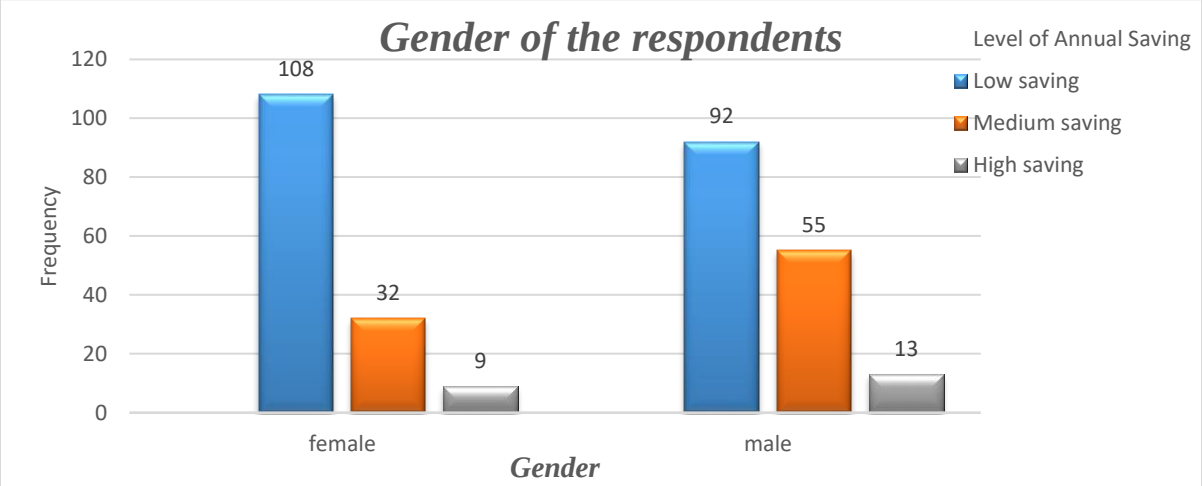

Figure 3: Gender distribution in different categories of average annual savings

- ***Source: - Own Survey Data (2023)***

The above graphical data reveals that while there is a disparity in low-level savings between men and women, the distribution of medium and high savings are quite similar for both genders. This visual representation reinforces the assertion that gender does not play a significant role in the savings decisions of cooperative members (owners). *The data indicates that male respondents have a stronger connection to primary SACCOs than female respondents. The study results reveal that male cooperative members tend to save more than their female counterparts. The findings also suggest that gender is not a significant factor in savings decisions in the study area.*

Age and annual level of savings

Table 5: Descriptive statics on age and level of annual savings

			Level of Annual Saving			
			Low	***Medium***	***High***	***Total***
Age	***18-25***	Frequency	54	10	0	64
		% within Age	84.4%	15.6%	0.0%	
		% within Level of Annual Saving	27.0%	11.5%	0.0%	
		% of Total	17.5%	3.2%	0.0%	20.7%
	26-35	Frequency	114	37	5	156
		% within Age	73.1%	23.7%	3.2%	
		% within Level of Annual Saving	57.0%	42.5%	22.7%	
		% of Total	36.9%	12.0%	1.6%	50.5%
	36-45	Frequency	29	32	12	73
		% within Age	39.7%	43.8%	16.4%	
		% within Level of Annual Saving	14.5%	36.8%	54.5%	
		% of Total	9.4%	10.4%	3.9%	23.6%
	above 46	Frequency	3	8	5	16
		% within Age	18.8%	50.0%	31.3%	
		% within Level of Annual Saving	1.5%	9.2%	22.7%	
		% of Total	1.0%	2.6%	1.6%	5.2%
Total		Frequency	200	87	22	309
		% of Total	64.7%	28.2%	7.1%	100.0%

- ***Source: - Own Survey Data (2023)***

The aforementioned table shows that 64 respondents between the ages of 18 and 25 fall into the low average annual savings category, 10 or 15.6% into the medium average annual savings category, and 0% into the high average annual savings category. From 156 (26–35 years) age category respondents, 114 (73%) are found in the low average annual savings category, 37 (23.7%) are found in the medium average annual savings category, and 5 (3.2%) are found in the high average annual savings category. Among the 73 respondents aged 36 to 45, 39.7% fell into the low average annual savings category, 43.8% into the medium average annual savings category, and 16.4% into the high average annual savings category. From 16 respondents above 46 years old, 18.8% are found in the low average annual savings category, 50% are found in the medium average annual savings category, and 31.3% are found in the high average annual

savings category. This suggests those people in the age range of 25 to 35 use their savings more wisely than people in other age ranges.

Above Table 5 shows that, of the 309 respondents, 156 (50.5%) were between the ages of 26 and 35. These respondents were followed by 73 (23.6%) who were between the ages of 36 and 45. *According to the data, the members of the primary SACCOS respondents were in a productive age range. It was implied that young people, who made up the majority of primary SACCO members, would be more successful and profitable if they could save more money because they are of a reasonable age and have a lot of power, especially if their type of organization sought to collaborate and improve the living conditions of the poor by saving for the future.*

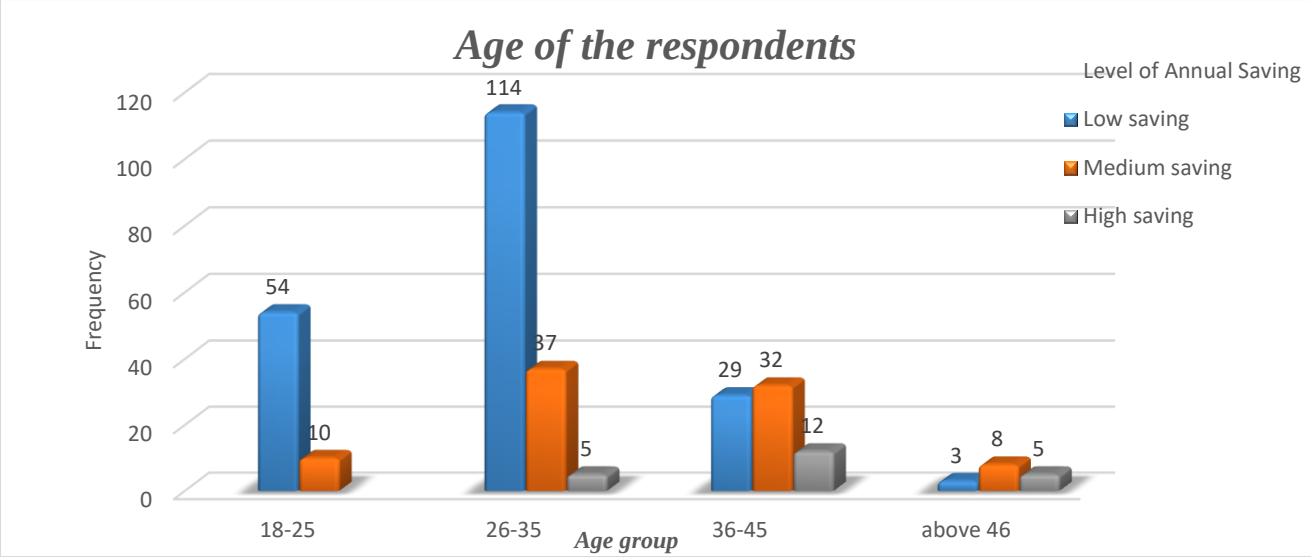

Figure 4: Age distribution in different categories of average annual savings

- ***Source: - Own Survey Data (2023)***

In the above graph, we have seen that in three of the levels of saving, i.e., low, medium, and highest level of saving, the age group 26–35 has more saving practice than the remaining age group. As a whole, the savings of the younger members diminish with age as they grow towards and beyond retirement age. Respondents reveal that as they grow older, they lessen their savings due to health and pharmaceutical needs.

Table 6: Descriptive statics on household head and level of annual savings

			Level of Annual Saving			
			Low	***Medium***	***High***	***Total***
Household head	***No***	Frequency	2	56	13	71
		% within Household head	2.8%	78.9%	18.3%	
		% within Level of Annual Saving	1.0%	64.4%	59.1%	
		% of Total	0.6%	18.1%	4.2%	23.0%
	Yes	Frequency	198	31	9	238
		% within Household head	83.2%	13.0%	3.8%	
		% within Level of Annual Saving	99.0%	35.6%	40.9%	
		% of Total	64.1%	10.0%	2.9%	77.0%
Total		Frequency	200	87	22	309
		% of Total	64.7%	28.2%	7.1%	100.0%

- ***Source: - own survey data (2023)***

The table shows that the row percentage (i.e., out of 238 household head members, 198 (83.2%) are in low savings). the column percentage (i.e., out of 200 low-saving members, 198 (99%) are household-headed members). The cell percentages, i.e., out of 309 members, 198 (64.1%) of household heads are at a low saving level. The over-all row percentage (i.e., out of all 309 members), 238 (77%) are household-headed members in this study area. Over all column percentage (i.e., out of all 309 members), 200 (64.7%) are at a low saving level.

As a result, it seems that in saving groups with medium and high averages, never-headed is a better practice than household-headed. *Due to their numerous responsibilities, household heads have lower average savings than non-headed members. Since the household head is also in charge of household consumption, the cooperative expert and management committee will provide any training based on how they manage capital and how they save from that capital; otherwise, today's living conditions are very difficult without saving.*

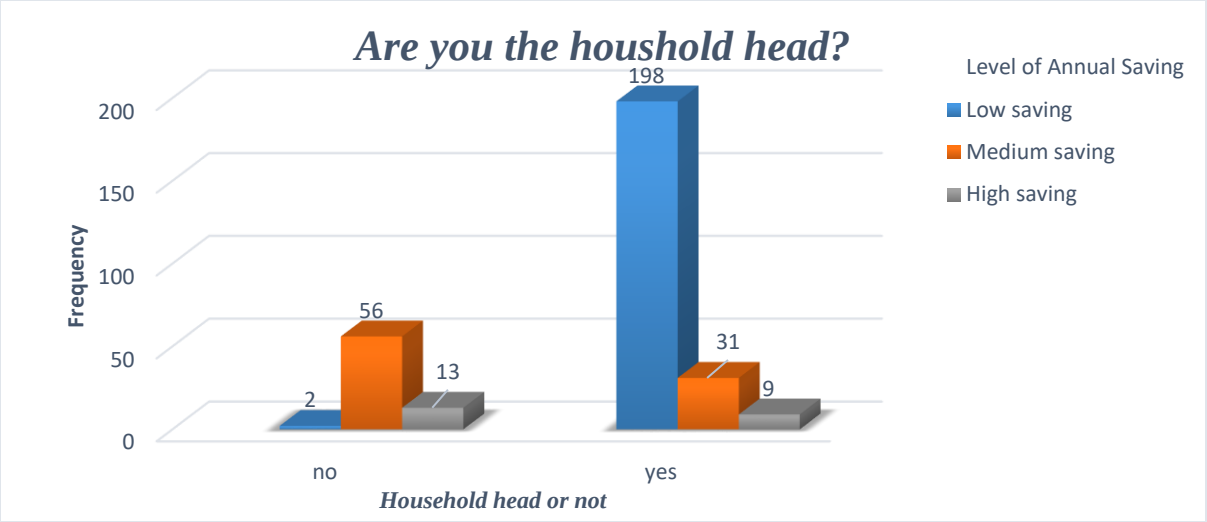

Figure 5: Household Head distribution in different categories of average annual savings

- ***Source: - own computation (2023)***

4.2.2. Socio-economic factors

Annual Income and annual saving amount of members

Table 7: Descriptive statics on annual income and level of annual savings

	Annual Saving	***Annual Income***
Mean	*472.7605*	*2093.2362*
Std. Deviation	*368.46149*	*1618.44338*
Minimum	*200.00*	*430.00*
Maximum	*2340.00*	*6000.00*

- ***Source: - SPSS output report (2023)***

SACCO members had an average annual savings of 472.7605 and an annual income of 2093.2362, with each member saving 22.55% of their annual income on average. *Members' savings are based on their annual income, and as their income increases, so does their saving rate. Government bodies and other organizations are providing income by expanding sources, creating new jobs, and hardly working off-farm activities. Members are mobilizing the community about saving by leading their lives through off-farm activities.*

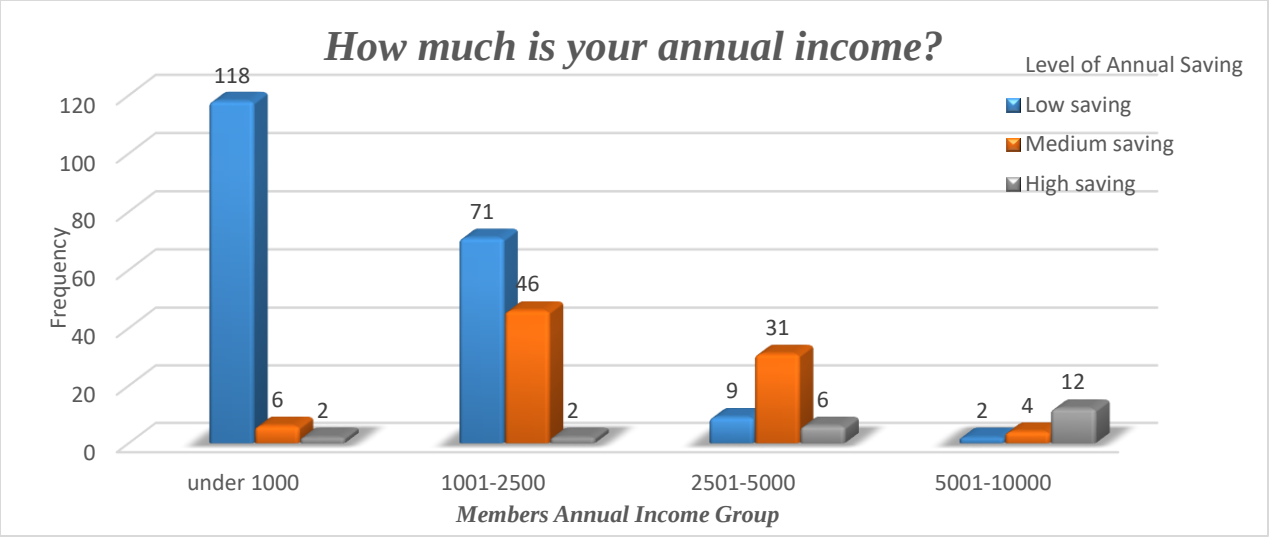

Figure 6: Annual income effects on level of annual savings

- ***Source: - SPSS output report (2023)***

Education status and level of annual saving of members

Table 8: Descriptive statics on education status and level of annual savings

Education status	*Frequency*	*Percent*	*Valid Percent*	*Cumulative Percent*
Illiterate	*131*	*42.4*	*42.4*	*42.4*
Elementary School	*109*	*35.3*	*35.3*	*77.7*
High School	*26*	*8.4*	*8.4*	*86.1*
Certificate	*19*	*6.1*	*6.1*	*92.2*
Diploma And Above	*24*	*7.8*	*7.8*	*100.0*
Total	*309*	*100.0*	*100.0*	

- ***Source: - SPSS output report (2023)***

From the above frequency distribution, we tried to indicate you the education level effect on the savings. From a total of 309 respondents, we can see that 131 respondents are illiterate which constitute 42.4% the total respondents. 109 or 35.3% respondents have elementary school education level. 26 or 8.4% respondents have high school education level. 19 or 6.1% respondents have certificate level, and 24 or 7.8% respondents are diploma and above. These sample distribution includes respondents at different education level.

Education as a factor on savings and credit are statistically discussed and analyzed by using descriptive cross tabulation malt-responses as showed under here.

Table 9: Descriptive statics on education status and level of annual savings

			Level of Saving			
			Low saving	***Medium saving***	***High saving***	***Total***
Level of education	***illiterate***	Count	106	24	1	131
		% within education status	80.9%	18.3%	0.8%	
		% within level of Saving	53.0%	27.6%	4.5%	
		% of Total	34.3%	7.8%	0.3%	42.4%
	elementary school	Count	77	31	1	109
		% within education status	70.6%	28.4%	0.9%	
		% within level of Saving	38.5%	35.6%	4.5%	
		% of Total	24.9%	10.0%	0.3%	35.3%
	high school	Count	12	12	2	26
		% within education status	46.2%	46.2%	7.7%	
		% within level of Saving	6.0%	13.8%	9.1%	
		% of Total	3.9%	3.9%	0.6%	8.4%
	certificate	Count	3	13	3	19
		% within education status	15.8%	68.4%	15.8%	
		% within level of Saving	1.5%	14.9%	13.6%	
		% of Total	1.0%	4.2%	1.0%	6.1%
	diploma and above	Count	2	7	15	24
		% within education status	8.3%	29.2%	62.5%	
		% within level of Saving	1.0%	8.0%	68.2%	
		% of Total	0.6%	2.3%	4.9%	7.8%
Total		Count	200	87	22	309
		% of Total	64.7%	28.2%	7.1%	100.0%

- ***Source: - SPSS output report (2023)***

The most important details in this text are that of the 131 illiterate people, 106 (80.9%) are in low average annual savings, 24 (18.3%) are in medium average annual savings, and 1 (0.8%) are in high average annual savings. From 109 elementary respondents, 77 (70.6%) are in the low average annual savings category, 31 (28.4%) are in the medium average annual savings category, and 1 (0.9%) are in the high average annual savings category. From 26 secondary educated level

respondents, 12 (46.2%) are in the low average annual savings category, 12 (46.2%) are in the medium average annual savings category, and 2 (7.7%) are in the high average annual savings category. From 19 certificate-level respondents, 3 (15.8%) are in the low average annual savings category, 13 (68.4%) are in the medium average annual savings category, and 3 (15.8%) are in the high average annual savings category. From 24 diploma and above respondents, 2 (8.3%) are in the low average annual savings category, 7 (29.5%) are in the medium average annual savings category, and 15 (62.5%) are in the high average annual savings. *This indicates that as education levels increase, savings increase.* The most majority of the respondents are illiterate for the data collection.

The study results showed that as the educational level of the sampled respondent increases, the average primary SACCOs members' savings also increases. Education helps to obtain knowledge and skill to direct their business, manage their money, and understand how to manage it profitably. It also improves the ability of individuals to acquire, process, and develop information through different sources. The following Figure shows us the educational level effects distribution on savings.

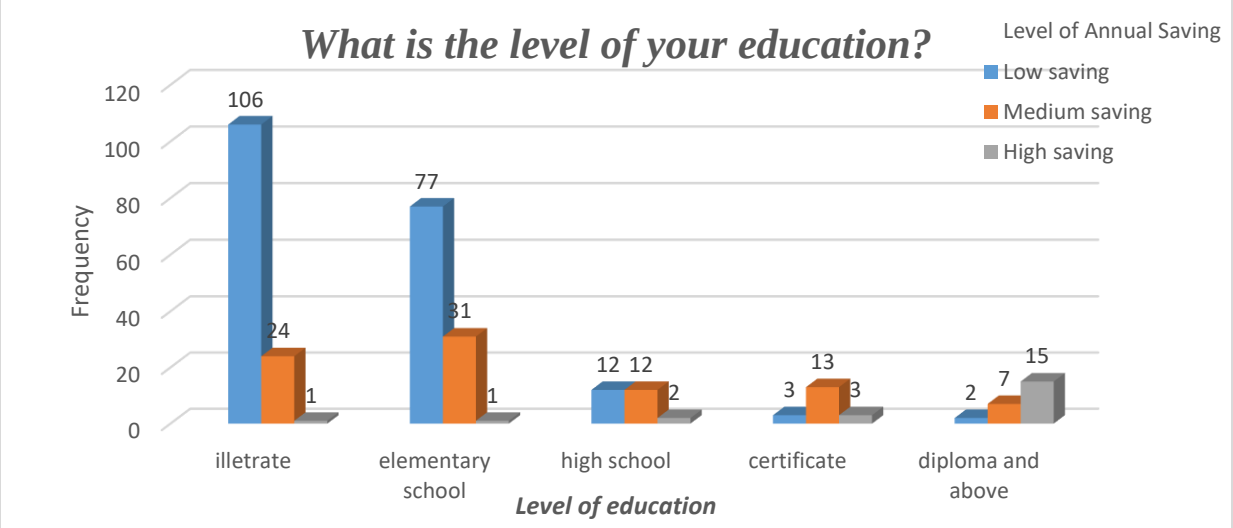

Figure 7: Education status effects on level of annual savings

- ***Source: - SPSS output report (2023)***

4.2.3. Institutional related Factors

Financial awareness or training access

Financial Awareness of the users were analyzed by using cross tabulation statistics and its effect on members (owners) of savings and credit cooperatives are interpreted based on percentages in the different average annual savings as discussed based on in the following table.

Table 10: Descriptive statics on Financial Awareness and level of annual savings

			Level of Annual Saving			
			Low saving	***Medium saving***	***High saving***	***Total***
FA / Training	***No***	Count	128	22	0	150
		% within F-Awareness / Training	85.3%	14.7%	0.0%	
		% within Level of Annual Saving	64.0%	25.3%	0.0%	
		% of Total	41.4%	7.1%	0.0%	48.5%
	Yes	Count	22	65	72	159
		% within F-Awareness / Training	13.8%	40.9%	45.3%	
		% within Level of Annual Saving	100.0%	74.7%	36.0%	
		% of Total	7.1%	21.0%	23.3%	51.5%
Total		Count	150	87	72	309
		% of Total	64.7%	28.2%	7.1%	100.0%

- ***Source: - SPSS output report (2023)***

The table shows that the row percentage (i.e., out of 150 not trained members, 128 (85.3%) are in low savings). the column percentage (i.e., out of 150 fall from low-saving members, 128 (64%) are not financial awareness created members). The cell percentages, i.e., out of 309 members, 128 (41.4%) of not gave the access of training are fall into at a low saving level. The over-all row percentage (i.e., out of all 309 members), for 150 (48.5%) are not got the training from any institution in this study area. Over all column percentage (i.e., out of all 309 members), 150 (64.7%) are at a low saving level. *This showed that most people who were good at raising awareness about the savings in cooperatives are using their savings, and the average value of saving is increasing in case of awareness level from low savings to higher level savings.*

Hence, based on the aforementioned discourse, it is evident that awareness has a significant impact on savings in primary savings and credit cooperatives. *As the members' awareness of*

cooperatives increases, their savings in the cooperatives also increase. This, in turn, contributes to the overall resources of the cooperatives, thereby enhancing the prosperity of the community and the gross domestic product (GDP) of the country. Therefore, it can be inferred that awareness is a fundamental element that influences savings in primary savings and credit cooperatives. The graph depicted in Figure 9 further corroborates this finding by portraying the respondents' level of awareness in relation to their average annual savings.

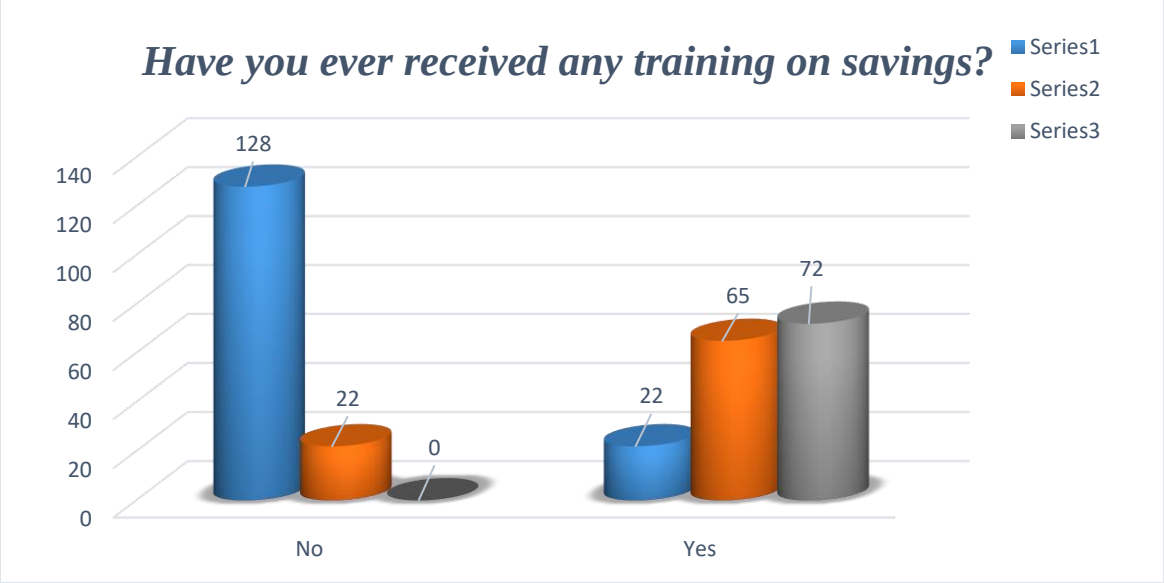

Figure 8: Financial awareness effects on level of annual savings

- ***Source: - SPSS output report (2023)***

Where: - **Series1**=*Low Saving Level*, **Series2**= *Medium Saving Level*, and **Series3** = *High Saving*

Credit Access relation with Level of annual savings

Loans from savings and credit cooperatives were only permitted after the members had some money built up in their accounts to use as collateral to give to those who were going to request and take the loan. According to the rules and regulations of the specific savings and credit cooperatives, the amount of the loan that is given is two or three times the balance of the savings that have been accrued, but the use of the loan is a factor that initiates the savings. The impact of loan use on average annual savings is summarized in the table below.

Table 11: Descriptive statics on credit access and level of annual savings

			Level of Annual Saving			
			Low saving	***Medium saving***	***High saving***	***Total***
Credit Access	***No***	Count	149	9	0	158
		% within Credit Access	94.3%	5.7%	0.0%	
		% within Level of Annual Saving	74.5%	10.3%	0.0%	
		% of Total	48.2%	2.9%	0.0%	51.1%
	Yes	Count	51	78	22	151
		% within Credit Access	33.8%	51.7%	14.6%	
		% within Level of Annual Saving	25.5%	89.7%	100.0%	
		% of Total	16.5%	25.2%	7.1%	48.9%
Total		Count	200	87	22	309
		% of Total	64.7%	28.2%	7.1%	100.0%

- ***Source: - SPSS output report (2023)***

The cross-table frequency distribution table shows that loan use has an effect on people's savings. 158 respondents out of a total of 309 did not use the loan from their cooperatives (158/309 = 51.1%). Each of the respondents who answered "no" provided a justification for not using the loan. *Open-ended questionaries' revealed that the members of the committee, board of directors and loan committees answered that the applicants whose requests were denied did not meet the requirements set forth in the directive laws governing savings and credit cooperatives.* Among those non-users of the loan, 149 (94.3%) respondents are found in the low average annual savings category, 9 (5.7%) are found in the medium average annual savings category, and no respondent is found in the high average annual savings category.

The most important details in this text are that using a loan from cooperative institutions has a positive effect on savings, while not using a loan from cooperative institutions has a negative effect. Of the 151 loan users, 22 (14.6%) had high average annual savings, 78 (51.7%) were in medium savings, and the remaining 51 (33.8%) were in low average annual savings. *Accordingly, to increase the average annual savings, managers must recognize the loan requests of the members and compromise the loan-requesting members' feelings with rules and*

procedures required by members to take loans from savings and credit cooperatives. The credit access effect on average annual savings (in category) is shown in a graph.

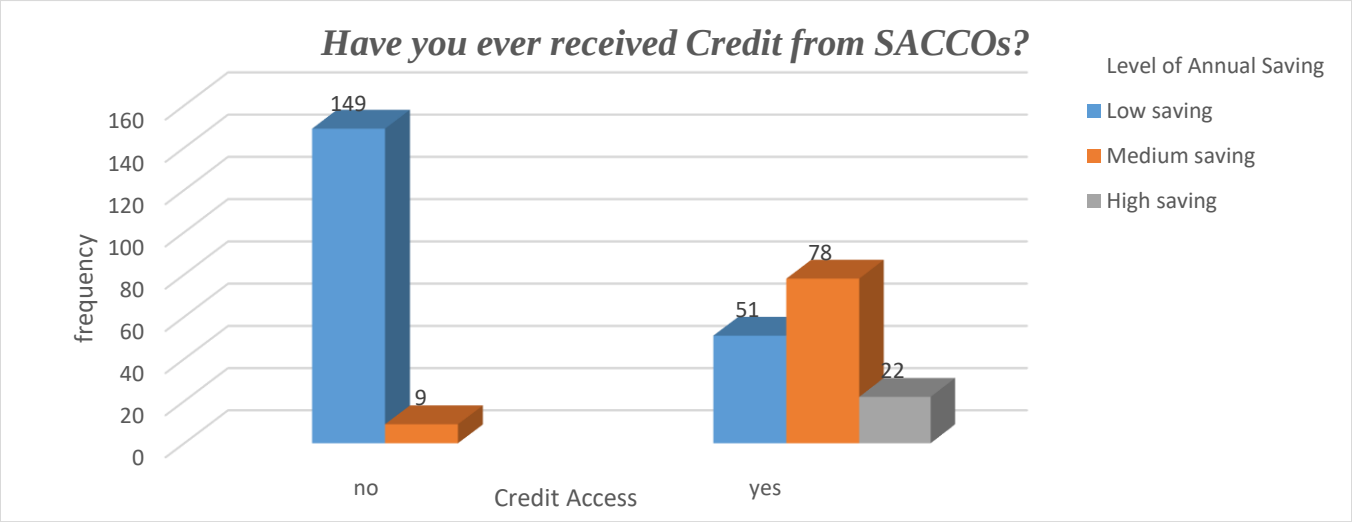

Figure 9: credit access effect on savings

- ***Source: - SPSS output report (2023)***

Members who are not accessible for credit are with low levels of saving, while those who use credit access are mostly medium and above level users.

Table 12: Descriptive statics on Length of membership and Level of Annual Saving: Cross tabulation

			Level of Annual Saving			
			Low saving	***Medium saving***	***High saving***	***Total***
length of membership	***1-2 year***	Count	155	8	1	164
		% within length of membership	94.5%	4.9%	0.6%	
		% within Level of Annual Saving	92.8%	8.3%	2.2%	
		% of Total	50.2%	2.6%	0.3%	53.1%
	3-4 year	Count	11	72	18	101
		% within length of membership	10.9%	71.3%	17.8%	
		% within Level of Annual Saving	6.6%	75.0%	39.1%	
		% of Total	3.6%	23.3%	5.8%	32.7%
	4-5 year	Count	1	11	18	30
		% within length of membership	3.3%	36.7%	60.0%	

		% within Level of Annual Saving	0.6%	11.5%	39.1%	
		% of Total	0.3%	3.6%	5.8%	9.7%
	above	Count	0	5	9	14
	5 year	% within length of membership	0.0%	35.7%	64.3%	
		% within Level of Annual Saving	0.0%	5.2%	19.6%	
		% of Total	0.0%	1.6%	2.9%	4.5%
Total		Count	167	96	46	309
		% of Total	54.0%	31.1%	14.9%	100.0%

- ***Source: - SPSS output report (2023)***

The most important details in this text are that of the total of 164 respondents with a membership length of 1-2 years, 155, or 94.45%, were in the low average annual savings category, 8 or 4.9% in the medium average annual savings category, and 1 or 0.6% in the high average annual savings category. From 101 (26–35 years) membership length category respondents, 11 (10.9%) were found in the low average annual savings category, 72 (71.3%) were found in the medium average annual savings category, and 18 (17.8%) were found in the high average annual savings category. From 30- to 4-year-old respondents, 1 (3.3%) was found in the low average annual savings category, 11 (36.7%) was found in the medium average annual savings category, and 18 (60%) was found in the high average annual savings category. From the 14 respondents above 5 years, 0% were found in the low average annual savings category, 5 (35.7%) were found in the medium average annual savings category, and 9 (64.3%) were found in the high average annual savings category. *This demonstrates that the saving rate increases along with membership length, and members stay with them for a long time. Members of SACCOs stay with them for a long time due to their trust and knowledge of their effectiveness. They benefit from receiving credit services, developing a sense of ownership, participating in committee activities, and having a long lifespan.* Using a graphic, we can illustrate this as below.

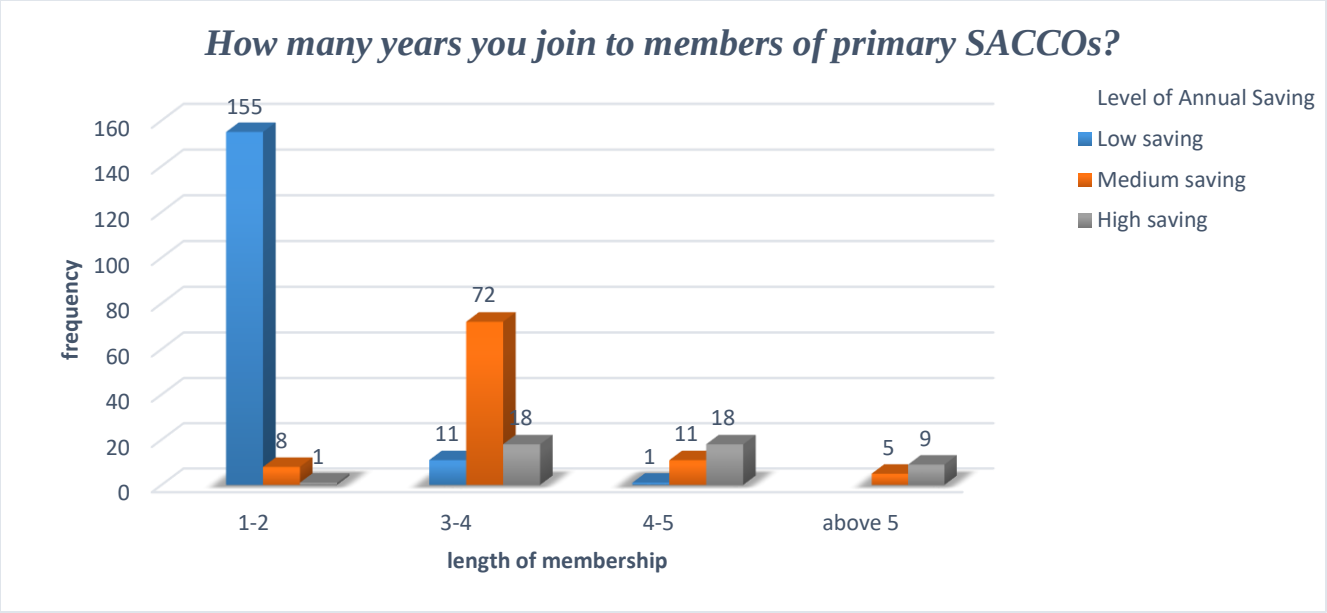

Figure 10: length of membership effects on level of annual savings

- ***Source: - SPSS output report (2023)***

Cooperative members who stay for a longer period of time are more likely to save due to the cooperative's built-in savings mechanisms. This has a positive impact on their savings.

Table 13: Family size and interest rate with level of annual saving of members

	N	*Minimum*	*Maximum*	*Mean*	*Std. Deviation*
Family size	*309*	*1.00*	*7.00*	*2.9838*	*1.10917*
Interest Rate	*309*	*2.00*	*5.00*	*3.4790*	*.93821*
Valid N (listwise)	*309*				

- ***Source: - SPSS output report (2023)***

The family size mean and standard deviation are 2.98 and 1.109, indicating that the average response is centered on 3 family holders to 1 member. *This suggests that income was affected by diverting income from saving activity to other unexpected consumption*. Additionally, the interest rates mean and standard deviation are 3.5 and 0.93821, respectively, *which shows that the average response was centered on 3% of the total savings they had earned. This saving interest encourages members to save more and has a positive impact on the total amount saved*.

4.3. Inferential analysis

4.3.1. Correlation Analysis between saving practice and their factors

This study tested relationship analysis to investigate the strength of the relationships between variables (gender, age, interest rate, Household Head, credit access, level of education, financial awareness/ training, service delivery, length of membership, income level, and family size) and the total amount of saving/saving practices of members. Pearson correlation analysis was used to describe and analyze the data collected, with the degree and direction of links between the variables being described by the correlation coefficient outputs.

A Pearson correlation could be a degree of a straight association between two recurrently distributed arbitrary variables (Schober and Schwarte, 2018). The Pearson product-moment relationship coefficient (r) is a measure of the magnitude and direction of a relationship between two variables. Schober and Schwarte (2018) stated that correlation coefficients of .00 to 0.10 are considered Negligible, a correlation coefficient of.10 to 0.39 is considered weak, a correlation coefficient of 0.40 to 0.69 is considered moderate, and a correlation coefficient of 0.70 to 0.89 is considered substantial. To calculate the relationship between gender, age, interest rate, household head, credit access, level of education, financial awareness/training, service delivery, length of membership, income level, and family size, Pearson correlation was computed. The table below clearly shows that the relationship between two variables will be negligible, low, moderate, substantial or very strong.

Table 14: Pearson Correlation Analysis between saving practice and their factors

		LAS	*Gender*	*Age*	*Hhold Head*	*Family Size*	*Lev/ ED*	*Income*	*Cr.Acces*	*Intrs Rate*	*FA/ train*	*SD*	*LoM*
L o A Saving	*Pearson Correlation*	*1*	*.137**	*.423**	*-.642**	*-.244**	*.591**	*.639**	*.403**	*.290**	*.433**	*.463**	*.621**

- ***Source: SPSS output Report (2023)***

***. Correlation is significant at the 0.01 level (2-tailed).*
**. Correlation is significant at the 0.05 level (2-tailed).*

The correlation analysis results in above Table 14 implied that all independent variables are positively correlated with the dependent variable. Namely, Gender of respondents (r=0.137*),

and Interest Rate (r=0.290**), are weakly correlated with level of annual saving, Education status (r=0.591**), Income (r=0.639**), Credit Access (r=.403**), Age (r=0.423**), Financial Awareness/Training (r=0.433**), Service Delivery (r=0.463**), Length of membership (r=0.621**), are moderately correlated with level of annual saving and both Household head (r= -0.642**) and Family size (r=-0.244**) are negatively significant correlated with level of annual saving in primary cooperative saving and credit cooperative societies. *The inter correlation between independent variables and dependent variables was found to be positive and significant, with increasing positively significant variables leading to higher saving practices and decreasing negatively correlated variables leading to low saving.*

4.4. Testing Assumption of Classical Linear Regression Model (CLRM)

Pallant (2011), stated that multiple linear regression investigations coefficients indicate the relationships between one dependent variable and several independent variables. Multiple linear regression models require that a few basic assumptions be fulfilled to apply the model and set up validity. The basic classical linear regression model assumptions, such as normality, homoscedasticity, multicollinearity, autocorrelation, and linearity, must be tested to identify any misspecification and take corrective action to improve the research quality. The test results for the assumption of the classical linear regression model are presented as follows.

Assumption-1. Independent observation

A **visual inspection** of our data shows that each of our N= 309 observations apply to different members. *Furthermore, these people did not interact in any way that should influence their survey answers. In this case, we usually consider them independent observations, and this assumption is not violated.*

Assumption-2. Normality Assumption Test

Normality is the measurement of a dependent variable as a continuous variable normally distributed. The normality assumption test result is used to describe the visual figure of the test result as a symmetrical, bell-shaped curve, which has a large number of frequencies of scores around the middle of the distribution combined with fewer frequencies towards the extremes. A normality assumption test can confirm whether the error terms have a normal distribution, and

the residuals are expected to follow the normal frequency distribution when hypothesis tests and confidence bounds have been utilized. *In this study there is a tiny bit of positive skewness; the left tail of the distribution is stretched out a bit; and our distribution is more peaked than the normal curve. This is because the bars in the middle are too high and pierce through the normal curve. In shortly, we do see some deviation from normality, but they are tiny. Therefore, analysis was concluded as the residuals are roughly normally distributed.* The normal probability plot of the residuals can be assessed by employing a normal probability plot of the residuals.

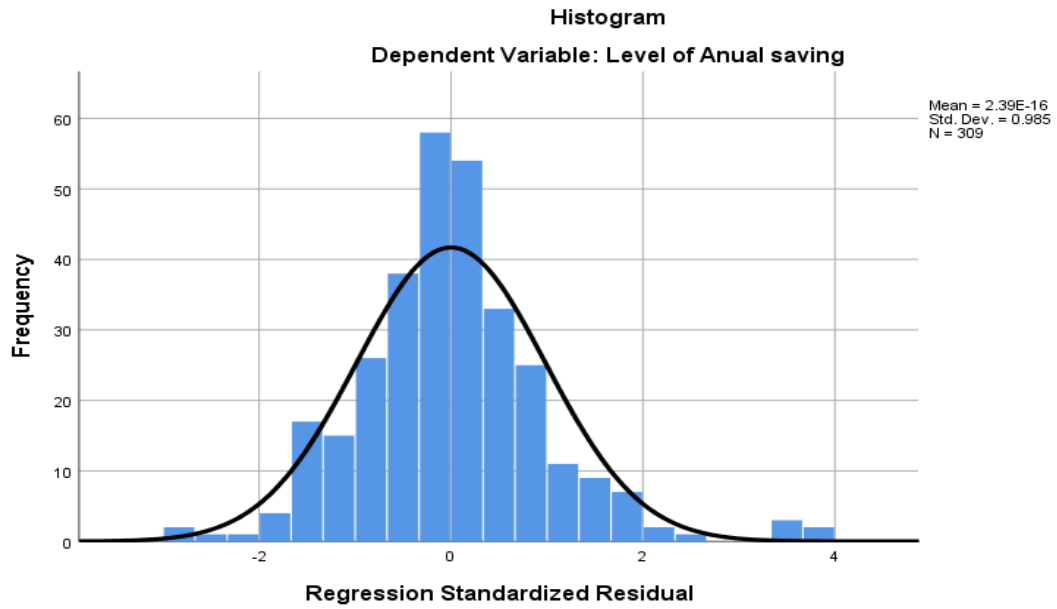

Figure 11: Normality assumption test Histogram

- ***Source: SPSS output Report (2023)***

Assumption-3. Test for Homoscedasticity assumption

The presumption of homoscedasticity refers to having equal variance in overall levels of errors in the independent factors implying that the errors are spread out between the independent factors consistently(Yang, Tu, and Chen, 2019).

Homoscedasticity can be tested using a visual examination of a plot of the standard residuals by the regression standard predicted value. Ideally, residuals are lined scattered plots around zero in a pattern of observable even distribution. *The scatter plot below illustrates how the dependent variable explains the three parallel lines of this residual plot. This results from the dependent variable's nominal origin and the fact that there is only a maximum of three residual values at each point along the single fitted regression line. Plotting scale (Y) against predictor (X) and*

including the fitted regression line helps us see this well. By measuring the vertical separation between the dots in our scatter plots, we can estimate this variance. As a result, the height of our scatterplot ought to stay constant as we move from left to right. There is no such pattern that we can identify. And also, when assessing the assumption of homoscedasticity, lined scattered plots created in SPSS analysis around zero when standard residuals versus standard predicted values *indicated that there was no heteroscedasticity problem.*

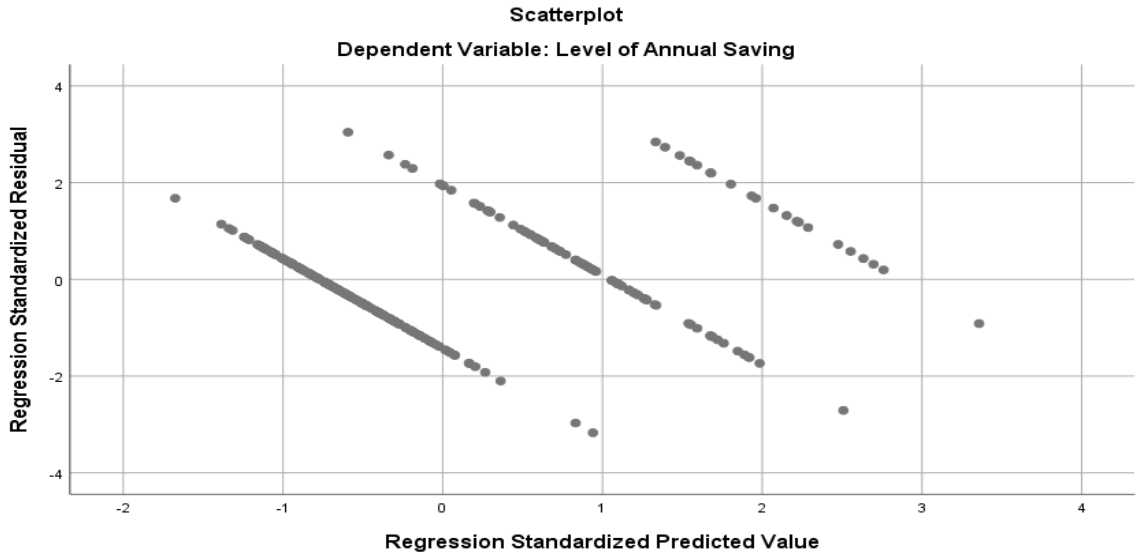

Figure 12: Homoscedasticity Assumption Test

- ***Source: SPSS output Report (2023)***

H0*: The residual values are equally distributed (Homoscedasticity)*

H1*: The residual values are not equally distributed (Heteroscedasticity)*

Assumption-4. No auto correlation between disturbance errors (Independent of Residuals)

The Durbin-Watson statistic is used to test for the independence of residuals. The value ranges from 0 to 4, and the residuals are independent if the Durbin-Watson value is approximately closer to 2, and values below 1 and above 3 are problematic. To test for the existence of auto-correlation, the Durbin Watson test is employed. This model tests correlations between errors and assumes that the error terms are stationary and normally distributed with a mean of zero. *In this case, the Durbin-Watson statistics showed (Durbin-Watson = 1.894) that the result approximates 2, and those points between 1 and 3. Therefore, the independence of the residuals assumption is satisfied.*

Table 15: Independent Residuals Assumption test

Durbin-Watson
1.894

- ***Source: SPSS output Report (2023)***

Assumption-5. Multicollinearity Assumption Test

Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated with each other. In this study, multicollinearity has been checked with tolerance and VIF statistics. Miles (2014) suggests that a tolerance value less than 0.1 and a VIF value greater than 10 designates a serious collinearity problem. Correlation analysis is conducted to examine multicollinearity problems. *In this study all of the Independent variables have tolerance of more than 0.1 and a VIF value of less than 10.*

Table 16: Multicollinearity Assumption Test of variance inflation factor (VIF)

Model	Collinearity Statistics	
	VIF	1/ VIF or Tolerance
Gender	*1.039*	*0.963*
Age	*1.330*	*0.752*
Household head	*1.572*	*0.636*
Family size	*1.190*	*0.840*
Level of education	*1.417*	*0.706*
Income	*1.490*	*0.671*
Credit Access	*1.200*	*0.833*
Interest Rate	*1.119*	*0.894*
Financial Awareness / Training	*1.267*	*0.789*
Service Delivery	*1.246*	*0.803*
Length of Membership	*1.581*	*0.632*
Mean VIF	***1.31373***	

- ***Source: SPSS output Report (2023)***

Rule of thumb*: "If VIF is greater than 10, conclude that there is multicollinearity problem". But in our case there is no such a problem as the value of VIF is all less than 10.*

Assumption-6. Non-Multicollinearity

Classical Linear regression model (CLRM) assumes that the explanatory variable are not correlated with one another. However in any practical context the correlation between explanatory variable will be non-zero, although this will generally be relatively being in the sense that a small degree of relationship between explanatory variable will almost always occur but will not cause too much loss of precision (Brooks, 2008). The result from the correlation matrix below shows that there is low data correlation among independent variables. Multicollinearity problem exists when the correlation coefficient among the variable are greater than 0.70 (Kennedy, 2008 as cited by Chekole, 2016). *However in this study there is no correlation coefficient that greater than or even close to 0.70. Thus in this study there is no problem of multicollinearity.*

Table 17: Correlation matrix of explanatory variables.

		Gendr	*Age*	*Hhold head*	*Family size*	*Lev/ ED*	*Incom e*	*Credit Acces*	*Intrs Rate*	*FAW*	*SD*
Gender	*Pearson Correlation*	*1*									
Age	*Pearson Correlation*	*0.104*	*1*								
Household head	*Pearson Correlation*	*-0.096*	*-.160***	*1*							
Family size	*Pearson Correlation*	*0.015*	*.149***	*.270***	*1*						
Education status	*Pearson Correlation*	*0.051*	*.126**	*-.382***	*-.153***	*1*					
Income	*Pearson Correlation*	*0.087*	*.296***	*-.457***	*-.142**	*.391***	*1*				
Credit Access	*Pearson Correlation*	*0.081*	*.161***	*-.306***	*-0.096*	*.177***	*.182***	*1*			
Interest Rate	*Pearson Correlation*	*-0.074*	*.162***	*-.189***	*-.149***	*.177***	*.209***	*0.04*	*1*		
Awarnes /Training	*Pearson Correlation*	*0.035*	*.252***	*-.269***	*-.184***	*.228***	*.197***	*.250***	*.186***	*1*	
Service Dv	*Pearson Correlation*	*.114**	*.278***	*-.298***	*-0.076*	*.244***	*.265***	*.217***	*0.11*	*.290***	*1*
Lengthmembrshp	*Pearson Correlation*	*0.089*	*.292***	*-.419***	*-.178***	*.452***	*.396***	*.317***	*.165***	*.306***	*.224***

- ***Source: SPSS output Report (2023)***

***. Correlation is significant at the 0.01 level (2-tailed).*
**. Correlation is significant at the 0.05 level (2-tailed).*

The correlation analysis results showed that all independent variables were positively and negatively correlated with each other. Gender and interest rate were weakly correlated, while education status, income, credit access, age, financial awareness or training, service delivery, and length of membership were moderately correlated and the remaining are negatively correlated.

Assumption-7. Linearity Assumption Test

The linearity assumption test defines the dependent variable as a linear function of the predictor (independent) variable (Schmidt & Finan, 2018). The data points must be near the diagonal line if the test result's data has a normal distribution. When a regression is linear, the predictor variables and the outcome variable are related in a straight line, according to the result of the linearity assumption test. If the linearity test yields a significant value less than 0.05, it is likely that the relationship is linear. Plots for linear relationships can be visually observed using the line-shaped arrangement of the data points. Linearity is the term used to describe a relationship between independent and dependent variables in nature.

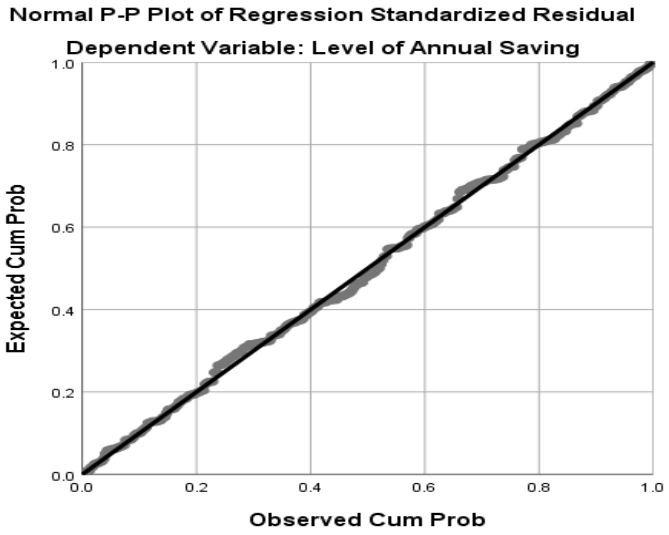

Figure 13: Linearity assumption test

- ***Source: SPSS output Report (2023)***

In the above pilot, ideally the expected value of dependent variable is a straight line function of each independent variable, holding the other fixed. We can see that there is a clear pattern in the residual plot.

4.5. Multiple Linear Regression Analysis

The most important details in this text are the three statistics used to evaluate model fit in OLS regression: R-squared, overall F-test and root means square error. These statistics are based on two sums of squares: sum square total (SST) and sum square error (SSE). The objective of this analysis is to predict the dependent variable based on its covariance with all the concerned independent variables (Kothari, 1990).

4.5.1. Regression Model summary

- The **"R"** column represents the multiple correlation coefficient values of R. *A value greater than 0.4 is taken for further analysis. In this case, the value is* ***.884*** *which is very good.* So it indicates a very strong correlation between saving practice and their affecting factors.
- ***R^2 value*** (coefficient of determination) is the difference between SST and SSE. Improvement in the regression model result in a proportion increase in R-square. *A value greater than 0.5 shows that the model is effective enough to determine the relationship. In this case, The R^2 value is 0.781, which very good.* It demonstrates that 78.1% of the variation within the annual level of saving and independent variable or saving factors can be explained by the variables within the model, while 21.9% of annual saving change is explained by factors that are not explained within the model.
- The ***Adjusted R Square (R^2)*** shows the generalization of the result that means the variation of sample result from the population in multiple regression. *The difference between R^2 and adjusted R^2 is negligible, with a shrinkage of 0.8%, which is not far off from R^2 so it is very good.* This indicates that the model would account for 0.8% less variance in the result if it were derived from the population as opposed to a sample.

Table 18: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	***.884a***	***0.781***	***0.773***	***0.29653***

a*. Predictors: (Constant), REGR model fit score.*

- ***Source: SPSS output Report (2023)***

4.5.2. Analysis of Goodness fit (F-Statistics).

ANOVA analysis is determines whether the model is significant enough to determine the outcome. It is also called analysis of variance for it compares the variance between variables and tests whether the overall regression model is a good fit for the data.

Table 19: Analysis of Variance (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	*93.347*	*11*	*8.486*	*96.508*	*.000[b]*
	Residual	*26.116*	*297*	*.088*		
	Total	*119.463*	*308*			

- ***Source: SPSS output Report (2023)***

As depicted in table 19, shown above that the regression model is a statistically significant model at F (11, 297) =96.508, (P<0.01), *implies our estimators are jointly significant, as the probability of F is less than the 5 percent significance level*. Since the combination of all the independent variables forms more amount of money, it can be concluded that free factors of saving can statistically predict saving practice of members.

$$\boldsymbol{F} = \frac{\boldsymbol{R2/(k-1)}}{\boldsymbol{(1-R2(n-k)}} \quad = \quad \boldsymbol{F} = \frac{\boldsymbol{0.781/(11-1)}}{\boldsymbol{(1-0/781(309-11)}} = \underline{\boldsymbol{96.28}}$$

Where, ***k= number of parameters***

n= numbers of respondents

R^2 =R-square of the model

Gujarati (2004), states The F distribution with (m, n− k) df. As usual, if the computed F value exceeds the critical F value, we can reject the restricted regression; otherwise, we do not reject it. So in this study, the computed F value is lower than the critical F value of 96.28 < 96.508. So we can accept the restricted regression.

Generally, *these result estimates that as the P-value of the ANOVA table is below the tolerable significance level, thus there is possibility of rejecting the null hypothesis in the further analysis.*

4.5.3. Regression Coefficients

Table 20: Multiple regression analysis for variables predicting on level of annual savings of primary SACCOs.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	*.320*	*.118*		*2.709*	*.007*	*.088*	*.553*
Gender	*.038*	*.034*	*.031*	*1.116*	*.265*	*-.029*	*.106*
Age	*.123*	*.024*	*.157*	*5.010*	*.000*	*.074*	*.171*
Household head	*-.329*	*.050*	*-.222*	*-6.538*	*.000*	*-.428*	*-.230*
Family size	*-.035*	*.017*	*-.062*	*-2.111*	*.036*	*-.068*	*-.002*
Level of education	*.114*	*.017*	*.221*	*6.836*	*.000*	*.081*	*.147*
Income	*.170*	*.023*	*.239*	*7.221*	*.000*	*.123*	*.216*
Credit Access	*.141*	*.038*	*.110*	*3.692*	*.000*	*.066*	*.217*
Interest Rate	*.042*	*.019*	*.063*	*2.179*	*.030*	*.004*	*.079*
Financial Awareness	*.118*	*.038*	*.095*	*3.112*	*.002*	*.043*	*.193*
Service Delivery	*.165*	*.038*	*.131*	*4.321*	*.000*	*.090*	*.240*
Membership Length	*.105*	*.021*	*.170*	*4.984*	*.000*	*.064*	*.147*

a. Dependent Variable: Total Amount of Saving

- ***Source: - SPSS Output Report (2023)***

The coefficient of statistical analysis of multilinear regression is shown in table 20, above shown in the model of factor affecting saving practice of members of SACCOs = + 0.038 for gender, + 0.123 for age, -0.329 for household head, - 0.035 for family size, + 0.114 for level of education, + 0.141 for credit access, +0.170 for annual income, + 0.042 for interest rate, + 0.118 for financial awareness / training, + 0.165 for service delivery, + 0.105 for length of membership, and *+0.340 for constant indicated that the score of constant coefficients shows the value of annual saving is positive or high if there is high influence of the all-independent variable.*

4.5.3.1. Unstandardized Coefficients

Unstandardized coefficient denotes a unit change in the free variable for every change in the dependent variable. However, the independent and dependent variables are not comparable to one another in this analysis in terms of how they affect the dependent variable.

To determine the statistical significance of the independent variables on the dependent variable, the following multiple regression model uses the study of the statistical analysis method.

$$Y= \alpha+\beta 1X1+ \beta 2X2+ \beta 3X3+ \beta 4X4+ \beta 5X5+ \beta 6X6 +\beta 7X7+ \beta 8X8+ \beta 9X9+ \beta 10X10 +\beta 11X11+\varepsilon i$$

Where,

Yi = Dependent variable (Level of Annual Saving).

α = constant

β = (Beta value) coefficient of slope of regression model

X1 = Gender

X2 = Age

X3 = Household Head

X4 = Family Size

X5 = Level of Education

X6 = Income

X7 = Credit Access

X8 = Interest Rate

X9 = Financial Awareness/Training,

X10 = Service Delivery

X11= Length of Membership

εi = error term

In the model shown above, α = Constant, and β1 to β11 = Regression coefficients represent the mean alter within the dependent variable for one unit of change within the independent variable while holding other variables in the model constant and ϵ = Error term which captures the unexplained variation in the model. Level of annual saving i = +.320+.038X1+ .123X2-. 329X3- .035X4 +.114X5+.170X6+.141X7+.042X8+.118X9+.165X10+.105X11**+εi,** Further, the constant value (α =.320) shows that the saving practices in kaffa zone selected Woreda would be .320 if variables like the gender, age, household head, family size, level of education, income, credit access, interest rate, financial awareness/training, service delivery, and length of membership in the model remained zero.

On the other hand, a beta coefficient of .031, .157, .221, .239, .110, .063, .095, .131, and .170 indicates that, if there is one unit increase in the gender, age, level of education, income, credit access, interest rate, financial awareness or training, service delivery, and length of membership

lead to an increase in the whole level of annual saving of members of primary saving and credit cooperative societies by 3.1%, 15.7%, 22.1%, 23.9%,11%, 6.3%, 9.5%, 13.1%, and 17% for the gender, age, level of education, income, credit access, interest rate, financial awareness/training, service delivery, and length of membership respectively. Whereas, the Error term (ϵ) estimate is assumed to be zero. And also a beta coefficient of -.222 and -.062, indicates that *if there is increasing unit in household head and family size lead to a decrease in the whole level of annual saving rate of members of primary saving and credit cooperative societies by 22.2% and 6.2% for household head and family Size respectively.*

4.5.3.2. Standardized Coefficients

The analysis of standardized coefficients is used to compare the effects of various independent variables on the dependent variable. A standard beta coefficient can be used to determine the degree to which each independent variable influences the criterion (dependent) variable. A unit of change in the independent variable results in a sum of changes in the dependent variable, which is explained by the multiple linear regression coefficients. The direction and magnitude of the interaction between the independent and dependent variables are shown by the beta coefficient. Consequently, the multiple regression analysis's standardized coefficient value indicated that gender (β=.031, p= <.265), age (β=.157, p=<.000), household head (β=-.222, p=<.000), family size (β=-.062, p=<.036), level of education (β=.221, p=<.000), income (β=.239, p=<.000), credit access (β=.110, p=<.000), interest rate (β=.063, p=<.030), financial awareness (β=.239 .095, p< .002), service delivery (β=.131, p= <.000), and length of membership (β=.170, p=<.000), has the highest influence on saving practice. The coefficients of nine independent variables (gender, age, level of education, income, credit access, interest rate, financial awareness or training, service delivery, and length of membership) have a positive sign and p <0.05, while the coefficients of two independent variables (household head and family size) have a negative sign and p <0,05. *This result indicates that these independent variables have a positive as well as negative impact on annual saving or members' saving practices.*

4.6. Hypothesis Testing and Interpretation of the Result

The results of multiple linear regressions indicate that independent variables such as gender, age, level of education, income, credit access, interest rate, financial awareness or training, service

delivery, and length of membership have a positive impact on the level of annual savings of members. However, household head and family size have a negative and significant impact on the level of annual savings. This section presents the result and summarizes the findings necessary to test the hypothesis testing at a 5 percent (5%) significance level.

Testing Hypothesis 1

H0 (1)*: There is no positively significant effect of income on savings, education affects savings.*

HI (1): *There is a positive and significant effect of income on savings, education affects savings.*

The income as a single factor coefficient, denoted as = 0.239, T-test 7.221 at Sig.000, implied an increase in annual savings of 0.23 Ethiopian birr due to a change of one unit in the income factor. Similar encouraging findings were made by Sameroynina (2005), Brata (1999), Khalek (2009), and Schrooten and Stephan (2003), demonstrating that as income rises, members' capacity to save also does. Consistently, assuming all other variables remain constant, the education status as a single factor coefficient indicated as = 0.221, T-test 7.221 at Sig.000, implied an increase of 0.22 ETB in annual savings due to a change of one unit in the level of education factor. This finding is in line with the finding of Lemma, (2019), which showed that one of the main obstacles to members' saving behavior in the Gamo Gofa zone was lack of knowledge. According to this study, a person with higher levels of education has more opportunities on the job market and a higher chance of obtaining.

Testing Hypothesis 2

H0 (2): *There is no positive and significant relationship (association) between the Family size of members and annual saving of members in kaffa zone selected Woreda.*

H1 (2): *There is positive and significant relationship (association) between the Family size of members and annual saving of members in kaffa zone selected Woreda.*

The family size as a single factor coefficient, denoted as $\beta = -0.062$, T-test -2.111 at Sig .036, It was found to be significantly and negatively affecting the annual savings of members. The number of families among cooperative members increased, but their annual savings fell by 0.062

Ethiopian Birr. The result is in line with earlier research from Danniel Belay (2006). He claimed that the number of family members has a negative impact on their level of savings, and that this effect is significant at the 95% level of significance. Therefore, hypothesis HI is accepted. Therefore, hypothesis HI is accepted.

Testing Hypothesis 3

The financial awareness as a single factor coefficient, denoted as β = 0.095, T-test 3.112 at Sig .002, It was found to be significantly and positively affecting the annual amount of saving of members in the study area. That means, when the members of SACCO have access to training increased by one unit, level of annual saving of SACCO's members is increased by 0.095 ETB. This is because of member of saving and credit cooperative betters the knowledge concerning saving and significant at 99% level of significance it was significant at 95% level of significances . The hypothesis (H3) was therefore accepted at a 5 percent level of significance. The result of the study is consistent with the findings of (Lemma, 2019). Which stated as Orientation, cooperative training, and consultancy minimizes the challenges of savings and credits by creating awareness for the members of savings and credit cooperatives.

H0 (3): *There is no positive and significant relationship between financial awareness and savings practices.*

HI (3)*: There is a positive and significant relationship between financial awareness and savings practices*

Testing Hypothesis 4

The household head as a single factor coefficient, denoted as β = -0.222, T-test -6.538 at Sig .000, implied as the annual savings of members were discovered to be significantly and negatively impacted. Members of the household-headed cooperative increased, but the amount saved each year fell by 0.22 Ethiopian Birr. The results are consistent with earlier research by Danniel Belay (2006). He claimed that family size has a significant (95% confidence interval) and negative impact on the level of annual savings of members of primary savings and credit cooperative societies. Therefore, hypothesis HI is accepted.

H0 (4): *There is no positive and significant relationship (association) between the Household head of members and annual saving of members in kaffa zone selected Woreda.*

HI (4): *There is a positive and significant relationship (association) between the Household head of members and annual saving of members in kaffa zone selected Woreda.*

Testing Hypothesis 5

The age of cooperative members and the amount of money they save each year are positively and significantly correlated, as predicted by the multiple linear regression models, with annual savings. As the age of members increases and they gain good knowledge and financial management skills, the annual amount of saving of members increases by 0.157 Ethiopian birr. The finding result is similar with the previous research done by (Jokka, 2019) but opposite to previous research done by (Rehman Hafeez, F.M, 2010). It was significant at 95% level of significances. Therefore, hypothesis HI is accepted.

H0 (5): *There is no positive and significant relationship (association) between the age of members and annual saving of members in kaffa zone selected Woreda.*

HI (5): *There is a positive and significant relationship (association) between the age of members and annual saving of members in kaffa zone selected Woreda.*

Testing Hypothesis 6

The gender as a single factor coefficient, denoted as $\beta = 0.031$, T-test 1.116 at Sig .265, Gender effect on the savings is influenced by the community's culture, or habit. In some area or community men (males) are initiated to use savings and borrowing of loans but females (women) are discouraged to do that. The finding result is similar with the previous research done by (Sebhatu, 2015), and (Annitah & Muturi, 2015),but opposite by finding result of (Lemma, 2019). Therefore, hypothesis HI is rejected.

H0 (6): *There is no positive and significant relationship (association) between the gender of members and annual saving of members in kaffa zone selected Woreda.*

HI (6): *There is a positive and significant relationship (association) between the gender of members and annual saving of members in kaffa zone selected Woreda.*

Testing Hypothesis 7

It was significantly and positively affecting the annual amount of saving members in the study area. When SACCOs deliver their services more effectively and promptly address customer requests, members start to save more money. When service delivery improved and was added to the study area, the total amount of annual savings for members increased by 0.13 ETB, The finding result is similar with the previous research done by (Jokka, 2019), which was significant at the 99% level of significance. Therefore, hypothesis HI is accepted.

H0 (7): *There is no positive and significant relationship (association) between the service delivery of members and annual saving of members in kaffa zone selected Woreda.*

HI (7): *There is a positive and significant relationship (association) between the service delivery of members and annual saving of members in kaffa zone selected Woreda.*

Testing Hypothesis 8

The use of SACCO credit was identified as a significant predictor of members' savings levels. At a 5% significance level, the coefficient of 0.110 indicated that an increase of one Birr in credit amount would lead to a corresponding increase of Birr 0.11 ETB in savings, assuming all other variables remain constant. It was observed that SACCO members tended to save more when they received higher credit amounts. Similar findings have been reported in other countries as well. For instance, a study conducted in Ethiopia's Eastern Hararge Zone revealed a positive correlation between rural households' access to credit and their savings (Girma, et al. 2013). Therefore, hypothesis HI is accepted.

H0 (8): *There is no positive and significant relationship (association) between the credit access to members and annual saving of members in kaffa zone selected Woreda.*

HI (8): *There is a positive and significant relationship (association) between the credit access to members and annual saving of members in kaffa zone selected Woreda.*

Testing Hypothesis 9

The interest rate as a single factor coefficient, denoted as β = 0.063, T-test 2.179 at Sig.030, implied an increase in annual savings of 0.06 Ethiopian birr due to a change of one unit in the interest rate factor, assuming all other variables are constant. The finding result is similar with the previous research done by (Maria; et al., 2020). Therefore, hypothesis HI is accepted.

H0 (9): *There is no positive and significant relationship (association) between interest rate of saving amount and annual amount of saving of members in kaffa zone selected Woreda.*

HI (9): *There is a positive and significant relationship (association) between the interest rate of saving amount and annual amount of saving of members in kaffa zone selected Woreda.*

Testing Hypothesis 10

The length of membership as a single factor coefficient, = 0.170, T-test 4.984 at Sig.00, implied an increase in annual savings of 0.17 Ethiopian birr due to a change of one unit. This is similar to previous research done by (Tesfamariam, 2012), (Maria; et al., 2020), (Sebhatu, 2015). Therefore, hypothesis HI is accepted.

H0 (10): *There is no positive and significant relationship (association) between length of membership and annual amount of saving of members in kaffa zone selected Woreda.*

HI (10): *There is a positive and significant relationship (association) between the length of membership and annual amount of saving of members in kaffa zone selected Woreda.*

Table 21: Summary of the Tested Hypotheses with regression analysis.

Hypothesize	*Statistical Sig.*	*Decision on hypothesis*
HI (1): There is a positive and significant effect of income on savings, education affects savings.	*.000*	*Accepted*
H1 (2): There is positive and significant relationship (association) between the Family size of members and annual saving of members in kaffa zone selected Woreda.	*.036*	*Accepted*
HI (3): There is a positive and significant relationship between financial awareness and savings practices.	*.002*	*Accepted*
HI (4): There is a positive and significant relationship (association) between the Household head of members and annual saving of members in kaffa zone selected Woreda.	*.000*	*Accepted*
HI (5): There is a positive and significant relationship (association) between the age of members and annual saving of members in kaffa zone selected Woreda.	*.000*	*Accepted*
HI (6): There is a positive and significant relationship (association) between the gender of members and annual saving of members in kaffa zone selected Woreda.	*.267*	*Rejected*
HI (7): There is a positive and significant relationship (association) between the service delivery of members and annual saving of members in kaffa zone selected Woreda.	*.000*	*Accepted*
HI (8): There is a positive and significant relationship (association) between the credit access to members and annual saving of members in kaffa zone selected Woreda.	*.000*	*Accepted*
HI (9): There is a positive and significant relationship (association) between the interest rate of saving amount and annual amount of saving of members in kaffa zone selected Woreda.	*.030*	*Accepted*
HI (10): There is a positive and significant relationship (association) between the length of membership and annual amount of saving of members in kaffa zone selected Woreda.	*.000*	*Accepted*

- ***Source: - computation from own survey data (2023)***

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATION

5.1. INTRODUCTION

This study aimed to identify factors affecting the saving practices of members of primary savings and credit cooperative societies. It presented the major findings, conclusions, recommendations, limitations and suggestions for future research. The summary findings were derived primarily from the collected data through descriptive and inferential analysis, and secondary data was also used to trace and triangulate the data collected. Finally, the recommendations for the findings and direction for further studies were revealed.

5.2. SUMMARY OF MAJOR FINDINGS OF THE STUDY

- The study used eleven factors to examine the influence of gender, age, interest rate, household head, credit access, education status, financial awareness/training, service delivery, length of membership, income level, and family size on annual savings levels. A questionnaire was distributed to 321 members of primary saving and credit cooperative societies, with 309 correctly filled and returned. The response rate was 96.3%.
- The study used SPSS version 25 to analyze the collected data. It employed reliability and validity test to measure the stability and internal consistency. Descriptive statistics analysis was used to assess the level of the independent variables (gender, age, interest rate, household head, credit access, education status, financial awareness/ training, service delivery, length of membership, income level, and family size) and the dependent variable (level of annual saving). Correlation analysis was used to measure the directions and strength of the relationship between the dependent and independent variables. Regression analysis was also applied to understand the extent to which independent variables affect the level of annual savings of members.
- The Pearson correlation shows that there is a correlation between gender, age, interest rate, household head, credit access, education status, financial awareness/training, service delivery, length of membership, income level, and family size in level of annual savings of members of primary cooperative societies.

- The fundamental classical linear regression model assumptions must be tested to identify any misspecification and take corrective action to improve the research quality.
- Regression analysis, the regression statistics R-squared 0.781 and Correlation coefficient value (R) = 0.884, show that level of annual saving is highly determined by the components of socio-economic, household related, and institutional factors of members gender, age, interest rate, household head, credit access, level of education, financial awareness/ training, service delivery, length of membership, income level, and family size of primary saving and credit cooperative members.
- The assumptions for multiple linear regression test results, and the unstandardized multiple linear regression beta coefficients intervals -.329 to.170 and standardized multiple linear regression beta coefficients intervals -.222 to .239 and t-test values -6.538 to 7.2221 (at sig.000 to.265) indicate that the model was in normal condition.
- **Socio-economic factors** (Level of education and income level) are positively and significantly correlated with level of annual savings with p-value < 0.05.
- **Institutional factors** (financial awareness/ training, service delivery, interest rate, length of membership, and credit access) are positively and significantly correlated with level of annual savings with p-value < 0.05.
- **Household related factor (**Age) is positively and significantly correlated with level of annual savings with p-value < 0.05. **(**Gender) is positively and insignificantly correlated with level of annual savings with p-value .265 and, **(**Household head and family size) are negatively and significantly correlated with level of annual savings of primary SACCOs with p-value of <0.05.
- The ten independent variables are statistically significant, while only one is statistically insignificant. This does not take into account the possibility of bias or confounding variables, which must be considered in longitudinal studies.

5.3. CONCLUSION

This study was initiated to assess factors affecting saving practice of members of primary saving and credit cooperative societies in this study. Through the process of primary and secondary data collection, the study was meant to determine the factors affecting the saving practices of members of primary saving and credit cooperative societies. The research design was primarily quantitative, with a small portion of qualitative analysis to gain insight on the factors of saving practice. The primary instrument used in the collection of data was an adopted questionnaire that was self-administered to the members of primary savings and credit cooperative societies.

The study revealed some saving practice activities performed by members of saving and credit cooperative societies in relation to the eleven affecting factors of annual saving levels in the study area. The members of Sacco's are interested in saving, but there is no hint of managing their capital due to low educational level, no constructed financial awareness based on saving, and low income. The elected board of directors of primary SACCO is not unique in their saving practice and understanding about saving. Some of the members and recruited government employees make others feel good to be around them, helping them think about old problems in new ways, help others develop themselves, provide new ways of looking at a puzzling thing, help others find meaning in their work, and give personal attention to subordinates who feel rejected, these are the main problem to proceed savings in this study area.

The study found that members take measures to cultivate savings habits, such as focusing on aspects beyond their routine tasks, recognizing their saving patterns, contemplating ways to enhance their consciousness, and seeking novel approaches to augment their funds. They also find new approaches to execute tasks, attempt to convince members to support the saving idea, and put effort into promoting saving practice.

The researcher argued that earlier studies by Lemma (2019) and Sebhatu (2012) on the relationship between educational attainment and gender revealed a level of annual savings. However, Lemma (2019) reported that education level yielded the same outcome and gender was rejected, while Sebhatu (2012) reported that gender produced the same outcome as this study and education was not accepted. The findings of this study show that the members' educational status has a positive and significant impact on their annual savings, but gender doesn't. The research

was limited to the primary cooperative level rather than the union level due to population, budget, and time constraints.

The findings of the study revealed that there is a significant relationship between age, interest rate, household head, credit access, education status, financial awareness or training, service delivery, length of membership, income level, family size, and level of annual savings, but no significant relationship between gender and the level of annual savings of members.

5.4. RECOMMENDATION

The research study has some restrictions. The survey was only conducted among a few primary savings and credit cooperative societies in the Kaffa zone selected woreda. Because the subject is so broad, there aren't any comparable findings that are generally accepted. In light of the research findings discussed in this research paper and the findings of other studies, this topic needs to be studied in greater detail and scope. Although many studies show a direct relation between the influencing factors and the level of annual savings, other studies, such as Sebhatu (2012), show there is no direct correlation between members' educational status and their level of annual savings. As well as Lemma (2019), which demonstrates a direct correlation between gender and members' annual savings amounts. The results of studies in this area have been inconsistent, as can be seen from the findings of this research paper. This demonstrates that more research in the relevant field is necessary in order to generate accurate and trustworthy results. The author of this study is convinced that all ten factors that affect savings have a significant impact on members of all primary saving and credit cooperative societies' annual levels of saving or saving practice across organizations. As a recommendation, future research on similar topics should be conducted on the partially supported hypotheses that are revealed in this paper but with a wider population of primary saving and credit organizations within the national and international context to generalize the results.

- The researcher suggests that in order to maintain and improve member saving habits, the governing boards of primary saving and credit cooperative societies, government organizations like cooperative offices, and assisting non-governmental organizations should place a priority on raising awareness and encouraging the accumulation of funds for the cooperative entity.

- The primary saving and credit cooperative should establish clear guidelines and directives that encourage members to save money, borrow, and repay loans on schedule. Since the main goal of cooperative organization is to prioritize savings before borrowing and to raise members' standard of living through a jointly owned and democratically managed process, this will increase member confidence and by allowing them to borrow with interest, and they will be encouraged to save more money.
- Since the government hasn't paid much attention to this sector, they should create a platform for a cooperative movement that includes all relevant structures in order to increase awareness of saving in both urban and rural areas. Additionally, since most rural residents have trouble listening intently, they should use the media, specifically radio like FM in the rural communities and television in urban areas, to become aware of savings by their own languages. They might be able to save money this way.
- In order to increase the trust of the members, they should print the receipt and make them accept the receipt for the money they pay each month.
- In case the occurrences frequently referred to in it are utilized as the foundation for the schedule, as an example, if members pay on a Monday for the previous month, then pay that day consecutively by counting the coming month on Monday in traditional counting, this is due to the fact that several uneducated members and rural inhabitants do not refer to the schedule for September, October, etc. and they count 28 days as a month.

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JIMMA UNIVERSITY

SCHOOL OF POSTGRADUATE STUDIES

DEPARTMENT OF ACCOUNTING AND FINANCE

MASTER OF SCIENCE IN ACCOUNTING AND FINANCE (MSc.)

Dear primary SACCO Members and Cooperative Experts,

I would like to invite you to take part in my thesis entitled Determinants of Members Saving practices in primary Saving and Credit cooperatives: a case of Kaffa zone selected Woredas. This study focuses on factors influencing members' saving practices of primary SACCOs enhancing and examining the influencing factors that hinder the effectiveness of the primary SACCOs member's saving practices improvement in the study area. I believe that your expertise and knowledge are essential for the success of my project. Your contribution could influence policy making in this country looking to learn about good practices and successful practices in the areas covered by this study. Once the study is complete, I will share the report and results with you. While thanking you in advance for your valuable time and contribution, I want to guarantee you that your responses are held in strict confidentiality.

Let's Make Savings Our Habit!!!!

Firehun Gichilo Phone: +251-911-26-03-55

E-mail: firewgichilo355@gmail.com

General Instruction for the Following Questionnaire.

1. No need of writing your name.
2. Please circle the letter that appropriately represent your response in each of the following question.
3. If you want a further explanation, you can contact me via the address shown above,

Part I Personal Background of the SACCO Members

1. Gender: 1. Male 2. Female

2. Age: ----------

3. Marital status: 1. Married 2. Single 3. Divorced 4. Widowed

4. Educational status: 1), illiterate 2), Elementary school 3), High school 4), Certificate 5), diploma 6), degree and above

5. Employment status: 1. Agriculture 2. Trader 3. Government employee 4. Private company employee 5. Unemployed

6. Experience in primary SACCOS in year ----------

7. Your Position in the SACCOs: 1) Board of Directors 2) control committees 3) credit committees

A. Household related factors

1. Gender 1) Male 0) Female
2. Is there any sort of discrimination in terms of gender in your primary SACCO? 1) Yes 0). No
3. Age group 1), 18-25 2), 26-35 years 3), 36-45 years 4), above 46 years
4. Is there any condition that restricts members' saving practice including yours within your cooperative society in terms of age groups? 1). Yes 0). No
5. If your answer is yes for Q. no.2.2 above (under X2), what is/are the condition(s)? ----------
   ----
   ----------.
6. Are you the household head? 1) Yes 0). No
7. Based on Q. no. 4.1, are they all depending upon you alone? a. Yes, b. No
8. If your answer is yes for Q. no.4.2 above (under no. 4.), how much do you deposit both in the bank and your SACCO per month out of your monthly income?
   a. Deposit in SACCO=---------- b. Deposit in bank=----------
   c. Otherwise, specify----------
9. How many family sizes do you have? 1), < 2 2), 3-5 3), 6-8 4), 9 and above
10. Do they contribute to your livelihood? 1) Yes 0) No
11. Does your family size have an impact on your saving practice in your SACCO? 1) Yes 0) No

12. If your answer is yes for Q. no.5.3 above, please, specify how it affects your saving practice.

    ----------.
13. If your answer is no for Q. no.6.3 above, how can your practice saving within your SACCO be measured in terms of times?
    a). Regularly b). Occasionally (Sometimes) c. Otherwise, specify----------

B. Socio-Economic Factors

1. What is the level of your education?
   1), illiterate 2), Elementary school 3), High school 4), Certificate 5), diploma and above
2. Is education important to saving practice in Primary SACCOs? 0) No 1) Yes
3. Is education important to save more money? 0) No 1) Yes
4. Does your saving practice within your SACCO have a relation with your education?
   1) Yes 0) No
5. If yes, how are they related? Explain. ----------
   ----
6. What is the total annual income of the members?
   1=<3,000 birr 2=3,001-5,000 birr 3=5001-10000 birr 4=10,001-20,000 birr 5=>20,000 birr
7. What are your major means of annual income generation?
8. 1= sales crop 2 = horticulture trading 3 = Livestock production 4= Off-farm income 5= others (specify) ----------

C. Institutional Factors

1. Have you ever received credit from SACCOs? 1=Yes 0=No
2. Is it credit you took as you wanted 1), Yes 0), No
3. How many times have you borrowed? Number of times;

1= First time 2= Second times 3=Third times 4= Fourth times 5= More than four times

4. How many times and how much credit did you get from SACCOs in these five have taken?

Year	Frequency	Annual in birr
2010		
2011		
2012		
2013		
2014		

5. Is it credit you took can affect your saving 1= Yes 0= No
6. How much is the saving interest rate of primary SACCOS yearly?

   1) = < 2% 2) = 2-3% 3) = 3.1-4% 4) = 4.1-5% 5) = <5%
7. Do you believe the savings interest rate of primary SACCOs is fair? 1 = Yes 0= No
8. Is the interest rate of primary SACCOs for savings better than others? 1 = Yes 0 = No
9. Have you ever received any training on saving? 1) Yes 0) No
10. If yes, who organized the training? /Multiple responses possible/ A). SACCOs B). NGO. C). Cooperative office/department/bureau D). MFIs E). Any other (please specify) ----------
11. Did the training course improve your saving practice? 1 Yes 0) No
12. Would you require more training from your SACCOs or any other institutions? 1)=Yes, 0) = No
13. If yes, how many time

1= One time	3= Three times
2= Two times	4= More than four times

14. Is it satisfied by Sacco's service delivery 1) Yes 0) No
15. If the answer is yes, how? ----------
16. If no specify the problem. ----------
17. How many years you join to members of primary SACCOs 1 =>1 2 =>2 3= >4 4 < 4 year.
18. What did you use during your membership?

    1) I used it a lot 2) Medium 3) I didn't use it 4) I was damaged

YI (Dependent Variable) = Level of Members' savings

1. What is the amount of total savings you have saved annually in primary SACCO? ---------.
2. How much money did you save in SACCOs in these five years?

Year	Frequency	Annual in birr
2010		
2011		
2012		
2013		
2014		

Part II. Open Ended Questions to Primary SACCO committee members.

1. What are the forces and motivations for a member to save on primary SACCOs? ---------
   ---
   ---.
2. Did you attend the general assembly meeting to discuss the cooperatives and the significance of saving? ----------
   ---
   ---
3. How have the economic situations of members changed since they joined SACCO? ----
   ---
   ---
4. What are the strengths and weaknesses of primary SACCO?----------
   ---

   ---
5. How do you compare the interest rate with the different financial organizations? ----------
   ---
   ---
6. What are the criteria for unique saving and credit cooperatives from different financial organizations ----------
   ---
   ---.
7. Generally what would you recommend to the primary SACCOS to increase your practices of saving in the future ----------
   ---

   ---.

Part III. Checklist for Government Officers (From Kebele up to Zonal level Cooperative experts)

1. Why SACCOs? (Reasons for the introduction of SACCOs)

   ---.

2. How can SACCOs run saving and credit activities? ----------
   ---

3. What is your role and responsibility in the establishment and management of SACCOs? ------
   ---

   ---.

4. What are your role and responsibility to increase SACCO members, and their saving practices? ----------
   ---.

5. What about the trend of SACCO membership? Increase, stable, or decrease why? ----------
   ---

   ---.

6. What are the challenges and Opportunities of Members saving practices in SACCOs? ---------
   ---

   ---.

Thank you for your cooperation!!!