

**EFFECTS OF MICRO CREDIT ON THE PERFORMANCE OF WOMEN-OWNED  
INCOME GENERATING PROJECTS: A CASE OF MICROFINANCE FUNDED  
PROJECTS IN NYERI COUNTY**

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## ABSTRACT

Microcredit is important in increasing income activities, creates employment opportunities and also leads to better living standards of people. It has assisted many, especially women who are unable to get loans from traditional banks and who lack the collateral required by the banks. The purpose of the Study was to evaluate the effects of micro credit on the performance of women-owned Income Generating projects. The specific objectives were: to assess the effects of micro credit level of funding on the performance of women-owned income generating projects, to establish the level to which micro credit terms affect the performance of women-owned income generating projects, to assess the contribution of micro credit skills empowerment programs on the performance of women-owned income generating projects and to find out the level to which group based lending affects the performance of women- owned income generating projects. The study utilized survey study approach in order to enable the researcher carry out in-depth investigations of the effects of micro credit on the performance of women-owned IGPs. The target population was 1250 women members of MFIs with a sample size of 125 MFI women members. The study utilized the stratified random sampling method and simple random sampling to determine the final sample. The strata were the MFIs located in Karatina town. The researcher collected data through assisted self-administered questionnaires to the respondents. The results were analyzed in terms of descriptive statistics (frequencies and percentages) followed by inferential statistics (correlation) on the independent and dependent variables. Presentation of data was done using tables and graphs. The findings of the study show a positive relationship between micro credit and the performance of the women-owned income generating projects. There was a strong positive correlation of 0.743 between amount borrowed and period of membership. A correlation coefficient of 0.529 was found between the repayment period and change in profits per month. The research findings will be useful to the policy makers and the MFIs in their future action plan. The researcher recommends that the MFIs should fully fund the projects, lower their interest rates, increase the repayment period and offer training programs to ensure their clients increase their performance in terms of profits, revenues and growth.