

**ASSESSMENT OF THE INFLUENCE OF COMMUNITY BASED
SAVING GROUPS ON HOUSEHOLDS' INCOME IN KAKAMEGA
CENTRAL DISTRICT KENYA**

By

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ABSTRACT

Globally, researchers have repeatedly found that those with low incomes have the capacity to save and are often able to save significant amounts. Furthermore, very poor people need not only the opportunity to save but also access to very small amounts of credit (generally amounts too small to be financially viable for microfinance institutions to provide) to help smooth incomes, meet unpredictable expenses and reduce shocks in emergencies. Community based saving groups involve self selected individuals who come together to mobilize savings and extend credits facilities at a significantly low interest rates and flexible repayment periods. The purpose of the study is to establish the influence of Community Based Saving groups on households' income in Kakamega Central District, Kenya. The study was guided by the following objectives: to establish the financial services offered by Community Based Saving group on households' income in Kakamega Central District; to determine the training and education offered by Community Based Saving groups on households' income in Kakamega Central District; to establish the influence of Community Based Saving groups on households' saving culture in Kakamega Central District and to examine the challenges faced by Community Based Saving groups in offering services to households' income in Kakamega Central District. The study derived its population from 947 registered CBSG. Using Krejcie and Morgan formular of a confidence level of 95 and margin error of 5%, the sample size for the study was 217. The study employed descriptive survey research design. The respondents were selected through simple random. The research instruments used were the questionnaire and interview schedules. Experts in the field of study from Mount Kenya University accessed the validity of the research instruments. The reliability of the instruments was done through a pilot study and test retest method with a Pearson product moment of 0.5. Data collected was coded and categorized into emergent themes. Data was analyzed using descriptive and inferential statistics using SPSS and present the results in form of frequency tables and cross tabulation tables. The findings were useful to the saving groups and the ministry of gender and social services.