

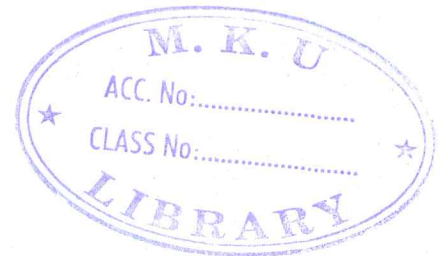
**CHALLENGES FACING YOUTH IN ACCESSING CREDIT FACILITIES FOR SMALL  
SCALE ENTERPRISES**

**A CASE STUDY OF STAREHE CONSTITUENCY**

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## ABSTRACT

Kenya has been described as a youthful nation because a large number of the country's population is youth. Unemployment has been reported to be a major challenge for youth. The population growth rate in the country has been on the rise, and this has led to unemployment and underemployment due to lack of proper planning. This has also resulted to crop of small business units that serve as income generating to meet the various needs of the people. However, it is generally recognized that youth enterprises face unique problems which affect their growth and profitability hence diminishing their ability to contribute effectively to sustainable development of the economy. Many problems cited have implication for technology, lack of access to credit facilities inadequate managerial and technical skills low level of education poor market information, inhibitive regulatory environment. This study therefore sought to find out the challenges facing youth in accessing credit facilities for small scale enterprises. In this study, descriptive research design was employed. This is because it was best suited for it's an excellent vehicle for generalization. The study population of this research consisted of youth owned enterprises which are distributed among small retail trade and kiosks, informal sector, transport, agricultural dealers, restaurants and small workshops in Starehe Constituency based. The distribution of the sample was based on proportional allocation making a sample of 97 respondents. The study used questionnaires as the instrument of data collection. Data was analyzed using descriptive statistics whereby frequencies and percentages, generated from the various data categories was computed and presented in graphs, pie charts and tables.

The study established that majority of the respondents didn't have professionals in managerial positions in their company. The findings also showed that the common type of financing for SSE is from money borrowed from friends, family and personal contacts. In addition, the study revealed that collateral security influences access to credit from microcredit institutions to very great extent. Finally, from the study findings, the cost of transaction charged by the microfinance institution influence credit accessibility to a great extent