EFFECT OF SOCIO-ECONOMIC FACTORS ON SAVINGS AMONG SMALL SCALE ENTREPRENEURS IN KISII TOWN, KENYA

BY

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DECLARATION

DECLARATION BY THE CANDIDATE:

I hereby declare that this thesis has not been presented for any degree award in any university or another institution of higher learning. The work herein is my original work and all sources of information have specifically been acknowledged by means of referencing.

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DEDICATION

I dedicate this thesis to Almighty God and my family.

ABSTRACT

Savings is a vital source of investment funds especially for developing economies like Kenya. Unfortunately, domestic savings in these countries have remained very low, thus posing a significant development challenge. Kenya has recorded low saving rates in the recent past, a situation that possess a big threat to its development agenda. Therefore, there is need to increase savings rate by all sectors in the economy. Since every country would like to have higher rate of savings, it is necessary to identify determinants of savings and in particular determinants of low savings. Small scale entrepreneurs constitute almost 60% of the informal sector which contributes about 70% of national savings. The purpose of the study was to investigate the effect of socio-economic factors on saving among small scale entrepreneurs in Kisii town. Specific objectives of the study were to determine the effect of socio-economic factors namely; age, household size, education level and income on savings among small scale entrepreneurs in Kisii town Kenya. The study used Permanent Income theory since it entails both the social and economic aspect of an individual. The study adopted correlational research design. The target population was 640 small scale entrepreneurs doing business in Kisii town out of which sample of 246 entrepreneurs was obtained from the sampling frame using a formula by Yamane; $n = N/ 1+N \ (e)^2$ where, n=sample size=population size and e=level of precision. This study, used primary data which was collected using structured questionnaires. Validity and reliability measures were tested using Pearson's correlation coefficient. Ordinary Least squares method was used to estimate the cross-sectional primary data whose results indicated that age was insignificant ($\beta = -0.095; p = .260 > 0.05$), but household size was significant (standardized beta = .264, p = .000), education level was significant(standardized beta = .421, p = .000) and income was also significant standardized beta = .414, p = .000).The results indicate that when an entrepreneur grows older by one year, savings increase by0.095units and with an addition of one member to the household, saving will increase by 0.264 units. When income increases by one shilling, savings will increase by 0.414 units and with an addition of one year of learning, saving will increase by0.421units. It is therefore recommended that small scale business entrepreneurs should increase their education level in entrepreneurship, learn on how they can increase their incomes and adopt family planning methods to reduce number of children who can consume part of the income that can be saved.

TABLE OF CONTENTS

LIST OF ABBREVIATIONS AND ACRONYMS

GDP   Gross Domestic Product

KIPPRA   Kenya institute of public policy analysis

LCH   Life-Cycle hypothesis

PIH   Permanent Income Hypothesis

OLS   Ordinary least squares

OPERATIONAL DEFINITION OF TERMS

Entrepreneur: An individual who innovatively starts a business enterprise, runs it with all the risks involved by using the resources available until it succeeds.

Gross Domestic Product: Total monetary value of final goods and services produced in a country within a given period e.g. a year.

Household: Group of people under the same roof or compound sharing basic facilities and making decisions about their lives together.

Investment: Is money kept in form of assets such as land, buildings shares and bonds.

Permanent Income: The income that a household anticipates or expects to receive over a number of years in the future, possibly a lifetime.

Savings: The share of disposable income not spent on consumption of consumer goods but accumulated or invested straight on capital equipment or in paying off a home mortgage or indirectly through the purchase of securities.

Small scale entrepreneur: An individual who runs a business employing not more than fifty employees.

Socio-economic factors: Society related factors that relate to and influence one another. Such factors include and are not limited to age, gender, education, income, employment, marital status, religion and family/household size.

LIST OF TABLES

LIST OF FIGURES

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Saving has a positive impact on any economy because it spurs economic growth. One of the avenues to boost national saving is through the encouragement of individuals to increase personal savings (Davis and Hu,2005).According to Varsha Virani (2013), Savings means sacrificing the current consumption in order to increase the living standard and fulfilling the daily requirements in future. In many developing countries particularly in Africa, saving and investment are essential engines for capital and investment formation on one hand and economic growth and development on the other (Nwibo & Mbam ,2013). Unfortunately, the saving rate in Africa has perpetually been the lowest compared to other regions despite liberalization (Ndung'u and Ngugi, 2000). It is also true that Africa faces serious credit constraints; and this, coupled with low income could greatly reduce any little incentive to save.

Kenya as a country, needs to spur its' economic growth if it has to achieve one of her objectives of vision 2030 of becoming a middle level economy. This will only happen if the level of savings increase. The government has put in place efforts to increase the level of savings but despite the role savings play in economic growth, savings among many homes has gone down .According to World Bank(2016), the rate of savings among many homes in Kenya has gone down hence far behind as compared to other nations that are not well off. The rate of saving was bigger in 1980s than in Senegal, Ghana, Uganda and Tanzania while the rate of savings in Kenya has been stationary for the last 30 years. Despite the fact that more than 50% of people are income earners, most of them are still poor in saving (Opio, 2010). Averagely, 30% of Kenyans who live

in Nairobi find it difficult to save, with another 24%-33% of Kenyans identifying the hardship of high rent and licenses which are not good for investment (Opio, 2010).

Savings habit of an individual can be measured using marginal propensity to save which is determined by other factors. According to a World Bank report of 1995, households in developing countries save an average of 13% of the Gross National Product (GNP) and invest 6% of it thereby, leaving a savings surplus of 9% of the GNP. On the other hand, businesses save about 7% of GNP but invest more than 15% of the GNP (in Nwibo and Mbam, 2013). Every country would like to have a higher rate of savings. Therefore, necessity of identifying the determinants of savings and identifying the determinants of low savings are very important to a country. Nevertheless, savings directly affect the investments and investments directly affects the development of the country.

Households' savings play an important role in the economic development of both developed and developing nations, due to its significant influence on the circular flow of income in the economy (Iyoha *et al.,* 2003). According to Sharma *et.al.,* (2000) savings are very imperative for supporting and developing rural enterprises, improving well-being, insuring against times of shocks, and providing a buffer to help people cope in times of crisis.

 Individuals owning businesses play a vital entrepreneurial activity in generating income and providing employment opportunities. Much of the interest in "entrepreneurs" by economists reflects a curiosity about the role of entrepreneurs in fostering innovation and economic growth (Schumpeter, 1934). The notion of an "entrepreneur" ranges from inventors who create new products or even new industries to local business people starting enterprises. They are individuals who combine upfront business investments with entrepreneurial skill to obtain the

chance of earning economic profits. A common link across these entrepreneurs is that their business investment plans are likely to influence their saving decisions.

Entrepreneurial households own a substantial share of household wealth and income, and this share increases throughout the distributions of wealth and income. This concentration of household wealth among active business owners suggests that entrepreneurial selection and investment decisions may have important implications for models of aggregate household consumption and saving. Households/individuals derive savings from their income which is obtained from formal or informal employment such as self-employment or ownership of small orbig businesses which bring income into their households. Athukorala and Sen (2001) observe that savings rate rises with both the rate and growth of disposable income.

In the literature much has been said on the determinants of savings. Some of the studies analyzed savings at country level (Hamadi *et al*., 2011; Agrawal *et al*., 2010; Jongwanich, 2010) and others analyze the country group level savings (Horioka and Hagiwara, 2011; Thanoon and Baharumshah, 2012; Das and Ray, 2012; Zhou, 2014). Literature conducted has greatly shown that there are several determinants of the rate of saving. It is affected by several factors, that range from personal, institutional to environmental in nature. Socio-economic factors; Age, gender, marital status, number of family members(household size), religion, race/ethnicity, designation, financial literacy, education level, income, income uncertainty, knowledge about savings, consumption, motives, savings habits, wealth, risk tolerance, saving horizon, homeownership, household composition, health status, self-employment, and unemployment have all been linked to some aspect of saving (Marvao, 2010).

Bonte *et al,* (2009) state that, empirical studies based on individual data have found an inverse U-shaped relationship between age and the decision to start a business. In their study in West

Germany they used changes in the age distribution of the population over time and found an inverse U-shaped relationship between the regional age structure and start-up activity in a region. Their findings from the study further suggest that the age-specific likelihood of becoming an entrepreneur changes with the size of the age cohort, pointing to the existence of a relationship between the age of the entrepreneur and the performance of the enterprise. Although researchers like Zimmerrer and Scarborough (2013) point out that most of entrepreneurs in the United States start business during their 30s and 40s, other researchers found that there is no age limit for their entrepreneurial aspirations. Age variation at the start of business seems to have no direct relation to business success. However, they found that age determines saving behavior of entrepreneurs. According to Staw (2013), at the start of any business age is not a decisive factor, but with enough training and preparation, the earlier someone starts business the better. Staw (2013) also notes that age is related to business success if it includes both chronological age and entrepreneurial age. This means that the older an entrepreneur is, the more experiences in business he has. Age thus implies extensive experience. Ability to generate revenue, increases with the entrepreneur's age, educational achievement and membership in business support groups (Kimuyu,2008). It is an observed factor that young people are very aggressive, impatient and ready to take risk. Hence this factor may have influence on business practices of entrepreneurs and their saving behavior (Kimuyu,2008).

A study conducted by Meng and Liang (2012) involving entrepreneurs in Singapore revealed that successful entrepreneurs have higher education levels compared to that of unsuccessful entrepreneurs. Seventy percent of successful entrepreneurs are university graduates, while 23% are not. According to Meng and Liang (2012), Staw (2013), and Holt (2014), after entering the entrepreneurial world, those with higher levels of education are more successful because

university education provides them with knowledge and modern managerial skills, making them more conscious of the reality of the business world and thus in a position to use their learning capability to manage business and do more investments from their savings. Similarly, Lussiers and Pfeifer (2001) also summarized that the entrepreneurs with higher education level and experiences have greater chances of succeeding than the people without education and experiences (quoted in Rose *et. al.*, 2006).Jagongo (2012) conducted a study on savings mobilization for growth of women owned entrepreneurial ventures in Kenya, the study results revealed that the number of dependants, education level, cultural and religious attachments, endowed management skills, age and marital

status had a significant relationship with the savings propensity amongst the women entrepreneurs. Bwisa (2011) argued that small scale entrepreneurs thought that they did not have enough money today to save for tomorrow, but the truth was that saving a little money today made a big difference because savings helped small scale entrepreneurs to accomplish their goals.

Thapa (2007) in his study in Nepal has found that the education has positive effect on entrepreneurial success. This study thus sought to establish the relationship between education level and managerial skills of entrepreneurs and the performance of women entrepreneurs. Thapa (2007),also established that the number of family members supported by an entrepreneur affected their amount of income that remains for saving purposes.

Women business owners have to balance work and family commitments. Universally, family responsibility falls primarily on women, and this can occur even when women are involved in income generating projects. This may lead to time fragmentation, less chance of entrepreneurial success or general career progression(Brush,2009). Chun (2014) found that one of the two

greatest problems in starting a business and running it for Canadian women entrepreneurs is the difficulty in balancing business and family responsibilities like buying food and paying school fees for the children when husbands are absent. This reduces incomes and little or nothing remains for saving.

There is a variety of articles, which elaborate on importance of savings for an economy. For example, Ramsey (1928) was one of the first who tried to solve the problem of how much a nation should save with the help of mathematical modeling. Nevertheless, his study was not accepted by scientific society of his time due to serious mathematical tools. However, it was used as a basis for investigations of Koopmans (1963) and Cass (1965) in the 1960s. More recent work of Ramskyi (2013) elaborated on the influence of household savings on development of gross domestic product and found out that household savings had great potential to impact financial resources formation. In addition, Krupa (2013) allocated economic, social and political significance of savings for Ukrainian economy. Household savings were also considered as important source of investments in Ukraine by Ramskyi (2007), Stepanova and Udod (2012) as well as many other Ukrainian scholars.

According to Sekgobela (2004), putting some earnings away for savings is crucial to aid in capital formation by the fact that it positively affects the growth of a country economically. Hence it is important in order to get to macroeconomic stability. In Africa, there is a slow growth in the rate at which people save. This reduces the rate at which capital is formed and makes the financial institutions unable to lend money to the small enterprises. Less developed nations don't haveenough amounts of savings though Kenya has proven to have a higher saving rate (Aryeetey & Udry, 2000).

While researchers have unearthed the potential that savings have in improving the lives of vulnerable and the poor, much information is still missing on the determinants of savings in Kenya. Savings is critical at individual level and the society level. At the society level, savings rates help in firmly predicting the growth rate of a particular country (Dean Karlan 2014).

In developed countries, studies on determinants of saving have been done using different methods and consequently contrasting results have been obtained. Studies carried out in advanced countries using pannel data found that greater labour income uncertainty were significantly associated with higher household savings (Sandri *et al.,* 2012). The studies also maintained that heightened uncertainty since the onset of the great recession materially increased saving rates contributing to lower consumption and GDP growth. According to research by William (2014), there is a strong savings culture among younger persons in developed countries.

Less developed nations don't have enough amounts of savings though Kenya has proven to have a higher saving rate (Aryeetey & Udry, 2000).The saving rate in Africa has perpetually been the lowest compared to other regions. It also faces serious credit constraints; and this, coupled with low income could greatly reduce any little incentive to save (Kibet, Mutai, Ouma, &Owuor, 2009).

In Kenya,KIPPRA (2012) reported that small scale entrepreneurs' contribution to the growth of the economy has been widely appreciated, and these individuals are found in all sectors and provide employment to large number of employees, however, low levels of savings mobilization was one of the biggest challenges facing the them. Development economists have been concerned for decades about the crucial role of domestic saving mobilization in the sustenance and reinforcement of the saving investment-growth chain in developing economies (Nwachukwu

& Egwaikhide, 2007). Increased savings rates is therefore of crucial importance for achieving sustainable development and poverty-reducing growth in African countries (Keho, 2011).

According to Kenya Economic Report (2013), the rate of savings in Kenya has stagnated and remains far below the medium term targets. About 41% of Kenyans don't save regularly because they don't have enough money to live on (Ipsos-Synovate,2011). This poor saving culture in Kenya has stifled investment and has slowed down economic growth. Though there is continuous increase in poor saving culture, less academic studies have been conducted to identify the main causes and solutions to poor saving culture in Kenya (Nanna, 2008).It is important therefore to understand factors that have contributed to these low saving behaviors among Kenyans. This study intends to find out what really determines saving by individuals particularly among small scale entrepreneurs in Kisii town, Kenya.

Kahangi & Muturi (2013), states that Kenya's development road map dubbed in the vision 2030 stipulates that by the year 2030, Kenya shall be a middle income country and one of the ways of achieving this is to encourage saving among the Kenyan households because this contributes to national economic growth. Kenya's gross domestic savings ratio has an average of only 14.6 percent of GDP through the period 1970 – 2013. This therefore indicates the need to boost savings in Kenya. Because of that, an understanding of the fundamental determinants of saving in Kenya represents critical importance in order to formulate policies to raise the domestic saving rate in line with the needs of economic growth. Studies carried out in the past, have not been conclusive about the factors influencing saving.

Kenya's debt has continued to rise steadily, standing at almost 60 percent of the Gross Domestic Product (GDP), which is approaching unsustainable levels(Keho,2011). The reason why the country is in such debt is because of the poor savings among Kenyans. Kenyans have been advised to join pension schemes so that a national culture of savings is inculcated among Kenyans; this can help the government borrow from cheaper sources (Waruinge, 2013). Savings is a very huge factor in the growth of a nation due to its ability to change resources into capital. It positively impacts the economy and the residents of a particular nation. According to Claire (2015), there is a perception that saving is only for the rich people and many people do not understand incremental saving or saving small amounts regularly .

According to Kiezi (2007), the rate of poverty has been growing tremendously. All sectors of the economy have been affected poverty meaning that about 33million Kenyans live in poverty .This means that more than half of Kenyans have no means of savings due to lack of finances. Income level determines if someone barely lives comfortably, or combines comfort with savings. Poor saving culture involves the lack of sustainable achievement of middle-income status caused by lack of proper financials management, especially among the young people and small scale entrepreneurs who are the backbone of the developing countries (Amritha, 2012).

1.2 Statement of the Problem

Saving has a positive impact on economic growth of any country. This calls for its mobilization in all sectors of the economy. Importance of savings for economic development in Kenya needs no emphasis since the country is working towards achieving one of her development goals of becoming a middle level economy by 2030.Just like other developing countries, Kenya's saving rates are very low. Kenya as a country therefore must through government efforts encourage saving in all sectors more so the informal sector which contributes more than 60% of the

country's GDP. The informal sector has most of the small scale businesses whose members do some saving. These entrepreneurs need to be encouraged to boost their savings although their savings are low because of poverty and other socio-economic factors. This is important because the sector provides 80% of employment Kenya. Studies on determinants of saving have been done in Kenya but at macro level and from the existing literature not much has been done at micro level and particularly in the informal sector.Again, previous studies dwelled on factors like interest rates, availability of credit and inflation but effect of socio-economic factors on saving has not been done particularly in urban areas of Kenya. This study was done purposely to fill this research gap by investigating determinants of saving among small scale entrepreneurs in Kisii town.

1.3 Objectives of the study

The general objective of this study was to investigate the effects of socio-economic factors on savings among small scale entrepreneurs in Kisii town, Kenya. The specific objectives of this study were as follows:-

i) To determine the effect of age on savings among the small scale entrepreneurs in Kisii town, Kenya.

ii) To determine the effect of household size on saving among small scale entrepreneurs in Kisi town, Kenya.

iii) To examine the influence of education level on saving among small scale entrepreneurs in Kisii town, Kenya.

iv) To determine the effect of income on saving among small scale entrepreneurs in Kisii town, Kenya

1.4 Hypotheses

H_{01}: Age has no effect on savings among entrepreneurs in Kisii town

H_{02}: Household size has no effect on savings among entrepreneurs in Kisii town

H_{03}: Education level has no effect on savings among entrepreneurs in Kisii town

H_{04}: Income has no on savings among entrepreneurs Kisii town

1.5 The Scope of the Study

The scope of this research is monetary savings among small scale entrepreneurs who live and carry out business in Kisii town of Kisii County. The study will cover small scale entrepreneurs who do businesses in Kisii town. The study targets a total of 640 registered entrepreneurs who carry out business in Kisii town. This study will focus on those entrepreneurs who are on business when this study is being carried out.

1.6. Significance of the Study

This study will offer information on what affects the level of savings among small scale entrepreneurs in Kisii town. The study will therefore help to form policies on how savings can be improved in the county to increase investments which can spur economic growth. The information obtained from this study will also be used by small scale entrepreneurs in Kisii town to plan on how they can improve their savings in order to expand their businesses given that Kisii town is a commercial center. Also, the study findings will help the county government to improve its development plan. This study may form a basis for further research into more determinants of saving by entrepreneurs in Kenya. The findings of this work will also be of great benefit to the government, the entrepreneurs and the economy in general. The government will benefit from the findings of the work in the sense that the findings will help the government to determine the best measures and policies to implement in order to encourage savings among the

respondents. It will help the government to decide on where to site microfinance banks and guide the government in policy making.

1.7 Theoretical Framework

The study was based on the theory of saving. It looked into theories of saving together with socio-economic factors that influence small scale entrepreneurs in Kisii town to save or not. This study specifically dwelled on and adopted Permanent Income Hypothesis theory advanced by Friedman.

Since permanent income deals with expected income over a number of years, it cannot be directly measured. Permanent income therefore must be defined in terms of a concept which can be measured. Friedman breaks measured income into two components ; (1) Permanent income and (2) transitory income. This can be expressed in form of a simple equation as:

$Y = Y_P + Y_t$ Where Y, Y_P and Y_t represent measured, permanent and transitory components respectively. Since income is given as, $Y = Y_P + Y_t$, then our saving function after remodeling will be ; $S = f((Y_P + Y_t), Age, Household size, Education level)$.

In relation to the study, the Permanent-income theory is considered an important tool for assessing the income factor that is also the economic and Social Class in this study. Under economic factors, income, employment or occupation and capital form the largest factor of consumption and saving. The higher one earns, the larger one saves as consumption is not affecting the individual's budget and thus much is left to save. The low income leads to poor saving culture. In relation to Social Class that influence low-income include a large number of dependents, higher living standards, and poverty. Thus, the study has employed the use of social and economic factors as the independent variables in relation to Permanent-income theory income factor

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter outlines the literature and authorities of savings discipline. The paper relied on empirical evidence from the field and reference to literature was based on the concept of savings and how it can be applied to the entrepreneurs and determinants of savings. The study acknowledged the knowledge that exists on determinants of savings relevant to the research and identified areas of further elaboration.

2.2 Theoretical literature review

Developing countries are concentrating on economic growth and exploiting the strategic variables that improve the growth of the economy. Savings plays a key role and determines investment in a country. Economic theories consider both savings and consumption together since a decision by a consumer to consume implies a consequent decision not to save the amount (Mbuthia, 2011).

In economic literature, there are several theories of savings and factors which determine savings. These theories include among others: the life-cycle hypothesis (Modigliani and Brumberg, 1954; Modigliani and Ando, 1957; Ando and Modigliani, 1963); the permanent income hypothesis (Friedman, 1957); and the relative income hypothesis (Duesenberry, 1949). All the three theories have their conceptual roots in the microeconomic theory of consumer choice and hence are suitable for this study the target population has a choice to save or not to save.

2.2.1 Life Cycle Hypothesis

This was formulated by Modigliani and Brumberg (1954) and Ando and Modigliani (1963-1964). According to the theory, economic agents spread consumption in their life time over their lives and this is done by gathering or accumulating savings during the period when they are earning and maintaining their levels of consumption when they retire. The age of consumers and the demographic structure of a community or society rather than the income of given families are factors that drive the level of savings and consumption. The theory observes that the income earned by an individual during their lifetime determines their level of consumption. During the early stages of life of an individual, he/she is a net borrower because the income is usually lower than the levels of consumption. In this stage, the individual consumes from what they have not earned. It is assumed that the consumer at this stage of life has no wealth inheritance from neither their guardians nor their parents. As life progresses and the individual is involved in economic activities he/she is expected to accumulate and maintain a more or less constant or increasing consumption level.

The middle years of life provides an opportunity for most consumers to work and the income grows and exceeds their level of consumption. This point in life according to Ando and Modigliani is the saving period in life. The consumers at this point meets the debt accumulated from the early stages of life and keeps or saves the reminder of their income for consumption in the future assuming that he/she retires. The last year of life is the dis-saving period according to the hypothesis and the level of income generation reduces as well as the savings.

The prediction made by Ando and Modigliani's life cycle hypothesis is that the age structure of a society's population influences the rate of saving and that the ratios of dependency will negatively impact and affect the rate of savings. The main factor and parameter that controls the

ratio of wealth to income and the rate of saving for a given level of growth is the length of retirement.

2.2.2 Permanent-Income theory

Permanent-income theory was introduced by Friedman (1999); in Morgan, (2009) and states that the huge challenge encountered by people when the level of income is not stable could negatively impact on their saving abilities. According to Friedman households that are well off in their level of income are differentiated from other normal household who tend not to have a stable level of income permanent income and (positive or negative) deviations from that level, which was termed as transitory income. Friedman assumed that consumption consists of a planned part that depends on permanent income and an unplanned part that is totally independent of income (Morgan, 2009).

In relation to the study, the Permanent-income theory is considered an important tool for assessing the income factor that is also the economic and Social Class in this study. Under economic factors, income, employment or occupation and capital form the largest factor of consumption and saving. The higher one earns, the larger one saves as consumption is not affecting the individual's budget and thus much is left to save. The low income leads to poor saving culture. Unemployment also means low income and high expenditure and thus, unemployment leads to poor saving culture. Lack of capital means less income and thus, lack of capital leads to poor saving culture. In relation to Social Class that influence low-income include a large number of dependents, higher living standards, and poverty. Thus, the study has

employed the use of social and economic factors as the independent variables in relation to Permanent-income theory income factor.

2.2.3 Relative Income Hypothesis

This was formulated by James Duesenberry (1949). The relative income hypothesis stipulates that a consumption pattern of a consumer is determined by two main factors. First, their current income which mainly depends on the income standard set by the household in the past depending on the income earned in the past. Secondly the consumption pattern is dependent on the income earned by the households around the consumer. This is based on the argument that the status one holds in a society matters and that as one's fellow society members consume quality goods, he or she will not be satisfied with the lower quality goods he or she may be purchasing and hence would want to keep up with the standards of the community. The hypothesis argues that families earning similar level of income have different consumption patterns. In this case, the consumption level of each family depends on the relative income of group that the family has placed itself in. Families with high levels of income tend to have high consumption levels when compared with the level of income they earn and this is meant to ensure that such families remain in the same class or standard with the families in the same group. A family's savings depend on its income.

2.3: Empirical Literature

Empirical literature review refers to the directed search of published work including books as well as periodicals (Zikmund et al., 2010). It involves surveying past inquiries comprehensively as they relate to the study objectives. According to Miller and Young (2008), a systematic approach to past scholarly work enables the researcher to position his study into a historical and intellectual context, which promotes the declaration of why the current study matters.

Several factors have been identified in the literature to influence saving behavior among individuals. These factors are both social and economic in nature. According to OECD (2010), social factors are defined as the facts and experiences that influence individuals' personality, attitudes and lifestyle. These factors include and are not limited to number of children or family size, age education and dependency ratio. Social factors affect the saving patterns of individuals in different economic sectors or countries. In this regard, social factors are critical components that must be considered in creating a business, growth strategy. Social attitudes, family size and roles, and status in the society should all be considered(Isobel & Lowe, 2009).

Economic factors are the factors that help to determine the competitiveness of the environment in which the firm operates Nieman (2006). According to Business Dictionary, Economic factors are a set of fundamental information that affects a business or an investment's value. Baron and Nieman (2006), argues that success of a new business venture depends on the status of the national economy and political stability during the times in which the business is launched (Baron, 2004 &Nieman, 2006). Economic factors such as regulations and taxation policies. influence cash inflows or income business owners receive.

Few studies assess the determinants of saving at the individual level due to lack of data. Nevertheless, the few studies have attempted to look into the factors that influence savings among various groups of people across the globe. Some of the notable determinants of saving include; age and gender of household head, education level, dependency ratio /household size, income, access to credit, tax, and interest rates among others. This study investigated the effect of income, age, household size and educational level of the small scale entrepreneurs on savings in Kisii town. The literature on the four variables is highlighted as follows:

2.3.1 Age and Savings among Entrepreneurs

Much of the research on the influence of age on saving is motivated by the life-cycle hypothesis proposed by (Modigliani & Brumberg, 1954). The Life Cycle Hypothesis argues that individuals will smooth consumption over their lifetime given expected lifetime resources. The theory leads to the prediction that individuals will exhibit a saving rate that rises with income during their work life, and declines and turns negative during retirement.

It is expected that when age increases, people save more money, because elderly people are more likely to be concerned about their retirement period. After retirement savings decreases as now they will be spending and meeting their health costs. Furthermore, elderly people have lower life-cycle expenses such as education, wedding and house expenses. It is posited that age is positively related to individual saving. In the traditional lifecycle view of saving, households maximize utility over the lifecycle, resulting in a profile whereby they borrow when young, save in mid-life, and spend down their assets when older. According to Hershfield , Goldstein, Sharpe Fox, *et al.,* (2011) people estranged from their future selves, saving is like a choice between spending money today or giving it to a stranger years from now. Presumably, the degree to which people feel connected with their future selves should make them realize that they are the future recipients and thus should affect their willingness to save. To the extent that people can feel more connected with a vividly imagined future self, they should be motivated to save more money for the future

Empirical studies based on individual data have found an inverse U-shaped relationship between age and the decision to start a business and save incomes for later expansion of the business(Bonte *et al.,*2009).They used changes in age distribution of the population of western

German regions over time, and found an inverse U-shaped relationship between the regional age structure and start-up activity in a region and saving patterns. Further, their findings suggest that the age-specific likelihood of becoming an entrepreneur changes with the size of the age cohort, pointing to the existence of a relationship between the age of the entrepreneur and the performance of the enterprise. Most of the entrepreneurs in the United States start business during their 30s and 40s(Zimmerrer& Scarborough,2013). However, many researchers found that there is no limit of age for their entrepreneurial aspirations. Age variation at the start of business seems to have no direct relation to business success.

At the start of any business, age is not a decisive factor (Staw ,2013). However, with enough training and preparation, the earlier someone starts business the better. Staw (2013) goes further to state that age is related to business success if it includes both chronological age and entrepreneurial age. This implies that the older an entrepreneur is, the more experiences in business he has and the more careful he becomes in handling the money received from the business. Money obtained if wisely invested can ensure the continuity of the business. Age thus implies extensive experience. According to Kimuyu, (2008), female ownership, informality and sole proprietorship have negative effects on the ability to generate revenue. However, such ability, increases with the entrepreneur's age, educational achievement and membership in business support groups. It is an observed fact that young people are very aggressive, impatient and ready to take risk. Hence this factor may have influence on business practices of entrepreneurs and saving behavior (Staw,2013).

2.3.2 Household size and Savings among Entrepreneurs

According to Kanjanapon, (2004), the size of one's family and number of dependants affects his savings as it entails his expenditure. This scenario is worse in developing countries, especially African countries where one bears the responsibilities of his extended family. Thus the larger the size of a family the more the mouths that consume, thereby leading to less savings (Iheanacho, 1995).Thapa (2007), also established that the number of family members supported by an entrepreneur affected their amount of income that remains for saving purposes. He did his study in Nepal using least squares method and established that there was a strong relationship between number of family members in a household and savings.

Rikwentishe, Pulka, and Msheliza (2015) did a study to find out the effectives of savings and savings habit on entrepreneurship development. They carried out their study in Jalingo metropolis, Taraba State Nigeria using multi-stage sampling technique and found that number of dependents, specifically household size had negative effect on savings of male entrepreneurs. The main reason advocated for this was that most family responsibilities were shouldered by males who are household heads. In like manner, Prakasa (2012),also did a field experiment in which he randomly selected sample of self-employed individuals in rural Kenya to study Savings Constraints and Microenterprise Development. The study found that number of family members negatively affected saving behavior of the individuals.

Osundare (2013) did a study on socio-economic determinants of income, savings and investment among entrepreneurs in Nigeria. He applied a descriptive survey research design for the study and used ordinary least squares to determine the factors influencing savings, income and investment. The findings of the study showed that age, business income, entrepreneurial experience and household sizes explained about 92% of the variations in the volume of savings

among the respondents. Also, a study carried out by Akpan *et al* (2011)on determinants of savings among agro-based firm entrepreneurs in Nigeria revealed that family size influenced the saving attitude of the entrepreneurs. They used two stage least squares method of simultaneous equation model in the analysis. They analyzed Cross-section data obtained from 250 randomly selected workers of 5 agro-based firms in the study area.

Kirkwood and Walton (2010) emphasized that a society that had a higher number of economic dependants that were at the bottom of the pyramid was likely to remain behind in terms of progress. They pegged the reason of more income being diverted to provide basic needs for life. Further, Kirkwood and Walton argued that individual entrepreneurs that had more members in their households had little left to save and invest and therefore they were likely to fail their business unlike their counterparts who had fewer family members to support.

2.3.3 Education level and Savings among Entrepreneurs

According to Thapa (2007), education has positive effect on entrepreneurial success. He carried out his study in Nepal where he sought to establish the relationship between education level and managerial skills of entrepreneurs and the performance of women entrepreneurs. McKay (2001), established that individuals with a high level of education were more likely to engage in entrepreneurship. An individual with more work experience, a higher level of education, more knowledge of the market and business practice was more likely to be able to identify an opportunity for starting a new business. Studies carried out in the USA for example, reveal that most women entrepreneurs had tertiary education followed by high school education (Gatewood, Carter, Gartner, & Shaver, 2004).

A study conducted by Meng and Liang (2012) involving entrepreneurs in Singapore disclosed that successful entrepreneurs have higher education levels compared to that of unsuccessful

entrepreneurs. Seventy percent of successful entrepreneurs are university graduates, while 23% are not. According to Meng and Liang (2012), Staw (2013), and Holt (2014), after entering the entrepreneurial world, those with higher levels of education are more successful because university education provides them with knowledge and modern managerial skills, making them more conscious of the reality of the business world and thus in a position to use their learning capability to manage business. Such individuals have high financial literacy and are aware and able to open bank accounts to increase their savings for easy access of credit facilities.

It has been argued that entrepreneurs with higher education level and experiences have greater chances of succeeding than the people without education and experiences. Lussiers and Pfeifer (2001) found that entrepreneurs with higher education level and experiences have greater chances of succeeding than those without education and experiences (quoted in Rose et. al., 2006). This is because they have access to credit facilities because of continued savings with their lenders. Thus with education and knowledge on financial matters entrepreneurs are likely to increase their savings. entrepreneurial saving habits and hence entrepreneur success. This study thus sought to establish the relationship between education level and saving behavior of entrepreneurs in Kisii town.

2.3.4 Income and Savings among Entrepreneurs

Income is considered as an important factor in the determination of the saving behaviour of an individual (Gedela, 2012).He did a study on the determinants of saving behavior in rural and tribal households in India. Using a combination of simple and multiple regression models, the results revealed that income of the head of the household was a significant factor in influencing the saving behavior in both areas that were chosen for the study.

Institutional theory of savings suggest that entrepreneurs and households are faced with institutional factors that determine their influence on savings mobilization (Agango *et al.* 2014). The main hypothesis of institutional theory assumes that low income entrepreneurs and families are unable to save and accumulate assets primarily because they do not have the same institutional opportunities that higher income entrepreneurs and households receive. Furthermore it is argued that when savers are given access to the same institutional support for saving and asset building that their wealthier counterparts use, low income entrepreneurs save and accumulate assets.

2.4 Summary and research gaps

A review of previous literature in the preceding section shows that most of the studies on saving were carried outside Kenya and focused majorly on macro-economic approach. The few studies that have been carried out in Kenya on savings using time series data approach have majorly focused on macro-economic variables such as Inflation, interest rates, Per Capita GDP and they have showed mixed results. Few studies have also focused on age, education level, household size and income as determinants of saving. Furthermore, a close scrutiny of all the study variables shows that there is a disparity between the different findings of the different variables. For example, regarding objective one, most studies done concentrated in developed countries and not in Kenya. The same studies never indicated which variables of age in particular influenced saving. Methods of estimation also were varied. Some of the studies so used Two stage Least Squares method in estimation and others used least square method. This study used least squares method.

On objective two, varied results were obtained on the influence of household size on savings. For example, Quixia (2004) found that household size had negative but insignificant effect on saving whereas Issahaku (2011) found that household size had negative and significant effect on saving.

Regarding objective three, only Kibet*etal.,* (2009) has carried out a study on it in Kenya. They found that education level greatly influenced saving among entrepreneurs and teachers. He used OLS in his estimation. This study will use Two Stage Least Square method. On objective four, most studies in the reviewed literature were done in developed countries and mainly used secondary data. The current study was done in a developing country and will use primary data. This study therefore aimed at filling these gaps.

CHAPTER THREE

RESEARCH METHODOLOGY

The chapter contains the research design, model specification, the study hypotheses, definition and measurement of variables, data type and sources and data analysis methods.

3.1 Research Design

The study explored the relationships between the dependent variable (savings) and the independent variables(age, education level, household size and income). Therefore, correlational research design was used in this study. According to Creswell (2008), correlational research design is conducted by researchers when they want to explore the extent to which two or more variables covary, that is where changes in one variable are reflected in changes in the other. The purpose of the study was to investigate the effect of socio-economic factors on savings among the small scale entrepreneurs in Kisii town. Explanatory correlational research design was therefore used because the researcher was determining the effect of each independent variable on the dependent variable.

3.2 Area of Study

The study was undertaken within Kisii town, a city in South Western Kenya. The city is bordered by Kisumu city to the northwest, Nyamira to the immediate north, Keroka to the east, Kericho to the northeast, Kilgoris to the southeast, Narok to the east and Migori to the southwest. Kisii is located on latitude 0^0 41'0 S and longitude 34^0 46' 0E. It covers $10km^2$ (3.861sq mi) and has a population of about 200,000 according to 2012 estimates. Today Kisii is a bustling town and home to several educational institutions, government agencies, several businesses and organizations. The town has also several hospitals (both private and public hospitals) and

financial institutions (commercial banks). It has a large dependent metropolitan population of over 100,000 residents as per the latest national population and housing censors of 2009. Kisii town is the main urban and commercial Centre in Kisii County. The economy of this town is derived from commerce and agriculture. It is therefore true that investing in these sectors will boost the economic growth of the County. Investment depends on savings hence it is important therefore to understand determinants of saving for those involved in the sectors of commerce and agriculture.
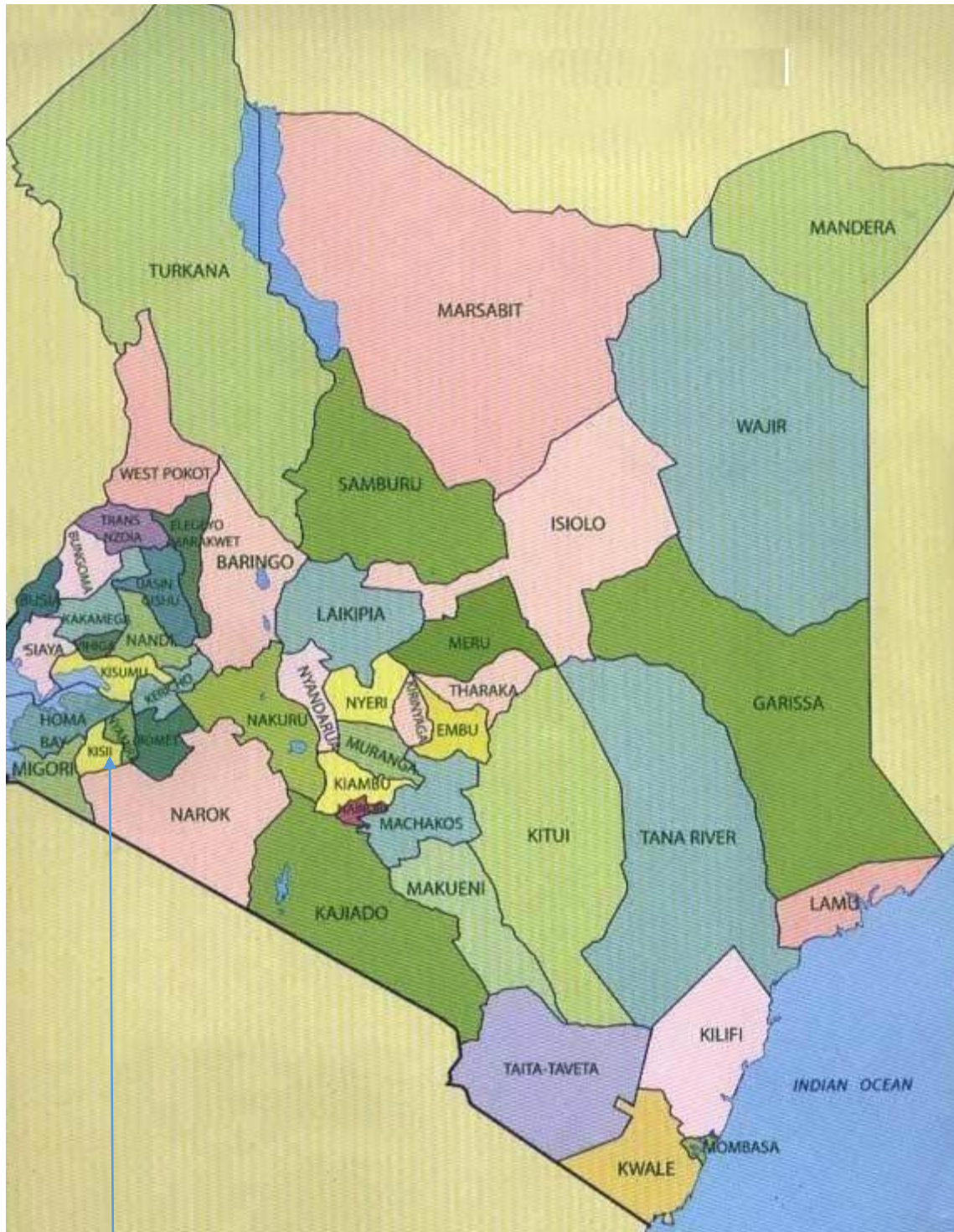
Figure 1. Position of study area in Kenya. Source: Adapted from – Office of Lands

Resource Management Project (ALRMP 1993), Office of the Governor, Kisii.

The study area was chosen because of the significance of the town in the county's economy.

The choice of Kisii town is based on the fact that majority of the businessmen live in the urban areas. The selection of the small scale entrepreneurs, is first based on the fact that many households in Kisii town depend on business income. Secondly, investments by urban households are visible within the environment they live in, creating employment and contributing towards the wellbeing of the community. The scope of this research is monetary savings among households of entrepreneurs whose members lived in Kisii town during the period of study. The choice of such a sample is to have a better representation and comparison of households in the urban areas. The urban households are engaged in numerous economic activities such as: trade, public transport, milling, housing, hotels/cafes, and other small and microenterprises thirdly, the area of study is chosen because no previous studies on determinants of saving in Kisii town are on record. Therefore this study was timely to be done in this area.

3.3 Target population

According to Mugenda & Mugenda (2003) population refers to an entire group of individuals, events or objects having common observable characteristics. The target population for the research included all small business enterprises run and operated by small scale entrepreneurs in Kisii town. These small scale enterprises are composed of private learning institutions, chemists that dispense drugs, wholesale and retail shops, hotels, the attorneys and those that offer general services like shoe shiners and vegetable vendors. According to the record held by Kisii town business department, there are 640 registered small and medium business enterprises in the town. One of the challenges in Kisii town is low savings and the limitation of accurate statistics on the

number of small business enterprises in Kisii town (Sharma, 1991). The population therefore included all the registered small scale enterprises in Kisii town.

3.4 Sample Size and Sampling Procedure

From the records in the department of trade in the county, there were640 registered and licensed businesses. This group formed a sampling frame of the study in accordance with (Yamane, 1967). Yamane (1967) used the following formula at 95% confidence level and p=0.05 to determine the sample size of a given population;

$$n= N/ 1+N (e)^2$$

Where, n= sample size, N=population size and e= the level of precision

Hence, n= 640/ 1+640(.05)^2 = 640/3.225 =246 respondents. Therefore a sample size of 246 was chosen for this study. The study used simple random sampling to select the sample. Table 3.1 below shows the sample size distribution.

Table 3.1: Sample size distribution

Description	Population	Sample size
Respondents	640	246
Total	**640**	**246**

3.5 Data collection methods

3.5.1 Data Sources and Type

This study used primary data sources using a structured questionnaires which were administered to the respondents   who were the registered and licensed small scale entrepreneurs operating within Kisii town.

3.5.2 Data Collection Procedure

The primary data was collected through the use of structured questionnaires. The questionnaires consisted of semi structured questions. The structured questions are easier to analyze and easier to administer because each item is followed by alternative answers. They are also economical to use in terms of money and time. The questionnaires comprised of both closed and open ended questions.

3.5.3 Data Collection Instruments

Data for this study was obtained from primary sources. The primary data was collected through the use of structured questionnaires. A questionnaire is a research instrument that gathers data over a large sample (Kombo& Tromp, 2006). The questionnaires that were used in this research consisted of structured and semi structured questions. The questionnaires comprised of both closed and open ended questions. The questionnaires were designed on the basis of the study objectives. The research component used both quantitative and qualitative tools to gather data.

3.5. 4 Validity and Reliability of the Research Instruments

Validity refers to the degree to which a test measures what is intended to measure. Cook and Campbell (1979) defines it as the best available approximation to the truth or falsity of a given inference, proposition or conclusion. On the other hand, reliability refers to a measure of consistency in producing similar results on different comparable occasions (Coolan,1994). Measures of validity are similar to measures of reliability. With reliability you compare one measurement of a variable on a given number of subjects with another measurement of the same variable on the same subjects. With validity, you also compare two measurements on the same subjects. Test-retest method was used to test reliability of the instruments.

The correlation between responses on the first and responses on the retest questionnaire were tested using Pearson's correlation coefficient which is given as follows**;**

$$r = r_{xy} = \frac{\sum x_i y_i - n\bar{x}\bar{y}}{\sqrt{(\sum x_i^2 - n\bar{x}^2)}\sqrt{(\sum y_i^2 - n\bar{y}^2)}}.$$ **where:** $n, x_i, y_i, \bar{x}, \bar{y}$ are defined as ;

sample size, number of questionnaire in the first administration, number of questionnaires in the retest and the mean of the samples in the first and retest administration respectively.

If r =0.6 or more then the instruments are valid and reliable

To carry out the reliability test, 30 questionnaires were distributed to ten groups of respondents in the first administration and the same number again was administered to the second group of respondents. Using the above formula, the value of r in this study was calculated to be r=1.005, an indication that the instruments were valid and reliable.

3.6 Data Analysis

The data was analyzed using descriptive statistics and Ordinary Least Squares that involved the use of multiple linear regression analysis. Descriptive statistics involved the use of percentages, mean weights and frequencies. The regression model applied was adopted from Akpan (2011). He used the model when studying determinants of saving among agro-based firm workers in Nigeria. In analyzing results for this study a few modifications were made as per the data in our possession. Therefore, to investigate the effects of socio-economic factors on savings among small scale entrepreneurs in Kisii town, we used the equation below:

$ESB_i = f (ELE_i, AOE_i, ILE_i, HHZE_i)$

$$\mathbf{ESB_i = \beta_0 + \beta_1 ELE_i + \beta_2 AOE_i + \beta_3 ILE_i + \beta_4 HHZE_i + \varepsilon_i} \quad \text{................} \quad \mathbf{(1)}$$

Where

ESB$_i$- entrepreneurs saving behaviour (dependent variable)

ELE$_i$- education level of entrepreneurs

AOE$_i$- age of entrepreneurs

ILE$_i$- income level of entrepreneurs

HHZE$_i$ – Household size of entrepreneurs

β_0, β_1, β_2, β_3, β_4 regression coefficients

ε_i– Error term

3.7: Diagnostic Tests

3.7.1 Multicollinearity Test

Before the regression procedure, test for multicollinearity was carried out. VIF was used as a basis to detect multicollinearity; it quantifies the severity of multicollinearity. The variance inflation factors (VIF) obtained for the test were within the range value of 1-10 for age and house hold size hence multicollinearity was not severe to interfere with the relationship between independent variables and the dependent variable. According to Montgomery (2001) and Murphy *et.al.,* (1998), a value of VIF ranging between 1-10 indicates absence of multicollinearity. Also according to Rogerson (2001), VIF value of 5 or less indicates absence of multicollinearity. The results show that VIF of income level and education level are below 5. This also confirmed absence of multicollinearity for income level and education level as socioeconomic factors on savings among small scale business entrepreneurs.

Collinearity Statistics

	Tolerance	VIF
Constant		
Age of Entrepreneurs	.090	10.095
Education Level of Entrepreneurs	.194	4.959
Household size of Entrepreneurs	.090	10.148
Income Level of Entrepreneurs	.367	2.725

CHAPTER FOUR

RESULTS AND DISCUSSION

4.0 Introduction

The purpose of the study was to investigate the effect of socio-economic factors on saving among small scale entrepreneurs in Kisii town, Kenya. Factors like age ,income, education level and household size were investigated to reveal what effect they had on savings among the small scale entrepreneurs in Kisii town, Kenya. This chapter provides a presentation of research findings collected through the methodology discussed in chapter three. It provides findings on the various factors, which determine the saving culture among the small scale entrepreneurs in Kisii Town, Kenya. This chapter opens with a section on the response rate of participants who were involved in data collection, gender and types of small scale businesses. This is followed by reporting of data pertaining to the research objectives posed in this study and regression analysis.

4.1 Response Rate

The study focused on a total of 246 respondents who were given questionnaires. The response rate obtained from the field in this study is presented in table 4.1 below.

Table 4.1 Response Rate

Statement	Frequency	Percentage
Returned and Complete questionnaires	234	95.2%
Returned and Incomplete Questionnaires	12	4.8%
Total	246	100%

Out of the 246 questionnaires which had been presented for administration to the respondents, 234 out of the 246 were filled and returned for data analysis. Therefore, the study achieved a high questionnaire return of 95.2 per cent. According to Linder and Wingerbach (2002), questionnaire return of above 50 per cent is considered for a study. The authors further state that surveys that have a high response rate provide a measure of assurance that the findings can be projected to a population from which the sample is drawn. The research of this high response can be attributed to the fact that the questionnaires were hand delivered to the respondents by the Researcher.

4.2 The Type of Small Scale Business

The study established the type of small scale businesses operating in Kisii town. The purpose for establishing the type of businesses was to know where the majority of the entrepreneurs are involved so that recommendations can be made to policy makers on what should be done to assist them increase investments in the area. The response rate obtained from the field was presented as in figure 4.1below.
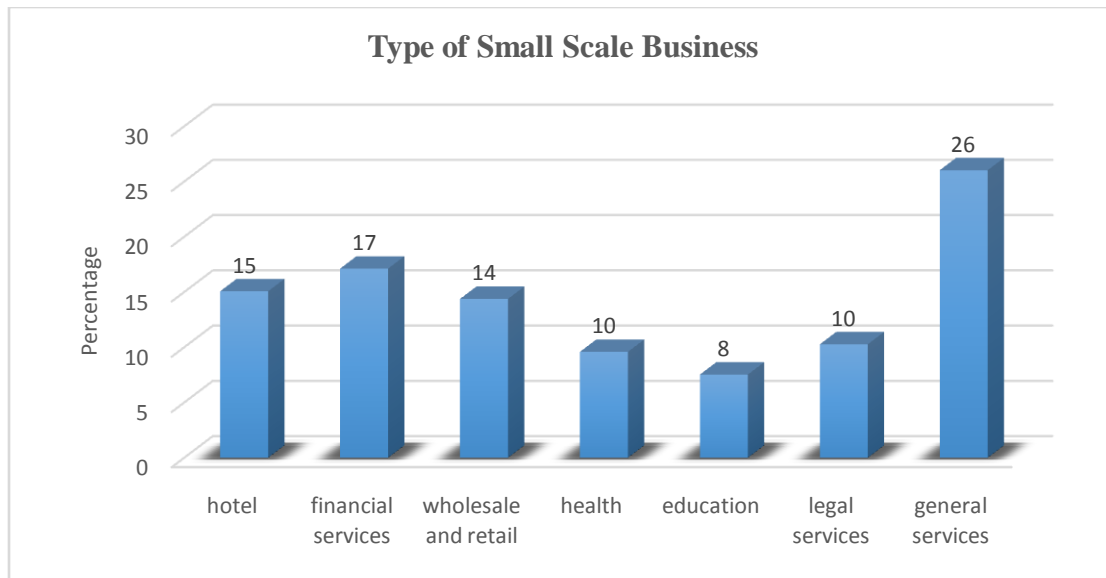
Figure 4.1: Type of Small Scale Business

The figure 4.1 above indicate that of the small scale entrepreneurs operating in Kisii town, majority (26%) are in general services(services like hawking, shoe shining and vegetable selling), while 17% are engaged in financial services, 15% are in hotel, 14% are engaged in wholesale, 10% are in both health and legal services while just 8% of the small scale entrepreneurs in Kisii town are engaged in education related form of business.

4.3 Age of Entrepreneurs and Savings among Small Scale Business

The study established the effect of age on savings among small scale entrepreneurs operating in Kisii town. The responses were rated on a 5 point Likert scale (where 5.0=most influential, 4.0=more influential, 3.0=moderately influential, 2.0=less influential and 1.0=not influential).The response rate obtained from the field is presented in table 4.2 below:

Table 4.2 Age of Entrepreneurs and Savings among Small Scale Entrepreneurs

Age	5	4	3	2	1	$\sum f_i$	$\sum f_i w_i / \sum f_i$
Below 20 years	16	37	59	94	28	234	2.654
20 to 30 years	21	63	85	62	3	234	3.158
31 to 40 years	95	51	39	34	15	234	3.756
Over 40 years	87	60	43	25	19	234	3.731

Table 4.2 above indicate that majority of the respondents indicated that the age between 31 to 40 years was moderately influential and rated at 3.756 magnitude strength in influencing savings among small scale business entrepreneurs in Kisii town. The age above 40years was also moderately influential and was rated second high at 3.731 magnitude effect on savings. The age between 20 to 30 years was also moderately influential and was rated third at 3.158 magnitude effect. The least rated was the age below 20 years was less influential land was rated at 2.654 magnitude effect. Given that majority of entrepreneurs fall between ages of 31-40years, it is an indication that most of the businesses in Kisii town are run by the youthful population who are mostly affected by unemployment problem and have resorted to self-employment. Policy makers in Kisii county should therefore provide an environment that is friendly to this youthful population to earn a living and make investments.

4.4 Education Level and Savings among Small Scale Entrepreneurs

The study established the effect of education of entrepreneurs on the savings behavior in small scale business. The information obtained from the field is presented as in figure 4.2 below;

Education Level
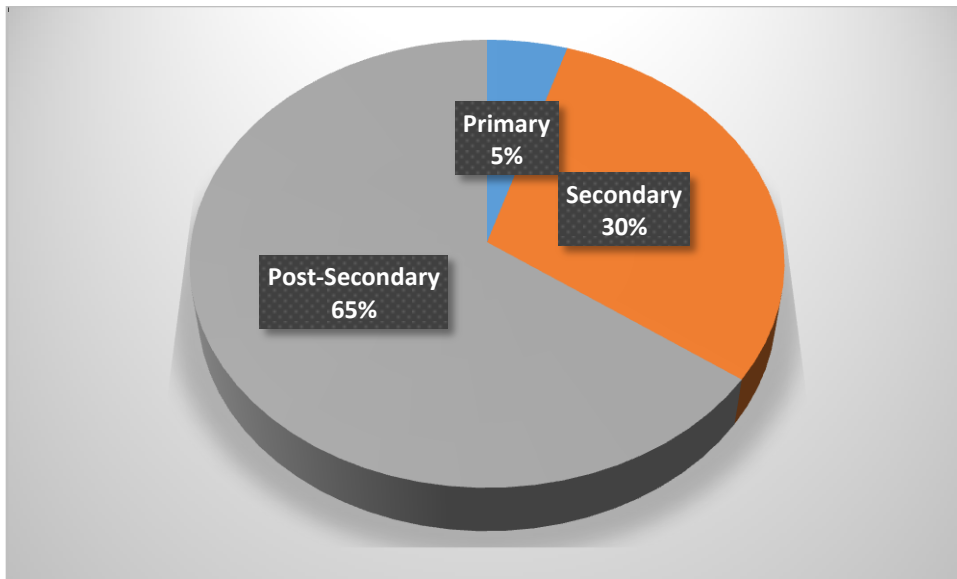
Figure 4.2Education Level

From the research findings, 65% of Kisii town small scale entrepreneurs had post-secondary credentials as their highest level of education, 30% had secondary level as their highest level of education while 5% had primary level as their highest level of education. This implies that the entrepreneurs were well informed and the issues to do with financial management and savings mobilization can easily be applied in their small scale businesses.

4.5 Household Size and Saving Behavior among Entrepreneurs

The study sought to find out the effect of household size on the savings behavior among small scale entrepreneurs in Kisii town. The information obtained from the field is presented as in figure 4.3, figure 4.4 and figure 4.5 below. Household size is a socio-economic factor that can determine the volume of saving among small scale entrepreneurs as the number of family members is a good measure of household size.
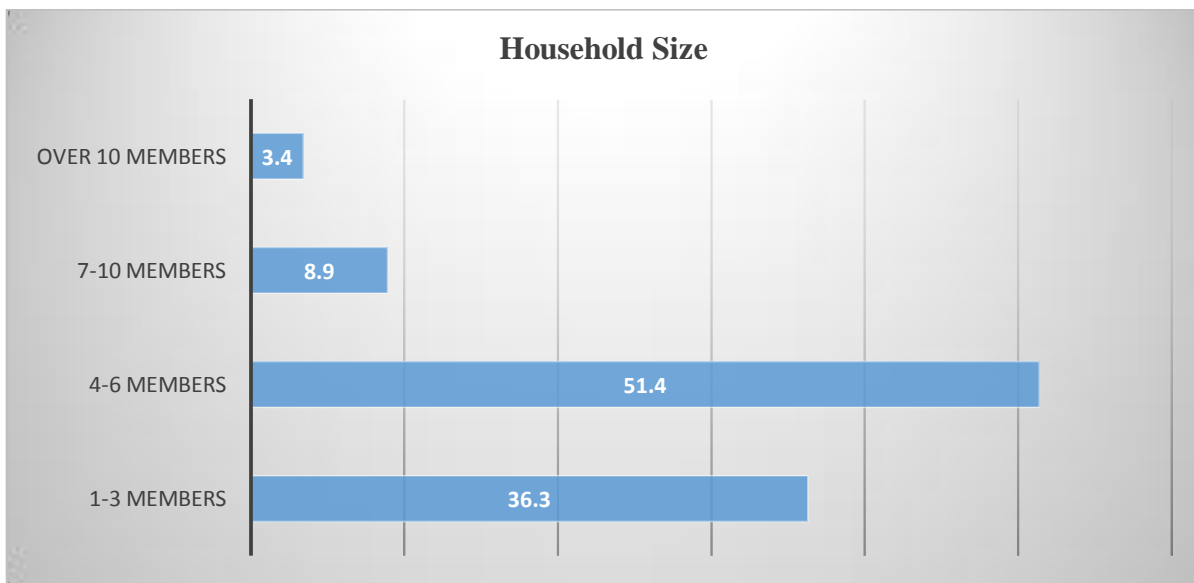
Figure 4.3Household Size (Number of Members)

From the research findings, 51.4% of the Kisii town small scale entrepreneurs have between 4 – 6 members in their household, 36.3% have between 1 – 3 members in the household,8.9% have between 7 – 10 members in the household while only 3.4% had over 10 members in the household. This a good reflection of the respondents' age since most of them were between 31-40 years of age thus their expected modal family sizes should have 1-6 members.

The study established the effect of household size on the total monthly expenditure. The amount of total family expenditure in a month was established whose results are presented in figure 4.4below:
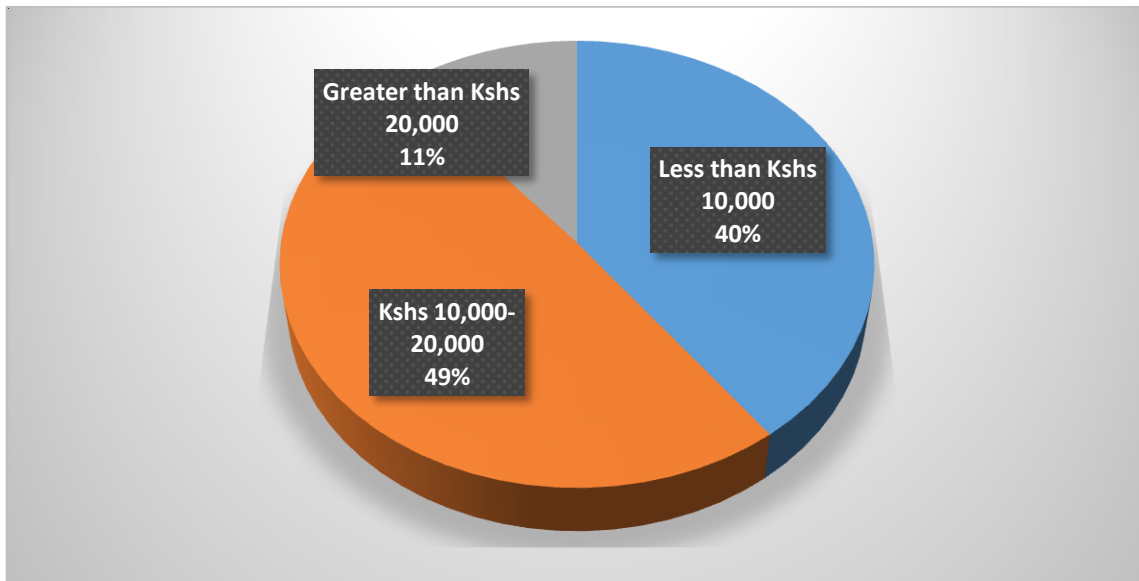
Figure 4.4 Family Expenditure in a Month in Kshs

From the research findings,49% spend between Kshs. 10,000.00 – 20, 000.00 monthly, 40% spend less than Kshs.10,000 monthly while 11% spend more than Kshs.20,000 monthly. All other factors remaining constant, less monthly expenditure implies more savings.

The study established the itemized spending of the income per month where 69.2% of the entrepreneurs spend their income on children's school fees, 23.3% is spent on food, 4.1% goes to medical while 3.4% is spent on clothing. The results concur with past studies like those of Kanjanapon, (2004) who argues that the size of one's family and number of dependents affects his savings as it entails his expenditure. This is even worse in developing countries, especially

African countries where one bears the responsibilities of his extended family. The larger the size of a family the more the mouths that consume, thereby leading to less savings (Iheanacho, 1995).Further, Sando (2006) found that many financial crises and lack of savings are the result of the financial mismanagement of other members of the family (wife, husband and children). This is worse where they have grave financial misbehavior and even criminal acts.

This is shown in figure 4.5 below.
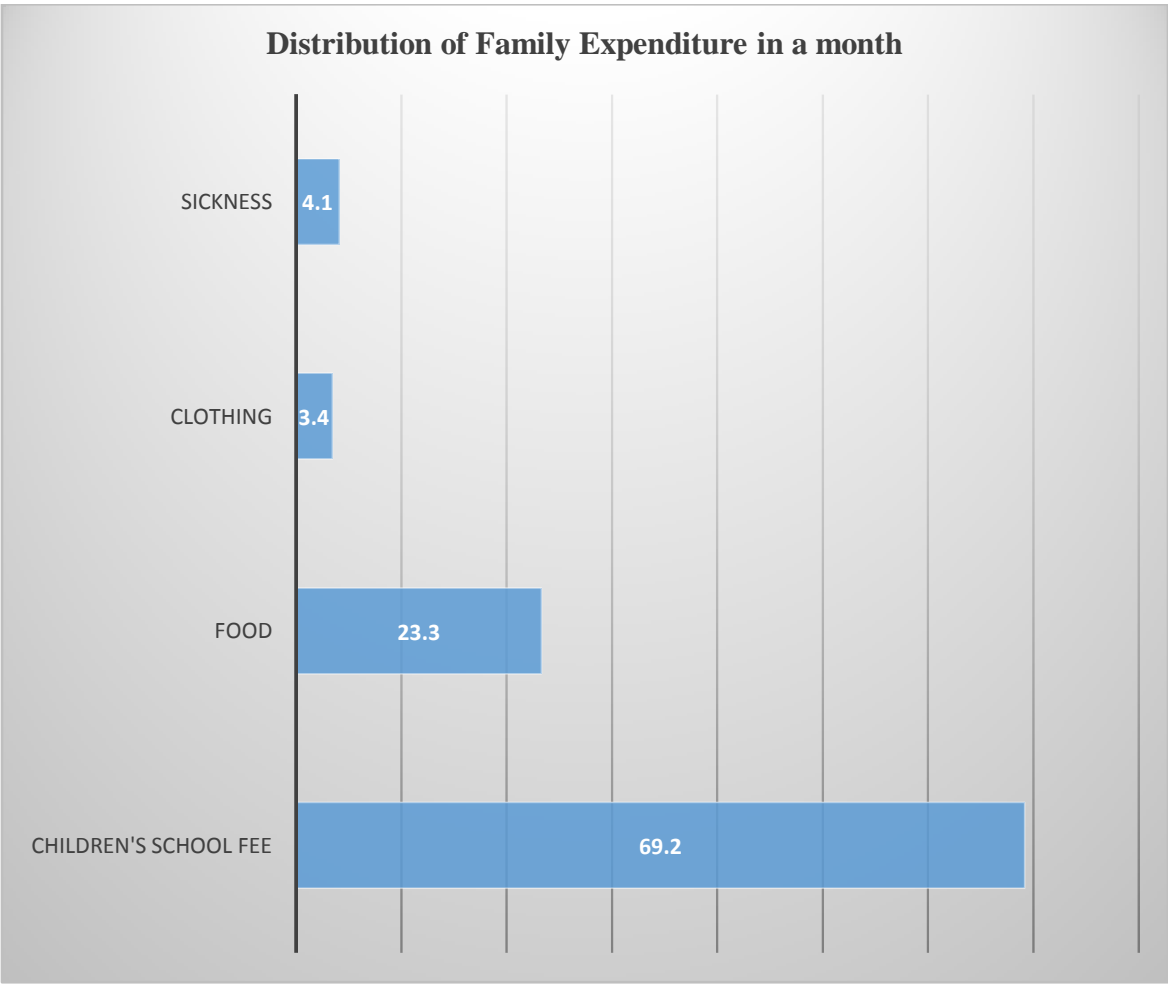
Figure 4.5: Itemized Spending of the Income per Month

The study revealed that some men find it difficult to manage their money if their spouse has very difficult spending habits. There is spouse who die without a will or with secret debt; children who get into serious debts; parents who become ill and need care; spouses who lose their jobs and abandon the family; and divorced women who are left with significant debts.

4.6 Income Level and Savings among Small Scale entrepreneurs

The study established the effect of income on savings Behaviour among small scale entrepreneurs in Kisii town. Family and business income is a socio-economic factor that can determine the volume of saving among small scale entrepreneurs. Given that income for an entrepreneur's business is computed from gross profit, the responses obtained indicate their gross profit as business performance indicator (Kshs. per month) results are as in the figure 4.6below:
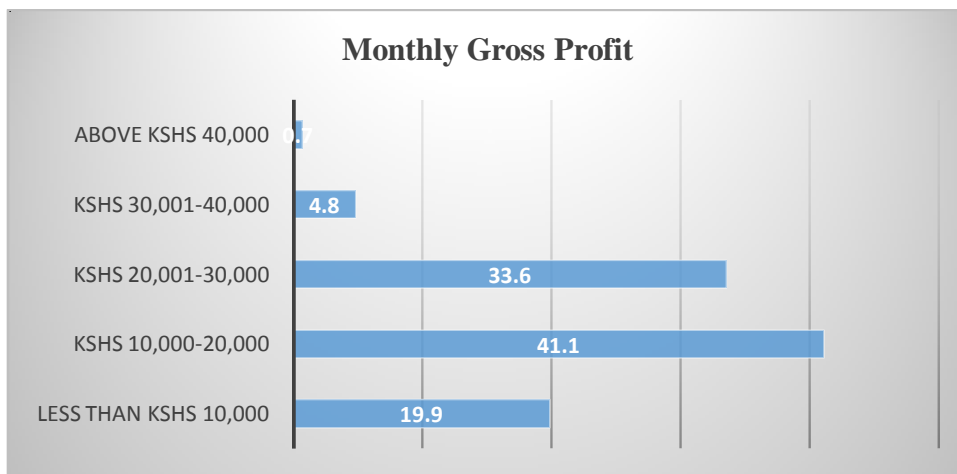
Figure 4.6 : Gross Profit (Kshs. Per Month)

Figure 4.8 indicate that business income 41.1% made as gross profit before tax of between Kshs. 10,000.00 – 20, 000.00 monthly, 33.6% made a gross profit before tax of between Kshs. 20,000.00 – 30, 000.00, while slightly over 5% made a gross profit before tax of Kshs. 30,000

and above. Income is considered as an important factor in the determination of the saving behaviour of an individual (Gedela, 2012). Chowa*et al*., (2012) found the growth rate of real income to have significant effect on private saving. This study further established the relationship between after-tax profit that is translated to savings per a month (Kshs.) especially for the small scale entrepreneurs.

The respondents were asked to indicate the amount of Savings per a Month (Kshs.) and the results are as in figure 4.7below:
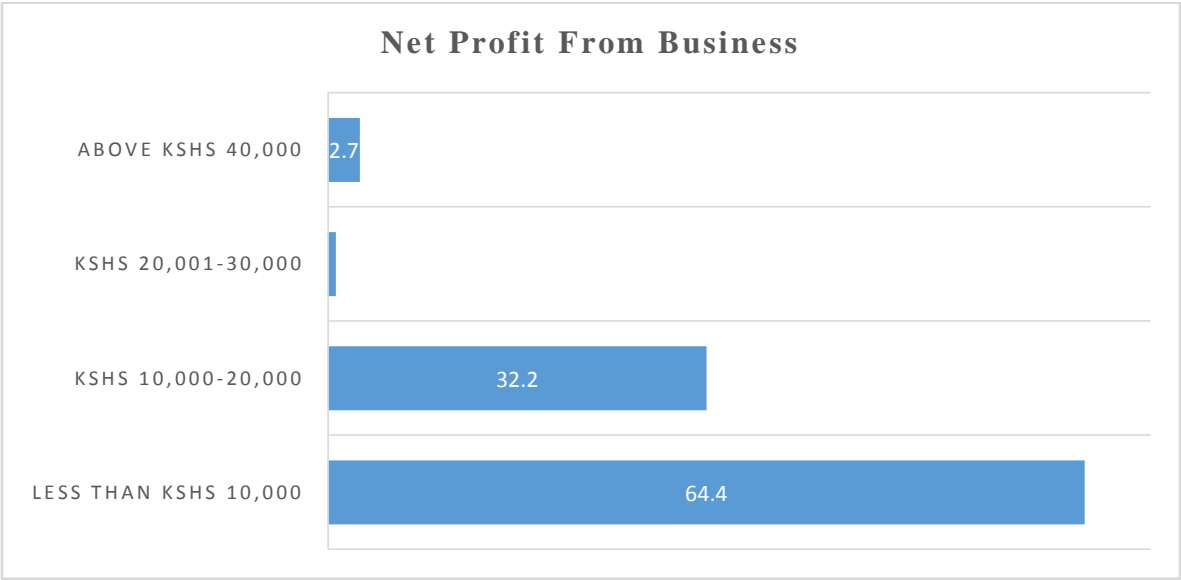
Figure 4.7 : After-Tax Profit per a Month (Kshs.)

The figure 4.7 above revealed that 64.4% of respondents indicated that their entrepreneurial savings per a month is less than Kshs. 10, 000. 00, while 32.2% of the respondents indicated that their SME's savings per a month is between Kshs. 10, 000.00 and 20,000.00; while 2.7% of the entrepreneurs in Kisii town indicated that their savings per a month is Kshs 40,000 and above, the least was savings between Kshs. 20,000 to 30,000 per month as represented by 0.7% of the

respondents in this study. A common link across these entrepreneurs is that their business investment plans are likely to influence their saving decisions. development on the other.

4.7 Regression Results

The study established the relationship of the variables. The results reveal the information in table 4.3and 4.4below:

Table 4.3 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			Durbin-Watson
					R Square Change	F Change	Sig. F Change	
1	.966[a]	.932	.931	.28855	.932	788.672	.000	.282

a. Predictors: (Constant), Income Level of Entrepreneurs, Age of Entrepreneurs, Education Level of Entrepreneurs, Household size of Entrepreneurs

b. Dependent Variable: Saving Behavior of Entrepreneurs

The results in table 4.3 above indicate a strong association between the variables where r (0.966); $P \leq 0.05$. Therefore, the relationship is statistically significant. The independent variables in this study explain up to 93.2% of the variation in saving among entrepreneurs operating small businesses in Kisii town and this relationship is statistically significant ($R^2 = .932$, p= .000<.05).

Table 4.4 Coefficients of the Variables

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.174	.080		2.171	.031		
	Age of Entrepreneurs	-.095	.084	-.065	-1.129	.260	.090	10.095
	Education Level of Entrepreneurs	.652	.060	.421	10.781	.000	.2015	4.959
	Household size of Entrepreneurs	.367	.080	.264	4.595	.000	.090	10.148
	Income Level of Entrepreneurs	.697	.048	.414	14.600	.000	.367	2.725

a. Dependent Variable: Saving Behaviour of Entrepreneurs

The regression model adopted in this study was that used is adapted from the empirical model by Akipan(2011)

$$ESB_i = .174 + .652ELE_i - 0.095AOE_i + 0.697ILE_i + 0.367HHZE_i \ldots\ldots\ldots\ldots$$

The results in the equation reveal that education level of entrepreneur's effect on savings among entrepreneurs is positive with 0.652 unit increase on savings and hence it is statistically significant. These findings concur with those found by Meng and Liang (2012), Staw (2013), and

Holt (2014).Meng and Liang (2012) conducted a study involving entrepreneurs in Singapore and found that successful entrepreneurs had higher education levels compared to that of other entrepreneurs who were not successful in their businesses.

Studies done by Meng and Liang (2012), Staw (2013), and Holt (2014), revealed that individuals with higher levels of education are more successful after entering the entrepreneurial world, because university education provides them with knowledge and modern managerial skills, making them more conscious of the reality of the business world and thus in a position to use their learning capability to manage business. Such individuals have high financial literacy and are aware and able to open bank accounts to increase their savings for easy access of credit facilities. Similarly, Lussiers and Pfeifer (2001) also found that the entrepreneurs with higher education level and experiences have greater chances of succeeding than the people without education and experiences (quoted in Rose et. al., 2006). This is because they have access to credit facilities because of continued savings with their lenders. Thus with education and knowledge on financial matters entrepreneurs are likely to increase their savings. The study findings also tally with those of Thapa (2007). In his study in Nepal, Thapa (2007) found that the education has positive effect on entrepreneurial saving habits and hence entrepreneur success.

The age of entrepreneurs has a negative relationship with saving among entrepreneurs as its coefficient is negative (-0.095) and is statistically insignificant in influencing savings among entrepreneurs (p =.260> 0.05). These findings are contrary to what the Life- cycle Hypothesis theory postulates. The Life Cycle Hypothesis argues that individuals will smooth consumption over their lifetime given expected lifetime resources. The theory leads to the prediction that individuals will exhibit a saving rate that rises with income during their work life, and declines

and turns negative during retirement ((Modigliani & Brumberg, 1954).It is expected that when age increases, people save more money, because elderly people are more likely to be concerned about their retirement period. After retirement savings decreases as now they will be spending and meeting their health costs. Furthermore, elderly people have lower life-cycle expenses such as education, wedding and house expenses. It is posited that age is positively related to individual saving. The study findings are also contrary to those of Staw (2013). According to Staw (2013), young people are very aggressive, impatient and ready to take risk. Hence this factor may have influence on business practices of entrepreneurs and saving their behavior. These findings are also contrary to those of Osundare (2013). According to Osundare (2013)age, business income, entrepreneurial experience and household sizes explained about 92% of the variations in the volume of savings among the respondents. Hence age therefore was significant.

Income level of entrepreneurs has a positive and significant relationship with savings among entrepreneur's operating small business in Kisii town. The coefficient indicates that unit increase in income level causes 0.697-unit increase in savings among entrepreneurs and therefore, the effect is statistically significant. These results agree with those of Permanent Income Hypothesis theory (by Friedman (1999); in Morgan, (2009). According to this theory, the huge challenge encountered by people when the level of income is not stable is that, their saving abilities are impacted negatively. The study findings on effect of income also are in agreement with those of Muriithi (2016) and Osundare(2013).Muriithi (2016). According to Muriithi (2016),income levels, transaction cost, trust, financial literacy and socio cultural beliefs influence saving culture among employees. He carried out a study on determinants of saving culture among employees of Small and Medium Enterprises in Nairobi county, Kenya. Osundare (2013) evaluated the socio-economic determinants of income, savings and investment among entrepreneurs in Ondo State,

Nigeria and found that age, business income, entrepreneurial experience and household sizes explained about 92% of the variations in the volume of savings among the respondents.

The results on household size indicate that a positive significant relationship exist between household size and savings among the entrepreneurs operating small businesses in Kisii town (standardized beta = .264, p = .000). The results are in agreement with those of Kanjanap on, (2004),(Iheanacho, 1995),Rikwentishe, Pulka, and Msheliza (2015),Prakasa (2012),Akpan *et.al* (2011) and Osundare (2013).According to Akpan *et a.,l* (2011),family size influenced the saving attitude of the entrepreneurs. They carried out their study on savings determinants among agro-based firm entrepreneurs in Nigeria. A two stage least squares method of simultaneous equation model was used in the analysis.

Kanjanapon(2004) found that the size of one's family and number of dependants affects his savings as it entails his expenditure. The situation is worse in developing countries, especially African countries where one bears the responsibilities of his extended family. Thus the larger the size of a family the more the mouths that consume, thereby leading to less savings (Iheanacho, 1995).Rikwentishe, Pulka, and Msheliza (2015) found in their study that the number of dependants, specifically household size had negative effect on savings of male entrepreneurs. The main reason advocated for this was that most family responsibilities were shouldered by males who are household heads. They carried out their study in Jalingo metropolis, Taraba State, Nigeria. Where they tried to find out the effectives of savings and savings habit on entrepreneurship development. They applied the use of multi-stage sampling technique to randomly select a total of 130 respondents and analyzed data using descriptive and correlation analysis.

Prakasa (2012)'s also found study found that number of family members negatively affected saving behavior of the individuals. He did his study in Kenya where he analyzed Savings Constraints and Microenterprise Development among self-employed individuals in rural areas.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONSOF THE FINDINGS,

5.1 Introduction

The chapter presents the summary, conclusions and recommendations of the study. The general objective of the study was to investigate the effects of socio-economic factors on savings among small scale entrepreneurs in Kisii town, Kenya. The study's specific objectives were to determine the effect of age on savings among the small scale entrepreneurs in Kisii town, Kenya,to determine the effect of household size on savings among the small scale entrepreneurs in Kisii town, Kenya, to determine the effect of level of income on savings among the small scale entrepreneurs in Kisii town, Kenya and to determine the effect of education level on savings among the small scale entrepreneurs in Kisii town, Kenya.

5.2 Summary Of Major Findings

The findings of the study revealed that age had no effect on savings among small scale entrepreneurs in Kisii town. The study therefore failed to reject the null hypothesis. It was concluded that age was insignificant in influencing savings among small scale entrepreneurs in Kisii town. Further, the findings revealed that household size has an effect on savings among small scale entrepreneurs in Kisii town. The study found a significant relationship between household size and savings and therefore rejected the null hypothesis. The results implied that with an addition of one member of the household, the level of savings will increase by 0.652 units. The multiple regression model had a significant relationship between education level and savings among small scale entrepreneurs in Kisii town hence the finding rejected the null hypothesis. The study therefore concluded that educational level influences savings. Outcomes

of the study indicates that income is one of the variables that influence savings among small scale entrepreneurs in Kisii town. The study therefore rejected the null hypothesis. The multiple regression model indicated that for one shilling increase in income level, there is 0.697unit increase in savings.

5.3 Conclusion of the Study

This section provides the conclusion of the study in relation with the objectives. Based on the findings on age as a socio-economic factor on savings, the study concludes that age has no effect on the savings among small scale business entrepreneurs in Kisii town. However, household size ,education level and income have a significant relationship on savings among small scale entrepreneurs in Kisii town, Kenya. From the research findings, it can be concluded that the small scale entrepreneurs in Kisii town can save or not save regardless of their age. Therefore, other factors not yet researched could influence their decisions to save. This therefore means that there is no age limit for one to start an enterprise. Hence the county government of Kisii should give licenses to whoever has shown interest in business regardless of age. Household size, education level and income had a positive effect on savings among the small scale entrepreneurs in Kisii town. From these findings, it can be concluded that entrepreneurs can do better in their businesses if they will be advised to have manageable families, get educated on financial matters and business management as well as be given loans at low interest rates so that they can expand their businesses.

5.4 Recommendations of the Study

Based on the major findings and conclusions on the socio economic factors, the study recommends that small scale business entrepreneurs should focus on income level, education and household size as they do savings in their businesses. Education will enable them improve in

their management skills as an important ingredient toward their success and performance of their business. Income levels have positive effect and huge influence on saving behaviour, there is need for government to reduce taxation on the profits made by small scale entrepreneurs. This can motivate them to work harder. The Government and Policy makers should also consider regulating the interest rates of loan and other credit facilities, making sure that they accessible and affordable to all small scale entrepreneurs. This will enable them to expand their small businesses into large scale businesses. The government should also emphasize the essence of having small families by encouraging use of family planning methods. This is because smaller families will reduce household expenditure and small scale entrepreneurs will remain with more income to save.

5.5 Limitations of the Study

The study had been limited by lack of reception in the field during data collection exercise. Some respondents were not willing to freely offer information needed for this study. In order to address this limitation, the researcher sought consent from the Chairman of Kisii town Small scale entrepreneurs Association who helped to ensure that the researcher was able to get reception in the field and get the information the study required. There were some incidents of response bias from interviewees but it was solved through the assurance that data collected will be treated confidentially and identities will be anonymous. The response rate was less than 100% due to unwillingness and unavailability of some targeted respondents given the nature of information to be collected. However where the respondent was not available the researcher had to visit again till a response rate of 95.2% was reached. This response return rate met the threshold of about 75% for face to face administered questionnaires (Saunders, Lewis and Thorn hill, 2007).

5.6Suggestions for Further Study

This study was limited to investigating the effects of socio-economic factors on saving among small scale entrepreneurs, it is therefore important that the role of government in saving should also be investigated. Also the study was only confined to Age, education level, household size and income level as socio-economic factors but more studies can be done on the effect of other socio-economic factors like gender, marital status, religion, culture and employment on savings. This study was carried out only in small area, Kisii town but further research can also be done on the same socio-economic factors in the entire economy. This study also recommends for a study that will focus on the mediating role of socioeconomic factors on the relationship between savings and investments among small business enterprises in Kenya.

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APPENDICES
APPENDIX I: QUESTIONNAIRE TO RESPONDENT

SECTION I: PROFILE OF THE RESPONDENTS

1. What are your names (optional)?...
2. What is the name of your business? ……………………………………….
3. What is the nature / form of your business? (tick one)

Hotel	
Financial services	
Wholesale and retail	
Health	
Education	
Legal services	
General services	

4. Gender (tick one)

    i.   Male   [   ]

    ii.   Female   [   ]

5 **Please indicate your Age bracket (in years)**

    i. Below 20 years   [   ]

    ii. 20-30 years   [   ]

    iii. 31-40 years   [   ]

    iv. Over 40 years   [   ]

6. Please indicate your highest level of education attained

    i. Primary level   [   ]

    ii. Secondary level   [   ]

    iii. Post-Secondary   [   ]

7. Please use the information in the table to rate the type of training effect on savings using a 5 point Likert scale (where 5.0= most influential, 4.0 = more influential, 3.0 = moderately influential, 2.0= less influential and 1.0= not influential).

Type of educational Training	5	4	3	2	1
Education on how to prepare business accounting records					
Education on how to run business					
Education on how to finance Business					
Education on Customer care and management					

8. Household Size (number of members)

   i. 1 – 3 members   (   )

   ii. 4 – 6 members   (   )

   iii. 7 – 10 members   (   )

   iv. Over 10 members   (   )

9. What is your total expenditure for your family in a month in **Kshs.**?

   i.   < 10,000   (   )
   ii.   10,000 – 20, 000   (   )

   iii.   > 20,000   (   )

10. Kindly tick on which of the following items you spend much of your income per month.

   i.   Children's school fees (   )

   ii.   Food   (   )

   iii. Clothing   (   )

   iv.   Sickness   (   )

11. Indicatein figures the following indicators for business per month in **Kshs.**

Indicator					
Gross profit	< 10, 000	10, 000- 20,000	20,001 – 30,000	30,001 – 40,000	>40,000
Tick					

12. Approximately how much profit (after tax) do you make in a month?

Indicator					
Net profit	< 10, 000	10, 000- 20,000	20,001 – 30,000	30,001 – 40,000	>40,000
Tick					

13. (a) Do other family members earn any income?

Yes ( )   No ( )

(b) If yes indicate approximate amount

Below ksh. 30,000 ☐

30,000 – 40,000 ☐

40,001 – 50,000 ☐

Over 50,000 ☐

14. Given Weights 1.0, 2.0 and 3.0 please rate the socio-economic factors on savings among small scale business in terms of their effect(influence) on the volume of finances saved by the entrepreneurs in Kisii town?

Age of the Entrepreneurs' Highly Influential (3.00 weight)

☐ Averagely Influential (2.00 weight)
☐ Less Influential (1.00 weight)

Education Level of the Entrepreneurs'   ☐ Highly Influential (3.00 weight)
☐ Averagely Influential (2.00 weight)
☐ Less Influential (1.00 weight)

Household Size of Entrepreneurs'   ☐   Highly Influential (3.00 weight)
☐   Averagely Influential (2.00 weight)
☐   Less Influential (1.00 weight)

Income level of Entrepreneurs'   ☐   Highly Influential (3.00 weight)
☐   Averagely Influential (2.00 weight)
Less Influential (1.00 weight)   ☐

15. Given Weights 1.0, 2.0, 3.0 4.0 and 5.00 how can you rate the socio economic factor in terms of their effect(effectiveness) on influencing savings behavior of entrepreneurs from their small scale businesses in Kisii town, Kisii county.

Age of Entrepreneurs   ☐   Most effective   (5.00 weight)
☐   More Effective (4.00 weight)
☐   Moderately Effective (3.00 weight)
☐   Less Effective (2.00 weight)
☐   Not Effective (1.00 weight)
Education level of Entrepreneurs   Most Effective (5.00 weight)
☐   More Effective (4.00 weight)
☐   Moderately Effective (3.00 weight)
☐   Less Effective (2.00 weight)
☐   Not Effective (1.00 weight)
Household size of Entrepreneurs

Most Effective (5.00 weight)
☐   More Effective (4.00 weight)
☐   Moderately Effective (3.00 weight)
☐   Less Effective (2.00 weight)
☐   Not Effective (1.00 weight)
Income level of Entrepreneurs

☐   Most Effective (5.00 weight)
☐   More Effective (4.00 weight)
☐   Moderately Effective (3.00 weight)
☐   Less Effective (2.00 weight)
☐   Not Effective (1.00 weight)

APPENDIX II: MAP AND BOUNDARIES OF KISII TOWN.

AOE

1.00	1.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00	3.00	3.00
1.00	1.00	2.00	2.00	2.00	3.00	3.00
1.00	1.00	2.00	2.00	2.00	3.00	3.00
1.00	1.00	2.00	2.00	2.00	3.00	3.00
1.00	1.00	2.00	2.00	2.00	3.00	3.00
1.00	1.00	2.00	2.00	2.00	3.00	3.00
1.00	1.00	2.00	2.00	2.00	3.00	3.00
1.00	1.00	2.00	2.00	2.00	3.00	3.00
1.00	1.00	2.00	2.00	2.00	3.00	3.00

ELE

1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	
1.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	

HHZE

1.00	1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00
1.00	1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00
1.00	1.00	1.00	2.00	2.00	2.00	3.00	3.00	
1.00	1.00	1.00	2.00	2.00	2.00	3.00	3.00	
1.00	1.00	1.00	2.00	2.00	2.00	3.00	3.00	
1.00	1.00	1.00	2.00	2.00	2.00	3.00	3.00	
1.00	1.00	1.00	2.00	2.00	2.00	3.00	3.00	
1.00	1.00	1.00	2.00	2.00	2.00	3.00	3.00	
1.00	1.00	1.00	2.00	2.00	2.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	2.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	
1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00	

ILE

1.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
1.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
1.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	
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2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	
2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	
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2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	
2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	
2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	
2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	
2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	
2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	

ESB

1.00	3.00	3.00	4.00	4.00	5.00	5.00	5.00	5.00
1.00	3.00	3.00	4.00	4.00	5.00	5.00	5.00	5.00
1.00	3.00	3.00	4.00	4.00	5.00	5.00	5.00	
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1.00	3.00	3.00	4.00	4.00	5.00	5.00	5.00	
1.00	3.00	3.00	4.00	4.00	5.00	5.00	5.00	
1.00	3.00	3.00	4.00	4.00	5.00	5.00	5.00	
1.00	3.00	3.00	4.00	4.00	5.00	5.00	5.00	
1.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
2.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
2.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
2.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
2.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
2.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
2.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
2.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
2.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
2.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
2.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
2.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
2.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
2.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
2.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
3.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	
3.00	3.00	4.00	4.00	5.00	5.00	5.00	5.00	
3.00	3.00	4.00	4.00	5.00	5.00	5.00	5.00	
3.00	3.00	4.00	4.00	5.00	5.00	5.00	5.00	
3.00	3.00	4.00	4.00	5.00	5.00	5.00	5.00	