

**DETERMINANTS OF SAVING MOBILIZATION –  
THE CASE OF WELTANE AMBO SAVING AND CREDIT COOPERATIVES (SACCO) UNION,  
WEST SHOA ZONE, ETHIOPIA**

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***Abstract***

*Savings is a key source of funds for many financial institutions including the SACCOs. However, Poor performance in saving mobilization particularly in SACCOs. This study sought to identify the determinants of savings mobilization the case of Weltane Ambo SACCOs union. This study adopted a descriptive survey design to answer the research questions. Data were collected from 166 all general assembly members of Weltane Ambo SACCO union. A Likert scale questionnaire and checklist format for key informant's interview was used to gather primary information while a secondary data collection sheet was used for secondary data information. Data was analyzed through descriptive statistics, trend analysis and multi-Regression with the aid of Statistical Package for Social Sciences (SPSS Version 20). From findings revealed that the performance of SACCO union in term of saving was increasing and decreasing rate and the descriptive analysis the survey revealed that internal and external factors were influencing saving mobilization in SACCO union. From results of the survey revealed that there was a positive correlation between the independent variable namely safety, income level, interest rates, access to saver, dividend and existence of other financial institution and dependent variable savings mobilization. This indicated that the independent variable and dependent variable move in the same direction. The R<sup>2</sup> was 0.756. Based on these findings, the researcher recommended that SACCOs union should be provide high safety for members saving, encouraged and aware all members to save based on their income level, offer its members fair interest rate on their savings, provide saving services by establishing satellite branches, adjust the rate of dividend allocation on saving, emphasize and enhance that the competition from other financial institution is managed well.*

**Key Words:** *Determinants, SACCOs, Interest rate, income, saving mobilization.*

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**Introduction**

***Saving and Credit Cooperatives***

SACCOs are promoted not only for money, but also for its contribution to the promotion of total human development.

SACCOs develop people's minds by providing motivation, creating initiative, promoting self-development and self-reliance and providing leadership. They also develop material wellbeing by raising

the living standards of members, making possible regular savings and wise use of money, providing loans at low interest rate and by making possible economic emancipation of members (Wolff, et al., 2011).

SACCOs are widely seen to have potential to impact on development and poverty reduction. The UN has also acknowledged important direct and indirect impacts on socio-economic development in terms of promoting and supporting entrepreneurial development, creating productive employment, raising incomes and helping to reduce poverty while enhancing social inclusion, social protection and community-building (UN, 2009).

#### ***Concept of Savings Mobilization***

SACCO's role is to promote economic interest of their members and in particular to promote thrift among its members by affording them an opportunity for accumulating savings and paying reasonable interest without risk on such savings. Create source of funds from which it can afford relief to its members in need by making loans to them for productive and provident purposes are fair and reasonable rates of interest and with easy terms or repayment, continuously educate members on how savings can be made on regular basis and the wise use their savings; and provide service to its members such as financial counselling so that the members can solve most of their financial problems, and the risk of management service to ensure the safety of members' savings and loans. Loans are insured, so if a member dies, the outstanding balance is settled. However, it is not the practice across board. Besides; other MFIs also do insure loans for their clients. Savings are mobilized. It also encourages regular social interaction between members (Kabuga and Batarinyebwa, 1995).

#### ***Role of SACCOs on Members' Savings Mobilization***

It is an organization owned by people living in one area such as farmers or people

working together. A SACCO has common bond namely; community bond and occupational/association bond. Community bond exists when members are resident in a particular locality or neighbourhood such as farmers, businessmen and fishermen. It caters for all people within the community. Occupational/association bond is for people employed by the same employer or belonging to the same profession. The common bond ensures that there exists among members as sense of identity, mutual concern, cooperation, loyalty and trust. The common bond protects the SACCO because members know each other. This facilitates efficiency and effectiveness in credit management for the growth of business or farm enterprise and better access to social services like medical and education just to mention a few. Members are the heart of a SACCO and are reasons for the SACCO existence (Ahimbisibwe, 2007).

#### ***Types of Savings Products***

Saving for the future is one of the ways that they can improve on their livelihood. It is therefore essential to know the various savings products available so that one makes the best choice and selects what suits them best.

#### ***Compulsory Saving:***

These are funds that must be contributed by all members of the SACCOs as a condition of membership and in some instances to access credit (loans). Compulsory savings can be considered as part of a loan product rather than actual savings product since they are closely tied to receiving and repaying loans. Compulsory saving is a saving that a member is forced to make on regular basis; it is a membership saving and must be saved on a weekly or monthly basis. This compulsory saving is collected to on lend to members. If members fail to save on time they will get penalized based on the saving policy of the society. Unless the member quits from membership, he or she should save on regular basis. If a member wants to withdraw from the

SACCO, he will have the right to take this compulsory saving. The SACCOs are supposed to provide interest for this savings. (www.friendsconsult.co.ug)

### ***Voluntary Saving:***

Voluntary savings are savings, not for access to credit, but for the sake of saving. These are not an obligatory part of accessing credit services. They are provided by both the borrowers and non-borrowers who can deposit or withdrawal according to their needs. The interest rates paid are relatively low compared to the interest rates paid by larger financial institutions.

The voluntary savings are best fit for people who don't receive constant cash flow like farmers who get incomes when they sell off their produce once or twice a year. They can make voluntary saving during harvest time, and transfer monthly to their compulsory saving accounts. Farmers, and other individuals, can save the full amount for the coming year's compulsory savings in advance with the SACCO by depositing 12 months' worth of saving in a voluntary account. Following that, each month on the appropriate day the member will come to the SACCO to withdraw the amount of one month's compulsory saving from the voluntary saving -account and deposit it in the compulsory saving account. This maintains the fundamental function of the SACCO and allows individuals with seasonal incomes to be members. This ensures regular flow of cash to the SACCO society and promotes member's participation. This kind of saving can be withdrawn at any time when the owner needs it. The SACCO society may or may not provide saving interest for this voluntary savings. Farmers are highly advised to save on voluntary saving for small capital investment like purchasing seed for cultivation. (www.friendsconsult.co.ug)

### ***Contract Saving:***

These are the kind of saving accounts were by the person saves to meet a particular goal. These include:

- i. School fees savings accounts: This is the type of account used by most parents so that they are able to save for their children's education.
- ii. Target Savings Accounts: This is where the client opens up an account particularly to meet a particular target like buying land, paying a mortgage among others.
- iii. Fixed Deposit Accounts: This is the savings accounts were by a person deposits once and they withdraw the money after a period of time. The time ranges from 3 months onwards.

### **Empirical Review**

#### ***Savings Mobilization Strategies***

According to Mauri (183), governments in many African countries neglected personal savings in the 1960s. In the wake of the vicious circle model (Nurkse, 1953), aid programs were considered they only tool for fighting underdevelopment for than three decades (Adams, Graham and Pischke, 2984), while the mobilization of savings was then forgotten half of development finance paradigms (Vogel 6, 1984). The awareness that poor people are potential savers, resulting from studies of micro finance activities, is lending to a new paradigm in development issues (Adams, Vogel, 1997). The mobilization of domestic savings for economic development is the next century's challenges for Africa. Indeed, no country is too poor to save if the available potential is effectively used (Adera, 1995). SACCOs could be a vehicle for this task because they are currently the only formal financial institutions able to provide financial services to remote areas of Africa. The role of financial markets in mobilizing savings and in channeling funds into productive investment is central to a successful strategy for economic and human development (Musinguzi, 2000).

***Determinants of Savings***

According to study by Obwoma and Ssentamu (1998), three factors were found to be determinants of the savings of households in Kenya. First is the ability to save which in turn depends on a household's disposable income and expenditure. The second is the propensity or willingness to save as influenced by socio-cultural and economic factors like the family obligation to educate children. Lastly, is the opportunity to save and returns on savings. Most efforts to save are voluntary but there are some which are compulsory like social security fund contributions

**Research Methodology**

It deals with the description of the study area, the sampling procedure, types and sources of data and method of data collection. In addition, methods that are used to analyse the data are presented.

***Description and Selection of the Study Area***

Oromia is the largest region consists of 353,632km<sup>2</sup> of land mass in central and southern part of Ethiopia. It extended from the western to the eastern and to the southern of the country. It borders Sudan, Somalia, and Kenya through west, east, and southern parts respectively. Nationally the region shared boarder in the north with Amhara and Afar, in the east with Somalia, SNNP, in the west with Benshangul gumuz and Amhara national state (FAO, 2005). The region has 20 administrative zones and 309 rural districts of varying sizes of land production potential, and 18 urban Administrative councils which have 46 urban towns of population. The region is cereal potential in the central and west, coffee in the west, coffee and chat in the central parts of the region and live stocks are overall parts of the region but dominant in the southern parts specially, Borana and Guji zones.

According to the summary report of population 2015 by Oromia Region Finance

and Economic Development Office (ORFEDO) the total population of the region are 33,914,866 of which 17,081,397 (50.4%) male and 16,833,469 (49.6%) female. From the total, rural population of the regions are 29,237,131 of which 14,712,854 males and 14,524,277 females. Regarding to the cooperatives movement, Oromia is one of the largest and most populous among nine regional states and it is the leading in cooperatives development in Ethiopia.

According to the annual report of Oromia cooperatives promotion Agency the cooperatives movement has promoted to three tires, primary, union and federation, which operated in the region. In the Regions there are 17,639 different types of primary cooperative society with 3,795,982 members, 125 Cooperative union with 6,101 primary cooperative society members and 2 Cooperative Federations with 52 cooperative unions' members. Out of these various types of primary cooperatives 7,933 (44.97%) are primary SACCOs with membership of 1,051,239 and capital of 360,419,819 birr. Within these rural SACCOs and urban SACCOs accounts 6,599 (83%) and 1,334(17%) respectively. (OCPA, 2016).

According to the annual report of West Shoa cooperatives promotion Agency the cooperatives movement has promoted to two tires, primary and union, which operated in the west Shoa zone. In the zone there are 1,890 different types of primary cooperative society with 237,780 members, 9 Cooperative unions with 561 primary cooperative society members.

*Insert Table 1 & 2*

***Research Design***

The major focus of the study was description of information related to the determinants of saving mobilization the case of Weltane Ambo SACCO union by collecting primary and secondary data from the sources. This study adopted a

descriptive survey design to answer the research questions.

Moreover, Multi-regression model was applied for independent or explanatory variables which show a significant effect on the determinants of saving mobilization the case of Weltane Ambo SACCO union.

### ***Sample Design***

Weltane Ambo saving, and credit cooperative union was selected purposively for the study. Because before this study no study was conducted on saving mobilization of the union. The union has more than five years' experiences in saving mobilization and loan operations. It has a large number of primary saving and credit cooperative societies and availability of required data also enough room to determine the saving mobilization practices in the West Shoa Zone, Oromia Region.

### ***Target Population***

All general assembly members of Weltane Ambo SACCO union, 166 members, representing each affiliated member primary Sacco's, being one from each were targeted population for this study.

### ***Sampling Technique***

Census, of all general assembly members of Weltane Ambo Sacco Union was used with pre-tested questionnaire to be distributed for all. Since all members representing from each member Sacco and in most cases are chairpersons of the primary Sacco's, relevant & realistic information's was collected for analysis.

### **Research Methods**

#### ***Types of Data***

In order to meet the objectives of the study on the determinants of savings mobilization of saving and credit cooperatives both quantitative and qualitative data was collected from primary and secondary sources.

#### **Primary Sources**

For this study the primary data was collected from all 166 members of general assembly, board members and employees of Weltane Ambo SACCO union and west

Shoa zone cooperative promotion Agency experts.

#### **Secondary Sources**

The required secondary data was collected from diverse sources: Those were from Profile of SACCO union; Zonal Cooperative Promotion Agency; Regional Cooperative Promotion Agency; and Federal Cooperative Agency (FCA). In addition to organizational source the information was sourced from across Internet.

#### ***Method of Data Analysis***

The data was analyzed quantitatively and qualitatively. For the purpose of data analysis descriptive statistics, trend analysis and multi-Regression was used. Both qualitative and quantitative data was used to analyze the result of the study. And the results of the study were presented using tables, graphs, and charts. The trend analysis was used to examine the growth trend in term of saving mobilization with membership, share capital, source of fund and loan provision. Moreover, regression model was used to examine factors that influence the relationship between the dependent and independent variables empirically with chi-square test and t-test was used to identify the existence significant relationship between independent variables and dependent variable. In other word chi-square test and t-test was used to test the association of dummy and continuous explanatory variables with the dependent variable respectively. Data analysis was performed on a PC computer using Statistical Package for Social Science (SPSS Version 20) for Windows. The analyze was used frequency counts, percentages, means, standard deviation, regression, correlation and the information generate were presented in form of graphs, charts and tables. Finally, a multiple regression analysis to show the effect and influence of the independent variables on the dependent variables.

**Multiple Regression Analysis**

The relationship between dependent variable (saving mobilization of SACCOs) and the six independent variables by using a multiple regression analysis is determined.

Multiple regression equation is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon$$

Where: Alpha ( $\alpha$ ) is the constant,  $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$  are coefficients.

Y = Savings mobilization

X1= Safety/security

X2= Income level

X3= Access to saver

X4= Interest rate

X5= Dividend

X6= Existence of other financial institution

$\varepsilon$  = error term. The error term is a random variable with a mean of zero, which captures those variables that cannot be quantified.

**Analysis of Variance (ANOVA)**

The analysis of variance was tested the significance of the regression model. In testing the significance level, the statistical significance can be significant if the p-value is less 0.05.

**Correlation Analysis**

To establish the relationship between the independent variables and the dependent variable the study conducted correlation analysis which involved coefficient of correlation and coefficient of determination.

**Coefficient of Correlation**

This indicates positive relationship between the independent variable namely Safety, Income level, access to saver, interest rate, dividend and existence of other financial institution and the dependent variable savings mobilization of SACCO union.

**Coefficient of Determination**

The coefficient of determination was explained the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent

variable (Savings mobilization of Sacco) that is explained by all independent variables.

**Results and Discussions****1. Introduction**

The study has been used the primary data which collected through survey and secondary data from the financial statement of the union for five years (2012 to 2016) and analysis them through a PC computer using Statistical Package for Social Science (SPSS Version 20) for Windows.

**2. Demographic Information**

The background information was gathered based on the sex, age, marital status, level of education, duration in SACCO and current position held.

**2.1. Sex**

As indicated in figure 1 of the sample SACCOs respondents, 106(73%) are male and 40(27%) are female.

**2.2. Age of respondents**

The study sought to establish the age of respondents. From the study results, 24.7% were between the ages of 18-30 years, 54.1% were between 31-45 years, between 46-59 were 15.8% and 60 years and above were 5.5% with a mean score of 2.02 and a standard deviation of 0.79. The results show that the majority of respondents who participated were of the age between 31-45 as shown in Figure 2.

**2.3 Marital status**

As indicated below in figure 3 of the sample primary SACCOs respondents, 9.6% were single, 89.7% were married and 0.7% was divorced with a mean score of 1.91 and a standard deviation of 0.308. The results show that most respondents who participated were married.

**2.4 Educational level**

As indicated below in Figure 4 of the sample primary SACCOs respondents the educational level show that 55.5 % primary

level, 20.5% secondary level, 2.7% level 1-4, 2.1% were diploma, 17.8% were 1<sup>st</sup> degree and 1.4% were Masters with a mean score of 2.10 and a standard deviation of 1.57. The results show that the majority of respondents who participated were of primary level.

### **2.5 Duration in SACCO**

The study sought to establish the period the respondents have been in their current SACCOs. Figure 5 shows that 58.2% of the respondents have been in their current SACCOs for a period of between 1-3 years, 34.3% indicated between 4-6 years and 7.5% indicated more than 6 years. The findings imply that the respondents have been in their respective SACCOs for duration periods of more than one year hence have knowledge about the issues the researcher was interested in. This was also important information in guaranteeing the reliability of data obtained as the respondents were representative of the primary SACCOs.

The results show that the majority of respondents who participated were between 4-6 years

### **2.6. Current position of the respondent**

As shown in Figure 6 indicates that 90.5% of the respondents were chairman, 6.80% were secretary and 2.7% were cashier of the SACCOs. This meant that the majority of respondents who participated were a chairman who was a relevant and respective person of the SACCOs which obtained reliable information.

### **2.7. Analysis of Objectives**

#### **Existing Performance of SACCO Union**

In this section the secondary data and the researcher's observation on Weltane Ambo Saving and Credit Union the existing performance on the progress of membership, amount of saving, capital growth, and amount of loan dispersed were assessed. The first objective of the study was to examine the growth trend of saving

mobilization of Weltane Ambo SACCO union. Trend growth analyses were done in respect of this objective.

#### **Growth in Membership**

As can be indicated in table 3 below that the growth rate of membership in SACCO union has increased by 29.26% between 2012 and 2013. The growth rate of member in SACCO union also increases by 56.6% and 66.26% in the year of 2014 and 2015 respectively. But highly decrease to 20.29% at the year of 2016. The size of member's growth of SACCO union is also increasing from year to year at fast rate. For instance, SACCO union membership in 2016 (166 primary SACCO's) increased by more than four-fold in the size of members in 2012 (41 primary SACCO's). This indicates that the performance of SACCO union in term of member growth rate is highly increasing and slowly decreasing rate during the study period of five years.

*Insert Table 3 and Figure 1*

#### **Saving Position of Weltane Ambo SACCO Union**

The saving position of Weltane Ambo SACCO union is very important for the provision loan to their members, it is witness that if the saving mobilization is increasing the provision of loan to their members may be increased, if the saving mobilization position is not increased this may affect the provision of loan to their members of the Weltane Ambo SACCO union, therefore here the following table explain the trend growth of the saving mobilization of the selected sampled SACCO union for the periods from June, 2012 to June, 2016. On the figure 8, shows that the growth trend in saving mobilization of sampled SACCO union from the year 2012 to 2013. The growth rate of saving mobilization increased by 106.14% for the first year. However, in the year 2014, the growth rate of saving mobilization shows a declining trend. The rate decreased from 106.14% to 82.32% which is the highest

decreasing rate. The growth rate of saving mobilization in year 2015 is increased by 130.42%. And during the year 2016 it shows a declining trend by 79.66%. This is the result of the increment or decrement of saving mobilization is that different factors that influence the saving mobilization the case of Weltane Ambo SACCO union. The Key informant interviews reflect that the primary saving and credit cooperatives did not continuously save their deposit as required amounts in SACCO union.

*Insert Table 4 and Figure 8*

### **Growth in Capital**

As indicated in table 5 below that the growth trend of SACCO union in terms of capital formation. The annual rate of increment in terms of capital of SACCO union was increased from the period of year 2013 to year 2015 i.e. percentage of 61.73, 75.58 and 74.64 respectively. But at the year of 2016 the annual rate of capital growth was decreased from 74.64% to 29.32%. This indicate that the growth rate of capital

*Insert Table 5 and Figure 9*

### **Growth in Loan Provision to Members**

As indicated in figure 10 it stated that the saving mobilization for loan provision to their members of Weltane Ambo SACCO union for the year of 2012 the loan to members was covered by 92.63% which mean that the rest 7.37% of the loan provision was covered by other internal source of finance, for the year 2013 the loan provision was covered 80.94% by saving the rest 19.06% of the loan provision was covered by other internal source of finance, for the year 2014 the loan to members was covered by 82.38% which mean that the rest 17.62% of the loan provision was covered by other internal source of finance. On the year 2015 the loan provision to their members was covered by saving only 39.09% the rest 60.91% was mostly

covered by external source of finance. In the year 2016 the loan disbursed to members was covered by saving mobilization of the sampled SACCO union was 52.15% the rest of loan provision to their members which means 47.85% was covered almost from external source of financing or borrowing from banks. This indicates that the sampled SACCO union was not sufficient to provide loan to their members through saving mobilization from their members or other parties. These results indicate that the SACCO union has no an adequate amount of saving in order to provide sufficient amount of loan to their members.

*Insert Table 6 and Figure 10*

### **Growth of Dividend Payout on Saving and Share Capital**

Figure 11 indicates that the amount of return disbursed to the members as dividend. Results indicate that in the year of 2012-2013 the growth rate of dividend per saving was decrease from 1.6% to 1% by 0.6% while the growth rate of dividend per capital was decreased from 2.46% to 1.91% by 0.55%. In the years of 2013-2014 the growth rate of dividend per saving was increased from 1% to 1.31% by 0.13% while the growth rate of dividend per share was increased from 1.91% to 2.9% by 0.99%. in the year of 2014-2015 the growth rate of dividend per saving was increased from 1.13% to 1.48% by 0.17% while the growth rate of dividend per share was increased from 2.90% to 4.39% by 1.49%. In the year of 2015-2016 the growth rate of dividend per saving was increased from 1.48% to 1.70% by 0.22% while the growth rate of dividend per capital was increased from 4.39% to 7.74% by 3.35%. Finally, the result was indicated that the growth rate of dividend per saving from the base line year to the year of 2016 shows that only 0.1% was increased. The growth rate of dividend per share from the base line to the year of 2016 indicated that increased by 5.38%. The findings imply that the SACCO



union was not properly allocated the growth rate of dividend per saving when compare to per share capital. The findings indicated that the amount of dividend paid on saving is less than the amount paid on share capital. This implies that the amount or the rate of dividend paid on saving increased the amount of saving mobilization in SACCO union. The results revealed that the amount of dividend paid on saving was influence the saving mobilization in the case of Weltane Ambo SACCO union.

*Insert Table 7 and Figure 11*

### **Determinants of Saving Mobilization**

This section attempts to analyses the findings of the various determinants of saving mobilization the case of Weltane Ambo saving and credit cooperative union in west Shoa zone is chosen by the researcher. They include internal factors (safety, income level, interest rate, access to saver and dividend payout) and external factors (the existence of other financial institutions). The measurements of saving mobilization also analyses in descriptive Statistics. In the research analysis the researcher used a tool rating scale of 5 to 1; where 5 were the highest and 1 the lowest. Opinions given by the respondents were rated as follows, 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree and 1= Strongly Disagree. The analysis for mean, standard deviation and coefficient of variation were based on this rating scale.

### **Internal Factors Descriptive Analysis**

#### **Safety on Saving Mobilization**

The second objective of the study was to establish the extent to which internal factors influencing the saving mobilization of Weltane Ambo SACCO union. Respondents were required to respond to set questions related to the internal factors which included safety and give their response. The opinion statement indicated that on table 8 safety on saving affects

saving mobilization shows that 94.5% of the respondents agreed that safety on saving affect saving mobilization in SACCO union and had a mean score of 4.44 and a standard deviation of 0.770. On the other points indicated that 95.9% agreed that high safety on saving increase saving mobilization in SACCO union and had a mean score of 4.57 and a standard deviation of 0.712. Furthermore, results indicated that 91.1% of the respondents agreed that low safety on saving decrease saving mobilization in SACCO union and had a mean score of 4.22 and a standard deviation of 0.973. In addition, 70.5% of the respondents agreed that trust of members on Sacco's affects saving mobilization in SACCO union and had a mean score of 3.54 and a standard deviation of 1.192. The findings imply that safety was one of the internal factor influences the saving mobilization in SACCO union. The findings imply that there was high safety on saving it increase saving mobilization in SACCO union.

*Insert Table 8*

### **Income Level on Saving Mobilization**

Income level was one of internal factors influencing saving mobilization in SACCO union. The opinion statement indicated on table 9 that 88.2% of the respondents were agreed that monthly member's income affects their saving level in SACCO union and had a mean score of 4.01 and a standard deviation of 0.94. Furthermore, results indicated that 89.7% of the respondents agreed that member's low income have a low saving rate in SACCO union and had a mean score of 4.23 and a standard deviation of 0.83. On other point indicated that 73.7% of the respondents were disagreed that member's high income has a low saving rate in SACCO union and had a mean score of 2.36 and a standard deviation of 1.09. This indicates that many respondents disagreed with this statement. In addition, 80.9% of the respondents were agreed that the member's high income have a high

saving rate in SACCO union and had a mean score of 3.99 and a standard deviation of 1.14. Finally, 78.8% of the respondents were disagreed that member's low income has a high savings rate in SACCO union and had a mean score of 2.14 and a standard deviation of 0.99. The mean score for the responses was 2.14 which indicate that many respondents disagreed with the statements regarding members' low income have a high savings rate. This implies that as income level of primary SACCOs were increased saving mobilization also increased in SACCO union. The results revealed that income level was one of the internal factors influenced saving mobilization in SACCO union.

*Insert Table 9*

### **Interest Rate on Saving Mobilization**

The opinion statement has been indicated on table 10 that 89.5% of the respondents were agreed that low interest rates on saving decrease saving mobilization in SACCO union and had a mean score of 4.05 and a standard deviation of 0.81. The results indicate that 64.3% of the respondents were disagreed that low interest rates on saving increase saving mobilization and had a mean score of 2.51 and a standard deviation of 1.16. On other point indicated that 88.3% of the respondents were agreed that high interest rate on saving leads to increase saving mobilization and had a mean score of 2.51 and a standard deviation of 1.16. Furthermore, results indicated that 77.4% of the respondents were disagreed that high interest rate on saving leads to decrease saving mobilization and had a mean score of 2.51 and a standard deviation of 1.16. This indicates that many respondents were disagreed with this statement. This implies that as interest rate increase on saving it increased saving mobilization. In addition, 60.9% of the respondents were disagreed that low interest rates on loan decrease saving mobilization and had a mean score of 2.65 and a standard deviation of 1.19. On

the other points 83.6% of the respondents agreed that low interest rates on loan increase saving mobilization. High interest rate on loan leads to increase saving mobilization. The other results indicate that 67.8% of the respondents disagreed that high interest rate on loan leads to increase saving mobilization had a mean score of 2.47 and a standard deviation of 1.32. Finally, 68.5% of the respondents were agreed that high interest rate on loan leads to decrease saving mobilization and had a mean score of 2.47 and a standard deviation of 1.32. This implies that as interest rate increase on saving and interest rate decrease on loan it leads to increase saving mobilization in SACCO union. The results revealed that interest rate on saving were one of the internal factors influenced saving mobilization in SACCO union.

*Insert Table 10*

### **Access to Saver on Saving Mobilization**

The opinion statement has been indicated on table 11 that 92.5% of the respondents agreed that distance of SACCO union from saver affects their saving mobilization in SACCO union and had a mean score of 4.25 and a standard deviation of 0.63. On the other points the results indicated that 92.5% of the respondents were agreed that distance of SACCO union from borrower affects their saving mobilization and had a mean score of 4.12 and a standard deviation of 0.85. Furthermore, results indicated that 93.2% of the respondents were agreed that distance from a member working place to SACCO union affects the level of saving and had a mean score of 4.16 and a standard deviation of 0.72. In addition, 64.4% of the respondents were disagreed that the SACCO union access to saver or borrower in cost wise is low and had a mean score of 2.64 and a standard deviation of 1.4. Finally, 81.5% of the respondents agreed that SACCO union was access to saver/borrower in cost wise is high had a mean score of 3.95 and a standard deviation

of 0.95. This implies that as distance increases from SACCO union the cost incurred on saver or borrower also increased and saving mobilization decrease. This implies that as accessibility increase saving mobilization also increased while as distance from SACCO union increase the cost wise also increase and saving mobilization was decreased. In this case it has negative relationship b/n access in cost wise and saving mobilization in SACCO union. The results revealed access to saver or borrower on saving were one of the internal factors influenced saving mobilization in SACCO union.

*Insert Table 11*

### **Dividend on Saving Mobilization**

Dividend payout on saving was one of internal factors influencing saving mobilization in SACCO union. The results on table 11 indicates that 84.9% of the respondents were agreed that dividend pay-out on saving affect saving mobilization and had a mean score of 3.86 and a standard deviation of 0.94. On the other points the results indicated that 99.7% of the respondents were agreed that dividend pay-out on saving increase saving mobilization and had a mean score of 4.52 and a standard deviation of 0.54. Furthermore, results indicated that 94.5% of the respondents were agreed that high dividend pay-out on saving increase saving mobilization and had a mean score of 4.45 and a standard deviation of 0.69. Finally, 80.1% of the respondents were agreed that low dividend pay-out on saving decrease saving mobilization and had a mean score of 3.88 and a standard deviation of 1.01. This implies that dividend payout on saving it increase saving mobilization in SACCO union and it has positive relationship between dividend payout on saving and saving mobilization. The results revealed that dividend on saving were one of the internal factors influenced saving mobilization in SACCO union.

*Insert Table 12*

### **External Factors Descriptive Analysis Existing of other financial institutions on saving mobilization.**

The third objective of the study was to assess the extent to which external factors influencing the saving mobilization of Weltane Ambo SACCO union. Respondents were required to respond to set questions related to the external factors which included the existing of other financial institutions and give their response. The opinion statement shows on table 12 as indicated that 71.9% of the respondents were agreed that members can access to other financial institutions with ease rather than SACCO union and had a mean score of 3.58 and a standard deviation of 1.12. On the other points the results indicated that 89.1% of the respondents were agreed that distance from a members working place to other financial institutions affects the level of saving in SACCO union had a mean score of 3.58 and a standard deviation of 1.12. On the other hands the results indicated that 73.3% of the respondents were agreed that the variety of other financial institutions savings products affects the level of saving mobilization and had a mean score of 3.68 and a standard deviation of 1.03. Furthermore, results indicated that 52.7% of the respondents were agreed that opening and closing hours of other financial institutions affects the level of saving mobilization in SACCO union and had a mean score of 3.29 and a standard deviation of 1.11. In addition, 82.9% of the respondents were disagreed that the SACCO union and had a mean score of 3.91 and a standard deviation of 0.98. Finally, 80.8% of the respondents were agreed that the social construction & existence of formal & informal financial institution affects saving mobilization and had a mean score of 3.58 and a standard deviation of 1.12. This implies that the existence of other financial institutions was highly competition with SACCO union.

This implies that as high competition from other financial institution it influences saving mobilization in SACCO union.

The results revealed that existence of other financial institutions was one of the external factors influenced saving mobilization in SACCO union.

*Insert Table 13*

### **Measurement of Savings Mobilization**

The opinion statement in agreement was that the level of saving in SACOO union show on table 13 indicates that 69.9% of the respondents were agreed that the level of saving in SACCO union is high that provide sufficient loan to their members and had a mean score of 3.68 and a standard deviation of 1.08. On the other points the results indicated that 74% of the respondents were agreed that the saving mobilization in SACCO union has been successful and had a mean score of 3.77 and a standard deviation of 1.02. Furthermore, results indicated that 69.1% of the respondents were agreed that the level of wealth creation in SACCO union is sufficient amount and had a mean score of 3.84 and a standard deviation of 1.02. Finally, 84.9% of the respondents were agreed that the level of saving in the SACCO union is sufficient for provision of loan to members and had a mean score of 3.90 and a standard deviation of 0.71. This implies that saving mobilization of SACCO union was increased as properly managed the determinants factors which influence saving mobilization.

*Insert Table 14*

### **3. Regression Analysis on Variables**

Regression analysis was conducted to empirically determine whether independent variables were a significant determinant of dependent variable. The regression analysis was done with saving mobilization as the dependent variable and determinants of saving mobilization as the independent

variables (safety, income level, and interest rate, access to saver, dividend and existence of other financial institutions).The study found a positive relationship between saving mobilization and determinants of saving mobilization in SACCO union such as internal factors (safety, income level, interest rate, access to saver, dividend) and external factors (existence of other financial institutions).

### **Coefficient of Correlation**

To show the relationship between the study variables and their findings, the study used the Karl Pearson's coefficient of correlation ( $r$ ). This is as indicate in table 14 below. According to the findings, it was clear that there was a positive correlation between the independent variables, safety, income level, interest rates, access to saver, dividend and existence of other financial institutions the dependent variable savings mobilization the case of Weltane Ambo SACCO union. From the correlation analysis the study revealed that there existed significance strong and positive correlation between safety and saving mobilization in SACCO union as Correlation coefficient factors  $r = 0.392$ ,  $P=0.000<0.05$ ). The correlation analysis results revealed that there existed a significant strong positive correlation between income level and saving mobilization as the correlation coefficient  $r=0.533$ ,  $P=0.000<0.05$ . The correlation analysis results revealed that there existed a significant strong positive correlation between interest rate and saving mobilization as the correlation coefficient  $r=0.604$ ,  $P=0.000<0.050$ . The correlation analysis results revealed that there existed a insignificant strong positive correlation between access to saver and saving mobilization as the correlation coefficient  $r=0.001$ ,  $P=0.993>0.050$ .The correlation analysis results revealed that there existed a significant strong positive correlation between dividend and saving mobilization as the correlation coefficient  $r=0.272$ ,  $P=0.001<0.050$  and the correlation analysis results revealed that there existed a

significant strong positive correlation between existence of other financial institutions and saving mobilization as the correlation coefficient  $r=0.577$ ,  $P=0.000<0.05$ . This shows that a positive relationship between the independent variable namely safety, income level, interest rates, access to saver, dividend and existence of other financial institution and the dependent variable savings mobilization in SACCO union.

*Insert Table 15*

#### **Coefficient of Determination**

The regression results in table 15 indicate the goodness of fit for the regression between independent variables and dependent variable (saving mobilization) was satisfactory in the multiple regressions. An R squared of 0.756 indicates that 75.6% of the relationship is explained by the identified six factors namely safety, income level, interest rate, access to saver or borrower, dividend and existence of other financial institutions. The rest 24.4% is explained by other factors in the SACCO union not studied in this research. In summary the six factors studied namely, safety, income level, interest rate, access to saver or borrower, dividend and existence of other financial institutions explains or determines 75.6% of the relationship while the rest 24.4% is explained or determined by other factors. Further, the adjusted R-square= 0.745 shows that, the factors accounted for 74.5% of the variance in saving mobilization. The standard error of estimate for the model was 0.202.

*Insert Table 16*

#### **Analysis of Variance (ANOVA)**

The study used ANOVA to establish the significance of the regression model. In order to testing the significance level, the statistical significance was considered significant if the p-value was less than 0.05. The significance of the regression model is as per table 16 below with P-value of 0.00 which is less than 0.05. This indicates that the regression model is statistically

significant in predicting factors affecting savings mobilization the case of Weltane Ambo SACCO union. Basing the confidence level at 95% the analysis indicates high reliability of the results obtained. The overall ANOVA results indicates that the model was significant at  $F = 71.629$ ,  $p = 0.000$ .

*Insert Table 17*

#### **4. Multiple Regression Analysis**

Regression results in Table 17 below indicate that the coefficients for each of the variables as well as their significance levels in the model. As shown, safety, income level, interest rate, access to saver or borrower and existence of other financial institutions factors influence significantly affected saving mobilizations in SACCO union.

*Insert Table 18*

#### **The regression equation was:**

$$Y = 0.209 + 0.229X_1 + 0.208X_2 + 0.373X_3 - 0.236X_4 + 0.115X_5 + 0.308X_6$$

Where: Y = Savings mobilization

X<sub>1</sub> = Safety

X<sub>2</sub> = Income level

X<sub>3</sub> = Interest rate

X<sub>4</sub> = Access to saver

X<sub>5</sub> = Dividend

X<sub>6</sub> = Existence of other financial institution

$$\text{Savings mobilization} = 0.209 + 0.229 \text{ Safety} + 0.208 \text{ Income level} + 0.373 \text{ Interest rate} - 0.236 \text{ Access to saver} + 0.115 \text{ Dividend} + 0.308 \text{ Existence of other financial institution}$$

The regression equation above has established that taking all factors into account (Savings mobilization as a result of safety, income level, interest rate, access to saver or borrower, dividend and existence of other financial institution) constant at zero savings mobilization among SACCO union will be 0.209. The findings presented also shows that taking all other independent variables at zero, a unit increase in safety will lead to a 0.229 increased in the scores of saving mobilization in SACCO union; a unit increased in income level 0.208

increased in saving mobilization in SACCO union; a unit increased in interest rate 0.373 increased in the scores of saving mobilization in SACCO union; a unit increased in access to saver in terms of distance and cost wise -0.236 decreased in the scores of saving mobilization in SACCO union; a unit increased in dividend 0.115 increased in the scores of saving mobilization in SACCO union and a unit increase in existence of other financial institution 0.308 increased in the scores of savings mobilization in SACCO union. This implies that safety, income level, interest rate, dividend, and existence of other financial institutions have a positive relationship with savings mobilization and statistically significant in explaining saving mobilization in Weltane Ambo SACCO union as p value = 0.000, 0.000, 0.000, 0.001, and 0.000 respectively. But access to saver or borrower has a negative relationship with saving mobilization and statistically significant in explaining saving mobilization in Weltane Ambo SACCO union as p value = 0.000. From all of the independent variables the interest rate was contributed most to the dependent variable.

### **Conclusions and Recommendations**

#### **Conclusions**

The study concludes that the performance of SACCO union in term of member growth rate is highly increasing and slowly decreasing rate during the study period of five years. On the other hands it can be concluded that the performance of SACCO union in term of saving mobilization and capital growth rate is highly increasing and highly decreasing rate during the study period of five years. It also concluded that the performance of SACCO union in term of sufficient loan provision to their members through saving mobilization from their members or other parties is low. The dividend payout on saving and share capital shows that the amount of dividend paid on saving is less than the amount paid on share capital. From this it can be concluded that the amount of dividend paid on saving as

increased it also increased the amount of saving mobilization in SACCO union.

The study concludes that the internal factors that determined saving mobilization in SACCO union have been identified. Thus, internal factors were safety, income level, and interest rate, access to saver, dividend, and existence of other financial institutions. From these internal factors safety was one the determinant that influence saving mobilization in SACCO union. It can be concluded from this study that when holding other factors constant safety was found to have a positive and significant relationship between safety and saving mobilization. This implies that there was high safety on saving it increase saving mobilization in SACCO union. It can be concluded that a unit increase in safety will lead to an increased in the scores of saving mobilization in SACCO union.

The other internal factors that influence saving mobilization were income level. It has a positive and significant relationship between income level and saving mobilization in SACCO union. This implies that as income level of primary SACCOs were increased saving mobilization also increased in SACCO union. It can be concluded that a unit increase in income level will lead to an increased in the scores of saving mobilization in SACCO union.

The study sought to establish the extent which internal factors influencing saving mobilization the case of Weltane Ambo SACCO union. From these internal factors interest rate was one of the influence factors on saving mobilization. It has a positive and significant relationship between interest rate and saving mobilization in SACCO union. This implies that as interest rate increased saving amounts also increased in SACCO union. It can be concluded that a unit increase in interest rate will lead to an increased in the scores of saving mobilization in SACCO union. This implies that interest rate on saving in SACCOs was statistically significant in

explaining saving mobilization of SACCOs union.

From the study findings, it can be understood that dividend was one of the internal factors that influence saving mobilization. It can be concluded from this study that there exists a positive significant relationship between dividend and saving mobilization in SACCOs union. The results reveal that dividend is statistically significant in explaining saving mobilization of the SACCOs union. It can be concluded that a unit increase of dividend will lead to an increased in the scores of saving mobilization in SACCO union.

The study sought to establish the extent which internal factors influencing saving mobilization the case of Weltane Ambo SACCO union. From these internal factors access to saver or borrower was one of the influence factors on saving mobilization. It has a negative and significant relationship between access to saver in terms of distance and cost wise. This implies that as accessibility increase in case of SACCO union saving mobilization also increased while as distance from SACCO union increase the cost wise also increase and saving mobilization was decreased. It can be concluded that a unit increase in access to saver in terms of distance and cost wise will lead to a decreased in the scores of saving mobilization in SACCO union.

The study sought to assess the extent which external factors influencing saving mobilization the case of Weltane Ambo SACCO union. From these external factors existence of other financial institutions was one of the influence factors on saving mobilization. The study results revealed that the existence of other financial institutions was highly competition with SACCO union. This implies that as high competition from other financial institution it influences saving mobilization in SACCO union. It has a positive and significant relationship between existence of other financial institutions and saving

mobilization in SACCO union. It can be concluded that a unit increase in existence of other financial institutions will lead to an increased in the scores of saving mobilization in SACCO union. This implies that existence of other financial institutions on saving in SACCOs was statistically significant in explaining saving mobilization of SACCOs union.

### **Recommendations**

The findings of the study identified the determinants of saving mobilization the case of Weltane Ambo SACCO union. From trend, descriptive and multiple regression analysis results revealed that safety, income level, interest rate, dividend and existence of other financial institutions had positive and statistically significant effect on saving mobilization. But the result revealed that access to saver or borrower had negative and statistically significant effect on the saving mobilization. Based on the finding results the following recommendations or suggestion are forwarded.

- SACCO union should be provided high safety for members saving in order to convince the members that their savings will be secured from any risk and to win the hearts and minds of the saver members to save their money in the SACCO union.
- SACCO union should be encouraged and aware all members to save based on their income level in continues manner to pull huge amounts of saving.
- SACCO union should be offer its members fair interest rate on their savings to encourage them to save with the SACCO union as opposed to using other financial institutions.
- SACCO union should be provided saving services by establishing satellite branches reasonably near to the primary saving and credit cooperatives societies.
- SACCO union should be adjusted the rate of dividend allocation on saving as the amount of saving increase from year to year and compare with dividend paid on share in

order to encourage saving mobilization at organization level.

- The study recommends that the SACCOs union should emphasize and enhance that the competition from other financial institution is managed well. SACCO union should provide attractive products and offer better services in order to attract more deposits than their competitors.
- Government interventions should focus on awareness creation and increasing the availability and accessibility of infrastructures specially, in rural areas to promote saving culture in SACCOs.

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**Table 1 - Profiles of West Shoa Zone Primary Cooperatives**

No.	Types of cooperatives	No of coops	Number of members		
			Male	Female	Total
1	Agricultural coop.	1015	154650	21103	175753
2	Non-Agricultural	114	4718	1056	5752
3	Consumers	103	4853	3632	8352
4	SACCOs	658	25035	22888	47923
	<b>Total</b>	<b>1890</b>	<b>189256</b>	<b>48679</b>	<b>237780</b>

Source: West Shoa cooperative promotion Agency, 2016

**Table 2 - Profiles of West Shoa Zone Cooperatives Union**

No.	Types of cooperatives	No of Union	Members of primary coops.	Individual membership of primary cooperatives		
				Male	Female	Total
1	Agricultural coop.	7	387	150131	15430	165561
2	Non-Agricultural	1	8	201	21	222
3	SACCOs	1	166	5074	3916	8990
	<b>Total</b>	<b>9</b>	<b>561</b>	<b>155,406</b>	<b>19,367</b>	<b>174,773</b>

Source: West Shoa cooperative promotion Agency, 2016

**Table 3: Growth in Membership (2012-2016 G.C)**

Years	Membership Growth Rate of SACCO union	Growth rate of members in %
2012	41	-
2013	53	29.26
2014	83	56.60
2015	138	66.26
2016	166	20.29

Source: Weltane Ambo SACCO union data base, 2012-2016

**Table 4 - Growth in Saving Mobilization (2012-2016 G.C)**

Years	Saving Growth of SACCO union	Growth rate of saving
2012	369,994.34	-
2013	762,713.37	106.14
2014	1,390,588.61	82.32
2015	3,204,134.32	130.42
2016	5,756,503.77	79.66

Source: Audited Financial Report of WASACCO union from 2012 to 2016 G.C

**Table 5 - Growth in Capital Formation (2012-2016 G.C)**

Year	Capital Growth of SACCO union	Growth rate of capital in %
2012	211,687.55	-
2013	342,367.05	61.73
2014	601,134.81	75.58
2015	1,049,763.14	74.64
2016	1,357,580.10	29.32

**Source:** Audited Financial Report of WASACCO union from 2012 to 2016 G.C

**Table 6 - Growth in Loan Provision to Members (2012-2016 G.C)**

Year	Saving Growth of SACCO union	Loan provision to members	Rate of saving to loan provision
2012	369,994.34	399,450.00	92.63
2013	762,713.37	942,300.00	80.94
2014	1,390,588.61	1,688,000.00	82.38
2015	3,204,134.32	8,197,300.00	39.09
2016	5,756,503.77	11,039,000.00	52.15

**Source:** Audited Financial Report of WASACCO union from 2012 to 2016 G.C

**Table 7 - Growth of dividend payout on saving and share capital**

Years	Amount of Dividend on saving	Amount of Dividend on share capita	Saving	Share capital	Dividend per saving	Dividend per share capital
2012	5,937.53	4,750.03	369,994.34	201,000.00	1.60	2.36
2013	7,599.72	6,079.78	762,713.37	318,000.00	1.00	1.91
2014	18,278.11	14,622.50	1,390,588.61	504,000.00	1.31	2.90
2015	47,571.30	38,057.00	3,204,134.32	867,000.00	1.48	4.39
2016	97,814.28	78,251.40	5,756,503.7	1,011,000.0	1.70	7.74

**Source:** Audited Financial Report of WASACCO union from 2012 to 2016 G.C

**Table 8: Safety as Internal Factors Influence Saving Mobilization**

Descriptive Statistics							
Statement	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly disagree (%)	Mean	Std. Deviation
Safety on saving affect saving mobilization	55.5	39	0.7	4.1	0.7	4.44	.770
High safety on saving increase saving mobilization	65.8	30.1	0.7	2.7	0.7	4.57	.712
Low safety on saving decrease saving mobilization	43.8	47.3	1.4	2.7	4.8	4.22	.973
Trust of members on Sacco's affect saving mobilization	17.8	52.7	2.8	19.9	6.8	3.54	1.19

**Table 9: Income Level as Internal Factors Influence Saving Mobilization**

Descriptive Statistics							
Statement	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly disagree (%)	Mean	Std. Deviation
Monthly Members income affects their savings level in Sacco's union	26	62.3	2.1	5.5	4.1	4.01	0.94
Members Low income have a low savings rate	40.4	49.3	2.7	7.5	0	4.23	0.83
Members High income have a low savings rate	6.2	13	7.5	56.8	16.4	2.36	1.09
Members high income have a high savings rate	37.7	43.2	5.5	7.5	6.2	3.99	1.14
Members low income have a high savings rate	4.1	7.5	9.6	55.5	23.3	2.14	0.99

**Table 10 - Interest Rate on Saving Mobilization - Descriptive Statistics**

Statement	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly disagree (%)	Mean	Std. Deviation
Low interest rates on saving decrease saving mobilization	24	65.8	3.4	4.8	2.1	4.05	0.81
Low interest rates on saving increase saving mobilization	5.5	21.2	8.9	47.9	16.4	2.51	1.16
High interest rate on saving leads to increase saving mobilization	44.5	43.8	6.8	4.1	0.7	4.27	0.82
High interest rate on saving leads to decrease saving mobilization	8.2	9.6	4.8	50	27.4	2.21	1.19
Low interest rates on loan decrease saving mobilization	8.2	21.9	8.9	48.6	12.3	2.65	1.19
Low interest rates on loan increase saving mobilization	36.3	47.3	3.4	9.6	3.4	4.03	1.05
High interest rate on loan leads to increase saving mobilization	9.6	20.5	2.1	42.5	25.3	2.47	1.32
High interest rate on loan leads to decrease saving mobilization	34.9	33.6	3.4	20.5	7.5	3.68	1.34

**Table 11 - Access to Saver on Saving Mobilization - Descriptive Statistics**

Statement	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly disagree (%)	Mean	Std. Deviation
Distance of SACCO union from saver affects their saving mobilization	29.5	63	0	4.3	2.7	4.25	0.63
Distance of SACCO union from borrower affects their saving mobilization	29.5	63	0	4.3	2.7	4.12	0.85
Distance from a members working place to SACCO union affects the level of savings	29.5	63.7	0.7	6.2	0	4.16	0.72
The SACCO union access to saver/borrower in cost wise is low	8.9	18.5	8.2	56.2	8.2	2.64	1.14
Access to saver/borrower in cost wise is high	28.1	53.4	6.2	11	1.4	3.96	0.95

**Table 12 -Dividend on Saving Mobilization - Descriptive Statistics**

Statement	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly disagree (%)	Mean	Std. Deviation
Dividend pay-out on saving affect saving mobilization	17.1	67.8	2.7	8.2	4.1	3.86	0.94
Dividend pay-out on saving increase saving mobilization	53.4	45.9	0	0.7	0	4.52	0.54
High dividend pay-out on saving increase saving mobilization	53.4	41.1	2.7	2.7	0	4.45	0.69
Low dividend pay-out on saving decrease saving mobilization	26	54.1	2.1	17.1	0.7	3.88	1.01

**Table 13 - Existing of Other Financial Institutions on Saving Mobilization**

Descriptive Statistics							
Statement	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly disagree (%)	Mean	Std. Deviation
Members can access to other financial institutions with ease rather than Sacco union	15.1	56.8	4.1	18.5	5.5	3.58	1.12
Distance from a member working place to other financial institutions affects the level of saving	24.7	64.4	1.4	8.2	1.4	4.03	0.85
The variety of other financial institutions savings products affects the level of saving	15.8	57.5	11.6	9.6	5.5	3.68	1.03
Opening and closing hours of other financial institutions affects the level of saving	12.3	40.4	13.7	30.8	2.7	3.29	1.11
The provision of loan by other financial institutions affects the level of saving	24.7	58.2	2.7	12.3	2.1	3.91	0.98
The social construction & existence of formal & informal financial institution affects saving mobilization	32.9	47.9	2.7	12.3	4.1	3.58	1.12

**Table: 14 Measurements of Saving Mobilization**

Descriptive Statistics							
Statement	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly disagree (%)	Mean	Std. Deviation
The level of saving in SACCO union is high	23.3	46.6	5.5	24.7	0	3.68	1.08
The saving mobilization in SACCO union has been successful	23.3	50.7	6.2	19.9	0	3.77	1.02
The level of wealth creation in SACCO union is sufficient amount	30.1	39	15.8	15.1	0	3.84	1.02
The level of saving in the SACCO union is sufficient for provision of loan to members	13	71.9	7.5	7.5	0	3.90	0.71

**Table 15: Pearson's Correlation**

	Saving Mobilization	Safety	Income level	Interest rate	Access to saver	Dividend on saving	EOFI
Saving Mobilization	1						
Safety	.392** (.000)	1					
Income level	.533** (.000)	0.157 (.058)	1				
Interest rate	.604** (.000)	.261** (.001)	.344** (.000)	1			
Access to saver	0.001 (.993)	.220** (.008)	.179* (.031)	0.136 (.101)	1		
Dividend on saving	.272** (.001)	0.158 (.057)	0.144 (.082)	0.026 (.756)	0.105 (.206)	1	
EOFI	.577** (.000)	0.03 (.720)	.291** (.000)	.235** (.004)	.170* (.040)	0.154 (.064)	1

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

**Table 16: Coefficient of Determination (R 2)**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.869 <sup>a</sup>	.756	.745	.20214

a. Predictors: (Constant), Existence of other financial institutions, safety, dividend on saving, access to saver, income level, interest rate

**Table 17 - ANOVA**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.560	6	2.927	71.629	.000 <sup>b</sup>
	Residual	5.679	139	.041		
	Total	23.240	145			
a. Dependent Variable: Saving Mobilization						
b. Predictors: (Constant), EOFI, Safety, Dividend, Access, Income, Interest						

**Table 18: Multiple Regression Analysis - Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.209	.249		.840	.402
	Safety	.229	.038	.272	6.060	.000
	Income level	.208	.037	.262	5.635	.000
	Interest rate	.373	.047	.373	8.004	.000
	Access to saver	-.236	.042	-.244	-5.562	.000
	Dividend	.115	.035	.142	3.275	.001
	EOFI	.308	.033	.425	9.428	.000
a. Dependent Variable: Saving Mobilization						