

**INFLUENCE OF FINANCIAL LITERACY TRAINING PROGRAMS ON  
PERFORMANCE OF BUSINESS OWNED BY WOMEN ENTREPRENEURS: A CASE  
OF EQUITY BANK IN KASARANI CONSTITUENCY, NAIROBI COUNTY, KENYA**

**BY**

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**A Research Project Report submitted in partial fulfilment of the requirements for the  
award of Master of Arts degree in Project Planning and Management of the University of**

**Nairobi**

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**DECLARATION**

This research project is my original work and has not been presented for any award in any other university.

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## **DEDICATION**

This project is dedicated to my mother Joan Wambui Ngigi for your concern, encouragement, perseverance and patience in all areas of my life and for your continued prayer towards successful completion of this course.

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## LIST OF ABBREVIATIONS AND ACRONYMS

A.B.C	Alternative Banking Channels
A.F.D.B	African Development Bank
ASAL	Arid and semi-arid land
E.L.T	Experiential learning theory
E.O.C.D	Organization for Economic Cooperation and Development
F.L.L.IP	Financial Links for Low-Income People
G.O.K	Government of Kenya
I.D.A	Individual Development Account
I.L.O	International Labor Organization
I.M.F	International Monetary Fund
M.D.Gs	Millennium Development Goals
N.G.D.P	National Gender and Development Policy
P.P.Ps	Public Private Partnerships
S.A.Ps	Structural adjustment programs
S.E.D.I	Social and Enterprise Development Innovations
S.P.S.S	Statistical Packages for Social Sciences
U.S.A	United States of America
W.E.F	Women Enterprise Fund

## ABSTRACT

The purpose of this study was to assess the influence of financial training program on performance of business owned by women entrepreneurs in kasarani constituency. The objectives were; To establish how budgeting skills training influence business performance of business owned by women entrepreneurs in kasarani constituency; To determine how saving skills training influence business performance of business owned by women entrepreneurs in kasarani constituency; To assess how bank's products and services training influence business performance of business owned by women entrepreneurs in kasarani constituency and to assess how debt management training influence business performance of owned by women entrepreneurs in kasarani constituency. Descriptive survey method was applied in this study as the research design. The study targeted 130 women entrepreneurs who have undergone the financial literacy trainings in kasarani constituency and used a sample size of 97 respondents. The researcher used questionnaires as the data collection instrument for this study. The research questionnaire was pretested using 10 women entrepreneurs. In order to test the reliability of the instruments, internal consistency technique was applied using Cronbach's Alpha theory. To check Validity on the research instruments the researcher used face validity to determine the test measured on what it was supposed to measure. Content validity on the other hand was used by the researcher to check whether the items in the questionnaire answered the research objectives. The data was analyzed using Spearman rank-order Correlation Coefficient, to establish the influence of the independent variable on the dependent variable. The study found that budgeting skills training was the most significant factor influencing the financial performance of women owned businesses, followed by training on bank product and services, saving skills training and training on debt management skills. The training enabled most of the women owned businesses to obtain a spending plan. In addition, most of the women owned businesses were keeping a written budget and were strictly spending their finances as per the budget. Since the training most women had improved the consistency of saving. As a result of the training, most of the women had a loan management plan. Further, training on debt management skills impacted on loan accessibility strongly. After the training most women businesses started using saving accounts, ATMs, Agency banking and they were getting loans. The study recommends that the government of Kenya should develop policies to enhance the financial literacy of women. This can be done by coming up with policies to establish training programs for women entrepreneurs all other the country. In addition, women entrepreneurs should be educated on the importance of having a spending plan. This can be done through training programs and can help them to ensure that their spending is not above their earnings. Also, women entrepreneurs should also be educated on the importance of having a written budget. A written budget helps entrepreneurs in ensuring that they plan appropriately for whatever revenue they make.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the study

Money related proficiency trainings are the arrangement of aptitudes and data that empowers a person to figure out how to deal with their funds by teaching individuals how to procure, oversee, contribute and furthermore give to the group. Ladies have bring down levels of education than men, aside from a couple of nations like lesotho and Jamaica, in creating nations this uniqueness arrived at the midpoint of 21 percent contrast, as per (Unesco 1988) reports, the extent of ignorant ladies is increasing.in 1960, 58% grown-up unskilled people were ladies, by 1970 this extent had expanded to 60%, and by 1985 it had ascended to 63%.In 43 of the 85 creating nations, half or more female grown-ups are uneducated. Unskilled ladies are various in China, India and sub-Saharan Africa. The Organization for Economic Cooperation and Development (OECD, 2013), declares that the G20 pioneers at their summit in June 2012 perceived the requirement for ladies and young people to access budgetary administrations and money related instruction so as to affect monetary abilities in running of their organizations. (OECD, 2013; OECD, 2005) study on money related proficiency levels in Kenya, Ethiopia and Tanzania built up low monetary education levels at the lower end of the wage conveyance with ladies in the three nations showing lower budgetary abilities and certainty than men. (Stevenson and Onge 2005) contends that the consolidated effect of globalization through changing examples of exchange and innovations call for monetary abilities that ladies business people on the African landmass don't have in light of the fact that numerous a bigger number of ladies than men do not have the essential level of specialized enterprise aptitudes, consequently the current money related education difference that favors men in Africa.

In Kenya, Vision 2030 Development Strategy argued that financial literacy training equipped people with the capacities to make informed choices about their lives enabling them make positive contribution to society. In deed Vision 2030 seek to champion the development of full capacities of all Kenyan citizens through training on skills that enhance the quality of their lives and enable them to make informed decisions (Government of Kenya, 2007). Despite the government effort to empower women in Kenya, (Women Enterprise Fund Strategic Plan 2009–

2012) estimate that 40% of every single Kenyan lady have no entrance to back by any stretch of the imagination, 40% approach just casual monetary frameworks. The plan concluded that women financial marginalization in Kenya is perpetual because they possess low financial skills and they are often exposed to unfavorable financial options

In order to address gender equality and economic empowerment of women, the Kenyan Government developed the Economic Recovery Strategy (ERS) through the Ministry of Gender, Sports, Culture and Social Services (Government of Kenya 2007) unveiled the Women Enterprise and Development Fund with one billion Kenya shilling for disbursement to women entrepreneurs. Equity bank Kenya established that the bank showed commitment to financially empowering its clients through a plan of action moored on access, accommodation and adaptability. Equity Bank 2013 annual financial report indicates that the bank has given over 10 billion as loans to over 136,000 women self-help group customers in Kenya since 2007. However the most relevant inquiry is whether the expected beneficiaries have the fundamental aptitudes in administration of accounts. Both the Government and private segment have great activities for enabling ladies monetarily yet money related proficiency will decide the amount of these billions accessible to the ladies will really change and engage their lives. In Kenya, budgetary education has not been considered important as it should be.

Equity bank through Equity Group Foundation introduced financial literacy training in 2010 that trains women customers on budgeting skills, saving skills, debt management skills and on bank services through a curriculum that was facilitated within twelve weeks with the women groups training for one hour every week. Through this training it was assumed that women entrepreneurs would be better equipped in financial management hence growth in their income levels, business expansion and improved standard of living. (Equity bank financial report, 2010).Equity Bank Financial literacy training offered to women and youth in Kenya aimed at transforming their lives and livelihoods by changing their financial handling behavior. The Equity bank financial literacy curriculum is anchored in the economic and social pillar of Kenyan vision 2030. According to James Mwangi in the (Equity bank financial report, 2010) this research will focus mainly of the influence of this training to ladies business visionaries as it were. In this examination, monetary education will be seen as an esteem added item to every one

of the activities and techniques set up for the financial strengthening of ladies.

## **1.2 Statement of the Problem**

The ladies in Kenya confront challenges which obstruct them from accomplishing economies of scale and demoralize them from wandering into business (Hisrich and Brush, 1986). In August 2007, the Kenyan government through the Ministry of Devolution and Planning set up Women Enterprise Fund which went for giving available and reasonable credit support to ladies to begin or grow business for riches and work creation (Republic of Kenya, 2007). In 2013 the uwezo fund was started and its sole aim was to enable women access finances to promote businesses and enterprises at the constituency levels. Women in Kenya comprise of 51% of the total population and hence their contribution to economic development is very important despite the fact that their knowledge and accessibility to financial services amongst other factors has hampered their contribution to the economy (Government of Kenya, 2007).

Despite all these efforts, it has been observed that the main obstacles that women face in the growth of their businesses are instructive and work foundation, mental issues, inspiration, responsibility and vocation development, preparing and abilities development, great income levels, administration principals, organizing aspiration to thrive and different limitations (Cromie and Birley, 1992). Because of this little effect of this administration activities on ladies business visionaries, this examination set out to explore the impact of preparing on monetary proficiency to ladies in Kasarani body electorate on the execution of their organizations.

## **1.3 Purpose of the Study**

The purpose of this study was to establish the influence of financial literacy training programs on performance of business owned by women entrepreneurs in Equity bank, kasarani branch.

## **1.4 Objectives of the study**

The objectives of this study were;

- i. To establish how budgeting skills training influence business performance of business owned by women entrepreneurs in kasarani constituency.

- ii. To determine how saving skills training influence business performance of business owned by women entrepreneurs in kasarani constituency.
- iii. To assess how bank's products training influence business performance of business owned by women entrepreneurs in kasarani constituency.
- iv. To assess how debt management training influence business performance of owned by women entrepreneurs in kasarani constituency.

### **1.5 Research Questions**

This study aimed to answer the following four major questions:

- i. How does budgeting skills training influence the performance of businesses owned by women entrepreneurs?
- ii. How does saving skills training influence financial performance of businesses by women entrepreneurs?
- iii. How does bank products training influence the financial performance of businesses owned by women entrepreneurs?
- iv. How does debt management skills training influence financial performance of businesses by women entrepreneurs?

### **1.6 Significance of the Study.**

This examination could be of significance to ladies business visionaries as it might plot the advantages of the monetary proficiency instruction and address the variables impacting ladies business people's budgetary execution in Kasarani voting demographic. This investigation may likewise help in the assurance of how money related education impacts ladies' monetary development and advancement. To the partners, the examination will be of significance since it will give data that can be utilized to figure arrangements later on. The money related

establishments may utilize this data to discover approaches to tailor make the item to impact more ladies business visionaries to experience the preparation. To analysts, the examination might be a wellspring of reference material for future specialists on related subjects; it will likewise enable different academicians who to embrace related themes in their investigations.

### **1.7 Assumptions of the study**

The study assumed that the respondents would answer the research questions correctly and truthfully because they had been trained on budgeting skills, saving skills, debt management skills and on bank product and services which are the subjects covered by the Equity Bank financial literacy training curriculum for women. The study also assumed that the sample used was a representation of the general population and conclusion was based on this sample, that the data collection instruments was valid and hence they measured the desired research constructs, and that the respondent would be available during the data collecting phase of the study.

### **1.8 Limitations of the Study.**

Time and budgetary assets requirements did not take into account a nationwide investigation. The examination was hence kept to Nairobi County Kasarani, as plot in the region of degree, as a relief of time administration. Research partners were additionally used to appropriate the polls, in this way help in efficient. Another confinement would be keeping down of some data considered by respondents as classified. This was relieved by the scientist's affirmation that the data was dealt with as secret and utilized just with the end goal of the investigation.

### **1.9 Delimitation of the Study**

The study was delimited to women entrepreneurs who had gone through the Equity bank financial literacy training in Kasarani constituency. The research paper focused on women entrepreneurs only and did not take into consideration any other trainings offered by other organizations which the participants to be interviewed in this study might have gone through.



## **1.10 Definitions of Significant Terms Used in the Study**

**Bank product and services training:** Refers to any teachings on bank item designed to aid access to bank services directly or through alternative bank channels including automated teller machines and agent network in Kenya and which could be accessed by women entrepreneurs.

**Budgeting skills training:** Refers to those financial management skills that women entrepreneurs will be trained on and which will aid them prepare written financial plans estimating their future income, expenses, loans and savings due to the group or creditors.

**Performance of Business owned by women entrepreneurs:** Refers to the outcome of any income earning activity or entity that is owned or run by a woman.

**Debt management skills training:** refers to any perception, values, attitudes or norms acquired by women entrepreneurs through the bank financial training curriculum which will aid them in making borrowing decisions.

**Financial literacy:** Refers to any knowledge, skills and attitudes gained by women customers as result of attending the training on budgeting skills, saving skills, debt management skills and on knowledge about bank products and services that were learnt through the Equity bank financial literacy curriculum.

**Financial training:** Refers to the process of educating women on budgeting skills, saving skills, debt management skills and on bank products and services.

**Saving skills training:** Refers to any perception, values, attitudes or norms acquired by women entrepreneurs after covering the Equity bank financial literacy training curriculum that trained women on how they could save part of their income or money to meet their future life goals and needs.

**Woman entrepreneur:** Refers to a female who organizes and manages any enterprise or business with a considerable initiative and risk.

### **1.11 Organization of the Study**

The study is organized into five chapters. Chapter one provides the background information to the study, the knowledge gap that the study intended to fill, the purpose of the study, the significant of the study, the objectives of the study and the research questions that the study will try to answer. Chapter two focuses on literature review of the study and give a detailed account of women entrepreneurs. It also focuses on the effects of entrepreneurial training on women owned enterprises which include financial management skills, access to credit facilities, innovation and access to market. In chapter four data analysis, presentation, interpretation and the implications of the research finding are covered. Chapter five covers the summary of finding, discussions, conclusions and recommendations of the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents a review of literature related to the influence of financial literacy training on performance of businesses owned by women entrepreneurs in different parts of the world. It gives information on the influence of training on budgeting, saving, debt management skill and on bank products and services on performance of businesses owned by women entrepreneurs based on various research that have been carried out in different parts of the world by other researchers. It also provides a conceptual framework that defines the relationship between dependent and the independent variables and a theoretical framework upon which the study was based. Books, journals, papers and reports was cited.

#### **2.2 Budgeting Skill training and business Performance of women entrepreneurs.**

The center segments of monetary proficiency trainings incorporates abilities, for example, planning and cash administration, budgetary arranging and objective setting, money related states of mind and conduct, credit and obligation administration (Murray 2011). An audit of 90 monetary proficiency programs in the U.S built up planning, sparing, speculation, credit and obligation to be the themes that were most ordinarily incorporated into budgetary education preparing content (Vitt et al 2000). The above research uncovered that in the wake of preparing on planning, funds, obligation administration and keeping money benefits there was a change in execution of elements built up by ladies business people. Every one of these subjects are secured by the money related proficiency preparing educational programs that is utilized by Equity Bank to prepare ladies entrepreneurs in Equity bank Kasarani branch.

The concentration of fruitful monetary proficiency mediations is not really on the exchange of data and certainties on themes, for example, credit, obligation, speculation and saving money but instead the engagement of these subject with a person's day by day life through the working of basic considering, certainty and critical thinking aptitudes. To be sure, watchful administration of

the little assets in ladies' ownership is basic in their attempt to meet their everyday needs, adapt to unforeseen crises and accept focal points of the open doors when they go along in their life. Subsequently exploiting the accessible monetary assets to boost ladies organizations money related potential is a key worry of the Equity Bank budgetary proficiency preparing educational programs that looks to change the organizations of these ladies through change of their money related administration conduct SEDI (2008).

Powerful monetary choices, knowing how to oversee cash are aptitudes basic to getting a charge out of a safe money related future in light of the fact that many individuals do not have the know-how important to settle on sound budgetary choices as appeared by falling investment funds sum, mounting shopper obligation, and a developing reliance on elective managing an account foundations in Kenya. This shows access to money related education programs is a squeezing need in our general public, particularly for ladies enterpreneurs prompting elite, (Friedman 2005). When ladies business visionaries end up noticeably educated budgetary leaders they figure out how to design and understand their objectives both here and now and long haul. An investigation completed in the United States of America, uncovered that adjustments in individual accounts measured through markers, for example, diminished individual reserve funds, expanded obligation, progressively various populaces that may not be acquainted with the U.S. monetary framework, and new innovations and showcasing procedures have brought the issue of individual money related administration to the front line (Friedman 2005).

It was noticed that in 2005, and surprisingly since the Great Depression, the US individual reserve funds rate fell into an adverse area implying that individuals spent the greater part of their post assess dollars, as well as needed to dunk into their investment funds to cover costs. This insights shows that the requirement for budgetary education trainings is a worldwide concern and its impact should be explored with a specific end goal to grow new collection of learning against which future preparing can be enhanced (Equity bank kenya yearly report, 2010) Major limitations that ladies confront as business people today is the unequal access to gainful assets and administrations, including fund and ability updating openings yet ladies bunches enable business visionaries to recognize their needs, strategize and satisfy their own particular undertakings, share the benefit of their endeavors and asses their arrangement and activities (United Nations Industrial Development Organization 2003).

Albeit numerous essential standards of cash administration are widespread, money related learning, background and practices shift broadly crosswise over people, family units and populaces and that introduction to budgetary education trainings impact execution of ladies undertakings. Among the youngsters for instance, there is significantly less involvement to draw on than more seasoned individuals while wage workers with a standard stream of pay might be more general savers contrasted with country populaces with unpredictable stream of wage and who may have substantially less introduction to formal keeping money foundations, it was reasoned that there is still more to find out about which sorts of monetary Literacy is required and by whom, which diverts are most productive in creating mindfulness, knowledge, mentalities and frameworks, and how budgetary instruction can be consolidated with different chances to improve long haul conduct change among ladies business people (B. Dim et al 2005).

Absence of legitimate preparing on budgetary proficiency or absence of monetary administration abilities compounds ladies neediness influencing an endless loop of impoverishment from one era to the next (Eliana La Ferrara 2002),The research on the instruction of ladies discovers potential cooperative energy that incorporates both financial and human improvement, assist the attention on ladies business people in Kenya has been on training and financial issues that were incited by the auxiliary change programs declared by the World Bank and the International Monetary Fund (IMF), this is as indicated by (Bichanga W.O. 2013) refering to Mbugua and Murithi (1997).

In Kenya, the accessible research writing uncovers that learns about ladies business people have harped on subjects such advance defaults, (Bichanga W.O. 2013) in Tranzoia County where they presumed that preparation is imperative to ladies since it enables them with learning on usage of advances support which thus prompt lower credit defaults, interest in country town gatherings, Mwabu, G. what's more, Thorbecke, E. (2001), part of ladies business people expressed that ladies business visionaries supplement exertion of different organizations to lessen neediness in Kenya yet little research has been done because of preparing on planning, sparing, obligation administration aptitudes on money related execution of ladies bunches in Kenya. Against this background, the issue will be to decide the impact of money related proficiency preparing on budgetary execution of ladies business people's clients in Equity Bank, Kasarani Branch.

### **2.3 Saving Skills trainings and business Performance of women entrepreneurs.**

Saving administrations have collected much premium particularly in Africa where the conventional supply driven credit models have not brought about the trusted huge out-reach and supportability and the significance that destitute individuals in Africa connect to saving is shown by the numerous cunning ways they find to spare which incorporates putting resources into resources that can be sold in a crisis, taking an interest in neighborhood activities, for example, pivoting saving and credit affiliations, loaning amongst families and companions and keeping little measure of trade out discharged places in their homes (Micro-Save 2004). Saving help to try and out wage streams that are subjected to regular variety on the grounds that as a methods for collecting riches, saving help the poor in Africa to accomplish their family's long haul objectives including both social and religious commitments and also encourage their future venture and utilization and this makes saving abilities a need as declared by (Micro-spare 2004).

Numerous shoppers battle to comprehend quickly changing monetary items and frameworks inside an expanding complex financial large scale condition and the requirement for money related training is most obvious inside powerless populaces that are distanced from budgetary frameworks, privileges and government frameworks. Then again low levels of money related proficiency add to monetary insecurity; impede endeavors to lessen destitution, influence numerous customers to battle to understand quickly changing budgetary items and framework inside an expanding complex financial full scale condition (Social and Enterprise Development Innovations (SEDI), 2005). (Rand, D. 2004) and (Moore et al 2001) in their evaluation of how preparing on saving aptitudes affected ladies business people detailed that money related education program members trusted that the instructional meetings were helpful in light of the fact that they persuaded them to spare.

Through an assessment of the American Dream, Demonstration's Financial Education Program it was built up that higher saving rates related with the quantity of hours one had gone to the preparation, up to 12 hours and in this way reasoned monetary proficiency preparing had an impact in the execution of ladies business people, utilizing on their gatherings as intends to getting to credit (Schreiner, M., and Sherraden, M. 2006). (Anderson, Steven, Scott and Zhan

2004) detailed that an assessment of monetary connections for low-salary individuals (FLLIP), that followed members in both budgetary administration preparing and IDA programs, found that a greater part of members in each program changed the path in which they followed family unit costs, planned, or paid bills. (World Bank 2009) states that approaching safe investment funds and protection items enormously influence the money related fate of ladies while monetary proficiency help get ready customers for extreme budgetary circumstances, by advancing systems that moderate hazard, for example, aggregating reserve funds, expanding resources, and buying protection.

Cash has diverse esteems after some time and holders of cash can either spend an entirety of cash or defer their utilization by putting the cash in various venture openings until the point when it is required and this undertaking is very affected by the money related aptitudes an individual have. Resources give an establishment of assets that young ladies can use for the duration of their lives since they grow openings other than giving a solid establishment to long haul freedom, control and financial security in this manner situating young ladies for a protected and profitable future. They suggest that, puberty is a prime time to connect with young ladies in projects and exercises keeping in mind the end goal to construct their social, human, money related and physical resources. Social and human resources can be worked through projects that stress aggregate arrangement, authority improvement, and coaching; monetary resources can be worked through projects that advance funds and budgetary education. Consolidated, these projects fortify and strengthen each other and give an establishment to the future ladies financial and social strengthening, (Cohen, and Sebstad 2008).

Regardless of the exhibited significance of monetary proficiency among ladies, (OECD 2005) money related education overview reasoned that budgetary education levels are low particularly at the lower end of the salary conveyance and that monetary training can help those at low pay levels benefit as much as possible from what they can spare. The (Kenya National Bureau of Statistics 2008) states that, grown-up proficiency is a MDG marker connected to objective 2 target 3, identifying with the two men and ladies, and is additionally an objective secured by a World Fit for Children.

The Constitution of Kenya 2010 has exceptionally dynamic benchmarks for guaranteeing

investment in basic leadership, particularly for ladies, who for quite a while have been prohibited from these , on account of this, the investigation because of monetary education preparing on execution of organizations possessed by ladies business people will look to comprehend the part that preparation on sparing ability play while ladies business people are influencing their sparing choices and the degree to which to these preparation impact the general budgetary execution of ladies who have experienced the preparation in Equity Bank, Kasarani Branch.

#### **2.4 Bank Products training and business Performance of women entrepreneurs**

The requirement for money related training as a device of advertising bank administrations and items develops more intense as the budgetary business develops and also because of expansion of specialist organizations and a various scope of items. Monetary instruction has been utilized by budgetary organizations as a device for reacting to the life cycle and market weights confronting low salary family units utilization of microfinance items which have been changed to incorporate credit for lodging and instruction, present and long haul investment accounts, cash exchanges, and insurance. This study will set to answer the impact that preparation on bank item and administrations has on money related execution of ladies business people who are clients in Equity Bank, Kasarani Branch.

Concentrates that are restricted to taking a gander at the impact of money related training on the take-up of a specific budgetary item are feeling the loss of a vital snippet of data on customer fulfillment with the item being advertised. This infers the outline of the money related instruction and the plan of the budgetary item must be inspected while assessing the impact of monetary training on monetary item take-up and business execution by ladies. This will be the concentration of this investigation. In Kenya there appear to be absence of trust in the effect of budgetary training in the advertising of bank items and administrations among the major money related foundations. As indicated by (B. Dark et al 2005). the business' absence of trust in budgetary training's effect on a man's money related practices and long haul impact on a man's monetary hazard and administration is not really because of the way that the current proof does not demonstrate positive impact but rather it is because of an absence of soundness of the objectives of money related instruction, conflicting and in some cases flawed research techniques and the planning of when appraisals are finished.



In 2009 creating nations experienced fast development in the money related division through the passage of new monetary suppliers and more mind boggling budgetary items and administrations and in addition the incorporation of new buyers to budgetary markets as result, there is an expansion in the significance of monetary education for purchasers in creating nations (World Bank 2009). (Nicholas Godfrey 2008) declares that the part of budgetary education among ladies business visionaries is to help enhance the productivity and nature of money related administrations in light of the fact that monetary shoppers like never before require a specific level of money related comprehension so as to assess and think about budgetary items, for example, financial balances, sparing items, credit and advance alternatives, installment instruments and ventures choices. (World Bank 2009) bolster the part of money related proficiency preparing by taking note of that charges and premium which are costs identified with monetary items formal or casual are probably going to speak to a higher offer of pay and along these lines significantly affect budgetary prosperity of ladies clients.

Studies demonstrate that the long haul advantages of money related proficiency preparing are concentrated among people whom their folks' investment funds rates were beneath normal. They recommend that monetary training is a win-win venture for the two customers and budgetary specialist co-ops in light of the fact that by showing great cash administration works on with respect to gaining, spending, sparing, and acquiring, money related instruction empowers destitute individuals to better deal with their assets, comprehend their budgetary alternatives, and enhance their prosperity while for the microfinance foundations, the educated client improves for a primary concern (B. Dark et al 2005). Money related administration industry has grown more inventive administrations that give new other options to monetary clients in Sub-Saharan Africa, customers frequently don't comprehend these new alternatives and may not utilize them further bolstering their good fortune. To measure choices and select the most proper items, customers need to see how their elements contrasts, how to figure and analyze their expenses, and how to figure out what they can bear, (Global Financial Education Program 2005).

Money related practices among the unbanked populaces are regularly receptive and continually reacting to prompt issues and needs with little time to consider alternatives, exchange offs, and longer-term outcomes. Accordingly the reaction has been acquiring cash on exceptionally ominous terms, bringing about finished obligation, disintegration of benefits and sometimes,

negative money related encounters result in fatalistic mentalities about stretching out of obligation or beyond fiscally (Cohen, and Sebstad 2008). (Worldwide Financial Education Program 2005), declares that a related issue that rises up out of the statistical surveying identifying with money related holes is the feeling of frailty numerous

Ladies business visionaries feel that managing money related issues in banks, in their business connections and with their spouses and other relatives is a troublesome undertaking. This condition of weakness relates to learning of money related ideas, as well as absence of transaction aptitudes. (Worldwide Financial Education Program 2005), watched that examination on impact of budgetary instruction on promoting recommends that numerous needy individuals are badly prepared to settle on educated monetary choices particularly with regards to fast expansion of new money related items and administrations from banks and other buyer elements. Microfinance Opportunities additionally contends that statistical surveying information demonstrates that individuals ordinarily find out about overseeing cash casually through individual experience and from family, companions and associates instead of formal training. In this manner while destitute individuals perceive the contrary results of poor cash administration and the significance of money related proficiency, they tend to see budgetary instruction" as something for rich individuals.

While researching preparing on bank item impact utilization of bank items among ladies, (MasterCard Foundation 2011) through a contextual investigation report built up that Organizations that were under the examination straightforwardly characteristic the expansion in the quantity of ledgers ( SPEED Ghana) and the quantity of savers (AMFIU, OIBM), and also changes in customers' confidence (Population Council), to their money related training programs albeit constrained target prove is displayed to help their affirmations. Perez (2012) attests that the Inter-American Development Bank 2011 overview among monetary proficiency recipients in Peru built up that 42.6% of ladies who got money related instruction on bank items and administrations knew that their records were secured, while 18% mindfulness rate was accounted for by ladies who did not get budgetary training preparing. In the locale where the program was executed, 40.4% of the reviewed recipients announced having responsibility for the cash they earned was being spent, while in control areas this rate was just 26.4%. This overview shows the impact of preparing on bank benefits on the decision of sparing alternatives accessible to ladies.

(Jennefer, S., Monique C and Kathleen, S. 2006). additionally advise that Survey comes about because of the Money Smart monetary instruction preparing for grown-ups in the United States, which covers the nuts and bolts of checking, funds, planning and credit, demonstrated positive changes in customer conduct and enhanced budgetary certainty amid a six month to year day and age following the course.

Value Bank Kenya has shown that keeping money with the poor market fragment can be gainful, and in this manner, other business banks have stuck to this same pattern and thus they have switched their past methodology of branch terminations by connecting with new target customers. Understanding money related administrations and utilizing them astutely can add to individual and national financial development other than being a customer insurance measure. In this way with the development of monetary administrations, there are more open doors, as well as more potential for customers to take the wrong choices. In accordance with Vision 2030, a far reaching money related education approach ought to develop with a concentration to maintain a strategic distance from over obligation in customers in light of the fact that as retail advances turn out to be all the more promptly accessible among ladies, this danger expands, this risk could contrarily influence the soundness of monetary foundations in Kenya. Motivating customers to see how to oversee obligation should be in light of a legitimate concern for the banks in Kenya since late advancements in Kenya money related market demonstrates that the requirement for budgetary training and education among poorer individuals has developed after some time (Ratio Magazine 2008).

The obstructions to money related incorporation in Kenya incorporate among others, low salary, low monetary education levels, item qualities, and geological separation all of which are explained in the vision 2030. In deed Kenya's present improvement diagram, Vision 2030, tries to graduate the nation from a low to medium wage nation by 2030. This vision is supported by greatly up-scaling access to formal money related administrations from current levels of 23% to more than 60% of the bankable grown-up populace. (Blade Access National Survey 2006 and 2009), recognized the obstructions to money related incorporation in Kenya to incorporate expenses of budgetary administrations (least adjusts and charges), low monetary education, documentation prerequisites, separation to monetary administrations areas, and wage imperatives. These reviews comes about uncovered low salary as the primary boundary to

growing access to budgetary administrations in Kenya with 61.8% of the unbanked populace referring to pay related hindrances as the key purpose behind their avoidance. Moreover the two study finding recommended that non-salary related access hindrances to money related administrations, for example, documentation and capabilities, item qualities, monetary proficiency levels, sexual orientation and social esteems, and land remove just like the second most vital purpose behind being unbanked. This is as per Government of the (Republic of Kenya 2007).The presentation of portable monetary administrations in Kenya has added to the dramatically increasing in the utilization of non-bank money related organizations from 7.5% out of 2006 to 17.9% of the bankable populace in 2009 as saw by (Fin Access 2009). (Dittus and Klein 2011) concur with (Fin Access 2009) when they hypothesize that the fascination of portable money related administrations, for example, M-Pesa is their broad achieve all finished Kenya, incorporating into towns and ghettos. The goal-oriented focuses under Vision 2030 require gigantic extension of access to monetary administrations for Kenyans and this make financial literacy training especially among women an important strategy towards achieving this course. This study will therefore set to establish the extent to which training on bank product and services influence the financial performance of businesses owned by women entrepreneurs that have been trained on financial literacy in Equity Bank, Kasarani Branch and the finding will be used to infer on the extent to which the financial literacy training influence the performance of women entrepreneurs in Kenya.

## **2.5 Debt Management training and business Performance of women entrepreneurs.**

Lack of self-control is responsible for sub-optimal financial decisions challenges as opposed to poor financial literacy, but they continue to add that financial education has a beneficial impact on consumer behavior, (Christian and Jaroszek 2013).The effect of behavioral factors on household debt demand is different for secured and unsecured debts. They observed that secured debt application process is usually professionally consulted and includes an assessment of the loan's sustainability while unsecured debts are obtained without any consultation, short term credit decision may be determined by short-term benefits such as financing daily shopping and are more likely to be prone to behavioral aspects such as a lack of self-control.

Monetary education programs are quick turning into a key fixing in money related approach changes around the world. Demographically ladies have bring down levels of monetary

education all over the place

(World Bank 2012). Ladies in the U.S. were fundamentally more averse to answer inquiries on money related education accurately; will probably say that they didn't know the appropriate response, they evaluated their level of budgetary proficiency all the more moderately and self-appraisal of monetary proficiency in the general populace had a tendency to be more swelled, (Van Lusardi, and Alessie, 2011). An examination on the determinants of the use of buyer credit in Germany set up that the use recurrence of an effortlessly open, yet moderately costly wellspring of customer credit was identified with people's discretion as well as diminished with money related proficiency. They reasoned that individuals with an inclination to make instinctive yet erroneous budgetary administration choices in their money related administration choice test study changed with presentation to monetary proficiency, individuals utilized costly overdraft credits less much of the time on the off chance that they had money related education abilities, budgetary training assumed an essential part enhancing buyer decisions and recommended that, while budgetary education was surely not the one of a kind determinant of credit choices, it considerably enhanced family units' money related choices, (Christian and Jaroszek ,2013).

There are less reviews that attention particularly on ladies, especially in creating nations (Lisa Xu and Zia 2012). One special case in such manner is (MasterCard Worldwide 2011), which investigates a record of money related proficiency for ladies in 24 nations crosswise over Asia, the Middle East and North Africa, and Sub-Saharan Africa. The record measures learning of cash administration (weighted 50 percent), money related arranging (30 percent), and venture (20 percent), and examined roughly 10,500 ladies (despite the fact that it is not clear how the specimen was picked). Curiously, they locate that money related education is not really associated with the level of wage in every nation; inside Asia, ladies in Thailand scored the most noteworthy and ladies in Japan and Korea scored the least. While ladies in African nations, Middle Eastern nations for the most part had bring down money related education scores than those in Asia. Along these lines (Lisa Xu and Zia 2012) features the learning holes with respect to the impact of money related education preparing on budgetary execution of low ladies pay when they watches that no national studies on monetary proficiency have been led in nations characterized by the World Bank gather as the least salary nation gathering, that the accessible writing because of monetary proficiency among ladies is constrained to just familiarity with

budgetary items and suppliers and not on different measurements of budgetary proficiency, for example, capacity to comprehend item and administration highlights.

More elevated amounts of training and monetary proficiency positively affect portfolio enhancement. Fiscally educated shoppers, it is contended, would have been more careful in assuming on acknowledgment they couldn't bear. These abilities, which are vital for shoppers in created nation budgetary markets, are similarly as important for poor people. For instance, finished obligation is an issue influencing microfinance customers and in addition business bank customers. Many creating nations have encountered resource value air pockets or fraudulent business models, which can draw purchasers to make imprudent ventures. More noteworthy budgetary information, together with behavioral change to apply the lessons of monetary instruction, lessens the probability that shoppers at any wage levels will settle on the wrong decisions, (Abreu and Mendes 2010).

(MasterCard Foundation 2011) gives an account of budgetary instruction takes note of that when individuals have low levels of monetary education, they frequently settle on inefficient money related choices incorporating spending their cash in ineffective ways, acquiring excessively, sparing close to nothing, and missing open doors for contributing. This further states by imparting the information, abilities, and mentalities related with sound cash administration, money related instruction can offer these people the way to utilize their rare monetary assets all the more adequately other than managing them in picking budgetary administrations and items that best address their issues.

The significance of conquering the perpetual test of rejection from financial assets and openings and which has anchored ladies to neediness. The arrangement derives that ladies have constrained access to credit, business improvement bolster administrations like limit building, not too bad and secure market framework, showcase data and linkages with enormous organizations (Women Enterprise Fund 2009). Acknowledge that the poor utilize various formal and casual budgetary instruments to address their issues, along these lines any comprehension of changes with respect to obligation administration and reserve funds practices are confined to their utilization of formal monetary instruments or formal linkages to those items (B. Gray *et al* 2005). Thus this study will investigate the extent to which training on debt management skills

influence the financial performance of businesses owned by women entrepreneurs in Equity Bank, Kasarani Branch.

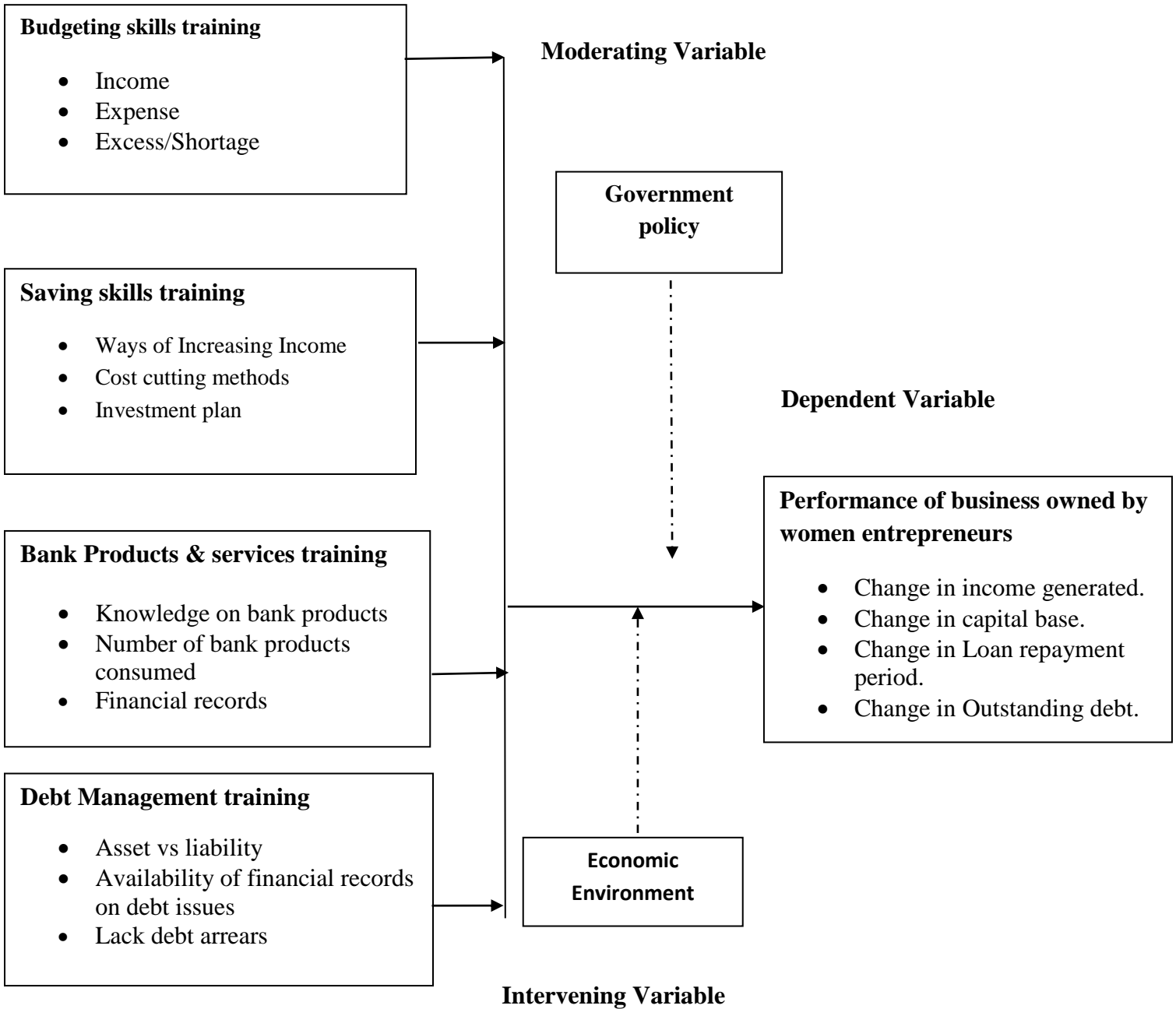
## **2.6 Theoretical Framework: David Kolb Experiential Learning Theory**

This examination will be founded on the Experiential learning hypothesis by David Kolb in 1979. Which expresses that experiential learning hypothesis consider figuring out how to be the procedure whereby information is made through the change of understanding and from the blend of getting a handle on and changing background. (Kolb, D. A. 1984). recommend that experiential learning hypothesis (ELT) expect that experience assumes a focal part in the learning procedure, gives an all-encompassing model of the learning procedure and a multi direct model of grown-up advancement, both of which are reliable with how individuals learn, develop, and grow subsequently making it pertinent to this examination in light of the fact that the preparation on money related education to ladies in Kasarani by Equity Bank intended to change their budgetary conduct through experiential learning. The experiential learning cycle show which is key to this hypothesis deduces that the way toward learning starts as solid experience took after by intelligent perception. The reflection is then acclimatized into a hypothesis (dynamic conceptualization) lastly, the reformulated speculations are tried in new circumstances. This hypothesis will be perfect for this examination in light of the fact that the ladies business people did not just gain from the exercises of the classroom workshops, however they additionally tried the information they obtained from the courses in their genuine circumstances, the ladies business people were likewise required to learn by thinking about their past budgetary conduct amid the learning procedure.

## **2.7 Conceptual Framework**

The conceptual framework presented the relationship between the key concepts of the study. It will illustrate the independent variables and the dependent variable. It also showed the key indicators to be measured for both independent and dependent variables. Each of the independent variable represented in the conceptual framework worked in unity and will have a direct effect on the dependent variable. The arrows are an indication of the relationship that exists amongst the variables as shown in figure 1. From the study, the influence of the dependent variable by the independent variables was moderated by the bank policies on how women entrepreneurs perform.

## Independent Variables



**Figure 1: Conceptual Framework**

### **Explanation of the relationship between variables in the conceptual framework**

Figure 1 shows the relationship between factors influencing financial literacy on the business performance of women entrepreneurs. There are four independent variables namely: budgeting skills training, saving skills training, bank's products and services training and debt management



training.

Performance of business owned by women entrepreneurs is the independent variable. This is assessed using the indicators: Change in income generated, Change in capital base, Change in Loan repayment period and Change in Outstanding debt by the women entrepreneurs. The economic environment is the Intervening Variable and government policy is the Moderating Variable.

## 2.8 Knowledge Gaps

Table 2.1: Knowledge gaps

Variable	Author and year	Findings	Knowledge gap
Budgeting skills training	(Friedman 2005).	Access to financial literacy programs is a pressing need in our society, for women entrepreneurs, who lack skills such as planning	the influence budgeting skills training have on women in kasarani
Saving skills training	(Micro-save 2004)	Saving is demonstrated by the many ingenious ways by women, which includes investing in assets that can be sold in an emergency	the influence training on debt management has on women in kasarani
Bank Products training	(Fin Access National Survey 2006 and 2009)	The barriers to financial inclusion in Kenya includes costs of financial services (minimum balances and fees) and low financial literacy	the influence bank products training has on women in kasarani on their business performance
Debt Management training	(Lisa Xu and Zia 2012)	There are fewer surveys that focus specifically on influence of financial literacy of women in developing countries	the influence training on debt management has on women in kasarani

## **2.9 Summary of Literature Review**

This chapter dealt with the studies that have been done on the influence of financial literacy. Literature has revealed that lack of financial literacy generally leads to increased poverty and access to financial resources by women in Kenya and other parts of the World. (Bichanga and Aseyo 2013) blamed increased poverty among women and presence of a vicious cycle of impoverishment among women from one generation to the other to lack of proper training on financial literacy. They suggest that research on financial education to women finds potential synergy that includes both economic and human development. (Northern Rangelands Trust 2013) asserts that the consumption of financial products increases with increased level of financial knowledge and skills when they pointed out that when women trained on financial literacy increased from 1420 in 2012 to 1736 in 2013, the total amount of loans disbursed to women groups also increased from KSH1.8 million to KSH 3.5 million in the same period.

Money related proficiency comprises of monetary information, budgetary understanding, monetary aptitudes and competency and monetary duty, fruitful money related education concentrate ought not be founded on the themes secured but instead the engagement of these points with a person's day by day life through the working of basic considering, certainty and critical thinking abilities (SEDI 2008). It was likewise settled that however the standards of cash administration are all inclusive, the learning on money related administration is subject to introduction as referred to by (B. Dim et al 2005) who attests that the standards of cash administration is widespread however budgetary learning, background and practices differ broadly crosswise over people and populaces and that presentation to monetary education trainings impact change in cash taking care of conduct.

The four autonomous factors and the needy factors are the premise of the writing audit. The study explored the existing literature along the five variables since a lot has been done on financial literacy and how it influences performance of women owned enterprises. The findings aimed to relate financial literacy and performance of women owned enterprises.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This part portrayed the systems that were utilized as a part of completing this examination. It talked about the examination outline, the objective populace, test measure and the inspecting systems that will be utilized as a part of the investigation. It additionally expressed the estimation instruments, techniques for information accumulation and strategies for information investigation which was utilized for the examination.

#### **3.2 Research Design**

The specialist utilized enlightening review plan. An expressive overview look into tries to get data that depicts existing wonders by getting some information about their recognitions, disposition, conduct or qualities (Mugenda and Mugenda 2003). The engaging study configuration was proper to this examination on the grounds that the investigation includes actuality finding and enquiring because of money related education preparing on budgetary execution of ladies claimed organizations. The examination gathered and broke down data because of budgetary proficiency preparing on money related execution of organizations claimed by ladies who experienced the monetary education preparing at Equity Bank, Kasarani Branch.

#### **3.3 Target Population**

A populace is a very much characterized or set of individuals, administrations, components, and occasions, gathering of things or family units that are being researched. (Ngechu 2004).The examination populace of this exploration consisted of women entrepreneurs who have been trained on financial literacy at Equity bank, kasarani branch and women entrepreneurs who have not gone through the financial literacy training in Kasarani. The entrepreneurs were trained in a classroom session. Prior the trainings there was a training needs analysis where information in regard to the individual businesses, income levels, knowledge gaps and telephone numbers was obtained. The researcher used this information to trace the target population. The target population was 130 women entrepreneurs, in 5 women groups' members registered by Equity Bank, Kasarani Branch as shown in table 3.1.

**Table 3. 1: Target Population**

Respondent:	Target population
Women entrepreneurs that have undergone training	130
Total:	130

*Source Equity Bank Kasarani Branch 2012*

### **3.4 Sample Size and Sampling Procedure**

In this section the study discussed sample size selection and sampling procedure to be adopted. The women entrepreneurs were used in the investigation on the influence of training about financial literacy on financial performance of their enterprises, giving reasons why they think this influence exists and how the influence of training on financial literacy impacts on the financial performance of their enterprises.

#### **3.4.1 Sample Size**

Managing all individuals even in littler open populaces would include a huge measure of assets and time (Mugenda and, Mugenda 2003). Scientists ought to in this way select various people for an investigation such that the people chose speak to the whole populace. (Krejcie and Morgan 1970) thought of a table for deciding specimen measure for a given populace for simple reference. As indicated by the table, a populace size of 130 is spoken to by a specimen size of 97 respondents, as demonstrated in Appendix V.

**Table 3. 2: Sampling Frame**

Respondent:	Target population	Sample size
Women entrepreneurs that have undergone training		
Jitegeme women group members	25	19
Mwiki women group members	26	19
Wide walk Women group members	24	18
Imani women group members	26	19
Kipawa women group members	29	22
Total:	130	97

### 3.4.2 Sampling procedure

A sample is an element of the population who are considered for inclusion in a research study. The respondents were initially purposively selected by use of simple stratified random sampling technique, this technique produces a pickup in accuracy in the assessments of qualities of the entire populace. (Corchran 1946). The respondents was chosen from 130 ladies business visionaries in five ladies bunches who were prepared on money related education in Equity bank, Kasarani branch. This was finished with the assistance of the gathering credit officer at Equity bank, Kasarani branch. Basic arbitrary examining procedure was then used to get the last 97 respondents. A basic irregular specimen is a subset of respondents looked over a bigger populace. Every respondent is picked arbitrarily and altogether by shot, to such an extent that each has a similar likelihood of being picked. This is to guarantee an entire portrayal of the populace and in the meantime, to spare costs that could be spent on a huge specimen or the populace. Basic irregular examining is likewise adaptable and dependable (Kothari, 2014).

### 3.5 Data collection Instruments

Information was gathered utilizing surveys. (Kothari 2004) states that a poll comprises of various inquiries printed and wrote in a distinct request on a frame or set of structures. The poll contained both shut and open finished inquiries. These inquiries were joined by a rundown of

conceivable options from which respondents was required to choose the appropriate response that best portrays their circumstance. The surveys were managed utilizing drop and pick strategy. The polls were utilized on the grounds that they enable the respondents to give their reactions in a free domain and enable the scientist to get more data. The poll was self-controlled to a few respondents. The survey was intended to gather both subjective and quantitative information.

The researcher informed the respondents, through the group relationship officers based at Kasarani branch, about the study and arrange for the questioners and discussion dates. She explained the purpose of the study after which she administered the questionnaire to them. The respondents were assured strict confidentiality during the study. The interview was a set of structured questions addressing budgeting, Savings, debt management, financial products and services, they was conducted on a face to face basis through center gathering dialogs. The concentration assemble comprised of 10 to 15 individuals who were haphazardly chosen. This enabled the analyst to assess a few perspectives at any given moment and to watch the results of open and dynamic exchanges.

### **3.5.1 Pilot Testing of the Research Instrument**

Subsequent to being allowed consent from the college and the significant government experts, a pilot ponder was done arbitrarily among irregular respondents who were not associated with the genuine examination, to test the unwavering quality and consistency of the information gathering instruments and in the long run evaluating them. The pilot contemplate was completed to help roll out fundamental improvements in the exploration instrument with the goal that they can be better comprehended, to guarantee that the vital guidelines were given in straightforward dialect and right elucidations were made.

### **3.5.2 Validity of the Research Instrument**

A researcher is recommended to conduct a pilot test of the questionnaires and other instruments before using them in the actual research according to (McMillan and Schumacher 2001). In this study the researcher used 10 women entrepreneurs for the pilot study. The specialist additionally utilized face legitimacy to survey and build up a casual feeling in the matter of regardless of whether the test will quantify what it should gauge. Content legitimacy then again was utilized by the analyst to check whether the things in the poll addressed the examination goals. The

managers who are specialists in the territory of concentrate approved the instruments through master judgment.

### **3.5.3 Reliability of the Research Instruments**

Unwavering quality alludes to the consistency of a measure. A test is viewed as dependable on the off chance that it gives a similar outcome more than once (Mugenda 2003). To improve the dependability of the instrument, a pilot contemplate was conveyed this helped roll out essential improvements in the examination instrument with the goal that they can be better caught on. The essential directions were given in straightforward dialect to guarantee remedy understandings are made. So as to test the unwavering quality of the instruments, inner consistency systems were connected utilizing Cronbach's Alpha. The alpha ranges in the vicinity of 0 and 0.9 with unwavering quality expanding with the expansion in esteem. Coefficient of 0.6 to 0.7 is generally acknowledged decide of the thumb that shows worthy unwavering quality and 0.8 or higher demonstrates great dependability. A high estimation of alpha ( $>0.9$ ) may propose redundancies and demonstrates that the test length ought to be abbreviated (Tavakol and Dennick, 2011). This guaranteed the instrument caught all the required information. From the discoveries, planning aptitudes preparing had a Cronbach's Alpha of 0.712, sparing abilities preparing had a Cronbach's Alpha of 0.872, preparing on obligation administration abilities had a Cronbach's Alpha of 0.727, preparing on bank items and administrations had a Cronbach's Alpha of 0.812 and money related execution had a Cronbach's Alpha of 0.726. This infers the examination instrument was solid and henceforth no corrections were required.

### **3.6 Data Collection Procedures**

The investigation utilized both essential and optional information. The surveys were organized and utilized both open and close finished inquiries. The shut finished inquiries gave quantitative information, while open finished inquiries gave subjective information. The poll had four areas which incorporated respondents' essential data, impact of budgetary preparing on planning aptitudes, preparing on sparing abilities, preparing on bank administrations and preparing on obligation administration.

Before information gathering, the analyst got a letter of information accumulation which was gotten from the University. Likewise, an exploration allow was gotten from the National Commission for Science, Technology and Innovation. The surveys were directed by the

specialist and research associates, and gathered on a later date as were concurred with the respondent. This helped the respondents to finish the survey whenever the timing is ideal, and also have enough time to get precise data. This individual controlling guaranteed that the arrival rate of the polls was high, as each one of the individuals who got the surveys were incited to give them back. Meetings were led on an up close and personal premise and both English and Kiswahili dialects was utilized to improve compelling correspondence.

### **3.7 Data Analysis Techniques**

Information was dissected utilizing both subjective and quantitative strategies. Subjective information was dissected physically by first abridging the data assembled, trailed by classification and coding into developing topics and after that introduced in a story frame. The outcomes were exhibited as far as rates, frequencies and in figures and tables and a concise clarification of each was given. To set up the impact of the free factor on the needy variable Spearman rank-arrange Correlation Coefficient was utilized.

The gathered information was interrogated and its exactness determined. The things that were wrongly reacted to, spelling errors and clear spaces were distinguished. Quantitative information was then gone into the PC for investigation utilizing the Statistical Package for Social Sciences (SPSS). This created the measurements which were utilized to acquire the discoveries. Recurrence dispersion tables were utilized to show the information while elucidating measurements through rates and frequencies were utilized to exhibit the subjective information.

### **3.8 Ethical Issues**

The analyst procured an exploration allow from the applicable specialists, and afterward composes a basic letter to the respondents to guarantee them that the examination is for only for scholarly purposes as it were. Because of the affectability of the data to be gathered the analyst treated the data gathered from the respondent with most extreme classification. Respondent interest was intentional and the data assembled may be utilized with the end goal of this examination. Assent from the respondents previously the exploration is directed was looked for. The respondents were educated on the nature and motivation behind the investigation. This guaranteed the points and goals of the exploration are clarified before attempted the examination to help with touching base at authorization from the respondents.



**Table 3. 3: Operational definition of the variables**

Type of Variable	Indicators	Measure	Level of Scale	Data Collection Method	Type of Data Analysis
Independent variable. Training on budgeting skills	-Availability of business budget -Women spending plan	- Number of women with a budget - Number of women with a spending plan	Nominal Ordinal	Questionnaires Mean percentages	Frequencies and percentages, Spearman's correlations
Training on saving skills	-Growth in saving -Growth in asset base -Availability of saving plan	- Level of saving -Number of women with a saving plan -Asset growth	Nominal Ordinal	Questionnaires Mean percentages	Frequencies and percentages, Spearman's correlations
Training on bank products	-Knowledge on bank product -Number of bank product consumed	- Number of bank product consumed by women -knowledge on bank services	Nominal Ordinal	Questionnaires Mean percentages	Frequencies and percentages, Spearman's correlations
Training on Debt management	-Lack of debt arrears -Extent of follow-up by creditors -Availability of financial records on debt issues	-Number of time contacted by creditors due to debt owed -Number of women keeping Financial records.	Nominal Ordinal	Questionnaires Mean percentages	Frequencies and percentages, Spearman's correlations
Dependent Variable Performance of women entrepreneurs	-Outstanding debt -Growth in capital base -Accessibility to working capital -Loan repayment period	-Cost/income ratio. - Amount of income generated - Growth in capital base - Outstanding debt - Loan repayment period	Nominal Ordinal	Questionnaires Mean percentages	Frequencies and percentages, Spearman's correlations

**CHAPTER FOUR:  
DATA ANALYSIS, PRESENTATION AND INTERPRETATION**

**4.1 Introduction**

This part introduces the information examination and elucidation of the discoveries according to the reason and destinations of the investigation. The motivation behind the examination was to explore the impact of money related proficiency preparing programs on execution of organizations claimed by ladies business people. The examination likewise tried to build up the impact of preparing on planning aptitudes, sparing abilities, bank's items and administrations, and obligation administration on the execution of organizations claimed by ladies business people. Information was introduced through recurrence Tables.

**4.2 Questionnaire Return Rate**

Poll return is the extent of the surveys returned after they have been issued to the respondents. Out of 97 polls issued, 89 surveys were filled and returned, representing 91.75% return rate which was regarded satisfactory for the investigation. As per (Kothari 2014) a reaction rate of half or more is sufficient for investigation, which shows that 91.75% was an acceptable basis for drawing conclusions. Table 4.1 illustrates the questionnaire return rate for the women entrepreneurs who had undergone financial literacy training.

**Table 4. 1: Return rate**

Category	Questionnaire distributed	Questionnaire returned	Response rate
Jitegeme women group members	19	18	94.7%
Kipawa women group members	22	20	75.7%
Mwiki women group members	19	16	84.2%
Wide walk Women group members	18	18	100%
Imani women group members	19	17	89.5%
<b>Total</b>	<b>97</b>	<b>89</b>	<b>91.75%</b>

### 4.3 Demographic Information of the Respondents

The demographic data for all the respondents was based on age, role and highest level of education attained. The findings were analyzed using frequency and percentage.

**Table 4. 2: Demographic Information of the Respondents**

Category	Frequency	Percent
<b>Age bracket</b>		
18 – 35	47	52.8
36-52	35	39.3
53 and over	7	7.9
<b>Level of education</b>		
Never completed primary	3	3.4
Completed Primary	9	10.1
Secondary	17	19.1
Tertiary Institutions	44	49.4
University	16	18.0
<b>Responsibility</b>		
Member	55	61.8
Credit Committee member	22	24.7
Chair lady	4	4.5
Secretary	4	4.5
Treasurer	4	4.5

In connection to age section, (47) 52.8% of the respondents showed that they were matured in the vicinity of 18 and 35 years, (35) 39.3% were matured in the vicinity of 36 and 52 years and (7)7.9 were over 59 years in age. This suggests greater part of the ladies in the four gatherings were matured in the vicinity of 18 and 35 years. This demonstrated greater part of the ladies in the four gatherings were youth, this could be credited to the way that lion's share of the Kenyan work drive are youth.

With respect to level of instruction, (44) 49.4% of the respondents showed that they had tertiary training, (17)19.1% demonstrated that they had optional training, (16)18% had college training, (9)10.1% demonstrated that they had finished essential instruction and (3) 3.4% demonstrated that they had never finished essential training. This suggests the majority of the ladies had tertiary instruction. This demonstrated greater part of the ladies in the four gatherings had abnormal amounts of proficiency level.

The results also show that (55)61.8% of the women involved in the study were members of the groups, (22)24.7% indicated that they were credit committee members, (4)4.5% were chair ladies and the same percent were secretaries and treasurers. This shows that most of the women involved in the study were members in the four groups. This indicated that majority of the women in Kasarani constituency were members of women entrepreneurs groups.

#### **4.4 Budgeting Skills Training and Business Performance of Women Entrepreneurs**

The first objective of this study was to investigate the influence of budgeting skills training on business performance of women entrepreneurs. The women entrepreneurs were posed with questions to answer the year they received the training, skills gained from the training, availability of spending plan, usefulness of budgeting skills to the business, importance of budgeting skills and usefulness of financial skills on the business. Table 4.7 shows responses given on the year the respondents received the training.

##### **4.4.1 Training on Budgeting**

The respondents were asked to indicate whether Equity bank trained them on budgeting. The results were as shown in Table 4.3.

**Table 4. 3: Training on Budgeting**

	<b>Frequency</b>	<b>Percent</b>
Yes	87	97.75
No	2	2.25
<b>Total</b>	<b>89</b>	<b>100.00</b>

According to the findings, (87) 97.5% of the respondents indicated that they had received training from Equity bank on budgeting. These findings imply that women in the five groups had

received training from Equity Bank on budgeting. This showed that majority of the women in Equity bank had received training on budgeting.

#### 4.4.2 Year of Training

The respondents were also asked to indicate the year they received training. The results were as presented in Table 4.4.

**Table 4. 4: Year of Training**

	<b>Frequency</b>	<b>Percent</b>
2010	9	10.00
2011	27	31.43
2012	25	28.57
2013	26	30.00
<b>Total</b>	<b>87</b>	<b>100.00</b>

According to the findings, (27) 31.43% of the respondents indicated that they had received training in the year 2011, (26) 30% indicated in the year 2013, (25) 28.57% indicated in the year 2012 and (9) 10% indicated in the year 2010. This implies that most of the women in the five groups had received training in the year 2012.

#### 4.4.3 Skills Obtained from Financial Literacy Training

The respondents were asked to indicate the skills they had obtained the financial literacy training. The results were as presented in Table 4.4

**Table 4. 5: Skills Obtained from Financial Literacy Training**

	<b>Frequency</b>		<b>Percent</b>	
	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
budgeting skills	34	36	48.6	51.4
saving skills	67	3	95.7	4.3
debt management skills	27	43	38.6	61.4
Knowledge on bank products and services	65	5	92.9	7.1

According to the findings, (67) 95.7% of the respondents indicated that they had obtained saving skills, (65) 92.9% indicated that they had obtained knowledge on bank products and services,

(34) 48.6% indicated that they had obtained budgeting skills and (27) 38.6% indicated that they had obtained debt management skills. This showed that majority of women obtain saving skills from financial literacy training in Kasarani constituency which assist them in managing their saving habits.

#### 4.4.4 Presence of current spending plan

The respondents were further asked to indicate whether their businesses had a current spending plan. The results were as presented in Table 4.6.

**Table 4. 6: Presence of current spending plan**

	<b>Frequency</b>	<b>Percent</b>
Yes	49	55.1
No	40	44.9
<b>Total</b>	<b>89</b>	<b>100.0</b>

From the findings, (49) 55.1% of the women indicated that their businesses had a current spending plan while (40) 44.9% indicated that they did not have a spending plan. This showed that majority of women use a current spending plan in conducting their activities in Kasarani constituency so as to be able to understand emerging trends in their spending.

#### 4.4.5 Keeping a Written Budget

The respondents were asked to indicate whether their businesses were currently keeping a written budget. The results were as presented in Table

**Table 4. 7: Keeping a Written Budget**

	<b>Frequency</b>	<b>Percent</b>
Yes	63	70.8
No	26	29.2
<b>Total</b>	<b>89</b>	<b>100.0</b>

From the findings, (63) 70.8% of the women indicated that their businesses were keeping a written budget while (26) 29.2% indicated that they were not. This implies that majority of women who own businesses in Kasarani constituency keep a written budget so as be able to keep updated records.

#### 4.4.6 Spending of Finances

The respondents were asked to indicate how their businesses were spending money during the period that the business has been budgeting.

**Table 4. 8: Spending of Finances**

	<b>Frequency</b>	<b>Percent</b>
Strictly as per the budget	34	52.3
Partly as per the budget	23	35.4
Did not follow the budget at all	8	12.3
<b>Total</b>	<b>65</b>	<b>73.0</b>

As indicated in Table 4.8, (34) 52.3% of the respondents indicated that their businesses were strictly spending their finances as per the budget, (23) 35.4% indicated that they were spending partly as per the budget while (8) 12.3% indicated that they did not follow the budget. This shows that majority of women who own businesses in Kasarani constituency spend their finances as per the budget so as to be able to account for their savings.

#### 4.4.7 Usefulness of the training on budgeting skills to women entrepreneurs

The respondents were asked to indicate the extent to which training on budgeting skills was useful to women entrepreneurs. The results were as presented in Table 4.9.

**Table 4. 9: Usefulness of the training on budgeting skills to women entrepreneurs**

	<b>Frequency</b>	<b>Percent</b>
low importance	2	2.2
slightly important	6	6.7
neutral	24	27.0
moderately important	20	22.5
very important	25	28.1
extremely important	12	13.5
<b>Total</b>	<b>89</b>	<b>100.0</b>

From the findings, (25) 28.1% of the respondents reported that training on budgeting skills was

very important to women entrepreneurs, (24) 27% were neutral, (20) 22.5% indicated that it was moderately important, (12) 13.5% indicated that it was extremely important, (6) 6.7% indicated that it was slightly important while (2) 2.2% felt that it was lowly important. These findings show that training on budgeting skills was very important to women entrepreneurs. This revealed that training on budgeting skills was very important to women entrepreneurs who are involved in businesses so as to expand their business.

#### **4.5 Saving Skills Training and Business Performance of Women Entrepreneurs**

The second objective of this study was to investigate the influence of saving skills training on business performance of women entrepreneurs, in Equity Bank, Kasarani Branch. The women entrepreneurs were issued with questionnaires that sought to find out the influence of saving skills training on business performance of women entrepreneurs using the following indicators: reasons for saving, whether training on saving skills had an influence on saving habits of the entrepreneur, whether saving skills were important to the business, and whether the business had acquired assets as a result of the skills gained.

##### **4.5.1 Business Involvement in Saving**

The respondents were asked to indicate whether their businesses were currently being involved in any kind of saving. The results were as presented in Table 4.10.

**Table 4. 10: Business Involvement in Saving**

	<b>Frequency</b>	<b>Percent</b>
Yes	87	97.8
No	2	2.2
<b>Total</b>	<b>89</b>	<b>100.0</b>

According to the findings, (87) 97.8% of the respondents indicated that their businesses were currently being involved in any kind of saving while (2) 2.2% indicated that they were not currently involvement in any kind of savings. These findings imply that most of the women businesses were currently being involved in any kind of saving.



#### 4.5.2 Reasons for Saving

The respondents were asked to indicate their reasons for saving. The results were as shown in Table 4.11.

**Table 4. 11: Reasons for Saving**

	Frequency		Percent	
	Yes	No	Yes	No
Saving in order to create security against which the business can be given loans	86	3	96.6	3.4
Saving for welfare purposes	75	14	84.3	15.7
Savings to finance group merry-go-rounds	66	23	74.2	25.8
Saving for asset creation (business investment, etc)	75	14	84.3	15.7

From the findings, (86) 96.6% indicated they were saving in order to create security against which the business can be given loans, (75) 84.3% indicated that they were saving for asset creation (business investment), the same percent indicated that they were saving for welfare purposes and (66) 74.2% indicated that they were saving to finance group merry-go-rounds. These finding show that the main reasons for saving were to create security against which the business can be given loans, for asset creation (business investment), for welfare purposes and to finance group merry-go-rounds.

#### 4.5.3 Frequency of Saving

The respondents were asked to indicate how often they were saving. The results were as presented in Table 4.12.

**Table 4. 12: Frequency of Saving**

	Frequency	Percent
Weekly	40	44.9
Monthly	38	42.7
After every three months	11	12.4
<b>Total</b>	<b>89</b>	<b>100.0</b>

As indicated in Table 4.12, (40) 44.9% indicated that they were saving on weekly basis, (38) 42.7% indicated on monthly basis and (11) 12.4% indicated after every three months. This shows that most of the women in the five groups were saving on weekly basis. This implied that most business women have a saving habit.

#### 4.5.4 Keeping of Savings

The respondents were requested to indicate where they were keeping their savings. The results were as show in Table 4.13.

**Table 4. 13: Keeping of Savings**

	<b>Frequency</b>	<b>Percent</b>
With an MFI or SACCO	29	32.6
In a bank account	38	42.7
Give it to the treasurer to keep it home	11	12.4
In kind ( they buy assets/ property)	11	12.4
<b>Total</b>	<b>89</b>	<b>100.0</b>

According to the findings, (38) 42.7% of the respondents indicated that they were keeping their savings in bank accounts, (29) 32.6 % indicated in MFIs and Saccos, (11) 12.4% indicated that they were giving it to the treasurer to keep it at home and the same percent indicated in kind to buy assets/property. This indicated that most business women keep their savings in bank accounts so as they can earn interest.

#### 4.5.5 Importance of Training on Saving Skills

The respondents were asked to indicate the extent to which training on saving skills important to the business. The results were as shown in Table 4.14

**Table 4. 14: Importance of Training on Saving Skills**

	<b>Frequency</b>	<b>Percent</b>
Not at all important	7	7.9
Low importance	10	11.2
Slightly important	11	12.4
Neutral	9	10.1

Moderately important	16	18.0
Very important	26	29.2
Extremely important	10	11.2
<b>Total</b>	<b>89</b>	<b>100.0</b>

From the findings, (26) 29.2% of the respondents indicated that training on saving skills was very important to women entrepreneurs, (16) 18% indicated that it was moderately important, (11) 12.4% indicated that it was slightly important, (10) 11.2% indicated that it was extremely important, the same percent indicated that it was lowly important and (7) 7.9% indicated that it was not important at all. These findings show that training on saving skills was very important to women entrepreneurs as it facilitates economic development through their saved funds.

#### 4.5.6 Having a Saving Plan

The respondents were asked to indicate whether they were currently having a saving plan. The results were as presented in Table 4.15.

**Table 4. 15: Having a Saving Plan**

	<b>Frequency</b>	<b>Percent</b>
Yes	71	79.8
No	18	20.2
<b>Total</b>	<b>89</b>	<b>100.0</b>

According to the findings, (71)79.8% of the respondents indicated that they were currently having a saving plan while (18)20.2% disagreed. This shows that most of the women entrepreneurs were currently having a saving plan. This showed that majority of the women kept a record of their savings.

#### 4.5.7 Influence of Training on Saving Skills and Financial Performance

The respondents were asked to indicate ways in which training on saving skills had impacted on financial performance of the business. The results were as presented in Table 4.16.

**Table 4. 16: Influence of Training on Saving Skills and Financial Performance**

	<b>Frequency</b>	<b>Percent</b>
Saving increased after the training	33	37.1
Saving is more consistent after the training	44	49.4
Saving decreased after the training	5	5.6
Saving has not changed	7	7.9
<b>Total</b>	<b>89</b>	<b>100.0</b>

From the findings, (44) 49.4% indicated that saving is more consistent after the training, (33) 37.1% indicated that saving increased after the training, (7) 7.9% indicated that saving has not changed and (5) 5.6% indicated that saving decreased after the training. These findings show that saving is more consistent and increased after the training, which improves on financial performance of the business.

#### **4.5.8 Up-to-date with Saving Records**

The respondents were asked to indicate whether they were up-to-date with the saving records. The results were as shown in Table

**Table 4. 17: Up-to-date with Saving Records**

	<b>Frequency</b>	<b>Percent</b>
Yes	61	68.5
No	28	31.5
<b>Total</b>	<b>89</b>	<b>100.0</b>

From the findings, (61) 68.5% of the respondents indicated that they were up-to-date with the saving records while (28) 31.5% disagreed. These findings show that most of the women were up-to-date with the saving records. This implied that majority of business women keep up-to-date saving records.

## 4.6 Training on Debt Management Skills and Business Performance of Women Entrepreneurs

The third objective of this study was to investigate the influence of debt management skills training on business performance of women entrepreneurs, in Equity Bank, Kasarani Branch. The women entrepreneurs were issued with questionnaires that sought to find out the influence of saving skills training on business performance of women entrepreneurs using the following indicators: whether debt management skills training increased the chances of keeping debt record, whether training on debt management skill was important to the respondents and the frequency on which the respondents were followed by creditors.

### 4.6.1 Acquiring loans in Equity Bank

The respondents were also asked to indicate whether their businesses were acquiring loans in Equity Bank, Kasarani branch.

**Table 4. 18: Acquiring loans in Equity Bank**

	Frequency	Percent
Yes	80	89.9
No	9	10.1
<b>Total</b>	<b>89</b>	<b>100.0</b>

From the findings, (80) 89.9% of the respondents indicated that their businesses were acquiring loans in Equity Bank, Kasarani branch while 10.1 indicated that their businesses were not acquiring loans in Equity Bank. This implies that most of the women businesses in the four groups were. This indicated that majority of businesses women acquired their loans from Equity Bank, Kasarani branch which they used to develop their businesses.

### 4.6.2 Presence of loan management plan

The respondents were asked to indicate whether their businesses were having a loan management plan. The results were as shown in Table 4.19.

**Table 4. 19: Presence of loan management plan**

	<b>Frequency</b>	<b>Percent</b>
Yes	28	31.5
No	61	68.5
<b>Total</b>	<b>89</b>	<b>100.0</b>

From the findings, (61) 68.5% indicated that their businesses were having a loan management plan while (28) 31.5% indicated that their businesses were not having a loan management plan. This shows that most of the women businesses were having a loan management plan. It can be deduced that majority of business women have a loan management plan that enables them to know their credit worthy.

#### **4.6.3 Reasons for Current Borrowing**

The respondents were asked to indicate reasons for their current borrowing. The results were as shown in Table 4.20.

**Table 4. 20: Reasons for Current Borrowing**

	<b>Frequency</b>	<b>Percent</b>
For personal use/ consumption	25	28.1
For investment/ business working capita	55	61.8
For buying assets	4	4.5
To finance emergencies	5	5.6
<b>Total</b>	<b>89</b>	<b>100.0</b>

From the findings, (55) 61.8% of the respondents indicated that they were borrowing for investment/ business working capital, (25) 28.1% indicated for personal use/consumption, (5) 5.6% indicated for finance emergencies and for busying assets. This shows that the main reasons for borrowing include investment/ business working capital and personal use/consumption.

#### **4.6.4 Importance training on debt management skills**

The respondents were queried on the extent to which training on debt management skills was important to their businesses. The results were as shown in Table 4.21.

**Table 4. 21: Importance training on debt management skills**

	<b>Frequency</b>	<b>Percent</b>
not at all important	4	4.5
low importance	4	4.5
slightly important	3	3.4
neutral	10	11.2
moderately important	19	21.3
very important	35	39.3
extremely important	14	15.7
<b>Total</b>	<b>89</b>	<b>100.0</b>

According to the findings, (35) 39.3% of the respondents indicated that training on debt management skills was very important to their businesses, (19) 21.3% indicated that it was moderately important, (14) 15.7% indicated that it was extremely important, (4) 4.5% indicated that it was lowly important and the same percent indicated that it was not important at all while (3) 3.4% indicated that it was slightly important. This shows that training on debt management skills was very important to their businesses. This indicated that training on debt management skills was very important as it helps to know the type of debt that involves less interest.

#### **4.6.5 Impact of Debt Management Skills on Loan accessibility**

The respondents were asked to indicate the extent to which training on debt management skills impacted on their Loan accessibility.

**Table 4. 22: Impact of Debt Management Skills on Loan accessibility**

	<b>Frequency</b>	<b>Percent</b>
Don't know	6	6.7
Not at all	9	10.1
Not very strongly	9	10.1
Strongly	32	36.0
Very strongly	33	37.1
<b>Total</b>	<b>89</b>	<b>100.0</b>

According to the findings, (33)37.1% of the respondents indicated that training on debt management skills impacted on their Loan accessibility very strongly, (32)36% indicated strongly, (9)10.1% indicated not very strongly, the same percent indicated not at all while (6) 6.7% indicated that they did not know. This shows that training on debt management skills impacted on their loan accessibility very strongly. This implied that obtaining training on debt management skills by business women facilitated accessibility to loans.

#### 4.6.6 Following by Creditors

The respondents were asked to indicate how often since training on debt management their business had been followed by creditors.

**Table 4. 23: Following by Creditors**

	<b>Frequency</b>	<b>Percent</b>
Not at all	2	2.2
Not very often	4	4.5
Not often	14	15.7
often	40	44.9
Very often	29	32.6
<b>Total</b>	<b>89</b>	<b>100.0</b>

According to the findings, (40)44.9% of the respondents indicated that since training on debt management their business have often had been followed by creditors seeking to finance them, (29)32.6% indicated very often, (14) 15.7% indicated not often, (4)4.5% indicated not very often and (2)2.2% indicated not at all. This shows that since training on debt management their business have often had been followed by creditors seeking to finance them. The training of business women it has led to issuing of more credits as their businesses have often had been followed by creditors seeking to finance them.

#### 4.6.7 Businesses Loan Arrears Status

The respondents were also asked to indicate their businesses loan arrears status. The results were as shown in Table 4.24.



**Table 4. 24: Businesses Loan Arrears Status**

	<b>Frequency</b>	<b>Percent</b>
Don't know	4	4.5
High loan repayment rates	7	7.9
No loan arrear	13	14.6
Low loan arrear	43	48.3
Very high loan arrear	22	24.7
<b>Total</b>	<b>89</b>	<b>100.0</b>

From the findings, (43) 48.3% of the respondents indicated that they had low loan arrears, (22) 24.7% indicated that they had very high loan arrears, (13) 14.6% indicated no loan arrears, (7) 7.9% indicated high loan repayment rates and (4) 4.5% indicated that they did not know. This shows that most of the businesses had low loan arrears. Training of business women on debt management practices led to low loan arrears as it helped them to understand debt practices.

#### **4.6.8 Keeping Up-To-Date Loan Records**

The respondents were requested to indicate whether their businesses were keeping up-to-date loan records. The results were as indicated in Table 4.25.

**Table 4. 25: Keeping Up-To-Date Loan Records**

	<b>Frequency</b>	<b>Percent</b>
Yes	78	87.6
No	11	12.4
<b>Total</b>	<b>89</b>	<b>100.0</b>

From the findings, (78) 87.5% of the respondents indicated that their businesses were keeping up-to-date loan records while (11)12.4% disagreed. This shows that most of the women were keeping up-to-date loan records for their businesses. As result of training on debt management practices, majority of business women were keeping up-to-date loan records for their businesses so as to maintain low loan arrears.

#### **4.6.9 Training and Management of Debt Arrears**

The respondents were asked to indicate whether training on debt management has helped the

business manage its debt arrears. The results were as presented in Table 4.26.

**Table 4. 26: Training and Management of Debt Arrears**

	<b>Frequency</b>	<b>Percent</b>
Disagree	4	4.5
Agree	43	48.3
Strongly agree	42	47.2
<b>Total</b>	<b>89</b>	<b>100.0</b>

From the findings, (43) 48.3% of the respondents agreed that training on debt management has helped the business manage its debt arrears, (42) 47.2% strongly agreed and (4) 4.5% disagreed. This shows that training on debt management has helped the business manage its debt arrears as they could understand the terms and conditions of borrowing.

#### **4.7 Training on Bank Product and Business Performance of Women Entrepreneurs**

The fourth objective of the study was to investigate how training on bank product and services influence financial performance of women entrepreneurs. The respondents were queried on which bank services were used by their business, whether training on bank services helped the business attain its financial goal, importance of training on bank services important to the business and other banking channels used.

##### **4.7.1 Bank Services Used by Business since Attending Training on Bank Services**

The respondents were asked to indicate which bank services were used by their businesses since attending training on bank services. The results were as shown in Table 4.27.

**Table 4. 27: Bank ProductsUsed Since Attending Training on Bank Services**

	Frequency		Percent	
	Yes	No	Yes	No
Savings account	79	10	88.8	11.2
Loan	77	12	86.5	13.5
ATM	79	10	88.8	11.2
Agent banking	79	10	88.8	11.2

According to the findings, (79) 88.8% of the respondents indicated that their businesses were using saving accounts, ATMs and Agency banking since attending training on bank services. In addition, (77) 86.5% indicated that their businesses were getting loans since attending training on bank services. This implies that after the training most women businesses used saving accounts, ATMs, Agency banking and they were getting loans since attending training on bank services.

#### **4.7.2 Training and attainment of Financial Goal**

The respondents were asked to indicate whether training on bank services helped the business attain its financial goal. The results were as shown in Table 4.28.

**Table 4. 28: Training and attainment of Financial Goal**

	Frequency	Percent
Yes	74	83.1
No	15	16.9
<b>Total</b>	<b>89</b>	<b>100.0</b>

According to the findings, (74) 83.1% of the respondents indicated that training on bank services helped the businesses attain their financial goal while (15)16.9% disagreed. This shows that training on bank services helps the businesses to attain their financial goal bas they increase their market share and customer loyalty.

#### **4.7.3 Importance of training on bank products**

The respondents were asked to indicate the level of importance of training on bank services. The results were as shown in Table 4.29.

**Table 4. 29: Importance of training on bank products**

	<b>Frequency</b>	<b>Percent</b>
slightly important	6	6.7
neutral	17	19.1
moderately important	26	29.2
very important	23	25.8
extremely important	17	19.1
<b>Total</b>	<b>89</b>	<b>100.0</b>

According to the findings, (26) 29.2% of the respondents indicated that training on bank products was moderately important, (23) 25.9% indicated that it was very important (17) 19.1% indicated that it was extremely important and (6) 6.7% indicated that it was slightly important. This implies that training on bank services was moderately important. Training on bank products is normally important since business women are able to understand the various banking services provided to them and their terms and conditions.

#### **4.7.4 Use of Alternative Banking Channels**

The respondents were asked to indicate whether their groups were using alternative banking channels (ATM cards, Mobile Phone and Bank agent) to access bank services as a result of knowledge they acquired through training on bank product and services.

**Table 4. 30: Use of Alternative Banking Channels**

	<b>Frequency</b>	<b>Percent</b>
Disagree	3	3.4
Agree	39	43.8
Strongly agree	47	52.8
<b>Total</b>	<b>89</b>	<b>100.0</b>

From the findings, (47)52.8% of the respondents indicated that their groups were using alternative banking channels (ATM cards, Mobile Phone and Bank agent) to access bank services as a result of knowledge they acquired through training on bank product and services. This implies that women groups were using alternative banking channels (ATM cards, Mobile

Phone and Bank agent) to access bank services as a result of knowledge they acquired through training on bank product and services.

#### 4.8 Financial Performance of women owned entrepreneurs

The financial measures of women owned entrepreneurs included revenue, profitability and return on shareholders. The respondents were asked to rate various measures of financial performance of women owned entrepreneurs.

**Table 4. 31: Financial Performance of women owned entrepreneurs**

	Excellent	Good	Moderate	Bad	Poor	Mean	Std. Deviation
Revenue	22.5	47.2	30.3	0.0	0.0	3.9213	.72652
Profitability	38.2	46.1	15.7	0.0	0.0	4.2247	.70312
Return on shareholders	65.2	30.3	4.5	0.0	0.0	4.6067	.57639

According to the findings, the respondents indicated with a mean of 4.6067 that return on shareholders was excellent after training, the respondents indicated with a mean of 4.2247 that profitability was good after training. The respondents also indicated with a mean of 3.9213 that revenue was good after training. This implies that the financial performance of women businesses in terms of revenue, profitability and return on shareholders was good after training.

#### 4.9 Correlation Analysis

This examination influenced utilization of Spearman to rank request connection investigation to decide if there is a connection between the free factors and the reliant variable. A connection is characterized as a number between - 1 and +1 that measures the level of relationship between two factors. A positive incentive for the relationship infers a positive affiliation. A negative an incentive for the relationship infers a negative or converse affiliation. A coefficient of zero means there is no connection between the two things and that an adjustment in the autonomous thing will have no impact in the needy thing.

**Table 4. 32: Correlation Coefficients (Correlation is significant at the 0.01 level (2-tailed)).**

Skills under the Equity bank’s financial literacy training programme	<b>Financial performance of women owned businesses</b>
Budgeting Skills Training	R = 0.616, p < 0.001
Saving Skills Training	R = 0.600, p < 0.001
Training on Debt Management Skills	R = 0.593, p < 0.001
Training on Bank Product and Services	R = 0.606, p < 0.001

From the findings, there is a positive association between budgeting Skills Training and the financial performance of women owned businesses ( $r = 0.616, p < 0.001$ ). The results also show that there was a positive association between Saving Skills Training and financial performance of women owned businesses ( $r = 0.6, p < 0.001$ ). The results further indicates that there was a positive association between training on debt management skills and the financial performance of women owned businesses ( $r = 0.593, p < 0.001$ ). In addition, the results show that there is a positive association between training on bank product and the financial performance of women owned businesses ( $r = 0.606, p < 0.001$ ).

From these findings we can infer that budgeting skills training was the most significant factor influencing the financial performance of women owned businesses, followed by training on bank product and services, saving skills training and training on debt management skills.

**CHAPTER FIVE:**  
**SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND**  
**RECOMMENDATIONS**

**5.1 Introduction**

This chapter presents the summary of the research findings, it indicates the conclusions drawn from this findings, offers recommendations, and suggestions for further studies.

**5.2 Summary of the Findings**

The purpose of this study was to establish the influence of financial literacy training programs on performance of business owned by women entrepreneurs in Equity bank, kasarani branch. The study was guided by four research questions ;To establish how budgeting skills training influence business performance of business owned by women entrepreneurs in kasarani constituency; To determine how saving skills training influence business performance of business owned by women entrepreneurs in kasarani constituency; To assess how bank's products and services training influence business performance of business owned by women entrepreneurs in kasarani constituency and to assess how debt management training influence business performance of owned by women entrepreneurs in kasarani constituency. Descriptive survey method was applied in this study as the research design. The study's total population was 130 women entrepreneurs who have undergone the financial literacy trainings in kasarani constituency and a sample size of 97 respondents was used. The researcher used questionnaires as the main data collection instrument for this study.

The study established that budgeting skills training influence the financial performance of women owned businesses as shown by (87) 97.5%. The training enabled most of the women owned businesses to obtain a spending plan. In addition, most of the women owned businesses were keeping a written budget and were strictly spending their finances as per the budget. It was also established that training on budgeting skills was very important to business performance as the income generated went higher. Hence there is a positive correlation between budgeting Skills Training and the financial performance of women owned businesses ( $r = 0.616, p < 0.001$ ).

The study found that Saving Skills Training influence the financial performance of women owned businesses as indicated by (87) 97.8%. The study found that since the training most

women had improved the consistency of saving. The capital base increased and the outstanding debt reduced, since the women were able to pay their loan installments on time. The income generated also went up. This proves there is a positive association between Saving Skills Training and financial performance of women owned businesses ( $r = 0.6, p < 0.001$ ).

The study revealed that training on debt management skills influences the financial performance of women owned businesses as shown by a mean of (80) 89.9%. Most of the women businesses in the five groups were acquiring loans in Equity Bank, Kasarani branch. As a result of the training, most of the women had a loan management plan. They were now able to pay their loans in a shorter period of time than before the training, the women were now comfortable in clearing all the outstanding debt. The study further established that training on debt management skills impacted on their Loan accessibility very strongly. This indicates that there is a positive association between training on debt management skills and the financial performance of women owned businesses ( $r = 0.593, p < 0.001$ ).

In addition, the study found that training on bank products influences the financial performance of women owned businesses as indicated by a mean of (79) 88.8%. After the training most women businesses saving accounts, ATMs, Agency banking and they were getting loans since attending training on bank products. Women groups were using alternative banking channels (ATM cards, Mobile Phone and Bank agent) to access bank services as a result of knowledge they acquired through training on bank product and services. This reduced the time spend in the banking halls and more time was put in running the business hence the capital base increased leading to increase in income generated. This results show that there is a positive association between training on bank product and the financial performance of women owned businesses ( $r = 0.606, p < 0.001$ ).

### **5.3 Discussion of the Findings**

The findings of the study according to each objective were as discussed below.

#### **5.3.1 Budgeting Skills Training and Performance of Businesses owned by Women entrepreneurs**

The study found that budgeting skills training influences business performance of women entrepreneurs. According to (Eliana La Ferrara 2002), lack of proper training on financial



literacy or lack of financial management skills exacerbates women poverty causing a vicious cycle of impoverishment from one generation to the other.

The study found that women in the five groups had received training from Equity Bank on budgeting. The training was done mostly in the year 2011, followed by 2013, 2012 and 2010. The study found that most of the women owned businesses had a current spending plan. In addition, most of the women owned businesses were keeping a written budget and were strictly spending their finances as per the budget. The study also found that training on budgeting skills was very important to performance of businesses owned by women entrepreneurs, as the income generated went higher, the outstanding debt was reduced and the capital base increased.

### **5.3.2 Saving Skills Training and Performance of Businesses owned by Women entrepreneurs**

The study found that saving skills training influences the financial performance of women owned businesses. The study established that most of the women businesses were currently being involved in any kind of saving. The study revealed that the main reasons for saving were to create security against which the business can be given loans, for asset creation (business investment), for welfare purposes and to finance group merry-go-rounds.

The study also found that most of the women in the five groups were saving on weekly basis. They were keeping their savings in bank accounts, MFIs and Saccos and some were giving it to the treasurer to keep it at home. The study found that training on saving skills influenced business performance by increasing the capital base and the outstanding debt reduced, since the women were able to pay their loan installments on time.

As a result of the training women entrepreneurs were currently having a saving plan. The study revealed that saving is more consistent and increased after the training. Further, most of the women were up-to-date with the saving records. These findings agree with (Micro Save 2004) findings that saving help to even out income streams that are subjected to seasonal variation because as a means of accumulating wealth, saving help the poor in Africa to achieve their household's long term goals including both social and religious obligations as well as facilitate their future investment and consumption and this makes saving skills a necessity

### **5.3.3 Training on Debt Management Skills and Performance of Businesses owned by Women entrepreneurs**

The study found that training on debt management skills influences the financial performance of women owned businesses. The study revealed that most of the women businesses in the four groups were acquiring loans in Equity Bank, Kasarani branch. As a result of the training programme, most of the women businesses were having a loan management plan and were now able to pay their loans in a shorter period of time than before the training, the women were now comfortable in clearing all the outstanding debt. The main reasons for borrowing for most women included business working capital and personal use. The study further established that training on debt management skills impacted on their Loan accessibility very strongly.

The study revealed that training on debt management skills was very important to their businesses and most of the businesses had low loan arrears. The study found that most of the women were keeping up-to-date loan records for their businesses. Also, training on debt management has helped the business manage its debt arrears. These findings agree with (Nicholas Godfrey 2008), that the role of financial literacy among women entrepreneurs is to help improve the efficiency and quality of financial services because financial consumers more than ever need a certain level of financial understanding in order to evaluate and compare financial products, such as bank accounts, saving products, credit and loan options, payment instruments and investments options.

### **5.3.4 Training on Bank Product and Performance of Businesses owned by Women entrepreneurs**

The study found training on bank product and services influences the financial performance of women owned businesses. The study found that after the training most women businesses saving accounts, ATMs, Agency banking and they were getting loans since attending training on bank services. In addition, training on bank services helped the businesses attain their financial goal.

The study revealed that training on bank services was very important as it reduced the time spend in the banking halls and more time was put in running the business hence the capital base increased leading to increase in income generated. Women groups were using alternative banking channels (ATM cards, Mobile Phone and Bank agent) to access bank services as a result

of knowledge they acquired through training on bank product and services. According to (Ratio Magazine 2008) understanding financial services and using them wisely can contribute to individual and national economic growth besides being a consumer protection measure. Thus with the expansion of financial services, there are not just more opportunities, but also more potential for clients to take the wrong decisions. Further, the findings agree with (Safia 2007) argument that most organizations are using alternative banking channels (ATM cards, Mobile Phone and Bank agent) to access bank services hence there is need for training on the emerging banking channels.

#### **5.4 Conclusions of the Study**

The study concludes that there is a positive association between budgeting skills training and the financial performance of women owned businesses. The training enabled most of the women owned businesses to obtain a spending plan. In addition, most of the women owned businesses were keeping a written budget and were strictly spending their finances as per the budget, performance of the businesses improved as the income generated went higher this increased the profitability.

The study also concludes that there was a positive association between Saving Skills Training and financial performance of women owned businesses. The study found that since the training most women had improved the consistency of saving, increasing the capital base and reducing the outstanding debt, since the women were able to pay their loan installments on time.

The study further concludes that there was a positive association between training on debt management skills and the financial performance of women owned businesses. Most of the women businesses in the four groups were acquiring loans in Equity Bank, Kasarani branch. As a result of the training, most of the women had a loan management plan. The main reasons for borrowing for most women included business working capital and personal use. The study further established that training on debt management skills impacted on their Loan accessibility very strongly, most of the women businesses were having a loan management plan and were now able to pay their loans in a shorter period of time than before the training, the women were now comfortable in clearing all the outstanding debt.

In addition, the study concludes that there is a positive association between training on bank products and the financial performance of women owned businesses. After the training most women businesses saving accounts, ATMs, Agency banking and they were getting loans since attending training on bank services. The trainings influenced the business positively by reducing the time spend in the banking halls and more time was put in running the business hence the capital base increased leading to increase in income generated.

## **5.5 Recommendations**

Based on the findings of the study and the conclusion made, the study offers the following recommendations:

1. The government of Kenya should develop policies to enhance the financial literacy of women. This can be done by coming up with policies to establish training programmes for women entrepreneurs all over the country.
2. Women entrepreneurs should be educated on the importance of having a spending plan. This can be done through training programs and can help them to ensure that their earnings are not above their expenses.
3. Women entrepreneurs should also be educated on the importance of having a written budget. A written budget helps entrepreneurs in ensuring that they plan appropriately for whatever revenue they make.
4. Women should increase their saving culture to everyday. Most women were saving on monthly basis and others after three months. To improve their credit score they need to be making daily deposits to their accounts.
5. Borrowers should ensure that borrowed funds are directed to their businesses without diverting to other ways such as personal use. This will help the businesses to generate funds that can be used in loan repayments.
6. Women entrepreneurs should adopt financial innovations such as mobile banking and agency banking, which will help them save on daily basis at their own convenience. Mobile banking and agency banking can be used after working hours of the traditional banks.

7. The management of Equity Bank and other commercial banks in Kenya should increase the awareness of their products and services through mass media and social media.

### **5.6 Suggestions for Further Research**

1. This research only focused on Kasarani Sub-county. Therefore, further studies should be conducted on the influence of financial literacy on performance of business owned by women entrepreneurs should be carried out in other counties in Kenya, since each county has its own dynamics.
2. A comparative study of the influence of the financial literacy training on business performance of women entrepreneurs who have undergone the financial literacy training and those who have not undergone through the financial literacy training program.
3. A research should be carried out to establish the influence of women entrepreneurship skills in the Kenyan economy.

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## **APPENDICES**

### **Appendix I: Letter of Transmittal**

Maureen J. Muthoni Ngigi  
University Of Nairobi,  
Department Of Extra Mural Studies,  
P.O. Box 30197, 00100  
Nairobi.  
October, 2016.

Dear respondent,

Am a student at the University of Nairobi Pursuing a Master of Arts Degree in Project Planning and Management at University of Nairobi, conducting a study that intends to assess the influence of financial literacy training programs on performance of businesses owned by women entrepreneurs, who have undergone financial literacy trainings at Equity bank, Kasarani branch. The attached questionnaire is meant for gathering information for this study. Please participate in filling the questionnaire honestly and to the best of your knowledge. All the responses will be treated with utmost confidentiality and will only be used for the purpose of this study.

Yours  
sincerely,

Maureen J. Muthoni Ngigi

**Appendix II: Questionnaire for women entrepreneurs in Kasarani Constituency.**

This questionnaire will be administered to the women entrepreneurs who underwent financial literacy trainings, as per the sample population.

**SECTION A: DEMOGRAPHICS**

1. Are you a woman entrepreneur?  
a) Yes    b) No
2. How old are you (Age)?  
a) 18 - 35      b) 36-52      c) 53 and over
3. What is your highest level of education?
  - a) Never completed primary
  - b) Completed Primary
  - c) Secondary
  - d) Tertiary Institutions
  - e) University
4. What is name of your business? .....
5. What is your responsibility to the women group?
  - a) Member
  - b) Credit Committee member
  - c) Chair lady
  - d) Secretary
  - e) Treasurer

**Part B: Budgeting Skills Training**

To investigate how budgeting skills training influences business performance of women entrepreneurs.

1. Has Equity bank trained you on financial literacy?

Yes

No

2. If yes, which year did you receive this training?

a) 2010

b) 2011

c) 2012

d) 2013

3. Indicate by ticking the skills that you received from the financial literacy training?

a) Budgeting skills

b) Saving skills

c) Debt management skill

d) Knowledge on bank products skills

4. Does your business have a current spending plan?

Yes

No

5. If yes, explain how training on budgeting skills has influenced your business Performance

.....

6. Is your business currently keeping a written budget?

Yes

No

7. If No, explain why the business is currently not budgeting? .....

.....



8. In what way has the training on budgeting skills impacted on how your business manages  
Its finances?

9. During the period that the business has been budgeting, the business spent its money: (tick one answer)

- a) Strictly as per the budget
- b) Partly as per the budget
- c) Did not follow the budget at all

11. On a scale of 1-3 where 1 is not at all important, 2 is moderately important, 3 is extremely important, to what extent was training on budgeting skills useful to women entrepreneurs?

Not important at all	1	2	3	Very important
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13. Give reason for your answer.....

**Part C: Saving Skills Training**

To investigate how saving skills training influence business performance of women entrepreneurs.

1. Is the business currently being involved in any kind of saving?

Yes

No

2. If YES, which among the listed reasons is the business saving for:

- a) Saving in order to create security against which the business can be given loans
- b) Saving for welfare purposes
- c) Savings to finance group merry-go-rounds
- d) Saving for asset creation (business investment, etc)
- e) Others (specify).....

3. If NO, why are you not currently saving.....

.....

4. How often do you save?

- a) Weekly
- b) Monthly
- c) After every three months

5. Where do you keep your savings?

- a) In a bank account
- b) With an MFI or SACCO
- c) Give it to the treasurer to keep it home
- d) In kind ( they buy assets/ property)
- e) Any others place (specify).....

6. Give reason for your choice on the above.....

.....

7. On a scale of 1-3 where 1 is not at all important, 2 is moderately important, 3 is extremely important, to what extent was training on saving skills important to the business?

Not important at all	1	2	3	Very important
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8. Give reason for your answer above.....

9. Do you currently having a saving plan?

Yes

No

10. In what way has training on saving skills impacted on financial performance of the business?

a) Saving increased after the training

b) Saving is more consistent after the training

c) Saving decreased after the training

d) Saving has not changed

e) Others (specify).....

11. Are you up to date with the saving records?

a) Yes

b) No

12. What assets has the business acquired as a result of the improved saving habits due to training on saving skills?

.....  
.....

**Part D: Training On Debt Management Skills**

To investigate how debt management skills training influence financial performance of Women Entrepreneurs.

1. Is the business acquiring loans in Equity Bank, Kasarani branch?

a) Yes

b) No

2. Is the business currently having a loan management plan?

a) Yes

b) No

3. Is the business in a position to show me the loan management plan?

a) Yes

b) No

4. Indicate by ticking for what reasons are you currently borrowing?

a) For personal use/ consumption

b) For investment/ business working capita

c) For buying assets

d) To finance emergencies

5. On a scale of 1-3 where 1 is not important at all and 3 is very important, to what extent was training on debt management skill important to your business?

Not important at all	1	2	3	Very important
----------------------	---	---	---	----------------

6. Give reasons for your answer

.....

7. To what extent has training on debt management skills impacted on your Loan accessibility?

- a) Very strongly
- b) Strongly
- c) Not very strongly
- d) Not at all
- e) Don't know

12. Since training on debt management how often has the business been followed by creditors?  
Indicate by ticking.

- a) Very often
- b) Often
- c) Not often
- d) Not very often
- e) Not at all

13 Indicate the businesses loan arrears status by ticking.

- a)Very high loan arrear
- b) Low loan arrear
- c) No loan arrear
- d)High loan repayment rates
- e) Don't know

14 Is the business keeping up-to-date loan records?

- a)Yes
- b) No

18. How has the training on debt management helped the business manage its debt?

.....

19. Training on debt management has helped the business manage its debt arrears.

- a) Strongly agree
- b) Agree
- c) Disagree
- d) Strongly disagree
- e) Don't know

**Part E: Training On Bank Product and Services**

To investigate how training on bank product and services influence financial performance of women entrepreneurs.

1. Which bank services are used by the business since attending training on bank services?

- a) Savings account
- b) Loan
- c) ATM
- d) Other (specify)
- e) Agent banking

2. List bank services and product that you know

3. Has training on bank services helped the business attain its financial goal?

- a) Yes
- b) No

4. How has training on bank services helped the business attain its financial goals?

5. On a scale of 1-3 where 1 is not at all important, 2 is moderately important, 3 is extremely important, to what extent was training on bank products Important to the business?

Not important at all	1	2	3	Very important
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6. The group is now using alternative banking channels (ATM cards, Mobile Phone and Bank agent) to access bank services as a result of knowledge they acquired through training on bank product and services.

- a) Agree strongly
- b) Agree
- c) Disagree
- d) Disagree strongly

7. How do you rate the following measures of financial performance in your business after training?

	Excellent	Good	Moderate	Bad	Poor
Revenue					
Profitability					
Return on shareholders					

**Appendix III: Table for determining sample size for a given population**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size  
"S" is sample size.

Source: Krejcie & Morgan, 1970



## Appendix IV: Letter of Authorization to Collect Data



### NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

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Ref. No. **NACOSTI/P/16/83916/14634**

Date:

**7<sup>th</sup> November, 2016**

Maureen Josephine Muthoni Ngigi  
University of Nairobi  
P.O. Box 30197-00100  
NAIROBI.

#### **RE: RESEARCH AUTHORIZATION**

Following your application for authority to carry out research on *“Influence of financial literacy training programs on performance of Business Owned by Women Entrepreneurs: A case of Equity Bank in Kasarani Constituency, Nairobi County, Kenya,”* I am pleased to inform you that you have been authorized to undertake research in Nairobi County for the period ending 7<sup>th</sup> November, 2017.

You are advised to report to the Chief Executive Officer, Equity Bank, the County Commissioner and the County Director of Education, Nairobi County before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

  
BONIFACE WANYAMA  
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The Chief Executive Officer  
Equity Bank.

The County Commissioner  
Nairobi County.

