

**INFLUENCE OF FINANCIAL LITERACY TRAINING ON
FINANCIAL PERFORMANCE OF WOMEN SELF HELP
GROUPS: A CASE OF EQUITY BANK CUSTOMERS, ISIOLO
BRANCH, KENYA**

BY

SOSPETER MURITHI MWANIKI

**A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF ARTS
IN PROJECT PLANNING AND MANAGEMENT OF THE UNIVERSITY OF NAIROBI**

2014

DECLARATION

This Research Project Report is my original work and has not been submitted for a degree or any award in any University.

Signed.....

Date.....

MWANIKI SOSPETER MURITHI

L50/ 61861/ 2013

This research project report has been submitted for examination with our approval as the University Supervisors.

Signed.....

Date.....

Dr. Jamleck Muturi John

Lecturer,

Embu University College

A Constituent College of the University of Nairobi

Signed.....

Date.....

Dr. Chandi John Rugendo

Lecturer

School of Continuing and Distance Education

University Of Nairobi

DEDICATION

This research project report is dedicated to my loving family, my mother Zabella Mukami Mwaniki, my fiancée Ann Wawira Muriuki and in memory of my late father Jonathan Mwaniki, for their understanding, support, encouragement, perseverance and patience they had on me during the entire period of my study and their continued prayer towards successful completion of this course. God bless you all.

ACKNOWLEDGEMENT

First I am indebted to my supervisors, Dr. Jamleck Muturi John and Dr. Chandi John Rugendo, for their encouragement, supervision, support and guidance without which I would not have done and completed this project. I acknowledge all the Lecturers in the University of Nairobi, School of continuing and distance education, Meru Extramural center for shaping my ideas and equipping me with skills and knowledge without which this project would not have been realized. Particularly special recognition goes to Professor David Macharia, Professor Judith Njue, Professor Nathan Gichuki, Dr. Mercy Mugambi, Dr. Charles Wafula, Mrs. Jenu John, Mr, Gabriel Waweru, Dr. Stephen Luketero Mr. John Mbogo, Mr. Kori Gichobi and Dr. John Wanjohi for taking me through the curriculums and for your good ideas that transformed my mind during the course work that prepared me for this study. To all the University of Nairobi staff I appreciate your support and being there for me whenever I needed your support. I am also indebted to all my family members for the patience and support they gave me during my academic study. To Mr. John Njiru Nguru and Mrs. Nancy John Nguru, my mother Zabella Mukami Mwaniki, my sister Eunice Ndegi Mwaniki and my wife Ann Wawira Muriuki thank you for your financial and moral support without which this project would not have been done. I also appreciate Equity Bank LTD group for seeing the potential in me and giving me an opportunity to empower women through the Financial Literacy for Africa Program that shaped my thinking and from which I derived my study problem. To Mr. Abdi Godana of Equity Bank Isiolo branch I thank you for the moral support and guidance that you provided during this study and not forgetting my friend Maurice Masinde for his encouragement. I would also like to thank the entire Meru Extramural Project Planning and Management Master Class of 2013 for providing me with an enabling class room environment without which this study would not have been successful. To the Isiolo group students' year 2013, I thank you all for the moral, material support and encouragement you gave me throughout the course and during this study. Particularly, I would wish to mention Eric Kithinji Gichuru, Roba Kana, Catherine Mwendwa, Zakayo Ndung'u, Chege Mwangi and Justice Aaron Makau for their prompt and wonderful ideas throughout my study. Lastly, I would want to extend my gratitude to all staff in Equity Bank Isiolo branch led by Sarah Yate Boru and Nicholas Kinyamu for aiding me get the information I required to complete this project. To you I owe you all.

TABLE OF CONTENTS

DECLARATION.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
LIST OF FIGURES.....	viii
LIST OF TABLES.....	ix
ABBREVIATIONS AND ACRONYMS.....	xii
ABSTRACT.....	xiii
CHAPTER ONE: INTRODUCTION.....	1
1.1 : Background of the study.....	1
1.2 : Statement of the problem.....	3
1.3 : Purpose of the study.....	4
1.4 : Objectives of the study.....	5
1.5 : Research questions.....	5
1.6 : Significant of the study.....	5
1.7 : Delimitation of the study.....	6
1.8 : Limitation of the study.....	6
1.9 : Assumptions of the study.....	7
1.10: Definition of the significant terms used in the study.....	7
1.11: Organization of the study.....	9
CHAPTER TWO: LITERATURE REVIEW.....	10
2.1: Introduction.....	10
2.2: Training on budgeting skills.....	10
2.3: Training on saving skills.....	14
2.4: Training on bank products and services.....	17
2.5: Training on debt management.....	23
2.6: Theoretical Framework.....	27

2.7: Conceptual framework.....	28
2.8: Knowledge Gaps.....	30
2.9: Summary of literature review.....	30
CHAPTER THREE: RESEARCH METHODOLOGY.....	32
3.1: Introductions.....	32
3.2: Research Design.....	32
3.3: Target Population.....	33
3.4: Sampling Procedure.....	34
3.4.1: Sample Size.....	35
3.5: Research Instruments	36
3.5.1: Pilot Testing of the Research Instrument	37
3.5.2: Validity of the Research Instrument	37
3.5.3: Reliability of the Research Instruments.....	37
3.6: Data Analysis Techniques.....	38
3.7: Operational Definition of Variables.....	39
3.8: Ethical Issues	40
CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION...41	
4.1: Introduction	41
4.2: Questionnaire Response Rate.....	41
4.3: Demographic Data of the Respondents.....	42
4.3.1 Demographic Data of the Stakeholders, Group Officials and Credit Committee.....	42
4.4: Financial Literacy Training and Financial Performance.....	46
4.5: Training on Budgeting Skills and Financial Performance.....	46
4.6 Training on Saving Skills and Financial Performance.....	54
4.7 Training on Debt Management Skills and Financial Performance.....	60
4.8 Training on Bank Product and Services and Financial Performance	68

CHAPTER FIVE: SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS.....	74
5.1: Introduction.....	74
5.2: Summary of Findings.....	74
5.3: Discussion of the Findings.....	74
5.3.1: Training on Budgeting Skills and Financial Performance.....	74
5.3.2: Training on Saving Skills and Financial Performance.....	75
5.3.3: Training on Debt Management Skills and Financial Performance.....	76
5.3.4: Training on Bank Product and Services and Financial Performance	78
5.4: Conclusions of the Study.....	78
5.5: Recommendations.....	80
5.5: Suggestion for Further Research.....	81
REFERENCES	82
APPENDICES.....	89
Appendix I: Letter of Transmittal.....	89
Appendix II: Questionnaire for Stake Holders Working With Financial and Government Institutions in Isiolo Town.....	90
Appendix III: Questionnaire for Women Self Help Group Officials and Credit Committee.....	98
Appendix IV: Focus Group Discussion Guide For Group Members.....	106

LIST OF FIGURES

Figure 2.1: Conceptual frame work.....	29
--	----

LIST OF TABLES

Table 3.1 Target Population.....	33
Table 3.2 Sample Size.....	35
Table 3.3 Operational Definition of Variables	39
Table 4.1 Questionnaire Response Rate.....	41
Table 4.2 Distribution of the Group Officials and Credit Committee According to Gender.....	42
Table 4.3 Distribution of the Group Official, Credit Committee and Stake Holders According to Age.....	43
Table 4.4 Distribution of the Group Officials and Credit Committee According to Highest Level of Education.....	43
Table 4.5 Name of the Groups.....	44
Table 4.6 Distribution of the Group Officials and Credit Committee According to Responsibility the Group.....	45
Table 4.7 Group Officials and Credit Committee Responses on the Year That the Group Received Training by Equity Bank.....	46
Table 4.8 Group Officials and Credit Committee Responses on the Skills the Group Received From the Financial Literacy.....	47
Table 4.9 Group Officials and Credit Committee Responses On Whether the Group had a Current Spending Plan.....	47
Table 4.10 Stakeholders Responses on How Training on Budgeting Skills Helped Groups.....	48
Table 4.11 Group Officials and Credit Committee Responses on Whether the Groups Were Currently Keeping a Written Budget, Stakeholders’ Responses on the Extent To which Training on Budgeting Skill Enhances Timely Group Financial Contribution and the Extent to Which Training on Budgeting Skills was Important to Financial Performance of Women Group.....	49
Table 4.12 Group officials and credit committee responses on the expense included In the group budget.....	50

Table 4.13 Stakeholders Responses on Whether Training on Financial Literacy Influence the Lifespan of Women Groups.....	51
Table 4.14 Group Officials and Credit Committee Rating on the Usefulness of Training on Budgeting Skills to the Group.....	52
Table 4.15 Stakeholders Responses on the Usefulness of the Women Group to Keep A Group Budget.....	53
Table 4.16 Group Officials and Credit Committee Responses on Why the Group Saved.....	54
Table 4.17 Stakeholders Responses on Whether Training on Saving Skills Affected Women Group Saving Habits.....	55
Table 4.18 Group Officials and Credit Committee Responses On Where the Group Kept Its Savings.....	56
Table 4.19 Stakeholders Responses on How the Group Saving Helped Women in Group in Improving Their Living Standards.....	56
Table 4.20 Group Officials, Credit Committee and Stakeholders Responses on the Extent at Which Training on Saving Skills Was Important To the Groups.....	57
Table 4.21 Group Officials and Credit Committee Responses on Ways in which Training on Saving Skills Impacted on Financial Performance of the Groups.....	58
Table 4.22 Group Officials and Credit Committee Responses on Whether the Group was Keeping Up to Date Members Saving Records.....	59
Table 4.23 Group Officials and Credit Committee Responses on the Assets Acquired as a Result of the Improved Saving Habits Due to Training on Saving Skills.....	60
Table 4.24 Group Officials and Credit Committee Responses on Whether the Groups Were Guaranteeing Member’s Loans.....	61
Table 4.25 Stakeholders Responses on Whether Training Women Group On Debt Management Increased the Chances That a Women Group Kept Credit Financial Records.....	62
Table 4.26 Group Officials and Credit Committee Responses on Training on Debt-Management Skills on Financial Performance of Women Self Help Group Customers.....	62

Table 4.27 Group Officials and Credit Committee Responses on Group Borrowing Purpose....	63
Table 4.28 Stakeholders’ Responses on Whether Training on Debt Management Skills Influenced the Rate of Loan Defaults among the Groups Under Their Organization.....	64
Table 4.29 Group Officials and Credit Committee Response on the Extent at Which Training on Debt Management Skill Was Important To the Group.....	64
Table 4.30 Stakeholders Responses on the Frequency at Which the Organization Followed Women Group Due to Debt Owed.....	65
Table 4.31 Stakeholders Responses on the Group Loan Arrears Status.....	65
Table 4.32 Group Officials and Credit Committee Responses on the Extent That Training on Debt Management Skills Impacted on the General Group Loan Graduation Rate for Members.....	66
Table 4.33 Group Officials and Credit Committee Responses How Often the Group Has Been Followed By Creditors since Training on Debt Management.....	67
Table 4.34 Group Officials and Credit Committee Responses on the Bank Services That Were Used By the Group.....	69
Table 4.35 Group Officials and Credit Committee Responses on Whether Training on Bank Services Helped the Group Attain Its Financial Goal.....	70
Table 4.36 Group Officials and Credit Committee Responses on the Extent at Which Training on Bank Services Was Important To the Groups.....	70
Table 4.37 Group Officials and Credit Committee Responses on Whether the Group Was Using Alternative Banking Channels to Access Bank Services as a Result of Knowledge They Acquired Through Training on Bank Product and Services.....	71
Table 4.38 Stakeholders Responses on how Training on Financial Literacy Influences Financial Performance of Women Group in Isiolo.....	72

LIST OF ABBREVIATIONS

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

This study was set out to assess the extent to which training on financial literacy influenced financial performance of women self help group customers in Equity Bank, Isiolo Branch. The combined impact of globalization that comprises of changing patterns of trade and evolving technologies calls for financial skills that women entrepreneurs in the African continent does not for a large extent possess, as many more women than men in Africa lack the requisite level of education, business training, financial literacy skills and entrepreneurship training. In deed women in many Sub-Saharan countries display lower financial skills than men, are less confident about their financial knowledge and skills while not enough research has been done on the influence of financial literacy training on financial performance of women self help groups. The aim of this study was to determine the influence financial literacy on financial performance of women self help group customers in Equity Bank, Isiolo Branch. The study was founded on four objectives as follow: to establish how training on budgeting skills influence financial performance of women self help group customers in equity bank, Isiolo Branch, to determine how training on saving skills influence financial performance of women self help group customers in equity bank, Isiolo branch, to assess how training on bank's products and services influence financial performance of women self help group customers in equity bank, Isiolo branch, to assess how training on debt management influence financial performance of women self help groups customers in equity bank, Isiolo branch. Quantitative and qualitative data was collected through a descriptive survey on how training on budgeting skills, saving skills, debt management skills and on bank products and services influenced financial performance of women self help group customers in Equity Bank, Isiolo Branch. Questionnaire and structured focused group discussions were used as data collection instruments. Data analysis was done using descriptive statistics and inferential statistics. The study established that majority 55(79.7%) of groups were keeping a written budget after the training, majority 57(82.6%) indicated that their groups were borrowing for investment, majority 51(73.9%) indicated that training on debt management impacted very strongly on the general group loan graduation while 43(62.3%) indicated that training on debt management skill was extremely important to their group. The finding further revealed that majority 43(62.3%) of group officials and credit committee strongly agreed that the group was using alternative banking channels to access bank services as a result of knowledge they acquired through training. The study also revealed that 69(100.0%) of group officials and credit committee indicated they were saving after the training, 65(94.2%) group official and committee indicated that their groups saved to create security against which they borrowed while 45(65.2%) of group official indicated that training on saving was extremely important. The study recommends that government agencies and financial institutions should focus on training budgeting skill to all the adult in Kenya irrespective of their gender in order to enhance sustainability in the utilization of the available household resources, that financial institutions in Kenya should launch saving skills training programs and saving loyalty programs for all their customers irrespective of the age or gender.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

According to World Bank (2012), financial literacy trainings are fast becoming a key ingredient in financial policy reforms worldwide. The Organization for Economic Cooperation and Development (OECD), 2013, asserts that the G20 leaders at their summit in June 2012 recognized the need for women and youths to gain access to financial services and financial education. OECD (2005) and (2013) survey on financial literacy levels in Kenya, Ethiopia and Tanzania established low financial literacy levels at the lower end of the income distribution with women in the three countries displaying lower financial skills and confidence than men. Stevenson and Onge (2005) argues that the combined impact of globalization through changing patterns of trade and technologies call for financial skills that women entrepreneurs on the African continent do not possess because many more women than men lack the requisite level of technical entrepreneurship skills, hence the current financial literacy disparity that favors men in Africa.

Nelson (2012) notes that evidence does not point out a serious problem with debt management in Kenya but indications show improved financial stability for women self help groups that practiced good borrowing judgments and loan usage. Jivetti (2007) study on perception of women self help groups in Vihiga District established lack of proper financial literacy skills to exacerbates their poverty. He argued that poor financial literacy skills among women perpetuated a vicious cycle of impoverishment from one generation to the next in this study that sought to describe what women, who were members of self help groups perceived to be their needs and how the performance of their associations could have been improved. Bichanga and Aseyo (2013) study on loan defaults in Trans Nzoia County established that women self help group customers who had been trained on financial literacy had low rate of loan default because they had adopted good loan utilization practices.

Bethany (2007) case study on Equity bank Kenya established that the bank showed commitment to financially empowering its clients through a business model anchored on access, convenience and flexibility. In deed Equity Bank 2013 annual financial report indicates that the bank had given over 10 billion as loans to over 136,000 women self help group customers in Kenya since 2007. Mwangi (2013) suggested that the Equity Bank Financial literacy training offered to women self help group customers in Kenya aimed at transforming the life and livelihoods of women by changing their financial handling behavior. The Equity bank financial literacy curriculum is anchored in the economic and social pillar of Kenyan vision 2030. In deed United Nations (2011) established that achieving a life of prosperity and dignity for all the citizens is a priority to the Government of Kenya as articulated by the vision 2030 and Millennium Development Goals (MDGs). The Task Force on the Re-Alignment of the Education Sector to the 2010 Kenyan Constitution (2012) notes that the Social Pillar in the Vision 2030 singles out education and training as the vehicle that will drive Kenya into becoming a middle income economy because training on financial knowledge equips adult learners with relevant knowledge that lead to business innovation.

Vision 2030 Development Strategy for Northern Kenya and other Arid Lands (2011) argued that financial literacy training equipped people with the capacities to make informed choices about their lives enabling them make positive contribution to society and providing them with an exit out of poverty through transformation of behavior. 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. Despite the government effort to empower women in Kenya, the Kenya Women Enterprise Fund Strategic Plan 2009 – 2012 estimate that 40% of all Kenyan women have no access to finance at all, 40% have access to only informal financial systems. The plan concluded that women financial marginalization in Kenya is perpetual because they posses poor financial skills and they are often exposed to unfavorable financial options. While data from Isiolo County Strategic Plan 2005- 2010 indicate that Isiolo County contributes 0.6% to the national poverty index in Kenya with a woman being more vulnerable to poverty in Isiolo County because she lacks income and property rights which deny her access to credit. Northern Rangeland Trust (2013) asserts that there exist strong

traditions of women social organization in the ASALs that provide a platform for economic development through saving and credit schemes.

Abdi (2007) on her studies on factors that hinder women access to credit in Isiolo District notes that women have a low access to and control over productive resources and this deny them necessary collateral and access to loans. She concluded that if women are trained on financial management they can take advantage of the increasing micro-finance institutions and group guarantee systems to access credit especially in the urban parts of Isiolo District. It is against this background that financial literacy training captures the attention of a researcher for it seems not to have been adequately studied. This study will establish the influence of financial literacy training on financial performance of women self help group customers in Equity bank Isiolo Branch.

1.2 Statement of the Problem

According to Equity Bank Isiolo branch customer status report (2014), 37983 customers have opened an account with Equity Bank Isiolo Branch. However 63.1% of these accounts are classified as dormant and Equity bank Isiolo branch manager attribute the high account dormancy rate to low financial literacy levels among the branch customers. The Equity bank purpose statement states that the bank exists to transform the lives and livelihoods of its people socially and economically by availing them modern, inclusive financial services that maximize their opportunities.

While Equity Bank Group 2013 financial report indicate that Equity bank Kenya has given over 10 billion to over 136,000 women group customers in Kenya since 2007 as loans. However despite the success of Equity bank Kenya women group lending model, only 17 women self help group customers have been registered by Equity bank Isiolo branch to date and that these are the only women self help group customers in Isiolo county that are saving and accessing credit facilities from the branch. To mitigate the high risk assumed by lending to women self help group customers, Equity bank through Equity Group Foundation introduced financial literacy training in 2010 that trains women self help group customers on budgeting skills, saving skills, debt management skills and on bank services through a curriculum that is facilitated within 12

weeks with the groups training for one hour every week. The branch has employed one financial literacy trainer to facilitate the financial literacy training curriculum and two group lending officers and incurs a cost of 150,000 Kenya shilling every month on financial literacy. As results of these trainings, Isiolo branch credit manager debtors report on the performance of women self help group loan book indicate that 14 women groups who account for 11 million in the women group lending loan book are performing very well financially while four groups are performing badly and account for 150,000 loan arrears in the loan book. The report further classifies 7 women self help group customers as defaulter on their loans since 2008.

Previously studies on women self help groups have focused on challenges facing women access to credit in Isiolo. These studies have established low control over productive resources as the main obstacle to women access to credit as noted by (Abdi, 2007) and Bethany (2007) who cited lack of collateral as the main hindrance to women credit access despite their larger market constituency advantage of 52% over men, 80% ownership of all informal enterprises and about 40% ownership of the formal enterprises in Kenya since it denied them the stringent securities required by banks in Kenya and lack of business management skills as the other hindrance in his case study on Equity bank Kenya. Therefore even though studies on financial performance of women self help groups have been done in Kenya, none has been done on the influence of financial literacy training on financial performance of women self help group customers in Equity Bank, Isiolo Branch. This study therefore set out to investigate the influence of financial literacy on the financial performance of women self help group customers in Equity bank, Isiolo Branch.

1.3 Purpose of the Study

The purpose of this study was to investigate the influence of financial literacy training on financial performance of women self help group customers in Equity bank, Isiolo branch.

1.4 Objectives of the Study

The study was guided by the following objectives:

- i. To establish how training on budgeting skills influence financial performance of women self help group customers in Equity Bank, Isiolo branch.
- ii. To determine how training on saving skills influence financial performance of women self help group customers in Equity Bank, Isiolo branch.
- iii. To assess how training on debt management influence financial performance of women self help groups customers in Equity Bank, Isiolo branch.
- iv. To assess how training on bank's products and services influence financial performance of women self help group customers in Equity Bank, Isiolo branch

1.5 Research Questions

The study set out to answer the following research questions:

- i. What is the influence of training on budgeting skills on financial performance of women self help group customers in Equity Bank, Isiolo branch?
- ii. How does training on saving skills influence financial performance of women self help group customers in Equity Bank, Isiolo branch?
- iii. How does training on debt management skills influence financial performance of women self help group customers in Equity Bank, Isiolo branch?
- iv. What influence does training on bank products and services have on financial performance of women self help group customers in Equity Bank, Isiolo branch?

1.6 Significance of the Study

The study on the influence of financial literacy training on financial performance of women self help groups is hoped to be significant to policy makers and micro finance managers in their

attempt to understand and address numerous financial challenges that are facing women self help groups in Kenya which have emerged over time as an alternative vehicle of advancing credit to women entrepreneurial in Kenya. The study will help government agencies and microfinance institutions in establishing areas of financial literacy training that strengthen financial performance of women self help groups in their attempt to strengthen financial performance of women self help groups since these groups have emerged as an alternative vehicle of advancing credit to women in Kenya. The study will also benefit the academia fraternity in acquiring knowledge on how financial literacy training programs influence financial performance of women self help groups in Kenya since not much research has been done on this subject in Kenya.

1.7 Delimitation of the Study

The study was delimited to the registered Equity bank, Isiolo branch women self help group customers that were trained on financial literacy by Equity Bank, between 2010 and 2013. There were only 17 women self help group that existed on the study site. To answer the research question set out in the study, data was collected from sampled women self help group customers and from eleven (11) key informants that included six credit staff handling the micro-credit department in Equity Bank, Isiolo branch and five (5) stakeholders handling women self help groups in Isiolo town. The six credit staff from whom data was acquired from included the manager Equity bank Isiolo branch, the credit manager Equity bank Isiolo Branch, the credit administrator Isiolo branch, two group lending officers in Equity bank Isiolo branch and the micro credit lending officer in Equity bank Isiolo branch while the other five key informants included the Isiolo North Sub County Cooperative officer, one group lending officer from Kenya Women Isiolo Branch, Faulu Bank Isiolo Branch group lending officer, K-rep Bank Isiolo branch and Isiolo North Sub County Women Fund Enterprise credit manager.

1.8 Limitations of the Study

The study was limited by the research design that was used (the descriptive survey). It only examined the financial situations of the sampled women self help group's respondent who were customers in Equity bank, Isiolo branch as they were without in any way changing or modifying

their situation because the study design was a descriptive survey. The research tools and instruments were also limited to only acquiring information about the opinions, attitudes and previous experiences of women self help group customers on financial literacy training subjects exclusively on budgeting skills, saving skills, debt management skills and bank knowledge on products and services and how training on these subjects had influenced financial performance of these women self help group customers that had been registered in Equity bank, Isiolo branch. This was done by administering questionnaires only to sampled women self help group officials, women self help group credit committee members, the eleven (11) key informant dealing with women self help groups in Isiolo town and by conducting focused group discussions to the sampled women self help group members after which their responses were tabulated and analyzed using multivariate analysis.

1.9 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 were the subjects that were covered by the Equity Bank financial literacy training curriculum for women self help groups. The study also assumed that the sample characteristic represented the general population to allow the researcher to infer conclusion on the general population. The study also assumed that the data collection instruments had validity and that they would measure the desired research constructs. Finally the study assumed that the respondent would be available during the data collecting phase of the study.

1.10 Definition of Significance Terms Used in the Study

Bank product: Referred to any 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 self help group customers in Equity Bank, Isiolo branch.

Bank services: Referred to any bank service offered by Equity Bank Kenya to women self help group customers in Equity Bank, Isiolo branch.

Budgeting skills: Referred to those financial management skills that woman self help group customers in Equity Bank, Isiolo branch were trained on and which aided them prepare written financial plans estimating their future income, expenses, loans and savings due to the group or creditors.

Debt management skills: referred to any perception, values, attitudes or norms acquired by women self help group customers in Equity Bank, Isiolo Branch through the bank financial training curriculum and which aided them in appraising group loans and making their lending and borrowing decisions.

Education level: Referred to the highest academic level attained by individual member of women self help group customers in Equity Bank, Isiolo branch measured from primary, secondary, tertiary through university.

Financial literacy: Referred to any knowledge, skills and attitudes gained by women self help group 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: Referred to the process of educating women self help groups on budgeting skills, saving skills, debt management skills and on bank products and services.

Government policy: referred to the government plans, rules and procedures that were consistent with registration, formation, existent, financial and general management of women self help groups in Kenya.

Group financial performance: Referred to proper control of women self help group finances, timely saving and debt repayment among women self help group customers in Equity Bank, Isiolo Branch.

Saving skills: Referred to any perception, values, attitudes or norms acquired by women self help group customers in Equity Bank, Isiolo Branch 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.

Self help group: referred to registered women groups which engaged in self help welfare activities and which had been trained on financial literacy and registered as customers in Equity Bank Isiolo Branch.

1.11 Organization of the Study

The study was 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 tried to answer. Chapter two reviewed the available empirical and theoretical literatures that related to both the independent and the dependent variables under the study. It also provided a theoretical framework upon which the study was based and a conceptual framework to the study. Chapter three provided the research design to the study, the sampling design, data analysis techniques that were applied in the study and how the reliability and validity of the data collection instrument was ensured. It also addressed how research ethics were adhered to during the study. In chapter four data analysis, presentation, interpretation and the implications of the research finding was covered. Chapter five covered 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 influence of financial literacy training on financial performance of women self help groups in different parts of the world. It provides information on the influence of training on budgeting, saving, debt management skill and on bank products and services on financial performance of women self help groups based on research that have been carried out in different parts of the world by other researchers. It also provides a conceptual framework that shows the relationship between dependent and the independent variable and a theoretical framework upon which the study was based. Books, journals, papers and reports have been cited.

2.2 Training on Budgeting Skill and Financial Performance

Global Financial Education Program (2005) asserts that poor people share the same goals as all people including the goal of economic security for themselves, their families and their future generation but their limited resources and options often lead to a sense of hopelessness. Vitt, Kent, Lyter, Siegenthaler and Ward (2010) defined financial literacy as the ability to read, analyze, manage and communicate about the personal financial conditions that affects material wellbeing, Social and Enterprise Development Innovations (SEDI), 2008, see financial literacy as a three dimensional construct that includes financial knowledge and understanding, financial skills and competency and financial responsibility. Murray (2011) identifies the core components of financial literacy trainings to include such skills as budgeting and money management, financial planning and goal setting, financial attitudes and behavior, credit and debt management. Vitt *et al* (2010) review of 90 financial literacy programs in the U.S established budgeting, saving, investment, credit and debt to be the topics that were most commonly included in financial literacy training content. All these topics are covered by the financial literacy training curriculum that is used by Equity Bank to train women self help group customers in Equity, bank Isiolo branch.

SEDI (2008) states that most authors agree that the focus of successful financial literacy interventions is not necessarily on the transfer of information and facts on topics such as credit, debt, investment and banking but rather the engagement of these topic with an individual's daily life through the building of critical thinking, confidence and problem solving skills. Indeed, careful management of the little resources in women's possession is critical in their endeavor to meet their day to day needs, cope with unexpected emergencies and take advantages of the opportunities when they come along in their life. Thus taking advantage of the available financial resources to maximize women self help group customers financial potential is a key concern of the Equity Bank financial literacy training curriculum that seek to transform the life and livelihood of these customers through transformation of their financial management behavior. Friedman (2005) asserts that making effective financial decisions, knowing how to manage money are skills critical to enjoying a secure financial future because many individuals lack the knowledge necessary to make sound financial choices as evidenced by falling savings rates, mounting consumer debt, and a growing dependence on alternative banking institutions in Kenya. Thus indications are that access to financial literacy programs is a pressing need in our society, especially for groups such as women self help groups and families transitioning from welfare to self sufficiency in Kenya.

Austrian, Karen and Sakwa (2006) suggest that after the poor people become informed financial decision makers they can plan and realize their goals. World Bank (2009) suggest that for the nearly 3 billion of the world population living at the bottom of the pyramid, the ability to make good financial decisions is important because they lack resources to cushion them from lost savings or investments or to enable them to rebound from adversity. Friedman (2005) point out that in United States of America, changes in personal finances measured through such indicators as decreased personal savings, increased debt, increasingly diverse populations that may not be familiar with the U.S. financial system, and new technologies and marketing strategies have brought the issue of personal financial management to the forefront. Investor Education Foundation (2010) report suggest that as a whole, people in the United States live beyond their means and spend more than they earn a practice that is not sustainable because it has led to people putting off saving for emergencies, long term goals and retirement. Investor Education

Foundation (2010) also noted that in 2005, and for the first time since the Great Depression, the US personal savings rate fell into negative territory meaning that people spent not only all of their post tax dollars, but had to dip into their savings to cover expenses. This statistics demonstrates that the need for financial literacy trainings is an international concern and its influence need to be investigated in order to develop new body of knowledge against which future training can be improved.

United Nations Industrial Development Organization (2009) informs that a major constraints women face as entrepreneurs today is the unequal access to productive resources and services, including finance and skill upgrading opportunities but women self help groups empower micro and small entrepreneurs to identify their needs, plan and implement their own projects, share the benefits of their collective efforts and evaluate their programs and projects. Equity Group Foundation (2012) argues that the financial literacy training dome to members of women self help group in business though topics such as budgeting, saving, debt management and bank products and services in Kenya purpose to give unbanked youth and women through their self help groups the skills and the power to manage their money. Gray, Sebstand, Cohen and Stack (2009) observe that although many basic principles of money management are universal, financial knowledge, experience and behaviors vary widely across individuals, households and populations and that exposure to financial literacy trainings influence change in money handling behavior. They noted that among the young people for example, there is much less experience to draw on than older people while wage employees with a regular flow of income may be more regular savers compared to rural populations with irregular flow of income and who may have much less exposure to formal banking institutions. Gray *et al* (2009) inferred that there is still much to learn about which types of financial education are needed by whom, which methodologies are most effective in improving knowledge, skills, attitudes and practices, and how financial education can be combined with other opportunities to reinforce long-term behavior change among women in self help groups.

Bichanga and Aseyo (2013) citing Kiteme (1992) affirms that women self help group associations are means by women to successfully adapt to the external challenges found in many

today's societies. Bichanga and Aseyo (2013) study on loan defaults in Micro Finance institutions in Transoia County established that training women self help groups on financial literacy was important because it provide them with the knowledge on how to utilize loan fund hence helped reduce group loan defaults. Jivetti (2007) notes that 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. Bichanga and Aseyo (2013) citing Mbugua and Murithi (1997) suggest that research on the education of women finds potential synergy that includes both economic and human development. They asserts that the focus on women self help groups in Kenya has been on education and economic issues that were prompted by the structural adjustment programs promulgated by the World Bank and the International Monetary Fund (IMF). Ellis and Allison (2004) notes that women self help groups are popular institutions in rural Kenyan communities because they help provide services that the public service has failed to address.

According to the republic of Kenya (2007) the 2030 vision for gender, youth and vulnerable groups is gender equity, improved livelihoods for vulnerable groups, and a responsible, globally competitive and prosperous youth. The goal for 2012 was to increase opportunities all-round among women, youth and all disadvantaged groups with specific strategies involving increasing the participation of women in all economic, social and political decision-making processes, improving access of all disadvantaged groups to business opportunities, health and education services, housing and minimizing their vulnerabilities through prohibition of retrogressive practices. In deed financial literacy training in Kenya is and endeavors towards this vision because it complement the Women Enterprise Fund that had been established as the flagship project to promote women empowerment with projected funding of 2 billion. The vision 2030 goal for Equity and poverty elimination is to reduce the number of people living in poverty to a tiny proportion of the total population. Kenya will aim at a society that guarantees equality of opportunity in accessing public services and providing income generating activities as widely as possible.

In Kenya, the available research literature reveals that studies about women self help groups have dwelled on topics such loan defaults, Bichanga and Aseyo (2013) in Tranzoia County where they concluded that training is important to women group because it empowers them with knowledge on utilization of loans fund which in turn lead to lower loan defaults, participation in rural village meetings, Mwabu and Thorbecke (2004), role of women self help group and Snow and Buss (2001) in Vihiga District which concluded that women group actions complement effort of various agencies to reduce poverty in Kenya but little research has been done on the influence of training on budgeting, saving, debt management skills on financial performance of women groups in Kenya. Against this backdrop, the problem will be to determine the influence of financial literacy training on financial performance of women self help group customers in Equity Bank, Isiolo Branch.

2.3 Training on Saving Skills and Financial Performance

Schreiner and Sherradan (2007), established that research showed that financial literacy positively influenced financial performance of low-income women self help group associations. Among adult women participants who had benefited from Individual Development Account (IDA) programs that trained women on financial literacy the influence was evidence in the way the groups managed finances. Micro-Save (2004) asserts that saving services have garnered much interest especially in Africa where the traditional supply led credit models have not resulted in the hoped massive out-reach and sustainability and the importance that poor people in Africa attach to saving is demonstrated by the many ingenious ways they find to save which includes investing in assets that can be sold in an emergency, participating in local initiatives such as rotating saving and credit associations, lending between families and friends and keeping small amount of cash in secreted places in their houses. Micro-save (2004) citing Vogel (1984) and Zeller *et al* (1998) argues 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 make saving skills a necessity.

Social and Enterprise Development Innovations (SEDI),2005, argues that many consumers struggle to make sense of rapidly changing financial products and systems within an increasing complex economic macro environment and the need for financial education is most evident within vulnerable populations that are alienated from financial systems, entitlements and government systems. (SEDI) suggest that low levels of financial literacy contribute to economic instability; hinder efforts to reduce poverty, make many consumers struggle to make sense of rapidly changing financial products and system within an increasing complex economic macro environment. U.S. Department of labor (2011) established that financial service providers have learnt firsthand that for their clients, financial literacy is an indispensable tool for entering the financial mainstream and achieving self sufficiency. Rand and Dory (2004) and Moore *et al* (2010) in their assessment of how training on saving skills influenced women self help groups reported that financial literacy program participants believed that the training sessions were useful because they motivated them to save.

Schreiner and Sherradan (2007) established through an evaluation of the American Dream Demonstration's Financial Education Program that higher saving rates correlated with the number of hours one had attended the training, up to 12 hours and thus concluded that financial literacy training had an influence in the performance of women self help enterprise groups leveraging on their groups as means to accessing credit. Anderson, Steven, Scott and Zhan (2004) reported that an evaluation of financial links for low-income people (FLLIP), that tracked participants in both financial management training and IDA programs, found that a majority of participants in each program changed the way in which they tracked household expenses, budgeted, or paid bills. Friedman (2005) reports that research indicates that most adults and youth lack the basics skills necessary to plan for a secure financial future especially among adult workers transitioning from welfare to work and at-risk youth. He asserts that the ability to plan for the available financial resources is a critical skill for self-sufficiency and economic success for all individuals in the present and over time. World Bank (2009) asserts that having access to safe savings and insurance products greatly affect the financial future of women while financial literacy help prepare consumers for tough financial times, by promoting strategies that mitigate risk such as accumulating savings, diversifying assets, and purchasing insurance.

Fung (2012) argue that money has different values over time and holders of money can either spend a sum of money or delay their consumption by investing the money in different investment opportunities until it is required and this task is highly influenced by the financial skills an individual possess. Sebstad and Morcos (2011) assert that assets provide a foundation of resources that girls can use throughout their lives because they expand opportunities besides providing a strong foundation for long term independence, control and economic security thus positioning girls for a safe and productive future. They suggest that, adolescence is a prime time to engage girls in programs and activities in order to build their social, human, financial and physical assets. Social and human assets can be built through programs that emphasize group formation, leadership development, and mentoring; financial assets can be built through programs that promote savings and financial literacy. Combined, these programs strengthen and reinforce each other and provide a foundation for girls' economic and social empowerment.

However despite the demonstrated importance of financial literacy among women OECD (2005) financial literacy survey concluded that financial literacy levels are low especially at the lower end of the income distribution and that financial education can help those at low income levels make the most of what they are able to save. The Kenya National Bureau of Statistics (2008) asserts that, adult literacy is an MDG indicator attached to goal 2 target 3, relating to both men and women, and is also a goals covered by a World Fit for Children. Kenya National Bureau of Statistics (2008) Multiple Indicator Cluster Survey in Isiolo North Sub-County among women aged 15-24 years revealed that less than half of all women aged 15-24 years (47 per cent) were literate in Isiolo North Sub- County while the proportion of literate women in the age group 15-19 years was slightly higher than for those aged 20-24 years (53 per cent versus 40 per cent, respectively). The same survey established that there was a strong relationship between wealth index of the household and literacy levels with the proportion of literate women among low wealth index households standing at 31 percent against 68 percent among women from high wealth index households.

According to Isiolo North Sub-County Strategic Plan 2005-2010 only 20% of the population residing in the district is literate thus making it difficult for the adoption of new technologies by the residents. In addition the existence of large numbers of households headed by people without formal education means that they are not exposed to modern ways to operate and this affects every aspect of their lives since they only practice the traditional trades hence unable to compete effectively against entrepreneurs practicing modern business a fact that threatens their future prosperity. Other hindrances to sustainable development in Isiolo North Sub-County involve minimal participation of women in development decision-making, preferential (bias) treatment of boys when it comes to education, low enrollment rate of the girl child leading to disparity in literacy between boys and girls and disparity in wealth ownership. Boru (2014) has argued that, while the Constitution of Kenya 2010 has very progressive benchmarks for ensuring participation in decision making, especially for women, who for a long time have been excluded from these processes, the Isiolo County women remain largely invisible. He suggests that Isiolo North Sub-County remains a highly patriarchal and traditional set up with cultural values largely dictating gender perceptions. Among the Borana for example he argues that, it is believed that women ought not to carry the burden of decision making and this has led to abject poverty displayed by women in the district.

Indeed the state of poverty in Isiolo County is well captured by the Kenya Integrated Household Baseline Survey 2011 which reported that 72 percent of Isiolo County Population is poor and that a larger percentage of this poor population is composed of women. The study on the influence of financial literacy training on financial performance of women groups seek to understand the role that training on saving skills play while women self help groups are making their saving options and the extent to which these training influence the general financial performance of women self help groups customers in Equity Bank, Isiolo Branch.

2.4 Training on Bank's Products and Services and Financial Performance

World Bank (2009) informs that developing countries are experiencing rapid growth in the financial sector through the entry of new financial providers and ever-more complex financial products and services as well as the inclusion of new consumers to financial markets as result of

which there is an increase in the importance of financial literacy for consumers in developing countries. Nicholas Godfrey (2008) asserts that the role of financial literacy among women self help groups 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. World Bank (2009) support the role of financial literacy training by noting that fees and interest which are expenses related to financial products formal or informal are likely to represent a higher share of income and thus have a significant impact on financial well-being of women self help group bank customers.

In Kenya there seem to be lack of confidence in the impact of financial education in the marketing of bank product and services among the major financial institutions. According to Gray at el (2009) the industry's lack of confidence in financial education's impact on a person's financial behaviors and long-term influence on a person's financial risk and management is not necessarily due to the fact that the existing evidence does not show positive influence but it is due to a lack of coherence of the goals of financial education, inconsistent and sometimes questionable research methods and the timing of when assessments are completed. In addition, studies that are limited to looking at the influence of financial education on the uptake of a particular financial product are missing a crucial piece of information on client satisfaction with the product being offered. This implies that the design of the financial education and the design of the financial product have to be examined when evaluating the influence of financial education on financial product uptake and this was the focus of this study. Mujer, Teba Bank (South Africa), Al Amana (Morocco), Equity Building Society (Kenya), SEWA Bank (India), CARD Bank (the Philippines) and the Microfinance Centre Poland (2006) argues that the need for financial education as a tool of marketing bank services and products grows more acute as the financial industry matures as well as due to proliferation of service providers and a diverse range of products. Thus financial education has been used by financial institution as a tool for responding to the life cycle and market pressures facing low income households consumption of microfinance products which have been modified to include credit for housing and education, current and long-term savings accounts, money transfers, and insurance. This study set out to

answer the influence that training on bank product and services has on financial performance of women self help group customer in Equity Bank, Isiolo Branch.

Microfinance Opportunities (2006) note that even though the financial service industry has developed more innovative services that provide new alternatives to financial customers in Sub-Saharan Africa, clients often do not understand these new options and may not use them to their advantage. To weigh alternatives and select the most appropriate products, clients need to understand how their features differs, how to calculate and compare their costs, and how to determine what they can afford. Gray *et al* (2009) inform that a study conducted by Microfinance Opportunities and Freedom from Hunger in Indonesia in 2005 confirmed that just as in the developed world, financial wealth was positively associated with financial literacy in developing countries and that financial literacy predicts demand for and use of financial services. Gray *et al* (2009) suggest that studies shows that the long-term benefits of financial literacy training are concentrated among individuals whom their parents' savings rates were below average. They suggest that financial education is a win-win investment for both clients and financial service providers because by teaching good money management practices regarding earning, spending, saving, and borrowing, financial education enables poor people to better manage their resources, understand their financial options, and improve their wellbeing while for the microfinance institutions, the informed customer makes for a better bottom line.

Sebstad, Cohen and Stack (2006) states that research on the effects of financial training projects has revealed over time the central importance of savings and debt management, often provided through microfinance or informal financial systems in the economic strategies of poor people. They suggest that studies shows that financial behaviors among the unbanked populations are often reactive and always responding to immediate problems and needs with little time to consider options, trade-offs, and longer-term consequences. Thus a common response has been borrowing money on very unfavorable terms, resulting in over-indebtedness, erosion of assets and in some cases, negative financial experiences result in fatalistic attitudes about getting out of debt or ahead financially. Microfinance Opportunities (2005) asserts that a related issue that emerges from the market research relating to financial gaps is the sense of powerlessness many

poor people feel, especially women, in dealing with financial issues in banks, in their business relationships and with their husbands and other family members. This state of powerlessness relates not only to knowledge of financial concepts, but lack of negotiation skills. In addition Microfinance Opportunities (2005) observed that research on effect of financial education on marketing suggests that many poor people are ill equipped to make informed financial decisions especially in the context of rapid proliferation of new financial products and services from banks and other consumer entities. Thus managing formal sources of credit requires more discipline and forward planning because terms generally are less flexible than for informal sources and the consequences of delinquency are more profound. Microfinance Opportunities also argues that market research data shows that people usually learn about managing money informally through personal experience and from family, friends and peers rather than formal education. Thus while poor people recognize the negative consequences of poor money management and the importance of financial literacy, they tend to see “financial education” as something for rich people.

While investigating whether training on bank product influence consumption of bank products among women, MasterCard Foundation (2011) through a case study report established that Organizations that were under the study directly attribute the increase in the number of bank accounts (SPEED Ghana) and the number of savers (AMFIU, OIBM), as well as changes in clients’ self esteem (Population Council), to their financial education programs although limited objective evidence is presented to support their assertions. Perez (2012) asserts that the Inter-American Development Bank 2011 survey among financial literacy beneficiaries in Peru established that 42.6% of women who received financial education on bank products and services were aware that their accounts were protected, while 18% awareness rate was reported by women who did not receive financial education training. In the districts where the program was implemented, 40.4% of the surveyed beneficiaries reported having ownership over how the money they earned was being spent, while in control districts this percentage was only 26.4%. This survey demonstrates the influence of training on bank services on the choice of saving options available to women. Microfinance Opportunities and Freedom from Hunger (2005) also inform that Survey results from the Money Smart financial education training for adults in the

United States, which covers the basics of checking, savings, budgeting and credit, indicated positive changes in consumer behavior and improved financial confidence during a six month to twelve month time period following the course.

However, MasterCard Foundation (2011) argues that, it is not possible to conclude that many financial education programs have increased financial product uptake and improved attitudes toward financial management. Micro save and Synovate (2011) agreed with MasterCard Foundation (2011) in their baseline survey among Faulu Kenya clients who had been trained on financial literacy and the general public who had not received the Faulu training on financial literacy, with the intention of understanding the extent to which Faulu Kenya clients differed from the general public in their financial capability. Their finding revealed a slight variation between clients and non clients who prepared a budget, with clients demonstrating a slightly lower percentage of those who did not budget. Among those who claimed that they were not budgeting at the time, 8% said they did not know how to budget while 21% reported that they did not see the need to budget. The most significant proportion however, 69% indicated that they did not have enough money to budget. While (OECD 2005) argues that the unbanked namely those who have no formal relationships with financial institutions, risk becoming even further isolated by recent changes in financial markets which have forced an increased number of transactions to assume the existence or ownership of a bank account and those individuals without one or with limited use of one are increasingly at a disadvantage because they lack the much needed account turnovers against which they can access credit.

In deed Ratio Magazine (2008) asserts that Equity Bank Kenya has demonstrated that banking with the poor market segment can be profitable, and subsequently, other commercial banks have followed suit and as a result they have reversed their previous strategy of branch closures by reaching out to new target clients. Ratio Magazine (2008) argues that, 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. In line with Vision 2030, a comprehensive financial literacy approach should emerge

with a focus to avoid over indebtedness in clients because as retail loans become more readily available among women groups this threat increases, and this threat could negatively affect the health of financial institutions in Kenya. Ratio Magazine (2008) suggest that, getting clients to understand how to manage debt should definitely be in the interest of the banks in Kenya since recent developments in Kenya financial market shows that the need for financial education and literacy among poorer people has grown over time.

According to Government of the Republic of Kenya (2007), the barriers to financial inclusion Kenya include among others low income, low financial literacy levels, product characteristics, and geographical distance all of which are articulated in the vision 2030. In deed Kenya's current development blueprint, Vision 2030, seeks to graduate the country from a low to medium income country by 2030. This vision is underpinned by massively up-scaling access to formal financial services from current levels of 23% to over 60% of the bankable adult population. Fin Access National Survey (2006) and (2009), identified the barriers to financial inclusion in Kenya to include costs of financial services (minimum balances and fees), low financial literacy, documentation requirements, distance to financial services locations, and income constraints. These surveys results revealed low income as the main barrier to expanding access to financial services in Kenya with 61.8% of the unbanked population citing income related barriers as the key reason for their exclusion. In addition the two survey finding suggested that non-income related access barriers to financial services such as documentation and qualifications, product characteristics, financial literacy levels, gender and cultural values, and geographical distance as being the second most important reason for being unbanked.

Fin Access (2009) notes that the introduction of mobile financial services in Kenya has contributed to the more than doubling in the use of non-bank financial institutions from 7.5% in 2006 to 17.9% of the bankable population in 2009. Dittus and Klein (2011) agree with Fin Access 2009 when they postulate that the attraction of mobile financial services such as M-Pesa is their extensive reach all over Kenya, including in villages and slums. The ambitious targets under Vision 2030 require massive expansion of access to financial services for Kenyans and this make financial literacy training especially among women an important strategy towards

achieving this course. This study therefore set out to establish the extent to which training on bank product and services influence the financial performance of women self help groups customers that have been trained on financial literacy in Equity Bank, Isiolo Branch and the finding was used to infer on the extent to which the financial literacy training influence the performance of women groups in Kenya.

2.5 Training on Debt Management and Financial Performance

World Bank (2012), research working paper number 6107 reports that financial literacy programs are fast becoming a key ingredient in financial policy reforms worldwide. Demographically women have lower levels of financial literacy almost everywhere. Lusardi and Mitchell (2011) established that women in the U.S. were significantly less likely to answer questions on financial literacy correctly; were more likely to say that they didn't know the answer, they rated their level of financial literacy more conservatively and self assessment of financial literacy in the overall population tended to be more inflated. Dick and Jarozek (2013) study on the determinants of the usage of consumer credit in Germany established that the usage frequency of an easily accessible, but relatively expensive source of consumer credit was not only related to individuals' self-control but decreased with financial literacy. They concluded that people with a tendency to make intuitive but incorrect financial service decisions in their financial service selection test survey changed with exposure to financial literacy, people used expensive overdraft credits less frequently if they possessed financial literacy skills, financial education played an important role improving consumer choices and suggested that, while financial literacy was certainly not the unique determinant of credit decisions, it substantially improved households' financial decisions.

Dick and Jarozek (2013) suggest that lack of self-control as opposed to poor financial literacy is responsible for sub-optimal financial decisions challenges but they also agree that financial education has a beneficial impact on consumer behavior. Ottaviani and Vandone (2011) argue that the effect of behavioral factors on household debt demand is different for secured and unsecured debts. They observe that secured debt application process is usually professionally consulted, 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. Dick and Jarozek (2013) asserts that literature abstracts from behavioral aspects assumes that poor understanding of products and mechanisms in financial markets and low financial literacy spurs sub-optimal financial decision. This notion is widely acknowledged in the investment domain where financial illiteracy is associated with inadequate saving decisions (Lusardi and Mitchell, 2007) Bucher, Koenen and Lusardi (2011), Van Rooij, Lusardi, and Alessie (2012), with lower stock market participation (Rooij, Lusardi, and Alessie, 2011) and with lower portfolio diversification (Guiso and Jappelli, 2009). In Africa, Honohan, Patrick, and King (2009) reports that the Fin Scope surveys on financial literacy shows knowledge disparities by gender when access to financial services is used as an indicator. In Malawi for instance, 17 percent of females were reported by the survey to have been banked compared to 21 percent of males and a similar difference was established in Mozambique, South Africa, and Zambia. Honohan, Patrick, and King (2009) assert that when women have access to finance, they are more likely than man to rely on informal rather than formal services. The Inter Media (2010) survey of youth in Ghana and Kenya also found disparities between man and women in terms of access to financial services.

However Xu and Zia (2012) assert that there are fewer surveys that focus specifically on women, particularly in developing countries. One exception in this regard is MasterCard Worldwide (2011), which reports on an index of financial literacy for women in 24 countries across Asia, the Middle East and North Africa, and Sub-Saharan Africa. The index measures knowledge of money management (weighted 50 percent), financial planning (30 percent), and investment (20 percent), and sampled approximately 10,500 women (although it is not clear how the sample was chosen). Interestingly, they find that financial literacy is not necessarily correlated with the level of income in each country; within Asia, women in Thailand scored the highest and women in Japan and Korea scored the lowest. While women in African countries, Middle Eastern countries generally had lower financial literacy scores than those in Asia. Thus Xu and Zia (2012) highlights the knowledge gaps in regard to the influence of financial literacy training on financial performance of low women income when they observes that no national surveys on financial

literacy have been conducted in countries defined by the World Bank group as the lowest income country grouping, that the available literature on the influence of financial literacy among women is limited to only awareness of financial products and providers and not on other dimensions of financial literacy such as capability to understand product and service features.

Inter Media (2010) report however concluded that a correlation exist between use of financial services and exposure to financial information in Kenya. Rooij and Lusardi (2007) in an analysis of Dutch survey data, find a causal effect of financial literacy on stock market participation. Abreu and Mendes (2010) also find that higher levels of education and financial literacy have a positive impact on portfolio diversification. Financially literate consumers, it is argued, would have been more cautious in taking on credit they couldn't afford. These skills, which are important for consumers in developed-country financial markets, are just as valuable for the poor. For example, over-indebtedness is an issue affecting microfinance clients as well as commercial bank clients. Many developing countries have also experienced asset price bubbles or pyramid schemes, which can lure consumers to make unwise investments. Greater financial knowledge, together with behavioral change to apply the lessons of financial education, reduces the likelihood that consumers at any income levels will make the wrong choices. MasterCard Foundation (2011) reports on financial education notes that when people have low levels of financial literacy, they often make unproductive financial decisions including spending their money in suboptimal ways, borrowing too much, saving too little, and missing opportunities for investing. It further asserts that by communicating the knowledge, skills, and attitudes associated with sound money management, financial education can offer these individuals the means to use their scarce financial resources more effectively besides guiding them in choosing financial services and products that best meet their needs.

The Women Enterprise Fund Strategic Plan 2009 – 2012 recognizes the importance of overcoming the perennial challenge of exclusion from economic resources and opportunities and which has chained women to poverty. The plan infers that women have limited access to credit, business development support services like capacity building, decent and secure market infrastructure, market information and linkages with big companies. Gray *et al* (2009) notes that

it is important to acknowledge that the poor use multiple formal and informal financial instruments to meet their needs, thus any understanding of changes regarding debt management and savings behaviors are restricted to their use of formal financial instruments or formal linkages to those products. Nelson (2012) notes that while evidence does not point a serious problem with debt management among women self help groups; there are indications that members could improve their financial stability through a better understanding of how to borrow prudently and make the best use of loans.

According to Abdi (2007) women access to and control over productive resources is low in Isiolo North Sub-County, hence less access to credit as they lack the necessary collateral. However, with the increase of micro-finance and group guarantee system, many women in urban areas of Isiolo North Sub-County have access to credit. Abdi (2007) also point out that education levels among women in Isiolo remain low with transition rate of girls from primary to secondary declining drastically among pastoralist communities since in most instances boys are given preference when choices are to be made on who will be taken to school and who will not. The influence of training on debt management and other financial literacy skills on financial performance of women group in Isiolo North Sub-County is demonstrated by the Northern Rangelands Trust 2013 Annual Report. According to this report when the total number of women trained on small business development and 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. In addition the report indicates that the number of micro credit loan beneficiaries also increased from 418 in 2012 to 745 in 2013. In Isiolo North Sub-County the report note that after Northern Rangelands Trust trained 42 women groups were on business skills it was able to disburse KSH 600000 as loans to individual women who had benefited from this training and plans are under way to give loans to the remaining trained beneficiaries. Thus training on financial literacy will play a significance role in determining the gains that women will obtained from the laid down county development plan is Isiolo County. As reported by the Isiolo Governors Monthly magazine (2014), the county government of Isiolo is putting up modern kiosks for women traders in all the Sub-Counties to ensure that they sell the products in a more organized area in order to attract more customers. Other efforts are in place to

encourage women in Isiolo County to register companies and embrace education so as to participate fully in development an effort towards financial inclusion among the women groups in Isiolo County. Thus this study will investigate the extent to which training on debt management skills influence the financial performance of women self help group customers in Equity Bank, Isiolo Branch.

2.6 Theoretical Framework: David Kolb Experiential Learning Theory

This study is based on the Experiential learning theory theorized by David Kolb in 1979. Nazarova (2007) states that as theorized by Kolb, experiential learning theory see learning as the process whereby knowledge is created through the transformation of experience and from the combination of grasping and transforming experience. Kolb, Boyatzis and Mainemelis (1999) suggest that experiential learning theory (ELT) assumes that experience plays a central role in the learning process, provides a holistic model of the learning process and a multi linear model of adult development, both of which are consistent with how people learn, grow, and develop therefore making it relevant to this study because the training on financial literacy to women self help group customers in Isiolo by Equity Bank aimed to transform their financial behavior through experiential learning. Central to this theory is the experiential learning cycle model which infers that the process of learning begin at an experience (concrete experience) followed by reflection (reflective observation). The reflection is then assimilated into a theory (abstract conceptualization) and finally the reformulated hypotheses are tested in new situations. The logic of this theory is that women self help group customers did not only learn from the activities of the classroom seminars, but they also tested the knowledge they acquired from the seminars in their real life situations thus made it ideal to base this study. The theory was also ideal because women self help group customers were required to learn by reflecting on their previous financial behavior during the learning process.

2.7 Conceptual Framework

The conceptual framework presents the relationship among the key concepts that informed the study. It illustrates and explains graphically the independent variables, the dependent variable, and the moderating and intervening variables. It also indicates the key indicators to be measured for both independent and dependent variables. Each of the independent variable represented in the framework below has a direct causal effect on the dependent variable, but they do not work in isolation. The use of arrows indicates the presumed relationships among the variable as illustrated below. From the study, the influence of the dependent variable by the independent variables was moderated by the government policy on how women self help groups functioned. While the level of education as an intervening variable determined how women self help group customers acquired and applied financial literacy skills as presented in figure 1.

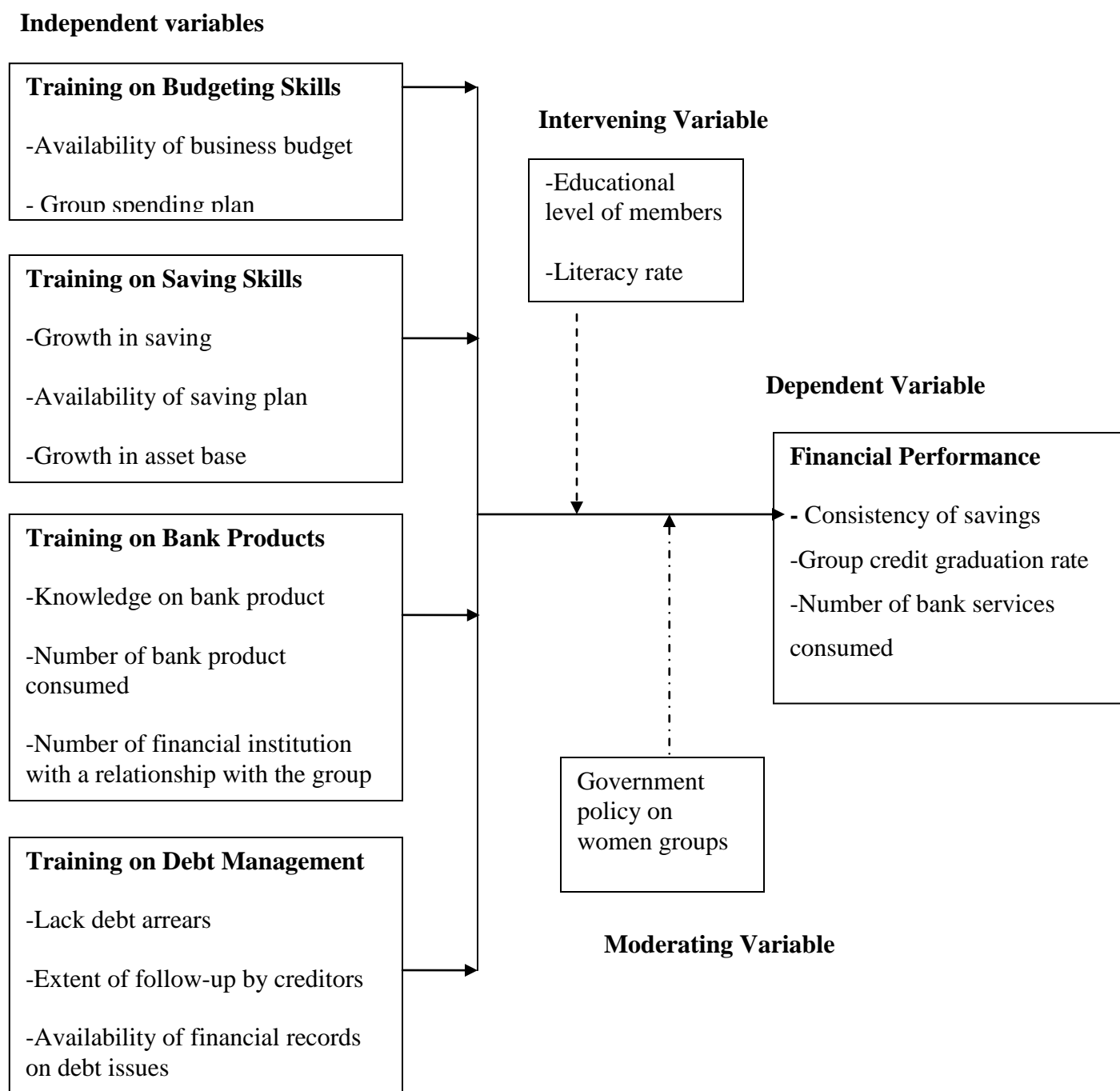


Figure 1: Conceptual Framework

2.8 Knowledge Gaps

From the literature review it is revealed that there is still much to learn about which types of financial education are needed by whom, which methodologies are most effective in improving knowledge, skills, attitudes and practices, and how financial education can be combined with other opportunities to reinforce long-term behavior change among women in self help groups. There was therefore a knowledge gaps on which financial literacy training influenced financial performance of women self help groups. This study aimed to fill these gaps.

2.9 Summary of Literature Review

The four independent variables and the dependent variables are the basis of the literature review. The study has explored the existing literature along the five variables and indications are a lot has been done on financial literacy and how it influences performance of women self help group. The findings come close to relating financial literacy and transformation of money management behaviour and setting of attainable financial goals.

Social and Enterprise Development Innovation (2008) viewed financial literacy as consisting of financial knowledge, financial understanding, financial skills and competency and financial responsibility. SEDI (2008) asserts that successful financial literacy focus should not be based on the topics covered but rather the engagement of these topics with an individual's daily life through the building of critical thinking, confidence and problem solving skills.

It was also established that though the principles of money management are universal, the knowledge on financial management is dependent on exposure as cited by Gray, Sebstand, Cohen and Stack (2009) who suggests that the principles of money management is universal but financial knowledge, experience and behaviors vary widely across individuals and populations and that exposure to financial literacy trainings influence change in money handling behavior.

In addition literature has revealed that lack of financial literacy has causal effect on increased women poverty and access to financial resources by women self help groups in Kenya and other

parts of the World. Jivetti (2007), 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. Abdi (2007) asserts that women access to and control over productive resources is low in Isiolo. They don't have access to credit because they lack necessary collateral and see increased presence of micro-finance and group guarantee system to be facilitating women access to credit in Isiolo town. 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.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the procedures that were used in conducting this research. It has discussed the research design that was appropriate for the study, the study population, the sampling procedures and the sample size that was used by the study. It also states the measurement instruments, methods of data collection and methods of data analysis adopted for the study.

3.2 Research Design

The descriptive survey design which is a method of collecting data by interviewing or administering questionnaires to sampled individuals was used to carry out this study. A descriptive survey design method was preferred for this study because it offered the researcher a methodology to investigate the influence of financial literacy training on financial performance of women self help group customers in Equity Bank, Isiolo Branch using a multivariate based analysis from a surveyed data. Women self help group customers in Equity Bank; Isiolo Branch was the unit of analysis. The study examined through a descriptive survey the financial situation of sampled women self help group customers in Equity Bank, Isiolo Branch as they were without in any way changing or modifying their situation. Acquired data was analyzed, interpreted, reported and was used to describe relationship that existed between training on financial literacy and financial performance of women self help group customers in Equity Bank, Isiolo Branch and to establish those financial literacy topics that influenced financial performance of these groups most and the extent to which the influence existed. The descriptive survey design was appropriate to this study because the study involved fact finding and enquiring on the influence of financial literacy training on financial performance of women self help group customers. The study collected and analyzed information on the influence of financial literacy training on financial performance of women self help group customers in Equity Bank, Isiolo Branch.

3.3 Target Population

The target population was 16 women self help group customers registered by Equity Bank, Isiolo Branch and their total population was 223 members. The target population also included 8 stakeholders in the area of women finance and empowerment within Isiolo town, two respondents from each of the following institutions: K-REP Bank, Faulu Bank of Kenya and Kenya Women Finance. It also comprised one respondent from The Ministry of Co-operative Development and one respondent from Women Enterprise Fund. Finally the target population comprised of 9 Equity Bank, Isiolo Branch credit staff. This made a total population of 240.

Table 3.1 Target Population

Group Name	Group Population
Tusaidiane women group	14
Majaliwa United women group	13
Mwicheiri women group	12
Isiolo Qura women group	14
Emejen Women group	18
Mother lands Women group	16
Kene Waga	13
Ready to work	16
Dorcas Mwendu	14
Peace women group	15
Narudi women group	15
Trust Jordan	14
New Edition	8
Jaribu Women group	15
Great Vision women group	11
Subuiga women group	15
Subtotal	223
Financial stakeholders	8
Equity Bank Credit Staff	9
Total Population	240

Source Equity Bank Isiolo Branch 2014

3.4 Sample Size and Sampling Techniques

The study used two sampling techniques, namely random sampling for the groups and purposive sampling for the Equity Bank, Isiolo branch credit staff and stakeholders dealing with the women groups in Isiolo town.

The study used the Cochran (1963) formula to calculate the sample size which is based on the sample for proportions, where by:

$$n = \frac{Z^2 * p * q}{E^2}$$

Where:

n = the desired sample size

Z = the value corresponding to the level of confidence required (in this case 1.96 Corresponding to 95% Level of confidence)

P = Estimated level of an attribute that is present in the population (0.5 maximum variability)

q = estimated level of the attribute that is not present in the population (1-p).

E =desired level of precision (in this case 5%)

The adjusted minimum sample size was collaborated by use of the following formula for correction for finite population.

$$n_1 = \frac{n_0}{1 + \left(\frac{n_0 - 1}{N}\right)}$$

Where:

n_1 = adjusted minimum sample size

n_0 = minimum sample size as arrived at using the previous formula (384)

N = the total known population

The sample size was calculated as follows

$$n = \frac{(1.96)^2 (0.5)(0.5)}{(0.05)^2}$$

$$= \frac{3.8416 \times 0.25}{0.0025}$$

$$n = 384$$

$$n_1 = \frac{n_0}{1 + \left(\frac{n_0 - 1}{N}\right)}$$

$$n = \frac{384}{1 + \frac{(384 - 1)}{240}}$$

Sample size for group respondent (n) = 148

Total sample Size = 148

Total group sample size = 15

3.4.1 Sample Size

Out of the targeted sixteen women self help group customers, a sample of fifteen (15) women self help group were selected to participate in this study. From these sampled fifteen women self help group customers, (32) group officials, (43) group credit committee members and (11) stake holders were subjected to questionnaire while (62) group members were subjected into focused group discussion.

Table 3.2 Sampling Frame

Respondent:	Target population	sample size
Group official	52	32
Group credit committee	70	43
Group members	101	62
Equity Bank Credit Staff	9	6
Financial stakeholders	8	5
Total:	240	148

3.5 Research Instruments

The researcher acquired a research permit from all the relevant authorities. The researcher then wrote to the women self help group officials informing them of the study and arranged for the focus group discussion dates. He also visited the selected bank staff and stakeholder's representatives and explained the purpose of the study after which he administered the questionnaire to them. The respondents were assured strict confidentiality during the study. The research instruments used by the study include questionnaire, focused group discussion and likert scale.

Data was collected using two sets of questionnaires which contained both open ended and closed ended questions. One set of questionnaire was subjected to the 32 sampled group officials and 43 group credit committee respondents. The other one set of questionnaire was subjected to 6 credit staff in Equity bank Isiolo and 5 stakeholders in the area of women finance and empowerment within Isiolo town who included 1 officer from each of the following institutions: Ministry of Co operative Development, Women Enterprise Fund, K-REP Bank Isiolo, Faulu Bank Isiolo and Kenya women Finance Isiolo branch. Hence questionnaires were subjected to 86 respondents as per the sample size.

Data was also collected through focused group discussions. The 62 group members were divided into 8 groups that were used to investigate what they thought was the influence of training on financial literacy on financial performance of their women self help groups, why they thought this influence existed and how the influence of training on financial literacy on the financial performance of women self help groups existed. This method was appropriate for this study because the respondents were required to play an active role during the study.

Finally the likert scale which is a measure that is used to evaluate attitude by providing respondents with statements describing about an issue was used in this study with the respondents being required to indicate the extent to which they agreed or disagreed with each statement concerning the four research questions that were under the investigation. The scale was applied in the designing of the questionnaires for the respondents with a 5 point scale being applied.

3.5.1 Pilot Testing of the Research Instrument

The research instrument were pretested using two women self help group customers in Equity Bank Isiolo Branch and two stakeholders. In order to test the reliability of the instruments, internal consistency techniques was applied using Cronbach's Alpha. Analysis of the pilot data revealed an alpha of 0.8 and because the alpha ranges between 0 and 0.9 with reliability increasing with the increase in value of coefficient, an alpha of 0.8 indicated higher or good reliability of the research instruments.

3.5.2 Validity of the Research Instrument

According to Kombo and Tromp (2009), validity of a test is a measure of how well a test measures what it is supposed to measure. According to Macmillan and Schmacher (2001), it is recommended that the researcher conducts a pilot test of the questionnaires and other instruments before using them in the actual research. In this study the researcher used 2 groups and 2 respondents from the stakeholders for the pilot study. The researcher also used face validity to review and develop an informal opinion as to whether or not the test measured 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 supervisors who are experts in the area of study validated the instruments through expert judgment.

3.5.3 Reliability of the Research Instruments

According to Orodho (2004), reliability of instrument concerns the degree to which a particular measuring procedure gives similar results over a repeated trial. To enhance the reliability of the instrument, a pilot study was conducted. Pre-testing was used to gauge the clarity and relevancy of the instrument items and those items that were found to be inadequate for measuring variables were either discarded or modified to improve the quality of the research instruments. In order to test the reliability of the instruments, internal consistency techniques was applied using Cronbach's Alpha. The alpha ranges between 0 and 0.9 with reliability increasing with the increase in value. Coefficient of 0.6 to 0.7 is commonly accepted rule of the thumb that indicates acceptable reliability and 0.8 or higher indicates good reliability. A high value of alpha (>0.9)

may suggest redundancies and shows that the test length should be shortened (Tavekol and Dennick, 2011). This ensured that the instrument captured all the required data.

3.6 Data Analysis Techniques

The collected data was cross-examined and its accuracy ascertained. The items that were wrongly responded to, spelling mistakes and blank spaces were identified. Quantitative data were then entered into the computer for analysis using the Statistical Package for Social Sciences (SPSS) version 12. This generated the statistics which were used to discuss the findings. Frequency distribution tables were used to present the data while descriptive statistics through percentages and frequencies was used to present the qualitative data.

3.7 Operational Definition of Variables

Table 3.3 Operationalization of variables

Type of Variable	Indicators	Measurement	Level of Scale	Data Collection Methods	Data Analysis	Level of analysis
Independent variable -Training on budgeting skills	-Availability of business budget -Group spending plan	- Number of groups with budget - Number of groups with spending plans	Nominal Ordinal Likert scale	Questionnaires Focused group discussions	Qualitative Quantitative	-Descriptive statistics
-Training on saving skills	-Growth in saving -Availability of saving plan -Growth in asset base	- Level of group saving -Number of groups with saving plan - Group asset growth	Nominal Ordinal Likert scale	Questionnaires Focused group discussions	Qualitative Quantitative	-Descriptive statistics
-Training on bank products	Knowledge on bank product -Number of bank product consumed -Knowledge on bank service level agreement -Number of financial institution with a relationship with the group	- Number of bank product consumed by the group -Group knowledge on bank services -Number of financial institutions with a relationship with the group	Nominal Ordinal Likert scale	Questionnaires Focused group discussions	Qualitative Quantitative	-Descriptive statistics
-Training on debt management	-Lack of debt arrears -Extent of follow-up by creditors -Availability of financial records on debt issues	-Group debt arrears -Number of time contacted by creditors due to debt owed -Number of groups keeping financial records	Nominal Ordinal Likert scale	Questionnaires Focused group discussions	Qualitative Quantitative	-Descriptive statistics

3.8 Ethical Issues

Due to the sensitivity of the collected information the researcher treated the information collected from the respondent with utmost propriety. Respondent participation was also voluntary and their information was handled with confidentiality while the gathered information was only used for the purpose of this study.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This study investigated the influence of financial literacy training on financial performance of women self help group customers in Equity bank, Isiolo branch. This chapter presents the data analysis and interpretation of the findings of the four variables that were under the investigation. Data is presented through frequency tables on how training on budgeting skill, training on saving skills, training on bank's products and services and how training on debt management influenced financial performance of women self help groups customers in Equity Bank, Isiolo branch.

4.2 Questionnaire Response Rate

Questionnaire return is the proportion of the questionnaires returned after they have been issued to the respondents. Table 4.1 illustrate the questionnaire return rate for the stakeholders, group official and credit committee.

Table 4.1 Questionnaire Response Rate

Study group	Questionnaire distributed	Questionnaire returned	Response rate
Group committee	43	40	93.3
Group officials	32	29	90.6
Stakeholders	11	10	90.9%
Total	86	79	91.8%

Table 4.1 shows that 75 questionnaire were distributed to group officials and credit committee sampled. Table 4.1 further shows that 69 group officials and credit committee filled and returned the questionnaire. Finally table 4.1 indicates that 11 questionnaires were distributed to the sampled women self help group financial stakeholders that were sampled and 10 stakeholders

responded and returned the questionnaire. The return rate was above 90 % which was deemed adequate for the analysis.

4.3 Demographic Data of Respondents

The demographic data for all the respondents which was based on gender, age, role and highest level of education attained was as indicated in Table 4.2, 4.3 and 4.4.

4.3.1 Demographic Data of the Stakeholders, Group Officials and Credit Committee

The demographic data of the stakeholders, group officials and credit committee was based on their gender, age and highest level of education attained. Further the demographic data for the group official and credit committee was based on their responsibility to the group while that of the stakeholders was also based on the organization they worked with and their occupation. Table 4.2 tabulates the gender of the group officials, credit committee and the stakeholders.

Table 4.2 Distribution of the Group Officials and Credit Committee According to Gender

Demographic factor	Study group	Variable	Frequency	Percentage
Gender	Group officials and credit committee	Male	11	15.9%
		Female	58	84.1%
	Stake holders	Male	6	60.0%
		Female	4	40.0%

Table 4.2 shows the majority 58(84.1%) of group officials and credit committee were female, 11(15.9%) of group officials and credit committee were male while 6(60.0%) of the stakeholders were male and 4(40%) of the stakeholders were female. The respondents were asked to indicate their age and their responses were as shown in table 4.3

Table 4.3 Distribution of the Group Official, Credit Committee and Stakeholders According to Age

Demographic factor	Study group	Age group	Frequency	Percentage
Age	Group officials and credit committee	18-35 years	19	27.5%
		36-52 years	42	60.9%
		53 years and over	8	11.6%
	Stake holders	18- 35 years	9	90.0%
		53 years and over	1	10.0%

Table 4.3 shows that 19(27.5%) of group committee and officials were aged between 18 and 35 years, the majority 42(60.9%) of group committee and officials were aged between 36 and 52 years while 8(11.6%) of group committee and officials were over 53 years. It also shows the majority 9(90.0%) of stakeholders were aged between 18 and 35 years while 1(10.0%) of stakeholders were over 53 years old. The respondents were asked to indicate their highest level of education and their responses were as shown in table 4.4

Table 4.4 Distribution of the Group Officials and Credit Committee According to Highest Level of Education

Demographic factor	Study group	Highest level of education	Frequency	Percentage
Education level	Group official and credit committee	Never completed primary	19	27.5%
		Completed Primary	19	27.5%
		Secondary	27	39.1%
		Tertiary Institutions	4	5.8%
	Stakeholders	Tertiary	2	20.0%
		University	8	80.0%

Table 4.4 shows that 19(27.5%) of group officials and credit committee had not completed primary education, the same number of group officials and credit committee had completed primary education. It further shows that 27(39.1%) of group officials and credit committee had secondary education while 4(5.8%) of group officials and credit committee had tertiary level of

education. Table 4.4 finally shows the majority 8(80.0%) of stakeholders had university education while 2(20.0%) of stakeholders had tertiary education.

Table 4.5 Name of the Groups

Name	Frequency	Percentage
Dorcas Mwende women self help group	4	5.8
Ken Waga Women Self help group	5	7.2
Narundi women Self Help Group	6	8.7
Mwichuri Women Self Help group	8	11.6
Emeja Women Self Help group	7	10.2
New Edition Women Self Help group	4	5.8
Tusaidiane Women Self Help group	6	8.7
Peace Women Self Help group	6	8.7
Subuiga Muthangene Women Self Help group	4	5.8
Trust Jordan Women Self Help group	4	5.8
Majaliwa united Women Self Help group	2	2.9
Ready to work Women Self Help group	4	5.8
Mother Land Women Self Help group	5	7.2
Qura Women Group Women Self Help group	4	5.8
Total	69	100.0

Table 4.5 shows the group officials and credit committee were from Dorcas Mwende Women Self Help Group, Ken Waga Women Self Help Group, Narundi Women Self Help Group, Mwichuri Women Self Help Group, Emejan Women Self Help Group, New Edition Women Self Help Group, Tusaidiane Women Self Help Group. Data further shows that Peace Women Self Help Group, Subuiga Muthangene Women Self Help Group, Trust Jordan Women Self Help Group, Majaliwa united Women Self Help Group, Ready to work Women Self Help Group, Mother Land Women Self Help Group and Quura Women Self Help Group officials and credit committee participated in the study. The group respondents were asked to indicate their

responsibilities in the group, while stakeholders respondent were asked to indicate the organization they worked with. They responded as tabulated in Table 4.6

Table 4.6 Distribution of the Group Officials and Credit Committee According To Responsibility to the Group

Study Characteristics	Study Group	Responsibility To The Group	Frequency	Percentage
Respondent roles and organization	Group official and credit committee	Chairlady	8	11.6%
		Secretary	12	17.4%
		Treasurer	10	14.5%
		Committee member	39	56.5%
	Stakeholders	Organization Working With	Frequency	Percentage
		Bank	5	50.0%
		Microfinance Institution	3	30.0%
		Kenya Women Enterprise Fund	1	10.0%
		Ministry of trade industries	1	10.0%
	Stakeholders	Occupation	Frequency	Percentage
		Credit manager	1	10.0
		Credit officer	8	80.0
		District cooperative officer	1	10.0

Table 4.6 shows the majority 39(56.5%) were committee members, 10(14.5%) were treasurer, 12(17.4%) were secretaries while 8(11.6%) of respondents were chairladies. Table 4.6 further shows the majority 5(50.0%) of stakeholders worked with banks and 3(30.0%) of stakeholders worked with microfinance Institution in. It further shows that 1(10.0%) of stakeholders worked with Ministry of Trade Industries while the same number of stakeholders worked with the Women Enterprise Fund. Finally table 4.6 indicate the majority 8(80.0%) of stakeholders were credit officers, 1(10.0%) of stakeholders were credit managers while the same number of stakeholders were district cooperative officer. The study further found out that the stakeholders dealt with women groups.

4.4 Financial Literacy Training and Financial Performance

The purpose of this study was to investigate the influence of financial literacy training on financial performance of women self help group customers. Influence was hypothesized as training on budgeting, training on saving skills, training on bank's products and services and training on debt management. This section presents findings on these factors.

4.5 Training on Budgeting Skills and Financial Performance

The first objective of this study was to determine the influence of training on budgeting skills on financial performance of women self help group customers. The group officials and credit committee, group members and stakeholders were posed with items that sought to determine the same through the following indicators: year the group received the training, skills gained by the trained groups, availability of group spending plan, usefulness of budgeting skills to the groups, importance of budgeting skills and usefulness of financial skills on group lifespan. Data is presented in the following section. Table 4.7 tabulates group officials and credit committee responses on the year they received the training.

Table 4.7 Group Officials and Credit Committee Responses on the Year That the Group Received Training by Equity Bank

Year	Frequency	Percentage
2010	41	59.4
2011	20	29.0
2012	6	8.7
2013	2	2.9
Total	69	100.0

Table 4.7 shows the majority 41(59.4%) of group officials and credit committee indicated that they received training on year 2010, 20(29.0%) of group officials and credit committee indicated year 2011, 6(8.7%) of group officials and credit committee received training on year 2012 while 2(2.9%) of group officials and credit committee indicated that they received training on years

2013. When the stakeholders were asked whether they trained women self help group on budgeting skills, 10(100.0%) of stakeholders indicated that they trained them. They further indicated that the training on budgeting skill helped group under their organization to manage finances better. Table 4.8 tabulates group officials and credit committee responses on the skills the group received from the financial literacy

Table 4.8 Group Officials and Credit Committee Responses on the Skills the Group Received From the Financial Literacy

Skills	Yes		No	
	Frequency	Percentage	Frequency	Percentage
Budgeting	67	97.1	2	2.9
Saving	69	100.0	0	0.0
Debt management	67	97.1	2	2.9
Knowledge on bank products and services	67	97.1	2	2.9

Table 4.8 shows the majority 67(97.1%) of the groups received training on budgeting skills, debt management skills and knowledge on bank products and services while 100.0% of the groups received training on savings. Further the respondents were asked to indicate whether the group had a current spending plan. Table 4.9 shows the frequency of the response.

Table 4.9 Group Officials and Credit Committee Responses on Whether the Group Had a Current Spending Plan

Response	Frequency	Percentage
Yes	63	91.3
No	6	8.7
Total	69	100.0

Table 4.13 indicates that out of the 69 respondents 63(91.3%) of group officials and credit committee indicated that their group had a current spending plan while 6(8.7%) of groups said

they did not have a current spending plan. The study further sought to establish whether training on budgeting skills was useful to the groups. The stakeholders were asked to indicate usefulness of training on budgeting skills the responses were tabulated in table 4.10

Table 4.10 Stakeholders Responses on How Training on Budgeting Skills Helped Groups

Responses	Frequency	Percentage
Members learn more on savings and how to multiply their capital hence sustain their family expenses and income	5	50.0
Most of them are illiterate and old	2	20.0
Members are able to differentiate between home budgets and business budgets	3	30.0
Total	10	100.0

Table 4.10 shows the majority 5(50.0%) of stakeholders indicated that women self help members learnt more on savings and how to multiply their capital hence sustain their family expenses and income through skills acquired during training, 2(20.0%) of stakeholder indicated that most of the women in self help groups were illiterate and old and hence the budgeting skills helped them while 3(30.0%) of stakeholders indicated that members of women self help groups were able to differentiate between home budgets and business budgets after the training.

The group officials and credit committee further indicated that budgeting skills helped them because after the training, they were able to establish or they knew all the group financial income and loans as well as loan due at all times. The group officials indicated that after they were provided with budgeting skills, the group members were able to save money consistently, improve their individual saving, capture all the income and expenses, prepare their own budget, plan the expenditures and to keeps a good record. Table 4.11 tabulates group officials and credit committee responses on whether the group was currently keeping a written budget. Table 4.11 also tabulate the stakeholders' response on whether they agreed that training on budgeting skill

enhances timely group financial contribution and the importance they attached to training on budgeting skills to financial performance of women self help groups.

Table 4.11 Group Officials and Credit Committee Responses On Whether The Groups Were Currently Keeping A Written Budget, Stakeholders' Responses On The Extent To Which Training On Budgeting Skill Enhances Timely Group Financial Contribution And The Extent To Which Training On Budgeting Skills Was Important To Financial Performance Of Women Group

Study Variable	Study group	Response	Frequency	Percentage
The group is keeping a written budget	Group official and credit committee	Yes	55	79.7
		No	14	20.3
budgeting skill enhances timely group financial contribution	Stakeholders	Response	Frequency	Percentage
		Strongly agree	4	40.0
		Agree	6	60.0
		Disagree	0	0.0
The importance of training on budgeting skills to financial performance of women group	Stakeholders	Response	Frequency	Percentage
		Slightly important	1	10.0
		Moderately important	2	20.0
		Very important	7	70.0

Table 4.11 shows the majority 55(79.7%) of group officials and credit committee indicated that their groups were currently keeping a written budget while 14(20.3%) of groups were not keeping a written budget. Asked to indicate the reason why their groups lacked a written budget, they indicated that the women self help group members thought that budgeting was only applicable in their individual household and were not aware of what a group budget would entail. Table 4.11 also indicates the majority 6(60.0%) of stakeholders agreed that training on budgeting skill enhanced timely group financial contribution while 4(40.0%) of stakeholders strongly agreed that training on budgeting skills enhanced timely group financial contributions. Finally Table 4.11 shows the majority 7(70.0%) of stakeholders indicated that training on budgeting skills was very important to financial performance of women self help groups, 2(20.0%) of stakeholders indicated that training was moderately important while 1(10.0%) of stakeholders indicated that training budgeting was slightly important. This was also supported by the group members during the focused group discussions where they felt that training on budgeting skills had helped them live within their means.

Table 4.18 tabulates group officials and credit committee responses on the expense included in the group budget.

Table 4.12 Group Officials and Credit Committee Responses on the Expense Included In the Group Budget

Expense	Included		Not included	
	Frequency	Percentage	Frequency	percentage
Members loan due	62	89.9	7	10.1
Members saving due	63	91.3	6	8.7
Members fine due	65	94.2	4	5.8

Table 4.12 shows the majority 62(89.9%) of group officials and credit committee indicated that members loan due was included in the group budget, the majority 63(91.3%) of group officials and credit committee indicated that members saving due was included in the budget. Table 4.12 further shows the majority 65(94.2%) of group officials and credit committee indicated that

member's fine due was included in the group budget. The group officials further added that the group budget also included registration fee for new membership and money that was meant for the group merry go round. Table 4.13 tabulates stakeholders response on whether training on financial literacy influenced the lifespan of women self help groups.

Table 4.13 Stakeholders Responses on Whether Training on Financial Literacy Influence the Lifespan of Women Groups

Responses	Frequency	Percentage
Very strongly	3	30.0
Strongly	7	70.0
Not at all	0	0.0
Total	10	100.0

Table 4.13 indicates the majority 7(70.0%) of stakeholders strongly agreed that training on financial literacy influenced the lifespan of women self help groups while 3(30.0%) of stakeholders indicated that training on financial literacy influenced very strongly the lifespan of women self help group.

Group officials and credit committee indicated that the training on budgeting skills impacted on how the group managed its finances as it helped the members know the amount of money they had, their loan that were due and they learnt how to spend within their group income levels. They further indicated that the group was able to account for all the expenses and they were able to avoid unnecessary expenditures. The majority 10(100.0%) of stakeholders indicated that training on budgeting skills increased the possibility of a women self help group having a group budget. The stakeholders further indicated that many groups had their projects ready in time and prior to the funding hence reducing misallocation of funds, members knew the importance of timely budgets and projections and because the groups were trained on the importance of having a budget the budgeting skills they acquired increased their possibility of having a group budget.

Table 4.14 tabulates group officials and credit committee rating on the usefulness of training on budgeting skills to the group.

Table 4.14 Group Officials and Credit Committee Rating On the Usefulness of Training on Budgeting Skills to the Group

Rate	Frequency	Percentage
Not at all important	3	4.3
Low importance	4	5.8
Slightly important	2	2.9
Neutral	2	2.9
Moderately important	7	10.1
Very important	21	30.4
Extremely important	30	43.5
Total	69	100.0

Table 4.14 shows that 3(4.3%) of group officials and credit committee indicated that training on budgeting skills were not at all important to the group, 4(5.8%) of officials and committee indicated that they were of low important, 2(2.9%) of group officials and credit committee indicated that budgeting skills were slightly important. Data further shows that 21(30.4%) of group officials and credit committee indicated that the skills were very important while 30(43.5%) of group officials and credit committee indicated that training on budgeting skills were extremely important to the group. The study further sought to establish the usefulness of keeping a group budget to women self help groups. Table 4.15 tabulates stakeholders' responses on the usefulness keeping a group budget to women self help groups.

Table 4.15 Stakeholders Responses on the Usefulness of the Women Group to Keep a Group Budget

Response	Frequency	Percentage
Very useful	4	40.0
Somewhat useful	1	10.0
Useful	5	50.0
Total	10	100.0

Table 4.15 shows the majority 5(50.0%) of stakeholders indicated that it was useful for women group to keep a group budget, 4(40.0%) of stakeholders indicated that it was very useful while 1(10.0%) of stakeholders indicated that it was somehow useful for women group to keep a group budget. The group officials and credit committee further indicated that budgeting was good for good group financial judgments and it allowed the group to loan and manage loans. The members were able to prioritize their needs within their ability through budgeting. It was further found out in the focused group discussions that members were able to manage their little earning which was initially difficult to manage and that budgeting helped group to be able to monitor its expenses and income. Data from stakeholders indicated that training on budgeting skills impacted on how women in self help group managed their personal finances as it extended from group into respective women families where they applied the skills in their households budgets hence improving their lives. Group members knew of their income and expenses, how they could obtain savings and they were able to allocate money and resources effectively hence enhancing their welfare. Findings from group discussion with group members revealed that due to skills gained the groups were able to account for all the expenses and income. The groups were also now prioritizing all the group expenditures unlike before and planning for all the saving and loans due. The members further revealed that they had expenses related to group budget which included: group's loan due to creditors, group's bank saving requirement, group's fines due to creditors, members transport to the bank and group's stationary cost per item. The members were

able to differentiate needs and want. They were able to make good financial judgment as they were informed through budgeting training.

4.6 Training on Saving Skills and Financial Performance

The second objective set out to determine the influence of training on saving skills on financial performance of women self help group customers in Equity Bank, Isiolo Branch. The group officials, credit committee, group members and stakeholders were posed with items that sought to measure the influence of training on financial performance of women self help group using the following indicators: reasons the groups saved, whether training on saving skills had influence on group saving habits, whether group saving had improved the living standards of members, whether saving skills were important to groups, whether groups were keeping saving records as results of the training, whether the group had acquired assets as result of the skills gained and whether the group was keeping group saving as result of the training on saving skills. Data is presented in the following section: When stakeholders were asked whether they trained women self help groups on saving skills, 10(100.0%) of stakeholder indicated that they did. When the group officials and credit committee were asked whether the group was currently being involved in any kind of saving, 69(100.0%) of group officials and credit committee indicated that their groups were currently being involved in saving. Table 4.16 tabulates the group officials and committee responses on the reasons for group savings,

Table 4.16 Group Officials and Credit Committee Responses on Why the Group Saved

Reasons	Yes		No	
	Frequency	Percentage	Frequency	Percentage
To create security against which the members can be given loans	65	94.2%	4	5.8%
Welfare purposes	49	71.0%	20	29.0%
To finance group merry-go-rounds	42	60.9%	27	39.1%
For asset creation (business investment, etc)	30	43.5%	39	56.5%

Table 4.16 shows the majority 65(94.2%) of groups saved to create security against which the members could be given loans, the majority 49(71.0%) of groups saved for welfare purposes, the majority 42(60.9%) of groups saved to finance group merry-go-rounds while the majority 39(56.5%) of groups did not save for asset creation (business investment, etc). Table 4.16 further shows that the group officials and committee indicated that their groups saved weekly. It was further found out that training women self help groups on saving skills increased consistency of group savings as indicated by 10(100.0%) of stakeholders. Table 4.23 tabulates stakeholder's responses on whether training on saving skills affected women group saving habits.

Table 4.17 Stakeholders Responses on Whether Training on Saving Skills Affected Women Group Saving Habits

Responses	Frequency	Percentage
Very strongly	1	10.0
Strongly	9	90.0
Total	10	100.0

Table 4.17 shows the majority 9(90.0%) of stakeholders indicated that training on saving skills affected women self help group saving habits strongly while 1(10.0%) of stakeholders indicated that it affected very strongly. The stakeholders 10(100.0%) revealed that training women self help groups on saving skills enhanced the general women self help group asset base. This was because regular and consistent saving meant more money and this savings helped in purchasing of asset for the members. The focused group discussions revealed that training helped the groups to plan how to dispose old assets, it encouraged each member to save so as to pool fund together and the training instilled discipline on constant savings. The study further sought to establish where the group kept its savings. Table 4.18 tabulates group officials and credit committee responses.

Table 4.18 Group Officials and Credit Committee Responses on Where the Group Kept Its Savings

Response	Frequency	Percentage
In a bank account	67	97.1
With an MFI or SACCO	2	2.9
Total	69	100.0

Table 4.18 shows the majority 67(97.1%) of group officials and credit committee indicated that the group saved in a bank account while 2(2.9%) of group officials and credit committee indicated that the group saved with an MFI or SACCO. The group officials and credit committee further indicated that the members saved in bank account because of safe custody and availability of other bank services. The focused group discussion revealed that members had learnt how to use different bank services which as captured by one respondent who said “we thought that bank services were designed only for rich but now we know they are meant for us all.” The study further sought to establish whether the group saving helped women in group improves their living standards. Table 4.19 tabulates stakeholders’ responses on how the group saving helped women in groups improves their living standards.

Table 4.19 Stakeholders Responses on How the Group Saving Helped Women in Group in Improving Their Living Standards

Responses	Frequency	Percentage
Purchasing of assets that individually could not afford	6	60.0
Members are able to start income generating projects	2	20.0
Results to business continuity	2	20.0
Total	10	100.0

Table 4.19 shows the majority 6(60.0%) of stakeholders indicated that the group purchased assets that individually could not afford, 2(20.0%) of stakeholders indicated that members were able to start income generating projects while the same number of stakeholders indicated that group saving helped women in group improve their living standards as it resulted to business continuity through group credit guarantees. The study further shows the majority 10(100.0%) of stakeholders indicated that training on saving skills helped women group perform financially because members learnt the importance of saving more when their businesses were doing well. The focuses group discussions further revealed that the groups were now able to save through financial institutions like banks which were now offering them cheap credit unlike before. Table 4.20 tabulates the stakeholders, group committee and officials responses on whether training on saving skills was important to the groups.

Table 4.20 Group Officials, Credit Committee and Stakeholders Responses on the Extent at Which Training on Saving Skills Was Important To the Groups

Study Variable	Study Group	Response	Frequency	Percentage
Important of training saving skills to women groups	Stakeholders	Moderately important	3	30.0%
		Very important	7	70.0%
	Group committee and officials	Response	Frequency	Percentage
		Not at all important	1	1.4
		Low importance	1	1.4
		Slightly important	1	1.4
		Neutral	1	2.9
		Moderately important	4	5.8
		Very important	16	23.2
		Extremely important	45	65.2

Table 4.20 shows the majority 45(65.2%) of group officials and credit committee indicated that training on saving skills was extremely important to the groups, 16(23.2%) of group officials and credit committee indicated that it was very important, 4(5.8%) of group officials and credit committee indicated that the training was moderately important. Data from Table 4.20 further shows that 1(1.4%) of group officials and credit committee indicated that training on saving skills was slightly important to the groups while the same number of group officials and credit committee indicated that it was of low importance. Asked to give the reasons, the group officials and credit committee indicated that the skills changed the member's attitude towards savings, savings saving was very important because when a member exited the group, she could use her saving to start an investment project. The focused group discussions further revealed that savings levels of members had increased drastically, that group members saving contribution was more consistent after the training and that the groups were able to plan their expenditures.

Table 4.20 further shows the majority 7(70.0%) of stakeholders indicated that training on saving skills was very important to women groups while 3(30.0%) of stakeholders indicated that it was moderately important. This was because the financial status had improved; women now held savings account in banks and that training on savings helped eliminate impulse buying and enabled them acquire assets. The researcher further sought to establish the ways in which training on saving skills impacted on financial performance of the groups. Table 4.28 tabulates group officials and credit committee responses.

Table 4.21 Group Officials and Credit Committee Responses on Ways in Which Training on Saving Skills Impacted On Financial Performance of the Groups

Group savings	Yes		No	
	Frequency	Percentage	Frequency	Percentage
Increased after the training	65	94.2	4	5.8
more consistent after the training	56	81.2	13	18.8
Has not changed	7	10.1	62	89.9

Table 4.21 shows the majority 65(94.2%) of group officials and credit committee indicated that group savings increases after the training, the majority 56(81.2%) of group officials and credit committee indicated that group savings were more consistent after the training. Table 4.21 further shows the majority 62(89.9%) of group officials and credit committee disagreed that the group savings had not changed after saving skills training. This agreed with the data from the focused group discussion which revealed that financial literacy training had impacted positively on the financial performance of women self groups in Isiolo because the members were more focused. Table 4.22 tabulates group officials and credit committee responses on whether the groups were keeping up to date members saving records.

Table 4.22 Group Officials and Credit Committee Responses on Whether the Group Was Keeping Up To Date Members Saving Records

Responses	Frequency	Percentage
Yes	58	84.1
No	11	15.9
Total	69	100.0

Table 4.22 shows the majority 58(84.1%) of group officials and credit committee indicated that the groups were keeping up to date members saving records while 11(15.9%) of group were not keeping up to date members saving records. Table 4.23 tabulates the group committee and official response on the asset the group had had acquired as result of improved group saving due to training saving skills.

Table 4.23 Group Officials and Credit Committee Responses on the Assets Acquired As A Result Of the Improved Saving Habits Due To Training on Saving Skills

Assets	Frequency	Percentage
No asset	27	39.1
Goats for the group members	28	40.6
Poultry and bee hive	8	11.6
Plot	6	8.7
Total	69	100.0

Table 4.30 shows that 27(39.1%) of groups lacked assets, 28(40.6%) of group had goats for group members, 8(11.6%) of groups had poultry and beehives while 6(8.7%) of groups had bought a plot as result of the improved saving habits due to training on saving skills. Findings from group discussion revealed that training on saving skills had helped the group in developing a saving plan as the skills helped the group to set attainable financial goals and having a plan to attain them. The skills on saving helped the groups develop realistic saving plan which helped members grow their savings. Due to the skills gained the group members were aware of why they were saving. This had motivated them to save more and they were now consistent in their saving. The members were also setting saving goals that were attainable and this was found to have grown the group savings. It was further found out that saving skills helped the group grow its saving and this had improved its credit rating and as result the members were able to borrow more. Through skills gained the groups were now practicing table banking which had been financed through saving.

4.7 Training on Debt Management Skills and Financial Performance

The third objective was to determine the influence of training on debt management skills on financial performance of women self help group customers in Equity Bank, Isiolo Branch. The group officials and credit committee, group members and stakeholders were posed with items

that sought the same through the following indicators: whether groups were guaranteeing members loans, whether training on debt management increased the chances of groups keeping debt record, group lending purpose, whether training on debt management skill was important to the group and the frequency on which groups were followed by creditors. Data is presented in the following section: When group officials and credit committee were asked whether the groups were guaranteeing member’s loans in Equity Bank, Isiolo branch, they responded as table 4.24

Table 4.24 Group Officials and Credit Committee Responses on Whether the Groups Were Guaranteeing Member’s Loans

Responses	Frequency	Percentage
Yes	67	97.1
No	2	2.9
Total	69	100.0

Table 4.24 shows the majority 67(97.1%) of group officials and credit committee indicated that the groups were guaranteeing member’s loans in Equity Bank while 2(2.9%) of group officials and credit committee indicated that the groups were not guaranteeing their members loans in Equity Bank. The majority 10(100.0%) of stakeholders further indicated that their organization trained women group on debt management skills. 4.25 tabulate the stakeholders response on whether training on debt management increased the chances of women self help groups keeping credit records.

Table 4.25 Stakeholders Responses on Whether Training Women Group on Debt Management Increased the Chances That a Women Group Kept Credit Financial Records

Responses	Frequency	Percentage
Yes	9	90.0
No	1	10.0
Total	10	100.0

Table 4.25 shows the majority 9(90.0%) of stakeholders indicated that training women self help group on debt management skills increased the chances that a women group kept credit financial records. The focused group discussion further revealed that because the groups were keeping proper repayments records and other debt records, the members were not borrowing beyond their means; they were able to collect unpaid loans in their groups, pay loans depending on their capability and to provide for their families.

Table 4.26 Group Officials and Credit Committee Responses on Training on Debt Management Skills on Financial Performance of Women Self Help Group Customers

Statement	Yes		No	
	Frequency	Percentage	Frequency	Percentage
The group is currently having a loan management plan	65	94.2	4	5.8
The group is in a position to show me the group loan management plan	63	91.3	6	8.7

Table 4.26 shows the majority 65(94.2%) of group officials and credit committee indicated that their groups were currently having a loan management plan while the majority 63(91.3%) of group officials and credit committee indicated that their group was in a position to show me the group loan management plan. The study further sought to establish reasons on why group

members borrowed. Table 4.27 tabulates the group officials and committee responses on group borrowing purpose.

Table 4.27 Group Officials and Credit Committee Responses on Group Borrowing Purpose

Reasons	Yes		No	
	Frequency	Percentage	Frequency	Percentage
For personal use/ consumption	27	39.1	42	60.9
For investment/ business working capital	57	82.6	12	17.4
For buying assets	45	65.2	24	34.8
To finance emergencies	21	30.4	48	69.6

Table 4.34 shows the majority 42(60.9%) of group officials and credit committee disagreed that the group members borrowed for personal use/ consumption, the majority 57(82.6%) of group officials and credit committee indicated that the members borrowed for investment/ business working capital. Data further shows the majority 45(65.2%) of group members borrowed for buying assets while the majority 48(69.6%) of the group's members did not borrow to finance emergencies. The focused group discussions revealed that group members knew how to appraise loans and this had reduced default and therefore training on debt management seems to have greatly helped on loan repayment. It was further indicated that group members were able to avoid group arrears since they knew how much to borrow, the purpose of borrowing as well as being able to manage their business debts and to meet their obligations well. Table 4.35 tabulates stakeholders' responses on whether training on debt management skills influenced the rate of loan defaults among the groups under their organization. Table 4.28 tabulate the stakeholders responses on whether training on debt management skills influenced the rate of loan defaults among women self help groups.

Table 4.28 Stakeholders’ Responses on Whether Training on Debt Management Skills Influenced the Rate of Loan Defaults among the Groups under Their Organization

Response	Frequency	Percentage
Yes	9	90.0
No	1	10.0
Total	10	100.0

Table 4.28 shows the majority 9(90.0%) of stakeholders indicated that training on debt management skills influenced the rate of loan defaults among the groups under their organization while 1(10.0%) of stakeholders disagreed with the statement. Asked to indicate how training women self help groups on debt management skills influenced their credit graduation rate, the stakeholders indicated that women were able to know the importance of savings, pay their loan and manage their loans. The study further sought to establish the extent to which training on debt management skill was important to the group. Table 4.29 tabulates group official and committee responses on whether training on debt management was important.

Table 4.29 Group Officials and Credit Committee Response on the Extent at Which Training on Debt Management Skill Was Important To the Group

Important	Frequency	Percentage
Not at all important	1	1.4
Low importance	1	1.4
Slightly important	1	1.4
Neutral	2	2.9
Moderately important	8	11.6
Very important	13	18.8
Extremely important	43	62.3
Total	69	100.0

Table 4.29 shows the majority 43(62.3%) of group officials and credit committee indicated that training on debt management skill was extremely important to the group, 13(18.8%) of group officials and credit committee indicated that it was very important, 8(11.6%) of group officials and credit committee indicated it was moderately important. Data from Table 4.29 further shows that 1(1.4%) of group officials and credit committee indicated that the training on debt management skill was slightly important to the group while the same number of group officials and credit committee indicated it was of low importance. Table 4.30 tabulates stakeholders' responses on the frequency at which the organization followed women group due to debt owed

Table 4.30 Stakeholders Responses on the Frequency at Which the Organization Followed Women Group Due To Debt Owed

Response	Frequency	Percentage
Often	8	80.0
Not often	2	20.0
Total	10	100.0

Table 4.30 shows the majority 8(80.0%) of stakeholders had followed a women self help group due to debt owed often while 2(20.0%) of stakeholders indicate that their organization had not followed women self help groups due to debt owed often. Table 4.31 tabulates the stakeholder's responses on the group loan arrears status.

Table 4.31 Stakeholders Responses on the Group Loan Arrears Status

Responses	Frequency	Percentage
Low group loan arrears	9	90.0
High loan arrears	1	10.0
Total	10	100.0

Table 4.31 shows the majority 9(90.0%) of stakeholders indicated that the group had low loan arrears while 1(10.0%) of stakeholders indicated that the group had high loan arrears. Table 4.31 further shows the majority 9(90.0%) of stakeholders indicated that training on debt management skill helped women group perform financially and that training on debt management skills was very important to financial performance of women self help groups. Table 4.32 tabulates group officials and credit committee responses on the extent that training on debt management skills impacted on the general group loan graduation rate for members.

Table 4.32 Group Officials and Credit Committee Responses on the Extent That Training on Debt Management Skills Impacted On the General Group Loan Graduation Rate for Members

Responses	Frequency	Percentage
Very strongly	51	73.9
Strongly	17	24.6
Not very strongly	1	1.4
Total	69	100.0

Table 4.32 shows the majority 51(73.9%) of group officials and credit committee indicated that training on debt management skills impacted very strongly on the general group loan graduation rate for members, 17(24.6%) of group officials and credit committee indicated that the training impacted strongly while 1(1.4%) of group officials and credit committee indicated that training on debt management skills did not impact strongly on the general group loan graduation rate for members. Table 4.33 tabulates group officials and credit committee responses on how often they have been followed by creditors since receiving the training on debt management.

Table 4.33 Group Officials and Credit Committee Responses How Often the Group Has Been Followed By Creditors since Training on Debt Management

Response	Frequency	Percentage
Very often	2	2.9
Often	4	5.8
Not often	31	44.9
Not very often	12	17.4
Not at all	20	29.0
Total	69	100.0

Table 4.33 shows that 2(2.9%) of group officials and credit committee indicated that since training on debt management their group had been followed by creditors very often, 4(5.8%) of group's officials and credit committee indicated their group had been followed often, 31(44.9%) of group officials and credit committee indicated that their groups had not been followed often, while 20(29.0%) of group officials and credit committee indicated that their groups had not been followed by creditors at any given time since training on debt management. The majority 67(97.1%) of group officials and credit committee indicated that the groups were keeping up-to-date loan records. The focused group discussions further revealed that debt management skills had helped women self help groups to only give loans according to members' financial ability, to give loans for a known business purpose and at the right time and it also helped members to clear their debt in time. This shows that training on debt management helped the group manage its debt.

Findings from group discussion with group members also indicated that training on debt management helped group access credit as the group members were able to do self credit appraisal and this had reduced financial conflict in the groups. The group learnt how to appraise group loans and this had reduced the rate of loan defaults. The group loan graduation doubled

due to group commitment to business loans. It was further found out that training on debt management helped the group manage its debt as the group only advanced loan for investment and working capital unlike before when the focus was merry go round. The group also learnt the role and importance of the group credit committee. The group discussion also revealed that the group had learnt how to make entries in their loan book which they now updated on weekly basis. The group also understood the roles of the group officials in record keeping with the members now holding the officials accountable.

4.8 Training on Bank Product and Services and Financial Performance

The fourth objective was to determine the influence of training on Bank product and services on financial performance of women self help group customers, the group officials and credit committee, group members and stakeholders were posed with items that sought the same using the following indicators: whether groups used bank services, whether training on bank services helped the group attain its financial goal, whether training on bank services was important to the groups and whether the group was using alternative banking channels to access bank services. Data is presented in the following section: Findings from stakeholders indicated that training on bank services led women self help groups to be more knowledgeable about bank services and women self help groups that had been trained on bank services were consuming more bank products than un trained women self help group customers as indicated by the majority 10(100.0%) of stakeholders. The study further sought to establish the bank services that were used by the group since attending training on bank services. Table 4.34 tabulates group officials and credit committee responses on whether group used the bank services.

Table 4.34 Group Officials and Credit Committee Responses on the Bank Services That Were Used By the Group

Bank Services	Yes		No	
	Frequency	Percentage	Frequency	Percentage
Group savings account	67	97.1	2	2.9
Loan	65	94.2	4	5.8
ATM	49	71.0	20	29.0
Agent banking	20	29.0	49	71.0
Check book	2	2.9	67	97.1
Insurance product	14	20.3	55	79.7

Table 4.34 shows the majority 67(97.1%) of group officials and credit committee indicated that the group used group saving account, the same number indicated that the groups never used check book, the majority 65(94.2%) of group officials and credit committee indicated that the group used loan services. Data further shows the majority 49(71.0%) of group officials and credit committee indicated that the group never used agent banking while the majority 55(79.7%) of group officials and credit committee indicated that the group never used insurance product services. Asked to indicate the bank services and product that they knew, group officials and credit committee stated that they were aware of group savings products, ATM, women business loans, credit life assurance and custodial products. Table 4.35 tabulates group officials and credit committee responses on whether training on bank services helped the group attain their financial goal.

Table 4.35 Group Officials and Credit Committee Responses on Whether Training on Bank Services Helped the Group Attain Its Financial Goal

Responses	Frequency	Percentage
Yes	65	94.2
No	4	5.8
Total	69	100.0

Table 4.35 shows the majority 65(94.2%) of group officials and credit committee indicated that training on bank services helped the group attain its financial goal. This was because through training the groups had improved banking turn over, loans had improved members welfare, boosted business and members were in a position to borrow loan from the bank. The study further sought to establish the extent at which training on bank services was important to the groups. Table 4.36 tabulates the group official and committee response on whether training on bank service was important.

Table 4.36 Group Officials and Credit Committee Responses on the Extent at Which Training on Bank Services Was Important To the Groups

Responses	Frequency	Percentage
Not at all important	1	1.4
Low importance	1	1.4
Slightly important	1	1.4
Neutral	1	1.4
Moderately important	4	5.9
Very important	27	39.2
Extremely important	34	49.3
Total	69	100.0

Table 4.36 shows that 34(49.3%) of group officials and credit committee indicated that training on bank services was extremely important to the groups, 27(39.3%) of group officials and credit committee indicated that the training was very important, 4(5.9%) of group officials and credit committee indicated at moderately important. Data further shows that 1(1.4%) of group officials and credit committee indicated to a slightly important while the same number of group officials and credit committee indicated that training on bank services was of low important to the groups. The study further sought to establish whether the group was 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 4.37 tabulates group officials and credit committee responses

Table 4.37 Group Officials and Credit Committee Responses on Whether the Group Was Using Alternative Banking Channels to Access Bank Services As A Result Of Knowledge They Acquired Through Training on Bank Product and Services

Responses	Frequency	Percentage
Strongly agree	43	62.3
Agree	24	34.8
Disagree	2	2.9
Total	69	100.0

Table 4.37 shows the majority 43(62.3%) of group officials and credit committee strongly agreed that the group was using alternative banking channels to access bank services as a result of knowledge they acquired through training on bank product and services, 24(34.8%) of group officials and credit committee agreed while 2(2.9%) of group officials and credit committee disagreed with the statement.

Table 4.38 Stakeholders Responses on How Training On Financial Literacy Influences Financial Performance of Women Group In Isiolo

Statement	Strongly agree		Agree	
	Frequency	Percentage	Frequency	Percentage
Financial literacy education has an influence on women's group lifespan	3	30.0	7	70.0
Influence on other group formations	6	60.0	4	40.0
Training on budgeting skills influence financial management of women group	2	20.0	8	80.0
Training on budgeting skills increases the possibility of a women group having a business budget	2	20.0	8	80.0
Increases Consistency of women group savings	8	80.0	2	20.0
Enhances the general women group asset base	2	20.0	8	80.0
Improved women group living standards for members	8	80.0	2	20.0
Improves women group financial performance	8	80.0	2	20.0
Increases the chances that a women group keep credit financial records	7	70.0	3	30.0
Training on debt management influences the rate of loan defaults	2	20.0	8	80.0
Training women group on debt management influence their credit graduation rate	7	70.0	3	30.0

Table 4.38 shows the majority 7(70.0%) of stakeholders agreed that financial literacy education had an influence on women's group lifespan, the same number of stakeholders strongly agreed

that financial literacy increased the chances that a women self help group kept credit financial records and that training women self help groups on debt management influenced their credit graduation rate. Table 4.38 further shows the majority 6(60.0%) of stakeholders strongly agreed that financial literacy increased on other group formations, the majority 8(80.0%) of stakeholders agreed that training on budgeting skills influenced financial management of women self help group, the possibility of a women self help group having a business budget and the rate of loan defaults while the same number of stakeholders strongly agreed that financial literacy training increased consistency of women self help group savings and it improved women group living standards for members and women group financial performance. Findings from the focus group discussion revealed that training on bank products and services helped the group improve financially as it had enabled the group access bank services unlike before. The groups now knew how to use bank services and that a bank account offered a safe custody to member's savings.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter presents the summary of the study, conclusions and recommendations. It also presents the suggestions for further studies.

5.2 Summary of the Findings

The purpose of the study was to investigate the influence of financial literacy training on financial performance of women self help group customers in Equity bank, Isiolo branch. Four research objectives guided the study. Research objective one sought to establish how training on budgeting skill influenced financial performance of women self help groups customers in Equity bank, Isiolo branch, research objective two sought to determine how training on saving skills influenced financial performance of women self help groups customers in Equity bank, Isiolo branch, research objective three sought to assess how training on bank's products and services influenced financial performance of women self help groups customers in Equity bank Isiolo branch while research objective four sought to assess how training on debt management influenced financial performance of women self help groups customers in Equity Bank, Isiolo branch.

5.3 Discussion of the Findings

The findings of the study were as discussed below.

5.3.1 Training on Budgeting Skills and Financial Performance

Findings of the study revealed that women self help group customers were trained on financial literacy by Equity bank as indicated by 69(100.0%) of group officials and credit committee. The majority 10(100.0%) of stakeholders indicated that they trained women self help groups on budgeting skills and that the training on budgeting skill helped group under their organization to

manage finances better. The study further found out that the majority 67(97.1%) of the groups received budgeting skills. The majority 5(50.0%) of stakeholders indicated that members learnt more on savings and how to multiply their capital hence sustain their family expenses and income through skills acquired during training. The majority 55(79.7%) groups were currently keeping a written budget. The majority 6(60.0%) of stakeholders agreed that training on budgeting skill enhanced timely group financial contribution. It was further indicated that training on budgeting skills was very important to financial performance of women self help groups as indicated by the majority 7(70.0%) of stakeholders. The study revealed that training on financial literacy influenced the lifespan of women self help groups as indicated by the majority 7(70.0%) of stakeholders. The Majority 10(100.0%) of stakeholders indicated that training on budgeting skills increased the possibility of a women group having a group budget. The stakeholders further indicated that many groups had projects ready in time and prior to funding hence reducing misallocation of funds, members knew the importance of timely budgets and projections and the groups were trained on the importance of having budgets hence the budgeting skills increased the possibility of a women group having a group budget.

It was further revealed that it was useful for women self help group to keep a group budget as indicated by the majority 5(50.0%) of stakeholders. The group officials and credit committee further indicated that budgeting was good for good group financial judgments, allowed the group to loan and manage loans. The members were able to prioritize the needs within their ability. It was further found out that members were able to manage their little earning which was initially difficult to manage and that budgeting helped group to be able to monitor its expenses and income. The study further revealed that training on budgeting skills impacted on how women group managed group finances.

5.3.2 Training on Saving Skills and Financial Performance

The study found out that the majority of groups were savings as indicated by 69(100.0%) of group officials and credit committee. It was further found out that the group saved weekly. Training women group on saving skills increased consistency of group savings as indicated by 10(100.0%) of stakeholders. The majority 9(90.0%) of stakeholders indicated that training on

saving skills affected strongly on women groups saving habits. The majority 10(100.0%) of stakeholders revealed that training women group on saving skills enhanced the general women group asset base. This was because regular and consistent saving meant more money and this savings helped in purchasing of asset for the members. The training helped the groups to plan how to dispose old assets, it encouraged each member to save so as to pool fund together and the training instilled discipline on constant savings. It was further found out that group saved in a bank account as indicated by the majority 67(97.1%) of group officials and credit committee. The group members purchased assets that individually could not afford as indicated by the majority 6(60.0%) of stakeholders. The majority 45(65.2%) of group officials and credit committee indicated that training on saving skills was extremely important to the groups. It was further found out that financial literacy skills changed the members' attitude towards savings; savings become very important because when a member exited the group, she could use her saving to start an investment project. They further found out that savings levels of members had increased drastically and consistently, they had funds they could use in the future and that the groups were able to plan the expenditures.

The majority 7(70.0%) of stakeholders indicated that training on saving skills was very important to women self help groups. The study further found out that training financial literacy had an impact on financial performance of women self help groups as it increased savings, group savings was more consistent and that it had changed the group savings as indicated by 62(89.9%) of group officials and credit committee. Due to the skills gained, the study found out that the group members were aware of why they were saving. This knowledge had motivated them to save more and they were now consistent in their saving. The members were also setting saving goals that were attainable and this had grown the group savings.

5.3.3 Training on Debt Management Skills and Financial Performance

Findings indicates that groups were guaranteeing member's loans in Equity Bank as indicated by the majority 67(97.1%) of group officials and credit committee. The majority 10(100.0%) of stakeholders further indicated that their organization trained women self help groups on debt management skills. Training women group on debt management increased the chances that a

women group kept credit financial records as indicated by the majority 9(90.0%) of stakeholders. The study further revealed that groups were currently having a loan management plan as indicated by the majority 65(94.2%) of group officials and credit committee. It was further found that group members knew how to appraise loans and this had reduced loan default and therefore training women self help groups on debt management had greatly helped on loan repayment. This agreed with Bichanga and Aseyo (2013) who affirmed that training women self help groups on financial literacy was important because it empowered them with the knowledge on utilization of loan fund which in turn helped them reduce their loan defaults. It was further indicated that group members were able to avoid group arrears since they knew how much to borrow and the purpose and they were able to manage their business debts and to meet their financial obligations. The majority 51(73.9%) of group officials and credit committee indicated that training on debt management skills impacted very strongly on the general group loan graduation rate for members. This agreed with MasterCard Foundation (2011) which reported that when people had low levels of financial literacy, they often made unproductive financial decisions including spending their money in suboptimal ways, borrowing too much, saving too little, and missing opportunities for investing.

The majority 9(90.0%) of stakeholders indicated that training on debt management skills influenced the rate of loan defaults among the groups under their organization. The majority 9(90.0%) of stakeholders indicated that the group had low loan arrears and that training on debt management skill helped women group perform financially and that training debt management skills was very important to financial performance of women self help groups. Findings further indicated that groups were keeping up-to-date loan records as indicated by the majority 67(97.1%) of group officials and credit committee. This showed that training on debt management helped the group manage its debt. It was further revealed that the group learnt how to appraise group loans and this had reduced loan defaults. The group loan graduation doubled due to group commitment to business loans. It was further found out that training on debt management helped the group manage its debt as the group only advanced loan for investment and working capital unlike before when the focus was merry go round.

5.3.4 Training on Bank Product and Services and Financial Performance

Findings revealed that group used group saving account as indicated by the majority 67(97.1%) of group officials and credit committee. The study further found out that women were aware of bank services including fees and interest which were expenses related to financial products formal or informal. The majority 65(94.2%) of group officials and credit committee indicated that training on bank services helped the groups attain their financial goal. This was because through training the groups improved their banking turnover, loans had improved members welfare, boosted business and members were in a position to borrow loan from the bank. This agreed with Mujer, Teba Bank (South Africa), Al Amana (Morocco), Equity Building Society (Kenya), SEWA Bank (India), CARD Bank (the Philippines) and the Microfinance Centre Poland (2006) argument that financial education had been used by financial institution as a tool for responding to the life cycle and market pressures facing low income households consumption of microfinance products. The study further found out that the 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 implied that majority of women self help groups were now consuming a variety of bank services, they had knowledge of accessing bank services through alternative bank channels and were therefore not restricted to conventional banking hall services. The majority 7(70.0%) of stakeholders agreed that financial literacy education had an influence on women's group lifespan. Findings further revealed that that financial literacy increased formation of new groups and that that training on budgeting skills influenced financial management of women self help groups, the possibility of a group having a business budget and the rate of loan defaults as indicated by the majority 6(60.0%) of stakeholders.

5.4 Conclusions of the Study

Based on the findings of the study, the study conclude that women self help groups were trained in financial literacy by Equity bank. The groups received budgeting skills and that the training on budgeting skill enhanced timely group financial contribution. It was further concluded that training on budgeting skills was very important to financial performance of women self help

group customers in Equity bank, Isiolo branch. The study concluded that training on financial literacy influenced the lifespan of women self help groups. It was further concluded that training on budgeting skills increased the possibility of a women self help group having a group budget. The study concluded that budgeting was good for good group financial judgments as it allowed the group to loan and manage loans. The study concluded that members were able to manage their little earning which was initially difficult to manage and that budgeting helped groups to be able to monitor their expenses and income.

On the influence of training on saving skills on financial performance of women self help group customers; the study concluded that group saved weekly and that training woman self help groups on saving skills increased consistency of group savings. The study conclude that training helped the groups to plan how to dispose old assets, it encouraged each member to save so as to pool fund together and the training instilled discipline on constant savings. It was further concluded that training on saving skills was extremely important to the groups. The study also concludes that savings levels of members had increased drastically and had consistently improved due to the financial literacy training and that the groups were able to plan their expenditures. The study finally concludes that training on financial literacy had a positive influence on financial performance of women self help group customers as it increased their savings.

On the influence of training on debt management skills on financial performance of women self help group customers, the study concluded that organization trained women group on debt management skills. Training women self help groups on debt management increased the chances that a group kept credit financial records. The study further concluded that women self help groups were currently having a loan management plan after they were trained on debt management skills. It was also concluded that group members knew how to do self loan appraisal and this had reduced loan default and therefore training on debt management has greatly helped on loan repayment. The study further concluded that training on debt management skills influenced the rate of loan defaults among the groups under their organization. It was also concluded that groups were keeping up-to-date loan records which indicated that that training on

debt management helped the group manage its debt. It was also concluded that the group learnt how to appraise group loans and this reduced loan defaults.

On the influence of training on Bank product and services on financial performance of women self help group customers, the study concluded that women were aware of bank services including fees and interest which were expenses related to financial products formal or informal. The study also concluded that training on bank services helped the groups attain financial goal. The study further concluded that the groups were using alternative banking channels (ATM cards, Mobile Phone and Bank agent) to access bank services as a result of financial literacy education and the training had an influence on women's group lifespan. The study lastly concluded that financial literacy increased on other group formations and that that training on budgeting skills influences financial management of women self help groups.

5.5 Recommendations

Based on the findings and conclusion made above, the study recommends that:

- 1) Policy makers and micro finance managers to address numerous financial challenges that are facing women self help groups in Kenya which have emerged over time as an alternative vehicle of advancing credit to women entrepreneurial in Kenya.
- 2) The government agencies and microfinance institutions to establish areas of financial literacy training to strengthen financial performance of women self help groups before advancing them credit in order to boost their capacities.
- 3) The government agencies and financial institutions should focus on training budgeting skill to all the adult in Kenya irrespective of their gender in order to enhance sustainability in the utilization of the available household resources because from this study majority of group officials, credit committee and stakeholders subjected to the study indicated that budgeting was good for good group financial judgments.
- 4) All financial institutions in Kenya should launch saving skills training programs and saving loyalty programs for all their customers irrespective of the age, gender or

creed because majority 45(65.2%) of group officials and credit committee indicated that training on saving skills was extremely important and bank account was identified as the most safe saving option.

- 5) The government of Kenya should incorporate debt management skills in all the academic curriculums in Kenya in order to prepare all the citizen on the best practices to managing their debt because this study revealed that training on debt management skills had a positive influence on debt management with 9(90.0%) of stakeholders indicating that it influence loan repayment while 65(94.2%) of group officials and credit committee indicating that they had a loan management plan.
- 6) The training on bank services should be a continuous process for all the Equity bank customers in Kenya because investment in such training would ensure that the customers were informed of the bank services available to them and this would ensure service loyalty and high profit for the bank due to consumption of more bank services.

5.5 Suggestions for Further Research

- 1) Influence of entrepreneurship skills on financial performance of women self help groups in micro finance institutions in Kenya.
- 2) A comparative study of the influence of financial literacy training on financial performance of women self help groups among the commercial banks in Kenya.

REFERENCES

- Anderson, S. G., Jeff, S. and Min, Z. (2004). *Financial Links for Low-Income People (FLLIP) Final Evaluation*. School Of Social Work: University Of Illinois Urbana Press
- Annamaria, L. and Olivia S. M. (2007). *Financial Literacy and Retirement Preparedness: Evidence and Implications for Financial Education, Business Economics*. Washington DC: Center for financial studies press
- Austrian, K. and Sakwa C. (2006). *Financial Literacy Program for Binti Pamoja Centre*. Nairobi Kenya: Binti Pamoja Centre Press.
- Avril P. (2012). *Financial education: A Path towards Inclusion*. Washington DC: Inter American Development Bank press
- B. Gray, J. S. Cohen, K. S. (2005). *Can Financial Education Change Behavior? Lessons from Bolivia and Sri Lanka*. Working paper4, Washington DC: Microfinance Opportunities.
- Bichanga, W. O. (2013). *Causes of loan default within micro finance institutions in Kenya*. Interdisciplinary journal of contemporary research business vol4, no 12.
- Billystrom A. J. (2007). *Improving the Livelihoods of Women in the Developing World: Selected Perceptions of Women's Self-help Groups in Western Kenya*. Pro-Quest publisher
- Billystrom, A. J. (2007). *Improving the Livelihoods of Women in the Developing World: Selected Perceptions of Women's Self Help Groups in Western Kenya*. Pro-Quest Publishers
- Borg, W. R. and Gall J. P. (1982). *Educational Research: An Introduction* (6th ed,) New York: Longman press.

- Bucher, K. T. and Lusardi, A. (2011). *Financial Literacy and Retirement Planning in Germany.*" Journal of Pension Economics and Finance. Vol (2) 11 -80
- Carmen, M. and Jennefer, S. (2011). *Financial Education for Adolescent Girls.* Washington, D.C: Microfinance Opportunities and Freedom from Hunger Press.
- Central Bank of Kenya (May 2010), *Agent Banking Guidelines.* Nairobi Kenya: Republic of Kenya press.
- Christian D. Dick and Lena M. Jaroszek (2013). *Knowing what not to do: financial literacy and consumer credit choices.* Mannheim, Germany: Centre for European Economic Research press
- Cohen, M. and Sebstad J. (2008). Financial Literacy, Financial Education And Financial Capabilities: Are They Different? *Global Financial Education Program Update: Vol 3,(2) page 20-75.* Washington, DC: Microfinance Opportunities Press.
- David A. K. (1984). *Experiential Learning: Experience as the Source of Learning and Development.* Prentice Hall Publisher
- David A. K. Richard E. B. and Charalampos, M. (1999). *Experiential Learning Theory: Previous Research and New Directions.* Western Reserve University Press
- Dittus, Peter and Klein, Michael (2011). On Harnessing the Potential of Financial Inclusion. BIS Working Papers No. 347.
- Donald K. Kombo, Delno. L. A. Tromp (2009). *Research methods.* Nairobi Kenya: Kenyatta university press

- Fin Access National Survey (2006). *Central Bank of Kenya and Financial Sector Deepening Trust*. Nairobi Kenya: Republic of Kenya press.
- Fin Access National Survey (2009), *Central Bank of Kenya and Financial Sector Deepening Trust*. Nairobi Kenya: Republic of Kenya press.
- Frank E. and Allison, E. (2004). Livelihoods and rural poverty reduction in Kenya. *Development policy review*, Volume 22, Issue 2.
- G. Sreeramulu (2006). *Empowerment of Women through Self Help Groups*. Gyan Books Press
- Global Financial Education Program (2005). *Budgeting: Use Money Wisely*. Washington, DC: Microfinance Opportunities.
- Global Financial Education Program (2005). *Saving: You Can Do It*. Washington, DC: Microfinance Opportunities,
- Guiso, L., and Jappelli, T (2009). *Financial Literacy and Portfolio Diversification*," Working Paper NO 212 Centre for Studies in Economic and Finance.
- Halkano, B. (2014). *Gender Forum: Perspective on Gender Equality*. Balit Fm Press
- Henry Rotich (2013). Press statement on Uwezo fund by Kenyan national treasury. Government press.
- Isiolo District Strategic Plan 2005-2010 (2005). *For Implementation of The National Population Policy for Sustainable Development*: National Coordination Agency for Population and Development Ministry of Planning and National Development press

- Jennefer, S., Monique C and Kathleen, S. (2006). *Assessing The Outcomes Of Financial Education: Working Paper Number 3 Global Financial Education Program*. Washington, D.C: Microfinance Opportunities and Freedom from Hunger.
- Kenya National Bureau of Statistics (2008). *Monitoring the Situation of Children and Women: Multiple Indicator Cluster Survey*. Nairobi Kenya: republic of Kenya press.
- Lisa Xu, Bilal Zia (2012). *Financial Literacy around the World an Overview of the Evidence with Practical Suggestions for the Way Forward: Vol 610 of Policy Research Working Papers*. World Bank Press
- Lois, S. and Annette S. O. (2005). *Support for Growth Oriented Women Entrepreneurs in Ethiopia, Kenya and Tanzania: An Overview Report: International Labour Organization Press*.
- Mark, S. and Michael, S. (2007). *Can The Poor Save? Saving and Asset Building in Individual Development Accounts: New Brunswick : Transaction Publishers*.
- Moore, A., Sondra, B., Mark, S. Michael, S., Margaret, L., Esther, Y.N., Cho, L. J. and Rebecca, V. (2001). *Saving, IDA Programs, And Effects of IDA's: A Survey Of Participants*. Center for Social Development, Washington University press.
- Murray, T. S. (2011). *Financial Literacy: A Conceptual Review. Research Paper Prepared For The Task Force On Financial Literacy*. New York: Russell Sage Foundation
- Muzhgan, N. (2007). *Service Learning and Career Development: A Case Study In Library And Information Science*. Urbana Illinois Press
- Nachmias, C. and Nachimias, D. (2005). *Research methods in the social sciences (5th ed.)*. London: Hodder Arnold press.

Nicholas, G. (2008). *The Economic Case for Financial Literacy: Internal Working Paper* London. DFID.

Northern Rangelands Trust (2013). *Annual Report*. Northern Rangelands Trust Press

Organization for Economic Cooperation and Development (2005). *Improving Financial Literacy: Analysis of Issues and Policies*. OECD Press Paris

Organization for Economic Cooperation and Development (2006). *Improving Financial Literacy and the Financial Consumer Agency of Canada Survey of Awareness, Attitudes, and Behavior of Financial Consumers*. Organization for Economic Cooperation and Development press.

Organization for Economic Cooperation and Development (2013). *Women and Financial Education Evidence, Policy Response and Guidance: Evidence, Policy Responses and Guidance*. OECD Publishers

Orodho, J. A. (2004). *Techniques of writing research proposals and reports in education*. Masda publishers.

Pamela Friedman (2005). *Providing and Funding Financial Literacy Programs for Low- Income Adults and Youth*. Washington, DC: The Finance Project report.

Rand, D. (2004). *Financial Education And Asset Building Programs For Welfare Recipients And Low Income Workers: The Illinois Experience*. Brookings Institution Press.

Ratio Magazine (2008). *Developing Financial Literacy in Kenya: Marketing, Consumer Protection and Business Opportunities*

Republic of Kenya (2007). *Kenyan Vision 2030*. Republic of Kenya press

Republic of Kenya (2010). *The proposed constitution of Kenya*. Government press Nairobi.

Republic of Kenya (2011). *Vision 2030 Development Strategy for Northern Kenya and other Arid Lands*: Nairobi Kenya. Republic of Kenya Press

Rutherford, S. (2000). *The Poor and Their Money*. New Delhi, India: Oxford University Press:

Safia, A. (2007). *Factors influencing financial performance of self help groups in Kenya: a case of in Isiolo districts*. University of Nairobi press

Social and Enterprise Development Innovations (2005). *Why Financial Capability Matters, Synthesis Report On Canadians And Their Money: A National Symposium On Financial Capability*. Social and Enterprise Development Innovations Press.

Social and Enterprise Development Innovations (2008). *Delivery Models for Financial Literacy Interventions: A Case Study Approach*. Ottawa: Social and Enterprise Development Innovations Press.

Tan, O. S., Richard D. P., Stephanie L. H. and Deborah S. B. (2003). *Educational Psychology*. Singapore: Thomson Learning repository.

Tarazi, M. and Paul, B. (March 2011). “*Regulating Banking Agents,*” CGAP Focus Note 68, Washington D.C., CGAP.

Task Force on the Re-Alignment of the Education Sector to the Constitution of Kenya 2010 (2012). *Towards A Globally Competitive Quality Education for Sustainable Development*. Republic of Kenya press

- The International Bank for Reconstruction and Development/ the World Bank (2009). *The Case for Financial Literacy in Developing Countries Promoting Access to Finance by Empowering Consumers*. Washington, DC: The International Bank for Reconstruction and Development/The World Bank Press
- U.S. Department Of Labor (2001). *Teaching Dollars & Sense: Implementing Financial Education in a One-Stop Setting*. Dollars and sense press
- United Nations Industrial Development Organization (2003). *A Path Out Of Poverty: Developing Rural and Women Entrepreneurship*. United Nations Industrial Development Organization Vienna.
- Van R. M., Lusardi, A. and Alessie, A. (2011). *Financial Literacy and Stock Market Participation.*" Journal of Financial Economics,
- Vitt L. A., Anderson, C., Kent, J., Lyter, D.M., Siegenthaler, J.K., Ward, J. (2000). *Personal Finance and the Rush to Competence: Financial Literacy Education In The U.S.* Middleburg, Virginia: Institute For Socio- Financial Studies
- Walter, O. B and Lillian, A. (2013). Causes of Loan Default within Micro Finance Institutions in Kenya. *Journal of contemporary research in business Vol 4, no 12.*
- Women Enterprise Fund (2009). *Women Enterprise Fund Strategic Plan 2009 – 2012*. Nairobi Kenya: Women Enterprise Fund Press

APPENDICES

APPENDIX I: LETTER OF TRANSMITTAL

Mwaniki Sospeter Murithi
University Of Nairobi,
Department Of Extra Mural Studies,
P.O. Box 30197,
Nairobi.
April, 2014.

Dear respondent,

I am a student at the University of Nairobi Pursuing a Master of Arts Degree in Project Planning and Management in Meru Extra Mural Centre. I am conducting a study that intends to assess the influence of financial literacy training programs on financial performance of women groups in Isiolo North Sub-County.

Kindly find the attached questionnaire meant for gathering information for this study. Kindly participate in filling the questionnaire honestly and to the best of your knowledge. All the responses will be handled with absolute confidence and will be used only for the purpose of this study.

Thank you,

Yours sincerely,

Sospeter Murithi Mwaniki

Tel: 0727557465

APPENDIX II: Questionnaire for Stake Holders Working With Financial and Government Institutions in Isiolo Town.

This questionnaire will be administered to the stake holders dealing with women self help group in Isiolo town.

SECTION A: DEMOGRAPHICS DATA OF THE STAKE HOLDERS

Please tick the appropriate answer in the boxes as provided by the questions below.

1. What is your Gender?
 - a) Male
 - b) female
2. How old are you (Age)?
3. What is your highest level of education?
 - a) Primary
 - b) secondary
 - c) tertiary
 - d) any other specify
4. Which Organization do you work with?
 - a) Bank.....
 - b) Microfinance Institution.....
 - c) Women enterprise fund.....
 - d) Ministry of labour, security and social services...
 - e)) Ministry of trade industries.....
5. What is your occupation?
 - a) Branch manager.....
 - b) Credit manager.....
 - c) Credit officer.....
 - d) District cooperative officer.....
 - e) District social officer.....
 - f) District Women Enterprise Fund Officer.
 - g) Others (specify).....

Part B: Training on Budgeting Skills

No. Question	Question																		
1	Does your organization serve women self help group customers? a) Yes <input type="checkbox"/> b) No <input type="checkbox"/>																		
2	Do you train women self help groups on budgeting skills? a) Yes <input type="checkbox"/> b) No <input type="checkbox"/>																		
3	Has training on budgeting skill helped women self help groups under your organization manage finances better? Yes <input type="checkbox"/> No <input type="checkbox"/>																		
4	How has training on budgeting skills helped groups under your organization in managing their group finances?.....																		
5	To what extent do you agree with the following statement? Training on budgeting skill enhances timely group financial contribution. a) Strongly agree..... <input type="checkbox"/> b) Agree..... <input type="checkbox"/> c) Somewhat agree..... <input type="checkbox"/> d) Neither agrees nor disagrees. <input type="checkbox"/> e) Somewhat disagree..... <input type="checkbox"/> f) Disagree..... <input type="checkbox"/> g) Strongly disagree..... <input type="checkbox"/>																		
6	<p>On a scale of 1-7 where 1 is not at all important, 2 is low importance, 3 is slightly important, 4 is neutral, 5 is moderately important, 6 is very important and 7 is extremely important, indicate by ticking the extent to which training on budgeting skills is important to financial performance of women self help group?</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 25%;">Not important at all</td> <td style="width: 5%;">1</td> <td style="width: 5%;">2</td> <td style="width: 5%;">3</td> <td style="width: 5%;">4</td> <td style="width: 5%;">5</td> <td style="width: 5%;">6</td> <td style="width: 5%;">7</td> <td style="width: 25%;">Extremely important</td> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	Not important at all	1	2	3	4	5	6	7	Extremely important									
Not important at all	1	2	3	4	5	6	7	Extremely important											

7	<p>To what extent does training on financial literacy influence the lifespan of women self help groups?</p> <p>a) Very strongly..... <input type="checkbox"/></p> <p>b) Strongly..... <input type="checkbox"/></p> <p>c) Somehow..... <input type="checkbox"/></p> <p>d) Does not influence...<input type="checkbox"/></p> <p>e) Don't know..... <input type="checkbox"/></p>
8	<p>Does training on budgeting skills increases the possibility of a women self help group having a group budget?</p> <p>a) Yes <input type="checkbox"/></p> <p>b) No <input type="checkbox"/></p>
9	<p>Give reason for your answer above</p> <p>.....</p> <p>.....</p> <p>.....</p>
15	<p>In what way has the training on budgeting skills impacted on how women self help groups manages their group's finances?</p> <p>.....</p> <p>.....</p> <p>.....</p>
17	<p>How useful is it for a women self help group to keep a written group budget?</p> <p>a) Very useful.....<input type="checkbox"/></p> <p>b) Somewhat useful.....<input type="checkbox"/></p> <p>c) Useful.....<input type="checkbox"/></p> <p>d) Not useful.....<input type="checkbox"/></p> <p>e) Not very useful.....<input type="checkbox"/></p>

Part C: Training on Saving Skills

1	<p>Do you train women self help group on saving skills?</p> <p>a) Yes <input type="checkbox"/></p> <p>b) No <input type="checkbox"/></p>

2	<p>Has training women self help groups on saving skills Increased Consistency of group's savings?</p> <p>a) Yes <input type="checkbox"/></p> <p>b) No <input type="checkbox"/></p> <p>c) Don't know <input type="checkbox"/></p>
3	<p>To what extent has training on saving skills affected the saving habits of women self help groups?</p> <p>a) Very strongly <input type="checkbox"/></p> <p>b) Strongly <input type="checkbox"/></p> <p>c) Somewhat strongly <input type="checkbox"/></p> <p>d) Not at all <input type="checkbox"/></p> <p>e) Don't know <input type="checkbox"/></p>
4	<p>Does training women group on saving skills enhance the general women group asset base?</p> <p>a) Yes <input type="checkbox"/></p> <p>b) No <input type="checkbox"/></p>
5	<p>If Yes or No for question five above explain.....</p> <p>.....</p> <p>.....</p>
6	<p>How has group saving helped women in self help groups improve their living standards?.....</p> <p>.....</p>
7	<p>Has training on saving skills helped women self help groups perform financially?</p> <p>a) Yes <input type="checkbox"/></p> <p>b) No <input type="checkbox"/></p>
8	<p>If YES or NO, Explain</p> <p>.....</p> <p>.....</p>
9	<p>On a scale of 1-7 where 1 is not at all important, 2 is low importance, 3 is slightly important, 4 is neutral, 5 is moderately important, 6 is very important and 7 is extremely important, indicate by ticking to what extent is training on saving skills important to women self help groups?</p>

	Not important at all	1	2	3	4	5	6	7	Extremely important	
10	Give reason for your answer above									
									
									
									

Part D: Training on Debt Management Skills

1	Does your organization train women self help groups on debt management skills? a) Yes <input type="checkbox"/> b) No <input type="checkbox"/>
2	Does training women self help groups on debt management increase the chances that a women group keep's credit financial records?
3	If yes explain how.
4	Has training on debt management skills influenced the rate of loan defaults among the women self help groups under your organization? a) Yes <input type="checkbox"/> b) No <input type="checkbox"/>
5	How has training women self help groups on debt management influenced their credit graduation rate?
6	How often has the organization followed women self help group due to debt owed, indicate by ticking? a) Very often..... <input type="checkbox"/> b) Often..... <input type="checkbox"/> c) Not often..... <input type="checkbox"/> d) Very often..... <input type="checkbox"/> e) Don't know..... <input type="checkbox"/>
7	Indicate the group loan arrears status by ticking. a) Very high group loan arrears.. <input type="checkbox"/> b) Low group loan arrears..... <input type="checkbox"/> c) No group loan arrears..... <input type="checkbox"/> d) High loan repayment rates..... <input type="checkbox"/>

	e) Don't know..... <input type="checkbox"/>																		
8	<p>Training on debt management skill help women group perform financially.</p> <p>a) Strongly agree..... <input type="checkbox"/></p> <p>b) Agree.....<input type="checkbox"/></p> <p>c) Somewhat agree.....<input type="checkbox"/></p> <p>d) Neither agrees nor disagrees.<input type="checkbox"/></p> <p>e) Somewhat disagree.....<input type="checkbox"/></p> <p>f) Disagree.....<input type="checkbox"/></p> <p>g) Strongly disagree <input type="checkbox"/></p>																		
9	<p>On a scale of 1-7 where 1 is not at all important, 2 is low importance, 3 is slightly important, 4 is neutral, 5 is moderately important, 6 is very important and 7 is extremely important, to what extent is training debt management skills important to financial performance of women self help group?</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 30%;"></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> <td>Extremely important</td> </tr> <tr> <td>Not important at all</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>		1	2	3	4	5	6	7	Extremely important	Not important at all								
	1	2	3	4	5	6	7	Extremely important											
Not important at all																			

Part E: Training On Bank Services

1	<p>Has training on bank services led women self help groups being more knowledgeable about bank services?</p> <p>a) Yes <input type="checkbox"/></p> <p>b) No <input type="checkbox"/></p> <p>c) Don't know <input type="checkbox"/></p>
2	<p>Are women self help groups that have been trained on bank services consuming more bank products than un trained groups?</p> <p>a) Yes <input type="checkbox"/></p> <p>b) No <input type="checkbox"/></p>

The statements below describe how training on financial literacy influence financial performance of women self help group in Isiolo. For each statement, please decide how strongly you agree or disagree by ticking the appropriate box.

		Disagree strongly	Disagree	Agree	Agree strongly
Training on budgeting skills					
1	Financial literacy education has an influence on women's group lifespan				
2	Influence on other group formations				
3	Training on budgeting skills influence financial management of women group				
4	Training on budgeting skills increases the possibility of a women group having a business budget				
Training on saving					
1	Increases Consistency of women group savings				
2	Enhances the general women group asset base				
3	Improved women group living standards for members				
4	Improves women group financial performance				

Training on Debt Management

1	Increases the chances that a women group keep credit financial records				
2	Training on debt management influences the rate of loan defaults				
3	Training women group on debt management influence their credit graduation rate.				

Thank You

APPENDIX III: Questionnaire for women self help group officials and credit committee.

This questionnaire will be administered to the women self help group officials and the credit committee members as per the group sample population.

SECTION A: DEMOGRAPHICS

1. What is your gender?
b) Male b) female
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 group?.....
5. What is your responsibility to the group?
a) Member
b) Credit Committee member
c) Chair lady
d) Secretary
e) Treasurer

Part B: Training on Budgeting Skills

To investigate how training on budgeting skills influence financial performance of women self help group customers in Equity Bank, Isiolo Branch.

No. Question

Question

- 1 Has Equity bank trained your group on financial literacy?
Yes
No
- 2 If yes, which year did the group receive this training?
 - a) 2010
 - b) 2011
 - c) 2012
 - d) 2013
- 3 Indicate by ticking the skills that the group received from the financial literacy training?
 - a) budgeting skills
 - b) saving skills
 - c) debt management skill
 - d) Knowledge on bank products and services
- 4 Does the group have a current spending plan?
Yes
No
- 5 If yes, explain how training on budgeting skills has helped the group while preparing its spending plan?.....
- 6 Is the group currently keeping a written budget?
Yes
No
- 7 If No, explain why the group is currently not budgeting?.....
.....

.....

8 If YES, what among the following expenses are included in the group budget?

a) Members loan due

b) Members saving

c) Members fine due

d) Any other

explain.....

9 In what way has the training on budgeting skills impacted on how your group manages its finances?

10 Thinking about the period that the group has been budgeting, the group spent its money: (tick one answer)

a) Strictly as per the budget

b) Partly as per the budget

d) Did not follow the budget at all

11 On a scale of 1-7 where 1 is **not at all important**, 2 is **low importance**, 3 is **slightly important**, 4 is **neutral**, 5 is **moderately important**, 6 is **very important** and 7 is **extremely important**, to what extent was training on budgeting skills useful to women self help group?

	1	2	3	4	5	6	7	Extremely important
Not important at all								

13 Give reason for your

answer.....

.....

Part C: Training on Saving Skills

To investigate how training on saving skills influence financial performance of women self help group customers in Equity Bank, Isiolo Branch.

- 1 Is the group currently being involved in any kind of saving?
 Yes
 No
- 2 If YES, which among the listed reasons is the group saving for:
 a) Saving in order to create security against which the members can be given loans
 b) Saving for group welfare purposes
 c) Savings to finance group marry-go-rounds
 d) Saving for asset creation (business investment, etc)
 e) Others (specify).....
- 3 If NO, why is the group not currently saving.....

- 4 How often does the group save?
 a) Weekly
 b) Monthly
 c) After every three months
- 5 Where does the group keep its 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 the group choice on the above.....

- 7 On a scale of 1-7 where 1 is **not at all important**, 2 is **low importance**, 3 is **slightly important**, 4 is **neutral**, 5 is **moderately important**, 6 is **very important** and 7 is **extremely important**., to what extent was training on saving skills important to the groups?

	1	2	3	4	5	6	7	Very important
--	---	---	---	---	---	---	---	----------------

Not important at all								
----------------------	--	--	--	--	--	--	--	--

8

Give reason for your answer above.....

.....

9

Is the group currently having a saving plan?

Yes

No

11

In what way has training on saving skills impacted on financial performance of the group?

a) Group membership saving increased after the training

b) Group membership saving is more consistent after the training

c) Group membership saving decreased after the training

d) Group membership saving has not changed

e) Others (specify).....

.....

10

Is the group keeping up to date members saving records?

a) Yes

b) No

11

What assets has the group 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 training on debt management skills influence financial performance of women self help group customers in Equity Bank, Isiolo Branch.

1

Is the group guaranteeing member's loans in Equity Bank, Isiolo branch?

a) Yes

- b) No
- 2 Is the group currently having a loan management plan?
 c) Yes
 d) No
- 3 Is the group in a position to show me the group loan management plan?
 a) Yes
 b) No
- 4 For what reasons are group members currently borrowing? Indicate by ticking
 a) For personal use/ consumption
 b) For investment/ business working capita
 c) For buying assets
 d) To finance emergencies
- 5 On a scale of 1-5 where 1 is **not important at all** and 5 is **very important**, to what extent was training on debt management skill important to the group?
- | | | | | | | |
|----------------------|---|---|---|---|---|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Not important at all | | | | | | Very important |
- 6 Give reasons for your answer

- 7 To what extent has training on debt management skills impacted on the general group loan graduation rate for members?
 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 group been followed by creditors? indicate by ticking:
 f) Very often
 g) Often
 h) Not often
 i) Not very often

- j) Not at all
- 13 Indicate the group member's loan arrears status by ticking.
- f) Very high group loan arrears
- g) Low group loan arrears
- h) No group loan arrears
- i) High loan repayment rates
- j) Don't know
- 14 Is the group keeping up-to-date loan records?
- a) Yes
- b) No
- 18 How has the training on debt management helped the group manage its debt?
.....
- 19 Training on debt management has helped the group 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 self help group customers in Equity Bank, Isiolo Branch.

1	<p>Which bank services are used by the group since attending training on bank services?</p> <p>a) Group savings account <input type="checkbox"/></p> <p>b) Loan <input type="checkbox"/></p> <p>c) ATM <input type="checkbox"/></p> <p>d) Other (specify) <input type="checkbox"/></p> <p>e) Agent banking <input type="checkbox"/></p> <p>f) Check book <input type="checkbox"/></p> <p>g) Insurance product <input type="checkbox"/></p>									
2	List bank services and product that you know									
3	<p>Has training on bank services helped the group attain its financial goal?</p> <p>a) Yes <input type="checkbox"/></p> <p>b) No <input type="checkbox"/></p>									
4	How has training on bank services helped the group attain its financial goals?									
5	<p>On a scale of 1-7 where 1 is not at all important, 2 is low importance, 3 is slightly important, 4 is neutral, 5 is moderately important, 6 is very important and 7 is extremely important, to what extent was training on bank services important to the groups?</p> <table border="1" data-bbox="358 1352 1412 1423"> <tr> <td data-bbox="358 1352 688 1423">Not important at all</td> <td data-bbox="688 1352 737 1423">1</td> <td data-bbox="737 1352 786 1423">2</td> <td data-bbox="786 1352 834 1423">3</td> <td data-bbox="834 1352 883 1423">4</td> <td data-bbox="883 1352 932 1423">5</td> <td data-bbox="932 1352 980 1423">6</td> <td data-bbox="980 1352 1029 1423">7</td> <td data-bbox="1029 1352 1412 1423">Very important</td> </tr> </table>	Not important at all	1	2	3	4	5	6	7	Very important
Not important at all	1	2	3	4	5	6	7	Very important		
6	<p>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.</p> <p>a) Agree strongly <input type="radio"/></p> <p>b) Agree <input type="radio"/></p> <p>c) Disagree <input type="radio"/></p> <p>d) Disagree strongly <input type="radio"/></p>									

Thank you

APPENDIX IV: Focus Group Discussion Guide for group members

Training on Budgeting Skill

1. Thinking about you group financial goals, how has training on budgeting helped you meet your goals?
2. What expenses are related to group budgeted?
3. In which ways has training on budgeting helped the group members perform financially?

Training on saving skills

1. How has training on saving skills helped the group in developing a saving plan?
2. How has training on saving skills helped group members grow their saving?
3. How has the group gained through training on saving skills?

Training on bank products

1. What bank products and services are known to the group?
2. What bank product and services does the group use?
3. Has the training on bank products and services helped the group improve financially?

Training on debt management

1. How has training on debt management helped group access credit?
2. How has training on debt management helped the group manage its debt?
3. How has training on debt management helped the group keep debt record?

Thank you