

Improving Savings Mobilization of Micro and Small Enterprises through Entrepreneurial Financial Literacy

Fred Gichana Atandi

P.O. Box 1609-30200 Kitale

E-mail: fredatandi06@yahoo.com

Professor Henry Bwisa

Professor of Entrepreneurship, Department of Entrepreneurship and Procurement, School of Entrepreneurship, Procurement and Management, Jomo Kenyatta University of Agriculture and Technology, P.O. Box 62000 00200 Nairobi, Kenya. Email: bwihem@yahoo.com

Professor Maurice Sakwa

Senior Lecturer, Department of Development Studies, School of Social Science, Jomo Kenyatta University of Agriculture and Technology, P.O. Box 62000 00200 Nairobi, Kenya.

Email: sakwa98@yahoo.com

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Abstract

Study findings from past studies and experts have indicated that financial literacy has enabled MSEs make informed financial decisions on savings mobilization in their respective financial institutions based on knowledge and skills attained during financial literacy trainings which has gone a long way in enhancing their entrepreneurial growth. The financially literate entrepreneurs is more likely to trust financial institutions because they well comprehend the financial products and services provided by these institutions. To better study this subject matter the researcher employed mixed research design to conduct the study among 339 MSEs who are registered with KNCCI Trans Nzoia county. The study used stratified sampling was used to categorize MSEs into three strata's namely service manufacturing and commerce or trade and then random sampling was used to get the actual target population to be used in the study . Also pilot study was conducted to test the instruments reliability and validity which met the threshold of 0.70. The study also conducted correlation analysis among the financial literacy factors which were found to be significant to be used in the study. The major findings indicated that financial literacy trainings makes entrepreneurs confident to make savings decisions independently after acquiring knowledge and skills in preparing and adhering to savings plan, setting savings goals, financial budgeting and change of attitude on money management behaviors. The study concludes that financial institutions to develop gender based financial literacy training manual and enhance the capacities of trainers to deliver financial literacy training using a gender perspective and to increase on gender dimension of work. Also it concluded that financial literacy training should be provided before entrepreneurs engage in

financial contracts such as in schools to offer basic financial literacy to help students/youths to navigate an increasingly complex financial environment as they grow. The study recommends that formal financial institutions to reach out to the informal financial service providers who are still controlling a large clientele of MSE's and facilitate a financial literacy training program without marketing their respective financial products and services to eliminate any suspicion amongst the potential savings mobilizes through provision of adequate financial information to empower them make informed choices related to financial matters in general.

Key words: Financial literacy, Savings Mobilization, Micro and Small Enterprises, Entrepreneurial

Introduction

Financial literacy is the ability to make informed judgments and to make effective decisions regarding the use and management of money. The financial knowledge gained enables MSEs to build their financial skills and gives them confidence to undertake financial decisions for their livelihoods (Thomas & Philip, 2014). According to OECD, financial literacy is the combination of consumers and investors understanding of financial products and concepts and their ability and confidence to appreciate financial risks and opportunities to make informed choices. Financial literacy empowers and educates consumers to be knowledgeable on financial matters (Mwangi & Kihui, 2012). Studies by (Mwangi and Kihui, 2012; Thomas & Philip, 2014) emphasized that financial literacy focuses on MSEs making informed financial decisions based on knowledge and skills attained during financial literacy trainings. In relation to savings mobilization by MSEs it implies that when the MSEs are well informed on various savings and products they will be better positioned to make informed decisions whenever they want to mobilize their savings with financial institutions for their future entrepreneurial growth.

Statement of the problem

For a long time credit facilities have been provided to the MSEs solely as a source of finance, but recently there has been a growing concern that MSEs don't only need credit but also need savings, therefore, savings have risen to the top of the financial services meant for this sector, previously saving remained the forgotten half (Collins *et al.* 2009). Like credit, saving helps MSEs to turn a sequence of small sums into useful lump sums and in real situations MSEs prefer to save rather than borrow because it is low cost and gives them more control over their lives. FSD Kenya (2009) CBK conducted a survey of 900 bank customers identified various barriers affecting customers in accessing banking services such as mistrust and lack of awareness by the consumer, lack of clear information by banks to customers. Studies by (Field *et al.* 2010; Carpena *et al.* 2011; Cole *et al.* 2011; Xu and Zia, 2012; Seshan and Yang, 2013; HIHEA, 2013) found that financial literacy training for entrepreneurs imparts financial knowledge and skills which helps to change the negative attitudes the entrepreneurs operating the MSEs harbor towards savings mobilization among the financial institutions, consequently increasing the usage of savings services from financial institutions. Financial savings decisions require adequate knowledge and skills to enable entrepreneurs to grow their enterprises' and graduate those to medium and large enterprises. This study was conducted to find out the effect of

entrepreneurial financial literacy training of micro and small enterprises on their savings mobilization in financial institutions in Trans Nzoia county, Kenya .

General objective of the study

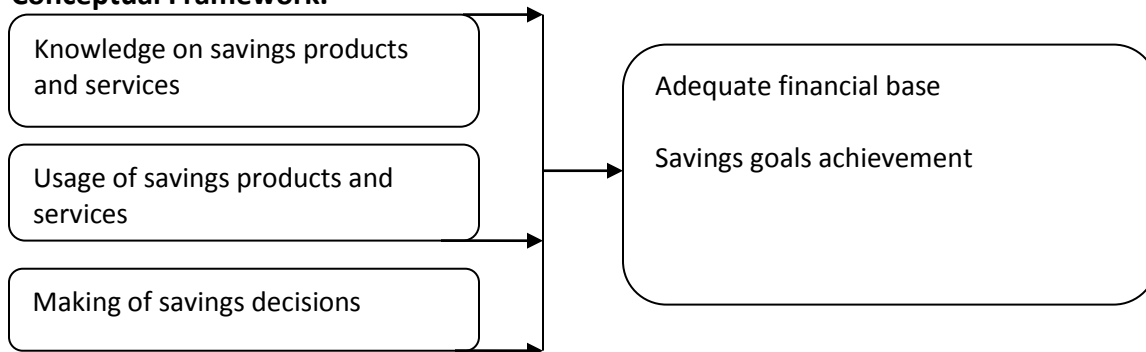
The general objective of this research study was to find out the influence of entrepreneurial financial literacy on savings mobilization among micro and small enterprises in Trans Nzoia county, Kenya.

Literature Review

World Bank (2014) reported that financial literacy is intrinsically linked to consumer protection where consumers are more likely to trust banks and use their financial services if they understand the products and are able to make well informed financial decisions on their choice of financial products and services. A well-educated consumer is able to understand consumer disclosures, risks and rewards, and their legal rights and obligations. World bank further argues that financial literacy programs should target individuals and MSEs at ‘teachable moments’ which is essentially a life changing moment during which specific financial decisions might alter incomes or normal patterns of expenditure .It can be said that during these moments, people and MSEs might be extra motivated to gain and use newly acquired financial knowledge and skills. In Kenya, Equity bank through Equity Group Foundation and MasterCard International implemented a curriculum based on four distinct topics namely; budgeting, savings, bank services and debt management. Budgeting module gave MSE knowledge and skills on setting specific future family and business goals .The module on savings provided skills on preparing a savings plan. The module on debt management provided knowledge on costs of accessing credit facility. The module on banking services compare and contrast bank products and imparts skills on using technology based financial products like ATM debit cards (Microfinance opportunities, 2010). HIHEA (2013) conducted an evaluation on enterprise development in rural areas in Kenya, it reported that most microenterprises that were established experienced business growth with clear evidence that the interest to start the new enterprises were mainly triggered by skills acquired from training provided by the HIHEA’s program on business development, 64% of members of the groups ventured into new businesses during the project period and 92% reported that the new businesses resulted in higher incomes. Noelia *et al.* (2014) conducted a study on the factors that matter for financial inclusion in Peru and found that being literate has a greater effect on financial inclusion among enterprises at 3.7% and at households at 2.3%. Recent surveys done in developed and developing countries have shown that a significant share of the population lack basic financial knowledge, a survey conducted India found that 26 per cent of respondents provided no correct answers to four questions on basic financial principles, only three per cent answered all four questions correctly and when the same instruments are tested in other LDCs, they found similar low levels of basic financial literacy (Cole *et al.* 2011; Xu and Zia, 2012). Cole *et al.* (2011) conducted a study on comparing price vs. information as a barrier to saving in Indonesia. The study offered free two-hour financial education program on the workings and benefits of bank accounts, 77 per cent of the targeted individuals agreed to participate in the experiment. It was found that the

intervention had no effect on the probability of opening a bank savings account for the general population, although there are modest increases in take-up among those with low initial levels of financial literacy or low levels of education. Carpena *et al.*(2011) conducted a randomized experiment to measure the effect of financial training in western India on three distinct dimensions of financial knowledge; numeracy skills, basic financial awareness and attitudes toward financial decisions among 1200 urban households in Ahmedabad, two-thirds were randomly assigned to a video based financial education program offered at a training center once a week with each training taking two to three hours per session for five weeks, the remaining one third served as a comparison group and received a video based health training program delivered in the same manner, all households received a test a few weeks later. The study findings indicated that financial education has limited effects in increasing financial numeracy, financial education did not Influence participants’ awareness and attitudes toward financial products and the financial planning tools available to them with basic financial awareness increasing by 7.7 percentage points relative to the comparison group. Field *et al.* (2010) conducted a study on financial literacy to women working in the informal sector and its influence on saving. The training program involved a two day training sessions on financial literacy, business skills, and aspirations for bank customers in partnership with SEWA (Self Employed Women’s Association). They selected a random sample of 636 women from SEWA’s customer base and randomly assigned two thirds to be invited to training sessions. The study findings showed that, financial literacy training did not increase savings but raised borrowing and business income among a sub group of women who faced strict social constraints. Seshan and Yang (2013) conducted a study which measured the influence of savings focused financial literacy training on the financial decisions of Indian migrant workers in Qatar and their wives who were still based in India. The sample for this study comprised 232 married, male Indian migrant workers based in Doha, Qatar, of whom 157 were randomly offered a short financial literacy training a three hour workshop followed by a two hour dinner which focused on creating and executing household savings plans and 75 workers were not offered the training. The study found some positive behavior change with migrants who received an invitation being 48.4 per cent more likely to self-report jointly making financial decisions with their wives.

Conceptual Framework.



Research Design

A research design is the logic that links the data to be collected and the conclusions to be drawn on the initial questions of the study (Yin, 2009). This study used a mixed method research design which comprised both qualitative and quantitative approaches. Namusonge (2010) observed that this research design is suited for gathering descriptive information where the researcher wants to know about people or attitudes concerning one or more variables through direct query.

Population of Study

A population is considered to be any group of people, events, or items that are of interest to the researchers that they wish to investigate. The researcher identified 2216 MSEs registered with the KNCCI Trans nzoia county.

Sampling Frame

Saunders *et al.*(2012) argued that sampling frame has the properties that the researcher can identify every single element and include any in the samples. It included the owner's managers and the CEOs of MSEs operating in Trans Nzoia County.

Sample and sampling Technique

Moazzam (2014) indicated that a sample is some part of a larger body specially selected to represent the whole while sampling is then taking any portion of a population or universe as representative of that population or universe. Stratified sampling was used where the target population was categorized into distinct groups service, manufacturing and commerce and trade. Random sampling was used to ensure that each element in each stratum had an equal chance of being in the study sample. The sample size of this study was found to be 339 respondents distributed as follows services 52, manufacturing 52 and commerce and trade 235.

Pilot Test

Nunes *et al.* (2010) pilot studies are instrumental in the framing of questions, collection of background information, refinement of a research approach or tailoring efficient research instruments. Simon M.K. (2011) a pilot study sample size between 10-20% of the actual study is representative. The pilot study was done on 147 Equity bank clients who were not part of the study but operate businesses within Trans Nzoia county the same county where the actual target population of study operate their enterprises. Pilot study is important in ascertaining reliability and validity of research instruments. Reliability is concerned with the extent to which a repeated measurement yields the same result while validity is concerned with the extent to which an instrument measures what it is intended to measure (Portney and Watkins, 2009). During the pilot study the instruments reliability results was 0.983. According to Katou (2008), research instruments are considered to be reliable when the value of the crombach alpha greater than 0.70.

Data Processing and Analysis

Hair *et al.* (2010) data analysis is a process which involves drawing conclusions and explaining findings in words about a study. The data collected was analyzed in several steps. The descriptive statistics for the variables in the study were computed to calculate frequency and percentages for those variables which were qualitative in nature. A quantitative technique was used to collect numerical data either on independent and dependent variables influencing savings mobilization among MSEs. In analyzing quantitative data, the researcher specified the amount of error permissible by indicating the level of significance [α - (α)] and the degrees of freedom (df) as is appropriate. A commonly used value of alpha is .05 (or 95%). A qualitative method was used to collect data on the respondent's feelings and attitudes on qualitative aspects of the study. The researcher quantifies the responses and expresses them as frequencies using descriptive or inferential statistics. The qualitative approach allowed the respondents to 'tell their story' thus giving the researcher an opportunity to probe and seek clarifications (Yin, 2009). The researcher conducted the correlation analysis to find out the relationship among the independent variables.

Major findings

Entrepreneurs Bio-data

The study sought to find out the gender, level of education, religion, family dependents and enterprise status of the respondents. The findings were analyzed in the table below 1.1

Table 1.1 Results of the Entrepreneurs Bio-data of the Respondents

Gender	Frequency	Percent
Male	222	71.2
Female	90	28.8
Total	312	100
Level of Education	Frequency	Percent
Informal education	104	33.3
Primary	125	40.1
Secondary	45	14.4
Diploma	14	4.5
Degree	24	7.7
Total	312	100
Religion	Frequency	Percent
Islam	134	42.9
Christian	163	52.2
Others	15	4.8
Total	312	100
Status of the Enterprise	Frequency	Percent
Owner manager	162	51.9
CEO	150	48.1
Total	312	100
Number of dependants	Frequency	Percent
1-3	147	47.1
4-6	129	41.3
7-9	36	11.5
Total	312	100

Source: Research Data

The study findings on gender indicated that majority 71.9 % (224) of the respondents were males whereas 28.1% (88) were females. The implication of these findings is that more males operated MSEs than females in Trans Nzoia County and also gender was well represented and there were no biasness. The study results on education level reveals that the MSEs who had attained primary level of education were 40.1% (125) whereas 33.3% (104) had informal education. Those who had attained secondary education were 14.4% (45) while 7.7% (24) were degree holders and only 4.5% (14) were diploma holders. It can be assumed that most of the entrepreneurs had some knowledge and skills in their operations. The findings on religion indicates that over half 52.2% (163) of the respondents were Christians, 42.9% (134) were Islam while 4.8% (15) were in other denominations. It can be implied from this findings that more Christians operated MSEs in Trans Nzoia County followed by Muslims. The findings on enterprise status shows that more than half of the respondents 51.9% (162) were CEO on the enterprise

while 48.1% (150) were owners/managers. These results showed that most of the entrepreneurs entrusted the responsibility running the day to day operations of their enterprises to employees as they were engaged elsewhere whereas others operated their enterprises by themselves. Also the study in family dependants shows that 47.1% (147) of the respondents had 1-3 dependants while 41.3% (129) had 4-6 dependants. Another 11.5% (36) had 7-9 dependants in their families. These results implied that majority of the entrepreneurs either planned their families or most of the people in their households were economically active within their enterprises or elsewhere.

MSE's data

The study sought to find out the business location, business nature, employees number, starting time of MSEs and ownership nature of the MSEs. The findings were analyzed in the Table 1.2

Table 1.2 Results of the MSEs Bio-data of the Respondents

Location	Frequency	Percent
Urban	185	59.3
Rural	127	40.7
Total	312	100
Business Nature	Frequency	Percent
Commerce/trade	191	61.2
Service	58	18.6
Manufacturing	62	19.9
Total	312	100
Number of Employees	Frequency	Percent
1-10	180	57.7
11-50	77	24.7
51-100	47	15.1
Over 100	6	1.9
Total	312	100
Start of the Enterprise	Frequency	Percent
1985 over	105	33.7
1989-1991	34	10.9
1992-1997	30	9.6
1998-2001	40	12.8
2002-2005	59	18.9
2006-2011	30	9.6
2012-2015	14	4.5
Total	312	100
Nature of Business	Frequency	Percent
Sole proprietorship	159	51
Partnership	96	30.8
Private company	55	17.6
Total	312	100

Source: Research Data

The findings on business location indicate that majority of the respondent 62.5% (195) stated that their enterprises are located in urban centers while 37.5% (117) were located in rural areas. It can be inferred from this results that most of the entrepreneurs did their businesses from urban areas which were thought to offer better business opportunities and modern infrastructures is conducive to entrepreneurial growth as compared to rural settings. The nature of business that MSEs conducted as shown in above table revealed that 61.2% (191) of the respondents were engaged in commerce/trade whereas 18.6% (58) were engaged in

service industry and 19.9% (62) were engaged in Commerce/trade industry. The largest number of respondents showed that they were dealing in commerce /trade perhaps because this sector does not require many technicalities or expertise to engage in whereas a few entrepreneurs dealt in service and manufacturing which required some technical skills. The findings on employees number revealed that 57.7% (180) of the respondents who operated enterprises had 1-10 employees, 24.7% (77) had 11-50 employees while 15.1% (47) MSEs had employees between 51-100 employees as the remaining 1.9% (6) had over 100 employees. These findings were within the category of enterprises study focused on where most of them were micro and small while very few were medium and large enterprises. The findings on the year when the respondents started their operations as presented in the table above shows that the following MSEs started operations over the year 1985 33.7%(105),1989-1991 10.9% (34), 1992-1997 9.6% (30), 1998-2001 12.8%(40) 2002-2005 were 18.9%(59), 2006-2011 9.6%(30) and 2012-2015 4.5%(14) enterprises. This implies that majority of MSEs were formed after favorable environment for investing in Kenya. It is evident from the above table that majority of the respondent 51.0% (169) operated sole proprietorship forms of business. However, 30.8% (96) of the respondents were operating under partnerships and 17.6% (55) were operating as private companies. This findings indicated that most MSEs are started and operated by individuals who started them and are yet to open up to invited shareholders within these enterprises and therefore continue to remain micro and small for many years giving room to informality to persist

Entrepreneurs' attendance of a seminar/workshop on financial literacy.

The study findings indicated that 69.9% (218) of the respondents stated that they have attended workshop / seminar on financial literacy training while 30.1% (94) have never attended workshops /seminars on financial literacy. This indicates that majority of the respondents had attended workshops/ seminars on financial literacy. This was expected to affect their level of savings mobilization among MSEs. The respondents were also asked to state the financial literacy topics they were trained and sessions attended and their findings presented in Table 4.3

Table 1. 3 Results on Financial literacy topics trained and sessions attended.

Financial literacy	Topics trained	
	Frequency	Percent
Saving plan	116	52.9
Saving goal	73	33.7
Saving accounts features	28	12.8
Others	1	0.6
Total	218	100
	Training sessions attended	
	Frequency	Percent
1-3	102	47.1
4-6	77	35.6
7-9	38	17.3
Total	218	100

The for those who attended the seminars / workshops in financial literacy they were further asked to indicate the savings knowledge and skills they were taught, 52.9% (116) were taught saving plan 33.7%(73) savings goals and 12.8%(28) savings accounts features and those who attended other savings trainings were 0.6% (1) .It can be implied that the savings mobilization topics entrepreneurs are trained will influence their savings mobilization decisions. The findings from the table above shows that 47.1 % (102) of the respondents had attended 1-3 financial literacy trainings, 35.6 %(77) had attended 4-6 training sessions and 17.3% (38) had attended between 7-9 sessions. The results indicate that majority of the entrepreneurs had attended between 1-3financial literacy trainings which shows that most of the MSE’s are aware and posse s the knowledge and skills in savings and money management which will influence them on how they mobilize their savings. The respondents were further asked to state their opinion on the influence of financial literacy on savings mobilization among MSE’s. The respondent’s findings are presented in

Table 1. 4 Results of Financial Literacy Reliability Results

Factor Analysis – Financial Literacy		
Variables	Loadings	Remarks
Financial literacy training has led to better budgeting for my money whenever I receive it	.967	Retained
Attending financial literacy training has influenced me to trust my financial institution	.964	Retained
My saving trend is guided by a specific saving goal	.949	Retained
I always make my saving decisions independently	.942	Retained
My financial institution frequently trains me on all saving products and services.	.939	Retained
Adhering to my saving plan has led to achieving various saving goals	.938	Retained
I fully understand and use various savings products and services offered by my financial institution	.930	Retained
Financial literacy training has changed my way of saving and money management behaviors	.929	Retained
Extraction Method: Principal Component Analysis.		
a. 1 components extracted.		

All values on financial literacy were retained as they were above the recommended 0.5 loading level using factor analysis (Oso and Onen, 2005).

Reliability Statistics			
Before Factor Analysis		After Factor Analysis	
Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items
.983	8	.983	8

The reliability results before and after factor analysis was 0.983 which was considered reliable as it was above 0.7 which is the recommended reliability measure using the Cronbach's Alpha test. This implies that increased training on financial literacy has a positive impact on entrepreneurs personal and business life. The financial knowledge helps reduce social and psychological pressures and increasing the welfare of the family in the personal life. Higher financial literacy has higher efficiency and productivity results and will help entrepreneurs to better understand benefits offered by the organization and improve their satisfaction. Also financial education reduces absenteeism in organization and keeps valuable employees. High level financial literacy decreases emotional stress and anxiety in the workplace.

Table 1.5 Results for financial literacy validity

Correlations		Financial Literacy	Level Of Savings Mobilized
Financial Literacy	Pearson Correlation	1	.961**
	Sig. (2-tailed)		0.000
	N	312	312
Level Of Savings Mobilized	Pearson Correlation	.961**	1
	Sig. (2-tailed)	0.000	
	N	312	312

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

Predictive Validity Value = 0.961 (Result = Valid)

Predictive validity was used to examine the extent to which financial literacy was a good predictor of the dependent variable (level of Savings Mobilized). If correlation was >.80 or <-.80 for variables inversely related, the relationship strength was considered strong enough to measure validity of variables

Table 1.6 Correlation in financial literacy

Crosstab		What is you gender		Total
Count		Male	Female	
Financial literacy training	Disagree	1	0	1
has led to better budgeting	undecided	24	3	27
for my money whenever I	Agree	123	65	188
receive it	Strongly agree	74	22	96
Total		222	90	312
Chi-Square Tests		Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.193 ^a	3	0.027	
Likelihood Ratio	10.261	3	0.016	
Linear-by-Linear Association	0.005	1	0.946	
N of Valid Cases	312			

The findings above shows that there was a significant relationship between gender and financial literacy training that led to better budgeting of money whenever entrepreneurs

received ($p=0.027$). These may be the case because more males operated MSEs than females and hence receive financial training which leads them to budget well in their finances. This implies that financial institutions to develop gender based financial literacy training manual to enhance the capacities of trainers to deliver financial literacy training using a gender perspective and to increase on gender dimension of work, gender in microfinance, women’s empowerment through microfinance and microenterprise development programs, financial and risk management with

Table 1.7 Results for Relationship between Level of Education and Financial Literacy

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	71.022 ^a	52	.041
Likelihood Ratio	61.247	52	.178
Linear-by-Linear Association	.542	1	.462
N of Valid Cases	312		

The study findings indicated there was a significant relationship between level of education versus financial literacy ($p=0.041$). The study findings have indicated the level of education of entrepreneurs has an effect on financial literacy training with most of the informal and primary level educated entrepreneurs willing and having highest interest to attend and learn financial literacy skills which enabled them to achieve their savings goals while the secondary, diploma and degree level entrepreneurs had low interest in financial literacy trainings which negatively affected their levels savings mobilization levels. This implies that financial education should be provided before entrepreneurs engage in financial contracts. For example, financial education in school can provide a base level of financial literacy to help students/youths navigate an increasingly complex financial environment.

Discussion Of Findings

The findings of the study revealed that majority of the respondents were of the opinion that they are guided by specific saving goals. This implies that majority of the respondents could have adopted only those goals that enable saving. The respondents stated that their savings trend is guided by a specific saving goal to enable mobilization. The respondents trust banks and use their financial services because they understand the products and are able to make well informed financial decisions on their choice of financial products and services. The respondent who were well-educated were able to understand consumer disclosures, risks and rewards, and their legal rights and obligations. The respondents were able to get MSE knowledge and skills which provided skills on preparing a savings plan. This study’s findings agree with the study done by Field *et al.*(2010) on financial literacy to women working in the informal sector and its influence on saving. The training program involved a two day training

sessions on financial literacy, business skills, and aspirations for bank customers in partnership with SEWA (Self Employed Women's Association). They selected a random sample of 636 women from SEWA's customer base and randomly assigned two thirds to be invited to training sessions. The study findings showed that, financial literacy training increase savings and raised borrowing and business income among a sub group of women who faced strict social constraints. These findings agree with a study done by Seshan and Yang (2013) which measured the influence of savings focused financial literacy training on the financial decisions of Indian migrant workers in Qatar and their wives who were still based in India. The sample for this study comprised 232 married, male Indian migrant workers based in Doha, Qatar, of whom 157 were randomly offered a short financial literacy training a three hour workshop followed by a two hour dinner which focused on creating and executing household savings plans and 75 workers were not offered the training. The study found some positive behavior change with migrants who received an invitation being 48.4 per cent more likely to self-report jointly making financial decisions with their wives.

This study's findings agree with study done by (Field et al.2010) on microfinance opportunities, which they found out that financial literacy training for entrepreneurs imparts financial knowledge and skills which helps to change the negative attitudes the entrepreneurs operating the MSEs harbor towards savings mobilization among the financial institutions, consequently increasing the usage of savings services from financial institutions. Financial savings decisions require adequate knowledge and skills to enable entrepreneurs to grow their enterprises' and graduate those to medium and large enterprises. The study findings showed that there was a significant relationship between gender and financial literacy training which led male entrepreneurs to better budget their money whenever they realized any income than their female counterparts and eventually influencing their savings mobilization.

Conclusions

Financial literacy does influence level of savings mobilization among MSEs. Financial literacy trainings makes entrepreneurs confident to make savings decisions independently after acquiring knowledge and skills in preparing and adhering to savings plan, setting savings goals, financial budgeting and change of attitude on money management behaviors. The financial literate customers are able to understand consumer disclosures, risks and rewards, and their legal rights and obligations. Financial institutions to develop gender based financial literacy training manual and enhance the capacities of trainers to deliver financial literacy training using a gender perspective and to increase on gender dimension of work. Financial literacy should be provided before entrepreneurs engage in financial contracts such as in schools to offer basic financial literacy to help students/youths to navigate an increasingly complex financial environment as they grow

Recommendations

The study recommends that formal financial institutions to reach out to the informal financial service providers who are still controlling a large clientele of MSE's and facilitate a financial

literacy training program without marketing their respective financial products and services to eliminate any suspicion amongst the potential savings mobilizes through provision of adequate financial information to empower them make informed choices related to financial matters in general.

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Corresponding Author

Roselyne Nyambane

Research Consultant

Kenya

E-mail: roselynenyambane@yahoo.com

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