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Saving behavior and its Determinants in

the case of Bahir Dar ZuriaWoreda

-Amhara National Regional State, Ethiopia

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BAHIR DAR UNIVERSITY

COLLEGE OF AGRICULTURE AND ENVIRONMENTAL SCIENCE

DEPARTMENT OF RURAL DEVELOPMENT MANAGEMNT

GRADUATE PROGRAM

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MSc Thesis

By

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Approval of Thesis for Defense

I hereby certify that I have supervised, read and evaluated this thesis titled" assessment of rural Household Saving "by Yordanos Dires prepared under my guidance. I recommend the thesis be submitted for oral defense.

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APPROVAL SHEET

As members of the Board of Examiners, We examined this thesis entitled "Assessment of Rural Households Savings in the case of Bahir Dar zuria Woreda Amhara National Regional State, Ethiopia" by Yordanos Dires. We hereby certify that the thesis is accepted for fulfilling the requirements for the award of the degree of Master of Science (MSc.)in Rural Development Management.

Board of Examiners

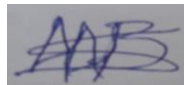| Degsew Melak (PhD) | | 19/12/ 2020 |
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DECLARATION

This is to certify that the thesis entitled "Assessment of Rural Households Savings in the case of Bahir Dar zuria Woreda Amhara National Regional State, Ethiopia", submitted in partial fulfillment of the requirements for the award of the degree of Master of science in Rural Development Management to the Graduate program of college of Agriculture and Environmental Sciences, Bahir Dar University by Yordanos Dires Bihonegn.

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Yordanos Dires Bihonegn

Signature and date_____

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ACRONYMS

The following are the most commonly used acronyms in this study

ACSI :   Amhara Credit and Saving Institution

CSA :   Central Statistical Agency

EEA :   Ethiopian Economic Association

ETB :   Ethiopian Birr

GDI :   Gross   Domestic Investment

GDP :   Gross Domestic Product

GDS :   Gross Domestic Saving

GSS :   Ghana Statistical Service

GTP :   Growth and Transformation Plan

IDA :   Individual Development Account

MoFED :   Minister of Finance and Economic Development

NBE :   National Bank of Ethiopia

OECD :   Organization for Economic Co-operation and Development

ORDA :   Organization for Rehabilitation and Development in Amhara

SNA :   System of National Accounts

SSA :   Sub Saharan Africa

VESA :   Village Economic and Social Association

TOT :   Terms of Trade

ABSTRACT

Saving is paramount important in any development endeavor as it is believed to be the best way of increasing income and enhancing productivity in an attempt to break the vicious cycle of poverty. However, the saving culture in Ethiopia particularly in rural areas is very low and a little were know about its patterns and determinate factors. The main purpose of this study was to investigate determinants, identify forms of saving and perception of households regarding saving in Bahir Dar Zuria Woreda. Primary and secondary data were collected using open ended and closed ended questionnaires from four Kebeles of 377 households. Besides, focus group discussion were conduct with two groups. The samples were select using two-stage random sampling techniques. Descriptive statics and binary logistics model was used to analyze the collected data. Based on the descriptive result, 58.9% of the households did not practice saving, whereas, 41.1% of the respondents practice saving during the survey time. From the binary logit results, household expenditure, distance from financial institution, access to credit, income had positive and significant impact on household saving. However, age had negative and significant influence on household saving. From the savers side, the result depicts that slightly above half (53.5%), 18.1 % and 28.4% save in cash, in kind and both respectively. Furthermore, the results indicated that most respondents of the study (58.9%) perceived that their income was not enough to save, however the majority (89.4%) of the respondents believe that saving is necessary for everyday life. Based on these findings, Governmental and Non-governmental organization should work on agricultural productive and productivity activities engaging to increase household income and they have to engage households to participate in different income diversification strategies. Moreover, financial institutions should play their roles to facilitate useful saving services and encourage saving by different mechanisms.

Keywords: Saving, Rural Household, Perception, and Income

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Chapter 1: INTRODUCTION

1.1. Background and Justification

Savings play a very important role in sustaining economic development. Although its role is vital at completely different levels, specifically households, enterprises and government, the three bodies however, are closely interlinked. For instance, if households save too little, they might face financial difficulties in addition to having deficient emergency Savings, which, in turn, any broader perspectives there will be insufficient funds offered for the government to spend in social and physical infrastructure. Funds, which were place in financial assets, were channel through financial intermediaries' for investments, and subsequently, enriching the country through higher productivity and economic growth (AbdulJemal et al., 2015).

Saving is an important component in any development endeavor, as it is believe to be the surest way of increasing income and enhancing productivity in an attempt to break through the vicious cycle of poverty. Without saving, people are likely to face severe problem of survival when they are no longer able to work. It is argue that, when poor households' desire and need to save meets, a safe, easily accessible opportunity to do so, their capacity to save, commitment to saving, and the amounts they manage to save are remarkable. High incomes lead to alleviation of poverty in households, ultimately resulting into better quality of life of people in rural communities (Birhanu, 2016)

In many developing economies particularly in Africa, saving and investment are necessary engines for capital formation hence economic growth. It has been argue that saving constitutes the basis for capital formation and capital formation in turn constitutes a critical factor of economic growth. Available statistics, however, indicate low saving mobilization base and investment in this part of the world (Issahaku, 2011). As a result, economists, international organizations, and governments in developing countries have placed increasing emphasis on the mobilization of deposits to increase rural households' savings and achieve sustained economic growth and development (Kifle, 2012).

According to Tsegabirhan (2009), saving in general and domestic saving in particular determined by a number of factors. Countries have different capacities to mobilize financial re-

sources, owing to their differences in their level of development, level of income and its growth, structure of the economy, population growth and its dependency ratio. They may also have differences on institutional capacity and system of governance etc. Moreover, macroeconomic policy framework including the interest rate and inflation determine the level and trend of saving of a given country. The culture of a country and political stability are also important determinants of saving and investment (Tsegabirhan, 2009), some of these factors are structural that define the scope of financial resource mobilization, including public and private saving. These structural constraints call for structural transformation of an economy. The other groups are policy variables, governance and institutional capacity of a country, which are more amenable to enhancing resource mobilization capacity of a country

Rural households' savings in developing countries mainly in Sub-Saharan Africa remains inadequate and far behind from other parts of the world. Chaia et al. (2009) combine a number of data sources to estimate that only about 20% of households in Sub-Saharan Africa saved their money informal financial institutions. This is due to high levels of unemployment, low level of income, the engagement of a large proportion of the population in the informal sector and poor performance of the economy (Aron et al., 2013). According to National Bank of Ethiopia survey study, Ethiopian's saving culture still regarded as poor despite the performance improvement from 6% in 1998 to 9.5% in 2003 E.C. Currently in Ethiopia from the total population only six millions household saves money in financial institutions on average 875 Birr per year. Saving rate of Ethiopia to GDP is 9.5% which is, the worst saving rate in the world as compared to China, Bangladesh & South Africa which have a better saving rate in the world (Aron et al., 2013).

The recent rate of saving is too low by Ethiopia's own standard and relative to other developing countries. The trend has also made the economy increasingly reliant on external financing sources, with excessive exposure to external shocks, and delaying the necessary reforms to create favorable investment to the private sector and put the economy on a sustainable path of growth and financing (Abu, 2004).A developing country with a weak saving performance cannot secure enough investment resources to finance its investment necessities. Hence, low saving performance of the country is due to various determinants of saving (Abedela Yasin 2018).

The Amhara National Regional State is not exceptional in the case stated above as it is part and parcel of Ethiopia. The majority of the population of the region is living in rural areas and their livelihoods depend on agriculture. Most rural areas do not have access to formal financial institutions (Solomon and Tsegawe 2016) Amhara region Degadamot Woreda. However, as far as the researcher's reading is concerned, compressive studies are not conducted on rural household savings and its determinants in the region in general and Bahir Dar zuria woreda in partial.

Thus, the purpose of the study was to assess the rural households saving behavior and determinants of saving in Bahir Dar Zuria Woreda.

1.2   Statement of the Problem

Globally, rural households' savings is growing in some developing countries. For example, in china and Bangladesh but the situation is not the same in most African countries. With this regards, many researches done in developing countries, particularly in sub-Saharan Africa, indicated that many rural households have poor saving culture.as a result, low level of household savings is said to be one of the reasons for slow and stagnant economic growth in the developing countries (Devaney, 2007) similarly, in Ethiopia rural households low saving is a serious problem and formal financial saving is found to be limited (Dereje, 2010).

The saving culture and level in Ethiopia predominantly in rural areas is very low and much is not known about its patterns and determinate factors. In most cases, savings in rural Ethiopia are mainly generated from agricultural activities. However, rural households do indeed save in the form of assets and/or in financial forms which can be potentially utilized by savings institutions and for investments which is very essential for both households and national well-being (Alebachew et al., 2018).

Extensive investigation demonstrates that poor people will and do save which they get pleasure from savings vastly. This was confirmed within the majority of evidence included in a recent evidence-mapping of savings initiatives (Itad, 2018). The evidence points to a range of positive outcomes from savings together with increased income, increased ability to smooth consumption, improved resilience and improved food security. Analysis included in a systematic review of savings interventions in Sub Sahara Africa also reveals that the promotion of

savings increases savings levels, supports investment in small-scale family business, and has significant impact on various dimensions of poverty (Janina I.etal., 2017)

Related to this, Organization for Rehabilitation and Development in Amhara has a long last experience on Village Social and Loan Association (VSLA), Self Help Group (SHG) and Village Economic and Social Association (VESA) and go through to practice household saving to improve their habit and economic status. Actually saving has a recognized multifaceted impact towards socioeconomic empowerment of the poor households especially women, consequently some households change their perception about saving and decide to save and practice it and engage in different income generating activities by investing their saving capital. According to the monitoring and periodic reports of the organization the major reasons stated include socioeconomic status of individuals such as: lack of basic literacy, migration, lack of alternative income other than agriculture, etc.; inconsistent incentive on provisions like agriculture inputs, tools and training, dissatisfaction on credit modality and practice that includes credit interest rate, loan purpose and repayment schedule; and inadequate support are the main challenge to improve saving culture in addition to this most of the time lack of motivation for poor community to save so that the organization start a good strategy by selecting the poorest of the poor households especially Female headed Households to participate in micro franchise by creating awareness to engaged in this market and try to save money and improve their capital intentionally (ORDA,2019).

Given the importance of household saving in national saving in Ethiopia, the study of farm households saving behavior is even of great importance because they are the great majority of the population in the country. More than 80% of the population of the country still lives in rural areas (World Bank, 2017).Moreover; the saving culture is not well developed in Ethiopia in general and among the rural households in particular. Consequently to get a real picture on saving it is necessary to know the amount and extent of saving in formal and informal institutions in the rural communities.

Recently, a few studies are conducted on household saving behavior and its determinants in rural   households in different specific areas for instance, Bogale et ,al,(2017); Girma et al., (2013); Haile et al., (2017); and Tsega and Yemane (2014). Those studies are different from

the recent study in several ways. For instance, Bogale's study employed Tobit model to analyze household decision to save and extent of saving. On the other hand, Girma et al (2013), study focused on significance influence on the amount of household saving Haile et al., (2017); study only focuses on the saving habit and its determinants of eleven zonal cites in Amhara National regional state. And they employed Logistic model. .Tsega and Yemane (2014) study was conducted to identify major factors influencing on saving habit in North Gonder.. Generally, the previous studies conducted concern on the amount and ratio of saving of either the entire household or urban household. As can be seen easily in the previous studies much attention is not given to rural household saving and its determinants. In addition, most previous studies used almost similar model. To fill such gaps the current study focuses on rural household savings and its determinants.

Moreover, every location has its own local characteristics and perception. Even though, the studies conducted at different areas and duration have share some commonalities, there may be differences on dimension of their study and the main problems. The existences of this difference necessitate a study taking into consideration its specific behavior.

Considering this problem the researcher intended to study on Assessment of rural House hold saving behavior and its determinates in rural area of Bahir Dar Zuria woreda because of collecting higher amount of money during the harvesting time, at the same time they spend it extravagantly for different social and other aspects. Hence the behavior of household in the allocation of economic resources is a critical factor that exerts influence on the growth path of a country. Moreover, understanding why and how households save, what determines their saving behavior particularly that of the poorer households can help to identify appropriate policies and strategies. Therefore, this study assesses the household saving behavior and its determinants in rural households of Bahir Dar Zuria of Amhara Region in Ethiopia.

1.3 Objectives of the Study

1.3.1 General objective

The general objective of this study is to examine rural household savings, behavior and its determinants of Bahir Dar Zuria Woreda.

1.3.2 Specific objectives

The following are specific objectives of the study.

1. To assess forms of saving used by rural households in Study area.
2. To identify factors that affect rural household savings' in Bahir Dar Zuria Woreda..
3. To assess rural households perception of saving in Bahir Dar Zuria Woreda

1.4. Research Question

1. What are the forms of saving used by rural households in Bahir Dar Zuria Woreda?
2. What are the factors that affect rural household saving in Bahir Dar Zuria Woreda?
3. What are the perceptions of Households for saving?

1.5. Scope of the study

The study w under taken in Bahirdar Zuria woreda of the Amhara Regional State. The study concerned four of the thirty-two rural kebele of the district from which a total sample of 377 households were drawn. The scope of this research is limited to the assessment of rural household saving. Even if the problems of savings are multi-dimensional, this study was limited to factors related to individual households.

1.6 Significance of the Study

The outcome of this study is expect to provide invaluable information for designing developmental intervention by different institution and organization working in the area of improving saving. Moreover, the findings of this research will have valuable practical relevance in designing saving policy at different level. Furthermore, it may serve as a springboard for further study.

1.7 Limitations of the Study

The data collection and analyses carried-out with caution in order to sure reliability and validity of the study. However, there were some limitations of the study. First, due to time and financial constraints the research sites were limited to only four rural kebeles. Second, the study was cross-sectional rather than longitudinal.

1.8 Operational Definition of Terms

Rural household - is the household living in the rural area whose main occupation is agriculture base.

Perception – is the feeling of household about saving.

1.9 Organization of the Thesis

Chapter 1 dealt on introduction, which includes background, statement of the problems, objectives, research questions, scope of the study, and significance of the study and limitation of the study. Chapter two include literature review that includes basic concepts of Household savings, Theories of saving based on economic, social and behavioral theory, Empirical evidence and conceptual Framework .chapter three include research methods which includes description of the study area, research design, data collection and analysis. Chapter 4 includes results and discussion. At last, chapter five discuss about conclusions and recommendations of the study.

Chapter 2: LITERATURE REVIEW

2.1. Theories of Saving

Saving decisions are at the heart of short and long run macroeconomic analysis as well as much of microeconomics. In the short run, spending dynamics are of central importance for business cycle analysis and the management of the monetary policy. In addition, in the end, aggregate saving determines the size of the aggregate capital stock, with consequences for wages, interest rates, and the standard of living. Aggregate savings for an economy is a predominant component. The problem of savings could taken up both at the micro and macro level (Birhanu, 2015).

According to Addisu, theories are very helpful to understand cash saving from an existing knowledge perspective. The question of making poor people to rich directly related to the question of how to make poor people accumulate assets. Poverty have been consider as a trap because resources needed to produce another resource. Therefore, the people having low resources could face subsistence consumption, however, saving a few resources and produce little would lead them to have a consistent increase in consumption in the long term. Some countries like the USA have reached on the conclusion that capital support in different forms is important to escape from poverty and, therefore, established a policy that subsidized asset accumulation and it also designed a policy to help the poor to accumulate assets through Individual Development Account (IDA).There have been also saving theory that is relevant to IDA. The theories are economic, social/psychological and behavioral (Marl, et al, 2001).

2.1.1 Economic theory

This theory assumes that people seek to maximize their long-term utility in connection to opportunities and constraints. It also considers people as forward-looking, rational and they can fix their preferences. The most fundamental insight of economic theory for saving and poor: that people with a few resources relative to subsistent constraints, they can be biological, psychological, and cultural have fewer resources to save. The decrease of marginal utility of consumption, and shows that the poor pay more (in terms of forgone utility) to save because current saving determines future production and income. That is why poverty is a trap of low assets (Marl, et al, 2001). Since the overall concepts of this theory are much related to the study

concept particularly with regard to current households assets saving will affect future production and income and, of course, subsequent saving and diversification. Therefore, this research would also use this theory as a guide to make this study part of other research.

2.1.2 Social/Psychological theory

This theory assumes that the people are not always rational to decide their preference and as a result, social norms and instructions have a capacity to shape their preferences. Moreover, it assumes that people do not always know to establish their own goals and even the choice they make. For instance, people who get a chance to see family or friends save may tend to prefer saving as a choice those they themselves might make (Lusarid,2000 cited in Mark,et al, 2001).Moreover, according to Bernheim, (1994) in the same material indicated that different culture, familiar norms, and experiences may lead to having various saving goals. For example, the American dream of home ownership is the goal that U.S citizens expect married people more than single people. (Addisu, 2011)

2.1.3 Behavioral theory

The behavioral theory relaxes some assumption in economic theory. According to Shefrin and Thaler; (1988) cited in Mark, (2001) recognized that people should impose non- fundability or resources through systems of mental accounts. For instance, the small windfalls perhaps from lottery wins may be assigned to splurges and similarly, debt may be acceptable for assets such as home or college education but not for restaurant meals or Christmas gifts. It has also recognized that people know that they do not always do what could benefit themselves. On the whole this theory considered the people as forward-looking and myopic. They recognize that why they will be tempted to spend when saving would make them better off in the long term. Therefore, they may create their own mental or external reward and punishment that make it difficult to spend rather than save (Thaler, 1994 &Maital, 1986 cited in Mark, 2001).In fact, according to Mischel, 1997 in the same material indicated that people who are trying to save and succeed may learn to like saving more because repetition is considered as easier than innovations and saving is may be habit-forming or an acquired test.

2.2 Empirical Evidence of Rural Household savings

1.2.1. Behavior and perception of rural households on saving

Household savings in rural area appear to be difficult variable to measure (Malik, 1993).It is not always quantifiable. Saving methods are practiced according to the need for ensuring a long term security for the households. One must, therefore, differentiate the savings potential of the rural community in cash, kind, or livestock etc. Household saving in Pakistan (Azhar, 1995) indicated that methods of savings are categorized as saving in cash, saving in bond holding, saving in agricultural products and saving in livestock. Saving in agricultural products is preferable practiced because of its higher flexibility. Saving in livestock represents the most practiced form. It has dual impact on the household economy, firstly, as a source of extra income and, secondly, by acting as cash which is always available at home (Degu, 2007).

A household study on determinants of saving asserts that three factors were influence household saving behavior in Africa. One of these was the ability to save which in turn depends on a household's disposable income and expenditure. The second was the propensity or willingness to save as influenced by socio-cultural and economic factors like the family obligation to educate children. The third one was the opportunity to save and returns on savings. In addition, household size has a negative effect on household savings suggesting that larger household are more resource constrained than small ones with disposable income and consequentially a lower level of savings (Newman et al., 2008; Orebiy`s et al., 2005 as cited in Birhanu, 2015).

Different rural households perceive saving differently. For some, saving is money reserved for future needs, whereas for some others it is surplus of income over expenditure and for still others it is purchase of land, construction of buildings, consumer durables or other household goods. When saving is perceived as money reserved for future needs it implies a deliberate decision behind saving, rather than being a residue. This deliberate decision on the part of the households to save for meeting the future needs depend on many factors namely, the determinants of saving which includes the factors that affect both the ability to save and the will to save. As mentioned earlier, the present study aims to examine these factors, which determine the actual savings in the rural households (Unny, 2012)

Rutherford (1999) noted that access to more and better ways of turning savings into lump sums–helps poor people from sliding deeper into poverty and helps them lay foundations for their ambitions to better themselves and their families. This and other studies by (Graham et.al Uganda 1999) had similar conclusions that show that: poor do save, have a need to save and use savings for a variety of reasons, which include daily expenditure, to fix a leaky roof, to pay for healthcare, consumption smoothing, accumulation to meet life–cycle needs and to send children to school.

The society we live in is full of constraints likely due to variations and distinctness in the age, sex, culture, tradition, social taboos, and many more which by playing an important role determines the saving behavior of any region, state or country. Income plays a major role in identifying the saving distinctness among different groups but income cannot always remove all the barriers for availing the opportunities because of the variations offered in the context of culture, gender, class, etc. People belonging to diverse ethnic groups can have a refutation to the equal admittance to education, employment, and other basic services by the social and financial institutions as well as the investment opportunities available (Amudha et al., 2015)

Gedela (2012) reviewed the determinants of rural households' savings in Visakhapatnam District and the result revealed that the age of the head of the household, sex, income, and expenditure is significantly influencing the rural household saving. He found that expenditure has severely affected household savings. Income is the most crucial factor in saving behavior in the entire study.

2.2.2 Forms of household saving

An individual or a family choice as to where and how to save in order to determine most extreme fulfillment.The empirical analysis of household saving in the present study will be based on the following concepts (waheed1996 page 47).

*Saving in cash -W*hen money is saved directly and kept at home, deposited with some trustworthy relative or in the bank and cooperatives.
Saving in agricultural products - when material goods (crop grains, cotton seeds, fertilizer, etc.) are stored directly or surplus cash is converted into goods before saving since these goods can be exchanged for other goods or cash when needed.

Saving in livestock - when livestock is kept like money because of its liquidity .value in case of any urgent need have cash in the family.

2.2.3 Determinants of household saving

Harris et al., (1999), found that current income is perhaps the major determinant of saving. They also found that males have higher saving than female and demographics and households level of economic optimism play a key role in Australia. In China the study by, Horioka and Wan (2007), revealed that China's household saving rate has been high and rising and that the main determinants of variations over time and over space therein are the lagged saving rate, the income growth rate, and (in some cases) the real interest rate and the inflation rate. But, the age structure of the population usually does not have a significant impact on the household saving rate. Abdelkhalek et al., (2009), in Morocco also found current income strongly affects the saving level and the household's size are significant only in the urban case: an additional person reduces the household saving-. For the life cycle hypothesis, the results are not significant. They also found that Moroccan women save more than men when they took into account the interaction between gender and income. The results suggest that the self-financing of rural household activities may be due to the lack of access to formal financial intermediaries (Halefom, 2015).

Among the few kinds of research done in developing countries; Klause et al., (1992) studied households saving in developing countries found that income and wealth variables affect saving strongly. Touhami et al. (2009) also investigate the micro-econometric determinants of households saving in Morocco. They concluded as income significantly explains the cross-sectional variation of the saving behavior of households in Morocco. Similarly, Girma et al. (2013) identified determinants of rural household savings in East Hararghe Zone, Oromia Regional State Ethiopia. Nine determinant explanatory variables of rural household savings were identified which include: household head education level, livestock holdings, access to credit service, income, investment, training participation, contact with extension, forms of savings and saving motives.

Empirical studies suggest that increase in real interest rate provides an incentive to households to save more, the low interest rates offered in most banks is another major factor affecting

people's willingness to make savings. This is particularly so for those people living in urban areas and involved in businesses. Most of them indicated that they preferred turning their cash income in the business. Where they make a lot more profit than putting the money in a savings account or a fixed deposit Malawi (Alexander R.phiri 2010).Ethiopia saving rate is substantially lower than what would be expected for a low income sub Saharan Africa country (Geiger and Mollar,2013)

According to Deaton (2005) and Rogg (2006), one of the serious problems confronting poor countries including Ethiopia is saving and investment gap. Because of this gap, these countries faced challenges to finance investments needed for growth from domestic saving. It is also common to see these countries to finance their investment in a short run partly through domestic government borrowings and/or foreign loan and grants but this can significantly increase debt burden and cannot be a solution in a long run. Though Ethiopia is recording sustained economic growth for the last many years, the country is still categorized among the least developed countries. According to MoFED 2010/11, the GDP growth rate is 11.4%, Poverty headcount index is 29.6% and the inflation rate was 18.1%. Ethiopia's financial sector is fairly underdeveloped. There are few indigenous banks that have been established with different proclamations and regulations. Moreover, often these banks are urban-based and give loan to those engaged in trade and industry. Though the loan size is not adequate and charges a high-interest rate, microfinance institutions are grappling to widen their outreach to rural areas which comprise the majority of the country`s population. Thus, saving is a way to smooth consumption and to withstand adverse shocks. The average gross saving rate as a percentage of GDP of the country is 21%   (MoFED, 2012). Hence, a better understanding of households saving behavior is important. Most saving researches done so far in developing countries in particular in Ethiopia are at the macro level. Since macro works are based on macro-economic data, they couldn`t consider consumer heterogeneity and diversity of saving behavior (Touhami et al. 2009 cited in Abel, 2016).

According to Zhu (2004), some of the peculiar features of household's savings in developing countries in general and their rural areas in particular are; large household size, agriculture as a major source of income and most households live in abject poverty. Many researchers indi-

cate that many rural households in developing countries, particularly in Africa, are too poor to save (Rutherford, 2000; Robinson, 2001; Devaney et al., 2007). However, as Coleman and Williams (2006) stated, the poor do save even though they do not have complete access to savings facilities in formal financial institutions. Instead, they use informal institutions for their savings. These include livestock, crop products, housing materials, farm equipment's, and some other precious metals like jewelry. Generally, this brief review of the empirical literature revealed that there are different factors that affect household savings. Most of these empirical studies focus on aggregate national savings and urban-centered using macro data. Thus, this study attempted to identify major micro-level determinants of household savings in rural areas to fill the existing research gap (Girma et al; 2013)

2.3. Conceptual Framework of the Study

The framework formulated to explain the relationship of the independent variables with Individual and HH characteristics (sex, age, marital status, family size) and socioeconomic variables (educational, income, landownership, livestock ownership, expenditure, access to credit and distance from financial institutions etc.) and dependent variable (Rural household saving).
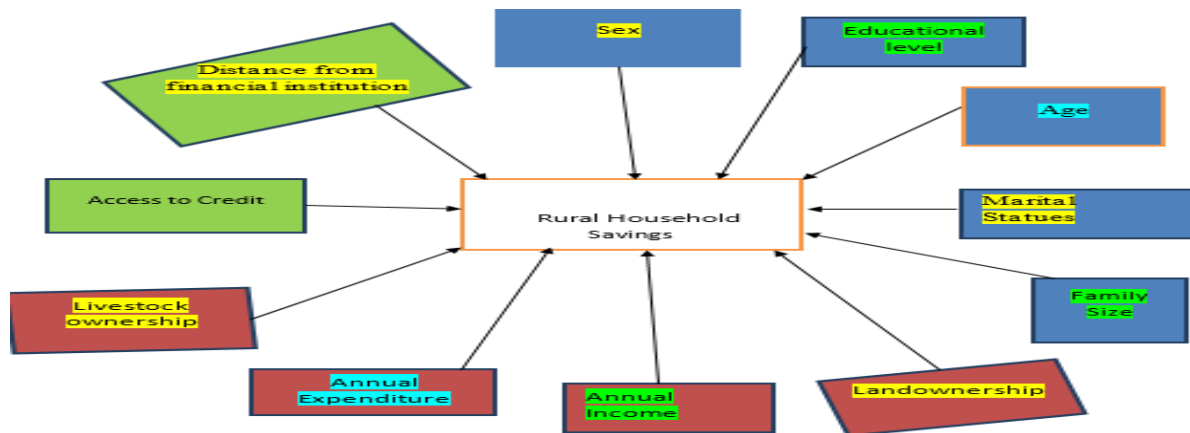
Figure 2.0-1 Conceptual framework

Chapter 3: MATERIAL AND METHOD

3.1 Description of the Study Area

3.1.1 Location

Bahir Dar Zuria Woreda is located in the rural part of the center of west Gojjam zone. Though the district is close to the capital city of the region. According to Bahirdar Zuria Woreda office of Agriculture 2016/2017 data the Woreda is approximately 1,283.6 km2, and includes 32 kebeles, four of which are partially included in the study area. The woreda is bounded in the east by south Gonder Zone, in the west by Mecha and Achefer woredas and in the North by Lake Tana and North Gonder, and finally in the south Yelimana densa woreda. Agriculture is the dominant economic base and it is almost the only means of living for the people of the study area. Nearly 100 percent of the population with in the area depends on this sector of the economy. However; it is subsistence, low in production and productivity and backward in its production system and cultural practices involved. In addition to this, land holding of the farmers, which is the main input of agriculture, is small and highly fragmented as a result of increasing population pressure from time to time.
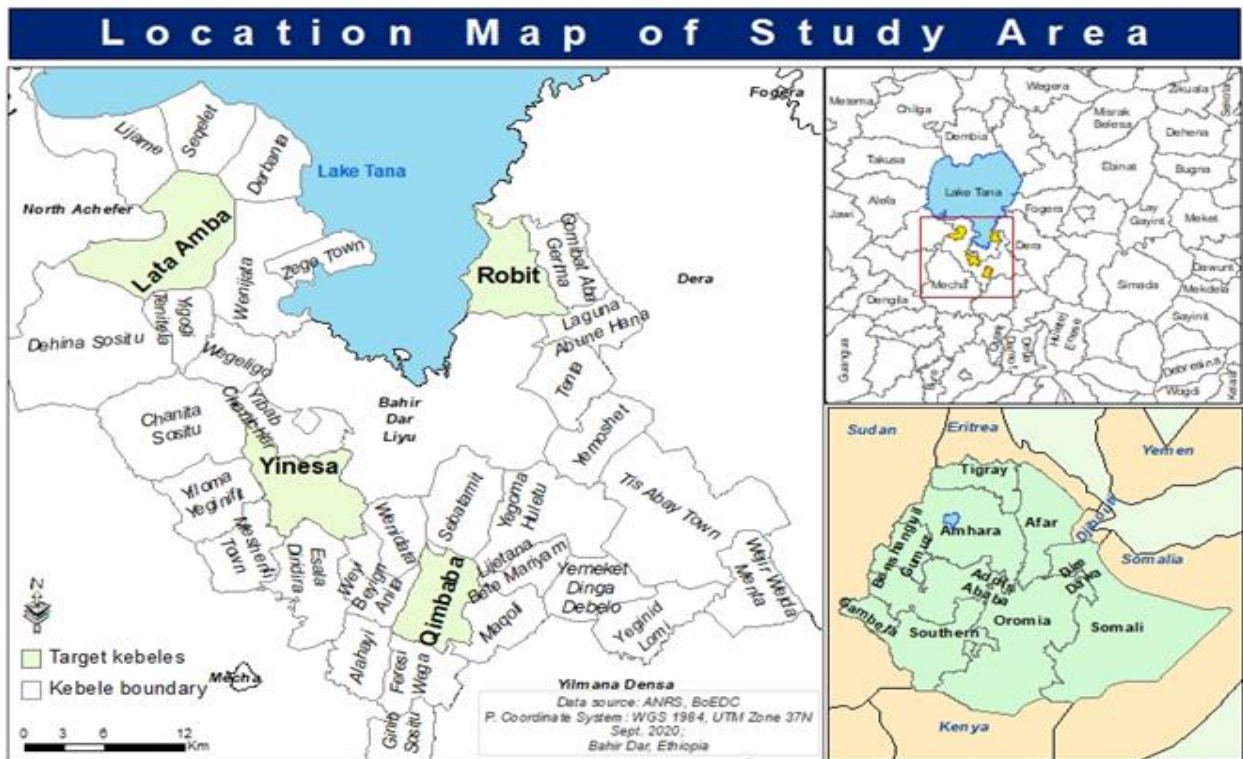
Figure 3-1 Location map of study area, Bahir Dar Zuria Woreda (Source: ANRS, BoEDC)

3.1.2 Demographics

According to the Woreda agriculture and rural development office Socio economic data, the population of the Woreda is estimated to be 218,647 of whom 106,543are women. Bahir Dar Zuriya Woreda has a population density of 126.60 which is less than the Zone average of 158.25 persons per square kilometer. A total of 40,006(7,785 female headed) households were counted in this Woreda, resulting in an average of 5.47 persons to a household(Bahir Dar Zuria Woreda Agriculture Office,2017).

3.1.3 Means of livelihood and financial services in the woreda

Regarding the study area, Bahir Dar Zuria has irrigation potential for producing agricultural crops. In 2016, the district harvested 1,490,351qt. of output with different vegetables and other cash crops from 10,226.5 ha of cultivated land. The district also had a population of 81,314; 25,511; 16,500; 52,546; 6,028; 7,494 and 587 cattle, sheep, goats, poultry, horses, donkey, and mules respectively (Bahir Dar Zuria Woreda BoFED, 2016 Report). Despite such potentials, saving is low in the district. The district office of different sector has been working to improve the saving culture of farmers in addition to the promotion of new technology, improved input variety, and fertilizer supply.

3.2 Sample and Sampling Technique

There are different methods of data collection, where the choice of methods is depending on the nature, objective, and scope of the study, fund availability, time and logistic facilities. This study employed a two-stage random sampling technique to achieve its target. The sample households were selected by utilizing the following two-stage sampling procedure. The first stage involved the selection of sample kebeles. Conventionally, in research works for the selection of specific sites 10% of the total amount is considered as an adequate. Accordingly from the total number of 32 kebeles existed in the Woreda the research was conducted in 4 kebeles. For appropriate sampling technique the researcher categorized the rural kebeles as near and far using stratified sampling method. The bases of stratification of the kebeles were distance. Hence, rural kebeles which is located 21km as a cut point by considering the mean distance of all 32 kebeles located from Bahir Dar .In other words, those kebeles which

are above 21 km far away from the main town of the woreda were considered as far whereas ,rural kebeles located up to 21km were considered as near. Hence, four rural kebeles two from near and two from far were randomly selected.

The second sampling stage encompassed the selection of sample respondents for the research work through random sampling. In this stage, the sampling frames (with name of households) were obtained from the Kebeles office.

Determining the sample size to be selected is an important step in any research study. Based on this two-stage sampling process, the total sample households selected on a random sampling basis from four Kebeles in the study Woreda. Therefore, those randomly selected kebeles served to draw a sample. Appropriate sample size was determined by Yamane (1967) at 95 percent confidence level, 0.5 degrees of variability and 95 percent level of precision.

$$n = \frac{N}{1 + N(e)^2}$$

-- (1)

Where, n = sample size

N = Size of population

e = level of precision

After determining the total sample size of the study area, as the number of households in each Kebele is different, sampling with probability proportional to size method was employed to ensure equal representation of households using the following formula.

$$n_i \quad = \quad \frac{n}{N} \quad x \quad N_i$$

Where: ni is a sample size of each Kebele; n is the total sample size the researcher uses, N is the total number of households in all the Kebeles and Ni is the household size of each Kebele.

Accordingly, n=N/ (1+N (e) 2) =6693/ (1+6693(0.05)2) =6693 (1+6693(0.0025)) =377 81,101,120, and 75 sample respondents were taken from kembaba, Yenesa, Lata, and Robit since they have a household number of 1446; 1788; 2128;and1331; respectively.

Table 3.1 Distribution of Sample size

No.	Name of Sample Kebele	Sample population	Sample size	Remark
1	Kembaba	1446	81	
2	Yenesa,	1788	101	
3	Lata	2128	120	
4	Robit	1331	75	
	Total	**6693**	**377**	

Source: own computation from survey plan, 2018

The appropriate sample size required were 377 households by using probability sampling size techniques. Probability of sampling is one in which every sampling unit in the population has an equal and independent chance of being included or selected for the sample. Probability sampling provides an efficient method for selecting a sample that should an adequately reflect the variation in the population. From each kebele proportionate farmers of which from the total kebele residents were determined. In general the total sample size of the study was 377 farmers.

3.3 Sources and Methods of Data Collection

In this study both qualitative and quantitative methods were used to collect the required data to attain the objectives. This study employed both primary and secondary data . The primary data were collected from households in the rural kebeles selected. Relevant data needed for this study will be collected through interview with the use of structured questionnaire that will be pretested. Pilot tasting will undertake with some household. Issues covered during the data collection were demographic features, land endowment, income situation, and expense of households, livestock ownership and access to financial services. While for the secondary data, government institutions, non-governmental offices and community based organizations will use as main sources. Moreover secondary data were collected from findings stated in published and unpublished documents and literatures related to the research problem. These were based from the recent literatures such as different reports, books, working papers, and internet sources related to rural household savings, journals, published and unpublished materials.

3.4 Method of Data Entry and Analysis

3.4.1 Data entry

Variables and expected value ranges are listed and defined before the data entry process for consistency. The quantitative data collected using the structured individual questionnaires is manually edited and response to open ended questions coded. Then the data is entered into the computer using SPSS version 22 and analyzed major determinates of saving by using STATA (version 13) for easy manipulation and processing as well as further analysis. Data entry and analysis is managed by the researcher.

3.4.2 Data analysis

Qualitative and quantitative methods were employed to analyze the collected data .The qualitative information notes and observations collected through group discussion .Household individual survey data is analyzed using the statistical package for social sciences version 22 and STATA 13.

Such as relationships among variables that determine households saving verified by descriptive statistics such as minimum, maximum, mean, standard deviation, cross tabulations that involves frequency and percentages used mainly to identify forms of saving and perception of households. In addition, inferential statistics mainly Chi-square and T-test is employed. For household perception descriptive statistics (frequency) and t- test employed to understand the significance difference across a set of selected categorical and discrete variables respectively. A binary logistics econometric model, which best fits the analysis for identifying determinant factors of rural household saving.

Model Specification

The data were analyzed using binary logistic regression model. It is obvious that binary logistic regression model is used when the dependent variable is a binary variable type thus, assumed the value of y=1 if the household is practice saving, 0 otherwise.

The generic form of the regression model is:

$$Y = f(X1, X2...XK) + \varepsilon$$

Where,

Y = Dependent Variable (Saver and non –saver)

Xi = Independent Variables   i= 1, 2…k (i.e. list of independent variable affecting saving)

ε = Disturbance or error term

The specific model for this study will be:

$$Y = \alpha + \beta_1 X1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \beta_{10} X_{10} + \beta_{11} X_{11} + U$$

Where:

Y – Saving statues of household head

X1 – Sex of Household Head,

X2 – Age of Household Head (years)

X3 – family size (No. of household members),

X4 – Level of Education of the Household Head,

X5 – Marital status,

X6- Landownership

X7 – household annual income (Birr),

X8 – Annual expenditure (Birr),

X9 –Livestock ownership

X10-Access to credit,

X11 – Distance from financial institution,

βi's – slopes,

α – Constant or intercept,

U – Error term.

3.4.3 Definition of Variables

In the study area, different variables were expected to affect households' saving status. The potential determinates of household saving were identified on the basis of past research findings and researchers knowledge of household saving situation of the study area. The major

variables which were expected to have influence on the saving statues of households were as follows:

The Dependent Variable

Household Saving status, which is the dependent variable defined as value deposited from different economic as well as social activity prior to the survey period either in Cash or in Kind . It is dichotomous dependent variable which took two values with binomial outcome yes or- No

$$\text{Saving statues} \quad = \quad 0 = \text{Not Save}$$
$$1 = \text{Save}$$

The Independent Variables

A principal objective of this research is to examine the determinant variables on the saving status of rural households. The independent variables were identified from previous studies and the nature of the study area. These variables are expected to result in saving variation across households in the study area. The independent variables are as follows:

1. Sex of Household Head: This is a dummy variable with 1 for male and 0 otherwise. Several studies have shown that sex has an effect on asset accumulation. In sub-Sahara Africa, women own fewer assets than men (LeBeau et al., 2004). In rural SSA, women's ability to accumulate assets is governed by family and community norms, which historically have favored men to the disadvantage of women. Gedela (2012) found that male-headed households save more than female-headed households. The expected effect of sex on female-headed households was negative (Birhanu, 2015).

2. Age of Household Head: It is a continuous variable and defined as the number of Completed years from the time of birth till the time when the survey was conducted. In this Study it is assumed that as age increases farmers would acquire knowledge and experience through continuous learning and the level of responsibility to manage the family and the need to accumulate assets for tomorrow becomes high. Therefore, they prefer to save cash (Degu, 2007).

3. Family Size: It is a continuous explanatory variable represented by numbers. This is the size of the household family measured in terms of total number of members in a family which includes the spouse and children. Since food requirement increases with the number of persons in the household, food and nonfood expenditure increases with increases in household size and this could reduce the saving of the household. The expect effect of the family size on saving is negative (Lidetu, 2019).

4. Level of Education of the Household Head: it is a dummy variable and 1 is assigned for literate, 0 for illiterate. Education affects saving performance by influencing the level of saving and the options for asset accumulation available to the household. Kulikov et al. (2007) found that education as a human wealth promotes rural household saving. It was expected, therefore, households who are literate have a higher probability of saving it had a positive effect on literate households.

5. Marital status (MARTS): it is a dummy variable and takes a value of 1 if they are married, 0 if they are single. Marital status has also been shown to have an effect on asset accumulation (Grinstein-Weiss *et al*., 2006). Historically, marriage has been viewed as a source of financial security continues to be a determining factor for economic well-being. Pooling resources for a married couple may provide a cushion for them to accumulate assets without going under in times of crisis. The expected effect of rural household saving on single households was negative.

6. Land Ownership (LAND): It is a dummy variable taking"1"if respondents does have own land,"0''otherwise.In agriculture, land is one of the major factors of production. The availability of cultivable land enables the owner to earn more agricultural output, which implies more income and income influence saving. Therefore, it is hypothesized that, landownership will have positive relationship with household saving.

7. Annual Income (ANINC): it is a continuous variable and operationalized as the total annual earnings of a family from sale of agricultural produce, off-farm and non-farm activities. Income level which shows that when the income level of households increases the saving rate will also increase by some presents Abdelkhalek et al. (2009) indicated that income strongly

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affects the saving level of the household. The expected effect of this variable on rural household saving was positive

8. Annual expenditure (ANEXP): it is a continuous variable which is measured in Birr. In the rural setting there are different social and religious ceremonials celebrated. The expense related to these ceremonies is sometimes excessively large related to farmer's income levels. Income Proxy for non -productive purpose affects rural households saving negatively. The more the households spend, their saving reduces. Rehman etal. (2010) indicated that expenditure significantly and inversely affecting household saving. The expected effect of expenditure on rural household saving was negative.

9. Livestock ownership (LIVOWN): It refers to total livestock of the household measured in Tropical Livestock Unit (TLU), and it is a continuous variable. Livestock are the farmer's important sources of income, means of transportation, source of food and power for crop cultivation and it is a proxy for the wealth status of the households in the study area. Livestock are also used as an insurance of rural livelihoods in case of crop shortfalls and they are means of saving. It is expected that livestock resource in TLU is positively or negatively related to household saving (Degu, 2007).

10. Access to credit (ACCRT): it is a dummy variable that assumes a value of "1" if the household is credit users and "0" otherwise. Households with better access to credit have higher tendency to save more than that of households who do not access to credit service. Empirical studies revealed that savings of rural household increase with the amount of credit received (Desta, 2004). Therefore, the amount of credit received was expected to have a positive relationship with household saving.

11. Distance from financial institutions (DISTFIN): it is a continuous variable and it refers to the physical distance in km between the residence of the household head and the nearest formal financial institution. As this distances increases, the household head is expected to get discouraged especially when the amount to save is small. The transaction cost of saving will increase with the distance especially if we consider the opportunity cost in terms of time. Hence, negative relationship is expected between household saving and distance to the nearest formal financial institution (Alemu, 2015).

Table 3.2 Summary of Explanatory variables and characteristics

I .Dependent Variable		
S/N Variable	**Variable Type**	**Variable Description**
1. Saving practice	Dummy	1=save,0=non-save

II. Explanatory Variables			
S/N Variable	**Variable Type**	**Expected sign.**	**Remark**
1. Sex	Dummy	-(+)	0=male, 1=female
2. Age	Continuous	+	Respondent Age(total Years since birth
3. Age square	Continuous	-	Completed years of respondent age
4. Family size(FSZ)	Discrete	-(+)	Number of respondent's family members
5. Level of Education(LEDU)	Categorical(Dummy)	+	1= for literate,0= for Illiterate
6. Marital status(MARTS)	Dummy	+	1=married,0=single if live single including divorced and windowed)
7. Land ownership	Dummy	+	Respondents Land Ownership(1= have own land,0=otherwise)
8. Annual Income(ANINC)	Continuous	+	Total annual earning of a family
9. Annual Expenditure(ANEXP)	Continuous	-	
10. No of Livestock Owned(LIVOWN)	Discrete	+	Total No of livestock owned by respondent's measured in TLU
11. Access to Credit (ACCRT)	Dummy	+	Respondents access to credit from other sources(1= if have access , 0= otherwise)
12. Distance from financial institutions (DISTFIN).	Continuous	-	Physical distance in km.

Chapter 4: RESULTS AND DISCUSSION

4.1 Factors   that Affect Rural Household Saving

This section highlights the findings of descriptive statistics and econometric analysis focused on the demographic, social and economic characteristics of rural household savings in the study area. The variables discussed under this topic are those expected to have certain relations with saving.

4.1.1 Socio –Demographic Characteristics of Sample household

In this part results gained from descriptive statistics and binary regression logistic model include demographic characteristics variables of survey respondents like sex, age, educational level, marital statues and family size. The distribution of sample household based on their demographic characteristics has been presented in the respective tables below

Table 4.3 Descriptive result for discrete demographic variable

		Saving Statues					
Variable	Attribute	Saver		Non saver		Total	X^2 value
		N(155)	%	N (222)	%		
Sex of re-spondent	Male	105	68	169	75.9	274	3.2^{ns}
	Female	50	32	53	24.1	103	
Marital statues	Single	42	26.1	34	16.1	76	
	Married	113	73.9	188	83.9	301	7.87***

*** Significant at 1%, **significant at 5% and ^{ns} not-significant

Source: own computation from survey result, 2020

Sex of Household

According to the descriptive analysis result indicated in Table 4.1 from the total sample households 274(72.7%) were male and the remaining 103 (27.3%) were female. The result showed that from the total sample household 222 (59%) households did not practice savings of which, 169 (75.3%) were male-headed whereas 53(23.87%) were female-headed households. On the other hand from the total sample household 155 HH were practice saving of which 105(68%) were male-headed whereas, 50(32%) were female-headed. The result re-

vealed that male-headed saver and non -saver household had greater percentage than female-headed households. As the table indicated that the chi-square value(X^2=3.2; p= 0.079) there was no statically significant association between saving status and sex of households.

Respondent's marital status

The respondents were categorized as married and single .The marital status of the head of the households also a factor for the saving statues of the rural households. As depicted in Table 4.1 of the total sample household heads, 301(79.8%) were married and the remaining 76 (20.1%) were single i.e. divorced, windowed or unmarried. Among 155 of saver 113(73.9%) were married household head and the remaining 42(26.1%) were single households. On the other hand from 222 of the non- saver 188(83.9%) were married the rest are single. The descriptive analysis result showed that there had significant association between marital status and saving(X^2=7.87.; P=.0.00) it is similar to the findings of Girma et al, 2012

Table 4.4 Descriptive result of Continues Demographic variable

Variables	Saving Status						
	Save N(155)		Not Save N(222)		Total N(377)		
	Mean	SD	Mean	SD	Mean	SD	t- value
Age of respondent	37.69	9.30	40.26	11.45	39.12	10.71	2.8***
Family size of Respondent	4.50	1.925	4.56	1.964	4.54	1.947	0.64 ns

*** Significant at 1% and ns not-significant

Age and family size of the Household

As can be seen from the table 4.2 , the mean age of the saver was 37.69 with 9.22 SD whereas the mean age of the non- saver was 40.26 with SD 11.45.The average age of the sample household was 39.12 years with the minimum and maximum ages of 20 and 72 years with standard deviation of 10.713 years, respectively. The survey result showed around 73.7% of the respondent belongs to the age group of 30-59 years, 20.4% belongs to the age group 15-29 years, and 5.8% belong to 60 and above. of the respondents whose age 30-59 years were bet-

ter in saving as compared to youth and old adult. The t-value result implies that there was statically significant (t=2.8, p= 0.00) between age and saving.

On the other hand, the average family size of sample household was 4.54 persons with the minimum and maximum family size of 1 and 9 persons. This was nearest to the average national age of the country which is 5 persons (CSA.2010). The t-value showed that there was no statistically significant between saving and Family size of HH (t-value 0.64, p=0.518)

Table 4.5 Descriptive results of Educational Statues

Variable		Saving Statues					
		Saver		Non saver		Overall	X^2-value
		N (155)	%	N (222)	%		
Education	Illiterate	50	32.67	72	32.14	122(32.4%)	
	Read and write	35	22.87	71	31.69	106(28.1%)	
	Elementary	42	27.45	46	20.53	88(23.3%)	4.49^{ns}
	High school	28	17	33	15.6	61(16.2%)	

[ns] not-significant

Source: own computation from survey result, 2020

Educational statues of Respondents

Educational background of sample households heads is believed to be an important feature that determines the ability and willingness of the household head to save. As shown in Table 4.3, the educational statues of households in the study area were considerably low. Most of these household heads had illiterate and try to read and write. The result showed that from the total sample households head 122(32.4%) of the household heads were illiterate whereas 106(28.1 %) have able to read and write, 61(16.2%) have attained primary education. The remaining 33(8.8 %) achieved Secondary education as shown in the table. The chi -square test (X^2 =4.49; p-value =0.213) showed that education was not statistical significance.

4.1.2 Socio-economic Characteristics of Sample household

Table 4. 6 Descriptive   result for livestock holding size.

Variable	Attribute	Save N (155)		Non saver N (222		Total(377)		t-value
		Mean	SD	Mean	SD	Mean	SD	
No of Live-stock in TLU		5.38	3.29	5.15	3.32	5.24	3.309	
								-0.654ns
	Min	1						
	Max	14						

Saving Statues (spanning header over Save/Non saver/Total/t-value columns)

[ns] not-significant.

Source: own computation from survey result, 2020

Number of livestock owned by respondent: according to the descriptive results shown in the below table the minimum and maximum livestock size of sample respondents were 1 and 14 respectively in TLU. The mean of the livestock 5.24 with SD 3.309.The t-test analysis indicated that there was no statistical difference in livestock ownership between two saving groups (t-value 0.654 and p=0.513).

Table 4. 7 Descriptive result of credit access

Variable	Attribute	Saver		Non - saver		Total	X^2 value
		N (155)	%	N (222)	%		
Credit Access	Credit Access	83	48.52	86	51.58	169(44.8%)	8.09***
	Has no credit access	72	34	136	66	208(55.2%)	

Saving Statues (spanning header over Saver/Non-saver/Total/X² value columns)

*** Significant at 1%
Source: own computation from survey result, 2020

Respondent's Credit Access; Credit can increase households access to essential resources and economic growth. Rural households attain inputs like improved seeds, fertilizer, farming equipment and livestock to be more productive and productivity. As can be seen from table 4.5, 169 (44.8%)t of the respondents had credit access while 208 (55.2%) have not credit access. Among those who have credit access 83(48.52%) was practice saving and 86(51.58%) were not practice saving. Of those who has no credit access 72 (34%) were found practice saving and the remaining 136(66%) were not practice saving. The Chi-square test (chi-square value=8.09; p=0.006) implied that there is statistical significant between saving practice and access to credit. The implication was households who had more access to credit had higher ability and awareness regarding to saving. Most of the rural households would have used their credit for agricultural input to increase productivity as a result intensifies their households income it is consistent with Birhanu (2015).

Table 4. 8 Descriptive result of annual income and expenditure

Variables	Saving Status				
	Save N(155)		**Not Save** N(222)		t- value
	Mean	SD	Mean	SD	
Annual income	56765.66	41202.59	49469.5	41747	24.45***
Minimum	10100		2500		
Maximum	243540		177485		
Annual Expenditure	51265	43364	38580	36779	21.21***
Minimum	6000		2300		
Maximum	223060		158460		

*** Significant at 1%
Source: own computation from survey result, 2020

Annual income of sample households

The major source of income for the sample households are crop production, vegetable live-stock and cash crop and off farm activities. Income is an important factor for saving statues of the rural households. The annual income of sample households was calculated in Ethiopian Birr and found by the researcher. Annual income of saver and non- saver households result showed that 56765.66 and 49469.54 with standard deviation 41202.59 and 41747 ETB with a minimum and maximum 2500ETB. and 243540 ETB .respectively.

The t-value (t=24.456;p=0.00)showed that there was statistical significant. This result is con-sistent with a study by Aron et al (2013) that showed income is a significant factor for saving statues of households in Ethiopia. And the result revealed that the income level of households increased, the saving rate will also increase. Rehman et al. Pakistan (2010) also showed that household income would increase household saving ability.

Annual expenditure of sample households

Households spent their income for different purposes especially for fulfilling basic needs like food consumption, clothing, medication ,purchasing agricultural inputs etc. The average annual expenditure of saver and non- saver was 51262 and 38580 ETB and the standard de-viation of the annual expenditure was 43364 and 36779ETBrespectively.the result revealed that saver spent more than non-savers. The t-value (t=21.217; p=0.00) showed that there was statistical significance between the annual household expenditure with respect to their saving statues.it contradict to Girma et al, (2012)

Household Saving Statues

Table 4. 9 Saving practice

		Frequency	Valid Percent
Valid	Not save	222	58.9
	Save	155	41.6
	Total	377	100.0

The results in the table above demonstrate that among 377 sample households, 155(41.6%) have reported that they have positive saving whereas 222(58.9%) have no saving. The majori-ty of households still have no saving. Based on the result of the survey household explained that the reason for not saving that little household income and high household expenditure is a

big challenge. On the contrary according to the result those sample household save their money plan to change their future life mostly by involving different income generating activity and for consumption purpose. From the analysis Sample household save their money on average 3482ETB, ranging from 300 ETB to 49600ETB during a year prior to the survey period.

4.2 Forms of Saving

Table 4. 10 Forms of saving

Forms of saving	Frequency	Percent
In cash	83	53.54
In kind(stored grains and live animals	28	18.06
Both(In cash and in Kind	44	28.38
Total	155	100.0

As shown in Table 4.7 from those 155 household who practice saving, 83(53.54%) have saved in the form of cash, 28(18.06%) saved in kind mainly in the form of stored grain and live animal. The remaining 44(28.38%) of sampled household reported that they saved both in the form of in cash and in kind as shown (Table 4.7).The result show that different saving options are very important components for households .based on the survey result the main reasons for households select saving in kind is that due to access of financial institution and it is an habit asset providing a means of privilege and great advantage especially for rural households on the other hand those households select cash saving due to Emergency and easily transaction purpose.

Table 4. 11 Preference and place of saving

Preference and place of saving		
	Frequency	**Percent**
National Bank of Ethiopia	16	10.32
Amhara Credit and Saving Institutions	44	28.38
Village Economic and Social Association	27	17.4

Home	62	40
Total	149	96.1

It is evident that from the table above most of the households do not exercise saving.

From their preference of place to save money, the bank accounts 10.32 %, ACSI 28.38%, VESA 17.4% home 40%. The leftover household that is 3.9% saved their money within other forms and places of saving. In addition from the focus group discussion conducted participants stated that the well- known saving systems are Eqube and Group saving and save from the output of our productivity i.e. stored grain. The reason stated by the discussant is that it is adopted from the previous generation and the establishment is based on volunteerism. And they also reason out that it is easily accessible during any challenge they face and reduce of long distance travel.

4.3 Perception of saving

Table 4.12 Descriptive results of perception of participants towards saving

Variables		SD	D	DN	A	SA
I think my income is enough to save	N	48	174	6	120	29
	%	12.7	46.2	1.6	31.8	7.7
I would save more if I had a biggest income	N	85	80	9	147	56
	%	22.5	21.2	2.4	39	14.9
I can't afford to save	N	43	95	12	142	85
	%	11.4	25.2	3.2	37.7	22.5
It is extremely difficult to cover my expenditure.	N	44	25	3	173	133
	%	11.7	6.6	0.8	45.9	35.3
I hesitate to spend money even on necessity	N	69	62		169	77
	%	18.3	16.4		44.8	20.4
I rather consume now than in the future	N	46	103	13	129	86
	%	12.2	27.3	3.4	34.2	22.8
For investment credit is necessary	N	38	119	15	152	53
	%	10.1	31.6	4.0	40.3	14.1
I show sign of Nervousness when I don't have enough money	N	59	122	12	114	70
	%	15.6	32.4	3.2	30.2	18.6
By learning more about saving I would save more	N		57	13	166	141
	%		15.1	3.4	44	37.4
Saving is a way to reach my goals	N	3	37		164	173
	%	0.8	9.8		43.5	45.9
Saving is boring	N	139	179	32	19	8
	%	36.9	47.5	8.5	5.	2.1
Saving is time consuming	N	55	154	87	51	30
	%	14.6	40.8	23.1	13.5	8

The percent presented are according to most of the respondents for likert scale variables. If the percent of agree and strongly agree is greater than the sum of the percent of disagree and strongly disagree, then the idea raised is supported and hence is a supported idea by the respondents of the questionnaire. That is if the percent of SD+D is greater than A+SA then the idea favors to the side of the disagreement. And if the percent of SA+A is greater than D+SD then the idea favors to the side of the agreement.

As can be seen from Table 4.9, the agreement level of the respondents is the most frequently observed category of Think that your income is enough to save was disagree(n=222,58.9%) hence most of the respondents(58.9%) disagree income is enough to save. The respondents thought that there income is not enough to save. Most of the respondent observed that if their income increase there is an initiation to save from their response (54% agree on this idea) in addition to this 60% of the respondent agree on current statues that cannot afford to save this implies that income is significant impact on saving.

From the descriptive result majority of the respondents' (N=306, 81.2%) respond that it is extremely difficult to cover their expense. This implies that their income is not as such enough to save.

The most frequently observed category of for investment credit is necessary was agree (n=205, 54.4%).hence most of the respondents agree with the idea of credit is necessary for investment. According to the respondents' response the most frequently observed category of learning more about saving try to appreciate saving is agree (n=307, 81.4%). Therefore, based on the result respondents agreed (n=377, 89.4%) that saving is a way to achieve goal. Moreover from the focus group discussion conducted the discussants mentioned that saving is helpful to manage the living system, to secure and change life style of the family. The most frequently observed category of saving is boring was disagree (n=285, 84.4%). so that most of them agree on saving is interesting if internal and external circumstances were appropriate.

Factors that affect rural household savings'

Based on the result of binary analysis, a model containing 12 variables was included. the list of variable that were included in the binary logistics regression model were: Sex of HH, Age of HH,EDU level, Marital-statues, Family size,LIVON,TTAnInc, TTAn expenditure, distance from financial institution, Credit access and Age square.

Table 4.11 Result of Model Analysis

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```
Logistic regression                          Number of obs   =        377

                                             LR chi2(12)     =     134.96

                                             Prob > chi2     =     0.0000

Log likelihood = -187.85105                  Pseudo R2       =     0.2643
```

Saving practice	Coef.	Std. Err.	z	P>|z|	dy/dx
Sex	-.7242279	.4071271	-1.78	0.075	-.1764982
Age	.0861791	.0936281	0.92	0.357	.0210023
Age square	-.0013003	.0010639	-1.22	.222	-.0003169
Education	-.0826941	.1285974	0.64	0.520	-.020153
Marital status	-1.030547	.4373522	-2.36	0.018	-.2511499
Family size	-.0108312	.0817838	-0.13	0.895	-.0026396
Land	-.7004564	.4781295	-1.46	0.143	-.170705
No.of Livestock.	-.0191438	.0413848	-0.46	0.644	-.0046654
Annual income	.0000597	8.18e-06	7.30	0.000	.0000146
Annual expenditure	-8.74e-06	5.05e-06	-1.73	0.083	-2.13e-06
Access to credit	.5052395	.2599921	1.94	0.052	.1231296
Distance to fin inst.	-.4484541	.2636818	1.70	0.089	-.1092907
_cons	-2.062671	1.807148	-1.14	0.254	

The result of Binary logit model in the above Table had revealed six variables were significant in determining household saving: sex, marital status, annual income, annual expenditure, credit access and distance to financial institution had shown significant. Each of the variable are discussed below

Sex was hypothesized to have either negative or positive effect on household saving. But the model result has a negative and statistically significant at 10% significant level on household saving. This result revealed that household headed by males had a negative impact on household saving. . Female individuals had better saving behavior than males because of the life developed style by the community and they are likely to cover the principal household consumption and costs in any social interface it is similar to Alebachew (2018) and contradict to Bersales & Mapa (2006) AJAH(2017) Girma et al. (2013).

Marital status of household, It is hypothesized to have positive effect on household saving but the model result showed negative relationship with household saving. And it is statistically significant at 1 % This   result is found to similar to Alebachew (2018). And also the negative and significant relationship indicates that the household head become married, the number of family size increases and the increase family size consumes more proportion of the household income and this reduces the rural household saving (Abera Abebe 2017) female individuals had better saving behavior than males because of the life developed style by the community and they are expected to cover the principal household consumption and costs in any social interaction.

Annual Income has statically positive and significant on saving. As a result, a household study by Bogale et al (2017) that shows rural households is significantly and positively associated to household's income. The model result indicates that saving and income has strong association i.e. the change in annual income increase the level of household saving by 0.01br. Alemu 2015

Annual expenditure

The result indicated that a significant number of sample households spent their income on food, child education, medication, cloth and purchase of inputs. The annual expenditure of the sample households was calculated in ETB. The model result showed that annual expenditure had statically significant and negative effect at 5% probability level on rural household sav-

ings statues in the study area. Those findings were similar to Gedela (, 2012). Although the magnitude is minimal but a unit change of expenditure affects household saving negatively. This implies that as income of sample households increases, their expenditure increase by some units on the contrary their saving statues decrease.

Credit access: rural households with access to credit relative to the base category increased when access to credit increase. This implies that rural households with access to credit would higher tendency to save. This would have possibly meant that credit user's households used their loan for production purpose and in turn increases their income. Those findings was similar to Obayelu,(2012) that show positive and significant effect between credit access and rural households saving statues. The amount of change in access to credit increases the level of HH saving by 12.3%.

Distance of Financial institution: It was hypothesized that it is negative effect the model result the study indicated that distance is a challenge to save and it affects negatively and significantly at 5%. The result shown that the change in distance decreases the level of household saving by 10.93%.Those households who are residing short distance from financial institution had more access to save where as those who are residing at far distance from financial institution had less access to save due to distance factor. The focus group discussion results also revealed that distance of financial institution affect household savings.

Sebhatu (2012) also indicated that as financial institutions are far to the household's house, they would have been spent more resources (time, labour) to access financial products and services.

Household head age has positively associated with savings and not significant. but the coefficient of age square(AGS) comparing to age which is negatively and not significant association on household saving; that is when age increase, the individual capacity to save starts to decline at the age of 86 this result is similar with the result of previous studies(Abdela Yasin2018)i.e. an individual age is expected to be negatively correlated with saving.

Chapter 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

In this study attempted has been made to assess determinates of rural household savings in Bahir dar zuria woreda, Amhara Region. The result of the study indicated that rural households have saved in different types of saving forms namely in cash, in kind and both.

The descriptive results showed that some rural households practiced saving for consumption, child education, engagement in different income generating activity, purchase or rent land and construct/purchase house. Moreover, the analysis of the results indicate that the common reasons for rural households not to save in the study area were; low income, high number of family size, high expenditure and other influence.

Binary logit analysis showed that households sex, marital status, annual income, annual expenditure, distance from financial institutions and access to credit service are significantly affect rural household savings in the study area. So It is possible to conclude that households sex, marital status, annual income, annual expenditure, distance from financial institutions and access to credit service are the most determinant factors affect household saving.

Moreover from the results related to perception, it is possible to conclude that most respondents perceived that the current status of their income is not enough to save, however they believed that saving is necessary and interesting for their life.

5.2 Recommendations

The result of the study identified major factors of rural household's savings in Bahir Dar Zuria woreda. Based on the findings of the study, the following recommendations are forwarded. According to the result of the binary logit model distance of financial institutions and access to credit was significant association with household saving.

Government should encourage micro finance institution and banks to deliver and follow up utilization of credit based on working plan of the rural households to diversify their income by different income generating activities. Increased access to different financial institutions for household to save like Village economic and social association (VESA), Eqube and should modify the strategies of credit access provision in the form of in kind.

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APPENDICES

Appendix 1: Household Questioner for the Assessment of Rural Household Savings/English version

The purpose of this questioner is to assess rural household savings in Bahir Dar Zuria Woreda. Your valid responses to all the questions across all the sections of the questionnaire contribute a lot to the successful completion of the research. Therefore; I would like you to be genuine in responding all questions. The information collected from you will only be used for this research and will strictly be kept confidential.

Thank you for your participation and cooperation!

Part I: Household Basic Information

This part focuses on your demographic data. Please make a tick mark (√) in front of your choice.

Woreda-   Bahir Dar Zuria Woreda   Respondent's specific address: **kebele**------------ **Village**----

1.1 Name of household head: --

1.2 Sex of household head: ----------   1. Male ☐   2. Female ☐

 1.3 Actual Age of Household Head: ------------------------------

1.4 Level of Education of HH Head: Illiterate ☐   Informal (Religious & Adult learning) ☐   Elementary (Grade 1-8) ☐   High school (Grade 9-12) ☐   College (Certificate & above) ☐

1.5   Marital status of HH head: 1. Single ☐ 2. Married ☐   3. Divorced ☐ 4. Widowed ☐

  1.6 Family size in number   1 Male: ---- 2 .Female: ---- Total: -------

II. Land Holding (Timad)

 2.1. Do you have your own land?   1. Yes ☐   2. No☐

 2.2. What is the total area of your own Land ----- in Hectare?

   Rented in Land----- Hectare, Rented out------in Hectare, Share in-------in Hectare and share out -------in Hectare

   Irrigation Land   ----- Hectare   Rain fed   --- Hectare.

III. Income

3.1 Sale of agricultural products per year

Ser. no	Source of income	Unit	Quantity pro-duced	Quantity (Sold last year)	Total sale and earn in (Birr)
1.	Crop sale				
1.1	Maize	Qt.			
1.2	Sorghum	Qt.			
1.3	Teff	Qt.			
1.4	Grain	Qt.			
2.	Sale of vegetables and fruits				
2.1	Tomato	Kg.			
2.2	Potato	Kg.			
2.3	Cabbage	Kg.			
2.4	Pepper	Kg.			
2.5	Onion	Kg.			
2.6	If others				
3.	Livestock owned /produced				
3.1	Calf	No.			
3.2	Ox	No.			
3.3	Cow	No.			
3.4	Sheep	No.			
3.5	Goat	No.			
3.6	Horse	No.			
3.7	Donkey	No.			
3.8	Poultry	No.			
3.9	Hides and skins	No.			
3.10	Milk and milk products	Lt.			
4.	Cash crop(chat)	kg			
5.	Others				
	Total				

3.2 Do you engage in non- Agricultural activities?   1. Yes ☐   2. No   ☐

3.3 If yes to the above question, indicate the type of work and annual income

Ser. no	Type of job they engage (see below)	Annual Income(br.)
1	Petty trade	
2.	Wage employement	
3.	Sell of charcoal/ Fuel wood selling	
4	Selling fruit	
5	Making pottery and hand craft Weaving	
6	Stone mining	
7	Sale of drinking and food items	
8	Land rent	
9	Other asset rent (OX, Horse donkey Mule etc.)	
10	Earning from family members hired to other HHs	
11	Remittance	
12	Pension	
13.	Other (specify)	
	Total Income	

3.4 Do you think that your income is enough to support your family?

1. Strongly agree ☐ 2.Agree ☐ 3. Don't know ☐ 4.Disagree ☐5. Strongly disagree

3.5 I would save more if I had a biggest income

1. Strongly agree ☐2. Agree ☐ 3.Dont Know ☐ 4.Disagree ☐ 5.Strongly disagree ☐

3.6 I cannot afford to save

1. Strongly agree ☐2. Agree ☐ 3.Dont Know ☐ 4.Disagree ☐ 5. Strongly disagree ☐

IV. Annual Household Expenditure

4.1. Indicate the type and amount of expenditures of your family for the year 2011?

No.	Item	Amount in Birr
1.	Food item	
2.	Medical	
3.	Clothing	
4.	School fee	
5.	Festivals	
6.	Purchase of animals	
7.	Farm inputs (fertilizer, seeds, chemicals & others).	
8.	Other (specify)	
	Total Expenditure	

4.2. How do you express your household expenditure   from year to year especially in year 2011?

        Increased ☐   Remain the same ☐   Decreased   ☐

4.3. How extremely difficult is it for you to cover your expense

 1. Not at all difficult☐   2.not difficult   ☐   3. Fair ☐   4. Difficult ☐   5. Most difficult

4.4. Do you have different social & religious celebration habits? 1. Yes ☐   2. No☐

4.5. If yes what are the main reasons?

   1. Have more income ☐   2. To get privilege ☐   3. To get blessed from God   4. To pay the previous people credit (ceremonies) ☐   5.   If others specify……………………..

4.6. If your answer is 'yes' for question 4.4   how often

      1. Always ☐   2. Sometimes ☐   3 occasionally ☐   4 if other please specify ----

4.7 I hesitate to spend money even on necessity.

 1. Strongly agree ☐2. Agree ☐ 3.Dont Know ☐   4.Disagree ☐ 5. Strongly disagree ☐

4.8 I rather consume now than in the future.

1. Strongly agree ☐2. Agree ☐ 3.Dont Know ☐   4.Disagree ☐ 5. Strongly disagree ☐

V. Access to credit

 5. 1. Did you borrow money last year? 1. Yes   ☐   2. No   ☐

 5.2. If yes from which source did you borrow?

    1. From local money lender ☐   2.   Cooperative ☐   3. VESA/VSLA/SHG   ☐

    4. Relatives   ☐   5. If others (specify)………………………

 5. 3. How much money did you borrowed last year?   -------Br.

 5. 4. Why did you borrow money?

      1. For major purchase ☐   2. For investing in the future (trade) ☐

      3. For ceremony   ☐   4.   For consumption ☐   5.   If other (specify)………………

 5.5   In order to invest, I interested to take   credit

      1. SA   ☐ 2. A   ☐   3. UN ☐   4. D   ☐   5. SD   ☐

 5.6. If your response for question no. 5.1 is   No, why?

      1. Fear of inability to pay   ☐   2. High interest rate ☐

      3. No access to credit   ☐   4. No need of credit   ☐

       5.   If others (specify)……………..

VI. Distance from   Financial institution

6.1. How far the nearest formal financial institution from your home in km?   --------------
6.2. How much   time it spent you to go to save and comeback from the institutions?   -----------
6.3. Do you believe that distance is a challenge to save money in any financial institutions?

           1. Yes   ☐   2. No   ☐

VII. Saving

7.1. Do you have a practice of saving?   1. Yes ☐   2. No   ☐
7.2. If No Why?
  1. Little income ☐   2. Large family size ☐   3. High family expenditure ☐
   4. Lack of commitment to a desired goal   ☐   5.   Wrong influence by others ☐
7.3 I show sign of Nervousness when I don't have enough money
1. Strongly agree ☐2. Agree ☐ 3.Dont Know ☐   4.Disagree ☐ 5. Strongly disagree ☐

7.4 If your answer to question 7.1 is "yes", why did you save?
      1. For consumption   ☐   2. For education fee of children's ☐
       3. To engage in different Income generating activities (Trade)   4. To Construct/buy
    house   5 to purchase/rent   land   6.   If others (specify)…………
7. 5.If your answer to question no. 7.1 is "yes" In what form did you save?
      1. In Cash ☐   2. In Kind ☐   3.   Both ☐
7.6 If your saving in cash form how much and   how often weekly/monthly/yearly you save?

Ser .no	Form of saving (Formal and informal institutions)	2009 EC.		2010 EC.		2011 EC.	
		Fre-quency.	Amount of Money saved	Fre-quency.	Amount of Money saved	Fre-quency.	Amount of Money saved
1	National Bank of Ethiopia						
2	ACSI						
3	Iqqub						
4	Group(VSLA or VESA)						
5	At home						
6	Relatives						

    If others (specify)……………………..
7.7 Did you see any Increment for the past three consecutive years?
               1. Yes   2 No
7.8 If yes, how do you express the increment of   your cash savings compared with this year?
      1. Excellent   ☐   2. Very good ☐ 3. Good ☐   4. Fair ☐ 5. Not at all good☐
7.9 Why do you save in cash? (More than one answer is possible)
1. For Emergency case ☐ 2. For transaction ☐ 3.To reduce Risk ☐ 4. If other please specify

7.10 If you saved in kind in which form you save?
      1. Stored grain ☐   2. Live animal   ☐ 3.Precious materials (jewelry) ☐
    4. If others (specify)………………
7.11   Why did you prefer saving in the form of in kind?
      1. Due to inflation saving in the form of cash loss their value ☐
      2. It is difficult to save cash, as there is no financial institution in their nearby area ☐

3. The value of Kind Asset increase as time goes ☐   4. Due to social value of Kind asset ☐

5. For selling when the price of the asset increase ☐6. If others, please specify ----------

7.12 By learning more about saving I would save more

1. Strongly agree ☐2. Agree ☐ 3.Dont Know ☐   4.Disagree ☐ 5. Strongly disagree ☐

7.13 Saving is a way to reach my goals

1. Strongly agree ☐2. Agree ☐ 3.Dont Know ☐   4.Disagree ☐ 5. Strongly disagree ☐

7.14 saving are boring

1. Strongly agree ☐2. Agree ☐ 3.Dont Know ☐   4.Disagree ☐ 5. Strongly disagree ☐

7.15Saving is time consuming

1. Strongly agree ☐2. Agree ☐ 3.Dont Know ☐   4.Disagree ☐ 5. Strongly disagree ☐

7.16   I don't need to save

1. Strongly agree ☐2. Agree ☐ 3.Dont Know ☐   4.Disagree ☐ 5. Strongly disagree ☐

Appendix 2 ፡ በቤተሰብ ደረጃ ያለውን የቁጠባ ሁኔታ መረጃ ለመሰብሰብ የተዘጋጀ የአማረኛ መጠየቅ

መጠይቁን የሞላው ሰው ስም---------- የትምህርት ደረጃ------------መረጃ የተሞላበት ቀን ----

ይህ መጠየቅ የተዘጋጀው በባህርዳር ዙሪያ ወረዳ ለሚገኙ ቤተሰቦች ያለውን የቁጠባ ሁኔታን በተመለከተ ምን ደረጃ ላይ እንዳሉ ለመዳሰስ የሚስችል መረጃ ለማግኘት ነው፡፡በዋናነት በቤተሰብ ደረጃ ያለውን የቁጠባ ሁኔታ የሚወስኑ ነግሮች በቁጠባ ዙሪያ ያለውን አመለካከትና የቁጠባ አይነቶችን መረጃ ለመሰብሰብ ሲሆን የሚሰጡኝ ምላሾች ሚስጢራዊነታቸው በአግባቡ የሚጠበቅና ለጥናት ዓላማ ብቻ የሚውል መሆኑን ለማስገንዘብ እወዳለሁ፡፡ስለሆነም እርሰዎ የሚሰጡን መረጃ ለጥናቱ ክፍተኛ ጠቀሜታ ስላለው የተሰማዎትን በትክክልና በነጻነት እንዲገልጹልኝ ፈቃደኝነትዎን እጠይቃለሁ፡፡

ለሚያደርጉልኝ ትብብር በቅድሚያ አመሰግናለሁ፡፡

ክፍል አንድ፡- መጠየቅ የሚደረግለት ቤተሰብ መሰረታዊ መረጃ

1.1.የተጠያቂው ቤተሰብ ስም -------------------------------------

1.2 ጾታ-------------- 1. ወንድ ☐ 2. ሴት ☐

1.3 ዕድሜ ------------

1.4.የትምህርት ደረጃ --------------

    1. ያልተማረ ☐ 2.ማንበብና መጻፍ የሚችል ☐ 3. መጀመሪያ ደረጃ (1-8ኛ ክፍል)

      ☐ 4.ሁለተኛ ደረጃ (9-12) ☐ 5. ኮሌጅ (ስርተፊኬትና ከዚያ በላይ)☐

1.5 የጋብቻ ሁኔታ ----- 1.ባለትዳር ☐ 2. ትዳር የሌላቸው☐

1.6 የቤተሰብ ብዛት ---------- ወ------ ሴ--------- ድ-----------

ክፍል ሁለት ፡- የመሬት ይዞታ (በጥማድ)

2.1 የግል መሬት አለዎት? --------- 1. አዎ አለኝ ☐ 2. የለኝም☐

2.2 መልሰዎ ''አዎ'' ከሆነ ያለዎት ጠቅላላ የመሬት መጠን --------- ጥማድ ነው

   ያከራዩት የመሬት መጠን --------- ጥማድ የተከራዩት የመሬት መጠን------------ጥማድ ያስጠመዱት(የተጋቡት) የመሬት መጠን-----ጥማድ የተጠመዱት የመሬት መጠን------ ጥማድ

ክፍል ሶስት ፦ የገቢ ሁኔታ መረጃ

3.1 በዓመቱ ውስጥ ከተገኘው ምርት ሽያጭ የተገኘ ገቢ

ተ.ቁ	የገቢ ምንጭ	መለኪያ	በዓመቱየተመረተው ምርት መጠን	በአለፈው ዓመት የተሸጠውምርትመጠን	ጠቅላላየተሸጠና የተገኘ ገቢ በብር
1.	ሰብል ሽያጭ	ኩ/ል			
1.1	በቆሎ	ኩ/ል			
1.2	ማሸላ	ኩ/ል			
1.3	ጤፍ	ኩ/ል			
1.4	ጥራጥሬ	ኩ/ል			
2.	አትክልትና ፍራፍሬ				
2.1	ቲማቲም	ኪ.ግ			
2.2	ድንች	ኪ.ግ			
2.3	ጥቅል ጎመን	ኪ.ግ			
2.4	ቃሪያ	ኪ.ግ			
2.5	ሽንኩርት	ኪ.ግ			
2.6	ሌላ				
3.	እንስሳ/ ከእንስሳት ተዋፅሆ				
3.1	ጥጃ	ቁጥር			
3.2	በሬ	ቁጥር			
3.3	ላም	ቁጥር			
3.4	በግ	ቁጥር			
3.5	ፍየል	ቁጥር			
3.6	ፈረስ	ቁጥር			
3.7	አህያ	ቁጥር			
3.8	ዶሮ	ቁጥር			
3.9	ቆዳና ሌጦ				
3.10	ወተትና የወተት ተዋጾያ	ኪ.ግ			
4.	ጨት	ኪ.ግ			
5	ሌላ				
	ጠቅላላ ገቢ				

3.2 ከግብርና ውጭ ባሉ ሌሎች ስራዎች ላይ ትሳተፋለህ?1. እሳተፋለሁ ☐ 2. አልሳተፍም ☐

3.3 መልሰዎ ''እሳተፋለው'' ከሆነ የስራው አይነትና አመታዊ ገቢ መጠን ይግለጹ

ተ.ቁ	የተሰማራበት የስራ ዘርፍ	ከስራው የተገኘ አመታዊ(በብር)
1.	አነስተኛ ንግድ	
2.	የጉልበት ስራ	

3.	ከሰል(እንጨት ሽያጭ)	
4.	ፍራፍሬ ሽያጭ	
5.	ከእደ- ጥበብ ስራ ሽያጭ (ከሽክላ፣ ቅርቅርዕ ሽመና) ወዘተ..	
6.	ከድንጋይ ቁፋሮ	
7.	መጠጥና ምግብ ሽያጭ	
8.	መሬት ኪራይ	
9.	ከተለያዩ ሀብቶች የሚገኝ ኪራይ(ከበሬ፣ከአህያከበቅሎ፣ከፈረስወዘተ..)	
10.	ከቤተሰብ አባላት ውስጥ ሌላ ቤተሰብ ተቀጥሮ የሚመጣው ገቢ(የቤት ሰራተኛ፣ ከብት ጥበቃ ወዘተ...)	
11.	ከሌላ አገር የሚላክ ስጦታ ፣ድጋፍ፣ጥሬ ገንዘብ	
12.	ጡረታ	
13.	ሌላ ካላ ይግለጹ	
	ጠቅላላ ገቢ	

3.4 የምታገኘው/�gén ገቢ ቤተሰብህ ለማስተዳደር በቂ ነው ብልህ ታስባለህ

1.በጣም እስማማለሁ 2.እስማማለሁ 3. መልስ የለኝም 4. አልስማማም 5. በጣም አልስማምም

3.5 ከፈተኛ ገቢ ካገኘው በዙ እቆጥባለው

1.በጣም እስማማለሁ 2.እስማማለሁ 3. መልስ የለኝም 4. አልስማማም 5. በጣም አልስማምም

3.6 ለመቆጠብ በቂ መቃቃሚያ የለኝም

1.በጣም እስማማለሁ 2.እስማማለሁ 3. መልስ የለኝም 4. አልስማማም 5. በጣም አልስማምም

ክፍል አራት ፦ አመታዊ የቤተሰብ ወጪ

4.1 በ2011 ዓ.ም የዓመታዊ ወጪ መረጃ

ተ.ቁ	የወጭ አይነት ዝርዝር	የወጣ የብር መጠን
1.	ለምግብ ፍጆታ	
2.	ለህክምና	
3.	ለልብስ	
4.	ለት·ምህርት ቤትና ቁሳቁስ	
5.	ለበዓል	
6.	እንስሳት ለመግዛት	
7.	ለግብርና ምርት(ለማዳበሪያ፣ለዘር፣ለጸረ-ተባይ	
8.	ሌላ ካላ ይግለጹ	
	ጠቅላላ ወጪ	

4.2 ከዓመት አመት የቤተሰብ ወጪ ሁኔታ በተመለከት በተለይም በ2011ዓ.ም ያለውን እንዴት ይገልጹታል

1.ከጊዜ ጊዜ ቼምራል □ 2. ለውጥ የለውም /ተመሳሳይ ነው□ 3. ከጊዜ ጊዜ ቀንሷል□

4.3 የቤተሰብ ወጭ የመሸፈን አስተዋጾ ምን ያክል ያስችግራል

1.በጣም አያስችግርም□   2. አያስችግርም □ 3. መካካለኛ □   4. ያስችግራል □

5.በጣም ያስችግራል□

4.4 ማህበራዊና ሀይማኖታዊ በዓል የማክበር ልምድ አለዎት ? 1. አዎ□   2. የለኝም
□

4.5 መልስዎ ''አዎ'' ከሆነ ለምን ምክንያት ነው?

1. በቂ ገቢ ስላለኝ □   2.ክብር ለማግኘት   □3. ከፈጣሪ በረከት ለማግኘት□

4. ወንፈል/ብድር ለመመለስ □   5. ሌላ ካለ ቢገለፅ□

4.6 መለስዎ ''አዎ'' ከሆነ መቸ መች?

1. ሁልጊዜ □   2. አልፎ አልፎ □   3. ባጋጣሚ □ 4. ሌላ ካለ ቢገልፁ

4.7 ጠቃሚ እንኳ ቢሆን ገንዘብ ያላግባብ ምጥፋት የለበትም

1.በጣም እስማማለሁ 2.እስማማለሁ 3. መልስ የለኝም 4. አልስማማም 5. በጣም
አልስማማም

4.8 ከወደፊቱ ይልቅ ለፍጆታ አሁን ማዋል ናው

1.በጣም እስማማለሁ 2.እስማማለሁ 3. መልስ የለኝም 4. አልስማማም 5. በጣም
አልስማማም

ክፍል አምስት፦- የብድር አገልግሎት

5.1 በ2011 ዓ/ም ብድር ተበድረው ነበር?   1. አዎ □   2.   የለም□

5.2 መልስዎ ''አዎ'' ከሆነ ብድሩን የወሰዱት   ከየት ነው?

1. ከአራጣ አበዳሪ □ 2. ከማህበራት□   3. በአካባቢ ከተደራጁ ቡድኖች□

4. ከዘመድ/ ከቤተሰብ □ 5. ከሌላ አካል ካለ ቢገለጽ------------

5.3 የተበደሩት የብር መጠን ስንት ነው? --------------------- ብር

5.4   ገንዘቡን የተበደሩት ለምን ተግባር ነው? 1. ለዋና ዋና ጉዳዮች (ለመሬትመግዣ፣
ለቤት መስሪያ ወዘተ..) 2. ለንግድ   3. ለቤት ፍጆታ   4. ሌላ ካለ ይገለጹ ------------

5.5 ወደተለያዩ የልማት ስራዎች ለመግባት ብድር መውሰድ አስፈላጊ ነው

1.በጣም እስማማለሁ 2.እስማማለሁ 3. መልስ የለኝም 4. አልስማማም 5. በጣም
አልስማምም

5.6 ለተ.ቁ 5.1 መልስዎ ''አይደለም'' ከሆነ ለምን?

1.የመክፈል አቅም ስለሌለኝ 2. ከፍተኛ የወለድ መጠን መኖሩ

3.የብድር አቅርቦት ስለሌለ   4. ብድር አያስፈለግም   5. ሌላ ምክንት ካለ ቢገለጽ-------

ክፍል ስድስት ፦- የፋይናንስ ተቋማት ተደራሽነት

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6.1 ፋይናንስ ተቋሙ ከቤተዎ ምን ያህል ይርቃል?

6.2 ወደ ፋይናንስ ተቋም ሂዶ ለመመለስ ምን ያህ ጊዜ ይፈጅበዎታል?

6.3 ወደ ፋይናንስ ተቀዋም ሂዶ ለመቆጠብ ርቀት ተግዳሮት/ችግር ነው ብለው ያምናሉ?
          1. አዎ   2.አይደለም

ክፍል ሰባት፦ የቁጠባ ሁኔታ

7.1 የቁጠባ ባህል /ልምድ አለዎት   -----------   1. አዎ □   2. የለኝም□

7.2 መልሰዎ ''የለኝም'' ከሆነ ለምን?
     1. ገቢያ አነስተኛ ስለሆነ   2. በቤት ውስጥ ያለው የቤተሰብ መጠን ብዙ ስለሆነ
     3. ከፍተኛ የቤተሰብ ወጪ ስላለ 4. በሌሎች አሉታዊ ተጽዕኖ 5 ሌላ ካለ ቢገለጽ-

7.3 በቂ ገንዘብ ከልለኝ በጣም እበሳጫለሁ
1. በጣም እስማማለሁ 2.እስማማለሁ 3.መልስ የለኝም 4. አልስማማም 5. በጣም
አልስማማም

7.4ለተ.ቁ 7.1 መልሰዎ አዎ ከሆነ ለምን   ይቆጥባሉ?
        1.ለቤት ፍጆታ አገልግሎት   2. ልጅ ለማስተማር 3. በተለያዩ የገቢ ማስገኛ
                           ስራለመግባት
     4. ቤት ለመስራት/ለመግዛት   5. መሬት ለመግዛት/ለመከራየት   6. ሌላ ካለ -------
7.5 ለተ.ቁ 7.1   መልሰዎ ''አዎ'' ከሆነ   በምን መልኩ ነው የሚቆጥቡት
 1. በጥሬ ገንዘብ □   2. በአይነት □   3. በሁለቱ□

7.6 ቁጠባዎ በጥሬገንዘብ ከሆነ ምን ያህል ገንዘብ በምን ያህል ጊዜ(በሳምንት፣በወር፣በዓመት)
ይቆጥባሉ

ተ.ቁ	የቁጠባ አይነቶች (መደበኛና መደበኛ ባልሆኑ ተቋማት)	2009ዓ/ም		2010ዓ/ም		2011 ዓ/ም	
		የቁጠባው ጊዜሁኔታ	የተቆጠበው የገንዘብመን	የቁጠባው ጊዜሁኔታ	የተቆጠበው የገንዘብመጠን	የቁጠባው ጊዜሁኔታ	የተቆጠበው የገንዘብ መጠን
1.	ኢትዮጵያ ንግድ ባንክ						
2.	አማራ ብድርና ቁጠባተቋም						
3.	እቁብ						
4.	የቡድንቁጠባ(ከመንደር ቁጠባናማህበራዊቡድኖች)						
5.	በቤት ውስጥ						
6.	ከዘመድ/ወዳጅ						

7.7 ባለፉት ሶስት ተከታታይ አመታት ውስጥ ያለው የጥሬ ገንዘብ ቁጠባ ጭማሪ
አሳይቷል   1.አዎ አሳይቷል□   2. አላሳየም□

7.8 መልሰዎ ''አዎ'' ከሆነ የቁጠባ መጠን ጭማሪው ምን ይመስላል
1.እጅግ በጣም ጥሩ □ 2. በጣም ጥሩ □ 3. ጥሩ □ 4. መካከለኛ □ 5. ጥሩ አይደለም□

7.9 ለምን በጥሬ ገንዘብ መቆጠብ መረጥክ/ሽ?

   1. ለድንገተኛ ነገር   2. በቀላሉ ለማንቀሳቀስ   3.አደጋን/ስጋትን ለመቀነስ

   4.ሌላ ካለ ቢገለጽ---------------

7.10 በዓይነት የሚቆጥቡ ከሆነ በምን መልኩ ነው የሚቆጥቡ

    1. እህል በመከዘን □   2.   በእንስሳት □   3. በጌጣጌጥ □   4. ሌላ ካለ ገለጽ-------

7.11 ለምን በዓይነት መቆጠብ መረጥክ/ሽ?

   1. በዋጋ ግሽፈት ምክንያት   2. የፋይናንስ ተቋም በአቅራቢያ ባለመኖሩ

   3. በዓይነት መቆጠብ ከጊዜ ጊዜ ዋጋው የተሻለ ስለሆነ   4. ማህበራዊ እሴት ስለሚኖረው

7.12 ስለቁጠባ በበቂ ሁኔታ መማር ለመቆጠብ ይረዳል

1.በጣም እስማማለሁ 2.እስማማለሁ 3.መልስ የለኝም 4. አልስማማም 4. በጣም አልስማማም

7.13 ቁጠባ ዓላማን ለማሳካት ጠቃሚ መንገድ ነው ብዬ አምናለሁ/እስባለሁ።

1. በጣም እስማማለሁ 2.እስማማለሁ 3.መልስ የለኝም 4. አልስማማም 5. በጣም አልስማማም

7.14 ቁጠባ አሰልቺ/አላስፈለጊ ነው

1.በጣም እስማማለሁ 2.እስማማለሁ 3. መልስ የለኝም 4. አልስማማም 5. በጣም አልስማምም

7.15 ቁጠባ ጊዜ ገዳይ/አባካኝ ነው

1.በጣም እስማማለሁ 2.እስማማለሁ 3. መልስ የለኝም 4. አልስማማም 5. በጣም አልስማምም

7.16 መቆጠብ አልፈልግም/አያስፈልግም

1.በጣም እስማማለሁ 2.እስማማለሁ 3. መልስ የለኝም 4. አልስማማም 5. በጣም አልስማምም

                    ስለተባበሩኝ አመሰግናለሁ!!!

Appendix 3: Focus Group Discussion Questions

1. Why is savings helpful to you?
2. What is a common way of saving in your village- financial or non-financial? What would be the reason?
3. What are the main factors affecting financial and/or non-financial saving?
   Financial
   Non- Financial;
4. What are the major challenges that discourage saving?
5. What do you propose to encourage people to save their money?

Appendix 4: የተተኪሪ ቡድን የውይይት ጥያቄዎች

1. *መቆጠብ ለምን ለምን ይጠቅማል? የቁጠባ ጠቀሜታ ላንተ /ች ምንድን ነው?*

2. በአካባቢህ/ሽ የተለመደው የቁጠባ ዓይነት የቱ ነው? -በገንዘብ/በዓይነት ምክንያቱ ምን ይመስልሃል/ሻል?

3. በገንዘብና በዓይነት በመቆጠብ ሂደት ላይ ተፅዕኖ የሚያደርሱ ነገሮች ምንድን ናቸው

   በገንዘብ:

   በዓይነት:

4. ሰዎች ማንኛውንም ቁጠባ እንዳያካሂዱ የሚያያደርጋቸው ዋና ዋና ተግዳሮቶች/እንቅፋቶች ምን ምን ናቸው?

5. የሰዎች የቁጠባ በዓል ለማሻሻል ምን ምን ቢደረግ ይሻሻላል ብለህ/ሽ ትመክራለህ/ለሽ?