

**EFFECT OF YOUTH DEMOGRAPHICS ON FINANCIAL EMPOWERMENT IN
BUSIA COUNTY, KENYA**

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**EFFECT OF YOUTH DEMOGRAPHICS ON FINANCIAL EMPOWERMENT IN
BUSIA COUNTY, KENYA**

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DECLARATION

This research is my original work and has not been presented for the award of any degree at K.C.A University or any other educational institution.

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Supervisor's Approval

This research has been submitted for examination with my approval as the University supervisor.

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Date:

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DEDICATION

This work is dedicated first to my Mother who's tirelessly encouraged me in my studies my siblings Linda and Joab and my family who dearly missed me while attending evening classes and the entire research period.

ACKNOWLEDGMENTS

I thank my supervisor for the wise counsel, the university administration for facilitating the process and the library department for supporting my research. I will always remain indebted to your invaluable contribution to my academic advancement.

ABSTRACT

The aim of the research was to investigate the effect of youth demographic on the financial empowerment of youth in Busia County. Specifically, the study sought to establish the effect of borrowing practices on financial empowerment in Busia County; establish how saving habit affects financial empowerment in the Busia County; assess the effect of age on financial empowerment in Busia County, and to establish the effect of level of education on financial empowerment in Busia County. The study was quantitative in nature and used questionnaires to collect data from a sample size of 60 youths randomly selected from a sampling list obtained from the Microfinance Association of Kenya in Busia County. Both descriptive and inferential statistics were used to analyze the collected data. Specifically, the following methods of analysis were used. Pearson's correlation and independent samples t-test. Analyzed data was presented in charts, tables, and text formats. From the analytical model developed, the relationship coefficient acquired was 0.8197 which showed a strong positive correlation among youth entitlement, loan economic acquired from microfinance institutions, amount of savings, aging as well as training of the respondents. The coefficient of determination (R^2) acquired was 0.6719 implied that the model developed could account for 67.19% of increase in level of youth entitlement. This implied that the model developed was necessary at 95% confidence level and hence could be applied in prediction as well as making policy. The research concludes that when destitute borrowing practices provide them with start-up and working capital, education as well as savings habits, the youths are able to engage themselves in business practices where they experience increased efficiency and effectiveness which leads to a positive results on entitlement and their task in community as well as making policy. The conclusion was also drawn that microfinance services enable youth to retain more money, obtain assets, improve their profits, advance living standards, education, involvement in making policy, allowed movement, self-belief, gain self-respect, advanced youth position to the community as well as decreased youth inhuman in the community. This research also concludes that most youth are in casual industry as well as not very trained. The study recommends that microfinance institutions review their services meant for the precise industry as well as repackage them to suit customers from the casual industry since the casual group forms the main part of their customers as results indicated. The research also recommends that microfinance institutions improve youth education mostly in rural areas to improve their experience of viable and justifiable assets ventures.

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ACRONYMS AND ABBREVIATIONS

ACWICT	African Center for Women, Information and Communications Technology
AMFI	Association of Microfinance Institutions (in Kenya)
CBTA	Cross Border Traders Associations
CGoB	County Government of Busia County
FY	Financial Year
ICT	Information and Communication Technology
KCPE	Kenya Certificate of Primary Education
KNBS	Kenya National Bureau of Statistics
LDCs	Less Developed Countries
MFI	Microfinance Institution
MFI s	Microfinance Institutions
PWD	Persons with Disabilities
VSLA	Village Savings and Loan Association

DEFINITION OF TERMS

Youth

The Africa Youth Charter of 2011 defined youth as persons who are aged between 15 and 35 years.

Empowerment

Empowerment is the process of enhancing capabilities to people who otherwise did not have them (Mecha, 2017).

Microfinance

The term literally means ‘small-scale credit’. Lussier and Pfeifer (2010) refer to view microfinance as the process of providing financial resources to poor people or businesses that do not have the capacity to finance their capital or operations; with the aim of bringing an end to poverty or reducing it as much as possible.

Microfinance services

These include loans from MFIs, capacity development such as training, outreach which creates awareness and links youths with markets, and collective action joint projects for generating income (Mecha, 2017).

Financial inclusion

According to Plan UK (2014), financial inclusion in the context of youth is the enabling of access to financial services by putting in place policies that make the poorer or marginalized sections of the population to access credit among others.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Young people constitute significant proportions of populations in developing countries. The United Nations 2012 Program on Youth observes that young people aged between 15 and 35 years make up 34% of the total world population. This translates into about 2.5 billion people. It is essential to note that most of the youthful population emanates from developing nations. In Africa, where 30% of the population is made up of young people, the youth question presents significant political and socio-economic challenges. This is because according to Africa Youth Report (2011), inadequate resources and poor planning make it impossible for governments to effectively invest in young people. Indeed, quite a number of political unrest and social immorality cases have been associated with youthful populations. However, evidence from democracies that have empowered young people indicate that they are a productive section of the population if the economic environment supports their self-reliance ideals.

Borrowing habits provides an influential tool for income generation, safe keeping of food, human resource development, poverty lessening, and youth empowerment (Kessey 2015). It is very difficult to find any society without poverty, even in developed countries. The facility of borrowing may be an important instrument for the youth to safeguard their food security and poverty. Traditional banks and other financial institutions fail to meet the difficulties in general of poor and of youth in particular. The microcredit institutes change by building a set of comprehensive financial institutions, which has elevated the expectation that plentiful poverty can be alleviated. Consequently, economic and social structures can be renovated at the root level by supporting financial services to low-income households (Morduch 2018).

Morduch (2018) recognized that potential impact of borrowing is allied with lessening of household weakness by offering ways of easy consumption and income to rural households. In addition, Pitt and Khandker (2016) assessed that borrowing habits have considerably influenced the welfare of rural borrowers including household expenditure, non-land assets, labor supply, and children schooling in Kenya. Furthermore, Mizanur Rahman and Ahmad (2017) observed

that microcredit provided to the agricultural and rural sectors significantly improved household income, crop production, livestock raising, expenditure, and employment.

Despite the low levels of available financial services in general, scholars have documented the range of positive outcomes from savings habits and account holding. In *Assets and the Poor*, Sherraden (2013) suggested that assets, including savings, have a wide range of positive effects on well-being beyond consumption. These asset effects include improved household economic stability, increased personal efficacy and future orientation, and improved well-being of youth (Sherraden, 2013). The outcomes that Sherraden identified are central to successful transitions from youth to adulthood, and have been found to have positive impacts on youth development (Seginer, 2018). Evidence from resource-adequate and resource-limited countries suggests that youth in high-wealth households are more likely to have better schooling outcomes (Shadish, Cook, & Campbell, 2012), positive future orientation, increased self-efficacy and improved health than youth from low-wealth households. This range of positive behaviors, in turn, contributes to other desirable outcomes, including economic and financial stability.

However, there are a number of probable causes for the increase in financial inclusion by age. Age is a strong determinant of transition levels. As young people move into the labour force and earn a regular income, they require a wider range of financial services and have increasingly complex financial requirements, such as savings, current accounts, mortgages and loans for business and consumption activities. Such requirements will typically only manifest themselves as youth complete their education and enter the workforce (Somers & Gizzi, 2011).

Youth access to relevant education and training is also entrenched in the 2010 constitution. Beyond building human capital to raise worker productivity, another institutional function of education and training is to provide young people with what they need to become effective agents of change. In order to find a decent job, for example, Kenyan youth need to develop a range of skills and knowledge that are typically gained through education and training. Moreover, a reduction in youth inequality is determined, to a significant extent, by the quality of education and training that youth receive (Sewamala & Ismayilova, 2017). The association between the level of education and training, on the one hand, and opportunity and inclusion, on

the other, is statistically significant and that corroborates the fact that better educated and trained people enjoy better access to opportunities than others.

Providing the relevant education and training is a critical factor for youth engagement and development. What the majority of the Kenyan youth need is access to skills training. In other words, what is relevant is not access to formal academic curricula (which is in abundance) but access to acquire appropriate skills to fit the educational background and demand of the majority of the youth as well as the Kenyan job market both now and in the future. Skills-based training is an area that must be scaled up by the government. It has been a neglected area of education and training policy. The Medium Term Plan, noted that the training being provided by the Technical, Industrial, Vocational, Entrepreneurship Training institutions ‘has been hindered by inadequate facilities and inappropriate curriculum, hence most graduates at this level lack appropriate skills’ (Han & Neilands, 2016).

In Kenya, young people make up about 32% of the country’s population (Africa Youth Report, 2011). This translates to about 9.5 million people. Despite the fact that youth constitute a sizeable population of the nation, they have remained at the periphery of the country’s economic, political and social development. Many young people remain unemployed or underemployed (Luhman & Cunliffe, 2012). Although the political class keeps on promising a better life for youth, they (politicians) remain inaccessible until the next general election when they begin to make promises to the youth. In spite of the present challenges facing the youth, both local and international actors promote the concept of empowerment as a way of increasing youth participation in a country’s economic development.

According to AMFI (2016), there are about 13 million youths in Kenya, constituting about 56% of the entire population. Despite this large number, only far less than half of the youth population is engaged in some form of economic activity. Simeyo et al (2011) notes that about 61% of the young people are not employed. The situation is indeed worrying especially because population of young people continues to increase but economic opportunities are not increasing at the same rate. Although microfinance is supposed to bridge this gap in theory, high-interest rates and lack of collateral continue to be leading impediments, of course among others (Joy, 2007). For those

youths who managed to get loans with microfinance institutions, payments for the cost of capital highly diminish their savings. Consequently, young people have been unable to grow their businesses to medium enterprises, something that partly forms the research gap of this study.

The lack of national focus on the youth in Kenya is historical. After Kenya gained its independence in the 1960s, little was done to involve young people in national development. Lenton, & Mosley (2011) recounts the National Youth Service began in 1964 as the only explicit youth program which the government initiated. Other government-initiated youth programs were only recreational in nature and were meant for social interaction, not economic development. A recent parliamentary budget committee, analyzing the third national development plan of 1974-1978, observed that planners then considered the youth question urgent and one which could potentially have future problems. Since then, other youth programs initiated by the national government are: The Sessional Paper No. 2 of 1992, on Small Scale and *Jua Kali* Enterprises; the 1997-2001, Development Plan; the National Poverty Eradication Plans 1999-2015; the 2002, Kenya National Youth Policy; the 2006, Youth Enterprise Development Fund; the 2009, *Kazi Kwa Vijana* and the 2013 Uwezo Fund. Despite a remarkable increase in national youth programs, the challenges they face have continued to increase.

1.1.1 Financial Empowerment

The history of financial empowerment in Kenya can be traced in the 19th century as a strategy for getting farmers out of poverty. Although there was an increase in microfinance organizations in Kenya after independence (1963), growth was not realized until a decade later in the 1970s (Baker, 2007). In 1999, the AMFI was formed to coordinate activities in the microfinance sector. While AMFI provides some guidance on compliance with the law, the Central Bank of Kenya takes a more central role in the regulation of the sector (Muriithi, 2009). It is important to note that some of the publicly-owned financial institutions also have segments for microfinance. Such institutions, especially those listed in the NSE, are regulated by the CMA. This, therefore, implies that the microfinance industry is ‘regulated’ by many umbrella bodies. Perhaps the major question to ask is whether such regulation is consistent with practices that actually happen within the realm of microfinance. The AMFI categorizes microfinance institutions into two categories

namely; Deposit Taking Microfinance and Non-Deposit Taking MFIs (Lekaram, 2014). This study will mainly dwell on the microfinance services in the county of Busia.

Saving habits were introduced in Kenya mainly to alleviate extreme poverty by including as many people as possible into the financial system. According to Adams (2011), the rationale is that once people are organized into saving groups, they have borrowing practices and are able to improve their lives. Elsewhere, Yunus (2008) observes that borrowing practices helps young people to be entrepreneurial. Several authors have looked into how exactly finance empowers youth and reduces poverty. Thomsen and Conyon (2012) observe that once the youth borrow loans, they are able to create employment for others, self-employment, as well as create streams of income. As a result, they can use the income to cater for their needs and, in the long run, improving the quality of their lives. Higher-income also leads to improvement in nutrition and education of the children. However, one of the areas in which youth demographic have failed is to provide adequate education, capacity skills and financial wisdom associated with borrowing. As long as borrowers do not get trapped in the debt trap, then financial empowerment would succeed in empowering the youths.

According to Kiiru (2007), micro-enterprises are businesses that poor people use as a way of employing themselves and, because of limitations in cash, they become consumers of finance. In many developing countries, the many types of businesses constitute the major source of livelihoods not only in rural areas but also among the urban poor. Through such small businesses, young people are able to engage in productive work; and this does not just apply in developing countries but it also applies in developed economies. It contributes to a large proportion of employment generation in developing as well as developed countries. Enterprises are considered to be the source of equitable distribution. If a serious impact on the economic conditions of the rural poor has to be made, a much larger flow of borrowing to support a much broader production base is required.

Though enterprises are not a solution for complex problems and chronic unemployment and poverty in rural and urban areas, yet promotion of enterprises is a viable and effective strategy for achieving significant gains in income and assets for poor and marginalized people. Adams

(2011) carried out a study to establish the importance of youth demographic as it relates to entrepreneurship and sustainable solutions. Through the study, it was concluded that there are indeed positive economic benefits that emanate from financial empowerment offered to support entrepreneurship. In addition, the study found that the individual socio-economic aspects of the beneficiaries of youth demographics were also positively impacted.

Further, youth demographics promotes saving habits. Zindiye (2008) defined saving habits as the practice of taking the deposits of poor people or families and storing them for future use. Saving habits accounts work just like other formal accounts in banks, except for the fact that they hold comparatively smaller amounts of monies as savings. As Adams (2011) established, it is only through savings that young people can achieve financial independence. In the same way, enterprises can only be self-sufficient if they have savings as the basis of this form for investment. This is indeed valid because capital is a major shortcoming not only in the starting but also in the expansion of enterprises. Since most microfinance organizations only lend to those who have some substantial savings, it could be concluded that indeed, youth demographics catalyzes savings which are the basis for empowerment.

There are other dissenting views which do not applaud microfinance as a youth empowerment strategy. For instance, Luhman and Cunliffe (2012) argue that offering credit to poor people does not help them in any way whether at the household level or at the business level. In other words, debt makes the poor poorer, in the author's views. This is part of a wider global debate on assistance strategies adopted to improve people's lives. Overall, it appears that indeed, microfinance services at least make youth participate in the labor market, without having to measure the impacts on their lives. Indeed, Luhman and Cunliffe (2012) portend that the fact that youths can repay their micro-loans at market interest rates or slightly higher is an indication that microfinance institutions contribute to the financial empowerment of the youths. As the literature review will show, there are many case studies in which microfinance has led to increased youth empowerment in Kenya. Recent examples include Migori, Murang'a Mombasa and Nakuru.

1.1.2 Busia County

The county of Busia is the gateway to Kenya from Uganda. It belonged to the former Western Province before the devolution regime was brought by the 2010 constitution. The two border towns that link the County with Uganda are Malaba and Busia. The County has an area of 1,695 sq km. The County borders Uganda to the north and north-west and the County of Siaya to the south and south-east. In addition, the county of Busia borders Bungoma and Kakamega counties to the east and Lake Victoria to the West (Kenya Information Guide, 2017). The main livelihood activities in the county are fishing and farming. However, the county's potential has been untapped and has the potential of becoming a major trading hub for the entire East-African region. There are seven Constituencies in the county. These include Funyula, Matayos, Nambale, Budalangi, Butula, Teso and Teso North. Further, the county has, as well, seven sub-counties which were referred as Districts under the former provincial administration. The sub-counties are Teso North, Teso South, Nambale, Busia, Butula, Bunyala, and Busia sub-counties. Based on the 2009 census, the county has a population of 743,946 which consists of 52% females and 48% males (KNBS, 2009). Like all other counties in Kenya, the youth constitute the most population (Africa Youth Report, 2011).

Apart from agriculture and fishing, the other major economic activity in the county is trade. Being a border county, the crossing points make trade vibrant; in which agricultural produce, livestock, and manufactured goods are traded. In order to support this trade, the county has become home of all the major banks in the country: Equity Bank, National Bank, KCB, CFC Stanbic Bank, Barclays Bank, Diamond Trust Bank (DTB), Post Bank, Co-operative Bank, Standard Chartered Bank, and Family Bank. The county, despite being a busy border county, is faced with the infrastructure challenge. Apart from the Nairobi-Kampala road, most of the other roads do not have tarmac. This makes both commercial and public transport systems inefficient. As a result, motorcycles have come in to fill the need. Notably, motorcycle transportation is one of the major micro-businesses that microfinance institutions support (Simeyo et al., 2011). According Simeyo and colleagues, although there are many financial institutions as well as mobile money options such as Airtel Money and MPESA, the financial inclusion of the youths continues to be a major challenge.

The County Government of Busia's youth empowerment efforts is coordinated by the Department of Culture, Sports and Social Services. The vision of the department is to achieve a socially self-driven and empowered community while its mission is to mobilize the Busia Community for sustainable social protection, talent nurturing, heritage preservation and creating equal opportunities for children, youth women, PWDs older persons and other vulnerable groups for a holistic growth and development (CGoB, 2017). The department has seven directorates namely; Youth, Sports, Children, Tourism, Culture, Social Services and Alcoholic Drinks Control. According to the CGoB (2017), the economy of a country largely depends on how its population, especially the young persons, is equipped with skills and training which the basis of industrial growth is. The directorate aims to equip the youth with relevant skills for employment and entrepreneurship and make them drivers of change in their own lives through vocational training programs.

In the Youth sector, various activities have been undertaken among them entrepreneurship training, fencing of Samia youth empowerment center, equipping of seven youth empowerment centers in seven sub-counties with conference chairs, computers, and furniture. The department has also partnered with African Centre for Women, Information and Communications Technology (ACWICT) which intends to run a Ngazi program for the vulnerable youth to train in vocational skills, ICT & Entrepreneurship with the aim of empowering the disadvantaged youths between 18 – 29yrs especially KCPE graduates who never had an opportunity to proceed to secondary school. The training takes a period of three months.

The County Government of Busia's investment and general empowerment efforts are coordinated by the Department of Economic Planning, Trade, Cooperatives and Industrialization which has five directorates which include Economic Planning, Trade, Cooperatives, Cooperative Enterprise Development Fund and Weights & Measures (CGoB, 2017). The department seeks to lead the promotion of trade, investment, and coordination of county projects and programs. The department exists to promote self-reliance through enhanced business, employment and wealth creation. This is achieved through implementation of programs targeting diversification, innovation, value-addition, information sharing, market linkages and trade infrastructure support. Precisely, its mission is to provide high-quality services through efficient and effective

coordination, formulation, and implementation of policies and programs and create an enabling environment that encourages investment while exploiting the cooperative movement.

In order to promote trade activities, the directorate of trade has established and registered two Cross Border Traders Associations (CBTA) one in Busia and another in Malaba. According to the CGoB (2017), the department has spearheaded the revamping of cooperatives and the registration of new ones. The Cooperative Enterprise Fund (CEF) was established to provide affordable credit and capacity to build the cooperatives to effectively discharge their mandate. During the FY 2017/2018, the department has planned to avail soft loans to individual traders through the Trade Development Revolving Fund (TDRF), and members of the co-operative societies through the Co-operative Enterprise Development Fund. However, this has not yet been achieved, and the youths are so far underrepresented among the beneficiaries.

1.2 Statement of the Problem

The young people in Kenya are inadequately engaged in the labor force as well as in the financial system. According to the Plan UK (2014), the young people in Kenya are faced with limited access to financing; inadequate business networks; non-conducive guidelines for investment; maladaptive cultures in their local communities; inadequate asset base; inherited family constraints such as education levels; and lack of entrepreneurship skills. These challenges are true for Kenya in general and for Busia County in particular: inadequate investment in youth affairs, infrastructure, security and other enablers of better livelihoods (Lussier and Pfeifer, 2010). It will be demonstrated that where microfinance has managed to provide access to capital in Busia County, young people have been able to improve their lives economically.

The County Government of Busia's (CGoB) approved financial estimates for the 2017-2018 financial year allocated only Kshs 4 million for Youth Development and Empowerment Services out of total revenue of Kshs 7 billion (CGoB, 2017). In addition, there have been successive (2016-2017 FY as baseline) budget cuts for the youth development and empowerment services (see appendix 1); there has not been budgetary allocation for youths since 2016 (appendix 2); and only 120 traders were funded to start businesses in the 2017-2018 FY (appendix 3). In the same year, only 34 cooperatives were given loans and only a few of those cooperative belongs to

young people. This simply implies that the County government does not have good prospects for the jobless youths, neither can the national government's initiatives such as the National Youth Service (NYS) absorb all the youths. These statistics indicate that something else needs to be done in order to bridge the financial empowerment gap. Therefore, to establish the missing link, it's important to find out how youth demographics affects financial empowerment in Busia County.

1.3 Objectives of the Study

1.3.1 General Objective

The purpose of the study was to investigate the effect of youth demographics on financial empowerment in county governments of Kenya.

1.3.2 Specific objectives

- i. To investigate the effect of borrowing practices on financial empowerment in Busia County
- ii. To examine the effect of savings habit on financial empowerment in Busia County
- iii. To assess the effect of age on financial empowerment in Busia County.
- iv. To establish the effect of education level on financial empowerment in Busia County

1.4 Research Questions

- i. What is the effect of borrowing practices on financial empowerment in Busia County?
- ii. How does saving habit affect financial empowerment in Busia County?
- iii. What is the effect of age on youth empowerment in Busia County?
- iv. Does education level affect youth empowerment in Busia County?

1.5 Justification of the Study

This study was important in several ways. First, it contributed to the body of knowledge on the role of MFI in economic development focusing on youth empowerment. It contributed some answers to the basic question of whether microfinance really helps to improve lives or further ties them up with debts in terms of loans. The study does not claim to provide any new theory or framework for understanding microfinance dynamics but carried out an evaluation based on empirical data.

Secondly, the study profiled the actual situation on the ground in Busia County. This was important because it provided insights to the County government on some areas of focus with regard to youth empowerment. Particularly, interesting narratives of how young people made their living were gathered on the one hand to assess the needs and on the other hand identified how microfinance has been able to uplift the lives of young people. On such basis, certain the study would be important evidence based on policies not only on microfinance but also other related county ministries or departments that are concerned with the improvement of peoples' lives; especially because microfinance services cut across different sectors.

1.6 Significance of the Study

This study was significant to various stakeholders namely Busia County, youths (groups), the county government, microfinance institutions, and academia.

1.6.1 Youth groups

To the youth groups, microfinance services are significant because of the following reasons. The study would map the existing microfinance services in the county which form the basis for extended financial inclusion.

1.6.2 County government

The findings of this study would empirically show the effect of the county's microfinance programs on increase the entrepreneurial skills of the youths. For instance, the study would show how microfinance programs in the county would lead to improved savings among the youths, which was the basis for investment and entrepreneurship.

1.6.3 Microfinance institutions

Further, the effect of improved access to credit would be quantified. This would be useful to microfinance institutions because it would offer insights into whether microfinance, in general, has made the lives of the youths better or otherwise.

1.6.4 Academia

Finally, the study would contribute to expanding the existing body of knowledge. This would be so especially if the results of the study would be generalizable to the entire Busia County population and by extension the entire country, and this would be determined by significance levels of the various statistical tests. This study also brought out how group-guaranteed loans have shaped microfinance.

1.7 Scope of the Study

The study focused on all the six sub-counties of Busia County which include Butula, Samia, Nambale, Teso South, Teso North, and Busia. Data was collected from sampled respondents in each of these sub-counties. While literature review covered extended periods of time, data collection was cross-sectional, implying that it was only done at a point in time.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

This chapter reviews relevant literature on the relationship between youth demographics and financial empowerment. Theories used are capability approach (ca) theory, asset-building theory, empowerment theory and brumberg theory.

2.2. Theoretical Review

Empirical studies showed the effect of youth demographic on financial empowerment. This study treats young people as assets and not liabilities, hence adopting the Capabilities Approach (CA) suggested by Sen (1993) and the Asset-building theory by Leffert et al (2001).

2.2.1 Capabilities Approach Theory

The Capability Approach (CA) theory was first articulated by the Indian economist and philosopher Amartya Sen in the 1980s and remains closely associated with him sen (1993).

This theory has been employed extensively in the context of human development as a broader, deeper alternative to narrowly economic metrics such as growth in GDP per capita. In the theory “poverty” is understood as deprivation in the capability to live a good life and “development “is understood as capability expansion as per Nussbaum’s formulation (Nussbaum, 1995). Nussbaum expounds on the following that exactly impact on the youth directly. Being able to live to the end of human life of normal length. Being able to have good health, adequate nutrition, adequate shelter, opportunities for sexual satisfaction and choice in reproduction and mobility.

Being able to avoid unnecessary and non-beneficial pain and to have pleasurable experiences. Being able to use the senses, think, and reason; and to have the educational opportunities necessary to realize these capacities. Being able to have an attachment to things and persons outside ourselves. Being able to form a conception of good, and to engage in critical reflection about the planning of one’s own life, being able to live and to others, to recognize and show concern for other human beings. Being able to live with concern for and in relation to animals and the world of nature. Being able to laugh, to play, to enjoy recreational activities. Being able to live one’s own life and no one else’s enjoying freedom of association and freedom from

unwarranted search and seizure. The writer sums up the above by articulating that “the basic claim I wish to make that the central goal of public planning should be the capabilities of citizens to perform various important functions”. This theory is relevant to the study since its already established that the youth form quite a considerable population of this nation hence their development can't be ignored

According to the author, the main goal of development is to expand the capabilities of a person but not necessarily to achieve economic progression for the country. Although economic progression may end up being an outcome, it is should not be the aim of microfinance, but personal capacity development. The CA came as a response to the existing economic frameworks the general human development agenda, inequality, and poverty. Although CA came as an alternative to the existing frameworks, this does not mean it was a completely new or independent academic invention. On the contrary, Amartya Sen's theory was inspired by the 1971 Rawls's Theory of Justice. According to Sen (1993), Rawls's justice theory focused on the need to be dignified and respected in their rightful access to primary goods. The CA theory is built upon four concepts that are related to each other: Capabilities, 'Functioning's', Freedom and Agency.

At any point in time, any individual young person is considered to have accomplished at least something in his or her life or possessing potential to achieve something. According to Sen (1993), these are referred to as 'functioning's'. However, there is always a mismatch between what a person has achieved and what the person can actually achieve. An analysis of young people's goals in life leads to the realization of 'functioning's' that they can achieve. To achieve this desired functioning, young people must have the capability to do so; such as micro-financing. Hence human capability, the context of CA theory, human capability can be defined as the difference between what young persons have achieved so far and what they can actually achieve. However, there are two conditions that must be fulfilled. First, young persons must have the freedom choose what they want to achieve (freedom). Second, they must be able choose independently (agency) because they have the capability to do so. On this basis, human development, not economic development, is viewed as the process of expanding young people's freedoms, capabilities and independence to transit from their current states to their desired levels.

2.2.2 Asset Building Theory

The Asset-building Theory is a relatively new way of thinking about the factors that make young people capable or incapable of building assets in their self-sufficiency journey (Leffert et al., 2001). The authors identified some of the fronts that may trigger the asset-building behavior: interactions between successful entrepreneurs in the community with young people; interactions with other components of the socializing system such as youth organizations, religious organizations, schools and neighborhoods; and as a result of government's initiative to create enabling environment for youth entrepreneurship. The formulators of the theory understood the role played by intervening factors in enhancing or inhibiting the asset-building capacity of young people. Some of these factors include, but not limited to social norms, media, public policy, and even religious rituals. As a result, in order to realize meaningful empowerment, the building of assets has to take into account effects of the immediate community as well as norms already existing in the society within which the young people live.

The rationale of an asset-based policy can be stated in two parts (sherraden, 1991). First, economically, accumulation of assets is key to development of poor households. For the vast majority of households; the pathway out of poverty is not through consumption but through saving and accumulation. Secondly, when people begin to accumulate assets, their thinking and behavior change as well. Accumulating assets leads to important physiological and social effects that are not achieved in the same degree by receiving an equivalent amount of regular income. Thus in contrast to neoclassical economic assumptions. Assets do more than just provide a storehouse for future consumption.

As per sharpen asset theory provides the following key propositions; assets provide greater household stability. They create long term thinking and planning. Assets lead to greater effort in maintaining them, assets lead to the development of human capital. Assets also provide a foundation for risk-taking and increase personal efficiency and sense of well-being. Assets increase social status and social connectedness, they also increase community involvement in and civic participation. Assets enhance the well-being and life chances of offspring. The relationship between assets and security demonstrates positive outcomes for the youth. Asset accumulation dramatically improves the well economic well-being of the youths. Overall studies

indicate that asset holding has a wide range of positive effects beyond consumption. The asset theory is geared towards individual capacity development, promotes active citizenship and contributes to economic growth all of which are the key basis of this study as pertains to the youth population within Busia County.

2.2.3 Empowerment Theory

The theory of empowerment lays emphasis on making it possible for young people to participate in making entrepreneurial decisions, expand their skills and create learning opportunities (Kabeer, 2005). The theory portends that if young people are engaged in positive activities, they can gain skills, confidence, new realms and responsibilities that make them mature in thought and able to handle their self-fulfillment journey challenges. The theory is not attributed to a single author but numerous authors who address different aspects of empowerment such as: power over (Rai et al, 2002), power within (Kabeer, 2005), power with (Townsend et al, 1999; Kabeer, 2005) and power to (Townsend et al, 1999; Rai et al, 2002).

Empowerment through the lens of ‘power over’ is ‘a force exerted by an individual or groups of people and it has the capacity to produce change and gaining the ‘control over others’ thus requires a revolution and fundamental social transformation (Rai, et al. 2002). Power from within’ is a product of the contrary ‘power over’, as a result, ‘power from within’ is a visible form of self-awareness and self-confidence. Kabeer (2005) argues that the multi-dimensional nature of power necessitates that youth to build on “the power within” as a required supporter in improving their ability to control resources, to determine their agenda and to make decisions. According to Townsend et al. (1999), ‘power with’ is the competency to achieve with others what one could not have attained alone; a positive-sum outcome whereby each person gains from the process and exercise of ‘power’. ‘Power with’ implies a cooperative relationship in which individuals work together to multiply individual capacities and knowledge. It puts participation at the center of empowerment and creates consciousness that the ‘whole’ is greater than the individual, especially when a (youth) group, tackles a problem together. ‘Power to’ relates more with the youths’ skills, the power to do new things and relate in new ways that indirectly challenge the status quo relations and duties and it is a form of agency and purposive choice (Townsend et al, 1999; Rai et al, 2002).

All the aspects of power have been seen to be at play under the group-guaranteed loans. This is a type of loan given to an individual but guaranteed by all members of the group. This evolution in microfinance challenged the prevailing conventional wisdom that vulnerable people were not able to repay loans or save on a regular basis. According to Mecha (2017), group guarantees are increasingly becoming popular in Kenya since individuals in such kinds of groups do not need to have collateral in order to get loans. The Group Model's basic philosophy lies in the fact that shortcomings and weaknesses at the individual level are overcome by the collective responsibility and security afforded by the formation of a group of such individuals. The benefits of group-guaranteed loans as enlisted in Adams and Vogel (2016) include the following: one can borrow without traditional security such as land titles in the early loan-level; small weekly installment of loan repayment; loans are insured against death and disability, and networking opportunities with other business people.

2.2.4 Brumberg Theory

Brumberg (2014) ties youth's economic empowerment to access to affordable financial services. In view of this, youths having access to financial services stand a better chance of improving their economic status. The theory assumes that access to financial services empowers youths by putting capital in their hands, allowing them to earn an independent income and make financial contributions to their households and communities. The theory also assumes that involvement in successful income-generating activities should translate into greater control and empowerment. Youths with economic power often gain control over their lives, contribute directly to their children's nutrition, education and healthcare. It further outlines the indicators of economic empowerment such as income, ownership of properties.

The Brumberg theory therefore supports access to credit and income from productive work as important indicators of women's economic empowerment. However, youth's ability to transform their lives through access to financial services depends on factors linked to their personal capabilities, circumstances and the environment within which they operate. The success of youth's entrepreneurs is further influenced by factors such as access to information, social networks and other resources (Brumberg, 2014). In this respect, Brumberg theory agrees with the

economic theory that predicts that savings is as a result of individual characteristics such as income and personal preferences.

2.3. Empirical Review

Many young people remain unemployed or underemployed even though the political class keeps on promising a better life for youth, they (politicians) remain inaccessible until the next general election when they begin to make promises to the youth. In spite of the present challenges facing the youth, both local and international actors promote the concept of financial empowerment as a way of increasing youth participation in a country's economic development (Luhman & Cunliffe, 2012).

2.3.1 Borrowing Practices

Ondoro and Omena (2012) investigated the role that access to services of microfinance had on the Migori County youths. Their focus was on how this access (to microfinance services) impacted the savings. While most respondents (56.3%) did not report any change in their levels of savings, 37.5% reported that there was an increase in their savings and only 6.2% reported that their levels of savings had decreased. The latter could be attributed to business risk that may have led to losses, or the fact that the loans being serviced were still in their infancy; implying that the investments made had not yet begun paying back. The study also sought to find out whether microfinance had an impact on investments in the county. Again, while the majority (59.9%) reported no change, 33.9% reported that investment behavior had increased and only 6.2% reported a decrease in investment. In addition, 97.1% reported that the training offered by MFIs were beneficial and that more training would be more beneficial; these results were statistically significant.

There has been debate that however low the presence of interest charged on MFI is there is still a burden imposed on the youth despite the low repayments rates, there are still youth who cannot, or do not pay, repay the loans because of the failure of their ventures, personal catastrophe, or other reasons hence making the youth even poorer. Is the credit provided by MFIs actually helps the poor get out of poverty? Ondoro and Omena (2012) set out to investigate this question. Their findings generally established that credit on its own may not always deliver

young people from the bondage of poverty but has to be viewed in conjunction with the existing challenges such as access to markets, land tenure, prices of products, technology, and others. The study called upon both devolved and national governments to ensure that created an enabling environment for entrepreneurship to flourish. The study also established that microfinance would be useful if it made young people learn new ways of creating income streams. In the context of Migori County, it was essential that microfinance training instilled in the youths' skills beyond farming, which is the predominant form of livelihoods in the county. In the final analysis, the Migori County study concluded that loan amounts needed not only to be increased by loan administration procedures also needed to be made more user-friendly so that un-educated youths were not left out. Above all, training was more essential for credit to be impactful.

Ngugi and Iravo (2015) studied how difficult or easy it was to access credit among the young people in Nakuru County and how related to existing awareness on microfinance products. At the center of the study was the question of whether business literacy and training were essential in access to credit outcomes. The study also pursued the extent to which government's initiatives such as existing loan products were known by the young people. As expected, it was found out that business literacy and knowledge of existing loan products (rather possible credit sources) were positively related to access to credit. While the various county loans and grants programs were not widely-known, the existing policies such as taxation regime did not deter entrepreneurship. Precisely, it was established that the current entrepreneurship policies in place in Nakuru County actually encouraged youth entrepreneurship, so it was the role of MFIs to provide the necessary support to the young people to exploit the supportive business environment.

The study by Ngugi and Iravo (2015) concluded that for success to be achieved among the youths in business ventures, entrepreneurship training and education should be inculcated to unleash their potential, microfinance services should be readily available and affordable and there should exist friendly and accommodative government regulations and policies. Like the other studies, the study recommended that the full-scale participation of the young people in entrepreneurship facilitated taking into account the bottlenecks that they currently face in terms of capacity and environment. The study also tried to strike a balance to put forth

recommendations that touched on both youths and MFIs. In relation to this, it was recommended that the government and development partners should be able to work together to set up frameworks, where necessary laws, for making loan defaulters be held accountable. This is because defaulting implies that other young people will not be lent credit for business. For further studies, there is need to investigate the individual characteristics that were associated with motivation to and ability to find sources of credit among young persons in Nakuru and other counties in Kenya (such as Busia).

According to Stewart et al (2012), evidence exists relating to the participation of young people in entrepreneurship as a result of benefiting from microfinance. Out of Stewart's et al (2012) study, only results from Herzegovina and Bosnia were statistically important while those from Peru, Zimbabwe, and Uganda had relative reliability depending on the context. In the former case, it was established that loans from MFIs ultimately led to better-educated borrowers while in the latter case, micro-credit led to diversified income which in some cases included the starting of second businesses. However, most diversification in income was evident among borrowers who were more financially stable in Peru. The meta-analysis by Stewart and colleagues had a study in which most youths with loans were more likely to start businesses as opposed to those who did not have loans (in the control group). The other finding was that those households that had at least one young person with a loan with MFI worked for more hours in a day and were mostly aged 16-19. Although education level was an intervening factor for involvement in entrepreneurship, owning a business out of microfinance loan was a more convincing factor. While education was a more important determinant of microfinance outcomes in Bosnia and Herzegovina, more factors had to be considered in India and Kenya to arrive at a conclusion on what was the most important determinant of success in business after a microfinance loan.

According to Banerjee et al (2013), microfinance in Kenya has rapidly grown at the turn of the millennium. In 2006, only 7.5% of all MSEs had access to credit from MFIs but as of 2009, this percentage had risen up to 17.9%. The growth is explained by the renewed commitment by the government, non-governmental organizations and the private sector to enhance the livelihoods of Kenyans with special consideration of the young persons who were either involved in or negatively affected by the 2007/8 post-election violence. The various MFIs extended small-scale

loans to young person's so as to make them engaged and productive. This engagement makes the standards of living better and the overall impact is a better financial ecosystem and economy. This is done by extending smaller-scale loans to young people either to start small enterprises or to expand existing ones. By so-doing, youths become self-reliant and they take greater control of their social and economic lives.

As reported by Africa Youth Report (2011), the availability of credit is a necessary trade surrounding as well as challenge for SMEs. Credit is the vital fluid for organization also no matter how it is administered; organization cannot exist in the absence of finance for current assets, non-current assets, assets as well as jobs of expatriates. SMEs provides directly financial advancement, job creation as well as insufficiency mitigation. Economic relevant SMEs activity has a suggestion on their passable advancement as well as prospective for employment as well as mitigation insufficiency. In spite of the various as well as content of MF in India, majority of countryside individuals has no entry to economizing as well as loan activities from MFI even though they have important business firm. Little entrance to loan relates highly with insufficiency in earnings as well as failure of capital for surety like motor vehicle.

Similarly, various research has recognized rationale for mitigating loan entry between countryside people in Liberia, Baker (2007) identified important correlation among agriculturalist, family status, absence of underwriter, increased loan charges as well as the availability of loan. Agriculturalist number of years, representative to societal team, worth of capital asset, training as well as essence of loan trading is great deciding factors of entrance to loan as well as order between countryside agriculturalists in Liberia. Additionally, Agriculturalist number of years, sexes, size of agricultural land, representative of societal institution, extension agent visits, distance from the borrower's residence to lending source, training years as well as individual size of home are significant deciding factors of availability to loan between farmers. This study indicated that there is a positive correlation among society asset, farmer's contribution as well as availability of loan.

Ferede (2012), on a study done in Tanzania suggested that young men are incapable of getting loans due to lack of assets ownership. Loan access improves the capability to put money into use

as well as enhance availability to fruitful absorption also serious farm capital necessary for advancing agricultural fruitful and incomes. The incapability of young men to access credit as well as make stronger their investment in farming procedures can react to pull the indicators for young men outside farming. However, Kenya is having high number of young men looking for jobs between the ages of 18-30 are looking for work. In order to curb great rate of young men not working, Tanzanian state has emphasized the need for young men business programs. Particularly, the state implemented young men capital fund whose aims are to create employment, trade enlargement as well as trade knowledge advancement. This finance provides constant fall back credit charges.

2.3.2 Saving Habit

The communal confidence between the grown-up cohorts has moved the emphasis to the young people to instill a redeemable philosophy from a previous stage. Redeemable between the youths of 12-18 years presents not only trials but also openings in furnishing them previously alteration into maturity with the exact monetary abilities to live into the forthcoming. Redeemable philosophy as a proportion of the countrywide revenue positions at 10% likened to Rwanda as well as Zimbabwe that have traversed the 30% mark as well as a mean of 15% in Africa as reported by Banerjee et al (2013). Utmost youths, predominantly ladies, conversely do not possess the properties they can trade or practice as security to surprise a trade or extra revenue making action.

The circumstance for contributing investment interpretations to young people is comparatively straightforward. Supporters of young people reserves suggest that young people reserves can endorse advantage building, impart decent monetary conduct, as well as develop a nation's general uncultured reserves rate. Their foundation is that youth have to surprise storing reserves initial so they can alleviate the difficulties they surface to reserve as they enter middle age when they have to emolument for themselves to endure their learning, start a trade, purchase a household, etc. A mainstream of young people in emerging nations express a dual drawback as they are youth as well as have little returns as well as therefore have incomplete (Ondoro et. al. 2012).

Financial capability is defined as the combination of knowledge, skills, attitudes, and especially behaviors that people need to make sound personal finance decisions, suited to their social and financial circumstances.’ To address the challenge of low financial capabilities of youth and to equip youth with the confidence to make sound financial decisions, effectively manage financial services, and develop and work toward a tangible savings goal, policymakers should develop national financial-literacy strategies for youth, as well as entrepreneurship programmes that increase the financial capabilities of youth (Flynn & Sumberg, 2017). Governments and donors should support the development and implementation of such strategies, be they school-based, community-based, technology-based or otherwise. This multi-stakeholder approach to overcoming these three barriers can bring increased attention to the opportunities of youth financial inclusion and capability, attract the resources to invest in those opportunities and share learning to increase the impact of these investments.

This generation faces a very difficult transition from childhood to adulthood as they become, in the majority of cases, heads of households at a much younger age than other less vulnerable youth. The number of young people will peak in the next 20 years. This unprecedented demographic growth could be seen as an opportunity but, given the baseline in terms of poverty and lack of opportunities for youth, it could represent a major threat to the future of these youth if their needs are not addressed. The failure to acquire marketable skills or capabilities for lifelong learning may consign them to persistent, deepening poverty. New approaches that support vulnerable youth to proactively realize their full economic potential are gaining attention. Access to financial and social assets is a key contributing factor to help youth make their own economic decisions and escape poverty. Providing young people with financial services whether a safe place to save or an appropriately structured loan for investment in an enterprise or education can promote entrepreneurship and asset building, and emphasize sustainable livelihoods (Baker & Anderson, 2010). The financial component is especially effective for youth when complemented with training in entrepreneurship and financial literacy, and mentorship opportunities. Despite these benefits, it is estimated that less than 5 percent of youth have a savings account as they face many barriers to access financial services. Few financial service providers (FSPs) such as banks, credit unions or microfinance institutions,

understand and adequately serve the youth market, and regulatory frameworks are not designed to be youth inclusive or protective of youth rights.

Policymakers should develop legislation that is consistent with the principles of The Smart Campaign and the Child-Friendly Banking Principles of Child and Youth Finance International. These policies, which are both youth-friendly and protective of youth rights, should be the outcome of a coordinated effort amongst different policy and line ministries, such as the Ministry of Finance, the Central Bank, the Ministry of Youth and the Ministry of Education. Multilateral and bi-lateral organizations should support such coordinated efforts (Ferede, 2012). Policymakers should develop legislation that facilitates the development of innovative, cost-effective and convenient delivery channels to increase low-cost access to financial services for youth. The legislation should enable FSPs to bank through agents, mobile phones, schools, etc. Multi-lateral and bi-lateral organizations should invest in these innovations and support relevant policies or regulatory measures. To help FSPs design and deliver appropriate financial services, policymakers should make it clear that building the capacity of FSPs that seek to enter the youth financial service market should be a priority area for donors. For example, one key area of capacity building is how to conduct market research to ^{identify} the socio-economic characteristics, needs, and preferences of youth.

Accepting the requirements of young persons in the course of important changes as well as establishing the duties that economic does in enabling those requirements is vital. Administering young persons with secure, value-added, better fund activity options could enable administer the changes as long as economic equipment, as well as services rendered, provided particular dilemmas also changes young person's undergo. Availability to economic practices could enable effortlessness pressure accompanied with great changes, like commencing higher education, starting a family procreating and death of family members. Therefore, finance must be seen as a whole set of involvements, majority of the youth are not financial literate, young people need to change their altitude towards finance. However, economic for learning, either through finance or credit, is necessary for young people pursuing higher education in technical education. Youth should have higher-value education, well-trained tutors as well as curriculum that contribute knowledge that is necessary to business and economic to only help themselves (Ferede, 2012).

The study of providing economizing reports to young people is significantly direct. Advocates of young person's economizing suggest that young person's economizing could enhance capital creation, economic disciplines as well as enhance the nation's holistic economizing effort. Their premise is that youth should start economizing early so that they could remove the barriers they profile to redeemable by way of arriving maturity after they partake to reimburse for themselves to endure their training, commence a trade, purchase a household among others (Flynn et. al. (2017). A mainstream of formative years in emerging nations express a dual difficulty they remain youth besides partaking little proceeds as well as consequently partake restricted choices. Structure possessions over redeemable initially on then-emerging thorough monetary ways be able to definitely inspire the sequence of individual youth's lifetime.

Leading, in attendance, remains slight tough indication in the communal effect of formative year's investments within established states, certainly in attendance remain insufficient effect in lessons obtainable on entire subject. The developing form of writing formative years investment popular industrialized nations, remains fairly hopeful. Additionally, in attendance remains comparatively insufficient well-documented issues given that formative year's investment facilities trendy a cost-effective way over the isolated industry. Kabeer (2005) reported that 35 percent of suppliers designate that their employees contemplate formative years towards standing careless, incapable of achieving cash, besides dangerous owing to absence of surety. The situation remains hopeful that the cumulative attention, research, besides investigation of investments financial records beside their share trendy formative years popularly exists, through period, aid grow an abundant additional healthy indication base together with the chances of formative year's investments and unresolved queries.

Financing innovative formative years hooked on the monetary scheme on a new stage must assist to make a cohort of grownups by sturdier cash administrative ways (Lekaram, 2014). By way of investigation innovative additional parts of youngster growth consume exposed, the aforementioned remains calmer aimed at youngsters towards shaping ways such by of monetary self-control once they remain undeveloped. Founded the idea that people learn finest through responsibility than that optimistic performances besides conducts remain finest refined forward-

looking youthful formerly formative years, formative year's investment goods might deliver a chance to exercise than nurture monetary competence initial innovative lifetime.

Together with the creation monetary facilities obtainable, numerous rule creators' innovative developing states remain observing aimed at habits toward present monetary competence plans beleaguered toward determinative ages. The panel remains motionless available, though, trendy the greatest method toward advance formative years of monetary conduct, or whether monetary competence plans remain impactful innovative over-all. Around partake remained insufficient influence educations unconfined toward period, however the Russia Monetary Literacy and Education Trust Fund and the Financial Education Fund consume innovative channel with numerous educations that influence monetary competence plans. Queries also remained elevated around charges related by the dissimilar methods aimed at structure monetary competence after old-style schoolroom founded toward form broadcasting (Ferede, 2012). Everywhere remains queries around which methods monetary competence effort finest then who remains finest right toward delivering monetary competence, as well as suitable parts aimed at monetary facility breadwinners than in what way toward attracting the streak among monetary competence besides advertising. A new groundwork explosion suggested emerging besides directing original representations to produce-related monetary teaching, maybe over the formation of a monetary competence invention endowment.

In the official investment subdivision, set clientele are able to expose investments books by them aimed at putting cash admission aforementioned innovative comparative extended periods than remaining not informal toward associate by way of present conditions forward-looking the contemporary cheap but once observing on their standard issues like care, liquidness, adulthood, harvest, besides rising. The Kenyan investments ground consumes combined together outdated than-contemporary companies, counting profitable sets, deposit-taking Microfinance Organizations (MFIs), Investments besides obliging Governments by way of healthy as well as assurance of Advantage Organization Investments, for instance fit by way of breadwinners of Non-Traditional Investments (Ferede, 2012).

2.3.3 Age

In Kenya, an early stage remains well-defined by way of a being among the stage of 18 as well as 35 ages. However the difference amongst the worldwide fractions of early life (14.1%) besides the Kenyan portion (75%) remains widened additionally through the change of the stage support, in Kenya early stages continue to be the mainstream populace (Kiiru, 2007). Here remains, therefore, an advanced rivalry aimed at capitals, chances, and services besides early life connected facilities. Separately after the difficulty of statistics here remain countless issues that production is a part of forward-looking woes of the new Kenyan businessperson.

Requiring remained instinctive besides conveyed awake of hopeless deficiency; the greatest early life must change with slight self-esteem that provides sureness. The situation demands that unique sureness toward trust that they are talented toward brand changes. Furthestmost early life instinctive new miserable deficiency prepares not trust that they can brand a chance. This remains a core setback toward early businesspersons in Kenya since one wants to brand them trust in themselves, initially they can trust that their hard work besides thoughts in private enterprise and harvest fruits. Insufficiency too creates the situation tough for the early life to avail money and obtain expertise as well as facts on speculation (Kabeer, 2005).

Separately absence of assurance as well as funds, there is a shortage of funding for innovativeness even at the minimum division of the general public. It is upsetting that the greatest number of close relatives would reasonably tell their youngsters to opt for work than commence any professional undertaking (Lekaram, 2014). Utmost early lives that provide a hand in trade remain seen as letdowns who might also not deal with or who would not prosper in the work environment. There is, therefore, an adverse effect that curtails from the perception that one wants to be in a job to become prosperous. Paradoxically, at the extensive run, the insufficient businesspersons who prosper, compared to the likelihoods, are perceived as hero.

Young persons are progressively renowned as the best representatives for adjustment since they place greater faith in their authority to nature our forthcoming. Conversely in many African countries, common of fresh persons are trapped in insufficiency, with few openings to study or to make a fully clad living. In Kenya 65% of the total populace is fresh persons under the period of

30 years creating them the common in this nation (Mecha, 2017). Kenya is a young at heart state as well as one would expect her to advance at a quicker rate but this is not trendy.

If fresh persons are endorsed to recognize their complete prospective, Kenya might see enormous financial achievements. As reported by economists, Kenya has the prospective to be the ultimate achievement of its rising young-looking people. Addressing tests of insufficiency, disparity, control, small venture as well as small firm output to attain prompt, persistent progression rates that would change lives of fresh persons in order to place the country on topmost of the sphere. The more we have fresh persons rising into learned grown-ups with less dependent relative as well as fresh prospects to secure prosperity, investments as well as buying influence, the extra they would be able to speed up monetary progression as well as improvement of the nation (Moenga, 2013).

Early stages of liberty in Kenya is gradually alleged as the paramount professionals for adjustment subsequently put extra noticeable anticipation in their aptitude to form our forthcoming. However, more part of youths is held in poverty, with couple of ventures to study or to earn a not also wicked living. In Kenya 65% of the total early stages below 30 years, creating them the main part in Kenya. Kenya is an undeveloped state as well as one would expect that it make a faster rate of empowering youth people. In Kenya, 85% of young people below the age of 30 years stay unemployed (Plan, 2014). In addition, 38.5% of the fully-fledged population is inexperienced. The monetary improvement in country rests at 5.9% as well as increasing at a relaxed rate through young people's liberation.

As a result that young people are endorsed to recognize their determined ability, the state might realize massive financial escalations. As showed by monetary professionals, the country could feasibly be one of the continent's best significant cases of overpowering hardship from its increasing enthusiastic population. Attention to problems of poverty, inequality, management, small undertaking as well as small firm effectiveness to bring about rapid, achieved improvement rates that would alter lives of youths (Sen, 1993). Additionally, youths increasing into experienced grown-ups with fewer zones as well as firsthand probabilities to safeguard resources, capitals as well as attaining effect, the more they would ensure the ability to hasten

financial improvement the better the progression of this country. The nation needs to shape attention in young people by, proceeding value coaching that groups them up for forthcoming probabilities, as well as reformative well-being besides human privileges are encountered. As a result of investing young people, it would enable them to choose at what time as well as whom to join beside the number of their families.

Liberation has comprised numerous native as well as global governments as a result of the various disputes that challenge human existences, particularly those at lower level (Adams, 2011). Some investigators have selected to describe liberty in its absenteeism, arguing that it is more demanding to describe definitely since it proceeds on an altered procedure in altered persons as well as contexts. In its nonexistence liberation is inability, actual or unreal; knowledgeable powerlessness; division; as well as damage of a common sense of control above one's personal natural life.

The study by Baker (2007) argued that freedom involves making openings as well as creativeness for the incapable, however, others consider that there is intentionality in the responsibility as well as that it is a procedure in which hard work to exert regulator are vital. Involvement with others to attain objectives, hard work to advance entrance to wealth, as well as some serious accepting of the sociopolitical situation creates liberation's basic constituents. Outstandingly, endowed persons are observed as being vital representatives in the growth procedure as well as the core players in the development of their own prosperity.

To support experts employed with the youth, diverse early life liberty representations were recognized. The Youth Development and Empowerment Approach (YDEA), identifies the youth as possessions as well as assets that should be used in communal as well as societal relationships, highlights involvement, where young people have openings to study. Subsequently, administrative act generates as well as/or endures circumstances that command the financial happiness of its people, Ferede (2012) recognizes four components of liberation that must inspire official alteration as appropriate entrance to data, presence as well as involvement, responsibility at all stages of management, as well as indigenous governmental ability. In this statement, Ferede highlights the essential for societies to commit themselves to finish dishonesty, as well as

favoritism at all stages of management since in a beliefs of dishonesty as well as persons, misplace assurance in their regime.

2.3.4 Education level

Education remains the significant part aimed at appealing the formative years aimed at formative year's growth. Innovative detail, formative year's entrance toward appropriate education than exercise remains likewise rooted in the 2010 composition. Outside structure human wealth towards increasing employee output, the additional official purpose of education exercise remains toward delivering new persons by pardoning the essential toward growing real mediators of change. Innovative instruction toward discovery addressed occupation, aimed at instance, Kenyan childhood essential toward growth of a variety of services than information that remains characteristically increased. Furthermore, a discount forward-looking formative years disparity remains strong-minded, toward an important degree, finished the excellence of education than exercise that formative years obtain (Mecha, 2017). The suggestion among the equal of education besides exercise, remains the only indicator, likewise unintentionally presence, fashionable the additional, scraps statistically important besides that authenticates the detail that improved cultured skilled persons relish improved admittance toward chances than others.

As long as the significant education exercise remains a dangerous issue aimed at formative year's appointment than growth, the mainstream of the Kenyan formative year's essential leftovers admission toward services. Innovative additional arguments, pardon remains appropriate stays not admission toward official theoretical programs but admission toward obtaining suitable expertise toward appropriate scholastic contextual than appeal of the mainstream of the formative years as well as the Kenyan occupation marketplace together with the currently forthcoming. Abilities found remains part that necessity is climbed up by the administration. It has been a deserted part of education than teaching strategy. The Average Period Strategy (APS 2008–2012), for instance, renowned that the teaching existence delivered through the Practical, Manufacturing, Occupational, Free enterprise Teaching organizations 'consumes remained delayed through insufficient services than unsuitable program, therefore utmost alumnae at this equal absence suitable capabilities (Moenga, 2013).

The last important part of formative year's appointment of growth remains engagement. Partaking remained adequately authorized or not, than consuming retrieved education than teaching or not, the formative year's motionless essential toward discovery occupations objectifying their living towards maturity. In Kenya, formative year's joblessness remains the main growth test (Moenga, 2013). The administration partakes tried toward challenging this test finished numerous creativities that comprised before deliberation; contributing radical advice-giving opportunity for formative years free enterprise than Sustainability Kenya Network, which remains a nationwide formative years multi-stakeholder system complicating front-line by indorsing formative years free enterprise than engagement in Kenya; pleasurable the idea of a formative years engagement marshall strategy, which remained towards joining schemes established than accommodating a nationwide formative years engagement meeting whose purposes comprised the preparation of rule endorsements to deliver an allowing situation aimed at formative years engagement creation, than the documentation of parts scheduled toward brand great gauge service chances aimed at the formative years in the small period; besides vigorously secondary the presentation, as well as joining afterward, innovative the labors of the Kenya formative years authorization than engagement inventiveness, which remains a creative below the management whose objectives remain towards making formative years aimed at the ecosphere of effort than to enable occupation formation innovative Kenya and the East Africa region (Sen, 1993).

Economic growth generates job opportunities and, hence, stronger demand for labor, the main and often the sole asset of the youth. In turn, increasing employment has been crucial in delivering higher growth. This relationship between growth and employment remains robustly positive despite recent signs of 'jobless growth' in Kenya and elsewhere. But even in circumstances of a weakening relationship between growth and employment, this may suggest a stronger rationale for a higher growth strategy in the future. Furthermore, such a trend may mask improvements in productivity that could provide the basis for the creation of even more job opportunities in the future (Lussier & Pfeifer, 2010). Consequently, the post-2008 economic recovery in Kenya constitutes a sound framework for expanding employment in the country.

However, generating and sustaining economic growth requires that certain conditions be present. First of all, despite the use of public employment programs to provide jobs for the youth, the public sector is not an engine of economic growth and therefore cannot create and sustain job growth over the long-term. The role of the public sector is to provide an enabling environment for the private sector to expand both in size and economic activities undertaken. In fact, the role of the public sector, and the Kenyan government more specifically, is to create a climate that ensures, to the extent possible and within the rule of law, political stability and security; that needed infrastructure is in place; and an operative sound macro-economic policy framework, such as an improved regulatory and tax climate for business corporations, an increased pace of privatization, and an export and savings mobilization orientation. Growth is best sustained when there is predictability in both the policy and physical environment, which, in turn, encourages private investors to make long-term commitments (Moenga, 2013).

If all these fresh persons remain allowable toward understanding they're filled possible, Kenya might understand enormous financial improvements. Conferring toward economists, Kenya consumes the possible to remain unique of Africa utmost achievement grounds afterward the national rising young populace (Yunus, 2008). Speaking of deficiency, disparity, supremacy, little asset than little organization output toward attaining fast, continued development charges that determination alter exists of fresh persons would place Kenya from the highest of the ecosphere. The additional fresh persons rising hooked remain cultured grownups by less dependent relative than original chances toward obtaining wealth, investments besides buying control, additionally their determination remain talented to hurry financial development than growth of this republic. Kenya necessity upsurge asset innovative young person's finishing, indorsing excellence education that makes them aimed at upcoming chances, authorizing youths, then safeguarding their sensual that generative well-being than human privileges that are met (Sun, 2012). Through responsibility, the aforementioned would allow them to control once than toward espousing than the amount of their offspring. When youth remain intelligent toward brand choices, they remain healthier talented toward education than follow their vocations.

The problem of formative years authorization through education or obtaining useful literateness must include services gaining aimed at independence then self-actualization. The aforementioned

remains lone by obtaining such free initiative state that they remain intelligent to donate reminiscently to the sustainable development of their societies than the state. This kind of learning rendering includes doings which remain meant on emerging formative year's ethical standards than understanding obligatory brand-new altogether with everything of lifetime, somewhat than information services connecting toward lone an incomplete ground of action. In deduction, they avowed that the drives of advanced learning aimed at formative years remain toward delivering the circumstances vital aimed on young people than smooth mature toward growth sympathetic of the civilizations than thoughts swaying the civilization leading edge which the living individual obtain language than additional services, which remain fundamentals toward knowledge of individual growth, originality than individual growth

In investigation schoolwork approved by Zindiye (2008) remained flared service aimed at African formative years over advanced learning, they recommended events to remain occupied through advanced learning bests to the authorization of formative years aimed at growth. By way of administration reports the problematic of formative years, advanced instructive organizations remain advised toward donating evocatively leading-edge authorizing the formative years than toward enhancing worth toward their yields correspondingly (Baker, 2007). To this, advanced education remained advised toward group improvements leading-edge their theoretical programs that would advantage the formative years than encounter their wants. Such improvements of theoretical program, additional, must emphasize the justification of advanced education programs than highlighting trendy the gaining growth of services amongst others. One of the tests conflicting campus than advanced schooling currently leading-edge the manufacture of alumnae of globally acknowledged normal by suitable information than services leading-edge their numerous punishments creation such alumnae not lone extremely employable through personality nonetheless remain talented toward employing others by way of free enterprise education to pursue toward discovery in the way alumnae may be able to change their learning toward intelligently creative undertakings (Adams, 2011). Therefore sustainable growth remains responsibility valuable aimed at making prosperity than refining the lifetime of males deprived of lessening them.

The part of free enterprise in financial, partisan, then communal growth includes additional than fair cumulative piece of capita revenue than production, the aforementioned, too includes copying then establishing alteration in leading-edge the construction of commercial civilization, which remains talented through development than augmented production, foremost toward maintaining growth of personality, the instant civilization, the state then the biosphere at great (Kabeer, 2005). The aforementioned remains over this that, formative year's innovative advanced learning programs are able to donate toward sustainable growth on forward-looking groups, than the state at immense. Usually, the influence of formative years authorization takes the remaining rising fast procedures around 45% of the entire populace of groups. Real formative years authorization removes joblessness, unreachability toward evidence, little teaching equal, susceptibility toward HIV and AIDS, non-involvement cutting-edge supremacy than humanoid correct matters, subsequent leading-edge growth than concord structure pioneering our republics, though safety remains certain. Uncertainty, the formative years remain accepted after contributing innovative growth by way of healthy as concord structure procedure, through stingy of these existence circumstances they develop susceptible toward strength, meanwhile they are separated than relegated (Ferede, 2012). This developing situation remains obviously obvious leading-edge the new socio-political ferocity to front line certain portions of the world.

2.4. Summary of Literature Review and Research Gap

In the final analysis, there is no doubt that microfinance has contributed immensely to the country's mainstream financial empowerment. It has included many young people who were not otherwise included in the financial system. The birth of Kenya's microfinance can be traced from international NGOs who initially funded the first deposit-taking MFI which later came to be registered by the Central Bank of Kenya. According to Sun (2012), the pursuit of both financial and social goals by the MFIs has increased the self-sufficiency levels in a significant. However, there have been arguments whether microfinance has been able to contribute to long-term poverty reduction and resilience among households in Kenya (Thomsen & Conyon, 2012). To those who argue that microfinance has not been able to impact economies such as Ferede (2012), due to lack of subsidies from the government, microfinance institutions have ensured that repayment rates are adjusted upwards for profit's sake. Although effects of youth demographics

at local levels have been investigated, detailed literature review shows that youth demographics effects on financial empowerment in Busia County have not been well-studied.

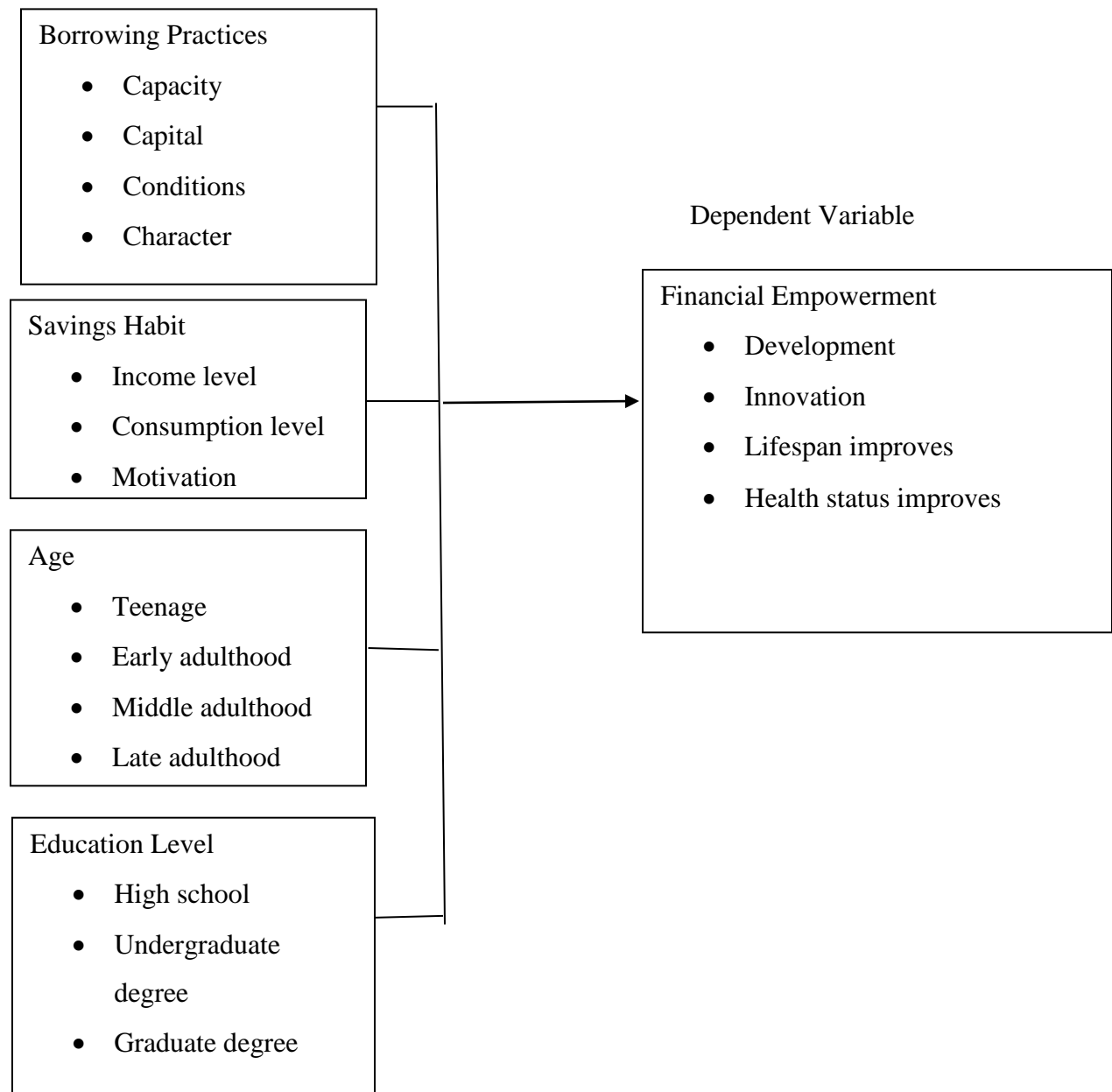
Financial empowerment can be conceived in various ways. The first sense according to Mecha (2017) is to provide an enabling environment for young people to do things on their own as opposed to being done things for. Empowered youths acquire more progressive attitudes, confidence to make decisions, and authority to defend their ideas. The other sense of youth empowerment is making them capable of crafting life courses based on new information or resources not previously accessible to them. This sense includes young people not only being responsible for what they do but also taking responsibility for their actions. However, Sun (2012) has criticized youth empowerment approaches that take a risk-based perspective. In other words, most youth programs for empowerment focus on preventing them from doing wrong things instead of making them capable of doing the right things. As such, young people have been over time considered as problems that require fixing but not as assets that can be harnessed for productivity. There has indeed been a gap in the way microfinance products have been structured; without regard for the young persons' needs and circumstances. This study seeks to adopt an asset-building approach, holistic empowerment and capabilities perspective to investigate to what extent MFIs have been able to uplift lives of youths in Busia County.

2.5. Conceptual Framework

Based on the literature review, above theories and the tentative answers to this study's research questions, it is conceived that the relationship between the blocks of variables were as shown below.

Figure 2.1 Conceptual Framework

Independent Variables



The above conceptual framework simply hypothesizes that microfinance services lead to youth empowerment which includes skills acquisition, improved levels of income, social networks, savings, access to credit age and level of education on microfinance services that the youth receive. The operational framework below shows how the variables were measured.

2.5 Operational Framework

Table 2.1 Operational Framework

Variable	Definition	Measurement	Measurement scale
Y	Financial empowerment	Profitability Development	Ratios
X ₁	Borrowing practice	Capacity Capital	Ordinal
X ₂	Saving habit	Income level Motivation	Interval
X ₃	Age	Teenage Early adulthood	Ordinal
X ₄	Education level	High school Undergraduate degree	Ordinal

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter explains the collection of methods that were used to carry out the study. It explained the approach that was adopted and defines the population of study as well as methods that were used to select respondents for the study. In addition, methods used in data collection are explained as well as those used in data processing and analysis.

3.2 Research Design

This study adopted a mixed designs approach. According to Mugenda and Mugenda (2003), mixed designs entail the use several approaches such as both descriptive and inferential methods. In this study, these research designs combined causal design, cross-sectional design, and experimental design. Therefore, the study was described as adopting a cross-sectional causal-experimental design. The causal design component was used to establish the association between microfinance and youth empowerment. According to Mugenda (2008), a causal link between independent and dependent variables exists only if correlation is high; there is no spuriousness (a third variable mediating the relationship), and that variation in independent variable happens before variation in the dependent variable (time-order). Lastly, the study was done at a point in time, hence the cross-sectional design component. This was a quantitative study in which youths in Busia County were surveyed. Zikmund (2012) offers key features quantitative research. Generally, quantitative research gathers numeric data from respondents.

3.3 Target Population

The target population of this study is beneficiaries of microfinance services in Butula, Samia, Nambale, Teso South, Teso North, and Busia Sub-Counties, Busia County in the databases of MFIs was accessed through the Microfinance Association of Kenya. The population consisted of 570 youths aged 18 and above who have succeeded in getting credit from MFIs. The population of this study excludes those loan applications that are under review since they could succeed or otherwise.

3.4 Sampling Procedure

Random sampling was used in coming up with the sample for the study. This sampling technique was applied to minimize sampling error as all elements in the target population had an equal chance of being selected. Statistically in order to generalize sample of 30 elements should exist (cooper & schindler, 2003). Kotler (2001) indicates that 10% or more of target population was reliable sample for descriptive study. A sample of 60 youths was randomly selected out of a total population of 570, this represents approximately 10% of the total population. The selection was random so as to get a representative sample without selection bias.

3.5 Data Collection Methods

The principal method of data collection was through the use of the questionnaire. The study also utilized secondary data obtained from the MFIs or the Microfinance Association of Kenya. The questionnaires had two sections. The first section collected demographic information of all respondents and the second section collected the microfinance information, and youth empowerment information.

3.6 Validity and Reliability Test

Questionnaires were piloted for such study to test for validity and reliability of data. According to Kothari (2012) pre-testing is a process of testing the questionnaire on a less sample of respondents to determine and redetermine better questions and the staff adopted in the pilot test to be excluded in the final study.

In order to check reliability of the outcome, researcher used Cronbach's alpha methodology, which was based on inner consistency. Cronbach's alpha indicated the satisfactory of measurable items and its relationship. Today and future condition was tested for the effect of youth demographics on financial empowerment with clear interest in Busia County.

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. However, there was actually no lower limit to the coefficient. The closer Cronbach's alpha coefficient was to 1.0 the higher the inner consistency of the items in the scale. While increasing the amount of alpha was partially dependent upon the number of items in the scale, it was stated that this had written

down value. It was also argued that while greater amount for Cronbach's alpha measures better inner consistency of the items in the scale; it does not average that the scale is unidimensional (Kombo & Tromp, 2010).

3.7 Data Processing and Analysis

Quantitative data were entered into Excel and exported to the Statistical Package for Social Sciences (SPSS). Both Excel and SPSS were used for different analysis because each of them has differential functionalities. For instance, Excel is best for graphs and other charts while SPSS suited for more advanced analyses. Data were cleaned and coded in preparation for analysis. Both inferential and descriptive methods of analysis were used. The major inferential methods of analysis included correlations and regressions. The presentation of results was done depending on the type of data or variables; hence charts, tables, and text were used to present the results of the study.

The functional correlation was shown by using the multiple regression equation which takes the form:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + E$$

Where:

Y = Financial empowerment

X₁ = Age

X₂ = Borrowing practices

X₃ = saving habit

X₄ = Education level

Relationship techniques specifically Pearson correlation was adopted to indicate the degree of collaboration between various objectives under consideration and multiple regression analysis was adopted to estimate the causal correlation between the chosen objectives. Relationship was adopted to indicate the degree of collaboration between various objectives under study.

3.8 Diagnostic Tests

In order to assure the generalizability of the study results, the following statistical tests and analyses were used: Cronbach's alpha coefficient correlation coefficient, ANOVA, independent samples t-test and z-test.

3.8.1 Multicollinearity

According to Maddala, Lahiri and Kajal (2009), multicollinearity is an assumption of a correlation between explanatory objectives that innovates biased regression technique. This challenge occurs when the explanatory objectives are greatly related with each other. Multicollinearity short comings exists when the correlation coefficient among the objectives are higher than 0.90. Variance inflation factors (VIF) was adopted to test how much the difference of the estimated regression coefficients are inflated as compared to when the predictor objectives are not linearly correlated. It explained how much multicollinearity (correlation between predictors) exists in a regression analysis.

3.8.2 Heteroskedasticity

Steriou, Dimitros, Hall, and Stephen (2011), heteroskedasticity means that error terms do not have a constant difference. If heteroskedasticity occur, the estimator of the ordinary least square technique is inefficient and hypothesis testing is not reliable or valid as it would not provide accurate variances and standard errors. Glesjertest for heteroskedasticity in the form of the size of random error rising proportionally to diversify in one or more exogenous objectives was used. The test was done by regressing the absolute amount of ordinary least squares residuals from the main regression equation on the objectives in question.

3.8.3 Testing for Serial Correlation

Serial correlation was usually an answer of technique of genuine auto relation of the error term. In the presence of such a phenomenon, ordinary least squares are not BLUE (Best Linear Unbiased Estimators). In such cases, R-squared may be overestimated. According to Dougherty et al. (2011), when the error term for any observation is related to the error term of other observation, it measures that auto relation challenge exists in the technique. In the case of auto relation challenge, the estimated parameters could still remain unbiased and consistent, but it was

inefficient. In this investigation auto relation was tested by using Durbin-Watson test. The Durbin-Watson test descriptive tested the null hypothesis that the residuals from an ordinary least squares regression are not auto related against the alternative residuals. Durbin Watson determined higher and smaller bounds for the serious amounts. Typically, calculated bounds were adopted to test the hypothesis of zero auto relation against the alternative of positive first order auto relation, since positive auto relation was seen much more frequently in activity than negative auto relation. To use the table, you must cross-reference the sample size against the number of regressors, excluding the constant from the number of regressors.

3.8 Ethical Issues

The context of research ethics refers to the appropriateness of behavior in relation to the rights of those who become the subjects of my work (Robinson, 2002; Zikmund, 2000), the researcher would have a confidentiality statement on each questionnaire assuring the respondent on confidentiality and anonymity. The issue of consent especially written consent was very important in the sense that the researcher is in a position to know whether the respondent was willing to participate in the data collection process and therefore provide valid feedback. Information on the nature and purpose of the study was expounded to the respondent as a means of providing sufficient information before they decide to participate. To maintain confidentiality, the researcher also took a declaration that the data collected would not be revealed to anyone else and was privately stored for the researcher access alone away from unauthorized persons, otherwise it would lead to breach of confidence.

The researcher also declared that the identity of respondents would not be revealed in any way. The researcher ensured that the respondent does not indicate their names on the questionnaire and that the data collected would be kept in a safe cabinet and would become the personal possession of the researcher. Information on the nature and purpose of the study was expounded to the respondents as a means of providing sufficient information before they participated in the exercise. The researcher obtained a questionnaire consent form from the institution allowing him to carry out the intended study.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter examines the analysis as well as a demonstration of the results acquired from the field. Descriptive and inferential statistics have been used to examine the results of the research.

4.2 Response rate

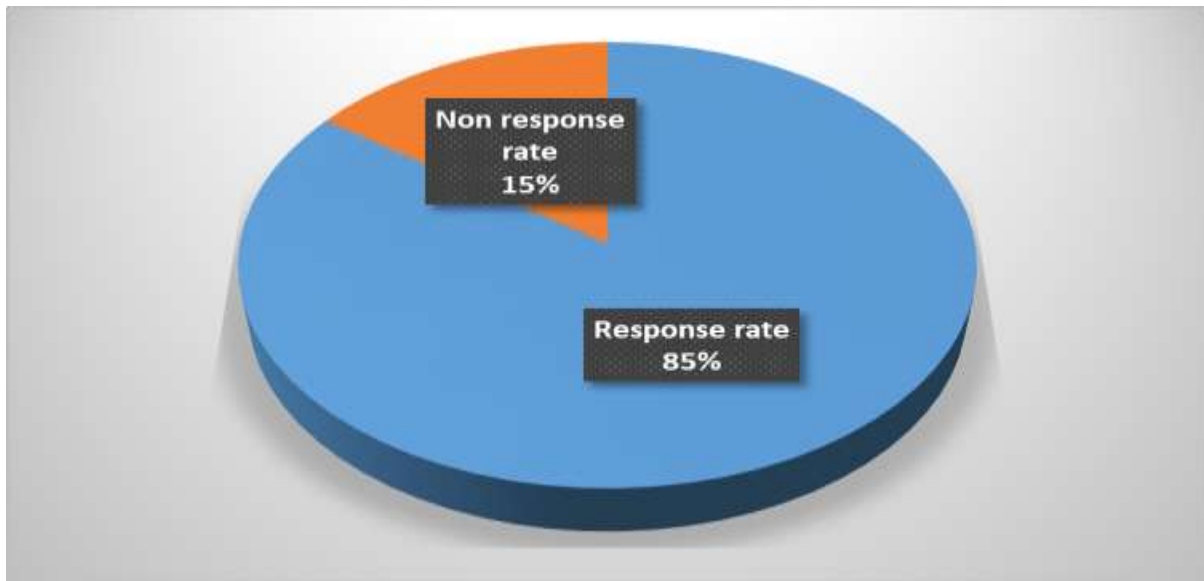


Figure 4.1 response rate

The study focused a sample size of 60 respondents from which 51 filled in and returned the questionnaires making a response rate of 85% while 9 respondents did not return their questionnaires making nonresponse rate of 15%. According to Cooper and Schindler, (2003) a response rate of 80% and above was considered excellent for any research with that of 60%-80% being sufficient while response rate between 50%-60% was considered adequate.

4.3 General Information

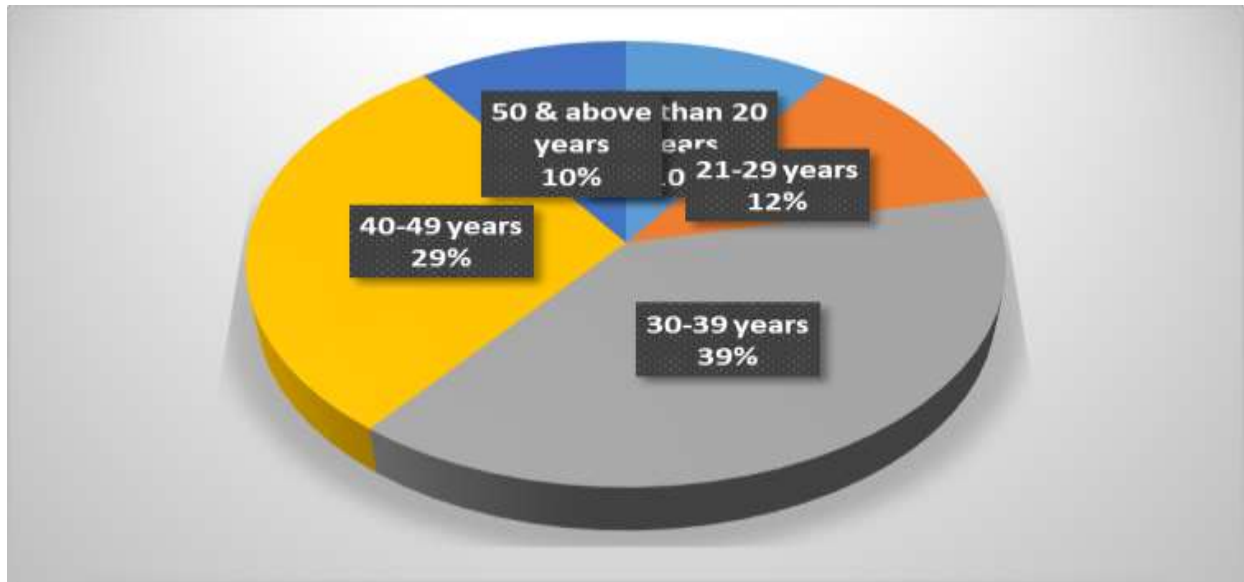


Figure 4.2 Age of Respondent

The research revealed that 39% of respondents were aging among 30-39 years, 29% of the respondents ageing among 40-49 years while 12%, 10% and 10% of respondents ageing among 21-29 years, over 50 years and below 20 years. This shows that the sample applied by the research was well dispensed in terms of aging as well as could, therefore, give reliable data on age and allow financial empowerment in Kenya as different generations are affected by the various factors differently.

4.3.2 Marital Status

Results revealed that most of the respondents (33%) were married, 29% were single, and 12% were widowed while 19% were separated. Only a small proportion of the respondents (7%) were divorced.

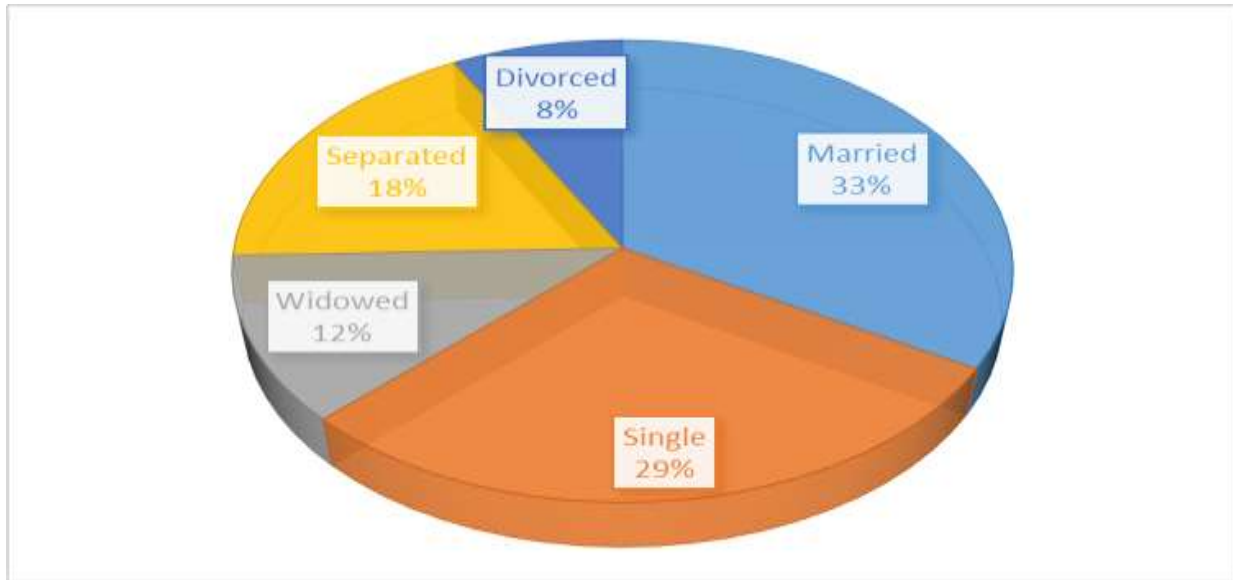


Figure 4.3: Marital status of respondent

4.3.3 Level of Education

The study sought to determine the level of training of the respondents. Results showed that most of the respondents had a primary training of 45% of the respondents, 28% had secondary training, 12% had diploma training while a small proportion of respondents as indicated by 4 % and 1% had an undergraduate as well as master degrees respectively. This data revealed that the respondents were of great training level enough to give valid and reliable data based on their great level of understanding of separate challenges concerning the microfinance and financial entitlement to youths in Kenya.

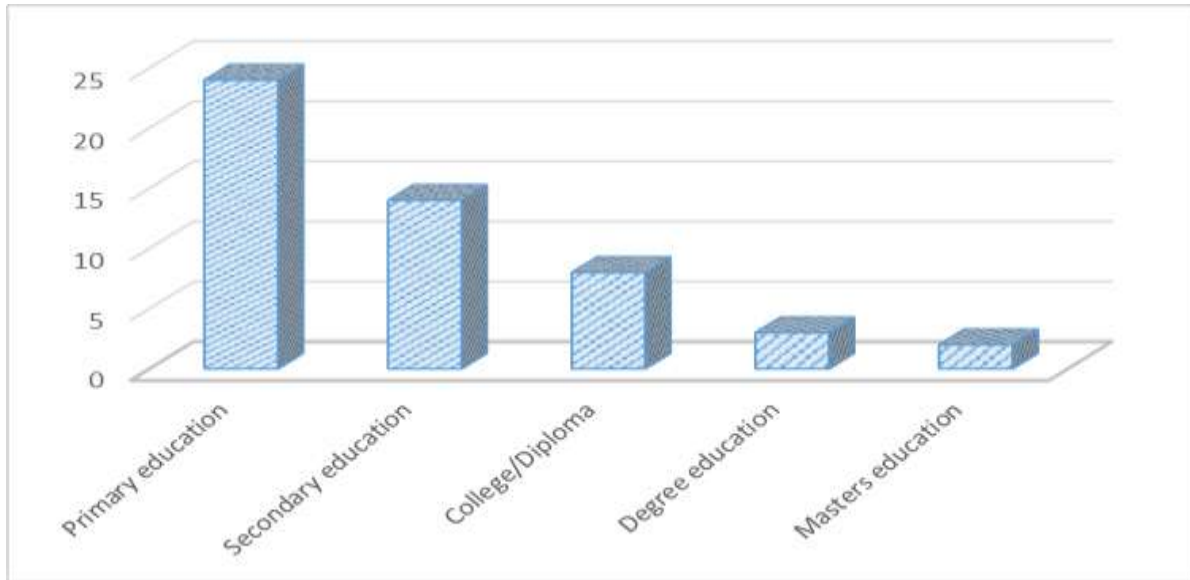


Figure 4.4: Level of Education

4.3.4 Occupation

The study sought to evaluate the respondents' present profession, as well as results, are as shown in figure 4.4 below. From the results, most of the respondents at 73% were in casual jobs, while 27% were in the precise job. This depicts that the MFs are more applied by youths in casual industry.

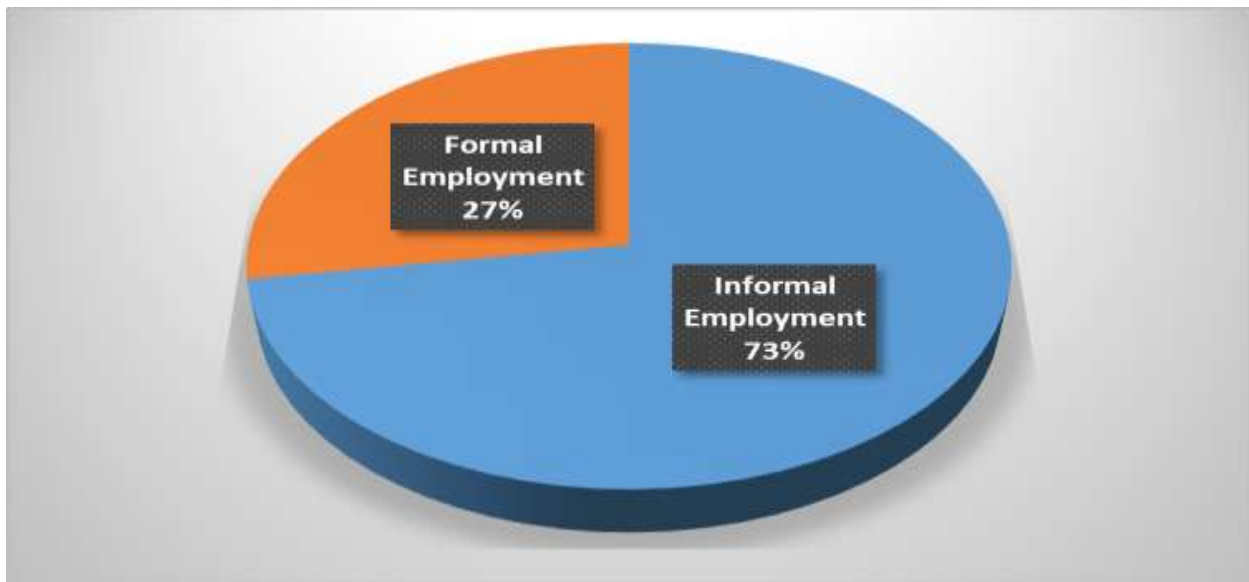


Figure 4.5: Occupation of respondents

4.3.5 Monthly Income

The respondents were required to indicate their monthly returns, and findings are stipulated in the table below. The table showed that most of the respondents (35%) had monthly return of Ksh20,001 to 30,000, 29% had returns had 40,000 and above, 13% between 500les to 10,000, 12% had between Ksh. 30,001 to 40,000, 8% among Ksh. 10,001 and 20,000 while 3% had less than Ksh 5000. This indicated that most of the respondents had a substantial monthly return of over Ksh.20, 000 hence transferring towards economic balance with the inception of the microfinance services at their disposition.

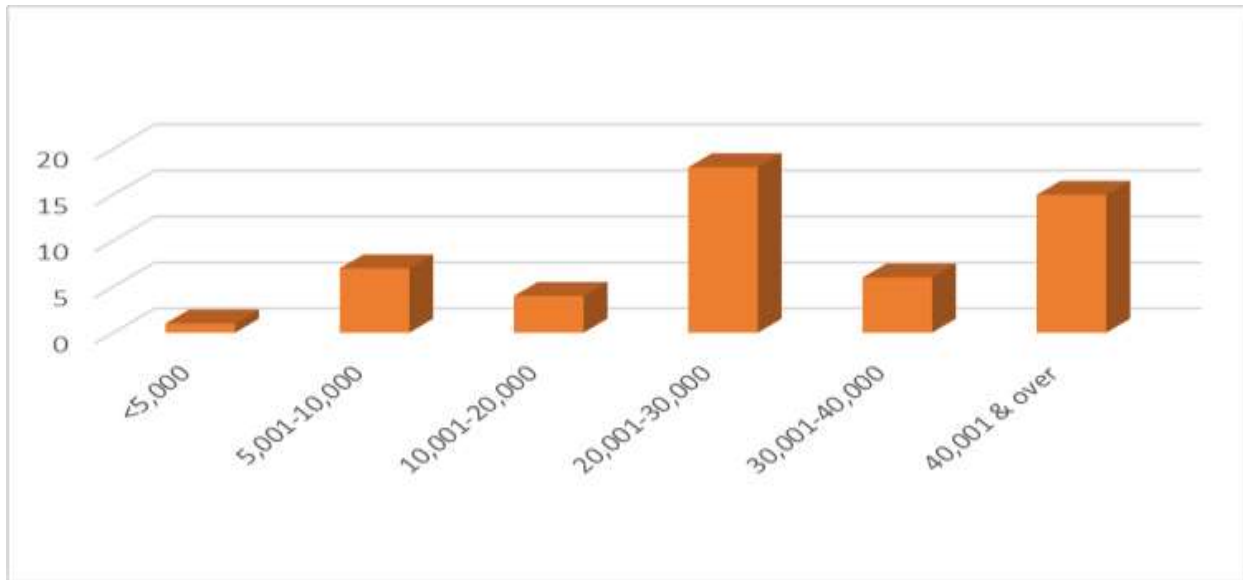


Figure 4.6: Respondents Monthly Income

4.4 Youth Demographics

4.4.1 Benefits received from Borrowing Practices

The majority (69%) of respondents received loan as the main services, 23% savings and 8% financial advisory. However, other respondents indicated that they received loans from all the services.

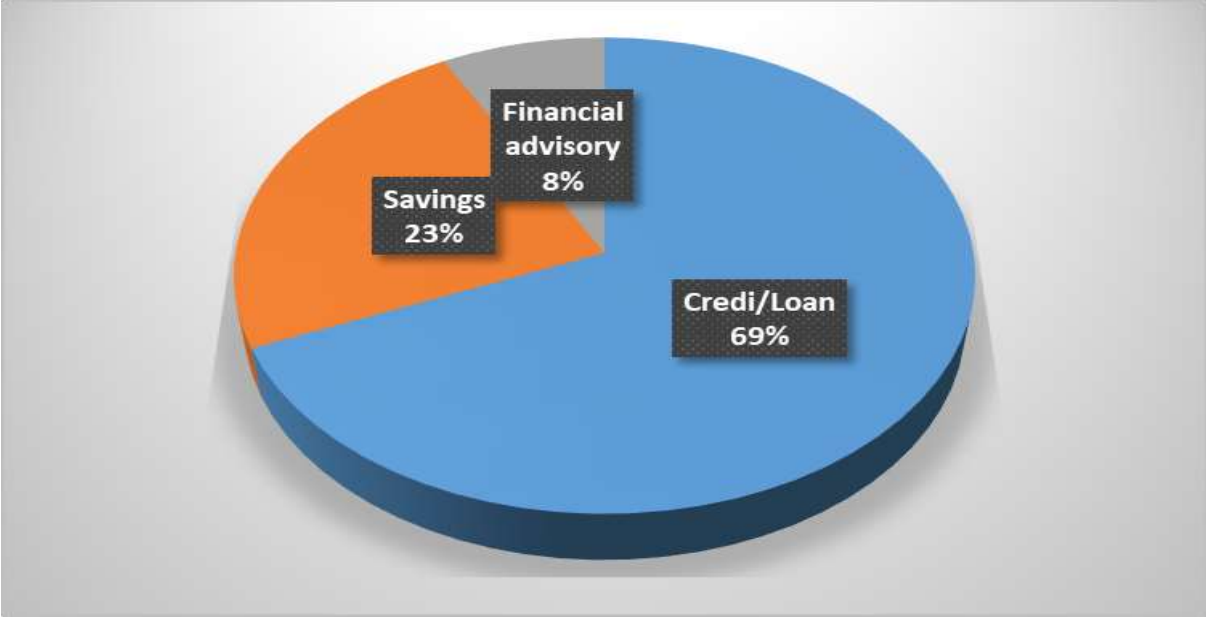


Figure 4.7: Respondents Saving Habits

The respondents were also required to state whether previous to joining MFIs, they were used to retaining funds. Findings revealed that 57% of the respondents were not retaining funds while 43% were retaining funds or resources in the form of assets. The findings are shown in figure 4.6 below. However, after joining the microfinance institutions as customers, retaining funds was a must for one to get loan.

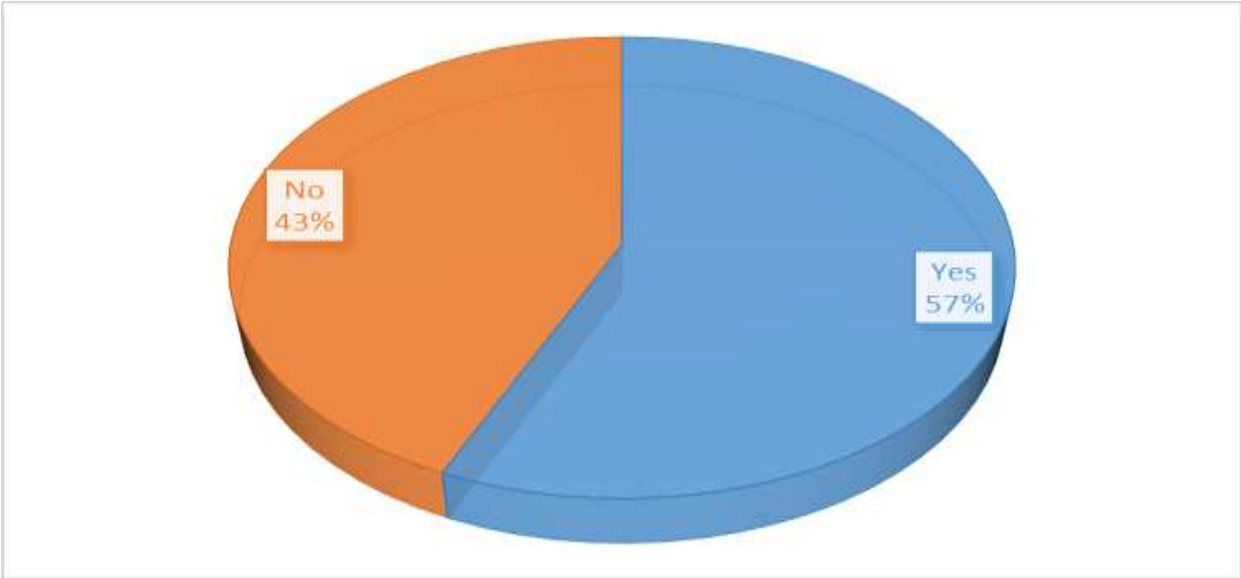


Figure 4.8: Respondents Saving Habit

As shown in figure 4.9 below, 29% of the respondents applied the loans for business expansion, 23% for business startups, 15% for children education as well as acquisition household asset, 13% for household expenses as well as 5% for own training. Therefore, most (52%) of respondents used the loans to business startups or expansion which is a worthy course to youth empowerment. This shows that most youths funded their development initiatives like started their business by taking loan from MFIs as compared to other sources.

In addition, the respondents further disclosed that they were able to increase their income and provided not only with financial help to their families but also had positive effect on other indicators of daily life. These poor youth brought about a positive change to their economic as well as social condition as well as started taking active part in the decision making procedure of the family and community. The findings acquired from assessment concerning the accomplishment of improving duty in making policy procedure in the family, reveals that microfinance institutions are greatly associated to create up of social and financial entitlement.

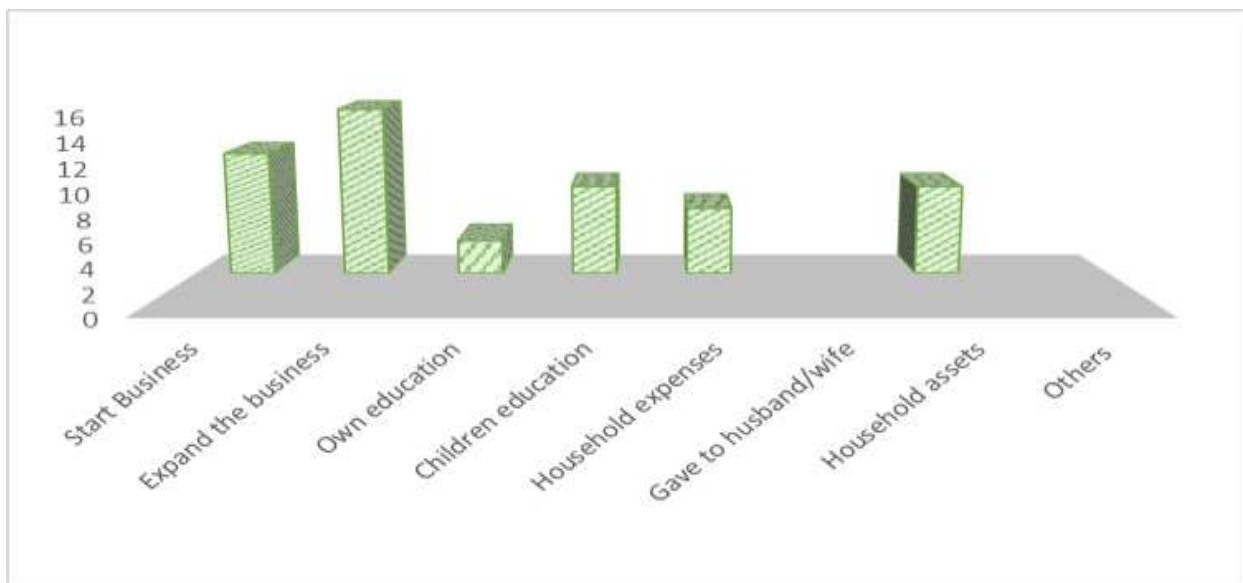


Figure 4.9: Response on use of Loan

As shown in figure 4.10 below, 61% of the respondents said that borrowing practices had a lot of positive change in their quality of life, while 33% indicated to a moderate extent, 5% felt that their quality of life had not been affected while 1% felt that the change was negative.

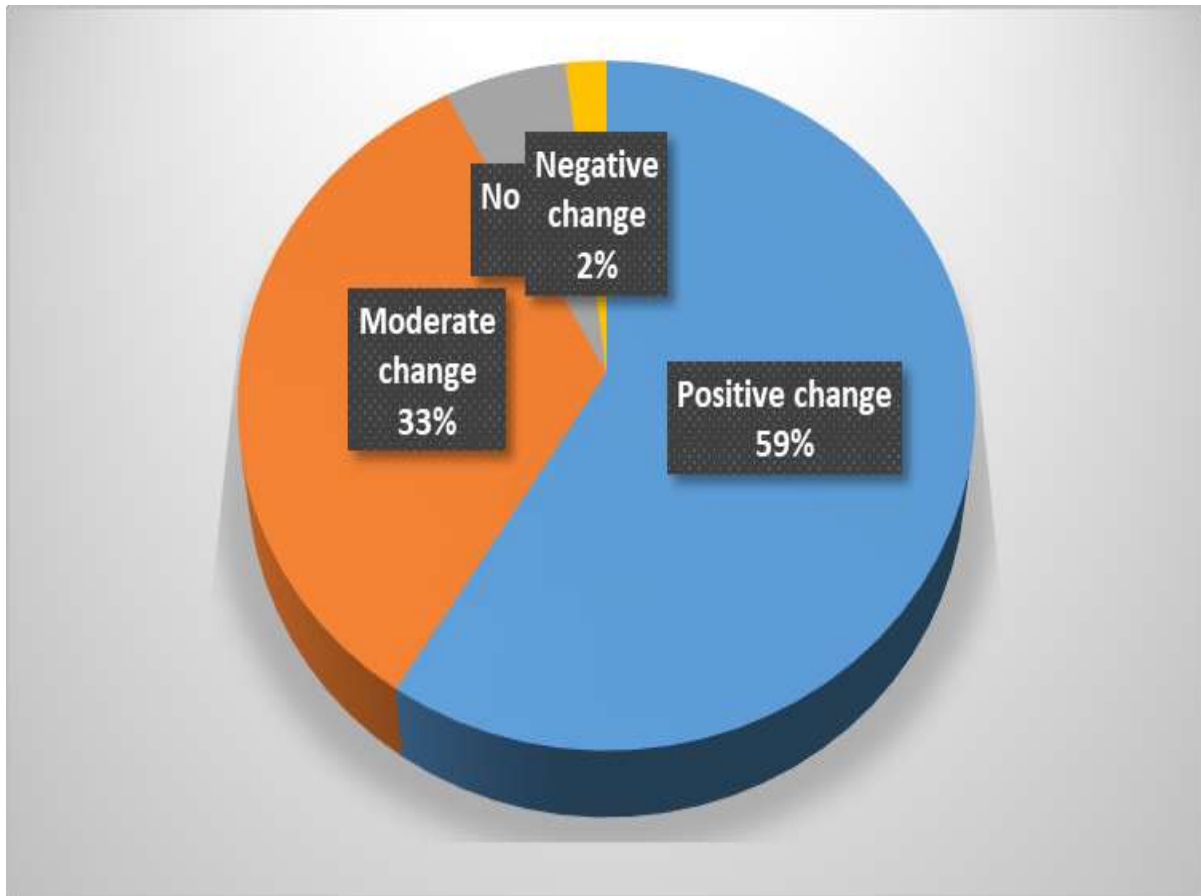


Figure 4.10: Respondents rating on borrowing practices

4.5 Effects of Youth Demographics on Financial Empowerment

The research sought to establish the effects of youth demographics and financial empowerment by administering questions which were indicators of entitlement to both economical, making policy as well as social. The findings were presented in table 4.1 below. A Likert scale was used where a scale of 1 to 5 was used where 5 was to a very great extent, 4 great extents, 3 moderate extent, 2 low extents and 1 to very low extent.

As shown in the table below, on average, access to a very great extent, the respondents indicated that due to youth demographics, they had been able to save more and acquire assets. To a great extent, the respondents were capable to advance their returns, advance standard of living, received education, and advanced youth involvement in making policy, enhanced movement as well as self-belief. To a moderate extent, youth demographics were capable to acquire self-

respect as well as advanced youth position to the community. To a low extent, borrowing practices decreased youth oppression. The main effect of youth demographics was found to enhance savings with mean of 5 and standard deviation of 0, advancement in assets owned with score of 4.6725 and standard deviation of 0.1692, improve in return with mean of 4.2571 and standard deviation of 0.9326 and advanced involvement of youth in making policy with a mean of 4.1930 and standard deviation of 0.3922.

Table 4.1: Effects of Youth Demographics on Financial Empowerment

Indicator	Mean	SDV
Access to micro-financial services has led to increase in income	4.2571	0.9326
Quality of life has improved due to microfinance services	3.6271	0.3425
Microfinance services have improved the place of youth in society	3.2910	1.2301
Challenges faced by youth in society has reduced as a result of	3.7413	0.9351
MFIs offer informal training and skills for youth empowerment	4.0000	0.0000
MFIs have reduced cultural oppression on youth	2.0831	1.6201
Due to MFIs, you have able to save more	5.0000	0.0000
Own more assets as a result of microfinance services	4.6725	0.1692
MFS has enabled the youth to participate in decision making	4.1930	0.3922
Microfinance services have enabled youth mobility	3.8271	0.6625
Microfinance services have increased youth self-esteem	3.7194	0.7321
Self-efficacy has improved among youth who are members of MFIs	3.9931	1.9351

4.6 Diagnostic Tests

4.6.1 VIF test for Multicollinearity

This test was carried out after regression to confirm the pretest indicated earlier on Multicollinearity of data. The results obtained are presented in the table below and give a mean VIF of 2.48 which is less than the set threshold of 10 when the variables are perfectly collinear. Somers and Gizzi (2011) indicated that if VIF=1, then no correlation, if VIF is greater than 5 but less than 10 then there is moderate correlation and if VIF is greater than 10 then this indicates

high correlation. This therefore confirms that there is no Multicollinearity in the variables used in line with the pre-test done on the data as shown below:

Table 4.2: VIF test for Multicollinearity

Variable	VIF	1/VIF
Borrowings	3.18	0.314592
Saving habits	2.31	0.432886
Age	1.91	0.515310
Education	2.15	0.42611
Mean VIF	2.183	

4.7 Analytical Model

The correlation among the dependent variable which was financial empowerment and independent variables which were borrowing practices by youth from the microfinance and saving habits through microfinance institutions, respondent's age and level of education was tested. Respondents' age and level of education were control variables since the advancement in profit over years to a large extent depend on the two variables.

This examination was meant to perform the study general objective which was to establish the effect of youth demographics on financial empowerment in Kenya. Examination of the variables was done using logit model examination with help of SPSS. From table 4.2 below, the model is fit in explaining microfinance services and youth empowerment as significance, since its t value is 0.036.

Table 4.3: Analytical Model Summary

Model	Chi square	df	Significance
Step	10.254	4	0.036
Block	10.254	4	0.036
Model	10.254	4	0.036

The table below indicates the model summary. This implies that the model developed youth demographics (borrowing practices, saving habits, age and level of education) cost a change or are explained by a change in financial empowerment by between 18.2% to 25.9%. Other factors not considered in this study are explained by the other percentages. This implies that amount of loan economic acquired from microfinance, amount of saving through the microfinance institutions, the aging of the youth and level of training all have significant effect on financial entitlement in Kenya.

Table 4.4: Model Summary

-2 Log like Cox and	Sne Nagelkerke	R square
151.537a	0.182	0.259

a. Estimation terminated at interaction number 5 because parameter estimates changed by less than 0.001

The model coefficients showed that age is the only variable that has a significant relationship with financial empowerment. Loan received from microfinance institutions, savings, and level of education is not significantly correlated with financial empowerment. The odd ratio model implies that as age increases, we are more likely to have more financial empowerment by microfinance institutions at least 2 times. As loan received increases, we are more likely to have financial empowerment by microfinance institutions at least 5.8 times, as individuals savings increases, we are more likely to have youth empowerment by microfinance institutions at least 0.32 times and as level of education increases, we are more likely to have financial empowerment by microfinance institutions at least 1.89 times. The model developed showed the correlation among the independent variables and financial empowerment is $Y = -4.45 + 0.7596X_1 + 1.762X_2 - 1.14X_3 + 0.642X_4$; where Y is financial empowerment, X_1 is the age, X_2 is the borrowing practices, X_3 is the saving habit and X_4 is the education level as measured by years spent on education.

Table 4.5: Analytical Model Coefficient

Model	B	SE	Wald	df	Sig.	Exp. (B)
Age	0.759	0.332	5.243	1	0.022	2.137
Borrowing	1.762	1.435	1.508	1	0.219	5.826
Saving habit	-1.14	0.708	2.592	1	0.107	0.32
Educ. level	0.641	0.412	2.424	1	0.119	1.898
Constant	-4.45	2.637	2.848	1	0.091	0.012

a. Dependent variable: Youth empowerment

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the significant components of the research, discussion of major results as well as interpretation of the findings. This chapter also presents the conclusions drawn from the study results and recommendations for advancement as well as suggestions for further study. The chapter is subdivided into section 5.2 on the summary of the study, section 5.3 on conclusion of the study and section 5.4 on recommendations of the study and section 5.5 which offers limitations of the study and 5.6 on suggestions for further research.

5.2 Summary of Findings

The purpose of this study was to assess the effect of youth demographics on financial empowerment in Busia County. Accordingly, research questions were formulated in line with the research objectives, which the researcher set out to look for answers. With a sample size of 60 respondents, selected using random sampling, the researcher used questionnaires to gather information related to the study. The study findings were analyzed, presented and interpreted. This chapter therefore presents discussions of the study findings, conclusions and recommendations on important issues that arose from the study and finally recommends areas for further research work.

The analytical model examination was meant to perform the study general objective which was to establish the effect of youth demographics on financial empowerment in Kenya. Examination of the variables was done using logit model examination with help of SPSS. The model was fit in explaining youth demographics and financial empowerment as significance, since its t value was 0.036. The model summary developed youth demographics (age, borrowed practices, saving habits and education level) cost a change or are explained by a change in financial empowerment by between 18.2% and 25.9%. Other factors not considered in this study are explained by the other percentages.

5.2.1 Effect of Age on Financial Empowerment

The research revealed that 39% of respondents were of the age of 30-39 years, 29% of the respondents were of the age of 40-49 years while 12%, 10% and 10% of respondents were of the

age of 21-29 years, over 50 years and below 20 years. This shows that the sample applied by the research was well dispensed in terms of aging as well as could, therefore, give reliable data on youth demographics and allow the youths in Kenya as different generations are affected by the various factors differently. The model coefficients showed that age is the only variable that has a significant relationship with financial empowerment. The odd ratio model implies that as age increases, youths are more likely to have more financial empowerment by microfinance institutions at least 2 times. Kabeer (2005) disagreed with the findings that an increase in age is likely to have more financial empowerment. Kabeer argued that as age increases the situation gets tougher for the youths to get money and obtain expertise as well as facts on speculation.

5.2.2 Effect of Borrowing Practices on Financial Empowerment

Findings revealed that 29% of the respondents applied the loans for business expansion, 23% for business startups, 15% for children education as well as acquisition household asset, 13% for household expenses as well as 5% for own training. Therefore, most (52%) of respondents used the loans to business startups or expansion which is a worthy course for financial empowerment. The findings further showed that respondents were able to increase their income and provided not only with financial help to their families but also had positive effect on other indicators of daily life. These poor youth brought about a positive change to their economic as well as social condition as well as started taking active part in the decision making procedure of the family and community. The findings acquired from assessment concerning the accomplishment of improving duty in making policy procedure in the family, reveals that microfinance institutions are greatly associated to create up of social and financial entitlement. To a moderate extent, borrowings practices allowed the respondents to earn self-respect as well advanced youth positions to the community. As borrowing increases, youths are more likely to have financial empowerment by microfinance institutions at least 5.8 times. Loan received from microfinance institutions are not significantly correlated with financial empowerment.

Ferede (2012) disagreed with the findings since young men are incapable of getting loans due to lack of assets ownership. Loan access improves the capability to put money into use as well as enhance availability to fruitful absorption also serious farm capital necessary for advancing agricultural fruitful and incomes. The incapability of young men to access credit as well as make

stronger their investment in farming procedures can react to pull the indicators for young men outside farming. However, Kenya is having high number of young men looking for jobs between the ages of 18-30.

5.2.3 Effect of Saving Habit on Financial Empowerment

The respondents were also required to state whether previous to joining MFIs, they were used to saving funds. Findings revealed that 57% of the respondents were not saving funds while 43% were saving funds or resources in the form of assets. However, after joining the microfinance institutions as customers, saving funds was a must for one to get loan. The study found that saving habits have positive as well as relevant impact on financial empowerment in Kenya. Averagely, to a very great extent, the respondents stated that due to saving habits, they had been able to retain more money as well as acquire more assets. The great impact of youth demographics was found to be improved retaining funds with mean of 5 and standard deviation of 0, increase in assets owned with score of 4.6725 and standard deviation of 0.1652, increase in profit with mean of 4.2571 and standard deviation of 0.3425 as well as improved involvement of youth in making policy with a mean of 4.1970 and standard deviation of 0.3922. As individuals savings increases, youths are more likely to have financial empowerment by microfinance institutions at least 0.32 times and savings with micro financial institutions are not significantly correlated with financial empowerment.

Flynn & Sumberg (2017) were in agreement with the results that as saving increases young people are more likely to have financial empowerment. To address the relevancy of high financial capabilities of youth and to equip youth with the confidence to make sound financial decisions, effectively manage financial services, and develop and work toward a tangible savings goal, policymakers should develop national financial-literacy strategies for youth, as well as entrepreneurship programmes that increase the financial capabilities of youth.

5.2.4 Effect of Education Level on Financial Empowerment

Results showed that most of the respondents had a primary training of 45% of the respondents, 28% had secondary training, 12% had diploma training while a small proportion of respondents as indicated by 4 % and 1% had an undergraduate as well as master degrees respectively. This data revealed that the respondents were of great training level enough to give valid and reliable

data based on their great level of understanding of separate challenges concerning the microfinance and financial entitlement to youths in Kenya. To a great extent, the respondents were able to improve their profits, improved living standards, earned education as well as increased financial involvement in making policy, enhanced movement also self-belief and as level of education increases, youths are more likely to have financial empowerment by microfinance institutions at least 1.89 times and level of education is not significantly correlated with financial empowerment. The results were related to those of Baker (2007).

5.3 Conclusions

The conclusion was drawn that microfinance services have necessary impact on youth entitlement in Kenya. The research also connotes that when destitute youth access the microfinance services which provide them with start-up and working capital, education as well as savings, the youths are able to engage themselves in business practices where they experience increased efficiency and effectiveness which leads to a positive results on entitlement and their task in community as well as making policy.

The conclusion was also drawn that microfinance services enable youth to retain more money, obtain assets, improve their profits, advance living standards, education, involvement in making policy, allowed movement, self-belief, and gain self-respect, advanced youth position to the community as well as decreased youth inhuman in the community. This research also concludes that most youth are in casual industry as well as not very trained. Thus, by accessing microfinance services, they empowered by allowing them to receive monetary returns through different kinds of entrepreneurial practices. These business practices advance their capability to provide to their families' support which improves youth's duty in household policy-making and control over distribution of resources in the household financial group. The availability of loan does not significantly imply control as well as policy-making power for youth members of MFIs, however, it indicates that the youth is in control of managing work correlated practices as well as measurement by the respondent taking important policies as well as strategizing in profit-making practices.

5.4 Recommendations

The study recommends that microfinance institutions review their services meant for the precise industry as well as repackage them to suit customers from the casual industry since the casual group forms the main part of their customers as results indicated. The research also recommends that microfinance institutions improve youth education mostly in rural areas to improve their experience of viable and justifiable assets ventures. This would ensure that more youth are reached by microfinance services and hence support further entitlement.

Finally, the study recommends that the government codify as well as review the current procedures on microfinance also financial entitlement to youth in Kenya to incorporate the emerging challenges due to resilient of the commercial banks as well as the dynamics in the requirements of the destitute. This is because entitlement is a touch principle also cannot be imparted upon others; instead it must come from peoples themselves. Nevertheless, endeavors to support an individual's own efforts at entitlement should be encouraged. However, it is important for microfinance programs to be well-designed in order to best meet the real needs of the destitute youth they purpose to serve.

5.5 Limitations of the Study

The research was faced by various issues which did not hinder the performance of the research purposes but only called for methods to address them. The information applied in this research was self-reported as well as subjective in nature. Self-reported indicators are often criticized in the literature on elderly people, mainly with the argument that some individuals are unable to report their achievement precisely due to destitute self-analysis.

Information gathering as well as managing the questionnaires took a lot of time. This was mainly because the sample size not located in the same location. The study had to improve ways of gathering information faster like recruiting information gathering assistants to ensure that the research was done within the period specified. Additionally, some respondents did not need to give the data since it was sensitive data. A lot of assurance on the secrecy of application of the data that had to be given.

The research was restricted by the accessibility of analytical variables to indicate the quantitative aspects of youth entitlement which was too abstract. Apart from economic entitlement, microfinance could have had an effect on the socio-economic entitlement of youth which was not covered by the research.

The research was also restricted in selection of the sample whereby, it was not hard to ensure objectivity in sample selection since a list of all youth microeconomic clients in Kenya could not be acquired. Even where the list was acquired from the MFIs in a certain locality, getting the specific individuals to respond was a problem.

5.6 Suggestions for further Study

Based on the results as well as restrictions mentioned the research recommends that future study to be done on youth from different areas as this would ensure that all-inclusive as well as agent results are acquired on how microfinance influences youth entitlement.

This research only targeted youths who were in Busia County hence the results could not be an agent. This would also help in differentiation aims as well as enable universal results on all MFIs. A future study could also be done using with inclusion of more variables in the approach or programming qualitative indicators of entitlement as opposed to incremental profit only.

It is also recommended that future research can be done on the impact of youth teams as well as the joining of saving associations on youth entitlement. This was found to be the most dominant arrangement in rural areas and hence establishing the correlation would be significant for procedure recommendations.

The study also recommended that future research should be done on the effect of other factors as access to information, membership in youth group and cultural factors on financial empowerment in Busia County.

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APPENDICES

Appendix I: The CGoB Department of Culture, Sports and Social Services budget

Programme (CP)	Approved Budget	Budget Estimate	Projection	
	2016/2017	2017/2018	2018/2019	2019/2020
CP 20: General Administration and Support services	81,744,335	108,686,077	115,572,054	127,129,259
CP 21: Social Services Development	1,000,000	5,000,000	7,700,000	8,470,000
CP 22: Youth Development and Empowerment Services	24,702,782	4,000,000	5,500,000	6,050,000
CP 23: Management and Development of Sports and Sport Facilities	1,500,000	7,000,000	7,700,000	8,470,000
CP 24: Children Services	4,600,000	1,000,000	1,100,000	1,210,000
CP 25: Heritage and Culture Development	3,489,692	9,000,000	12,100,000	13,310,000
CP 26: Ward Development Projects	84,220,000	15,740,000	18,340,000	18,340,000
Total for Vote	201,256,809	150,426,077	168,012,054	182,979,259

Source: CGoB Approved Budget Estimates (2017)

Appendix II: The CGoB Department of Economic Planning, Trade, Cooperatives, and Industrialization summary budget

Expenditure Category	Approved Budget	Budget Estimate	Projections	
	2016-2017	2017-2018	2018-19	2019-2020
Re-Current Expenditure	64,337,813	74,538,474	81,982,142	90,016,671
Compensation to Employees	36,470,002	41,981,878	46,180,067	50,798,074
Use of Goods and Services	16,049,211	23,760,143	26,125,977	28,574,889
grants and transfers and subsidies	-	-	-	-
Acquisition of Non-Financial Assets	11,818,600	8,796,453	9,676,098	10,643,708
Capital Expenditure	165,980,576	73,900,000	112,320,000	121,712,000
Acquisition of Non-Financial Assets	121,980,576	21,200,000	44,420,000	48,862,000
Other Development	-	17,700,000	18,400,000	18,400,000

Source: CGoB Approved Budget Estimates (2017), p. 23.

Appendix III: Department of Economic Planning, Trade, Cooperatives, and Industrialization Loans disbursement data

To facilitate traders with credit	Credit disbursed	No. of traders issued with loans	70	120	290	316
		Amount of money disbursed	5M	20M	40M	44M
		Monthly repayment returns	300,000	400,000	1,000,000	1,090,000
To empower co-operative societies with credit	Financially empowered cooperative societies	Amount of Funds disbursed	40 M	100 M	250 M	298M
		Number of co-operative societies receiving loans	20	34	85	91

Source: CGoB Approved Budget Estimates (2017), p. 25

Appendix IV: List of Microfinance Institutions in Kenya

- 1) AAR Credit Services
- 2) Adok Timo
- 3) Agakhan First Micro Finance Agency
- 4) Biashara Factors Ltd
- 5) Bimas
- 6) Blue Limited
- 7) Canyon Rural Credit Ltd, Nairobi
- 8) Elite Micro Finance
- 9) Faulu Kenya Limited
- 10) Fusion Capital Ltd, Nairobi
- 11) Jamii Bora Bank
- 12) Jitegemea Credit Scheme
- 13) Juhudi Kilimo Company Limited
- 14) K-Rep Advisory Services (Africa)
Ltd, Nairobi
- 15) Kadet Ltd, Nairobi
- 16) Kenya Eclof
- 17) Kwft. Kenya Women Finance Trust
- 18) Kenya Entrepreneur Empowerment Foundation
- 19) M I C Micro Finance Ltd
- 20) Micro Africa Limited
- 21) Molyn Credit Limited
- 22) Oiko Credit
- 23) Opportunity International
- 24) Pamoja Women Development Programm
- 25) Platinum
- 26) Renewable Energy Technology Assistance Programme
- 27) Rupia Ltd
- 28) Sisdo
- 29) Smep Limited (Small and Micro Enterprise Programme)

- 30) Swiss
- 31) Taifa Option Microfinance
- 32) W E E C
- 33) U & I Microfinance
- 34) Yehu Microfinance Trust

Appendix V: Consent Form

Title of the Study

The effect of Microfinance Services on the Financial Empowerment of Youth in Kenya

A Case Study of Busia County

Principal Investigator

Name: Lukhale Collins Orotu
Department: Accounting and Finance
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Purpose of the Study

You are being asked to take part in a research study. Before you decide to participate in this study, it is important that you understand why the research is being done and what it will involve. Please read the following information carefully. Please ask the researcher if there is anything that is not clear or if you need more information. The purpose of this study is to investigate the effect of Microfinance services on youth empowerment in Busia County.

Study Procedure

The following are the procedures that will be carried out in the project, the questionnaires shall be issued to you and you will be required to fill the questions to the best of your ability. It will take about thirty minutes to fill this questionnaire.

Risks

The information that you will give will be confidential. You do not have to write your name on the questionnaire, and information you give will be kept safe and will not be used for any other purpose apart from this research.

This exercise is voluntary, you may decline to answer any or all questions and you may terminate your involvement at any time you choose.

Benefits

There will be no direct benefit monetary or otherwise for your participation in this study. However, we hope that the information obtained from this study may; provide information for all the micro-financial institutions (MFI). This will help in designing and implementing effective and efficient service activities directed towards the youth-owned enterprises so that the benefits of MFI service are realized

Confidentiality

These are the measures that will be taken to ensure that the information given is strictly kept private. Your responses to this research will be anonymous. Code names/numbers will be assigned for participants that will be used on all research notes and documents. The notes will be taken during the interview and will be kept in a locked file cabinet and will only be the personal possession of the researcher.

Contact information

If you have any questions or queries at any time about this study, or you experience adverse effects as a result of participating in this study, you may contact the researcher whose contact information is provided on the first page. If you have questions regarding your rights as a research participant, or if problems arise which you do not feel you can discuss with the primary investigator, please feel free to contact The KCA University for any clarification on the study

Voluntary Participation

Your participation in this study is voluntary. It is up to you to decide whether or not to take part in the study. If you decide to take part in the study, you will be asked to sign a consent form. After you sign the consent form, you still feel to withdraw at any time and without giving a reason withdrawing from this study will not affect the relationship you have,if any, with the researcher. If you withdraw from the study before data collection is completed, your data will be returned to you or destroyed.

Consent

I have read and I understand the information provided and have had the opportunity to ask questions. I understand that my participation is voluntary and that I am free to withdraw any time, without giving a reason and without cost. I understand that I will be given a copy of this consent form. I voluntarily agree to take part in this study.

Participant's Signature _____ Date: _____

Investigator's Signature _____ Date: _____

Appendix VI: Questionnaire

This questionnaire is purely for academic research purposes at KCA University and the information provided herein will be therefore exclusively used for the same purpose and will be kept confidential. This questionnaire is intended to achieve the objectives of the study which is to determine the effect of your demographics on financial empowerment. The questionnaire is only to be filled by youth who are members of microfinance institutions.

SECTION A: BACKGROUND INFORMATION

1. Respondents Age

- | | | | |
|--------------------|--------------------------|-----------------|--------------------------|
| Less than 20 years | <input type="checkbox"/> | 20 – 29 Years | <input type="checkbox"/> |
| 30 – 39 Years | <input type="checkbox"/> | 40 – 49 Years | <input type="checkbox"/> |
| 50 Years and over | <input type="checkbox"/> | others, specify | <input type="checkbox"/> |

2. Marital Status

- | | | | |
|-----------|--------------------------|----------|--------------------------|
| Single | <input type="checkbox"/> | Married | <input type="checkbox"/> |
| Widowed | <input type="checkbox"/> | Divorcee | <input type="checkbox"/> |
| Separated | <input type="checkbox"/> | | |

3. Level of education

- | | | | |
|-----------------------|--------------------------|---------------------|--------------------------|
| Primary Education | <input type="checkbox"/> | Secondary education | <input type="checkbox"/> |
| College Level/Diploma | <input type="checkbox"/> | Graduate | <input type="checkbox"/> |
| Post Graduate | <input type="checkbox"/> | | |

4. What is your current occupation?

- | | | | |
|---------------------------------|--------------------------|---------------------|--------------------------|
| Formal Employment | <input type="checkbox"/> | Informal Employment | <input type="checkbox"/> |
| For others, Please specify..... | | | |

5. Monthly Income Bracket

- | | | | |
|---------------------|--------------------------|---------------------|--------------------------|
| Less than Ksh5, 000 | <input type="checkbox"/> | Ksh5, 001 – 10,000 | <input type="checkbox"/> |
| Ksh10, 001 – 20,000 | <input type="checkbox"/> | Ksh20, 001 – 30,000 | <input type="checkbox"/> |
| Ksh30, 001 – 40,000 | <input type="checkbox"/> | Over Ksh40, 000 | <input type="checkbox"/> |

6. When did you join your microfinance organization.....

SECTION B: YOUTH DEMOGRAPHICS AND FINANCIAL EMPOWERMENT

7. What services have you received from the Microfinance you are a member?

Savings Credit/loans Financial Advisory

8. Before joining the Micro finance, did you save any money?

Yes No

9. Have you ever borrowed from the MFI?

Yes No

10. Please state how you used the borrowed money?

To start business Expand the business

Own education Children education

Household Expenses Gave to husband/Wife

Household assets others

11. What effect has borrowing loan had on your well-being?

A lot of positive change Moderate change

No change Negative change

12. Please tick as appropriate, the extent to which the following elements have been supported by availability of youth demographics? Use a scale of 1-5 where 5= Very large extent; 4 Large extent; 3= Neutral 2= Low extent and 1=Not at all.

Factors	1	2	3	4	5
Availability of microfinance services have increased your Earnings					
Standard of living has advanced due to microfinance Services					
Microfinance services have advanced the place of youth in the community					

Difficulties faced by youth in the community has decreased					
Microfinance organizations provide casual training and skills that have contributed to youth empowerment					
Microfinance organizations have decreased lifestyle oppression on the youth					
microfinance services have enabled the youth to save more money					
Youth acquire more investments because of microfinance loans					
Microfinance services have enabled involvement of youth in policymaking					
Microfinance services have enhanced movement of youth and participation in external practices					
Microfinance services have improved youth self-confidence					

Self-belief has improved between youths who are members of microfinance organization					
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Please state your level of agreement with the following statement.

I feel more empowered to cope with economic challenges [] Agree [] Disagree

Please explain your opinion.....

13. Kindly state the amount of loan from the following sources in the last five years.

Years	2018	2017	2016	2015	2014
Total amount received from a microfinance organization					
Yearly earnings					
Regular amount kept to microfinance organization					

Thanks for your response