

FINDINGS AND DISCUSSIONS

Financial literacy practices and performance of COOPEC Twizigamire

The first objective of the study was to assess the effect of financial literacy practices on performance of selected agricultural SACCOs in Nyamagabe District.

Table 1: Financial literacy practices in COOPEC Twizigamire

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. Deviation
Financial literacy help members to understand how much to earn and spend.	169 (49.9%)	120 (35.4%)	21 (6.2%)	9 (2.7%)	20 (5.9%)	4.21	1.076
Financial literacy improved repayment ability and to avoid debt.	143 (42.2%)	139 (41.0%)	32 (9.4%)	15 (4.4%)	10 (2.9%)	4.15	.969
Financial literacy protect member from being bankrupt.	155 (45.7%)	94 (27.7%)	57 (16.8%)	20 (5.9%)	13 (3.8%)	4.06	1.099
Financial literacy work toward benefits of secure retirement.	83 (24.5%)	158 (46.6%)	48 (14.2%)	24 (7.1%)	26 (7.7%)	3.73	1.137
Financial literacy starts by building basic knowledge of money matters.	140 (41.3%)	131 (38.6%)	43 (38.6%)	14 (4.1%)	11 (3.2%)	4.11	.994
Financial literacy established a feeling of control over finances	90 (26.5%)	137 (40.4%)	53 (15.6%)	41 (12.1%)	18 (5.3%)	3.71	1.141
Through financial literacy member understand how to allocate income	71 (20.9%)	146 (43.1%)	62 (18.3%)	33 (9.7%)	27 (8.0%)	3.59	1.156
Financial literacy help member to know how to make developments.	146 (43.1%)	117 (34.5%)	53 (15.6%)	15 (4.4%)	8 (2.4%)	4.12	.983

Source: Field data, September 2022

The findings in Table 1 show the respondents' views on financial literacy practices in COOPEC Twizigamire whereby 49.9% of respondents strongly agree with 35.4% agree that financial literacy helps members understand how much to earn and spend, the mean of 4.21 and standard deviation of 1.076 which indicate very high mean and strong existence of the factor with heterogeneity of responses. The majority of respondents 42.2% of respondents strongly agree with 41.0% agree that relevant financial literacy improves repayment ability and to avoid debt. The mean of 4.15 and standard deviation of 0.969 indicate a high mean as the existence of the factor with heterogeneity of responses. A large number of respondents 45.7% of respondents strongly agree with 27.7% agree that financial literacy protects members from bankrupt. The mean of 4.06 and standard deviation of 1.099 indicate the high mean as the existence of the factor with heterogeneity of responses. The significant number 24.5% of respondents strongly agree with 46.6% agreeing that financial literacy contributes to the benefits of a secure retirement, and the mean of 3.73 and standard deviation of 1.137 indicate the presence of the factor with heterogeneity of responses.

Most respondents 41.3% of respondents strongly agree with 38.6% agree that financial literacy starts by building basic knowledge of money matters, the mean of 4.11 and standard deviation of 0.994 indicate the high mean as the existence of the factor with heterogeneity of responses. A significant number of respondents 26.5% strongly agree and 40.4% agree that financial literacy establishes a feeling of control over finances, the mean of 3.71 and standard deviation of 1.141 indicate the high mean as well as the existence of the factor with heterogeneity of responses.

Members understand how to allocate income through financial literacy, according to 20.9% who strongly agree and 43.1% who agree, the mean of 3.59 and standard deviation of 1.156 indicate a high mean as the existence of the factor with heterogeneity of responses.

One of interviewed staff stated that *“Nearly everyone need a loan at some point in their lives. Learning about interest rates, compound interest, the time value of money, payment schedules, and loan structures help to borrow money wisely. A better understanding of the listed requirements leads to a higher level of financial literacy. This makes the best use of resources and borrowing rules and*

reduces long-term financial stress". The majority of respondents, with a mean of 4.12 and a standard deviation of 0.983 indicate the presence of the factor with heterogeneity of responses, with 43.1% strongly agreeing and 34.5% agreeing that financial literacy helps members know how to make developments.

The results are in line with Hütten (2018) who stated that financial literacy is key for assisting individuals in recognizing crucial financial challenges and behaviors that promote the efficient use of monetary backing. It enables one to understand essential financial ideas, such as forms of earnings, financial factors and returns, and economics of scale, and many others

Contingency plan practices and performance of COOPEC Twizigamire

The second objective of the study was to analyse the effect of contingency plan practices on performance of selected agricultural SACCOs in Nyamagabe District.

Table 4.2: Contingency plan practices in COOPEC Twizigamire

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. Deviation
Saving enabling a member to access to funds for unexpected life events	85 (25.1%)	148 (43.7%)	36 (10.6%)	29 (8.6%)	41 (12.1%)	3.61	1.281
Saving in SACCOs reduce pressures on free cash	78 (23.0%)	119 (35.1%)	50 (14.7%)	32 (9.4%)	60 (17.7%)	3.36	1.396
Saving in SACCOs increasing the strength of social networks	84 (24.8%)	134 (39.5%)	42 (12.4%)	36 (10.6%)	43 (12.7%)	3.53	1.313
Saving in SACCOs help member to have clear objectives	68 (20.1%)	190 (56.0%)	34 (10.0%)	38 (11.2%)	9 (2.7%)	3.80	.974
Policies on saving account are widely established	66 (19.5%)	179 (52.8%)	49 (14.5%)	33 (9.7%)	12 (3.5%)	3.75	.994
Saving funds are available whenever needs	75 (22.1%)	154 (45.4%)	48 (14.2%)	28 (8.3%)	34 (10.0%)	3.61	1.205
Members get reasonable interest on their saving	88 (26.0%)	139 (41.0%)	34 (10.0%)	44 (13.0%)	34 (10.0%)	3.60	1.275
Saving in SACCOs allows members to focus on their priorities	97 (28.6%)	78 (23.0%)	68 (20.1%)	47 (13.9%)	49 (14.5%)	3.37	1.399

Source: Field data, September 2022

The findings in Table 2 show the respondents' views on contingency plan practices in COOPEC Twizigamire whereby 25.1% of respondents strongly agree with 43.7% agree that saving enables a member to access funds for unexpected life events, the mean of 3.61 and standard deviation of 1.281 which indicate the high mean and existence of the factor with heterogeneity of responses. The majority of respondents 23.0% of respondents strongly agree, and 35.1% agree that saving in SACCOs reduces pressures on free cash, The mean of 3.36 and standard deviation of 1.396 indicate a neutral mean as there is some truth in the heterogeneity of responses. A large number of respondents 24.8% of respondents strongly agree with 39.5% agree that saving in SACCOs increases the strength of social networks, the mean of 3.53 and standard deviation of 1.313 indicate the high mean as the existence of the factor with heterogeneity of responses.

The significant number of 20.1% respondents strongly agree with 56.0% agreeing that saving in SACCOs helps members to have clear objectives, and the mean of 3.80 and standard deviation of 0.974 indicate the presence of the factor with heterogeneity of responses. Most respondents 19.5% of respondents strongly agree with 52.8% agree that policies on saving accounts are widely established, the mean of 3.75 and standard deviation of 0.994 indicate the high mean as the existence of the factor with heterogeneity of responses. A significant number of respondents 22.1% strongly agree and 45.4% agree that saving funds are available whenever needs, the mean of 3.61 and standard deviation of 1.205 indicate the high mean as well as the existence of the factor with heterogeneity of responses. Members get reasonable interest on their savings, according to 26.0% who strongly agree and 41.0% who agree, The mean of 3.60 and standard deviation of 1.275 indicate a high mean as the existence of the factor with heterogeneity of responses.

A mean of 3.37 and a standard deviation of 1.399 indicate the neutrality and heterogeneity of responses, with 28.6% strongly agreeing and 23.0% agreeing that saving in SACCOs allows members to focus on their priorities. The outcomes of the study are supported by Luthans (2011) who mentioned that the concept of contingency planning evokes ideas of natural disasters such as hurricanes, tornadoes, earthquakes, and floods, as well as man-made crises including such riots, wildfires, and terrorists.

Access to credit practices and performance of COOPEC Twizigamire

The third objective of the study was to evaluate the effect of access to credit practices on performance of selected agricultural SACCOs in Nyamagabe District.

Table 3: Access to credit practices in COOPEC Twizigamire

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Std. Deviation
Requirements to for credit are easy to fulfill.	84 (24.8%)	76 (22.4%)	66 (19.5%)	51 (15.0%)	62 (18.3%)	3.20	1.436
SACCOs provides credits on favorable interest rate.	74 (21.8%)	123 (36.3%)	71 (20.9%)	40 (11.8%)	31 (9.1%)	3.50	1.215
Collateral required by SACCOs is affordable.	58 (17.1%)	129 (38.1%)	76 (22.4%)	34 (10.0%)	42 (12.4%)	3.37	1.235
SACCOs provides credits anytime a member for reasonable issue.	98 (28.9%)	139 (41.0%)	50 (14.7%)	41 (12.1%)	11 (3.2%)	3.80	1.085
Payment method and time are appropriate for members.	67 (19.8%)	134 (39.5%)	58 (17.1%)	40 (11.8%)	40 (11.8%)	3.44	1.261
Penalty for late payment enhances members commitment to credit repayment	82 (24.2%)	156 (46.0%)	44 (13.0%)	28 (8.3%)	29 (8.6%)	3.69	1.175
Credit terms and conditions are clear and in writing	75 (22.1%)	143 (42.2%)	44 (13.0%)	40 (11.8%)	37 (10.9%)	3.53	1.260
There is a regular remind before repayments dates and deadlines	78 (23.0%)	123 (36.3%)	44 (13.0%)	34 (10.0%)	60 (17.7%)	3.37	1.400

Source: Field data, September 2022

The findings in Table 3 show the respondents' views on access to credit practices in COOPEC Twizigamire whereby 24.8% of respondents strongly agree and 22.4% agree that requirements for credit are easy to fulfill, the mean of 3.20 and standard deviation of 1.436 which indicate the neutral mean and the existence of some truth with heterogeneity of responses.

The majority of respondents 21.8% of respondents strongly agree, and 36.3% agree that SACCOs provide credits at favorable interest rate, the mean of 3.50 and standard deviation of 1.215 indicate a high mean and the existence of the fact in the heterogeneity of responses. A large number of

respondents 17.1% of respondents strongly agree with 38.1% agree that collateral required by SACCOs is affordable, the mean of 3.37 and standard deviation of 1.235 indicate the neutral mean as the existence of some truth with heterogeneity of responses. The significant number of 28.9% respondents strongly agree with 41.0% agreeing that SACCOs provide credits anytime a member has a reasonable issue, and the mean of 3.80 and standard deviation of 1.085 indicate the presence of the factor with heterogeneity of responses.

Staff member said that *“We, like other banks and financial institutions, profited from the interest paid by our borrowers. Therefore, it is to the benefit of our SAACOs that our members learn how to responsibly use loans and how to repay them so that they can take out loans in the future”*. Most respondents 19.8% of respondents strongly agree with 39.5% agree that Payment method and time are appropriate for members, the mean of 3.44 and standard deviation of 1.261 indicate the high mean as the existence of the factor with heterogeneity of responses.

The significant number of respondents 24.2% strongly agree and 46.0% agree that a penalty for late payment enhances members' commitment to credit repayment, the mean of 3.69 and standard deviation of 1.175 indicate the high mean as well as the existence of the factor with heterogeneity of responses. Credit terms and conditions are clear and in writing, according to 22.1% who strongly agree and 42.2% who agree, the mean of 3.53 and standard deviation of 1.260 indicate a high mean as the existence of the factor with heterogeneity of responses. A mean of 3.37 and a standard deviation of 1.400 indicate the neutrality and heterogeneity of responses, with 23.0% strongly agreeing and 36.3% agreeing that there is a regular reminder before repayment dates and deadlines. The results are in line with Maity (2019) who mentioned that access to finance boosts the efficiency of businesses, facilitates access to markets, expansion, and risk mitigation, and encourages innovation and entrepreneurship.

Table 4: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
	(Constant)	-4.615	2.087	-2.211	.028
1	Financial literacy practices	1.432	.190	.347	.000
	Contingency plan practices	1.025	.167	.318	.000
	Access to credit practices	.792	.162	.239	.000

a. Dependent Variable: Performance

Source: Field data, September 2022

In order to draw conclusions from the survey, the following linear regression analysis model was used;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Y is Performance of agricultural SACCOs, β_0 is constant coefficient, β_1 , β_2 and β_3 are Regression Coefficients, X_1 is financial literacy, X_2 is contingency plan, X_3 is access to credit services and ϵ = error term

Table 4 on regression equation shows that Performance of agricultural SACCOs depended on a constant factor of -4.615 regardless of the existence of other determinants. The other variables explain that; financial literacy practices ($\beta = 1.432$, $p < 0.05$) every unit increase in financial literacy practices increased performance of COOPEC Twizigamire by a factor of 1.432. Contingency plan practices ($\beta = 1.025$, $p < 0.05$) every unit increase in contingency plan practices increased performance of COOPEC Twizigamire by a factor of 1.432. Access to credit practices ($\beta = 1.432$, $p < 0.05$) every unit increase in access to credit practices increased performance of COOPEC Twizigamire by a factor of 0.792.

Conclusion

Results showed that the objectives of the study had been achieved and the researcher rejected the null hypothesis and stated that there is a relationship between financial literacy practices and the performance of selected agricultural SACCOs in Nyamagabe District. The researcher rejected the null hypothesis that there is no relationship between contingency plan practices and the performance of

selected agricultural SACCOs in Nyamagabe District. Based on the results, the null hypothesis stated that there is no relationship between access to credit practices and the performance of selected agricultural SACCOs in Nyamagabe District was rejected.

Recommendations

SACCO should improve their financial inclusion service by listening to what their members have to suggest. This would help them make better services that fit member's needs.

SACCO members should keep in mind that their cooperative is a business that must turn a profit in order to continue providing the services they offer. So, they have to follow the terms of the agreement and pay back their loans before helping other members with money again.

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