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DETERMINANTS OF ECONOMIC EMPOWERMENT AMONG MWALIMU NATIONAL SACCO MEMBERS IN THE COUNTY GOVERNMENT OF BUNGOMA, KENYA

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Abstract: **Recent studies however, indicate that there has been a soaring poverty incidence rate among financial cooperative members owing to various factors. These factors have considerably reduced the level of wealth formation and accumulation ending in elevated poverty levels. Against this backdrop, this study sought to establish how financial literacy influence economic empowerment among members of Mwalimu National Sacco working with the county government of Bungoma. This study adopted a descriptive research design. The study was conducted in Bungoma South sub-County. The study targeted 1500 members comprising of 1348 older members and 135 fairly new members. Three hundred and sixteen members were selected purposively comprising of 270 older members and 46 fairly new members. Using a questionnaire data was collected from the Sacco members working with the County Government of Bungoma. The collected data was then analyzed using both inferential and descriptive statistics. The findings revealed that there is significant relationship between financial literacy and economic empowerment. Financial literacy was found to be a significant predicator of economic empowerment as it significantly (P=0.001) accounted up to 16.5% (R^2=0.165) of variance. It was therefore recommended that Saccos need to enhance financial literacy so as to help their members reap maximum benefits from credit advanced to them. SACCO managers should ensure that entrepreneurship training becomes a core part of the financial education sessions so as to increase the knowledge of Sacco members in running their businesses.**

Keywords: **Financial Literacy, economic empowerment, Bungoma County, SACCO members, Determinants.**

I. INTRODUCTION

Empowerment according to the World Bank (2016) is the expanding of assets and capabilities of the underprivileged as well as the poor people to participate in, negotiate with, control and hold accountable institutions that affect their lives. Empowerment that targets poor people can be divided into two major levels: individual and group. Individual interventions include aspects such as health, education and housing while at the collective level we may have a group's ability to mobilize and have a collective approach to their problems. Economic empowerment is a process that increases people's access to and control over economic resources and opportunities including jobs, financial services, property and other productive assets (from which one can generate an income), skills development and market information (DFID, 2012). According to Bayeh (2016) economic empowerment is key in realizing sustainable development. The author argues that with sustainable development come gender equity, poverty eradication, environmental integrity and inclusive economic growth. Economic empowerment remains a crucial agenda amongst all development actors on the global scene. The attainment of an economically empowered population is key to the realization of other pertinent development issues such as health and education. According to Oloba and Olusoji (2014) poverty can only be effectively reduced if all other sectors of the economies are thriving. According to these authors, economic empowerment is a key determinant of development.

In agreement Ugoani (2017) in his research about the impact of economic empowerment on poverty reduction established that economic empowerment has a ripple effect. According to the author, economic empowerment creates jobs, ends corruption and results in transformational leadership. Similarly UNDP (2015) holds that empowerment is crucial in attaining most of the Sustainable Development Goals (SDGs).The goals identify among other issues the need for the world population to live on not less than 1.25 dollars a day. The report envisions a world where people are able to fend for themselves and acquire standard health care, education, clean energy and realize economic growth.

Economic empowerment according to Buvinic and Furst-Nichols (2014) is determined by several factors among them resources and the knowledge to utilize the knowledge as well as perception. According to them, economic empowerment should be tailored according to the situation and the targeted people. Same class of interventions has different outcomes on the client. Some of the variations may be due to age, gender and the level of need. Similarly Batool et al (2017) argues that the determinants could be social, economic or demographic. Social determinants could be gender, level of education and culture while the economic may entail the resource muscle such as credit owned by people. The report further dwells on the empowerment gaps that exist between men and women. According to UNDP (2015) women are largely disadvantaged in the work force with majority occupying the low cut jobs. Similarly the World Bank (2016) in its study advises that countries can unlock their economic growth ability by eliminating the barriers and stereotypes existing between the men and women in order to realize a wholesome growth. According to this report, there should be equitable ownership of resources and the capabilities of all expanded.

Kenya still struggles in terms of realizing economic empowerment an issue many scholars attribute to unequal distribution of resources, gender inequality and marginalization. According to CICOPA (2014) the global landscape is fast changing owing to demographic shifts, adverse weather changes, scarce resources and the rapid urbanization continues to cause unparalleled problems to the current and future generations. Cooperatives according to CICOPA (2014) hold the key to economic empowerment and they solely operate based on the following principles: key and fundamental human aspirations and needs, capacity-building and empowerment, joint ownership and democratic control and community-based development. In total agreement, Szirmai (2015) holds that cooperatives offer a unique model of development since they operate on democratic ideas hence allowing people take charge of their own fate. He further attests that the concept of development is much broader than focusing only on economic progression. For Szirmai the concept should be reflected in a wide range of human areas such as health, education and longevity.

Financial cooperatives according to Mohammed and Lee (2014) are best placed to realize equity, equality, income distribution, reduce poverty and vulnerability as well as improve the general welfare of the people. This is probably based on the modus operandi adopted by cooperatives where there is insistence on the common good for all. They offer the best bottom-up approach to issues as accurately captured by Kinuthia (2016) where he agrees that involvement of the citizens in the development agenda results in more informed interventions as opposed to the top down model. Goglio et al. (2014) reinforces the idea of participatory development; development objectives cannot be sufficiently met if local actors do not assume direct roles and responsibilities. The author further enumerates the advantages of the participatory approach as enabling the actors have a direct responsibility for the projects and take on the risks that may surface along the project's timeline. According to the author cooperatives form the ideal model of such strategies.

Kwai and Urassa (2015) in their study elucidate the role cooperatives can play in bolstering the fate of the rural poor more so in the southern countries. According to their findings, they help their members to increase their income, create wealth among other key benefits necessary for a high standard of living commensurate to those spelt out in the human development plan. Accordingly cooperatives serve a large world population with statistics tending towards 120 million people spread over 80 countries. However according to the IFC (2013) access to credit by micro, small and medium institutions continues to face a myriad of challenges that has made it difficult to access credit. Developing countries such as Kenya have stringent requirements that must be fulfilled before access to credit facilities. Such include provision of collateral and a proven credit history. This has resulted in the rich accessing more and more credit while the poor who direly need it being left out. Consequently this results in stagnated economic participation of affected people.

Tony (2014) holds that cooperatives play a vital role in bolstering the saving culture and the access by the poor to essential financial and social services. This is more beneficial to the poor and the low income earners. However, this can only be realized if such institutions are well regulated and made to put measures in place aimed at attaining economic empowerment. According to Zeuli and Cropp (2014) those who organize and belong to cooperatives do so for various reasons but with the parent reason being economic empowerment. Cooperatives directly contribute towards development by creation of local jobs that may either be short term or long term. They may also provide critical and essential community services such as health and education. Similarly according to ILO (2015) they are resilient in nature and able to withstand the economic meltdown .Their resilience is derived from the fact that they have strong aptitude for innovation emanating from the managerial, organizational and social levels. In general they are viewed as institutions that are sustainable and participatory in nature.

In Kenya, the cooperative movement can be dated back to 1908 and since then the movement has realized a dramatic growth that has led to the emergence of thousands of cooperative societies. Since then, the governments of the day have strived to develop the legal and operational framework of these societies that has seen the growth of the movement to emerge as one of the best in the world (Ministry of Industrialization and Enterprise Development, 2014). In July, 2013 World Council of Credit Unions ranked Kenya cooperative movement as the 1st in Africa, 7th globally and as the fastest growing movement in the world. According to Gatuguta et al. (2014) the movement has undergone a great deal of metamorphosis to realize direct employment of over 500,000 and over two million indirectly, increased remittances from employers, increased saving rates and increased growth in terms of financial ability.

Despite the evident growth many scholars still cast a doubt over the penetration rate of these micro-financial institutions dominant among them being cooperatives. Kwai and Urassa (2015) argue that most of these institutions are crowded in the urban areas a factor that limits access to them more so by the rural majority. In unison Robinson, Keats, Green and Dupas (2012) agree that the challenges faced by the third world countries more so Kenya has a negative bearing on credit access and other pertinent financial services needed. Notable challenges are the banking distance, lack of financial education and the ledger fees levied on account holders. According to them, up to 63% of the entire population has access to these institutions but only 18% actively use them.

A study done by Thapa and Gurung (2010) that sought to establish the relationship between economic empowerment levels and other factors. Established that there is a close relationship between empowerment and other factors such as social, economic and demographic factors. These factors all interact either independently or dependently to give rise to economic empowerment. This is to say that in empowerment many factors come to play. Buvinic (2017) points to the fact that there is a distinction on how economic empowerment and economic growth/advancement should be measured. Factors that influence economic empowerment directly touch on the general well-being of the people. Such factors include allowing people to access information and education on pertinent issues, allowing for democratic and collective participation in crucial issues among others. These cumulatively result in elevated life conditions, access to health, education and increased life expectancy due to the increased standards of self-actualization.

A. Statement of the Problem:

According to Socio-Economic Atlas of Kenya (2016) Bungoma has a poverty incidence rate of 47.3% with an estimation of 643,316 people living in abject poverty. Bungoma County being one of the most populated counties ranks among the poorest of the counties. There is widespread consensus that despite there being a fairly large number of cooperatives, the people including cooperative members remain poor. According to Kinuthia (2016) financial cooperatives have an objective of empowering members through savings, offering credit and the requisite information. This is to say that cooperatives are supposed to be the drivers of sustainable development among its members and the community at large. However, according to Barasa (2014) cooperatives still face both operational and policy challenges in a bid to meet this objective. Drawbacks such as poor financial decisions among them unplanned investment, cultural practices and loan non-repayment have hampered the effective economic empowerment of the cooperative members in Bungoma county among them Mwalimu National Sacco. This has considerably slowed down the wealth generation process. Similarly Robinson et al (2012) in his study proposes that more studies need to be done in the area of cooperative banking since the growth has not reflected the growth of these institutions. According to the authors many subscribers are unable to use the financial services due to some constraints such as operational fee which effectively reduces the access to credit. As a result macro success will remain a dream unless certain pertinent provisions be undertaken in order to benefit the service recipients as opposed to mere expansion. By virtue that only 18% out of the 63% who actively use these services points to grey areas that must be dealt with in order to ensure more people embrace the services in order to realize economic empowerment. Additionally there is a scarcity of information regarding the determinants of economic empowerment among financial cooperatives. This according to Kinuthia (2016) is due to the insatiable appetite by these institutions to gain at the expense of the members. This directly contravenes the cooperative principles on which all cooperatives ought to be founded on. This view is also upheld by Barasa (2010) who holds that more needs to be done on the functionality of cooperatives in order to generate wealth. Driven by the scarcity of cooperative led information and education, the financial imprudence exhibited by cooperative members and the desire to have an established operational mechanism. The study sought to fill the gaps on how cooperatives can best perform in order to benefit their members. This informs the chosen factors influencing economic empowerment which are credit access, financial literacy, investment and collectivism.

B. Study Objective and Hypothesis:

The specific objective of the study was to investigate the influence of financial literacy on economic empowerment among members of Mwalimu National Sacco in the county government of Bungoma.

H_0; There is no significant relationship between credit access and economic empowerment among members of Mwalimu National Sacco in the county Government of Bungoma.

II. LITERATURE REVIEW

A. Theoretical Framework:

This study was guided by capital formation theory. According to Abramovitz (2010) capital formation theory holds that the process of capital formation involves three interdependent activities. These are, saving, this is the setting aside of resources that could be potentially used to meet the current needs in favour of future use. Second is finance sourcing, this is the assembling of resources from other sources in addition to the saved for purposes of investment. The third is investment, this is where the resources are assigned to the production means in order to accrue interest and plough back profits and/or returns. The success of capital formation is directly dependent on the intensity and how efficiently the three activities are implemented. Adhikary (2011) in support of the capital formation theory and its impact on empowerment argues that it results in increased employment chances, increases supply among other key benefits. Ndidi and Shuaib (2015) argue that any country that wants to strengthen its economy must prioritize capital formation.

According to them capital formation has a spillover effect whose impact is replicated in other spheres of the society starting at the household level. However, most scholars such as Malecki (2012) hold that capital formation is intertwined with social aspects more so at the micro level. According to the author, the economy tallies with social interactions. In so far as the author is concerned social capital is dependent on the social interactions resulting into economic outcomes.

Wang et al. (2015) in a bid to describe social capital in relation to cooperative functioning allude that physical, human and social capital are the key drivers of economic benefits. Since cooperatives are more of social organizations as opposed to formal and strictly structured financial institutions, social capital defines the social interactions resulting in social networks that define such institutions as the cooperative societies. According to the Word Bank (2015) social capital is anchored to sustainable development. The financial institution defines sustainable development as leaving the future generations as many or more opportunities available for the current generation. Barasa (2014) views social capital as the collective but somewhat independent decisions made at the individual level geared at the common good. These acts cumulate to the terms collective good and mutual benefit. Social capital according to the author, essentially defines the working principles of cooperatives that include democracy, general community good, education among other principles.

According to Binoto and Akahoshi (2016) social capital has been used to explain the social and economic development of communities and the cooperation between people. According to the authors, some of the underlying values are honesty, transparency and democracy. Essentially cooperatives and its members should work towards community and individual welfare eliminating any underlying societal problems behind its formation. Johnson (2011) argues that relationships are the epicenter upon which social capital emanates.

This is to say that the relationships if used constructively can realize common good or cause harm if not used well. This is as exactly captured by the great scholar Karl Max. According to Marx the dominant class accumulates capital at the expense of those in the lower societal cadres. However, according to Graham (2016) the state has a pivotal role to play in

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ensuring that the existing social capital is utilized for the common good. Thus the state has an important regulatory role. In terms of relevance to the study, capital formation and social capital theories are some of the foundations upon which the functioning of financial cooperatives is anchored on. According to Binotto and Akahoshi (2016) hold that the two share principles with cooperatives. As a result the two theories majorly assisted the researcher in making informed conclusions more so on financial education.

B. Conceptual Framework:

In this study, financial literacy was used as independent variable and it was conceptualized as financial knowledge and skills and effective financial decisions while economic empowerment was measured using sustainable income, economic power at the household level and access to social amenities such as education and health. This is as shown in Figure 1

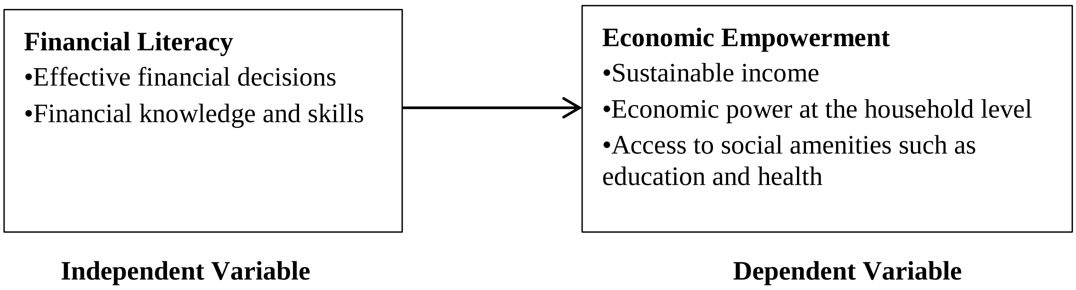

Figure 1: Conceptual Framework

Financial Literacy:

Both women and men need to be adequately literate according to Monticone (2013). Key among literacy issues is financial education. Financial education is aimed at eradicating behaviors that inhibit prudent use of resource however, scarce they may be. Such behaviors include inability to save, reliance on informal modes of saving and impulsive spending. According to the European Banking Federation (2010) financial literacy is a necessary skill in the current complex financial system. It can help achieve consumer empowerment since it enables people make prudent financial decisions. In essence, a financially literate population can avoid unnecessary risks, excessive debt and reduce chances of financial exclusion. According to Prosper Canada (2013) financial illiteracy leaves people vulnerable and liable to be exploited by financial providers for profit gain. Providers of financial literacy and counselling should target low and modest income earners. Mulholland (2015) defines financial vulnerability as individuals or households with a negative or low net worth with a heightened risk of going under financially should there be an interruption in their income flow or an increment on their expenditures.

In a bid to pinpoint the effectiveness of cooperatives in offering financial education, Randal and Zia (2017) suggest that cooperatives offer a more reliable avenue for financial education owing to its membership as well as the fact that the targeted population will be active users of their financial services. The messages delivered during these literacy sessions should be simple, memorable and clear. However, Jain (2014) argues that while cooperatives are offering financial literacy and counselling to its members they should consider relevance to one's skills, market demands, and resources owned by an individual, the needs of the people and should strive to solve the people's problems.

According to Kirch et al. (2015) financial literacy is a significant element of stability, economic and financial growth. According to them financial knowledge is acquired throughout the human life cycle. According to OECD (2013) financial literacy is taken to be a combination of awareness, knowledge, skill, attitude and behavior needed to make sound financial decisions resulting in financial wellbeing. Thus financial literacy can be best measured using the dimensions of financial knowledge, financial behavior and financial attitude.

Many development blueprints among them the vision 2030 identifies the pertinent role played by financial literacy. Njoroge (2013) found that there is a strong relationship between financial literacy and success in business. Njoroge further alludes that financial institutions run by financial literate people have increased chances of success compared to those run by people with limited knowledge.

World Bank (2010) established that the core of the financial literacy should consist information about the interest rate and the cost of the loan as most financial service users have their focus here. ICPAK (2016) identifies the strength of cooperatives when it comes to offering credit and financial advice to its members. According to the body, the Kenya cooperatives societies have had a crucial role in giving key and important advisory services, access to credit and investment opportunities which directly contributes to improving economic livelihoods. Kenyan cooperatives according to ICPAK have strived to hold member education days at least annually. Most themes adopted by the financial cooperatives revolve around cooperative operations, the development of the saving culture and how to prudently use the accessed credit. However, the general feeling is that the literacy offered has not yielded the desired results. Wachira and Kihiu (2012) agree with the notion that financial education will improve the credit worthiness which later translates to improved livelihoods.

However, in their study it was established that there is a paucity of information regarding the dynamics of financial education and its outcomes. They also propose that the government intensifies its effort so as to bring more people into the formal financial institutions. Therefore it is important that this study seeks to fill the existing research gaps.

Economic Empowerment:

Economic empowerment according to OECD (2011) is the capacity of people (both men and women) to participate in, contribute to and benefit from growth processes in a way that recognizes the value of their contributions, respect their divinity and make it possible to negotiate fairer distribution of the benefits of growth This definition underscores the centrality of human beings in the empowerment process as opposed to the process of economic growth. Similarly, the World Bank (2010) refers to economic development/empowerment as inclusive growth. According to the giant financial body, inclusive growth entails allowing people to contribute to and benefit from economic growth.

In contrast economic growth according to Feldman et al. (2014) is the increase in the aggregate output such as increased production of goods. According to the authors' empowerment is less of a market function but rather deliberate and concise efforts over a long time aimed at building capacity and enhancing the abilities of the market players (the people). According to Sam (2014) there is a direct link between economic empowerment and poverty alleviation. According to the author, when people are empowerment economically they can comfortably meet their basic as well as other essential needs needed for a fulfilling life. Thus it is important not to view economic empowerment from the diminished angle of money alone but rather the spillover effect.

In a study conducted by Mbabazi and Liliane (2015) on the impact of economic empowerment on socio-economic development. It was established that economic empowerment had an impact on the poverty levels both at the household as well as the larger community. As a result there are increased chances of better education, health and access to other amenities. According to the UN (2015) post-2015 Development Agenda, cooperatives place in development is identified. According to the report inclusive economic growth where people benefit from growth through employment creation can be achieved by proper cooperative organization. In the research it was established that apart from creating wealth, cooperatives can potentially result in ending poverty, creating jobs, sustainable livelihoods and equitable growth. Other potent areas included food security and nutrition, provision of quality education and lifelong education, good governance and gender empowerment.

According to Sujatha and Malyadri (2015) ascertained that cooperative led investment has an effect right from the housed where members are enabled to meet their needs and those of their dependents. This creates sort of a sustainable chain of empowerment where the accessed credit is used for investment purposes which later accrue surplus capital that is then used to meet the household needs. Lekorwe and Seleke (2015) however, disagreed on the role of cooperatives in empowerment. According to them despite the major strides attained by cooperatives in Botswana, there is little to show in terms of empowerment due to policy and other management challenges. However, according to Tadeye and Tesfay (2013) cooperatives are factories that transform poverty into empowerment through capacity building, resource mobilization and capacity building. According to the authors to the authors, economic empowerment among financial cooperative members can be measured using the following indicators access to credit, increased savings, credit worth and improved general welfare. A study by Archana and Gnanaprakasam (2018) established that there is a correlation between economic power, assets and other social aspects such as health and education.

III. RESEARCH METHODOLOGY

This study adopted a descriptive research design. The study population comprises of new and existing members of Mwalimu National Sacco working with county government of Bungoma. The target population of the study comprised 1500 members (the total number of Mwalimu National Sacco members working with Bungoma county government according to the Sub-county cooperative office). As a result there was purposive selection basing on the duration of membership at Mwalimu National Sacco. Older members comprised of those who have been members for five or more than five members while fairly new members comprised those whose subscription is less than two years. The older members were 1348 while the newer members were 153. In deriving the sample from the sample frame Taro Yamane's formula was employed to achieve sample size of 316. From the sample size, 270 older members and 46 fairly new members were selected purposively. The main idea behind this technique is to help concentrate on people who are best placed to help assist garner relevant data.

In this study the researcher made use of questionnaires as it is the most appropriate tool for the problem under study. Pilot test was conducted on a determined number of which many scholars argue should be between 5-10% of the sample. In this study the data collected was sorted, coded and summarized prior to analysis using the statistical package for social science. Owing to the nature of this study, such as ascertaining the rate of financial literacy, the preferred descriptive statistics used were frequencies percentages, mean and standard deviation. Linear regression was the core inferential statistic run to ascertain the influence of socio-economic determinants on economic empowerment using R square and unstandardized coefficient. The hypothesis was rejected based on the $P<0.05$ and $\beta \neq 0$. The study analytical model was in the form of

$Y = \alpha + \beta_1 X_1 + \varepsilon$

Where Y is the dependent variable (Economic Empowerment)

β_0 Regression constant. It is the value of Y when $X_1 = 0$

β_1-is the regression coefficients of Financial Literacy

X_1 is Financial Literacy

ε is error

IV. FINDINGS AND DISCUSSION

A. *Descriptive Analysis:*

Descriptive statistics included study variables such as financial literacy and economic empowerment. Descriptive statistics included percentage, frequency, mean, maximum (max), minimum (min) and standard deviation (SD). The study sought to find out the agreement of the respondents from 1-strongly disagree, 2-Disagree, 3-Undecided, 4-agree and 5-strongly agree.

Table 1: Descriptive Results for Financial Literacy

Financial Literacy	1	2	3	4	5	Min	Max	Mean	SD
Cooperatives have prioritized financial literacy	2.9 (8)	5.8 (16)	10.1 (28)	58.1 (161)	23.1 (64)	1	5	3.92	.90
Entrepreneurship training has been a core part of the financial education sessions	5.4 (15)	14.4 (40)	25.3 (70)	40.4 (112)	14.4 (40)	1	5	3.44	1.0
My investment knowledge has grown as a result of financial education	4.3 (12)	5.8 (16)	4.3 (12)	75.8 (210)	9.7 (27)	1	5	3.80	.85
My saving rate has grown as a result of being spending conscious	2.9 (8)	4.3 (12)	7.2 (20)	69.7 (193)	15.9 (44)	1	5	3.91	.81
My knowledge of risks involved in investment has grown	2.9 (8)	4.3 (12)	8.7 (24)	76.9 (213)	7.2 (20)	1	5	3.81	.74
I am more knowledgeable in running business than before	16.2 (45)	5.4 (15)	61 (169)	13 (36)	4.3 (12)	**1**	**5**	3.28	1.0

From Table 1, 58.1 %(161) and 23.1 %(64) of the respondents agreed and strongly agreed that cooperatives have prioritized financial literacy with a mean of 3.92 and standard deviation of 0.90. This implies that there is great deviation from the mean. The results also revealed that 40.4 % (112) of the respondents agreed that entrepreneurship training has been a core part of the financial education sessions and 14.4 %(40) of them strongly agreed. A mean of 3.44 and standard deviation of 1.07 implies that there is great deviation from the mean.

The results further revealed that 75.8 %(210) of the respondents agreed that their investment knowledge has grown as a result of financial education while 9.7 %(27) strongly agreed. A mean of 3.80 and standard deviation of 0.81 implied that there is some deviation from the mean. It was also revealed that 69.7 %(193) and 15.9 %(44) of the respondents agreed and strongly agreed that their saving rate has grown as a result of being spending conscious. A mean of 3.91 and standard deviation of 0.81 postulates that there is some deviation from the mean.

Majority of the respondents, 76.9 %(213) agreed that their knowledge of risks involved in investment has grown and 7.2 %(20) of the respondents strongly agreed that with a mean of 3.81 and standard deviation 0.74. This implies that there is significant deviation from the mean. Lastly, 61 %(169) of the respondents were undecided whether they are more knowledgeable in running business than before while 13 %(36) agreed and 4.3 %(12) strongly agree. A mean of 3.28 and standard deviation of 1.02 implies there is great deviation from the mean.

Table 2: Descriptive Results for Economic Empowerment

Economic Empowerment	1	2	3	4	5	Min	Max	Mean	SD
More employment opportunities have been created especially for women and youth	1.4 (4)	7.2 (20)	4.7 (13)	79.4 (220)	7.2 (20)	1	5	3.83	.71
My housing structure has improved	5.1 (14)	9 (25)	11.6 (32)	58.5 (162)	15.9 (44)	1	5	3.71	1.0
My entrepreneurial skills have improved	1.4 (4)	8.7 (24)	20.2 (56)	61.4 (170)	8.3 (23)	1	5	3.66	.80
My assets based have increased	2.9 (8)	17.3 (48)	4.3 (12)	50.9 (141)	24.5 (68)	1	5	3.86	.91
I am able to afford better health services, education, sanitation etc.	2.9 (8)	10.1 (28)	11.6 (32)	65.3 (181)	10.1 (28)	1	5	3.69	.88
Household income and earning has increased	2.9 (8)	5.8 (16)	15.2 (42)	63.5 (176)	12.6 (35)	1	5	3.77	.84

From Table 2, majority of the respondents 79.4 % (220) agreed that more employment opportunities have been created especially for women and youth and further 7.2 % (20) strongly agreed with a mean of 3.83 and standard deviation of 0.71. This implies that there is some deviation from the mean. The results also revealed that 58.5 % (162) and 15.9 % (44) of the sampled respondents agreed and strongly agree that their housing structure has improved. A mean of 3.71 and standard deviation of 1.0 implied there is significant deviation from the mean.

Members' entrepreneurial skills have improved as confirmed by 61.4 % (170) of the respondents who agreed and8.3 % (23) of the respondents who strongly agree. A mean of 3.66 and standard deviation 0.80 suggested that there is some deviation from the mean. The results also found that some member have realized increased in asset base as revealed by 50.9 % (141) who agreed and further 24.5 % (68) who strongly agreed with a mean of 3.86 and standard deviation of 0.91.

It was also revealed that 65.3% (181) and 10.1% (28) of the sampled respondents agreed and strongly agreed respectively that they are able to afford better health services, education and sanitation. A mean of 3.69 and standard deviation 0.88 implies that there is some deviation from the mean. Lastly, 63.5 % (176) of the respondents agreed that their household income and earning has increased and additional 12.6 % (35) strongly agreeing with a mean of 3.77 and standard deviation 0f 0.84.

B. Inferential Statistics:

The objective of the study was to investigate the influence of financial literacy on economic empowerment among Sacco members of Mwalimu National Sacco in the county Government of Bungoma. The objective tested the null hypothesis that posits H_0: There is no significant relationship between financial literacy and economic empowerment among members of Mwalimu National Sacco in the county Government of Bungoma. This was accomplished by use of Pearson correlation (r) and linear simple regression (R2) with aid of SPSS version 22.

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Table 3: Pearson Correlation Results

	Economic empowerment
Pearson Correlation Coefficient	.406**
Sig. (2-tailed)	.000
N	277

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

In investigating the influence of financial literacy on the economic empowerment, the study established a coefficient of correlation (r) as 0.406**, P<0.01 at 99.0% confidence level as shown in Table 3. This shows that there exist a significant positive relationship between financial literacy and the economic empowerment of Sacco members in Bungoma County. This postulates that increase in financial literacy would results to increase in economic empowerment among members of Mwalimu National Sacco in the county Government of Bungoma while decrease in financial literacy leads to a decrease in their economic empowerment.

Table 4: Simple Linear Regression Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.406[a]	.165	.162	.32792

a. Predictors: (Constant), Financial literacy

ANOVA[a]

Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	5.828	1	5.828	54.200	.000[b]
	Residual	29.571	275	.108		
	Total	35.400	276			

a. Dependent Variable: Economic empowerment

b. Predictors: (Constant), Financial literacy

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.385	.176		13.535	.000
	Financial literacy	.365	.050	.406	7.362	.000

a. Dependent Variable: Financial literacy

The results in Table 4 revealed a coefficient of determination (r2) of 0.165. Meaning financial literacy can explain up to 16.5 % of variation in economic empowerment among members of Mwalimu National Sacco in the county Government of Bungoma. The adjusted r square attempts to produce a more honest value to estimate r square for the population. The F test gave a value of (1, 276) = 54.200, P<0.01, which supports the goodness of fit of the model in explaining the variation in the economic empowerment among Sacco members. It also means that financial literacy is a useful predictor of economic empowerment among members of Mwalimu National Sacco. The unstandardized regression coefficient (β) value of financial literacy was 0.365 with a t-test of 7.362 and significance level of p< .001. This indicated that a unit change in financial literacy would result to change in economic empowerment by 0.365 significantly. The regression equation to estimate the economic empowerment among members of Mwalimu National Sacco in the county Government of Bungoma as a result of financial literacy was thus stated as:

Economic empowerment = 2.385+0.365 Financial literacy

The null research hypothesis posited H_0: There is no significant relationship between financial literacy and economic empowerment among members of Mwalimu National Sacco in the county Government of Bungoma was rejected using both r and R2. From the results, financial literacy had significant positive effect on economic empowerment with P<0.01 and it significantly accounted 16.5% variance in economic empowerment among Sacco members. Therefore, the null hypothesis is rejected as financial literacy has significant influence on economic empowerment among members of Mwalimu National Sacco in the county Government of Bungoma.

These findings are in line with Njoroge (2013) who found that there is a strong relationship between financial literacy and success in business. Njoroge further alludes that financial institutions run by financial literate people have increased chances of success compared to those run by people with limited knowledge. Wise (2011) studied the impact of financial literacy on new venture survival in Canada and established that increases in financial literacy led to more frequent production of financial statements which contributed to more effective management of the enterprises. Siekei et al (2013) studied the effect of financial literacy education on performance of small firms in Njoro, Kenya and established that training in financial analysis, budgeting and credit management improved the performance of microenterprises.

V. CONCLUSION AND RECOMMENDATIONS

The study hypothesis was rejected by this study since R, R^2, t and Beta result were all significant. Hence, economic empowerment among Sacco member would increase with increase in financial literacy and reduction of financial literacy would results to reduction in economic empowerment. It can therefore be deduced that financial literacy significantly predicts economic empowerment among Sacco members in Bungoma County. From likert scale results, analysis it can be revealed that of the respondents agreed and strongly agreed that cooperatives have prioritized financial literacy implying that cooperatives have had a significant role in instilling sound financial values to its members. Majority of the respondents agreed that their investment knowledge has grown as a result of financial education meaning that cooperatives have prioritized entrepreneurship in their financial literacy sessions. The study concluded that due to financial literacy, Sacco member's investment knowledge has grown. Further, it was concluded that member's knowledge of risks involved in investment has grown.

The study calls for improvements in the financial literacy which will improve Sacco members' capacity to best utilize the credit accessed from their Saccos. Improvements in effective financial decisions will improve the member's knowledge on the best investment opportunities and the risks involved with particular business. The findings require members to improve their financial knowledge and skills in order to enhance their participation in various economic activities. The study also recommended that SACCO managers should ensure that entrepreneurship training becomes a core part of the financial education sessions so as to increase the knowledge of Sacco members in running their businesses. It is further recommended that appropriate risk management measures be introduced and maintained in order to further the members' risk management skills acquired.

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