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The Challenges of Poor Financial Management among Members in Households to the Effectiveness of Savings and Loans Associations in Tororo County, Tororo District.

According to Alvin Toffler (2008), the illiterate of the 21st Century is not those who cannot read and write, but those who cannot learn, unlearn, and relearn. This study, therefore, offered the researcher an opportunity to learn, unlearn, and relearn about the financial challenges Savings and Loans Associations (SLAs) go through, accruing from member's household needs. The purpose of this study, therefore, was to acquire knowledge, identify gaps about Savings and Loans Associations, to be able to justify the thesis that enhanced financial management is indispensable to achieving increased participation and performance of SLAs. This is possible through training members on good household financial management and home-based business skills. Thus, the subject matter and methods by which this thesis was established was such that 217 SLAs members were studied through questionnaires given to members from two parishes each, in three sub-counties of Molo, Kwapa and Osukuru in Tororo County, 2 focus group discussions to 2 SLAs groups, and 4 interviews conducted with key service provider organisations and local government. The major findings were: SLAs members have well-built traditional savings practices got from accumulated experiences of savings group practitioners and service provider organisations but they have limited knowledge and lack basic skills in managing their finances, gender related issues and household income. The cycle of saving and lending, training and supervision by service provider organisations are time bound and limited to one year before the members are left to operate on their own. This makes members not well established in managing their finances effectively. The conclusions and suggestion made to these challenges are that the model be redesigned, members be monitored for more than two years, because the short period given to members is not enough for long term profitable investments. The approach of share-out after one year should be revisited and extended for members to realise impact of saving vis-a-vis the quality of life at household levels. But above all, the research is based on the challenges of SLAs members on effective and in-depth financial management skills to manage house social amenities.

Key Words: Poor Financial Management, Households, Effectiveness, Savings, Loans, Tororo District.