



Rural Savings Promotion & Enhancement of Enterprise Development



Market & Social Research Division

**QUALITATIVE REPORT ON
RURAL SAVINGS, NEEDS, HABITS AND PRIORITIES STUDY**

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RURAL SPEED

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Acronyms and Specialized Vocabulary

ASCA:	Accumulating Savings and Credit Associations
Exit Clients:	Respondents who ceased to use Micro-finance Institutions
Kikalamu:	Fine levied in groups
Nigina:	Contributions to household items according to the members' needs
Non-Users:	Those who do not use and have never used, but may be using other methods of savings other than MFIs
ROSCA:	Rotational Savings and Credit Associations. These may also be referred to as Cash rounds or Merry-go-rounds
RFI:	Rural Financial Intermediary
SACCOs:	Saving and Credit Co-operative
UFT:	Uganda Finance Trust
FINCA:	Foundation for International Community Assistance
UMU:	Uganda Micro-finance Union
BIBINA:	Groups

1.0 BACKGROUND INFORMATION

1.1 INTRODUCTION

Rural Savings Promotion & Enhancement of Enterprise Development Project (Rural SPEED) wishes to understand the saving habits, needs and priorities of rural Ugandans and therefore commissioned a study to systematically interview rural Ugandans to collect this information. Rural SPEED will use the results of this study to assist rural financial intermediaries (RFIs), stakeholders in rural finance to understand rural savers and hence develop innovative products and strategies to increase RFI capacity in savings mobilization.

1.2 RESEARCH OBJECTIVES

The principle objective of this survey was to provide Rural SPEED with an understanding on the saving habits, needs and priorities of the rural Ugandans to facilitate a new savings products design for the rural population.

1.3 METHODOLOGY

1.3.1 Overview

To address Rural Speeds' objectives, qualitative and quantitative approaches were used. This report contains findings from the qualitative phase consisting of both mini-groups and in-depth interviews.

A qualitative phase was adopted as an explorative research technique to answer the research questions of *what, why, when, and how*.

The quantitative approach gives the numerical data facilitating ideological supremacy.

The study purposely selected respondents who were aware of savings. From this sample, high quality and actionable information was obtained from which hypotheses were generated and tested in the quantitative design. In the controlled qualitative environment, the respondents give more detailed information.

Qualitative designs include focus groups, in-depth interviews, observations, mini-groups and in-depth interviews. Mini-groups were adopted for the qualitative stage of this survey. A mini-group is essentially the same, as a traditional focus group except it will consist of 4 participants

Mini groups have the benefits of being a cost-effective research approach, faster since they are easier to compose, and with properly recruited respondents, the moderator is more able to tap and exhaust on all the respondents ideas. Further, the atmosphere in mini-groups is freer owing to the fewer numbers ensuring that the respondents can express themselves freely.

1.3.2 Mini-groups Composition

The mini groups were composed of clients (Exited and Non-existent), of different MFIs & SACCOs, while the in-depth interviews targeted managers and heads. Respondents were all recruited from the rural areas of the respective districts sampled and were between 18 years and 45 years of age. The gender composition was 50-50.

1.3.3 Sample areas

The table below summarizes the areas where the qualitative study was conducted.

Region	Mini Group	Location
North	Male Client	Lira
	Male Non-Client	Arua
	Male Exit Client	Lira
	Female Client	Arua
	Female Non-Client	Lira
	Female Exit Client	Arua
East	Male Client	Tororo
	Male Non-client	Iganga
	Male Exit Client	Tororo
	Female Client	Iganga
	Female Non-Client	Tororo
	Female Exit Client	Iganga
West	Male Client	Bushenyi
	Male Non-Client	Mbarara
	Male Exit Client	Bushenyi
	Female Client	Mbarara
	Female Non-Client	Bushenyi
	Female Exit Client	Mbarara
Central	Male Client	Masaka
	Male Non-Client	Bombo
	Male Exit Client	Mubende
	Female Client	Bombo
	Female Non-Client	Masaka
	Female Exit Client	Bombo

1.3.4 In-depth interviews

These were face-to-face in-depth interviews conducted among the managers and heads of MFIs and SACCOs. The areas and categories sampled are summarized in the table below.

	District	SACCOs	MFIs
1	Nebbi	Paidha Co-operatives	FINCA
		Nebbi Women's Development Association	UFT
2	Mbale	Mbale Women Savings and Credit Society	UMU
		Bugisu Teachers Savings and Credit Society	
3	Mbarara	Ankole Farmers Traders	UFT
		Shuuku Co-operative Savings and Credit	FINCA
4	Lyantonde	South Buganda	
5	Lira	Oribing	FINCA
		Arukicope	UFT
6	Arua		FINCA
7	Tororo		UMU
			UFT
8	Iganga		FINCA
9	Masaka		UFT
			UMU
			FINCA
10	Mubende		UMU
11	Bombo		UMU
12	Kisoro		UMU
13	Adjumani		UMU

1.4 DATA PROCESSING AND REPORTING

All mini-group discussions were audio recorded for purposes of data analysis and reporting. Also present was a secretary who noted the key points during the group proceedings. The audiotapes were later transcribed and data was analyzed by the various sample splits to bring out differences across gender, region, clients, non-clients and exit clients on one hand; and, RFI practitioners on the other.

The principal findings presented include descriptive and analytical comments on each of the issues that were discussed in the groups. In each section, supporting quotations (in italics) from the interview transcripts demonstrate the tone of the discussion.

2.0 EXECUTIVE SUMMARY

2.1 SAVINGS METHODS

Saving can take two forms: *in cash* and *in kind*.

Cash savings: Respondents saved cash through formal, semi-formal and informal methods. Formal savings include banks, MFIs and SACCOs. The key reason for using these institutions is because the respondents felt their savings were secure. The semi-formal savings were through ROSCAs (also referred to as merry-go-rounds), and ASCAs. Others mentioned saving through informal methods citing accessibility and absence of charges as reasons.

The frequently cited informal methods of savings were:

- Keeping money in boxes, bottles and other containers such as pots.
- Contributions to purchasing household items according to the members' needs.
- Under the bed, in the ceiling, as well as keeping it underneath their clothes (most often with the female).
- Saving with friends (in some communities).

However, respondents were aware that informal methods of saving are prone to loss through various ways such as theft and growth of mould on damp currency.

RFI Practitioners from MFIs and SACCOs confirmed that the majority of those who save in cash mainly keep it at home in pots, while few save in MFIs and SACCOs. The practitioners further confirmed that many in cash rural savers formed ASCA groups known as cash rounds among themselves.

In Kind Savings: Buying of property, and reselling at a later date upon appreciation. This method is perceived to be simpler, easier and a source of pride and prestige amongst the rural communities. Other forms of in kind savings are: houses/rental buildings, livestock and produce such as coffee, tea, bananas, groundnuts and maize.

To some respondents, investment in the education of their children is also regarded as saving. They expect remittances and family support after the children's' studies.

2.2 PURPOSE OF SAVING

There were several reasons cited by respondents in mini-groups as to why people save. These included:

- Education: The rural people consider education a valuable investment and hence save to provide for their children's education. The related costs include school fees, books and other scholastic materials.
- Healthcare: Medical bills are a key priority and rural people will save to manage the medical bills. Medical bills especially during the rainy season when there is increase in malaria were said to be inevitable.

- Purchase of capital assets such as land and buildings is considered long-term investment, which more often than not requires accumulation of savings.
- Capitalizing businesses: This requires mobilization of savings for both initial capital and reinvestment capital.
- Acquisition of loans from financial service providers: Some MFIs and SACCOs have it as a requirement that a loan applicant should have savings with them to qualify for a loan.
- To be able to meet the financial requirements during ceremonies and cultural events such as weddings, circumcision and religious occasions such as Iddi and Christmas.
- To mop up excess liquidity and avoid the temptation of misusing cash by saving using formal methods.
- Purchase of household capital assets such as radios, televisions and basic needs like food and clothes. This not only raises the social status of the individual in society, but also improves the living standards of the people.
- Future eventualities like old age and unexpected problems like famine.

2.3 BARRIERS TO SAVING

People fail to save due to several reasons including the following:

- Low incomes as a result of long drought spells in the rural farming communities and poor returns from the businesses. The RFI managers also noted that decline in prices for agricultural produce has limited the communities' ability to save.
- High consumption habits in the communities. Consumption patterns have over time been affected by inflation. The RFI managers felt that poor planning with some spending virtually all their income was another reason for not saving. However, it was further observed that in some cases this could be attributed to increased domestic responsibilities.
- In rural communities the families are mostly large (extended family structure) and it is difficult to save since there is high expenditure on school fees, food, clothes, medical care among others.
- Bank charges and withdrawal penalties.
- The solidarity groups penalize or deduct members' savings for late coming or failure to attend a group meeting.
- Semi-formal savings schemes forfeiting one's savings when a member of the group fails to meet the repayment installment or completely defaults, other members' savings are deducted to cater for the defaulters.
- Limited or inconvenient hours of banking operations.
- Long queues especially in the formal saving institutions.
- The rural communities also find it difficult to raise the minimum balances in banks.

- Savings policies and procedures that are not explained. According to the MFI clients, there is ignorance on how the institutions function, coupled with inaccessibility to adequate reading materials on product features. Clients are unaware of the savings product advantages due to total absence of communication or lack of explanation about the products.
- The financial service providers are located far from the communities. This is further complicated by the costs of transport, added expenses such as meals as well as time.
- Insecurity, as in the case of the northern part of the country where the insurgency has forced many people to stay in Internally Displaced Persons camps (IDPs) which cause people to be mobile.
- There is lack of confidence in the institutions and their leadership among some rural communities who feel supervision and regulation of the financial institutions in the country is weak.
- The rural population has experienced collapse of some banks in the past. The fear of closing banks with subsequent loss of the savings as it happened in the case of the Co-operative Bank and Greenland Bank.
- Poor methods of savings, such as keeping the savings at home, expose potential savings to the risk of theft and loss. In addition, money saved through these methods is within clients' reach and in most cases prone to misuse.

2.4 MEASURES TAKEN BY RFIs TO HARNESS SAVINGS

The RFIs Practitioners indicated that to increase their savings portfolio, the financial institutions have among other things:

- Intensified training and mobilisation of the rural communities, in a bid to encourage people to save with them.
- The RFIs have also conducted product promotions to create awareness and enhance usage of products and services. RFIs have introduced incentives such as T-shirts, caps, calendars etc.
- Offered interest on savings to ensure client retention.
- Salary earners have been mobilised and encouraged to join by opening up savings accounts.
- Segmented the market by for instance allowing clients to belong to certain grades or schemes depending on their financial capabilities.
- Created partnerships with the government and other stakeholders like the Micro-finance Support Centre that provides funds to give as agricultural loans and the clients are encouraged to save.
- Attached a compulsory 10% savings of what the clients intend to borrow.
- Diversified the products in the saving and loan/borrowing categories products.
- Some organisations that traditionally used to target women have now enlarged their target market to include men as well as the children.
- There is a lot of sensitisation going on by the field personnel encouraging and educating the rural masses on the need to save, and the eventual benefits.
- Customer care has been enhanced to build client confidence in the financial institutions.
- Loans proportionate to the amount of savings are now being offered.
- To build confidence, institutions have conducted training on a wide range of subjects such as business management, saving and the impact of HIV/AIDS.

2.4 RFIs MEMBERSHIP REQUIREMENTS AND BENEFITS

Below are some of the requirements by RFIs for someone to be a member of a Rural Financial Intermediary that the RFI practitioners highlighted.

- a) Open up an account with a minimal compulsory saving
- b) One referral by an existing member
- c) Passport photographs
- d) Must be residents of the area
- e) A recommendation letter from either the local authorities or the current employer

Once a member, clients access the following products and services:

- Free sensitisation and training on saving
- Potential shareholder
- Exchange visits with more established SACCOS or MFIs
- Incentives for prompt loan payers and clients
- Money transfer services like Western Union
- Opportunity to save with the institution
- Participation in the Village phone project
- Opportunity to be elected as a board member
- Provision of a passbooks
- Access to loans

2.6 INCOME, EXPENDITURE AND SAVINGS PATTERNS

The graph below shows monthly analysis patterns of Income, Expenditures, Saving and Credit among the rural communities in the sampled districts.

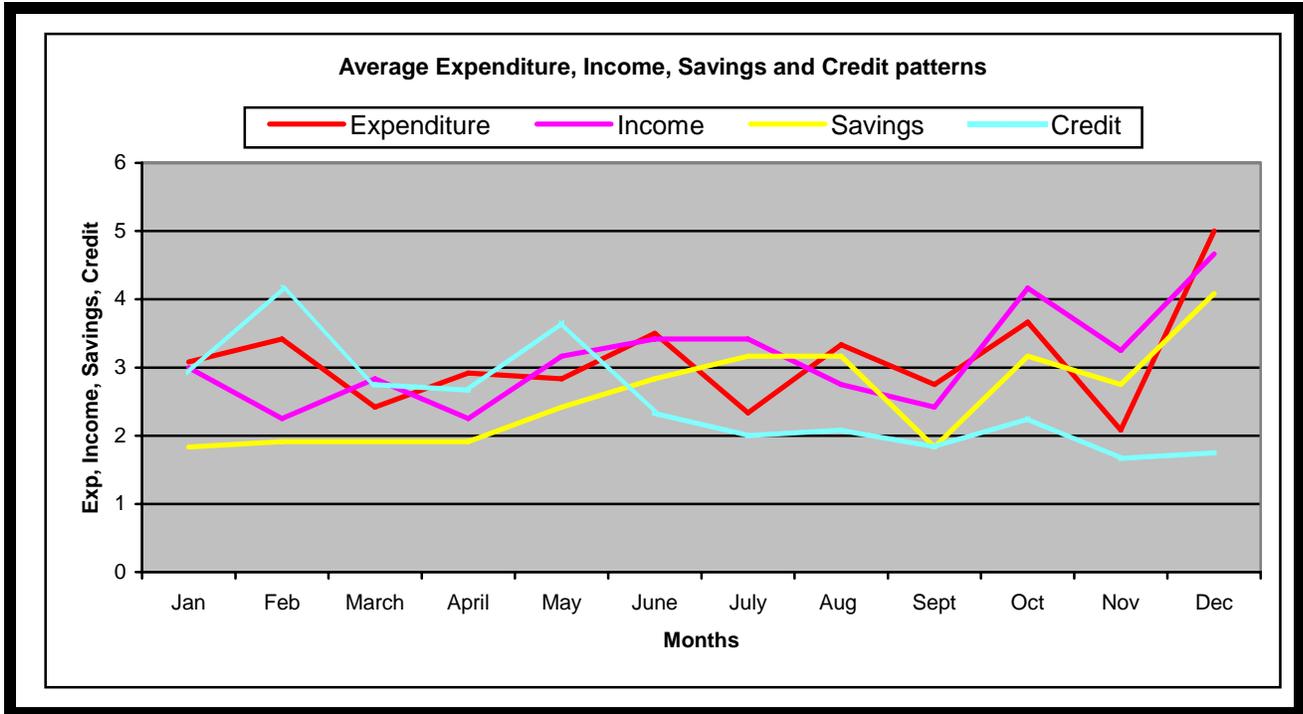


Fig.1 – Seasonality of income, expenditure, savings and credit

Quarter 1 - January, February, March

Quarter 2 - April, May, June

Quarter 3 - July, August, September

Quarter 4 - October, November, December

- In the figure above, expenditure is higher in the month of February, June, August, October, and December. Except from December, the four months are back to school periods hence focused expenditure on school fees, books, scholastic materials and any other school requirements for their children. Spending on entertainment, food and clothing characterize December - the festive month. It can also be noted that the least expenditures are in the month of March, July and November as these months have the least economic activities and are therefore utilized for planning.
- Respondents get lowest incomes during the 1st quarter of the year as this period is characterized by heavy expenditures on school fees and other requirements such as: purchase of farming seeds and tilling of land. In addition, the declining incomes are as a result of expenditures during the festive season like Christmas and end of year); the business community experiences the main income in this period. The end of the 2nd quarter experiences a rise in income, which is as a result of the harvest seasons of April and May.
- Savings are also lowest in the 1st and 2nd quarters of the year as a result of the low income and high expenditures on school fees and school requirements in February and May; land clearing,

buying inputs, resulting in low savings. A rise is experienced in the last part of the 2nd quarter as a result of the relative income from the sale of harvest. The rise is continuous until the 3rd quarter where it experiences a slump in September, which is the back to school period. The last quarter enjoys relative growth in savings, which peaks in December.

- Credit periods are mainly in the 1st and 2nd quarter of the year, climaxing in the month of February and May. There is little borrowing in the 3rd and 4th quarter.

1st and 2nd Quarter

- High borrowing as result of low incomes and accumulated debts.
- Low savings.
- Moderate income and relatively high expenditures.

Suggested product: School fees product (to tap into high marginal propensity to borrow in first quarter).

3rd and 4th Quarter

- High expenditures on Christmas celebrations and an increase in commodity costs.
- Reduction in borrowing.
- Increase in revenue as a result of the harvest seasons, lots of food for domestic use and sale.
- Savings level off, experience a slight drop in September, but immediately gain momentum in the last quarter.
- High revenue from food production and purchases for Christmas benefit the business communities.

Suggested product: Fixed deposit products. To promote it, introduce incentives like - *win Christmas shopping, school fees* (to tap the savings and higher income).

2.7 RECOMMENDATIONS FOR IMPROVING SAVINGS

To address the barriers highlighted, various suggestions were put forward. These include:

- i. The opinion of most respondents in all categories was that in order to address the information gaps, it is important that the financial institutions (MFIs, Banks, SACCOs, etc.):
 - Clearly communicate features and terms of the savings products they offer. The RFI managers suggested measures that could help educate and sensitise the community on savings and savings products.
 - Transparently explain any changes on savings (e.g. deductions/charges).
 - Regularly educate the rural communities on the requirements for one to save money with them.
- ii. Both the clients and RFI managers further suggested that financial institutions should:
 - Pay sufficient interest on the savings.
 - Open for longer hours to enable clients to deposit their savings conveniently.
 - Roll out branch networks to enhance accessibility and reduction on costs related to travel and time spent in search of offices/branches.
- iii. The clients and exit clients alike recommended that regulation and supervision by the government (through the Central Bank) be improved to ensure the security of clients' savings.
- iv. Both clients and exit clients recommended insurance for the financial Institutions to provide security of the members' savings.

- v. The financial institutions should also enhance security by deployment of security guards in all their outlets.
- vi. The RFI managers recommended regular field checks by the institution's field officers for purposes of update on any impending problems clients may be facing.
- vii. The view of the clients is that their leaders and the management of SACCOs and ROSCAs in particular, should have a clean working record, be competent and have a decent reputation in the community to create rapport and confidence.
- viii. Clients suggested that the institutions train their officers on customer care to boost the quality of service. Currently it was felt that this is lacking and the staff were said to treat clients with 'arrogance and rudeness'.
- ix. The RFI practitioners suggested designing products that meet the needs and priorities of the rural community.

3.0 DETAILED FINDINGS

This section contains detailed findings of the survey. It includes analytical and descriptive comments on each of the issues that were discussed in the groups. In each section supporting quotations (in italics) from the interview transcripts are presented to demonstrate the tone of the discussion.

3.1 SAVINGS METHODS

Findings indicate that saving in communities is low. The general perception amongst the rural population is that one needs to have a lot of money to save, though some appreciate saving the little that they have.

Saving in the rural communities takes two forms: in cash and/or in kind. Cash saving methods may be classified as formal, semi-formal and informal.

3.1.1 Cash saving methods

(a) Formal cash saving

Formal saving in cash is through the banks, MFIs and SACCOs. There was a feeling amongst respondents that through this method, security of savings is guaranteed.

"You see why they choose to save money in banks is because they feel banks are safe." (Male exit client - Mubende)

"There is a lot of security. When you keep it in a bank it is well kept." (Female client - Mbarara)

"When you are a group, you still can open up an account, bank money as a group and even borrow some money." (Female client - Mbarara)

Formal saving also has the benefit of convenience. The institutions are said to allow withdrawals at the convenience of the client. With banks, clients open accounts, which simplifies the withdrawal process, while the SACCOs are perceived to be less bureaucratic.

"Others can acquire an account in the bank and save the money there." (Female non-client Tororo)

“In a bank if you get a problem, you can easily rush there and get money.” (Female non-client Bushenyi)

“In SACCOS, there are no inconveniences like filling in of forms and it helps people to buy property easily.” (Female non-client - Bushenyi)

(b) Semi-formal cash saving

Semi-formal saving with ROSCAs (merry-go-rounds or cash rounds) and ASCAs was said to be accessible because in most cases these organisations operate within the vicinity of the communities.

“Thank you very much, we save in these groups, when you want the money you get it there and then.” (Male exit client - Mubende)

“Yes some of the people save their money in what they call groups cash rounds. The money is collected and given to one as others wait for their turn, the money goes on circulating in the involved group.” (Male exit client - Mubende)

The ease of forming/joining the group is also a motivator to saving. The feeling is that the members in the associations reside within the same area and are aware of each member’s financial capacity and commitment.

“People get into a group of 8-10 people and meet every week to give one of the members money and it continues until all the members have received money.” (Female non-client - Bushenyi)

In addition, there are no charges or costs incurred by saving in this way when compared with the formal service.

“And with the groups, if you are in a problem the fellow members help you out with out any interest that you have to pay back.” (Male exit client - Mubende)

“To save at home there are some organizational groups, which lend out money.” (Female non-client - Masaka)

“Another thing about money in cash round is that this money is from the area so there are no problems of travelling long distance.” (Female non-client - Masaka)

(c) Informal cash saving

Findings indicate that majority of the rural population save through informal methods. The most cited were: saving money in boxes, bottles and other containers such as pots, under the bed, in the ceiling as well as keeping it underneath their clothes, as in the case of women. The key advantage of saving money through the informal methods was the convenience of accessing the money any time.

“The box has no problem you just have to make sure that it is near you so that you can maintain and watch over it.” (Female non-client - Masaka)

“Putting money in small boxes called safes.” (Female non-client - Arua)

“Now in this community people get wooden boxes such that one throws in any amount they have say 200/=, after like 5 months, they break it and use that money.” (Female client - Masaka)

RFI practitioners confirmed that the majority of those who save in cash keep it at home in pots, while a few save in MFIs and SACCOs. The practitioners further confirmed that rural cash savers formed ASCA groups among themselves (also known as cash rounds).

3.1.2 Saving in kind methods:

This mode of saving is through purchase of property such as land, houses/rental buildings, livestock and produce such as coffee, tea, bananas, groundnuts and maize. The property is owned for a period of time,

and then resold when the value has appreciated. This method is perceived to be simpler, easier and a source of pride and prestige amongst the rural communities.

“I save by buying house properties.” (Female client - Iganga)

“Land gains value everyday. Land bought at Shs 100,000 can be sold at Shs 150,000 tomorrow. In addition, land can be used for crop growing and security in case you need a loan.” (Male client - Bushenyi)

“A building is long lasting, and it has a guarantee for many years.” (Female client - Iganga)

“You buy a radio to listen to, but that’s saving because if you get a problem you can easily sell it.” (Female client - Iganga)

“You can save maybe by buying land or building a house, that is a sure deal, I mean there is no way you can lose this money as the building is yours.” (Female client - Mbarara)

“They build a house and rent it out and at the end of the month or after three months they pay you your money.” (Female non-client - Bushenyi)

“Buying household equipment such as radio, bicycles and many more others.” (Female clients and exit clients - Arua)

To some respondents in some communities, investment in the education of their children was also regarded as a saving. They expect remittances and family support after the children’s studies. In old age these educated children are expected provide financial support.

“Paying school fees; that’s how we are saving in them by giving them fees its like you are giving them capital.” (Female client - Iganga)

“When you are paying school fees you really want your child to study and you have hopes that when the child finishes school, and gets a good job, he or she can help you when you are old.” (Female client - Iganga)

“Another thing is, in case I am saving in school fees. I always want to see that my children are studying especially girls because they are likely to bring better returns.” (Female client - Mbarara)

3.1.3 Limitations on saving methods

Formal Cash saving: Limited usage of formal institutions among the rural Ugandans is attributed mainly to high charges related to transactions, ledger fees or monthly fees. The formal institutions were said to be inaccessible to people in villages and that they have procedures that are cumbersome and restrictive. They further mentioned that banks are associated with long queues and big crowds, which causes inconveniences. Exit clients in Mubende noted that some people are illiterate which makes it hard for them to use banks.

“In fact the charges involved in withdrawing the money is also too much.” (Male exit client - Mubende)

“That’s why I hate saving in the bank, its because of the charges.” (Female client - Iganga)

“The other thing is that people don’t know how to write and even read, things in the banks are complicated, now when I want to withdraw 50,000 I need to know how they write it in words which is not the case when I save the money in physical items.” (Male exit clients - Mubende)

“Lining up when you have gone to get your money and by the time you leave the bank, your legs are hurting. That is why people keep in their houses.” (Female client - Iganga)

“You go to the bank and give the teller your money and depositing sheet she tells you have written badly go and correct your mistake yet you have been in the queue for long. You are tired they ask you, why have you used a black pen? When you don’t know that you are not supposed to

use it, so you end up not getting your money because they don't assist us.” (Female client Iganga)

Semi-formal cash saving: The major limitation to this saving method is lack of security and confidence that one will get the money back. It was said that with time a number of people have lost trust in the leadership of such institutions and among the members themselves. It is said that leaders of such associations abscond with the members' contributions, whilst group members on the other hand fail to remit their contributions.

“The problem is that some people are unscrupulous that they take all the money that is meant for the group.” (Male exit clients - Mubende)

“Sometimes when you have gathered the money and given it to one person, that person disappears with the money.” (Female non-client - Bushenyi)

“There is no security. You find that you have given one person money and you are four people but by the time you reach the fourth person, some people have already disappeared and you make a loss.” (Female non-client - Bushenyi)

Saving cash informally: Respondents were aware that informal methods of saving are prone to loss through various ways such as theft. It was noted that the bank notes easily gather mould and could even be destroyed by dampness.

“The only problem is that the house may get burnt or even the box may be stolen.” (Male exit client - Mubende)

“But the problem with this method is that still money could get destroyed. Not until recently when we have started building houses instead of putting all the money in pots.” (Female client - Bombo)

Saving in kind: The setbacks with this method is that sometimes tenants fail to pay rent; land can be repossessed with absence of title deeds, vehicles are prone to destruction or loss through accidents, theft, livestock may fall sick, and subsequently die.

“The only problem is when you give a tenant your house at times when you go there you find that she vacated without paying.” (Female client - Iganga)

“You can get people to rent out the houses but they don't pay you the money in the end, so you get a loss and some run away with the money.” (Female non-client - Bushenyi)

“The other problem is that when we save in the physical items like animals say goats you find that the animals are attacked by diseases.” (Male exit client - Mubende)

“You could buy cows say and they are stolen or they get lost because some break free and run off hence you lose money you invested.” (Female client - Mbarara)

“In case the animals die then you lose out. Or even they may steal the animal.” (Female non-client - Tororo)

“Keeping cows in the camp is difficult and when you take them out of the camp, rebels take them.” (Male client - Lira)

Farming is affected by the problem of diseases and long spells of drought. Respondents further mentioned that price fluctuations and poor seasons also affect the produce.

“The other problem is that when we save in the physical items like growing crops you find that diseases destroy.” (Male exit client - Mubende)

“You may buy either beans or millet at Shs.5 000, but when you are selling, you sell at Shs.2 000, so you are making a loss” (Female client - Mbarara)

*“Sometimes the season is really bad i.e. it could be raining or there could be too much sun.”
(Female non-client - Bushenyi)*

3.2 PURPOSE OF SAVING

There were several reasons mentioned by respondents in different communities.

Education: Some respondents attach a lot value to educating their children, and save to afford the costs. These costs cover school fees, registration fees, stationary and books, school uniforms among others.

“One can save in order to pay for school fees that’s why we save.” (Female client - Iganga)

“Like you pay school fees and if the child is joining may be University you can get that money you saved and start from that.” (Female client - Iganga)

“You can also save money for school fees payment and other school materials.” (Female non-client - Tororo)

“You can save money and later it helps you to pay school fees for the children.” (Female non-client - Bushenyi)

“And paying for children school fees.” (Female client - Masaka)

“Like you pay school fees and if the child is joining may be University you can get that money you saved and start off from that.” (Female client - Iganga)

Medical fees: Paying medical bills especially during the rainy season when there is an increase in incidences of malaria.

“For example I may fall sick or any one of my family members or even any problem can arise and I use the money I saved to solve the little problem that has come up say for medical bills.” (Male exit client - Mubende)

“For problems like sickness, at least when you have something saved, you just withdraw and it helps you to meet the medical bills.” (Female non-client - Tororo)

Buying capital assets: Respondents also save as a way of accumulating capital assets such as land and buildings. These assets generate income through sale as well as consumption. Not only are the assets used to generate an income for the owner, but also are occasionally used as collateral when borrowing.

“Like if you want to build you can take your money in the bank and keep on saving. When it accumulates, you can get it and may be buy a plot and start building a house for your family.” (Female client - Iganga)

“For example to buy seeds, insecticides or to help you hire oxen to plough your land.” (Female non-client - Tororo)

Acquisition of loans: Some respondents save to qualify for loans from financial institutions, since most financial institutions lend money to clients who save with them. Others will save in shares of SACCOs where they may obtain loans proportionate to their shares. Another reason is because it is mandatory for clients of micro finance institutions to have in savings, for instance, 10% of the principal amount borrowed.

“If you keep money in the bank after sometime they can give you a loan so that’s motivating people to learn to keep in the bank.” (Female client - Iganga)

“That means you are saving with the micro finance institution so that whenever you want a loan they can always give it to you as you save.” (Female non-client - Tororo)

“People save money because they expect to get a loan from the micro-finance institutions because if you don’t have money or security they can’t give you a loan.” (Exit client - Tororo)

“You can easily get a loan from a bank when you have an account with them than when you do not have an account with them.” (Female non-client – Bushenyi)

“The micro-finance institutions tell us that each time you deposit money, you have to save this helps you in a way.” (Female non-client - Masaka)

“Others choose to do so because we hear that if you save money in the bank after sometime they can give you a loan, and that’s motivating people to learn to save in the bank.” (Female client - Iganga)

Capitalizing businesses: Saving money and then using the money to start up a business or re-invest in the business.

“I save money in order to expand my business.” (Female non-client - Bushenyi)

“For example, if you have a business and there is need for restocking, you keep your money until when you are able to buy in bulk.” (Female client - Bombo)

“Sometimes it’s to start something new like a business, I am a cameraman but I would like to buy some goats, such that in case of any problems I can sale off the goats to clear the problem.” (Female client - Luwero)

Security is a very important aspect as to why people save. Saving money especially through banks enhances security of the money from theft, and loss through incidences like fire.

“If they get to know that you are someone who doesn’t keep money in the bank, the thieves can easily raid your home and you will be at a loss, so basically in the bank, one is sure that the money is secure.” (Male non-client - Bushenyi)

“Banks are very secure.” (Non-client - Arua)

Purchase of basic needs: The respondents also agree that to afford household assets and other accessories, one has to pool resources together. Therefore, saving will be necessary to meet the basic needs of food, housing and clothing. Other household items such as radios and televisions improve standards of living.

“Saving can improve on your standard of living or development.” (Male non-client - Bushenyi)

“You can buy cows, land and any time you need money, and you sell them.” (Male non-client - Bushenyi)

“There are times when I want to buy certain things in the house, I will definitely save for them.” (Male client - Lira)

Eventualities: Future eventualities like old age, and unexpected problems like famine or long spells of drought necessitate saving.

“For me I think they are saving for the future. I mean in the future when one can no longer work (old age), they get some money then that money is used.” (Female client - Mbarara)

“Not only that but also when one knows that he has to grow old he has to save not to suffer in future, it is like already made money that one kept.” (Male exit client - Mubende)

“People save money for future use, so if you get a problem like sickness you have somewhere you can be able to get some money.” (Female non-client - Tororo)

“Yes for old age. Savings can help when you are old and cannot do any work.” (Female non-client - Bushenyi)

“For future purpose like old age when you have grown old and you have built a house, you can rent it out and get money.” (Female non-client - Bushenyi)

Festivities and cultural events: Events and festivities such as marriage, circumcision and religious occasions also require saving to manage the associated costs. In addition, respondents save to facilitate celebration of festive seasons like Christmas, Iddi or Easter.

“We also save for development purposes, say improvement in our day life and mostly when I have an introduction (bride price) to make I have to present my goats or cows, also for to development in building houses, which is why we decide to save.” (Male exit client - Mubende)

“We also save in preparation of cultural events such as when there is an introduction (bride price) to make.” (Male exit client - Mubende)

“Some times we save for the big days to come, for example Christmas or Easter for which we buy some things like clothes, food for the big days.” (Male exit client - Mubende)

Avoid temptation of misuse: Excess liquidity creates temptation for misuse of funds hence some respondents will opt to save.

“Well, cash even if it is Shs.1M, if you just keep it in the house without saving and you just keep removing a bit to spend, it will not last, it will get finished.” (Female client - Mbarara)

“You can become extravagant and use the money to buy things you should not have bought but once you take it into a bank, you can’t misuse it.” (Female non-client - Bushenyi)

“So that they don’t misuse money by just spending but keep it for something useful because if one has excess money on him, he will spend aimlessly.” (Male non-client - Mbarara)

3.3 BARRIERS TO SAVING

There are a host of factors that affect saving among the rural population in Uganda. These include high bank charges, lack of information on options and products available for saving, poverty, low interests on deposits, limited access to financial services, instability of some banks and uncertainty about especially the future in Northern Uganda.

Bank charges: High bank charges on withdrawals and ledger fees hinder saving among the rural population.

“There are bank charges which the bank deducts for keeping your money there.” (Female client - Luwero)

Poverty: Low incomes as a result of long drought spells and price fluctuations in the rural farming communities. The business communities also noted that business is slow in the rural area. These factors affect the incomes and diminish their power to save.

“Mainly the farm products don’t have good markets and also their prices keep fluctuating, which makes it impossible for farmers to get profit.” (Female non-client - Masaka)

“According to my low income I don’t save like by the time I make my blocks I have already spent the money.” (Male non-client - Iganga)

“For a long time we have experienced drought, what then can one save?” (Male exit client - Lira)

No interest earned on savings: Respondents noted that in addition to banking charges, the financial institutions do not offer any interest on their savings.

“Still people do not enjoy saving, this is because there is no interest given on the money we save.” (Female non-client - Masaka)

“This one has talked about bank charge of 2000 but I mean the charges per transaction or the monthly charge and when my money is in their hands they are loaning it to other people and making interest out of it and they don’t give me any interest but only deducting my money. I deposited 10,000 and when I went back it was 6000 and they don’t tell you why they did that.” (Female client - Iganga)

The clients and non-clients in the mini-groups suggested that financial institutions should pay sufficient interest on their clients’ deposit.

“All we know is that banks used to give interest on money kept there, but since nowadays they do not give, people are unwilling. So they should adopt the system of giving some interest on the savings.” (Male non-client - Luwero)

“They should provide reasonable interest rates because they also earn from the savings.” (Male client - Lira)

Unstable banking sector: Lack of confidence coupled with fear of closing banks with subsequent loss of savings as it happened in the case of the Co-operative Bank and Greenland Bank.

“I feel even the banks are somehow corrupt. You can learn that they have closed abruptly even before you withdraw your money so in that case you lose out.” (Female non-client - Tororo)

“We had our bank here in Bushenyi and the government closed it, the Co-operative Bank. Some of us who had accounts with it couldn’t get our money.” (Female non-client - Bushenyi)

“When banks close you find that you lose a lot, or they slash your money by half.” (Male client - Tororo)

“In case the bank closes, it’s clients lose out for example when Greenland bank closed most of it’s customers were never compensated so banking sometimes has it’s own risks.” (Female client - Luwero)

“At one time members of this community used to have their local bank and they were keeping their money so a thief came and stole the money that’s why they now don’t have the trust in the banks.” (Female client - Masaka)

“You know, those organizations are a bit difficult because the leaders are not trustworthy.” (Female client - Luwero)

In addition, the respondents’ felt that there is lack of proper regulation by the Central Bank, and as a result inhibits savings, thus eroding trust in the institutions.

“In this area we do save only that these days there has been a reduction since at one time members of this community used to have their local bank and they were keeping their money in that bank so a thief came and stole the money that’s why they now don’t have the trust in the banks. Because they still believe that it was conspiracy by the leaders to steal their money.” (Male client - Masaka)

Non-remittance of contributions: Forfeiting savings when a member of the group fails to meet the repayment installment or completely pulls out of the group also discourages rural population from saving.

“In addition to that, when operating in those groups, you may decide to save when your friends are not saving so at the end of the day when you come to collect money, you may find that it has been deducted to compensate the loss which your fellow members caused when they did not save so you end up losing.” (Female client - Luwero)

“You will find that today they may give one person money, and then the next time another person may get half then by the time we reach the last person, he may not get any money And this is simply because some people within the organizations are not faithful.” (Female client - Bombo)

“There are times when some fellow group members fail to pay their contributions. So your money is held to compensate for the person who failed to pay. That is the main reason why people have started abandoning these money-leading groups.” (Female non-client - Masaka)

Poor agricultural output prices: The RFI managers and some non-clients in Masaka noted that the decline in prices for agricultural produce has limited the communities’ ability to save.

“Low prices for agricultural products which affects the income of the farmers.” (SACCO, Nebbi)

“In most cases, farm products are sold at low prices, and as such, those who deal in such a business will be affected by this.” (FINCA, Masaka)

“Prices for agriculture products are low.” (SACCO, Apac)

“Mainly the farm products don’t have good markets and also their prices keep fluctuating, which makes it impossible for farmers to get profit.” (Female non-client - Masaka)

Opening hours: Limited or inconvenient hours of banking operations also hinders saving among the rural population. Respondents would wish to have access to their money at all times, as opposed to keeping it in banks which have limitation on opening and closing hours.

“Again with banks, they have time limits in which they operate, they open at around 8:30 am and close at 3:00 pm so this limits one who wants to use them past 3:00 pm.” (Male non-client - Mbarara)

“You can get a problem and you rush to the bank and you find it closed like at 4:30 but when you have your safe, you can easily solve the problem because the money is available anytime.” (Female non-client - Bushenyi)

“One may go to bank and find that the bank has already closed thereby end up not getting money so the banks also have problems.” (Female client - Bombo)

“Its should be in a way that I get my money whenever I need it so the opening hours should not be limited, they should have longer working hours.” (Female non-client - Masaka)

Long queues: In most cases, long queues result in crowding, a situation that is undesirable among the rural population.

“While in banks it takes a long process. There is a lot of lining up and sometimes the bank is over crowded that is why people don’t like saving in banks.” (Female non-client – Bushenyi)

“Lining up when you have gone to get your money and by the time you leave the bank your legs are hurting that’s why people keep in the house.” (Female client - Iganga)

Minimum balance: RFI managers confirmed that the inability to raise the minimum balances hindered the local population from saving.

“ It is difficult for them to raise bank minimum balance.” (SACCO, Nebbi)

Lack of information: According to the clients and exit clients, there is lack of knowledge on how the institutions function as well as inaccessibility to adequate reading materials on product features. The latter was a comment made by the literate respondents who feel that such information would be adequately utilised if made available. Clients are unaware of the savings product attributes because of lack of information. The rural population felt that they lack information about the different banking and MFIs products and the various options through which they could save.

“Some may not want to keep in the bank because the bank processes are long and when you want your money you do not get it so one may use a business.” (Male non-client - Mbarara)

Limited access: The financial service providers are located far from the communities, sometimes as far as 20 kilometers. The RFI managers quoted the related costs of transport, meals and the time spent as factors that inhibit saving among such communities.

“Saving is a problem because the micro finance institutions are very far, like here in Kiwangala we are (20 km) from the main road and yet the Micro-finance is in Masaka town so we have to walk long distances which is expensive.” (Female non-client - Masaka)

Insecurity: As in the case of the northern part of the country where the insurgency has forced many to live in Internally Displaced Persons camps (IDPs) which are often mobile. This creates uncertainty and inhibits saving. Respondents are not sure of tomorrow so they fear to lose their money and property in saving.

“For example here in Lira, people are ever on the move, yet others are staying in IDPs, do you think you can have the time and the guts to keep your money with any institution.” (Female non-client - Lira)

“We would save but in most cases we are uncertain of the security in the area.” (Female exit client - Lira)

Over expenditure: It was further observed that increased domestic and other responsibilities like paying school fees and meeting the financial requirements of the household hinder saving. This is mainly attributed to the big size of families that the respondents have to look after. High consumption habits among the communities also prevent them from saving. It is a common practice among the respondents, of high spending on entertainment, drinking alcohol and purchase of new clothes particularly during the festive seasons like Christmas.

Another factor raised was the concern on inflation resulting in high commodity prices subsequently affecting saving.

“Of late, we have been experiencing high prices for commodities, with all those expenditures, one may not have an opportunity of saving.” (Female client - Lira)

“My family is large, so when I think of saving, then the family may not have what to feed on, let alone the children attending school.” (Female client - Iganga)

“If you are living in a camp there is no way you are going to save.” (Female non-client – Lira)

Poor management of income: The view of the RFI managers was that poor planning hindered saving with a high percentage of the rural population spending virtually all their income.

“People do not plan for their money well.” (SACCO, Nebbi)

Poor saving methods: Poor methods of saving, such as keeping cash at home, expose the savings to the risk of theft. The dampness of storage containers could facilitate growth of mould on paper currency; aspects that are beyond the control of the savers. On the other hand these savings are within reach and could be misused. The view of the respondents was that while they found it convenient to keep money at home, they also acknowledged the risk of spending it.

Loss of savings: Owing to the unreliability of the informal saving schemes, a member of a scheme may lose their savings should a member of the group fail to meet the repayment installment, completely default or pull out.

“Ok there are times when some fellow group members fail to pay and yet you, endeavoured to save so your money is captured to compensate for the person who failed to pay that’s why people have started abandoning these money leading groups saving.” (Female non-client - Masaka)

3.4 RECOMMENDATIONS FOR IMPROVING SAVINGS PRODUCTS

a) Communication: Respondents were concerned about lack of information and communication about the policies and procedures as well as terms and conditions of the savings products. Some save but are unaware of the withdrawal charge.

It is important that these financial institutions (MFIs, Banks, etc.) communicate features and terms of the savings products offered.

“People need more sensitization about the importance of saving especially in the village so as to stop saving in those uncertain ways.” (Male non-client - Luwero)

“Yes, people should be taught about the need to save in better places.” (Male exit client - Tororo)

“I would put it clear to the customers or clients and make them understand all the requirements necessary to either become a member to join, then to explain all the charges made on their savings.”(Female client - Luwero)

The opinion of the RFI managers on measures that could assist in educating and sensitizing the rural community on savings and savings products include publicity and mobilization at the grass root level using the local media channels such as the local FM stations.

b) Higher interest rates on savings: It is the opinion of the respondents that financial institutions do not give interest on savings, and when they do, it is too minimal a percentage to justify savings. The respondents suggest that these financial institutions should offer interests given that their savings are at the same time utilized by the institutions.

“All we know is that banks used to give interest on money kept there, but since nowadays they do not give, people are unwilling. So they should adopt the system of giving some interest on the savings.” (Male non-client - Luwero)

“They should provide reasonable interest rates because they also earn from the savings.” (Male client - Lira)

“What I would want to see is that when I save money, when I come back it is as it is or with interest, not this business that we are saving and the next time I come to see it has reduced.” (Male exit client - Mubende)

“A good product is one that will help me get interest at the end of it, so that I am able to develop using the accrued profits like build a house or pay fees.” (Male non-client - Mbarara)

c) Opening hours: The other incentive that respondents suggested would be to open up the institutions for longer hours so as to facilitate access to the services across the day and avoid congestion.

“The bank should also operate within timings that are appropriate for us to take our savings, like open from 8:00 am up to 4:00 pm.” (Female non-client - Masaka)

“Its should be in a way that I get my money when even I need it so the opening hours should not be limited, they should have longer working hours.” (Female non-client - Masaka)

d) Education and sensitization: It was the opinion of the respondents in all groups that they are not saving simply because they are not knowledgeable about the saving opportunities available to them. To reduce this information deficit, there is need for the players in this sector, (government and financial institutions) to come up with a strategy of sensitizing the masses on the benefits of savings and how they can get involved.

“I think that these organizations should sensitize the people in the village on saving.” (Male exit client - Bushenyi)

“People do not know how to save, so please try and devise methods so that we all know how to save because currently, the savings we are making is not beneficial.” (Male non-client - Luwero)

“Yes, people should be taught about the need to save in better places.” (Male exit client - Tororo)

“We actually need to be enlightened on the importance of saving.” (Male client - Tororo)

“Like my colleague said, government should educate people so that they can save.” (Male non-client - Luwero)

“What we need now is not a bank, but what we want is that if we can be educated on how to run the businesses so that we get money that we can save, but right now we lack capital and a work plan.” (Male non-client - Iganga)

e) Roll out of branch network: Given that most institutions are not located within these communities, the respondents find it difficult to travel long distances as this has a cost implication. Therefore, the view of the respondents is that institutions are brought nearer to their community to avoid costs and to make the service more convenient.

“The MFIs and the banks should open rural bank systems in rural areas where everybody gets opportunity to use them and reduce on the distance to the institutions.” (Male exit client - Lira)

“They should open up small branches in the villages.” (Male exit client - Lira)

“They should also penetrate villages, because most of them are located in the urban areas.” (Male exit client - Tororo)

“To extend the services in the villages.” (Male non-client - Iganga)

f) Regulation of the sector: For the respondents to exude confidence in these institutions, it was suggested that a regulatory mechanism be put in place to oversee the activities particularly the MFIs. This regulatory body should ensure that all the institutions are fully registered and operate within the framework, as well as take responsibility for ensuring the welfare and concerns of the members are safeguarded.

“Then also it should be well registered so that in case money is lost, then we know from where to start.” (Non-client - Masaka)

g) Security: Because of the fear of losing savings, respondents suggested that institutions be fully registered and insured, including the deployment of day and night guards.

“Also the bank is too open as you line up there, so even thieves can see and know you have withdrawn the money. It should not be located in the street and not exposed for everyone to see.” (Male client - Lira)

For SACCOs and merry go-rounds, it was recommended that members of the groups are familiar with each other with their leaders residing within the area for ease of communication. This would greatly reduce mistrust that may arise if leaders of the institutions resided in different areas.

“May be if you get people who only know each other and they must have property as security such as animals so that when they fail to pay, they just sell their goats.” (Male exit client - Bushenyi)

h) Customer care: Clients suggested that the institutions train their officers on Customer Care to enable friendly working relationships.

“Sometimes they are rude, they just shout at you and send you away. So there is need to educate these officers on how important we are.” (Male client - Lira)

i) Co-operative Movement: The idea of reviving unions was suggested particularly in Lira among the female non-clients, who argued that the co-operative unions are beneficial as they serve two purposes. One, they can provide for savings option and two serve as a selling and marketing platform for the farmers’ produce.

“They should introduce or revive the co-operative unions so that we save with them and also help us in marketing our produce.” (Female non-client – Lira)

j) Simpler procedures: Respondents feel that they are taken through numerous procedures while joining the MFIs; they suggest that the institutions should adopt simpler procedures to allow the clients understand the product fully and join with ease.

“Services should easily be accessed and not involve so many steps, come today, wait there they are still verifying this or that. So it really takes long and yet after that they tell you that you have not satisfied them.” (Male exit client - Mubende)

k) Qualified leaders: The opinion of the rural population is that leadership of such institutions should be reputable within the community and with proven working records, as this would eliminate doubt and would motivate the clients to save with them.

“I also think that for some one to be in charge of our money he should be a resident of the area and also that person should be available all the time and should be with a proven clean working-record then we can trust that person with our money.” (Female non-client - Masaka)

3.5 STEPS TAKEN BY RFIs TO MOBILISE SAVINGS

To mobilize savings and enhance their operations in the market, RFIs have undertaken various measures. These include the following:

a) Micro-finance institutions and SACCOS have sought financial support from organizations such as the Uganda Co-operative Alliance, Micro-finance Support Center and the Ugandan government. These organizations lend money to micro-finance institutions and SACCOS, which extend loan services to their respective members.

“We have looked for partners in government.” (SACCO, Mbale)

“Organizations get funds from Micro-Finance Support Center.” (SACCO, Nebbi)

- b) MFIs and SACCOS have engaged in recruitment drives aimed at expanding their client base. For example, UFT have opened up to a wider target market that includes men and children, while others have begun to target salary earners and the business community. Among the SACCOs, members have been encouraged to purchase shares; giving an automatic increase in savings with the growth of membership.

“Have mobilized members to join the financial institutions.” (SACCO, Masaka)

“The organizations encourage even men and children to join.” (UFT, Tororo)

“We work hand in hand with the CAO (Chief Administration Officer) at the district so that salaries are dispatched in time.” (SACCO, Lyantonde)

- c) The institutions have also introduced a minimum balance deposited by any client opening an account. Some groups save money whenever they have group meetings, which have basically helped to improve savings in the community.

“There is a fee deposited whenever one is opening an account that is not supposed to be withdrawn.” (SACCO, Mbarara)

- d) Conditions on loan application have been put in place such that every borrower has to have at least an equivalent of 10% of the principal loan amount as savings, before they qualify for a loan. In addition, the organizations have become more stringent in vetting the loan applications.

“Borrowers should first maintain at least 10% savings for the loan to be borrowed.” (SACCO, Nebbi)

“Mobilize more people for loans.” (UMU, Kisoro)

- e) The staff and field officers have sensitized the rural population on the benefits of saving money with the RFIs and discouraged cash savings in the home.

“Discourage the culture of keeping money at home.” (UMU, Kisoro)

- f) Incentives, which include items, like T-shirts and calendars have been distributed to clients as well services such as good customer care.

“Confidence building through good customer service.” (Uganda Finance Trust, Masaka)

“Give material gifts to clients.” (UMU, Kisoro)

- g) The RFIs have organized free training for members which encompasses business management, saving, health, HIV and education.

“Free training which includes health, education, saving.” (SACCO, Apac)

3.6 MEMBERSHIP REQUIREMENTS AND BENEFITS OFFERED

3.6.1 Requirements for membership

The conditions and requirements for membership in RFIs vary from one RFI to another. Among the conditions are:

Reference: In order for one to become a member, the micro-finance institutions require that an existing client act as a referee to a prospective client. Some RFIs will rely on reference from their own field staff working in the area where the potential client resides while others will require an introduction letter from either the local council official or employer for those in formal employment.

“Talk to a group leader who then introduces the person into the group.” (FINCA, Iganga)

Opening deposit: Require one to voluntarily open an account, with a deposit, which ranges between Shs.5, 000 to Shs.30, 000. This amount includes registration fee, minimum balance or ledger fees.

“Open an account and save at least 10,000.” (UMU, Tororo)

“One needs to open an account and start saving.” (Uganda Finance Trust, Masaka)

Photographs: Every new entrant is required to hand in 2-3 passport photographs and an identification card.

“3 passport photographs and a recommendation letter from L.C or employer.” (UFT, Mbarara)

Residential status: One is required to be a resident of the particular area before they can become members of any micro-finance institution or SACCO.

“You have to be a resident of the area.” (Finca, Lira)

3.6.2 Benefits offered

Once one has been approved as a member of the organization they stand to benefit from the following products and services:

- Saving is the key benefit that a RFI member gets from the organization.
- A member of a saving scheme is also eligible for a loan. The loans are intertwined with saving. A member will borrow from an organization; invest to get enough money to cater for their needs and boost their saving potential.
- Free sensitization and training on saving: RFIs have initiated programmes through which they sensitize members of the rural communities on a range of issues ranging from savings products and services to business practices, health and HIV among other social issues.
- Most members become shareholders in the respective organizations that they save with.
- Exchange visits with more developed SACCOS or MFIs. Such visits are used as forums and case studies through which members are educated on the importance and benefits of saving organizations.
- Incentives for prompt loan payers and clients: For borrowers who service their loans faithfully.
- Added services: As the institutions grow, so does their capacity and ability to offer a wide range of services such as money transfer. This is the case with some of the more developed MFIs and SACCOS (e.g. CERUDEB, FINCA, UFT) that are now agents for the global network of Western Union and Money Gram money transfer.
- Projects: Some of the saving groups/schemes have income generating projects that members benefit.
- Some of the RFIs will stimulate the sense of ownership through electing some of their members into leadership positions not exempting a position on the management board.