

**SAVINGS AND CREDIT ASSOCIATION MODEL AND FINANCIAL
EMPOWERMENT OF MEMBERS IN KERICHO COMMUNITY DEVELOPMENT
TRUST, KENYA**

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KABIANGA**

UNIVERSITY OF KABIANGA

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DECLARATION AND APPROVAL

Declaration

I hereby confirm that this thesis is my original work and has not been presented for the conferment of a degree or an award of a diploma in this or any other institution.

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DEDICATION

This work is dedicated to my beloved family for their unwavering support, patience and encouragement throughout my academic journey.

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ABSTRACT

Communities are expected to be financially stable with the existence of improved financial systems. Currently, there are various financial institutions, financial markets and financial instruments where communities can trade to enhance their financial empowerment. Subsequently, introduction of Accumulated Savings and Credit Association (ASCA) was perceived to serve as a mechanism for building resilience in times of emergencies or shocks for communities in Kenya; Kericho County included. Nonetheless, the ASCA component recorded the highest percentage of 45% on loans in arrears in Kericho County as reported in the Kericho Community Development Trust (KCDT) financial report of 2022. This implies that loans were largely not paid. Consequently, this investigation sought to examine the relationship between ASCA component and the financial empowerment of members in KCDT, Kenya. The study specifically sought to: examine the relationship between saving component and the financial empowerment of members in KCDT, Kenya; establish the relationship between loaning component and the financial empowerment of members in KCDT; determine the relationship between share-out component and the financial empowerment of members in KCDT; investigate the relationship between security component and the financial empowerment of members in KCDT. The study adopted null hypotheses in a thematic order. This investigation focuses on the vulnerable group theory, public goods theory and the high-cost view theory. This investigation adopted a mixed methods approach incorporating correlational research design and cross-sectional descriptive research design. This exploration targeted 380 group members from 14 active groups. Krejcie and Morgan formula was adopted in sampling 191 group members. A semi-structured questionnaire, an interview guide and a data collection matrix were used for data collection. The study adopted both descriptive statistics and inferential statistics. However, thematic analysis was used for qualitative data. The study found that the savings component had a significant positive relationship with financial empowerment ($p = 0.216$). In addition, the loaning component had a significant positive relationship with financial empowerment ($p = 0.000$). However, the high loan delinquency rates (40.1% PAR > 30 days) hindered the ability to maximize the benefits of loans. The share-out component showed a significant positive relationship with financial empowerment ($p = 0.032$). The security component had a significant positive relationship with financial empowerment ($p = 0.000$). Furthermore, inflation had a significant moderating effect on the relationship between ASCA components and financial empowerment ($p = 0.000$). The study recommends promoting voluntary savings alongside compulsory contributions to enhance financial discipline and empowerment. To address high loan delinquency rates, stronger loan recovery mechanisms, financial counselling and improved credit assessments are suggested. Financial literacy training should be offered to improve loan management and planning. The share-out system should be re-evaluated and modified to better align with members' financial goals. Additionally, while continuing to use savings as collateral for loans, the trust should diversify collateral options and ensure loans are disbursed to members with solid repayment capacity to maintain sustainability.

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ABBREVIATION AND ACRONYMS

ASCA	Accumulated Savings and Credit Association
CVI	Construct Validity Index
FGD	Focus Group Discussions
FI	Financial Inclusion
G2P	Government To-Person
ICT	Information and Communication Technology
IFI	Informal Financial Institutions
IGA	Income Generating Activity
KCDT	Kericho Community Development Trust
MFI	Micro Finance Institution
NACOSTI	National Commission for Science, Technology and Innovation
NGOs	Non-Governmental Organisations
OECD	Organisation for Economic Co-operation and Development
PAR	Portfolio at Risk
PMJDY	Pradhan Mantri Jan Dhan Yojana
ROSCAs	Rotating Savings and Credit Association
SACCO	Savings and Credit Cooperative Society
SCA	Savings and Credit Association
SCS	Savings and Credit Schemes
SHGBL	Self-Help Group Bank Linkage Programme
SHGs	Self-Help Groups
SILCs	Savings and Internal Lending Communities

USD	United States Dollar
VIF	Variance Inflation Factor
VSLAs	Village Savings and Loan Associations

DEFINITION OF TERMS

Financial empowerment	Refers to the aspect of availing finances for poor communities to enhance their resilience (Nkunda, Sibayirwandeke & Bizimana, 2024; Moore et al., 2019). In this study, it encompasses factors such as improved income levels, enhanced capital base and increased turnover, indicating KCDT members' ability to manage their finances and achieve their financial goals
Savings and Credit Association Model	Refers to the key functional elements that make up the operations of an Accumulated Savings and Credit Association and includes saving component, loaning component, share-out component and security component
Inflation rate	The general increase in prices over time that reduces the purchasing power of money and influences financial decision-making (Pappas & Boukas, 2025). In this study, it refers the overall upsurge in prices over time for the members of KCDT.
Loaning Component	One of the credit association models/components that encompasses the process of accessing funds from the collective pool of savings for various purposes (Habiba, 2020). In this context, refers to the one aspect within the ASCA model that involves the provision of loans to members of the KCDT
Saving Component	Involves regular contributions made by the members into

	a collective pool of funds to foster financial stability and future financial goals (Nkunda, Sibayirwandeke & Bizimana, 2024; Zhao & Li, 2021). In this study, it refers to the specific element within the ASCA model implemented by the KCDT that focuses on members' accumulation of savings.
Security Component	Refers to the measures and mechanisms put in place within the loaning scheme to ensure the safety and protection of money lent (Hoffmann et al., 2021). In the context of the current study, it encompasses both group security, which relates to the collective efforts and safeguards implemented by the trust and individual security, which focuses on the personal level of protection and risk management for each member's financial assets within the ASCA model
Share-out Component	Represents the mechanism within the savings and loaning scheme implemented for the distribution of profits or benefits (van Hemert, D'Espallier & Mersland, 2024). In this study, it involves the allocation of accumulated savings, returns on investments or other financial gains to the KCDT members based on predetermined criteria, such as the size of contributions or level of participation.

CHAPTER ONE

INTRODUCTION

1.1 Overview

The section comprises of the background of the study, statement of the problem, objectives of the study, investigation's hypothesis, significance of the investigation, scope of the study, limitations of the investigation and assumptions of the study.

1.2 Background of the Study

Zhao and Li (2021) postulate that a group of members of a community or group who meet periodically and strategically to save and take loans from their savings is referred to as a Village Savings and Loan Association (VSLA). Most activities of VSLA run in cycles of one year which is ended by the distribution of accumulated savings and loan profits back to the members (Hasan, Le & Hoque, 2021). Bhatia and Singh (2019) focus on the major elements of VSLA to be savings, loaning, cash-out, loaning security and record keeping. Kosgei (2020) advances the notion that the connection between VSLAs and socio-economic empowerment within various communities is indeed strong, positive and significant. Moreover, access to credit facilities has been improved for majority of the poor through VSLAs (Kabugi & Kariuki, 2020). VSLAs inculcate the aspect of fiscal groupings which is worryingly associated with monetary self-worth and the financial empowerment (Ali, Ali, Badghish & Soomro, 2021). The accumulated savings and credit association (ASCA) model is a unique variety of a VSLA.

Frisancho and Valdivia (2020) posits that the ASCA model specifically requires the members to jointly mobilize a conventional sum of money in every gathering then the

coffers are accrued. Moreover, the model gives the members a unique prospect to interact with a cluster of individuals that not only coordinate in harmony but also practice top-notch trust, savings, know-hows and supply lending (Ademola, Adegoke & Adegboyegun, 2019). In the model, a committee of the members is appointed to run the in-house financial reserves and preserve registers and minutes of the group's ventures (Frisancho and Valdivia, 2020). The policy by the members of the saving and loaning scheme defines whether they contribute every week, twice a week or every month (Wambua & Wamuyu, 2020). Credit facilities payable in full or portions but with an extra interest rate can be dished out to interested members of the scheme once sufficient cash is accumulated in the reserves (Ademola et al., 2019). The credit association components comprise of saving component, loaning component, share-out component and security component (Frisancho and Valdivia, 2020).

In America, Ibrahim (2019) is of the view that ASCAs generates a setting for immigrant people to keep part of their earnings and further capitalize using socially recognized ways that necessitate efficient accounting to take care of individual financial dynamics of borrowing and saving. In Turkey, Dinc et al. (2022) postulate that ASCA is an unconventional and casual savings platform correspondingly branded as Mudarabah-Wakalah hybrid model. In Bangladesh, Hasan et al. (2021) posit that the financial empowerment through banking, microfinance and Fintech access must be sustained by other initiatives such as ASCA to significantly remove the barriers that prevent persons from contributing and utilizing financial services to progress and avoid poverty. In Saudi Arabia, Ali et al. (2021) emphasized the ASCA model due to its role in enhancing the individual financial empowerment and monetary survival trends.

In Uganda, ASCA model was taken as a strategic program intended to escalate the financial empowerment amongst agriculturalists within the sugarcane sector (Ambler et al., 2022). Nonetheless, the inferiority complex and gender stereotyping made some families to refuse to take part in the program. In Kenya, Kabugi and Kariuki (2020) posit that the ASCA model is vibrant when compared to the microcredit initiatives since it focuses on groups' savings as a small fund source thus enabling the poor to access credit through saving groups; which in turn promoted growth and development of income generation activities.

The financial empowerment has been viewed as an initiative aimed at addressing the causes of financial vulnerability for poor communities (Ambler et al., 2022). Most communities have long suffered discrimination related to the right to get to, use and identify with dynamic resources despite their crucial function in augmenting food security as well as growth. Inequality is a major cause of hunger and poverty (World Food Program, 2019). The Covid-19 pandemic reduced the financial empowerment initiatives undertaken by most non-profits. This was partly due to a significant contraction in global financial flows, which reduced the grants and other funding obtainable by emerging economies. For instance, the OECD (2020) reported that total external finance inflows to emerging and developing economies plummeted to an estimated USD 714 billion in 2020, a decrease of approximately USD 700 billion (or nearly 50%) from the USD 1.4 trillion recorded in 2019. This worsened the risks of the financial empowerment hold-ups that sequentially amplified the susceptibility of the poor communities. In Kenya, the number of the populace living below a dollar a day in 2021 was reported as close to 16% (Faria, 2021). Problems facing the poor

communities in Kenya include lack of capital, exclusion from existing financial services, dependence on donations, drought and flood menace.

1.2.1 Accumulated Savings

Accumulated savings refers to the total amount of money that members of a Community Development Trust have saved over time through their participation in the ASCA model (Karami, 2023). The ASCA model is a clear, autonomous and organized form of informal savings groups set up in several areas (Zhao & Li, 2021). Unlike rotating savings and credit associations (ROSCAs), where funds are redistributed at the end of each group session, the ASCA model allows members to save and borrow, with the accumulated funds being used to provide loans to members (Chineka & Mtetwa, 2021). Charging interest on loans generates additional income for the group, which is reinvested to help grow the fund and cover any operating costs (Lubis, Sumarni & Ningsih, 2021). Members typically agree on a manageable interest rate, ensuring that loan repayments do not place a financial strain on them (Maganga, 2021). After loans are repaid, including interest accrued, the proceeds are redistributed among the members (Zhao & Li, 2021).

The accumulated savings within ASCAs are influenced by several key independent variables. Saving behaviour is one such variable, referring to the frequency and consistency with which members contribute to the accumulated savings over time. Regular saving directly impacts the growth of the pooled funds and enables the group to offer loans to members (Zhao & Li, 2021). Another key variable is the interest rate on loans, which affects the willingness of members to participate in the savings scheme. A higher interest rate can incentivize members to contribute more, as they expect to receive better returns on their savings (Lubis, Sumarni & Ningsih, 2021).

Loaning aspect is another critical variable; it refers to the flexibility and ease with which members can access loans from the accumulated savings. ASCAs provide loans with flexible terms that allow for longer repayment periods and rollover options, which is often attractive to members (Malkamäki, Johnson, & Nino-Zarazua, 2009). These flexible terms may encourage greater participation and, consequently, higher accumulation of savings. Additionally, group membership and dynamics influence the growth of the savings pool. Larger, more cohesive groups are often more effective at facilitating saving and loan repayment, as members are more likely to trust the system and actively participate (Chineka & Mtetwa, 2021).

The share-out component is a crucial element because it involves the redistribution of accumulated savings and loan interest at the end of a savings cycle, enabling substantial investments and financial autonomy (Nkunda, Sibayirwandeke & Bizimana, 2024). This periodic lump-sum distribution allows members to access larger sums of money, which can be used for entrepreneurial ventures, asset acquisition or meeting critical financial needs, thereby enhancing their economic resilience (Tan & Savani, 2022). Additionally, the share-out mechanism reinforces disciplined savings by creating a structured financial habit among members, ensuring that funds are actively utilized to generate further wealth (Nkunda, et al., 2024). It also facilitates investment in income-generating activities, reduces reliance on external credit and minimizes financial vulnerability, ultimately strengthening self-sufficiency and long-term financial empowerment (Tan & Savani, 2022; Zhao & Li, 2021).

The sustainability of ASCA models is highly influenced by trust in loan repayments, as a lack of confidence in the system can lead to defaults and reduced member

participation (Lubis, Sumarni & Ningsih, 2021; Maleck & Ndour, 2024). Consequently, the security component plays a crucial role in ensuring financial stability within ASCAs by fostering transparency and accountability in financial transactions. A well-structured security system, which may include clear loan repayment terms, collateral requirements and peer guarantees, enhances trust among members and encourages consistent contributions to the savings pool (Karami, 2023). This, in turn, strengthens the group's overall financial health, minimizes risks associated with loan defaults and reinforces long-term sustainability. The indicators of accumulated savings that were studied in the current study include saving component, loaning component, share-out component and security component.

1.2.2 Financial Empowerment

Empowerment refers to a deliberate practice directed at the vulnerable communities to enhance better access to basic but essential resources (Abreham & Lamessa, 2023). The financial empowerment focuses on the aspect of availing finances for poor communities to enhance their resilience (Moore et al., 2019). Financially able persons are immune to economic shocks and can alleviate the magnitudes of both societal and monetary disasters (Abreham & Lamessa, 2023). Nonetheless, a feature that is considered relevant to a financially empowered household in one context may be extraneous or reflective of deficiency in different settings, thus, making structures recommend carrying out context-specific analysis and developing a theory of change to guide the selection of indicators for the financial empowerment (Dezso, 2021). Nonetheless, theories of change differ because there are many pathways to advancing the financial empowerment. Despite their diversity, the most common indicators that are highly applicable to financial inclusion initiatives include income levels, capital

base/size and turnover (Dezso, 2021). Financial literacy, financial socialization and financial self-efficacy can be linked to financial coping behaviour that eventually leads to the financial empowerment (Thomas & Gupta, 2021).

The known indicators of the financial empowerment include income level, capital base and turnover (Nguse et al., 2022). Financial stability is a sense of being satisfied and feeling positive about one's current financial situation. Financial stability indicators focus on the change in individuals perceived financial stress and change in Financial ability scores (Nguse et. al., 2022). Financial ability is an individual's combined knowledge, skills and attitudes that allow them to undertake monetarist decision-making from an informed point. The current study measured financial empowerment using income level, capital base and turnover as indicators.

1.2.3 Inflation Rate

Defined as the general increase in prices over time, inflation reduces the purchasing power of money, influencing financial decision-making (Pappas & Boukas, 2025). For members of accumulated saving groups, inflation can have both beneficial and detrimental effects. When inflation rises, the real value of savings declines, making it harder for members to achieve financial security (World Bank, 2023). Similarly, loan repayment may become more difficult as the cost of living increases, leading to higher default rates (International Monetary Fund (IMF), 2022). While conventional economic theories argue that high inflation erodes financial stability, findings from Kenya suggest that inflation positively influences saving behaviour by stimulating national savings growth (Mose & Musimbi, 2023). However, Thomi and Mose (2022) posit that inflation can depress the real value of financial assets, hence affecting overall wealth accumulation. Recent studies also highlight that inflation

disproportionately impacts low-income households, exacerbating financial inequality (Organisation for Economic Co-operation and Development (OECD), 2023).

1.3 Statement of the Problem

In Kenya, there are various financial institutions, financial markets and financial instruments where communities can trade to enhance their financial empowerment. Communities will benefit from improved financial system in any country through financial stability of communities. Subsequently, the introduction of ASCA was perceived to serve as a mechanism for building resilience in times of emergencies or shocks within the involved communities in Kericho County. Nonetheless, the ASCA model recorded the highest percentage of 45% on loans in arrears in Kericho County as reported in the Kericho Community Development Trust financial report of 2022. Furthermore, the report highlighted the fact that the portfolio at risk (PAR) stood at Ksh. 4,355,349 implying that loans are largely not paid. Despite the implementation of the ASCA model, there is no documented evaluation done to determine whether it has met the objective of the financial empowerment of members; specifically, the saving component, loaning component, share-out component and security component. Consequently, this exploration sought to examine the relationship between accumulated savings and credit association (ASCA) components and the financial empowerment of members in Kericho Community Development Trust, Kenya. This study will offer valuable insights into how the ASCA model affects financial empowerment thus, helping policymakers, financial institutions and community leaders make informed decisions on improving savings, loan repayment and financial stability for communities in Kericho County and beyond.

1.4 Purpose of the Study

The study sought to examine the relationship between accumulated savings and credit association (ASCA) model and the financial empowerment of members in Kericho Community Development Trust, Kenya.

1.5 Specific Objectives of the Study

The study dwelt on the ensuing objectives:

- i. To examine the relationship between the saving component and the financial empowerment of members in Kericho Community Development Trust, Kenya.
- ii. To establish the relationship between the loaning component and the financial empowerment of members in Kericho Community Development Trust, Kenya.
- iii. To determine the relationship between the share-out component and the financial empowerment of members in Kericho Community Development Trust, Kenya.
- iv. To investigate the relationship between the security component and the financial empowerment of members in Kericho Community Development Trust, Kenya.
- v. To establish the moderating effect of inflation rates on the relationship between ASCA components and the financial empowerment of members in Kericho Community Development Trust, Kenya

1.6 Research Hypotheses

The study was guided by the following hypotheses:

Ho1: There is no statistically significant relationship between the saving component and the financial empowerment of members in Kericho Community Development Trust, Kenya

Ho2: There is no statistically significant relationship between the loaning component and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Ho3: There is no statistically significant relationship between the share-out component and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Ho4: There is no statistically significant relationship between the security component and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Ho5: Inflation rates have no moderating effect on the relationship between ASCA components and the financial empowerment of members in Kericho Community Development Trust, Kenya.

1.7 Justification

The selection of the Accumulated Savings and Credit Association (ASCA) model for this study is based on its distinct advantages in promoting financial empowerment among members of community-based financial groups. Unlike traditional savings and credit cooperatives (SACCOs) or microfinance institutions (MFIs), the ASCA model allows for flexible saving, lending and share-out mechanisms, which are particularly beneficial in low-income and rural settings. The model fosters financial discipline,

self-sufficiency and localized economic resilience by enabling members to pool resources and access credit at low interest rates without relying on external financial institutions. Examining the relationship between ASCA components and financial empowerment provides a deeper understanding of how informal financial structures contribute to economic stability and growth within communities.

Kericho Community Development Trust (KCDT) was chosen as the focus of this study due to its well-established ASCA operations and its significant role in fostering financial inclusion within the region. KCDT has successfully implemented community-driven financial initiatives, making it an ideal case study for understanding the impact of ASCA components on financial empowerment. The trust serves a diverse demographic, including small-scale farmers, entrepreneurs and low-income earners, who rely on informal savings and credit systems to enhance their economic well-being. Unlike other regions, KCDT's strategic location in Kericho County, an area with an active agricultural economy, offers a unique perspective on how ASCA models support financial empowerment in agrarian communities.

This study is timely and relevant as it provides crucial insights into the effectiveness of ASCA models in fostering financial stability. Given the evolving economic landscape, including inflationary pressures and changing financial policies, assessing the impact of ASCA components on financial empowerment will help KCDT refine its programs to better serve its members. Furthermore, the findings can be instrumental for policymakers, financial institutions and community development organizations in designing targeted interventions to strengthen informal financial systems. By conducting this research now, the study ensures that its findings are

aligned with the current economic realities, making them more actionable and impactful for stakeholders.

1.8 Significance of the Study

This investigation holds significant potential for the communities in Kericho County by shedding light on the previously unexplored dynamics of the ASCA components in enhancing their financial empowerment. The insights gathered from this study could be integrated into community development programs focused on financial literacy, enriching their educational content and workshops.

Moreover, the findings could serve as valuable input for the government of Kenya in crafting policies related to Village Savings and Loan Associations. They have the potential to inform policy reviews and contribute to the refinement of evaluation mechanisms for community development programs by empowering community development officers. Additionally, these outcomes could prompt development partners and regulators at the community level to enhance their strategies and interventions for the financial empowerment of communities, leveraging the insights gained from this exploration.

Furthermore, organizations such as SACCOs and MFIs stand to benefit from this study, as it advances their understanding of the relationship between the ASCA components and community financial empowerment. Equipped with this knowledge, they can refine their services to better support ASCA models and provide increased financing options. For scholars, this study offers an opportunity to enrich existing knowledge in the field, serving as a foundational reference for future studies exploring similar concepts. It may also uncover potential research gaps, stimulating

further inquiry into the dynamics of financial empowerment within community contexts.

1.9 Scope of the Study

The study focused on groups that make up the Kericho Community Development Trust (KCDT) in Kenya, thereby excluding other stakeholders involved in the ASCA program, such as NGOs supporting saving and loaning initiatives. This delimitation was necessary because the main concept under investigation was the ASCA components, which directly target group members rather than external stakeholders.

Geographically, the study was limited to Kericho County, which was selected because it is the epicentre of ASCA operations as demonstrated in the KCDT scheme. The study also covered the financial empowerment of members over the last three years (2020–2023). This timeframe was chosen to ensure sufficient data availability for analyzing the relationship between ASCA components and financial empowerment. Covering recent years also allowed the study to capture up-to-date trends, patterns and changes in members' financial status, while considering dynamic economic conditions, policy changes and member behaviours.

1.10 Limitations of the Study

The study encountered some challenges that may have influenced data collection. First, the tight schedules of many group members limited their availability for participation. Second, the sensitivity of discussing financial empowerment posed a challenge, as some respondents were hesitant to disclose accurate information, either to protect the group's reputation or in expectation of remuneration. The study sorted this challenge by clearly spelling out the objectives and goals of the study in addition

to embracing brief questions. Likewise, the investigator guaranteed the research subjects discretion and anonymity.

1.11 Assumptions of the Study

The assessment presumed that the research subjects were candid in giving out the collected feedback. This investigation further presumed that financial records that were availed for secondary data collection were the true representation of the state of loaning and saving within the groups. The study further assumed that there was a causal relationship between the ASCA components and the financial empowerment of members. The study further made assumptions that there was no significant changes or modifications in the implementation of the ASCA components within the Kericho Community Development Trust during the study period.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the literature review which is composed of theoretical review, empirical review and conceptual framework.

2.2 Review of Related Literature

This section presents the criticism of previous studies in line with the objectives of the study.

2.2.1 Saving Component and the Financial Empowerment

Al-Kubati and Selvaratnam (2021) assessed the effect of the Self-Help Group Bank Linkage Programme (SHGBL) on the financial empowerment of women in India. The study obtained information from rural women through questionnaires and further employed a descriptive analysis as well as a trend analysis. The outcomes showed that the savings approach empowered women financially. Nonetheless, the research focused on women groups only thereby being biased against men groups; a methodological missing link that the present research intended to fix by focusing on both women and men groups.

Another investigation done in China by Zhao and Li (2021) analyzed the effect of social capital on rural entrepreneurship and the intervening role of local information and communication technology (ICT). The study used household surveys with a total of 37,263 households. Secondary information was used for analysis while primary data were gathered through observation. The study findings showed that social capital affected rural entrepreneurship by enhancing monetary mastery. Nonetheless, the

study focused on social capital as the independent variable, a conceptual missing link that the present study intended to fix by directly focusing on the ASCA model. In addition, the study was done in China which is a developed economy, a contextual gap that the present study intended to fill by targeting Kenya.

Research done in Cambodia by Ban et al. (2020) sought to find out whether self-help groups (SHGs) and village-based associations were intended to inspire reserves, domestic invention and communal solidity amongst the deprived. The study looked at 540 households through a randomized control trial. The study outcomes revealed that the platform considerably augmented the number of families with some small bits of reserves as savings. Nonetheless, the study focused on savings in SHGs but did not outline any credit association models, a conceptual missing link that the present study intended to seal by specifically focusing on the relationship between ASCA components and the financial empowerment of members in Kericho Community Development Trust, Kenya.

A study conducted by Ali et al. (2021) in Saudi Arabia highlighted the significance of enhancing women's financial empowerment, noting that women often had limited control over economic resources compared to men. While substantial research exists on the factors influencing women's financial empowerment in developed nations, there is relatively less understanding of this issue within traditionally male-dominated societies. The study introduced a conceptual framework grounded in Social Cognitive Theory (SCT) to explore how financial literacy and financial socialization contribute to financial self-efficacy, financial coping behaviors and overall financial empowerment among Saudi women. Data for the study were gathered through a baseline survey involving 1,368 female participants from diverse backgrounds,

including university students, homemakers and working professionals across various sectors in Saudi Arabia. The research employed Partial Least Squares (PLS) path modeling techniques using SmartPLS to test the proposed hypotheses. Findings indicated a strong positive relationship between financial literacy, financial coping behaviors and financial stability. Additionally, financial socialization played a crucial role in enhancing financial self-efficacy and empowerment. The study also emphasized the importance of savings as a key element in strengthening financial self-efficacy and empowerment. However, since the research exclusively focused on women, it did not account for the male perspective, presenting a methodological gap that the present study aims to address.

Research done in Zambia by Lee et al. (2021) examined the association between savings and internal lending communities (SILCs) participation, household wealth and financial preparedness for birth. The investigation targeted 20 rural communities whereby a total of 4,711 women were involved. The investigation found that SILC participation was directly related to fiscal readiness intended for handling the birth stage and as a result family prosperity. Nevertheless, the research focused on financial preparedness for birth as the dependent variable, a conceptual missing link that the present research intended to address by embracing the financial empowerment in establishing the relationship between ASCA and the financial empowerment of members in Kericho Community Development Trust, Kenya.

An investigation done in Tanzania by Jansen et al. (2022) studied the influence of capacity building on beekeeping and business incubation on communal ferocity experience, monetary and communal wealth creation and occupation outlines. A selection of 55 men for the investigation interviews was done. Questionnaires were

also used in the study. The investigation adopted a Poisson regression as well as a linear regression. The investigation revealed that capacity building on beekeeping and business incubation workshops had a negative influence on contact with communal ferocity among non-elderly males in Dar es Salaam. Nonetheless, the study did not focus on accumulated savings and credit association models, a conceptual missing link that the present investigation intended to fix by analyzing the relationship between ASCA and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Landman and Mthombeni (2021) explored the factors influencing the saving culture amongst members of casual investment groups with meagre earnings in Kenya. Semi-structured discussions were undertaken using 10 savings groups in addition to 10 distinct members of the latter. The members' viewpoints were scrutinized and equated. The investigation established that perceived financial benefits were a driver to the adoption of savings thus an intervention to explain non-rational saving behaviour. Nonetheless, the study did not focus on credit association models, a conceptual missing link that the present study intended to seal by assessing the relationship between ASCA and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Mwangi and Mureithi (2019) examined the role of savings and credit groups in the financial empowerment of small-scale traders in Kenya. Through surveys and interviews, the study found out that saving groups had a positive impact on the financial empowerment of small-scale traders. However, the research focused primarily on small-scale traders, leaving a gap in knowledge regarding the

applicability and effectiveness of savings and credit groups for other segments of the population, such as farmers or artisans.

2.2.2 Loaning Component and the Financial Empowerment

In America, Habiba (2020) examined the relationship between revolving reserves and loan groupings while targeting settlers of African foundations. The investigation used stored data from settlers of African foundations in America to scrutinize if loaning was connected to the possession of assets amongst the members. The study found that savings, lending and asset ownership increased. Furthermore, possession of houses went up by 13.6%, lesser trades went up by 27.2% and possession of vehicles improved by nearly 20%. Consequently, the investigation concluded that loaning made it possible for members to accomplish the set objectives. Nonetheless, the investigation focused on ROSCA whose components is different from ASCA, a conceptual missing link that the present study intended to address by analyzing the relationship between ASCA and the financial empowerment of members in Kericho Community Development Trust, Kenya.

A study conducted by Prastyaningtyas et al. (2022) in Nganjuk, East Java, Indonesia, examined the dynamics of group loans, particularly among women, most of whom were housewives with limited or fixed incomes, unless they received financial support from their husbands. These loan facilities were designed to empower women by financing productive activities. However, challenges arose, especially concerning loan repayments. Issues identified included some group members defaulting on payments, mismanaging funds and resorting to borrowing from multiple financial institutions to settle previous debts. The study explored strategies to anticipate and mitigate the risks associated with group loans by implementing women's empowerment initiatives.

Findings suggested that an effective loan management framework could help women avoid excessive debt accumulation from group loans. Additionally, the study recommended strengthening women's roles in reducing financial risk through productive economic activities. However, while the research focused on loan management as a tool to minimize debt-related risks, it did not directly analyze financial empowerment. This contrasts with the present study, which approaches financial empowerment as a broader concept, with debt minimization considered one of its indicators.

Indriani et al. (2023) conducted a study to assess how the internal management of borrower groups; specifically, group structure, loan appraisal, loan control and social capital; affects repayment performance in Indonesia. The findings indicated that group lending appraisal, lending control and social capital had a positive influence on borrowers' ability to repay loans. This research, focused on group lending dynamics, was organized by Indonesia's Community Empowerment Trust Fund management agency. The study was carried out in Sragen Regency, Central Java, which was chosen due to its large population of borrower groups, totalling 2,999. Among these, 2,348 were Women's Saving and Lending Groups (WSLG), while 561 were Productive Economy Business Groups (PEG). Using a proportional random sampling approach based on the Slovin formula, 97 group respondents were selected for the study. The data were analyzed using moderating regression analysis. One key finding was that social capital played a crucial role in reinforcing loan control mechanisms, ultimately improving repayment capacity. Additionally, the study revealed that women's loan groups demonstrated a higher loan repayment rate compared to productive economy business groups, which included both male and female members.

Conversely, the study adopted Slovin's Formula which does not consider the variability or heterogeneity within the population as it treats all elements within the population as equal, which may not be the case in reality; a methodological gap that the present exploration sought to fill.

Ali et al. (2021) conducted a study that introduced a conceptual framework examining the influence of financial literacy and financial socialization on Saudi women, using Social Cognitive Theory (SCT) as the foundation. The study gathered data through a baseline survey involving 1,368 women from various societal segments, including university students, homemakers and professionals across different sectors in Saudi Arabia. To test the proposed hypotheses, the research employed Partial Least Squares (PLS) path modelling using SmartPLS. The findings revealed a strong positive relationship between financial literacy, financial coping behaviours, loan utilization and financial stability. Additionally, financial socialization was found to be significantly linked to both financial self-efficacy and overall financial empowerment. The study further highlighted that financial self-efficacy and effective coping behaviours played a crucial role in fostering financial empowerment among women. Nevertheless, the investigation focused on women only; thus, raising methodological gaps that the current investigation sought to address by analyzing both men and women groups.

An exploration done in Malawi by Maganga (2021) explored the effect of village savings and loan associations (VSLAs) on socio-economic fluctuations amongst females and established a positive contribution of VSLAs towards the financial empowerment of women. Nonetheless, the research was done in Malawi. The current study was done in Kenya. Another investigation done in Ghana by Lanidune (2021)

investigated VSLAs as financial inclusion (FI) prototypes for insufficiency and susceptibility lessening and revealed that their loaning components had significantly led to monetary inclusion through abridged deficiency; in addition to improving the financial empowerment. Nonetheless, the study adopted financial inclusion as the dependent variable, a conceptual missing link that the present exploration intended to seal by considering the financial empowerment of members in Kericho Community Development Trust, Kenya; as the dependent variable.

Maganga (2020) explored and discussed village savings and loan associations (VSLAs) as well as socio-economic variations in ladies in Malawi. The study used descriptive research design in addition to conducting door-to-door assessments. A sample size of 70 women was collected from VSLA groups. The outcomes showed constructive nexus between the VSLAs lending scheme and the financial empowerment. Nonetheless, the study did not discuss ASCA in particular, a conceptual missing link that the present investigation intended to fix. This exploration used correlation design to gauge the association between ASCA and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Chineka and Mtetwa (2021) analysed the contribution of Savings and credit schemes (SCSs) in improving the financial prowess of less fortunate families in Zimbabwe. The study collected first-hand information through in-depth interviews. A sample size of 10 contributors was designated using purposive selection. The study established that SCSs provided loaning schemes to members that empowered them to survive. Consequently, the study recommended that the administration ought to avail obligatory rules to safeguard and cement the importance of SCSs. Nonetheless, the study adopted purposive sampling, a methodological missing link that the present

study intended to address by using the Krecjie and Morgan (1970) formulae in assessing the relationship between ASCA and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Research done in Kenya by Chitere (2018) examined the life cycle of SHGs and the loaning perspectives in the development of communities and concluded that SHGs positively contributed to financial strengthening of members. Nonetheless, the investigation focused on the life cycle of SHGs but did not highlight any specific model, a conceptual missing link that the present investigation intended to seal by specifically focusing on the ASCA model. An investigation by Adero and Kariuki (2020) examined the influence of microfinance interpolations on the financial empowerment of Women in Mombasa County and concluded that financial training influenced judicious monetary verdicts that are channelled to boost the financial empowerment. Nonetheless, the investigation focused on microfinance interventions as the independent variable, a conceptual missing link that the present research intended to address by embracing ASCA as the independent variable in assessing its role in the financial empowerment of members in Kericho Community Development Trust, Kenya.

Mwirigi and Gatundu (2018) investigated the impact of microfinance loans on the financial empowerment of women entrepreneurs in Kenya. Their study employed surveys and interviews to gather data on the loaning component, the financial empowerment indicators and the experiences of women entrepreneurs. The findings indicated that access to microfinance loans played a significant role in enhancing the financial empowerment of women, enabling them to start or expand their businesses and improve their financial independence. However, the study did not address

potential challenges or risks associated with microfinance loans, such as high-interest rates or over-indebtedness, which presents a research gap in understanding the potential drawbacks of the loaning component on the financial empowerment.

Mbuthia et al. (2020) examined the influence of microcredit on the financial empowerment of smallholder farmers in Kenya. Through their research, they found that access to microcredit had a positive impact on the Financial stability of farmers, enabling them to invest in agricultural inputs, adopt new technologies and increase their productivity and income levels. However, the study did not delve into the long-term sustainability of the financial empowerment achieved through microcredit, leaving room for further investigation into the durability and lasting effects of the loaning component on farmers' the financial empowerment.

2.2.3 Share-out Component and the financial empowerment

An exploration done in Peru by Dahe et al. (2021) investigated women's empowerment by promoting women-saving groups. The investigation is through qualitative research of three women's savings programs in the Highlands of Peru. The investigators conducted descriptive and relational analyses during the investigation. The analysis collected data through the focus groups and three in-depth interviews. The findings uncovered that several women were empowered through the self-help group share-out schemes. The analysis concluded that savings interventions had considerable advantages over microcredit programs for facilitating female empowerment. The study therefore, advocated for public policies and programs in the private sector to invest in those kinds of interventions that would potentially increase the living standards of vulnerable women through easy access to funds. Nonetheless, the investigation collected data from women saving groups only thereby leaving out

the men groups; a methodological missing link that the present investigation intended to seal by the relationship between ASCA and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Saluja et al. (2023) conducted a study aimed at clarifying theoretical and empirical perspectives by synthesizing various knowledge concepts through a systematic review of barriers and interventions influencing women's financial inclusion. The research sought to provide a comprehensive overview by linking factors and interventions identified in previous studies to current and future trends. The study adopted the PRISMA approach to systematically outline inclusion and exclusion criteria, drawing data from Scopus and Web of Science (WOS) databases, along with backward and forward searches of key studies. A collaborative peer review process, combined with a qualitative synthesis of findings, was used to analyze the barriers and interventions affecting women's financial empowerment between 2000 and 2020. Out of 1,740 initially identified records, 67 studies met the eligibility criteria for an in-depth review. The analysis highlighted six key interventions that promote financial inclusion: government and corporate policies, microfinance initiatives, savings programs, cash and asset transfers and digital financial inclusion. Conversely, the study was purely qualitative thus enabling bias in terms of data type; a gap that the present exploration sought to fill by adopting both qualitative and quantitative data.

Research done in India by Bhatia and Singh (2019) sought to scrutinize the level of women empowerment through financial inclusion. The study used a structured questionnaire and collected data from 737 women staying in shantytowns. Further, the findings specified that Pradhan Mantri Jan Dhan Yojana (PMJDY) sharing out scheme had gained traction and was people's favourite. Therefore, the study

recommended a significant requisite for the enlargement of an official monetary structure to augment the level of sharing out. Nonetheless, the study was done in India and the findings may not be generalized, a contextual missing link that the present study intended to fix by conducting research in Kenya focusing on the relationship between ASCA and the financial empowerment of members in Kericho Community Development Trust.

Mengstie (2020) conducted a study in Ethiopia to assess the impact of microfinance on women's economic empowerment. The research was based on survey data collected from 346 women who were microfinance clients. To analyze the data, the study employed multiple regression and paired sample t-test techniques. The feedback from multiple linear regression analysis indicated that factors such as age, marital status, education level, share-out amount and the number of training sessions attended had a significant influence on women's economic empowerment. However, previous business experience was found to have no significant effect. Additionally, the paired sample t-test results showed a significant difference in income, assets and savings before and after receiving financial share-outs, highlighting the positive impact of microfinance on women's financial stability. However, the study utilized Paired sampled t-test in its analysis; a divergence from the present exploration.

Kabega (2017) exploration was conducted in Rwanda and it assessed the contribution made by Savings and Credit Associations (SCAs) to their members' well-being. The research used cross-sectional design. The investigation collected first-hand information from 115 people. Second-hand information was collected from SCAs' annals and booklets supplemented by previous reports, journals and books. Further, the investigation outcomes revealed the share-out among the groups directly

contributed to the members' welfare. Nonetheless, the investigation collected and analyzed qualitative data, a methodological difference from the current investigation that focuses on quantitative data in analyzing the relationship between ASCA and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Mutua and Juster (2021) exploration was conducted in Kenya to gauge the function of NGOs in the monetary inclusion of females and the creation of awareness of property rights for women. The investigation's population consisted of 60 women groups who had benefited from the NGOs programs in Makueni County. The investigators sampled 294 respondents. Further, the investigation found that financial inclusion through saving, loaning and sharing out influenced women's empowerment. Nonetheless, the investigation did not focus on ASCA components as the independent variable, a conceptual missing link that the present investigation intended to address by analyzing the relationship between ASCA and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Kinyanjui and Wachira (2020) explored the impact of chama share-outs on the financial empowerment of members in Kenya. The study utilized surveys and interviews to gather data on the share-out component and the financial empowerment indicators. The findings revealed that chama share-outs played a significant role in enhancing the Financial stability of members by providing them with lump-sum cash payments that could be invested in various ventures. However, the study did not examine the potential challenges or risks associated with chama share-outs, such as unequal distribution or mismanagement of funds, presenting a research gap in

understanding the dynamics and potential limitations of the share-out component on the financial empowerment.

Gitonga and Oluoch (2018) investigated the impact of merry-go-rounds (ROSCAs) on the financial empowerment of low-income households in Kenya. Their study revealed that participation in merry-go-rounds had positive effects on the financial empowerment of participants, enabling them to save, invest and access credit. However, the research primarily focused on the functioning and benefits of merry-go-rounds, neglecting to explore potential variations in the share-out component's effectiveness and outcomes across different community contexts or demographic groups, representing a research gap in understanding the inter-relations and variations of the share-out component's impact on the financial empowerment.

2.2.4 Security Component and Financial Empowerment

Alexeev et al. (2021) conducted a study examining the role of institutions and social capital in group lending across multiple countries. The research analyzed data from 450 microfinance institutions (MFIs) operating in 71 countries between 2006 and 2010. To assess social capital in different regions, the study utilized data from the World Values Survey (WVS). A four-point scale questionnaire was employed to collect information and conventional factor analysis was used to process the data. Additionally, regression models were applied to test the study's hypotheses. The findings revealed that in the context of group lending, contract enforcement; particularly concerning loan security, complemented bonding social capital while acting as a substitute for bridging social capital. This suggested that the benefits of social capital in group lending varied depending on the type of social capital present and were influenced by the strength of contract enforcement. Essentially, contract

enforcement served as a sorting mechanism that had opposite effects depending on the nature of social capital. The study concluded that group lending had been a key institutional innovation, enabling MFIs to extend financial services to clients without requiring tangible collateral. This approach helped overcome significant barriers to accessing finance, ultimately contributing to economic development. Nonetheless, the investigation analyzed group security as the only form of security component; a conceptual gap that the present exploration sought to fill by interrogating different indicators of the security component.

An exploration carried out in China by Zhao and Li (2021) sought to examine the link between countryside entrepreneurship, monetarist awareness and social capital. The study adopted a partial mediating effect analysis on families. The study assessed by what means the security component affected countryside business ventures. The findings showed that the group security component promoted countryside business ventures. Furthermore, the spread enhanced those mediating effects. The study is recommended for the encouragement of business venturing and sponsoring of workshops to teach on group security. Nonetheless, the study used a partial mediating effect analysis, a methodological missing link that the present exploration intended to address by analyzing the relationship between ASCA components and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Hoffmann et al. (2021) conducted a study in India to assess the impact of a government-led Self-Help Group (SHG) initiative in the state of Bihar. The research utilized a randomized program rollout across more than 180 panchayats. Both baseline and follow-up surveys were conducted, covering key aspects such as debt levels, asset holdings, consumption expenditures, livelihood activities, women's

mobility, household decision-making roles and mothers' aspirations for their daughters. To analyze the data, the study employed Analysis of Covariance (ANCOVA). The findings revealed a significant increase in SHG membership and borrowing from SHGs, accompanied by a decline in reliance on informal credit sources. Additionally, the study highlighted that the security component played a crucial role in shaping the financial empowerment of SHG members in treatment villages, with over 86% of participants having outstanding debts. However, since the study was conducted in India, its findings may not be directly applicable to other countries, such as Kenya, due to differences in socioeconomic and institutional context the findings revealed that relationship quality and its dimensions did not directly influence loan repayment. Instead, the study suggested that follow-up loans served as a stronger incentive for borrowers to meet their repayment obligations. However, the study identified three key dimensions of relationship quality among group members; commitment, trust and satisfaction; with trust having the most significant impact. Additionally, the research emphasized that potential group borrowers who relied on relationship quality as a form of security needed to engage in self-selection and peer screening. Trust, in particular, played a crucial role in reducing opportunistic behaviours, ultimately fostering a more reliable borrowing environment. However, the study adopted SEM for data analysis, a methodological divergence from the present exploration.

A study done by Tegambwage and Kasoga (2022) sought to understand the impact of relationship quality and its dimensions on group loan repayments in Tanzania. The study used data gathered from a survey of 450 joint liability borrowers. The data was analyzed using structural equation modelling (SEM). Findings indicated that

relationship quality and its dimensions do not influence group loan repayment, suggesting that follow-up loans provided incentives to repay. The study further established that commitment, trust and satisfaction were dimensions of relationship quality between individual group members, with trust exerting the strongest influence. Potential group borrowers who adopted it as a form of security needed to self-select and screen each other based on relationship quality factors, particularly trust, to reduce opportunistic behaviours. However, the study adopted SEM for data analysis, a methodological divergence from the current study.

Kosgei (2020) sought to gauge the influence that group security on table banking had on the socio-economic empowerment of females in Kenya. The investigation used the descriptive survey design where questionnaires were used to get first-hand information. The investigation population comprised of a selection of 440 followers carefully chosen from table banking members using a simple random sampling manner. Further, the investigator revealed a robust, constructive and empirically significant correlation between group security and financial capacity building for the females. Nonetheless, the research focused on table banking and not ASCA components as the independent variable, a conceptual missing link that the present exploration intended to seal by focusing on the relationship between ASCA and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Research done in Kenya by Nyathira (2018) examined the role of group security in informal saving in empowering women in Kajiado County. The investigation survey was conducted on 88 women aged between 18- 55 conveniently sampled by the investigator. The data collection was done through semi-structured interviews and

direct observations. The investigator thematically analyzed the collected information. The outcomes indicated that group security in savings and credit associations had a positive impact on the lives of women. The analysis concluded that group savings were the instrument of empowering women in rural society. The investigation recommended more savings and credit groups in Kajiado County to continue empowering the most vulnerable women in society. Nonetheless, the investigation used direct observations as a data collection method, a methodological difference from the current investigation that used questionnaire and data collection matrix in determining the relationship between ASCA and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Wanjohi and Ndirangu (2019) examined the role of community-based savings groups in enhancing the financial empowerment of individuals in Kenya. Through surveys and interviews, the study highlighted how group security measures, such as collective guarantee and social cohesion, contributed to members' financial empowerment by fostering trust, reducing risks and providing a supportive environment for financial activities. However, the research primarily focused on the positive aspects of group security, warranting further investigation into potential variations in the effectiveness of different security measures and their implications for the financial empowerment among diverse members of the community.

Mwirigi et al. (2019) sought to identify the distinguishing characteristics of proprietors of businesses concerning their strategic utilization of security components to access credit facilities among women groups running SMEs in Kenya. Employing a descriptive research design with a cross-sectional survey approach, the study centred on women-owned enterprises operating in Nairobi, Kenya. The researchers selected a

sample of 370 participants from this pool. The responses garnered from the respondents were compiled using SPSS version 24. The statistical analysis incorporated both descriptive methods and inferential techniques, such as correlation analysis and multiple regressions. The investigation's findings unveiled statistically significant connections between security component or collateral and interest rates, all of which contribute to foreseeing strategic credit access within women group-owned SMEs. Nevertheless, the study only focused on women groups, a methodological gap that the current study sought to fill.

2.2.5 Inflation and its Moderation

Bilalli, Sadiku and Sadiku (2024) examined the impact of inflation on the performance of the financial sector in OECD countries. Employing both static and dynamic panel regression models, the study analyzed data from 38 OECD economies spanning from 2002 to 2021. The findings revealed that higher inflation levels negatively affect financial sector performance, underscoring the necessity of maintaining low and stable inflation for an efficient financial system. However, the study primarily examined OECD countries, creating a contextual gap; the current study was done in Kenya; a developing country. Secondly, the study did not explore the moderating effects of inflation thus highlighting a conceptual gap that the present study filled by incorporating inflation as a moderating variable. Finally, the study relied exclusively on secondary data, introducing a methodological divergence with the current research which integrated primary data sources.

In Ukraine, Mastromatteo and Rossi (2024) explored the concept of 'sellers' inflation,' which occurs when firms increase their prices in response to inflationary pressures, particularly following external shocks such as the war. The study relied on

secondary data, which included historical price data, inflation rates and firm-level pricing strategies from government reports and financial databases. The study created a conceptual gap by overlooking the moderation effect of inflation; which the present study bridged. Additionally, the study was conducted in Ukraine which was a developed country, presenting a contextual gap that the present study filled by focusing on Kenya. Moreover, the study relied on secondary data, highlighting a methodological gap that the present study addressed by incorporating primary data.

Islam (2022) investigated the impact of socioeconomic development on inflation in South Asia, while also considering the foreign exchange rate and money supply as control variables. The study analyzed annual panel data from 1990 to 2018, covering five South Asian economies: Bangladesh, India, Nepal, Pakistan and Sri Lanka. To examine long-term relationships, the research employed cointegrating regression techniques, specifically the panel dynamic ordinary least squares (OLS) and fully modified OLS estimators. These methods provided a robust framework for assessing the connection between socioeconomic development and inflation dynamics in the region. Additionally, the Toda-Yamamoto Granger causality test was employed to determine the direction of causality among the variables. The findings indicated that socioeconomic development does not significantly impact inflation. However, economic development was found to drive inflationary pressures. The study concluded that inflation impacts social and economic well-being. However, the study primarily focused on a panel of South Asian economies, a contextual gap that the present exploration filled by focusing on Kenya. Moreover, the study elicited a conceptual gap by failing to investigate the moderating role of inflation; a gap the

present exploration filled. Finally, the study did not gather primary data; a methodological gap that the present exploration has filled.

Ehigiamusoe, Lean and Lee (2019) examined the moderating effect of inflation on the finance–growth nexus in West Africa from 1980 to 2014. They employed the Pooled Mean Group (PMG) and Mean Group (MG) estimators to analyze the long-run and short-run dynamics between financial development and economic growth across countries. They found that while financial development positively influenced economic growth, high inflation weakened this relationship. The researchers identified an inflation threshold of 5.62%, above which the effect of financial development on growth turned negative. However, the study had a contextual gap since it focused on West Africa, whereas the current study examined Kenya. In terms of a conceptual gap, the study overlooked the moderating impact of inflation on community-based financial systems, which the present study addressed. Methodologically, the study relied solely on secondary data, while the current study incorporated primary data collection.

Agbasi and Onoh (2024) focused on the impact of inflation on savings and investments within cooperative societies in Awka South Local Government Area of Ghana. They employed a descriptive survey design, distributing questionnaires to a sample of 161 cooperative members and analyzing data using Z-test statistics. They discovered that inflation significantly affected both savings and investment behaviors. The authors emphasized the importance of inflation-adjusted interest rates and financial education programs in mitigating these adverse effects. They also highlighted the role of cooperatives in addressing inflation-related challenges and protecting members' savings through diversified investment strategies. However, the

study focused on Ghana contextually, while the current research examined Kenya. Conceptually, it did not explore the role of inflation as a moderating variable, which the current study addressed. Methodologically, the study used a cross-sectional design, whereas the present study incorporated longitudinal data for better causal analysis.

Musimbi and Mose (2022) investigated the impact of inflation on national savings in Kenya, testing Deaton's hypothesis that inflation stimulates savings. They utilized secondary data sources and applied the Ordinary Least Squares (OLS) estimation technique. They found that inflation, income growth and interest rates positively influenced savings behavior in Kenya, with high inflation stimulating national savings despite its broader negative economic impact. However, the study had key gaps. Contextually, it focused on national savings, while the current research examined community-based financial systems like ASCAs. Conceptually, it did not explore inflation's moderating role on savings behavior, which the current study addressed. Methodologically, it relied on aggregate national data, whereas the present study incorporated primary data.

2.3 Theoretical Framework

This study focuses on the vulnerable group theory of financial inclusion, the public goods theory of financial inclusion and the high-cost view theory.

2.3.1 Vulnerable Group Theory of Financial Inclusion

The vulnerable group theory of financial inclusion, proposed by Ozili (2020), highlights the need to focus financial inclusion initiatives on marginalized segments

of society, such as the poor, young people, women and the elderly; groups that are particularly vulnerable to economic hardships and financial crises (Ban, Gilligan & Rieger, 2020; World Bank, 2021). The theory asserts that integrating these individuals into the formal financial system is essential, as they are often the most affected during economic downturns and financial instability (Ozili, 2020).

One effective strategy for promoting financial inclusion among vulnerable groups is the use of government-to-person (G2P) social cash transfers, where funds are directly deposited into recipients' formal financial accounts. This approach not only provides financial support to the poor, young people, women and the elderly but also encourages others within these groups to engage with the formal financial sector. Individuals can gradually integrate into the financial system and take advantage of the broader opportunities it offers through accessing these benefits (Ozili, 2020). Consequently, this approach can contribute to an increased rate of financial inclusion among vulnerable groups (Ban, Gilligan & Rieger, 2020). Moreover, when vulnerable individuals in society receive social cash transfers and have access to other tools for financial inclusion, it can help address income inequality and allow them to catch up with other segments of society (Ozili, 2020). This compensation for the effects of income inequality can empower vulnerable individuals and motivate their participation in the formal financial sector (Ban, Gilligan & Rieger, 2020).

The implications of the vulnerable group theory of financial inclusion are significant, as it identifies specific vulnerable segments of the population and highlights the need for targeted financial inclusion efforts toward these groups (Ban, Gilligan & Rieger, 2020). As a result of considering the degree of vulnerability, income level, gender, age and other demographic characteristics, it becomes easier to identify financially

excluded individuals (World Bank, 2021). However, it is essential to acknowledge the limitations of this theory. Firstly, it does not prioritize financial inclusion for the entire population but focuses on specific vulnerable groups (Ban, Gilligan & Rieger, 2020). Secondly, it may overlook non-vulnerable individuals outside the formal financial sector (Beck et al., 2007). Lastly, the assumption that women are inherently a vulnerable group may disregard the vulnerabilities faced by men (Ban, Gilligan & Rieger, 2020).

This theory aligns with the objectives of the current study, as it emphasizes the need for financial programs to target vulnerable members of society (Ban, Gilligan & Rieger, 2020). The ASCA model, being designed to benefit the poor and vulnerable, is in line with this theory's perspective on financial inclusion (World Bank, 2021). The study aims to contribute to the understanding of how the ASCA components relates to the financial empowerment of vulnerable members in the Kericho Community Development Trust, Kenya in considering the vulnerable group theory of financial inclusion.

2.3.2 The Public Goods Theory

The public goods theory of financial inclusion was proposed by Samuelson (1954). The theory advances the notion that the distribution of financial facilities should be to the whole populace minus any limitations to the right to use financial facilities (Azimi, 2022). It claims that people are not supposed to be left out or deprived of the right to use monetarist amenities. (Kallhoff, 2021). The whole populace ought to be buoyed in terms of pecuniary access notwithstanding the demographic variations, proceeds and communal rank to help achieve recommended financial stability (Alley, 2021).

The gap in this theory arises from the point that when the delivery of official financial amenities is undertaken as a public good, the echelons of monetary inclusion may not be maintainable or bearable in the end notwithstanding the availability of public funding if the charges associated with official financial amenities are undervalued (Azimi, 2022). This theory relates to the current exploration because it focuses on the distribution of financial facilities to the whole populace minus constraints to access which is the major goal of ASCA. The ASCA component is seen as an alternative means to financial inclusion because it allows the less vulnerable members of the community to access financial services without passing through the mainstream financial systems in the country.

2.3.3 High-Cost View Theory

The high-cost view theory originally proposed by Cole, Sampson and Zia (2011) sheds light on the behaviour of individuals with low-income and vulnerable backgrounds concerning formal financial institutions. According to this theory, these individuals tend to avoid such institutions due to the high fixed costs associated with their services (Cole et al., 2011). The theory suggests that rational consumers in this context prefer to seek out cheaper alternatives, such as informal financial services provided by rotating savings and credit associations (ROSCAS) and similar community-based groups.

One of the key advantages of the high-cost view theory is its recognition of the economic rationale behind the preference for informal financial services among low-income and vulnerable individuals. These individuals can mitigate the financial burden imposed by the high fixed costs of formal financial institutions through cheaper alternatives. Moreover, the theory acknowledges that despite potential

performance limitations, participation in informal associations like ROSCAS can offer tangible benefits that can improve the living standards of their members. These benefits may include increased access to credit, social support networks and a sense of community empowerment (Cole et al., 2011). However, the high-cost view theory is not without its limitations. It primarily focuses on the cost factor and may overlook other important aspects of financial inclusion, such as the need for financial education, regulatory frameworks and consumer protection mechanisms (Honohan & Beck, 2007). Additionally, while informal financial services may provide certain advantages, they also come with their own set of risks and limitations. Informal associations may lack formal documentation, standardized procedures and legal protections, which can expose participants to potential fraud, disputes or limited access to broader financial markets (Honohan & Beck, 2007).

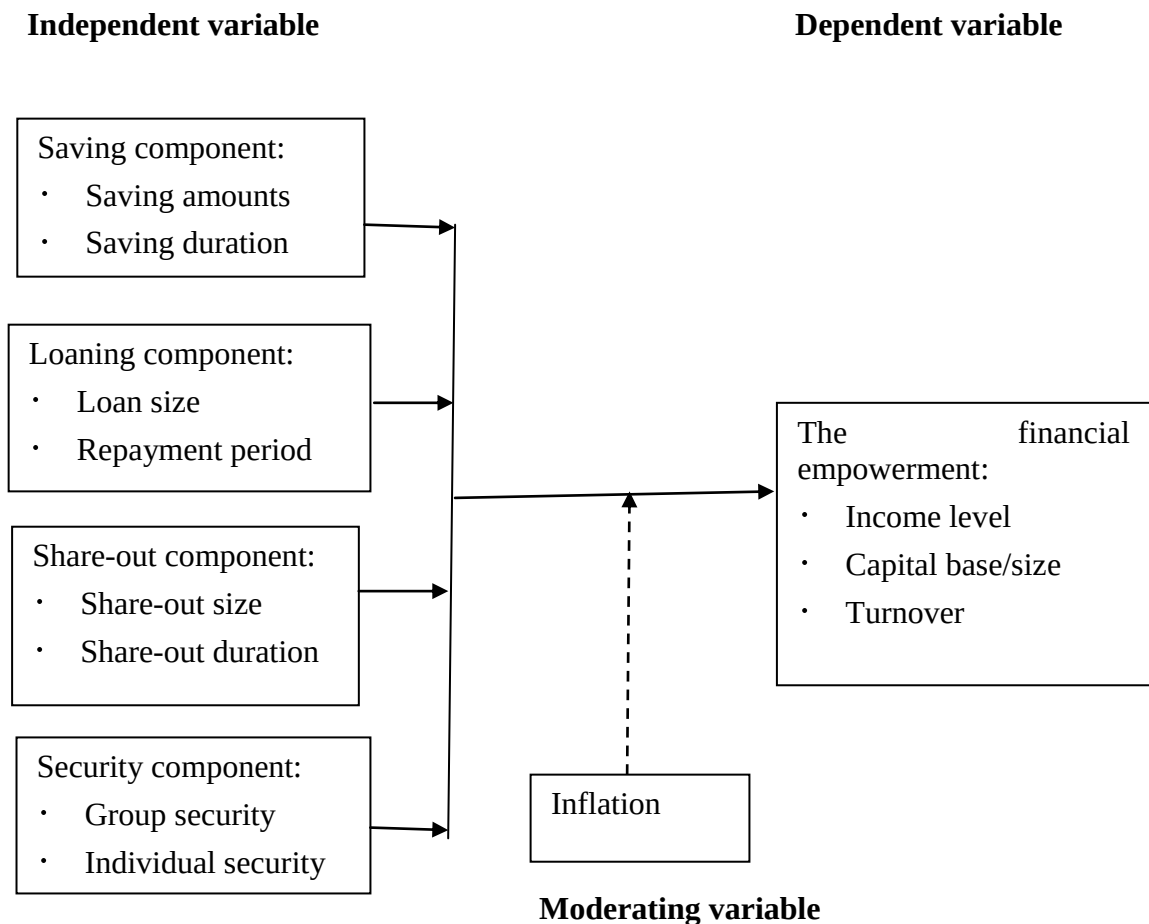
The high-cost view theory is directly relevant to the current study as it addresses the accessibility of financial services for low-income and vulnerable individuals, which aligns with the objectives of the research. The study aims to explore the relationship between the ASCA components and the financial empowerment of these individuals. The ASCA model, with its flexible and cost-effective approach to financial services, resonates with the principles underlying the high-cost view theory (Ozili, 2020). The study sought to provide empirical evidence supporting the linkages proposed by the high-cost view theory by investigating the ASCA model's impact on the Financial stability of low-income and vulnerable members.

In conclusion, the high-cost view theory highlights the tendency of individuals with low-income and vulnerability to avoid formal financial institutions due to the associated high fixed costs. It recognizes the economic rationality behind opting for

cheaper informal financial services while acknowledging the potential benefits and limitations of such services. The theory's relevance to the current study lies in its focus on the accessibility of financial services for low-income and vulnerable individuals, which aligns with the objectives of the research. Following an examination of the ASCA model's impact on the financial empowerment of these individuals, the study aims to validate the connections suggested by the high-cost view theory and contribute to the understanding of effective financial inclusion strategies for this target group.

2.4 Conceptual Framework

The exploration was guided by the conceptual outline as shown in Figure 2.1



Source: Researcher (2025)

Figure 2.1: Conceptual Framework

The conceptual framework illustrates how the ASCA components interact with financial empowerment of members of the Kericho Community Development Trust. In this framework, the ASCA model's saving component, loaning component, share-out component and security component are considered independent variables. On the other hand, the financial empowerment is the dependent variable. To measure the financial empowerment, several indicators are utilized. These indicators include

income level, capital base and turnover, which collectively provide insights into the financial stability and success of the members. These indicators serve as measures of the overall financial empowerment experienced by the members.

Within the saving component, indicators such as saving amounts and saving duration are used to assess the effectiveness and impact of savings within the ASCA model. These indicators shed light on the magnitude and duration of savings, allowing for an evaluation of the savings component's contribution to the financial empowerment. The loaning component is evaluated through indicators such as loan size and repayment period. These indicators help gauge the magnitude of loans taken by the members and the duration within which the loans are repaid. Consequently, the study can examine the influence of the loaning component on the financial empowerment of members through the indicators. Similarly, the share-out component is assessed using indicators such as share size and share-out duration. These indicators provide insights into the distribution of profits or benefits within the ASCA model, contributing to an understanding of the impact of the share-out component on the financial empowerment.

The security component is evaluated using indicators related to group security and individual security. These indicators help assess the safeguards and protections provided by the ASCA components to the members. The study can explore its role in promoting the financial empowerment by examining the effectiveness of the security component. Lastly, the exploration looks at inflation rate as the moderating variable; interfering with the multifaceted relationship between the ASCA components and the financial empowerment of members in the Kericho Community Development Trust.

2.5 Identification of Knowledge Gaps

The empirical review elicited gaps in terms of the context, concept and methods. For instance, some of the past investigations highlighted did not interrogate the concept of the present research; Al-Kubati and Selvaratnam (2021) used local ICT development as an intervening variable, a conceptual divergence from the current exploration. Ban et al. (2020) focused on savings in SHGs but did not outline any credit association models. Lee et al. (2021) focused on financial preparedness for birth as the dependent variable and not the financial empowerment. Mutua and Juster (2021); Jansen et al. (2022); Landman and Mthombeni (2021); Chitere (2018); Adero and Kariuki (2020) did not concentrate ASCA model. Habiba (2020) focused on ROSCA whose component is different from ASCA while Lanidune (2021) used financial inclusion as the dependent variable. Kosgei (2020) focused on table banking and not ASCA components as the independent variable.

Other past investigations highlighted did not conduct their investigations within the expected geographical settings as prescribed in the present exploration. Maganga (2021) exploration was done in Malawi and not Kenya. Bhatia and Singh (2019) were done in India, raising concerns about the generalizability of their results to other contexts.

The review of previous studies also revealed gaps in terms of the methods employed. For example, Maganga (2020) utilized a descriptive research design, whereas the present investigation employed a correlation design to examine the relationships between variables. Chineka and Mtetwa (2021) employed purposive sampling, whereas the current study utilized the Krecjie and Morgan (1970) formulae to

determine the sample size. Additionally, Kabega (2017) collected and analyzed qualitative data, while the existing exploration primarily focuses on quantitative data. Furthermore, Dahe et al. (2021) collected data from women saving groups only, neglecting the inclusion of men's groups. Similarly, Zhao and Li (2021) used a partial mediating effect analysis, whereas Nyathira (2018) relied on direct observations as a data collection method.

The current study aims to contribute to the existing knowledge by addressing the specific context, concept and methodological gaps. It focuses on examining the relationship between the ASCA components and the financial empowerment of members in the Kericho Community Development Trust in Kenya, utilizing a correlation design and incorporating relevant indicators and measurements.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This part encompasses the study's design, study's population, processes adopted for the selection of respondents and the selected magnitude, investigation tools, experimental testing of the tools, validity, reliability, information gathering techniques, data analysis as well as moral concerns in the study.

3.2 Research Design

The study adopted a pragmatic research paradigm. A pragmatic research paradigm is appropriate for studies that seek to combine both qualitative and quantitative approaches (Creswell & Plano Clark, 2018; Morgan, 2014). This exploration used a mixed methods approach. It specifically adopted a correlational research design and a cross-sectional descriptive research design. Correlational research design was reckoned as appropriate for this investigation for the reason that it helps in instituting the cause-effect relationship amongst variables in exploration as delineated by Eckel (2022). Shao, Elahi Shirvan and Alamer (2022) revealed that correlational research is a quantifiable technique of inquiry in which dualistic variables from a similar cluster of participants are utilized to gauge the presence of a nexus. This analysis associated ASCA components with financial empowerment. A cross-sectional descriptive research design allows for the collection of data at a single point in time, providing a snapshot of the relationships between ASCA components and financial empowerment among members of the Kericho Community Development Trust. This approach was suitable for understanding the current state of affairs without the need for longitudinal

data collection. Cross-sectional descriptive research designs accommodated the collection of qualitative data alongside the quantitative data.

3.3 Location of the Study

The study was conducted in Kericho County, Kenya, with a specific focus on the Kericho Community Development Trust (KCDT) and its surrounding areas. Kericho County is situated in the Rift Valley region of Kenya and is known for its vibrant agricultural sector, particularly tea farming. The choice of Kericho County as the study location was strategic due to its diverse population and the presence of community development initiatives such as the Kericho Community Development Trust, which actively engages in financial empowerment programs. Additionally, Kericho County serves as an ideal setting for exploring the relationships between ASCA components and financial empowerment within a community context, given its socio-economic dynamics and developmental challenges.

Within Kericho County, the study primarily targeted members of the Kericho Community Development Trust, including both rural and urban communities within the trust's catchment area. The selection of this location allowed for the study of ASCA components—such as saving, loaning, share-out and security—in a real-world setting, where these components play a significant role in enhancing financial empowerment among community members.

3.4 Target Population

Casteel and Bridier (2021) postulate that persons, collections or establishments that the investigator strives to analyze, understand and associate the study's findings to is a population. This investigation was carried out in Kericho County, targeting members

of Kericho Community Development Trust (KCDT), Kenya. The population distribution is presented in Table 3.1.

Table 3.1:
Population distribution

Name of group	Population
1. Kipkelion	16
2. Nazareth Cheribo	34
3. Brooke	26
4. St Peter's Em	12
5. Seretut	22
6. Kamuingi 1	16
7. Kamuingi 2	28
8. St Georges	30
9. Cathedral	48
10. Kapsoit	50
11. Kenegut	22
12. Cheribo St. John's	23
13. Chepngetuny	43
14. Arise and Shine	10
Total	380

Source: Kericho Community Development Trust (2023)

3.5 Sample and Sampling Procedures

This sub-segment highlights the investigation's sample and the procedures used to get the sample. The sample is the collection of persons who take part in the study (McCombes, 2021). The investigation generally adopted stratified sampling based on the 14 groups. Nonetheless, Krejcie and Morgan (1970) formula as advanced by Ukhari (2021) was used in sampling the members of the groups such that a sample size of 191 was obtained as shown below.

Krejcie and Morgan (1970) Formula:

$$s = \frac{X^2 NP (1-P)}{d^2 (N-1) + X^2 P (1-P)} \dots \dots \dots (3.1)$$

s = required sample size

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level

N = the population size

P = the population proportion (assumed to be .50 since this would provide the maximum sample size)

d = the degree of accuracy expressed as a proportion (.05)

Where: N= 380, P= 0.5, d= 0.05, $X^2 = 3.841$

Therefore: $S = 3.841 * 380 * 0.50(1-0.50) / ((0.05^2) (380-1) + 3.841 * 0.5(1-0.50))$

$= 3.841 * 380 * 0.50(1-0.50) = 364.895 = (0.05^2) (380-1) = 0.9475 = 3.841 * 0.5(1-0.5) = 0.9603$

$S = 364.895 / (0.9475 + 0.9603)$. Hence, S = 191.26

The diverse characteristics of each group, including age, size and duration since inception, was considered during the sampling process. Simple random sampling was applied to select participants from each group to maintain an unbiased representation. The sample size for each group was determined proportionally to their population size, ensuring that larger groups were adequately represented while acknowledging the distinctiveness of smaller groups. The sample size distribution is presented in Table 3.2

Table 3.2:
Sample Size Distribution

Name of group	Population	Sample size
Kipkelion	16	8
Nazareth Cheribo	34	17
Brooke	26	13
St Peter's Em	12	6
Seretut	22	11
Kamuingi 1	16	8
Kamuingi 2	28	14
St Georges	30	15
Cathedral	48	24
Kapsoit	50	25
Kenegut	22	11
Cheribo St. John's	23	12
Chepngetuny	43	22
Arise and Shine	10	5
Total	380	191

Source: Field data (2025)

3.6 Data Collection Instruments

Primary and secondary data was collected. The investigation utilized a semi-structured questionnaire to gather primary information from the group members. The study also adopted an interview guide to collect qualitative data from the head of each group included in the study. Nonetheless, a data collection matrix was used to collect secondary data on inflation rates for the periods 2019-2023. Secondary data was obtained from the records of the group activities and the summative financial statements highlighting the savings and loaning details.

The questionnaire contained a combination of inquiries, permitting the use of wrapped and unwrapped reactions to a comprehensive variety of interrogations. The questionnaire was alienated into segments such that segment I dealt with the background information; segment II contained queries on the saving component, segment III contained inquiries on the loaning component, segment IV contained

interrogations on share-out component, segment V contained queries on security component while segment VI focused on the financial empowerment of the group members.

3.6.1 Validity of the Research Instruments

Content validity refers to the degree to which a measurement instrument adequately represents all aspects of the construct being measured. To enhance content validity, expert judgment was utilized after conducting a pilot study. External experts in the field reviewed the questionnaire and assessed whether it comprehensively covered the relevant aspects of the ASCA model, saving component, loaning component, share-out component, security component and financial empowerment.

Face validity examines whether a measurement method appears, on the surface, to measure the construct of interest. External experts in the field assessed the questionnaire to determine its face validity. Their expertise ensured that the questionnaire seemed relevant and appropriate for measuring the desired constructs. Their evaluation provided insight into the questionnaire's perceived alignment with the research objectives and the constructs being studied.

Construct validity is concerned with how well a measure covers the concept of interest. To establish construct validity, the researcher carefully developed the indicators and measurements based on relevant existing knowledge and literature. The questionnaire included only relevant questions that effectively captured the known indicators associated with the ASCA model, saving component, loaning component, share-out component, security component and financial empowerment. This approach helped ensure that the measurement instrument accurately represented the constructs

being studied. Furthermore, to quantitatively assess construct validity, a Construct Validity Index (CVI) of 0.75 was adopted. This means that any item or question with a CVI value below 0.75 (or 75%) was considered invalid and potentially excluded from the final questionnaire. The researcher aimed to maintain a high standard of construct validity, ensuring that only the most relevant and representative items were included in the questionnaire. The validity results are presented in Table 3.3

Table 3.3:
Validity results

Validity Type	Method Used	Key Findings
Content Validity	Expert judgment after pilot study	The questionnaire covered all ASCA components and financial empowerment comprehensively.
Face Validity	External expert review	The questionnaire appeared relevant and appropriate for measuring the desired constructs.
Construct Validity	Construct Validity Index (CVI)	A CVI threshold of 0.75 was used, ensuring that only relevant questions were included in the final questionnaire.

3.6.2 Reliability of the Research Instruments

A pilot study is frequently executed to check the feasibility of procedures, approaches, inquiry forms and dialogues plus gauging if they operate in an unruffled way (Fraser, Fahlman, Arscott & Guillo, 2018). Piloting involved the analysis, cleansing and re-gauging of the questionnaire before the authentic information gathering. Rozali et al. (2022) believes that a pilot research sample ought to be 10% of the sample for maternal research. Consequently, the pilot testing was carried out in one group in Maseno North on a sample consisting of 19 respondents; because the savings group dynamics revolving around ASCA exists in Maseno North. Reliability is the ability of the test to give consistent results after several rounds of testing (Chetwynd, 2022).

Subsequently, the reliability of a homogeneous test is typically articulated as co-efficient where the reliability co-efficient replicates the degree to which a test is free of error variance (Duckett, 2021). The research used the test-retest technique to establish reliability because it ensures the attainment of a maximum value of reliability. Cronbach's Alpha was used to test the internal consistency of the research tools while pretesting. Cronbach's alpha was used to find out the level of relationship between sets of items in a group. According to Beaty et al., (2020), a high value of alpha is frequently utilized as a proposition that the items enumerate a fundamental (or latent) construct. A reliability of 0.7 was deemed satisfactory indicating the existence of reliability. Reliability results are presented in Table 3.4

Table 3.4:
Reliability Results

Reliability Measure	Method Used	Acceptable Threshold	Key Findings
Internal Consistency	Cronbach's Alpha	≥ 0.7	The research instruments were found to be reliable
Test-Retest Reliability	Repeated testing of the questionnaire	Consistent results across testing rounds	The test-retest technique confirmed the reliability of the questionnaire.

3.7 Data Collection Procedures

The researcher obtained an introductory letter from the University of Kabianga to facilitate data collection. Additionally, a research permit was secured from the National Commission for Science, Technology and Innovation (NACOSTI). To maintain the integrity of the data collection process, a self-administered questionnaire approach was used, ensuring that responses were accurately recorded and that only the intended participants were interviewed. To support data collection, the researcher recruited and trained data assistants, who were then engaged on a contract basis. Both

the researcher and the data assistants conducted interviews, ensuring a structured and efficient process. Each questionnaire was completed and collected immediately after the interview. Once data collection was concluded, all questionnaires were compiled, verified and inspected in preparation for analysis.

3.8 Data Analysis and Presentation

The research adopted quantitative data as well as qualitative data. The practice of data analysis encompassed numerous phases such as; information un-contamination and elucidation. Reactions obtained in the survey forms were arranged, put in code form and treated with the assistance of a computer package for statistics. Frequency tables, percentages and means were adopted for the exhibition of the outcomes. Standard deviation was used as well. Quantitative data was presented using tables and graphs. Qualitative data was analyzed using thematic analysis and presented as descriptive narratives.

The major inferential statistics that the research adopted include correlation and regression analysis. To gauge the hypotheses, the investigator rejected a hypothesis if the p-value was less than $\alpha = 0.05$. For that reason, the model for hypothesis testing was as outlined in Table 3.5.

Table 3.5:
Test of Statistical Hypothesis

Hypothesis	Type of Analysis	Regression Model	When to Accept or Reject
Ho ₁	Simple linear	$Y = \alpha + \beta_1 X_1 + \varepsilon$	$p_1 < 0.05 \rightarrow \text{reject 1Ho}$
Ho ₂	Simple linear	$Y = \alpha + \beta_2 X_2 + \varepsilon$	$p_2 < 0.05 \rightarrow \text{reject 2Ho}$
Ho ₃	Simple linear	$Y = \alpha + \beta_3 X_3 + \varepsilon$	$p_3 < 0.05 \rightarrow \text{reject 3Ho}$
Ho ₄	Simple linear	$Y = \alpha + \beta_4 X_4 + \varepsilon$	$p_4 < 0.05 \rightarrow \text{reject 4Ho}$
General objective	Multiple linear regression	$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$	

3.8.1 Diagnostic Tests

The successive tests were pertinent for regression analysis assumptions.

3.8.1.1 Normality

The foremost supposition of linear regression is that the residuals ought to follow a normal distribution (Youssef, 2022). The normality of residuals was assessed using the Kolmogorov-Smirnov and Shapiro-Wilk tests, which are standard statistical methods for evaluating whether data conforms to a normal distribution. Tests of normality results are presented in Table 3.6

Table 3.6:
Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Unstandardized Residual	.133	135	.000	.955	135	.000

a. Lilliefors Significance Correction

The results indicated a Kolmogorov-Smirnov statistic of 0.133 with a significance (p-value) of 0.000 and a Shapiro-Wilk statistic of 0.955 with a p-value of 0.000. Both tests yielded p-values less than the threshold of 0.05, suggesting that the residuals deviate significantly from a normal distribution. These findings imply that the assumption of normality, a key prerequisite for linear regression analysis, is not satisfied. While statistical tests confirm non-normality, it was essential to complement these results with visual methods such as Q-Q plots below; to understand the nature and extent of the deviation. If visual inspection reveals minor deviations, the impact on the regression model may be negligible, especially when the sample size is large, as the central limit theorem can compensate for some lack of normality.

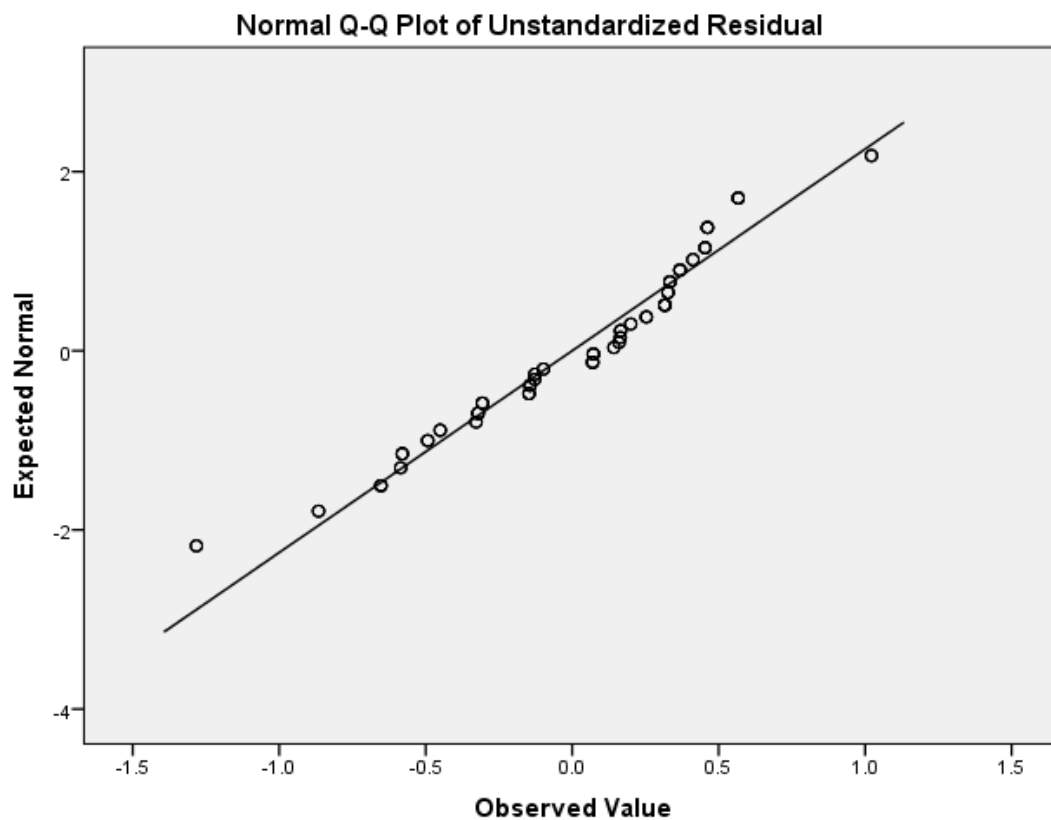


Figure 3.1: Normal Q-Q Plot

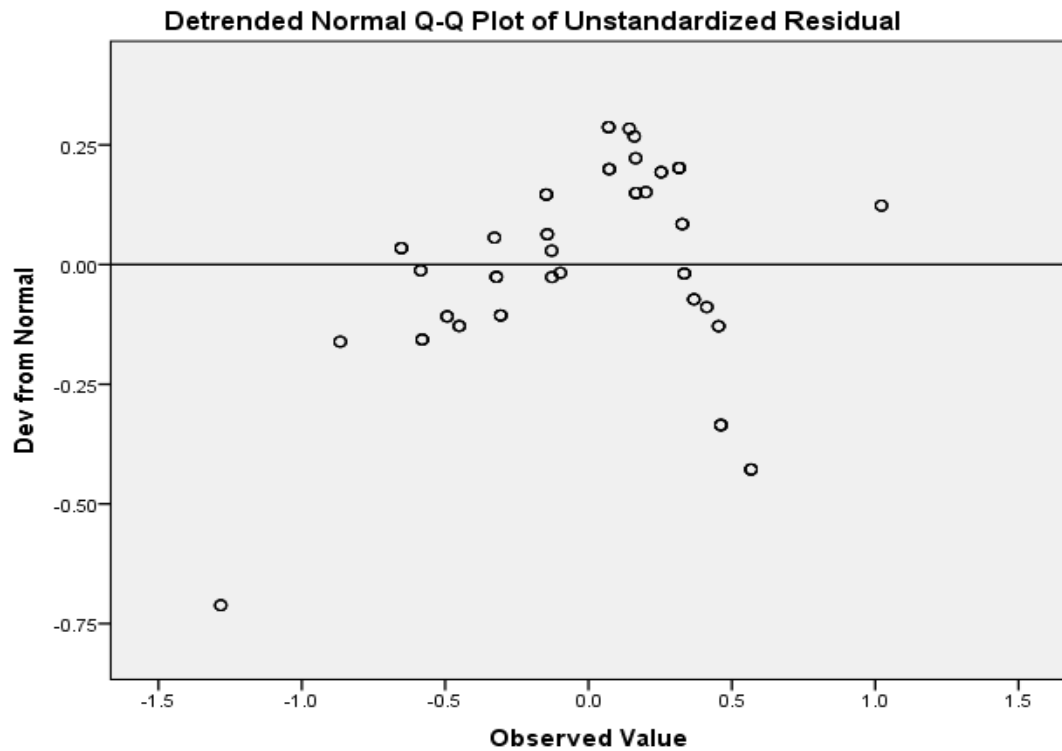


Figure 3.2: Detrended Normal Q-Q Plot

3.8.1.2 Homoscedasticity

Homoscedasticity in a model implies that the mistake is continuous end-to-end considering the measures of the dependent construct. This exploration tested for homoscedasticity by espousing a scatterplot with the residuals beside the dependent construct.

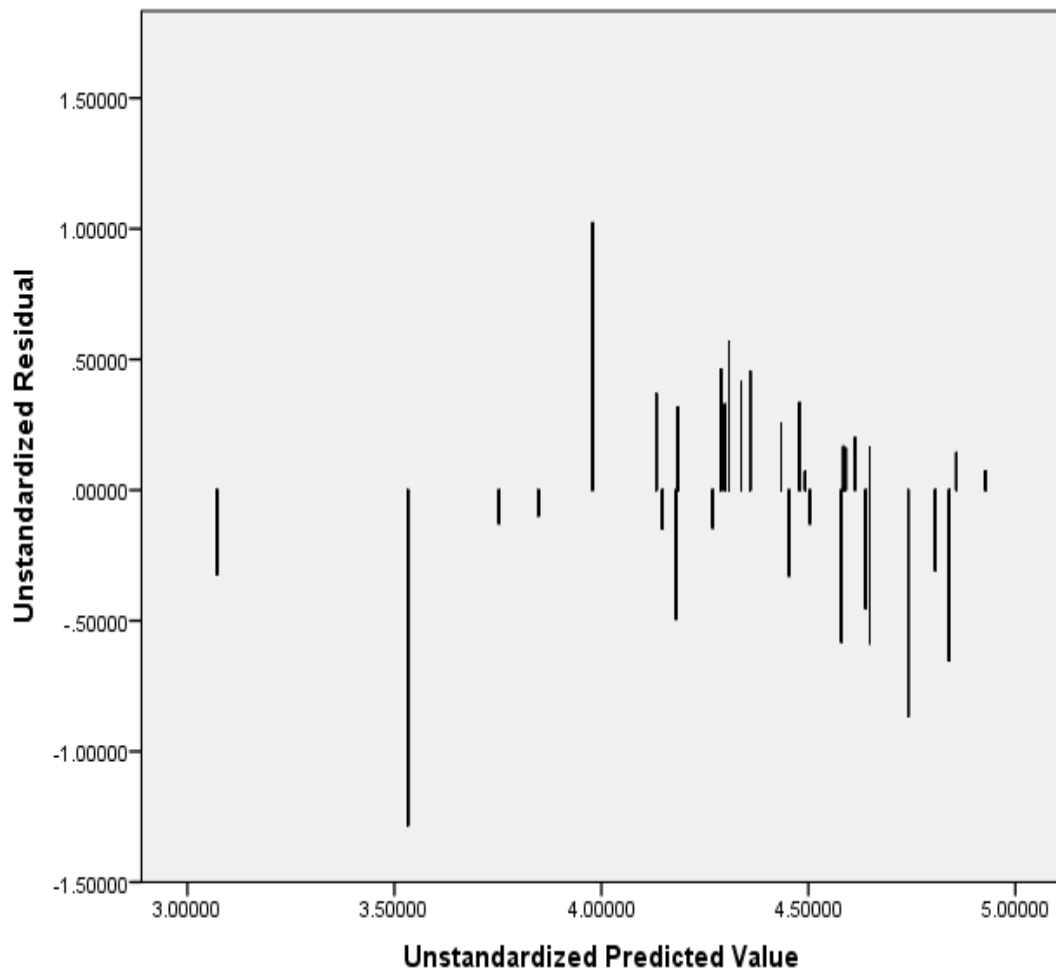


Figure 3.3: Homoscedasticity scatterplot

From the visual inspection of the scatterplot; the unstandardized residuals are plotted against the unstandardized predicted values. The distribution of residuals does not exhibit a clear pattern of narrowing (funnel-shaped) or systematic curvature. However, there is some clustering of residuals in certain areas, particularly around specific predicted values. The residuals appear relatively scattered without strong evidence of increasing or decreasing variance along the predicted values, which suggests that homoscedasticity is generally upheld.

The scatterplot supports the assumption of homoscedasticity in the regression model. There is no apparent heteroscedasticity, as the variance of residuals appears to be roughly constant across the predicted values.

3.8.1.3 Autocorrelation

Autocorrelation denotes a state where there is a correlation between the observations of the error term (Youssef, 2022). If this happens, it implies that the observations are not drawn randomly. To test autocorrelation, the Durbin-Watson statistic was used to test for autocorrelation in the residuals of the regression model; as shown in Table 3.7.

Table 3.7:
Durbin Watson test

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	Durbin-Watson
1	.661 ^a	.437	.420	.45071	1.697
a. Predictors: (Constant), ASCA Security Component, ASCA Share-out Component, ASCA Loaning Component, ASCA Savings Component					
b. Dependent Variable: Financial Empowerment					

The Durbin-Watson statistic, which tests for autocorrelation in the residuals of a regression model, is reported as 1.697 in the analysis. The statistic ranges between 0 and 4, with a value of 2 indicating no autocorrelation. Values closer to 0 suggest positive autocorrelation, while those closer to 4 indicate negative autocorrelation. Typically, values between 1.5 and 2.5 are considered acceptable and suggest no significant autocorrelation.

The observed value of 1.697 falls within this acceptable range, indicating that there is no significant autocorrelation in the residuals. This suggests that the residuals are independently distributed, implying that the observations in the study are likely

random. Consequently, the assumption of independence of errors is upheld, which strengthens the reliability of the regression model results and ensures that the model's coefficients are unbiased. Therefore, it can be concluded that the regression results are valid under the assumption of no autocorrelation.

3.8.1.4 Multi-collinearity

Multi-collinearity occurs when several explanatory variables are strongly correlated (Youssef, 2022). If two independent variables are correlated, they elucidate equivalent evidence. Consequently, the model is not able to know which of the two variables is responsible for a deviation in the dependent construct. In this exploration, it was assessed using the Variance Inflation Factor (VIF) which points out how much an independent variable is correlated to the other independent variables. Multi-collinearity test results are presented in Table 3.8

Table 3.8:
Multi-collinearity

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.142	.380		3.006 .003		
	ASCA Savings Component	-.089	.072	-.096	-1.245 .216	.722	1.385
	ASCA Loaning Component	.480	.084	.432	5.748 .000	.766	1.306
	ASCA Share-out Component	-.005	.061	-.007	-.085 .932	.727	1.375
	ASCA Security Component	.371	.054	.483	6.908 .000	.887	1.127
a. Dependent Variable: Financial Empowerment							

The findings for multicollinearity, as indicated by the Variance Inflation Factor (VIF) values in the regression output, show no significant issues with multicollinearity among the independent variables. The VIF values for the four components of the ASCA model; Savings Component (1.385), Loaning Component (1.306), Share-out Component (1.375) and Security Component (1.127)—are all below the threshold of 10, which suggests that the independent variables are not highly correlated with each other. A VIF value below 10 is considered acceptable and indicates that there is no problematic multicollinearity, allowing each independent variable to contribute uniquely to explaining the variation in financial empowerment. Therefore, based on these VIF values, it can be concluded that multicollinearity is not a concern in this model and the regression analysis results are likely to be reliable.

3.9 Ethical Considerations

The study used a consent form to obtain informed consent from all respondents before data collection. This research was particularly keen on the confidentiality of research subjects. A very essential aspect of ethics in this research was ensuring that nothing from the research outcomes can be traced back to any of the persons interviewed. The study particularly observed the moral tenet of beneficence which takes in the specialized decree to undertake operative and substantial exploration to enhance and uphold the well-being of the respondents.

CHAPTER FOUR

FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the comprehensive analysis of data collected from the members of the Kericho Community Development Trust, focusing on the relationship between the Accumulated Savings and Credit Association (ASCA) components and financial empowerment. The findings are discussed in line with the study's objectives. It includes the response rate, demographic findings and a detailed discussion of the results in relation to the specific objectives of the study.

4.2 Response Rate

This sub-section highlights the percentage of responses obtained, demonstrating the level of engagement among the participants and affirming the reliability of the data collected for subsequent analysis. Out of the 191 questionnaires distributed, 135 were returned and deemed valid for analysis, representing a response rate of approximately 70.7%. A response rate of 70.7% significantly reduces the risk of nonresponse bias, as the obtained sample is far more likely to be representative of the entire target population from which it was drawn (Babbie, 2020). This is considered adequate for the study, ensuring that the findings are representative of the population. According to Bhandari (2023), a response rate of 70% and above is classified as an excellent benchmark for survey research.

4.3 Demographic Findings

The demographic characteristics of the respondents are crucial in understanding the composition and focus of the groups within the Kericho Community Development

Trust. This section explores various aspects such as the primary services offered by the groups, the duration they have been operational, the gender distribution among members and the age categories of the respondents. These demographic factors provide essential insights into the nature and structure of the groups, which are vital in analyzing the relationship between the ASCA components and financial empowerment.

4.3.1 Service Focus

Understanding the primary service focus of the groups within the trust is essential in determining how different financial services contribute to the financial empowerment of their members. This subsection examines the various services that groups concentrate on. Findings on service the group focuses on are presented in Table 4.1

Table 4.1:
Service the group focuses on

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business	3	2.2	2.2	2.2
	Loans	57	42.2	42.2	44.4
	Loans & Savings	58	43.0	43.0	87.4
	Loans & Table banking	6	4.4	4.4	91.9
	Savings	11	8.1	8.1	100.0
	Total	135	100.0	100.0	

The groups within the Kericho Community Development Trust focus on various financial services. The majority of the groups (43.0%) offer both loan and savings services. This indicates a balanced approach, providing members with both credit and a means to accumulate savings, which aligns with the ASCA model's principles. A significant portion (42.2%) of the groups focus solely on providing loans. This suggests that many members rely heavily on credit for financial empowerment. Only

8.1% of the groups are focused solely on savings, indicating that while saving is an important component, it is often coupled with other services. A smaller portion (4.4%) combines loans with table banking, a practice where members save and borrow money during regular meetings. Only 2.2% of the groups focus on business services, suggesting that entrepreneurial support is a less common focus within the trust.

4.3.2 Duration of Existence

The length of time that a group has been operational can significantly influence its stability and effectiveness in empowering its members. This subsection delves into the duration of existence for each group, providing insights into their levels of maturity and potential impact on financial empowerment. Results on the period of existence are presented in Table 4.2

Table 4.2:
Period of existence

Period	Frequency	Percent	Valid Percent	Cumulative Percent
3yrs	28	20.7	20.7	20.7
5yrs	24	17.8	17.8	38.5
1yr	20	14.8	14.8	53.3
8yrs	14	10.4	10.4	63.7
7yrs	14	10.4	10.4	74.1
10yrs	13	9.6	9.6	83.7
4yrs	12	8.9	8.9	92.6
6yrs	5	3.7	3.7	96.3
4months	5	3.7	3.7	100.0
Total	135	100.0	100.0	

The largest category, with 20.7% of the groups, indicates that many groups are relatively new and may still be developing their processes and impact. A significant

number (17.8%) of groups have been in existence for 5 years, suggesting a level of maturity. 14.8% of the groups have only been active for a year, which might affect their ability to provide long-term financial empowerment. Moreover, both 7 years and 8 years categories have 10.4% representation, showing a mix of newly established and more mature groups. 9.6% of the groups have been active for a decade (10 years), likely reflecting well-established structures. The groups that have been in existence for 4 years or 4 months make up 8.9% and 3.7%, respectively, showing varying levels of establishment. The length of time that the groups have been in existence varies, which may influence their stability and effectiveness.

4.3.3 Gender

Gender distribution within financial groups can impact decision-making processes, group dynamics and overall outcomes. This subsection analyzes the gender composition of the respondents, offering a perspective on the involvement of men and women in the financial activities within the trust. Results on gender of respondents are presented in Table 4.3

Table 4.3:
Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	76	56.3	56.3	56.3
	Female	59	43.7	43.7	100.0
	Total	135	100.0	100.0	

The gender distribution among the respondents is as follows; 56.3% of the respondents are male, indicating that men are slightly more involved in these financial groups. However, 43.7% are female, showing a significant but slightly smaller

representation. This gender distribution suggests that both men and women are engaged in these financial activities, though men have a slight majority.

4.3.4 Age Category

Age plays a critical role in financial practices and the ability to engage in savings and credit activities. This subsection examines the age distribution among the respondents, shedding light on the generational involvement in the ASCA components and its implications for financial empowerment within the trust. Results on age category are presented in Table 4.4

Table 4.4:
Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-28 yrs	10	7.4	7.4	7.4
29-39 yrs	14	10.4	10.4	17.8
40-50 yrs	32	23.7	23.7	41.5
51-61 yrs	47	34.8	34.8	76.3
Over 61 yrs	32	23.7	23.7	100.0
Total	135	100.0	100.0	

The age group of 51-61 years makes the largest (34.8%), indicating that middle-aged individuals are the most active in these groups. For the age groups; 40-50 years and over 61 years; each of these categories represents 23.7% of the respondents, showing that both younger seniors and older adults are significantly involved. 10.4% of the respondents fall within the 29-39 years age range, representing younger adults who are likely building their financial foundations. The youngest group (7.4%) of the age set 18-28 years: is less represented, suggesting that younger individuals may be less involved or less able to join these financial groups. The age distribution of the respondents is diverse, reflecting a wide range of experience and perspectives.

4.4 Descriptive Statistics

In this section, we explore the descriptive statistics of the key components of the Accumulated Savings and Credit Association (ASCA) components as well as the financial empowerment of members within the Kericho Community Development Trust.

4.4.1 Savings Component

This subsection examines the descriptive statistics related to the savings component of the ASCA components within the Kericho Community Development Trust. The analysis focuses on the flexibility and adherence to rules concerning saving duration and amounts, both of which are crucial factors in determining the effectiveness and attractiveness of the saving mechanism to the members. Descriptive Statistics for savings component are presented in Table 4.5

Table 4.5:
Descriptive Statistics for savings component

	N	Mean	Std. Deviation
The group is flexible when it comes to the saving duration	135	4.3852	.77252
The saving duration in the group is outlined in the rules	135	4.3704	.87878
The group is flexible when it comes to saving amounts	135	4.3704	.86163
The group follows the rules when it comes to the saving amounts	135	4.2889	.90493
Valid N (listwise)	135		

The mean score of 4.3852 (Std. Deviation = 0.77252) indicates that members generally agree that the group is flexible when it comes to saving duration. The relatively low standard deviation suggests that there is a consistent opinion among members regarding the group's flexibility. With a mean of 4.3704 (Std. Deviation = 0.87878), the respondents agree that the saving duration is clearly outlined in the

group's rules. This consistency highlights the group's commitment to ensuring that saving practices are well-structured. A mean score of 4.3704 (Std. Deviation = 0.86163) indicates that members perceive the group to be flexible regarding saving amounts, which is important for accommodating members with varying financial capacities. The mean score of 4.2889 (Std. Deviation = 0.90493) suggests that members generally believe that the group follows its rules when it comes to saving amounts. The slightly higher standard deviation indicates some variability in this perception. The high mean scores across all the savings-related variables suggest that the members of the Kericho Community Development Trust view the ASCA savings component positively. The group is seen as flexible while also adhering to established rules, which likely contributes to the members' financial empowerment by accommodating their needs while maintaining order and consistency.

4.4.2 Loaning Component

The loaning component is another critical aspect of the ASCA components and this subsection analyzes members' perceptions of fairness, adherence to rules and flexibility regarding loan sizes and repayment periods. Descriptive Statistics for loaning component are presented in Table 4.6

Table 4.6:
Descriptive Statistics for loaning component

	N	Mean	Std. Deviation
The loan size determination in the group is fair for all members	135	4.7778	.46787
The loan repayment period in the group is realistic	135	4.4000	.54908
The group follows the rules when it comes to the loan size	135	4.3926	.83841
The group is flexible when it comes to the loan repayment period	135	4.1259	.93385
Valid N (listwise)	135		

The mean score of 4.7778 (Std. Deviation = 0.46787) indicates strong agreement among members that the loan size determination is fair for all members. The low standard deviation reflects a high level of consensus on this issue. A mean score of 4.4000 (Std. Deviation = 0.54908) suggests that members find the loan repayment period to be realistic, with minimal variation in responses. With a mean of 4.3926 (Std. Deviation = 0.83841), the data indicates that members believe the group follows the rules regarding loan sizes. There is a slightly higher variation here, suggesting some differences in member experiences. The mean score of 4.1259 (Std. Deviation = 0.93385) shows that members perceive some flexibility in the loan repayment period, though the higher standard deviation indicates more varied opinions. The ASCA loaning component is perceived positively, with fairness in loan size determination being particularly noteworthy. Members appreciate the balance between adhering to rules and providing flexibility, which likely enhances their trust in the loaning process and supports their financial empowerment.

4.4.3 Share-out Component

The share-out component of the ASCA refers to the distribution of accumulated savings among members at predetermined intervals. This component is vital as it directly impacts the members' Financial stability, providing them with lump sums that can be used for various purposes such as investment, debt repayment or personal expenses. The analysis in this section explores how members perceive the fairness, flexibility and adherence to rules in the share-out process within the Kericho Community Development Trust. Descriptive Statistics for Share-out component are presented in Table 4.7

Table 4.7:
Descriptive Statistics for Share-out component

	N	Mean	Std. Deviation
The share-out duration in the group is realistic	135	4.3852	.95406
The group follows the rules when it comes to the share-out size determination	135	4.2667	.73505
The group is flexible when it comes to the share-out duration	135	4.2000	.82679
The share-out size in the group is fair for all members	135	4.1259	1.12919
Valid N (listwise)	135		

With a mean score of 4.3852 (Std. Deviation = 0.95406), members generally agree that the share-out duration is realistic, meaning that the timing of these distributions is perceived as appropriate and feasible for the members' needs. However, the standard deviation suggests some variation in how realistic different members find this aspect of the share-out process. A mean score of 4.2667 (Std. Deviation = 0.73505) indicates that members believe the group adheres to established rules when determining the size of the share-outs. This consistency is crucial for maintaining trust and transparency within the group. The mean of 4.2000 (Std. Deviation = 0.82679) suggests that the group exhibits a degree of flexibility regarding the share-out duration. This flexibility can accommodate the varying needs of members, although the variability in responses indicates that not all members may fully agree on the extent of this flexibility.

The mean score of 4.1259 (Std. Deviation = 1.12919) reflects a general agreement among members that the share-out size is fair for everyone. However, the higher standard deviation here suggests a broader range of opinions, indicating that some members may feel differently about the fairness of the share-outs. The descriptive statistics for the ASCA share-out component indicate that members generally view the process positively, particularly in terms of the realism of the duration and

adherence to rules. The perceived fairness of the share-out size is somewhat varied, which may point to the need for the group to ensure that all members feel equally treated. Overall, the share-out component appears to be functioning well, contributing to the financial empowerment of the members by providing them with regular, predictable and fair distributions of their accumulated savings.

4.4.4 Security Component

The security component in the ASCA provides a safety net for members, ensuring that both group and individual financial contributions are protected. This component is crucial for maintaining member confidence and ensuring the sustainability of the group. In this section, the focus is on how well members perceive the effectiveness and reliability of both group and individual security mechanisms. Descriptive Statistics for security component are presented in Table 4.8

Table 4.8:
Descriptive Statistics for Security Component

	N	Mean	Std. Deviation
The group security component works well for the group	135	4.3778	.79049
The individual security component works well for the group	135	4.1333	.85344
The group security component is the most reliable	135	3.8519	1.07564
The individual security component is the most reliable	135	3.8296	1.01878
Valid N (listwise)	135		

The mean score of 4.3778 (Std. Deviation = 0.79049) suggests that members believe the group security component functions effectively. This indicates a high level of trust in the collective security measures that safeguard the group's finances. With a mean of 4.1333 (Std. Deviation = 0.85344), members also view the individual security component as effective, though slightly less so than the group security measures. The

individual security component's slightly higher standard deviation indicates more varied opinions among members.

The mean score of 3.8519 (Std. Deviation = 1.07564) shows that members consider the group security component to be reliable, though there is notable variability in these perceptions. This suggests that while many members trust the group security, some may have reservations. Similarly, the mean score of 3.8296 (Std. Deviation = 1.01878) for the reliability of individual security components reflects a moderate level of agreement among members, with some variability in responses. This may indicate differing experiences or expectations regarding the reliability of individual security measures.

The findings suggest that both group and individual security components are viewed as effective by the members, though there are mixed opinions on their reliability. The group security component is slightly more trusted than the individual one, which may be due to the collective nature of the ASCA components that emphasizes group cohesion and mutual support. Ensuring the continued effectiveness and reliability of these security measures is vital for maintaining member confidence and the overall stability of the ASCA.

4.4.5 Financial Empowerment

Financial empowerment refers to the enhancement of members' financial capabilities, including income generation, business turnover and capital accumulation, as a result of participating in the ASCA model. This section examines how members perceive their financial growth since joining the group, providing insight into the impact of the

ASCA components on their economic well-being. Descriptive statistics for financial empowerment are presented in Table 4.9

Table 4.9:
Descriptive Statistics for Financial Empowerment

	N	Mean	Std. Deviation
I have seen an increase in my income level since I joined the group	135	4.4963	.78106
My turnover from the business has been impressive since I joined the group	135	4.4741	.70000
I have had a general increase in my capital base since I joined the group	135	4.4148	.74699
Valid N (listwise)	135		

The mean score of 4.4963 (Std. Deviation = 0.78106) indicates strong agreement among members that their income levels have increased since joining the group. This high mean score reflects the effectiveness of the ASCA components in improving the financial standing of its members. With a mean of 4.4741 (Std. Deviation = 0.70000), members report that their business turnover has been impressive since joining the group. The relatively low standard deviation suggests that this perception is widely shared among the participants. A mean score of 4.4148 (Std. Deviation = 0.74699) shows that members have experienced a general increase in their capital base, indicating that their overall financial resources have grown as a result of their involvement in the ASCA.

The descriptive statistics for financial empowerment are overwhelmingly positive, with members reporting significant improvements in their income levels, business turnover and capital base since joining the ASCA. These findings highlight the effectiveness of the ASCA components in fostering financial growth and stability

among its members, demonstrating its potential as a tool for economic empowerment in the Kericho Community Development Trust.

4.4.6 Findings from Secondary Data within the Trusts

The study obtained secondary data from the financial records of the Kericho Community Development Trust, a microfinance institution that provides financial services to individuals and groups within the community. The data extracted from the portfolio report offered a comprehensive snapshot of the institution's loan performance, savings behaviour and overall portfolio health.

The financial records provided insights into the total outstanding loan amounts, interest accrued and associated fees, giving a clear picture of the trust's credit operations. Additionally, the data revealed key indicators of loan repayment trends, savings patterns and risk exposure, which are critical in assessing the financial sustainability and effectiveness of the institution's lending practices. Findings on loan performance and portfolio health data are presented in Table 4.10

Table 4.10:
Loan performance and portfolio health data

Item	Amount / Percentage
Total Outstanding Principal	KES 10,487,555.27
Total Outstanding Interest	KES 1,834,791.63
Total Fees	KES 110,933.19
Total Outstanding (PIF)	KES 12,433,280.09
Compulsory Savings	KES 15,822,927.00
Voluntary Savings	KES 0.00
Total PAR > 1 day	57.20%
Total PAR > 30 days	40.10%

Total Outstanding Principal: KES 10,487,555.27; Total Outstanding Interest: KES 1,834,791.63; Total Fees: KES 110,933.19; Total Outstanding (Principal, Interest and

Fees (PIF)): KES 12,433,280.09. These figures indicate the financial activity related to loan products, which is central to the ASCA model. High outstanding loans, coupled with the outstanding interest, suggest an active borrowing community, highlighting the financial needs and dependency on ASCA for capital. The Savings Behavior came out as follows: Compulsory Savings: KES 15,822,927; Voluntary Savings: KES 0. The compulsory savings scheme ensures that members contribute a portion of their funds regularly. With no voluntary savings reported, the focus is clearly on mandatory contributions, which may limit the flexibility of members to save beyond the compulsory amount. This could impact the empowerment of members, as the opportunity for voluntary savings can promote financial discipline and increase financial independence.

The total savings of KES 15,822,927 represents a significant pool of funds, reflecting financial stability within the trust. This accumulated savings serves multiple purposes within the institution. First, it acts as a buffer against financial risks, providing a safeguard for the trust's liquidity needs and ensuring the continuous flow of funds for lending activities. Second, these savings can function as a security measure for loans, potentially lowering the risk of defaults by offering financial backing in case of borrower non-compliance. Moreover, a healthy savings reserve enhances the trust's ability to expand its lending capacity. With substantial savings, the institution can provide more loans to a broader clientele, thereby fostering economic growth and financial inclusion within the community. Additionally, such a strong financial position may attract external investors or financial partners, boosting the institution's credibility and ability to secure additional funding for future expansion. However, the absence of voluntary savings is notable. This suggests that members are either not

inclined to save beyond the compulsory requirements or that the institution lacks adequate incentives to encourage voluntary deposits. Encouraging voluntary savings could be a strategic move to enhance member financial resilience, improve capital reserves and strengthen the trust's financial base for long-term sustainability.

The Loan Performance and Portfolio Health was recorded as follows: Total PAR (Portfolio at Risk) > 1 day: 57.20%; Total PAR > 30 days: 40.10%. The high PAR rates indicate that a significant portion of loans is at risk of default, which negatively impacts both the trust and its members. A 40.10% PAR over 30 days suggests that more than one-third of loans are in serious delinquency. This level of loan default is concerning and reflects financial instability within the loan portfolio, potentially due to poor repayment capacity or economic challenges faced by the members. Loan defaults can lead to reduced funds for future lending, affecting the trust's sustainability and the financial empowerment of its members. Efforts to improve loan recovery or stricter credit policies may need to be considered. If not addressed, high default rates could threaten the institution's liquidity, reduce profitability and erode confidence among stakeholders. Strategies such as strengthening borrower screening processes, enhancing credit education, restructuring loan terms or introducing risk-sharing mechanisms may help mitigate default risks and improve loan performance.

The large volume of outstanding loans and compulsory savings points to significant financial activity within the trust. However, the absence of voluntary savings and the high level of overdue loans (PAR) suggest that members may be financially constrained, relying heavily on compulsory contributions and loans, but struggling to manage repayments. While savings are mandatory, the ability to save voluntarily would have strengthened the financial security and independence of members.

Without voluntary savings, members may not have the flexibility to set aside extra funds for unforeseen circumstances, thereby limiting their empowerment. In conclusion; the ASCA components within the Kericho Community Development Trust demonstrates an active loan and savings environment, but the high loan delinquency rates are a concern for financial sustainability. While compulsory savings ensure some level of financial security, the absence of voluntary savings and the high risk associated with loans could undermine the financial empowerment of members. The trust may need to explore strategies to improve loan performance, such as better credit assessment, stronger follow-up mechanisms and financial literacy programs, to enhance the long-term empowerment of its members.

4.4.7 Secondary Data on Inflation

The study collected secondary data on inflation, being a key macro-economic factor that can moderate the relationship between the ASCA components and financial empowerment. The data was collected from the Central Bank of Kenya and validated using data from the World Bank and Kenya National Bureau of Statistics (KNBS), covering the period 2020–2023. Inflation reflects the general rise in prices of goods and services over time, which directly affects the purchasing power of money, the real value of savings and the capacity to repay loans. It therefore has potential implications for the effectiveness of the Accumulated Savings and Credit Association (ASCA) mechanisms in enhancing the financial empowerment of community members. Findings on annual inflation rates for Kenya are presented in Table 4.11

Table 4.11:
Annual Inflation Rates for Kenya (2020–2023)

Year	Annual Headline Inflation (CPI) %
2020	5.40
2021	6.11
2022	7.66
2023	7.67

Source: Central Bank of Kenya (CBK), Kenya National Bureau of Statistics (KNBS) and World Bank (2024)

The results in Table 4.11 show that Kenya experienced a consistent upward trend in inflation between 2020 and 2023. Inflation increased from 5.40 % in 2020 to 6.11 % in 2021, before rising sharply to 7.66 % in 2022 and remaining almost constant at 7.67 % in 2023. This pattern indicates that inflationary pressures intensified beginning in 2021 and stabilized at relatively high levels in 2022 and 2023. The progressive rise in inflation implies that the real value of savings held by ASCA members declined during the period, since higher inflation erodes purchasing power. Similarly, the cost of loan repayment increased in real terms, as borrowers had to meet obligations with money of diminished value. Consequently, while ASCA mechanisms such as savings, loaning, share-outs and security components were designed to enhance financial empowerment, their real benefits were reduced under inflationary conditions. High inflation also tends to affect liquidity and loan performance, as household budgets tighten and default risks increase. This aligns with the observed high loan delinquency rates within Kericho Community Development Trust (KCDT), where loans in arrears stood at 45 % according to the 2022 financial report. Therefore, the inflation environment partly explains the financial strain experienced by members and the challenges in maintaining consistent repayment behaviour.

4.5 Inferential Statistics: Correlating Various Components of the ASCA Components and Financial Empowerment

The correlation analysis examines the relationships between the various components of the ASCA model; savings, loaning, share-out and security; and the financial empowerment of the members. The Pearson Correlation Coefficient is used to measure the strength and direction of these relationships, with significance levels indicating whether the correlations are statistically meaningful. Correlations for ASCA components and financial empowerment are shown in Table 4.12

Table 4.12:
Correlations for ASCA Components and Financial Empowerment

		ASCA Savings Component	ASCA Loaning Component	ASCA Share-out Component	ASCA Security Component	Financial Empowerment
ASCA Savings Component	Pearson Correlation	1	.366**	.424**	.331**	.219*
	Sig. (2- tailed)		.000	.000	.000	.011
	N	135	135	135	135	135
ASCA Loaning Component	Pearson Correlation	.366**	1	.439**	.174*	.478**
	Sig. (2- tailed)	.000		.000	.044	.000
	N	135	135	135	135	135
ASCA Share- out Component	Pearson Correlation	.424**	.439**	1	.174*	.226**
	Sig. (2- tailed)	.000	.000		.044	.008
	N	135	135	135	135	135
ASCA Security Component	Pearson Correlation	.331**	.174*	.174*	1	.525**
	Sig. (2- tailed)	.000	.044	.044		.000
	N	135	135	135	135	135
Financial Empowerment	Pearson Correlation	.219*	.478**	.226**	.525**	1
	Sig. (2- tailed)	.011	.000	.008	.000	
	N	135	135	135	135	135

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

* . Correlation is significant at the 0.05 level (2-tailed).

4.5.1 ASCA Savings Component and Financial Empowerment

The ASCA savings component has a positive but modest correlation with financial empowerment ($r = 0.219$, $p = 0.011$). This suggests that while there is a relationship between the savings practices within the ASCA components and the financial empowerment of members, it is not the strongest predictor compared to other components. Research by Lee et al. (2021) on Savings and Internal Lending Communities (SILCs) also suggests that savings play a critical role in improving financial preparedness and prosperity. However, their focus on specific outcomes, such as birth preparedness, diverges from the current study's focus on general financial empowerment, which could account for the relatively modest correlation found between savings and empowerment in the present study.

4.5.2 ASCA Loaning Component and Financial Empowerment

The loaning component has a strong positive correlation with financial empowerment ($r = 0.478$, $p < 0.001$), suggesting that the way loans are managed within the ASCA groups significantly contributes to the financial empowerment of members. This might be due to the direct impact that access to fair and realistic loans has on members' ability to invest and grow financially. In comparison with previous empirical studies, the current study's findings align with Habiba's (2020) research, which demonstrated that loaning within rotating savings and credit associations (ROSCAs) contributed to asset ownership and improved financial outcomes. However, while Habiba focused on ROSCAs, the present study narrows the focus to the ASCA model, providing a more specific context for understanding loaning's influence on financial empowerment. Additionally, while Maganga's (2021) study in Malawi showed the positive role of village savings and loan associations (VSLAs) on

the socio-economic empowerment of women, it lacks the Kenyan context, which the current study addresses by focusing on Kericho County.

4.5.3 ASCA Share-out Component and Financial Empowerment

Relationship with Financial Empowerment: The share-out component has a moderate positive correlation with financial empowerment ($r = 0.226$, $p = 0.008$). This suggests that the frequency, fairness and flexibility of share-outs play a role in enhancing the financial standing of members, although this influence is somewhat weaker than that of loaning. The findings are supported by Kinyanjui and Wachira (2020) who found out that chama share-outs in Kenya enhanced the financial stability of members by providing lump sum payments. However, Gitonga and Oluoch (2018) found that merry-go-rounds (a form of ROSCAs) had positive effects on financial empowerment in Kenya; and not ASCAs. On the other hand, Saluja et al. (2023) conducted a systematic review on the barriers and interventions for promoting financial inclusion, identifying share-outs as a leading intervention for empowering women. Additionally, Mengstie (2020) found that share-out amounts significantly influenced empowerment.

4.5.4 ASCA Security Component and Financial Empowerment

The security component has the strongest positive correlation with financial empowerment ($r = 0.525$, $p < 0.001$), indicating that security measures are a critical factor in ensuring the financial success of members. This might reflect the importance of having both group and individual financial safeguards to protect members' contributions and investments. The outcome is supported by findings from Kosgei (2020) that found a positive relationship between group security and financial capacity building, supporting the role of security in empowering group members, especially women. Similarly, Nyathira (2018) study on informal saving groups

highlighted how group security positively impacted financial empowerment for women. Wanjohi and Ndirangu (2019) further found out that group security also promoted social empowerment by enhancing trust and cooperation.

On the contrary, Tegambwage and Kasoga (2022) in Tanzania found no impact of relationship quality (a form of group security) on loan repayment. Another contradicting result was from Hoffmann et al. (2021) on security components in SHG (Self-Help Groups) in India, they noted that while group security played a role in enhancing credit access, it had a less direct influence on financial empowerment.

4.5.5 Overall Interpretation

The overall interpretation of the findings is that the correlation analysis establishes a positive association between the four ASCA components; savings, loaning, share-out and security; and financial empowerment. This suggests that members who actively participate in these financial activities are more likely to experience improved financial well-being, increased access to credit and overall economic growth. Among these four components, the security component exhibits the strongest correlation with financial empowerment. This indicates that having robust security mechanisms plays a crucial role in fostering financial stability among members. The loaning component follows closely behind security in its correlation with financial empowerment. This emphasizes the importance of accessible credit facilities in enabling members to expand their businesses, invest in income-generating activities and manage financial emergencies. The share-out component also exhibits a strong positive relationship with financial empowerment. This signifies that regular distribution of accumulated funds among members contributes to financial stability by providing financial relief when needed. Finally, the savings component, while positively correlated with

financial empowerment, has the weakest relationship among the four. This could indicate that savings alone may not be sufficient to drive financial growth unless complemented by other financial tools such as loans and security guarantees.

4.6 Inferential Statistics: Integration of Various Components of the ASCA Components and Financial Empowerment

4.6.1 ASCA Savings Component

This section examines the extent to which the ASCA savings component predicts the financial empowerment of members within the Kericho Community Development Trust. The model summary for ASCA savings component and financial empowerment is presented in Table 4.13

Table 4.13:

Model Summary for ASCA savings component and financial empowerment

Model	R	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
				R Square Change	F Change	df1	df2 Sig. F Change
1	.219 ^a	.048	.041	.57958	.048	6.688	1 133.011

a. Predictors: (Constant), ASCA Savings Component

The model summary table provides key metrics that describe the relationship between the ASCA savings component and financial empowerment. The value of R (Correlation Coefficient) is 0.219, indicating a modest positive correlation between the ASCA savings component and financial empowerment. This suggests that as savings practices improve within the ASCA model, financial empowerment also tends to increase. The R Square (Coefficient of Determination) value is 0.048, meaning that approximately 4.8% of the variance in financial empowerment can be explained by the ASCA savings component. While this is a small percentage, it is statistically

significant and indicates that savings play a role, albeit limited, in influencing financial empowerment. The Adjusted R Square, which adjusts the R Square value based on the number of predictors in the model, is 0.041. This close alignment with the R Square value suggests that the model is stable and the savings component is a valid predictor of financial empowerment. The standard error is 0.57958, indicating the average distance that the observed values fall from the regression line. A lower standard error would indicate a more precise prediction, but in this context, the error reflects moderate variability in the data. ANOVA for ASCA savings component and financial empowerment is shown in Table 4.14

Table 4.14:
ANOVA for ASCA savings component and financial empowerment

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.247	1	2.247	6.688	.011 ^b
1 Residual	44.677	133	.336		
Total	46.923	134			
a. Dependent Variable: Financial Empowerment					
b. Predictors: (Constant), ASCA Savings Component					

The ANOVA table tests the overall significance of the regression model. The regression sum of squares (2.247) reflects the variance explained by the model. The residual sum of squares (44.677) represents the variance that the model does not explain. The F value of 6.688, with a significance level (p-value) of 0.011, indicates that the regression model is statistically significant. This means that the ASCA savings component has a significant effect on financial empowerment and that the relationship observed is unlikely to be due to random chance. Coefficients for ASCA savings component and financial empowerment are presented in Table 4.15

Table 4.15:*Coefficients for ASCA savings component and financial empowerment*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.478	.344		10.106	.000
1ASCA Savings Component	.202	.078	.219	2.586	.011

a. Dependent Variable: Financial Empowerment

The coefficients Table 4.15 provides detailed information on the influence of the ASCA savings component on financial empowerment. The constant value of 3.478 represents the predicted value of financial empowerment when the ASCA savings component is zero. This baseline is significant ($p < 0.001$), indicating that other factors contribute to financial empowerment. The unstandardized coefficient for the ASCA savings component is 0.202, meaning that for every unit increase in the savings component, financial empowerment increases by 0.202 units. The standardized coefficient (Beta) is 0.219, showing the relative impact of savings on financial empowerment. The t-value of 2.586, with a significance level of 0.011, confirms that the ASCA savings component is a significant predictor of financial empowerment. The resulting regression equation from Table 4.15 is: $Y = 3.478 + 0.202X_1$

This outcome was supported by some of the comments from the group chairmen interviewed using guides:

Verbatim 1: *“Saving has really made a difference for members of ACK St. Peters Calvary Trust Group. Even though they might only be putting aside small amounts, it adds up over time. We’ve seen people use their savings to*

pay school fees or handle emergencies without having to borrow from outside. Some have opened up vibrant businesses in Kipkelion. It's a small step, but it's making a big impact."

Verbatim 2: *"I've noticed that members who save regularly are much more financially stable. It's not just about the money they save—it's also about the discipline it teaches. Many of them are now able to plan better for their families and manage their finances more effectively."*

Verbatim 3: *"Our savings scheme has given members a starting point to think about their financial future. Saving alone might not completely change someone's life, but it's the first step. It opens the door to things like loans and share-outs, which really help people take control of their finances."*

The results of the regression analysis demonstrate that the ASCA savings component significantly contributes to the financial empowerment of members, though the effect size is modest. The savings practices within the ASCA components positively influence members' Financial stability, reinforcing the importance of effective savings strategies in driving financial empowerment. However, given the relatively low R Square value, it is clear that other factors, possibly related to the other ASCA components or external influences, also play a crucial role in financial empowerment.

In comparison, Al-Kubati and Selvaratnam (2021) found that savings empowered women financially in India, though the study's focus on women introduces a gender bias not present in the current study, which includes both male and female members. Similarly, Ban et al. (2020) showed that savings through self-help groups increased the number of households with reserves, aligning with the positive role of savings in

enhancing financial security. However, their study did not explore credit associations, a key component in the present study, which adds a more comprehensive perspective on the role of savings and credit in financial empowerment.

The study by Mwangi and Mureithi (2019), which examined the role of savings and credit groups for small-scale traders in Kenya, found a positive relationship between saving groups and financial stability. This finding is in line with the positive correlation observed in the current study, but it also emphasizes the importance of understanding how different population segments, such as small-scale traders, benefit from savings and credit groups. The current study expands on this by including a broader population, thereby providing a more inclusive analysis of financial empowerment. In comparison to studies like that of Ali et al. (2021), which focused on financial literacy and coping behaviors among women in Saudi Arabia, the current study adds a unique contribution by focusing on the savings and credit association model, offering a clearer insight into how saving and credit mechanisms directly affect financial empowerment in the context of Kericho County, Kenya.

4.6.2 ASCA Loaning Component

In this section, we assess the influence of the ASCA loaning component on the financial empowerment of members within the Kericho Community Development Trust. Model Summary for ASCA loaning component and financial empowerment is presented in Table 4.16

Table 4.16:*Model Summary for ASCA loaning component and financial empowerment*

Model	R	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
				R Square Change	F Change	df1df2	Sig. F Change
1	.478 ^a	.228	.52176	.228	39.363	1 133	.000

a. Predictors: (Constant), ASCA Loaning Component

The model summary table provides insights into the relationship between the ASCA loaning component and financial empowerment. The value of R is 0.478, indicating a moderate positive correlation between the ASCA loaning component and financial empowerment. This suggests that better loaning practices within the ASCA framework are associated with higher levels of financial empowerment among members. The R Square value is 0.228, meaning that approximately 22.8% of the variance in financial empowerment can be explained by the ASCA loaning component. This is a substantial proportion, indicating that loaning is a significant factor influencing financial empowerment within the ASCA groups. The Adjusted R Square value of 0.223 is slightly lower than the R Square, suggesting that the model is stable and the loaning component remains a strong predictor of financial empowerment even after adjusting for the number of predictors. The standard error is 0.52176, indicating the average distance between the observed values and the regression line. A lower standard error would indicate more precise predictions, but the current value reflects some variability in the data. ANOVA for ASCA loaning component and financial empowerment is shown in Table 4.17

Table 4.17:*ANOVA for ASCA loaning component and financial empowerment*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.716	1	10.716	39.363	.000 ^b
	Residual	36.207	133	.272		
	Total	46.923	134			

a. Dependent Variable: Financial Empowerment
b. Predictors: (Constant), ASCA Loaning Component

The ANOVA table evaluates the overall significance of the regression model. The regression sum of squares (10.716) represents the variance explained by the model. The residual sum of squares (36.207) represents the variance not explained by the model. The F value of 39.363, with a significance level (p-value) of 0.000, indicates that the regression model is highly significant. This strong significance suggests that the ASCA loaning component has a considerable impact on financial empowerment and the relationship observed is statistically robust. Coefficients for ASCA loaning component and financial empowerment is shown in Table 4.18

Table 4.18:*Coefficients for ASCA loaning component and financial empowerment*

Model	Unstandardized Coefficients		Standardized Coefficientst	Sig.
	B	Std. Error	Beta	
1 (Constant)	2.010	.377		5.332.000
ASCA Loaning Component	.531	.085	.478	6.274.000

a. Dependent Variable: Financial Empowerment

The coefficients Table 4.18 offers detailed information about the influence of the ASCA loaning component on financial empowerment. The constant value of 2.010 represents the predicted value of financial empowerment when the ASCA loaning component is zero. This baseline is significant ($p < 0.001$), suggesting that other factors are also contributing to financial empowerment. The unstandardized coefficient for the ASCA loaning component is 0.531, indicating that for every unit

increase in the loaning component, financial empowerment increases by 0.531 units. The standardized coefficient (Beta) is 0.478, showing the relative impact of loaning on financial empowerment.

The t-value of 6.274, with a significance level of 0.000, confirms that the ASCA loaning component is a highly significant predictor of financial empowerment. The resulting regression equation from Table 4.18 is: $Y = 2.01 + 0.531X_2$

The verbatims from the qualitative results that support this outcome include:

Verbatim 4: *“Access to loans has been a game changer for our members. Many of them have used these loans to start or expand small businesses and you can see the difference it makes in their lives. They can now pay for things like school fees and medical bills without struggling as much.”*

Verbatim 5: *“Our group’s loan system is fair and flexible, which makes it easier for members to borrow without feeling overwhelmed. The repayment terms are manageable and this has allowed members to focus on building their financial stability rather than worrying about high-interest rates or strict deadlines.”*

Verbatim 6: *“Loaning within ACK Cheribo Nazareth Trust group has created opportunities that most members didn’t have before. It’s not just about getting money; it’s about getting the right amount at the right time. This support helps members invest wisely and improve their overall financial health.”*

The results of the regression analysis clearly demonstrate that the ASCA loaning component significantly contributes to the financial empowerment of members. With

an R Square value of 0.228, loaning practices within the ASCA components explain a significant portion of the variance in financial empowerment. This finding underscores the critical role that fair and flexible loaning practices play in enhancing the Financial stability of group members. The strong significance of the relationship highlights the importance of effective loan management within the ASCA framework to drive financial empowerment. In comparison, Lanidune (2021) explored the role of VSLAs in financial inclusion in Ghana, reporting similar positive outcomes. However, the present study distinguishes itself by considering financial empowerment as the dependent variable rather than financial inclusion. Similarly, while Maganga (2020) and Mwirigi and Gatundu (2018) found a positive connection between loaning and financial empowerment in Malawi and Kenya, respectively, they did not specifically focus on the ASCA model, unlike the current study. Furthermore, studies like those by Adero and Kariuki (2020) and Chitere (2018) examined the impact of microfinance interventions and the life cycle of self-help groups (SHGs) on financial empowerment, but did not focus on ASCA. In contrast, the present study specifically investigates ASCA's role, contributing a more focused understanding of how this model influences financial empowerment.

Chineka and Mtetwa's (2021) research in Zimbabwe explored savings and credit schemes (SCSs) and their contribution to financial empowerment, while the current study utilizes a more rigorous sampling technique by employing the Krecjie and Morgan (1970) formula, which enhances the representativeness of the sample. Finally, a study by Ali et al. (2021) achieved similar results in Saudi Arabia when it emphasized on the role of loaning in financial stability and empowerment, focusing on women. The current study fills a methodological gap by including both men and

women, offering a more comprehensive view of financial empowerment across gender lines.

4.6.3 ASCA Share out Component

This section explores the influence of the ASCA share-out component on the financial empowerment of members within the Kericho Community Development Trust. Model Summary for ASCA share-out component and financial empowerment is presented in Table 4.19

Table 4.19:
Model Summary for ASCA share-out component and financial empowerment

Model	R	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
				R Square Change	F Change	df1df2	Sig. F Change
1	.226 ^a	.051	.57860	.051	7.161	1 133	.008

a. Predictors: (Constant), ASCA Share-out Component

The model summary table provides the following insights. The R value of 0.226 indicates a low to moderate positive correlation between the ASCA share-out component and financial empowerment. This suggests that the way share-outs are managed within the ASCA framework has a positive but somewhat limited impact on the financial empowerment of members. The R Square value is 0.051, which means that approximately 5.1% of the variance in financial empowerment is explained by the share-out component. While this is a modest proportion, it still indicates that share-out practices play a role in influencing financial outcomes, although other factors are likely more significant. The Adjusted R Square value of 0.044 suggests that when accounting for the number of predictors, the share-out component remains a relevant but not overly dominant factor in explaining financial empowerment. ANOVA for ASCA share-out component and financial empowerment is presented in Table 4.20

Table 4.20:*ANOVA for ASCA share-out component and financial empowerment*

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.397	1	2.397	7.161	.008 ^b
1 Residual	44.526	133	.335		
Total	46.923	134			

a. Dependent Variable: Financial Empowerment
b. Predictors: (Constant), ASCA Share-out Component

The ANOVA table helps evaluate the overall significance of the regression model. The regression sum of squares (2.397) represents the variance in financial empowerment that can be attributed to the share-out component. The residual sum of squares (44.526) indicates the variance that is not explained by the model. The F value of 7.161, with a significance level (p-value) of 0.008, indicates that the relationship between the ASCA share-out component and financial empowerment is statistically significant. Despite the modest R Square, this significance suggests that share-out practices do have a meaningful impact on financial outcomes. Coefficients for ASCA share-out component and financial empowerment are presented in Table 4.21

Table 4.21:*Coefficients for ASCA share-out component and financial empowerment*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.596	.289		12.434	.000
1 ASCA Share-out Component	.180	.067	.226	2.676	.008

a. Dependent Variable: Financial Empowerment

The coefficients Table 4.21 provides detailed information about the impact of the share-out component. The constant value of 3.596 is the predicted level of financial

empowerment when the share-out component is not considered. This baseline is highly significant ($p < 0.001$), indicating that even without the share-out component, there is a substantial level of financial empowerment, possibly due to other factors. The unstandardized coefficient of 0.180 implies that for every unit increase in the effectiveness of the share-out component, financial empowerment increases by 0.180 units. The standardized coefficient (Beta) is 0.226, reflecting the share-out component's contribution relative to other factors. The t-value of 2.676, with a significance level of 0.008, confirms that the share-out component is a statistically significant predictor of financial empowerment. The resulting regression equation from Table 4.21 is: $Y = 3.596 + 0.18X_3$. The responses obtained from the qualitative interviews corroborated this findings;

Verbatim 7: *“The share-out period is always an exciting time for our members. It’s like receiving a reward for their commitment and efforts throughout the year. This payout helps members settle bills, invest in businesses in Belgut and plan for future growth.”*

Verbatim 8: *“Our group has a well-structured share-out system that ensures fairness and transparency. Members appreciate this system because it directly boosts their financial stability, especially during times of need.”*

The regression analysis reveals that the ASCA share-out component has a statistically significant but modest impact on the financial empowerment of members. The R Square value of 0.051 indicates that share-out practices explain a small portion of the variance in financial empowerment. However, the significant F statistic and positive Beta value underscore the importance of equitable and well-managed share-out

practices within ASCA groups. These practices contribute to financial empowerment, although their influence is relatively limited compared to other components such as loaning. Nonetheless, effective share-out management remains an essential aspect of enhancing Financial stability among group members. Similar results were recorded by Bhatia and Singh (2019) who analyzed women's empowerment in India through the Pradhan Mantri Jan Dhan Yojana (PMJDY), a government financial inclusion initiative.

Another similar study by Kabega (2017) examined the role of Savings and Credit Associations (SCAs) in Rwanda and found that share-outs contributed directly to members' well-being. However, while the study utilized qualitative data only, the current research also employs a quantitative approach. In Peru, similar findings were recorded by Dahe et al. (2021) who examined women's empowerment through self-help share-out groups, noting the advantages of savings interventions over microcredit programs. However, their study only focused on women's savings groups, overlooking the role of men in similar groups. The current study addresses this gap by analyzing both men and women's experiences with ASCA in Kenya.

4.6.4 ASCA Security Component

This section delves into the relationship between the ASCA security component and the financial empowerment of members in the Kericho Community Development Trust. Model summary for ASCA security component and financial empowerment is presented in Table 4.22

Table 4.22:*Model Summary for ASCA security component and financial empowerment*

Model	R	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
				R Square Change	F Change	df1df2	Sig. F Change
1	.525 ^a	.275	.270	.50561	.275	50.550 1	133.000

a. Predictors: (Constant), ASCA Security Component

The model summary table provides the following key insights. R (Correlation Coefficient): The R value of 0.525 indicates a moderate to strong positive correlation between the ASCA security component and financial empowerment. This suggests that the security measures implemented within ASCA groups play a significant role in influencing the financial empowerment of members. R Square (Coefficient of Determination): The R Square value is 0.275, meaning that approximately 27.5% of the variance in financial empowerment is explained by the security component. This substantial proportion highlights the critical role that security plays in determining financial outcomes for ASCA members. The Adjusted R Square value of 0.270 further confirms that, even when accounting for the number of predictors, the security component remains a significant factor in explaining financial empowerment. Standard Error of the Estimate: The standard error of 0.50561 reflects the average deviation of the observed financial empowerment levels from the predicted values. This relatively low level of variability suggests a strong model fit. ANOVA for ASCA security component and financial empowerment is presented in Table 4.23

Table 4.23:*ANOVA for ASCA security component and financial empowerment*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.923	1	12.923	50.550	.000 ^b
	Residual	34.001	133	.256		
	Total	46.923	134			

a. Dependent Variable: Financial Empowerment
b. Predictors: (Constant), ASCA Security Component

The ANOVA table provides insights into the overall significance of the regression model. The regression sum of squares (12.923) indicates the variance in financial empowerment that can be attributed to the security component. The residual sum of squares (34.001) represents the variance not explained by the model. The F value of 50.550, with a significance level (p-value) of less than 0.001, indicates that the relationship between the ASCA security component and financial empowerment is highly significant. This strong significance underscores the importance of security in contributing to financial empowerment. Coefficients for ASCA security component and financial empowerment are presented in Table 4.24

Table 4.24:*Coefficients for ASCA security component and financial empowerment*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.724	.234		11.647	.000
1 ASCA Security Component	.404	.057	.525	7.110	.000

a. Dependent Variable: Financial Empowerment

The constant value of 2.724 is the predicted level of financial empowerment when the security component is not considered. This baseline is highly significant ($p < 0.001$), indicating that even without the security component, there is a substantial level of

financial empowerment, possibly due to other factors. The unstandardized coefficient of 0.404 implies that for every unit increase in the effectiveness of the security component, financial empowerment increases by 0.404 units. The standardized coefficient (Beta) is 0.525, reflecting the security component's substantial contribution relative to other factors. The t-value of 7.110, with a significance level of less than 0.001, confirms that the security component is a highly significant predictor of financial empowerment. The resulting regression equation from Table 4.24 is: $Y = 2.724 + 0.404X_4$. The verbatims that support this outcome include:

Verbatim 9: *"Having a clear and trusted security system in place has given our members the confidence to save more and take loans. They know their contributions are safe and this assurance plays a big role in improving their financial situation."*

Verbatim 10: *"Security measures, like record keeping and regular audits, ensure transparency and accountability within our group. Members feel protected and this trust encourages them to actively participate and grow financially. This has been the backbone of St. Barnabas Brooke Trust Group"*

Verbatim 11: *"When members know their money is secure, they are more willing to engage with the group's activities, from savings to loans. This sense of security creates a positive environment where financial empowerment becomes achievable for everyone involved."*

The regression analysis reveals that the ASCA security component has a statistically significant and substantial impact on the financial empowerment of members. The R Square value of 0.275 indicates that security measures within ASCA groups explain a

significant portion of the variance in financial empowerment. The strong F statistic and positive Beta value emphasize the critical importance of robust security practices in enhancing Financial stability among group members. Effective security arrangements provide members with confidence and stability, contributing significantly to their financial empowerment within the ASCA framework. Supporting studies like Wanjohi and Ndirangu (2019) indeed confirm that security measures, like social guarantees, were crucial for the success and empowerment of group members, aligning with the findings that security plays a significant role in financial outcomes. Similarly, Mwirigi et al. (2019) study on women's access to credit showed that the presence of group security mechanisms contributed to improved financial success and access, supporting the substantial role of security in financial empowerment. However, contradicting studies like Alexeev et al. (2021) found that security elements, such as contract enforcement, had more of an indirect influence on financial outcomes. This contrasts the current study's finding.

4.7 Moderation Test

The findings from the moderation analysis are presented in three main sections: Model Summary, ANOVA and Coefficients. Each of these offers valuable information regarding the relationship between the independent variables (ASCA components), the moderator (inflation rates) and the dependent variable (financial empowerment). Model Summary for moderation analysis is presented in Table 4.25

Table 4.25:
Model Summary for moderation analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.979 ^a	.959	.958	.12191
a. Predictors: (Constant), Interaction, ASCA Share-out Component, ASCA Savings Component, ASCA Loaning Component, ASCA Security Component				

In Table 4.24, the model's R-value is 0.979, which indicates a very strong positive correlation between the independent variables (ASCA components, inflation rate) and the dependent variable (financial empowerment). The R-square value is 0.959, meaning approximately 95.9% of the variance in financial empowerment can be explained by the independent variables and their interaction with inflation rate. This suggests that the model fits the data very well. Adjusted R Square: The adjusted R-square value of 0.958 indicates a slight adjustment for the number of predictors used in the model. It is still quite high, reinforcing the notion that the model explains a significant amount of variance. The standard error is 0.12191, which provides a measure of the average distance between the observed values and the predicted values. A lower value indicates that the model's predictions are relatively accurate. ANOVA for moderation analysis is presented in Table 4.26

Table 4.26:
ANOVA for moderation analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.006	5	9.001	605.666	.000 ^b
	Residual	1.917	129	.015		
	Total	46.923	134			
a. Dependent Variable: Financial Empowerment						
b. Predictors: (Constant), Interaction, ASCA Share-out Component, ASCA Savings Component, ASCA Loaning Component, ASCA Security Component						

Table 4.26 assesses the overall significance of the regression model. The sum of squares for regression is 45.006, which quantifies the variance explained by the model. The mean square for regression is 9.001. The F-statistic is 605.666, which is greater than the f-critical, suggesting that the model is statistically significant. This further supports that the independent variables, including the interaction term, have a strong effect on financial empowerment. The p-value is 0.000, which is highly significant ($p < 0.05$). This indicates that the overall regression model is significant, meaning that at least one of the predictors significantly affects financial empowerment. Coefficients for moderation analysis is presented in Table 4.27

Table 4.27:
Coefficients for moderation analysis

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	5.239	.144		36.370	.000
ASCA Savings Component	-.391	.021	-.423	-18.869	.000
ASCA Loaning Component	-.267	.029	-.241	-9.178	.000
1 ASCA Share-out Component	-.366	.019	-.460	-19.447	.000
ASCA Security Component	-.298	.022	-.388	-13.568	.000
Interaction	.347	.009	1.769	40.595	.000
a. Dependent Variable: Financial Empowerment					

The coefficient for the interaction term (the moderation effect of inflation rate) is 0.347, with a standardized beta of 1.769. This positive coefficient suggests that inflation rate moderates the relationship between ASCA components and financial empowerment. The p-value is 0.000, indicating that the moderation effect is highly significant. Some of the qualitative findings that supported this outcome include:

Verbatim 12: *“When inflation goes up, the cost of living rises and our members here in Kapsoit feel the pinch. However, being part of the ASCA helps cushion them because they can rely on their savings or take small loans to cover unexpected expenses. Without these, financial empowerment would be harder to achieve.”*

Verbatim 13: *“We’ve noticed that during times of high inflation, members are more cautious about how they use loans or savings. While inflation reduces purchasing power, our group’s financial practices still provide a safety net, which many of us rely on to remain stable.”*

Verbatim 14: *“Inflation creates uncertainty and it affects everyone differently. However, the ASCA helps members adapt here in Londiani. For instance, the share-outs become even more critical in such times, as they help members offset the higher costs of basic needs and investments.”*

Consequently; the inflation rates have no moderating effect on the relationship between ASCA components and financial empowerment because the interaction term is statistically significant ($p\text{-value} = 0.000$). This suggests that inflation rate does have a significant moderating effect on the relationship between the ASCA components and financial empowerment. In other words, the strength of the relationship between ASCA components and financial empowerment increases or decreases depending on the level of inflation. As inflation rises, it may influence how members perceive their financial empowerment in relation to their involvement in ASCA activities. To sum it up, the results suggest a complex dynamic where inflation rate modifies the effects of

the ASCA components on the financial empowerment of members in the Kericho Community Development Trust, Kenya.

4.7.1 Integration with the Secondary Data Findings on Inflation

The study established that all four ASCA components of savings, loaning, share-out and security had significant positive relationships with financial empowerment, while inflation exerted a significant moderating effect ($p = 0.000$) on these relationships. The inflation data presented above substantiates this moderating role by illustrating the sustained rise in prices between 2020 and 2023, which directly influenced the real value of financial resources managed under ASCA schemes.

Although the savings component was positively associated with financial empowerment ($p = 0.216$), the persistent rise in inflation reduced the real value of accumulated savings, thereby weakening the extent of empowerment derived from them. Inflation erodes purchasing power, meaning that members' savings could buy fewer goods and services over time. This implies that inflation negatively moderates the relationship between savings and financial empowerment, except where interest or returns on savings exceed the prevailing inflation rate. Similarly, the loaning component exhibited a strong positive relationship with financial empowerment ($p = 0.000$); however, the inflationary trend during the study period increased the real cost of borrowing and repayment. As inflation rose, household incomes often failed to keep pace with rising prices, causing strain on borrowers and contributing to higher loan delinquency rates ($\text{PAR} > 30 \text{ days} = 40.1\%$). Consequently, inflation diminished the empowering effect of credit access by increasing repayment burdens and reducing members' disposable income.

The share-out component also demonstrated a positive association with financial empowerment ($p = 0.032$), yet its effectiveness was compromised by inflation. During periods of high inflation, the real value of share-out payouts declined, reducing members' purchasing power and limiting the perceived financial gains from these distributions. In the same vein, the security component, which had a significant positive effect on financial empowerment ($p = 0.000$), was also indirectly affected by inflation. Rising price levels may have undermined the real value of collateral used within ASCA operations, weakening its ability to guarantee loans or protect savings.

To sum it up, the secondary inflation data confirm that Kenya's economy experienced sustained inflationary pressures between 2020 and 2023, which constrained the real gains achievable through ASCA mechanisms. The findings reinforce the conclusion that inflation significantly moderates the relationship between ASCA components and financial empowerment among members of the Kericho Community Development Trust (KCDT).

These results highlight the need for ASCA programmes to integrate inflation-mitigation strategies to safeguard members' financial well-being. Practical measures may include indexing savings returns to inflation, revising interest and repayment terms in line with inflationary movements and enhancing financial literacy to help members understand the real value of money over time. Addressing inflationary pressures through such mechanisms would strengthen the resilience of ASCA structures and enhance their capacity to deliver sustainable financial empowerment in Kericho County and other similar community-based financial systems.

4.8 Hypothesis Testing

The investigation was steered by the subsequent hypotheses:

Ho1: There is no statistically significant relationship between the saving component and the financial empowerment of members in Kericho Community Development Trust, Kenya

Ho2: There is no statistically significant relationship between the loaning component and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Ho3: There is no statistically significant relationship between the share-out component and the financial empowerment of members in Kericho Community Development Trust, Kenya.

Ho4: There is no statistically significant relationship between the security component and the financial empowerment of members in Kericho Community Development Trust, Kenya.

The model summary for ASCA Components and Financial Empowerment is shown in Table 4.28

Table 4.28:
Model Summary for ASCA Components and Financial Empowerment

Model	R	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
				R Square Change	F Change	df1	df2 Sig. F Change
1	.661 ^a	.437	.420	.45071	.437	25.247	4 130.000

a. Predictors: (Constant), ASCA Share-out Component, ASCA Security Component, ASCA Loaning Component, ASCA Savings Component

$R = 0.661$: This is the correlation coefficient, indicating a moderate to strong positive relationship between the predictors (saving, loaning, share-out and security components) and the dependent variable (financial empowerment). $R^2 = 0.437$: This means that approximately 43.7% of the variance in financial empowerment can be explained by the four predictors combined. Adjusted $R^2 = 0.420$: This adjusts the R^2 value for the number of predictors in the model, providing a slightly more conservative estimate of the explained variance. It suggests that the predictors still explain about 42% of the variance in financial empowerment. Std. Error of the Estimate = 0.45071: This measures the average distance that the observed values fall from the regression line. A smaller value indicates a better fit. The ANOVA for ASCA components and financial empowerment is shown in Table 4.29

Table 4.29:
ANOVA for ASCA Components and Financial Empowerment

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	20.515	4	5.129	25.247	.000 ^b
1 Residual	26.409	130	.203		
Total	46.923	134			

a. Dependent Variable: Financial Empowerment
b. Predictors: (Constant), ASCA Share-out Component, ASCA Security Component, ASCA Loaning Component, ASCA Savings Component

$F(4, 130) = 25.247, p = 0.000$: The F-test assesses whether the overall regression model is a good fit for the data. The high F-value and the low p-value indicate that the model is statistically significant, meaning that at least one of the predictors is significantly related to financial empowerment. The low p-value ($p < 0.001$) suggests that the probability of these results occurring by chance is extremely low, reinforcing the reliability of the model. The Sum of Squares values further support this conclusion. The regression sum of squares (20.515) is substantially high relative to

the residual sum of squares (26.409), indicating that a large proportion of the variability in financial empowerment is explained by the ASCA components. The mean square for regression (5.129), being much higher than the residual mean square (0.203), further confirms that the predictors contribute significantly to the model. Coefficients for ASCA components and financial empowerment are shown in Table 4.30

Table 4.30:
Coefficients for ASCA Components and Financial Empowerment

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.142	.380		3.006	.003
ASCA Security Component	.371	.054	.483	6.908	.000
ASCA Savings Component	-.089	.072	-.096	-1.245	.016
ASCA Loaning Component	.480	.084	.432	5.748	.000
ASCA Share-out Component	-.005	.061	-.007	-.085	.032
a. Dependent Variable: Financial Empowerment					

Constant (Intercept) = 1.142, $p = 0.003$: This is the predicted value of financial empowerment when all predictors are zero. Since the p-value is less than 0.05, this constant is statistically significant.

Hypothesis 1 (Ho1): There is no statistically significant relationship between the saving component and the financial empowerment of members in Kericho Community Development Trust, Kenya.

The p-value for the ASCA Savings Component is 0.016. Since $0.016 < 0.05$, we reject the null hypothesis. Decision: There is a statistically significant relationship between the saving component and the financial empowerment.

Hypothesis 2 (Ho2): There is no statistically significant relationship between the loaning component and the financial empowerment of members in Kericho Community Development Trust, Kenya.

The p-value for the ASCA Loaning Component is 0.000. Since $0.000 < 0.05$, we reject the null hypothesis. Decision: There is a statistically significant relationship between the loaning component and the financial empowerment.

Hypothesis 3 (Ho3): There is no statistically significant relationship between the share-out component and the financial empowerment of members in Kericho Community Development Trust, Kenya.

The p-value for the ASCA Share-out Component is 0.032. Since $0.032 < 0.05$, we reject the null hypothesis. Decision: There is a statistically significant relationship between the share-out component and the financial empowerment.

Hypothesis 4 (Ho4): There is no statistically significant relationship between the security component and the financial empowerment of members in Kericho Community Development Trust, Kenya.

The p-value for the ASCA Security Component is 0.000. Since $0.000 < 0.05$, we reject the null hypothesis. Decision: There is a statistically significant relationship between the security component and the financial empowerment.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter focuses on the summary of the findings, conclusions and recommendations.

5.2 Summary of Findings

5.2.1 Savings Component

Relationship between the Savings Component and Financial Empowerment. The analysis showed a statistically significant relationship between the savings component and the financial empowerment of members in the Kericho Community Development Trust. The p-value for the savings component was 0.016 ($p < 0.05$), leading to the rejection of the null hypothesis. However, further interpretation suggests that while savings contribute to financial stability, their effectiveness may be limited by the lack of voluntary savings from the members. The reliance on compulsory savings alone may restrict financial growth and independence, as members are unable to freely increase their savings beyond the mandated amount.

5.2.2 Loaning Component

Relationship between the Loaning Component and Financial Empowerment. The study found a statistically significant relationship between the loaning component and financial empowerment ($p = 0.000$, $p < 0.05$). This indicates that access to loans plays a critical role in enhancing members' financial empowerment. However, the high Portfolio at Risk (PAR) and loan delinquency rates (40.1% PAR > 30 days) suggest repayment challenges, undermining the full benefits of loans.

5.2.3 Share-out Component

Relationship between the Share-out Component and Financial Empowerment. There was a statistically significant relationship between the share-out component and financial empowerment ($p = 0.032$, $p < 0.05$). The share-out mechanism had a notable positive effect on members' financial standing, suggesting that periodic distribution of accumulated funds enhances financial security and access to capital. Members benefit from lump-sum disbursements, which can be used for investment, debt repayment or other financial needs, reinforcing their overall economic well-being.

5.2.4 Security Component

Relationship between the Security Component and Financial Empowerment. The security component had a statistically significant positive relationship with financial empowerment ($p = 0.000$, $p < 0.05$). This indicates that the use of savings as security for loans is beneficial, providing members with a sense of financial security and enhancing their access to credit, thereby contributing to financial empowerment.

5.2.5 Moderating Effect of Inflation Rates

The regression model explains 95.9% of the variance in financial empowerment, with an adjusted R-square of 0.958, indicating a good model fit. The F-statistic of 605.666 and a p-value of 0.000 demonstrate the model's statistical significance. The coefficient for the inflation rate's moderating effect on the relationship between ASCA components and financial empowerment is 0.347, with a standardized beta of 1.769. This suggests that inflation significantly moderates how ASCA components impact financial empowerment. As inflation increases, the strength of this relationship changes, affecting members' perceptions of financial empowerment. The null

hypothesis regarding inflation's lack of effect is rejected, supporting the claim that inflation plays a significant role in this dynamic.

5.3 Conclusions

While the savings component forms a large part of the ASCA model, it significantly contributes to the financial empowerment of members. However, the reliance on compulsory savings without the flexibility of voluntary contributions remains a concern.

The loaning component significantly contributes to financial empowerment, as loans provide members with capital for business or personal financial activities. However, the high level of loan delinquency poses a risk to both the sustainability of the trust and the long-term financial empowerment of its members.

The share-out mechanism plays a crucial role in financial empowerment, as it provides members with periodic financial boosts that can be strategically used for business investments, personal development or economic stability. This component ensures that members have access to lump-sum funds, which enhances their ability to manage financial obligations and seize economic opportunities. To maximize its impact, institutions should consider aligning share-out schedules with major financial needs of members, such as business cycles, school fees or capital investment periods, ensuring optimal utilization of the funds.

The security component, tied to compulsory savings, positively affects financial empowerment. The ability to use savings as collateral for loans increases members' access to credit, improving their financial position.

The analysis confirms that inflation rate significantly moderates the relationship between ASCA components and financial empowerment. The strong model fit, supported by statistical significance, indicates that inflation influences how members of the Kericho Community Development Trust perceive and experience financial empowerment, modifying the effects of ASCA activities on their financial outcomes.

5.4 Recommendations

The trust should promote voluntary savings alongside compulsory contributions. Allowing members to save beyond the mandatory requirement can enhance financial discipline, independence and overall financial empowerment. Additionally, incentives such as higher interest rates on voluntary savings or matching contributions could encourage more members to participate actively in savings.

The trust should strengthen loan recovery mechanisms to mitigate high delinquency rates. Implementing stricter credit assessment, enhancing financial counselling and reinforcing follow-up strategies can reduce defaults and improve overall financial stability. Additionally, introducing risk-based lending, where interest rates and loan amounts are determined by repayment history and financial behaviour, could improve loan sustainability. Financial literacy training should be expanded to educate members on loan management, savings and financial planning to improve their ability to repay loans and make informed financial decisions.

The trust should optimize the share-out system to align with members' financial goals and economic cycles. Revising share-out schedules to coincide with major financial needs, such as school fees, business cycles or capital investment periods, can maximize the impact of lump-sum disbursements. Additionally, introducing optional

reinvestment programs, where members can reinvest their share-outs into high-yield savings or loan funds, could further enhance financial empowerment.

The trust should maintain the use of savings as security for loans while expanding collateral options to increase financial access for members. Alternative forms of security, such as guarantor-backed loans or asset-based collateral, could enhance credit accessibility. Furthermore, ensuring that loans secured by savings are disbursed to members with a demonstrated repayment capacity will minimize risks while sustaining the trust's financial health.

To address the impact of inflation on financial empowerment, the trust should implement inflation-sensitive financial strategies. This may include adjusting savings and loan interest rates in response to inflation trends, introducing inflation-indexed savings products and enhancing financial literacy programs to equip members with strategies to navigate inflationary pressures. The trust can sustain and enhance financial empowerment among its members by adopting dynamic financial models that account for economic fluctuations.

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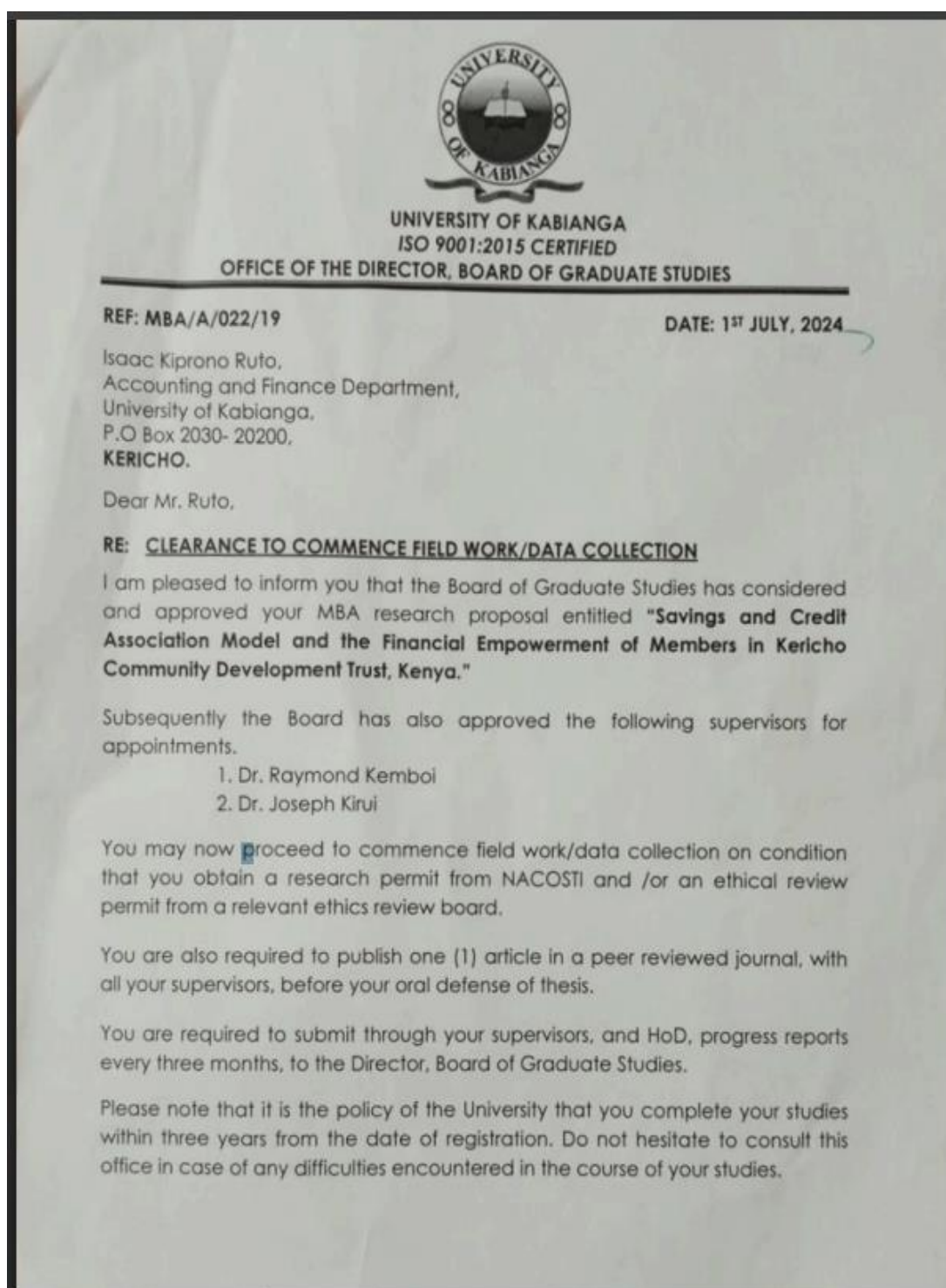
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APPENDICES

Appendix I: Data Collection Clearance



I wish you all the best in your research and hope that your study will yield original contribution for the betterment of humanity.

Yours Sincerely,



Dr. Ronald R. Sapa
DIRECTOR, BOARD OF GRADUATE STUDIES,
RKR/IC

- cc: 1. Dean, SRE
2. HOD, Accounting and Finance
3. Supervisors

Appendix II: Research Permit

 REPUBLIC OF KENYA National Commission for Science, Technology and Innovation Ref No: 397170	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION Date of Issue: 09/August/2024
RESEARCH LICENSE	
	
This is to Certify that Mr. ISAAC RUTO KIPRONO of University of Kabanga, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Kericho on the topic: SAVINGS AND CREDIT ASSOCIATION MODEL AND THE FINANCIAL EMPOWERMENT OF MEMBERS IN KERICHO COMMUNITY DEVELOPMENT TRUST, KENYA for the period ending : 09/August/2025.	
License No: NACOSTI/P/24/38852 Applicant Identification Number	Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION Verification QR Code 
NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application. See overleaf for conditions	

Appendix III: Consent Form

Dear Respondent,

RE: DATA COLLECTION FOR ACADEMIC RESEARCH

I am a Masters student at University of Kabianga. In partial fulfilment of the requirement for the award of Master of Business Administration Degree (Finance Option), I am required to submit a research project. Consequently, I am conducting research on the:

“Accumulated Savings and Credit Association Model and Financial Empowerment of Members in Kericho Community Development Trust, Kenya”.

I hereby request you to participate in this research to the best of your ability as a respondent. Please read the following information carefully.

STUDY PROCEDURES, RISKS, BENEFITS

The questionnaire is expected to take about ten minutes of your time. No risk is associated with this study since it's purely for academic purposes. You may decline to answer any or all questions and you may terminate your involvement at any time if you choose to. The information you provide will be used purely for academic purposes. There will be no direct financial benefit to you for your participation in this study.

Appendix IV: Questionnaire for Group Members

SEGMENT I: Background information

1. What is the name of this group? -----

2. Which service does the group focus on? _____

3. Gender?

Male [] Female []

4. How long have you been in this group?

Less than 1 yr. [] 1-2yrs [] 3-4 yrs [] Over 4 yrs []

5. How old are you?

18-28 yrs [] 29-39 yrs [] 40-50 yrs [] 51-61 yrs [] Over 61 yrs []

6. How long has the group been in existence? _____

SEGMENT II: ASCA Savings Component

Please indicate the extent to which you agree with each statement

1=Strongly disagree; 2=Disagree; 3=Neutral; 4=Agree; 5= Strongly agree

Descriptive Statement	1	2	3	4	5
1. The group is flexible when it comes to the saving amounts					
2. The saving duration in the group is outlined in the rules					
3. The group follows the rules when it comes to the saving amounts					
4. The group is flexible when it comes to the saving duration					

SEGMENT III: ASCA Loaning Component

Please indicate the extent to which you agree with the following statements.

1=Strongly disagree; 2=Disagree; 3=Neutral; 4=Agree; 5= Strongly agree

Descriptive Statement	1	2	3	4	5
5. The loan size determination in the group is fair for all members					
6. The loan repayment period in the group is realistic					
7. The group follows the rules when it comes to the loan size					
8. The group is flexible when it comes to the loan repayment period					

SEGMENT IV: ASCA Share-out Component

7. Please indicate the extent to which you agree with each statement

1=Strongly disagree; 2=Disagree; 3=Neutral; 4=Agree; 5= Strongly agree

Descriptive Statement	1	2	3	4	5
9. The share-out size in the group is fair for all members					
10. The share-out duration in the group is realistic					
11. The group follows the rules when it comes to the share-out size determination					
12. The group is flexible when it comes to the share-out duration					

SEGMENT IV: ASCA Security Component

Please indicate the extent to which you agree with the following statements.

1=Strongly disagree; 2=Disagree; 3=Neutral; 4=Agree; 5= Strongly agree

Descriptive Statement	1	2	3	4	5
13. The group security component works well for the group					
14. The individual security component works well for the group					
15. The group security component is the most reliable					
16. The individual security component is the most reliable					

Appendix V: The financial empowerment

Please indicate the extent to which you agree with the following statements.

1=Strongly disagree; 2=Disagree; 3=Neutral; 4=Agree; 5= Strongly agree

Descriptive Statement	1	2	3	4	5
17. I have seen an increase in my income level since I joined the group					
18. I have had a general increase in my capital base since I joined the group					
19. My turnover from the business has been impressive since I joined the group					

SEGMENT VI: Inflation Rate

Please indicate the extent to which you agree with the following statements.

1=Strongly disagree; 2=Disagree; 3=Neutral; 4=Agree; 5= Strongly agree

Descriptive Statement	1	2	3	4	5
20. The cost of buying goods has gone up over the past 1 year					
21. More money has been buying less items this year when compared to last year					
22. Interest rates on money borrowed has been increasing over the past 1 year					

Appendix V: Interview Guide

Kindly respond to the following questions. It may take roughly 20 minutes. Your input is highly anticipated and appreciated.

- 1) In your opinion, what is the relationship between the saving component and the financial empowerment of members in Kericho Community Development Trust, Kenya?
- 2) In your view, what is the relationship between the loaning component and the financial empowerment of members in Kericho Community Development Trust, Kenya.
- 3) Describe the share out characteristics within the group. Do you think there exists a relationship between the share-out component and the financial empowerment of members in Kericho Community Development Trust, Kenya?
- 4) Describe the security component as adopted within the group. In your opinion, what is the relationship between the security component and the financial empowerment of members in Kericho Community Development Trust, Kenya?

Appendix VI: Data Collection Matrix for the Trusts

Name of group	Year	Savings (Ksh.)	Loan (Kshs.)	Share-out
1)				
2)				
3)				
4)				
5)				
6)				
7)				
8)				
9)				
10)				
11)				
12)				
13)				
14)				

Appendix VII: Data Collection Matrix for Inflation Rates

Year	Annual Average CPI(Base Year = 2019 = 100)	Average Annual Inflation Rate (%)	Data Source (CBK/KNBS/WB)
2020			
2021			
2022			
2023			

Appendix VIII: List of Respondents

Name of group	Population
Kipkelion	16
Nazareth Cheribo	34
Brooke	26
St Peter's Em	12
Seretut	22
Kamuingi 1	16
Kamuingi 2	28
St Georges	30
Cathedral	48
Kapsoit	50
Kenegut	22
Cheribo St. John's	23
Chepngetuny	43
Arise and Shine	10
Total	380

Source: Anglican Churches of Kenya, Kericho Diocese (2023)