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EFFECT OF FINANCIAL LITERACY ON LOAN REPAYMENT A CASE OF ECUMENICAL CHURCHES LOAN FUND, KENYA

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Abstract

Financial literacy is the ability to make informed judgment on financial matters without fear. Acquisition of financial knowledge does not lender one financially literate if you are not able to make and apply the knowledge on the day to day financial activities. The main purpose of this study was to look at the effect of financial literacy on loan repayments. Timely loan repayment was used as the indicator of the loan repayment. Financial literacy which is the independent variable for the purpose of the study was critically analyzed in terms of; financial negotiation literacy, debt management literacy, budgeting literacy and book keeping literacy. The study tried to look at how financial literacy affects loan repayment. ECLOF Kenya, a microfinance was used as the case study but since its widely distributed Thika branch was considered as the most appropriate area of study for convenience purposes. Since binary logistic model is a probabilistic model, the researcher tested the probability of a respondent delaying in loan repayment. The results showed all the independent variables were significant to the study since it showed a p value less than 0.05. The results showed a negative relationship between independent variables and the probability of a respondent delaying in repayment. The study shows that only 45.5% of the variations in dependent variable are explained by the dependent variable meaning that 54.5% of the variations are explained by other factors other than financial literacy. Further research can be conducted to look at other factors that may cause non repayment or delay in repayment.

Keywords: Financial literacy, financial literacy, Loan repayment

INTRODUCTION

Financial literacy enables individuals make informed judgments and make decisions that are effective as far as the use and management of money is concerned. Literacy is the ability to read and write. The standard definition of literacy developed by the Literacy Definition Committee is "using printed and written information to function in society, to achieve one's goals, and to develop one's knowledge and potential". This definition was used by the National Adult Literacy Survey (Kirsch, 2001). Financial literacy enables individuals to move on in the financial world, make informed decisions about their money and minimize the chances of being misled on financial matters (Beal & Sarath, 2005).

A study which sought to determine the causes and impact of NPLs on the operations of microfinance institutions (MFIs) in Ghana indicated that MFIs provide significant financial services including microcredit facilities especially in rural and semi-urban areas of the country (Babal & Arko, 2012). This backdrop, nonetheless, it is argued that not all loans granted to beneficiaries perform well and earn the projected returns, a situation that, needless to say, hampers the quality of the loan portfolio. The loan portfolio, according to the scholar, constitutes a considerable percentage of the assets of the MFIs. As such, MFIs obtain most of their income from interest charged on loans.

Financial action on the other hand is the ability to apply the knowledge and make effective decisions on money management, book keeping, budgeting and negotiation without fear. These aspects enable one to invest wisely. A financially literate person is the one who has the financial knowledge, skills and confidence required in making financial decisions that are of key importance to them (Tuyisenge et al., 2015).

Financial literacy impacts positive actions which leads to the creation of wealth and careful consideration of the available financial products which can assist to create wealth and avoid chances of failure to pay loans and even save for that time when all was not be well and as a result avoiding financial scams that may arise due to the failure to meet the financial obligations. Financial literate individuals are able to compare the various financial products and make the right financial decisions, they avoid fraudulent activities as they clearly understand their impact (Rooij,Lusardi, & Alessie, 2011).

Financially literate people are able to plan or budget, they at least have a trace of their financial activities because of their book keeping literacy, they are able to manage debts to avoid bad debts and prevent non repayment of loans and also have the courage to go for financial negotiation when they feel that they need better terms from the financial providers. Hence, they greatly participate in the market (Calcagno & Monticone, 2015).

STATEMENT OF THE PROBLEM

Most Kenyan citizens take advantage of the availability of financial institutions that are there with the main purpose of issuing loans to the clients. However the problem of non-repayment is rising day by day. This in itself is a problem to the economy itself since financial institutions may not have enough funds to issue to their clients and help in the economic development. The growth of these financial institutions is also threatened by non-repayment since they may not be in a position to issue loans and even when the problem is prolonged these financial institutions may fail to raise enough funds for the working capital.

Financial literacy is one of the ways which may assist these people minimize the default rate. This would be done through seminars and training. Financial literacy means the ability to make informed judgment without fear (Bumcrot et al., 2011). This means that seminars and training would not be enough, there has to be follow up to ensure that people put into practice what they learn. ECLOF Kenya is one of the Micro finances in Kenya. In its 2014 annual financial report, ECLOF Kenya identified financial literacy as one of the factors that lead to delay in loan repayment and eventually total default (Report, 2014).

STUDY OBJECTIVES

The main objective of this study was to determine the Effect of Financial literacy on Loan repayment.

Specifically the study sought to:

1. Establish the effect of financial negotiation literacy on loan repayment.
2. Determine the effect of budgeting literacy on loan repayment.
3. Evaluate the effect of debt management literacy on loan repayment.
4. Assess the effect of book keeping literacy on loan repayment.

LITERATURE REVIEW

This study was guided by three theories

Dual process theory-The dual process theory focuses on how people process information explaining the different stages information can be processed by individuals.

Theory of planned behavior The theory of planned behavior (TPB) was developed from the theory of reasoned action (TRA) (Ajzen, 1991). TRA guidelines suggest that, behavior is predicted using attitudes towards a specific behavior and subjective norms to form a behavioral intention that determines the actual behavior. This theory was modified by Ajzen to create the TPB theory by adding the Perceived Behavioral Control (PBC) (Ajzen, 2008).

Resource-Based / Core Competency Theory - Wernerfelt, 1984 analysis shows that a firm should view its strategy in terms of positioning the resources and not in terms of products or the market. According to Wernerfelt, resources can be defined as anything seen as a strength or weakness of a firm.

CONCEPTUAL FRAMEWORK

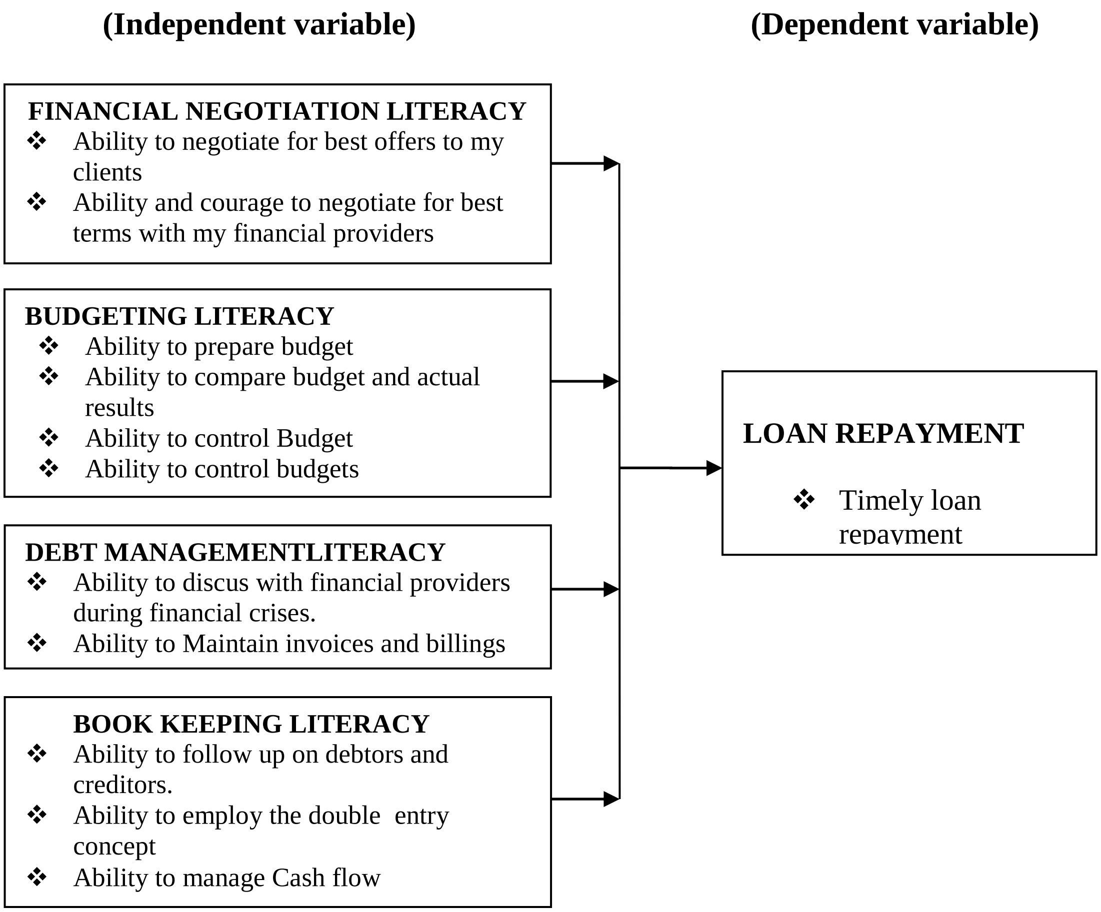

Figure 1: Conceptual Framework

RESEARCH DESIGN

Descriptive research design was adopted for the purpose of this study. The sample size was 300 clients which is 30% of the population under study. Data was collected using questionnaires. The questionnaires were distributed to the clients where 280 responded representing approximately 93% of the total clients. . Statistical Package for Social Science (SPSS) version 21 was used to analyze the data and binary logistic model was used for analysis.

RESULTS AND DISCUSSIONS

Financial negotiation literacy

The respondents were required to give information on whether they had financial negotiation literacy or not. The table below is a summary of the responses given.

Table 1 Financial negotiation literacy

	Literacy	Frequency	percentage
Valid	Yes	190	67.9
	No	90	32.1
	Total	280	100

The table above demonstrates that out of the two hundred and eighty clients, 90 clients did not have financial negotiation literacy while 190 clients had financial negotiation literacy. This translates to 32.1% of the clients not having financial negotiation literacy while 67.9% have financial negotiation literacy. This confirms a study on the financial literacy and loan repayment among the SMEs in Kenya which showed that most of the clients have financial negotiation literacy.

Financial negotiation literacy and loan repayment

The researcher tried to relate financial negotiation literacy and loan repayment and summarized the data in the table below

Table 2 Financial negotiation literacy and loan repayment

	Literacy	Delay	percentage of delay	Non- delay	percentage on non-delay
Valid	yes	60	45.1	130	88.4
	No	73	54.9	17	11.6
Total		133	100	147	100

Table 2 above shows the descriptive statistics of those respondents on financial negotiation literacy and loan repayment. Out of the respondents who delayed in loan repayment 73 (54.9%) did not have financial negotiation literacy while 60(45.1%) of those respondents had financial negotiation literacy. This shows that the probability of the respondent delaying is high if the client do not have financial negotiation literacy compared to that of a client with no financial negotiation literacy.. From the data, of the clients who did not delay, 130(88.4%) have financial negotiation literacy while 17(11.6%) did not have financial negotiation literacy. This implies that the probability of the respondents not delaying in repayment is higher for the clients who have financial negotiation literacy and lower for clients who did not have financial negotiation literacy. The results are in conformity with a study on financial literacy on loan repayments which showed that the clients with financial negotiation literacy had no problems with loan repayments while most of the clients who did not have financial negotiation literacy had problems in loan repayment (Miller, Godfrey, Lavesque, & Stark, 2009). However a similar study by on situating financial literacy negates these findings as it showed that the respondents most clients who paid in time did not have financial negotiation literacy(Bay et al., 2014)

Budgeting literacy

The researcher asked the respondents questions on whether they had budgeting literacy. The following table shows the responses given by the respondents.

Table 3 Budgeting literacy

Literacy		Frequency	Percentage
Valid	yes	163	58.2
	No	117	41.8
Total		280	100

The above table indicated that from the study conducted, 117 out of 280 clients did not have budgeting literacy and 163 clients had budgeting literacy. This indicated that 41.8 % of the clients under study did not have budgeting literacy while 58.2 % of the clients had budgeting literacy.

Budgeting literacy and loan repayment

The researcher summarized budgeting literacy and loan repayment in the following table.

Table 4 Budgeting literacy and loan repayment

Literacy		Delay	percentage of delay	Non- delay	percentage on non-delay
Valid	yes	43	32.3	120	81.6
	No	90	67.7	27	18.4
Total		133	100	147	100

From the table, of those who delayed in repayment, 43 (32.3%) had budgeting literacy while 90 (67.7%) had no budgeting literacy. These results confirms a study carried out on the effect of financial literacy on loan repayment among small and medium enterprises in Rwanda which concluded that 81% of the clients agreed that planning skills contributed greatly on loan repayment (Tuyisenge et al., 2015).This indicates that the probability of a respondent who have budgeting literacy defaulting is lower compared to a respondent who have no budgeting literacy. Of those respondents who did not delay, 120 (81.6%) respondents had budgeting literacy while only 27(18.4%) of the respondents who did not default did not have budgeting literacy. The results confirm a study carried out on household budget and debt managing which shows that those households which budgeted had repaid their loans in time compared to those that did not have budgets(Phillip, 2010). Tuyisenge et al., 2015 in their study on the role of financial literacy on loan repayment had also a similar result on budgeting literacy where they reported that planning skills influenced loan repayment to a great extent.

Debt management literacy

The researcher wanted to know whether the respondents had debt management literacy and this was summarized in the information below

Table 5 Debt management literacy

	Literacy	Frequency	Percentage
Valid	yes	140	50
	No	140	50
Total		280	100

The results from the above table showed that 140 clients of the total 280 clients have debt management literacy meaning that 50% of the clients have the debt management literacy while 50% lack the debt management literacy. That is 140 of 280 clients do not have debt management literacy.

Debt management literacy and loan repayment

The researcher linked debt management literacy and budgeting literacy. The following table explains these results.

Table 6 Debt management literacy and loan repayment

Literacy		Delay	percentage of delay	Non- delay	percentage on non-delay
Valid	yes	33	24.8	107	72.8
	No	100	75.2	40	27.2
Total		133	100	147	100

Table 6 above showed that 100 (75.2%) respondents who did not have budgeting literacy delayed in loan repayment while only 33 (24.8%) of the respondents who had debt management literacy delayed in loan repayment. From the table its clear that 107 (72.8%) respondents who had debt management literacy did not delay in repayment while only 40 (27.2%) of the respondents did not delay in repayments. This implies that respondents who don't have debt management literacy are more likely to delay in loan repayment while respondents who have debt management literacy are less likely to delay loan repayments. These results confirms those of a study on financial literacy on loan repayment where respondents agreed that credit management skills assisted them in making wise decisions which would in turn assist them in repaying their loans (Tuyisenge et al., 2015). A study on the impact of microfinance on small and medium enterprises also showed that debt management literacy had a great impact on loan repayment (Idowu, 2010).

Book keeping literacy

The researcher asked questions that assisted to understand if the respondents had book keeping literacy or not. The results are summarized in the table below.

Table 7 Book keeping literacy

Literacy		Frequency	Percentage
Valid	yes	199	71.1
	No	81	28.9
Total		280	100

The study showed that 199 respondents out of the 280 respondents have book keeping literacy which translates to 71.1% of the clients having book keeping literacy while 81 respondents that is 28.9 % of the clients lacked book keeping literacy. This implies that book keeping literacy compared to all other forms of literacy under study is the most acquired by the clients.

Book keeping literacy and loan repayment

The researcher compared book keeping literacy and loan repayment. The results of this study are as shown in the table next.

Table 8 Book keeping literacy and loan repayment

Literacy		Delay	percentage of delay	Non- delay	percentage on non-delay
Valid	yes	73	54.9	126	85.7
	No	60	45.1	21	14.3
Total		133	100	147	100

From table 8 above, 73 (54.9%) of the respondents who delayed in loan repayment had book keeping literacy while only 60 (45.1%) of the respondents who did not have book keeping literacy delayed in loan repayment These results contradicts a result carried out by Tuyisenge, Mugambi and Kimeringe which showed that the respondents in their study confirmed that book keeping literacy assisted them to repay their loans in time without difficulties (Tuyisenge et al., 2015). However a study carried out on business management and book keeping showed similar results (Nieman & Bennet, 2006) Of those respondents who did not delay,126(85.7%) had book keeping literacy while only 21 (14.3%) respondents did not have book keeping literacy.

Mean and standard deviation

The researcher obtained the mean and the standard deviation from the study to know how much the data is deviating from the actual mean. The table below is the result of this study.

Table 9 mean and standard deviation

	N	Minimum	Maximum	Mean	Std. Deviation
Repayment	280	0	1	.48	.500
FNL	280	.00	1.00	.3214	.46786
BL	280	.00	1.00	.4179	.49409
DML	280	.00	1.00	.5000	.50090
BKL	280	.00	1.00	.2893	.45424
Valid N (listwise)	280				

The study showed standard deviation that is close to the mean. Standard deviation tries to show how well the data is represented by the mean. Since there is no much variations from the reported mean, it means that the data is well represented by the mean.

Correlation

The researcher tested the correlation between the dependent and the independent variable. The correlation results are shown in the table below.

Table 10 correlation

		Repayment	FNL	BL	DML	BKL
Repayment	Pearson Correlation	1	-.287	-.400	-.350	-.244
FNL	Pearson Correlation		1	.084	.076	-.085
BL	Pearson Correlation			1	.196	.018
DML	Pearson Correlation				1	.039
BKL	Pearson Correlation					1

Correlation indicates the level of association between the variables under consideration. The results shows that there is a weak negative correlation between the dependent variables and all the independent variables. This implies that as one increases the other decreases and as one decreases the other increases. All the independent variables shows a positive correlation indicating that an increase in one variable leads to increase in the others apart from the financial negotiation literacy and book keeping literacy that showed a negative correlation.

Inferential statistics

This section explains the binary logistic model results that was obtained from the SPSS model. The binary logistic regression model is of the form;

$$Y = logit(p) = log\left(\frac{p}{1-p}\right) = \beta_0 + \beta_1 * X_1 + \beta_2 * X_2 + \beta_3 * X_3 + \beta_4 * X_4$$

Where p is the predicted probability which is the probability of the membership of one that is the probability that a client will be in default and 1-p being the probability that a client will not be in default. $\frac{p}{1-p}$ is known as the odds hence we shall be predicting the probability of the increase or decrease in the log of odds of Y which is the probability that a respondent will delay in loan repayment.

The model is presented in the table below;

Table 11 Binary logistic model

Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 1[a]	FNL	-1.579	.333	22.415	1	.000	. 206
	BL	-1.847	.320	33.264	1	.000	.158
	DML	-1.432	.304	22.202	1	.000	.239
	BKL	-1.640	.354	21.475	1	.000	.194
	Constant	2.299	.321	51.433	1	.000	9.960

a. Variable(s) entered on step 1: FNL, BL, DML, BKL.

R Squire 0.455

The predicted probability being of the membership of 1 means we are predicting the probability that a respondent will not be able to pay their loan in time. Hence from the model below, p was the probability that the client was a defaulter while 1-p was the probability that the client was not a defaulter.

The table 11 above gives the statistical results of the study. At 95% confidence or 5% significant level, the study indicated that all the variables under consideration are significant to the study since they have a significant level of less than 0.05. The study results also show negative relationship of the log odds of y, the dependent variable and the independent variables. From the results shown below, the predicted probabilities is of the membership of one and one is the probability that a client is in default.

From the model table, that is table 4.14 above the binary linear regression equation can be expressed as follows:

$$Y = logit(p) = \; log\left(\frac{p}{1-p}\right) = \; 2.299. -1.579X_1 - 1.847X_2 - 1.432X_3 - 1.64X_4$$

From the model, it's clear that, budgeting literacy is more significant than all the other variables since its increase by a unit results to a decrease in the probability of a client delaying in repayment by 1.847. This is followed by book keeping literacy which shows that a unit increase in book keeping literacy will lead to decrease in the probability that a client will not pay loans in time by 1.64. The third in this order is financial negotiation literacy which showed that an increase in financial negotiation literacy by a unit will decrease the probability that a client will delay in repaying loans. Debt management literacy is the least in significance since the results showed that a unit increase in debt management literacy will decrease the probability of a client not repaying in time by 1.432.

This model is translated to mean that if X_1, X_2, X_3 and X_4 are zero, the log odds of Y which is the dependent variable will be 2.299. This means that if respondents do not have financial literacy, that is, financial negotiation literacy, budgeting literacy, debt management literacy and book keeping literacy, the probability of not paying in time will increase. The model also shows that a unit increase in financial negotiation literacy will lead to decrease in the probability of a respondent delaying in repayment by 1.579, a unit increase in budgeting literacy will lead to decrease in probability of a client delaying in loan repayment by 1.847, a unit increase in debt management literacy will lead to decrease in the probability of a respondent delaying in loan repayment by 1.432 and a unit increase in book keeping literacy will lead to decrease in the probability that a client will delay in repaying the loan by 1.64. This study confirm a study on an assessment of financial literacy on loan repayment by small and medium enterprises where the researcher concluded that as financial literacy that is budgeting skills, book keeping skills and credit management skills increased loan repayment increased (Nyamboga et al.,2014). Another study on financial literacy and its impact on loan repayment had similar results differing slightly where they reported that increase in credit management skills and book keeping skills increased loan repayment but the study showed that increase in book keeping skills reduced the loan repayment (Mutegi et al., 2015)

This model can also be interpreted using the exponential B. Under exponential B Values greater than 1 indicate that the variable in question increases the odds of the dependent event occurring and values less than 1 (i.e. between 0 and 1) indicate a decrease in the odds.

Using the odds multipliers we can make the more understandable claims that, when other factors in the model are held constant: All the variables have exponential B being less than one hence , this can be interpreted as, having financial negotiation literacy compared to not having financial negotiation literacy will lead to 79.4% reduction in odds of loan not being paid in time, having budgeting literacy compared to not having budgeting literacy will lead to 84.2% reduction in odds of loan not being paid in time, Having debt management literacy compared to not having debt management literacy will lead to 76.1% of reduction in odds of loan not being paid in time and a having book keeping literacy compared to not having book keeping literacy will lead to 80.6 % reduction in odds of loan not being paid in time. The study showed an R square of 0.455 implying that the 45.5% of the variations in the dependent variable can be explained by the dependent variables thus 55.5% of the variations in the dependent variable are explained by other factors other than those considered in this study.

Hypothesis testing

Under binary logistic model we use the wald test to test the hypothesis. The Wald test works by testing the null hypothesis that a set of parameters is equal to some value. If the test fails to reject the null hypothesis, this suggests that removing the variables from the model will not substantially harm the fit of that model, since a predictor with a coefficient that is very small relative to its standard error is generally not doing much to help predict the dependent variable (Fox 1997).

Financial negotiation literacy

Ho : There is no significant relationship between financial negotiation literacy and loan repayment

From the model table, table 4.14 above the wald test is 22.415 hence not zero meaning we fail to accept the null hypothesis that there is no significant relationship between financial negotiation literacy and loan repayment.

Budgeting literacy

Ho : There is no significant relationship between budgeting literacy and loan repayment

From the model table, table 4,14 above the wald test is 33.264 hence not zero meaning we fail to accept the null hypothesis that there is no significant relationship between budgeting literacy and loan repayment.

Debt management literacy

Ho : There is no significant relationship between budgeting literacy and loan repayment

From the model table, the wald test is 22.202 hence not zero meaning we fail to accept the null hypothesis that there is no significant relationship between debt management literacy and loan repayment.

Book keeping literacy

Ho : There is no significant relationship between book keeping literacy and loan repayment

From the model table, the wald test is 21.475 hence not zero meaning we fail to accept the null hypothesis that there is no significant relationship between book keeping literacy and loan repayment.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary of Findings

This research set out to investigate the relationship between financial literacy and loan repayment. Specifically the research investigated how financial negotiation literacy, budgeting literacy, debt management literacy and book keeping literacy affect loan repayment. Relevant questionnaire were given to the clients under study. The result so obtained assisted in intelligent interpretations of the direction and significance of the relationships among the variables of the study.

Specific Objective 1: Effect of financial negotiation literacy and loan repayment

The research results found out that, there is a significant and negative relationship between financial negotiation literacy and the probability of a client delaying in loan repayment. Both beta coefficients and exponential B are consistent with this as we have negative relationships with the beta coefficients which is significant (-1.579; $p < 0.05$) and exponential B is less than one (0.206). From these results we reject the null hypothesis that there is no significant relationship between the financial negotiation literacy and loan repayment and accept the alternative hypothesis that there is a significant relationship between the financial negotiation literacy and loan repayment.

Objective 2: Effect of budgeting literacy on loan repayment

The research results found that the budgeting literacy has a significant and negative relationship with loan repayment (β = -1847 and $p<0.05$). Both the binary logistic coefficient and exponential B are consistent about this relationship as their β of -1.847 and .158 are obtained. The beta is not equal to zero and exponential B is less than one. We therefore reject the null hypothesis that there is no significant relationship between budgeting literacy and loan repayment.

Objective 3: Effect of debt management literacy and loan repayment

The research results found that the debt management literacy has a significant and negative relationship with the probability of a respondent delaying in loan repayment (β = -1.432 and $p<0.05$). Both the beta coefficients and exponential B are consistent since exponential B is less than 1 (0.239) and the beta coefficients are negative (-1.432). We therefore reject the null hypothesis that there is no significant relationship between debt management literacy and loan repayment and accept the alternative hypothesis that there is a significant relationship between debt management literacy and loan repayment.

Objective 4: Effect of book keeping literacy on loan repayment

The research results found that the book keeping literacy has a significant and negative relationship with the probability that a respondent will delay in repaying their loans (β = -1.64 and $p<0.05$). Both the beta coefficients and exponential B are consistent about this relationship as the beta is -1.64 and exponential B is less than one (0.194). We therefore reject the null hypothesis that there is no significant relationship between book keeping literacy and loan repayment and accept the alternative hypothesis that there is a significant relationship between book keeping literacy and loan repayment.,

Conclusions

The overall objective of the study was to investigate the effect of financial literacy on loan repayment. Several questions were given to the clients through questionnaires to assist derive facts and information on the literacy and loan repayment. The study sort to exprole the various forms of financial literacy by looking at what constitutes financial literacy and their influence on loan repayment.

Based on the empirical evidences and results of the analysis, the researcher arrived at logical conclusions. The researcher concludes that there is a negative relationship between all the constructs of financial literacy and loan repayment of ECLOF Kenya clients. This position was clearly shown through the inference statistics which confirmed the existence of a significance level or the p values which were less than 5%.

Recommendations

Based on the investigations conducted and the findings of this study, the following recommendations are put forward by the researcher, for the effective financial literacy of the loan beneficiaries:

Based on the significant and negative relationship between financial negotiation literacy and the probability that a respondents will delay in repayment, I recommend that financial providers should train their clients on the importance and impact of negotiating with for better terms and enlighten them on the different areas that they can seek negotiations. These areas would include interest rates reduction, period of repayment among others

From the studies, the significant and negative relationship between budgeting literacy and the probability of a respondent delaying in repayment, I would suggest that financial providers teach their clients on the preparation of various types of budgets and how to follow up and compare the actual and the budgeted figures and determine the variances and also teach them to investigate the various causes of these variances.

From the significant and negative relationship between debt management literacy and the probability that a client delays in repayment of loan, I recommend that financial providers keep providing trainings on debt management and teach their clients on the different ways in which they can manage their debts and also keep informing them on the importance of communicating with financial providers during financial crises.

The study showed a significant and negative relationship between book keeping literacy and the probability of clients delaying in loan repayment. From these results I would recommend that every business enterprise have book keeping skills and suggest that if the owners do not have these skills they should hire them since the skills reduces the probability that they will not pay their loans in time. I also recommend that financial providers should keep encouraging the clients to maintain proper books of account.

Suggestions for Further Research

The study shows that only 45.5% of the variations in dependent variable are explained by the dependent variable meaning that 54.5% of the variations are explained by other factors other than financial literacy. Further research can be conducted to look at other factors that may cause non repayment or delay in repayment. Examples of these factors could be cost of living or inflation, Political instability and natural disasters like drought.

Further, this research was basically based on Ecumenical Churches Loan Fund Kenya (ECLOF Kenya) Thika region. Further research can be conducted in other regions from the same financial providers or from other financial providers in Kenya so that a comparable conclusion can be reached.

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