

**CRITICAL FACTORS AND CREDIT UPTAKE IN YOUTH ENTERPRISE
DEVELOPMENT FUND IN SUNA EAST CONSTITUENCY, MIGORI COUNTY,
KENYA**

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DECLARATION

This research project is my original work and it has not been submitted for the award of any degree or diploma in any other institution. No part of the project should be reproduced without the authority of the author and/or Kenyatta University.

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This research project is submitted for examination with my approval as the appointed university supervisor.

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DEDICATION

This research project is dedicated to my family and friends. Particularly, to my dear wife Eunice Orina and daughters Kaisy Esther Atieno, Candy Becky Otieno and Clancy Hope for their prayers, encouragement and support during the period of study. Special dedication also goes to my late parents, my mother Esther Akello and father Charles Odongo whose wise counsel, love and care saw me through my education and made me what I am today. I must also appreciate support and words of encouragement from my uncles, brothers & sisters and especially my uncle Mr. Julius Amimo for his vision and determination that saw his siblings and all those under his care pursue education against all odds.

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OPERATIONAL DEFINITION OF TERMS

Credit Management Knowledge in managing credit, the terms it's granted on and recovering this credit when it's due.

Credit Uptake Type of loan made in a business or corporate finance context, including revolving credit, term loans, committed facilities, letters of credit and most retail credit accounts

Entrepreneurial Skill Organized activity aimed at imparting knowledge on how to start a business to the youth in order to help them attain a required level of knowledge or skill

Financial Literacy The ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being

Lending Condition A set of guidelines and criteria developed by a bank and used by its employees to determine whether an applicant for a loan should be granted or refused the loan

Youth Enterprise Development Fund

A state corporation mandated to provide financial and business development support services to youth owned enterprises

ABBREVIATIONS AND ACRONYMS

GDP	Gross Domestic Product
ILO	International Labour Organizations
RoK	Republic of Kenya
SME	Small and Medium Enterprises
YEDF	Youth Enterprise Development Fund
MFI	Micro Financial Institutions
SPSS	Statistical Package for Social Sciences
SME	Small and Medium Enterprises
MSE	Medium and Small Enterprises
DTMF	Deposit Taking Microfinance
NACOSTI	National Council of Science, Technology and Innovation

ABSTRACT

Youth entrepreneurship in Kenya plays a significant role in enhancing Kenya's economic development and in reducing youth unemployment. Despite the great significance of entrepreneurship in Kenya, there is a high failure rate in a span of few months after start-up mostly attributed to lack of inability to access funds. Credit to youth for undertaking small-scale projects assist them generate income and help them to provide for their families. However, youth are considered riskier by most financial institutions, hence, most lenders allocate small proportion of loans to the youth. Moreover, banks are reluctant to lend to youth because of lack of adequate collateral. The objective of this study was to determine factors affecting credit uptake in Youth Enterprise Development Fund in Suna East Constituency in Migori County, Kenya. This study was guided by the following specific objectives: to examine the effects of credit management, lending conditions, entrepreneurial skills and financial literacy on credit uptake from YEDF. Theories used to anchor the study were, Goriths Business Refinancing theory and Group Thinking theory. The study utilized descriptive survey research design. Study population was 892 youth entrepreneurs registered in Suna East Constituency engaged in different businesses. A proportionate sampling method was used on the target population and the respondents were selected using stratified sampling method. The sample comprised of 100 youth entrepreneurs. The research instrument used was questionnaires and validity of the instrument was ensured using content validity and construct validity. Reliability was assessed with the use of Cronbach's alpha coefficient. Quantitative data was analyzed using descriptive statistics such as mean and standard deviations. Inferential statistics involved the use of multiple regression and correlation analysis. The study established that credit management, lending conditions, entrepreneurial skills and financial literacy had positive and significant effect on the level of credit uptake in YEDF. The study concludes that through credit management YEDF should incorporate activities aimed at ensuring that invoices are paid within the defined payment terms and conditions. Effective credit management serves to prevent late payment or non-payment. YEDF requires that the youth entrepreneurs when seeking loans, provide certain relevant information regarding their financial capability to qualify for the loans. YEDF needs to enhance youth entrepreneurial skills by polishing their business skills, improving their strategic thinking and incorporating networking into small business activities. Gaining financial literacy among the youth entrepreneurs helps them possess set of skills and knowledge that allows an individual to make informed and effective financial decisions. The study recommends that the management of YEDF should ensure that youth who borrow their loans will pay within the stipulated time. Financial literacy aims at enhancing the youth's knowledge in financial matters and their ability to make wise financial decisions. Therefore, YEDF should increase access to youth financial education to help young people to develop money management knowledge and skills, acquire more experiences with personal finance and develop effective financial habits.

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

Credit to youth has successfully enabled impoverished people to engage in self-employment projects that allow them to generate income, and in many cases begin to build wealth and to exit poverty (Spence, Holt, Dutove & Carson (2010). Credit to youth is increasingly gaining credibility in the mainstream finance industry and many traditional large finance organizations are contemplating it as a source of growth even though it had earlier been disguised as a source of future growth. Credit to youth symbolizes small loans extended for undertaking self-employed projects that would generate income and help them to provide for their families (Yunus, 2014).

In Kenya, the youth sector is a major source of demand for credit because of high levels of unemployment. Availability of credit results to extension to individuals of small loans to be used for income generating activities that will improve the borrower's living standards. Among the potential efficiency benefits from low interest rate loans by the Government to youth may arise from capital injection in the private sector that helps to accelerate economic growth (Zacharay, 2013).

The youths face a complex situation of unemployment globally, despite most of them having high level of basic education (ILO, 2015). Many Governments are supporting youth ministries, youth policies and youth programs, and there seems to be greater appreciation that young people are the future of their countries development (Yunus, 2014). Despite the commendable efforts of various Governments in attempting to unlock the full potential of

youth enterprises by helping them economically, youths have continued facing challenges related to accessing credit from both banks and even Government funds (Odera et al., 2013).

1.1.1 Credit Uptake

Uptake of credit is important in increasing income activities, creates employment opportunities and also leads to better living standards of people (Salia, 2011). It assists many youth who are unable to get formal employment in white collar jobs. The concern about availability of credit

for youth suggests that they pay a higher rate or face more requirements to get a loan than an equally credit worthy larger business. As a result, they raise less money than larger businesses in the same locality and are unable to take advantages of economies of scale to raise capital. According to Gita (2013) the effect of financial liberalization to uptake of credit shows that financial sector liberalization does not improve access of borrowing by youth. This is because financial liberalization leads to tightening of monetary controls.

According to Ramsden (2010), complex regulatory processes and procedures and high registration costs for entrepreneurs are some of the impediments within the regulatory framework. It is incumbent upon nations to put in place measures that enhance youth enterprise, rather than huddles that impede not only business startup, but also access to youth entrepreneurship funds. A study conducted by Rajendar (2012) in Ghana on the extent to which regulatory framework influences youth access to youth enterprise development fund indicated the existence of a strong relationship between regulatory mechanisms, and access to youth enterprise funds. The study also found that youth business registration procedures and licensing costs were all significant.

Complex regulatory frameworks in access to youth funds is one of the major challenges facing youth entrepreneurs (Storm, Porter & Macaulay, 2010). According Pathak, Holmes and Zimmerman (2011) establishing a conducive regulatory environment for youth entrepreneurship is the first step in enhancing youth access to business funds. It is important particularly in developing countries to ensure that frameworks for financial access are not rigid or deterrent to youth entrepreneurs.

Richard, Kaboski and Buera (2013) indicates that one of the major challenges for youth entrepreneurs in access to enterprise funds is that their ventures have to be formally registered. The process involved in entrepreneurship registration for the youth can sometime be burdensome particularly to youth entrepreneurs. Stringent registration requirements can be discouraging to the youth in starting their businesses. Ramsden (2010) notes that some of the youth who are interested in getting access to entrepreneurship fund, are blocked by regulations way before they have a chance to register and formally apply.

1.1.2 Critical Factors on Credit Uptake

Nissanke (2015) observe that there is a positive correlation between the credit risks ascertained to different age groups and the amount of funds allocated for credit. Uptake of credit by youth is influenced by several factors including the fact that youth do not have collateral and have less business expertise and hence they cannot access credit. Uptake of credit for youth is also influenced by inadequate allocation of loans for youth. Non availability of credit for youth prevents them from engaging in productive enterprises or expanding their businesses.

Sao-Paulo, Brazil, Nehman (2013) observed that borrowing costs strongly affect the willingness of youth to take loans from formal lenders. On the other hand, Stiglitz and Weiss (2014) argue that high interest rates on loans encourage adverse selection of loan seekers. Those who take high risks and get their loans approved are those with high rates. Those high risky enterprises may not include the poor youth because they cannot afford the high cost investments. Gita (2013) indicates that the concern about availability of credit for youth suggests that they pay a higher rate or face more requirements to get a loan than an equally credit worthy larger business. As a result, they raise less money than larger businesses in the same locality and are unable to take advantages of economies of scale to raise capital.

According to Mfinanga (2012) entrepreneurial skills are important in running any business. In recent years, organizations have been buffeted by massive need for reaching social, technological and economic changes. This puts a lot of pressure on uptake of credit from all sectors. Entrepreneurial skills are good in assisting youth to solve issues that are directly relevant to the current, fast shifting business environment (Staines, 2012). Managing business today requires the full breadth of entrepreneurial skills and capabilities. In the tradition of world of work, management was to control and limit people, enforce rules and regulations, seek stability and efficiency, design top-down hierarchy and achieve bottom line results. To spur innovation and achieve high performance, youths need different skills to engage workers' hearts and minds as well as take advantage of their physical labour.

Wanjohi (2011) points out that that lack of access to credit is almost universally indicated as a key problem for youth enterprises. This affects technology choices by limiting the number of alternatives that can be considered. Many youth enterprises may use an inappropriate technology because it is the only one that they can afford. In some cases, even where credit is

available, the entrepreneur may lack freedom of choice because the lending conditions may force the purchase of heavily immovable equipment that can serve as collateral for the loans. The stringent lending conditions prevent Kenyan SMEs run by the youths too from accessing credit.

Central Bank of Kenya report of 2012 established that Small and medium enterprises have become an important contributor to the Kenyan economy. The sector contributes to the National objective of creating employment opportunities. Entrepreneurs in this sector are considered credit unworthy by most financial institution. Improving the availability of credit facilities to this sector is one of the incentives that have been proposed for stimulating growth. Bank customers in Kenya often cite the cost of credit as a stumbling block in getting access to formal credit and often look for cheaper sources of credit such as investment groups, shylocks among other which often land cost of credit to potential customers.

1.1.3 Youth Enterprise and Development Fund

The Youth Enterprise Development Fund (YEDF) was established in year 2006 with the sole purpose of reducing unemployment among the youth who account for over 61% of the unemployed in the country. It is the Fund's intention to evolve and be able to meet the dynamic needs of the youth, who are its reason (Government of Kenya, 2017). The Fund was gazetted on 8th December 2006 and then transformed into a State Corporation in 2007 and the target is young people within the age bracket of 18 to 35 years. The Fund's strategic focus is on enterprise development as a key strategy that will increase economic opportunities for, and participation by Kenyan youth in nation building. The Government has so far released Kshs. 6.5 billion to the Fund (YEPF Report, 2015).

Youth Enterprise Development Fund was meant to assist on providing financial support to the youth with low interest rate and flexible financial packages. The funding targeted the youth-owned enterprises both micro and small enterprises by providing startup capital (YEDF, 2017). The Government projected about 500,000 jobs creations annually, where 88% would come from the SME sector (Government of Kenya, 2017). The YEDF loan was to support youth individual, companies, cooperatives and other SME with the country of Kenya.

According to House, Ikiara, McCormick (2011), YEDF target was geared towards all forms of youth owned enterprises regardless of whether they were sole proprietors, companies, youth partnerships, cooperatives and/or any other forms of business ownership. The Government of Kenya set aside one billion (Kshs. 1 billion) in the 2006/07 budget as a rollout package and funding for YEDF (GOK, 2008). According to the YEDF report 2011, The Youth Empowerment Support Services, (YESS) Kenya, has trained 10,000 youth entrepreneurs on how to access these funds. However, the fund has not had a significant impact on the youth empowerment as most of the funds dispersed were either misappropriated, or issued to colluding corrupt groups by Government officials.

UNCTAD (2012) takes note of Global Youth-inclusive Financial Services according to a Survey conducted in Africa showing that 75% of the youth respondents indicated minimal age requirement as key impeding factor to accessing youth entrepreneurship funds. The report indicated that in Africa, to qualify for entrepreneurship fund, a youth has to be at least 18 years old. Youth Business International (2010) concurs with UNCTAD by arguing that youth access to fund before 18 years in quite a challenge since funds must be transferred to an

operational bank account. Government policies for youth in most developing countries do not allow youth to open bank accounts until they are 18 years old.

The Government of Kenya has created Government funds such as the Youth Fund, Women Fund and the latest being the six (6) Billion shillings Uwezo Fund. All these have been created with an aim of promoting SMEs hence, reduce the unemployment rate among the youth and improve the economy (RoK, 2014). Despite this effort by the Government the uptake of these Government funds by the youths still remains low.

1.2 Statement of the Problem

In Kenya, small enterprises play a significant role not only in enhancing Kenya's economic development, but also in reducing youth unemployment. According to the Economic Survey (2015), the small and medium enterprise (SMEs) in Kenya contributed over 50 percent of new jobs into the economy. Despite the great significance of entrepreneurship in Kenya, the KNBS (2016) now shows that five youth entrepreneurs fail within the first few months of start-up. According to Youth Enterprise Support Service in Kenya report of 2016, the problem with Youth Enterprise Development Fund is that only 28% of youth eligible for the fund, actually get the funds. Every constituency in Kenya was allocated a revolving fund of Kshs. 4.5 million, however, only a few youths in the constituencies are able to access these funds. As a result, most of the funds received by YEDF from Government to finance youth entrepreneurial startups end up being returned to the Government.

Access to finance is a key issue for youth entrepreneurs. Accessing credit, particularly for starting an enterprise, is one of the major constraints affecting youth entrepreneurs in Kenya.

Kenyan Government has initiated a number of programmes to address the access of finances to the youth such as Youth Enterprise Fund and Uwezo Fund. However much the Government has tried these initiatives, many youth have no access to financial services because of problems like, lack of collateral security, high interest rates, cumbersome application procedures, lack of business management skills and abilities, inadequate information about financial services and fear to lose their property after failing to pay back the loans among others. Ramachandar (2016) observe that when credit is not readily available to youth, they cannot venture in income generating projects hence they cannot contribute to the gross domestic product of the country.

According to the statistics from Migori County youth office (2017) indicates that there is low uptake of Youth Enterprise Development Fund (YEDF) by youth groups in the County, given that more than half of the funds for the financial year 2016/2017 were still uncollected from the banks by the beginning of 2017. Credit to youth symbolizes small loans extended for undertaking self-employed projects that would generate income and help them to provide for their families. However, youth are considered riskier by most financial institutions hence most lenders allocate a very small proportion of loans to youth. Moreover, banks are reluctant to lend to youth because of lack of adequate collateral.

Kilele, Nduruahu and Kimani (2015) study focused on the determinants of group loans uptake at the Youth Enterprise and Development Fund and established that lending procedures and policy was found to have the most significant effect on the group loan uptake. However, the study used secondary data only without corroborating the data with actual status as at the time of that research. Opiyo (2015) study examined the contribution of youth enterprise

development fund on youth empowerment and established that provision of YEDF loans led to empowerment of the youth. However, the study used a cross-sectional research design. Wohoro (2016) study looked at the challenges affecting youth access to youth enterprise fund focusing youth empowerment support Services-Kenya and revealed a positive and significant relationship between variables. However, the study used qualitative data which does not provide conclusive findings due to a small sample involved. Based on these studies, there was therefore a need to assess critical factors affecting credit uptake from Youth Enterprise and Development Fund.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of this study was to determine factors affecting credit uptake from Youth Enterprise and Development Fund in Suna East Constituency, Migori County, Kenya.

1.3.2 Specific Objectives

This study was guided by the following specific objectives:

- i). To examine the effects of credit management on credit uptake from Youth Enterprise Fund in Migori County, Kenya
- ii). To establish the effects of lending conditions on credit uptake from Youth Enterprise Fund in Migori County, Kenya
- iii). To identify the effects of entrepreneurial skills on credit uptake from Youth Enterprise Fund in Migori County, Kenya
- iv). To investigate the effects of financial literacy on credit uptake from Youth Enterprise Fund in Migori County, Kenya

1.4 Research Questions

- i). What are the effects of credit management on credit uptake from Youth Enterprise Fund in Suna East Constituency, Migori County, Kenya?
- ii). What are the effects of lending conditions on credit uptake from Youth Enterprise Fund in Suna East Constituency, Migori County, Kenya?
- iii). What are the effects of entrepreneurial skills on credit uptake from Youth Enterprise Fund in Suna East Constituency, Migori County, Kenya?
- iv). What are the effects of financial literacy on credit uptake from Youth Enterprise Fund in Suna East Constituency, Migori County, Kenya?

1.5 Significance of the Study

This study would be significant to YEDF partners in providing information for improving uptake of credit facilities to the youth in order to invest in small business ventures for addressing cases of unemployment. The Government would benefit from the study by acquiring the right information in the development and implementation of the Youth Enterprise Development Fund (YEDF) geared towards alleviating youth unemployment in Kenya through enterprise fund development and come up with policies that would enable better performance of youth's income generating activities. The findings of this study would also create awareness to policy makers on the factors that need to be looked into to ensure youth are more effective in contributing to Gross Domestic Product (GDP) of the country. Researchers would find the study useful as it will give highlights for further research and also contribute to new knowledge. The study would facilitate individual researchers to identify gaps in the current research work and carry out research in those areas.

1.6 Scope of the Study

This study was carried out in Suna East Constituency, Migori County, Kenya. The study looked at the how credit management skills, lending conditions, entrepreneurial skills and financial literacy relate to the level of credit uptake from Youth Enterprise and Development Fund. The unit of analysis for this was Suna East Constituency, Migori County, Kenya. In addition, the unit of observation was YEDF management staff from the County and youth entrepreneurs in the Constituency. Data was collected in the months of August and September 2018 using questionnaires.

1.7 Limitations of the Study

The study was limited by fear of respondents to disclose relevant information for the study. However, the researcher overcame this by assuring the respondents of strict confidentiality of any information disclosed. The study was also limited to cover the whole population due to the size of the study population. Therefore, sampling design was done to ensure that all the cases are represented. Some managers could not disclose important data on how they enforce uptake of credit among youth due to competition and confidentiality issues. However, to overcome this, the purpose of the study was explained to the respondents.

1.8 Organization of the Study

This study comprises five chapters and is structured as follows; Chapter one constitutes the background of the study, statement of the problem, objectives, significance, scope, limitations and organization of the study. Chapter two comprises of the theoretical literature review, empirical literature review, summary of literature review and research gaps and conceptual framework. Chapter three encompasses the methodology which presents the research design,

target population, sampling design, research instrument, data collection procedure, data analysis and ethical considerations. Chapter four constitutes the research findings and discussion which presents the response rate, background information, descriptive statistics, inferential statistics and analysis of qualitative data. Chapter five presents the summary, conclusion, recommendations for policy and practice, and recommendations for further study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter deals with the review of literature concerning the level of credit uptake from youth enterprise. It is divided into the following sections; theoretical review, empirical review, summary and research gaps and conceptual framework.

2.2 Theoretical Review

2.2.1 Goriths Business Refinancing Theory

The study was based on Goriths Business Refinancing theory as postulated by Goriths in the 1978, The theory postulates that credit absorption directly correlates to the rate of business investment, such that with high levels of investment, refinancing is required to fill the gap of more need for funds. The theory also holds that, whenever, business does not attain the much anticipated growth, less need for fresh capital is experienced, hence uptake of credit gets low. The theory has one major strength, that is, need for more funds is driven by the rate of business growth and this obeys the laws of trade cycles in which investment is done during periods of business recovery so that funds are not made idle in dead stocks. However, growth of a business or business recovery must be preceded by some economic activities undertaken in the business environment and this means that business operations must continue, yet some business entrepreneurs seek to wait for recovery to invest. Realities of trade cycles notwithstanding, crave for more funds for business investment generally rises with business growth and hence the justification for using the theory to support this study.

This theory was relevant to study because it shows that refinancing is essentially where the existing debt facilities are replaced with new facilities that provide more suitable arrangements

to the business. Therefore, small business owners and their advisers should review existing debt finance arrangements on a regular basis. This ensures that the finance facility and structure fits the current needs of the business.

2.2.2 Group Thinking Theory

This study was guided by Group Thinking theory by Jannis (1982). According to Jannis (1982) group thinking theory is a theory of how group dynamics can get in the way of effective decision making. The central point in the group thinking theory is group cohesion which according to Jannis (1982) sees as necessary, though not sufficient for group thinking. Other determinants are high stress from external threat and low self-esteem from recent failures or decision difficulty. Good decision making requires a systematic search for possible courses of action and a painstaking evaluation of these alternatives, in light of all relevant information that can be made available. The causes of defective decision making are among others, poor information search, selective bias in processing information, incomplete survey of alternatives and failure to develop contingency plan (Yalom, 2009).). A group is composed of individuals who have come together to achieve a common objective. The individuals must be connected in some way. The connection or associations are highlighted in the two basic tenets of constructivism. These are that the structures of human associations are determined primarily by shared ideas rather than material forces and that the identities and interest of purposive actors are constructed by these shared ideas rather than given by nature (Bion, 2002).

The theory was relevant to study because in groups, it's observed that members will align themselves with allies according to the shared values and what is in their best interest. People tend to be drawn to those who are like them. Members believe in the rightness of their cause

and therefore ignore the ethical or moral consequences of their decisions. Therefore, in this study, youth groups were viewed as adhering to the group theory and cohesion within them is due to shared values and interests.

2.3 Empirical Review

2.3.1 Credit Management and Credit Uptake

Mmbaka (2016) study focused on the influence of credit management on credit uptake among construction retail small and medium enterprises in Kenya: a case of Kajiado North Sub-County. The population of the study consisted of 800 licensed hardware shops in Kajiado North sub County. Proportionate stratified random sampling was employed. Information was collected by use of a questionnaire. Data was tabulated quantitatively in form of charts, tables and percentages and analyzed using SPSS version 22 and Ms. Excel. It was notable that there existed a strong positive relationship between the independent variables and dependent variable.

Ng'ele (2016) study examined the effect of credit management on uptake of credit facilities in commercial banks in Kenya. This study employed descriptive statistics and a multiple regression model was used. Secondary data was gathered by a review of existing materials on the topic under study and the Kenyan banks. The study findings established interest rates, level of deposits and inflation are significant in the uptake of credit facilities. Interest rates have a significant impact on borrowers' uptake.

Gatuhu (2013) study focused on how credit management affects the financial performance of microfinance institutions in Kenya. The population of study consisted of 59 MFIs in Kenya that are members of Micro Financial Institutions (MFI). A census study was used to carry out

the research. Primary data was collected using questionnaires. The study established that there was strong relationship between financial performance of MFIs and client appraisal, credit risk control and collection policy. The study established that client appraisal, credit risk control and collection policy significantly influence financial performance of MFIs in Kenya.

Musha (2014) carried out a study on credit management and its influence on the Uptake of Credit by Kenyan Youth in Nairobi County. The study reviewed literature on the factors influencing uptake of credit. Data was analyzed by use of quantitative methods, which included the uses of descriptive statistics. The regression results of the study revealed that, holding other variables constant, the credit terms, the business and entrepreneurial skills and the awareness of the youths.

2.3.2 Lending Conditions and Credit Uptake

Njiriri and Wanyoike (2014) carried out a study on lending conditions on credit uptake among youth: A Survey of Commercial Banks in Nakuru Town. The study population consisted of bank staff within Nakuru Town and utilized stratified random sampling method. The descriptive research design was employed in the study. The study established that personal financial commitments such as short-term financial commitments, salary over commitments, taking care of siblings, young family commitments, and reservations towards long-term financial commitment influenced the ability to take up mortgage facilities.

In a study carried out by MaryStella and Kithae (2015) examined the effects of lending conditions on accessibility of funds for youth entrepreneurs in Matungu Constituency, Kakamega County, Kenya. The study employed a descriptive survey design and stratified sampling design to select a sample size of 66 respondents from registered youth groups in

Matungu Constituency. The study adopted questionnaires as instruments of data collection. The study recommended that YEDF develop a financial literacy program and educate the youth on services and products, loan requirements and makes the products readily available.

Kilele, Nduruahu and Kimani (2015) in their study focused on what determines Group Loans in the uptake at the Youth Enterprise Development Fund. The accessible population was drawn from the registered youth groups in Nakuru West Constituency which were 520 in number. Primary data was collected by use of structured questionnaires. Data was analyzed using both descriptive statistics and inferential statistics. SPSS was used to process and analyze the data. According to the findings, lending procedures and policy was found to have the most significant effect on the group loan uptake while financial literacy training had the least effect on loan uptake.

Koros (2015) in his study focused on the determinants of Uptake of Youth Enterprise Development Fund by the Youths in Bomet County. The study targeted all the registered youth groups in Bomet County. Primary data was collected using questionnaire administered to the officials of youth groups. The concluded that Lending conditions were realized to be more in favour of the lending intermediaries than the borrowing youths, as these loans attracted interests, given against a pool of valuable assets as security, offered to registered groups with some history of operations, as well as a consideration of the credit repayment history for establishment of credit worth of an entrepreneur, hence low intake of YEDF.

2.3.3 Entrepreneurial Skills and Credit Uptake

Ngige and Sakwa (2015) study examined the relationship between entrepreneurial skills and credit uptake among the youth: A Survey of Commercial Banks in Nakuru Town. The study

adopted descriptive research design. The population of the study consisted of 437 young entrepreneurs in Nairobi. Stratified was used to determine the sample size of 251 entrepreneurs from the total population. Data was collected using structured questionnaires. The study revealed that there exists a positive relationship between interest rates and young entrepreneurs credit accessibility.

Niewoudt (2016) study examined the influence of entrepreneurial characteristics and financial performance. The entrepreneurial competencies scores indicated that all the farmers displayed entrepreneurial competencies. In determining the relationship between the operating efficiency and all of the entrepreneurial competencies as a combined index there was a positive significant relationship, for a single entrepreneurial competencies index.

Kisunza and Theuri (2014) study looked the determinants of effective utilization of youth enterprise development fund in Kisauni constituency, Mombasa County in Kenya. The study adopted a cross-sectional research design and employed both stratified random sampling and simple random sampling to select the sample from which data was collected out of the 96 active youth groups funded through Youth Enterprise Development Fund in Kisauni constituency. The study found out that despite the fact that YEDF could be a preferred source of funding among the youths, accessing it remained a great challenge. Most youth have not been properly informed on how this fund can be accessed.

Kimando, Njogu and Kihoro (2012) study looked at factors affecting the success of youth enterprise development funded projects in Kigumo District Muranga County. The study indicated that most of those who succeed in entrepreneurship are either trained on the kind of

businesses they venture into or continue business training as they progress. Therefore, for the YEDF to succeed, both short and long term measures must be embraced. From the findings, the study concludes that skills in entrepreneurship, business planning and financial management must elaborately be imparted before any funds are disbursed by the board.

Kung'u (2011) did a study on factors influencing SMEs access to finance: A case study of Westland Division, Kenya and concluded that SMEs have a difficulty in accessing funds due to their financial characteristics. These include lack of proper book keeping system, lack of asset tangibility and lack of standard measures of performance. The study recommended that Public policy should improve awareness among entrepreneurs of the range of financing options available from official programmes, MFIs, private investors, and banks. Lack of proper knowledge of the available financial services has locked many entrepreneurs from advancing.

2.3.4 Financial Literacy and Credit Uptake

Lubanga (2016) carried out a study on the relationship between financial literacy and access to credit among youth in rural areas: A Case of Kimilili Constituency. The study had a target population of 41,181 youth in Kimilili Constituency out of which a sample of 384 was selected. Primary data was used for data collection through use of questionnaires matching the research objective and analyzed through regression model. The study found an affirmative connection between financial literacy and credit accessibility.

A study carried out by Mwithiga (2016) examined the influence of Financial Literacy and Enterprise Performance among Owner-Managed ICT SMEs in Nairobi County. The research

methodology adopted for this research project was quantitative design. Out of a target population of 420 registered ICT firms in Nairobi a representative sample of 201 owner-managed ICT SMEs was selected through simple random sampling. Analysis of data showed evidence of a relationship between financial literacy and the age of ICT SME owner-managers ($p < 0.001$), where older managers demonstrated better financial decision-making abilities through higher scores.

Otieno (2016) study examined the influence of financial literacy on financial performance of small and medium enterprises in Ruiru town, Kenya. A descriptive survey design was adopted in conducting the study. The study population entailed the registered SMEs in Ruiru Sub County and who have undergone some financial literacy training by Equity bank through a programme known as financial knowledge for Africa (FiKA). A sample of 100 respondents was selected out of the total population of 334 respondents. The study used stratified sampling to get the sample of respondents. The results of the multiple regressions revealed that there is a significant strong positive relationship between financial literacy and financial performance of SMEs. From the results, the study concluded that high levels of financial literacy among SME owners led to higher financial performance of SMEs.

Lusimbo (2016) study looked at the relationship between financial literacy and the growth of micro and small enterprises in Kakamega Central sub-county. The study targeted 1300 MSEs registered under the single business permit in Kakamega Central Sub County as of 2015 and adopted descriptive cross sectional survey design. Stratified proportionate sampling technique was used to select respondents. Results indicated that most MSE owners have low level of budgeting and Book keeping literacy since they do not engage in formal financial planning,

budgeting and control and do not keep proper books of account as well as preparation of financial statements which increases their information opacity and may constraint their access to finance.

Bengi and Njenje (2016) study assessed the influence of financial factors on the growth of microfinance institutions in Bahati Sub-County, Kenya. The study adopted descriptive research design. The study targeted all the 117 employees working with the 20 MFIs in Bahati Sub-county. It was established that most of employees working with MFIs had been trained on matters of finances. It was noted that MFIs generally charge higher interest rates than commercial banks. The study findings indicated that there exists a strong, positive and statistically significant relationship between financial literacy and growth of MFIs; whereas relationship between interest rates and growth of MFIs was not statistically significant.

2.4 Summary of Literature Reviewed and Research Gaps

Table 2.1: Summary of Literature Reviewed and Research Gaps

Author/s	Research Topic	Research Findings	Research gaps	Focus of the current study
Mmbaka (2016)	credit management on credit uptake	there existed a strong positive relationship between the independent variables and dependent variable	Non probabilistic method (Convenience sampling method)	Probabilistic sampling (Stratified sampling method)
Ng'ele (2016)	credit management on uptake of credit facilities	Interest rates have a significant impact on borrowers uptake	Qualitative study	Quantitative study
Njiriri and	lending	personal	Cross-	Descriptive

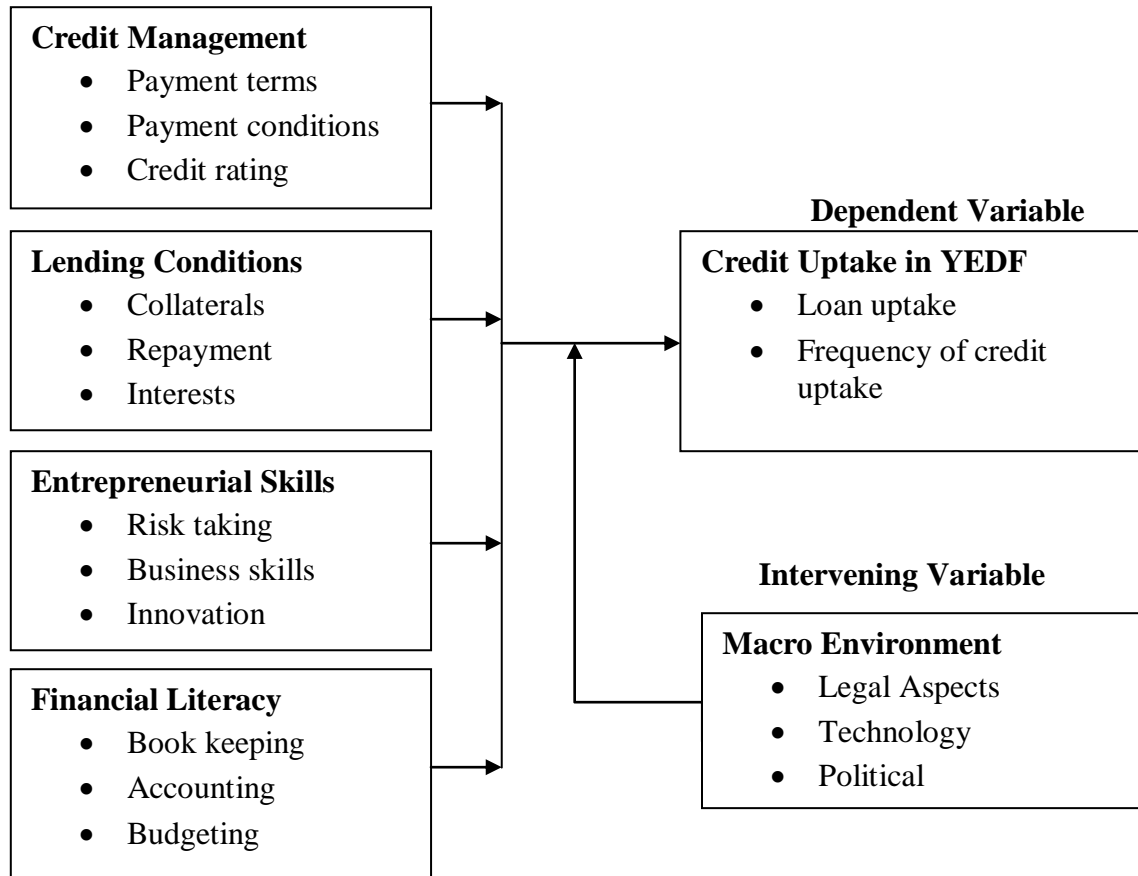
Author/s	Research Topic	Research Findings	Research gaps	Focus of the current study
Wanyoike (2014)	conditions on credit uptake among youth	financial commitments such as short-term financial commitments, salary over commitments	sectional research design	Survey Research Design
MaryStella and Kithae (2015)	lending conditions on accessibility of funds for youth entrepreneurs	YEDF develop a financial literacy program and educate the youth on services and products	Exploratory research design which disallow making inferences	Explanatory and descriptive research design that supports making inferences
Ngige and Sakwa (2015)	entrepreneurial skills and credit uptake among the youth	exists a positive relationship between interest rates and young entrepreneurs credit accessibility.	Purposive sampling design that yields a sample that is not representative	Stratified proportionate sampling that draws a representative sample
Kisunza and Theuri (2014)	determinants of effective utilization of youth enterprise development fund	Most youth have not been properly informed on how this fund can be accessed	Cross-sectional research design	Descriptive Survey Research Design
Lubanga (2016)	financial literacy and access to credit among youth in rural areas	An affirmative connection between financial literacy and credit accessibility.	Cluster sampling method	Stratified sampling method
Lusimbo (2016)	Financial literacy and the growth of micro and	Most MSE owners have low level of budgeting and	Growth of SMEs	Level of credit uptake by the youth

Author/s	Research Topic	Research Findings	Research gaps	Focus of the current study
	small enterprises	Book keeping literacy since they do not engage in formal financial planning,		

Source: Researcher (2018) and Literature Reviewed

2.5 Conceptual Framework

Independent Variables



Source: Research Data (2018)

Figure 2.1: Conceptual Framework

Figure 2.1 shows that relationship between independent variables and dependent variable. The independent variables are credit management, lending conditions, entrepreneurial skills and financial literacy and the dependent variable is the level of credit uptake in YEDF.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter comprises of the research design, target population, sampling design and sample size, data collection instruments, pilot study, data collection procedures, data analysis and presentation and ethical considerations.

3.2 Research Design

The study utilized of descriptive survey research design. As observed by Edelson (2012) descriptive survey research designs are used in introduction and examining studies that enable the study to obtain data from the field, organize, present and analyze the data for explanation. On the other hand, Mugenda and Mugenda (2003) present the aim of descriptive survey research design as obtaining data and analyzing according to the observation made from the field without any alterations. This therefore, enabled the researcher collect information from field and analyze it according to the respondents' view so as to give a clear picture of the study objectives.

3.3 Target Population

Fowler (2013) refers target population as the total number of the potential unit that is too large to study directly, hence is fundamental to sample selection upon which the study results infer. This study targeted youth entrepreneurs registered by Suna East Constituency engaged in different business enterprises. According to the District Youth Office report in Migori District, department of business licensing, there were a total of 892 youth entrepreneurs from four (4) wards namely God Jope, Suna Central, Kakrao and Kwa who are currently licensed to operate

business ventures in the constituency by the end of December, 2017. The unit of observation was managers or leaders of youth entrepreneurs or groups. The distribution of target population is shown in Table 3.1.

Table 3.1: Target Population

Strata	Population	Percentage
God Jope	201	22.5
Suna Central	241	27.0
Kakrao	211	23.7
Kwa	239	26.8
Total	892	100

Source: Suna East Constituency Report of 2017

3.4 Sampling Design and Sample Size

The study used proportionate stratified sampling method to select the sample from different strata in the target population so as to ensure that all cases are well represented. Simple random sampling method was used to select the sampled respondents as it is the easiest way when assembling a sample and also each case is given equal chance of being selected from a given target population. Taro Yamane's formula was used to determine the sample size. According to Hussey and Hussey (1997) a sampling error of less than 10% and confidence levels of more than 90% is acceptable, the study therefore adopted a sampling error of 10% to determine the minimum sample size that was used for the purposes of this study.

The formula for determining sample size is shown below:

$$n = \frac{N}{1 + N(e)^2}$$

Where: n=sample size

N=population size

e= level of precision/sampling error at .01

$$n = \frac{892}{1+892(0.01)^2} = 100$$

$$100/892 = 0.112 = 11.2\%$$

Therefore, the sample size comprised of 100 youth entrepreneurs which make up a sampling factor of 0.112 (11.2%) of the target population. This is in line with Mugenda and Mugenda (2003) observation that a 30% sample size of the target population is representative.

Table 3.2: Sample Size

Strata	Population	Sampling Factor	Sample Size	Percentage
God Jope	201	0.112	22	22
Suna Central	241	0.112	27	27
Kakrao	211	0.112	24	24
Kwa	239	0.112	27	27
Total	892	0.112	100	100

Source: Researcher (2018)

3.5 Data Collection Instruments

Creswell and Clark (2007) argue that in order to ensure that data obtained address the study objectives, the data collection instruments must be selected appropriately to avoid collecting irrelevant information. Questionnaires were used to obtain data from the field. This was possible because the sampled respondents are considered to understand that study questions which minimizes interpretations of the questions thus making it cheaper and faster to collect

data. The questionnaires were divided into different sections covering the objectives of the study. Likert scale was used to allow the respondents to express their level of agreement to listed questions pertaining to each study objective. Questionnaires were administered to all the respondents.

3.5.1 Validity of the Instruments

According to Orodho (2005) validity entails the extent to which instruments used to collect data will be meant to measure what the researcher wants to measure from the study objectives. In this case, to ensure that the instruments are valid three validity tests were tested. First, content validity was done to ensure that the research instruments are clear and expressed in simple language. Construct validity was ensured by ensuring that the study is tied within the specific objectives and criterion validity ensure that all the questions address the specific objectives of the study in a systematic manner.

3.5.2 Reliability of the Instruments

Reliability was assessed with the use of Cronbach's alpha coefficient. The coefficient was used to estimate the proportion of variance that is systematic or consistent in a set of test scores. A pilot study was carried out to 10 youth entrepreneurs who were not included in the final study. The analysis was conducted for all statements structured on a Likert point scale using Cronbach alpha score test. This method was preferred over split half technique because it is easier to calculate. The alpha value ranges between 0 and 1 with reliability increasing with the increase in value. Cronbach alpha of at least 0.7 is a commonly recommended threshold of a research instrument for good reliability (Orodho, 2005). The author also notes that a correlation co-efficient of about 0.7 is high enough to judge the instruments as reliable for the

study. Therefore, Cronbach alpha index of at least 0.7 was adopted for decision on reliability in this study. The results of reliability are shown in Table 3.2.

Table 3.3: Reliability Tests

Research Variable	Cronbach's Alpha Index (α)	Number of Items	Comment
Credit management	0.802	6	Reliable
Lending conditions	0.765	5	Reliable
Entrepreneurial skills	0.863	6	Reliable
Financial literacy	0.696	5	Reliable
Credit uptake	0.799	3	Reliable
Aggregate	0.773	25	Reliable

Source: Pilot Data (2018)

The results in Table 3.3 showed that the indicators of entrepreneurial skills had the highest reliability ($\alpha= 0.863$), followed by credit management ($\alpha=0.802$), credit uptake ($\alpha=0.799$), lending conditions ($\alpha=0.765$) and financial literacy ($\alpha=0.696$). According to Orodho (2005) a Cronbach alpha of at least 0.7 is a commonly recommended threshold of a research instrument for good reliability. Therefore, an aggregate score of 0.773 indicated that the instruments were reliable.

3.6 Data Collection Procedure

According to Kothari (2004) data collection procedures comprises of the steps and actions necessary for conducting the research effectively and the desired sequencing of these steps. The researcher embarked on the process of collecting data from the field upon preparation of a research proposal which was assessed, corrections effected and research permit obtained from

National Council of Science, Technology and Innovation (NACOSTI). The permit was used for introduction to relevant authorities. The process of collecting data with use of questionnaires involved 5 well trained and motivated research assistants closely supervised by the researcher.

3.7 Data Analysis and Presentation

The data obtained from the questionnaires was first edited and coded to present a meaning finding. Quantitative data was analyzed using descriptive statistics which include mean, standard deviations, frequencies and percentages and presented in terms of tables, graphs and charts. This was made possible by using Statistical Package for Social Sciences (SPSS) version 20.0. In order to test the relationship between variables and the extent to which they are influence each other correlation analysis and inferential statistics was used which involves multiple regression analysis.

3.7.1 Empirical Model

Multiple regression analysis was used to determine whether a combined group of independent variables predicts a given dependent variable (Cooper & Schindler, 2011). The regression equation was: $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$

The regression equation was: $Y = \beta_{0i} + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$

Whereby Y = Level of Uptake of Credit in YEDF

X_1 = Credit Management

X_2 = Lending Conditions

X_3 = Entrepreneurial Skills

X_4 = Financial Literacy

$\beta_{0i}, \beta_1, \beta_2, \beta_3$ and β_4 are coefficients of determination and

ε = Error term

3.8 Ethical Consideration

The research often involves a great deal of cooperation and coordination among many different people in different disciplines and institutions, ethical standards promote the values that are essential to collaborative work, such as trust, accountability, mutual respect and fairness. In this regard, during the process of data collection, respondents' identities were concealed and any information obtained was handled with utmost confidence. No harm of any nature was meted out on any respondent, aspects of privacy were observed and any cruelty avoided.

CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter is a detailed presentation of the results of the study. Data was collected from the 100 youth entrepreneurs. Quantitative data was analyzed using descriptive statistics such as percentages, mean and standard deviation and presented in tables, charts, graphs and figures by the use of Statistical Package for Social Sciences (SPSS) version 17.0.

4.2 Response Rate

Sample size was 100 respondents drawn from God Jope, Suna Central, Kakrao and Kwa wards. The findings of response rate are presented in Table 4.1.

Table 4.1: Response Rate

Strata	Administered	Responded	Percentage
God Jope	22	19	86.4
Suna Central	27	23	85.2
Kakrao	24	16	66.7
Kwa	27	20	74.1
Total	100	78	78.0%

Source: Survey Data (2018)

The results in Table 4.1 show that majority (86.4%) of the respondents who had the highest response rate came from God Jope ward, followed by 85.2% from Suna Central ward, 74.1% from Kwa and 66.7% from Kakrao. The overall response rate was 78.0%. According to Bell

(2005), a response rate of 60% is adequate to permit data analysis. Therefore, a response rate of 78.0% was considered appropriate for the study.

4.3 Descriptive Statistics

Descriptive statistics were used to present that quantitative data with the use of Statistical Package for Social Sciences (SPSS) version 17.0. This section covers credit management, lending conditions, entrepreneurial skills and financial literacy. Responses were rated as Strongly Agree (SA) = 5, Agree (A) =4, Neutral (N) = 3, Disagree (D) =2, and strongly Disagree (SD) = 1 while M= Mean and Std.Dev = Standard Deviation. These were presented as per the study objectives as follows.

4.3.1 Credit Management and Credit Uptake

The first research objective sought to examine the effects of credit management on credit uptake from Youth Enterprise Fund. The findings are shown in Table 4.2.

Table 4.2: Credit Management and Credit Uptake

Statement	SA	A	N	D	SD	M	
	%	%	%	%	%		
Credit Management function incorporates all of a company's activities aimed at ensuring that customers pay their invoices within the defined payment terms and conditions	46.7	24.6	7.4	12.3	9.0	3.88	
Effective Credit Management serves to prevent late payment or non-payment.	27.9	57.4	6.6	3.3	4.9	4.00	0.962
The repayment period affects the loan amount the group wants to take	37.7	53.3	4.1	3.3	1.6	4.22	0.808
Failure to assess customers' capacity to repay results in loan defaults	33.6	50.8	12.3	3.3	0.0	4.15	0.757
Client appraisal considers the character of the customers seeking credit facilities	44.3	44.3	0.0	3.3	8.2	4.13	1.142

The grace period affects the interest period of loan amount uptake	37.7	49.2	9.0	4.1	0.0	4.20	0.771
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Source: Survey Data (2018)

From the results in Table 4.2, the mean of 4.22 indicated that the repayment period affects the loan amount the group wants to take to a greater extent with a significance variance of 0.808. This statement was agreed by majority (53.3%) of the respondents, 37.7% strongly agreed, 4.1% neutral, 3.3% disagreed and 1.6% strongly disagreed. These findings are in line with the findings of Fredrick (2017) did a study that on the impact of credit risk management on financial performance of commercial banks in Kenya and established that credit management techniques had a significant effect on the performance of the commercial Banks.

The mean of 4.20 indicated that the grace period affects the interest period of loan amount uptake with a standard deviation of 0.771. This was agreed by majority (49.2%) of the respondents, 37.7% strongly disagreed, 9.0% neutral and 4.1% disagreed. This assertion is in accordance with Uwuigbe *et al.* (2017) study which revealed that while ratio of non-performing loans and bad debt do have a significant negative effect on the performance of banks in Nigeria, on the other hand, the relationship between secured and unsecured loan ratio and bank's performance was not significant.

The mean of 3.88 indicated that credit management function incorporates all of a company's activities aimed at ensuring that customers pay their invoices within the defined payment terms and conditions with a significance variance of 1.358. 46.7% of the respondents strongly agreed on this statement, 24.6% agreed, 12.3% disagreed, 9.0% strongly disagreed and 7.4% remained neutral. These findings contradict the findings of Kagoyire and Shukla (2016) who

observe that there was strong relationship between financial performance of Equity bank and client appraisal, credit risk control and collection policy.

4.3.2 Lending Conditions and Credit Uptake

The second research objective sought to establish the effects of lending conditions on credit uptake from Youth Enterprise Fund. The findings are shown in Table 4.3.

Table 4.3: Lending Conditions and Credit Uptake

Statement	SA	A	N	D	SD	M	Std.Dev
	%	%	%	%	%		
Bureaucratic lending procedures has been postulated as a major constrain to access to credit by the youth	51.6	41.0	4.9	2.5	0.0	4.42	0.702
Collaterals in lending contracts are based on moral hazard and adverse selection that leads to credit rationing	44.3	33.6	8.2	5.7	8.2	4.00	1.226
Lending requirements by YEDF are harsh and lock out the youth from accessing credit	41.8	28.7	11.5	7.4	10.7	3.84	1.332
Interest rates for different loan facilities affects credit uptake by the youth	60.7	19.7	4.1	15.6	0.0	4.25	1.103
Interest rates volatility affects the credit uptake by the youth	54.1	18.9	0.0	19.7	7.4	3.93	1.415

Source: Survey Data (2018)

From the results in Table 4.3, the mean of 4.42 indicated that Bureaucratic lending procedures has been postulated as a major constrain to access to credit by the youth with a significance variance of 0.702. Majority (51.6%) of the respondents strongly agreed on this statement, 41.0% agreed, 4.9% neutral and 2.5% disagreed. These findings concur with the findings of

Maina (2017) who did survey of selected banks on the effect of Lending Practices on Financial Performance of Commercial Banks in Kenya and established that higher interest rates result in slowdown in borrowing but consequently result in positive financial performance in terms of revenues for commercial banks.

The mean of 4.25 indicated that lending requirements by YEDF are harsh and lock out the youth from accessing credit with a significance variance of 1.103. Majority (60.7%) of the respondents strongly agreed on this statement, 19.7% agreed, 15.6% disagreed and 4.1% neutral. These findings agree with findings of Dorcas and Jagongo (2017) study which investigated the influence of credit policy and financial performance of commercial banks in Kenya and found that most commercial banks rely to a large extent on the borrower's credit history in awarding loan amounts.

The mean of 3.84 indicated that lending requirements by YEDF are harsh and lock out the youth from accessing credit with a significance variance of 1.332. Majority (41.8%) of the respondents strongly agreed with this statement, 28.7% agreed, 11.5% neutral, 10.7% strongly disagreed and 7.4% disagreed. These findings contradict the findings of Ong'era (2016) study which examined how loan lending policies affects financial performance of Commercial Banks Kisii Town and found a positive relationship between commercial banks' financial performance and loan lending policies.

4.3.3 Entrepreneurial Skills and Credit Uptake

The third research objective sought to identify the effects of entrepreneurial skills on credit uptake from Youth Enterprise Fund. The findings are shown in Table 4.4.

Table 4.4: Entrepreneurial Skills and Credit Uptake

Statement	SA	A	N	D	SD	M
	%	%	%	%	%	
Entrepreneurial skills foster creativity, innovation and self-employment among the youth thus demand for credit uptake 1.352	68.0	16.4	0.0	4.1	11.5	4.25
Entrepreneurial skills enable the youth to gain skills necessary to produce the business's product or service thus demand for credit uptake 0.543	59.8	39.3	0.0	0.8	0.0	4.58
Entrepreneurial skills involve recognizing economic opportunities and acting effectively on them thus demand for credit uptake 1.196	54.9	32.0	3.3	0.0	9.8	4.22
Entrepreneurial skills enable the youth to acquire competence to organize the necessary resources to respond to the opportunity thus demand for credit uptake 0.670	58.2	40.2	0.0	0.0	1.6	4.53
Entrepreneurial skills enable the youth to have the ability to identify and exploit a business opportunity thus demands for credit uptake 1.012	64.8	24.6	4.1	1.6	4.9	4.43

Source: Survey Data (2018)

From the results in Table 4.4, the mean of 4.58 indicated that entrepreneurial skills enable the youth to gain skills necessary to produce the business's product or service thus demand for credit uptake to a very great extent with a significance variance of 0.543. This was strongly agreed by majority (59.8%) of the respondents, 39.3% agreed and only 0.8% disagreed. These findings are in accordance with the findings of Barazandeh *et al.* (2017) study which investigated the effect of entrepreneurial competencies on business performance and

established that there is a positive effect between entrepreneurial social norms on entrepreneurs' competencies which conforms the mediating role of entrepreneurial competencies.

The mean of 4.53 indicated that Entrepreneurial skills enable the youth to acquire competence to organize the necessary resources to respond to the opportunity thus demand for credit uptake. This varied significantly as indicated by a standard deviation of 0.670. Majority (58.2%) of the respondents strongly agreed, 40.2% agreed and only 1.6% strongly disagreed. These findings are in line with the findings of Niewoudt (2016) study which examined the influence of entrepreneurial characteristics and financial performance and found that the entrepreneurial competencies scores indicated that all the farmers displayed entrepreneurial competencies.

4.3.4 Financial Literacy and Credit Uptake

The fourth research objective sought to investigate the effects of financial literacy on credit uptake from Youth Enterprise Fund. The findings are shown in Table 4.5.

Table 4.5: Financial Literacy and Credit Uptake

Statement	SA	A	N	D	SD	M
	%	%	%	%	%	
Financial helps in gaining knowledge, skills and confidence to manage one's finances well Std.Dev	58.2	17.2	0.0	6.6	18.0	3.91 1.575
Debt management skills enable the youth to access various sources of finance for their business Std.Dev	41.0	37.7	0.0	3.3	18.0	3.80 1.464
Financial literacy enables the youth to gain adequate knowledge on how to maintain and						

balance ledger accounts 1.407	55.7	25.4	0.0	5.7	13.1	4.05
Knowledge in budgeting and planning helps in identifying financial objectives of what the youth want to achieve in a term for their business 1.289	62.3	22.1	0.0	6.6	9.0	4.22
Financial literacy enables the youth to check for the terms and conditions of any loan they wish to take and ensure that they understand the consequences of default 1.223	63.9	22.1	6.6	0.0	7.4	4.29

Source: Survey Data (2018)

From the results in Table 4.5, the mean of 4.29 indicate that the Financial literacy enable the youth to check for the terms and conditions of any loan they wish to take and ensure that they understand the consequences of default with a significance variance of 1.223. Majority (63.9%) strongly agreed with the statement, 22.1% agreed, 7.4% strongly disagreed and 6.6% disagreed. These findings are in line with the findings of Mwithiga (2016) which examined the influence of Financial Literacy and Enterprise Performance among Owner-Managed ICT SMEs in Nairobi County and found evidence of a relationship between financial literacy and the age of ICT SME owner-managers.

The mean of 4.22 indicate that Knowledge in budgeting and planning helps in identifying financial objectives of what the youth want to achieve in a term for their business with a significance variance of 1.289. Majority (62.3%) of the respondents strongly agreed with the statement, 22.1% agreed, 9.0% strongly agreed and 6.6% disagreed. These statements agree with the findings of Otieno (2016) study which examined the influence of financial literacy on financial performance of small and medium enterprises in Ruiru town, Kenya and established that there is a significant strong positive relationship between financial literacy and financial performance of SMEs.

The mean of 3.80 indicated that debt management skills enable the youth to access various sources of finance for their business with a significance variance of 1.464. Majority (41.0%) of the respondents strongly agreed with the statement, 37.7% agreed, 18.0% strongly disagreed and 3.3% disagreed. According to Lusimbo (2016) most MSE owners have low level of budgeting and Book keeping literacy since they do not engage in formal financial planning, budgeting and control and do not keep proper books of account as well as preparation of financial statements which increases their information opacity and may constraint their access to finance.

4.3.5 Level of Credit Uptake in YEDF

The study sought to determine the level of credit uptake in YEDF. The findings are shown in Table 4.6.

Table 4.6: Level of Credit Uptake in YEDF

Statement	SA	A	N	D	SD	M
	%	%	%	%	%	
Std.Dev						
There has been increase in Loan uptake by the youth for the last five years 1.122	66.7	15.4	1.3	16.7	0.0	4.32
Number of Youth SMEs have increased due to access of loans from YEDF 1.391	56.4	17.9	0.0	19.2	6.4	3.99
Profitability of youth SMEs has increased for the last five years 1.132	37.2	41.0	1.3	19.2	1.3	3.94

Source: Survey Data (2018)

From the results in Table 4.6 the mean of 4.32 indicates majority of the respondents strongly agreed that there has been increase in loan uptake by the youth for the last five years with a

significance variance of 1.122. This is in line with Nissanke (2015) who observe that there is a positive correlation between the credit risks ascertained to different age groups and the amount of funds allocated for credit. Uptake of credit by youth is influenced by several factors including the fact that youth do not have collateral and have less business expertise and hence they cannot access credit.

The mean of 3.99 indicated that majority of the respondents agreed that number of Youth SMEs have increased due to access of loans from YEDF with a significance variance of 1.391. These findings agree with Wanjohi (2011) who points out that that lack of access to credit is almost universally indicated as a key problem for youth enterprises. This affects technology choices by limiting the number of alternatives that can be considered. The mean of 3.94 indicated that the respondents agreed that profitability of youth SMEs has increased for the last five years which varied significantly as shown by standard deviation of 1.132. This in accordance with Salia (2011) who observe that uptake of credit is important in increasing income activities, creates employment opportunities and also leads to better living standards of people.

4.4 Inferential Statistics

4.4.1 Correlation Analysis

Correlation analysis was done to show how strongly two variables are related to each other or the degree of association between the two. The findings are presented in Table 4.7.

Table 4.7: Correlation Analysis

		Credit Management	Lending Conditions	Entrepreneurial Skills	Financial Literacy
Credit Management	Pearson Correlation	1	.852**	.102	.073
	Sig. (2-tailed)		.000	.137	.288
	N	212	212	212	212
Lending Conditions	Pearson Correlation	.852**	1	.788**	-.161*
	Sig. (2-tailed)	.000		.006	.019
	N	212	212	212	212
Entrepreneurial Skills	Pearson Correlation	.102	.788**	1	.823
	Sig. (2-tailed)	.137	.006		.001
	N	212	212	212	212
Financial Literacy	Pearson Correlation	.073	-.161*	.823	1
	Sig. (2-tailed)	.288	.019	.001	
	N	212	212	212	212
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Source: Survey Data (2018)

The Pearson's r for the correlation between credit management and lending conditions variables is 0.852 which is close to 1 with a significant value of 0.00 which is less than 0.05. This shows a strong relationship, meaning that changes in one variable are strongly correlated with changes in the second variable. Nissanke (2015) observed that there is a positive correlation between the credit risks ascertained to different age groups and the amount of funds allocated for credit.

The study established that entrepreneurial skills is strongly related to financial literacy ($r = 0.823, p < 0.05$) in which it can be concluded that there is a statistically significant correlation

between the two variables. That means, increases or decreases in one variable do significantly relate to increases or decreases in the second variable. According to Mfinanga (2012) entrepreneurial skills are important in running any business. In recent years, organizations have been buffeted by massive need for reaching social, technological and economic changes.

The study also revealed a negative correlation between financial literacy and lending conditions ($r = -0.161, p < 0.05$). This means that changes in one variable are not correlated with changes in the second variable. It can be concluded that increase in financial literacy leads to decrease in lending conditions and vice versa. Mwithiga (2016) study found evidence of a relationship between financial literacy and the age of ICT SME owner-managers.

4.4.2 Regression Analysis

Regression analysis was used to model, examine, and explore the relationships between the independent variables (credit management, lending conditions, entrepreneurial skills and financial literacy) and the dependent variable (level of credit uptake in YEDF) used for the study, this was important in measuring the extent to which changes in one or more variables jointly affected changes in another variable.

Table 4.8: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.887 ^a	.787	.781	.675	.020	.600	4	78	.000 ^a

a. Predictors: (Constant), credit management, lending conditions, entrepreneurial skills and financial literacy

Source: Survey Data (2018)

The results indicate a simple correlation of 0.887^a in the R column. This implies that there is a significant correlation between the credit management, lending conditions, entrepreneurial skills and financial literacy and credit uptake. R-square of 0.787, indicates that 78.7% of the variation in credit uptake can be explained by the critical factor parameters and explain 78.7% of the variability of credit uptake though their correlation is quite significant at $p < 0.05$. This shows that credit management, lending conditions, entrepreneurial skills and financial literacy are one of the elements of the critical factors that has impact on credit uptake among the youth. Bengi and Njenje (2016) study findings indicated that there exists a strong, positive and statistically significant relationship between financial literacy, credit management, lending conditions, entrepreneurial skills and credit uptake.

Analysis of Variance (ANOVA) was used to determine the linear relationship among the variables under investigation. Using this method, the sum of squares, degrees of freedom (df), mean square, value of F(calculated) and its significance level was obtained. The results are shown in Table 4.9.

Table 4.10: ANOVA

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.092	4	2.273	11.600	.000 ^a
	Residual	53.277	117	1.455		
	Total	54.369	121			

a. Predictors: (Constant), credit management, lending conditions, entrepreneurial skills, financial literacy

b. Dependent Variable: Level of Credit Uptake in YEDF

Source: Survey Data (2018)

The significance value is 0.000^a which is less than 0.05 thus the model is statistically significant in predicting how various factors affect level of credit uptake in YEDF. The F critical at 5% level of significance was 3.728. Since F calculated is greater than the F critical (value = 11.600), this shows that the overall model was significant. The relationship ($p < 0.05$) indicated a linear relationship among the variables under the study meaning there was 95% chance that the relationship among the variables was not due to chance.

Table 4.11: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.357	.651		7.308	.000	3.468	6.047
	Credit Management	.807	.052	4.012	1.134	.004	.110	.096
	Lending Conditions	.629	.049	3.058	4.592	.001	.125	.067
	Entrepreneurial Skills	.750	.121	2.040	2.412	.001	.190	.290
	Financial Literacy	.572	.053	4.128	3.352	.000	.177	.033

a. Dependent Variable: Level of Credit Uptake in YEDF

Source: Survey Data (2018)

As shown on Table 4.11, credit management, lending conditions, entrepreneurial skills and financial literacy had a positive and significant effect on level of credit uptake in YEDF in Kenya as indicated by their t-values. The relationships ($p < 0.05$) are all significant with process management ($t=1.134$, $p < 0.05$), lending conditions ($t=4.592$, $p < 0.05$), entrepreneurial skills ($t = 2.412$, $p < 0.05$) and financial literacy ($t = 3.352$, $p < 0.05$).

Based on the analysis, the regression equation for the independent variable on the dependent variable resulted to the following; $Y = 0.357 + 0.807X_1 + 0.629X_2 + 0.750X_3 + 0.572X_4$.

Where Y = Level of Credit Uptake in YEDF

X_1 = Process Management

X_2 = Lending Conditions

X_3 = Entrepreneurial Skills

X_4 = Financial Literacy

From the findings it can be concluded that holding the independent variables (credit management, lending conditions, entrepreneurial skills, financial literacy) into the value of the level of credit uptake in YEDF would be 0.357(35.7%). Credit management was found to be the most (80.7%) significant among the four variables followed by entrepreneurial skills (75.0%), lending conditions (62.9%) and financial literacy (57.2%).

Sao-Paulo, Brazil, Nehman (2013) observed that borrowing costs strongly affect the willingness of youth to take loans from formal lenders. On the other hand, Stiglitz and Weiss (2014) argue that high interest rates on loans encourage adverse selection of loan seekers. Wanjohi (2011) points out that that lack of access to credit is almost universally indicated as a key problem for youth enterprises. This affects technology choices by limiting the number of alternatives that can be considered. According to Mfinanga (2012) entrepreneurial skills are important in running any business. In recent years, organizations have been buffeted by massive need for reaching social, technological and economic changes.

Further the study carried out the hypothesis testing and the findings are presented as follows:

H_{01} : There is no significant relationship between credit management and credit uptake from Youth Enterprise Fund

The null hypothesis was thus rejected because t statistics 1.134 has a p value of 0.004 less than 0.05.

H₀₂: There is no significant relationship between lending conditions and credit uptake from Youth Enterprise Fund

The null was thus rejected based on the fact that t statistics 4.592 has a p value of 0.001 which is less than 0.05.

H₀₃: There is no significant relationship between entrepreneurial skills and credit uptake from Youth Enterprise Fund

The null hypothesis was rejected because t statistics 2.412 has a p value of 0.001 which is less than 0.05

H₀₄: There is no significant relationship between financial literacy and credit uptake from Youth Enterprise Fund

The null hypothesis was rejected based on the fact that t statistics 3.352 has a p value 0.000 which is higher than 0.05.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the study findings, conclusions and recommendations. It also makes suggestions for further research.

5.2 Summary of Findings

The study sought to determine factors influencing credit uptake from Youth Enterprise and Development Fund in Migori County, Kenya. The specific objectives were credit management, lending conditions, entrepreneurial skills and financial skills. The study utilized of descriptive survey research design. The unit of observation was managers of youth entrepreneurs. Data was collected using questionnaires and analyzed using both descriptive statistics and inferential statistics. The summary of findings is presented as follows:

The first research objective sought to examine the effects of credit management on credit uptake from Youth Enterprise Fund. The study examined that the repayment period affects the loan amount the group wants to take, the grace period affects the interest period of loan amount uptake and that credit management function incorporates all of a company's activities aimed at ensuring that customers pay their invoices within the defined payment terms and conditions.

The second research objective sought to establish the effects of lending conditions on credit uptake from Youth Enterprise Fund. The study established that bureaucratic lending procedures have been postulated as a major constrain to access to credit by the youth and that that lending requirements by YEDF are harsh and lock out the youth from accessing credit.

The third research objective sought to identify the effects of entrepreneurial skills on credit uptake from Youth Enterprise Fund. The study found that entrepreneurial skills enable the youth to gain skills necessary to produce the business's product or service thus demand for credit uptake and also enable the youth to acquire competence to organize the necessary resources to respond to the opportunity thus demand for credit uptake and affects the level of credit uptake in YEDF to a great extent.

The fourth research objective sought to investigate the effects of financial literacy on credit uptake from Youth Enterprise Fund. The study established that financial literacy enable the youth to check for the terms and conditions of any loan they wish to take and ensure that they understand the consequences of default, knowledge in budgeting and planning helps in identifying financial objectives of what the youth want to achieve in a term for their business and that debt management skills enable the youth to access various sources of finance for their business which have a greater influence on the level of credit uptake in YEDF.

5.3 Conclusions

The study concludes that:

Credit management has a positive and significant effect on the level of credit uptake in YEDF. Through credit management YEDF is able to incorporate all of its activities aimed at ensuring that invoices are paid within the defined payment terms and conditions. Effective credit management serves to prevent late payment or non-payment. Advancement in credit management will increase cash flow through increasing recovery rates, reducing the average days outstanding and lowering collections costs.

Lending conditions has a positive and significant effect on the level of credit uptake in YEDF. YEDF requires that the youth entrepreneurs when seeking for loans provide a certain

documents or relevant information regarding their financial capability before they make funds available. Lenders often require that borrowers provide certain documents and/or information before they will make funds available.

Entrepreneurial skills have a positive and significant effect on the level of credit uptake in YEDF. YEDF enables the youth entrepreneurs to enhance their entrepreneurial skills by polishing their business skills, improving their strategic thinking and incorporating networking into small business activities. It also allows that youth to set their own earning and allows them to identify business problems and ways of solving them.

Financial literacy has a positive and significant effect on the level of credit uptake in YEDF. Gaining financial literacy among the youth entrepreneurs helps them possess set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources. Helps youth project values of their money in the future so that they can make better decisions in handling them. Gaining such literacy at an early age will help the youth envision their financial goals in life.

5.4 Recommendations for Policy and Practice

The study recommends that:

The management of YEDF should ensure that those youths who borrow their loans will pay within the stipulated time. The credit management should be well established and applied so as to help to improve cash flow and working capital needs of the YEDF and to preserve its future and fostering its development.

The YEDF should identify the risk factors associated with each loan transaction as one of the primary factor lending by knowing their Customers. It should put proper conditions in lending

so as to manage the risk to a level commensurate with the return. A mutually beneficial relationship is the ultimate goal, so by strengthening the borrower through reduction of lending risk, a stronger relationship is created which benefits both parties.

YEDF should encourage youth entrepreneurs to be creative in order to see things differently and to provide solutions where there are gaps and know how to persevere when faced with business challenges. They should assist the youth to mitigate poverty by providing them with skills; entrepreneurial attitude and knowledge to raise their output and generate income. This calls for continued lifelong learning and training to enable continuous relevance to the world of work.

Financial literacy aims at enhancing the youth's knowledge in financial matters and their ability to make wise financial decisions. Therefore, YEDF should increase access to youth financial education to help young people to develop money management knowledge and skills, acquire more experiences with personal finance and develop effective financial habits.

5.5 Recommendations for Further Studies

This study focused on how credit management, lending conditions, entrepreneurial skills and financial literacy affect the level of credit uptake in YEDF. Therefore, the study recommends that similar studies should be carried out on other factors not studied and also in other financial institutions in Kenya as this would help in validating the findings and conclusions of this study.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

This research is meant for academic purpose. It focuses on **Critical Factors and Credit Uptake in Youth Enterprise and Development Fund in Suna East Constituency, Migori County, Kenya**. Kindly you are requested to provide answers to these questions as honestly and precisely as possible. Responses to these questions will be treated as confidential.

Instructions:

- i. Do not write your name or that of your department anywhere on this questionnaire
- ii. Tick [] where appropriate or fill in the required information on the spaces provided

Section A: Demographic Data

1. Gender: Male [] Female []
2. How long have you worked in the organization?
Less than 2 years [] 2 – 5 years

6– 9 years [] 10 and above []
3. What is your level of education?
Diploma/College [] University Degree []
MBA/MA [] Post-graduate Diploma []

Section B: Credit Management

The statements below relate to how **credit management** influences credit uptake from Youth Enterprise Fund. Supplied also are five options corresponding to these statements:

Key: Strongly agree(SA)=5, Agree(A)=4, Undecided(U)=3, Disagree(D)=2, and Strongly Disagree(SD)=1.

Statement	1	2	3	4	5
Credit Management function incorporates all of a company's activities aimed at ensuring that customers pay their invoices within the defined payment terms and conditions.					
Effective Credit Management serves to prevent late payment or non-payment.					
The repayment period affects the loan amount the group wants to take					
Failure to assess customers capacity to repay results in loan defaults					
Client appraisal considers the character of the Customers seeking credit facilities					
The grace period affect the interest period of loan amount uptake					

4. Based on your opinion, how does the credit management influence credit uptake from Youth Enterprise Fund?

.....

.....

.....

Section C: Lending Conditions

The statements below relate to how **lending conditions** influences credit uptake from Youth Enterprise Fund.

Statement	1	2	3	4	5
Bureaucratic lending procedures has been postulated as a major constrain to access to credit by the youth					
Collaterals in lending contracts are based on moral hazard and adverse selection that leads to credit rationing					
Lending requirements by YEDF are harsh and lock out the youth from accessing credit					

Statement	1	2	3	4	5
Interest rates for different loan facilities affects credit uptake by the youth					
Interest rates volatility affects the credit uptake by the youth					

5. Based on your opinion, how does the lending influence credit uptake from Youth Enterprise Fund?

.....

.....

.....

Section D: Entrepreneurial Skills

The statements below relate to how **entrepreneurial skills** influences credit uptake from Youth Enterprise Fund.

Statement	1	2	3	4	5
Entrepreneurial skills foster creativity, innovation and self-employment among the youth thus demand for credit uptake					
Entrepreneurial skills enable the youth to gain skills necessary to produce the business’s product or service thus demand for credit uptake					
Entrepreneurial skills involves recognizing economic opportunities and acting effectively on them thus demand for credit uptake					
Entrepreneurial skills enable the youth to acquire competence to organize the necessary resources to respond to the opportunity thus demand for credit uptake					
Entrepreneurial skills enable the youth to have the ability to identify and exploit a business opportunity thus demand for credit uptake					

6. Based on your opinion, how does entrepreneurial skills influence credit uptake from Youth Enterprise Fund?

.....

.....

.....

Section E: Financial Literacy

The statements below relate to how **financial literacy** influences credit uptake from Youth Enterprise Fund.

Statement	1	2	3	4	5
Financial helps in gaining knowledge, skills and confidence to manage one's finances well					
Debt management skills enable the youth to access various sources of finance for their business					
Financial literacy enable the youth to gain adequate knowledge on how to maintain and balance ledger accounts					
Knowledge in budgeting and planning helps in identifying financial objectives of what the youth want to achieve in a term for their business					
Financial literacy enable the youth to check for the terms and conditions of any loan they wish to take and ensure that they understand the consequences of default					

7. Based on your opinion, how does financial literacy influence credit uptake from Youth Enterprise Fund?

.....

.....

.....

Section F: Level of Credit Uptake in YEDF

The statements below relate to the level of credit uptake from Youth Enterprise Fund.

Statement	1	2	3	4	5
There has been increase in Loan uptake by the youth for the last five years					
Number of Youth SMEs have increased due to access of loans from YEDF					
Profitability of youth SMEs has increased for the last five years					

APPENDIX II: GRADUATE SCHOOL APPROVAL



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Tel. 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School

DATE: 9th August, 2018

TO: Odongo George Otieno
C/o Accounting & Finance Dept.

REF: D53/OL/16279/2006

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

We acknowledge receipt of your revised Project Proposal as per our recommendations raised by the Graduate School Board at its meeting of 25th July, 2018, Entitled, "Factors Influencing Credit Uptake of Youth Enterprise and Development Fund in Migori County, Kenya".

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University's Website under Graduate School webpage downloads.

Thank you.

A handwritten signature in blue ink, appearing to read 'Julia Gitu'.

JULIA GITU
FOR: DEAN, GRADUATE SCHOOL

C.c. Chairman, Department of Accounting and Finance

Supervisors:

1. Dr. Ambrose Jagongo
C/o Department of Accounting and Finance
Kenyatta University

JG/mn

APPENDIX III: RESEARCH PERMIT

**THIS IS TO CERTIFY THAT:
MR. GEORGE OTIENO ODONGO
of KENYATTA UNIVERSITY, 0-400
Nairobi, has been permitted to conduct
research in Migori County**

**Permit No : NACOSTI/P/18/30753/24720
Date Of Issue : 18th August,2018
Fee Recieved :Ksh 1000**

**on the topic: FACTORS INFLUENCING
CREDIT UPTAKE FROM YOUTH
ENTERPRISE AND DEVELOPMENT FUND
IN MIGORI COUNTY, KENYA**

**for the period ending:
17th August,2019**



[Handwritten Signature]

**Applicant's
Signature**

[Handwritten Signature]

**Director General
National Commission for Science,
Technology & Innovation**

APPENDIX IV: NACOSTI RESEARCH AUTHORIZATION LETTER



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349,3310571,2219420
Fax: +254-20-318245,318249
Email: dg@nacosti.go.ke
Website : www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref. No. **NACOSTI/P/18/30753/24720**

Date: **18th August, 2018**

George Otieno Odongo
Kenyatta University
P.O. Box 43844-00100
NAIROBI.



RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“Factors influencing credit uptake from Youth Enterprise and Development Fund in Migori County, Kenya,”* I am pleased to inform you that you have been authorized to undertake research in **Migori County** for the period ending **17th August, 2019**.

You are advised to report to **the County Commissioner and the County Director of Education, Migori County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.


BONIFACE WANYAMA
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Migori County.

The County Director of Education
Migori County.

National Commission for Science, Technology and Innovation is ISO9001:2008 Certified

APPENDIX V: COUNTY COMMISSIONER RESEARCH AUTHORIZATION

**OFFICE OF THE PRESIDENCY
MINISTRY OF INTERIOR AND COORDINATION OF
NATIONAL GOVERNMENT**

Telephone: (059) 20511
FAX (059)20361
Email:
countycommissionermigori@yahoo.com



**OFFICE OF THE COUNTY COMMISSIONER
MIGORI COUNTY
P.O. BOX 2 - 40400
SUNA - MIGORI.**

When replying please quote

Ref. No: ED .12/19 VOL.I/267

Date: 30th August, 2018

TO WHOM IT MAY CONCERN

RE: RESEARCH AUTHORIZATION

George Otieno Odongo permit No.NACOSTI/P/18/30753/24720 a student at Kenyatta University has been authorized to carry out research on ***"Factors influencing credit uptake from Enterprise and Development Fund in Migori County, Kenya"***.

For a period ending 17th August, 2019.

Accord him the necessary assistance.


KENNETH C. KIPROP
FOR: COUNTY COMMISSIONER
MIGORI COUNTY

COUNTY COMMISSIONER
P.O BOX 2 - 40400
SUNA - MIGORI
MIGORI COUNTY

CC

The County Director of Education
MIGORI.

APPENDIX VI: COUNTY DIRECTOR OF EDUCATION AUTHORIZATION



MINISTRY OF EDUCATION State Department of Early Learning and Basic Education

Telephone: (059) 20420
Fax: 05920420
When replying please
quote

COUNTY DIRECTOR OF EDUCATION
MIGORI COUNTY
P.O. Box 466-40400
SUNA – MIGORI

REF: MIG/CDE/ADMN./73/VOL.II 12

DATE: 30th August, 2018

George Otieno Odongo
Kenyatta University
P.O. Box 43844 - 00100
NAIROBI

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "*Factors influencing credit uptake from Youth Enterprise and Development Fund in Migori County*". I am pleased to inform you that you have been authorized to undertake research in Migori County for a period ending 17th August, 2019.

On completion of the research, you are expected to submit one hard copy and a soft copy of the research report/Thesis to this office.

Thank you.


FOR: COUNTY DIRECTOR OF EDUCATION
MIGORI COUNTY
P. O. Box 466 - 40400, SUNA,
MIGORI

Luka Chebet
County Director of Education
MIGORI COUNTY

APPENDIX VII: INTRODUCTION LETTER

Odongo George Otieno
P. O. Box 43844
Nairobi

The Administrator
Suna East Constituency
Migori County

Dear Sir/Madam,

Re: Research Study

I am student from Kenyatta University City Campus, Pursuing a Master's in Business Administration Degree in Finance. Currently, I am in the process of undertaking research on the *Critical Factors and Credit Uptake in Youth Enterprise and Development Fund in Suna East Constituency, Migori County, Kenya*. I therefore request to be granted permission to carry out the study in your organization.

Yours Faithfully

Odongo George Otieno

MBA, Student

Kenyatta University