UNIVERSITY OF CAPE COAST

DETERMINANTS OF HOUSEHOLD HEADS' SAVING BEHAVIOUR IN UPPER EAST REGION: A CASE STUDY IN ZEBILLA

BY

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DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature: ……………………………. Date: ……………..

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Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature: ………………………… Date: …………………

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ABSTRACT

In developing economies of which Ghana is no exception, extant literatures agree that savings level of households is relatively low. There have also been limited studies in Ghana on the relationship between non-macroeconomic factors that influence personal savings. The main purpose of this study was to analyse the factors that affect the savings behaviour of household heads in Zebilla in the Upper East region of Ghana. They assessed the influence of demographic, cultural factors, financial literacy, psychological factors and social factors on the savings behaviour of heads of households in Zebilla after collecting data from 367 household heads using questionnaire survey. The least square regression results revealed that age and household size negatively influence savings behaviour while income and educational level positively influence savings behaviour. The study also found positive relationship between motivation, perception, learning and attitudes and savings behaviour of household heads. Financial literacy, cultural practices and social factors such as influence of the family and the role and status of household heads in the family and community were also found to have significant positive impact on the savings behaviour of household heads. The study among other things recommended that policy makers such as the government should not only consider the macroeconomic factors but also the socio-cultural, psychological, demographic factors and financial education of individuals should be considered when designing frameworks for improved personal savings.

KEY WORDS

Cultural factors

Demographic factors

Financial literacy

Psychological factors

Savings

Social factors

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DEDICATION

To My Family

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LIST OF ACRONYMS/ABBREVIATIONS

GSS	Ghana Statistical Service
RG	Reference Group
RS	Role and Status
WDI	World Development Indicators

CHAPTER ONE

INTRODUCTION

The relevance of household savings is reflected in the Keynesian idea of the use of money for transactional, precautionary and speculative purposes. Apart from this traditional relevance towards the concept of saving money, the individual savings provided greater edge for economic development in terms of contributing to the provision of capital for the production of the basic needs of societal members. At the individual level savings by households is relevant in helping household members in meeting future consumption needs. In developing economies like Ghana, extant literature agreed that savings level of households is relatively low. This study therefore examined the savings behavior of household heads in Ghana by obtaining evidence heads of households in Zebilla in the Upper East Region

Savings refers to the portion of disposable income that is not spent are used for future consumption (Fisher & Montalto, 2018). Saving behaviour defines the attitude of individuals towards savings; and this attitude defines the appetite for saving or not saving ((Mahdzan & Tabiani, 2013). At the individual level savings by households is relevant in helping household members in meeting future consumption needs. In developing economies like Ghana, extant literatures (Brown & Taylor, 2016; Szopiński, 2017) agree that savings level of households is relatively low. This study therefore examined the savings behaviour of household heads in Ghana by obtaining evidence from heads of households in Zebilla in the Upper East region. The study therefore analysed the individual specific factors that influence the savings behaviour of household heads.

Background to the Study

In the financial landscape, savings by individuals and households is considered as having significant importance to the building of the financial sector (Kibet, Mutai, Ouma, Ouma & Owuor, 2009). There has been a general acceptance among researchers that savings by private individuals provide avenues for the provision of capital and capital investment which directly impact the real sector of the economy through the production of goods and services (Mahdzan & Tabiani, 2013). According to Szopiński (2017), savings by households and individuals contribute to the economy through propelling the tendency of investment and ensuring high liquidity.

In other words, the presence of savings represent the fact that firms that have ideas of producing goods and services for human consumption can have access to investment capital from the funds that have been provided through saving (Brown & Taylor, 2016). The absence or low level of savings therefore implies that investment capital in the economy will be low and the productiveness and growth of the economy will suffer. In consonance with the Keynesian savings and investment identity, the importance of savings towards enhancing the investment is made clear (Brown & Taylor, 2016). Thus, savings directly have positive bearing on investment in terms that higher savings reflect higher investment and lower savings propels lower investment level.

At the individual level, savings enhance the quality of life of citizens since the citizens of every economy are the direct recipient of the goods produced from investment resources sponsored through the mode of savings. From another view point, personal or household savings is beneficial to the individuals that save and the members that are dependent on such an individual. According to Adema and Pozzi (2015), household savings provide ample opportunity to have improved standard of living and it also enable individuals to meet future consumption levels and unexpected uncertainties. Beckmann, Hake and Urvová (2013) have also argued that private individual and household savings enable individuals to build more funds to enrich themselves and some also save funds towards improving their lifestyles and achieving self-esteem. Fisher and Montalto (2018) further posited that people save based on the perception and the general attitude that savings makes one's life better in the future. Based on the argument of Beckmann, Hake and Urvová (2013) and Fisher and Montalto (2018), it can be inferred that psychological factors such as the motivation, perception and the general attitude of individuals contributes towards enhancing the savings behaviour of households.

There has also been the argument that savings behaviour of individuals diminishes with the advancement in one's age (Le Blanc, Porpiglia, Teppa, Zhu & Ziegelmeyer, 2015). This position has been further endorsed by the study of Beverly and Sherraden (2019) who argued that young people have greater edge to save than people who are aged and those on retirement. The point raised in this regard was expanded by Terrones and Carderelli (2019) by asserting that people in their old age or those nearing their old age have lower propensity to generate income due to their inability to undertake multiple work functions to earn higher income. Unlike young persons who have more energy to work, they are able to combine multiple tasks to generate streams of income which they can save towards their future.

The argument of Terrones and Carderelli (2019) provided the intuition that income and age directly impact on the savings behaviour of individuals. Based on the aforementioned reports this study presumed that there are demographic characteristics of individuals that influence the savings behaviour. To this extent, Alessie, Lusardi and Kapetyn (2017) argued that males due to their more likelihood of obtaining gainful employment generate higher income and are able to save more than females. This result had been however refuted by the study of Burnes and Schultz (2019) who argued that the savings level is not significantly determined by one's gender. According to Burnes and Schultz (2019), it is the spending pattern of individuals and factors such as number of persons dependent on an individual and the educational level that produce higher income that mainly determine the ability of persons to save. From the foregoing argument, this study presumed that demographic factors such as age, income, gender, and educational level affect one's savings behaviour.

In the study of Mahdzan and Tabiani (2013), they have provided extant argument that financial literacy, social and cultural factors influence savings behaviour of households and individuals. According to them, the relationship between savings financial literacy and savings is positive but the relationship between social factors such as the influence of family members on one's life, influence of community members and one's associates, as well as role and status of individuals in communities have varied influence on savings behaviour. Furthermore, the study of Mahdzan and Tabiani (2013) posited that some cultures view savings with the concept of interest with contempt. There are also cultures that the future needs of individuals are provided by the mechanism of the strong bond that exist between the members of the community. For Example, the study of Kibet, et al (2009) found that in the rural communities in Kenya, members in the community support one another in terms of the both financial and material needs and this was possible due to the strong bond shared by members of the community. It was further argued that members in the rural communities felt reluctant to provide funds for formal savings due to the culture of reliance on the bond of assistance among community members.

The situation in Ghana with respect to household savings is not very impressive especially in the rural areas. This low level of savings as reported by the Ghana Statistical Service Survey (2017) has deepened the economic burden of rural members in the Upper East region of Ghana. This tendency has created a situation of dissavings among many household heads in the rural communities in Ghana. This study therefore provided evidence from Zebilla in the Upper East region of Ghana by examining the factors that influence the savings behaviour of household heads.

Statement of the Problem

The importance of individual savings to the financial sector development of every country cannot be underestimated. According to Aryeetey (2018) private savings otherwise known as household savings is required by financial institutions such as bank, money market fund management, and insurance companies to provide capital for the development agenda of the economy. The sheer importance of household or domestic savings to the development of the country and the financial sector requires urgent assessment of the savings levels of individuals and households in Ghana.

According to Aidoo (2015) the average of the gross domestics savings for Ghana between the period of 1980 and 2000 which related to the period of the financial sector liberalisation stood at a low rate of 6.4% compared to that of similar economies like the Botswana of 37.4%, Cameroon of 21.4%, Kenya of 7.3% and Nigeria of 13.9%. In recent times, the level of domestic and household savings as measured by the percentage of gross domestic savings to the GDP for in Ghana in 2016 stood at 14.46%, 17.74% for 2017 and 13.08% in 2018 (World Development Indicators, 2018).

These figures above compare with similar economies such as Democratic Republic of Congo whose gross domestic savings was 41.40% for 2016, 44.03% for 2017 and 13.78% for 2018; and the average of Cote d'viore from 2016 to 2018 was 23.89% and that of Burkina Faso over the same period was 17.08% (World Development Indicators, 2018). These economies are ranked far higher than Ghana whose average for the 2016 to 2018 was 15.09%. The relatively lower domestic and household savings in Ghana provide the problem of slower rate of capital mobilisation for rapid economic and financial sector expansion (Aidoo, 2015) and at the same time the plight of individuals in making their economic, social and financial life better is thrown into a state of despair.

In order to provide the best antidote to the downward trend and low levels of Ghana's domestic savings, there is the need to understand the factors that drive household members to save. In the quest to providing answers to the forces that affect household savings in Ghana, studies such as Aidoo (2015) had contributed by providing the framework for appreciating the macroeconomic factors (remittances. disposable income, interest rate, access to finance) that influence personal savings. The study of Asamoah (2018) had also contributed by exploring the financial institutional factors that influence the household savings of individuals. There is however still a gap in Ghana in respect of the micro level (personal factors) that affects the savings of individuals.

According to Maki, Douglas and Garett (2014), the basic point where policy makers should derive their motivation to encouraging household savings should be with the personal characteristics of the person. Based on this information, the study identified gap in respect of the various personal and micro level factors (demographic, psychological, cultural, social, and financial factors) that affect the savings behaviour of household heads.

This study therefore bridges the gap identified by examining the personal factors that affect the savings behaviour of household heads in Zebilla in the Upper East region of Ghana. The study focused on the household heads in Zebilla in the Upper East region of Ghana since the Ghana Statistical Service (2017) has provided a report of low level of formal savings and dissavings among particularly household heads in Zebilla and other rural areas of Ghana.

Purpose of the Study

The main purpose of the study was to examine the individual specific factors that influence the savings behaviour of heads of households in Zebilla in the Upper East region of Ghana.

Research Objectives

The study was based on four key objectives which were to:

1. Examine the demographic factors that influence the savings behaviour of household heads in Zebilla in the Upper East region of Ghana
2. Analyse the influence of cultural practices on the savings behaviour of household heads in Zebilla in the Upper East region of Ghana
3. Assess the effect of financial literacy on the savings behaviour of household heads in Zebilla in the Upper East region of Ghana
4. Examine the psychological factors that influence the savings behaviour of household heads in Zebilla in the Upper East region of Ghana
5. Assess the social factors that affect the savings behaviour of household heads in the Zebilla in Upper East region of Ghana

Research Questions

The study sought to answer the following questions:

1. What are the demographic factors that influence the savings behaviour of household heads in Zebilla in the Upper East region of Ghana?
2. What is the influence of cultural practices on the savings behaviour of household heads in Zebilla in the Upper East region of Ghana?
3. What is the effect of financial literacy on the savings behaviour of household heads in Zebilla in the Upper East region of Ghana?
4. What are the psychological factors that influence the savings behaviour of household heads in Zebilla in the Upper East region of Ghana?
5. What are the social factors that affect the savings behaviour of household heads in Zebilla in the Upper East region of Ghana?

Significance of the Study

The study is significant towards providing policies to raise the domestic savings which will have positive implication on the financial sector development. In other words, the findings of this study will enable the policies makers such as the Government of Ghana to tailor policy direction that will enable household heads to beef up their savings culture. The act of increase in savings in response to such policies will help to mobilise domestic resources that will come to support the financial sector to amass funds to expand. When funds have been mobilised from the domestic setting to the financial sector in response to the findings of this study, investors will also have access to the funds that are kept with the financial institution; and in the process contributing to building the investment capital of the country as well.

Secondly, the study is relevant to household heads towards helping them to come to terms with the personal factors that enhance their savings. Knowing the factors that enhance the savings of household heads, they will be in a more direct position to reformulate their behaviour and thinking patterns which will enable them to save and in the process contributing to alleviating future spending backlashes and problems. Thirdly, this study contributes to bridging the gaps that have been cited in literature. That is, the findings of this study will provide answers on the relationship between demographic characteristics such as age, income, level of education, and gender; and other factors such as financial literacy, cultural, social and psychological factors that impact on domestic savings typically from the rural settings.

Delimitation of the Study

The study covered the rural communities in Zebilla in the Upper East region of Ghana. Zebilla is the capital town of the Bawku West Distrcit which was created in the Upper East District of Ghana in 1988. The study therefore examined the savings behaviour of household heads, and the influence of variables such as financial literacy, cultural, social, psychological and demographic features on the savings of household heads.

Limitations of the Study

The limitation of this study was in respect of the considerable time spent of ascertaining data from respondents whose level of literacy was largely low. Thus, the researcher had to take more time to explain the content of the questionnaire to household heads that participated in the study. Some household heads also were reluctant towards responding to some of the line of enquiries. This made the researcher exclude them from the data collection process to consider other household heads that were more accommodating. The results of this study are therefore skewed towards respondents who availed themselves to participate in the data response stage of the study.

Organisation of the Study

This study is compartmentalised into five chapters with the focus of chapter one on the introduction which spelt out the background, problem statement, objectives and questions for the research, the purpose of the study, delimitation, limitation and the organisation of the study. Chapter two dealt with the review of literature which includes conceptual, theoretical, empirical reviews and the theoretical framework. Chapter three dealt with the research method which highlighted the research design, research area, population, sampling procedure, data collection procedure, validity and reliability issues and ethical requirements. Chapter four presented and discussed the results of the study while chapter five looked at the summary, conclusion and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter dealt with the review of existing literature in the light of the savings behaviour and the factors that affect and influence it. This chapter began with the theoretical review, followed by the conceptual review, the empirical review and ends with the conceptual framework.

Theoretical Review

The study theoretically was based on the life cycle and permanent income hypotheses which are both consumption and savings theory. The study also employed the theory of planned behaviour and the social cognitive theory. According to Copur and Gutter (2019) the theory of planned behaviour and the social cognitive theory offer explanation into the socio-psychological and cultural factors that influence savings behaviour while the life cycle hypothesis and the permanent income hypothesis offer explanation into the some demographic factors (such as age, education and income) that explain savings.

Life Cycle Hypothesis

The life cycle hypothesis was formulated by Ando and Modigliani in the year 1963 and this theory was built on the notion that individuals during their employment years build up wealth of savings from the income gained during the employment years (Copur & Gutter, 2019). The total income from the employment is then spread over the lifetime years of the individual so that a portion of the income goes into consumption and the rest into savings (Copur & Gutter, 2019). At retirement when no income is produced, the individual run down his wealth by depending on the wealth of savings accumulate during the employment years.

This theory therefore provides the intuition that the saving behaviour of an individual is dependent on the number of years to retirement (age) and the size of income (Croy, Gerrans & Speelman, 2010). By implication, a person who gained continued employment at early age can accumulate more income and save more towards old age and retirement. However, a person who started work in his or her old age is less likely to save more money during the remaining active years of employment (Croy, Gerrans & Speelman, 2010). Hence, this study postulated on the basis of the life cycle hypothesis that age and income directly correlate with savings behaviour of individuals.

Permanent Income Hypothesis

The permanent income hypothesis is also consumption cum saving theory which was theorized by Milton Friedman in 1957 (Croy, Gerrans & Speelman, 2010). This theory suggests that there are two types of income: permanent and transitory income. Permanent income was defined to be income which continually accrues to an individual while transitory income is obtained from sources such as windfall income, gifts, and other incidental incomes Copur and Gutter (2019). According to Friedman (1957), individuals plan their consumption on the basis of the permanent income but channel out transitory income into savings.

Aidoo (2015) had argued that good education offer high level of permanent income which individuals can rely upon to plan their current and future consumption (savings) while using the transitory income (which goes mainly into savings) to cater for the imbalances between actual and planned consumptions. Based on the permanent income hypothesis, it is made obvious that education level of individuals provide good basis of gaining a good job that pays. In this regard, this study drew the linkage between education and a demographic factor of individuals and savings.

Theory of Planned Behaviour

The theory of planned behaviour was put forward by Ajzen in 1991 and by this theory it provided that the behaviour of a person is ingrained in the intention of that person and it is the motives behind an action that defines the behavioural outcome of a person. According to Copur and Gutter (2019), this theory explains the cultural and psychological reasoning that affects one's savings behaviour. For example, a person who is motivated by the need to achieve self-esteem, respect, and wealth will develop the behaviour of moving funds away from consumption into savings. Similarly, the perception that those who save obtain better future cushion individuals with that perception to adopt the culture of savings and begin to practice it (Croy, Gerrans & Speelman, 2010). This therefore provides the intuition that savings in a function of psychological and cultural forces that influence the behaviour of individuals.

Social Cognitive Theory

This theory was provided by Bandura in 1971 and the main crux of the theory was that the interaction of individuals with other social beings influences the thinking process and hence the observed behaviour of an individual. In this regard, Copur and Gutter (2019) have argued that family socialization influence the cognitive process of individuals towards behaving in a certain direction. For example, in families or communities where members are taught the benefits of savings or where the lifestyle and attitude of family and community members are positive towards savings it is more likely for family and community members to respond to that observed behaviour and practice same.

It has been further argued that family orientation that is akin to borrowing will have negative impact on family members willingness to save (Kwon, 2014) and high level of parental interaction with their children on dealing with money and for that matter savings has been found to be positively correlated to the savings behaviour of children in their early adult stage (Kim & Chatterjee, 2013). The social cognitive theory therefore was the basis for this study to draw the link between social factors such as influence of the family, reference groups and role and status of household heads on savings behaviour.

Conceptual Review

The Concept of Savings

Savings have universally been defined as the fraction or portion of disposable income that is not consumed (Fisher & Montalto, 2018). This basic definition presents the unarguable fact that disposable income is the basic determinants of the savings of individuals and this position is confirmed by economic theories such as the absolute income hypothesis by John Maynard Keynes (Copur & Gutter, 2019). Based on the Keynesian perspective, people save money for three main reasons which include support current and future transactions, to meet precautionary events and to be able to meet future foreseeable and unforeseen expenditures, and to enable individuals to accumulate funds to take advantage of investing in interest bearing assets (Fisher & Montalto, 2018).

Technically speaking, savings have to do with any portion of disposable income that is not spent and this definition is regardless of where the left over money is kept. However, an attempt has been made by contemporary researchers such as Mahdzan and Tabiani (2013) and Fisher and Montalto (2018) to limit the meaning of the concept to monies that are left in checking accounts whether in savings, current or time deposit accounts.

In terms of personal finance, savings by individuals enable them to have greater security in their lives by being able to protect one against further uncertainties and emergencies. It also enables one to take calculated risk and to achieve some form of financial freedom in the future. It contributes towards reducing stress and provides opportunity to help other less fortunate persons, provides a good take for financial legacy, stimulates one's education, enhance the procurement of inheritance and purchase, and also helps to minimise financial risk (Buchenau, 2018).

Savings is also important to building the financial sector and contributing towards its development. That is, domestic savings through deposits at banks are used to build up assets by banks and from which investment capital to the economy is also build up. This directly means that the financial sector and the economy at large will suffer drain if some individuals do not sacrifice by postponing current consumption (Fisher & Montalto, 2018). For the economy to benefit from domestic or household savings there should be a balance between savings and investment. That is, there should be an equal incentive for people to take the monies saved outside from the bank to invest with it. If savings remain with the financial sector without transition into investment then the real gain of savings becomes a loss to both individuals and the economy. It has been clearly posited by Nagi and Kostoglou (2017) that household savings have the propensity to alleviating the problems of unemployment and poverty and it helps to stimulate economic growth.

Trends in Domestic/Household Savings in Ghana

The size of the gross domestic savings in Ghana has been steady but with some significant deviations over time. Data from the World Bank's national account revealed that gross domestic savings (estimated as national income less total consumption expenditure) in 1960 was GHS14,900 but this figure as at 1970 was GHS28,900, for 1980 was GHS211,500, for 1990 was GHS10,509,900, for 2000 was GHS150,823,600, for 2010 was –

GHS315,556,800 and that of 2018 was GHS57,086,380,000 (World Bank, 2019). The highest drop in the domestic savings in Ghana occurred in 2008 where the gross domestic savings stood at –GHS894,303,100 (World Bank, 2019).

Figure 1 provides the pictorial view of the trend in domestic savings for Ghana as it is measured by the ratio of gross domestic savings to gross domestic income from 1960 to 2018. The trend as shown in Figure is important such that it enable policy makers such as the government, financial market players (Bank of Ghana, Bank managers) and investors at large to forecast the funds that will be available to them for investment in the future.

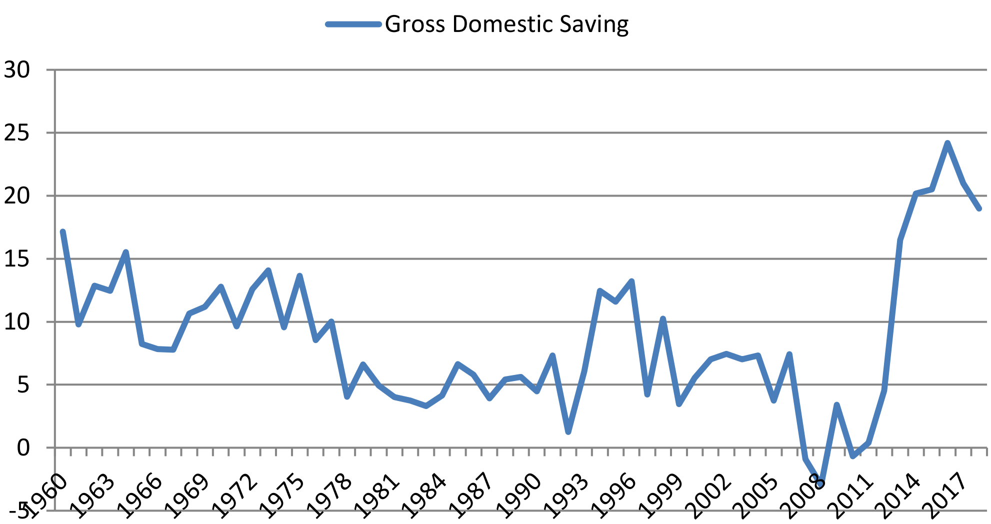

Figure 1: Trend in domestic savings of Ghana from 1960 to 2018

Source: World Bank (2019)

Based on Figure 1, it can be observed that the total savings done by households in Ghana for been consistently remained below 15% except the years 1960, 1964 and the post period of 2013 which moved beyond 15% per year. The Figure 1 further revealed that the dropdowns in the domestic savings behaviour of Ghanaians is much higher and shaper than the upward movements. This generally confirms the observation in the study of Aidoo (2015) and that made by Asamoah (2018) that the savings only limited number of household in Ghana save money.

Figure 1 again revealed that though savings by household picked up extensively since 2013 there is the need to monitor the trend and sustain it since the upward trend took nose dive after 2016. The largely lower trends in the domestic savings of Ghana must therefore be investigated in light of both economic and non-economic factors.

Economic Factors that Influence Household Savings

There are key economic forces that drive household savings and these are discussed in terms of interest rate, income level and economic growth, wealth, confidence and future expectations, and inflation among others (Pettinger, 2018). There is a direct relationship between interest rate and savings. Higher interest rate propels people to save money to as to earn additional income while lower interest rate minimise the level of household savings. But it is not always the case where higher interest rate will lead to higher savings.

One of such situations is observed during periods of rising price levels which reduces the size of the real income. Since savings is born out of income, higher price level will minimise the standard income and given a constant consumption level, the amount of available for savings will reduce. Similarly, increase in taxes without the corresponding increase in the nominal income of individuals will stifle the size of the disposable income and consequently reduce the size of savings.

According to Modiglini and Ando (1957), it is more common for people to reduce their savings rather than reduce their consumption. Therefore, any force that will reduce income of the individual is more likely to affect savings than consumption. The confidence which individuals and households have regarding the future stance of the economy also affects the level of savings. That is, if individuals are more positive towards the future direction of the economy, they will tend to save more to enable them to take advantage of the future economic benefits (Nalin, 2013).

Salotti (2017) has also stated that rise in asset prices which connotes greater wealth reduces savings of individuals. Consequently, the degree of income distribution directly affect the level of savings with Chowa, Masa and Ansong (2012) arguing that households with lower income distribution have lower savings compared to those with higher income levels.

Empirical Review

Just as there are economic factors that influence savings, there are also non-macroeconomic forces that have influence of household or domestic savings. The empirical review on the relationship between demographic factors, cultural, financial literacy, psychological and social factors and savings behaviour was presented in relation to empirical fronts.

Demographic Factors and Savings Behaviour

Demographic factors such as age, gender, income of household and household size have been presented in relation to savings behaviour. With regards to the relationship between age and the saving behaviour of households, the study of Salman and Zaib (2012) examined the relationship between age dependency and the rate of savings from the period of 1980 to 2009 in the context of Pakistan. The study found a strong negative correlation between age and savings with the implication that a person's savings reduces with his or her age.

The negative relationship between savings and age was discussed in relation to the fact that persons with old age are less considered for employment hence have generally lower streams of income than younger persons. Hence older persons are less likely to save than younger persons. The study of Singh and Sailo (2017) examined the effect of demographic factors on savings and investment patterns by sampling 100 individuals from the workplace in India.

The result of the study found that savings of individuals does not depend on gender and marital status but variables such as income and the family size direct influence the level of savings. The results obtained in the study of Salman and Zaib (2012) and Singh and Sailo (2017) has received empirical support from other studies such as Achar (2018) and Jain and Mandot (2017) whose studies variously concluded that age has indirect impact on savings; income and household size has direct influence on savings while gender was found to positively influence saving in the case of Achar (2018) but does not in the case of Jain and Mandot (2017).

Furthermore the study of Bayar, Sezgin and Ozturk (2017) concluded that income, age, and educational level influence the level of personal savings. Based on the review above there is limited evidence of literature in the context of Ghana with specific reference to rural context and this presents a gap to be addressed. Therefore, this present study hypothesize that demographic factors significantly influence savings behaviour.

Cultural Practices and Savings Behaviour

The study of Amir and Miki (2012) explored the cultural practices that contribute in explaining the savings behaviour of households in the United States of America. The findings of the study revealed that cultural attributes such as collectivism and the avoidance of uncertainty have significant influence on the rate of savings in the US economy. The study further concluded that the rate of savings in society increase with an increase in the level of collectivism and also the more households and individuals would want to avoid future uncertainties the more they save.

In a similar study, Nicola, Paolo and Hannah (2016) examined the cultural forces that determine household savings behaviour in the United Kingdom and Germany. The result of this study was quite revealing and cogent. The finding was that two major cultural attributes significantly influence savings of households in Germany and UK in the form of thrift and the motive to accumulate wealth. The study found that the attitude of parents and their children in terms of thrift and the desire to accumulate wealth for themselves were strongly the foundation for savings. This finding provides the intuition that the culture of savings can be inherited or transited from parents to their children.

The study of Costa-Font, Guiliano and Ozcan (2018) in examining the origin of culture on savings behaviour hypothesized that culture influence the savings behaviour of individuals. The evidence from the study of Costa-Font, Guiliano and Ozcan (2018) revealed that cultural attributes and dimensions contribute in explaining the savings behaviour of individuals from cross-boarders. This study also added that the relationship between culture and savings can be traced as far back as three generations.

Once again, studies that present evidence on the relationship between cultural practices and savings behaviour was outside the context of Ghana; therefore presenting a gap to be investigated. This study therefore based on previous studies to hypothesize that cultural practices influence the savings behaviour of household heads in the Zebilla District of Ghana.

Financial Literacy and Savings Behaviour

On the influence of financial literacy on the savings behaviour of households, the study of Lusardi (2008) assessed the role of financial literacy in explaining the savings behaviour of households by showing that financial illiteracy is rife in even a more literate community. The study of Lusardi (2008) found that financial literacy among African-American in the US is low and secondly, the study found a positive relationship between financial literacy and savings rate.

This connotes that high levels of financial literacy increase the savings rate of individuals but low level of financial literacy reduces the level of personal savings, all other things remaining constant. This finding further provide the intuition that people who are less literate financially lack basic knowledge and information on savings, interest rate, retirement planning, the concept of risk and wealth accumulation.

Through the deprivation of individuals of this basic financial knowledge, individuals are limited in terms of the optimal savings potentials and that affect the savings rate relative to those with higher financial literacy. The study of Heneger and Mauldin (2015) has further added that financial knowledge and planning influence regular savings. Furthermore, the study of Bayar, Sezgin and Ozturk (2017) examined the influence of financial literacy on personal savings and concluded that financial literacy influence the level of personal savings positively.

From the empirical evidence presented, financial literacy and savings behaviour is related but this evidence is outside the context of Ghana. There is therefore the need to investigate the relationship between the variables in the context of Ghana. Based on the empirical evidence presented, this study expected a positive relationship between financial literacy and savings behaviour.

Socio-Psychological Forces and Savings Behaviour

The study of Coper and Gutter (2019) researched on the social and psychological forces that influence the savings behaviour of households in Turkey by surveying 171 individuals. The findings from the study of Coper and Gutter (2019) revealed that perception that people hold about savings, the motivation and the desire to accumulate wealth in future as well as the desire to have financial freedom were among the major psychological factors that influence savings behaviour. The study also found that the general attitude of household regarding the management of money and spending and lifestyles significantly influence personal savings.

According to the study of Turkstat (2018), individuals surveyed held the perception that savings is a means of procuring better future and achieving self –independence and economic power. The study of Yilmazer (2010) also asserted in his study that people's motivation to achieve higher standard in education as well as parents desire to have greater educational opportunity for their children was another major contributor to savings. From the forgoing, it is not far-fetched to hypothesis that savings is influenced by motivational forces, perception and the general attitude of people regarding money and spending. It can also be said that the family as an agent in the social setting play significant role towards reinforcing the attitude of savings.

The above facts notwithstanding, Walden (2012) opined that social forces such as the influence of community members and one's inner group members have significant influence on one's conceptualisation of savings. For example, the company of doctors is professionals with higher income; therefore they would save for better lifestyles and for their family and reputation. Hence, once a person becomes a doctor, the group with which he or she belongs to is sufficient to influence his consumption and savings decisions.

In the typical rural communities in Africa, Erden (2015) found that households in the poor farming communities were less likely to save than those in the formal government employment. This adds to the argument that the reference group of an individual plays important role in defining savings behaviour. Clearly, evidence on the link between social-psychological factors and savings behaviour is missing in the context of Ghana hence leaving a gap to be investigated. On the basis of the reviewed studies, this present study expected a significant relationship between social-psychological factors and savings behaviour among household heads in Zebilla District of Ghana.

Research Gap

Based on the review of literature, the study found that demographic factors cultural factors, financial literacy; psychological forces and social factors influence savings behaviour of households and individuals. Unfortunately, there is limited evidence from the context of rural Ghana. This therefore leaves important gaps for investigation. This study therefore focused on rural Ghana and investigated the factors that influence savings behaviour of household heads with main focus on the Zebilla District of Ghana.

Conceptual Framework

The conceptual framework from Figure 2 reflects the five broad factors that were considered to influence the savings behaviour of household heads.

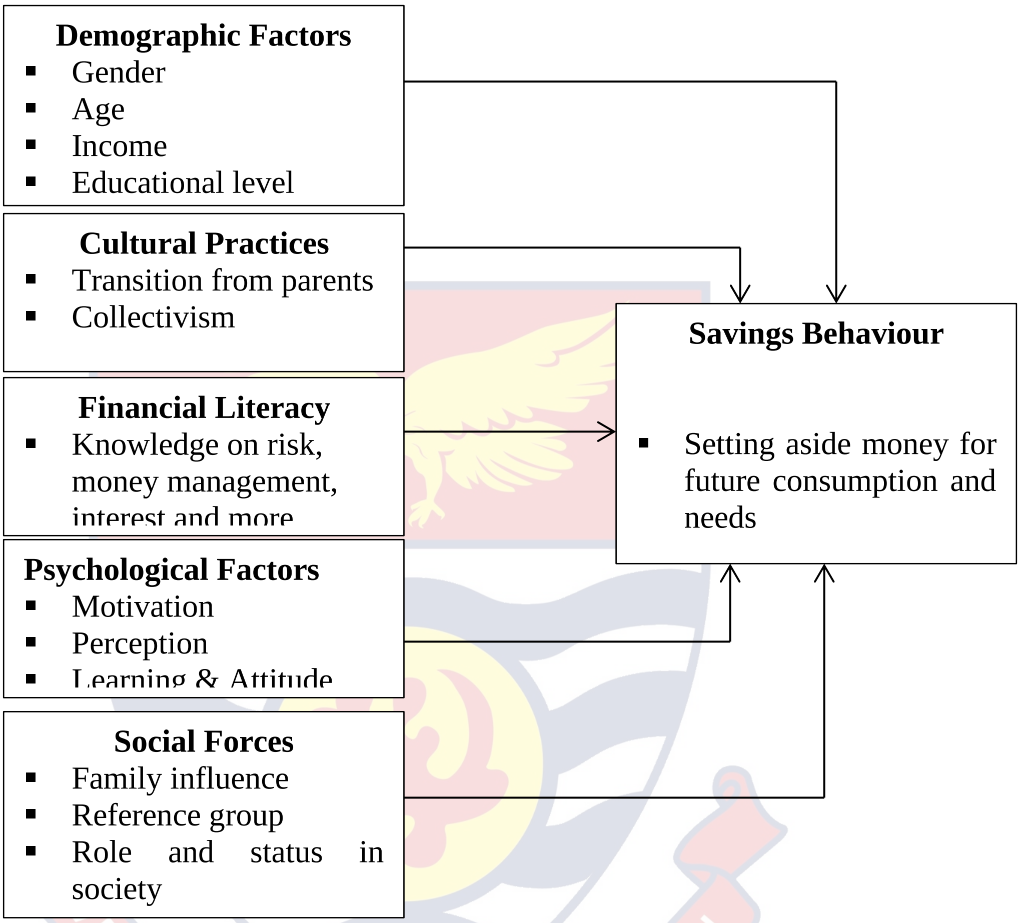

Figure 2: Conceptual framework

Source: Author's Construct (2020)

The five broad factors were demographic factors cultural factors, financial literacy, psychological forces and social factors. The five broad factors served as the explanatory variables in the model framework while the variable that was explained was the savings behaviour measured mainly by the ability of household heads to save money for future consumption and needs.

The demographic factors that were deemed to influence savings behaviour were age, gender, educational level, income and household size.

Cultural factors were measured based on whether or not parents nurtured the respondents on the lines of savings when they were growing up and whether the culture of collectivism supported savings behaviour. The psychological factors were measured using variables such as motivation, perception towards savings, attitude with handling money, and the life learning experience of household heads. Social factors on the other were measured using family influence, reference group influence and the influence of household head status and role in the community and home. Financial literacy was also measured using the knowledge on basic concept of money management including interest, risk and returns.

Chapter Summary

The chapter two of this study reviewed literature in light of the determinants of domestic or household savings. The review revealed that gross domestic savings in Ghana has not been very impressive and at the same time there were limited studies in Ghana on the relationship non-macroeconomic factors that influence personal savings. The chapter proceeded to review literature from other economic context to assess the link between forces such as demographic, psychological, social, cultural and financial literacy on savings behaviour. This chapter ended with the conceptual framework which provided the linkage between savings behaviour and its determinants.

CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter dealt with the research methodology in analysing the factors that influence domestic or household heads' savings. The chapter started by presenting the design and research approach. Other key issues that were presented in this chapter included the data collection technique, population and sample size, data collection instrument and issues of validity and reliability and well as ethical considerations.

Research Design

The design employed for the analysis of the objectives of this study was the explanatory design. Research design can be seen as the overall blueprint that the study follows is achieving the objectives. The explanatory design otherwise known as the causal research design provides explanation with respect to the extent to which one or more variables influence another variable (Zikmund, Babin, Carr, & Griffin, 2012).

Explanatory design also focuses on offering explanation regarding the degree with which the behaviour of one or more variables can influence the dynamic of another independent variable. From the perspective of the explanatory design, this study anticipated that non macroeconomic factors can contribute to explain the variation that occurs in the level of savings among household heads.

There are some advantages related to the employment of explanatory design. Firstly, it plays important role in helping to ascertain how wide range of independent variables, processes, and antecedents functions to affect and thereby contributing to explaining the underlying behaviour observed in a situation, event or outcome. The choice of the explanatory design also stems from the fact that it enables the same research problem to be investigated as many times and at different times as possible since the context, scope, and variables used in explaining other events are measurable and ascertainable.

More so, the explanatory design is linked up with higher levels of internal validity due to possibility of the systematic selection of variables and subjects for the study (Zikmund, Babin, Carr, & Griffin, 2012). The main disadvantages associated with explanatory study are in respect of the fact that findings that are obtained may not necessarily be as a result of causal relationship but could stem from other variables that randomly behave. Despite these limitations with the explanatory study, it is considered as ideal for the objective of this study.

This study adopted the explanatory design because it supports the effect of one variable on another variable. Thus, the explanatory design enabled this study to investigate the effect of cultural factors, financial literacy, and socio-psychological factors on savings behaviour.

Research Approach

The quantitative research approach was adopted by this study in achieving its objectives. Quantitative research or study deals with the use of variables that are measurable in numerical terms to investigate the underlying relationship and effect (Babbie, 2010). The main objective which quantitative study or research seeks to address is with regards to revealing the relationship between and among variables; as well as to elicit any causal relationship which one variable or event may exert on another. It also underscores how a manipulated variable influences another variable under a defined condition and setting (Mujis, 2010).

The use of quantitative research therefore utilises variables that are measured on the continuous scale (interval or ratio) and variables and events whose value can be ascertained and measured and for which statistical computations can be performed (Babbie, 2010). The main advantage with the employment of quantitative approach is that it allows for replication of the same phenomenon and therefore has high reliability level.

Given the purpose of this study, the quantitative method was considered ideal. This study employed the quantitative approach because it enabled the formulation of index for each of the constructs to be able to assess the effect of each of the independent variables on the dependent variable.

Study Area

The study focused on Zebilla, the capital of the Bawku West District which is one of the fifteen districts in the Upper East Region of northern Ghana (Population and Housing Census, 2010). Zebilla is part of the traditional kingdom of Kussasi. Kussasi is the main ethnic group and Kussal is the main language spoken in the Zebilla area. Zebilla town is made up of thirty seven (37) communities with a population of 4,508; and the main occupation of residents in Zebilla is farming, petty trading, artisans and some government employees (Population and Housing Census, 2010).

Source of Data Collection

Data used for analysis in this study was mainly collected from primary sources from the household heads in Zebilla in the Upper East region of Ghana. At the time of conducting this study, there was no secondary data in Ghana or elsewhere that could adequately measure the explanatory variables. The study therefore resorted to obtaining first hand data from respondents on data items such as demographic information, savings behaviour, financial literacy, cultural, social and psychological information that align to savings.

Data Collection Instrument

The study employed questionnaire to obtain data from respondents. The questionnaire which was designed by the researcher had a preamble which introduced the purpose of the data collection and also contained six sections from A to F. Section A contained 6 demographic information in relation to gender, level of education, age, occupation, income bracket and household size. Section B contained 9 informational statements regarding the savings behaviour of household heads.

Section C contained 8 information or questions on financial literacy; Section D similarly contained 9 informational statements on cultural practices of household heads; Section E contained statements on psychological measures such as motivation, learning, attitude and perception. Section F also contained statements that measured social forces and these included family influence, influence of reference groups, as well as the influence of the status and role of household heads in their respective communities and families.

Data Collection Procedure

Data was collected by the researcher over a two-month period from September to October 2020 in the township of Zebilla. The researcher had the major task of explaining the content of the study to the respondents who could not read and write and assisted them to make their own choices. While some of the household heads were cooperative others were unwilling to engage in the exercise for reasons that respondents in question did not explain. The researcher visited the communities in Zebilla mostly on weekends and Fridays and this made it possible for the researcher to obtain instantaneous response and on the average 14 to 17 questionnaires were administered on each field day.

Population

The study covered the rural communities in the Zebilla in the Upper East region of Ghana. Zebilla is the capital town of the Bawku West District which was created in the Upper East District of Ghana in 1988. In reference to the 2010 Population and Housing Census of Ghana, the Zebilla has a total population of 4,508 household heads. The main occupation of residents in Zebilla is farming, petty trading, artisans and some government employees.

Sampling Procedure

Due to the nature of the study and the large population size, the study used a statistical sample size computation but the actual selection of the sample was based on the convenience of the researcher. The sample size for this study was calculated using the formula for finite population as proposed by Israel (2013).

n= $\frac{N}{1+N\,(x^2)}$ = $\frac{4{,}508}{1+4{,}508\,(0.05^2)}$ = $\frac{4{,}508}{12.27}$ = 367

Where: n= desired sample size; N= Population; e = margin of error at 5% (standard value of 0.05).

Data Processing

Data collected for this study was processed using the statistical package for social sciences (SPSS). Thus, the SPSS software was used to do coding, editing and preparing the data for analysis.

Data Analysis

The five objectives of this study were analysed using the least square regression model. The least square regression model was adopted because it enabled the researcher to predict the determinants of savings behaviours in terms of capturing the variables that have significant effect on savings behaviour. It also helps in assessing the effect size of each determinant on savings behaviour of household heads.

Model Specification

The general regression model specification was shown in equation (1). From equation (1), X_i is the vector of the factors that affect savings behaviour; hence the vector of X_i was (demographic factors, financial literacy, cultural practices, psychological factors, and social factors).

Savings Behaviour = f(X_i) ***(1)***

Measurement of Variables

The variables used in this study were measured as follows:

Savings Behaviour: This variable was measured mainly by the ability of household heads to save money for future consumption and needs (Salman & Zaib, 2012).

Demographic Factors: These factors were measured in terms of age, gender, educational level, income and household size (Salman & Zaib, 2012).

Cultural Factors: They were measured based on whether or not parents nurtured the respondents on the lines of savings when they were growing up and whether the culture of collectivism supported savings behaviour (Amir & Miki, 2012).

Psychological Factors: They were measured using variables such as motivation, perception towards savings, attitude with handling money, and the life learning experience of household heads (Coper & Gutter, 2019).

Social Factors: They were measured using family influence, reference group influence and the influence of household head status and role in the community and home (Coper & Gutter, 2019).

Financial Literacy: It was also measured using the knowledge on basic concept of money management including interest, risk and returns (Lusardi, 2008).

Validity and Reliability

To ensure the validity and reliability of the results, the study employed factor analysis on variable that were measured on the liker scale item to ensure that only indicators with higher loadings were taken into account in the estimation of the index for such variable. In this regard, the study observed the total variance explained, the Bartlett test and the Kaiser-Meyer and Olkin (KMO) test to ensure that validity of the results.

Furthermore, the study used the Cronbach Alpha to determine the level of internal consistency and reliability of the indicators in the study. The Cronbach Alpha was used as test for reliability because it indicates how consistent the measurement items are with the constructs that is being measured. Also, the KMO test and the other diagnostics such as goodness of fit test and serial correlation test were presented because they are among the regression assumption that must be met in order for the result to be valid.

Ethical Consideration

The study critically considers academic honesty in writing of this dissertation and the collection of data. During the data collection process, the identities of respondents are held as anonymous and the data obtained from respondents are not used for other purposes other than for presentation in this study. Furthermore, the study ensured that respondents who participate in the data collection process do so voluntarily. Hence, data are collected are based on the principles of confidentiality and anonymity.

Chapter Summary

This chapter dealt with the research methodology in analysing the factors that influence domestic or household heads' savings. The chapter started by presenting the design and research approach. Other key issues that were presented in this chapter included the data collection technique, population and sample size, data collection instrument and issues of validity and reliability and well as ethical considerations.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

The results analysed on the basis of the objectives set for this study in respect of the data collected from respondents were presented in chapter four of this study. The discussions on the various results were also presented. Firstly, this chapter presented the demographic characteristics of the respondents, followed by the descriptive statistics, then the demographic factors that influence the savings behaviour of household heads, the relationship between financial literacy and savings behaviour, and the influence of cultural practices, psychological factors and social factors on the savings behaviour of household heads in the Zebilla in the Upper East region of Ghana.

Demographic Characteristics of Respondents

The study obtained data on the demographic variables in respect of household heads in Zebilla. The demographic variables include the gender, level of education, the age bracket, occupation, income level, and household size. The demographic features of respondents were analysed descriptively using frequency distribution and percentages and the results were presented in Table 1. From the results in Table1, the study was able to obtain 100% response rate due to the personal administration of the questionnaires by researcher; thus the study obtained response rate of 367 responses from the target groups within the study population.

Table 1: Demographic Characteristics of Respondents [N = 367]

Demographics		Frequency	Percentage
Gender:	Male	217	59.1
	Female	150	40.9
Education:	No Formal Education	119	32.4
	Basic Education	87	23.7
	Secondary Education	83	22.6
	Tertiary Education	78	21.3
Age:	26-35 years	54	14.7
	36-45 years	107	29.2
	46-55 years	102	27.8
	56-65 years	76	20.7
	Above 65 years	28	7.60
Occupation:	Peasant Farmer	129	35.1
	Petty Trader	72	19.6
	Government Employee	51	13.9
	Artisan	104	28.3
	Others	11	3.0
Income (Monthly):	Less than GHS500	26	7.1
	GHS501-GHS1000	72	19.7
	GHS1001-GHS1500	140	38.3
	GHS1501-GHS2000	80	21.9
	Above GHS2000	49	13.4
Household Size:	Less than 3	51	13.9
	4-6 Size	93	25.3
	7-10 Size	91	24.8
	11-13 Size	56	15.3
	More than 13	76	20.7

Source: Field Survey (2020)

Based on the results in Table 1, the study found that household heads that were males dominated female counterparts with males being 217 representing 59.1% and females being 150 representing 40.9%. Based on the educational level of household heads, 119 of the respondents representing 32.4% indicated that they have had no formal education; 87 of the respondents constituting 23.7% had attained basic level of education; those who have attained secondary level education were 83 representing 22.6%; those who have attained tertiary level of education were the lowest with frequency of 78 representing 21.3%. A careful look at the level of education and the percentage score indicated that the number of household heads decreases as the level of education increases. Hence, the study formed the opinion that the number of households head in Zebilla negatively correlates with the level of education with the intuition that fewer household heads have attained higher level of education and vice versa.

Based on the age distribution, the study found that 54 of the respondents representing 14.7% were in the 26 to 35 year age bracket; 107 respondents representing 29.2% were found in the 36 to 45 year age bracket; 102 respondents representing 27.8% were in the 46 to 55 year age bracket; 76 respondents constituting 20.7% were also indicated in the 56 to 65 year age bracket; while a lesser number of 28 respondents representing 7.6% were above 65 years. Based on the age distribution the study observed the trend that greater percentage of household heads in Zebilla is within 36 to 55 years. This result is good news since for household members of Zebilla since household heads are largely constituted of youths who are generally considered to be energetic to fend for their households.

The study also found that majority of the household heads (129 representing 35.1%) were peasant farmers, followed by artisans (104 representing 28.3%), followed by petty traders with frequency of 72 representing 19.6%; then the least occupational group is those in government employment with frequency of 51 representing 13.9%. The study also found that 11 of the respondents representing 3% belonged to other occupational units other than the ones aforementioned. Based on the income distribution per month, the study found that 26 of the respondents representing have average income of GHS500 per month. Those whose monthly income range between GHS500 and GHS1000 were 72 representing 19.7%; those with average monthly income of GHS1001 to GHS1500 constituted the majority of 140 respondents representing 38.3%; those with income bracket of GHS1501 to GHS2000 were 80 representing 21.9%. The study also found that 49 of the respondents representing 13.4% have monthly average income of more than GHS2000.

The income distribution clearly suggests that average income per month of household heads in Zebilla is low with average income bracket of GHS1001 to GHS1500. This finding is more disturbing against the background that the average household size (modal size) in Zebilla was found to be between 4 to 6 persons (93 representing 25.3%). The study also found that 51 of the respondents representing 13.9% indicated that they have household size of less than 3 members; 91 representing 24.8% of the respondents indicated that their household size is from 7 to 10; respondents with family size of 11 to 13 were 56 representing 15.3%; and those households with more than 13 members were found to be 76 representing 20.7.

Descriptive Statistics

The study performed descriptive statistics on the variables used in this study so as to enhance the understanding of the further statistical results on the objectives. The main variables that were used in this study and for which they are described descriptively include savings behaviour (SB) of household heads, Financial Literacy (FL), cultural practices (CP), psychological forces such as motivation (M), perception (P), learning (L) and attitude (A), and social factors such as family (F), reference groups (RG), and role and status (RS). The descriptive statistics employed in describing the variables were the mean, standard deviation, skewness and kurtosis.

For simplicity sake, the variables described in Table 2 were the indices formulated which had been discussed subsequently in this study. The result on the mean values in Table was interpreted on the basis of the designation assigned to the five-point scale on the questionnaires (see appendix). From the questionnaire, 1 represented strong disagreement (SD) to the statement, 2 represented disagreement (D), 3 represented uncertainty (U), 4 represented agreement (A), and 5 represented strong agreement (SA) to statements made. However, the interpretation for financial literacy was based on wrong answer which was scored 0 and right answer which was scored 1 which gave a total score of 8 for all 8 questions that were answered correctly.

Table 2: Descriptive Statistics

Variable	Mean	Std. Deviation	Skewnness	Kurtosis
SB	2.30	0.213	0.012	0.231
FL	4.20	0.345	0.341	0.094
CP	3.51	0.032	0.091	0.098
Psychological Factors:				
M	4.55	0.563	0.023	0.342
P	3.67	0.123	0.007	0.215
L	3.21	0.005	0.723	0.892
A	2.34	0.402	0.234	0.023
Social Factors:				
F	2.35	0.102	0.108	0.009
RG	2.15	0.431	0.003	0.580
RS	4.69	0.009	0.089	0.129

Source: Field Survey (2020)

Based on the results in Table 2, the mean value of saving behaviour (SB) of household heads was 2.30 (approximately 2) and this indicated that respondents disagreed that they have high saving behaviour. The financial literacy (FL) mean score 4.20 and this indicated that 52.5% (that is, 4.2 out of total of 8 score) of the financial literacy questions were answered correctly and on the basis of this result the study drew the conclusion that the financial literacy of household heads of Zebilla is slightly above average.

The mean value for cultural practices (CP) was 3.51 (approximately 4) and this indicated that respondents agreed that their savings behaviour has cultural influence. The average score for motivation index was 4.55

(approximately 5) has the intuition that household heads believe that the motivation for attaining social, security, self-esteem and self-actualisation influence their savings behaviour. Consequently, the mean value for perception was 3.67 (approximately 4) and this result reflected that household heads perceived that those who save are better off in future than those who do not save, hence that perception influence their savings behaviour.

However, with regards to the mean value for learning (L) of 3.21 which is approximately 3, the study drew the intuition that household heads remain uncertain as to whether the basic knowledge acquired in life coupled with their life experience were important consideration when it comes to making saving decision. Regarding the mean value of attitude (A) of 2.34 (approximately 2), the study found that respondents disagreed that they have positive attitude towards savings.

The descriptive statistics on the social factors that influence savings behaviour, the result in Table 2, produced mean value of 2.35 (approximately 2) and this meant that household heads disagree that their preference for savings could be traced from their family background where they were taught and encouraged to save. This result implies that the culture of savings was not encouraged among household members of residents in the Zebilla district of the Upper East region of Ghana. With regards to the mean value for reference groups (RG), the study obtained mean value of 2.15 (approximately 2) and this reflected that the households heads disagreed that associates and friends are able to have positive influence on the savings behaviour of household heads. Finally, the mean value for role and status (RS) of 4.69 representing 5 approximately indicated that household heads strongly agree that their status and position as the head of the family in discharging economic responsibility is a major reason why they consider the idea of saving money for the future.

Validity and Reliability Tests

The study performed validity test to ascertain the correctness of the results of the study. With respect to ensuring validity, the study performed factor analysis using the principal component analysis and employing the Kaiser Meyer Olkin (KMO) test, the total variance explained (TVE), and the Bartlett test to ascertain the sample adequacy, the size of the variance explained, and whether or not there is identity matrix in the rotated component matrix for any of the variables and indices. The reliability of the variable indicators was also measured by the Cronbach alpha. The result of the reliability and validity tests was produced in Table 3. The study formulated an index for only two variables [saving behaviour (SB) and cultural practices (CP)] by means of factor analysis; and all other variables were measured as a single item construct.

Based on the result from Table 3, the study obtained 7 out of 9 indicators loading well on the optimal component for saving behaviour (SB) as against 6 out of 9 indicators for cultural practices (CP) that is deemed to influence saving behaviour. The highest and lowest loadings for savings behaviour were 0.705 and 0.508 respectively whereas the highest and lowest factor loading for cultural practices were 0.906 and 0.614 respectively. All the factor loadings exceeded 0.30 and in each of the two variables, the study obtained more than 4 indicators having loaded well on each construct. The study therefore used the 7 indicators of savings behaviour (SB) to estimate an index for SB while the 6 indicators that loaded well on cultural practices were used to estimate an index for CP.

Table 3: Factor Analysis for Savings Behaviour and Cultural Practices

Indicators	Factor Loading	Indicator	Factor Loading
SB5	0.705	CP7	0.906
SB3	0.643	CP8	0.882
SB1	0.588	CP5	0.865
SB4	0.584	CP9	0.747
SB2	0.503	CP6	0.710
SB8	0.562	CP4	0.614
SB6	0.508	-	-
Total Variance Exp.	46.095%		52.45%
Kaiser-Meyer-Olkin	0.610		0.832
Bartlett test (P-value)	0.000		0.000
Cronbach Alpha	0.872		0.981

Source: Field Survey (2020)

The total variance explained (TVE) for savings behavior was 46.095% representing that fact that the 7 indicators of SB explained up to 46.095% of the variance in savings behaviour of household heads while the TVE for cultural practices of 52.45% indicated that the 6 indicators of CP explained up to 52.45% of the variance in the CP variable. Furthermore, the value of the Kaiser-Meyer-Olkin (KMO) for SB and CP were 0.610 and 0.832 which were all more than 0.6 threshold and this result indicated that the sample size used for the construction of the indices were adequate. Moreover, the probability values for the Bartlett test of 0.000 which were less than 5% alpha level indicated that there component matrixes were not identity matrixes; hence there is high degree of validity achieved. Consequently, the study found the Cronbach alpha value for SB and CP to 0.872 and 0.981 respectively. In each case, the Cronbach alpha exceeded the minimum acceptable level of 0.7 and on this basis the study concluded that the indicators used to measure the respective constructs were reliable.

Demographic Factors that affect the Savings Behaviour of Household Heads

The first objective of the study examined the demographic factors that influence the savings behaviour of household heads by using the least square regression model. As it can be observed from Table 4, the dependent variable in respect of this variable was savings behaviour (SB) and the independent variables were gender, education, age, income and household size. The result of the regression analysis was provided in Table 4.

The results in Table 4 revealed that savings behaviour of household heads is significantly influenced by education, income, household size, and age but the gender of household heads does not significantly affect their savings patterns. Among the four demographic factors that affect saving behaviour of household heads, education and income was found to have positive effect on savings while age and household size were found to negatively influence savings behaviour of household heads in Zebilla. The significance of the independent variables was tested at 5% alpha level.

Table 4: Demographic Factors affecting Savings Behaviour

Dependent Variable: Saving Behaviour (SB)				
Variable	Coefficient (β)	Std. Error	T-statistics	P-value
Constant	4.623	0.139	33.204	0.000
Gender	0.077	0.045	1.710	0.088
Education	0.056	0.023	2.445	0.015
Age	-0.075	0.033	-2.264	0.024
Income	0.115	0.002	57.50	0.000
Household Size	-0.042	0.017	-2.545	0.011
R-square	0.4715			
F-statistic	4.696			
P-value (F-statistic)	0.000			
Durbin-Watson	1.955			

Source: Field Survey (2020)

From the results in Table 4, education had coefficient (β) = 0.056, standard error = 0.023, t-statistic = 2.445, and p-value = 0.015. This result indicated that a rise in the level of education of household heads positively affect the savings behaviour by 0.056 units. Therefore, there is a positive association and effect regarding education and savings. The implication here is that household heads that are highly educated have less difficulty in appreciating the relevance of savings to one's household compared to those whose level of education is relatively low. The coefficient of income (β) = 0.115, standard error = 0.002, t-statistic = 57.5, and

P-value = 0.000 with the implication that increase in income increase one's savings by 0.115 units.

This result laid emphasis on the positive relationship between income and savings as it is put forward by the Keynesian theory which postulated that increased income provides opportunity for savings towards future demand of goods and services. On the other hand, the study found that the coefficient of age as

β = -0.075, standard error = 0.033, t-statistic = -2.264, and p-value = 0.024 with the implication that the increase in the age of household heads decreases the level of savings by 0.075 units.

These findings can be linked to the fact that household heads who in enter their old age are less likely to have income than those who are in their early years. In other words, advancement in age comes with little income and since savings directly depends on income the study concluded that household heads that are of many years have less tendency to save hence their saving behaviour reduces. This result agreed with the life cycle hypothesis that stipulates that people save during their early years and at their end of life (or retirement/old age) they run down their savings by depending on them for consumption. This result theoretically implies that savings behaviour for household heads who are aged is lower and that of household heads that are young is high.

The result in Table 4 further revealed that the coefficient of household size of β = -0.042, standard error = 0.017, t-statistic = -2.545, and p-value = 0.011 produced the intuition that increased number of persons in a household decrease the ability of household head to save by 0.042. The direct deduction that can be drawn from this result is that increased number of one's household churns out more income into consumption rather than into savings hence as the number of person dependent on a household head increase the lesser the chance that the household head can save money.

The results in Table 4 produced R^2 of 0.4715 with the implication that the demographic factors put together explain up to 47.15% of the dependent variable (saving behaviour) of household heads. The value of the R^2 was found to be significant reference to the value of the F-statistic = 4.696 with p-value of 0.000. This implies that there is goodness of fit in the regression result produced in Table 4. Furthermore, the study found that there was no serial correlation in the residual of the regression model. This was evidenced by the value of the Durbin-Watson statistic = 1.955 which is approximately 2.

Effect of Cultural Practices on Saving Behaviour of Household Heads

The second objective of this study examined the influence of cultural practices (CP) on savings behaviour of household heads in Zebilla. This objective was analysed using simple regression analysis and the result was produced in Table 5. The result in Table 5 indicated that effective cultural practices positively affect the savings behaviour of household heads. Based on the result in Table 5, the study obtained coefficient for cultural practice index to be β = 0.049, standard error = 0.012, t-statistics = 4.0833 and p-value of 0.000 with the implication that sound cultural practices towards savings enhance savings behaviour by 0.049 units.

Table 5: Effect of Cultural Practices on Savings Behaviour

Dependent Variable: Saving Behaviour				
Variable	Coefficient (β)	Std. Error	t-Statistic	P-value
Constant	4.101	0.133	30.854	0.000
CP	0.049	0.012	4.0833	0.000
R-square	0.2867			
F-statistic	18.42			
P-value (F-Statistic)	0.000			
Durbin-Watson	1.824			

Source: Field Survey (2020)

The practical implication for this result is that individuals in families that inherited the culture of savings from parents and grandparents tend to influence their savings lifestyle. Similarly, in cultures where the concepts of individualism or nuclear family system is embraced as opposed pluralism and the practice of extended family system tend to increase the number of dependency which minuses the tendency for household head to save.

The results in Table 5 produced R^2 of 0.2867 with the implication that the cultural practice index explains up to 28.67% of the dependent variable (saving behaviour) of household heads. The value of the R^2 was found to be significant reference to the value of the F-statistic = 18.42 with p-value of 0.000. This implies that there is goodness of fit in the regression result produced in Table 5. Furthermore, the study found that there was no serial correlation in the residual of the regression model. This was evidenced by the value of the Durbin-Watson statistic = 1.824 which is approximately 2.

Effect of Financial Literacy on Savings Behaviour

The third objective of this study analysed the influence of financial literacy of household heads on their saving behaviour by using the simple regression model. For this objective, savings behaviour was taken as the dependent variable and the independent variable was financial literacy index. The result for the regression model was produced in Table 6.

Table 6: Effect of Financial Literacy on Savings Behaviour

Dependent Variable: Saving Behaviour				
Variable	Coefficient (β)	Std. Error	t-Statistic	P-value
Constant	4.235	0.076	55.753	0.000
FL	0.050	0.046	3.125	0.000
R-square	0.2953			
F-statistic	16.81			
P-value (F-statistic)	0.000			
Durbin-Watson	1.844			

Source: Field Survey (2020)

Based on the result in Table 6, the study produced coefficient of financial literacy to be 0.050 with standard error of 0.046, t-statistic of 3.125 and p-value of 0.000. The positive coefficient implies that an increase the financial literacy level of household heads increase the level of saving behaviour by 0.05 units. The practical implication of this study means that the knowledge about financial issues such as interest rate of savings and investment, liquidity of savings accounts, the financial and economic relevance of savings, the knowledge about the various short term instruments which one can buy to store the value of money, and the realization that idle funds are costly have the tendency to push household heads to save their excess funds.

The results in Table 6 produced R^2 of 0.2953 with the implication that financial literacy index explains up to 29.53% of the dependent variable (saving behaviour) of household heads. The value of the R^2 was found to be significant reference to the value of the F-statistic = 16.81 with p-value of 0.000. This implies that there is goodness of fit in the regression result produced in Table 6. Furthermore, the study found that there was no serial correlation in the residual of the regression model. This was evidenced by the value of the Durbin-Watson statistic of 1.844 which is approximately 2.

Effect of Psychological Factors on Savings Behaviour

The fourth objective of this study assessed the effect of psychological factors such as motivation (the need for social, safety and security, self-esteem and actualisation), perception people hold about savings, the learning and experience of individuals and their attitude have on the saving behaviour of household heads. The result of the multiple regression on this objective was produced in Table 7. Based on the regression results, the study found that motivation had β = 0.025, standard error = 0.008, t-statistic = 3.125 and p-value = 0.000 which is less than 5% with the intuition that a unit increase in the in the need for physiological, social, security, safety, and esteem or actualisation need enhance the level of level of savings behaviour by 0.025 units.

From this result, the study revealed that the drive to make the future secured by household heads in terms of their ability to cater for the basic needs of the family as well as to provide for the social and security needs influence their savings behaviour. With respect to perception, the study observed β = 0.119, standard error = 0.043, t-statistic = 2.745 and p-value of 0.006 with the interpretation that the perception of household heads that those who save are better off in the future relative to those who do not save drive them to formulate better mindset and behaviour towards savings.

Table 7: Effect of Psychological Factors on Savings Behaviour

Dependent Variable: Saving Behaviour (SB)				
Variable	Coefficient (β)	Std. Error	T-statistics	P-value
Constant	4.163	0.126	33.060	0.000
Motivation	0.025	0.008	3.125	0.000
Perception	0.119	0.043	2.745	0.006
Learning	0.089	0.033	2.297	0.018
Attitude	0.047	0.018	2.611	0.002
R-square	0.6715			
F-statistic	23.40			
P-value (F-statistic)	0.000			
Durbin-Watson	2.13			

Source: Field Survey (2020)

The coefficient of learning β = 0.089, standard error = 0.033, t-statistic = 2.297 and p-value = 0.018. This indicated that the basic knowledge that household heads acquire in life as well as their experience push them to accept the reality and importance of savings and this reinforcement enhances the savings behaviour by 0.089. Furthermore, the β for attitude was found to be 0.047 with standard error of 0.018, t-statistic of 2.611 and p-value of 0.002

with the interpretation that positive attitude towards savings enhance the level of savings behaviour by 0.047 units.

Based on the results in Table 7, the study produced as R^2 of 0.6715 with the implication that the psychological factors (motivation, perception, learning, and attitude) explains up to 67.15% of the dependent variable (saving behaviour) of household heads. The value of the R^2 was found to be significant reference to the value of the F-statistic = 23.40 with p-value of 0.000. This implies that there is goodness of fit in the regression result produced in Table 7. Furthermore, the study found that there was no serial correlation in the residual of the regression model. This was evidenced by the value of the Durbin-Watson statistic of 2.13 which is approximately 2.

Effect of Social Factors on the Savings Behaviour of Household Heads

Based on the fifth objective, the study analysed the social factors that influence the savings behaviour of household heads in the Zebilla district in the Upper East region of Ghana. This objective identified factors that relate to the family, reference groups (RG) and the role and status (RS) of household heads as the social factors. The result of the regression output for the nexus between social forces and savings behaviour was indicated in Table 8.

Based on the regression results in Table 8, the study produced coefficient for family influence on savings to be 0.053 with standard error of 0.012, t-statistic to be 4.416 and p-value to be 0.000. The positive coefficient of 0.053 and the p-value of less than 5% alpha level mean that families that imbibe the culture of savings into their household members tend to stimulate the interest of future heads of the family to embrace the culture of savings.

Thus, the effect size of family influence on the saving behaviour of household heads was found to be 0.053 units.

Table 8: Effect of Social Factors on Savings Behaviour

Dependent Variable: Saving Behaviour (SB)				
Variable	Coefficient (β)	Std. Error	T-statistics	P-value
Constant	4.189	0.130	32.150	0.000
Family	0.053	0.012	4.416	0.000
RG	0.016	0.029	0.546	0.585
RS	0.045	0.011	4.091	0.000
R-square	0.3452			
F-statistic	13.7			
P-value	0.000			
Durbin-Watson	1.78			

Source: Field Survey (2020)

The coefficient for reference groups (RG) was also found to be 0.016 with standard error of 0.029 and t-statistic of 0.546 with p-value of 0.585 which exceed the alpha level of 5%. The study therefore concluded that saving behaviour of community members does not significantly influence household head to also engage in the culture of savings. The study nevertheless found the coefficient of the role and status (RS) to be 0.045 with standard error of 0.011, t-statistic of 4.091 and p-value of 0.000 with the interpretation that the role of household heads as the head of the family and breadwinners compel them to save for the upkeep of the members of the household with the effect size of 0.045.

Thus, this study has found that family influence and the role and status of heads of households are the significant social push factors that drive the saving behaviour. Based on the results in Table 8, the study produced as R^2 of 0.3452 with the implication that the social factors explains up to 34.52% of the dependent variable (saving behaviour) of household heads. The value of the R^2 was found to be significant reference to the value of the F-statistic = 13.7 with p-value of 0.000. This implies that there is goodness of fit in the regression result produced in Table 8. Furthermore, the study found that there was no serial correlation in the residual of the regression model. This was evidenced by the value of the Durbin-Watson statistic of 1.78 which is closer to 2 which generally is used to serve as the benchmark for no autocorrelation.

Discussion of Results

The result obtained on the demographic characteristics in terms of age and savings behaviour confirms the findings obtained in the study of Salman and Zaib (2012) examined the relationship between age dependency and the rate of savings and found a strong negative correlation between age and savings with the implication that a person's savings reduces with his or her age. The negative relationship between savings and age can be explained in relation to the fact that persons with old age are less considered for employment and hence has generally lower streams of income than younger persons and hence older persons are less likely to save than younger persons.

The finding that income and household size affect savings behaviour also goes to confirm the evidence produced in the study of Singh and Sailo (2017) who examined the effect of demographic factors on savings and investment patterns in India and found that savings of individuals depends on income and the family size. The result of this study further agree with the findings of Achar (2018) and Jain and Mandot (2017) whose studies concluded that age has indirect impact on savings; income and household size has direct influence on savings. Furthermore there is also agreement between this study and the study of Bayar, Sezgin and Ozturk (2017) that income, age, and educational level influence the level of personal savings or savings of households.

Based on the evidence of positive relationship between cultural practices and savings behaviour, the findings is in coherence with that obtained in the study of Amir and Miki (2012) who explored the cultural practices that contribute in explaining the savings behaviour of households in the United States of America and concluded that cultural attributes such as collectivism and the avoidance of uncertainty have significant influence on the rate of savings in the US economy.

The intuition here is that the rate of savings in society increase with an increase in the level of collectivism and also; the more households and individuals would want to avoid future uncertainties the more they save. The findings in this study adds also to that of Nicola, Paolo and Hannah (2016) on the argument that the attitude of parents and their children in terms of thrift and the desire to accumulate wealth for themselves produce strong foundation for savings. This finding provided further intuition that the culture of savings can be inherited or transited from parents to their children.

Regarding the result on financial literacy, the evidence of positive relationship between financial literacy and saving behaviour adds to the evidence from the study of Lusardi (2008) who assessed the role of financial literacy in explaining the savings behaviour of households by showing that financial literacy positively relate with savings rate. This connotes that high levels of financial literacy increase the savings rate of individuals but low level of financial literacy reduces the level of personal savings, all other things remaining constant.

This finding further provided the intuition that people who are less literate financially lack basic knowledge and information on savings, interest rate, retirement planning, the concept of risk and wealth accumulation. Through the deprivation of individuals of this basic financial knowledge, individuals are limited in terms of the optimal savings potentials and that affect the savings rate relative to those with higher financial literacy.

The results that psychological and social factors such as family influence, motivation, learning, attitude and perception influence savings behaviour is consistent with the study of Coper and Gutter (2019) who researched on the social and psychological forces that influence the savings behaviour of households in Turkey by surveying 171 individuals and revealed that perception that people hold about savings, the motivation and the desire to accumulate wealth in future as well as the desire to have financial freedom were among the major psychological factors that influence savings behaviour.

This study also found that the general attitude of household regarding the management of money and spending and lifestyles significantly influence personal savings which is consistent with the evidence found in the study of Coper and Gutter (2019). The intuition is that the perception that savings is a means of procuring better future and achieving self –independence and economic power. Also, people's motivation to achieve higher standard in education as well as parents desire to have greater educational opportunity for their children was another major contributor to savings.

It can also be said that the family as an agent in the social setting play significant role towards reinforcing the attitude of savings. The insignificant relations found in this study on reference group's influence on savings behaviour however is at variance with the Walden (2012) who opined that social forces such as the influence of community members and one's inner group members have significant influence on one's conceptualisation of savings.

Chapter Summary

The results analysed on the basis of the objectives set for this study in respect of the data collected from respondents were presented in chapter four of this study. The discussions on the various results were also presented. Firstly, this chapter presented the demographic characteristics of the respondents, followed by the descriptive statistics, then the demographic factors that influence the savings behaviour of household heads, the relationship between financial literacy and savings behaviour, and the influence of cultural practices, psychological factors and social factors on the savings behaviour of household heads in Zebilla in the Upper East region of Ghana.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

In examining the factors that influence the savings behaviour of household heads in the Zebilla district in the Upper East region of Ghana, this study based on this chapter to provide a summary of the findings and the conclusions drawn on the bases of the results of the study. The study also provided recommendations that propel and stimulate the savings culture of household heads.

Summary of the Study

As already submitted earlier in this study, the main purpose of this study was to analyse the factors that affect the savings behaviour of household heads in Zebilla in the Upper East region of Ghana. This broad objective was decomposed into five specific objectives which included the assessment of the demographic, cultural factors, financial literacy, psychological factors and social factors that influence the savings culture of heads of households in Zebilla. The study was entirely quantitative and it was also based on the explanatory design where the demographic, cultural factors, financial literacy, psychological factors and social factors were used to explain savings behaviour. The study analysed the objectives of the study by appealing to the least square regression model after collecting data from 367 household heads using questionnaire survey.

Summary of Findings

The results produced from the analysis of the data revealed the following snapshots on the respective objectives of the study.

1. Based on the first objective which dealt with the analysis of the demographic factors that influence the savings behaviour of household heads, the study found that income and the level of education positively influence the savings behaviour of household heads with the implication that higher income and higher educational background stimulates savings. The study however found that household size and age have negative influence on the saving behaviour of heads of households. That is, the level of savings decrease with advancement in years and as the number of household members who depend on household head for living increase the ability for saving to rise reduces.
2. With reference to the second objective which examined the influence of cultural practices on savings behaviour, the study found that cultural practices among the households in the Zebilla districts in the form of seeing savings as virtue practiced by one's parents and grandparents enhance the savings behaviour of heads of households.
3. The third objective which examined the influence of financial literacy on the saving behaviour of household heads, the study found a direct relationship between the two variables. That is, higher financial literacy of household heads (knowledge on interest rate on savings, costs of keeping idle cash, returns on savings, savings making one's life better in old age, etc.) served as a positive push force that increase savings behaviour.

4. Regarding the fourth objective, the study examined the influence of psychological factors on the savings behaviour of household heads. The main finding on this objective was that the motivation to have basic needs, social, security and achieve esteem, the perception that people who save live better life, the experience of one's life, and positive attitude towards savings were found to be the significant psychological drivers that enhance the savings behaviour of household heads.
5. The fifth objective of this study assessed the social factors that influence the savings behaviour of household heads. The result of the study revealed that the influence of one's family and the key role as 'heads and caretakers' were key drivers that push household to save.

Conclusions

Based on the above findings on the five objectives, the study drew the following conclusions.

(a) The first conclusion drawn based on the first finding was that higher income and higher education promote savings behaviour while old age and higher dependency reduce the ability of household head to save. Thus, demographic factors should be considered in policy direction towards promoting savings. Hence, education, age, income, and household size are the demographic factors that influence savings behaviour of household heads.

(b) The second conclusion drawn from this study was that positive cultural practices such as cultures that lay emphasis on the need to meet not only the present need but also that of tomorrow's needs provide important support that enhance savings behaviour. Hence, cultural practices should be looked at as an important factor that influences savings. Thus, cultural practices affects savings behaviour of household heads.

(c) The third conclusion drawn by this study was that higher financial education on financial issues such as basic knowledge on the cost of holding idle cash, interest rate reward, and liquidity of savings accounts among others provide important understanding that enable household heads to save. Financial education is therefore important consideration in determining savings behaviour. Thus, financial literacy affects savings behaviour of household heads.

(d) The fourth conclusion was that psychological factors such as positive attitude towards spreading income to both consumption and savings and other factors such as positive perception on the better lifestyle of people that save, as well as the motivation to get one's basic needs, social, safety, and esteem needs met in future days positively enhance the savings behaviour of household heads. Thus, psychological factors should be considered when designing programs for enhanced savings. Thus, motivation, perception, learning and attitude of savers are the psychological factors that influence savings behaviour of household heads.

(e) The final conclusion drawn from the findings of this study was that social factors such as the influence of key people in one's family as well as the important role and status as 'heads and stewards' of the family are key variables that enhance the saving behaviour of household heads. Social factors are therefore important determinants in enhancing savings behaviour of individuals. Thus, family, reference groups and role and status of household heads are the social factors that influence their savings behaviour.

Recommendations

Based on the conclusions made on the findings of the study, this study brought forth the following recommendations.

1. The study found that income and education impacts savings but old age and larger household size reduce savings. The recommendation on this therefore is that the government of Ghana should consider improving the income of household heads through the support of providing transfer payments to enhance the income of household heads. The government of Ghana should also provide basic education on savings for adults and household heads to enable them to come to terms with the importance of savings for household members. Government should therefore not only consider economic factors but also demographic characteristics of individuals when designing campaign programs for higher personal savings.
2. On the cultural practices that affect savings behaviour, the study recommended that household heads should adopt the culture of imbibing into household members the culture of not spending every income that is generated in the hope that tomorrow will take care of

itself. Cultural factors should therefore be considered when designing policies for increased domestic and personal savings.

3. Based on the findings that financial literacy positively enhance the savings behaviour, this study recommended that the Local District Assembly and Assembly members should provide platforms for providing financial education on the basics of savings to household heads in Zebilla. This will go a long way to stimulate their interest in savings.
4. Based on the fourth conclusion which found that motivation, perception, learning and attitude influence positively savings behaviour, this study recommended that Assembly members within Zebilla should take it upon themselves to reinforce the positive perception that people who save live better lives and that they are able to meet their basic, safety and esteem needs in the future. This will serve as an important edge to encourage household heads to save. Hence, psychological factors should be considered when assessing the factors that influence savings behaviour.
5. Based on the fifth conclusion that 'family influence' and 'role and status' enhance savings, this study recommended that household heads should encourage members within their household who earn income to save. They must also encourage themselves and one another to save so that they can cater for the future needs of the members of their households. Hence, social factors should be considered when assessing the factors that influence savings behaviour.

Suggestions for Further Studies

This study suggests that future studies should direct attention to consider the savings behaviour of not only household heads but also the saving behaviour of household members. That is, there should be an evidence to the revelation as to whether the savings behaviour of household heads affect the saving patterns of household members and also whether or not savings by households contribute to making them to live better life.

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APPENDIX

UNIVERSITY OF CAPE COAST
COLLEGE OF HUMANITIES AND LEGAL STUDIES
SCHOOL OF BUSINESS
QUESTIONNAIRE

TOPIC: ASSESSING THE DETERMINANTS OF HOUSEHOLD HEADS' SAVING BEHAVIOUR IN UPPER EAST REGION: A CASE STUDY IN ZEBILLA

Preamble: Thank you for making time to take part in this important survey on the above topic. I am a student of University of Cape Coast, pursuing Master Degree in Finance and currently working on my dissertation on the topic stated above. I humbly seek your thought and opinions on the above topic. Yours responses will be kept confidential. All information collected is important for the study and will be looked at as anonymous.

Section A: Demographic Information

Instruction: Select only one option from each of the following set of statements

1. Please indicate your gender
   - Male [ ]
   - Female [ ]
2. Level of Education
   - No formal education [ ]
   - Basic level [ ]
   - Secondary level [ ]
   - Tertiary [ ]
3. Indicate your age bracket
   - 16 - 25 years [ ]
   - 26 – 35 years [ ]
   - 36 – 45 years [ ]
   - 46 – 55 years [ ]
   - 56 – 65 years [ ]
   - Above 65 years [ ]

4. Indicate your occupation
   - Peasant farmer [ ]
   - Petty Trader [ ]
   - Government employee [ ]
   - Artisan [ ]
   - Others [ ]
5. Indicate your income bracket for a month
   - Less than GHS500 [ ]
   - GHS501 – GHS1,000 [ ]
   - GHS1001 – GHS1,500 [ ]
   - GHS1,501 – GHS2000 [ ]
   - Above GHS2,000 [ ]
6. How many members do you have in your household?
   - Less than 3 [ ]
   - 4 – 6 [ ]
   - 7 – 10 [ ]
   - 11 – 13 [ ]
   - More than 13 [ ]

Section B: Savings Behaviour of Household Heads

Select only one option from each of the following statements

Please note: **SD** (Strongly Disagree), **D** (Disagree), **U** (Uncertain), **A** (Agree), **SA** (Strongly Agree)

	Statements on Savings Behaviour	SD	D	U	A	SA
1	I am able to save money every month to cater for my household					
2	I do not spend all the money I make within the month					
3	The monies I put aside for future needs of my household is large					
4	I always save money to cater for the health needs of my household					
5	I reserve some money to take care of					

	uncertainties in the future					
6	I always take buy all I need and save the left over money					
7	I make sure to save the some portion of any additional income					
8	I try to save money because it is very important to me					
9	I look for new ways to make money because I want to save					

Section C: Financial Literacy

1. When I save, I expect to earn
   a. Commission
   b. Interest
   c. Rent
   d. Wages
2. Any income which is not spent can best be described as
   a. Consumption
   b. Savings
   c. Allowance
   d. Money
3. Which of the following can make you make more money in future
   a. Buying clothing
   b. Saving some cash
   c. Giving money to friends
   d. Spending money on foods
4. If you demand money for buying Treasury Bills, it is termed as demanding money for
   a. Transactional purpose
   b. Precautionary purpose
   c. Speculative purpose
   d. Spending

5. If you have extra money and you do not save it what will happen?
   a. The money will grow
   b. The value of money will reduce
   c. The money will get lost
   d. The money will be stolen
6. Which of the following do we save?
   a. All the income
   b. Major portion of the income
   c. Smaller portion of the income
   d. Income which is not spent
7. Which of the following is not a good investment?
   a. Buying company stock
   b. Buying Treasury bills
   c. Buying Bonds
   d. Staking a bet
8. If I have just started working the first thing I should do is?
   a. Build up emergency fund account
   b. Start a savings account
   c. Shop for office cloths
   d. Set aside money for my dream vacation

Section D: Cultural Practices

Select only one option from each of the following statements

Please note: **SD** (Strongly Disagree), **D** (Disagree), **U** (Uncertain), **A** (Agree), **SA** (Strongly Agree)

	Statements on Cultural Practices	SD	D	U	A	SA
1	I inherited savings practices from my parents and grandparents					
2	In my culture, people are encouraged to save money					
3	The number of dependents in our culture is large which discourage savings					
4	In my culture, we always have our basic needs so					

	there is no need to save money					
5	In my culture, excess money must be spent be spent on benevolence and used to assist others so one cannot save					
6	As a growing adult, my culture did not lay much relevance on savings					
7	My friends and family are always available and to support me whenever I am in need so I do not see the need to save					
8	My cultural values upholds the culture of savings					
9	The practice in my household is that everyone who works must save					

Section E: Psychological Factors

Select only one option from each of the following statements

Please note: **SD** (Strongly Disagree), **D** (Disagree), **U** (Uncertain), **A** (Agree), **SA** (Strongly Agree)

	Statements on Psychological Factors	SD	D	U	A	SA
1	**Motivation:** My social, security, self-esteem and self-actualisation needs motivates me to save					
2	**Perception:** I perceive that those who save are better off in the future than those who do not save					
3	**Learning**: The basic knowledge I have acquired in life as well as my experience tells me that savings is important so I try to save					
4	**Attitude**: I have a positive attitude towards savings					

Section F: Social Factors

Select only one option from each of the following statements

Please note: **SD** (Strongly Disagree), **D** (Disagree), **U** (Uncertain), **A** (Agree), **SA** (Strongly Agree)

	Statements on Social Factors	SD	D	U	A	SA
1	**Family**: My preference for savings was developed from my childhood when my family encouraged us to save					
2	**Reference groups**: All the people I associate with in my community save some money so I also practice savings					
3	**Role and status**: My role and status as the head of the family is a major reason why I save					