



**ADDIS ABABA UNIVERSITY**  
**COLLAGE OF BUSINESS AND ECONOMICS**  
**GRADUATE STUDIES**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**

**Determinants of Household Saving Behavior in Addis Ababa: The  
Case of Yeka Sub-city**

A Thesis Submitted to the School of Graduate Studies of Addis Ababa  
University in Partial Fulfillment for Master of Business administration

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## **DECLARATION**

I, Yohannes Seyoum, declare that the study entitled “Determinants of household saving behavior in Addis Ababa: The Case of Yeka Sub City” is the result of my own effort in research undertaking. All information in this document has been obtained and presented in accordance with academic rules and ethical conduct. The study has not been submitted to any Degree or Diploma in any college or university. It is submitted in the partial fulfillment of the requirement of the Degree of Master of Business Administration and that all sources of material used for the thesis have been duly acknowledged.

Name: Yohannes Seyoum

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Date\_\_\_\_\_

## **LETTER OF CERTIFICATION**

This is to certify that Yohannes Seyoum has carried out this research project work under my supervision, on the topic of Determinants of household saving behavior in Addis Ababa: The Case of Yeka Sub-City. Therefore, I recommend that the student has fulfilled the requirements and hence hereby approved the thesis to submit for the defense.

(Dr)WorknehKassa(Advisor)

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This is to certify that this thesis entitles as “Determinants of household saving behavior in Addis Ababa: The case of Yeka Sub city”, submitted in partial fulfillment of the requirements for the Degree of Masters in Business Administration (MBA), done by Yohannes Seyoum is an authentic work carried out by his under our guidance. The theme embedded in this thesis has not been submitted earlier for the award of any degree or diploma in any other university to the best of knowledge.

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## **List of Acronyms and Abbreviations**

OLS

Ordinary Least Square

SPSS

Statistical Software Package for Social Science

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## **Abstract**

*This study aims to analyze the basic determinants of household saving behavior in the case of Yeka sub city in Addis Ababa. 399 sampled respondents were chosen in order to address the research objective. The necessary sample size was obtained using the convenience sampling technique. The study used descriptive and explanatory research design. Utilizing frequency, correlation, and multiple linear regression analysis, all outputs were reported. The outcome suggests that the majority of households have a better understanding of how to spend their money and have a very clear understanding of their economic requirements during retirement. Family size and household saving behavior had a negative and significant relationship, and there is positive and significant relation between income of household and household saving behavior. There is a positive and significant relationship between saving motive and household saving behavior, and between financial institution accessibility and household saving behavior. There is also a positive and significant relationship between financial knowledge and household saving behavior, and between saving awareness and household saving behavior. But age and occupation of respondent has no significant relationship with household saving behavior in this study. The study recommended that since saving awareness and financial knowledge have the most positive and significant relationship with household saving, policymakers need to improve quality of living of the households by enhancing the awareness of households about working habits in engaging in different types of jobs to increase their incomes. Policymakers also need to focus on enhancing the trainings about family planning so as to improve household saving status.*

**Keywords:** *Household saving behavior, saving awareness, financial knowledge, accessibility, saving motive*

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

The portion of current income that is not consumed or postponed as part of household current consumption is known as saving in the household sector. According to Prinsloo, (2000) the same goes for saving, which includes current payments made in the form of a reduction in household liabilities, such as the capital repayment on a loan used for housing, and consumer durables.

According to Popovici (2012), unforeseen circumstances in a person's lifetime make saving a key component in filling a financial gap. To deal with household expenses, household savings could be planned; however, rural households are compelled to save irregularly due to seasonality of cash flows, work habits, and income. Karlan, D. (2013) said, savings mobilization is also important for a person's wellbeing because it helps households balance their budgets and finance worthwhile investments in their human and corporate capital. According to Maddala's (2005) theory, saving depends on the ratio of current income to previous income level. According to Friedman's hypothesis from 1957, household savings were based on steady income. According to Modigliani's hypothesis from 1963, households were net spenders in their youth and old age but saved more money in the middle age. Other factors besides income may play a role in a household's ability to adequately save a portion of their pay.

According to Rogg (2006), the gap between savings and investment which is challenge of poor countries includes Ethiopia, is a significant issue. This gap made it difficult for these nations to use domestic savings to finance the investments required for growth. Typically, these nations finance their investments in the short term by borrowing from their governments and/or borrowing from other countries, but this can significantly increase their debt burden and is not a long-term.

In Ethiopia, the majority of people have not used formal savings and lending institutions. Some people make use of unofficial institutions that exist in the unofficial economy. We are aware that depositors in informal institutions were not paid interest on their savings, which may have

prevented resource mobilization. As a result, it is not used as an investment to generate income, and naturally, the majority of time depositors expected to pay for the service of saving money in order to meet their fluctuating financial needs. Schultz, (2005), saving patterns and behaviors of households in a given society are influenced by household composition, individual characteristics, demographic, economic, and social features. As these factors change over time, the general saving rate also changes.

Therefore, a better understanding of households saving behavior is essential by conducting additional studies. Literature conducted with regard to saving in developing countries in general and in Ethiopia in particular are focused largely on the analysis of individual socioeconomic and demographic factors. However, it is better to address the institutional, social and infrastructural effect on households saving in urban areas. Therefore, this research intended to address such issues and minimize as much as possible the factor that affect household saving in Yeka sub city in Addis Ababa.

## **1.2 Statement of the Problem**

Any nation's economic improvement and growth depend on its citizens' ability to save. Even though saving is not generally understood in developing countries, it is rather low in Ethiopia. Hailesellase et al. (2013) study shows that, the need for government involvement in building the capacity of households saving. Additionally, according to a statistical and summary report by the National Bank of Ethiopia (2021), an Ethiopian household saves 1775 Birr on average each year in financial institutions. This is insufficient to maintain the nation's ability to grow economically.

There are some studies (Girma et al., 2013; Tsega et al., 2014) in Ethiopia made an effort to pinpoint and look into the factors that affect household saving. At the household level, empirical evidence at the micro level identified the following aspects as main determinants of saving decisions: income, credit access, occupation, employment status, consumption, age, gender, family size, dependency ratio, educational level, and preference of saving institutions. However, the results of these studies put a heavy emphasis on demographic factors. For example, Girma (2013) et al is identifies the factors that affect household savings in Ethiopia's Oromia Regional state's East Hararghe Zone. According to the study, the major factors influencing household saving in the

study area were household head education level, livestock ownership, access to credit services, income, investment, training participation, and participation in extension programs. This study failed to address the institutional and other infrastructural determinants of household saving. In addition, to these studies did not incorporate saving motive variable which has important clue effect on household's saving behavior. Tsega et al. In (2014), the factors influencing household saving in the North Gondar Zone of Ethiopia's Amhara Regional State. According to this research, household saving in the Zone is largely determined by factors such as income, age, sex, marital status, and participation in savings institutions. This study demonstrates that household saving in the relevant study area is affected by both economic and demographic factors. This study also couldn't address the institutional and other infrastructural determinants of household saving. Most of the empirical studies focus on individual demographic characteristics, and economic aspects. As per the above mentioned study's, there are no sufficient studies conducted on institutional, social and environmental aspects on the determinants of household saving in Addis Ababa as well as over the country. Improved comprehension of the factors influencing the saving process enables the relevant institutions to develop effective promotion and mobilization plans. The aforementioned gaps call for more research and comprehension of the factors influencing households' saving decisions. The results of these studies not only offer fresh perspectives on the subject, but also aid in the development of strategies for leveraging local assets to meet the needs of domestic investment capital. Therefore, this study attempted to identify major institutional, social and environmental determinants of house hold saving behavior.

### **1.3 Research Questions**

1. Does saving motive influence on household saving behavior?
2. Does financial institution accessibility effect on household saving behavior?
3. Does financial knowledge and saving awareness effect on household saving?

## **1.4 Objective of the Research**

### **1.4.1 General objective**

The overall objective of this research is to analyze the basic determinants of household saving behavior in the communities of Yeka sub city.

### **1.4.2 Specific objectives**

The specific objectives of the study are:

1. To analyze the influence of saving motive on household saving at Yeka sub city.
2. To analyze the effect of financial institution accessibility on household saving at Yeka sub city.
3. To analyze the effect of financial knowledge and saving awareness on household saving at Yeka sub city.

## **1.5 Significance of the research**

In order to raise awareness about the value of saving, this research sought to identify the key factor influencing household saving in the yeka sub-city. The decision-makers develop a suitable policy after realizing the value of saving. For growth and investment, saving serves as a foundation. The study contributes to our understanding of the variables influencing household saving.

Assessing saving habits is very important for implementation of saving programs that benefit and improve the life of the households. The study's findings, the researcher hoped would help planners, policymakers, and researchers better understand the factors influencing households in the study area's saving practices. They could also be a useful resource for any information that could be used to encourage better saving practices.

Although different studies concerning about saving was conducted this study aims to shedding new light on the factor that affect saving. Therefore the results of this study are significant in the

following ways. First, the saver and financial institutions can be aware of the factors which influence saving by the households. Second, the research finding scan be useful for financial institutions to see their potential customers and they may design attractive strategies to enhance savings by the households.

### **1.6 Scope of the Study**

By considering time and financial restrictions the scope of the study has covered determinants that determine household saving in case of yeka sub city. The study was mainly focused on age of household, number of family size, household income, household occupation, saving motive, financial institution accessibility, financial knowledge and saving awareness that determines household saving behavior in yeka sub city also restricted by open and close ended questionnaires. Data's were gathered from the sample households from January 1 2023 to March 20 /2023 by asking the sample household. This period was choosing on the base of availability of data from the sample household. Geographically, the study was delimit in Addis Ababa especially yeka Sub-city. So, this study couldn't cover all Households in the rest sub-cities.

### **1.7 Limitation of the Study**

Throughout the course of the study, the researcher ran into a number of issues. The main restriction was that the respondents were unwilling to provide accurate information about their savings, which also resulted in some restrictions on the research's findings during data collection. Despite these obstacles, the researcher worked to the best of his ability to gather factual data describing the aim of the study and the advantages it brings to the participants' well-being.

### **1.8 Organization of the study**

This paper would be organizes as follow. The first chapter would include introduction, statements of the problem, significance of the study, scope of the stud and organization of the paper. In chapter two, review of literature would be presented. In chapter three research methodologies would be presented. Chapter four would be analysis of data and decision based on data collection. Finally chapter five would be describe the summary, conclusion and recommendation.

## CHAPTER TWO

### REVIEW OF RELATED LITRATURE

#### 2.1 Introduction

This chapter explains the theory applied for the research and discover how each independent variable affects the dependent variable by reviewing past literatures related to the topic. This chapter also includes a proposed conceptual framework developed for the research.

#### 2.2 Theoretical Review

##### 2.2.1 Household Saving

Different factors can be used to define the household saving rate, and the definition chosen has a significant impact on how household savings trends change as well as what drives household saving behavior. Identifying the issue at hand will serve as a good place to start.

Household savings are defined twice by Poterba (2006). First, to calculate household savings, subtract the run of income changes from the run of expenditure runs over a given time period. Second, the term "household saving" is defined as the changes in a household's net wealth over a specified time period, which is equal to the first definition plus any capital gains or losses on assets already owned during that time. Such asset gains and losses frequently have more to do with saving current of income minus expenditure during the given period. Due to the difficulty in measuring capital gains and losses, the second definition is not used in the majority of earlier studies on household saving behavior. Therefore, studies typically use the first definition (often modified to include pension fund reserves), as in the study done by Rocher and Stierle (2015). The main justification for choosing the first definition is that the interest of these studies is in how much of our disposable income we choose to consume and how much of it households decide to save for a later period, as well as what determines these ratios. In contrast to Poterba (2006)'s definition, which includes the change in net equity in pension fund reserves as part of net household savings, the definition used in this study excludes changes in net equity in pension fund reserves. The remaining disposable income that is not used for final consumption, along with any changes in a

household's equity in pension funds, equals the net household saving. Next, the amount of net household savings divided by disposable income yields the household savings rate.

### **2.2.2 Households Savings in Ethiopia**

Ethiopia's financial services industry is divided into formal and informal sectors. The financial institutions that make up the formal sector include those that are governed and licensed by the National Bank of Proceedings of a Conference on Loan and Saving, including commercial banks, insurance companies, and microfinance institutions. Additionally, the emergence of member-based financial institutions like saving and credit cooperatives (Sacco) has been acknowledged for the provision of saving services in Ethiopia. Ikub and Edir are two prominent examples of financial institutions that make up the informal sector. Everyone in Ethiopia, regardless of nationality, has the right to higher living standards and sustainable development. Article 43/1 of the Ethiopian Constitution states that saving is defined as the portion of disposable income that is not used to purchase consumer goods, Commonly purchased by an individual or household for personal use, but which can also be accumulated or invested in directly through the purchase of securities. Therefore the household who live in Ethiopia has a culture to save money on both formal and informal sectors.

### **2.2.3 Theories**

The two most widely used concepts for saving are saving for retirement as a component of lifecycle income and saving in advance as a means of ensuring financial security. One idea is long-term economic security, and the other is current economic security. Below, we'll go into more detail about the concepts of life-cycle income and economic security.

#### **2.2.3.1 Life-cycle hypothesis**

In the early 1950s, Modigliani came up with the life-cycle theory (Modigliani, 2005). According to the theory, lifetime income for individuals and households will change over the course of those individuals' and households' lives. According to this model, an individual's total lifetime consumption flow serves the purpose of the consumer's utility, which is smoothed out over the life

cycle. There are three stages to the life-cycle hypothesis. Initially having a negative net saving in adolescence, followed by a positive net saving during working years, and finally dissaving as people approach retirement. People and households try to maximize their overall utility during these times.

Working people stipulate that they will use their utilities most effectively for their retirement and pay off any debt they accrued in their adolescence. In their course materials, Carlin and Soskice (2005) discuss the Life-cycle hypothesis and the permanent income hypothesis, in which consumption is not seen as a function of income but rather as a meaning of average anticipated income or the lifetime income. Despite some differences, these two hypotheses share a similar perspective on spending and saving. According to Carlin and Soskice (2005), individual and individual consumption in the life-cycle hypothesis model follows a fairly predictable pattern. People who are just starting out in the workforce as young adults are less productive, inexperienced, and therefore paid less. As a young adult approaches middle age, salaries increase over time, and as knowledge and productivity rise, so do wages. As people near retirement, salaries drop once more. According to the theory, the consumption sample will not change significantly throughout the life cycle. Demonstrating that households make an effort to balance their consumption over their lifetime. In the early years, when the income is relatively low and the household is compelled to borrow to cover this consumption. While people pay off this debt and begin saving for retirement in their later years of working life. At this point, households pay off the debt that they collectively accumulated earlier and make plans for consumption that may occur in the future but for which there is no current income source to pay for it.

#### **2.2.3.2 Precautionary Saving**

There are two main factors that encourage households to save. To cover expenses after retirement or other anticipated lifetime circumstances. As was already mentioned, with stable consumption throughout the life cycle. Protecting the family from unanticipated shocks that may occur throughout the life cycle is the other main reason to save. Over the course of its existence, the household is exposed to a variety of risks, many of which are difficult to foresee and could result in financial loss. A household's standard of living may be impacted by factors like declining health, unemployment, or other unforeseen living expenses. Planning for pressure from outside sources that the household has no control over, like a decline in the national or global economy, is even

more difficult. As future income becomes increasingly uncertain, household consumption and saving habits change accordingly. Mody, et al. (2012) households will accumulate wealth buffers to be able to reduce the effects of these kinds of risk and unforeseen events. Assessing household risk aversion is necessary to understand what factors affect the amount of preventive saving. According to Cagetti's 2003 research, households tend to accumulate more assets as a result of their increased risk aversion. Additionally, Cagetti noted that different levels of risk aversion are a key factor in determining how households behave differently from one another. Even though risk aversion determines how much of a safety net of precautionary savings households accumulate in case of unforeseen circumstances, this buffer level is determined by the perspective of the household on its future income and expenses. Households that desire constant consumption over the course of their lives but lack knowledge of potential risks and income will see their savings adjust in line with their projected income and spending patterns.

#### **2.2.4 Determinants of Household Saving**

Research has been done in a variety of ways to examine factors in developing nations. Studies that attempt to explain differences in saving performance between nations have primarily focused on fixed-effect models. Some reliable techniques, like co-integration and integration test, which allow for heterogeneity in parameter and dynamics across countries, are used in other studies to examine the long-term influences on saving rates. Some of these studies focused mainly on a variety of determinants of institutional and environmental aspects of household saving such as saving motives, financial institutions accessibility, financial knowledge and awareness.

##### **2.2.4.1 Saving motive and household saving**

The need to keep extra cash on hand in case an unforeseen circumstance necessitates a capital expenditure. For instance, one might want to set aside extra funds to cover potential accident-related medical expenses. Families do make adjustments to their current patterns of consumption or expenditure in order to save money in order to recover from uncertain shocks. Browning and Crossely, et al. (2001) the economic literature describes this situation as precautionary motive for saving. Kennickell and Lusardi, et al. (2005) the theory predicts that the expected risks reduces

consumption and enhance the accumulation of wealth as a type of self-insurance through saving. This shows that households with higher probability of risk and expecting high uncertainty tend to save more than their counter part. Browning and Lusardi (1996) explains that the households save to build up a reserve against unforeseen contingencies as a precautionary motive to explain saving decision of households. This idea emphasizes saving as a mechanism for responding to emergencies, and this expectation tends to encourage people to save more money instead of consuming what they have right now.

Many reasons for household savings are acknowledged in various economic literatures. The majority of them come from the permanent income hypothesis and the life cycle hypothesis, two consumption theories. As far as the sign of some determinants is concerned, Schmidt-Hebbel et al. (1992) discuss the saving determinants in each particular theory and how they relate to empirical findings. Precautionary behavior, life-cycle factors, investment opportunities, the preference for smooth consumption, the need to accumulate resources for major purchases, and the bequest reason are among these motives that recur most frequently.

#### **2.2.4.2 Financial institution accessibility and household saving**

The promotion of savings is greatly aided by the financial institutions' accessibility. Rural people choose to institutionalize their surpluses when financial institutions/banks are established close to market centers and operate at convenient hours. Claessens et al. (2005: 6) there is no unanimous definition of access to financial services as it can have various dimensions. A very comprehensive review of literature by Stijn Claessens (2005: 6) shows that access to financial services typically involves the question of the availability, costs, types, and quality of financial services offered. Claessens (2005: 6), Murdoch (1999) et al. these dimensions can also be categorized as reliability (i.e., availability of financial services when needed), convenience (i.e., ease of access to financial services), continuity (i.e., repeated access to financial services), and flexibility (i.e., tailoring of financial products to the needs of the users).Leto, N. M. et al. (2016) the availability of financial institution has positively affects household saving.

#### **2.2.4.3 Financial Knowledge and Household saving**

A sufficient understanding of personal finance concepts and terms is required for effective personal financial management, according to the financial literacy concept. An investigation by Delafrooz and Paim (2011) into the impact of financial literacy on saving behavior was done in Malaysia. 2246 employees from the public and private sectors who worked in this research were given self-administered questionnaires as part of a quantitative methodology. The results demonstrate that financial literacy has a significant impact on saving behavior, and that people with low financial literacy are less likely to save and are more likely to experience financial difficulties in the future.

The research by Hilgert et al. (2003) it is determined that agrees with the previous study. Using secondary data taken from the monthly Consumer Surveys conducted by the University of Michigan in 2001, the researchers investigate the relationship between knowledge and behavior of US households. 1004 households in the state were telephone interviewed as part of this survey. The study's findings showed a significant correlation between saving habits and financial literacy. The outcome demonstrates that people who perform better financially (answered the quiz correctly) also tend to perform better on the saving index (achieved more saving practices). In light of this, the researchers came to the conclusion that better saving habits can result from increased financial literacy.

Sabri and Donald's (2010) research also shows that financial literacy had a favorable and significant impact on college students' saving behavior. 350 students were randomly chosen from each of the 11 Malaysian universities that were the subject of the study and given questionnaires. According to the study's findings, participants who are more knowledgeable about personal finance tend to practice effective saving habits.

#### **2.2.4.4 Saving Awareness and Household saving**

Examining a person's level of knowledge about key elements of a saving plan is another way to determine whether and how much they are planning for retirement and the future. For instance, pension and Social Security wealth are two crucial components of total wealth holdings. Gustman and Steinmeier, et al. (1999) even for households at the top of the wealth distribution, the percentage of wealth accounted for by Social Security and pensions is sizable. For households

around the median of the wealth distribution, those two components account for about half of total wealth. Regarding other, equally crucial financial decisions, ignorance and misunderstanding of finances are also prevalent. These results are concerning because mortgages are significant and frequently burdensome contracts. Again, those with low education, low income, and members of minority groups tend to lack knowledge about mortgages more than others, even though these groups stand to gain the most from being aware of their contracts' details.

#### **2.2.4.5 Age of household and household saving**

Abate Zeleke conducted a study in 2019 using primary data from 249 samples of households to examine household saving behavior and factors influencing saving in the district. The study was conducted in Derra District, Oromia Region, Ethiopia aged 18 and above participated in this research. The odds of not saving were 6 points 22 and 2 points 78 times higher for household heads who were aged 26–35 and 46 and above than for those who were 18–25, respectively, according to the researcher's findings, which were significant at a level of significance of 5%. The average age of household heads was 38.76 years, with the minimum and maximum ages being 19 and 80 years respectively, with a standard deviation of 11.528 years. The survey's findings indicated that, when compared to young and old household heads, adult household heads performed better in terms of saving. This insight came from Girma's (2013) study, *Determinants of Rural Household Savings in Ethiopia: The Case of East Hararghe Zone*. Saliya A.Y (2018), found that the household head's age significantly and negatively affects household savings. These studies demonstrate a direct relationship between household age and saving habits.

#### **2.2.4.6 Main Occupation and Household Saving**

According to the study by Leto, (2016), a positive relationship is found between the occupation and their willingness to save, since occupation generates income and increase saving. Occupation (full-time, part-time, self-employed, and unemployed) shows direct correlation between saving behavior of working household heads. Deaton, et ai. (1992) households engaged in finance, insurance, real estate and business services had higher savings than those in other occupations.

And Zeleke's (2019) research demonstrates that households' primary occupations have a significant impact on their saving behavior at a 5% level of significance, with households with main occupations as petty traders, casual laborers, and employed having higher odds of not saving than households with primary occupations as farmers. As a result, there is a direct and advantageous relationship between primary occupations and household saving behavior.

#### **2.2.4.7 Family Size and Household Saving**

The life of household need consumption for each days, this consumption gets from the income of the household. The amount of money which is spent for day to day life has proportional relation with family size of the household. This means, when the number of the family increase, the amount of money which is spent for goods and services also increased. This current consumption of the household is part of the household income, therefore when the number of family size increase, the amount of the income which is for saving will decreased. According to Zeleke (2019), the fact that family size was inversely correlated with household saving status suggests that larger families are less likely to save.

#### **2.2.4.8 Income of Household and Household Saving**

Income is a crucial consideration when examining a nation's or a household's savings. According to Zeleke's (2019) study, household income has a significant impact on household saving, and as household income increases by one unit, the number of households who don't save decreases by .999 times. This implies that as the income of the households increase, household saving also increase. Leto, N. M. et al. (2016) the percentage of Household income was found to be 61 significant at the 1% significant level. This indicates when income increased the saving level also increased. There is a deep relationship between income, consumption and saving and they all affects to each other.

### 2.3 Empirical Literature

It is not new to conduct empirical studies to ascertain the causes of household saving habits. Carpenter and Jensen (2002) put a lot of emphasis on the function of financial institutions that collect savings and put pressure on both the formal (banks) and informal (savings committees) institutions' functions. They found that while more people move into the formal sector as income rises, there is a direct correlation between income and the need to participate in savings institutions. Furthermore, they determined that there are no appreciable differences between urban and rural households in terms of bank use, indicating that formal finance is not primarily limited to urban households in Pakistan.

The majority of the determining factors are affected by the household economic situation. Because they depend on the economy to maintain their standard of living, households and individuals' behavior is influenced by their income level. Therefore, significant income changes will probably have an impact on people's saving habits. According to a study by Xiao and Andersson (1997), the main factor is the level of an individual's income and where they fall on Maslow's hierarchy. Their consumption and saving habits depend on where they are in the latter. Research by Xiao and Andersson (1997) has findings that suggest that family financial wants are hierarchical and reflected in household saving and financial assets. Savings may not be possible if a household's basic needs are not met. According to Maslow, (1943) households' saving habits change as they climb the hierarchy ladder, which includes basic needs, safety, security, love/society, esteem/luxuries, and self-actualization. The people on higher hierarchical ways are the saving initiators that are present in the studied countries. As we move up the income scale, the fundamental need is covered.

An important metric might be the rate of return on the expenditures that households reduce and put toward saving during the current period, which is measured as the real interest rate. The general conclusions from this evaluation are that, because of the income and substitution effects, the rate of return has an ambiguous impact on household savings. Losayza et al. Al (2000) discover that the income effect is greater than the sum of the substitution effects, whereas other studies discover that the opposite is true.

## 2.4 Conceptual Framework

Based on the conceptual framework of Lim et al. (2011) the following conceptual framework has been adapted. The framework is framed to explain the relationship of the independent variables (determinants) and dependent variable (Household saving behavior).

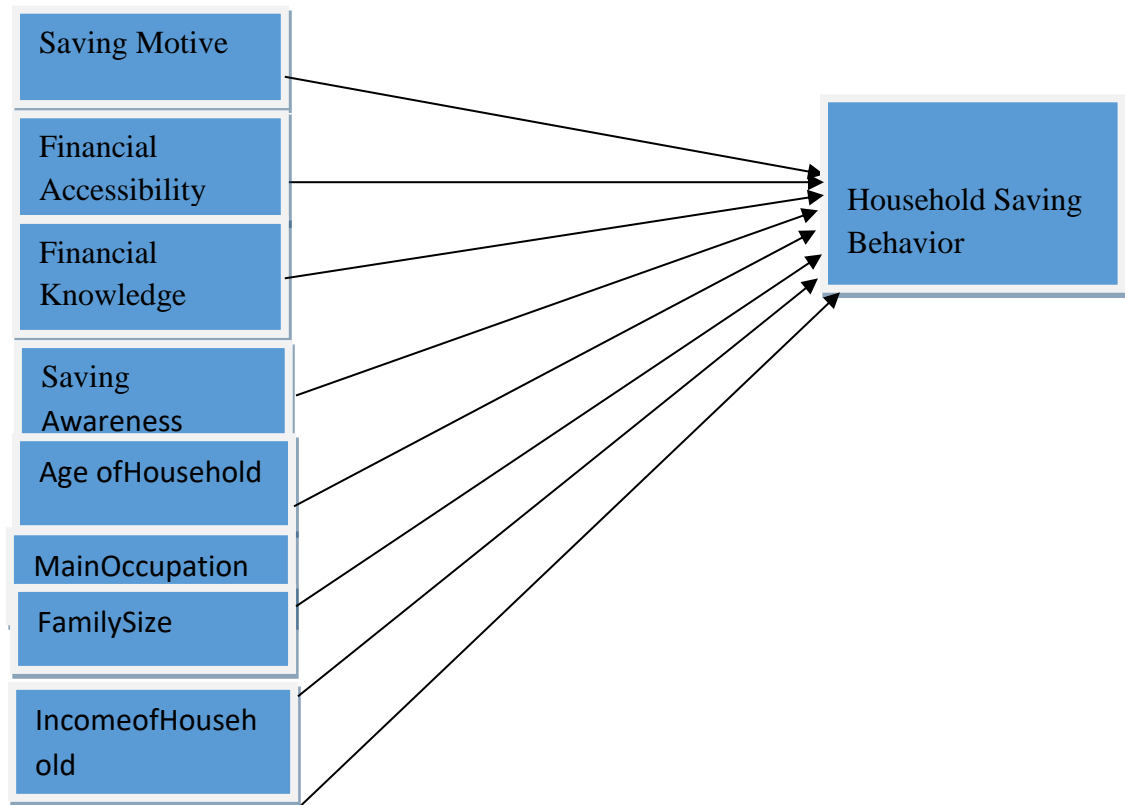


Figure 2. 1: Conceptual Framework of the study Source: Lim et al. (2011)

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research design**

Explanatory and descriptive types of research designs were both used in the study. Descriptive research studies are those that are concerned with describing the behavior of a specific person or of a group, such as describing respondents' age, gender, educational level, and analyzing the response on respondents' agreement state the determinants of household saving behavior. The descriptive study in the research described the respondents' age, number of family size, income, occupation, motives for saving, financial institution accessibility, financial knowledge and awareness about saving; and analyzing the response of respondents agreement state on the influence of those determinants toward house hold saving. Explanatory research designs to found cause-and-effect relationships of house hold saving behavior and its determinants. Explanatory research designs look for the relationship among the various determinants toward household saving as per the conceptual model in order to understand how events occur and which ones may influence specific outcomes.

#### **3.2 Research Approach**

Selecting the right research approach is important for the research as it would affect the relevant information extract from the data. According to Creswell (2014), research approaches are plans and procedures for research that span the steps from broad assumptions to detailed methods of data collection, analysis, and interpretation. There are two types of method researchers use to collect data: qualitative and quantitative method. Qualitative research method is more intrusive and less structured than quantitative research techniques and, thus, is an appropriate when the research is descriptive in nature. While quantitative research method is aimed to classify features, count them, and contrast statistical models in an attempt to describe what is observed and the data collected are in form of number and statistics. A study tends to be more qualitative than quantitative or vice versa. Mixed methods research resides in the middle of this continuum because it incorporates elements of both qualitative and quantitative approaches.

Based on the above description, the researcher only employed quantitative research approach. Therefore, the researcher used quantitative data research approach, which involves the use of primary sources of data in order to answer the research questions and achieve its research objective.

### **3.3 Study area**

The research was conducted at Ethiopia Addis Ababa yeka sub city. Most people in yeka sub city have not enough awareness about household saving to make better life and financial strength.

### **3.4 Target population**

Population is the total aggregation/total of items from which samples can be found. Hence, the researcher population interest is households living in yeka Sub-city. As per central statistical agency (2016), the total population in yeka sub city are 424,214 and the population size of 18 years of age and above are 318159.

### **3.4 Sampling Technique**

The researcher has been used Convenience sampling technique to contact the respondents in the sub-city. According to Sakaran (2003), convenient sampling is the practice of conducting research on members of a population who are simple, affordable, and readily available to the researcher. In order to properly contact participants and gather enough information from them Convenience sampling technique is necessary. The study questionnaire asks private or personal data of the household, thus need the willingness of the respondent. This method is crucial to overcoming the practical challenges of more quickly and efficiently gathering enough data. Using this method will help to get the data we need more quickly and efficiently by getting around any practical obstacles.

### 3.5 Sample size

The researcher used Yamane (1967) formula to select samples to under at 95% confidence level with the degree of variability = 0.05 as follows:

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

Where, n=sample size

N=total population

e = Accepted error limit (0.05)

$$n = \frac{318159}{1 + 318159(0.05)^2}$$

$$n = \frac{318159}{796.4}$$

$$n = 399$$

Therefore, numbers of applicable size of samples were 399 households taking 5% confidence level.

### 3.6 Research instrument

This study used primary source of data. The study used a five-point Likert response scale, and a structured questionnaire was used as the main instrument in the study's collection of primary data from sample households.

### 3.7 Data collection instrument

The most obvious method of gathering data is through the use of a questionnaire, which consists of a series of questions pertaining to the research problem. If data are to be collected from a diverse population, this method is very practical. It primarily consists of a printed list of questions, either

open-ended or closed-ended, that respondents must respond to base on their knowledge of and experience with the subject matter. There were two sections to the questionnaire. In accordance with the goal of this research, each part contained questions pertaining to that part. The demographics of the respondents are covered in the first section of the questionnaire. The second part is about the determinants of house hold saving.

### 3.8 Operationalization and measurement of the variables

Table 3.1. Shows the operationalization and measurement of variables of this study.

Table 3. 1Operationalization and measurement of variables

No.	Variable Name	Definition	Measurement
1	Saving Motive	It is a reason or cause that initiates household saving.	Five point likert scale(from 1= strongly disagree to 5=strongly agree)
2	Financial Accessibility	It is the accessibility of financial services, such as those for credit, deposits, payments, insurance, and other forms of risk management.	Five point likert scale(from 1= strongly disagree to 5=strongly agree)
3	Financial Knowledge and Awareness	It is a person's ability to make wise financial decisions with all of their available resources depends on their knowledge and skill set.	Five point likert scale(from 1= strongly disagree to 5=strongly agree)
4	Saving Awareness	It is a solid understanding of financial concepts and products, aware of financial risks and opportunities, and knowing where to turn for support in order to make educated decisions.	Five point likert scale(from 1= strongly disagree to 5=strongly agree)
5	Age of Household	It is the age of sample population.	From 18 to 24 year, From 25-54 years, from 55-64 ,65 and above
6	Main Occupations	It is a person's regular work or profession, job or principal activity.	Trader, Casual worker, and Employment
7	Family Size	It is the number of persons who live in household permanently.	1 2-4 5-6 7 and above

8	Income of household	It is the total gross income received by all members of a household per month.	Bellow 2000birr 2000birr -5000birr 5001birr-10000birr 10001birr-20000birr 20001birr and above
9	Household Saving Behavior	Household saving behavior serves as the study's dependent variable. It occurs when a person is able to save some money from their income as opposed to overspending.	Five point Likert scale(from 1= strongly disagree to 5=strongly agree)

### 3.9 Data Analysis

Statistical Package for Social Science V26 was used to carry out the descriptive and inferential analyses. Data collected via questionnaires were analyzed using descriptive analysis. To prepare the data for processing, the information gathered through questionnaires was entered into SPSS. Last presentation and report were done using graphs and tables. OLS assumptions, linearity, normality, autocorrelation, and multi-collinearity tests are all tested in this study. A Pearson's correlation analysis was used to investigate the connections between the independent and dependent variables.

Following is the rewritten formulation of regression analysis based on the variables used in this study for showing the relationship between them:

$$HHS = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \text{error term}$$

Where, HHS= Household saving behavior

X1= Saving Motive

X2= Saving Awareness

X3= Financial Institutions Accessibility

X4=Financial Knowledge

X5=Age of Household

X6=Main Occupation

X7=Family Size

X8=Income of Household

### 3.10 Validity and Reliability

To ensure the accuracy of the measurement scales, Cronbach's alpha was used in the calculation. . As per George and Mallery (2003) whereas anything below 0.6 was considered inconsistent with the reliability scales. Cronbach (1951) suggested that in order for a scale to be reliable, the Cronbach's alpha value must be above 0.6. Higher values of above 0.6 indicate that the variables are reliable, while values above 0.9 are regarded as most reliable. Below table3.2 shows the reliability test for the explanatory variables. The scale reliability test for all questions was above 0.60. According to the research scales and constructs, each variable represents a valid and reliable construct.

Table 3. 2Reliability analysis result

Variables	Cronbach's Alpha	No. of Items	Reliability
Saving Motive	0.702	6	Reliable
Financial institutions Accessibility	0.612	3	Reliable
Financial Knowledge	0.800	4	Reliable
Saving Awareness	0.842	5	Reliable

According to Creswell (2014), one of the benefits of qualitative research is validity, which is the assessment of whether the conclusions are true from the viewpoint of the researcher, the participant, or the audience of an account. The qualitative literature on validity uses many terms, including trustworthiness, authenticity, and credibility. The questionnaire was thoughtfully created and tested with a small sample of the population to make any necessary adjustments. Professionals validated the survey's content rationality, and some of the survey's questions were adapted from earlier materials and secondary sources, such as Gizachew (2017) and Ito N. M (2016). Cronbach's alpha was calculated, according to George and Mallery (2003), to guarantee the accuracy of the measurement scales. Whereas a higher value above 0.6 indicates the reliability of the variables.

# CHAPTER FOUR

## DATA ANALYSIS AND INTERPRETATION

### Introduction

The outcomes of the survey data collected through questionnaires are presented in this chapter. To perform the necessary calculations for this analysis, SPSS version 26 was used. In the first section, the demographic data of the respondents' frequency are presented in the tables below. The study's descriptive analysis of the variables is covered in the second section, and the third section discusses the findings of the regression analysis of the factors that influence household saving habits. About 399 questionnaires were distributed to respondents and all 399 were appropriately filled and returned. Thus the response rate of this survey was 100%.

### 4.1 Household Demographic Information of Respondents

The demographic profiles of the respondents are analyzed and presented in tables in this section, along with the results. The outcome is examined and shown in the table below.

Table 4. 1 Respondent's profile

No.		Responses	Frequency	Percentage
1	Sex	Male	240	60.2
		Female	159	39.8
		Total	399	100
2	Age	18-24	9	2.3
		25-35	176	44.1
		36-50	182	45.6
		51-64	24	6
		65 and above	8	2

		Total	399	100
3	Education status of the respondents	Illiterate	5	1.3
		Primary school complete	7	1.8
		Secondary school complete	10	2.5
		Diploma	65	16.3
		First-degree And above	312	78.2
		Total	399	100
4	Do you have sufficient awareness about saving?	Yes	352	88.2
		No	47	11.8
		Total	399	100
5	Does saving is important for households' life?	yes	396	99.2
		no	3	0.8
		Total	399	100
6	Does saving awareness affect the saving behavior of household?	Yes	391	98
		NO	8	2
		Total	399	100
7	Does the saving motive affect the saving behavior of household?	Yes	399	100
		No	0	0
		Total	399	100
8	Occupation	Trader	107	26.8
		Casual work	54	13.5
		Employment	230	57.6
		Pensioner	8	2
		Total	399	100
9	What are the numbers of your family size?	1	12	3
		2	76	19
		3	173	43.4
		4	85	21.3
		5	46	11.5
		6	4	1
		7	3	0.8
		Total	399	100
10	How much your monthly household income?	Bellow 2000birr	0	0
		2000birr-5000birr	44	11
		5001birr-10000birr	136	34.1
		10001birr-20000birr	166	41.6
		20001birr and above	53	13.3
		Total	399	100

11	How much do you save from your income in percent?	Mean	15.12	
12	Where do you typically keep your savings?	Banks	244	61.2
		Credit union	4	1
		Iqqub	110	27.6
		Home	40	10
		Trusted Friend	1	0.3
		Total	399	100
13	How frequently do you save money?	Every time I get money	56	14
		Weekly	63	15.8
		Monthly	256	64.2
		Quarterly a year	24	6
		Total	399	100

From the above Respondent's profile table 4.1, out of the sample households taken for the study, 60.2% are males and 39.8 are females. The age of the sample households indicates that about 2.3% of them were between the age of 18-24 years, about 44.1% of them were between the age of 25-35 years, about 45.6% of them were between the age of 36-50 years, about 6% of them were between the age of 51-64 years, the rest 2% of them were 65 and above. First-degree holders and above 78.2% made up the majority of the observations under the heading of Highest Level of Education, followed by diploma holders which is 16.3%, secondary school completed are 2.5%, primary school completed are 1.8% the remaining 1.3% are illiterate. The structured questionnaire asked the sample household whether they have sufficient awareness about saving. About 11.8% of them were said that they haven't sufficient awareness about saving. Regarding the importance of saving 99.2% of the households were said that saving is useful for life. 98% of the sample side that saving awareness can affect saving behavior of household and all samples were accepted saving motive affect saving behavior. About 61.2% of the samples preferred to Save Money was bank, in iqqub 27.6%, in home 10% in credit union 1% and trusted friend 0.3%. The category of how frequently respondents save money was most frequently observed as being monthly (64%), followed by weekly (15.8%).

In this research occupation, family size and monthly household income are independent variables so they are described in detail under descriptive statistics about determinants of household saving behavior with the other independent variables. On average the sample households were save 15.12% of their income per month.

## 4.2 Descriptive Statistics about Determinants of household saving behavior

This section describes descriptive statistics of the relation among the independent variables (determinates of household) and saving behavior of the sample household.

### 4.2.1 The effect of age on household saving

As it is specified in below Table 4.2, from total sample household the age category between 18-24 had better saving percent (28.9% with standard deviation of 19.5) from their monthly income than other age categories, followed by 25-35 category by 17.8% with standard deviation of 11.9, 36-50 category save 13.1% of their monthly income, 51-64 age category saved 6.5% of their monthly income, 65 and above age category saved 11.6% of their monthly income. This statistical result indicate that when the household age gets older, saving will be decreased, The reason may when the age come to older most people married and have children's that means the expenditure of the family going to rise so that saving come to difficult.

Table 4. 2 Percent of saving from income based on age

Age of Respondent	Mean of saving in percent	N	Std. Deviation
18-24	28.889	9	19.4900
25-35	17.812	176	11.9907
36-50	13.132	182	12.1943
51-64	6.458	24	8.0053
65 and above	11.625	8	11.5132
Total	15.120	399	12.5930

### 4.2.2 The effect of family size on household saving

Based on Table 4.3, from the total sample household 9 household were lived alone and they save 32.9% of their income, the household with 2 number of family size save 24.8% of household monthly income, the household with 3 number of family size save 15.2% of household monthly income, the household with 4 number of family size save 10.4% of household monthly income and the rest analysis data are found on the table. This data analysis shows that when the number

of family increased the family consumption also increase, because of this reason the quantity of family size increment can decrease the amount of saving of household.

Table 4. 3 Percent of saving from income based on number of family size

Number of family size	Mean of saving in percent	N	Std. Deviation
1	32.917	12	16.0196
2	24.842	76	13.1515
3	15.231	173	8.7865
4	10.471	85	12.4552
5	4.022	46	6.0203
6	3.750	4	2.5000
7	8.333	3	10.4083
Total	15.120	399	12.5930

#### 4.2.3 The effect of household income on household saving

Table 4.4 provides a saving percentage-based summary of the relationship between household monthly income and savings. From monthly household income categories, 2000birr-5000birr save 9.6% of their monthly household income, 5001birr-10000birr save 12.4% of their monthly household income, 10001birr-20000birr save 16.9% of their monthly household income, 20001birr and above save 21.1% of their monthly household income. This statistical result indicate that when the income of household increase, the amount of saving also increase.

Table 4. 4. Percent of saving from income based on household income

Monthly household income	Mean of saving in percent	N	Std. Deviation
2000birr-5000birr	9.614	44	8.4116
5001birr-10000birr	12.390	136	10.1282
10001birr-20000birr	16.898	166	13.6082
20001birr and above	21.132	53	14.4662
Total	15.120	399	12.5930

#### 4.2.4 The effect of household occupation on household saving

Based on the below Table 4.5, the highest saving in percent occupation respondent category was trader by 19% with 13.3 standard deviation , the second was employment group by 14.5% with standard deviation 12.4, the third pensioner 11.6% with standard deviation 11.5 and the last one is casual worker 10.5% of their monthly household income.

Table 4. 5Percent of saving from income based on occupation

Occupation of Respondent	Mean of saving in percent	N	Std. Deviation
Trader	19.019	107	13.3176
Casual Worker	10.463	54	9.6773
Employment	14.522	230	12.4415
Pensioner	11.625	8	11.5132
Total	15.120	399	12.5930

#### 4.2.5 The effect of saving motive on household saving

Saving motives are one of the most important elements that can influence saving behavior. The household has a duty to protect himself/herself and them family from financial crises. Therefore they have to save due to build emergency reserves, to meet financial goals and for security in retirement. Based on the below Table 4.6 survey result the mean score 3.89 of the first question of saving motive that households were save money for future requirement of credit access. The standard deviation value 1.02 in this sub construct indicates that small response variation. Based on the second question of saving motive the mean score 3.74 indicates that households would save if there is prize linked saving motives from financial institutions with standard deviation value of 1.103. The mean score 3.91 of the third question indicates that households would save if there is an investment opportunities with small standard deviation 1.09. The fourth question mean score is 3.77 indicates that households they would save if there is an education motive to save money on banks. The fives question mean score is 3.84 indicates that would save if there is a retirement motives to save money. Household saving in reserve for any necessities has a mean of 3.9 with a

standard deviation of 1.08. This descriptive statistics result shows that the sample household were agreed on the saving motives sources have influence on household saving behavior.

Table 4. 6 Descriptive statistics result of saving motives

	N	Mean	Std. Deviation
I save money for future requirement of credit access.	399	3.89	1.027
I save if there is prize linked saving motives from financial institutions.	399	3.74	1.092
I would save if there is an investment opportunities to save money.	399	3.91	1.089
I would save if there is an education motive to save money on banks.	399	3.77	1.166
I would save if there is a retirement motives to save money.	399	3.84	1.015
i save to have funds in reserve for necessities.	399	3.90	1.078

#### 4.2.6 The effect of financial institution accessibility on household saving

The accessibility of financial institution is the one factor that may initiate for a household saving. As Table 4.7 shows the mean score value of 3.78 for financial institution accessibility indicates that financial institutions are available near around the households with a standard deviation value 1. The second question the mean value 3.85 indicates that there are various institutions near to their house to save money with 1.05 standard deviation. The third question's median score of 3.79 shows that respondents had good access to financial institutions in their neighborhood and that

they agreed that there was an inclusive financial institution with a standard deviation of 1.2. This financial institution descriptive statistics result shows that the sample households were agreed to financial institution accessible on their area.

Table 4. 7 Descriptive statistics result of Financial Institution Accessibility

	N	Mean	Std. Deviation
Financial institutions are available near around my business location.	399	3.78	.999
There is various institutions near to my house to save money	399	3.85	1.045
I have a good access to financial institutions in my area.	399	3.79	1.022

#### 4.2.7 The effect of financial knowledge on household saving

One of the factor that is expect to direct and positively significant influence on savings behavior is financial knowledge, because someone who hasn't financial knowledge may not be save his or her money. The first question mean score of 4.02 indicates that households have a better understanding of how to invest their money, according to the financial knowledge descriptive statistics table below (4.8). The standard deviation value of 0.84 shows a minimal variation in the response. Having a mean score of 4 points and a standard deviation of 1 point, the second question's reveals that households have a very clear understanding of their financial needs during retirement. The majority of households keep financial records for their income and expenses, with a standard deviation of 1.05, according to the third sub-construct's mean score of 4.1. The final financial knowledge question's mean score of 3.99 shows that most respondents have a greater understanding of personal finance and are more likely to practice effective saving habits. The outcome of the descriptive statistics on financial knowledge indicates that the sample household had financial knowledge.

Table 4. 8Descriptive statistics result of Financial Knowledge

	N	Mean	Std. Deviation
I have better understanding of how to invest my money.	399	4.02	.843
I have a very clear idea of my financial needs during retirement.	399	4.04	1.057
I have the habit of financial records for my income and expenditure.	399	4.10	1.053
I have greater knowledge on personal finance tend to engage in effective saving behavior.	399	3.99	1.021

#### 4.2.8 The effect of saving awareness on household saving

Based on the below saving awareness descriptive statistics table 4.9 the first question mean score 4.03 indicates that households have get advice to save on financial institutions with small standard deviation 1.27. The average score of second question which is 3.82 indicates that households were known bank services and packages. In the third saving awareness question the average score 3.95 specifies that households were know the advantages and risk of services and packages by saving. In the fourth question the mean score which is 3.94 indicates that households get sufficient information about how to save. The last question of saving awareness which is 4.05 indicates that households have sufficient awareness and trained in managing their money with standard deviation 1.179. This saving awareness descriptive statistics result shows that the sample households were agreed they have saving awareness. One the most important financial variables relevant for saving behavior are the saving awareness.

Table 4. 9Descriptive statistics result of saving awareness

	N	Mean	Std. Deviation
I Have get advice to save on financial institutions.	399	4.03	1.267
I Know bank services and packages.	399	3.82	1.234
I Know advantages and risk of services and packages by saving.	399	3.95	1.144
I get sufficient information about how to save.	399	3.94	1.109
I have sufficiently aware and trained in managing my money.	399	4.05	1.179

#### 4.2.9 Descriptive Statistics result of household saving behavior

Based on the below household saving behavior descriptive statistics table 4.10 the first question mean score 3.92 indicates that households had monthly financial planning and observed it strictly with small standard deviation 1.08. Mean score of second question which is 3.93 indicates that households were always review their spending with small standard deviation 0.92. In the third household saving behavior question the mean score 3.9 indicates that households were record every expense. Households were agreed save money every month with mean score 3.61 and standard deviation 1.11. Households were agreed always review their financial position with mean score 3.99 and standard deviation 1.15. Households were agreed with mean score 3.97 indicating that for most of the respondents investment is very important matter to them. Households were agreed, they were very cautious with their spending with mean score 4.09 and standard deviation 1.05. The last question of household saving behavior which is 3.75 indicates that the household had savings which can be used in case of emergency with standard deviation 1.15. The saving

behavior analysis result in table indicates that most of the respondents with average mean score is 3.89, this shows that the sample household have well saving behavior.

Table 4. 10 Descriptive statistics result of Household Saving Behavior

	N	Mean	Std. Deviation
I have monthly financial planning and observed it strictly.	399	3.92	1.079
I always review my spending.	399	3.93	.919
I record every expense.	399	3.90	.931
I save every month	399	3.61	1.109
I always review my financial position.	399	3.99	1.150
Investment is very important matter to me	399	3.97	1.107
I am very cautious with my spending.	399	4.09	1.052
I have savings that can be used in case of emergency.	399	3.75	1.149

#### 4.2.10 Descriptive statistics of self- control toward saving behavior

Based on the below household self-control toward saving behavior descriptive statistics table 4.11, the first question mean score 2.86 indicates that households didn't save because they think it's too hard with small standard deviation 0.46. The mean score of second question which is 2.1 indicates that when the households get money, they always spend it immediately with small standard deviation 0.67. In the third self-control question the mean score 2.08 indicates that households were described by "I see it, I like it, I buy it". Households were not agreed on the way they buy things described by "Just do it" with mean score 2.11 and standard deviation 0.45. Households were not agreed on buy now, think about it later with mean score 2.43 and standard deviation 0.74. Households were not easily attracted by lure, its mean score is 2.66. Households were not agreed

on constantly failed to control themselves from using money with mean score 2.96 and standard deviation 0.61. Households were not agreed on when they set saving goals for themselves, they rarely achieve them with mean score 3.13 and standard deviation 0.61. The last question of household saving behavior which is 3.06 indicates that the household somehow concerned on what happens to them more in the short term than the long term. This self-control descriptive statistics result shows that the sample household have well self-control behavior.

Table 4. 11 Descriptive statistics result of self-control toward saving behavior

	N	Mean	Std. Deviation
I don't save, because I think it's too hard.	399	2.86	.467
When I get money, I always spend it immediately (within 1 or 2 days).	399	2.10	.666
"I see it, I like it, I buy it" describes me.	399	2.08	.438
"Just do it" describes the way I buy things	399	2.11	.452
"Buy now, think about it later" describes me.	399	2.43	.737
I'm easily attracted by lure.	399	2.66	.676
I always failed to control myself from spending money.	399	2.96	.615
When I set saving goals for myself, I rarely achieve them.	399	3.13	.613
I am more concerned with what happens to me in short run than in the long run.	399	3.06	.518

### **4.3 Correlation analysis result**

Table 4.12 shows that the correlation between household saving behavior (dependent variable) and determinants of household saving (dependent variable of the study).

#### **Correlations Test of household saving behavior and age of respondent**

The correlation coefficient between household saving behavior and age of respondent is -0.052 in negative signal at 0.303 significant value with no star (\*). This implies that there is no correlation between the household saving behavior and age of respondent because the coefficient value is near to 0 and statistically the correlation between two variables is insignificant.

#### **Correlations Test of household saving behavior and number of family size**

The correlation coefficient between household saving behavior and number of family size is -0.113 in negative signal at 0.025 P value with one star (\*). This implies that there is negative correlation between the household saving behavior and number of family size, and statistically the correlation between two variables is significant. In other word as the number of families was increase, the amount of household saving decreased. Similarly the household who had well amount of saving, has few number of family.

#### **Correlations Test of household saving behavior and monthly household income**

The correlation coefficient between household saving behavior and monthly household income is 0.096 in positive signal at 0.056 significant value with no star (\*). This implies that there is positive correlation among the household saving behavior and monthly household income but statistically the correlation between two variables is insignificant.

#### **Correlations Test of household saving behavior and occupation**

The correlation coefficient between household saving behavior and occupation of respondent is -0.059 in negative signal at 0.24 significant value with no star (\*). This implies that there is no correlation among the household saving behavior and occupation of respondent because the coefficient value is near to 0 and statistically the correlation between two variables is insignificant.

#### **Correlations Test of household saving behavior and saving motive**

The correlation coefficient between household saving behavior and saving motive is 0.086 in positive signal at 0.085 significant value with no star (\*). This implies that there is positive correlation between the household saving behavior and saving motive but statistically the correlation between two variables is insignificant.

#### **Correlations Test of household saving behavior and financial institution accessibility**

The correlation coefficient between household saving behavior and financial institution accessibility is 0.304 in positive signal at 0.000 P value with two star (\*\*). This implies that there is positive correlation between the household saving behavior and financial institution accessibility, and statistically the correlation between two variables is significant. In other word when the financial institution accessibility was increase, the amount of household saving also increased. Similarly the household who had well amount of saving, has better financial institution accessibility.

#### **Correlations Test of household saving behavior and financial knowledge**

The correlation coefficient between household saving behavior and financial knowledge is 0.446 in positive signal at 0.000 P value with two star (\*\*). This implies that there is positive correlation among the household saving behavior and financial knowledge, and statistically the correlation between two variables is significant. In other word when financial knowledge was increase, the amount of household saving also increased. Similarly the household who had well amount of saving, has better financial knowledge.

### Correlations Test of household saving behavior and saving awareness

The correlation coefficient between household saving behavior and saving awareness is 0.424 in positive signal at 0.000 P value with two star (\*\*). This implies that there is positive correlation among the household saving behavior and saving awareness, and statistically the correlation between two variables is significant. In other word when saving awareness was increase, the amount of household saving also increased. Similarly the household who had well amount of saving, has better saving awareness.

Table 4. 12. Pearson correlation between the household saving behavior and its determinants

Variables	1	2	3	4	5	6	7	8	9
1. Age	1								
2. No. of family size	.476**	1							
3. Monthly Income	.053	.185**	1						
4. Occupation	.169**	.049	-.050	1					
5. Motive	-.022	.031	-.034	.056	1				
6. Accessibility	.077	-.032	.012	-.055	-.040	1			
7. Financial Knowledge	-.083	-.048	-.035	-.062	.006	.219**	1		
8. Awareness	-.013	-.010	.074	-.002	-.047	.183**	.205**	1	
9. Household Saving Behavior	-.052	-.113*	.096	-.059	.086	.304**	.446**	.424**	1

\*\* two tailed significance, n=399

### 4.4 Ordinary Least Square (OLS) Assumptions Result

#### Linearity Test

Plotting the regression residuals using the SPSS V26 program was done to see if the relationship between the household saving behavior and the determinants is linear. Derived from Figure 4.1. Looking at the residuals from left to right on the scatter plot, there isn't a significant difference in

how they are distributed. This finding suggests that the linearity of the relationship we are attempting to predict. As a result, there is no linearity issue.

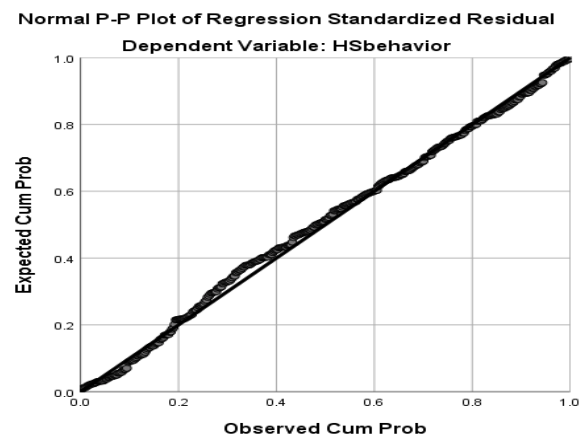


Figure 4. 1: Linearity test

### Test of Normality

The other presumption was that all variables (independent and dependent) in a linear regression analysis must have a normal distribution. With a histogram, a fitted normal curve, or a Q-Q-Plot, the normality assumption can be confirmed. The error term should be normally distributed or, in the case of classical linear regression models, its expected value should be zero ( $E(u_t) = 0$ ). Figure 4.2 compares a normal distribution to the frequency distribution of the standardized residuals. The residuals are frequently very close to 0. Additionally, because of the histogram's bell shape, it can be assumed that the residual errors or disturbances are typically distributed. Therefore, no

destructions of the assumption normally distributed error term.

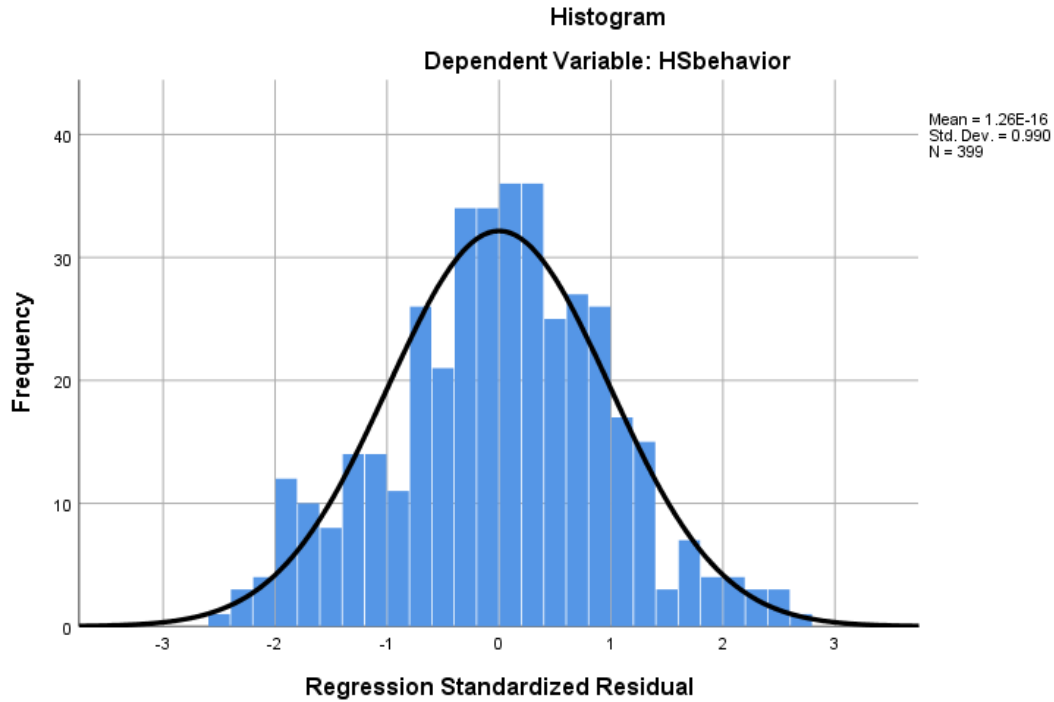


Figure 4. 2: Normality test

### Test for Multicollinearity

Multicollinearity is the presence of significant correlations between two or more independent variables in a multiple regression model. When a researcher tries to establish how each independent variable might be utilized to forecast or recognize the dependent variable in a statistical model, multicollinearity can result in inaccurate or skewed conclusions. According to Table 4.13, which shows that no VIF column values are larger than 10 and all tolerance values are greater than 10%, there is no multicollinearity influence between the explanatory variables.

Table 4. 13 Multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF
Age of Respondent	.734	1.363
number of family size	.740	1.351
monthly household income	.952	1.051
Occupation of Respondent	.957	1.045
Saving Motive	.989	1.011
Financial Institution Accessibility	.913	1.096
Financial knowledge	.910	1.098
Saving awareness	.929	1.076

a. Dependent Variable: Household Saving behavior

### Autocorrelation Test

When the residuals are not independent of one another, autocorrelation occurs. In this regard, scatter plots of the diagrams enable us to confirm the presence of autocorrelations; the Durbin-Watson test can be used to check the linear regression model for autocorrelation. Durbin Watson's value is typically taken to be between 0 and 4; values around 2 indicate no autocorrelation. Our test results indicate that Durbin Watson is worth approximately 1.842. It therefore falls between 0 and 1.842 (see the table below that summarizes the model). If the Durbin Watson value is close to 2, there has been no violation of the autocorrelation principle.

#### 4.5 Regression Analysis Result

A multiple regression model was used to examine the relationship between the dependent (household saving) and independent variables (determinants) and to identify the top predictors of the dependent variable. The model and hypotheses were put to the test using multiple regressions. According to table 4.14 below, the R value exhibits a significant positive relationship of 0.611, or 61.1 percent. In other words, the constructed determinants account for 37.3 percent of household saving behavior. The R<sup>2</sup> value is 0.373, which indicates that 37.3 percent of the model's variance can be predicted using independent variables.

**Table 4. 14 Linear Regression Analysis Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.611 <sup>a</sup>	.373	.360	.33252	1.842

a. Predictors: (Constant), Saving awareness, Occupation of Respondent, what are the number of your family size?, Saving Motive, Financial Institution Accessibility, How much your monthly household income?, Financial knowledge, Age of Respondent

b. Dependent Variable: Household Saving behavior

#### ANOVA Analysis Result

According to the ANOVA test in table 4.15, table Sig value 0.05 is greater than the calculated sig value of 0.000. This illustrates the statistically significant relationships between the eight determinants and household saving behavior at the 5% significance level. The eight explanatory variables (determinants) have a significant impact on household saving behavior in Yeka Sub-city.

Table 4. 15 ANOVA analysis result

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	25.644	8	3.205	28.990	.000 <sup>b</sup>
Residual	43.123	390	.111		
Total	68.767	398			

a. Dependent Variable: Household Saving behavior

b. Predictors: (Constant), Saving awareness, Occupation of Respondent, what are the number of your family size?, Saving Motive, Financial Institution Accessibility, How much your monthly household income?, Financial knowledge, Age of Respondent

### **Regression Coefficient Analysis**

The coefficient of regression table results indicate that Age of Respondent has a ( $\beta= 0.016$ ,  $P < 0.544$ ). This means that holding other explanatory variables constant Age of Respondent was found to have a statistically insignificant relation with Household saving behavior.

The coefficient of regression table results indicate that family size has a ( $\beta= -0.048$ ,  $P < 0.008$ ). This means that holding other explanatory variables constant an increase in family size was found to have a negative and significant relation with household saving behavior. Therefore a change by one family number causes decreases household saving by 4.8% percent assuming that other variables are constant. .

The coefficient of regression table results indicate that income of household has a ( $\beta= 0.051$ ,  $P < 0.010$ ). This means that holding other explanatory variables constant an increase in household income was found to have a positive and significant relation with household saving behavior. Therefore a one unit change of household income was cause change in household saving to increase by 5.1% percent assuming that other variables are constant.

The coefficient of regression table results indicate that occupation of Respondent has a ( $\beta= -0.013$ ,  $P < 0.503$ ). This means that holding other explanatory variables constant occupation of respondent was found to have a statistically insignificant relation with Household saving behavior.

The coefficient of regression table results indicate that saving motive has a ( $\beta= 0.070$ ,  $P < 0.004$ ). This means that holding other explanatory variables constant an increase in saving motive was found to have a positive and significant relation with household saving behavior. Therefore a 100% change of saving motive was cause change in household saving to increase by 7% assuming that other variables are constant.

The coefficient of regression table results indicate that financial institution accessibility has a ( $\beta= 0.090$ ,  $P < 0.000$ ). This means that holding other explanatory variables constant an increase in financial institution accessibility was found to have a positive and significant relation with

household saving behavior. Therefore a one unit change of financial institution accessibility was cause change in household saving to increase by 0.09 unit assuming that other variables are constant.

The coefficient of regression table results indicate that financial knowledge has a ( $\beta= 0.180$ ,  $P < 0.000$ ). This means that holding other explanatory variables constant an increase in financial knowledge was found to have a positive and significant relation with household saving behavior. Therefore a 100% change of financial knowledge was cause change in household saving to increase by 18% percent assuming that other variables are constant.

The coefficient of regression table results indicate that saving awareness has a ( $\beta= 0.143$ ,  $P < 0.000$ ). This means that holding other explanatory variables constant an increase in saving awareness was found to have a positive and significant relation with household saving behavior. Therefore a 100% change of saving awareness was cause change in household saving to increase by 14.3% percent assuming that other variables are constant.

**Table 4. 16Regression Coefficient**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.949	.184		10.575	.000		
Age of Respondent	.016	.027	.028	.608	.544	.734	1.363
number of family size	-.048	.018	-.123	-2.646	<b>.008</b>	.740	1.351
household income	.051	.020	.106	2.576	<b>.010</b>	.952	1.051
Occupation of Respondent	-.013	.019	-.027	-.670	.503	.957	1.045
Saving Motive	.070	.025	.116	2.866	<b>.004</b>	.989	1.011
Financial Institution Accessibility	.090	.023	.166	3.966	<b>.000</b>	.913	1.096
Financial knowledge	.180	.022	.341	8.122	<b>.000</b>	.910	1.098
Saving awareness	.143	.019	.320	7.704	<b>.000</b>	.929	1.076

a. Dependent Variable: Household Saving Behavior

#### **4.6 Discussion**

The leading objective of the study was to analyze the basic determinants of household saving behavior among the communities in the case of Yeka sub city. The specific objectives of the study were: To assess the influence of saving motive on household saving, to assess the effect of financial institution accessibility on household saving and to assess the effect of financial knowledge and saving awareness on household saving of addis ababa yeka sub city society. And also the study was analyze the household age, family size, income and occupation influence on household saving behavior from demographic behavior of household.

To meet the first objective, the study gathered the information about the indication of saving motives like save for future requirement of credit access, for an investment opportunities, for education motive, for retirement motive, for reserve for necessities and save due to saving motives from financial institutions. Most of the household respondents saved money because of these saving motives. Therefore, saving motives highly influence on household saving.

To assess the effect of financial institution accessibility on household saving the study asked the households about the availability of financial institution around their house, business location and area. Most of the respondents who have the accessibility of financial institution on their area had better saving than who have not. This shows that the accessibility of financial institution had effect on household saving. This result agreed with that of Leto's (2016) earlier investigation.

To assess the effect of financial knowledge and saving awareness on household saving the study asked the households understanding how they invest their money, financial needs during retirement, Know advantages and risk of services and packages by saving, and had awareness about save on financial institutions, their services and packages, and managing their money. Based on the analysis financial knowledge and saving awareness had a positive and significant relation with household saving behavior at 1% significant level. This means the households who have not financial knowledge and saving awareness had poor saving. Therefore financial knowledge and

saving awareness had high effect on households saving. Delafrooz and Paim (2011) study shows that financial literacy was the most influential predictor for saving behavior.

From demographic variables family size has negative but significant relationship with household saving behavior. When the number of family increased, the amount of household saving decreased because of the number of family size increment have been increased the family consumption. Family size was found to be inversely related to household saving status in Zeleke's (2019) study, which indicate that larger families are less likely to save. Based on the study the household who had better income have saved well amount of their income. Leto (2016) study indicate that when income increased the saving level also increased. But age and occupation of the household had not significant relation with household saving behavior, but on the previous study Zeleke, (2019) shows there is significant relationship to household saving. This difference may be due to the locations of the study.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1 Summary

This study attempted to analyze determinants that affecting households' savings in yeka sub city. To analyze or identify the major determinants of household saving the study use descriptive and linear regression analysis.

The descriptive statistics analysis result shows that, when the household age gets older, saving will be decreased, the reason may when the age come to older most people married and have children's that means the expenditure of the family going to rise so that saving come to difficult, when the number of family increased the family consumption also increase, because of this reason the number of family size increment can decrease the amount of saving of household, when the income of household increase, the amount of saving also increase, The highest saving in percent occupation respondent category was trader the second was employment group, the third is pensioner and the last one causal worker. The sample household were agreed on the saving motives sources have influence on household saving behavior and financial institution accessible on their area. And also they have financial knowledge and saving awareness.

The regression analysis result shows that, the independent variables which had a positive and significant relation with household saving are income of the household, saving motives, financial institution accessibility, financial knowledge and saving awareness. Family size has significant relation with household saving but the relation is negative, this means when the number of the family increased the amount of the household saving was decreased. The rest of independent variables that means age and occupation of the household had insignificant relation with household saving.

According to these two analysis result this study summarize that, the basic determinants of household saving are income, family size, saving motives, financial institution accessibility, financial knowledge and saving awareness.

## **5.2 Conclusion**

As per descriptive statistics result of age of respondent when the household age come to older, saving will be decreased, the reason may when the age come to older most people married and have children's that means the expenditure of the family going to rise so that saving come to difficult. But on the coefficient of regression table results indicate that age of respondent was found to have a statistically insignificant relation with Household saving behavior. The one determinant that can affect the household saving behavior is number of family size. Descriptive statistics of family size shows that when the quantity of family increased, the amount of household saving decreased because of the number of family size increment have been increased the family consumption. And also, the coefficient of regression table results indicate that *Family Size* was establish to have a statistically significant negatively relation with *Household saving behavior*.

This study showed that the household who had better income have been saved well amount their income. As per the coefficient of regression table the results indicate that *Income of household* was establish to have a statistically significant positive relation with *Household saving behavior*. This implies that when the income of household rise, the amount of household saving also increase.

Based on the household occupation descriptive analysis table the highest saving in percent occupation respondent category was trader, it's followed by employer and the list one is casual worker. But as per the results of coefficient regression, *Occupation of Respondent* was found to have a statistically insignificant relation with *Household saving behavior*.

As per saving motive descriptive analysis result households were save money for future requirement of credit access, they would save if there is prize linked saving motives from financial

institutions and the households would save if there is an investment opportunities. Furthermore, households would save if there is an education motive to save money on banks, households would save if there is a retirement motives to save money and they were save for emergency and to have funds in reserve for necessities. And also, the coefficient of regression table results indicate that *saving motive* was found to have a statistically significant positive relation with *Household saving behavior*.

Concerning the financial institution accessibility dimensions survey result households were agreed that there is available financial institution near around their business location. There are various institutions near to their house to save money and they have been used some of the financial institutions in their area. The regression coefficient of financial accessibility has positive and significant. Thus, we can determine that there is a positive and significant relationship between financial institution accessibility and household saving behavior.

The results suggest that the households have a better understanding of how to invest their money and have a very clear understanding of their financial needs during retirement. The households with greater personal finance knowledge frequently practice effective saving habits and keep regular financial records of their income and expenses. The statistics regression coefficient shows a statistically significant positive correlation between household saving behavior and financial knowledge.

The finding indicates that households get sufficient information about how to save and have sufficient awareness and trained in managing their money. As per the statistics regression coefficient saving awareness was found to have a statistically significant positive relation with household saving behavior.

### **5.3 Recommendation**

Financial stability is a result of saving. The results of this study suggest the following recommendations. Financial stability is a result of saving.

First, there is a need government policy interventions center on raising awareness and educating the public about the value of saving and different methods of saving. Because when the households have sufficient financial knowledge and saving awareness with financial institution, they will have better understanding of how to invest their money therefore they will improve amount of household saving.

Second, it would be better if all households had a better understanding of the purpose or impact of saving on their future, even though households who worked in some institutions had a very clear idea of their financial needs during retirement. Because if the households understand about saving motives, they will enhance their financial planning and budgeting for saving. This means they will improve their amount of household saving. The majority of households had televisions and radios, which are important tools for promoting informational dissemination and raising awareness of the benefits of using these media to save money for both households and the country as a whole.

Third, the household should be encouraged to participate in additional part time work to get more income. Because level of income is another factor which determines the household saving. As households engage in additional income generating activities, their household saving will be increased.

Fourth, families currently use family planning techniques to reduce the number of children, but in some areas, families still lack adequate awareness. It is crucial that family planning awareness is provided to households in order to increase their capacity for saving. Because household head savings will increase as family sizes decline due to household head consumption expenditures do as well.

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# APPENDIX

## Appendix A; Questionnaire

### ADDIS ABABA UNIVERSITY

#### COLLEGE OF BUSINESS AND ECONOMICS

#### Questionnaire's for the Sample household

Dear/ sir/madam, the following questions are prepared for research purpose to be undertake on the title “determinants of household saving behavior in Addis Ababa: the case of Yeka Sub city” for partial fulfillment of the requirement for the MASTERS degree in Addis Ababa university. Your genuine answer will contribute a lot for the successful completion of study and hence you are kindly request to answer the following questions with patience.

For better treatment of data confidentially, do not write your name on the paper.

Note: This Questionnaire focus only 18 and above age.

With all best regards

Name: Yohannes seyoun

Tel: +251913122756

#### PART I. Demographic information

Please answer the following questions by circle with the appropriate letter.

1. Gender:
  - a) Male
  - b) Female

2. Age:
  - a) From 18 to 24 year
  - b) From 25-35 years
  - c) From 36 – 50 years
  - d) From 51-64 years
  - e) above -65 years
3. Education:
  - a) Illiterate
  - b) Complete primary school
  - c) Complete secondary school
  - d) Diploma
  - e) First degree and above
4. Do you have sufficient awareness about saving?
  - a) Yes
  - b) NO
5. Does saving is important for households' life?
  - a) Yes
  - b) No
6. Does saving awareness affect the saving behavior of household?
  - a) Yes
  - b) No
7. Does the saving motive affect the saving behavior of household?
  - a) Yes
  - b) No
8. Occupation
  - a) Trader
  - b) Casual Worker
  - c) Employment
  - d) Pensioner
9. What is the number of your family size? \_\_\_\_\_

10. Your monthly household income:

- a) Bellow 2000birr
- b) 2001birr – 5000birr
- c) 5001birr-10000birr
- d) 10001birr – 20000birr
- e) More than20000birr

11. What proportion of your income do you save in percent? \_\_\_\_\_

12. Where do you usually save your money?

- a) Banks
- b) Credit union
- c) Iqqub
- d) Home
- e) Trusted Friend

13. How often do you save your money?

- a) Every time I get money    c)Monthly
- b) Weekly    d)Quarterly a year

**Part II: Determinants of House Hold saving**

Please express your level of agreement in the following statements by indicating 1= strongly disagree, 2= disagree, 3= Neutral, 4= Agree, or 5= Strongly agree \_X Mark in the appropriate field

No.	Statement	Responses				
		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
<b>Motives for Saving</b>						
1.	I save money for future requirement of credit access.	1	2	3	4	5
2.	I save if there is prize linked saving motives from financial institutions.	1	2	3	4	5
3.	I would save if there is an investment opportunities to save money.	1	2	3	4	5

4.	I would save if there is an education motive to save money on banks.	1	2	3	4	5
5.	I would save if there is a retirement motives to save money.	1	2	3	4	5
6.	I save to have funds in reserve for necessities.	1	2	3	4	5
<b>Financial Institutions Accessibility</b>						
7.	Financial institutions are available near around my business location.	1	2	3	4	5
8.	There is various institutions near to my house to save money	1	2	3	4	5
9.	I have a good access to financial institutions in my area	1	2	3	4	5
<b>Financial Knowledge</b>						
1.	I have better understanding of how to invest my money.	1	2	3	4	5
1.	I have a very clear idea of my financial needs during retirement.	1	2	3	4	5
1.	I have the habit of financial records for my income and expenditure.	1	2	3	4	5
1.	I have greater knowledge on personal finance tend to engage in effective saving behavior.	1	2	3	4	5
<b>Saving Awareness</b>						
1.	I Have get advice to save on financial institutions.	1	2	3	4	5
1.	I Know bank services and packages.	1	2	3	4	5
1.	I Know advantages and risk of services and packages by saving.	1	2	3	4	5
1.	I get sufficient information about how to save.	1	2	3	4	5
1.	I have sufficiently aware and trained in managing my money.	1	2	3	4	5

19. The following questions are regarding your overall attitude toward your household saving behavior. Please read and tick the appropriate choices from 1= strongly disagree to 5= strongly agree.

No.	Questions	Responses				
		1	2	3	4	5
1.	I have monthly financial planning and observed it strictly.	1	2	3	4	5
2.	I always review my spending.	1	2	3	4	5
3.	I record every expense.	1	2	3	4	5
4.	I save every month.	1	2	3	4	5
5.	I always review my financial position.	1	2	3	4	5
6.	Investment is very important matter to me.	1	2	3	4	5
7.	I am very cautious with my spending.	1	2	3	4	5
8.	I have savings that can be used in case of emergency.	1	2	3	4	5

20. The following questions are regarding your self-control toward your saving behavior.

Please read and tick the appropriate choices from 1= strongly disagree to 5= strongly agree.

No.	Questions	Responses				
		1	2	3	4	5
1.	I don't save, because I think it's too hard.	1	2	3	4	5
2.	When I get money, I always spend it immediately (within 1 or 2 days).	1	2	3	4	5
3.	"I see it, I like it, I buy it" describes me.	1	2	3	4	5
4.	"Just do it" describes the way I buy things.	1	2	3	4	5
5.	"Buy now, think about it later" describes me.	1	2	3	4	5
6.	I'm easily attracted by lure.	1	2	3	4	5
7.	I always failed to control myself from spending money.	1	2	3	4	5
8.	When I set saving goals for myself, I rarely achieve them.	1	2	3	4	5
9.	I am more concerned with what happens to me in short run than in the long run.	1	2	3	4	5

Appendix B: Amharic Version of the Questionnaire

# አዲስ አበባ ዩኒቨርሲቲ

## የንግድ ስራ እና ምጣኔ ሀብት ኮሌጅ

### ለቤተሰብ የንግድ ቁጠባ ናሙና የተዘጋጀ መጠይቅ

ይህ መጠይቅ የተዘጋጀው በአዲስ አበባ የካ ክፍለ ከተማ የቤተሰብ ቁጠባን የሚያሳድጉ ወይም የሚጎዱ ምክንያቶች በሚል ርዕሰ ጥናት ለማካሄድ ሲሆን አላማው በአዲስ አበባ ዩኒቨርሲቲ ለሚሰጠው የሁለተኛ ዲግሪ (ማሳተፊ ዲግሪ) ማሟያ ነው። ከታች ላሉት ጥያቄዎች ይሚሰጡት ትክክለኛ መልሶች ለዚህ ጥናት መሳካት ከፍተኛ አስተዋጾ ስላለው መጠይቁን በትእግስት ይሞሉ ዘንድ በትህትና እጠይቃለሁ። ለሚያደርጉልኝ ቀና ትብብር ሁሉ ከወዲሁ የላቀ እና ልባዊ ምስጋናን አቀርባለሁ።

መረጃዎን ለመጠበቅ ስምዎንን በወረቀቱ ላይ አይጻፉ።

ማሳሰቢያ:- ይህ መጠይቅ የተዘጋጀው እድሜያቸው ከ18 ዓመት እና ከዛ በላይ ለሆነ ብቻ ነው።

ስም የሆነ ስም

ስልክ 0913122756

ክፍል 1 የግል መረጃ

ትክክለኛ መልስዎን ከተሰጡት አማራጮች ውስጥ በማክበብ ይግለጹ

1. ጾታ
  - U. ወንድ
  - A. ሴት
2. እድሜ

- ሀ. ከ18-24 ዓመት
  - ለ. ከ25-35 ዓመት
  - ሐ. ከ36-50 ዓመት
  - መ. ከ51-64 ዓመት
  - ሠ. ከ65 ዓመት በላይ
3. የትምህርት ደረጃ
- ሀ. ምንም
  - ለ. የመጀመሪያ ደረጃ
  - ሐ. ሁለተኛ ደረጃ
  - መ. ዲፕሎማ
  - ሠ. የመጀመሪያ ዲግሪና ከዚያ በላይ
4. ስለ ቁጠባ በቂ ግንዛቤ አልዎት?
- ሀ. አዎ
  - ለ. የለኝም
5. ቁጠባ ለቤተሰብ ህይወት ጠቀሜታ አለው?
- ሀ. አዎ
  - ለ. የለውም
6. ስለ ቁጠባ ግንዛቤ መኖር የቤተሰብ ቁጠባ ላይ ተፅዕኖ ያሳድራል?
- ሀ. ያሳድራል
  - ለ. አያሳድርም
7. የቁጠባ ምክንያቶች (መነሻዎች) መኖር የቤተሰብ ቁጠባ ላይ ተፅዕኖ ያሳድራል?
- ሀ. ያሳድራል
  - ለ. አያሳድርም
8. የሥራ ሁኔታ
- ሀ. ንግድ
  - ለ. የቀን ስራ (ጊዜያዊ ስራ)
  - ሐ. ጃሚ ተቀጣሪ
  - መ. ጡረተኛ
9. አብዛኛውን ጊዜ የሚቆጥቡት የት ነው? \_\_\_\_\_
10. የቤተሰብዎ ወርሀዊ ገቢ(የቤተሰብ ገቢ ተደምሮ)
- ሀ. 2000ብር እና ከዛ በታች
  - ለ. 2001ብር - 5000ብር
  - ሐ. 5001ብር - 10000ብር
  - መ. 10001ብር - 20000ብር
  - ሠ. ከ20000ብር በላይ
11. ከቤተሰብዎ ገቢ በፕሮሰንት ምን ያህሉን ይቆጥባሉ? \_\_\_\_\_
12. አብዛኛውን ጊዜ የሚቆጥቡት የት ነው?
- ሀ. በባንክ
  - ለ. ቁጠባ ተቋም
  - ሐ. እቁብ
  - መ. ቤት
  - ሠ. ታማኝ ጓደኛ
13. በየምን ያህል ጊዜ ይቆጥባሉ?
- ሀ. ብር በገኘሁ ጊዜ
  - ለ. በየሳምንቱ
  - ሐ. በየወሩ
  - መ. በሩብ ዓመት

ክፍል 2: የቤተሰብ ቁጠባን የሚያሳድጉ ወይም የሚጎዱ ምክንያቶች

በሰጥኑ ከተጠቀሰው ከ1 እስከ 5 አንዱን በመምረጥ የሚስማሙበትን መጠን ይግለጹ። 5 በጣም እስማማለሁ 4 እስማማለሁ 3 መሀከለኛ 2 አልስማማም 1 በጣም አልስማማም በማለት ግለጹ።

ተ.ቁ	ጥያቄዎች	መልስ				
		በጣም አልስማማም (1)	አልስማማም (2)	መሀከለኛ (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
<b>የቁጠባ ምክንያቶች (መነሻዎች)</b>						
1.	የወደፊት የብድር አገልግሎት ለማግኘት ግንዛብ እቆጥባለሁ።	1	2	3	4	5
2.	የገንዘብ ቁጠባ ተጃማት የቁጠባ ማበረታቻ ሽልማት ካላቸው እቆጥባለሁ።	1	2	3	4	5
3.	የመዋዕል ንዋይ ፍሰት(ስራን ለመሰራት) ዕድል ካለ እቆጥባለሁ።	1	2	3	4	5
4.	ትምህርት ምጣር ከሆን ለምጣርብት እቆጥባለሁ።	1	2	3	4	5
5.	ለጡረታ ሚጋብዝ ሁኔታ ላይ ከሆንኩ (ስሆን) ለምጣርብት እቆጥባለሁ	1	2	3	4	5
6.	ለአደጋ ጊዜ ለሚሆን እቆጥባለሁ	1	2	3	4	5
7.	አስፈላጊ ለሆነ ነገር ተቀማጭ እቆጥባለሁ	1	2	3	4	5
<b>የገንዘብ ቁጠባ ተጃም ተደራሽነት</b>						
8.	በንግድ ስራ ቦታዬ (በመስራቤቴ) በቅርብ እርቀት የገንዘብ ቁጠባ ተጃሞች አሉ።	1	2	3	4	5
9.	በመኖሪያ ቤቴ በቅርብ እርቀት የተለያዩ የገንዘብ ቁጠባ ተጃሞች አሉ።	1	2	3	4	5
10.	በአካባቢዬ በጥሩ ሁኔታ (በቀላሉ) የገንዘብ ቁጠባ ተጃሞችን አገኛለሁ።	1	2	3	4	5
11.	በአካባቢዬ የሚገኙ የገንዘብ ቁጠባ ተጃማትን እጠቀማለሁ።	1	2	3	4	5

<b>የገንዘብ አያያዝ እውቀት</b>						
12.	ገንዘብ እንዴት መጠቀም እንዳለብን አውቃለሁ።	1	2	3	4	5
13.	በጡረታ ዕድሜ ስለሚኖረኝ የገንዘብ ፍላጎት ግልፅ ሀሳብ አለኝ።	1	2	3	4	5
14.	ወጭና ገቢዬን የመመዝገብ ልምድ አለኝ።	1	2	3	4	5
15.	በግል የገንዘብ አጠቃቀም ዝንባሌዬ ስኬታማ ቁጠባ ማድረግ የሚያስችለኝ ትልቅ እውቀት አለኝ።	1	2	3	4	5
<b>ስለቁጠባ ግንዛቤ</b>						
16.	በገንዘብ ቁጠባ ተጽዕኖት መቆጠብ የሚያስችል ምክር አግኝቻለሁ።	1	2	3	4	5
17.	የባንክ ገንዘብ ቁጠባ አገልግሎቶችና ጥቅሎችን አውቃለሁ።	1	2	3	4	5
18.	በቁጠባ ተጽዕኖት መቆጠብ እና ጥቅሎችን መጠቀም ያለውን ጥቅምና ጉዳት አውቃለሁ።	1	2	3	4	5
19.	እንዴት መቆጠብ እንዳለብኝ በቂ መረጃ አግኝቻለሁ።	1	2	3	4	5
20.	ገንዘቤን እንዴት መጠቀም እንዳለብኝ በበቂ ሁኔታ ሰልጥኛለሁ ግንዛቤውም አለኝ።	1	2	3	4	5

21. ከዚህ በታች ያሉት ጥያቄዎች የእርስዎን አጠቃላይ የቁጠባ ባህሪዬ የሚይዝ ነው። በሰጥኑ ከተጠቀሰው ከ1 እስከ 5 አንዱን በመምረጥ የሚስማሙበትን መጠን ይግለጹ። 5 በጣም እስማማለሁ 4 እስማማለሁ 3 መሀከለኛ 2 አልስማማም 1 በጣም አልስማማም በማለት ግለፁ።

ተ. ቁ	ጥያቄዎች	መልስ				
		1	2	3	4	5
1.	ወርሀዊ የገንዘብ አጠቃቀም እቅድ አለኝ እቅዴንም በትኩረት እከተላለሁ።	1	2	3	4	5
2.	ወጪዬን ሁል ጊዜ እንደገና አጤነዋለሁ(እመለከተዋለሁ)።	1	2	3	4	5

3.	ሁሉንም ወጪዬን እመዘግባለሁ።	1	2	3	4	5
4.	በየወሩ እቆጥባለሁ።	1	2	3	4	5
5.	የገንዘብ አቅሜን ሁልጊዜ አጤነዋለሁ።	1	2	3	4	5
6.	መዋለ ንዋይ ፍሰት (የገንዘብ አቅሜን የማውልበት) ለኔ በጣም ጠቃሚ ነገር ነው።	1	2	3	4	5
7.	ለማወጣው ወጪ በጣም እጠነቀቃለሁ።	1	2	3	4	5
8.	ለአደጋ (ለችግር) ጊዜ የሚሆን ገንዘብ እቆጥባለሁ።	1	2	3	4	5

22. ከዚህ በታች ያሉት ጥያቄዎች የእርስዎን ቁጠባ ላይ ራስን መግዛት ባህሪዎን የሚይዝ ነው። በሰጥኑ ከተጠቀሰው ከ1 እስከ 5 አንዱን በመምረጥ የሚስማሙበትን መጠን ይግለጹ። 5 በጣም እስማማለሁ 4 እስማማለሁ 3 መሀከለኛ 2 አልስማማም 1 በጣም አልስማማም በማለት ግለፁ።

ተ.ቁ.	ጥያቄዎች	መልስ				
		1	2	3	4	5
1.	መቆጠብ ከባድ ነው ብዬ ስለማስብ አልቆጥብም።	1	2	3	4	5
2.	ገንዘብ ሳገኝ ወዲያው አጠፋለሁ (ብዙ ወይም 2 ቀን)	1	2	3	4	5
3.	“አየሁት፣ ወደድሁት፣ ገዛሁት” የምትለዋ አባባል እኔን ትገልጻለች ።	1	2	3	4	5
4.	“ዝምብለህ አድርገው” የሚለው አባባል የኔን የግብይት ባህሪ ይገልጻል።	1	2	3	4	5
5.	“አሁን ግዛው በኋላ አስብ” አይነት ሰው ነኝ ።	1	2	3	4	5
6.	በእቃ ውበት በቀላሉ እማረካለሁ።	1	2	3	4	5
7.	ገንዘቤን ላለማጥፋት ራስን መግዛት ሁልጊዜ አይሳካልኝም።	1	2	3	4	5
8.	ለቁጠባ ከማወጣው እቅድ የማሳካው ትንሹን ነው።	1	2	3	4	5
9.	ከረዥም ጊዜ ይልቅ አጭር ጊዜ ላይ የሚደርስብኝ ያሳስበኛል።	1	2	3	4	5