DETERMINANTS OF DAILY LABORERS' SAVING BEHAVIOR IN URBAN AREA OF ETHIOPIA: THE CASE OF WOLISO TOWN, SOUTH WEST SHOA ZONE, OROMIA REGIONAL STATE, ETHIOPIA

MSc THESIS

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WOLKITE UNIVERSITY, WOLKITE, ETHIOPIA

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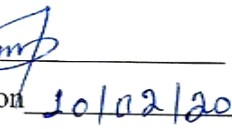
IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR DEGREE OF MASTER OF SCIENCE IN ECONOMICS(MAJOR IN DEVELOPMENT ECONOMICS)

FEBRUARY,2020

DECLARATION

I hereby declare that this MSc thesis is my original work and has not been presented for a degree in any other university, and all sources of materials used for this thesis have been properly acknowledged.

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This is to certify that the thesis entitled **"Determinants of Daily Laborers Saving Behavior in Urban area of Ethiopia: The case of Woliso Town, South West Shoa Zone, Oromia Regional State, Ethiopia"** submitted in partial fulfillment of the requirements for the degree of Master's with specialization in Development Economics the graduate program of the Department of Economics, and has been carried out by **Melaku Delessa Rikiti Id.No GSE/054/10**, under our supervision. Therefore, we recommend that the student has fulfilled the requirements and hence hereby can submit the thesis to the department.

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ACRONYMS AND ABRIVATIONS

APS	Average Propensity to Save
BLCH	Behavioral Life-Cycle Hypothesis
CSA	Central Statistics Authority
FGD	Focused Group Discussion
GDP	Gross Domestic Products
IMF	International Monetary Fund
KII	Key Informant Interview
LCH	Life-Cycle Hypothesis
LR	Log-likelihood Ratio
MOFEC	Ministry of Finance and Economic Cooperation
RESET	Regression Specification Error Test
SSA	Sub-Saharan African
TOT	Term of Trade
UN	United Nation
UNDP	United Nation Development Program
WB	World Bank
WIEDO	Woliso Industry and Enterprise Development Office

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Abstract

In Ethiopia saving rate is low and the saving culture is not well developed. Moreover, there is huge resource gap indicating the dependency of the country on external resources to finance the gap over the years. Although numerous researchers have studied on the determinants of personal saving behavior among the households, no study have been conducted on the daily laborers. Hence, this study was aimed to examine the determinants of the saving behavior of the daily laborers in Woliso town. The study was used both primary and secondary data. The primary data was collected from 288 samples registered daily laborers in Woliso town by using stratified sampling method. Questionnaire and interview were used as a method of data collections. To test the consistency of the data Cronbach's alpha test was used. Descriptive statistics and inferential methods of data analysis were employed. For Econometric Analysis Logistic Regression Model was used. The descriptive results shows that out of sampled respondents 93(32.3%) have saving practice and 195(67.7%) have no saving practice. The study found that out of saver respondents, 28(9.7%) was motivated to save to meet emergency and 0.7% motivated to obtain loan. The logit model results indicated that, monthly income, plan to save, training and financial literacy were positively and significantly affect the daily laborers saving behavior where as sex, distance to the nearest financial institutions, peer influence and marital status were significantly and negatively affects. Therefore, the study recommended that the government and concerned bodies should give capacity building training on saving awareness, create alternative income generating activities, and mobilizing so as to use formal financial institutions.

Keywords*: Daily Labourers, Ethiopia, Logit, Saving, Woliso*

CHAPTER ONE

1. INTRODUCTION

1.1.Background of the Study

Saving refers to the fraction of income not instantly consumed but kept for future investment, consumption or for unforeseen contingencies in the future. Saving in economic contexts is that it is the excess of income over consumption over a certain period of time (Seong, 2011).

In microeconomics saving is an important variable to be studied under the economic field on an individual as well as household basis. In developed countries financial satisfaction and saving behavior of households determined by psychological variables (Traut-mattauch, 2011). It is important in improving the well-being of individuals and serve as a security at the times of economic shocks for the households. Millions of households live uncertain and insecure lives, facing a constant threat of shocks to their income and well-being. Lacking private savings, financial assets and sufficient protection through national policy are exposed to financial crises and natural disasters. Saving is being seen as a method of diminishing the risk resulting from the inability to predict the future and thus acting as safeguard (UNDP, 2017).

Saving has been considered as one of the factors affecting growth to lead the developing countries to the path of economic development. Saving is an important factor of households' welfare in developing countries. On the other hand, without savings, households have few other mechanisms to smooth out unexpected variations in their income. For households savings provide a cushion of security against future contingencies where as for nation savings provide the funds needed in the developmental efforts (Abebe, 2017).

Saving in the form of capital formation is considered as a crucial weapon for economic growth as it increases capital stock thereby improving the ability of an economy to produce future higher incomes (Donkor and Duah, 2013). Saving is strongly correlated with economic growth as suggested by neoclassical growth models, which stressed the importance of saving as an essential factor to economic growth of a country (Jagadeesh, 2015). Saving in the form of capital formation is important for economic growth, as country that was able to accumulate high level of saving and thus high investments was seen to achieve faster rate of economic

growth (Todaro and Smith, 2012). Investment is important for rapid and sustainable economic growth which in turn is determined by the amount of both domestic and national saving of a country. In economic growth saving has important role. For example, the growth and transformation plan of Ethiopia requires substantial capital formation with binding external financial constraints needed to be financed from domestic sources (Halefom, 2015).

According to Popovici (2012) unexpected events in the life-cycle of individuals make saving an important element in fulfilling the financial gap. Saving mobilization is also critical for individual welfare in that, at individual level it helps households' smoothen their consumption and finance productive investments in human and business capital (Karlan *et al.,* 2013).

Africa is estimated to lose hundreds of billions of dollars in domestic revenues annually through capital flight, tax evasion, the repatriation of profits by transnational corporations and high debt repayments. Although saving is a necessary engine of economic growth in Africa, its contribution to economic growth is negligible. Gross domestic savings as a percentage of GDP in eastern Africa has been low compared to many African countries. Domestic saving plays a crucial role in financing public investment, especially in African countries with very limited access to external capital markets. With regard to private investment, it is important to the extent that it enhances credit to the private sector. Domestic savings in Africa are dominated by household savings that are not sufficiently channeled into productive use (UNDP, 2014). The continent's large informal sector holds considerable financial resources that are not deposited in savings accounts or pass through other formal financial channels. Inadequate financial services and low income account are considered as major reason for low saving rates in Africa and need to design saving strategies (Losby, 2008).

The role of saving in the growth process has long been recognized. Saving creates capital formation which is a catalyst in the growth process. For instance, the Solow-Growth model predicts that a rise in saving rate and productivity improvement are associated with an increase in per capita income. Indeed, one of the explanations to the dismal growth performance in Sub-Saharan Africa, particularly in 1990s, was the low saving and investment rates (Hawa, 2016).

According to UN (2009) Developing countries' domestic saving averaged 32 percent of their income in 2009, while the rates in developed countries have fallen to 17 percent. Saving in developing countries appears to be concentrated among high-income households.

Ethiopia's record in mobilization of saving, access of domestic credit to the private sector as well as the gross capital formation compared unfavorably with the Asian comparators those follow similar policy with our country is relatively low. Although Ethiopia's record in saving mobilizing resources as compared to its Asian countries it is very low (IMF, 2014), the figures by Minster of Finance and Economic Cooperation of Ethiopia (2014) revealed an increasing domestic saving rate from 5.2 percent in 2009/10 to 17.7 percent in 2012/13 and the share of gross domestic investment increased from 24.7 percent to 33 percent in the same year. Ethiopia is characterized by poor saving cultures which result in very small domestic savings available for investment (MFEC, 2014). Because of the low level of saving, the national investment of the Ethiopia is dependent on foreign direct investment rather than domestic investment.

The national saving rate statistics that forms important part of capital accumulation for economic growth are the aggregated result of household saving. Hence, the study of the behavior of saving at household level is important. In this study the saving behavior of daily laborers is considered. Daily laborers are those peoples that participate on daily work done. Their saving is kept money for consumption, future investment and unforeseen contingencies in the future. Analysis of behavior of individuals saving and its parameters at micro level is crucial and it is inputs to interpret aggregate savings trends at national level (Orazio and Miguel, 2000).

In Ethiopia, in general and Woliso town particularly the smallholders' income is characterized as seasonal and irregular, in this situations savings are usually less considered. Understanding the perception of daily laborers saving behavior in Ethiopia in general and in the study area of Woliso town in particular is critical in designing policies to promote savings and investment. Furthermore, identifying the factors affecting saving behavior of daily labor is one of the few means of accumulating assets in the limited credit market and in the absence of insurance markets; the capacity to save becomes critical for increasing social mobility and enhancing future income-earning possibilities. As per the best knowledge of the researcher, there was no study that has been conducted on daily laborers saving behavior in urban area in developing countries in general and in Ethiopia in particular. Thus, it is crucial to identify the

determinants of daily laborer decision to save in Woliso town, and this study mainly presented the factors that affect the household saving situation in Woliso town.

1.2.Statement of the Problem

Saving behavior is the ability and practice of putting aside the excess of the money or resources of the profits or income one earns being able to use resources wisely and becoming potential saver. In developing countries, economic fluctuations lead to income variations and leave the households vulnerable to severe hardship. Most of the developing countries have low rate of saving behavior, so that improving saving behavior is a primary goal for people living in this part of the world. One of the serious problems confronting poor countries including Ethiopia is saving and investment gap. Because of this gap, these countries often face saving allocation problems and have difficulties to develop productive investments (Mirach, 2015)

In Ethiopia, saving behavior is mostly dependent on income level of the citizen and their rate of consumption. Also, the geographical location of individuals with the same level of income may have different saving patterns due to their cost of living. The growth in savings is stimulates economic growth and development through investment. For the poor, particularly those with low, irregular and unreliable income, saving is critical. Even though people benefit from savings, most of the households are still have less motive and practice of saving (Fenta, 2017).

According to Lidi (2017) in Ethiopia, domestic saving rate is very low for several decades. Consequently, capital accumulation is very low and is mostly mentioned as one of the main constraints that are responsible for low saving and even sometimes retarded economic growth registered so far.

Looking at Ethiopia in general and study area in particular, the saving behaviors of daily laborers are very low and most of them allocated their income for consumption purpose only. This may be due to low awareness, attitudes towards saving, economic factors and psychological factors like self controlling, peer influence and the like. As Woliso Industry and Enterprise Development Office report (2018), people sometimes assume that saving is possible only from large income households though saving is possible from low income. Currently, saving practice and financial institutions become increasingly important for

financial security of the households and hence investigation of factors associating with low saving behavior is paramount (Sebhatu, 2012).

As WB (2017) report that almost all daily labors lives subsistence life through their life. 22 per cent of the world's workers are projected to be in the near-poor class, with 15.5 per cent in moderate poverty and 10.1 per cent in extreme poverty. Most of the individuals who participated in daily labors in developing countries in general and in Ethiopia in particular considered as poor households. This is due to the fact that they have no habit of saving for the future and to improve their living standard. Most of the daily laborers have poor saving habit and this in turn can affects their current life, ability to retire and to cover unexpected financial emergencies and the like.

Most of daily laborers in Woliso town have low saving habits and less motive to save and they used wage they gained only to sustain their daily life. In other words, majority of daily laborers have no additional income source and hence their capital accumulation is negligible. Therefore, identify the factors that affect the saving behavior of daily labors is a new emerging issues that motivate to undertake this study. To the best knowledge of the researcher, there is no study that has been conducted on this title in developing countries in general and in Ethiopia in particular. Thus, this study is the first rigorous that going to see the factors that affect saving behavior of daily labors by using logit regression model. As a result this study also attempts contribute to the paucity of the literature. Furthermore, this study introduced plan to save and financial literacy as sporadic variables. Thus, the aim of this study is to identify the determinants of daily laborers saving behavior in urban areas by taking Woliso town as a case study.

1.3.Research Question

The study intended to address the following questions:

1. What are the factors that affect saving behavior of daily laborers in Woliso town?
2. What are the perceptions of the daily laborers towards saving practice in the study areas?
3. What are the forms and motives of saving practice of urban daily laborers in the study areas?

1.4.Objectives of the Study

The general objective of the study was to investigate the determinant of daily laborers saving behavior in the urban areas by taking Woliso town as a case study.

Specifically, the study addressed the following objectives:

1. To identify the factors affecting saving behavior of daily labors in Woliso town.
2. To identify the perception of the daily labors towards saving practice in the study areas.
3. To identify the forms and motives of saving behavior of urban daily laborers in the study areas.

1.5.Scope and Limitation of the Study

Conducting the study in the entire number of daily laborer in the town would have given a better picture of the situation of daily laborer saving behavior. But it requires long time and large resources .This study was cover demographic, socio-economic, and institutional factors that influence the daily laborer saving behavior in Woliso town.

However, due to financial shortage the study is limited to Woliso town. The other limitation is daily laborers did not keep records of their monthly income, expenditures and savings it may be challenged to get real data from the respondents. Thus, computations based on such data are likely to have some inherent errors.

1.6.Significance of the Study

As per the researcher's knowledge there are no study conducted on this title in Ethiopia in general and in Woliso town in particular and thus this study contributes to paucity of a literature saving behavior of urban daily laborers in the study areas. It is highly important for daily laborers concerned with small business to improve their saving habits. This research would help the government to design policy which enhance saving of daily laborers and identify which factors that influence the level and proportion of national savings.

The information provided by the researcher could help the government to remain concerned about the economic conditions of daily laborers regarding their physical and financial asset. The report also gives some information to the daily laborers. As we already know that, saving is important for our future live. We did not know what will happen in next day, thus saving is quite important things that should be concern especially by daily laborers. This report will give some information to them about what factor that actually influences their saving

behavior. The study on determinants of saving behavior of daily laborer in Woliso town provides an important indicator for designing daily laborers policy.

Generally, the findings of the study benefit the government to promote daily laborers saving. It benefits non-governmental organizations and institutions, which work in the areas of saving and credit and micro-financing institutions. It will also help policy makers to design economic policies especially on daily laborers resource mobilization saving. It was initiate other researchers to conduct different research works from different perspectives, which was again contribute for strengthening of Daily laborer Savings habits.

Finally, it helps the researcher to obtain the master degree in Economics with major in Development Economics.

1.7.Organization of the Thesis

This study was organized into five chapters; the first chapter introduces the study, giving an overview idea of the determinants of saving behaviour and spells out the scope and limitation, objectives, the problem statement and significance of study. The second chapter included related theoretical and empirical literatures, conceptual frame work of the study.
The third chapter discussed the methodology of the study. This chapter includes the description of the study area, the sampling techniques and sample size, target population, data collection and analysis method. In chapter four the results obtained from the descriptive statistics and econometric models were presented and discussed. The last chapter that is the fifth chapter of the paper included the conclusion and the recommendation including some suggestions on policy implications and the area of further research.

CHAPTER TWO

2. LITERATURE REVIEW

2.1.Definition and Concepts of Saving

Saving can be defined as cash held back from day-to-day spending by an act of a will. It transforms small cash flows into useful large lump sum. Savings are fundamental to sustainable economic development. Savings enable households to smooth consumption in the face of uneven income flows, to accumulate assets for the future, to invest in education, and to better prepare for emergencies.

According Edison et al., (2015) saving is a forgone consumption. They explain forgone consumption as when one does not spend all the income that is earned within a given period. To them, once part of what is earned today is left for future use, there is a saving. Mukhtar(2007) put it in a simple language as putting money aside for future use. He argues that saving is the result of careful management of income and expenditure, so that there is something left to be put aside for future use.

The types of saving are mainly based on the income available to the household, firm and corporate bodies. The saving type can be classified on the basis of the sectors accounting for the saving distribution. It can be broadly classified under three headings namely, Household sector saving, Private corporate sector saving and Public sector saving (Nayak, 2013).

Household Sector Saving: The savings done or accrued by the individual members in a household consists of household sector saving. The household saving contributes to a larger share in the economy which comprises of the individuals saving behavior at a larger scale including the financial as well as the financial assets. The individuals at the household level make a share to the national income computation of a country (ibid).

Private Corporate Sector saving: The savings made in the private owned corporations are called as the private sector corporations. The private corporate sector comprises of (i) non-government non-financial companies, (ii) commercial banks and insurance companies working in private sector, (iii) co-operative banks, credit societies and non-credit societies and (iv) non banking financial companies in the private sector (ibid).

Public Sector Saving: The public sector's savings are constituted into government savings, and savings generated by the public sector undertakings in the form of internal resources. One process of estimating public sector saving is to scrutinize the relationship between public savings and the consolidated returns shortage of government which is an alternative measure of government savings (ibid).

Savings can be known as the cash or physical products set aside for future use. People in low-income communities can save when they are guided and encouraged by the Government and financial institutions. In low-income communities, the ability to save is low and often is in cash or kind. Saving in cash is cheap and convenient. Variations in saving is visible in different communities as there exists difference in income levels, consumption pattern, awareness of the saving benefits, family size, investment opportunities, etc. Human attitude towards saving has been changed through decades as in the remarkable growth in the society (Nayak, 2013).

There is enormous variation across individuals in terms of wealth accumulated at retirement age, even among those with relatively similar lifetime incomes. Researchers have found that this variation cannot easily be explained by "chance" events (e.g., inheritances, health status) or by asset allocation choices. Instead, savings behavior,(the choice to save or spend earlier in life) seems to be a much more important determinant of variation in wealth accumulation(Cronqvist,2010).

According to Alan (2006), there are several possible ways of measuring individuals' savings rates. Conceptually, we characterize an individual's savings behavior by the proportion of disposable income in a period that is not consumed, but instead invested (or saved) for future consumption or bequest.

2.2.Theoretical Literature Review

While it is often advantageous to have a single theory that ties all of the research questions together, the scope of this study prohibits that. The theoretical framework for this study is five-pronged saving strategies, saving supports, life cycle hypothesis, permanent income and Keynesian's theories.

2.2.1. Theories of Saving Strategies

One important component of the theoretical framework for this study is the theory of how people actually go about saving how do they successfully set aside money? The best-known theory related to saving strategies is the behavioral life-cycle hypothesis (BLCH) (Thaler, 1999).

According to Beverly et al. (2003) propose a framework of saving and asset-accumulation strategies occurs in three stages. First, individuals must consume less than their incomes by reallocating existing resources from consumption to saving and/or by increasing resource inflows. Secondly, resources may be converted from some easy-to-spend form (e.g., cash) to a more difficult-to-spend form (e.g., resources in a bank account). Third, individuals must maintain their savings by resisting pressure to withdraw funds. These stages are: (1) reallocation (or saving), (2) conversion (or depositing), and (3) maintenance.

Beverly et al. (2003) proposed that there are two broad types of saving strategies psychological and behavioral. Psychological strategies are grounded in self imposed rules about making deposits and maintaining assets. They are mental tricks that reduce the deliberation to save and maintain assets. The strategies represent efforts to change economic actions, especially efforts to control consumption and methods of making deposits and withdrawals are behavioral strategies.

2.2.2. Theory of Saving Supports

According to **institutional theory of asset accumulation** approach, people make choices based on their own preferences, but their choices are shaped by rules and norms of institutions. This shows how the economic and the socio-psychological reinforce each other. Institutional factors can influence an individual's ability to save (Curley, 2009). In particular, five variables have been identified that appear to contribute to an individual's saving and asset accumulation: access, information, incentives, facilitation, and expectations (Schreiner & Beverly, 2003). Individuals with *access* to institutionalized mechanisms are more likely to have higher rates of saving than those who lack access. *Information* refers to the extent to which people understand the process and rewards of saving. The more thoroughly people understand the process, the more likely they are to be engaged in saving. *Incentives* increase the likelihood that people was save. *Facilitation* which makes it easier for them to save, such

as direct deposit, was more likely increase their willingness to save. People who have specific savings *expectations* (i.e., goals) are more likely to save more than those who do not have savings expectations (Sherraden et al., 2003).

2.2.3. The Life-Cycle Hypothesis (LCH) Theory

The Life-Cycle Hypothesis (LCH) postulated by Albert Ando and Franco Modigliani in 1963 explains the conflict between the Average Propensity to Save (APS) observed from cross-section data and that observed from historical time-series data. According to this hypothesis, a typical individual have a flow of relatively low income at the early stage and end of life, but high during the middle of life. As this theory indicate individual does maintain a slightly increasing level of consumption throughout his life, and the present value of total consumption would not exceed the present value of total income during the lifetime. As per the Modigliani‘s LCH, the main reason for savings is to meet the expenses after the retirement and to acquire wealth. Hence, the age of the household plays an important role in the saving behavior. This theory mainly examines the relationship between per capita incomes and saving (Modiglian, 1963, as cited in Deaton, 2005).

2.2.4. Permanent Income Theory

The central idea of the permanent-income hypothesis is that, people base consumption on what they consider their "normal" income. In doing this, they attempt to maintain a fairly constant standard of living even though their incomes may vary considerably from month to month or from year to year. As a result, increases and decreases in income which people see as temporary have little effect on their consumption spending. According to permanent income hypothesis higher growth (that is, higher future income) reduces current saving. In contrast to the life-cycle hypothesis, the permanent income hypothesis focuses on the income of consumer earned in recent past as well as expected future earnings (Ramsey, 1928, as cited in Mensahklo, 2017)

The idea behind the permanent-income hypothesis is that consumption depends on what people expect to earn over a considerable period of time. In this hypothesis saving is influenced by both permanent and transitory components of income. Permanent income is defined in terms of the long-time income expectation over a planning horizon. Transitory income is the difference between actual and permanent income (Ersado et al., 2003).

2.2.5. Keynesian's Theory

Keynes (1936) identified absolute disposable income as the important determinant of saving. The Keynesian absolute income hypothesis asserts that individuals save out of their current income to smooth the expected consumption over time. As individuals postpone their current consumption in order to maintain the utility level of consumption in the future if income drops (Njung, 2013). Thus saving is only possible if someone has more than enough to meet the basic needs and can only save what is left after paying for such basic needs(Otto, 2009, as cited in Michael, 2013).

Keynes' analysis suggests that due to a number of factors, such as a liquidity trap and the general glut of saving, it is likely for saving to exceed investment and get a recession. Keynes felt recessions could last a long time because lower interest rates may not increase consumption very much due to the income effect of lower interest rates means people have more income. Also, the liquidity trap explains when interest rates fail to boost demand. Interest rates cannot fall below a lower bound rate of zero, and lower interest rates are ineffective in boosting demand anyway.

According to Keynes, the key variable determining the interest rate is the form in which the command over future consumption is reserved, i.e. the fact whether an individual wishes to hold it in a liquid form (cash), or if he or she is ready to part with control of cash for a specified period of time. Keynes refers to this "factor" as liquidity preference. It is a potentiality or functional tendency, which fixes the quantity of money which the public was hold when the rate of interest is given. Keynes distinguishes three liquidity preference motives for holding one's resources in cash: the transaction motive, the precautionary motive and the speculative motive.

From the above theories, it is clear that the savings does not only depend upon income rather on the consumption pattern of the individuals also. The relative and permanent income hypothesis holds that the relationship between consumption and income is proportional where as the relationship of the life cycle hypothesis is non-proportional. By the above theories it is clear that when the income grows the population is encouraged to save and the dis-saving occurs due to no or less income. As per life cycle hypothesis household saving is based on life time income. This theory didn't consider about current income of individuals which can affect household saving. The relationship between saving and the age-structure of the population is also a current topic of debate. Even though the theories are says that individuals

saving is increase at middle age, the reality on the ground doesn't show this. Because of low income level and low awareness on saving of individuals at middle very low. Thus, the gap of these theories which is going to be identified in this study is that, saving is not only after we fulfill the basic necessity or high level of income, but also it is important for future investment from low and middle income. Theoretically this gap was identified in this study. Warneryd (1999) and others defined saving behavior as perceptions of future needs, a saving decision, habit and practice. Having these definitions this study contributes theoretically by defining the saving behavior as follows: Saving behavior can be best understood in three steps. First, by examining household's preferences, we need a practical way to describe how people prefer save to another (planned or expected consumption, precautionary and speculative consumption purposes). Second, we must take into account that households face constraints or shortages' when they goes to fulfill their material wants (when they going to saving some proportion of their income). Third, we will put consumer preference or decisions and constraint together to determine households saving behavior. Hence, saving behavior can be defined as households saving decision, habit, preference, and practice together with related constraints or factors that affect households saving.

2.3.Empirical Literature Review

According to Modigliani's life-cycle hypothesis (2005) the age structure of the population is expected to affect the savings ratio within a society. This suggests that individuals save for retirement when they are in working age and dis-save when they are old. Thus, younger societies are likely to display higher saving than older ones. As noted by Beverly et al. (2003), there are two broad categories of strategies to set aside money: those used to find or create resources that may be allocated to savings and those used to resist temptations to spend.

Empirical work on the examination of savings or consumption behavior is based on a number of theories of consumption and saving, starting with the absolute income hypothesis put forward by Keynes. Other saving hypotheses include the permanent income hypothesis postulated by Friedman and the life cycle hypothesis developed by Ando-Modigliani. A determinant of saving specific to each theory was discussed (Loayza et al., 2000).

2.3.1. Empirical Literature Review on Saving in Developing and Developed countries

According to Aizenman (2017) low interest rate can yield different effects on private saving across country groups under different economic environments. This shows that different scholars have different conclusion on the effect of interest rate on individuals saving behavior.

Saving behavior shows different variation across developing and developed countries depending on their socio-economic structure. Aggregate saving is one of the key drivers of economic growth (Shukla, 2016).

According to Khan (2016) household saving is positively associated with spouse participation in economic activity, dependency ratio and household income. On the other hand, the saving level of households declines significantly with education of household head, family size, and marital status.

Turner and Manturuk (2012) examined how individual, institutional, and structural determinants impact the decision-making processes that guide individuals' savings behavior. Results showed that individual factors such as work experiences affect individuals' attitudes toward savings and their confidence in their ability to save.

According to Issahaku (2011) the age composition and assets do not have a major effect on saving. The factors that make household investment are occupation, expenditure, assets and saving. Any assessment or policy pertaining to finance and development by government, the private sector or financial institutions geared towards improving saving and investment must integrate these factors.

Deaton et al., (2010) provided evidence that higher income growth may produce higher saving. They examine the impact of inflation which reduces the real income or purchasing power of the society which may create the uncertainty in future income, the relationship between income and saving. They conclude that the real per capita income has positive impact on saving, which supports the hypothesis that there is a virtuous circle that goes from faster growth.

Kempson (2009) observed that saving behavior among people of just below average incomes is mainly driven by age and that lasting saving habits seem to develop in childhood. They found that interest rates do not influence the saving behavior in low-income categories.

Nga (2007) examined that a general idea of household saving in South Africa. She identifies the main factors responsible for the lack of a commitment to saving which are particularly relevant in the case of poor households. The major factors are: lack of income (due to unemployment), inadequate income, and over-consumption and market failures, such as unfinished or even no information, lack of awareness, cultural and political factors.

Edwards (2005), study why saving rate in Latin America nations have very low as likened them with some of the most effective countries in the world. He also establish that per capita income growth appeared to be the most key determinants of aggregate saving, public saving are lesser in countries with sophisticated political instability, public saving crowed out private saving but less than proportionality.

According to Grinstein (2004) marital status can affect households saving behavior, that means needs of unmarried and married households are different. In this case unmarried households were saving more than married households. This is due the increase in number of family for married households and decrease in saving. According to Glatzer (2004) interest rate have a positive effect on saving.

There are studies that have been done on a large number of countries to identify the determinants of savings behavior in pooled time series and cross-sectional data (Serven et al., 2000). As Levine et al., (2000) examined that a negative relationship between interest rate and savings.

2.3.2. Empirical Literature Review on Saving in Ethiopia

According to Melese(2018),younger age groups are more saver and which is followed by middle aged and female households have better saving behavior than males because of the life developed style by the community and they are expected to cover the principal household consumption and costs in any social interaction.

According to Borko (2018) variables like age, sex, marital status, household education, access to credit, yearly income and interest rate are positively related with the probability of

household saving and family size, distance from financial institution and consumption are negatively correlated with the probability of saving.

Access to credit can increase an opportunity to invest and participate in different income generating activity which can enhance income and saving level at the same time. Interest rate is one of the factors that determine household saving level when interest rate for saving increases peoples motive to decrease consume and increase their saving. Households near to financial institution have a locational advantage, can contact easily to financial system and have more access to information than those who live more distant location. When income of the households increases, their saving tendency increases. That is as income increase proportion of income saved also increases which are because share of income consumed decreases (Paulos, 2018). As Abera (2016), examined work experiences are increase or positively affect the rate of household saving.

A study conducted by Teshome *et al.* (2013) identified determinants of rural households' savings in East Hararghe Zone, Oromia Regional State, Ethiopia. Nine significant determinant explanatory variables of rural households savings were identified which includes household head's education level, livestock holdings, access to credit service, income, investment, training participation, contact with extension, forms of savings and saving motives.

According to Gedela (2012) the age of the head of the household, sex, dependency ratio and income are significantly influencing the saving behavior in the entire study area. Income is the most crucial factor of the saving behavior in the entire study. The study found that the dependency ratio is inversely related to the saving behavior of households. Because as the number of dependent members in the household increases leads to the households saving declines.

In general , the above study reviewed show that age, sex, education, marital status, family size, training, work experience, income, dependency ratio, consumption, access to financial institutions, communication, self control, peer-influence, access to credit, distance to the nearest financial institution, and interest rate are the major factors that affect urban area's household saving. However, none of the above reviewed studies used plan to save and financial literacy as factors affecting saving practice. Hence, this study introduced plan to save and financial literacy as sporadic variables.

The empirical literature review revealed that there are different factors that affect household saving. Most of these empirical studies focus on individuals saving status using micro data. However, they focus on individuals saving, to the best knowledge of the researcher none of them were done on daily laborer saving behavior in developing countries in general and Ethiopia in particular. The study is also planned to contribute to the existing research gap through a better exploration of its determinants. This study is the first rigorous in addressing the daily labourer saving behavior in Woliso town.

2.4.Conceptual Framework

The following framework is used researcher as a map to know variables included in the model and serve as the foundation of this study. The framework is formulated to explain the relationship of the independent variables and dependent variable (saving behavior).

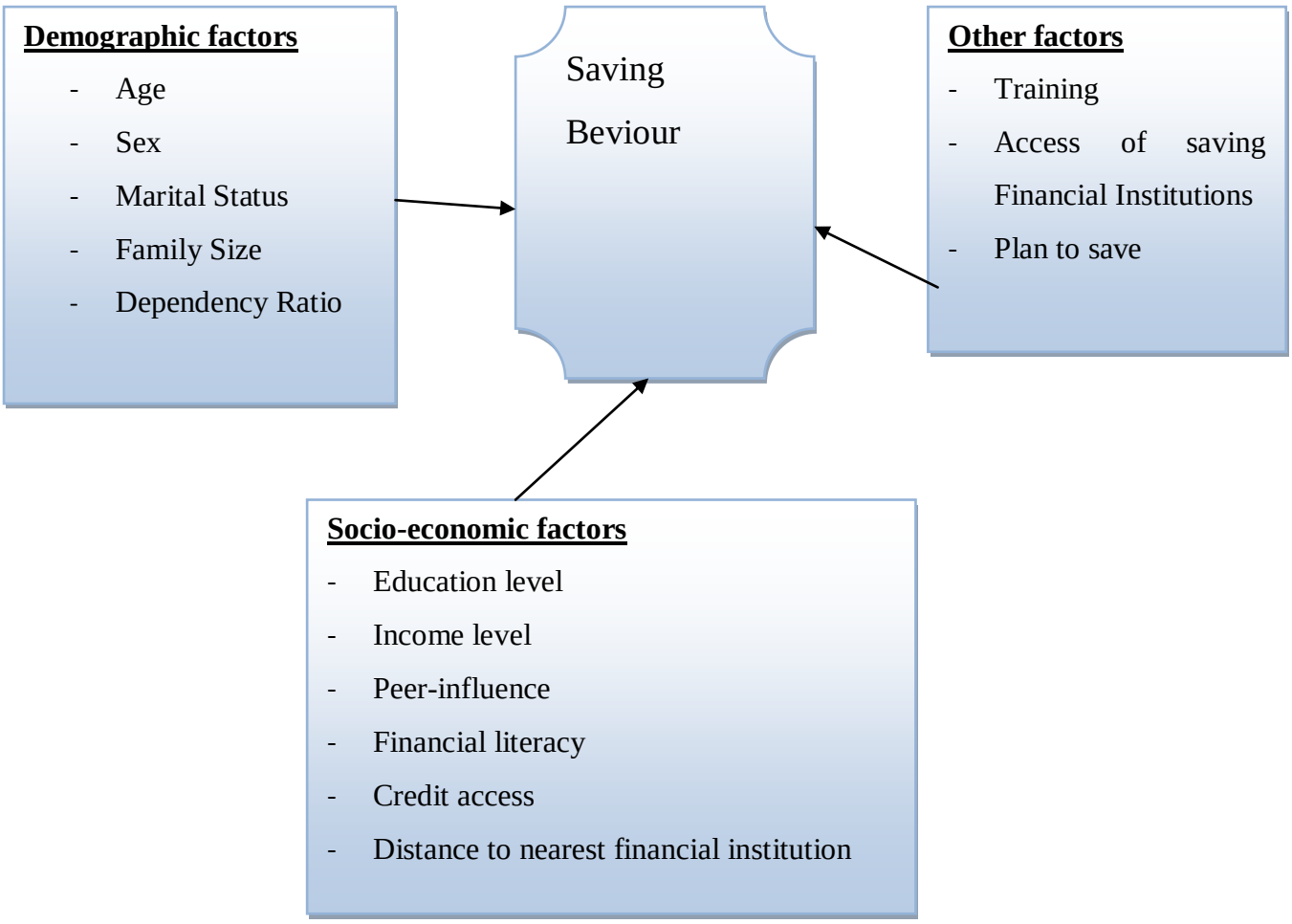


Figure 2. 1: The Conceptual Framework

Source: Own drawing (2019)

These variables are the factors which influence the saving behavior of daily laborers. Being male or female affects saving practice in different ways. Marriage is expected to increase rate of saving because of scale advantage in the use of assets at household level, the age may also affects as higher age enables not to save due to retirement and additional number of families on the daily laborer income.

As the level of education increases rate of saving is expected to increase as it aware the importance of saving and the respondent's plan to save is expected to increase saving, Dependency is expected to decrease saving, saving is expected to increase with work experience and is expected to increase with income. Thus, the above an independent variable is one that influences the dependent variable in either a positive or negative way. Individuals with large number of non saver friends and saver friends not save equal. When numerous friends have saving practice it affect positively.

Generally, the demographic, socio-economic and other explanatory variables listed in the conceptual frame work may affect daily laborers saving behavior or practice positively and negatively.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Description of the Study Area

The study was conducted in Woliso town of Southwest Shoa Zone in Oromia Regional State, Ethiopia. The reason for selecting this area is that Woliso town is the capital town of South West Shoa Zone and it is one of growing town. Consequently, there are a numerous daily labourers that inflow to the town from different rural districts. Woliso is found in South West Shoa Zone. It is sub divided into 4 kebeles. It is found at 114 km from Addis Ababa along the Jimma main road. According to 2019 population projection of Oromia, the total Population of Woliso town is 62,183 (Male 30,995 and female 31,188).It is bounded by 5 rural kebeles of Woliso district from all direction. These are Tombe Anchebi Kebele to the East, Leman Ayetu to the South, Obi Koji to the North and Badesa koricha to the West , Fodu Gora to the south west direction of the town.

According to CSA survey of 2016 it is sited between astronomical grids of 8016'00"N-9002'00"N and 370 31'00"E-38046'00"E and the town is situated on vast plain of 2020m above sea level. About 95 % of its landform is plain and the rest 5% is ups and downs/hill land/. The climatic condition of the town is mostly semi-humid tropical that is warm to cool semi arid and the town's monthly average temperature is about 22.5^0c. Mean annual rain fall of the town is 1300 mm and the dominant soil type which covers the vast plain of the town is verity soil. The total area of the town is 25.11Km^2 or 2,511 hectares (Woliso Town Socio Economic Profile, 2018).

According to Woliso town Enterprise and Industry Development office (2018) report, saving in Woliso town is very low. Because of low awareness, low level of income and cost of living. When we compare people who save in financial institution with population of Woliso town, it is very low in number. To identify factors that affect the saving behavior of individuals this town is selected purposely.

3.2. Source and Types of Data

The data used for this study were from both primary and secondary sources. The primary source of data involves surveys that were conducted on sample of daily laborers in the study area. This primary data is cross-sectional type which includes both qualitative and quantitative information. The secondary data source includes published and unpublished documents, internal reports, books and literatures related to the inquiry.

3.3.Target population

According to the information obtained from Woliso town Labor and Social Affairs office, Industry and Enterprise Development office and Transport office (2019) there are registered and unregistered daily laborers in the town. The population under the study was daily laborers who have been registered in the town's three sectors mentioned above and those who were earning income by daily labor work. This study was intended to identify the saving behavior of daily laborers registered in the town by taking daily laborers registered as target population. Thus, the target population for this study is **7400** daily laborers registered and work at different area like factory, bus station and organized by small scale enterprise in number.

3.4.Sampling Technique and Sample Size Determination

A target population of this study was registered daily labourer in Woliso town. Stratified Sampling was used to select sample. The reason is that stratified sampling technique is particularly useful when we have heterogeneous population. The idea in formulating strata is to sub divide the population into a relatively homogenous groups within the strata and subdivide the population so that relatively greater variation or heterogeneity exists with regard to their types of work. Based on the types of activities they participate on the researcher developed three stratum: small scale industry (soap factory), bus station and micro and small enterprise (construction and other activities). Based on proportional simple random sampling samples were taken from each stratum. This technique was adapted because it provides equal chances to the population to be included in the research and also believed to avoid bias. The qualitative data was collected from the respondents by using focus group discussions and key informants based on their particular characteristics and interest, which enables them to answer the research questions. In addition to the purpose of the study and

population size, three criteria usually were needed to be specified to determine the appropriate sample size: the level of precision, the level of confidence or risk, and the degree of variability in the attributes being measured (Miaoulis and Michener, 1976)

In random sampling method, apply the Cochran's formula to determine the sample size.

$no = \frac{Z^2 pq}{e^2}$ ---------- (3.1)

Where no = the sample size Z2 = is the z-score, (1.96 for a 95% confidence interval), p = the estimated proportion of population that is present in the sample, e= margin of error 5% (0.05)

Sample size calculated according to the formula $n = \frac{z^2 * p * (1-p)}{e^2}$

Where:

Z=1.96 for confidence level (α) of 95%, p= 0.25 (proportion of population present in sample and because of finite population and the limitation of the resource the researcher take p as 0.25), e= 0.05 (margin error)

$n = \frac{(1.96)^2 * 0.25 * (1-0.25)}{0.05^2} = 288.12 \approx \mathbf{288}$

If a population from which a sample is to be drawn does not constitute a homogeneous group, stratified sampling technique is generally applied in order to obtain a representative sample. In this case the population is daily labourer who registered and engaged on daily activities in different areas in the town. Because of differences in stratum size and variability stratified sampling technique is used to select sample from each area of their work.

Let Pi is the proportion of population included in stratum i, and n is the total sample size which is calculated by Cochran's corrected formula and the number of elements selected from stratum i is n*pi

n= 288 N=7400

N1=2300 (from small scale industry (manufacturing like soap factory)

N2=3600(from those cooperated & registered on different temporary activities by micro and small enterprise (like construction)

N3=1500(from bus station)

By adopting proportional allocation:

For strata with N1=2300, $P1 = \frac{2300}{7400} = 0.310$ and $n_1 = n*p_1 = 288*0.310 = \mathbf{90}$

For strata with N2=3600, $P2 = \frac{3600}{7400} = 0.486$ and $n_2 = n*p_2 = 288*0.486 = \mathbf{140}$

For strata with N3= 1500, $P3 = \frac{1500}{7400} = 0.202$ and $n_3 = n*p_3 = 288*0.202 = \mathbf{58}$

3.5.Data Collection Method

Both quantitative and qualitative data collection methods were applied. The study was used both interview and questionnaire to collect quantitative data from sample respondents. The qualitative data were gathered from seven up to ten key personnel using Key Informant Interview (KII) and Focus Group Discussion (FGD) checklist to triangulate the findings of quantitative information and observation method was also used in the course of survey.

3.6.Data Collection Procedure

For this study, questionnaires are prepared and administered by the researcher. The primary data was collected through Survey questionnaires and key informants interviews(leadership of concerned sectors) while the secondary sources of information was obtained from published and unpublished works or materials, journals, books and articles which related to daily laborers and saving behavior. A survey questionnaire was used to generate quantitative data relevant to the demographic, social and economic characteristics of the sample respondents. For this purpose, the questionnaire is designed having both open-ended and close-ended questions. The key informants' interview is carried out to gain in-depth information on the general status of independent variables and saving behavior of daily laborer in the study area.

The questionnaire was derive from the research questions of the study and designed to meet specific objectives of the study and it was the research instruments used for the data-gathering. For the respondent understanding, the English language was translated into the local language (Afan Oromo). The questionnaire is for the respondent, for focused group discussion and for key informant. The data collection for the study is based on the questionnaire and from respondent, FGD and key informants. The secondary data which is useful for the study are collected from published and unpublished materials and different reports.

3.7.Method of Data Analysis

To achieve the objectives of the study both descriptive and econometric analysis were used. Descriptive analysis used percentages, graphs and tabulations to explain different socio economic characteristics of the households and logit model was used to identify the factors affecting household saving practice in the study area. Tools and statistics used in descriptive

and econometric are generated with the help of econometric software STATA Version 13 and SPSS 20.

The collected data was organized, classified and analyzed. Descriptive statistics like mean, standard deviations, percentage, was used in the analysis. Furthermore, the potential variables hypothesized to increase savings practice and the determinants of Savings behavior of daily laborers was tested for statistical difference using cronbach's alpha tests.

3.8.Model Specification

When the dependent variable is binary response variable, the analysis can be conducted by using linear probability and index models that is such as logit or probit. But the result of linear probability model may generate predicted values less than zero or greater than one, which violate the basic principles of probability. However, the index models such as logit or probit models generate predicted values between 0 and 1; they fit well to the non-linear relationship between the probabilities and the explanatory variable. Each model has its own strength and weaknesses, but in this study logit model is preferable to probit model as it has more plausible feature such as simplicity: The equation of the logit is very simple, inverse linearzing transformation for the logit model is directly interpretable as log-odds, while the inverse transformation probit model does not have a direct interpretation (Gujarati, 2009).

Logistic regression with log likelihood odd ratio selection method was used to identify the determinants of household saving behavior. According to Gujarati (2004), in estimating the logit model, the dependent variable is participation which takes a value of 1 if the daily laborers participate on saving and 0 otherwise. The variables can be incorporated in regression models just as easily as quantitative variables. As a matter of fact, a regression model may contain regressors that are dummy, or qualitative, in nature. The logistic regression model is one in which the dependent variable is qualitative and assumes only two values like absence or presence and user or non-user. The logistic regression method keeps the expected value of the dependent variable in the range 0 to 1, and it is easier to use and interpret as compared to other regression methods that deal with qualitative data. The logit method gives parameter estimates that are asymptotically efficient, and consistent. Indeed, the logit approach is known to produce statistically sound results (Gujarati, 2009)

The dependent variable is daily laborer saving behavior that can be given a value "1" if daily laborers have saving practice and "0" otherwise. The selected independent variables are AGE (Age of the Respondent) ,SEX (Sex of the Respondent),EDU(Education of the Respondent) ,TRAIN (Training given for the Daily Laborers on saving) ,MRS (Marital status of the Respondent),FAMS (Family Size of the Respondent),ACFI(Access of Financial institution) ,INCO(Income of the Respondents from daily activities),DPEN(Dependency ratio of the Respondent) ,PLAN(Plan of the Respondent to save) ,PEER(Peer Influence of friends),FLT(Financial Literacy of Respondents),CRED(Access to Credit of Respondents) and DISTA(Distance to the Nearest Financial Institution). Using the above mentioned fourteen explanatory variables, the logistic regression model is used in this study. The cumulative logistic probability model is econometrically specified as follows:

$pi = \frac{1}{1+e^{-zi}} = \frac{e^{zi}}{1+e^{zi}}$ From this $1 - pi = \frac{1}{1+e^{zi}}$---------- (3.2)

$\frac{pi}{1-pi} = \frac{1+e^{zi}}{1+e^{-zi}} = e^{zi}$ ---------- (3.3)

this is simply odd ratio in favor of saving

Where: pi= is the observable dummy variable defined by pi=1 if respondent is save and pi=0 otherwise. e= is natural logarithm, zi=is a function of k explanatory variable xi which can be expressed as $zi = \beta o \sum_{i=1}^{k} (\beta i + ui)$

Probability of saving is specified as the value of the cumulative distribution function which is specified as function of the explanatory variables. This particular study is deal about the probability of saving or not-saving and this expression showed in mathematical form os follows:

$pr(y = 1/x) = pr(Y = 1) = \frac{e^{zi}}{1+e^{zi}} = \frac{1}{1+e^{zi}}$---------- (3.4)

$z = \beta o + \beta 1x1 + \beta 2x2 + \cdots + \beta kxk + e$---------- (3.5)

For a not-saving cumulative logistic distribution, the probability is (1-pi).

$1 - pr(y = 1/x) = \frac{e^{-zi}}{1+e^{-zi}}$---------- (3.6)

Therefore, by dividing eqn.3.4 by eqn3.6 we get the odd-ratio in binary response.

$$\frac{p(y=1/x)}{(1-p(y=1/x)} = \frac{p(Y=1)}{1-p(Y=1)} = \frac{\frac{1}{1+e^{-zi}}}{\frac{e^{-zi}}{1+e^{-zi}}} = \frac{1}{e^{-zi}} = e^{zi} \text{ ---------- (3.7)}$$

When we take the natural logarism of odd-ratio of equation (3.7) it gives,

Li= $(((Y=1))/ (1- (Y=1))) = Zi = \beta o + \beta 1x1 + \beta 2x2 \pm - - - - - - - - - - - + \beta kxk + £i$

f(DLSB)=f(AGE, SEX, EDU, TRAIN, MRS, FAMS, ACFI, INCO, DPEN, PLAN, PEER, FLT, CRED, DISTA)

In this study logistic regressions model was adopted as follows:

Pr (DLSB =1) = β_0+ β_1AGE + β_2SEX + β3 EDU + β_4TRAIN + β_5 MRS + β_6 FAMS + β_7 ACFI + β_8INCO +β_9 DPEN + β_{10} PLAN+ β_{11} PEER + β_{12}FLT + β_{13}CRED + β_{14}DSTA+ £i

Where:

DLSB= Daily Labourer Saving Behaviour or practice

AGE =Age of the Respondent

SEX= Sex of the Respondent

EDU= Education of the Respondent

TRAIN = Training given for the Daily Laborers on saving

MRS = Marital status of the Respondent

FAMS = Family Size of the Respondent

ACFI= Access of Financial institution

INCO= Income of the Respondents from daily activities.

DPEN= Dependency ratio of the Respondent

PLAN= Plan of the Respondent to Consumption Expenditure

PEER=Peer Influence of friends

FLT= Financial Literacy of Respondents

CRED=Access to Credit of Respondents

DISTA=Distance to the Nearest Financial Institution

£i= Error term

3.9.Consistence Testing

Cronbach's Alpha Test

Reliability analysis is a test of Cronbach's alpha to ensure the measurements are free from bias in order to obtain consistent results (Sekaran, 2003). The test of Cronbach's alpha value is appropriate for multi- scaled items and is a perfectly adequate index of the inter-item consistency reliability for qualitative variables (Sekaran, et al., 2001). The coefficient alpha value is range from zero (0) to one (1) whereby value less than 0.60 indicate unsatisfactory internal consistency reliability (Malhotra et al., 2010). The rule of thumb for Cronbach's alpha coefficient value is:Less than 0.60 Poor,0.60 to less than 0.70 Moderate,0.70 to less than 0.80 Good,0.80 to less than 0.90 Very good,0.90 and above Excellent (Samouel et al., 2003).

3.10. Diagnostic Testing

3.10.1. Multicollinearity

Multicollinearity is the existence of more than one exact linear relationship and collinearity refers to the existence of a single linear relationship. Before executing the econometric model, all the hypothesized explanatory variables were checked for the existence of multicollinearity problem by pearson correlation coefficient. The problem of multicollinearity may arise due to a linear relationship among explanatory variables. But this distinction is rarely maintained in practice, and multicollinearity refers to both cases (Gujarat, 2004).
Multicollinearity problem might cause the estimated regression coefficients to have wrong signs, smaller t-ratios for many of the variables in the regression and high R2 value. Multicollinearity test is applied to measure the extent to which two or more independent variables are correlated with each other (Saunders et al., 2009). The intercorrelations among the independent variables should not exceed 0.90, otherwise, the multicollinearity is exists and one of the highly correlated variables have to be removed (Tatham & Blank et al., 1998). In this study multicollinearity is checked by pearson correlation coefficient and the intercorrelation among explanatory variables is less than 0.8 and it is acceptable.

3.10.2. Hetroscadesticity

The presence of heteroscedasticity is a main worry in the application of regression analysis, including the analysis of variance, as it can cancel statistical tests of significance that suppose that the modeling errors are uncorrelated and uniform hence that their variances do not be different with the effects being modeled. The variability of a variable is unequal across the range of values of a second variable that predicts it (Halunga, 2015).

The existence of heteroskedasticity affects the estimation and test of hypothesis. The tests for heteroskedasticity assume a specific nature of heteroskedasticity(Williams,2015). In this study Chi^2 test in Loglikelihood ratio tests are used for testing the presence of heteroskedasticity and the model is detected by heteroskedasticity problem due to non linear cross sectional and robust estimation is under taken to correct the problem.

3.11. Definitions of the Variables and hypothesis

Dependent Variable*:* In this study the dependent variable is **Saving Behavior or Practice**. The household saving behavior is a dummy variable with binary outcomes, yes or no. respondent's opinion was represented by binary options such that it takes "1" if the respondent saves from his/her income and "0" if the respondent does not save from his/her earnings.

According to Warneryd (1999) saving contained that broad-based meaning and numerous explanations. In economic contexts, saving is defined as the residual income after deducting current consumption over a certain period of time. On the other hand, saving in psychological context is referred to the process of not spending money for current period in order to be used in future. Saving behaviour is considered as perceptions of future needs, a saving decision, habit and practice. This study defined saving behaviour by modified this definition as "households saving decision, habit, preference, and practice together with related constraints or factors that affect households saving."

Independent Variables: These variables that can affect dependent variable. It may categorized demographic factors, socio-economic factors and others (institutional) factors. The independent variables that can considered as factors affecting the dependent variable are mentioned as follows.

Age of Daily Laborers (AGE): It is a continuous variable, defined as the daily laborer age at the time of the study measured in years. Rehman *et al.* (2010) found that age has negative relationship with household savings. On the other hand the life-cycle hypothesis suggests that there exists a relationship between age and saving rates and when the age of the households increases their saving status going decreases. Therefore, it is expected to register negative sign.

Sex of Daily Laborers (SEX): It is a dummy variable that assumes a value of "1" if the daily laborer is male, "0" otherwise. Several studies have shown that sex has an effect on asset accumulation. In sub Sahara Africa, women own fewer assets than men (LeBeau *et al*., 2004). In rural SSA, women's ability to accumulate assets is governed by family and community norms, which historically have favored men to the disadvantage of women. The expected effect of sex on households saving was negative.

Education Level of Daily Laborers (EDU): It is a continuous variable measured by the number of years of schooling of the sampled daily laborers. Education affects saving performance by influencing the level of saving and the options for asset accumulation available to the individual. Kulikov *et al.* (2007) found that education as a human wealth promotes individual saving. It was expected, households who have high education level have a higher probability of saving and it have positive effect for households' heads.

Training Participation of Daily Laborers (TRAIN): This refers to the involvement of the daily laborers on awareness creation and short-term teachings on individual savings. It is a dummy variable that takes the value "1" if the individual participated on such trainings and "0" otherwise. Currently, government, non-government organizations and financial institutions are promoting savings through such trainings. Hence, the participation of the individual on trainings is expected to positively affect individual saving. According to Girma *et al.*(2013), the participation of household heads on trainings positively affects their saving.

Marital Status of Daily Laborers (MRS): This refers to the marital status of the daily laborer. It is a dummy variable, which takes the value 1 if the daily laborer is married and 0 otherwise. The financial plan of unmarried household heads could be narrow and designed around their self-interest. However, married household heads are more responsible and think about the collective interest of the entire family members (Aron *et al.*, 2013). Hence, the financial plan of married people is likely to be broader and concern about their families

present consumption rather than saving. As a result, unmarried household heads are expected to save greater than married household heads. Thus, negative sign is expected.

Family Size of Daily Laborers (FAMS): This is a continuous variable measured by numbers and it refers to the total number of family members of the household. A household with high number of family size in the family have less probability of savings. Rehman *et al.* (2010) found that family size significantly and inversely affecting household saving. Hence, this study expected effect of family size on daily laborer saving is negative.

Access to saving financial institutions (ACFI): This variable is a dummy variable that takes value "1" if household access to financial institutions; "0" otherwise. If financial institutions are easily available, it motivates the individuals to participate in saving. It is expected that positively affected daily laborer saving.

Monthly Income of Daily Laborers (INCO): It is a continuous variable measured by the monthly income obtained from their daily work. Income has been considered the most important factor in the determination of the saving behavior of an individual. More income means, normally, more saving and vice versa. Saving is generally assumed to come from what is left from consumption. Individual income is expected to have positive relationship with daily laborer saving. Income has significant and positive effect on saving (Bersales and Mapa, 2006).

Dependence Ratio (DPEN): This refers to the number of children under the age of 14 years and adults above 65 years dependents in the household to the total household size. This means number of dependent (without any earnings) divide by total number of family. A large number of children and old age dependents in the household mean more consumption and less production and less income and saving. The productive age (aged 15-64 years) of the population supports such groups of the population who does not contribute to income of the household. Hence, the more the dependency ratios, the less the saving practices. Kibet *et al.* (2009) in their study found that higher dependency ratio implies greater burden on consumption expenditure, which demands the allocation of more household budget towards consumption leading to lower saving. With higher dependency, more daily expenditures are made and the less ability to save. Thus, it is expected to be negative sign.

Plan of Daily Laborers to Save (PLAN): The existence of households financial planning to match saving with their consumption. It is expected that positively affected the saving of individual. It is dummy variable that takes value 1 for who use planning to save and 0 for who do not use planning to save, hence, use of planning for consumption is expected to increase saving.

Peer Influence (PEER): It is a dummy variable that takes value "1" if the friends of the respondents having saving practice," 0" otherwise. Influence by a friend to not to save. This is used in rating the extent to which respondents are being influenced by their peers upon their saving behaviour. It may affect individuals saving behaviour negatively. Most of the time people with similar preferences tend to belong to the same group. So, when individual is belonging to the group that is prefer not to save it is negatively affect individuals saving.

Financial literacy of Daily Laborers (FILT): It is a dummy variable that takes "1" if they have learned financial related education and "0" otherwise. Financial understanding is important to all people, and it can mean that one is literate in the issues of managing money (including saving, budgeting, investing, credit, insurance, and taxes), and utilizes that knowledge to gain personal welfare through financial security. The extent to which an individual understands the process and benefits of asset accumulation is likely to affect their willingness to save. Financial literacy is a combination of awareness, knowledge, skill, attitude and behaviors of individuals necessary to make sound financial decisions and ultimately achieve individuals' financial wellbeing. Hence, it is expected that positively affect the saving of daily labourers.

Access to Credit Services (CRED): It is a dummy variable that assumes a value of "1" if the household is credit users and "0" otherwise. Some financial institutions like Oromia Saving and Credit Share Company and saving and Credit Cooperatives put saving as the primary principle for credit access from their institution. Therefore, this principle helps the rural households to improve their saving status. Households with better access to credit have higher tendency to save more than that of households who do not access to credit service. Empirical studies revealed that savings of rural household increases with the amount of credit received (Desta, 2004). Therefore, the amount of credit received is expected to have positive relationship with household saving.

Distance to the nearest financial institution (DISTA): This refers to the physical distance in km between the residence of the household head and the nearest formal financial institution. As this distance increases, the household head is expected to get discouraged especially when the amount to save is small. The transaction cost of saving was increase with the distance especially if we consider the opportunity cost in terms of time. Hence, negative relationship is expected between household saving and distance to the nearest formal financial institution.

Table 3. 1: Definitions of the Variables and hypothesis

No.	Variables	Expected signs
1	Daily Laborers Saving Behavior	Dependent
2	Age of the Respondent	-
3	Sex of the Respondent	-
4	Education of the Respondent	+
5	Training given for the Daily Laborers on saving	+
6	Marital status of the Respondent	-
7	Family Size of the Respondent	-
8	Access of Financial Institutions	+
9	Income of Respondent from daily work	+
10	Dependency ratio of the Respondent	-
11	Plan of the Respondent to Manage Consumption Expenditure	+
12	Peer Influence	-
13	Financial Literacy	+
14	Access to Credit	+
15	Distance from the nearest Financial Institution	-

Source: Own Drawing (2019)

CHAPTER FOUR

4. RESULTS AND DISCUSSION

4.1.Overview

This part of the study deals with the results of descriptive analysis and binary logit model regression results of the determinants of daily laborers saving. The analysis was conducted in line with the objectives of the study. The analysis is leaded by a presentation of the demographic characteristics of the sample surveyed. Thereafter, the analysis and discussion is based on the themes of the study.

4.2.Return Rate of the Questionnaire

The researcher collected data using questionnaires, FGD and observation and entered results as already indicated in chapter three. During the study, 288 questionnaires were sent out to the daily laborers respondents who were selected in accordance with the selection criteria. A total of 288 questionnaires (representing 100% return rate), were duly filled and returned.

Table 4. 1: **Questionnaire Response rate**

Response rate	***Frequency***	***Percentage***
Returned	288	100%
Not Returned	0	0%
Total	288	100%

Source: Own Survey data (2019)

According to Mugenda (2003), a response rate of 50% is adequate for analysis and reporting; a response rate of 60% is good and that of 70% and above is very good. Thus, the return rate of this survey was very higher and was, therefore, highly acceptable for the study. The relatively high questionnaire return rate was attributed to the administration of the questionnaires by volunteer research assistants, who ensured that the duly filled questionnaires were returned on the same day.

4.3. Descriptive Analysis

This section is mainly concerned with the descriptive analysis results of the survey data and interpretations of the analytical findings. Descriptive statistics were employed to compare the

households who are saving and not saving with respect to the factors that affect households saving.

4.4.Demographic and Socio-economic Characteristics of Daily Laborers

4.4.1. Distribution of the Respondents by Gender

In order to get gender distribution across the study, respondents were asked to indicate their gender, which was analyzed as indicated in Table 4.2 below.

Table 4. 2: **Distribution of the Respondents by Gender**

Cross tabulation				
		Saving		Total
	SEX	No	Yes	
Female	Fre.	43	23	66
	%	14.9%	8.0%	22.9%
Male	Fre.	152	70	222
	%	52.8%	24.3%	77.1%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

Majority of the respondents 222 (77.1%) were male while 66 (22.9%) were females. The study indicates that the number of men was higher than that of women and this result may have its own implications. The result showed that the participation of women on daily labor was lower than that of men respondents and even though the issue of unemployment also sensitive to women as male, the participation of women at all daily activities which requires more effort is lower than male and this is an indication that the daily work require force and females need soft work and it's important to note that the gender ratio as per the government to improve participation of women on all hard skill activities like construction. Out of saver daily laborers 93(32.3%), female saver was 23(8%) and male saver was 70(24.3%).

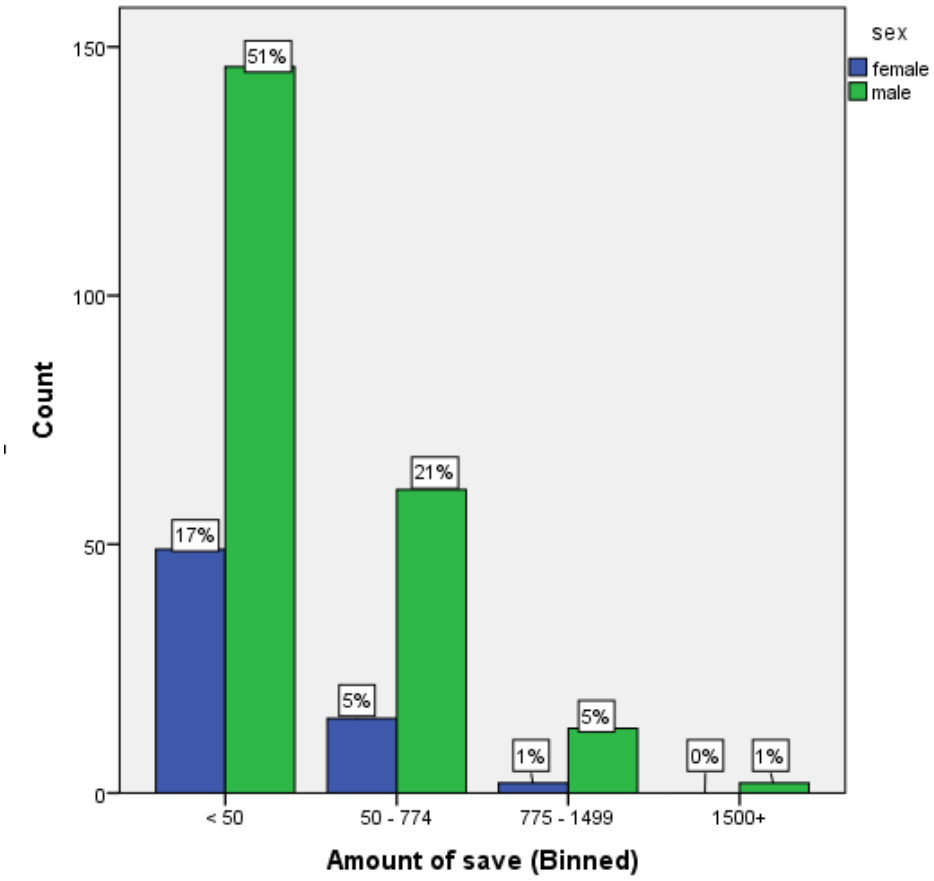


Figure 4. 1: Sex of respondents

Source: Own Drawing (2019)

Figure 4.1 shows that majority of males are save between 50 to 774 birr. This is because males have more engaged in daily activities than female. Less than 50 birr means they are non saver in this case 68% (17% female, male 51%).

4.4.2. Distribution of the Respondents by Age

Table 4. 3: **Average age of the Respondents**

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
AGE	288	27.54167	.3804132	6.455827	26.79291	28.29042

```
    mean = mean(AGE)                                          t =   1.4239
Ho: mean = 27                                 degrees of freedom =      287

    Ha: mean < 27               Ha: mean != 27                 Ha: mean > 27
 Pr(T < t) = 0.9222         Pr(|T| > |t|) = 0.1556          Pr(T > t) = 0.0778
```

Source: Own Computation (2019)

The average age of the sampled respondents was 27.54 years with standard deviation of 6.45 where the minimum age was 18 years and the maximum was 50 years. The table shows that almost the data collected explains the average of the respondents around 27 years' respondents and the participation of the daily activities is young enough. This may indicate that, age has influence on participation saving.

As it was indicated in table 4.4 below 136(47.2%) of respondents were under age category 18 to 25, about 100(34.7%) of respondents under age category 26 to 33, 40(13.9%) of the respondents under age category 34 to 41 and 12(4.2%) of the respondents age greater than or equal to 42. Large number of the respondents' age category was 18 to 25 and their response to saving was higher than the rest of age category. Out of saver 93(32.3%), about 43(14.9%) saver was categorize within the age category of 18 to 25. This shows that they were more saver than other age categories. It is due to the small family size or dependency. They put aside what they were earned and as age increases households would have more family and concern about their present family consumption than future saving.

Table 4. 4: Age of the Respondents

Cross tabulation				
Age of Respondent		**Saving**		Total
		No	Yes	
18 - 25	Fre.	93	43	136
	%	32.3%	14.9%	47.2%
26 - 33	Fre.	69	31	100
	%	24.0%	10.8%	34.7%
34 - 41	Fre.	25	15	40
	%	8.7%	5.2%	13.9%
42+	Fre.	8	4	12
	%	2.8%	1.4%	4.2%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

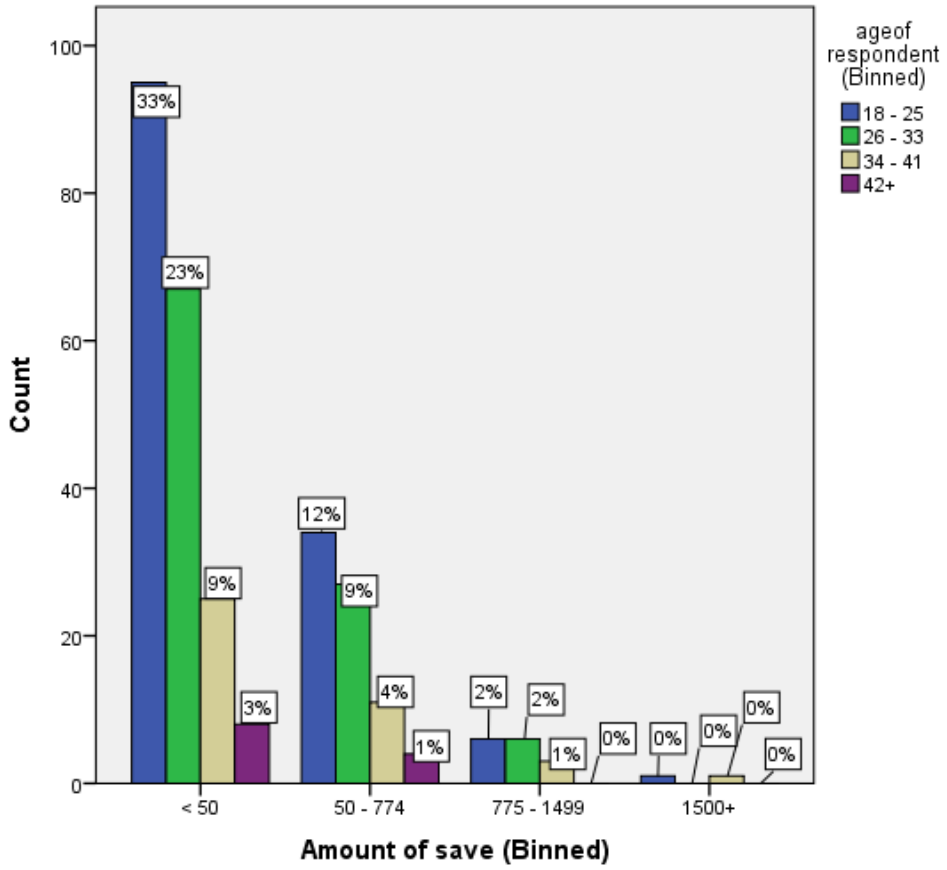


Figure 4. 2: Age of respondents

Source: Own Drawing (2019)

Figure 4.2 shows that Amount of money saved and their age category. This shows that naturally the daily labor work required that the active or youth age and it indicated as age increase their force become decline and may be their income become less and this affect their savings. Majority of the respondent save 50 to 774 birr and categorized under age 18 to 25 years.

4.4.3. Distribution of Respondents by Marital Status

Household head's marital status was another attribute which the study sought to find out the distribution of various categories of household marital status.

Table 4. 5: Distribution of Respondents by Marital Status

Cross tabulation				
		Saving		Total
Marital Status		No	Yes	
Married	Fre.	150	55	205
	%	52.1%	19.1%	71.2%
Unmarried	Fre.	45	38	83
	%	15.6%	13.2%	28.8%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

As the result presented on table 4.5 shows that about 205(71.2%) of the daily laborer were married, 83(28.8%) were unmarried daily laborer respondents. The greater percents of the daily laborer were married and they are participated on daily labor activities that needed more force to get income for their family consumption. This shows that more of the respondents were concerned about their family and to establish their life they decide to participate on daily activities. 26% and 45% savers are married and unmarried respondents respectively. This may form fertile ground for those savers to save their money from what they earn. The finding showed that unmarried daily laborers on average save more parts of their income than married, daily laborers. This confirmed that unmarried daily laborers save more portion of their income and marriages are morally and socially responsible for collective interest of their family consumption than saving. This finding is related with the study done by (Melese, 2018).

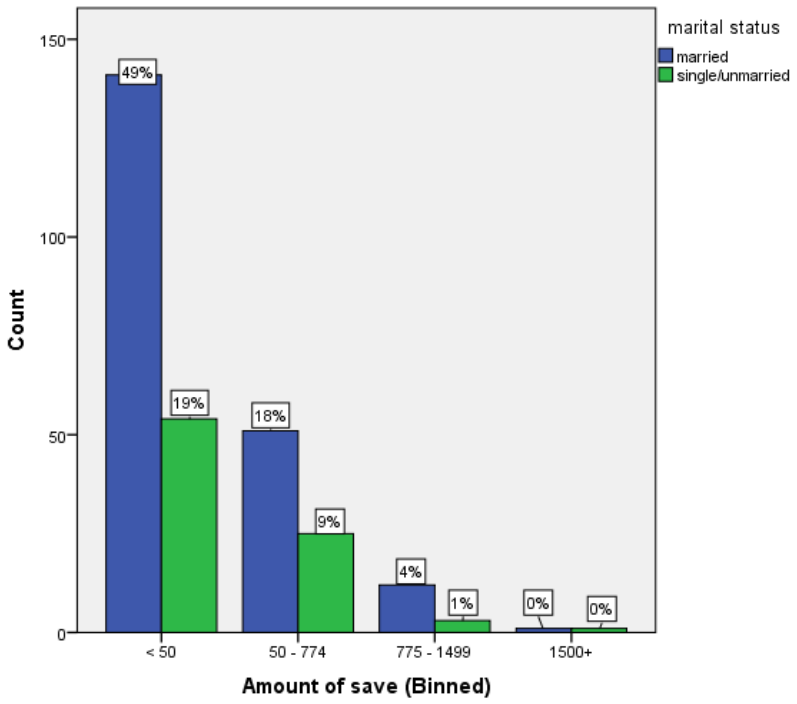


Figure 4. 3: Marital Status of the Respondents

Source: Own Drawing (2019)

The above figure 4.3 shows that out of non saver (67.7%) respondents about 49 % was married respondents. This indicated that when they are married they concern about their family future life and unforeseen emergencies and they save more for future than present consumption. About 27% savers save between 50 to 774 birr. This study is consistent with that the study done by (Hilesellasie, 2013).

4.4.4. Education level of the respondent

Table 4. 6: Average year of Respondent Education

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
EDU	288	6.090278	.2204697	3.741496	5.656335	6.52422

```
    mean = mean(EDU)                                          t =   0.4095
Ho: mean = 6                                  degrees of freedom =      287

    Ha: mean < 6                 Ha: mean != 6                 Ha: mean > 6
 Pr(T < t) = 0.6588         Pr(|T| > |t|) = 0.6825          Pr(T > t) = 0.3412
```

Source: Own Computation (2019)

Education level play major role in determining saving level of households through improvement of income; increase knowledge of the household to use new technology, help to participate in different income generating activities, family planning and improve management of resources. Average year of education was 6.09 and minimum level of education was 0 and maximum 13 years with standard deviation 3.74 (table 4.6). All those lead to good productivity of the household and can enhance income level which is directly related to saving. But, the greater number of the respondents saves less due to the lack awareness, due to poor management of resources, poor consumption expenditure planning, and low awareness to technology.

Table 4. 7: Distribution of Respondents by Education Level

Cross tabulation				
Education		**Saving**		Total
		No	**Yes**	
0 - 3	Fre.	62	29	91
	%	21.5%	10.1%	31.6%
4 - 7	Fre.	50	23	73
	%	17.4%	8.0%	25.3%
8 - 11	Fre.	66	35	101
	%	22.9%	12.2%	35.1%
12+	Fre.	17	6	23
	%	5.9%	2.1%	8.0%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

As the table 4.7 shows, 91(31.6%) of the respondents were their education level was 0 to 3, 73(25.3%) educated 4 to7, 101(35.1%) educated 8 to 11 years and about 23(8%) of the respondents education level was 12 years and above. The educational background points to the fact that most of the respondents are educated and thus easily understood the issues raised in the questionnaire concerning the area of study. Out of savers about 10.1% respondents were educated 0 to 3. Out of the respondents who learned above 12 years, savers were only 2.1%. The finding clearly indicates that however they learn academic education, their saving level was low due to low awareness to life style, lack of awareness to saving, less income, less involvement of other income generation activity.

4.4.5. Distribution of Respondent Family Size

Table 4. 8: Family Size in Average

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
FAMS	288	2.46875	.1009128	1.712547	2.270127	2.667373

mean = mean(FAMS) t = 4.6451
Ho: mean = 2 degrees of freedom = 287

Ha: mean < 2 Ha: mean != 2 Ha: mean > 2
Pr(T < t) = 1.0000 Pr(|T| > |t|) = 0.0000 Pr(T > t) = 0.0000

Source: Own Computation (2019)

Family size is one of the factors affecting saving status of households in the study area. Average family size was found 2.458, minimum 1 and maximum 8 with standard deviation 1.712 (table 4.8).

As it was clearly indicated by table 4.9, out of the sampled respondents 203(70.5%) respondents were having family size 1 to 3 (out of these 23.3% were saving and 47.2% were not saving), 70(24.3%) households with family size 4 to 5 (out of these respondents 8% are saving and 16.3%were not saving) and the remaining respondents 15(5.2%) with family size greater than or equal to 6(out of these 1.0% were saving and 4.2% were not saving).

Table 4. 9: Family Size of the Respondents

Cross tabulation				
		Saving		Total
Family Size		No	Yes	
1 - 3	Fre.	136	67	203
	%	47.2%	23.3%	70.5%
4 - 5	Fre.	47	23	70
	%	16.3%	8.0%	24.3%
6+	Fre.	12	3	15
	%	4.2%	1.0%	5.2%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

Households with large family save less where as households with lower family size save more. The result is due to the fact that large family size more consume than saving for future in the study area. Out of 93 (% 32.3) savers are about 67(23.3%) saver having 1 to 3 family sizes. This implies that for large family size, it is difficult to feed by one household head and their consumption level is greater than saving. Typically, large family size has the significant relationship with lower saving, an increase in the household size; the demand for household consumption increases and at the same time saving decreases. This finding is in lined with the study done by (Borko, 2018).

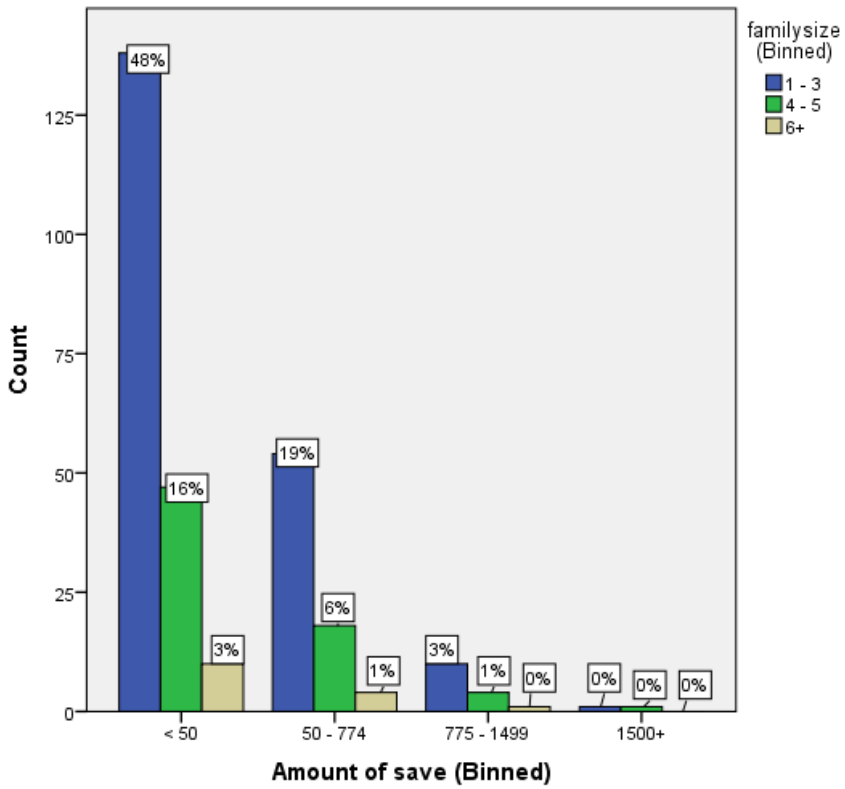


Figure 4. 4: Family Size with Saving

Source: Own Drawing (2019)

Figure 4.4 indicated that statistically a significant number of both saver and non saver respondents have 1 to 3 family sizes. This may imply that for saver less family size made fertile ground to save their money rather than consume. This shows that family size have relationship with saving.

4.4.6. Financial Management Knowledge of Respondents

The descriptive result showed that respondents' knowledge about financial management was below average. Out of the sampled households, only 31(10.8%) reported that they learn and have know how about financial management, 257(89.2%) said as they do not know anything about it and they have no confidence on their financial management knowledge.

Table 4. 10: Financial Literacy of the Respondents

Cross tabulation				
Financial Literacy		**Saving**		Total
		No	Yes	
No	Fre.	177	80	257
	%	61.5%	27.8%	89.2%
Yes	Fre.	18	13	31
	%	6.2%	4.5%	10.8%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

As table 4.10 indicated that out of 93 (% 32.3) savers, majority of them 80(27.8%) have no any financial literacy. This shows that however they save their money; they have no confidence on financial management, due to lack of financial literacy. Saving behavior is significantly influenced by the financial literacy whereby individuals with low level of financial literacy are not intended to save and eventually encounter financial problems in future.

4.4.7. Communication of Respondent

As table 4.11 shows that among the total sampled household, 162(56.2%) have no discussions with their family and friends on the importance of saving when they communicate each other. Only 43.8% of the respondents have discussion about saving with their family and work colleagues.

Table 4. 11: Communication of Respondent

Cross tabulation				
Communication		**Saving**		Total
		No	Yes	
No	Fre.	114	48	162
	%	39.6%	16.7%	56.2%
Yes	Fre.	81	45	126
	%	28.1%	15.6%	43.8%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

The result of table 4.11 shows that Out of non communicators about 39.6% have no saving practice. This indicates that because of no communication with each other they have no enough awareness about saving and saving advantages in their life. The result shows that information or communications have relationship with saving. More informed household participate on saving.

4.4.8. Respondents Plan to Save

Table 4. 12: Respondent Plan to Save

Cross tabulation				
Plan to Save		**Saving**		Total
		No	Yes	
No	Fre.	53	19	72
	%	18.4%	6.6%	25.0%
Yes	Fre.	142	74	216
	%	49.3%	25.7%	75.0%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

From table 4.12 it is observed that72 (25%) of the sampled respondents didn`t have plan of money management for their consumption and other expenditures. 216(75%) have plan to their consumption expenditure. This is due to low level of income spending without plan may encounter them for different shortage. But a significant number of respondents, (25%) never

have money management plan. Since, this adversely affects their saving practice it needs intervention from the government and any other concerned bodies.

4.4.9. Access to Credit Service

Table 4. 13: Access of Respondent to Credit

Cross tabulation				
Credit Access		**Saving**		Total
		No	Yes	
No	Fre.	140	66	206
	%	48.6%	22.9%	71.5%
Yes	Fre.	55	27	82
	%	19.1%	9.4%	28.5%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

Credit can increase consumer access to essential resources and form fertile ground for saving. It also enables efficient allocation of risk, costs and financial reserves. Among the sampled respondents credit access is available for 82(28.5%) and the respondent did not get the chance for credit are 206(71.5%) (Table4.13).This shows that there was a problem in accessing and getting credit for significant number of the respondents (71.5%). This might be due to lack of awareness or information and accessibility of credit. Out of the saver respondents about 66(22.9%) have no access to credit. Out of non saver 195(67.7%), the respondents who have no access to credit was 140(48.6%) and this may indicate that lack of access to credit may affect their saving. Thus, the government should improve the accessibility and availability of credit via different mechanisms for all daily laborers.

4.4.10. Distribution of Respondents Income

Table 4. 14: Average Monthly Income of Respondents

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
INCO	288	1981.076	48.95884	830.859	1884.712	2077.44

```
    mean = mean(INCO)                                         t =   0.0016
Ho: mean = 1981                             degrees of freedom =      287

   Ha: mean < 1981               Ha: mean != 1981                 Ha: mean > 1981
 Pr(T < t) = 0.5006         Pr(|T| > |t|) = 0.9988          Pr(T > t) = 0.4994
```

Source: Own Computation (2019)

Average monthly income of household was found 1981Birr with standard deviation 830.85 and minimum 600 and maximum 4700 (table4.14). Majority of households 257 (89.2%) reported that their source of income was from daily labor work. Few respondents were also reported that service, petty trade, family support and other family income as additional source of their income. With regard to actual saving practice, 93(32.3%) of respondents have saving practice and 195(67.7%) have no saving practice. Among those who have saving practice 58 (20.1%) have earned between 600 -2099 Birr monthly. In addition, most households prefer to save money in cash than asset.

Table 4. 15: Distribution of Respondents Monthly Income

Cross tabulation				
Monthly Income		Saving		Total
		No	Yes	
600 - 2099	Fre.	129	58	187
	%	44.8%	20.1%	64.9%
2100 - 3599	Fre.	57	32	89
	%	19.8%	11.1%	30.9%
3600+	Fre.	9	3	12
	%	3.1%	1.0%	4.2%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

As table 4.15 shows that most of the respondents 187(64.9%) have monthly income in the range of 600 to 2099. This was followed by other large number of respondents who earned monthly income of 2100 to 3599 (30.9%) birr and only about 4.2% earned 3600 and above birr. This indicates that daily laborers income was low and not stable unlike other employments and have effect on their saving. Out of the sampled respondents only 12(4.2%) earn average monthly income between above 3600 birr. Majority of respondents reported that the reason why they do not save was low income level. This revealed that when income level of daily laborers increased the saving rate is also increase. This study related with the study done by (Hailesellasie, 2013).

4.4.11. Dependency Ratio of the Family

Table 4. 16: Average Family Dependence Ratio

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
DPEN	288	.4535057	.0186739	.3169066	.4167505	.4902608

```
    mean = mean(DPEN)                                         t =   2.8653
Ho: mean = 0.4                                degrees of freedom =      287

   Ha: mean < 0.4               Ha: mean != 0.4                 Ha: mean > 0.4
 Pr(T < t) = 0.9978         Pr(|T| > |t|) = 0.0045          Pr(T > t) = 0.0022
```

Source: Own Computation (2019)

The number of dependency that depends on the respondents is basic necessity look upon on the family source that demanded additional income for family members. In average the family member's dependency was 0.45 and the maximum dependency was 1.5 with standard deviation of 0.316(table 4.16). Thus, the proportion of number of family members who generate income and who are dependent on the respondents, as dependency of the family size increase the income they got from the membership activities shared to all family members and this leads to increase the dependency.

Table 4. 17: Respondents Dependency Ratio

Cross tabulation				
Dependence Ratio		Saving		Total
		No	Yes	
0 - 0.44	Fre.	96	42	138
	%	33.3%	14.6%	47.9%
0.45 - 0.89	Fre.	82	41	123
	%	28.5%	14.2%	42.7%
0.90 - 1.34	Fre.	17	9	26
	%	5.9%	3.1%	9.0%
1.35+	Fre.	0	1	1
	%	0.0%	0.3%	0.3%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

As table 4.17, respondents with dependent ratio 0 to 0.44 consisted the largest share of 47.9% followed by 0.45-0.89 (42.7%), about 26(9%) respondent 0.90 to 1.34 dependence ratio and about 1(%0.3) contain more than 1.35 dependence ratio. This revealed that majority of households are live with small number of dependents, which resulted with high saving habit, because they have no or less family size and they didn't worry about family. Out of non saver 195(67.7%) about 96(33.3%) have 0 to 0.44 dependence ratio and they have no any saving from their income. But when we look saver daily laborers those who have less dependence ratio save more. This shows when dependence ratio increase saving decrease.

4.4.12. The Respondent Training

Training would increase the awareness level of daily laborers and exposure to new ideas, information, activities, opportunities, working environment, and different sources of income, prudent handling of cash, etc. Many times trainings programs for saving mobilization not focus on daily laborer rather than organization and other management.

In table 4.18 it was summarized that from sampled survey only 42(14.6%) respondent reported as they got the skill for development & business training from governmental, non-governmental organization & financial institutions that monitoring their activities. The rest 246(%85.4) of the respondent didn't get the chance to training. But most of them need the training on business plan, advantages of saving and awareness of trade.

Table 4. 18: Training of the Respondents

Cross tabulation				
Training		**Saving**		Total
		No	Yes	
No	Fre.	171	75	246
	%	59.4%	26.0%	85.4%
Yes	Fre.	24	18	42
	%	8.3%	6.2%	14.6%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

As it was indicated on the above table 4.18 out of the non trainer about 171(59.4%) have no saving practice. This may indicated that lack of training may affect their saving behavior.

4.4.13. Distribution of Work Experience

Regarding to table 4.19 out of the sampled respondents 182(63.2%) have 1-4 years of work experiences, about 85(29.5%) have 5-8 work experiences, 19(6.6%) have 9-12 years, 2(0.7%) have 13 years and above work experiences on their daily labor work.

Table 4. 19: Work Experience of the Respondent

Cross tabulation				
Work Experience		Saving		Total
		No	Yes	
1 - 4	Fre.	122	60	182
	%	42.4%	20.8%	63.2%
5 - 8	Fre.	59	26	85
	%	20.5%	9.0%	29.5%
9 - 12	Fre.	13	6	19
	%	4.5%	2.1%	6.6%
13+	Fre.	1	1	2
	%	0.3%	0.3%	0.7%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

As table 4.19 shows that out of saver respondents 93(32.3%) about 60(20.8%) saver have 1-4 work experiences. This shows that even though their work experiences are less than others they have saving practices. The importance of work experiences on saving is the respondent economic skill was become developed with their increasing work experience. This indicates that work experience on daily activities, which was used them to get more income that is used to more saving. But only work experiences are not enough for increase saving and it requires increasing income by creating other income generating activities. However, it needs more attention of different concerned bodies including governments.

4.4.14. Respondent Consumption expenditures

Table 4. 20: Average Monthly Expenditure of Respondents

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
mexpen	288	1843.958	49.26719	836.092	1746.987	1940.929

mean = mean(mexpen) t = 0.0195
Ho: mean = 1843 degrees of freedom = 287

Ha: mean < 1843 Ha: mean != 1843 Ha: mean > 1843
Pr(T < t) = 0.5078 Pr(|T| > |t|) = 0.9845 Pr(T > t) = 0.4922

Source: Own Computation (2019)

The average monthly consumption expenditure of daily laborer was 1844 and the minimum 500 Birr and maximum 4500Birr monthly expenditure with standard deviation of 836(table 4.20). This indicates, almost their income went to consumption expenditure, rather than saving. This household's expenditure included both for food and non-food expenditures like healthy, education, social case, house rent for those who were living in rented house.

Table 4. 21: Respondents Monthly Expenditure

Cross tabulation				
Monthly Expenditure		Saving		Total
		No	Yes	
500 - 1999	Fre.	118	51	169
	%	41.0%	17.7%	58.7%
2000 - 3499	Fre.	69	36	105
	%	24.0%	12.5%	36.5%
3500+	Fre.	8	6	14
	%	2.8%	2.1%	4.9%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

The larger the expense in the households level was the smaller the extra money needed to save for both the emergency and for future investments. As table 4.21 indicated about 169(58.7%) respondents expend between 500 to 1999 birr averagely per month and about 105(36.5%) spend 2000 to 3499 birr. This may show that respondents have largest expenses per months from their earning. More expenses affect daily laborers saving.

4.4.15. Respondents Peer Influence

Table 4. 22: Respondent Peer Influence

Cross tabulation				
Peer Influence		**Saving**		Total
		No	Yes	
No	Fre.	103	30	133
	%	35.8%	10.4%	46.2%
Yes	Fre.	92	63	155
	%	31.9%	21.9%	53.8%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

As table 4.22 shows that out of sampled respondents 155(53.8%) of the respondent report that as there was peer influence to save or not to save. About 133(%46.2%) have no peer

influence on their saving. Out of non saver 195(67.7%) about 99(34.4%) have no any discussion about saving and its advantages in their life with fiends. This shows that peer discussion may affect the individuals saving behavior.

4.4.16. Respondents Self Control

As the behavioral life cycle hypothesis Self control included that the mental accounting and framing. Self control used for the development of saving behavior.

Table 4. 23: Self Controls

Cross tabulation				
Self Control		**Saving**		Total
		No	Yes	
No	Fre.	39	21	60
	%	13.5%	7.3%	20.8%
Yes	Fre.	156	72	228
	%	54.2%	25.0%	79.2%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

As table 4.23 indicated that out of sample respondent 228(79.2) report as they control themselves from different addicted things and they save themselves from extravagant expenses because of low income. This is due to their low level of income, when can't control themselves they encounter to different problems. Out of self controllers 228(79.2%) about 72(25%) have participated on saving practice. About 156(54.2%) self controllers have no saving practice due to low income. This may indicate even though they control themselves they didn't participate on saving because of less income. Hence, it has its own role for their saving from what they earn. The result is in line with the finding of (Michael, 2009) that self control used for development of saving behavior.

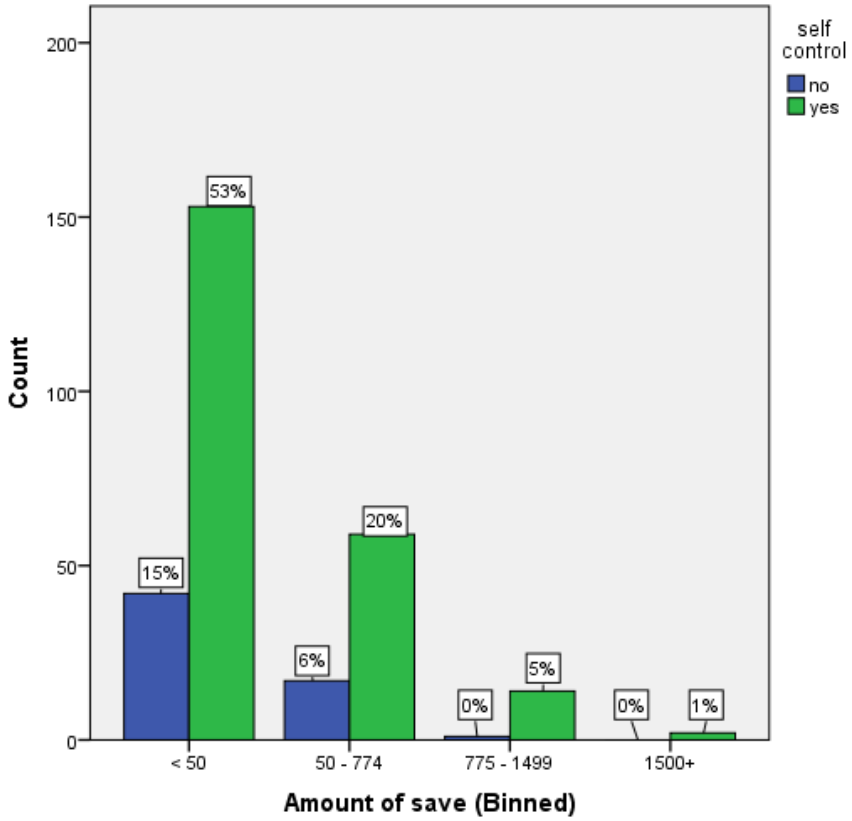


Figure 4. 5: Respondents self-control and saving

Source: Own Drawing (2019)

The figure 4.5 shows that the respondents who control themselves from extra expense 26% save their money and who didn't control themselves only 6% have saving practice. This may affect their saving behavior.

4.4.17. Interest Rate

Interest rate is one of the factors that determine daily laborers saving level. This means that when interest rate increases by financial institutions the daily laborers saving become increase.

Table 4. 24: Interest Rate

Cross tabulation				
Interest Rate		**Saving**		Total
		No	Yes	
No	Fre.	80	28	108
	%	27.8%	9.7%	37.5%
Yes	Fre.	115	65	180
	%	39.9%	22.6%	62.5%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

As the table 4.24 shows out of daily laborer who participate on different forms of saving 93(%32.3) about 65(22.6%) have understanding about advantages of increasing interest rate on their saving and from non savers about 115(39.9%) have not know the effect of interest rate on their saving. Lack of knowledge about interest rate may affect their saving behavior and increasing in interest rate affect daily laborer positively.

4.4.18. Respondent Monthly Saving and Amount of their Saving

As table 4.25 indicated that it was clear that out of the sampled respondents 93(32.3%) have monthly saving from their monthly income earned. But it was clear that a significant number of respondents 195(67.7%) have no any saving from their income. The entire saver saves their money in the form of cash. No one save their money in the form of asset accumulation.

Table 4. 25: Amount of Monthly Saving

Cross tabulation				
		Saving		Total
Amount of save		No	Yes	
Non saver	Fre.	195	0	195
	%	67.7%	0.0%	67.7%
50 - 774	Fre.	0	76	76
	%	0.0%	26.4%	26.4%
775 - 1499	Fre.	0	15	15

	%	0.0%	5.2%	5.2%
1500+	Fre.	0	2	2
	%	0.0%	0.7%	0.7%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

The results on the above (table4.25) show that all the saver respondents give value for money than asset. Out of saver 76(26.4%) save between 50 to 774 and 15(5.2%) save between 775 to 1499 per month and about 2(0.7%) respondents save between above 1500 birr. The main reasons for households not to save are low income, low interest rate, social affairs and lack of training on the advantages of saving.

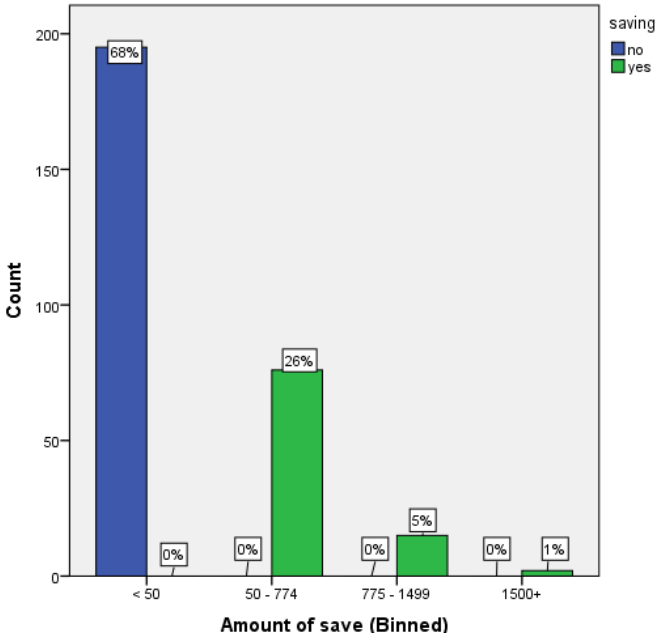


Figure 4. 6: Respondents Saving status and amount of saving

Source: Own Drawing (2019)

Figure 4.6 shows that decision of daily laborer for saving and the amount of their saving. This indicated that majority of saver save between 50 to 774 birr monthly. This shows that the respondents saving magnitude were less, due to their low level of income.

4.4.19. Respondents Motive of Saving

As table 4.26 shows that out of the saver about (9%) they save for the purpose of future investment, 28(9.7%) was motivated to save to meet emergency, about 12(4.2%) for all the

purpose mentioned in the table, the rests are for asset creation (3.5%), for house building (1.4%), to obtain credit (0.7%) and to be secured at old age (3.8%). This shows that different daily laborers save their money for different purpose in the study area. This finding is in lined with the study done by (Blanc, 2015).

Table 4. 26: Respondent Motive of Saving

Motive of save		Saving		Total
		No	Yes	
Non saver	Fre.	195	0	195
	%	67.7%	0.0%	67.7%
For asset creation	Fre.	0	10	10
	%	0.0%	3.5%	3.5%
To meet emergency	Fre.	0	28	28
	%	0.0%	9.7%	9.7%
For future investment	Fre.	0	26	26
	%	0.0%	9.0%	9.0%
For house building	Fre.	0	4	4
	%	0.0%	1.4%	1.4%
To obtain loan	Fre.	0	2	2
	%	0.0%	0.7%	0.7%
To be secured at old age	Fre.	0	11	11
	%	0.0%	3.8%	3.8%
All	Fre.	0	12	12
	%	0.0%	4.2%	4.2%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

4.4.20. Perceptions of Respondents towards Saving

The research finding demonstrates that the majority of sampled daily laborer believed that saving is necessary and perceived it as a good culture (Table 4.27). This indicates that there was a fertile ground to increase the savings of daily laborers. The significant numbers of the sampled population have not saved within the survey period. The major reason was lack of awareness, shortages of income and the perception that they do not have asset in excess of their consumption to save.

Table 4. 27: Perception of the Respondent towards Saving

Cross tabulation				
Perception towards Saving		**Saving**		Total
		No	Yes	
Very low	Fre.	36	8	44
	%	12.5%	2.8%	15.3%
Low	Fre.	20	10	30
	%	6.9%	3.5%	10.4%
Moderate	Fre.	32	26	58
	%	11.1%	9.0%	20.1%
High	Fre.	71	37	108
	%	24.7%	12.8%	37.5%
Very high	Fre.	36	12	48
	%	12.5%	4.2%	16.7%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

As table 4.27 indicated that ordered perception of sampled respondent by likert scale about 108 (37.5%) presume that saving have high advantages for their life. At the period of the study about 58(20.1%), 44(15.3%), 30(10.4%), reported that the advantages of saving as moderate, very low and low respectively. Only 48 (16.7%) rate the advantages of saving for their life to very high. This indicated that still there are lacks of formal awareness of the daily laborer on the advantages of saving and it requires high attention to correct the perception or attitudes of the daily laborers towards saving.

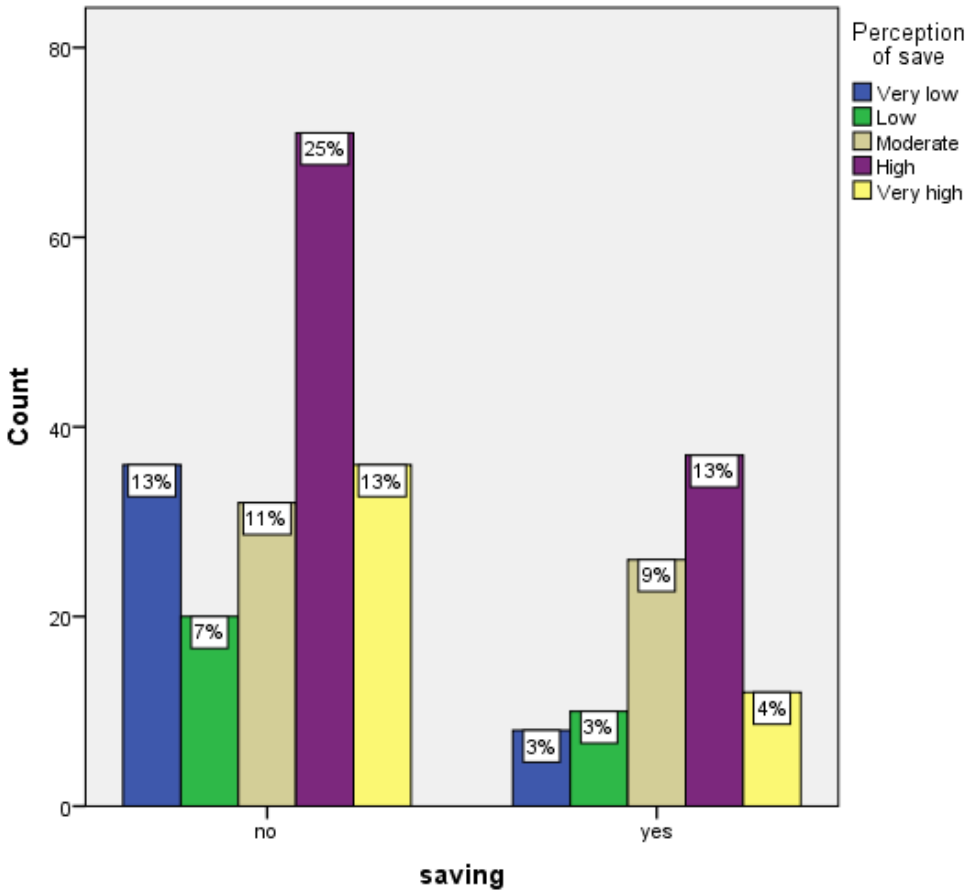


Figure 4. 7: Respondents Perceptions towards Saving

Source: Own Drawing (2019)

Figure 4.7 shows that both saver and non saver rate the advantages of saving in their life. However, about 25% who rate saving advantages to high was the non saver. This may show that non saver respondent have confidence to rate the advantages of saving. Even though, they are different on saving, both saver and non saver respondents rate the advantages of saving for their life. Non savers have confidence to rate the advantages of saving than that of saver respondents. This may indicate that respondents have willing to save.

4.4.21. Forms of Respondents Saving

This part of the study was the places where respondents preferred to save their money.

Table 4. 28: Forms of Saving

Cross tabulation				
Forms of Save		Saving		Total
		No	Yes	
Non saver	Fre.	195	0	195
	%	67.7%	0.0%	67.7%
Bank	Fre.	0	28	28
	%	0.0%	9.7%	9.7%
Micro finance institutios	Fre.	0	9	9
	%	0.0%	3.1%	3.1%
Ekub	Fre.	0	56	56
	%	0.0%	19.4%	19.4%
Total	Fre.	Fre.	93	288
	%	%	32.3%	100.0%

Source: Own Survey data (2019)

As the table 4.28 indicated that out of 93(32.3%) saver, 56(19.4%) save at "EKUB" , 28(9.7%) save their money at formal bank and 9(3.1%) save at micro finance institutions. This indicated that about 19.4% of the savers put money outside the formal financial systems. The implication is that policies that encourage saving at formal and semi-formal financial institutions need to be designed to increase private saving and hence domestic resource mobilization for investment. This finding is in line with the study done by (Michael, 2013).

4.4.22. Physical Distance from the Nearest Financial Institutions

Table 4. 29: The average Distance of the Respondents travel

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
DISTA	288	1.881597	.0520152	.8827271	1.779218	1.983977

```
    mean = mean(DISTA)                                        t =   1.5687
Ho: mean = 1.8                                 degrees of freedom =      287

   Ha: mean < 1.8               Ha: mean != 1.8                 Ha: mean > 1.8
 Pr(T < t) = 0.9411         Pr(|T| > |t|) = 0.1178          Pr(T > t) = 0.0589
```

Source: Own Computation (2019)

The average distance the respondents travel to reach the nearest financial institution was 1.88km and minimum distance covered to get financial institution was 0.3kilometers and the maximum distance was 4 kilometers with standard deviation 0.88(table 4.29).

Table 4.30 shows that the distance in kilometers that the respondents travelled for using saving services from the nearest formal financial institutions. The result indicated that most of the respondents 161(55.9%) travelled relatively lower distance (1.90 to 3.49km) to save their money to formal financial institutions.

Table 4. 30: Distance from Financial Institutions

Cross tabulation				
Distance		**Saving**		Total
		No	Yes	
0.30 - 1.89	Fre.	76	42	118
	%	26.4%	14.6%	41.0%
1.90 - 3.49	Fre.	111	50	161
	%	38.5%	17.4%	55.9%
3.50+	Fre.	8	1	9
	%	2.8%	0.3%	3.1%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

From this as the distance increased or as formal financial institutions became far away from the respondents residential areas it cause that high transportation cost, consume time to travel on foot, difficult to access money for immediate purpose. This implies that distance have statistically significant effect on saving of daily laborers.

4.4.23. Awareness of Respondents on Saving

The study results show that there was a substantial variation in the saving behavior of daily laborers, because of lack of access of awareness creation programs on advantages of saving in their life.

Table 4. 31: Awareness of Saving

Cross tabulation				
Awareness of Saving		**Saving**		Total
		No	Yes	
No	Fre.	86	31	117
	%	29.9%	10.8%	40.6%
Yes	Fre.	109	62	171
	%	37.8%	21.5%	59.4%
Total	Fre.	195	93	288
	%	67.7%	32.3%	100.0%

Source: Own Survey data (2019)

As table 4.31 shows that from the sampled respondents a significant number 117(40.6%) have no awareness about saving and its advantages for them. This indicated that even though their work area was in the town they didn't get any awareness by concerned bodies and lack of awareness may affect their saving behavior. Even though they have saving practice to expand the saving awareness is very important. However, concerned bodies should give attention to daily laborer to aware them continuously on saving. Daily laborers may save their money without

4.5. Focused Group Discussion and Key Informant Interviews

FGD and KII are used for cross check in the asked respondents report and what the focused group discussion and key informant interview approved. The focused group discussion people collected from the daily laborers which have greater than seven people in one discussion in all three areas of their work. These Focused group told us they have less awareness about saving than other community classes. So, more of their income went to hand to mouse rather than save for future investment. They approve what the information collected by questionnaire of the respondents report. From focused group discussions conducted and key informant interview it was checked that the support given to them from different bodies are very less. Because of this less support it was difficult to sustain and transfer their work from irregular to regular job.

According to key informant the saving status of Woliso town was not reached at needed level as a whole and the saving culture of daily laborers was very low. They didn't want to

registered and did work rather than choose daily work without any registration. Specially, daily laborer around bus station was did only for a short period of time and then go to spend what they earned. In other words, due to irregularity of their work and less wage for daily labor majority of them consume what they earn and they fear about their families' future.

4.6. Consistency Testing

Cronbach's Alpha

Cronbach's alpha is a measure used to assess the reliability, or internal consistency, of a set of scale or test items. In other words, the reliability of any given measurement refers to the extent to which it is a consistent measure of a concept, and Cronbach's alpha is one way of measuring the strength of that consistency (Torres, 2007).

Cronbach's alpha is computed by correlating the score for each scale item with the total score for each observation (usually individual survey respondents or test takers), and then comparing that to the variance for all individual item scores: In Appendix VI the alpha test before standardizing and the total result Show 0.652(65.2%) (Consistency with moderate) and that is less consistence. So to increase the reliability or make more consistence must standardized and Appendix VII shows the total result 0.756(75.6%) (Good consistency) that explains the more internal consistencies as well as the reliability measurement. Standardize items in the scale to mean 0, variance 1.A standardized test is any form of test that requires all test takers to answer the same questions, or a selection of questions from common collection of questions, in the same way, and that is scored in a "standard" or consistent manner, which makes it possible to compare the relative performance of individual or groups of items.

4.7.Econometric Analysis

In descriptive part**,** the researchers have dealt mainly with explanatory variables to identify factors affecting daily laborers saving behaviors and the perception of the respondents towards saving practice, motives and forms of their saving.

In addition to descriptive analysis, the logistic regression model was employed to identify the determinants of different demographic, socio-economic and other variables on factors affecting daily laborers saving behavior. Before estimation was done, data exploration is an important step. To start with checking whether multicollinearity is present or not a simple correlation coefficient matrix was conveyed. Gujarati (2005) establishes a rule of thumb

which says that multicollinearity is a serious problem when the correlation coefficient is 0.8 or above. Thus, though correlation coefficient is present, multicollinearity is not a serious problem in our data (Appendix II).

To test the significance of the logit model; the log-likelihood ratio test, the pseudo-R2 are used. The computation result for pseudo R2 in saving behavior is 72.9%, these results shows that the models are statistically acceptable as 72.9% of the variation is explained in the logit model (table 4.32). The two tests used to confirm the validity of the estimation were LR test and Wald test. For the likelihood ratio test, the calculated LR chi2 (14) is 210.94 and Wald chi2 (14) =58.08 and the critical value of the test (14) at one percent significance level is 23.6848. The chi-square test shows that the model is significant at 1 percent level of significance showing that the overall model is a good fit and p-value is significant at one percent significance level. Therefore, the likelihood ratio test of goodness of fit under the null hypothesis that all parameters are zero was rejected. Hence, our data fits the logit model very well (Appendix III)

In most econometric data particularly in cross-sectional data, we are more likely to encounter heteroscedasticity problem. Since our data is cross sectional by its nature we are likely to encounter with the problem of heteroscedasticity. One of the important methods used to test the existence of heteroscedasticity in logit model is the log-likelihood ratio (LR) test (see Appendix III). This test shows that the null hypothesis of homoscedasticity is rejected; that is heteroscedasticity problem is detected. Because of this we cannot use a simple logit model for this study rather we use heteroscedasticitic. To correct these problem robust standard errors was estimated. The coefficients of the logit model only give the significance and the direction of the effects of each explanatory variable on daily laborers saving behavior. The odd ratio indicates that probability that respondents accept or reject the offered hypothesis due to a unit change in continuous explanatory variables and a change of dummy variables from 0 to 1, for discrete variables (Greene, 2003). Both the coefficient and odd ratio of the logit of the general model with all covariates are presented in below table (table 4.32). .

The dependent variable considered in the analysis was daily laborers saving behavior and the independent variables included in the model were variable categorized under demographic, socio-economic and other variables. The results indicated that, out of 14 explanatory variables that included in the model, 8 variables were found significantly affect daily laborers saving with expected signs. Those 8 variables that significantly affecting the daily laborers

saving were sex of respondents (SEX), Daily Laborers monthly income (INCO), plan to save (PLAN), Distance to the nearest financial institutions (DISTA), Training (TRAIN), Peer influence (PEER),Marital Status (MRS) and Financial Literacy (FILT). Out of the 8 variables monthly income, plan to save, training and financial literacy were affect daily laborers saving positively. Whereas Sex, distance to the nearest financial institutions, peer influence and marital status were affects negatively.

4.7.1. Results for Logit Model

Table 4. 32: The Maximum Log likelihood Estimation of the Binary logit Model

Logistic regression — Number of obs = 288
Wald chi2 (14) = 58.08
Prob > chi2 = 0.0000
Log pseudolikelihood = -39.198799 — Pseudo R2 = 0.7290

DLSB	Coef.	Robust Std. Err.	z	P>|z|	Odds Ratio
AGE	-.0090918	.0568858	-0.16	0.873	-.9909494
FAMS	-.1590227	.2229582	-0.71	0.476	-.852977
INCO	.0016355	.0007655	2.14	0.033**	1.001637
PLAN	2.48638	.6438999	3.86	0.000*	12.01769
CRED	-.1318664	.8472057	-0.16	0.876	-.8764581
DISTA	-5.625307	1.124417	-5.00	0.000*	-.0036055
TRAIN	4.514392	1.770447	2.55	0.011*	91.32202
ACFI	-.3476578	.5252652	-0.66	0.508	-.7063406
PEER	-1.813172	.8400188	-2.16	0.031**	-.1631359
DPEN	-1.064871	1.036085	-1.03	0.304	-.3447722
EDU	.0301101	.0593744	0.51	0.612	1.030568
SEX	-2.168008	.8753147	-2.48	0.013*	-.1144053
MRS	-1.689943	.86086	-1.96	0.050**	- .18453
FILT	3.184653	1.236237	2.58	0.010*	24.15891
_cons	14.72726	3.571857	4.12	0.000	2488684

Source : Own Computation (2019)

* is significant at 1% level of significance and **is significant at 5% level of significance

The regression result indicated above shows variables that are positively related with the probability of saving are monthly income, plan to save, training and financial literacy. The variables that are negatively related with the probability of daily laborers saving are sex, distance to the nearest financial institutions, peer influence and marital status. The negative values of independent variables in the table indicate that a unit change in explanatory variable lead to decrease in odd ratio of the probability of daily laborers saving.

Education of the Respondents (EDU): It is a continuous variable that measured in years of education attending. Although it registered expected sign, it is not statistically significant. This may be due to the mean of education is 6. Furthermore, this shows that respondents knowhow regarding to the importance of saving and how to manage their financial asset is too limited. This is why it is not statistically significant and not important variables in our study area. Other studies like (Abebe, 2017) obtained the same result.

Age of the Respondents (AGE): It is a continuous variable that measured in years. Although it registered the negative expected sign, it is not statistically significant. This may be due to the average age of the respondent is 27.This shows that, as respondents age become older their love of money increase and they want holding money on their hand. As a result it is not statistically significant and not as such important variables in the study area. Other studies like (Fenta, 2017) found the same result.

Dependence Ratio (DPEN): It is a continuous variable that measured by number of dependent (without any earnings) divide by total number of family. Even though it registered the expected negative sign, it is statistically not significant. This may be due to the average dependence of the respondent is 0.45. This shows that the respondent's dependence is small in number and for this reason it was not important variable in the study area. This finding is in lined with the study done by (Lidi, 2012).

Family Size of the Respondents (FAMS): It is a continuous variable that measured in number of families. Although it registered the expected negative sign and it is statistically not significant. This may be due to the mean number of the family size is 2.46 and the respondents may not have family size related expenditure burden and it was not important variable in our study area. Another studies like (Abebe, 2017) found the same result.

4.7.2. Determinants of Saving Behaviors of Daily Laborers

Sex of the Respondents (SEX): The sex of the head of the family is negatively related to daily laborer saving behavior as expected and it is statistically significant at 1%level of significance. The odd ratio result shows that being male decreases odd ratio of the probability of saving by 0.1144 factors on average. This shows that the females are more responsible for their family and they save for unforeseen emergencies and hence they participated in saving culture when we compare with males. This finding is consistent with the study done by (Kinde, 2018).

Monthly Income of the Respondents (INCO): In this study monthly income of the daily laborer was positively affect their saving and significantly affect at 5% level of significance. The odd ratio shows that other things remain constant, a one birr increase monthly income of the daily laborer increase the odd ratio of the probability of daily laborer saving by 1.0016 factors on average. In other words, the odd ratio of being saver is 1.0016 times that of non-saver and being saver increases the probability of saving by 1 more than non-saver on average. This is due to the fact that when income increases households' tendency to save increase, it means as income increase proportion of income saved also increases which are because share of income consumed decreases. This finding is consistent with the study conducted by (Lidi, 2017).

Peer Influence of the Respondents (PEER): Peer influence was another important factor that leads respondents to save or not to save their money. In this study peer influence was statistically significant at 5% level of significance and registered negative sign as expected. This result showed that a one more increase in number of friends of the respondents, decreases the odd ratio of the probability of daily laborers saving by 0.1631 factors on average. This indicates that if the daily labors have many friends, their expense will increase. This is due to the fact that there are accommodations costs. This finding is supported by the study done by (Gizachew, 2017).

Financial Literacy of Respondents (FLT): Financial literacy is another variable which affect daily laborer saving. In this study financial literacy is statistically significant at 1% level of significance and registered positive sign as expected. The odd ratio shows that when daily laborers attending the financial related education, increases the odd ratio of the probability of daily laborers saving increase by 24.15 percent on average. In other words, the

odd ratio of being attend saving related financial education is 24.15 times that of non attending and being attending financial education increases the probability of saving by 24 more likely than non attending on average. This means when respondents get more knowledge about financial management they tend to save more.

Distance to the Nearest Financial Institutions (DISTA): Distance to the nearest financial institution was one of the factor that affect daily laborers saving in the study area. It is significant at 1% level of significance and it registered the negative expected sign. It's odd ratio shows that when distance to the nearest financial institution increases by one kilo meter the odd ratio of the probability of daily laborers saving decrease by 0.0036 percent ,other variables remain constant. The possible interpretation for the result was daily laborer near to financial institutions have a location advantage, can contact easily to financial system, and have more access to information than those who live more distant locations. This finding is in lined with the study done by (Paulos, 2018).

Marital Status of the Respondent (MRS): The dummy variable marital status is registered negative sign as expected and statistically significant at 5% level of significance. The odd ratio shows that being married decreases the probability of daily laborer saving by 0.1845 on average. Married households concern about their present family life conditions and hence, they are less interested than unmarried people to save for future. Married household have additional family size and their consumption increase than their saving. This implies that the married daily laborer concerned about their family consumption to fulfill their family's present interest than saving for future. This finding is in lined with the study done by (Melese, 2018).

Training of the Respondents (TRAIN): The dummy variable training has positive sign as expected and statistically significant at 1% level of significance. The positive and significance of this variable shows that training is positively affected daily laborers saving. The odd ratio shows that when daily laborers participate on training related to saving, the odd ratio probability of saving of the daily laborer increase by 91.32 on average. In other words the odd ratio of being participate on training related saving is 91.32 times that of non participant and being participate on saving related training increases the probability of saving by 91more likely than non participant. This indicates that training for the daily laborer is very important to enhance their saving. Therefore, to enhance private saving rate concerned bodies should give attention for awareness creation training to create new income generating

activities for daily laborers in the town. This finding related with the study done by (Tadesse, 2015).

Plan to Save (PLAN): This is a dummy variable has positive sign as expected and it is significant at 1% level of significance. This shows that plan to save is positively affected daily laborers saving. The odd ratio shows that when daily laborers plan to save, the odd ratio probability of saving is increase by 12.01 percent on average. In other words, the odd ratio of being have plan to save is 12.01 times that of non planner to save and being have plan to save increases the probability of saving by 12 more likely than non planner to save. This revealed that using plan to save help to minimize expenditure and increase saving.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1. SUMMARY AND CONCLUSION

Household savings is an important factor for the economic growth of the country. In Ethiopia, because of rural- urban migration the urban population is very high and the contribution of these particular population is very much need for economic development.

The study was conducted to identify factors affecting daily laborers saving in Woliso town. Data for the study was collected from 288 registered urban daily laborers from three work site (small scale industry, bus station and micro & small enterprise). The researcher used descriptive and econometric analysis to identify the effect of explanatory variables on dependent variable. With descriptive percentages, graphs and tables were used to present factors affecting daily laborers saving.

The descriptive analysis showed that 32.3% of sample households practiced saving and 67.7% household have no saving practice; this is due to low income, peer influence, family burden , distance ,low interest rate, social affairs and lack of training on the advantages of saving.

Regarding to motive of the respondents out of the saver 93(32.3%) about (9%) save their money for the purpose of future investment, 28(9.7%) was motivated to save to meet emergency, for asset creation (3.5%), for house building (1.4%), to obtain credit (0.7%),to be secured at old age(3.8%) and the rest saver about 12(4.2%) participate on saving for all the purpose mentioned above. Hence, daily laborers save their money for different motivation, but when we look at their saving status, it is not enough to achieve their wide purpose and their saving was in the form of cash.

Regarding to the forms of their saving, out of 93(32.3%) saver, about 56(19.4%) save at "EKUB". About 28(9.7%) save their money at formal bank and 9(3.1%) save at micro finance institutions. This shows that respondents save their money in different formal and informal forms of saving institutions.

When we look the perception of the respondents towards saving, they rate the advantages of saving by using likert scale in different level. Out of sampled respondents about 37.5%

presume that impotence of saving to their life to high, 20.1% rate to moderate, 16.7% rate to very high, 15.3% rate to very low and 10.4% rate the importance of saving to low. This shows that a perception of respondents towards saving was different from one individual to another.

Besides, the economic analyses shows that 8 variables that significantly affecting the daily laborers saving were sex of respondents (SEX), Daily Laborers monthly income (MINCOME), plan to save (PLAN), Distance to the nearest financial institutions (DISTA), Training (TRAIN), Peer influence (PEER INFLUENCE),Marital Status (MRS) and Financial Literacy (FILT). Out of the 8 variables monthly income, plan to save, training and financial literacy were affect daily laborers saving positively. Whereas, sex, distance to the nearest financial institutions, peer influence and marital status were affects negatively.

Based on the finding, the following important conclusions were drawn:

1. Regarding to motive of the respondents out of the saver 93(32.3%) about (9%) save their money for the purpose of future investment, 28(9.7%) was motivated to save to meet emergency, for asset creation (3.5%), for house building (1.4%), to obtain credit (0.7%) ,to be secured at old age(3.8%) and the rest saver about 12(4.2%) participate on saving for all the purpose mentioned above. Hence, daily laborers save their money for different motivation, but when we look at their saving status, it is not enough to achieve their wide purpose and their saving was in the form of cash. Regarding to the forms of their saving, out of 93(32.3%) saver, about 56(19.4%) save at "EKUB". About 28(9.7%) save their money at formal bank and 9(3.1%) save at micro finance institutions.
2. The perception of daily laborers towards saving was different from person to person. According to the result of the study, out of sampled respondents about 37.5% presume that impotence of saving to their life to high, 20.1% rate to moderate, 16.7% rate to very high, 15.3% rate to very low and 10.4% rate the importance of saving to low. This shows that a perception of respondents towards saving was different from one individual to another.
3. Income is the most crucial factor of the saving behavior in the study area. It was positively affect the daily laborers saving and is significant at 5% level of significance. The odd ratio shows that other things remain constant, a one birr increase monthly income of the daily laborer increase the odd ratio of the probability of daily laborer saving by 1.0016 factors. This is due to the fact that when income increases households'

tendency to save increase, it means as income increase proportion of income saved also increases which are because share of income consumed decreases.

4. The study found that female headed households save more than male headed households. It is significant at 1% level of significance and it registered the negative sign. It's odd ratio shows that being male decreases the odd ratio of the probability of saving by 0.1144 percent on average. This shows that the females are more responsible for their family and hence they participated in saving culture when we compare with males.
5. Training for awareness creation and plan to save registered positive sign and significant at 1% level of significance. Both variables odd ratio shows that participating on training and use plan to save increases the probability of daily laborers saving by 91.32% and 12.01% on average respectively.

5.2.RECOMMENDATION

Based on the findings of the research the following policy recommendations were made:

1. The saving behavior of daily laborer in the study area is largely determined by income of the household. In this context there is a need to further intensively identify the income generating programmes for daily laborer in the study areas. Hence, concerned bodies should give attention in the town to create another alternative income generating activities for daily laborers to sustain their life and to enhance daily laborers saving in the town.
2. The results ultimately revealed that there is an increasing need to improve financial sectors for daily laborers saving level. Financial institution access improves household's probability of saving and can enhance households' information accessibility to the institution, give locational advantage and help to save money easily; whereas, when distance to the nearest financial institution increases by one kilo meter, the probability of daily laborers saving decrease. Hence, concerned body should developing means of mobilization and door to door collection.
3. Majority of the daily laborers in the study area were completed secondary education, and they have no financial related knowledge to manage their financial expenditure and positively related with daily laborers saving behavior. Hence, government and business sectors should enhance financial related education for daily laborers to enhance their saving.

4. Gender has its own effect on daily laborer saving behavior. Hence, government and all other concerned bodies should encouraging male daily laborers to increases their participation on saving practice from income they earn and to enhance their saving more.
5. Married household have additional family size and their consumption increase than their saving. When we compare with un-married daily laborers, they concern about their family present life than saving for future. Hence, increasing only family size by marriage without any change in income may encounter them for poverty and it require attention. Hence, the town healthy center should have to give awareness regarding family planning.
6. Plan to save is very important in daily laborers life. In the study area, even though their income was not enough to save, majority of them use plan to their consumption expenditures to have more money to save. This means plan is related with saving behavior of daily laborer. Thus, the government and financial sectors should have to encourage the daily laborers to have saving action plan.
7. Based on the perceptions of daily laborers in the study area majority of them was act on all their activities together. This makes them to form friendship on the area. When number of friends increase cost of accommodation become increase and their saving decrease. Thus, the government and concerned bodies should organize them to minimize the effect of their peer influence on saving by creating awareness for daily laborers to save.
8. Training has positive effect on saving behavior of daily laborers. Hence, the concerned bodies should focus on the awareness creation training on the importance of saving and saving modalities to improve the daily laborer saving status.
9. Daily laborers perception towards saving was very different. The consequence of this affects their saving. Generally, based on the findings, the researcher recommends that government policy intervention should focus on the changing attitudes of daily laborers towards saving.
10. As information gathered from FGD and key informants daily laborers prefer to save their money in the form of cash. Majority of them save in informal saving forms like “EKUB”. Hence, the concerned bodies should give attention to improve the saving modalities of daily laborers in the town by increasing interest rate to mobilize to save to formal institution or banks.

5.3.FUTURE STUDY AREA

There is need to carry out a comprehensive future study on the following.

The alternative job creation or income generating activities programme for daily labourers could be assessed and researched. The daily labourer's source of income and wage per day should be researched to improve their livelihood. Finally, the problem of credit access & saving habit of daily labourers needs further investigation.

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Appendix I: Questionnaires

Wolkite University

College of Business and Economics

Department of Economics

Part 1: Questionnaire for the Respondent

Objective of the Questionnaire

This Questionnair**e** is developed to collect data from Daily Laborers of Woliso town for the purpose of studying the**" Determinants of Daily Laborers Saving Behavior in Urban Area of Ethiopia: In Case of Woliso town"** to use for fulfill the requirements of acquiring MSc degree in Economics(Major in Development Economics) from Wolkite University.

Information you give would be very crucial for the success of the study. Therefore, you are kindly requested to be honest towards all the items provided in the questionnaire. The data collected from the respondents kept confidential and not forwarded for anybody for similar studies. You are not obligated to right your name on the questionnaire.

Melaku Delessa Rikiti

General Instructions to Enumerators;

- ❖ The purpose of the interview should be introduced to the respondent;
- ❖ Please ask the question clearly and patiently until the respondent understands;
- ❖ Please fill up the interview schedule according to the respondent replies;
- ❖ Please do not use technical terms while discussing with the respondents;

Name of the enumerator ---------- Sign. ---------- Date----------

Research Site: Region: **Oromia** Zone: **South West Shewa** Town: **Woliso**
Kebele……..
Date of Interview…….

A. Demographic characteristics of the respondent

1. **Sex** of the respondent: 1. Male 2. Female
2. **Age** in years: _____
3. What is your **marital status**?

(1) Single/unmarried (2) Married

4. What is your **education level** in years?: _____ (1) Illiterate (2) Primary (1-8) (3) Secondary (9-12) (4) Diploma and above

5. Do you have children and other family members? (1) Yes (2) No

6. If your answer #5 is (1), **how many family sizes** do you have? _____

Age of children

No	Numbers of family	Age Categories
1		≤14
2		15-30
3		31-64
4		≥65

7. How much Number of children is not attending school? _____

8. If the answer for # 7,is shows that much of the children are not attending school, what is the reason for not attending,
(1) Low income; (2) family do not want teach; (3) distance of School; (4) other, please specify_____

9. Who is the head of your family? (1) Husband (2) Wife (3) Son (4) Daughter (5) Uncle (6) Grandfather (7) Aunt (8) Relative

B. Socio Economic Characteristics of Respondent

Income of respondent

10. What is your approximate **monthly average income**? ----------

11. What is your main source of income? _____

(1) Urban Agriculture (2) services (3) daily labour (4) petty trade (5) other specify_____

12. Do you have any other sources of income? (1) yes (2) No

13. If your answer for #12 is 1 what is your other Source of income ?(multiple choice is possible)

(1) Petty trade (2) urban agriculture (3) Salaried work in CBO; (4) Others_____

14. How many family members contribute to your income? _____and from the family members who contribute to your income? (1) Husband and wife (2) wife; (3) husband; (4) husband, wife and children (5) children

15. What is your families approximate monthly average income?_____

Consumption

16. Do you have **plan for your consumption**? (1) Yes (2) No

17. If your answer for #16 is (1) how you rate advantages of plan to consumption? (1) effective (2) not effective

18. What is your approximate **monthly average expenditure**? ----------

19. For what purpose you spent?

(1) Food (2) health (3) child education (4) House rent (5) social festival (6) All (7) other specify _____

20. Do you have any starting capital/wealth support from the family? (1) Yes (2) No

21. If the answer for # 20 is (1) what kinds of support you have got from the family? (multiple choice is possible) (1) House (2) Cash (3) Land (4) Shop (5) Others (Specify).....

22. What types of house you live in? (1) owned house (2) rental (3) Kebele or municipality house (4) Family gifted dependent (5) other specify_____

23. If the answer for # 22 is (1), what types of house it is? (multiple choice is possible) (1) Condominium; (2) villa; (3) Traditional worked house with tin roof (4) if other, please specify_____

24. If your answer for #22 is (2), how much do you pay monthly in birr? _____

Saving Characteristics

25. Do you have any **awareness** about advantages of saving? (1) Yes (2) No

26. If your answer for #25 is (1) from where do you get information for your saving?

(1) T.V & Radio (2) Journals & magazines (3) micro finance (4) family member & colleagues (5) different organization report

27. If your answer for #25 is (1) do you **have monthly saving** ?(1) Yes (2) No

28. If your answer for #27 is (2) why don't you save?

(1) I have no excess asset to save (2) I don't want to save (3) I don't have any awareness on advantages of saving (4) there is no financial institution access to save (5) inflation (6)all (7) other specify_____

29. If your answer for #27 is (1) in what form did you save? (1) in cash (2) in kind(physical)

30. If your answer for #29 is (2) , what major asset did you accumulate? (1) live animals (2) land (3) house (4) jewellery (5) others, specify_____

31. If your answer for #29 is (2) , why did you prefer saving in the form of physical asset? (More than one answer is Possible)

(1) Due to the social value of the physical asset

(2) The value of physical asset increases as time goes up

(3) It is difficult to save cash, as there is no financial institution in the nearby area

(4) Assets loss their value if they are saved in the form of cash due to inflation

(5) Others, Please specify_____

32. If your answer for #29 is 1 (in cash), how much do you **save per month**?_____

33. What is the **motive of** your saving? (multiple choice is possible)

(1) For asset creation (2) to meet emergencies (3) to future investment (4) to house building (5) to obtain loan (6) to be secured at old age (7) no reason

34. If your answer for #29 is 1 (in cash), which **form of saving** have you used? (1) Banks (2) micro finance institutions (3) Ikub (4) Idir (5) Other ,specify_____

35. Do you have **access to the saving** institution? (1) Yes (2) No

36. What is the Distance in KM to the **nearest formal Financial Institutions**?_____

37. Is your saving capacity in increasing order? (1) Yes; (2) No

38. If your answer for #37 is (1) by what amount saving increase?_____

39. What factors do you consider for increasing the size of saving?

(1) Increase in income (2) additional income source (3) increase in interest rate (4) future needs (5) increase saving awareness (6) other specify_____

40. Generally how do you rate the **importance of saving**? (1) very low (2) low (3) moderate (4) high (5) very high

Access to credit

41. Do you have **access to Credit** Service ?(1) yes (2) No

42. If your answer for #41 is (1), from where you get the Loan? (multiple choice is possible) (1) From individual creditors (2) From the Bank (3) from micro finance institutions (4) Other specifies _____

43. If your answer for #41 is (1) what amount of loan do you get?_____

44. If your answer for #41 is (1) for what purpose you use the loan/the money? (multiple choice is possible) (1) for consumption (2) for treatment (3) to pay debt or other related purposes (4) for establish and run a small business or entrepreneurial activities (5) other ----------

45. If your answer for #41 is (1) do you managed to return the loan without difficulties? (1)Yes (2) No

46. If your answer for #45 is (1), by what way you return? (multiple choice is possible) (1) from monthly income (2) from labour work (3) from petty trade (4) from the stored asset (5) if other specify_____

47. Have your borrowing capacity is increasing? (1)Yes (2) No

48. If the answer for # 47 is (1) by how much it increase from the first cycle? _____

Training

49. Have you ever attended any Training? (1)Yes (2) No

50. If your answer for # 49 is (1) who provided the training? (1) Government (2) NGO (3) Micro Finance Institutions (4) others, specify _____

51. If your answer for #49 is (1) How was the training? (1) Effective (2) not effective

52. If your answer for #49 is (1), what kind of benefit/advantage you get from training? (multiple choice is possible) (1) Benefits of Asset accumulation; (2) to get new IGA skills; (3) Saving and its benefits; (4) Business planning; (5) If other, please specify_____

53. If your answer for # 49 is (2) do you need training (1)Yes (2) No

54. If your answer for # 53 is (1) what types of training you need? (multiple choice is possible) (1) Business skill training (2) Business plan preparation training (3) Business management training (4) Saving and its benefits (5) other, specify_____

Communication

55. Do you have any communication about saving with neighbor/friends (1) yes (2) No

56. If your answer for # 55 is (1), because of your communication with each other did you get support on your saving problem and for experience sharing? (1) yes (2) No

57. What benefit you get from agenda you discussed on? (multiple choice is possible) (1)Benefits of social development; (2) New IGA skills; (3) Saving and its benefits; (4) Business planning; (5) Record keeping; (6) Market development; (7) If other,

Work Experience

58. What are your work experiences in years?_____

59. Do you think that work experience increase your saving capacity? (1) yes (2) No

Financial literacy

60. Do you have any business study? (1) yes (2) No

61. If your answer for #60 is (1) how you rate advantages of financial literacy for saving? (1) very low (2) low (3) moderate (4) high (5) very high

Peer influence

62. How many friends do you have? _____

63. Do your friends participate on saving their money? (1) yes (2) no

64. Do you discuss with your friends about advantages of saving? (1) yes (2) No

65. If your answer for #64 is yes, what change you look on your saving? (1) increase (2) decrease

66. Do you involve many times in money spending activities/addicted things/ with your friends? (1) Yes (2) No

67. If your answer for #66 is (1), do you think that spending money for such addicted things affect your saving? (1) yes (2) no

Self-Control

68. Do you have the habit of using alcohol, cigarette and other addicted things? (1) yes (2) no

69. If your answer for #68 is yes what is its effect on your saving? (1) decrease (2) no effect

70. Do you control yourself from spending money? (1) Yes (2) No

71. If your answer for #70 is (2) why you can't control yourself?

(1) I have no plan (2) I like to buy what I see (3) I want to enjoy by spending money (4) other , specify_____

Interest rate

72. Do you think that the interest rate charged by financial institution increase your saving? (1) Yes (2) No

73. If your answer for #72 is (1) how iti increase your saving?

(1) It increase my willingness to save
(2) By reducing money on hand take to bank
(3) As soon as I get income take it to bank
(4) My money value increase through time
(5) All
(6) If other ,specify_____

NB: NGO-Nongovernmental Organization
IGA –Income generating Activities

Part 2: Interview guide for Key Informant

My name is Melaku Delessa, a Masters Student at the Wolkite University taking a course in Economics (Msc in Development Economics). I am conducting research on the determinants of daily labourers saving behaviour. Your response goes in helping to identify factors affecting daily labourers saving behaviour. I assure you that your response is treated with utmost confidentiality.

Tick where appropriate

1. Name_____
2. Age _____
3. What is your level of education? (1) Illiterate (2) Primary (3) Secondary (4) College/University and above
4. Name of Organization_____
5. Main Occupation? (1)Professional expert (2) Businessman (3) leader (4) process owners (5) other (Specify) ____

To identify the Daily labourers saving behaviour

1. Do you think saving have advantage for daily labourers in your area? (1)Yes (2) No
   If yes what is its benefit? _____
2. Would you think that daily labourers are well saving? (1) Yes (2) No
   If yes explain? _____
3. If your answer is yes for #2, do you think all daily laborers Actively participated in saving?(1) Yes (2) No
4. Do you know the main Objectives of saving? Yes ( ) No ( )
   If yes, mention them … …… …… …… ……
5. Have you observe daily labourer change their saving capacity? (1) Yes(2) No
6. Have you observe that daily labourers change their income? (1) Yes (2) No
7. Have you witness daily labourer in your locality generate assets for them self (1) Yes(2) No
8. If yes for #7 what are the assets they generate? _____
9. Do you believe that saving can contribute for daily labourers life standard? (1) Yes (2) No
   If yes how? _____
   If no what is your ideas?_____
10. Would you think it's profitable and positively influence on their day to day lives?
    (1) Yes (2) No

If yes Please specify it_____

11. What you know about the spending power of daily labourers on consumption? _____.
12. Would you think that daily labourer saving motive improved through time? (1) yes (2) no
13. If your answer for #12 is yes what is the reason? (1) training (2) information (2) access to credit (4) access to financial institution (5) change in income (6) all (7) other ,specify_____

Part 3. Question for Focused Group Discussion (FGD)

General Information

Name of the enumerator: _____

Position: _____

Date of interview: _____

1. What do you think about saving condition in Woliso town?

_____

_____

_____

2. What do you think Daily labour saving behavior?

_____

_____

_____

3. Do think that Daily labourers deposit their money in formal financial institution?

_____

_____

_____

4. How did you get Daily Labourers' Perceptions toward saving in last year?

_____

_____

_____

5. Have you ever delivered any training on saving?

_____

_____

_____

6. What do you think on the future concerning saving in this town?

_____

_____

_____

_____

7. Is there any Credit access for daily labourer?

_____

_____

Yunversiitii Walqixxee

Koollejii Biizinesii fi Ikkonomiksii

Muummee Ikkonomiksii

Kutaa1:Gaafannoo Gafatamtootaaf

Kaayyoo Gaafannoo

Gaafannoon kun kan qophaa'ee ragaa hojjatoota guyyaa hojii adda addaa irratti bobba'anii jiran haala qusannaa isaanii funaanuun qorannoo barnoota Digrii Lammataa Barnoota ikkonomiksiin guutachuuf gaggeefamuuf hojjatootni guyyaa galii argatan irraa qusaannoo raawwatan jiruu fi jireenya isaanii irratti fooyya'insa fide adda baasudha.

Ragaan kun Nama Sadaffaa kamiifuu kan hin dabarre ta'uu fi hojii qorannoo Barnoota kana qofaaf kan oolu ta'uu ni hubachiifna. Karaa biraatiin gaafataman kamiyyuu maqaa isaa barreessuudhaaf hin dirqamu.

Malaakuu Dalasaa Riqitii

Qajeeltoo gaafatan hordofuu qabu

- ✓ Kaayyoon Gaafannoo kana gaafatamaf ifa ta'uu qaba.
- ✓ Gaaffiin gaafatamaa gaafatamu haala ifa ta'ee fi bifa gaaluu fii danda'uun ta'uu qaba.
- ✓ Gaafannoon kan guutamu akkaataa gafatamaan deebiseen ta'uu qaba.
- ✓ Gaafannoon yeroo gaafatamu gaafataan jechoota gaafatamaan hubachuu hin dandeenyetti fayyadamuu hin qabu.

Maqaa Gaafataa_____Mallattoo_____guyyaa_____

Bakka Qorannoon itti gaggeefamu:Naannoo Oromiyaa, Godina Shawa Kibba Lixaa Magaalaa Walisoo , Ganda_____

Guyyaa gaafatame _____

A. Haalaa jireenyaa Gaafatamaa

1. Saala (1) Dhiira (2) Dhalaa
2. Umurii _____
3. Haalli Maatii keessanii akkamii (1) Gaa'ila Kan hin Qabne (2) Gaa'ila Kan Qabdu (3) kan irraa du'e (4) Kan hiikte
4. **S**adarkaan Barnoota keessanii hangam?_____(1) hin baranne (2) Sadarkaa 1ffaa(1-8) (3) Sadarkaa 2ffaa(9-112) (4) Diploma fi isaa ol
5. Ijoollee Qabdaa? (1) Eyyee (2) Lakkii

6. Deebiin kee gaaffii Lakkofsa 5f (1) yoo ta'e **baay'inni maatii** keessanii meeqaa? _____

Umuriin Ijoollee :

Lakk	Baay'ina Ijoollee	Umurii
1		≤14
2		15-30
3		31-64
4		≥65

7. Lakkoofsi Ijoollee umuriin isaanii barnootaf ga'ee keessaa mana barumsaa kan hin gallee meeqaa?_____
8. Deebiin kee gaaffii Lakkofsa 7f irratti ijoolleen mana barumsaa galuu osoo qabanuu baay'een yoo hin galle ta'e Sababa ijoolleen mana barumsaa hin dhaqneef maalii?

   (1) hir'ina maallaqaatiin (2) akka baratan maatiin waan hin barbaadneef (3) Manni barumsaa fagoo waan ta'eef (4) kan biroon yoo jiraate adda baasa-------
9. Kan mana bulchu eenyuu? (1) Abbaa Warraa (2) Haveha Warraa (3) Mucaa (4) Intala (5) fira (6) kan biraa _____

B. Haala Hawaas-Diinagdee Gaafatamaa

Galii gaafatamaa

10. Tilmaamaan **Galiin** ji'aa keessan gidduu galeessaan meeqaa? _____
11. **Maddi Galii** keessanii ijoon maalii? (1) qonna magaalaa (2) Tajaajila (3)Hojii guyyaa/humnaa (4) Daldaala xixiqqoo (5) kan biraan yoo jiraate ibsaa_____
12. Madda Galii addaa kan biraa hoo qabduu? _____ (1) Eeyyee (2) Lakki
13. Deebiin keessan gaaffii lakk.12 (1) yoo ta'e,maddi Galii keessan kan biraa maali? (filannoon tokkoo ol ni danda'ama) (1) Daldaala xixiqqoo (2) qonna magaalaa (3) minda waldaalee hawaasaa irraa (4) kan biraan yoo jiraate ibsaa_____
14. Maatii keessa galii kan argamsiisu nama meeqaa?_____ Maatii keessa galii kan argamsiisu eenyuu ?(deebii tokko ol ni danda'ama) (1) Abbaa Warraa fi Haadha Warraa (2) Haveha Warraa (3) Abbaa Warraa (4) Abbaa ,Haadha fi ijoollee (5) ijoollee
15. Tilmaamaan **Galiin** ji'aa maatii keessanii gidduu galeessaan meeqaa? _____

Haala baasii jireenyaaf

16. Karoora baasii qopheeffattee qabdaa? (1) Eeyyee (2) Lakki
17. Deebiin keessan gaaffii lakk.16 (1) yoo ta'e, fayidaa karooran baasii raawwachuu akkamitti madaaltu? (1) bu'a qabeessa (2) bu'a qabeessa miti

18. Tilmaaman **baasiin ji'aa** keessan giddu galeessan meeqa?_____
19. Baasiiwwan keessan maal fa'iif baastu? (1) nyaataf (2) faayyaaf (3) ijoollee barsisuuf (4) kiraa manaaf (5) sagantaa haawasummaaf (6) hunda (7) kan biraa yoo jiraate haa ibsamu_____
20. Qabeenyi ka'umsaa/Dhaalli Warra keessan irraa argattan ni jiraa? (1) Eyyee (2) Lakki
21. Deebiin kee gaaffii Lakkofsa 20f (1) yoo ta'e dhaala akkamii argattee? (deebiin baay'een ni danda'ama) (1)Mana jireenyaa (2) qarshii callaa (3) Lafa (4) suuqii/sheedii (5) kan biroo _____
22. **Mana jireenyaa** akkamii keessa jiraattaa? (1) kan dhuunfaa (2) Kan kiraa (3) kan gandaa (4) Kan maatii (5)kan biroo yoo jiraate adda baasi_____
23. Deebiin kee gaaffii Lakkofsa 22f (1) yoo ta'e mana akkamiitii? (1) kondominiyeemii (2)Mana qorqoorroo dhoqqeen hojjetame (3) viillaa (4)kan biroo yoo ta'e adda baasaa
24. Deebiin kee gaaffii Lakkofsa 22f (2) yoo ta'e,Ji'aan kiraa meeqa kaffaltaa?_____

Haala Qusannaa

25. Fayidaa qusannoo irratti **hubannoo** qabdaa? (1) Eeyyee (2) Lakki
26. Deebiin kee gaaffii lakkoofsa 25 (1) yoo ta'e, hubannoo ykn odeeffannoo kana eessaa argatte? (1) T.V fi Radiyoo (2) barreeffamoota adda addaa irraa (3) dhaabbilee faayinaansii irraa (4) miseensa maatii fi hiriyyoota wajjin hojjatu irraa (5) gaabasota dhaabbilee adda addaa irraa
27. Deebiin kee lakkoofsa 25 (1) yoo ta'e ji'aan qusannaa qabdaa? (1) Eeyyee (2) lakki
28. Deebiin kee lakkoofsa 27 (2) yoo ta'e , maaliif hin qusanne? (1) qabeenya gahaa waan hin qabneef (2) qusachuu waan hin barbaadneef (3) hubannoo gahaa waan hin qabneef (4) dhaabbileen qusannaa dhiyeenyatti waan hin jirreef (5) qaala'insa gatii (6) hunda (7) kan biraa yoo jiraate haa ibsamu_____
29. Deebiin kee gaaffii lakk.27 (1) yoo ta'e, bifa kamiin qusatta? (1) maallaqa callaa (2)gosaan ykn qabeenya dhaabbii
30. Deebiin lakkoofsa 29 (2) yoo ta'ee qabeenyaleen ijoon ati kuufatte maal fa'i? (1) beeylada (2) lafa (3) mana (4) qabeenya miidhaginaa(warqii fa'aa) (5) kan biraa yoo jiraate haa ibsamu_____
31. Deebiin lakkoofsa 29 (2) yoo ta'ee, maaliif qusannaa qabeenyaa dhaabbii filatte? (1) ilaalchi haawasni qabeenya dhaabbiif qabu guddaa waan ta'eef (2) gatiin qabeenyaa dhaabbii dabalaa waan deemuuf (3) dhaabbileen fayinaansii dhiyeenyatti waan hin jirreef maallaqaan qusachuun ulfaatadha (4) sababa qaala'insa gatitiin gatiin maallaqaa waan gad bu'uuf (5) kan biraa yoo jiraate haa ibsamu_____

32. Deebiin kee gaaffii Lakkofsa 29f (1) yoo ta'e **ji'aan meeqa qusattaa**? _____
33. Deebiin kee gaaffii Lakkofsa 29f (1) Kaayyoon/**kaka'umsi** qusannaa kee maalii? (1) qabeenya horachuuf (2) Rakkoon addaa yoo si qunname itti fayyadamuuf (3) ittiin hojii uummachuun hojjechuuf (4) ijaarsa manaatiif (5) liqii argachuuf (6) yeroo umriin dullomte fayyadamuuf (7) Kan biroo yoo jirate_____
34. Deebiin kee gaaffii lakk.29f (1) yoo ta'e, **bifa** kamiin /**eessatti/** qusatta? (1) Baankii (2) Dhabbata Waldaa Liqii fi Qusannaa(Microfinance institution) (3) Iqqubii (4) Idirii/Afoosha (5) kan biroo yoo jiraate_____
35. Dhaabbileen Fayinaansii **dhiyeenya** keetti jiruu? (1) Eeyyee (2) Lakki
36. Dhaabbatni fayinaansii naannawaa kee jiru **kilomeetira** meeqa sirraa fagaata?_____
37. Dandeettiin qusannaa keetii dabalee jiraa? (1) Eeyyee (2) Lakki
38. Deebiin kee gaaffii lakk. 37f (1) yoo ta'ee, **qusannaan kee hangamiin** dabale?_____
39. Wantootni hangi qusannaa keetii akka dabalu taasisan maal jettee yaadda? (1) galiin kee dabaluu (2) madda galii biraa argamuu (3) parsantiin dhala baankii dabaluu (4) fedhii fuulduraa dabaluu (5) hubannoon qusannaa irratti qabdu dabaluu (6) kan biraa yoo jiraate haa ibsamu_____
40. Waliigala **fayidaa qusannaan** qabu akkamitti madaalta? (1) baay'ee gad aanaa (2) gad aanaa (3) giddu galeessa (4) olaanaa (5) baay'ee olaanaa

Haala liqii

41. Liqii argachuuf haala mijataa qabdaa? (1) Eeyyee (2) Lakki
42. Deebiin kee gaaffii lakk. 41f (1) yoo ta'ee, liqii eessaa argatta? (deebii tokkoo ol ni danda'ama) (1) namoota dhuunfaa irraa (2) baankii (3) dhaabbilee faayinansii (4) kan biraa yoo jiraate haa ibsamu_____
43. Deebiin kee gaaffii lakk.41f (1) yoo ta'e , **liqii hangam** argatta?_____
44. Deebiin kee gaaffii lakk.41f (1) yoo ta'e, Liqii argattan maaliif olchituu? (deebii tokkoo ol ni danda'ama) (1) jireenya mana keessaa fi gargaarsaa dhunfaaf (2) yaalaf (3) liqii deebisuu fi kan biroof (4) Hojii ittiin hojjechuu fi daldaala xixiqqoof, (5) kan biroon yoo jiraate_____
45. Deebiin kee gaaffii lakk.41f (1) yoo ta'e, liqiin kun osoo sitti hin ulfaatin deebistaa? (1) Eeyyee (2) Lakki
46. Deebiin kee gaaffii lakk.45f (1) yoo ta'e, liqii kan deebiftu madda kam irraayyuu? (1) galii ji'aa (2) hojii guyyaa (3) daldala xixiqqaa (4) qabeenya kufame (5) kan biraa yoo jiraate haa ibsamu_____
47. Dandeettiin isin liqii liqeeffatanii ittin hojjettanii Dabaleera? (1) eeyyee (2) lakki

48. Deebiin keessan gaaffii lakk.47f (1) yoo ta'ee, liqii marsaa duraa argattan irraa hangamiin dabale?_____

Haala Leenjii

49. **Leenjii** fudhattanii beektuu? (1) eeyyee (2) lakki
50. Deebiin kee gaaffii Lakkofsa 49f (1) yoo ta'e Leenjii dhabbata maal jedhamutu sii kennee? (1) mootummaa (2) mit-mootummaa (3) dhaabbilee faayinaansii (4) kan biraa yoo jiraate haa ibsamu _____
51. Deebiin kee gaaffii lakk.49f (1) yoo ta'e leenjichi akkam ture? (1) bu'a qabeessa (2) bu'a qabeessa miti.
52. Deebiin kee gaaffii lakk.49f (1) yoo ta'e fayidaan leenjicha irraa argatte maal? (deebiin tokkoo ol ni danda'ama) (1) qabeenya kufachuu (2) hojii galii biraa maddisiu ummachuu (3) bu'aa qusannaa (4) karoora bisinasii (5) kan biraa yoo jiraate haa ibsamu_____
53. Deebiin kee gaaffii lakk.49f (2) yoo ta'e leenjiin akka siif kennamu ni barbaaddaa? (1) Eeyyee (2) Lakki
54. Deebiin kee gaaffii lakk.53f (1) yoo ta'e leenjii gosa akkamii barbaaddaa? (deebiin tokkoo ol ni danda'ama) (1) leenjii beekumsa daldalaa (2) karoora hojii (3) bulchiinsa hojii (4) fayidaa qusannaa (5) kan biraa yoo jiraate haa ibsamu_____

Walitti dhufeenya

55. Naannoo keetti **walitti dhufanii** qusannaa irratti wal hubachisuun jiraa? (1) Eeyyee (2) Lakki
56. Deebiin kee gaaffii lakk.55f (1) yoo ta'e, sababa walitti dhufeenyaatiin, muuxannoo walii qoodun rakkooleen qusannaa hikamanii jiru jettee yaaddaa? (1) Eeyyee (2) Lakki
57. Walitti dhufuun marii gaggeeffamu irraa fayidaan argatte maal? (deebiin tokkoo ol ni danda'ama) (1) misooma hawaasummaa (2) hojii madda galii haaraa ummachuu (3) qusannaa fi fayidaasaa (4) karoora hojii (5) galmee qabachuu (6) misoomaa gabaa (7) kan biraa yoo jiraate haa ibsamu_____

Muuxannoo hojii

58. **Muuxannoon hojii** ati qabdu waggaa meeqa?_____
59. Muuxannoon hojii dabaluun dandeetti qusannaa ni dabala jettee yaaddaa? (1) Eeyyee (2) Lakki

Barnoota Fayinaansii

60. Barnoota **bulchinsa fayinaansii** barattee beektaa? (1) Eeyyee (2) Lakki

61. Deebiin kee gaaffii lakk.60f (1) yoo ta'e, fayidaa barnoota bulchiinsa fayinaansii akkamitti madaalta? (1) baay'ee gadaanaa (2) gadaanaa (3) giddu galeessa (4) olaanaa (5) baay'ee olaanaa

Dhiibbaa hiriyyaa

62. Hiriyyoota meeqa qabda?_____
63. Hiriyyootni kee qusannaa taasisaa jiruu? (1) Eeyyee (2) Lakki
64. Fayidaa qusannaa irratti hiriyyoota kee waliin ni mari'attuu? (1) Eeyyee (2) Lakki
65. Deebiin kee gaaffii lakk.64f (1) yoo ta'e, jijjiramni qusannaa kee irratti mul'ate maal? (1) ni dabale (2) ni hir'ate
66. Yeroo baay'ee dhimmoota maallaqa nama baasisan kan akka baala sammuu adoochaa irratti hiriyyoota kee waliin ni hirmaattuu? (1) Eeyyee (2) Lakki
67. Deebiin kee gaaffii lakk.66f (1) yoo ta'e, dhimmoota baala sammuu adoochaaniif baasiin bahu qusannaa irratti dhiibbaa ni geessisa jettee yaaddaa? (1) eeyyee (2) Lakki

Of to'achuu

68. Amala baala sammuu adoochaa fi dhugaatii alkoolii fayyadamuu qabdaa? (1) Eeyyee (2) Lakki
69. Deebiin kee gaaffii lakk.68 (1) yoo ta'e, dhiibban qusannaa kee irratti fide maal? (1) ni hir'ise (2) ni dabale
70. Baasiiwwan seeran alaa irraa of to'attaa? (1) Eeyyee (2) Lakki
71. Deebiin kee gaaffii lakk. 70f (2) yoo ta'ee,maaliif of to'achuu dadhabde? (1) karoora waan hin qabneef (2) waanan arge hunda bituun na gammachisa (3) maallaqa baasudhaan wanaan gammaduuf (4) kan biraa yoo jiraate haa ibsamu_____

Parsantii dhala baankii

72. Parsantiin dhala baankii dabaluun isaa qusannaa kee ni dabala jettee yaaddaa? (1) Eeyyee (2) Lakki
73. Deebiin gaaffii lakk.72 (1) yoo ta'e, akkamitti qusannaa kee dabale?
    (1) Itti fufinsan akkan qusadhuuf fedhii na keessatti uume
    (2) Maallaqa of harkatti tursisu gara baankii akka geessu naa taasise
    (3) Galii akkaan argadheen baankii akkan galchu na taasise
    (4) Qarshiin qabu yeroo yeroon dabalaa dhufe
    (5) Hunda
    (6) Kan biraa yoo jiraate haa ibsamu_____

Kutaa 2: Gaaffiilee marii Naannawaa Teessoo irratti godhamuuf ta'u(FGD)

1. Haalli Qusannaa Magaalaa Walisoo maal fakkaata?
2. Naannoo keetti haalli qusannaa hojjattoota guyyaa maal fakkaata?
3. Hojjatootni guyyaa nannawaa kee jiran baankii fi dhaabbilee faayinaansitti qusataa jira jechuun ni danda'amaa?
4. Ilaalchi qusannaa irratti hojjatootni guyyaa qaban maal fakkaata?
5. Leenjiin hubannoo qusannaa hojjatoota guyyaa fooyyeessuu danda'u kennamee beekaa?
6. Qusannaa magaalaa kana fuula dura maal ta'uu qaba jettee yaadda?
7. Tajaajilli liqii fi qusannaa hojjatoota guyyaatiif mijataa ta'e jiraa magaalaa kana keessatti?

Appendix II: Correlation Matrix of the Explanatory Variables

```
. corr AGE FAMS INCO PLAN CRED DISTA TRAIN ACFI PEER DPEN EDU SEX MRS FILT
(obs=288)
```

	AGE	FAMS	INCO	PLAN	CRED	DISTA	TRAIN	ACFI	PEER
AGE	1.0000								
FAMS	0.7081	1.0000							
INCO	0.4074	0.4159	1.0000						
PLAN	0.0535	0.1442	0.1628	1.0000					
CRED	0.1688	0.1720	0.1797	0.1521	1.0000				
DISTA	-0.0753	-0.1318	-0.1976	-0.2056	-0.1859	1.0000			
TRAIN	0.1485	0.1284	0.2258	0.0568	0.0456	-0.0875	1.0000		
ACFI	0.1585	0.0977	0.1831	0.0964	0.1953	-0.1621	0.3707	1.0000	
PEER	0.0292	0.0788	0.2750	0.1729	0.3551	-0.1897	0.1262	0.3109	1.0000
DPEN	-0.0652	-0.0124	-0.1174	-0.0637	0.0792	0.1116	-0.0932	-0.0305	0.1025
EDU	-0.0611	-0.0636	0.0097	0.0714	0.0165	0.0348	0.0530	0.0109	-0.0047
SEX	-0.0183	0.0915	0.0364	0.1240	-0.0198	-0.0840	-0.0556	-0.0464	0.0749
MRS	-0.0463	-0.0444	-0.0164	0.0841	0.1047	-0.0684	0.1498	0.1209	0.2050
FILT	0.1047	-0.0100	0.0949	0.1229	-0.0119	-0.0787	0.2374	0.1647	-0.0378

	DPEN	EDU	SEX	MRS	FILT
DPEN	1.0000				
EDU	-0.0959	1.0000			
SEX	0.0259	0.0129	1.0000		
MRS	0.0843	-0.0173	0.0369	1.0000	
FILT	-0.1130	-0.0306	-0.0772	-0.0231	1.0000

Source : Own Computation (2019)

Appendix III: Likelihood Test

Logistic regression — Number of obs = 288
LR chi2(14) = 210.94
Prob > chi2 = 0.0000
Log likelihood = -39.198799 — Pseudo R2 = 0.7290

DLSB	Coef.	Std. Err.	z	P>|z|	[95% Conf.	Interval]
AGE	-.0090918	.073807	-0.12	0.902	-.1537508	.1355672
FAMS	-.1590227	.2552827	-0.62	0.533	-.6593675	.3413221
INCO	.0016355	.0006135	2.67	0.008	.000433	.002838
PLAN	2.48638	.7738795	3.21	0.001	.9696038	4.003156
CRED	-.1318664	.7544576	-0.17	0.861	-1.610576	1.346843
DISTA	-5.625307	.9973877	-5.64	0.000	-7.580151	-3.670463
TRAIN	4.514392	1.58184	2.85	0.004	1.414042	7.614741
ACFI	-.3476578	.9175869	-0.38	0.705	-2.146095	1.45078
PEER	-1.813172	.8774681	-2.07	0.039	-3.532977	-.0933658
DPEN	-1.064871	1.152059	-0.92	0.355	-3.322866	1.193123
EDU	.0301101	.0595125	0.51	0.613	-.0865323	.1467525
SEX	-2.168008	.9163557	-2.37	0.018	-3.964032	-.3719839
MRS	-1.689943	.8676479	-1.95	0.051	-3.390502	.0106155
FILT	3.184653	1.641783	1.94	0.052	-.0331833	6.40249
_cons	14.72726	3.492231	4.22	0.000	7.882617	21.57191

Note: 0 failures and 7 successes completely determined.

Source : Own Computation (2019)

Appendix IV: Wald Test

```
. logistic DLSB AGE FAMS INCO PLAN CRED DISTA TRAIN ACFI PEER DPEN EDU SEX MRS FILT,robust

Logistic regression                             Number of obs   =        288
                                                Wald chi2(14)   =      58.08
                                                Prob > chi2     =     0.0000
Log pseudolikelihood = -39.198799               Pseudo R2       =     0.7290
```

DLSB	Odds Ratio	Robust Std. Err.	z	P>|z|	[95% Conf.	Interval]
AGE	.9909494	.056371	-0.16	0.873	.8864009	1.107829
FAMS	.852977	.1901783	-0.71	0.476	.5510042	1.320443
INCO	1.001637	.0007668	2.14	0.033	1.000135	1.003141
PLAN	12.01769	7.73819	3.86	0.000	3.401985	42.45312
CRED	.8764581	.7425403	-0.16	0.876	.1665668	4.611837
DISTA	.0036055	.004054	-5.00	0.000	.000398	.0326637
TRAIN	91.32202	161.6808	2.55	0.011	2.841637	2934.827
ACFI	.7063406	.3710161	-0.66	0.508	.2522944	1.977519
PEER	.1631359	.1370372	-2.16	0.031	.031443	.8463985
DPEN	.3447722	.3572135	-1.03	0.304	.0452496	2.626938
EDU	1.030568	.0611893	0.51	0.612	.9173543	1.157754
SEX	.1144053	.1001406	-2.48	0.013	.0205768	.6360851
MRS	.18453	.1588545	-1.96	0.050	.034143	.997315
FILT	24.15891	29.86613	2.58	0.010	2.141858	272.4984
_cons	2488684	8889224	4.12	0.000	2267.772	2.73e+09

```
Note: 0 failures and 7 successes completely determined.
```

Source : Own Computation (2019)

Appendix V: Summary Statistics of Explanatory Variables

```
. sum AGE FAMS INCO PLAN CRED DISTA TRAIN ACFI PEER DPEN EDU SEX MRS FILT
```

Variable	Obs	Mean	Std. Dev.	Min	Max
AGE	288	27.54167	6.455827	18	50
FAMS	288	2.46875	1.712547	1	8
INCO	288	1981.076	830.859	600	4700
PLAN	288	.75	.4337664	0	1
CRED	288	.7881944	.409299	0	1
DISTA	288	1.881597	.8827271	.3	4
TRAIN	288	.1458333	.3535534	0	1
ACFI	288	.2222222	.4164634	0	1
PEER	288	.5381944	.4994068	0	1
DPEN	288	.4535057	.3169066	0	1.5
EDU	288	6.090278	3.741496	0	13
SEX	288	.7708333	.4210283	0	1
MRS	288	.2881944	.4537105	0	1
FILT	288	.1076389	.3104633	0	1

Source : Own Computation (2019)

Appendix VI: Un- Standardized Consistency Test

Test scale = mean(unstandardized items)

Items	S	it-cor	ir-cor	ii-cov	alpha	label
DLSB	-	0.745	0.684	.06641	0.589	Daily labourer saving behavior
PLAN	+	0.455	0.364	.07765	0.630	Plan to save
AWAR	+	0.405	0.297	.07853	0.635	Awareness of respondents
ACFI	+	0.463	0.369	.0771	0.628	Acess of financial institution
PEER	+	0.281	0.165	.08294	0.649	Peer influence
SLFC	+	0.385	0.322	.08203	0.640	Self control
INTER	+	0.454	0.368	.07804	0.630	Interest rate
COMN	-	0.581	0.488	.07172	0.611	Communication of respondents
MRS	-	0.529	0.439	.07457	0.620	Marital status
FILT	+	0.251	0.210	.08605	0.651	Financial literacy
MOTSAV	-	0.660	0.297	.05912	0.708	Motive of saving
PERCP	+	0.699	0.460	.05257	0.601	Perception towards saving
Test scale				.07389	0.652	mean(unstandardized items)

Source: Own Computation (2019)

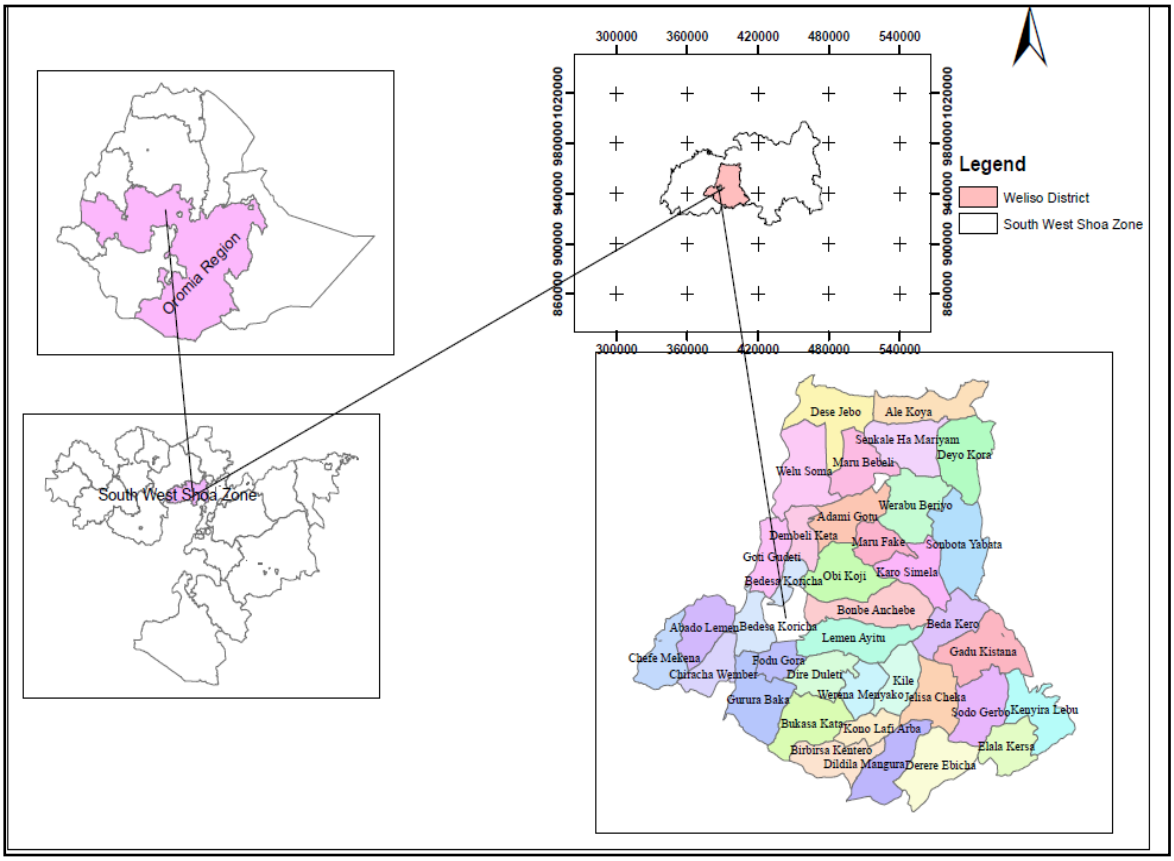
Appendix VII: The Standardized Consistency Test

Test scale = mean(standardized items)

Items	S	it-cor	ir-cor	ii-cor	alpha	label
DLSB	-	0.594	0.475	0.197	0.730	Daily labourer saving behavior
PLAN	+	0.505	0.372	0.207	0.742	Plan to save
AWAR	+	0.579	0.457	0.199	0.732	Awareness of respondents
ACFI	+	0.543	0.415	0.203	0.737	Acess of financial institution
PEER	+	0.446	0.305	0.214	0.749	Peer influence
SLFC	+	0.542	0.413	0.203	0.737	Self control
INTER	+	0.605	0.488	0.196	0.728	Interest rate
COMN	-	0.546	0.419	0.202	0.736	Communication of respondents
MRS	-	0.463	0.324	0.212	0.747	Marital status
FILT	+	0.339	0.187	0.226	0.762	Financial literacy
MOTSAV	-	0.438	0.295	0.215	0.750	Motive of saving
PERCP	+	0.652	0.544	0.190	0.721	Perception towards saving
Test scale				0.205	0.756	mean(standardized items)

Source: Own Computation (2019)

Appendix VIII: Administrative Map of the Study area



Source: **Physical Geography and Socio Economic Profile of the Woliso town (2019)**