

**Contribution of SACCOs Microloans to Income Poverty Reduction  
A Case Study of ELCT SACCOs in Moshi- Northern Diocese**

**By**

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SACCOS are seen as engines that can reduce poverty firstly, through employment creation and income generation by offering direct salaried employment, self-employment to members who borrow and invest money and also through spillover effects on nonmembers whose income-generating activities are viable through cooperative ventures. The main objective of this study was to assess whether or not members of SACCOS are really reducing income poverty and hence raising their standards of living through joining SACCOS.

To meet the study objectives, data was collected from one hundred seventy nine (179) members of E.L.C.T (ND)-SACCOS with wide coverage (covering both rural and urban settings) with members of varied backgrounds and thus could serve as a good case on the chosen topic.

Questionnaires were prepared and distributed to 179 individual members. Data collected was entered and analyzed using Statistical Package for Social Sciences (SPSS) computer program. Descriptive analysis was done and summarized in frequency distributions and charts. Various significant tests, where applicable were done and tested at 5% level of significance.

Micro loans contributed to positive impact in assets creation, shifts in income levels, shifts in consumption levels, and shifts in access to education and in saving culture. Specifically, the benefits gained by members include; acquisition of household assets both consumptive and investment, housing improvement, diet improvement and personal savings. My study found that use of loan, number of loans taken, length of membership and amount of savings were significant factors that influenced income poverty reduction.

However, multivariate analysis showed that amount of member's savings in the SACCOs was a single significant determinant of poverty reduction among ELCT SACCOs members. The recommends that SACCOs members to educated on the importance of their active participation in SACCOs through accumulation of savings/ deposits, frequent loan acquisition and prompt loan payment. If they are educated as recommended, they will benefit more.