

Financial Literacy and Members' Investment Decisions
Case of Muungano Kikavu Chini Savings and Credit Co-operative Society in Hai District,
Tanzania

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Financial literacy empowers SACCOs members to make informed financial decisions, including investment choices regarding SACCOs products and services. This study aimed to assess financial literacy and members' investment decisions: case of Muungano Kikavu Chini saving and credit cooperative society in Hai District, Kilimanjaro, Tanzania. It determined the level of financial literacy among members, factors influencing members investment decisions and examined the effect of financial literacy elements on Muungano Kikavu Chini SACCOs members investment decisions. The study employed a cross-sectional research design. Purposive and simple random sampling were used to select 220 respondents. Primary and secondary data were collected by using structured interview and survey questionnaires. The findings show that most of Muungano Kikavu Chini SACCOs members had a high level of financial literacy. Also, cross tabulation result shows that Muungano Kikavu Chini SACCOs members aged between 39 to 48, female, married status, members with secondary education level, members with 6 to 10 years SACCOs membership and members who conducting agriculture activities had high level of financial result. Furthermore, the findings show that major factors influencing investment decisions among SACCOs members are age, location, expected profit and male. Financial knowledge and financial behaviour have positive and significant effects on Muungano Kikavu Chini SACCOs members' investment decisions. Therefore, the study recommends that Muungano Kikavu Chini SACCOs should continue to play a role in improving the financial literacy of their members by offering financial education programmes, providing one-on-one financial counselling, and developing educational materials on financial topics in order to help their members to make informed investment decisions. Furthermore, Muungano Kikavu Chini SACCOs management should continue to focus on improving financial knowledge of their members in order to increase their investment in share, deposits, savings, loan and SACCOS projects. This can be done through financial literacy programmes, workshops, and seminars. Likewise, Muungano Kikavu Chini SACCOs can also use the finding that financial behaviour is statistically significant to develop targeted marketing and outreach campaigns. SACCOs could also target members who have poor financial behaviour with educational resources and counselling services to help them improve their financial behaviour.