

**ASSESSING THE SAVINGS AND INVESTMENTS BEHAVIOUR OF INDIVIDUALS IN
GHANA:**

(A CASE STUDY OF THE WORKING POPULATION IN KUMASI CENTRAL)

BY

PHILIP OBENG AMOAKO

BARBARA MANU

JULIANA GYAMFUA TAKYI

DOROTHY AFRIYIE BONSU

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STATEMENT OF AUTHENTICITY

We have read the university regulations relating to plagiarism and certify that this report is all our own work and does not contain any unacknowledged work from any other source. We also declare that we have been under supervision for this report herein submitted.

Candidate Name	Signature	Date
Philip ObengAmoako
Barbara Manu
Juliana GyamfuaTakyi
Dorothy AfriyieBonsu

SUPERVISOR’S DECLARATION

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

Supervisor’s Name: Mr. FosuAdarkwah
Signature **Date**

Head of Department’s Name: Mr. Stephen Banahene
Signature **Date**

ABSTRACT

Savings and Investment culture is the basics of internal funds mobilization. It remains the push behind economic growth. Ghana's economic recovery programme since 1983 had a major look at savings and investments as one of the fundamental tool to reach stability and development. Nonetheless, in spite of all the efforts, the country still lacks the adequate funds generated by savings and investment to embark on its economic growth. Conceptually, this study is conducted to find out the real causes of savings and investments behavior in Ghana. It will include the evolution of savings and investment in Ghana and analysis of Ghanaians behavior towards it.

Methods used in collecting data in this project include judgmental, voluntary and quota sampling. A total of 360 respondents consisting of individuals and bank officials in the various towns in Kumasi central were selected using a combination of the sampling techniques indicated. These respondents were reached with the aid of questionnaires and interviews.

The findings indicated that securing employment was a major source of savings to the individual, giving credence to the fact that employment is a major determinant of savings. The studies also indicated that most Ghanaians save less of their monthly income. The majority of workers operated in susu account; given its easy accessibility and concept understanding as reasons. The study also revealed that self employed workers saved more than salary workers citing the motivation of capital mobilization as the major reason.

The study recommended that government create a favorable environment within which micro finance can flourish. The educational curricular should be structured to teach courses of financial literacy geared towards inculcating saving culture right from childhood.

The financial institutions should design their savings and investment packages to attract average Ghanaian worker through adequate communication and easy accessibility of opportunities in the financial system administration.

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DEDICATION

With much gratitude to Almighty God, We dedicate this dissertation to our family and friends

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CHAPTER ONE

BACKGROUND OF STUDY

1.1 INTRODUCTION

A savings and investment culture is the first stage of capital formation. Once an individual receives income, there is either of two choices to make; to spend or to save it. Spending it has immediate satisfaction while saving it has future satisfaction and increase in value if well invested. Individual saving is spending less on consumption than available from one's disposable income. What an individual saves can then be held in many ways. It can be deposited in a bank, put into a pension fund, used to buy a business, pay down debt, or kept under the mattress, in which case as well as saving, they would be investing. However, many people will be saving at a level which exceeds their spending on physical investment at all.

The difference between saving and physical investment is their financial surplus. It is this surplus that is available for lending. If there is a return on the saving in the form of interest, dividend, rent, or capital gain, there can be a net gain in individual saving, and thus in individual wealth. This is what all investment is about 'the well placement of savings'. Investment is what provides for growth in aggregate wealth. Investment correlates with savings in the sense that aggregate savings equals investment. It is therefore imperative to note one cannot increase investment without increasing aggregate saving. (Samba Michel cyrille, 2010).

All individual workers will use their income on these three basic directions; transactions; which has to do with spending on daily necessities of life, precautionary; which has to do with saving towards the unforeseen circumstances of life and speculative; which has to do with saving towards a long investment. Basically the tradeoffs of present consumption for higher level of consumption underscores the justification for savings and investment. (Ben Agyei-Mensah-2009).

It is also worth knowing that apart from the individual, organizations and governments also invest. However, all invest with one or more of three basic needs in mind: income, thus investors of the idea that investments are made now in the hope of providing future income. When current

income is the return objective, an investor wants the portfolio to concentrate on generating income rather capital gains. Capital preservation, thus investors are of the view that investments are made to preserve capital, or the original value. These are generally conservative investments. The investor simply wants the money set with the assurance that the funds will be available, with no risk in purchasing power, at a future point in time. Lastly, Capital appreciation; with this they are of the view that investments are made so that funds will appreciate or grow in value to meet a future need such as retirement or child education. The aim is to have the value of the invested money grow at a faster rate than inflation so there is positive real return after the effect of taxes and inflation.

This is done through the financial institutions which act as intermediaries between those spending units who have excess supply of investible funds. Financial institutions accept deposits from excess suppliers and give such savers their own debt, while issuing out the funds thus acquired to investors. This process is termed as indirect finance

Savings and investment is also the foundation for economic development and the push behind sustainable growth of developed countries. In 1996, Americans contributed \$239.6billion in savings of \$6495.2billion of personal income. This constituted 3.7% of personal income to economic growth through the commercial banks in the United States. (B. Mayo, 2000).

Researchers have argued that, for developing countries to move to developed ones, their funding for sustainable development should be based significantly on local resources mobilization rather than a sole reliance on external sources of funding. (Databank group index=217).

It is in this respect that savings and investment culture need to be given a top priority by individuals in the country through their daily activities, government in his policy planning and implementation and corporate bodies in their development plans.

Savings and investment of individuals as defined and explained by (Kwasi Atta Sakyi in mopping up Domestic savings for investment and Economic growth the case of Ghana) is the short term sacrifice for long term gain.

1.2 PROBLEM STATEMENT

A serious problem confronting many developing countries is the savings gap. Since savings depends on income, low levels of income that characterize developing countries translate into low levels of savings. Ghana as a developing nation records an average savings of \$203,000 per annum (ghanaweb). In his book (Ghana adjustment and growth, in 1991), Ishankapur elaborated that Ghana's economic adjustment efforts since 1983 have resulted in a recovery in an output and an expansion in gross national savings and investment from historically low levels. However, the nation needs more local funding through saving and investment for sustainable growth and development. Ghana has a challenge to move from its modest current level of savings of 17% to around 30% in order to rise to emerging south East Asia market, like Malaysia.

Apart from low incomes which characterize the main cause of low aggregate savings in all developing countries, there are causes of this problem relating to Ghana as a nation with particular reference to the behaviour of individuals in the country.

The problem that this research exists to solve is to bring out the real causes of the low levels of current savings and investments; to know why and how the Ghanaian will save and invest.

1.3 OBJECTIVE OF THE STUDY

The main objective of the research is to study the savings and investment behaviour of the Ghanaians and the factors that influenced it.

Other specific objectives include:

1. To examine the average age the Ghanaian start to save and invest.
2. To assess the percentage of the Ghanaian income used in savings and investment.
3. To assess the investment opportunities that are available to the average Ghanaian worker.
4. To assess how the availability of savings and investment can help the patronage of investment products.
5. To examine the motivation behind the reason the Ghanaian will save and invest

1.4 RESEARCH QUESTION

The relevant research questions to ask here are,

1. What average age will the Ghanaian start to save and invest?
2. What percentage of the Ghanaian income is used for savings and investment?
3. What are the investment opportunities that are available to the average Ghanaian worker?
4. How will the availability of savings and investments opportunities helps in patronage?

1.5 SCOPE OF THE RESEARCH

The study will be conducted in the Kumasi Metropolis, central business districts, Adum. The study will be designed to sample the views of the working Ghanaian population including market women, bankers, roadside traders etc.

1.6 RELEVANCE OF THE RESEARCH

A study into the savings and investment behavior of Ghanaians is significant for a number of reasons. The study is important because it would aid the country's financial institutions a fair idea of their existing and prospective clients, thereby helping them to know which strategy to adopt to mobilize the necessary funds from them in the country.

The study also hold importance to the government for the implementation of his fiscal policies like controlling of inflation where he doesn't just focus on tax but uses pulling securities like bonds, treasury bills etc. It will serve a great deal of information as to how the government can take monies away from the public. The study is again important for the individual such that it will make the individuals know the available and convenient investment opportunities by which they can use to increase their financial statues.

To the researcher, the study is imperative because it will make him know the behavior of individual in Ghana towards savings and investment and the factor that influence it.

1.7 ORGANIZATION OF THE STUDY

The study will be presented in five chapters. Chapter one introduce the research topic which will include the statement of the problem and research objectives. Chapter two will present review of

relevant literature. The methodology to achieve is outlined in chapter three. Chapter four presents the data and the discussions of results. The conclusions and recommendations will be presented in chapter.

1.8 LIMITATIONS

A major limitation anticipated would be the willingness and the availability of the respondents to provide the relevant information for the study. However the researcher would explain to the respondents that the exercise is purely an academic one and any information given shall be treated with the uttermost confidentiality.

Financial and time constraints will limit the study which should have been a nationwide research, to only the study area; Kumasi Central. However, efforts will be employed to ensure that the stated objectives are achieved.

CHAPTER TWO

REVIEW OF LITERATURE

2.1 INTRODUCTION

This aspect of the research would provide the theoretical base for a meaningful comparative analysis on saving and investment with particular emphasis on individual's behavior towards them in Ghana. It will begin by looking at the general concept of individual savings and investment behavior, history with particular case in Ghana and various influences on these behaviors.

2.2 DEFINITION OF TERMS AND RELEVANT CONCEPT

Savings is defined as putting money readily aside so that it is readily available for any sudden financial emergency. The saver has low risk and short time preference. Example of savings vehicles are bank deposit, building society accounts and accounts with national savings (the chartered institute of bankers, 2000)

Investment as agreed upon by the chartered institute of bankers is with a higher risk, longer timescale and the return can come in the form of income, or capital gain or a mixture of the two.

“Savings is good but it is not a sufficient condition to create wealth. Putting your savings to work for you is what investment is all about,” OgbarmeyTetteh (2004).

The concise oxford English dictionary defines behavior as a way in which a person responds to a situation or stimulus.

2.3 EMPIRICAL VIEW

2.3.1 The Concepts of Saving and Investment

There have been empirical studies by researchers to determine factors affecting saving and investment behaviour and volume of saving of individuals and households. There are studies

based on time series data, cross sectional data, and family budget survey. Studies on micro and macro perspectives with reference to developed and developing countries are also available. Kelly and Williamson (1968) regressed per capita saving against per capita income for five age groups in Indonesia. They found that age is an important determinant of saving in households and that the average and marginal saving rates rose with the share of income and the presence of positive interaction between wealth and saving. However, Shultz (2005) who analyzed the demographic determinants of savings in Asia found no significant relationship between savings and age composition. Gupta (1970) using annual time series data from India analyzed the determinants of saving. He found that permanent income hypothesis is a better fit in the urban areas in India whereas in the rural area saving behaviour is more in accordance with the absolute income hypothesis. He found that marginal propensity to save is an increasing function of income at lower level of development. Prema-Chandra and Pang-Long (2003) examined the determinants of individual saving in the process of economic development, in the light of the Taiwanese experience during the period 1952–99. They found that the individual saving rate rises with both the level and the rate of growth of disposable income and that the real deposit rate has a significant positive impact on saving. Public saving they discovered seems to crowd out private saving, but less than proportionately and that while both old- and young-dependency in population have a negative impact on the saving rate, the magnitude of the impact of the former is far greater than that of the latter. Finally, they concluded that increased availability of social security provisions and enhanced credit availability also seem to reduce saving. Alma and Richard (1988) in their attempt to examine the saving behaviour of Filipino rural households regressed current income on saving and concluded that a large potential for voluntary saving can be found in the rural households of the Philippines and other less developed countries. They have

substantial evidence to argue that there is no reason to believe that mobilization of voluntary rural household saving cannot be perused. Their findings further indicate that income is the most important economic variable affecting rural savings. Repetto and Shah, (1975) studied the demographic and other influences on long term saving, investment behaviour in India. The data for the study was collected from surveys conducted in the Kaira district of Maharashtra in 1930 and 1965. They found that large family size had a depressing effect on long term saving rate. They also found that sons in rural India served as substitute assets in households and fulfill some of the demand for wealth and that the long term saving rate responds positively to a higher rate of return on saving and positively to higher-level ,of permanent income. Bhalla (1978) investigated the effects of sources of income and investment opportunities on the saving behaviour of farm households in India. He used the survey data collected by National Council of Applied Economic Research (NCAER) during the three years starting from the year 1968-1969 and found that the propensity to save out of non-agricultural income was higher than the propensity to save out of agricultural income. The permanent income hypothesis (PIH) offers an explanation for this difference in propensity. He also found that investment opportunities increase saving, *ceteris paribus*.

For the subsistence group of individuals and had a negative effect for the non-subsistence group. Panickar (1992) studied the saving and investment pattern in selected villages in Karala and Tamil nadu. The study was conducted with the objective of looking into the levels of saving and the manner of its disposition and in-depth analysis of factors underlying the rates of saving. From the study, it was found that a high proportion of saving was absorbed in unproductive assets leading to a vicious cycle of low income saving

Employing a dynamic panel analysis of the determinants of individual and household saving rate in China using a life cycle model and panel data on Chinese provinces for the 1995-2004 period from China's household survey, Horioka and Wan (2007) established that China's household and individual saving rate has been high and rising and that the main determinants of variations overtime and over space are the lagged saving rate, the income growth rate, the real interest rate and the inflation rate. However, they found that the variables relating to the age structure of the population usually do not have a significant impact on the household and individual saving rate. These results they claimed provide mixed support for the life cycle hypothesis as well as the permanent income hypothesis, and that they (the results) are consistent with the existence of inertia or persistence, and imply that China's household and individual saving rate will remain high for some time to come. Regarding the issue of whether rural households can save or not, two conflicting views have been aired: the traditional or old view and the new view. The traditional view purports the idea that rural households cannot save because they are too poor and therefore rural savings mobilization efforts are deemed futile and worthless. Lambert and Lim (1986: 11-28) summarized this view as "...they have low incomes because they have low productivity; they have low productivity because they are confined to the traditional methods of farming; they are confined to the traditional methods of farming because they do not have any savings that could be used to acquire new technology; they do not have savings because their income is low; and so on...". Adams (1978) and Von Pischke (1978) also argue that rural households are too poor to save and even if they get some additional income through some windfall, they spend it on consumption or on ceremonies. Contrary to the traditional or old view is the new view which argues that rural households have the capacity and the desire to save and would respond appropriately to saving opportunities and incentives. The proponents of the new

view cite a number of reasons to expect substantial potential for saving in rural areas. Firstly, they suggest that households save after harvests, when they sell a portion of their crops to expand consumption and others for investment as well as pay off debts. Secondly, they contend that rural households are heterogeneous comprising both rich and poor households where the rich households can always save over long and /or short periods whereas the poor households can save only over short periods as well as households with larger farms, higher income, better education and better jobs. The new view finally cites the introduction and application of more modern farming methods as they allow farmers in particular to increase yield and hence increase income and therefore savings.

2.4 HISTORICAL VIEW

2.4.1 The History of Savings and Investment In Ghana

The behavior of savings in Ghanaians is dated back in historical times from the Stone Age where indigenous people hid precious ornaments in bushes and solitary places to be kept and used in latter days (Ishankapur, 1991). In the Akan language they coined the term susu from the original term “esusu” from the Yoruba’s in Nigeria (Aryeetey and Udry-1995). The word carried the meaning "small small", a start up of small personal deposits which will be build from various source to a larger amount to be used in latter times. According to Aryeetey and Gockel, the term was also used in reference to rotating savings and credit associations in Ghana; the Caribbean. K. Little's 1957 article in American Anthropology, as well as the book Traditional Peoples of the World by National Geographic describes Susu groups in this context. This mobile banking as known in modern terms was serviced by Susu collectors who run their businesses from kiosks located in the market place and acted as mobile bankers. Deposits, often of low but regular value,

were usually taken on a daily basis over the course of a month. At the end of the period the Susu collector returned the accumulated savings to the client but kept one day's savings as commission. Both Aryeetey and Gockel (1991) and Little (1957) are cited by Ellen Bortei-Doku and Ernest Aryeetey in Chapter 5 of the 1995 edited volume, *'money-go-run'*. Today, Susu collectors provide many Ghanaians who would otherwise be denied credit with access to money they need to start up small venture projects that in many cases benefit the community as a whole.

2.4.2 Savings and Investment After Independence

The economy of Ghana began to show signs of deterioration since the early 1970s. The productive capacity of industries fell coupled with a decline in output as a result of lower output of major commodities such as cocoa, timber and minerals in 1983. Terms of trade were against the country, resulting in persistent balance of payment deficits.

The banking sector became insolvent as a result of bad management practices in the face of government control. There were ceilings on interest rates and credits, which resulted in inefficiency of resource allocation and investment. The precipitation of this condition necessitated some reforms which were espoused by the Breton-Woods institutions and other donor agencies captioned, the 'Economic Recovery Programme' (ERP) in the mid 1980s

The ERP was launched by the government of Ghana in 1983 to reverse the deterioration of the economy through macroeconomic measures to stabilize the economy. Within the first few years of implementation of the ERP, it became apparent that the structures of institutions were becoming an impediment to development and progress. In consultation with the IMF and the World Bank therefore, the government decided to shift the emphasis of the ERP towards Structural Adjustment Programmed (SAP). The objectives of SAP included among other things;

- To stimulate growth by encouraging savings and investment and strengthen balance of payment position of the economy.
- To improve resources use and to direct resources to key areas while ensuring fiscal and monetary stability of the economy.

As part of the SAP, the Financial Sector Adjustment Programme (FINSAP) was also launched in 1987 to improve the financial sector. The aim was to correct the financial system of the economy which had become dysfunctional as a result of years of state control as well as poor policies and regulations.

Specifically, the major reforms included:

- Amendment of the banking law to set capital adequacy and reserve requirement for the financial sector;
- Strengthening the regulatory environment through the enactment of the banking, non-banking financial institutions and securities industry law;
- Deregulation of interest rate and the abolishment of direct controls on credit;
- Setting up of a functioning Ghana stock exchange;
- Liberalization of the market for freeing exchange;
- Partial freeing of the market for government treasury instruments;
- Introduction of restructuring plans and measures to reduce operating costs of banks to improve their efficiency; and
- The setting up of the Non-Performing Assets Recovery Trust (NPART) to exchange the non-performing assets held by banks for Government of Ghana Bonds.

As part of the effort to mobilize savings sprang up the emergence of some financial institutions like the rural banks which were tasked to mobilize savings which otherwise would have remained with rural dwellers for spending, kept in unsafe places or even turned into non-financial savings.

2.5 THE ROLE OF FINANCIAL INSTITUTIONS

The role of the financial institutions is to mobilize savings of individuals and bodies and allocate them to those in need of funds. They do this by providing brokerage and asset transformation services. As brokers, financial institutions act as agents for savers and issuers of debt and equity instruments by providing information and transaction services. As asset transformers, financial institutions offer liquidity, maturity and size intermediation. The existence of financial institutions clearly encourages a higher level of savings and investment and ultimately a higher rate of economic growth. Many financial institutions provide specialized services to the economy. Banks, for example, provide payment services and provide a transmission mechanism for monetary policy; pension funds and insurance companies enable us to spread our incomes over our lifetimes; mutual funds and unit trusts provide a mechanism for pooling small savings into large pools of capital while securities firms have specialized in providing risk management instruments. Failure to provide these services can be costly to the economy since efficient financial services are a necessary condition for sustainable economic growth.

A stable macroeconomic environment promotes the savings necessary to finance investments - a precondition for achieving sustainable economic growth. Participants in the financial system are sensitive to economic fundamentals.

According to the Overseas Development Institute, the banking sector in Ghana is made up of the central bank, eight commercial banks, three development banks, three merchant banks and 133 rural banks. With the exception of the rural banks, their distribution is weighted towards urban areas, and towards the south. Seven out of the thirteen districts in the Northern Region have no banks and the ratio of clients to banks in northern Ghana is much higher (100,000:1) than in the country as a whole (16,000-26,000:1).

The semi-formal financial sector in Ghana includes Credit Unions, Savings and Credit Co-operatives and a number of NGOs. Informal financial agents include: moneylenders; susu collectors (savings mobilizers); traders, agricultural processors and input distributors; susu groups/ROSCAs (Rotating Savings and Credit Associations), and friends and relatives.

Susu collectors are represented by an apex organization, with whom 850 are registered, though it is estimated another 150 unregistered collectors operate in the North.

Whereas banks in Ghana offer high-value, long-term loans, Susu collectors can offer low-value advances or credit in the short term (usually less than a month) that is interest free. If larger sums are required, and they know the client personally, they can offer credit at higher rates than the banks, but without collateral to secure the loan.

The Ghana Co-operative Susu Collectors Association (GCSCA) established in 1990, has been trying to mobilize, organize, and regulate the operations of Susu collectors whose activities are sometimes fraudulent.

Some Third World charities such as Action Aid, work closely with Susu collectors, using them to efficiently distribute financial information and loans funded by the charity. Banks such as Barclays and Citibank are also working with the Susu and similar groups, essentially providing them affordable credit, which in turn the Susu can loan to their customers.

2.6 THEORETICAL VIEW

2.6.1 Savings and Interest Rate

Ogaki, Ostriy and Remhart (1996). In assessing the effect of interest rate in savings and consumption shows that; if households must first achieve subsistence consumption level then allow inter temporal consideration to guide their consumption choices for the residual of the budget left after subsistence are met, then, in countries where the representative household consumption was close to subsistence levels, consumption and savings would be insensitive to changes in real rate of interest in wealthier countries. They all agreed that in cases where real interest rate increases, consumption would decline and savings would increase.

This theory is furthered by Deaton (1990, 1992b) in his model developed for precautionary savings behavior for low income and multi generational households. He imply that, when households choose to save in productive assert, the return to investment represents an incentive to save over and above the benefits I terms of risk reduction. The expected returns to investment will be in effect the interest rate which will be relevant for determining savings. As noted by Mckinnon (1973), furthered that an increase in the returns to investments will directly increase incentives for savings. Schultz (1964) recognized this in his explanation of the correlation of low observed savings rate and the absence of profitable agricultural investments

2.6.2 Savings and Income

In an analytical implication of a formal model developed in Birdsall, by Pinckney and Sabot (1995) shows that in permanents income and life- cycle models of savings behavior, while saving in any one year are influence by current income (considered exogenous). In the long run

individuals and households save in productive years to provide income for unproductive years in the future. The model stress on the fact that, the individual first accumulates and then decumulates assets .

Deaton(1992a), Carrol (1994). However had a divergent view arguing that savings behavior in high income countries does not typically follow the predictions made by life –cycle and permanents income models. They were of the view that, precautionary motive and liquidity constrains have more prominence and weight of explanation as the right relationships between savings and income. Deaton (1990). Further argued that, in low income countries where a high proportion of households are multi-generational, life-cycle and permanent income models are likely to be even less relevant. Adults expect their children to support them in their old age, as they themselves (adults) are supporting their parents. Thus, there may be little need for retirement’s savings as a vehicle for transferring income between high and low productivity phases of the life-cycle. In such household, savings serve in part as a buffer against stochastic decrease in income. Deaton (1990 p.61). Asses that, such household or individual adult dissave as of the as they save, do not accumulate assert over the long term, and have on average very small asset holdings. Deaton (1990,1992b). Subsequently developed a model of this precautionary savings behaviour of low income and multi-generational households.

CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION

This chapter reviews the main methodology issues that impinge upon the specification, and methods employed to gather data for the study.

3.1 RESEARCH DESIGN

To conceptualize the problem and place it in a perspective that would aid data collection and analysis, and produce results that are not misleading, a good research design must be developed (Singleton, Jr. et al., 1993). It therefore behooves the researchers to ensure a proper design to achieve good results.

This is a descriptive research which used both qualitative and quantitative data approaches. Qualitative approach accessed the savings and investment behavior of the workers in Kumasi central, while the quantitative view provided the statistical background to support the data.

3.2 TYPES AND SOURCES OF DATA

The major type of data that was used in this descriptive work was the primary and secondary data. The primary data gave a detailed description of the causes of savings and investment behavior of individuals in Kumasi Metropolis. The secondary data provided information on available literature on the behavior of savings and investment.

Regarding the sources, data was obtained from both primary and secondary sources. The primary data was collected from respondents in the study area. Secondary data employed in this study consisted of a literature review of existing reports and works, that is, previous studies relating to the subject matter as well as from journals, magazines, newspapers, and textbooks among others.

3.3 DATA COLLECTION METHOD

Data collection method that was employed in this study included questionnaire and oral interviews. Both closed and open-ended questions were combined. Informal discussions were conducted with the bank officials and other people who were found relevant to this work for the acquisition of primary data. Questionnaires were administered to the various banks in the central part of Kumasi metropolis.

Interviews were conducted with the market women to elicit relevant information for the study. In addition, personal observations were made during the study period which served as a vital technique in data collection.

3.4 SAMPLING DESIGN

Non-probability sampling technique in the form of judgmental sampling, voluntary sampling and available sampling methods were used to conduct the research. Quota sampling technique was used for the selection of respondents such that there was fair representation of individuals in the society, e.g. market women, bankers, mania, students etc. A sample size of three hundred and sixty (360) was targeted. 25 banks were targeted where 2 officials were selected in each bank constituting 50(13.8%) of the sampling size. The remaining 310(86.1%) constituted selected workers including bankers.

3.5 DATA ANALYSIS AND PRESENTATION

The data obtained from the field was analysed using Predictive Analytical Software (PASW) and presentation of this research work was in the form of tables and charts or graphs which gave a clear picture of the savings and investment behavior of individuals in Ghana. Data collected from informal discussions and interviews were also presented to support the results obtained.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 INTRODUCTION

This chapter is set out to present the findings obtained from the interview with respondents. The presentation will be in line with the research questions outlined in chapter one of the study. They are the average age that the Ghanaian starts to save and invest, the percentage of the Ghanaian's income that is used for savings and investment, the savings behaviour of the average Ghanaian and the investment opportunities that are available to the average Ghanaian worker.

4.1 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

In all 300 respondents were involved in the survey. They included 202 males, representing 67.3% and 98 females, constituting 32.7% of the total sample (Table 4.1). The respondents were drawn mostly from the centre of Kumasi, with majority of the respondents drawn from such communities as Adum (39.3%), Kejetia (19%), Bola (17.7%). Other communities from which respondents were selected included ,Akwatia-Line, Asawase, , Bantama, Asafo, Asokwa and Ash-Town. This is presented in Table 4.2.

Table 4.1 Gender of Respondents

	Frequency	Percent	Cumulative Percent
Male	202	67.3	67.3
Female	98	32.7	100.0
Total	300	100.0	

Source: Field Survey, 2011

Table 4.2 Location of Respondents

	Frequency	Percent	Cumulative Percent
Kejetia	57	19.0	19.0
Adum	118	39.3	58.3
Alaba	17	5.7	64.0
Akwatia-line	17	5.7	69.7
Bola	53	17.7	87.3
Asawasi	10	3.3	90.7
Ash-Town	4	1.3	92.0
Bantama	6	2.0	94.0
Krofrom	6	2.0	96.0
Asokwa	6	2.0	98.0
Asafo	6	2.0	100.0
Total	300	100.0	

Source: Field Survey, 2011

In terms of marital status, majority of the respondents constituting 54% were married as against 44.7% who were single. Only 1.3% of the respondents were divorced (Table 4.3).

Table 4.3 Marital Status

	Frequency	Percent	Cumulative Percent
Single	134	44.7	44.7
Married	162	54.0	98.7
Divorced	4	1.3	100.0
Total	300	100.0	

Source: Field Survey, 2011

A significant number of respondents numbering about 252, making up 84% of the total sample size had had education up to the tertiary level as against 16% who had attained education only up to the secondary level (Table 4.4). Nonetheless, all respondents captured were in the active working age.

Table 4.4 Educational Level of Respondents

	Frequency	Percent	Cumulative Percent
Secondary	48	16.0	16.0
Tertiary	252	84.0	100.0
Total	300	100.0	

Source: Field Survey, 2011

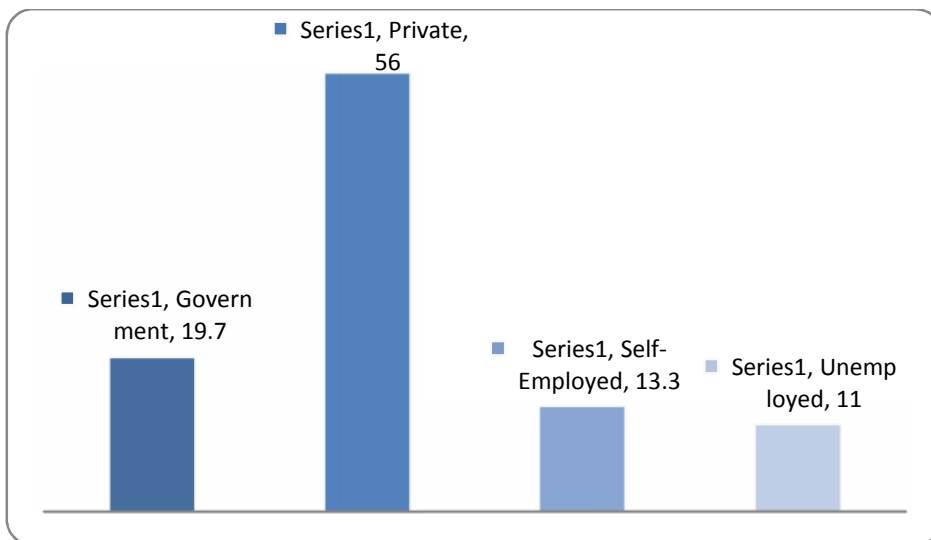
Table 4.5 presents the occupational status of the respondents. Data collected revealed that of the 300 respondents interviewed, only 33, representing 11% were students, and therefore unemployed. The remaining 267, representing 89% were employed. Of the 267 who were employed, 19.7% were public sector employees, 56% were private sector employees, and the remaining 13.3% were self-employed Fig. 4.1.

Table 4.5 Occupational status of Respondents

	Frequency	Percent	Cumulative Percent
Student	33	11.0	11.0
Employed	267	89.0	100.0
Total	300	100.0	

Source: Field Survey, 2011

Fig. 4.1 Category of Workers



Source: Field Survey, 2011

4.2 THE AVERAGE AGE AT WHICH THE GHANAIAN SAVES

The first of the research questions that the study sought to answer was the average age that the Ghanaian starts to save. Responses from the interview indicated that some start to save from the age of 18 years. A cross tabulation of ‘Age’ and the question of whether one saves or not indicates those between the ages of 30 – 35 years as constituting the majority of respondents who saved. This was followed by those within 24 – 29 year group. The average age at which the Ghanaian saves is calculated to be at 29.5 (Table.4.6).

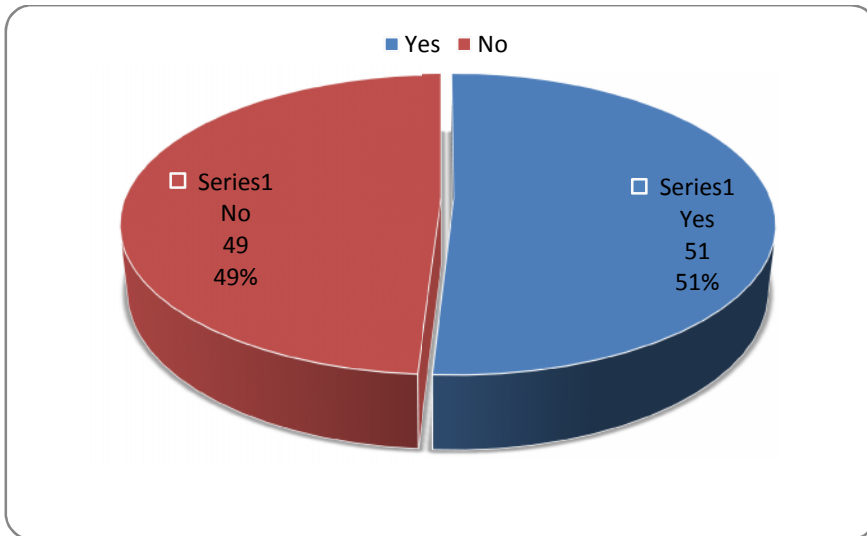
Table 4.6 Cross-tabulation of ‘Age’ and ‘Saving’

		Yes	No	
Age	18-23yrs	15	18	33
	24-29yrs	92	27	119
	30-35yrs	105	11	116
	36 and above	31	1	32
Total		243	57	300

Source: Field Survey, 2011

Almost all formal employees are paid their monthly salaries through banks. This means that these employees must have as a requirement, a current account to be able to receive their salaries. But it will take a conscious effort by that individual to operate a savings account. To determine the percentage of Ghanaian workers who had savings account, the question was put to respondents asking if they owned savings account. Data collected indicated that about 153 representing 51% owned savings account. About 147, out of the 300 respondents did not have savings accounts (Fig. 4.2). There is a disparity of 90, i.e., between those who saved, (243) and those who owned savings accounts (153). The difference could be accounted for by the fact that some of the respondents were saving with the informal system through daily Susu system being operated by individuals and small non-bank micro schemes. However, the rural banks and some commercial banks have formalised the susu system, and therefore have been able to capture those who otherwise would not be dealing with the banks.

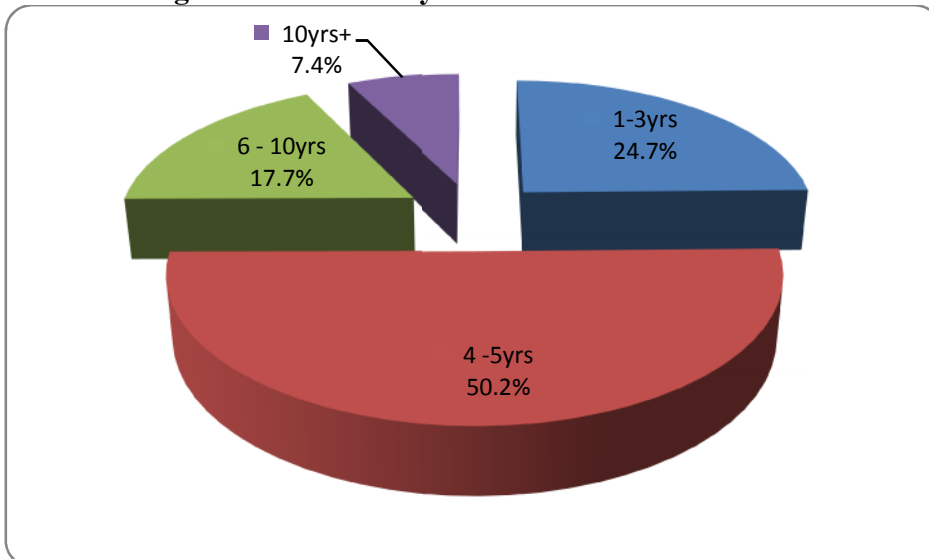
Fig. 4.2 Possession of Savings Account



Source: Field Survey, 2011

Majority of the respondents who constituted 50.2% had had their savings account for the past 4 – 5 years, 24.7% had held their between 1 -3 years. There were also those who had held their account from six and above years (Fig. 4.3).

Fig. 4.3 Number of years Accounts has been Held



Source: Field Survey, 2011

4.3 SAVINGS BEHAVIOUR OF GHANAIS

In determining the saving behaviour of respondents, variables such as the time of savings account was started, initial amount deposited in the account and frequency of deposits into savings accounts were assessed. Data collected (Table 4.7) revealed that 45% of those working had opened savings account more than a year after securing their jobs, 18.1% had done so less than a year after securing employment. Only 23.9% had opened savings account before securing jobs, giving credence to the assertion that employment and income are major factors influencing savings behaviour or culture.

Table 4.7 Time Savings was Started

	Frequency	Percent	Cumulative Percent
During Tertiary Education	30	12.6	12.6
After completing School	27	11.3	23.9
Immediately after securing Employment	31	13.0	37.0
Less than a year after Securing Employment	43	18.1	55.0
More than a year after securing Employment	107	45.0	100.0
Total	238	100.0	

Source: Field Survey, 2011

As to the amount initially deposited in savings account, 69.9% had indicated amounts between Gh.¢ 5.00 and Gh.¢ 20.00. About 27.2% had started saving with Gh.¢ 25.00 and Gh.¢ 30.00. significantly, only 2.9% of the respondents had opened savings with amounts ranging between Gh.¢ 40.00 and Gh.¢ 50.00. This is presented in Table 4.8.

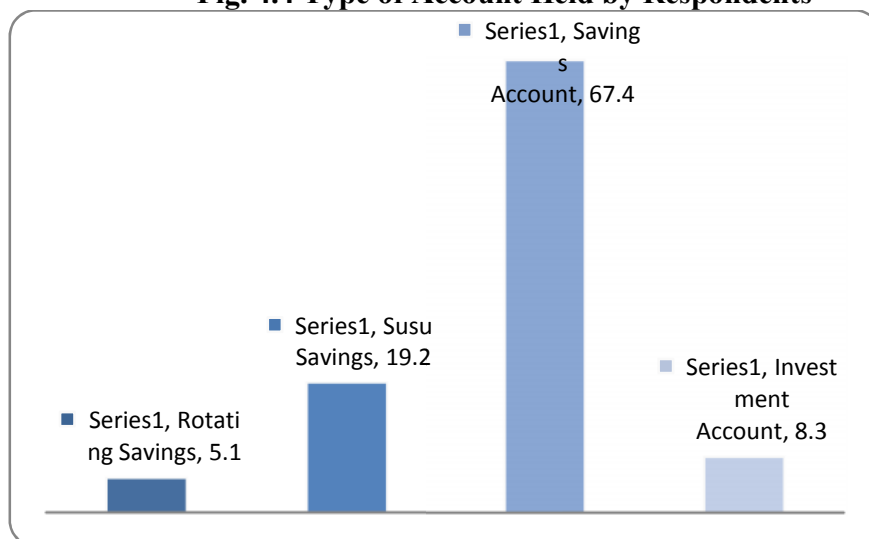
Table 4.8 Initial amount saved

	Frequency	Percent	Cumulative Percent
5-10 Gh. cedis	123	44.6	44.6
15-20 Gh. cedis	70	25.4	69.9
25 - 30Gh. cedis	75	27.2	97.1
40 - 50Gh. cedis	8	2.9	100.0
Total	276	100.0	

Source: Field Survey, 2011

As to what particular type of account were held by those saving, 67.4% held ordinary savings account, 19.2% had Susu savings accounts, 8.3% investment account and 5.1% Rotating account (Fig. 4.4).

Fig. 4.4 Type of Account Held by Respondents



Source: Field Survey, 2011

In terms of the regularity of depositing money into savings account, 59.9% indicated they deposited money regularly, doing so on monthly basis. Those who operated 'Susu' savings account did so daily, and there were others, who deposited as and when they had excess money on hand.

Table 4.9 Frequency of Deposits

	Frequency	Percent	Cumulative Percent
Yes	166	59.9	59.9
No	111	40.1	100.0
Total	277	100.0	

Source: Field Survey, 2011

In commenting about the efficiency of banks in managing savings, 79.8% had intimated that their banks had been effective. There were 20.2% of the respondents however who felt their banks had being ineffective (Table 4.10). Those who were of this view had contended that loans from their banks attracted very huge interest but their savings accrued next to nothing, making savings an unprofitable venture.

Table 4.10 Efficiency of Banks

	Frequency	Percent	Cumulative Percent
Yes	194	79.8	79.8
No	49	20.2	100.0
Total	243	100.0	

Source: Field Survey, 2011

A cross-tabulation between variables ‘category of worker’ and ‘Saving’ indicated in Table 4.15 presents a significant finding. From the table, those who were self-employed saved more than those who were employed by both the government and the private sector. Out of the 59 respondents who were employed in the public sector, 9 did not save. Also, 20 out of 168 employed by the private sector did not save. Interestingly, all those who were self-employed

saved. Indicating higher incidence of savings among the self-employed than the other categories of workers involved in the study.

Table 4.11 Cross-tabulation of Type of Work Saving

		Do you save?		
		Yes	No	Total
Type of worker	Government	50	9	59
	Private	148	20	168
	Self-employed	40	0	40
	Unemployed	5	28	33
Total		243	62	300

Source: Field Survey, 2011

Data collected again revealed that not all those who saved did so consistently. As indicated in Table 4.12, 32.9% contended that their savings were not consistent, as against 67.1% who indicated it was so. Asked what were responsible for the inconsistencies, mention were made of factors such higher family budget during some period of the year, unexpected events in the family like funerals etc, and the low income.

Table 4.12 Consistency of Savings

	Frequency	Percent	Cumulative Percent
Yes	163	67.1	67.1
No	80	32.9	100.0
Total	243	100.0	

Source: Field Survey, 2011

Another cross-tabulation of marital status and Saving, indicate a positive correlation. From table 4.13, it can be seen that there are married people who saved than those who are single. The reason could be that the level of responsibility for married people are far more than for single people, hence their desire to save to take care of the needs of their family needs. Some people would start saving immediately after getting married as a way of planning for the education of unborn children, others will start saving to buy certain important things that the family might need in the immediate future.

Table 4.13 Marital Status and saving Cross-tabulation

		Do you save?		Total
		Yes	No	
Marital Status	Single	96	38	134
	Married	143	19	162
	Divorced	4	0	4
Total		243	57	300

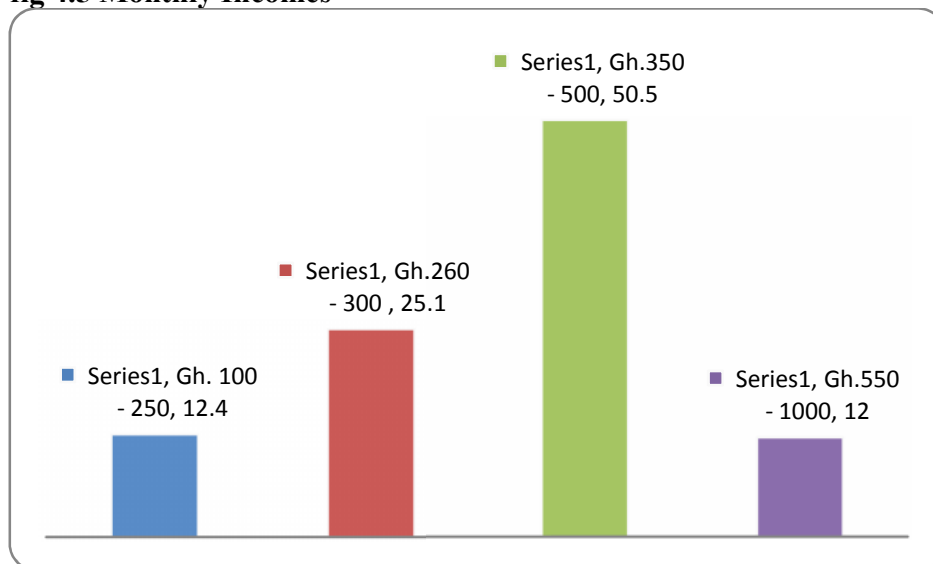
Source: Field Survey, 2011

4.4 PERCENTAGE OF INCOME MAINTAINED AS SAVINGS

To ascertain the percentage of income saved by respondents, researcher asked about the monthly income of respondents. As indicated in Fig. 4.5, 130 out of the those who earned income, representing 50.2%, said they earned between Gh. ₵350 – Gh.₵500. About 25.5% earned between Gh.₵260 – Gh.₵300. About 12.4% earned Gh.₵100 – Gh.₵250, with only 12% falling within a relatively higher income of Gh.₵550 – Gh.₵1000. Respondents were then asked what percentage of the amount was deposited as savings. As indicated in Table 4.14, a majority of

105, representing 43.7% save 5% of their income, 21.7% saved 10%, 12.5% saved 15%. Among those who fell within the higher income bracket, i.e., between Gh.¢550 – Gh.¢1000 per month, a total of 22.1% saved between 20% - 30% of that income (Table 4.15).

fig 4.5 Monthly Incomes



Source: Field Survey, 2011

Table 4.14 Amount saved from income

	Frequency	Percent	Cumulative Percent
10%	52	21.7	21.7
15%	30	12.5	34.2
20%	10	4.2	38.4
25%	26	10.8	49.2
30%	17	7.1	56.3
5%	105	43.7	100.0
Total	240	100.0	

Source: Field Survey, 2011

Table 4.16 reveal that the lower the income, the lower the percentage saved, and vice versa. This is consistent with literature that emphasises that those within the higher income bracket tend to save more than those within the lower income bracket.

Table 4.15 Monthly Incomes and Percentage of Monthly Income Saved Cross-Tabulation

		Percentage of Income Saved						
		5%	10%	15%	20%	25%	30%	
Monthly Income	Gh. 100-250 cedis	17	7	2	2	0	0	28
	Gh.260-300 cedis	27	18	9	4	1	0	59
	Gh. 350-500 cedis	58	23	18	3	15	5	122
	Gh. 550-1000 cedis	3	4	1	1	10	12	31
Total		105	52	30	10	26	17	240

Source: Field Survey, 2011

4.5 BARRIERS TO SAVINGS IN GHANA

It is obvious from the discussions that saving is not a regular habit of Ghanaians. Quite a number of those who even had savings account did not save regularly due to certain contingencies. There are obviously reasons why saving among Ghanaian workers is low. Asked what in their opinions were the greatest barrier to saving, low income levels and unemployment were the most mentioned. As many as 66% mentioned these as barriers to savings (Table 4.16).

Table 4.16 Barrier to savings in Ghana

	Frequency	Percent	Cumulative Percent
Culture	14	4.7	5.2
Easy access to credit	25	8.3	14.4

High Level of indebtedness	26	8.7	24.1
Lack of appropriate savings products from banks	7	2.3	26.7
Lack of incentives to save	30	10.0	47.8
Low income levels	141	47.0	100.0
Unemployment	57	19.0	
Total	300	100.0	

Source: Field Survey, 2011

Considering the fact that the rate of unemployment is high coupled with the very high consumption behaviour of Ghanaians, there would be few people who will be actively saving in the country. Other factors mentioned as barriers included, lack of incentives to save, high level of indebted of the average Ghanaian, easy access to credit, and a consumption culture that makes the average Ghanaian want to spend, even above their means, instead of saving. This propensity of the average Ghanaian to spend rather than save was confirmed by the responses given by respondents when they were asked how they managed their everyday revenue. As many as 184 out of the respondents, representing 61.4% indicated that they spent the revenue on everyday needs and saved the rest (Table 4.17). Since human needs and wants are insatiable, there is almost always nothing left to save with.

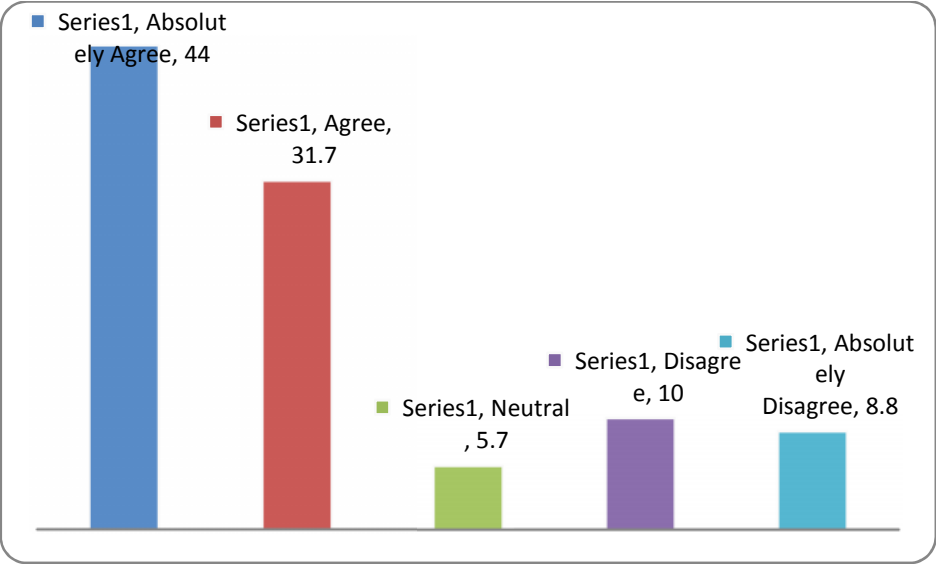
Table 4.17 How everyday revenue is Managed

	Frequency	Percent	Cumulative Percent
Saves some and spends the rest on everyday needs	106	35.3	35.3
spend on everyday needs and save the rest	184	61.4	96.7
Difficult to answer	10	3.3	100.0
Total	300	100.0	

Source: Field Survey, 2011

Another factor entrenching the poor saving habit of Ghanaians is the notion that it is only the rich who have to save. To ascertain the veracity of this assertion, a statement that “rich people save more than poor people”, was put to the respondents. As many as 75.7% of the respondents agreed, compared to 18.8% who disagreed.

Fig. 4.6 Rich people save more than poor people



Source: Field Survey, 2011

Asked what their personal reasons were for saving, the majority had indicated future high standard of living as the major reason for saving. Others, who constituted 17.8% said they saved for a rainy day (Table 4.18)

Table 4.18 Personal reasons for saving

	Frequency	Percent	Cumulative Percent
For a rainy day (unexpected expenses)	48	17.8	17.8
Retirement	27	10.0	27.8
Interests/increased market value of assets	20	7.4	35.2
Children's inheritance	29	10.7	45.9
Higher standard of living in the future	131	48.5	94.4
Like savings rather than spending	15	5.6	100.0
Total	270	100.0	

Source: Field Survey, 2011

4.6 AVAILABILITY OF INVESTMENT AND PATRONAGE OF INVESTMENT OPPORTUNITIES

Apart from the individual respondents, 20 banks were also involved in the study. According to bank officials, savings instruments available to the public included Fixed Deposit, Savings Deposit, Current Deposit and Susu. To increase accessibility of clients to their savings products, some of the banks, especially the rural banks had employed mobile bankers who went round town to collect daily/weekly deposits from clients.

Table 4.19 Savings Account Clientele of Banks

Bank	Percentage of Clients with Active Savings Account	Percentage of Current Account Holders with Savings Account
GCB	76	45
HFC	55	34
UBA	58	54

Amal Bank	49	57
Fidelity Bank	67	60
ECOBank	73	56
Opportunity International	45	56
Otuasekan Rural Bank	55	50
Barclays	79	45
Agricultural Devt. Bank	56	35
The Trust Bank	65	43
Stanbic Bank	57	45
Standard Chartered Bank	69	39
Nwabiagya Rural Bank	76	54
UT Bank	65	54
Adansi Rural Bank	58	57
National Investment Bank	87	60
Metropolitan & Allied Bank	69	56
International Commercial Bank	59	56
Prudential Bank	66	50
Average	64.2	50.3

Table 4.19 indicate that there is a huge gap between the banks' total clientele and those with active savings account. There is also about 50% shortfall of current account holders who could potentially also have savings account. This point to a situation of low savings culture among Ghanaians.

Asked what specific investment products were put in place to entice customers to save with their banks, mention were made of the following: Easy Savings account, Pearl Accounts, Executive Savings Account, Super Save Accounts, High Interest Rate Accounts, MedaakyeAnidasoo, YakwadaDaakye, AkuafuAnidaso, Golden Deposit Savings, Special Savings, Ezi Save Accounts, Redeemable Savings Accounts, Savings Bonanza, Fixed Deposit, Call Deposits, Treasury Bills, Promotions on Savings, Databank/UBA Investment Accounts (E-PACK, M FUND), Link 2 Home, Flexsave, KudiNkosoo, Home Save Promotions, FLIP Account, WoDaakyeNti, etc.

According to 90% of the bank officials, the marketing departments have all embarked on marketing promotions to promote these investments savings account that are available to customers who would want to invest.

CHAPTER FIVE

SUMMARY OF RESEARCH FINDINGS, CONCLUSION AND RECOMMENDATION

5.0 INTRODUCTION

The main objective of the research was to study the savings and investment behaviour of the Ghanaians and the factors that influenced it. Specific objectives were however to examine the average age the Ghanaian start to save and invest, to assess the percentage of the Ghanaian income used in savings and investment to examine the Savings behaviour of Ghanaians, to examine the barriers to saving in Ghana, and finally to assess the investment opportunities available to the average Ghanaian worker. Analysis of the data collected revealed the following:

5.1 SUMMARY OF FINDINGS

1. The findings indicated that, majority of those who saved were those between the ages of 30 – 35 years. These groups of people could be newly married who might be saving towards the education of children, buy a car, build a house or undertake a project.
2. The average age at which the Ghanaian is likely to start saving was estimated to be 29.5 years. That individual might have secured a job, started a family or a major project for which huge sums of money might come in handy. Saving becomes the sure to securing such funds. Sometimes the amount of money saved becomes a form of guarantee to secure a loan from the bank.
3. It was found that about 81% of those interviewed saved. However, only 51% owned savings account. Quite a good number of the respondents saved with informal susu system.
4. It was also found that majority of those who owned savings account had held their accounts for the past 4 – 5 years.
5. The analysis of data collected revealed that most people opened their account after securing employment, giving credence to the fact employment is a major determinant of savings.
6. Types of account held were mostly ordinary savings account even though the banks had several types of saving products available.
7. Very few, almost insignificant number of 23 out of the 300 respondents had investment accounts.

8. Another significant finding was that even though a good number of 277 owned savings account, in practical terms, only about 60% of this number made regular monthly deposits into their savings accounts.
9. One reason respondents mentioned as being a disincentive to saving was very low interests on savings compared to the very high interests charged on loans.
10. The general attitude of Ghanaians is more towards consumption and spending than saving.
11. The main motivation for those who saved the desire to have higher standard of living, or as the saying goes 'save for a rainy day'.
12. It was again found that the self-employed saved more than salaried workers. The reason could be that because they had the desire to see their businesses expand they saw savings as form of capital mobilisation.
13. Data analysis also revealed that most Ghanaians saved 5% of their monthly income. However, those who earned higher income saved more. The lower the income the lower the percentage of income saved.
14. The major barrier to savings in Ghana was found to lower levels of income and unemployment. It stand to reason that if one earns lower than what he spends, he will be left

with nothing to save with. In fact most poor households are indebted due to excessive borrowing to make ends meet. The case of the unemployed is far worse.

15. Despite the availability of diverse investment opportunities being offered by banks, the patronage was very low. The average Ghanaian is comfortable with only the ordinary savings.

5.2 CONCLUSION

The research started with the focus of identifying the savings and investment behaviour of the Ghanaian and the factors that influenced it. The average Ghanaian is likely to spend whatever income that comes his/her way rather than saving it. Ghanaians have a very high consumption culture, a situation that does not encourage savings. The banks themselves do not inspire savings but rather discourage savings by their very low interests on savings. They have also not been able to market their products enough to clients, especially their investment products. High rate of unemployment coupled with low incomes are the two major constraints inhibiting savings in Ghana. Because people can easily borrow from banks, friends and other sources easily, Ghanaians have not cultivated the habit of saving as way of mobilizing capital for investment. The situation has negatively affected the local economy to the extent that small businesses are not able to grow because of lack of funding. These small and medium scale enterprises are not able to compete with the larger for capital. The result is the vicious cycle of underdevelopment,

both physical and human at the national level, and high incidence of poverty at the household level.

5.3 RECOMMENDATIONS

Based on the research findings identified, the study suggests the following recommendations.

1. Government is the major role player in any country. The strong role of the government in ensuring a favourable environment within which microfinance can flourish is important. It is the responsibility of the state to identify appropriate role players (Employers; Representative of Board of Trustees; Government; Labour Union, NGO's) to implement and manage a long-term saving industry.
2. Government should promote financial literacy. People should be committed to life-skills education. Children and adults need to learn about financial principles, risk mitigation, property rights etc. The focus should be on educating children. Financial literacy programmes should be included in the education curriculum. Teachers should upgrade their financial knowledge through workshops and seminars.
3. For adults, financial literacy programmes must be designed and available via radio, television, billboards, public places and also included in adult education programmes . In order for these programmes to be effective and efficient, all stakeholders (households, banks, insurance companies, media, government, NGO's) should be fully involved.
4. Also, government should address the problem of exceptionally high consumption expenditure behaviour by households.

5. The financial sector should provide appropriate and effective access to financial services for a greater segment of the population. Financial institutions must be committed to triple bottom line accountability, including principles of good corporate governance.
6. The financial sector should direct saving towards targeted investments of national priority. Financial institutions should adjust their internal organisational culture to cater for a wide range of customers and to reflect the principles of inclusively.
7. to promote a saving culture, the determinants of saving here are more structural in nature and include amongst others:
 - i. “Raising income levels of Ghanaians;
 - ii. Reducing dependency ratios, to allow free income for saving purposes;
 - iii. Changing mindsets;
 - iv. Creating job opportunities for the larger sections of the population.
8. The different types of savings vehicles should be communicated in way that it will be understood by an average person and this will improve saving in sophisticated products.
9. The Financial Institution Should design their savings and investment packages to attract average Ghanaian worker through adequate communication and easy accessibility of opportunities in the financial system administration.

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APPENDIX

As part of the award degree of bachelor of business administration we would be glad if you could answer these questions. We commit that the detail of every information given on this sheet would be held in high confidentiality.

QUESTIONNAIRE FOR INDIVIDUALS

SECTION A

DEMOGRAPHIC CHARACTERISTICS

1. Location of respondent.....
2. Sex
 - a. Male [] b. Female []

3. Age
 - a. 18-23 years [] b. 24-29 years [] c. 30 -35years [] d. 36 years and above.

4. Marital status
 - a. Single [] b. Married [] c. Divorced [] d. Separated []

5. Educational level
 - a. Primary [] b. Secondary [] c. Tertiary [] d. No Formal Education []

6. Occupational Status

- a. Student [] b. Employed [] c. Unemployed []

WHAT IS THE AVERAGE AGE OF INDIVIDUAL SAVE AND INVEST?

7.) Do you have a savings account? Yes [] No []

8.) For how long have you had this account?

1. 1 – 3 yrs [] 2. 4 – 5 yrs [] 3. 6 – 10 yrs [] 4. Above 10 yrs []

9.) For how long have you been working?

1. 1 – 3 yrs [] 2. 4 – 5 yrs [] 3. 6 – 10 yrs [] 4. Above 10 yrs []

10). Do you save?

- a) Yes b) No

11) If yes when did you start saving

.....

12) How much money did you start saving with?

- a) 5-10 b) 15-20 c) 25-30 d) others specify.....

13) What form of accounts are you engaged in?

- a) Rotating savings b) Susu savings c) savings account d) others specify.....

14). Do you make deposits regularly?

Yes () No ()

15). At what frequency do you make deposits?

1. Daily () 2. Weekly () 3. Fortnightly () 4. Monthly ()

16) Has it been efficient since you started saving with them?

- a) Yes b) No

17) Is there any benefit derived since you started saving with them

- a) Yes b) No

18) If yes be specific.....

WHAT PERCENTAGE OF THE GHANAIAIN INCOME IS USED FOR SAVINGS AND INVESTMENT?

19) What type of a worker are you?

- a) A government worker b) Private worker c) self employed d) Not working

20) How much money do you earn in a month?

1. Gh. 100 – 250 [] 2. Gh.260 – 300 [] 3. Gh. 350 – 500 [] 4. 550 – 1000 []

21) How much of this money do save or invest.....

22) Is your savings consistent?

- a) Yes b) No

23) If no why.....

24). In your opinion, what is the greatest barrier to savings in Ghana?

- a) Culture [] b) Easy access to credit [] c) High level of debt [] d) Lack of appropriate savings products from banks [] e) Lack of incentives to save []
f) Low income levels []

25) Do the following impact one’s ability to save?

- [] Age
[] Employment
[] Income
[] Cost of living
[] Level of debt

26). Rich people because of their higher income tend to save more than the poor people.

Absolutely Agree [] Agree [] Neutral [] Disagree []
Absolutely disagree []

27. How do you usually manage your everyday revenues?

1. I try to save something and spend the rest of the money on the everyday needs []
2. I spend money on the everyday needs and save the rest []
3. I spend all the money on everyday needs and do not save anything []
4. I find it difficult to answer this question []

28. People save or invest for different reasons. What are your personal reasons to have made savings or investments?

1. For a rainy day, for unexpected expenses []
2. For retirement []
3. To get income in the form of interest, increased market value of assets, etc. []
4. To leave something for children to inherit []
5. To increase my living standards in the future []
6. I like saving rather than spending money []
7. No particular reason, this is a family tradition []

As part of the award degree of bachelor of business administration we would be glad if your offices could answer these questions. We commit that the detail of every information given on this sheet would be held in high confidentiality

QUESTIONNAIRE FOR BANK OFFICIALS

WHAT IS THE AVAILABILITY AND PATRONAGE OF INVESTMENT OPPORTUNITIES?

1. What savings instruments do you provide to the public?

- 1. Fixed deposit ()
- 2. Savings deposit ()
- 3. Current Deposits ()
- 4. Susu ()

3. Who are your clientele?

- 1. Public Servants ()
- 2. Small and medium scale enterprises and traders ()
- 3. Corporate Organisations ()
- 4. Others (specify)

4. What methods do you employ for deposit collection from your customers?

1. Mobile banking teams to get to customers at their business locations ()

2. Waiting for customers to come into the banking halls ()

3. Others (Specify).....

5. What percentage of your clientele maintain active savings/fixed deposit accounts?.....

6. How many of your current account holders also maintain savings account?.....%

7. Do you have savings products that entice customers to save? Yes [] No []

8. If yes, what are these products?

.....
.....
.....
.....
.....

9. Has your bank embarked on any outreach programme or promotion to encourage people to save with your bank? Yes [] No []

10. If yes, what was the response rate?.....

11. What has been the rate (%) of increase per year of the bank's savings clientele over the last five years?