

Factors Influencing Saving Behaviour and Capital Formation Among Rural Households in Kalambo District, Tanzania

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ABSTRACT

This study was carried out with the objectives of determining factors influencing saving behaviour and capital formation among rural households in Kalambo district in Tanzania. Specific objectives of the study were; to determine the rates of savings and capital formation among rural households; to identify key determinants of saving behaviour and capital formation among rural households. Research design involved cross-sectional survey in the area which covered a sample of 362 out of 3,911 households. Data were analysed for descriptive statistics and inferential statistics using STATA software version 13. Findings of the study revealed that average saving rate and capital formation rate among households were very low (3.8 and 8.2%, respectively), and majority of household heads (above 70%) had no bank accounts. Household savings increased significantly with increase in household income; marital status being single; having teacher's college education; having vocational education and having secondary level of education. The effects were in line with prior expectations. Furthermore, with exception to tax rate, all other variables included in the model had significant effect on capital formation and most of them were as per prior expectations. Based on these findings, recommendations to improve the situation have been indicated.

Keywords: Saving, rural household, investment

1.0 INTRODUCTION

Incidences of poverty in Sub-Sahara African countries including Tanzania are still at unacceptable levels with rural areas more affected than urban areas (URT, 2014b). Improving productivity coupled with improved savings among households is one of the avenues for poverty alleviation in these countries (Swai *et al.*, 2012; Amu and Amu, 2012). Saving is an important aspect of ensuring financial security of families, capital formation and economic growth. Close relationship that exists between savings and economic growth makes the analysis of savings behaviour evidently important for effective economic policy formulation and implementation. Existing reports indicate both national as well as household saving rate in poor countries such as those in Sub-Saharan African countries to be generally low (Varlamova and Larionova, 2013). Household saving rates have been reported to rarely exceed 20% of household disposable income. The problem of low savings is more prevalent in rural areas where majority of households are relatively poorer than those in urban areas. To design mitigation measures to improving households' savings in poor countries like those in Africa, adequate studies on saving behaviour among households in these countries, specifically rural households need to be done to understand dynamics of savings and capital formation among rural households. Several studies on saving behaviour among households exist in some African countries and factors influencing savings have been reported (Hailu and Mirachi, 2014; Teshome *et al.*, 2014). However, factors influencing household savings tend to vary from place to place, depending on socio-cultural settings, and hence mixed results on factors influencing savings have been reported in these studies. There is scarce information regarding saving behaviour and associated factors among rural households in Tanzania, including rural households of Kalambo district, in Rukwa region. Furthermore, studies on savings in the country have largely based on whether a household or an individual access saving institutions or not and its effect on household welfare; with scant information on households' levels of savings and associated factors (Tesha, 2013; EAC, 2014; Mapesa, 2015). Therefore this study was carried out with the objectives of determining factors influencing saving behaviour and capital formation among rural households in Kalambo district in Tanzania. Specific objectives of the study were; to determine the rates of savings and capital formation among rural households; and to identify key determinants of saving behaviour and capital formation among rural households.

2.0 METHODOLOGY

2.1 Description of the Study Area

Kalambo is among three districts of Rukwa region located on South-Western part of Tanzania. The district is bordered by Zambia in the South, Mbeya region (Mbozi district) in the South-East. It is also bordered by Lake Tanganyika in the South-West, Nkasi district in the West and Sumbawanga District Council and Sumbawanga Municipality to the North (KDC, 2015). The district has 22 wards and a population of 238,760 people. A wider scope of investment opportunities exists in the area. These include presence of good arable land for crop production and livestock keeping, as well as presence of Lake Tanganyika resources. Main economic activities by residents are crop production and livestock keeping, and to some extent fishing. Rukwa was the region with the lowest formal financial inclusion in 2013 according to Fin Scope Tanzania report (2013).

2.2 Research Design and Sampling Procedures

2.2.1 Research design

Data for this study involved a cross-section survey covering of 362 households randomly selected from two rural wards (Lyowa and Mkowe).Data collection was carried out by face-to-face interview with the household head using structured questionnaire. The data were collected in June 2017. The sample size was calculated using a formula by Yamane (1967) which is given by: -

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

Where: N = Total number of households, n = Sample size and e = Sampling error (5%).

$$n = 3,911 / 1 + 3,911(0.05)^2 = 362,$$

2.2.2 Specification of dependent variables and model specification

Savings and capital formation rates were the dependent variables for this study. These were computed as;

Household savings rate:

$$\left(\frac{\text{Household disposable income} - \text{Household consumption expenditure}}{\text{Household disposable income}}\right) \times 100 \dots\dots\dots \text{Equation 2}$$

Household Capital Formation rate:

$$\left(\frac{\text{Household's income} - \text{Recurrent use of income}}{\text{household disposable income}}\right) \times 100 = \left(\frac{\text{value of productive assets}}{\text{disposable income}}\right) \times 100 \dots\dots\dots \text{Equation 3}$$

Household savings behaviour econometric model

The Life cycle hypothesis gives framework for this model, as it assumes that individuals seek to maintain their standard of consumption throughout their lifetime period by saving during usual time to cover some necessary requirements of those deprived days in future (Ando and Modigliani, 1963). Savings is a function of income and consumption, therefore at a given time; household savings is expressed as a percentage of household disposable income that is set aside for future household commitments. However, ethnic groups are said to value saving differently, hence are willing to save by tradition while others are reluctant to do saving. And based on life cycle theory demographic characteristics of households are essentially important variable in affecting saving decision. The model can therefore be specified in operational form and including logarithm as:

$$\text{Log HSB} = \beta_0 + \beta_1 \text{Hincom} + \beta_2 \text{Hasset} + \beta_3 \text{AgeHH} + \beta_4 \text{Age}^2 \text{HH} + \beta_5 \text{Dep-ratio} + \beta_6 \text{Gender} + \beta_7 \text{Marital} + \beta_8 \text{Edu1} + \beta_9 \text{Edu2} + \beta_{10} \text{Edu3} + \beta_{11} \text{Edu4} + \beta_{12} \text{Edu5} + \beta_{13} \text{Edu6} + \beta_{14} \text{Edu7} + \beta_{15} \text{Edu8} + \beta_{16} \text{Edu9} + \beta_{17} \text{Edu10} + \mu \dots\dots\dots \text{(Equation 4)}$$

In the present study, this model was estimated using Ordinary Least Square (OLS) method using STATA software.

Clarification of the model in terms of variable names, description, type and measurement is given in Table 1.

Table 1: Variable description and their measurements

V/name	Variable Description	Variable type	Variable measure
HSB/HSR	Household Savings Rate	Continuous	Percent of household's income that is set aside for savings
Hincome	Household Income	Continuous	Tanzania shillings
Hassets	Household assets	Continuous	Tanzania shillings
AgeHH	Age of household head	Continuous	Number of years
Age ² HH	Marginal change in age of households head	Continuous	Rate of change in age
Dep-ratio	Household dependence ratio	Continuous	Households members financially dependent/household's size
Gender	Gender of head of household	Dummy	1= Households headed by female, 0 = Households headed by male
Marital	Marital status of head of household	Dummy	1= Marriage head of household 0 = Single head of household
Edu1	Tertiary university education of household head	Dummy	1 = Tertiary university education 0 = otherwise
Edu2	Tertiary non university education of household head	Dummy	1 = Tertiary non university education , 0 = otherwise
Edu3	Teachers education/college	Dummy	1 = Teachers college education 0 = otherwise
Edu4	Vocational education	Dummy	1 = Secondary education A-level 0 = otherwise
Edu5	Secondary education A-level	Dummy	1 = Secondary education A-level 0 = otherwise
Edu6	Secondary education O-level	Dummy	1 = Secondary education O-level 0 = otherwise
Edu7	Primary education std IV	Dummy	1 = Primary education std IV 0 = otherwise
Edu8	Primary education std VII	Dummy	1 = Primary education std VII 0 = No school
Edu9	Adult education	Dummy	1 = Adult education 0 = otherwise
Edu10	No school	Dummy	1 = Not attended school 0 = otherwise
β_0	Intercept	-	-
β_i	Parameters to be estimated, where, $i= 1,2,3,\dots,16$	-	-
μ_t	Error term	-	-

In the above model, income was computed as sum of income from various sources shown in Table 2.

Table 1: Sources of household's income

V/name	Variable description	Variable type	Variable measure
Y	Household total income	Continuous	Tanzania shillings
YE	Income from employment	Continuous	Tanzania shillings
YA	Agricultural income	Continuous	Tanzania shillings
YNF	Non-farm self-employment income	Continuous	Tanzania shillings
YB	Income from business	Continuous	Tanzania shillings
YR	Rental income	Continuous	Tanzania shillings

V/name	Variable description	Variable type	Variable measure
YRM	Income from remittances	Continuous	Tanzania shillings
YOI	Other income	Continuous	Tanzania shillings

Household capital formation model

The McKinnon-Shaw hypothesis (1973) provides the framework of this model which postulates that oppressive regulations in the financial systems of many Less Developed Countries (LDCs) lead to financial depression that kills the incentive of potential savers and investors in the economy. These regulations do impact negatively on the amount of domestic savings which affects capital formation and ultimately economic growth and development.

McKinnon’s (1973) complementary hypothesis predicts that money and investment are complementary due to a self-financed investment, and that a real deposit rate is the key determinant of capital formation for financially constrained developing economies. Capital formation is again a function of income, which is directly influenced among other things by inflation and fiscal conditions, availability of potential opportunities, household consumption patterns access to financial information. Capital creation among households is therefore expressed as a percentage of average income that is set aside to acquire productive assets by households over a given period.

This can be specified in operational form and including logarithm as:

$$\text{Log HCF} = \beta_0 + \beta_1 \text{InfR} + \beta_2 \text{TR} + \beta_3 \text{IOpp} + \beta_4 \text{SLA} + \beta_5 \text{VIA} + \beta_6 \text{SCD} + \beta_7 \text{Ainfo} + \mu \dots \dots \dots \text{Equation 5.}$$

As with equation 4, this model was estimated using OLS method using STATA software. Clarification of the model in terms of variable names, description, type and measurement is given in Table 3.

Table 3: Variable description and measurements for household capital formation model

V/name	Variable description	Variable type	Variable measure
HCF/ HCFR	Household Capital Formation/ Household capital formation rate	Continuous	% of productive assets value
InfR	Inflation Rate	Continuous	Price of essential goods (shillings)
TR	Tax Rate	Continuous	Average tax paid (shillings)
OI	Opportunities to invest	Dummy	1 = Potential investment opportunities is critical for capital creation, 0 = other reasons
SLA	Stocks of Liquid Assets (SLAs)	Continuous	Average value of SLAs in Shillings
VIA	Value of illiquid assets	Continuous	Average value of VIAs in Shillings
SCD	Stocks of consumer durables	Continuous	Average value of SCDs in Shillings
Acinfo	Effective access to information on capital creation by households	Dummy	1 = Heard about capital formation 0 = Never heard
β_0	Intercept (autonomous capital)	-	-
β_i	Parameters to be estimated, where, $i=1,2,3,\dots,10$	-	-
μ_t	Error term	-	-

2.2.3 Prior expectations

Prior expectations for various variables for models under study based on literature are given in Table 4 and Table 5.

Table 4: Prior expectations of the determinants of savings

Variable	Expected sign	Comments/Expected outcome
Household Income	Positive (+)	Higher income induce higher savings 'that the average propensity to save rises as the income rises and it falls when income falls'
Household assets	Positive (-)	Excessive desire for asset accumulation limits household's savings
Age of household head	Positive (+)	Early age group of people are less concerned with family start up expenses - if rational they are good in savings
Dependency ratio	Negative (-)	Larger household size decreases household's savings
Gender	Positive (+)	Because of family care inclination, women are good in savings than men, men are mostly leisure oriented
Marital status	Positive (-)	Because of initial cost of family building, marriage people save less than single people
Education level	Positive (+)	Education increases ones knowledge and rationality which influences decision to make more savings for future self-support

Table 5: Prior expectations of conditions influencing capital formation

Variable	Expected sign	Comments/Expected outcome
Inflation Rate	Negative (-)	Inflation have negative and significant influence on private savings, a high inflation rate reduces confidence for potential investors to create capital.
Tax Rate	Negative (-)	Increasing taxation, if direct, reduces available income to household and if indirect, lowers the purchasing power of existing personal incomes, hence induced to disinvest accumulated wealth
Opportunities to invest	Positive (+)	Availability of potential investment opportunities encourage capital creation among households
Stocks of Liquid Assets	Negative (-)	Excessive stocks of liquid assets limits savings and real assets creation in short term, and consequently production and growth in a long run
Value of Illiquid Assets	Negative (-)	Low value (poor quality) assets are less productive and capital consuming
Stocks of Consumer Durables	Positive (+)	Stock of consumer durables supports further productions and encourages accumulation of more capital goods
Access to information	Positive (+)	Information is power, knowledge on savings and investment ideas is critical for capital creation among households

3.0 RESULTS AND DISCUSSION

3.1 General Characteristics of Respondents

Socio-demographic characteristics of respondents play a significant role in shaping their saving behaviours. Respondents for this study were household heads. Results in Table 6 reveal majority of respondents (82%) aged between 36-59 years, more than 90% were married and around six in every ten respondents (62%) had household size of at least 5 individuals. Most of these families had family responsibilities; therefore, they need to save to support their family wellbeing at present and in future (Swai *et al.*, 2012). Furthermore, most of respondents (80.2%) were males, reflecting dominance of males in household decisions in African families as it has been reported elsewhere, and main occupation of more than 80% of respondents was either farming or livestock keeping or both. Results from Table 6 also reflect good education level by substantial proportion of respondents with around 40% having at least secondary education, and hence more likely to understand issues of savings. Findings of the study also indicated that average monthly household disposable income was TZS 537,551,

which is slightly below TZS 696,484.3 which is the average at national level (URT 2016a). Almost 75% of this income was from farming activities.

Table 6: Characteristics of respondents

Variable	Response category	Frequency	Percent (%)
Age	Youth (18-35yrs)	30	9.0
	Adults (36-59yrs)	273	82.0
	Old aged (60+yrs)	30	9.0
	Total	333	
Gender	Male	268	80.2
	Female	66	19.8
	Total	334	100
Marital status	Married	323	96.4
	Single	4	1.2
	Widowed	7	2.1
	Divorced/Separated	1	0.3
	Total	335	100
Household's size	Less than 3 members	28	8.4
	3 to 5 members	99	29.6
	More than 5 members	208	62.1
	Total	335	100
Education	Tertiary University	9	2.7
	Tertiary Non University	8	2.4
	Teacher education/college	8	2.4
	Vocation education	7	2.1
	Secondary A-Level	3	0.9
	Secondary O-Level	23	6.9
	Primary Education STD IV	8	2.4
	Primary Education STD VII	194	58.3
	Total	333	100
Occupation	Agriculture and animal husbandry	179	54.7
	Both Business and agriculture	103	31.5
	Business only	15	4.6
	Civil servant	30	9.2
	Total	327	100.0

3.2 Household Savings and Capital Formation Rates

Results from the study revealed average saving rate and capital formation rate by respondents were very low. The rates were 3.8% and 8.2%, respectively (Table 7). More than 70% of respondents had no bank accounts, and hence these saving were in other forms such as hoarding. The finding of the study also reflects the empirical findings by Ngendakuriyo (2014) that savings are comparatively very narrow among rural households of the East African region and that about 79% of rural households in Tanzania kept their savings in a secret place outside the financial institutions.

Table 7: Average household's savings and capital creation rates (%)

Indicator	Observations	Minimum	Maximum	Mean	Std. Dev.
Savings rate	334	0.0	42.6	3.8	4.0
Capital F/rate	335	0.0	83.3	8.2	9.6

3.3 Determinants of household savings behaviour

The study used two Multiple Linear Regression Models, with the first model analysing determinants of the household savings behaviour and the other model analysing determinants of household capital formation. All continuous variables were transformed into log form to improve uniformity in the distribution of data and linearity of the variables in the model. At this stage is also important to note that the predictor variable “primary education standard IV” was considered as a base variable to relate and discuss other levels of education in saving behaviour model.

Findings in Table 8 shows that four of the explanatory variables had significant effect on household saving rate. Household saving increased significantly with increase in household income; marital status being single; having teachers college education; having vocational education and having secondary level of education. Other variables included in the model were not significant.

Table 8: Estimates of parameters for household savings behaviour regression model

Log savings (Dependent)	Coef.	Std. Err.	t	P>t	(95% Conf. Interval)	
Log -income	0.3975731	0.1082132	3.67	0.000***	0.1841614	0.6109849
Log t-asset	0.0767544	0.0669862	1.15	0.253	-0.0553518	0.2088605
Age	0.008427	0.0096066	0.88	0.381	-0.0105187	0.0273726
Dep-ratio	-0.3920899	0.4289058	-0.91	0.362	-1.237953	0.453773
Gender	0.1433468	0.1641099	0.87	0.383	-0.1803012	0.4669948
Marital	-0.441236	0.2097161	-2.10	0.037**	-0.8548258	-0.0276462
Edu1	0.2977086	0.5885401	0.51	0.614	-0.8629755	1.458393
Edu2	0.7672959	0.5655353	1.36	0.176	-0.3480195	1.882611
Edu3	1.275477	0.6035354	2.11	0.036**	0.0852196	2.465734
Edu4	1.858226	0.6856705	2.71	0.007**	0.5059867	3.210465
Edu6	0.8784322	0.4884946	1.80	0.074	-0.084948	1.841813
Edu8	0.5207509	0.4346299	1.20	0.232	-0.3364007	1.377903
Edu9	0.5605703	0.695791	0.81	0.421	-0.8116277	1.932768
Edu10	0.522767	0.4617857	1.13	0.259	-0.3879395	1.433474
Cons	3.051749	1.567483	1.95	0.053	-0.0395484	6.143046

Dependent Variable: Household savings behaviour (saving rate)

Obsv = 211, F = 3.17, P-value = 0.0002, $R^2 = 18.45$, Adj. $R^2 = 12.63$,

***, **, Significant at 1%, and 5%, respectively

3.3.1 *Household income*

The ability to save depends on the income of the household and income is considered to be the most important explanatory variable of the savings of the household. The hypothesis assumes that household savings increases as household income increases. The coefficient is positive and statistically significant at 1%. These results support the hypothesis and it is according to prior expectation. However, from other studies it is well-known that one's level of income does not guarantee his or her savings level because willingness to save is an inborn character, which depends much on culture, economy consciousness and self-denial determination rather than income level and economic ability (Borsch-Supan, 1992). Development of saving skills and economic policy planning mechanisms among servers are critically continuous missions of the government and financial institutions.

3.3.2 *Marital status*

Theoretically, unmarried people save more than those who are married, therefore savings decreases with marriage as well as household size because of home building and family care commitment related expenditures. Result articulates that the variable is statistically significant at 5% and the coefficient is negative and thus adhere the prior expectation. From descriptive statistics in Table 6, the study also revealed that most of sample respondents (96.4%) were married. This pattern may have negative impact on overall household savings in a study population. However, on the other side of the coin marriage can be an incentive to save among households to support future obligations/commitments of the family (Chapman and Cahit, 2010).

3.3.3 *Teacher's college education*

Education is vital to an increasing aggregate household saving. Theoretically, education level has positive relation to household savings level, implying that the higher the education, corresponds relatively with the higher the level of income, hence higher household savings. Findings in Table 8 indicate that the predictor 'teacher's/college education' was statistically significant with positive coefficient.

3.3.4 Vocational education

Research findings in Table 8 further confirm increase of savings with increase in education level. As with having other tertiary education like teachers' college education, having vocational education was significantly positively associated with increase in savings relative to lower levels of education. This further stresses importance of education on decisions to save among rural households. This tendency of increasing savings with increasing level of education concurs with arguments from other scholars (Diop *et al.*, 2003, Lewis, 2001). Education can influence change of behaviour on savings and capital formation among rural households since it determines the decision on how to save, what is the right time to save, where to save and how much to save at a given time.

3.4 Determinants of household capital formation rate

During preliminary analysis, value of illiquid assets was found to be highly correlated with value of consumer durables, and hence the variable was dropped from the final model. Results for multiple linear regressions for determinants of household capital formation rate are shown in Table 9. Findings indicate that with exception to tax rate, all other variable included in the model had significant effect on capital formation rate at 1% level of significance.

Table 9: Estimates of parameters for capital formation rate regression model

Capital formation	Coef.	Std. Err. t	t	P>t	(95% Conf. Interval)	
Inflation rate	0.2434812	0.017443	13.96	0.000***	0.2341034	0.338136
Tax rate	-0.0024995	0.0054425	-0.46	0.646	-0.01320065	0.0082074
Investment Opportunities	0.2273237	0.0146003	15.57	0.000***	0.1986011	0.2560463
Stocks of liquid Assets	0.2877315	0.0150895	19.07	0.000***	0.2580464	0.3174166
Stock of consumer durables	0.2717999	0.0081749	33.25	0.000***	0.2557178	0.2878821
Access to information	0.2756366	0.0216318	12.74	0.000***	0.2330811	0.3181921
Cons	0.2861198	0.0264409	10.82	0.000***	0.2341034	0.3381361

Dependent Variable: Household's Capital Formation

Obsv = 233, F = 393, p-value = 0.0000, $R^2 = 87.88$, Adj. $R^2 = 87.65$

*** Significant at 1%

3.4.1 *Inflation*

Based on the results in Table 9, the coefficient of variable inflation is positive and statistically significant. Theoretically, inflation has negative and significant influence on capital formation, since high inflation rate reduces confidence for potential investors to create capital. This result therefore, is not in line with the hypothesis, however, Mundell (1965) and Tobin (1965) predicted and suggested a positive relationship between the rate of inflation and the rate of capital accumulation, and consequently a positive relationship to the rate of economic growth. Their basic argument was that, money and capital are substitutable, an increase in the rate of inflation increases capital accumulation by shifting portfolio from money to capital goods, and thereby, stimulating a higher rate of economic growth. Additionally, household heads were asked whether they have planned and achieved their household capital acquisition targets, and whether inflation was among the reasons for their failures to reach the target. About 68.1% of respondents indicated did not realize their capital acquisition plan, and less than half (41%) of these respondents attributed their failures to inflation.

3.4.2 *Investment opportunities*

Other things being equal, availability of potential investment opportunities encourages capital creation among households. Findings in Table 9 indicate access to investment opportunities had significant positive effect on capital formation rate. These findings are consistent with the empirical evidence by Campbell (2006) who found inadequacy of potential investment opportunities and lack of knowledge among households causing them not to access and refinance their mortgages even during periods of declining interest rates.

3.4.3 *Stocks of liquid assets*

The basic hypothesis was that, excessive stocks of liquid assets limits savings and real assets creation in short term, and consequently production and growth in a long run. Coefficient of explanatory variable is positive and statistically significant and it does not agree with prior expectations. However, results for descriptive statistics revealed few respondents (20.0%) have heard of liquid assets i.e. shares, bonds and other related financial products.

3.4.4 Stock of consumer durables

Stock of consumer durables supports further productions and encourages accumulation of more capital goods. Coefficient of explanatory variable is positive, statistically significant and it is according to prior expectations. The results agree with findings by Lusardi (2008). This implies that planned accumulation of stock of consumer durables may produce wide range multiplier effects on future household's wealth.

3.4.5 Access to information

Results indicate the coefficient of this explanatory variable is positive and significant. Result also obeys the theoretical background, that, information is power. Knowledge on savings and investment ideas are critical for capital creation among households. This result infers that, intensive and perfect knowledge, in terms of household capacity building and access to information is essentially crucial condition for effective capital creation among rural households. Other studies have also confirmed the positive association between financial knowledge and household financial decision-making (Stango and Zinman, 2007).

4.0 CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

Based on findings of this study, it can be concluded that;

Average saving rate and capital formation rate among households are very low at 3.8 and 8.2%, respectively, and majority of household heads (More than 70%) have no bank accounts a standard tool or means of saving. Household savings increase significantly with increase in household income; and the state of marital status of one being single; having teacher's college education; having vocational education and having secondary level of education. Have positive effects on saving behaviour

With the exception of tax rate, all other variable included in the model of capital formation had positive.

4.2 Recommendations

Government should ensure adequate macroeconomic policies that will open up rural economy and encourage savings and capital formation among households. The financial sector should deliberately be capacitated to unleash and utilize potentials of rural economy for example by setting up of an affordable savings benchmark (saving rate); This should among other things involve opening up of more branches through establishment of rural community banks with special incentives, strong financial administration and portfolio management.

Though savings is regarded as inborn character than trained, household capacity building is inevitably very important, this should involve knowledge dissemination among rural population on importance of saving. It is advisable to use routinely village assembly meetings, church assemblies and even NGOs which are involved in socio-economic services delivery while performing their duties to add saving and capital creation advocacy components in their contract or Memorandum of Understandings.

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