

**DETERMINANTS OF PERSONAL SAVING LEVELS IN SOUTH SUDAN:  
EVIDENCE FROM SELECTED AREAS OF JUBA CITY**

**BY**

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I hold to the truth of the following statements: the dissertation herein is a result of an original research work carried out by me under the supervision of Dr. ALEX THOMAS IJJO and is not reporting any previous published materials that have been used to obtain degrees or certificates at Uganda Christian University or any other education institution, except those that have been properly referenced and acknowledged. All contributions offered by my colleagues and academic friends in this research have been noted clearly in the thesis, and I have expressed by gratitude.

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## **DEDICATION**

I wish to dedicate this research work to my late mother AKUOL AMATONY and late brother JOHN MABOK MADING. I also dedicate it to my younger brother JOHN ARU, my two sisters AKUR and NYAKUER MADING who have at different points in time supported me emotionally and financially throughout my academic studies and journeys.

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## **LIST OF ABBREVIATIONS**

<b>BOSS:</b>	BANK OF SOUTH SUDAN
<b>CVI:</b>	CONTENT VALIDITY INDEX
<b>DNB:</b>	DE NEDERLANDSCHE BANK
<b>FIG 1:</b>	FIGURE ONE
<b>GDP:</b>	GROSS DOMESTIC PRODUCT
<b>N:</b>	POPULATION SIZE AND NUMBER OF RESPONDENTS
<b>N1:</b>	TARGET POPULATION IN GUDELE I
<b>N2:</b>	TARGET POPULATION IN MUNUKI BLOCK A
<b>S:</b>	SAMPLE SIZE
<b>SIP:</b>	SIMPLE INVESTMENT PROJECTS
<b>SPSS:</b>	STATISTICAL PACKAGE FOR SOCIAL SCIENCES
<b>SSP:</b>	SOUTH SUDANESE POUNDS
<b>UCU:</b>	UGANDA CHRISTIAN UNIVERSITY

## **ABSTRACT:**

The purpose of this study was to establish the determinants of personal saving levels in South Sudan: evidence from selected areas of Munuki Block in Juba City. The objectives of the study included to examine the demographic factors that influence the personal saving levels; to identify the personality aspects or traits that influence the personal saving levels; to establish the economic situations that influence the personal saving levels; and to assess the relationship between the demographic factors, personality aspects/traits, economic situations and personal saving levels.

The study employed cross sectional research design and both quantitative and qualitative research approaches were used. Both primary and secondary data sources were used for the study. A survey was conducted by administering questionnaires to 181 respondents. Questionnaires were used in gathering primary data and the secondary data sources included journals, internet, textbooks and newspapers. Statistical package for social sciences (SPSS) was used for data analysis. Frequencies, descriptive, Pearson's correlation and regression analyses were used to establish the influence and relationship between the study variables.

Specifically, the results of the study showed that all the dimensions of demographic factors, personality aspects and economic situations had different effects on some forms of personal saving levels. The study concluded that level of education, level of income, and aggregate economic situations had significant positive relationship with aggregate personal savings while aggregate personality aspects and interest rates had non-significant positive relationship with aggregate personal saving levels in the selected areas of Munuki Block in Juba City, South Sudan.

The researcher mainly recommended that government and financial institutions should provide favorable environment for savers by curbing inflation, setting up saving schemes, providing financial trainings, increasing interest rates for the savers to earn more interest on their saved capital. Individuals should involve in income generating activities such as business, agriculture and well-paying jobs so as to increase their earnings and create a better room for savings, avoid impulsive shopping and reduce on the levels of consumption of expensive goods and services, stick to the monthly saving routine, monitor and assess their savings, budgets and make sure that savings are always at the optimal levels. Furthermore, future research could use the same or other data collection methods so as to obtain more objective data to establish whether similar results could be obtained.

## CHAPTER ONE

### INTRODUCTION

#### 1.0 Introduction.

This chapter presents the background of the study, problem statement, main and specific objectives of the study, research questions, scope of study, significance of the study and conceptual, theoretical and contextual framework.

#### 1.1 Background of the Study:

The key terms in the topic with their operational definitions are determinant and personal savings. Determinant refers to a factor which decisively affects the nature or outcome of something (Webster, 1828). Personal savings is the fraction of an individual's income that is not consumed (Zhong, 2015). Savings is the proportion of disposable income not spent on consumption of consumer goods but accumulated or invested directly in capital equipment or in paying off a home mortgage, or indirectly through purchase of securities (ShuXuan, 2011).

Over the past decades, saving plays an important role in the process of economic growth and development. Logically, saving encourages investment that triggers the economic growth of one country. According to Harrod (1939) and Domar (1946), the speed of economic growth is determined by the ability to save because high savings rate will drive up the rate of investment and consequently stimulate economic growth.

There has been ups and downs in terms of savings rate in the world (Hlayiseka, 2012). The saving rate in Africa has perpetually been the lowest compared to other regions. It also faces serious credit constraints; and this, coupled with low income could greatly reduce any little incentive to save (Kibet et al, 2009). Sub – Saharan Africa has the lowest savings rate in the developing world. While figures vary from country to country, gross domestic savings in the region averaged about 18% of gross domestic product (GDP) in 2005, compared with 26% in South Asia and nearly 43% in East Asia and Pacific countries, according to World Bank estimates, (2005).

According to the previous empirical studies, motives, savings habits, age, income, income uncertainty, wealth, risk tolerance, saving horizon, homeownership, household composition, health status, education, race/ethnicity, self-employment and unemployment have all been linked to some aspects of saving and these determinants are directly and indirectly proportional to personal savings (Thulani, 2016).

Although a handful of countries have achieved higher savings rates, the bottom line is that the region's savings rate is not commensurable with the investment needs of 25% of GDP required to reduce poverty by 2015 (Thisen, 2012). Majority of the population does not get access to Banking services. As a result, only 20% of African families have bank accounts (Dovi, 2008).

However, subsequent attempts to predict savings using economic and psychological variables have met with limited success. The present study used a wide range of economic, demographic and psychological variables to distinguish between savers and non-savers and to predict recurrent saving and total savings. Two hundred and seventy-nine people completed in-depth surveys of their economic conditions, their social background and a variety of psychological predictors. Discriminant function analysis was used to discriminate between savers and non-savers. A variety of psychological factors discriminated those who save regularly from those who do not. Using multiple regression analysis, both recurrent and total saving were predicted by economic variables, recurrent saving was predicted also by psychological variables and total savings by demographic variables.

South Sudan is not exceptional in this situation. In the past years between 2011 and 2017, there has been a lot of variations in the personal savings levels on suspected grounds of demographic factors, personality aspects and economic situations in the country. As of now, officials of commercial banks indicate that south Sudanese pounds deposits have reduced dramatically for the past six months of 2016 (Ladu, 2016). Therefore, a number of factors are responsible for the fluctuations in personal saving levels (from 17.83% to 9.02%) according to South Sudan 2017 report. The research was therefore to establish the factors that determine personal saving levels in South Sudan.

## **1.2 Statement of the Problem**

Personal savings play a key role in economic growth and development (Harrod, 1939). Saving is being seen as a method of diminishing the risk resulting from the inability to predict the future and additionally as an act of precaution. Over the long run, in the absence of insurance markets, savings are considered one of the main triggers of social mobility and of making future spending possibilities (Attanasio and Szekely, 2000).

South Sudan has had ups and downs in term of savings levels since independence to date even though much emphasis has been put by the World Bank on the importance of savings by countries in order to fight against three problems of poverty, unemployment and diseases. The trend of saving rate in South Sudan has not been promising as it reduced from 17.83% to 9.02% of the GDP Between 2011 and 2017 (BOSS, 2017).

There is very little available literature explaining the volatile trend in saving levels in South Sudan. The literature does not clearly bring out the factors that influence the saving levels in South Sudan.

However little information suggests that South Sudanese save in some form, albeit sporadically and in small amounts. There is, however, a heavy reliance on informal saving methods such as saving cash at home, buying domestic animals such as cows, goats, sheep, chicken, buying saving stamps among others (Ladu, 2016). Fewer than one in five (18%) of all lower – income families had any money saved formally (Kempson, 2009). The poor can save only small amounts individually which are usually not enough to invest in productive resources. There are some suspected three categories of affecting factors such as; demographic factors, personality aspects and economic factors.

This research was to help to identify and understand the determinants of personal saving levels in South Sudan: evidence from selected areas of Munuki Block in Juba city.

### **1.3 Objectives of the study:**

This study was guided by the following objectives;

#### **1.3.1 Main Objective**

The main objective of the study was to establish the determinants of personal saving levels in selected areas of Munuki Block in Juba city, South Sudan.

#### **1.3.2 Specific Objectives**

- a) To examine the demographic factors that influence the personal saving levels in selected areas of Munuki Block in Juba city, South Sudan.
- b) To identify the personality aspects or traits that influence the personal saving levels in selected areas of Munuki Block in Juba city, South Sudan.
- c) To establish the economic situations that influence the personal saving levels in selected areas of Munuki Block in Juba city, South Sudan.
- d) To assess the relationship between the demographic factors, personality aspects, and economic situations, and personal saving levels.

### **1.4 Research Questions**

This study was guided by the following research questions

- (a) What are the demographic factors that influence the personal saving levels in selected areas of Munuki Block in Juba city, South Sudan?

- (b) What are the personality aspects that influence the personal saving levels in selected areas of Munuki Block in Juba city, South Sudan?
- (c) What are the economic situations that influence the personal saving levels in selected areas of Munuki Block in Juba city, South Sudan?
- (d) What is the relationship between demographic factors, personality aspects and economic situations, and personal saving levels?

### **1.5 Scope of Study**

The scope of the study included the geographical, content and time scopes as given below;

#### **(a) Geographical scope;**

The study focused on one of the three administrative blocks of Juba city selected through probability sampling techniques. This block is Munuki Block, located northwest of Juba Town.

#### **(b) Content scope;**

The researcher considered data covering the period of seven years, between 2011 and 2017. The researcher considered this period because it was long enough to measure the determinants of personal saving levels in South Sudan, namely, demographic factors, personality aspects and economic situations as given in the specific objectives above. This was got from the residents of the selected areas of Munuki Block in Juba city, South Sudan.

#### **(c) Time scope**

This study commenced in August 2017 to August 2018. This was a duration of twelve months. The variations studied fell in the period between 2011 and 2017.

### **1.6 Significance of the Study**

This study would be significant in the following ways;

The study would aid students, researchers and other parties who need knowledge in the field of personal savings to use these findings as reference since very few studies have been conducted in South Sudan on this topic.

It represents a partial fulfillment of the requirements for the award of Master's degree of Business Administration in Uganda Christian University.

Most of the studies on the factors influencing personal saving levels have been done in developed countries/economies and very little research has been done in developing countries. Therefore, this study is to inform the gap between factors responsible for variations in savings levels in developing countries.

The conclusions and recommendations of the study could help the banking industry and policy makers in identification of weaknesses in the banking and saving systems, and find ways of improving their services or to address societal problems.

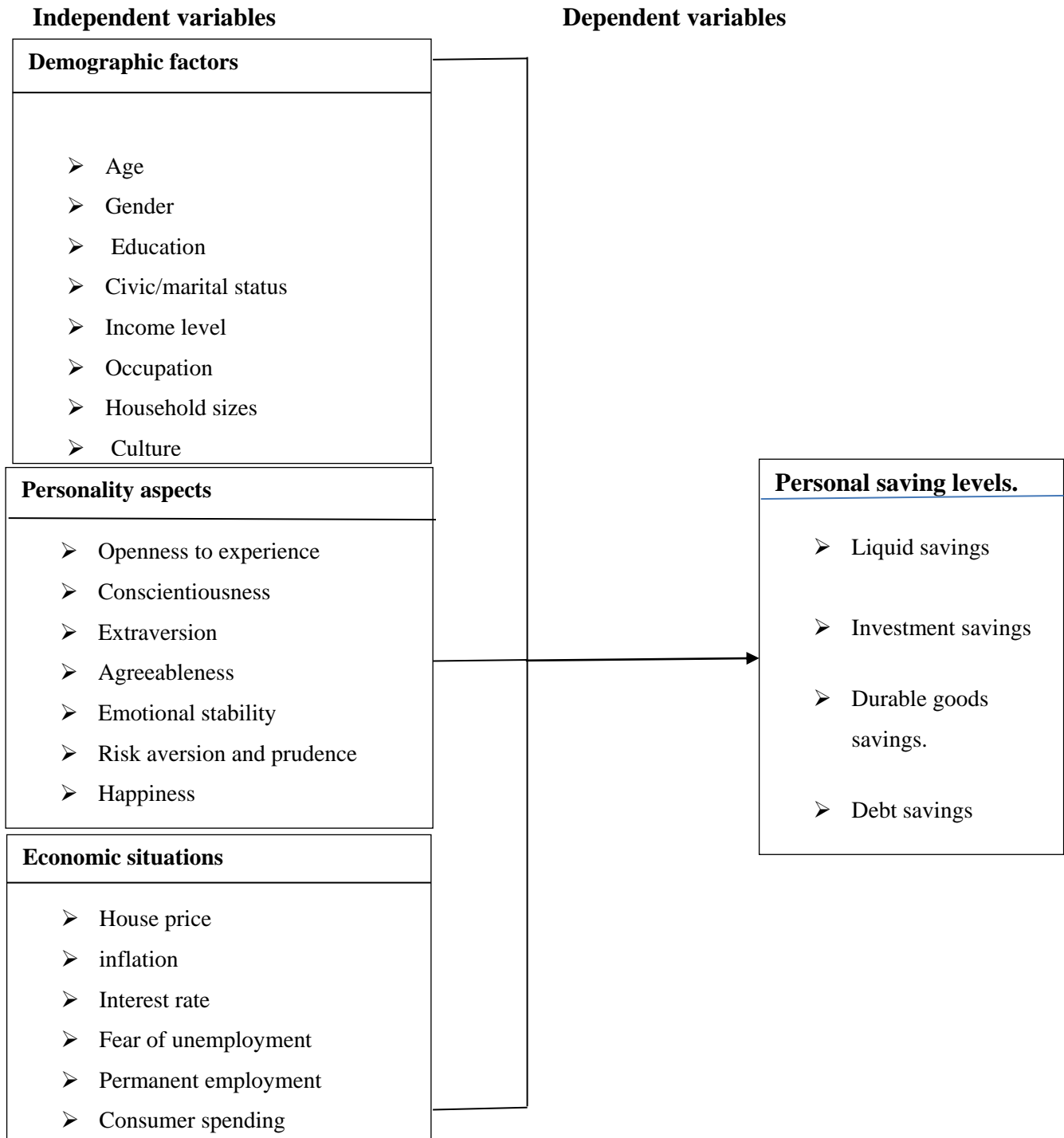
The study would generate useful insights that could be used by the government and non-governmental organizations to promote and educate the people in villages on the importance of personal savings in south Sudan.

Lastly, it would help the researcher to acquire adequate research skills which will be applied in the future studies.

### **1.7 Conceptual framework**

The fig. 1 below shows the demographic factors, personality aspects and economic situations that influence the personal savings levels among the members of the society in South Sudan: evidence from selected areas of Munuki Block in Juba city.

**Fig 1.** Demographic factors, personality aspects and economic situations responsible for variations in savings levels in selected areas of Munuki Block in Juba city, South Sudan.



**Source:** Developed and adapted from Popovici (2012).

The conceptual framework or the model above shows the relationship between the demographic factors, personality aspects and economic situations (Independent variables) and personal saving levels (Dependent variable). The independent variable was made up of demographic factors and its dimensions included gender, age, education, civic/marital status, income level, occupation,

household size and culture; personality aspects whose components included openness to experience, conscientiousness, extraversion, agreeableness, emotional stability/neuroticism, risk aversion and prudence as well as happiness; and economic situations whose elements were house price, inflation, interest rate, fear of unemployment, permanent employment and consumer spending. While the dependent variable was personal saving levels which was made up of liquid, investment, durable goods and debt savings.

### **1.7.1 Theoretical framework/background**

Economists have developed three major theories of consumption and saving behavior: The life-cycle hypothesis (Modigliani and Brumberg, 1954; Modigliani and Ando, 1957; Ando and Modigliani, 1963); the permanent income hypothesis (Friedman, 1957); and the relative income hypothesis (Dusenberry, 1949). All three theories have their conceptual roots in the microeconomic theory of consumer choice. However, the life-cycle and permanent income hypotheses are the most similar; both theories assume that individuals attempt to maximize their utility or personal well-being by balancing a lifetime stream of earnings with a lifetime pattern of consumption. The relative income hypothesis is quite different. Dusenberry theorized that individuals are less concerned with their absolute level of consumption than with their relative level.

The life-cycle hypothesis has been utilized extensively to examine savings and retirement behavior of older persons. This hypothesis begins with the observation that consumption needs and income are often unequal at various points in the life cycle. Younger people tend to have consumption needs that exceed their income. Their needs tend to be mainly for housing and education, and therefore they have little savings. In middle age, earnings generally rise, enabling debts accumulated earlier in life to be paid off and savings to be accumulated. Finally, in retirement, incomes decline and individuals consume out of previously accumulated savings.

Empirical studies of the life-cycle hypothesis have generated a large literature. Studies that have focused on the savings behavior of older persons, however, have been inconclusive regarding the correspondence between observed savings behavior and the pattern of saving and dissaving predicted by the life-cycle hypothesis. Many studies seemingly in conflict with the life-cycle hypothesis, have found that older persons continue to save in retirement. Several explanations have been offered for this. King (1985), for example, notes that saving in retirement is not necessarily inconsistent with the life-cycle hypothesis, if one accounts for the aversion of individuals to uncertainty about the future (e.g., how long they will live and future inflation). Another explanation is that the generosity of pensions reduces the need to save in preparation for retirement and to dissave while in retirement. Life-cycle savings patterns in some European countries that have

generous pension systems such as France, Germany and Italy appear to be consistent with this explanation. Another related explanation for lack of dissaving in retirement is that deteriorating health may limit the ability of individuals to consume at levels that are higher than their pension income. Moreover, the pension wealth that retired persons hold is not liquid and they are not able to draw down their pension wealth any faster than the annuity payments that they receive.

The vast majority of the research on the life-cycle theory has focused on patterns of savings behavior. Savings, however, are only half of the story. To adequately interpret whether observed savings patterns are consistent with the life-cycle theory, it is also necessary to examine consumption patterns. And, as with savings, it is necessary to account not only for out-of-pocket consumption but also expenditures made on behalf of older persons in retirement (e.g., health care expenditures). As the population ages, the life-cycle consumption patterns of older persons, in particular, the greater allocation of expenditures to health care will shift the composition of aggregate private household demand. In addition, public expenditures will shift in response to population aging (e.g., away from education expenditures for the young toward expenditures for pension payments and health care insurance).

### **1.7.2 Contextual background**

This refers to the background, environment, framework, setting or situation surrounding the area, people and the situation being researched. It is a background picture of where the piece of information came from and what or who was involved. The study was conducted in the two sub-blocks of Munuki Block in Juba City. It is an urban setting located northwest of Juba town and consisting of people with diverse and different social, economic and cultural backgrounds. The factors investigated among the respondents in these localities included demographic factors such as age, gender, level of education, civic/marital status, level of income, occupation, household sizes and culture; personality aspects such as openness to experience, conscientiousness, extraversion, agreeableness, emotional stability, risk aversion and prudence as well as happiness; and economic conditions such as house price, inflation, interest rate, fear of unemployment, permanent employment and consumer spending which are responsible for variations in their personal saving levels. The study targeted the period between 2011 and 2017.

In summary this chapter entails the details on the background of the study, problem statement, main and specific objectives of the study, research questions, scope of study, significance of the study and conceptual, theoretical and contextual frameworks as explained above.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter presents a review of various literature related to the study. It extensively looks at the various factors. In this paper, three categories of researches are relevant: the studies on demographic factors and savings, the findings on the personality aspects and savings and the literature analyzing the economic situations and its influence on savings influencing the savings levels in South Sudan within the framework of the specific objectives mentioned earlier. This review also highlights past literature that relates to this study, previous research findings, various papers and government publications on the subject. Previous empirical studies suggest that there are a variety of factors that are regarded as important elements of savings as explained below;

#### 2.1 Demographic variables.

Demographic variables are characteristics or attributes of subjects that are collected to describe the sample. They are also called sample characteristics. It means these variables describe study sample and determine if samples are representative of the population of interest. Although demographic variables cannot be manipulated, researchers can explain relationships between demographic variables and dependent variables. Some common demographic variables are age, gender, education, civic/marital status, income level, household size and culture.

General consensus among researchers all around the world has shown that savings are being influenced by demographic variables (LeraLópez, 1998; Fernandez et al., 2009). Factors such as age, gender, education or civil status are shown as important aspects in the decision to save. For example, Fernandez et al (2009) investigated the determinants of savings from eight countries in Europe. In accordance to the life-cycle economic approach that people tend to save more as they reach retirement, they have found that age has a positive impact on savings. Furthermore, the results show that the probability to save is rising with age, but at a progressively lower rate.

Demery and Duck (2006) also found that saving rates are in line with the life-cycle model. They have concluded that people in the working life are more interested in savings when they reach the age of 50. Many researchers have reported a positive relationship between age and savings and that saving increases with age (Chang, 1994; Katona, 1975; Mirer, 1979). Furnham (1985) found age to be strongly and linearly related to respondents' attitudes toward saving, and age has been found to determine how regularly a household saves, where a household saves, and why a household saves. Yuh and Hanna (2010) found the predicted probability of saving to be the highest among the

respondents under age 30, with the predicted probability generally decreasing with age. The disadvantage poses by the life-cycle theory is that persons are considered fully rational, acting only in their own interest and being able to know the exact date of retirement, death as well as other important facts.

Furthermore, gender has an impact on the willingness to save. Recent studies point out the higher degree of risk aversion among women (Pan and Statman, 2010). Floro and Seguino (2002) show evidence that women do save more relative to men, even after an increase in women's income and bargaining power. Gerrans and Clark-Murphy (2004) consider that there is a close relationship between age and gender. Using a survey of members of the Superannuation Scheme for Australian Universities, they have concluded that younger females are more likely to have a higher risk tolerance and a bigger chance of not saving. Furthermore, saving decisions are also found to be driven by the connection between gender and marital status rather than by gender alone; married women tend to save more than single women. One interesting result was that married young females have a higher probability of having negative savings relative to the old male category.

Previous studies have examined the effects of education on savings (Morisset and Revoredo, 1995; Laiglesia and Morrisson, 2008). Education is a factor which is closely tied to the Wealth accumulation and its influence over income is direct. Over a long period of time, education corrects the savings of different individuals and its effect depends also on the region and economic development within that area. Morisset and Revoredo (1995) found that for each point increase in education, the savings rate increase with 0.37%. Indirectly, education has the ability to modify the behavior of households, even if the authors themselves believe it is not the best proxy for determining the savings attitude of households. One of the best factors with an important impact over savings is financial education. Using the DNB (De Nederlandsche Bank) Household Survey, Van Rooij et al. (2011) provided evidence that financial education is strongly influencing net worth. First, a higher degree of financial knowledge increases the possibility of having gains from the stock market. Second, it has a large impact on the creation of retirement plans which lead to a boost in savings. Overall, financial literacy has been found to influence directly as well as indirectly the wealth and savings of household, proving to be much more efficient in determining the saving behavior of households.

As already stated before, empirical research found that civil status as well as domestic partnership have been found to influence savings behavior. Married persons are more likely to be more interested about their wealth and savings (Li et al., 1996; Fernandez et al., 2009). Man-Yee and

Heather (2010), have taken the discussion further and consider that savings are usually “shared” between partners, without any difference between being married or not. Investments, on the other hand, are being held independently by each couple member. Additionally, savings tend to influence also the psychological well-being of the partner, where investments or debt held by one partner do not seem to have an influence on the behavior of the other partner.

Saving and income are positively related, with saving increasing with income (Chang, 1994; Foster, 1981; Hefferan, 1982; Lee et al., 2000; Yuh and Hanna, 2010). Income is also an important feature in the process of household savings. In general, literature on savings considers that a higher income raises the chances of wealth accumulation (Attanasio and Székely, 2000; Fernandez et al, 2009). Other researchers have a different opinion. Huberman et al. (2007) and Huggett and Ventura (2000) found evidence that people with low income do not save usually more than high income persons because of their expectance that the public pension systems will ensure them with a retirement income. Fernandez et al. (2009) also asserted that income and job uncertainty are being highly correlated, so there is a close link between job uncertainty (income uncertainty) and the savings. There is evidence that people which do not have a stable job, either working as freelancer or in project-based companies, are more willing to save more, taking into consideration the uncertainty which lies in front.

Occupation/employment status: One set of characteristics often overlooked in the literature is the job characteristics of participants. Prior studies have revealed the importance of job characteristics on retirement timing and pension plan features, but no research has traced out its association with contribution behavior and personal savings. Given a lack of empirical work in this area, the most relevant job characteristics are difficult to distinguish precisely. Further complicating the picture, job characteristics can be defined in many ways, ranging from physical and intellectual demands, organizational tasks, and earnings and fringe benefits to environmental conditions. Unquoted sources claim that personal saving depends on the type of job you hold and hence the research has to find out whether this claim is true or false.

Attempts to introduce the household size effects on the life-cycle model have also reveal that larger family size reduces the aggregate saving rate (Davies, 1988). Furthermore, using the OLS method, Orbeta Jr.(2006) has estimated a saving function using income and number of children as dependent variables. The results tend to agree with previous studies and showed that an increase in the household size has a negative impact on savings. This effect is even more apparent in the case of

low wealth family, further depressing the already low saving rates. Likewise, the study reveals that reducing the household size can be a positive factor for savings and wealth.

Culture plays an important role for household behavior. A vast literature finds that cultural components are indeed likely to explain a substantial part of the dispersion across households in female labor supply (e.g. Fernandez, 2007; Alesina and Giuliano, 2010; Blau, 2015), male employment decisions (Moriconi and Peri, 2015), fertility (Fernandez and Fogli, 2009), family living arrangements (e.g. Giuliano, 2007; Furtado et al., 2013) and household portfolio composition (Haliassos et al., 2015). Evidence on the link between culture and the household saving behavior is, however, still scarce and inconclusive and, in general, hindered by data limitation.

Using Canadian household data Carroll et al. (1994) provide a first exploration of the relationship between culture and propensity to save of households. While they find a common immigration effect, they do not find evidence that differences in saving rates between cultural groups can be attributed to cultural factors. However, as they acknowledged in their conclusions data limitation might be at the root of their findings as cultural groups are defined in terms of very broad regions of origin (they identify four macro areas, North-West Europe, South-East Europe, South-East Asia and Other Asia), wealth is not measured very accurately and remittances are not observed.

## **2.2 Personality aspects**

These include personality traits such as openness, autonomy, agreeableness, extraversion, conscientiousness, risk aversion, happiness and neuroticism which influence personal savings levels among people.

Attributes such as risk aversion, emotion or complexity have always counted in the decision of an individual. These elements are mostly studied by psychologists but have also caught the attention of economists. A huge interest in economy has been given to items such as risk aversion, attitudes or time preferences (Dumann, 2008; Arrondel and Masson, 2011; Korhonen, 2011) and very little attention has been paid to the main factor of these behaviors: the personality.

Personality characteristics are being defined as the feelings, behaviors or thoughts that influence the decision to act in a different manner (Roberts, 2009). The firsts to build a model for measuring the personality traits were Costa and McCrae (1992). They have called it the Five Factor Model,

which includes ten items which measure the openness to experience, conscientiousness, extraversion, agreeableness and emotional instability.

The Five Factor Model, also known as the Big Five personality traits, has been mostly used and accepted by both psychology and economy researchers (Nyhus and Webley, 2001;) to be more interested about their wealth and savings (Li et al., 1996; Fernandez et al., 2009)

Roberts et al, 2011; Becker et al. 2012). Critics on this measurement procedure have also arisen. For example, Borghans et al. (2008) recognized the importance of IQ and preferences measures as well as the personality ones. They consider that age also plays a role in the volatility of personality as well as new experiences that could change different perceptions.

Nowadays, new versions of the Five Factor Model have appeared. Rammstedt and John (2007) provided a ten item version of the Big Five personality traits. They have selected two items for every personality, each item being related uniquely to one personal attribute. Rammstedt and John (2007) accepted that one strong disadvantage of their method is the reliability problem. On average, the BFI-10 version captured 70% of the Big Five Factor Model and had 85% retest reliability. Gosling et al. (2003) concluded that researchers should use brief versions of personality measurement techniques when they have the time limit as well as in studies where personality is not the main topic of interest.

While most of the literature studies on the impact of personality on total savings, other researchers study its impact on different levels of wealth. Nyhus and Webley (2001) found that neuroticism, autonomy and extraversion are important and significant variables in predicting the savings behavior of Dutch households. A high degree of emotional stability has a positive impact on the household's plan to save. Furthermore, they had separated savings into investment, insurance and debt and found that extraversion as well as autonomy has a negative impact on investment savings. Speaking about insurance savings, high level of agreeableness, autonomy or extraversion again seems to minimize insurance savings. Lastly, autonomy and agreeableness have a positive impact on debt savings.

Brown and Taylor (2011), using the measurement of Costa and McCrae (1992), exposed the effect of personality traits on the financial assets and debt of British households. Extraversion and openness were found to have a significant positive impact on debt; a one standard deviation increase in extraversion and openness rising by 22% and 10% the level of unsecured debt.

Furthermore, extraversion was also found to have a significant negative effect on the financial assets, a one standard deviation increase reducing the financial assets by 13%.

Duckworth and Weir (2011) consider the effect of conscientiousness and openness over financial decision during the financial crisis. They reflect that conscientiousness and openness should play an important role on savings. Moreover, higher levels of conscientiousness are common to less spending of income, while openness has an opposite effect.

Risk aversion and prudence have also been found to influence savings between two periods. Bauer and Buchholz (2008) have pointed out, using utility functions, that risk aversion as well as prudence affects savings. Only when the utilities in the two periods are close, both risk factors are not considered important. That is why, risk aversion and prudence are important factors of savings and should be included especially in long period researches. Korhonen (2011) confirmed the results of Bauer and Buchholz (2008), pointing out that risk aversion alone did not have any impact on the savings of graduate Finnish students.

Happiness has also been associated with the possibility of saving. Guven (2009), using data from the DNB Household Survey (Netherlands) and the German Socio-Economic Panel, conclude that happiness has a positive impact on savings. Happy people think more over their decision to spend. On the contrary, sad people are being found to have more debt and are more attracted towards spending, probably as a method of recovery.

### **2.3 Economic situations**

These include economic factors such as house price, inflation, interest rate, unemployment rate, and consumer spending.

Another issue in the literature is related to the degree of which house price influences household savings. At a first look, it may appear that both house prices and savings are being largely influenced by the economic cycle. However, King (1990) and Pagano (1990) consider that both savings and house prices are being triggered by the same thing. When the economy goes up, consumption follows the same trend, but inelastic supply of houses could also cause a rise in prices.

The empirical results over the influence of house prices fluctuations on savings are mixed. Recent studies found that households with gains from house price fluctuations do not reduce their savings (Wang and Wen, 2011). Evidence suggests that savings increase in the case of home owners that

experience a decrease in their house value (Engelhardt, 1996). Contrary, Hsueh (2000) recognize that house price fluctuations have a direct impact on the savings of households that have a house. The author justifies that house price increases with respect to income, cause an increase in wealth and decrease the savings ratio of the family. Even if there is no general agreement on the effect of house prices on savings, both views affirm that the overall effect of house price changes on savings is very hard to determine.

Rouwendall and Alessie (2002), using the Dutch socio-economic panel for the years 1987 to 1994, affirm that the increase in house prices has a negative impact on savings. In their study, they have isolated the house price effect of other variables that could influence the decision to save. Hoynes and McFadden (1996), working on data from the Panel Study of Income Dynamics, introduce demographic variables along with the house price variable. They have found no evidence that households were having savings shifts due to changes in house prices.

Apart from the house price fluctuations, home-owners are also influenced by the mortgages they have. Rouwendall and Alessie (2002) research on mortgage has mixed results. When accounting changes in the mortgage as a form of savings, they have found no significant influence of mortgages. On the other hand, when the changes in mortgage are not included in the savings equation, they have found that if the value of mortgage increases by 100 guilders, savings will decrease by 7.2 guilders.

Chakrabarti et al. (2007) concluded that in the recession period, savings of households were positively influenced by the lower values of mortgages, emphasizing that an important factor was to rebuild the net wealth. A possible explanation for this behavior could be that, driven by financial efficiency considerations, consumers decide whether to withdraw equity in order to minimize the mortgage value (Angelini and Simmons, 2011).

Financial literature also emphasize on the difference in savings between owners and renters. Lin et al. (2000) found that a reason for this could be the higher mortgage values in contrast to the rent. A difference between owners and renters could also be the age. Usually, young households are being in particular interested in the rent values of houses. Moriizumi (2002) considered that high rent values have a significant negative impact on the level of savings of young households. His study deals with the life cycle path, considering that both rent and house price should be taken into observation, as young families try to accumulate wealth in order to purchase a house.

Inflation; high inflation can be a nightmare for savers, particularly when coupled with low savings interest rates. Inflation also has the tendency to cut down on the value of your savings. That is why it is important to understand inflation and manage its effects. Inflation comes about as demand for goods and services grows in an economy. As the money supply in an economy rises, there is likely to be more demand from consumers looking to buy various goods. This rising demand creates a pressure on prices and they rise. As more people are willing to pay for these goods, sellers hike up their prices. Another situation that could lead to inflation is when there is an increase in the costs of production. The producers then pass on the costs, in the form of higher prices to consumers.

Inflation is bad news for savers, as it erodes the purchasing power of your money. Low interest rates also don't help, as this makes it even harder to find returns that can keep pace with rising living costs. Higher inflation can also drive down the price of bonds. These become less attractive because you're locked in at interest rates that may not keep up with the cost of living in years to come.

Investing in equities can potentially provide better protection against inflation than deposit accounts or bonds, which aren't index-linked, because companies can raise prices to cover higher costs. That, in theory, should enable them to grow at the same rate of inflation over time.

Interest rate; Mwega, (1990) observed that one of the main determinants of savings is interest rate. It is generally believed that a higher interest rate encourages savings. According to McKinnon, (1973) and Shaw, (1973), low interest rate discourages savings mobilization and the channeling of the mobilized savings through the financial system. Interest rates determine the amount of interest payments that savers will receive on their deposits. An increase in interest rates will make saving more attractive and should encourage saving. A cut in interest rates will reduce the rewards of saving and will tend to discourage saving (Tejvan, 2017).

However, in the real world, it is more complicated. The link between interest rates and saving is not clear because many factors affect saving. If interest rates fall, the reward from saving falls. It becomes relatively more attractive to hold cash and/or spend. This is the substitution effect – with lower interest rates, consumers substitute saving for spending.

However, if interest rates fall, savers see a decline in income because they receive lower income payments. A pensioner relying on interest payments from saving may feel he needs to save more to maintain their target income from savings. Usually, the substitution effect dominates. Lower

interest rates make saving less attractive. But, for some, the income effect may dominate, and people may respond to lower interest rates by saving more to maintain their standard of living.

Alternatively, a lower interest rate may encourage other forms of saving and investment. With very low bank rates, it has encouraged people to look for better yields in the stock market. This is one reason why the stock market did well in the great recession of 2008-2013 – savers have been buying shares to get a better rate of interest rate than they can in a bank and on bonds.

Unemployment; fear of unemployment will act in the same way as negative expectations, making saving more likely and spending less likely. Negative expectations would increase savings and reduce spending. When people expect that they will be unemployed in future they tend to save more now to meet the future unemployment gap. On the other hand, in short term, unemployment significantly reduces a person's income and, in the long term, reduces their ability to save for retirement and other goals. This is because employer as well as employee superannuation contributions are lost and the capacity to save from disposable income is lowered (Powell and Heinemann, 1973).

Consumer spending; a low saving ratio means that consumer spending may be too high and there may be insufficient funds for investment. In the short run, low savings will increase standards of living, but in long run a low savings ratio will mean that fewer funds are available for investment, and economic growth may suffer. Increased asset prices, where it costs individuals more money to buy those assets that had increased their consumption hence decrease in personal savings levels (Harrison, 2011). A study by Ewing and Payne (1998) found that consumer sentiment as a significant economic indicator can show the feelings of individuals about the overall health of the economy. The higher the consumer sentiment is, the lower the personal saving rate will be and the lower the consumer sentiment, the higher the personal saving rate (Zhong, 2015).

## **2.4 The relationship between the demographic variables, personality aspects, economic situations and personal savings levels.**

Previous studies have given empirical evidences on the relationship between the mentioned variables and the total savings of the households (Popovici, 2012). Saving comes in different forms such as liquid, investment, durable goods and debt savings and the motives behind the decision to save are complex.

While the existing literature focus on the determinants of savings, a large majority of the studies only take under consideration a few variables, neglecting the potential impact of other variables as well. This paper tries to cover a large variety of potential variables that could influence household savings.

Much as the previous studies have provided evidences about the determinants of personal saving levels, it is hard to find any research findings about the factors responsible for fluctuations in the personal saving levels in South Sudan. The trend of saving rate in South Sudan has not been promising as it has reduced from 17.8% to 9.02% of the GDP between 2011 and 2017 according to the Bank of South Sudan 2017 Report. Therefore, the researcher was interested in conducting the research so as to find the real factors and to bridge the research gap about the existing very little available literature explaining the volatile trend in personal saving levels in South Sudan.

Using data from the field, the researcher incorporates demographic, personality and economic variables into a savings function in order to assess their influence over the residents in Juba city, South Sudan.

In conclusion, this chapter gives information about what previous scholars and authors had found before. It gives details on previous information regarding the influence of demographic variables, personality aspects, economic situations and their respective relationship with personal saving levels in different localities such as regions, countries or small areas.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter covers the steps or methods which were used in conducting the study. It presents and discusses research design, area and population of the study, sampling selection size, sampling techniques, sources of data, data collection methods, research instruments, data collection procedure, validity and reliability, and data analysis.

#### **3.1 Research Design**

The researcher used a cross-sectional research survey/design since it involved looking at people who differ on one key characteristic at one specific point in time. The data was collected at the same time from people who are similar in other characteristics but different in a key factor of interest such as age, income levels, or geographic location. Participants were separated into groups known as cohorts. This helped the researcher to compare different population groups at a single point in time. It also allowed the researcher to compare many different variables at the same time. Both quantitative and qualitative research designs were used. The quantitative research design was used to generate numerical data, to quantify the opinions regarding the determinants of personal saving levels in selected areas of Munuki Block in Juba city, South Sudan. The qualitative research design was used to gain an understanding of the underlying reasons, opinions and motivation about the determinants of personal saving levels in selected areas of Munuki Block in Juba city, South Sudan. The quantitative data was dominant and qualitative data supportive and thereafter generalize results from a large sample population.

#### **3.2 Area and Population of Study**

The research targeted the residents in selected areas of Munuki Block in Juba city namely, Gudele I and Munuki Block A. The populations (N1, N2) of people who reside in the two selected areas of Munuki Block in Juba city were 122 and 111 respectively according to the 5<sup>th</sup> Sudan and South Sudan population and housing census, 2008.

#### **3.3 Sample Selection and Size**

This discussed the selected number of study from the population and how it was determined. The sample size is represented by letter “S” and this is determined by using the Krejcie & Morgan’s table (1970).

**Table 3.1: Sample size (S).**

<b>Respondents</b>	<b>Target population</b>	<b>Sample size</b>	<b>Sampling methods</b>
Residents of two selected areas of Munuki Block in Juba City.	5	2	Multistage sampling
<b>Munuki Block:</b> 1.Gudele I	N1=122	94	Simple random sampling
2. Munuki Block A.	N2=111	87	Simple random sampling
<b>TOTAL</b>	<b>233</b>	<b>181</b>	

**Source:** original work designed by the researcher.

The sampled population consisted of 181 respondents and the researcher used the multistage sampling and the simple random sampling techniques to sample the blocks and people in each of the selected areas of Munuki Block in Juba city.

### 3.4 Sampling Techniques

The researcher used multistage sampling and simple random sampling techniques. The multistage sampling was applied by dividing Juba into its already existing three administrative blocks, their names were written on three pieces of paper, placed in the bucket, shook and picked at random by the researcher and Munuki Block was randomly selected. Its already existing five sub-blocks were subjected to the same process by which the main block was selected and at random selection, Gudele I & Munuki Block A were the two clusters selected and became the two clusters of focus and each individual from the two sub-blocks was selected using simple random sampling. 94 individuals were randomly selected to answer questionnaires in Gudele I and 87 individuals were randomly selected to answer questionnaires in Munuki Block A.

The limitation of multistage sampling technique was that most of the errors were about to be made in the process of divisions and sub-divisions of the various strata or clusters in different stages but

the researcher paid serious attention and carefulness during the process. On the other hand one of the limitations of simple random sampling was the need for a complete list of all members of the population which was not available and so the researcher used other sampling techniques such as convenience sampling where participants were selected based on their availability and willingness to take part and judgment or purposive sampling which was based on the judgment of the researcher on who to choose and ask to participate.

### **3.5 Sources of data**

To ensure comprehensive examination and comparison, both secondary and primary sources of data were adopted.

#### **3.5.1 Secondary data collection.**

Secondary data has been defined as that kind of data that is available, already reported by some other scholar (Roston, 2001). According to Kadam et al (2008) secondary data is gathered and recorded by someone else prior to and for a purpose other than current project.

The secondary data guided the researcher to establish what other researchers found out previously on the similar or same study. This enabled the current researcher to fill some gaps that were left behind. In this respect, textbooks, journals, newspapers, internet materials and other relevant records were used hand in hand with primary data.

#### **3.5.2 Primary data collection.**

On the other hand, primary data was obtained from the respondents and was used in this study because it gave an original perception of the extent to which demographic factors, personality traits and economic situations affect personal savings levels in selected areas of Juba city, South Sudan. Both secondary and primary data supplemented on each other to enable the researcher to analyze information.

### **3.6 Data Collection Methods**

Three data collection methods were used namely, documentary method for secondary data, questionnaire and interview methods for primary data.

#### **3.6.1 Documentary method**

The researcher made use of outside sources and documents to support the view point or argument of an academic work. It involved conceptualizing, using and assessing documents as sources of evidence on the study.

### **3.6.2 Questionnaire Method**

Both open and closed ended questions were constructed. Open – ended questions were suggested for in – depth responses. It was also easy to administer to a large population and information was easily acquired within a limited time.

### **3.6.3 Interviews Method**

The interview guide consisted of unstructured questions. This kind of instrument was adapted purposely to capture in – depth information on the nature of the problem and to capture in-depth information that was fully given in the questionnaires. It was administered to the respondents who seemed not to have enough time to respond to the questionnaires.

## **3.7 Research Instruments**

### **3.7.1 Structured questionnaire.**

Data collection was accomplished by use of semi-structure and self-administered questionnaires. This enabled the researcher to cover a large population quickly. According to Burns and Grove (2005), a questionnaire is well thought-out tool designed to elicit information that can be obtained through written responses from the study subjects.

A structured questionnaire was administered to individuals to gather primary data. The questionnaire was divided into four sections: Firstly the demographic information, secondly personality traits, thirdly economic situations and fourthly the dependent variables. For Questionnaire method the structured questionnaire was prepared and distributed to respondents according to the selected sample.

### **3.7.2 Interview guide.**

The interview guide was used for interview method to collect qualitative data from respondents with limited time to answer the questionnaires.

## **3.8.0 Validity and reliability**

### **3.8.1 Validity**

Validity of an instrument is the degree to which the data obtained using instruments actually presents the phenomenon under investigation (Amin, 2005); that is, it is a measure of the level of accuracy of the data collected by the instrument. Validity of the instrument is expressed as an index (Content Validity Index-CVI). The assessment of validity in the study was done in consultation

with the supervisor to rate the items (statements) therein as very relevant (VR), somewhat relevant (SWR) or irrelevant (NR). From the supervisor's rating, the CVI was computed using the formula;

$$\text{Content validity index (CVI)} = \frac{\text{Number of items declared valid}}{\text{Total no. of items in the instrument}}$$

$$= 20/26$$

$$= 0.77$$

George and Mallery (2003) assert that a value of 0.77 for CVI means that the items are of acceptable validity and therefore worth being used for data collection.

### 3.8.2 Reliability

Reliability is the measure of the degree to which a research instrument yields consistent results or data after repeated trials (Mugenda&Mugenda, 1999). In this study, the researcher conducted a pilot survey with the respondents and the results were entered in SPSS data analysis software to determine the reliability of the tool.

**Table 3.3 Reliability measure of questionnaire items using SPSS data.**

Questionnaire item	Cronbach's Alpha	Cronbach's Alpha Based on standardized items	No. of items
Demographic factors, personality aspects/traits and economic situations.	.733	.737	15

**Source:** Cronbach's Alpha coefficient statistics in SPSS.

Cronbach's Alpha Coefficient (2004) was used to assess the internal consistency; if the scores were 0.7 then the instrument was considered reliable for the study. The value of the correlation coefficient obtained was 73.3% for the demographic factors, personality aspects/traits and economic situations that influence personal savings levels. According to the rating scale by George and Mallery (2003), these value mean that the reliability of the instrument was fit for use in the data collection.

### **3.9 Measurement of variables**

The Likert-type scale was used to measure the variables on the five scale continuum of “Strongly agree, agree, neutral, disagree and strongly disagree.” Where 5=strongly agree, 4=agree, 3=neutral, 2=disagree and 1=strongly disagree; where the respondents selected the response that best described their opinion or reaction to each statement as recommended by Compsey, (1985) as the best way to rate responses especially in a study that seeks people’s opinion on issues.

### **3.10 Data Collection Procedure**

First, the study identified the location of the selected areas of Munuki Block in juba city where the data was collected. The researcher as part of the university provision obtained a letter of introduction from the Dean of Faculty of Business and Administration, Uganda Christian University Graduate School, which was presented to relevant authorities to act as evidence of the true intention of the research. A pilot study of data collection instruments was done in order to get validity and reliability. Discussions were thereafter held with concerning authorities to get permission to access the selected respondents. The researcher then proceeded to field to administer the questionnaires to the target population.

### **3.11 Data Analysis**

The results that were obtained from the data collected were summarized under common themes and were presented in form of frequency tables, figures and percentages.

#### **3.11.1 Quantitative Data**

Data from the field was checked for accuracy and completeness. It was entered into the computer using spread sheets software, then exported to the statistical package for social sciences (SPSS) for analysis. The data was presented using frequency tables, figures and percentages.

#### **3.11.2 Qualitative Data**

Since the researcher interviewed the respondents, that data was edited and analyzed using the different themes with the objectives. The researcher ensured compliancy, consistency, uniformity; accuracy and legibility of the data collected.

Before the final analysis, different variables were given tentative conceptual framework. The analysis was conducted during and after the data collection. The data collected or points with the same code categories were brought together and their quotations. This information was then written in a research report.

Before data collection, tentative themes and their concepts were identified. The tentative themes were dissemination, accessibility and utilization. Data was analyzed during and after data collection. During data collection the tentative themes and code categories were either confirmed or new ones formulated after data collection, information of the same code categories was assembled together in exemplary quotations which was used to write a report.

### **3.12 Ethical considerations**

The study was solely for academic purposes. The responses given were treated with due respect and confidentiality, and used for only academic purpose. Participation in this study was purely voluntary and participants remained anonymous.

### **3.13 Limitations of the study**

These were influences, shortcomings or conditions that cannot be controlled by research that place restrictions on the methodology and conclusions. They included the following;

The study was limited to selected areas of Munuki Block in Juba city yet the block has other areas which are not considered, the study therefore might not be used to generalize the determinants of personal savings levels in South Sudan.

Scarce resources especially finances in terms of transport and printing costs

Time, the respondents were busy with routine work so they delayed in answering the questionnaires in the required time.

Some questionnaires that were distributed by the researcher were not returned in time which delayed the process of the research.

The language and terminologies used by some respondents proved hard to understand during interactions.

### **3.14 conclusion:**

In conclusion therefore, personal saving is necessary in every nation in bid to achieve economic growth and development. The levels of development and the differences among countries are mainly linked to their capacity for investment, capital formation and production. The supply of resource for investment and capital formation are largely depending on a country's savings. However, the determinants of personal savings differ from cross countries. There are hardly find many studies concerned in South Sudan in order to identify the determinants of personal savings. In spite of the importance of savings for poor households, only 37% of grown persons in developing

countries have savings accounts and in many settings, fewer than half of the people who open accounts ever use them for deposits or withdrawals (Central Bank Report, 2013). Access to low cost savings accounts can profoundly affect the amounts households save, invest and consume. The proposal was about chapters I, II, III, tools for data collection and references that acknowledged other people's works based on the determinants of personal saving levels in South Sudan: Evidence from selected areas of Munuki Block in Juba City.

Therefore, this chapter provides details on the methodology used by the researcher and its explained dimensions include research design, area and population of the study, sampling selection size, sampling techniques, sources of data, data collection methods, research instruments, data collection procedure, validity and reliability, data analysis and conclusion.

**CHAPTER FOUR****DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS****4.0 Introduction**

This chapter focuses on the analysis, interpretation and presentation of the study findings. The chapter analyses and interprets the data gathered from the respondents. The presentation is in form of tables, percentages and figures for easier interpretation.

**4.1 Demographic factors that influence personal savings levels.****Frequencies analysis-demographic variables****Table 4.1 showing the gender of respondents.**

Gender	Frequency	Percent
Male	118	65.2
Female	63	34.8
Total	181	100.0

**Source:Primary Data 2018**

According to table 4.1 above, the study revealed that majority of the respondents were males which represents 65.2% and females representing 34.8%. This therefore means that majority of the participants in the study were males than the female counterparts since males took the higher percentage as compared to females.

**Table 4.2 showing the age groups of respondents.**

Age	Frequency	Percent
18-30	96	53.0
31-43	48	26.5
44-56	25	13.8
57 and above	12	6.6
Total	181	100.0

**Source:Primary Data 2018**

The table 4.2 above shows the age groups of participants in the study. According to the figures and percentages in the table, out of 181 respondents who participated in the study, 53.0% of the respondents belonged to the age group between 18-30 years, 26.5% of them belonged to age group between 31-43, 13.8% of them were aged between 44-56 and 6.6% of them were 57 and above years. This means that majority of the respondents were youth representing 53.0% and 26.5% while the middle and old age group had 13.8% and 6.6% respectively.

**Table 4.3 showing the level of education of respondents.**

Level of education	Frequency	Percent
No education	31	17.1
Primary	26	14.4
Secondary	52	28.7
Post-secondary	72	39.8
Total	181	100.0

**Source:Primary Data 2018**

The table 4.3 above shows the different academic qualifications of the respondents to the study. Given the figures and percentages within the table, 39.8% had post-secondary level of education, 28.7% had secondary education while those in primary and holding no modern education were 14.4% and 17.1% respectively. This finding revealed that majority of the respondents were of better qualification to understand the questions and their responses were treated as better source of information for the study.

**Table 4.4 showing the civic/marital status of respondents.**

Civic/marital status	Frequency	Percent
Single	74	40.9
Married	104	57.5
Divorced	1	.6
Widowed	2	1.1
Total	181	100.0

**Source:Primary Data 2018**

Table 4.4 above shows the civic/marital status of the respondents. Given the figures and percentages within this table, 40.9% of the respondents were singles, 57.5% were married, 0.6% was divorced and 1.1% were widowed. This finding revealed that majority of the respondents were married and had their families to take care of, the second largest group were singles while the minor groups were the widowed followed by the divorced.

**Table 4.5 showing the level of income of respondents.**

Level of income	Frequency	Percent
Zero income	74	40.9
500-1000 SSP	50	27.6
1000-5000 SSP	33	18.2
5000-10000 SSP	12	6.6
10000,20000 SSP	2	1.1
20000-30000 SSP	5	2.8
300000 SSP and above	5	2.8
Total	181	100.0

**Source:Primary Data 2018**

Table 4.5 shows the results about the income levels of the respondents. With the figures and percentages given, 40.9% of the participants had zero income, 27.6% of them had income within the range between 500-1000 SSP, 18.2% of them had the income level between 1000-5000 SSP, 6.6% of them had income level between 5000-10000 SSP, 1.1% earned between 10000-20000 SSP while those who earned between 20000-300000 SSP and those who earned 300000 SSP and above were both 2.8% respectively. This results generally indicate that majority of the participants earned zero and very low income while very few earned moderate and high income which could be the reason for low personal savings levels.

**Table 4.6 showing the occupation/employment status of respondents.**

Occupation/employment status	Frequency	Percent
Self-employed	19	10.5
Public employee	48	26.5
Private employee	24	13.3
Casual worker/laborer	5	2.8
Unemployed	27	14.9
Still in school.	51	28.2
Retired/pensioner	6	3.3
Unpaid for household work	1	.6
Total	181	100.0

**Source:Primary Data 2018**

The table 4.6 above shows the results about the occupation/employment status of the participants in the study. The findings shows that 10.5% of the participants were self-employed, 26.5% of them were public employees, 13.3% of them were private employees, 2.8% of them were casual workers/laborers, 14.9% of them were unemployed, 28.2% of them were still in school or studying, 3.3% of them were retired/pensioners while 0.6% was unpaid for household work. This finding indicates that majority of the participants in this study were still in school, followed by those

employed in the public sector, the unemployed, the private employees, self-employed, and those retired/pensioners and the unpaid for household work comprised the minority.

**Table 4.7 showing the number of members in family (Household size) of respondents.**

Household size	Frequency	Percent
One member	68	37.6
Two members	6	3.3
Three members	6	3.3
Four members	14	7.7
Five members and above	87	48.1
Total	181	100.0

**Source:Primary Data 2018**

From the table 4.7 above, 37.6% of the participants had one member in their families, 3.3% of them had two members, 3.3% of them had three members, 7.7% of them had four members and 48.1% of them had above five members. This means that majority of the respondents had above five members, followed by those who had one, four, two and three members in that order as given in the table above.

**Table 4.8 showing the responses of respondents on effect of culture on their personal savings.**

Cultural effects	Frequency	Percent
Yes	28	15.5
No	126	69.6
Not sure	27	14.9
Total	181	100.0

**Source:Primary Data 2018**

Table 4.8 above shows the responses of participants on the effect of culture on their personal savings. From the figures and percentages in the table, 15.5% of the respondents affirmed the effect

of culture on their personal savings, 69.6% of them negated the question on culture and 14.9% of them said they were not sure. This means that majority of the respondents do not have cultural norms or beliefs that affect their savings, the second group affirmed that cultural norms and beliefs affect their personal savings and the third group were not sure.

#### 4.2 Personality aspects or traits that influence personal savings levels.

**Table 4.9 showing the descriptive statistics of personality aspects/traits.**

Statement	Min	Max	Mean	Std. Deviation
1. My love to play with ideas, eagerness to new activities, readiness to challenge, being curios and appreciative of art of saving money (Openness experience) increases my ability to save.	1	5	3.80	.947
2. Planning ahead, dutifulness, orderliness, self-discipline, cautiousness, achievement-striving and organizing with diligence helps me to save more money (Conscientiousness).	1	5	4.41	1.011
3. My being chatty, sociable, enthusiastic, assertive and action-oriented helps me save a lot (Extraversion).	1	5	3.35	1.277
4. My being kind, sympathetic, compassionate and happy to help others reduces the amount I save (Agreeableness).	1	5	4.45	.933
5. I save less amount when being inclined to worry, emotional suffering, depression, mental distress, anxiety, vulnerability or temperament (Neuroticism) while emotional stability increases my personal savings.	1	5	4.16	1.081
6. My high Fear of risk reduces my savings while less fear of risk increases my personal savings.	1	5	4.17	1.209
7. My good judgment or wisdom gained from experience and knowledge helps me save much more money (Prudence).	1	5	4.05	1.034
8. I save much when I am happy and less when I am sad (Happiness).	1	5	3.33	1.386

**Source: Primary Data 2018, n=181**

From the table 4.9 above, the study revealed that personal saving levels of the respondents who are open to experience and eager to appreciate new ideas and activities are moderate (mean: 3.80, Std: 0.947). People who plan ahead, who are cautious, self-discipline and organized make very high personal savings (mean: 4.41, Std: 1.011). Respondents who are extravert, sociable, chatty or assertive make moderate (mean: 3.35, Std: 1.277) personal savings. Those participants associated with being kind, sympathetic, compassionate and helpful to others save less money (mean: 4.45, Std: 0.933). Some respondents save less when inclined to worry and mental distress and save much when they are emotionally stable (mean: 4.16, Std: 1.081). Other participants save less with high fear of risk and save much money with lower fear of risk (mean: 4.17, Std: 1.209). Those who have good judgment or wisdom gained from experience save very highly (mean: 4.05, Std: 1.034). Happiness and sadness of participants lead them to moderate personal savings (mean: 3.33, Std: 1.386).

**Table 4.10 showing the descriptive statistics for economic situations.**

Statement	Min	Max	Mean	Std. Deviation
1. Lower cost of rent increases my personal savings and a higher cost of rent reduces the amount of money I save (House prices).	1	5	4.07	1.223
2. A lower level of inflation increases my personal savings while a high level of inflation reduces my personal savings.	1	5	4.50	.998
3. Increase in interest rates encourages me to save more money while lower interest rates make saving less attractive to me.	1	5	4.44	1.018
4. I save more now to meet the future unemployment gap.	1	5	4.14	1.273
5. I save less because my employer will always pay me (Job security).	1	5	3.23	1.337
6. The higher I spend on expensive goods and services, the less I save per month (Consumer spending).	1	5	4.40	1.009

**Source: Primary Data 2018, n=181**

From the table 4.10 above the study shows that most of the respondents save more when the costs of rent are lower and save less when the costs of rent are higher (mean: 4.07, Std: 1.223). Most of

them also save highly when the inflation rates are lower and save less or nothing when the inflation rates are higher (mean: 4.50, Std: 0.998). The respondents also make higher saving if the interest rates are higher and are not attracted to saving if the interest rates are lower (mean: 4.44, Std: 1.018). Most of them also save more to meet the future unemployment gap (mean: 4.14, Std: 1.273). Job security makes people save moderately (mean: 3.23, Std: 1.337). Finally the respondents save less when they are involved in consumption of expensive goods and services (mean: 4.40, Std: 1.009).

### **Personal savings levels.**

#### **Frequencies analysis-dependent variables**

**Table 4.11 showing the liquid saving levels of respondents.**

<b>Liquid saving levels</b>	<b>Frequency</b>	<b>Percent</b>
0-20%	109	60.2
20-40%	59	32.6
40-60%	13	7.2
Total	181	100.0

**Source:Primary Data 2018**

Table 4.11 above shows the liquid saving levels of the respondents. From the percentages given, 60.2% make liquid savings between 0-20%, 32.6% of them save between 20-40% and 7.2% of them save between 40-60%. This implies that majority of the respondents make low liquid savings between 0-20%, followed by 32.6% of the respondents who save moderate amount and 7.2% of them who form the minority save high liquid savings.

**Table 4.12 showing the investment saving levels of respondents.**

<b>Investment saving levels</b>	<b>Frequency</b>	<b>Percent</b>
0-20%	147	81.2
20-40%	27	14.9
40-60%	6	3.3
60-80%	1	.6
Total	181	100.0

**Source: Primary Data 2018**

The table 4.12 shows the investment saving levels of the respondents. From the frequencies and percentages within the table, 81.2% of the participants make investment savings between 0-20%, 14.9% of them save between 20-40%, 3.3% of them save between 40-60% and 0.6% saves between 60-80%. This implies that majority make very low investment savings between 0-20%, few of them save moderately between 20-40%, very few of them save highly between 40-60% and only one respondent saves the highest 60-80%.

**Table 4.13 showing the durable goods savings levels of the respondents.**

Durable goods saving levels	Frequency	Percent
0-20%	167	92.3
20-40%	10	5.5
40-60%	4	2.2
Total	181	100.0

**Source: Primary Data 2018**

From table 4.13 above, 92.3% of the respondents make very low durable goods savings between 0-20%, 5.5% of them save between 20-40% and 2.2% of them save between 40-60%. This simply means that majority of the participants make low durable goods savings, very few of them make moderate and high savings.

**Table 4.14 showing the debt savings levels of respondents.**

Debt saving levels	Frequency	Percent
0-20%	177	97.8
20-40%	4	2.2
Total	181	100.0

**Source: Primary Data 2018**

Table 4.14 above shows the responses of the participants on their debt saving levels. From the frequencies and percentages, 97.8% make debt savings between 0-20% and 2.2% of them save between 20-40%. This implies that majority of the respondents make very low debt savings and very few make moderate debt savings.

**Interpretations****Table 4.15 Interpretation of results showing the personality aspects/traits that influence the saving levels of respondents.**

<b>Statement</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Dev</b>	<b>Interpretation</b>
1. My love to play with ideas, eagerness to new activities, readiness to challenges, being curious and appreciative of art of saving money (Openness to experience) increases my ability to save.	<b>1</b>	<b>5</b>	<b>3.80</b>	<b>.947</b>	<b>high</b>
2. Planning ahead, dutifulness, orderliness, self-discipline, cautiousness, achievement-striving and organizing with diligence helps me to save more money (Conscientiousness).	<b>1</b>	<b>5</b>	<b>4.41</b>	<b>1.011</b>	<b>Very high</b>
3. My being chatty, sociable, enthusiastic, assertive and action-oriented helps me save a lot (Extraversion).	<b>1</b>	<b>5</b>	<b>3.35</b>	<b>1.277</b>	<b>moderate</b>
4. My being kind, sympathetic, compassionate and happy to help others reduces the amount I save (Agreeableness).	<b>1</b>	<b>5</b>	<b>4.45</b>	<b>.933</b>	<b>Very high</b>
5. I save less amount when being inclined to worry, emotional suffering, depression, mental distress, anxiety, vulnerability, or temperament (Neuroticism) while emotional stability increases my personal savings.	<b>1</b>	<b>5</b>	<b>4.16</b>	<b>1.081</b>	<b>Very high</b>
6. My high fear of risk reduces my savings while less fear of risk increases my personal savings (Risk aversion).	<b>1</b>	<b>5</b>	<b>4.17</b>	<b>1.209</b>	<b>Very high</b>
7. My good judgment or wisdom gained from experience and knowledge helps me save much more money (Prudence).	<b>1</b>	<b>5</b>	<b>4.05</b>	<b>1.034</b>	<b>Very high</b>
8. I save much when I am happy and less when I am sad (Happiness).	<b>1</b>	<b>5</b>	<b>3.33</b>	<b>1.386</b>	<b>moderate</b>

**Source: Primary Data 2018, n=181**

From table 4.15 below the study shows that openness to experience has high influence on personal savings (mean: 3.80, Std: 0.947), conscientiousness has a very high influence on personal savings (mean: 4.41, Std: 1.011), extraversion has moderate influence on personal savings (mean: 3.35, Std: 1.277), agreeableness has very high negative impact on personal savings (mean: 4.45, Std: 0.933), neuroticism has very high effect on personal savings (mean: 4.16, Std: 1.081), fear of risk has very high negative influence on personal savings (mean: 4.17, Std: 1.209), prudence also has very high influence the personal savings (mean: 4.05, Std: 1.034) and lastly happiness makes moderate influence on the personal savings of the people (mean: 3.33, Std: 1.386).

**Table 4.16: Interpretation of results showing the economic situations that influence saving levels of respondents.**

<b>Statement</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Dev</b>	<b>Interpretation</b>
1. Lower cost of rent increases my personal savings and a higher cost of rent reduces the amount of money I save (House prices).	<b>1</b>	<b>5</b>	<b>4.07</b>	<b>1.223</b>	<b>Very high</b>
2. A lower level of inflation increases my personal savings while a high level of inflation reduces my personal savings.	<b>1</b>	<b>5</b>	<b>4.50</b>	<b>.998</b>	<b>Very high</b>
3. Increase in interest rates encourages me to save more money while lower interest rates make saving less attractive to me.	<b>1</b>	<b>5</b>	<b>4.44</b>	<b>1.018</b>	<b>Very high</b>
4. I save more now to meet the future unemployment gap.	<b>1</b>	<b>5</b>	<b>4.14</b>	<b>1.273</b>	<b>Very high</b>
5. I save less because my employer will always pay me (Job security).	<b>1</b>	<b>5</b>	<b>3.23</b>	<b>1.337</b>	<b>Moderate</b>
6. The higher I spend on expensive goods and services, the less I save per month (Consumer spending).	<b>1</b>	<b>5</b>	<b>4.40</b>	<b>1.009</b>	<b>Very high</b>

**Source: Primary Data 2018, n=181**

From the table 4.16 above, the study revealed that house prices make very high influence on personal savings (mean: 4.07, Std: 1.223), inflation has very high influence on the personal savings (mean: 4.50, Std: 0.998), interest rates have very high effect on the personal savings (mean: 4.44, Std: 1.018), unemployment (job insecurity) makes very high impact on personal savings (mean: 4.14, Std: 1.273), permanent job or job security has moderate impact on personal savings (mean: 3.23, Std: 1.337) and finally consumer spending make a very high effect on personal savings (mean: 4.40, Std: 1.009).

#### **4.4 The relationship between demographic variables, personality aspects, economic situations and personal saving levels.**

A Pearson correlation coefficient and regression analysis were adopted as models to explain the relationship between the two variables.

##### **4.4.1 Correlation analysis**

The table below represents the results of the correlation analysis.

**Table 4.17 showing results for correlation analysis.**

		<b>Aggregate savings</b>	<b>Education</b>	<b>Income</b>	<b>Aggregate personality aspects</b>	<b>Interest rates</b>	<b>Aggregate economic situations</b>
Pearson Correlation	Aggregate savings.	<b>1.000</b>	.367	.633	.015	.108	.138
	education	<b>.367</b>	1.000	.189	.090	-.148	-.064
	Income	<b>.633</b>	.189	1.000	.050	.194	.252
	Aggregate personality aspects	<b>.015</b>	.090	.050	1.000	.400	.458
	Interest rates	<b>.108</b>	-.148	.194	.400	1.000	.688
	Aggregate economic situations	<b>.138</b>	-.064	.252	.458	.688	1.000
Sig. (1-tailed)	Aggregate savings	.	.000	.000	.418	.074	.032
	education	<b>.000</b>	.	.005	.114	.023	.197
	Income	<b>.000</b>	.005	.	.250	.004	.000
	Aggregate personality aspects	<b>.418</b>	.114	.250	.	.000	.000
	Interest rates	<b>.074</b>	.023	.004	.000	.	.000
	Aggregate economic situations.	<b>.032</b>	.197	.000	.000	.000	.

**Source: Primary Data 2018, n=181**

Table 4.17 above shows the output of a Pearson's correlation coefficient to determine the relationship between the demographic variables, personality aspects, economic situations and personal saving levels.

The findings revealed that there are positive significant correlations between the level of education and aggregate savings ( $r = .367$ ,  $p < .000$ ); level of income and aggregate savings and aggregate economic situations and aggregate savings ( $r = .138$ ,  $p < .032$ ). While there are non-significant positive correlations between aggregate personality aspects and aggregate savings ( $r = .015$ ,  $p < .418$ ) and interest rates and aggregate savings ( $r = .108$ ,  $p < .074$ ).

It is however presumed that a non-significant correlation does not imply that there is no association.

A regression analysis is however important so as to make a more robust conclusion on the findings.

#### 4.4.2 Regression analysis

A regression analysis was done with multiple independent and dependent variables to show how the effect or influence one another. The results of the regression model are presented in tables 4.18 below.

**Table 4.18 showing results for regression analysis (coefficients in bold are significant at 95% level of confidence).**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations	
	B	Std. Error	Beta			Zero-order	Partial
(Constant)	3.342	.546		6.119	.000		
Education	<b>.274</b>	<b>.058</b>	<b>.273</b>	<b>4.701</b>	<b>.000</b>	.367	.335
Income	<b>.444</b>	<b>.045</b>	<b>.573</b>	<b>9.753</b>	<b>.000</b>	.633	.593
Aggregate personality aspects	-.018	.019	-.062	-.968	.335	.015	-.073
Interest rates	.071	.085	.065	.837	.404	.108	.063
Aggregate economic situations	-.001	.021	-.005	-.066	.948	.138	-.005

**Source: Primary Data 2018**

From the table 4.18 above, aggregate savings were found to be significantly influenced by only education and income levels of the respondents. This finding simple means that increases in the education and income levels of respondents increases their aggregate savings at a given time because the p-value is less than 0.05 at 95% level of significance.

Other variables such as aggregate personality aspects, interest rates and aggregate economic situations have no statistically significant relationship with aggregate savings because their p-values are greater than 0.05 at 95% level of significance.

In summary, this section gives a clear analysis of the various variables. It focuses on the analysis, interpretation and presentation of the study findings. The chapter analyses and interprets the data gathered from the respondents. The presentation is in the form of tables, percentages and figures for easier interpretation.

## CHAPTER FIVE

### DISCUSSION AND INTERPRETATION OF STUDY FINDINGS

#### 5.0 Introduction

This chapter covers the summary, conclusion and recommendation of the findings. The summary covers the findings in relation to the objectives of the study. The summary is followed by the conclusion which is based on the findings of the study. The study was mainly concerned about the determinants of personal saving levels in South Sudan: Evidence from selected areas of Munuki Block in Juba City. The summary is based on the objectives of the study.

**Objective one** was to examine the demographic factors that influence the personal saving levels in selected areas of Munuki Block in Juba City, South Sudan. The study found out that gender, age, civil/marital status, level of education, level of income, household size, occupation/employment status and culture have different important impacts on the level of total savings as explained below.

The research concluded that gender has no significant effect on the level of personal savings. This means that both males and females have equal chances to save in any form. This finding violates the findings of Floro and Seguino (2002) who showed their evidence that women do save more relative to men.

The research found out that age has no significant impact on the personal savings. This result disagrees with previous studies by (Lera Lopez, 1998; Fernandez et al; 2009) who concluded that the probability to save rises with age but at a progressively lower rate.

Increase in the level of education increases personal savings. This finding is in line with the findings of Morriset and Revoredo (1995) who found out that for each point increase in education, the savings rate increases.

The findings revealed that increase in the level of income of people increases their personal saving levels. This finding agrees with the findings of Attanasio and Szekely, 2000; Fernandez et al, 2009) who found out that a higher income raises the chances of wealth accumulation and personal savings.

The research revealed that civic/marital status has no significant effect on personal savings. This result disagrees with the previous studies that married women tend to save more than the single women.

The results also found out that households with fewer members have more chances of saving than the larger families. This finding is in line with Davies (1988) finding that larger family size reduces the aggregate saving rate.

The research revealed that occupation/employment status determine the saving levels. Respondents who were unemployed, still in school, casual laborers and those unpaid for household work had the least chances of saving. Self-employed and public employees had moderate chances to save while those working with private companies and NGOs save more money. This is in agreement with the findings of Demery and Duck (2006) who concluded that people in working life are more interested in savings.

Generally cultural norms, beliefs and values of the respondents do not affect their saving behaviours as most of them negated the question regarding the effect of culture on their individual savings and this is in line with the findings of Carroll et al (1994) who did not find any substantial evidence that differences in saving rates between cultural groups can be attributed to cultural factors. Majority of

the respondents negated the effect of cultural constraints on personal savings though few affirmed and a small number were not sure.

**Objective two** was to identify the personality aspects or traits that influence the personal saving levels in selected areas of Munuki Block in Juba City, South Sudan. The findings revealed that personality aspects such as openness to experience, conscientiousness, extraversion, agreeableness, neuroticism, risk aversion and prudence, and happiness have different effects on personal savings levels as explained below.

The research revealed that openness to experience high influence on personal savings. People with high level of openness to experience quickly understand things and that helps them to save moderate amount of money. This finding agrees with the finding of popovici (2012) who found out that openness was important factor for liquid savings and debt savings.

Conscientiousness was found to have very high influence on personal savings because people who plan ahead and self-disciplined cannot waste their money unnecessarily. This finding is in agreement with the literature of Nyhus and Webley (2001) who revealed that conscientiousness has a positive influence over savings.

The results also revealed that extraversion has moderate influence on savings. This could be because people who usually start conversations and feel comfortable around others make savings by decreasing their debt level. Brown and Taylor (2011) found similar results, reasoning that extraversion could be seen as a negotiation skill which helps households in taking better decisions over their loans.

On the other hand, agreeableness negatively affects personal savings. This result is inconsistent with the work of Nyhus and Webley (2011) who asserted that self-control and leadership make people to take better decision with respect to their financial liabilities.

Emotional stability was found with positive influence on liquid savings while people with mental suffering, distress and depression or worry save less. This is in line with the view of Nyhus and Webley (2011) who found that emotional stability is influencing positively liquid savings.

Risk aversion or fear of risk adversely affect the savings of individuals. People with high fear of risk do not save and always opt to spend all the money they have. This finding agrees with the findings of Bauer and Buchholz (2008) who pointed out that risk aversion and bad prudence negatively affect savings.

Prudence was found to have very high influence on the personal savings of the respondents. This finding implies that people who have good judgment or wisdom which they gained from experience and knowledge save much more money. This is in line with the results of Korhonen (2011).

The research also found out that happiness and sadness play a moderate significant role in personal savings. People who are happy same more than the sad ones because happiness is associated with aiding better and wiser decision making. Guven (2009), using data from the DNB Household Survey (Netherlands) and the German Socio-Economic Panel, concluded that happiness has positive impact on savings. Happy people think more over their decision to spend. On the contrary, sad people are being found to have more debt and are more attracted towards spending, probably as a method of recovery.

**Objective three** was to establish the economic situations that influence the personal saving levels in selected areas of Munuki Block in Juba City, South Sudan. The dimension of this objective includes

house prices, inflation, interest rate, unemployment and consumer spending. The research revealed the following findings:

The research found out that house prices have both positive and negative effects on savings of households. It was found that when the costs of rent are lower, saving rates of the renters increase and that of the owners of houses reduces while higher costs of rent reduces the savings of the renters and increase the savings of the owners of the houses. This finding agrees with the result of Hsueh (2000) who recognized that house price fluctuations have a direct impact on savings of households that have a house. Also, Rouwendall and Alessie (2002) who used the Dutch socio-economic panel for the years 1987 to 1994, affirmed that the increase in house prices has a negative impact on savings.

The findings revealed that saving levels of respondents fluctuate with variations in inflation rates. People save more when the inflation level is lower and save less if the inflation level is high. This finding is in line with the literature that inflation has the tendency to cut down on the value of individual savings and it is a bad news for savers as it erodes the purchasing power of their money.

The results also revealed that increase in interest rates encourages personal savings while a reduction in interest rates discourages households from saving. In line with this, the finding of Mckinnon and Shaw (1973) stated that low interest rate discourages savings, mobilization and the channeling of the mobilized savings through the financial system. According to Tejvan (2017), a cut in interest rates will reduce the rewards of saving and will tend to discourage saving.

The research revealed that fear of unemployment (job insecurity) encourages personal savings so as to meet the future unemployment gaps while secured or permanent employment (job security) discourages savings. This finding is consistent with Powell and Heinemann (1973) findings which concluded that when people expect that they will be unemployed in future, they tend to save more now to meet the future unemployment gap.

Lastly, consumer spending plays a significant role in personal saving behavior. The study revealed that people save less money when they are engaged in consumption of expensive goods and services. However, those who control their consumption of such expensive goods and services have better chances to save. This finding is consistent with Zhong (2015) finding that the higher the consumer sentiment is, the lower the personal saving rate will be and the lower the consumer sentiment, the higher the personal saving rate.

**Objective four** was on the relationship between the demographic factors, personality aspects, economic situations and personal saving levels. The independent variables were education, income, aggregate personality aspects, interest rates and aggregate economic situations.

Here the study revealed that levels of education and income as well as aggregate economic situations have asinificant positive relationship with personal savings while aggregate personality aspects and interest rates have a non-significant positive relationship with personal savings.

In summary this chapter entails the clear details on the summary, conclusion and recommendation of the findings. The summary covers the findings in relation to the objectives of the study. The summary is followed by the conclusion which is based on the findings of the study. The study was mainly concerned about the determinants of personal saving levels in South Sudan: Evidence from selected areas of Munuki Block in Juba City.

## **CHAPTER SIX**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **6.0 Introduction**

This chapter presents the conclusions and recommendations that are vital for the determinants of personal saving levels.

#### **6.1 Conclusion**

The study aimed at establishing the determinants of personal saving levels among the residents of selected areas of Munuki Block in Juba City, South Sudan.

The main objective of the study was to establish the determinants of personal saving levels in selected areas of Munuki Block in Juba City, South Sudan.

Specific objectives included the demographic factors and personal saving levels, personality aspects and personal saving levels, economic situations and personal saving levels and the relationship between the demographic factors, personality aspects, economic situations and personal saving levels.

The study set out to establish the determinants of personal saving levels among the residents in the selected areas of Munuki Block in Juba City, South Sudan. To achieve this, four specific objectives were addressed. The first objective was to examine the demographic factors that influence the personal savings levels in selected areas of Munuki Block in Juba City, South Sudan.

The findings indicated that levels of education, income and aggregate economic situations have significant positive relationships with aggregate savings. Gender, age group, civic/marital status, household size and culture have no significant relationship with all forms of savings.

Second, the study endeavored to identify the personality aspects or traits that influence the personal saving levels in selected areas of Munuki Block in Juba City, South Sudan. It was established that conscientiousness, agreeableness, neuroticism, fear of risk and prudence have very high impact on personal savings, openness to experience has high influence on personal savings while happiness and extraversion have moderate effect on all forms of personal savings.

The third objective was to establish the economic situations that influence the personal saving levels in selected areas of Munuki Block in Juba City, South Sudan. It was found out that house prices, inflation, interest rates, unemployment or job insecurity and consumer spending have very high influence on all forms of personal savings while permanent employment/job security has moderate influence on the level of personal savings.

The final objective was to assess the relationship between the demographic factors, personality aspects, economic situations and personal saving levels. The study concluded that there exist a significant positive relationship between levels of education, income and aggregate economic situations and aggregate savings while a non-significant positive relationship exists between the aggregate personality aspects and interest rates and aggregate savings.

#### **6.2 Recommendations**

Given the results, it is evident that demographic factors, personality aspects and economic situations have different effects on the level of personal savings and in order to increase or improve personal saving levels amidst these factors, I would recommend that the individuals, government and financial institutions should have the following mechanisms in place.

Government should provide favorable environment for savers by curbing inflation, setting up saving schemes, providing financial training on savings, exempting low earners from taxes with the purpose to encourage them to save.

Financial institutions such as central bank, commercial banks and other financial institutions should involve in activities which encourage all forms of savings such as increasing interest rates for the savers to earn more interest on their saved capital, lowering or removing bank charges on the savings and organizing trainings, seminars and promotional activities about the important of savings.

Individuals should involve in income generating activities such as business, agriculture and well-paying jobs so as to increase their earnings and create a better room for savings.

In order to develop the habit of saving, individuals should start paying bills by cash. Try to reduce or nullify the usage of credit cards. This will reduce the levels of debt savings which are a negative kind of savings.

Avoid impulsive shopping and reduce on the levels of consumption of expensive goods and services: Make a list before going for shopping, and stick to it. Avoid making any irrational decisions while making any purchases. Do not get lured by the deals and end up buying things that are not a necessity.

Start small, save big: Do not postpone making investments till a substantial amount is accumulated. Start making investments even in smaller amounts. Pick an SIP based on your risk profile and make payments towards them even if one has a monthly surplus of 500 SSP. The sooner one starts, the greater the benefits of the power of compounding.

Postpone spending, not saving: The best way to make sure that individuals do not spend in excess is to transfer their money to savings during first few days of the month. This ensures that we know the exact amount we are left with to maintain our monthly expenses. Stick to the monthly saving routine. Postpone any major non-committed expenses, but not the monthly committed savings.

Stick to the monthly budget: Make a list of monthly expenses. Set the target amount to be saved. Distribute the remaining amount under different monthly expense heads. Stick to the plans being made. If one of the expenses exceeds the limit, make the provision by cutting down an expense. Do not accommodate additional expenses from the savings. Never fund an expense with the savings.

Continuously monitor and assess your savings: Monitor your budgets and make sure that savings are always at the optimal levels. Whenever there is a change in the financial situation, revise the budget. Savings should take the top priority before designing a new budget. This helps in maintaining a healthy fund to counter unnecessary debts during emergencies as well.

Furthermore, future research could use the same or other data collection methods so as to obtain more objective data to establish whether similar results could be obtained.

In summary this chapter gives details on the conclusions and recommendations that are vital for the determinants of personal saving levels in the selected areas of Munuki Block in Juba City, South Sudan.

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## Appendices

### Appendix I

#### Questionnaire guide

##### Introduction.

Dear respondents,

I am a student of Uganda Christian University pursuing a Master's degree in business administration. I am conducting an academic research on the determinants of personal savings levels in South Sudan: evidence from selected areas of Munuki Block in Juba City. This study is being carried out in partial fulfillment of the Master's Degree of Business Administration. You have been selected randomly in this research study to assist in providing relevant information on the above title. As one of the selected respondents, your opinions are very important to this study. The information provided will only be used for academic purposes and will be treated with utmost confidentiality. Please try and answer all the questions by following the directions inside.

**Tick the appropriate box.**

#### **SECTION A: background information / characteristics**

1. Gender

a. Male

☐

b. Female ☐

2. Age group (please tick in the appropriate box)

a. 18- 30 ☐

b. 31 – 43 ☐

c. 44 – 56 ☐

d. 57 and above ☐

3. Level of education (please tick the appropriate box)

a. No education ☐

b. Primary ☐

c. Secondary ☐

d. Post-secondary ☐

4. Civic / marital status

a. Single ☐

b. Married ☐

c. Divorced ☐

d. Widowed ☐

5. Level of income

a. Zero income ☐

b. 500 – 1,000 SSP ☐

c. 1,000 – 5,000 SSP ☐

d. 5,000 – 10,000 SSP ☐

- e. 10,000 – 20,000 SSP
- f. 20,000 – 30,000 SSP
- g. 300,000 SSP and above

6. Occupational / employment status

- a. Self – employed
- b. Public employee
- c. Private employee
- d. Casual worker / laborer
- e. Unemployed
- f. Still in school
- g. Retired / pensioner
- h. Unpaid for household work
- i. Others (specify) .....

7. What is the number of members in your family (household size)? E.g. in terms of kids or children, siblings, or other dependents.

- a) One
- b) Two
- c) Three
- d) Four
- e) Above five

8. Do the cultural norms, customary beliefs and values of your ethnic, religious and social groups or community discourage you from saving?

- a) Yes

- b) No
- c) Not sure

**SECTION B: personality aspects/traits which influence personal savings levels**

Read each statement and circle the score that most accurately indicates the extent to which you agree or disagree with that statement. The scoring key is as follows:

**1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly agree**

**N.B:** The above scoring key applies to part C bellow.

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1. My love to play with ideas, eagerness to new activities, readiness to challenge, being curious and appreciative of art of saving (openness to experience) increases my ability to save.	1	2	3	4	5
2. Planning ahead, dutifulness, orderliness, self-discipline, cautiousness, achievement-striving and organizing with diligence helps me to save more money	1	2	3	4	5

(conscientiousness).					
3. My being chatty, sociable, enthusiastic, assertive, and action-oriented helps me save a lot (extraversion).	1	2	3	4	5
4. My being kind, sympathetic, compassionate and happy to help others reduces the amount I save (agreeableness).	1	2	3	4	5
5. I save less amount when being inclined to worry, emotional suffering, depression, mental distress, anxiety, vulnerability or, temperament (neuroticism) while emotional stability increases my personal savings.	1	2	3	4	5
6. My high fear of risk reduces my savings. Less fear of risk increases my personal savings. 7. My good judgment or wisdom gained from experience and knowledge helps me save much more money.	1	2	3	4	5
8. I save much when I am happy and less when I am sad.	1	2	3	4	5

**SECTION C: Economic situations which cause variations in the level of personal savings**

<b>Statement</b>	<b>Stronglydisagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Stronglyagree</b>
<b>9.</b> Lower cost of rent increases my personal savings and a higher cost of rent reduces the amount of money I save (house prices).	1	2	3	4	5
<b>10.</b> A lower level of inflation increases my personal savings while a high level of inflation reduces my personal savings.	1	2	3	4	5
<b>11.</b> Increase in interest rates encourages me to save more money while lower interest rates make saving less attractive to me.	1	2	3	4	5
<b>12.</b> I save more now to meet the future unemployment gap. <b>13.</b> I save less because my	1	2	3	4	5

employer will always pay me (job security).	1	2	3	4	5
14. The higher I spend on expensive goods and services, the less I save per month (consumer spending).	1	2	3	4	5

### SECTION E: DEPENDENT VARIABLES.

**INSTRUCTIONS:** Please answer the questions by ticking the appropriate box.

15. How much percentage of your income do you save as liquid or cash (liquid savings)? E.g. saving certificates, deposit accounts, saving bonds or money loaned to family or friends.

- a) 0-20% ☐
- b) 20-40% ☐
- c) 40-60% ☐
- d) 60-80% ☐
- e) 80-100% ☐

16. What percentage of your income do you save for investment purpose (investment savings)? E.g. Growth funds, share funds, bonds, stocks, options or warrants.

- a) 0-20% ☐
- b) 20-40% ☐
- c) 40-60% ☐
- d) 60-80% ☐
- e) 80-100% ☐

17. How much percentage of your income do you save in form of durable goods (durable goods savings)? E.g. value of your cars, motorcycles, house, shop, art works and jewellery, ivory or land.

- a) 0-20% ☐
- ☐

- b) 20-40%
- c) 40-60%
- d) 60-80%
- e) 80-100%

18. *How much percentage of your income do you save to repay loans or debts from others (debt savings)?*

- a) 0-20%
- b) 20-40%
- c) 40-60%
- d) 60-80%
- e) 80-100%

***Thank you very much!!***

***GOD BLESS YOU***



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## Appendix II

### b. Interview guide questions.

Dear respondents,

I am a student of Uganda Christian University pursuing a Master's degree in business administration. I am conducting an academic research on the determinants of personal savings levels in South Sudan: evidence from selected areas of Munuki Block in Juba City. This study is being carried out in partial fulfillment of the Master's Degree of Business Administration. You have been selected randomly in this research study to assist in providing relevant information on the above title. As one of the selected respondents, your opinions are very important to this study. The information provided will only be used for academic purposes and will be treated with utmost confidentiality. Please try and answer all the questions by following the directions inside.

**Tick the appropriate box.**

### SECTION A: background information / characteristics

1 Gender

a). Male

☐

b). Female

☐

2 .Age group (please tick in the appropriate box)

a.18 – 30 ☐

b.31 – 43 ☐

c.44 – 56 ☐

d. 57 and above ☐

3 Level of education (please ick the appropriate box)

a. No education ☐

b. Primary ☐

c. Secondary ☐

d. Post-secondary ☐

4 Civic / marital status

a. Single ☐

b. Married ☐

c. Divorced ☐

d. Widowed ☐

5. Level of income

a)Zero income ☐

b)500 – 1,000 SSP ☐

☐

- c)1,000 – 5,000 SSP
- d)5,000 – 10,000 SSP
- e)10,000 – 20,000 SSP
- f)20,000 – 30,000 SSP
- g)300,000 SSP and above

5 Occupational / employment status

- a)Self – employed
- b)Public employee
- c)Private employee
- d)Casual worker / laborer
- e) Unemployed
- f) Still in school
- g)Retired / pensioner
- h)Unpaid for household work

I others (specify) .....

**SECTION B: Demographic variables:-**

6 Have you ever saved money?

a. Yes ☐

b. No ☐

7 If yes (question 7) above, how much did you save?

.....

8 When did you last save the money?

.....

9 Have you ever experienced variations in your personal savings?

a. Yes ☐

b. No ☐

10 If yes (question.9) above, answer the following questions

a. What are the major demographic factors responsible for variations in your personal savings levels? Give your points according to the order of their importance.

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### **SECTION C: Personality Traits.**

b. What are your personality traits that influence levels of your personal savings? Please name them in the hierarchy of their importance.

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**SECTION D: Economic Situations**

- c. What are the economic situations affecting the levels of your personal savings? Please list them in the order of their importance.

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**SECTION E: DEPENDENT VARIABLES.**

**INSTRUCTIONS:** Please answer the questions by ticking the appropriate box.

11. How much percentage of your income do you save as liquid or cash (liquid savings)? E.g. saving certificates, deposit accounts, saving bonds or money loaned to family or friends.

- a) 0-20% ☐
- b) 20-40% ☐
- c) 40-60% ☐
- d) 60-80% ☐
- e) 80-100% ☐

12. What percentage of your income do you save for investment purpose (investment savings)? E.g. Growth funds, share funds, bonds, stocks, options or warrants.

a) 0-20%

b) 20-40%

c) 40-60%

d) 60-80%

e) 80-100%

13. How much percentage of your income do you save inform of durable goods (durable goods savings)? E.g. value of your cars, motorcycles, house, shop, art works and jewellery, ivory or land.

a) 0-20%

b) 20-40%

c) 40-60%

d) 60-80%

e) 80-100%

14. How much percentage of your income do you save to repay loans or debts from others (debt savings)?

a) 0-20%

b) 20-40%

c) 40-60%

d) 60-80%

e) 80-100%

15. What do you think should be done to increase the levels of personal savings in south Sudan?

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16. Any other information?

.....

.....

*Thank you very much*  
**GOD BLESS YOU**

**Determining of the sample size (S) per population size (N)**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	256	3000	341
20	19	120	92	300	169	900	269	3500	341
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
<b>35</b>	<b>32</b>	150	108	360	186	1100	285	<b>5000</b>	<b>357</b>
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	<b>250</b>	<b>152</b>	650	243	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	255	2600	335	100000	384

**Source: Krejcie & Morgan 1970**

