CHAPTER ONE

INTRODUCTION

1.1 Background of the study

A developing country like Nigeria cannot afford to downplay the importance of savings because of its relevance to the economic activity of the nation. The dearth of adequate savings in the nation leads to dearth of investment and micro business development. Cooperative societies as business enterprises also depend on savings as a source of internal capital for its business activity and its relevance cannot be down played. Consequently, to ameliorate this gap in access to finance by Farmers Multipurpose Cooperative Society (FMCS) members, the need to save is paramount. Jalo, Onu, Dire & Margwa (2015), citing Hussein and Thrilwall (1999) asserted that savings among cooperative farmers' is dependent on farm income, per-capita income, capacity to save, willingness to save, cultural attitudes and distribution of financial institution. Through savings, there will be capital accumulation leading to investments hence economic growth and ultimate development.

Age of household members has been proved by many researchers to have significantly affected savings. Furnham (2011) found age to be strongly and linearly related to respondents' attitude towards savings, 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 savings to be the highest among respondents under age 30, with the predicted probability generally decreasing with age. They equally found that savings and income are positively related, with savings increasing as income increases.

The educational level of the household head has significant influence on his savings. Solmon (2003) posits that average and marginal propensity to save rise with the educational attainment of the household head. Savings has equally been shown to be higher among highly educated groups. (Yuh & Hanna, 2010); Lee, Park & Moutalto, 2009), while wealth holidays have been shown to be particularly low for households whose head has low education (Bermheim & Scholz, 2007; Hubbard, Skinner & Zeldes, 2005).

The socio- economic life of a household is affected by the dependency ratio i.e the ratio between non- working population to working population. If the earning members are more than the non- earning members, the propensity to save will be higher unlike when the non- earning members of the household are higher. The size of household affects the savings pattern of that household head. Large households entails more responsibility on the part of the household head in terms of feeding, payment of school fees, medical expenses and thereby reduces his savings. Sex ratio of households equally affects the household savings. Male tend to save more than females as they have more responsibilities such as marriage, building of houses etc. Mark, Joanne & Elizabeth (2009) found that gender, income level, age and household size has significant effect on savings. They stated specifically that males have positive significant impact on savings because males appeared to be saving more than females.

Economic growth and ultimate development cannot happen without relevant financial institutions assisting farmers develop savings habits, sustainable farming models, processes and structures that are geared towards success. Finance is of primary challenge to the growth of agriculture. Farmers low savings or near absence of it has resulted into inadequate financing of agricultural production.

Finance encompasses providing necessary capital for investment, lending money and savings of money. The problems that hinder agriculture can be explained in part by the weakness of financial institutions and lack of access to financial services. Many investments designed to enhance low agricultural productivity are dependent on access to appropriate financial services (World Bank, 2006). At the farm level, lack of financing constrains the ability of farmer to clear land, introduce irrigation, purchase input such as fertilizers and seeds, pay for machinery services, undertake storage, bridge the pre-harvest income gap, smooth seasonal income flows and ensure against price of yield services.

Along this new thinking of agriculture financing in Nigeria, International organizations recognized the need to involve non-profit organizations as veritable and effective channels for providing financial services to the poor farmers (Oke, Adeyerno & Agbonlahor, 2007). To this end, many credit based NGOs undertaking lending and savings on the principle of Self Help Group (SHG) emerged. Such NGOs include: Farmers' Multipurpose Cooperative Societies (FMCS), the Community Development Trust Fund (CDTF) in Lagos state, the Community Women Association of Nigeria (CWAN) in Ondo State, the Live above Poverty (LAPO) in Edo State, the Farmers Development Union (FADU) in Oyo state, the women Farmers Association in Kano State, Lion Micro Credit Society, Nsukka and the Peace Development Center in Uyo (Mkpado & Arene, 2007).

Against this background, Farmers' Multipurpose Cooperative Societies (FMCS) are basically formed to bridge the gap of proximity and formality of financial institutions, as well as group dynamism for the rural farmer. Farmers' Multipurpose Cooperative Societies are cooperative societies formed by farmers

who share common interests pooling their resources together to establish a business enterprise jointly owned by members.

Various studies have established contradicting results on what influences savings behavior among members of FMCS. Andrea & Francisco (2003) submitted that the total variance in savings is better explained by differences in current income. They concluded that permanent income is not an important determinant of savings. However, Mark, Joan & Elizabeth (2004) says that, among other variables, income has a significant effect on savings, which agrees with Yuh & Hanna (2010) which found out that savings and income are positively related.

Inadequate finance is one of the major challenges of any business activity. In order to expand their business operations, credit is very paramount. Various studies have shown that inadequate credit facilities, coupled with high interest rates, have limited the access to credit facilities by genuine investors. Cooperative societies are business organizations that provide credit facilities to its members through its internally-generated funds (savings).

Farmers' multipurpose cooperative societies play crucial roles in the rural part of the country in protecting the interest of smallholders, improving farmer's livelihood through collective actions and in supplying farm inputs and marketing of produce. One of the basic objectives of organizing and expanding agricultural farmer's multipurpose cooperative societies in the rural parts of the country is to enhance the marketing efficiency and to promote agricultural development (Daniel, 2006).

1.2 Statement of the Problem

Basically, the essence of joining or forming a cooperative society is to pull resources together alongside those who share similar interests so as to fulfill a common objective. Farmers' Multipurpose Cooperative Societies (FMCS) are formed to assist farmer- members to get inputs for their farming enterprises, as well as profitably sell the output of their farming. In other to fulfill its objectives, FMCS encourage member participation in terms of savings; both mandatory savings, which guarantees membership, as well as special savings in other to increase economic benefits for joining cooperative. Consequently, among other scholars, Nwachukwu & Odige (2009) highlighted the relevance of savings to the growth of FMCS. Also Rehman, Bashir & Farida (2011) stated that apart from the relevance of savings, it represents a large segment of the sources of finance to cooperatives.

However, in recent times, notwithstanding the relevance of savings, the levels of saving have exhibited a downward trend particularly in Africa and Latin America over the past 30 years, Nwachukwu & Odige (2009), and this has remained a source of worry for policy makers. This trend may be as a result of changing age at which members of cooperative assumes the responsibility of marriage having children, retirement and so on which is otherwise referred to as family cycle, as well as the increasing prevalence of female as head of households and changing household size. Other household characteristics that may be affecting savings are dependency ratio, household income, as well as literacy level.

In addition, age of the member, position of the member in the cooperative, years of membership in the cooperative and number of dependents, may affect savings behaviour (Nwankwo, Ewuim & Asoya, 2013).

The effects of these low savings attitude and levels are several, which include low productivity because households are not able to employ idle productive resources in the production process, inability of households to meet food security requirement (during off season), educate their children and access essential basic services such as health, as well as mobilize domestic financial resources to meet contributions towards development projects emanating either from within or without.

Empirical studies from various researchers have established several household characteristics that affect savings behaviour of cooperative members. Rich & Olive (2005) established that hindrances to savings were as a result of low income level of rural household. Tesfamaria (2012) found out that savings mobilized by cooperative members was largely determined by household annual income. Alma & Richard (2008) found out that savings behavior among rural households in Philippines were largely determined by income, educational attainment and assets of households. They researchers equally found out that household size had negative effect on savings. Mark, Joan & Elizabeth (2009) found out that what determined household savings behaviour in Australia was gender, income level, age and household asset and size. They specifically stated that males had positive significant impact on savings, as they appeared to be saving more than the females. Quixia (2004) found out that income seems to be a major determinant of savings in there selected areas of China. He found out that household size had negative effect on savings rate. Income, occupation and services provided by financial institutions have positive significant impact on savings in rural Kenya. They, however, found out that transport cost and household size were found to have inhibited savings. Results of the study of Tonhami, Florence, Najat & Sabine (2009) shows that

income had positive effect on savings rate, while household size had negative effect on savings rate of rural and urban dwellers of Morocco.

Result of study conducted by Sebattu (2012) in Tigrai region of Ethiopia showed that age of the members had a negative impact on savings. On the other side, result of study by Kelly & Williams (2008) clearly revealed that age had positive impact on savings.

There are conflicting results as to what determines or constitutes savings behaviour of cooperative members as can be clearly seen from the above results/findings. Most of the studies, highlighted were not local to Enugu State and were not primarily focused on FMCS. Therefore, this study is necessitated so as to find out the major household characteristics that affect savings behaviour of members of FMCS in Enugu State.

1.3 Objectives of the Study

The broad objective of this study is to examine the savings behaviour and household characteristics among members of farmers' multipurpose cooperative societies (FMCS) in Enugu State.

The specific objectives of the study are to:

1. Describe socio- economic factors that influence savings behavior of member of FMCS in the study area
2. Compare motives of savings of members of FMCS and non- FMCS members.
3. Compare uses of savings of members of FMCS and non- FMCS members.
4. Determine the influence of family life cycle on savings behavior among members of FMCS.

5. Evaluate the extent to which members age affects savings behaviour among members of FMCS.

1.4 **Research Questions**

1. What are the major socio- economic factors that influence savings behavior of members of FMCS?
2. Are motives of savings of members of FMCS and non- FMCS members different?
3. Are uses of savings of members of FMCS and non- FMCS members different?
4. What are the influences of family life cycle on savings behavior of members of FMCS?
5. To what extent does members' age affect savings behavior among members of FMCS?

1.5 Hypotheses of the study

1. H_o: Household socio- economic characteristics of members of FMCS do not have significant influence on their amount of savings
2. H_o: Motives of Saving in FMCS is not significantly different from non-FMCS farmers.
3. H_o: Uses of Saving in FMCS is not significantly different from non-FMCS farmers.
4. H_o: Family life cycle has no significant influence on annual savings of members of FMCS.
5. H_o: Members' age has no significant influence on annual savings of members of FMCS.

1.6 Significance of the Study

The study will be of benefit to the government, policy makers, cooperative members, farmers, business community, research institutions and the general public. The major benefit will be to validate the importance or otherwise of savings as a source of internal financing to cooperatives in Nigeria.

To the policy makers and government, the study will present empirical evidence from the cooperators' point of view on the impact of internal savings and the various determinants of members' savings. Members of the FMCS and cooperative members generally will equally benefit as the results of the findings will enable them know how best to sustain their cooperative through internal funding.

This study will also provide the much needed empirical data on savings behavior and household characteristics of FMCS members. This is particularly important because of the dearth of data for research in Nigeria. To this extent, prospective researchers would benefit from its availability.

1.7 Scope of the Study

This study confined its investigation on savings behaviour and household characteristics among members of FMCS in Enugu State that are active from year 2012 to 2016. The type of FMCS that were involved were those ones that were involved in saving of money for its members. The variables in savings behaviour were the amount of money saved, the frequency of savings, motives and uses of savings, the savings mechanisms, (where members save) and attitude towards savings by the members.

Household characteristics can be proxied by literacy level of members, age composition of the household, dependency ratio, household size and sex ratio of

the household. The study was concentrated on the members of FMCS, not their societies.

1.8 Limitations of the Study

There are limitations in this study. Firstly, the respondents were limited (540 respondents or samples) in terms of size and composition. Secondly, the data collection was restricted only in Enugu State of Nigeria, which may fail to represent the actual scenario of the whole country. While filling the questionnaire and supplement interviewing, the researcher faced problems in explaining the questions as most of the people, who are members of FMCS, are illiterates and live in the villages.

Another major limitation was the poor keeping of records of most of these FMCS studied. Their books of accounts were in arrears and most of their annual accounts were not prepared. That was why the study covered only 5 years (2012 to 2016). However, these limitations were overcome through hard work, perseverance and use of competent research assistants who are professional cooperative workers.

1.9 Definition of Terms

Household: Household is either one person, who usually resides alone or two or more people who usually reside together and share facilities (such as for cooking, eating or a living area, and bathroom and toilet) in a private dwelling.

Household Characteristics: Household characteristics is a general term that includes details of household members such as household members (size), household composition, marital status of household members, number of children in a household by age and total income of household.

Savings Mechanism: These are areas in which money could be saved. They include financial institutions (Banks), deposit institutions and cooperatives.

Family Life Cycle: family Life Cycle illustrates a progression of stages through which families pass. It encompasses stages, starting from bachelorhood (single), married couple, family growth (parenthood: birth of children), family contraction (grown up children leaving home for studies or employment), post parenthood (all children leaving home) and dissolution (single survivor: death of one of the spouse, Loudon and Bitta Della (2002).

Member Life Cycle: These are different stages through which an individual passes. They include age of the member, sex, level of education, marital status.

CHAPTER TWO
REVIEW OF RELATED LITERATURE

2.1 Introduction

The review of related literature for this study was done under the following subtitles:

- Conceptual Review;
    - The concept of savings behaviour.
    - Motivations for savings.
    - Determinants of savings.
    - Savings mechanism.
    - Concept of household characteristics.
    - Concept of FMCS
    - Savings behaviour of cooperative members
    - Family life cycle and savings behaviour.
    - Member's life cycle and savings behaviour.
- Conceptual Framework.
- Review of Empirical Studies
- Theoretical Framework.

2.2 Conceptual Review

2.2.1 Concept of Savings behaviour

Savings behaviour has to do with the reaction of people towards savings (Gerdela, 2012). Such reactions could either be negative or positive. Furnham (2011) identified components of savings behaviour as amount of money saved, frequency of savings, motivation for savings, consistency of savings, savings mechanism and

attitude to savings. The amount of money saved is influenced by a number of factors such as age, educational level, income, household size, marital status, number of dependents (Furnham, 2011; Solomon, 2005).

The frequency of savings shows how regular one makes savings. Savings institutions such as banks, rotating savings and credit associations (ROSCAS) and cooperatives help farmers develop savings habit and thereby be more frequent in savings.

Savings mechanisms are various institutions that provide savings facilities to its clients. Matin, Hulme & Rutterford (2002) classified the institutions into formal, informal and semi-formal institutions. The formal providers are those that are subject to banking laws of the country of operation and provide conventional retail service to customers and engage in financial intermediation. Informal institutions are unregistered savings service providers such as Rotating Savings and Credit Associations (ROSCAS), Accumulating Savings and Credit Associations (ASCAS) and deposit takers. The semi- formal providers are usually registered as non-governmental organizations (NGOs), cooperatives, as well as micro finance institutions (MFIs). Aryeetey & Udry (2001) observes that itinerant deposit collectors collect savings from their customers and charge a fee for the service.

Savings are money not immediately spent but are kept for future use. Savings mobilization is the accumulation of savings for a long period of time for meaningful investment. Around the world, poor households save in various forms and for various purposes. People tend to save to compensate for uneven income streams. Different households save for various purposes such as insurance against bad health, disability and other emergencies, investments, social and religious

obligations and for future consumption. Poor households save in cash, in- kind (animals, gold, grain, land and raw materials) and use rotating savings and credit associations, and other forms of financial and non- financial savings and loan associations because of limited access to appropriate deposit facilities.

Savings were the forgotten half of financial intermediation (Vogel, 2004). It is now generally acknowledged that households and in fact the poor will deposit their surplus capital in financial institutions if the institutions are appropriately structured and offer clients savings products that meet their specific needs If demand-oriented deposit facilities are embedded in appropriate institutional settings, they may achieve a level of outreach and impact that credit facilities cannot achieve. Savings provide for the accumulation of capital that, in turn can generate future income and, therefore, enable future consumption.

Zeller, Schrieder, Von Braun & Heidhues (2007) defines savings as the net change in equity between periods. This definition includes change in monetary and non monetary assets such as food, jewelry and other consumption and production durables. However, the authors argued that in broader role of rural finance, the definition of household savings must be expanded to include investment in human capital such as the number of children and the education and nutritional status of family members. Households usually evaluate different forms of savings in terms of security, liquidity and economic return. Liquidity and risk-adjusted returns of the assets possessed by the household are expected to be major determinants of its ability to smoothen consumption inter ‘temporally, especially if access to financial institutions is missing.

Assets exhibit different degrees of liquidity, depending on the physical characteristics of the assets (divisibility versus lumpiness) and on the conditions and imperfections of asset markets. Some assets are seldom bought or sold because of cultural or legal constraints that forbid their sale. Other durables may lie in the domain of an individual's property e.g. women's jewelry and men's cattle. These can only be liquidated if the individual farmer agrees to sell to finance agricultural activities. The third class of durables is illiquid because of their physical characteristics, such as a standing crop for which there are no future markets. The degree of liquidity of durables is also determined by divergence of expected returns of holding the asset and its sale price in imperfect commodity markets (Robinson & Barry, 2002).

Consumption durables such as cooking utensils are examples of rather illiquid assets. The most liquid asset is money. Holding a cash reserve maintains flexibility in future use, but also incurs the risk of inflation and demands from other households or community members. For these reasons, it may be preferable to hold savings in the form of food, livestock and jewelry or to deposit cash in safekeeping institutions, such as a savings group or with a money keeper. Zeller, Schrieder, Von Braun & Heidhues (2004) posits that a general systematization of forms of household savings, according to their degree of liquidity or their security rate of return, is of course not feasible. For instance physical characteristics of assets such as divisibility and lumpiness may be overridden by specific cultural or regional specific market conditions. Livestock may be worthwhile investment in some environments yet may not be profitable and liquid form of savings under different socio-economic conditions. Czukas, Fafechamps & Undry (2005) explored the role of livestock as a form of liquid savings in Burkina Faso.

Generally, voluntary savings can take the form of cash, institutional or in- kind savings. Institutional savings include deposits in formal (e.g. banks), semi-formal (e.g. cooperatives) and informal (e.g. rotating savings and credit association) financial institutions. In-kind savings include savings in grain, animals, gold, land, raw materials, finished goods and construction material (Fiefbig, Hanning & Wisniwski, 2001).

What people save, avoiding consuming all their income is called "personal savings". These savings can remain in the bank accounts for future use or be actively invested in houses, real estates, bonds, share and other financial instruments (Nwankwo, Ewuim & Asoya, 2013). National savings are personal savings plus the business savings and public savings. Business savings can be measured by the value of undistributed corporate profits. Public savings are basically tax revenues less public expenditure (Nwankwo *et al*, 2013).

Savings have not only been described as a key financial and economic issue but also represent a fundamental driving force of economic growth and development at large. At the micro level, savings serve to mobilize financial resources as capital to start up new or expand existing business. Also, when the preceding argument is linked to the macroeconomic level, savings mobilization is an avenue for increased capital accumulation, meeting household basic needs in times of income shortages, meeting precautionary demands for money balance and promoting investments of individuals, firms and governments which lead to increase national output, economic growth and development |(Sutton & Jenkins, 2007; Jacqueline, 2010).

Savings can be broadly categorized into public savings and private savings. Whereas public savings is the savings done by governments such as State, Local

and Federal governments, private savings is done by the private sector of the economy (Maukiw, 2001). Private savings is further categorized into personal or household savings and business savings. Household savings refers to savings done by families and individuals, whereas business savings refers to the purchases of new capital equipment or the expansion of its operations. Households have been identified to have benefited from savings in several ways including hedging against unexpected emergencies, acquisition of assets, investments, provision for retirement, buy improve or upgrade homes, debt settlements and acquisition of social services (such as health and education)(Mark, Joanne Elizabeth, 1999 & Issahatu, 2011). Household savings also represents the large segment of sources of private savings (Rehman Bashir & Fandi, 2011).

2.2.2 Motivation for Savings

Individuals save for two primary reasons (Nwankwo, Ewuin & Asoya, 2013). First, savings provide an economic safety net by transferring resources from the present to the future. Consequently, individuals are prepared to face income shocks without borrowing or selling assets. Second, savings leads to accumulation of financial wealth that enables individual to improve their living standards through asset accumulation.

The motivations behind savings by client are diverse. Robinson (2004) identifies the following as possible decisive motives for mobilizing savings:

- Insurance against disability, disease, retirement, sudden income losses and other contingencies;
- Safeguards against uneven income streams due to seasonal variations (savings of high-income periods are used to finance consumption expenditures during low income periods);

- Wealth accumulation to finance a households long-term goals (social and religious purposes, heritage, consumer durables); and
- Savings for future investment.

Keynes (2006) listed eight reasons that motivate people to save. They are:

- To build up a reserve against unforeseen contingencies (the precautionary motive).
- To provide for an anticipated future relationship between the income and the needs of the individual (the life cycle motive).
- To enjoy interest and appreciation (the inter-temporal substitution motive)
- To enjoy a gradually increasing expenditure (the improvement motive).
- To enjoy a sense of independence and the power to do things, though without a clear idea or definite intention of specific action (the independence motive).
- To secure a masse de manoeuvre to carry out speculative or business projects (the enterprise motive).
- To bequeath a fortune (the bequest motive).
- To satisfy pure miserliness, i.e unreasonable but insistent inhibitions against acts of expenditure as such (the avarice motive).

From the households' point of view, savings represents a decision not to consume current income. Three major motives leading to such a decision can be distinguished (Sturm, 2003).

i. Saving for retirement, i.e to build up assets to finance consumption after retirement when current earned income is reduced or even becomes zero.

ii. Precautionary saving; given the uncertainty about the future developments, the household may wish to hold assets to meet possible emergencies, such as unemployment or sickness.
iii. Saving for bequest i.e to build up asset to bequeath to a subsequent generation.

Low-income earners with irregular streams save in periods of high income to compensate during periods of low income, Liquid deposit facilities or overdraft credit facilities could provide sufficient margins for decisions on the timing of consumption and investment. Motives for wealth accumulation focus on safety and interest rates, while motives for future investments require security and immediate access to funds in the event that an investment opportunity suddenly arises (Feibig, Hanning & Wisniwisk, 2009).

Matin, Hulme & Rutherford (2002) had categorized the motivations behind savings into three main groups as:

(a) Life-cycle needs: The farmer have many life cycle needs that can be anticipated (though the timing cannot accurately be predicted) and which require relatively large sums of money to be amassed. These vary from region to region but include childbirth, education, marriage, home building, old age, funeral expenses, festivals and the desire to bequeath a lump sum to heirs. The amount of cash needed to meet such expenses is much larger than can normally be found in the household. The anticipation of such outlay is a constant anxiety for many poor people.
(b) Emergencies: Emergencies that create a sudden and unanticipated need for a large sum of money, come in two forms-idiosyncratic and covariant. Idiosyncratic emergencies are ‘personal’ and include sickness or injury, the

death of a bread winner, the loss of employment, and theft. Covariant ones include events such as war, floods, fires and cyclones and for slum dwellers- the bulldozing of their homes by authorities. Each creates a sudden need for more cash than can normally be found at home. Finding a way to insure against such events could help hundreds of millions of poor farmers.

(c) Opportunities: Farmers have opportunities to invest in existing or new enterprises, to buy land or other productive assets, or to pay a bribe to get a permanent job. Apart from gifts and charity - which often cannot be relied on, there are three methods by which farmers get access to lump sums that life cycle needs, emergencies and opportunities demand. To sell the assets they already hold (or expect to hold), taking loans by mortgaging (or pawning) those and by turning their small savings into larger lump sums are the 3 basic ways. The most common example of selling assets in advance is found in the sale of crops already existing in the field by farmers. These advances are a form of financing, since the buyer provides in effect, a loan secured against the yet-to, be harvested crop. Whereas the first two methods require that the user have assets, the third method enables poor people to convert their small savings into lump sums. This requires the users to have a flow of savings, however, small or irregular. It allows them to exploit their capacity to make savings through a variety of mechanisms by which those savings can be transformed into lump sums.

The perception of low savings capacity among the poor was grounded in the limited funds deposited by poor people in formal financial institutions. For the past several years, however, practitioners have realized that this is attributable to inappropriate deposit facilities and institutional structures (Robinson 2002). The old perception was shattered, however, by research on rural financial savings and

reports on informal savings mechanisms and in-kind savings, as well as experience from savings banks, cooperatives and deposit taking Micro-Finance Institutions (MFI). ROSCAs can be found in almost every developing country; savings groups, money-keepers and in kind savings absorbs a great portion of the farmer's savings capacity (Bouman, 2000; Fernando, 2001).

Particularly, farm households are induced to save during harvest periods when income streams are higher than consumption levels. Successful mobilization of institutional savings can only be ensued by the existence of demand-driven savings products offered by appropriate institutional structures. A broader understanding of the savings decisions of farm household has shown that appropriate supply can attract significant volumes of savings. Furthermore, a much larger number of clients can be reached through savings mobilization than through credit granting. Micro savings have strong gender implications. Experience indicates that women are very reliable microfinance clients, demonstrating more discipline than men in making regular savings deposits and loan repayments (Goetz & Gupta, 2003; Ardene, 2001). An adequate supply of micro savings facilities will, therefore, supply much-needed services to women, especially considering the fact that women represent a large share of the poorest segments of the population and often pursue independent economic activities. Micro savings enable women to enter the financial system by building their own financial security. While this strengthens women's economic and social independence, it is also widely recognized that funds managed by women have greater effect on welfare of the entire family. Even appropriate and trustworthy institutional arrangements will fail to mobilize savings if enabling macroeconomic environment does not exist. The lack of political and macroeconomic stability and unsuitable legal and regulatory conditions discourage institutional savings. In countries where political distress, inflation and

discretionary government interventions into the financial systems prevail, households may prefer informal, especially in- kind savings options.

Member-owned institutions such as FMCS can be viable means to serve remote areas in terms of savings mobilization particularly if costs are kept low and good governance practiced. Such FMCS that are well connected to formal financial institution may be used to provide services to farmers in remote areas. By offering savings services, FMCS can only promote greater member loyalty and loan repayment discipline, thus reducing the institution and cost of funds and on lending and overall transaction costs (Desai & Mellor, 2003).

Most development organizations and donor agencies have long recognized the importance of savings mobilization by revising their financial market development strategy (World Bank, 2008). However, compulsory savings can hardly qualify as a good savings service. Savings services should be able to offer clients with ability and ease for accrual of funds, accessibility of funds and anonymity of transactions.

The poor farmers need very little compulsion to save but require safe and convenient mechanisms (Robinson, 2001; Wright, 2003). The population that is poorest and most risk averse may require access to deposit services more than loans, since savings function as good risk management strategy (GTZ, 2004; Kamewe & Koning, 2003; Sebstad & Cohen, 2001).

Chao-Beroff (2003) shows that the rural poor generally have informal savings and other mechanisms to help mitigate some shocks. However, savings mechanisms to help build assets generally do not exist due to:

1. lack of incentive for institutions
2. lack of demand because of inflexible and inconvenient deposit product.

Inflexible and mandatory deposit services are often treated as a prerequisite for loans and not as means to accumulate assets (Chao-Bernoff, 2003; Wright, 2003). Moreover, the availability of cheap funds from donors and governments tend to discourage deposit mobilization. As a result, the volume of deposit mobilized by FMCS has been low.

2.2.3 Determinants of Savings

A study by Browning & Lusardi (1996) states that three factors were found to be determinants of savings behavaiour of households in Africa. One of these was the ability to save which in turn depends on a household disposable income and expenditure. The second was the propensity or willingness to save as influenced by socio- cultural and economic factors like the family obligation to educate children. The third one was the opportunity to save and returns on savings. In the same study by these two scholars, they revealed that high cost of living and social responsibility (20%) of rural respondents and (25%) urban households was responsible for not savings. Besides, they found out that family size affect savings in a negative form i.e people with large families do rarely save compared to those with small families. Furthermore, it was also found that landholding strongly influences the rate of total savings since the size of landholding influences income and income influences savings positively. Accessibility to the financial institutions is an important factor in the promotion of savings. When financial institutions such as banks, cooperative societies and credit unions. are opened near market centres and operate at convenient hours, rural people opt to institutionalize their surpluses (Tesfamarian, 2012).

The main determinants of an economic actor's savings portfolios are summarized (Vogel & Burkett, 2006; Bouman, 2004; Robinson, 2000) as follows:

a. The transaction costs incurred on transforming available surplus into specific savings option or on liquidating it;
b. The liquidity of the savings option
c. The real rates of return of the specific option (real interest rate)
d. The divisibility of savings
e. The safety of savings option
f. Trustworthiness and confidence, especially when formal savings accounts are considered;
g. The possibility of locking money away from relatives and friends; and
h. The possibility of using savings to gain access to credit (Financial reciprocity) or to other services (Social reciprocity).

In new development economics, transactions costs are considered to be of substantial interest for development finance. Transaction costs of savings on client side include the number of visit required to complete a transaction and the time spent traveling to the intermediary and completing the transaction. Geographical proximity plays a major role. Empirical evidence indicates that an increased bank density encourages higher volume of institutional savings as bank agencies get close to their customers. Transaction cost for depositors are increased by extensive paper work and regulations on the withdrawal of funds. Some MFIs limit access to deposit to ensure a stable capital base and instill a spirit of thriftiness, and some even block savings. Transaction costs play a very important role in individuals' decision to deposit their savings (Vogel &Burkett, 2006; Otero, 2009). Within the portfolio decision of savers, the return is closely linked to transaction costs. A seemingly positive real rate of return may turn negative for the individual when the

transaction costs are considered. High transaction costs can, therefore, encourage in-kind savings rather than institutional savings. Thus collecting deposits at door step of the customer reduces the customers' transaction costs and may lead to an increased volume of savings.

Rogg (2000) and Sameroyina (2005) emphasized the predominance of positive real interest rates as determinants in the monetary savings portfolios decisions. Empirical evidence from various ethnic groups and countries has shown that savers, poor and non-poor respond positively to increased interest rates. Anecdotal evidence from informal savings mechanisms, however has suggested that people will save even in the presence of negative real interest rates. Poor rural savers may show less relative sensitivity to positive real return than urban savers. This indicates that for the rural poor, different factors may be decisive. Desui & Mellor (2003) in an empirical study concluded that response of savings to interest rate is inelastic, and that non price factors such as household size and dependency ratio were more influential in determining the savings rate.

Gadway & O'Donnell (2006) argues that poor savers mainly demand safe and liquid assets. They point out that the prevailing investment of surplus in illiquid assets (in-kind savings) is an expression of limited set of savings options the poor can choose from. In general, informal savings mechanisms are characterized by limited liquidity and divisibility or as Gadway and O'Donnell put it: "You can't sell half a cow". Under such conditions, immediate liquidity is often provided by credit rather than by savings products if relative prices benefit the former.

Robinson (2011) had pointed out that the demand for deposit facilities is determined by a mix of motives and determinants. Bank Rakyat Indonesia (BRI) mobilizes savings from different strata of rural societies with a mix of liquid and

non-liquid savings products and various levels of return, based on the deposit amount. While this mix of liquidity and return respects the depositors' demand, it also permits RFI to offer manageable and profitable savings services from the institution's perspective.

Appropriate deposit facilities and institutional arrangements must include technical features such as positive real return and liquidity. However, this is not enough to make deposit facilities in financial institutions appealing to savers. The depositors must also trust the institution holding his or her money. Because financial intermediation includes promises about repayments in the future, the 'trust factor', fraud or mismanagement of funds, rnuch more than the failure of a credit program, lead to long-lasting client mistrust towards the deposit taking financial institution. MFls and cooperatives must build the confidence of clients to compete with informal and in-kind savings options. Informal savings options can offer important advantages to depositors. When information and general economic instability prevail, in-kind savings can be viewed as a rational decision to hedge against instability. In stable conditions, or with prime indexed deposits, the availability of safe and liquid institutional savings options can lead to better utilization of capital by preventing it from being frozen in unproductive forms. ROSCAs and contractual savings provide an opportunity to lock away funds that would otherwise, due to social, ethnic or religious obligations, be transferred to relatives or friends or used for household consumption.

Thinking about financial services for the poor as a matter of providing ways of turning small amounts of savings into larger useful lump sums help us to understand the wide variety of informal arrangements that poor themselves innovate and use. The nature of the financial services used varies, depending on

local knowledge, history, context and need, but the essence of such arrangements is similar: turning small amounts of savings into usefully large lump sums (Matin, Hulme & Rutherford, 2002).

The poor farmers need very little compulsion to save but require safe and convenient mechanisms (Robinson, 2001; Wright, 2003). Compulsory savings can hardly qualify as a good savings scheme. Savings services should be able to offer clients with ability and ease for accrual of funds, accessibility of funds and anonymity of transactions.

2.2.4 Savings Mechanism

Some savers place their money in a jar, coffee can or a piggy bank. For short periods of time and small amounts of money, the piggy bank method may work, but long term savers should use a safer method. It is wise to store money at a depository institution (Fisher & Montalto, 2011). A depository institution is a business that offers financial services to people, such as savings and checking accounts. Unlike money stored at home which could be lost to fire, burglary or some other type of disaster, money stored at a depository institution is protected from such loss.

Depository institutions offer accounts that earn interest, allowing customers to take advantage of the time value of money. The time value of money means money paid out or received in the future is not equivalent to money paid out or received today. Interest is the price of money. When depositing money at a depository institution an individual may earn money from interest. The amount of interest earned is determined by calculating a percent of the total amount of money deposited. This percentage rate is known as the interest rate. Savings account,

money market deposit accounts, cooperatives and certificate of deposits are the most common depository institution accounts that earn interest (Fisher & Montalto, 2011).

A savings account is an account with a depository institution that holds money not spent on current expenditures. Money can be kept in savings account until the owner needs to use it for emergencies or purchase expensive items.

A money market deposit account is a type of account that pays a higher interest than a savings account. However, money market deposit accounts usually require more money to open and have limits on the number of times money can be withdrawn from the account every month.

Cooperative societies are business organizations established by individuals to promote their socio-economic well being. Such individuals save money with their cooperatives for which interest are paid.

A certificate of Deposit (CD) is an account that pays interest on a living sum of money. Kamewe & Koning (2003) posited that once money is placed into a CD, it is required to stay there for a specified period of time. If money is withdrawn early, the owner will have to pay penalty fee. Once the time period is complete, the money and interest earned can be withdrawn. The interest rate money earns in a CD is usually higher than a money market deposit account and increases as the time period a person agrees to keep their money in the account increases and as the amount of money placed in the CD increases.

2.2.5 Concept of Household Characteristics

A household is either one person, who usually reside alone or two or more people who usually reside together and share facilities (such as for eating, cooking, or a living area, and bathroom and toilet) in a private dwelling. Household characteristics is a general term that includes details of household members such as number of household members, household composition, marital status of household members, number of children in a household by age, and total income of household. Household composition classifies households according to the relationships between usually resident people. The classification is based on how many and what type(s) of family nuclei were present in a household, and whether or not there were related or unrelated people present (Beaman & Dillon, 2011).

Lerner (2011) classified socio- economic characteristics of households as the social factors which consist of literacy level, family size, sex ratio, dependency level, age of households.

i. Literacy of farm households: Education is one of the important factors that indicates the social status of the development of persons' family or society. It also reflects the economic condition of the family. Education impacts better knowledge, understanding and technical know- how.
ii. Age composition of the household: The ages of the household members will reveal the proportion of the household that are in the labour force. It will also reveal the occupational structure of the households, the proportion of the people who enter educational institutions, the demand pattern and dependency ratio.
iii. Dependency ratio: The socio- economic life of a household is affected by the ratio of dependency i.e the ratio between non- working population to working population. If the earning members are more than non- earning

members, the economic life may be better off than those who have less working members.

iv. Household size: Household size has to do with the number of persons in each household. A large household entails more responsibility on the part of the household head in terms of feeding, payment of school fees and medical expenses.

v. Sex ratio: This has to do with the composition of the members of the household according to male and female.

Issajaku (2011) identified the economic factors of the household characteristics as size of land holdings, building, equipment, income, crops and livestocks. Land could be owned or leased for farming purposes. Landed property is one of the major assets and the more one has this, the better off he becomes, economically. Buildings include farm buildings, residential buildings, commercial buildings, rented buildings and so on. They form major assets acquired by man. Equipment includes both farm equipment like tractors, harvesters and household equipment as electronics. Crops include yam, cassava, maize and other food crops. Livestock include poultry, sheep, goat, piggery etc. Income has to do with liquid cash earned by household members. Some people have multiple sources of income, apart from farming such income could come from produce buying, weaving, trading, salaries and craft making.

2.2.6 Concept of FMCS

Farmers Multipurpose Cooperative Societies (FMCS) offer platforms to improve agricultural production, as they play a key role in regulating the market, processing of members farm produce, construction of warehouses, provision for grading and standardization of product, standardization of weight and measures, daily

dissemination of information on market prices of agricultural commodities and facilitates transport services. These marketing functions are performed by FMCS to add values to members farm produce and possibly eliminate the exploitation of farmers by the middlemen (Kishor, 2010). According to Taiwo, Udunze & Agbasi (2015), FMCS is viewed as an organization for the promotion of economic interests of its members. Meanwhile, cooperative society does not only restrict itself to economic wellbeing of its members but also giving them social inclusion. FMCS is one of the types of cooperatives organized by farmers with the objective of providing more than one service to themselves.

It promotes integration of economic activities such as mobilizing capital to provide credit and inputs for agricultural production to members. FMCS also assists members with storage, processing and marketing of farm produce. The range of services provided by the society is determined by the members and the society's capability (Adeleye, 2012). FMCS equally is set up to add value to their members farm produce which then guarantee high market price for members produce as much as increase earnings on the members farm output. Thus, the FMCS offers its members an improved bargaining power in respect to services such as storage, processing and transportation which is capable of affecting the cost of production and the market value of the members produce. The better the quality of value added to farm produce, the more farmers will be keen to sell their produce through their cooperative society. This is because it is possible to maintain services such as storage, transportation, extend credit, market processing, which a single farmer is unable to achieve outside FMCS (Bob-Igwe, 2006).

Farmers Multi- Purpose Cooperative Societies (FMCS) are cooperative societies whose members are either part-time or full- time farmers. The society render several functions to her members. Such functions range from credit delivery,

production, market, input supplies, savings mobilizations and so on. Listed below are the functions performed by FMCS to her members;

i. To encourage the adoption of better farming and industrial production methods and the extension of farming activities. The FMCS acts as a forum through which farming members are taught better farming methods and how to adopt better farming techniques by agricultural extension officers. These extension officers visit the members' farms and teach them how best to engage in modern methods of farming.

ii. To organize the supply and distribution of general consumer goods in the societies area of operation. The FMCS supplies members with needed consumer goods in the society's area of operation. Needed goods by members could be arranged and supplied to members by the FMCS who can obtain such goods in bulk from the wholesalers at reduced prices.

iii. To supply members with agricultural equipment, improved seeds and seedlings, insecticides and other relevant inputs. The FMCS as a corporate entity deals with relevant government and distribution agencies for supply of her members with relevant inputs of production. Such inputs include fertilizers, agricultural equipment such as tractors, harvesters; improved seeds and seedlings. These inputs are bought in large quantities at reduced prices and are resold to members at reasonable prices. These inputs are very relevant in the production process, and its timely delivery to farmers ensures improved production activities.

iv. To process and market to their best advantage, members produce. The FMCS undertakes marketing activities for her members. The agricultural produce are very perishable and cannot last long without being processed. The FMCS at times processes the produce in order to add value to it and stores the produce, looking for better marketing outlet for its final disposal.

These activities are undertaken so as to attract a better pricing of the farmers produce.

v. To encourage thrift among members and establish a fund from which members can be given loans for productive purposes. The FMCS acts as a rural savings bank for her members. Members are encouraged to make regular savings with their cooperative (FMCS), especially in rural areas where there are no banks. Such savings when it gets accumulated could be given out as loans to members to enhance their productive activities.

vi. To establish agro- based industries. The FMCS, if being properly run by her members, is in a better condition to establish agro- allied industries in the rural areas. Such industries include: palm oil factory processing, palm kernel oil (PKO), palm kernel cake, palm kernel shedge and cracking of palm kernels; soya bean oil and soya bean cake; livestock feed mill for production of poultry feeds, pig feeds and fish meals; cassava processing factory for processing of cassava chippings, garri and cassava flour, bakery industries; saw mill industries. These agro- based industries helps in providing employment in the rural areas and reduces rural- urban migration.

2.2.7 Savings Behaviour of Cooperative Members

The first major breakthrough in savings behavior is the permanent income hypothesis of Friedman (1957). This hypothesis differentiates permanent income and transitory income as determinants of savings. Permanent income is defined in terms of the long- time income expectation over a planning period and a steady rate of consumption maintained over life time given the present value of wealth. Transitory income is the difference between actual and permanent income and since individuals are assumed not to consume out of this income category, marginal propensity to save on transitory income will be unity.

The second major contribution to savings behavior comes from Ando and Modigliani's life cycle hypothesis, whose basic assumptions is that individuals, spread their lifetime consumption evenly over their lives by accumulating savings during earning years and maintaining consumption levels during retirement. Moreover, the life cycle theory suggests that age has an impact on savings. The young and the retired people are not savers. Therefore, the higher the dependency ratio of a nation, the lower will be the saving rate. Thus, implying what is called the level of effect of the life cycle theory.

Provision of financial services, like money transfer from one centre to another, can encourage depositors. When there is a linkage between savings and lending, rural households will be prompted to hold deposits with a view of availing a loan when needed.

Also in a study carried by Jappeth and Modighiani (1998) on savings, they found out that dependency ratio, resource ownership and expenditure pattern affect the decision of household savings significantly.

Age, income, income uncertainty, wealth, risk tolerance, saving horizon, home ownership, household composition, health status, education, race/ethnicity, self unemployment and unemployment have all been linked to some aspect of savings by many researchers.

Furnham (2011) identified age to be strongly and linearly related to respondents' attitude towards savings, and age has been found to determine how regularly a household saves, where a household saves, and why a household saves. Yuh & Hanna (2010) found the predicted probability of saving to be the highest among

respondents under age 30, with the predicted probability generally decreasing with age. They equally found that savings and income are positively related, with savings increasing with income. Equally, in the real world, uncertainty about future income affects household savings or net worth accumulation. Fisher & Montalto (2011) found that low risk tolerance decreased the likelihood of saving, and Finke & Huston (2003) found that grater risk tolerance was associated with higher net worth and financial assets.

Several researchers have found that health affects total wealth accumulation (National Bureau of Economic Research (2000; Wu, 2003). Fisher & Montalto (2011) found a negative relationship between poor health and savings. However, Yuh &Hanna (2010) found that households with poor health are more likely to save than households with fair or excellent health.

Solmon (2005) indicated that average and marginal propensity to save rise with the educational attainment of the household head. Savings has been shown to be higher among higher education groups (Yuh & Hanna, 2010), Lee, Park, & Montalto, (2009), while wealth holidays have been shown to be particularly low for households whose head has low education (Bermheim & Scholz (2007); Hubbard, Skinner & Zeldes, 2005).

Racial or ethnic differences in household savings behaviour exists (Fisher, 2010, Lee *et al* 2000), even when the households were otherwise similar (Lee *et al* 2010). Rha, Montalto, & Hanna (2006) found that households with a white respondent were more likely to save as compared with household having a black or Hispanic respondent. Horgarth & Anquelor (2003) found white household to be more likely to be savers than black or Hispanic households. Households with a black

respondent have a lower likelihood of saving than otherwise similar white households. White households have been found to save more as compared to the reference group of those who had no particular reason to save or said they were non- savers. (Yuh & Hanna, 2010).

Annamaria (2000) identified some demographic and household characteristics which affect savings behaviour to include:

- Life expectancy: An increase in life expectancy will *ceteris paribus* increase the household saving ratio (of a growing population) because each person requires wealth accumulation to finance a constant consumption stream over a longer retirement span.
- Retirement age: A decline in retirement age will *ceteris paribus* increase the household savings ratio for similar reasons. Each person requires a large stock of wealth (relative to life time income) to finance consumption over the expanded retirement period.
- Age distribution: Individual household savings ratio depends on the age of the household, *ceteris paribus*. Thus, the aggregate household saving ratio depends on the relative share of households of certain ages in the total number of household, i.e the age distribution of (heads of) households.
- Family size: The larger the family size, the more likely for their savings to be low, especially when most members are not working.
- Average age of entry into the job market by young people or the normal period of formal education. An increase in the latter tends to prolong the duration of family membership of young adults, thereby influencing the time profile of household consumption and aggregate savings ratio.
- Female participation ratio: The female participation ratio will determine the number of households with two income earners.

2.2.8 Family Life cycle and Savings Behaviour

Scholars have generally conceptualized family life cycle, (FLC) as a series of stages through which most families' progress, with varying characteristics across various stages; these characteristics relate to marital status, size of the family, the age profile of the family members (focusing on the age of the oldest and/or youngest child), the employment status of the head of household, the income level and the disposable income at hand. These stated characteristics have significant impact on the savings behaviour of members of FMCS (Loudon & Bitta Della (2002); Peter & Olson (2005) & Schiffman & Kanuk, (2004)).

Traditionally, the life cycle illustrates a progression of stages through which families pass. It comprises stages, starting from bachelorhood (single), to married (couple), to family growth (parenthood: birth of children), to family contraction (grown up children leaving home for studies or employment) to post parenthood (all children leaving home) to dissolution (single survivor: death of one of the spouses). Based on these, Loudon & Bitta Della (2002) conceptualized traditional FLC to synthesize five basic stages, which may be mentioned as follows:

Stage I: Bachelorhood: Young single adult (male/female) living apart from parents and into a livelihood.

Stage II: Honeymooners: Young married couple.

Stage III: Parenthood**:** Married couple with at least one child living with them at home.

Stage IV: Postparenthood**:** An older married couple with no children living at home. Children have left home for studies or for employment.

Stage V: Dissolution**:** One surviving spouse.

Some other researchers in this area see family cycle stages as;

- Independence.
- Coupling or marriage.
- Parenting: Babies through adolescents.

During this stage, there are several stages.

✓ Childbearing Family

From the birth of the first child until that child is 2 years old.

✓ Family with Preschoolers

When the oldest child is between the ages of 2 and 6.

✓ Family with School Children

When the oldest child is between the ages of 6 and 13.

✓ Parenting adolescents

When the oldest child is between the ages of 14 to 20

- Launching adult children.
- Empty Nest
- Retirement or senior years.

These stages are further discussed as follows:

1. Stage I: Bachelorhood**:** The stage comprises a young single adult (male/female) living apart from parents and into a livelihood, while incomes are low as they have just started a career, financial burdens and responsibilities are also low. As such, bachelors have a high level of disposable income.

2. Stage II: Honeymooners: The stage comprises a newly married couple and continues till the first child is born. One of the spouses may be working or both may be working. They are financially better off than they would be in the next stages. If both are working, income is higher.

If both are working, the couple has discretionary income at hand. That permits a good lifestyle, and provides for purchases or savings.

3. Stage III: Parenthood**:** The stage comprises married couple with children. This stage extends for about 20-25 year period; and could be further broken up into three stages, viz., Full Nest I, Full Nest II and Full Nest III. Throughout these stages, the size and structure of the family gradually changes, so does income and expenses with varying priorities. The financial expenses increase rapidly with children being born in Full Nest I and gradually decrease as children become independent and self-supporting as one reaches Full Nest III.

- Full Nest I**:** The youngest child in the family is six or below.

- Full Nest II**:** The youngest child in the family is above six. Generally the stage comprises children aged 6-12 years.

-Full nest III**:** They are older married couples with dependent and/or independent children but staying together at home. Children reach the higher educational level; one of them may start earning too.

4. Stage IV: Postparenthood*:* This is a stage that occurs once children have left home. They leave home first for education, and then for employment. As they complete their education, and find employment, they gradually leave home one by one, thus, leaving the nest.

Thus, this stage has also been broken into two stages, viz., Empty Nest I and Empty Nest II. As one moves across Empty Nest I and II, the size and structure of the family changes (quite similar to the Parenthood stage and the Full Nest I, II and III).

-Empty Nest I**:** This is a stage that occurs when at least one of the children has left home. He/she has completed education, taken up a job and has left home to start

his/her home. He/she is independent and can manage on own. While children are managing to start up on their own, parents are still working.

-Empty Nest II**:** In this stage, all the children have left home, and the couple has retired from occupation. They live on pension and other social security investments. If health permits, they take up part-time jobs.

5. Stage V: Dissolution: This stage in the FLC occurs when one of the couple dies, and leaves behind the other surviving spouse.

Bachelors and honeymooners are financially better off because they don't have children to take care of. For that reason, savings tend to be high. At parenthood stage (full nest III), the burden on parents for training and up keep of the children is high. All the children are in school and so much is spent on school fees. At this stage, savings is lowest or even is zero. At post parenthood stage (empty Nest II), all the children have completed their studies and left home, taken up employment and are managing on their own. Only the parents are left alone in the home. At this stage the burden on the parents has reduced and the parents can now save more money either from their salary or pension.

2.2.9 Members Life cycle and Savings Behavaiour

Member life cycle can be otherwise referred to as the age of members of cooperatives, that is, young minors, young adult members, middle age/adult members and old/elderly members. Age has been found to determine how regularly a household saves, where a household saves and why a household saves. (Furnham, 2011). These age classifications have a huge influence on members' savings behaviour. In a holistic view, Schultz (2004), citing Modigliani and Brumburg (1954) assume their life cycle model that individuals maximize lifetime utility by allocating lifetime discounted income to consumption in various periods

of the life cycle by using capital markets, to equalize the discounted marginal utility of consumption in each period, assuming diminishing marginal utility of consumption in each period. The scholars further postulate that there are no children in the life cycle model; the individual enters the model as an adult at the beginning of the earnings span and receives utility only from present and prospective consumption and from assets.

i. Young minors (0 – 16 years):

The number of members of FMCS that fall within this age bracket is usually small. This is because the Nigerian Cooperative Societies Act 98 of 2004 (Section 22) sub-section 1a specifically provides that for a person to be qualified for membership of a primary cooperative society, that person must have attained the age of sixteen years, except in the case of a school society. This provision limits the number of people in the above age bracket that joins FMCS. The level of savings of such members is usually small as a result of the fact that such members can hardly earn any income. They fall under the dependent population group.

ii. Young adult members (17 – 25 years):

The members of FMCS that fall within the above age bracket are mostly young school leavers who have finished either secondary or tertiary institutions. If they are gainfully employed and are earning good income, their savings will be greatly enhanced. On the other hand, if they are mostly unemployed and are engaged in either full-time or part-time farming activity without adequate financial support, their savings with their cooperative will be negatively affected.

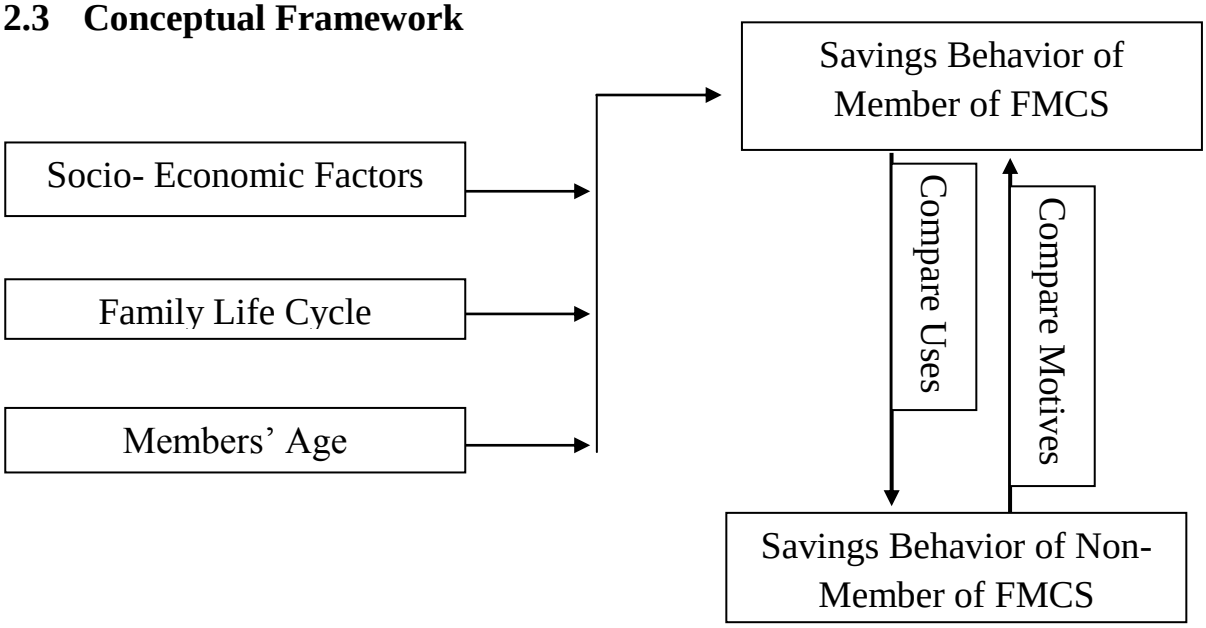
iii. Adult members (26 – 59 years):

This age bracket has the highest number of members in most FMCS. They are mostly working class and married with children. Their family members help them in their farming operations (family labour), and this brings out increased output from their farming activities. This increased output brings increased income to the families and has positive effect on savings of the members in their cooperative.

iv. Elderly/old members (60 years and above):

The FMCS members in this age bracket are not many. They are mostly retirees/pensioners who can hardly make use of their self labour. Moreover, a good number of their children have left them either for studies or have established their own families. They are equally dependent on their pension or handout from their children and this affects their farming operations negatively. The resultant effect of this is on their income (which will be low) and low savings with their cooperative (FMCS).

2.3 Conceptual Framework



Source: Researchers' conceptualization 2018.

2.4 Review of Empirical Studies

Nwankwo, *et al* (2013) carried out a study on the effect of cooperatives on the savings behavior of members in Oyi local government area of Anambra State using data of 195 randomly selected members of credit cooperatives. Analysis of data was with descriptive statistical tools such as mean and frequency counts and multiple regression models. The results of the findings show that cooperative membership impacted positively on savings behavior of members, older members had more savings than newer members, and that length of membership in cooperative was found to be important determinant of savings.

Rich & Olive (2005) carried out a study on savings habits, needs and priorities in rural Uganda. Data gathered was analysed using multiple regression model. The result of their findings showed that hindrances to rural savings were low income level of rural households which was the most significant factor. High fee charged by the financial institutions was the second most significant factor; while the third most significant impediment to savings was low personal interest rate in savings. Low savings rate paid on savings was a relatively insignificant impediment of savings. Though clients find interest rate too low, they nonetheless remain clients as this is not enough of a disincentive to cause them to exit.

Tesfamaria (2012) conducted a study on savings behavior and determinants of savings mobilization by financial cooperators in Ethiopia. Using least squares method, the result of the study showed that savings mobilized was determined by household annual income, livestock holding, amount of loan borrowed, and years of member stay in the cooperative.

Alma & Richard (2008) in their attempt to analyse savings behavior among rural households in the Philippines, regressed a host of factors on savings. They found

out that income, educational attainment, assets of households and interest rate were the most important variables affecting rural savings. Household size and transaction cost were demonstrated to negatively influence household savings.

John & Grant (2011) in a study on household savings behavior in New Zealand used regression model to analyse the effects of socio- demographic factors on savings. They found that age of a household head has a positive significant effect on household savings. Specifically, they stated that savings rate peaks in decade after households head reaches age 50 and then declines somewhere in the age 60s but still remain well above zero. Their findings suggest yet again that income and education were variables that directly influenced household savings, whilst household size was seen to have negative effect on savings.

Mark, Joan & Elizabeth (2009) carried out a study on determinants of household savings behavior in Australia by fitting a probit model. The empirical results of their findings showed that gender, income level, age and household asset and size were found to have significant effect on savings, whereas interest rate was not significant. That stated specifically that male has positive significant impact on savings because males appeared to be saving more than females.

Annamaria (2000), in gaining insights into household savings behavior and in explaining the differences in patterns of accumulation in USA, conducted a regression analysis and found the educational status of the household to have considerable effect on savings. The result further indicated that household heads with higher education had higher savings. It was equally revealed that households who experience negative shocks in the past end up having lower wealth and savings and those who receive inheritances of other transfers have higher savings. Another finding was that households who do not plan for retirement have low

savings. The conclusion of the study was that lack of planning for retirement is an important determinant of low savings among many America households.

Quixia (2004) in his survey data used descriptive statistics in analyzing the impact of rural enterprise on household savings in the three selected areas in China: Janugsu, Shandong & Sichuam. The empirical result shows that income seems to be an important determinant of savings. He saw a positive correlation between income and savings rate. Household size was found to have negative effect on savings rate, but insignificant. He further used logit regression analysis and found that education level had positive impact on savings, thus, the higher the educational level, the higher the likelihood of savings.

Mark & William (2005) in their attempt to research into household savings in Russia during the transition, made use of panel data to investigate into household characteristics that explain savings during the period of extreme dislocation. They found that savings rates fall with household age, but then rise with the trough occurring at approximately 43 years. They also established significant relationship between asset of household, occupation and employment status, adults experiencing arrears in both pension and wage payment on one hand and household savings on the other. They also found that composition of household income has an important impact on savings behavior.

Kibbet, Muntai, Ouma & Owuor (2009) carried out a study on the determinants of household savings in rural areas of Kenya. Data gathered were analysed using multiple linear regression. Their findings were that education, interest rate, income, occupation and services provided by financial institutions have positive significant impact on savings, whereas transport cost and household size were found to have

inhibited savings. The findings further show that gender has significant impact on savings. The study concluded that males tend to save more than females.

Touhami, Florance, Najat & Sabine (2009) conducted a study on household savings behaviour in Morrocco. Data obtained were analysed using multiple linear regression. The result were that savings rate impacts positively on household income in rural and urban areas. Household size was reported to have negative effect on savings in urban areas, whereas in rural areas this has no impact on savings. The findings further suggested that gender seemed to be important in influencing household saving behaviour, because males were found to be saving more than females. Further empirical results from their study indicated that age and assets of households had no impact on household savings behaviour.

Issahaku (2011) employed multiple linear regression analysis in explaining the factors influencing the savings of rural households in Nadowli district of Ghana and found that income level, educational status, assets of household heads, age and occupation have directly and significantly accounted for household savings level. The author reported household size to have negative and significant impact on household savings. The study concluded that there is the existence of the tendency to save in the district and called for financial and non- financial institutions, as well as the government to capitalize on this potential.

Amu & Amu (2012) utilized data from 160 rural households in the HO municipality to examine their savings behaviour. The authors used descriptive statistics and found that families informal ways of savings is the predominant compared to the formal ways of savings. Also families were reported to have irregular pattern of savings conduct and as such only saved as and when they had

surplus income. The authors recommended sensitization programmes for rural families about the relevance of savings.

Jalo, Onu, Dire & Margwa (2015) carried out a study on the analysis of savings among cooperative farmers in Numan and Demsa LGAs of Adamawa State of Nigeria. Data was collected from 68 registered cooperative farmers. Using descriptive and inferential statistics and multiple regression analysis, the result of their findings showed that interest rate, distance to savings institution, duration of loan repayment has significant impact on savings.

Sebattu (2012) carried out a study on the determinants of savings behaviour of cooperative members from Tigrai region in Ethiopia. Using analysis of variance to analyse data gathered, the results of his findings showed that age of the members had a negative association with savings.

Kelly & Williamson (2008) examined savings behaviour within age groups in Indonesia. Data obtained were analysed using multiple regression models. The result of the findings confirmed the aspect of the life cycle hypothesis with exception of the insignificant results in the 40 – 49 year old cohort. The Marginal Propensity to Save (MPS) did indeed increase as households' age.

Malapit (2009) studied the determinants of household pooling within households in Thailand. Using regression analysis, he found that savings and a significant positive increase with a certain limit, a finding consistent with the life cycle hypothesis.

The result of the studies conducted by Muradogh & Taskin (2006) indicates that demographic variables such as age group, birth rates, dependency ratio and financial variables such as interest rate, inflation rates, available financial

instruments and initial wealth levels affected the decision of household savings significantly. Similarly, models simulation results of Quo & Qui (2003) studies revealed that income uncertainty has positive impact on household savings. The result of the study conducted by Degu & Addis (2007) indicated that socio-economic variables such as age, family size, dependency ratio, resource ownership and expenditure pattern affects the decision of household savings significantly. Edwards (2006) showed that the proportion of the working population relative to that of the retired persons is positively related to savings in Latin America.

2.4.1 Gap in knowledge

The theories and empirical studies have thus shown mixed results. Therefore, past studies are still open for additional studies and debate. Moreover, most of the studies were not local to Enugu State and not primarily focused on FMCS. These are the gaps this present study is intended to fill.

2.5 Theoretical Framework

i. A modern theory of Kuznets' hypothesis

The above theory was propounded by Simon Kuznet in 1955. He was an economist, statistician, demographer and economist historian. Kuznet was the first person who identified economic growth as a determinant cause of long changes in the distribution of income. He initiated the idea that the inequality characterizing income distribution exhibits a non- monotonic trend along the process of economic development: it appears to widen during a societys' transition from a pre-industrial to an industrial system. It remains stable for a while, and narrows as more mature stages of growth are reached. The systematic evolution of income

distribution along a country's development path become known as the Kuznets curve- an inverted U- shape relationship between income per capita and personal income inequality.

This theory is relevant to this study in the sense that it is saying that economic growth is determined by changes in income distribution, whereas savings behavior of cooperative members is affected by their household characteristics.

ii. The Behavioural Life Cycle Theory of Consumer Behaviour.

This theory was propounded by Fred Graham and Alan G. Isaac in 1988. The neoclassical theory of consumer behavior makes strong assumptions about the informational and computational bases of consumer behavior. The core assumption is that consumer behaiour is reasonably characterized as the maximization of expected lifetime utility subject to a budget constraint and conditional on the available information. In short, consumer behavior can be characterized as the solution to a discounted dynamic programming problem. For economist, this approach has many attractions: it meshes well with tradition notions of economic rationality. It is theoretically tractable (at least in its standard formulations), and it generates predictions that are readily testable.

Using a unique survey- based data set, the authors discovered that the behavior of even highly educated consumers deviates radically from the neoclassical predictions: they postpone the receipt of income. Furthermore, it appears that many consumers believe that a smooth income stream aids them to control spending. It further discovered that consumers are rational in the broad sense of the term: they have reasons for their behavior.

This theory is relevant to this study as it is saying that consumer behavior is characterized by the maximization of expected life time utility subject to budget

constraint and information at his disposal, so do also savings behaviour of cooperative members being affected by their household characteristics.

iii. Life cycle hypothesis theory

This study is anchored on the life cycle hypothesis theory. This theory was propounded by Franco Modigliani in the early 1950s. The theory is based on the idea that people make intelligent choices about how much they want to spend at each age, limited only by the resources available over their lives. By building up and running down assets, working people can make provision for their retirement, and more generally, tailor their consumption patterns to their needs at different ages, independently of their incomes at each age. This simple theory leads to important and non- obvious predictions about the economy as a whole, that national savings depends on the rate of growth of national income not its level, and that the level of wealth in the economy bears a simple relation to the length of the retirement span. These predictions which were untestable in the 1950s have received empirical support in later works by Modigliani and other researchers.

While there have been many challenges to the theory of consumption through the years, most recently from a coalition of psychologists and economists, the life cycle hypothesis remains an essential part of an economists' thinking. Without it, we would have much less to say about many important issues such as the private and public provision of social security, the effects of the stock market on the economy, the effects of the demographic change on national saving, the role of saving in economic growth, and the determinants of national wealth.

Modigliani had noted that the most important motives for putting money aside was the need to provide for retirement. Young people will save so that when they are old and either cannot or do not wish to work, they will have money to spend. The

life cycle theory is one in which the wealth of the nation gets passed around; the very young have little wealth, middle aged people have more, and peak is reached just before people retire. They live through their golden years, retire, sell off their assets to provide for food, housing and recreation in retirement. The assets sold by the old are taken up by the young who are still in the accumulation part of the cycle.

This theory has been revised by Modigliani & Brumberg in 1954. The revision was primarily concerned with the cross- section or microeconomic implications of the theory. Also in 1980, Modigliani & Brumberg revised the theory with special attention at the time series and macro- economic implications of the theory. For each individual, it is assumed that increases in life time resources lead to proportionate increase in consumption in all periods of life. As a result, consumption is proportional to life time resources or what is more or less the same thing, to average income over the life span.

The theory is very relevant to this study in that the theory is saying that what makes people to save depends on their socio- economic characteristics. This study is equally saying that savings behaviour of cooperative members is affected by their household characteristics (age, household size, dependency ratio, literacy level and sex ratio).

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Research Design

The research design that was adopted in this study is the descriptive survey method. It involved the use of primary data arising from the application of questionnaires and interviews, as well as secondary sources, from the respondents who constitute the sample that is representative of the population of interest. In the research design, a one- time observation was made on the elements of the sample on those variables that were relevant to the study.

3.2 Area of the study

The research was carried out in Enugu State, South- East of Nigeria. It is one of the thirty six (36) States constituting the Federal Republic of Nigeria. It was created on August 27, 1991. The State derived its name Enugwu (top of the hill), which is regarded as the oldest urban area in Igbo speaking area of south- east Nigeria.

The city owes its historical significance to the discovery of coal in 1909 by a team of British geologists. The discovery of the solid mineral in the area brought about the emergence of permanent cosmopolitan settlement which influenced construction of railway line to link Enugu coal fields with the sea port in Port Harcourt for the evacuation of the mineral to Europe. By 1929, Enugu had become the capital of the former eastern region, and has since then retained its old status as the regional, industrial and business hub, as well as the political capital and rallying point of the Ibo people.

Geographically, Enugu State is situated on the highland of Awgu- Udi – Nsukka hills and the rolling low lands of the Idodo river basin to the east and Oji- River

basin to the west. The State is bounded by five other States which it shares common boundaries with. It spreads southwards to the boarders with Abia State and northwards to Benue State. Apart from a chain of low hills running through Abakaliki, Ebonyi State in the east, to Nsukka in the west, and then southward through Enugu and Awgu, the rest of the state is made up of low lands, crisscrossed by numerous streams and river of which the major ones are the Adada, Oji, Ekulu, Nyama, Ngene and Ajalli rivers. See attached map of Enugu State at Appendix B.

Enugu State has a population of 3,257,298 (2006 census) with a population density that is two and half times the national average. Apart from Enugu and Nsukka towns which are the two main urban areas, there are a number of semi- urban centres such as Oji River, 9th Mile, Obollo Afor, Udi and Awgu. Economically, the State is predominantly rural and agrarian, with a substantial population of its working population engaged in farming (69.1%), although trading (18%) and services (12.9%) are also important (Enugu State Diary, 2011).

Major food crops grown are rice, yam, cassava, maize and banana and a variety of fruits and vegetables. Cash crops such as palm produce and cashew are also produced in large quantities. The total population of the State is made up of Ibo ethnic group and the local language spoken apart from English is Igbo.

With a literary rate of over 20%, the State is classified as one of the educationally advantaged States in Nigeria. Over twenty (20) institutions of higher learning that operate in the State have helped to develop manpower in all fields of human endeavour. Enugu State people are known to be hospitable, hardworking and very resourceful. Over 19,450 cooperative societies are in existence in Enugu State as at 31.12.16 with majority of the societies of the FMCS type. Almost all the commercial banks that exist in the country have offices scattered all over Enugu

State, with a State branch of the CBN located in Enugu town. Several daily and weekly markets exist in both the urban and semi- urban areas of the state.

3.3 Population of the study

Enugu state has a total of 12,985 registered FMCS as at 31/12/2016 (Office of the Director of Cooperatives, Enugu State). Out of this registered FMCS, only 1,156 FMCS with a total number of 23120 members, are active. Therefore, the population of the study is 23,120 members of FMCS.

3.4 Sampling techniques and sample size determination

The sampling technique employed in this study is the multi- stage random sampling involving three stages.

In stage one, three Local Government Areas where these active FMCS members are located were purposively selected from each of the three senatorial zones of the State.

- Enugu-North Senatorial Zone: Uzo Uwani, Igboeze North and Nsukka Local Government Areas.
- Enugu-East Senatorial Zone: Isi Uzo, Nkanu East and Nkanu West Local Government Areas.
- Enugu -West Senatorial Zone: Aninri, Awgu and Ezeagu Local Government Areas.

In stage two, from each of the nine selected LGAs, four FMCS were selected thus:

For the purpose of determining the sample size, simple random sampling technique was used. From the 36 (thirty six) already selected FMCS in the three senatorial zones, ten farmer members of FMCS were randomly selected to give a total of 360 (three hundred and sixty) farmer members of FMCS.

The study equally made use of farmers who are not members of FMCS for effective comparison, especially as it affects specific objective number two. They include farmers residing in the same location with farmer members of FMCS and does not belong to any FMCS within the period – 2016.

Snowballing sampling technique was used to generate a probable list of 180 non-FMCS farmers from the nine selected local government areas of the study. Snowballing sampling technique is equally called chain sampling or referral sampling where existing study subjects recruit future subjects from among their acquaintances. The technique allowed an identified farmer to refer you to other farmers who share similar characteristics. The criteria for deciding who to choose were two:

- Farmers who are not members of FMCS but reside in the same location with FMCS farmers.
- Farmers who possess relative socio- economic characteristics as well as operate in the same area with FMCS members.

Table 3.1 Distribution of Sample Size for the Study

S/N	Senatorial zone	LGAs selected	No. of FMCS selected	Sample size for FMCS members	Sample size for non-members of FMCS
1	Enugu North	3	12	120	60
2	Enugu East	3	12	120	60
3	Enugu South	3	12	120	60
Total	3	9	36	360	180

Source: Field survey, 2017.

3.5 Sources of data

Greater part of the data for the study was generated from primary sources. However, secondary data was obtained through the approved annual accounts and inspection reports on these societies and scholarly publications.

3.6 Data collection instrument

A major instrument for data collection was questionnaire. However, interview method were also used to verify or supplement information provided in the questionnaire.

Questionnaires were administered by the researcher and nine research assistants co-opted for the purpose. The questionnaires contained open ended and multiple choice questions on socio- economic characteristics of the respondents, household characteristics that influence savings behaviour of FMCS members, motives and uses of savings of members of FMCS and non- FMCS farmers, influence of family life cycle on savings behaviour, and members life cycle and savings behaviour. On the whole, a total number of fifty one questionnaire items were raised for the study.

Five hundred and forty questionnaires were administered to respondents and all of them were filled and returned. The return rate of the questionnaires was 100%. This success occurred because of two reasons. Firstly, the research assistants employed by the researcher are the Divisional Cooperative Officers in charge of the Local Government Areas selected and happen to be co-staff members of the researcher. Secondly, the researcher insisted that the respondents fill the questionnaires instantly without taking them home.

3.7 Validity of research Instrument

The questionnaire was validated by issuing copies to three different experts in the field of study. The experts were provided with questions relating to what the objective of study, as well as research questions and hypotheses are. This is necessary to determine which items that will actually reveal the information that is expected. Modifications were made along their line of suggestions and comments. Those steps which were carried out by these experts who are academic staff in the Faculty of Management Sciences and professional cooperative practitioners ensured both face and content validity of the research instrument.

3.8 Reliability of research Instrument

To ensure the reliability or consistency with which the questionnaire measures what it purports to measure, a test – retest technique was used. In doing this, 30 persons outside the expected respondents were administered with the questionnaire twice, at a time interval of 14 days.

The test tends to measure the stability, dependability and predictability of the instrument (Asika, 1991). The returned responses were analysed with Cronbach's Alpha. The result of the test is displayed below:

Cronbach's Alpha	**Number of items**
.873	51

Source: SPSS version 17.0

Herzon and Muturi (2015) and Santos (1999) posit that if the reliability coefficient is more than 0.7, then data was reliable. Cronbach's Alpha for this study is 0.873.

This is considered high enough and reliable since the value exceeded the prescribed threshold of 0.7.

3.9 Method of Data Analysis

Data collected for this study were analyzed using descriptive statistics, standard deviation, t- test, ANOVA and regression analysis. The descriptive statistics such as frequency distribution, percentages and mean were used to analyse specific objective two. Regression analysis was used to analyse specific objectives, three and four, while t-test was used in analyzing specific objective one.

Model Specification

In other to test the hypotheses and to ascertain the savings behavior and household characteristics among members of Farmers Multipurpose Cooperative Societies (FMCS) in Enugu State, savings behavior of members was captured by the weighted average size of members savings, frequency of savings, savings mechanism and motives for savings, while household characteristics were captured by age of household members, dependency ratio, literacy level, household size and sex ratio. The null hypothesis was accepted if the P-value is less than or equal to the 0.05 significant level. Otherwise, the null hypothesis was rejected and alternate hypothesis accepted.

The implicit specification of the multiple regression model for objective 1, 3 & 4 is shown below:

Hypothesis I: Socio- economic characteristics of members of FMCS do not have significant influence on their amount of savings

AS = f(Age, DRatio, Edu, Hsize, Sex, Income, Mstatus, EmpStat, Inh) … (1)

Where:

AS = Members Annual Savings (2012 – 2016)

Age = Age of member (yrs)

DRatio = Dependency Ratio

Edu = Educational/literacy level (qualification)

HSize = Household Size (number of persons)

Sex = Male = 0, Female = 1

Income = Annual Income level (₦)

Mstatus = Marital status

Empstat = employment status

Inh = Inheritance availability

The model is further explicitly specified as follows:

$AS = \alpha + \beta_1 Age + \beta_2 DRatio + \beta_3 Edu + \beta_4 HSize + \beta_5 Sex + \beta_6 Income + \beta_7 Mstatus + \beta_8 Empstat + \beta_9 Inh + Ei \ldots (2)$

Hypothesis 3: Family life cycle has no significant influence on annual savings of members of FMCS.

AS = f(Age, Size, Edu, Sex, Hon-M, FNest I, FNest II, FNest III, EMP I, EMP II, DIS) --- (1)

Where:

AS = Annual Savings

Age = Age of member of cooperative

Size = Size of household

Edu = Educational/literacy level

Sex = Male = 0, Female = 1

Hon-M = Honey Mooners

FNest I = Full Nest I (1 – 6yrs)

FNest II = Full Nest II (6 – 12 yrs)

FNest III = Full Nest III (older married couples)

EMP I = Empty Nest I

EMP II = Empty Nest II

DIS = Dissolution

α = Alpha

β = Beta

The model is further explicitly specified as follows:

$AS = \& + \beta_1 Age + \beta_2 Size + \beta_3 Edu + \beta_4 Sex + \beta_5 Hon\text{-}M + \beta_6 FNest\ I + \beta_7 FNest\ II + \beta_8 FNest\ III + \beta_9 EMP\ I + \beta_{10} EMP\ II + \beta_{11} DIS + Ei$ ---------- (2)

Hypothesis 4: Members life cycle has no significant influence on annual savings of members of FMCS.

AS = f(Ymin, Yad, Ad, Eld) ---------- (1)

Where:

AS = Annual Savings

Ymin = Young minors (0 – 16yrs)

Yad = Young adult (17 – 25 yrs)

Ad = Adult (26 – 59 yrs)

Eld = Elderly (60 yrs and above)

The model is further explicitly specified as follows:

$AS = \& + \beta_1 Ymin + \beta_2 Yad + \beta_3 Ad + \beta_4 Eld + Ei$ ---------- (2)

Decision Rule in the Hypothesis testing

Using SPSS package, regression was used at significance level of 0.05 with the degree of freedom (df) = (n – 1) to determine the order of importance of the explanatory variables in explaining the variations observed in the dependent variables. The t- test was performed to test the significance of each of the explanatory variable at alpha level of 5%. The null hypothesis was accepted if the P-value is less than or equal to the 0.05 significant level. Otherwise, the null hypothesis was rejected and alternate hypothesis accepted.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Socio- Economic Characteristics of the Respondents

Table 4.1: Socio- economic characteristics of the Respondents

Variables	Frequency	Percent %	Cumulative %
Sex:			
Male	485	89.8	89.8
Female	55	10.2	100.0
Total	540	100.0	
Age (yrs):			
18 – 30	50	9.3	9.3
31-40	55	10.2	19.4
41-50	115	22.0	41.5
51-60	260	48.1	89.6
61-70	56	10.4	100.0
Total	540	100.0	
Educational qualification:			
Primary	13	2.4	2.4
Secondary	11	2.0	4.4
Tertiary	179	33.1	37.6
No formal Education	337	62.4	100.0
Total	540	100.0	
Farming experience:			
2 – 3 yrs	45	8.3	8.3
3 - 4 yrs	51	9.4	23.9
5 years and above	274	50.7	57.2
Not a member	180	33.3	100.0
Total	540	100.0	

Yrs of membership in Coop:			
1 year and below	21	3.9	5.8
2 years	18	3.3	10.8
4 years	18	3.3	15.8
5 years and above	303	56.1	100.0
Not a member	180	33.3	
Total	540	100.0	
Primary Occupation:			
Farming	181	33.5	33.5
Teaching	55	10.2	43.7
Civil Service	225	41.7	85.4
Trading	54	10.0	95.4
Others	25	4.6	100.0
Total	540	100.0	
Source of Income:			
Pension	65	12.0	12.0
Produce storage	197	36.5	48.5
Petty Trading	115	21.3	69.8
Estate Owner	5	0.9	70.7
Others	158	29.3	100.0
Total	540	100.0	
Inh. of Income generating Asset:			
Inherited	125	23.1	23.1
Not inherited	415	76.9	100.0
Total	540	100.0	
Household size:			
1person	16	3.0	3.0
2 persons	11	2.0	5.0
3 persons	85	15.7	20.7
4 persons	234	43.3	64.1
5 persons and above	194	35.9	100.0
Total	540	100.0	

Sex of household head:			
Male	479	88.7	88.7
Female	61	11.3	100.0
Total	540	100.0	
Age of household head:			
25 and below	33	6.1	6.1
26 – 35 years	49	9.1	15.2
36 – 45 years	92	17.0	32.2
46 – 50 years	160	29.6	61.9
51 years and above	206	38.1	100.0
Total	540	100.0	
Educational qualification of household head:			
Primary	17	3.1	3.1
Secondary	117	21.7	24.8
Tertiary	366	67.8	92.6
No formal Education	40	7.4	100.0
Total	540	100.0	
Established Annual Income:			
Below N100,000	17	3.1	3.1
N100,000-N150,000	67	12.4	15.6
N150,001-N200,000	102	18.9	34.4
N200,001-N300,000	114	21.1	55.6
N300,001 and above	240	44.4	100.0
Total	540	100.0	

Source: Field Survey, 2017

Table 4.1 shows that 89.8% of the respondents are males while 10.2% of the respondents are females.

Concerning age of respondents 4.2, 9.3% of the respondents were between the ages 18-30years. Also, 10.2% of the respondents are between the ages of 31-40years. Also 22.0% of the respondents were between the ages of 41-50years. In the same

light, 48.1% of the respondents were between the ages of 51-60years, while 10.4% of the respondents were between the ages of 61-70years.

From Table 4.1, 2.4% of the respondents had primary education, 2.0% had secondary education, while 33.1% had tertiary education and 62.4% had no formal education at all.

As shown in the table, 8.3% of the respondents had between two years and three years of farming experience. Also 9.4% of the respondents had 3-4years of farming experience. Lastly 50.7% of the respondents had 5 years and above farming experience.

From the table, 3.9% of the respondents had been in cooperative between 1year and below. Also, 3.3% of them 2 years, 3.3 4 years, 5 years and above were members of cooperative 56.1%.

From the table, 33.5% of the respondents had primary occupation of farming. Also,10.2% of the respondents had primary occupation of Teaching, 41.7% were in the civil service, 10.0% of the respondents had primary occupation of Trading. While 4.6% of the respondents had other primary occupations apart from those listed.

From the table, 12.0% of the respondents has pension as other source of income, while 36.5% of the respondents has produce storage as other source of income. Also, 21.3% of the respondents have petty trading as other source of income, 0.9% of the respondents has estate as other source of income, While 29.3% of the respondents has other sources of income apart from those listed.

Table 4.1 clearly shows that 23.1% of the respondents inherited income generating assets, 76.9% of them inherited income generating assets,

From the table, 3% of the respondents had 1 person as household size, 2% of the respondents had 2 persons as household size, 15.7% of the respondents had 3 persons as household size, 43.3% of the respondents had 4 persons as household size. While 35.9% of the respondents had 5 persons and above as household size.

From the table, 88.7% of the respondents have household heads who are males. While 11.3% of the respondents have household heads who are females.

In the above table, 6.1% of the respondents had the age of household head 25 years and below, 9.1% of the respondents had the age of household head between 25 – 35 years, 17% of the respondents had the age of household head between 35 – 45 years, 29.6% of the respondents had the age of household head between 45 – 50 years. While 38.1% of the respondents had the age of household head 50 years and above.

From Table 4.1, not all the respondents' household heads had formal education, 3.1% of the respondents' household heads had primary education, 21.7% had secondary education. While 67.8% had tertiary education and 7.4% had no formal education at all.

From the table, 3.1% of the respondents had estimated annual income of below N100,000, 12.4% of the respondents had estimated annual income of between N100,000 – N150,000, 18.9% of the respondents had estimated annual income of between N150,000 – N200,000, 21.1% of the respondents had estimated annual income of between N200,000 – N300,000, while 44.4% of the respondents had estimated annual income of 300,000 and above.

4.2 Analysis of research questions

Table 4.2: Distribution of Responses according to Motives of savings of Cooperative members.

Statement	SA	A	UN	D	SD	Total	Mean	STD	Decision
Motive of savings	**%**	**%**	**%**	**%**	**%**				
Children's school fees	216	59	65	8	12	360	4.28	1.047	Accepted
	60	16.4	18.1	2.2	3.3	100			
Building houses	54	121	134	51	0	360	3.49	0.914	Accepted
	15	33.6	37	14.2		100			
Planning for old age	63	119	134	9	35	360	3.46	1.111	Accepted
	17.5	33.1	37.2	2.5	9.7	100			
Medical needs	93	229	20	18	0	360	4.10	0.710	Accepted
	25.8	63.6	5.6	5.0		100			
Motor vehicle	21	72	157	72	38	360	2.91	1.024	Rejected
	5.8	20	43.6	20	10.6	100			
Family up keep	174	110	59	9	8	360	4.20	0.953	Accepted
	48.3	30.6	16.4	2.5	2.2	100			
Buying land	93	63	137	62	5	360	3.49	1.094	Accepted
	25.8	17.5	38.1	17.2	1.4	100			
House rent	122	150	38	42	8	360	3.93	1.053	Accepted
	33.9	41.7	10.6	11.7	2.2	100			
Farming purposes	202	89	43	9	17	360	4.25	1.071	Accepted
	56.1	24.7	11.9	2.5	4.7	100			
Family electronics and furniture	0	181	78	92	9	360	3.20	0.906	Accepted
	0	50.3	21.7	25.6	2.5	100			

Source: Field Survey, 2017

With respect to motives of savings of cooperative members, Table 4.2 shows that 60% of respondents(216) strongly agree that the motive of savings is for children's school fees, 16.4% (59) agree, 18.1%(65) were undecided, 2.2% (8) disagree while 3.3% (12) strongly disagree, with a mean score 4.28. This means that the assertion that the motive of savings is for children's school fees is accepted as correct.

Also, 15% (54) respondents strongly agree that the motive of savings is for building houses, 33.6% (121) agree, 37% (134) were undecided, 14.2% (51) disagree and none strongly disagree, with a mean score 3.49. This means that the assertion that the motive of savings is for building houses is accepted as correct.

Also, 17.5% (63) respondents strongly agree that the motive of savings is for planning for old age, 33.1% (119) agree, 37.2% (134) were undecided, 2.5% (9) disagree and 9.7% (35) strongly disagree, with a mean score 3.46. This means that the assertion that the motive of savings is for planning for old age is accepted as correct.

Also, 25% (93) respondents strongly agree that the motive of savings is for medical needs, 63.6% (229) agree, 5.6% (20) were undecided, 5% (18) disagree and none strongly disagree, with a mean score 4.10. This means that the assertion that the motive of savings is for medical needs is accepted as correct.

Also, 5.8% (21) respondents strongly agree that the motive of savings is for motor vehicle, 20% (72) agree, 43.6% (157) were undecided, 20% (72) disagree and 10.6 (38) strongly disagree, with a mean score 2.91. This means that the assertion that the motive of savings is for motor vehicle is not accepted as correct.

Also, 48.3% (174) respondents strongly agree that the motive of savings is for family up keep, 30.4% (110) agree, 16.4% (59) were undecided, 2.5% (9) disagree and 2.2% (8) strongly disagree, with a mean score 4.20. This means that the assertion that the motive of savings is for family up keep is accepted as correct.
25.8% (93) respondents strongly agree that the motive of savings is for buying land, 17.5% (63) agree, 38.1% (137) were undecided, 17.2% (62) disagree and

1.4% (5) strongly disagree, with a mean score 3.49. This means that the assertion that the motive of savings is for buying land is accepted as correct.

Also, 33.9% (122) respondents strongly agree that the motive of savings is for house rent, 41.7% (150) agree, 10.8% (38) were undecided, 11.7% (42) disagree and 2.2% (8) strongly disagree, with a mean score 3.93. This means that the assertion that the motive of savings is for house rent is accepted as correct.

Also, 56.1% (202) respondents strongly agree that the motive of savings is for farming purposes, 24.7% (89) agree, 11.9% (43) were undecided, 2.5% (9) disagree and 4.7% (17) strongly disagree, with a mean score 4.25. This means that the assertion that the motive of savings is for farming purposes is accepted as correct.

In the same light, 0 respondents strongly agree that the motive of savings is for family electronics and furniture, 50.3% (181) agree, 21.7% (78) were undecided, 25.6% (92) disagree and 2.5% (9) strongly disagree, with a mean score 3.20. This means that the assertion that the motive of savings is for family electronics and furniture is accepted as correct.

Table 4. 3: Distribution of responses according to uses of savings of cooperative members.

Statement Uses of savings	SA %	A %	UN %	D %	SD %	Total	Mean	STD	Decision
Children's school fees	160	156	44	0	0	360	4.32	0.681	Accepted
	44.4	43.3	12.2	0	0	100			
Building houses	80	86	126	68	0	360	3.49	1.037	Accepted
	22.2	23.9	35.0	18.9	0	100			
Planning for old age	72	162	100	20	6	360	3.76	0.892	Accepted
	20	45	27.8	5.6	1.7	100			
Medical needs	78	144	114	14	10	360	3.74	0.934	Accepted
	21.7	40	31.7	3.9	2.8	100			
Motor vehicle	48	76	88	124	24	360	3.00	1.166	Rejected
	13.3	21.1	24.4	34.4	6.7	100			
Family up keep	124	170	44	10	12	360	4.07	0.936	Accepted
	34.4	47.2	12.2	2.8	3.3	100			
Buying land	42	94	154	48	22	360	3.24	1.025	Accepted
	11.7	26.1	42.8	13.3	6.1	100			
House rent	136	154	38	22	10	360	4.07	0.988	Accepted
	37.8	42.8	10.6	6.1	2.8	100			
Farming purposes	185	92	42	36	32	360	3.86	1.319	Accepted
	43.9	25.6	11.7	10	8.9	100			
Family electronics and furniture	58	94	128	44	36	360	3.26	1.168	Accepted
	16.1	26.1	35.6	12.2	10	100			

Source: Field Survey, 2017

With respect to uses of savings of cooperative members, Table 4.3 shows that 44.4% (160) of the members strongly agree that savings are used for payment of children's school fees, 43% (156) agree, 12.12% (44) undecided, 0% disagree,

while 0% strongly disagree, with a mean score of 4.32. This means that the use of savings for payment of children's school fees is accepted as correct.
Also, 22.2% (80) strongly agree that savings are used for building houses, 23.9% (86) agreed, 35.0% (126) were undecided, 18.9% (68) disagreed while 0% strongly disagreed. This means that the assertion that savings are used for building houses is accepted as correct.

With respect to use of savings for planning for old age, 20% (72) of the respondents strongly agreed, 45% (162) agree, 27.8% (100) were undecided, 5.6% (20) disagreed while 1.7% (6) strongly disagreed with a mean score of 3.76. Therefore, the assertion that savings are used for planning for old age is correct and accepted.

In the same light, 21.7% (78) strongly agreed that savings are used for medical needs, 40% (144) agreed, 31.7% (100) were undecided with a mean score of 3.74. This means that the use of savings for medical needs is accepted as correct.

On use of savings for purchase of motor vehicle, 13.3% (48) strongly agreed, 21.1% (76) agreed, 24.4% (88) were undecided, 34.4% (124) disagreed, 6.7% (24) strongly disagreed, with a mean score of 3.00. This clearly shows that the use of savings for purchase of motor vehicle is rejected.

Also, 34.4% (124) of the respondents strongly agreed that savings are used for family upkeep, 47.2% (170) agreed, 12.2% (44) were undecided, 2.8% (10) disagreed while 3.3% (12) strongly disagreed with a mean score of 4.07. This shows that savings being used for family up keep is correct and accepted.

Concerning buying of land, 11.76% (42) of the respondents strongly agreed that savings are used for buying land, 26.1% (94) agreed, 42.8% (154) were undecided,

13.3% (48) disagreed, 6.1% (22) strongly disagreed with a mean score of 3.24. This means that the assertion that savings are used for buying land is accepted as correct.

On use of savings for payment of house rent, 37.8% (136) of the respondents strongly agreed, 42.8% (154) agreed, 10.6% (38) were undecided, 6.1% (22) disagreed, 2.8% (10) strongly disagreed with a mean score of 4.07. Therefore the assertion that savings are used for payment of house rent is hereby accepted as correct.

43.9% (158) of the respondents strongly agreed that savings are used for farming purposes, 25.6% (92) agreed, 11.7% (42) were undecided, 10% (36) disagreed, 8.9% (32) strongly disagreed, with a mean score of 3.86. This shows that savings being used for farming purposes is correct and accepted.

On use of savings for purchase of family electronics and furniture, 16.1% (58) of the respondents strongly agreed, 26.1% (94) agreed, 35.6% (128) were undecided, 12.2% (44) disagreed while 10% (36) strongly disagreed with a mean score of 3.26. The assertion that savings are used for purchase of family electronics and furniture is correct and accepted.

Table4.4: Distribution of responses according to motives of savings of non-cooperative members.

Statement Motive of savings	SA %	A %	UN %	D %	SD %	Total	Mean	STD	Decision
Children's school fees	91	78	11	0	0	180	4.44	0.609	Accepted
	50.6	43.3	6.1	0	0	100			
Building houses	49	39	58	34	0	180	3.57	1.083	Accepted
	27.2	21.7	32.2	18.9	0	100			
Planning for old age	40	83	41	16	0	180	3.82	0.881	Accepted
	22.2	46.1	22.8	8.9	0	100			
Medical needs	50	80	50	0	0	180	4.10	0.710	Accepted
	27.8	44.4	27.8	0	0	100			
Motor vehicle	17	44	49	70	0	180	3.04	1.004	Accepted
	9.4	24.4	27.2	38.9	0	100			
Family up keep	74	89	17	0	0	180	4.32	0.638	Accepted
	41.1	49.4	9.4	0	0	100			
Buying land	17	55	92	16	0	180	3.49	1.094	Accepted
	9.4	30.6	51.1	8.9	0	100			
House rent	77	87	16	0	0	180	4.34	0.63	Accepted
	42.8	48.3	8.9	0	0	100			
Farming purposes	116	50	14	0	0	180	4.57	0.635	Accepted
	64.4	27.8	7.8	0	0	100			
Family electronics and furniture	28	44	76	16	16	180	3.29	1.111	Accepted
	15.6	24.4	42.2	8.9	8.9	100			

Source: Field Survey, 2017

On motives for savings of non- cooperative members, 50.6% (91) of the respondents strongly agreed that motives for savings is payment of children's school fees, 43.3% (78) agreed, 64%(11) were undecided, 0% disagreed, while equally 0% strongly disagreed with a mean score of 4.44. Therefore the assertion

that involves for savings is for payment of children's schools fees is correct and accepted.

Also, 27.2% (49) of the respondents strongly agreed that the motives for savings is for building houses, 21.7% (39) agreed, 32.2% (58) were undecided, 18.9% (34) disagreed while 0% strongly disagreed with a mean score of 3.57. Therefore the assertion that the motive for savings is for building houses is correct and is hereby accepted.

In the same light, in planning for old age 22.2% (40) of the respondents strongly agreed that the motive for savings is for planning for old age, 46.1% (83) agreed, 22.8% (41) were undecided, 8.9% (16) disagreed while 0% strongly disagreed with a mean score of 3.82. This shows that the statement that the motives for savings is for planning for old age is correct and is hereby accepted.

Concerning medical needs 27.8% (50) of the respondents strongly agreed that motives for savings is for medical needs, 44.4% (80) agreed, 27.8% (50) were undecided, 0% disagreed and 0% strongly disagreed with a mean score of 4.00. The assertion therefore that motives for savings is for medical needs is correct and is hereby accepted.

Concerning motor vehicle 9.4% (17) of the respondents strongly agreed that motive for savings is for purchase of motor vehicle, 24.4% (44) agreed, 27.2% (49) were undecided, 38.9% (70) disagreed while 0% strongly disagreed with a mean score of 3.04. This simply means that the motives for savings is for purchase of motor vehicle is correct and is hereby accepted.

Concerning family up keep 41.1% (74) of the respondents strongly agreed that the motive for savings of non- cooperative members is for family up keep, 49.4% (80)

agreed, 9.4% (17) were undecided, 0% disagreed while 0% strongly disagreed, with a mean score of 4.32. This clearly reveals that the motive for saving is for family up keep is correct and is accepted.

On motive for savings for buying of land, 9.4% (17 of the respondents strongly agreed, 30.6% (55) agreed, 51.1% (92) were undecided, 8.9% (16) disagreed while 0% strongly disagreed with a mean score of 3.41. This means that the motive for savings for purchase of land is correct and is accepted.

Also, 42.8% (77) of the respondents strongly agreed that the motives for savings is for payment of house rent, 48.3% (57) agreed, 8.9% (16) were undecided, 0% disagreed, 0% strongly disagreed, with a mean score of 4.34. Therefore the assertion that the motive for savings is for payment of house rent is correct and is accepted.

Concerning farming purpose 64.4% (116) of the respondents strongly agreed that the motive for savings is for farming purposes, 27.8% (50) agreed, 7.8% (14) were undecided, 0% disagreed, 0% strongly disagreed with a mean score of 4.57. The assertion that the motive for savings is for farming purposes is therefore correct and is accepted.

Concerning family electronic and furniture 15.6% (28) of the respondents strongly agreed that the motive or savings is for purchase of family electronics and furniture, 24.4% (44) agreed, 42.2% (76) were undecided, 8.9% (16) disagreed while 8.9% (16) strongly disagreed with a mean score of 3.29. This shows that the assertion that motives for savings is for purchases of family electronics and furniture is correct and is accepted.

Table 4.5: Distribution of responses according to uses of savings of non-cooperative members.

Statement	SA	A	UN	D	SD	Total	Mean	STD	Decision
Uses of savings	**%**	**%**	**%**	**%**	**%**				
Children's school fees	80	78	22	0	0	180	4.32	0.682	Accepted
	44.4	43.3	12.2	0	0	100			
Building houses	40	43	63	34	0	180	3.49	1.037	Accepted
	22.2	23.9	35	18	0	100			
Planning for old age	43	80	41	11	5	180	3.81	0.964	Accepted
	23.9	44.4	22.8	6.1	2.8	100			
Medical needs	43	79	57	1	0	180	3.91	0.757	Accepted
	23.9	43.9	31.7	0.6	0	100			
Motor vehicle	21	40	46	67	6	180	3.02	1.096	Accepted
	11.7	22.2	25.6	37.2	3.3	100			
Family up keep	55	94	26	5	0	180	4.11	0.744	Accepted
	30.6	52.2	14.1	2.8	0	100			
Buying land	19	50	80	25	6	180	3.28	0.947	Accepted
	10.6	27.8	44.4	13.9	3.3	100			
House rent	69	76	18	11	6	180	4.06	1.015	Accepted
	38.3	42.2	10	6.1	3.3	100			
Farming purposes	101	45	17	11	6	180	4.24	1.071	Accepted
	56.1	25	9.4	6.1	3.3	100			
Family electronics and furniture	28	41	68	24	19	180	3.19	1.173	Accepted
	15.6	22.8	37.8	13.3	10.6	100			

Source: Field Survey, 2017

On use of savings for payment of children's school fees, 44.4% (80) of the respondents strongly agreed, 43.3% (78) agreed, 12.2% (22) were undecided, 0% disagreed while equally 0% strongly disagreed at a mean score of 4.32. Therefore, the assertion that savings are used for payment of school fees is correct and is accepted.

Concerning building houses, 22.2% (40) of the respondents strongly agreed that savings are used for building houses, 23.9% (43) agreed, 35% (63) were undecided, 18% (34) disagreed while 0% strongly disagreed, at a mean score of 3.49. This assertion that savings is used for building houses is therefore correct and is accepted.

Concerning planning for old age, 23.9% (43) of the respondents strongly agreed that savings are used for planning for old age, 44.4% (80) agreed, 22.8% (41) were undecided, 61% (11) disagreed, 2.8% (5) strongly disagreed, at a mean score of 3.81. The assertion that savings are used for planning for old age is therefore correct and is accepted.

On use of savings for medical needs, 23.9% (43) of the respondents strongly agreed, 43.9% (79) agreed, 31.7% (57) were undecided, 0.6% (1) disagreed, 0% strongly disagreed, at a mean score of 3.91. The assertion that savings are used for medical needs is therefore correct and is accepted.

Concerning motor vehicle, 11.7% (21) of the respondents strongly agreed that savings are used for purchase of motor vehicle, 22.2% (40) agreed, 25.6% (46) were undecided, 37.2% (67) disagreed, 3.3% (6) strongly disagreed, at a mean score of 3.02. This assertion that savings are used for purchase of motor vehicle is therefore correct and is accepted.

On use of savings for up keep of the family, 30.6% (55) of the respondents strongly agreed, 52.2% (94) agreed, 14.1% (26) undecided, 2.8% (5) disagreed, 0% strongly disagreed, at a mean score of 4.11. Therefore the assertion that savings are used for up keep of the family is correct and is accepted.

Concerning buying land, 10.6% (19) of the respondents strongly agreed that savings are used for buying of land, 27.8% (80) agreed, 44.4 (80) undecided, 13.9% (25) disagreed, 3.3% (6). Strongly disagreed, at a mean score of 3.28. Therefore the assertion that savings are used for buying land is correct and is accepted.

On use of savings for payment of house rent, 38.3% (69) of the respondents strongly agreed, 42.2% (76) agreed, 10% (18) were undecided, 6.1% (11) disagreed, 3.3% (6) strongly disagreed at a mean score of 4.06. The assertion that savings are used for payment of house rent is therefore correct and is accepted.

Concerning farming purpose, 56.1% (101) of the respondents strongly agreed that savings are used for farming purposes, 25% (45) agreed, 9.4% (17) were undecided, 6.1% (11) disagreed, 3.3% (6) strongly disagreed, at a mean score of 2.24. Therefore, the assertion that savings are used for farming purposes is correct and is accepted.

On use of savings for purchases of family electronics and furniture, 15.6% (28) of the respondents strongly disagreed, 22.8% (41) agreed, 37.8% (68) were undecided, 13.3 (24) disagreed, 6% (10) strongly disagreed at a mean score of 3.19. The assertion that savings are used for purchase of family electronics and furniture is therefore correct and is accepted.

Table 4. 6: Distribution of responses according to influence of family life cycle on savings behaviour of members and non-members of FMCS.

Statement	SA	A	UN	D	SD	Total	MEAN	STD	Decision
	%	%	%	%	%				
Position of newly married couple can affect savings (Honey mooners)	129	254	63	54	40	540	3.70	1.155	Accepted
	23.9	47	11.7	10	7.4	100			
Age of youngest child in the family is 6 years or below (Full Nest 1)	125	266	45	63	41	540	3.69	1.170	Accepted
	23.1	49.3	8.3	11.7	7.6	100			
When the age range of children in the family is between 6-12years (Full Nest II)	143	283	74	17	23	540	3.94	0.953	Accepted
	26.5	52.4	13.7	3.1	4.3	100			
Older married couple with dependent and or independent children can affect savings	120	259	133	17	11	540	3.85	0.870	Accepted
	22.2	48	24.7	3.1	4.3	100			
If one of the children leaves home for employment savings is affected	121	224	88	75	32	540	3.61	1.150	Accepted
	22.4	41.9	16.2	13.8	5.9	100			
When all the children leaves home for employment and couple is retired savings is affected	192	156	108	43	41	540	3.77	1.227	Accepted
	35.6	28.9	20	7.9	7.6	100			
Death of one of the couple affects savings	161	268	45	46	20	540	3.93	1.026	Accepted
	29.8	49.6	8.4	8.5	3.7	100			
Number of years of being a member of cooperative affects savings	97	260	69	82	32	540	3.57	1.125	Accepted
	18	48.1	12.8	15.2	5.9	100			

Number of dependents in the home of member of cooperative can influence amount of savings	**213**	**211**	**96**	**9**	**11**	**540**	**4.12**	**0.899**	**Accepted**
	39.4	**39**	**17.8**	**1.7**	**2.1**	**100**			
Level of education of various dependents can affect savings	**244**	**141**	**123**	**21**	**11**	**540**	**4.09**	**1.007**	**Accepted**
	45.2	**26.1**	**22.8**	**3.9**	**2**	**100**			
The income coming into the family affects money set aside as savings	**297**	**92**	**45**	**95**	**11**	**540**	**4.05**	**1.233**	**Accepted**
	55	**17**	**8.4**	**17.6**	**2**	**100**			

Source: Field Survey, 2017

With respect to influence of family life cycle on savings behaviour of members of FMCS, Table 4.20 shows that 23.9% (129) respondents strongly agree that position of newly married couple can affect savings(honeymooner), 47% (254) agree, 11.7% (63) were undecided, 10% (54) disagree and 7.4% (40) strongly disagree, with a mean score 3.70. This means that the assertion that the position of newly married couple can affect savings (honeymooner) is accepted as correct.

Concerning Full Nest I, 23.1% (125) respondents strongly agree that age of youngest child in family affects savings, 49.3% (266) agree, 8.3% (45) were undecided, 11.7% (63) disagree and 7.6% (41) strongly disagree, with a mean score 3.69. This means that the assertion that age of youngest child in family affects savings is accepted as correct.

Concerning Full Nest II, 26.5% (143) respondents strongly agree that when the age range of children in the family is between 6-12years (Full Nest II) affects savings, 52.4% (283) agree, 13.7 (74) were undecided, 3.1% (17) disagree and 4.3% (23) strongly disagree, with a mean score 3.94. This means that the assertion that when

the age range of children in the family is between 6-12years (Full Nest II) affects savings is accepted as correct.

Concerning elderly married couple, 22.1% (120) respondents strongly agree that older married couple with dependent and or independent children can affect savings, 48% (259) agree, 24.7% (133) were undecided, 3.1% (17) disagree and 2% (11) strongly disagree, with a mean score 3.85. This means that the assertion that older married couple with dependent and or independent children can affect savings is accepted as correct.

Concerning if children leaves home for employment, 22.4% (121) respondents strongly agree that if one of the children leaves home for employment savings is affected, 41.9% (224) agree, 16.2% (88) were undecided, 20% (75) disagree and 5.9% (32) strongly disagree, with a mean score 3.61. This means that the assertion that if one of the children leaves home for employment savings is affected is accepted as correct.

Concerning when all the children leaves home, 35.6% (192) respondents strongly agree that when all the children leaves home for employment and couple is retired savings is affected, 28.9% (156) agree, 20% (108) were undecided, 7.9% (43) disagree and 7.6% (41) strongly disagree, with a mean score 3.77. This means that the assertion that when all the children leaves home for employment and couple is retired savings is affected is accepted as correct.

Concerning death of one of the couples, 29.8% (161) respondents strongly agree that death of one of the couple affects savings, 49.6% (268) agree, 8.8% (45) were undecided, 8.5% (46) disagree and 3.7% (20) strongly disagree, with a mean score 3.93. This means that the assertion that death of one of the couple affects savings is accepted as correct.

Concerning number of years of being a member of cooperative, 18% (97) respondents strongly agree that number of years of being a member of cooperative affects savings, 48.1% (260) agree, 12.8% (69) were undecided, 15.2% (82) disagree and 5.9% (32) strongly disagree, with a mean score 3.57. This means that the assertion that number of years of being a member of cooperative affects savings is accepted as correct.

Concerning number of dependents in the home, 39.4% (213) respondents strongly agree that number of dependents in the home of member of cooperative can influence amount of savings, 39% (211) agree, 17.8% (96) were undecided, 1.7% (9) disagree and 2.1% (11) strongly disagree, with a mean score 4.12. This means that the assertion that number of dependents in the home of member of cooperative can influence amount of savings is accepted as correct.

Concerning level of education, 45.2% (244) respondents strongly agree that level of education of various dependents can affect savings, 26.1% (141) agree, 22.8% (123) were undecided, 3.9% (21) disagree and 2% (11) strongly disagree, with a mean score 4.12. This means that the assertion that level of education of various dependents can affect savings is accepted as correct.

Finally, concerning family income, 55% (297) respondents strongly agree that the income coming into the family affects money set aside as savings, 17% (92) agree, 8.4% (45) were undecided, 17.6% (95) disagree and 2% (11) strongly disagree, with a mean score 4.12. This means that the assertion that the income coming into the family affects money set aside as savings is accepted as correct.

Table 4.7: Distribution of Respondents according to member life cycle

Variable	Frequency	Percent %	Cumulative (&)
Young minors	134	37.2	37.2
Young adults	156	43.3	80.0
Adults	44	12.2	92.8
Elderly	26	7.2	100.0
Total	360	100.0	

Source: Field survey, 2017

Table 4.7 shows the distribution of respondents' member life cycle. 37.2% of respondents, at this point of their life, have predominantly young minors as dependents, 43.3% of respondents, have predominantly young adults as dependents, 12.2% have predominantly adults as dependents, while 7.2% of respondents have elderly ones as predominant dependents.

Table 4.8 Estimation of Members Annual Savings (2012 – 2016)

Years	Range	Frequency	Percentage %	Mean
2012	Less than N 5,000.00	13	3.6	2.516
	N 5,001,00 – 10,000.00	148	41	
	N 10,001.00 – 15,000.00	199	55.1	
	N 15,001.00 – 20,000.00	0	0	
	N 20,001.00 – 25,000.00	0	0	
	Over N 25,000.00	0	0	
	Total	360	100	
2013	Less than N 5,000.00	9	2.5	2.586
	N 5,001,00 – 10,000.00	132	36.6	
	N 10,001.00 – 15,000.00	218	60.4	
	N 15,001.00 – 20,000.00	1	0.3	
	N 20,001.00 – 25,000.00	0	0	
	Over N 25,000.00	0	0	
	Total	360	100	
2014	Less than N 5,000.00	5	1.4	2.911
	N 5,001,00 – 10,000.00	81	22.4	
	N 10,001.00 – 15,000.00	215	59.6	
	N 15,001.00 – 20,000.00	59	16.3	
	N 20,001.00 – 25,000.00	0	0	
	Over N 25,000.00	0	0	
	Total	360	100	
2015	Less than N 5,000.00	0	0	3.627
	N 5,001,00 – 10,000.00	24	6.6	
	N 10,001.00 – 15,000.00	93	25.8	
	N 15,001.00 – 20,000.00	235	65.1	
	N 20,001.00 – 25,000.00	7	1.9	
	Over N 25,000.00	0	0	
	Total	360	100	
2016	Less than N 5,000.00	0	0	4.578
	N 5,001,00 – 10,000.00	1	0.3	
	N 10,001.00 – 15,000.00	11	3	
	N 15,001.00 – 20,000.00	132	36.6	
	N 20,001.00 – 25,000.00	211	58.4	
	Over N 25,000.00	5	1.4	
	Total	360	100	

Source: Cooperative Societies' Record Books.

Results from Table 4.8 shows that in 2012, 3.6% of cooperatives studied had annual members' savings less than N5, 000.00; 41% had annual members' savings between N5, 001.00 – N10, 000.00, 55.1% had annual members' savings between N10, 001.00 – N15, 000.00, while none had annual savings between N15, 001.00 – N20, 000.00, N20, 001.00 – N25, 000.00 and N25, 000.00 and above, respectively.

Table 4.8 shows also that in 2013, 2.5% of cooperatives studied had annual members' savings less than N5, 000.00; 36.6% had annual members' savings between N5, 001.00 – N10, 000.00, 60.4% had annual members' savings between N10, 001.00 – N15, 000.00, 0.3% had annual members' savings between N15, 001.00 – N20, 000.00, while none had annual savings between N20, 001.00 – N25, 000.00 and N25, 000.00 and above, respectively.

In 2014, 1.4% of cooperatives studied had annual members' savings less than N5, 000.00; 22.4% had annual members' savings between N5, 001.00 – N10, 000.00, 59.6% had annual members' savings between N10, 001.00 – N15, 000.00, 16.3% had annual members' savings between N15, 001.00 – N20, 000.00, while none had annual savings between N20, 001.00 – N25, 000.00 and N25, 000.00 and above, respectively.

In 2015, none of the cooperatives studied had annual members' savings less than N5, 000.00; 6.6% had annual members' savings between N5, 001.00 – N10, 000.00, 25.8% had annual members' savings between N10, 001.00 – N15, 000.00, 65.1% had annual members' savings between N15, 001.00 – N20, 000.00, 1.9% had annual members' savings between N20, 001.00 – N25, 000.00, while none had annual savings between N25, 000.00 and above.

Finally in 2016, none of cooperatives studied had annual members' savings less than N5, 000.00; 0.3% had annual members' savings between N5, 001.00 – N10, 000.00, 3% had annual members' savings between N10, 001.00 – N15, 000.00, 36.6% had annual members' savings between N15, 001.00 – N20, 000.00, 58.4%

had annual members' savings between N20, 001.00 – N25, 000.00, while 1.4% had annual members' savings of N25, 000.00.

4.3 Test of hypotheses

Hypothesis one: Socio- economic characteristics of members of FMCS do not have significant influence on their amount of savings (2012 – 2016).

Table 4.9: Regression estimates of household characteristics of members.

Model		Coefficient Estimates	T - Value	Significance
(CONSTANT)		-4.004	5.363	.000
AGE		-.105	1.640	.567
Dependency ratio		.053	2.591	.006
Educational qualifications		-.002	10.012	.013
Household size		.084	9.959	.029
Sex		.012	1.079	. 501
Annual income		.068	3.822	.021
Marital Status		.000	-6.725	.048
Employment Status		.104	5.488	.002
Inheritance availability		-.060	3.328	.043
R^2	0.304			
Adj R^2	0.270			
F	41.511	(Sig. @ 0.005)		

Source: Researchers computation, 2017

The summary of Table 4.9 shows estimates of R^2 and Adj. R^2 suggest that the variables in the model collectively accounted for over 30% of the variations in annual savings. F ratio was significant at 5% level. Most of the household variables are statistically significant, having p values below 0.05 significant levels, except age and sex which have values above 0.05 significant levels.

Decision

The regression analysis shows that the F ratio which measures the strength of the entire independent variables in explaining variations in the dependent variable was 41.511 which are significant at 0.05 levels. Thus, hypothesis 1 is rejected and we can conclude that household characteristics of members of FMCS have significant influence on their amount of savings.

Hypothesis two:

Ho_2: Savings motives in FMCS are not significantly different with savings motives among non-FMCS farmers.

Ha_2: Savings motives in FMCS are significantly different with savings motives among non-FMCS farmers.

Table4. 10: ONE-WAY ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.630	1	2.630	9.887	.002
Within Groups	143.129	538	.266		
Total	145.760	539			

Source: Researchers computation, 2017

Table 4.10 above shows the output of the ANOVA analysis and whether there is a statistically significant difference between our group means. We can see that the significance value is 0.002 (i.e., $p = .002$), which is below 0.05, and therefore,

there is a statistically significant difference in the savings motives among members of FMCS and non-FMCS members. Therefore the null hypothesis is rejected and the alternate accepted.

Hypothesis 3

Ho_3: Family life cycle has no significant influence on annual savings of members of FMCS.

Ha_3: Family life cycle has significant influence on annual savings of members of FMCS.

Table 4.11: Regression Estimates of Family life cycle on annual savings of members of FMCS.

Model	Coefficient Estimates	T - Value	Significance
(CONSTANT)	5.129	4.468	0.000
Age	0.025	0.497	0.619
Size of Household	0.248	4.854	*0.002
Educational level	0.118	7.662	*0.018
Sex of Household head	-0.036	-0.722	0.471
Honeymooners	0.104	7.802	*0.000
Full Nest I	0.107	4.707	*0.000
Full Nest II	-0.164	-1.525	0.128
Full Nest III	0.001	0.032	0.975
Empty Nest I	0.407	4.707	*0.000
Empty Nest II	0.270	2.101	*0.010
Dissolution	0.098	0.942	0.347
R^2	0.705		
Adj R^2	0.693		

Source: Field survey, 2017

From the regression analysis Table 4.11, the multiple correlation coefficient R^2 = 0.705, described the extent to which the dependent variable (annual savings) is being explained by independent variable. This implied that 70% of variations in annual savings are caused by the variables analyzed above. Also, the adjusted R^2 was 0.693; showing 69% of variation in annual savings was explained by changes in the variables analyzed above.

The regression results indicate that of the 11 variables, six were statistically significant in influencing annual savings because their p-value is less than 0.05. This variable include; size of household, educational/literacy level, honeymooners, full Nest I, Empty Nest I and Empty Nest II. While age of member of cooperative, sex, Full Nest II, Full Nest III and Dissolution were not statistically significant in influencing annual savings because their p-value is higher than 0.05. Therefore, we can reject the null hypothesis that family life cycle has no significant influence on annual savings of members of FMCS and accept the alternate that family life cycle has significant influence on annual savings of members of FMCS.

Hypothesis 4

Ho_4: Member life cycle has no significant influence on annual savings of members of FMCS.

Ha_4: Member life cycle has significant influence on annual savings of members of FMCS.

Table 4.12: Regression Estimates of member life cycle on annual savings of members of FMCS.

Model	Coefficient Estimates	T - Value	Significance
(CONSTANT)	3.149	5.129	0.000
Young minor	0.025	0.497	*0.019
Young adult	0.046	0.956	*0.030
Adult	0.032	0.634	0.527
Elderly	0.052	0.922	0.471
R^2	0.770		
Adj R^2	0.722		
F	11.940	(Sig. @ 0.005)	

Source: Field survey, 2017.

Note * means significant of 5% level.

From the regression analysis Table 4.12, the multiple correlation coefficient R^2 = 0.770, described the extent to which the dependent variable (annual savings) is being explained by independent variable. This implied that 77% of variations in annual savings are caused by the variables analyzed above. Also, the adjusted R^2 was 0.722; showing 72% of variation in annual savings was explained by changes in the variables analyzed above.

A close look at the regression results indicates that of the four variables, two were statistically significant in influencing annual savings because their p-value is less than 0.05. This variable include young minor and young adults. While members' life cycle with predominantly adults and elderly dependents were not statistically significant in influencing annual savings because their p-value is higher than 0.05. Since the F ratio which measures the strength of the independent variables in explaining variations in the dependent variable was 11.940 which is significant at 0.05 levels.

Therefore, we can reject the null hypothesis that Member life cycle has no significant influence on annual savings of members of FMCS and accept the alternate that Member life cycle has significant influence on annual savings of members of FMCS.

4.4 Discussion of findings

In other to discuss the findings, the objectives of the study will serve as a guide. The main instruments for reference are the responses to questionnaire, literature contents and the results from testing of the hypotheses.

Objective One

To determine major household characteristics that influence savings behavior of member of FMCS in the study area. Analysis for the purpose of achieving this objective was based on the responses on Table 4.1.

The questions that generated these responses were designed to determine the major household characteristics that influence savings behavior of member of FMCS in the study area, as well as estimate the various frequencies and percentages of variables representing household characteristics. Findings show that 89.8% of the respondents are males, while 10.2% of the respondents are females. Also, 9.3% of the respondents are between the ages 18-30 years, 10.2% of the respondents are between the ages of 31-40years, 22.0% of the respondents are between the ages of 41-50 years. 48.1% of the respondents are between the ages of 51-60 years, while 10.4% of the respondents are between the ages of 61-70years.

Concerning educational qualifications, not all the respondents had formal education; 2.4% of the respondents had primary education, 2.0% had secondary education; while 33.1% had tertiary education and 62.4% had no formal education at all. 8.3% of the respondents had between two years and three years of farming

experience. Also, 19.6% of the respondents had 3-4years of farming experience. 72.0% of the respondents had 5 years and above farming experience, 1.5% of the respondents had been between 1year and below members of cooperative, 0.9% of the respondents had been 1-2 years members of cooperative, 4.1% of the respondents had been 2-3 years members of cooperative. 9.4% of the respondents had been 3-4 years members of cooperative, 50.7% of the respondents had been 5 years and above members of cooperative. While 33.3% of the respondents were not cooperative members, 3.9% of the respondents have been 1 year and below into farming before becoming members of FMCS. 3.3% of the respondents have been into farming for 2 years before becoming members of FMCS, 3.3% of the respondents have been into farming for 4 years before becoming members of FMCS. 56.1% of the respondents have been into farming for 5 years and above before becoming members of FMCS, while 33.3% of the respondents sampled were not cooperative members.

Concerning primary occupations; 33.5% of the respondents had primary occupation of farming, 10.2% of the respondents had primary occupation of Teaching. 41.7% of the respondents had primary occupation of civil service, 10.0% of the respondents had primary occupation of Trading, while 4.6% of the respondents had other primary occupations apart from those listed.

12.0% of the respondents has pension as other source of income. 36.5% of the respondents have produce storage as other source of income. 21.3% of the respondents have petty trading as other source of income. 0.9% of the respondents have estate as other source of income. While 29.3% of the respondents have other sources of income apart from those listed. 23.1% of the respondents inherited income generating assets. 76.9% of the respondents did not inherit income generating assets. 3% of the respondents had 1 person as household size. 2% of the

respondents had 2 persons as household size. 15.7% of the respondents had 3 persons as household size. 43.3% of the respondents had 4 persons as household size, while 35.9% of the respondents had 5 persons and above as household size.

3.1% of the respondents had estimated annual income of below 100,000, 12.4% of the respondents had estimated annual income of between 100,000 – 150,000, 18.9% of the respondents had estimated annual income of between 150,000 – 200,000, 21.1% of the respondents had estimated annual income of between 200,000 – 300,000, while 44.4% of the respondents had estimated annual income of 300,000 and above.

Objective Two

To assess motives and uses of savings of members of FMCS. Analysis for the purpose of achieving this objective was based on the responses on Table 4.2, 4.3, 4.4 and 4.5.

The questions that generated these responses were designed to determine the motives and uses of savings of cooperative members of FMCS, as well as non-members in the study area, also to estimate the various frequencies and percentages of variables represented.

Objective Three

To determine the influence of family life cycle on savings behavior among members of FMCS. Analysis for the purpose of achieving this objective was based on the responses on table 4.6.

Findings show that 129 respondents strongly agree that position of newly married couple can affect savings (honeymooner), 254 agree, 63 were undecided, 54 disagree and 40 strongly disagree, with a mean score 3.70. This means that the

assertion that the position of newly married couple can affect savings (honeymooner) is accepted as correct.

A total of 125 respondents strongly agree that age of youngest child in family affects savings, 266 agree, 45 were undecided, 63 disagree and 41 strongly disagree, with a mean score 3.69. This means that the assertion that age of youngest child in family affects savings is accepted as correct.

A total of 143 respondents strongly agree that when the age range of children in the family is between 6-12years (Full Nest II) affects savings, 283 agree, 74 were undecided, 17 disagree and 23 strongly disagree, with a mean score 3.94. This means that the assertion that when the age range of children in the family is between 6-12years (Full Nest II) affects savings is accepted as correct.

A total of 120 respondents strongly agree that older married couple with dependent and or independent children can affect savings, 259 agree, 133 were undecided, 17 disagree and 11 strongly disagree, with a mean score 3.85. This means that the assertion that older married couple with dependent and or independent children can affect savings is accepted as correct.

A total of 121 respondents strongly agree that if one of the children leaves home for employment savings is affected, 224 agree, 88 were undecided, 75 disagree and 32 strongly disagree, with a mean score 3.61. This means that the assertion that if one of the children leaves home for employment savings is affected is accepted as correct.

A total of 192 respondents strongly agree that when all the children leaves home for employment and couple is retired savings is affected, 156 agree, 108 were undecided, 43 disagree and 41 strongly disagree, with a mean score 3.77. This

means that the assertion that when all the children leaves home for employment and couple is retired savings is affected is accepted as correct.

A total of 161 respondents strongly agree that death of one of the couple affects savings, 268 agree, 45 were undecided, 46 disagree and 20 strongly disagree, with a mean score 3.93. This means that the assertion that death of one of the couple affects savings is accepted as correct.

A total of 97 respondents strongly agree that number of years of being a member of cooperative affects savings, 260 agree, 69 were undecided, 82 disagree and 32 strongly disagree, with a mean score 3.57. This means that the assertion that number of years of being a member of cooperative affects savings is accepted as correct.

A total of 213 respondents strongly agree that number of dependents in the home of member of cooperative can influence amount of savings, 211 agree, 96 were undecided, 9 disagree and 11 strongly disagree, with a mean score 4.12. This means that the assertion that number of dependents in the home of member of cooperative can influence amount of savings is accepted as correct.

A total of 244 respondents strongly agree that level of education of various dependents can affect savings, 141 agree, 123 were undecided, 21 disagree and 11 strongly disagree, with a mean score 4.12. This means that the assertion that level of education of various dependents can affect savings is accepted as correct.

A total of 297 respondents strongly agree that the income coming into the family affects money set aside as savings, 92 agree, 45 were undecided, 95 disagree and 11 strongly disagree, with a mean score 4.12. This means that the assertion that the

income coming into the family affects money set aside as savings is accepted as correct.

Objective Four

To evaluate the extent to which members life cycle affect savings behaviour among members of FMCS. Analysis for the purpose of achieving this objective was based on the responses on Table 4.7.

Findings show the distribution of respondents' member life cycle, 37.2% of respondents, at this point of their life, have predominantly young minors as dependents. A total of 43.3% of respondents, have predominantly young adults as dependents, 12.2% have predominantly adults as dependents, while 7.2% of respondents have elderly ones as predominant dependents.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

The major findings of this study are summarized below as:

1. Dependency ratio (0.006), educational qualification (0.013), household size (0.029), annual income (0.021), marital status (0.048), employment status (0.002) and inheritance of asset generating income (0.043), were critical socio economic characteristics that influences the amount of savings made by members of FMCS, being significant at 0.005 significant level.
2. The variables representing motives of savings of members of FMCS were correlated with that of non-members of FMCS. The results showed a significant value of 0.002 (i.e., $p = .002$), which was considered significant enough, since this value is less than 0.05 significant level. Therefore, there is a statistically significant difference in the savings motives among members of FMCS and non-FMCS members. This means, that members of FMCS have different motives for savings from non members of FMCS.
3. Research results indicate that, of the 11 variables of family life cycle, six were statistically significant in influencing annual savings because their p-value is less than 0.05. This variable include; size of household, educational/literacy level, honeymooners, full Nest I, Empty Nest I and Empty Nest II. While age of member of cooperative, sex, Full Nest II, Full Nest III and Dissolution were not statistically significant in influencing annual savings because their p-value is higher than 0.05. Therefore, we can reject the null hypothesis that family life cycle has no significant influence on annual savings of members of FMCS and accept the alternate that family life cycle has significant influence on annual savings of members of FMCS.

4. Research results indicates that of the four variables, two were statistically significant in influencing annual savings because their p-value is less than 0.05. This variable includes young minor and young adults, while members' life cycle with predominantly adults and elderly dependents were not statistically significant in influencing annual savings because their p-value is higher than 0.05. Since the F ratio which measures the strength of the independent variables in explaining variations in the dependent variable was 11.940 which is significant at 0.05 levels. Therefore, we can reject the null hypothesis that Member life cycle has no significant influence on annual savings of members of FMCS and accept the alternate that Member life cycle has significant influence on annual savings of members of FMCS.

5.2 Conclusion

The study has confirmed the findings of other studies that FMCS provides a platform for their members to make voluntary savings. Evidence from the study showed that motives and uses of savings of FMCS members are different from that of non- FMCS farmers. This clearly shows the need for farmers to belong to FMCS so as to increase and make appropriate use of their savings in order to improve on their farming operations.

It was established from the study that the savings were poor and low as a result of the following household characteristics that affected savings significantly. These factors are household size, educational qualification, dependence ratio, annual income, marital status, employment status and inheritance of assets generating income. Therefore, we conclude that household characteristics affect savings

behavior of members of farmers multipurpose cooperative societies in Enugu State, significantly.

5.3 Recommendations

The following recommendations are made in line with the findings of this study:

1. Members of FMCS are enjoined to maintain a manageable family size and improve on their educational qualifications so as to be able to earn more income and make more savings in their cooperative (FMCS).
2. Farmers who are not members of FMCS should be encouraged to join or form FMCS so as to improve on their savings and make judicious use of their savings towards their farming activity.
3. The FMCS should encourage members of different levels of family life cycle who have capacity to save (Full Nest 1, Empty Nest 1 and Empty Nest II) to save more money with the cooperative. This will increase the working capital of the cooperative from which the society can make loans available to needy members.
4. Young minors and young adults who have the capacity to save more should be encouraged to make more voluntary savings with their cooperative.

5.4 Contribution to knowledge

Most studies highlighted in this work were not local to Enugu State and were not primarily focused on FMCS. This study, therefore, is the only study known to the researcher that has examined savings behaviour and household characteristics among FMCS in Enugu State.

This study has provided the much needed empirical data on cooperative study. This is important because of the dearth of data for research in Nigeria, particularly in the cooperative sector. Prospective researchers, academics and the general public would benefit immensely from the availability of this research work.

5.5 Suggestions for further research

It is suggested that further studies be carried out on savings behavior and household characteristics among other types of cooperatives such as; Thrift and credit societies, consumer societies, marketing societies, etc.

Moreover, such studies could be extended to other States in different geo-political zones in the country so as to compare their findings.

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APPENDIX A

QUESTIONNAIRE

Department of Cooperative Economics & Management,
School of Postgraduate Studies,
Nnamdi Azikiwe University,
Awka, Anambra State.

March 20, 2017.

Dear Respondent,

The following questionnaire is meant to elicit information for a Ph.D dissertation on "Savings Behaviour and Household characteristics among members of Farmers' Multipurpose Cooperative Societies (FMCS) in Enugu State".

Kindly assist me by completing the questionnaire. Information given will be treated as confidential and would only serve the academic interest specified.

Thanks for your anticipated cooperation.

Yours sincerely,

Ezema Festus Sunday
08033535689, 08187352014

SECTION A

Background information on the farmer and the farmer multipurpose cooperative society.

1. State the name of the Farmer Multipurpose Cooperative Society Ltd to which you are a registered member _____
2. What year was this cooperative registered? _____
3. Name of the Farmer _____ (optional).
4. Sex: Male ☐ Female ☐
5. Age:
   a. 18 – 30 years
   b. 31 – 40 years
   c. 41 – 50 years
   d. 51 – 60 years
   e. 60 and above
6. Marital status:
   a. Married
   b. Single
   c. Divorced
   d. Widowed
7. Educational level
   a.) No formal education
   b.) Primary education
   c.) Secondary education
   d.) Tertiary education
8. How many years have you been into farming?
   a. Below one year
   b. 1 – 2 years
   c. 2 – 3 years
   d. 3 – 4 years
   e. 5 years and above.

9. How many years have you been a member of this FMCS Ltd?
    a. Below one year
    b. 1 – 2 years
    c. 2 – 3 years
    d. 3 – 4 years
    e. 5 years and above.
10. What is the current membership strength of this cooperative society?
    a. Below 20 members
    b. 20 – 50 members
    c. 50 – 100 members
    d. 100 – 150 members
    e. 150 members and above.
11. What number of this membership are your relatives? _____
12. How many times do you hold your general meetings in a year?
    a. Monthly
    b. Bimonthly
    c. Quarterly
    d. Twice in a year
    e. As need arises.
13. How long have you been into farming before becoming a member of your FMCS Ltd?
    a. Below one year
    b. 1 – 2 years
    c. 2 – 3 years
    d. 3 – 4 years
    e. 5 years and above.
14. What is your primary occupation?
    a. Farming
    b. Teaching

c. Civil service

d. Trading

e. Others (specify) ----------

15. From which other sources do you earn income?

a. Pension

b. Produce storage

c. Petty trading

d. Estate

e. Others (specify) ----------

16. Did you inherit any income generating asset?

Yes ☐ No ☐

SECTION B

Household characteristics that influence savings behaviuour of members of FMCS

1. What is the size of your household?
   a. One person household
   b. Two persons household
   c. Three persons household
   d. Four persons household
   e. Five and above persons household
2. What is the gender of your household head?
   a. Male
   b. Female
3. Age of household head
   a. Below 25 years
   b. Between 25 years – 35 years

c. Between 35 – 45 years

d. Between 45 – 50 years

e. 50 years and above.

4. Educational level of the household head
   a. Primary school
   b. Secondary school
   c. Tertiary school
   d. Any form of informal education/apprenticeship
   e. No formal education
5. Age of dependents.
   a. 0 – 10 years
   b. 11 – 20 years
   c. 21 – 30 years
   d. 31 – 40 years
   e. 41 years and above.
6. Number of dependents
   a. 1 – 5 dependents
   b. 6 – 10 dependents
   c. 11 – 15 dependents
   d. 16 – 20 dependents
   e. 21 dependents and above.
7. Are you the household head? Yes ☐ No ☐
8. Gender of dependents Male ☐ Female ☐
9. What is the estimate of your annual income for year 2016?
   a. Below N100,000.00
   b. Between N100,000.00 – N150,000.00
   c. Between 150,000.00 – N200,000.00
   d. Between 200,000.00 – N300,000.00
   e. N300,000.00 and above.
10. State below your estimated annual savings for year 2016.
    a. N25,0000 – N50,000
    b. N50,000 – N75,000
    c. N76,000 – N100,000
    d. N100,000 – N125,000

e. N125,000 and above

SECTION C

Motives and uses of savings of members of FMCS.

S/N	Items	5 SA	4 A	3 U	2 D	1 SD
1	Members use savings for children school fees					
2	Member always use savings for building houses					
3	Savings are used to plan for old age					
4	Members' savings are used to meet medical needs					
5	Members use savings to purchase automobile (motor vehicle)					
6	Savings are used for family feeding and upkeep					
7	Members always use savings to buy land					
8	Savings are used for payment of house rent					
9	Members savings are used for farming purposes					
10	Savings are used to purchase household equipment (electronic and furniture)					

Key:

SA = Strongly Agree
A = Agree
U = Undecided
D = Disgaree
SD = Strongly Disagree

SECTION D

Influence of family life cycle on savings behaviour of members of FMCS.

S/N	Items	5 SA	4 A	3 U	2 D	1 SD
1.	Position of newly married couple (Honey mooners) can affect savings.					
2.	If the age of the youngest child in the family is 6 years or below (Full Nest I) savings can be affected					
3.	When the age range of children in the family is between 6 – 12 years (Full Nest II) money set aside as savings may be affected.					
4.	The situation of older married couple with dependent and/or independent children (Full Nest III) can affect savings					
5.	If one of the children leaves home for employment (Empty Nest I) savings is affected					
6	When all the children leaves home for employment and couple is retired (Empty Nest II), savings is affected.					
7.	Death of one of the couples (dissolution) affect savings					
8.	Number of years of being a member of cooperative affects savings.					
9.	Number of dependents in the home of member of cooperative can influence amount of savings					
10.	Level of education of various dependents can affect savings					
11.	The income coming into the family affects money set aside as savings.					

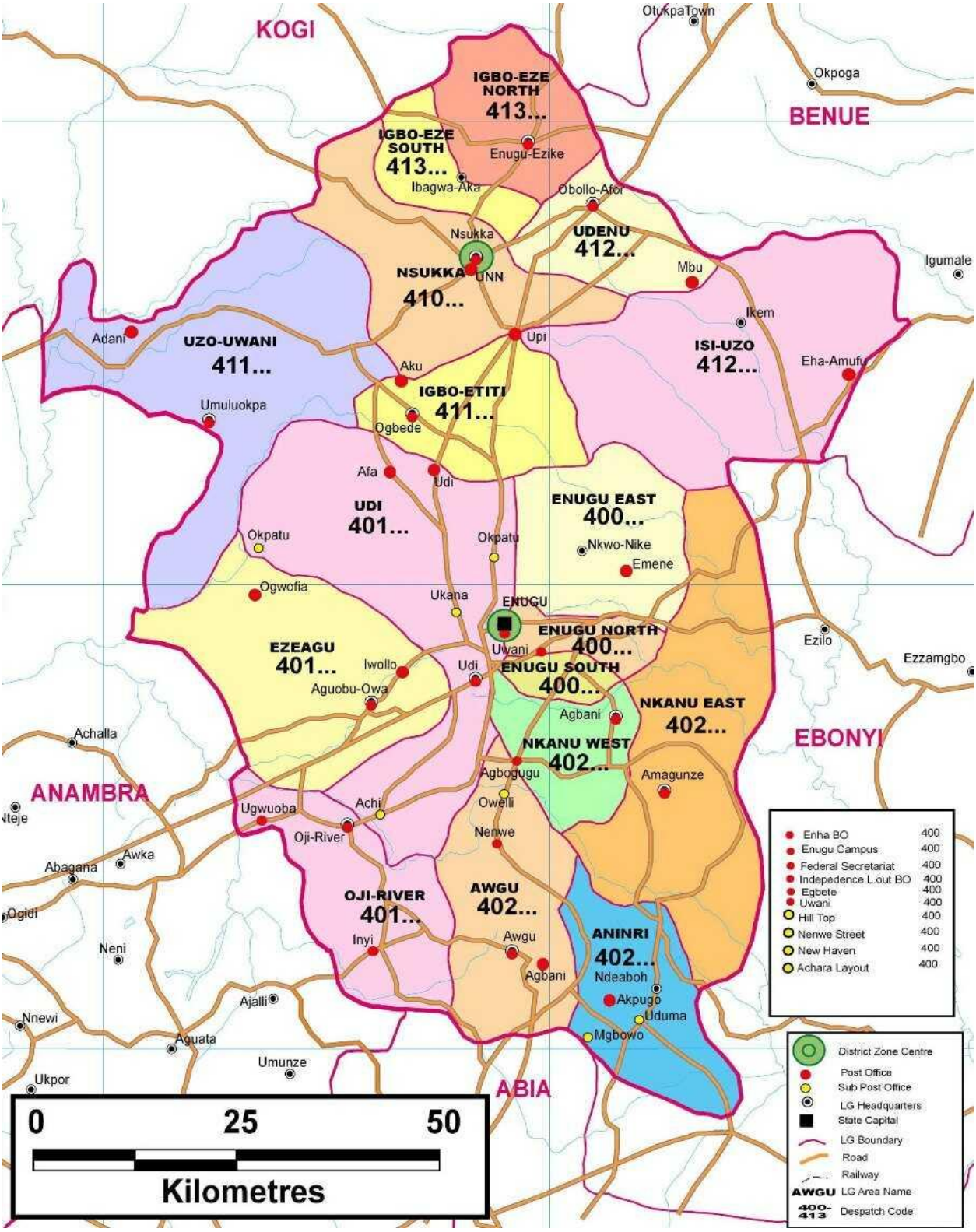
SECTION E

Members life cycle and savings behaviour.

S/N	Items	5 SA	4 A	3 U	2 D	1 SD
1	Does the position of members in the cooperative affect the amount members save?					
2	Number of years of membership can encourage savings					
3	Number of dependents in the home of member of cooperative can influence amount of savings					
4	Age of the member affect savings					

APPENDIX B

Map of Enugu State



Members Annual Savings (2012 – 2016)

S/N	Senatorial Zone	LGAs Selected	No. of FMCS Selected	No. of Farmers	Annual Savings (N) 2012	Annual Savings (N) 2013	Annual Savings (N) 2014	Annual Savings 2015
1	Enugu North	Uzo- Uwani	4	1	12,000	12,000	18,000	18,000
				2	12,000	11,000	16,000	18,000
				3	11,000	12,000	17,000	16,000
				4	10,000	12,000	15,000	18,000
				5	12,000	12,000	18,000	18,000
				6	10,000	11,000	17,000	16,000
				7	12,000	12,000	18,000	18,000
				8	12,000	12,000	17,000	18,000
				9	11,000	12,000	17,000	18,000
				10	12,000	12,000	18,000	18,000
				11	12,000	12,000	18,000	18,000
				12	11,000	12,000	16,000	17,000
				13	12,000	12,000	18,000	18,000
				14	11,000	11,000	17,000	18,000
				15	12,000	11,000	18,000	18,000
				16	12,000	11,000	18,000	18,000
				17	11,000	12,000	18,000	18,000
				18	12,000	12,000	17,000	18,000
				19	11,000	11,000	16,000	17,000
				20	12,000	12,000	18,000	18,000
				21	12,000	12,000	17,000	17,000
				22	10,000	11,000	18,000	18,000
				23	11,000	12,000	16,000	17,000
				24	12,000	11,000	17,000	16,000
				25	10,000	11,000	18,000	17,000
				26	11,000	12,000	16,000	17,000
				27	12,000	11,000	17,000	16,000
				28	12,000	11,000	14,000	15,000
				29	11,000	10,000	16,000	17,000
				30	12,000	12,000	18,000	18,000

				31	12,000	12,000	18,000	18,000
				32	11,000	12,000	17,000	17,000
				33	12,000	12,000	18,000	18,000
				34	11,000	12,000	17,000	17,000
				35	10,000	11,000	16,000	15,000
				36	12,000	12,000	18,000	16,000
				37	11,000	12,000	17,000	16,000
				38	12,000	12,000	18,000	18,000
				39	11,000	12,000	17,000	16,000
				40	12,000	12,000	18,000	18,000
		Nsukka	4	1	12,000	12,000	12,000	18,000
				2	11,000	12,000	11,000	17,000
				3	10,000	11,000	12,000	18,000
				4	12,000	11,000	12,000	17,000
				5	12,000	12,000	11,000	18,000
				6	12,000	12,000	9,000	15,000
				7	10,000	11,000	10,000	17,000
				8	11,000	10,000	11,000	18,000
				9	12,000	12,000	12,000	18,000
				10	11,000	11,000	10,000	17,000
				11	10,000	10,000	11,000	16,000
				12	12,000	11,000	9,000	17,000
				13	12,000	12,000	11,000	16,000
				14	11,000	10,000	11,000	17,000
				15	12,000	12,000	12,000	18,000
				16	10,000	11,000	11,000	18,000
				17	11,000	11,000	12,000	17,000
				18	12,000	12,000	11,000	18,000
				19	12,000	12,000	12,000	17,000
				20	11,000	11,000	12,000	18,000
				21	12,000	12,000	18,000	18,000
				22	11,000	10,000	17,000	18,000
				23	12,000	11,000	18,000	18,000
				24	10,000	11,000	16,000	17,000
				25	11,000	12,000	18,000	17,000
				26	12,000	11,000	17,000	16,000
				27	10,000	10,000	16,000	17,000
				28	12,000	11,000	17,000	18,000

				29	12,000	12,000	18,000	17,000
				30	12,000	11,000	17,000	18,000
				31	12,000	11,000	16,000	17,000
				32	11,000	10,000	17,000	16,000
				33	11,000	12,000	17,000	17,000
				34	10,000	11,000	16,000	18,000
				35	10,000	11,000	17,000	16,000
				36	12,000	12,000	18,000	17,000
				37	12,000	12,000	18,000	18,000
				38	11,000	11,000	17,000	18,000
				39	12,000	11,000	16,000	17,000
				40	10,000	11,000	17,000	18,000
		IgboEze North	4	1	6,000	6,000	12,000	12,000
				2	6,000	5,000	11,000	10,000
				3	6,000	5,500	11,000	10,000
				4	5,500	6,000	10,000	11,000
				5	6,000	5,000	11,000	11,000
				6	6,000	6,000	12,000	12,000
				7	5,500	6,000	12,000	12,000
				8	5,000	5,500	12,000	11,000
				9	5,500	5,000	11,000	11,000
				10	6,000	6,000	12,000	10,000
				11	6,000	6,000	12,000	12,000
				12	5,500	6,000	11,000	12,000
				13	6,000	5,500	11,500	11,500
				14	6,000	6,000	12,000	12,000
				15	5,000	5,500	11,000	12,000
				16	5,500	6,000	12,000	11,500
				17	6,000	5,500	11,500	12,000
				18	6,000	5,500	11,000	12,000
				19	5,500	6,000	12,000	11,000
				20	6,000	6,000	12,000	11,500
				21	5,000	5,500	11,500	12,000
				22	6,000	6,000	12,000	11,000
				23	5,000	6,000	12,000	10,500
				24	5,500	6,000	11,500	11,000
				25	6,000	5,500	11,000	12,000
				26	6,000	5,000	11,500	11,500
				27	5,500	6,000	11,500	12,000

				28	6,000	5,500	11,000	11,000
				29	6,000	5,500	12,000	11,500
				30	4,500	6,000	12,000	12,000
				31	5,000	6,000	12,000	12,000
				32	5,500	6,000	12,000	11,500
				33	6,000	5,500	11,000	12,000
				34	6,000	5,500	11,500	11,500
				35	6,000	5,500	12,000	12,000
				36	5,500	6,000	11,000	11,500
				37	5,500	6,000	12,000	11,500
				38	6,000	5,500	11,500	12,000
				39	6,000	5,500	11,500	11,500
				40	6,000	6,000	12,000	11,500
2	Enugu East	Isi- Uzo LGA	4	1	12,000	12,000	12,000	18,000
				2	11,000	11,500	11,500	17,500
				3	12,000	11,00	12,000	17,000
				4	11,500	12,000	11,000	17,500
				5	12,000	11,500	12,000	18,000
				6	12,000	12,000	11,500	17,500
				7	11,500	12,000	12,000	18,000
				8	12,000	11,000	12,000	17,000
				9	11,500	12,000	11,500	18,000
				10	12,000	11,000	12,000	17,000
				11	11,000	12,000	12,000	16,500
				12	12,000	11,000	10,000	17,000
				13	11,500	12,000	10,500	18,000
				14	12,000	11,500	11,000	17,500
				15	11,500	10,000	11,500	17,000
				16	12,000	12,000	11,000	18,000
				17	11,500	12,000	12,000	17,500
				18	12,000	12,000	11,000	18,000
				19	11,500	12,000	12,000	17,500
				20	12,000	12,000	11,500	18,000
				21	11,500	11,500	12,000	17,500
				22	12,000	12,000	11,500	18,000
				23	11,000	12,000	10,500	17,500
				24	12,000	12,000	11,000	17,000
				25	11,500	11,000	12,000	18,000
				26	12,000	11,000	12,000	17,000

				27	11,000	12,000	11,500	17,500
				28	12,000	10,500	12,000	18,000
				29	11,000	11,500	12,000	17,500
				30	11,500	12,000	11,000	17,000
				31	11,000	12,000	11,500	17,500
				32	11,500	12,000	11,000	18,000
				33	12,000	11,000	12,000	17,500
				34	12,000	11,000	12,000	17,000
				35	12,000	11,500	10,500	18,000
				36	12,000	11,500	12,000	17,500
				37	11,500	12,000	11,000	18,000
				38	12,000	11,500	12,000	17,000
				39	11,500	12,000	11,000	18,000
				40	12,000	11,500	12,000	17,500
		Nkanu East		1	5,500	6,000	6,000	11,500
				2	6,000	6,000	5,500	12,000
				3	5,500	5,500	6,000	11,500
				4	6,000	6,000	6,000	12,000
				5	5,500	6,000	5,000	11,000
				6	6,000	5,500	6,000	10,000
				7	5,500	6,000	6,000	10,500
				8	6,000	6,000	5,500	11,500
				9	5,500	5,000	6,000	12,000
				10	6,000	6,000	6,000	11,500
				11	5,500	6,000	6,000	12,000
				12	6,000	5,500	6,000	11,000
				13	5,500	6,000	6,000	12,000
				14	6,000	5,500	6,000	11,500
				15	5,500	6,000	6,000	12,000
				16	6,000	5,000	5,500	11,500
				17	6,000	5,500	6,000	10,000
				18	5,500	6,000	5,500	11,000
				19	5,000	6,000	6,000	12,000
				20	6,000	5,500	6,000	11,500
				21	5,500	6,000	5,000	9,000
				22	6,000	5,500	6,000	10,000
				23	5,000	6,000	5,500	8,000
				24	6,000	5,500	6,000	9,000
				25	6,000	6,000	5,500	11,000

				26	5,000	6,000	5,000	10,000
				27	5,500	6,000	4,000	9,500
				28	6,000	5,500	5,500	10,000
				29	5,000	6,000	6,000	11,000
				30	6,000	5,500	4,500	9,000
				31	8,000	8,000	7,500	14,000
				32	7,500	8,000	8,000	15,000
				33	8,000	7,500	7,000	14,500
				34	7,000	7,500	8,000	16,000
				35	7,500	8,000	7,500	15,000
				36	6,000	7,500	8,000	14,500
				37	6,500	6,000	7,000	14,000
				38	9,000	8,000	8,000	15,000
				39	8,000	8,000	7,500	16,000
				40	8,000	7,000	8,000	15,500
		Nkanu West	4	1	12,000	11,000	12,000	18,000
				2	11,000	12,000	11,000	14,000
				3	12,000	11,000	12,000	16,000
				4	11,500	12,000	11,000	17,000
				5	12,000	12,000	11,500	16,000
				6	10,000	11,000	12,000	16,000
				7	11,000	11,500	11,000	17,000
				8	12,000	11,000	12,000	18,000
				9	11,000	12,000	11,000	17,000
				10	11,500	12,000	11,500	16,000
				11	12,000	11,000	13,000	17,000
				12	10,000	11,000	11,500	16,500
				13	9,000	10,000	12,000	14,500
				14	8,000	10,500	10,000	16,000
				15	10,000	11,000	12,000	17,000
				16	11,000	10,000	11,500	16,500
				17	12,000	11,000	9,000	18,000
				18	11,000	12,000	11,000	17,500
				19	12,000	11,000	10,500	18,000
				20	11,500	10,000	12,000	17,000
				21	10,500	11,000	9,500	16,500
				22	11,000	12,000	10,000	17,000
				23	12,000	12,000	11,000	17,500
				24	11,000	11,500	12,000	18,000

				25	10,000	11,000	11,000	175,000
				26	12,000	11,500	12,000	16,500
				27	11,500	11,000	11,500	17,500
				28	10,000	10,500	12,000	18,000
				29	11,500	12,000	11,000	19,000
				30	12,000	11,500	12,000	17,000
				31	9,000	10,000	12,000	16,000
				32	8,000	9,000	11,000	17,000
				33	9,500	10,500	10,000	18,000
				34	9,000	11,000	12,000	17,500
				35	9,000	10,000	11,000	15,000
				36	8,500	9,500	11,500	17,000
				37	9,500	9,000	10,000	16,500
				38	10,000	10,000	11,000	17,000
				39	11,000	11,000	12,000	18,000
				40	11,500	11,000	11,500	17,500
3	Enugu West	Aninri	4	1	12,000	12,000	12,000	20,000
				2	11,500	14,000	12,500	18,000
				3	12,000	11,500	12,500	18,000
				4	11,000	12,000	12,000	18,000
				5	12,000	13,000	12,500	19,000
				6	11,500	12,000	13,000	20,000
				7	12,000	13,000	12,000	18,000
				8	12,000	12,500	12,000	19,000
				9	11,000	12,000	12,000	22,000
				10	11,500	13,000	12,000	18,000
				11	12,000	14,000	13,000	19,000
				12	11,000	11,500	12,500	20,000
				13	12,000	12,000	13,000	21,000
				14	13,000	12,000	11,500	18,000
				15	14,000	13,000	12,000	18,000
				16	12,000	12,000	12,000	19,000
				17	12,000	11,500	12,000	20,000
				18	11,000	12,000	12,000	20,000
				19	12,000	11,000	12,000	21,000
				20	13,000	12,000	13,000	19,000
				21	12,000	11,500	12,000	17,000
				22	13,000	14,000	12,000	18,000
				23	12,500	13,000	12,000	19,000

				24	11,500	12,000	13,000	21,000
				25	12,000	11,500	12,000	22,000
				26	12,000	12,000	13,000	23,000
				27	11,500	12,000	12,000	21,000
				28	12,000	13,000	14,000	19,000
				29	12,000	11,500	12,000	18,500
				30	11,000	12,000	13,000	19,000
				31	14,000	16,000	16,000	18,000
				32	13,000	12,000	11,000	18,000
				33	8,500	9,000	10,000	15,000
				34	9,000	10,000	11,000	16,000
				35	11,000	11,000	13,000	17,000
				36	10,000	12,000	14,000	18,000
				37	8,500	9,000	10,000	14,000
				38	9,000	10,000	11,000	16,000
				39	7,000	8,000	9,000	15,000
				40	8,000	9,000	10,000	14,500
		Awgu	4	1	11,000	12,000	11,000	16,000
				2	12,000	11,000	12,000	17,000
				3	12,000	11,500	12,000	18,000
				4	11,500	12,000	11,500	16,000
				5	10,000	11,000	12,000	17,000
				6	9,000	12,000	11,000	19,000
				7	11,000	12,000	12,000	17,000
				8	12,000	11,500	12,000	18,000
				9	10,500	12,000	11,000	15,000
				10	11,000	12,000	11,500	16,500
				11	12,000	11,500	12,000	18,000
				12	12,000	11,000	12,000	17,000
				13	11,000	10,000	11,000	18,000
				14	10,500	12,000	11,500	17,500
				15	11,000	10,000	12,000	19,000
				16	11,000	12,000	13,000	16,000
				17	12,000	11,000	12,000	17,000
				18	11,500	12,000	11,500	18,000
				19	12,000	11,500	12,000	19,000
				20	11,000	12,000	11,500	17,000
				21	6,000	6,000	5,500	11,000
				22	5,500	6,000	6,500	12,000

				23	5,000	5,500	7,000	11,500
				24	6,000	5,500	6,500	12,000
				25	5,500	6,000	6,500	12,000
				26	5,000	6,000	7,000	11,000
				27	6,000	5,500	6,500	10,500
				28	6,000	5,000	7,000	10,000
				29	5,500	6,500	6,500	11,000
				30	6,000	5,500	7,000	12,000
				31	9,000	10,000	9,000	14,000
				32	8,500	11,000	10,000	15,000
				33	9,000	9,000	11,000	17,000
				34	10,000	8,500	9,000	14,000
				35	8,500	9,000	8,000	15,000
				36	7,000	8,000	9,000	13,500
				37	8,000	6,500	7,000	14,000
				38	9,000	8,000	7,500	13,000
				39	10,000	9,000	8,000	12,000
				40	8,500	7,000	7,500	11,000
		Ezeagu LGA	4	1	11,000	12,000	11,000	18,000
				2	12,000	11,500	12,000	17,500
				3	10,000	10,000	14,000	17,000
				4	11,500	12,000	12,500	18,000
				5	12,000	11,500	12,500	19,000
				6	11,000	12,000	13,000	18,500
				7	10,000	11,000	12,000	17,000
				8	10,000	12,000	14,000	16,500
				9	11,000	13,000	12,000	17,000
				10	12,000	12,000	11,500	18,000
				11	9,000	10,000	12,000	16,000
				12	10,000	11,000	12,000	17,000
				13	8,500	9,000	11,000	18,000
				14	9,000	10,000	11,000	17,000
				15	10,000	11,000	12,000	16,000
				16	8,500	9,000	10,000	15,500
				17	9,000	10,000	11,000	16,000
				18	11,000	12,000	13,000	17,000
				19	10,000	11,000	12,000	18,000
				20	11,500	12,000	11,500	17,500
				21	6,000	5,500	7,000	9,000

				22	6,000	5,000	6,500	9,000
				23	5,500	6,500	6,000	8,500
				24	6,000	5,500	6,500	9,000
				25	5,000	6,500	7,000	9,000
				26	5,500	6,000	6,500	8,500
				27	6,000	5,500	6,000	9,000
				28	6,000	6,000	6,000	9,000
				29	6,000	5,500	7,000	8,500
				30	6,000	6,000	6,000	9,000
				31	12,000	12,000	11,500	18,000
				32	11,000	13,000	12,000	17,500
				33	10,000	12,000	11,000	16,000
				34	11,000	11,000	13,000	16,500
				35	12,000	12,000	12,000	18,000
				36	12,000	12,000	11,000	17,000
				37	11,000	13,000	12,000	18,000
				38	11,500	12,000	13,000	18,000
				39	10,000	12,000	14,000	17,500
				40	12,000	11,000	13,000	18,000
Total					3,478,000	3,531,000	4,169,000	5,800,00

Source: Office of the Director of Cooperatives, Enugu State

Members' Annual Savings (2012 – 2016)