



RESEARCH ARTICLE

EFFECTS OF KAG SACCO IN IMPROVING THE ECONOMIC WELLBEING OF THE CLERGY, MEMBERS
AND DEPARTMENT OF KAG GUSII DISTRICT OF KENYA

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ABSTRACT

Churches face challenges in paying their clergy and financing church projects. The transition from missionary support to self-reliance, self-propagating and self governance has seen many local churches face financial constraints. One of the ways of financial sustainability is through Savings and Credit Cooperative Societies (SACCOs). The main purpose of the study was to determine the effect of KAG-SACCO in raising the income of the clergy, members and churches in Gusii District of Kenya Assemblies of God Church. The study objectives were to: determine the sources of church funding in KAG-Gusii District, determine the level of saving in the KAG-SACCO, determine the amount of funds borrowed from KAG-SACCO by Gusii District, determine whether income has improved after investment used by money borrowed from KAG-SACCO and determine the default rate among those who have borrowed from KAG-SACCO. The population of the study was 74 members and six departments. Descriptive research design was used. The study use census sampling procedure. An open ended questionnaire was used for data collection. Descriptive statistics was used for data analysis. The study findings were; 99% churches in Gusii District depended on their tithes and offering for church funding while only 1% of the churches relied on KAG-SACCO for funding, the level of saving in KAG-SACCO in Gusii was low as evidenced by only 14 % of respondents with over 50,000kshs of share, only 17% of respondent had borrowed over kshs 50,000 kshs as loan to make significant economic impact, only 10 % of respondent reported income increase while 26 % of respondents got more poorer and 62 % reported no improvement in income and about 59% of borrowers had defaulted on loan repayment. The study concluded that the KAG SACCO had not led to economic transformation of SACCO members. The members needed to save more shares to borrow more loans and there was need to educate members of KAG SACCO on investment opportunities with returns.

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INTRODUCTION

Henry Venn and Rufus Anderson were one of the shapers and movers of the nineteenth-century missionary movement. Their views at that time were the establishment of local churches supporting their own activities. However the earliest missionaries seem not to have shared in Venn's views and raised churches that depended financially on foreign support (Tom, 1997). The churches have to find other sources of financing their activities using local resources (Kiiru, 2010). Dependency was to be reduced as the mission grew (Tom, 1997). In the new testament Paul moved on after planting a church (Pisidian, Acts13:50; Iconium, Acts14: 6; Lystra, Acts14: 9; Thessalonica, Acts 17; 10 and Ephesus, Acts 20:1.). Paul moved on as churches become independent and visited for them encouragement.

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The emergency of many churches in developing countries seeking foreign aid have compounded mission support. Many of such churches file fictitious claims making differentiation of genuine ones impossible. Welliver and Rickett (1997) cite such countries as Haiti, Hong Kong, Russia and Brazil. Local churches need to find self-reliant avenues for financing their activities. The saving societies are such avenues. Competition for offerings and followers among churches and increasing poverty level in the society call for churches to identify and pursue income generating activities to make churches self-reliant. The church therefore should take proactive steps to optimize their activities and ensure sustainability and continuity of service into the future (Chetkovich and Frumkin, 2002). Self-reliance is usually approached in terms of self-ministration, self-propagation, and self-support (kiiru, 2010). These three dimensions are so closely inter-related that they should be treated together rather than in isolation one from the others". The church in African had tremendously increased in numbers. However, the local contribution of the African

Church does not seem to have kept pace with the growth in population and structures. To this day, the African Church still looks up to many agencies of the Western Church for heavy financial inputs towards the building of churches, seminaries, convents, youth centres, and schools, and towards the ongoing formation of priests, sisters, catechists, and other agents of evangelization. For the church in Africa to succeed, there should be mobilization of resources. With less funding the church needs to identify alternative sources of funding (Kiiru, 2010). The church needs to mobilize internal resource within its membership to support the clergy and build churches. This is the place of church based saving societies.

The Problem of the study

Financial sustainability is critical for church growth and development. Henry Venn had envisaged scenario in which local churches were to be established in lines of self-supporting, self-governing and self-propagating. The earliest missionaries raised self-support from their home countries to plant churches and mission station. They thought burdening locals with raising support for local evangelism and building churches will have prevented the spread of the gospel. The local Christians had no financial responsibility. The concept of reliance on foreign support was built from the time. When the foreign missionaries left there was huge gap in financing the support for local clergy and construction of churches and other facilities. The study intends to analyze the effects of the saving scheme on the earnings of the clergy and local churches. The study will examine Gusii district of Kenya Assemblies of God. The area will represent scenario of church support after foreign missionaries handed church leadership to local clergy and administration.

Purpose of the Study

The purpose of the study was to establish the effects of KAG SACCO in raising the income of the clergy, members and department in Gusii and Nyansa Districts of Kenya Assemblies of God.

Objectives of the study

The Objectives of the Study are to;

- Determine sources of KAG church funds
- Determine the level of savings in KAG SACCO in Gusii district
- Determine whether members and churches have borrowed money to invest in income generating church projects.
- Determine whether the clergy and members income has improved after getting loans from the SACCO
- Determine the rate of defaulting in loan repayment among members of KAG SACCO.

Theoretical Framework

Liberation theologians have advanced the view of the involvement of the church as the basis for addressing poverty in the society. This view is supported by Mugambi (1999), Theuri (1994), Getui (2001) and Bujo (1988). The emphasize the church the involvement of the church in the economic welfare of people. The study used the human development theory to assess the extent to which KAG SACCO has used its

divine role to improve the economic welfare of the clergy, members and local churches. Using this model the church will make the clergy, members and local churches become dependent on their own resources.

Literature Review

Sources of Church Funding: The church in Africa has experienced a dramatic growth in the last 30 years is faced with a resource crisis. Many churches would like to have adequate trained personnel such evangelists, pastors, deacons but are not able to generate enough local resources to undertake this very important task. There is a need to build churches, clinics, and resource centers as well as to equip lay people for their role in the ministry. Unfortunately churches in Africa are made to believe that they must go to the churches in the West to beg for these resources in order to take advantage of the many emerging opportunities before them (Kitawi and Irungu, 2015). This has created the culture of dependency among the churches of Africa. Indigenous or independent African churches have demonstrated that the Church in Africa can be self-reliant. Many of these churches started without any visible support from the outside and have continued to grow and expand their mission strategies. They have localized their ministries and indigenized their polity to the extent that they have become in real terms "a place to feel at home". They proved that there are enough local resources to support their work. They have shown that it is when people feel a sense of "ownership" that they are willing to give themselves to the task ahead, including full support of the Church's ministries. In Kenya a few of these successful churches are the African Brotherhood Church, African Christian Church and Schools, African Interior Church and the National Independent Church of Africa (Nzuve, 2013). On the opposite end many mission churches are still struggling financially after the foreign missionaries had transferred authority to the local clergy and some instances many projects funded by foreign missions and were handed to local management have since stalled. This calls for local funding mobilization.

There are also missionary founded churches which have realized that they would never come of age if they hold on the support of mother churches in the western world. One way of establishing their identity and recognizing their strength is to strive to do things in their own way. In this way churches identify their areas of concern and raise resources to meet those felt needs. The self-hood of the church in Africa will depend largely on an adequate strategy for self-reliance. For when people truly own their own process they support it fully with all their resources (bahme *et al* 2009). The Presbyterian church operates the Presbyterian foundation a business company in Kenya that is in almost all sector of the economy such as education, health, real estate and hospitality industries (P.C.EA, 2013). Similarly, the Anglican Church in Kenya operates business through the church commission of Kenya in which it has investments in real estate, hospitality, and education sectors (Nzuve, 2013). Yet many mission and independent churches continue to rely of foreign support. The Mennonite church was putting up a multi-million building within the central business district in Nairobi city, the catholic church has a multi-million shilling plaza in the centre of Nairobi that rakes in millions of shillings for the church, The Presbyterian church own a beach hotel in Mombasa while an indigenous church called Jesus is a live ministries is building a facility that will among other things host a five star hostel in

the centre of Nairobi city. Local fundraising is one of the ways of raising local resources but this method can be tiring to the congregation (Kiiru, 2012). For more sustainable ways of funding co-operative credit societies are encouraged. The Catholic Church has various income generating activities that bring income such as real estate, learning institutions and hospitals (Miracle of the rosary mission, 2013). Therefore churches need to diversify sources of their income for self-sustainability

Nzuve (2013) examined the application of diversification strategy at the Anglican church of Kenya. The study established that ACK church has multi-business which are supported by multi-structures. These businesses were created to generate profits to support church activities and future growth of the church. Yet the ACK church faces challenges financing its core function. The Catholic church has a complex structure that engages in business for the financial sustainability of the church (Miracle of the rosary mission, 2013). The church has set up agencies that conduct business and raise funds such as CAFOD (England and Wales), TROCAIRE (Ireland) and MISEREOR (England). The business is also intended to affect the economic and social lives of the community it serves. The national council of churches of Kenya has recognized the importance of economic improvement for churches. The council has developed a business plan under the plan, the council operates a chain of affordable resorts and conference facilities (known as jumuia resorts). The council has also ventured in medical hospital and is laying ground for jumuia schools. The council also operates rent geared properties. This is geared towards making the council financially self-sustaining and self-reliant (NCKK progress report, 2014).

The Benefits of Membership of SACCO'S

SACCO'S role is to promote the economic interest of their members by offering them an opportunity for accumulating savings and paying reasonable interest without risk on such savings. It creates a source of funds from which it can afford the loan to its members in need by making loans for productive and provident purposes at fair and reasonable values of interest and with easy terms of repayment, continuously educating members on how savings can be made on a regular basis and the wise use of their savings and loans (Kabuga and Batarinyebwa, 1995). The church should encourage members to join the SACCO'S to benefit from resource mobilization. Through savings, capital will be accumulated, leading to investments and hence economic development and self-reliance. There will be asset accumulation and a rise in standards of living (Lipsey and Chritel, 1995). Dependency should be discouraged in the society so that individuals can mobilize themselves and produce goods and services for themselves (Cheruiyot, Kimeli and Ogendo, 2012). The role of SACCO is to promote the economic interest of their members and in particular to engage in income-generating activities by borrowing loans at reasonable interest and investing the funds for income. The KAG-SACCO is intended to improve the income of the clergy, members and churches. The SACCO makes available loans at fair interest and easy terms of repayment. The study intends to analyse the effects of the SACCO in improving the earnings of the clergy and churches as a way of making the self-reliant financially.

The church is expected to provide solutions to myriad of social-economic issues facing the society. The offertory may not provide sufficient resources to address the economic issues even within the church. Therefore, alternative ways of financing, especially through self-mobilization of resources (Monrose, 2012). The saving and credit co-operative society provides an avenue for church resource mobilization. The Presbyterian church had for long received foreign aid until the 1970's when they requested not to be given any more aid and instead launched "Fostering sustainability and minimizing dependency in mission finances". Within five years the church was able to support its ministers, build churches and plant more churches. (P.C.E.A, 2013). Kitawi and Irungu (2015) examined how church businesses promote the sustainability of the church. The study focused on two churches in Nairobi: Christ the Answer Ministries and Methodist church. The study found out that church businesses contributed to the sustainability. However, the study recommended that the church should not lose its function of preaching the gospel of Christ to focus on income-generating activities.

Investments on funds from SACCO'S

Churk (2015) focused on the socio-economic contributions of Muvikima Saccos on improving rural livelihood in Makungu ward in Tanzania and the challenges facing Muvikima Saccos on improving rural livelihood in the sturdy area. The findings revealed that Muvikima Sacco had little contribution in supporting business. Some respondents reported that their fate after joining Sacco had even worsened compared to the time before they joined the Saccos. The respondents identified stringent loan repayment as a challenge. It was revealed that the Sacco had made them to become slaves of repaying loans on time, while their businesses were not better off. The study of KAG SACCOS loans will reveal whether the lives of members had improved. The saving societies are intended to offer an alternative to improving the desirable situation among low-income earners. They are intended to enable members save and borrow funds to improve their well-being. The members are encouraged to invest in income-generating activities (Cheruiyot, Kimeli and Ogendo, 2012). In certain cases, SACCOS have minimal effects on improvement in the lives of members (Churk, 2015). A study of KAG SACCO may reveal the impact of SACCO on the economic welfare of members.

Ayiemba (2015) examined the influence of Anglican church of Kenya activities on poverty alleviation. The study revealed that the quality of life and economic wellbeing of members had improved because of income-generating activities engineered by the church. Among the activities the church engaged in include: health, education, employment and small-scale self-employment activities. The assemblies of God SACCO is intended to enable members access funds to improve their economic welfare. Currently, no study has been done on the effects of KAG-SACCO in improving the economic wellbeing of members.

Defaulting on SACCO'S Loans

Amin *et al* (2003) noted that microfinance is not considered by beneficiaries to be an effective and powerful tool for poverty eradication. Due to the low circulation of money, members fail to meet their economic goals and at the same time fail to repay their loans on time. Lack of entrepreneurial skills may result in members' misallocating their own loans. Churk (2015) on

contributions of savings and credit cooperative society on improving rural live hood in makungu ward iringa found that majority of SACCOS members failed to repay their loan due to high dependency on agriculture sector which is not promising as it depend on rainfall availability and it is seasonal. The study concluded that members of the SACCOS had benefited minimally from their investment.

The key qualification to acquire SACCO loan is capacity to repay the loan plus interest in time (MUCCOBs, 2005). Komba (2003) had revealed that low loan repayment in rural areas was due to non salaried nature of the beneficiaries of loans. This argument was supported by Lwakatare (2004) who reported poor loan repayment and high delinquency. The KAG- church does not have central payment policy for clergy. Loan repayment is based on goodwill which is a high risk loan advancement. A study of KAG-SACCO may reveal loan repayment challenges facing the SACC.

MATERIALS AND METHODS

Research Design

The study used descriptive research design (Gall and Borg, 1996, Kisilu, Kombo and Tromp 2006).The design enabled the examination of the effects of KAG-SACCO on the economic wellbeing of clergy, members and departments of KAG church in Gusii district of KAG- church.

Table 1. The Population of the Study

Kag –presbyteries	Persons	Churches	Department
Nyamira	8	2	0
Masaba	17	1	0
Chache	24	1	2
Gusii central	5	1	0
Gusii south	0	0	0
Nyamache	12	0	0
Nyacheki	15	0	0
Etago	0	0	0
Total	74	5	2

Source. KAG SACCO offices

Population of the Study

The population of the study was 74 members, 5 churches and 2 departments of KAG-SACCO located in 8 presbyteries in Kisii and Nyamira Counties. In research where the study the study is concerned with a very small population below 100 complete census is recommended (Mugenda and Mugenda, 2003). Therefore the study used complete census of all the clergy, churches and members of KAG SACCO in Gusii district of assemblies of God

Sample and sampling techniques

The study used census sampling procedure because the population was less 100 respondents (Mugenda and Mugenda 2003).

Data analysis procedures

Data collected from the field was first coded into research questions and objectives. Quantitative data was analyzed by use of descriptive statistics

DATA ANALYSIS, INTERPRETATION AND PRESENTATION

Sources of Church Funding

The study sought to establish the sources of the church funding in KAG Gusii District, Kenya. The response rate from the field was recorded as shown in the Table 2.

Table 2. Sources of Church Funding in Gusii District of KAG Church

Sources	Frequency (f)	Percentage (%)
Tithe	80	99
Offering	80	99
Fund raising	80	99
Sacco	01	1

Source; Field Data (2015).

The study observed that most Kenya assemblies of God clergy and members in Gusii District got capital through tithes, offerings and savings which represented a percentage of (99%) while 1 (1%) got their capital from Sacco's .This was due to lack of sufficient savings to secure loans from Sacco's. Local fundraising is one of the ways of raising local resources but this method can be tiring to the congregation (Kiiru, 2012). Church financial stability is critical in its capacity to be self-supporting, self-governing and self-propagating. Paul the apostle raised funds for the churches planted by him. Money was raised in one church to support the mission work of another church (acts 11:29-30, Galatians 2; 10, Romans 15:2). If the clergy and the members do not save enough funds to guarantee higher loans they are likely to borrow less tha may not change their economic status.

Determining the Level of Savings in KAG SACCO

The study sought to establish from the study the number of shares members have in KAG Sacco. The response was recorded as shown in Table 3.

Table 3. Shares in KAG- Sacco

Number of shares	Frequency (f)	Percentage (%)
1000-10,000	08	10
10,001- 20,000	08	10
20,001- 30,000	19	24
30,001-40,000	20	25
40,001- 50,000	15	19
50,001- 60,000	11	14
Total	81	100

Source; Field Data (2015)

Table 4.2 shows the number of shares in KAG Sacco. 8 (10%) of the respondents agreed that they had the number of shares in the Sacco that is between 1000- 10,000, other 8 respondents also agreed that they had number of shares in the Sacco that is between 10,001-20,000 which represented a percentage of 10%, 19 (24%) gave a response that they had shares of 20,001-30,000, 20 (25%) of the respondents had 30,001-40,000 shares in the Sacco, 15 (19%) of the respondents had 40,001- 50,000 shares and 11 (14%) gave a response that they had 50,001-60,000 shares in the Sacco. This indicates that the majority of the respondents had shares between 30,001-40,000. Members are allowed to borrow funds based on the numbers of shares saved.

Amount of Loan Borrowed from the KAG SACCO

The study sought to the average amount of loan borrowed in KAG Sacco. The response was recorded as shown in table 4.3

Table 4. Amount of Loan Borrowed from the KAG SACCO

Amount of Loan Borrowed from the Sacco	Frequency (f)	Percentage (%)
1000-10,000	05	6
10,001- 20,000	11	14
20,001- 30,000	20	25
30,001-40,000	15	19
40,001- 50,000	16	20
50,001 and above	14	17
Total	81	100

Source; Field Data (2015)

Table 4.3 shows the amount of loan borrowed from the Sacco. 5 (6%) of the respondents agreed that they borrow amount of loan ranging between 1000- 10,000, 11 respondents agreed that they borrow amount of loan ranging between 10,001-20,000 which represented a percentage of 14%, 20 (25%) gave a response that they borrow amount of loan ranging between 20,001- 30,000, 15 (19%) of the respondents they borrow amount of loan ranging between 30,001-40,000 in the Sacco, 16 (20%) of the respondents they borrow amount of loan ranging between 40,001- 50,000 and 14 (17%) gave a response that they borrow amount of loan of 50,001 and above from the Sacco. The key qualification to acquire SACCO loan is capacity to repay the loan plus interest in time (MUCCOBs, 2005). From table 4.3, it is observed that the amount of loans being borrowed is insignificant to make great impact in the lives of borrowers.

Type of Investment From SACCO Borrowing

The study sought to establish from the study the type of investments clergy, members and departments were involved in. The response was recorded as shown in Table 5.

Table 5. Type of Investment

Type of Investment	Frequency (f)	Percentage (%)
Those who invested in income generating activities	50	62
Those who invested in non income activities	20	25
Those who invested in real estate as land.	11	14
Total	81	100

Source; Field Data (2015)

The table above shows the type of investment that was done in Kenya assemblies of God in Gusii District. 62% of the respondents agreed that they invested in income generating activities, 25% of the respondents invested in non- income activities and 14% of the response agreed that they invested in real estate as land. This indicates that the majority of the respondents invested in income generating activities and this influence performance and growing of members, clergy and the departments in the Kenya assemblies of God. The members are encouraged to invest in income generating activities (Cheruiyot, Kimeli and Ogendo, 2012). They are intended to enable member save and borrow funds to improve their well being returns. The quality of life and economic wellbeing of members improve because of income generating activities engineered by the church.

Level of Income Increase after Borrowing from KAG SACCO

The study sought to establish from the study the level of income increase. The response was recorded as shown in table 6.

Table 6. Level of income increase

level of income increase	Frequency (f)	Percentage (%)
Income increased	10	12
Not increased	50	62
Got more poorer	21	26
Total	81	100

Source; Field Data (2015)

Table 6. above indicates that 10 (12%) of the respondents agreed that as they borrowed loan their level of income increased, 50 respondents which represents (62%) indicated that the level of income decreased as they were loaned, 21 (26%) gave a response that they got more poorer when as they were taking the loans. This indicates that the majority of the respondents were not benefiting from the loans given instead life was still tough for them because of the high interest rates to repay the loan in the Sacco. The result indicates that majority of respondents had not benefited nor their economic status improved by the SACCO loans. This is contrary to study by cheruiyot *et al* (2012) which found out that 76% of respondents agreed that their lives had improved economically from the SACCO loans. Kitawi (2015) found that 54 % of respondents indicated that income from business units did not result in achieving financial sustainability of churches. The churches were found to rely more on tithes and offering. Muwanga (2012) had found out that farmers had little information on investment opportunities with higher returns. The finding indicate that the presence of the SACCO hasn't translated to economic sustainability of the majority of the members of the SACCO.

Defaulters Rates among KAG SACCO Members in KAG Gusii District

The study sought to establish from the study the failure to repay loans in time. The response was recorded as shown in table 7

Table 7. Defaulters Rates among KAG SACCO Members in KAG Gusii District

Defaulters	Frequency (f)	Percentage (%)
Stopped loan repayment	5	6
Defaulted a few months	43	53
Up to date payment	33	41
Total	81	100

Source; Field Data (2015)

Table 4.4 shows loan repayment in KAG Sacco. 5 (6%) of the respondents agreed that they had stopped loan repayment, 43 (53%) of the respondents had defaulted a few months, 33 (41%) of the respondents had updated their payment. This indicates that the majority of the respondents had defaulted a few months. KAG SACCO should not entertain defaulters in accessing loans from even other institutions, the Sacco also need to be aware of the members who are out to take loans with the intention of not repaying them even when they are in a position to pay off the debt obligations. The KAG should be keen on loan recovery strategies and introduce collateral

securities as a way of eliminating or reducing loan defaulting. Failure to repay loan may lead to the collapse of the SACCO.

Reasons for Not Repaying Loans

The study sought to establish from the study the reasons for not repaying loans. The response was recorded as shown in Table 8.

Table 8. Reasons for Not Repaying Loans

reasons for not repaying loans	Frequency (f)	Percentage (%)
Amount taken too high	40	49
High interest rates	03	4
Investment in nonprofit venture	20	25
Lack of skills	18	22
Total	81	100

Source; Field Data (2015)

Table 4.7 shows the reasons for not repaying loans in KAG Sacco. 40 (49%) of the respondents agreed that they had taken too high amount of the loan, 3 (4%) respondents agreed that the loan in KAG had high interest rates, 25% of the respondents said that investment in nonprofit ventures was a reason for not repaying loans, 18 (22%) they lacked skills for repaying loans. This indicates that the majority of the respondents agreed that the reason for not repaying their loans it's because the amount taken are too high. The paying off debt reduces the borrowers risks, it removes the chance of letting the loan last longer than it should and continually to accruing interest or of defaulting or missing repayment. Those who can pay off more quickly benefit from lower total interest charges and obviously spend less time in debt. Komba (2003) had revealed that low loan repayment in was due to non salaried nature of the beneficiaries of loans. This argument was supported by Lwakatare (2004) who reported poor loan repayment and high delinquency. Loan repayment is based on goodwill which is high risk loan advancement.

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

Summary of Findings

The study findings were. The study observed that most Kenya assemblies of God clergy and members in Gusii District got capital through tithes and offerings which represented a percentage of (99%) while 1 (1%) got their capital from Sacco's. This was due to lack of sufficient savings to secure loans from Sacco's. On the amount of share, 8 (10%) of the respondents agreed that they had the number of shares in the Sacco that is between 1000- 10,000, other 8 respondents also agreed that they had number of shares in the Sacco that is between 10,001-20,000 which represented a percentage of 10%, 19 (24%) gave a response that they had shares of 20,001-30,000, 20 (25%) of the respondents had 30,001-40,000 shares in the Sacco, 15 (19%) of the respondents had 40,001- 50,000 shares and 11 (14%) gave a response that they had 50,001-60,000 shares in the Sacco. On type of investments, 62% of the respondents agreed that they invested in income generating activities, 25% of the respondents invested in non- income activities and 14% of the response agreed that they invested in real estate as land. This indicates that the majority of the respondents invested in income generating activities and this influence performance and growing of members, clergy and the departments in the Kenya assemblies of God.

On income increase after loan borrowing, 10 (12%) of the respondents agreed that as they borrowed loan their level of income increased, 50 respondents which represents (62%) indicated that the level of income decreased as they were loaned, 21 (26%) gave a response that they got more poorer when as they were taking the loans. This indicates that the majority of the respondents were not benefiting from the loans given instead life was still tough for them because of the high interest rates to repay the loan in the Sacco. On loan repayment in KAG Sacco. 5 (6%) of the respondents agreed that they had stopped loan repayment, 43 (53%) of the respondents had defaulted a few months, 33 (41%) of the respondents had updated their payment. This indicates that the majority of the respondents had defaulted a few months.

Conclusions to the study

The study Conclusion was based on Research Question as follows

Majority of clergy and members of KAG SACCO depended on tithe and offering as source of funding of their activities. The purpose of the SACCO was increase funding options for churches. Relying on tithe and offering will not improve the economic well-being of the clergy and the purpose of creation of the KAG SACCO is defeated. More than half of the respondents had share below 30000 Kenya shillings. Given that borrowing from KAG SACCO depended on amount of share it is concluded that the clergy and members of SACCO had no saved sufficient share to guarantee the higher loans to make an economic difference in their economic wellbeing. On where the borrowed loans were invested 62 % of respondents sampled said the funds were invested in income activities. The intention of SACCO is to improve the economic well-being of the clergy. However given the low investment level of share saved, the amount of loans borrowed was low. Low borrowing was unlikely to improve the income of borrowers. The clergy and other members of the SACCO should increase saving to benefit from higher loans. On increase of income after borrowing 62 % of respondents indicated that their income had decreased after borrowing. These findings run contrary to the intention of SACCO to improve the income of the clergy and other members of SACCO. Higher interest rate were cited as cause of low earning from the loans borrowed. On loan repayment, 5% said they had stopped loan repayment and 43 % had defaulted on loan repayment on. This about half of those who borrowed loans. This was a worrying trend threatening the very existence of SACCO which relies on loan repayment. The KAG SACCO should find ways of recovering such advanced loans.

Recommendations from the Study

The following recommendations were made from the study

- The clergy and other members of the Kag Sacco be encouraged to move away from dependency on tithe and offering for funding to Kag Sacco. The Sacco has more money
- The members of Kag Sacco should be encouraged to increase shares in the Sacco to enable them access more loans that can generate higher returns
- Kag Sacco members to be taught on how to identify investment ventures that can give returns. This will

reduce member's economic status going down after taking loans.

- The Kag Sacco should increase loan recovery from members in Gusii district. Failure to do so will lead lack of funds to loan.

Suggestion for Further Study

From the study the following areas were identified for further study

- Similar studies to be done in all KAG districts where KAG SACCO has extended loans to the clergy and members
- The study can be carried in other churches with saving and credit societies to determine whether economic lives of the members had been transformed by loans advanced through the SACCO
- A study to identify investment opportunities for churches.

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