THE SACCO SUBSECTOR DEMOGRAPHICS STUDY REPORT, 2019

An In-depth study on Age and Gender composition of the members of deposit-taking SACCOs in Kenya

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This popular version of *The SACCO subsector Demographics Study Report, 2019* has been prepared on the basis of an internal study of the demographic composition and distribution of the age and gender of members of DT-SACCOs as at December 2018. The study was conducted between March, 2019 and May, 2019. The findings and observations made are strictly limited to the analysis of the data and other information collected during the study.

The publication may be cited as *The SACCO Subsector Demographics Study Report, 2019* and is available at the Authority’s website [www.sasra.go.ke](http://www.sasra.go.ke).
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EXECUTIVE SUMMARY

Introduction
The SACCO subsector Demographic Study Report, 2019 was undertaken by the Authority on the basis of a census of the membership within the 174 licensed deposit-taking SACCOs (DT-SACCO) in Kenya as at December, 2018. The key objective of the study was to investigate and report on the age and gender demographic composition and distribution of the membership in the DT-SACCOs in Kenya. Cognizant of their having been no other formal in-depth study on the demographic composition of the membership of SACCOs in Kenya, particularly with regard to age and gender, the study lays down a firm foundation and baseline for future studies on the subject; and reveals demographic insights hitherto unknown, or sometimes more generally assumed in the public-sphere.

Being member-based socio-economic enterprises, in which members are also the customers (or consumers of their services); the Report unpacks the segment of the population served or reached by the financial services offered by SACCOs. It calls for deepening the usage of demographical statistics SACCOs in the design of financial services and products, in order to ensure that such services and products are responsive to the member’s needs, as well as relevant to the demographic composition of each SACCO.

Total membership
The study revealed that there existing a total population of slightly over 4.97 million natural persons as well as corporate or institutional membership among the DT-SACCOs for the period ending December, 2018. Out of these populations, a total of 4.78 Million members, accounting for 96.2% of the entire membership were natural person members (individuals), and the remaining 3.8% were corporate and institutional (non-natural) person members. The latter category is made up of mainly self-help groups (chamas); joint memberships of two or more natural persons; private schools; churches; sole proprietorships; and limited liability companies.

Gender composition of the natural person membership
Among the 4.78 million natural person members, 60.65% of them were male, 34.23% were female, with the gender of just about 5.12% of them having not been disclosed by the respective DT-SACCOs. This shows that the male gender greatly dominates the membership of DT-SACCOs, and is not consistent with the national population demographics in which the female gender has been reported to slightly more than the male gender. The imbalance may however be attributed to the probable dominance by the male gender in key socio-economic activities, from which SACCOs traditionally draw their membership such as agricultural production (dairy, tea, coffee production etc); or formal employment opportunities.
Gender distribution among natural person membership

Composition of membership within age-brackets

Mapped against a five clustered age-brackets of 18 years to 24 years; 25 years to 35 years; 36 years to 50 years; 51 years to 64 years and 65 years and above, the study revealed that a majority of members of DT-SACCOs are actually aged between 36 years and 50 years which accounted for 28.88% of the total natural person membership, followed by those aged between 25 years and 35 years which accounted for 23.46% of the total natural person membership. Cumulatively, the population of members in SACCOs aged between 18 years and 50 years accounted 59.64% of the total membership. This is consistent with the fact that SACCOs being member-based socio-economic enterprises majorly draws membership from that segment of the population that is engaged in some form of active or productive socio-economic activities; the majority of whom are aged between 18 years and 50 years.

The youth, that is, the population of members constitutionally defined to be within the age-brackets of 18 years to 35 years accounted for 30.86% of the total natural person members, which is nearly a third of all members. This is so, even after taking into account the large proportion of 17.12% of the natural person membership whose gender was not disclosed, and thus demystifies the public parlance rhetoric that SACCO membership has no place for the youth.
The study also showed that the proportion of members was lowest within the age-bracket of 18 years to 24 years and age-bracket above 65 years which accounted for 7.4% and 5.51% respectively of the entire membership. This is consistent with the diminished numbers of the national population within these brackets that is engaged in active or productive socio-economic activities. It is also explained by the over-reliance by SACCOs on formal employment as the main recruitment pedal for their membership, which is often lowest within the 18 years to 24 years’ age-brackets, peaks within the 36 years to 50 years’ age-brackets, and thereafter progressively diminishes after the attainment of 65 years.

Natural person membership within the common bond clusters
SACCOs have been traditionally clustered into five (5) original common-bonds from which they traditionally drew their membership namely Farmers-based; Teachers-based; Government-based; Community-based; and Private sector-based DT-SACCOs. Out of the population of 4.78 million natural person members, the largest proportion of the population of members of DT-SACCOs actually belong to the 50 Farmers’-based DT-SACCOs which accounted for 47.81% of all total natural person membership among the DT-SACCOs.

And although there are more Teachers’-based DT-SACCOs (43) than the Government-based DT-SACCOs (35), the Report showed that there were more members among the 35 Government-based DT-SACCOs which controlled 16.62% of the total membership as compared to the 43 Teachers-based DT-SACCOs which controlled 16.32% of the total natural person membership among the DT-SACCOs. The 21 Community-based DT-SACCOs and the 25 Private Sector-based DT-SACCOs are the common bond cluster of DT-SACCOs that were found to have the least number of individual members which accounted for 9.38% and 9.86% respectively, as a proportion to the total individual membership.
Comparison between Membership and Financial performances per clusters

The core business of all SACCOs is the mobilization of savings and the provision of credit to their members. The Report, revealed that although the 50-Farmers’-based DT-SACCO had three times more members than the 43-Teachers’-based DT-SACCOs and the 35-Government-based DT-SACCOs; the corresponding proportion of the total assets and total deposits they held was over three times less (10.39% and 10.11% respectively) than that held by Teachers’-based DT-SACCOs and the Government-based DT-SACCOs (37.67% and 38.37% respectively);

These finding imply that the majority of members of the Farmers’-based DT-SACCOs make very little savings and equally receive minimal amounts in credit facilities from their SACCOs; than the members of Teachers’-based DT-SACCOs and Government-based DT-SACCOs. The Report also shows that SACCOs being member owned socio-economic enterprises, over 72% of the total wealth within the DT-SACCO system belongs to and is controlled by just about 33% of the members within the system. This leaves a paltry 28% of the total wealth to be shared amongst the remaining 67% of the membership, most of whom are members of the Farmers’-based DT-SACCO, thus depicting a very unequal distribution of the wealth within the SACCO subsector.

Distribution of members of age-brackets among the clusters

In terms of the distribution of the members of DT-SACCOs within each of the age-bracket among the common-bond clusters, the Report revealed that a majority of members within the 18 years to 24 years’ age-bracket are actually members of Farmers’-based DT-SACCOs which had a total of 58.88% of the total population of the members within the age-bracket. The population of members within this age-bracket was however much lower among the Teachers’-based, Government-based and Private-sector based DT-SACCOs which recorded a proportion of 12.84%, 11.27% and 7.27% respectively, and explainable by the fact that these three clusters style themselves are drawing membership from employees in the public or private sectors, which is normally lowest among those under 24 years. the paradox is however the Community based DT-SACCOs, which is traditionally not bound by formal employment strictures in the
recruitment of members, and thus would have had more members within the age-bracket of 18 years to 24 years, but recorded a proportion of only 9.72%.

Among the population of members within the 25 years and 35 years’ age-bracket, the study shows a near equal proportional share between the Farmers’-based DT-SACCOs, the Teachers’-based DT-SACCOs and the Government-based DT-SACCOs which had a proportional share of 26.88%, 23.56% and 24.43% respectively of the population of members within the age bracket.

As shown above, the overall statistics showed that the majority of members of DT-SACCOs fall within the age bracket of 36 years and 50 years. The proportion of members within this age bracket was also almost evenly distributed among the three (3) big clusters of DT-SACCOs with the Farmers’ based DT-SACCOs being the highest with 26.37% of the total membership; Teachers-based DT-SACCOs having 25.61%; and Government-based DT-SACCOs having 21.77%. the outliers in this age-bracket were the Private sector-based DT-SACCOs and Community-based DT-SACCOs which recorded a proportion of 13.92% and 12.33% respectively within the age-bracket.

**Conclusions**

Being a baseline study and the first of its kind in the SACCO subsector, the Authority expects the findings and observations contained in the Report to generate public policy dialogues and commentaries, particularly among the practitioners of SACCO business, economic policy think-tanks, as well as researchers. In an era of evidence-based policy making, the revelation that almost a third of the membership of SACCOs are below 35 years, provides sufficient fodder for a total shift in the national policy trajectory and consciousness, that has for long associated membership in SACCOs with only old people.
The clarion call is however reserved for the SACCO subsector, which must not only learn to understand the demographic composition of their members; but must also embrace the usage of such evidence towards the development of responsive financial products and services, unique to the specific needs of their members. In addition, SACCOs, especially the Teachers-based and Government-based ones must design products and services that resonate with their members within the age-brackets of 51 years and 64 years, in order to halt or stop the mass apparent mass exit of members, immediately after the attainment of 65 years. In this, post-retirement financial savings and credit products shall be instructive, as these members normally exit the SACCOs only because of retirement from formal employment service.

John Mwaka
Chief Executive Officer
CHAPTER 1

1.0. INTRODUCTION

1.1. Definitions
Demography has been generally defined as the statistical study of populations, especially human beings and can cover whole societies or groups within the societies defined by some specific criteria such as education, nationality, religion, and ethnicity etc. For instance, Scheidel, W. (2001b), in one of his many publications has defined demography, the study of the size, structure and development of human populations.

On the other hand, demographics is defined as statistical data about the characteristics of a population, such as the age, gender, race, marital status and other economic characteristics such as income of the people within the population. Demographic analysis is therefore the study of components of variation and change in demographic variables and the relationships between these variables.

1.2. Financial sector and demographics
The introduction of prudential supervision and regulatory framework for deposit-taking SACCOs (DT-SACCOs) in Kenya with effect from June, 2010, heralded the formal recognition and increased incorporation of the SACCO sector as part and parcel of the national formal financial sector in Kenya, that also includes the banking, insurance, capital markets and pensions sectors. Demographic data on the customers of Financial Service institutions can be extremely beneficial to institutions that want to grow while still remaining customer-oriented. In deed According to Partnership for Progress: A program of the US Federal Reserve System for Minority Depository Institutions, demographic data and statistics such as income, age, gender, ethnicity, occupation, education, etc., are important considerations when developing new products, choosing branch locations, and creating marketing programs that will appeal to an institutions customers’ base.

SACCOs have a strong history in Kenya and are predominantly based on either the common-bond of cash crop production or employment. The FinAccess Household Survey 2016 showed that a third of Kenyan adults reported agriculture as their main source of livelihood whereas only 12% are salary employed. Employment or main income source is the factor that has the most influence on access and inclusion in both Kenya and Uganda. On the other hand, age has also an influence on access, e.g. the oldest and youngest are more likely to be excluded and less likely to have formal accounts than the middle band of the population. This was evidenced by the fact that 23% of young adults in Kenya aged 18 to 25 years are excluded compared to the national average of 17.4%.
Lee (2007) while studying “Who uses Credit Unions” found a curvilinear relationship between age and use of financial services. This means that it is not one specific direction with age; younger people are likely to be unbanked. As they get older, they are more likely to use financial institutions. Then as they reach old age, they again become unbanked. Those at the extremes are the more likely to be unbanked. When it comes to employment status, Lee found the employed are more likely to use financial institutions than the unemployed. Those who work for others are more likely than the self-employed to use credit unions. Lee did not find any significant affiliation to usage of financial service by gender or marital status when evaluated in isolation.

According to a World Council of Credit Unions (WOCCU) 2015 Report, the average age of credit union members in most countries is mid-to-late 40’s; in Canada the median age is 53 years, in Costa Rica it is 50 years, in Australia, the UK and U.S.A it is 47 years. As these members approach retirement, credit unions must expand their market to younger generations. The youth are affected by various factors like unemployment, student loans and rising cost of living that make them anxious about the future. Credit Unions (SACCOs) would therefore be well placed to be there when members need them most. Serving the young generation while maintaining a solid bottom line is only part of the challenge; Credit unions should reassess their products, channels and messages to determine how they will respond best to the needs and preferences of the young adults.

Mwangi, et al (2016) in their paper, Youth Engagement with Co-operatives in Kenya, described the potential of the youth as dynamism, innovation, adaptability among others. Their study sought to find out the youth attitudes and behaviors towards co-operatives, how much knowledge they have on co-operatives, their level of awareness on the potential of co-operatives on their welfare as well as the impediments they encounter when joining co-operatives. They noted the challenges that face the youth including unemployment, inexperience and self-destruction through use of drugs. In spite of these, the potential of the youth, their engagement and participation in Kenyan co-operatives is largely undocumented and less is known about their involvement. This study found that even though most of the youth were cognizant of the existence and potential of co-operatives (SACCOs), most of youth did not belong to any co-operative. They suggested that educating the youth on the importance of saving for the future; and that co-operatives should strive to develop products that resonate with the youth; as well as considering programs to mainstream the youth into leadership.

In addition, such data and statistics are important in the assessment of the level of access to formal financial services by the population such as the youth, the women, marginalized groups, among others. This was emphasized in 2016 by the AFI members’ institutions in the Denarau Action Plan which “acknowledged that there is a persistent gender gap in access to financial services and that over one billion women globally are excluded from the formal financial system’ and “accepted the
important role gender-disaggregated data will play in tracking efforts to achieve women’s financial inclusion, and supporting evidence-based policymaking”.

For instance, according to Financial Access and Exclusion in Kenya and Uganda (February 2009) study conducted both in Kenya and Uganda, age had a significant influence on access across all the financial access strands; with a strong and consistent conclusion for Kenya that the older age groups are much less likely to be excluded than 18-24 year olds, while the oldest age groups are much more likely to be formally or semi-formally included and less likely to be only informally included. Other studies by Demirgüç-Kunt and Klapper (2012) and also Anzoategui et al. (2013) have found out that age is a significant predictor for having a bank account, and that those aged between 25 years and 64 years are more likely to have a bank account compared to younger or older people.

From the foregoing research findings, it is demonstrated that age and gender are an important parameter for making operational and business decisions among financial institutions, especially with regard to their product and services offering. In addition, age and gender are an important demographic data in the determination of the level of financial inclusion within a country, as well as a tool for appropriate policy formulation by public regulatory and supervisory bodies.

1.3. The SACCO Subsector in Kenya

The Savings and Credit Cooperative societies, represented by the acronym SACCOs, are one of the most important and often visible typology of cooperatives in Kenya. Their distinguishing and unique character trait from other types of cooperatives is the object and purpose for which they are incorporated, which is to transact the business of mobilization of savings, and advancement of credit facilities to their members. The provision of savings and credit facilities is part and parcel of financial services sector and consequently, SACCOs are also often referred to as financial cooperatives.

Other types of cooperatives that fall within the general rubric of financial cooperatives are the investment and housing cooperatives, for the reason that they collect funds from their members with a view to investing the same on behalf of the members, while the SACCOs collect funds from members either as a saving portfolio and/or to advance the same as credit. Unlike other jurisdictions, the Kenyan SACCO subsector is legally and has by way of practice been divided into two segments. The differentiation is principally defined by the nature of savings and deposits they mobilize from their membership.

The first segment are the deposit-taking SACCOs (DT-SACCOs) which take demand deposits and thus offer savings accounts services like those offered by mainstream banking institutions. The second segment is the non-deposit-taking SACCOs (non-
DT-SACCOs), which mobilizes savings (deposits) from their members strictly for utilization as collateral for credit facilities. These deposits are thus not withdrawable during the period of membership, but are refundable, less any liabilities owed by the member upon cessation of the membership. The duality of SACCOs is a phenomenon unique to Kenya, and is probably traceable to the many evolutionary stages that the Kenya SACCOs have gone through over the years. In other countries, all SACCOs take both the withdrawable and the non-withdrawable deposits without distinction and are normally uniformly regulated as deposit-taking co-operative financial institutions.

1.4. The Problem Statement: The SACCO subsector and demographics

Although there have been several demographic studies and surveys of the general financial sector including the SACCO subsector; there has been no formal study or survey that has specifically focused on the demographic variables within the SACCO sector alone. For instance, the FinAccess Household Survey 2019 reported that the usage of SACCOs' financial services had dropped from 12.9% in 2016 to 11.3% in 2019, but the survey did not go further to segment and disaggregate inherent demographic characteristics of these users of SACCOs' financial services but rather focused on the demographic characteristics of the entire users of financial services in general.

SACCOs as Co-operative enterprises are first and foremost member owned institutions, and secondly, as socio-economic enterprises, they are member-owned and member-managed business enterprises. In this regard, there is always the need to know the composition of the various demographic variables within their membership, as a business development tool so as to ensure the rolling out of appropriately customized financial services and products to each segment of their membership.

Taking into account the critical role that SACCOs have played over the years in savings mobilization and provision of credit facilities to their members, it is definitely a high time that a formal study decomposing the demographic composition of SACCOs was undertaken, in order to know to whom these services are actually being rendered to within the SACCO fraternity. The introduction of formal prudential regulation and supervision among the deposit-taking SACCOs (DT-SACCOs) in June 2010 and the increased national appreciation of the role of DT-SACCOs in deepening the level of financial inclusion in the country, also gives impetus to the need to dissect the demographic composition of the members of SACCOs, with a view to informing policy and legal formulations.

It is for these reasons that this comprehensive report on the demographic composition, particularly with regard to age and gender distribution was conceived and undertaken by the Authority. The findings and recommendations from this report shall be used by the Authority to financial access strands,
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especially the savings and credit components within the age and gender composition identified. Additionally, it is expected that a culture of keeping a gender disaggregated data and information shall be inculcated among the DT-SACCOs, not just for business operations and decision making, but equally for public policy formulation and advocacy

1.5. The Objectives of the study
The principal objective of the study was to investigate and report on the age and gender composition of the membership of DT-SACCOs in Kenya; and to explore and make recommendations on a standard and uniform reporting framework of an age and gender disaggregated data by the DT-SACCOs. Other auxiliary objectives of the study included -

a) Determining the proportionate levels in which the natural and the non-natural persons, namely corporate and other unincorporated institutions participate in the membership of DT-SACCOs.

b) Decomposition of the distribution of the membership of DT-SACCOs among the five (5) common bond clustering of the DT-SACCOs namely Farmers-based; Teachers-based; Government-based; Private Sector-based; and Community-based DT-SACCOs.

c) Assessing the level of involvement of the youth in the membership of the DT-SACCOs in Kenya, including a determination of the general age bracket for a majority of the membership of DT-SACCOs, as well as within each of the common bond clusters of DT-SACCOs.

d) Laying a baseline for the future study on the level of access of the various DT-SACCOs’ financial services by their membership in accordance with the age and gender distribution strands.

e) Assessing and understanding the importance and need; the extent; and the levels to which DT-SACCOs keep an age and a gender disaggregated data and informational records of their members, and making appropriate policy interventions.

1.6. The Desktop Review
A desktop review of the secondary data relating to the Shares, Member, Deposit (FOSA and BOSA) and loan listings obtained from 28 SACCO’s randomly selected either because they had been inspected or their data was readily available within the Authority showed that the key documentation that contains information about the age and gender statistics of members of SACCOs were the members shares’ registers, the members’ listings; the members’ deposits register and the members’ loan register and listings.
It also noted that some of the SACCOs had integrated registers and listing in respect of each of the said items while others had kept and maintained the registers and listing separate. Nevertheless, it was clear that the members’ shares register and listings was one document maintained by all SACCOs and which contained the SACCO members’ names, unique identity number, the gender of the member, the date of birth of the member, the shares holding of the member among other. The fact that the membership of SACCOs like in any co-operative enterprises largely determined by the subscription of the member to the prescribed minimum amount of shares, also made the shares register and listings the most credible single source of the members age and gender.

It was noted that the members’ loans and the members’ total deposits registers and listing were an unreliable sources of members ages and gender details, due to the high probability of double counting in instances where not unique identifier of the members was assignable or traceable to the members’ listing and register.

One other interesting observation from a review of one SACCO loan policy on eligibility criteria for determination of qualifying loan amounts was that, one of the minimum requirements among other things that must be included together with the loan application form for it to be considered duly filled and completed is a photocopy of the national identity card (ID). The reason behind this requirement is so that the loan appraisers in the SACCOs can be able to calculate the number of years that the loan applicant will be in active service to repay the loan applied for. In addition, another eligibility criterion for membership to a SACCO is that all new membership applications must be accompanied by a photocopy of the identity card. This therefore means that information regarding the date of birth and gender of members is duly available in the SACCOs albeit in a format that may not be easily analyzed.

1.7. The Study Methodology

1.7.1. Target Population
There were a total of 174 DT-SACCOs duly licensed to operate deposit-taking business in Kenya during the year 2018. The study herein thus targeted the total count of the membership in each of the 174 DT-SACCOs, since the study was designed as a census. The study was designed to physically obtain from each DT-SACCO the members register and the members’ shares listing. Other secondary documents targeted for collection included the members’ deposits listing and the members’ loans listings.
1.7.2. The Data Collection

The Authority issued a circular to the 174 DT-SACCOs introducing the study to them, and also requiring each one of them to prepare and submit to the Authority their members’ registers, shares listing, deposit listing and loan listing for the period ending December, 2018. For each DT-SACCO, the registers and listing were to have at the minimum the members’ unique identity number, the members’ identity card number, the members’ names, the members’ gender and the members’ age.

Subsequent to the circular, the Authority’s officers visited the DT-SACCOs head offices to physically extract and collect the said registers and listing from the Management Information Systems (MIS) of the DT-SACCOs, and to verify that the data and information were substantially in the format that was required. A total of 152 DT-SACCOs constituting 87% of all the DT-SACCOs were either physically visited for the collection of the said data and information or had their data and emailed directly to the Authority.

1.7.3. The inclusion and exclusion criteria

Although the study had intended to undertake a census of the membership of all the 174 DT-SACCOs, it was noted during the data collection that a total of 22 DT-SACCOs constituting 13% of all the targeted DT-SACCOs did not submit the data and information required and thus their respective member population did not form part of the study. Consequently, data and information that qualified for inclusion in the final analysis related to 152 DT-SACCOs out of a total population of 174 DT-SACCOs spread across the country. This represented 87% of the total population of DT-SACCOs whose data were collected and is thus representative of the entire population.

In terms of the geographical representativeness of the population of DT-SACCOs included in the study, it is noteworthy that out of 47 geographical counties to which Kenya is demarcated, only 40 Counties have the presence of one or more registered DT-SACCOs. During the data collection exercise, all the Counties were visited, with the exception of some six counties in respect of which the DT-SACCOs located therein were not visited as summarized in the Table 1 below.

### Table 1: List of Counties with DT-SACCOs not reached for data collection

<table>
<thead>
<tr>
<th>Name of County whose DT-SACCOs were completely not included in the Study</th>
<th>Number of DT-SACCOs within the County</th>
<th>Clustering of the DT-SACCO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lamu County</td>
<td>1</td>
<td>Teachers’ based</td>
</tr>
<tr>
<td>Samburu County</td>
<td>2</td>
<td>Teachers’ &amp; Community</td>
</tr>
<tr>
<td>Migori County</td>
<td>1</td>
<td>Teachers’ based</td>
</tr>
<tr>
<td>West Pokot County</td>
<td>1</td>
<td>Teachers’-based</td>
</tr>
</tbody>
</table>
SACCOs are traditionally incorporated along certain common bonds or fields of membership including profession, occupation, common employer of the membership, geographical locations among others. In this regard, DT-SACCOs in Kenya have been traditionally clustered into five (5) common bond areas namely the Farmers-based; Teachers-based; Government-based; Private Sector-based; and Community-based DT-SACCOs.

In order to determine the representativeness of the population of the membership of the DT-SACCOs included in the study, the proportionate distribution of the DT-SACCOs included in the study in accordance with their clustering was considered as summarized in Table 2 below.

<table>
<thead>
<tr>
<th>Name of Cluster</th>
<th>No. of SACCOs in studied</th>
<th>Total No. of SACCOs in Cluster</th>
<th>% of Total DT-SACCOs studied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Community</td>
<td>15</td>
<td>21</td>
<td>71%</td>
</tr>
<tr>
<td>2 Farmers</td>
<td>49</td>
<td>50</td>
<td>98%</td>
</tr>
<tr>
<td>3 Government</td>
<td>35</td>
<td>35</td>
<td>100%</td>
</tr>
<tr>
<td>4 Private</td>
<td>20</td>
<td>25</td>
<td>80%</td>
</tr>
<tr>
<td>5 Teachers</td>
<td>33</td>
<td>43</td>
<td>77%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>152</td>
<td>174</td>
<td>87%</td>
</tr>
</tbody>
</table>

The analysis shows that each cluster of a DT-SACCOs’ population membership was considered to the tune of over 70% of the DT-SACCO within the cluster, and therefore constituting a representative proportion of the entire population within the clusters. The analysis also showed that whereas the population of DT-SACCOs domiciled in some seven (7) geographical counties was not reached for analysis as shown in Table 1, these DT-SACCOs were well represented in the population taken from clusters of DT-SACCOs in respect which they are grouped together. For instance, the counties of Lamu, Migori, West Pokot, Busia and Marsabit which were not reached have got only one DT-SACCO each, which are all Teachers’-based DT-SACCOs, and are thus represented by the other Teacher’s-based DT-SACCOs in the study which constituted 77% of the entire study population of DT-SACCOs. The population characteristics among DT-SACCOs within the counties which were not reached are therefore represented by the characteristics of the population of members drawn from similar clusters but domiciled in another county.
1.8. The Data Analysis

The data and information obtained from the members’ registers and shares listings for each DT-SACCO was analyzed using Microsoft excel tools. The analysis criterion included the identification of natural person membership (individual persons on the one hand; and the non-natural person membership namely corporate and unincorporated entities like churches, self-help groups, business enterprises among others, on the other hand.

The natural person memberships were further analyzed based on their ages and gender in the first instance; and their distribution among the five common bond clusters in which the DT-SACCOs are bundled. Lastly, the distributions of the different sets of age groups among the five clusters were also analyzed. The analysis equally considered the membership in the DT-SACCOs whose ages were not disclosed on the one hand and those whose gender was not disclosed on the other hand.

As part of the analysis exclusion criteria, it was noted that all natural persons whose ages were indicated as below 18 years old were minor and thus not qualified to be members of DT-SACCOs in accordance with the provisions of the SACCO Societies Act. Consequently, the data and information relating to such members was excluded from the analysis. Secondly, and using a judgmental call, any natural person or member who was indicated as having been born on or before 1930 was excluded from the analysis. This was based on the general understanding that that SACCOs are socio-economic enterprises, whose natural person members must be engaged in some form of active economic activity. The cut-off period of persons reported to be borne before 1930 (and thus aged above 88 years) is thus derived on the assumption that at that age, the natural person member of SACCO is unlikely to be engaged in any active socio-economic ventures to warrant active. Their membership in a SACCO is thus at best most likely to be a dormant one.

The total population of membership analyzed was 5,968,260 memberships (natural and non-natural persons) distributed among the 152 DT-SACCOs in different proportions. Out of this population, a total of 998,091 count of natural persons were excluded from subsequent analysis for either having been under 18 years or over 88 years old as at December, 2018 as show in Table 3 below, leaving an analyzable population of 4,970,169 natural and non-natural person membership.

Although this population was excluded from the subsequent analysis, the data and information remains relevant for future examination of the extent to which any savings may be attributed to them, or the extent to which any DT-SACCO may have offered any credit or loan facility to them.
### Table 3: Number of natural persons members excluded from the study and report

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>Undisclosed Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Number of natural persons listed as below 18 years</td>
<td>108,641</td>
<td>78,103</td>
<td>5,530</td>
</tr>
<tr>
<td>2 Number of natural persons listed over 88 years</td>
<td>372,887</td>
<td>345,379</td>
<td>87,551</td>
</tr>
<tr>
<td>Total</td>
<td>481,528</td>
<td>423,482</td>
<td>93,081</td>
</tr>
</tbody>
</table>

1.9. **Limitations of the study**

The response rate to the study was impressively positive. However, the following challenges were encountered:

a) Although the SACCO subsector consists of both the deposit-taking SACCOs (DT-SACCOs) and the non-deposit taking SACCOs (Non-DT-SACCOs), the study was restricted to the DT-SACCOs only, which are currently under the supervisory jurisdiction of the Authority.

b) Some DT-SACCOs could not be reached physically for data collection, within the time set for the study due to their far-flung geographical locations. Consequently, they were requested to submit by email copies of the data and information required, but 13% of them did not manage to do so.

c) The principal data and information which was targeted for analysis from the DT-SACCOs was the members’ share register and listing. It was however noted that some of the members’ share registers or listing were not complete with the individual members’ data and information including age and gender.

d) It was noted that some of the DT-SACCOs had Management Information Systems (MIS) which were not configured to capture the members’ age and gender, even though the MIS had the capabilities of doing so. This made the physical extraction of data and information quite a challenge.
2.0. THE FINDINGS AND OBSERVATIONS

2.1. General overview membership
The study found a total of slightly over 4.97 Million memberships in the DT-SACCO segment, which consist of both natural persons’ membership on the one hand, and corporate or institutional person membership on the other hand. Whereas the natural person membership is made of individual persons; the corporate or institutional person (non-natural persons) membership is composed mainly of self-help groups, small and medium sized businesses and companies, as well as unincorporated organizations.

The bulk of membership however consists of the natural persons’ members totaling to a population of 4,781,212 accounting for 96.2% of the total members, while the corporate & institutional members totaled 188,957 accounting for 3.80% of the total membership as summarized in Figure 1 below.

On the other hand, Table 4 below provides the general overview of gender distribution of the total population in the membership of DT-SACCOs as a percentage of the total membership therein. The analysis shows that male members constituted the majority population at 58.35% of the total membership; while female members constituted 32.93%. However, 4.93% of the membership who were natural persons did not have their gender disclosed, with the balance of the membership being drawn from the Corporate & institutional members.
Table 4: General distribution of membership as a percentage to total membership

<table>
<thead>
<tr>
<th>Overview of Distribution of membership</th>
<th>Number of members</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male members</td>
<td>2,899,865</td>
<td>58.35%</td>
</tr>
<tr>
<td>Female members</td>
<td>1,636,501</td>
<td>32.93%</td>
</tr>
<tr>
<td>Undisclosed gender</td>
<td>244,846</td>
<td>4.93%</td>
</tr>
<tr>
<td>Corporate &amp; Institutional membership</td>
<td>188,957</td>
<td>3.80%</td>
</tr>
<tr>
<td>Total membership</td>
<td>4,970,169</td>
<td></td>
</tr>
</tbody>
</table>

2.2. Corporate & Institutional members

As shown in Table 4 above, there were a total of 188,957 corporate & institutional members in the DT-SACCO system. These included self-help groups (popularly called Chamas); joint memberships in which two or more natural persons subscribe to the membership of the SACCOs and jointly hold and operate the accounts therein; private schools; churches; other unincorporated groupings of individual persons; sole proprietorships, and also member owned limited liability companies.

Such corporate & institutional membership is allowed in SACCOs vide the provisions of the Co-operative Societies Act, and is largely driven by the fact that some of the SACCOs’ financial services include micro-savings and micro-credit which by their nature are better managed through the group models. The urge to draw membership from the business community particularly the business community within the medium, small and micro-enterprises, has also necessitated some SACCOs to start accepting these corporate & institutional members into their fold. An in-depth analysis of the distribution of the corporate & institutional membership is undertaken in Section 2.5 of this report.

2.3. Natural person members

Whereas the total membership in the DT-SACCO fraternity was found to be slightly over 4.97 Million, a proportion therefore amounting to a population of 4,781,212 comprised the natural person (individual) members. An analysis of the gender composition of the 4,781,212 natural person members was undertaken and the findings showed that the male members accounted for the 60.65% while the female members consisted of 34.23%. The natural person members whose gender was not disclosed consisted of 5.12% of the total natural person membership as shown in Figure 2 below.

The relatively high number of members whose gender details and information was not disclosed, which was in excess of 5% of the total natural person membership showed the dearth of capacity and appreciation of the need to keep and maintain gender disaggregated data and information within the SACCO subsector.
Figure 2: Gender distribution among natural person membership

- Male members: 60.65%
- Female members: 34.23%
- Undisclosed gender: 5.12%
2.4. **Age and Gender distribution of the natural person members**

2.4.1. **Overview of the age brackets**

In order to better understand the different age groups that constitute the membership in the DT-SACCO system, a six (6) cluster age-group brackets was used. The following parts provides a summary of each of the age group brackets.

(a) **Age bracket 18 years to 24 years:**

The Co-operative Societies Act, which is the registration and incorporation statute for all Co-operative enterprises including DT-SACCOs, prescribes the minimum age of a person to be qualified for membership in a Co-operative Society to be 18 years. The age of 18 years also marks the commencement of those classified as “youth” under the Constitution of Kenya, 2010; and is statutorily defined the official age of majority in Kenya. It is also generally assumed that the age of 18 years, being the onset of adulthood also marks the beginning of an active and productive socio-economic life of a natural person.

Although the age of 18 years marks the constitutional age bracket for the “youth” and although the 35 years is the maximum constitutional age for the “youth”, it has also been acknowledged that between the ages of 18 years and 24 years, a person is likely to be undergoing some kind of formal training or apprenticeship. This makes the age group between 18 years and 24 years a significant age bracket for demographic analysis. It is also the near median age of those classified as the “youth”.

(b) **Age bracket 25 years to 35 years:**

Persons who have attained the age of 25 years are generally taken to have finalized any formal advanced training or apprenticeship and are thus ready for the job market, be it in the formal or informal sectors of the economy. In addition, the age of 25 years has been generally used by the majority of public and private sector institutions as the entry recruitment age for their professional employees. Taking into account the fact that SACCOs are socio-economic enterprises, this age is therefore quite important particularly for the purpose when SACCOs are designing or developing financial products and services which are responsive to the youth segment of the population, as this will determine their decisions to join the membership of a SACCO.

On the other hand, the age of 35 years is the maximum ages of the “youth” as defined by Constitution, thereby making the age bracket of between 25 years and 35 years another important age group for purposes of demographic analysis.

(c) **Age bracket 36 years to 50 years:**

Cognizant that the majority of SACCOs were founded or formed with the principal field of their membership being from persons who are in formal
employments – both in the public and the private sectors, the age of 50 years becomes an important epoch in any demographic analysis for the reasons that this marks the voluntary retirement or optional retirement age for many institutions, whether in the public or private sector. The age-group of between 36 years and 50 years is therefore an important demographic grouping within any socio-economic sector, given the expected productivity of persons within the age group

(d) Age bracket 51 year to 64 years:
Whereas a majority of the employees in the public service are required to officially retire from formal employment at the age of 60 years, there are a proportion of public sector employees who officially retire at the age of 65 years. These include Judicial officers (other than judges), persons with disability among others. Although there are different practices among the private sector institutions, the majority of private sector institutions prescribed their official retirement ages for their employees within the range of between 60 years and 65 years. Consequently, the age bracket of between 51 years to 64 years is another unique age-set for a SACCO subsector demographic study.

(e) Age bracket of 65 years and above:
The age brackets of 65 years are generally considered the senior citizens, and a time when a majority of people’s socio-economic productivity is expected to diminish. Although some of the persons in this category may be still in the formal employment either in the public or the private sector, these are the minority rather than the majority. For instance, Judges are employees in the public sector and constitutionally retire at the age of 70 years, with a provision for early retirement being 65 years. Other state offices such as members of the County and national legislatures (National Assembly, Senate and County Assembly) do not have any official retirement age but are active members of SACCOs.

Thus, in view of the traditional Kenyan SACCO model that takes cognizance of the correlation between employment and membership in SACCOs, the age bracket of persons above 65 years form another interesting grouping for demographic inquiry.

(f) Undisclosed ages:
This is not an age group or bracket per se, but it was noted that a high proportion of DT-SACCOs did not indicate the ages or the dates of birth of some of their natural person membership. However, the gender and other characteristics of these members was disclosed, thus making it an important category for analysis
2.4.2. Distribution of members within the age brackets

These age brackets were analyzed in their aggregate numbers as well in accordance with their respective gender distribution as shown in table 6 below. The majority of the members of SACCOs are in the age bracket of between 36 years and 50 years, followed by the age bracket of between 25 years and 35 years’ old.

Table 6: Age and gender disaggregated distribution of natural person members

<table>
<thead>
<tr>
<th>Age Bracket cluster in Years</th>
<th>No. of male members</th>
<th>No. of female members</th>
<th>No. of members with undisclosed ages</th>
<th>Total No. of Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 19 to 24</td>
<td>262,642</td>
<td>76,293</td>
<td>15,035</td>
<td>353,970</td>
</tr>
<tr>
<td>2 25 to 35</td>
<td>665,235</td>
<td>416,454</td>
<td>39,812</td>
<td>1,121,501</td>
</tr>
<tr>
<td>3 36 to 50</td>
<td>833,512</td>
<td>514,752</td>
<td>32,520</td>
<td>1,380,784</td>
</tr>
<tr>
<td>4 51 to 64</td>
<td>542,217</td>
<td>281,879</td>
<td>18,784</td>
<td>842,880</td>
</tr>
<tr>
<td>5 Above 65</td>
<td>174,394</td>
<td>86,071</td>
<td>2,970</td>
<td>263,435</td>
</tr>
<tr>
<td>6 Undisclosed Ages</td>
<td>421,865</td>
<td>261,052</td>
<td>135,725</td>
<td>818,642</td>
</tr>
<tr>
<td>TOTALS</td>
<td>2,899,865</td>
<td>1,636,501</td>
<td>244,846</td>
<td>4,781,212</td>
</tr>
</tbody>
</table>

Figure 3 below provides a summary of the total distribution of the members according to their age-brackets. Firstly, the analysis shows that majority of members of DT-SACCOs fall within the age-bracket of between 36 years and 50 years and accounted for 28.88% of all the natural person members. Secondly, the analysis showed that the members within the age-bracket of between 25 years and 35 years constituted the second highest proportion of the membership and accounted for 23.46% of the total membership.

The analysis also showed that members who are above the age of 65 years were the least in the DT-SACCOs system accounting for about 5.51% of the total natural person members while those within the age-bracket of between 18 years and 24...
years accounted for 7.4% of the total natural person members. Although there is a high percentage of 17.12% of members whose ages were not disclosed; it is clear from the foregoing analysis that 59.74% of the total natural persons’ memberships in the DT-SACCO system are under are actually 50 years.

Cognizant of the fact that the age-bracket of 50 years and below consists of the most active and productive demographic segment of the population, the finding that almost 60% of the membership in SACCOS are actually less than 50 years old, debunks the common parlance rhetoric propounded in the public arena that the membership in SACCOS is largely composed of an old and aging population. Only a paltry 5.51% of the total natural membership was founded to be aged above 65 years and even if the members whose ages were not determined were to be added thereto (for the benefit of doubt), the total proportion would be still just be a minimal 22.63%.

Taking into consideration the constitutional threshold that defines the “youth” segment of the population as those between 18 years and 35 years, it is clear from the findings that 30.86% of the entire memberships of DTSACCOS are actually the youth

2.4.3. Gender Distribution of membership within the Age-Brackets

A comparative composition of the members of the DT-SACCOS within each age-bracket was undertaken as shown on Figure 4 below. Consistent with the total membership which is dominated by male members, it was found that the majority of members in each age-bracket were male.

The members within the undisclosed age brackets also had the highest proportion of members whose gender identity was not disclosed which stood at 2.84% of the total natural person membership. The remaining age-brackets registered less than a percentage point in terms of undisclosed gender thereby showing that a majority of members whose ages were not disclosed in the data and information of the SACCOS equally did not have the gender of such members disclosed.
2.4.4. Gender disaggregated concentration of members among the age-brackets

(a) Male and female members
A comparative analysis of the total population of the male and the total population of female members within each of the age brackets was undertaken. **Figure 5** shows the concentration of the total population of male members within the age-bracket groups, while **Figure 6** the concentration of the total population of female members within the age-bracket groups.
With regard to the male members, the highest proportion thereof was found to be between the age-bracket of between 36 years and 50 years, which accounted for 28.74% of the total male members. This was the same for female members in which the population that fell between the age bracket of between 36 years and 50 years, except that the concentration of female members within the age group was high at 31.45% compared to that of male members which stood at 28.74%.

Similarly, the concentration of female members within the age-brackets of between 25 years and 35 years which stood at 25.45% of the total female members was slightly higher than the concentration of male members within the age-group which stood at 22.94% of the total male members. The high concentration of the population of male and female members within the age-brackets of between 25 years and 35 years on the one hand, and between age –bracket of 36 years and 50 years on the other hand, is consistent with the overall findings that these two age-brackets actually constituted the bulk majority of members in DT-SACCOs.

The high concentration of the population of female membership within the two age-brackets, coupled with the fact that female members in the overall constituted only 34.23% of the total membership implies that the average age of the female members within the DT-SACCOs system is likely to be lower than the average age of male members. This is also consistent with the fact that the concentration of female and male members within the remaining age-brackets was more or less the same, with hardly a percentage point differences. In deed the analysis shows a higher concentration of female membership among those aged below 50 years which accounted for 61.45% of the total female members; while the concentration of male membership among those aged below 50 years was just about 60.74% of the total male membership.

It is also worth observing that among the younger generation within the age-bracket of 18 years and 24 years, the proportion of male members to the total male membership was 9.06%; while the proportion of female members to the total female membership was just 4.66%. On the other end of the spectrum, the female members aged over 65 years was 5.26% of the total female membership while the male members aged over 65 years accounted for 6.01% of the total male membership.

(7) The members with undisclosed gender

Figure 7 below shows the concentration of the population of members among those individual members whose gender identity was not disclosed. The findings showed that the majority of the persons whose gender were not disclosed, actually fell among the persons whose ages were not disclosed which accounted for 55.43%. The rest of the members whose gender identity were not disclosed, had their ages disclosed with 16.26% of them falling among the age-bracket of

Persons with undisclosed gender accounted for the highest proportion of those whose ages were also not disclosed

Concentration of both the Male and Female members highest in the age-bracket of between 36 years and 50 years at 28.74% and 31.45% respectively

Concentration of Female members lowest within the age-bracket of between 18 years and 24 years; while concentration of Male members lowest among those above 65 years.
between 25 years and 35 years old, 13.28% among the age-bracket of between 36 years and 50 years.

Figure 7: Concentration of members whose gender identity was not disclosed within the age-brackets
2.5. Distribution of Membership by Fields of Membership Clusters

2.5.1. General overview of the Fields of Memberships

As stated elsewhere in this report, Co-operative Societies are traditionally formed and founded along certain forms of unique Fields of Memberships or common bond linkages, which then become the field or area from which the Society draw its membership. SACCOs in Kenya, as Cooperative enterprises, were generally formed or founded along certain commonbond characteristics such as occupations, profession, industry, geographical area of operations among others. Although there is a general move by SACCOs in Kenya to open up these common bond linkages, a majority of SACCOs still draw a huge number of their members from these fields and bond linkages. These diverse ranges of common bond characteristics can be categorized in to five (5) general clusters as summarized in Box I below.

<table>
<thead>
<tr>
<th>CLUSTER NAME</th>
<th>ORIGINAL BOND AND CRITERIA FOR MEMBERSHIP AT INCORPORATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 The government-based DT-SACCOs</td>
<td>The original membership drawn from government ministries and departments, State Corporations, Public Universities and Colleges. The majority were headquartered in the capital city (Nairobi), but some had head offices in towns or counties where the state corporation, Public University or Colleges were based.</td>
</tr>
<tr>
<td>2 The Teachers-based DT-SACCOs</td>
<td>The original membership drawn from the teaching fraternity in the country. Even though the teaching fraternity is part of the main stream government. These SACCOs share the unique facet in a common employer of their members namely the Teachers Service Commission. The key difference among them is that they sprouted up along the geographical boundaries of the country’s districts (now counties) within which they had their offices. They are contrasted from other government-based DT-SACCOs by the fact that the latter is singularly defined by reference to the particular national government ministry or agency where they draw membership; and had nothing to do with geographical boundaries.</td>
</tr>
<tr>
<td>3 The Farmers-based DT-SACCOs</td>
<td>These SACCOs were founded upon the foundations of certain agricultural activities of the would-be members, mainly as coffee, tea, or sugarcane farming; or dairy production. They are sprouted in different part of the countries where the agricultural activity is undertaken.</td>
</tr>
<tr>
<td>4 The Private Sector-based DT-SACCOs</td>
<td>The original memberships were principally drawn from privately owned companies, institutions or entities. The common-bond would then be that the members are employed by one private entity or group of similar private entities.</td>
</tr>
<tr>
<td>5 The Community-based DT-SACCOs</td>
<td>The original memberships were defined on the basis of some social association or membership of the potential members within the community such as churches and similar community initiatives groupings.</td>
</tr>
</tbody>
</table>

The clustering of DT-SACCOs according to their original common-bond linkages or fields of membership is very important for purposes of analyzing the general
and individual performance of a DT-SACCO in each cluster. In deed some of the SACCOs with closed common bond have registered successive growths over the years. The clustering also assists in the identification of risks associated with a particular cluster of DT-SACCOs, and the development of mitigation strategies of such risks by the Authority, which is the corner-stone of the Authority’s Risk Based Supervision model. Table 7 shows the number of DT-SACCOs within each cluster.

Table 7: Distribution of the DT-SACCOs among the five (5) common bond clustering

<table>
<thead>
<tr>
<th>Cluster per original Common bond of membership</th>
<th>Number of DT-SACCOs in the cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Government Based DT-SACCOs</td>
<td>35</td>
</tr>
<tr>
<td>2 Teachers Based DT-SACCOs</td>
<td>43</td>
</tr>
<tr>
<td>3 Farmers Based DT-SACCOs</td>
<td>50</td>
</tr>
<tr>
<td>4 Private Sector Based DT-SACCOs</td>
<td>25</td>
</tr>
<tr>
<td>5 Community Based DT-SACCOs</td>
<td>21</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>174</strong></td>
</tr>
</tbody>
</table>

2.5.2. Corporate & institutional membership within the common bond clusters

As already shown above, there were 188,957 corporate & institutional members spread among the various DT-SACCOs across the country, and which constituted 3.8% of the total membership. Figure 8 below shows the distribution of the corporate & institutional members of DT-SACCOs among the five (5) common-bond clusters in respect of which the DT-SACCOs are classified.

The analysis revealed that the majority of the corporate & institutional members are actually found among the Teachers’-based SACCOs which accounted for 49.09% of the total corporate & institutional membership. This is an unexpected
finding because Teachers’-based DT-SACCOs are by their traditional foundation, reliant on public sector employees of the Teachers Service Commission and some employees of the Ministry of Education. Consequently, it would have been expected that the proportion of corporate & institutional members would be highest among DT-SACCOs that do not necessarily rely on employees of institutions as their core field of membership like the Community-based and the Farmers’-based DT-SACCOs but which had only 4.01% and 28.83% respectively of the corporate & institutional members.

The rationale behind the high proportion of corporate & institutional members within the Teachers’-based DT-SACCOs, and to a small extent the Government based DT-SACCOs (16.88%) which were hitherto individual employee based SACCOs, is the fact that these DT-SACCOs have largely opened their common bonds. Secondly, these are the most active sets of SACCOs within the industry as evidenced by the fact the two clusters of DT-SACCOs alone controlled 73.6% of the total assets and 73.2% of the total deposits within the DT-SACCO segment as at December, 2018 according to the SACCO Supervision Annual Report, 2018. The paradox in the findings and observations is that the Community based DT-SACCOs had the least number of corporate & institutional membership at 4.01%, yet these are SACCOs which generally have no direct linkages to any employer entity and would have thus have been expected to attract more corporate & institutional membership, particularly from the business community.

2.5.3. Natural person membership within the common bond clusters

(a) General overview

As already shown above, there were 4,781,212 natural person memberships among the DT-SACCOs which constituted 96.2% of the total membership. A comparative analysis was conducted to determine the distribution of these members with the five (5) clusters in respect of which SACCOs are categorized as depicted in Figure 9 below.

The findings show firstly that the largest proportion of the population of members of DT-SACCOs actually belong to the 50 Farmers’-based DT-SACCOs which accounted for 47.81% of all total natural person membership among the DT-SACCOs. Secondly, although there are more Teachers’-based DT-SACCOs (43) than the Government-based DT-SACCOs (35), there were more members among the 35 Government-based DT-SACCOs which controlled 16.62% of the total membership as compared to the 43 Teachers-based DT-SACCOs which controlled 16.32% of the total natural person membership among the DT-SACCOs. The 21 Community-based DT-SACCOs and the 25 Private Sector-based DT-SACCOs are the common bond cluster of DT-SACCOs that were found to have the least number of individual members which accounted for 9.38% and 9.86% respectively, as a proportion to the total individual membership.

Community-based DT-SACCOs had the least number of corporate and institutional membership, yet it would have been expected that these DT-SACCOs – being non-employer and non-salary based would be most active in attracting non-natural persons.
(b) **Comparison between Membership and Financial performances per clusters**

Since the core business of all SACCOs is the mobilization of savings and the provision of credit to their members, and taking into account the fact that according to the SACCO Supervision Report, 2018 the highest proportion of total assets amounting to 72.3% thereof was made of the loan asset; a comparative analysis was made between the proportion of the population of members within each cluster of DT-SACCOs against the proportion of total assets and total deposits held by each cluster of the DT-SACCOs as depicted in Figure 10 below.

The analysis shows that although the 50-Farmers'-based DT-SACCO had three times more members than the 43-Teachers'-based DT-SACCOs and the 35-Government-based DT-SACCOs; the corresponding proportion of the total assets and total deposits held by the Farmers-based DT-SACCOs was over three times less (10.39% and 10.11% respectively) than that held by Teachers'-based DT-SACCOs and the Government-based DT-SACCOs (37.67% and 38.37% respectively).
The overall implication of the foregoing findings is that the majority of members of the Farmers’-based DT-SACCOs make very little or minute savings and equally receive very little or minimal amounts in credit facilities from their SACCOs; than the members of Teachers’-based DT-SACCOs and Government-based DT-SACCOs who seem to be making huge amounts of savings and equally receive huge amounts in credit and loan facilities from their respective SACCOs. It is also important to observe from the comparative analysis that it is only the Teachers’-based DT-SACCOs and the Government-based DT-SACCOs in which the proportion of members of members is two times more than the relative proportion of total assets and total deposits held therefore evincing more economic activity in the form of savings by members and provision of credit and loan facilities to the members. The rest of the clusters had their proportional representation of members less than their respective proportion of total assets and total deposits of the market share.

SACCOs being member owned socio-economic enterprises, the foregoing observations also shows that over 72% of the total wealth within the DT-SACCO system belongs to and is controlled by just about 33% of the members within the system. This leaves a paltry 28% of the total wealth within the DT-SACCO system to be shared amongst the remaining 67% of the membership, most of whom are members of the Farmers’-based DT-SACCO, and thus depicts a very unequal distribution of the wealth within the SACCO subsector.

Note: The data and information on total assets and total deposits is as at December 2018 and sourced from the SACCO Supervision Report 2018.
(c) Gender distribution of membership within the common bond clustering

An analysis was further undertaken to determine the comparative gender distribution of the natural person members within the DT-SACCOs to understand their concentration within the five clusters in which the SACCOs are categorized. Figures 11 depicts the comparative gender distribution and concentration of the male members of DT-SACCOs, while Figure 12 depicts the comparative gender distribution and concentration of the female members of DT-SACCOs.

The analysis show that the concentration of male members and the concentration of female members was highest and almost equal to each other among the Farmers’-based DT-SACCOs with the former having 46.33% of the total male members; and the latter having 48.24% of the total female members. Secondly, it is also worth noting that whereas the concentration of the total female members was least in Private Sector-based DT-SACCOs at 8.63% of the total female members; the concentration of the total male members was actually least among the Community-based DT-SACCOs at 8.75%. Lastly, the findings revealed that among the Teachers’-based DT-SACCOs, there was a higher concentration of female members which accounted for 18.25% of the total female members; compared to a concentration of 15.67% of the male members within the Teachers-based DT-SACCOs.

A similar comparative analysis was undertaken in respect of the population of members whose gender were not disclosed in order to determine their distribution and concentration among the five common bond clusters in which DT-SACCOs are categorized as summarized in Table 8 and Figure 13. The analysis
The SACCO subsector Demographic Study Report, 2019

shows that the majority of members whose gender was not disclosed were found among the Farmers’-based DT-SACCOs which registered 62.5%.

Figure 13: Concentration of members with undisclosed gender among the five clusters

The Government-based DT-SACCOs registered the least number of members whose gender were not disclosed at just under 1% followed by the Teachers’-based DT-SACCOs at 8.40%. The foregoing findings demonstrates the relative importance with which both the Teachers’-based DT-SACCOs and the Government-based DT-SACCOs have progressively attached to collecting and maintaining a gender disaggregated data and information about their members, compared to the other clusters of DT-SACCOs.

For instance, whereas the 35 Government-based DT-SACCOs controlled 16.62% of the total members within the DT-SACCO system, its share of members whose gender was not disclosed was a mere 0.97%. On the other end of the spectrum, the 21 Community-based DT-SACCOs controlled only 9.38% of the entire membership in the DT-SACCOs system, but their proportional share of members whose gender was not disclosed was as high as 11.1%. The 43 Teachers-based DT-SACCOs on the other hand controlled 16.32% of the entire membership in the DT-SACCO system, yet their share of members whose gender were undisclosed was only 8.40%. But on the other end of comparison are the 25 Private Sector-based DT-SACCOs which controlled 9.86% of the membership in the DT-SACCO system, but whose proportional share of the members whose gender was undisclosed stood at a high of 17.03%.
Table 8: Gender disaggregated distribution of members of DT-SACCOs within the common-bond clustering of DT-SACCOs.

<table>
<thead>
<tr>
<th>No. of DT-SACCOs</th>
<th>Community Based DT-SACCOs</th>
<th>Farmers-Based DT-SACCOs</th>
<th>Government Based DT-SACCOs</th>
<th>Private Sector Based DT-SACCOs</th>
<th>Teachers Based DT-SACCOs</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Female Members</td>
<td>174,503</td>
<td>789,403</td>
<td>232,709</td>
<td>141,232</td>
<td>298,654</td>
<td>1,636,501</td>
</tr>
<tr>
<td>2 Male Members</td>
<td>253,609</td>
<td>1,343,632</td>
<td>559,493</td>
<td>288,700</td>
<td>454,430</td>
<td>2,899,865</td>
</tr>
<tr>
<td>3 Undisclosed Gender</td>
<td>20,560</td>
<td>153,019</td>
<td>2,375</td>
<td>41,706</td>
<td>27,186</td>
<td>244,846</td>
</tr>
<tr>
<td><strong>Total Members</strong></td>
<td>448,672</td>
<td>2,286,054</td>
<td>794,577</td>
<td>471,639</td>
<td>780,270</td>
<td>4,781,212</td>
</tr>
</tbody>
</table>
2.6. **Age-Bracket distribution of members among the common bond clusters.**

Another level of analysis of the population of the membership was undertaken to determine the distribution of the population of members within the five clusters of common bond, among the six age-brackets. Figure 14 below depicts the findings of the percentage distribution of the individual membership according to the age-bracket within each common bond cluster of DT-SACCOs. The findings and observations are discussed in the sections following.

**Figure 14: Overall Percentage distribution of members within the Age-Bracket Clusters per common bond cluster**

![Chart showing age distribution](chart.png)

2.6.1. **Farmers’ Based DT-SACCOs**

The findings show that among the Farmers’-based DT-SACCOs, the majority of their members accounting for 33.74% as depicted in Figure 15 did not have their ages disclosed, pointing to capacity issues and knowledge among these SACCOs in appreciating the need to keep such data and information of their members.

The youth, that is the population of members aged between 18 years and 35 years accounted for just slightly over 25%, while those aged above 65 years old were the least and accounted for 7.89% of the population within the Farmers'-based DT-SACCOs.

**Figure 15: Population distribution of members of Farmers’-based DT-SACCOs**

![Chart showing age distribution](chart.png)
However, there were almost the same proportion of members aged between 25 years and 35 years’ old which accounted for 14.99% on the one hand; and those aged between 51 years and 64 years’ old which accounted for 14.90% of the total members within the Farmers’-based DT-SACCOs.

2.6.2. Teachers’ Based DT-SACCOs

Among the population of members within the Teachers’-based DT-SACCOs, the majority fell within the age bracket of between 36 years and 50 years’ old which accounted for 37.52% of the total members of Teachers’-based DT-SACCOs as depicted in Figure 16. The members that fell within the age bracket of between 25 years and 35 years were the second highest and accounted for 28.05% of the entire Teachers’-based DT-SACCOs, showing that over 65.5% of the members of Teachers’-based DT-SACCOs are aged between 25 years old and 50 years old; and over 70.4% are aged below 50 years.

The youth, that is the population aged below 35% among the Teachers’-based DT-SACCOs constituted 32.88% of the membership, compared to just 25% of the population of Farmers’-based DT-SACCOs that comprised the youth. Yet, still the proportion of the population of members aged between 18 years and 24 years among the Teachers’-based DT-SACCOs was much lower at 4.87% compared to the proportion of the population of members with the same age-set among the Farmers’-based DT-SACCOs which was 10.37%, which implies that the majority of the youth among the Teachers’-based DT-SACCOs is concentrated within the age-set of 25 years and 35 years.

It is also noteworthy that among the Teachers’-based DT-SACCOs, the members who are aged above 65 years old formed a paltry 3.5% which is consistent with the character trait of Teachers’-based DT-SACCOs wherein the majority of the members being civil servants normally retire after the age of 60 years old. The traditional practice of employer-based SACCO membership is often that the members normally withdraw from the membership of the SACCO immediately upon retirement from formal employment. The contrast with the Farmers’-based DT-SACCOs where those aged above 65 years old constituted 7.89% of the membership in that category, since the issue of retirement and withdrawal from the membership does not arise. The low membership among those aged
between 18 years and 24 years which accounted for just 4.83% among the members of Teachers-based DT-SACCOs is also consistent with the average employment entry into the formal employment among the civil service generally. This can be contrasted to Farmers-based DT-SACCOs in which those aged between 18 years and 24 years were relatively many accounting for 10.37% of the members in that cluster, since entry into membership is not tied to any employment entry criteria.

2.6.3. Government Based DT-SACCOs

Government-based DT-SACCOs draws their membership largely from employees of various government Ministries, Departments, State Corporations, Universities and other government related agencies. They are normally expected to exhibit similar character traits as the Teachers’-based DT-SACCOs, and this was confirmed by the age distribution of their membership which showed a higher concentration within the age brackets of 25 year and 50 years, which constitute the age brackets of a majority of the civil servants. In total those aged between 25 years and 36 years constituted 64.9% of the membership in this cluster as summarized in Figure 17.

The foregoing analysis of the distribution of the population of membership in Government based DT-SACCOs in Figure 17 compares favourably with the analysis of the Teachers’-based DT-SACCOs (Figure 16) in which the members whose ages were between 25 years and 50 years constituted 65.5% as shown hereinabove. At the same time, the members whose ages were between 18 years and 24 years were only 4.44% which like the Teachers’-based DT-SACCOs are explained by the minimum entry into the public service employment. Among those aged above 65 years old, the Government-based DT-SACCOs recorded a paltry 1.8% of its total membership, and favourably compares to the 3.5% of the Teachers’-based DT-SACCOs whose membership was above 65 years old.

A similar fair comparison obtains among the members aged between 51 years old and 64 years old wherein the Government-based DT-SACCOs recorded 20.41% of their membership; while the Teachers’-based DT-SACCOs recorded 21.6% of their membership.
2.6.4. Private Sector Based DT-SACCOs

The Private Sector-based DT-SACCOs are traditionally founded as drawing a majority of their membership largely from the employees of the private sector companies and entities. As shown in Figure 18 the analysis of the population of membership among the Private Sector based DT-SACCOs showed that they had a very high concentration of their membership falling between the age bracket of 25 years and 50 years which accounted for over 72.3% of their membership, compared to the 65.5% and 64.9% among the Teachers-based DT-SACCOs and Government-based DT-SACCOs respectively. Being employer based, albeit from the private sector, the proportion of members under 24 years and those above 65 years were relatively low at 5.68% and 4.69% respectively.

The 5.68% proportion of members aged below 24 years among the members of Private Sector based DT-SACCOs can be contrasted with the population of the members aged under 24 years among the Farmers’-based DT-SACCOs which was high at 10.37%, and among the Teachers’-based DT-SACCOs and Government based DT-SACCOs which were comparatively almost equivalent at 4.84% and 4.44% respectively.
2.6.5. Community Based DT-SACCOs

The Community-based DT-SACCOs are those whose original memberships were defined on the basis of some social association or membership of the potential members within the community such as churches and similar community initiatives and groupings.

Figure 19 shows the analysis of the concentration and distribution of the population of membership, with those between the age-bracket of 25 years and 50 years which constituted slightly over 66% of the total membership. This compares favourably with the composition of membership among the Government-based DT-SACCOs and Teachers-based DT-SACCOs which had 65.5% and 64.9% respectively within this age bracket.

But unlike Teachers-based DT-SACCOs; Government-based DT-SACCOs; and Private sector-based DT-SACCOs, the proportion of the members within the age bracket of between 18 years and 24 years and those above the 65 years age bracket was quite high at 7.23% and 7.22% respectively, and explainable by the absence of the formal employment factor among Community based DT-SACCOs, which has a big influence in the age of entry and the age of exist among the Teachers-based DT-SACCOs; Government-based DT-SACCOs; and Private sector-based DT-SACCOs, but not among the Farmers-based and Community based DT-SACCOs.

These could be probably linked to the findings among the Farmers’-based DT-SACCOs in which the same age brackets recorded 10.37% and 7.89% respectively. However, the high proportion of the members whose ages were not disclosed among the Farmers’-based DT-SACCOs which stood at 33.74% has the potential of distorting a correlation finding between these two clusters of DT-SACCOs common bonds.
2.7. Distribution of members of age-brackets among the clusters

An analysis of the distribution of the members of DT-SACCOs within each of the age bracket clusters was undertaken to determine the distribution and concentration of members of a certain age bracket within the various clusters of the DT-SACCOs and the findings and observations are comprehensively discussed below. The analysis used the six (6) age-brackets identified and discussed in section 2.4.1 and the common bond clusters are those discussed in Section 2.5.1 of this Report.

### Figure 20A:

<table>
<thead>
<tr>
<th>Common Bond Cluster</th>
<th>Age Bracket Cluster of 18 yrs to 24 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td>9.72%</td>
</tr>
<tr>
<td>Private Sector</td>
<td>7.27%</td>
</tr>
<tr>
<td>Government</td>
<td>11.27%</td>
</tr>
<tr>
<td>Teachers’</td>
<td>12.84%</td>
</tr>
<tr>
<td>Farmers’</td>
<td>58.88%</td>
</tr>
</tbody>
</table>

Percentage proportion of members within age-brackets

#### Figure 20B: Population distribution of members aged between 18 years and 24 years

**Age Bracket Cluster of 18 yrs to 24 yrs**

- Farmers-based DT-SACCOs: 58.88%
- Teachers’-based DT-SACCOs: 12.27%
- Government-based DT-SACCOs: 7.27%
- Private Sector-based DT-SACCOs: 11.27%
- Community-based DT-SACCOs: 12.84%

**Legend**

- 18 Yrs - 24Yrs
- 25 Yrs- 35Yrs
- 36 Yrs - 50Yrs
- 51Yrs - 64Yrs
- Above 65Yrs
It is however interesting to note the similarities obtaining between the proportional representation of members within this age bracket among the Teachers’-based DT-SACCOs and those among the Government-based DT-SACCOs at 12.84% and 11.27% respectively. This similarity was also exhibited in the proportion of the total natural person membership in which Government based DT-SACCOs controlled a proportional share of 16.62%, while the Teachers’-based DT-SACCOs controlled a proportionate share of 16.32%, leading to an inevitable conclusion of similarities in the demographic statics in the two clusters.

2.7.2. Age-Bracket of between 25 years and 35 years

Figure 21 shows the distribution of the population of members aged between 25 years and 35 years old. The finding shows a near equal proportional share between the Farmers’-based DT-SACCOs, the Teachers’-based DT-SACCOs and the Government-based DT-SACCOs which had a proportional share of 26.88%, 23.56% and 24.43% respectively of the population of members within the age bracket.

The Community based DT-SACCOs and the Private Sector-based DT-SACCOs also had a near similar proportion of members within the age bracket at 13.03% and 12% respectively.
2.7.3. Age-Bracket of between 36 years and 50 years

Taking note that the overall statistics showed that the majority of members of DT-SACCOS actually fall within the age bracket of 36 years and 50 years, it is interesting to note that the proportion of members within this age bracket was also almost evenly distributed among the three (3) big clusters of DT-SACCOS with the Farmers’ based DT-SACCOS being the highest with 26.37% of the total membership as shown in Figure 22.

The Teachers’ based DT-SACCOS and the Government-based DT-SACCOS followed closely by registering a proportion of 25.61% and 21.77% respectively to the membership within the age bracket.

2.7.4. Age-Bracket of between 51 years and 64 years

Figure 23 depicts the proportionate representation of members of DT-SACCOS within the age bracket of 51 years and 64 years. Similar to all other age brackets, the Farmers’ based DT-SACCOS had a majority of membership within the bracket equivalent to 35.55% of the total members within the age bracket. This is quite consistent with the fact that Farmers’ based DT-SACCOS actually controlled the largest proportion of the entire natural person membership in DT-SACCOS.

Teachers’ based DT-SACCOS and Government-based DT-SACCOS registered a proportional representation of 24.14% and 21.77% respectively, which is almost the same as their proportional representation within the age bracket of 35 years and 50 years.
2.7.5. Age-Bracket of 65 years and above

Figure 24 provides a comparative analysis of the proportionate distribution of members within the age bracket of 65 years and above. As indicated elsewhere in this report, this is the age at which a majority of the members of DT-SACCOs in formal employment retire, and as is the practice, also quit the membership of their various DT-SACCOs. It is therefore expected that DT-SACCOs whose memberships are heavily dependent on employer-institutions will have very few proportion of members in this category. With the exception of Farmers’-based DT-SACCOs and the Community-based DT-SACCOs, all the remaining three (3) clusters of DT-SACCOs largely draw membership from public or private sector employer institutions.
3.0. CONCLUSIONS

3.1. General Overview
The principal objective of the study was to investigate and report on the age and gender composition of the membership of DT-SACCOs in Kenya; and to explore and make recommendations on a standard and uniform reporting framework of an age and gender disaggregated data by the DT-SACCOs. The analysis of the data and information collected as comprehensively presented in the findings and observations contained in chapter 2 of this report shows that the general and specific objectives of the study have been successfully met.

3.2. Distribution and composition of the total membership
In terms of the general and principal objectives, the study found that there were a total of slightly over 4.97 Million members within the DT-SACCO segment consisting of both natural person members on the one hand; and the corporate & institutional (non-natural person) members on the other hand. The natural person membership constituted 96.2% of the entire membership, with a minimal 3.8% being the corporate & institutional members. The corporate & institutional members were noted to be mainly composed of corporate, institutional and other unincorporated entities such as self-help groups, churches, private schools, personal business enterprises and sole proprietorships among others.

In terms of the overall distribution of the total membership with the DT-SACCOs, the findings and observations showed that:
   a) 58.35% of all members were Male;
   b) 32.93% of all members were Female;
   c) 4.93% of all members did not have their gender disclosed; and
   d) 3.80% of all members consisted of the non-natural persons being corporate and institutional members.

3.3. Distribution and composition of the natural person membership
Among the natural person membership alone, the findings and observations of the study revealed inter alia that 60.65% were male members; 34.23% were female members and 5.12% of the natural person members did not have their gender disclosed. The natural person membership was categorized within six (6) age-bracket clusters in order to determine the relative and comparative ages of the members and the analysis showed that –

   a) The majority of the members of the DT-SACCOs are within the age bracket of 36 years and 50 years, which accounted for 28.88% of all the
members. This was followed by members who fell within the age-bracket of 25 years and 35 years and which accounted for 23.46% of all the members.

b) The youth, that is those within the age bracket of between 18 years and 35 years accounted for 30.86% of all members of the DT-SACCOs, and thus demystifying the traditional theoretical assumption that the membership of SACCOs is largely made up of older people, and that the youth do not necessarily patronize the services of SACCOs.

c) A total of 59.74% of the total membership in DT-SACCOs were actually aged between 18 years and 50 years old. Taking cognizance that these are the most socio-economic active and productive age set of the population, it can be concluded that membership in DT-SACCOs is actually not made up of the older or economically in active population as had been opinionated in public discourse.

d) Although there was a huge proportion of members at 17.12% whose ages were not disclosed, their relative numbers remained insignificant compared to the number of members whose ages were disclosed and verified. Consequently, even if these members had their ages determined by other means, the result will not materially alter the age group composition and distribution of members within the DT-SACCO fraternity.

3.4. Distribution of Membership by Fields of Membership Clusters

3.4.1. Distribution of Membership by Fields of Membership Clusters
The findings and observations of the Report also showed that the membership in the DT-SACCO fraternity could be classified within the five clusters of the DT-SACCOs. Firstly, with regard to the corporate and institutional membership, the findings revealed that –

a) The majority of corporate and institutional members are found among the Teachers’-based DT-SACCOs which accounted for 49.09% of all the Corporate and institutional members. This finding shows the level and extent to which Teachers’-based DT-SACCOs which were traditionally associated with formal employment have opened their original common bonds.

b) The Farmers’-based DT-SACCOs had the second highest number of members at 28.38%, while the Government based DT-SACCOs accounted for 16.88% of all the corporate and institutional members.
Secondly with regard to the natural person membership, the findings and observations revealed that –

a) The majority of the members within the DT-SACCO fraternity fall within the 50 Farmers’-based DT-SACCOs, which together controlled 47.81% of the natural person membership.

b) This is followed by the 35 Government based DT-SACCOs and the Teachers’ based DT-SACCOs had an almost equivalent proportion of natural person members with the former having 16.62% of the membership, and the latter having 16.32% of the membership.

c) The 25 Private Sector based DT-SACCOs and the 21 Community based DT-SACCOs also had an almost similar proportion of members with the former having 9.86% and the latter 9.38% of the total natural person membership.

d) In terms of their relative economic strength, the analysis showed that whereas the total population of members within Farmers’-based DT-SACCOs was three times more that the population of members of Teacher’s-based DT-SACCOs and Government-based DT-SACCOs; the total assets and total deposits controlled separately controlled by Teacher’s-based DT-SACCOs and Government-based DT-SACCOs was over three times that of the Farmers’-based DT-SACCOs.

e) It was thus apparent that over 72% of the total wealth within the DT-SACCO system belonged to and was controlled by just about 33% of the total population of members within the DT-SACCO system.

3.4.2. Age-Bracket distribution of members among the common bond clusters.

The findings and observations also showed a varied distribution of the population of members within each of the age-brackets among the common bond clustering of DT-SACCOs, with the Farmers’-based DT-SACCOs and the Community-based DT-SACCOs having the highest proportion of members below 24 years old at 10.37% and 7.23% respectively; and also the highest proportion of the population of members aged above 65 years old at 7.89% and 7.22% respectively.

On the other hand, the Teachers-based, the Government-based and Private Sector-based DT-SACCOs which largely draws their membership from employees in the public and private sector institutions, had their proportional population of members under the age of 24 years on the one hand, and above the age of 65 years on the other hand lowest at 4.83%, 4.44% and 5.68% respectively on the one hand, and 3.50%, 1.80% and 4.69% respectively on the other hand. The foregoing demonstrates the strong correlation between formal employment on the one
hand, and membership in DT-SACCOs on the other hand – taking into consideration the age of 25 years as the minimum age entry into formal employment, and the age of 65 years as the average exit from formal employment.

Taking the age-bracket of between 25 years and 50 years as comprising the segment of the population which is most economically active and productive, it was noted that with the exception of Farmers’-based DT-SACCOs, all the other clusters of SACCOs had a relatively comparable population of members. The population of the Teachers-based DT-SACCOs was at 65.57%; the Government-based DT-SACCOs was at 63.9%, the Private sector based DT-SACCOs was at 72.23% and the Community based DT-SACCOs was at 66.49%. The analyses are also another pointer which largely debunks the theory that the DT-SACCOs are made up of an aging and economically population.

The Farmers-based DT-SACCOs however registered a very high proportion of the population of their members as having their respective ages not disclosed at 33.74%, compared with just 4.51% for Teachers-based; 9.46% for Government-based; 2.09% for the Private sector based; and 0.7% for the Community based, thereby underscoring serious capacity challenges among the Farmers-based DT-SACCOs.

3.4.3. Distribution of members within age-bracket among the clusters.
The total population of members within each age-set was examined to determine their distribution among the common bond clustering of DT-SACCOs, and the findings concluded that the proportion of members within the age-brackets of 25 years and 35 years on the one hand, and those within the age-bracket of 36 years and 50 years was nearly the same for the Farmers’-based, the Government-based and the Teachers-based DT-SACCOs all of which were within the range of 21% to 26% of the total population within the age-brackets. Similar similarities were exhibited among the same age-brackets of 25 years and 50 years on the one hand, and 36 years and 50 years on the other hand for Private Sector-based and the Community based DT-SACCOs in respect of which the proportion of members ranged between 12% and 13%.

The greatest point of departures was witnessed among the population of members below the age of 24 years old, in respect of which Farmers’-based DT-SACCOs had a higher proportion of the total population at 58.88%, compared to all the other clusters which had less than 13% each of the total population of the members within the age bracket. Farmers’-based DT-SACCOs also had a very high proportion of the population of members within the age bracket of 51 years and 64 years on the one hand, and the age brackets of above 65 years at 35.55% and 60.24% of the total population of each age-bracket respectively.
CHAPTER 4

4.0. RECOMMENDATIONS

From the findings and observations made from the study, the following recommendations are proposed for implementation by SACCOs.

4.1. Maintenance of data and information of age and gender of members

Cognizant that some DT-SACCOs did not maintain the demographic data and information of their membership, particularly with regard to the dates of birth (age) and gender, it is proposed that henceforth, all SACCOs shall be required to mandatorily ensure that the age and gender composition of the membership are maintained. It was also observed during data collection exercise that some of the Management Information Systems (MIS) operated by DT-SACCOs, are not configured to capture, reflect and report on the age and gender composition of the DT-SACCOs membership. The majority of the MIS were however noted to have the capability of capturing, reflecting and reporting on both the age and gender composition of the members of the SACCOs, only that these capabilities had not been implemented by SACCOs.

Thus requiring DT-SACCOs to keep and report on a gender disaggregated data in respect of their membership shall ensure the attainment of one of the most important AFI declarations.

4.2. Periodic demographic SACCO subsector studies

It is proposed that the Authority shall after every five (5) years carry out an in-depth demographic study on the population of the membership of SACCOs, covering the age and gender distribution. In the long run therefore, a repository of data and reports on the demographic studies of the SACCO sector shall be built to allow for time series analysis and comparison; as well as for economic planning and policy formulation. Such studies will be made much easier in the ensuing period, with the strengthening of the mandatory maintenance of the demographically segregated data and information of members of SACCOs, and the ensuing periodic reporting of such data and information.

4.3. Usage of age and gender composition in decision making

Age and gender are some of the most important determinants of the design and formulation of financial services and products. In a highly competitive financial sector obtaining in Kenya with several players including commercial banks, microfinance institutions and an array of digital credit only financial service providers competing for the same market population, it is imperative that SACCOs must henceforth use the demographic composition of their membership...
to design and formulate customer or member friendly and responsive financial services and products. It is not enough to offer the same or similar services and products, but the level of services and market differentiation shall also determine the abilities of SACCOs to attract and retain members.

4.4. **Education and sensitization of SACCOs**
The findings and observations derived from the study showed that several SACCOs did not keep or maintain a gender and an age disaggregated data and information in respect of their members. Some SACCOs which did, had a certain proportion of their members’ age not disclosed; while in others it was the gender that was not disclosed, and in other instances both the age and the gender of the member was not disclosed.

The foregoing demonstrates the dearth of awareness and knowledge by SACCOs on the need to keep and maintain an age and gender disaggregated data and information in respect of each of their members. In deed the absence of keeping such data and information, means that a discussion with the affected SACCO on the usage of such data and information for decision making in the daily business operations (which is at the core of such data and information) may not even arise. It is on the foregoing reasons that concerted efforts in carrying out education and other sensitization activities among the SACCO officers (Board and Management) as well as the individual members of SACCOs are definitely called for. Such trainings and sensitization can be cost-effectively undertaken by being endorsed on existing or running programmes.

4.5. **Policy formulation and compliance**
Demographic composition and distribution of any economically active group is one of the most important factors that influence the formulation of public policies. In the financial sector, demographic composition particularly age and gender have been crucial determinants and instruments of measuring the level and extent of financial inclusion. SACCOs being member based financial institutions, are considered more homogenous than other customer oriented financial institutions, and as such the demographic composition of members of SACCOs has a direct correlation with the level of access of financial services and products offered by the SACCOs. It is thus expected that such correlation and policy formation within the SACCO subsector shall henceforth be deeply enriched and be informed by the findings and observations in this report, and subsequent demographic studies.

From a compliance perspective, the maintenance of gender and age disaggregated data and information by SACCOs, and the periodic reporting on the same shall enhance the level of the subsector’s compliance with the international commitments such as the Alliance for Financial Inclusion’s Denarau
Action Plan (2016); and well as mainstreaming the gender issues into the subsector in compliance with the Constitution of Kenya, 2010.
BIBLIOGRAPHY


