



SAVINGS AND LOAN RATES AMONG MEMBERS OF INVESTMENT AND CREDIT COOPERATIVE SOCIETIES IN KADUNA STATE, NIGERIA

**MURITALA A. OLAOYE; AMINU LAWAL BARA’U;
& BASHIR MMAMMAN**

Department of Co-operative Economics and Management,
Kaduna Polytechnic, Kaduna.

ABSTRACT

This study examined the savings and loan rates among members of Investment and Credit Cooperative Societies in Kaduna state, Nigeria. The study specifically examined the socioeconomic characteristics of cooperative members in the study area, the rate of savings among members of Investment and Credit Cooperative Society, the rate of loans granted to members of Investment and Credit Cooperative Society and the factors that

Introduction

In cooperative business, especially in Investment and Credit Societies or Thrift and Loan societies, members save money into a common purse and collect loans on qualification to satisfy their needs. In other words, Investment and credit societies are basically mutual enterprise which mobilize savings from the members and use the funds to give loans to members for productive or personal purpose (Ebonyi, 2006). Promotion of savings and loan culture is the main feature of cooperative Investment and credit societies. Members of Investment and credit cooperatives, regardless of their level of income, are capable of setting apart small amounts of their earnings as their savings in their cooperative society. Investment and Credit cooperative business is a safe and profitable saving institution. It encourages savings by making members realize the economic and social benefit of thrift and the disadvantages of excessive and unproductive expenditure (Boavids 1978).

In most cooperative societies, members are very conscious of money and assets and continually strive to maximize them in one way or the other. The increase in the rate of investment of members is made possible by way of proportionate rise in the rate of benefits derivable from the cooperative society. The magnitude of members’ savings and the rate of loans granted



affect savings and loan rate of Investment and Credit Cooperative Society. Multi-staged sampling technique was adopted. Frequencies and simple percentages were used to analyze the respondent bio data while mean score was used based on the research questions. The researcher used a sample size of 201 members from six cooperative societies in the three senatorial zone of Kaduna State. A questionnaire was developed by the researcher based on the Likert 5-point was used to gather the data. Research results show that the savings and loan rates among members of Investment and Credit Cooperative Society are quite encouraging. And also different factors affect the rate of savings and loans granted to the members of Investment and Credit Cooperative Society. It was recommended among others that regular and proper auditing of cooperative books of records should be carried as at when due so as to produce financial information free from errors and omissions this will help to encourage saving habit and reduce loan defaulters. This can be done by carrying out regular auditing check on cooperative society's record.

Keywords: Savings, Loan Rates, Members, Investment and Credit Cooperative.

to members is therefore the key factor in assessing the performance of the cooperative Investment and credit societies. The performance of any business organization is judged in relation to its stated objectives. Subsidiary goals and their ranking vary, but this primary goal is upheld in practice. Therefore, cooperative performance can be judged in relation to the total present value of benefits it transfers to members and their performance in savings mobilization which depends to a large extent on the members.

The savings behavior of the cooperative members depends primarily on the level of their income according to some authorities but should not be seen as a major determining factor for savings. It is expected that as members save with their cooperative society, they should equally be granted loans commensurate to their savings and as stipulated by their bye-laws.

Statement of the Problem

The relevance of Investment and credit societies in the economic development of individual member cannot be overemphasized. For instance, Cooperative investment and credit societies contribute immensely to the financial stability of the members if well managed. Among others, members are helped to develop savings habit into a common purse that they can fall back on in time of financial need without unreachable collaterals and unnecessary bureaucratic bottlenecks found in commercial banks.



Unfortunately, despite the lofty socio-economic benefits derivable from cooperatives particularly investment and credit cooperatives, it is apparent that members' rate of savings vary. In Investment and Credit Cooperative Society some rate of savings is relatively low, others are medium while others are large. Even when there are some who may have large savings, they sometimes complain of not having access to loan facilities. Some complain of getting the loan but not up to what they applied for. Furthermore, others complain about long bureaucratic processes involved in accessing the loans. This is an unfortunate situation that is detrimental to the survival of this type of cooperative society. It is based on this that this study is being conducted to remedy the situation.

Objectives of the Study

The main objective of this study is to examine the savings and loan rates among members of Investment and Credit Cooperative Societies in Kaduna State, Nigeria.

The specific objectives are:

- i. To examine the socioeconomic characteristics of cooperative members in the study area
- ii. To find out the rate of savings among members of Investment and Credit Cooperative Society.
- iii. To find out the rate of loans granted to members of Investment and Credit Cooperative Society.
- iv. To investigate the factors that affect savings and loan rate of Investment and Credit Cooperative Society.

Literature Review

Concept of Cooperatives

Cooperative comes from the verb "operate" meaning to work and a prefix "Co" meaning together and merging the two gives the word "Cooperative" In its broadest sense it means any two or more persons working together to achieve some aims. Cooperative societies are institutions within whose framework cooperative or joint activities by people take place, in a formalized deliberate social and economic sphere of human endeavor. According to Ebue (2006) cooperation can be defined as voluntary and autonomous, association of persons who come together, pull their resources (human and material) to solve their economic and social problems. Cooperative is based on the value of self-help, democracy, quality and solidarity. The first agricultural cooperative societies started in Israel in 1010 by the Israeli settlement (Berko 2002).

The history of cooperative in Nigeria before 1030 is not settled; but there is evidence of early attempts to establish cooperatives on Orthodox lines. In 1917, towards the end of first world war goods and commodities were very scarce, as a result whites' settlers in Lagos and other areas met to resolve the problem by organizing themselves into cooperative to import the goods they wanted. The cooperative societies were consumer and the organization was in keeping with their background. At the end of the war the cooperative societies wound up because there was no need for them as goods have started to pour in. In 1926 farmers in Agege in Western Nigeria who were



agitating for the rise of prices of their agricultural commodities formed together to present their case to the government. In 1929 the government itself got interested in the plight of the farmers especially at Absokuta, Agege and Ibadan and directed the farmers into association. Which later becomes the Nigeria Cooperative Cocoa Marketing Association based in Ibadan? The department of agriculture was 80 percent successful in the venture that many people associations were formed in the western, south and Eastern provinces and English speaking Cameroon. This was the position up to 1933 and it was the success of the department of agriculture up to this period which promoted the government of Nigeria to invite C.F Strickland from India to look into the problem of introducing cooperative into Nigeria as a whole and make his recommendations. Other societies followed after in 1949, the agricultural cooperative federation of agricultural cooperative societies in Nigeria.

Cooperation organizations have been with man since he abandoned the wandering habit in place of cluster living especially in very fertile area and along the river banks Earliest form of cooperation was mainly in agriculture especially farming, fishing, and hunting as settlements increased and became more organized, people became more apprehensive and started realizing that the best survival strategy is self-help through mutual help. Areas of cooperation began to widen with increase in development.

According to Ezema (2009) cooperative societies are institution within whose framework cooperation or joint activities by people take place in formalized, deliberate, social and economic spheres of human endeavour. Umebali (2004) defined Cooperative Society as a group of persons, who have pooled themselves and their resources on self-help, mutual, equitable and democratic basis to form a business enterprise, which seeks to solve the socio-economic problems of its members by directly providing them with goods and services in their double capacity as either owners/customers or owner/workers of the cooperative enterprises Okechukwu (2001) view cooperative society as an incorporated association in which persons join together on their own freewill to obtain some economic services which could be either too difficult or too costly for each to obtain by working alone. Berko (2001) further stated that cooperatives are basically self-help organizations or formal self-help organization which runs business enterprises and they are seen as appropriate tools for development. Cooperative societies are found throughout the world. They are found in capitalist countries, in socialist countries as well as mixed economies. They are also found in developed as well as developing countries. Cooperative exists and functions as an integral part of the whole economy.

Concept of Savings

According to Fawole (2015) savings are resources which one decides to put aside for investment purposes and not for luxury. What people save, avoiding consuming all their income, is called "personal savings". These savings can remain on the bank accounts for future use or be actively invested in houses, real estate, bonds, shares and other financial instruments. According to EFINA (2011) found both savers and non-savers agreeing that personal savings plays an important role in people's lives. Savings ensures the continuity of a business as it provides fresh funds to grow the



business. It helps in the attainment of set goals, and at the same time encourages financial discipline. Savings also act as a means of insurance, so that emergencies can be dealt with as they arise. National savings are personal savings plus the business savings and public savings. Business savings can be measured by the value of undistributed corporate profits. Public savings are basically tax revenues less public expenditure. The present study however is concerned with only personal savings.

Concept of Loan

According to Adeniyi (2012) he stated that in finance, a loan is the lending of money by one or more individuals, organizations, or other entities to other individuals, organizations etc. The recipient (i.e. the borrower) incurs a debt, and is usually liable to pay interest on that debt until it is repaid, and also to repay the principal amount borrowed.

The document evidencing the debt, e.g. a promissory note, will normally specify, among other things, the principal amount of money borrowed, the interest rate the lender is charging, and date of repayment. A loan entails the reallocation of the subject asset(s) for a period of time, between the lender and the borrower.

The interest provides an incentive for the lender to engage in the loan. In a of these obligations and restrictions is enforced by contract, which can also place the borrower under additional restrictions known as loan covenants. Although this article focuses on monetary loans, in practice any material object might be lent.

Acting as a provider of loans is one of the main activities of financial institutions such as banks and credit card companies. For other institutions, issuing of debt contracts such as bonds is a typical source of funding.

A secured loan is a loan in which the borrower pledges some asset (e.g. a car or house) as collateral (Babalaje, 2010).

Other forms of secured loans include loans against securities such as shares, mutual funds, bonds, etc. This particular instrument issues customers a line of credit based on the quality of the securities pledged. Gold loans are issued to customers after evaluating the quantity and quality of gold in the items pledged. Corporate entities can also take out secured lending by pledging the company's assets, including the company itself. The interest rates for secured loans are usually lower than that of unsecured loans. Usually, the lending institution employs people (on roll or on contract basis) to evaluate the quality of pledged collateral before sanctioning the loan.

Rate of Savings in Investment and Credit Cooperatives

According to Oke (2011) he opined that investment and credit cooperatives is an organization which encourages its members to save money within their capacity and enables them the obtain loans they may require for various purposes from their accumulated savings. This definition provides an indication of the two main tasks of the cooperative. The first task is to enable members to save their money on a regular basis, or according to their needs. The member saves his/her money within the framework of the cooperative knowing that he or she will receive a suitable



return for his effort, in the form of interest on his savings. Accordingly, in order to encourage savings, it is desirable to pay members interest at a higher rate than that obtainable at any other type of financial institution. The member will then realize that it is preferable to save with his/her own cooperative. Cooperatives in many countries make the mistake of paying interest on their members' savings at a lower rate than that offered elsewhere.

Rate of Loans in Investment and Credit Cooperatives

The main objective of every cooperative investment and credit societies includes: to cultivate the habit of investment among members and to provide credit facilities to the members for productive purposes and for handling emergency situations.

Every registered member of the cooperative investment and credit society is qualified for loan from the society. The thrift and credit societies give loans to its members in order to encourage them. Getting loans from the society save members from the risks of usurious money lenders and other financial institutions that requires collaterals. The Nigeria Cooperative Society Degree N^o 90 of 1993 regulations N^o 44 recognizes such, Okechukwu (2003). In a society whose objectives includes making of loans to members. A member who desires to obtain a loan shall submit an application in writing to the committee members stating the amount and the purpose for which the loan is required, the terms for which it is asked, the mode of repayment, the names of sureties. At the committee meeting, the committee shall consider the applicant, the sufficiency of the security offered, the advantages to the borrower in the way of increased production, economy or otherwise, may approve the loan. The purpose of each loan must be approved by the committee and the loan must be applied to that purpose only. The committee may refuse to grant a loan on the ground that the applicant is in arrears with compulsory savings or share installments or other dues or payments. The maximum interest on each loan shall be fixed by the general meeting depending on the rate of interest charged by the source of the fund. Except where loan amount is below applicant's share capital or savings, two sureties are required.

Loans issued to members could be repaid in two ways: the installment repayments: where the loan amount and the interests are paid in piece meal within a stipulated period of time, full payment; here members are allowed to take loan for a period of agreed upon and refund fully when it is due for repayment with all the interests as accrued. Maximum credit limits are the upper limit of an amount of loan that may be approved for a member during the financial year. The section 5 of the Nigerian Cooperative Degree N^o 90 of 1993 regulation 45 states that in every registered society whose objective includes and whose bye-laws permit the making of loans to members in excess of member's shares of interest or savings in the society, a maximum credits shall be fixed for each members by the general meeting. Maximum credit limits is usually a multiple of a members total paid up share capital plus total savings. It could be double, triple etc. On approval of a loan, the applicant must sign records to show that he or she has received the loan. The records are: loan application form, loan bond, loan register and payment voucher. According to Nwobi (2006), there are several reasons why investment and credit society is needed particularly in the developing world. They are: difficulties in getting loans from commercial banks,



the collateral being demanded by the banks, the high interest rate charged by the banks, people find it difficult to save for all their needs. They may at times need extra money to settle some pressing needs like hospital bills, rents, school fees etc. Investment and credit societies are seen as the body that promotes thrift from people's point of view and it is also a very effective way by which workers can democratically pool and control their financial resources. According to Berko (2000), investment and credit societies in rural areas fill the gap created by the non-availability of banks in the rural areas. The problems of most people in the under-developed nations are how to inculcate the habit of saving to avoid indebtedness and money lenders exploitation.

Factors affecting Savings and Loan Rate in Investment and Credit Cooperative Society

The level of the real interest rate: In any attempt to identify the factors behind a higher or lower rate of savings, the first possibility to be considered will undoubtedly be the interest rate, which is the remuneration for saving.

Surprisingly enough, neither the actual findings nor the theory regarding the direction in which this factor acts are clear-cut. While a higher interest rate will make it more worthwhile to save, it is also likely to reduce saving, for example, in cases where individuals' allocations to pension schemes decline as the result of a rise in the interest rate (in the case of defined benefits pension schemes). Moreover, a rise in the interest rate increases the value of households' assets, and can therefore lead to a reduced tendency to save.

The proportion of labor remuneration in national income: Another major cause of the decline in savings is a change in the distribution of national income between remuneration for labor and non-labor remuneration. During the past fifteen years, the proportion of labor remuneration to total income has risen while the proportion of income from property has fallen. The clear negative correlation between savings and the proportion of labor remuneration derives from the fact that the marginal tendency to consume from wage income is greater than the marginal tendency to consume from non-wage income. In other words, if in a given year an individual's income increases due to a rise in his wages, private consumption will increase (and private savings rate will decrease) more than in the case of an identical rise in earnings deriving from a growth in income from property.

Uncertainty: A situation of uncertainty whether political, economical or personal, will generally have the effect of encouraging all economic units to increase their savings (on the other hand, uncertainty concerning a change in the financial climate might shift savings from financial to material, such as diamonds, real estate, etc.). Households will be afraid that their future income decreases and hence they will display an increased tendency to save.

For the individual, increasing his/her savings is a form of insurance against the prospect of unemployment, the death of an income-earner, the need for increased medical expenses, or against any other type of unexpected calamity.

All other conditions being equal (and under reasonable assumptions regarding insurance companies risk premium), any development leading to a reduction in uncertainty (the introduction of health insurance or unemployment benefit, for example) will reduce the individual's propensity



to save. In the Nigeria, for example, it was found that a very large proportion of private savings can be attributed to households' desire to insure themselves against unexpected medical expenses.

Demographic factors: One of the factors found to have a clear and significant effect on savings is the age composition of the population. This effect can be explained by the life cycle model, whereby savings are used for retirement and are accrued at different rates during the individual's lifetime. Accordingly, we can expect the savings rate to decline in proportion to the size of the elderly population who has retired from the labor market.

Given that savings among the very young age groups are negligible, the model can be expanded. A country where the dependence ratio (defined as the percentage of the population aged below 15 and above 65 divided by the working age population) is high, will have a savings rate lower than that of a country where the ratio is low, all other conditions being equal. (Savings rates will be highest at the 30-55 age level.) The same applies when examining the situation in a given country over time.

According to Okonkwo (2001) and Nwobi (2006), the only major problems facing loan rate in investment and credit cooperative societies include:

Overdue loan. A loan is overdue when it is not paid within the specified period. Overdue loans lead to loan default. Loan default is linked to both loan delinquency and arrears. Causes of loan delinquency, arrears and default include; dishonesty, unwillingness to cope with leader's procedures, dissatisfaction, urgent and unexpected demand on the borrower's fund for family or personal reasons, failure of loan projects to generate sufficient income because of natural disaster, marketing, difficulties, price fluctuations, poor management ability of the borrower. Other causes include; unsatisfactory or inadequate loan appraisal, insufficient supervision and inadequate contact with the borrower, complex administrative procedures. The principal rule for correcting loan default is necessary action.

This affects financial operations through decrease in loan repayment and savings of members which eventually hinders the progress of cooperative society in achieving its objectives which is mobilization of fund and disbursing same to members. Other members may decline to attend meetings because they feel disappointed. The mobilization of funds through the payment of shares and thrift saving ceases as members refuse to pay any of them. The cooperative society may become moribund or there may be a period of dormancy.

Inadequate Cooperative Education: Amahalu (2008) observed that most members of cooperative societies are not inadequately exposed to cooperative education and this could result to members' inability to comprehend the procedures for loan application. He further stated that some members of cooperative societies misappropriate the loan granted to them and thus are unable to repay the loans as at when due. So cooperative education is a necessary factor in cooperative development and the absence of it could spell doom for any cooperative society.

Methodology

Area of Study

Kaduna State is located at the centre of Northern Guinea savannah. It lies between latitudes $9^{\circ}10'1''$ north and longitude $6^{\circ}9'10''$ east. It has a total area of about 67,000 square kilometers



(KADP, 2007) with a population of 6,066,562 people comprising of 3, 112, 028 males and 2, 954, 534 females, the estimated population of Kaduna State as at 2021 would be 8, 252, 366 people with annual population change 2006-2015(+1.4% per year) (NPC 2016). This study examines savings and loan rates among members of investment and credit cooperative societies in Kaduna state, Nigeria.

Population of the Study

The population of the study is made up all the members of Investment and Credit Cooperative in Kaduna State with a total of ninety six (96) registered Investment and Credit Cooperative Societies with membership strength of four thousand three hundred and thirty four (4,334). (Cooperative Department Ministry of Agriculture Kaduna State).

Sample Size and Sampling Procedure

To determine the sample size, for the purpose of questionnaire distribution, multi-staged sampling technique was adopted. In the first stage, the state was divided into three senatorial zones. The three zones were selected. In the second stage, a sub-sampling also called a two stage sampling was carried out by judgmentally selecting two Local Governments each from the senatorial zones making a total of six so as to help achieve the main objectives. According to Michael, Oparaku and Oparaku (2012), judgment sampling makes use of typical cases among the population to be studied, which the researcher believes will provide the result needed. In the third stage otherwise called the three-stage sampling, the simple random sampling technique was used to select two investment and credit Cooperative each from each of the three selected local governments in the senatorial zone. The table below shows the LGAs selected, names of societies, their membership strength and sample size which was determined using the Krejcie and Morgan (1970) sample size table.

Table 3.1: The table below shows the societies selected.

S/No	Names of Societies	Number of member in a Soc.	Sample size
1	Badawi Investment and Credit Cooperative Society Limited	45	40
2	Mantuak Amichi Women Investment and Credit Cooperative Society Limited	35	32
3	Kagoro Kyangchat multi-purpose cooperative. Society Limited	55	48
4	Rafin Gora Zit-tung Dung Investment and Credit Cooperative Society Limited	31	28
5	Greener Pasture Investment and Credit Cooperative Society Limited	30	28
6	KauraTachira Multipurpose Cooperative Society Limited	27	25



TOTAL	223	201
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Source: Field Survey (2022)

Data Presentation and Analysis

Socio-economic Characteristics of Respondents

Table 3.2: Sex Distribution of the Respondents.

Items	Frequency	Percentage (%)
Male	115	57.21
Female	86	42.79
Total	201	100

Source: Field work (2016)

Source: Field Survey (2022)

Table 3.2 shows the socio-economic characteristics of the respondents based on sex status. In the table 115 respondent representing 57.21% are male while 86 respondent representing (42.79%) are female.

Table 3.3: Marital Distribution of the Respondents.

Items	Frequency	Percentage (%)
Single	181	90.04
Married	15	7.46
Divorcee	4	1.99
Widow	1	0.49
Total	201	100

Source: Field work (2016)

Source: Field Survey (2022)

Table 3.3 shows the socio-economic characteristics of the respondents based on marital status. In the table 181 respondents representing (90.04%) are single, 15 respondents representing (7.46%) are married, 4 respondents representing (1.04%) are divorcee and finally 1 respondent representing (0.49%) are widows.

Table 3.4: Age Distribution of the Respondents.

Items	Frequency	Percentage (%)
15-20	16	7.96
21-25	35	17.41
26-30	145	72.14
36 and above	5	2.49
Total	201	100

Source: Field Survey (2021)



Table 3.4 shows the socio-economic characteristics of the respondents based on age status. In the table 16 respondents representing (7.96%) are between the ages of 15-20, 35 respondents representing (17.41%) are between the ages of 21-25, 145 respondents representing (72.14%) are between the ages of 26-30 and finally 5 respondent representing (2.49%) are between the ages of 36 and above.

Table 3. 5: Respondent Occupation

Occupation	Frequency	Percentage (%)
Civil servant	16	7.96
Business	98	48.75
Trader	22	10.94
Farmer	19	9.45
Tailor	17	8.45
Carpenter	10	4.97
Builder	7	3.48
Printer	12	5.97
Total	201	100

Source: Field work (2022)

Table 3.5 above shows the occupation of respondents used for the study. From the table, 16 respondents representing (7.96%) are civil servant, 98 respondents representing (48.75%) are business man and women, 22 respondents representing (10.94%) are traders, 19 respondents representing (9.45%) are farmers. 17 respondents representing (8.45%) are tailor, 10 respondents representing (4.97%) are carpenter, 7 respondents representing (3.48%) are builders while 12 respondents representing (5.97%) are printer. This brings the total number of respondents to 201 (100%).

Table 3.6: Distribution according to the rate of savings among the members of Investment and Credit Cooperative Society

S/N	Statement	SA	A	U	D	SD	X	Remarks
3	As a members of my cooperative society I save between the rate of ₦5,000.00 to ₦10,000.00 every month.	111	71	-	5	14	4.00	Agree
4	I save between the range of ₦10,000.00 to ₦20,000.00 every month with my Cooperative society	91	100	-	3	7	3.78	Agree



5	My savings every month is between the rate of ₦20,000.00 to ₦50,000.00 every month	130	74	-	-	2	4.20	Agree
6	I save between ₦50,000.00 to ₦70,000.00 every month.	95	81	-	1	24	3.18	Agree
7	My savings is between ₦80,000.00 and above every month.	95	96	-	2	8	3.78	Agree

Source: Field Survey (2022)

The data on the table 3.6 above shows the rate of savings among members of Investment and Credit Cooperative Society. In item 3 result shows that a larger number of the respondents (N= 201; X = 4.00) agree that as a members of cooperative society they save between the rate of ₦5, 000.00 to ₦10,000.00 every month. In item 4 result shows that a larger number of the respondent (N = 201; X = 3.78) agrees that they save between the range of ₦10, 000.00 to ₦20, 000.00 every month with their Cooperative society. In item 5, result shows that a larger number of the respondent (N=201, X = 4.20) agree that their savings every month is between the rate of ₦20, 000.00 to ₦50, 000.00 every month. In item 6 result shows that larger number of the respondents (N = 201; X = 3.18) agree that they save between ₦50, 000.00 to ₦70, 000.00 every month. Finally, in item 7 result shows that a larger number of respondents (N= 201; X = 3.78) agree that their savings is between ₦80, 000.00 and above every month.

Table 3.7: Distribution according to the range of loan Granted to Members of Investment and Credit Cooperative Society

S/N	Statement	SA	A	U	D	SD	X	Remarks
8	I receive between ₦20, 000.00 to ₦50, 000.00 short term loan from cooperative society.	155	40	-	-	6	4.00	Agree
9	My cooperative society grant me loan between the ranges of ₦50, 000.00 to ₦100, 000.00 as at when needed.	100	91	9	1	10	3.96	Agree
10	I applied and get loan of ₦100,000.00 to ₦200,000.00 from my cooperative society	86	95	-	-	10	3.89	Agree
11	I receive loan of ₦200,000.00 to ₦300,000.00 from cooperative society.	75	106	-	10	10	3.03	Agree



12	My cooperative society gives out loan between the range of ₦400, 000.and above	101	83	-	7	10	3.55	Agree
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Source: Field Survey (2022)

The data on the table 3.7 above shows the rate of loans granted to members Investment and Credit Cooperative Society. In Item 8, results indicate that a larger number of respondents (N= 201; X = 4.00) agree that they receive between ₦20, 000.00 to ₦50,000.00 short term loan from their cooperative society. In item 9, a larger number of the respondents (N = 201; X = 3.96) agree that their cooperative society grant them loan between the range of ₦50,000.00 to ₦100,000.00 as at when needed. In item 10, a larger number of respondents (N = 201, X =3.89) agree that they applied and get loan of ₦100,000.00 to ₦200,000.00 from their cooperative society. In item 11, a larger number of respondent (N = 201 X = 3.03) agree that they receive loan of ₦200,000.00 to ₦300,000.00 from cooperative society. Item 12, show a larger number of respondents (N = 201 X = 3.55) agree that their cooperative society gives out loan between the range of ₦400, 000.and above.

Table 3.8: Distribution according to the factors that Affect Savings and Loan Rate of Investment and Credit Cooperative Society

S/N	Statement	SA	A	U	D	SD	X	Remarks
13	level of the real interest rate effect savings rate in my cooperative society	116	71	4	55	60	4.14	Agree
14	<u>Uncertainty</u> condition affect savings rate among members of investment and credit cooperative.	67	59	4	7	13	3.54	Agree
15	<u>Demographic factors</u> affect members savings rate among members	17	14	-	61	109	2.33	Disagree
16	My <u>pension plans</u> affect my savings in my cooperative society	94	78	-	19	10	3.39	Agree
17	Economic situation affect savings rate in my cooperative society	121	96	-	7	13	4.02	Agree
18	Deduction of interest before disbursement of loan to members affect loan rate in my cooperative society	111	71	-	5	14	4.00	Agree



19	Overdue loans militate against the loan rate in my cooperative.	91	100	-	3	7	3.78	Agree
20	Misappropriation and embezzlement of fund have negative effect on loan rate in my cooperatives society	130	74	-	-	2	4.20	Agree

Source: Field Survey (2022)

The data on table 4.5 shows the respondents responses as regards to the factors that affect savings rate of College of Administrative and Business Studies Cooperative Investment and Credit Society, Kaduna Polytechnic, item 13, the result indicates that a larger number of respondent (N = 201; = X 4.14) agree that level of the real interest rate effect savings rate in my cooperative society. In item 14, a larger number of respondents (N = 201; X =3.54) agree that uncertainty condition affect savings rate among members of investment and credit cooperative. In item 15, a larger number of respondents (N = 201; X = 2.33) disagree that demographic factors affect members savings rate among members. In item 16, a larger number of respondents (N= 201; X = 3.39) agree that pension plans affect their savings in my cooperative society. In item 17, a larger number of respondents (N = 150; X= 4.02) agree that economic situation affect savings rate in their cooperative society. In item 18 result shows that a larger number of the respondents (N= 201; X = 4.00) agree that deduction of interest before disbursement of loan to members affect loan rate in my cooperative society. In item 19 result shows that a larger number of the respondent (N = 201; X = 3.78) agrees that overdue loans militate against the loan rate in my cooperative. Finally in item 20, result shows that a larger number of the respondent (N=201, X = 4.20) agree that misappropriation and embezzlement of fund have negative effect on loan rate in my cooperatives society.

Summary of Findings

The following findings are made in the course of the study:

- i. The age distribution showed that the members of Investment and Credit Cooperative Society under study are still in their active working age. Majority of the members fall within the age bracket of 26-30 years and above. This account for 72.1% of the respondents. With various types of occupation and also people that do Business as occupation at 98 with 48.75%.
- ii. Rate of savings among the members of Investment and Credit Cooperative Society, results shows that members save the followings as a members of investment and credit cooperative society, ₦5,000.00 to ₦10,000.00 every month and also some members savings is between ₦80,000.00 and above every month.
- iii. The rate of loans granted to members of Investment and Credit Cooperative Society, results shows that members received between ₦20,000.00 to ₦50,000.00 as short term loan from their cooperative society and also their cooperative society grant them loan between the range of ₦50,000.00 to ₦100,000.00 and ₦400, 000 and above.



- iv. Factors that affect savings and loan rate of Investment and Credit Cooperative Society include level of the real interest rate, uncertainty condition, pension plans, and economic situation, overdue loans, misappropriation, problem of poor leadership; Funds embezzled by management, loans are not promptly paid back and also inadequate fund.etc

Conclusion

The findings of this study are robust with reference to the topic under consideration of savings and loan rates among members of investment and credit cooperative societies in Kaduna state, Nigeria. Based on the result of the study, it is concluded that Cooperative Investment and Credit Society limited are quite encouraging in terms of inculcating savings habit among members and also serve as source of loan facilities to members.

Recommendations

Based on the analysis and findings of this study, the researcher therefore recommended that:

1. Regular and proper auditing of cooperative books of records should be carried as at when due so as to produce financial information free from errors and omissions. This can be done by carrying out regular auditing check on cooperative society's record.
2. The financial information should be made clear so that it can be understood by members who are the owners of their enterprise. This can be done by using a lay man language to explain the financial status or position of the society to the members.
3. Information should always come in time so as to enable the management carry out its decisions on time without delay. This can equally be done by keeping proper record for easy access for the management.
4. For credible financial information, cooperatives should make use of competent accountants who are capable of providing a true picture of financial information relating to all transactions in the society.
5. Measures should be taken to adopt the modern techniques (computerized method) in financial information management.
6. Any transaction made should be put into writing as it will help reflect the true financial state of the society.
7. The method, of communication should be improved to allow smooth flow of information within the society among members.

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