YANGON UNIVERSITY OF ECONOMICS

DEPARTMENT OF COMMERCE

MASTER OF BANKING AND FINANCE PROGRAMME

THE EFFECT OF INDIVIDUAL AND INSTITUTIONAL FACTORS ON SAVING BEHAVIOR OF MICROFINANCE USERS IN YANGON DIVISION

KHAING ZIN OO

ROLL NO. 19

EMBF 7th BATCH

JANUARY, 2023

THE EFFECT OF INDIVIDUAL AND INSTITUTIONAL FACTORS ON SAVING BEHAVIOR OF MICROFINANCE USERS IN YANGON DIVISION

This thesis submitted as a partial fulfillment towards the requirements for the Degree of Executive Master of Banking and Finance (EMBF)

Supervised by

Prof. Dr. Daw Tin Tin Htwe
Head of Department
Department of Commerce
Yangon Institutes of Economics

Submitted by

Khaing Zin Oo
Roll No. 19
EMBF 7th Batch

January, 2023

ACCEPTANCE

Accepted by the Board of Examiners of the Department of Commerce, Yangon University of Economics, in partial fulfillment for the requirements of the Master Degree, Master of Banking and Finance**.**

BOARD OF EXAMINERS

Prof. Dr. Daw Tin Tin Htwe

(Chairman)

Rector

Yangon University of Economics

-----------------------	-----------------------
(Supervisor)	(Examiner)
Prof. Dr. Daw Tin Tin Htwe	
Professor and Head	Professor
Department of Commerce	Department of Commerce
Yangon University of Economics	Yangon University of Economics

-----------------------	-----------------------
(Examiner)	(Examiner)
Associate Professor	Associate Professor
Department of Commerce	Department of Commerce
Yangon University of Economics	Yangon University of Economics

January, 2023

ABSTRACT

The purpose of this study is to analyse the effect of individual and institutional factors on saving behavior of microfinance users, in Yangon division. The descriptive statistics and multiple regression method were mainly used. A total of 200 voluntary savers from four MFIs are obtained by using Yamane (1973) formula. This samples are selected by using simple random sampling method. This study used both primary and secondary data. The primary data were collected by structured questionnaire. Factors considered in model are individual factors (self control, motive, financial literacy and social network) and institutional factors (security, incentive, access and information). The results were found that financial literacy and motive from individual perspective and financial security and access to finance from institutional perspective were positive effect on saving behavior. It is suggested that MFIs should more pay attention to raise the financial literacy level of MFIs user by giving training opportunities to their clients. As having individual motive for saving also influences their behavior, MFI experts should learn client reasons of savings and setting goals to promote specified saving products for their choice. Finally, MFI should provide the secured and accurate saving services as well as create accessible microfinance services which meet the needs of local demand for financial services.

ACKNOWLEDGEMENTS

First of all, I would like to express my deepest gratitude to Prof. Dr. Daw Tin Tin Htwe, Rector, Yangon University of Economics for giving me permission to carry out this thesis.

I would like to extend my gratitude to my supervisor, Prof. Dr. Daw Tin Tin Htwe, Professor, Program Director of Master of Banking and Finance, Head of Department of Commerce, Yangon University of Economics for her encouragement, motivation, inspirational advices, guidance, rigorous supervision in writing and support to accomplish my thesis.

I am extremely grateful to all my respectfully professors, examiners, lecturers who contributed their valuable time, precious knowledge and experiences, and sharing broader thinking throughout the course of EMBF Programme.

I wish to acknowledge my thankfulness to my higher senior officials and management from the Myat Kyun Thar Microfinance Ltd., for allowing me to study the MBF program.

Lastly, I would like to appreciate all the people who give me direct or indirect help for completing this thesis.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS

CBM	Central Bank of Myanmar
CCS	Central Co-operatives Society
CGAP	Consultative Group to Assist the Poor
FFI	Formal Financial Institutional
FinScope	Myanmar FinScope Survey 2013
FRD	Financial Regulatory Framework
FY	Financial Year
G-20	Group of Twenty Finance Ministers and Central Bank Governors
G2P	Government to Person
GDP	Gross Domestic Product
INGOs	International Non-governmental Organization
KYC	Know Your Customer
Lift	Livelihoods and Food Security Trust Fund
MADB	Myanmar Agriculture Development Bank
MAP	Making Access Possible
MFIs	Microfinance Institutions
MoUs	Memoranda of Agreement
NGOs	Non-governmental Organization
UNCDF	United Nations Capital Development Fund

CHAPTER I
INTRODUCTION

Savings serve as a financial intermediary to finance business investment in the economy. Investment by businesses will consequently have a favorable effect on economic growth through increased productivity. This is clear from the observation that nations with higher levels of saving and hence higher investments have had faster economic growth (Todaro and Smith, 2012). Ndikumana asserts that a country's financial institutions' structure, character, and relative size have a significant role in a country's ability to mobilize savings and direct those savings toward profitable investment (1999). The three components of domestic savings are corporate, household, and government savings. Among them, household savings make up a larger portion of domestic and national savings in both industrialized and developing nations (Schmidt Hebbel, Webb and Corsetti, 1992). Therefore, it is of economic importance to raise the rate of domestic savings in a way that can be converted into investment.

One of the top priorities for the Myanmar government and policy makers is to boost domestic financial services through increased domestic saving in order to meet the higher order policy objectives of poverty reduction, rural and social development. Given its stage of development, saving is even more important in Myanmar as domestic capital to fund basic infrastructure. When saving mobilization is key to economy, current high level of unregulated saving is critical to be controlled. Although government and financial institutions greatly pay attention to saving promotion, majority branches of major banks located in urban areas especially in the big cities and the limited present of banking institution in rural area constrains the flow of saving into formal banking system. Therefore, households in rural area do not have equal opportunities to obtain financial services. While baking services was unable to reach rural population where about 70% of total population are residing, MFIs are only a key actor to promote rural saving. With the help of microfinance, impoverished people who live in urban and rural areas but cannot access official financial institutions like banks can receive financial services like savings and loans. Microfinance organizations offer deposit-taking services for a variety of reasons, including credit risk reduction, stable income during a crisis or accident, and more. Deposits from customers help promote not only commercial perceptions but also social advancement and safety for the underprivileged (Srijanani, 2013). Savings allow families to better plan for crises, build up assets for the future, and tame their spending in the face of erratic income flows. Despite the value of saving, the majority of microsavers still have trouble finding trustworthy deposit providers where they can put their money. Savings may be made in kind or cash. Cash savings at home have the benefit of liquidity, but the majority of people would rather save in a safe, accessible, and educational account with a formal organization like MFIs. As a result, institutional traits are crucial in motivating people to save more money.

Additionally, a person's personal traits, such as their attitudes toward saving, their level of self-control, and their level of financial literacy, influence how much they save. Policymakers and financial institutions must understand the benefits of saving in order to mobilize a considerable amount of savings. Therefore, utilizing these two theoretical views on saving—individual viewpoint and institutional perspective—this study assessed the impact of MFI users' saving behavior in the Yangon division.

1.1 Justification for the Study

According to the World Bank's collection of development indicators, which is derived from officially recognized sources, gross domestic savings as a percentage of GDP in Myanmar was recorded at 25.8% in 2018 and at 31.78% in 2020. One of the problems that would make it difficult to meet the huge demand for investment in the country for accelerating growth and other government goals like development in the process of eradicating poverty and financial inclusion is thought to be the slowly rising level of domestic savings in Myanmar. Due to the lack of domestic capital markets, the banking system in Myanmar, with the exception of a few financial institutions, relies mostly on deposits for funding. Myanmar will need to raise a sizable amount of money from both domestic savings and foreign investment capital to support GDP development (McKinsey, 2013). People in Myanmar now deposit their earnings in unofficial saving clubs that carry complete risk and the potential for loss in the form of animals, metals, or cash. While still low, the percentage of adults who utilize formal financial services has increased from 30% to 48%, while the informal financial sectors have decreased by 1/3, according to the 2014 to 2020 financial inclusion road map. One of the goals of the new Myanmar microfinance law, which was introduced in 2011, is to increase financial services through agricultural saving practices. MFIs' primary duty is to provide financial services, such as microinsurance, loans, and savings. MFIs in Myanmar, however, primarily offer loan and saving services, and microinsurance hasn't yet worked well. Savings are therefore a frequent coping strategy that is mostly utilized to pay for emergencies because microinsurance is not available. Despite having a very impressive reach in the MFI industry, MFIs are required to save amounts that are always less than the loans they provide. MFIs need to encourage better products like voluntary saving in order to amass the huge volume of savings needed to meet their capital requirements. The ability and capacity of the providers, however, are currently insufficient to generate a sizable quantity of voluntary saving. Regulators therefore prohibited MFIs from accepting deposits from the general population (non-borrowers). Saving is crucial, and MFIs depend heavily on it. However, the majority of MFIs in Myanmar prioritize credit delivery over saving. They lack sufficient saving mobilization experience. Today's MFIs use their customers' savings as loan collateral. During the period of the national economic downturn, the majority of the savings of the MFIs' consumers were countered by the absence of loan payback funds. Map According to a UNCDF survey conducted in 2018, there have been some reported MFI abuses involving the implementation of the mandatory savings service, and some borrowers are unaware that they have a savings account with an MFI or how the interest is calculated. Therefore, it is crucial to consider the level of financial knowledge among consumers, the effectiveness of client protection programs, and the procedure for handling complaints if you want to make sure that savers are at ease utilizing secure deposit services. All MFIs in Myanmar are required under the 2011 MFI New Law to offer savings products to households, however the organization has made no attempt to analyze customer behavior. Therefore, it becomes vital to undertake an empirical study in order to comprehend the elements impacting the consumers of MFIs' saving habit.

The FRD report states that as of January 2021, there were 188 MFIs functioning with 571,1670 clients in 330 townships, including 3,441 wards and 63,854 villages. The total amount saved was MMK 356,569.87 million. 24 MFIs held voluntary saving licenses among them. Only the saving habits of MFI customers and voluntary savers from 4 MFIs, which place a premium on voluntary saving services, are taken into account in the study. With the aid of this study, financial institutions—in this instance, voluntary saving services—can better understand the impact of various variables on the saving habits of MFI customers. Additionally, this might significantly enhance MFIs' effectiveness in saving mobilization, contribute to the national plan for reducing poverty, and advance the financial inclusion road map.

1.2 Objectives of the Study

- To explore the individual factors and institutional factors of microfinances users in Yangon division
- To identify the saving behavior of microfinance users in Yangon division.
- To analyze the effect of individual and institutional factors on the saving behavior of microfinance user, in Yangon division.

1.3 Scope and Method of Study

Only the elements that influence the microfinance user's saving habits are the subject of this study. The 20600 voluntary savers from 4 microfinance institutions in the Yangon division are the only ones included in the scope. Data analysis used both quantitative and qualitative research techniques. A five-point Likert scale structural questionnaire was used as the primary data, and 202 volunteer savers were chosen as the sample population for analysis using a simple random sampling procedure. The Yamane (1973) sample size calculation formula was used to determine the proper number of samples.

The descriptive research approach and a straightforward random sampling technique were employed in this study to analyze the factor saving behavior of MFI users. Additionally, government publications, FRD reports, reference books, textbooks, websites, and business periodicals with a financial focus are used to compile the secondary data. Through the use of the Statistical Package for Social Science (SPSS) program, multiple regression analysis and correlation analysis were performed in this study.

1.4 Organization of the Study

The study is broken up into five Chapters. Introduction, Justification for the Study, Objective of the Study, Scope and Method of Study, and Organization of Study are all included in Chapter 1. Chapter 2 includes a definition of saving as well as the theoretical underpinnings of individual and institutional perspectives that have an impact on saving practices. It also includes earlier research on the variables affecting saving habits. The model employed in this study is derived from earlier publications. Chapter 3 discusses the role of the Myanmar government in mobilizing savings, the function of microfinance in Myanmar, the regulation of its deposit services, and Myanmarese saving habits. Analysis of the data gathered from primary data collection in four MFIs in the Yangon Division is presented in Chapter 4. Providing the conclusion, finding, and recommendation is Chapter 5.

CHAPTER II
THEORITICAL BACKGROUND

This chapter discusses the function of MFIs in encouraging client saving behavior as well as the theoretical underpinnings of such behavior. There are five prats in this chapter. The first section discusses the function of MFIs in encouraging saving, and the second half discusses key theories of saving behavior, such as the person theory, institutional theory, reason for saving, and theory of self-control. The third section comprises both individual and institutional elements that are connected to saving behaviour. The fourth section presents earlier investigations, while part five describes the conceptual framework of the studies.

2.1 The Role of Microfinance in Savings Mobilization

Microfinance is the provision of small loans, savings, and other essential financial services to the underprivileged (Helms, 2006). Poor people frequently find MFI savings plans appealing since they may protect their funds from minor expenses by keeping them in those MFIs. By passing appropriate regulations to regulate MFIs and provide them the ability to mobilize savings that are not particularly related to loans, developing countries may be able to boost domestic savings mobilization as a result of MFIs' attraction to the poor (Helms, 2006) Savings are converted into deposits at financial institutions, which can either be regular savings or time fixed deposits. If they are lent, these generate the majority of their working capital. In other words, one of their main sources of funding in financial institutions is public deposits. Financial firms are tasked with luring customers to raise deposits because of this. This is referred to as mobilizing savings. Savings mobilization is, to put it simply, the process of obtaining voluntary savings deposits, safeguarding them, administering them, and using them to finance lending portfolios. (Brian Branch, Christopher Baker, 2000) On a micro level, there is of course a large body of academic research to explain how a well-developed (deep) financial market helps to economic growth in a nation, an industry, and in specific businesses (Levine, 2005). MFIs that act as regulated financial intermediaries and use local savings to finance expansion have benefited from deposit-based funding in at least three different ways. First, compared to other types of wholesale funding that have issues with finance charges, term structures, currency risk, and administrative work, deposits tend to be a more stable and accessible funding source. Additionally, the recent global financial crisis has demonstrated that excessive reliance on foreign debt financing comes with exchange and liquidity risks. Savings are a reliable source of capital in most markets, in addition to being stable. The second advantage motivates an MFI's strategy for growth and expansion. Deposit-based institutions' asset development is linked to deposits, therefore growth depends on service to savers and how seriously they take the MFIs' reputation for integrity. These MFIs typically exhibit discipline, customer-focused behavior, and concern for their reputation. Finally, deposit-based MFIs generate customer loyalty because savers have a sense of confidence and devotion to the institution that credit consumers may not always have.

2.2 Definition of Saving and Saving Behavior

Savings are perceived as deferred consumption and are viewed as the portion of income that is not used (Goyal, 2007; Family Economics & Financial Education, 2010; Fisher, 2010; Mbuthia, 2011). (Strydom, 2007). The choice to consume is viewed as the antithesis of the choice to preserve. The majority of economic theories on savings typically consider consumption as well because it involves deciding between now and future consumption. These savings can be used in the future or invested back into the company for future growth. Increases in income and consumption are made possible by savings, which also balance out spending during uncertain times (Gersovitz, 1988). It is true that the value of savings in economic growth is acknowledged. Rostow's stages of growth, for instance, claim that one of the prerequisites for takeoff is the initial capability to mobilize domestic savings (Rostow, 1956). According to neoclassical growth theories, saving in the form of capital accumulation is closely tied to economic growth. This is clear from the observation that nations with higher levels of saving and hence higher investments have had faster economic growth (Todaro and Smith, 2012). According to Lewis' growth theory, saving is essential for growth since investment must be matched by savings (Lewis, 2013). Additionally, the neo-classical paradigm claims that sustained production growth is only achievable with rising investment and saving rates (Sahoo, Geethanji and Kamaiah, 2001).

2.3 Theory for Saving Behavior

The practice of saving can be adopted on both a micro and big level. At the micro level, households are anticipated to react and establish their own behavioral savings incentives and restrictions.

Income and age were given priority in one economic theory (Modigliani & Ando, 1957) as indicators of saving and asset accumulation. One of the behavioral theories of savings from neoclassical economics is the life cycle hypothesis (Shefrin & Thaler, 1988), which is followed by Friedman's permanent income hypothesis (1957). The life-cycle theory (Modigliani, 1966) predicts that people maintain their spending levels over the course of their lives; they save while they are working and withdraw from their savings when they retire. According to Friedman's (1957) permanent income theory, a consumer's estimate of long-term income affects how much they spend. The existing saving theories, according to Beverly and Sherraden (1999), do not emphasize low income households, which make up the majority in the Least Developed Countries (LDCs) The two other significant individual perspectives on savings, behavioral economics and economic psychology, do not make the assumption that humans are logical and all-knowing like neoclassical economic theories do. These two viewpoints presuppose that personality traits and attitude factors influence savings. Economic psychologists and behavioral economists have acknowledged the impact of motivations, self-control, and other personality traits on saving (Katona, 1975; Thaler & Shefrin, 1981; Warneryd, 1999). However, formal rules and program arrangements offered by institutions may be equally essential in explaining saving behavior as individual qualities and income in determining saving behavior of individuals. Individual qualities and economic conditions may not be the only determining elements in the prediction of savings performance. According to Beverly and Sherraden (1999), "individual and household saving behavior is molded by the institutional processes through which saving occurs," more emphasis should be focused on the functions of institutions.

Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB), developed by Icek Ajzen in 1991, is an expansion of the Theory of Reasoned Action, which Ajzen and Fishbein jointly developed (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975). In general, it tries to explain why people do particular things. Ajzen (1991) asserts that people engage in particular behaviors after forming an intention to do so.

The three concepts in TPB—attitude toward the behavior, subjective norm, and perceived behavioral control—determine the purpose. First, a person's attitude toward a behavior describes how strongly they create a good or negative opinion of that behavior. Subjective norm, on the other hand, relates to the felt social pressure to engage in the behavior or not. Salient referents like parents, spouses, friends, and coworkers are where the social pressure comes from. Perceived behavioral control, or people's sense of their capacity to carry out a specific behavior, is the third factor that determines intention. It suggests that a person has the intent to carry out specific behaviors as indicated by how easy or difficult it is to carry out the behavior, and it is thought to reflect prior experience as well as potential obstacles. This is demonstrated in the study of Furnham (1985), which found that those with the lowest levels of education are less inclined to practice saving since they think it won't make them rich. In general, a stronger intention to engage in a particular behavior might result from a positive mood, a subjective norm, and greater perceived behavioral control. The ability to manage one's desires, be self-disciplined, and postpone pleasure are all qualities that members with high levels of self-control will perceive as making saving easier. This study uses perceived behavioral control to explain self-control. According to the study, conscientiousness was linked to wise financial management and optimistic saving attitudes (Nyhus, 2002). (Warneryd, 1996).

Institutional Theory

Savings processes used by institutions have an impact on household savings (Sherraden, 1991). The core tenet of institutional theory states that low-income people and families struggle to save money and build up assets principally because they lack access to the same institutional possibilities as people and households with higher incomes do (Beverly & 11 Sherraden, 1999). Otherwise, low-income families may be able to save and grow assets if they have access to the same institutional support that their wealthier counterparts do. According to Beverly, Sherraden, Carmer, Williams & Zhan (2008): p. 10, "purposefully-created policies, programs, products, and services that influence opportunities, limitations, and consequences" are referred to as institutions in the institutional theory. According to institutional theory, institutions have an impact on how people understand the world, which in turn has an impact on how they behave and make financial decisions (Beverly & Sherraden, 1999). It has been proposed that seven institutional level characteristics affect asset accumulation and saving. Access, information, incentives, facilitation, expectations, limitations, and security are some of these dimensions (Beverly & Sherraden, 1999; Beverly et al., 2008). For a better explanation of the saves habits of low income households, consult the institutional theory of savings (Sherraden, 1991). Low income households have very restricted access to institutional saving opportunities and incentives, which has a negative impact on asset accumulation and saves rates (Beverly, 1997).

2.4 Individual and Institutional Factors

Individual Factors

According to the conceptual model of Beverly et al. (2008), individual factors that mainly determinants of saving behaviors were classified into four categories: economic resources and needs, social networks, financial literacy, and psychological variables.

(1) Financial Literacy

According to Bendig et al., it was crucial to foster trust and raise financial literacy in addition to expanding the number of financial institutions (2009). Studies from the Philippines, Vietnam, Uganda, and Pakistan found that education level had favorable effects on decisions to save, borrow from, and invest in formal financial institutions because it raises literacy and numeracy levels, which are essential for using FFI services (Carpenter and Jensen, 2002; Kiiza and Pederson, 2002; Newman et al., 2007; Bendig et al., 2009; Boring, 2010; Ellis et al., 2010). Financial literacy is the degree to which a person understands financial concepts and goods, and it is anticipated that it will have a favorable impact on saving behavior. In order to serve the aims and account for the responses, it was sufficient to assume that families with greater knowledge would be more inclined to save than those with less information.

(2) Motive (Reason to Save)

Individuals' decisions to save money are often driven by a variety of causes or incentives. The majority of empirical studies on saving have been descriptive and largely theoretical (Browning & Lusardi, 1996), and only a small number of studies have examined the effects of saving horizons and household saving motives empirically. For this reason, it is crucial to examine household saving motives (Horioka & Watanabe, 1997) and saving horizons. It first gives readers a greater knowledge of how households save, how household saving rates differ, what influences how much a household saves, how household saving rates have changed over time, and a host of other saving-related topics. In addition, examining the reasons why households save money reveals which economic model is more applicable in the "real world" Six reasons for saving, including essentials, emergencies, children, houses, vacations, and retirement, were discussed in Katona (1975). There have been many theoretical and simulation studies that have examined saving for particular goals, such as retirement (Modigliani & Brumberg, 1954), precautionary measures (Leland, 1968), and saving for a home purchase (Artle & Varaiya, 1978; Hayashi, Ito, & Slemrod, 1988; Slemrod, 1982), but there have been relatively few empirical studies of saving for particular goals (Horioka & Watanabe, 1997).

With a rise in income, families' top reasons for saving money shift from meeting daily needs to saving for emergencies or precautions, children, retirement, and vacations. In underdeveloped nations, where low-income households have very little access to well-developed insurance and retirement plans, these ideas of motive might not hold true. Unlike poor households, who may not have access to the same goods and services, ordinary households are free to save through automatic savings mechanisms such as medical aid and retirement plans or own their own successful enterprises that ensure adequate income to support savings for necessary and unnecessary future needs. However, families also need to set money aside for future expenses like tuition, medical care, natural disasters, crop failures, job losses, illness, or a family member's death. The savings needs of the poor were divided into four categories by Stuart Rutherford (2005). 1. Lifecycle Needs: these include weddings, funerals, childbirth, schooling, home building, widowhood, and old age. Personal emergencies include things like disease, injury, unemployment, theft, harassment, or death. 3. catastrophes, including fires, floods, cyclones, as well as man-made disasters like war or the demolishing of homes; and 4. Investment requirements: growing a business, purchasing property or equipment, upgrading a home, finding employment (which necessitates paying a sizable sum), etc.

(3) Social Networks

Social networks, which include family, friends, coworkers, members of a person's religious community, and neighborhood residents, refer to the degree to which saving is encouraged or discouraged by a person's social network. The underlying premise of psychological and sociological theories of savings is that consumer preferences and expectations are not rigid but rather change in response to economic or social events. The term "subjective norm" describes the perceived social pressure to engage in a behavior or refrain from doing so. Salient referents like parents, spouses, friends, and coworkers are where the social pressure comes from.

(4) Self Control

The capacity to recognize and control one's feelings and desires is known as self-control. It is defined by the use of willpower, self-control, and the capacity to postpone satisfaction (Baumeister, 2002). Esenvalde's (2010) research has offered empirical proof that self control was positively related to saving behavior. Insights from psychology and economics are combined in behavioral economics. Some of the irrational assumptions of traditional economic models of human behavior, such as limitless rationality, unbounded willpower, and unbounded "selfishness," are qualified by behavioral economics (Shefrin & Thaler, 1988; Thaler, 1994). This viewpoint contends that common human traits like self-control, the capacity to postpone gratification, mental accounting, the application of rules of thumb, the use of default options, and hyperbolic discounting influence financial behaviors and economic decisions (Ainsle, 1975; Angeletos, Laibson, Repetto, Tobacman, & Weinberg, 2001; Laibson, 1997; Mullainathan & Thaler, 2000; Shefrin & Thaler, 1988; Thaler, 1981). Households may act in ways that are at odds with their own priorities as a result of these traits. However, little is known about how well these factors might explain low-income households' saving habits in emerging nations. On the other hand, research from industrialized nations has demonstrated that self-control and the usage of default options influence the saving behaviors of middle- and upper-class people and households (Ameriks, Caplin, Leahy, & Tyler, 2004; Moffitt et al., 2010; Romal & Kaplan, 1995).

Institutional determinants

It has been proposed that seven institutional level characteristics affect asset accumulation and saving. Access, information, incentives, facilitation, expectations, limitations, and security are some of these dimensions (Beverly & Sherraden, 1999;

Beverly et al., 2008). Only four factors total have been examined in this study. They are security, information, access, and incentives.

(1) Access to Finance

Access, or being close to financial institutions, is a major element in encouraging those with low incomes to save money. According to observations, tiny business owners and charity traders cannot afford the opportunity cost of frequently traveling to faraway offices to save money from their daily little and inconsistent income. The term "opportunity costs" usually refers to things like terminating a self-managed firm, losing clients and revenue, and paying to travel to a branch office. The flexibility of working hours is crucial for enhancing low-income urban and rural clients' saving habits. The cost of paying for transportation from their home to a distant office may be greater for many modest savers than the typical tiny deposit. The institutional tools that make the depositing procedure more accessible are referred to as the "access construct." The greater the individual's participation and saves, the closer they are to the saving services. Certain institutional constraints, such as lack of access to savings programs and lack of trust in financial institutions, may also serve as barriers to saving behavior (Turnham, 2010). The fact that low-income households are "much less likely to have access" to institutionalized saving mechanisms that focus on financial education and saving incentives may assist to explain why saving rates are below average (Beverly & Sherraden, 1999). Institutional policies concerning the availability of financial goods and services have also had significant effects (Curley et al., 2009; Hogarth et al., 2006).

(2) Incentives

The term "incentives" refers to methods used to encourage people to save money, such as tax breaks, better rates of return, or subsidies linked to specific instruments and saving programs, or businesses participating in saving programs by, among other things, matching employees' payments.

Institutionalized procedures comprising clear relationships, regulations, incentives, and subsidies lead to asset accumulation. The subsidies can take the form of tax benefits relating to housing and retirement, the deferral and exclusion of capital gains on the sale of primary residences, and the exclusion of earnings and contributions to employer-sponsored pension plans. Rational households with access to these asset accumulation methods accumulate assets because they all receive favorable tax treatment or some other type of subsidy. For a better explanation of the saves habits of low income households, consult the institutional theory of savings (Sherraden, 1991). Low income households have very restricted access to institutional saving opportunities and incentives, which has a negative impact on asset accumulation and saves rates (Beverly, 1997).

(3) Security

Security is the absence of unreasonably high risk when saving and holding assets (Beverly et al, 2008). Every household needs a secure location to keep their money. Therefore, it appears likely that security influences people's saving and investing behavior, specifically that access to a choice of secure saving policies, programs, and products makes people more likely to deposit money, make fewer withdrawals, and have a diversified portfolio. Security, according to (Beverly et al, 2008), is thought of on two different scales: micro and macro. Protection from dangers for the political economy as a whole and over the long term is referred to as macro security. Investment risk, which is typically correlated with rates of return, and property loss risk are both included in micro security. Threats of displacement, theft, and destruction are referred to as property loss risks (e.g., through catastrophes such as fire or flood). The study supports Robinson's (1994) findings that financial institutions that provide financial security can access higher household savings. This supports Robinson's (1994) findings that as household income rises, a household saves in a financial institution with better financial stability and eventually transitions to the formal economy with higher income.

(4) Information

Owning a savings or credit account at a bank or other formal or informal financial institution was found to be connected with obtaining information, particularly general information about financial institutions and their products and services.

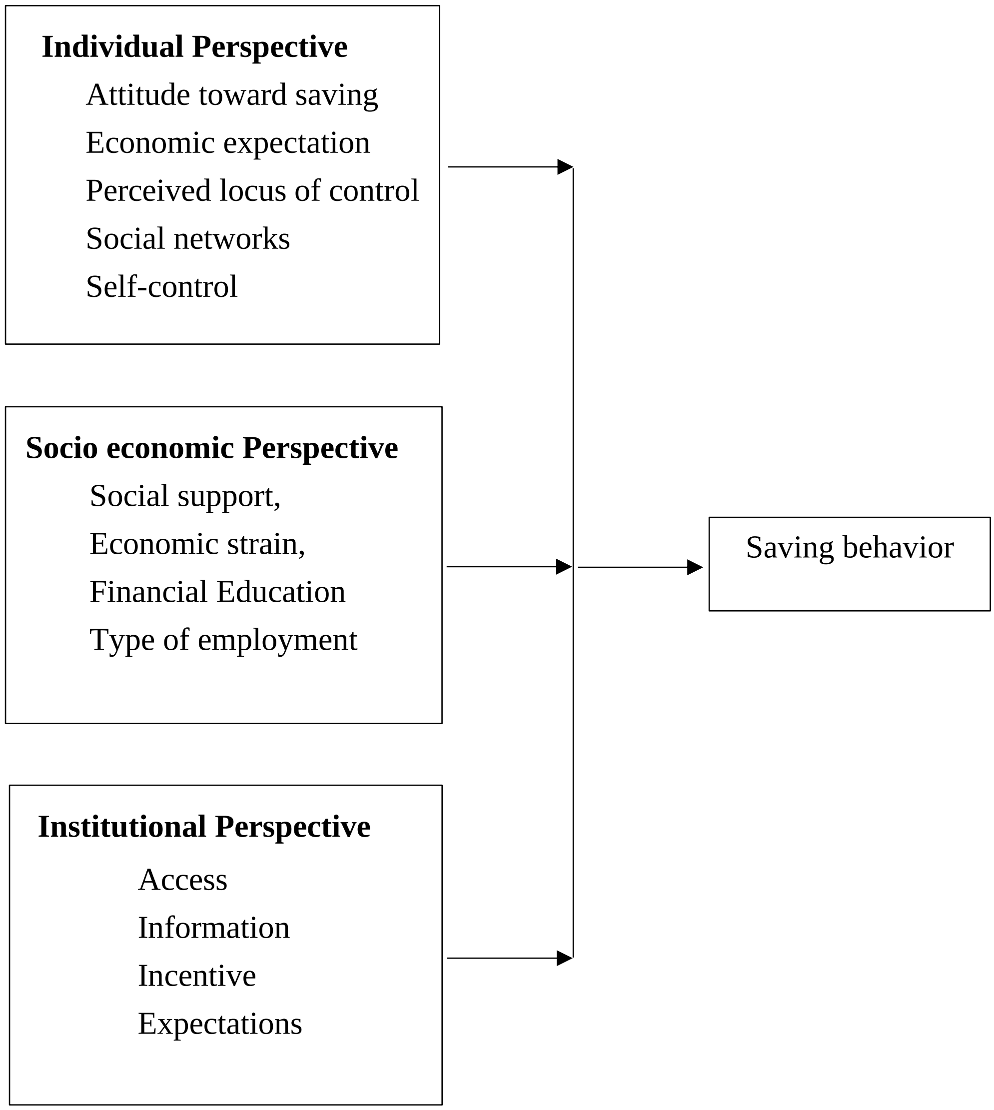
A logit model was used by Kiiza et al. (2001) to analyze the determinants influencing a household's decision to purchase a deposit instrument in Uganda using a sample size of 370 households. According to the study, a family's likelihood of obtaining a formal deposit instrument dramatically increased with the amount of information made available to the household and the extent of its access to formal financing. The net savings kept by household heads with financial institutions nearby were consistently higher than those maintained by heads of households without such convenient access to financial institutions.

Some people, particularly those who are more educated and accustomed to dealing with money issues, could look for this kind of information. Researchers in Uganda discovered that when a household is well-informed about a certain bank and its services, the likelihood that it will have a savings account rises by 19 approximately 33 times (Kiiza & Pederson, 2001).

2.5 Previous Studies

There are numerous studies on the influence of variables on saving behavior. Three papers were chosen for this study from among them. Chowa, Masa, and Ansong (2012) investigated the more general factors influencing asset accumulation and saving among low-income people in rural Uganda. The first theoretical viewpoint focused on the individual and was founded on the theories of behavioral economics, economic psychology, and neoclassical economics. It was based on five criteria. Sociological viewpoints with a focus on four components made up the second theoretical perspective. The institutional perspective, which was the third theoretical viewpoint, concentrated on four aspects to show how institutional-level influences affected saving. Figure (2.1) depicts the factors that influence saving.

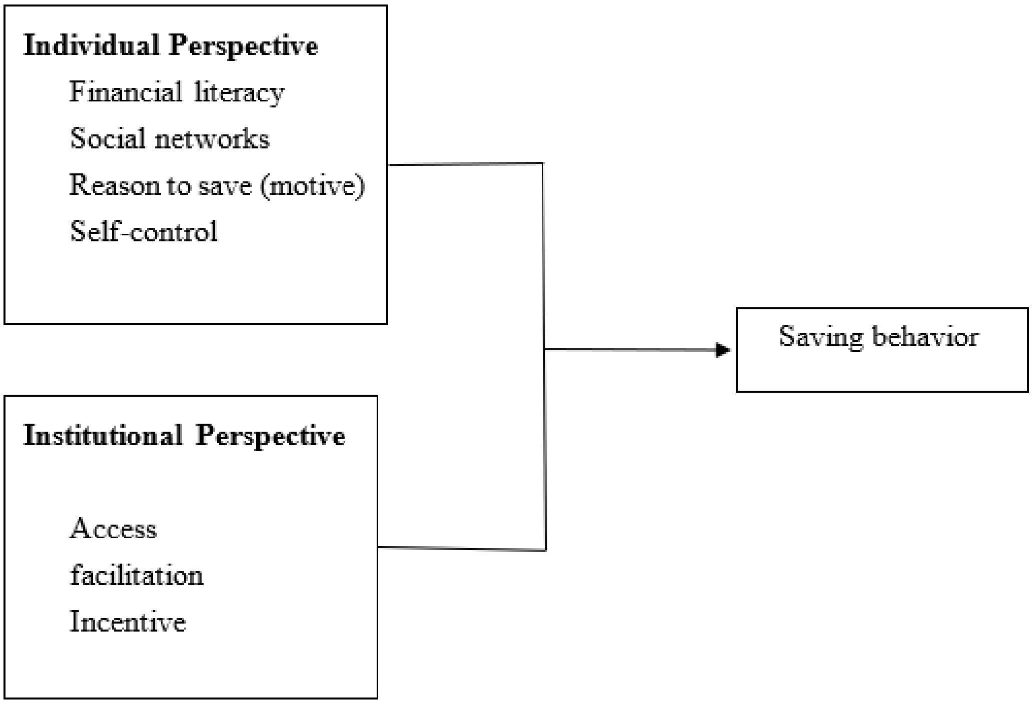
Figure (2.1) Determinants of Saving among Low-Income Individuals in Rural Uganda



Source: Chowa G A. N., Masa1 R D and Ansong D (2012)

The study's findings, which were obtained through the use of hierarchical multiple regressions, indicate that wealth, closeness to financial institutions, financial education, and financial incentives are the key elements for improved saving behavior. According to the findings, institutions need to remove some obstacles so that the poor can and do save. Hanna Heckman (2015) aimed to improve understanding of factors influencing low-income households' saving habits using federal poverty levels established by the US. The first theoretical viewpoint was the person viewpoint, which focused on four factors and was based on the theories of behavioral economics and neoclassical economics. The second theoretical viewpoint was an institutional one, which focused on four variables to show how institutional-level variables affected saving. Factors influencing low-income households' saving habits are shown in Figure (2.2).

Figure (2.2) Individual and Institutional Factors Related to Saving Behavior of Low-income Household from Federal Poverty Thresholds



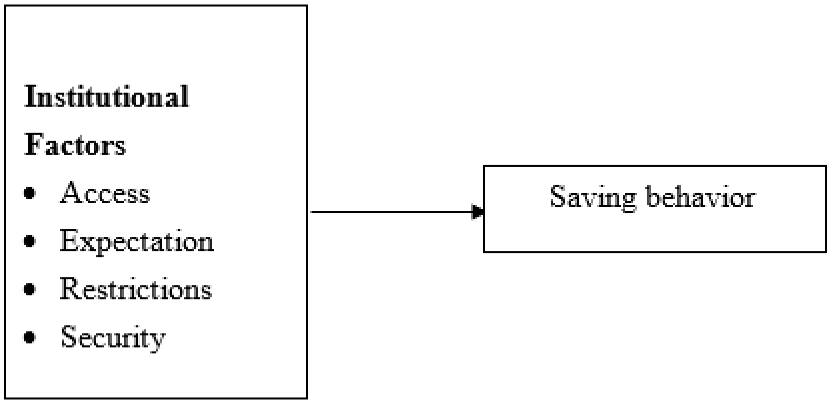
Source: Heckman. S J, Hanna. S D (2015)

Individual perspective and institutional perspective were the two main elements of this paradigm. The conceptual model of individual theory developed by Beverly et al. (2008) and institutional theories developed by Sherraden et al (2010). 5,619 non-retired households with incomes below the poverty line made up the final sample for the two logistic regressions. The study's findings demonstrate how access and facilitation—two important institutional factors—can influence participants' perceptions and level of trust in financial institutions.

(3) Institutional Determinants of Household Saving in Poland

In one of Poland's poorest regions, Anna Magdalena Korzeniowska (2019) investigated to analyze the impact of institutional elements on saving. The theoretical viewpoint was institutional, and it focused on four aspects in order to show how institutional-level influences affected saving. Figure (2.3) illustrates how institutional issues may have an impact on how much money households save.

Figure (2.3) Institutional Determinants of Household Saving in Poland



Source: Korzeniowska. A M (2019).

Beginning in 2018, a sample of 223 people was chosen, taking into account that there are 741.6 thousand households in the study region, allowing for a level of statistical confidence of about 95% and an expected error rate of 6%. The framework for the concept was derived from institutional theories of (Han, & Sherraden, 2009). Using the Kruskal-Wallis test, these apparent discrepancies between respondents were confirmed. Only the situation of expectations seems to have a substantial difference in the assessment of institutional variables; for the other components, the differences appear to be statistically inconsequential. Due to the prominence of factors other than institutional ones affecting household savings, it has been determined that the institutional saving theory is not only relevant in rich nations. Although the respondents believe institutional influences to be significant, they do not rely only on them to guide their actions and judgments when it comes to saving.

2.6 Conceptual Framework of the Study

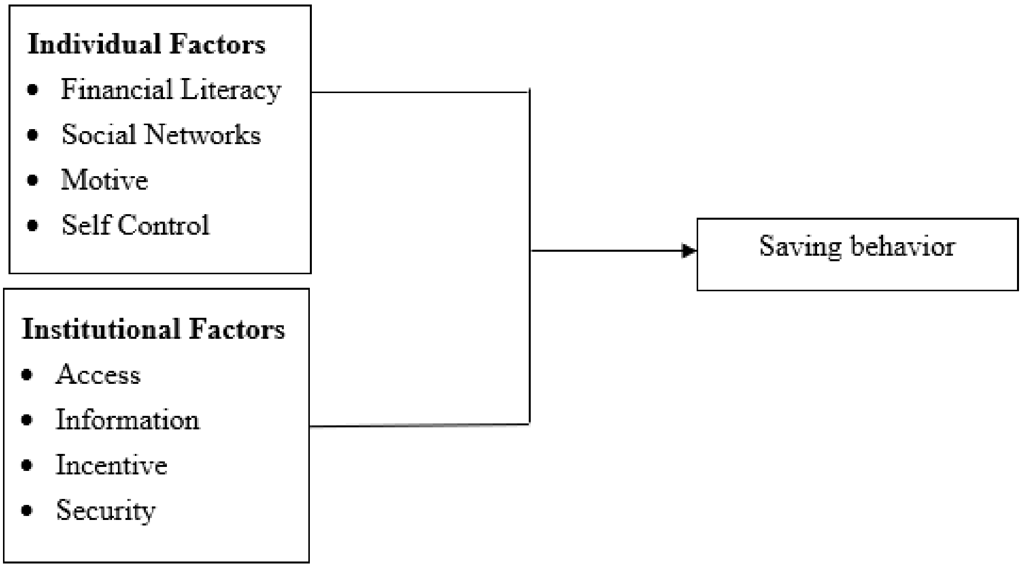
Chowa, Masa, and Ansong (2012) investigated the factors that influence saving and asset accumulation among low-income people from the individual, social, and institutional perspectives. The findings of the study indicate that five factors, including wealth, closeness to financial institutions, financial education, and financial incentives, are important for improved saving behavior.

The authors of the second study are Heckman, Sherman, and Hanna (2015). From two theoretical perspectives, including individual viewpoint and institutional perspective, they investigated variables connected to low-income households' saving behavior within federal poverty criteria. Access, facilitation, and attitudes toward saving are important, according to research.

The impact of institutional elements on saving in one of Poland's poorest regions was examined by Anna Magdalena Korzeniowska (2019) from just one angle: the institutional angle. The findings of the study indicate that expectancy is a key element in improving saving performance.

The findings and model of earlier studies served as the foundation for the conceptual framework of the current investigation. Numerous studies have examined the impact of key factors such as financial literacy, social networks, reason to save (motivation), and self-control on saving behavior with these independent variables of attitude toward saving, economic expectation, perceived locus of control, social network, and self control. These studies primarily reference the theories of (Katona, 1975; Thaler & Shefrin, 1981; Wrneryd, 1999), as well as the other four key factors mentioned above. There have been numerous research done to analyze the impact of institutional factors, another important component element, on saving behavior using the independent variables of access, information, incentives, expectations, facilitation, constraints, and security. In this study, institutional theories of (Sherraden, Schreiner, & Beverly, 2003) model, individual theory of (Bethnal et al., 2008) model, and behavioral economists and economic psychologists theories of (Katona, 1975; Thaler & Shefrin, 1981; Wrneryd, 1999) conceptual model are combined as a new model to study the effect of factors on saving behavior of MFIs users in Yangon division. Figure (2.4) depicts the conceptual framework of the research.

Figure (2.4) Conceptual Framework of the Study



Source: Own Compilation, 2022

The study also used independent variables of access, information, incentives, and securities as these were generally regarded as academicians in prior research to analyze their impact on saving behavior. The study used independent variables of financial literacy, social networks, motive, and self-control as four of the individual factors. As a result, these variables were included in the conceptual framework for the study, which is depicted in Figure (2.4).

Working Definitions

Financial literacy

The term "financial literacy" describes a person's level of knowledge regarding the financial terms and products they now utilize. Additionally, it is anticipated to have a favorable impact on saving habits.

Social network

Social network refers to the degree to which a person's social networks support or dissuade saving. Social networks have discussed how close friends, family, neighbors, coworkers, and members of religious or social groups might impact behavior when it comes to saving money.

Motive

Motive is what drives families to save money. The research study takes into account Stuart Rutherford's (2005) four primary reasons for saving. 4. Investment Needs: growing a business and purchasing. 1. Lifecycle Needs: maintaining consumption during retirement. 2. Personal Emergencies: & 3. Disasters: (precautionary saving).

Self-Control

Factors that affect how much money MFI users save, with a focus on self-control mechanisms, such as saving objectives, planning for future expenses, saving rules, and having a strong self-control habit.

Access

Higher savings are associated to financial organizations that are accessible. Financial institutions that are easily accessible are those that offer quick and easy transactions, minimal costs, and deposit options that can be used immediately. Access also suggests that customers choose the right format or information delivery method to get enough information from the institution. One of the goals that savers define as criterion for where they place their savings is accessibility or access.

Information

In order to integrate rural families into the mainstream financial system, formal financial institutions should make an effort to offer excellent savings services and relevant information to rural households. Receiving information was found to be connected with having a high level of savings accounts among MFI users, particularly information regarding financial institutions and their goods and services.

Incentive

Financial and non-financial institutional variables known as incentives make saving more appealing (Sherraden et al., 2010). Incentive mentions that respondents were getting social welfare payments from MFIs, but it makes no mention of the specific welfare program that was used.

Security

Security is the absence of unreasonably high risk when saving and holding assets (Beverly et al, 2008). In this study, protection from property loss due to threats, theft, fire, or flood, as well as a variety of secure saving policies, programs, and products, are better ways to define security. In the study, researchers looked at whether MFIs adhere to the seven FRD-required standards for client safety. With a primary focus on the client, there are working systems for handling complaints or safeguarding the client against exploitation or abuse. These seven guidelines for protecting customers are: 1) Appropriate product and delivery; 2) Preventing excessive debt; 3) Transparency; 4) Responsive price; 5) Fair and courteous treatment of customers; 6) Privacy of customer data; and 7) Mechanisms for complaint resolution.

CHAPTER III
OVERVIEW OF SAVING SERVICES OF MICROFINANCE IN MYANMAR

This chapter's goal is to provide an overview of Myanmar's microfinance industry's savings services. This chapter is divided into five sections. The government of Myanmar has a role to play in encouraging people to save money, as well as in microfinance, which includes deposit services, regulations, microfinance providers, microfinance savers, and saving practices in Myanmar.

3.1 Role of Myanmar Government in Saving Mobilization

A central bank's primary duty is to uphold the financial sector's stability, which is crucial for a nation's and its citizens' well-being. At the FRD, CBM, and industry levels, there has been a lot of exploration into possibilities and solutions for saving expansion. The government unveiled a national savings strategy that included links into the credit ecosystem, a clearly defined savings enhancement policy, the necessary infrastructure, and an execution program in conjunction with various partners.

The efficient government-led saving mobilizations are linked to a number of cross-cutting actions, such as a policy review, digitization, stability concerns, effective financial inclusion coordination, and the supporting infrastructure, such as the Myanmar Banks Association, the Myanmar Payment Union (MPU), and the newly established Myanmar Credit Bureau Limited. There is a lot of opportunity to use this platform to mobilize formal savings thanks to the Regulation on Mobile Financial Services, which was released in 2016 and laid the groundwork for the licensing and supervision of Mobile Financial Services Providers (MFSPs).

In Myanmar, the banking industry has seen significant regulatory and governmental intervention to assist the mobilization of savings. Interest rate cap was 12% for FY 2010–2011. Until counter this, CBM lowered interest rates during a four-year period to 2014 (8%), with the goal of boosting the economy.

Deposit portfolios have been gradually increasing during the regulatory reform process. From MMK 4,911,000 Million in the FY 2010–2011 to MMK 17,385,000 Million in the FY 2013–2014, the total quantity of deposits in the entire banking industry increased. CBM encourages saving by progressively lowering interest rates, which results in increased bank savings. Savings deposits made up the majority of the total bank deposits, which climbed nearly threefold from FY 2014/15 to FY 2019/20 (MMK 15,000,000 Million to MMK 45,000,000 Million).

Fixed deposit interest rates have decreased since the COVID-19 crisis and now range from 6.25% to 8.5%, while current accounts and foreign currency accounts typically do not yield any interest. Depending on the account's day-end balance, banks offer call deposit accounts between 2% and 5% interest. Savings account interest rates range from 5% to 7%. According to CBM regulations, foreign currency accounts can only be opened for three currencies (the USD, EUR, or Singapore Dollar), and account holders typically have to pay fees of up to 2% of the deposit amount in addition to not receiving interest on their balance. Because there had been a significant outflow of bank deposits since February, there was a loss of confidence in the established financial system in 2021. The primary responsibility of policymakers and bankers following the huge political economic changes and the effects of COVID-19 is to implement a saving program to rebuild the financial industry and in restoring public confidence in the banking sector.

3.2 Role of Microfinance Sector in Myanmar

MFIs have had a strong increase in the past year thanks to the passage of the MFI Law in 2011. The market's available microfinance services are made to be more inexpensive for the poor and lessen the vulnerability of impoverished households. Typically, MFIs provide services and goods to assist small businesses and people in meeting their basic needs. Loans for income generation, loans for agriculture, consumer loans, loans for healthcare and education, client welfare programs, and mandatory and voluntary savings are among the available products. With 188 accredited local and foreign microfinance institutions (MFIs) incorporated as corporations, MFI is currently being given for a wide range of needs. The table 3.1 describes the many MFIs that are participating. There were (2) percent INGOs, (6) percent NGOs, 28% percent international firms, 60 percent domestic companies, and (4) percent partnerships out of the total. The percentage of domestic businesses is the greatest overall, while the percentage of partnerships is the lowest. The state of foreign investment in the MFIs sector is shown in Table (3.1) by the percentage of participating foreign enterprises. Additionally, there are about Ks 2,783,036 million in loans outstanding across all MFIs.

Table (3.1) Type of Microfinance Companies

Type of Microfinance Companies as January-2021	Number	(%)
INGOs	3	2
NGOs	11	6
Foreign Companies	52	28
Local Companies	114	60
Partnership Companies	8	4
Total	**188**	**100**

Source: FRD report (2021)

The advent of the digital revolution offers financial institutions, including MFIs, the chance to broaden their reach and enter rural areas with savings-linked credit products or payments solutions. A small number of MFIs (15 MFIs) in Myanmar have incorporated digital tools including tablets and mobile apps that make it possible for loan officers to collect data more quickly, upload client profiles instantly, and evaluate loan applications. The use of digital savings accounts would also be aided by the development of digital account opening and e-KYC procedures. MFIs are only permitted to operate loan collecting; nonetheless, customer data uploading and loan disbursement are still prohibited by rule.

3.3 Type of Saving Services of MFIs in Myanmar

Mandatory and voluntary savings are the two types of savings services offered by MFIs. These savings products can increase customer creditworthiness, enhancing household borrowing opportunities, particularly in times of crisis. Savings in financial assets rise with the length of MFI program enrollment. mandatory savings. The fact that all MFIs in Myanmar provide microfinance services can be used to illustrate the beneficial influence that credit availability in MFIs has on saving behavior. When providing microcredit, MFIs organizations employ the group-based lending strategy, which necessitates that each user of the MFIs take a loan individually with a requirement to save money. The majority of savings offered by MFIs are required deposits that serve as collateral for loans. Customers must make a predetermined number of periodic or one-time deposits of a certain amount of money. Clients are unable to withdraw the mandatory savings since the MFI maintains them until the loan has been fully repaid. Although it is clear that MFIs need to be able to accept larger amounts of deposits, they are still attracting more deposits as they extend credit to additional regions of the nation. MFIs and cooperatives are the only providers to have established a relationship with this low income end of the market through loans, and as such present a chance to develop that relationship into voluntary savings. Voluntary savings service in MFIs is now in development. Regulatory changes and capacity upgrades may make it possible for some mature MFIs to mobilize savings. Products for mobile credit that are related to saving habits may also promote greater savings. MFIs often require 5% of the total amount of loans disbursed in a year as deposits, however only a small number of MFIs require deposits on a biweekly or monthly basis. Save voluntarily. Voluntary savings, which can be withdrawn immediately or at a mutually convenient later date and are customised with loans, are another type of saving that MFIs offer. This category of savings products is provided by MFIs, with no maximum deposit amount restrictions and a minimal necessary deposit. 10% a year is the maximum voluntary saving interest payment minimum to borrowers. Voluntary saving services offer a variety of savings programs and savings plans. Term deposits and the two types of savings accounts (Normal Account and Loyal Account) are only a few of the voluntary saving options that some MFIs offer to their clients. Other MFIs, however, merely collect a set amount of savings (percentage of one year loan amount). Savings choices may be used by households in some MFI on a daily, weekly, monthly, yearly, or irregular basis. Depending on the saving option, these savings may be used in different ways. Some other MFIs do not appoint deposit officers and loan officers are assigned to assume responsibility for both saving and loan services, whereas deposit officers are hired at one or two large MFIs to specialize in deposit services (do not assign Loan Offer for deposit services). The main factors that affect savings include suppliers, goods, distribution, services, and rules. According to the assessment, financial institutions may affect a person's decision to save and the quantity saved by encouraging the right incentives, offering products and information, enhancing security, and enhancing accessibility to their services. Rapidly rising MFI penetration rates create new prospects for MFIs to mobilize significant amounts of voluntary saving. MFIs are more accommodating, particularly to low-wage workers who work in the unorganized sector. Most savers choose organizations to save with that are easily accessible, safe, and affordable. However, only a small number of MFIs are able to offer consumers a qualified deposit structure with additional options and trained staff members that can specialize the deposit services intervention. Due to inadequate saving practices and a lack of time-saving withdrawal services, MFIs' deposit services fall short of properly serving their customers. Regulators worry that the majority of MFIs in Myanmar are too tiny, unprepared, and immature to provide the general public with sound deposit taking services. Savings are drawn to this ongoing program by their ability to borrow loans, even if MFIs' ability to increase their capacity for deposit-raising needs to be strengthened. Adults accessing products climbed from 3% to 11% of the sample population, according to the MAP Survey-2023, and saving balances increased from 1 million to 3.68 million. With 5,711,670 clients, total MFIs reported a savings deposit amount of K 365,569.87 million in January 2021, according to FRD.

3.4 Regulation of Deposit Service by MFIs

According to the FRD directive, the minimum amount of interest paid for clients who must make deposits is 15% annually, and the minimum amount is 10% annually for consumers who make voluntary deposits. The amount of a mandatory deposit cannot exceed 5% of the client's loan amount, however the amount of a voluntary deposit is not constrained. There are some constraints on deposit taking, despite the fact that existing MFIs are growing the number of mandatory savings accounts for many low-income people when they are linked to the provision of credit. For instance, the maximum mandatory deposit requirement is 5% of each loan's disbursed value. The majority of MFIs accept mandatory savings in the form of collateral. MFIs require liquidity ratios (loan to deposit ratios) ranging from 50% to 100%. As a result, MFIs must pay a high floor interest rate on their whole saving balance, yet they can only make money by lending out a certain percentage of it. When MFIs are allowed to take more deposits, the combination of these two conditions makes it extremely difficult for them to increase deposits. MFIs must first apply to the Ministry of Communications and Information Technology and the Central Bank of Myanmar to establish the Mobile Payment System. Both the Microfinance Law and Directive 4/2013 related to mobile banking, issued by the Central Bank of Myanmar, must be followed by MFIs when conducting business. Even while mobile payment systems give MFIs chances to encourage saving, MFIs are only allowed to distribute loans and accept deposits using these platforms. When creating a strategy for deposit mobilization by MFIs, these are the topics that need to be considered with the industry.

3.5 Saving Behavior in Myanmar

According to the G-20, financial inclusion refers to a situation in which all working people, including those who are now shut out of the financial sector, are able to access formal financial providers for financial services. Making Access Possible (MAP) is a national project to improve financial inclusion through an evidence-based country diagnostic, stakeholder consultation, and market assessment survey process that results in the creation of national financial inclusion roadmaps. FinScope-2013, a demand side survey for MAP diagnostic analysis, was conducted as part of the MAP implementation in Myanmar, and a road map for financial inclusion for the years 2014 to 2020 was also created. FinScope Survey 2018 tracked the development of this road map in order to create the new financial inclusion road-map for 2019–2023.

Savings play a significant part in the financial system, much like other financial products (loans, insurance, and payments), according to the goals of the financial inclusion road-map. Increased savings mobilization across all segments will first support household resilience and then fund investments, job creation, and national growth, according to Strategic Pillar 3 of the new road map. The recommended policies emphasize promoting increased savings through established formal channels. Table (3.2) of the FinScop survey from 2018 shows that due to a lack of options, a weak cooperative movement, and some restrictions on formal financial institutions, savings behavior in Myanmar is concentrated in informal groupings. Since ages, it has been usual in Myanmar for friends, members of social networks, neighbors, and coworkers to develop informal local mechanisms. Although the availability of credit for households continues to be a problem in the banking sector, adult savers are making gains in both the informal and official sectors as well as at home. However, the percentage of adults who do not save has decreased from 62% to 50%.

Table (3.2) More Adults are Saving in 2018

	2018	**2013**
Informal	34%	30%
Formal savings	12%	7%
Banked	7%	4%
Other formal	6%	3%
At home	25%	19%
Do not save	50%	62%

Source: FinScope survey, 2013, 2018

Table (3.3) shows that saving in 2018 has more than doubled through banks, informal groups, in-kind donations, and other regulated financial institutions like MFIs and cooperatives. Saving levels from MFIs have increased from 0.450 million to 1.15 million of the adult population, while saving amounts at banks have increased from 1,4 million to 2,3 million.

Table (3.3) Sector Wide, Saving Progress (2013 to 2018)

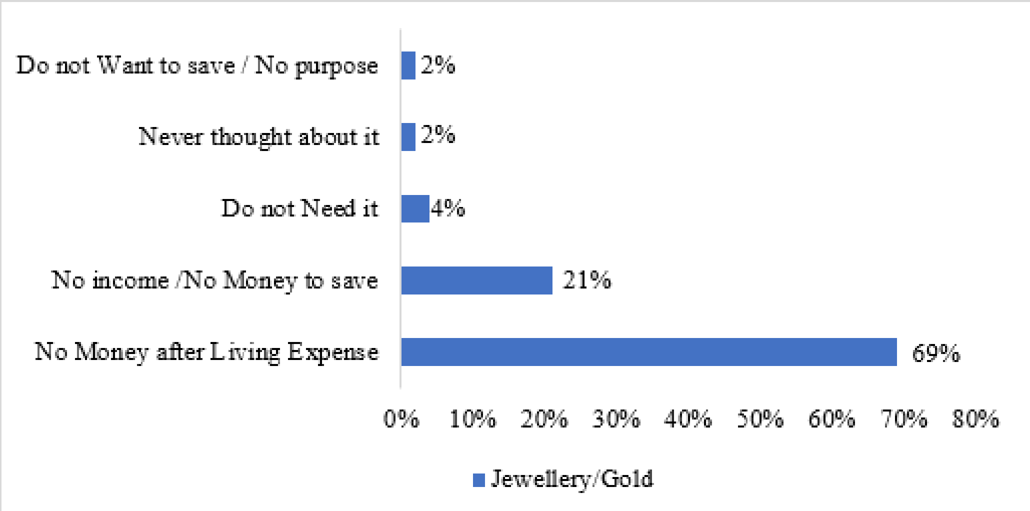
Savings though MFIs, Cooperatives and Savings groups have doubled in 2018

Saving mechanisms	**2018**	**2013**
Savings in a secret place or at home	8,6million	5,3 million
Savings at bank (all savings products at bank)	2,3 million	1,4 million
Savings with / membership with informal group (Su jay)	2,25 million	0.930 million
Savings through MFI	1,15 million	0.450 million
Savings with a cooperative	0.780 million	1.41 million
Savings through investing jewellery/gold	3,9 million	3,3 million
Saving in livestock	1,9 million	3,5 million

Source: FinScope survey, 2013, 2018

According to Fin Scope Myanmar 2018, 50% of adults do not save, while the remaining 50% do so through MFIs as well as through purchasing jewelry or gold-saving items for a variety of reasons. According to Figure (3.1), 69% of people do not save because they have no money left over after covering their living expenses. This is one of the main justifications for not saving.

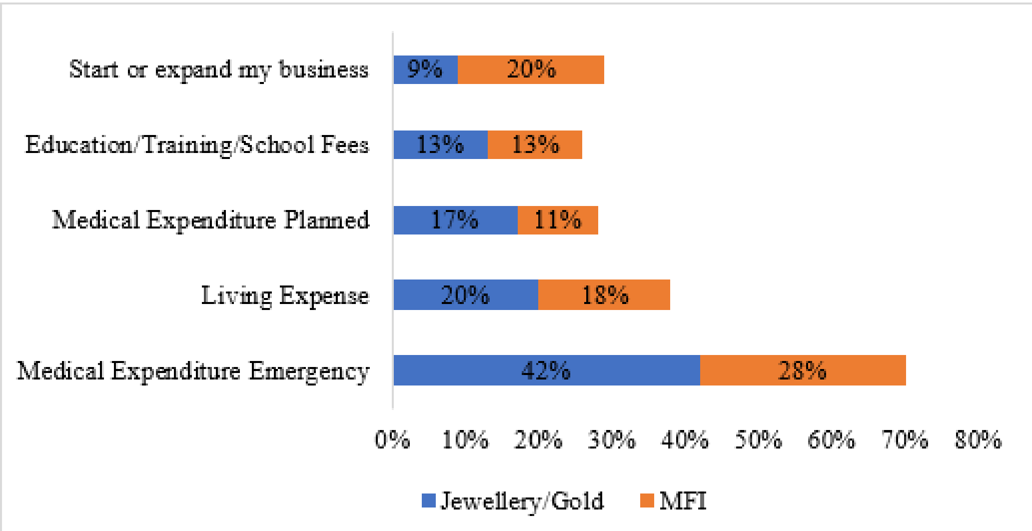
Figure (3.1) Reasons for Non-Saving (%)



Source: FinScope survey, 2018

There are justifications for preserving in figure (3.2). Savings in MFIs and jewelry/gold are included in this. They are the ones who save the most money for emergencies and medical costs. Other justifications for saving include paying for living expenses, starting a business, and budgeting for education and medical costs, respectively. The expansion of formal possibilities that provide individuals more choice and the enhancement of the caliber and applicability of the goods that are readily available can be the driving forces behind such depth of analysis on saving goals.

Figure (3.2) Reasons for Saving (%)



Source: FinScope survey 2013, 2018

3.6 Saving Behavior in MFI

Although they still employ various forms of saving, the people of Myanmar, particularly those who represent the MFIs' target market, prefer official institutions like MFIs. MFI users prefer voluntary saving over compulsory saving because it gives customers more options among the range of saving accounts as opposed to obligatory saving, which is so closely linked to receiving and repaying loans. Because they are operating businesses with consistent income and may save money in normal deposit accounts, the majority of MFI users open normal deposit accounts rather than term deposit accounts. Few jobs with decent salaries and business owners have additional cash to save; as a result, they are more likely to choose term deposits. On the other hand, there are MFI users who cut back on their spending to save money, particularly by reducing wasteful spending, and MFI users who set aside portion of their earnings or salary as savings. They have a plan to cut costs. They set aside money specifically for equipment purchases, home repairs (such as replacing bamboo roofs with zinc roofs), meeting daily expenses, and disaster preparedness.

1) Individual Factors for Saving Behavior

To create marketing strategies and provide services, it is essential to comprehend the aspects that affect people's saving habit. Individual characteristics (financial knowledge, social network, and physiological behaviors) determine whether or not people save (motive, self-control). MFIs are the entities in Myanmar that sporadically evaluate the particular elements that are most effective in promoting saving. As a result, there are still certain issues with MFIs' provision of saving services. Among the difficulties is the poor financial literacy of certain MFI users. They are unable to check their balance in their savings books. As many of them are relatives and neighbors who save jointly at the same location, such as social saving groups or MFIs, in order to keep their ties, social networks have also become a significant aspect. To support pleas for saving, it is also necessary to understand the saving intentions of the people involved. The current study may be pertinent to understanding the motivation for saving and the factors that influence that motivation. According to the fin-scope survey (2018), unanticipated accidents are the main reason people save money, however in this study, equipment expenses and home improvements are among the top reasons. In order to predict saving, it is also necessary to take saving willingness into account. People must decide on something that takes a lot of devotion and willpower.

As a result, financial literacy, motivation, social networks, and self-control are significant among MFI users as individual characteristics. Financial literacy has drawn a lot of attention and is seen to be a major element in encouraging people to save money. These elements were chosen to be examined separately, and it is also necessary to analyze them to determine how they affect the way MFI users save money.

2) Institutional Factors for Saving Behavior

Today's MIFs in Myanmar also pay little attention to institutional variables like policies, delivery methods, and client technical assistance, which are crucial in determining how MFI customers save. According to institutional theory, individuals can save when they are encouraged and directed by financial organizations' institutional structures. The saving behavior is influenced by a variety of institutional influences. One crucial element is the incentive, which stands for actions taken to encourage more savings. Because MFIs viewed savings as a kind of collateral when MFI users failed to make loan payments, particularly during the Covid-19 period and the economic crisis, there is currently little trust in MFIs' saving services. Therefore, MFI customers who still owe money on their loans cannot withdraw their savings. In this instance, MFI users were unable to shout for help from the authorities. It appears that MFIs do not have effective client protection mechanisms and do not give clients with adequate information or an accessible communication channel. Due to the MFIs' shortcomings, customers are seeking more secure and easily accessible savings options with strong incentives and adequate information. The study identified a number of institutional characteristics, including financial literacy, access, incentive, and security, and examined their effects on MFI users' saving patterns.

CHAPTER IV
ANALYSIS OF THE EFFECT OF FACTORS ON SAVING BEHAVIOR OF MICROFINANCE USER IN YANGON DIVISION

The impact of several variables on microloan users' saving habits is examined in this chapter. There are four sections in this chapter. The first section described the research design, while the second covered the demographic information and saving habits of the respondents. The third section includes a descriptive study of the impact of the factors, and the last section includes a regression analysis of the impact of the factors on saving behavior.

4.1 Research Design

The study investigates how variables affect the saving habits of microloan borrowers in the division of Yangon. Both voluntary savers and MFI users are included in the population scope. They don't employ more than two MFIs. The study was restricted to four significant MFIs in the Yangon division that pay close attention to voluntary saving services. The research study is of the descriptive type. The majority of the data are based on original data collecting. Four significant MFIs are chosen as the sample size 202 for the primary data collection. Yamane (1973) chose 202 sample responders at a margin of error of 0.07 using the formula n=N/(1+N(e)2) = 202. 200 participants in the survey provided the main data for this study. The descriptive research approach was used to assess the demographic characteristics of the respondents, and the data was presented as total frequency, percentage, pie charts, and bar graphs. To determine the degree of agreement among respondents, use a scale of 1 (totally disagree) to 5 (strongly or completely agree) for each item included in each element. This type of study used both qualitative and quantitative research for the rating approach. Qualitative data is converted into quantitative information using a five-point Likert scale. The statistical calculation approach was carried out by the use of SPSS 22 Statistical calculation software to study the effect of one variable to another variable. The relationship between each factor in the independent variable (individual variables and institutional factors) and the dependent variable can be explained through the use of Pearson Correlation analysis (saving behavior). Each factor's impact on the users' saving behavior for MFIs is explained in depth by linear regression analysis of the statistical data.

4.2 Profile of Respondents

These respondents' profiles are separated into two categories. Table 1 lists the seven characteristics of the respondents in the first half, including their age, marital status, occupation, number of family members, and average monthly income (4.1). The second portion of the questionnaire asks respondents about their saving habits, including their average monthly savings and their motivations (see Table) (4.2)

The gender breakdown in percentage and quantity is shown in Table (4.1). According to the survey, women make up 94%% of respondents, while men make up only 6%. It is discovered that 188 of the responders are women and 12 are men. It is clear that there are more female groups in MFIs than male groups. The majority of MFI users are female, which explains this.

Due to MFIs' policy of allowing customers between the ages of 18 and 60 to use their financial products, this table also demonstrates that all respondents fell within this age range. 60% of the responders are primarily between the ages of 31 and 40. followed by those between the ages of 18 and 30 (7%), 41 to 50 (20%), and over 50 (13%). There are four categories for material status: single, married, widowed, and divorced. According to the data, the vast majority of respondents (70%) are married, whereas 13% are single, 10% are widowed, and 7% are divorced. This suggests that married people make up the majority of households in rural locations. Further questions on the respondents' education levels were posed to them. As seen in the table, 34% of respondents overall attended high school, however 50% of respondents did not complete their high school education. The majority of respondents (55%) work in the trading industry, which is followed by farmers (15%), workers (11%), livestock (7%) and other occupations (5–3%) (11%).

Monthly income for responders is shown in Table (4.1). 28 (%) of respondents, or those with an income between 400,000 and 500,000 Kyats, are in the majority.

Table (4.1) Profile of Respondents

Gender	No of Respondents	Percent %
Male	12	6
Female	188	94
Total	**200**	**100**
Age (in year)		
18 - 30	14	7
31- 40	121	60
41- 50	39	20
> 50	26	13
Total	**200**	**100**
Marital Status		
Single	26	13
Married	141	70
Widow	20	10
Divorced	13	7
Total	**200**	**100**
Education Level		
illiterate	2	1
Primary school	45	22
Middle School	52	26
High School	70	34
Graduate	31	16
Total	**200**	**100**

Source: Survey Data, 2022

Table (4.1) Profile of Respondents (Continued)

Type of Occupation	No of Respondents	Percent
Agriculture	29	15
Fishery	5	3
Livestock	13	7
Home Industry	9	4
Trading	109	55
Employee	25	11
Others	10	5
Total	**200**	**100**
Income Level (kyats)		
<200000	3	2
200000 – 300000	10	5
300000 – 400000	47	24
400000 – 500000	55	28
500000 - 600000	49	25
600000 - 700000	26	13
>700000	10	5
Total	**200**	**100**
Number of Family Member		
1 to 3	36	18
4 to 5	79	39
6 to 10	73	37
More than 10	12	6
Total	**200**	**100**

Source: Survey Data, 2022

4.3 Saving Behavior of Respondents

This section consists of two parts such as saving amount of respondents and reasons of saving by respondent as show in Table (4.2).

Table (4.2) Saving Behavior of Respondent

Description	No of Respondents	Percent
Saving Amount Kyats		
Under 50000	49	25
50001 - 100000	59	30
100001 - 200000	48	24
200001 - 300000	26	13
Above 300000	18	9
Total	**200**	**100**
Reason of Saving		
I save for the education of children	34	17
I save my money for my old age	28	14
I save my money to expand my business	31	16
I save my money for a disaster	34	17
I save my money for Emergencies	36	18
To buy equipment or improving my house	37	19
Total	**200**	**100**

Source: Surveyed Data, 2022

According to the report, there are roughly five tiers for the approximate monthly average saving amount. The dispersion of user saving rates for MFIs is shown in Table (4.2). According to the table, 30% (59 out of 200) of respondents save between 5001 and 100,000 kyats, and 25% (49 out of 200) of respondents save less than 50,000 kyats. People save things for a variety of reasons. The practice of saving is a coping mechanism for difficult times, such as those caused by calamities or natural disasters. According to respondents' saving patterns, 19% of all customers surveyed said they saved money to acquire equipment or improve their homes. The second reason is that 18% of your income should be set aside for emergencies since an emergency fund is a backup plan in personal financial planning. 17% of the remaining causes for disasters and 17% of the causes for educating youngsters remain. 16% intend to make business investments, and 14% plan to rely on it after retirement.

4.4 The Individual Factors and Institutional Factors of Microfinances Users

The structured questionnaire for 8 criteria had a total of 51 items.

The dependent variables are examined using a Likert scale model, which ranges from 1 (strongly disagree) to 5. (strongly agree). a While standard deviation, variance, and skewness are used to assess data variability, means, medians, and modes are used to quantify the central tendency of the data. Using the ideal sampling size, information for the structured questionnaire was gathered from 200 respondents at 4 MFIs. Data analysis was successful using SPSS (Statistical Package for Social Sciences), and the validity was demonstrated using appropriate statistical means and standard deviations. This questionnaire looks at both individual (such as social networks, financial literacy, motive, and self control) and institutional (such as institutional determinants) influencing factors (such as access, information, incentives and expectations).

Table (4.3) Rating Scale

Score	Opinion
1.00 - 1.80	Very Low
1.81 - 2.60	Low
2.61 - 3.40	Average
3.41 - 4.20	High
4.21 - 5.00	Very High

Source: Best (1977)

On a 5-point Likert scale, according to Best (1977), the mean score from 1 to 1.8 is the lowest, followed by 1.81 to 2.60, 2.61 to 3.40, 3.41 to 4.20, and 4.21 to 5 (which is the highest/very good). Additionally, a standard deviation of less than one is seen as indicating no major differences in the responses, but a standard deviation of more than one denotes considerable variances in the responses.

(1) Individual Factors

The first model was focused on individual-oriented viewpoints to evaluate the impact of explanatory independent variables such social networks, financial literacy, and psychological characteristics on the saving behaviors of MFIs users (motive and self control).

Financial Literacy

The study looked at the connection between MFI users' saving choices and their financial literacy. As a result, the analysis begins with the frequency and percentage of the descriptive statistics for the degree of agreement on a five-point Likert scale for financial literacy (Table 4.4). Where; 1 = strongly disagree, 2 = Disagree, 3 = Undecided, 4 = Agree and 5 = Strongly Agree

Table (4.4) Financial Literacy

Sr. No.	Financial Literacy	Mean	Standard Deviation
1.	Having better understanding about saving products and procedures of MFIs.	3.79	0.75
2.	Having more knowledge in preparing monthly expenditure	3.70	0.76
3.	Having better understanding how to prepare deposit from little income.	3.75	0.74
4.	Having saving practice is for future retirement rather than short term need	3.60	0.78
5.	Easy to check the balance in saving book.	3.68	0.82
6.	Having better knowledge about benefit of saving	3.70	0.86
	Overall Mean	**3.70**	

Source: Survey Data, 2022

The results from Table (4.4) show that respondents with the highest mean scores—3.79 for respondents who have a better understanding of the saving products and procedures of MFIs they currently use—and respondents with the second-highest mean scores—3.75 for respondents who have a better understanding of how to prepare deposits from modest incomes—have the highest levels of financial literacy when it comes to saving for future retirement.

Social Network

Users of an MFI were asked to react to seven statements about the utility of social networks, their interactions with friends, and the advice or financial understanding of their neighbors and friends as part of this descriptive analysis on the impact of social networks on saving patterns.

Table (4.5) Social Network

Sr. No.	Social Network	Mean	Standard Deviation
1	Participating in social saving activity to maintain the friendship.	3.38	0.92
2	Neighbors always advise to take saving services of MFIs	3.65	0.84
3	People become members of MFIs based on social networks.	3.42	0.88
4	Ideas for saving practices are used to share among friends	3.51	0.96
5	Participating in money spending activities to maintain the friendship.	3.40	0.82
6.	Amount of saving and spending with friends is always compare	3.03	1.00
7.	Neighbors and friends are good example in money management to save	3.58	0.93
	Overall Mean	**3.42**	

Source: Survey Data, 2022

In Table (4.5), neighbors always recommend using the savings services of MFIs, and the component with the second-highest mean score, 3.58, is that neighbors and friends are strong role models for sound money management. The constant comparison between savings and social spending is 3.03. These findings led to the conclusion that social networks and friendship motivate clients to use financial services from MFIs and that this encourages saving, even when they occasionally spend their money out of friendship.

Motive

There are six questions in table (4.6) to assess the respondent's reasons for saving. Respondents were asked to score the items that described their motivation for saving. The item "Saving is for buying equipment or renovating my property" is scored best in terms of motive, according to the results, with a mean of 3.74, while the item "Saving is the financial plan for old life" has the lowest mean, at 3.14.

Table (4.6) Respondents by Motive

Sr. No.	Motive	Mean	Standard Deviation
1.	Goal for saving is to support the children's education	3.59	0.67
2.	Saving is the financial plan for old age	3.14	0.92
3.	Saving is to expand my business	3.25	0.91
4.	Saving is for a disaster such as flood, fires or cyclone.	3.50	0.83
5.	The purpose of saving is for personal Emergencies such as sickness or accident or unemployment	3.68	0.86
6.	Saving is for buying equipment or improving my house	3.74	0.78
	Overall Mean	**3.48**	

Source: Survey Data, 2022

Rural households' current saving efforts are concentrated on short-term needs, such as bicycles for their children to use to get to school and generators, motors, or machinery to power their businesses, rather than on smoothing future consumption (Life Cycle Motive). As a result, rural households' primary motivation for saving in formal institutions was to fund short-term activities rather than long-term plans or goals.

Self-Control

In this study, self-control was determined by a person's strong will to limit their financial use, their ability to stick to a budget, and their capacity to resist their urges to buy goods they actually need rather than want. When people have willpower and knowledge, saving money will be easier due to their self-control.

Table (4.7) Self Control

Sr. No.	Self Control	Mean	Standard Deviation
1.	Do not hesitate to spend for social activities to maintain friendship	4.11	0.82
2.	Setting saving goals for saving is always achieved .	3.52	0.94
3.	Short run need is more important rather than long run need.	4.17	0.75
4.	Having high will power to not to purchase unnecessary items	4.04	0.78
5.	Better controlling on spending money	3.26	0.96
6.	Never fail to Follow the financial plan	4.18	0.74
7.	Never fail to control spending money	4.13	0.78
	Overall Mean	**3.91**	

Source: Survey Data, 2022

According to Table (4.7), the respondents with the highest means (4.18) and lowest mean scores (3.26) who consistently followed their financial plans had better control over their expenditures. According to the mean scores for the statement, respondents claim to follow their financial plan and avoid spending money on unnecessary items, but they are more concerned with their immediate circumstances than with the long term. They therefore save for their immediate necessities.

(2) Institutional Factors

Seven institutional-level dimensions are used to calculate the effects of independent explanatory variables on the saving habits of MFI users. Out of the seven institutional variables, the study only places attention on four (access, information, incentives, and expectations).

Access

Access was evaluated in the study based on MFI functioning, cost effectiveness, level of support, and ease of access to their products. As a result, respondents with higher mean scores have more readily available saving services, and vice versa..

Table (4.8) Access

Sr. No.	Access	Mean	Standard Deviation
1	To start a deposit account in MFIs is much cheaper	3.60	1.01
2	Transporting cost is very low to reach MFIs	3.52	0.90
3	Due to the less paper works, it is convenient to save in MFIs	4.00	0.91
4	Saving deposit or Withdrawal in MFIs do not affect my working hours	3.63	1.06
5	There are less restrictions to save my money in MFIs	3.24	1.08
6	MFIs located near the clients' house is more convenient to save	3.49	1.01
	Overall Mean	**3.48**	

Source: Survey Data, 2022

The data for access, one of the institutional factors that is being used as an independent variable in this sentence, are shown in Table (4.8). According to the table, the highest mean value is 4.00, and the lowest mean value is 3.24. These results are attributable to the fact that there is less paperwork, saving money in MFIs is convenient, and there are less restrictions on doing so. Although they oppose some limits, customers can obtain financial services. By encouraging and utilizing digital innovation in the delivery of saving services, it is necessary to reduce the travel costs and paperwork involved in accessing a saving option.

Information

The availability of knowledge influences respondents' saving activity to varying degrees, according to seven questions. With more knowledge, respondents save more, and vice versa, as indicated by a higher mean score.

Table (4.9) Information

Sr. No.	Information	Mean	Standard Deviation
1.	Clients received enough information from financial institutions such as MFIs	3.87	0.98
2.	MFIs are the main source of information about Saving	3.92	0.93
3.	Information from MFIs provide me some of benefit of saving	3.65	0.91
4.	Financial Information (saving amount & Schedule) support in decision making to save	3.72	0.97
5.	Financial information from MFIs motivates clients to save	4.40	0.87
6.	Information from MFIs are easy to access for local people.	3.81	0.90
7.	MFIs are providing information on time.	3.36	1.05
	Overall Mean	**3.82**	

Source: Survey Data, 2022

The highest mean value in Table (4.9) is 4.40, and the second highest mean value is 3.92. These statistics show how financial information from MFIs encourages clients to save money, and how MFIs are the primary source of saving-related information. The lowest respondent also agreed with the assertion that MFIs provide information on time, and their mean response was 3.36. These findings suggest that providing customers with information is one of the greatest methods to encourage them to save, and that MFIs are giving consumers adequate information but not in a timely manner. The study also demonstrated that MFIs are sources of information for clients and that they give them access to enough information. However, sometimes clients were not interested in information because there was no incentive, and information was ineffective because there was no prompt informing. In addition, many people were unable to receive information because MFIs did not give it in an accessible format.

Incentive

The availability of incentives, such as credit availability, interest paid, and other alluring incentive programs, might influence respondents' saving behavior to varying degrees, according to five questions. Thus, a higher mean score translates into more saving behavior to more MFIs that offer incentives, and vice versa..

Table (4.10) Incentive

Sr. No.	Incentive	Mean	Standard Deviation
1	Credit availability is the factor that drive me to save	3.52	0.83
2	Being satisfied with current incentive.	3.49	0.89
3	Saving product with higher interest rate is better	3.67	0.88
4	MFIs provide saving product with more incentive program are better to save more	3.72	0.83
5	The more receiving incentive leads the people want to save more.	3.79	0.76
	Overall Mean	**3.64**	

Source: Survey Data, 2022

The assertion that obtaining more incentives makes people desire to save more has the highest mean value in Table (4.10) at 3.79, while the statement that MFIs offering more incentives make it better to save more has the second-highest mean value at 3.72. The response rate with the lowest number of respondents who agree with the statement is 3.49. Conclusion: The current incentive in MFIs is not particularly alluring to clients.

Security

The individual mean score for the security factor for the seven questions is shown in Security Table (4.11). The statement with the highest mean score, "To conserve money, MFI is secure location that protecting from threats of misplacement, theft, and destruction," had a mean of 3.80. The statement with the second-highest mean score, 3.70, is "Security that comes with saving motivates me to save."

Table (4.11) Security

Sr. No.	Security	Mean	Standard Deviation
1.	Saving at MFI is more secure than saving at home	3.48	0.96
2.	Saving policies are fair and respectful treatment to clients	3.41	0.87
3.	MFIs have sound complain response mechanism for clients' issues	3.23	0.99
4.	Consumer protection mechanisms is supportive to clients	3.34	0.94
5.	To save money, MFI is secure place that protecting from threats of misplacement, theft, and destruction	3.80	0.99
6.	Choosing formal saving is to minimize risk	3.68	0.99
7.	Security that accompany saving motivate me to save	3.70	0.78
	Overall Mean	**3.52**	

Source: Survey Data, 2022

The second lowest mean score for the statement that consumer protection measures are helpful to clients is 3.34, while the lowest mean score for the statement that MFIs have good complaint response systems for customers' difficulties is 3.23. The findings indicate that respondents thought deposits made in MFIs were safer than those made in informal organizations or kept hidden at home. But the effectiveness of client protection initiatives in MFIs to safeguard customers is still debatable.

Analysis of MFIs User' Saving Behavior

The descriptive analysis of the impact of factors on MFI users' saving behavior is presented in this section. The statements that describe the respondents' saving habits were given a score. A higher score indicates that respondents have good saving habits, and vice versa. As seen in the Table (4.12).

Table (4.12) Saving Behavior

Sr. No.	Saving Behavior	Mean	Standard Deviation
1	Saving is to achieve certain goals	3.70	0.85
2	Setting aside some money from income or salary for saving	3.69	0.74
3	Money is always available in the event of emergency	3.70	0.75
4	Willing to save until the end of loan repayment	3.44	0.79
5	Using recycling product to save money.	3.53	0.72
6	Comparing prices before making purchase in order to save money	3.49	0.89
7	In order to save, it's need to plan to reduce expenditure.	3.97	0.80
	Overall Mean	**3.64**	

Source: Survey Data, 2022

The statement that, in order to save money, one must make a plan to cut expenses has the highest average score (3.97) and the second-highest average of (3.70) Savings are made with the intention of achieving certain objectives and serving as emergency funds. It follows that when people save, they are doing it with a strategy and a specific aim in mind, such as being cautious in case of an emergency. The willingness to save until debt payback is complete receives the lowest mean score (3.44), while the willingness to compare costs before making a purchase in order to save money receives the second-lowest mean score (3.49), respectively. According to the range of mean scores, it is also possible to draw the conclusion that respondents are aware of the advantages of saving, which motivates them to do so primarily for certain objectives, purposes, and emergency needs. As a result, users of MFIs generally practice positive saving habits.

Overall effect of factors on Saving Behavior of MFIs User

The study discovered that all persons are at the high level between 3.41 and 4.20 based on the mean values of descriptive statistics of the individuals and institutional elements. Self-control had the highest mean score among them. (Table 4.13)

Table (4.13) Overall Average Score for Individual Factors

Sr. No.	Overall effect of individual factors on saving behavior	Mean	Standard Deviation
1	Financial Literacy	3.70	0.785
2	Social Network	3.42	0.907
3	Motive	3.48	0.828
4	Self Control	3.91	0.824
	Overall Mean	**3.627**	

Source: Survey Data, 2022

The study discovered that all institutional are also at the high level between 3.41 and 4.20 based on the mean values of descriptive statistics for the institutional components. Information had the highest level of mean ratings, whilst access had the lowest level of mean scores. (Table-4.14)

Table (4.14) Overall Average Score for Institutional Factors

Sr. No.	Overall effect of individual factors on saving behavior	Mean	Standard Deviation
1	Access	3.48	0.99
2	Information	3.82	0.12
3	Incentive	3.64	0.93
4	Security	3.52	0.86
	Overall Mean	**3.615**	

Source: Survey Data, 2022

4.5 Reliability Test for Variables

Cronbach's alpha, often known as the dependability coefficient, measures how well a group of items is positively associated with one another. After the survey, the Cronbach Alpha coefficient was used to assess reliability.

Table (4.15) Reliability Test

Sr. No.	Items	No of Items	Cronbach's Alpha
1	Financial Literacy	6	.788
2	Social Network	7	.743
3	Motive	6	.795
4	Self Control	7	.823
5	Access	6	.780
6	Information	7	.736
7	Incentive	5	.804
8	Security	7	.827
	Overall Reliability	**51**	**.787**

Source: Surveyed Data, 2022

A study would pass a trustworthy test if it produced consistent results, according to Table 4.14. The reliability values range from 0 to 1, with values closer to 1 indicating more internal consistency or reliability. Internal consistency or Cronbach's alpha values of 0.7 or higher are considered to be typically acceptable values. Motive, financial literacy, and access make up six of the elements in the aforementioned Table with a Cronbach alpha coefficient of above 0.7, while self-control, social network, information, and security factor make up seven of the items. The incentive factor included 51 total items and 5 items with a Cronbach alpha coefficient of.795 each. Since all of the factors in this table have Cronbach's alpha values more than (0.7) and the overall Cronbach's alpha value is 0.787, the composition of the items is stated to be extremely consistent in the variables.

4.6 Analysis on the Effect of Individual Factors on Saving Behaviors

Correlation coefficients are determined using correlation analysis prior to regression analysis. The correlation coefficient can be used to determine the degree of link between two variables. If the correlations have p 0.01 or p 0.05, respectively, they are deemed significant. The classification of the relationship between variables as "r" ranges from -1 to +1, with "positive" denoting positive correlation, "negative" denoting negative correlation, and "zero" denoting no correlation between variables..

Table (4.16) Correlations Analysis on the Relationship between Individual Factors and Saving Behavior

Sr No	Factors	Correlation Coefficient	P-Value (Sig)
1	Financial Literacy	0.489**	0.000
2	Social Network	-0.026	0.711
3	Self Control	0.149*	0.035
4	Motive	0.345**	0.000

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation is weak if it is less than 0.1; mild if it is between 0.3 and 0.5; moderate if it is between 0.5 and 0.8; strong if it is greater than 0.8;

Financial literacy is a significant component with a positive value at (p0.01, r = 0.489 and a moderate link with saving practices of MFI users, according to Table 4.16. It is followed by purpose (p0.01, r = 0.345) and self control (p0.05, r = 0.149). Social network is a non-significant and detrimental factor (p>0.05, r = -0.26). Therefore, financial awareness is the component that influences the relationship between saving habits, followed by motivation, since it was noted that raising clients' financial literacy levels encouraged them to discipline their saving.

According to Salleh (2016), a moderate effect size is often seen to be one where R-squared, also known as the coefficient of determination, is between 0.5 and 0.7, and a large effect size is generally thought to be one where R-squared is greater than 0.7.

The findings indicate that there are just two major components. The results of the regression are shown in Table (4.17) regarding the influence of various factors on saving behavior. At the 1% level, the value of F is significant (F = 20.661, P 0.01). This means that the study model is significant to test the effect of individual factors on saving behavior.

Table (4.17) Analysis on the Effect of Individual Factors on Saving Behavior

Variable	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Std. Error	Beta		
(Constant)	1.816	.293		6.194	.000
Financial Literacy	.376***	.056	.431	6.762	.000
Social Network	-.070	.052	-.084	-1.361	.175
Motive	.204***	.052	.250	3.916	.000
Self Control	-.009	.053	-.011	-.170	.865
R	.546				
R Square	.298				
Adjusted R Square	.283				
F value	20.661***				

Source: Survey Data, 2022

Notes: *** = Significant at 1% level, ** = Significant at 5% level, * = Significant at 10% level

The correlation between two variables (Adjusted R2 is 0.283). It demonstrates that the components self-control, purpose, social network, and financial literacy account for 28.3% of the overall variation in saving practices of MFIs. The influence of motivation and financial literacy self-control on decision-making to save is shown in this table. Its value is significant at the 1% level (r=0.204, p 0.01) and (r=0.376, p 0.01), respectively. If MFIs put more effort into educating their clients about money matters, saving behavior will increase by 43.1%. MFIs, on the other hand, raise consumer motivation to save by 25%. However, the effect of social network and self-control on saving behavior did not significantly affect the decision to save in MFIs as shown by p > 0.05. As result, saving behavior is not related to social network and self-control of MFIs users.

4.7 Analysis on the Effect of Institutional Factors on Saving Behavior

Table 4.17 (Pearson Correlation Analysis) illustrates how each factor's degree of deviation from the dependent variable varies (saving behavior). In this table, security is the most significant and positive factor. It has a strong correlation with MFI users' saving behaviors (p0.01, r = 0.534), followed by access's moderate correlation factor (p0.01, r = 0.255), information's modest correlation factor (p0.05, r = 0.171), and incentive's modest correlation factor (p>0.05, r = 0.28), which is significant but not significant. Therefore, security has a substantial correlation with saving behaviors, followed by access, which demonstrated that improving security and making financial deposit services more available encouraged customers to save more money.

Table (4.18) Correlations Analysis on the Relationship between Institutional Factors and Saving Behavior

Sr No	Factors	Correlation Coefficient	P-Value (Sig)
1	Access	0.255**	0.000
2	Information	0.171*	0.015
3	Incentive	0.028	0.689
4	Security	0.534**	0.000

*. Correlation is significant at the 0.05 level (2-tailed).**. Correlation is significant at the 0.01 level (2-tailed).

Linear regression was used to examine the impact of institutional characteristics on saving behavior. The findings of the regression analysis are described in Table (4.19). According to the institutional model of saving, institutional arrangements and institutional constructions are primarily responsible for household savings.

Table (4.19) Analysis on the Effect of Institutional Factors and Saving Behaviors

Variable	Unstandardized Coefficient		Standardized Coefficient	T	Sig
	B	Std. Error	Beta		
(Constant)	1.825	.283		6.442	.000
Access	.124***	.042	.178	2.971	.003
Information	-.047	.048	-.058	-.979	.329
Incentive	.053	.048	.070	1.121	.264
Security	.386***	.045	.530	8.508	.000
R	.574				
R Square	.330				
Adjusted R Square	.316				
F value	23.973***				

Source: Survey Data, 2022

Notes: *** = Significant at 1% level, ** = Significant at 5% level, * = Significant at 10% level

According to Salleh (2016), a moderate effect size is often seen to be one where R-squared, also known as the coefficient of determination, is between 0.5 and 0.7, and a large effect size is generally thought to be one where R-squared is greater than 0.7.

According to the calculated multiple linear regression model, the overall significant of the model is highly significant at the 1% level, and this specific model can thus be declared to be valid based on the value of the F test. This suggests that the overall regression model, which includes these five independent variables, is able to adequately account for the variety of influencing factors that social media marketing has on brand equity. The model's R-squared value is 0.330, meaning that all of the contributing factors—information, incentive, security, and access—can account for 33% of the variation in MFIs' saving behaviors. According to the table, security and access have a positive correlation with users of MFIs' saving habit, and their respective values are significant at the 1% level (r=0.386, p 0.01) and (r=0.124, p 0.01) This suggests that if MFIs make financial services to clients more secure, their saving behavior will improve by 53%, while if MFIs make financial services to customers more accessible, their saving behavior will improve by 17.8%. Information has a negatively insignificant association with saving behavior among institutional-level predictors, while incentive has a positively insignificant link.

CHAPTER V
CONCLUSION

In MFIs, saving is a component of financial services. MFIs must have better service options, better legal support, and a greater emphasis on each of these things for it to operate effectively (progress factors and failure factors). This chapter suggests and discusses key elements and difficulties in the saving mobilization service delivery channel.

5.1 Finding and Discussion

The main objectives of this study are to define the saving habits of microfinance users in the Yangon division, investigate the institutional and individual factors affecting these users, and assess the impact of institutional and individual factors on the saving habits of microfinance users in the division. A systematic questionnaire is used to collect primary data from 200 MFI clients who are existing customers of the four main MFIs, including LOLC Myanmar Microfinance, Myanmar Finance International Limited, Dawn Microfinance and Sathapana Limited Myanmar Ltd. Users of MFIs are asked about their saving habits and attitudes in survey questions. They only use a maximum of 2 MFI.

It has been discovered that practically all of the survey respondents are female since MFIs place a strong emphasis on enhancing women's financial empowerment and household cash flow management abilities. Single consumers can, however, control their spending to save money. It is evident that 60% of the population is between the ages of 31 and 40. The majority of people in these age categories are employed and have a steady income to save. The sample size's minimal contributions from widowed and divorced women lead us to the conclusion that most of these woman-headed households are minorities and have financial difficulties. It suggests that MFIs should take into account their educational background when developing relevant financial literacy courses and reliable information sources. Most of them lack a high school diploma and are undergraduates in terms of schooling. Results of the survey demonstrate the variety of occupations. Respondents who work in industries like agriculture, fishing, and livestock prefer to save money by giving it away in the form of livestock (asset for farming). Additionally, despite frequently saving money, research shows that households with more family members have higher expenses and are unable to preserve a sizable sum of money. Employees and those working from home had average savings balances that were far larger than those of customers who were involved in other activities. We can infer from their high salaries that they are management level staff. However, small staff groups and trading groups showed the lowest saving balances.

Among the six assertions in the descriptive analysis's financial literacy component, having a better understanding of saving products and MFI procedures had the greatest mean value (3.79). Given that MFIs constantly market their newest goods and services to cater to customers' needs, it suggests that MFIs users are knowledgeable about financial instruments. The second highest mean value (3.75) for the statement about knowing how to arrange deposits from low income also shows that they were able to control their spending and save money. The majority of MFI users therefore possess financial knowledge and skills, but their financial acumen in terms of saving behavior focuses mostly on short-term saving goals rather than long-term plans for retirement.

Regarding the social network element, the survey also finds that the majority of respondents frequently cite their neighbors and friends as positive saving role models. They talk about saving constantly. Additionally, the respondents join savings because their neighbors consistently encourage them to use MFIs' savings services. Therefore, the vast majority of respondents claim that their social network has helped them become more frugal. However, the respondents occasionally have the lowest mean score for spending money with friends and for comparing their spending and saving behaviors.

Given that the majority of respondents are housewives, many respondents exhibit self-discipline when it comes to spending money and constantly keep their expenses under control. They are conscious about splurging on unneeded items. Thus, it can be argued that while the majority of MFI customers exhibit a high level of restraint, they do not hesitate to spend money on social events in order to sustain friendships.

Regarding the specific motivation for saving, purchasing equipment and enhancing the home are the main reasons given in the majority of the surveyed households. Other motivations for saving include being cautious, being entrepreneurial, and providing financial independence to children. This was not significantly consistent with earlier studies showing that 55% of adults population saved for major expenses in the last 12 months prior to earning their next salary (FinScope survey -2018). Therefore, it can be concluded that finding of those two studies are not the same due to the sample population of FinScope survey and sample population of current study were not the same. The study also indicated that the majority of them gave significant weight to potential long-term financial issues.

In terms of financial accessibility, MFIs' services are available to customers thanks to automated processes, a reduction in paperwork, affordable options, and affordable transportation. The majority of respondents could readily obtain financial services since the majority of MFIs provide saving services close to their homes or they could get saving services through digital finance. But there are still some limitations in place for the withdrawal process for savings. Savings withdrawal is not permitted in MFIs when loan repayment is due since savings are linked to the promise of loans. The incentive factor from the descriptive analysis.

The study also indicated that customers are dissatisfied with the incentives that MFIs are currently providing. Better rewards are something they desire. Customers anticipate cost-saving services with more alluring rewards as a result.

In terms of security, the findings show that customers prefer to place their funds in regulated institutions for safekeeping since they enjoy the advantages of legal protection. However, the MFIs' current customer complaint response mechanisms are ineffective and inconvenient for helping customers with their concerns.

According to the regression results, only two institutional factors out of four institutional factors and two individual factors out of four were significant.

Regarding personal characteristics, financial knowledge and motivation have a considerable positive impact on the saving habits of MFI users, however self-control and social networks have a minimal impact. It has been discovered that financial literacy and the saving habits of MFI users in the Yangon division are significantly correlated. This conclusion explains why people save more when they are more financially literate. A conclusion that can be drawn from the study is that motive is also a positively significant component, and that those who have greater motives are likely to save more. Regarding institutional aspects, the regression result also shows that, out of four institutional variables, access and security have a substantial favorable impact on MFI users' saving behavior, whereas incentives and information do not. The study demonstrates that MFI users place a high value on local, easily accessible, and readily available safety financial institutions. A considered secure financial service is linked to a high likelihood of having a sizable saving level, so security is another crucial aspect to promote saving services. Evidently, the respondent stated that they had substantial savings in safe financial services that were provided with dignity, little fraud risk, and adequate consumer protection. Therefore, it can be said that providing secure and easy access to savings services benefits both consumers and suppliers more.

5.2 Recommendations

MFIs might expand their deposit services to encourage customers to save responsibly. Based on the findings of this investigation, recommendations and suggestions are offered. Financial literacy is positively significant as a significant predictor, per the regression results. Microfinance institutions should therefore place more focus on financial education programs for their clients in order to boost their level of financial literacy and, as a result, the institution's ability to mobilize savings. The study's findings also indicate that motivation plays a crucial role in predicting behavior that encourages saving. In order to increase personal saving, it is necessary to continue understanding the motivations underlying saving habits. Financial advisors and experts must continue to concentrate on the implementation of specific products, such as more creative and alluring savings accounts that vary in terms of saving schemes, type of savings, deposit schedule, and deposit terms, in order to fulfill their clients' unique saving goals.

The outcome also shows that MFI users place a high value on nearby, easily accessible, and accessible financial institutions that provide security; as a result, MFIs need to increase the accessibility of their services by changing some of their current policies, particularly their working hours, application process, transaction cost, and interest rate. According to survey findings, people save more money when they use reliable financial services and secure products. Therefore, MFIs must work to develop risk-reduction strategies for secure saving services that guard against risks such as the possibility of theft, property loss, investment risk, economic risk, and disaster risk. Providing clients with information and protection will help them develop awareness, confidence, and trust in the financial system, all of which are essential for improving saving habits. Strong client protection policies must be created and put into place if formal financial service companies are to gain more customers' trust. MFIs must therefore ensure that clients' savings are shielded from exploitation, such as using them as loan collateral. For instance, during a recession, customers cannot access their savings while away for loan repayment.

To increase the saving behavior of clients, which drives the rising volume of saving, MFIs should concentrate on financial literacy for clients, reasons, access, and security considerations when they build the saving products and services. By providing the public with voluntary savings options that are safe and easily accessible, the remaining households that are not eligible for MFI loans are inevitably included.

5.3 Needs for Further Research

Each MFI in the division of Yangon is only the subject of one branch in this study. It does not include all MFIs in Myanmar, and users of MFIs are typically voluntary savers who borrow money from no more than two MFIs. Further studies could focus on how each of the following factors (financial literacy, self control, motive, social network, access, reward, security, and information) affects saving behavior. To do more thorough feasibility research with more reliable data, they could interview each of the major stakeholders or participants, including the MMFA, FRD, and largest MFIs. In order to examine the effects of influencing factors on saving behaviors, future research should concentrate on other components that were left out of the current study and focus on its limitation.

REFERENCES

Amena.,F.H (2014*). Assessment Of Saving Behavior Of Clients Of Buusaa Gonofaa Microfinance Institution*, (A Thesis Submitted To St.mry's University).

Alwi.,S, Hashim.,I.Z.A & Ali.M.S, (2015). Factors Affecting Savings Habits within Millennials in Malaysia: *Case Study on Students of Taylor's University, Proceedings of the Fourth Asia-Pacific Conference on Global Business, Economics, Finance and Social Sciences (AP15Malaysia Conference)* Kuala Lumpur, Malaysia, 7-9

Artle, R., & Varaiya., P. (1978). "Life-cycle consumption and homeownership". *Journal of Economic Theory*, 18(1), 38–58

Beverly, S., & Sherraden., M. (1999). "Institutional determinants of saving: Implications for low-income households and public policy". *Journal of Socio-Economics.*

Brian,. B & Baker. C (2000). "*Overcoming Credit Union Governance Problems".*

Bruce C. C., & George G. K., (1965). *Factors Determining Bank Deposit Growth by State: An Empirical Analysis*. American Finance Association.

Browning., M & Lusardi., A. (1996). Household saving: Micro theories and micro facts. *Journal of Economic Literature*, 34(4), 1797–1855.

Chowa., G .A.N, Masa R D & Ansong D. (2012). Determinants of Saving among Low-Income Individuals in Rural Uganda: *Evidence from Assets Africa*, 2012. Vol.2, No.4, 280-291

Deneke., A (2014). *Factors Affecting Microfinance Saving Mobilization: The Case Of Wasasa Microfinacne Institution East Wollega R* (A Research Thesis of Department of Management, College of Business AND Economics, Wollega University).

Donald., S & Ndikumana., A.L (1999). "*Income Inequality and Minimum Consumption: Implications for Growth."*

Fisher., P. J. (2010). Gender differences in personal saving behaviors. *Journal of Financial Counseling and Planning, 21, 14-24*

Friedman, M. (1957*). A theory of the consumption function*. (Princeton University Press).

Furnham, A. F., & Karani, R. (1985). “A cross-cultural study of attitudes to women, just world, and locus of control beliefs”. *Psychologia: An International Journal of Psychology in the Orient*, *28*(1), 11–20.

Gersovitz, M. (1988). Saving and Development, in Chenery, H. & Srinivasan, T.N. (Eds.), *Handbook of Development Economics, Elsevier Science Publishers*, pp. 381-424.

Helms, B. (2006). Access for All: Building Inclusive Financial Systems. CGAP/World Bank, Washington, pp.35-37

Horioka, C. Y., & Watanabe, W. (1997). Why do people save? A micro-analysis of motives for household saving in Japan. *Economic Journal*, 107(442), 537–552.

Hayashi, F., Ito, T., & Slemrod, J. (1988). “Housing finance imperfections, taxation, and private saving: A comparative simulation analysis of the United States and Japan”. *Journal of the Japanese and International Economics*, 2(3), 215–238

Janvrin, J.A.A., (2010). “*Craig McIntosh Elisabeth Sadoulet, Creating Incentives to Save Among Microfinance Borrowers”:* A Behavioral Experiment From Guatemala.

Katona, G. (1975) & Elsevier. K. J., (1936), *Psychological economics, New York*: The General Theory of Employment, Interest, and Money. London: MacMillan

Korzeniowska, A. M., (2019). Institutional Determinants of Household Savings in Poland. *Journal of Research in Business*, 4(1), 55-63.

Kozera, A., Głowicka-WołoszynR ., & Stanisławska, J., (2016). “Saving Behavior in Households of Farmer As Compare to Other Socio-Economic Groups in Porland”, *Article in Journal of Agribusiness and Rural Development*, 4(42), 557–566

Lidi, B.Y., & Bedemo.,A & Belina, M. (2017). “Determinants of Saving Behavior of Farm Households in Rural Ethiopia: The Double Hurdle Approach”, *Journal of Economics and Sustainable Development*, Vol.8, No.19

Levine, R. (2005), *Finance and Growth: Theory and Evidence, in Philppe Aghion and Steven Durlayf, eds.* Handbook of Economic Growth. The Netherlands: Elsevier Science, Uganda Institute of Banker Library.

Lewis, A., Webley, P., & Furnham, A. (2013). *The new economic mind. The social psychology of economic behavior.*

McKinsey & Company, 2013. Myanmar's moment unique opportunities major challenges.

Modigliani, F., & Ando, A. K. (1957). *Tests of the life cycle hypothesis of savings*. Bulletin of the Oxford Institute of Statistics, 19, 99-124.

Ndikumana, L. (1999). "Debt Service, Financing Constraints, and Fixed Investment: Evidence from Panel Data," *Journal of Post Keynesian Economics, Taylor & Francis Journals",* vol. 21(3).

Okeke, Nto, A.M., Mbanasor.P.O., & Anayochukwu.,J (2015), "Analysis of the Factors Influencing Savings and Investment Behaviour among Yam Entrepreneurs in Benue State, Nigeria", ISSN 2222-1905 (Paper).

Otoo,.S.A, (2016). *Investigation the Impact Of The Savings Behavior Of Customers On Bank's Performance – Case: Yaa Asantewaa Rural Bank,* A Thesis Research, Faculty Of Social Science Department Of Economic, College Of Humanities and Social Sciences, Kwame Nkrumah University Of Science And Technology.

Patti.,F (2010), "Gender Differences in Personal Saving Behaviors", *Journal of Financial Counseling and Planning*, Vol. 21, (1),

Rostow, W., 1956. "The Take-Off Into Self-Sustained Growth". *The Economic Journal*, 66(261), 25-48

Schmidt-Hebbel, K., Webb, S. B., & Corsetti, G. (1992). Household saving in developing countries: First cross-country evidence. *The World Bank Economic Revie*w, 6, 529-547.

Sahoo P, Geethanjali., N, & Kamaiah., B (2001). Saving and economic growth in India: *The long-run nexus. Savings and Development,* 25(1):67-80

Slemrod, J.. (1982). "Down-payment constraints: Tax policy effects in a growing economy with rental and owner-occupied housing". *Public Finance Quarterly*, 10(2), 193–217

Shefrin, H., & Thaler, R. (1988). *The behavioral life-cycle hypothesis*. Economic Inquiry, 26, 609-643.

Stuart., J. Heckman, Sherman., D. & Hanna (2015). Individual and Institutional Factors Related to Low-Income Household Saving Behavior, *Article in Journal of Financial Counseling and Planning*.

Todaro, M.P. and Smith, S. (2012) Economic Development. 11th Edition, Pearson Education Inc., Boston, 37-73

Warneryd K.E (1996) *Risk attitudes and risky behavior*. J Econ Psychol 17: 749–770

Warneryd, K. E. (1999). *The psychology of saving*: A study on economic psychology. Cheltenham, UK: Edward Elgar

Yamane, Taro (1973).”Statistics: an introductory analysis.” New York: Harper & Row. International Banking | Features and Benefits of International Banking (efinancemanagement.com)

APPENDIX

MASTER OF BANKING AND FINANCE PROGRAM

FINAL YEAR PROJECT

To analysis the Individual and Institutional Factors Related to the Saving Behaviors of Microfinance user, in Twantay, Kungyankone, Hlegue and Taikkyi Townships

This survey is intended to examine saving behaviors of Microfinance users, and examine the influencing factors on their determinant of saving. Please find few minutes to respond to it. Your specific answers to the questions in the questionnaire will enable us for Master thesis. All information will be confidential and you do not need to write your name. We assure you that all information will be strictly for scientific research purposes. You can answer what you know.

Thank you for your cooperation

Researcher

Part I: Please tick the option that best describes your answer.		
1. Age:	☐ 18-25 ☐ 36-45 ☐ 56-65	☐ 26- 35 ☐ 46-55 ☐ 66 and more
2. Gender:	☐ Male	☐ Female
3. Material Statue:	☐ Single ☐ Divorced	☐ Married ☐ Widow
4. Type of Occupation:	☐ Agriculture ☐ Fishery ☐ Livestock ☐ Home Industry	☐ Trading ☐ Government employee ☐ Private Employee ☐ Others
4. Family member	☐ 1 to 3 ☐ 4 to 5	☐ 6 to 10 ☐ More than 10
5. Income per month (Kyats):	☐ More than 100,000 to 200,000 ☐ More than 300,000 to 400,000 ☐ More than 500,000 to 600,000 ☐ More than 60,000 to 700,000	☐ More than 700,000 to 800,000 ☐ More than 800,000 to 900,000 ☐ More than 900,000 to 1000,000 ☐ More than 1000,000
6. Education Level:	☐ illiterate ☐ Read & Write Only ☐ Primary school	☐ Middle School ☐ High School ☐ Graduate

Part II: Saving Behavior of Respondents		
1. **What type of deposit are you taking from MFIs**	☐ Compulsory Saving	☐ Voluntary Saving
2.**What is your deposit schedule**	☐ One time deposit ☐ Weekly or biweekly ☐ Monthly	☐ One time deposit ☐ Weekly or biweekly ☐ Monthly
3. What is your current Loan cycle :	☐ Agriculture ☐ Fishery	☐ Trading ☐ Government employee
4.How many MFIs you save	☐ 1 to 2 ☐ 3 to 4	☐ 4 to 5 ☐ More than 5
5. Your Saving balance (Kyats):	☐ Under 50000 ☐ 50001 - 100000 ☐ 100001 - 200000	☐ 200001 - 300000 ☐ Above 300000
6. **What type of deposit are you taking from MFIs**	☐ Compulsory Saving	☐ Voluntary Saving

Part III. Please circle your answer to each statement by using 5 Likert Scale				
Strongly disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
1	**2**	**3**	**4**	**5**

(a) Financial Literacy (1st Independent Variable)						
No	**Statement**	**Agreeable degree**				
1	Having better understanding about saving products and procedures of MFIs.	**1**	**2**	**3**	**4**	**5**
2	Having more knowledge in preparing monthly expenditure	**1**	**2**	**3**	**4**	**5**
3	Having better understanding how to prepare deposit from little income.	**1**	**2**	**3**	**4**	**5**
4	Having saving practice is for future retirement rather than short term need	**1**	**2**	**3**	**4**	**5**
5	Easy to check the balance in saving book.	**1**	**2**	**3**	**4**	**5**
6	Having better knowledge about benefit of saving	**1**	**2**	**3**	**4**	**5**

(b)Social Network (2nd Independent Variable)						
No	**Statement**	**Agreeable degree**				
1.	Participating in social saving activity to maintain the friendship.	**1**	**2**	**3**	**4**	**5**
2.	Neighbors always advise to take saving services of MFIs	**1**	**2**	**3**	**4**	**5**
3.	People become members of MFIs based on social networks.	**1**	**2**	**3**	**4**	**5**
4.	Ideas for saving practices are used to share among friends	**1**	**2**	**3**	**4**	**5**
5.	Participating in money spending activities to maintain the friendship.	**1**	**2**	**3**	**4**	**5**
6.	Amount of saving and spending with friends is always compare	**1**	**2**	**3**	**4**	**5**
7.	Neighbors and friends are good example in money management to save	**1**	**2**	**3**	**4**	**5**

(c)Motive (3rd Independent Variable)						
No	**Statement**	**Agreeable degree**				
1.	Goal for saving is to support the children's education	**1**	**2**	**3**	**4**	**5**
2.	Saving is the financial plan for old age	**1**	**2**	**3**	**4**	**5**
3.	Saving is to expand my business	**1**	**2**	**3**	**4**	**5**
4.	Saving is for a disaster such as flood, fires or cyclone.	**1**	**2**	**3**	**4**	**5**
5.	The purpose of saving is for personal Emergencies such as sickness or accident or unemployment	**1**	**2**	**3**	**4**	**5**
6.	Saving is for buying equipment or improving my house	**1**	**2**	**3**	**4**	**5**

(d)Self Control (4th Independent Variable)						
No	**Statement**	**Agreeable degree**				
1.	Do not hesitate to spend for social activities to maintain friendship	**1**	**2**	**3**	**4**	**5**
2.	Setting saving goals for saving is always achieved .	**1**	**2**	**3**	**4**	**5**
3.	Short run need is more important rather than long run need.	**1**	**2**	**3**	**4**	**5**
4.	Having high will power to not to purchase unnecessary items	**1**	**2**	**3**	**4**	**5**
5.	Better controlling on spending money	**1**	**2**	**3**	**4**	**5**
6.	Never fail to Follow the financial plan	**1**	**2**	**3**	**4**	**5**
7.	Never fail to control spending money	**1**	**2**	**3**	**4**	**5**

(e) Access to Finance (5th Independent Variable)						
No	**Statement**	**Agreeable degree**				
1.	To start a deposit account in MFIs is much cheaper	**1**	**2**	**3**	**4**	**5**
2.	Transporting cost is very low to reach MFIs	**1**	**2**	**3**	**4**	**5**
3.	Due to the less paper works, it is convenient to save in MFIs	**1**	**2**	**3**	**4**	**5**
4.	Saving deposit or Withdrawal in MFIs do not affect my working hours	**1**	**2**	**3**	**4**	**5**
5.	There are less restrictions to save my money in MFIs	**1**	**2**	**3**	**4**	**5**
6.	MFIs located near the clients' house is more convenient to save	**1**	**2**	**3**	**4**	**5**

(f) Information (6th Independent Variable)						
No	**Statement**	**Agreeable degree**				
1.	Clients received enough information from financial institutions such as MFIs	**1**	**2**	**3**	**4**	**5**
2.	MFIs are the main source of information about Saving	**1**	**2**	**3**	**4**	**5**
3.	Information from MFIs provide me some of benefit of saving	**1**	**2**	**3**	**4**	**5**
4.	Financial Information (saving amount & Schedule) support in decision making to save	**1**	**2**	**3**	**4**	**5**
5.	Financial information from MFIs motivates clients to save	**1**	**2**	**3**	**4**	**5**
6.	Information from MFIs are easy to access for local people.	**1**	**2**	**3**	**4**	**5**
7.	MFIs are providing information on time.	**1**	**2**	**3**	**4**	**5**

(g) Incentive (7th Independent Variable)						
No	**Statement**	**Agreeable degree**				
1.	Credit availability is the factor that drive me to save	**1**	**2**	**3**	**4**	**5**
2.	Being satisfied with current incentive.	**1**	**2**	**3**	**4**	**5**
3.	Saving product with higher interest rate is better	**1**	**2**	**3**	**4**	**5**
4.	MFIs provide saving product with more incentive program are better to save more	**1**	**2**	**3**	**4**	**5**
5.	The more receiving incentive leads the people want to save more.	**1**	**2**	**3**	**4**	**5**

(i) Security (8th Independent Variable)						
No	**Statement**	**Agreeable degree**				
1.	Saving at MFI is more secure than saving at home	**1**	**2**	**3**	**4**	**5**
2.	Saving policies are fair and respectful treatment to clients	**1**	**2**	**3**	**4**	**5**
3.	MFIs have sound complain response mechanism for clients' issues	**1**	**2**	**3**	**4**	**5**
4.	Consumer protection mechanisms is supportive to clients	**1**	**2**	**3**	**4**	**5**
5.	To save money, MFI is secure place that protecting from threats of misplacement, theft, and destruction	**1**	**2**	**3**	**4**	**5**
6.	Choosing formal saving is to minimize risk	**1**	**2**	**3**	**4**	**5**
7.	Security that accompany saving motivate me to save	**1**	**2**	**3**	**4**	**5**

(j) Saving Behavior (9th Independent Variable)						
No	**Statement**	**Agreeable degree**				
1.	I save to achieve certain goals	**1**	**2**	**3**	**4**	**5**
2.	In order to save, I often compare prices before I make a purchase.	**1**	**2**	**3**	**4**	**5**
3.	I always have money available in the event of emergency	**1**	**2**	**3**	**4**	**5**
4.	I save in MFIs to get loan	**1**	**2**	**3**	**4**	**5**
5.	I use recycling product to save money.	**1**	**2**	**3**	**4**	**5**
6.	I save until the end of my loan repayment	**1**	**2**	**3**	**4**	**5**
7.	In order to save, I plan to reduce my expenditure.	**1**	**2**	**3**	**4**	**5**