

**HOUSEHOLDS ASSET ACCUMULATION AND SAVINGS IN UGANDA**

**BY**

**KENNETH GIDEON MUNUNGU**

**MAKERERE UNIVERSITY**

**SCHOOL OF BUSINESS**

**COLLEGE OF BUSINESS AND MANAGEMENT SCIENCES**

**SEPTEMBER 2013**

**SUPERVISED BY DR GODFREY AKILENG**

**(A RESEARCH REPORT SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTERS OF  
BUSINESS ADMINISTRATION OF MAKERERE UNIVERSITY)**

## **ABSTRACT**

This study set out to examine the different forms of household assets and the factors that determine household savings and asset accumulation in Uganda using the Uganda National Household Survey data (UBOS, 2010). The study employed both descriptive and quantitative analytical techniques to identify the factors that affect the ability of households to save and accumulate assets. The findings indicate that main household assets include land, livestock, houses, furniture, vehicles, bicycles and banking accounts. The findings indicate that the major factors that influence household assets include among other marital status, age of the household head, participation in the credit market by the household applying for loans, households' level of education and household size. The findings of the study results indicate that there is a big divergence in household asset accumulation as per household characteristics. The results indicate that marital status is a significant factor in influencing household savings and asset accumulation. Also the age of the household head is important in the household asset possession. The gender issue is also important in influencing household savings and asset accumulation behaviour. There are policy implications need to be gender sensitive in an effort by government to enhance the household savings and asset accumulation of the poor households. This finding implies that there may be a need to re-examine the real issues contributing to household poverty and reevaluate how gender could be integrated with other poverty reduction policies to form a sustainable synergy.

In regard to education, the results indicate that government should ensure that individual acquire reasonable level of education above the primary level to enable them develop skill and training that will enhance their chances to secure decent formal wage employment, earn a reasonable wage and make savings and thus acquire assets. In addition, the findings also draw attention to the need to better understand and address the asset rights of women who live in male headed households. Due to a divergence in access to loans by the households by gender, there is need for the effective regulation and policy toward short-term credit markets. Therefore, the Ugandan government should make policy aimed at making credit access easier by lowering the annual interest rates and also negotiating for a longer pay back period for individuals in order to enable households to apply for loans.