

SAVING BEHAVIOUR AND FINANCIAL RESILIENCE AMONG UGANDAN ADULTS

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT
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**UGANDA CHRISTIAN
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DECLARATION


I, Agwa Jasper Oula hereby declare to the best of my Knowledge that this research dissertation is my original work submitted to the School of Business at Uganda Christian University for award of Bachelor's degree in Accounting and Finance and it has never been submitted before to the school or any other institution for same awards. I duly acknowledge references cited in it are in line with appropriate academic standards.

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APPROVAL

This Dissertation titled "Saving Behaviour and Financial Resilience Among Ugandan Adults" has been submitted with my approval as academic Supervisor

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ABSTRACT

Financial strain remains a major challenge among Ugandan adults due as a result of income instability, health emergencies as well as the rising costs of living. This study examined the relationship between saving behaviour and financial resilience while making use of secondary data from Finscope Uganda 2023 survey. The study mainly focused on saving behaviour, level of financial resilience, and the relationship between the two.

Findings revealed that 64% of Ugandan adults saved, although most relied on informal methods such as home saving, constituting to 56.2%. Saving was also found to be largely irregular, those saving occasionally with 35.9%. Financial resilience was also found to be moderate with mean of 0.52., at the same time having low resilience capabilities of only 29.4%

The study further established a positive and significant relationship ($r = 0.462$, $p < 0.01$) between saving behaviour and financial resilience, with regression results which confirmed that improved saving behaviour increases resilience of individuals.

The study concludes that even though saving is seen to be common, its informal and irregular nature still limits its effectiveness in enhancing financial resilience. A recommendation is directed toward drive that promotes regular saving, emergency-focused saving and use of formal saving mechanisms so as to strengthen individual and household financial resilience among Ugandan adults.

DEDICATION

I wholeheartedly dedicate this work to my single mother who taught me to stand firm and never give up. Her words of encouragement and belief in me lifted me at every depth I went through. She's a great foundation towards achievement of this milestone. She deserves an applause for the potential she instilled in me.

In a special way, I also dedicate this work to my uncle whose great sacrifices of clearing my tuition right from the time I joined campus made the progress of this academic journey possible. His sincere love opened doors that I could have never reached on my own!

Still to my sister, words can't express the gratitude and heartfelt thanks I have for your tireless and tremendous prayer, support, love and kindness you showed me. In my weakest points you were there as a pillar of strength.

To my supervisor, receive my special appreciation for your guidance and support that shaped the successful completion of this dissertation. Your mentorship and words of hope still echo in my ears, and with that, I see great potentials ahead of me.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

Financial pressure has continued remained a major challenge to Ugandan adults specifically from unplanned emergencies like rising costs of living due to inflation and other factors, income instability and health emergencies. These financial pressures majorly affect households with irregular sources of incomes and have limited or no access to any formal financial tools. Saving stands to be the most appropriate solution to most Ugandans experiencing such pressures and shocks.

However, saving methods adopted and its irregularity among Ugandan adults still limits their financial resilience. This study therefore, examines how saving behaviours influence financial resilience of Ugandan adults drawing from a nationally secondary data so as to analyze or bring forward a link between saving habits and its relation to shock recovery.

1.2 Background of the Study

Financial shocks arising from health emergencies, sudden income disruptions and losses, rising costs of living still remains a big challenge for many Ugandans. Finscope 2023 survey report shows that approximately 81% of adults have had access to financial inclusion in terms of access to credit, savings, insurance among others. Despite all these milestones achieved, saving among individuals still remain inconsistent and many others still find difficulties to put in place a reserve that can support them during periods of financial stress.

Finscope survey though reports that about 60% of Ugandan adults now save, a proportion of about 14% only do save specifically for emergencies (Daily Monitor, 2023). This is a very small emergency capacity capabilities of Ugandan adults to cope effectively when unexpected financial demand strikes in. When individuals have insufficient savings, distress coping mechanisms come in such as borrowing from high-interest rate lenders, and sometimes selling off assets which all result into negative financial stability in a long run.

Efforts have been emphasized by government on the importance of saving culture as a strategy to attain financial resilience where saving has been given attention as developmental tool in Uganda's financial developmental agenda, (MoFPED, 2023). Despite all the efforts and initiatives implemented, many Ugandans were still found to be vulnerable, raising a concern on the extent of savings and how it relates to resilience.

These indicators present a need to empirically understand how saving behaviour influences financial resilience among Ugandan adults. Through understanding the patterns of savings exhibited by Ugandan adults and their significance in building ability to withstand and recover from financial shocks, the study seeks to find evidence that can guide interventions to be adopted so as to attain/ improve financial stability.

1.3 Statement of the Problem

Under an ideal circumstance, Ugandan households would demonstrate strong financial resilience by effectively coping up with shocks inform of health emergencies, income instability, and rising costs of living, supported by a consistent and purpose driven saving practices. However, this is not the case. Despite increased in creased financial inclusion, with about 81% of Ugandan adults having access to financial services, financial vulnerability remains widespread (Financial Uganda, 2023). Although approximately 60% of adults report saving, it was found out that only about 14% save specifically for emergencies, which indicates weak preparedness for unexpected financial shocks (Finscope Uganda, 2023). Consequently, many households rely on coping strategies such as borrowing, selling assets, or reducing essential consumption, among others which undermine their long-term financial stability.

Recent evidence further shows that exposure to financial shocks remain high among Ugandan adults, with many individuals who experienced slow recovery due to limited savings (FinScope Uganda, 2023). The finding suggests that while saving behaviour exists, it may still be inadequate or ineffective to enhance financial resilience. Although government initiatives have emphasized saving and financial inclusion as being a strategy to improve household stability, there still exist limited empirical evidence on how saving behaviour influences financial resilience in Uganda. Existing studies tend to only focus on saving practices or coping

mechanisms separately without providing a comprehensive analysis of their relationship using recent nationally representative data.

This study therefore, seeks to examine the relationship between saving behaviour and financial resilience among Ugandan adults while making use of Finscope Uganda 2023 Dataset.

1.4 Purpose of the Study

This study seeks to examine how saving behaviour influence financial resilience in Uganda while using secondary data from Finscope Uganda 2023 survey.

1.5 Specific Objectives

The specific objectives for carrying out this research were;

- i) To assess the saving behaviours exhibited by Ugandan adults.
- ii) To determine the level of financial resilience among Ugandan adults.
- iii) To examine the relationship between savings behaviour and financial resilience.

1.6 Research Questions

The following questions guided the research study.

- i) What saving behaviours are exhibited by Ugandan adults?
- ii) What is the level of financial resilience among Ugandan adults?
- iii) How does savings behaviour influence financial resilience?

1.7 Scope of the Study

1.7.1 Geographical scope

This study covered Uganda as a whole, using nationally representative data from FinScope Uganda 2023 survey. The study included all regions of the country both rural and urban areas in order to provide a comprehensive understanding of saving behaviour and financial resilience among Ugandan adults.

1.7.2 Time Scope

This study was based on data from Finscope Uganda 2023 survey, which provided the most recent information on saving behaviour and financial resilience among Ugandan adults.

1.7.3 Content Scope

This study is limited to examining the relationship between savings behaviour and financial resilience among Ugandan adults aged 16 years and above. Specifically, it focuses on key dimensions of savings behaviour, including whether individuals save at all, the frequency of saving (e.g., weekly, monthly, occasionally, or never), the consistency of saving over time, and the mechanisms used (such as saving at home, mobile money, banks, Village Savings and Loan Associations (VSLAs), Savings and Credit Cooperative Organisations (SACCOs), or other methods). These aspects were selected because they represent the core practical ways Ugandans accumulate and manage savings, as captured in the FinScope Uganda 2023 survey.

Financial resilience, the dependent variable, is explored through indicators such as exposure to financial shocks in the past 12 months, the coping strategies adopted during shocks (e.g., using own savings versus distress methods like high-interest borrowing or asset sales), the time taken to recover from shocks, and the self-reported ability to cover unexpected large expenses using personal resources without external help. The study does not extend to other financial behaviours such as borrowing patterns, insurance uptake, investment choices, or detailed income analysis, nor does it assess the direct impact of financial literacy interventions or government policies on saving habits. By concentrating on these targeted elements using nationally representative secondary data, the research maintains a clear and focused investigation into how saving practices influence the capacity to withstand and recover from financial difficulties.

1.8 Justification of the Study

Financial vulnerability observed among many Ugandan adults despite initiative and recent growth in financial inclusion justifies the need to conduct this study. With the recent national survey indicating most adults having access to financial services, saving behaviour still remains weak, insufficient and inconsistent during periods of financial stress (Finscope Uganda Survey, 2023). It is therefore essential to understand how saving practices and behaviours influence

financial resilience and address continued exposure of adults to financial shocks and continued low saving rates among Ugandans.

National Financial Inclusion strategy further puts emphasis on saving mobilization as a mechanism to strengthen individual's ability to cope with emergencies that arise and reducing harmful coping strategies (MoFPED,2023). All these justifies a need to understand how saving behaviours relate to financial resilience and to reduce the struggle by policy makers in designing effective interventions to support sustainable financial wellbeing. Practical insights that can inform both the government financial sector initiatives can then be arrived at from this study.

Although several studies have emerged on saving trends and shock experiences in Uganda, there still exist a very limited focus on the relationship between saving behaviour and financial resilience among Uganda adults which leaves a gap in literature. The aim of this research is therefore to understand the patterns of savings adopted by Ugandans, motives behind saving and the findings shall help in filling gaps around financial resilience as well as financial awareness and resilience in developing economies.

This study is finally justified by its potential of making known to financial service providers and organizations the best practices of saving that can build resilience among Ugandan adults. It can further inform on the design of saving products and financial literacy programs and interventions relevant and valuable to multiple stakeholders.

1.9 Significance of the Study

From conducting this study, it is hoped that policy makers such as Ministry of Finance Planning and Economic Development (MoFPED) who are working in strengthening financial resilience among Ugandan adults shall attain valuable insight on the strategies to be adopted. With the National Financial Inclusion Strategy emphasizing on saving mobilization as a tool for reducing financial vulnerability, it is anticipated that findings from this study will guide in understanding the specific aspects of saving behaviour that most effectively influence resilience as well as informing strategies to encourage savings to promote financial preparedness for different forms of emergencies.

The study is further anticipated to benefit practitioners at different levels including banks, microfinance institutions and mobile money providers not forgetting developmental

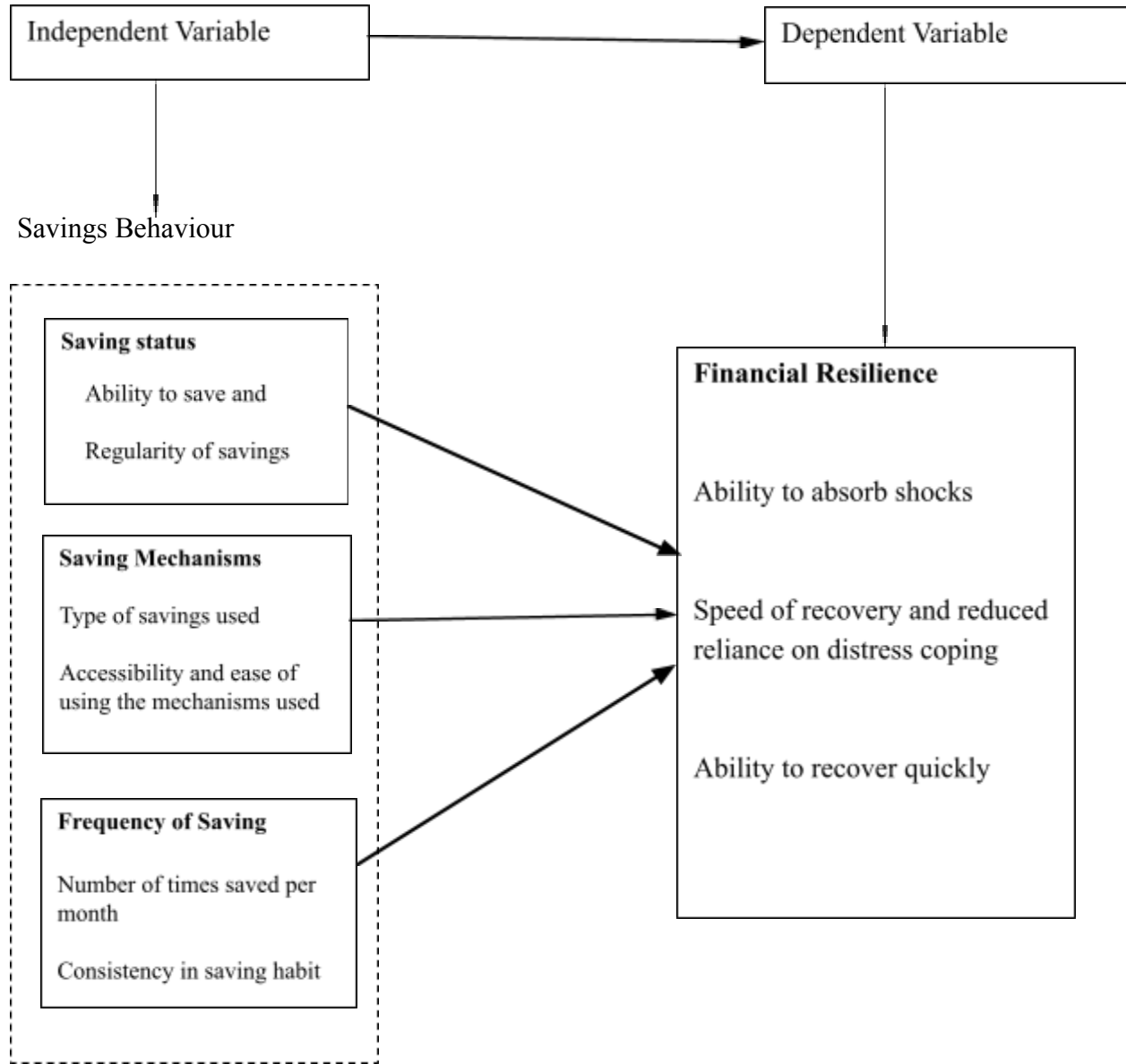
organizations that are involved in financial education. It is hoped that examining the relationship between saving behaviours and financial resilience will guide different practitioners in designing most flexible and accessible saving products that align with realities of adults with irregular incomes. To add on, organizations that are involved in community training may get important evidence that guide in designing studies which promote sustainable saving habits among Ugandan adults.

To fellow scholars in similar field, this study is hoped to contribute to the body of existing knowledge on saving behaviour and resilience in developing economies therefore, providing a foundation upon which future researchers can build on when exploring similar context. The study is therefore anticipated to enhance academic discussion which will ultimately stimulate further research on financial wellbeing in Uganda and other developing economies

1.10 Conceptual Framework

A simple conceptual framework illustrating the relationship between saving behaviour and financial resilience guided this study. Saving behaviour is seen as the independent variable as it is represented by individual actions, decisions and habits such as the frequency of saving, mechanism used and the consistency of savings among Ugandan adults. On the other hand, financial resilience is treated as the dependent variable as it reflects household and individual's ability to withstand, manage and recover from financial shocks.

The framework is based on assumptions that individuals who use reliable saving mechanisms and save regularly are most likely to build financial buffers that sustain them in emergencies. Therefore, strong saving habits are believed to enhance financial resilience through reduction on distress coping strategies such as sale of assets that are essential or even borrowing which come with some huge costs. In the same way, irregular or inconsistent saving habits are expected to limit one's resilience and hence remaining vulnerable to financial shocks. The conceptual relationship therefore provides solid grounds for empirical investigations



This chapter has presented the key concepts of saving behaviour and financial resilience, outlined the objectives that guided the study and also highlighted the problem, conceptual framework illustrating the expected relationship between variables. The next chapter reviews relevant literature on saving behaviour and financial resilience, having focus on the theoretical perspectives, empirical studies as well as existing gaps that provided a foundation for this study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature in regards to saving behaviour and financial resilience. It presents relevant theories, empirical studies and identifies the research gaps that formed the basis of this study

2.2 Theoretical Review

The study was guided by lifecycle hypothesis and permanent income hypothesis. They explain individual saving behaviour and its implications for financial stability.

Life cycle hypothesis, developed by Franco Modigliani and Richard Brumberg, suggests that individuals clearly plan their consumption and savings over their lifetime in order to smooth their consumption. While this theory effectively explains long term saving behaviour, it assumes a stable income and rational planning which may not be practical enough in developing countries like Uganda where incomes of individuals are uncertain and irregular. As a result, individuals may not be in position to save consistently as the theory predicts. The theory however, remains relevant in explaining how structured saving can improve one's ability to cope with the financial shocks, thereby enhancing financial resilience.

The Permanent Income Hypothesis, which was developed by Milton Friedman argues that individuals base their savings as well as consumption decisions on expected long term income rather than current income. Although this theory may explain why individuals save temporary incomes, it has an assumption that individuals can accurately predict future income, which is unrealistic often in context because of instabilities in income. Despite this limitation, the theory remains useful in understanding how expectations about incomes influence individual saving behaviour and consequently, financial resilience.

Overall, while these theories provide a crucial insight into saving behaviour, their assumptions limit their full applicability in many developing economies like Uganda. This study therefore, applied these theories in a contextualized manner to better understand how saving behaviour influences financial resilience amongst Ugandan adults.

2.3 Empirical Review

Recent empirical literature has increasingly focused on understanding how individuals manage financial resources and cope with economic shocks, particularly in developing economies characterized by income instability. While saving behaviour and financial resilience are widely studied, existing research tends to treat them as separate constructs, resulting in a fragmented understanding of how financial behaviours translate into resilience outcomes.

2.3.1 Saving Behaviour Among Adults

At the global level, Demirgüç-Kunt et al. (2021) show that although financial inclusion has expanded significantly, formal saving remains low in developing economies, where individuals continue to rely on informal mechanisms. While this finding is often interpreted as evidence of limited access, it also reflects a deeper limitation in the literature, which tends to equate saving behaviour with financial access. This perspective overlooks the qualitative aspects of saving, such as consistency, purpose, and diversification, thereby providing only a partial understanding of how individuals actually save.

Karlan et al. (2016) attribute irregular saving patterns in low-income settings to income volatility. Although income instability is an important factor, this explanation risks oversimplifying saving behaviour by treating individuals as passive responders to economic conditions. In doing so, it underestimates the role of behavioural factors such as financial discipline, planning, and goal-setting, which are critical in shaping saving outcomes even under constrained conditions.

Similarly, Suri and Jack (2016) demonstrate that mobile money platforms improve saving practices by increasing convenience and security. However, the emphasis on technological access raises questions about whether increased usage necessarily translates into effective saving behaviour. The literature rarely interrogates whether such savings are sustained, purpose-driven, or sufficient to support long-term financial stability, suggesting a gap between access and meaningful financial behaviour

In Sub-Saharan Africa, and Uganda in particular, FinScope surveys (2018; 2023) indicate high participation in saving alongside continued reliance on informal methods. While this is often presented as evidence of financial inclusion progress, it also reveals a limitation in existing studies, which tend to measure saving behaviour in binary terms whether individuals save or not, without capturing variations in saving intensity, frequency, and purpose. As a result, current empirical approaches provide limited insight into the effectiveness of saving behaviour in enhancing financial outcomes.

This study departs from these limitations by conceptualizing saving behaviour as a multidimensional construct, incorporating not only participation but also behavioural depth, including frequency, purpose, and diversity of saving mechanisms. By doing so, it moves beyond the access-oriented perspective that dominates existing literature.

2.3.2 Financial Resilience Among Adults

The concept of financial resilience has gained prominence in recent empirical studies as a measure of households' ability to absorb and recover from shocks. However, despite increased attention, its measurement and conceptualization remain inconsistent.

Lusardi et al. (2017) emphasize financial literacy as a key determinant of resilience, arguing that informed individuals are better equipped to manage financial risks. While this perspective is widely accepted, it assumes a linear relationship between knowledge and behaviour, which is not always supported in practice. In many developing contexts, individuals may possess basic financial knowledge yet remain vulnerable due to behavioural constraints or limited financial capacity.

Klapper and Lusardi (2020) highlight that a large proportion of individuals in developing economies are unable to raise emergency funds, pointing to low resilience levels. However, by focusing primarily on income constraints, the analysis underplays the role of financial behaviour, particularly saving practices, in shaping resilience outcomes. This creates an incomplete understanding of resilience that is overly dependent on structural factors.

Bongomin et al. (2020) further link financial inclusion to improved resilience, arguing that access to financial services enhances households' ability to manage risks. While this represents an important shift toward institutional factors, the emphasis remains on access rather than utilization. The literature largely assumes that access automatically leads to improved financial outcomes, without critically examining how individuals actually use financial tools to build resilience.

In Uganda, evidence suggests that financial vulnerability persists despite increased access to financial services, indicating that access alone is insufficient. Moreover, most empirical studies rely on single indicators, such as the ability to cope with emergencies, to measure financial resilience. This approach fails to capture the multidimensional nature of resilience, which includes coping strategies, financial planning, and income stability.

This study addresses these limitations by constructing a composite financial resilience index that integrates multiple dimensions of resilience, thereby providing a more comprehensive and nuanced measurement compared to the single-indicator approaches commonly used in existing literature.

2.3.3 Relationship Between Saving Behaviour and Financial Resilience.

Although theoretical arguments strongly suggest that saving behaviour enhances financial resilience, empirical evidence on this relationship remains limited and methodologically constrained. Karlan et al. (2016) provide evidence that individuals who

save are better able to cope with financial shocks. However, the reliance on experimental designs raises concerns about external validity, as such findings may not fully reflect real-world financial behaviour across diverse populations.

Similarly, Suri and Jack (2016) demonstrate that mobile money adoption improves both saving behaviour and households' ability to manage financial disruptions. While this suggests a link between saving and resilience, the analysis does not explicitly quantify the relationship between the two variables, leaving the strength and direction of the relationship largely inferred rather than empirically established.

More recent studies acknowledge the importance of saving as a buffer against shocks, yet many continue to examine saving behaviour and financial resilience independently or treat one as a proxy for the other. This limits the ability to understand how variations in saving behaviour influence resilience outcomes.

In the Ugandan context, the empirical gap is even more pronounced. Existing studies largely focus on financial inclusion or poverty reduction, with minimal attention given to the direct relationship between saving behaviour and financial resilience. Furthermore, the absence of composite indices for both constructs restricts the ability to conduct rigorous statistical analysis of their interaction.

This study contributes by explicitly modeling the relationship between saving behaviour and financial resilience using quantitative techniques, including correlation and regression analysis. By doing so, it moves beyond descriptive and experimental approaches to provide empirical evidence on the strength and significance of this relationship within the Ugandan context.

After review of literature put forward by different scholars, the study goes ahead to methodology applied in actual examination of the relationship between saving behaviours and financial resilience exhibited by Ugandan adults using secondary data from Finscope Uganda 2023 survey.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter discusses the methodological approaches that was employed in examining the relationship between saving behaviour and financial resilience among Ugandan adults. The importance of this chapter is to clearly give overview on the research design, study population, sampling procedures and data sources as well as methods that guided this study. Having this methodology clear and well-structured is essential for ensuring that findings are reliable, valid and appropriate enough for responding to the study objectives.

The chapter describes the research design considered as most appropriate for analyzing the relationship between savings behaviour (independent variable) and financial resilience (dependent variable). It further describes the target population and the sampling procedures that

were followed in selection of respondents. The chapter goes ahead explaining the data sources explored particularly secondary data from FinScope Uganda 2023 survey highlighting how the study variables were measured. The chapter finally makes known the procedures for data analysis as well as the ethical considerations that shaped this study.

3.2 Research Design

This study explored a cross-sectional research design for examining the relationship between savings behaviour and financial resilience among Ugandan adults. This design is considered appropriate as it allows collection and analysis of data at a single point in time hence making it appropriate for studies that seek to describe already existing conditions and explore relationship between variables without implying causality. The design as well aligned perfectly with the nature and structure of the dataset adopted since the study relied entirely on secondary data from FinScope Uganda 2023 survey as a nationally representative sample.

Cross sectional design is further considered appropriate due to its efficiency and sustainability in analysing socioeconomic and behavioural characteristics of populations. Respondent's reported practices, experiences and financial outcomes captured within FinScope dataset can easily help in assessing saving behaviour and financial resilience as constructs in this study. Therefore, the design made it possible to examine these patterns and relationships in a timely and cost-effective manner without logistical constraints which are associated with longitudinal or experimental approaches of research.

Additionally, cross sectional designs provide meaningful evidence that can guide policy and practices hence its recognition in financial inclusion and household welfare studies. Through the adoption of this design, the study was able to utilize an established and robust dataset which ensured that all findings are grounded on reliable national level information thereby, enhancing credibility of the findings and further support their relevance to policy makers, practitioners and scholars interested in strengthening the financial resilience in Uganda.

3.3 Study Population

The study population considered all Ugandan adults that participated in 2023 FinScope data survey. It is a nationally representative household survey report responsible for collecting

detailed information in regards to financial inclusion, saving habits, welfare conditions and household's ability to cope with financial pressure. The survey targeted adults aged 16 years and above across every region of the country which makes the respondents suitable population size to analyse saving behaviour and financial resilience.

Because this study relied entirely on secondary data from Finscope, the study population was defined by those respondents who were captured in the dataset unlike if it was researcher-selected group. The dataset comprises of respondents from both rural and urban as well as various income levels, diversified socioeconomic backgrounds among others. The differences in these backgrounds and regions were important in drawing a nationally conclusive findings since saving behaviour and financial resilience vary across demographic and economic groups. Hence, a national representative population was appropriate for this study because of the comprehensive and high-quality information required in examining the relationship between saving behaviour and financial resilience. Using such a wide and inclusive dataset eases drawing conclusions through generalization of the findings that are relevant to policy makers, financial practitioners and scholars concerned with household financial wellbeing in Uganda.

3.4 Sample size

The researcher did not calculate or draw a sample of respondents since this study relied on secondary data from Finscope Uganda 2023 survey where sample were already selected and surveyed by Finscope. The survey interviewed a nationally representative sample adults aged 16 years and above, with a total of 3176 respondents representing all regions of the country.

Using full Finscope sample ensured a nationally representation of findings as it included different age brackets, regions, occupations, income sources, gender as well as mechanisms used by these diversified demographics in response to financial shocks across Uganda.

Relying on a nationally selected sample improved generalization of the findings and allowed conclusions to be drawn that are relevant to Uganda's wider population hence a reason for adoption of Finscope 2023 survey sample as being appropriate enough.

3.5 Sampling Technique

Since the study relied exclusively on secondary data from Finscope Uganda 2023 survey, it employed same technique of a multi stage stratified sampling procedure used by Finscope, purposely designed to obtain a nationally representative sample of the adult population. With the approach employed by Finscope, the country was first stratified into regions then into rural and urban areas to ensure that all geographical and socioeconomic groups were adequately represented in the survey.

Enumeration Areas (EAs) were selected using probability proportional to the size of each stratum. This ensured that areas with larger populations had higher chances of being selected, thereafter households within those selected EAs were systematically sampled. While using random selection method, one eligible household respondent was interviewed from the sample household selected. This was a multi stage approach to samples and considered appropriate as it enhanced representativeness and reduced sample bias by giving all eligible adults a known and a non-zero chance of being selected.

At the time of this study the researcher did not perform any primary sampling but made use of the already selected respondents contained in the Finscope dataset. This consideration ensured consistency with the original sampling design and maintained credibility of data used. Through relying on the sampled national dataset, the study analysed saving behaviour and financial resilience based on reliable, high-quality information that reflects characteristics of all Uganda's adult population.

3.6 Data Sources

This study entirely relied on secondary data survey by Finscope Uganda 2023. Finscope is a nationally recognized household survey that gives information on financial inclusion, saving habits, welfare conditions and household's ability to withstand financial shocks. The dataset collected are under supervision of Financial Sector Deepening (FSD) Uganda in partnership with Bank of Uganda (BoU) and Uganda Bureau of Statistics (UBOS) aimed at ensuring high data quality and credibility standards.

The FinScope 2023 dataset was selected as the primary data source because it contains detailed variables relevant to both the independent variable (savings behaviour) and the dependent

variable (financial resilience). Specifically, the survey includes information on saving frequency, saving mechanisms, saving consistency, experiences with financial shocks and the strategies individuals use to cope with economic challenges. These indicators provided a rich and reliable basis for analysing the relationship between saving behaviour and financial resilience among Ugandan adults.

It was also advantageous to use secondary data from finscope since it enabled the study to draw insights from a nationally representative sample without constraints linked to primary data collection. Finscope survey offered a robust and appropriate data source necessary for achieving the objectives of this study since the dataset underwent rigorous processes of sampling, data cleaning and data validation at the same time.

3.7 Data Analysis method.

Quantitative technique of data analysis was considered for examining the relationship between savings behaviour and financial resilience among Ugandan adults. Because the study made use of the available data from Finscope, it focused on extracting, organizing and interpretation of the variables coded in the dataset. The data were first cleaned in Stata software and checked for completeness, consistency and accuracy to ensure that only valid observations were considered for the analysis.

Key characteristics of respondents were then summarized using descriptive statistics including their saving patterns, financial shock experiences and demographic attributes. The statistics derived provided an overview of the sample and highlighted the general trends in saving behaviour and financial resilience among Ugandan adults. To facilitate easy interpretations of findings, frequencies, means and percentages were well generated, tabulated then presented in chapter four.

As a means of addressing the study objectives, inferential data analysis was carried out to examine the relationship between saving behaviour (independent variable) and financial resilience (dependent variable). To determine the strength and direction of the association between key variables, a correlation analysis was employed while regression analysis was used to assess to extent to which saving behaviour aspects such as saving frequency, consistency and mechanisms reflect or predict financial resilience of an individual. These techniques of data

analysis employed allowed ease of examining the relationships within cross sectional data without implying causality.

Statistical software was used for all the analyses which ensured accuracy and reliability of results. The findings got from these analyses formed a basis for answering the three research questions and drawing conclusions concerning the relationship between saving behaviour and financial resilience among Ugandan adults.

3.8 Measurement of Variables

The variables examined in his study were two; saving behaviour being the independent variable and financial resilience being the dependent variable. All these variables were measured specifically using items extracted from Finscope Uganda 2023 dataset while existing financial behaviour research and structure of Finscope questionnaires provided operational definitions

Saving behavior

Indicators within finscope 2023 dataset were used to assess and reflect how individuals accumulate and manage their financial resources. Among the key aspects considered was the frequency at which one saves. Those that reported frequent savings be it weekly, monthly or even daily were considered to have stronger saving habits unlike those who saved occasionally or completely do not save were viewed as having weaker saving habits. The frequency of saving adopted therefore provided a useful measure of how individuals set aside some financial resources for future use.

Another key aspect of saving behaviour that was examined was the consistency in saving which depicts continuity with the saving practice overtime. This dimension was measured from respondent's report as to whether they maintained their saving practices over the last twelve months or they found disruptions along the way which altered their consistency. Those that showed continuous saving throughout the year were seen as exhibiting a more disciplined and reliable saving behaviour compared to those that show irregularity in their saving patterns hence considered less consistent. Consistency among households was considered essential as it demonstrate a sustained commitment to preparedness.

The study further examined the saving mechanisms adopted by respondents. Among these mechanisms were formal and semiformal channels such as mobile money, village savings groups (VSLAs), commercial banks, savings and credit cooperative societies (SACCOs) at the same time exploring the informal options like saving at home. Respondents who relied on the formal and semi formal mechanisms were interpreted as those having stronger saving behaviours while those that exhibited the informal and traditional saving mechanisms were interpreted as having weaker mechanisms as these people stood to be at high risk of misuse or loss of savins so easily.

A combination of all these dimensions of frequency, consistency and saving mechanisms formed a single composite measure of overall saving behaviour. Greater scores altogether were interpreted as stronger and more reliable saving practices exhibited by respondents.

Financial Resilience

The aspect of resilience was measured with an individual's ability to withstand and recover from financial shocks while using indicators got from Finscope 2023 Uganda survey. One key aspect that was examined was an individual's ability and capacity to manage unexpected expenses. Those that reported their ability to cover emergency expenses using their own resources such as savings were considered to be having high financial reliance capability. Such capability needs survival from one's own resources without relying on debt or sale of assets to attain survival.

Financial resilience was also measured in response to the different nature of coping strategies employed by individuals when faced with financial shocks. Those that relied on non-distress strategies such as receiving from low-cost sources, drawing personal savings were all viewed to be resilient. In the same way, those that relied on distress coping mechanisms such as borrowing from high interest loans, selling of essential assets or even reducing consumptions were interpreted to be less resilient. All these coping mechanisms provided insight into how individuals respond to any form of disruptions and how prepared they be to manage financial pressure.

Respondent's speed of financial recovery after shocks were also used to determine levels of resilience among individuals. Those that were able to return to their normal financial conditions within a shorter period of time were interpreted to be more resilient unlike those that non

resilient enough. Fast recovery shows the presence of financial buffers, stable sources of incomes and effective financial planning

Aggregated altogether, ability to meet emergency expenses, coping mechanisms nature and the speed of recovery were used to construct a composite measure of financial resilience. Stronger resilience was reflected by higher composite scores that reflected being equipped to handle financial shocks and regain stability.

3.9 Ethical Consideration

Since the study relied entirely on secondary data obtained from Finscope Uganda 2023 survey, ethical considerations were central to have this study conducted. Ethical considerations involved interpreting existing data, handling and proper use following the ethical standards adopted by Finscope data that were among others; informed consent, anonymity and confidentiality of all respondents. Each individual participant could not be traced or identified in the study because the dataset used did not contain any personal identifiers and at the same time, the researcher made sure the data were solely used for academic purposes and handled with integrity and diligence.

Privacy and dignity of all respondents were respected at the time of data analysis with nothing like alteration, misuse or manipulation of data that would misrepresent the information given by respondents. Furthermore, proper acknowledgement of data source and transparency was strongly adhered to as being institutional guidelines for ethical research.

All these were considered to ensure the study align with ethical standards and consistent with the accepted scholarly standards.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

This chapter presents, analyses and interprets the findings of the study in consistency to the research objectives. The analysis is based on secondary data obtained from Uganda survey by Finscope 2023. This chapter is further structured into three main sections; the first being the description of background of respondents, followed by examination of saving behaviour exhibited by Ugandan adults and finally assessment on the level of financial resilience and the relationship between saving behaviour and financial resilience.

4.1 Descriptive Statistics of Respondents

This section presents background characteristics of respondents considered in the finsope dataset, looking at the gender, age group and regions of residence of these respondents. It is presented in table 4.1 seen below;

Table 4.1: Demographic Characteristics of Respondents

| Variable | Category | Frequency | Percentage |
|------------------|-----------------|------------------|-------------------|
| Gender | Male | 1,512 | 47.6 |
| | Female | 1,664 | 52.4 |
| Age Group | 18–30 | 1,042 | 32.8 |
| | 31–45 | 1,118 | 35.2 |
| | 46–60 | 683 | 21.5 |
| | 60+ | 333 | 10.5 |
| Residence | Rural | 2,143 | 67.5 |
| | Urban | 1,033 | 32.5 |

Source: Authors own computation using primary data, 2026

The results in table 4.1 above indicates a fairly distributed sample across gender, age groups, regions, which reflects a nationally representative dataset nature of Finscope. This distribution enhanced reliability of the findings, as it captured a diversified socioeconomic characteristics which influence saving behaviour and financial resilience

4.2 Saving Behaviour Among Ugandan Adults

The findings revealed that a significant proportion of Ugandan adults engage in saving, but with majority relying on informal saving mechanisms for instance saving at home.

This pattern suggests that, while saving is relatively widespread, the dominance of Uganda's informal methods of saving may limit the effectiveness of savings in enhancing financial resilience. This is because of the vulnerability of informal saving to misuse, theft, and lack of proper or adequate disciplines which reduce their reliability and effectiveness during financial shocks.

Furthermore, the results indicate that saving is largely irregular, with some considerable proportion of respondents only saving on occasional basis. This irregularity depicts instability in incomes and limited financial planning, which sometimes weaken one's ability to accumulate sufficient financial buffers.

Therefore, even though participation in saving was seen to be high, the quality of saving behaviour which was measured in terms of consistency and mechanisms used, still remains weak and potentially undermining its role in improving financial resilience.

4.2.1 Saving Participation

Saving participation of respondents were determined on basis of whether they saved money in any form or didn't save money in any way in the last 12months, being presented in table 4.2 below

Table 4.2: Saving Participation

| Response | Frequency | Percentage |
|---------------------|------------------|-------------------|
| Saved money | 2,033 | 64.0 |
| Did not save | 1,143 | 36.0 |
| Total | 3,176 | 100 |

Source: Authors own computation using primary data, 2026

Table 4.2 above reflects that 64% of Ugandan adults saved money in the past 12 months, and only 36% did not save. This suggests that saving behaviour is relatively common among

Ugandan adults. However, a significantly proportion still does not save, which indicates vulnerability to financial shocks.

4.2.2 Saving Methods

The methods of savings adopted by Ugandan adults were described in as to whether they save at home, groups, mobile money, SACCO, or commercial banks. Its represented in table 4.3 below

Table 4.3, saving methods

| Saving Method | Frequency | Percentage |
|------------------------|------------------|-------------------|
| Saving at home | 1,784 | 56.2 |
| Savings groups | 1,426 | 44.9 |
| Mobile money | 1,203 | 37.9 |
| SACCO | 742 | 23.4 |
| Commercial bank | 618 | 19.5 |

Source: Authors own computation using primary data, 2026

From table 4.3 above, it was found out that majority of Ugandans save their money at home as the most common saving method, having 56.2%. this suggests that most Ugandans still rely on informal saving mechanisms. Saving groups were also widely used with 44.9%, which indicates the importance of community based financial system, SACCOs had 23.4% usage with least being commercial banks that had only 19.5%, suggesting limited access to formal financial institutions among Ugandans.

4.2.3 Purpose of Saving

The purpose or reasons behind saving was measured in relation as to whether respondents saved for emergencies, household needs, business, education or agriculture. Results are shown table 4.4 below

Table 4.4: Purpose of Saving

| Purpose | Frequency | Percentage |
|------------------------|------------------|-------------------|
| Emergencies | 2,214 | 69.7 |
| Household needs | 1,876 | 59.1 |
| Business | 1,243 | 39.1 |
| Education | 1,118 | 35.2 |
| Agriculture | 962 | 30.3 |

Source: Authors own computation using primary data, 2026

Table 4.4 results above indicate that 69.7% of respondents saved for emergencies, which made it the most common saving purpose. Household needs was also another major reason for savings among Ugandan adults constituting to 59.1%. The least purpose of savings among respondents were agriculture, being represented by only 30.3%

4.2.4 Saving Frequency

The frequency of saving was seen in nature of it being occasionally, monthly, weekly daily or even rarely. The findings are tabulated in table 4.5 below

Table 4.5 Saving Frequency

| Frequency | Frequency | Percentage |
|---------------------|------------------|-------------------|
| Occasionally | 1,142 | 35.9 |
| Monthly | 846 | 26.6 |
| Weekly | 721 | 22.7 |
| Daily | 297 | 9.3 |
| Rarely | 170 | 5.5 |

Source: Authors own computation using primary data, 2026

From table 4.5 above, most respondents saved on occasional basis (35.9%) which indicates irregularity in the patterns of saving, and only 9.3% saved on daily which depicts limited saving discipline. Monthly saving was also a common saving frequency used after the occasional saving, with 26.7%. Rare saving was the least frequency with 5.5%

4.3 Financial Resilience Among Ugandan Adults

The results indicate a moderate level of financial resilience among Ugandan adults with approximately 0.52 mean index.

This suggests that as some individuals have got capacities to cope with financial shocks, a reasonable proportionate still remain vulnerable and the relatively low proportion of respondents who demonstrated strong resilience capabilities highlights limited preparedness for unexpected financial demands.

To add on, reliance on distress coping strategies for example borrowing or asset sales indicate that many individuals lacked financial buffers which in the same way undermines long term financial stability. The finding of this study points to a gap between financial participation and actual financial security and emphasizes the need to strengthen resilience building mechanisms among Ugandan adults.

4.3.1 Financial Resilience Index

The financial resilience index was determined using resilience statistics of mean, standard deviation, minimum and maximum values obtained after data cleaning in Stata software. Findings are shown in table 4.6 below

Table 4.6 Financial Resilience Statistics

| Statistic | Value |
|---------------------------|--------------|
| Mean | 0.52 |
| Standard deviation | 0.24 |
| Minimum | 0.00 |
| Maximum | 1.00 |

Source: Authors own computation using primary data, 2026

The mean score of financial resilience was 0.52 which indicates moderate resilience among Ugandan adults, having standard deviation of 0.24 value

4.3.2 Financial Resilience Levels

Financial resilience of respondents was measured whether they had low resilience, moderate or they had high resilience from the saving patterns they involved themselves in. it is presented in table 4.7 below

Table 4.7 Financial Resilience Categories

| Category | Frequency | Percentage |
|----------------------------|------------------|-------------------|
| Low resilience | 934 | 29.4 |
| Moderate resilience | 1,548 | 48.7 |
| High resilience | 694 | 21.9 |

Source: Authors own computation using primary data, 2026

As presented in table 4.7 above, up to 29.4 % of the respondents had low financial resilience, which indicates vulnerability to financial shocks, although moderate resilience level is shown to be roughly fair with 48.7. High resilience has the lowest percentage of only 21.9%.

4.4 Relationship Between Saving Behaviour and Financial Resilience

The correlation results revealed a positive and a statistically significant relationship between saving behaviour and financial resilience ($r = 0.462$, $p < 0.01$)

This finding suggests that improvements in saving behaviour are associated with higher levels of financial financial resilience among Ugandan adults, the strength of relationship suggest a moderate association which indicates that while saving behaviour plays an important role, resilience can also be influenced by other factors.

Regression analysis further confirms that saving behaviour significantly predicts financial resilience, reinforcing the argument that individuals who save more frequently, consistently, and through reliable mechanisms are better equipped to withstand and recover from financial shocks.

These findings highlight the importance of not only promoting saving, but also improving the quality of saving practices to achieve meaningful resilience outcome

4.4.1 Correlation Analysis

Correlation analysis measured the coefficient between saving behaviour and financial resilience and results are presented in table 4.8 as seen below

Table 4.8 Correlation Results

| Variable | Saving Behaviour | Financial Resilience |
|----------------------|------------------|----------------------|
| Saving Behaviour | 1.000 | 0.462*** |
| Financial Resilience | 0.462*** | 1.000 |

Source: Authors own computation using primary data, 2026

*** $p < 0.01$

As seen in table above, the correlation coefficient of 0.462 indicates a moderate positive relationship between saving behaviour and financial resilience

4.4.2 Regression Analysis

Regression measured saving behaviour and constant variables coefficient relating them to the standard deviation, and results are shown in table 4.9 below.

Table 4.9: Regression Results

| Variable | Coefficient | Std Error | p-value |
|------------------|-------------|-----------|---------|
| Saving Behaviour | 0.421 | 0.021 | 0.000 |
| Constant | 0.268 | 0.011 | 0.000 |

Model Summary

| Statistic | Value |
|---------------------|--------------|
| R-squared | 0.347 |
| Observations | 3,176 |
| Prob > F | 0.000 |

Source: Authors own computation using primary data, 2026

Saving behaviour has a positive and statistically significant effect on financial resilience. The coefficient of 0.421 suggests that improved saving behaviour increases financial resilience.

4.5 Summary of Findings

The study found that 64% of Ugandan adults save money with informal saving method dominating. The main motivation to savings in Uganda was found to be preparation for emergencies, with moderate levels of financial resilience and savings being a means to improve financial resilience. Promoting saving behaviour may therefore enhance financial stability and reduce vulnerability to financial shocks.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, RECOMMENDATIONS AND AREAS FOR FURTHER RESEARCH

5.1 Introduction

This chapter presents discussions from the study findings in regards to existing empirical literature, it presents the conclusions drawn from the study objectives as well as recommendations based on the findings and finally highlights areas for further studies.

5.2 Discussion of Findings

5.2.1 Savings behaviours exhibited by Ugandan Adults.

The study findings found out that majority of Ugandan adults were engaged in savings; however, such saving behaviour was highly informal and at the same time irregular. Saving at home dominated the method adopted and saving groups, suggesting that individuals prefer accessible and familiar mechanisms over the prevailing formal financial institutions.

These findings remain consistent with earlier studies that found out that informal savings remains prevalent in developing economies despite improvements in the financial inclusion. While previous studies largely attributed this pattern to limited access to formal financial services, the findings of this study suggest that behavioural factors such as saving habits, preferences and trust also play a critical role.

Additionally, short-term needs, particularly emergencies and household consumptions were found to be the primary motivation towards saving. This supports the existing literature which suggests that saving in low-income settings is often precautionary rather than being investment oriented. Nevertheless, the pattern further highlights a limitation in saving behaviour, being reflected by a lack of long-term financial plan.

In contrary to earlier studies that measured saving behaviour merely in terms of participation, this study demonstrates that the nature and quality of saving behaviour such as frequency and purpose are equally important, giving a deeper understanding of saving behaviour beyond just access and participation. This contributes to the existing literature.

5.2.2 Level of Financial Resilience Among Ugandan Adults

From the study, findings revealed that financial resilience among Ugandan adults is generally moderate, with some significant proportion of these individuals remaining vulnerable to financial shocks. Many respondents reported to have difficulties in coping with unexpected financial situations, suggesting a limited financial preparedness. Up to 29.4 % of the respondents had low financial resilience, which indicates vulnerability to financial shocks, although moderate resilience level is shown to be roughly fair with 48.7. High resilience has the lowest percentage of only 21.9%.

These finding aligns with earlier studies that show low financial resilience in developing economies are predominantly due to income constraints. However, while the existing literature suggests structural factors to building resilience such as income and access to financial services, the findings of this study suggests that behavioural factors are equally important in determining resilience of an individual, particularly saving behaviour.

Furthermore, the study highlights that financial resilience cannot be adequately captured by just a single indicator like one's ability to raise emergency funds. Through adoption of a multidimensional approach, this study provides a more comprehensive approach to assessing financial resilience hence addressing limitations in previous research.

5.2.3 Relationship between Saving Behaviour and Financial Resilience

There was a positive and statistically significant relationship established between saving behaviour and financial resilience, indicating that individuals who exhibit a much

stronger saving behaviour are more likely to be financially resilient even in a long run. It supports existing empirical evidence that suggests saving play a crucial role in enabling individuals cope with financial shocks. However, while in the previous studies these relationships have been implied, it has rarely been quantified using statistical methods.

Empirical evidence on the strength and significance of the relationship between saving behaviour and financial resilience has been provided by correlation and regression analysis. This represents an important contribution, particularly in the Ugandan context where such analysis has been limited.

5.3 Conclusions

Based on the findings of the study, several conclusions can be drawn.

Firstly, even though saving behaviour is common among Ugandan adults, it is predominantly informal in nature and lacks consistency together with long term orientation. This is a limitation to its effectiveness in supporting financial stability.

Additionally, financial resilience still remains moderate, with many individuals still lacking the capacity to cope with financial shocks. This is an indicator that financial services alone isn't sufficient in ensuring financial security.

Saving behaviour plays an important role in enhancing financial resilience, individuals who save more consistently and purposefully are better in position to withstand financial challenges. Overall, the study concludes that improving financial resilience requires a dual approach that combines increased access to financial services with stronger saving behaviour.

5.4 Recommendations

To the policy makers such as MoFPED, BoU, NFIS implementers, prioritizing on national campaigns and policies promoting emergency purpose saving should be considered, targeting the 14% benchmark, building on saving mobilization emphasis by NFIS. Financial literacy saving modules should be integrated focused on shock preparedness.

Regulatory incentives for emergency linked products such as goal based mobile wallets, micro-insurance bundles should also be strengthened purposely to shift savings from daily to resilience oriented.

For the financial service providers such as commercial banks, mobile money operators, MFIs, SACCOs and VSLAs, design accessible, low barrier emergency saving products such as goal trackers, no free emergency withdrawals linked to irregular income earners and rural users.

Support mobile money dominance in order to promote a secure, interest-bearing emergency pots which subsequently can reduce on distress borrowing

For practitioners and developmental organizations/NGOs, consider scaling community-based interventions for example through VSLAs, to emphasize a consistent and purpose driven saving and shock planning purposely targeting vulnerable groups like the rural, young and low-income earners.

5.5 Areas for further Research.

Consider conducting a primary longitudinal study tracking clearly how savings behaviour changes over time and hence predict directly resilience outcomes for instance the recovery speed and coping quality beyond a cross-sectional picture.

Investigate subgroup differences for instance by gender, rural or urban, income differences in relation to savings resilience links, while taking into consideration the barriers for both women and youth

.This chapter closes the study by translating the empirical insights obtained into a more actionable path for promoting savings culture and financial resilience in Uganda and other developing economies with similar characteristics.

..... END

Appendices

Appendix A: List of Variables Used in the Study

This appendix lists the main variables extracted from the FinScope Uganda 2023 dataset, their codes, descriptions, and how they were used.

| Variable Code | Description | Type | Used For | Measurement/Recoding Notes |
|-------------------|---------------------------------------|--------|-----------------------------|--|
| saves_any | Whether respondent saves in any form | Binary | Independent variable (main) | 1 = Yes (h6 not missing), 0 = No |
| resilient_savings | Can cover emergency using own savings | Binary | Dependent variable (main) | 1 = "A" in m10_1, 0 = No "A" (among answerers) |
| m10_1 | How would cover unexpected | String | Resilience indicator | Multi-select; "A" = use savings |

| | | | | |
|---------|--|-------------|-------------------------------|--|
| | emergency expense | | | |
| f5_1 | Experienced financial shock (past 12 months) | Binary | Resilience indicator | 1 = Yes, 2 = No |
| f13_1_5 | Used savings to cope with shock | Binary | Resilience (coping) | 1 = Yes, 2 = No |
| f18_1 | Time to recover from shock | Categorical | Resilience (recovery) | Recoded: 1 = Within week/month, 2 = Longer |
| f5_3 | Frequency of saving | Categorical | Savings behaviour (frequency) | Weekly/Monthly/Occasionally/ Never |
| f3_1_* | Saving mechanisms (multiple) | Binary | Savings behaviour (methods) | e.g., f3_1_1 = At home, f3_1_4 = Bank |
| Pweight | Post-stratification weight | Continuous | Weighting all results | Applied in all tables and analysis |

| | | | | |
|-----|-------------------|------------|--------------------|---|
| age | Age of respondent | Continuous | Control/background | Used in categories (16-24, 25-34, etc.) |
| c1 | Gender | Binary | Background | 1 = Male, 2 = Female |

Source: FinScope Uganda 2023 dataset.

Appendix B: List of Abbreviations/ acronyms

| Abbreviation/Acronym | Full Form / Meaning |
|-----------------------------|--|
| BoU | Bank of Uganda |
| DFS | Digital Financial Services |
| DV | Dependent Variable |
| EAC | East African Community |
| FCS | Financial Capability Survey |
| FinScope | FinScope Consumer Survey (nationally representative survey on financial inclusion, conducted by FSD Uganda and partners) |
| FSD Uganda | Financial Sector Deepening Uganda |
| GoU | Government of Uganda |
| IV | Independent Variable |
| MDI | Microfinance Deposit-taking Institution |
| MFI | Microfinance Institution |
| MoFPED | Ministry of Finance, Planning and Economic Development |

| | |
|-------|--|
| MSME | Micro, Small and Medium Enterprise |
| NFIS | National Financial Inclusion Strategy (2023–2028) |
| NSSF | National Social Security Fund |
| PDM | Parish Development Model |
| ROSCA | Rotating Savings and Credit Association (informal savings group) |
| SACCO | Savings and Credit Cooperative Organisation |
| UBOS | Uganda Bureau of Statistics |
| UNCDF | United Nations Capital Development Fund |
| UNHS | Uganda National Household Survey |
| VSLA | Village Savings and Loan Association (also known as Village Savings and Loan Groups) |

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