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Abstract

Most women-owned enterprises in Kiambu County operate in the informal sector, characterized by small-scale operations, low capital investment, limited access to modern technology and business infrastructure, and low survival and expansion rates. Although Kiambu County is economically strategic owing to its proximity to Nairobi and its growing urban population, many women entrepreneurs remain economically vulnerable due to unstable and insufficient business incomes. Financial Services Associations (FSAs) are rural, community-level, member-based semi-informal financial institutions that combine features of savings and credit cooperative organizations and microfinance institutions, operating under a table banking system. With over 100 FSAs spread across rural Kiambu County, membership ranges from 10,000 to 20,000 per FSA, and their primary aim is to provide financial support to poor rural communities for both investment and consumption purposes. Despite this, rural women entrepreneurs in Kiambu County continue to face significant challenges in accessing financial resources essential for business growth, a situation compounded by persistent gender-based disparities. This study examined the contribution of FSAs to the growth of rural women-owned enterprises, focusing specifically on how financial savings and credit products influence enterprise performance. A cross-sectional survey design supported by covariance-based structural equation modeling (CB-SEM) was employed. Findings indicate that most users of FSA savings products held multiple accounts, principally Group Savings, Save as You Earn (SAYE), and FOSA Savings, with over 85 percent reporting business growth. These results confirm a consistently positive association between FSA savings utilization and enterprise performance. However, a small but statistically identifiable subgroup of women-owned enterprises did not experience growth, reflecting heterogeneous effects of savings participation. Regarding credit, access was not evenly distributed across enterprise categories, yet enterprises that accessed credit reported significantly better business performance. The findings point to the presence of structural and institutional barriers to credit access and underscore the need to encourage credit application among women entrepreneurs, improve approval rates through tailored financial products, and complement credit provision with broader financial capability support.

Keywords: *Financial Credit, Savings Products, Financial Service Associations, Growth of Rural Women, Owned Enterprises*

1.0 Background of the Study

The Financial Services Associations (FSA) model was established in Kenya by the K-Rep Development Agency (KDA), a non-governmental organization whose primary objective was to extend sustainable financial services to remote geographical areas where mainstream microfinance institutions and commercial banks were not operating (FSD Kenya, 2017). FSAs are rural, community-level, member-based semi-informal financial institutions that combine features of savings and credit cooperative organizations (SACCOs) and microfinance institutions (MFIs), operating under a table banking system. Currently, there are over 100 FSAs spread across rural Kiambu County, with membership ranging from 10,000 to 20,000 per FSA. Although relatively large, FSAs exist as self-help groups, typically starting with about 300 members and growing gradually depending on factors such as economic potential and population density of the area. Despite tremendous gains in financial inclusion, the decline in poverty and wealth inequality in Kenya remains insignificant. Poverty continues to be a development challenge, particularly in rural areas, where above 40 percent of the population fell below the overall poverty line in 2023, compared to an urban poverty rate of above 30 percent. The FSD Kenya (2021) FinAccess Household Survey assessed financial inclusion across four key dimensions: access, usage, quality, and impact. Its findings indicate that formal financial inclusion is strongly correlated with economic activity, population density, and urbanization. Counties with higher levels of these factors, including Nairobi, Nyeri, Kirinyaga, Murang'a, and Kiambu, reported formal financial inclusion rates exceeding 90 percent of the adult population, suggesting that more economically developed and urbanized regions tend to experience higher levels of financial inclusion.

Financial inclusion is a key instrument in combating poverty and income inequality, as it opens advancement opportunities for disadvantaged segments of the population. Kenya has made considerable progress in this regard, with over 90 percent of adults now having access to financial services, a significant rise from less than 30 percent in 2006, largely driven by the widespread adoption of mobile money systems. This progress has underpinned Kenya's economic growth by enhancing financial stability among citizens and supporting small business development. Despite these gains, women in several parts of the country continue to experience inequality and poverty at the micro level (Fox, Senbet, & Simbanegavi, 2016; Borrowman & Klasen, 2020). Women remain concentrated in the agriculture sector and small-scale household service work, primarily as family workers, where financial exclusion is prevalent. Even when women enter nonfarm employment, whether as self-employed individuals or employees, social norms enforce occupational and sectoral segregation (Fox & Thomas, 2016). Neoclassical growth models demonstrate that financial exclusion directly affects economic growth by lowering average levels of human capital (Klasen, 2002) and indirectly through its impact on labor market opportunities (Seguino, 2020). Financial exclusion also reduces factor productivity, which is among the most important determinants of income differences between households. When a large portion of the labor force is engaged in low-productivity activities, overall economic productivity declines, resulting in welfare losses not only for women workers but for economies in aggregate terms.

FSAs, operating as semi-formal financial institutions, offer savings products, credit facilities, and financial literacy training tailored to the needs of rural communities. However, their effectiveness is constrained by management challenges and high member inactivity rates. Women-owned micro and small enterprises play a critical role in Kiambu County's local economy through employment creation and household welfare improvement. Nevertheless, FSA membership data reveals persistent inactivity among enrolled members, and a sizeable minority of individuals sharing the typical profile of FSA members have opted not to join. The reasons underlying high inactivity and limited participation remain unclear, and this study seeks to address these gaps.

1.1 Statement of the Problem

Rural women entrepreneurs in Kenya face significant challenges in accessing financial resources essential for business growth, a situation compounded by gender-based disparities. Women, who constitute a critical segment of the entrepreneurial population, are often excluded from formal financial systems, resulting in limited access to savings, credit, and financial literacy services necessary for enterprise development. This financial exclusion is particularly prevalent in rural areas, where many women rely on informal networks for their economic activities. Financial Services Associations (FSAs), designed to serve as semi-formal financial institutions, are intended to fill this gap by providing financial services to underserved rural populations. However, the effectiveness of these FSAs in empowering rural women entrepreneurs' remains limited due to management challenges and a high rate of member inactivity.

Research highlights that in low-income countries, such as Kenya, 88% of working-age women earn their livelihoods through self-employment, yet they face more significant obstacles than men in accessing financial services needed to sustain and grow their businesses (Borrowman & Klasen, 2020). Although the FSA model has been successful in promoting financial inclusion in some regions, like Kiambu County, these associations have not significantly contributed to the growth of women-owned enterprises as expected. Further, despite the large membership base of FSAs, with some reaching over 10,000 members, many women in Kiambu County remain financially excluded, contributing to stagnation in the growth of their businesses. The gap between the potential of FSAs to serve as economic empowerment vehicles and their actual performance in Kiambu County highlighted a critical need for research. This study sought to examine the contribution of FSAs to the growth of rural women entrepreneurs, focusing on how financial savings and credit offered by FSAs have improved performance of Kiambu County women-owned enterprises.

1.2 Study Objectives

i. Analyze the financial savings products offered by FSAs to influence the growth of rural women owned enterprises in Kiambu County.
ii. Examine the credit products offered by FSAs to influence the growth of rural women owned enterprises in Kiambu County.

2.0 Literature Review

Women-owned enterprises have played a critical role in rural economic development through employment creation and income generation. In Kiambu County, rural women are mainly involved in SMEs. FSAs are established to address financial exclusion focusing more on women-owned SMEs, by providing accessible and community-based financial services. Existing literature suggests that financial credit products and savings products are among the key mechanisms through which FSAs can influence the growth of women-owned enterprises.

2.1 Financial Credit Products and Growth of Women-Owned Enterprises

Credit access is recognized in literature as an essential determinant of enterprise performance. According to the Resource-Based Theory, access to financial credit enables SMEs to acquire productive resources necessary for business expansion, innovation, and market competitiveness (Barney, 1991). Rural women-owned enterprises particularly require affordable and flexible credit to finance working capital, stock acquisition, technology adoption, and market expansion. Studies indicate that women-owned enterprises face greater barriers to accessing formal credit compared to men due to limited collateral assets and low incomes. The International Finance Corporation estimates a significant financing gap for women-owned micro-enterprises in low- and middle-income countries. Similarly, the Global System for Mobile Communications Association observes that women-owned enterprises are disproportionately excluded from formal financial systems because of structural inequalities and restrictive social norms.

FSAs attempt to bridge this financing gap by offering localized and relatively affordable credit facilities tailored to low-income rural populations. Unlike commercial banks, FSAs generally operate within communities and are designed to serve clients who lack formal banking qualifications. Literature suggests that accessible credit products can contribute to enterprise growth by: increasing business capital; supporting inventory expansion; enhancing enterprise productivity; facilitating diversification of economic activities; and improving enterprise resilience against financial shocks. Research on microfinance and women entrepreneurship in Kenya demonstrates that access to small loans positively influences enterprise profitability and household welfare. However, several scholars argue that credit alone may not guarantee sustainable business growth unless accompanied by financial literacy, mentorship, and supportive institutional structures. In the context of Kiambu County, rural women entrepreneurs often depend on informal credit sources such as rotating savings groups and family networks due to challenges in accessing institutional financing. FSAs therefore have the potential to fill this gap through community-based lending models that are more flexible and socially inclusive. Nevertheless, literature reveals that many FSAs experience operational inefficiencies, weak loan recovery systems, and governance challenges that limit their effectiveness in delivering sustainable credit services. Evidence by Financial Sector Deepening Kenya indicates that poor management and governance structures have contributed to the collapse or stagnation of many FSAs, thereby weakening their ability to support entrepreneurship effectively (Utami & Alamanos, 2026).

2.2 Savings Products and Growth of Women-Owned Enterprises

Savings mobilization is equally an important financial service associated with micro and semi-enterprise growth. Savings products offered by FSAs have enable women entrepreneurs to accumulate financial resources for investment and expansion of business (Basu, 2015). The Financial Intermediation Theory posits that micro-savings institutions promote capital accumulation and financial stability, which are necessary for SMEs development. Studies on rural entrepreneurship indicate that rural women entrepreneurs with active savings behaviors are more likely to sustain and expand their enterprises than those who rely entirely on external borrowing. Savings improve financial discipline, reduce vulnerability to income shocks, and enhance the ability of entrepreneurs to reinvest profits into their businesses. In addition, FSAs promote savings culture among rural populations through; regular savings accounts, group savings mechanisms, compulsory savings linked to credit access, and fixed and voluntary savings schemes (Basu, 2015). These savings products are particularly important for rural women entrepreneurs who often operate in environments characterized by income instability and limited access to insurance or social protection systems. Empirical studies in microfinance literature show that savings-led financial inclusion contributes to women's economic empowerment by increasing financial independence and strengthening decision-making power within households and businesses. Savings also improve creditworthiness because many financial institutions use savings history as a basis for loan eligibility assessment.

In Kiambu County, rural women entrepreneurs frequently encounter seasonal income fluctuations, especially those involved in agricultural activities. Savings products offered by FSAs can therefore provide financial security during periods of low business activity and facilitate investment during productive seasons. Despite these potential benefits, existing literature indicates that many FSAs may be facing challenges in mobilizing savings effectively due to; low member confidence, weak governance systems, limited product innovation, inadequate financial management capacity, and high member inactivity. These institutional weaknesses reduce the ability of FSAs to provide reliable and sustainable savings services capable of supporting enterprise growth. This indicate that the supply side may be adequate while as the demand side has not been adequately addressed. The purpose of the current study was, therefore to evaluate the supply side.

2.3 FSAs and Financial Inclusion of Rural Women Entrepreneurs

Financial inclusion literature emphasizes the importance of accessible and affordable financial services in promoting enterprises performance and reducing poverty among marginalized populations. FSAs are specifically developed to target financially excluded rural SMEs who are underserved by formal banking systems. The community-based nature of FSAs makes them potentially suitable for supporting rural women entrepreneurs because they operate within local communities, they understand local socio-economic conditions, they are able to utilize simplified lending procedures, and they encourage member participation and ownership. However, despite their intended role in promoting inclusion, studies indicate that many FSAs have not achieved significant impact compared to other microfinance institutions and commercial banks. The member-owned management structure of FSAs may create challenges because of lack of professional expertise in financial management, governance, and institutional administration. Literature suggests that while self-management may work effectively for smaller FSAs, institutional growth often leads to governance conflicts, inefficiencies, and mismanagement. Research by Financial Sector Deepening Kenya indicates that professionally managed FSAs tend to perform better than purely member-managed institutions (Ablorh, 2017).

In Kenya, K-Rep Fedha Services was established to provide professional management and oversight services to FSAs. Preliminary evidence suggests that KFS-managed FSAs have demonstrated better financial performance, improved governance systems, enhanced accountability, greater operational efficiency, and increased member confidence. However, many FSAs are unable to afford professional management services or choose not to adopt such arrangements. Consequently, managerial gaps continue to undermine the sustainability and effectiveness of FSAs in supporting women entrepreneurs. The literature therefore points to the need for hybrid management models that combine community ownership with professional managerial oversight. Such models may strengthen institutional governance while preserving community participation and inclusivity. Although extensive literature exists on financial inclusion, microfinance, and women entrepreneurship, limited empirical research has specifically examined the contribution of FSAs to the growth of rural women-owned enterprises in Kiambu County. Existing studies have largely focused on commercial banks, SACCOs, and microfinance institutions, with minimal attention given to FSAs. This study sought to fill this knowledge gap by examining how financial credit products and savings products offered by FSAs influence the growth of rural women-owned enterprises in Kiambu County. The findings contribute to policy formulation and point to institutional reforms aimed at strengthening FSAs as instruments of financial inclusion and women economic empowerment.

3.0 Methodology

This study employed a Results-Based Approach and a Utilization-Focused research design within a quantitative, cross-sectional survey framework to investigate the effects of FSA savings and credit facilities on the performance of rural women-owned enterprises in Kiambu County. The Results-Based Approach guided the tracing of pathways from project inputs, including loan disbursements, scheduled savings, loan repayments, and technical assistance, to intermediate outputs such as the number of MSMEs financed and women-inclusive enterprises reached, ensuring that performance was assessed against defined indicators and targets. The Utilization-Focused Approach complemented this by ensuring that findings were practical, actionable, and directly relevant to the women-owned enterprises and other stakeholders. Primary data were collected through structured survey instruments administered at a single point in time and analyzed using descriptive and inferential statistical techniques, including percentages, proportions, graphical presentations, and Chi-square tests. The target population comprised 700 women-owned enterprises in Kiambu County, from which a sample of 208 was determined using Cochran's formula at a 95 percent confidence level, a variability proportion of 0.4, and a margin of error of 0.04. Stratified sampling was applied proportionally across twelve sub-counties to ensure representativeness, yielding a scientifically robust sample from which reliable inferences about the broader beneficiary population were drawn.

4.0 Analysis and Findings

This section presents the empirical findings of the study based on data collected from 168 women-owned enterprises in Kiambu County. The analysis addresses two key objectives: the influence of FSA savings products and credit products on enterprise performance. Descriptive and inferential statistical techniques were applied, and results are organized to reflect both the nature of financial product utilization and the performance outcomes associated with each product category. The demographic profile of respondents is summarized in Table 1.

Table 1: Sample Characteristics

Age (Years)	Percentage	Education	Number	Period in Business	Number
Below 25	10.7	Primary level	15	1-5 years	84
25-34	14.3	Secondary School	129	6-10 years	58
35-44	41.1	Tertiary Education	22	Above 10 years	25
45 - 54	32.1				

The majority of respondents (41.1 percent) were aged between 35 and 44 years, followed by those aged 45 to 54 years at 32.1 percent, indicating that enterprise ownership among the sampled women was predominantly within the mature adult demographic. A further 77.8 percent had completed secondary school education, reflecting relatively high literacy levels among women entrepreneurs in the county. Most enterprises (84 out of 167) had operated for between one and five years, suggesting a predominantly young but active enterprise base.

4.1 Financial Savings Products Offered by FSAs and Their Influence on Enterprise Growth

This subsection examines the types of savings products offered by FSAs in Kiambu County and assesses their influence on the performance of rural women-owned enterprises. All 168 respondents were aware of the savings products offered by FSAs; however, 3.6 percent had not

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utilized any of them. The savings products available included the Member Deposits Account, Junior Savings Account, Fixed Deposit Account, FOSA Savings Account, Save as You Earn (SAYE) Account, Group Savings Account (Chama Account), and Hekima Savings Account. Figure 1 illustrates the utilization rates of these products among the sampled enterprises.

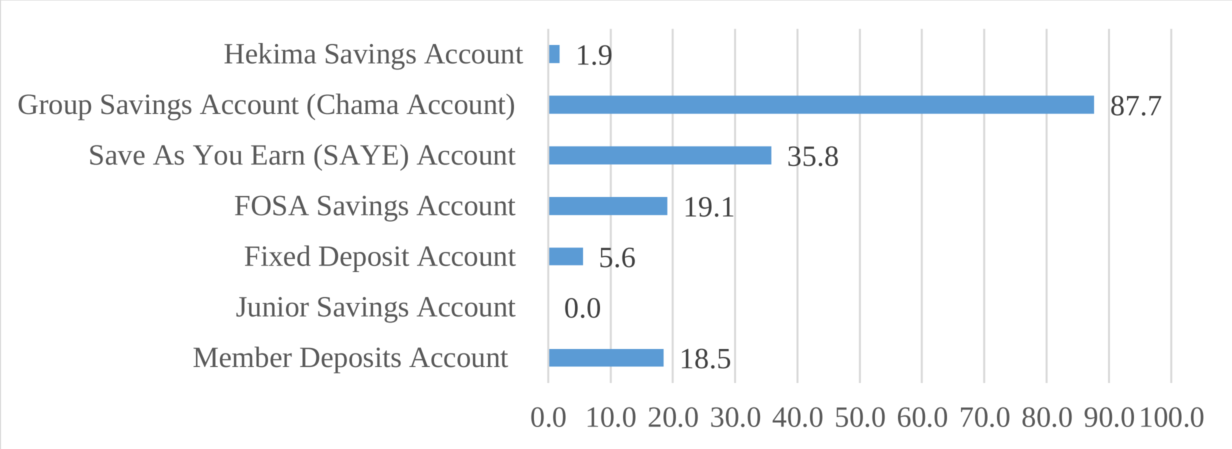

Figure 1: Percentage Use of the Financial Savings Products Offered by FSAs

The Group Savings Account (Chama) recorded the highest utilization, with close to 90 to 95 percent of respondents holding this account, underscoring the continued dominance and relevance of community-based savings mechanisms among rural women entrepreneurs. The Save as You Earn (SAYE) account followed at 35 to 40 percent, reflecting its appeal for goal-oriented savings aligned with business expansion plans. The FOSA Savings Account was held by approximately 20 percent of respondents, offering a more formal banking structure, though its uptake was constrained by comparatively higher transaction costs and documentation requirements. Fixed Deposit, Hekima, and Junior Savings Accounts recorded minimal utilization of below 10 percent each, with Junior Savings attracting no uptake at all, indicating limited relevance or accessibility of these products within the sampled population. The majority of users held multiple accounts, predominantly combining Group Savings, SAYE, and FOSA products.

4.1.1 Influence of Savings Products on Enterprise Performance

The influence of FSA savings products on enterprise performance was assessed across five dimensions: business growth, cash flow management, access to capital, savings improvement, and financial planning. Of the 168 respondents who utilized savings products, 145 reported business growth while 21 did not, representing a strong positive association between savings utilization and enterprise outcomes. Figure 2 presents the distribution of performance outcomes across the five dimensions.

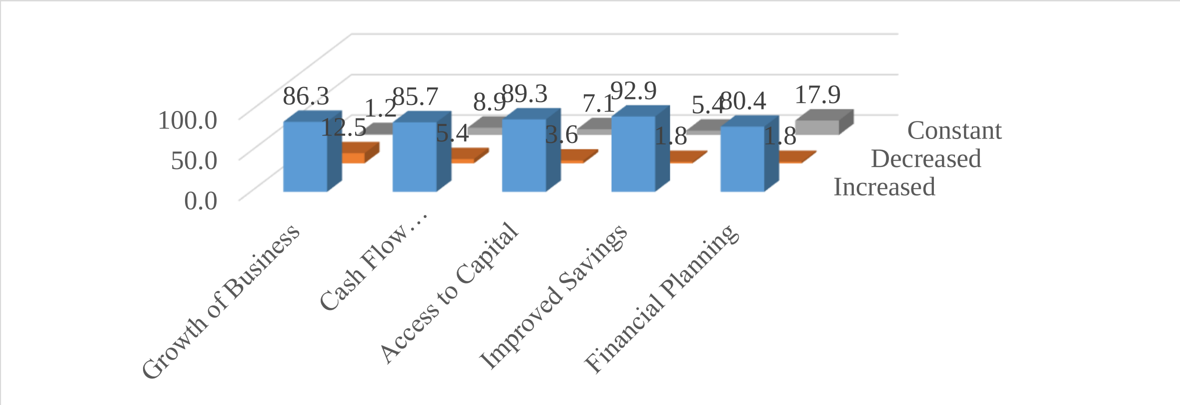

Figure 2: Influence of Savings on Enterprise Performance

Across all five performance dimensions, between 80 and 93 percent of respondents reported improved outcomes. Savings improvement recorded the highest positive response at 92.9 percent, confirming a self-reinforcing savings-performance cycle among FSA users. Access to capital followed at 89.3 percent and business growth at 86.3 percent, suggesting that savings directly enhance investment capacity and support enterprise expansion. Cash flow management recorded an improvement rate of 85.7 percent, reflecting strengthened liquidity and financial resilience. Financial planning recorded the lowest positive response at 80.4 percent and the highest constant response at 17.9 percent, implying that some women had not yet fully integrated savings into long-term planning practices, possibly due to limited advisory support embedded in savings products. Negative outcomes were consistently low across all dimensions, not exceeding 12.5 percent, though their presence indicates that a minority of enterprises experienced business shocks, fund misallocation, or a mismatch between product features and enterprise needs.

4.1.2 Inferential Statistical Results: Savings Products

To test whether the observed distribution of performance outcomes was statistically significant, a Chi-square goodness-of-fit test was applied to each performance dimension under the following hypotheses: H_0 that performance outcomes were equally distributed across increased, decreased, and constant categories, and H_1 that the distribution was not equal. The Chi-square statistic computed as follows yielded a value of 215.6:

Chi-square statistic:

$$X^2 = \sum \frac{(X_i-\mu)^2}{\mu} = 215.6$$

With degrees of freedom (df) = 2 and a critical value of 5.99 at $\alpha = 0.05$, the result confirmed that the distribution of outcomes deviated significantly from equal distribution, leading to rejection of H_0. To further examine whether non-positive outcomes were statistically significant rather than random noise, responses were collapsed into positive outcomes (increased) and non-positive outcomes (decreased and constant), and a second Chi-square test was applied at df = 1 with a critical value of 3.84. The results are presented in Table 3.

Table 3: Chi-Square Results for Savings Performance Indicators

Indicator	χ^2	p-value
Growth of Business	87.8	< 0.001
Cash Flow Management	85.7	< 0.001
Access to Capital	104.6	< 0.001
Improved Savings	124.6	< 0.001
Financial Planning	49.5	< 0.001

All Chi-square values exceeded the critical threshold of 3.84, confirming that non-positive outcomes were statistically significant across all performance indicators and could not be attributed to random variation. These findings indicate heterogeneous effects of savings participation: while FSA savings products are broadly effective in improving enterprise performance, a small but statistically identifiable subgroup of women-owned enterprises does not experience growth, underscoring the need for complementary financial management interventions alongside savings participation.

4.2 Credit Products Offered by FSAs and Their Influence on Enterprise Performance

This subsection examines the types of credit products accessed by women entrepreneurs under FSAs and the relationship between credit application behavior, approval outcomes, and enterprise growth. The credit products analyzed included micro-loans, personal loans, and business loans. Figure 3 presents the distribution of credit product types accessed by the sampled enterprises.

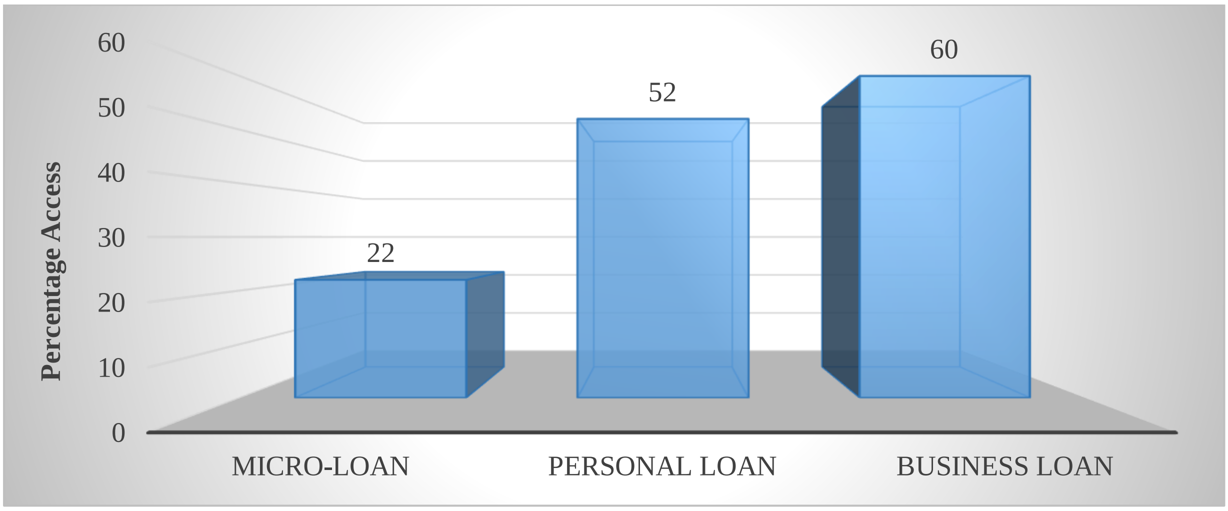

Figure 3: Credit Product Types Accessed by Women's Enterprises under FSAs

Micro-loans accounted for only 22 percent of credit accessed, a relatively low figure that reflects the increasing capital intensity of women's enterprises in Kiambu County and a gradual transition from informal to semi-formal enterprise operations, rendering small-value credit insufficient for inventory financing, equipment acquisition, or business scaling. Personal loans were accessed by 52 percent of respondents, making them among the most widely used credit instruments under FSAs. Their high uptake reflects their flexibility and ease of access, as they

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typically involve less stringent documentation requirements than formal business loans. However, this reliance also signals persistent gaps in credit product suitability, as personal loans are used as substitutes for business credit by enterprises that do not meet formal lending requirements, a pattern that may perpetuate informal financial management practices. Business loans recorded the highest uptake at 60 percent, indicating growing enterprise maturity and the increasing ability of women entrepreneurs to meet documentation, collateral, and repayment thresholds. This finding reflects meaningful integration into formal financial systems and suggests that FSAs are progressively adapting their credit offerings to the evolving financing needs of women-owned enterprises.

4.2.1 Influence of Credit Products on Enterprise Performance

The relationship between credit application behavior, loan approval status, and business growth was examined using descriptive analysis supported by Chi-square tests of independence. Table 4 summarizes the credit application and approval outcomes alongside corresponding business growth rates.

Table 4: Responses on Enterprise Performance by Credit Application and Approval Status

	Percentage	Of Whom Realized Business Growth (%)
Applied for Credit Product	57	81
Did Not Apply for Credit Product	43	4
Applications Approved	84	89
Applications Declined	16	50

Among the 168 sampled enterprises, 57 percent applied for credit while 43 percent did not, indicating a moderate level of engagement with FSA credit facilities. Of those that applied, 81 percent reported business growth, compared to only 4 percent among non-applicants, representing a disparity of 77 percentage points and strongly suggesting that credit market engagement is a significant driver of enterprise performance. Among applicants, 84 percent received loan approval, of whom 89 percent realized business growth. By contrast, 50 percent of enterprises whose applications were declined still reported growth, indicating that declined applicants were inherently more growth-oriented and likely leveraged alternative financing sources or implemented non-financial strategies such as cost reduction and operational

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efficiency improvements. Figures 4 and 5 illustrate these patterns.

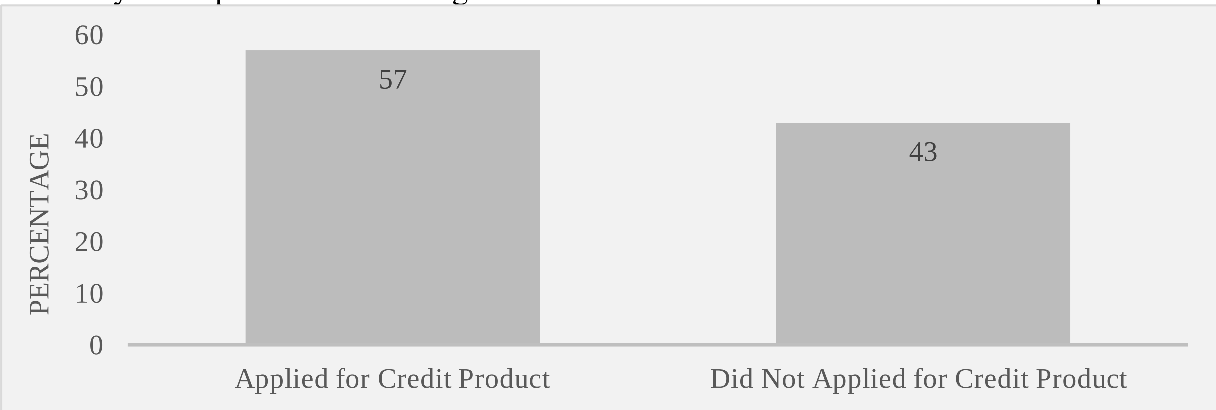

Figure 4: Proportion of Women Enterprises Applying for Credit Product

The results indicate that 57 percent of the surveyed women enterprises applied for credit, while 43 percent did not. This level of participation suggests a moderate level of engagement with formal financial institutions. The substantial proportion of firms that refrained from applying may reflect constraints such as insufficient financial literacy, high collateral requirements or perceived high interest rates. These findings are consistent with previous studies that highlight structural and behavioral barriers that limit MSME participation in formal credit markets.

Among those that applied, a substantial majority comprising of 81 percent reported realizing business growth. In contrast, only 4 percent of enterprises that did not apply for credit reported business growth. This large disparity suggests that engagement with credit markets is strongly associated with improved enterprise performance. Further differentiation by loan approval status reveals an even clearer pattern of access. This pattern is depicted by figure 5

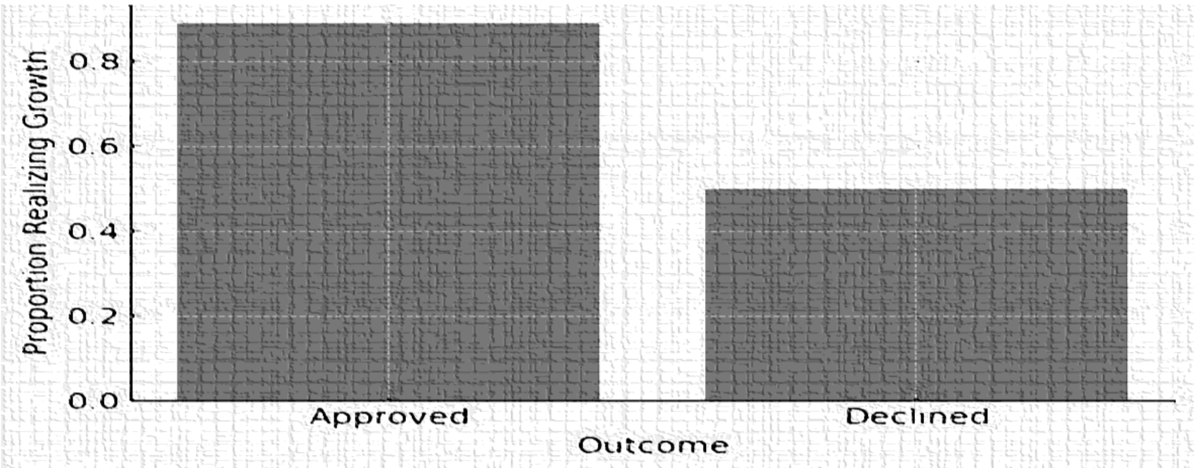

Figure 5: Business Growth Outcomes by Credit Product Approval Status

Of the enterprises that applied for credit, 84 percent had their applications approved, and among these, 89 percent realized business growth. Conversely, only 50 percent of enterprises whose applications were declined reported business growth. Such a high approval rate may indicate an enabling financial environment or the presence of effective application preparation requirements and borrower profiling. Conversely, the relatively small share of declined applications suggests that FSAs may have adopted more inclusive lending practices or that many applicants already met lending thresholds. The business-growth outcomes associated with approval status provide additional insights. An overwhelming 89 percent of the enterprises whose applications were approved reported realizing growth. In contrast, 50 percent of

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businesses whose applications were declined still managed to achieve growth. These findings suggest a two-tiered dynamic: One is that credit approval substantially enhances business growth. Access to formal financing enables firms to undertake capital investments, expand production capacity, increase inventory, or enter new markets, factors that directly contribute to performance improvements. Secondly, a notable proportion of declined applicants still experience growth, indicating that women enterprises that are motivated to apply for credit are inherently more growth-oriented. The enterprises may have also leveraged on alternative funding sources or implemented non-financial strategies such as cost-cutting, innovation, and increased operational efficiency. The results therefore underscore the role of both credit product access and entrepreneurial capacity of women enterprises in influencing business performance. Credit amplifies growth among already motivated firms but is not the sole determinant of expansion.

4.2.2 Inferential Statistical Results: Credit Products

Chi-square tests of independence were conducted to determine whether the observed differences in business growth across credit application and approval categories were statistically significant. Two sets of hypotheses were tested. For loan application status, H_0 stated that business growth is independent of loan application status, while H_1 stated that the two are associated. The Chi-square test yielded a statistically significant result, leading to rejection of H_0 and confirming that enterprises that applied for credit were significantly more likely to experience business growth than those that did not. For loan approval status, H_0 stated that business growth is independent of approval status, while H_1 stated that they are associated. The Chi-square test again returned a statistically significant result, confirming that loan approval significantly differentiates business growth outcomes among women enterprises. Collectively, these findings demonstrate that access to credit is not evenly distributed across enterprise categories in Kiambu County, and that both application behavior and approval outcomes are critical determinants of enterprise performance.

5.0 Conclusion

This study examined the contribution of FSA savings and credit products to the growth of rural women-owned enterprises in Kiambu County, and the findings consistently demonstrate a positive and statistically significant relationship between FSA financial product utilization and enterprise performance. Savings products, particularly the Group Savings Account, were broadly associated with improvements across all five performance dimensions, including business growth, cash flow management, access to capital, savings improvement, and financial planning, with between 80 and 93 percent of users reporting positive outcomes. However, the statistical significance of non-positive outcomes confirms that a minority of enterprises remains unaffected by savings participation, pointing to the need for complementary financial literacy and business development support. With respect to credit, the study found that enterprises that applied for and obtained loan approval were substantially more likely to experience business growth, with approved applicants 77 percentage points more likely to report growth than non-applicants. The increasing preference for business loans signals growing enterprise maturity and progressive financial empowerment among women entrepreneurs. Nevertheless, the uneven distribution of credit access, driven by structural and institutional barriers, continues to limit the full realization of FSAs' potential as economic empowerment vehicles for rural women in Kiambu County.

6.0 Policy Recommendations

Based on the study findings, three key recommendations are proposed. First, policymakers and FSA management should prioritize scaling community-based savings mechanisms, particularly group savings, as entry points into formal financial systems, and bundle savings products with advisory and goal-based financial planning features to strengthen enterprise growth outcomes. Second, credit access barriers must be addressed through simplified application procedures, tailored loan products that reflect women entrepreneurs' cash-flow cycles and collateral constraints, and the introduction of credit guarantee schemes to improve approval rates among viable but underserved enterprises. Third, financial services must be complemented with integrated enterprise support interventions, including business development services, market access facilitation, and cost-management training, to ensure that savings and credit translate into sustained and equitable enterprise growth across all categories of women-owned enterprises in Kiambu County.

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