International Journal of Scientific Research and Engineering Trends
ISSN: 2395-566X

ABCD-Index (RAMP) 2023, 9:5

Determinants of Urban Households Saving in Hawassa City Sidima Regional State Ethiopia

Birhan Densisa
Arbaminch University
Hawassa, Ethiopia
surafeldensisa24@gmail.com

Abstract: In developing countries like sub-Saharan African countries has lowest saving rate in developing countries. While figures vary from country to country, grass domestic savings in the region averaged about 18 percent of gross domestic product in (2005) compared with 26 percent in south Asia and nearly 43 percent in East Asia and pacific countries according to (WB) estimates. This study would be analysing the determinants of household saving in the case of Hawassa city and to easily undertake the research, Tabor, Menaherya and Tula subcity was selected as the study area through using Simple random sampling (lottery) as well as multi- stage probability Sampling technique method because the target population is homogenous and large in area. so that the study incorporate the sample by chance.98 households were selected asa sample size through using the Yamane Taro formulaand in order to include the representative population, lottery method was easily adopted The data would be collected through primary sources and the data analysis would be conducted by using Descriptive and Econometric method of analysis. Descriptive method of analysis would be analysed through using a simple table, frequency, percentage, charts. Econometric analysis would be also analysed through diagnostic tests such as of data as well as Binary choice Model (tobit censored regression) estimation from Regression result. In order to conduct this research work the researcher would be applying 10% level of significance. Finally, the study would be recommended In order to encourage household saving Tradition (Improvement) in this study Area the finding result show that income, age and Family size is the Major Variable, which affect positively and significantly. The other variable that is employment condition affects the household saving performance significantly and negatively at 10% level of significance.

Key words: Urban households saving, tobit censored regression, Hawssa city.

I Introduction

In Africa many economic activities takes place in the informal sector. The issue, according to Mr. Gayi of Africa rejuvenation, is that many households have sizeable savings that are held in non-financial forms. "These are being heavily directed toward profitable investments." Many African nations continue to invest most of their savings in livestock, grain stocks, jewelry, or construction materials. Data are limited, but some expert estimates that about 80 percent of all households' assets in rural Africa are in non-financial forms. To tap into such assets, it is necessary to‖ introduce new financial products or instrument that respond to the saving needs of households‖, says Mr. gayi of UNICTAD. Saving products that‖ permit easy accessibility‖ and allow for — small transaction at frequent intervals‖ would encourage households to shift the formal system.

Sub-Saharan African countries have lowest saving rate in developing countries. While figures vary from country to country, grass domestic savings in the region averaged about 18 percent of gross domestic product in (2005) compared with 26 percent in south Asia and nearly 43 percent in east Asia and pacific countries according to (WB) estimates.

These rates are even declining in other nations. South Africa alone accounts for almost 40 percent of sub- Saharan Africa total GDP. Yet in 2006 the country's gross domestic saving rate declines to 13 percent from 26 percent in the early 1980s. There are many reasons for African low saving rates, including inadequate financial service. Physical distance from banking institutions and high minimum deposit and balance requirements mean that the majority of the population does not get access to banking service. As a result only 20 percent of African families have bank accounts.

Ethiopia, Uganda, and Tanzania each have fewer than one bank branch per 100,000 residents in east Africa. For certain countries in southern Africa, the ratio is better. Zimbabwe has more than three, Botswana almost four, and Namibia more than four Rising domestic savings as percentage of gross domestic product sub- Saharan africa17.8% and north Africa 21% from 1998-2001, sub-Saharan Africa 20% and north Africa 25% from 2002-2006 and 22.2%

for sub-Saharan and 30% north Africa in 2007 (UN African renewal form data in UN economic commission for Africa. Economic report on Africa 2008).

The three regimes of Ethiopia during the study period also show that the average saving rates was 13.8 percent of GDP during the period from 1970/71 to1973/74, 7 percent from 1974/75 to 1990/91 and 7.3 percent from 1991/92 to 2010/11. This classification implies that though saving was relatively good during the imperial period. It declined to lower percents during derge and current régimes of Ethiopia (EPRDF). Moreover, available data from World Bank report (2011) shows that the average saving rate of Ethiopia was very low by any standard. For instance, when compared with the average saving rates of sub-Saharan African countries between the period 1980/81 and 2010/11, average domestic saving rates in Ethiopia was only 8.6 percent of the GDP. However, during the same period, the average for subSaharan African countries was 17.2% of GDP. This implies how much the domestic saving rates of Ethiopia too much low even by sub-Saharan Africa standard. On the other hand, since 2003/4, Ethiopia has registered faster growth of economy for eight consecutive years.

The average real growth rate of GDO has increased from 4% during the period from 1995/6 to 2002/3 to 11.3% during the period btween2003/4 and 2010/11. As a result the average real per capital income has also increased from around 1.6% between 1995/6 and to 2002/3 to 7.3% from 2003/4 to 2010/11 (MOFED, 2010/11). Even though, this study providing good information about saving from the above introduction part of micro and macro level of saving their also a number of study would conduct on saving in different time periods in both developing and developed countries. Most of these studies would asses' determinants of household saving at national and regional level and there were few studies were conducted at household level. So that, this paper would studies the determinants of household saving at micro level in sidama regional state of Ethiopia in the case of Hawassa.

II Statement of the problem

Household post pone current consumption in favor of saving, or future consumption, in response to economic incentive captured by future consumption relatives to current consumption, or real interest rate. The saving behavior in national economies as well as in local level exhibits inertia and persistence over time (Abu, 2004) consumption habit formation and its resistance for change would may have an important role in the process one of the area towards which public policies have been directed is improving the private saving rate of the economy. The rational of the policy is that saving provide as the where with all for capital formation which. In turn, is essential for Economic Development (Prinsloo, 2000).The imperfect international mobility of capital in general, and to Developing countries in particular, coupled with the fact that investment could be financed from current or future savings of a national economy, indicates that increasing private saving rate is an essential policy aim.Household in Hawassa city may have difference saving behavior considering this problem. It is necessary to study behavior and determinants of household saving of the Region and suggest some policies at micro level, because, previously this study was done at macro level. So, that this paper is as a matter of fact, Hawassa city being front line city of Sidama regional state Ethiopia will has been given little attention in the past, because the largest part of this city is urban area. That is why I have selected Hawassa city as my study area. Therefore this study is initiated to address such gap, in the activities formal section sector employer of having status.

III Research questions

The research would answer the subsequent research questions

- What are the major determinants of in Hawassa city house hold saving factor?
- Does female headed household save less than male headed households in the study area?

IV Research objectives

The general objective of the study is to examine the determinants of urban household saving in Hawassa city.

This study specifically devoted:-

- To compare socio-economic and household characteristics of saver and non- saver
- To assess the determinants of household saving in Hawassa city using Tobit model
- To forward some feasible policy recommendation based on key result of the study

V Research Methodology

5.1 Sampling Techniques and Sample Size Determinations

Two basic sampling methods are used in contemporary research studies. These are probability and non-probability sampling techniques. But this study will use probability sampling techniques because the target population is homogenous. Due to this, sample of the respondents must incorporate with in probability. In probability sampling techniques there are different types of probability sampling techniques. From those this study applies multi-stage probability sampling techniques because the study is geographical, large with homogeneous population.

This sample is more thorough and accurate in reflecting the population. In this types of sampling primary sample units are inclusive groups and secondary units are sub groups within this ultimate unit to be selected which belongs to one and only one group. Stages of population are usually available within a group or population, where ever strategic is done by the researcher. Individual are selected from different stages for constituting the multi-stage sampling.

In Hawassa there are 8 sub cities with 32 kebeles having a total 88577 household randomly selected one from menaheriya sub-city, two from Tabor sub -city and one from Tula sub-city We must first decide which formula is best for this investigation in order to calculate the sample size. Therefore, to determine the sample, the researcher used Yemane (1967, 886) formula of sample size determination. There are a total 6488 urban households in the four sample kebeles Dume, Fara, Millennium and Tulo kebeles) and using this total households in the sample kebeles, Yemane Taro formula determined the following sample size for this study.

$$n = \frac{N}{1+N\,(e^2)}$$

$$n = \frac{6488}{1+6488\,(0.1^2)} = 98$$

WhereN, n and e are total households in sample kebeles, sample size and level of significance respectively.
Therefore, data are collected from 98 households from four sample kebeles to answer the basic research questions and research objectives of the present study. Finally, sample households are chosen from each kebele using proportionate sampling techniques and accordingly, the total number of household in three sub-cities will be used to collect data from the sample. So that, 98 respondents of household distribute equally with their proportion below the following table.

Table 1: Sample Size Determination for each Sample kebele using proportionate sampling

S/N	Sub-city	Kebele	Household	Proportion	Sample households
1	Tabor	Dume	780	12%	12
		Fara	1304	20%	20
2	Menaheriya	Millennium	1957	30%	30
3.	Tula	Tulo	2447	38%	38
		Total	6488	100%	100

5.2. Tobit Model Specification

Both descriptive and econometric methods of data analysis were used in the study to properly investigate the research objectives for analytical purposes. In order to analyze the raw data and to plainly see the relationship between dependent and independent variable this study used the so called STATA software package.

Thus, in order to estimate the effects of main determinants of household saving and to identify the factors that result in low rate of saving the following model is developed. The dependent variable in this study is household's saving takes the values zero for the substantial part of the target population and positive continuous values for the rest of the population. Thus, censored regression model that is to bit model is appropriate for such types of dependent variable. The Tobit model was developed by Tobin in 1956.

The Tobit model that the study employed is censored from below or is left censoring. The form of model following (Verb eek, 2000).

$$S_i = \begin{cases} \beta' X \quad \text{for } Si > 0 \\ 0, \text{otherwise} \end{cases} \quad (1)$$

Finally, based on the theoretical literature, empirical literature and researcher's intuition, the following empirical Tobit model is specified.

$$Y_i = B_0 + B_1 X_{1+} B_2 X_{2+} B_3 X_3 + \cdots X_K \quad (2)$$

Where the dependent variable is saving, which is partially continuous and the explanatory variables are income of house hold head (Y), credit uses (Credit), family size (FS), age of household head (AGE), and opinion on interest rate (IR), years of schooling (EDUC), marital status (MRTS), employment condition (EMPL), and expenditure of households (EXPND).

$$Si = \beta 0 + \beta 1Y + \beta 2CREDIT + \beta 3FS + \beta 4AGE + \beta 5IR + \beta 6EDUC + \beta 7MRTS + \beta 8EMPL + \beta 9EXPND + Ui \quad (3)$$

5.3 Sources and types of Data

This study wills mainly primary data (cross-sectional) data which is collected from primary sources through dispersing of structured questionnaires to respondents found within the target area. In such way it provides statically information on household demographic composition, income, age, family size, explanation variables and other important socio-Economic variables. So that, the study will contact to gather primary information from house holding of Hawassa of the three sub-city's from this 3 sub city the study selected 98 household where using simple random sampling. Secondary data will be collected from Hawassa city administration financeand economic development office, central statistical authority and municipality source (Google, Chrome etc.

VI Data Analysis and Presentation

This is the main part of a research report on which results obtained from different methods of data analysis used are presented and discussed. Major findings from various method of analysis used in the study have to be presented in a summarize way and discussions on a major finding of the stud have to be made on this part.

6.1 Descriptive Data Analysis

In this part the result of descriptive analysis was reported that are based on cross sectional data collected from Hawassa city, the survey data were used to describe the demographic characteristics and economic characteristics of the respondent. Beside to these descriptive statistics such as mean, percentage, variance, standard devotion, correlation coefficient, maximum and minimum as well as range or any other statistical index can be used to describe the study of cross sectional data. These are the response rate of the distribution questioner, the description of the background of the respondent, the description of major variable of the model and the description effect of the major independent variable on the dependent variables of the model. So that the description is presented in summarize and precise way.

Household characteristics of the sample respondent: From the above table we observe that, sample of the respondent characteristics of household saving within the researcher selected explanatory variables which affect the saving behavior of the household. So that, the above table tells that the average age of household head both female and male was 40.64 years with the minimum and maximum age of 29 and 66 years with standard deviation of 8.5641 years, the average income of the total respondents are 2745.4 birr with minimum and maximum income of the total household head 700 birr and 10000 birr respectively with standard deviation of 1644.195 birr. On the other hand, the average saving of the total respondents are 293.85 birr with the minimum and maximum saving 0 birr and 2000 birr is deposited with the standard deviation of 314.7605 birr. So that the study incorporates both saver and non- saver. Among the total sampled household saving, the proportion of male and female household head was 72(72%) and 28 (28%) respectively.

Table 2: The descriptive summaries of variables in the Model

Variable	Obsn	Mean	Std.dev	Min.	Max.
Saving	100	293.85	314.7605	0	2000
Income	100	2745.4	1644.195	700	10000
Age	100	40.64	8.564102	29	66
Fs	100	4.51	1.672686	2	10
Ms	100	0.36	0.4824182	0	1
Cr	100	0.23	0.4229526	0	1
Ys	100	10.97	3.955446	0	17
Sex	100	0.29	0.456048	0	1
Emplo	100	0.32	0.4688262	0	1
Ir	100	0.44	0.49888	0	1
Dr	100	1.22	0.9382985	0	4
Exp	100	1815.51	949.1246	470	5050

Source: Own Survey, 2009 E.C

From the above table we observe that, sample of the respondent characteristics of household saving within the researcher selected explanatory variables which affect the saving behavior of the household. So that, the above table tells that the average age of household head both female and male was 40.64 years with the minimum and maximum age of 29 and 66 years with standard deviation of 8.5641 years, the average income of the total respondents are 2745.4 birr with minimum and maximum income of the total household head 700 birr and 10000 birrs respectively with standard deviation of 1644.195 birr. On the other hand, the average saving of the total respondents is 293.85 birr with the minimum and maximum saving 0 birr and 2000 birr is deposited with the standard deviation of 314.7605 birr. So that the study incorporates both saver and non- saver. Among the total sampled household saving, the proportion of male and female household head was 72(72%) and 28 (28%) respectively.

Sex and age composition of the respondents: From the following table 3 we observe that above the total respondents 28 (28%) were female saver and non-saver. While the reaming 72(72%) are a male saver and non-saver.

Table 3: The Distribution of Respondents by sex in the study area

Determinant	Frequency	Percentage
Male	72	72%
Female	28	28%
Total	100	100%

Source: Own survey, 2009 E.C

In the regarding age structure 56(56%) of respondent were between 29-40 age, 34(34%)respondent were between 41-50 ages and the remaining 7(7%) and 3(3%) 0f respondents are found the age group of 51-60 and 61-70 respectively.

Table 4: The Distribution of Respondents by Age in the study area

Determinant	Frequency	Percentage
29-40	56	56%
41-50	34	34%
51-60	7	7%
61-70	3	3%
Total	100	100%

Source: Own survey, 2009 E. C

Income of the respondent:

Table 5: The Distribution of Respondents by monthly Income in the study area

Household income per month	Frequency of household income	Percentage of household income
≤1000	8	8%
1001-2000	36	36%
2001-3000	24	24%
3001-4000	19	19%
>4000	13	13%
Total	1000	100%

Source: Own survey, 2009 E. C

The survey data indicates from the above table the vast majority of the respondent of the household income were found between the grouped data 1001-2000 birr interval that is 36(36%) respondent and less than or equal to 1000 birr income per month 8 (8%) respondent were found , on the other hand between 2001-3000 and 3001-

4000interval24(24%) respondent and 19(19%) respondents are incorporate respectively as well as the remaining 13 (13%) respondents are found above 4000 birr pre month.

Saving and Gender character of the respondent:

Table 5. Saving character of the respondent

S= Non-saver =0

Variable	Obsn	Mean	Std.dev	Min.	Max.
Income	18	2267.778	1023.825	850	4000
Age	18	41.66667	7.538238	29	60
Fs	18	4.722222	2.244092	2	10
Ys	18	10	4.60179	0	16
Dr	18	1.5	1.098127	0	4
Expenditure	18	1610.556	644.5288	800	2800

Source: Own Survey, 2009 E.C

S = Saver = 1

Variable	Obsn	Mean	Std.dev	Min.	Max.
Income	82	2850.244	1338.072	800	6500
Age	82	40.41463	7.890442	29	66
Fs	82	4.463415	1.720498	2	10
Ys	82	11.18293	0.5062697	0	16
Dr	82	1.158537	0.8953861	0	4
Expenditure	82	1860.5	1001.226	8	4800

Source: Own Survey, 2009 E.C

From the above two tables saving character of the the respondent indicates the comparision of between saver and non-saver variable with its statistics behaviour. This means it comparision among varibles with mesaurement of centeral tendancy and with measurement of dispersion. The average income of saver is higer than that of the average income of non-saver. i.e (2850.244>2267.778) and also the measures of dispersion income of saver is higher than nonsaver income dispersion. i.e std. dev saver > std. dev non-saver (1738.479>1023.825). This measuers of dispersion tells to know the degree of uniformity and consistency of the series among the saver and non-saver of respondent income.

The average expenditure, dependency ratio and years of schooling household saver is higher than the average expenditure, dependency ratio and years of schooling household non-saver.

This means in average household saver more consume and educated as compared to non-saver household.

Table 6: Gender character of the respondent.

Sex = Male = 0

Variable	Obs	Mean	Std.Dev	Min	Max
Saving	71	323.8028	338.5024	0	2000
Income	71	2936.479	1688.521	1000	10,000
Age	71	41.09859	8.726241	29	66
Fs	71	4.605634	1.685898	2	10
Ys	71	11.39437	3.747299	0	17
Dr	71	1.352113	0.9576547	0	4
Expenditure	71	1907.901	951.5869	0	5050

Source: Own Survey, 2009 E.C

Sex = Female = 1

Variable	Obs	Mean	Std.Dev	Min	Max
Saving	29	220.5172	236.6294	0	1000
Income	29	2277.586	1453.05	700	6000
Age	29	39.51724	8.192421	29	60
Fs	29	4.275862	1.645265	2	8
Ys	29	9.931034	4.317167	0	15
Dr	29	0.8965517	0.8169992	0	3
Expenditure	29	1589.31	920.1472	470	4000

Source: Own Survey, 2009 E.C

Table 7: The Distribution of Respondents by Credit Uses in the study area.

Credit access	**Frequency**	**Percentage**	**Cumulative %**
Yes	23	23.00	23
No	77	77.00	100
Total	100	100	

Source: Own survey 2009 E.C

The result of this survey data provides that from the total respondent about 77 (77%) of respondent does not use credit access from different of financial institutions service and the remaining 23 (23%) of household head respondent uses credit access from different financial institution service. Therefore, based on this this result more part of the respondent do not uses credit inorder to save more. So that the household of the respondent is save from their income and other financial source rather than credit.

Table 8: The Distribution of Respondents by family Size in the study area

Family size	Frequency	Percentage	Cumulative %
2	8	8.00	8.00
3	23	23.00	31.00
4	26	26.00	57.00
5	16	16.00	73.00
6	15	15.00	80.00
7	7	7.00	95.00
8	3	3.00	98.00
9	1	1.00	99.00
10	1	1.00	100.00
Total	100	100.00	

Source: Own survey, 2009 E.C

From the above table observe more number of the respondent have 4 family size number that is 26 (26%) of respondents have with 4 family size number and less coverage of the respondent is with 10 family size number that is 1 (1%) respondent. As well as from the above table the maximum family size is 10 and the minimum family size is 2.

From the above figure we observe the positive relationship between income and saving. This positive relationship indicates when the household income increase their also a positive increment on household income saving. Beside to this , figure – 1 also indicates there is a positive linear relationship between household income and household saving and the scatter point tells saving behavior of the household respondent with that of their disposable income. So that , the regression line tells how far each of household saving behavior from the truth value line (regression line).

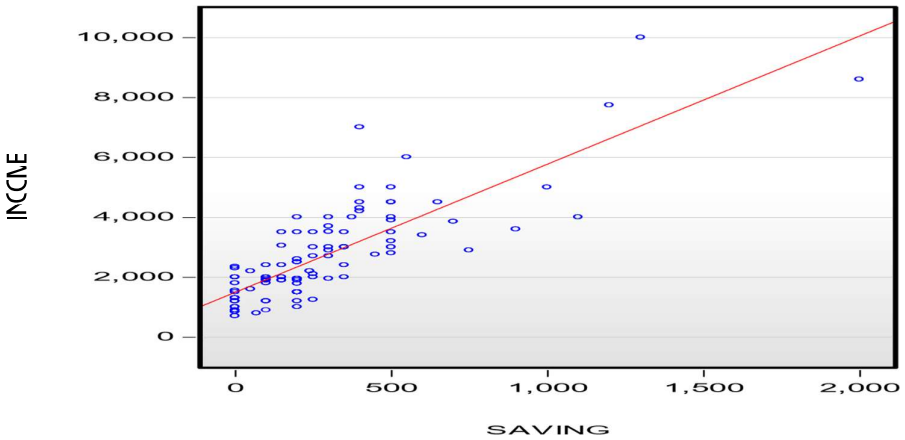

Fig.1. Linear relationship between income and saving.

From the above figure we observe the positive relationship between income and saving. This positive relationship indicates when the household income increase their also a positive increment on household income saving. Beside to this , figure – 1 also indicates there is a positive linear relationship between household income and household saving and the scatter point tells saving behavior of the household respondent with that of their disposable income.

So that , the regression line tells how far each of household saving behavior from the truth value line (regression line).

6.2 Estimation Results of Econometric Model (The Tobit Model)

Tobit Censored Regression Model:

Table 9: Tobit model estimates for the determinants of household saving

Saving	***Coef.***	***Std.err.***	***t***	| t |		[95% conf
Income	.1800967	.0151392	11.90	0.000***	1500201	.2101734
Age	4.470852	2.565718	1.74	0.085*	-.6263946	9.568098
Fs	-64.06219	15.1088	-4.24	0.000***	-94.07847	-34.04592
Ms	-73.45301	42.16301	-1.74	0.085*	-157.2172	10.31117
Cr	8.896702	48.47689	0.18	0.855	-87.4111	105.2045
Sex	-9.198459	44.79813	-0.21	0.838	- 98.19777	79.80085
Ys	2.366825	6.68665	0.35	0.724	- 10.91737	15.65102
Emplo	-44.32838	44.00233	-1.01	0.316	- 131.7467	43.08994
Ir	10.69715	41.62121	0.26	0.798	-71.99066	93.38496
Dr	18.76681	25.06056	0.75	0.456	-31.02037	68.55398
Cons.	-133.5049	115.8616	1.15	0.252	-363.6841	96.6743
/ sigma	183.7483	14.59949			154.7438	212.7527

6.3 Coefficient estimation and interpretation

A seen from the above table regression result all coefficient of the variable has attained their expected sing. This sign of the explanatory variable relationship with that of the dependent variable depend on theoretical and intuition. This is how the estimated model is described

$$s_i =) \_ 133.5049 + 0.1800967\ Im + 4.470852\ Age \_ 64.06219\ Fs \_ 73.45301\ Ms + 8.896702\ Cr \_ 9.198459\ Sex + 2.366825\ Ys — 44.32838\ Emplo + 10.69715\ Ir + 18.76681\ Dr$$

6.4 Coefficient of Interpretation:

Income of the household (Im): The coefficient of household income was found to be significant by 10% level of significance and showed the expected positive sign. This means When household income increase by one (1) birr the probability of household saving increase by 0.1800967 birr(that a 1% increase in the household income will leads to18.0097% increase household saving. Thus, higher income of the household there is higher probability household saving. Therefore, saving of the household and income of the household their is direct relationships.

Age of the household (Age): The coefficient of Age of the household was found to be significance by 10% level of significance and showed the expected positive sign. So that when the household age 1ncrease by 1 year the probability of household saving increases by 4.470852 birr. This means if the household age increase there is a higher probability saving in the household as well as between age of the household and saving of the household there is a directly relationship.

Family size of the household (Fs): The coefficient of household family size was found to be at 10% level of significance and showed the intuitional negative expected sign. Beside to this if the household family size increase by one(1) people the probability of the household saving decrease by the amount of 64.06219 birr. so that, a higher family size member household is less save as compared to the low family size household member.

Employment condition of the household(Emplo): Before interp. This variable I want to verified this employment condition of category i.e. wage employed household, self employed household, pension contribution household and unemployed household. in this case we must identify base and absent group category. For this dummy variable absentee group put 1and for base category variable put 0 and also we can classify the above 4 category in to two category by dividing in two place that is employed and unemployed. Under employed able to incorporate wage and self employed and assign zero (0). Under unemployed able to included pension and unemployed of the household and assign one (1). After that si = — 133.5049 + 0.1800967 (0) +4.470852 (0) — 64.06219 (0) —73.45301(0) + 8.896702(0) — 9.198459(0) +2.366825 (0) — 44.32838 un employed (1) + 10.69715 (0) + 18.76681 (0) si = — 133.5049 — 44.32838(1) = — 133.5049 — 44.32838 = — 177.83328 si = — 177.83328 birr then now we can interpret.

Interpretation: If the household is unemployed the probability of saving is less than that of household with employed by the amount of 177.83328 birr. Or when the household employment condition is unemployed this leads to the household with employed employment condition save greater than that of the previous one by the amount of 177.83328 birr.

VII Conclusion and Recommendation

7.1 Conclusion

The study analyzes both descriptive and econometrics method to search determinants of household saving behavior of in the Hawassa city based on primary and secondary data collected from the household settlers of this city. Generally, based on the findings this study according to econometrics analysis four variables are more significantly affects the household of Hawassa city. This are as follow Income of the household is the major variable affecting significantly the household of saving in Hawassa city. so that, in order to encourage the saving behavior of this city of household people, it must have their own source of income. Due to this ,those who have unemployed household in this city should initiate for work to improve their own saving behaviorAge of the household in Hawassa there is highly significantly and positively affects the saving performance of these city .this means as age changes year to year the saving also changes likewise positively as well as this variable is a key variable for saving more significantly and positively as compared to from the other significant variable.Family size of the household intuitionally affect saving in negatively sign but according to this study the family size of the household in Hawassa affecting saving significantly and positively. This implication has their own logic. This means family size support to improve saving behavior it may in the form of through contribution of on the activity of source of the household income. Employment condition in this study area is one of the essential variables for the saving character of the household. According to the collected data of this sample most of household in this town employment condition is 64 % of wage employed and the remaining 36% is self-emploed, unemployed and pension contribution. so that if in this study area is more participate on the wage and self- employeEmployment condition there is higher saving performance than that of the other employment condition. Generally the study can concluded that the above for significance of variable is more advantage for saving behavior of In Hawassa city that affect significantly, positively as well as negatively, for the determinants urban household saving in Hawassa city sidama region.

7.2 Recommendation

Base on the study results, the researcher gives the following some visual information and recommendation relay on the collected data of the household.

- Reducing unemployment through governmental policy and other nongovernmental sector. If the government provide incentive for those unemployed people it may in the form of through fiscal or monetary policy relay on economic situation. in this case the opportunities of unemployment reduce and the saving behavior will increase.
- Since income is the major determinant of saving then, due attention should be given to increase income of households. Income could be increased by implementing policies that increases the employment opportunities and reduce underemployment and disguised unemployment.
- The other one is working age of the household in this study area is very essential so that in order to keeping the household age continuously the household head should keep their own health care through different mechanism. I.e. by gating access of clinical service and by eating protein and vegetables.

References

1. Abdelkhalek, T., Arestoff, F., Freitas, N. E., & Mage, S. (2009). A micro econometric analysis ofhouseholds saving determinants in Morocco. Retrieved on December 10, 2011 from http://gdri. dreem. free.fr/wp-content/d21-arestoffetal_final.pdf.
2. Ahmad, M. H., Atiq, Z., Alam, S., & Butt, M. S. (2006). Pakistan serves as a case study for the effects of demography, growth, and public policy on household saving. Asia-Pacific Development Journal, 13(2), 57-71.
3. Aldrich, J. H., & Nelson, F. D. (1984). Linear probability, logit and probit models. London, UK: Stage Publication.
4. Amemiya, T. (1981). Qualitative response models: A survey. Journal of Economics Literature, 19(4), 1483-1536.
5. Ando, A., & Modigliani, F. (1963). The aggregate implications of and testing for the life cycle hypothesis of saving.. American Economic Reviews, 53(1), 55-84..
6. Attanasio, O. (1997). Consumption and saving behavior: Modeling recent trends. Fiscal Studies, 18(1), 23-47.
7. Bernheim, B. D., & Garrett, D. M. (1996). The determinants and consequences of financial education in the workplace: Education from a survey of households. Working PaperNo. 5667 Cambridge, Massachusetts' National Bureau of Economic Research..
8. Beverly, S. G., & Sherraden, M. (1999). Institutional factors that influence saving: Implications for public policy and low-income households.. Journal of Socio-Economics, 28(4), 457-473.
9. Bizuneh, Z. S. (2011). "Determinants of Household Saving Behavior in Ethiopia: A Case Study in Nekemte Town" is the title of the master's thesis . Mekelle University, Mekelle, Ethiopia.
10. Burney, N. A., & Khan, A. H. (1992). Socio-economic characteristics & household saving. An examination of Pakistani household saving practices. The Pakistan Development Review, 31(1), 31-48.
11. Edwards, S 91996.Why are savings rates in Latin America so low?Chowa, A. N. (2006). Savings behavior in sub-Saharan African rural households:? An international comparative analysis. Journal of Development Economics, 51(1), 5-44.
12. Eizenga, W. (1961). Demographic factors and savings. Netherland, Amsterdam, North-Holland Publishing.
13. Faridi, M. Z., Hafeez, R., & Bashir, F.(2010). Households saving behavior in Pakistan: A case of Multan district. 30(1), 17–29, Pakistan Journal of Social Sciences (PJSS).
14. Faridi, M. Z., Hafeez, R., Chaudhry, I. S., & Bashir, F. (2011). Pakistan's rural-urban saving disparities: an analysis of primary data . A Research Journal of South Asian Studies, 26(1), 19-35.
15. Friedman, M. (1957). A theory of consumption function. Princeton, New Jersey: Princeton University Press..
16. Kelly, A. C., & Williamson, G. (1968). Savings habits of households in developing nations: the instance of Indonesia . 16(3), 385-403; Economic Development and Cultural Change.
17. Kraay, A. (2000). Household saving in China. 14(3), 545–570, The World Bank Economic Review.
18. Leff, N. H. (1969). Dependency rates and savings rates. American Economic Review, 59(5), 886896.
19. Loayza, N., Schmidt-Hebbel, K., & Serven, L. (2000). Saving in developing countries: An overview. 14(3), 393-414 The Economic Review of the World Bank.
20. Muradoglu, G., & Taskin, F. (1996). Evidence from industrial and developing nations on differences in household saving habits. Retrieved on Dec. 6, 2011fromhttp://www.ide.go.jp/English/Publish/Periodicals/De/pdf/96_02_02.pdf.
21. Pailwar, V. K. (2010). A micro level analysis of the effect of financial institution membership on rural saving. Journal of International Business &Retrieved on April 13, 2012 from
22. Rodriguez, J. A. A., & Meyer, R. L. (1988). Analysis of financial behavior: Philippines. Working Paper Series No 88-20. Retrieved on April 31, 2012 from http://www3.pids.gov.ph/ris/wp/pidswp8820.pdf..
23. Sharma, I. R. K. (1986). Does the household sector in India save in a way that meets the expectations of the planner? Margin, 18(4).
24. Suruga, T., Tachibanaki, T. (1991). the impact of household factors on Japanese savings theory and behavior.Empirical Economics, 16(3), 351-362.
25. Umoh, O. J. (2003). an empirical study of the factors influencing total national savings in Nigeria. 3(2), 113–132, Journal of Monetary and Economic Integration. .
26. UNCTAD. (2000). Capital Flows and Growth in Africa. UNCTAD/GDS/MDPB/7. New York and Geneva: United Nations.
27. UNCTAD. (2007). Mobilizing domestic resources and developing nations for economic growth in Africa .United Nations publication. Switzerland, Geneva. Retrieved onMarch 23, 2012 from http://www.seopan.es/ficheros/59e3377b894a75ef1b6 6.pdf.

28. Unny, C. J. (2002). factors that affect rural Keralan households' ability to save. Retrieved on December 25, 2011 from http://www.igidr.ac.in/money/mfc_5/unny.pdf.
29. Uremadu, S. O. (2006). A method for error correction is used to examine how the real interest rate affects the mobilization of savings in Nigeria.. Unpublished project proposal to CBN's application forDiaspora Collaborative Research Program (DCRP)/Visiting Research Scholars Program (VRSP).