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FACTORS AFFECTING TABLE BANKING ON INVESTMENT DECISIONS AMONG WOMEN IN MOMBASA COUNTY

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ABSTRACT

The study sought to investigate the role played by table banking in promoting economic empowerment of women in Kenya through investment and in particular women in the Mombasa County. The specific objectives were to determine the effects of financial literacy on table banking investment decisions among women in Mombasa County, evaluate the effects of cost of finance on table banking investment decisions among women in Mombasa County, establish the effects of expected returns on table banking investment decisions among women in Mombasa County and assess the effects of business status on table banking investment decisions among women in Mombasa County. The study used Social Cognitive Theory, The Pecking Order Theory and Prospect Theory. The study used descriptive research design. The target population was 206 Table Banking Groups in Mombasa County. This study used stratified method to put the entire population into two strata. The strata comprised of members from the Women Groups who were engaged in table banking. The sample size of the study was made up of 179 respondents in the 6 constituencies in Mombasa County. Pilot study was conducted and the piloted questionnaires were subjected to a sample of 18 (10% * 179) staff members that were not included in the study. The pilot data was not included in the actual study. A self-administered semi-structured questionnaire was administered to the members of the group where 85% response rate was achieved. The data from the study was analyzed qualitatively and quantitatively using tables with the aid of Statistical Package for Social Sciences (SPSS) version 24. Bivariate – ANOVA statistical data analytical technique was used. A regression model to establish the relationship between the independent and dependent variables was also generated. The findings of the study indicated that financial literacy affects investment choices of individuals. Financial literacy skills enable individuals to navigate the financial world, make informed decisions about their money and minimize their chances *of* being misled *on* financial matters. The study recommended that table banking leaders should look for financial experts who will be able to take members through financial literacy training programs as this will not only be beneficial to their personal lives but also better position in managing their funds and be in a position to convince other people to join the groups.

Key terms: Access to Capital,Business Status, Cost of Finance,Expected Return, Financial Literacy, Investment, Investment Decisions, Returns on investment, Table banking

INTRODUCTION

Investment is the process of mobilizing resources to undertake a given activity with expectation of future returns (Donald, 2010). According to Pandey (2008) investment decisions entail a firm's decisions to invest its current assets most efficiently in the long-term assets in anticipation of an expected flow of benefits over a series of years; these investment decisions require very special attention as they influence a firm's growth, they are difficult and involve commitment of large volume of funds. Investment decisions are composed of expansion decision, replacement decision, renewal decision and replacement decisions (Pandey, 2008).

Investment decision making is an important part of the strategic decision-making in every enterprise because investment projects essentially affect future economic results and dramatically contributes to the growth of an enterprise. The quality of investment decision is affected by a large number of factors, while the most important is the selection of investment projects (Hana, 2010). Due to lack of financial sophistication, short sightedness and self-regulation, most investors end up having difficulties in arriving at long term financial decisions thus relying on financial biases (Winchester *et al*., 2011).

A person's / organization's investment decision is a trade-off between immediate consumption and deferred consumption so as to enjoy greater consumption in future. An investor can receive returns from stocks when prices of stocks go up over time or when dividends are paid (Mishkin & Eakin, 2007).

Table banking is a group based funding strategy from which members save and borrow instantly. It is an empowerment programmed that cares for micro and small business owners who need credit to finance their businesses but cannot qualify from formal banks due to factors such as lack of collateral, long distances, high interest rates (Kariuki *et al*., 2014; ROK, 2009). With Table banking, women groups can allow long-term borrowers to repay at 1 percent interest rate over 3 years or 36 months. A short-term borrower to pay at 10 percent interest within 30 days. Table banking is purely based on mutual trust, openness and honesty for the fellow members to guarantee each other's savings.

To cater for defaulters, members who could have problem with repayment are requested to notify the group on time to either be assisted or have their repayment period extended. In cases where the member fails to pay and does not notify members, a committee is formed to investigate. Later if nothing is done members are forced to take the defaulters household goods and report the member to the area chief (Obiria, 2015).

The concept was introduced in Kenya by Action Aid International Kenya through a project aimed at supporting alternative livelihoods for communities affected by climate change, banditry and related calamities in arid and semi-arid areas. In spite of the success stories recorded on the increase of women-owned enterprises in developing countries, the literature on women entrepreneurship in Africa literally depicts women-owned enterprises as being underfinanced as a result of which they continue to record poor performance compared to male counterparts (Richard & Adams, 2014). Only 30% of the small firms in the sub-Saharan African countries have access to affordable and proper financial capital (World Bank, 2015).

Table-banking takes on the model of the Grameen Bank of Bangladesh and the village savings and loan schemes of Zanzibar (Ahlen, 2012). Its mode of operations is that members agrees on the date that they are supposed to meet to place their savings and loan repayments on the table and immediately borrow all the monies placed on the table at small interest for administration purposes, hence the term ‘table banking’. Savings include monthly contributions for insurance and penalty fines to members who break the rules. This practice is flourishing in countries like Malaysia where poverty has been reduced through such approaches to about 3% (ROK, 2009).

Women groups are small voluntary groups formed by people related by affinity for a specific purpose for mutual support (Brody, Dworkin, Dundar, Murthy & Pascoe, 2013). The authors further argue that Women groups have been formed mainly to change development landscape and act as a central ground for women’s activism and participation. The concept of women groups is argued to be based on the self-help approach pioneered in India in the 1980s. Further, the concept stresses on group ownership, control and management of goals and processes of concern.

In Kenya, women constitute the single largest part of Kenyan population and majority, especially those in rural areas are faced with the challenge of accessing affordable savings and credit facilities. Table-banking in Kenya was initiated and developed by the Poverty Eradication Commission (PEC), which was then operating under the former Ministry of Planning. The target was Millennium Development Goals (MDG) on eradicating poverty in both urban and rural settings. The Government of Kenya started two pilot projects in Bondo and Gatanga constituencies in 1999 and later improved on them in 2004 and the results were quite impressive. Since then, the government of Kenya has embraced table banking system as stated by (Abuya, 2014). Women in Kenya through table banking have been able to pool formidable resources and loan to a well-trained entrepreneurial woman whose investments would give them good returns and enough to save (Masinde, 2013).

Various investment decisions are made by the members of the table banking groups that results in significant economic growth of the members and the group as a whole. Table banking contributes to job creation through investment. Despite such significant contribution made by table banking, they continually face funding constraints in the formal financial market (Fisher *et al.,* 2013). Overall, the formal finance sector fulfills only about 25% of small firm financing needs which in effect constrain their investment needs. It is against this backdrop that table banking investment decisions pool together funds, borrow against such funds and learn about available investment opportunities (Keter, 2013). Despite this, the effectiveness of table banking investment decisions on realizing this objective is still not clear. However, there has been differing opinion on whether table banking investment decisions would have an impact on the magnitude of their investment (Ahlén, 2012 & Masinde, 2013).

In developing countries women entrepreneurs are often prevented from running competitive businesses by their relatively low education and skill levels, which generally limit their access to the various support and credit services (Cutura, 2014). Even when they have access to information on the financial services and market opportunities available to them, women may be less equipped to comprehend it due to low levels of literacy (UNDP, 2014).

According to De Mel, *et al* (2009), in the absence of easy access to external finance, saving for business purposes should be positively correlated with entrepreneurial investment. However, Brune, *et al* (2011) state that the saving mechanism itself might be a critical element in determining the ability to reinvest. It can be hard to prevent the funds from being exploited for the general personal needs of the entrepreneur. The study sought to establish the effect of table banking investment decisions among women in Mombasa County. The women in the table banking are literature on investment decision is extensive, majority have focused on the investment choices. The study looked at financial literacy, cost of finance, expected returns and business status which should be positively correlated with investment decisions.

Research Hypothesis

The research hypotheses of the study were:

- **H_1**: There is no relationship between financial literacy and table banking investment decisions among women in Mombasa County.
- H_2: There is no relationship between cost of finance and table banking investment decisions among women in Mombasa County.
- **H_3**: There is no relationship expected returns and table banking investment decisions among women in Mombasa County.
- **H_4**: There is no relationship between business status and table banking investment decisions among women in Mombasa County.

RELATED LITERATURE

Theoretical Framework

Social Cognitive Theory

This theory involves cognitive form of social capital that denotes the motivations which influences towards collective behavior (Atherton, 2013). In 1963, it was expanded by Bandura & Walters to incorporate self-efficacy aspects (Glanz; 2003). The term cognitive theory was became widely used in the late 2000s. In observations, Alexis de Tocqueville noted that Americans were prone to meeting at as many gatherings as possible to discuss all possible issues of state, economics, or the world that could be witnessed. The levels of transparency caused greater participation of people on issues affecting them and this allowed democracy to derive. Cognitive theory is the expected collective or economic benefits derived from the preferential treatment and cooperation between individuals and groups earned through a problem-solving process. As highlighted by French writers, the level of social participation (social capital) in American society was directly linked to the equality of conditions (Ferragina, 2010; 2012; 2013) and they were categorized under four dimensions namely: Generosity, Solidarity,

Cooperation is understood as an attitude towards working together for a mutual benefit. This makes people to seek joint solutions to problems, rather than working separately (Atherton, 2013). On other hand, Generosity refers to an attitude of being selflessness and it was assumed that generous acts will always be rewarded. Thus, one is willing to ‘sacrifice’ now to receive later as stated by (Atherton, 2013). Additionally, it includes a willingness to accept tasks for the common good of members. Solidarity is viewed as attitudes community standing together and willing sacrifices for others beyond immediate family.

In all this study, the element of trust is come out as vital components. Also, in relation to participation in groups where financial capital is circulated among the members such as in table-banking, trust is very likely to play a role in terms of who are invited to join these economic groups (Etang *et al*, 2011). As argued by Dasgupta (2009), trust takes two forms that is one that bears none noticeable actions and one that about concealed information. The former relates to our expectations of others ability to undertake certain actions and is denoted confidence while the latter entails trust that others will disclose truthful information about something which has an impact on another individual’s choice.

The Pecking Order Theory

Pecking Order Theory contrasts the traditional position in the Capital Structure both in the underlying assumptions and methods. Myers *et al* (1984) propose an alternative explanation of why firms choose certain capital structure, known as the pecking order theory. The pecking order theory is a preference order theory, which describes how firms choose to obtain new financing for their future activities and growth. Pecking order as argued by Myers *et al*., (1984) is one way of avoiding wealth transfer to outsider and involves financing hierarchy where firms must first exhaust their internal funds. In that instance, companies in this case the table banking groups will prefer to fund projects with internally generated cashflows and internal equity. Pecking Order Theory therefore aims at substantiating, maintaining ownership, improving returns to existing shareholders of the women groups. Consequently, self-interest of the women is also served in the process.

New shareholders are willing to invest only if the shares are sold at a marked-down price which increases the costs of attracting additional funds for the firm. As adverse selection costs make the new issuance of stock more expensive, management might decide not to issue new equity and not to undertake positive NPV projects. If the firm needs external financing and if the issue of debt is not possible, management considers issuing undervalued stock only if the NPV of the new investment exceeds the costs incurred due to undervaluation. Internal funds are always preferred over the external financing because such financing always allows avoiding problems of asymmetric information (Dagnelie & LeMay-Boucher, 2008).

Using Pecking Order Theory to address the intent of table banking women to maintain the ownership of an investment as ordinary shareholders. What is available by the way of retained profit is not enough to finance new ideas. The women therefore need to exploit and understand how debt financing and other ways may increase their leverage (Meier & Tarhan 2007).

The theoretical implication of pecking order theory is that it provides for preference to use of internal funds in place of external funds that encapsulate debt and equity in an effort to preserve value and firm stability. The implication is that increased use of external capital such as debt and equity influences the firm value negatively and increases the chances of financial distress.

Prospect Theory

The prospect theory was developed by Kahneman &Tversky in (1979). The theory contradicts expected utility theory upon which Standard finance is based. According to Jordan & Miller (2008), Prospect theory is an alternative to classical, rational economic decision making. Prospect theory emphasizes that investors tend to behave differently when they face prospective gains and losses; investors are much more distressed by prospective losses than they are happy about equivalent gains, and a typical investor considers the pain of losing one dollar to be twice the pleasure received from the gain of one dollar.

According to Wood (1996), investors are able to frame situations creating a feeling of a possible loss or gain, which would yield pain or pleasure. Lebaron (1999) observes that, prospect of losses is more distressful to a human being than they are pleased by equivalent gains. Tversky (1990) noted that, people exhibit risk seeking rather than risk averse behavior when faced with higher chances of loss. Berry & Fogel (2006) found that investors reported regrets about holding a losing stock too long than about selling a winning stock too soon. Statman (1999) argued that errors in judgement affect investors making them grief or sorrowful.

Loss aversion recognizes that the mental penalty associated with a loss is greater than the mental reward from a similar size gain (Shiller 2000). Loss aversion may encourage investor-herding behavior, for example, to invest in respected companies as these carry implicit insurance against regret (Koening 1999). Lehenkari & Perttunen (2004) found that both positive and negative historical returns significantly reinforce the negative association between the selling propensity of investors and capital losses, suggesting that investors are risk averse. Investors tend to treat each element of their investment portfolio separately, which can lead to inefficiency, and inconsistency in making investment decisions (Shiller 2000). Rockenbatck (2004) found that investors do not seem to make the connection between different investment possibilities, as is essential for arbitrage free pricing.

The theoretical implication of prospect theory is that investors have been found to respond in different ways to identical situations, depending on whether they are presented in terms of gains or in terms of losses. Investors seem to be willing to take more risk to avoid loss than they are to make an equivalent profit. The tendency of investors to be risk-averse regarding gains but risk-seeking regarding losses, is the essence of prospect theory. When an investor has the choice between a sure gain and a gamble that could increase or decrease the sure gain, the investor is likely to choose the sure gain. But when faced with a choice between a sure loss and a gamble which could increase or decrease the sure loss, investors are more likely to take the gamble

Conceptual Framework

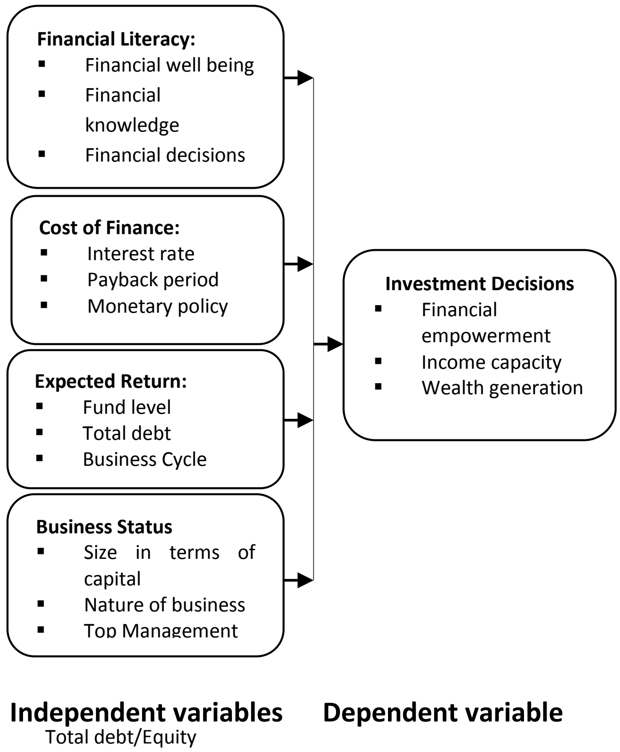

Fig. 1: Conceptual framework

Review of Variables

Financial Literacy

In the current era of dynamic business world, financial literacy is a key in investment decision making. Beal & Delpachitra (2003) postulates that having financial literacy skills enable individuals to make informed decisions about money and has financial knowledge hence minimizing chances of being misled on financial matters.

Rooij *et al* (2015) further stated that financial literacy affects financial decision-making because individuals with low literacy are more likely to rely on family and friends as their main source of financial advice and are less likely to invest in stocks. Kefela (2010) revealed that financial literacy is fundamental to the financial wellbeing of an individual, institution and the economy of the county as a whole. He, Kefela (2010) stated that participants who are less financially literate are more likely to have problems with debt are less likely to save, are more likely to engage in high cost mortgages and are less likely to plan for retirement and by extension are less likely to make better choices for their investments.

Chong & Lal (2011) assert that analysis of available financial information provides a technical basis to evaluate the past and projected performance of a firm. In this respect, various criteria can be used, including financial ratio analysis which can then be compared across the industry to support in making sound financial investment decisions. The selected statistical indicators includes (DPS ratio, EPS ratio, etc.) are used to measure current conditions of stock as well as forecast financial or economic trends. These indicators are used extensively in technical analysis to predict changes in stock trends or price patterns. In fundamental analysis, economic indicators that quantify current economic and industrial conditions are used to provide perceptions on the future profitability potential of the selected stock.

Osuala, Ugwuma, & Osuji (2012) in his study on the effect of information content of financial statement on shareholders' investment decision in some selected firms in Nigeria. In order to determine the relationship between information contents of financial statement and shareholders' investment decisions, the researcher used some of the content of financial statement including profitability, Dividend Per Share (DPS), Earnings Per Share (EPS), leverage and liquidity as proxy variables while shareholders' investment decision was represented by change in number of shares. Data for the study was obtained from the published annual reports of selected firms.
Regression model was employed to establish the relationship between the variables. The findings indicated that shareholders in the Nigerian Capital Market do not rely heavily on financial statements as a major determinant for their investment decision. It was observed that other variables outside firms' annual reports such as regularity of dividend payment and market price of shares are critical to shareholders in their investment decision.

In Peters & Bjalkebring's research (2015), subjective numeracy was found to be related to greater confidence and/or motivation, as well as more positive emotional reactions to numbers. An individual's subjective numeracy and emotional reactions to numbers may directly impact his/her financial wellbeing. For example, in a fast-paced and highly fluctuating stock market, an investors' confidence in his/her numeric abilities may be particularly beneficial when an investor faces a situation where a quick, tough investment decision needs to be made. Additionally, individuals with greater subjective numeracy may be more motivated to take action with their personal investments (e.g., actively saving for retirement) or to seek out different investment options. Therefore, we would like to further explore if greater subjective numeracy would be conducive to more informed investment

behaviors. No published research has examined the relation of subjective numeracy to investment behaviors and outcome

Cost of Finance
Interest rate is the price a borrower pays for the use of money they borrow from a lender or financial institutions or fee paid on borrowed assets (Crowley, 2007). Interest can be thought of as "rent of money". Interest rates are fundamental to a 'capitalist society' and are normally expressed as a percentage rate over the period of one year. Interest rate as a price of money reflects market information regarding expected change in the purchasing power of money or future inflation (Ngugi, 2011).

Effect of the interest rate is more pronounced in smaller firm's investment, since these firms are more sensitive to alterations in the cost of debt than larger firms. Ghosh & Ghosh (2006) also suggest that the investments of new table banking for women groups are more vulnerable to monetary recession; the relationship between the interest rate and investment is more negative for new firms than for existing table banking for women groups.

Cheng (2003) highlighted that the financial and technological readiness as perceived elements. Moreover, fast communication, proper structure to implement, enough financial resources, rich and competent knowledge and skills, and top management support are factors for organizational readiness (Wang *et al*., 2008).

Fazzari *et al*. (2010) investigated the effect of financing constraints of payback period on the investment sensitivity. They found that payback period could affect investment because of imperfections of the capital market, the asymmetric information and the lemon problem. Alternatively, the effect of investment on payback period is considered as a policy problem of welfare reduction, a capital market failure or an inefficient fund that is similar to problems mentioned in previous studies.

Expected Returns

According to Easley *et al*., (2010), when forming an intention to invest, individual investors will normally begin with assessment of company's financial positions based on some objective measures such as return on equity, fund level or earning per share. Subsequently, their emotional perceptions of such evaluations may come into effect as they try to justify their investing decisions in a given company's stocks. Investment Company Institute (2013) conducted a study based on the objective to examine mutual fund shareholder perceptions of risk.

Swarup (2012) conducted a study on investor return's perceptions towards various investment avenues and based on this, the strategies that need to be adopted to penetrate the markets were discussed. Nofal *et al*., (2012) examined the effect of the company's total debt business returns ratios of Jordan industrial companies listed in Amman exchange through the period 2007-2009. Their results indicated that there is a significant relationship between both operating and financial leverages and profitability ratios. Moreover, they reached to a statically relationship between turnover rates and earning per share. However, Alagha (2015) using data of 15 corporations in Palestine within the period (2009-2013) reached that there is no significant relationship between financial leverage and the ROI.

Donaldson & Davis (1991) examined the effects of CEO duality on the return on equity using a sample of 337 U.S. corporations. Their analysis depended mainly on two contrasting approaches to the structure of corporate boards: agency theory and stewardship theory. Their findings illustrated that the ROE returns to shareholders are improved by role duality rather than non-duality. Haslem (2014) contended that dividends, expected returns, business cycle and the firm's financial stability are critical investment considerations for individual investors. Baker, Haargrove & Haslem (2015) went a step further by proposing that investors behave rationally, taking into account the investment's returns.

A study by Syed (2010) indicated that the individual investor still prefers to invest in financial products which give risk free returns. This confirms that Indian investors even if they are of high income, well educated, salaried, independent are conservative investors prefer to play safe. The investment product designers can design products which can cater to the investors who are low risk tolerant and use TV as a marketing media as they seem to spend long time watching TVs.

A study by Bennet *et al.,* (2011) indicated that the average value of the five factors, namely,

Return on Equity, Quality of Management, Return on Investment, Price to Earnings Ratio and various ratios of the company influenced the decision makers. Further, other five factors, namely, recommendation by analysts, Broker and Research Reports, Recommended by Friends, Family and Peer groups, Geographical Location of the Company and Social
Responsibility were given the lowest priority or which had low influence on the stock selection decision by the retail investors.

Business status

Harzing (2010), asserts that firms mainly seeks to grow their business' market share to gain reputation since market leaders have an influence that they can use to their advantage. A firm may use its influence in an industry to increase its bargaining power. A larger player has an advantage in negotiations with suppliers and channel members than a smaller player in the industry. This power enables a firm to be more competitive in the industry which ultimately results to increased performance.

According to Roger (2010) in his study "the size of capital Allocation", he states that apportioning allocation explains the 40, 90 and 100 percentage of fund performance since the manner on which a firm allocates funds among investment channels matters most on total performance of each channel of investment. A study conducted by Richard, Jonathan, & Sharon (2014) concluded that, a country's business climate is an important predictor of foreign firm's expansion into that country. It is stated by Rose (2003) that management of modern day cooperatives have expanded their investments in services so as to raise more funds but are only allowed to invest as per the range prescribed by state regulations.

According to Dibb (2007), firms diversify by extending the scope of their operations into multiple markets. A diversification strategy is pursued according to Chandler (2010), when firms have opportunities embedded in market structures and technology as well as opportunities for growth in the farm's basic business. This means that firms diversify into other businesses if after consolidating their positions in their base industry or market they still possess underutilized resources which can be applied in other sectors of low opportunity

Yiming, Siqi, Thomas & Thomas (2011) found a negative relation between business renewal decisions and the investment decision of borrowers. This was supported by Jeffrey & Jeffrey (2012) who stated that the adoption of renewal options has a negative effect on lender's willingness to lend to investors with business renewal options. However, Martin *et al.* (2013) came up with a different view by stating that renewal decisions partially support for the impact of performance feedback on strategic renewal.

Farok *et al.,* (2007) states that service sector firms because of their nature of business tend to get the gains of international expansion sooner than manufacturing firms. It is noted by Vishal *et al.,* (2007) that inventory turnover increases with sales growth rate. Their study found a strong evidence of diminishing returns to scale with reference to firm size.

Siddika *et al.,* (2007) in his contribution on replacement of fixed assets suggests a combination of the performance characteristics, financial capacity of the organization, structural integrity and environmental performance of the boiler should be evaluated before replacement decisions are made and thus consideration should not only be on the age of asset under consideration for replacement. James (2015) states that; enterprise system replacement is not financially important for revenue growth or operational efficiency.

On the contrary, Jan *et al.* (2014) argues that, one standard deviation increase of performance expectation nearly doubles the coaches' dismissal probability. Supporting this was Mark & Robert (2008) who stated that comparative performance improvements are positively related to institutional shareholding and are greater when successor CEOs externally hired compared to internal hiring. However, this is contrasted by Rene, Ursula & Marielle (2010) who found out that the level of change in strategic and non-strategic levels and the extend of change in terms of the proportion of managers hired or leaving an organization do not influence subsequent firm performance.

Investment Decisions

As behavioral finance is defined by Shefrin (1999) a rapidly developing area that deals with influence of the psychology on financial practitioner behavior. Behavioral finance is the study that how psychology influences investment decision ma king and the financial markets. (Shefrin, 2011). A healthier understanding of the behavioral process of investors and its outcomes is significant for financial planners, because if financial planners get an understanding how investor responds to market movements helps them in developing suitable strategies of asset allocation for their clients (Statman, 1999). Investors are also keen in knowing how wealth is generated from an underlying asset with an anticipated increase in price in future (Schaub, 2008).

Mahmood (2011) conducted a study in Pakistan to examine the role of various welfare and demographic factors affecting the investment decision of investors. An investment model was developed that described the impact of past investment experiences of investors, variation in regulatory policies, asymmetric information, their marital status, gender, and reinvestment intentions of investors. They suggested that risk perception performs the key role in the investment decision process and that the variation in the government policies can impact the risk perception of an investor.

Geetha & Ramesh (2011) examined the people's choice in investment in financial empowerment avenues of Kurumbalur. The main objective of this paper was to know the factors that influences investment behaviour of the people and to know about the attitude of the respondents towards different investment choices. After analysis and interpretation of data it is concluded that in Kurumbalur respondents are medium aware about various investment choices but they do not know aware about stock market, equity, bound and debentures. Findings show that all age groups give more important to invest in Insurance, NSC, PPF and bank deposit.

Tomola (2013) in his study seeks to determine the main factors influencing investment decisions of investors and how these factors are related to the investors' welfare characteristics in the Nigerian Capital Market. The results indicate that the five most influencing factors on investment decisions of investors in Nigeria are past performance of the company's stock, expected stock split/capital increases/bonus, dividend policy, expected corporate earnings and get-rich-quick. Also, the five least influencing factors include religions, rumors, loyalty to the company's products/services, opinions of members of the family and expected losses in other investments.

The study by Obamuyi, (2013) sought to determine the main factors influencing investment decisions of investors and how these factors are related to the investor's welfare characteristics in the Nigerian Capital Market. The results indicated that the five most influencing factors on investment decisions of investors in Nigeria are past performance of the company's stock, expected stock split/capital increases/bonus, dividend policy, expected corporate earnings and get-rich-quick. Also, the five least influencing factors included religions, rumors, loyalty to the company's products/services, opinions of members of the family and expected losses in other investments. The study found that the welfare characteristics of investors (age, gender, marital status and educational qualifications) statistically and significantly influenced the investment decisions of investors in Nigeria.

Ambrose (2014) analyzed that the nature of business factors that influence individual investment decisions were: reputation of the firm, firm's status in industry, expected corporate earnings, profit and condition of statement, past performance firms stock, price per share, feeling on the economy and expected divided by investors. Results of factor analysis revealed that the most important factors were: Firms position and performance; Investment returns and economic conditions; Diversification and loss minimization; Third party opinion; The goodwill of the firm and accounting information; Perception towards the firm; Environmental factors; Firms feeling and risk minimization. Friedman's ranking was used to identify the most important individual factors that influence investment decision in NSE. The factors were reputation of the firm, firm's status in industry, expected corporate earnings, profit and condition of statement, past performance firm's stock, price per share, feeling on the economy and expected divided by investors. In conclusion this study tested the tenets of the behavioral finance theory on the factors that influence investment decisions under conditions of uncertainty.

RESEARCH METHODOLOGY

Research design is an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance with the research purpose. It constitutes the blueprint for the collection, measurement, and analysis of data (Kothari, 2004). The study used descriptive research design which is a method or process of collecting data in order to answer questions concerning current status of the subjects in the study (Gay & Airasian, 2007).

The sample size was determined by using the simplified Yaro Yamane (1967) formula which is recommended for a population of below 10,000;

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

Where n = Sample size

N = Population size

e = level of precision and for this case at 95% confidence level (Yamane, 1967).

$$n = \frac{206}{1+206(0.05^2)}$$

$$= 179$$

Therefore 179 members of table banking groups were selected for the study.

Hence, the regression model for this was;

$$\mathbf{Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon}$$

Where: **Y** = Investment Decisions

$\boldsymbol{\beta_0}$ = Constant term indicating the level of investment decision in the absence of any independent variables

$\boldsymbol{\beta_1}$, $\boldsymbol{\beta_2}$, $\boldsymbol{\beta_3}$ and $\boldsymbol{\beta_4}$are the coefficient functions of the independent variables

$\mathbf{X_1}$= Financial Literacy

$\mathbf{X_2}$= Cost of finance

$\mathbf{X_3}$= Expected Return

$\mathbf{X_4}$= Business status

$\boldsymbol{\varepsilon}$ = Error term of the regression

Hypothesis testing

Based on review of relevant literatures, it was hypothesized that financial literacy, cost of finance, expected returns and business status were expected to affect table banking investment decisions among women groups in Mombasa County. Therefore, based on the research objective, the following hypotheses were formulated which were tested using various statistical tools:

H_1: There is no relationship between financial literacy and table banking investment decisions among women in Mombasa County.

H_2: There is no relationship between cost of finance and table banking investment decisions among women in Mombasa County.

H_3: There is no relationship expected returns and table banking investment decisions among women in Mombasa County.

H_4: There is no relationship between business status and table banking investment decisions among women in Mombasa County.

RESEARCH FINDINGS

Financial Literacy

The researcher wanted to evaluate various views and perceptions of the respondents in respect to the effects of financial literacy on table banking investment decisions among women in Mombasa County. The results are as presented below.

Table 1: Financial Literacy

Financial Literacy	Mean	Std Deviation
Individuals with financial literacy make good financial decisions	2.8333	.69364
Individuals with better financial literacy have higher risk tolerance in investment decisions	2.6667	1.04611
Individuals with better financial literacy manages finances better	2.7037	.83845
Numeric competencies play a significant role on investment decisions	2.3704	1.10396
Group members needs training in financial investment decisions	2.3889	.91973
Objective numeracy is related to performing number of calculations in judgments and decisions	2.0370	.82332
More objectively-numerate individuals tend to be less susceptible to framing effects	2.8519	.83344
External financial advisers should be called occasionally to come and train members on financial management	2.1111	.86147

As shown in the Table 1 above, the researcher sought respondent's views to analyze the effects of financial literacy on table banking investment decisions among women in Mombasa County: Asked whether individuals with financial literacy make good financial decisions had a mean of 2.8333 and a standard deviation of 0.69364. Asked whether individuals with better financial literacy have higher risk tolerance in investment decisions had a mean of 2.6667 and a standard deviation of 1.04611. Asked whether individuals with better financial literacy manages finances better had a mean of 2.7037 and a standard deviation of 0.83845. Asked whether numeric competencies play a significant role on investment decisions had a mean of 2.3704 and a standard deviation of 1.10396. Asked whether group members need training in financial investment decisions had a mean of 2.3889 and a standard deviation of 0.91973. Asked whether objective numeracy is related to performing number of calculations in judgments and decisions had a mean of 2.0370 and a standard deviation of 0.82332. Asked whether more objectively-numerate individuals tend to be less susceptible to framing effects had a mean of 2.8519 and a standard deviation of 0.83344. Asked whether external financial advisers should be called occasionally to come and train members on financial management had a mean of 2.1111 and a standard deviation of 0.86147. These findings are in line with Rooij *et al* (2015) who found that financial literacy affects financial decision-making because individuals with low literacy are more likely to rely on other people as their main source of financial advice and are less likely to make informed investment decisions.

Cost of Finance

The researcher wanted to evaluate various views and perceptions of the respondents in respect to the effects of cost of finance on table banking investment decisions among women in Mombasa County. The results are as presented below.

Table 2: Cost of Finance

Cost of Finance	Mean	Std Deviation
The value of loan affects investments decisions	2.7037	.81564
Inflation rate has direct effect on interest rate thereby influencing investment decisions	2.8333	.66588
Loan repayment period has effect on investment decision	3.2778	.83365
Monetary policy and economic conditions affect firms investment decisions	2.6481	.87216
Internally generated funds have minimal cost of investment	2.8148	.99193
A negative relationship exist between interest rate and investment	3.7778	.83929
The total cost of investment affects investment decision making	2.0370	1.18103
Changes in monetary policy influence the firm's debt capacity	3.9444	.62696
Effect of the interest rate is more pronounced in smaller firm's investments	4.0741	.57796

As shown in the Table 2 above, the researcher sought respondent's views to analyse the effects of cost of finance on table banking investment decisions among women in Mombasa County: Asked whether the value of loan affects investments decisions had a mean of 2.7037 and a standard deviation of 0.81564. Asked whether inflation rate has direct effect on interest rate thereby influencing investment decisions had a mean of 2.8333 and a standard deviation of 0.66588. Asked whether loan repayment period has effect on investment decision had a mean of 3.2778 and a standard deviation of 0.83365. Asked whether monetary policy and economic conditions affect firms investment decisions had a mean of 2.6481 and a standard deviation of 0.87216. Asked whether Internally generated funds have minimal cost of investment had a mean of 2.8148 and a standard deviation of 0.99193. Asked whether a negative relationship exist between interest rate and investment had a mean of 3.7778 and a standard deviation of 0.83929. Asked whether the total cost of investment affects investment decision making had a mean of 2.0370 and a standard deviation of 1.18103. Asked whether changes in monetary policy influence the firm's debt capacity had a mean of 3.9444 and a standard deviation of 0.62696. Effect of the interest rate is more pronounced in smaller firm's investments had a mean of 4.0741and a standard deviation of 0 .57796. The findings of these studies confirm that there is a connection between monetary policies and investment (Gilchrist *et al.,* 2005).

Expected Returns

The researcher wanted to evaluate various views and perceptions of the respondents in respect to the effects of expected returns on table banking investment decisions among women in Mombasa County. The results are as presented below.

Table 3: Expected Returns

Expected Returns	Mean	Std Deviation
The return on investment of a business is affected by the size of the business	1.9815	.85761
Reliable forecasting techniques enable investors to know the amount of funding they need in future to run their businesses	2.0370	.88941
The level of income from an investment affects the return on investment	3.7222	.87775
The source of financial advice affect the expected rate of return of an investment	2.3704	.75975
The economic status of a county affects the expected rate of return of an investment	2.5000	.90596
Financial managers identify cheap sources of financing which would not strain the financial capability of the groups	4.6852	.57705
The trends of interest rates have a greatly effect on the expected rate of return of a business	4.6296	.48744
The trends of interest rates have a greatly effect on the expected rate of return of a business	4.7593	.51157

As shown on Table 3 above, the researcher sought respondent's views to analyse the effects of expected returns on table banking investment decisions among women in Mombasa County which has six Constituencies: Asked whether the return on investment of a business is affected by the size of the business had a mean of 1.9815 and a standard deviation of 0.85761. Asked whether reliable forecasting techniques enable investors to know the amount of funding they need in future to run their businesses had a mean of 2.0370 and a standard deviation of 0.88941. Asked whether the level of income from an investment affects the return on investment had a mean of 3.7222 and a standard deviation of 0.87775. Asked whether the source of financial advice affect the expected rate of return of an investment had a mean of 2.3704 and a standard deviation of 0.75975. Asked whether the economic status of a county affects the expected rate of return of an investment had a mean of 2.5000 and a standard deviation of 0.90596. Asked whether financial managers identify cheap sources of financing which would not strain the financial capability of the groups had a mean of 4.6852 and a standard deviation of 0.57705. Asked whether the trends of interest rates have a great effect on the expected rate of return of a business had a mean of 4.6296 and a standard deviation of 0.48744. Asked whether the trends of interest rates have a greatly effect on the expected rate of return of a business had a mean of 4.7593 and a standard deviation of 0.51157. These findings are in line to Swarup (2010) conducted a study on investor's returns perceptions towards various investment avenues and based on this, the strategies that need to be adopted to penetrate the markets.

Business Status

The researcher wanted to evaluate various views and perceptions of the respondents in respect to the effects of business status on table banking investment decisions among women in Mombasa County. The results were as presented below.

Table 4: Business Status

Business Status	Mean	Std Deviation

The amount of money spent on new business development affects investor's decision making	3.5000	.88488
The stage that a business is in affects investment decision	2.8519	.56326
The amount of money spent on business expansion affects investor's decision	3.4259	.81500
The amount of money spent on investment renewal affects investor's decision	4.0926	.68041
The amount of money spent on research and development affects investor's decision	1.7963	.40653

As shown in the Table 4 above, the researcher sought respondent's views on the effects of business status on table banking investment decisions among women in Mombasa County: Asked whether the amount of money spent on new business development affects investor's decision making had a mean of 3.5000 and a standard deviation of .88488. Asked whether the stage that a business is in affects investment decision had a mean of 2.8519 and a standard deviation of .56326. Asked whether the amount of money spent on business expansion affects investor's decision had a mean of 3.4259 and a standard deviation of .81500. Asked whether the amount of money spent on investment renewal affects investor's decision had a mean of 4.0926 had a standard deviation of .68041. Asked whether the amount of money spent on research and development affects investor's decision had a mean of 1.7963 and a standard deviant of .40653. These findings are in line to those of Yixing *et al.,* (2011) who found a negative relation between business renewal decisions and the investment decision of borrowers. This was supported by Jeffrey & Jeffrey (2012) who stated that the adoption of renewal options has a negative effect on lender's willingness to lend to an investor with business renewal options

Investment Decision

The researcher wanted to evaluate various views and perceptions of the respondents in respect to investment decisions among women groups in Mombasa County. The results were as presented below.

Table 5: Investment Decision

Investment Decision	Mean	Std. Deviation
The amount of money spent on new business development influences investment decision	3.1111	.60397
Past market trends affects an investment decision	3.4815	.66562
Investment decisions direct where and how much capital is to be spent on opportunities	3.5926	1.05542
Investment decisions is largely attributed to availability of market information	3.8889	.88310
For most investors, bank loans have always remained the preferred external financing source	2.7963	.93928
Owner-managers tend to concentrate on the day-to-day at the expense of investments	4.0741	.57796
Most firms, groups or individuals are less willing to use debt financing due to constraints that comes with supply and demand	2.2222	.92485

The level of management of an investment has a great effect in an investment decision	1.6481	1.03080

As shown in the Table 5 above, the effects of business status on table banking investment decisions among women in Mombasa County: Asked whether the amount of money spent on new business development influences investment decision had a mean of 3.1111 and a standard deviation of 0.60397. Asked whether past market trends affect an investment decision a mean of 3.4815 with a standard deviation of 0.66562. Asked whether investment decisions direct where and how much capital is to be spent on opportunities had a mean 3.8889 with a standard deviation of 0.88310. Asked whether investment decisions are largely attributed to availability of market information had a mean of 2.7963 with a standard deviation of 0.93928. Asked whether for most investors, bank loans have always remained the preferred external financing source had a mean of 4.0741and a standard deviation of 0 .57796. Asked whether owner-managers tend to concentrate on the day-to-day at the expense of investments had a mean of 2.2222 and a standard deviation of 0.92485. Asked whether most firms, groups or individuals are less willing to use debt financing due to constraints that comes with supply and demand had a mean of 1.6481 and a standard deviation of 1.03080. The above results are in agreement with the study Tomola (2013) that concluded that past performance and expected returns of a Company are some of the key factors on investment decisions.

Regression Analysis

The study sought to establish the effect of financial literacy, cost of finance, expected returns and business status on table banking investment decisions among women groups in Mombasa County.

Model Summary

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.949a	.900	.892	.22929

a. Predictors: (Constant), Financial Literacy, Cost of finance, Expected Returns, Business Status.

Table 6 shows that there is a good linear association between the dependent and independent variables used in the study. This is shown by a correlation (R) coefficient of 0.949. The determination coefficient as measured by the adjusted R-square presents a moderately strong relationship between dependent and independent variables given a value of 0.892. This depicts that the model accounts for 89.2% of the total observations.

Table 7: Analysis of Variance (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19.607	4	4.902	17.570	.000a
	Residual	41.048	147	.279		
	Total	60.655	151			

a. Predictors: (Constant), Financial Literacy, Cost of finance, Expected Returns, Business Status.

b. Dependent Variable: Investment Decisions.

Table 7 above showed that the p value for the model is $p<0.001$ and this implies that the model is statistically significant as it is lower than the significance level of 0.05. Given that ANOVA showed that the study was significant, it proceeded to analyze the coefficients of correlation also known as regression coefficients.

Correlation Analysis

The study conducted correlation analysis to test the strength of association/relationship between the research variables. Correlation is the measure of the relationship or association between two continuous numeric variables. Correlation indicates both direction and degree to which they covary with one another from case to case without implying that one is causing the other. Correlation analysis results give a correlation coefficient which measures the linear association between two variables (Crossman, 2013).

The value of correlation coefficient ranges between -1 and +1. A correlation coefficient of +1 indicates that two variables are perfectly related in a positive linear. A correlation of -1 indicates that two variables are negatively linearly related and a correlation coefficient of 0 indicates that there is no linear relationship between two variables.

Table 8: Pearson Correlation Coefficient

		Financial Literacy	Cost of Finance	Expected Returns	Business Status
Financial Literacy	Pearson Correlation	1			
	Sig. (2-tailed)				
Cost of Finance	Pearson Correlation	459**	1		
	Sig. (2-tailed)	.006			
Expected Returns	Pearson Correlation	463**	.444**	1	
	Sig. (2-tailed)	.000	.003		
Business Status	Pearson Correlation	-.254**	-.030	-.421**	1
	Sig. (2-tailed)	.000	.041	.000	

The results of the correlation analysis revealed that financial literacy was positively related to the cost of finance with a Pearson's Correlation Coefficient of r = 0.459 and at level of significance of 0.006, was statistically significant as the p-value is less than 0.05. This relationship was however relatively strong. The results showed that there is a relatively strong relationship between expected returns and financial literacy with a Pearson's Correlation Coefficient of r = 0.463 and at level of significance of 0.000, was statistically significant as the p-value is less than 0.05.

The results showed that there is a relatively weak negative relationship between business status and financial literacy with a Pearson's Correlation Coefficient of r = -0.254 and at level of significance of 0.000, was statistically significant as the p-value is less than 0.05.

Table 9: Regression Correlation

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	3.950	.420		9.399	.000
	Financial Literacy	.697	.091	.417	7.634	.000
	Cost of Finance	.629	.045	.703	13.896	.000
	Expected Returns	.127	.061	.108	2.079	.041
	Business Status	.032	.057	.031	.567	.573

a. Dependent Variable: Investment Decisions

The regression model was of the form:

$Y = ß_0 + 0.697X_1 + 0.\ 629X_4 + 0.127X_3 + 0.032X_1 + ε$

Whereby Y represented the Organisation Performance ß0 is the Constant Variable X_1 is Financial Literacy, X_2 is Cost Of Finance, X_3 is Expected Returns, X_4 is Business Status, E is an error term while β1...β4 are corresponding coefficients for the respective independent variables.

After the computation of factors affecting table banking investment decisions among women groups in Mombasa County; the findings indicated that business status had a P>.573, more than the significance level of 0.05. This shows a weak relationship between business status and table banking investment decisions among women groups in Mombasa County.

The findings also indicated that expected returns had a P>.041, less than the significance level of 0.05. This shows a strong relationship between expected returns as a factor affecting table banking investment decisions among women groups in Mombasa County.

Cost of Finance had a p<0.001 connoting a strong relationship as a factors affecting table banking investment decisions among women groups in Mombasa County. financial literacy as a factors affecting table banking investment decisions among women groups in Mombasa County scored a p<0.001 connoting a strong relationship.

Hypothesis Testing

At 5 percent level of significance, the regression results shows that the values of the variables (expected returns, financial literacy and cost of finance) are statistically significant which means that there is significant relationship of investment decisions with expected returns, financial literacy and cost of finance. These findings are in line to Swarup (2010) conducted a study on investor's returns on investment perceptions towards various investment avenues and based on this, the strategies that need to be adopted by mutual funds to penetrate the markets were discussed. These findings are in line with Rooij *et al.,* (2015) who found that financial literacy affects financial decision-making because individuals with low literacy are more likely to rely on other people as their main source of financial advice and are less likely to make informed investment decisions. Therefore, the null hypotheses pertaining to these variables have been rejected and the alternative hypotheses have been accepted. On the other business status shows a significance level greater than 5 percent indicating that there is no significant impact of business status on table banking investment decisions among women groups in Mombasa County. These findings are in line to those of Yiming *et al.,* (2011) who found a negative relation between business renewal decisions and the investment decision of borrowers. Hence, the null hypothesis regarding business status stands accepted. Hence, on the basis of results, the following conclusions are drawn:

The results showed that there is a significant relationship between financial literacy and table banking investment decisions among women in Mombasa County. Hence, **H_1 is rejected.**

The results showed that there is a significant relationship between cost of finance and table banking investment decisions among women in Mombasa County. Hence, **H_2 is rejected.**

The results showed that there is a significant relationship between expected returns and table banking investment decisions among women in Mombasa County. Hence, H_3 **is rejected.**

The results showed that there is no relationship between business status and table banking investment decisions among women in Mombasa County. Hence, **H_4 is accepted.**

Discussion of Findings

Financial Literacy

The study findings indicate that financial literacy has statistically significant role on financial literacy, Those people who possess financial literacy commonly believe that many consumers can't go for critical financial decisions in their best benefits because they lack the financial education required to go for those decisions the findings are concurring with a study by Agarwal et al., (2011) who indicated that mostly financial blunders are made by individuals, who are exposed to lowest amount of financial knowledge. To some extent, poor financial decisions are the reason of failure to appreciate economic vulnerability. Education can solve that issue by providing knowledge and financial decision doing skills.

Cost of Finance

The study findings indicate that financial literacy has strong relationship on financial literacy.

The study found out that more people are likely to borrow money when the interest rates are lower. It was also evident that when the interest rate is higher, borrowing becomes more expensive and slows.

Expected Returns

The study findings indicate that financial literacy has strong relationship on financial literacy. These findings are in line to Swarup (2010) conducted a study on investor's return on investment perceptions towards various investment avenues and based on this, the strategies that need to be adopted by mutual funds to penetrate the markets were discussed.

Business Status

The study findings indicate that business status has weak relationship role in financial literacy. Yiming *et al.,* (2011) who found a negative relation between business renewal decisions and the investment decition of borrowers. This was supported by Jeffrey & Jeffrey (2012) who stated that the adoption of renewal options has a negative effect on lender's willingness to lend to a investers with business renewal options

The findings clear indication that expected returns, financial literacy and cost of finance strongly affects table banking investment decisions among women groups in Mombasa County. However, caution is given that other factors should not be ignored or one becomes to assertive emphasizing one over the other as they too contribute to table banking investment decisions among women groups in Mombasa County.

CONCLUSIONS

The study concludes that financial literacy affects investment choices of individuals. Financial literacy skills enable individuals to navigate the financial world*,* make informed decisions about their money and minimize their chances of being misled on financial matters.

The findings found out those interest rates dictate investment patterns and also influence the saving and consumption patterns. High interest rates have the negative effect of increasing the cost of borrowing and consequently limiting the level of aggregate investment and consumption and the overall economic growth in the country. For a viable investment, investor consider the total-cost-of-ownership which is a composite of financial obligations consisting of the costs for the initial capital design and construction; operations and maintenance and other take future costs.

Firms view the payback period as an efficient method to screen an investment especially when the ultimate decision-maker in the firm has less information than those proposing the project. High returns usually come with high risks; hence, the ultimate target for the investor is to select investments that balance risks and returns.

RECOMMENDATIONS

The study recommended that table banking leaders should look for financial experts who will be able to take members through financial literacy training programs as this will not only be beneficial to the personal lives but also better position in managing their funds and be in a position to convince other people to join the groups. Leaders in the table banking groups should ensure that investors are offered with the right information on investment in the right time since it plays a major role when investors are analyzing expectations on future returns.

Table banking groups should look for investments experts who will be tracking the performance of an investment once a member has accessed funds and keep on advising the members on methods they would use to ensure smooth growth of the investments.

Government Policy makers should come up with financial policy's which would favor member of the table banking invests so as to encourage them to invest more hence building the economy and their livelihood.

Suggestions for Further Study

The researcher suggested that a similar study should be conducted in counties in Kenya in order to see if the same results will be achieved.

Further studies could be done on the effect of the government policies on the implementations of table banking.

Further studies could also be done on the impact of table banking investment on women empowerment.

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