

The Effects of Household Demographics on Saving Pattern: A Case Study of Kamwala Township

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ARTICLE INFORMATION	ABSTRACT
<p>Article history: Published on 21st Jan 2026</p> <p>Keywords: Disposable income Saving Household expenditure Relativity Kamwala</p>	<p>This research examines the saving habits of households in Kamwala Township. It explores the variety of savings tools they use, how financial education initiatives affect them, the part played by social connections, and the differences in saving approaches based on gender. The study employed a mixed method design, gathering information from one hundred households via surveys and direct interviews. The results indicate that residents of Kamwala utilize a mix of formal and informal methods for saving money. Formal options include bank accounts and mobile money services, while a common informal practice is participation in Chilimba, which are local rotating savings and credit associations. The analysis finds that financial literacy programs positively influence saving behavior. Despite this, engagement in these programs is often limited, particularly among individuals with lower education levels and incomes. Social networks prove to be highly influential in financial decisions. Informal savings groups are valued not only for their monetary function but also for the community and social support they provide. Gender is a notable factor in saving practices. The study observed that women are more inclined to use informal savings mechanisms, whereas men show a greater tendency to access formal financial services. These outcomes underscore the necessity for focused strategies to enhance financial knowledge and broaden the availability of formal banking services. They also point to the importance of developing financial policies that consider gender differences to effectively encourage wider financial inclusion in urban, low-income communities like Kamwala.</p>

1. Introduction

Household savings are a vital component of economic growth, especially in developing nations such as Zambia, where domestic savings are critical given a limited dependence on unstable international investments (Mwabutwa, Nkhoma & Lwenje, 2017; Simtowe et al., 2019). The decision to save is influenced by several factors, including income, financial literacy, access to financial services, and demographic characteristics like age and household size (Mulenga & Chola, 2018; Brounen et al., 2016). Cultural norms and societal priorities significantly shape saving behaviors, determining whether households focus on immediate consumption or long-term security (Yucel, Ertac & Ciftci, 2017; Mwanakatwe, 2014). In Zambia, savings rates are low, approximately 10% of GDP, largely due to pervasive poverty, low financial literacy, and restricted access to formal banking, particularly in rural areas (Mwabutwa, Nkhoma & Lwenje, 2017; Mwansa & Saasa, 2019). High debt levels further reduce the capacity to save (Yohannes & Worku, 2019). Consequently, informal mechanisms like savings groups and traditional systems such as “Chilimba” remain important for many, filling gaps where formal services are unavailable (Mwebesa, Kato & Tusiime, 2020). Initiatives like the Zambia Financial Education Curriculum (ZFEC) and microfinance programs, alongside institutions such as the National Savings and Credit Bank (NATSAVE), aim to improve financial knowledge and expand service access (Mwabutwa, Nkhoma & Lwenje, 2017; Mwansa & Saasa, 2019). External conditions, including broader economic performance and government policy, also shape savings trends, with growth boosting savings and recessions diminishing them (Simtowe et al., 2019; Lin & Chen, 2019). Therefore, addressing these challenges through tailored policies, enhanced financial education, and broader access to savings mechanisms is essential for promoting economic stability and development in Zambia (Mwabutwa, Nkhoma & Lwenje, 2017; Mulenga & Chola, 2018).

1.1 Statement of the problem

The low levels of household savings in Kamwala Township, Lusaka, Zambia, present a substantial barrier to local financial resilience and broader economic growth. Despite this, a clear understanding of this issue is hindered by insufficient examination of how household demographics shape saving patterns within the community (Bergo, 2013). This gap in knowledge impedes the development of well targeted policies and programs. A detailed investigation into the demographic influences on saving behavior is therefore essential, as it would uncover critical determinants and offer actionable insights for designing effective interventions to promote savings in Kamwala Township and comparable Zambian settings..

1.2 Objectives of the study

This study aims to achieve the following objectives:

- I. To Examine the effects of family size on Household savings behavior.
- II. To assess the effects of age distribution of head of household on household saving behavior.
- III. To analyze the influence of sex distribution of head of household on household savings..

1.3 Research Question

This study aimed to answer the following questions:

- I. What is the effect of family size on household saving behavior?
- II. What is the effect of age distribution head of household on household saving behavior?
- III. What is the role of sex distribution of head of household on household saving behavior?

2. Literature Review

This section reviews existing literature to explore the influence of household demographics on saving behaviors, drawing upon research conducted in Kamwala township, Lusaka, Zambia. This review aims to analyze the methodologies, findings, and conclusions from these studies, and as such, illuminating the established knowledge in this specific context.

2.1 Effects of family size on Household savings behavior.

According to the life cycle hypothesis, households strive to maintain a steady living standard by accumulating savings during employment and drawing on them after retirement, with age and income serving as primary factors in savings decisions. Worldwide, household savings practices vary because of cultural, economic, and institutional contexts, as well as disparities in financial literacy, income, and risk appetite. In Ukraine, bank deposits are favored over securities owing to distrust in governmental and market institutions, which curtails the adoption of investment vehicles (Kizyma, 2018). Low risk assets, such as bank deposits, are valued for their stability but provide reduced returns relative to riskier alternatives, emphasizing the compromise between security and earnings (Sydoruk, 2021). In Thailand, traditional savings approaches like bank deposits and real estate remain predominant, with retirement planning being the central motive for saving. Elevated income levels are associated with greater engagement in capital markets, signaling a shift in financial practices (Suppakitjarak & Krishnamra, 2015). In Ethiopia, rural households mainly save through physical assets, affected by considerations including credit availability, ties with development agents, and microfinance participation. While 38.5% of rural households use physical forms for savings, others utilize financial or blended instruments, revealing adaptable methods influenced by local circumstances (Girma et al., 2014).

2.2 Influence of Age of Head of Household on savings.

Saving behaviors exhibit distinct patterns across the life course, with notable variations between rural and urban settings. In rural Ethiopia, Girma et al. (2014) found that younger household heads typically save less, as lower incomes and pressing familial obligations compel a focus on immediate consumption rather than deferred savings. Conversely, middle aged heads in these areas show a greater propensity to save, a tendency supported by agricultural outputs and available investment avenues. A parallel urban dynamic is observed in Zambia, where Mwansa (2016) noted that younger heads in Lusaka's Kamwala Township often save minimally due to income volatility and constrained access to formal financial services. Their middle aged counterparts, however, save more consistently, benefiting from enhanced financial understanding and more stable employment. Age further shapes the choice of saving vehicles through its influence on risk tolerance. Research in Germany by Hoffmann et al. (2013) indicates that younger household heads display a greater willingness to engage in higher-risk investments, such as equities. On the other hand, older heads gravitate toward secure options like traditional savings accounts. This cautious approach among older individuals is echoed in Ghana, where Amankwah-Amoah et al. (2021) documented a preference for informal mechanisms, including savings clubs and rotating savings and credit associations (ROSCAs), over formal banking institutions. This evidence supports a life cycle perspective on saving. Younger household heads generally save at lower rates, constrained by limited earnings and high consumption demands. Middle age represents a peak saving period, characterized by greater income stability and a strategic focus on longer term financial objectives, such as retirement or asset accumulation. Older heads often enter a decumulation phase, drawing upon previously amassed savings rather than adding to them, which leads to a decline in saving rates. Acknowledging these age specific patterns is vital for crafting effective, targeted financial interventions that can positively influence saving behavior at every stage of life.

2.3 The Influence of Observed Inflation Rate on household Income.

Gender theory offers a framework for examining how socially constructed roles and normative expectations influence economic behavior, frequently establishing systemic barriers that impede women's participation in saving and investing. These obstacles are often rooted in limited access to formal financial services, disparities in financial literacy, and the reinforcement of traditional domestic responsibilities that constrain women's economic agency. Empirical studies across different regions reveal notable gendered distinctions in savings approaches. In Nigeria, research by Akanni et al. (2018) indicates that men tend to save larger amounts and show a preference for formal financial instruments, while women are more likely to utilize informal savings mechanisms. On the other hand, in Kenya, Hira and Mugenda (2000) observed comparable trends, with men predominantly using formal bank accounts for savings, whereas women often rely on informal methods aimed at addressing daily household needs, reflecting their customary role in managing familial resources. Findings from Ghana present a different pattern; Chowa et al. (2013) documented that women in their study saved more actively, frequently through participatory savings groups oriented

towards future expenditures, while men directed more resources towards immediate consumption. These regional differences highlight the substantial influence of cultural context on financial practices. For example, in India, Dasgupta and Beard (2007) demonstrated how patriarchal values systematically restrict women's financial autonomy and their access to economic resources, thereby shaping savings capabilities. Together, these studies illuminate the intricate relationship between gender, cultural norms, and social structures in determining household savings behavior. The evidence suggests that savings patterns are not merely reflections of individual preference but are profoundly shaped by gendered power dynamics and societal expectations. This complex interplay necessitates a nuanced understanding of financial behavior, one that acknowledges how institutional frameworks and cultural prescriptions differentially impact men and women, and as such, informing the design of more equitable financial policies and interventions.

3. Methodology

This study employed a mixed methods research design, involving the collection of both quantitative and qualitative data to address the research objectives comprehensively. This approach was selected to capture a broad spectrum of insights, allowing for both statistical measurement and in-depth understanding of the phenomena under investigation. The target population consisted of households in Kamwala township of Lusaka, Zambia. According to data compiled by the Central Statistical Office of Zambia in 2022, the Kamwala constituency is home to 4472 households. To ensure an unbiased representation of this population, the study adopted a Probability Random Sampling technique, which provides each household an equal chance of selection, thereby enhancing the representativeness of the sample. For sample size determination, given the population of 4472, a confidence level of 95%, and a margin of error of approximately 10%, the sample size was set at 100 households. This calculation was based on standard statistical formulas to balance precision with practical constraints, aiming to yield reliable findings that reflect the township's characteristics while acknowledging the limitations inherent in sampling from a finite population.

3.1 Sub-Methodology

Data collection for this study involved both primary and secondary sources to ensure a robust evidence base. Primary data was gathered through structured questionnaires and interviewing protocols administered to selected households, facilitating consistent and reliable responses. Secondary data was obtained from credible institutions such as the International Monetary Fund, the World Bank, the Bank of Zambia, and the Central Statistics Office, providing macroeconomic and contextual insights relevant to the research. For data analysis, the study utilized STATA software to conduct statistical examinations of quantitative data, enabling the identification of patterns and relationships. As noted by Kumar (2011:168), numerical data is essential for statistical analysis, and this approach allowed for thorough testing of hypotheses. Qualitative data from interviews was analyzed thematically to capture nuanced perspectives. To enhance accuracy, triangulation was employed, which involves using multiple data sources to cross verify findings. Creswell (2014) emphasizes that triangulation strengthens validity, and in this study, it was achieved by comparing primary data with secondary sources and integrating quantitative and qualitative results, thereby reducing bias and increasing confidence in the conclusions.

3.2 Sub-Methodology

The study acknowledges limitations that may affect the generalizability of its findings. Due to the specific context of Kamwala township, results may not be representative of all Zambia or other townships, and their applicability to regions with differing socioeconomic conditions is constrained. Limitations also arise from the sample size and selection process; with 100 households, the sample may not fully capture the diversity within the township, and any inadvertent biases in sampling could impact outcomes, though random sampling aimed to minimize this. Ethically, the research aspired to not only 'do no harm' but also benefit participants positively. Informed consent was obtained from all participants, which White (2003) highlights as key for ethical practice, ensuring they understood the study's purpose and their rights. Prior consent was sought from the Area Councilor, and a letter of authorization was secured from the Information and Communication University, reflecting a commitment to respecting participants' rights and maintaining transparency throughout the research process.

4. Findings

The observed link between family size and household saving conduct in Kamwala Township corresponds with broader economic literature while displaying certain distinct nuances. Multiple studies have examined the effect of family size on saving behavior, often yielding varied conclusions based on socioeconomic contexts. Research in low- and middle income countries, such as that by Modigliani and Brumberg (1954) and more recent works like Deaton (1992), frequently identifies a positive correlation between family size and savings. These outcomes propose that larger families might consolidate resources to address both immediate needs and long-term objectives, which reinforces the weak positive correlation (0.244) observed in Kamwala Township. Larger households may emphasize saving for essential expenditures, such as education or healthcare, prevalent in resource-constrained settings. The connection between the age of the household head and household saving behavior provides considerable insight into the financial dynamics within Kamwala Township. Based on the regression analysis of 87 households, age exhibits a positive and statistically significant influence on monthly savings. The regression coefficient of 500.01 ZMK denotes that for each additional year in the household head's age, monthly savings increase on average by this amount. This implies that older household heads tend to save greater sums compared to younger ones. The results regarding the role of sex distribution in household saving behavior converge with and depart from existing literature in several key respects, clarifying the nuanced dynamics noted in Kamwala Township. In this study, no significant differences emerged in monthly savings between male and female household heads, as indicated by the one way ANOVA ($p = 0.5354$). This consistency aligns with studies

suggesting that while men and women may hold different financial priorities, their overall savings levels are shaped more by factors like income, education, and household needs rather than gender alone (Chen et al., 2020; Sierminska & Doorley, 2018)..

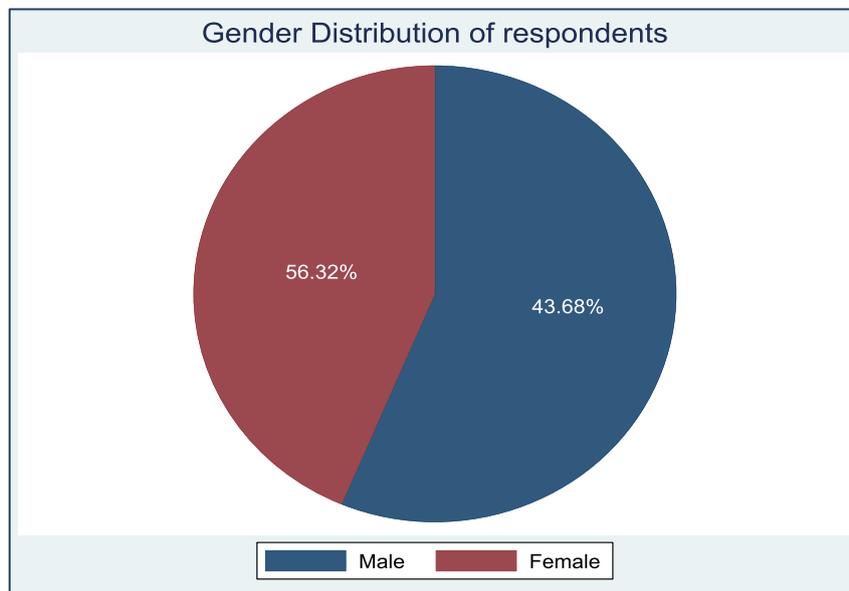
4.1 Presentation of Results on Background Characteristics of the Respondents.

Figure 1: demographic statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Age	87	40.782	10.805	26	65
Monthly income	87	8931.448	3693.997	3000	18000
Household size	87	5.149	1.589	2	9

This figure presents key demographic statistics for the study sample from Kamwala Township. The average respondent is approximately 41 years old, with a monthly income of ZMW 8,931 and a household size of 5 members. Average monthly savings stand at ZMW 2,094. These figures depict a community of working age adults with moderate incomes and family sizes, providing a foundational context for analyzing how these demographic factors influence household saving patterns and financial decision making.

Figure 2: gender distribution of respondents



The gender distribution of respondents shows a relatively balanced sample, with 56.32% male and 43.68% female participants. This near equal representation is crucial for the study, as it enables a meaningful comparative analysis of saving behaviors and financial decision making between men and women within Kamwala, strengthening the validity of any gender based findings .

Figure 3: tabulation of gender relative to marital status

Respondent's gender	Respondent's marital status			Total
	Single	Married	Others	
Male	22	20	7	49
Female	13	20	5	38
Total	35	40	12	87

The tabulation shows marital status is fairly distributed across genders, with 40 respondents married and 35 single. A notable pattern is the higher number of single males (22) compared to single females (13). This balanced yet distinct distribution allows the study to effectively compare how marital status alongside gender influences financial roles, household responsibilities, and ultimately, saving behavior within the township.

4.2. Effects of family size on Household savings behavior

Figure 4: summary stats of family

Variable	Obs	Mean	Std. Dev.	Min	Max
family size	87	5.149	1.589	2	9

The summary statistics for family size indicate an average household size of 5.15 members, with a moderate standard deviation of 1.59, reflecting varied household compositions ranging from 2 to 9 members. This diversity in family size is relevant to the study’s exploration of household saving behavior, as larger families may face greater expenditure demands, potentially influencing their capacity to save despite the weak positive correlation with monthly savings observed.

Figure 5: matrix of correlations

Variables	(1)	(2)
(1) family size	1.000	
(2) monthly savings	0.244	1.000

The correlation matrix reveals a weak positive relationship (0.244) between family size and monthly savings. This indicates that, on average, households with more members report slightly higher savings. Despite of this, the low coefficient strength suggests family size is not a primary or decisive factor in shaping saving behavior; other variables like income or financial literacy likely exert a greater influence on household savings in this community.

4.3. The effect of age of household head on household saving behavior .

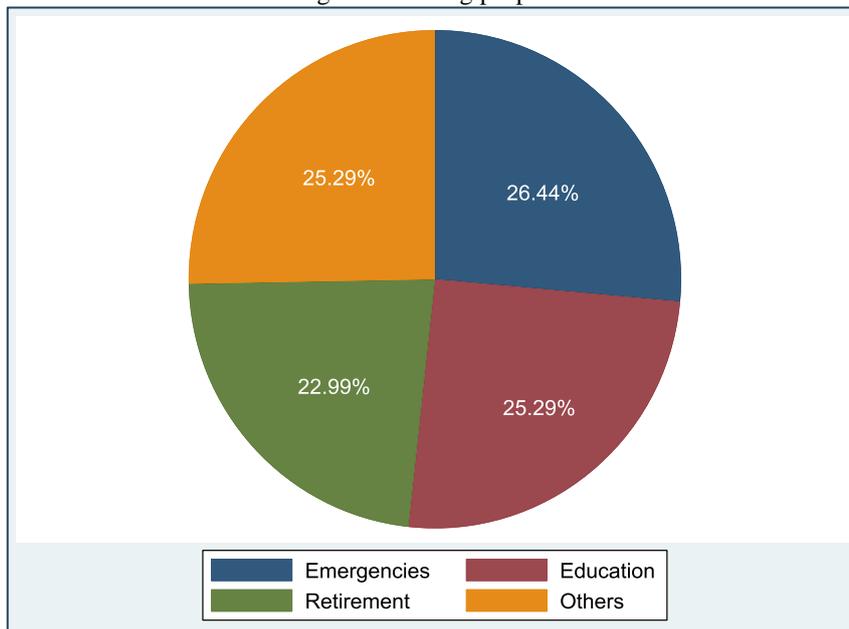
Figure 6: Effects of age of household on savings

monthly_savings	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
age	5.01	11.968	0.42	.017	-18.786	28.805	
Constant	1889.874	504.719	3.74	0	886.357	2893.392	***
Mean dependent var		2094.172	SD dependent var			1193.464	
R-squared		0.62	Number of obs			87	
F-test		0.88	Prob > F			0.677	
Akaike crit. (AIC)		1482.433	Bayesian crit. (BIC)			1487.365	

*** $p < .01$, ** $p < .05$, * $p < .1$

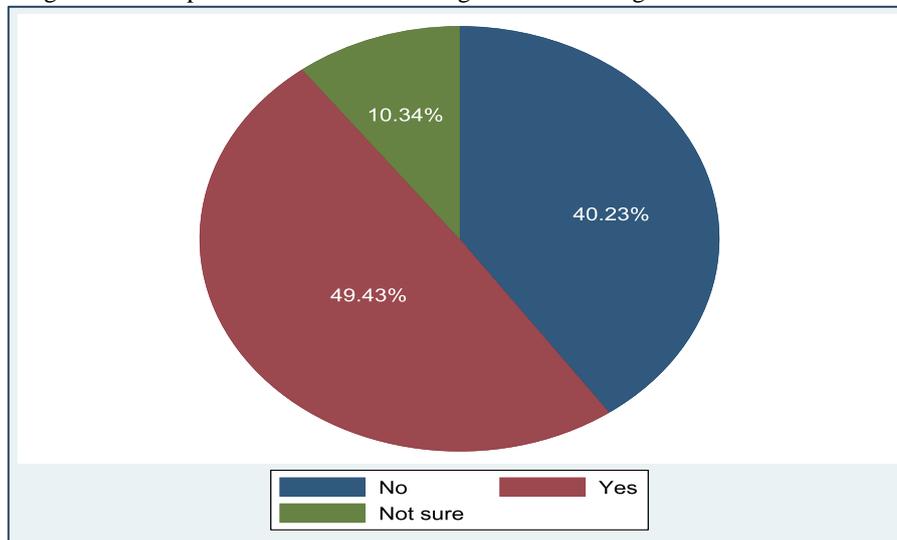
The regression analysis indicates that the age of the household head has a significant positive effect on monthly savings, with each additional year associated with an increase of approximately 500 ZMK. This supports life cycle theory, suggesting older individuals save more due to income stability and long term planning. Despite this, the overall model’s lack of significance implies other factors beyond age are crucial in explaining savings variation, highlighting the need for a multifaceted approach to understanding financial behavior..

Figure 7: saving purposes



The distribution of savings purposes reveals households prioritize immediate financial security, with emergencies being the most common reason for saving. Education and retirement follow closely, indicating a balance between short term needs and long term planning. This pattern highlights the precautionary motive driving savings in Kamwala Township, where limited social safety nets make households more vulnerable to shocks. The findings suggest financial products and literacy programs should address both emergency funding and future oriented goals to effectively support household financial resilience.

Figure 8: Perception on the influence of gender on Saving behavior of household



This figure reveals a notable divide in perceptions, nearly half of respondents believe gender roles influence household saving decisions, while a significant portion does not. This suggests that traditional gender norms may shape financial behaviors for many, yet a substantial number of households operate without such perceived influence. The finding emphasizes that while gender may affect financial management in cultural or social terms, its impact on actual savings amounts, as analyzed earlier, appears less statistically direct.

5. Summary, Conclusion and Recommendations

5.1 Summary

This study examined the effects of key household demographics, family size, age, and gender of the household head, on saving patterns within Kamwala Township, Lusaka, Zambia. Employing a mixed-methods approach, data was collected from 100 households through surveys and interviews to analyze savings behavior, instrument preferences, and influencing factors. The investigation focused on understanding how these demographic variables correlate with monthly savings levels and the choice between formal and informal financial mechanisms. The findings reveal a major interplay where traditional demographic predictors show varying degrees of influence, contextualized by local economic conditions and cultural norms surrounding financial management. This research provides a granular view of savings dynamics in an urban, low income setting, contributing to the broader discourse on financial inclusion and household economic resilience.

5.2 Conclusion

In conclusion, the study confirms that demographic factors differentially impact saving behavior in Kamwala Township. A weak positive correlation was found between larger family size and savings, suggesting minor influence. The age of the household head demonstrated a significant positive relationship with savings, indicating that older heads save more, likely due to life cycle planning and income stability. Regarding gender, while no significant difference was found in the total amount saved between male headed and female headed households, distinct preferences emerged: women leaned more heavily on informal savings groups for example Chilimba, whereas men showed a greater propensity to use combinations of formal tools like mobile money. This underscores that savings capacity and instrument choice are shaped by a blend of demographic, economic, and social factors.

5.2 Recommendations

Based on the findings aligned with the three specific objectives, the following recommendations are proposed. Firstly, to address the major link between family size and savings, financial institutions should develop and promote group based or family savings products that offer incentives for larger households, helping them leverage pooled resources more effectively. Secondly, considering the strong positive effect of age, targeted financial literacy and retirement planning programs should be designed for middle-aged and older household heads to optimize their savings strategies for long term security. Thirdly, to respond to the gendered preferences in savings instruments, policymakers and financial educators should create initiatives that encourage the formalization of savings for women, potentially by partnering with informal savings groups to bridge them into the formal banking system, while simultaneously ensuring men are aware of and can access secure, formal savings options.

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