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Effect of Microfinance Services on Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda

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***Abstract**: This study examined the effect of Microfinance Services on the Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda. Specifically, the study assessed the effect of Savings Services on the Performance of Selected Women-Owned Businesses. A descriptive and correlational research design was adopted using a quantitative approach. The target population comprised 1,865 women-owned businesses, from which a sample size of 329 respondents was determined using Yamane's formula. Data were collected using structured questionnaires, and 302 valid questionnaires were returned, representing a response rate of 91.8%. Data were analyzed using SPSS Version 25 through descriptive statistics, Pearson Product-Moment Correlation, and simple linear regression analysis. The findings indicated a strong positive and statistically significant relationship between Savings Services and business performance, with $r = 0.754$ and $p = 0.000$. Regression results showed that Savings Services significantly affected business performance, with $R = 0.754$ and $R^2 = 0.569$, indicating that Savings Services explained 56.9% of the variation in business performance. The regression coefficient was positive ($B = 0.537$, Beta $= 0.754$, $t = 19.882$, $p = 0.000$). Therefore, the null hypothesis was rejected. The study concluded that Savings Services significantly improved the performance of women-owned businesses by supporting financial capacity, cash-flow management, business growth, continuity, and sustainability. The study recommends that microfinance institutions improve the accessibility, convenience, and flexibility of savings services and strengthen financial education to encourage regular saving and effective utilization of savings for productive business activities.*

***Keywords:** Savings Services, Women-Owned Businesses, Business Performance, Microfinance Institutions, Financial Management; Gasabo District, Rwanda*

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1. Introduction

Women-owned businesses are increasingly recognized as essential contributors to economic development, poverty reduction, and social welfare in many societies. However, despite their importance, women entrepreneurs often face significant constraints that restrict business growth and sustainability. These challenges include limited access to credit, inability to meet collateral requirements, insufficient financial literacy, and gender norms that limit full participation in entrepreneurial activities (IFAD, 2020). As a response, microfinance institutions (MFIs) have emerged as a vital strategy for supporting women by providing small, flexible loans, savings opportunities, and business development services. Through these interventions, women gain greater control over financial resources, improve business performance, and strengthen their role in household and community decision-making processes.

Globally, microfinance has evolved from a targeted poverty alleviation approach to a major policy tool for promoting financial inclusion and economic empowerment

(Wallas, 2024). Women account for the majority of microfinance beneficiaries due to their demonstrated responsibility in loan management and reinvestment behavior. According to the Consultative Group to Assist the Poor (CGAP, 2024), women make up over 85% of microfinance clients worldwide, with average repayment rates remaining consistently above 95%. These figures highlight the critical role microfinance plays in facilitating business expansion, increasing household income stability, and promoting long-term financial resilience among women entrepreneurs (Dundiso, 2024)

In developed countries, microfinance serves a different but equally significant purpose. It primarily targets economically marginalized women such as single mothers, immigrants, and low-income households who often lack formal credit histories or collateral to access traditional bank loans (Taylor, 2021). Microfinance organizations and community development finance institutions in these regions provide more than just capital; they offer business mentorship, credit-building education, and advisory support. These services help women establish stable enterprises, improve income streams, and gradually integrate into the broader formal economic system. Reports from the Aspen Network of Development Entrepreneurs (ANDE, 2023) show that microfinance programs in North America and Europe have increased business survival rates, expanded entrepreneurial opportunities, and strengthened women's financial independence.

Across Sub-Saharan Africa, where women form a significant portion of the informal marketplace, microfinance continues to be a key avenue for supporting entrepreneurial activity (Hiller, 2020). Many MFIs and community-based savings groups provide loans, savings services, and basic business training designed to help women overcome market entry barriers. According to the African Microfinance Data Review (2023), nearly 70% of microfinance clients in Sub-Saharan Africa are women, and the majority report improved business performance, increased capital investment, and enhanced resilience against economic shocks such as inflation and seasonal market fluctuations. In West African countries, microfinance has played a foundational role in supporting women engaged in informal sector activities such as trading, small-scale farming, textile work, and food processing. Institutions in Ghana, Nigeria, and Benin have pioneered group-lending and cooperative savings models that allow women to access credit without providing physical collateral (Fogudu, 2023). These systems build trust, reduce loan default risks, and encourage accountability among borrowers. Evidence from the Ghana Association of Microfinance Institutions (2023) indicates that women entrepreneurs who access microfinance services experience improved cash flow management, increased business expansion capacity, and greater profitability, which contributes directly to rural and urban economic development.

In Northern African countries, microfinance has played a crucial role in supporting women who operate businesses in crafts, agricultural processing, small manufacturing, retail trade, and other local commerce activities (Ogbu, 2024). The region has historically experienced socio-cultural and institutional constraints that limited women’s access to formal financial services due to challenges such as limited asset ownership, legal restrictions, and traditional gender norms. In response, countries such as Morocco, Tunisia, and Egypt have introduced gender-responsive financial policies that relax collateral requirements and promote group lending models, enabling women to qualify for loans based on trust and community solidarity rather than physical assets (Salim, 2022). In addition to credit services, many microfinance institutions offer non-financial support such as financial literacy, entrepreneurship training, bookkeeping, marketing skills, and vocational development programs that equip women with the capabilities needed to manage and expand their enterprises. These interventions have contributed to significant growth in women-led cooperatives and small businesses, including Moroccan argan oil cooperatives and Egyptian textile and handicraft enterprises, which have successfully gained access to national and international markets (East African Financial Inclusion Observatory, 2023).

In Rwanda, microfinance has become a cornerstone of the country’s economic inclusion policies, particularly through the National Financial Inclusion Strategy and community-based lending systems. Women participate actively in SACCOs, microfinance cooperatives, and development-focused lending initiatives that support business growth and financial empowerment. According to the National Bank of Rwanda (2024), women represent nearly 60% of all microfinance clients, and their repayment rates remain high, demonstrating both commitment and effective business utilization of funds. In Gasabo District, which forms a dynamic part of Kigali’s urban and peri-urban economic landscape, microfinance institutions such as Duterimbere MFI, Umwalimu SACCO, and various women-led cooperatives provide flexible loans, digital repayment platforms, and entrepreneurship training tailored to women’s needs. The Gasabo District Development Report (2023) shows that women who access microfinance services have expanded their businesses, increased working capital, diversified income sources, and improved household welfare. Many have also reported greater confidence, leadership participation, and involvement in community development activities. This demonstrates the essential role microfinance plays in strengthening the performance, sustainability, and social empowerment of women-owned businesses in Gasabo District and across Rwanda.

1.2. Statement of the Problem

Women-owned businesses play an important role in economic development through employment creation, income generation, poverty reduction, and improvement of household welfare. However, many women entrepreneurs continue to experience difficulties in accessing adequate financial resources required to start, maintain, and expand their businesses. Access to appropriate financial services, including savings facilities, is particularly important because savings can help entrepreneurs accumulate capital, manage cash-flow needs, respond to unexpected business expenses, and strengthen the financial stability of their businesses (World Bank, 2023). The World Bank also recognizes that women-owned enterprises generally face greater limitations in accessing basic financial services, including savings accounts, which can constrain their ability to finance business activities and growth.

In Rwanda, savings are considered important for strengthening the financial resources available to businesses. The World Bank (2024) reported that Rwanda's domestic savings remain relatively limited compared with other East African countries, which can affect the availability of financial resources needed for investment and business growth. The report further emphasized the importance of improving savings mobilization, financial literacy, and the development of customer-oriented savings products, including products that respond to the needs of women. Despite these efforts, women-owned businesses may still experience difficulties in saving regularly because of unstable income, limited financial knowledge, low savings capacity, and the inadequacy of some savings products to meet the needs of small businesses. However, despite the availability of savings services through microfinance institutions and other financial service providers, some women-owned businesses in Gasabo District continue to experience difficulties in achieving sustainable business performance. The existing literature has often examined microfinance services generally or focused on rural enterprises and SMEs, with less specific attention to how savings services influence the performance of women-owned businesses in an urban district such as Gasabo. Therefore, there is an empirical and contextual gap regarding the specific contribution of savings services to the performance of women-owned businesses in Gasabo District.

The problem, therefore, is that although savings services are expected to help women entrepreneurs accumulate working capital, manage business liquidity, and strengthen financial stability, it remains necessary to establish the extent to which these services actually influence business performance in Gasabo District. This study will therefore assess the effect of savings services on the performance of selected women-owned businesses in Gasabo District, Rwanda, with particular attention to business profitability, growth, operational efficiency, and sustainability.

The following null hypotheses was formulated based on the specific objective of the study:
H_{01}: Savings services have no significant effect on performance of selected women-owned businesses in Gasabo District, Rwanda

2.1. Literature Review

Microfinance services are financial and non-financial interventions provided by microfinance institutions (MFIs), savings and credit cooperatives (SACCOs), and other specialized organizations to support small-scale entrepreneurs (BNR, 2022). These services are designed to improve access to financial resources, particularly for women-owned businesses that often face barriers in obtaining loans from traditional banks due to lack of collateral, limited credit history, or formal documentation. Microfinance services typically include savings facilities, credit products such as microloans and revolving credit lines, and capacity-building programs such as business training, financial literacy, and mentorship. By offering these services, microfinance institutions help women entrepreneurs manage cash flow, invest in business growth, and increase the overall sustainability and profitability of their enterprises (World Bank, 2023).

In addition to financial support, microfinance services aim to empower women economically and socially by promoting financial inclusion, entrepreneurial skills, and decision-making capabilities (Magazine Today, 2023). These services enable women to transform informal and subsistence-based activities into structured and profitable businesses, thereby contributing to household welfare, community development, and national economic growth. Evidence from Rwanda shows that women who participate in microfinance programs demonstrate higher levels of business growth, improved operational efficiency, and stronger resilience to economic fluctuations. In Gasabo District, microfinance services have played a crucial role in enhancing the performance of women-owned enterprises by providing access to capital, business knowledge, and technical support that fosters long-term sustainability (Rwanda Cooperative Agency, 2024).

2.1.1 Savings Services

Savings services are financial mechanisms provided by microfinance institutions (MFIs) and Savings and Credit Cooperatives (SACCOs) that enable women entrepreneurs to deposit money systematically, accumulate capital, and access funds when needed for business operations or emergencies (Taylor, 2023). These services provide a structured alternative to informal savings practices, which often lack security and accessibility. By promoting financial discipline and prudent cash management, savings services help women plan for both short-term operational needs and long-term business growth. The availability of savings products also allows women to build financial resilience, reducing dependence on high-interest loans or informal borrowing networks that may limit enterprise expansion (Kigali Today, 2022).

Access to savings services has been shown to positively influence the performance of women-owned businesses. Entrepreneurs who utilize formal savings mechanisms are better able to meet operational costs, invest in inventory, and seize growth opportunities. Despite the benefits, many women in Rwanda still rely heavily on informal savings, which limits their ability to scale businesses and maintain financial stability (National Bank of Rwanda, 2023). Studies indicate that participation in formal savings programs enhances revenue growth, improves cash flow management, and increases the overall resilience of women-owned enterprises (Rwanda Cooperative Agency, 2024).

In Gasabo District**,** savings services play a vital role in improving business performance among women entrepreneurs. Structured savings programs allow women to build working capital, invest in new business opportunities, and maintain operations during financial fluctuations. By promoting a culture of regular savings, microfinance institutions empower women to strengthen business sustainability, increase profitability, and achieve long-term growth. This study, therefore, examines the impact of savings services on the performance of women-owned businesses in Gasabo District, focusing on revenue generation, operational efficiency, and business resilience.

2.1.2 Performance of Women-Owned Businesses

The performance of women-owned businesses refers to the extent to which these enterprises achieve their financial, operational, and growth objectives over time. Key indicators of performance include profitability, revenue growth, operational efficiency, market expansion, and business sustainability (Mwangi, 2024). Measuring performance allows stakeholders including entrepreneurs, microfinance institutions, and policymakers to assess the effectiveness of financial and non-financial support, such as savings, credit, and capacity-building services, in improving business outcomes. Effective performance measurement helps identify areas of strength and weakness, guiding strategic decisions for business growth and long-term success.

Another important aspect of performance is the ability of women-owned businesses to integrate financial management, operational processes, and market strategies into a cohesive and sustainable model (Gustavo, 2022). Well-managed enterprises can optimize resource use, maintain consistent cash flow, invest in new opportunities, and respond effectively to economic fluctuations. Studies indicate that women entrepreneurs who leverage microfinance services alongside capacity-building programs tend to achieve higher revenue, increased customer base, and stronger operational efficiency compared to those who rely solely on informal or limited financial. This highlights the importance of combined financial and non-financial interventions in driving business success. Furthermore, performance measurement provides critical insights into how different business support mechanisms influence overall enterprise outcomes (AMIR, 2023)

2.2 Theoretical Review

This study was anchored in the Pecking Order Theory, which was proposed by Myers and Majluf in 1984 to explain corporate financing behavior (Grandwith, 2024). It was developed based on the observation that firms tend to follow a hierarchical preference when sourcing funds due to information asymmetry between managers and external investors. According to this theory, businesses prefer using internal financing such as retained earnings before considering external borrowing, and only as a last resort do they issue equity. The hierarchy reflects the relative cost and risk associated with different funding options, with internal funds being the least costly and equity being the most expensive. This structured approach helps firms avoid unnecessary financial burdens and maintain operational stability in uncertain environments (Johnson, 2022).

The theory suggests that businesses prioritize funding sources to minimize costs and reduce potential conflicts between management and investors (Taylor, 2021). Internal funds are preferred because they do not require interest payments, formal approval processes, or disclosure of sensitive financial information (Nguyen, 2005). If internal resources are insufficient, firms opt for debt financing, and only when debt options are limited or unavailable do they resort to equity.This hierarchical approach ensures financial efficiency while protecting the firm from external risks, allowing businesses to make informed investment and operational decisions that sustain long-term growth (Alvarez, 2022).

In the context of women-owned businesses, the Pecking Order Theory helps explain why many entrepreneurs prefer using personal savings or family contributions before seeking microfinance loans or formal credit (Mugisha, 2023). This preference is particularly significant for women who may face structural barriers such as lack of collateral, gender biases in lending, or limited access to formal banking services. Understanding this hierarchy is crucial for analyzing how savings and credit services influence business growth, operational efficiency, and overall performance. By applying this theory, researchers and policymakers can design microfinance products and interventions that align with women entrepreneurs' financing behavior, thereby improving financial inclusion and business outcomes (Kamali, 2021).

3. Methodology

The study adopted a descriptive and correlational research design using a quantitative approach to assess the effect of savings services on the performance of selected women-owned businesses in Gasabo District, Rwanda. The descriptive design was used to describe the nature and extent of savings services accessed and utilized by women-owned businesses. The correlational design was used to determine the relationship between savings services and the performance of selected women-owned businesses and to establish the direction and strength of the relationship between the two variables. The study therefore focused specifically on Savings Services (X_1) as the independent variable and Performance of Selected Women-Owned Businesses (Y) as the dependent variable.

The target population comprised 1,865 women-owned businesses operating in Gasabo District, Rwanda. The study focused on women business owners because they were considered to have relevant information about the savings services accessed by their businesses and the performance of their businesses. A sample size of 329 respondents was determined from the target population using Yamane's formula at a 5% margin of error. The respondents were selected from women-owned businesses operating in different business sectors in Gasabo District, ensuring that the study obtained information from the relevant population.

Stratified random sampling was used to select respondents for the study. The target population was divided into different strata according to business categories, namely retail, services, small-scale manufacturing, and ICT and trade. Proportionate sampling was used to determine the number of respondents selected from each category. Accordingly, 127 respondents were selected from retail, 88 from services, 57 from small-scale manufacturing, and 57 from ICT and trade. Simple random sampling was then used to select individual women business owners from each stratum. This sampling procedure ensured that the different categories of women-owned businesses were adequately represented in the study.

Primary data were collected using a structured questionnaire. The questionnaire contained closed-ended statements measured using a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The questionnaire focused on savings services and business performance. The items measuring savings services covered access to savings facilities, regular saving, accumulation of business funds, availability of savings for business operations, and the use of savings to support business investment and expansion. The performance of women-owned businesses was assessed using indicators such as profitability, revenue growth, business expansion, and sustainability. The questionnaire was therefore designed to collect information directly related to the effect of savings services on the performance of selected women-owned businesses in Gasabo District.

The research instrument was subjected to piloting, validity, and reliability assessment before the main data collection. The pilot study involved respondents with characteristics similar to those of the study population but who were not included in the final sample. The validity of the questionnaire was assessed through expert judgment and the Scale Content Validity Index (S-CVI). The study obtained an S-CVI of 0.97, indicating that the questionnaire adequately covered the concepts of savings services and business performance. Face and construct validity were also considered through the review of the research instrument by the supervisor and relevant specialists. Reliability was assessed using test-retest procedures and Cronbach's alpha to establish the consistency of the items used to measure savings services and business performance.

The collected data were edited, coded, entered, cleaned, and analyzed using Statistical Package for the Social Sciences (SPSS) Version 25. Descriptive statistics, including frequencies, percentages, means, and standard deviations, were used to summarize respondents' views concerning savings services and business performance. Pearson Product-Moment Correlation analysis was conducted to determine the direction and strength of the relationship between Savings Services (X_1) and Performance of Women-Owned Businesses (Y). Regression analysis was used to determine the effect of savings services on business performance. The statistical significance of the relationship was assessed at the 5% level of significance, where a p-value of less than 0.05 indicated a statistically significant effect. The study obtained a positive and statistically significant correlation between savings services and business performance ($r = 0.754$, $p = 0.000$).

Ethical considerations were observed throughout the research process. The respondents were informed about the purpose of the study and participated voluntarily. Confidentiality and privacy of the information provided by the respondents were maintained, and the collected information was used strictly for academic purposes. The researcher respected the rights, dignity, and views of the respondents and ensured that participation did not expose them to unnecessary harm. Permission to collect data was obtained from the relevant authorities, and respondents were given the freedom to participate or withdraw from the study without penalty. The study also ensured that the information obtained was presented honestly and that the identity of individual respondents was not disclosed

4. Results and Discussion

This section presents the findings and discussion of the study on the effect of savings services on the performance of selected women-owned businesses in Gasabo District, Rwanda. The findings are presented in relation to the study objective, which was to assess the effect of savings services on the performance of selected women-owned businesses in Gasabo District, Rwanda. It presents descriptive findings, correlation analysis, regression analysis, hypothesis testing, and discussion of the findings.

4.1 Findings

The findings are presented based on data collected from respondents through questionnaires. Quantitative data were analyzed using descriptive statistics, Pearson Product-Moment Correlation, and simple linear regression analysis. The presentation focuses specifically on the relationship between Savings Services (X_1) and Performance of Selected Women-Owned Businesses (Y) in Gasabo District, Rwanda.

4.1.1 Response Rate

The study targeted a sample size of 329 respondents selected from women-owned businesses in Gasabo District, Rwanda. Questionnaires were administered to the selected respondents to collect information concerning the effect of savings services on the performance of selected women-owned businesses. Out of the 329 questionnaires distributed, 302 questionnaires were successfully completed and returned, while 27 questionnaires were not returned. This provided a response rate of 91.8%

4.1.2 Descriptive Statistics of Savings Services

Table 1 presents the perceptions of respondents regarding the effect of savings services on the performance of women-owned businesses in Gasabo District. A five-point Likert scale was used where 5 = Strongly Agree (SA), 4 = Agree (A), 3 = Neutral (N), 2 = Disagree (D), and 1 = Strongly Disagree (SD).

Table 1: Level of Agreement on Savings Services and Performance of Women-Owned Businesses

Views of respondents	N	M	SD
The withdrawal procedure for savings is easy and convenient.	302	4.04	.995
I am satisfied with the frequency at which I can deposit or withdraw savings.	302	4.38	.857
The required monthly savings limit is reasonable and achievable.	302	4.41	.898
The savings services allow me to manage my finances effectively.	302	4.13	.658
Overall, the savings services meet my business and personal needs.	302	4.36	.956
Valid N (listwise)	302		

Source: Field Data, 2026-**Key:** **M**=Mean, **SD**=Standard Deviation

Table 1 presents respondents' perceptions regarding the effect of savings services on the performance of women-owned businesses in Gasabo District. The findings generally indicate that respondents held positive views regarding the contribution of savings services to business performance. The high mean scores recorded across all the statements suggest that savings services are considered an important mechanism through which women entrepreneurs strengthen financial management, accumulate capital, and enhance business sustainability.

The findings reveal that the required monthly savings limit was perceived as reasonable and achievable by most respondents, as reflected by the highest mean score ($M = 4.41$, $SD = 0.898$). This suggests that the savings requirements established by microfinance institutions are affordable and compatible with the financial capacity of women entrepreneurs. When savings targets are realistic, entrepreneurs are more likely to participate consistently in savings programs, thereby creating opportunities for capital accumulation and future business investment. Closely related to this finding, respondents expressed satisfaction with the frequency at which they could deposit or withdraw their savings ($M = 4.38$, $SD = 0.857$). They also agreed that the savings services offered adequately met both their business and personal financial needs ($M = 4.36$, $SD = 0.956$). These findings imply that the flexibility embedded in savings products enables entrepreneurs to balance business demands with personal financial obligations. As a result, women entrepreneurs are able to maintain financial stability while ensuring the continuity of their business operations.

The study further established that savings services contribute to effective financial management, as evidenced by a mean score of 4.13 and a standard deviation of 0.658. This finding indicates that respondents recognize the importance of savings in planning expenditures, managing cash flow, and preparing for future investments. Effective financial management is essential for enterprise growth because it allows business owners to utilize available resources efficiently and respond to unforeseen financial challenges.

Although all the indicators recorded positive mean scores, the statement regarding the ease and convenience of withdrawal procedures recorded the lowest mean score (M = 4.04, SD = 0.995). While respondents generally agreed that withdrawal procedures were convenient, the relatively higher standard deviation suggests variations in opinion among respondents. This may imply that some women entrepreneurs still experience challenges when accessing their savings, which could affect the timely availability of funds for business operations. Overall, the findings demonstrate that savings services play a significant role in supporting the performance of women-owned businesses. The ability to save regularly, access funds when needed, and manage financial resources effectively creates a strong foundation for business growth and sustainability. Through savings, entrepreneurs are able to build financial resilience, reduce dependence on external borrowing, and mobilize resources for future investment opportunities.

From the findings, the study revealed that savings services contribute significantly to the performance of women-owned businesses in Gasabo District. The high level of agreement among respondents indicates that savings services provide an effective mechanism for capital accumulation, financial discipline, and improved financial management. The findings suggest that accessible and flexible saving facilities enable women entrepreneurs to manage business cash flows more efficiently, meet operational expenses, and prepare for unexpected financial challenges. Regular saving practices also enhance the ability of business owners to reinvest in their enterprises, expand business activities, and improve long-term sustainability. Furthermore, savings services support both business and personal financial needs, thereby strengthening the overall financial stability of women entrepreneurs.

These findings are supported by Robinson (2021), who found that savings services play a crucial role in enhancing financial stability and business sustainability among small and medium enterprises. The study emphasized that entrepreneurs who regularly save are better able to manage risks and finance business expansion activities. Similarly, Uwase and Habimana (2023) established that savings services significantly improve business performance among women entrepreneurs by promoting capital accumulation and strengthening financial management practices. Their findings revealed that access to savings products enhances the ability of women-owned businesses to withstand financial shocks and maintain operational continuity. However, Ledgerwood (2020) argues that while savings contribute positively to business stability, their impact on rapid business expansion may be limited compared to credit services. The author suggests that savings should be complemented with other financial services such as loans and business training to maximize business growth and performance.

4.1.3 Correlation Analysis

Correlation analysis was conducted to examine the strength and direction of the relationship between the independent variables (savings services) and the dependent variable (performance of women-owned businesses). Pearson Correlation Coefficient was used to determine the degree of association between the study variables. Correlation coefficients range between -1 and +1, where values closer to +1 indicate a strong positive relationship, values closer to -1 indicate a strong negative relationship, and values near zero indicate a weak or no relationship. The results are presented in Table 2.:

Table 2: Pearson Matrix between independent variable and dependent variable

		Savings services	**Performance of women-owned businesses**
Savings services	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	302	
Performance of women-owned businesses	Pearson Correlation	.754**	1
	Sig. (2-tailed)	.000	
	N	302	302

Source: Field data, 2026

The results in Table 2 indicate that there was a strong positive relationship between Savings Services and Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda ($r = 0.754$, $p = 0.000$). The positive correlation coefficient implies that improvements in access to and utilization of savings services were associated with improvements in the performance of women-owned businesses. The significance value ($p < 0.05$) indicates that the relationship was statistically significant at the 5% level of significance. Therefore, the findings suggest that increased access to and effective utilization of savings services contributed positively to the performance of selected women-owned businesses in Gasabo District. This may be attributed to the ability of savings services to help women entrepreneurs accumulate business capital, meet operational needs, manage cash flow, make business investments, and support business growth and sustainability.

4.1.4 Simple linear regression

Simple linear regression analysis was conducted to examine the effect of Savings Services on the Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda. The analysis was used to determine whether savings services significantly predicted changes in the performance of women-owned businesses. The regression analysis focused on the direction and magnitude of the relationship between Savings Services (X_1) and Performance of Women-Owned Businesses (Y), as well as the proportion of variation in business performance explained by savings services. The statistical significance of the regression model and coefficient was assessed at the 5% level of significance ($p \leq 0.05$). The results of the simple linear regression analysis are presented in the following tables.

Table 3. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.754[a]	.569	.567	.2435

a. Predictor: (Constant), Savings Services

The results in Table 3 indicate a strong positive relationship between Savings Services and the Performance of Selected Women-Owned Businesses, as shown by R = 0.754. The R Square value of 0.569 indicates that Savings Services explained 56.9% of the variation in the performance of selected women-owned businesses, while the remaining 43.1% was explained by other factors not included in the model. The Adjusted R Square of 0.567 shows that the model continued to explain approximately 56.7% of the variation in business performance after adjustment. The small difference between the R Square and Adjusted R Square values indicates that the model had relatively stable explanatory power. The standard error of the estimate of 0.2435 indicates the average difference between the observed and predicted values of business performance. Overall, the results suggest that Savings Services had substantial explanatory power in relation to the Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda.

Table 4. ANOVA Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.483	1	23.483	396.056	.000[b]
	Residual	17.788	300	.059		
	Total	41.271	301			

a. Dependent Variable: Performance of Women-Owned Businesses

b. Predictors: (Constant), Savings Services

The results in Table 4 indicate that the regression model for Savings Services and the Performance of Selected Women-Owned Businesses was statistically significant. The model produced an F-value of 396.056 with a significance level of 0.000, which was below the 0.05 level of significance. This indicates that Savings Services significantly predicted the Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda. Therefore, the regression model was considered statistically significant and suitable for explaining the relationship between Savings Services and business performance. The results further show that the regression sum of squares was 23.483, while the residual sum of squares was 17.788. This indicates that a substantial proportion of the variation in business performance was explained by Savings Services. The findings were consistent with the correlation result of $r = 0.754$, which showed a strong positive relationship between Savings Services and the Performance of Selected Women-Owned Businesses.

Table 5. Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.549	0.162		3.389	.001
	Savings Services	0.537	0.0270	0.754	19.882	.000

a. Dependent Variable: Performance of Women-Owned Businesses

The results in Table 5 show that Savings Services had a positive and statistically significant effect on the Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda. The unstandardized coefficient (B = 0.537) indicates that a one-unit increase in Savings Services was associated with a 0.537-unit increase in the Performance of Selected Women-Owned Businesses. The standardized beta coefficient ($\beta = 0.754$) further indicates a strong positive effect of Savings Services on business performance. The relationship was statistically significant because the significance value was 0.000, which was below the 0.05 level of significance, while the t-value of 19.882 further supported the statistical significance of the predictor. Therefore, the findings indicated that improvements in the accessibility, availability, provision, and utilization of Savings Services were associated with improved Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda.

4.1.5 Hypotheses Testing

Hypothesis testing was conducted to determine whether Savings Services had a statistically significant effect on the Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda. The decision to reject or accept the null hypothesis was based on the 5% level of significance. The null hypothesis was rejected when the significance value was less than 0.05 and retained when the significance value was greater than 0.05

Table 6: Hypothesis Testing for Savings Services and Performance of Women-Owned Businesses

Hypothesis	Statistical Basis	Decision	Conclusion
$H0_1$: Savings Services have no significant effect on the Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda.	$p < 0.05$	**Reject $H0_1$**	Savings Services have a significant positive effect on the Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda.

Source: Field Data, 2026

Table 6 presents the hypothesis testing results for the effect of Savings Services on the Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda. The null hypothesis ($H0_1$) stated that Savings Services have no significant effect on the Performance of Selected Women-Owned Businesses. The hypothesis was rejected because the significance value (p-value) was less than the 0.05 level of significance ($p < 0.05$). Since the obtained p-value was below the predetermined significance level, there was sufficient statistical evidence to conclude that the effect of Savings Services on business performance was statistically significant. Therefore, the study rejected $H0_1$ and concluded that Savings Services had a significant positive effect on the Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda.

4.2 Discussion of Findings

This study examined the effect of Savings Services on the Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda. The findings indicate that savings services played an important role in supporting the performance and development of women-owned businesses. Respondents generally expressed positive views about the availability and usefulness of savings services. The findings suggest that reasonable and accessible savings requirements encourage women entrepreneurs to participate in savings activities and accumulate financial resources for their businesses. The findings also indicate that the flexibility of depositing and withdrawing savings enables women entrepreneurs to manage their business and personal financial needs. However, some women entrepreneurs may still experience challenges when accessing their savings. Overall, accessible and flexible savings services can enable women entrepreneurs to strengthen their financial position, manage business needs, and maintain continuity in their operations.

The findings further demonstrate the important role of Savings Services in the Performance of Selected Women-Owned Businesses. Savings services can provide women entrepreneurs with financial resources that can be used to support their business activities and respond to financial challenges. Regular saving can help entrepreneurs accumulate capital, manage cash flows, meet operational expenses, make business investments, and support business growth and sustainability. Savings also provide a form of financial security that can help business owners manage unexpected expenses and reduce their dependence on external sources of finance. Therefore, effective access to and utilization of savings services can strengthen the financial capacity of women-owned businesses and contribute to improved business performance.

The findings are also supported by the Pecking Order Theory, which explains that businesses tend to prefer internal sources of finance before relying on external financing. In the context of women-owned businesses, savings represent an important internal source of financial resources that can be accumulated and used to finance business activities. Regular savings can enable women entrepreneurs to meet business financial needs without depending entirely on external borrowing. This can help them manage their operations, respond to unexpected financial challenges, reinvest in their businesses, and pursue opportunities for expansion. Therefore, the contribution of Savings Services to business performance is consistent with the Pecking Order Theory because women-owned businesses can benefit from using internally accumulated financial resources to support their business activities.

The findings are consistent with the previous studies cited in the research. Robinson (2021) found that savings services play an important role in enhancing financial stability and business sustainability among small and medium enterprises. Similarly, Uwase and Habimana (2023) established that savings services improve business performance among women entrepreneurs by promoting capital accumulation and strengthening financial management practices. Their findings indicated that access to savings products enhances the ability of women-owned businesses to withstand financial shocks and maintain operational continuity. Ledgerwood (2020), however, argued that although savings contribute positively to business stability, their effect on rapid business expansion may be more limited compared with credit services. The author suggested that savings can be complemented with other financial services, such as loans and business training, to maximize business growth and performance. The consistency between these previous findings and the present study indicates that savings services provide an important financial foundation through which women entrepreneurs can accumulate capital, manage financial resources, maintain business operations, and improve the overall performance and sustainability of their businesses

5. Conclusion and Recommendations

5.1 Conclusion

The study concluded that Savings Services had a significant positive effect on the Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda. Savings services enabled women entrepreneurs to accumulate financial resources, manage cash flows, meet operational needs, respond to unexpected financial challenges, and prepare for future business investments. The study further concluded that accessible and flexible savings services strengthened the financial capacity of women-owned businesses, reduced dependence on external financing, supported business continuity, and contributed to business growth and sustainability. Although some challenges may remain in accessing savings when needed, improving the accessibility, convenience, and flexibility of savings services can further strengthen the performance of women-owned businesses. Overall, the study concluded that effective access to and utilization of Savings Services was an important factor in improving the Performance of Selected Women-Owned Businesses in Gasabo District, Rwanda

5.2 Recommendations

Based on the findings of the study, the following recommendations are made**:**

1. Microfinance institutions should maintain reasonable savings requirements to enable women entrepreneurs to save regularly according to their financial capacity. Affordable savings requirements can encourage consistent saving and support capital accumulation for business activities.
2. Microfinance institutions should improve the accessibility and convenience of savings withdrawal procedures. Since some women entrepreneurs may experience challenges when accessing their savings, institutions should simplify withdrawal procedures, reduce unnecessary delays, and provide convenient channels for accessing savings when funds are needed for business operations.
3. Women entrepreneurs should be encouraged to develop regular saving practices and use accumulated savings effectively for productive business activities. Regular saving can help business owners manage cash flow, meet operational expenses, respond to unexpected financial needs, and finance future investments.

4. Microfinance institutions should provide flexible savings products that accommodate both the business and personal financial needs of women entrepreneurs. Flexible deposit and withdrawal arrangements can help entrepreneurs maintain financial stability while continuing their business activities.

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