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# Influence of Budgeting Skills on Loan Repayment Performance among Faith-based Women's Groups in the Catholic Diocese of Embu, Kenya

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***Abstract:*** *The study examined the Influence of Budgeting Skills on Loan Repayment Performance among Faith-based Women's Groups in the Catholic Diocese of Embu, Kenya. The study was anchored in Financial Literacy Theory and supported by the Behavioural Life-Cycle Hypothesis and General Systems Theory. The study adopted a convergent parallel mixed-methods design. Using a multistage sampling procedure combining random and purposive selection, quantitative data were collected from 127 of targeted 160 respondents across 16 women's groups in four deaneries, while qualitative data were obtained through semi-structured interviews from 48 purposively selected group leaders. Quantitative data were analysed using descriptive statistics, Pearson correlation, and multiple regression, while qualitative data were analysed thematically. The findings showed that budgeting skills had a moderate perceived influence on loan repayment performance, with a mean score of 3.20 (SD = 0.99). Pearson correlation revealed a positive and statistically significant relationship between budgeting skills and loan repayment performance ($r = .558$, $p < .001$). Multiple regression further established that budgeting skills was a significant positive predictor ($\beta = .284$, $p = .002$). The overall regression model, comprising four financial literacy dimensions, explained 42.1% of the variation in loan repayment performance ($R^2 = .421$). Qualitative findings highlighted the importance of reviewing financial records, adjusting budgets to changing circumstances, and allocating funds for scheduled repayments. The study concludes that Budgeting Skills is an important predictor of loan repayment performance among faith-based women's groups. The study recommends strengthening practical budgeting training to support financial planning and timely loan repayment.*

**Keywords:** *Budgeting Skills, loan repayment performance, faith-based women's groups, financial literacy, Embu County.*

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## 1. Introduction

Budgeting skills are an important component of financial management because they enable borrowers to plan income, prioritize expenditure and allocate resources towards financial obligations. Their relevance to loan repayment arises from the need to balance household needs, business expenses and scheduled loan instalments. Globally, Kaiser and Menkhoff (2022) demonstrated that financial education can improve financial literacy and financial behaviour, while Frisancho (2023) found that financial education produced selected improvements in financial behaviour and reduced arrears among borrowers

with outstanding loans in Peru. These findings highlight the role of financial capabilities in managing financial obligations, while underscoring the need to examine specific skills that may influence repayment outcomes.

Across Africa, the expansion of microfinance and community-based lending has increased opportunities for individuals and groups to access credit for household needs and income-generating activities. Effective repayment within these arrangements depends partly on borrowers' ability to manage available resources and meet contractual obligations. In Ghana, Baidoo et al. (2020) established a positive and statistically significant relationship between financial literacy and loan repayment. However, financial literacy encompasses several competencies, making it difficult to determine the independent contribution of budgeting skills. This distinction is important because understanding financial concepts does not necessarily mean that borrowers consistently plan expenditure, monitor cash flow or reserve funds for loan instalments.

In East Africa, women's savings and development groups provide a context in which budgeting supports collective financial management, borrowing and enterprise activities. Members must coordinate available resources, competing expenditure needs and repayment commitments to sustain their financial arrangements. In Tanzania, Isdory and Mokaya (2022) reported a positive relationship between budgeting management skills and the performance of women's development groups in Kindi District. Although this finding demonstrates the relevance of budgeting to group performance, overall performance does not necessarily indicate the ability to repay loans on time. The relationship between budgeting skills and loan repayment performance therefore warrants specific examination within women's group-lending arrangements.

In Kenya, women's self-help groups provide opportunities for collective saving, credit access and income generation, making budgeting an important consideration in managing financial commitments. Mberia and Wachira (2021) reported a positive and statistically significant relationship between budget training and the financial performance of women's self-help groups in Machakos Town. Nevertheless, financial performance is broader than loan repayment and does not directly establish whether budgeting skills influence repayment timeliness, arrears or default. The distinction highlights the need to examine budgeting skills in relation to repayment outcomes rather than relying on broader measures of financial performance.

Within Embu County, Njeru and Irungu (2024) examined microfinance services and household income among Savings and Internal Lending Communities in Evurore Ward. However, household income does not directly measure loan repayment performance, and the findings may not reflect the experiences of faith-based women's groups in the Catholic Diocese of Embu. The influence of budgeting skills on loan repayment among these groups therefore remains insufficiently established. Although previous studies have linked financial literacy with loan repayment and budgeting skills with group performance, limited evidence addresses their specific relationship among faith-based women's groups in the Catholic Diocese of Embu. This study therefore examined the influence of budgeting skills on loan repayment performance among these groups.

## 1.2 Statement of the Problem

Loan repayment performance is essential to the sustainability of women's group lending because repayment difficulties can constrain the availability of funds for subsequent borrowing. Previous studies have linked financial literacy to loan repayment (Baidoo et al., 2020) and examined budgeting and debt-management training in relation to the financial performance of women's self-help groups in Kenya (Mberia & Wachira, 2021). However, these studies do not establish the specific influence of budgeting skills on loan repayment performance.

Within the Catholic Diocese of Embu, reported repayment delays and the withdrawal of some parishes from the *Iyukirie Ukirue* savings and credit initiative raise concerns about the sustainability of group lending. Although budgeting skills, including income planning, expenditure allocation, cash-flow forecasting and budget monitoring, may support members in managing financial obligations, their contribution to loan repayment performance among faith-based women's groups in the Diocese remains insufficiently established.

This lack of context-specific evidence limits understanding of how budgeting practices relate to repayment outcomes and constrains the development of targeted interventions. Therefore, this study examined the influence of budgeting skills on loan repayment performance among faith-based women's groups in the Catholic Diocese of Embu, Kenya.

## 1.3 Research Objective

Budgeting skills are important for effective financial management because they enable borrowers to plan income, allocate expenditure and manage loan repayment obligations. Among faith-based women's groups, effective budgeting may support members in balancing household needs, income-generating activities and scheduled loan instalments. Given the importance of sustainable group lending within the Catholic Diocese of Embu, examining budgeting skills is essential for understanding their

contribution to loan repayment performance. Therefore, the objective of the study was to examine the influence of budgeting skills on loan repayment performance among faith-based women's groups in the Catholic Diocese of Embu, Kenya.

# 2. Literature Review

## 2.1 Theoretical Review

The study was guided by the financial literacy perspective, the Behavioural Life-Cycle Hypothesis, and General Systems Theory. The financial literacy perspective is informed by Lusardi and Mitchell (2014), who explain the importance of financial knowledge in financial decision-making. The Behavioural Life-Cycle Hypothesis, developed by Shefrin and Thaler (1988), explains how self-control influences spending and saving decisions. General Systems Theory, developed by von Bertalanffy (1968), views organisations as interconnected systems whose outcomes depend on interactions among their components. Together, these perspectives provide a basis for examining how financial knowledge, individual behaviour, and group dynamics influence loan repayment performance among faith-based women's groups.

### 2.2.1 Financial Literacy Perspective

The financial literacy perspective emerged from research examining how individuals acquire and apply financial knowledge to make informed financial decisions. Remund (2010) reviewed definitions of financial literacy and identified financial knowledge, the ability to communicate about financial concepts, and the capacity to manage personal finances as central elements. Lusardi and Mitchell (2014) further examined the economic importance of financial literacy, highlighting its relevance to financial decision-making and resource management.

The perspective explains how financial knowledge and skills can support effective financial planning, expenditure management, saving, and debt repayment. Lusardi and Mitchell (2014) emphasised the importance of financial literacy in enabling individuals to make informed financial choices. Baidoo et al. (2020), in their study in Ghana, examined the relationship between financial literacy and loan repayment, providing empirical justification for investigating financial capabilities in relation to repayment outcomes.

The perspective is relevant to this study because budgeting skills enable members of faith-based women's groups to plan income, allocate expenditure, anticipate financial obligations, and monitor spending against available resources. These practices may help members balance household needs with scheduled loan instalments. In this study, the financial literacy perspective therefore provides the theoretical foundation for examining the influence of budgeting skills on loan repayment performance among faith-based women's groups in the Catholic Diocese of Embu, Kenya.

A key strength of the financial literacy perspective is its emphasis on the financial knowledge and skills required for effective resource management. However, knowledge and skills alone may not guarantee consistent repayment because members may face competing household needs, spending pressures, or difficulties exercising self-control. The Behavioural Life-Cycle Hypothesis addresses this limitation by explaining how psychological factors influence financial decisions and the application of budgeting skills.

### 2.2.2 Behavioural Life-Cycle Hypothesis

The Behavioural Life-Cycle Hypothesis was developed by Shefrin and Thaler (1988) to explain how psychological factors, particularly self-control and mental accounting, influence consumption and saving decisions. The hypothesis challenges the assumption that individuals always allocate financial resources according to their long-term interests. Instead, it explains how immediate spending preferences may conflict with future financial obligations.

The hypothesis suggests that individuals may struggle to preserve money for planned commitments when immediate consumption needs compete with longer-term objectives. This perspective complements research on financial literacy by highlighting that understanding sound financial practices does not necessarily mean individuals will consistently apply them. Baidoo et al. (2020) examined financial literacy in relation to loan repayment in Ghana, while the Behavioural Life-Cycle Hypothesis provides a complementary explanation of behavioural factors that may affect how financial knowledge translates into repayment decisions.

The hypothesis is relevant to this study because members of faith-based women's groups may need to balance household expenditure, business costs, and other financial commitments against scheduled loan instalments. Even when members prepare budgets, unplanned expenditure or difficulties prioritising repayment may disrupt their financial plans. The hypothesis therefore provides a basis for understanding how spending behaviour and self-control may influence the relationship between budgeting skills and loan repayment performance in the Catholic Diocese of Embu.

A key strength of the Behavioural Life-Cycle Hypothesis is its recognition that financial decisions are influenced by psychological factors rather than knowledge alone. However, its focus on individual behaviour gives limited

attention to group governance, leadership, and collective accountability. General Systems Theory complements this limitation by explaining how organisational arrangements and relationships among group members may influence repayment outcomes.

### 2.2.3 General Systems Theory

General Systems Theory was developed by Ludwig von Bertalanffy (1968) and explains how interconnected components interact to influence the functioning of a system. The theory emphasises that the performance of a system depends not only on its individual components but also on the relationships and coordination among them. This perspective can be applied to organisations and community groups in which individual actions occur within shared rules, structures, and institutional arrangements.

The theory explains that organisational outcomes may be shaped by leadership, communication, coordination, monitoring, and the enforcement of agreed procedures. In group-based financial arrangements, these factors may influence how members manage their financial responsibilities and fulfil collective obligations. The theory therefore extends the analysis of loan repayment beyond individual financial capabilities to include the organisational environment within which repayment decisions are made.

General Systems Theory is relevant to this study because faith-based women's groups operate within collective structures involving group leadership, repayment rules, financial reporting, and shared accountability. Effective monitoring and transparent procedures may encourage members to follow their budgets and meet loan instalments, whereas weak coordination or inconsistent enforcement may undermine repayment discipline. In the Catholic Diocese of Embu, the theory provides a framework for examining how group-level arrangements may interact with members' budgeting skills to influence loan repayment performance.

A key strength of General Systems Theory is its recognition that organisational outcomes are shaped by interactions among interconnected components. However, its broad scope does not independently explain the specific financial skills or psychological processes that influence individual repayment decisions. The financial literacy perspective explains the role of budgeting skills, while the Behavioural Life-Cycle Hypothesis addresses behavioural influences on their application. Therefore, the three perspectives provide a complementary theoretical foundation for examining the influence of budgeting skills on loan repayment performance among faith-based women's groups in the Catholic Diocese of Embu, Kenya.

## 2.2 Empirical Literature Review

This section reviews empirical studies on budgeting skills and loan repayment performance. It examines existing evidence on how budgeting practices influence loan repayment and identifies gaps that justify the study among faith-based women's groups in the Catholic Diocese of Embu, Kenya.

### 2.2.1 Budgeting Skills and Its Influence on Loan Repayment

Budgeting skills are an important component of financial literacy, enabling borrowers to plan expenditure, allocate income, monitor cash flows, and prepare for loan repayment obligations. Garrett et al. (2022) examined financial education and educational debt management among resident physicians in the United States. Their findings highlighted the relevance of financial education in helping borrowers understand and manage financial obligations. However, the study focused on debt management and financial well-being rather than actual loan repayment performance, limiting its direct applicability to the present study.

In Africa, Irikefe and Opusunju (2021) investigated financial literacy and the growth of micro, small, and medium enterprises in Abuja, Nigeria. Their findings indicated that budgeting literacy did not significantly influence enterprise growth, suggesting that financial knowledge may not translate uniformly into improved financial outcomes. However, enterprise growth differs from loan repayment performance. Similarly, Zirabamuzale (2021) examined financial literacy and financial performance among micro and small enterprises in Kira Municipality, Uganda. Although the study addressed the relevance of financial knowledge to business financial management, it did not establish the specific contribution of budgeting skills to loan repayment among organised lending groups.

In Tanzania, Mori et al. (2025) examined loan repayment behaviour among 251 microfinance borrowers, focusing on dynamic incentives, joint liability, and regular group meetings. The findings highlighted the relevance of accountability and group lending arrangements to loan repayment behaviour. However, the study did not specifically examine budgeting skills, including income planning, expenditure allocation, cash-flow forecasting, and budget monitoring, as predictors of repayment performance.

In Kenya, Mberia and Wachira (2021) examined budgeting and debt management literacy training among Equity Bank-trained women’s self-help groups in Machakos

Town. They reported a positive and statistically significant relationship between budgeting training and financial performance ((r = .255, p = .035)). These findings support the relevance of budgeting skills to the financial management of women's groups. Nevertheless, the study examined overall financial performance rather than loan repayment performance and did not isolate the contribution of specific budgeting practices to repayment outcomes.

The reviewed literature suggests that budgeting skills are relevant to financial planning and may support the management of financial obligations. However, limited evidence directly establishes how budgeting skills influence loan repayment performance among faith-based women's groups. In particular, the contribution of income planning, expenditure allocation, cash-flow forecasting, and budget monitoring to repayment performance remains insufficiently established in this context. This gap informed the present study, which examined the influence of budgeting skills on loan repayment performance among faith-based women's groups in the Catholic Diocese of Embu, Kenya.

# 3. Methodology

## 3.1 Research Design

The study adopted a quantitatively dominant convergent parallel mixed-methods design to examine the influence of budgeting skills on loan repayment performance among faith-based women's groups in the Catholic Diocese of Embu, Kenya. Quantitative data were used to examine the relationship between budgeting skills and loan repayment performance, while qualitative data provided contextual insights into budgeting practices and their implications for loan repayment.

## 3.2 Sampling and Sample Size

The target population comprised approximately 700 registered women participating in savings and credit groups within the Catholic Diocese of Embu. A multistage sampling technique was used to select participants from four deaneries, eight parishes, and sixteen women's groups. The study targeted 160 questionnaire respondents, comprising seven ordinary members and three group leaders from each group. In addition, 48 group leaders were purposively selected for qualitative interviews to obtain detailed insights into budgeting practices and loan repayment performance.

## 3.3. Data Collection Tools

Data was collected using structured questionnaires and semi-structured interview guides. The questionnaires assessed budgeting skills, including income planning, expenditure allocation, and budget monitoring, alongside loan repayment performance. The interview guides explored group leaders' experiences and perspectives on budgeting practices and their influence on loan repayment. The instruments were pilot tested with 20 participants from two women's groups in Nguviu Parish, which were excluded from the main study. Content validity was assessed through expert review, while reliability was evaluated using Cronbach's alpha, with 0.70 as the minimum acceptable threshold.

## 3.4 Data Collection Procedure

Before data collection, the researcher obtained ethical approval from the Tangaza University Ethics Committee, a research permit from the National Commission for Science, Technology and Innovation (NACOSTI), and authorisation from the relevant county and diocesan authorities. Questionnaires were administered to eligible women's group members and leaders, while semi-structured interviews were conducted with selected group leaders. Informed consent was obtained from all participants. Private data collection sessions, neutral questioning, and assurances that participation would not affect group membership or loan eligibility were used to minimise potential bias associated with the researcher's dual role as Catholic Women Programme Coordinator.

## 3.5 Data Analysis

Quantitative data were analysed using the Statistical Package for Social Sciences (SPSS) version 27. Frequencies and percentages were used to summarise categorical data, while means and standard deviations described budgeting skills and loan repayment performance. Pearson correlation analysis examined the relationship between budgeting skills and loan repayment performance, while simple linear regression assessed the influence of budgeting skills on loan repayment performance at a significance level of 0.05. Qualitative data were analysed thematically using Braun and Clarke's six-phase framework. The quantitative and qualitative findings were integrated during interpretation to provide a comprehensive understanding of how budgeting skills relate to loan repayment performance among the women's groups.

## 3.6 Ethical Considerations

The study observed ethical principles throughout the research process. Ethical approval, the NACOSTI research permit, and the relevant institutional authorisations were

obtained before data collection. Participation was voluntary and based on informed consent, and participants were informed of their right to withdraw without penalty. Confidentiality and anonymity were maintained, and research data were securely stored and used solely for academic purposes. Reflexive journaling and other safeguards were employed to manage potential conflicts arising from the researcher's dual role.

# 4. Results and Discussion

A total of 127 valid questionnaires were obtained from the 160 targeted respondents, representing a response rate of 79.4%. In addition, 48 group leaders were purposively selected for qualitative interviews, comprising three leaders from each of the 16 women's groups. The interviews provided qualitative insights into budgeting practices and loan repayment performance among faith-based women's groups in the Catholic Diocese of Embu, Kenya. The quantitative and qualitative data complemented each other, providing a broader understanding of the study problem. The questionnaire response rate is presented in Table 1, while the qualitative findings are presented thematically in the subsequent sections.

**Table 1: Descriptive Statistics for Extent to which Budgeting Skills Influences Loan Repayment Performance n=127**

| Response Category | Scale Value | Number of Respondents | Percentage (%) |
|---|---|---|---|
| Very low extent | 1 | 5 | 3.9 |
| Low extent | 2 | 22 | 17.3 |
| Moderate extent | 3 | 55 | 43.3 |
| Great extent | 4 | 33 | 26.0 |
| Very great extent | 5 | 12 | 9.5 |
| TOTAL | | 127 | 100.0 |
| Mean | | 3.20 | |
| Standard Deviation | | 0.99 | |

The findings indicate that a plurality of respondents (43.3%) rated the influence of budgeting literacy on loan repayment performance as moderate, while 26.0% rated it as great and 9.5% as very great. Conversely, 17.3% perceived the influence as low, while 3.9% rated it as very low. These findings suggest that budgeting skills were generally recognised as relevant to loan repayment, although respondents differed in the extent of their perceived influence. This is consistent with Mberia and Wachira (2021), who reported a positive and statistically significant relationship between budgeting skills training and financial performance among women's self-help groups in Machakos, Kenya.

The mean score of 3.2 indicates a moderate overall perception, while the standard deviation of 0.99 reflects variation in respondents' ratings. The financial literacy perspective explains this finding by emphasising the importance of financial knowledge in budgeting and making informed borrowing decisions. Similarly, the Behavioural Life-Cycle Hypothesis (Shefrin & Thaler, 1988) suggests that self-control and allocating resources for future obligations can help borrowers balance household expenditure with loan repayments. General Systems Theory further suggests that repayment performance should be understood in relation to interacting factors, including income stability, household expenses, loan conditions, and group financial practices. The variation in respondents' ratings may therefore reflect differences in their financial circumstances and experiences; however, the descriptive findings alone do not establish that formal education or financial experience explains these differences.

## 4.1 Specific Aspects of Budgeting Skills and Loan Repayment Performance

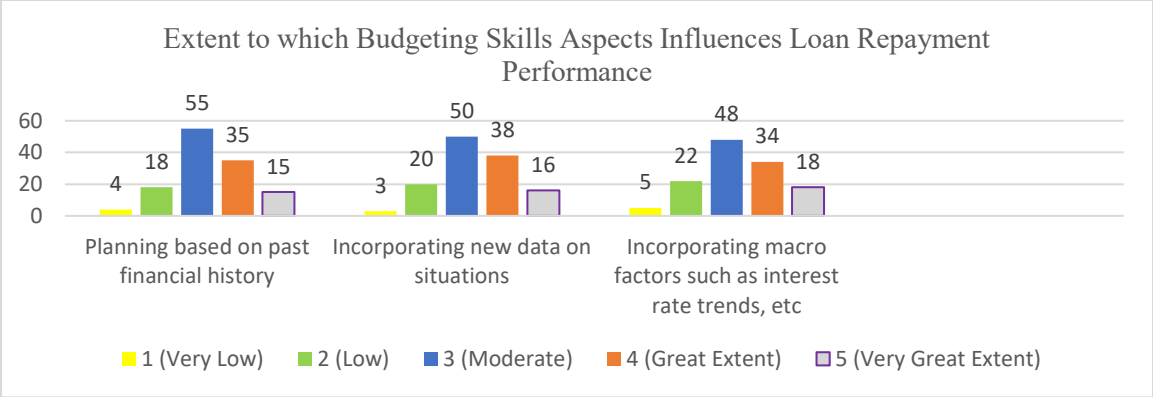



**Figure 1: Extent to which Budgeting Skills Aspects influences Loan Repayment performance**

Figure 1 presents respondents' ratings of budgeting skills aspects related to loan repayment performance. Incorporating new data on changing circumstances received the highest mean score (M = 3.35), while incorporating macroeconomic factors, such as interest rate trends, received the lowest (M = 3.30). The small difference of 0.05 suggests broadly similar ratings across the two aspects. The findings suggest that respondents valued adapting budgets to changing financial circumstances and considering previous financial experiences when planning for loan repayments. Macroeconomic factors received a slightly lower rating, indicating comparatively less emphasis on technical economic considerations. The finding is consistent with Mberia and Wachira (2021), who found a positive, significant relationship between budgeting literacy training and financial performance among women's self-help groups in Machakos, Kenya. However, their study did not directly examine loan repayment performance. Hence, the results suggest that respondents recognised the relevance of budgeting literacy to loan repayment, although the relative importance assigned to specific aspects varied.

## 4.2 Perceptions on the Role of Budgeting Skills in Loan Repayment performance

The qualitative findings indicated that respondents perceived budgeting skills as an important factor in meeting loan repayment obligations. Participants emphasised the need to plan using previous financial records, adjust budgets to changing circumstances, and maintain discipline in allocating funds for repayment. However, their perspectives differed in the emphasis placed on practical budgeting experiences and broader economic considerations.

Some respondents highlighted the importance of reviewing past income and expenditure to improve financial planning and avoid repayment difficulties. One participant explained, *"When we look back at what we earned and spent in the past, it helps us to plan better and avoid the mistakes that lead to missing repayments."* This perspective suggests that reflecting on previous financial experiences was regarded as a practical way of informing budgeting decisions and preparing for repayment obligations.

Other participants emphasised the need to revise budgets in response to changing household income and unexpected expenses. As one respondent observed, *"If income changes or emergencies happen, our budgets must adjust quickly. It is this flexibility that ensures we still meet our repayment schedules."* This account highlights the perceived importance of flexible budgeting in responding to financial uncertainty while maintaining repayment commitments.

Macroeconomic considerations, particularly interest rate movements, also emerged in some participants' accounts. A respondent stated, *"Budgeting is not just about what we have in the house. If we know interest rates are rising, we prepare in advance so that loan repayment does not overwhelm us."* However, some participants considered such technical factors less relevant to their everyday financial circumstances, suggesting differences in how respondents understood and applied broader economic information in budgeting.

Participants also stressed that effective budgeting did not depend exclusively on formal education. Practical experience in saving, allocating income, and setting aside money for scheduled repayments was viewed as valuable. One respondent remarked, *"Even if you did not go far in school, you know that when you plan well and put aside a little every week, you can pay your loan. Experience teaches us budgeting."* This perspective illustrates how experience gained through everyday financial management and participation in women's groups could inform budgeting practices.

Therefore, interviews suggest that respondents associated budgeting skills with financial planning, adaptability, and disciplined allocation of resources for loan repayment. While some emphasised reviewing past financial records and responding to changing circumstances, others highlighted the relevance of economic factors and practical experience. These accounts provide qualitative insights into how budgeting practices were perceived to support loan repayment among faith-based women's groups in the Catholic Diocese of Embu, Kenya.

The inferential results further supported the relationship between budgeting skills and loan repayment performance among faith-based women's groups in the Catholic Diocese of Embu, Kenya. Pearson correlation revealed a positive association between budgeting skills and loan repayment performance ($r = .558$, $p < .001$). Multiple regression analysis further showed that budgeting skills was a significant positive predictor ($\beta = .284$, $p = .002$), while the overall model comprising budgeting skills dimensions explained 42.1% of the variation in loan repayment performance ($R^2 = .421$). These findings indicate that budgeting skills makes a significant independent contribution to predicting loan repayment performance, reinforcing the importance of planning expenditure and allocating resources for scheduled loan repayments.

# 5. Conclusion and Recommendations

## 5.1 Conclusion

The findings established that budgeting skills had a significant positive relationship with loan repayment performance among faith-based women's groups in the Catholic Diocese of Embu, Kenya. The descriptive results indicated a moderate perceived influence of budgeting skills, particularly in reviewing financial records, adapting budgets to changing circumstances, and allocating funds for scheduled loan repayments. These practices were perceived to support financial planning and fulfilment of loan obligations.

The qualitative findings reinforced the quantitative results by highlighting the importance of reviewing previous income and expenditure, adjusting budgets to changing financial circumstances, and maintaining discipline in setting aside funds for repayments. Participants also recognised the relevance of considering interest rate changes, while practical financial experience was viewed as valuable in informing budgeting decisions.

The inferential findings provided further evidence of the relationship between budgeting skills and loan repayment performance. Pearson correlation analysis revealed a moderate positive and statistically significant relationship ($r = .558$, $p < .001$). Regression analysis further established that budgeting skills were significant positive predictor of loan repayment performance ($\beta = .284$, $p = .002$). The overall model, comprising four financial literacy dimensions, explained 42.1% of the variation in loan repayment performance ($R^2 = .421$). Accordingly, strengthening budgeting skills may contribute to improved loan repayment performance among faith-based women's groups in the Catholic Diocese of Embu.

## 5.2 Recommendations

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

**1. Strengthen budgeting skills among group members.**

Faith-based women's groups should strengthen budgeting practices by reviewing financial records, planning expenditure, and allocating funds for scheduled loan repayments. This would promote prudent financial management and support timely loan repayment.

**2. Promote flexible financial planning.**

Group leaders should encourage members to regularly review and adjust budgets in response to changing income, household expenses, and unexpected financial demands. This would help members maintain repayment commitments despite changing financial circumstances.

**3. Enhance budgeting skills training.**

Financial institutions and group facilitators should provide practical training on budget preparation, expenditure tracking, and repayment scheduling. The training should also address how interest rate changes and other financial obligations may affect repayment planning.

**4. Strengthen further research on loan repayment performance.**

Future researchers should investigate additional factors influencing loan repayment performance among faith-based women's groups, given that the four financial literacy dimensions in this study collectively explained 42.1% of the variation in repayment performance.

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