

**INVESTMENT OF SAVINGS IN SACCOS IN UGANDA: A CASE STUDY OF BDO
SACCO**

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ABSTRACT

The purpose of the study was to examine the barriers to the investment of savings in SACCOs basing on the case of the BDO SACCO. The study was guided by three specific research objectives that include: to find out the barriers to investment of savings in the BDO SACCO; to identify the best practices of investing savings among different SACCOs; and to recommend the best investment option to the BDO SACCO.

A review of literature was conducted to identify existing best practices of investing savings and also to enable the development of the research instrument. The study used a qualitative research design, the sampling method used was purposive sampling with a sample size of 6 and unit of analysis were BDO staff SACCO members.

Primary data was collected from respondents through interviews. Data was analyzed using content analysis technique which enabled the identification of related terms in themes and sub themes. Data was then be interpreted, presented and discussed.

Findings indicated five major barriers; lack of sufficient capital, no champions to spearhead the investment cause, non-implementation of the investment objective, lack of sufficient investment knowledge, fear of the unknown and lack of top management support on the cause.

The best practices identified included; good practices of governance, regulation, self-help, self-responsibility, democracy, equity, solidarity, honesty, openness, social responsibility; an elaborative risk management system; licensing, supervising and regulating SACCOs; drawing a well-planned financing option; attaining support from co-operative society acts and policies; creation of financial management disciplines, controls and supervision; and building strong corporate governance structures.

The study recommends that the top management should sensitize, train members about the need to invest and the SACCO should be given financial support by the BDO management.

When all is said and done, the most appropriate investment option is that of issuing loans to members at agreed interest rates.