

KSU. 10002-

**EFFECT OF YOUTH ENTERPRISE DEVELOPMENT FUND ON GROWTH OF NEW  
ENTERPRISES IN KENYA**

**(A Survey of Selected Youth Enterprises in Mathioka District)**

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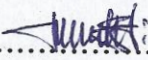
**B211-002-2013**

**A Thesis Submitted to the School of Business Management and Economics in Partial  
Fulfillment for the Award of the Degree of Master of Business Administration (Finance  
Option) of Dedan Kimathi University of Technology**

**April 2015**

## DECLARATION

This thesis is my own original work and has never been presented for award of any degree in any university.

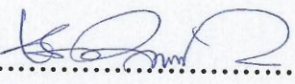
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This thesis has been submitted for defense with my approval as the University Supervisor.

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## ABSTRACT

There has been concerted effort to stem wide unemployment that was worsened by the global financial crisis of 2008. Various government efforts have been focused towards alleviating unemployment especially among individuals aged between 18-35 years. One such effort by the government was the establishment of the Youth Enterprise Development Fund aimed at facilitating youths start income generating activities by advancing loans with least collateral requirements. This research aimed at finding out the effects that the Youth Enterprise Development Fund has had on growth of new enterprises in Kenya with a special reference to Mathioya District. It aimed at finding out how financial support, entrepreneurial training and networking impacted on growth of new enterprises at a district level. The research used questionnaires and structured interview as data collection instruments. The population of the study was 276 respondents from which a sample size of 123 respondents comprising 120 youth group officials from forty youth groups, 2 YEDF officials and 1 DYO was selected. The data collected was analyzed both qualitatively and quantitatively. Qualitative data was analysed by deductive approach and results presented in each section. Quantitative data was analyzed using statistical packages for social sciences (SPSS) and presented using frequency tables, histograms and pie charts. Out of 120 questionnaires given to youth group officials 115 were returned representing 96% response rate. All the 3 structured interviews were carried out with 2 YEDF officials and 1 DYO. The study found that 46% of the youth groups received less than 50,000 shillings annually from YEDF whereas 43% received between 50,000 and 1000, 000 shillings from YEDF annually. Data collected through interviews indicated that trainings were conducted every quarter (4 times a year). Financial management (48%) and bookkeeping (40%) were the issues addressed in training. Majority (64%) of the participants indicated that the rate of networking was high among youth groups. Findings showed that financial support ( $p=0.000$ ) and training ( $p=0.032$ ) were statistically significant at 95% confidence level. This means that YEDF has the potential to accelerate growth of new enterprises by increasing financial support and entrepreneurial training to the youths in Kenya. The researcher concluded that Youth Enterprise Development Fund has had a positive effect on growth of new enterprises in Kenya; however, the YEDF goals are limited by the amount of funds disbursed and failure of youths to attend trade fairs/exhibitions organised by YEDF. The researcher recommends that the government should increase the budget allocation to Youth Enterprise Development fund to enable increased start-up loans. In addition, YEDF should adopt funding of individual projects and disbursement be done at the district level.

**Key words;** youth enterprise development fund, micro and small enterprises, networking, training, youth, financial support, growth.