

SAVINGS: BASE FOR WEALTH CREATION

PHOTO BY ALOYSIOUS KASOMA

By Ali Twaha

In 2016, after nearly 10 years in banking, Daniel Ayebare, the chairperson of the Uganda Financial Literacy Association, lost his job on the same day his colleagues were preparing to receive long service awards.

Ayebare had imagined himself on that stage too. Instead, he found himself out of work, broke and carrying a salary loan.

His parents were retired and depending on him, his daughter had just started school and he had one semester left to finish his master's degree.

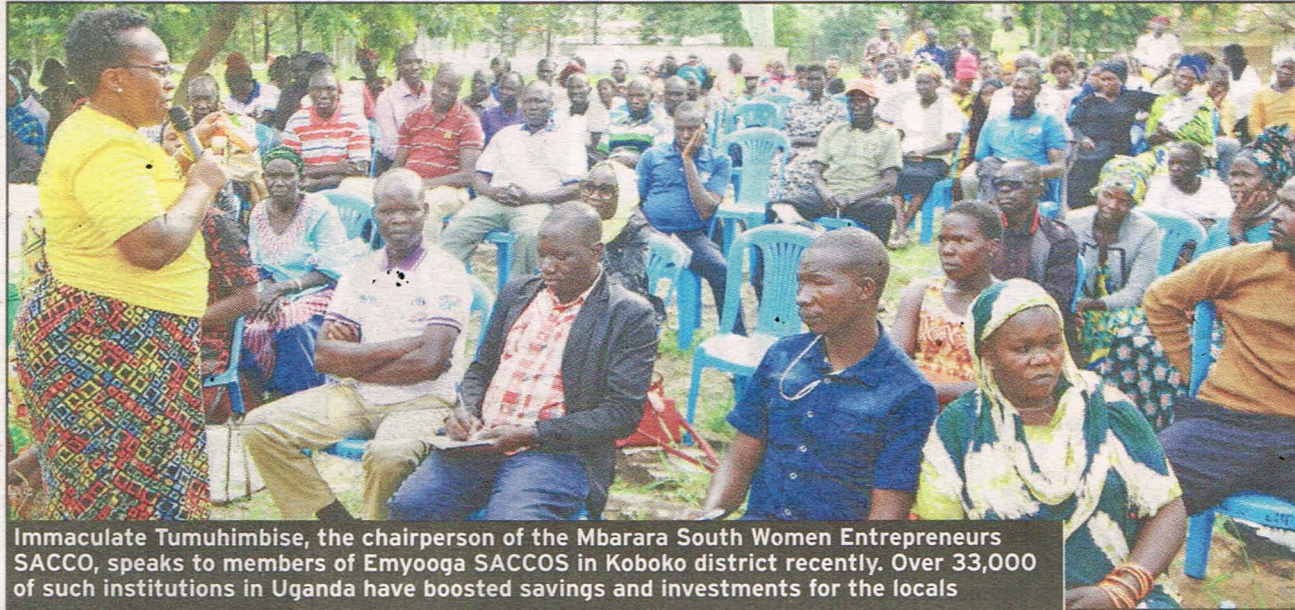
It was a hard fall, the kind that knocks the air out of a person.

"I didn't use the income I had to build my dream. I got consumed by the job and lifestyle and eventually restructuring came. I was fired with almost no savings," Ayebare said.

But eight years later, he calls himself a better man, one shaped by loss and forced reflection. Many people, he says, never recover from such a collapse.

Ayebare says financial security is not about the size of your salary. He says it is about planning, discipline and purpose.

"I learned that financial literacy is about planning, and discipline. Sadly, my story is not unique. Findings show that poverty persists not because people lack



Immaculate Tumuhimbise, the chairperson of the Mbarara South Women Entrepreneurs SACCO, speaks to members of Emyooga SACCOS in Koboko district recently. Over 33,000 of such institutions in Uganda have boosted savings and investments for the locals

money, but because they lack knowledge. That is why we are empowering Ugandans with information to invest wisely and live with dignity today," Ayebare said.

Over the past two decades, Uganda has made progress on its financial inclusion journey.

"We have seen the transformative power of mobile money, the spread of Savings and Credit Co-operative Societies [SACCOS], agency banking, targeted government programmes — such as the Parish Development Model (PDM) and Emyooga — all anchored on an enabling legal and regulatory environment," Prof. Augustus Nuwagaba, the deputy governor of the

THE POWER OF SACCOS

Microfinance Support Centre managing director John Peter Mujuni says the exponential growth of Savings and credit Cooperative Societies (SACCOS) in the country has greatly relieved Ugandans from money lenders who offer loans at very high interest rates.

"I'm confident that with the continued support from various stakeholders, SACCOS will increasingly play a leading role in improving the economic welfare of Ugandans and driving Uganda's economy towards the ten-fold growth strategy of achieving a GDP of \$500b by

Central Bank, said. "These milestones have opened doors for millions of Ugandans who are now

2040," Mujuni said.

Financial analysts say SACCOS are one of the best vehicles for promoting the culture of saving and investing. On average, SACCOS give a return of about 7% or higher, depending on the institution. This means that saving with a SACCOS is better than keeping money in a bank that, on average, earns less than 3% a year.

Other vehicles of investment include government treasury bonds, Uganda Securities Exchange, unit trusts and collective investment schemes.

part of the money economy. That said, we also know that progress must be measured not only by access, but also by

usage, quality and impact." In his book, *Transformative Economics*, launched this year, Prof. Nuwagaba said saving

and investing is a culture any dedicated person can build over time.

SAVINGS: A LIFELINE

"In Uganda, there is a negative attitude towards savings. Many people believe that savings can only be generated by high income earners. Saving is not a function of income; it is a culture of financial prudence. Ugandans must learn the importance of savings; and how this determines investment and subsequent production and income generation," Prof. Nuwagaba said.

WHERE TO SAVE, INVEST MONEY

According to government data of 2024, Uganda boasts a total of 33,000 SACCOS. Of these, 10,594 are registered SACCOS that operate under the PDM, 6,700 are under Emyooga and 15,706 are registered as other SACCOS.

According to data from the Microfinance Support Centre, Emyooga SACCOS alone — which are currently 7148 — have mobilised over 2.47 million members in 18 specialised trades, converting subsistence livelihoods into savings-led enterprises.

In 2017, Cabinet and Parliament made a landmark decision of exempting SACCOS from paying taxes on the profits they make from their investments.

Government intended to use SACCOS as a leading avenue for improving the economic welfare of Ugandans.