

ABSTRACT

This study was based on Uganda National Household Survey (UNHS) 2005/6 data set collected by the Uganda Bureau of Statistics. Relevant data sets were extracted and merged in stata. The underlying objective is to analyse the factors that affect household demand for credit. The aim is provide an in depth understanding of the individual, household and locational characteristics, not only because they affect demand for credit but also due to the fact that the potential lenders are likely to base their assessment of credit worthiness on such characteristics. The study covered the whole country covering 7426 households. Factors considered important in determining demand for credit were considered, these included individual characteristics, household characteristics and location characteristics. Analysis was carried out at three levels i..e univariate, bivariate and multivariate. At univariate level frequencies and percentages were generated and presented in table form. At bivariate level cross tables were generated between individual factor (independent) and the dependent variable. At multivariate level, a logit model was fitted without considering the results of the bivariate level. All characteristics were found to be statistically significant with exception of household income and household size. The recommendations made include further research in Education Level and household income how they affect demand for credit, government, non government organisations, development partners and private sector to deliberately design credit conditions for women, and also addressing the regional imbalances that exists.