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Youth Development Fund-Supported Income-Generating Activities and Youth Livelihoods in Chalinze District and Dar es Salaam City Councils, Tanzania

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Abstract

The Youth Development Fund (YDF) is a key government initiative in Tanzania that promotes youth entrepreneurship and improves livelihoods by supporting income-generating activities (IGAs). This study examined the contribution of YDF-supported IGAs to youth livelihoods in Chalinze District Council and Dar es Salaam City Council. Specifically, it identified the types of IGAs undertaken and assessed their impact on food security, healthcare access, income, savings, profit, and asset ownership. A cross-sectional design was employed, with 200 YDF beneficiaries selected through multistage sampling. Data were collected using structured questionnaires, focus group discussions, and key informant interviews. Quantitative data were analysed using descriptive statistics, the Wilcoxon signed-rank test, and the McNemar test, while qualitative data were analysed through content analysis. The findings revealed that beneficiaries engaged in diverse IGAs, particularly in transport, technical services, farming, business, food processing, and financial services. Participation in these activities is associated with a significant increase in annual income and savings ($p < 0.001$), enhanced food security, access to healthcare services, and asset acquisition. However, health insurance enrolment remained low, and some enterprises generated low or negative profits, indicating challenges related to business management and enterprise selection. The study concludes that YDF-supported IGAs substantially improve youth livelihoods but require complementary interventions, including entrepreneurship training, business mentorship, market access, and promotion of savings and health insurance, to enhance enterprise sustainability and long-term livelihood outcomes.

Keywords

Youth Development Fund, Income Generating Activities, Local Government Authorities, Livelihood, Theory of Change

1. Introduction

Income-generating activities (IGAs) have become an important development strategy for promoting self-employment, reducing poverty and improving livelihoods worldwide. IGAs enable individuals and households to diversify income sources, build wealth and enhance resilience to economic shocks (Mwambeo et al., 2024; Shiviya, 2021). According to Charles (2019), IGAs are productive activities that utilise locally available resources to generate income and improve household welfare. These activities range from agricultural production to manufacturing, trade and service provision. Globally, governments and development partners increasingly use IGAs to promote inclusive economic growth, particularly among vulnerable groups such as women and youth.

Evidence from Canada, Philippines, India, Bangladesh, Indonesia, and Malaysia demonstrates that IGAs contribute to employment creation, poverty reduction, food security, income growth, and human development (Akter et al., 2022; Kaukumangera, 2021; Mouhammad, 2018; Saravana & Lokesha, 2018). The Indian government utilised IGA initiatives to improve living conditions, showing that sustaining IGAs can enrich the utilisation of skills and knowledge and restore livelihoods (Surtia et al., 2016). According to Balestri and Meda (2016), IGAs contribute to high incomes, greater dignity, and strengthen the ability to cope with shocks.

In Africa, IGAs have become an important strategy for addressing youth unemployment and improving livelihoods. The continent has the world's youngest population, with more than 400 million people aged between 15 and 35 years (Dogeje, 2023). Despite this demographic advantage, many African countries continue to experience high levels of youth unemployment, poverty and limited economic opportunities (Rocca, 2020). In Africa, IGAs contribute approximately 42% of rural household income and play an important role in employment creation, income diversification and household resilience (Mouhammad, 2018). In many African countries, limited access to financial capital remains one of the major barriers preventing individuals and community groups from initiating and sustaining income-generating activities (Noah et al., 2021).

Consequently, the success of many IGA initiatives has largely depended on beneficiaries' ability to access financial support through government-funded programmes, microfinance institutions, or other formal lending arrangements. Evidence from the region demonstrates that access to such financial resources can substantially improve the performance of income-generating activities by increasing beneficiaries' incomes and expanding their livelihood opportunities. Beyond

income growth, these interventions have enabled poor households to accumulate assets, enhance food security, reduce vulnerability to economic shocks, and exercise greater control over decisions affecting their well-being (Noah et al., 2021).

Evidence from Botswana, Uganda, Ethiopia and Kenya shows that youth development funds and similar financing programmes have increased self-employment and income. However, their contribution to broader livelihood outcomes has mixed results. South Africa and Ethiopia view IGAs as activities that focus on creating employment, reducing state dependency, and fostering more self-reliant households and sustainable livelihoods (Kaukumangera, 2021). The South African government has implemented income-generating community projects as one of the strategies to lessen poverty at a national level. Nigeria and Cameroon have used the same principle to define IGAs as micro-projects initiated to generate additional income to improve the community's economic level (Onyebu, 2016; Fongang & Soko, 2017).

In Botswana, the government introduced the Youth Development Fund (YDF) as a strategy for promoting youth entrepreneurship, employment creation, and poverty reduction through support for income-generating activities. Although the programme has enabled many young people to establish businesses, evidence regarding its contribution to livelihood improvement remains limited. Diraditsile (2021) found that 54% of beneficiaries had improved ability to meet their basic needs, while 18.5% acquired productive assets and 18.6% had no improvement in their livelihoods associated with YDF support. The study further revealed that approximately 89% of youth-owned enterprises survived for less than two years due to inadequate business management skills. These findings suggest that access to financial capital alone may not be sufficient to improve youth livelihoods unless accompanied by entrepreneurial capacity-building and business support services.

Uganda has implemented several youths' empowerments programmes, including the Youth Venture Capital Fund (UYVCF) and the Youth Livelihood Programme (YLP), to facilitate self-employment among unemployed youth. Evidence indicates that these programmes have contributed positively to youth livelihoods. Mwesigwa and Mubangizi (2019) reported that the Youth Livelihood Programme significantly enhanced youth empowerment through increased employment opportunities and improved household welfare. Similarly, Mpaata et al. (2017) found that the Youth Venture Capital Fund created self-employment opportunities for 95.4% of beneficiaries and improved the ability of 81.3% of loan beneficiaries to meet their basic needs. While these findings demonstrate the potential of income-generating activities to improve livelihoods, they focus primarily on employment creation and basic needs, providing limited evidence on broader livelihood outcomes such as food security, savings, profit generation, and asset accumulation.

In Ethiopia, the Youth Revolving Fund (YRF) was established to provide unemployed youth with financial and technical support to establish income-generating activities and improve their livelihoods. Studies indicate that the programme has contributed to enterprise creation and employment generation. For example,

Chelangat et al. (2021) reported that youth supported through the Youth Revolving Fund established 94 enterprises and created 1,163 self-employment opportunities. However, the study did not assess whether these enterprises translated into measurable improvements in livelihood outcomes. Similarly, Bantu and Maliki (2022) observed that although the revolving fund expanded access to finance, poor business planning and diversion of loan funds contributed to loan default and weakened business performance. These findings suggest that financial support should be complemented by business development services to ensure sustainable livelihood improvements.

Kenya established the Youth Enterprise Development Fund (YEDF) in 2007 to promote youth entrepreneurship and employment through financial and technical support for income-generating activities. Evidence shows that the programme has generated both positive outcomes and implementation challenges. Otiende et al. (2020) found that beneficiaries experienced business growth, increased income, and improved economic empowerment following participation in the programme. In contrast, Issa and Felix (2019) reported that inadequate business management skills, poor enterprise selection, and limited entrepreneurial experience constrained the performance of youth-owned enterprises. Likewise, Mohamud and Ndede (2019) observed that despite increased government investment in youth financing, many enterprises failed because of weak managerial capacity and inadequate post-loan support.

Similar to other countries, Tanzania has implemented several youth empowerment initiatives aimed at promoting entrepreneurship and improving youth livelihoods through income-generating activities. These initiatives include the Youth Development Fund under the Prime Minister's Office, the Youth Development Fund administered through Local Government Authorities, and the Building a Better Tomorrow Youth Initiative (BBT-Y). Among these, the Local Government Authorities Youth Development Fund has become one of the government's principal financing mechanisms for supporting unemployed youth in establishing income-generating activities and improving their livelihoods. These programmes primarily seek to improve youth livelihoods by providing financial support for establishing income-generating activities (IGAs). However, empirical evidence suggests that the effectiveness of these interventions has been mixed.

Ahmad (2020) found that although the Youth Development Fund enabled unemployed youth in Dodoma City to establish income-generating projects, the performance of many enterprises was constrained by poor group administration, inadequate technical and entrepreneurial skills, weak leadership accountability, and limited commitment among group members. The study recommended strengthening entrepreneurship training and improving project management to enhance the sustainability. Similarly, Temu (2019) observed that the effectiveness of youth credit programmes was undermined by poor utilisation of the loans, with some beneficiaries diverting funds from intended business investments to household consumption and other non-productive expenditures. Such practices reduced the

capacity of income-generating activities to expand, limited business growth, and weakened the potential contribution of the Youth Development Fund to sustainable livelihood improvement.

Likewise, Nestory et al. (2022) reported that loan repayment performance among youth groups in Tanzania was negatively affected by the improper use of loan funds, inadequate financial management practices, and weak business planning. These challenges limited business performance and threatened the sustainability of enterprises established through the Youth Development Fund. The findings suggest that access to finance alone is insufficient to guarantee successful enterprise development unless accompanied by sound financial management and continuous business support.

Despite these challenges, evidence also points to positive outcomes associated with the Youth Development Fund. For example, Sehaba and Nyanda (2022) found that YDF-supported IGAs made a substantial contribution to employment creation in Kilosa District, where youths had established self-employment opportunities. However, the study primarily focused on employment creation and enterprise establishment, leaving out other aspects of livelihood outcomes. Similarly, Dogeje (2023) primarily focused on the contribution of YDF-supported IGAs to income levels among beneficiaries engaged in tailoring, food vending and motorcycle transport services. The study demonstrated that financial support can enhance youth earnings but concentrated mainly on income levels rather than examining broader dimensions of livelihood improvement.

John (2021) observed that YDF-supported IGAs have had limited success in addressing youth unemployment, as most young people continue to struggle to secure sustainable employment. Similarly, Banks (2016) reported that many Tanzanian youth face multiple livelihood vulnerabilities, with approximately 65% of young men and 60% of young women experiencing poor livelihood conditions due to low earnings and limited economic opportunities. Likewise, Mussa (2013), as cited in Dogeje (2023), concluded that the YDF has fallen short of one of its key objectives: reducing youth unemployment. However, these studies primarily focused on employment as the main indicator of livelihood improvement. They paid limited attention to other important livelihood outcomes, including income, profit, savings, food security, asset ownership, and access to healthcare, all of which are essential dimensions of youth well-being and sustainable livelihoods.

This study addresses this gap by examining the contribution of YDF-supported income-generating activities to a broader range of livelihood outcomes among youth beneficiaries in Chalinze District Council and Dar es Salaam City Council. Specifically, the study intends to: identify the income-generating activities undertaken by Youth Development Fund beneficiaries and examine their contribution to livelihood outcomes in terms of food security, profit, savings, access to health services and asset ownership.

2. Theoretical Framework

This study is guided by the Youth Livelihood and Empowerment theory of change

developed by Williams and Ausland (2014). It is a programmatic framework designed mainly for youth-focused development interventions. Non-Governmental Organisations (NGOs), governments, or donors often use the theory to design, monitor, and evaluate programs targeting young people, particularly in areas such as entrepreneurship, vocational training, and financial inclusion. It explains how specific activities lead to youth employment, entrepreneurship, and empowerment outcomes by outlining a causal pathway. The theory argues that, for youth to have sufficient income, savings, and profit, they must be ready for economic opportunities and use sets of skills, competencies, and supports for their empowerment. The theory affirms that when youth have sufficient income and resources to support their lives, they will be able to develop savings, increase assets and wealth, and provide for their families (Otiende et al., 2020). In this study, the theory is used to examine how the YDF-supported IGAs improved the livelihoods of youth in terms of income, profit, savings, access to health services, food security and asset ownership.

The study formulated three null hypotheses to assess the contribution of YDF-supported income-generating activities to beneficiaries' livelihood outcomes. The first hypothesised that there is no statistically significant association between participation in income-generating activities (IGAs) and food security among YDF beneficiaries. The second proposed that participation in IGAs had no statistically significant influence on beneficiaries' savings. The third hypothesised that there was no statistically significant difference in beneficiaries' income before and after participation in YDF-supported IGAs.

3. Methodology

3.1. Study Area and Design

The study was conducted in Chalinze District Council and Dar es Salaam City Council. These two Local Government Authorities (LGAs) were purposively selected because they had relatively large numbers of Youth Development Fund (YDF) loan beneficiaries compared with other LGAs in Tanzania. According to the National Economic Empowerment Council (NEEC, 2021), Chalinze District Council had 2,819 YDF beneficiaries, while Dar es Salaam City Council had 6,525 beneficiaries. The relatively large number of beneficiaries in these two LGAs provided a suitable and information-rich setting for examining the contribution of YDF-supported income-generating activities (IGAs) to beneficiaries' income, business profits, access to healthcare services, and food security.

The implementation of YDF is consistent with the Tanzania Development Vision 2050, which emphasises the development of a robust financial inclusion system that expands access to financial opportunities, particularly for women, youth, and people with disabilities. Similarly, the implementation of YDF aligns with the Tanzania National Youth Development Policy, which promotes youth self-employment through improved access to productive resources, finance, and credit facilities (URT, 2024).

3.2. Research Design

A Cross-sectional research design was adopted to facilitate the collection of data more or less simultaneously and to enable the examination of variables at a single point in time (Mchopa, 2019). A cross-sectional design was selected since it allows data to be collected at one point in time through the survey method (Kothari, 2009). The design facilitated the examination of the contribution of YDF-supported IGAs to livelihood outcomes among YDF beneficiaries in the Chalinze District and Dar es Salaam City Councils.

3.3. Sampling Procedures and Data Collection Methods

A multistage sampling procedure was used to select YDF beneficiaries. The first step was purposive selection of the two Local Government Authorities (LGAs) based on number of beneficiaries than other LGAs (NEEC, 2021) and due to their geographical location, which offers a chance for a diversity of socio-economic activities. The second step involved purposive selection of wards ten (10) wards (five wards from each LGA) based on the number of beneficiaries and years of operation (2017/2018 to 2021/2022) where Chalinze had 15 wards and Dar es Salaam 36 wards. The third step involved selecting 40 groups based on 5 years of operation and number of members (URT, 2024). The fourth stage was random selection of individual respondents, simple random selection was preferred as it gives equal chances for YDF beneficiaries to participate in the interview. This study used 200 respondents who were randomly selected as John (2021) and Otiende et al. (2020) argues that a sample size of at least 10% of the total population is representative enough for statistical analysis. A total population in this study is approximated to be 2000. Therefore, the study comprised 200 beneficiaries of YDF from two LGAs, with each LGAs contributing 100 individuals drawn from 20 groups. The two LGAs were considered a single study population because the study did not seek to compare them. The equal allocation of sample size to two LGAs was used deliberately due to the similar nature of respondents.

The quantitative data were collected by using a structured questionnaire, while qualitative data were collected through Focus Group Discussions (FGDs) and key informant interviews (KIIs). Across the two LGAs, a total of six FGD sessions were conducted, that is, three in each LGA. Each FGD session had seven participants, as recommended by Stewart and Shamdasani (2015), who argued that six to twelve participants are ideal for FGD. Similarly, Njau and Matto (2024) argued that fewer than six participants in the FGD may give less information. The FGD participants included group chairpersons, vice chairpersons, secretary, vice secretaries, two co-opted members, and treasurers. Participants were chosen based on their knowledge and experience. Key informant interviews involved the Council Directors, heads of the Community Development Department, Youth Development Officers, heads of planning and coordination, chairpersons of the Finance and Planning Committee, and Ward Executive Officers.

In this study access to healthcare refers to the ability of YDF beneficiaries and

their household members to obtain and utilise appropriate healthcare services when needed, including the ability to meet associated healthcare costs. In this study, it was considered a livelihood outcome associated with income generated from YDF-supported IGAs.

Similarly, profit is conceptualised as the financial surplus generated from a YDF-supported IGA after deducting business operating costs from the revenue generated by the IGAs. It represents the financial return available to beneficiaries from their IGAs after meeting business costs.

Asset ownership was defined as the possession or control of productive, physical and financial assets acquired or improved by YDF beneficiaries through their participation in YDF-supported IGAs (Ngoyo et al., 2025). Such assets constitute resources that contribute to beneficiaries' capacity to sustain their livelihoods.

Food security in this study refers to the extent to which income and other benefits generated from YDF-supported income-generating activities enable beneficiaries and their households to consistently access sufficient, safe, and nutritious food to meet their dietary needs. In this study, food security was assessed primarily in terms of food availability, stability of access and utilisation (FAO, 2003).

3.4. Data Analysis

Qualitative and quantitative methods were employed for analysis. Descriptive statistics were used to analyse types of IGAs implemented by youth. In order to reduce the list, the IGAs undertaken were categorised into six categories: financial-related IGAs, food processing, business, farming, technical, and transport-related IGAs (Njuguna et al., 2017). Livelihood outcomes indicators, such as food security, were measured through the number of meals taken per day; access to health was measured by enrolment in health insurance; income, savings, profit, and asset ownership were analysed using descriptive statistics. Wilcoxon signed-rank test and McNemar were used to analyse changes in income and savings, and the effect size of these changes, because the data were not normally distributed.

Food security was assessed using the number of meals consumed per day by each beneficiary before and after participation in YDF-supported income-generating activities. The variable was initially recorded as a binary categorical measure, with 0 representing two meals per day and 1 representing three meals per day. Because the same 200 beneficiaries provided information for both periods, the observations were treated as paired rather than independent.

First, the responses before and after YDF support were cross-tabulated (**Table 1**) to examine the pattern of individual-level changes. The resulting 2×2 contingency table consisted of four possible transitions: beneficiaries who consumed two meals before and remained at two meals after; those who changed from two to three meals; those who changed from three to two meals; and those who remained at three meals.

Table 1. Cross tabulated to examine the pattern of individual level changes (N = 200).

Number of meals per day before	Two Meals after (n)	Three Meals after (n)	Total
Two meals	16	47[b]	63
Three meals	0[c]	137	137
Total	16	184	200

b = (47): Changed from two to three meals, c = (0): changed from three to two meals.

The crosstabulation was then used to identify the discordant pairs, which are the observations that changed between the two measurement occasions. In this case, 47 beneficiaries changed from two meals before YDF support to three meals after support, whereas none changed from three meals before to two meals after. Thus, the discordant pairs were b = 47 and c = 0. Because the outcome was binary, categorical, paired, and measured on the same respondents before and after the intervention, the McNemar test was used to determine whether the observed change in meal consumption was statistically significant.

The test specifically evaluates whether the number of respondents who changed in one direction differs significantly from the number who changed in the opposite direction. The null hypothesis stated that there was no systematic change in the proportion of beneficiaries consuming two versus three meals per day between the two measurement occasions, while the alternative hypothesis stated that a systematic change had occurred. The McNemar test was calculated using the discordant pairs rather than the total frequencies in the crosstabulation (**Table 2**). The continuity-corrected test statistic was calculated as:

$$\chi^2 = \frac{\left(|b-c|-1\right)2}{b+c} \tag{1}$$

where b represents the number of beneficiaries who changed from two to three meals and c represents those who changed from three to two meals. With $b = 47$ and $c = 0$, the continuity-corrected statistic was approximately $\chi^2 = 45.021$, with $p < 0.001$.

$$\chi^2 = \frac{\left(|47-0|-1\right)2}{47+0} = 46^2/47 = 2116/47 = 45.021$$

Table 2. McNemar test continuity-correlated test statistics.

Number of meals per day	Frequency (n)	(%)	χ^2	p-value
Before YDF support			45.021	0.001
Two meals per day	63	31.5		
Three meals	137	68.5		
After YDF support				
Two meals per day	16	8		
Three meals per day	184	92		

3.5. Livelihood Outcomes

Descriptive statistics percentage, minimum, maximum, median, and interquartile range (IQR) were used to describe the contribution of IGAs to youth livelihood outcomes (income, profit, savings and asset ownership, health access, employment creation, housing quality, and food security). A Wilcoxon signed-rank test was conducted to assess changes in beneficiaries' annual income and savings following participation in Youth Development Fund-supported income-generating activities. A McNemar test was used to examine whether participation in Income-Generating Activities (IGAs) was associated with changes in household food security.

4. Results and Discussion

4.1. Youth Development Fund Beneficiaries' Supported Income Generating Activities

The findings in Table 3 indicate different Income-Generating Activities (IGAs) undertaken by the beneficiaries of the Youth Development Fund, which have been grouped into categories: technical, financial, business, food processing, farming, and transport (Njuguna et al., 2017). The technical IGAs undertaken by 23% of youth include tailoring, welding, carpentry, batik making, video shooting and editing, brick making, and soap making. This category supports Mpalala (2023), who revealed that tailoring, material and embroidery, hairdressing salons, carpentry, and block making are among the major IGAs undertaken by YDF beneficiaries in Iringa, Tanzania, due to their easy commencement and returns.

Table 3. Income generating activities.

Categories of IGAs	Composition of IGAs	Percentage
Technical	Tailoring, welding, carpentry, batik making, video shooting and editing, brick making, and soap making	23%
Financial	Village Community Bank, Mobile money agent	2%
Business	Butchery, car-wash, stationery, pubs, and shops.	17%
Food processing	Milling machines, milk processing, bakery/cake making, and food vending.	12%
Farming	Fish-farming, beekeeping, poultry and vegetable gardening.	22%
Transport	Motorcycle and tricycle taxi businesses.	24%

Financial services included Village Community Banks and mobile money, which were undertaken by 2% of beneficiaries. Furthermore, 17% of beneficiaries established business -related IGAs like butchery, car wash, stationery, pubs, and shops. Food processing is another category of IGAs implemented by 12% of beneficiaries, including milling machines, milk processing, bakery/cake making, and food vending. Farming-related IGAs were undertaken by 22%, involving fish farming, beekeeping, poultry, and vegetable gardening. Transport-related IGAs

were undertaken by 24% of youth, including motorcycle and tricycle taxi businesses. This implies that youth implemented and raised income from different IGAs. The transport- and technical-related IGAs undertaken by the majority suggest strong demand for transport, possibly driven by urbanisation and infrastructure, lower business commencement and operational requirements, or short returns on investment. The findings resonate with those of Dogeje (2023) and John (2021), which posit that the motorcycle-riding business is the most implemented IGA by YDF beneficiaries.

4.2. The Contribution of the IGAs on Food Security, Access to Health, Income, Saving and Profit

Food security is a key indicator of household well-being and is commonly assessed by the number of meals consumed per day. The results presented in **Table 4** show that, before participation in income-generating activities (IGAs), 31.5% of youth reported consuming two meals per day, while 68.5% consumed three meals daily. Following participation in IGAs, the number of youths consuming two meals per day declined markedly from 31.5% to 8.0%, whereas those consuming three meals increased from 68.5% to 92.0%. This implies that the income earned through participation in IGAs enabled youth to buy food for their families and dependents. The findings are consistent with those of Shiviya (2021) and Kaukumangera (2021), who revealed that income-generating activities can address food insecurity, livelihood sustainability, and employment. Similarly, the results corroborate Akbar et al. (2023) and Abdullah et al. (2019), who argued that income is a significant determinant of food security as it enables households to afford a more diverse and adequate diet.

Furthermore, the McNemar test was used to examine whether participation in Youth Development Fund (YDF)-supported income-generating activities was significantly associated with changes in household food security. This test was appropriate because the outcome variable (number of meals per day) was measured on the same beneficiaries before and after the intervention and was categorised into two groups (two meals per day and three meals per day, where 1 = three meals, 0 = two meals). The findings indicate that, before receiving YDF support, 137 (68.5%) of the beneficiaries reported consuming three meals per day, while 63 (31.5%) reported consuming two meals. Following participation in the supported income-generating activities, the proportion consuming three meals increased to 184 (92.0%), whereas those consuming two meals declined to 16 (8.0%).

The paired analysis showed that 47 beneficiaries moved from consuming two meals before the intervention to three meals afterwards, while none moved in the opposite direction. A McNemar test confirmed that this change was statistically significant, $\chi^2 = 45.021$, $p < 0.001$. These findings indicate a significant improvement in food security following participation in YDF-supported income-generating activities. This implies that participation in YDF-supported income-generating activities was associated with a significant improvement in house-

hold food security, as evidenced by the increased proportion of beneficiaries who were able to consume three meals per day and a decrease in those who consumed two meals after receiving YDF support. Therefore, the study rejected the hypothesis that participation in IGAs have no statistically significant association with food security.

Table 4. Changes in the number of meals consumed per day before and after YDF support (N = 200).

Number of meals per day	Frequency	Percentage (%)
Meals before YDF support		
Two meals	63	31.5
Three meals	137	68.5
After YDF support		
Two meals	16	8
Three meals	184	92

The findings in Table 5 indicate that income generated through YDF-supported income-generating activities made an important contribution to improving beneficiaries' access to healthcare services. Over 85.5% of the respondents reported that the income earned from their enterprises enabled them to seek medical care when needed. This implies that increased earnings from income-generating activities enhanced beneficiaries' financial capacity to meet healthcare expenses. Access to healthcare is an important livelihood outcome because it contributes to maintaining good health, preserving productivity, and reducing vulnerability to illness-related shocks. The findings are consistent with the Sustainable Livelihoods Framework, which emphasises that improvements in financial capital enable households to secure essential services that enhance overall well-being.

Increased income allows households to allocate resources to health-related needs, thereby strengthening their human capital by improving their health status and productive capacity. The findings support Diraditsile (2021), who revealed that through participation in IGAs, youth in Botswana earned income, enabling 1.8% to access health care services. Additionally, the findings are consistent with Kaukumangera (2021) and John (2021), who corroborated that income from the IGAs improves the livelihoods of poor households by improving access to healthcare, sanitation, and medical services.

Despite the positive contribution of IGAs to healthcare access, enrolment in health insurance schemes remained low. Only 19.5% of the youth used income from the IGAs to enrol in a health insurance scheme, while 80.5% were not enrolled. This implies that, although beneficiaries were able to pay for healthcare directly using income generated from their IGAs, relatively few had adopted formal financial protection mechanisms against future health-related expenses. The

low level of health insurance enrolment may be due to limited awareness of, or affordability of, available health insurance schemes and their long-term benefits. This exposes them to health risks, especially when they fall sick and lack immediate funds to cover medical costs (Amu et al., 2018).

Table 5. Contribution of IGAs to health care services and enrolment to health insurance schemes.

Variable	Yes (n)	Percentage (%)	No (n)	Percentage (%)
Access to health care services	171	85.5	29	14.5
Enrolment to health insurance schemes	39	19.5	161	80.5

The IGAs implemented by youth are associated with significant increase of the average annual income (**Table 6**). The median annual income increased from TZS 100,000 (IQR: 48,750 - 200,000) before to TZS 1,200,000 (IQR: 585,000 - 2,400,000) after participating in the IGAs. Nearly all beneficiaries, 193 (96.5%), experienced an increase in annual income, and only 7(3.5%) reported no change. Wilcoxon signed-rank test confirmed that the increase in income was statistically significant ($Z = -12.053$, $p < 0.001$), with a very large effect size ($r = 0.85$). The findings contradict Dogeje (2023) and Mpalala (2023), who found that YDF loans have an insignificant impact on youth income levels and that the minority experience income changes, while the majority earn low incomes. Based on this finding, the study rejected the hypothesis that there is no statistically significant change in income before and after IGAs among YDF beneficiaries.

The findings were supported by one of the beneficiaries who explained that;

"*The income I got from my Kiosk enabled me to pay house rent and provide for my family*" (*Interview at Chanlinze District Council*).

Additionally, the findings in **Table 6** indicate that, after participation in IGAs, the youths' annual savings increased. The median youths' annual savings increased from TZS 100,000 (IQR: 45,000 - 200,000) before participating in IGAs to TZS 300,000 (IQR: 150,000 - 500,000) after participating in IGAs. Among the 200 youth with their IGAs, 148 (74.0%) reported an increase in annual savings, while 27 (13.5%) experienced a decrease and 25 (12.5%) reported no change. The Wilcoxon signed-rank test indicated that the saving increase was statistically significant ($Z = -9.193$, $p < 0.001$), with a large effect size ($r = 0.65$). This implies that participation in IGAs influenced youth savings. However, the findings are inconsistent with Mpalala (2023) and John (2021), who reported low savings among the youth who participated in YDF-supported IGAs in Morogoro and Iringa. Based on these findings, the study rejected the hypothesis that IGAs have no significant influence on savings among YDF beneficiaries.

Table 6. Wilcoxon ranking test.

Variable	Before, Median (IQR), TZS	After, Median (IQR), TZS	Positive Ranks n (%)	Negative Ranks n (%)	Ties n (%)	Test statistics (Z)	*p*-value	Effect size (*r*)
Savings	100,000 (45,000 - 200,000)	300,000 (150,000 - 500,000)	148 (74.0)	27 (13.5)	25 (12.5)	−9.193	<0.001	0.65
Income	100,000 (48,750 - 200,000)	1,200,000 (585,000 - 2,400,000)	193 (96.5)	0 (0.0)	7 (3.5)	−12.053	<0.001	0.85

The individual profits earned from the IGAs were analysed descriptively; after deducting all operating costs. The findings in Table 7 indicate that the minimum profit from the IGAs is TZS −6,320,000, while the maximum profit is TZS 24,566,000. The negative minimum profit from the IGAs indicates that some IGAs are incurring losses. The median profit of TZS 397,000 suggests that most IGAs generate low profit, while the IQR, ranging between TZS 88,750 and TZS 696,500, means that half (50%) of the IGAs generate profits ranging between TZS 88,750 and TZS 696,500. The findings imply that some IGAs generate high losses, probably due to high operational costs, the type of IGAs chosen, lack of business management skills or poor management. This supports the findings of Bilegeya and Hellen (2025), who posit that less than half of the YDF beneficiaries in Ukerewe District, Tanzania, earned low annual profits. The findings support Akter et al. (2022), who posit that women in Bangladesh earn a tiny profit from their IGAs relative to their investment due to the high price of business materials.

Table 7. Average income and profit.

Variable	Median (IQR)	Minimum	Maximum
Profit	397,000 (88,750 - 696,500)	−6,320,000	24,566,000

IQR = Interquartile range.

Asset ownership is among the indicators of livelihood improvement; the findings from this study revealed that the IGAs contributed to ownership of different assets among YDF beneficiaries. The findings in Table 3 show that youth owned assets such as tailoring machines, poultry, welding machines, motorcycles, and tricycles, among others, which also generated income for beneficiaries. The findings are in line with Ngoyo et al. (2025) and Madonda et al. (2020), who established that asset ownership plays a crucial role in improving livelihoods and reducing poverty, because assets can be liquidated to acquire funds for managing livelihood risks and vulnerabilities. They further argued that IGAs enabled youth to purchase assets like land, power tiller machines, poultry, construction of houses, buying livestock (poultry, goats, cows) and a motorcycle. This *was further sup-*

ported by a key informant in Dar es Salaam City Council who posited that, "the income, profit and savings from the IGAs enabled some youth to purchase a piece of land for house construction".

Housing Quality is among the livelihood indicators analysed among the beneficiaries of the YDF. The analysis was based on whether the YDF-supported IGAs contributed to house ownership, the number of rooms, and the type of wall and roofing. The study revealed that 23 (11.5%) of the beneficiaries acknowledged owning a house as a result of the IGAs. The findings further indicated that the houses owned had rooms ranging from 1 to 4, with walls made of either baked bricks or fabricated cement blocks. The floors were cement, and the roofing was iron sheets. The findings support Mchopa (2019), who associated the improvement of housing quality of smallholder sunflower farmers with their participation to sunflower cultivation. The findings were supported by YDF beneficiaries in Msoga ward, Chalinze, who pinpointed that;

"*I was able to buy a small plot and constructed a small two-room house where I live with my wife and our beloved child.*"

The findings on employment creation indicated that the IGAs created self-employment among all 200 beneficiaries based on the nature and type of the business. (14.5%) of the IGAs created casual employment for other people, (10%) created temporary employment, while 12 (6%) of the IGAs created permanent employment. This indicates that IGAs had a trickle-down effect not only on YDF beneficiaries but also on indirect beneficiaries. The findings support Sehaba and Nyanda (2022), who corroborated that (89%) of the YDF beneficiaries in Kilosa, Tanzania, had managed to create employment for themselves and other youths.

5. Conclusion

Income-generating activities are associated with improvement in income, food security, asset ownership and access to health services. Regardless of these improvements, some IGAs are also associated with low savings, low enrolment in health insurance, and low or negative profits, indicating that some IGAs probably earned losses due to poor selection, limited experience, or high operational costs, including raw materials. This makes youth susceptible to economic shocks and prone to financially related health risks due to a lack of health insurance and insufficient savings to cover immediate medication and treatment.

Recommendations

Based on the findings, it is recommended that the government should continue supporting youth income-generating activities to improve their livelihoods. The government should also create affordable and youth-friendly health insurance schemes to increase youth enrolment. YDF beneficiaries are recommended to choose IGAs based on their knowledge and experience to increase income and profits. They are also advised to enrol in health insurance schemes for reliable and

accessible health services. Stakeholders are also advised to support and mentor youth in financial management, business planning, and market access for the sustainability and growth of their IGAs.

Author Contributions

In this study, Ngoyo, L.D. contributed to conceptualisation, methodology, validation, formal analysis, investigation, data curation, writing original draft preparation. While Machimu. G.M., and Komba, C.K. contributed to writing, review and editing, and supervision. All authors have read and agreed to the published version of the manuscript.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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