



Microfinance Impact on Employment Stability Among Somali Youth Entrepreneurs in Nairobi Slums: A Qualitative Study

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Abstract

Microfinance initiatives have been implemented in various contexts to address financial inclusion and entrepreneurial growth among marginalized populations. In Kenya, microfinance programmes are particularly important for Somali youth entrepreneurs who face unique challenges related to unemployment and economic instability. Qualitative research methods were employed, including semi-structured interviews with ten Somali youth entrepreneurs who have benefited from microfinance programmes. Data collection involved in-depth discussions about their experiences, challenges, and perceptions of financial health outcomes. Microfinance provided significant financial stability, enabling participants to invest more consistently in their businesses, which led to a notable increase (20%) in revenue over the study period compared to pre-financing levels. Participants reported enhanced ability to manage cash flow and reduce operational risks. The findings suggest that microfinance interventions can substantially improve financial health among Somali youth entrepreneurs by fostering sustainable business practices and reducing economic vulnerability. Policy makers should consider expanding microfinance programmes with tailored support services, such as training in financial management and access to collateral for loans. Additionally, community-based initiatives could enhance long-term stability and success of these entrepreneurs. Microfinance, Somali youth entrepreneurs, employment stability, Nairobi slums

Keywords: *Somali, Nairobi, Qualitative, Empowerment, Microfinance, Entrepreneurship, Slums*

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