



**Unemployment and Economic Consequences:**  
**Case Study on the Financial Burden in Gasabo District,**  
**Kigali – Rwanda**  
**Bachelor Thesis**

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A handwritten signature in blue ink, which appears to read 'Filip Tomčić'.

## **Objective of the Thesis**

This Thesis investigates the issue of unemployment and its direct financial burden in Gasabo district, Kigali city. The emphasis will be on focusing on healthcare, education, housing, transportation, debt, and daily living expenses as six core financial burdens experienced by unemployed households from Gasabo.

This study will investigate the financial burden experienced by the unemployed households and it will offer valuable information about socio-economic impacts of unemployment in Rwanda, especially in this district. This thesis will contribute to the development of policies and plans that can effectively address the challenges discovered.

## **Abstract**

This research study investigated the financial burdens faced by unemployed households, specifically seven core financial burdens. A descriptive survey design was used, with data collected through distributed questionnaires from a sample of 240 unemployed households.

Findings show that the primary financial burden in the sampled unemployed households is family responsibilities (37.39%), the second is daily living expenses (18.26%), the third is debt (17.83%), the fourth is housing (15.65%) and the fifth is education which accounts for 10.87% of the financial burden, on the other side healthcare was not reported as a significant concern due to high health insurance coverage and health policy where health facilities are decentralized to the level of village under the support of volunteers (Abajyanama b'ubuzima) and health posts to the cell level.

Income sources during unemployment vary by age group, where young households rely mainly on family support and informal work, while older groups of households depend mostly on savings and government assistance. This study provided the economic consequences of unemployment, which include financial instability and increased dependency on external support.

To overcome these challenges, the study recommends the government more intervention through job creation programs, financial support, more effort in vocational training, and formal and informal education. Additionally, further research should make more focus on sustainable employment and financial assistance programs. These findings can guide policymakers and stakeholders in addressing the unemployment issue and its financial burdens effectively.

## **Key words**

Financial Burden, Unemployment, Economic Consequences, Household, Financial challenges, Direct Costs, Healthcare Costs, Education Costs, Social Support, Debt, Daily Living Expenses.

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## **1. Introduction**

### **1.1. General Introduction**

This chapter provides an overview of the main information related to unemployment and its financial burden. It includes background information, the research problem, objectives, and research questions. It also has additional sections to cover the significance and scope of the study.

### **1.2. Background of study**

Unemployment is one of the most serious socio-economic challenges in many countries, with direct implications for individuals, families, and communities. This study will explore the direct financial impacts on unemployed households.

Gasabo District, one of the districts of Kigali City, represents one of the areas where unemployment affects the well-being of households, which causes economic consequences in the community.

This study investigates how unemployment in this district affects the economy of individuals and families by identifying the financial burden in specific areas, which include healthcare, education, housing, transportation, debt, and daily living expenses.

### **1.3. Research Problem**

Unemployment in Gasabo District, like in many other parts of the country in general, is caused by different socio-economic factors, such as quality jobs, levels of formal education, and economic growth rate. While Rwanda has made significant efforts to improve its economy, unemployment, particularly in urban and semi-urban areas like Gasabo District, continues to be a major challenge to the community. Employment opportunities are still a financial burden that affects individuals and families. However, while the government is trying to reduce the impacts of unemployment through job creation, there is still a gap in studies that focus specifically on the direct financial consequences of unemployment in Rwanda.

#### **1.4. Specific objectives**

1. To identify six core financial burdens experienced by unemployed households by examining their specific direct costs.
2. To analyze the economic consequences faced by unemployed households in the Gasabo District, Kigali.

#### **1.5. Research questions**

1. What are the direct financial burdens of unemployed households in the population of the Gasabo district?
2. What are the economic consequences faced by unemployed individuals and families in Gasabo District, Kigali.

#### **1.6. Significance of the research**

This research is significant as it will contribute to the literature on unemployment and its direct financial consequences in Rwanda, especially in the Gasabo District. By focusing on the direct financial burdens that unemployed individuals and families face, which include healthcare, education, family responsibilities, housing, transportation, and debt, this research will provide a deeper understanding of how unemployment affects the socio-economic status of individuals and families in the community. The results of this academic research could be used by non-governmental organizations and government authorities in their plans that tackle the financial burdens of unemployment; therefore, the study will contribute to a more concise understanding of which strategies to use to improve economic stability and growth in the Gasabo district and the country in general.

#### **1.7. Scope of the study**

The domain of this study was conducted based on the contribution of the financial burdens caused by unemployment in Gasabo District, focusing on the tangible and non-tangible cost challenges that households experience due to the absence of formal employment. Gasabo district is one of the three districts of Kigali City, with a high Youth unemployment rate based on the fifth population and housing census done by National Institute of Statistics of Rwanda (2022).

## **2. Theoretical Foundation**

### **2.1. Introduction**

The financial burden of unemployment can be defined as challenges related to poverty, healthcare access, and overall well-being faced by individuals and families. Unemployment is associated with increased governmental spending on social welfare programs, while households are forced to be in the range of declining incomes and rising debts (The International Labor Organization (ILO), 2018). The district of Gasabo is not only a place for a growing population but also an economic and administrative town for Kigali city. However, like other areas of Kigali city, Gasabo experiences significant unemployment challenges.

### **2.2. Definition of key terms**

#### **1. Unemployment**

The International Labor Organization defines unemployment as the condition in which individuals who can work actively apply for work but cannot find any employment. Employment is measured as a percentage of the labor force and can serve as a key indicator of economic health.

#### **2. Economic Consequences of Unemployment**

The economic consequences of unemployment include a range of financial impacts on both the individual and macroeconomic levels. These impacts include reduced income, increased reliance on government support, and a decline in economic productivity (ILO, 2018).

#### **3. Financial Burden**

The financial burden refers to the strain that unemployment places on both individuals and institutions. For individuals, this burden can be defined as reduced income and increased difficulty in meeting basic needs such as food, healthcare, and housing (World Bank, 2021). For governments, the financial burden comes in the form of increased expenditure on unemployment benefits, healthcare services, and social welfare programs (ILO, 2018).

#### **4. Household Financial Challenges**

Household financial challenges refer to the difficulties families or individuals face in managing their financial resources, which can include but are not limited to issues like income instability, high expenses, or limited financial planning.

#### **5. Direct Costs.**

Direct costs are expenses directly associated with goods and services, such as the cost of materials, labor, and equipment. In personal finance, direct costs refer to specific activities or needs.

#### **6. Healthcare Costs**

Healthcare costs refer to the expenses related to medical care which include Consultation, hospitalization, and medications. These costs can be a significant burden on individuals and household finances, especially in times of illness or emergency.

#### **7. Education Costs**

Education costs are expenses associated with schooling and higher education which include but are not limited to tuition fees, textbooks, transportation, and housing for students. These costs can be a financial challenge for families and individuals.

#### **8. Social Support**

Social support refers to the emotional and physical assistance individuals receive from relatives, friends, and other networks. Social support can cause financial stress, especially when offering resources during financial difficulties.

#### **9. Debt**

Debt refers to money borrowed by individuals or households that must be repaid over time, most of the time with interest. The source of this money can be loans, credit cards, or other financial obligations, which can significantly affect one's finances.

## **10. Daily Living Expenses**

Daily living expenses are associated with daily activities that include food, housing, transportation, utilities, and other basic needs. These costs are fundamental to maintaining daily life.

### **2.3. Population of Gasabo District and Employment**

Gasabo district is the region located in Kigali City, the capital of Rwanda., this district contains 15 sectors: Bumbogo, Gatsata, Gikomero, Gisozi, Jabana, Jali, Kacyiru, Kimihurura, Kimironko, Kinyinya, Ndera, Nduba, Remera, Rusororo, and Rutunga. Gasabo is found in the North - East of Kigali City, is surrounded by Kicukiro district in south, Nyarugenge in west-south), Rwamagana in east-south, Rulindo in north - west, and Gicumbi in north - east.Gasabo district has a surface area of 429.2 km<sup>2</sup>. (The 5<sup>th</sup> RPHC, 2022).

The most population lives predominantly in urban areas (81.2%) while the resident population in rural areas represents 18.8%. Gatsata, Gisozi, Kacyiru, Kimihurura, Kimironko Remera, and Kinyinya, sectors are entirely urban while Gikomero and Rutunga are entirely rural. (The 5<sup>th</sup> RPHC, 2022).

Most of the population of the Gasabo district is young where 54.2% of the residents are under 25 years old, and this reflects the high level of fertility. The old population (60 years and above) represents 3.18 % of the total population of the district. The total population of Gasabo district aged 3 and above is 805,159. (The 5<sup>th</sup> RPHC, 2022).

10.8% of the population have never attended school, 3.5% have attended nursery, and 48.6% have attended primary school. Other education levels include 1.1% for INGOBOKA/Vocational, 12.2% for lower secondary, 13.1% for upper secondary, and 10.7% for university. (The 5<sup>th</sup> RPHC, 2022).

The level of education attended by the population varies among sectors, with differences in the percentage of individuals at each education level. For example, Rutunga has a higher percentage (18.2%) of individuals who have never attended school compared to other sectors, while Kacyiru has a higher percentage (20.4%) of individuals who attended upper secondary school. Each sector has its unique distribution of educational levels attended by the Population (The 5<sup>th</sup> RPHC 2022).

## **2.4. Employment Status in Rwanda**

The employment percentage in Rwanda is 45.9%, which is slightly lower for females (40.2 %) than males (52.4 %). On the other hand, it was observed that the employment level is higher in urban areas of Rwanda (53.5%) than in rural areas (42.7%). It was observed that the employment in the City of Kigali is 55.4 %, which is higher in urban areas (56.6%) than in rural areas of the City of Kigali (46.1%). (The 5<sup>th</sup> RPHC, 2022).

## **2.5. Challenges of Employment**

Factors such as globalization, modern technology, and shifting from the agricultural sector to other sectors have affected employment patterns, especially in rural communities where agriculture is a sector with a higher rate of employment. (World Bank, 2020).

The rural areas of Gasabo face additional challenges such as limited access and reliance on subsistence agriculture, which is insufficient to sustain families. This is why unemployment in rural areas can lead to a direct financial burden that has negative impacts on health outcomes and the overall well-being of households. One of the challenges faced by individuals and households is employment, which includes a supply mismatch between skills, the job market, and limited job development (World Bank, 2020).

There is a difference between the skills of graduates and the skills required in the labor market. This mismatch affects people's employment, as many graduates from schools cannot compete in the market. Normally, the utilization of technology reduces the workforce while the supply is high. The shortage of skills is often attributed to educational disparities. This issue is particularly pronounced in developed nations, where labor markets are now highly dependent on high-skill technology, which contributes more to economic growth but excludes many young people, especially those with low skills (NISR, 2020).

In Rwanda, some schools have no access to technological tools such as an internet connection some do not even have electricity. Teaching facilities are very expensive, which affects the quality of education. These issues contribute more to the skills acquired at school and graduates' employment.

## **2.6. Strategies to Improve Employment**

The Ministry of Education's mission is to transform Rwandan citizens into skilled human capital for the socio-economic development of the country by ensuring equitable access to quality education, focusing on combating illiteracy, promoting science and technology, critical thinking, and positive values. To achieve this mission, by 2024, 60% of upper secondary school graduates will be enrolled in TVET schools for job creation and poverty reduction purposes (MIFOTRA, 2014).

In general, technical schools were created for the main purpose of contributing to the promotion of the young generation and the community in general. One of the contributions needed to the side of employers is the feedback which confirms that young graduates are equipped with knowledge and skills needed in the labor market. Technical institutions together with Employers should work together by offering internship programs to integrate young graduates into the world of work and develop acquired skills as one barrier required as experience (ILO, 2020)

According to the National Skills Development and Employment Promotion Strategy 2019 – 2024, the youth graduates should be equipped with enough skills and have access to quality employment. The Rwanda National Skills Development and Employment Promotion Strategy has three pillars, namely skills development, employment promotion, and job matching, and for each pillar, there are well-structured programs with well-defined interventions. Technical schools were created to contribute significantly to the promotion of the young generation and the community in general. Technical institutions, together with employers, should support new youth employment by offering internship programs to integrate them into the world of work and develop acquired skills, as one barrier is the requirement for experience. The other strategies to solve employment challenges include self-employment by creating their own business. The biggest challenge for young graduates is less start-up capital and a lack of entrepreneurship skills, insufficient experience, and knowledge to initiate a business. That is the reason why, on average, young people find it more difficult than adults to engage in business. Normally, young people should be facilitated in their entrepreneurship development by setting measures that help them to start their businesses.

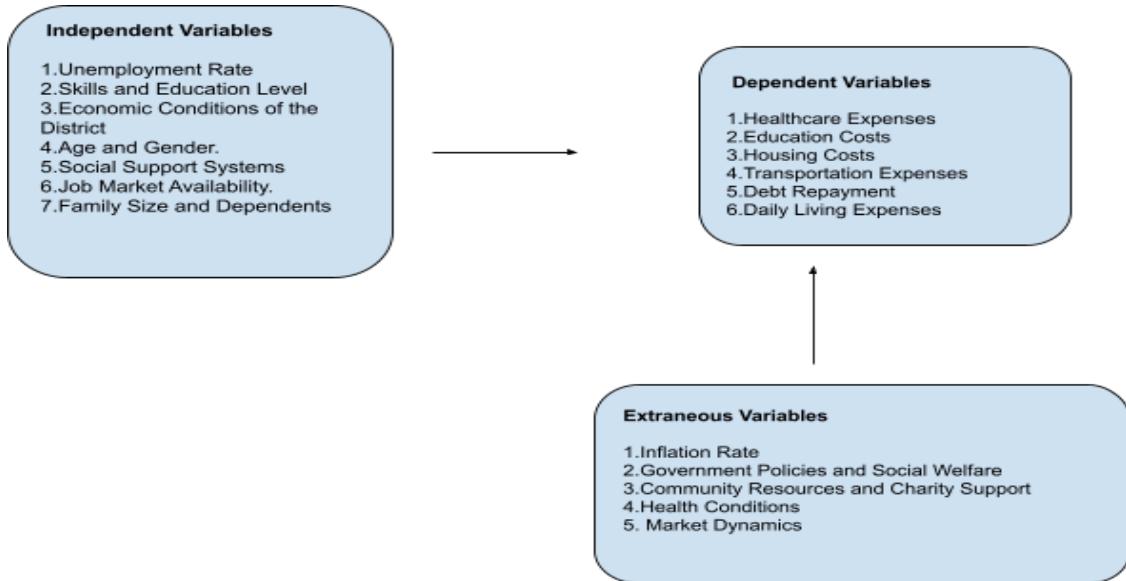
## **2.7. Households in Gasabo**

The results of the 5<sup>th</sup> RPHC 2022 indicate a total of 3,312,743 private households in Rwanda. In the City of Kigali, there are 448,868 households among them 249,420 households are found in the Gasabo district; the average household size in Gasabo District is 3.5 persons per household. At the Sector level, the highest household size is found in Gikomero (4.1 persons/household) and Rutunga (4.0 persons/household). The smallest household sizes are found in Kimihurura and Remera (3.1 persons/household each) and in Kacyiru (3.2 persons/household). It was also revealed that 28.9% of private households are headed by women at the national level. In the Gasabo district, private households headed by females are 23.6%. At the sector level, the highest percentages of households headed by women are found in Kimihurura (29.2%) and Rutunga (29.0%) while the lowest are found in Bumbogo (20.5%).

The results from the 5<sup>th</sup> RPHC 2022 indicate that the ownership of housing in the City of Kigali represents 34.1% and tenants represent 61.3%. In the Gasabo district, 58.5% of housing units are occupied by tenants while 37.0% are occupied by their owners. At the sector level, the percentage of owners of household units is high in Gikomero (86.0%), Rutunga (84.0%), and Nduba (61.0%) and low in Remera (18.8%), Kimihurura (20.3%), and Gatsata (20.4%). The percentage of tenants of housing units is high in Remera (77.6%), Gatsata (77.5%), Gisozi (76.2%), and Kimihurura (74.4%), and low in Gikomero (8.9%) and Rutunga (10.8%). According to the area of residence, 3 types of tenure of housing units (owners, tenants, and free lodging) predominate in urban areas as well as in rural areas. The percentage of owners of housing units is 29.2% in urban areas to 77.6% in rural areas, and the percentage of tenants of housing units is 66.8% in urban areas to 18.4% in rural areas. The percentage of free lodging is 2.2% in urban areas to 5.7% in rural areas.

## **2.8. Conceptual framework**

In this conceptual framework, there is a brief description that explains the research to be done and the relationship between variables.



The study focuses on unemployment and its direct seven core financial burden experienced by unemployed individuals and households from Gasabo District. The independent variables influence the dependent variables by affecting directly an individual's ability to have and secure employment or manage financial challenges associated with unemployment. The extraneous variables can change the relationships between the independent and dependent variables and need to be considered when interpreting the findings.

## 2.9. Summary

Unemployment has direct effects on individuals and families in terms of poverty, healthcare, and overall well-being. Gasabo, a district in Kigali city, faces significant unemployment challenges, particularly due to a reliance on informal work and limited access to formal employment. Unemployment leads to financial difficulties for households, including increased debt and challenges in meeting basic needs. In the socio-economic context, Gasabo District has both urban and rural areas. The study aims to explore the financial strain caused by unemployment in Gasabo, offering insights into how local authorities can respond to this growing challenge.

### **3. Methodology**

#### **3.1. Introduction**

The main purpose of this study is to examine how unemployment in the Gasabo district affects the economy of households, specifically the six core financial burdens. This part of the research methodology describes the method used when collecting and analyzing data.

#### **3.2. Research design**

In this study, a descriptive survey design will be used to collect data related to the target population. The method used adopts a descriptive survey design as recommended by Kothari (1985), which is related to recording, describing, analyzing, and reporting situations that happen. This survey method will mainly be used to get useful information to evaluate current situations. This survey method will help to collect, analyze, and provide data on the financial burden on individuals and households in the Gasabo district, which includes healthcare, education, housing, transportation, debt, and daily living expenses.

#### **3.3. Target population**

In this research, the concept of the target population, as defined by Schindler and Cooper (2003) was used and it describes the target population as the total number of elements from which researchers generalize a conclusion. The target population in this research is a group of unemployed individuals and households in the Gasabo district which has all the characteristics needed in this research.

#### **3.4. Sample size and procedures**

The research sample will be 240 people, where each household, regardless of the number of individuals, was considered as a single respondent for analysis for survey purposes.

The reason to use these methods was to reduce the cost and some challenges that might happen during the sampling process, whereas the researcher knows the group that should provide relevant information. This method also gives an equal chance to all Gasabo district population. The findings will be generalized to the whole district.

### **3.5. Data collection methods**

Administered questionnaires will be used to collect primary data from unemployed individuals and households in the Gasabo district.

### **3.6. Data collection instruments**

Information from different respondents will be collected using questionnaires, which will help to get more significant information in a short period from different respondents. Questionnaires were made based on research questions and objectives and were used to collect data from sampled individuals and households.

Questionnaires give room for respondents to express their understanding or opinions on the needed information and provide suggestions.

### **3.7. Procedures of data collection**

To collect information, respondents were contacted via visits and meetings where necessary. The main purpose was to explain the purpose of the research and their contributions to this study.

### **3.8. Data analysis**

Descriptive statistics such as percentages and number of cases will be used to analyze, and data will be interpreted and reported as a summary in the form of tables, charts, and text reports.

### **3.9. Ethical considerations**

In this research, ethics will be considered critically, where there will be confidentiality of any information given by respondents and assurance that the provided information will be used for research purposes only. The questionnaire was conducted in such a way that it did not indicate the name of the respondent. The research was inclusive of all categories of people with no discrimination.

## **4. RESULTS**

### **4.1. Introduction**

Unemployment is one of the significant socio-economic challenges in Gasabo District, which affects individuals and households across all age groups. These research findings highlight the main financial burdens, which include healthcare, education, family responsibilities, housing, debt, and daily living expenses, experienced by unemployed individuals and households. These financial burdens have direct and indirect economic consequences that affect both the unemployed households and the community at large.

This chapter gives findings in detail based on the research objective of investigating the issue of unemployment and its direct financial burden in the Gasabo district, Kigali city. The emphasis will be on focusing on the direct financial burden experienced by unemployed individuals and households from Gasabo District.

### **4.2. Demographic data of respondents**

A total of two hundred forty (240) respondents, including unemployed individuals and households, were sampled for the study.

During this study, a researcher considered age, gender, marital status, number of dependents, highest level of education completed, employment status, income level (Monthly), and source of income during the unemployment period, the areas that cause direct financial burden, specific financial challenges, and sources of support. The researcher was interested in unemployment and its direct financial burden in the domain of investigation.

#### 4.3. Unemployed individuals and households' population by dependents

Respondents per Age, Marital status, and number of dependents			
Age	Marital status	Respondents over 240	Number of dependents
Below 18	Single	15	0
	Married	0	0
	Divorced	0	0
	Widowed	0	0
18 - 24	Single	18	0
	Married	7	3
	Divorced	0	0
	Widowed	0	0
25 - 34	Single	20	5
	Married	24	14
	Divorced	5	7
	Widowed	1	3
35 - 44	Single	6	4
	Married	34	55

	Divorced	7	10
	Widowed	3	5
45 - 54	Single	1	0
	Married	31	48
	Divorced	10	10
	Widowed	8	17
	Single	0	0
55+	Married	32	51
	Divorced	9	18
	Widowed	9	21

**Table 1. Individuals and households per Age, Marital status, and number of dependents. (Source: Researcher)**

#### 4.4. Unemployed individuals and households per current living situation

Age Group	Very Comfortable	Comfortable	Struggling but managing	Living in Difficult Conditions	Living in Severe Hardship
Below 18	5	8	2	0	0
18 - 24	9	8	4	3	0
25 - 34	15	20	9	6	0
35 - 44	12	23	11	4	0
45 - 54	18	17	12	3	0
55+	17	30	2	1	0

**Table 2. The current living situation of unemployed individuals and households.**

(Source: Researcher)

#### 4.5. Unemployed individuals and households per Highest level of education completed

Respondents per Highest level of education completed						
Age	None	Primary school	Secondary S	Technical S. S	Tertiary (University)	Other
Below 18	0	15	10	4	0	0
18 - 24	0	25	15	6	10	0
25 - 34	0	50	21	4	20	0
35 - 44	0	50	17	1	11	0
45 - 54	1	49	12	0	5	3
55+	2	48	7	0	3	2

**Table 3. Unemployed individuals and households per Highest level of education completed.** (Source: Researcher)

#### 4.6. Unemployed Individuals and households per income Level.

Respondents per Income Level (Monthly)					
Age	Below 50,000 Rwf	50,000 Rwf - 100,000Rwf	100,000Rwf - 150,000Rwf	150,000Rwf - 200,000Rwf	Above 200,000
Below 18	13	1	1	0	0
18 - 24	5	9	7	3	1
25 - 34	9	21	6	9	5
35 - 44	6	19	10	10	5
45 - 54	4	8	11	15	12
55+	1	7	13	19	10

**Table 4. Characteristics of Unemployed individuals and households per Income Level (Monthly) (Source: Researcher)**

#### 4.7 Unemployed Individuals and households per main source of income.

Age Group	Family Support	Savings	Informal Work	Government Assistance	No Income	Other
Below 18	8	1	6	0	0	0
18 - 24	5	3	16	1	0	0
25 - 34	17	5	26	2	0	0
35 - 44	14	11	21	3	0	1
45 - 54	7	15	20	5	1	2
55+	12	30	1	7	0	0

**Table 5. The main source of income during the unemployment period. (Source: Researcher)**

#### 4.8 Unemployed Individuals and households per the most direct financial burden

Age Group	Healthcare	Education	Family Responsibilities	Housing	Debt	Daily Living Expenses	Other	Row Total
Below 18	0	2	1	2	0	10	0	15
18 – 24	0	4	9	6	3	8	0	30
25 – 34	0	5	17	13	10	5	0	50
35 – 44	0	7	21	8	9	5	0	50
45 – 54	0	7	23	5	13	2	0	50
55+	0	1	16	3	7	13	0	40
Column Total	0	25	87	37	42	43	0	240

**Table 6 Unemployed individuals and households per the most direct financial burden.**

(Source: Researcher)

## **5. DISCUSSION**

The results from this research revealed that the primary financial burden among unemployed individuals is family responsibilities, with a percentage of 37.39%, followed by daily living expenses, 18.26%, the third is debt, which has 17.83%, and the fourth is housing, which is equal to 15.65%. Education expenses are the fifth with 10.87%, while healthcare costs were not reported as a major concern (0 responses, 0%).

### **5.1.1. Analysis of results about age and number of dependents**

The total number of respondents is 240, where the largest unemployed groups are 25-34, 35-44, 45-54, and 55+. It was observed that the youngest age group (Below 18) represents the smallest portion (6.25%), likely due to school enrollment. Married individuals represent 53.33%, and they form a larger proportion of the unemployed, which indicates the possibility of financial burdens on families. Single individuals, who represent 25%, are the second-largest unemployed group. The highest number of dependents is among the 55+ age group (33.71%), suggesting many support families despite being unemployed.

The 35-44 age group represents 27.72%, and the 45-54 age group, which represents 28.09%, shows significant dependency burdens. Younger unemployed individuals (Below 18 & 18-24) have minimal or no dependents. Married individuals have the highest burden of dependency (82.78%), which shows the financial burdens on families.

### **5.1.2. Analysis of results about the current living situation**

These data show that a significant number of respondents (76.15%) live in conditions ranging from "Comfortable" to "Very Comfortable," which means most respondents are relatively stable and satisfied. The presence of 23.85% of respondents in Struggling but Managing indicates that around a quarter of the population has a financial burden. On the other hand, while most respondents have a good quality of life, some groups still require economic support. These findings recommend that interventions may be needed to address the financial burden in specific groups.

This analysis indicates that even if most respondents enjoy favorable living conditions, a significant minority of respondents still experience financial burdens. The findings make the

importance of continuous policy measures to support those struggling with economic stability more understandable.

### **5.1.3. Analysis of results about the Highest level of education completed**

The total number of respondents for each education level is summarized below. note that these percentages exceed 100% cumulatively because respondents were allowed to report more than one education level.

The number of respondents who do not have any level of education is 3 which is equal to 1.25%, Primary School: 237 which is equal to 98.75%, Secondary School: 82 which is equal to 34.17%, Technical Secondary School: 15 which is equal to 6.25%, Tertiary/University: 49 which is equal to 20.42%, Other: 5 which is equal to 2.08%.

The data shows that Primary School is the highest level of education attended by respondents, over 98% of the total, and it can be interpreted that primary school is not enough to be employed, and some factors may contribute to the continuation of studies in secondary and higher education. Secondary School is the second at approximately 34% of the total respondents, secondary school can reduce unemployment, but it requires job matching skills, on the other side University accounts for around 20% which means one in five unemployed has a university degree the explanation behind is that there is a skills mismatch or over saturation in some academic areas without corresponding job availability, very few respondents did not attend school (1.25%) while those belonging to the other category represent 2.08%.

The financial burdens are likely heaviest on households with only primary or secondary education since they make up the bigger number of unemployed households.

Respondents who graduated from university may also face significant costs such as student debt and family support.

### **5.1.4. Analysis of results about income Level**

The results show that among 240 respondents, 63 households have a source of income from family Support, which means 26.25% are supported by their families, 65 households, which is equal to 27.08%, depend on their services.

The respondents who are getting income from informal work are 90, which represent 37.5%, Government assistance, 18 which represent 7.5%, then 0.42% and 1.25% for no income and other non-specified income respectively.

Family Support and Savings represent over 53% of all sources of income which shows dependency on family members and self-support from savings. Informal Work as source of income represents 37.5%, which means that while unemployed, some people still engage in second activities to survive.

Government Assistance represents 7.5%, which reveals a gap in social protection mechanisms. Only 1 person reported no income, which means survival mechanisms or admitting financial vulnerability.

Youth (18–34) rely mainly on informal work, showing self-employment, which can be adaptation with a higher possibility of instability. Older adults (45–54) show more sources of income, but some depend on savings which can be considered as unstable income. Elders (55+) most of them depend on savings (60%), which may cause future vulnerabilities.

#### **5.1.5. Analysis of results about the most direct financial burdens depending on age.**

This bar chart represents the distribution of different financial burdens across all age groups as follow, Family responsibilities is the largest financial burden across most age groups, particularly for those aged 25–54. Housing and debt are also significant issues for middle-aged individuals (25–54). Daily living expenses this is primary concern for the youngest (below 18) and oldest (55+) groups.

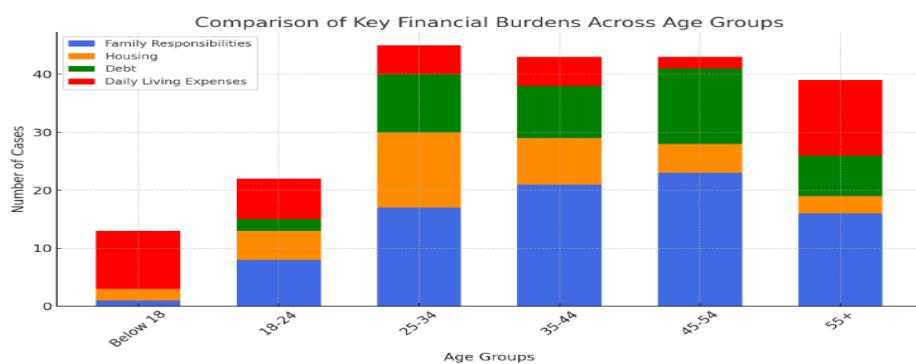
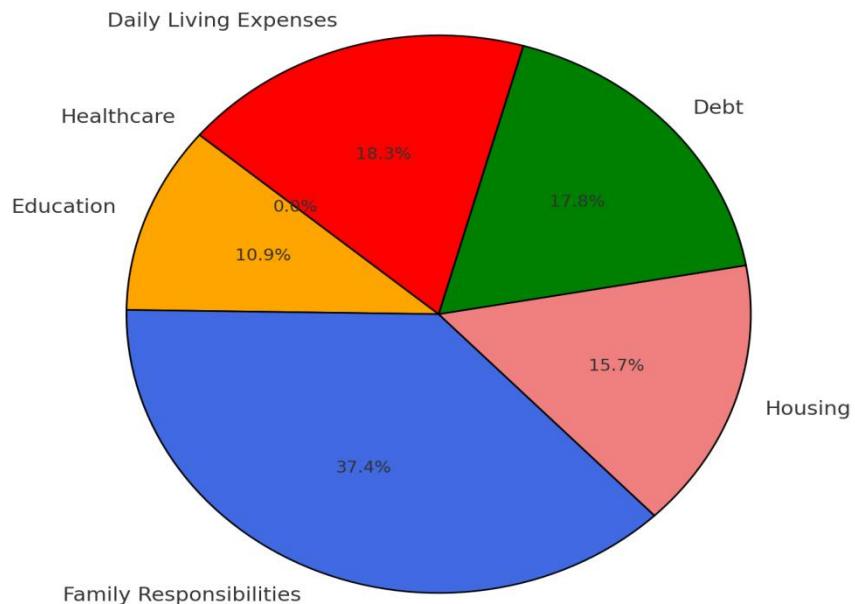


Figure 1 Bar chart of financial burdens across all age groups. (Source: Researcher)

The pie chart below illustrates the overall distribution of financial burdens among unemployed individuals in Gasabo District where Family responsibilities which is equal to 37.4% make up the largest financial burden, indicating that unemployed individuals struggle to support dependents.

Daily living expenses and debt, which represent 18.3% and 17.8% respectively, show difficulties in affording basic needs and financial instability. Housing (15.7%) and education (10.9%) are also added financial burdens, especially for younger unemployed individuals and those with families.

Overall Distribution of Financial Burdens Among Unemployed Individuals



**Figure 2 Pie chart of financial burdens in unemployed individuals** (Source: Researcher)

In this research, unemployed individuals are categorized into six age groups and assessed how different financial burdens affect each group. Below is a detailed breakdown.

The group of individuals below 18 years, the primary financial burden for this group is daily living expenses (10 cases), indicating that young individuals from unemployed households face challenges in accessing basic needs. A small number also struggle with education (2 cases) and housing (2 cases).

The age group between 18 to 24 years are individuals shifting into adulthood, financial burdens increase, with family responsibilities (8 cases) becoming a significant issue. Education (3 cases) and housing (5 cases) remain critical concerns, reflecting difficulties in affording tuition fees and securing stable living conditions.

The group age of 25–34 years is the age group faces the highest burden in family responsibilities (17 cases), suggesting they are often primary caregivers for dependents. Housing challenges (13 cases) and debt (10 cases) further exacerbate their financial instability. The group age 35–44 years family responsibilities (21 cases) remain the most significant burden. The debt burden (9 cases) indicates financial struggles, possibly from loans taken to support dependents or invest in small businesses.

45–54 age group we observed family responsibilities (23 cases) and debt (13 cases) are the dominant financial burdens. The increase in debt suggests accumulated financial stress, possibly due to long-term unemployment. The group of more than 55 years old faces rising daily living expenses (13 cases) and debt (7 cases), which indicate difficulties in self-support without employment.

### **Financial challenges and their implications**

Family responsibilities as the primary burden experienced by households (86 cases) highlight that unemployment affects both households and the community. Many unemployed households struggle to support financially their children, spouses, or extended family members, which creates economic hardships in general.

The burden of family responsibilities is most severe in the 25–54 age groups, when households are expected to be financially independent. Housing and debt as major challenges (36 and 41 cases, respectively), housing challenges are the inability to pay rent which may cause substandard living conditions and homelessness.

Many unemployed households rely on loans or informal credit to meet basic needs, this is especially critical for the 45–54 age group, where debt burdens increase significantly. Daily living expenses affecting all groups (42 cases) are basic needs which include food, clothing and transportation.

The elderly (55+) and young adults (18–34) are particularly vulnerable, as they often lack alternative income sources. Rising living costs in urban areas like Gasabo district may be considered as a main reason to intensify these struggles.

### **Economic consequences of unemployment in Gasabo district.**

The financial burdens caused by unemployment contribute to several economic challenges such as:

#### **1. Financial dependency**

Unemployed households often rely on family support and government assistance, which become a financial burden on working relatives and social welfare programs. In extreme conditions, financial dependency can lead to increased poverty rates and inter-generation economic hardship.

#### **2. Housing instability and debt accumulation**

Housing is the main reason many unemployed households relocate frequently, and it disrupts their lives and affects economic stability. It may also contribute to the rise of debt and limit future financial opportunities.

#### **3. Weakened local economic growth**

Unemployment reduces consumers, which affects negatively local businesses and economic development where a workforce is burdened by debt and financial instability, which slows overall economic growth.

Healthcare is not a burden to the population simply because Rwanda has one of the highest health insurance coverage rates in Africa, with more than 90% of the population covered by various health insurance schemes. (Ministry of Health, 2020).

## **6. Conclusion and Recommendation**

### **6.1. Conclusion**

This research identified the significant financial and economic burdens faced by unemployed individuals and households in Gasabo District. The highest financial burden is family responsibilities where we have 86 respondents over 240 with a percentage of 37.39 therefore family responsibilities are the most significant financial burden across age groups.

Daily Living Expenses (42 responses, 18.26%) and Debt (41 responses, 17.83%) are also major financial burdens. Housing (36 responses, 15.65%) is a moderate financial burden, education (25 responses, 10.87%) is a lesser but is still a financial burden. Healthcare (0 responses, 0%) and Other (0 responses, 0%) show no reported concerns.

The study also found that sources of income during unemployment varied by age group, where younger individuals (below 18 and 18–24) age group rely mainly on family support and informal work, while middle-aged individuals who belong to the age group of 25–44 years old depend more on savings. The respondents in the range of more than 55 years old rely predominantly on savings (30 responses) and government assistance (7 responses).

The results from this research confirm that unemployment in Gasabo District imposes significant financial burdens on individuals and households. The six core financial burdens are the most pressing challenges. Without intervention, these financial burdens could deepen poverty and slow economic growth in the region.

A combination of job creation initiatives, financial support programs, and social welfare interventions is recommended to reduce unemployment's negative impact on households and the economy. Policymakers, NGOs, and community leaders must collaborate to implement sustainable solutions that address the financial consequences of unemployment in Gasabo District.

### **6.2. Recommendations**

#### **6.2.1. Recommendations to the Government**

The findings of this investigation identified the significant financial burden faced by unemployed individuals and households in Gasabo District. Given the significant socio-

economic impact of unemployment, the government needs to take some measures to address these issues. This study provides some recommendations to overcome the financial burden on the unemployed, which include

1. Job Creation Programs

Implementing policies that encourage entrepreneurship and private sector growth will reduce high financial burdens (37.39% for family responsibilities).

2. Financial Support

It is recommended that the government of Rwanda expand the financial support program, as currently the assistance is given to a small proportion of the unemployed population.

3. Vocational Training

It is recommended that the government of Rwanda implement training programs aligned with labor market demands.

4. Debt and Financial Literacy

It is recommended to develop debt management strategies to address the high debt burden (17.83%) and improve financial planning, especially for unemployed households

5. Social Welfare Expansion

Social support is recommended, particularly for older unemployed households who rely mainly on savings (30 responses) and government support (7 responses).

#### **6.2.2. Recommendations for future researchers**

Based on the findings of this investigation, it is recommended that future researchers make deeper investigations about the financial burden faced by unemployed households in other districts for better understanding and addressing challenges related to healthcare, education, housing, transportation, debt, and daily living expenses.

Future researchers should focus on implementing sustainable employment programs, access to vocational training, and entrepreneurship opportunities. Additionally, more research is needed about financial assistance programs and improved public services that can help

mitigate the financial burden experienced by unemployed households. By doing these investigations, policymakers and stakeholders may have more information and contribute to reducing unemployment and its adverse socio-economic effects in Gasabo district and the region.

## **Appendix A**

### **Research questionnaire**

Dear Respondent,

This study is being conducted for academic purposes, and the researcher agrees to keep confidentiality on the information given which will be used only for educational purposes.

#### **Purpose**

This survey aims to investigate the financial burdens of unemployment on individuals and households, especially direct financial burdens, specifically Healthcare, Education, Family responsibilities, Housing, Transportation, Debt, and Daily living expenses.

Please fill out all questions from this questionnaire by indicating a TICK SIGN  on closed-ended questions or explaining the open-ended questions as required.

Thank you!

1. Age:

- Below 18
- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55+

2. Gender:

- Male
- Female
- Other

3. Marital Status

- Single
- Married
- Divorced
- Widowed

4. Number of Dependents: \_\_\_\_\_

5. Highest Level of Education Completed

- None
- Primary school
- Secondary school
- Technical Secondary School
- Tertiary/University
- Other: \_\_\_\_\_

6. Employment Status

- Full-time employed
- Part-time employed
- Self-employed
- Unemployed
- Student
- Retired
- Other (please specify): \_\_\_\_\_

7. Income Level (Monthly):

- Below 50,000 Rwf
- 50,000 Rwf - 100,000Rwf
- 100,000Rwf - 150,000Rwf
- 150,000Rwf - 200,000Rwf
- Above 200,000

8. What is your main source of income during your unemployment period? If applicable.

- Family support
- Savings
- Informal work
- Government assistance
- No income
- Other: \_\_\_\_\_

9. In which areas of your life do you feel you experience the most direct financial burden?  
(Select all that apply)

- Healthcare (Medical bills, insurance, etc.)
- Education (School fees, school materials, etc.)
- Family responsibilities (childcare, Eldercare,)
- Housing (Rent or Mortgage)
- Transport (Own transport, public transport, Moto...)
- Debt (Credit cards, Loans,)
- Daily living expenses (food, clothing,)

- Other (please specify): \_\_\_\_\_

10. How would you describe your current living situation?

- Very comfortable
- Comfortable
- Struggling but managing
- Living in difficult conditions
- Living in severe hardship

Thank you for your time and input! Your responses are valuable and will contribute to understanding unemployment's financial burden in Gasabo District.

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## **Affidavit**

I hereby declare that I have developed and written the enclosed bachelor's thesis entirely on my own and have not used outside sources without declaration in the text. Any concepts or quotations applicable to these sources are attributed to them. This bachelor's thesis has not been submitted in the same or a substantially similar version, not even in part, to any other authority for grading and has not been published elsewhere. This is to certify that the printed version is equivalent to the submitted electronic one. I know a mistake may have serious legal consequences.

I also agree that my thesis can be sent and stored anonymously for plagiarism purposes. I know that my thesis may not be corrected if the declaration is not issued.

Geneva, September 11, 2025

Annah UMULISA