

Despite the continued increase in Kenyan government investment in secondary education, resources are never adequate to match the ever increasing enrollment rates and the rising cost of living in the country. Schools are therefore unable to meet their budgetary estimates and this compromises the quality of education offered in Kenyan public secondary education. In addition, there is a rising concern about the amount of study time wasted by students as they are sent home for fees. The public secondary schools have as a result come up with income generating projects for income as a way of supporting their institutions financially instead of relying on government donations only. The purpose of the study was to find out influence of school based income generating projects on retention rate in public secondary education in Kisii County. The objectives of the study were to: find out various income generating projects; find out how income generating projects were utilized to address students' retention rate and establish the challenges facing sustenance of Income Generating Projects (IGPs) on retention of students in public secondary schools. The target populations of the study were: 60 principals, 95 class teachers, 4267 form four students, 60 bursars and 1 Sub county quality assurance and standards officer (SQASO). Simple random sampling technique was used to obtain 24 principals, 24 bursars, 38 class teachers and 214 form four students. Purposive sampling in addition was used to select the SQASO. The study employed a descriptive survey design. Instruments for data collection involved semi-structured questionnaire and interview schedule. Conceptual framework was employed. Validity of instruments was enhanced under close consultations and guidance of the supervisors. Test-retest method was used to establish reliability of the instruments and a correlation coefficient of 0.87 was obtained. Quantitative data was analyzed using descriptive statistics that included percentages and frequency counts while qualitative data was analyzed thematically. Findings of the study were: Public secondary schools had various IGPs with the majority of the schools engaging in agricultural based projects; IGPs were used to supplement students' tea break, lunch, supper and buying uniform to bright but needy students and this has led to average retention of students. The main Challenge facing the Income Generating projects was lack of proper records. The study concluded that majority of the schools were engaged in IGPs as a way of supplementing school budget with improved accessibility. The study recommends that there should be proper and up-to-date records on IGPs and which should be audited twice a year as a way of accountability and that a study should be carried out with a focus on the influence of school based income generating projects on students' retention rates in public primary schools.