This study sought to identify and assess the measures taken by the national polytechnics to generate their own income. The study focussed on three national polytechnics falling under the Ministry of Education, Science and Technology. These were: Kenya, Kisumu and Eldoret Polytechnics.

This study used the survey design and it was carried out in the three locations where each of the three institutions is located, i.e Nairobi, Kisumu and Eldoret. Piloting was done at Mombasa polytechnic. Data was collected through the use of questionnaires and a checklist. The researcher visited each of the institutions and personally administered the research instruments. After data collection, quantitative data was analyzed using descriptive statistics and results on averages and percentages presented using tables and figures. Qualitative data was organized into themes, categories and patterns pertinent to the study.

The study found out that the national polytechnics had embraced the concept of income generation and they generated income from three main areas namely: renting of facilities and equipment, agricultural activities and part-time academic programmes. Consequently, these institutions earned a total of Kenya shillings 141,213,634.00 from income generation activities in 2002, which represented 25.9% of their total annual income (Ksh 545,138,298.00). Part time academic programmes contributed the lion's share of the income earned from IGA in 2002 accounting for Kenya shillings 119,578,434.00 (84.68%) of the total income raised. The income generated went a long way in boosting the teaching-learning process in these institutions as they were able to construct classrooms as well as purchase equipment and materials for use in laboratories and workshops. The study also established that there was potential for the establishment of other income generating activities in the national polytechnics.

The study came up with a number of conclusions. One, there was need for the national polytechnics to diversify their income generation base. This could partly be realized through the setting up of production units. There was also need for the national polytechnics to streamline the management of the income generating activities so as to enhance efficiency. There was also need to re-align the allocation of the income earned from income generating as staff emoluments took the lion's share of the income generated from income generating activities leaving very little for other vital areas like provision of teaching-learning facilities and equipment.