

**FINANCIAL INCLUSION AND WELFARE OUTCOMES AMONG RURAL WOMEN  
IN EDO SOUTH AGRICULTURAL ZONE, EDO STATE, NIGERIA**

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**November, 2025.**

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**PROJECT SUBMITTED TO THE DEPARTMENT OF AGRICULTURAL ECONOMICS  
AND EXTENSION SERVICES, FACULTY OF AGRICULTURE, UNIVERSITY OF  
BENIN IN PARTIAL FUFILMENT OF THE REQUIREMENT FOR THE AWARD OF  
BACHELOR'S DEGREE IN AGRICULTURE (OPTION: AGRICULRURAL  
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**November, 2025**

## CERTIFICATION

This is to certify that the research work on the Financial Inclusion and Welfare Outcomes among Rural Women in Edo South Agricultural Zone, Edo state, was carried out by ASENIME MONICA with the Mat. No:AGR2000008 under the Department of Agricultural Economics and Extension Services, Faculty of Agriculture, University of Benin, Edo state, Nigeria.

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**Date**

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**Date**

## **DEDICATION**

This project is dedicated to God almighty, for his infinite mercy and protection on my life.

## **ACKNOWLEDGEMENT**

With a heart full of thanks, I return all the glory to God Almighty for being with me and in me throughout the timeframe of this research and for the successful completion of my program in this great institute of learning and this Faculty of Agriculture. With gratitude in my heart, I greatly appreciate the kind, immense effort of my project supervisor, Miss. O. Anozie, for her patience, commitments, contributions, guidance and corrections towards attaining this feat.

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My warmest gratitude goes to my family members, especially to my parents, without whom all these would not be possible and also to my wonderful siblings for your never ending care, support and advice.

## TABLE OF CONTENTS

CONTENT	PAGE
Title page - - - - -	i
Cover page - - - - -	ii
Certification - - - - -	iii
Dedication - - - - -	iv
Acknowledgement - - - - -	v
Table of Content - - - - -	vi
List of Tables - - - - -	x
Abstract - - - - -	xi
<b>CHAPTER ONE</b>	
1.0 Introduction - - - - -	1
1.1 Background of study - - - - -	1
1.2 Statement of problem - - - - -	4
1.3 Objectives of the study - - - - -	7
1.4 Hypothesis of the study - - - - -	8
1.5 Justification of the study - - - - -	8

## **CHAPTER TWO**

2.0	Literature Review	-	-	-	-	-	-	10
2.1	Scope, Meaning and Dimension of Financial Inclusion	-	-					10
2.1.1	Women's Financial Inclusion in Nigeria	-	-	-	-			10
2.2	Accessibility of Financial Services by Rural Women	-	-					12
2.3	Financial Inclusion and Rural Welfare	-	-	-	-			17

## **CHAPTER THREE**

3.0	Methodology	-	-	-	-	-	-	26
3.1	Area and scope of study	-	-	-	-	-	-	26
3.2	Sampling procedure and sample size	-	-	-	-	-	-	27
3.3	Data collection	-	-	-	-	-	-	28
3.4	Measurement of variables	-	-	-	-	-	-	29
3.4.1	Independent variables	-	-	-	-	-	-	31
3.4.2	Dependent variable	-	-	-	-	-	-	32
3.5	Data analysis	-	-	-	-	-	-	32

## **CHAPTER FOUR**

4.0	Results and Discussions	-	-	-	-	-	-	33
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4.1	Socioeconomic characteristics of Respondents	-	-	-	-	-	-	33
4.1.1	Age Distribution	-	-	-	-	-	-	33
4.1.2	Marital Status	-	-	-	-	-	-	33
4.1.3	Household head	-	-	-	-	-	-	34
4.1.4	Religion	-	-	-	-	-	-	35
4.1.5	Educational Qualification	-	-	-	-	-	-	35
4.1.6	Main Occupation	-	-	-	-	-	-	35
4.1.7	Secondary Occupation	-	-	-	-	-	-	36
4.1.8	Household Size	-	-	-	-	-	-	37
4.1.9	Monthly Income or Allowance	-	-	-	-	-	-	37
4.2	Awareness of Financial Servicers among Rural Women	-	-	-	-	-	-	41
4.3	Access to Financial Services	-	-	-	-	-	-	44
4.4	Usage of Financial Services	-	-	-	-	-	-	47
4.5	Welfare outcomes of Financial Inclusion	-	-	-	-	-	-	50
4.6	Barriers in accessing financial services	-	-	-	-	-	-	52
4.6.1	Structural Barriers	-	-	-	-	-	-	52
4.6.2	Institutional Barriers	-	-	-	-	-	-	53

4.6.3 Socio-cultural Barriers - - - - - 54

4.7 Multiple linear regression analysis of financial inclusion variables and their impacts on food security - - - - - 58

**CHAPTER FIVE**

5.0 Summary, Conclusion and Recommendations - - - 61

5.1 Summary - - - - - 61

5.2 Conclusion - - - - - 62

5.3 Recommendations - - - - - 63

**REFERENCES** - - - - - 65

**RESEARCH QUESTIONNAIRE** - - - - - 68

## LIST OF TABLES

<b>Tables</b>	<b>Page</b>
Table 2.1: Proxies for Measuring Financial Inclusion- - -	19
Table 4.1: Socio-economic Characteristics of Respondents - - -	39
Table 4.2.1: Awareness of Financial services among Rural Women - -	42
Table 4.2.2: Categorisation of Respondents Awareness of Financial Services	43
Table 4.3.1: Accessibility of Financial Services by Rural Women - -	45
Table 4.3.2: Categorisation of Respondents Accessibility to Financial Services	46
Table 4.4.1: Extent of Usage of Financial Services among Rural Women -	48
Table 4.4.2: Categorisation of Respondents Extent of Usage of Financial Seviles	49
Table 4.5.1: HFIAS Categorisation of Respondents Welfare Outcomes -	51
Table 4.6.1: Categorisation of Barriers in Accessing Financial Services -	56
Table 4.7: Multiple linear regression analysis of socioeconomic characteristics, financial inclusion variables and their impacts on food security - - -	60

## ABSTRACT

This study assessed the financial inclusion and welfare outcomes among rural women in Edo South Agricultural Zone, Edo state, Nigeria. The research examined individuals' social and economic circumstances, assessed their knowledge and use of financial services, evaluated their well-being, and identified the social, organizational, and cultural challenges they encounter. We used a multi-step process to select 180 women for the study. The results were examined using basic statistics and other methods to draw conclusions, with a 5% significance level. The results show that the average age of the people surveyed was 48 years. On average, there were 3 people in each household, they had 6 years of formal education, and their income was \$55,473. 833% of the people asked identified as Christians, and 57.8% of them worked mainly in farming. More than half (63.3%) of the people surveyed knew a lot about financial services. About 506% had good access to these services, and 58.3% used them a lot. Garrett listed the main reasons why people have trouble using financial services. The biggest issues are a lack of infrastructure, high interest rates, and gender inequality in financial matters. These are serious challenges related to structures, institutions, and social culture. The HFIAS results showed that 50.4% of the people surveyed were very worried about not having enough food. The results from the study using multiple linear regression showed that structural barriers ( $\hat{\beta}=1.3911$ ,  $p \geq 0.05$ ) have a positive and important connection with the welfare of rural women in the area being studied. According to the study, although people were aware of and often engaged with financial services, their lives weren't necessarily improved by them. This might be due to the difficulties the person faced in getting and using these financial services. This study suggests that the government, non-profit groups, banks, and other important organizations should work hard to improve people's understanding of money and create support systems that will help more people access financial services in the area being studied.





## CHAPTER ONE

### 1.0 INTRODUCTION

#### 1.1 Background of study

The concept of financial inclusion involves ensuring that both individuals and companies can obtain and make use of affordable financial services and products that meet their specific requirements, while being offered in a responsible and sustainable way. Financial inclusion helps us reach seven out of the 17 Sustainable Development Goals (SDGs). It helps the economy grow and creates jobs, supports women's financial independence, and helps reduce poverty. Financial inclusion means having access to and using official financial services. It is seen as an important way to reduce poverty and help the economy grow, especially in rural areas (World Bank, 2018). Financial inclusion has a big positive effect on the well-being of families (Ozoh, Uche, and Ebele, 2022). When people can easily access financial services, it can lead to better production, higher earnings, and increased spending for households (Chakrabarty and Mukherjee, 2021). Financial inclusion has different goals based on how you look at it, but it can help people make better financial choices, improve their well-being, and boost the economy (Kaiser and Menkhoff, 2017). According to a study by Klapper and Lusardi (2020), the availability of financial services in rural areas is associated with the overall economic development of those regions. These statements focus solely on the relationship itself, without addressing the underlying reasons behind it. Many Nigerians, especially those living in rural areas, do not have access to banks or formal financial services for various reasons, which makes it hard for them to participate in the economy. In 2021, a group called EFinA did a survey about financial services in Nigeria. They found that 34.9 million adults, which is about 39.7% of all adults, did not have access to

financial services. Only 286 million adults had bank accounts, which is 32.5% of all adults. A large number of these people live in the countryside. Financial inclusion is seen as a valuable way to give adults in rural areas and developing countries the money and financial services they need to help their economies grow better. Economic growth in rural areas and the country as a whole is thought to happen more quickly when more adults can easily use financial services and products. This access allows them to invest, save money, get loans, and make low-cost payments (Abbas and Atanda, 2019). Having better access to financial services would help everyone manage their money better and feel more secure. It would also help make income differences smaller, leading to more equal economic growth for the whole country. The main purpose of financial inclusion is to make it easier for people, especially in rural areas, to use official financial services. People are said to be financially included if they use official financial services. Even with this role, many people, especially in the countryside, can't get basic financial services (Joyaila, 2023).

Accessing financial services in rural regions continues to be a significant challenge, particularly in developing nations such as Nigeria. Rural areas often have weak financial systems, which means there are few banks, ATMs, and mobile phone networks needed for digital money services. These gaps make it harder for people to get loans, savings accounts, insurance, and investment options, which are important for improving family well-being and productivity (World Bank, 2018; Demirgüç-Kunt, Klapper, Singer, Ansar, and Hess, 2022). Women in rural areas face these financial challenges even more. Getting access to financial services is still a big problem in Nigeria, particularly for women. In 2023, only 47% of women used official financial services, while 58% of men did (EFInA, 2024). Even when services are available, women often don't have the right papers, assets, or understanding of finances to use the financial resources that

are out there (Demirgüç-Kunt et al. , 2022) In any society, some groups of people who don't have access to financial services include women, poor adults, those not working, and people with less education (Demirgüç-Kunt et al. , 2022) Cultural norms and gender roles can restrict women's ability to manage their money, move freely, or make choices. This makes it harder for them than men to open bank accounts, apply for loans, or take part in official economic activities (United Nations Women, 2020). Also, financial products and services are often made without thinking about the special needs or challenges faced by women in rural areas. For example, rules about borrowing money that focus on owning land leave out many women in societies where men usually own the land. Also, banks and financial organizations might not change how they communicate to better fit women's lower reading skills or language choices. This exclusion directly affects the well-being of families living in rural areas.

Comprehending the impact of gender on financial access and banking services is crucial, particularly in rural regions such as Nigeria. This helps create fair policies and financial services that strengthen people's ability to handle economic challenges (Demirgüç-kuntet.al.,2021;World Bank, 2022).

## **1.2 Statement of problem.**

Financial inclusion is considered crucial for fostering economic growth, alleviating poverty, and enhancing people's quality of life. In rural areas of developing countries like Nigeria, not everyone has the same access to formal financial services, and this often depends on gender. This creates a barrier to the advantages of financial inclusion. Women play a key role in taking care of their homes and farming. However, they often face problems like cultural expectations, not having assets to use for loans, and lacking knowledge about finances, which makes it hard for

them to access formal financial services. Understanding how financial exclusion influences men and women is crucial for assessing the overall health of families. Research shows that when women can access and manage money, they tend to spend it on education, health, food, and improving their home life (UN Women, 2020). The difference between men and women in accessing financial services is a major obstacle for women's empowerment in rural areas. It also affects overall economic growth and sustainable development in the region (FAO-UN, 2020). Certain social and cultural norms hinder women's access to financial services, further widening the gender gap in financial inclusion. Initially, these regulations can restrict women's freedom of movement and time, particularly in rural regions. In many traditional cultures, women in rural areas spend most of their day doing household chores. This makes it difficult for them to find time to handle financial tasks. One result is that formal banks and financial institutions are not very present in rural areas. This particularly hurts women, who have a harder time accessing these services than men. Women often have less free time and mobility, which makes it difficult for them to visit local bank branches (FAO-UN, 2020). Another challenge is the laws that limit women's rights. In some places, the laws make it harder for women to own land or inherit property, which means they have fewer assets to use as security for loans. This can result in women not having enough resources. Additionally, the gap in education between men and women makes it harder for women to get financial services. Women living in rural areas usually have less education than men. This means they have fewer chances to get special training and start their own businesses (FAO-UN, 2020).

Evidence suggests that when women are able to handle their finances, they are more inclined to invest in education, healthcare, food, and the general well-being of their families. (UN Women, 2020). There isn't much information on how differences in financial access between men and

women impact the well-being of households, particularly for women living in rural areas. The lack of knowledge makes it hard to create policies and programs that help everyone access financial services. Without understanding the disparities in access to formal financial services between men and women, efforts to create inclusive financial systems may overlook or fail to address the needs of those they aim to support.

Therefore, this research aims to fill in this knowledge gap, by addressing the following questions:

1. What are the socio-economic characteristics of respondents in the study area?
2. What is the extent of awareness of the respondents of financial services in the study area?
3. How accessible are these financial services to respondents in the study area?
4. What is the extent of usage of these financial services by respondents in the study area?
5. How has these financial services improved the welfare of respondents in the study area?
6. What are the structural, institutional and socio-cultural barriers affecting respondents from accessing financial services in the study area?

### **1.3. Objectives of the Study.**

The main objective of this study was to examine the financial inclusion and the outcomes on welfare of rural households in study area.

The specific objectives were to;

1. describe the socio-economic characteristics of respondents in the study area.
2. examine respondents' extent of awareness on financial services in the study area

3. examine how accessible these financial services are by respondents in the study area.
4. examine the extent of usage of these financial services by respondents in this area of study.
5. assess the level of welfare of respondents in the study area.
6. identify the structural, institutional and socio-cultural barriers affecting respondents from accessing financial services in the study area.

#### **1.4 Hypothesis of the study**

The hypothesis in this study is stated in the null form.

H<sub>01</sub>. There is no significant contribution of selected independent variables (socioeconomic characteristics, awareness, access, utilisation and constraints) of respondents to their level of welfare.

#### **1.5 Justification of the study**

Past studies have shown how financial inclusion is connected to better living conditions. One example is the research titled "Financial Inclusion and Economic Growth in Nigeria" by Lamba and others. In 2025, there is a work about "Financial Inclusion and Rural Development in Nigeria" by Jolaiya (2023), along with articles on financial inclusion by EFINA from 2021. FAO (2020) and World Bank (2018), among others. Studies show that including more people in the financial system helps improve rural development (Jolaiya, 2023) and supports economic growth in Nigeria (Lamba et al. , 2025) Still, few studies have investigated the ways in which cultural norms and gender roles, especially for rural women, shape their access to financial services and

the subsequent effects on their families' overall well-being. This lack of knowledge creates a big problem for creating effective and inclusive development programs.

This study examines ways to facilitate access to financial services for rural women in order to enhance their well-being. It aims to provide useful information for making better financial policies. The study will examine how including rural women in financial systems affects the health and prosperity of their families. This study will offer information that can help create financial services tailored to the needs of women in rural areas. By knowing how to financially include rural women, policymakers can create better plans and programs that meet their needs. This will help make economic development fairer and more sustainable, especially in rural areas.

This research will be very helpful for creating fair financial policies, assisting small loan organizations in making plans, and helping NGOs develop programs for people in need. It will be very helpful for groups that work to improve communities by reducing poverty, making rural families stronger, and encouraging fair economic growth in the state. It will also contribute to the current body of writing..

## CHAPTER TWO

### 2.0 LITERATURE REVIEW

#### 2.1 Scope, Meaning and Dimension of Financial Inclusion

Financial inclusion refers to ensuring that everyone, particularly those with low incomes in rural regions, can access quality and affordable financial services. This includes things like insurance, payment options, savings accounts, loans, and retirement plans that are suitable for their needs. An inclusive financial sector has many different types of financial service providers, a lot of competition among them, and laws that ensure the financial system is trustworthy and that everyone can access financial services. Worldwide studies show that having easy access to financial services is very important for helping the economy grow and creating wealth. This indicates that we must focus on alleviating poverty in Nigeria. To strongly promote financial services for people who don't have bank accounts or limited access to banking, lawmakers need to create supportive rules and policies (Jolaiya, 2023).

##### 2.1.1 Women's Financial Inclusion in Nigeria

To gain a comprehensive understanding of women's participation in Nigeria's financial landscape, we must examine three key aspects of financial inclusion. These factors include being able to use financial services, actually using them, and how good those services are. These dimensions are discussed in the table below:

**Table 2.1: Proxies for Measuring Financial Inclusion**

<b>Indicator</b>	<b>Description</b>	<b>Proxy for Measurement</b>
Access	Ability to access tailored financial services.	-Formally banked women (percent of women with an account at a formal financial institution).  - Access points (number of ATMs available to women).
Usage	Actual use of financial services.	-Product use (women with bank loans, savings, etc.).  - Frequency of account use (adults with high frequency use of formal account).
Quality	Appropriateness of financial services for peculiar circumstances of women.	-Affordability  -Transparency  -Convenience  -Fair treatment  -Consumer protection  -Financial education  -Choice

(Source: Situational Analysis of Women’s Financial Inclusion in Nigeria, 2023)

**Situational Analysis of Women financial inclusion in Nigeria**

- There are 53 million adult Nigerian women, of which 33 million (61%) live in rural areas.
- 90% of respondents make monthly contributions to savings groups.
- Over 16 million rural women rely exclusively on informal financial services.

- 25 million adult women are formally unbanked which represents 51% of women.
- Women are likely to choose more accessible access points like the financial agents. Out of 700,000 registered agents, 15% are women.
- The value of loans borrowed from financial institutions by women decreases after they reach the age of 45.
- Gender gap of 10% in National Identity Number (NIN) enrolment rates (2022), 8% gender gap in 2021.
- Gender gap of 5% in BVN enrolment rate (2021), 12% gender gap in 2020.

(EFInA, 2020)

## **2.2 Accessibility of Financial Services by Rural Women**

In 2019, the Food and Agriculture Organization of the United Nations produced a report in Rome addressing the challenges and opportunities women encounter in obtaining financial assistance in rural regions. The Food and Agriculture Organization of the United Nations published a report in Rome in 2019, highlighting the issues and prospects women face in securing financial resources in rural areas. A report released by the United Nations' Food and Agriculture Organization in Rome in 2019 examined the difficulties and possibilities that women encounter when seeking financial backing in rural communities. It concluded that helping women get better access to money is very important for their financial independence and social power, and it also helps improve the lives of their families and communities. Financial services are hard to find in rural areas, and the services that are meant for these areas often do not help rural women. Women in rural areas face many challenges that make it hard for them to access financial services. These

challenges include social and cultural issues, economic and legal problems, and sometimes a lack of education. On the other hand, banks and financial organizations also have challenges when it comes to providing services to women in rural areas. By utilizing diverse and innovative approaches, It aims to tackle issues affecting both the demand and supply aspects, enhancing financial services for rural communities and underserved groups like rural women. This involves creating financial products and services tailored to women, exploring various collateral options, and leveraging technology for assistance. Empowering women by providing them with information and improving their understanding of finances is a vital endeavor. Besides these strategies, we need changes in policies and institutions to make sure these efforts are successful in the long term. These changes involve helping people learn about and use practices that consider gender differences, as well as gathering data that shows information for men and women separately. Ultimately, these strategies should aim to assist women in rural communities in gaining better financial access, thereby boosting their vitality and quality of life.

Access to digital financial services is essential for enabling a greater number of people to utilize money-related services and propelling economic advancement. This is especially true in places like Nigeria, where many people still struggle to use these services because of various problems on both the customer and service provider sides. By the end of 2020, more than half of Nigerians used official financial services. These services included things like electronic payments, savings accounts, loans, insurance, pension plans, and investment options offered by banks and other financial companies. Out of the 38 million Nigerians who do not have access to banking services, 81% live in the countryside, and 61% have mobile phones. This shows a big This is a chance to help more people use banking services through mobile phones. We should not only focus on smart phones but also include users of basic phones. Many individuals without

bank accounts can utilize these services through USSD, creating additional opportunities for assistance (Nkechika, 2022).

Worldwide, gender inequality remains a pressing problem, since the exclusion of women from economic and social spheres directly impedes a country's growth. Many studies have shown this, and recently, getting rid of gender inequality has become a key part of the 2030 sustainable development goals. Rephrase It will be hard to reach the Sustainable Development Goals (SDGs) without treating men and women equally and empowering women. Many people now believe that having access to financial services can help improve the lives of women and other disadvantaged groups in society. By engaging in the financial system, women enhance their ability to manage risks, initiate or invest in ventures, negotiate better deals at home, and cover substantial costs like education or home enhancements (Dupas and Robinson, 2013, Ashraf et al., 2010).

Reducing poverty and income differences are still big problems in Nigeria. Nigeria has better access to banking services than many other lower-middle-income countries, but this mainly applies to men in cities who have bank accounts. In general, the way the financial system works today makes it simpler for men than women to get financial services. When it comes to gender differences, the range of organizations providing financial services goes from commercial banks, which reach fewer women, to informal services, which reach more women. Commercial banks mainly offer financial services. Individuals with active bank accounts generally tend to have more affluent backgrounds, with a higher number of male clients compared to female clients (Women's World Banking and Alliance for Financial Inclusion, 2023).

In the 2016 report on Nigeria's digital money market, David-West and colleagues discussed various insights and findings. In 2016, it was reported that many people in Nigeria do not have banks or access to banking services. Women and young people aged 18 to 35 who have little education and are either unemployed or working in low-paying jobs. This observation shows differences related to gender, social class, and age. Since more people have mobile phones and internet access than have bank accounts, it is believed that using mobile phones and other devices will help more people access financial services (Nartey and David-West, 2015). According to AdebayoRephraseRephrase and Dorcas (2024), there are notable variances in financial inclusion rates for men compared to women. Men are twice as likely as women to have their own bank accounts. The differences between men and women in getting formal financial services are bigger for those who want to save or borrow money than for those who just want to make payments or send money. Nigeria has added more places for people to access money, like ATMs and bank agents, but women are using these services less often. Men say that faraway places to get money are a big problem, while women are more likely to mention that high costs keep them from accessing money. Women in rural areas who are not well-educated and have little money have the hardest time getting financial services. Women belonging to the wealthiest 20% of families are ten times more likely to hold a bank account than those from the least affluent households. A significant conclusion is that, when taking into account additional economic and social elements, women tend to have a reduced likelihood of accessing official financial services. This difference between men and women happens for several reasons, such as unfair laws, less education and money for women, and cultural obstacles. Women who use formal financial services are more likely than men to also use informal services. There is a lack of clarity regarding how both genders perceive financial matters. The study shows that although

women don't often use formal banking services, they are more likely to save money. This means that women see formal financial services as more important, but they have a harder time getting them. Limits or restrictions. The study reveals that establishing rules is essential for increasing women's access to formal banking services.

### **2.3 Financial inclusion and rural welfare**

Financial inclusion aims to achieve different goals depending on who you ask. However, in all cases, it can help people make better money decisions, improve their well-being, and boost economic growth (Kaiser and Menkhoff, 2017).

In his discussion of financial inclusion and rural development in Nigeria, Jolaiya notes that the core function of financial inclusion is to improve access to formal financial services for people living in rural areas. People are considered financially included if they use regular banking services. Even though this is the case, many people, especially in country areas, do not have access to even the simplest financial services. He also mentioned that many Nigerians, especially those living in rural areas, are left out of the economy because they do not have bank accounts and cannot get formal financial services for various reasons. EFIA (2021) conducted on access to financial services in Nigeria and the results showed that 34.9 million adults, representing 39.7% of the adult population, were financially excluded. Only 28.6 million people were banked

representing 32.5% of the adult population, a significant percentage of these numbers live rural area.

Adegboyegun, Ademola, and Kazeem (2020) investigated the influence of financial inclusion on the growth trajectory of Nigeria's economy. Data on Gross Domestic Product, loans to rural areas, deposits from rural areas, the number of bank branches, and interest rates were studied using Auto Regressive Distributed Lag (ARDL) and Causality methods for the years 1986 to 2018. The research indicated that elevated interest rates negatively impact economic growth, while participation in the financial system fosters expansion. The causality test showed that financial inclusion leads to economic growth, mainly through loans given to rural areas. Therefore, it is recommended that loans in rural regions should be offered at reduced costs and with fewer regulations, as research indicates that enhancing financial inclusion is crucial for economic growth. The findings of the study indicate that participation in the financial system is a crucial element that fosters growth. Achugamonu et al. (2020) analyzed the influence of financial inclusion on the economic development of 27 Sub-Saharan African countries during the decade from 2007 to 2017.

The study examined why some adults can't use banks. It used certain methods to analyze the data and found that being included in the financial system really helps Nigeria's economy grow. Enueshike and Okpebru (2020) studied how financial inclusion affects economic growth from 2000 to 2018. Using the ARDL method, it was found that financial inclusion, measured by rural deposits and loans to small and medium enterprises (SMEs), has a negative impact on economic growth. In the ASEAN area, Suidarma (2019) looked at how financial inclusion affects economic growth from 2008 to 2015. The study used a special analysis method called Panel Vector Error Correction, which showed that financial inclusion helps the economy grow.

Olubanjo and Olayinka (2019) used survey information from more than 22,000 people in Nigeria to show how being good with money and having enough income help people access financial services. The study shows that income affects how often people save informally, but being good with money has a much bigger impact on how people save. Formal and informal money-related organizations. The results also show which groups of people benefit from learning about money and other programs that help them access financial services. The results will help financial service companies divide their markets better and will guide regulators to make rules that will improve and expand access to financial services. Jolaiya (2023) looked into how being able to access financial services helps rural areas grow. The study looked at how changes in financial inclusion factors (like savings in rural areas, loans from banks to those areas, and interest rates) affect the GDP per person, which is a measure of rural development. The study found that having access to financial services helps rural areas in Nigeria to grow and improve. Having reviewed the test results and significant findings, the researchers recommend that a distinct policy is essential for offering financial services, such as loans, to residents of rural regions. This would help improve rural development. They also believe that rural banks should be better at encouraging savings, which would lead to more investment in these areas and increase the average income of rural residents. Additionally, financial institutions should create special loan rates to make it easier for rural people to access loans and other financial services. This would help include more people in the financial system and boost the economy in these areas. Lamba, Aye-Agele, and Ojeka (2025) studied how financial inclusion affects economic growth in Nigeria. The long-term results of the ARDL model for economic growth showed that financial inclusion (FIC) has a value of -5.14, which is negative and meaningful at a 5% significance level. This means that when financial inclusion goes up by one unit, economic growth goes down

by 5.14 units. This means that including more people in financial services can help them get loans more easily. Spending borrowed funds on daily expenses or unproductive items rather than investing in areas that foster economic growth can negatively impact the economy. In summary, it was found that having access to financial services helps to boost economic growth in Nigeria during the time studied. This matches the idea of finance-led growth, which is the main focus of this paper, and agrees with the findings of Oti, Chiadika, and Obi (2022) and Nma and Callistus (2022). The research indicates that the troubling and significant link between financial inclusion and economic growth implies that government officials and policymakers ought to reconsider their strategies regarding financial inclusion. We should make sure that programs to help people access financial services in Nigeria focus on industries that can improve productivity, like farming, manufacturing, and technology. It also suggested promoting programs that teach people about money, so they can better access financial products and services that help them work effectively and boost economic growth. Ghosh and Chaudhury conducted a study in 2019 examining the variations in financial service accessibility between genders. Research shows that, on average, women have less access to formal financial services than men. Excluding women from financial services means they forfeit opportunities for both social and economic engagement. This also means that we lose the chance for them to help the economy grow. A stronger analysis was done using Fairlie. A method to explain how much the differences in social and economic traits between men and women contribute to the gap in financial inclusion between genders. Differences in economic ways show the gender gap for most areas, except for official borrowing. It describes the overall difference just for official savings. It has been observed that a significant number of women lack bank accounts, formal savings, or access to loans due to their lower employment positions. On the other hand, women with less education

find it hard to use digital financial services. When women are left out of jobs and education, it affects how they can take part in formal banking and finance. Policies aimed at increasing financial services for women will not succeed unless the related issues are addressed. Women will only enjoy the same benefits from financial services as men when these issues are fixed. Even if the government creates policies to help women, if there are still differences in education, income, and jobs, women will not have financial support in society. Ayinde, Olarewanju, Miranda, and Omotesho (2023) studied how financial inclusion affects gender and well-being among small maize farmers in Nigeria. They found that it's important to understand how financial inclusion relates to family welfare. The well-being of small farmers is an important issue in farming development. This study adds valuable information by creating a specific index that separates data by gender, focusing on financial inclusion, and another index that measures overall well-being. It shows how financial inclusion, gender, and the welfare of households are connected. The study shows that small farmers in rural areas have low access to financial services and have a lower quality of life. It also found that male farmers generally have better access to financial services and a better quality of life than female farmers, no matter where they are located. This study shows that several important factors, like the farmer's age, . . . This research demonstrates that various significant elements, such as the age of the farmer, play a critical role. The findings of this study indicate that a number of key factors, including the age of farmers, are important. This analysis reveals that several crucial aspects, such as the farmer's age, In order to bridge the financial services gender gap, it is essential to examine employment levels, ownership of land, and the locations of households led by women. The study shows that having access to financial services helps both male and female farmers improve their well-being. This means that when farmers can use financial services, their quality of life gets

better. This is especially true for households led by women, which are often in a weaker position compared to those led by men. This study found that better access to financial services helps male farmers spend more, find jobs, and improve their water supply, assets, and community services. For households led by women, it helps them access community services, spend more, and gain more assets. So, the message is clear: improving access to financial services will greatly help increase people's well-being and support reaching the country's sustainable development goals (SDGs). The analysis recommends the introduction of rules to support those in need. helping more people access financial services and improving the living conditions of farmers, especially women. heads of families These policies could mean helping farmers get more access to money and banking services. In rural areas, providing digital and point-of-sale (POS) services, along with programs to improve understanding of money and financial products, will help people get formal loans. They can use these loans to deal with money problems. This will facilitate their access to investment options, contributing to asset growth and wealth creation.

In summary, many studies have been done to understand how financial inclusion affects economic growth. Notable findings include a study by Adegboyegun, Ademola, and Kazeem (2020) about financial inclusion and Nigeria's economic growth. The study discovered that when more people can access financial services, it helps the economy grow. Findings from the tests demonstrated that economic development fosters improved financial inclusion, chiefly by supplying loans to rural areas. It was suggested that loans for rural areas should be offered at lower prices and with less paperwork. Jolaiya (2023) studied how financial inclusion affects development in rural areas. They looked at GDP per Capita, which is a way to measure rural development, and how it changes with different financial inclusion factors like savings in rural areas, bank loans for rural people, and the interest rates banks charge. The main results showed

that collecting savings from rural areas and providing credit through banks helps improve rural development in Nigeria. However, high bank lending rates negatively affect rural development in the country.

Lamba, Aye-Agele, and Ojeka (2025) researched how having access to financial services affects economic growth. They found that while financial inclusion can help people get loans, if that money is spent on buying things or put into areas that don't help grow the economy, it could actually hurt economic growth. Ghosh and Chaudhury (2019) suggested that, on average, women have less access to formal financial services than men. When women are not included in financial systems, it also keeps them from taking part in social and economic activities. Ayinde, Olarewanju, Miranda, and Omotesho (2023) studied how financial inclusion, gender, and welfare are connected for small maize farmers in Nigeria. They found that it is important to better understand how financial inclusion relates to households. Caring for small farmers is an important issue in farming growth. After reviewing all the research, it becomes clear that there are only a limited number of significant factors relating to how gender influences financial inclusion and its effects on families in rural areas. Research shows that including more people in the financial system helps the economy grow, improves rural areas, and supports women's empowerment. However, there are big gaps in how we understand the role of gender in financial inclusion.



## **CHAPTER THREE**

### **3.0 METHODOLOGY**

#### **3.1 Area and scope of study**

This research was conducted in Edo south agricultural zone, Edo state, Nigeria. Edo state is divided into 3 agricultural zones: Edo central, Edo north and Edo south. The Edo South agricultural zone in Edo State covers seven local governments which include Oredo, Ovia South West, Egor, Ovia North East, Orhionmwon, Ikpoba-Okha and Uhunmwode local government areas.

The climate in the Edo South agricultural region is characterized by warm temperatures, featuring both a rainy and a dry season. Annually, rainfall typically amounts to around 250 centimeters, with coastal regions receiving even higher totals. From April to October is generally considered the rainy season, with a temporary lull occurring in August. The dry season is from November to March. It has different types of plants, including mangrove trees, swamp plants, and grasslands. The main food crops grown are cassava, corn, yam, pineapple, plantain, and melon. The area has rich, clayey soil, especially in the northwest, and is one of the three farming regions in Edo State. The farming practices in Edo South are characterized by small plots of land tended to by individuals or families who grow various crops. The area has both official and unofficial banks and money services. This study included all the rural women in the area.

#### **3.2 Sampling procedure and sample size**

A multi- stage sampling procedure was used to select respondents for this study.

### **Stage 1:**

This involved the purposive sampling of Local government areas in Edo south agricultural zone. This agricultural zone consist of 7 agricultural zones, these are: Oredo, Ikpoba-Okha, Egor, Ovia Northeast, Ovia Southwest, Orhionmwon, and Uhumwonde. Ovia north east and Ikpoba-Okha were selected due to its rural nature.

### **Stage 2:**

This stage involved the purposive sampling of communities under Ovia North East and IkpobaOkha Local Government Area (LGA). The communities in Ovia North East LGA are;Okada, Uhen, Utese, Okokhuo, Uhiere, Isiuwa, Ekiadolor, Oluku, Iguoshodin, Utoka, Oghede, Egbeta, Ora, and Ogbese. Okada, Utese, and Isiuwa were purposively selected from this local government due to their rural and agrarian nature, and the presence of formal and informal financial institutions.

The communities in Ikpoba-Okha local government area include Idogbo, Evbuomodu, Uwusan, Obazagbon, Agedo, Evbumyfi, Etiosa, Obadoloviyeyi, Obenevbugo, Obe, Oghoghobi, Okha, Obanyantor, Ekae, Utezi, Uhie, Ogheghe, Obagie, Obaretin, Iwogban,/Uteh, Oregbeni, Ogbeson, Aduwawa, Ugbekun, Ologbo. Evbomodu, Obazagbon and Uwusan were purposively from this local government due to their rural nature, dependence on agriculture and presence of formal and informal financial institution.

### **Stage 3**

Random sampling was carried out to select 30 women from each of the six selected communities. This gave a total sample size of 180 rural women for this study.

### **3.3 Data collection**

Primary and secondary data collection were employed to source for data for the purpose of this study. The primary data was obtained using a well-structured questionnaire and an interview schedule. Secondary data was sourced from journals, articles, bulletins, textbooks, past project works.

### **3.4 MEASUREMENT OF VARIABLES**

#### **3.4.1 Independent variables**

#### **1. SOCIO-ECONOMIC CHARACTERISTICS OF RESPONDENTS**

Socio-economic characteristics of respondents such as their sex, age, marital status, religion, income level, education, occupation, access to basic amenities were measured.

- a) **Age:** this was measured in years .Respondents were asked the state their actual age.
- b) **Marital status:** Respondents were asked to indicate if they were single, married, widowed, or divorced. Single was assigned score of= 1, married= 2, widowed =3, divorced=4.
- c) **Religion:** Respondents were asked to indicate their religion from the options listed, which included Christianity, Islam, and traditional. Christianity was coded =1. Islam =2, Traditional= 3

- d) **Level of Education:** Respondents were asked to state their number of years of formal education.
- e) **Occupation:** Respondents were asked to state what they do for a living, options given were: Farming, Trading, white collar jobs, artisan/handwork, others. This was coded 1,2,3,4 and 5 respectively.
- f) **Household size:** Respondents were asked to state their actual household size.
- g) **Income:** Respondents were asked to state the estimated monthly income of their households.

### **Awareness of financial services**

A list of different financial services was given and respondents were asked if they are aware of them, Yes was coded 1 and No=2. Respondent that indicated yes to a particular question, was further asked to indicate the extent to which they are aware. This was measured on a 3 point Likert scale where “highly aware” was coded as 3, “moderately aware” was coded as 2 and “slightly aware” was coded as 1. The mean scores were calculated which was used to categorized respondents into high and low level of awareness.

### **Accessibility of financial services**

The individuals who participated in the survey were inquired about their ability to utilize various financial services. Responses indicating "yes" were assigned a value of 1, and those indicating "no" were given a value of 0. People who could use financial services were then asked how easy it was for them to access those services. To evaluate, a three-point system was utilized. "Always accessible" was given a score of 3, "often accessible" got a score of 2, and "sometimes accessible" received a score of 1. The average scores of the respondents' answers were calculated to differentiate between high and low accessibility.

### **Usage of financial services**

The usage of financial services by respondents was measured using the Likert 5-point scale, always=1, often=2, sometimes=3, rarely=4, never=5. Respondents were asked if they use certain financial services and how often they use them. The mean scores were calculated which was used to categorized respondents into high and low level of utilisation.

### **Constraints in Accessing Financial Services (Institutional, Structural and Socio-cultural barriers)**

The constraints were divided into three groups: structural, institutional, and socio-cultural barriers. To see how serious the difficulties are that people face when evaluating financial services, a list of things that could be obstacles was provided. Garrett ranking was used, and the participants were asked to list the problems they faced from 1 (the biggest problem) to the least, based on their own experiences..

### **3.4.2 Dependent Variable**

**Welfare outcomes of formal financial services:** This evaluation was carried out using the Household Food Insecurity Access Scale (HFIAS). The participants were given nine standard questions about food insecurity. Their responses were "Yes" or "No," assigned as 1 for "Yes" and 2 for "No." If they answered "Yes," they were then asked how often this happened. They could choose from "Rarely" (once or twice in the last 30 days), which was marked as 1, "Sometimes" (three to ten times), which was marked as 2, and "Often" (more than ten times), which was marked as 3. This process lets us give a score to households on a scale from 0 to 27. Based on their score, households can be placed in one of four categories: Food secure (0-1), Mildly food insecure (2-8), Moderately food insecure (9-16), and Severely food insecure (17-27).

### **3.5. Data analysis**

Descriptive and inferential statistics was employed to analyse data for this study. Descriptive statistics such as mean, percentages, frequencies, standard deviation, Garrett's ranking, was used to analyze objectives 1 to 6. Inferential statistics such as Multiple linear regression analysis was used to test the hypothesis.

## CHAPTER 4

### 4.0 RESULTS AND DISCUSSIONS

#### 4.1 Socioeconomic characteristics of Respondents

The Table 4.1a below explains the socioeconomic characteristics of rural women.

##### 4.1.1 Age Distribution

The results in Table 4. 1 show that the average age of the people surveyed is 48 years old. This indicates that the majority of respondents belong to the older, working-age demographic. This matches what Abebaw and Haile (2020) found, which is that most rural African women who lead in farming and small businesses are usually in their mid-forties to early fifties. This demographic indicates that women play a crucial role in handling finances, including spending and saving.

##### 4.1.2 Marital Status

The Table 4.1 shows that 16.1% of the respondents are single, 65% are married, 7.8% are divorced and 11.1% are widowed. This results indicates that majority of the respondents are married, which implies that most respondents have family responsibilities, this influences their need, access to and utilization of financial services. According to Enhancing Financial Innovation and Access (EFInA) in 2020, marital status has a complex and nuanced effect on financial inclusion. Women in monogamous marriages in rural areas are more likely to rely solely on informal financial services than single women who are more likely to be included formally. This may be because married women tend to be older and, as a result, they have deeper

social networks (friends and family) which ease the need for participation in many types of formal financial accounts and services.

#### **4.1.3 Household Head**

The Table 4.1 shows the percent of females that are 30% of the respondents are household heads, while 70% are not. This indicates that only a minority of households are headed by women, even though they make significant economic contribution to the welfare of the household. Households headed by women usually experience limited access to financial services due to a number of reasons such as socio-cultural constraints, religion, structural and institutional barriers. This aligns with the research conducted by Okpara and Nwachukwu (2021) noted that household head are the main decision-makers and income earners who are responsible for the economic wellbeing of their households, and that female-headed households relative to male-headed households are disadvantaged in accessing economic resources and opportunities and are often seen as vulnerable to food insecurity.

#### **4.1.4 Religion**

Results on Table 4.1 show that 83% of the respondents are Christian, 0.6% Muslims, and 16.1% practiced tradition religion. This shows that majority of the population are Christians. Religious beliefs can influence trust and usage of financial services; it can either be a barrier or a catalyst to the use of financial services. Ogunyomi and Ojo (2018) highlighted that religious beliefs can influence an individual's trust in formal financial systems, leading some to favour informal savings associations such as *esusu* or cooperative societies, which are often built on shared religious or community ties.

#### **4.1.5 Educational Qualification**

The Table 4.1 shows that the average years of formal education is 6 years, with a standard deviation of 3.96. This indicates that the average level of formal education of the respondents is the primary school level. Education is an important element to accessing financial services and in this case may act as a barrier to these rural women in accessing and utilizing these formal financial resources. Dar and Ahmed (2021) supported this in their research that countries can increase financial inclusion by increasing the level of education (secondary and higher).

#### **4.1.6 Main Occupation**

The Table 4.1 below shows the various occupation of the respondents 57.8% engaged in farming, 22.2% in trading, 3.9% are artisans, 10% are engaged in civil services, 6.1% engaged in other occupation. This implies that major economic activity of rural women in Edo south is farming. This aligns with the study by Omoniyi, Ogunyinka and Akinrinsoye (2021) which concluded that rural women are largely employed or occupied in agricultural activities to earn their daily income.

#### **4.1.7 Secondary Occupation**

Results on Table 4.1 show the percent of the sample engaged in other occupation; 91.7% do not engage in secondary occupation, while 8.3% engage in secondary occupation. This indicates that majority of rural women have only one source of income/livelihood. Given that the main occupation of the respondents is farming, which is rain-fed and therefore seasonal, the respondents are prone to lack finance, hence there is need for financial services to help maintain household welfare. This agrees with the study by Ifeanyi-obi and Ibanichuku (2021), which reported that the major reason for rural women livelihood diversification was to gain economic empowerment, assurance of food at all times and means of additional income in their families. The study further revealed that rural women in trying to diversify their livelihood are constrained

by so many factors mainly inadequate infrastructures, increase domestic chores, high cost of labour, high cost of transportation, lack of the needed knowledge and skill, poor educational background, poor market network and working longer hours.

#### **4.1.8 Household Size**

The Table 4.1 below shows the mean household size to be 3 persons .This indicates that the average number of persons in households in Edo south is approximately 3. Household size has an inverse relationship with financial inclusion, the larger a household is, the lower the financial inclusion; this is due to spending on daily consumption and necessity. According to Bitana, Lachore and Utallo (2024) savings-to-income ratio decreases with increasing household size.

#### **4.1.9 Monthly Income or Allowance**

The Table 4.1 below shows the average monthly income to be #55,472.97. This shows that the monthly income of the respondents is below the minimum wage which is #70,000 per month. The monthly income of a household directly affects the financial ability of the household, it determines their access to financial services and influences the decision making process of the household. Demirgüç-Kunt and Klapper (2013) stated that monthly income is a critical factor that influences an individual's or household's eligibility for financial products such as bank accounts, loans, and insurance. People with higher and more stable monthly incomes are generally more likely to be integrated into the formal financial system, as they are considered less risky by financial institutions.

Deininger and Liu (2013) noted that monthly income directly affects a household's capacity to improve its standard of living. Higher monthly income allows for better access to healthcare,

education, and nutrition. It also enables families to invest in durable goods like housing and transportation, which contribute to long-term welfare

**Table 4.1a: Socio-economic Characteristics of Respondents**

<b>Variable</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage (%)</b>	<b>Mean</b>	<b>Standard deviation</b>
Age distribution				48	11.1
Marital Status	Single	29	16.1		
	Married	117	65		
	Divorced	14	7.8		
	Widowed	20	11.1		
Household Head	No	126	70		
	Yes	54	30		
Religion	Christianity	150	83.3		
	Islam	1	0.6		
	Traditional	29	16.1		
	Farming	104	57.8		
Educational qualification				6	3.96
Main Occupation	Trading	40	22.2		
	Artisan	7	3.9		
	Civil Service	18	10		
	Others	11	6.1		

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Secondary Occupation	No	165	91.7		
	Yes	15	8.3		
Household size				3	1.5
Monthly income				#55,472.97	#78072.98

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Source: Field survey, 2025

## **4.2. Awareness of Financial Services among Rural Women**

Results in Table 4.2.1 show the respondents' level of awareness of various financial services. The result showed that the top 3 financial services they were highly aware of where; financial services like bank, mobile money services, insurance), transaction cost involved in the use of formal financial services and savings accounts and the process involved in opening or owning one. Specifically, 99.4% were aware of general financial services like bank, mobile money services, insurance; 93.1% were aware of the transaction cost involved in the use of formal financial services; and 91.1% were aware of the what a savings account is and the process involved in opening or owning one. This indicates that majority of the rural women are knowledgeable and familiar with the existence of financial institutions and the services they provide, are familiar with savings account with financial institutions in their environment, and are aware of the cost involved in the use of financial services this can influence. The knowledge of these services will influence the process of making financial decisions in their household. Imhanrenialena and Nwobodo-Anyadieegwu (2025) reported that higher financial awareness is significantly associated with better access to funding and adoption of services, which will in turn improve welfare.

### **Categorisation of Awareness to Financial Services**

The results in Table 4.2.2 show above half (63.3%) of the respondents are highly aware of financial services and 36.7% have low awareness of financial services. This indicates that awareness of financial services among rural women is improving.

**Table 4.2.1: Awareness of Financial Services among Rural Women**

<b>Variable</b>	<b>Yes Frequency</b>	<b>Yes Percentage (%)</b>
Awareness of financial services (bank, mobile money services, insurance, etc.)	179	99.4
Savings account and the process involved in opening/operating one	164	91.1
Bank loan and how it can be obtained	160	88.9
Mobile banking platforms (e.g., OPAY, PAGA) and how they work	155	86.1
Interest rate incentives with money deposited in commercial banks	141	78.1
Transaction costs involved in the use of formal financial services	169	93.9
Government (e.g., EdoJobs) and NGO programs supporting financial inclusion	103	57.2
Special packages that microfinance banks offer to women (e.g., subsidized loans, reduced interest rates)	146	81.1
Insurance products and how they operate	146	81.1

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Source: Field Survey, 2025

**Table 4.2.2: Categorisation of Respondents Awareness of Financial Services**

<b>Variable</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Awareness	High	114	63.3
	Low	66	36.7

Source: Field Survey, 2025

### **4.3 Access to Financial Services**

Results in Table 4.3.1 below show the level of accessibility of different financial services by respondents. The results show that 93.9% of the respondents had access to mobile phone, 79.45% had access to internet and 77.2% had access to mobile money services through their mobile phones. This indicates that mobile money services are more accessible to rural women than traditional bank infrastructure, as only 23.9% had access to bank branches in their area, 22.8% had access to functional ATMs and 15% had access to steady electricity to run banks. This shows high adoption and reliance on mobile money services to carry out financial transactions. This aligns with the Global System for Mobile Communication Association, GSMA (2021) report that mobile penetration has become a major driver of financial inclusion in sub-Saharan Africa, enabling rural populations, especially women, to conduct transactions without a visit to the bank.

#### **Categorisation of Respondents Accessibility to Financial services**

Table 4.3.2 shows that 50.6% of the respondents had high level of access to financial services, while 49.4% of them had low level of access to financial services. This indicates that only slightly above half of the population has access to financial services. According to Global Findex data (2021), only 35% Nigerian women had a formal financial account. This result indicates that some progress in increasing the percentage of women who have access to an account in a financial institution.

**Table 4.3.1: Accessibility to Financial Services by Rural households**

Variable	Yes Frequency	Yes percentage
Access to bank branches in area	43	23.9
Access to any functional ATM	41	22.8
Access to steady electricity to run banks and operate mobile money services	27	15
Access to required documentation (ID cards, NIN) to open a bank account	107	59.4
Access to a mobile phone	169	93.9
Access to SIM (subscriber identity module) card to operate mobile services	155	86.1
Access to internet in area	143	79.4
Access to mobile services through your mobile phone	139	77.2

Source: Field survey, 2025.

**Table 4.3.2: Categorisation of Respondents Accessibility to financial services**

Variable	Category	Freq.	%
Access	High	91	50.6
	Low	89	49.4

Source: Field survey, 2025.

#### **4.4 Usage of Financial Service**

Table 4.4 shows the frequency of usage of different financial services among rural women in Edo south agricultural zone. The top most used financial services were bank accounts (savings and current) by 97.8% of the respondents, 96.1% used accounts to receive payments and pay bills and 95% used ATM cards for withdrawal. This implies that majority of the population have access to financial services and frequently use it to carry out their day-to-day transactions. Despite having a fair access to financial services, the respondents have a moderately high utilization of financial services. This report aligns with that of The Gender Centre of Excellence (2023) which reported that women typically use their accounts to receive their wages or income from agricultural or other small businesses. It further emphasized that about 76% of rural women used their accounts to pay bills. The least used financial service was insurance services with only 36.7% of the respondents utilizing it. This aligns with Pula Advisors and African Digital Financial Inclusion Facility, ADFI (2022) report that, around 60% (evident in Table 4.2) of women smallholder farmers in Nigeria, Zambia and Kenya are aware of Agricultural micro-insurance. However, despite this awareness adoption is limited.

#### **Categorisation of Respondents Utilization of Financial Services**

Results in Table 4.4.2 show that 58.3% of the respondents are categorized as high users of financial services. It shows that awareness and access to financial services affects the utilization/usage of financial services. Majority of respondents had a high level of awareness, but only a moderate percentage of the respondents had high level of accessibility to financial awareness, this implies that accessibility has more impact on usage of financial services than

awareness. Awareness of these services increase demand and adoption of financial services. This is supported by the study by Tang (2024), which reported that a higher level of financial awareness predicts a higher level of usage of financial services. Accessibility improves the ability to utilize these financial services (Hanur and Habteyesus, 2025).

**Table 4.4.1: Extent of Usage of financial services among rural households**

S/N	Variable	Rarely (%)	Sometimes (%)	Often (%)	Always (%)
1.	Bank account (savings or current)	8.3	22.8	47.8	18.9
2.	Use of account to receive payments and bills	20.6	47.2	22.8	4.4
3.	Use of ATM cards for withdrawals	20.6	47.2	22.8	4.4
4.	Use of ATM for transfers	31.1	5	1.7	0.6
5.	Use of ATM for bill payments	32.2	20.6	5	2.2
6.	Mobile money services(e.g palmpay, moniepoint)	27.2	32.8	11.1	2.2
7.	Use of commercial banks, microfinance or mobile money services to secure loans	22.8	22.8	5	1.1
8.	Use of insurance services	25	6.7	3.3	1.7

Source: Field Survey, 2025

**Table 4.4.2: Categorisation of Respondents Extent of Usage of Financial Services**

	Category	Freq.	%
Usage	High	105	58.3
	Low	75	41.7

Source: Field Survey, 2025

## 4.5 Welfare outcomes of financial inclusion

### Food security level using HFIAS

The Table 4.5.1 below shows the level of food security. Using HFIAS to measure, it was found that 25.6% are food secure, 4.4% are mildly food insecure, 19.4% are moderately food insecure, while 50.4% are severely food insecure. This implies that despite the respondents having a moderate level of awareness, access and utilization of financial products, their welfare outcomes did not improve. This may be attributed to the gendered nature of financial inclusion and barriers encountered by rural women while trying to access and utilize financial services. Manta (2019) reported that rural women are faced with different barriers which limits their use of financial services, these barriers can be socio-cultural, structural (physical), technological, economic or personal/psychological barriers. These barriers limit their utilization of financial services despite having a high level of awareness of these services, this influences the welfare outcomes negatively.

**Table 4.5.1: HFIAS Categorization of Respondents Welfare Outcome**

S/N	Food security level	Freq.	%
1.	Food secure	46	25.6
2.	Mildly food insecure	8	4.4
3.	Moderately food insecure	35	19.4
4.	Severely food insecure	91	50.4

Source: Field Survey, 2025.



## **4.6 Barriers in accessing financial services**

Results in Table 4.6.1 present the mean ranking of barriers affecting rural women's access to financial services in Edo South Agricultural Zone. Using Garrett's ranking, respondents ranked the barriers they have experienced in accessing and utilizing financial services according to their severity.

### **4.6.1 Structural Barriers**

Results in Table 4.6.1 present the ranking of structural barriers affecting financial inclusion among rural women in Edo south. Lack of infrastructure (such as bank, roads) was ranked as the most severe structural barrier. This implies that rural women in Edo south find it difficult to access financial services due absence of the necessary infrastructure. A survey on constraints encountered by women carried, out by EFINA in 2010, identified lack of physical access to banks as a top barrier in financial inclusion.

Irregular income that limits savings and loan repayments was ranked as the second most severe barrier. Rural women are predominantly farmers (as noted in table 4.1), hence income is seasonal, and majority does not have secondary occupation to support. This makes them vulnerable to financial shortage and limits their ability to save and repay loans. The Gender Centre of Excellence (2023) noted that the average adult woman is unlikely to borrow money from a formal source as their first choice. In most cases, women borrow from their networks, such as family, friends, savings groups and village associations, before going to a formal institution.

Lack of collateral or guarantor was ranked as the least severe barrier encountered in accessing financial services. This implies that rural women in Edo South, have access to items that are eligible to be used as collateral when applying for loans from financial institutions. This result

does align with report from Gender Centre of Excellence (2023) which stated that women do not utilize financial services often due to a lack of collateral.

#### **4.6.2 Institutional Barriers**

The most severe institutional barrier was identified to be high interest rates on loans. This implies that rural women find the interest rates attached to loans very high, thereby discouraging them from utilizing it. The Gender Centre of Excellence (2023) noted that the value of loans borrowed from formal institutions by women decreases after they reach the age of 45. Obi and Adebajo noted in their report that, the interest rate spread (the difference between the rates charged and those paid on deposit) has been increasing.

The second most severe institutional barrier was lack of education. This implies that lack of education hinders rural women from accessing and using financial services. Education, especially financial literacy provides rural women the knowledge on how to use financial services such as savings account, credits/loans, transfers and bill payments. A study by Sakankoet. al. (2025) found higher levels of financial literacy positively and significantly influenced financial inclusion in rural and urban regions.

Discrimination and poor treatment by staffs of financial institution was found to be the least severe institutional barrier. This shows that financial institutions treat their customers equally and properly. Afolabi and Akinlolu (2021) in their report noted that despite women being responsible for the fastest economic growth in the world, they often experience discrimination from accessing financial incentives in financial institution due lack of collateral, financial illiteracy, and low educational background.

#### **4.6.3 Socio-cultural Barrier**

Gender restrictions or inequality in financial matters was identified as the most significant socio-cultural barrier experienced by rural women in Edo south. This implies that the socio-cultural norms act as an obstacle in accessing financial services, these norms can arise due to religious beliefs or culture, patriarchal decision-making. CBN (2025), acknowledged the gender gap that is rampant in rural areas due to socio-cultural norms.

Belief that women should have little or no access to and control over finance, was identified as the second most severe socio-cultural barrier. This is also deep-rooted the socio-cultural norms of the people.

Spouse disapproval of the use of financial services was identified as the least severe socio-cultural barrier. This implies that the spouses of rural women support them and do not hinder them from using financial services.

**Table 4.6.1: Categorisation of Barriers in Accessing Financial Services**

<b>Structural Barriers</b>	<b>Ranking</b>				
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Lack of infrastructure (e.g no banks, bad roads)	48.9	11.1	17.2	7.8	15
Irregular income that limits savings and loan repayments	25	37.2	15	16.7	6.1
Digital illiteracy	11.1	19.4	18.9	27.8	22.8
Lack of necessary documents	14.4	22.2	35	20	8.3
Lack of collateral or guarantor	2.8	8.9	13.3	27.2	47.8
<b>Institutional Barriers</b>	<b>Ranking</b>				
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
High interest rates on loans	65.6	24.4	5.6	2.2	2.2
Lack of Education or support from institution	14.4	32.8	29.4	13.9	9.4
Distance to nearest bank or financial agent	22.2	18.3	21.7	17.2	20.6
Complex or lengthy loan application	1.1	15.6	24.4	40.6	18.3
Discrimination or poor treatment by bank staff	1.1	7.8	17.8	25	48.3
<b>Socio-cultural Barriers Ranking</b>	<b>Ranking</b>				
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Gender restrictions or inequality in financial matters	58.9	26.1	10.6	2.8	1.7
Belief that women should have little or no access to and control over finance	9.4	35.6	28.3	13.9	12.8
Cultural or religious beliefs	3.3	5	29.4	38.3	23.9

Lack of trust in formal financial institutions	35	30.6	20.6	7.2	6.7
Spouse disapproval of the use of financial services	2.2	1.1	8.9	35	52.8

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Source: Field Survey, 2025.

#### **4.7 Multiple linear regression analysis financial inclusion variables and their impacts on food security**

The Table 4.7 below shows the multiple linear regression analysis of how the independent variables; socioeconomic characteristics and variables of financial inclusion (awareness, access, usage and barriers), affect food security (welfare outcomes) among rural households. The results show that 18.8% (R-square=0.1881) of the variation in food security is explained by the variation in the structural barriers to financial services.

The analysis showed that only structural barrier ( $\beta=1.3911$ ,  $p \geq 0.05$ ) had a statistically significant relationship with respondents' household welfare (food security). This implies that, the more structural barriers exist, the higher household welfare will be. In Table 4.6.1, under structural barriers, lack of infrastructure was identified as the most severe barrier, this indicates that rural the respondents have little access to formal financial institutions resulting to using informal financial service providers (e.g Ajo groups) for their financial services. Irregular income was identified as the second severe structural barrier, it limits savings and loan repayments, could lead to debt when loans are taken and not repaid on time leading to compounding interest, this could worsen household welfare. The Gender Center of Excellence (2023) stated that from a location perspective, many rural women continue to rely solely on informal financial services compared to women in urban areas. They also noted that 90% of the focus group respondents indicated that they belonged to an Adashi (savings and credit group) with weekly or monthly contributions ranging from 200 Naira to 500 Naira. According to CBN (2023), irregular income

may make it difficult to use a bank account, as many banks require certain amount of regular income or deposits.

**Table 4.7: Multiple linear regression analysis of socioeconomic characteristics, financial inclusion variables and their impacts on food security**

S/N	Variable	Coefficient ( $\beta$ )	Standard error	T-value	P-value
1	(intercept)	-1.0399	9.4544	-0.11	0.91
2	Age	-0.1262	0.0757	-1.6661	0.09
3	Marital status	-0.08	0.7953	-0.0629	0.95
4	Household head	2.2042	1.1702	1.8836	0.06
5	Religion	0.2869	1.0008	0.2867	0.77
6.	Educational quality	-0.1107	0.163	-0.6792	0.49
7	Main occupation	0.3631	0.4426	0.8204	0.41
8	Household size	-0.2187	0.4099	-0.5335	0.59
9	Monthly income	0	0	1.816	0.24
10	Awareness composite	0.6166	0.3792	1.6262	0.10
11	Access composite	-0.6754	0.3952	-1.7088	0.09
12	Usage composite	-0.0779	0.1383	-0.5632	0.57
13	Structural barrier	1.3911	0.7052	1.9728	0.05*
14	Institutional barrier	-0.7309	0.695	-1.0517	0.29
15	Socio-cultural barrier	0.189	0.5299	0.2999	0.76

$R^2=0.1881$ , Adjusted  $R^2=0.0697$ , F-statistic=1.5887,  $P \geq 0.0962$

## CHAPTER 5

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Summary

The research examined the impact of financial inclusion on the welfare of rural households in the Edo South Agricultural zone of Edo State, Nigeria. The primary objectives included outlining the demographics and economic conditions of the people in the study area, evaluating the respondents' awareness of available financial services, examining their ease of access to these services, gauging their actual usage, assessing their overall well-being, and pinpointing potential barriers, such as social or cultural factors, that hinder their access to financial services. A systematic approach was employed to choose 180 households for the research. The study used questions and surveys in the field to gather original information. The information collected from the survey and questionnaire was assessed using counts, percentages, averages, standard deviations, Garrett's ranking method, and tables. A technique known as multiple regression analysis was employed to evaluate the concept.

The basic statistics show that the average age is 48 years, the average household has 3 people, people have an average of 6 years of formal education, and the monthly income is 55,473 naira. 63% of the people asked knew a lot about financial services. About 50% Access to these services was favorable for 6% of individuals, with 58% also benefiting. 3% used them often. The biggest problem with buildings and facilities was not having enough infrastructure. The main issue with institutions was that loan interest rates were too high. The biggest social problem was that gender inequalities or restrictions affected financial matters. The results about people's well-being showed that 50.4% of the respondents had serious problems with food insecurity, 19.4%

had moderate food issues, 4. 4% had a slight food security problem, and only 25. 6% had enough food. The results from the analysis show that structural barriers (with a value of 1. 3911 and a significance level of 0. 05) have a positive and meaningful connection with the well-being of rural households in the Edo South Agricultural zone of Edo State.

## **5.2 Conclusion**

The following were observed from the results of the analysis:

1. Respondents had a fairly high level of awareness of financial services.
2. Respondents had a moderate level of access to financial services.
3. Respondents had a moderate level of usage of financial services.
4. Respondents were majorly food insecure.
5. The most severe structural, institutional and socio-cultural barriers were; lack of infrastructures, high interest rates on loans and gender restrictions or inequality in financial matters respectively.
6. Structural barriers had a statistically significant and positive relationship with welfare outcomes of rural households.

## **5.3 Recommendations**

1. The government, non-profit groups, and banks should set up programs to teach people about money. They should also make sure that rural women know about and can use online financial services.

2. Financial services for women in the rural areas should be improved to improved.  
Governments and banks should build the right systems to help lower the costs and improve access to these services.
3. Encouraging rural women to engage with financial services is essential. The government, banks, charities, and community workers can organize programs to help rural women understand the benefits of using financial services. They should also learn how to use these services properly and responsibly.
4. The government and financial service providers should offer services to help people in rural areas manage their money better. This could include easier access to affordable loans, support for buying farming supplies, more options for low-cost savings accounts, adding insurance services, and providing programs to teach people about managing money. These efforts can help improve the lives of people in rural communities. This gives women in rural areas money to invest in growing food and reduce their risks.
5. The government should set up banks in rural areas, offer reasonable loan interest rates, and promote gender equality.
6. The government, non-profit organizations, banks, and other partners should find and improve financial services that help women facing tough challenges. They should also invest in better infrastructure in rural areas. SurePlease provide the text you want me to simplify.

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