

# **Impact of microfinance on poverty and household income in Rural Areas in Nigeria**

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## INTRODUCTION

Poverty has been a serious challenge to governments in Nigeria. Despite abundant natural resources, such as agricultural, petroleum, gas and mineral resources, the poverty situation has been on the rise. Particularly worrisome is that the country earned over US\$300 billion from one resource – petroleum – during the last three decades of the twentieth century. But rather than record remarkable progress in national socio-economic development, Nigeria retrogressed to become one of the 25 poorest countries at the threshold of twenty-first century whereas it was among the richest 50 in the early-1970s. An important reason could be the disparate distribution of gains from production and trade, which have widened the gap between the haves and have-nots.

According to the Federal Office of Statistics (FOS), poverty rate has risen from about 15 percent in 1960 to 28.1 % in 1980. Recent estimates show that more than half of the population live in poverty. Poverty in Nigeria has been on the increase despite various poverty alleviation programs that have been laid down in time past. This could indicate that the poverty alleviation programs have not been effective either in reducing the rates or in stemming the increasing poverty rates. To overcome poverty in Nigeria, government has initiated different policies and structural programs since 1977. For example, Poverty Eradication Program (PEP) and National Poverty Eradication Program (NAPEP). Their aims are to reduce the poverty state of the people by providing them employment opportunities and credit access to enable them to establish their own business.

The federal government, on December 15, 2005, through the Central Bank of Nigeria (CBN) issued a microfinance policy supervisory and regulatory framework that allows for the

establishment of micro finance banks that will provide for the need of small-scale business and the low-income group. Microfinance principally encompasses micro-credit, micro-savings, micro-insurance and money transfers for the poor. The policy provides for the establishment of two categories of private sector-driven micro finance institutions of banks (MFBs). These are MFBs licensed to operate in a local government area which must be capitalized to the tune twenty million naira and MFBs licensed to operate in state and which must be capitalized to the tune of one billion naira. This recent development is the latest effort of the federal government at providing micro credits to the poor. The delivery of financial services to poor and low-income people changed significantly during the past decade.

Today there are more than 7000 Micro-lending organizations providing loans to more than 25 million poor individuals around the globe (Mohammed and Hasan, 2008). The Nigerian microfinance industry has come a long way. A CBN study identified, as of 2001, 160 registered Microfinance Institutions (MFIs) in Nigeria with aggregate savings worth N99.4 million and outstanding credit of N649.6 million, indicating huge business transactions in the sector (Anyanwu, 2004). With a population of about 150 million and GDP per capita of \$641 (2006), two – thirds of Nigeria's people are poor. Nigeria has the third highest number of poor people in the world. Most of these people are dependent on micro and small – scale farm and off – farm enterprises for their livelihood (UNDP, 2007). Institutional structures for the provision of micro credit vary and may be Government, NGO supported, traditional, or mixture of two or more of these.

Lack of access to credit is generally seen as one of the main reasons why many people in developing economies remain poor. Usually, the poor have no access to loans from the banking

system because they do not have an acceptable collateral. Moreover, the costs of screening and monitoring the activities of the poor, and of enforcing their contracts, are too high for the banking sector. The only option left for the poor masses is the microfinance institution. Various governments have recognized this and as a result, many such institutions have been established.

a) This study aims to assess the impact of a microfinance program in rural areas in Osun state .

Key questions we answer are: Did microfinance contribute to poverty reduction or improve the standard of living in the study area?

b) Did credit access, a structural problem, and education, a human capital issue, play any role .

### ***Significance of the Study***

This study is therefore an attempt at evaluating the effectiveness of microfinance in alleviating poverty in rural areas in Nigeria. It will inform government, policy makers and international institutions on the role of microfinance in alleviating poverty.

### ***Previous research***

Matin et al. finds that a poor person's access to formal financial services is limited, and that available services generally do not meet the diverse requirements of the poor. Poor people tend to juggle financial relationships with various financial institutions and with friends and family to have the flexibility and reliability they need (Collins and Morduch 2010:23). They depend on various types of formal and informal community funding, credit unions, moneylenders, co-

operatives, self-help groups and associations and financial NGOs. And with commercial financial institutions considering ways in which to provide financial services to the poor in a profitable manner, microfinance services are now provided by role players.

The inability of the poor and low-income group to access credit has contributed largely to the increased rate of poverty in Nigeria (Imam 2001, Olomola 2002, Hadiza 2005, Akanji 2006, Adereti and Oladejo 2008, Akintoye and Oladejo 2008). Despite the efforts of government in credit delivery to the poor and micro enterprises in the country, these micro enterprises have continued to be denied access from the formal financial institutions (Dada and Salisu 2006).

Bruno, Squire and Ravallion (1995) found ample evidence that policies designed to foster economic growth significantly reduce poverty, but that policies aimed specifically at alleviating poverty are also important. For example, programs that provide credit and build human capital try to eliminate the causes of poverty. Such program can have a short-run or long-run perspective like the microfinance.

Microfinance is the supply of loans, savings and other basic financial services to the poor. These owners of micro and small enterprises require a diverse range of financial instruments to meet working capital requirement, build assets, stabilize consumption, and shield themselves against risks (Ehigiamusoe, 2005). In practice, microfinance is much more than disbursement, management and collection of little bits of loans. In a more comprehensive style, (Ehigiamusoe, 2005), stressed that microfinance refers to “flexible processes and structures by which financial services are delivered to owners of microfinance enterprise on a sustainable basis”. Three features distinguished microfinance from other formal financial products. These are:

- (a) The smallness of the loans advanced or savings collected.
- (b) The absence of asset based collateral and

(c) Simplicity of operations.

Given these characteristics, microfinance institution (MFI) has come to be defined as any institution that provides credit and other financial services to the low-income entrepreneurs who are traditionally not served by the conventional formal financial institutions. Absolute poverty, in this study, is measured by the number of those whose incomes fall below the absolute poverty line.

The Nigerian government has tried to address some of these issues (poverty related) through the enunciation of poverty related programs over the past 5 decades. In the past the focus was more on improving human capital. Beginning in the 1970s, poverty alleviation programs were introduced. Morduch (1999) argues that microfinance has had positive impact on poverty reduction. According to Lalitha, (2008), Microfinance aims to bring financial service to poor people as to provide small-scaled financial services primarily savings, credit and insurance to people performing small or micro\ business activities such as farming, fishing, herding or micro enterprises producing, and recycling, repairing or selling goods. In recent years, microfinance has been recognized as an effective tool to alleviate poverty.

## **METHODOLOGY**

This study uses structured questionnaire & personal interview as the primary data collection instruments. We use a logistic regression model to examine the likelihood of poverty reduction if a family participated in the microfinance program. The survey sample was selected to include respondents that were:

- (i) Literate, relatively literate and illiterate beneficiaries.

- (ii) Married, Divorced, Widow/widower and Single individuals.
- (iii) Old and young individuals.
- (iv) Adult Men and Women.

### ***Data Analyses Framework***

The primary data obtained employed in this research work were obtained through the use of structured questionnaires and personal interviews. The questions were made very simple and straight forward. Mostly, the questionnaire entails only the close-ended questions through the use of the Likert five scale of 'Strongly Agree', 'Agree', 'Indifferent', 'Disagree', and 'Strongly Disagree'. The open-ended questions were not employed due to its 'loose-ended' nature which made it not amenable to both descriptive and inferential analyses. For the analyses of data collected, we use both descriptive and quantitative (inferential) techniques.

The major occupation in the study area is farming, practiced mostly by men. Farming activities include fish farming, cattle rearing, poultry business, and into production of crops such as cassava, yam, maize, palm kernel, plantain and cocoa among others. They also have natural resources like cocoa, e.t.c. Women in certain towns are mat weavers. Some of them are also engaged in white collar jobs. There are usual banks in these areas. In additiona, this area houses two microfinance banks.

The primary data were collected by a random sampling of the banks' customers. Customers were met in the banks' premises, and the primary sources involved the use of well-structured questionnaire administered on 500 randomly selected respondents from the study areas. Oral interviews were also conducted. Respondents varied from traders to artisans, farmers, civil servants etc. The primary data obtained socio-economic information, relationship with the

banks in terms of services being accessed, loans and repayment period as well as perceived constraints to accessing loans, the usefulness of the loans, e.t.c.

To ascertain the reliability & validity of our research instruments, a test of measurement tool will be carried out. The instruments tests are to evaluate inquiry of items within; verbally, and to obtain the validity and reliability level. For the validity, the Pearson Product Moment Correlation (PPMC) method is adopted for this work. If the estimate obtained is larger (or greater) than its critical value counterparts, it is considered valid and invalid if otherwise. On the other hand, Cronbach-alpha (Cr) method is used to test for reliability. If the observed Cr value is larger than the benchmark value of 0.75, the research instrument employed is considered reliable.

### ***Model Specification***

The Multinomial Logistic Regression is an extended form of the logistic regression capable of handling polytomous responses of the respondents. The empirical form is given as follows:

$$\text{Poverty status} = f(X_i, X_{ii}) = P_{si} = \beta_0 + \beta_1 X_i + \beta_{ii} X_{ii} + \mu_i \dots \dots \dots (6)$$

Where;

$PS$  = Poverty status (if moderately poor = 1, Core poor = 2) where non – poor is the reference or baseline category.

Explanatory Variables

$X_i$  = Socio-economic variable

$X_1$  = education status (1 if 0 to 3 years, 2 if 4 to 6 years; 3 if 7 to 9 years; 4 if 10 to 12 years; that is years of exposure to formal education)

$X_2$  = Marital status (1 if single; 2 if married; 3 if divorced; 4 if widowed)

$X_{ii}$  = Microfinance bank operation variables

$X_3$  = expected date of loan repayment (days): The date by which loan is to be paid back.



X4 = Amount borrowed (N): the amount lent out to the borrower.

X5 = Delayed time index – an estimate of the timeliness of loan delivery by the banks.

X6 = Interest charged (N): Amount charged by the lender for the use of the cash – it is usually a fraction of the principal.

Poverty status has more than two categories with no natural ordering representing microfinance banks operation.

## **DATA ANALYSIS**

The data contained in this Chapter were gathered from selected households as well as residents of various communities of Oriade Local Government in Osun state. Two Hundred respondents were selected and questionnaires administered to them. However, before the commencement of the analysis, tests of measurement tool (Questionnaire) were performed to validate it as the proper data collection tool. Questionnaire tests, as used in this research findings, are to evaluate inquiry of items within; verbally, and to obtain the validity and reliability level.

The questionnaire validity test is through the Product Moment Correlation (Pearson) method which is 0.717. This is larger than its critical value counterpart (from Pearson table) at 5 percent significant level, hence, the questionnaire is considered valid. On the other hand, Cronbach-alpha (Cr) method is used to test for reliability. The Cr value is 0.564 (Appendix refers) which is larger than the benchmark value of 0.50, hence, the questionnaires were considered reliable.

A total of 500 questionnaires was distributed, 450 were returned, out of which 410 were usable (completed), yielding a high response rate of 82.0 percent.

Table 2 below show the description of the personal data of our respondent. From this it is notable that 57% of our respondent were female. This is mainly because most of our respondent are people involved in some form of trading activities that involves the use of microfinance funds for its establishment of expansion. Also, of the 410 respondents' 63.41 percent are married while about 37 percent of them were either single or divorced. The occupation of the respondents in this survey area were divided into unemployed which consist of about 6 percent, Government employed with about 14.39 percent and 80% of the surveyed population are self-employed. About 83.66% of the surveyed population have at least the universal basic education, while the remaining 16.34% have no form of education at all. 61.7 percent of the surveyed population are between the age of 30 and 49 while the remaining 38.3 percent are either below 30 or above 49 years old. It is also notable from table 2 below that majority of the surveyed population are from a male headed family and from a nuclear family, which is responsible for 85.37 and 62.20 percent respectively.

Basically, the demographic data from our respondents summarize some cogent statistics on gender (sex), marital status, age, education level, management level and years of experience with respect to their believe either on either access performance to microfinance is fair or very good in the study area. The characteristics as shown below in table 3 shows that, the proportion of female that believed that access performance of microfinance is fair or very good is about 0.54 and 0.53 respectively. This shows that more female believed in the fact that access to microfinance performance is more perceived as been effective in the study area by the female population rather than the male.

It is evidence from table 3 that majority of the respondent in the study area have at least a primary education with an average of 6.58, 8.16 and 6.83 respectively for each category. Also,

majority of the respondents that believed that access performance to microfinance bank is fair, good and very good are from a nuclear family with 71%, 53% and 77% in each category.

Table 4 below describes the characteristics of the respondent by their benefits from microfinance banks in the area. Of the 410 respondents about 278 said they have benefit from microfinance banks why the remaining 132 said they have not benefited from microfinance bank in the study area. Female respondents constitute 59% of the people that said yes to benefiting from microfinance bank with an average age of 39.56 and an education mean of 7.44 that shows that majority of the population that said yes have about seven years of education which is about a year above primary education.

## **MECHANISM**

In order to better understand the role of microfinance on poverty alleviation in the respondent area, the research further explored the role if any that having a universal basic education would play if any in the awareness, access, usage and overall benefit from microfinance bank. In achieving this, the use of logistic regression was employed to show the difference if any that exist between the different educational level with respect to microfinance awareness, access, usage and overall benefit.

The table above shows the level of microfinance awareness and activities of respondent by their level of educational in the study area, this shows that overall about 86.34 percent of the population are aware of the presence of microfinance activities in the study area out of which about 47.32 percent have at least primary education and the remaining 13.66 percent are not

aware of the activities. With Respect to benefit from microfinance banks in the study area, about 71 percent of the respondent have benefited from microfinance banks while the remaining 29 percent have not benefited from microfinance bank.

As the name implies micro-credit, it is evidence that majority of the respondent that have access and benefited from microfinance bank got below 100,000 Naira, this accounts for about 79 percent, the remaining 21 percent got more credit probably due to creditworthiness and, or social status. It is also observed that most of the respondent that got credit from the microfinance banks in the study area used the money for business, this comprises of about 90 percent of the respondent that got credit while the remaining 10 percent used the credit for other measures. 79 percent of the respondent with credit also admit to paying back the borrowed funds through the business.

The table below shows that at least 80 percent of the respondent with a minimum of primary education believes that access quality to microfinance is either very good or good from the same population of at least universal basic education only about 3.51 percent believed that access quality to microfinance usage is poor or very poor. In the same vein about 80 percent of the respondent with universal basic education found micro-credit usage useful in productivity and less than 2 percent found it not to be useful

Table 7 shows a continuation of how microfinance credit was used by respondents in the study area with respect to assets purchased for their businesses, while about 69 percent of educated respondent (respondent with universal basic education) purchased assets towards their business and other form of assets, about 24 percent of the respondent with universal basic education did not purchase any form of physical asset.

Table 8 shows descriptive analysis of the respondents believe about the performance of microfinance banks in the study area, 100 percent of the respondent both with universal basic education and without believed that micro-credit as helped in some way to help improve their profit. When asked if microfinance banks have been of any benefit to them 57 percent of the respondents with basic education agreed to that, 26.10 believes that microfinance credit as not been of use to them. Further descriptive analysis was also conducted on how much income is generated from the business, how profit is utilized by the respondent and the overall access performance to micro-credit, about 68 percent of respondent believed that the overall access performance is either very good or good, 13 percent of the respondent who have no basic education also agreed with the 68 percent while the remaining respondent of about 19 percent believed otherwise.

From our logistic regression estimates above (see Table 9), it is evident that the relationship between the dependent variables and the collection of explanatory variables are mix of positive and negative; Primary education, income generated from business, method of repayment and consumption pattern have negative coefficients while the remaining explanatory variable have positive coefficients. The intercept (that is constant – C) suggests that without the access to microfinance; the poverty status of the households is negative and significant at the 10 percent level. This is so with -4.68 coefficients and 3.151 Wald statistics coupled with 0.076 probability values. Looking at the collection of socio-economic variables employed for the analyses; two variables such as the amount borrowed and house ownership at the 10 percent level of significance.

A set of dummy variables was generated from the education variable. This was divided into No formal education, Primary Education, Secondary education and Post-secondary

education. For the case of this analysis the lowest class was dropped for comparison purposes (no formal education). Secondary education with a coefficient of 20.570 and Wald statistics of 0.000 and a p-value of 0.997 indicates that there is no statistical difference between people with no formal education and respondent with secondary education. The analysis also shows that there is statistical difference between the level of poverty of respondent with primary education and respondent without primary education. With a coefficient of -1.826, Wald statistics of 7.479 and P-value of 0.006, this indicates that respondent with primary education are less likely to be poor compared to people with no formal education. Table 9 also shows that there is statistical difference between respondent with post-secondary education and respondent with no formal education. The result is positive and significant at a 5%. This shows that poverty is likely to be more among respondent with post-secondary than the respondent with no formal education.

Specifically, the amount borrowed has a coefficient of 0.621 with Wald statistics value of 3.418 and P-value of 0.064. This suggests that the amount borrowed is positively related to poverty reduction of the people of Oriade LGA of Osun state since the amount increase, the reduction in poverty becomes larger. For the other control variables such as the level of marital status, occupational status, consumption pattern and income generated from business, while consumption pattern, income generated and method of payment are negatively and insignificantly related to poverty reduction of the people with coefficients of -0.402, -0.392, -0.144 respectively. These are insignificant with 0.457, 0.226, 0.395 and 0.554, 1.467, 0.722 Wald statistics respectively.

In submission, the coefficients of determination or squared coefficients of correlation (Pseudo  $R^2$ ) are relatively fair. For this binary logistic regression estimates, Pseudo  $R^2$  has a value of 0.51. This shows that the independent variables have substantially explained for the

movements in the dependent variables with 51 percent strengths in individual cases with other percentages left to extraneous factors which are outside the focus of our study. Besides, the significances of these coefficients of determinations (Pseudo  $R^2$ ) are confirmed by the model fitting information with log likelihood ratio of 122 which is highly significant. This indicates that the choice of our dependent and independent variables has not been mistaken, lending more support to the estimates obtained. This is so as these values of observed/computed log-likelihood ratio is far greater than their theoretical counterparts. More so, the standard errors of estimates are negligible for all the cases, indicating that the confidence level of all the assertions made above is true to statistical significance. From the foregoing, these statistical findings largely converge with the descriptive analyses of frequency and percentage distribution done in part one and part two of this work.

## **SUMMARY AND CONCLUSION**

This study investigates the impact of access to micro-fund through the microfinance institution on poverty reduction in Nigeria taking a collection of socio-economic characteristics and thus observed the changes in poverty status of individuals, businesses and micro-enterprises in this LGA due to access to this microfinance type of fund both on their living conditions and economic empowerment. The technique of analysis is logistic discrete modeling where the poverty status is assumed of either poor or non-poor while the series of series of socio-economic characteristics include education, marital status, method of payment, amount borrowed etc. This study considers a micro aspect of financing towards the reduction of poverty. The study seeks to thoroughly investigate the status of the majority poor in the society and investigate how financial institutions attempt to address their needs and economic improvement. Sequel to this, it will interest present researchers in this field and possibly encourage future researches that high rate of

interest does not necessary dissuade people from accessing financing options; not even micro-financing.

This study concludes on the position that, as expected, the method of repayment and income generated from business are two major factors militating against the effectiveness of microfinance in reducing poverty among various micro-economic agents in the society. Of more significance is the consumption pattern of individuals which is also negatively related to poverty reduction. These findings tend to follow standard economic propositions and lend credence to the bane of microfinance institutions in a developing economy such as Nigeria.

More so in terms of education, it was observed that there is no statistical difference between people that have no formal education and people with secondary education when it comes to poverty level. While on the other hand there was statistical difference between the respondent with primary education and people without any formal education. i.e we can suggest as expected that education plays a significant role in poverty alleviation.



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**Table 2: Descriptive Statistics of Personal Data**

<b>Variables</b>	<b>Frequency</b>	<b>Percentage</b>
<b>SEX: Male</b>	176	42.93
<b>Female</b>	234	57.07
<b>Marital Status: Single</b>	150	36.59
<b>Married</b>	260	63.41
<b>Occupation: None</b>	23	5.61
<b>Government Employed</b>	59	14.39
<b>Self-Employed</b>	328	80.00
<b>Education: No Formal Education</b>	67	16.34
<b>Primary Education</b>	213	51.95
<b>Secondary Education</b>	76	18.54
<b>OND</b>	40	9.76
<b>HND/BSC</b>	14	3.41
<b>Family Size: Extended</b>	155	37.80
<b>Nuclear</b>	255	62.20
<b>Family Head: Male Headed</b>	350	85.37
<b>Female Headed</b>	60	14.63
<b>Age: 19-29</b>	45	10.98
<b>30-39</b>	132	32.20
<b>40-49</b>	161	39.27
<b>50-59</b>	44	10.73
<b>60-69</b>	26	6.34
<b>70 and above</b>	2	0.49

**Table 3: Characteristic of Respondents by Access Performance of Micro Finance**

Variable	Microfinance Access Performance mean (S.D)			
	Fair	Good	Very Good	No Response
Sex	54%	61%	58%	53%
Age	40.02 (11.46)	38.30 (7.29)	41.35 (9.33)	42.42 (10.58)
Marital	46%	69%	66%	62%
Education	6.58 (3.17)	8.16 (4.53)	6.83 (5.30)	6.85 (4.44)
Family head (male = 1)	100%	84%	84%	82%
Family size	71%	53%	77%	60%

Source; Authors

**Table 4: Characteristic of Respondents by Benefit from microfinance**

Variable	Benefited from microfinance	
	Yes	NO
Sex (female = 1)	59%	52%
Age	39.56 (8.91)	42.67 (10.66)
Marital (married = 1)	66%	56%
Education	7.44 (4.55)	6.86 (4.54)
Family Head	86%	37%
Family size	61%	63%

**Table 5: Percentages of Micro-Credit Activities by educational level**

Variables		Educational Level				Total
		No-Educ	Pri - Educ	Secondary	Post - SEC	
Micro-Credit Awareness	NO	3.66	4.63	4.39	0.98	13.66
	YES	12.68	47.32	14.15	12.20	86.34
Benefited from any micro-credit	NO	4.63	14.88	6.34	3.41	29.27
	YES	11.71	37.07	12.20	9.76	70.73
Amount borrowed in 000	< 100	15.66	44.13	11.39	7.47	78.65
	100-500	0.71	2.14	4.98	4.63	12.46
	> 500	0.71	5.34	0.71	2.14	8.90
Credit Usage	Business	16.67	46.38	15.94	11.23	90.22
	Property	0.72	2.90	0.00	1.81	5.43
	Personal Use	0.00	2.17	0.72	1.45	4.35
Method of Credit Repayment	Savings	3.56	5.34	1.42	2.49	12.81
	Borrowing	0.00	2.14	0.00	0.00	2.14
	Sales of Asset	2.851	1.42	1.42	0.71	6.41
	\$ from Credit	9.25	44.13	14.23	11.03	78.65

**Table 6: Percentages of Micro-Credit Usage by educational level**

Variables		Educational Level				Total
		No-Educ	Pri -Educ	Secondary	Post -SEC	
Access Quality	V.Good	11.23	21.05	6.32	3.51	42.11
	Good	3.51	27.72	11.23	9.82	52.28
	Poor	2.11	1.40	0.00	0.00	3.51
	V.Poor	0.00	1.40	0.00	0.70	2.11
Useful in Productivity	YES	14.55	50.55	16.73	14.55	96.36
	NO	1.45	0.73	1.45	0.00	3.64

**Table 7: Percentages of Micro-Credit Usage 2 by educational level**

Variables		Educational Level				Total
		No-Educ	Pri -Educ	Secondary	Post -SEC	
Did you Purchase any physical asset	YES	13.53	34.96	13.53	10.15	72.18
	NO	3.01	17.67	2.26	4.89	27.82
Asset Purchased	Land	4.17	2.60	2.08	5.73	14.58
	House	0.00	6.25	5.21	0.00	11.46
	Vehicle	2.08	10.94	0.00	1.04	14.06
	T.V	1.04	0.00	1.04	0.00	2.08
	Radio	3.13	0.00	0.00	0.00	3.13
	Machin e	6.25	19.79	5.21	3.13	34.38
	Others	2.08	8.85	5.21	4.17	20.31

**Table 8: Percentages of Micro-Credit Performance by educational level**

Variables		Educational Level				Total
		No-Educ	Pri -Educ	Second	Post -SEC	
Help Increase Profit	YES	15.83	52.52	17.99	13.67	100.00
	NO	0.00	0.00	0.00	0.00	0.00
Is it of Benefit	YES	10.24	35.12	12.68	9.76	67.80
	NO	6.10	16.83	5.85	3.41	32.20
Income generated from Business	7500 Below	0.00	3.69	1.84	0.92	6.45
	>7500-15000	0.00	5.53	0.92	0.00	6.45
	>15000-22500	7.37	12.44	4.61	1.84	26.27
	>22500-30000	12.90	30.41	7.37	10.14	60.83
Profit Usage	Non-business	9.92	31.82	13.22	9.09	64.05
	Business	0.83	11.98	1.65	4.13	18.60
	Both	5.79	5.79	4.13	1.63	17.36
Access Performance	Fair	1.53	13.74	2.29	0.76	18.32
	Good	6.11	24.81	12.98	8.40	52.29
	V.Good	7.63	12.60	3.82	5.34	29.39

Table 9 – Binary Logistic Regression Estimates: (see Appendix)

<b>Variable</b>	<b>Coefficients</b>	<b>Wald statistics</b>	<b>Signific. (Prob.)</b>
C	-4.28	3.151	0.076*
Primary Education	-1.826	7.479	0.006*
Secondary Education	20.570	0.000	0.997
Post-Secondary Education	2.531	5.006	0.025*
Method of Payment	-0.144	0.722	0.395
Consumption Pattern	-0.402	0.554	0.457
Amount Borrowed	0.621	3.418	0.064*
Marital Status	2.416	19.975	0.000*
Occupational Status	3.110	16.681	0.000*
House Ownership	1.457	3.115	0.078*
Income Generated from Business	-0.392	1.467	0.226
Adj. R2	0.51		
Log Likelihood Ratio	122*		

Source: SPSS Output Note: Dependent variable is Poverty Status (Access Performance); b – Zero because redundant; \* denotes significance at 5% or 10% level and hence 95% and 90% Confidence level of estimates.