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FINANCIAL INCLUSION AND THE SAVINGS CULTURE OF LOW-INCOME EARNERS

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Received 10 January 2026; accepted 23 March 2026; published 30 June 2026

Abstract. The study examined the role of financial inclusion in building a savings culture among daily low-income earners in Enugu State, Nigeria. The survey period is from April 20 to May 25, 2025. The study population consisted of 510 registered tri-cycle operators. 241 tricycle operators were randomly selected from three suburban settlements in Enugu State, Nigeria: Emene, Ninth Mile, and Orba. The questionnaire was the primary instrument for data collection. Data were analysed by means of descriptive statistics– mean percentages, frequency counts and charts. Postulated hypotheses were tested using the chi-square test statistic at the 0.05% level of significance. Variables of interest were: bank account ownership, awareness created by financial institutions, proximity of banks, availability of credits, as they relate to the building of a savings culture among daily income earners. Results show that having a bank account was not sufficient to build a savings culture ($P \leq 0.05$). Secondly, the awareness created by banks aimed at financial inclusion did not positively influence the savings culture ($P \leq 0.05$). It was also found that the proximity of banks' branches did not enhance savings habits of daily income earners ($P \leq 0.05$). Most low-income earners, instead of using banks, used ubiquitous Point of Sale (POS) operators and other non-bank locations. Finally, credit advancements were not common among the daily income earners. Against this background, it is concluded that efforts toward financial inclusion by Nigeria's Apex bank and the commercial banks are not deep or all-encompassing, as the available banking opportunities do not enthruse low-income earners. It is thus recommended that the financial inclusion net be directed towards promoting a savings culture in general, including daily income earners in particular.

Keywords: banks; daily income earners; financial inclusion; savings; tricycle operators

Reference to this paper should be made as follows: Umoh, B., Miszczak, K., Kenechukwu, N., Krivins, A., Etalong, T. 2026. Financial inclusion and the savings culture of low-income earners. *Entrepreneurship and Sustainability Issues*, 13(4), 105-118. <http://doi.org/10.9770/z2766334336>

JEL Classifications: G21, D14, O16

1. Introduction

Savings are crucial for individuals and households, as they provide financial security, hedge against risks, and generate capital for investments, which, in turn, support national productivity and poverty reduction. While salaried workers are more easily integrated into the financial system due to mandatory bank accounts, many self-employed Nigerians, particularly daily income earners, remain financially excluded.

Daily income earners, such as tricycle operators in Enugu State, handle significant cash flows but are neither obliged to open bank accounts nor adequately reached by financial awareness campaigns. Although their

activities are government-regulated, a poor savings culture persists due to limited financial literacy, a preference for cash, and the weak impact of credit programmes. A significant challenge is that most assessments of financial inclusion emphasise supply-side indicators (e.g., bank branches, ATMs, fintech agents, loan disbursements) rather than actual usage and sustainability of savings (Kiran, 2018). Furthermore, despite interventions such as Sure-P, YouWin, and Conditional Cash Transfers, their long-term effect on building savings culture among small businesses remains questionable. Given these gaps, this study examines the role of financial inclusion in shaping the savings culture of daily income earners, with a focus on tricycle operators in selected suburban communities of Enugu State.

The following were the guiding research questions for the study:

1. To what extent has ownership of bank accounts affected the savings culture of daily income earners in select suburban areas of Enugu State, Nigeria?
2. To what extent has awareness of financial inclusion enhanced the savings capabilities of daily income earners in select suburban areas of Enugu State, Nigeria?
3. To what extent has the proximity of banks, agents, and other formal financial services providers enhanced the culture of saving among daily income earners in select suburban areas of Enugu State, Nigeria?
4. To what extent has access to credit facilities affected the savings habits of daily income earners in select suburban areas of Enugu State, Nigeria?

This study has both general and specific objectives. The overall aim of the study is to analyse the effect of financial inclusion on the savings culture of daily income earners in select suburban areas of Enugu State, Nigeria. The specific objectives are:

1. To determine the number of daily income earners in select suburban areas of Enugu State, Nigeria, who maintain a savings culture through ownership of a bank account.
2. To ascertain the number of daily income earners in select suburban areas of Enugu State, Nigeria, who maintain a savings culture, given the level of awareness resulting from financial inclusion drives.
3. To examine the number of daily income earners in select suburban areas of Enugu State, Nigeria, who maintain savings culture as a result of proximity to banks, and/or their agents.
4. To determine the number of daily income earners in select suburban areas of Enugu State, Nigeria, who maintain a savings culture, given their previous credit.

The following hypotheses are formulated to guide the study:

H0₁: There is no significant difference in the number of daily income earners in select suburban communities of Enugu State, Nigeria, who maintain a savings culture by owning accounts.

H0₂: There is no significant number of daily income earners in select suburban communities of Enugu State, Nigeria, who maintain a savings culture as a result of awareness of financial inclusion.

H0₃: There is no reasonable number of daily income earners in select suburban areas of Enugu State, Nigeria, who maintain a savings culture due to proximity to banks, and/or their agents.

H0₄: There is no significant difference in the number of daily income earners in select suburban areas of Enugu State, Nigeria, who maintain savings culture as a result of their previous credit experiences.

2. Review of Literature

Financial inclusion and a savings culture are key factors in the economic resilience of low-income groups, particularly in emerging economies. For households with unstable incomes and those employed in the informal sector, limited access to formal financial institutions significantly impacts their ability to accumulate savings and withstand financial shocks. Recent literature emphasises that the savings behaviour of these groups is shaped by a combination of economic, institutional, behavioural, and technological factors (Kum et al., 2024; Masha & Fihla, 2025).

Research on financial shocks and savings in Africa shows that income instability negatively impacts savings rates even among the middle class. Using FinTech data, Abubakar et al. (2025) conclude that digital financial instruments can partially mitigate the impact of financial shocks by expanding access to savings products. In a macroeconomic context, Rehman et al. (2024) emphasise that gross domestic savings are an important prerequisite for long-term economic growth, and low household savings rates in developing countries reflect structural problems with financial inclusion.

The role of financial literacy in shaping a savings culture has received considerable attention in the literature. Using Ghana as an example, Adu and Peprah (2025) demonstrate that attitudes toward savings and financial literacy mediate the relationship between current poverty and the intergenerational transmission of economic vulnerability. Empirical studies in various contexts confirm a robust positive relationship between financial knowledge and the propensity to save. Ananda, Kumar, and Dalwai (2024) show that high levels of financial confidence and risk aversion enhance the impact of financial literacy on saving behaviour. Similar findings are reported in studies of farmers in India (Das & Maji, 2023) and of rural women entrepreneurs in Africa (Ogundare et al., 2024), where self-control and behavioural characteristics serve as essential mediators between knowledge and actual financial decisions. Harvey and Urban (2023) extend these results, confirming the long-term effect of financial education on savings behaviour, including retirement savings.

In recent years, digital technologies have played a vital role in expanding financial inclusion. A cross-country analysis by Başar et al. (2025) shows that digital financial literacy and FinTech adoption are positively associated with individual savings rates. These results are consistent with those of Abubakar et al. (2025), highlighting the potential of mobile financial services to reduce transaction barriers for low-income groups. For informal sector workers, digital channels often become the primary gateway to the financial system, enabling them to accumulate regular micro-savings even with low and unstable incomes.

In addition to formal institutions, informal and semi-formal mechanisms play a significant role in savings behaviour. Comola and Prina (2023) demonstrate, based on a field experiment, that combining formal savings accounts with networked and social financial mechanisms increases savings rates. The roles of cooperatives and savings and credit associations are examined in detail in the works of Flores-Chia and Mougenot (2023) and Kamau et al. (2024), who emphasise the importance of trust, member participation, and deposit structures for the sustainability of such institutions. Research on microsavings and self-help groups occupies a special place in the literature. A review by Rupa and Parimalarani (2025) shows that participation in microsavings groups not only promotes savings but also enhances financial stability, social cohesion, and households' ability to cope with unexpected expenses. These forms of savings are particularly popular among informal workers, who are often excluded from traditional banking products.

Along with economic and institutional factors, the literature emphasises the importance of behavioural and expectant aspects. Pavlo and Dariia (2023) show that ideological attitudes and trust in economic institutions influence long-term savings decisions. Jing et al. (2025) complement this approach, demonstrating that expectations of future consumption, including in retirement, shape not only the amount of savings but also the structure of household financial assets.

Many studies have examined the effects of financial inclusion, especially 'Savings', on poverty, economic growth, and overall development. Conversely, fewer works have been done on savings culture and its interplay with the various offerings of financial inclusion being studied, namely: account ownership, awareness creation, proximity, and credit. They are all reviewed hereunder to demonstrate the existing gap this work attempted to fill.

In recent decades, financial inclusion has emerged in the academic and applied economics literature as a key factor in economic development, poverty reduction, and increased social resilience, particularly among low-income populations. Financial inclusion is generally understood as the ability of broad segments of the population to obtain and use formal financial services - such as bank accounts, loans, payment instruments, and savings products - on affordable and sustainable terms. Recent research shows that expanding financial

inclusion not only improves household well-being but also has systemic impacts on macroeconomic dynamics, financial stability, and institutional development. From an economic growth perspective, financial inclusion is viewed as an essential transmission channel between financial development and the real economy. In this context, the study by Kanga et al. (2022) makes a significant contribution by analysing the relationship between the diffusion of financial technologies, financial inclusion, and per capita income. The authors demonstrate that the diffusion of fintech innovations enhances financial inclusion and has a positive long-term impact on income levels, particularly in countries with emerging financial markets. These results support the thesis that the digitalisation of financial services reduces transaction costs and entry barriers for low-income groups, thereby promoting more inclusive economic growth.

The link between financial inclusion and poverty reduction is one of the most consistently supported in the empirical literature. Huong and Ha (2021) demonstrate that increasing financial inclusion has a statistically significant impact on poverty reduction across different income thresholds. The authors emphasise that access to formal financial services allows households to more effectively smooth consumption, invest in human capital, and reduce vulnerability to economic shocks. Similar findings are presented in a more recent study by Saka, Gan and Hu (2025), which analyses the impact of financial inclusion not only on poverty but also on income inequality. Their results suggest that financial inclusion simultaneously reduces poverty and mitigates income inequality, particularly in low- and middle-income countries.

Using banking data from Asian countries (Vo et al., 2021) conclude that increased financial inclusion can enhance financial stability by diversifying the deposit base and increasing bank resilience to shocks. Similar results were obtained by Atellu and Muriu (2022) in an emerging economy, where increased financial inclusion is associated with improved financial stability indicators. These studies refute widespread concerns that including low-income clients necessarily increases systemic risks and demonstrate that, with adequate regulation, financial inclusion can be a stabilising factor.

Along with macroeconomic effects, the literature emphasises the importance of institutional and governance factors in shaping financial inclusion. Tran and Dinh (2021), using micro-level data from rural areas in Vietnam, demonstrate that the quality of provincial governance significantly influences household financial inclusion. This supports the more general conclusion that financial inclusion cannot be considered in isolation from the institutional environment. Along similar lines, Durguti et al. (2024) demonstrate that the quality of public governance and the rule of law significantly impact economic growth in developing economies, thereby creating favourable conditions for the successful implementation of financial inclusion programs.

The literature pays special attention to the determinants of financial inclusion. Mose and Thomi (2021) identify factors such as income level, education, infrastructure, and institutional quality, emphasising their complementary nature. These findings are also reflected in studies on informal financial institutions. Kamran & Uusitalo (2024) show that informal financial institutions play an essential role in expanding financial inclusion among the unbanked and low-income population by acting as a bridge between the formal financial sector and vulnerable groups.

Finally, contemporary research is increasingly addressing the cultural aspects of financial inclusion. Bertrand and Ghassem (2026) emphasise that cultural heterogeneity influences the degree of population participation in formal financial systems and, therefore, should be taken into account when developing financial inclusion policies. This finding complements economic and institutional approaches, underscoring the need for a more comprehensive, context-sensitive understanding of financial inclusion. Taken together, the studies reviewed confirm that financial inclusion is a powerful tool for promoting economic development and poverty reduction, particularly among low-income groups. However, its effectiveness depends on a combination of technological, institutional, governance, and cultural factors, underscoring the need for further interdisciplinary research in this area.

No doubt sound monetary and fiscal policies sustained over time lead to durable economic growth. This is why governments enact policies that ensure an inclusive economy. The various countries showed that, though

financial inclusion may have become a general phenomenon, its nature, form, and challenges differ across jurisdictions and, as such, cannot be addressed by a single "one size fits all" product approach. They further reviewed past and present efforts to promote financial inclusion in Nigeria and found that there has been limited achievement of significant expansion in the level of financial inclusion. People's uniqueness in culture, environment, academic background, colour, institutions, and politics must be considered when formulating financial inclusion policies (Krivins & Vilks, 2013; Krivins, 2019).

Stiffer or poorly enforced regulations by the CBN on banks give rise to excessive charges on customers. There are existing statutory deductions imposed by the Central Bank, which affect the rates banks charge customers for loans and deposits. Victims of Internet fraud often lead counter-campaigns, which erode public confidence, in addition to the actual financial loss. It has profound reputational and security implications for countries' images. Studies have been carried out in the areas relating to the variables investigated in this study, namely: Bank Account ownership; Awareness creation through Financial Inclusion; Proximity of Financial services providers to people; and Access to Credits. First of all, to what extent can it be argued that ownership of a bank account is both necessary and sufficient for suburban dwellers to maintain a savings culture? Special focus should be given to the charges the banks take from customers' accounts. It will help to build a savings culture.

Regarding the effect of financial inclusion awareness on savings culture among suburban dwellers, the question is to what extent is financial inclusion knowledge sufficient to foster savings? Also, what are the dimensions of financial inclusion awareness (financial literacy)? Spontaneous decisions about which bank and its products, as well as the frequency of savings, can supersede sound financial knowledge. Factors such as proximity, convenience, celebrity endorsements, and weather conditions can guide clients' decisions. Regarding the effect of bank proximity on people's ability/willingness to save, it is established that reductions in the cost of finance and convenience can increase ability and willingness to save. Hence, banks, through their agents, also known as branchless and mobile banking, have played a key role in extending savings opportunities to people who are far removed from banks.

Branchless banking has significant potential to expand access to financial services for poor people who are not reached by traditional branch networks. It lowers the cost of delivery, including costs for the construction of the banks, the queuing period, and channel/account services (charges). However, it was observed that bank customers (Mehmeti et al., 2024) primarily make payments and send transfers, even when branches are close by or mobile banking is available. Many people either time their deposits to coincide with bill payments or cash withdrawals, leaving their accounts with a near-zero balance, or they do not even open a savings account at all. Hence, how much customers save by making branchless banking transactions is still an area under investigation.

The financial crises that resulted from those reforms, the reversals in several policy measures, and the general instability in the practical and economic environments had a very adverse impact on the functioning of the financial system, including difficulties in obtaining credit for poor credit users. The formal banking system still faces constraints in reaching dispersed poor clients due to a lack of improved service infrastructure. Formal lending is highly collateralised and attracts high interest rates. Due to poor credit bureaus (databases used to assess potential borrowers), formal institutions make credit inaccessible to people with low incomes by requiring collateral. However, with modern technology, customers can access loans online and without collateral; however, the amounts made available are based on customers' previous deposit activities in the bank (including salaries), thereby denying non-existent customers, such as daily income earners, the opportunity to improve their poverty situations. The studies reviewed demonstrate that savings culture among low-income groups is shaped by a complex interplay of financial literacy, access to financial services, digital technologies, social institutions, and behavioural factors. Despite the broad geographic scope of existing studies, the savings behaviour of informal transport sector participants remains understudied, underscoring the need for further empirical research in this area.

3. Materials and Methods

The analytical cross-sectional survey research design was adopted for the study. The design choice is based on the fact that the research centres on people's behaviour and its relationship with job type and daily income.

The study population consisted of all daily income earners, represented by tricycle operators domiciled within the study area. The number of tricycle operators used includes Emene (250), Ninth Mile Ngwo (145), Orba (115).

Total = 510. Source: Associations' registers.

The study's sample size was 241 respondents. Specifically, 219 respondents were obtained using the Cochran's formula, while 22 respondents were added for 10% attrition:

$$n_0 = \frac{Z^2 p(1-p)}{e^2} = \frac{1.96^2 \times 0.5(1-0.5)}{0.05^2} = 384.16 \cong 384 \text{ student}$$

Cochran formula correction for finite population

$$n = \frac{n_0}{1 + \frac{n_0 - 1}{N}} = \frac{384}{1 + \frac{384 - 1}{509}} = 219.1 \cong 219 \text{ respo}$$

10% of 219 respondents (added for attrition) is approximately 22 respondents. The sample size for this research is therefore 241 respondents.

Where n_0 = sample size for a non-finite population

Z = Z-score associated with the 95% confidence interval

p = proportion of the population with an attribute of interest

e = error limit or margin of error, this is usually at 5% or 0.05.

N = Total population under study

n = sample size based on a finite population

A random sampling technique was used to select tricycle operators from Emene, Ninth Mile Corner, and Orba communities in Enugu State.

Questionnaires were used to gather primary information needed for the study. The questionnaire was designed with some questions open-ended and others closed-ended.

The data collection instrument was subjected to face and content validation by test and measurement experts and lecturers at the Institute for Development Studies (IDS), University of Nigeria, Enugu Campus. A Cronbach's Alpha Coefficient of 0.85 was obtained.

The chi-square test was used to test all the hypotheses at the 95% level of significance.

Mathematically, the chi-square was given thus:

$$\chi_c^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

Where: "c" is the degrees of freedom; "O" is the observed value, and "E" is the expected value.

4. Findings and Discussion

Demographic Characteristics of Respondents

The respondents were grouped by age, gender, marital status, educational level, location of operation, period in business, and ownership arrangement. These demographic characteristics are presented as follows (see Table 1 below).

Table 1. Demographic Characteristics of the Daily Income Earners; n = 238

	Frequency	Percent	M±SD
Age			38.33±9.68
- 15-25	12	5.0	
- 26-35	90	37.8	
- 36-45	88	37.0	
- 46-55	33	13.9	
- 56 and above	15	6.3	
Gender			
- Male	231	97.1	
- Female	7	2.9	
Marital status			
- Married	164	68.9	
- Single	69	29.0	
- Divorced	3	1.3	
- Widowed	2	0.8	
Educational level			
- Primary	33	13.9	
- Secondary	143	60.1	
- Tertiary	55	23.1	
- No school	7	2.9	
Location of operation			
- Emene	117	49.2	
- Orba	65	27.3	
- 9th mile	56	23.5	
How long have you been in the business?			
- Less than a year	39	16.4	
- 2-5 years	123	51.7	
- 6 years and above	76	31.9	
Under what arrangement do you operate			
- Owned by you	154	64.7	
- Hire purchase	84	35.3	

Source: Field survey 2025

Table 1 shows the demographic characteristics of the daily income earners. The mean age was 38.33 years, with a modal age group of 26-35 years (37.8%). Most were male (97.1%) and married (68.9%), and 60.1% had secondary education. Most respondents (65%) owned a tricycle and had been in the business for 2-5 years (51.7%).

Bank account ownership and savings culture of daily income earners in select suburban areas of Enugu state, Nigeria

Table 2. Ownership of Account and the Savings Culture of Daily Income Earners; n = 238

	Frequency	Percent
Do you have a bank account		
- Yes	232	97.5
- No	6	2.5
What type of account do you have (n = 232)		
- Savings	216	93.1
- Current	36	15.5
- Fixed deposit	3	1.3
What kind of savings account do you operate (n = 232)		
- Individual	222	95.7
- Joint	8	3.4
- Household/family	4	1.7
How many years now have you owned a bank account (n = 232)		
- 5 years and below	56	24.1
- 6-10 years	66	28.4
- 11-15 years	56	24.1
- 16 years and above	54	23.3
How frequently do you use your bank account (n = 232)		
- Daily	71	30.6

- Weekly	40	17.2
- Monthly	19	8.2
- Irregularly	102	44.0
What is your preferred banking operations channel (n = 232)		
- Visit to the bank	49	21.1
- Mobile/internet banking	34	14.7
- POS agent	188	81.0
Do you operate a separate personal savings account different from your business account (n = 232)		
- Yes	76	32.8
- No	156	67.2
How often do you set aside money as savings in the bank (n = 232)		
- Daily	70	30.2
- Weekly	62	26.7
- Monthly	17	7.3
- Irregularly	83	35.8
Are you satisfied with your savings plan (n = 232)		
- Greatly satisfied	76	32.8
- A bit satisfied	61	26.3
- Not satisfied	95	40.9
Does having a bank account help you to save money (n = 232)		
- Yes	208	89.7
- No	24	10.3
Which of these is true about your saving culture (n = 232)		
- Having a bank account has made me save more money	203	87.5
- Having a bank account has not necessarily made me save more money	29	12.5

Source: Field survey 2025

From data in Table 2, it is evident that nearly all daily income earners (97.5%) had a bank account. The types of accounts owned were mostly savings (93.1%) and individual (95.7%). The respondents had owned the accounts for more than 5 years (75.9%). The use of the account was irregular (44.0%). The most preferred banking channel among account owners was POS agents (81.0%). Not many had a separate personal savings account different from a business account (32.8%). Results of this study show that almost all daily income earners have bank accounts (97.5%), with savings accounts dominating (93%). The majority of them owned the accounts for over 5 years (75.9%). However, their account usage frequency was mainly irregular (44%), rather than daily, weekly, or monthly. This raises the question of the level of savings consciousness among the daily income earners. It further validates the view that financial inclusion may be focusing campaigns on account ownership. Still, the absence of policies that promote and sustain a savings culture at the individual, household, community, and national levels has adverse effects.

Awareness creation by Apex Government Banks of bank account ownership

Table 3. Awareness of Financial Inclusion Enhanced the Savings Capabilities of Daily Income Earners; n = 238

	Frequency	Percent
Would you say that banks/agents and the central bank (CBN) provide sufficient awareness of the need to operate a savings account		
- Yes	56	23.5
- No	171	71.8
- Can't say	11	4.6
Would you say that banks' staff/agents and the CBN provide enough awareness on the need to save regularly		
- Yes	52	21.8
- No	174	73.1
- Can't say	12	5.0
Do you think that the banks and their staff guide you through complicated areas of banking		
- Yes	83	34.9
- No	122	51.3
- Can' say	33	13.9
Does awareness or advertising of the need to have savings help you to maintain a savings culture		
- Yes	80	33.6
- No	158	66.4

Which of these is true about your savings culture		
- Awareness of the need to save has made me save more	68	28.6
- Awareness of the need to save has not necessarily made me save more	170	71.4
What are your primary sources of awareness on the need to have a savings culture		
- Fliers	12	5.0
- Bank personnel/agent	40	16.8
- TV, radio, newspaper	21	8.8
- Social media/internet	30	12.6
- Friends and family	97	40.8
- Education	1	0.4
- Personal decision	2	0.8
- Work	7	2.9
- None	40	16.8

Source: Field survey 2025

Data in Table 3 show that the most common source of awareness of the need to save was friends and family (40.8%). Few daily income earners reported that banks/agents and the Central Bank of Nigeria (CBN) provided sufficient awareness of the need to operate a savings account (23.5%). Neither did banks and their staff guide customers through complicated areas of banking (34.9%). For the majority, awareness or an advert on the need to save never helped them maintain a savings culture (66.4%); awareness never necessarily made them save more (71.4%).

This agrees with the findings of Ilo (2020), who found in his study that only 17% of respondents aged 55 and above are aware of the availability and services of digital banks, while for those aged 41-54, the awareness rate stood at 31%. The linkage between awareness levels and account ownership, and, by extension, savings culture, is laid bare in this work. This aligns with the work of Adetunji and David-West (2019), who found that financial literacy influences savings patterns through both formal and informal financial institutions. Morgan and Trinh (2019) similarly found that financial literacy is positively associated with financial inclusion and savings.

Banks' proximity and savings habits of daily income earners in Enugu state, Nigeria

Table 4. Proximity of Banks, Agents and Other Formal Financial Services and Savings Habits of Daily Income Earners; n = 238

	Frequency	Percent
Has closeness to a bank branch or a bank agent made you open an account with that bank		
- Yes	87	36.6
- No	151	63.4
Has closeness to a bank branch or bank agent made you use banking services more than before, such as sending or receiving money		
- Yes	93	39.1
- No	145	60.9
Does the closeness of a bank branch help you save money		
- Yes	92	38.7
- No	146	61.3
Does the closeness of bank agents (POS) help you save money		
- Yes	179	75.2
- No	59	24.8
Which of these is true about your savings culture		
- Having a close bank branch/agent has helped me save more money	115	48.3
- Having a close bank branch/agent has not helped me save more money	123	51.7

Source: Field survey 2025

Findings in Table 4 show that closeness to a bank branch or bank agent led only a few to open accounts with that bank (36.6%) and to use banking services more than before (39.1%). Closeness to a bank branch also never helped the majority of them save money (38.7%), but closeness to a bank's Point of Sales (POS) did (75.2%). Having a close bank branch/agent never helped many to save more money (48.3%). Contrary to expectations, this work reveals that physical closeness of banks to people does not necessarily lead them to open an account with the bank, use banking services more or save. As many as 63.4% of respondents say the closeness of the bank's branches has not motivated them to open an account. While 60.9% maintain that the proximity of banks has not encouraged them to use banking services more, 61.3% insist that it has not helped them save more.

This work reveals a greater embrace of alternative channels, such as POS. As high as 75.2% of the daily income earners reported that proximity to POS agents helped them save money. With POS agents able to provide quick turnaround and virtual microfinance offering basic banking services, such as account opening, transfers, savings planning and implementation, as well as speedy credit disbursements, it is not surprising that daily income earners have little regard for banks' proximity. This aligns with Findex (2021), which finds that Mobile money is driving growth in account ownership, particularly in Sub-Saharan Africa, where 33% of adults have a mobile money account. However, another angle to look at it is that people tend to adopt mobile banking when the bank's physical presence is also available. In conclusion, mobile banking increased the capacity of low-income earners to save.

Access to credit and the savings habits of daily income earners in Enugu, Nigeria

Table 5. Access to Credit Facilities Affects the Savings Habits of Daily Income Earners; n = 238

	Frequency	Percent
Have you ever had access to a bank's credit/loan		
- Yes	52	21.8
- No	184	77.3
- Not sure	2	0.8
If yes, did the access to credit/loan help you to save money (n = 52)		
- Yes	42	80.8
- No	10	19.2
Which of these is true about your savings culture		
- Having a bank credit/loan will make me save more money	108	45.4
- Having a bank credit/loan will not necessarily make me save more money	130	54.6
Do you consider the bank's credit as a necessity for your business growth		
- Yes	147	61.8
- No	64	26.9
- Not sure	27	11.4
Can you access a bank credit/loan		
- Yes	123	51.7
- No	56	23.5
- Not sure	59	24.8

Source: Field survey 2025

Table 5 shows that only a few daily income earners have had access to bank credit/loan (21.8%), and this access helped most of them save money (80.8%). Generally, not many, however, believed having a credit/loan would make them save more money (45.5%). Nevertheless, the majority considered bank credit as a necessity for their business growth (61.8%). About half of the daily income earners believed they could access bank credit/loan (51.7%).

The pervasiveness of online banking and its willingness to offer microcredits have made the above responses easier. Also contributing are various government intervention programmes, which have helped small businesses in no small measure. It aligns with Somer (2023), who found that one benefit of financial inclusion is that it promotes small businesses, which often need credit and face challenges accessing it from formal financial institutions. Traditional credit scoring metrics rarely favour those with limited credit history, primarily small business owners. 'Financial inclusion strives to explore alternative credit scoring methods that consider non-traditional data sources...' In this regard, utility and rental payment history can help in credit assessments.

Formal lending is highly collateralised and attracts high interest rates. Due to poor credit bureaus (databases used to assess potential borrowers), formal institutions make credit inaccessible to people with low incomes by requiring collateral.

Table 6. Personal Factors that affect the Savings Culture of Daily Income Earners; n = 238

	Frequency	Percent
Generally, I feel that building a savings habit can sustain my business and help my family have a stable income		
- Yes	222	93.3
- No	4	1.7
- Not sure	12	5.1

What are your hindrances to achieving your set personal savings goals?		
- Poor knowledge of banking operations	24	10.1
- Bank charges	53	22.3
- Internet fraud and cyber insecurity	27	11.3
- Distance from the bank	35	14.7
- Lack of infrastructure	3	1.3
- Frequent change in policies	24	10.1
- Cultural belief	3	1.3
- Bad economy/hardship	12	5.0
- Family issue	11	4.6
- Not enough money	13	5.5
- Time	28	11.8
- Personal decision	2	0.8
- Stress/poor service delivery	4	1.7
What do you normally save for		
- To meet personal/family need	132	55.5
- To meet business needs	111	46.6
- For unforeseen circumstances	68	28.6
- Future use	8	3.4
- Investment	13	5.5
What factors have influenced you the most to maintain a savings culture		
- Family	115	48.3
- School/peers	23	9.7
- Adverts and campaigns on savings	3	1.3
- Proximity to bank/bank agent	11	4.6
- Business purposes	45	18.9
- Unforeseen circumstance	12	5.0
- Future use	7	2.9
- Investment	12	5.0
- Personal use	2	0.8

Source: Field survey 2025

According to Table 6, the majority of daily income earners (93.3%) felt that building a savings habit can sustain their businesses and help their families maintain a stable income. Their perceived hindrance to achieving their set personal savings was mainly bank charges (22.3%), followed by distance to the bank (14.7%), time (11.8%), internet fraud and cyber insecurity (11.3%), and poor knowledge of banking operations (10.1%). The majority typically saved to meet personal/family needs (55.5%), and then for business needs (46.6%). They have been influenced primarily by their family to maintain a savings culture (48.3%).

5. Conclusions

Based on the empirical data obtained, financial inclusion, in its traditional sense, does not automatically lead to the development of a sustainable savings culture among low-income citizens in Enugu State. Despite the almost universal availability of bank accounts among daily-income earners, account ownership, account type, or account duration did not have a statistically significant positive impact on savings habits. Bank account use is largely irregular, suggesting a gap between formal financial inclusion and actual financial behaviour. This indicates that financial inclusion policies focus more on quantitative indicators (e.g., account openings) than on qualitative aspects such as developing sustainable savings habits and motivation.

The study findings also indicate that efforts by banks and financial regulators to raise public awareness have been ineffective. Respondents' primary sources of information on the need to save remain family and close contacts, while the role of banks, their agents, and the Central Bank of Nigeria in financial education is assessed as limited. Most respondents noted that advertising and information campaigns did not encourage them to save or increase their savings regularly. This confirms that financial literacy and trust in formal financial institutions remain low, significantly limiting the development of a savings culture.

The hypothesis that the physical proximity of bank branches plays a significant role in fostering savings habits was also not confirmed. Most workers with daily incomes indicated that the presence of banks nearby did not motivate them to open accounts, use banking services more actively, or increase their savings. Instead,

alternative financial channels, primarily POS agents, play a key role. Their accessibility, service speed, and flexibility better meet the needs of this population group. This indicates a structural shift toward agent and digital banking as more relevant financial inclusion tools for people with low and unstable incomes.

Access to bank loans remains limited among respondents, though those who did access them generally noted the positive impact of loans on savings and business development. At the same time, systemic barriers to formal lending persist—high collateral requirements, interest rates, and an imperfect lending infrastructure—which reduce the availability of loans for low-income entrepreneurs. Nevertheless, respondents are pretty aware of the importance of loans for business expansion and financial resilience, indicating potential demand for more tailored microfinance products.

Overall, the study reveals that the savings culture among daily income earners is shaped primarily by family and social factors, as well as the practical needs of households and businesses, rather than by institutional mechanisms for financial inclusion. The main barriers to savings remain bank fees, remoteness from financial institutions, time constraints, the risk of cyber fraud, and a lack of knowledge about banking services. Therefore, to sustainably develop a savings culture, it is necessary to move from formal expansion of access to financial services to a comprehensive strategy that includes improving financial literacy, reducing transaction costs, developing agency and digital channels, and creating products targeted at low-income groups that take into account their real economic and social conditions.

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