SOCIO-ECONOMIC FACTORS AND FINANCIAL INCLUSION ACCESSIBILITY AMONG THE RURAL DWELLERS IN SOUTHWESTERN STATES, NIGERIA

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Abstract

The study evaluated how socio-economic factors affect financial inclusion accessibility among the rural dwellers Southwestern States, Nigeria. Cross-sectional survey research was employed. The target population of the study included both women and men living in the rural part of the following states; Osun, Oyo and Ekiti. Rural dwellers who are above the age of 18 years and those who are willing to participate in the research exercise. Cochran was used to select 2,310 sample size for the three states for the study through the use of multistage sampling technique. Questionnaires were given to target respondents to collect primary data. The data were analysed through the method multiple regression. It was found that social factor and economic factor have positive and significant effect on financial inclusion accessibility. Based on the findings, it can be concluded that social factor and economic factor are significant factor that influence the access to financial inclusion among the rural dwellers in Southwestern States, Nigeria. It was recommended that Government and Non-governmental organization should invest in skills training, agriculture value chains, and microenterprise in order support the rural incomes and make financial services more relevant. The study recommends that financial institutions should develop services that align with local values, such as interest-free microloans in predominantly Muslim communities. More so, financial institutions should expand the micro loan and rural finance scheme for economically active rural dwellers, especially smallholder farmers and traders.

Keywords: Social factor, economical factor, rural dwellers, financial inclusion accessibility

Introduction

Affordable financial services are widely recognised as a tool for poverty reduction and economic prosperity. The assumption that decent financial services may pull the poor out of poverty has driven the broad adoption of financial inclusion policies, programs, and reforms (World Bank 2014). Financial inclusion has improved as countries use digital financial technology to provide affordable payments, transfers, savings, credit, and insurance. Thus, digital financial services drive financial inclusion (GSMA 2020; Pazarbasioglu et al. 2020; World Bank 2020). Additionally, modern technological advances and the adoption of digital financial services like mobile money, Internet banking, and electronic payment systems have increased service delivery efficiency and lowered financial transaction costs, increasing outreach to the poor. In light of this, earlier studies (Pazarbasioglu, 2020) have shown that financial inclusion reduces rural poverty. Financial inclusion is one of the main approaches of the United Nations (UN) to achieving the Sustainable Development Goals (SDGs) such as eradication of poverty, reducing hunger and promoting food security by 2030 and proposes that men and women be granted equal access to financial resources and property ownership. In addition, the World Bank urges that financial inclusion can contribute substantially to achieving good health and well-being, fostering quality education, promoting gender equality, promoting shared economic growth, and promoting innovation and sustainable industrialization.

Despite the importance of financial inclusion service, very little study has examined its accessibility at the rural level as well as its socio-economic determinants in Nigeria. Thus, understanding how these socio-economic factors affect rural residents' access to financial inclusion services in Southwestern States of Nigeria is crucial for rural and local government decision-making. Thus, the study examined the effect of socio-economic factors on financial accessibility among the rural dwellers in Southwestern States, Nigeria. In view of this, the study examines the effect of social factor on financial inclusion accessibility among the rural dwellers in Southwestern states, Nigeria; to investigate the effect of economic factor on financial inclusion accessibility among the rural dwellers in Southwestern states, Nigeria. In line with the specific

objectives, the null hypotheses were stated as follow; social factor has no significant effect on financial inclusion accessibility among the rural dwellers in Southwestern states, Nigeria; economic factor has no significant effect on financial inclusion accessibility among the rural dwellers in Southwestern states, Nigeria.

To achieve the specific objectives and test the null hypotheses, the remain sections of this paper was classified as follow; section two presented the literature review, section three presented the methodology, section four revealed the result and discussion of findings and section five concluded the study.

Literature Review

Theoretical Framework

The Demand and Supply Theory, first articulated by Adam Smith in his seminal work The Wealth of Nations (1776), remains a cornerstone of classical economics. At its core, this theory posits that the price and quantity of goods and services in a market are determined by the interaction between demand (what consumers are willing and able to purchase) and supply (what producers are willing and able to offer). Applied to financial inclusion, the theory implies that access to financial services is influenced by both the demand from rural populations and the ability of financial institutions to supply affordable, accessible, and appropriate financial products (Smith, 1776; Mankiw, 2014; Krugman & Wells, 2018). In rural economies, low demand for financial services is often a function of low and irregular incomes, lack of financial literacy, mistrust of formal banking systems, and cultural preferences for informal saving methods. Even when financial products are available, rural dwellers may not perceive them as useful or may find them too complex or inaccessible. This "demand-side constraint" hinders the uptake of financial products, creating a vicious cycle in which financial institutions see no profit in serving such areas, further limiting supply (Demirgüç-Kunt et al., 2018; Allen et al., 2016; Beck & Demirgüç-Kunt, 2008).

On the supply side, financial institutions are often reluctant to establish branches or deploy mobile banking infrastructure in rural areas due to high operational costs, low population densities, and perceived credit risk. According to EFInA (2023), less than 30% of rural adults in Nigeria have access to formal financial institutions. The theory suggests that in the absence of strong demand, financial service providers will rationally under-invest in rural outreach, thereby reinforcing exclusion. This demonstrates how supply-side limitations driven by market forces can perpetuate financial marginalization (EFInA, 2023; Cull et al., 2014; Ghosh, 2016). The equilibrium between supply and demand in financial services is also sensitive to price signals. High interest rates on loans, costly transaction fees, and hidden charges can suppress demand, especially among low-income populations. At the same time, financial institutions may be unwilling to lower prices or customize products for rural markets without evidence of sustainable demand. This mismatch leads to market failures in financial inclusion where services are technically available but economically inaccessible (Claessens, 2006; Honohan & King, 2012; Ozili, 2018).

Government interventions, such as interest rate caps, subsidies, or rural banking mandates, are attempts to correct this market failure by influencing the supply-demand dynamic. Nigeria's Central Bank has implemented the National Financial Inclusion Strategy (NFIS) to increase rural access through agent banking, mobile money, and microfinance. While such efforts alter the supply landscape, their success still depends on generating sufficient demand through financial education, poverty reduction, and trust-building (CBN, 2022; World Bank, 2022; Aduda & Kalunda, 2012). The theory also underscores the importance of innovation in bridging supply and demand. The rise of fintech, particularly mobile money services like Paga and Opay, has reduced transaction costs and expanded outreach in underserved communities. These services leverage technology to match supply with latent demand, especially where physical banks are absent. Studies show that digital financial services have significantly increased financial inclusion in sub-Saharan Africa by overcoming traditional barriers to supply (Aker & Mbiti, 2010; Jack & Suri, 2011; Andrianaivo & Kpodar, 2012).

In Nigerian, however, infrastructural weaknesses such as poor internet access, electricity shortages, and limited mobile phone penetration continue to suppress both the effective supply and utilization of financial

services. This reinforces Smith's broader insight that markets do not self-correct in the absence of enabling institutions and infrastructures. The existence of unmet demand due to structural poverty also challenges the classical assumption that demand automatically drives supply (Okoye et al., 2021; Adegbite et al., 2020; EFInA, 2023). The Demand and Supply Theory provides a foundational explanation of how social and economic factors shape access to financial services.

Conceptual Review

Financial inclusion is a multidimensional developmental concept that encapsulates the provision and sustained accessibility of affordable, timely, and adequate financial products and services to all individuals and businesses particularly those traditionally excluded from the formal financial system such as rural populations, low-income groups, and women. At its core, financial inclusion goes beyond mere access to bank accounts; it seeks to integrate people into a functional financial system where they can actively and regularly engage in saving, borrowing, payment, insurance, and investment activities. According to the World Bank (2022), financial inclusion is considered achieved when individuals and businesses can use financial services that meet their needs, transactions, payments, savings, credit, and insurance delivered in a responsible and sustainable manner. This view emphasizes not only access but effective usage, quality, and long-term inclusion outcomes. The rise of financial inclusion as a global development strategy stems from the recognition that access to finance is a foundational pillar for inclusive economic growth and poverty reduction. It is now widely acknowledged that lack of financial access is a significant barrier to human development, reinforcing cycles of poverty, income inequality, and economic vulnerability.

Social factors remain some of the most enduring and complex obstacles to financial inclusion, especially in rural communities where traditional values, community structures, and local norms shape economic behavior. In the rural areas of Southwestern Nigeria educational attainment in determining access to and usage of financial services. Low levels of formal education and financial literacy directly hinder understanding of basic banking products, mobile money applications, or the implications of savings and credit facilities. Financial illiteracy breeds apprehension toward financial systems, especially those that require digital interaction or documentation. According to Ojo, et al. (2023), financial knowledge significantly increases the probability of formal account ownership, especially among rural populations. EFInA (2023) further reports that 54% of financially excluded adults in Nigeria lack basic financial literacy, and this trend is most pronounced in rural zones. The World Bank (2022) also affirms that low education correlates with higher levels of financial exclusion, especially in sub-Saharan Africa, where rural women and elderly populations are disproportionately affected.

Economic factors are fundamental determinants of financial inclusion, especially in rural areas where income levels are typically low and employment is largely informal. In Southwestern Nigeria, many rural dwellers depend on subsistence agriculture, petty trading, and seasonal labor, resulting in irregular and minimal income that often disqualifies them from accessing formal financial services. Most financial institutions require a minimum deposit or regular income documentation, which many rural households cannot meet. According to EFInA (2023), over 57% of financially excluded Nigerians cite insufficient income as the primary reason for not owning a bank account. Similarly, the World Bank (2022) reveals that in sub-Saharan Africa, people with incomes in the lowest quintile are three times more likely to be financially excluded than those in the highest. Adebayo and Lawal (2023) argue that income volatility discourages rural households from engaging with formal financial systems, which are often rigid in structure and unfriendly to the income patterns of the rural poor.

Empirical Review

Okonkwo and Eze (2022), examined effect of social barriers on financial inclusion in Rural Nigeria with emphasis on the role of culture and community norms. The study conducted qualitative interviews across 15 rural communities in Enugu and Ebonyi states. Their findings indicated that cultural norms, especially those related to gender roles, inheritance patterns, and decision-making authority, significantly hinder financial inclusion among women and youth. Respondents noted that financial decisions are typically made by male heads of households, limiting independent access for other members. The study recommended community sensitization and participatory programs led by respected local leaders to challenge these norms.

They concluded that financial inclusion efforts must engage cultural institutions, not just financial institutions. In the study titled "The Impact of Religious Beliefs on Financial Behavior in Northern Nigeria," Adamu and Sulaiman (2021) applied a mixed-method approach using both surveys and focus group discussions among Muslim and Christian communities. Their research found that religious perceptions such as the view that interest-based banking is un-Islamic discouraged many individuals from participating in formal financial systems. However, acceptance of Islamic banking products was high. The study recommended scaling Sharia-compliant financial services and incorporating faith leaders in financial literacy campaigns. They concluded that religious congruence between financial products and users' beliefs is crucial to inclusive finance. Akinyemi and Joseph (2023), in "Social Capital and the Use of Informal Financial Services in Nigeria," examined how interpersonal trust and social networks influence financial behaviors. Using household data from Oyo State and logistic regression analysis, they found that individuals with strong social networks were more likely to participate in informal savings groups (esusu or ajo) than formal banks. The distrust in banking institutions and preference for community accountability systems were common themes. They recommended formal integration of community finance models into microfinance frameworks. Their conclusion emphasized that formal financial institutions must learn from the trust structures of social financial practices.

Bello and Musa (2020), in a study titled "Education, Social Awareness, and Financial Inclusion in Rural Nigeria," used a cross-sectional survey of 600 respondents in Kwara and Niger states. They discovered a direct correlation between educational attainment and financial literacy, which in turn influenced account ownership and service usage. Social factors like peer influence and exposure to radio programs also contributed to improved financial behavior. The study recommended increased investment in adult education and community broadcasting on financial literacy. They concluded that social learning environments are key to bridging financial awareness gaps in undereducated populations. Nwachukwu and Onuoha (2022), in their work "Gender Norms and Social Constraints to Women's Financial Inclusion in Nigeria," explored the social expectations that restrict women's access to finance. Using ethnographic methods across three Igbo communities, they found that women were expected to defer financial decisions to their husbands, and this social norm limited their confidence and freedom in engaging with financial products. Microfinance institutions targeting women were more successful when they engaged family units and addressed household power dynamics. The study concluded that inclusive finance must address intrahousehold power relations and the social scripting of women's financial behavior. Ibrahim and Usman (2021), in "Community Cohesion and Group-Based Access to Credit: A Social Study of Cooperative Lending in Northern Nigeria," investigated how social trust and community reputation influence group lending mechanisms. They conducted structured interviews with cooperative members in Kano and Kaduna and found that social cohesion improved repayment rates and enhanced trust in financial intermediaries. The study recommended that microfinance banks partner more closely with cooperatives and traditional guilds to ensure social monitoring. Their conclusion highlighted that group-based accountability is a powerful social tool for expanding credit access.

In the paper titled "The Role of Social Networks in Promoting Mobile Money Use in Semi-Urban Nigeria," authored by Adebayo and Falola (2023), a randomized study was conducted in Osun State to observe how peer networks influence mobile money adoption. The research showed that individuals who had at least two peers using mobile money were 45% more likely to adopt and actively use the service. Peer demonstrations and social recommendations were more influential than advertisements. The study concluded that leveraging social proof and community influencers could be more effective than traditional marketing in scaling financial products. Chinedu and Grace (2020), in their work "Social Exclusion and Its Effects on Financial Inclusion in South-South Nigeria," used social stratification theory to study how minority groups are marginalized in the formal financial space. Survey results from Bayelsa and Delta states revealed that linguistic minorities and marginalized ethnic groups were less likely to access formal finance due to discrimination, low trust, and poor service coverage. The study recommended inclusive policies in

financial services, including the use of local dialects and training frontline staff in cultural competence. The study concluded that social exclusion breeds financial exclusion, and the two must be addressed together. Oladele and Iwuchukwu (2021), in their ethnographic study "The Role of Social Norms in Shaping Financial Choices among Market Women in Nigeria," spent three months observing the informal savings and lending practices of women in three large markets. They found that women preferred thrift collectors and group saving schemes over banks due to peer reinforcement and flexibility in contribution timing. Fear of social shame for defaulting was a stronger motivator than bank penalties. The researchers concluded that financial services must account for the embedded social dynamics that govern money behavior in close-knit communities.

Garuba and Olatunji (2023), in "Youth Identity, Social Media Influence, and Digital Financial Inclusion," explored how youth engagement with social media platforms influenced their uptake of digital financial products. Surveying 1,200 youths aged 18–30 across Lagos, they found that those who engaged with financial content on TikTok, YouTube, or Instagram had a higher likelihood of opening savings apps or investment accounts. Influencer marketing and peer-shared experiences were instrumental in this shift. The study concluded that digital financial inclusion campaigns should be socially embedded within the platforms youth already use, using relatable voices rather than institutional messaging. Ogunleye and Ojo (2023), in The study titled "The Effect of Income Inequality on Financial Inclusion in Nigeria," employed a panel regression model using World Bank financial inclusion and household income data from 2010 to 2020. They found that regions with high income inequality recorded significantly lower bank account ownership and loan accessibility. Poor households were largely excluded from formal credit and saving platforms. The study recommended the introduction of income-sensitive financial products such as micro-savings and flexible lending options. They concluded that financial inclusion cannot be achieved without directly addressing income disparities.

Adegbite and Mohammed (2021), in "Poverty, Unemployment and Their Implications on Financial Exclusion in Northern Nigeria," utilized a multi-stage sampling technique to survey 800 respondents across five states. Their findings revealed that widespread poverty and unemployment discouraged individuals from engaging with formal finance due to lack of funds to save, fear of fees, and low trust in financial systems. The study recommended government-subsidized accounts and credit facilities tailored for unemployed youth and low-income earners. They concluded that economic disenfranchisement perpetuates financial exclusion in northern rural regions. In their research titled "Inflation and Financial Inclusion Nexus in Sub-Saharan Africa: Evidence from Nigeria," Okon and Ebong (2022) conducted a time-series econometric analysis covering 2005 to 2020. They found a negative and statistically significant relationship between inflation and financial inclusion. High inflation reduced real savings value, eroded trust in the banking system, and discouraged deposit mobilization. The study suggested macroeconomic stabilization policies and inflation-indexed savings accounts to boost user confidence. They concluded that stable economic indicators are essential for sustaining financial inclusion.

Ajayi and Balogun (2020), in the study "Electricity Access and Financial Inclusion in Nigeria," used spatial data to explore how infrastructure influences the use of digital banking. They reported that in areas with erratic or no electricity, the use of ATMs, POS, and mobile banking was minimal. These infrastructural deficits discouraged formal financial activity. The study recommended that the Central Bank of Nigeria partner with state governments to co-develop solar-powered banking kiosks and encourage telecom infrastructure investment. Their conclusion emphasized that inclusive finance must be supported by infrastructural inclusion. In "Macroeconomic Shocks and Financial Exclusion: A Post-COVID Study in Nigeria," written by Musa and Ogundele (2023), the researchers used a quasi-experimental design to examine how the COVID-19 pandemic affected financial inclusion. They found that loss of jobs and income disruptions pushed many previously banked individuals into informal financial practices. Financial resilience was low among those without access to credit or savings buffers. The study recommended

targeted recovery plans that include conditional cash transfers through bank accounts and mobile money platforms. They concluded that economic crises widen financial exclusion without robust policy buffers. Chukwuma and Dauda (2021), in their paper "Rural-Urban Economic Disparities and Financial Service Access in Nigeria," used a comparative cross-sectional design involving 1,000 respondents across urban Lagos and rural Anambra. They found that employment in the formal sector in urban areas significantly increased the likelihood of owning bank accounts, while rural dwellers dependent on subsistence farming had minimal financial engagement. The study suggested incentivizing rural banking agents and tailoring services to the economic realities of rural populations. They concluded that financial inclusion must reflect contextual economic structures.

Abubakar and Lawan (2022), in a study titled "The Role of Small Business Income in Enhancing Access to Financial Services," surveyed microentrepreneurs in Kano and Sokoto. They found that higher business income positively influenced financial product adoption such as loans, insurance, and digital payments. However, those with unstable earnings from informal trade or seasonal agriculture remained financially excluded. They recommended income stabilization programs and linking informal businesses to formal banking. The conclusion emphasized that predictable income streams are key enablers of sustained financial inclusion. In "The Relationship Between Wage Employment and Use of Financial Products in Nigeria," authored by Bello (2023), a survey of 700 formally employed individuals revealed that regular salary payments encouraged engagement with formal banking, including payroll accounts, automatic savings, and access to low-interest credit. Conversely, individuals in informal or gig work arrangements lacked financial discipline due to income irregularity. The study recommended tailored products for informal workers, such as savings wallets and weekly micro-deposits. They concluded that employment type directly shapes financial behaviors.

Onyema and Felix (2021), in "Mobile Money, Economic Capacity, and the Rise of Financial Inclusion," examined how economic affordability influences adoption of digital financial tools. Using focus group discussions in Enugu and Abia states, they found that economic affordability of smartphones, mobile data, and transaction fees was a major barrier. Many low-income earners lacked the economic buffer to use these services frequently. The study proposed subsidies on digital infrastructure and zero-fee transaction models for the poorest users. They concluded that reducing the economic cost of access is key to digital financial inclusion. Ibrahim and Adeyemi (2023), in "Informal Economy Participation and the Barriers to Formal Financial Inclusion," studied artisans and market women across Ogun and Osun states. The research showed that the informal nature of their earnings, coupled with a lack of documentation (e.g., payslips, tax ID), limited their eligibility for loans and insurance. Even though they earned consistently, financial institutions viewed them as high-risk. The study recommended adopting alternative credit scoring models based on mobile phone use or transaction histories. They concluded that inclusive finance must evolve to capture the economic realities of Nigeria's vast informal sector.

Methodology

The study utilized cross sectional survey research design as a more appropriate design to address the proposed research questions. The target population of the study included both women and men living in the rural part of the following states; Osun, Oyo and Ekiti. Rural dwellers who are above the age of 18 years and those who are willing to participate in the research exercise. However, rural dwellers who are below the age of 18 years and those that are not willing to participate in the research exercise. The data collection instrument was pretested in order to determine the time required of a respondent to complete a questionnaire and to adapt to the cultural context if need be. The responses were analyzed in order to determine the reliability of the research instrument. The result of the pilot study indicated that the research instrument was reliable, since the scale for most of the latent variables was greater than 0.70. This was accessed through confirmatory factor analysis which was conducted to assess the reliability of different measures. To arrive at the sample size for each of the three states proposed as settings for the research study,

the study shall use the Cochran's Formula (1963) for infinite or unknown population to determine the appropriate sample size of respondents to select. Mathematically, the formula is given as: $n_0 = \frac{z^2 pq}{e^2}$

Where: n = sample size, z= the selected critical value of desired confidence level, p = the estimated proportion of an attribute that is present in the population, $q = 1 - p$ and e = the desired level of precision (probability of error). To calculate the sample size of unknown population, assuming the maximum variability is equal to 50% (p =0.5), and taking 95% confidence level with ±5% precision, the calculation for required sample size will be as follow: $p = 0.5$ and hence q =1-0.5 = 0.5; $e = 0.05$; z =1.96;

$$n_0 = \frac{(1.96)^2(0.5)(0.5)}{(0.05)^2} = 385$$

For each of the communities, the sample size is 385 sample size. In all the six communities, the used (6× 385) = 2,310 sample size for the three states for the study.

Multi-stage sampling techniques was used in the study to select settings and participants. Stratified was used to select the three state and in each stratum three two local government areas were selected giving a total of six local government area. A community village was randomly selected from each of the six local government areas for the purpose of data collection. In addition, the participants were selected using convenient sampling method. The study used descriptive and multiple regression analysis as method of estimation technique.

Data Analysis and Result

This presented the analysis of data, interpretation of results and discussion of findings. The copies of questionnaire that were administered were 2,310 out of which a total of 2,121 copies of questionnaire were properly filled and returned. This represented an overall successful response rate of 91.82%. Bryman and Bell (2011) posit that a response rate of ≥50% is acceptable to analyse the results of the study. The study presents the descriptive statistics for the demographic information in the Table 1.

Table 1: Descriptive Analysis

Variable	Categories	Frequency	Percent (%)
Gender	Male	1134	53.5
	Female	987	46.5
Age	Below 30	1143	54.1
	30–39	401	19.0
	40–49	358	17.0
	50–59	162	7.7
	60 and above	48	2.3
Marital Status	Single	1291	61.4
	Married	674	32.1
	Divorced	56	2.7
	Widow/Widower	81	3.9
Educational Level	Primary	138	6.6
	Secondary	808	38.4
	Diploma	559	26.6
	Bachelor's Degree	517	24.6
	Others	81	3.9

Source: Researcher's Field Survey, 2025

This study involved a total of 2,121 respondents drawn from rural communities across Southwestern Nigeria. Their demographic details are summarized below to help us better understand the background and characteristics of the people who participated in the research. Starting with gender, the responses show that 1,134 respondents, which represent 53.5% of the total, are male, while 987 respondents or 46.5% are female. This means that both men and women were fairly represented in the study, with a slightly higher number

of males. Looking at the age distribution, the highest number of respondents fall into the "below 30 years" category, with 1,143 people, making up 54.1% of the sample. This is followed by 401 people (19%) in the 30–39 years age bracket, and 358 people (17%) who are between 40–49 years. Meanwhile, 162 respondents (7.7%) are aged 50–59 years, and only 48 respondents (2.3%) are 60 years and above. From this, it is clear that the majority of the respondents are young adults, which reflects a youthful population in the communities studied.

In terms of marital status, a total of 1,291 respondents (61.4%) identified as single, while 674 respondents (32.1%) are married. A smaller portion includes 56 respondents (2.7%) who are divorced, and 81 (3.9%) who are widows or widowers. This tells us that most people in the sample are not married, which may be related to the large number of young people in the population. With regard to educational background, the findings show that the respondents have varied levels of education. 138 respondents (6.6%) have completed primary education, while 808 people (38.4%) attained secondary education, which is the most common level. 559 respondents (26.6%) have diplomas, and 517 people (24.6%) hold bachelor's degrees. Only 81 respondents (3.9%) fall under "other" educational qualifications. This indicates that a significant number of people in the rural areas have at least a basic or moderate level of formal education, with many having gone beyond secondary school. Having described the demographic of the respondents, the study proceeds to check the collinearity among the independent variables. The result is presented in Table 2.

Table 2: Correlation Analysis

Variables	Collinearity Statistic	
	Tolerance	VIF
SF	.247	4.046
EF	.132	7.556
TF	.300	3.338
FL	.342	2.922
AE	.177	5.663

Source: **Author's Computation, (2025).**

The result of the correlation presented indicated that there is absence of multicollinearity among the exogenous variables. This is because the tolerance level is less than one and VIF is less than 10. This indicates that the variables are fit for regression analysis and there is likely an absence of spurious result. The study presented the Normality Test in the Table 3.

Table 3: Normality Test

Variables	**Skewness**		**Kurtosis**	
	Statistic	**Std. Error**	**Statistic**	**Std. Error**
FIA	-.739	.053	-.491	.107
SF	-.670	.053	-.600	.106
EF	-.584	.053	-.821	.107
TF	-1.390	.053	1.687	.106
FL	-1.404	.053	1.493	.106
AE	-.439	.053	-1.260	.106

Source: **Author's Computation, (2025).**

Normality is the assumption that the error term is normally distributed with a mean of zero and a constant variance. The study employed skewness and kurtosis to normality data distribution. Creswell (2008) indicated that Kurtosis and skewness statistics of + or -2 are adequate for statistical analysis. This indicated that the data are normally distributed and can be fitted into a regression model based on the output of kurtosis. The study proceeds to test the heteroscedasticity test using residual plot. The result was presented in the Figure 1.

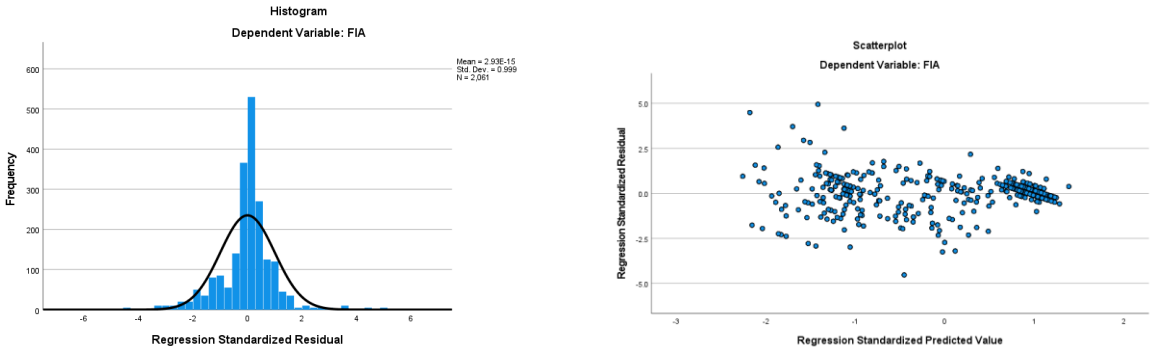

Figure 1: Homoscedasticity Test

The residual plot and the historical graph show that the residual is homoscedastic. Thus, the assumptions of regressions were met. The study proceeded to test the formulated hypotheses.

Ho1: Economic factor has no significant influence on Financial Inclusion Accessibility

Table 4: Socio-Factor on Financial Inclusion Accessibility

Variables	**B**	**Std. Error**	**T**	**Sig.**
(Constant)	0.117	0.059	1.994	0.046
Social Factors (SF)	0.399	0.026	15.189	0.000
Technological Factors (TF)	-0.071	0.024	-3.010	0.003
Financial Literacy (FL)	0.151	0.022	7.015	0.000
Access to Electricity (AE)	0.479	0.020	23.916	0.000
R	0.845			
R^2	0.715			
Adj. R^2	0.714			
F	1297.601			
Sig. F	0.000			

Source: Author's Computation, (2025).

This section presents and interprets the findings from the multiple regression analysis conducted to test the influence of social factor on financial inclusion accessibility among the rural dwellers in the Southwestern States, Nigeria. It was explicit that social Factors (SF) has a positive unstandardized coefficient (B) of 0.399, a t-value of 15.189, and a significance level of 0.000. This means that for every one-unit increase in social factors (such as social support, trust in financial institutions, or community orientation), financial inclusion accessibility increases by 0.399 units, holding other variables constant. The result is statistically significant, showing that social structures and norms are vital facilitators of access to financial services. The standardized Beta coefficient of 0.352 shows that SF is a relatively strong predictor among the variables. Technological Factors (TF) has a negative unstandardized coefficient (B) of -0.071, a t-value of -3.010, and a p-value of 0.003, which is statistically significant at the 1% level. This suggests that an increase in technology-related barriers (e.g., lack of digital literacy, poor infrastructure, or device affordability issues) is associated with a slight but significant decline in financial inclusion accessibility. The negative standardized Beta (-0.062) supports this inverse relationship, although its impact is weaker compared to the other variables. This finding could reflect technological exclusion for certain groups, such as older adults or those in rural areas. Financial Literacy (FL) has a positive coefficient of 0.151, with a t-value of 7.015 and a p-value of 0.000, indicating a strong and statistically significant influence. The standardized Beta of 0.134 indicates that while the effect is smaller than AE and SF, it is still relevant. This means that better financial knowledge and understanding among individuals lead to increased confidence and ability to use financial services, including savings, insurance, and credit facilities. Access to Electricity (AE) has the highest unstandardized coefficient at 0.479, a t-value of 23.916, and a significance value of 0.000. The standardized Beta of 0.486 indicates that AE is the strongest predictor of financial inclusion accessibility in the model. This result suggests that access to electricity (which enables the use of mobile phones, digital financial services, ATMs, and agent banking) plays a fundamental role in expanding access to finance. Without consistent electricity, digital banking and related infrastructure are hard to implement, especially in rural communities.

The model summary indicates an R-value of 0.845, which implies a very strong positive correlation between the combined socio-economic determinants and financial inclusion accessibility. This high R-value suggests that the explanatory variables jointly have a substantial relationship with the outcome variable. Furthermore, the R-Square (R^2) value of 0.715 reveals that approximately 71.5% of the variation in financial inclusion accessibility can be explained by the combined influence of social factors, technological factors, financial literacy, and access to electricity. The Adjusted R-Square, which adjusts for the number of predictors in the model, is similarly high at 0.714, indicating that the model is not overfitted and is generalizable to the population. The standard error of the estimate is 0.51671, which is relatively low, suggesting a good fit between the observed and predicted values. The ANOVA (Analysis of Variance) table provides insight into the overall significance of the model. The F-statistic is 1297.601, with a significance level (p-value) of 0.000. This highly significant F-value indicates that the regression model is statistically significant and that the independent variables, when taken together, significantly predict the dependent variable. In simpler terms, the model fits the data well, and the socio-economic factors jointly have a meaningful impact on financial inclusion accessibility.

Ho_2: Economic factor has no significant influence on Financial Inclusion Accessibility

Table 5: Economic Factor and Financial Inclusion Accessibility

Variables	**B**	**Std. Error**	**t**	**Sig.**
(Constant)	0.375	0.059	6.304	0.000
EF (Economic Factors)	0.391	0.033	11.723	0.000
TF (Technology Factors)	-0.026	0.024	-1.074	0.283
FL (Financial Literacy)	0.096	0.023	4.172	0.000
AE (Access to Electricity)	0.433	0.026	16.626	0.000
R	0.838			
R Square	0.703			
Adjusted R Square	0.702			
F	1219.260			
Sig. F	0.000			

Source: Author's Computation, (2025).

The regression analysis conducted to assess the impact of economic factor on financial inclusion accessibility. Economic Factors (EF) show a positive and statistically significant effect on financial inclusion accessibility, with a B value of 0.391 and a t-statistic of 11.723 (p = 0.000). This implies that a one-unit increase in economic factors leads to a 0.391 increase in financial inclusion accessibility, holding all other variables constant. The standardized beta coefficient is 0.379, indicating that EF has a strong relative contribution to the model. Given its high VIF (7.249), there is some multicollinearity, but it is still within acceptable limits, especially in social science research. This result reinforces the idea that better employment, income, affordability, and savings patterns significantly enhance people's access to formal financial services in rural Nigeria. Technology Factors (TF), on the other hand, have a negative but statistically insignificant relationship with financial inclusion accessibility (B = -0.026, p = 0.283). Although the beta coefficient (-0.022) suggests a slight negative impact, the insignificance of the t-value (-1.074) indicates that technological factors such as mobile phone access, internet availability, or digital literacy do not contribute meaningfully to financial inclusion accessibility in this specific model. This could mean that despite the availability of digital infrastructure or fintech tools, the intended beneficiaries rural dwellers may lack the skills, trust, or consistent access to utilize these tools effectively.

Financial Literacy (FL) exhibits a significant positive impact on financial inclusion accessibility, with B = 0.096, t = 4.172, and p = 0.000. The standardized beta is 0.086, suggesting a modest contribution to the model compared to EF and AE. This finding confirms that as individuals become more financially literate understanding savings, credit terms, interest rates, and general financial management they are more likely to access and effectively utilize financial services. The VIF of 2.921 indicates no serious multicollinearity, and the result underscores the importance of integrating financial education initiatives into inclusion strategies. Access to Electricity (AE) proves to be the strongest predictor in this model, with B = 0.433, t = 16.626, and p = 0.000. The standardized beta is 0.440, making it the most influential variable in predicting

financial inclusion accessibility. This result suggests that stable and consistent access to electricity significantly enhances individuals' ability to participate in the formal financial system, possibly through enabling digital banking, supporting agent networks, powering mobile devices, and encouraging entrepreneurial activities. Its VIF of 4.868 also falls within acceptable levels, meaning the variable's impact is both unique and reliable. This highlights that infrastructural elements, especially electricity, must be prioritized for meaningful financial inclusion, particularly in off-grid or underserved areas.

From the Model Summary, the coefficient of multiple correlation (R) is 0.838, which indicates a very strong positive correlation between the set of independent variables (EF, TF, FL, AE) and financial inclusion accessibility. This means that changes in the independent variables are closely associated with changes in financial inclusion accessibility. The R Square value of 0.703 suggests that approximately 70.3% of the variation in financial inclusion accessibility is explained by the four predictor variables included in the model. The Adjusted R Square is slightly lower at 0.702, which accounts for the number of predictors and provides a more accurate estimate of the explanatory power of the model. The standard error of the estimate is 0.52680, indicating the average distance that the observed values fall from the regression line. A smaller standard error implies better model fit, and in this context, it is considered reasonably low, showing that the model estimates financial inclusion accessibility quite accurately. The ANOVA table further supports the statistical significance of the overall model. The F-statistic value is 1219.260, with a corresponding p-value (Sig.) of 0.000, which is highly significant at the 1% level. This implies that the regression model provides a significantly better fit to the data than a model without any predictors. In other words, the group of economic-related variables included in the model collectively and significantly predict financial inclusion accessibility. The large F-value and low significance level confirm that the model is valid and not the result of random variation in the data.

Discussion of findings

Evidence from the study showed that social factor has positive and significant effect on financial inclusion accessibility among the rural dwellers in South Western States, Nigeria. This implies participation in social groups such a as co-operative, farmer groups, religious groups among others can provide access to savings scheme, loan etcetera which can improve financial inclusion. Also, it was found that economic factor has a positive and significant effect on financial inclusion accessibility among the rural dwellers in South Western States, Nigeria. This means that rural dwellers with stable income level and employment have the potential of accessing financial services such as savings, loans request among others and this will significantly influence the accessibility of financial inclusion in the community.

Implication of the Findings

National and state-level financial inclusion policies should recognize and formalize the role of social groups, especially cooperatives, women's associations, and youth groups. Encourage and regulate community savings groups, agent banking, and mobile money partnerships that build on social cohesion.

Governments should design policies that encourage financial institutions to finance entire agricultural value chains. This allows economically active rural dwellers (especially farmers) to access loans, insurance, and payments in a structured and secure manner.

Introduce or expand credit guarantee schemes to mitigate risk for banks' lending to rural dwellers with irregular income or no formal credit history. This encourages commercial banks and microfinance institutions to serve economically active but financially excluded individuals

Conclusion and Recommendations

Based on the findings, it can be concluded that social factor is significant factor that influence the access to financial inclusion among the rural dwellers in South Western States, Nigeria. Thus, an attempt to increase access to financial inclusion, the social factor must be taken into cognizance. In addition, it was concluded that economic empowerment is a major factor that influence accessibility of financial inclusion in rural communities. The study recommends that financial institutions should develop services that align with local values, such as interest-free microloans in predominantly Muslim communities. In addition, the institution

should engage traditional rulers, religious leaders, and farmer cooperatives as ambassadors for financial services to build trust and uptake. It was recommended that Government and Non-governmental organization should invest in skills training, agriculture value chains, and microenterprise in order support the rural incomes and make financial services more relevant. More so, financial institutions should expand the micro loan and rural finance scheme for economically active rural dwellers, especially smallholder farmers and traders.

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