The Journal of Sustainable Development Law and Policy

ISSN: 2467-8406 (Print) 2467-8392 (Online) Journal homepage: https://www.ajol.info/index.php/jsdlp

Investigating the Nexus between Financial Inclusion and Poverty Reduction in Nigeria (2013-2023)

Olusola Anthony Ibitoye, Abiodun Thomas Ogundele, Joy Oluchi Monehin, Adeniran Abraham, Bamidele Segun Ilugbusi and Akomolehin Olugbenga Francis

To cite this article: Olusola Anthony Ibitoye, Abiodun Thomas Ogundele, Joy Oluchi Monehin, Adeniran Abraham, Bamidele Segun Ilugbusi and Akomolehin Olugbenga Francis (2025). Investigating the Nexus between Financial Inclusion and Poverty Reduction in Nigeria (2013-2023). The Journal of Sustainable Development, Law and Policy. Vol. 16:1. 241-255. DOI: 10.4314/jsdlp.v16i1.13

To link this article: DOI:10.4314/jsdlp.v16i1.13

Published online: January, 2025

INVESTIGATING THE NEXUS BETWEEN FINANCIAL INCLUSION AND POVERTY REDUCTION IN NIGERIA (2013-2023)

Olusola Anthony Ibitoye* , Abiodun Thomas Ogundele** , Joy Oluchi Monehin*** Adeniran Abraham**** , Bamidele Segun Ilugbusi***** and Akomolehin Olugbenga Francis******

ABSTRACT

This study investigates the nexus between financial inclusion and poverty reduction in Nigeria over the period of 2013 to 2023. Financial inclusion, defined as access to a wide array of formal financial services, is crucial for economic development and poverty alleviation. The research utilizes a quantitative approach, analysing data from the World Bank global database to explore various indicators such as GDP, domestic credit to the private sector, bank non-performing loans, and poverty headcount ratios. The findings reveal significant challenges hindering financial inclusion in Nigeria, including limited access to credit, low financial literacy, and disparities in banking infrastructure distribution between urban and rural areas. Despite efforts by the government and financial institutions to promote financial inclusion, the study identifies persistent gaps in reaching marginalized populations. Recommendations for policymakers, investors, and market participants include enhancing financial literacy programs, leveraging technology for inclusive banking, supporting Microfinance Institutions (MFIs), and fostering public-private partnerships. By addressing these challenges and implementing the proposed recommendations, Nigeria can create a more inclusive financial ecosystem, empower individuals, and accelerate poverty reduction efforts. However, the study acknowledges some limitations, such as reliance on available data and the need for longitudinal studies to assess the long-term impact of financial inclusion initiatives. Future research should explore cultural and societal dynamics influencing financial inclusion and conduct comparative studies across different regions and demographic groups to develop more targeted interventions. Overall, this study underscores the importance of advancing financial inclusion as a catalyst for sustainable development and poverty reduction in Nigeria.

Keywords: Financial inclusion, Poverty, Financial literacy, Poverty reduction.

1. INTRODUCTION

Globally, less than 50% of adults have access to financial services, which depicts that a significant gap in financial inclusion[1]. This issue is particularly acute in emerging economies and African nations, where access to financial services remains limited. The problem is particularly serious in emerging and African nations, making increasing financial inclusion a worldwide task[2]. The global goal has been to remove all hurdles, such as education, gender, age, irregular income, regulation, and geographical location, that have led to billions of people' lack of access to financial services worldwide. Theoretically, higher access to deposit facilities improves the ability of financial intermediaries to mobilize savings, while improved access to credit helps economic growth by improving families' ability to conduct productive investments[3]. Financial inclusion, in particular, connects people to banks and the benefits that come with it. Access to a well-functioning financial system, by creating equal opportunities, allows socially and economically excluded people to integrate into the economy and actively contribute to economic development. Financial inclusion refers to the process of integrating certain persons and groups into the financial services business. It is considered that some persons and organizations are financially excluded. Financial isolation might be voluntary or coerced. In contrast, involuntary exclusion is typically caused by a lack of funds, neighbourhood concerns, a high-risk profile, or

* Senior Lecturer, Department of Finance, Afe Babalola University, Nigeria. Email:ibitoyeoa@abuad.edu.ng

** Senior Lecturer, Department of Finance, Afe Babalola University, Nigeria. Email: biodunogundele@abuad.edu.ng

***Department of Finance, Afe Babalola University, Nigeria. joymonehin@yahoo.com

**** PhD student, Faculty of Management Science, Durban University of Technology, South Africa. Email: 22176549@dut4life.ac.za

*****Department of Finance, Afe Babalola University, Nigeria. Email: segunilugbusi@abuad,edu.ng

******Department of Finance, Afe Babalola University, Nigeria. Email: akomolehinfrancis@pg.abuad.edu.ng

1 World Bank, Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution (2017) https://globalfindex.worldbank.org

2 Ardic OP, Heimann M, and Mylenko N, 'Access to Financial Services and the Financial Inclusion Agenda Around the World: A Cross-Country Analysis with a New Data Set' (2011) World Bank Policy Research Working Paper No. 5537.

3 Andrianaivo M and Kpodar K, 'ICT, Financial Inclusion, and Growth: Evidence from African Countries' (2011).

discriminatory market tendencies[4]. Financial inclusion is achieved when people in Nigeria have easy access to a variety of formal financial services that meet their requirements and are reasonably priced[5].

The lack of financial inclusion is a significant driver of poverty in Nigeria,as it restricts access to essential financial services that can empower individuals and communities economically. The World Bank estimates that over 40% of Nigerian citizens still lack a bank account as at 2022, considering the worldwide average, that is outrageous. This disparity makes it quite difficult to address poverty as, without credit, savings, or investment, both people and small enterprises. Furthermore, the 2021 Global Findex data reveals that this problem is more severe in rural areas, where banking options are almost nonexistent, and among groups like women and young people already confronting enough difficulties[6]. The Nigerian government has made strides towards financial inclusion through initiatives like the National Financial Inclusion Strategy (NFIS), yet significant challenges persist. Despite the ambitious goal of achieving 80% access by 2020, progress has been hindered by infrastructural, regulatory, and socio-economic factors. Studies such as Nnaomah[7] highlight how Nigeria's digital banking infrastructure faces regulatory bottlenecks that limit its effectiveness. Similarly, Olanrewaju and Aluko[8] emphasize the gender disparities in financial access, noting that men are more likely to benefit from digital finance platforms than women due to lower digital literacy rates and inadequate infrastructure in rural areas. Furthermore, Apere and Uche (2024)[9] observe that while there has been a rise in USSD and ATM transactions, the overall impact on GDP remains statistically insignificant, indicating a disconnection between financial access

---

4 Ukama K and Adigun JA, 'Financial Inclusion Policy of the Central Bank of Nigeria: Implication for the Economy' (2013) Central Bank of Nigeria Official Publication, 7(2), 11-34.

5 Ibid

6 World bank (n. 1)

7 Nnaomah, Blessing U, Samuel A Olanrewaju, Henry O Orieno, and Damilola O Ogundipe, 'Digital Banking and Financial Inclusion: A Review of Practices in the USA and Nigeria' (2024) 6(3) FARJ https://doi.org/10.51594/farj.v6i3.971

8 Olanrewaju U and Yetunde A Aluko, 'Gendered Dimension for Digital Financial Inclusion in Nigeria' (2024) Sustainable Development Goals Series https://doi.org /10.1007/978-3-031-53337-2_12

9 Apere and Uche (n 9)

and broader economic growth[10].challenges that hinder its progress includes low financial literacy, inadequate infrastructure, and a lack of trust in financial institutions contribute to the persistent financial exclusion of large segments of the population[11]. Furthermore, the rate of participation was only about 64% by the end of 2020. Furthermore, the COVID-19 pandemic made things even worse, especially for small and medium-sized businesses (SMEs) and people who work in the private sector. Addressing these challenges is crucial for enhancing financial inclusion and, consequently, reducing poverty levels in the country[12].

While several studies have explored the relationship between financial inclusion and economic outcomes[13], there is a dearth of comprehensive research focusing on Nigeria's unique socio-economic context. Most existing literature tends to either overlook the heterogeneity of the Nigerian population[14], or fails to account for regional disparities in financial inclusion. Furthermore, the role of digital financial services in enhancing financial inclusion and its subsequent impact on poverty reduction remains underexplored. This research paper aims to identify the current state/status of financial inclusion in Nigeria and create a baseline understanding of the extent to which financial inclusion has been achieved in Nigeria. Other research questions addressed includes identifying the relationship between access to financial services and poverty levels among the Nigerian population. Also determining how technological innovations, particularly in digital financial services, contribute to or hinder financial inclusion and poverty reduction in Nigeria. The key challenges and barriers hindering the success of

---

10 Apere T O and Uche W J, 'Financial Inclusion and Nigeria's Economic Perfor mance' (2024) 12(3) European Journal of Accounting, Auditing and Finance Research 68.

11 Olaoye O and Zerihun MF, 'Financial Inclusion and Poverty Reduction in Nigeria: The Role of Information and Communication Technology (ICT)' (2023) 14 African Journal of Economic and Management Studies 726 https://doi.org /10.1108/ajems-12-2022-0488

12 Ukamaka OB, Asomba IU and Kelechukwu AE, 'Price Stability and Economic Development in Nigeria: Issues and Challenges' (2023) 14 Journal of Policy and Development Studies 56 https://doi.org/10.4314/jpds.v14i2.5

13 Ngong CA, Thaddeus KJ and Onwumere JUJ, 'Microfinancial Inclusion Nexus Poverty Alleviation: The Case of Nigeria' (2021) 38 Journal of Economic and Administrative Sciences 581 https://doi.org/10.1108/jeas-08-2020-0147

14 ibid

financial inclusion initiatives in Nigeria and to what extent do financial sector contribute to financial inclusion and poverty reduction in Nigeria.

This article is structured as follows: following the Introduction in section 1, Section 2 provides a comprehensive review of the literature on financial inclusion and poverty reduction, identifying key themes, gaps, and areas for further research. Section 3 outlines the research methodology, data sources, analytical techniques, and the rationale for the chosen approach. Section 4 presents the findings and discussion. Finally, Section 5 concludes the study with a summary of the findings, policy implications, and recommendations for future research.

2. THE LINK BETWEEN FINANCIAL INCLUSION, POVERTY REDUCTION, AND SUSTAINABLE DEVELOPMENT

Financial inclusion is a critical component in the quest for poverty reduction and sustainable development. It is defined as the process by which individuals and businesses, particularly those in disadvantaged or low-income segments, gain access to useful and affordable financial products and services that meet their needs[15]. This could include transactions, payments, savings, credit, and insurance that are delivered in a responsible and sustainable way[16].

The relationship between financial inclusion and poverty reduction is well-documented. Numerous studies have highlighted the role of financial inclusion in driving economic growth and reducing inequality. For instance, the World Bank and other international organizations have identified financial inclusion as a key driver of the Sustainable Development Goals (SDGs), particularly Goal 1 (No Poverty) and Goal 8 (Decent Work and Economic Growth). Financial inclusion contributes to sustainable development by promoting economic participation, reducing income inequality, and enhancing social cohesion. Other empirical studies such as Ma'ruf and Aryani, Ngong et al., Imai et al., 2010 have highlighted the positive impact that access to financial services can have on alleviating

---

15 Eldomiaty T, Hammam R and Bakry R, 'Institutional Determinants of Financial Inclusion: Evidence from World Economies' (2020) 19(2) International Journal of Development Issues 217 https://doi.org/10.1108/ijdi-08-2019-0147

16 Ehiogu CP, 'Examining the Role of the Insurance Business in Financial Inclusion in Nigeria' (2022) 7(4) European Journal of Business and Management Research 174 https://doi.org/10.24018/ejbmr.2022.7.4.1530

poverty[17,18]. Financial inclusion enables individuals and businesses, particularly those in low-income segments, to access essential financial products and services, which can lead to improved economic opportunities and enhanced livelihoods[19]. Research has shown that financial inclusion contributes to economic growth, which in turn facilitates poverty alleviation by providing individuals with the means to invest in education, health, and entrepreneurial activities[20]. Furthermore, microfinance initiatives have been identified as effective tools for promoting financial inclusion among marginalized populations, thereby directly influencing poverty reduction efforts[21]. However, it is crucial to recognize that financial inclusion must be accompanied by inclusive development strategies that ensure equitable access to opportunities for all segments of the population, particularly the poor.

There is no question that the Nigerian government has taken efforts to expand financial inclusion so that all families have access to the financial services they require to improve their lives. However, the efforts undertaken thus far are inadequate, especially when compared to the worldwide average. The government should also introduce financial regulations and financial literacy initiatives to raise public understanding of the potential benefits of financial inclusion. The banking sector's role in acquiring formal credit cannot be underestimated, and financial inclusion should be viewed as a social obligation rather than a profit-making opportunity[22].

---

17 Erlando, A., Riyanto, F. D., & Someya, M. (2020). Financial inclusion, economic growth, and poverty alleviation: evidence from eastern indonesia. Heliyon, 6(10), e05235. https://doi.org/10.1016/j.heliyon.2020.e05235

18 Ma'ruf, A. and Aryani, F. (2019). Financial inclusion and achievements of sustainable development goals (sdgs) in asean. GATR Journal of Business and Economics Review (JBER) Vol. 4 (4) Oct-Dec 2019, 4(4), 147-155. https://doi.org/10.35609/jber.2019.4.4(1)

19 Erlando (n.13)

20 Ma'ruf (n.16)

21 Lia Nazliana Nasution, Wahyu Indah Sari and Riska Khairuni, 'Financial Inclusion and Poverty Alleviation: Does it Work? (Studies in Lower-Middle-Income Countries)' (2023) 19(3) World Journal of Advanced Research and Reviews 189 https://doi.org/10.30574/wjarr.2023.19.3.1773

22 Moenjak T, Kongprajya A, and Monchaitrakul C, 'Fintech, Financial Literacy, and Consumer Saving and Borrowing: The Case of Thailand' (2020) ADBI Working Paper Series No. 1100.

2.1 Research gap and the need for a comprehensive study on financial inclusion and poverty reduction in Nigeria.

While there are generally few studies conducted on financial inclusion in Nigeria.[23]. findings showed that financial literacy impacts savings trends in Nigerian financial institutions. Other research focuses on the impact of financial inclusion on the whole economy[24]. Some Nigerian researchers however did not consider how financial inclusion metrics differed among different sections of the population. As a result, this research examines the level of financial inclusion in Nigeria while accounting for population group characteristics and demographics[25]. Some of the findings from earlier research suggest that the Nigerian government should implement suitable measures to achieve long-term financial inclusion.

Most previous research on financial inclusion in Nigeria has concentrated on metropolitan regions or certain demographics, potentially excluding rural communities or underprivileged groups. A thorough research might try to give a more inclusive view by taking into account a variety of areas and populations. Another reason why a thorough study should be done is that there are few longitudinal studies that examine the impact of financial inclusion programs over time[26]. Some current work may describe connections between financial inclusion and poverty reduction without considering the existing link and how one influences the other. The significance of microfinance institutions in financial inclusion and poverty reduction may be underexplored, thus this study focuses on the efficacy of MFIs in reaching the unbanked and reducing poverty, providing policymakers and practitioners with practical insights[27].

Given the growing significance of technology in financial services, determining the impact of digital financial services and mobile banking on

---

23 Adegbite OO and Machethe CL, 'Bridging the Financial Inclusion Gender Gap in Smallholder Agriculture in Nigeria: An Untapped Potential for Sustainable Development' (2020) 127 World Development 104755.

24 ibid

25 David-West O, Oni O, and Ashiru F, 'Diffusion of Innovations: Mobile Money Utility and Financial Inclusion in Nigeria. Insights from Agents and Unbanked Poor End Users' (2022) 24(6) Information Systems Frontiers 17531773.

26 Ade'Soyemi K, Olowofela OE, and Yunusa LA, 'Financial Inclusion and Sustainable Development in Nigeria' (2020) 39(1) Journal of Economics and Management 105-131.

27 Kasali TA, 'Accessibility to Microfinance and Its Impacts on Poverty Alleviation' (2016).

poverty reduction is critical. Finally, some studies may fail to include the cultural and societal aspects that influence the effectiveness of financial inclusion projects. It is impossible to overstate the importance of using qualitative research methodologies to investigate how cultural norms, social networks, and community dynamics impact the efficacy of financial inclusion initiatives[28]. These reasons are why a comprehensive analysis and understanding of the impacts and significance of financial inclusion on poverty reduction in Nigeria cannot be downplayed.

3. RESEARCH METHODOLOGY

The study adopts a quantitative approach, primarily analyzing data sourced from the World Bank Global Database (World Bank, 2023) to examine the relationship between financial inclusion and poverty reduction in Nigeria over the period 2013–2023. The variables selected include poverty headcount ratios, domestic credit to the private sector, and commercial bank branches per 100,000 adults. The analysis provides insights into financial inclusion trends and their economic impact, though the reliance on data for specific years presented limitations due to the unavailability of consistent yearly data across some indicators. As such, Microsoft Excel was used to generate descriptive insights and basic trend analysis. It is important to note that financial inclusion is defined as "access to a wide range of financial services such as credit, savings, and insurance" (World Bank Global Findex, 2021).

The research primary utilized a quantitative method in which case data was collected from the World Bank global database. The population under consideration is Nigeria, and the variables were analysed for the past ten years (i.e. 2013-2023). Regression analysis was not used because of the short data period, with some data being unavailable for some years, and small number of observations which together can bias the coefficient of the regression estimations. The analysis was done with the aid of Microsoft Excel to generate insights from the indicators as it affects the financial inclusion and poverty reduction in Nigeria between the years 2013 to 2022. The indicators used include; Poverty head count at $2.15 per day (% of the Nigerian population); Firms using banks to finance investment in Nigeria (% of firms);

[28] Ozili PK, 'Impact of Digital Finance on Financial Inclusion and Stability' (2018) 18(4) Borsa Istanbul Review 329-340.

Commercial bank branches per 100,000 adults in Nigeria; Nigerian Banks nonperforming loans to total gross loans; GDP (currency in US$); Domestic credit to the private sector (% of GDP in Nigeria); Literacy rate of total adult in Nigeria (% of people ages 15 and above); Poverty headcount ratio at $6.85 a day (% of the Nigerian population); Borrowers from commercial banks per 1,000 adults in Nigeria as well as Demographic variables which indicates financial inclusion on the bases of age, gender, and ethnicity.

INDICATORS	YEARS (NIGERIA)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Poverty headcount ratio at $2.15 a day (% of population)			32.3			30.9				
GDP (Currency US$)	520B	574B	493B	404B	375B	421B	474B	432B	440B	472B
Domestic credit to private sector (% of GDP)	11.53	13.29	13.07	14.60	13.85	10.24	11.15	12.13	13.44	14.04
Literacy rate, adult total (% of people ages 15 and above)						62.01				
Firms using banks to finance investment (% of firms)		6.9								
Commercial bank branches (per 100,000 adults)	5.90	5.61	4.98	4.74	4.44	4.30	4.78	4.45	4.28	
Bank nonperforming loans to total gross loans (%)	3.39	2.96	4.86	12.81	14.80	11.67	6.03	6.02	4.93	4.01
Poverty headcount ratio at $6.85 a day (% of population)			89.50			90.80				
Borrowers from commercial banks (per 1,000 adults)	26.50	31.08	29.88	23.81	21.79	18.55	25.42	29.61	35.51	

Table 1: Showing the indicators and data acquired between the years 2013-2022 in Nigeria.

4. DISCUSSION OF RESULTS AND FINDINGS

4.1 Gross domestic products (GDP) as it affects financial inclusion and poverty reduction

From table 1 above, the chart below was generated to show the GDP in US dollar from the year 2013 to 2022 in Nigeria. In context the GDP of Nigeria will affect economic health, impact financial inclusion and poverty reduction by influencing government policies, investment attractiveness, and access to financial services. A robust GDP fosters economic stability, leading to increased financial access and opportunities for poverty alleviation through inclusive financial initiatives and investment channels. The chart below does not reflect the trend that indicates a general increase in policies which could lead to a corresponding increase in financial inclusion, the linear forecast shows a progressive decline in GDP figures which is a bad sign for improvement in the general financial inclusion of the citizens, unless of course drastic changes are made politically and economically.

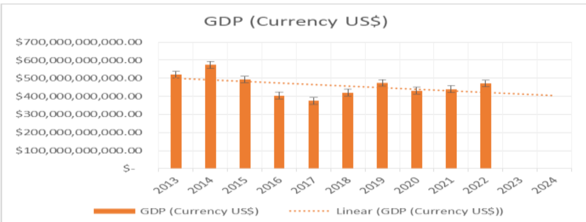

Fig 1: Showing GDP (US $) in Nigeria from 2013 – 2022

4.2 Domestic credit to private sector (% of GDP) as it influences financial inclusion and poverty reduction

Domestic credit to the private sector enhances financial inclusion and poverty reduction in Nigeria by providing businesses and individuals with access to capital for investment and consumption. This facilitates economic growth, job creation, and income generation, ultimately empowering communities and reducing poverty through improved financial access and opportunities. The chart below shows a generally low percentage of financially inclusive members of the society, although it can be seen that between the last four years, there has been a slow but progressive growth in number. Irrespective of this, more has to be done from the CBN to make sure more Nigerians have access to loans to grow their business, grow financially and consequently lead to reduction in poverty.

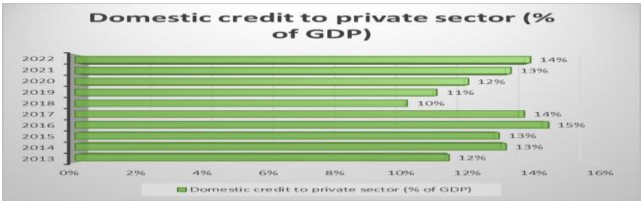

Fig 2: Showing domestic credit to private sectors

4.3 Bank's non-performing loans to total gross loans as it affect financial inclusion and poverty reduction

High levels of non-performing loans to gross loans in banks restrict financial inclusion and exacerbate poverty in Nigeria. This limits credit availability for individuals and businesses, hindering economic growth and entrepreneurship. Improved loan quality enhances financial stability, enabling greater access to credit and opportunities for poverty reduction through inclusive financial services and investment. From the chart below, the bank's non-performing loan percentage has generally been low in the last 10 years which indicates and the percentage has progressively reduced in recent times, this shows a high level of patronage from individuals and businesses alike, but more has to been done to make more loan facilities available so as to get more parties on-boarded into the financial system.

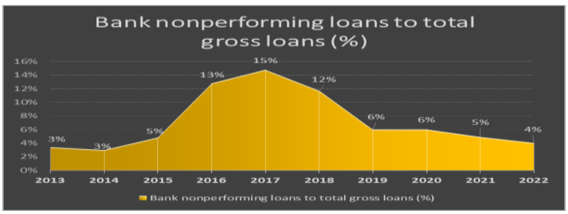

Fig 3: Showing bank non-performing loans to total gross loans

4.4 Commercial bank branches per 100,000 adults and its impact on financial inclusion and poverty reduction

The ratio of commercial bank branches profoundly influences financial inclusion and poverty reduction in Nigeria. With an average ratio of 5 bank branches per 100,000 people (as seen from the chart below), accessibility to financial services remains limited, particularly in rural areas. This disparity impedes individuals' ability to access banking services, credit, and investment opportunities, perpetuating poverty. Improving branch distribution, particularly in underserved regions, can enhance financial access, promote savings, and facilitate entrepreneurship, ultimately fostering economic empowerment and poverty alleviation by providing marginalized communities with the tools and resources needed to participate fully in the formal financial system.

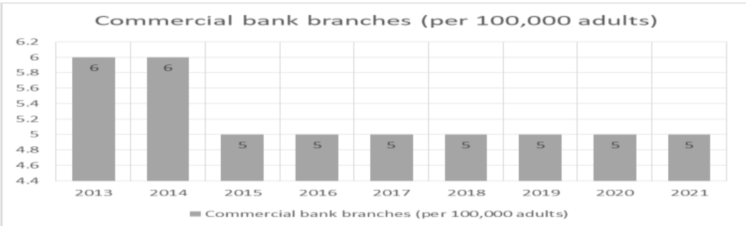

Fig 4: Showing ratio of commercial bank branches per every 100,000 adults in Nigeria

4.5 Influence of the rate of borrowers from commercial banks as it affects financial inclusion and poverty reduction

The ratio of borrowers from commercial banks significantly impacts financial inclusion and poverty reduction anywhere in the world. With an average ratio of 27 adults accessing bank loans per 1000 adults, many Nigerians lack access to credit, hindering entrepreneurship and economic advancement. Expanding lending opportunities, particularly to underserved populations, can stimulate investment, job creation, and income generation, empowering individuals to escape poverty. By facilitating access to credit for a larger segment of the population, Nigeria can enhance financial inclusion, promote economic growth, and alleviate poverty by providing individuals with the financial resources needed to pursue opportunities and improve their livelihoods.

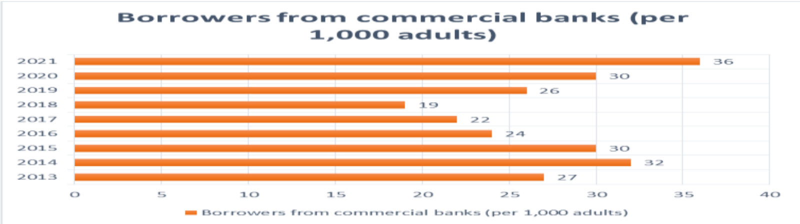

Fig 5: Showing ratio of borrowers from commercial banks per every 1000 adults in Nigeria

4.6 Poverty headcount ratio in Nigeria and the influence on financial inclusion and poverty reduction

The poverty headcount ratio is pivotal in shaping Nigeria's financial inclusion and poverty reduction efforts. With 90% living below $6.85 per day in 2015 and 91% in 2018, and 32% living below $2.15 per day in 2015 and 31% in 2018, the majority of Nigerians face significant economic challenges. High poverty rates indicate limited access to financial services, hindering savings, investment, and entrepreneurial activities. By addressing systemic barriers to financial inclusion and implementing targeted poverty alleviation measures, Nigeria can improve access to credit, savings, and insurance, empowering individuals to build assets, increase incomes, and break the cycle of poverty.

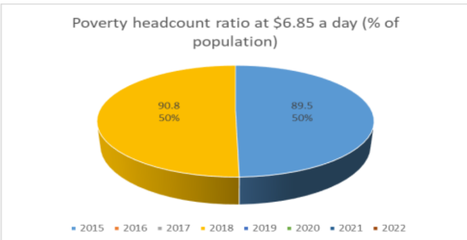

Fig 6: Pie chart showing percentage of Nigeria living below the $6.85 per day line

In summary, while Nigeria possesses economic potential, addressing the identified challenges such as limited access to loans, low financial literacy, and disinterest in financial inclusion is crucial for creating a more inclusive and resilient socio-economic environment in the country.

5 POLICY IMPLICATIONS CONCLUSION

The findings of this research highlight the necessity for targeted interventions to improve financial inclusion in Nigeria, especially among marginalized and rural populations. One key policy implication is the need to enhance financial literacy programs. As noted in the study, limited financial literacy remains a major barrier to accessing formal financial services, particularly in rural areas where banking infrastructure is weak. To overcome this, policymakers should collaborate with financial institutions to develop educational campaigns aimed at underrepresented groups, such as women and rural communities, ensuring they have the necessary knowledge and skills to engage with formal financial systems.

In addition to financial literacy, the role of digital financial services is crucial in addressing the inclusion gap. Although mobile banking and digital platforms have the potential to extend financial services to underserved regions, regulatory bottlenecks and inadequate infrastructure have limited their effectiveness. According to Nnaomah and Olanrewaju, gender disparities also hinder access to these services, as men are more likely to benefit from digital finance than women[29]. Thus, policymakers must prioritize regulatory reforms and invest in infrastructure, particularly in rural areas, to unlock the full potential of digital financial services in promoting inclusion and poverty reduction.

Lastly, the expansion of Microfinance Institutions (MFIs) can significantly impact poverty reduction efforts. MFIs have proven effective in reaching populations that lack access to formal banking services, providing essential credit to small businesses and individuals (Apere & Uche, 2024). Policy interventions should focus on supporting these institutions through favorable regulatory frameworks and fostering public-private partnerships, enabling MFIs to expand their reach and contribute to greater financial inclusion, particularly in Nigeria's underserved regions.

Conclusively, this research findings highlight significant challenges in achieving financial inclusion in Nigeria. Findings from the study reveals that many factors ranging from insufficient governmental interventions in area of education as well as awareness and understanding of the financial industry

---

[29] Nnaomah (n 7)

and the roles it plays, security for financial establishments, curbing corruption in order to allow for adequate disbursement of resources. Other factors include more public-private partnerships to boost financial collaborations, increased efforts from the banking sector to enhance awareness and availability of financial services to a larger number of the population in order to increase financial inclusiveness and thereby curbing poverty rates[30].

In terms of limitations, the ten-year analysis period is relatively short, suggesting that longer-term, longitudinal studies could offer a deeper understanding of trends and financial inclusion programs' impacts.[31]. Future research could complement quantitative findings with qualitative studies to explore the cultural, social, and community dynamics influencing the effectiveness of financial inclusion initiatives. Policymakers should focus on expanding the reach of formal financial services, especially in rural areas, also, promoting inclusive banking policies such as regulatory restrictions, age limitations, and gender biases that hinder certain groups from accessing financial services[32].

---

31 Van Berkel N and Kostakos V, 'Recommendations for Conducting Longitudinal Experience Sampling Studies' in Advances in Longitudinal HCI Research (2021) 59-78.

32 Atkinson A and Messy FA, 'Promoting Financial Inclusion Through Financial Education: OECD/INFE Evidence, Policies and Practice' (2013).