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## **EMPIRICAL EVIDENCE ON FINANCIAL INCLUSION AND POVERTY REDUCTION AMONG LOW INCOME WORKERS IN IBADAN, OYO STATE, NIGERIA**

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### **Abstract**

*This study examined the impact of financial inclusion on poverty reduction among low income workers in Ibadan metropolis of Oyo state, Nigeria. The study specifically identified the integral role of access to microfinance as a proxy for financial inclusion on poverty reduction. A structured questionnaire was administered to a randomly selected number (200) low income civil servants in the study area. Descriptive analysis was used to describe the behaviour of some demographic characteristics of the respondents while inferential statistical tool of logistic regression was applied to estimate the logistic impact of microfinance on poverty reduction among the selected respondents for the study. The results revealed that microcredit was found to have a positive, but low impact on the standard of living of low income workers in the study area. The study recommended that*

*the government should make policies that would encourage continuity and sustainability of microfinance credit scheme in the study area as it shows potentials for poverty reduction among the sampled participants.*

**Keywords:** *Financial Inclusion, Poverty Reduction, and low income workers*

## **1. INTRODUCTION**

It can be put arguably that poverty in many developing countries of the world, especially Nigeria is a culture. The governments of most of these countries have consciously or unconsciously endogenized poverty to be a normal process. This endogeneity of poverty culture is evidenced in many facets of the economy. For instance, the level of functional distribution of incomes are not often commensurate with marginal productivity of labour<sup>1</sup> coupled with high level of fiscal mismanagement of resources have virtually affected all Nigerian, especially the low income workers. Statistics have it that poverty rate is significantly surging higher annually. At the dawn of the policy of Structural Adjustment Programme in 1986, Nigerian poverty headcount ratio, based on purchasing power Parity (PPP) was 46.01%. It surged to 57.1% and 63.5% in 1993 and 1997 respectively (WDI, 2015). Although in 2004 and 2010, the rate declined to 53.46 % and 53.47 respectively, these rates are still high for meaningful development to occur.

Poverty is multidimensional; not implying financial deprivations alone but connotes psycho-social state of mind that affects performances of the workers. Hence, as a universal

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<sup>1</sup> Minimum wage of eighteen thousand naira for workers in Nigeria is a case in this regard.

social problem, the concept of poverty has been an active area of interest which has attracted the attention of government and international development organizations over the years now. According to the World Summit for Social Development (WSSD, 1995) and Agba et al, (2009), poverty is characterized by severe deprivation of basic human needs including food, safe drinking water, sanitation facilities, health, shelter, education and information. The world development indicator (WDI) put it that poor people are those who earn and spend less than one US Dollars daily. In Nigeria, there are various reforms initiated in different sectors of the economy by successive governments toward poverty reduction. In spite of these, the incidence of poverty has been galloping since the 1980s (Agba et al, 2009).

Adedeji and Olotuah (2012) described that the Nigerian National Housing Policy (FGN, 2004) defines the low-income group as all employees and self-employed persons whose annual income is N100, 000:00 and below (i.e. the equivalent of salary grade level of 01-06 within the civil service). Interestingly, the national minimum wage is N44, 000. 00 per annum. About fifty-seven percent (57%) of the Nigerian population falls below the poverty line, which is on the average of US\$1 per day. In reality, most employees who work outside the public sector or outside the organized private sector, as well as many self-employed Nigerians earn well below the national minimum wage. This, by implication indicates that about seventy percent (70%) of Nigerians fall into this category.

It is necessary to understand that no matter the level of income earned, if the saving culture is not cultivated, it becomes difficult for people to consistently save and invest. However, in Nigeria, given the high fraction of the population that is poor, coupled with unfavourable business climate, the marginal propensity to save and invest has been eroded. The financial sector, especially the commercial bank subsector whose roles include mobilization of funds and motivation of the populace to increase their savings culture is slow in their disposition to financial inclusion of all categories of workers in the economy<sup>2</sup>. Right from the beginning of the fourth republic in Nigeria federalism in 1999, the highest level of Domestic credit to private sector by banks (percent of GDP) was 38.3% in 2009, while it reduce to 17.1% in 2015 (WDI, 2015). As an alternative to this failure of deposit money banks, increased provision of credit facilities by microfinance institutions (MFIs hereafter) is a welcomed effort directed at financial inclusiveness for all. By implication, MFIs are agents that aid the pace of financial inclusion in Nigeria.

Notwithstanding the potential roles of MFIs, Akanji (2006) opined that poverty level among workers continues to increase greatly due to their limited knowledge of the poor who are supposed to benefit from the scheme. In support of

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<sup>2</sup> Financial inclusion is conceptualized as a state where financial services are delivered by a range of providers, mostly the private sector, to reach everyone who could use them. Specifically, it means a financial system that serves as many people as possible in a country (Kama and Adigun, 2013). The concept is relatively new and it is the main driver of the economy because when the poor people or low income earners have access to credit and viable financial services, the economy will grow.

this, Nelson and Nelson (2010) stressed that poverty level in Nigeria is increasing in the face of many microcredit schemes. Irrespective of whether poverty rate is increasing or otherwise, efforts of MFIs in terms of provisions of financial services to those in needs are cogent dimensions of financial inclusion. Although many studies have examined the issue of poverty reduction in Nigeria, none assessed the impact of financial inclusion on poverty reduction through the medium of microcredit among low income urban employees (workers) in Nigeria; hence this study fills this gap in knowledge by providing empirical evidence in this area from a survey study in Ibadan metropolis of Oyo State, Nigeria.

To contribute to knowledge in this regard, some of the basic questions addressed in this study include: are low income workers (civil servants) in the study area aware of the extent of financial services that MFIs provide? To what extents are they accessing financial services of MFIs? Is there significant impact of microfinance on poverty reduction among low income workers in Ibadan metropolis? Addressing these questions will help test the preconceived notion that financial inclusion aids poverty reduction through the medium of micro-financing. Thus, in addition to the foregoing introduction, section 2 characterizes the trend of recent developments in financial inclusion in Nigeria. Section 3 reviews literature to establish the nexus between financial inclusion and poverty reduction through the medium of MFIs. Section 4 is devoted to materials and methods used for data gathering and empirical analysis of the findings. The discussion of the findings is detailed in section

5 while the last section, 6 concludes the study by giving the summary of the major findings with appropriate policy recommendations for sustainable financial inclusion and poverty reduction in the study area and Nigeria as a whole.

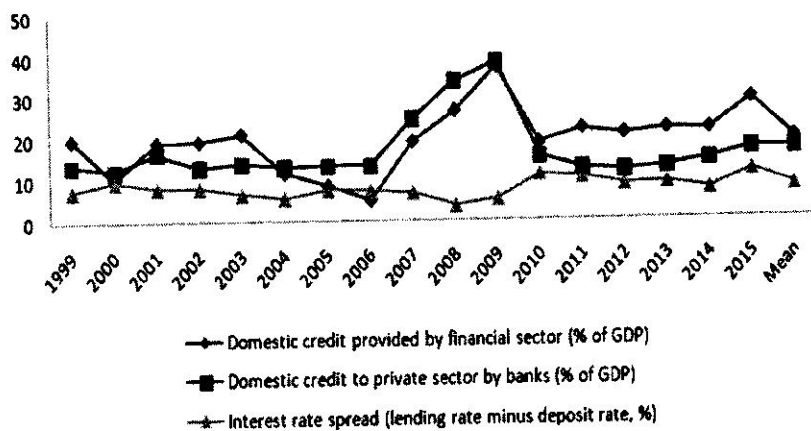
## **2. RECENT DEVELOPMENT IN NIGERIAFINANCIAL INCLUSION**

Financial inclusion is a recent global concept that is stressed to have the potency for abating developmental needs of the masses especially the poor. It is believed that money is the life wire of any economy and so the aim is to correct the problems of persistent dual economy with formal and informal sectors not complementing each other. While formal financial sector is seemingly pro-poor, informal sector focuses more on the poor, it suffers from credit constraints and majority of its members are financially excluded or are unbanked. In this regard, there is a consensus on how financial sectors in all economies, especially in the developing countries should arrange for enhanced-financial accessibility for all those in need.

Therefore, to assess the level of financial inclusion in Nigeria, one can look at the quantum (in percent) of the level of credit granted by the financial sector to the private sector. In the recent times, it is discovered that the level of credit granted to the private sector for entrepreneurship growth is low with average value of 20% and 17% by financial sector and the banks' sector for the period of 17 years (1999-2015). Also, the financial sector, especially deposit money bank is not encouraging financial development through savings mobilization. These claims

are glaring from the level of interest rate margin depicted in figure 1 below.

**Figure 1: Domestic Credits to Private Sector by the Financial Institutions**



**Source:** Computed by the Authors from the World Development Indicators (WDI, 2015).

In 1999, the total domestic credit provided by bank to the private sector stood at 20% while the one provided by both bank and non-bank financial sector was 13.5%. In year 2000 however, the rate of credit granted to private sector by both bank and non-bank declined to 12.3% and 10% respectively. Also, there was a sharp decline in the level of domestic credit by financial sector from 21.2% to 5% between 2003 and 2006, while that of the bank also decreased marginally from 13.8% to 13.2% in 2003 and 2006 respectively. Although these trends later surged but that of banks' sector decreased from 2010 to 2015 more than that of the whole financial sector. Interest rate spread, which is the difference between lending rate and

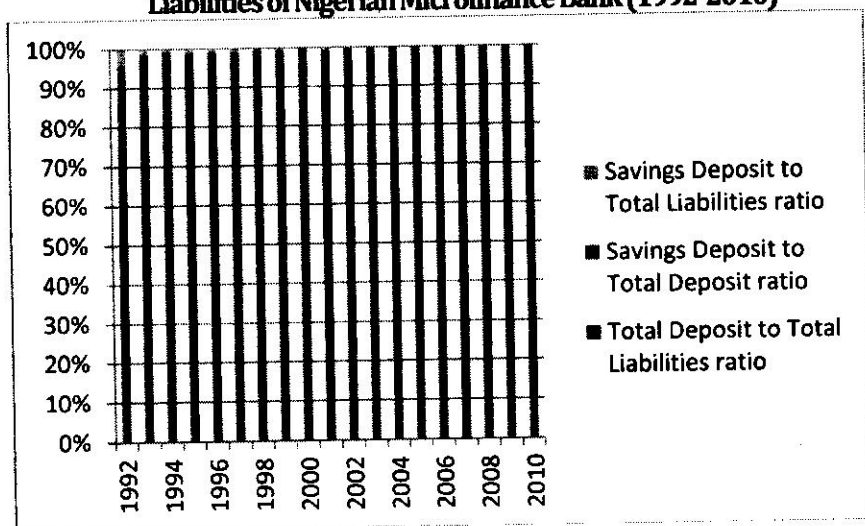
deposit rate, was constantly below 12% for the period under review. With this, the financial sector is not encouraging savers (customers) because the rates of interest paid on deposits to customers are usually far below what the bank charged borrowers. This factor alone can significantly contribute to financial exclusion.

Kama and Adigun observed that since 2005, the government of Nigeria has strengthened the financial sector to be able to achieve higher level of financial inclusion. In this case, the CBN has been in the fore of policy coordination toward the achievement of financial inclusion. As a step in this direction, financial System Strategy (FSS) 2020 and Microfinance Policy are part of the various frameworks and policies put in place to promote financial inclusion. FSS 2020 is a holistic and strategic road map and framework for developing the Nigeria financial sector into a growth catalyst that will make the country to be one of the 20 largest economies by 2020. Other stakeholders in the value-chain of financial inclusion include agencies like the insurance companies, capital market and the pension board. Overall, with this strategy, a well-coordinated financial structure will enhance effectiveness of financial inclusion in Nigeria. In addition to FSS 2020, the federal government of Nigeria inceptioned the framework of microfinance in 2005 as a veritable tool for employment generation and poverty reduction, as well as domestic savings mobilizations.<sup>3</sup>

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<sup>3</sup> See the graphical illustration of the trend of total assets and liabilities of microfinance banks in Nigeria in figure 2. It shows that there is supply

**Figure 2: Trend Analyses of Total Deposit and Savings Deposit to Total Liabilities of Nigerian Microfinance Bank (1992-2010)**



**Source: Computed by the Author from CBN, Statistical Bulletin, 2010.**

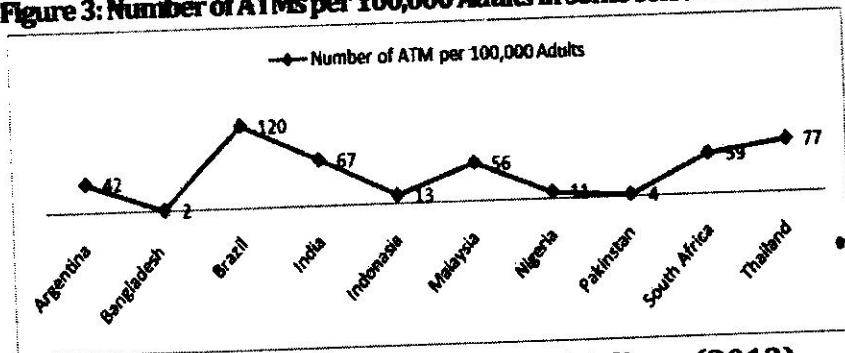
From the graph, the deposit of microfinance to liability is high; this implies that savers' funds efficiently help in meeting the needs of the poor. Also, the proportion of savings is low and it needs to be increased for financial inclusion to be comprehensive. Since the main aim of microfinance banks is to grant loans to the poor masses who are interested in setting up one form of business or the other, but have little or no deposit, it is impossible to totally grant sufficient credit facilities to all those that demand for the loan. As seen from figure 2 above, the highest deposit to total liabilities ratio occurred in 1992.

shortage of funds by microfinance to the customers especially within the 19<sup>th</sup> and 21<sup>st</sup> century.

Other years from 1993 till 2005 recorded less than 1% in total savings to total liabilities ratio. In this regard, the customers of the banks did not save enough to enable the operators of the microfinance banks to grant enough loan, hence the low level of financial accessibility by the savers. This savings gap need to be bridged for enhanced financial inclusion.

The experience of financial inclusiveness in Nigeria seems to be very high in terms of the usage of financial services. According to Kama and Adigun (2013), the Central Bank of Nigeria has in the recent times stepped-up the campaign for banks to invest heavily in other low-cost branchless channels such as Automated Teller Machines (ATMs) and point-of sale (POS) among others. The number of ATMs deployed by the end of 2011 stood at 9,640, giving an average of 11 ATMs per 100,000 adults, compared with an average of 59 ATMs per 100,000 adults in South Africa, 13 ATMs per 100,000 adults in Indonesia, 42 ATMs per 100,000 adults in Argentina, 120 ATMs per 100,000 adults in Brazil and 56 ATMs per 100,000 adults in Malaysia. Nigeria, however, ranked higher than some countries as Bangladesh with just 2 ATMs per 100,000 adults and Pakistan 4 ATMs per 100,000 adults (see figure 3).

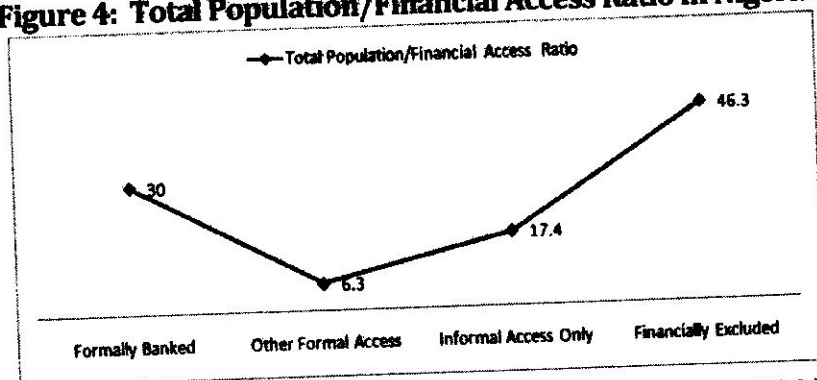
**Figure 3: Number of ATMs per 100,000 Adults in some selected Countries**



Source: fas.imf.org2009 and Kama and Adigun (2013).

Kama and Adigun (2013) observed from a survey report on enhancing financial innovation and access (EFInA, 2010) that population-financial accessibility ratio in Nigeria was low. Out of 85 million Nigerian surveyed, the proportion of financially excluded adults was 46.3% (see figure 4) while only 30% were formally banked. Aside deposit money banks, 6.3% of the surveyed participants had access to other formal arrangement for financial accessibility including finance house and MFIs while 17.4% of them access financial services informally.<sup>4</sup>

**Figure 4: Total Population/Financial Access Ratio in Nigeria**



Source: Financial Service Access in Nigeria (EFInA, 2010).

<sup>4</sup> The implication of this trend is that as at the time of this survey, financial inclusion efforts were still low.

From the foregoing descriptions of the recent developments on financial inclusion in Nigeria, it behooves on microfinance-based institutions in Nigeria to play active roles in order to improve the level of financial inclusion in Nigeria. On that note, a critical assessment of the impact of Microfinance on poverty reduction among low income workers in Ibadan metropolis of Oyo state is the preoccupation of this study.

### **3. BRIEF REVIEW OF THE LITERATURE**

Financial inclusion is considered to be the spring board for increased financial sector development in virtually all countries of the world. In this regard, the level of domestic growth through fund mobilization will lead to enhance poverty reduction. Thus, establishing an empirical nexus between financial inclusion through the activities of microfinance and poverty reduction has been an active area of concern of various stakeholders over the years now. Therefore, a brief review of conceptual, theoretical and empirical literature to assess the state of the existing knowledge in this connection is presented in this section.

Financial inclusion, through enhanced financial services inevitably lead to economic growth by through the provision of access to financial services, loans, credit and insurance to the people; thereby allowing them to engage in gainful economic activity. Since it is believed that daily living consists of a series of financial exchanges and transactions; empowering the financially excluded through the provision of suitable financial products will open up and increases the potential for local economic development (Sharma and Kukreja, 2013). These

authors added further that with the appropriate support structures, people can establish small enterprises while employing others to generate their own income and carry out financial transactions, which are necessary to grow and sustain local economies.

A well-designed financial inclusion programmes can help the rural poor start businesses and help small businesses to grow. Indeed, financial inclusion can lift the poor up from poverty. For instance, a programme that provides loans with lowered interest rates to farmers or low income workers can trigger or motivate a farmer to change from labour-intensive subsistence farming to semi-mechanized farming. Ardic et al., (2011) opined that the problem of financial exclusion is more acute in the developing countries, especially Africa. In the case of Nigeria, Sanusi, (2011) attributed the rise in poverty level to lack of financial inclusion. According to him, achieving optimal level of financial inclusion in Nigeria means empowering 70% of the population living below poverty level, and this would boost growth and development. This can be achieved through the provision of microcredit otherwise called microfinance services adapted to the needs of low income micro-entrepreneurs.

In terms of the range of micro-financing, the United State Aid (USAID, 2004) stated that the boundary of microfinance is in terms of the amount of loan as a percentage of average per capita income. In the context of Nigeria, with a per capita gross domestic product (GDP) of N42, 000 (about \$300) in 2003, financial institutions that are able to grant up to N50, 000 (about/approximately \$350) would be regarded as micro loans, while micro savings are defined as savings

accounts with a balance of less than N8, 400 (about \$50), that is less than 20% of the average annual income per capita (USAID, 2004). Also, with the emergence of microfinance policy, the Central Bank of Nigeria in 2005 defines microfinance as the provision of financial services to the economically active poor and low income households. These services include credit, savings, micro-leasing, micro-insurance and payment transfer, to enable them engage in income generating activities.

There is plethora of explanations of microfinance arrangement as a scheme in financial inclusion. Mosley and Hulme (1996) defined microfinance as financial services for poor and low-income clients. Microfinance is seen as a movement that envisions a world in which low-income households have permanent access to a range of high quality financial services to finance their income-producing activities, build assets, stabilize consumption and protect against minor investment risks. These services are not limited to credit, but include savings, insurance, and money transfers. Yunusa (2007) describes microfinance as an amazingly simple approach that has been proved to empower very poor people around the world to pull them out of poverty. It is a financial system that relies on the traditional skills and entrepreneurial instincts of the active poor people, mostly women, using small loans (usually less than US\$200), other financial services and support from local organizations called Micro Finance Institutions (MFIs) to start, establish, sustain, or expand very small, self-supporting businesses. Indeed, MFIs provide an alternative means for poor people to access basic financial services in a way that seeks to help them to improve their lives.

Theoretically, relationship between microfinance and business survival exists and this will lead to poverty reduction. Lack of access to finance has been identified as one of the major constraints to small business growth (Carpenter, 2001; Anyanwu, 2004), and there is also a theoretical provision that welfare of low income workers can be improved when the provision of financial inclusiveness of Microfinance is maximized. Thus, assessing the reality of this on the part of low income earners in the study area is necessary to be able to critically assert the relative strength of financial inclusion through microfinance in poverty reduction among the low income earners.

On empirical front, scholars have examined the impact of microfinance on the poverty reduction and other related issues in household welfare. For instance, Jameelah, (2012) examined the impact of micro-credit on the welfare of small scale entrepreneurs in Alimosho Local Government Area of Lagos State, Nigeria and found a significant relationship between microfinance credit and welfare of the small scale entrepreneurs. Abiola and Salami (2011) survey of hairdressers from Ogbomosho in Nigeria found significant relationship between micro credit and income of small scale entrepreneurs. Also, Agbaeze and Onwuka, (2014) examined the impact of micro-credit on poverty alleviation in Nigeria using data from Enugu East Local Council. They found that poverty level is still high among the rural populace; but those that have access to micro-credit seem to have fared better than those who have no access to micro-credit.

Abur (2012) investigates microcredit as a strategy for poverty reduction in Benue state, Nigeria and found that

microcredit positively influence the poverty status of the respondents in the area. Adesunmi (2004), researched on the extent to which microcredit impact on small scale farm production in Ondo state. The study evaluated the production efficiency of farmers participating in the microfinance and the determination of credit utilization on traditional farming. This author showed that the beneficiaries from microfinance loan relatively have more farm resources than their counterparts that were excluded from the services. Nudamatiya, et al., (2009), examined the impact of micro finance on poverty reduction in Adamawa state of Nigeria. These authors found that microfinance impacts on the income of the beneficiaries.

Noah and Muftau (2009), researched on the impact of microcredit on poverty reduction in the informal sector of Offa, Osun State of Nigeria and showed that informal financial institution has helped the beneficiaries smoothened temporary shocks in their consumption and made them have enough funds to restock supplies in their businesses, which in the long run has helped improved their living standards and those of their families. In fact, Olaitan (2005) accented that microfinance is very important because it enables the poor to create, own and accumulate assets and smoothened consumption. Also, sustainable access to microfinance helps alleviate poverty by generating income, creating families to obtain health care and empowering people to make the choice that best serve their needs (Annan, 2003).

Empirical evidences from other economies of the world on the poverty reduction potentials of microfinance are available. For example, Imai *et al.* (2010) analyzed the poverty reducing effect of microfinance using cross-sectional data for

99 developing countries in 2007. They found that the gross loan portfolio of microfinance has a statistically significant inverse relationship to poverty incidence, and that the poverty reducing effect of microfinance tends to be larger in sub-Sahara African countries. Zeller and Sharma (1998) argue that microfinance can help to establish or expand family enterprises, potentially making a difference between grinding poverty and economically secure life. Mosley and Hulme (1996) in their study of 13 MFIs in seven developing countries concluded that household income tended to increase, but at a decreasing rate, as the debtors income and asset position improved.

Buckley (1997) observed that there was little evidence to suggest any significant and sustained impact of microfinance on beneficiaries in terms of micro-entrepreneurs graduating to higher operations, increased income flows or level of employment. Kondo et al (2008), using a model similar to Coleman (1999) and with some extensions, found in the case of rural households in the Philippines that microfinance has significant impact on welfare of small scale entrepreneurs and thereby on poverty alleviation. Pitt and Khandker (1998) also indicated that microfinance has brought positive marginal impacts on consumption in Bangladesh. They showed that microfinance has become a promising strategy to shield the poor from vulnerability through consumption smoothing as well as building assets. In another study, Khandker (2003) found out that microfinance is serving a useful purpose in benefiting the poorest segment of the clients and in reducing poverty in Bangladesh.

On the contrary however, the study of Diagne and Zeller (2001) for Malawi found that microfinance did not have any significance effect on household income. Similarly, Coleman (1999), using a sample of 445 households from Northeast Thailand, observed that the village bank credit did not have any significant impact on physical asset accumulation, production and expenditure on education.

In the literature, evidence on the linkage between financial inclusion and poverty reduction through the mechanism of microfinance seem to be long because the concept and the framework of microcredit is meant to complement the deficiencies of the formal financial sectors in meeting up with the needs of the financially excluded fraction of the population<sup>5</sup>. In most of these studies, research efforts were often directed at general households without distinguishing their income classes; hence the gap in the literature that this present study fills is in the area of finding empirical evidence on the impact of microfinance as a tool of financial inclusion on poverty reduction among low-income households in Nigeria using a sample of low income workers in Ibadan municipality of Oyo State of Nigeria.

#### **4 MATERIALS AND METHODS**

The study area is Ibadan, the capital city of Oyo State. It is located in South-Western part of Nigeria, 128km inland North-East of Lagos and 530km South-West of Abuja, the Federal Capital Territory. Its population was estimated to be 2,539,853 based on the population census figure of 2006.

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<sup>5</sup> In this study, the link between financial inclusion and poverty reduction is established through access to microfinance.

Ibadan is currently divided in to eleven local government areas (LGAs). In terms of research design, this study adopted an exploratory survey procedure to select two hundred (200) participants as the source of the needed primary data. A multi-stage sampling procedure was employed to select these respondents. In the first stage, a purposive sampling technique was employed to select respondents from Akinyele LGA and Ibadan North LGA based on the fact that the study is micro and exploratory in which findings obtained will tease out some policy inference. In the second stage, two methods were used. First, a respondents were selected from the local government headquarter where they clustered (cluster sampling). Lastly, the 200 respondents were randomly selected to avoid biases in the sampling procedure.

In terms of research instrument, a structured questionnaire was designed for the collection of data from the targeted audience (respondents). The questionnaire was designed in such a way that enabled the collection of relevance data on the socio-economic information of the respondents. Consequently upon data collection, both descriptive and inferential statistics were employed. Specifically, logistic regression was applied to test the size, sign and significant of access to microcredit loans as a measure of financial inclusion on poverty reduction.

Regarding model specification for the study, the mean income of the selected respondents was estimated and found to be ₦37,320.00. Thus, all respondents with average monthly income less than this amount were referred to as poor with a binary value of 1. Those respondents with average monthly income that is greater than the average were referred to as

non-poor with a binary value of 0. Subsequently, the average monthly income of the poor group was used as the dependent variable. The logistic regression model is represented as follows:

$$\frac{P}{1-P} = e^{X_i' \beta}$$

(1)

Equation (1) is log-linearized in a compact form as shown in equation (2). This is done to enable inclusion of other variables into the model.

$$\ln \frac{P}{1-P} = Z = \alpha + \beta_i X_i + e_{it}$$

(2)

Where

$\alpha$  = constant;  $X_i$  is the vector of the parameters of the regressors or independent variables to be estimated,  $\beta_i$  is the coefficients of the parameters, while  $e_{it}$  is the vector of the error terms or residual values. The value  $\frac{P}{1-P}$  or  $Z$  denotes the categorical nature of the dependent variable. That is, since we have poor and non-poor, the odd ratio for the variable is represented in a probabilistic form where  $p$  represents poor and  $1-p$  is for non-poor. Positive estimated values of  $\beta$  mean that  $X$  (the independent variables) will increase the probability of the outcome ( $Z$ ), a negative value of  $\beta$  mean that  $X$  decreases the probability; a large  $\beta$  means that the regressors strongly influence the probability; while a near zero means that the  $X$  has little influences on  $Z$  (poverty). Statistical packages for

social sciences (SPSS) and STATA statistical package were used for data estimations.

## **5 THE EMPIRICAL RESULTS**

Five main issues are presented in this section. The first part contains the socio-economic characteristics of the Respondents, the second part deals with some measures of Poverty indicators among the respondents, respondents' perceptions on Microcredit issues and issues on the nexus between microcredit and standard of living of the respondents are detailed in section three and four respectively. Lastly, the regression result on the impact of financial inclusion via MFIs on poverty reduction is presented with its interpretations.<sup>6</sup>

### **5.1 SOCIO-ECONOMIC CHARACTERISTICS OF THE RESPONDENTS**

Out of the selected respondents, 86 (43.0%) of the respondents were male, while 114 (57.0%) were female. Also, 31(15.5%) of the sampled respondents were within the age bracket of 20-29 years of age, 94 (47.0%) falls within the age bracket of 30-39, while 75(37.5%) belong to the range of 40 years and above. In terms of marital status, the analysis showed that 180(90%) of the respondents were married while 20(10%) were single, 60% of the respondents were from monogamous family, while 38(24.0%) were from polygamous. The household size of the respondents revealed that 61(30.5%) of the respondents have 1-4 individuals at home including the couples, while 139(69.5%) have above 5 individuals. On the

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<sup>6</sup> Detail of the descriptive results is attached in the appendix.

issue of dependency ratio in the family, the study revealed that 12(6.0%) of individuals in the respondents' households were within 1-17 years of age, while 188(94.0%) of individuals in the respondents' households were above 1-17 years of age.

On the part of Educational and occupational status of the respondents, the results showed that 34(17.0%) of the respondents received primary education, 162(81.0%) acquired secondary education, while 4(2.0%) possessed tertiary education, 196(98.0%) of the respondents were civil servants and 4(2%) did not respond. On the issue of years of experience, the result indicated that larger proportion of the respondents, 130(65%) spent between 1-5 years in the occupation while 70(35%) spent above 5 years.

The results for the average range of monthly income of the respondents showed that 21(10.5%) of the respondents earned less than 30000 monthly, 114(57%) earned between 30000-50000 per month and 65(32.5%) earned above 50000. In terms of descriptive value, the mean income of the surveyed respondents was #37,320.00. For analytical purpose, the authors believed that those respondents that had average income below #37,320.00 were poor or are referred to as low income workers in the study areas.

## **5.2 SOME MEASURES OF POVERTY INDICATORS AMONG THE RESPONDENTS**

Based on residential dwelling place, 34(17.0%) of the respondents were living in a single room, 162(81.0%) were living in a one flat building, while 4(2.0%) were living in a duplex apartment. In terms of personal ownership of residence,

59(29.5%) of the respondents were living in their own house. One (1) of the respondents (0.5%) was living in a family that the selected respondents were low income earners as the number of rented apartment surpass other types of residential ownership. In various residences of the respondents, the result also showed that 162(81.0%) of the respondents have a very good water closet toilet, the water closet toilets of eight (8) respondents (4%) were in a very bad state, while 30(15.0%) agreed that they do not have water closet toilet. The Pipe Born Water systems of 88(44.0%) of the respondents were very good. Pipe Born Water systems of 43(21.5%) of the respondents were very bad. However, 69(34.5%) agreed that they do not have pipe born water at all. On the part of diet, 167(83.5%) of the respondents reported that they eat Carbohydrate (Gari/Eba, Yam, Fufu, Amala, Rice) frequently, while 33(16.5%) sometime eat Carbohydrates. The distribution reflects the idea of food poverty because of low income.

Similarly, one of the indicators of energy poverty situation of the respondents is the types of energy used for cooking. The results showed that 79(39.5%) of the respondents use gas as their main energy source for cooking. 23(11.5%) depended on electricity energy for their cooking, however 91(45.5%) normally used kerosene for their cooking, while 7(3.5%) do use Charcoal/ wood for their cooking. The proportion of those that depends on electricity as the only source of their energy for cooking is high; hence with the epileptic nature of electric power supply in Nigeria, it is likely

that such set of the respondents will suffer hunger due to poverty as a result of low income.

### **5.3 RESPONDENTS' PERCEPTIONS ON MICROCREDIT ISSUES**

Concerning the level of awareness of MFIs among the respondents, the study revealed that all the respondents (100.0%) were aware of microfinance bank in their area of residence and workplaces. Also, all the respondents belong to one microfinance group or the other. The results revealed that 62(31.0%) of the respondent belongs to Corporative Society's microcredit group, 93(46.5%) were into Daily contribution microcredit group, while 45(22.5%) engaged with Microfinance Banks. 136(68%) of the respondents have been with their various microfinance group between 1-5 years while 64(32%) spent above 5 years with their respective MFIs institutions. Approximately 77% of the respondents needed loans to increase businesses, while 23% of them did not needed loans to increase their business. Among these people that needed loans, 68% of them have applied for several loans before. Coincidentally, the result showed that all those that applied for loans got them. Consult from the analysis showed that among those that applied for loan, 32% of them got between ten thousand (₦10000) and fifty thousand (₦50000), another 32% of them got between fifty thousand (₦50000) and one hundred thousand (₦100000). While 29% got above ₦100000, 7 % of the respondents did not disclose the amount of loans they got. Majority of these respondents (46%) obtained their loans annually.

On the area of loan sufficiency, majority of the respondents (58%) indicated that the loan was sufficient to

meet their intended needs. Also, as a result of no demand for collateral security enabled the respondents to have access to sufficient loans. This is evidenced as 106(53.0%) of the respondents reported that they were not required to provide any collateral security before obtaining the loan. To measure the extent of loan diversion, the results of the data analysis indicated that 81(41%) of the respondents used the loan for business, 15(7.5%) used it to pay house rent. 16(8.0%) agreed that they used the loans to buy land, however 20(10.0%) used the loans for the payment of shop rent. 6(3.0%) used the loans to pay school fees and 1(0.5%) used the loan to support the family.

Notwithstanding the various uses of the loans, unhindered access to credit has the potential of alleviating poverty among the beneficiaries of such loans who were low income earners. This claim is substantiated with the fact that majority of the respondents, 119(59.5%) agreed that there were significant changes in their business after using the loans. In addition, 113 respondents (57%) agreed that the microcredit received enabled them to obtain some assets such as generators, business equipment, gas cookers, and motorcycles.

#### **5.4 INFLUENCE OF MICROCREDIT ON THE STANDARD OF LIVING OF THE RESPONDENTS**

The descriptive analysis revealed that 141(70.5%) of the respondents saved between ₦10,000 and ₦30,000 before joining various MFIs or banks of their choice, 48(24%) saved ₦30,000-₦50,000, while 11(5.5%) saved above ₦50,000.

However, with accession of loan, the average monthly income of the respondents revealed that 21(10.5%) of the respondent earned less than ₦30,000 monthly (low income earners). 114(57%) earned between ₦30,000-₦50,000 per month and 65(32.5%) earned above ₦50,000. This shows that after receiving the microcredit, the number of the respondents within the poverty line or the benchmark of ₦37,320 reduced. That is the number of those that were saving between ₦30,000 and ₦50,000 increased from 48 respondents to 114, while only 11 respondents were able to save above ₦50,000 before joining microfinance, 65 respondents are now able to earn above ₦50,000 after loan accession. This indicates that financial inclusion through the medium of microcredit institution can aid in poverty alleviation among low income earners.

## **5.5 REGRESSION RESULT ON FINANCIAL INCLUSION IMPACT (VIA MFIS) AND POVERTY REDUCTION**

To empirically estimate the impact of financial inclusion on poverty reduction through the institution of microfinance, a binary categorization of the monthly income of the respondents was estimated. That is, since the average monthly income of the respondents was ₦37,320.00, all respondents with average monthly income less than this amount were referred to as poor with a binary value of 1 while those respondents above the average were referred to as non-poor with a binary value of 0. Thus, the distributions of the average monthly income of the poor were used as the dependent

variable. The list of other regressors used in the logit regression is detailed in the results in Table 1.

**TABLE 1: IMPACT OF MICROCREDIT ON POVERTY REDUCTION**

| Poor                                                                                                    | Variables                     | B      | S.E.      | Sig.            | Exp(B)            |
|---------------------------------------------------------------------------------------------------------|-------------------------------|--------|-----------|-----------------|-------------------|
|                                                                                                         | Sex                           | -0.521 | 0.605     | 0.389           | .594              |
|                                                                                                         | Types of Marriage             | 0.279  | 0.600     | 0.642           | 1.322             |
|                                                                                                         | Household Size                | 0.489  | 0.269     | <b>0.069***</b> | 1.630             |
|                                                                                                         | Types of occupation           | -6.624 | 6698.878  | 0.999           | .001              |
|                                                                                                         | Savings before joining MF     | 0.000  | 0.000     | <b>0.022**</b>  | 1.000             |
|                                                                                                         | Maximum Loan Collected        | 0.000  | 0.000     | 0.591           | 1.000             |
|                                                                                                         | Range of Interest Rate Paid   | -0.088 | 0.175     | 0.614           | .916              |
|                                                                                                         | Was the Loan Sufficient?      | 1.301  | .0753     | <b>0.084***</b> | 3.675             |
|                                                                                                         | Business Expansion            | -0.287 | 1.432     | 0.841           | .751              |
|                                                                                                         | Average Income after the Loan | 0.000  | 0.000     | <b>0.000*</b>   | 1.000             |
|                                                                                                         | Constant                      | 34.707 | 20096.634 | 0.999           | 11836986<br>7.000 |
| Cox & Snell R <sup>2</sup> =0.551; Nagelkerke R <sup>2</sup> =0.753; Likelihood Ratio Statistic=103.258 |                               |        |           |                 |                   |
| P-value of Likelihood Ratio Statistic (which follows the $\chi^2$ distribution with 10 d.f.)=0.000      |                               |        |           |                 |                   |

**Source: Computed by the authors.**

**Note:** \*, \*\* and \*\*\* denote that the variables are significant at 1%, 5% and 10% level of significance. B represents each of the parameter estimates; S.E stands for standard error associated with each parameter estimate; Sig stands for level of statistical significance or the probability value associated with each

parameter estimate; Exp (B) represents the odds ratio associated with each parameter estimate (this is obtained by taking the natural antilogarithm of each of the parameter estimates)<sup>7</sup>.

Tables 1 show the logit estimates of the interactions among poverty, some demographic characteristics of the respondents, and some variables that are associated with access to loan from microcredit schemes or MFIs. The table shows that the binary logistic model is generally good based on the significant value of the chi-square distribution of the Likelihood Ratio Statistic. Among the regressors; household size and the amount saved before joining obtaining loan are significant at 10% and 5% level of significance respectively. However, based on the coefficient of the amount saved before loan (0.000), previous savings before loan accession is low. Since the dependent variable is low income earner (poor), the coefficient of the variable of household size satisfied the theoretical expectation; hence, the higher the number of people in the family, the poorer the household head will become.

The results also indicate that maximum amount of loan collected from MFIs is not significant; the issue of business expansion due to loan collected is also not significant on the average. However, those that obtained the loan still maximized the fund as the variable on the sufficiency of the loan obtained is significant at 10%. Though the coefficient signed negatively, but on the average if the households perceive that the loan

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<sup>7</sup> The Logit becomes negative and increasingly large in magnitude as the odds ratio decreases from 1 to 0 and becomes increasingly large and positive as the odds ratio increases from 1 to infinity (see Gujarati & Porter, 2009).

collected were sufficient, it can lead to poverty reduction. In relation to this, at 1% level of significant, average monthly income of the respondents (poor households) significantly increased (though with low magnitude) after accessing the loan from their respective MFIs.

It is also important to note that the two pseudo  $R^2$  presented in the table are the Cox & Snell  $R^2$  (0.551) and the Nagelkerke  $R^2$  (0.753). They are measures of goodness of fit. Nevertheless, as noted in Gujarati & Porter (2009), in binary regression, goodness of fit is of secondary importance. The most important is the signs, sizes and significance of the regression coefficients.

The authors believed that these impact of microfinance on poverty as part of the general objectives of financial inclusion would have been increased if not for some of the challenges identified by the respondents. In this regard, 11(5.5%) of the respondents agreed that low education is their main challenges at the course of obtaining the loan, 12(6.0%) agreed that Collateral security is their main challenges at the course of obtaining the loan. 46(23.0%) and 47(23.5%) agreed that amount of interest charged on loans and administrative delay respectively hindered them from getting the loan as desired. Also, 24(12.0%) agreed that attitude of the banks' staff was their main challenges at the course of obtaining the loan.

## **6 CONCLUSIONS AND RECOMMENDATIONS**

The study shows that majority of low income earners (workers) have a very high level of awareness of micro credit schemes in their area and all the respondents belong to one

microfinance group or the other which ranges from co-operative society, daily contributions, or microfinance banks. The findings also showed that the selected low income workers from the study area access loan easily from various microcredit schemes. It was further revealed that majority of low income earners got enough loan annually with provision of little or no collateral security. Overall, significant changes in business of the sampled respondents were observed as positive effects of microcredit scheme on poverty reduction. And average monthly income of the respondents increased when they secure loan from microcredit scheme. Finally the findings revealed that the size of the surveyed households, accumulated savings, sufficiency of the loan among other variables were significant.

Based on the indications that viability of microcredit institutions will deliver financial inclusion dreams in Nigeria as it could reduce poverty, the authors recommend here that the government should recognize the fact that viable monetary policy that will boost the performance of MFIs are expected to be formulated and implemented. Consequently, the government, through its agency, National Orientation Agencies (NOA) should create the awareness to the general public on the potency of microfinance in poverty alleviation as part of the financial inclusion policy.

Again, the size of loan and timing of repaying the loan being given to low income workers should be increased with close monitoring to enhance efficient used of loans collected. This will prevent cases of incessant loan diversions. The issue of interest rate can be reduced if the government should release some microfinance assistance to business owners who

are low income earners through cooperatives. This will ease access to enough credits for business expansions.

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## APPENDIX

### 1. Socio-economic characteristics of the Respondents

| <b>Location of the respondents</b>              | <b>Frequency</b> | <b>Percent</b> |
|-------------------------------------------------|------------------|----------------|
| Akinyele                                        | 100              | 50.0           |
| Ibadan North                                    | 100              | 50.0           |
| Total                                           | 200              | 100.0          |
| <b>Gender of the respondents</b>                | <b>Frequency</b> | <b>Percent</b> |
| Male                                            | 86               | 43.0           |
| Female                                          | 114              | 57.0           |
| Total                                           | 200              | 100.0          |
| <b>Age of the respondents</b>                   | <b>Frequency</b> | <b>Percent</b> |
| 20-29 years                                     | 31               | 15.5           |
| 30-39 years                                     | 94               | 47.0           |
| 40 years and above                              | 75               | 37.5           |
| Total                                           | 200              | 100.0          |
| <b>Marital status of the respondents</b>        | <b>Frequency</b> | <b>Percent</b> |
| Married                                         | 180              | 90.0           |
| Single                                          | 20               | 10.0           |
| <b>Type of marriage</b>                         | <b>Frequency</b> | <b>Percent</b> |
| Monogamy                                        | 142              | 66.0           |
| Polygamy                                        | 38               | 24.0           |
| Total                                           | 180              | 100.0          |
| <b>Household size</b>                           | <b>Frequency</b> | <b>Percent</b> |
| 1-4                                             | 69               | 34.5           |
| Above 5                                         | 131              | 65.5           |
| Total                                           | 200              | 100.0          |
| <b>Household members within 1 - 17 years</b>    | <b>Frequency</b> | <b>Percent</b> |
| 1-4                                             | 12               | 6.0            |
| Above 5                                         | 188              | 94.0           |
| Total                                           | 200              | 100.0          |
| <b>Educational status</b>                       | <b>Frequency</b> | <b>Percent</b> |
| Primary education                               | 34               | 17.0           |
| Secondary education                             | 162              | 81.0           |
| Tertiary education                              | 4                | 2.0            |
| <b>What is your main occupation?</b>            | <b>Frequency</b> | <b>Percent</b> |
| No response                                     | 4                | 2.0            |
| civil servant                                   | 196              | 98.0           |
| Total                                           | 200              | 100.0          |
| <b>Duration of occupation (Work Experience)</b> | <b>Frequency</b> | <b>Percent</b> |
| 1-5 years                                       | 130              | 65.0           |
| Above 5 years                                   | 70               | 35.0           |
| Total                                           | 200              | 100.0          |
| <b>Average Monthly income</b>                   | <b>Frequency</b> | <b>Percent</b> |
| Less than 30000                                 | 21               | 10.5           |
| 30000-50000                                     | 114              | 57.0           |
| Above 50000                                     | 71               | 32.5           |
| Total                                           | 200              | 100.0          |

## 2. Some Poverty (welfare) Indicators of the Respondents

| Housing Facilities                                 | No response | Yes and very good | Yes, but very bad | No, I don't have this |
|----------------------------------------------------|-------------|-------------------|-------------------|-----------------------|
| Water closet toilet                                | 0(0.0%)     | 162(81%)          | 8(4%)             | 30(15%)               |
| Pipe Born Water                                    | 0(0.0%)     | 88(44%)           | 43(21.5%)         | 69(34.5%)             |
| Bore Hole Water                                    | 4(2%)       | 116(58%)          | 28(14%)           | 52(26%)               |
| Well water                                         | 0(0.0%)     | 82(41%)           | 36(18%)           | 82(41%)               |
| Drainage/Gutter and sewage system                  | 0(0.0%)     | 151(75.5%)        | 46(23%)           | 3(1.5%)               |
| Refuse Disposal System                             | 0(0.0%)     | 152(76%)          | 44(22%)           | 4(2%)                 |
| Ventilation/space                                  | 1(0.5%)     | 141(70.5%)        | 49(24.5%)         | 9(4.5%)               |
| Stand by generator                                 | 1(0.5%)     | 61(30.5%)         | 91(45.5%)         | 47(23.5%)             |
| kind of food eat often                             | No Response | Frequently        | Sometimes         | Not at all            |
| Carbohydrate (Gari/Eba, Yam, Fufu, Amala, Rice)    | 0(0.0%)     | 167(83.5%)        | 33(16.5%)         | 0(0.0%)               |
| Protein (Egg, fish, Meat, Beans, Liver etc)        | 0(0.0%)     | 172(86%)          | 28(14%)           | 0(0.0%)               |
| Fruits and Vegetables (Orange, mango, water melon) | 0(0.0%)     | 44(22%)           | 156(78%)          | 0(0.0%)               |
| Vitamins                                           | 2(1%)       | 55(27.5%)         | 132(66%)          | 11(5.5%)              |

| Types of energy used for cooking | Frequency | Percent |
|----------------------------------|-----------|---------|
| Gas                              | 79        | 39.5    |
| Electricity                      | 23        | 11.5    |
| Kerosene                         | 91        | 45.5    |
| Charcoal/ wood                   | 7         | 3.5     |
| Total                            | 200       | 100.0   |

## 3. Respondents' Perceptions on Microfinance Issues

| Awareness of any microfinance in your area | Frequency | Percent |
|--------------------------------------------|-----------|---------|
| No response                                | 0.0       | 0.0     |
| Yes                                        | 200       | 100.0   |
| Total                                      | 200       | 100.0   |
| Do you belong to any microfinance group?   | Frequency | Percent |
| Yes                                        | 200       | 100.0   |
| Which forms of microfinance do you belong? | Frequency | Percent |
| Corporative Society                        | 62        | 31.0    |
| Daily contribution                         | 93        | 46.5    |
| Microfinance Bank                          | 45        | 22.5    |
| Total                                      | 200       | 100.0   |

|                                                                                            |                  |                |
|--------------------------------------------------------------------------------------------|------------------|----------------|
| <b>Number of years being with microfinance</b>                                             | <b>Frequency</b> | <b>Percent</b> |
| 1-5 years                                                                                  | 136              | 68.0           |
| Above 5 years                                                                              | 64               | 32.0           |
| Total                                                                                      | 200              | 100.0          |
| <b>Amount Saved before joining the microfinance</b>                                        | <b>Frequency</b> | <b>Percent</b> |
| 10000-30000                                                                                | 141              | 70.5           |
| 30000-50000                                                                                | 48               | 24.0           |
| Above 50000                                                                                | 11               | 5.5            |
| Total                                                                                      | 200              | 100.0          |
| <b>Do you need loans to increase your business?</b>                                        | <b>Frequency</b> | <b>Percent</b> |
| Yes                                                                                        | 153              | 76.5           |
| No                                                                                         | 47               | 23.5           |
| Total                                                                                      | 200              | 100.0          |
| <b>Have you ever applied for loans from Microfinance?</b>                                  | <b>Frequency</b> | <b>Percent</b> |
| No response                                                                                | 1                | .5             |
| Yes                                                                                        | 136              | 68.0           |
| No                                                                                         | 63               | 31.5           |
| Total                                                                                      | 200              | 100.0          |
| <b>Were you given the loan?</b>                                                            | <b>Frequency</b> | <b>Percent</b> |
| No response                                                                                | 21               | 10.5           |
| Yes                                                                                        | 136              | 68.0           |
| No                                                                                         | 43               | 21.5           |
| Total                                                                                      | 200              | 100.0          |
| <b>Maximum amount of loan ever received</b>                                                | <b>Frequency</b> | <b>Percent</b> |
| No response                                                                                | 15               | 7.5            |
| 10000-50000                                                                                | 64               | 32.0           |
| 50000-100000                                                                               | 64               | 32.0           |
| Above 100000                                                                               | 57               | 28.5           |
| Total                                                                                      | 200              | 100.0          |
| <b>How often do you obtain loan (s) from them?</b>                                         | <b>Frequency</b> | <b>Percent</b> |
| No response                                                                                | 64               | 32.0           |
| Quarterly                                                                                  | 45               | 22.5           |
| Annually                                                                                   | 91               | 45.5           |
| Total                                                                                      | 200              | 100.0          |
| <b>Was the loan sufficient to meet your intended needs?</b>                                | <b>Frequency</b> | <b>Percent</b> |
| No response                                                                                | 30               | 15.0           |
| Yes                                                                                        | 116              | 58.0           |
| No                                                                                         | 54               | 27.0           |
| Total                                                                                      | 200              | 100.0          |
| <b>Were you required to provide any collateral security before obtaining the loan (s):</b> | <b>Frequency</b> | <b>Percent</b> |
| No response                                                                                | 64               | 32.0           |
| Yes                                                                                        | 30               | 15.0           |
| No                                                                                         | 106              | 53.0           |
| Total                                                                                      | 200              | 100.0          |

**4. Benefits of the Microcredits Obtained and some Challenges Faced in accessing Loans**

| <b>What did you use the loan for?</b>                                          | <b>Frequency</b> | <b>Percent</b> |
|--------------------------------------------------------------------------------|------------------|----------------|
| No response                                                                    | 61               | 30.5           |
| Business                                                                       | 81               | 40.5           |
| Pay house rent                                                                 | 15               | 7.5            |
| Use it to buy land                                                             | 16               | 8.0            |
| Shop                                                                           | 20               | 10.0           |
| School fees                                                                    | 6                | 3.0            |
| Family support                                                                 | 1                | .5             |
| Total                                                                          | 200              | 100.0          |
| <b>Percentage of Interest charged on loan obtained</b>                         | <b>Frequency</b> | <b>Percent</b> |
| No response                                                                    | 64               | 32.0           |
| 2-4 percent interest                                                           | 68               | 34.0           |
| Above 5 percent interest                                                       | 68               | 34.0           |
| Total                                                                          | 200              | 100.0          |
| <b>Main challenges at the course of obtaining the loan</b>                     | <b>Frequency</b> | <b>Percent</b> |
| No response                                                                    | 60               | 30.0           |
| low education                                                                  | 11               | 5.5            |
| Collateral security                                                            | 12               | 6.0            |
| Amount of interest on Loans                                                    | 46               | 23.0           |
| Attitude of the banks' staff                                                   | 24               | 12.0           |
| Administrative Delay                                                           | 47               | 23.5           |
| Total                                                                          | 200              | 100.0          |
| <b>Is there any significant change in your business after using the loans?</b> | <b>Frequency</b> | <b>Percent</b> |
| No response                                                                    | 74               | 37.0           |
| Yes                                                                            | 119              | 59.5           |
| No                                                                             | 7                | 3.5            |
| Total                                                                          | 200              | 100.0          |
| <b>(if yes) please specify</b>                                                 | <b>Frequency</b> | <b>Percent</b> |
| No response                                                                    | 152              | 76.0           |
| Increase business                                                              | 48               | 24.0           |
| Total                                                                          | 200              | 100.0          |
| <b>Has the Credit received enabled you to obtain any assets?</b>               | <b>Frequency</b> | <b>Percent</b> |
| No response                                                                    | 62               | 31.0           |
| Yes                                                                            | 113              | 56.5           |
| No                                                                             | 25               | 12.5           |
| Total                                                                          | 200              | 100.0          |

| <b>If yes, Please list the assets.</b>                     | <b>Frequency</b> | <b>Percent</b> |
|------------------------------------------------------------|------------------|----------------|
| No response                                                | 132              | 66.0           |
| Motorcar                                                   | 6                | 3.0            |
| Gas cooker                                                 | 20               | 10.0           |
| Land                                                       | 3                | 1.5            |
| TV                                                         | 1                | .5             |
| Generator                                                  | 13               | 6.5            |
| Fridge                                                     | 5                | 2.5            |
| Business equipment                                         | 3                | 1.5            |
| Computer                                                   | 5                | 2.5            |
| Motorcar and gas cooker                                    | 3                | 1.5            |
| Business, Motorcar and gas cooker                          | 2                | 1.0            |
| Land, Furniture, Business and Motor car                    | 2                | 1.0            |
| Business, Land, Moto car and furniture                     | 3                | 1.5            |
| Business, Land, Motor car, TV and furniture                | 2                | 1.0            |
| Total                                                      | 200              | 100.0          |
| <b>Has the credit enabled you to expand your business?</b> | <b>Frequency</b> | <b>Percent</b> |
| No response                                                | 64               | 32.0           |
| Yes                                                        | 131              | 65.5           |
| No                                                         | 5                | 2.5            |
| Total                                                      | 200              | 100.0          |
| <b>Average Monthly income after receiving the credit</b>   | <b>Frequency</b> | <b>Percent</b> |
| Less than 30000                                            | 21               | 10.5           |
| 30000-50000                                                | 114              | 57.0           |
| Above 50000                                                | 71               | 32.5           |
| Total                                                      | 200              | 100.0          |