

# **Project Report: Financial Inclusion Report**

## **Nigeria NGA 2021 Findex**

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## **REMITTANCE ANALYSIS REPORT**

### **1. Introduction**

Financial inclusion plays a critical role in economic development by providing individuals with access to financial services such as remittances, bank accounts, and digital transactions. This project analyzes financial inclusion in Nigeria, focusing on the role of remittances, how they are sent and received, and the overall accessibility of financial services. The analysis is based on data from the 2021 Global Findex dataset.

### **2. Objectives**

The key objectives of this project are:

- To assess the role of remittances in financial inclusion in Nigeria. To examine how domestic remittances are sent and received.
- To analyze account ownership and financial service usage among Nigerians.
- To evaluate financial inclusion trends across gender and location.
- To present findings through a Power BI dashboard.

### **3. Data and Methodology**

This project utilizes the `micro_nga.csv` dataset from the 2021 Global Findex database. The analysis focuses on the following variables: Remittances & Financial Inclusion: sent remittance, received remittance, account, customer ID, all financial service-related columns, gender, and location. The dataset was processed using Power Query for data cleaning, validation, and analysis, and Power BI was used for visualization.

### **4. Findings & Analysis**

Remittance Distribution:

186 remittances were received by account owners, while 89 were sent by individuals based on employment status.

The highest percentage of remittances was received through bank accounts, followed by cash transactions.

The percentage of remittances sent was 43.6% via bank accounts, 13.15% via cash, and a small percentage through merchants (4.15%).

37.37% of individuals did not send remittances, indicating financial constraints or lack of access to remittance services.

### **Financial Inclusion and Savings:**

A significant portion of people who received remittances saved money through bank accounts (126 people), while others saved via cash (38 people) or merchants (12 people).

A small percentage (1.6%) had no response, showing that some individuals do not engage in formal financial savings.

### **Remittance Trends Across Gender and Location:**

The dashboard allows filtering by urban vs. rural location and gender, showing disparities in financial access.

Urban women (as shown in the dashboard) receive and send more remittances through bank accounts compared to other methods.

The data suggests that urban populations have better access to financial institutions, whereas rural areas may still rely heavily on cash transactions.

### **Total Remittances Received and Sent:**

The highest number of remittances received was via bank accounts.

Most remittances sent were also through bank accounts, followed by cash transactions.

Money Transfer Operators (MTOs) played a role in sending and receiving remittances, though not as dominant as banks.

### **Implications:**

Financial institutions play a major role in remittance transactions, suggesting that increasing account ownership can drive financial inclusion.

Cash transactions are still widely used, indicating the need for further expansion of mobile money and digital financial services.

Savings behavior is linked to remittances, showing that increasing financial literacy can encourage more structured savings and investment practices. Role of Remittances in Financial Inclusion Remittances provide an essential financial lifeline for many Nigerians, contributing to economic stability and increased access to financial services. Domestic remittances are primarily received through bank accounts, mobile money platforms, and cash transactions. Households receiving remittances are more likely to have access to formal financial institutions.

## **5. Power BI Dashboard**

A Power BI dashboard was developed to visualize key insights, including: Distribution of remittance channels. Account ownership and financial service usage trends. Comparative analysis of different financial access points in Nigeria. Financial inclusion disparities across gender and location.

## **6. Conclusion**

This study highlights the significant role of remittances in promoting financial inclusion in Nigeria. While mobile money and bank accounts are widely used, some individuals still rely on cash transactions, limiting their integration into formal financial systems. Expanding financial services and digital banking can enhance financial inclusion in Nigeria.

## **7. Recommendations**

Expand mobile money infrastructure to enhance financial accessibility. Promote financial literacy programs to encourage formal banking participation. Improve access to microfinance and credit facilities to reduce cash dependency. Address gender disparities in financial inclusion by targeting financial programs for women. Enhance digital financial services in rural areas to improve accessibility.

## **8. Future Work**

Future studies can explore the impact of remittance inflows on household expenditures, investment behaviors, and overall economic growth in Nigeria.

# SAVINGS AND BORROWING ANALYSIS REPORT

## 1. Introduction

Savings and borrowing are critical components of financial inclusion, influencing individuals' ability to manage risk, invest in opportunities, and achieve financial stability. This report analyzes the saving and borrowing behaviors of Nigerians using data from the 2021 Global Findex dataset. The same dataset, data cleaning process, and visualisation tools used in the **Remittance Analysis Report** were applied here to ensure consistency across insights on financial inclusion.

## 2. Objectives

The key objectives of this analysis are:

- To examine how Nigerians save and borrow money.
- To assess the different channels used for saving and borrowing (formal, informal, and mobile).
- To analyze how demographic factors such as account ownership, gender, and location influence financial behavior.
- To present findings using an interactive Power BI dashboard.

## 3. Data and Methodology

The analysis utilizes the `micro_nga.csv` dataset from the 2021 Global Findex database. The data was cleaned and validated using Power Query, with visualisations developed in Power BI.

Variables analyzed include:

- `saved`, `borrowed`, `fin17a`, `fin17a1`, `fin17b`, `fin22a`, `fin22b`, `fin22c`, `account`, `gender`, and `location`.

The cleaning process involved removing duplicates, correcting inconsistent values, addressing missing entries, and validating data types for accurate reporting.

## 4. Findings & Analysis

### 4.1 Saving Behavior

- 73% of respondents reported saving money.
- Top Saving Channels:
  - Informal saving groups (e.g., ajo/esusu/thrift): 50.12%
  - Mobile money platforms: 43.59%
  - Formal financial institutions: 6.29%

The majority of respondents save informally or through mobile money, reflecting accessibility and trust in these channels over traditional banks.

### 4.2 Borrowing Behavior

- 60% of respondents reported borrowing money.
- Top Borrowing Channels:
  - Formal financial institutions: 78.05%
  - Money lenders (informal): 11.65%
  - Friends and family: 10.30%

Formal channels dominate borrowing behavior, possibly due to structured repayment options or access through salary accounts.

### 4.3 Influence of Account Ownership

- Respondents with a formal account are more likely to borrow from formal institutions.
- Those without accounts rely more heavily on informal saving or borrowing options.

### 4.4 Gender and Location Trends

- Urban respondents save and borrow more using formal and mobile platforms.
- Rural respondents show a higher dependency on informal channels.
- Gender-based visual filters indicate that both men and women save similarly, but women tend to borrow slightly more from informal sources.

## 5. Power BI Dashboard

A dynamic Power BI dashboard was created to visualize:

- The percentage of Nigerians who save or borrow.
- Distribution of saving and borrowing channels.
- Comparative analysis based on gender, location, and account ownership.

The dashboard enables filtering to explore behavioral patterns across demographic groups and identify disparities in financial access.

## **6. Conclusion**

This study reveals that while a majority of Nigerians engage in savings and borrowing, they still rely heavily on informal groups and mobile money for savings and formal institutions for borrowing. Access to financial services remains unequal, especially between urban and rural areas, and among those without formal bank accounts.

## **7. Recommendations**

- Expand access to savings accounts, especially in rural areas, to promote formal financial inclusion.
- Strengthen mobile money services as a bridge to formal banking.
- Encourage saving groups (ajo/esusu) to collaborate with formal institutions for hybrid financial products.
- Enhance financial education, especially targeting women and underserved communities.
- Support credit access for the unbanked via microfinance institutions and fintech solutions.

## **8. Future Work**

Further research could explore:

- The long-term impact of saving habits on economic empowerment.
- How informal borrowing affects household debt cycles.
- The potential of digital credit and savings platforms to reach underserved populations.