

MICROFINANCE AND POVERTY REDUCTION AMONG FEMALE-HEADED HOUSEHOLDS IN ANAMBRA STATE, NIGERIA

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ABSTRACT

This study explored the relationship between microfinance and poverty reduction among Female-headed households (FHHs) in Anambra State. The objective of the study is to determine the nature of relationship between microfinance loan and start-ups ownership among FHHs in Anambra State. Descriptive survey research design was employed and data were analyzed with mean and standard deviation. One sample t-test of significance was used to test the formulated hypothesis at 5% (percent) level of significance. Findings revealed that there is a significant positive relationship between microfinance loan and start-ups ownership of female-headed households in Anambra State. It is recommended that the female-headed households should further be encouraged by the Microfinance Banks through offering them loans that exceed N250,000, based on unimpaired losses in equity for investment in medium scale businesses. We therefore advocate that for any robust and sustained reduction of poverty of FHHs, the Microfinance Banks should further increase the loans allocated to FHHs and all levels of government (Local, State and Federal) should provide grants to the FHHs that are widows to enable them invest in micro-enterprises and meet other family needs.

KEYWORDS: Microfinance, poverty reduction; female-headed households, Anambra State, start-up ownership.