MAKERERE UNIVERSITY

EVALUATION OF EFFECTIVENESS OF FINANCIAL INCLUSION IN CENTRAL BUSINESS DISTRICT, KAMPALA UGANDA.

A CASE STUDY OF POST BANK UGANDA LIMITED

BY

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DECLARATION

I, **Nagasha Naome**, declare that this is my original research report and has never been submitted anywhere and in any Institution of higher learning for academic purposes.

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2023/HD06/23205U

Signature .... **Date.**23-09-2025........................

APPROVAL

This research report has been submitted for examination with the approval of my academic supervisor below.

DR ERIC NZIBONERA

Signature .... **Date** 23/09/2025

DEDICATION

I dedicate this research work to my heavenly father and my parents Mr. & Mrs. Tumwesigye Stephen Henry for encouraging me to attain a master's degree.

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I am very thankful to the Almighty God for giving me knowledge and wisdom to complete this study. I will cherish you forever.

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I express my sincere gratefulness to my Research supervisor, Dr Eric Nzibonera. The large amount of time and energy he generously offered to assist me was curial to the establishment and development of this Research. May God bless you and propel you to greater heights.

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My dear brother and sisters, beloved parents, the rest of my relatives and all my classmates who were with me in both spirit and physical to the completion of this report.

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LIST OF ACRONYMS

AFE	:	Access-Finance-Enterprise framework
BoU	:	Bank of Uganda
CBD	:	Central Business District
CVI	:	Content Validity Index
MSMEs	:	Micro, Small, and Medium-sized Enterprises
PBUL	:	Post Bank Uganda Limited
PDM	:	Parish Development Model
SACCOs	:	Savings and Credit Cooperatives
SPSS	:	Statistical Package for the Social Sciences

ABSTRACT

Financial inclusion is a critical component of economic development and poverty reduction in Uganda. Despite the government's efforts to promote financial inclusion, there are still significant challenges that hinder access to financial services, particularly in the Central Business District (CBD). This study evaluates the current state of financial inclusion in the CBD of Uganda, examining the challenges and opportunities for promoting financial inclusion. A cross-sectional research design and quantitative approach were employed, collecting data from 150 respondents in the CBD. The study's findings reveal that while there have been improvements in financial inclusion, significant disparities persist, particularly in access to financial services and financial literacy. The study identifies several challenges to financial inclusion, including limited access to financial services, high costs of financial services, and lack of financial literacy. To address these challenges, the study proposes several strategies, including increasing access to financial services, improving financial literacy, and promoting digital financial services. The study's results have implications for policymakers, financial institutions, and other stakeholders seeking to promote financial inclusion and economic growth in Uganda. By providing insights into the current state of financial inclusion and identifying the challenges and opportunities for promoting financial inclusion, this study contributes to the existing body of knowledge on financial inclusion and informs policy and practice in the financial sector. The study's findings can be used to inform policy decisions and interventions aimed at promoting financial inclusion and economic growth in Uganda.

CHAPTER ONE: INTRODUCTION

1.1 Introduction

This chapter one presents the background to the study, the statement of the problem, the purpose of the study, the research objectives, the research questions, the scope of the study, and significance to the study.

1.2 Background to the Study

Financial inclusion has emerged as a crucial development priority, with policymakers and financial institutions recognizing its potential to promote economic growth, reduce poverty, and improve living standards (Demirguc-Kunt et al., 2022). Financial inclusion has made significant progress worldwide, with 76% of adults now having a formal bank account or mobile money account (World Bank annual report, 2023). This progress can be attributed to the increasing adoption of digital financial services, such as mobile money and online banking, which have expanded access to financial services for millions of people around the world. However, despite this progress, significant disparities in financial inclusion persist, particularly in sub-Saharan Africa, where 55% of adults remain unbanked (World Bank annual report, 2023). These disparities highlight the need for targeted interventions to promote financial inclusion and address the unique challenges faced by different regions and populations.

Financial inclusion has been driven by the rapid growth of mobile money services (Suri & Jack, 2016). Countries such as Kenya, Tanzania, and Uganda have made significant strides in increasing access to financial services, particularly through mobile money platforms. For instance, Kenya's M-Pesa has revolutionized financial inclusion, providing millions of people with access to financial services for the first time (Suri & Jack, 2016,). Mobile money services have enabled people to store, send, and receive money using their mobile phones, reducing the need for physical bank branches and increasing financial inclusion in rural areas. However, despite the growth of mobile money services, there are still significant challenges to financial inclusion in East Africa, including limited access to financial services in rural areas and a lack of financial literacy among many users.

In Uganda, financial inclusion has been a key priority for policymakers, with the government implementing various initiatives to increase access to financial services. The Parish Development Model (PDM) is a notable initiative aimed at promoting wealth creation and improving service delivery at the household level (Ministry of Finance, Planning and Economic Development annual reporting, 2022). Launched in 2022, the PDM focuses on transforming subsistence households into commercial farming, enabling them to participate in the money economy. The PDM also aims to improve financial inclusion through Savings and Credit Cooperatives (SACCOs) and digital financial services. According to the World Bank's Uganda Economic Update report2023, Uganda's economic growth is predicted to reach 6.2% in 2025, up from 5.3% in 2023, indicating a positive trend for financial inclusion initiatives (World Bank annual report, 2024). The Ugandan government has also implemented other initiatives, such as the Uganda Microfinance Support Centre, to provide financial services to micro, small, and medium-sized enterprises (MSMEs) and promote financial inclusion.

Historically, financial inclusion has been a challenge in Uganda, with many people lacking access to formal financial services (Kasekende, 2018). However, the introduction of mobile money services in the late 2000s revolutionized financial inclusion in the country, providing millions of people with access to financial services for the first time (Kasekende, 2018). Mobile money services have enabled people to store, send, and receive money using their mobile phones, reducing the need for physical bank branches and increasing financial inclusion in rural areas. Despite this progress, significant challenges to financial inclusion persist, particularly in rural areas where access to financial services is limited. The Ugandan government and financial institutions must continue to work together to address these challenges and promote financial inclusion for all.

1.3 Statement of the problem

Financially inclusive economy where all individuals and businesses have access to affordable and appropriate financial services, enabling them to participate fully in the economy and improve their livelihoods (World Bank annual report, 2023). Despite progress in financial inclusion, many people in Uganda still lack access to formal financial services. According to the World Bank's Global Findex Database (2023), 42% of adults in Uganda remain unbanked, with significant disparities in financial inclusion persisting across different regions and populations (World Bank annual report, 2023).The Ugandan government has implemented various initiatives to promote financial inclusion, including the Parish Development Model (PDM) and the Uganda Microfinance Support Centre (Bank of Uganda annual report, 2024). However, despite these efforts, financial inclusion remains a challenge in Uganda, particular. According to the Bank of Uganda Economic Update report, the PDM has faced challenges in implementation, including limited access to financial services and a lack of financial literacy among beneficiaries (Bank of Uganda annual report, 2024). These challenges highlight the need for further research and targeted interventions to promote financial inclusion and address the unique challenges faced by population.

1.4 Purpose of the Study

The purpose of this study is to evaluate the nature of financial inclusion in CBD Uganda, examine the challenges facing financial inclusion, and develop strategies for improving financial inclusion.

1.5 Research Objectives

i. To examine the nature of financial inclusion in CBD Uganda
ii. To establish the challenges of financial inclusion in CBD Uganda
iii. To ascertain strategies for improving financial inclusion in CBD Uganda

1.6 Research Questions

i. What is the current state of financial inclusion in CBD Uganda?
ii. What are the challenges facing financial inclusion in CBD Uganda?
iii. What strategies can be employed to improve financial inclusion in CBD Uganda?

1.7 Scope of the Study

For purposes of this study, I have adopted the geographical and content scopes as discussed below.

1.7.1 Geographical Scope

This study is limited to the Central Business District (CBD) of Uganda and targeting PBUL. This scope is justified due to the CBD's significance as a key economic hub, allowing for insights into financial inclusion in a context with high access to financial services.

1.7.2 Content Scope

The study focuses on examining the current state of financial inclusion in the CBD, including access to financial services, financial literacy, and financial capability. This scope is justified by the need for research on financial inclusion in Uganda to inform policy and practice in the financial sector.

1.8 Significance of the Study

This study on financial inclusion in the Central Business District (CBD) of Uganda will have significant implications for various individuals and groups. Policymakers in Uganda will benefit from the study's findings, which will provide insights into the current state of financial inclusion in the CBD and identify areas for improvement. This information can be used to inform policy decisions and develop targeted interventions to promote financial inclusion and economic growth. Financial institutions, including banks and microfinance institutions, will also benefit from the study's findings, which can help them to better understand the financial needs of individuals and businesses in the CBD and develop more effective financial products and services.

Small business owners and entrepreneurs in the CBD will also be impacted by the study's findings, which can provide insights into the financial challenges they face and identify opportunities for improving access to financial services. Additionally, low-income individuals and households in the CBD will benefit from the study's findings, which can help to identify ways to improve financial inclusion and promote economic mobility. The study's findings will also contribute to the existing body of knowledge on financial inclusion, providing a foundation for further research and informing policy and practice in the financial sector. Overall, the study's findings have the potential to positively impact the lives of individuals and businesses in the CBD, promoting financial inclusion and economic growth

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

The literature review provides a comprehensive overview of the existing research on financial inclusion, highlighting the key findings, methodologies, and gaps in the literature. This chapter will review the theoretical frameworks that underpin financial inclusion, discuss the current state of financial inclusion, and examine the challenges and opportunities for promoting financial inclusion. The theoretical framework that supports this study is critical in understanding the relationship between financial inclusion and economic development.

2.1 Definition of Key Terms

2.1.1 Financial Inclusion

According to the World Bank annual report (2023), financial inclusion is defined as "the access to and use of financial services by individuals and businesses." This definition encompasses various aspects of financial inclusion, including access to financial services, usage of financial services, and the quality of financial services.

Demirguc-Kunt et al. (2022) define financial inclusion as "the proportion of individuals and firms using financial services." This definition highlights the importance of measuring financial inclusion in terms of the usage of financial services.

In the context of this study, financial inclusion refers to the access to and use of financial services by individuals and businesses in the Central Business District (CBD) of Uganda. This definition encompasses various aspects of financial inclusion, including access to formal financial services, usage of financial services, and financial literacy.

2.1.2 Financial Services

According to Ledgerwood et al. (2013), financial services refer to "the range of financial products and services offered by financial institutions, including savings, credit, insurance, and payment services." This definition highlights the diversity of financial services available to individuals and businesses.

In the context of this study, financial services refer to the range of financial products and services offered by formal financial institutions, such as banks and microfinance institutions, in the CBD of Uganda.

2.1.3 Financial Literacy

According to the Organisation for Economic Co-operation and Development (OECD) (2022), financial literacy is defined as "a combination of financial awareness, knowledge, skills, attitude, and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing." This definition highlights the importance of financial literacy in enabling individuals to make informed financial decisions.

In the context of this study, financial literacy refers to the knowledge, skills, and attitudes necessary for individuals and businesses in the CBD of Uganda to make informed financial decisions and access financial services.

2.1.4 Financial Capability

According to Taylor et al. (2016), financial capability refers to "the ability to manage one's finances effectively, including the ability to budget, save, and invest." This definition highlights the importance of financial capability in enabling individuals to manage their finances effectively.

In the context of this study, financial capability refers to the ability of individuals and businesses in the CBD of Uganda to manage their finances effectively, including the ability to access financial services, budget, save, and invest.

2.2 Theoretical Review

This study is grounded in the Financial Inclusion Theory, which posits that financial inclusion is a critical component of economic development and poverty reduction (Demirguc-Kunt et al., 2022). One of the key theories that supports this study is the Access-Finance-Enterprise (AFE) framework, which suggests that access to financial services is a critical factor in promoting entrepreneurship and economic growth (Beck et al., 2018).

The AFE framework posits that access to financial services enables individuals and businesses to invest in productive activities, manage risk, and smooth consumption (Beck et al., 2018). This, in turn, can lead to increased economic growth, job creation, and poverty reduction. The AFE framework has been widely used in research on financial inclusion and has been shown to be effective in explaining the relationship between financial inclusion and economic development (Demirguc-Kunt et al., 2022).

The AFE framework is based on several financial components, including access to financial services, financial literacy, and financial capability (Beck et al., 2018). Access to financial services refers to the ability of individuals and businesses to access financial products and services, such as savings, credit, and insurance. Financial literacy refers to the knowledge and skills required to make informed financial decisions, while financial capability refers to the ability to manage finances effectively.

The AFE framework has been used to explain the relationship between financial inclusion and economic development in various contexts. For example, Demirguc-Kunt et al. (2022) used the AFE framework to examine the impact of financial inclusion on economic growth and poverty reduction in developing countries. The study found that financial inclusion had a positive impact on economic growth and poverty reduction, and that the AFE framework was effective in explaining the relationship between financial inclusion and economic development.

The AFE framework is relevant to this study because it highlights the importance of access to financial services in promoting economic growth and development. By examining the current state of financial inclusion in the Central Business District (CBD) of Uganda, this study can provide insights into the challenges and opportunities for promoting financial inclusion and economic growth in this context.

In addition to the AFE framework, other theories such as the financial deepening theory and the financial exclusion theory also provide insights into the relationship between financial inclusion and economic development (Demirguc-Kunt et al., 2022). However, the AFE framework is particularly relevant to this study because it highlights the importance of access to financial services in promoting economic growth and development.

Overall, the AFE framework provides a useful theoretical framework for understanding the relationship between financial inclusion and economic development. By applying this framework to the context of the CBD of Uganda, this study can provide insights into the challenges and opportunities for promoting financial inclusion and economic growth in this context.

2.3 The nature of Financial Inclusion

Financial inclusion has been recognized as a critical component of economic development and poverty reduction (Demirguc-Kunt et al., 2022). In Uganda, several studies have examined the current state of financial inclusion, highlighting the challenges and opportunities for promoting financial inclusion (Kasekende, 2018; World Bank annual report, 2023). According to the World Bank's Global Findex Database 2023, 42% of adults in Uganda remain unbanked, with significant disparities in financial inclusion persisting across different regions and populations (World Bank annual report, 2023).

Research has shown that financial inclusion can have a positive impact on economic growth and development, particularly in urban areas (Beck et al., 2018). In the CBD of Uganda, financial inclusion can enable individuals and businesses to access financial services, manage risk, and invest in productive activities. However, the current state of financial inclusion in the CBD is likely to be influenced by various factors, including the availability of financial services, financial literacy, and financial capability.

Studies have shown that access to financial services is a critical component of financial inclusion (Cull et al., 2014). In Uganda, the use of mobile money services has increased significantly in recent years, with many individuals and businesses using mobile money to access financial services (Suri & Jack, 2016). However, despite the growth of mobile money services, many individuals and businesses in Uganda still lack access to formal financial services (Kasekende, 2018).

Financial literacy is also an important factor influencing financial inclusion (Lusardi & Mitchell, 2014). Research has shown that individuals with higher levels of financial literacy are more likely to access and use financial services effectively (Xu & Bilal, 2018). In Uganda, financial literacy programs have been implemented to improve financial inclusion, but more needs to be done to reach the majority of the population (World Bank annual report, 2023).

The current state of financial inclusion in the CBD of Uganda is also influenced by the regulatory environment (Mlachila et al., 2016). The Bank of Uganda has implemented various regulations to promote financial inclusion, including regulations to increase access to financial services and improve financial stability (Bank of Uganda annual report, 2022). However, more needs to be done to ensure that the regulatory environment supports financial inclusion and promotes economic growth.

This study will contribute to the existing literature by providing a comprehensive examination of the current state of financial inclusion in the CBD. By examining the access to and usage of financial services among individuals and businesses, this study can provide insights into the challenges and opportunities for promoting financial inclusion in this context. The findings of this study can inform policy decisions and interventions aimed at promoting financial inclusion and economic growth in the CBD.

Financial inclusion has become a critical component of economic development in Sub-Saharan Africa (SSA). According to Anifowose and Chummun (2025), financial inclusion in SSA countries is influenced by factors such as economic growth, Islamic banking, money supply, internet users, and credit availability. The authors used a panel data analysis of 45 SSA countries from 1999 to 2024 and found that these factors positively enhance financial inclusion. The study highlights the importance of a comprehensive approach to promoting financial inclusion, considering the complex interplay of economic, social, and technological factors.

In SSA, mobile money accounts have played a significant role in promoting financial inclusion. As of 2022, 49% of adults in SSA own an account, with mobile money accounts driving growth in account ownership (World Bank, 2022). Kenya, Senegal, and South Africa have seen significant growth in account ownership, with mobile money adoption being a key driver. According to Bashiru et al. (2023), promoting digital financial services through internet expansion and mobile banking adoption can enhance financial inclusion in SSA. The authors found that internet expansion, mobile banking, and broad money positively impact financial inclusion, while inflation negatively affects it.

2.4 The Challenges to Financial Inclusion

Financial inclusion is a complex issue that is influenced by various factors, including economic, social, and institutional factors (Demirguc-Kunt et al., 2022). In the Central Business District (CBD) of Uganda, several challenges to financial inclusion have been identified, including limited access to financial services, high costs of financial services, and lack of financial literacy (Kasekende, 2018; World Bank annual report, 2023).

According to Beck et al. (2018), limited access to financial services is a major challenge to financial inclusion in many developing countries. In Uganda, many individuals and businesses lack access to formal financial services, including savings, credit, and insurance (Kasekende, 2018). The lack of access to financial services can limit the ability of individuals and businesses to invest in productive activities, manage risk, and smooth consumption (Cull et al., 2014).

High costs of financial services are also a challenge to financial inclusion in the CBD of Uganda. Research has shown that high costs of financial services can limit the ability of individuals and businesses to access financial services (Beck et al., 2018). In Uganda, the costs of financial services are relatively high, which can limit the ability of individuals and businesses to access financial services (World Bank annual report, 2023).

Lack of financial literacy is another challenge to financial inclusion in the CBD of Uganda. Research has shown that individuals with higher levels of financial literacy are more likely to access and use financial services effectively (Lusardi & Mitchell, 2014). In Uganda, financial literacy levels are relatively low, which can limit the ability of individuals and businesses to access and use financial services effectively (Xu & Bilal, 2018).

Institutional factors, such as the regulatory environment, can also influence financial inclusion in the CBD of Uganda. Research has shown that a supportive regulatory environment can promote financial inclusion by increasing access to financial services and improving financial stability (Mlachila et al., 2016). In Uganda, the regulatory environment has been identified as a challenge to financial inclusion, with some regulations limiting the ability of financial institutions, such as banks and microfinance institutions, to access funding and provide financial services (Kasekende, 2018).

This study will contribute to the existing literature by providing a comprehensive examination of the challenges to financial inclusion in the CBD of Uganda. By examining the access to and usage of financial services among individuals and businesses, this study can provide insights into the challenges and opportunities for promoting financial inclusion in this context. The findings of this study can inform policy decisions and interventions aimed at promoting financial inclusion and economic growth in the CBD.

Despite progress in financial inclusion, SSA still faces significant challenges. According to Schuetz and Venkatesh (2020), lack of documentation, trust issues, and financial constraints pose notable barriers to financial inclusion. Additionally, income inequality and poverty remain significant challenges, with over 48% of individuals in SSA living in poverty as of 2024. The authors argue that addressing these challenges will require a multifaceted approach that considers the complex interplay of economic, social, and technological factors.

Other challenges to financial inclusion in SSA include limited access to financial services, high costs of financial services, and lack of financial literacy (Kasekende, 2018). In some SSA countries, women and young people face significant barriers to financial inclusion, highlighting the need for targeted policies to address these disparities. According to Demirguc-Kunt et al. (2022), financial inclusion is critical for economic development and poverty reduction, but it requires a comprehensive approach that addresses the specific needs and challenges of different populations.

2.5 Strategies to Improve Financial Inclusion

Financial inclusion is a crucial component of economic development and poverty reduction in Uganda. To enhance financial inclusion in the Central Business District (CBD) of Uganda, various strategies can be employed. This discussion explores these strategies, drawing on existing literature and research.

Digital financial services, such as mobile money and online banking, have emerged as a key strategy for improving financial inclusion. According to Ozili (2020), digital financial inclusion offers numerous benefits, including increased access to financial services and reduced costs. In Uganda, mobile money services have been particularly effective in promoting financial inclusion, with many individuals and businesses using mobile money to access financial services (Mwania, 2017). Gabor and Brooks (2017) noted that digital financial services can increase access to financial services, especially for the unbanked population.

Agent banking is another strategy that can improve financial inclusion in the CBD of Uganda. Kaggwa et al. (2019) noted that agent banking allows financial institutions to reach more customers in rural and underserved areas, increasing financial inclusion. This model can be applied in the CBD to cater to the urban population.

Financial literacy programs can also improve financial inclusion in the CBD of Uganda. Lusardi and Mitchell (2014) noted that financial literacy programs can improve financial knowledge and skills among individuals and businesses, enabling them to make informed financial decisions. Financial literacy programs can be implemented through various channels, including schools, community centres, and financial institutions.

Other strategies to improve financial inclusion in the CBD of Uganda include the use of financial technology (fintech) (Arner et al., 2016), the development of financial infrastructure (Beck et al., 2018), and the promotion of financial inclusion policies and regulations (Mlachila et al., 2016). Collaboration between financial institutions and other stakeholders is also critical to improving financial inclusion in the CBD of Uganda (Nkundabanyanga et al., 2018).

This study aims to contribute to the existing literature by providing a comprehensive examination of the strategies to improve financial inclusion in the CBD of Uganda. By exploring the various strategies to improve financial inclusion, this study can provide insights into the ways in which financial inclusion can be improved in this context.

To improve financial inclusion in SSA, policymakers and financial institutions can implement several strategies. According to Bashiru et al. (2023), promoting digital financial services through internet expansion and mobile banking adoption can enhance financial inclusion. Additionally, strengthening financial sector regulations, enhancing financial literacy programs, and stabilizing macroeconomic factors such as inflation can also promote financial inclusion.

Investing in digital infrastructure is critical for promoting financial inclusion in SSA. According to a report by the World Bank (2022), expanding broadband coverage and incentivizing fintech innovations can improve access to financial services. Furthermore, promoting financial literacy programs can ensure that individuals can effectively use financial services. According to Demirguc-Kunt et al. (2022), financial literacy is a critical component of financial inclusion, and policymakers should prioritize financial education programs to promote financial capability.

Supporting microfinance institutions and small business loans can also enhance credit accessibility, especially for marginalized groups. According to a study by Anifowose and

Chummun (2025), microfinance institutions play a critical role in promoting financial inclusion in SSA, and policymakers should support these institutions to improve access to financial services. Digitalizing government payments can also motivate account ownership and increase financial inclusion. According to the World Bank (2022), digitalizing government payments can improve financial inclusion by increasing access to financial services and promoting account ownership.

2.6 Summary of Literature Review

The literature review has explored the concept of financial inclusion, its importance, and the challenges and opportunities associated with it. The review has also examined the strategies to improve financial inclusion, including digital financial services, agent banking, financial literacy programs, and financial infrastructure development. Studies have shown that financial inclusion is critical for economic development and poverty reduction (Ozili, 2020; Kaggwa et al., 2019). Digital financial services, such as mobile money and online banking, have been particularly effective in promoting financial inclusion in Uganda (Mwania, 2017).

Agent banking and financial literacy programs have also been identified as important strategies for improving financial inclusion (Kaggwa et al., 2019; Lusardi & Mitchell, 2014).

The literature review has also highlighted the importance of financial infrastructure development and financial inclusion policies and regulations in promoting financial inclusion (Beck et al., 2018; Mlachila et al., 2016). Collaboration between financial institutions and other stakeholders is also critical to improving financial inclusion (Nkundabanyanga et al., 2018).

2.7 Research Gap

Despite the growing body of literature on financial inclusion, there is still a need for more research on the specific challenges and opportunities associated with financial inclusion in the Central Business District (CBD) of Uganda. While existing studies have explored the importance of financial inclusion and the strategies to improve it, there is a lack of research that specifically focuses on the CBD of Uganda.

This study aims to address this research gap by exploring the challenges and opportunities associated with financial inclusion in the CBD of Uganda. The study will examine the current state of financial inclusion in the CBD, identify the challenges and opportunities associated with it, and explore the strategies to improve financial inclusion in this context.

The research gap that this study aims to address includes:

- Limited understanding of the specific challenges and opportunities associated with financial inclusion in the CBD of Uganda.
- Lack of research on the effectiveness of different strategies to improve financial inclusion in the CBD of Uganda.
- Limited understanding of the role of financial institutions and other stakeholders in promoting financial inclusion in the CBD of Uganda.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter outlines the research methodology that will be employed in this study to explore the challenges and opportunities associated with financial inclusion in the Central Business District (CBD) of Uganda, with a focus on the PDM beneficiaries in PBUL. The research methodology will include the research design, data collection methods, instruments of data collection, validity and reliability, target population, sample size and selection, ethical considerations, and limitations to the study.

3.1 Research Design

This study will employ a cross-sectional and descriptive research design. According to Creswell (2014), a cross-sectional design involves collecting data from a sample of participants at a single point in time. This design will be suitable for this study because it will allow the researcher to collect data from many participants in a short period, which will provide a snapshot of the current state of financial inclusion in the CBD of Uganda. The cross-sectional design will also enable the researcher to identify patterns and trends in financial inclusion, which will inform policy decisions and interventions aimed at improving financial inclusion (Babbie, 2013). This study will utilize a quantitative approach, focusing on numerical data collection and analysis to draw conclusions about financial inclusion in the CBD of Uganda.

3.2 Study population, Sample Size and Sampling Technique

The target population for this study will be the Post Bank Uganda Limited (PBUL) PDM beneficiaries in the Central Business District (CBD) of Uganda. According to the bank's records, there are 5,000 PDM beneficiaries in the CBD, and this will be the target population for this study.

The sample size for this study will be about 150 beneficiaries. The researcher will use a convenience sampling technique to select the respondents. The convenience sampling technique will be used due to its efficiency in data collection and considering the time and resources available for the study in accordance with J. Roscoe.

3.3 Sources of Data and data Collection Methods

This study will use both primary and secondary data sources. Primary data will be collected through questionnaires, while secondary data will be collected through a review of existing literature on financial inclusion in Uganda. According to Saunders et al. (2016), primary data collection methods are useful for collecting original data that is specific to the research question.

3.4 Instruments of Data Collection

The instruments of data collection that will be used in this study include a questionnaire. The questionnaire will be used to collect quantitative data from a sample of poor individuals and businesses in the CBD of Uganda, particularly PDM beneficiaries according to PBUL. The questionnaire will include questions on demographic characteristics, financial inclusion, and challenges and opportunities associated with financial inclusion.

3.5 Validity and Reliability

Validity and reliability are crucial aspects of research that ensure the credibility and trustworthiness of the findings (Golafshani, 2003). In this study, validity refers to the extent to which the research instrument measures what it is supposed to measure (Creswell, 2014). The validity of the instrument will be ensured through careful design of the questionnaire, ensuring that the questions are clear, concise, and relevant to the research objectives.

Table 3. 1: Validity and Reliability Analysis

Scale	Number of Items	C V I	Cronbach Alpha
Financial Inclusion	10	0.95	0.85
Challenges	8	0.92	0.78
Strategies	12	0.98	0.82
Overall Scale	30	0.96	0.91

In this table, the Content Validity Index (CVI) and Cronbach's alpha values are presented for each scale, as well as the overall scale. This provides a concise overview of the validity and reliability of the instrument.

3.6 Data Analysis

The data collected from the questionnaires and interviews was analysed using quantitative data analysis techniques. The quantitative data collected from the questionnaires was analysed using statistical techniques, including descriptive statistics. According to Saunders et al. (2016), descriptive statistics are useful for summarizing and describing the basic features of the data.

The data was analysed using Statistical Package for the Social Sciences (SPSS) software. The analysis included frequency distributions, means, and standard deviations to describe the demographic characteristics of the respondents and the variables under study.

3.7 Ethical Considerations

This study will ensure that all ethical considerations are adhered to, including informed consent, confidentiality, and anonymity. According to Bryman and Bell (2015), informed consent is essential to ensure that respondents are aware of the purpose and risks of the study. The study will also ensure that the data collected is used for academic purposes only and that the respondents' rights are protected.

3.8 Limitations of the Study

This study on financial inclusion in the Central Business District (CBD) of Uganda has several limitations that need to be acknowledged. Firstly, the study's focus on the CBD may limit its generalizability to other regions or populations in Uganda. To overcome this limitation, future studies could expand the scope to include other regions or populations, enabling a more comprehensive understanding of financial inclusion in Uganda. Additionally, the study's reliance on existing literature and data may not capture the most up-to-date information or nuances of financial inclusion in the CBD. To address this limitation, future studies could collect primary data through surveys, interviews, or focus groups to gain a more nuanced understanding of financial inclusion in the CBD.

Another limitation of the study is that it may not fully capture the complexities and nuances of financial inclusion in the CBD. Financial inclusion is a multifaceted concept that encompasses various aspects, including access to financial services, financial literacy, and financial capability. To overcome this limitation, future studies could adopt a more comprehensive approach to measuring financial inclusion, incorporating multiple indicators and dimensions. Furthermore, the study's analysis may be limited by the availability and quality of data on financial inclusion in the CBD. To address this limitation, future studies could invest in collecting high-quality data on financial inclusion, enabling more accurate and reliable analysis.

Despite these limitations, this study aims to contribute to the existing body of knowledge on financial inclusion in Uganda and inform policy and practice in the financial sector. By acknowledging and addressing these limitations, future studies can build on the findings of this study and provide a more comprehensive understanding of financial inclusion in Uganda.

CHAPTER FOUR

PRESENTATION, INTERPRETATION, AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents the findings of the study on financial inclusion among PDM beneficiaries under Post Bank in the Central Business District (CBD) of Uganda. The chapter includes the response rate, descriptive statistics, and analysis of the data collected.

The presentation was guided by the research objectives and the statistics were generated with the aim of generating responses from the research questions. The presentation was guided by the following research objectives;

i.) To examine the nature of financial inclusion in CBD Uganda

ii.) To establish the challenges of financial inclusion in CBD Uganda

iii.) To ascertain strategies for improving financial inclusion in CBD Uganda

4.1 Response Rate

The study achieved a response rate of 90%, with 150 questionnaires administered and 135 returned. This response rate is considered satisfactory, given the challenges of data collection in the CBD of Uganda. The high response rate indicates that the respondents were cooperative and interested in the study, which enhances the validity and reliability of the findings.

The response rate attained is over and above the threshold of 0.7 (Amin, 2005). Therefore, the information obtained from the respondents was good enough to be generalized to the entire population.

4.2 Descriptive Statistics

This study used frequencies, percentages, mean and standard deviation to analyze data. Frequencies and percentages were used to analyze demographic characteristics of respondents while mean and standard deviation values were used to analyze findings based on the objectives of the study.

4.2.1 Demographic Characteristics

The demographic characteristics of the respondents are summarized below:

4.2.1.1 Gender

Table 4. 1: Gender Distribution of Respondents

Gender	Frequency	Percentage
Male	70	51.9%
Female	65	48.1%
Total	135	100%

Source: Primary Data

The results in Table 4.1 show that 51.9% of the respondents are male, while 48.1% are female. This suggests that the sample is slightly skewed towards males, but the difference is not significant. The near-equal distribution of males and females in the sample ensures that the views and experiences of both genders are represented in the study. This balance is important for understanding the dynamics of financial inclusion among PDM beneficiaries, as gender can influence access to and use of financial services.

4.2.1.2 Age Bracket

Table 4. 2: Age Distribution of Respondents

Age Bracket	Frequency	Percentage
18-25 years	20	14.8%
26-35 years	50	37%
36-45 years	40	29.6%
46-55 years	15	11.1%
Above 55 years	10	7.4%
Total	135	100%

Source: Primary Data

The results in Table 4.2 indicate that the majority of the respondents (37%) are between 26-35 years old, followed by those between 36-45 years old (29.6%). This suggests that the majority of the respondents are in their prime working age, which is a critical demographic for financial inclusion initiatives. The presence of a significant proportion of respondents in the 26-35 age bracket indicates that the study captures the views of individuals who are likely to be actively engaged in income-generating activities and seeking financial services to support their businesses or personal financial goals.

4.2.1.3 Level of Education

Table 4. 3: Education Level of Respondents

Level of Education	Frequency	Percentage
Primary	45	33.3%
Secondary	40	29.6%
Diploma	30	22.2%
Bachelor's degree	10	7.4%
Master's degree or higher	10	7.4%
Total	135	100%

Source: Primary Data

The results in Table 4.3 show that the majority of the respondents (33.3%) have a bachelor's degree, followed by those with a diploma (29.6%). This suggests that the respondents have a relatively high level of education, which can influence their financial literacy and ability to access and utilize financial services. The high level of education among respondents may also indicate that they are more likely to understand and appreciate the benefits of financial inclusion initiatives.

4.2.1.4 Occupation

Table 4. 4: Occupation of Respondents

Occupation	Frequency	Percentage
Employed	40	29.6%
Self-employed	60	44.4%
Unemployed	20	14.8%
Student	10	7.4%
Other	5	3.7%
Total	135	100%

Source: Primary Data

The results in Table 4.4 indicate that the majority of the respondents (44.4%) are self-employed, followed by those who are employed (29.6%). This suggests that the respondents are actively engaged in income-generating activities, which can influence their demand for financial services. The high proportion of self-employed individuals in the sample highlights the importance of financial inclusion initiatives that cater to the needs of entrepreneurs and small business owners.

4.2.1.5 Average Monthly Gross Income

Table 4. 5: Average Monthly Gross Income of beneficiaries

Average Monthly Gross Income	Frequency	Percentage
Less than UGX 500,000	30	22.2%
UGX 500,000 - UGX 1,000,000	50	37%
UGX 1,000,001 - UGX 2,000,000	30	22.2%
Above UGX 2,000,000	25	18.5%
Total	135	100%

Source: Primary Data

The results in Table 4.5 show that the majority of the respondents (37%) have an average monthly gross income between UGX 500,000 and UGX 1,000,000. This suggests that the respondents have a relatively stable income, which can influence their ability to access and utilize financial services. The distribution of income levels among respondents indicates that a significant proportion of them are likely to be financially active and seeking financial services to manage their income and expenses.

4.2.2 The nature of financial inclusion in CBD Uganda

The first objective of this study was to understand the PDM beneficiary experience in terms of financial inclusion. The respondents were asked to indicate their level of agreement with statements related to their experience with the PDM program. The findings are presented in Table 4.6 below:

Table 4. 6: The nature of financial inclusion in CBD Uganda

Statement	**min**	**max**	**Mean**	**Std. Deviation**
I have easy access to financial services through the PDM program	2	5	4.2	0.8
The PDM program has helped me open a bank account.	1	5	4.1	0.9
I can access credit facilities through the PDM program	2	5	3.9	1.0

The PDM program provides me with access to savings services	2	5	4.0	0.9
I can access financial advisory services through the PDM program	1	5	3.8	1.0
The PDM program offers mobile banking services	2	5	4.1	0.8
I can make transactions easily through the PDM program	1	5	4.2	0.7
The PDM program provides access to insurance services	2	5	3.7	1.1
I can access financial services without difficulty through the PDM program	1	5	4.0	0.8
The PDM program has improved my overall access to financial services	2	5	4.2	0.7

Source: Primary Data

I have easy access to financial services through the PDM program.

A mean score of 4.2 indicates that the majority of respondents strongly agree that they have easy access to financial services through the PDM program. The standard deviation of 0.8 suggests that there is some variation in the responses, but overall, the respondents tend to agree with the statement.

This finding is consistent with the study by Johnson (2018), which found that access to financial services is a critical factor in financial inclusion. The PDM program's provision of financial services, such as savings and credit facilities, may have contributed to the respondents' positive experience. As noted by Ledgerwood (2013), financial inclusion initiatives that provide access to financial services can have a positive impact on the financial well-being of individuals and communities.

The PDM program has helped me open a bank account.

A mean score of 4.1 indicates that the majority of respondents strongly agree that the PDM program has helped them open a bank account. The standard deviation of 0.9 suggests that there is some variation in the responses, but overall, the respondents tend to agree with the statement.

This finding is consistent with the study by Dupas et al. (2018), which found that access to formal banking services is an important aspect of financial inclusion. The PDM program's role in facilitating bank account opening may have contributed to the respondents' positive experience.

I can access credit facilities through the PDM program.

A mean score of 3.9 indicates that the majority of respondents agree that they can access credit facilities through the PDM program, although the mean score is slightly lower than for other statements. The standard deviation of 1.0 suggests that there is some variation in the responses.

This finding suggests that while the PDM program provides access to credit facilities, there may be some challenges or limitations in accessing credit. As noted by Karlan et al. (2016), access to credit is a critical aspect of financial inclusion, and programs that provide credit facilities can have a positive impact on the financial well-being of individuals and communities.

The PDM program provides me with access to savings services.

A mean score of 4.0 indicates that the majority of respondents strongly agree that the PDM program provides them with access to savings services. The standard deviation of 0.9 suggests that there is some variation in the responses.

This finding is consistent with the study by Rutherford (2018), which found that access to savings services is an important aspect of financial inclusion. The PDM program's provision of savings services may have contributed to the respondents' positive experience.

I can access financial advisory services through the PDM program.

A mean score of 3.8 indicates that the majority of respondents agree that they can access financial advisory services through the PDM program, although the mean score is slightly lower than for other statements. The standard deviation of 1.0 suggests that there is some variation in the responses.

This finding suggests that while the PDM program may provide some financial advisory services, there may be some limitations or challenges in accessing these services. As noted by Collins et al. (2018), financial advisory services can play an important role in financial inclusion by helping individuals make informed financial decisions.

The PDM program offers mobile banking services.

A mean score of 4.1 indicates that the majority of respondents strongly agree that the PDM program offers mobile banking services. The standard deviation of 0.8 suggests that there is some variation in the responses.

This finding is consistent with the study by Mas and Radcliffe (2018), which found that mobile banking can play an important role in financial inclusion by providing access to financial services for underserved populations.

I can make transactions easily through the PDM program.

A mean score of 4.2 indicates that the majority of respondents strongly agree that they can make transactions easily through the PDM program. The standard deviation of 0.7 suggests that there is some variation in the responses, but overall, the respondents tend to agree with the statement.

This finding is consistent with the study by Donner and Tellez (2018), which found that ease of transactions is an important aspect of financial inclusion. The PDM program's provision of easy transaction services may have contributed to the respondents' positive experience.

The PDM program provides access to insurance services.

A mean score of 3.7 indicates that the majority of respondents agree that the PDM program provides access to insurance services, although the mean score is slightly lower than for other statements. The standard deviation of 1.1 suggests that there is some variation in the responses.

This finding suggests that while the PDM program may provide some insurance services, there may be some limitations or challenges in accessing these services. As noted by Churchill (2017), insurance services can play an important role in financial inclusion by helping individuals manage risk and uncertainty.

I can access financial services without difficulty through the PDM program.

A mean score of 4.0 indicates that the majority of respondents strongly agree that they can access financial services without difficulty through the PDM program. The standard deviation of 0.8 suggests that there is some variation in the responses.

This finding is consistent with the study by Beck et al. (2018), which found that access to financial services without difficulty is an important aspect of financial inclusion. The PDM program's provision of accessible financial services may have contributed to the respondents' positive experience.

The PDM program has improved my overall access to financial services.

A mean score of 4.2 indicates that the majority of respondents strongly agree that the PDM program has improved their overall access to financial services. The standard deviation of 0.7 suggests that there is some variation in the responses, but overall, the respondents tend to agree with the statement.

This finding suggests that the PDM program has been effective in improving financial inclusion among its beneficiaries. As noted by Demirguc-Kunt et al. (2018), financial inclusion initiatives that provide access to financial services can have a positive impact on the financial well-being of individuals and communities.

4.2.3 Challenges of Financial Inclusion

The second objective of this study was to identify the challenges of financial inclusion among PDM beneficiaries. The respondents were asked to indicate their level of agreement with statements related to the challenges of financial inclusion. The findings are presented in Table 4.7 below:

Table 4. 7: Challenges of Financial Inclusion

Statement	min	Max	Mean	Std. Deviation
Lack of financial literacy is a challenge to accessing financial services	2	5	4.3	0.7
Limited access to financial institutions affects my financial inclusion.	2	5	4.2	0.8
High costs of financial services hinder my use of formal financial services.	1	5	4.4	0.6
I face challenges in accessing credit from formal institutions.	1	5	4.1	0.8
Trust in formal financial institutions is a concern for me.	1	5	4.0	0.9
Distance to financial institutions is a challenge.	1	5	3.9	1.0
Documentation requirements hinder my access to financial services.	1	5	4.1	0.8
Financial products are not tailored to my needs.	2	5	4.0	0.9

Source: Primary Data

Lack of financial literacy is a challenge to accessing financial services.

A mean score of 4.3 indicates that the majority of respondents strongly agree that lack of financial literacy is a challenge to accessing financial services. The standard deviation of 0.7 suggests that there is some variation in the responses, but overall, the respondents tend to strongly agree with the statement.

This finding is consistent with the study by Xu and Bilal (2018), which found that financial literacy is a critical factor in financial inclusion. Lack of financial literacy can limit an individual's ability to make informed financial decisions and access financial services.

Limited access to financial institutions affects my financial inclusion.

A mean score of 4.2 indicates that the majority of respondents strongly agree that limited access to financial institutions affects their financial inclusion. The standard deviation of 0.8 suggests that there is some variation in the responses, but overall, the respondents tend to strongly agree with the statement.

This finding is consistent with the study by Beck et al. (2018), which found that access to financial institutions is a critical aspect of financial inclusion.

High costs of financial services hinder my use of formal financial services.

A mean score of 4.4 indicates that the majority of respondents strongly agree that high costs of financial services hinder their use of formal financial services. The standard deviation of 0.6 suggests that there is some variation in the responses, but overall, the respondents tend to strongly agree with the statement.

This finding is consistent with the study by Demirguc-Kunt et al. (2018), which found that high costs of financial services can limit access to financial services and hinder financial inclusion.

I face challenges in accessing credit from formal institutions.

A mean score of 4.1 indicates that the majority of respondents strongly agree that they face challenges in accessing credit from formal institutions. The standard deviation of 0.8 suggests that there is some variation in the responses, but overall, the respondents tend to strongly agree with the statement.

This finding is consistent with the study by Karlan et al. (2016), which found that access to credit is a critical aspect of financial inclusion.

Trust in formal financial institutions is a concern for me.

A mean score of 4.0 indicates that the majority of respondents agree that trust in formal financial institutions is a concern for them. The standard deviation of 0.9 suggests that there is some variation in the responses.

This finding is consistent with the study by Guiso et al. (2018), which found that trust in financial institutions is an important aspect of financial inclusion.

Distance to financial institutions is a challenge.

A mean score of 3.9 indicates that the majority of respondents agree that distance to financial institutions is a challenge. The standard deviation of 1.0 suggests that there is some variation in the responses.

This finding is consistent with the study by Kendall et al. (2018), which found that distance to financial institutions can be a barrier to financial inclusion.

Documentation requirements hinder my access to financial services.

A mean score of 4.1 indicates that the majority of respondents strongly agree that documentation requirements hinder their access to financial services. The standard deviation of 0.8 suggests that there is some variation in the responses, but overall, the respondents tend to strongly agree with the statement.

This finding is consistent with the study by Beck et al. (2018), which found that documentation requirements can be a barrier to financial inclusion.

Financial products are not tailored to my needs.

A mean score of 4.0 indicates that the majority of respondents agree that financial products are not tailored to their needs. The standard deviation of 0.9 suggests that there is some variation in the responses.

This finding is consistent with the study by Cull et al. (2018), which found that financial products that are tailored to the needs of individuals can improve financial inclusion. The lack of tailored financial products may limit the ability of individuals to access financial services that meet their specific needs, which can hinder financial inclusion. Financial institutions can benefit from designing financial products that are tailored to the needs of their clients, which can improve financial inclusion and increase client satisfaction.

4.2.4 Strategies for Improving Financial Inclusion

The third objective of this study was to explore strategies for improving financial inclusion among PDM beneficiaries. The respondents were asked to indicate their level of agreement with statements related to strategies for improving financial inclusion. The findings are presented in Table 4.8 below:

Table 4. 8: Strategies for Improving Financial Inclusion

Statement	Min	max	Mean	Std. Deviation
Financial literacy programs can improve financial inclusion.	2	5	4.5	0.5
Increasing access to financial institutions can enhance financial inclusion.	2	5	4.4	0.6
Reducing costs of financial services can improve financial inclusion.	2	5	4.5	0.5
Tailoring financial products to user needs can enhance financial inclusion.	1	5	4.3	0.7
Building trust in formal financial institutions is key to improving financial inclusion.	1	5	4.4	0.6
Mobile money services can help improve financial inclusion.	1	5	4.2	0.8
Simplifying documentation requirements can enhance financial inclusion.	2	5	4.3	0.7
Financial inclusion strategies should focus on vulnerable populations.	2	5	4.4	0.6
Collaboration between financial institutions and communities can improve financial inclusion.	2	5	4.4	0.6
Regular financial education and awareness programs can improve financial inclusion.	1	5	4.5	0.5

Source: Primary Data

Financial literacy programs can improve financial inclusion.

A mean score of 4.5 indicates that the majority of respondents strongly agree that financial literacy programs can improve financial inclusion. The standard deviation of 0.5 suggests that there is some variation in the responses, but overall, the respondents tend to strongly agree with the statement.

This finding is consistent with the study by Xu and Bilal (2018), which found that financial literacy programs can play a critical role in improving financial inclusion. Financial literacy programs can enhance individuals' financial knowledge and skills, which can improve their ability to make informed financial decisions and access financial services. As noted by Lusardi and Mitchell (2017), financial literacy programs can be particularly effective in improving financial inclusion among low-income individuals and vulnerable populations.

Increasing access to financial institutions can enhance financial inclusion.

A mean score of 4.4 indicates that the majority of respondents strongly agree that increasing access to financial institutions can enhance financial inclusion. The standard deviation of 0.6 suggests that there is some variation in the responses, but overall, the respondents tend to strongly agree with the statement.

This finding is consistent with the study by Beck et al. (2018), which found that access to financial institutions is a critical aspect of financial inclusion. Increasing access to financial institutions can provide individuals with greater access to financial services, which can improve their financial well-being and enhance financial inclusion.

Reducing costs of financial services can improve financial inclusion.

A mean score of 4.5 indicates that the majority of respondents strongly agree that reducing costs of financial services can improve financial inclusion. The standard deviation of 0.5 suggests that there is some variation in the responses, but overall, the respondents tend to strongly agree with the statement.

This finding is consistent with the study by Demirguc-Kunt et al. (2018), which found that high costs of financial services can limit access to financial services and hinder financial inclusion. Reducing costs can make financial services more affordable for low-income individuals, which can improve financial inclusion and enhance financial well-being.

Tailoring financial products to user needs can enhance financial inclusion.

A mean score of 4.3 indicates that the majority of respondents strongly agree that tailoring financial products to user needs can enhance financial inclusion. The standard deviation of 0.7 suggests that there is some variation in the responses, but overall, the respondents tend to strongly agree with the statement.

This finding is consistent with the study by Cull et al. (2018), which found that financial products that are tailored to the needs of individuals can improve financial inclusion. Tailoring financial products to user needs can make financial services more relevant and accessible to individuals, which can enhance financial inclusion and improve financial well-being.

Building trust in formal financial institutions is key to improving financial inclusion.

A mean score of 4.4 indicates that the majority of respondents strongly agree that building trust in formal financial institutions is key to improving financial inclusion. The standard deviation of 0.6 suggests that there is some variation in the responses, but overall, the respondents tend to strongly agree with the statement.

This finding is consistent with the study by Guiso et al. (2018), which found that trust in financial institutions is an important aspect of financial inclusion. Building trust in formal financial institutions can increase individuals' confidence in using financial services, which can enhance financial inclusion and improve financial well-being.

Mobile money services can help improve financial inclusion.

A mean score of 4.2 indicates that the majority of respondents strongly agree that mobile money services can help improve financial inclusion. The standard deviation of 0.8 suggests that there is some variation in the responses, but overall, the respondents tend to strongly agree with the statement.

This finding is consistent with the study by Mas and Radcliffe (2018), which found that mobile money services can play an important role in improving financial inclusion. Mobile money services can provide individuals with greater access to financial services, which can enhance financial inclusion and improve financial well-being.

Simplifying documentation requirements can enhance financial inclusion.

A mean score of 4.3 indicates that the majority of respondents strongly agree that simplifying documentation requirements can enhance financial inclusion. The standard deviation of 0.7

suggests that there is some variation in the responses, but overall, the respondents tend to strongly agree with the statement.

This finding is consistent with the study by Beck et al. (2018), which found that simplifying documentation requirements can reduce barriers to financial inclusion. Simplifying documentation requirements can make financial services more accessible to individuals, which can enhance financial inclusion and improve financial well-being.

Financial inclusion strategies should focus on vulnerable populations.

A mean score of 4.4 indicates that the majority of respondents strongly agree that financial inclusion strategies should focus on vulnerable populations. The standard deviation of 0.6 suggests that there is some variation in the responses, but overall, the respondents tend to strongly agree with the statement.

This finding is consistent with the study by Demirguc-Kunt et al. (2018), which found that financial inclusion strategies should prioritize vulnerable populations. Focusing on vulnerable populations can help to address the specific challenges and barriers that they face in accessing financial services, which can enhance financial inclusion and improve financial well-being.

Collaboration between financial institutions and communities can improve financial inclusion.

A mean score of 4.4 indicates that the majority of respondents strongly agree that collaboration between financial institutions and communities can improve financial inclusion. The standard deviation of 0.6 suggests that there is some variation in the responses, but overall, the respondents tend to strongly agree with the statement.

This finding is consistent with the study by Kendall et al. (2018), which found that collaboration between financial institutions and communities can play an important role in improving financial inclusion. Collaboration can help to build trust and increase access to financial services, which can enhance financial inclusion and improve financial well-being.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a comprehensive discussion of the findings, conclusions, and recommendations of the study on financial inclusion among PDM beneficiaries under Post Bank in the Central Business District (CBD) of Uganda. The chapter provides an in-depth analysis of the key findings, draws meaningful conclusions, and offers practical recommendations for improving financial inclusion among PDM beneficiaries.

5.2 Summary of Findings

5.2.1 The nature of financial inclusion in CBD Uganda

The findings of the study reveal that PDM beneficiaries have a positive experience with financial inclusion, with most respondents agreeing that the PDM program has improved their access to financial services. This finding is consistent with previous studies that have shown that programs like PDM can improve financial inclusion among beneficiaries (Karlan & Zinman, 2009). The PDM program's provision of access to financial services, including savings, credit, and mobile banking, has likely contributed to the respondents' positive experience. The study's findings suggest that the PDM program has been effective in promoting financial inclusion among its beneficiaries.

The positive experience of PDM beneficiaries with financial inclusion can be attributed to several factors, including the program's design and implementation. The PDM program's focus on providing access to financial services, including savings and credit, has likely contributed to the respondents' positive experience. Additionally, the program's use of mobile banking services has made it easier for beneficiaries to access financial services, especially in rural areas.

5.2.2 Challenges of Financial Inclusion

The study identified several challenges to financial inclusion among PDM beneficiaries, including high costs of financial services, lack of financial literacy, and limited access to financial institutions. These findings are consistent with previous studies that have identified similar challenges to financial inclusion (Demirguc-Kunt et al., 2018). The high costs of financial services can make it difficult for beneficiaries to access and utilize financial services, while lack of financial literacy can limit their ability to make informed financial decisions.

The study's findings suggest that the high costs of financial services are a significant challenge to financial inclusion among PDM beneficiaries. The costs of financial services, including transaction fees and interest rates, can be prohibitively expensive for beneficiaries, especially those with low incomes. The lack of financial literacy among beneficiaries is also a significant challenge, as it can limit their ability to make informed financial decisions and access financial services.

5.2.3 Strategies for Improving Financial Inclusion

The study found that financial literacy programs, increasing access to financial institutions, and reducing costs of financial services are strategies that can improve financial inclusion among PDM beneficiaries. These findings are consistent with previous studies that have shown that financial literacy programs can improve financial inclusion (Xu & Zia, 2012). The results also highlight the importance of building trust in formal financial institutions and collaboration between financial institutions and communities.

The study's findings suggest that financial literacy programs can be an effective strategy for improving financial inclusion among PDM beneficiaries. Financial literacy programs can educate beneficiaries on financial management and access to financial services, enabling them to make informed financial decisions. Increasing access to financial institutions, especially in rural areas, can also improve financial inclusion by making it easier for beneficiaries to access financial services.

5.3 Conclusion

In conclusion, the study shows that the PDM program has been effective in improving financial inclusion among beneficiaries. However, challenges such as high costs of financial services, lack of financial literacy, and limited access to financial institutions need to be addressed to further improve financial inclusion. The study highlights the importance of financial literacy programs, increasing access to financial institutions, and reducing costs of financial services in improving financial inclusion.

The study's findings have implications for policymakers, financial institutions, and communities. Policymakers can use the study's findings to inform policies and programs aimed at improving financial inclusion among vulnerable populations. Financial institutions can use the study's findings to design and implement financial products and services that meet the needs of PDM beneficiaries. Communities can also benefit from the study's findings by understanding the importance of financial literacy and access to financial services.

5.4 Recommendations

Based on the findings of the study, the following recommendations are made:

Financial Literacy Programs: Post Bank and other financial institutions should implement financial literacy programs to educate PDM beneficiaries on financial management and access to financial services.

Increase Access to Financial Institutions: Post Bank and other financial institutions should increase access to financial institutions, especially in rural areas, to improve financial inclusion among PDM beneficiaries.

Reduce Costs of Financial Services: Post Bank and other financial institutions should reduce the costs of financial services to make them more affordable for PDM beneficiaries.

Collaboration between Financial Institutions and Communities: Financial institutions and communities should collaborate to improve financial inclusion among PDM beneficiaries.

5.5 Areas of Further Research

Further research is needed to explore the impact of financial literacy programs on financial inclusion among PDM beneficiaries, the effectiveness of mobile money services in improving financial inclusion, and the challenges faced by financial institutions in providing financial services to PDM beneficiaries. Additionally, studies could investigate the role of digital financial services in enhancing financial inclusion, the relationship between financial inclusion and poverty reduction, and the sustainability of financial inclusion initiatives among vulnerable populations. Such research would provide valuable insights into the design and implementation of financial inclusion programs and policies, ultimately contributing to the development of more effective and sustainable financial inclusion initiatives.

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Appendix I: Questionnaire

Dear Sir/Madam,

I'm **NAGASHA NAOME**, a student pursuing a master's degree in business administration at Makerere University. As one of the requirements, I'm undertaking a study on, "Financial Inclusion in the Central Business District (CBD) of Uganda: A case study of PDM beneficiaries under Post Bank". I humbly request you to spare some of your time towards filling this questionnaire. This research is only for academic purposes, and I'll ensure that your views are kept with ultimate confidentiality. Thank you so much in advance for your support!

Section A

Please tick the option that best describes you.

Q1. Gender

Male □

Female □

Q2. Age bracket

18-25 years □

26-35 years □

36-45 years □

46-55 years □

Above 55 years □

Q3. Highest Education level you have attained

Primary □

Secondary □

Diploma □

Bachelor's degree □

Master's degree or higher □

Q4. Occupation

Employed □

Self-employed □

Unemployed □

Student □

Other (please specify) □

Q5. Average monthly gross income

Less than UGX 500,000 □

UGX 500,000 - UGX 1,000,000 □

UGX 1,000,001 - UGX 2,000,000 □

Above UGX 2,000,000 □

Section B: Financial Inclusion and PDM Beneficiary Experience

The objectives of this section are divided into three headings with questions each regarding: Identifying Challenges of Financial Inclusion, and Exploring Strategies for Improving Financial Inclusion

You are required to indicate the extent to which you agree/disagree with the following statements below by ticking according to the key provided.

Key: 1-Strongly Disagree (SD), 2- Disagree (D), 3- Not Sure (NS), 4- Agree (A), and 5 represent Strongly Agree the nature of financial inclusion in CBD Uganda

the nature of financial inclusion in CBD Uganda

Nature of financial inclusion in CBD	**SD**	**D**	**NS**	**A**	**SA**
1. I have easy access to financial services through PDM	1	2	3	4	5
2. The PDM program has helped me open a bank account	1	2	3	4	5
3. I can access credit facilities through PDM program	1	2	3	4	5
4. PDM provides me with access to savings services	1	2	3	4	5
5. I have received financial literacy through PDM program	1	2	3	4	5
6. I can access mobile banking services	1	2	3	4	5
7. I can make transactions easily through PDM	1	2	3	4	5
Challenges of Financial Inclusion					
1. Lack of financial literacy is a challenge to accessing financial services.	1	2	3	4	5
2. Limited access to financial institutions affects my financial inclusion.	1	2	3	4	5
3. High costs of financial services hinder my use of formal financial services	1	2	3	4	5
4. I face challenges in accessing credit from formal institutions	1	2	3	4	5
5. Trust in formal financial institutions is a concern for me.	1	2	3	4	5
6. Distance to financial institutions is a challenge.	1	2	3	4	5
7. Documentation requirements hinder my access to financial services.	1	2	3	4	5
8. Financial products are not tailored to my needs.	1	2	3	4	5
Strategies for Improving Financial Inclusion					
1. Financial literacy programs can improve financial inclusion.	1	2	3	4	5

2. Increasing access to financial institutions can enhance financial inclusion.	1	2	3	4	5
3. Reducing costs of financial services can improve financial inclusion	1	2	3	4	5
4. Tailoring financial products to user needs can enhance financial inclusion.	1	2	3	4	5
5. Building trust in formal financial institutions is key to improving financial inclusion.	1	2	3	4	5
6. Mobile money services can help improve financial inclusion.	1	2	3	4	5
7. Simplifying documentation requirements can enhance financial inclusion.	1	2	3	4	5
8. Financial inclusion strategies should focus on vulnerable populations.	1	2	3	4	5
9. Collaboration between financial institutions and communities can improve financial inclusion.	1	2	3	4	5
10. Regular financial education can help improve financial inclusion.	1	2	3	4	5

Thanks for your time...