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IMPACT OF RELIGION AND CULTURE ON FINANCIAL INCLUSION IN KATSINA STATE, NIGERIA

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ABSTRACT

This study examines the impact of religion and culture on financial inclusion in Katsina State, Nigeria. The study employed a cross-sectional survey method to collect primary data from a sample of 450 unbanked adults drawn from nine distinct local government areas distributed across the three senatorial zones within the state. The collected data were analyzed using descriptive statistics and logistic regression approach. The results indicate that religious and cultural factors exhibit a detrimental influence on financial inclusion within Katsina State, Nigeria. These findings suggest that individuals' adherence to religious beliefs and cultural norms can hinder their engagement with financial services and inclusion initiatives. In light of these findings, the study offers several recommendations. Firstly, there is a call for tailored financial literacy programs that acknowledge and accommodate the specific religious and cultural contexts of Katsina State. Such initiatives could help alleviate the negative impact of these factors on financial inclusion. Additionally, collaboration among financial institutions, policymakers, and community leaders becomes imperative. By working together, they can formulate workable strategies that address these hindrances while respecting the values and practices inherent in the religious and cultural fabric of the state.

1.0 Introduction

Financial exclusion is a significant global issue that disproportionately impacts individuals in developing countries. According to the World Bank, approximately 1.4 billion adults worldwide were unbanked in 2021, representing 31.5% of the global adult population without access to banking services. Developing nations bear the brunt of this problem, with about 70% of unbanked adults living in these Countries. Nigeria, in particular, has the fifth largest unbanked population globally, with an estimated 64 million adults lacking access to banking services, accounting for 36% of the country's adult population (World Bank, 2021).

There are many factors that contribute to financial exclusion, including poverty, inadequate financial literacy, limited access to financial services, and gender disparities. Nevertheless, religion and culture can also exert a significant influence. One of the prevailing impediments to achieving financial inclusion objectives, particularly in societies with a substantial Muslim population, is the concept of interest (Mustafa & Adebayo, 2015; Mustafa et al., 2018). The presence of interest-based transactions within conventional banking systems serves as a determinant that renders financial inclusion elusive for Muslims, as interest is explicitly prohibited within the framework of Islamic religion (Brekke, 2018). The essence of the Islamic financial system lies in its steadfast prohibition of engaging in financial dealings with fixed or predetermined returns, as such practices are deemed unjust or exploitative. Consequently, a noteworthy proportion of financially underserved adults in emerging economies originate from nations predominantly influenced by the Islamic faith (Iqbal & Mirakhor, 2012).

In Nigeria, a substantial number of Muslim faithful residing largely in the Northern and South-Western regions remain unbanked, not due to poverty or unfamiliarity with modern banking practices, but rather due to their aversion to interest (Mustafa & Adebayo, 2015). Furthermore, Zauro et al. (2017) contend that the depth of religiosity significantly contributes to the voluntary choice of financial self-exclusion. Correspondingly, Beg & Mullick (2016) assert that religious barriers can pose substantial hurdles to the effective implementation of financial inclusion strategies, warranting the creation of products aligned with the principles of Islamic Finance. Thus, in line with this perspective, Mustafa et al. (2018) advocate for the provision of Islamic financial alternatives alongside conventional ones in Nigeria, given the predominant Muslim population, as a means to attain the nation's financial inclusion objectives.

Cultural norms and values are also instrumental in determining the trajectory of financial inclusion. For instance, distinct cultural practices and beliefs can influence individuals' perceptions and interactions with financial services. In the context of Nigeria, where diverse ethnic groups coexist, traditional norms can foster a preference for informal community-based financial arrangements over formal banking systems. Aliyu and Yusuf (2019) highlight those certain cultural norms, such as communal trust systems and mutual assistance arrangements, can discourage individuals from engaging with formal financial institutions. Similarly, Odozi (2018) underscores the significance of cultural affinity and trust in influencing financial behavior, suggesting that culturally sensitive financial products could bridge the gap between traditional practices and modern banking systems. This underscores the necessity of developing financial solutions that resonate with cultural values, fostering a sense of familiarity and trust that encourages greater financial inclusion among diverse segments of the population.

According to National Population Commission (NPC, 2020) Katsina state has an estimated population of 7.8 million who are predominantly Muslim faithful. Furthermore, Otusanya et al., (2018) explained that religion plays a significant role in shaping daily life and economic decisions in the state with 95.4% of residents identifying as Muslim which may influence financial behaviors and inclusion. Similarly, the state is ranked among those with high rate of financial exclusion, with only 22.6% of adults having access to formal financial services (EFInA, 2020). This suggests a significant gap in financial inclusion, making it essential to explore the interplay between religion, culture, and financial inclusion in the state

The aim of this research is to investigate whether religious and cultural elements hinder efforts to decrease financial exclusion in Katsina state, Nigeria. The subsequent sections of the paper are structured as follows Section 2 provides an empirical literature review, Section 3 outlines the methodology, Section 4 presents and discusses the findings of the study, and Section 5 offers the conclusion and recommendations.

2.0 Empirical Literature Review

This section presents a review of existing studies that have investigated the impact of religious and cultural elements on financial inclusion. Starting with the work of Sain and Rahman (2013) investigated financial exclusion among Australian Muslims, finding that in 2011, the Muslim population of 476,300 (2.25% of the total population) faced limited access to Islamic-compliant financial services. The study identified that conventional banking services contained prohibited elements, such as interest (riba), gambling (maysir), and uncertainty (gharar), leading to exclusion and hindering the financial sector's optimal performance.

Similarly, Demirgüç-Kunt et al. (2015) found that Muslims are less likely to have bank accounts compared to non-Muslims, based on a study of 65,000 adults across 64 economies. However, they discovered no difference in borrowing habits between Muslims and non-Muslims. This suggests that Muslims' financial exclusion is influenced by the type of financial services available. Naceur et al. (2015) revealed that many individuals in OIC countries choose not to participate in the formal financial system due to religious reasons, despite increased access to financial services. In line with the World Bank (2014), they found that Islamic banking in OIC countries has improved financial inclusion. Moreover, although the link between credit and investment financing is weak, it has a positive impact on financial inclusion.

Umar et al. (2019) investigated whether religion poses a barrier to achieving Nigeria's financial inclusion goals. Through semi-structured interviews and documentary analysis, they found that all Central Bank of Nigeria (CBN) programs aimed at promoting financial inclusion are based on interest, with the exception of the Commercial Agricultural Credit Schemes (CACS), which is not fully Shari'a compliant. Despite Islam's prohibition on interest, many Muslims still access interest-based funds, suggesting that interest is not a significant obstacle to reducing Nigeria's financial exclusion rate to 20% by 2020

Kim et al. (2020) investigated the impact of religious and social inequality factors on financial inclusion in 152 countries, including 48 OIC countries. The authors employed the ordinary least square (OLS) estimation technique, and the results show that religious factors have an obvious effect on the determination of financial inclusion. The study also found that social inequality factors, such as gender inequality, education level, and social opportunity level, work as determinants of financial inclusion.

Ozili et al. (2023) investigated the impact of financial inclusion on economic growth in both religious and secular countries. Using indicators such as ATM density and bank branch density, they found that reducing the number of bank branches actually boosts economic growth in secular countries. Furthermore, increasing bank branches and internet usage together also enhances economic growth in secular countries.

In the specific context of Nigeria, David et al. (2018) analyzed the factors influencing financial inclusion in Nigeria using time series data from 1990 to 2016. Employing the Error Correction Model (ECM), they found a strong positive correlation between financial inclusion and various economic indicators. Notably, their results showed that as a country's GDP per capita increases, financial inclusion in its financial system also tends to rise.

Similarly, Abdullahi et al. (2021) investigated the factors that influence the intention to use Islamic microfinance among potential customers in Nigeria, aiming to increase access to formal financial services. Using a quantitative approach and structural equation modeling, they found a strong willingness to adopt Islamic microfinance in Nigeria. The study supported eight out of ten hypotheses, revealing that attitude, social norms, and perceived control significantly and positively impact the intention to use Islamic microfinance.

The existing body of research lacks investigations conducted within Katsina state, specifically addressing the influence of religious and cultural factors as barriers to financial inclusion. Consequently, there is an evident gap in the literature that this study seeks to address by examining and elucidating the impact of these factors on financial inclusion within the unique context of Katsina state given that 95% are Muslim faithful with the religion and culture believed to have influence financial behaviors, decisions and inclusion.

3.0 Methodology

3.1 Research Design

This study employs a quantitative research design, collecting and analyzing primary quantitative data to draw conclusions about the impact of religion and culture on financial inclusion in Katsina state. A cluster sampling method is utilized to gather data from a sample of unbanked adults residing in Katsina state.

3.2 Population of the Study

The population of this study is determined based on the data from the National Financial Inclusion Strategy (NFIS) document released by the Central Bank of Nigeria (CBN, 2022). According to this data, there are 2,268,000 unbanked adults residing in Katsina state. This implies that out of 3,606,000 adults, about 2,268,000 persons are excluded from financial services in the state. Therefore, the population of this study comprises all the financially excluded adults in Katsina state, which are 2,268,000 as identified by CBN (2022).

3.3 Sample Size and Sampling Technique

To collect data, a sample of 400 respondents was selected from the population using Yamane's (1967) formula for determining sample size. This calculation helped determine the ideal number of participants needed to represent the larger population. This was calculated as follows:

$$n_0 = \frac{N}{1+N(e)^2} = \frac{2{,}268{,}000}{1+2{,}268{,}000(0.05)^2} = \frac{2{,}268{,}000}{5671} = 399.929 \approx 400$$

Where: n_0 is the sample size, N is the population of the study; e is the level of precision/significance which is (0.05) 5% confidence level. The author feared that the level of response may not be adequate, hence, an allowance of 50 extra representative sample was added to get a round figure of 450. Therefore, the optimal sample size is 450 respondents.

The cluster sampling technique, a type of probability sampling, was employed to select the sample. This method involves dividing the population into smaller clusters, and then randomly selecting a proportionate sample from each cluster. This approach ensures that every individual in the population has an equal opportunity to be selected, allowing for fair representation and reliable generalizability of the findings.

The 34 LGAs of Katsina state were divided into three strata (i.e.: three, 3 senatorial zones: Katsina, Daura &Funtua). The first stage in the sampling technique is the selection of three local governments from each of the three senatorial zones in the state. The second stage is the selection of Ten (10) localities (communities) from each of the selected local government. The selection is based on proximity of the community, security situation and accessibility etc. The last stage is the random selection of five respondents from each of the 10 selected localities (communities). After determining the sample size and sampling technique, the next thing is the selection of method of data collection from pre-determined sample of respondents.

3.4 Method of Data Collection

A structured questionnaire was used to collect data from unbanked adults, administered by enumerators. To streamline the process and prevent data loss, this study utilized a digital questionnaire designed using Open Data Kit (ODK). The ODK Collect App, a free and open-source tool, enabled data collection on Android devices, with the ability to submit data to an online server even without internet or mobile connectivity during data collection.

The instrument comprises two sections: background information of the respondents and 15 items on religion and culture and financial inclusion. 4 points-Likert Scale ranging from ''Yes, No, Don't Know and Refused" were used to measure the variables. The respondents were asked to indicate if one or more barriers listed in data collection instrument (questionnaire) influences their decision not to open a bank account.

3.5 Method of Data Analysis

Two main analyses were performed on the collected data: the descriptive statistics analysis and the logistic regression analysis. These analyses were conducted using Stata 17 Software. Logistic regression is a statistical analysis method to predict a binary outcome, such as yes or no; financially included or financially excluded based on prior observations of a data set. Hence, this study employed a logistic regression to predict whether an adult in the study area will open account or not if religious and cultural financial inclusion barriers removed. The general form for the binary logistic model is:

$$prob(Y = 1|X) = f(X'\beta) = \frac{Exp(X\beta)}{1 + Exp(X\beta)}$$

Where f is the link function and employs stepwise selection, with a likelihood ratio test to evaluate the coefficients' significance. The model is then visualized, and predictions are made. Typically, residuals are analysed and further modelled to refine the analysis.

This study employed logistic regression approach in order to estimate the models and test the hypotheses of the research study. Potrich et al. (2015) suggests that logistic model is a good discrete choice model/tool that can adequately be used to analyse the determinants of financial inclusion based on the choices available to the individual.

4.0 Results and Discussion

This section presents and discusses the results from the empirical analysis of the data. It includes Instrument Reliability Test, Summary of the respondents' background information, descriptive statistics on the barriers to financial inclusion and logistic regression analysis.

4.1 Reliability Test Results

Prior to conducting any statistical analysis on primary data, it is essential to check the reliability of the collected data. Reliability refers to the consistency of a measurement technique in producing the same results when repeated under the same conditions, ensuring that the outcome is dependable and accurate. Therefore, before using logistic regression analysis, reliability test was conducted and the result presented in table 1.

Table 1. Instrument Reliability Test Result

Model	Cronbach's Alpha	Variables	Observation	Interpretation
Religion and Culture	0.912	15	450	Excellent

Source: Author's Computation (2023)

The result, show that the Cronbach's alpha value of the instrument reliability test was 0.912, representing excellent reliability. This high value underscores the internal consistency and stability of the model's measurements, implying that the variables included in the analysis are reliably capturing the intended construct.

4.2 Background Information of the Respondents

The background information of the respondents was presented in Table 2. The table illustrates the attributes of the respondents. It provides information on different aspects such as age groups, educational qualification, gender, marital status, number of dependents, religion, employment status, and occupation.

The results depict the distribution of respondents across different age groups. About a quarter (24%) of respondents are between the ages of 18 and 25; a larger portion (36%) belongs to the 26 to 35 age group; 26.67% fall within the 36 to 45 age range; conversely, the smallest fraction (3.56%) is aged 55 and above. Moreover, the table illustrates the educational level of the respondents. The majority (37.56%) possess an informal education; 15.56% have attained primary education; 10.66% have acquired a secondary education; and a notable 34% have received vocational training while 2.22% have attained tertiary institution.

Table 2: Background Information of the Respondents

Age Group	Frequency	Percentage	Education	Frequency	Percentage
18 - 25	108	24.00	Informal	169	37.56
26 - 35	162	36.00	Primary	70	15.56
36 - 45	120	26.67	Secondary	48	10.66
46 - 55	44	9.78	Vocational	153	34.00
55 and above	16	3.56	Tertiary	10	2.22
Total	450	100.00	Total	450	100.00
Gender			Marital Status		
Male	414	92.00	Married	329	73.11
Female	36	8.00	Single	121	26.89
Total	450	100.00	Total	450	100.00
Religion			Employment		
Islam	411	91.33	Unemployed	66	14.67
Christianity	39	8.67	Self-Employed	384	85.33
Total	450	100.00	Total	450	100.00
No. of dependents			Occupation		
1	81	18.00	Agriculture	252	56.00
2	60	13.33	Artisan	48	10.67
3	80	17.78	Transportation	18	4.00
4	66	14.67	Trader	66	14.67
5	68	15.11	construction	16	3.56
More than 5	95	21.11	others	50	11.11
Total	450	100.00	Total	450	100.00

Source: Authors' Computation (2023)

Table 2 also furnishes insights into the gender composition and marital statuses of the respondents. The male segment accounts for the predominant share (92%), while the female segment represents a mere 8%. In terms of marital status, a significant majority (73.11%) are married, and the remainder (26.89%) are single. Similarly, the table provides data regarding the religious affiliations and employment situations of the respondents. A substantial majority (91.33%) adhere to Islam, while a smaller proportion (8.67%) identify with Christianity. In relation to employment, a notable 85.33% are self-employed, while 14.67% are unemployed.

Furthermore, the results outline the number of dependents each respondent supports. Approximately 18% have a single dependent; 13.33% are responsible for two dependents; 17.78% support three dependents; 14.67% are responsible for four dependents; 15.11% have five dependents; and a considerable 21.11% have more than five dependents. Lastly, the table delineates the occupational distribution of the respondents. The largest segment (56%) is engaged in agriculture; 10.67% pursue artisanal work; 4% are employed in the transportation sector; 14.67% are active as traders; 3.56% are involved in construction; and 11.11% pursue other diverse occupations.

In general, the background information of the respondents reveals the diverse attributes of the unbanked adults (respondents), which effectively minimizes the likelihood of any significant bias. This comprehensive overview of respondents' characteristics holds immense significance as it allows for a better interpretation of subsequent analyses. To obtain an initial understanding of the impact of religious and cultural factors on financial inclusion within Katsina state, a descriptive statistical analysis is performed, and the results are displayed in Table 2 in the next section.

4.3 Religious and Cultural Factors as Barriers to Financial Inclusion in Katsina state

Religion and culture are important barriers to financial inclusion in Katsina state. Most of the respondents cited factors related to religion and culture as one of the reasons forced them to remain financially excluded. For instance, the result in table 2 show that 345 (76.67%) of the unbanked adults in the study area (Katsina state) don not open account because they consider banking to be against their religion. Specifically, 76.17 percent of the unbanked adults in the study area said that they do not open account because of the interest or usury in the conventional banks. In the same vein, 76.89 percent failed to open account because religious scholars in their locality preach against it. Therefore, 82.85 percent said they do not open account due to failure of conventional banks to operate in consistent with their religious belief

Table 3: Religion and Culture as Barrier to Financial Inclusion

Barriers to financial inclusion	Frequency	Percentage
Considering banking to be against religion	345	76.67
Interest or usury in the conventional banks	342	76.17
Preaching against banking by religious scholars	346	76.89
Failure of some banks to operate in consistent with religious belief	372	82.85
Lack of encouragement from family and friends	371	82.81
Do not have somebody that can assist in processing bank transaction	412	91.76
Saving and borrowing from trusted person	384	85.52
Family member already has an account	385	85.75
Occupation don't require that	337	75.06
People hold with high esteem in the locality not open account as an indication of cultural approval	396	88.39
Medium of communication in the bank is not in local language	386	85.97
Advertisements of the banks are made in English language	417	92.87
The existing bank not established based on cultural values or local people establish one	365	81.11
Banks staff don't display the cultural values in their operations	152	33.78
Dress code and appearance of the bank staff violates the culture	125	27.78

Source: Author's Computation (2022)

Moreover, other unbanked adults' respondents (91.76%) failed to open account because they do not have somebody that can assist them in processing bank transaction. Among unbanked adults' respondents, 85.52 percent reported that they did not open account because they can save and borrow from trusted person. While, 85.75 percent respondents said they did not open account because family member already has an account that they can use if the need arise. Similarly, 75.06 percent adults without bank account said that their occupation don't require the bank account that is why they failed to open one.

Among cultural reasons prevented unbanked adults from opening account is that the people they hold with high esteem in the locality not open account as an indication of cultural approval. This reason was cited by 88.39% of the respondents. Other respondents (85.97%) said that they did not open account because the medium of communication in the bank is not in local language that they can understand. In the same vein, 92.87 percent of the respondents failed to open account because the advertisements of the banks are made in English language. Yet, 81.11 percent of the unbanked adults in the study area (Katsina state) failed to open account because the existing bank not established based on their cultural values or local people establish one. Similarly, 33.78 percent of the respondents have the view that banks staff don't display the cultural values in their operations, that is why they did not open account at a bank. Dress code and appearance of the bank staff is a greater barrier to financial inclusion in Katsina state. More than one-fourth (27.78%) of the respondents cited this as one reason prevented them from opening account at a bank and remain among unbanked population.

After presentation of the data which described the demographic information of the respondents and the summary of descriptive statistics on the barriers (determinants) to financial inclusion in Katsina state Nigeria, the next section analyzed the data using logistic regression and interpreted the findings accordingly.

4.4 Logistic Regression Results: Impact of Religion and Culture on Financial Inclusion

In this section, an investigation was conducted to ascertain whether religious and cultural factors have an adverse impact on financial inclusion and contribute to the decision-making process of respondents regarding the opening of bank accounts. This exploration encompassed an analysis of respondents' religious motivations and cultural values.

4.4.1 Impact of Religious Factors on Financial Inclusion:

This section examined if religion influences the decision of the respondent not to open a bank account. It has 4 items as shown in Table 4.

Table 4: Logistic Regression Results: Religion as Determinant of Financial Inclusion

Dependent Variable: Financial Inclusion (Ownership of Bank Account)				
Regressors	Odss Ratio	Std. Err.	t-stat.	Prob.
Considering banking to be against religion	0.663	0.471	1.800	0.073
Interest or usury in the conventional banks	0.487	0.433	1.360	0.003
Preaching against banking by religious scholars	0.354	0.409	1.000	0.053
Failure of some banks to operate in consistent with religious belief	0.229	0.387	0.660	0.000
Number of Observations	445			
Pseudo R^2	0.026			
Log likelihood	-181.980			

Source: Author's computation (2023).

Table 4 presents the results of the logistic regression analysis, aiming to elucidate the impact of religious factors on financial inclusion, specifically in terms of owning a bank account. The dependent variable in focus is "Financial Inclusion," which represented by the ownership of a bank account. The results revealed that the religious believe of considering banking to be against religion is the significant factor affecting financial inclusion penetration in the study area (Katsina state). A one-unit increase in considering banking to be against one's religious beliefs is associated with 66.3% higher odds of not owning a bank account. The p-value (0.073) indicates a marginally significant relationship. Similarly, Interest or usury in the conventional banks is also another significant factor affecting financial inclusion in Katsina state Nigeria. A one-unit increase in concerns related to interest or usury in conventional banks corresponds to 48.7% higher odds of not owning a bank account. The low p-value (0.003) suggests a significant association.

In the same vein, preaching against banking by some religious scholars and failure of some banks to operate in consistent with religious belief are found to be statistically significant factors affecting financial inclusion (ownership of bank account) in Katsina state, Nigeria. An increase in concerns arising from preaching against banking by religious scholars results in 35.4% higher odds of not having a bank account. While the p-value (0.053) is slightly above the conventional significance level of 0.05, it still indicates a notable trend. In addition, the odds of not owning a bank account increase by 22.9% with a one-unit increase in the perception that certain banks do not adhere to religious beliefs. The p-value (0.000) is considerably low, indicating a significant relationship.

These results collectively suggest that religious factors indeed play a role in influencing individuals' decisions regarding bank account ownership. Notably, concerns related to interest/usury and the alignment of banking practices with religious beliefs appear to have a more pronounced impact on financial inclusion. This finding aligns with the hypothesis posited in this study and substantiates the conclusions drawn by David et al. (2018) and Abdullahi et al. (2021). These earlier studies similarly uncovered that religious considerations impede financial inclusion in Nigeria. They also put forth the recommendation of bolstering financial inclusion by embracing Islamic microfinance approaches.

4.4.2 Impact of Cultural Norms and Values on Financial Inclusion:

This section examined if cultural norms and values influences the decision of the respondent not to open a bank account. It has 3 items as shown in Table 5.

Table 5: Logistic Regression Results: Norms and Values as Determinant of Financial Inclusion

Dependent Variable: Financial Inclusion (Ownership of Bank Account)				
Regressors	Odss Ratio	Std. Err.	t-stat.	Prob.
The existing bank not established based on cultural values or local people establish one	0.066	0.418	-0.150	0.027
Banks staff don't display the cultural values in their operations	0.119	0.369	0.337	0.001
Dress code and appearance of the bank staff violates the culture	0.117	0.299	-0.532	0.017

Number of Observations	447
Pseudo R^2	0.001
Log likelihood	-185.177

Source: Author's Computation (2023).

Table 5 presents the results of the logistic regression analysis, focusing on norms and values as determinants of financial inclusion, specifically concerning the ownership of bank accounts. The dependent variable is "Financial Inclusion," denoting whether individuals own a bank account or not. The results show that the respondents have the view that the existing bank not established based on cultural values or local people establish one. A one-unit increase in the perception that an existing bank is not founded on cultural values or that local individuals establish a bank is associated with a 6.6% decrease in the odds of not owning a bank account. The p-value (0.027) indicates a statistically significant relationship. Another factor is that, the banks staff don't display the cultural values in their operations, that is why they did not open account at a bank. A one-unit increase in concerns regarding bank staff not reflecting cultural values in their operations corresponds to an 11.9% increase in the odds of not having a bank account. The low p-value (0.001) signifies a significant. Dress code and appearance of the bank staff is a greater barrier to financial inclusion in Katsina state. Most of the respondents cited this as one reason prevented them from opening account at a bank and remain among unbanked population. An increase in worries related to the dress code and appearance of bank staff contravening cultural norms results in an 11.7% increase in the odds of not owning a bank account. The p-value (0.017) indicates a statistically significant relationship.

These findings collectively indicate that cultural norms and values indeed play a role in influencing individuals' decisions concerning bank account ownership. Particularly, concerns related to banks aligning with cultural values and staff adherence to cultural norms seem to have notable implications for financial inclusion. This finding concurs with the hypothesis posited within this research and provides further support for the conclusions reached by David et al. (2018) and Abdullahi et al. (2021). These preceding studies similarly highlighted that concerns pertaining to cultural norms and values act as hindrances to financial inclusion in the Nigerian context. Moreover, they proposed the augmentation of financial inclusion through the implementation of tailored strategies that accommodate and integrate local cultural norms and values. This emphasizes the need for financial institutions to align their practices with the cultural fabric of the region to enhance the accessibility and adoption of financial services among the population.

5.0 Conclusion and Recommendations

In conclusion, this study investigated the influence of religion and culture on financial inclusion within Katsina state, Nigeria. Employing a cross-sectional survey methodology, primary data was gathered from a sample of 450 unbanked adults, spanning nine distinct local government areas distributed across the state's three senatorial zones. Through the application of descriptive statistics and the logistic regression approach, the study uncovered noteworthy insights.

The results demonstrate that religious and cultural considerations exert a detrimental impact on financial inclusion within Katsina state. It is evident that individuals' adherence to religious beliefs and cultural norms can impede their active engagement with financial services and inclusive initiatives, subsequently hindering their financial inclusion prospects.

In light of these findings, several recommendations emerge. Foremost, there arises an imperative need for the development and implementation of customized financial literacy programs that seamlessly align with the unique religious and cultural contexts of Katsina state. Such initiatives hold the potential to alleviate the adverse repercussions of these factors on financial inclusion, fostering a more receptive environment for financial participation among the population. Furthermore, a collaborative approach involving financial institutions, policymakers, and community leaders is of utmost importance. By joining forces, these stakeholders can devise comprehensive strategies that effectively address the challenges posed by religious and cultural considerations. It is paramount that these strategies are designed to surmount these obstacles while remaining sensitive to the deeply ingrained values and practices within the state's religious and cultural fabric..

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