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Financial Inclusion and Financial Wellbeing among households: A case of Uganda

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Abstract

The main purpose of this study is to examine the impact of financial inclusion on financial well-being among households in unindustrialized economies with data obtained from a sample size of 400 urban rich and urban poor in central Uganda. The study employed a cross-sectional design. Data were collected from 400 households drawn from three districts of Kampala, Wakiso and Mukono in the central region of Uganda. In addition, exploratory factor analysis (EFA) and confirmatory factor analysis were used to establish convergent validity between the items used to measure the different constructs under study. The results generated from the study designate a positive and significant relationship between financial inclusion and financial wellbeing (β=0.401, p values < 0.05). The study adopted only a cross-sectional study design, thus leaving out the longitudinal study. Therefore, future studies employing longitudinal research design are worth undertaking. The article indicates that researchers, policymakers, and advocates of financial inclusion should reconsider investigating the individual contributions of the different components of financial inclusion in promoting the financial well-being of households in urban Uganda. This article combines all the components (usage, accessibility, and affordability) measures of financial inclusion to explain the financial well-being of households in urban Uganda.

Keywords: *Financial Inclusion, Financial Wellbeing, Households, Uganda*

1.0 Background

Financial inclusion is measured by access to basic products and services, usage, quality and welfare (Bongomin et al., 2016; Okello et al, 2017). Financial inclusion is very important in improving the household's financial wellbeing (Okello et al., 2019). However, despite the availability of finances from financial institutions, households' financial well-being has remained low (UBOS, 2021). Additionally, previous scholars such as World Bank (2021), World Bank (2020), Bongomin et al., (2017), Bongomin et al., (2019), Okello et al., (2020), Bongomin et al., (2020) have used access, usage, quality and welfare as measures of financial inclusion while explaining financial wellbeing. However, these studies ignore the use of affordability and accessibility of financial inclusion. Therefore, in this study we applied accessibility and affordability as part of the measures of financial inclusion (FI). Furthermore, policy makers should note that financial inclusion alone may not promote financial wellbeing among rich and poor households in urban Uganda. Therefore, there is need to design and implement future financial education programmes, which abide more on behavioral change in order for access, usage, accessibility and affordability to be accurately utilized by households. Alliance for Financial Inclusion (2021) defines financial inclusion as "a state in which all people who can use and have access to full suite of quality financial services provided at affordable prices, in a convenient manner, and with dignity for the customer" (Info et al., 2021). Furthermore, the World Bank (2021) defines financial inclusion as having "access to a transaction account or an electronic instrument to store money, send payments and receive deposits."

Accordingly, the Global Findex Database shows that 76% of adults worldwide had a transaction account in 2021, while only 55% owned a debit or credit card and 59% made a digital payment. Access to credit and savings is less developed, with only 28% of adults borrowing from and 29% saving in a formal financial institution. Lack of access to financial services is particularly acute. Only a quarter of adults in these jurisdictions use a savings account, and about a half borrow – with more than a half of this borrowing coming from informal sources (Demirgüç-Kunt et al., 2022). Access to credit or savings products is even lower in some regions, such as Latin America and the Caribbean. Lack of access to retail investment and insurance constrains households from accumulating wealth or building resilience (Diop et al., 2023; Abdul et al., 2019; Tombini, 2024; Cevik, 2024). Studies carried out in 2024 show that Singapore is the most financially inclusive market among 41 analysed countries, followed by Hong Kong, South Korea, Switzerland, and Sweden (Oyinpreye & Ph, 2024).

Globally, the adoption of National Financial Inclusion Strategies (NFIS) have accelerated significantly in the past decade. Keeping in view the global trend, the Reserve Bank of India under the aegis of Financial Inclusion Advisory Committee (FIAC) initiated the process of formulation of the National Strategy for Financial Inclusion (NSFI) for the period 2019-2024.

According to the Global Findex Database 2021, account ownership worldwide shows that 76% of adults now have a financial account. This is a significant increase from 51% in 2011. Furthermore, in developing economies, account ownership has increased by 30% points to 71%.

Further, Digital Payments played a vital role during the COVID-19 pandemic which speeded the adoption of digital financial services, thus about 40% of adults in developing economies made digital transactions. Moveover, Mobile money has become essential enabler of financial inclusion, especially in Sub-Saharan Africa, particularly Uganda (Puli et al., 2024; Nation, 2024; Solutions et al., 2024; Report, 2024).

In Uganda, substantial progress has been made on financial inclusion. This can be seen in data on access, use and affordability. Access to accounts has increased across the country (Okello., 2024; Deshpande & Koning, 2024; Mugambe, 2024).

In terms of financial wellbeing, Financial Resilience has been on top with about 55% of adults in developing economies able to access emergency funds within 30 days.

Secondly, in terms of Financial Worrying, 63% of adults in developing economies are very worried about common financial expenses, compared to 33% in high-income economies. .

Thirdly, opportunities for Improvement is that one-third of mobile money account holders in Sub-Saharan Africa cannot use their account without being helped by a family member.

Financial inclusion and financial well-being are critical indicators of economic wellbeing and individual prosperity worldwide (Deshpande & Koning, 2024; Atkinson & Overton, 2024).

With regard to Uganda, financial inclusion and financial well-being have shown remarkable progress in recent years, reflecting the country's commitment to enhancing access to financial services and improving the economic health of its population. This is elaborated on below.

Regarding Financial Inclusion as of 2023, 81% of Uganda's adult population had access to financial services, incorporating both formal and informal channels. The proportion of adults accessing formal financial institutions increased from 52% in 2013 to 58% in 2018. By 2021, formal account ownership rose to 66%, indicating a positive trajectory in financial inclusion. Adopting digital finance, which includes mobile banking, mobile money, and agent banking, has been instrumental in advancing financial inclusion in Uganda. These Digital Financial Services have expanded access to financial products, especially in underserved regions.

For the case of Financial Well-Being, Uganda's economy has demonstrated resilience in Economic Growth with growth estimated to reach 6.0% in the fiscal year 2024, up from 5.3% in the previous fiscal year. This growth is attributed to favourable agricultural production and robust industrial and services activity. Human Development Index (HDI) played a vital role in that between 1990 and 2023, Uganda's HDI value improved from 0.329 to 0.550, marking a major improvement in the population's well-being. Additionally, in March 2024, Uganda met the criteria for graduation from the Least Developed Countries (LDCs) category, reflecting progressions in health, education, and income. Furthermore, in terms of Educational Attainment, Educational levels have improved, with the percentage of adults lacking secondary education decreasing from 70% in 2018 to 61% in 2023. However, gender disparities persist, necessitating continued efforts to promote inclusive education.

Therefore, in conclusion, Uganda has made substantial progress in enhancing financial inclusion and improving the financial well-being of its citizens. The enlargement of digital financial services and improvements in economic indicators underscore this progress. While digital financial services have enhanced inclusion, they also pose challenges related to cyber security and digital literacy (Alliance for Financial Inclusion, 2021). Therefore, while global financial inclusion and well-being have shown positive trends, ongoing efforts are necessary to address existing disparities and adapt to emerging challenges in the financial sector (Naceur et al., 2024; Goals & Affairs, 2024; President et al., 2024; Summary, 2025). Hence, the Global Financial Inclusion Index shows stable growth in financial inclusion, with the world scoring 41.7 in 2022, 47.4 in 2023, and 49.7 in 2024. However, 1.4 billion adults do not have an account with a formal financial institution, such as a bank, microfinance institution, post office, or mobile financial service provider, and are thus financially excluded (Cantú et al., 2024).

Financial wellbeing is measured in terms of cash flow management (income) and quality of life (or quality standard of living through parameters such as investment, liquidity, expenses and debt management (Setiyani & Solichatun, 2019). Therefore, the concepts of the study are derived from consumer theory and theory of reason action. The latest studies have shown that financial wellbeing is fundamental for the improvement of the quality of life both in urban and rural areas, (Brüggen et al., 2017a) as evidenced by the way people live in Asia, USA and Europe globally which can be characterized by finances to promote better welfare of households in Uganda. Financial wellbeing is important because it helps to improve individual's livelihood in a community or society.

Financial wellbeing can help one to make a choice to finance his/her current and future obligations. Financial well-being is the foundation on which so many other aspects of a family's life are built as stipulated by international and national initiatives such as Sustainable Development Goals, (2030), National Development Plan III and Uganda Vision 2040. More so, Sukumaran (2021) noted that it also helps to improve the confidence, sentiment and knowledge that enable people to take better decisions in their lives. Financial Well-being has positive implications on educational achievement, contributes to better health outcomes and builds a stronger community for all nations worldwide (Mokhtar, 2019).

Brüggen et al., (2017a) define financial well-being as "the perception of being able to sustain current and anticipated desired standard of living and financial freedom" as well. While other scholars like Setiyani & Solichatun, (2019) describe financial well-being as a state of being from the bottom and have expenditure shares of less than 10%, whereas from the top 20% of households have expenditure shares of at least 38%. Financially healthy, happy, and free from worry, which is based on a subjective evaluation of one's financial condition, (Xiao, 2015) also describes it as a financial status in that a consumer or family has adequate resources to live a comfortable life. Financial well-being, involves protection against hard to see risks and the build-up of savings to meet future needs. Consumer Financial Protection Bureau (CFPB, 2015) explains FWB as a state of being where a person can entirely meet present and continuing financial commitments, can feel protected in their financial forthcoming, and is also able to make selections that permit satisfaction of life for him and his or her family members or households as a whole. Similarly, Lind et al. (2020) concurs with the definition of CFPB (2015) which described financial well-being as a state of being wherein persons can fully meet current and ongoing financial obligations, can feel secure in their financial future and are able to make choices that allow them to enjoy life. Additionally, Financial well-being is defined as a sense of security in the future with proper money management in the present (Netemeyer et al., 2018). Therefore, this study was based on both objective and subjective indicators as pointed out below to measure financial wellbeing like cash flow management (CLM) and Quality of life (QOL) or standard of living (SOL) through income, saving, investment, liquidity, expenses and debt in brief.

Well-being as a concept refers to a good or satisfactory condition of existence, according to (emirgüç-Kunt and Klapper (2013). Studies of the different types of wellbeing seem to have primarily focused on personal wellbeing and to have been anchored in psychology, whereas this conceptualization relies on the well-being literature where financial wellbeing as such is of great interest for the study. Therefore, the main purpose of this study was to examine the impact of financial inclusion (affordability, accessibility and usage) in explaining financial wellbeing among households in Uganda.

The study was carried out with the following specific objectives under financial inclusion:

i. Financial affordability has a significant effect on financial wellbeing among households in Uganda.
ii. Financial accessibility has a significant effect on financial wellbeing among households in Uganda.
iii. Financial usage has a significant effect on the financial wellbeing households in Uganda.

1.1 Theoretical Review

This presents the theoretical frameworks and the views of other scholars in line with the study's objective. The purpose of this review was basically to bring on board management theories related to the subject under study to help the researcher extend knowledge beyond what already exists. It further intended to help the investigator understand how the subject matter had been advanced before by earlier scholars.

Theories that helped to guide this study to make us understand financial wellbeing both globally and locally particularly in Uganda’s case are the consumer theory (CT) (Levin & Milgrom, 2004) and the theory of reasoned action (Ajzen, I. and Fishbein, M. 2004). The purpose of TRA is to understand human behaviour. According to the theory of reasoned action, a person’s behaviour is determined by her/his intention and action (Mugambe, 2024). In the context of this study, consumer theory explains the ability of households to consume goods and services so as to satisfy their immediate needs. According to Levin and Milgrom (2004) consumer theory postulates that utility of goods and services resides in themselves. The theory explains the households' ability to enhance financial literacy in improving their financial freedom through financial inclusion. The theory further assumes that utility resides in the goods and services themselves to make consumer choices. Because of the above limitation, this called for another theory thus the theory of reasoned action to explain it better. Levin and Milgrom (2004) described Consumer theory as the study of how people decide to spend their money based on their individual preferences and budget constraints or how a rational consumer would make consumption decisions. Consumer theory is based on what people like and this can be through financial inclusion, that is to say, having access to finances. So it begins with something that we cannot directly measure but must infer with it. Consumer theory is based on the premise that we can infer what people like from the choices they make, the theory emphasises on the consumption aspect and pays less attention to the behavioural aspect which is critical in this study. Therefore, the theory of reasoned action filled in the gap which had been left out by consumer theory on the behavioural aspect. Levin and Milgrom(2004) critiqued consumer theory because of the above limitation that called for theory of reasoned action to bridge the gap. The historical development of consumer theory indicates a long tradition of interest of economists in the subject, which has undergone substantial conceptual changes over time to reach its present form (Banks et al., 2024).

The consumer theory assumes that utility exists in the goods and services themselves to make consumer choices (Levin & Milgrom, 2004). The theory proposes that utility of goods and services resides in themselves. The theory captures financial inclusion as a variable; theory helps households acquire finances through access, accessibility, and affordability. The consumer theory has not adequately explained the aspect of behaviour in the achievement of financial wellbeing. (Levin & Milgrom, 2004). The theory of reasoned action assumes to understand human behaviour, also assumes that humans are rational beings and, lastly, that humans are rational in decision making (Ajzen & Fishbein 1980).

The theory describes how households can achieve financial well-being through changed behavior in a positive direction; it captures financial well-being as a variable. The consumer theory and the theory of reasoned action are both relevant as far as financial well-being is concerned. The consumer theory tends to cover financial inclusion; the theory motivates an individual to acquire knowledge and skills and have access to financial services and products such as bank accounts, credits and needs, and insurance, among others, met but pays less attention to financial wellbeing as a variable in this study. Therefore, the theory of reasoned action is to fill in the gap that has been left out by consumer theory. Theory of reasoned action addresses the question of why individuals or households do things the way they do them or behave the way they behave (Azen & Fishbein, 1980). Both consumer theory and theory of reasoned action in regard to this study are connected to financial inclusion as a variable that has a relationship with financial wellbeing and socio-cultural factors do affect households in one way or the other as far as their financial wellbeing is concerned.

2.0 Literature Review

This section presents the findings of various scholars' previous literary work on the subject under inquiry or investigation.

Despite countries' efforts to slow the spread of the virus, the pandemic has infected 514,030,435 people as per the WHO websites of May 2022. The outbreak has impacted negatively on global financial markets, creating an environment of uncertainty and volatility of households in general and this has affected so much the wellbeing of households as a whole. Households are the key players in the economic growth and economic development in every country. Without being financially stable, households may not contribute to the development and growth of any given country, and particularly a developing country like Uganda (Sukumaran, 2021).

Brüggen et al. (2017a) define financial well-being as "the perception of being able to sustain current and anticipated desired standard of living and financial freedom". Other scholars like Setiyani and Solichatun (2019) describe financial well-being as a state of being from the bottom have expenditure shares of less than 10%, whereas from the top 20% of households have expenditure shares of at least 38%. Financially healthy, happy, and free from worry, which is based on a subjective evaluation of one's financial condition (Xiao, 2015) also describes it as a financial status in that a consumer or family has adequate resources to live a comfortable life. Consumer Financial Protection Bureau (CFPB, 2015) explains FWB as a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is also able to make choices that allow enjoyment of life (Ray, 2018).

Similarly, Lind et al. (2020) concurs with the definition of CFPB 92015) that described financial well-being as a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future and is able to make choices that allow them to enjoy life. Additionally, Financial well-being is defined as a sense of security in the future with proper money management in the present (Netemeyer et al., 2018).

Financial well-being is perceived to result from financial knowledge, financial capability and investing in financial products (Hira et al, 2013). Financial well-being is having control over one's finances, not feeling stressed and learning to live within one's means, less dependence on debt, focus on the future, saving and being able to afford expenses, being able to retire when desired (Fu, 2020). Furthermore, financial well-being is about meeting financial commitments on time and having adequate savings and resources to be able to survive amidst financial tremors. The study variables to measure financial well-being are individuals' secure feeling about the current financial state; feeling of assurance regarding one's future in financial footings; and feeling confident to fund one's retirement (Chavali et al, 2021). Financial well-being can be defined as a state of financially being healthy, happy and free from any worry, which is based on a subjective appraisal of one's financial constrains according to Setiyani and Solichatun (2019).

Kamakia et al, (2017) noted that financial wellbeing of employees can make their life cooler as they can work and retire free of worry. Financial well-being is viewed as the perception of being able to withstand current and projected desired living standards and having financial freedom (Netemeyer et al., 2018). The literature under this includes income, wealth, and debt, economic hardship, and financial stress and coping strategies; for example, families with inadequate income, wealth, or debt may experience economic hardship that precipitates stress when they struggle to afford their current and ongoing financial obligations. Families use a variety of strategies to manage these circumstances. Tsai Wan-chi Chen Editors Family (2017) argued that wellbeing in Japan is poorly understood when it comes to children.

Jamal et al.,(2015) carried out a study on financial wellbeing among public employees in Malaysia. The study aimed at discussing the level of public employees' financial wellbeing in Malaysia as well as examining the determinants of financial wellbeing. A convenient sampling technique was used to arrive at a sample of 73 public employees in Selangor and Putrajaya. Questionnaires were distributed through e-survey to collect the data. The response rate was 41%. The results indicated that respondents' financial wellbeing was at multiple level consisting of low, moderate and high. Their saving cultures were found to be at an unsatisfactory level and they spent more than they earned. The study period was not indicated, the conceptual definition of financial wellbeing was too narrow, the analytical model was missing, and the response rate was low. The study is also inconclusive as to the level of financial wellbeing of public employees. Again, the financial literacy concept can be added to seek its relationship with financial wellbeing (Kamakia, Mwangi & Mwangi, 2017). In Malaysia, Sabri et al. (2020) stated that less than 40% of households had access to finances that would make them to a rich family. They also stated that wellbeing had five elements thus: financial well-being, community, physical, career and social (Summary, 2025).

Oton (2017) argues that the financial well-being of households is influenced by individuals that can manage their finances well, have capability to save and invest. He argues that in Indonesia, the financial wellbeing is still less as compared to other developed world. The financial reality of wellbeing is the fact of every life of households in society or community. Yue et al. (2020a) states that globally, COVID-19 which emerged in Wuhan, China, and spread to the rest of the world, including Uganda, had impacted the population negatively across the globe.

2.1 Financial wellbeing

Financial wellbeing is measured in terms of cash flow management (income) and quality of life or quality standard of living through parameters such as investment, liquidity, expenses and debt management (Selvia et al., 2021). Latest studies have shown that financial wellbeing is fundamental for the improvement of the quality of life or standard of living both in urban and rural areas (Brüggen et al., 2017a) as evidenced by the way people live in Asia, USA and Europe etc. which can be characterized by finances to promote better welfare of households in Uganda.

Financial wellbeing has become an area of concern to both academia and non-academic since it is the determinant of the standard of living among households of every country (Brüggen et al., 2017b).

Financial wellbeing is important because it helps to improve individual’s livelihood in a community or society (Brüggen et al., 2017b). Financial well-being refers to the subjective evaluation of one's financial well-being comprehensively. Furthermore, if one has a positive financial well-being perception, one is assured of one’s financial efficacy. While we agree that these two concepts can be related, they denote different things.

The definition of financial well-being is more incorporating, containing someone's current valuation of his/ her happiness as well as his/her capability to finance the preferred life in the current and the forthcoming and not ignoring peace of mind as well. While financial well-being is not limited to developed countries, the term's meaning is quite different for developing countries. The government has not done enough for its citizens, as a large part of the population struggles on their own to make ends meet.

Financial wellbeing can help one to make a choice to finance his/her current and future obligations. (Households, 2023; Kumar and Kakkar, 2023). Financial well-being is the foundation on which so many other aspects of a family’s life are built as stipulated by international and national initiatives such as Sustainable Development Goals (2030), National Development Plan III and Uganda Vision 2040. More so (Sukumaran, 2021) noted that it also helps to improve the confidence, emotion and knowledge that enable people to take healthier decisions. Financial Well-being has positive implications on educational achievement, contributes to better health outcomes and builds a stronger community for all nations worldwide (Copur, 2019).

Brüggen et al. (2017a) defines financial well-being as the perception of being able to sustain present and predicted desired standard of living and financial freedom. Financial well-being has been studied in different academic fields, such as economics, financial counselling and planning, development psychology, consumer decision making and services marketing. The financial well-being concept is extensively used in many types of research. However, due to its extensive perception, there is no uniformly agreed definition or measurement and no clarity with regard to its conceptualization and even its components (Magli et al., 2021).

The objective scale of economic statuses is measured using economic status like income, consumption, wealth, and assets. Scholars like Sukumaran (2021), Info et al. (2021), Mendelson, (2021) have helped in the operationalization and measurement of financial wellbeing. In many cases, previous studies have included financial wellbeing as one of their major variables of interest. Such studies have developed and used various measures of financial well-being although, the existing definitions and measures can be described into three categories in terms of their approach, that is to say those that use both objective and subjective characteristics, or those that use either objective or subjective characteristics to define financial well-being. Meanwhile in the first category, financial well-being is defined as an objective (quantitative) and subjective (qualitative) concept that contributes to a person's assessment of his/her current financial situation. It is treated as a composite concept that consists of both objective and subjective dimensions as stated by Sukumaran (2021). Additionally FWB is considered as an important element of good life and is used as a pointer of quality of life (Diener et al, 1999; Agabalinda et al., 2020).

Hong and Swanson (1995) provide three measures of financial well-being: household income, adequacy of emergency fund, and debt-to-income ratio. Johnson and Widdows (1995) emphasized the emergency fund requirement as an objective measure of financial wellbeing. Net worth as an objective measure of financial well-being is examined by Greenwood and Wolff (1988), Radner (1989), and Hurd (1990). Net worth is the true financial situation measured by total assets less total liabilities at a point of time. Hayhoe, (1990) advocated for subjective measure of financial wellbeing and views financial wellbeing as individuals' perception of satisfaction with their financial situation.

Kratzer (1991) viewed financial wellbeing using satisfaction with the financial situation. CFPB (2015) defined financial wellbeing as a state of being wherein the individual or household has control over day-to-day finance, has the capacity to absorb financial shock, is on track to meet the financial goals and has the freedom to exercise choices in enjoyment of life (Kumar & Kakkar, 2023). Therefore, this was based on both objective and subjective indicators as pointed out below to measure financial wellbeing like cash flow management (CLM) and Quality of life (QOL) or standard of living (SOL) through income, saving, investment, liquidity, expenses and debt in brief.

Cash flow management is very critical for the financial health of the household. It is the foundational core of financial planning. The current financial status of an individual or family is always the starting point for determining the financial goal of the individual/family. Cash inflows for households are normally fixed and regular because of budget contracts (Gedminiene & Visockaoite, 2016). Furthermore, cash flow is the difference between cash inflows and outflows (Pablo, 2006). In a strict sense, it is the money coming into the household and the money going out of it. In a household, cash flows can come from a number of sources. Cash inflows generally include salaries, interest from savings accounts, dividends from investments, capital gains from the sale of financial securities like stocks and bonds, passive cash inflows from rental houses etc. Cash outflow represents all expenses, regardless of size and these include rent or mortgage payments, utility bills, groceries, fuel, entertainment (Akeny & Mwesigwa, 2021). Cash flow management and budgeting assistance Vendors provide online platform with digital tools including financial and savings calculators and budgeting guidance (Financial & Strategy, 2024; Personal & Archive, 2024; Totolo et al., 2024).

Additionally, CFM refers to both the cash inflow and cash outflow on the income majorly, whereas quality of Life is a concept with a complex and multiple history that incorporates perspectives from psychology, politics, economics and philosophy (Osman et al., 2018). QOL was established as an area of study in sociology and social policy from the second half of the last century by researchers like Andrews and Withy; Campbell, and Flanagan (2017) who formed part of the Social Indicators movement (now represented by the international network ISQOLS). A couple of decades later QOL was adopted by health scientists and psychologists and defined in terms of peoples' perception of their health status, effectively becoming Health-Related.

Cash management is defined as the financial practices for allocating and distributing income to living expenses and achieving financial goals (Porter & Thomas Garman, 1993).

Income is composed of earnings from productive activities and transfers. It is customary to distinguish four main components in the measurement of income: wage income from labour services, rental income from the supply of land, capital, or other assets, self-employment income and current transfers from government or non-government agencies, or other households. Income leads to saving which saving leads to investment and this investment will amount to liquidity hence improved financial wellbeing (Comerton-Forde et al., 2022).

2.3 Financial Inclusion

Alliance for Financial Inclusion (2021) defines financial inclusion as "a state in which all people who can use and have access to full suite of quality financial services are provided at affordable prices, in a convenient manner, and with dignity for the customer" (Info et al., 2021). Additionally, World Bank (2021) defines financial inclusion as having "access to a transaction account or an electronic instrument to store money, send payments and receive deposits." It is because financial markets are the heart of the economy that can contribute to the financial well-being of society through products and services that are beneficial to society. As per this definition, it captures all categories of people, for example to overcome poverty by households, financial institutions play a very big role in allowing households to access financial services. Conditions through the Financial Services Authority encourage increasing levels of knowledge, behaviour, and financial inclusion to improve the well-being of the community (Tong, 2017). In order for a household to have an income to meet his or her necessities of life and improve their financial well-being, he or she has to work. However, the definition of financial inclusion is not yet agreed upon by academics (Initiative & Europe, 2024; Assessment et al., 2024; Inclusion, 2024; Investment & Scale, 2024).

Research conducted by Kim found out that credit and debt management programmes can directly cope with events that can complicate individual financial conditions and indirectly affect one's financial well-being. Households that are better placed and have positive financial inclusion more often have a higher level of financial well-being because they implement financial inclusion well to increase their finances (Selvia et al., 2021). This also agreed with studies carried out by previous scholars such as Sukumaran, 2021; Info et al., 2021; Mendelson, 2021).

Kempson et al. (2017) state that the regression results are significant for financial well-being to exit being influenced by individual financial inclusion and have control over their financial aspects to manage their finances very well. Financial institutions do provide financial services to households to help them improve on their financial well-being by providing loans. Zemtsov and Osipova (2016) state that financial well-being is influenced by financial inclusion and the flow of income generated from assets. Thus, someone must have the ability to develop their assets to improve their financial well-being.

Financial inclusion can help households have access to finances from financial institutions to improve their livelihood through financial wellbeing. The study explains that individuals with high levels of financial inclusion influence their financial well-being. Access or availability of suitable and affordable financial products and services such as bank accounts, insurance, and credit has a positive effect on financial well-being (Muir et al., 2017). Financial inclusion can enable individuals to overcome financial instability, making it easier to carry out daily activities. Research conducted by Muir et al., (2017) shows that people with lower financial inclusion levels have worse financial well-being, among others. It is because an individual who makes fair use of financial inclusion can improve his financial well-being.

Research conducted by Zemtsov and Osipova (2016) states that the use of financial inclusion to generate income from owned assets affects one's financial well-being. Thus, a person must have the ability to develop their assets to improve their financial well-being. This is also in line with the Financial Services Authority, which says people who use financial products and services must carry out good financial management and develop their assets to create a prosperous society (Oton , 2017).

The consumer theory can determine financial inclusion. Financial inclusion is the ability by individuals to have access to and use all basic financial services or products such as savings, credit, payments and insurance (Bank, 2020). You can have literacy, knowledge and skills but when you cannot have access to finances, you cannot consume goods and services. Therefore, this variable helps households or consumers to acquire the goods and services they need. Consumption will push an individual to have access to finances and do the saving hence financial inclusion derived from consumer theory. Financial inclusion directly or indirectly relates to financial well-being (Xiao, 2015).

Access, usage, quality and welfare are the key indicators that have been used in measuring financial inclusion in different studies (World Bank, 2021; Shapoval et al., 2021; Ekadjadja, 2021). Other indicators that may also be used in measuring financial inclusion include accessibility, affordability and availability to mention but a few. However, in my study I measured FI using access, usage, accessibility and affordability. Access in this case means individuals with an active account in their own name with either one financial service provider or more in the formal and informal sector. Such basic financial services or products are savings, credit, payments and insurance. It may also involve individuals who may have access to financial services but do not have their own account but they end using someone else or family account (Okello & Munene, 2019). This can be measured by which financial products and services by customers ‘physical ability to reach a service centre easily, for example, going to ATM bank (Okello & Munene, 2019). Additionally, access to finance generally refers to the availability of supply of quality financial services at a reasonable cost (Claessens and Tzioumis, 2006). However, depending on what one considers to be ‘quality’ services and ‘reasonable’ costs, the measurement of access to finance may need to be altered (Arinaitwe & Mwesigwa, 2015).

Usage -- this is measuring the actual use of an account in one’s own name and/or through someone else’s account (indirect usage) with either the formal and informal sector. It means the frequency and mechanisms of using an account in any financial institution as a way of accumulating savings, lending, making payments and transferring remittances; in other words customer activity engagement (Shapoval et al., 2021). Accessibility is a situation where an individual has easy, quicker and faster bulky cash which is affordable from financial institution.

World Bank (2020) postulated that the notion of financial inclusion (FI) be advanced through its four dimensions: access, usage, quality and welfare of financial services. Accordingly, Selvia et al. (2021) pronounce that measurement of FI should be able to monitor levels of FI and, secondly, deepen understanding about factors that associate with FI that enable the testing of hypotheses between FI and other variables. These studies argued that FI is often measured through the above dimensions such as access, quality, usage and welfare among others.

According to annual reports and financial statements of 2020, despite the challenges of Covid 19, banks such as DFCU, Centenary Bank and Stanbic Bank, to mention but a few, show that they gained growth in their banking sector. This was because financial services have been extended to various households through financial inclusion by banks. Sustained growth of total assets by these banks is an indication that financial inclusion has been spread by the banks. This was also achieved because of the Banks' digital transformation strategy with innovation – for example mobile money and mobile banking. Thus one can operate anywhere and anytime (Bank, 2020).Financial inclusion has developed as a policy of importance in countries such as South Africa and India, where large sectors of the population lack access to basic financial services like a bank account. Such countries provide people who are financially excluded with adequate and accessible services seen as an effective way to provide more equitable outcomes within the economy. However, in developed economies, most people already have access to basic financial products like a bank account. Australia can be example of this where high levels of bank account have access in the wider population globally with only an estimated 0.9% of people not having access to a bank account.

Additionally, the need to promote financial deepening while addressing access and quality issues is still lacking. In the same regard, there is an effort towards expanding financial services data and measurement which will provide more accurate information to guide the process of addressing the individual consumer needs towards achieving higher levels of financial inclusion in Uganda (Copur, 2019). Okello and Munene, (2019) conducted a study on Financial Inclusion of the Poor in Developing Economies in the Twenty-first Century: Qualitative Evidence from Rural Uganda. The findings revealed that suitable initial account opening fees, minimum deposit requirement, limited eligibility requirements, permanence of use, depth of financial services and products, relevance of financial services/products in terms of convenience, flexibility, reliability, continuity, safety, dignity of treatment (clients' protection), and welfare improvement are important determinants of financial inclusion of the poor in developing economies, especially in rural Uganda.

Katoroogo, (2016) carried out a study on Behavioural Determinants of Financial Inclusion in Uganda. The study examined the personal and societal capabilities that influence financial inclusion of individual financial consumers. The study results revealed that financial self-efficacy, financial literacy, social networks and the interaction of the personal and societal capabilities significantly contributed to an individual's financial inclusion across the two regions. The results also revealed that the personal and societal capabilities independently and when combined, contribute towards an individual's financial self-efficacy.

Okello et al. (2017) carried out a study on 'Financial literacy in emerging economies: Do all components matter for financial inclusion of poor households in rural Uganda?' The results generated from the study revealed that only attitude as a component of financial literacy significantly and positively predicts financial inclusion of poor households in rural Uganda.

Moreover, a study by Zemtsov and Osipova(2016) states that financial well-being is influenced by financial inclusion and the flow of income generated from assets. Thus, someone must have the ability to develop their assets to improve their financial well-being. From this research, it can be concluded that a person needs to have financial management skills and the ability to invest and have financial resilience. Therefore, financial inclusion plays a vital role in building a strong foundation of a country's financial infrastructure, facilitating economic growth and development. The Absence of financial inclusion may lead to financial blindness and the emergence of a muddled financial sector, such as Indigenous banking, which is highly exploitative (Selvia et al., 2021).

Truc and Nguyen (2020) postulate that financial inclusion is an endeavor that makes it possible for people to quickly, adequately, and affordably use formal financial services that are readily available, especially for those who are financially vulnerable, as cited by Kampumure et al. (2023) in 'The Ugandan' (2023). This study aimed to examine the impact of financial inclusion (financial affordability, accessibility, and usage) on the financial well-being of households in Uganda to determine whether financial inclusion could impact financial well-being.

The study argued that financial inclusion positively affects financial wellbeing:

i. Affordability positively affects the financial well-being of households in urban Uganda.
ii. Accessibility positively affects the financial well-being of households in urban Uganda.
iii. Usage positively affects the financial well-being of households in urban Uganda.

3.0 Methods and Materials

The study here employed the use of a cross-sectional research design to establish the hypotheses generated under the investigation. Also, it is because cross-sectional research design makes it easier to collect data at one point in time (UBOS, 2014). The survey population in this situation included categories of households from the age of 18 and above; however, household members below 18 years were included in the study to establish whether they understood and knew anything to do with finances or financial well-being in urban rich and urban poor in Wakiso, Kampala and Mukono districts in central Uganda which majorly comprised 4,123,727 respondents as a target population in the selected region, reflecting 400 sample size according to Yamane and Analysis (1973) formula. This study used primary data that was dominated by quantitative and supported by qualitative data which was scientific in nature

(UBOS, 2014;UBOS, 2019; Uganda Bureau of Statistics, 2021). Purposive sampling was also applied to arrive at demographic profiles of key informants.

Accordingly, in this study, the target population involved 4,123,727 households located in Central region of Wakiso, Kampala and Mukono districts of Uganda (UBOS, 2014). These three districts in Central region were selected because they had a high rate of financial transactions, including fintech usage, also they were highly urbanized and characterized with highly urban rich and urban poor locations that enjoy high and low levels of financial wellbeing. Additionally, these districts are growing towns with the largest number of households in Uganda and attraction sites like Namugongo shrines with employment opportunities particularly during Uganda Martyrs day, the third of June every year. In addition, it is a low cost areas in terms of access to facilities infrastructures, among others. In this study, an assessment of geographical areas was considered essential because the study was undertaken in Wakiso, Kampala and Mukono districts in central region that represent the urban higher income sector and urban poor of central as well. The region has availability of most household's infrastructures, formal financial service providers, for example, commercial banks and insurance companies, social values and practices in terms of beliefs and customs. Therefore this contributed to the households' abilities and financial wellbeing in this region as compared to other parts of the country. This has always helped to improve financial wellbeing of some households particularly on of the third of June every year.

The sampling method used was stratified sampling to select households in urban areas. The responses were anchored onto a five-point Likert scale of 5 – strongly disagree, 4 – disagree, 3 – not sure, 2 – agree and 1 – strongly agree, in order to maintain consistency. This is applied due to its simplicity, balance, statistical properties, and consistency, making it a widely accepted and effective tool for measuring attitudes and opinions in survey research. The 5-point Likert scale was applied by previous scholars like Okello et al., 2019; Katoroogo, 2016; Nakyune, 2016). The five-point Likert scale is a standardized measurement tool, making it easier to compare results across different studies and populations.

Data were collected at the single period in time which is referred to as a cross0sectional survey design, concentrating on the same sample units of a population thus households at the same time. Therefore, the primary data on all concepts or constructs were collected through face-to-face interviews with the respondents selected. Data was collected over a period of three (3) months.

Additionally, this study adopted critical realism research philosophical paradigm to examine how the poor were financially included into access to and usage of basic financial services provided by the mainstream financial service providers in developing economies like Uganda with the data obtained from urban rich and urban poor households. Therefore, the sample size was 400 from the general population of 4,123,727 as determined by Yamane (1973) formula n= N/1 + N (e) 2 where n was the sample size, N is the total population and e was the tolerable error. Therefore N was 4,123,727 and e was 0.5% so n was 400. Therefore when (e) 2=0.5% = 0.0025 and N =4,123,727, n= 4,123,727 /1+4,123,727 (0.5)2 =4,123,727 /5020=399.9=400.

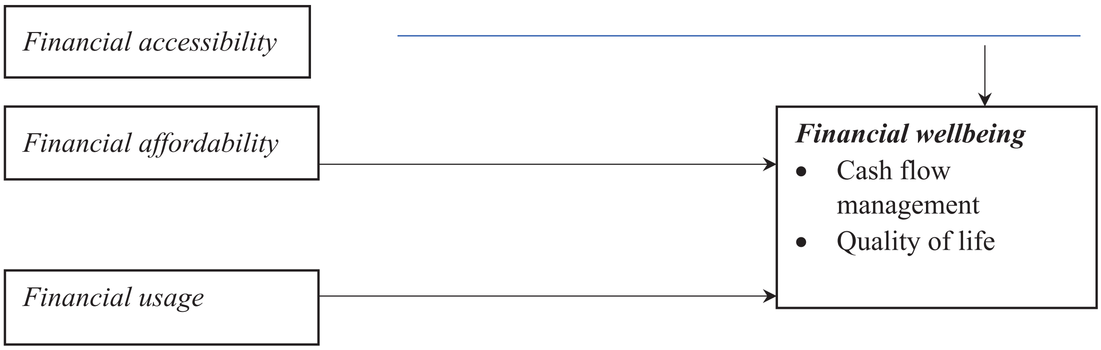


Figure 1: Conceptual Framework Financial Inclusion and Financial Wellbeing

3.1 Reliability and Validity of the Study

The researcher performed a reliability test using SPSS to determine Cronbach's Alpha to guarantee that the data collection instrument could gather reliable data. The results are in Table 1. The Cronbach alphas in Table 1 were above the recommended reliability of .70, as suggested by Amin (2005). This meant that the instrument used for the data collection could consistently collect data for both independent and dependent variables. Therefore, the findings were reliable as expected.

Table 1: Reliability and Validity of the Study

Financial Inclusion	**Cronbach's Alpha**	**Composite Reliability**	**AVE**	**VIF**
Accessibility	.893	.926	.757	2.272
Affordability	.851	.900	.693	1.986
Usage	.906	.924	.606	1.776
Financial Wellbeing				
Cash-flow Management	.865	.900	.601	1.759
Quality Of Life	.887	.923	.752	1.480
AVE - Average Variance Extracted				
VIF- Variance Inflation Factor				

Similarly, in Table 1 above, the composite reliability for all the variables was above .70, as recommended. Moreover, the results in Table 1 above also show that both at EFA and CFA for all the study variables, financial inclusion (accessibility, affordability, and usage) and financial well-being (Cash-flow Management and Quality Of Life) encountered the cut-off point of 0.700 and above. This means that the study instrument was reliable to be used for the study generally.

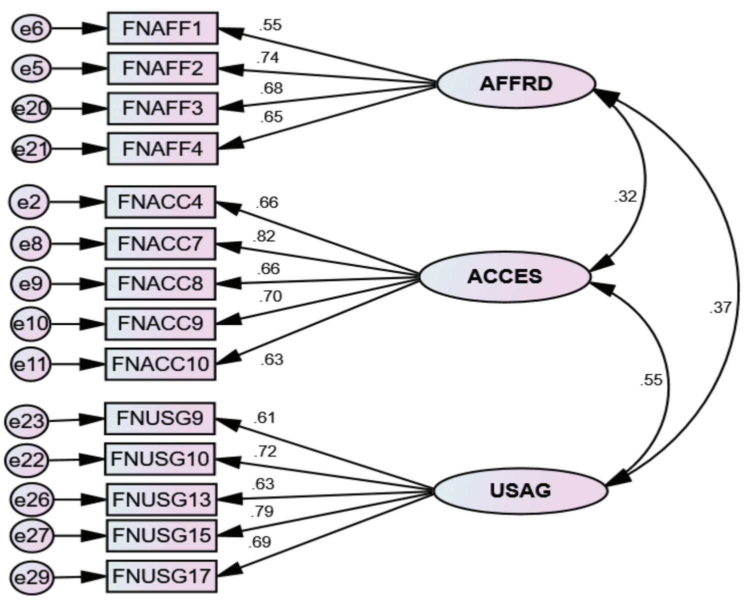
4.0 Results of the study

4.1 Confirmatory Factor Analysis (CFA) *for the study variables*

Table 2. Model Fit thresholds/ Indices

Indices	**Model Fit Estimate Thresholds**
Chi-square	> 1.000
Incremental Fit Index	> .900
Tucker Lewis Index	> .900
Comparative Fit Index	> .900
Root Mean Squared Error of Approximation (RMSEA)	< .080

Figure 2: CFA for *Financial Inclusion*



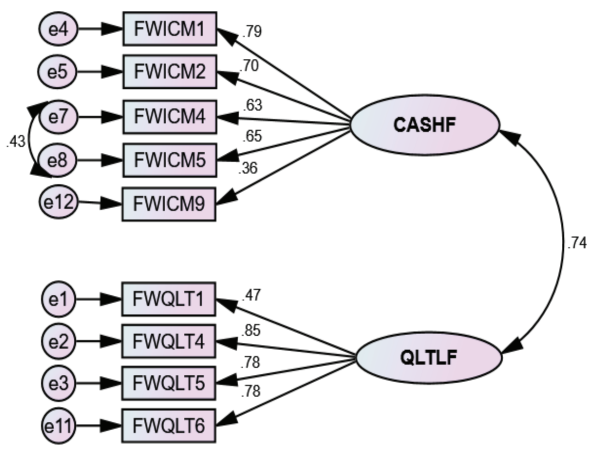
Chi-square = 102.556; Degree of Freedom(DF) = 74; Probability (P) = .016
Incremental Fit Index (IFI) = .968 ;Tucker Lewis Index (ITL) = .960
;Comparative Fit Index (CFI) = .968
;Root Mean Square Error of Approximation (RMSEA) = .044;

Table 4.1 CFA Standardized Model Estimates for Financial Inclusion

			B	S.E.	C.R.	*p*
FNACC7	◄▬	ACCES	.817			
FNACC4	◄▬	ACCES	.664	.087	9.201	***
FNACC8	◄▬	ACCES	.663	.090	9.182	***
FNACC9	◄▬	ACCES	.704	.084	9.791	***
FNACC10	◄▬	ACCES	.626	.076	8.619	***
FNAFF1	◄▬	AFFRD	.553			
FNAFF2	◄▬	AFFRD	.737	.194	6.457	***
FNAFF3	◄▬	AFFRD	.676	.195	6.261	***
FNAFF4	◄▬	AFFRD	.649	.207	6.138	***
FNUSG13	◄▬	USAG	.630			
FNUSG10	◄▬	USAG	.723	.172	8.012	***
FNUSG9	◄▬	USAG	.605	.173	7.013	***
FNUSG15	◄▬	USAG	.786	.181	8.437	***
FNUSG17	◄▬	USAG	.693	.155	7.770	***
*** *p* <.01						

Financial inclusion was measured in terms of access, usage, accessibility and affordability of financial services. CFA confirmed and retained the four constructs and five items were retained for access, five for usage, four for affordability and four for accessibility with the observed variable of financial inclusion as shown in Figure 1. The results indicated a good model fit (Chi-square = 177.898, Df= 129, p= .003; IFI=.961, TLI=.953, CFI=.960; RMSEA=.044). The results in Table 4.1 show that the standardized parameter estimates for all the retained items for financial inclusion were statistically significant.

Figure 3: CFA Financial Wellbeing



Chi-square = 38.113; Degree of Freedom(DF) = 25; Probability (P) = .045
Incremental Fit Index (IFI) = .981 ;Tucker Lewis Index (ITL) = .972
;Comparative Fit Index (CFI) = .981
;Root Mean Square Error of Approximation (RMSEA) = .051;

Table 4.2 CFA Standardized Model Estimates for Financial Wellbeing

			β	S.E.	C.R.	*P*
FWQLT1	◄▬	QLTLF	.468			
FWQLT4	◄▬	QLTLF	.849	.263	6.490	***
FWQLT5	◄▬	QLTLF	.776	.249	6.317	***
FWQLT6	◄▬	QLTLF	.777	.262	6.320	***
FWICM1	◄▬	CASHF	.790			
FWICM2	◄▬	CASHF	.701	.102	9.061	***
FWICM4	◄▬	CASHF	.628	.109	8.054	***
FWICM5	◄▬	CASHF	.654	.102	8.412	***
FWICM9	◄▬	CASHF	.361	.084	4.662	***
*** *p* <.01						

Financial wellbeing was measured in terms of cash flow management and quality of life. CFA confirmed and retained the two constructs, thus CFM and QOL, and five items were retained for cash flow management and four for quality of life with the observed variable of financial wellbeing as shown in Figure 2 and Tables 4.2. The results indicated a good model fit (Chi-square = 38.113; DF= 25; p= .045; IFI=.981, TLI=.972, CFI=.981; RMSEA=.051). The results in Table 4.14 shows that the standardized parameter estimates for all the retained items for financial wellbeing were statistically significant.

4.2 Relationships between the variables

Table 4.3. Pearson Correlations

	Mean	*SD*	1	2	3	4
Affordability-1	1.996	.550	1.000			
Accessibility-2	2.621	.827	.211**	1.000		
Usage-3	2.196	.749	.234**	.473**	1.000	
Financial Wellbeing	2.395	.815	.137	.404**	.396**	1.000
**. Correlation is significant at the 0.01 level (2-tailed).						

Here the Pearson correlation analysis was executed since the assumptions for parametric checks were encountered in order to inspect relations amongst the study variables. The results confirmed linear relations between financial inclusion (affordability, accessibility, usage and financial wellbeing and **. Correlation is significant at the 0.01 level (2-tailed).

Structural Model

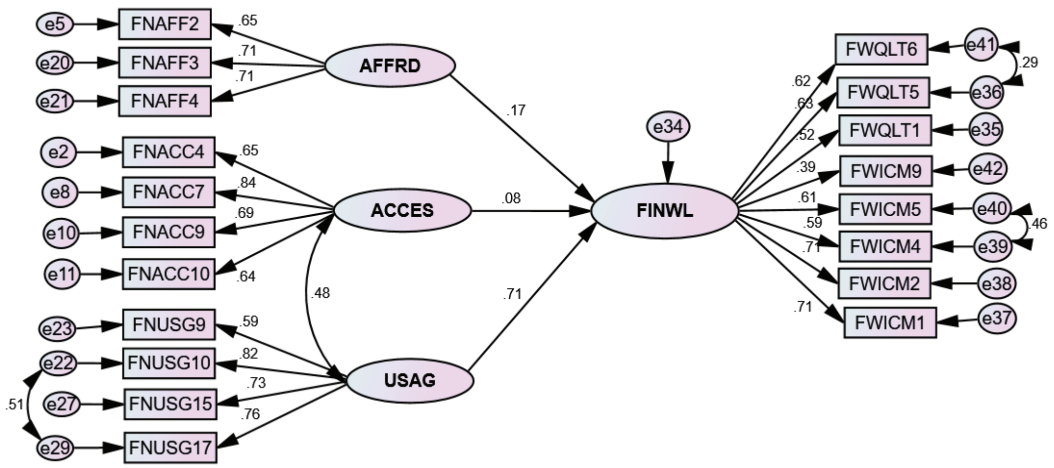
Table 4.4. Structural *Model* Estimates

			B	S.E.	β	C.R.	*P*	*Hypothesis Verdict*
FINWLL	◄▬	ACCES	.057	.059	.078	.978	.328	Not Supported
FINWLL	◄▬	USAG	.580	.083	.710	6.965	***	Supported
FINWLL	◄▬	AFFRD	.245	.105	.169	2.341	.019	Supported
*** *p*< .01								

Source: Analysis of quantitative data, 2023

The results show that accessibility, usage and affordability had a significance positive direct effect on the financial wellbeing and both usage and affordability were supported while accessibility was not supported.

Figure 4: Structural Model



Chi-square = 231.959; Degree of Freedom(DF) = 145; Probability (P) = .000
Incremental Fit Index (IFI) = .936 ;Tucker Lewis Index (ITL) = .923
;Comparative Fit Index (CFI) = .935
;Root Mean Square Error of Approximation (RMSEA) = .055;

Financial inclusion was measured in terms of usage, accessibility and affordability of financial services. CFA confirmed and retained the three constructs and five for usage, four for affordability and four for accessibility with the observed variable of financial inclusion as shown in Figure 3. The results indicated a good model fit (Chi-square = 177.898, DF= 129, p= .003; IFI=.961, TLI=.953, CFI=.960; RMSEA=.044). The results in Table 1 show that the standardized parameter estimates for all the retained items for financial inclusion were statistically significant.

> *H2. There is a relationship between financial inclusion and financial wellbeing (supported)*

The results designate a positive and significant relationship between financial inclusion and financial well-being (β=0.401, *p* values < 0.05). The results support H2.

5.0 Discussion of Study Results

5.1 Financial Inclusion (FI) and Financial wellbeing (FWB)

> *H2: There is a positive relationship between financial inclusion and financial wellbeing among the households in Uganda*

Financial inclusion (FI) was represented by households' usage, accessibility, and affordability, which were applied to explain financial well-being. The combined effect of usage, accessibility, and affordability discovered a positive and significant influence on financial well-being. This, therefore, provided support for H2 that there is a positive relationship between financial inclusion and financial well-being among households in Uganda.

The findings are consistent with the reviewed literature following financial inclusion (usage, accessibility, and affordability) as a predictor of financial well-being, leading to a positive relationship. The robust and reliable results suggest that financial well-being is better explained and influenced when usage, accessibility, and affordability are combined into FI. In this regard, a household needs to have an evaluative decision of whether or not to use financial services as well as the ability to understand the basic financial concepts and products to achieve financial wellbeing. The study results are similar with those in Katoroogo's (2016) study on behavioral determinants of financial inclusion in Uganda. The study results revealed that financial self-efficacy, financial literacy, social networks, and the interaction of personal and societal capabilities significantly contributed to an individual's financial inclusion across the two regions. The results also further revealed that the personal and societal capabilities independently and when combined, contribute towards an individual's financial self-efficacy.

Moreover, the above findings also aligned with the research by Okello et al, (2019) who conducted a study on Financial Inclusion of the Poor in Developing Economies in the Twenty-first Century. The findings revealed that suitable initial account opening fees, minimum deposit requirement, limited eligibility requirements, permanence of use, depth of financial services and products, relevance of financial services/products in terms of convenience, flexibility, reliability, continuity, safety, dignity of treatment (clients' protection), and welfare improvement were important determinants of financial inclusion of the poor in developing economies, especially in rural Uganda. The results also confirmed access as a factor in determining financial inclusion of the poor. The findings from the study further provided empirical evidence on access, usage, quality/relevance, and welfare as the major determinants of financial inclusion of the poor based on their behaviour and actions grounded in the theory of human psychology.

Similarly, research by Selvia et al. (2021) The study showed that financial knowledge, behaviour, and inclusion had a positive effect on financial well-being as independent variables. However, the study did not base itself on any theory, leaving a theoretical gap to be addressed. The study also found that financial behaviour and inclusion mediate the influence of financial knowledge on financial well-being. Furthermore, the results of the study by Nayebzadeh et al. (2018) on university professors‘ financial literacy indicated a significant relationship between marital status and financial literacy and that university professors were financially illiterate.

However, this study's results confirmed accessibility, affordability, and usage as factors in determining the financial inclusion of the urban rich and urban poor. On the contrary, the findings did not support access and accessibility as the major determinants of financial inclusion of the urban and urban poor based on their behaviour. This study was supported by consumer theory.

In summary these findings were in line with previous scholars such as Katoroogo (2016), Okello and Munene (2019), Selvia et al. (2021), Setiyani and Solichatun (2019), Nayebzadeh et al. (2018), and Rai et al (2019)authors have presented an association of financial knowledge, financial behaviour and financial attitude towards the financial literacy level among working women in Delhi, India. The sample size of 394 working women from various public and private organizations of Delhi has been incorporated for the research. A structured questionnaire designed on a 5-point Likert scale has been used based on purposive sampling, and the goodness of fit is determined by analysis of moments structures (AMOS.

6.0 Conclusions

First and foremost, individuals representing the households are expected to play a significant role in achieving financial wellbeing. We noted that studies on financial well-being have given marginal consideration to the household's factors, specifically the financial inclusion qualities that influence the use of financial products and services and continuously lead to voluntary financial omission. Nevertheless, it is important to note that this financial inclusion is still essential in explaining financial well-being irrespective of differences in financial inclusion within any area.

This study's main purpose was to examine financial inclusion's impact on economic well-being among households in unindustrialized economies using data obtained from urban rich and urban poor in central Uganda. The results confirmed usage, accessibility, and affordability as factors in determining the financial inclusion of Uganda's rich and poor urban population. Overwhelmingly, the findings from this study provide an empirical indication of usage, accessibility, and affordability as the major determinants of financial inclusion of both the urban rich and urban poor based on their behavior, attitudes, and actions grounded in the theory of reasoned action. Additionally, this is evidence that financial inclusion of the urban rich and urban poor institutes usage, accessibility and affordability were included as the chief indicators in the study instrument used in the study.

Thus, governments and regulators of financial institutions in developing economies should ensure that the initial account opening fees are suitable for the economic condition and situation of the poor. They should consider setting up suitable and favourable initial account opening and maintenance fees to promote the financial inclusion of the poor. Also, the governments in developing economies through the central banks should work with the financial institutions to ensure that the terms and conditions set on the usage of financial services are favorable to the economic condition and situation of the needy. Certainly, financial institutions should continue providing financial services to the needy regularly without setting more harsh policies, especially on use of loans. Governments should advocate for mandatory disclosure, transparency, freedom of product choice, complaint handling and recourse, and consumer debt management. This will help the needy to derive value for use of essential financial services of their need. The study's objective was to examine the degree to which financial inclusion influenced financial well-being among households in Uganda.

Furthermore, government, development partners, and private service providers must support households in developing higher confidence levels in using financial products by enhancing confidence levels in cash flow management of finances and quality of life. This will enable households to make informed, effective, and sound financial decisions and utilize formal financial products and services, achieving improved economic well-being. This study was guided by consumer theory and the theory of reasoned action, which cover financial and financial well-being.

6.1 Theoretical and Managerial Implications

The current study adds to existing literature on financial well-being by indicating that only usage, accessibility, and affordability significantly affect the economic well-being of households in urban Uganda. The study revealed that these factors impact the financial well-being of households in urban Uganda. Similarly, the study results indicated that usage, accessibility, and affordability were significant predictors of financial inclusion in urban Uganda.

6.2 Limitations

The study employed only a cross-sectional research design, thus leaving out the longitudinal study. Therefore, future studies employing longitudinal research design are worth undertaking. Furthermore, although the sample was large enough, it focused only on households located in urban and peri-urban Uganda, therefore ignoring rural areas in Uganda. The study was limited to urban areas; future studies could explore rural areas. The study was limited to Uganda; hence, studies comparing it with other countries are suggested for future studies. Limited dimensions of financial inclusion were used; future studies can add more dimensions, such as Quality and Welfare.

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