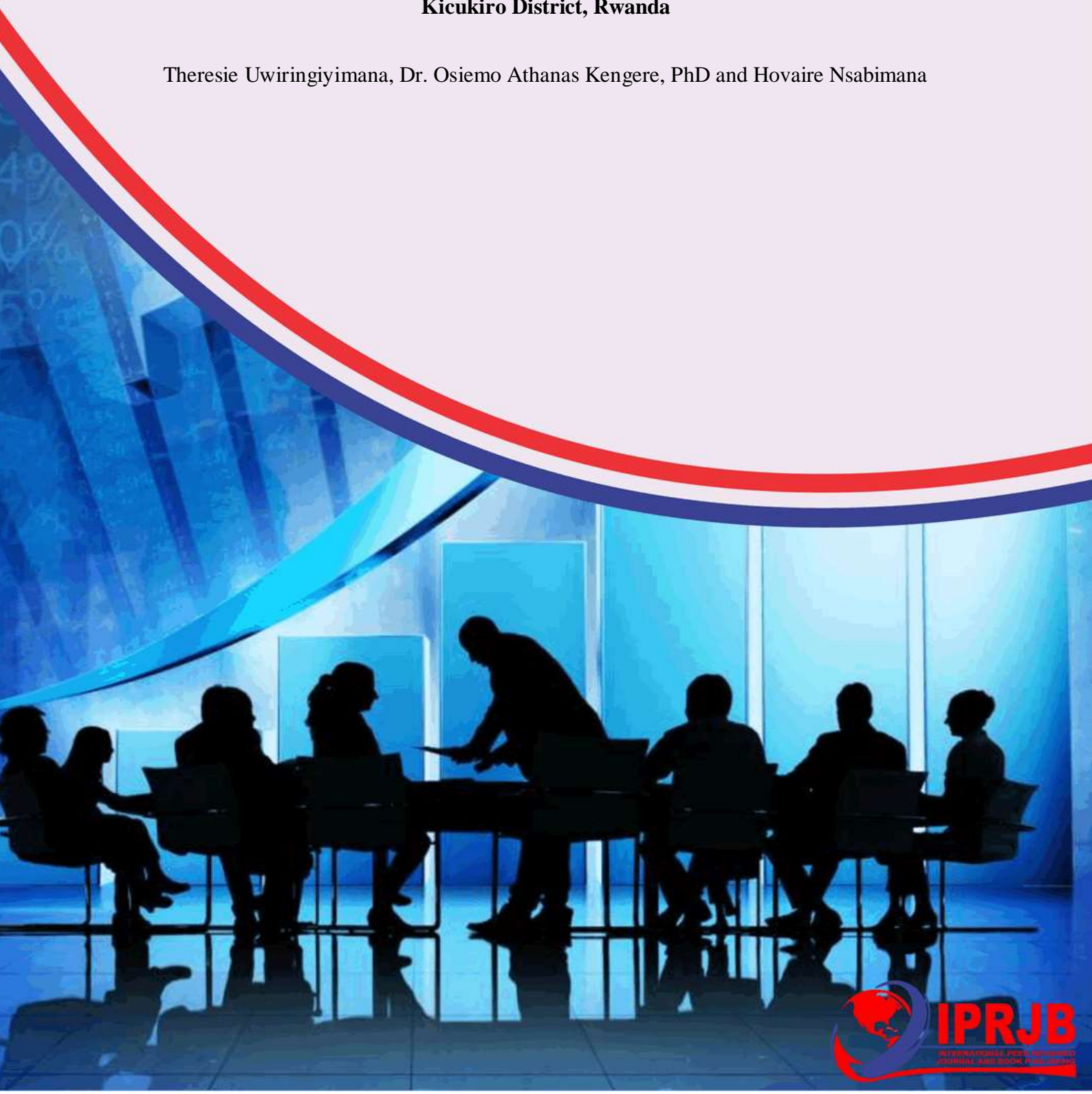



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**Microfinance Loan Accessibility and Wealth Creation for Women Entrepreneurs in
Kicukiro District, Rwanda**


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Abstract

Purpose: To examine the effect of microfinance loan accessibility on wealth creation for women entrepreneurs in Kicukiro district, Rwanda.

Methodology: A descriptive research design and a mixed-methods approach were utilized. A sample of 96 respondents was drawn from 120 women entrepreneurs and six local leaders using simple random and purposive sampling. Data were collected through questionnaires and interviews, then analyzed using SPSS version 30 through descriptive and inferential statistics, while qualitative data were analyzed thematically from 10 key informants.

Findings: Findings revealed strong positive correlations among all variables ($r = .653-.799$, $p < .001$), with loan eligibility criteria showing the strongest relationship with wealth creation ($r = .794$). Regression analysis showed a high explanatory power ($R = .807$; $R^2 = .652$; $F = 57.422$, $p < .001$), indicating that 65.2% of variations in wealth creation were jointly explained by the three predictors. Regression coefficients confirmed significant effects for loan eligibility ($\beta = 0.675$, $p < .001$), repayment flexibility ($\beta = 0.241$, $p = .007$), and client support services ($\beta = 0.232$, $p = .004$). Hypothesis testing led to the rejection of all null hypotheses, establishing that microfinance accessibility dimensions significantly enhance women's income growth, asset accumulation, and business expansion.

Unique Contribution to Theory, Practice and Policy: The study recommends that microfinance institutions revise collateral policies, strengthen financial literacy and mentorship programs, and align repayment schedules with business cash flow cycles. Policymakers should promote inclusive lending frameworks and guarantee schemes to enhance women's access to credit. Further research is recommended on digital microfinance platforms, comparative district analyses, and the moderating role of financial literacy on women's wealth creation.

Keywords: *Microfinance, Loan Accessibility, Loan Eligibility, Client-Support Services, Loan Repayment Terms, Wealth Creation*

JEL Codes: *G21, G23, O16, O55, J16*

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INTRODUCTION

Microfinance institutions (MFIs) have emerged globally as important instruments for promoting socio-economic transformation, particularly through expanding access to financial services among populations traditionally excluded from formal banking systems. By providing credit, savings facilities, and business support services, MFIs contribute to entrepreneurship development, poverty reduction, and wealth creation. In the context of this study, wealth creation refers to the process through which women entrepreneurs accumulate productive assets, increase business profits, expand household savings, and grow their enterprises over time as a result of improved access to financial and non-financial resources. This multidimensional definition recognizes that wealth extends beyond income generation to include long-term asset ownership and financial security, which are critical indicators of sustainable economic empowerment.

Globally, the contribution of microfinance to entrepreneurship and wealth creation continues to attract scholarly and policy attention. In Europe, the institutional development of microfinance demonstrates its increasing significance in inclusive finance. The European Microfinance Network (EMN) and Microfinance Centre (MFC) survey covering 156 institutions across 30 countries reported a combined loan portfolio of EUR 4.3 billion serving approximately 1.4 million borrowers (Pytkowska, 2022). The report further revealed that 50% of MFIs had adopted digital service delivery systems while 76% provided complementary non-financial services, including training and business advisory support. Additionally, women represented 63% of MFI employees, reflecting growing gender inclusivity within the sector. Supporting these findings, Chmelíková, Krauss, and Dvouletý (2023) established that social capital, trust, cultural diversity, and client inclusiveness significantly influence microfinance performance and borrowers' economic outcomes.

Similar evidence has been documented in developing economies. In Nigeria, Akingunola, Adekunle, Adegbesan, and Aninkan (2020) found a significant positive relationship between microfinance services and entrepreneurial growth using ordinary least squares regression analysis. Their findings emphasized that credit accessibility contributes substantially to enterprise expansion and wealth generation when supported by effective legal frameworks and monitoring mechanisms. Likewise, Thorn-Otuya (2020) reported that Nigeria's post-2005 microfinance reforms enhanced employment creation, business growth, and wealth accumulation among low-income populations. The study highlighted the importance of sound governance structures, financial literacy initiatives, and efficient lending procedures in maximizing the developmental impact of microfinance.

Within East Africa, microfinance continues to play a significant role in supporting small-scale entrepreneurship and economic resilience. Mrindoko and Pastory (2022), studying microfinance and poverty alleviation in Iringa Municipality, Tanzania, observed that although direct increases in household income were not statistically significant, MFIs contributed meaningfully to enterprise sustainability and improved access to essential social services. Their study recommended greater alignment between microfinance products and productive investment opportunities to enhance wealth creation outcomes among borrowers.

In Rwanda, evidence increasingly demonstrates the importance of microfinance in promoting women's economic empowerment and enterprise development. Safari and Kengere (2023), examining clients of Kagarama Umurenge SACCO in Kicukiro District, found that micro-saving services (41.4%), lending processes (28.7%), and business development support services (32.1%) significantly contributed to wealth creation among beneficiaries. Their

findings suggest that financial services generate greater impact when integrated with advisory and capacity-building interventions. Similarly, Ingabire and Ogoi (2023), analyzing 6,228 clients of COPEDU PLC, established that access to microfinance loans significantly reduced poverty through business expansion, income growth, and asset accumulation. Qualitative findings further indicated improvements in household welfare and living standards among borrowers.

Additional evidence was provided by Namahoro and Ruberwa (2023), who assessed the impact of microfinance services among members of Zigama CSS between 2017 and 2022. Their findings showed that 61% of respondents experienced income growth while 56% expanded their businesses after accessing credit services. However, the authors noted that access to capital alone does not automatically guarantee wealth creation, emphasizing the need for supportive institutional mechanisms and tailored financial products. Similarly, Mukabazaire and Rusibana (2023) investigated the contribution of Umurenge SACCO services to women's socio-economic welfare in Kigali City and reported significant relationships between access to credit ($r = 0.614$), savings services ($r = 0.606$), collateral support mechanisms ($r = 0.536$), and improved welfare outcomes. Their regression results indicated that approximately 49.5% ($R^2 = 0.495$) of variations in women's welfare could be explained by microfinance service dimensions.

Despite growing empirical evidence supporting the developmental role of microfinance, important knowledge gaps remain regarding the specific mechanisms through which loan accessibility translates into wealth creation among women entrepreneurs. In Kicukiro District, limited research has examined how loan eligibility criteria influence access to credit and subsequent business growth. Similarly, the contribution of client support services such as training, mentorship, and business advisory programs to wealth accumulation remains inadequately documented. Furthermore, the influence of repayment flexibility and interest rate arrangements on women's capacity to expand businesses, accumulate assets, and increase savings has received insufficient empirical attention. Consequently, this study investigates the effect of microfinance loan accessibility on wealth creation among women entrepreneurs in Kicukiro District by examining the roles of loan eligibility criteria, client support services, and loan repayment flexibility. The study seeks to generate evidence-based recommendations for microfinance institutions and policymakers seeking to strengthen inclusive financial systems and promote sustainable wealth creation among women entrepreneurs in Rwanda.

Problem Statement

In an ideal financial ecosystem, microfinance loans should serve as a transformative tool for sustainable wealth creation among women entrepreneurs. Access to such loans is expected to empower women to start or expand businesses, build productive assets, enhance household incomes, and achieve long-term financial independence. With inclusive loan eligibility, flexible repayment models, and supportive client services, microfinance can enable women to overcome structural financial barriers, contribute to local economic growth, and reduce gender-based poverty. The National Bank of Rwanda (BNR, 2023) and the World Bank (2022) affirm that gender-responsive microfinance systems can accelerate economic inclusion and enhance financial resilience, particularly in underserved communities. Recent BNR data show that although women constitute 52% of all active loan accounts in microfinance institutions, they hold less than 32% of the total microfinance loan portfolio value, indicating persistent disparities in access to substantial financial capital. Furthermore, NISR (2023) reports that over

68% of women-owned businesses in Kigali operate at micro or informal levels, highlighting the fragility of their enterprise structures despite increased financial inclusion efforts.

However, the reality in Kicukiro District diverges from this ideal. Despite increasing engagement with microfinance institutions, many women entrepreneurs remain confined to low-scale enterprises with limited profit margins and slow business growth. Research by Ingabire and Ogoi (2023) shows that while microfinance loans support basic entrepreneurship, they often fall short in catalyzing wealth creation, measured through indicators like asset acquisition, income diversification, and long-term savings. Scholars Shimusenge and Nyirakageme (2024) report that improvements in institutional loan recovery do not always translate to meaningful wealth outcomes for female borrowers. Local administrative records further indicate that in Kicukiro District, more than 57% of women entrepreneurs rely on loans below RWF 500,000, a figure insufficient for meaningful investment in productive assets or business scaling. Moreover, MIGEPROF (2023) highlights that only 27% of women-owned enterprises in urban districts report year-on-year business growth, reflecting limited transformation despite access to microcredit.

This disconnect highlights a core issue: microfinance loan accessibility has not reliably translated into sustainable wealth generation for women. Structural barriers, such as restrictive eligibility criteria, rigid collateral demands, limited support services, and inflexible repayment schedules, undermine women's ability to convert credit into enduring financial gains (Dolca & Ogoi, 2024). Despite representing over 60% of Kigali's microfinance clientele (BNR, 2023), many women report stagnant business growth, weak cash flows, and vulnerability to financial shocks. According to the Rwanda Microfinance Forum (2024), nearly 48% of loan applications submitted by women are delayed or rejected due to unmet collateral requirements, while almost 40% of active female borrowers face repayment pressure within the first three months, often due to misaligned repayment cycles relative to business cash flows. These trends reinforce the concern that the current microfinance ecosystem does not sufficiently address the unique financial realities of women-led enterprises.

The magnitude of this problem extends beyond individual livelihoods. It threatens the achievement of Sustainable Development Goals (SDGs) related to gender equality, decent work, and economic empowerment. NISR (2023) confirms that female-headed households remain 7% more likely to fall below the national poverty line, reinforcing the urgency of strengthening gender-responsive financing models. Although studies have emphasized the poverty-alleviation role of microfinance, few have critically analyzed how the structural dimensions of loan accessibility influence wealth creation among women. Prior research often concentrates on enterprise survival rather than examining deeper borrower-level outcomes such as business reinvestment, productive asset growth, and financial autonomy across generations.

From this background, this study seeks to bridge the knowledge gap by investigating how specific aspects of microfinance loan accessibility, namely eligibility criteria, support services, and flexibility in repayment terms and interest rates, affect wealth creation among women entrepreneurs in Kicukiro District. The research aims to provide actionable insights to enhance the design and delivery of inclusive financial services that truly empower women economically.

General Objective

The main objective of the study was to examine the effect of microfinance loan accessibility on wealth creation among women entrepreneurs in Kicukiro district, Rwanda.

Specific Objectives

- i. To examine the effect of the eligibility criteria for microfinance loans on wealth creation among women entrepreneurs in Kicukiro district.
- ii. To evaluate the effect of client support services on wealth creation among women entrepreneurs in Kicukiro district.
- iii. To assess the effect of the flexibility of repayment terms and interest rates on wealth creation among women entrepreneurs in Kicukiro district.

Research Hypotheses

H₀₁: Eligibility criteria for microfinance loans have no significant effect on wealth creation among women entrepreneurs in Kicukiro district.

H₀₂: Client support services provided with microfinance loans do not significantly contribute to wealth creation among women entrepreneurs in Kicukiro district.

H₀₃: The flexibility of repayment terms and interest rates does not significantly affect wealth creation among women entrepreneurs in Kicukiro district.

LITERATURE REVIEW

Theoretical Framework

This study was anchored on Modern Economic Growth Theory and Social Capital Theory. The two theories provide complementary explanations of how financial and social resources interact to influence wealth creation among women entrepreneurs. Modern Economic Growth Theory explains how access to financial capital stimulates productive investment and enterprise growth, while Social Capital Theory explains how relationships, trust, knowledge sharing, and support networks enhance the effective utilization of that capital. Together, the theories provide a unified framework for understanding how microfinance accessibility contributes to wealth creation through both financial and social pathways. Modern Economic Growth Theory was developed by Robert Solow (1956) to explain economic growth through the accumulation of capital, labor, and technological progress. Although originally formulated at the macroeconomic level, contemporary scholars have increasingly applied its principles to micro-level entrepreneurial contexts because the same mechanisms that drive national growth also operate within individual enterprises. At the enterprise level, access to financial capital enables entrepreneurs to invest in productive assets, increase operational capacity, adopt improved technologies, and expand business activities. Consequently, the theory provides a useful framework for examining how microfinance loans facilitate income growth, business expansion, asset accumulation, and household savings among women entrepreneurs.

The relevance of applying Solow's framework to microfinance studies has been demonstrated in recent empirical research. Mwangi and Kamau (2022) found that access to microcredit significantly enhanced enterprise productivity and household income among small-scale entrepreneurs in Kenya. In the context of this study, loan eligibility criteria determine the extent to which women entrepreneurs can access productive capital, while repayment flexibility influences their ability to reinvest profits and sustain business growth. Therefore, although the theory originated within macroeconomic growth analysis, its central proposition, that capital accumulation drives economic advancement, remains applicable at the microenterprise level where women entrepreneurs utilize financial resources to create wealth.

However, access to financial capital alone may not automatically translate into wealth creation. This limitation is addressed by Social Capital Theory, originally advanced by Bourdieu (1986)

and further developed by Coleman (1988) and Putnam (1993). The theory argues that social networks, trust, shared norms, and institutional relationships constitute valuable resources that facilitate access to opportunities and improve economic outcomes. Within microfinance settings, client support services such as financial literacy training, mentorship, business advisory services, group lending arrangements, and networking opportunities create social capital that strengthens entrepreneurial capacity and improves business performance. Recent studies continue to validate the relevance of Social Capital Theory in microfinance contexts. Tadesse and Mekonnen (2021) demonstrated that women entrepreneurs participating in group-based lending and mentorship programs in Ethiopia achieved higher business growth and loan repayment performance than those receiving financial services alone. The findings suggest that social relationships and knowledge-sharing mechanisms enhance entrepreneurs' ability to utilize borrowed funds effectively and sustainably.

The interaction between Modern Economic Growth Theory and Social Capital Theory provides the central theoretical lens for this study. While financial capital supplied through microfinance loans creates opportunities for investment and business expansion, social capital generated through client support services enables women entrepreneurs to transform those financial resources into tangible wealth outcomes. In essence, financial capital provides the means for growth, whereas social capital enhances the capacity to use those resources efficiently. Thus, wealth creation among women entrepreneurs is conceptualized as the outcome of a synergistic relationship between accessible financial resources and supportive social networks. This integrated perspective allows the study to comprehensively assess how loan eligibility criteria, client support services, and repayment flexibility collectively influence asset accumulation, profit growth, household savings, and enterprise expansion among women entrepreneurs in Kicukiro district, Rwanda.

Empirical Review

Loan eligibility criteria remain among the most frequently cited determinants of microfinance accessibility and subsequent wealth creation. Existing empirical evidence generally suggests that inclusive eligibility frameworks enhance access to credit, business startup opportunities, asset accumulation, and income growth among underserved populations. However, the magnitude and sustainability of these outcomes vary across contexts and institutional arrangements. Evidence from Europe indicates that social inclusion mechanisms embedded within eligibility frameworks can significantly influence financial access and performance. Chmelíková et al. (2023), using econometric analysis of 302 MFIs across Europe between 2008 and 2015, found that social capital and institutional diversity positively affected credit allocation and financial performance. These findings suggest that eligibility systems grounded in trust and community participation may broaden access to productive capital. Similarly, Mbonigaba and Vanitha (2016) demonstrated that community-based lending models in Rwanda and India adopted more inclusive eligibility structures, particularly for women and low-income borrowers, resulting in higher repayment rates and measurable poverty reduction.

The evidence from Africa generally supports the proposition that relaxed and inclusive eligibility conditions improve wealth creation opportunities. In Nigeria, Thorn-Otuya (2020) reported that broad-based eligibility requirements enabled women and youth entrepreneurs to access startup and working capital, thereby stimulating enterprise growth and employment creation. Likewise, Ingabire and Ogoi (2023) found that inclusive loan eligibility policies at COPEDU PLC facilitated business formation and asset accumulation among borrowers. Namahoro and Ruberwa (2023) similarly observed that accessible loan conditions contributed

to income growth among Zigama CSS members, with 61% of respondents reporting improved earnings. Collectively, these studies support the argument that loan eligibility criteria constitute an important gateway to wealth creation. However, they also reveal that accessibility alone may not guarantee economic success. While Ingabire and Ogoi (2023) and Thorn-Otuya (2020) emphasize the positive outcomes of broad eligibility requirements, Namahoro and Ruberwa (2023) observed that capital accessibility did not automatically translate into profitability, suggesting that other institutional and entrepreneurial factors may influence wealth outcomes after loan acquisition.

Further evidence highlights the role of borrower characteristics in shaping eligibility outcomes. Anane, Zhang, and Nie (2021) found that land ownership, literacy levels, gender, and proximity to service centers significantly influenced access to credit in Ghana. Similarly, Domanban (2024) established that demographic factors such as age and household size affected both eligibility and loan size allocation. These findings suggest that formal and informal eligibility requirements may unintentionally reinforce exclusion among vulnerable groups, thereby limiting wealth creation opportunities. Nevertheless, the existing evidence should be interpreted with caution. Most studies examining eligibility criteria, including Thorn-Otuya (2020), Ingabire and Ogoi (2023), and Domanban (2024), employed cross-sectional or descriptive designs that capture associations at a single point in time. Such approaches are useful for identifying relationships but provide limited evidence regarding the long-term causal impact of eligibility criteria on wealth creation. In contrast, the longitudinal perspective adopted by Chmelíková et al. (2023) offers stronger evidence of sustained institutional effects over time.

Contrasting perspectives are also evident in the literature. While most scholars view eligibility criteria as facilitators of economic empowerment, Pietiläinen (2019) argues that some microfinance systems may perpetuate exclusion by imposing conditions that disproportionately disadvantage the poorest borrowers. Using a critical realist approach, the study contends that eligibility mechanisms may reproduce structural inequalities rather than alleviate them. This critique challenges the dominant assumption that expanding credit access automatically leads to wealth creation and highlights the importance of examining both the inclusiveness and fairness of eligibility frameworks.

Beyond financial capital, growing evidence suggests that client support services play a critical role in determining whether microfinance loans translate into sustainable wealth creation. Training, mentorship, financial literacy programs, business advisory services, and follow-up support are increasingly viewed as complementary mechanisms that enhance borrowers' capacity to utilize credit effectively. Evidence from both developed and developing economies consistently indicates that non-financial services strengthen entrepreneurial outcomes. The European Microfinance Network and Microfinance Centre survey (Pytkowska, 2022) revealed that 76% of European MFIs provided non-financial support services alongside lending activities. Similarly, Laila (2014) found that entrepreneurship training, mentoring, and educational support significantly improved household income, asset acquisition, and food security among microfinance beneficiaries.

Studies conducted in Africa reinforce these findings. Abdi (2022) demonstrated that support services such as digital financial platforms, client outreach, and financial education contributed substantially to women's empowerment and income generation in Somalia. Likewise, Safari and Kengere (2023) found that business development support services accounted for 32.1% of wealth creation among Kagarama Umurenge SACCO clients. Mukabazaire and Rusibana

(2023) further reported significant positive relationships between financial education, collateral support services, and women's socio-economic welfare in Kigali City. These studies suggest that access to finance alone may be insufficient for sustainable wealth creation. Rather, client support services appear to facilitate the transformation of financial resources into productive investments. This interpretation aligns with findings from Asnake (2022), who observed that inadequate training and monitoring often resulted in loan diversion toward consumption rather than business investment. Consequently, borrowers receiving both financial and advisory support were more likely to achieve sustainable economic gains than those receiving credit alone.

Despite broad agreement regarding the importance of support services, some scholars question the extent to which these interventions genuinely empower clients. Mishra, Rathore, Pandey, Singh, and Katiyar (2024) argue that many support programs remain inadequate in addressing persistent challenges such as over-indebtedness and weak financial literacy. Similarly, Pietiläinen (2019) contends that certain empowerment initiatives merely reinforce dependency relationships between borrowers and institutions rather than fostering genuine autonomy. Methodological differences also contribute to variations in findings. Studies reporting strong positive effects, such as Safari and Kengere (2023) and Mukabazaire and Rusibana (2023), primarily utilized cross-sectional survey designs. Although these studies establish significant associations, they do not conclusively demonstrate whether support services generate long-term wealth accumulation. In contrast, Laila's (2014) use of panel data and fixed-effects analysis provides stronger evidence of sustained impacts over time. Consequently, while the literature generally supports the contribution of client support services to wealth creation, further longitudinal studies are needed to confirm their enduring effects.

The literature increasingly recognizes repayment structures and interest rate policies as critical determinants of whether microfinance loans generate sustainable wealth creation. While access to credit provides initial financial capital, repayment conditions influence borrowers' capacity to retain profits, reinvest earnings, and expand enterprises. A substantial body of evidence suggests that flexible repayment arrangements enhance entrepreneurial outcomes. Chmelíková et al. (2023) found that MFIs operating within environments characterized by strong trust networks experienced improved repayment performance and financial sustainability. Similarly, Mbonigaba and Vanitha (2016) observed that community-based repayment systems incorporating group accountability and rotational repayment schedules improved wealth indicators and reduced default risks.

Studies conducted in developing countries generally support these findings. Asnake (2022) reported that rigid repayment schedules in Ethiopia frequently conflicted with agricultural income cycles, thereby increasing default risks and reducing wealth creation opportunities. Likewise, Domanban (2024) found that high interest rates constrained loan sizes and limited borrowers' capacity to invest in profitable ventures. Ampah, Ambrose, Omagwa, and Frimpong (2017) similarly concluded that manageable repayment terms positively influenced income growth and asset acquisition, although the magnitude of the effect was relatively modest. However, the literature is not unanimous regarding the relative importance of repayment flexibility. While studies such as Asnake (2022) and Domanban (2024) portray repayment structures as a central determinant of wealth creation, Ingabire and Ogoi (2023) and Namahoro and Ruberwa (2023) place greater emphasis on initial credit accessibility. This divergence suggests that wealth creation may depend on the interaction between access conditions and repayment arrangements rather than either factor operating independently.

The evidence also highlights the risks associated with poorly designed repayment systems. Mishra et al. (2024) identify over-indebtedness as a persistent challenge arising from rigid repayment schedules and high effective interest rates. Pietiläinen (2019) extends this critique by arguing that coercive repayment enforcement mechanisms can undermine the developmental objectives of microfinance and entrench borrower vulnerability. Methodological considerations further influence interpretation of these findings. Scholars, Mrindoko and Pastory (2022) acknowledged that their cross-sectional design could not adequately capture the long-term effects of repayment flexibility on household welfare. Similarly, several studies examining repayment structures rely on descriptive or correlational analyses, which limit causal conclusions. By contrast, Laila's (2014) multi-country analysis involving 490 MFIs provides stronger evidence that transparent and flexible repayment terms contribute to improved borrower outcomes over time.

Conceptual Framework

Independent Variables

Microfinance Loan Accessibility

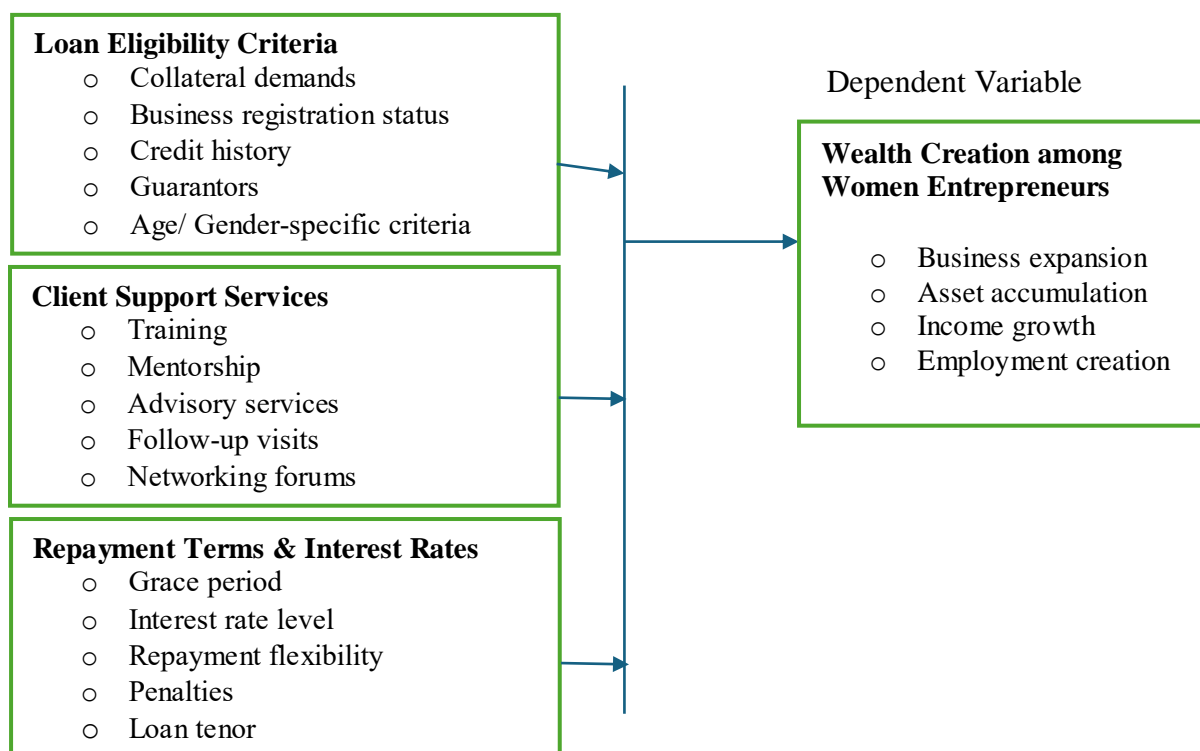


Figure 1: Conceptual Framework

Source: Researcher (2026)

METHODOLOGY

This study adopted a descriptive survey design using a mixed-methods approach to investigate the effect of microfinance loan accessibility on wealth creation among women entrepreneurs in Kicukiro district, Rwanda. The target population included 126 individuals involved in microfinance loan provision, from which a representative sample of 96 was drawn using the Slovin's formula. A combination of purposive and simple random sampling techniques was applied to ensure the inclusion of key informants. Data were collected through self-administered questionnaires and semi-structured interviews. Instrument reliability was

confirmed using Cronbach’s Alpha ($\alpha = 0.7251$), and validity was ensured through expert reviews and triangulation. Quantitative data were analyzed using descriptive and inferential statistics (SPSS version 30), while qualitative data were subjected to thematic analysis. Ethical considerations included informed consent, confidentiality, and voluntary participation.

FINDINGS AND DISCUSSION

The study achieved a high response rate of 100% ($n = 96$), indicating full participation and high reliability of the findings. Demographic analysis revealed that majority of respondents were aged between 35–44 years (56.3%), signifying a mature and economically active group. Most were married (45.8%) or widowed (45.8%), indicating that microfinance services support both household heads and self-reliant women. Educationally, 68.8% had attained secondary education, reflecting moderate literacy levels essential for business management. Manufacturing businesses dominated (72.9%), suggesting that microfinance financing is particularly vital in production-based enterprises.

Quantitative findings were primarily derived from descriptive statistics, correlation analysis, and multiple regression models, providing insights into the relationships between independent and dependent variables. Descriptive statistics revealed strong agreement among respondents that loan eligibility criteria, client support services, and repayment flexibility significantly affect wealth creation, with overall mean values of 4.62, 4.52, and 4.21 respectively, while inferential statistics, including correlations and regression coefficients, assess the significance and strength of these relationships.

Table 1: Descriptive Statistics for Loan Eligibility Criteria Items

Statements	SD	D	N	A	SA	Mean	S.D
High collateral requirements made it hard for me to qualify for a loan.	1 (1.0%)	2 (2.1%)	1 (1.0%)	13 (13.5%)	79 (82.3%)	4.74	0.684
My business registration was a requirement for loan approval.	1 (1.0%)	1 (1.0%)	1 (1.0%)	33 (34.4%)	60 (62.5%)	4.56	0.678
My past credit history affected my loan eligibility positively or negatively.	-	2 (2.1%)	1 (1.0%)	25 (26.0%)	68 (70.8%)	4.66	0.613
The requirement to bring a guarantor limited my access to credit.	-	1 (1.0%)	1 (1.0%)	44 (45.8%)	50 (52.1%)	4.49	0.580
Young or unmarried women are often discouraged from applying for loans.	-	1 (1.0%)	1 (1.0%)	29 (30.2%)	65 (67.7%)	4.65	0.562
Overall Mean						4.62	

Key: 1= strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= strongly Agree, S.D= standard deviation.

Source: *Research Findings (2026)*

The results in Table 1 reveal that respondents generally agreed that loan eligibility criteria significantly affected their access to microfinance services, with an overall mean of 4.62 (SD

= 0.63), indicating high agreement and low variability in responses. The statement “High collateral requirements made it hard for me to qualify for a loan” had the highest mean ($M = 4.74$, $SD = 0.684$), suggesting that collateral demands remain a major obstacle for women entrepreneurs seeking financial support. This resonates with Ingabire and Ogoi (2023), who found that 71% of microfinance clients in Rwanda faced collateral-related challenges that limited credit access despite viable business proposals.

The study also found that business registration and credit history ($M = 4.56$ and $M = 4.66$, respectively) positively or negatively influenced eligibility outcomes. These findings are consistent with Domanban (2024), who reported that 68% of loan applicants with formal registration were more likely to receive credit, while poor credit histories led to smaller loan sizes or rejections. Additionally, the perception that young or unmarried women are discouraged from applying for loans ($M = 4.65$, $SD = 0.562$) points to persistent gender biases in credit screening, a phenomenon similarly highlighted by Thom-Otuya (2020), who noted that youth and unmarried women in Nigeria were often marginalized despite having entrepreneurial competence. Comparatively, the overall agreement level ($M = 4.62$) in this study is numerically close to findings by Namahoro and Ruberwa (2023), who reported a mean score of 4.58 in their study on eligibility constraints at Zigama CSS. Both studies indicate that while MFIs promote inclusion, structural barriers like collateral, guarantor requirements, and gender stereotypes still curtail women’s wealth-creation potential.

Table 2: Correlation between Loan Eligibility Criteria and Wealth Creation

		Business expansion	Asset accumulation	Income generation	Employment creation	Financial stability
Loan Eligibility Criteria	Pearson Correlation	.676**	.664**	.624**	.560**	.578**
	Sig. (2-tailed)	<.001	<.001	<.001	<.001	<.001
	N	96	96	96	96	96

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Research Findings (2026)

The results in Table 2 show strong positive and statistically significant correlations between loan eligibility criteria and all dimensions of wealth creation ($r = .560-.676$, $p < .001$). The highest correlation was observed with business expansion ($r = .676$), followed by asset accumulation ($r = .664$) and income generation ($r = .624$). These results imply that more inclusive and flexible eligibility conditions significantly enhance women’s capacity to grow businesses, accumulate assets, and generate income. This finding aligns with Ingabire and Ogoi (2023), who found a similar positive correlation ($r = .648$, $p < .001$) between accessible eligibility criteria and income improvement among 6,228 COPEDU PLC clients in Rwanda. Namahoro and Ruberwa (2023) reported a strong association ($r = .670$, $p < .01$) between loan accessibility and household wealth, emphasizing that easing eligibility conditions increases women’s economic participation.

Table 3: Descriptive Statistics for Client Support Services Items

Statements	SD	D	N	A	SA	Mean	S.D
I received basic training in financial literacy or business skills from microfinance institutions.	-	-	3 (3.1%)	21 (21.9%)	72 (75.0%)	4.69	0.638
Mentorship services from microfinance institutions have improved how I manage my enterprise.	1 (1.0%)	2 (2.1%)	1 (1.0%)	37 (38.5%)	55 (57.3%)	4.49	0.725
Advisory support is available whenever I face challenges in my business operations.	1 (1.0%)	1 (1.0%)	2 (2.1%)	37 (38.5%)	55 (57.3%)	4.50	0.696
Regular follow-up visits by loan officers helped me manage the loan effectively.	-	1 (1.0%)	2 (2.1%)	36 (37.5%)	57 (59.4%)	4.55	0.596
Through microfinance institutions' networking forums or events, I have gained new customers or partners.	-	1 (1.0%)	-	39 (40.6%)	56 (58.3%)	4.56	0.558
Overall Mean						4.52	

Source: Research Findings (2026)

Descriptive statistics in Table 3 show a high overall mean ($M = 4.52$, $SD = 0.64$), indicating strong agreement that client support services offered by MFIs enhance women's wealth creation. The most influential element was financial literacy and business skills training ($M = 4.69$, $SD = 0.638$), reflecting the value of capacity-building programs. This is aligned with Kinshuk (2020), whose regression results ($R^2 = 0.482$, $p < 0.05$) demonstrated a strong positive relationship between financial literacy and business performance among microfinance clients. These findings align with Safari and Kengere (2023), who found that 32.1% of wealth creation variation among women in Kicukiro was attributable to non-financial support services. The near-identical mean score ($M = 4.52$) in this study further corroborates their conclusion that support services amplify the impact of financial credit. The high ratings for mentorship ($M = 4.49$) and advisory support ($M = 4.50$) suggest that these non-financial inputs play a critical role in enhancing loan utilization efficiency. Laila (2014) confirmed similar outcomes, noting that microfinance clients receiving mentorship demonstrated 23% higher income growth than those without. Furthermore, Abdi (2022) found that integrated client support frameworks contributed to sustainable livelihood improvements in Somalia's emerging MFI sector.

Table 4: Correlation between Client Support Services and Wealth Creation

		Business expansion	Asset accumulation	Income generation	Employment creation	Financial stability
Client Support Services	Pearson Correlation	.579**	.585**	.561**	.387**	.542**
	Sig. (2-tailed)	<.001	<.001	<.001	<.001	<.001
	N	96	96	96	96	96

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Research Findings (2026)

As shown in Table 4, client support services exhibit moderate to strong positive correlations with wealth creation dimensions ($r = .387-.585$, $p < .001$). The strongest relationships appear

with asset accumulation ($r = .585$) and business expansion ($r = .579$), suggesting that non-financial support such as training, mentorship, and advisory services substantially improve women’s business management and wealth accumulation potential. This outcome aligns with Safari and Kengere (2023), who reported a similar positive relationship ($r = .565$, $p < .01$) between non-financial services and women’s wealth creation in Kicukiro SACCOs. Their regression model ($R^2 = 0.321$) showed that about 32.1% of variations in wealth creation were explained by client support. Furthermore, Kinshuk (2020) found a strong positive correlation ($r = .603$, $p < .05$) between financial literacy training and microenterprise performance, emphasizing that such training enhances capital reinvestment and loan repayment discipline.

Table 5: Descriptive Statistics for Repayment Terms and Interest

Statements	SD	D	N	A	SA	Mean	S.D
I was offered a grace period before starting loan repayment.	-	-	3 (3.1%)	18 (18.8%)	75 (78.1%)	4.27	0.777
The interest rate was fair and allowed my business to grow.	-	2 (2.1%)	1 (1.0%)	29 (30.2%)	64 (66.7%)	4.26	0.746
I was allowed to propose a repayment schedule based on my income cycles.	-	2 (2.1%)	1 (1.0%)	30 (31.3%)	63 (65.6%)	4.18	0.743
Penalties for late payments made it harder to manage my business finances.	-	1 (1.0%)	1 (1.0%)	43 (44.8%)	50 (52.1%)	4.09	0.676
The loan term was long enough to reinvest and expand my business before repaying in full.	-	1 (1.0%)	2 (2.1%)	28 (29.2%)	65 (67.7%)	4.27	0.679
Overall Mean						4.21	

Source: Research Findings (2026)

The findings in Table 5 demonstrate that respondents largely agreed that flexible repayment terms and fair interest rates influence wealth creation (overall $M = 4.21$, $SD = 0.72$). The highest-rated items were the grace period before repayment ($M = 4.27$) and loan term adequacy ($M = 4.27$), suggesting that temporal flexibility is critical in allowing entrepreneurs to stabilize operations before repayment obligations begin. These results closely align with Mrindoko and Pastory (2022), who reported that flexible repayment schedules enhanced enterprise sustainability among Tanzanian women entrepreneurs, explaining 41.2% of variance in income growth. Similarly, Laila (2014) found that flexible repayment models increased loan utilization efficiency by 36%, leading to sustained wealth creation. Comparable findings by Shimusenge (2024) in Rwanda also support this observation. His study of Equity Bank Rwanda Plc demonstrated that efficient loan management systems, with a 95% recovery rate, coincided with increased profitability and customer satisfaction, underscoring the institutional and client-level benefits of well-structured repayment models.

Table 6: Correlation between Payment Terms and Interest and Wealth Creation

		Business expansion	Asset accumulation	Income generation	Employment creation	Financial stability
Repayment terms and rates	Pearson Correlation	.542**	.495**	.514**	.461**	.543**
	Sig. (2-tailed)	<.001	<.001	<.001	<.001	<.001
	N	96	96	96	96	96

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Research Findings (2026)

The correlation analysis in Table 6 indicates positive and statistically significant associations ($r = .461-.543$, $p < .001$) between repayment terms and all indicators of wealth creation. The strongest relationships were with financial stability ($r = .543$) and business expansion ($r = .542$), implying that flexible repayment schedules and fair interest rates foster consistent income streams and enterprise growth. These findings closely mirror those of Mrindoko and Pastory (2022), who reported $r = .526$ ($p < .01$) between repayment flexibility and enterprise stability among Tanzanian entrepreneurs. Similarly, Sun and Liang (2021) found a statistically significant inverse relationship between high interest rates and wealth creation ($r = -.47$, $p < .05$), demonstrating that affordability drives sustainable financial inclusion. Moreover, Laila (2014) reported that MFIs with adaptive repayment models achieved 33% higher income growth and 26% better repayment discipline. In Rwanda, Shimusenge (2024) observed that efficient loan management, marked by flexible repayment and fair rates, was linked with a 95% recovery rate and tripled profitability at Equity Bank Rwanda. The comparable correlation magnitudes in the present study ($r = .542$ and $.543$) affirm that repayment structure flexibility significantly shapes borrowers' financial stability and capacity to reinvest profits.

Table 7: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.807a	.652	.641	.2842	
2	.807b	.651	.644	.2829	1.722

a. Predictors: (Constant), Repayment terms and rates, Client Support Services, Loan Eligibility Criteria
 b. Predictors: (Constant), Client Support Services, Loan Eligibility Criteria
 c. Dependent Variable: Wealth Creation Outcomes

Source: Research Findings (2026)

The regression model results in Table 7 show a high regression coefficient ($R = .807$) and a coefficient of determination ($R^2 = .652$), indicating that 65.2% of variations in wealth creation are explained by loan eligibility criteria, client support services, and repayment terms combined. The Durbin-Watson statistic (1.722) falls within the acceptable range (1.5–2.5), signifying no autocorrelation and confirming model robustness. Comparable studies, such as Safari and Kengere (2023) showed $R^2 = 0.621$ and Namahoro and Ruberwa (2023) with $R^2 = 0.648$, report similar explanatory power, underscoring that these microfinance dimensions collectively drive a substantial portion of wealth creation variation. Laila (2014) found $R^2 = 0.647$ in global models linking non-financial microfinance services to income and asset growth, reinforcing the consistency of the present results with established empirical evidence.

Table 8: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.636	.316		2.009	.047
	Client Support Services	.232	.101	.223	2.289	.004
	Loan Eligibility Criteria	.675	.111	.664	6.058	<.001
	Repayment terms and rates	.241	.109	.240	2.375	.007

a. Dependent Variable: Wealth Creation Outcomes

Source: Research Findings (2026)

The regression coefficients in Table 8 reveal that all three predictors significantly contribute to wealth creation. Loan eligibility criteria have the greatest influence ($\beta = 0.664$, $t = 6.058$, $p < .001$), followed by repayment terms and rates ($\beta = 0.240$, $t = 2.375$, $p = .007$) and client support services ($\beta = 0.223$, $t = 2.289$, $p = .004$). Substituting the coefficients from the study results in Model equation:

$$\text{Wealth Creation} = 0.636 + 0.675(\text{loan eligibility criteria}) + 0.232(\text{client support services}) + 0.241(\text{payment terms and rates}) + \varepsilon$$

This model indicates that when all predictors are held constant, the baseline wealth creation value is 0.636. Among the predictors, loan eligibility criteria ($\beta = 0.675$, $p < 0.001$) exhibited the highest contribution, followed by repayment terms and rates ($\beta = 0.241$, $p = 0.007$) and client support services ($\beta = 0.232$, $p = 0.004$).

Conclusion

The study concludes that microfinance institutions play a pivotal role in empowering women entrepreneurs through accessible financial services. The analysis confirmed that flexible eligibility criteria, strong client support services, and fair repayment terms are fundamental in promoting women's economic growth and financial independence. The regression model: $\text{Wealth Creation} = 0.636 + 0.675X_1 + 0.232X_2 + 0.241X_3 + \varepsilon$ demonstrated that all predictors significantly contribute to wealth creation, with eligibility criteria emerging as the most influential factor, followed by loan repayment terms and interest rates, and last influential factor is client support services.

Policy Recommendations

- Policymakers at BNR, MINICOM, and MIGEPROF should strengthen policies that mandate MFIs to adopt inclusive and equitable lending frameworks that reduce collateral discrimination and gender bias.
- Government should scale up credit guarantee mechanisms to support women entrepreneurs who lack conventional collateral, thereby increasing access to growth-oriented financing.
- BNR and sector regulators should develop national guidelines requiring MFIs to apply flexible, income-cycle-aligned repayment models, especially for seasonal businesses.
- Government agencies should strengthen the monitoring of microfinance practices to ensure alignment with national gender-inclusion goals and to track borrower-level wealth creation outcomes.

- MINICOM should simplify business registration processes and reduce associated costs to encourage women operating informally to formalize, which enhances eligibility for microfinance loans.

Suggestions for Further Study

While this study has contributed valuable insights into the link between microfinance loan accessibility and wealth creation, further research is recommended to expand knowledge in this domain:

Future studies should explore how mobile lending, digital wallets, and fintech solutions influence access, cost, and utilization of microcredit.

Conduct comparative studies between rural and urban districts. This will help determine contextual differences in barriers, opportunities, and outcomes of microfinance access among women entrepreneurs.

Examine the moderating effect of financial literacy on loan accessibility and wealth creation. Understanding this relationship will highlight how knowledge and skills shape credit use and long-term financial outcomes.

Undertake longitudinal studies to assess sustainability of wealth creation. Long-term research should evaluate whether wealth creation achieved through microfinance is sustained over time and identify the factors that enhance or hinder durability.

Explore behavioural and socio-cultural factors influencing women's loan utilization. These aspects may provide deeper insights into how personal beliefs, gender norms, and household dynamics affect wealth creation outcomes.

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