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DOES FINANCIAL LITERACY EMPOWER WOMEN IN KILIFI COUNTY?

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ABSTRACT

The primary goals of the research are to make the loans to the women of Kilifi County affordable, the availability of the no-collateral Credits, to promote the financial literacy and to provide the facilities of the extended repayment periods to motivate the empowerment of the women in Kilifi. Three theoretical frameworks are used in the research. The survey research design that would be adopted was descriptive in nature, where the relationships between the financial inclusion strategies and the outcomes of women empowerment was evaluated in a systematic manner. The design is suitable in the study of perceptions, experiences and quantifiable results among the participants in the various socioeconomic backgrounds. The research population was comprised of all women estimated to be 749,673 years and above of the total population of women entrepreneurs of the savings and credit cooperative societies (Sacco's), women in informal businesses and women participating in the microfinance programs in the Kilifi County. The researcher will thus only sample 384 out of the entire population to make sure that the sample represents a combination of stratified and simple random sampling, was used to sample various sub-groups of the target population. Quantitative information about access to financial services, financial literacy levels, loan use, and indicators of empowerment was collected through the use of structured questionnaires. Moreover, qualitative information through semi-structured interview guides will also be obtained to help gain insight into the key informants including microfinance officers, Sacco managers, and community leaders. Analysis of the data will then be done through quantitative and qualitative tools. Interpretation of qualitative data was done using thematic content analysis of qualitative data (interviews) and this will enable triangulation and deeper interpretation of women lived experiences. This aids in the realization of how customized financial inclusion interventions can be exploited to ensure economic empowerment of women in the Kilifi County. It provides viable lessons to policy makers, financial institutions and development partners who are determined to have gender-responsive financial reforms. Since the access of women to financial services leads to inclusive growth and sustainable development, and this study places the ideals in the daily experiences of women in the Kilifi County. The findings revealed that the collateral-free credit was found to be contributing positively to economic empowerment of women, with moderate impact on businesses growth. Fewer than a quarter (28.2%) felt that collateral-free loans helped them to start or grow their businesses, and 63.0% felt that collateral-free credit helped their economic situation. The chi-square test showed that there was a significant association between collateral-free credits and women empowerment ($\chi^2 = 337.963$, $df = 8$, $p = .006$). Financial institutions should offer women loans at low and flexible interest rates, and streamline the process for women to apply for loans so that they can be more easily obtained, especially by women with less financial means.

Key Words: *Financial Literacy, Women Empowerment*

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INTRODUCTION

Financial inclusion is a global financial policy that is embedded in the international development discourse as one of the strategies that are not only to develop economically, alleviate poverty, and create employment opportunities, but also to empower women as agents of development of their own. The overview of financial inclusion by the World Bank highlights the importance of financial services access in empowering women with their voice in making decisions that concern them and the gender disparities in financial access, facilitating wider social and economic equality. Some global power brokers such as the Consultative Group to Assist the Poor (CGAP) promote financial inclusion approaches in which there is clear effort to mitigate systemic gender barriers. Their activity is aimed at doing more than access to meaningful use, creating toolkits that regulators can use to develop gender-sensitive policies, and developing international partnerships like FinEquity to exchange best practices and speed up the process of financial empowerment of women. Equally, the global network, Women's World Banking, makes policy imperatives that involve the women having control over their financial accounts, access to safety net such as insurance, and reforms in discriminatory laws. These global policies specifically incorporate gender equity as part of the financial inclusion policies, which present financial inclusion as a policy instrument of women agency and social engagement. The evidence provided by Ethiopia is that intentional inclusion policies, such as enlarged account ownership, mobile money usage and formal access to credit, result in positive and statistically significant impacts on the economic empowerment outcomes of women.

Financial inclusion policies in Africa are also being increasingly positioned in regional development agendas like Africa Agenda 2063 and organized via knowledge-sharing communities like the African Financial Inclusion Policy Initiative (AfPI) under the Alliance for Financial Inclusion. AfPI assists member countries in coming up with progressive policy frameworks and peer learning on inclusive financial systems including gender-responsive policy design. Practice also underscores such projects as FinEquity Africa, the gathering of practitioners and stakeholders to focus on women accessing and using finance in the continent. These regional communities of practice provide context-specific information on how financial inclusion practices can be made to fit in different socio-economic settings such as rural markets and informal sectors where women tend to dominate. Continental level transformative strategies focus on digital finance innovations - mobile money, mobile wallets, and agent banking - that can bypass the old barriers of exclusion. The literature illuminates the potential of such innovations in opening up financial access and involvement of women and allowing women to grow entrepreneurial, household, and bargaining power. Therefore, regionally in Africa, the conceptualization of financial inclusion strategies is not based on isolated credit programs but rather on multi-layered programs that intertwine the public policy, institutional reforms, market innovations and community based programs to empower women economically in diverse socio-cultural environments.

Kenya is used as a premier example of digitally empowered innovative financial inclusion. National Financial Inclusion Strategy (NFIS) 20252028 of Kenya states that financial inclusion would have the goal of intensifying access to quality services, enhancing financial literacy, and enhancing consumer protection with specific focus on underserved groups such as women, youth, and MSMEs. One of the key elements of this national strategy is the Women Entrepreneurs Finance Code that was introduced with the NFIS and aims at bridging financing gaps of women-owned businesses by enhancing data collection, regulatory requirements, and policies. These national strategies are quite pertinent to your study since they give the policy space and institutional platforms upon which the implementation in Kilifi County occurs. They describe the manner in which financial inclusion should be provided, tracked, and measured - and these are the explanatory variables in policy to women empowerment indicators studies. Informal savings groups (chamas) are one type of community-based financial inclusion at the local level that most communities use to empower women economically, usually before formal strategies, which allows many women to pool resources, invest in small businesses, and gain social capital, all of which are connected to economic empowerment. The empirical literature on Kenyan settings (e.g., Nairobi, Isiolo) indicates that interventions that directly focus on the

financial literacy of women, access to accounts, and credit access have a beneficial impact on the involvement of women in economic activities.

Women Empowerment

At the international level, the concept of women empowerment is most broadly conceived in the development theoretical framework and practice as the process whereby women develop the capacity and power to make strategic life-related decisions in situations where such a capacity was not available. This definition is based on the seminal contribution of Naila Kabeer and has been taken up by institutions like the World Bank and United Nations who define empowerment as a process of agency change, a change in access to resources, and change in decision-making as opposed to a mere state. Women empowerment is the process of embracing the economic, social, and political aspect, such as the earning of a living, control of resources, involvement in the decision making process of the household and society, and control over self life. Indicatively, a literature review records that empowerment is a process of empowering women to gain control over their lives, making choices, and taking an active part in all sectors of the society, focusing on economic, social and political levels. At the international policy level, Sustainable Development Goal 5 (SDG 5) Achieve gender equality and empower all women and girls is an example of how empowerment is conceptualized as a global agenda with specific indicators like equal access to economic resources and political representation and freedom of discrimination and violence. Due to the multidimensionality of empowerment, global researchers operate with such indices as the Gender Empowerment Measure (GEM) and the Women Economic Opportunity Index to measure the elements of female empowerment in different countries by gauging the relative economic participation, leadership, and access to opportunities.

In Africa, empowerment is usually understood as the ability of women to transcend structural constraints that are created by cultural, social and economic differences. The efforts in the continent realise that women empowerment should not just focus on legal rights on paper, but rather the real socio-economic involvement and control in decision making at the household and community level. According to the UNESCO, women empowerment in Africa is the improvement of the social, economic and political status of women to eliminate gender inequality and increase the power of women in every aspect of life. African Union Agenda 2063 and regional gender strategies - are to incorporate empowerment as a fundamental outcome of inclusive development, particularly rural women and the informal economic sector. Despite the difference in indicators by multinational indices and studies, some of the common themes are access to education, availability of economic resources, involvement in governance and mitigation of discriminatory practices.

In Kenya, there has been a physical policy and measurement of women empowerment at the local level. The national statistics projects like Kenya Women Empowerment Index are an organised attempt to monitor women economic and social empowerment changes over time by referring to empowerment as an aggregate of indicators like economic participation, power to make decisions, access to education and information, and non-discrimination. In Kenyan research literature (e.g., the analysis of the 2022 Kenya Demographic and Health Survey), the conceptualization of empowerment is based on the individual, economic, and socio-cultural levels. As an example, personal empowerment can be the capacity of a woman to choose whether or not to have her own health or her own movement; economic empowerment can be the fact that a woman can make a choice regarding income, assets and work; and social-cultural empowerment is the possibility to receive information and be involved in the life of the community. Due to high levels of socio-economic inequality and structural inequalities, including low access to education, infrastructure, and formal financial services, women empowerment as a dependent factor contributes to contextualising how financial inclusion interventions, e.g., micro-lending, savings, and digital finance, can change women economic independence, decision-making, and social engagement in general.

Kilifi County

Kilifi County is a coastal county in Kenya, which is a result of the 2010 constitutional devolution exercise, with its capital at Kilifi and its largest town at Malindi. Kilifi County officially had a population of 1,453,787 individuals by the census of 2019 and covers an area of approximately 12,245.9 km 2. It is mainly an agricultural nation with tourism and small-scale industry as its main economy, with mixed results in terms of growth indicators. The demographic setting of Kilifi is characterized by the mixed population with various ethnicity and a bit more female than male. This demographic profile is applicable since access to socio-economic opportunities by women in the county is influenced by the social norms, access to education, employment opportunities and the cultural practices. In the academic context, these attributes belong to the social and economic context that influences the participation of women in financial systems and gaining empowerment. The indicators used to measure women empowerment are normally independent economic, decision-making, access to financial services (e.g. credit, savings, microinsurance), and economic participation.

The case of microfinance and financial services in Kilifi, in studies, has established that micro-credit, savings as well as financial literacy training have a significant impact on the economic activities of women in the county.

The socio-economic issues affecting Kilifi County, including income inequality, lack of access to education and financial services, and gender norms, contribute to it becoming a severe case to analyse the empowerment of women through financial inclusion. According to the research carried out in the area, women in Kilifi are faced with socio-economic and cultural challenges, which limit access to education, healthcare, and economic opportunities; the systematic barriers shape the way efforts to increase financial inclusion will lead to empowerment results.

Consequently, Kilifi County is an appropriate dependent setting since the level of women empowerment quantified in the study is predetermined by the socio-economic environment of the county and reactions to the implementation of the financial inclusion strategies. The results are not only a gender and economic interaction in Kilifi but also contribute to the general policy discussions about women empowerment by means of inclusive financial systems. The dependent variable within the research topic about the strategies of financial inclusion and women empowerment in the Kilifi County, Kenya is the Kilifi County as the measurement of the outcomes of women empowerment, which are determined by their financial inclusion strategies. The socio-economic and demographic factors in the county influence how women can access the financial inclusion models, and thus the empowerment of women in Kilifi is a contextual determinant and a financial inclusion program. The focus on making Kilifi the dependent setting, the study brings to the fore the impacts of local realities on the outcomes of empowerment, which in turn brings significant contributions to both the academic knowledge and the practical policy development.

Statement of the Problem

Even though the government agencies, non-governmental organizations, and financial institutions have made several efforts to encourage women to be financially included, a significant number of women in the Kilifi County continue to experience significant challenges in accessing financial services. These issues encompass socio-cultural practices that restrict the financial involvement of women, financial illiteracy, a cheap loan, a lengthy payback time on loans borrowed, inaccessibility to formal banking facilities, and financial limitations in the form of low income and unsecured collateral. This has compelled several women to cling on informal financial systems, which are in most cases unreliable and risky, hence restricting their capacity to develop sustainable livelihoods or expand businesses.

According to national statistics, Kenya has recorded high financial inclusion rate of approximately 84.8 with women constituting 84.1 percent of the total included. Nevertheless, this perceived equality conceals more

fundamental structural inequalities because access is not always translated into any meaningful usage or empowerment results. Kenyans are only 18.3 percent financially healthy implying that most of the Kenyans including women find it difficult to make good use of financial services in long term economic development.

In the rural setting like the Kilifi County, women are still subjected to multidimensional factors which restrict financial engagement. Empirical data reveals that despite the fact that 94 percent of rural women view digital financial services as helpful; only 12 percent of them feel secure using them and a major 77 percent of them have not received formal financial training. This shows one of the most important disconnects between access and capability, in which women have their financial literacy, trust, and confidence greatly limiting their engagement with accessible financial systems. These restrictions play down the empowering potential of financial inclusion as an empowerment instrument.

Moreover, the credit disparity according to gender is still an issue. Research indicates that women in Kenya face more challenges trying to obtain loans, the lending terms are usually more stringent and difficult to access than those facing men. It is worth mentioning that approximately 64 percent of women complain that they have difficulties in accessing financial services, which limits them to invest in income-generating activities and better their lives. This is further worsened by cultural and social norms which restrict the involvement of women in making financial decisions and in other economic processes thus continuing the poverty and dependency traps.

The situation is even worse at the county level. Studies done in Kilifi County reveal that women-owned businesses are not performing well and out of the women-owned businesses, more than 36.7 percent of businesses are closed within five years and 45 percent of women in businesses are recording losses. Such statistics show that financial literacy and lack of proper support systems are a major impediment to the success of women as entrepreneurs and their economic empowerment.

The issue, thus, is that the current financial inclusion plans which are being applied in Kilifi County are possibly not properly addressing the needs and barriers that women have. Such strategies might not be sensitive to the local socio-economic and cultural environment and thus they would not be very effective in empowering women economically. This financial marginalization does not just limit the access of women to credit, savings, insurance and other financial products but also contributes to their economic vulnerability, dependence and marginalization both at the household and community level.

The study aims at discussing the financial inclusion initiatives that have been undertaken in Kilifi County and evaluating their impact in enabling women economically and socially. The study was conducted by analysing the experiences of women who can access and use financial services, to determine the best practices and the areas of improvement.

LITERATURE REVIEW

Empirical Literature

Financial Literacy and Women Empowerment

Financial literacy refers to the skills of comprehending and using financial knowledge like budgeting, saving, credit, and use of online financial services. Financial literacy is important since it can help women not only access financial services but also use them effectively and efficiently, making sound decisions on how to enhance the welfare of the household and entrepreneurial performance. Increasingly, scholars are becoming more conscious of the fact that the fruits of inclusion, including access to credit or bank accounts, may not yield a tangible impact on empowerment without the necessary financial knowledge and skills.

The facts in Kenya show that financial literacy plays a major role in promoting financial inclusion as well as economic empowerment of women. A recent study conducted at the county level in Kilifi County examined

the connection between financial literacy and financial performance of women enterprises. Gachiri (2024) established that awareness of budgeting, debt management, savings, and bookkeeping had a substantial effect on the performance of women-owned enterprises in Kilifi in terms of financial performance. The research found positive correlations of these literacy skills with business performance to be strong and positive indicating that financially literate women are in a better position to manage resources, monitor performance and eventually enhance profitability. This fact highlights the fact that financial literacy enhances the ability of women entrepreneurs to convert inclusion into economic empowerment.

The objective is further supported by the fact that other parts of Kenya have been researched and this is a common theme. Indicatively, Riro, Musau, and Njoka (2024) investigated the microfinance services and the financial literacy of women who are members of microfinance banks in Kenya. They discovered that financial literacy had a direct positive impact on financial health of women and also mediated the positive impacts of other financial inclusion measures like micro-credit and micro-savings. That is, women who are more financially literate could use financial services better to increase their economic welfare. This implies that financial literacy increases the efficacy of inclusion strategies because women are empowered to comprehend and apply financial products in a more strategic manner.

Some research also shows that financial literacy may be used to enhance the engagement of women in financial systems. Though not directly done in the Kilifi County, research by Mwaro, Mutea, and Mugambi (2025) in Isiolo County indicates that financial literacy has a positive relationship with the participation of women to formal financial services, such as savings accounts and borrowing. The authors indicated that growth in financial literacy was associated with large growths in financial inclusion outcomes, which indicates that knowledge and skills are precursors of women being able to interact with financial institutions and financial products with confidence.

The effects of financial literacy on empowerment are also justified by the literature at the national level that presents the fact that financially literate women exhibit better decision-making, resilience, and business sustainability. As an example, Gichuru (2025) established that financial literacy in women entrepreneurs in Kenya had a significant positive impact on debt management and strategic investment skills, which resulted in more sustainable businesses. The findings support the point of view that financial literacy is not merely a by-product, but a desired goal of financial inclusion policies that are targeted to empower women economically.

Together, these studies serve to depict that financial literacy is an objective that is quantifiable and effective in the financial inclusion studies especially in how it empowers women. Instead of the easy access to financial services, the intervention that incorporates financial education can enable women to make informed decisions, utilize financial products efficiently, and develop a long-term economic resilience. Therefore, according to empirical literature, the financial literacy should be included as one of the primary goals in research about financial inclusion policies and female empowerment in Kilifi County and other similar situations. Lusardi, A. & Mitchell, O. S. (2014)

Theoretical Framework

Financial Inclusion Theory

According to Financial Inclusion Theory, the access to services that cover all aspects of finance such as savings, credit, payment systems, insurance, and digital services can alleviate poverty and increase economic inclusion, especially among the marginalized populations such as women. This theory stresses on the fact that inclusion is not only the availability of financial accounts but also the efficient utilization of cheap and relevant financial products that fulfill the needs of the users. Financial inclusion is as such a process and outcome that improves economic opportunities and economic resilience of underserved populationist.

Chakrabarty (2023) states that financial inclusion empowers women economically by minimizing financial exclusion costs to empower them to engage in income-earning ventures to enhance economic stability, which

are the preconditions of empowerment. In a rural Kenyan setting, like the Kilifi County, access and expensive nature of formal financial institutions usually hinder women to save, borrow and invest. Financial inclusion theory describes this gap and why such strategies as microfinance, mobile banking (e.g., M-Pesa), and community savings groups are essential in closing this gap and increasing the accessibility of financial services by women.

The theory gives a basis to quantify the increased access to affordable loans, savings and digital finance in terms of better economic participation which is one of the primary aspects of women empowerment.

METHODOLOGY

Descriptive research design was taken. This design was deemed suitable since it will enable the researcher to explain the relationship that currently exists between the financial inclusion strategies and women empowerment without influencing the study variables. The geographical location of the study was the Kilifi County, which is among the forty seven counties constituting the Republic of Kenya. Kilifi County is a coastal area in Kenya bordering the Indian Ocean on the East and is thus strategically located along the East African coastline. It lies north and northeast of the Mombasa, the second largest city and a major economic Center of Kenya. The population targeted in this study involved all the individuals and groups of people who were directly impacted or involved or aware of financial inclusion projects and women empowerment in the Kilifi County. The sampling techniques used in research are of extreme importance since they define the way the participants was selected among the target population and as a consequence, this will affect the validity of the study, its reliability and its generalizability. In this study, a mix of both probability and non-probability sampling would be suitable since the target population is varied and it would include women beneficiaries, financial institutions, government officials and community stakeholders. Firstly, stratified random sampling was employed in order to pick the respondents of women in Kilifi County. The sampling size is one of the most important steps of the research design since it is necessary to make sure that the chosen sample is representative enough to make conclusions about the target population and can be statistically analyzed. In this study, the sample size was allocated in two main steps, which include, firstly, the size of the sample that was used, and, secondly, the sample was divided into relevant strata and respondent categories.

A structured questionnaire to the women respondents in the Kilifi County was the main data collection tool that was used in this study. The questionnaires were appropriate as they can be used to get standardized data of a large population of respondents in a comparatively minimal time span. The questionnaire consisted of closed-ended and Likert questions that are meant to gauge access to financial services, use of financial products (savings accounts, credit facilities, mobile money and insurance) and signs of women empowerment (income levels, power in making decisions, resource control and participation in economic activities). The reason why questionnaires have been very popular in social and economic research is the fact that these methods are reliable and can be quantitatively analysed. Interview guides are also a valuable data collection tool used to collect qualitative data in-depth information of key informants. These were the representatives of financial institutions, county government departments, non-governmental organizations (NGOs), and leaders of women groups engaging in financial inclusion programs. Semi-structured interview guides enable the researcher to pose pre-set questions in addition to flexibility to explore more on the experiences, perceptions and policy perspectives of the respondents. This tool is more specifically helpful in grasping the design, implementation, and issues of women-focused financial inclusion strategies. Focus group discussion (FGD) guides may also be used in the study particularly when dealing with women groups and community-based savings associations.

Questionnaires was used by the researcher. Questionnaires was conducted among women in the Kilifi County as beneficiaries of financial inclusion programs like microfinance services, savings and credit cooperative organizations (Sacco's), mobile banking systems (e.g., M-Pesa), and state-initiated programs like table banking or women enterprise funds. The quantitative data that can be gathered using questionnaires include

the level of income, household savings behaviour, credit accessibility, financial literacy and the power to make decisions. They also enable the researcher to access a comparatively high number of respondents, and it is easier to determine the trends and interrelations between financial inclusion plans and women empowerment. The questioners will contain an introductory letter on how they are to be filled under the supervision of a researcher assistant was turned in on the spot to ensure efficiency and effectiveness. The research was analysed using both quantitative and qualitative data analysis methods; this will give a balanced and complete picture to the research problem.

The multiple regression was used to determine the effect of the independent variables- Affordable Loans, Collateral Free Credits, Financial Literacy and Extended Repayment Period. The impact of Women Empowerment in Kilifi County was determined through a multiple linear regression analysis. The method is suitable in the analysis because a number of independent variables predict one continuous dependent variable.

The regression Model specified as below:

Is $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$

Where.

Y=Women Empowerment (measured using indicators like income level, decision-making power, business ownership, savings behaviours)

Independent Variables (X):
X_1: Affordable Loans To women
X_2: Collateral-Free Credit
X_3: Financial Literacy
X_4: Extended Repayment Period
β_0 =(Constant): Baseline level of empowerment when all factors are zero
β_1–β_4 =(Coefficients): Measure the effect of each independent variable
ε= (Error Term): Captures other unobserved factor

RESULTS

Response Rate

The study used a total of 384 women as respondents. A total of 384 questionnaires were sent to the children and 351 questionnaires were returned, 91.4% of which were completed successfully. However, 33 respondents (8.6%) did not take part in the study or did not return the questionnaires. The 91.4% return rate was deemed adequate for this study. The high participation rate could be due to the relevance of the study for women and financial inclusion issues of Kilifi County, good administration and collection of the questionnaires. The non-respondent rate was relatively small (8.6%) and so is unlikely to have significantly impacted the representativeness of the data collected. The number of questionnaires that were completed (351), thus provided a sufficient basis on which to further analyse the link between the financial inclusion strategies and women empowerment in Kilifi County.

Examination of the effects of Financial Literacy on women empowerment

The third aim of the study was to look at the effects of financial literacy on women empowerment in Kilifi County. Financial literacy helps women to control their income, create a budget, save, compare financial alternatives and make sound financial choices. Table 1shows the respondents' attitudes towards the impact of financial literacy on financial management and business activities.

Table 1: Respondents Rating on the Examination of the effects of Financial Literacy on women empowerment

Test Item		f	%
Have you received financial literacy training?	Yes	137	39.0%
	No	214	61.0%
If yes, who provided the training?	Government	42	12.0%
	NGO	85	24.2%
	Bank/SACCO	88	25.1%
	Women's group	73	20.8%
	Other	63	17.9%
Financial literacy training has improved my ability to manage money	Strongly Disagree	10	2.8%
	Disagree	46	13.1%
	Neutral	73	20.8%
	Agree	106	30.2%
	Strongly Agree	116	33.0%
Financial literacy has improved my budgeting skills.	Strongly Disagree	31	8.8%
	Disagree	59	16.8%
	Neutral	49	14.0%
	Agree	145	41.3%
	Strongly Agree	67	19.1%
Financial literacy has improved my savings habits.	Strongly Disagree	6	1.7%
	Disagree	39	11.1%
	Neutral	49	14.0%
	Agree	158	45.0%
	Strongly Agree	99	28.2%
I can make informed financial decisions because of financial education.	Strongly Disagree	74	21.1%
	Disagree	95	27.1%
	Neutral	67	19.1%
	Agree	63	17.9%
	Strongly Agree	52	14.8%
Financial literacy has improved the performance of my business.	Strongly Disagree	60	17.1%
	Disagree	110	31.3%
	Neutral	39	11.1%
	Agree	80	22.8%
	Strongly Agree	62	17.7%

The results show that 137 respondents (39.0%) and 214 respondents (61.0%) received financial literacy training respectively, did not receive financial literacy training. Of those trained, the bank/SACCOs trained the highest number of people (25.1%), followed by NGOs (24.2%), women's groups (20.8%), other providers (17.9%) and government programmes (12.0%). This means that financial literacy programmes are present but limited access to them among women in Kilifi County exists. The finding is significant as it helps to equip women with knowledge and skills to use financial services effectively while improving their financial education.

In terms of money management, 63.2% of the respondents agreed or strongly agreed that financial education training had helped them in managing money. This suggests that financial education has a positive impact on women's financial planning and financial control skills. The result aligns with Riro et al. (2024) study which observed that Financial Literacy had a positive correlation with the financial status of women in microfinance in Kenya. In that respect, their study highlighted that financial education enhances the financial knowledge

and use of financial products, which aligns with the current finding that financial literacy boosts women's financial management capacities.

The results also revealed that 60.4% of the respondents agreed or strongly agreed that their financial literacy improved their budgeting skills. This suggests that financial literacy contributes to better planning of spending and better use of available resources among women. The results are consistent with that of Mandela et al. (2023) which indicated that women entrepreneurs in Kakamega County had knowledge of business and financial management with financial literacy and continuous learning helping them to manage their enterprises well. This similarity indicates that financial literacy is one of the key skills that can contribute to the enhancement of women's economic activities.

The strongest positive responses were on financial literacy influencing savings habits, with 73.2% agreeing or strongly agreeing that financial literacy had positively affected their savings habits. This discovery reveals that financial education has the potential to foster a more regular saving pattern and boost women's ability to save financially. Likewise Kisaka and Mwasiaji (2019) also concluded that financial knowledge had a positive effect on women farm enterprises in Kenya, especially their savings and enterprise performances. The congruence of the findings from the two studies indicates that financial literacy is one way to achieving women empowerment through enhancing women's saving and financial capability.

The results on financial decisions were not as favorable though. Only 32.7% were either agree or strongly agree that due to financial education, they can make informed financial decisions, while 48.2% disagreed or strongly disagreed. This means that when it comes to making financial decisions, financial education alone is not enough to ensure women feel confident. This result might be attributed to the lack of the financial literacy training, as only 39.0% had taken the training. The need to incorporate ongoing financial education within financial services to enhance women's knowledge and access to financial services was also highlighted by Riro et al. (2024)

The results for business performance were mixed as well. 38.4% agreed or strongly agreed that financial literacy has enhanced their business performance (or has not affected it), while 48.4% disagreed or strongly disagreed. This indicates that financial literacy is not enough to enhance business performance. Women could need other forms of assistance, like credit, markets, business training, and capital. However, this is in part opposing to the study by Kisaka and Mwasiaji (2019) which found a positive correlation between financial knowledge and women farm enterprises' performance. The differences could result from variations in types of businesses, availability of complementary financial services, and financial literacy training received by the respondents.

Regression Model

A multiple regression analysis was performed to identify the unique contribution each of the 4 financial inclusion strategies had on women empowerment in Kilifi County. The independent variables included affordable loans to women, collateral-free credit, financial literacy and extended repayment periods and the dependent variable was women empowerment. The regression coefficients presented in Table 16 represent the direction and strength of the association between financial inclusion and the women empowerment while holding the other variables in the model constant.

Table 2: Regression Model

Model		Coefficients[a] Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	3.144	.827		3.801	.000
	Affordable Loans To women	-.232	.128	-.097	-1.814	.071
	Collateral-Free Credit	.199	.165	.064	1.205	.229
	Financial Literacy	.132	.137	.051	.962	.337
	Extended Repayment Period	-.127	.120	-.056	-1.057	.291

Is $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$

$Y = 3.144 - 0.232X_1 + 0.199X_2 + 0.132X_3 - 0.127X_4 + \varepsilon$

The constant value was 3.144 ($t = 3.801$, $p < .001$) which means when all the financial inclusion strategy variables are set to zero the predicted level of women empowerment is 3.144.

Affordable loans to women had a negative coefficient of $B = -0.232$, with a standardized beta of $\beta = -0.097$, $t = -1.814$ and $p = .071$. The negative regression coefficient of the other variables indicates that, for each unit increase in the affordable-loans variable, the women empowerment score would decrease by 0.232 units, while controlling for the other variables. The results were not statistically significant, however, with $p = .071 > .05$. This means that when looking at borrowings through the lens of both collateral-free credit and financial literacy and extended repayment periods, affordable loans did not significantly contribute an independent effect to women empowerment.

Collateral-free credit recorded a positive coefficient of $B = 0.199$, with $\beta = 0.064$, $t = 1.205$ and $p = .229$. The positive coefficient indicates that for every 1-unit increase in the collateral-free credit, the predicted women empowerment score increases by 0.199 unit with other variables fixed. But, this relationship was not statistically significant ($p = .229 > .05$). Hence, the positive direction of the collateral-free credit does not support the regression results as it is not an independent predictor of women empowerment when added to the other financial inclusion strategies.

Financial literacy had a positive coefficient of $B = 0.132$, with $\beta = 0.051$, $t = 0.962$ and $p = .337$. The positive coefficient suggests that, for a set of other variables, a higher level of financial education leads to a higher women empowerment score. However, this relationship was not statistically significant ($p = .337 > .05$). Thus, the positive direction of financial literacy was not statistically significant at the level of 0.05 in the regression model, which means that financial literacy as an independent variable does not contribute to women empowerment.

Extended repayment periods recorded a negative coefficient of $B = -0.127$, with $\beta = -0.056$, $t = -1.057$ and $p = .291$. A one-unit rise in the extended repayment-period measure is associated with a 0.127-unit fall in the predicted women empowerment score, with the other measures held constant. This relationship was not significant ($p = .291 > .05$), however. Thus, in the regression model, the extended credit period was not a significant independent factor to enhance women empowerment.

In comparison, affordable loans to women had the highest standardized coefficient in absolute value of all indicators ($\beta = -0.097$), while the other variables did not exceed absolute value of 0.051. However, this indicates that affordable loans contributed the most relative of the four predictors in the model, but it turned out to be negative and not significant. There were positive associations for collateral-free credit and financial literacy, although they were not also statistically significant.

The results indicate that Financial Inclusion strategy is related to women empowerment but its effect is less significant when all four strategies are taken into account. This can mean that access to credit is not enough to ensure empowerment and that outcomes of financial services can be influenced by other conditions, including income-generating opportunities, capacity of business, financial management skills, loan conditions etc. This is in line with the findings of Cull, Demirgüç-Kunt and Morduch (2018) that observed a relationship between the design and terms of financial services, and the benefits received by users. Likewise, Lusardi and Mitchell (2014) highlight that, while financial outcomes are also shaped by macroeconomic conditions, financial knowledge can aid in financial decision-making.

CONCLUSION AND RECOMMENDATIONS

It was found that financial literacy is a causative factor in women's financial empowerment in Kilifi County but access to financial literacy training is still limited. The share of respondents who received financial literacy training was 39.0 per cent, the banks/SACCOs were the primary trainers. Although there was limited training coverage 63.2% reported that their money management improved; 60.4% reported that their budgeting improved; and 73.2% reported that their savings habits improved. But only 32.7 percent said they used financial education to make informed decisions about money and 40.5 percent said they improved their business performance. This means that there are greater benefits of financial literacy on financial management and budgeting and saving, than on financial decision making and business performance. Thus, results indicate that financial literacy is a crucial financial inclusion policy to empower women's financial management, budgeting, saving and engagement in economic activities. The results, however, are inconsistent across the studies, indicating the need for other types of financial and economic/business assistance to complement financial education.

The study finds that loans available to women are important in the empowerment of women in Kilifi County as they increase women's access to credit, enable women to access credit to improve their business, to make loan repayment easy and improve their financial independence. The results suggest that the society has experienced an improvement in the cost of borrowing and repayments for women, but the effect of low cost loans on investment in productive activities is relatively low. Thus, increasing loan access and affordability continues to be crucial to enhance women's economic empowerment.

The study findings indicate that there is a significant association between collateral-free credits and women empowerment in Kilifi County. The results reveal that 64.1% of respondents accessed loans, 57.0% of whom had taken up loans without collateral, and that 60.1% felt that being able to take a loan without collateral made it more likely that women would take loans. Moreover, 63.0% said their economic position had gotten better due to collateral-free credit.

Study findings indicate that there is a significant association between financial literacy and women empowerment in Kilifi County. Financial literacy benefits important financial skills, such as money management, budgeting and saving, and the statistical results show that financial education has a close relationship with women empowerment. However, the low coverage of training and inconsistent results in the financial judgements and business results show the need for wider and more practical financial education programme.

The study concludes that there is a significant association between the extension of repayment periods and women empowerment in Kilifi County. A longer repayment period will stimulate women to take loans and give more choices for their utilization of borrowed funds in productive activities. However, it is not a one-size fits all and repayment periods should be designed taking into consideration other supportive financial conditions so as to create meaningful and sustainable empowerment.

The study findings recommends the followings;

- The government should create more financial literacy initiatives targeting women in Kilifi County, with a focus on hands-on financial skills, such as budgeting, saving, financial decision making and the proper utilization of financial products and services.
- Financial literacy initiatives must be linked to business development education, access to affordable credit, market support and enterprise management skills, which will enable women to apply their financial knowledge and skills to enhance their business productivity and achieve sustainable economic empowerment.

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