

SOCIO-ECONOMIC COVARIATES OF DEMAND FOR PERSONAL LOAN IN THE KUMASI METROPOLIS OF GHANA

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ABSTRACT

Poverty tends to be one of the major challenges confronting various countries in the world, in which Ghana is no exception. However, one of the most effective means of fighting poverty is through loans. This study therefore investigated the socio-economic factors that influence the demand for personal loans in the Kumasi Metropolis of Ghana by purposively sampling 800 respondents and adopting the binary probit regression technique as the empirical model of estimation. The study found that, females, those with tertiary education, respondents with bigger household sizes, respondents who were employed and those with ages 41-50 years and 51-60 years, were more likely to demand for personal loan. Further, those who were 61 years and above were less likely to demand for loans. Thus policies towards ensuring better access to loans should have the unemployed, aged (61 years and above), as well as the uneducated or less educated in mind.

Keywords: Demand for Personal Loan; Ghana; Poverty; Urban.