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From Exclusion to Inclusion: Understanding the Financial Landscape of University Students in Zimbabwe

Bronson Mutanda[1]*, Bomi Cyril Nomlala[2], Chrispen Maireva[2] and Admire Mthombeni[2]
1-Department of Applied Business Sciences, Manicaland State University of Applied Sciences, Zimbabwe
2-School of Accounting, Economics and Finance, University of Kwazulu Natal, South Africa
*Corresponding Author: valemutanda@gmail.com

ABSTRACT

In recent years financial inclusion has turned out to be a topical issue among policymakers and academics as it is a pillar for socio-economic transformation. Driven by the desire to foster the integration of economic agents into the country's financial system, Zimbabwean policymakers have developed a National Financial Inclusion Strategy II. The major aim of the financial inclusion strategy is to make financial services available to all segments of the population as the country moves towards the realisation of its 2030 agenda of transforming the country into a "middle-income economy." The purpose of this paper is to assess the financial inclusion status of university students in Zimbabwe since they are part of marginalised groups. To accomplish this objective, 109 students from across six state universities completed questionnaires for the study. The findings reveal that while the majority of university students have bank accounts, only a small percentage apply for and access bank loans. Several barriers hinder some students from achieving financial integration, including insufficient income to open and maintain bank accounts, high transactional costs, lack of trust and confidence in financial institutions and ignorance of prerequisites for opening a bank account. To enhance financial inclusion among university students, the study proposes that financial institutions offer bespoke financial solutions, including inexpensive student loans and accounts.

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INTRODUCTION

Financial inclusion is the linchpin of sustainable development, as it empowers individuals, communities and economies to thrive by providing universal access to essential financial services. The concept of financial inclusion emerged as a global priority in the late 1990s, focusing on providing access to a wide range of retail financial services for all members of the society (Girard, 2021). Building on this momentum, the United Nations Capital Development Fund (UNCDF) pivoted its strategy in 2005, expanding its initiatives to address financial inclusion in a broader sense (United Nations Capital Development Fund, 2016). This strategic shift acknowledged the complexities of financial exclusion and the need for a more comprehensive approach. The new strategy supports a market development strategy aimed at increasing inclusivity in the financial sectors. It was intended to eliminate gaps in the legislative, regulatory, and policy frameworks that impede the financial sector from being inclusive while also fostering favourable conditions for a broad spectrum of retail financial service providers. Due to these initiative and economic pressure, National Financial Inclusion Strategies were developed to promote financial inclusiveness across various socioeconomic groups in emerging countries. Financial exclusion is a significant problem in most developing countries because the majority of marginalised populations, particularly women, rural residents, and the youths (university students included) do not have access to basic financial services like bank credit (Gumbo et al., 2021; Omar & Inaba, 2020; Sakarombe, 2018).

A financial system open to all population segments fosters financial services access and encourages business expansion (Beck et al., 2007; Mehrotra & Yetman, 2015; Owen & Pereira, 2018). This has good knock-on implications for socioeconomic development. Enhanced financial inclusion promotes economic growth and stability in local communities and national economies by increasing savings, investment, and entrepreneurship (Grant, 2024). If certain populations are kept out of the financial mainstream, the gap between the affluent and the poor in society might get wider. Njanike (2019) argued that financial inclusion enables disadvantaged people to start business enterprises, save money, borrow money and occasionally get financial advice. It also allows the effective allocation of productive resources in the economy.

Most graduates released by learning institutions into the job market undoubtedly stay at home and wait for job opportunities. The high unemployment rates in the country are exacerbated by thousands of graduates that the country's universities and colleges produce yearly. In response to this, Zimbabwean policymakers introduced Education 5.0 as a way of encouraging university students and graduates to think outside the box and start being entrepreneurs. The introduction of Education 5.0 by the Zimbabwean government aims to promote entrepreneurship, innovation and industrialization among university students. However, achieving this agenda requires a comprehensive understanding of the financial landscape of university students. Achieving the agenda of innovation and industrialisation among university students demands the promotion of both entrepreneurship and financial inclusion. In order for university students to understand the value of leveraging formal financial services when they launch their businesses, policymakers need to start fostering a culture of financial inclusion in them. Policymakers and financial institutions can take advantage of Fintech skills possessed by young university students to foster access to a wide range of financial services, such as in-app purchases, mobile wallets, online applications, payment apps, and mobile banking (OECD, 2020). According to the Alliance for Financial Inclusion (2024), young people including university learners are financially excluded and depend more heavily on informal financial services and are more likely to become caught up in a poverty cycle that spans generations. To advance youth (university students included) financial inclusion, several regulatory reforms must be implemented to ensure responsible finance and eliminate youth-specific barriers through innovation. These policy initiative make it important for university students to be financially included since they will need to fund their entrepreneurial endeavours. In light of the Education 5.0 agenda as explained above, this study assesses the financial inclusion status of University students as well as the financial inclusion barriers and challenges encountered by this population segment.

Objectives

1. To assess the financial inclusion status of university students in Zimbabwe
2. To investigate barriers to financial inclusion of university students

THEORETICAL FRAMEWORK AND LITERATURE REVIEW

Public Good Theory of Financial Inclusion

The public good theory of financial inclusion argues that the provision of formal financial services should be treated as a public good and should be provided to everyone for the benefit of all. In this regard, eligible university students must be part of the financial mainstream if they so wish. There should be unrestricted access to finance for everyone. As a public good, access to formal financial services to one individual does not reduce its availability to others. This means that the entire population can be brought into the formal financial sector, everyone will be better off and are beneficiaries of financial inclusion and nobody is left out. When a person or small company establishes a formal bank account, they may be eligible to access free debit cards, bank loans, financial advice and insurance. They are not required to pay a transaction fee when using the Automated Teller Machines (ATMs). The cost of providing formal financial services is a sunk cost of doing business for providers of such services, such as financial institutions. The government can grant subsidies to financial institutions to help them cope with any resulting cost problems that arise from offering free formal financial services to citizens. The public good theory reveals the role that financial institutions and the government must play to foster the financial inclusion of various social groups of which university students are part.

The Classical Economics Theory

A theory different from the public good theory is the classical economics theory. The earliest proponents of the theory of the free-market economy were discussed for the first time by a well-known economist, Adam Smith (1776). The theory by Adam Smith (1776) supports the invisible hand in the economy where the economy operates on its own and the forces of supply and demand interact so that the economy will achieve equilibrium automatically without the involvement of government. Adam Smith (1776) further states that the classical economic theory is based on the notion of a laissez-faire economic market (Skinner & Wilson, 1975). The doctrine of laissez-faire or free-market demands that the government has little to no intervention in market operations. The laissez-faire approach also allows individuals to behave according to their self-interest when economic decisions are concerned (Skinner & Wilson, 1975). This enables economic resources to be allocated in agreement with the wishes of individuals and firms in the marketplace (Skinner & Wilson, 1975). This theory argues that policymakers must not be worried about the financial inclusion of the marginalized but rather allow the invisible hand of the economy to allocate financial services. In light of this hypothesis, the market must determine whether university students are to be financially included or not. Market forces will either pull university students into the financial mainstream or push them out.

Empirical Review of Literature

This section discusses previous research findings on the financial inclusion status of marginalised groups. University students, women and rural people are some of the marginalised social groups who must be integrated into the financial mainstream. An inclusive financial sector needs to give room for financial inclusion of the poor and the rich, the young and adults, men and women and people from all races.

Using data gathered from questionnaires given to undergraduate students in Hyderabad, the study conducted by B Balanagalakshmi et al. (2022) investigated the effects of financial literacy on financial access over and done with banking access and fintech. The researcher employed a regression model to scrutinize whether financial literacy significantly affects financial accessibility for undergraduate students. The study findings showed that knowing different aspects of financial services had a big influence on access to finance.

Singh (2020) examined the influence of financial inclusion on female entrepreneurship in India using the explanatory research design. Primary and secondary quantitative data were gathered. Primary data were collected using structured questionnaires distributed to 101 women entrepreneurs in Delhi. Data was analysed using descriptive, correlation and regression analyses. The study's results revealed that financial inclusion is correlated positively to entrepreneurial success. The study also found that accessibility, utilisation and quality of financial products significantly positively affected entrepreneurial success.

A study by Sykes et al. (2016) found that, 77.4% of young people in Sub-Saharan Africa (SSA) have no access to financial services at all, 13.8% have informal financial services, and only 6% have formal financial services. SSA and the Middle East and North Africa (MENA) have the lowest percentages of youth involvement, ranging from 6% to 6.3%. Instead of turning to official institutions, SSA adolescents are more likely to turn to informal sources including friends, family, and Informal Savings and Lending Groups (ISALs) for financial access Sykes et al. (2016).

During the COVID-19 epidemic, Chozarira (2022) conducted a study on the financial inclusion of women-led small and medium-sized businesses in Bindura, Zimbabwe. The findings indicate that women entrepreneurs in Bindura have a relatively low degree of financial inclusion, as seen by 62.9% who have active official bank accounts. The study concluded that throughout the COVID-19 era, financial services were costly, hard to get, and of low quality. However, the study found a strong correlation between entrepreneurial performance and the three aspects of financial inclusion—quality, utilisation, and accessibility. Despite COVID-19 disruptions that made financial services challenging to access and of poor quality, financial inclusion enabled positive business performance (Chozarira, 2022).

A study conducted by M Mhlanga et al. (2020) to investigate the financial inclusion of small-scale farmers in Zimbabwe found that financial inclusion significantly reduces poverty among smallholder farmers. The research further finds that for the government to combat poverty, particularly in the case of smallholder farmers, it is critical to guarantee that farmers engage in the financial system by, among other things, saving, borrowing, and purchasing insurance.

Chaora (2022) conducted a study on the financial inclusion of MSMEs in Zimbabwe. The study findings show that just 36% of the firms surveyed had access to a bank account. The remaining 64% did not have bank accounts for various reasons. Due to a lack of formal registration, a significant percentage of businesses – 31% of urban and 22% of rural – did not have bank accounts. Additionally, the survey found that 75% of women-run businesses lack access to bank accounts. The following excuses were given by women without access to bank accounts: their businesses are not formally established, 27% of respondents said they do not have bank accounts; 22% said they cannot afford to open an account; and 17% said they do not feel their money is safe.

While financial inclusion research has gained momentum worldwide, a knowledge gap persists regarding university students in Zimbabwe, a demographic crucial for fostering a financially inclusive society. Encouraging them to enter the financial services sector now will lay a solid foundation for them to understand the benefits of staying in the mainstream even after they launch their own business. The emphasis on innovation and entrepreneurship (Education 5.0) in the present higher education curriculum makes financial inclusion for university students an essential component. Teaching entrepreneurship to students without pushing them into the mainstream of finance is akin to pushing them into operating outside of informal financial arrangements even when they launch their enterprises

METHODOLOGY

A random sample of 109 students from six Zimbabwean universities was selected to respond to a structured questionnaire. This research inquiry adopted a quantitative research approach, which used a questionnaire to elicit the necessary information on the financial inclusion of university students. The survey design was more suitable because it described the nature of the prevailing situations. The questionnaire was divided into two subsections to make it easier for respondents to answer. The first section focused on the demographic information of the respondents including age, gender and the level of study. The second section aimed to obtain information on the financial inclusion status of university students. Data analysis was enhanced through SPSS Version 23, and descriptive and inferential statistics were used. Financial inclusion in this study is the dependent variable while demographic factors are considered independent variables.

RESULTS

The study's findings show that all respondents completed the provided questionnaires, yielding a 100% response rate. The questionnaire was divided into two sections: the first requested biographical details, while the second sought information on university students' financial inclusion status and barriers to their financial inclusion. Respondents were asked to fill out all of the sections.

Table 1.
Cross Tabulation of Gender and Level of Study

		Level of Study					Total
		Level 1	Level 2	Level 3	Level 4	Level 5	
Gender	Male	27	10	2	3	6	48
	Female	31	15	1	7	7	61
Total		58	25	3	10	13	109

Source: Primary data (2023)

A cross-tabulation of the respondents' gender and study level is shown in Table 1. According to the results, there were 109 respondents in total, 48 (44.04%) men and 61 (55.96%) women. There were 58 (53.2%) Level 1 students who took part in the study; of these, 27 (22.02%) were men and 31 (28.44%) were women. Ten (9.17%) male and fifteen female students were Level 2 respondents. The sample consisted of a small number of students from Level 3 since only 3 (2.75%) participated of which 2 (1.83%) were males while one (0.92%) was a female. The number of Level 4 (3.67%) students was 10 (9.17%) of which 3 (2.75%) were males while 7 (6.42%) were females. The last category (Level 5) consisted of 6 (5.50%) male students and 7 (6.42%) female students. It can be observed from the table above that more female students participated in the study than male students. Table 1 also reveals that the study had more Level 1 students than any other level.

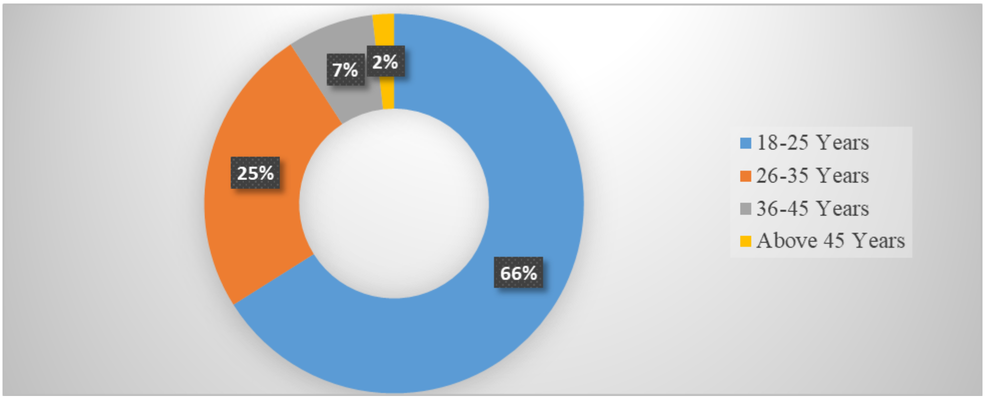

Figure 1: *Age oF Participants* ***Source:*** *Primary data 2023*

As can be seen in Figure 1, out of the total number of students who took part in the study, 72 (66.1%) belonged to the 18–25 age group, 27 (24.8%) to the 26–35 age group, 8 (7.3%) to the 36–45 age group, and only 2 (1.8%) to the over 45 age group. The results show that the age group of 18 to 25 accounted for the largest proportion of respondents. This is a clear indication that majority of University students are still youths.

Financial Inclusion Status of University Students

Table 2.
Financial Inclusion Indicators

Financial Inclusion Indicators	N	Response		Mean	SD
Possession of a Bank Account	109	Yes	67(61.5%)	1.39	0.489
		No	42(38.5%)		
Possession of a Mobile Money Account	109	Yes	106(97.2%)	1.03	0.164
		No	3 (2.8%)		
Applying and Accessing Bank Loans	109	Strongly disagree	27 (24.8%)	2.15	1.096
		Disagree	62 (56.8%)		
		Neutral	5 (4.6%)		
		Agree	7 (6.4%)		
		Strongly agree	8 (7.3%)		
Financial Literacy	109	Strongly disagree	7 (6.4%)	3.81	1.076
		Disagree	4 (3.7%)		
		Neutral	21 (19.3%)		
		Agree	48 (44.0%)		
		Strongly Agree	29 (26.6%)		
Valid N	109				

Source: Primary data 2023

To assess the degree of financial inclusion among Zimbabwean university students, Table 2 above presents financial inclusion metrics. Of the 109 students, the data shows that 67 (61.5%) have a formal bank account, whereas 42 (38.5%) do not. The mean of the responses is 1.39 and the standard deviation is 0.489 indicating that results are more skewed towards those who held a bank account. Additionally, 106 students (97.2%) reported having a mobile account, whereas 3 students (2.8%) said they don't have a mobile account. The mean of these results is 1.03 and the standard deviation is 0.164 explaining that data is skewed towards those who held a bank account.

To further investigate if those with bank accounts are accessing financial services or not, the study enquired about loan applications and access. The findings show that, of the students surveyed, 27 (24.8%) strongly disagreed that they had ever applied for or accessed bank loans, 62 (56.8%) disagreed, 5 (4.6%) were neutral, 7 (6.4%) agreed that they had once applied for or accessed bank loans, and 8

(7.3%) strongly agreed that they had. Motivated by these findings, the responses' mean was determined to be 2.15, with a standard deviation of 1.096. The mean indicates that the replies are heavily biased toward the strongly disagree response, and there is minimal diversity in the responses. According to study statistics, 7 students (6.4%) strongly disagree that they are financially literate, 4 students (3.7%) disagree that they are, 21 students (19.3%) were indifferent, 48 students (44.0%) agree that they are, and 29 students (26.6%) strongly agree that they are. The responses' mean is 3.81, and their standard deviation is 1.076, suggesting that the responses are less scattered and more skewed toward the strongly agree response, respectively. The study findings show that most university students had a bank account, however, results indicate that more subscriptions are biased towards mobile money banking. While the majority of students (61.5%) have bank accounts, as shown in Table 2, very few apply for and access bank loans. This could suggest that accounts under possession are only intended for the payment of fees.

Table 3.
I

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.998	.179		11.171	.000
Gender	-.159	.089	-.162	-1.779	.078
Age	-.190	.063	-.277	-3.028	.003
Level of Study	-.044	.031	-.127	-1.391	.037

Source: Primary data 2023

Table 4.
3b: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.357^{a}	.127	.102	.463	1.767
a. Predictors: (Constant), Level of Study, Gender, Age					
b. Dependent Variable: Do you have a Bank Account?					

Source: Primary data 2023

Results in Tables 3a and 3b. indicate that gender does not significantly influence the financial inclusion of students [R^2 = 0. 0.127; t (109) = -1.779; ß= -0.162; p=0.078>0.05]. Furthermore, analysis of the influence of age on financial inclusion found that ß = -0.277, t (109) = -3.028, p=0.003< 0.05; and level of study ß = -0.127, t (109) = -1.391, p=0.037< 0.05, this indicates that gender did not significantly affect financial inclusion of university students. A Durbin-Watson statistic for the model is 1.767 indicating that there is a positive autocorrelation. As a rule of thumb, Durbin-Watson statistics in the range of 1.5 to 2.5 are relatively normal. The findings of this linear regression analysis show that age and level of study have a significant impact on the financial inclusion of university students. As a result, it may be concluded that respondents' financial inclusion is not significantly impacted by their gender. According to these findings, the banking sector must engage students in higher education, particularly those about to graduate and educate them on the importance of financial inclusion and the necessity for people of all age groups to participate in the mainstream financial system.

Financial Services Mostly Accessed by Financially Included University Students

Below is a presentation of financial services mostly accessed by University Students

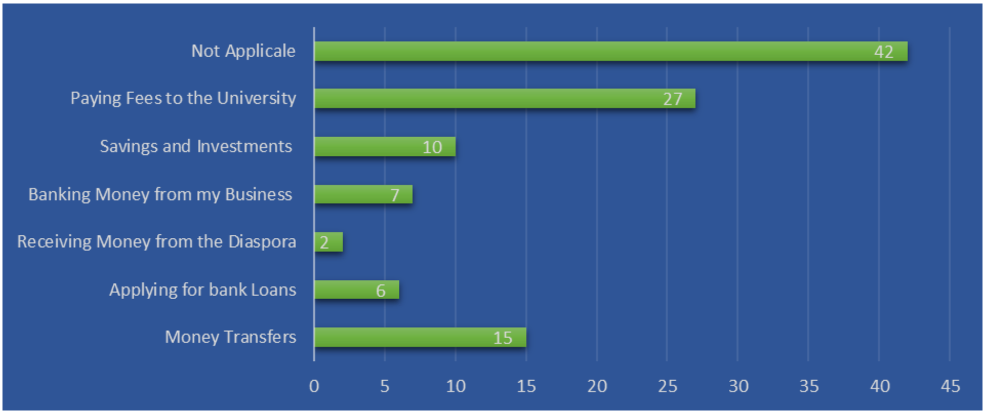

Chart 1: ***Financial Services Mostly Accessed by University Students Source***: *Primary data 2023*

According to the study's findings, 27 students (24.8%) primarily use their accounts for paying university fees; 10 students (9.43%) primarily use them for savings and investments; 7 students (6.42%) claim they primarily use them for banking money from their businesses and projects; 6 students (5.5%) primarily use them for loan applications; 2 students (1.8%) primarily use them for receiving money from friends and family who live abroad; and 15 students (13, 8%) primarily use them for money transfers. The study's conclusions unequivocally show that most financially engaged higher education students utilise their accounts to pay their fees. Given the need by Education 5.0 for learners to launch their own businesses, they must understand the significance of credit lines. Additionally, findings have shown that a large number (15) of the students only utilise their bank accounts for receiving and transferring money. While this is encouraging, students in higher education still need to help the economy grow by applying for loans and launching their businesses.

Challenges and Barriers Faced by Financially Excluded University Students

Table 5.
Barriers and Challenges to Financial Inclusion of University Students

Barriers and Challenges to Financial Inclusion	Responses	Per cent
I don't have money to deposit into the account	14	12.8
Can't sustain high bank charges	7	6.4
Don't know the requirements	2	1.8
Don't have any income-generating project/business	14	12.8
Banks are no longer a safe place for investments and savings	5	4.6
Not Applicable	67	61.5
Total	**109**	**100.0**

Source: Primary data 2023

The difficulties and impediments to university students' financial inclusion are shown in Table 4. The findings indicate that 14 (12.8%) students do not have money to deposit into their bank accounts explaining why they operate outside the financial mainstream. The results also show that 2 (1.8%) students do not know the requirements, 7 (6.4%) students cannot afford excessive bank fees, 14 (12.8%) students do not have any income-generating projects or businesses, and 5 (4.6%) students think banks are no longer a secure place to save and invest. The results show that to help university students integrate into the financial mainstream, the financial industry has to develop customized financial accounts. According to the research findings, some students expressed dissatisfaction about excessive bank fees as a barrier to entering the mainstream of finance.

Furthermore, some students mentioned that they do not have enough money in their reserves to make deposits. This data suggests that to serve people with low incomes, such as students at universities, the banking industry must provide low-cost accounts. Because some university students believe that banks are no longer a secure place to save and invest, the findings also show how important it is for financial sector companies to win over these students' trust. If this myth is not disproved, it will produce a generation of university graduates who are sceptical of using official financial services.

The table below shows the responses from the respondents on the opportunities for financial inclusion for university students:

Table 6.
Opportunities for Financial Inclusion of University Students

Variable List	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	SD
I have an intention to open a bank account for my business given the encouragement to be entrepreneurs	7.3	3.7	24.8	42.2	22.0	3.67	1.085
I have confidence in the banking system	9.2	11.0	28.4	42.2	9.2	3.31	1.086
I am financially literate and I know how to use Internet banking and mobile baking	6.4	3.7	19.3	44.0	26.0	3.81	1.076
I have a digital phone compatible with Internet banking and mobile banking	6.4	3.7	11.0	52.3	26.6	3.89	1.048
I have learnt the benefits of financial inclusion during my entrepreneurship lectures	4.6	16.5	25.7	43.1	10.1	3.38	1.025

SD= Strongly Disagree, D= Disagree, N= Neutral, A= Agree, SA= Strongly Agree, SD= Standard Deviation

Source: Primary data 2023

From Table 5 above, 7.3% of the respondents strongly disagree that they have an intention to open a bank account in the future, 3.7% disagree that they have an intention to open an account, 24.8% of the respondents are indifferent, 42.2% agree that they have an intention of opening an account and 22.0% strongly agree that they will open an account. These responses have a mean of 3.67 and a standard deviation of 1.085. This mean score shows that responses are biased towards highly agreeing answers, suggesting that most students want to get a bank account. The finance sector can engage with universities and advertise their financial products.

Additionally, the study found that 28.4% of the respondents are indifferent, 9.2% strongly disagree that they have confidence in the banking system, 11.0% disagree that they have confidence in the banking sector, and 42.2% agree that they have confidence in the banking system. The responses have a mean of 3.31 and a standard deviation of 1.086. Most students seem confident in the financial system, as seen by the skewed mean of the replies, which leans towards the strongly agreed response. Given the results above, the financial sector may use the students' self-confidence to advocate for the inclusion of university students.

The findings from Table 5 also reveal that 6.4% of the students strongly agree that they are financially literate, 3.7% disagree, 19.3% are neutral, 44.0% agree and 26.0% strongly agree that they are financially literate. The responses are skewed toward the strongly agreed response, as indicated by the mean of 3.81 and standard deviation of 1.076. These results suggest that to promote university students' financial inclusion, the banking sector should capitalize on their financial literacy. According to the data, 26.6% of students highly agree that they have a digital phone compatible with online banking, whereas 3.7% disagree, 11.0% are neutral, 52.3% agree, and 6.4% strongly disagree. With a mean of 3.89 and a standard deviation of 1.048, the results show that most students own smartphones that they can use to transact digitally with their banks. Based on this finding, the financial services sector has to make the most of digital technologies to include university students. Technology and digital apps can be used to entice college students to adopt mainstream financial practices.

Lastly, the study findings reveal that 4.6% strongly disagree that they have learnt the benefits of financial inclusion, 16.5% disagree, 25.7% are indifferent, 43.1% agree and 10.1% strongly agree. The mean of the study findings is 3.38 and the standard deviation is 1.025 indicating that responses are skewed towards strongly agree. Given the findings, there is a significant chance that university students will be financially included if they are engaged in the financial sector. According to the responses, there is a favourable attitude about using financial services. The banking industry may benefit from this good attitude by recruiting more university students into the financial sector.

DISCUSSION OF RESULTS

The study sought to investigate the financial inclusion landscape for university students. The results of the research show that a majority of college students own bank accounts. Nonetheless, some students continue to operate outside the mainstream of finance, suggesting many obstacles preventing them from being included. An analysis of the association between age and financial inclusion using a regression test revealed a positive correlation between the two variables. It concludes that age has a big impact on the financial inclusion of university students. These results contradict Kaligis et al. (2018), who found no relationship between age and financial inclusion. The same study by Kaligis (2018) contends that gender has no impact on financial inclusion, which supports the findings of the current study.

Mogbolu and Igbinedion (2023) found that university students are among the categories that are susceptible to financial exclusion despite having a tertiary education status. The study's findings on barriers to financial inclusion as reported by university students are in line with those of Mogbolu and Igbinedion (2023), who found that supply-side impediments such as the inability to meet minimum balance requirements, transaction costs, and identity requirements for account opening are what prevent providers of formal financial services from opening accounts for members of these groups. According to the research findings, some students are not part of the mainstream financial sphere because they lack the funds required to open bank accounts. This is in line with research by Sinclair (2001) which found that condition exclusion of individuals occurs when the minimal sum needed to create and keep an account is not available. Low-income levels among the unbanked make it extremely difficult to receive financial services.

A study shows that banks favour wealthy customers, and the products they frequently create to satisfy their needs come with expensive service fees. Because of this, low-income individuals are forced to operate outside of the mainstream of finance. Park and Mercado (2015) found a significant relationship between poverty levels and financial services accessibility. Financial exclusion and poverty are often identical, and the poor are most likely to be directly and indirectly shut out of regulated financial institutions. While it's challenging to conclude that university students are impoverished, most say they lack the funds to create bank accounts. Their lack of bank accounts may be explained by their low income and poverty. Accordingly, the banking industry must contemplate launching student accounts that provide financial services at low prices.

According to the survey, there are university students who are not financially included due to the hefty fees associated with opening an account and conducting transactions. This is consistent with the argument made by Stijn (2005) that high transaction costs deter low-income clients from using formal financial institutions. These costs include high minimal deposit requirements, high administrative costs such as monthly maintenance fees, bank fees, high fixed costs for loan applications, and loan charges. To enhance financial inclusion among university students in Zimbabwe, low-cost accounts must be introduced. A study by Mogbolu and Igbinedion (2023) claims that Nigerian banks have created a unique bank account for undergraduate students between the ages of 16 and 28. The account's rules include a near-zero minimum balance and a school ID card for identification.

The study also revealed that some university students do not open bank accounts because they are ignorant of the steps involved. Several students reported being unaware of the prerequisites for creating bank accounts. According to Priyadi et al. (2016), financial inclusion is positively and significantly impacted by financial education. While a significant portion of students reported being financially literate, other students stated they were unaware of the requirements.

The study found that while general education contributes to financial inclusion, financial education is still necessary to ensure that university students understand the prerequisites for obtaining bank accounts. The OECD (2018) defines financial literacy as having a solid understanding of financial concepts along with the ability, drive, and confidence to apply them to make wise decisions in a variety of financial contexts, enhance societal and individual financial well-being, and facilitate economic participation.

Research by Okicic et al. (2021) found that undergraduate university students' financial inclusion and financial literacy are significantly positively correlated. Accordingly, it has been acknowledged that financial literacy is a crucial life skill that prepares a person to enter the mainstream of finance (OECD, 2017). Mudzingiri, Mwamba, and Keyser (2018) postulate that people with little financial literacy demonstrate overconfidence, a love of risks, and impatience in their financial behaviour. These behaviours are acknowledged as significant contributors to the financial crisis. L Lusardi et al. (2010) posit that financial literacy impacts young people's borrowing and debt behaviour in addition to their amount of savings and investments. Okello et al. (2017) assert that financial literacy has a favourable impact on people's financial inclusion.

The study's findings are consistent with those of Agarwal, Amromin, Ben-David, Chomsisengphet, & Evanoff (2015) research, which suggested that financial inclusion and financial planning are correlated with high literacy levels. The decision of students to utilize or not use financial services is heavily influenced by their financial education, especially in light of the complexity of financial products. One's future desires for financial inclusion are influenced by their level of financial education.

The results of the current study have revealed that some university students' reluctance to the financial mainstream can also be attributed to a lack of trust. Some university students' financial inclusion is greatly impacted by their lack of confidence in financial institutions. This outcome confirms the conclusions of earlier research, which explains why people find it challenging to trust financial institutions with their money because they don't fully understand their operations or aren't familiar with novel financial offerings (Demirgüç-Kunt et al., 2018;) (Tiwari et al., 2019). Therefore, a lack of trust in financial sectors and their products causes financial exclusion. Onzia (2021) observed from research that some clients get scared of accessing financial services because they do not trust the security of their money.

Similarly, D Demirgüç-Kunt and Klapper (2012) argued that some individuals never register a bank account to obtain financial services because they lack confidence. T Tiwari et al. (2019) assert that customer trust in a brand might be sensitive at the beginning of adoption and is a crucial component in guaranteeing the uptake and continuous usage of mobile bank accounts. Kumar (2011) proposed that a lack of knowledge leads to a lack of trust, which prevents consumers from utilizing formal financial services. University students require knowledge to overcome this demand-side barrier and increase their confidence in the financial services sector. Even when they land a job, sceptical college students will struggle to integrate into the financial mainstream if they lack confidence and trust.

The study also revealed that the majority of students at universities own smartphones that can be used for digital financial services and online banking. From this perspective, banks ought to seize this opportunity to integrate students from universities into the mainstream of finance. Because of their ease with digital technology, young people are sometimes referred to as "digital natives," according to OECD (2020). This opens up new opportunities for established financial institutions, such as banks, credit unions, microfinance organisations, and startup Fintech businesses to create digital services and products for young university students in addition to traditional financial services and products (OECD, 2020). UNICEF (2017) reports that 71% of youth worldwide use the internet, compared to 48% of the global population, and that one in three internet users are under 18. These figures unequivocally demonstrate the necessity for the financial sector to increase its efforts in leveraging digital technologies to facilitate college students' financial inclusion.

CONCLUSION

The study concludes that even if there is a low uptake of financial services like bank loans, university students are still somewhat involved in the banking sector. The survey concludes that while most students pay their tuition using the bank accounts they already have, they may still make use of some services since they are considered financially included. The study also concludes that university students who are financially excluded have a variety of impediments that contribute to their decision to stay out of the mainstream of finance. Among the hurdles encountered include, but are not restricted to: low-income levels, expensive bank fees, lack of knowledge about the prerequisites for opening bank accounts, and low confidence and trust in financial institutions.

Given that the majority of university students own smartphones that can be used for online banking, the majority of them are financially literate, and the majority of them intend to create a bank account in the future, there is an immense amount of opportunity for university students to become digitally and financially included. Given the conclusions above and some of the research findings, the following recommendations are being submitted to financial sector players and policymakers;

• Introduce special financial products for university students in the form of low-cost bank accounts and low-cost bank loans to promote innovation and industrialization. A university student-friendly account could have the following features: no early withdrawal penalties, no overdraft capacity, no fees for dormancy or inactivity, free online and mobile banking and bill payment, no minimum or starting balance requirements, no fees for adding cash or other direct deposit sources to the account or card, unrestricted use of automated telle

• rs, and free access to customer service.

• Inculcate a culture of financial inclusion among universities through financial education and public lectures so that they can develop positive financial behaviour. Financial education can be given in-person or virtually, in classrooms or outside of them, through extracurricular activities, or by utilizing digital resources. One of the most effective and equitable methods to reach all university students is for policymakers to take financial education into account when developing curricula.

• Establishment of small banking halls at universities to allow university students to access financial services.

• Leveraging digital phones for financial inclusion by introducing digital applications which allow students to access financial services in the comfort of their homes. Facilitate comprehensive, robust, and interoperable digital financial ecosystems to assist the financial inclusion of university learners.

• Opening savings and retirement accounts for university students so that they will keep contributing to their savings and retirement at a youthful stage

SUGGESTIONS FOR FUTURE RESEARCH

To learn more about the financial practices of university students who are financially excluded, a study needs to be done. In this regard, the study must look into the practices employed by economically deprived university students to save, invest, and pay their tuition, as well as the motivations behind these financial decisions.

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