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INFLUENCE OF ACCESS TO CREDIT ON THE FINANCIAL SUSTAINABILITY OF WOMEN-OWNED AND OPERATED MICRO AND SMALL ENTERPRISES IN VIHIGA COUNTY, KENYA

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Influence of Access to Credit On the Financial Sustainability of Women-Owned and Operated Micro and Small Enterprises in Vihiga County, Kenya

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Abstract:
***Purpose of the Study*:** This study examined the influence of access to credit on the financial sustainability of women-owned and operated micro and small enterprises in Vihiga County, Kenya. It sought to determine whether improved access to financial resources enhances business sustainability by supporting enterprise growth, operational stability, and long-term financial performance among women entrepreneurs.
***Methodology*:** The study adopted a descriptive research design targeting 1,000 women-owned and operated micro and small enterprises in Vihiga County. A sample of 100 respondents was selected through stratified random sampling. Primary data were collected using structured questionnaires and analyzed using descriptive statistics, Pearson correlation, and simple linear regression with SPSS.
Findings: The findings revealed that access to credit had a positive and statistically significant influence on the financial sustainability of women-owned and operated micro and small enterprises. Correlation analysis established a strong positive relationship between access to credit and financial sustainability ($r = 0.693$, $p < 0.001$). Regression analysis showed that access to credit explained 55.4% of the variation in financial sustainability ($R^2 = 0.554$), with the regression model being statistically significant ($F = 58.213$, $p < 0.001$). Furthermore, access to credit positively predicted financial sustainability ($\beta = 0.152$, $p = 0.023$), confirming its significant contribution to enterprise sustainability. These findings indicate that improved credit accessibility enhances business stability, profitability, growth potential, and long-term operational resilience among women entrepreneurs.
Conclusion: The study concludes that access to credit is a significant determinant of the financial sustainability of women-owned and operated micro and small enterprises in Vihiga County. Expanding affordable and accessible credit, strengthening financial inclusion initiatives, and improving entrepreneurs' financial literacy can significantly enhance business sustainability and long-term enterprise growth.

Keywords: *Access to Credit, Financial Sustainability, Women-Owned Enterprises, Micro and Small Enterprises (MSEs), Financial Inclusion, Business Growth, Women Entrepreneurship, Resource-Based Theory, Credit Accessibility, Vihiga County.*

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1.0 INTRODUCTION

1.1 Background of the Study

Micro and small enterprises (MSEs) constitute the backbone of many economies, particularly in developing countries, where they account for a substantial proportion of employment, income generation, and poverty alleviation. In Kenya, MSEs are estimated to account for 98% of all businesses and employ over 16.7 million people, equivalent to approximately 83.5% of the national workforce (Kivuva & Sooryamoorthy, 2026). The sector's contribution to the Gross Domestic Product (GDP) is also significant, with estimates ranging from 24% to over 35%. Among these enterprises, women-owned and operated MSEs have emerged as critical drivers of inclusive economic growth, with women owning about 31.4% of all SMEs in Kenya and co-owning an additional 17% (Makini & Omwenga, 2022). Despite their significant contributions, women-owned MSEs continue to face numerous challenges that threaten their survival and long-term viability, with access to credit being one of the most formidable obstacles.

Access to credit refers to the ability of individuals or businesses to obtain financial resources from formal or informal sources to start, operate, or expand their enterprises. For micro and small enterprises, credit serves as a lifeline that enables them to acquire necessary inputs, invest in technology, manage cash flow, and seize growth opportunities (Okello et al., 2024). However, access to credit remains severely constrained for women entrepreneurs in Kenya, particularly in rural counties such as Vihiga. The International Finance Corporation estimates that only seven percent (7%) of women-owned micro, small, and medium-sized enterprises in Kenya have formal access to finance (Odhiambo, 2023). Female borrowers accounted for less than a third of all loans disbursed by Kenyan lenders over the five years to the end of December 2023, despite being better re-payers of their loans than male borrowers (Ashubwe et al., 2025). This financing gap is even more pronounced in rural areas, where women often lack the collateral, credit history, and financial literacy required by formal financial institutions.

Financial sustainability, on the other hand, refers to the ability of an enterprise to generate sufficient revenues to cover its costs, maintain operations, and achieve long-term viability without relying on external subsidies or continuous injections of capital. For women-owned MSEs, financial sustainability is not merely about survival but encompasses the capacity to grow, innovate, and contribute meaningfully to household welfare and community development. However, studies have shown that over 60% of women-owned small and medium businesses in Kenya were estimated to fail between 2013 and 2020, with negative returns on assets being a common phenomenon (Kato, 2023). This high failure rate underscores the urgent need to understand the factors that influence financial sustainability, particularly access to credit.

Vihiga County, located in the western region of Kenya, is predominantly rural with a population that heavily relies on agriculture and small-scale trade for livelihoods. The county has a high proportion of women engaged in micro and small enterprises, yet access to formal financial services remains limited. A study by Achuti (2025) on determinants of sustainability for women-

owned micro-enterprises in Vihiga County found that capital accessibility had a positive and significant relationship with microenterprise sustainability, with a coefficient of $\beta = 0.572$ ($p < 0.05$). This finding suggests that improving access to credit could substantially enhance the sustainability of women-owned enterprises in the county. However, despite this evidence, there remains a dearth of empirical research specifically examining the influence of access to credit on the financial sustainability of women-owned MSEs in Vihiga County, particularly in the context of recent policy interventions such as the Women Enterprise Fund and the Credit Guarantee Scheme.

The Government of Kenya has implemented various initiatives aimed at improving access to credit for women entrepreneurs. The Women Enterprise Fund, established in 2007, provides loans and business support services to women-owned MSEs, and as of 2023, it had set a target to grow the Fund from KSh 4.5 billion to KSh 13.5 billion in the next five years to enable 100% access to affordable finance for women (Ngunjiri et al., 2025). The Credit Guarantee Scheme, introduced as part of the economic stimulus package in response to the COVID-19 pandemic, provides guarantees to financial institutions to encourage lending to MSEs, with the government covering up to 25% of the initial loan principal amount (Yu et al., 2022). Additionally, the Kenya Women Microfinance Bank (KWFT) and other microfinance institutions have developed products specifically targeting women entrepreneurs. Despite these efforts, the uptake of formal credit among women-owned MSEs remains low, with only 18.75% of women business collectives in Kenya having applied for loans in 2023 (Chepkurui et al., 2022). This persistent gap between policy intent and practical outcomes necessitates a deeper investigation into the factors that influence access to credit and its impact on financial sustainability.

The Resource-Based Theory (RBT) provides a useful theoretical lens for understanding the relationship between access to credit and financial sustainability. According to RBT, a firm's competitive advantage and long-term sustainability depend on its ability to acquire, deploy, and leverage valuable, rare, inimitable, and non-substitutable resources (Bhandari et al., 2020). Financial capital is one such resource that enables firms to invest in other productive assets, develop capabilities, and respond to market opportunities. For women-owned MSEs, access to credit represents a critical resource that can be transformed into sustainable competitive advantage through strategic deployment in business operations, innovation, and growth. However, the lack of access to credit constrains the ability of women entrepreneurs to build the resource base necessary for long-term sustainability, perpetuating a cycle of underperformance and vulnerability.

This study, therefore, sought to examine the influence of access to credit on the financial sustainability of women-owned and operated micro and small enterprises in Vihiga County, Kenya. By providing empirical evidence on this relationship, the study aims to inform policy formulation, guide financial institutions in developing gender-responsive products, and equip women entrepreneurs with insights to enhance their access to credit and financial sustainability.

1.2 Statement of the Problem

Women-owned and operated micro and small enterprises in Kenya play a vital role in economic development, yet they face significant challenges in achieving financial sustainability. Access to credit has been identified as a critical factor influencing the performance and survival of MSEs, but women entrepreneurs continue to encounter substantial barriers in accessing formal financial services. In Vihiga County, where a large proportion of women depend on MSEs for their livelihoods, the situation is particularly acute. Despite the existence of government initiatives such as the Women Enterprise Fund and the Credit Guarantee Scheme, and the presence of microfinance institutions, many women-owned MSEs remain financially unsustainable, with high failure rates and limited growth prospects.

Empirical research has demonstrated that access to credit positively influences the performance and sustainability of women-owned enterprises. For instance, Nyamboga et al. (2019) found that obtaining credit had a statistically significant effect on the financial performance of small-scale women enterprises in Kilifi County. Similarly, Maruti et al. (2021) established that capital accessibility had a positive and significant relationship with the sustainability of women-owned micro-enterprises in Vihiga County. Otieno and Wawire (2023) also found that women who secured funding from banks depicted high performance in their manufacturing enterprises in Kisumu City County. Furthermore, a study by Karanja and Muathe (2025) on access to credit and firm performance in Murang'a County found that collateral requirements, credit assessment, credit information sharing, and cost of credit all significantly predicted performance of MSEs.

However, despite these findings, there remains a contextual gap in understanding the specific influence of access to credit on the financial sustainability of women-owned MSEs in Vihiga County. Most existing studies have focused on performance outcomes rather than sustainability, and many have been conducted in different geographical or sectoral contexts, limiting the generalizability of their findings to Vihiga County. Moreover, the rapid changes in the financial landscape, including the growth of digital lending platforms and the introduction of new government programs, necessitate updated empirical evidence that reflects the current realities facing women entrepreneurs in the county. Without such evidence, policymakers, financial institutions, and development partners lack a sound basis for designing interventions that effectively enhance access to credit and promote financial sustainability among women-owned MSEs. This study, therefore, sought to address this gap by examining the influence of access to credit on the financial sustainability of women-owned and operated micro and small enterprises in Vihiga County, Kenya. The findings of this study are expected to contribute to the body of knowledge on women entrepreneurship, inform policy and practice, and ultimately enhance the sustainability and impact of women-owned MSEs in the county.

1.3 Purpose of the Study

The purpose of the study was to examine the influence of access to credit on the financial sustainability of women-owned and operated micro and small enterprises in Vihiga County, Kenya.

1.4 Research Hypothesis

H_{01}: Access to credit does not significantly influence the financial sustainability of women-owned and operated micro and small enterprises in Vihiga County, Kenya.

2.0 LITERATURE REVIEW

2.1 Theoretical Framework: Resource-Based Theory

This study is anchored on the Resource-Based Theory (RBT), which provides a robust framework for understanding how access to credit influences the financial sustainability of women-owned MSEs. The Resource-Based Theory, originally developed by Barney (1991) and extended by subsequent scholars, posits that a firm's competitive advantage and long-term sustainability depend on its unique bundle of resources and capabilities. According to RBT, resources can be categorized into tangible assets (such as financial capital, physical assets, and technology) and intangible assets (such as knowledge, reputation, and organizational culture). For a resource to confer sustainable competitive advantage, it must be valuable, rare, inimitable, and non-substitutable (Salazar, 2017).

In the context of micro and small enterprises, financial capital is a critical resource that enables firms to acquire other productive assets, invest in innovation, develop capabilities, and respond to market opportunities. Lu and Liu (2020) expanded the RBT framework by categorizing resources into knowledge resources, non-specific resources, and tradable property. Knowledge resources include the entrepreneur's education, experience, training, and social capital, while non-specific resources include general-purpose assets that can be deployed across different uses. Tradable property refers to assets that can be bought and sold in markets, such as equipment and inventory. Access to credit facilitates the acquisition of these resources, thereby enhancing the firm's capacity to achieve sustainable competitive advantage.

For women-owned MSEs in Vihiga County, access to credit represents a critical resource that can be leveraged to overcome the constraints of limited personal savings and family support. However, the lack of access to credit, often due to asymmetric information, collateral requirements, and discriminatory lending practices, limits the ability of women entrepreneurs to build the resource base necessary for long-term sustainability (Pareek & Bagrecha, 2018). The Resource-Based Theory, therefore, provides a lens through which to understand how access to credit influences financial sustainability by enabling women entrepreneurs to acquire and deploy resources that enhance their competitive position and long-term viability.

Moreover, RBT emphasizes the importance of internal organizational factors, such as planning, control, and efficient resource management, in attracting lenders and supporting the adoption of strategies that increase firm effectiveness and efficiency (Iliyas & Barca, 2025). For women-owned MSEs, the ability to demonstrate sound management practices and creditworthiness is essential for accessing credit from formal financial institutions. Thus, the theory underscores the reciprocal relationship between access to credit and financial sustainability, where access to credit

enables resource acquisition and capability development, which in turn enhances sustainability and creditworthiness.

The Resource-Based Theory has been widely applied in studies on access to credit and firm performance. For instance, Ndungu et al. (2025) anchored their study on access to credit and firm performance in Murang'a County on the resource-based view, among other theories. Similarly, a study on digital business process integration and sustainability among SMEs drew on the Resource-Based View and Dynamic Capabilities Theory to highlight how integrated digital processes and financial support jointly influence sustainability and competitiveness. This theoretical grounding provides a solid foundation for examining the relationship between access to credit and financial sustainability in the context of women-owned MSEs in Vihiga County.

2.2 Empirical Review

2.2.1 Access to Credit

Access to credit refers to the ability of individuals or businesses to obtain financial resources from formal or informal sources to meet their capital needs. For micro and small enterprises, credit is essential for starting, operating, and expanding businesses, as it enables entrepreneurs to acquire inputs, invest in technology, manage cash flow, and seize growth opportunities. Businesses typically obtain funding from both internal and external sources. Internal sources include savings and retained profits, while external sources include banks, microfinance institutions, and governmental or non-governmental organizations (Wang et al., 2023). For women in micro and small enterprises, both sources can be challenging to secure due to limited savings and the unavailability or reluctance of lending institutions. As a result, many micro-entrepreneurs are left relying solely on insufficient family savings, which hinders their ability to expand or generate substantial profits.

Geroski et al. (1997) posited that a firm's profitability is positively linked to its financial capital, while Fafchamps (1997) emphasized the importance of financial resources for investment, market expansion, and innovation. These assertions underscore the critical role of credit in enabling firms to achieve growth and sustainability. However, access to credit remains a major obstacle for female entrepreneurs, particularly in Kenya, where only 1% of women own property, making it challenging to fulfill loan collateral requirements (Mwobobia, 2021). Women may encounter discriminatory financial practices and frequently lack the collateral required to obtain loans, especially in rural areas. Additionally, family obligations' financial demands may compete with business capital, taking funds away from the needs of the company (Stryckova, 2023). Women are forced to take out several short-term loans from Kenyan microfinance institutions because these loans are frequently insufficient, have high interest rates, and have short grace periods. For many female entrepreneurs, formal financial assistance is a last resort due to this financial strain.

In Kenya, various initiatives have been implemented to improve access to credit for women entrepreneurs. The Women Enterprise Fund provides loans and business support services to

women-owned MSEs, with a strategic plan for 2023-2027 aimed at enhancing financial accessibility and placing premium on financial sustainability (Women Enterprise Fund, 2023). The Credit Guarantee Scheme, implemented in response to the COVID-19 pandemic, provides guarantees to financial institutions to encourage lending to MSEs, with the government covering up to 25% of the initial loan principal amount (Mutua, 2023). Additionally, the Kenya Women Microfinance Bank (KWFT) and other financial institutions have developed products specifically targeting women entrepreneurs. Despite these efforts, the uptake of formal credit among women-owned MSEs remains low, with only 18.75% of women business collectives in Kenya having applied for loans in 2023 (Alice, 2023).

Recent studies have examined various dimensions of access to credit for women-owned enterprises. Achuti (2025) investigated access to credit and firm performance among micro and small enterprises in Murang'a County, Kenya. The study focused on collateral requirements, credit assessment, credit information sharing, and cost of credit, and found that all these factors significantly predicted performance of the studied firms. The study recommended that financial institutions adopt flexible collateral policies, simplify credit assessment procedures, and promote awareness of credit reporting for MSEs. Similarly, Ashubwe et al. (2025) explored how small-scale women enterprises perform financially in Kilifi County, Kenya, and found that obtaining credit had a statistically significant effect on financial performance. The study recommended the adoption of simple loan application procedures and tailored, affordable microfinance loans.

Bhandari et al. (2020) examined the effects of financial sources and socio-cultural factors on the performance of women-owned manufacturing enterprises in Kisumu City County, Kenya. The study established that women who secured funding from banks during shortages and initial capital depicted high performance. The study recommended that policies be formulated to finance informal sectors such as chamas, where the majority of women prefer to increase the amount of loan accessed. Chepkurui et al. (2022) investigated the effects of micro-finance products on the financial performance of women and youth owned enterprises in Trans-Nzoia County, Kenya, and concluded that micro-credit, financial training, micro-saving, and micro-insurance products had positive significant impacts on performance.

2.2.2 Financial Sustainability of Women-Owned and Operated Micro and Small Enterprises

Financial sustainability refers to the ability of an enterprise to generate sufficient revenues to cover its costs, maintain operations, and achieve long-term viability without relying on external subsidies or continuous injections of capital. For women-owned MSEs, financial sustainability is critical not only for the survival of individual enterprises but also for the broader goals of poverty reduction, gender equality, and inclusive economic growth. However, achieving financial sustainability remains a significant challenge for many women-owned MSEs in Kenya. Over 60% of women-owned small and medium businesses were estimated to fail in years 2013 and 2020 with negative return on assets (Chepkurui et al., 2022). This high failure rate underscores the urgent need to understand the factors that influence financial sustainability.

Financial sustainability encompasses multiple dimensions, including profitability, liquidity, solvency, and growth. Profitability refers to the ability of the enterprise to generate profits from its operations, which is essential for reinvestment and growth. Liquidity refers to the ability to meet short-term obligations, while solvency refers to the ability to meet long-term obligations. Growth refers to the ability to expand operations, increase market share, and achieve economies of scale. For women-owned MSEs, achieving financial sustainability requires not only access to credit but also effective financial management practices, sound business strategies, and supportive policy environments.

Kikaya (2018) explored the determinants of sustainability of women-owned micro-enterprises in Vihiga County, Kenya, and found that capital accessibility had a positive and significant relationship with microenterprise sustainability, with a coefficient of $\beta = 0.572$ ($p < 0.05$). The study also found that competition had a negative and significant relationship, domestic attachment had a negative and significant relationship, and information technology had a positive and significant relationship with sustainability. These findings highlight the importance of access to credit as a determinant of sustainability for women-owned MSEs in Vihiga County.

Other studies have examined the relationship between financial practices and sustainability. A study on financial management practices and financial sustainability of enterprises financed by the Women Enterprise Fund in Kasarani Sub-County, Nairobi City County, found that effective financial management practices are essential for sustainability (Kasarani, 2023). Similarly, a study on cash management practices and financial sustainability of women-owned businesses in Kisii Township, Kenya, concluded that effective cash management is vital for the long-term success of women-owned businesses (EANSO, 2025). These studies collectively underscore the importance of both access to credit and effective financial management in achieving financial sustainability.

2.3 Conceptual Framework

A conceptual framework is a structured approach that outlines the key variables and their relationships within a study. It serves as a guide for researchers to understand how different concepts interact and influence each other. According to Iliyas and Barca (2025), a conceptual framework is a visual or written product that explains the main aspects to be studied, including the key factors, variables, and the presumed relationships among them. It provides a theoretical foundation that helps in interpreting research findings and aligning them with the study's objectives.

In this research, the independent variable is Access to Credit, which encompasses the availability and accessibility of financial resources from formal and informal sources. The dependent variable is Financial Sustainability of Women-Owned and Operated Micro and Small Enterprises, which reflects the ability of these enterprises to generate sufficient revenues, maintain operations, and achieve long-term viability. The study hypothesizes that access to credit positively influences financial sustainability, as it enables women entrepreneurs to acquire necessary resources, invest in business growth, and manage cash flow effectively.

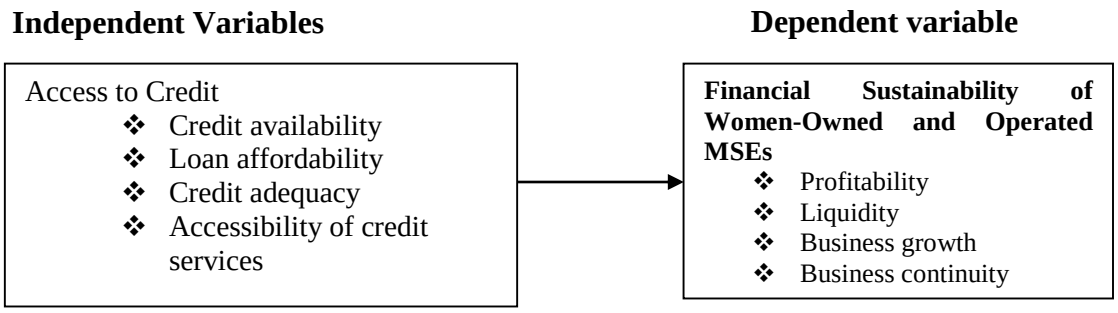

Figure 1: Conceptual Framework

3.0 RESEARCH METHODOLOGY

This study adopted a descriptive research design to examine the influence of access to credit on the financial sustainability of women-owned and operated micro and small enterprises in Vihiga County. The design was appropriate because it enabled the collection of quantitative data to describe existing conditions and establish relationships between study variables without manipulating them. The target population comprised 1,000 women-owned and operated micro and small enterprises that had been operational for at least three years within Vihiga County. A sample of 100 respondents was selected using stratified random sampling to ensure adequate representation of the study population. Primary data were collected using a structured questionnaire containing both closed-ended and Likert scale questions, which captured respondents' perceptions regarding access to credit and financial sustainability. Prior to data collection, approval was obtained from the university, followed by a research permit from the National Commission for Science, Technology and Innovation (NACOSTI). Completed questionnaires were checked for completeness, coded, and entered into SPSS version 28 for analysis. Descriptive statistics, including frequencies, percentages, means, and standard deviations, were used to summarize the data, while Pearson correlation and simple linear regression analysis were employed to determine the effect of access to credit on the financial sustainability of women-owned and operated micro and small enterprises in Vihiga County.

4.0 RESEARCH FINDINGS AND DISCUSSION

4.1 Response Rate

The study targeted 100 women-owned and operated micro and small enterprises in Vihiga County. The response rate is presented in Table 1.

Table 1: Response Rate Summary

Category	Frequency	Percentage
Completed	80	80
Not returned	20	20

Total	100	100

Source: Research Data (2026)

The summary presented in Table 1 illustrates the distribution of responses clearly, with 80% of the questionnaires completed and returned, while 20% remained unreturned, confirming the overall response rate achieved. Recent literature supports this view, indicating that response rates above 70% are generally sufficient for ensuring data integrity and reliability in quantitative research.

4.2 Descriptive Analysis

4.2.1 Access to Credit and Sustainability of Women-Owned and Operated Micro and Small Enterprises

The descriptive data on loan availability and their impact on the viability of micro and small businesses run by women are shown in this section.

Table 2: Access to Credit and Sustainability of Women-Owned and Operated Micro and Small Enterprises

Statements	1	2	3	4	5	Mean	SD
The enterprise was started through personal funding.	0%	6%	11%	45%	38%	4.61	0.471
Family and friends contributed funds for the business.	29%	41%	12%	11%	7%	2.28	0.986
The enterprise obtained loan from government through Uwezo Fund and Enterprise Development Funds or any other funding if any.	6%	12%	8%	43%	31%	4.31	0.613
The enterprise obtained credit from banks.	7%	11%	10%	44%	28%	4.24	0.624
The enterprise obtained credit from micro finance institutions.	30%	44%	10%	11%	5%	2.11	0.998
The business depends on its own profits for existence.	7%	11%	10%	44%	28%	4.24	0.624
Composite mean and composite SD						**3.63**	**0.719**

N=80

Important insights can be gained from the examination of finance availability in connection to the long-term viability of micro and small businesses run by women. The assertion that the business was founded using personal funds had a mean score of 4.61, suggesting that respondents strongly agreed that personal funds were used. On the other hand, the gift from friends and family was seen less favorably, with a mean score of just 2.28, indicating that this funding source is not as common or significant. The enterprises that secured loans from government initiatives, such as the Uwezo Fund and other development funds, reported a mean score of 4.31, indicating a positive perception of such funding sources. Similarly, obtaining credit from banks received a mean of 4.24, highlighting its importance for sustainability. In contrast, reliance on microfinance institutions garnered a lower mean of 2.11, reflecting concerns about this option's effectiveness. Lastly, the

statement regarding dependence on profits for existence had a mean of 4.24, reinforcing the critical role of profitability in sustaining these enterprises. The overall composite mean of 3.63 indicates a generally favorable view of access to credit as a factor influencing sustainability, while also pointing out specific areas that require attention and improvement.

4.2.2 Sustainability of Women-Owned and Operated Micro and Small Enterprises

The sustainability of women-owned and operated micro and small businesses is examined in this section using a 5-point Likert scale. The percentages were rounded to the closest whole number. The findings show respondents' perspectives on different facets of the sustainability of micro and small businesses run by and owned by women. A thorough description of these responses is given in Table 3.

Table 3: Sustainability of Women-Owned and Operated Micro and Small Enterprises

Statements	1	2	3	4	5	Mean	SD
The business has implemented practices that promote long-term sustainability	10%	12%	16%	40%	22%	3.99	0.704
There is a clear strategy in place to ensure the financial sustainability of the enterprise.	4%	8%	14%	46%	28%	4.38	0.591
The business effectively manages resources to minimize waste and maximize efficiency.	28%	42%	18%	7%	5%	2.36	0.913
The enterprise actively seeks opportunities for growth and adaptation in the market.	12%	18%	13%	39%	18%	3.62	0.724
Customer loyalty and satisfaction contribute significantly to the sustainability of the business.	4%	7%	10%	49%	30%	4.61	0.538
Composite mean and composite SD						**3.70**	**0.710**

N=80

The responses on the sustainability of women-owned and operated micro and small enterprises reveal varied perceptions among participants. The statement regarding the implementation of practices that promote long-term sustainability garnered a mean score of 3.99, indicating a generally positive outlook. For the existence of a clear strategy for financial sustainability, the mean was even higher at 4.38, suggesting that many believe such strategies are in place. However, when it comes to effective resource management to minimize waste and maximize efficiency, the mean dropped significantly to 2.36, highlighting a concern in this area. The mean score for actively seeking opportunities for growth and adaptation was 3.62, showing moderate agreement. Lastly, the importance of customer loyalty and satisfaction for sustainability received the highest mean of 4.61, emphasizing its critical role in the success of these enterprises. Overall, the composite mean score of 3.70 reflects a positive sentiment toward sustainability, while also indicating areas needing improvement.

4.3 Inferential Statistics

Inferential statistics were used to draw conclusions and make predictions about the broader population based on sample data, allowing for hypothesis testing and offering insights to support decision-making, policy formulation, and future research directions.

4.3.1 Correlation Analysis

This section explores the relationship between access to credit and the sustainability of women-owned and operated micro and small enterprises using Pearson's correlation analysis.

Table 4: Correlation Analysis

Variable		Access to credit	Sustainability of MSMEs
Access to credit	Pearson Correlation	1	0.693**
	Sig. (2-tailed)		0.000
	n	80	80
Sustainability of MSMEs	Pearson Correlation	0.693**	1
	Sig. (2-tailed)	0.000	
	n	80	80

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

The correlation analysis reveals a strong positive relationship between access to credit and the sustainability of women-owned and operated micro and small enterprises (MSEs), with a Pearson correlation coefficient of 0.693. This indicates that as access to credit increases, the sustainability of these enterprises also improves. The significance value of 0.000 further supports the strength of this relationship, suggesting that the results are statistically significant. This finding highlights the importance of financial resources in ensuring the long-term viability of women-led MSEs, emphasizing the role that access to credit plays in enhancing their operational capacities and overall performance. Recent studies corroborate these findings, emphasizing the importance of financial access for women entrepreneurs. For instance, Karanja and Muathe (2025) explored the accessibility of microfinance services for women-owned SMEs in Harare, Zimbabwe, identifying the significant role these enterprises play in economic growth and employment creation. The study highlighted that improved support systems, collaborations, and regulated interest rates enhance financial access, while barriers such as informality and high MFI charges limit opportunities.

4.3.2 Regression Analysis for Access to Credit and the Sustainability of MSMEs

Regression analysis was conducted to determine the effect of access to credit on the financial sustainability of women-owned and operated micro and small enterprises in Vihiga County. The findings are presented in the model summary, ANOVA, and regression coefficients Tables.

Model Summary

The model summary results are presented in Table 5 and show the extent to which access to credit explains variations in the financial sustainability of women-owned and operated micro and small enterprises.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.693a	.554	.438	.5751

a. Predictors: (Constant), Access to Credit

The results in Table 5 indicate a strong positive relationship between access to credit and financial sustainability, as shown by the correlation coefficient (R = 0.693). The coefficient of determination (R^2 = 0.554) implies that access to credit explains 55.4% of the variation in the financial sustainability of women-owned and operated micro and small enterprises in Vihiga County, while the remaining 44.6% is explained by other factors not included in the model. The adjusted R^2 value of 0.438 confirms that the model retains substantial explanatory power after adjusting for the number of predictors. These findings suggest that access to credit is an important determinant of financial sustainability.

ANOVA

The analysis of variance (ANOVA) results are displayed in Table 6 and were used to determine the overall significance of the regression model.

Table 6: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	14.769	1	14.769	58.213	.000b
Residual	38.564	78	.254		
Total	**53.333**	**79**			

a. Dependent Variable: Sustainability
b. Predictors: (Constant), Access to Credit

The ANOVA results in Table 6 show that the regression model is statistically significant (F = 58.213, $p < 0.001$). This indicates that access to credit significantly predicts the financial sustainability of women-owned and operated micro and small enterprises in Vihiga County. Therefore, the regression model provides a good fit for explaining the relationship between the study variables, confirming that access to credit has a statistically significant influence on financial sustainability.

Beta Coefficients for Access to Credit

The regression coefficient results are presented in Table 7 and indicate the magnitude and direction of the effect of access to credit on financial sustainability.

Table 7: Beta Coefficients for Access to Credit

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	Model

	B	Std. Error	Beta		
1 (Constant)	0.421	0.186		2.263	0.025
Access to Credit	0.156	0.068	0.152	2.294	0.023

a. Dependent Variable: Sustainability

The findings in Table 7 indicate that access to credit has a positive and statistically significant effect on the financial sustainability of women-owned and operated micro and small enterprises ($B = 0.156$, $\beta = 0.152$, $t = 2.294$, $p = 0.023$). This implies that a one-unit improvement in access to credit leads to a 0.156-unit increase in financial sustainability, holding other factors constant. Since the p-value is less than 0.05, the relationship is statistically significant. The findings therefore confirm that improved access to credit enhances the financial sustainability of women-owned and operated micro and small enterprises in Vihiga County, leading to the acceptance of the study hypothesis that access to credit significantly influences financial sustainability.

5.0 SUMMARY OF THE STUDY

The study found that access to credit significantly influences the financial sustainability of women-owned and operated micro and small enterprises in Vihiga County, Kenya. Descriptive findings showed that personal savings remained the primary source of business financing, while government funding initiatives positively supported enterprise growth. The study also established that customer loyalty and strategic planning enhanced financial sustainability. Correlation analysis revealed a strong positive relationship between access to credit and financial sustainability ($r = 0.693$, $p < 0.001$). Regression results further confirmed that access to credit significantly and positively predicted financial sustainability, explaining 55.4% of the variation in enterprise sustainability.

6.0 CONCLUSION

The study concludes that access to credit is a significant determinant of the financial sustainability of women-owned and operated micro and small enterprises in Vihiga County, Kenya. Improved access to financial resources enhances business growth, stability, and long-term sustainability by enabling entrepreneurs to invest in productive activities. The findings indicate that personal savings remain the primary source of startup capital, while government funding and bank credit also play important roles. However, weaknesses in resource management continue to hinder enterprise sustainability. The study further concludes that the Resource-Based Theory appropriately explains how access to financial resources strengthens business competitiveness, supporting financial inclusion as a key strategy for enhancing the sustainability of women-owned enterprises.

7.0 RECOMMENDATIONS

The study recommends that financial institutions develop affordable and flexible credit products with simplified lending procedures to improve women's access to finance. The government

should strengthen credit guarantee schemes, expand funding for women enterprise programs, and implement policies that promote financial inclusion. Women entrepreneurs should improve financial literacy, maintain proper business records, and diversify funding sources to enhance creditworthiness and business sustainability. Development partners should support financial literacy initiatives, provide technical assistance to financial institutions, and strengthen linkages between women entrepreneurs and credit providers. These interventions will enhance access to credit and improve the financial sustainability of women-owned micro and small enterprises in Vihiga County.

8.0 AREAS FOR FURTHER RESEARCH

Future research should employ longitudinal or experimental designs to establish causal relationships between access to credit and financial sustainability. Studies should also examine the effects of financial literacy, business management, and socio-cultural factors. Comparative studies across counties and qualitative research on women entrepreneurs' experiences would provide broader and deeper insights.

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