



EFFECT OF EDUCATION AND INCOME LEVEL ON INSURANCE PATRONAGE AMONG MICRO ENTREPRENEURS IN SOUTH-EAST NIGERIA.

Nwagwu Chika¹, Agu Monica N. (Ph.D.)², and Iorpuu Timothy (Ph.D.)³.

¹Department of Entrepreneurship Studies, Nasarawa State University, Keffi.

Email: chnwagwu@gmail.com

²Department of Entrepreneurship Studies, Nasarawa State University, Keffi.

Email: drmonicaagu@gmail.com

³Department of Entrepreneurship and Innovation Management, Phoenix University Agwada.

Email: timothy.iorpuu@phoenixuniversity.edu.ng

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ABSTRACT: *This study adopts a survey research design and investigated how educational attainment and income level determine insurance patronage among micro-entrepreneurs in South-East Nigeria. A sample of 461 respondents was calculated with the Krejcie and Morgan (1970) formula and reached through convenience sampling across the region's five commercial hubs. Data collected via structured questionnaires were analysed with Partial Least Squares Structural Equation Modelling (PLS-SEM). The model assessed the direct effects of education and income on insurance uptake. Results show that income level exerts a strong positive influence on patronage ($\beta = 0.652$, $p < 0.001$), while education level has no significant effect ($\beta = -0.088$, $p = 0.082$), with the two predictors explaining 39.9 % of the variance in uptake and demonstrating good predictive relevance ($Q^2 = 0.401$). These findings indicate that affordability, rather than formal schooling, is the binding constraint on insurance participation among micro-entrepreneurs. Accordingly, insurers should introduce flexible, low-premium payment plans supported by targeted subsidies or tax incentives and pair these with concise, market-based insurance-literacy drives so that rising incomes can translate into tangible coverage gains.*

KEYWORDS: Educational Level, Income Level, Insurance Patronage.



INTRODUCTION

The relationship between education, income levels, and insurance patronage is a globally recognized area of interest within the field of financial inclusion and economic development (International Insurance Society, 2024). Worldwide, higher levels of education are associated with increased awareness and understanding of insurance products, which encourages broader participation in insurance schemes. Education enhances the ability of individuals to comprehend complex financial concepts, make informed decisions, and appreciate the protective benefits that insurance can offer in managing risk. Furthermore, income level significantly influences access to insurance, as financially better-off individuals are more capable of paying premiums and maintaining continuous coverage. Conversely, low-income populations, often living in developing countries, face substantial barriers to insurance patronage due to affordability issues and limited financial literacy.

In Africa, studies have revealed that micro-entrepreneurs constitute a significant segment of the economy, yet their engagement with formal financial services, including insurance, remains low. Despite the potential benefits, many entrepreneurs face barriers rooted in low educational attainment and limited income, which hinder their understanding and affordability of insurance products. This scenario is particularly pronounced in Nigeria, where economic activities are predominantly carried out in the informal sector, and financial literacy levels are generally low.

Micro, small and medium-sized enterprises (MSMEs) remain the backbone of Nigeria's private sector, accounting for almost 47 percent of GDP, 6 percent of exports and about 88 percent of total employment in 2020–2022. The newest PwC MSME Survey (2024) confirms that micro enterprises alone still make up more than nine-tenths of the country's 39.7 million business entities, illustrating the depth of small-scale entrepreneurship nationwide. Although the survey is national in scope, it underscores how the South-East geopolitical zone, home to the commercial cities of Aba, Onitsha, Enugu, Awka and Owerri, houses one of the densest concentrations of micro entrepreneurs, many of whom operate in trade, light manufacturing and services (PwC, 2024).

Yet these enterprises face acute exposure to fire, theft, market shocks and health setbacks, problems that can abruptly erase thin working capital. Recent evidence shows that fewer than one-in-three micro-business owners in the South-East hold any formal insurance, despite recognising its protective value (Nwagwu, et al., 2025). The same regional study attributes low patronage largely to informational gaps and affordability constraints conditions that make shock-absorption through self-finance or community pooling increasingly fragile in today's volatile business climate.

Education emerges as a pivotal socio-economic lever in this context. National-level econometric work finds that post-secondary schooling significantly raises the probability that Nigerians will enrol in voluntary insurance programmes, because it enhances product comprehension and perceived trustworthiness of providers (Adekunle & Vincent, 2024). Parallel firm-level research among 364 SME managers shows that higher insurance literacy, rooted in formal learning and targeted awareness campaigns translates directly into stronger risk-mitigation practices and sustainable enterprise performance (Garba, et al, 2024).

Income level conditions not only willingness but also capacity to pay premiums. Adekunle and Vincent (2024) report that middle- and upper-income households are several times more likely to purchase health or business cover than low-income peers, even after controlling for age and



urban residence. For South-East micro entrepreneurs whose average monthly turnover has been squeezed by post-pandemic inflation, premium costs frequently exceed disposable earnings, reinforcing a cycle in which low income perpetuates under-insurance and heightened vulnerability (PwC, 2024).

The twin forces of education and income shape both the cognitive and financial thresholds that micro entrepreneurs must cross before embracing insurance. However, empirical work that isolates and then jointly tests these factors within the distinctive commercial ecology of South-East Nigeria remains scant. This introductory study therefore sets the stage for a focused investigation of how educational attainment and income strata interact to influence insurance patronage among the region's micro-enterprise operators, providing a foundation for evidence-based interventions aimed at deepening risk protection and, by extension, enterprise resilience.

In South-East Nigeria, these global and regional dynamics are further compounded by local socio-economic factors. Many micro-entrepreneurs operate within a context characterized by limited access to formal education and constrained income-generating opportunities. As a result, their engagement with insurance remains minimal, despite the recognized importance of risk mitigation for entrepreneurial sustainability. Understanding how education and income influence insurance patronage in this specific setting is critical for developing tailored financial inclusion strategies that address the unique challenges faced by micro-entrepreneurs in South-East Nigeria.

Despite insurance's critical role in mitigating business risks, its adoption among micro-entrepreneurs in South-East Nigeria remains strikingly low (Adebisi & Gbegi, 2013). These entrepreneurs often operate in precarious economic environments where even minor disruptions can lead to business collapse. Furthermore, the Nigeria's non-life insurance sector contributes less than 1% to GDP, far below countries like South Africa where the figure is 12% a gap attributed to weak regulation and limited public trust (Emem et al., 2021; IMF, 2013; Fatai et al., 2013). Although numerous studies have explored insurance patronage, most have focused on individual products and were conducted in different socio-economic and cultural contexts (Genty et al., 2022; Amaoko, 2019; Gabrah et al., 2020; Imosene et al., 2024; Wadajo, 2023; Negara et al., 2023; Sampath et al., 2019). This leaves a critical gap in understanding the unique drivers affecting micro-entrepreneurs in South-East Nigeria. Therefore, this study seeks to investigate education and income level and propose strategies that can enhance insurance engagement and improve business sustainability in the region.

Statement of Hypotheses

H01: Education level has no significant effect on insurance patronage among micro entrepreneurs in south-east Nigeria

H02: Income level has no significant effect on insurance patronage among micro entrepreneurs in south-east Nigeria



LITERATURE REVIEW

Educational Level

Level of education is fundamentally defined as the highest level of formal schooling an individual has completed, serving as a measure of educational attainment (Becker, 2019). It represents a quantifiable indicator of an individual's accumulated knowledge, skills, and competencies acquired through structured teaching, training, and research activities (Yew & Goh, 2016). Education facilitates learning and the development of values, beliefs, and habits, equipping individuals with the necessary tools to navigate complex financial products like insurance. This process not only enhances personal development but also enables individuals to effectively understand and evaluate insurance options, thus influencing their likelihood to engage with such financial services.

From a broader societal perspective, education is conceptualized as a formal and systematic process through which society transmits its accumulated knowledge, skills, customs, and values across generations (Murthy & Page, 2023). It encompasses both formal instruction and informal learning, emphasizing its role as a lifelong pursuit that empowers individuals and communities for personal, social, and economic growth (UNESCO, 2021). Education is seen as an evolving system comprised of practices, institutions, and experiential learning aimed at fostering intellectual development, critical thinking, and innovation (Hargreaves, 2017). Collectively, these definitions show that education acts as a dynamic catalyst, shaping consumer behavior, improving financial literacy, and increasing the propensity to purchase insurance products.

Level of Income

Income is a key determinant of customer patronage across industries due to its direct impact on consumers' purchasing power. It is viewed as the total financial resources available to individuals or households, enabling them to make more frequent and larger purchases of goods and services (Umeanika et al., 2021). Income reflects the capacity to absorb costs associated with higher-value products such as insurance schemes, with higher-income individuals typically having greater disposable income, which enhances their ability to spend on a wider array of financial and consumer goods. Economists describe income as a flow of resources that encapsulates the earnings generated from various sources, serving as an essential indicator of economic capacity and consumption behavior.

From a conceptual standpoint, income is defined as the aggregate of earnings received by an individual or household from all sources, including wages, dividends, and transfers, representing their overall financial resources (Atkinson & Bourguignon, 2015). It encompasses labor income, capital income, and transfer payments, illustrating its multifaceted nature (Piketty & Zucman, 2014). Several authors emphasize its dynamic character, viewing income not merely as a static measure but as a flow of economic benefits over time that influences savings, wealth accumulation, and social inequality (Kakwani & Son, 2020; Ravallion, 2018). These comprehensive definitions underscore income's critical role in determining purchasing behavior, financial stability, and broader economic inequality, thereby shaping individual and household financial decisions.



Insurance Patronage

In a business context, patronage refers to the support and loyalty that customers demonstrate toward a brand, product, or service, and is essential for an organization's longevity and success. It reflects recurring purchasing behaviors, indicating ongoing customer engagement and satisfaction (Adiele et al., 2015). In the insurance industry, patronage specifically pertains to how individuals or organizations select and utilize insurance products to protect against financial risks. Fofie (2016) defines insurance patronage as consumer behavior involved in choosing, purchasing, maintaining, and renewing insurance policies, emphasizing the continuous nature of engagement beyond a single transaction.

Insurance patronage involves a proactive, deliberate process rooted in rational decision-making and ongoing trust between consumers and insurers. It encompasses the evaluation of insurance needs, comparison of policy options, and the continuous use of coverage to mitigate potential financial losses (Inasa-Thomas & Akoja, 2024). This behavior signifies a dynamic and interactive relationship where customers actively participate in risk management, renew policies, and maintain loyalty over time (Whyte & Olivier, 2023; Opuene & Ademe, 2022). Overall, insurance patronage is best understood as both a practical process of selecting appropriate coverage and a relational bond characterized by sustained engagement with insurers, reflecting ongoing demand for risk protection (Olowokudejo, 2021; Sagagi et al., 2019). For this study, it is specifically defined as consumer behavior in choosing and employing insurance services to mitigate potential financial losses, as articulated by Fofie (2016).

Educational Level and Insurance Patronage

Multiple studies have examined the influence of education on financial behavior and micro-insurance demand, yielding varied results. Genty et al. (2022) studied market women in Lagos using questionnaires with a sample drawn from 11 local government councils, employing correlation analysis. They found that education did not significantly influence risk awareness among these women, which could be attributed to the informal nature of their activities or cultural factors. Fofie (2016), in Ghana, assessed social-economic and demographic factors influencing insurance patronage among 200 respondents from Sunyani municipality, using questionnaires and multiple regression analysis. Results indicated that, aside from religion, education significantly impacted insurance subscription, but the sample's non-scientific selection process limits the generalizability of their findings across broader populations. Owusu et al. (2015) focused on 60 bank employees in Accra, relying on questionnaires and logit regression, finding that higher education levels positively influenced demand for life insurance. While useful, the narrow focus on bank employees in one city restricts broader applicability, especially to informal sectors like micro-entrepreneurs. Debrah et al. (2022) surveyed 200 small business owners in Ghana using questionnaires and probit regression, concluding that education, along with income and trust, significantly affected micro-insurance demand, highlighting the potential role of education in improving financial literacy and engagement.

In Nigeria, Mukhtar (2016) explored micro-insurance prospects with questionnaires from 190 respondents across four local government areas in Sokoto State, using logit and quantile regression. They identified education as a key factor influencing micro-insurance acceptance, but their limited sample size and geographic scope restrict the broader applicability across Nigeria's diverse regions. Mor, et al. (2020), using secondary data from the 2015 GEM Adult



Population Survey for India with a sample size unknown but based on large national datasets, utilized binomial logistic regression to identify that moderate educational levels increased risk aversion among entrepreneurs. However, reliance on secondary data may not accurately reflect current conditions or the specific context of micro-entrepreneurs in south-east Nigeria. Collectively, these studies underscore that while education often correlates positively with insurance and financial engagement, methodological limitations such as small sample sizes, geographic focus, and data type hinder definitive conclusions. Targeted research is essential to clearly establish the influence of educational level on insurance patronage among micro-entrepreneurs in south-east Nigeria.

Income Level and Insurance Patronage

The empirical studies reviewed provide insights into various factors influencing insurance demand, with a mixed focus on income and demographic determinants. Sulaiman et al. (2019), in their study of 400 Muslims in Gusau, Zamfara State, used multiple regression analysis to find that income was a significant determinant positively associated with insurance demand, though they also noted income as a major challenge limiting demand. Their focus on religious and cultural variables offers valuable context but may overlook broader socioeconomic influences critical for micro-entrepreneurs. Anyadighibe (2022), with a larger sample of 738 residents in Calabar, identified income as a significant factor affecting insurance patronage and recommended targeted awareness campaigns, though the study's regional scope limits its applicability to southeast Nigeria. Yuan and Jiang (2015) examined regional variation across China, concluding that income and market development influence insurance demand, especially for life insurance, but their findings pertain mainly to macroeconomic and regional effects and may not directly translate to the micro entrepreneurial context.

Other studies, such as Fofie (2016) and Zerriaa et al. (2017), also highlighted income as a key determinant alongside education, social security, and macroeconomic factors. Fofie's study with 200 respondents found income to be a major factor influencing micro-insurance patronage, but its non-scientific sampling limits broad generalization. Zerriaa et al. observed that income and financial development increased life insurance demand, though higher education surprisingly dampened it, while social security systems served as substitutes. These contrasting findings highlight that income generally plays a positive role in insurance uptake; however, the influence of other variables varies significantly across different contexts. Similarly, Owusu et al. (2015) with 60 bank employees in Ghana reported that income levels positively influence life insurance demand, but the narrow sample limits the study's applicability beyond formal banking sectors. These studies suggest that income is a critical driver of insurance patronage, including among micro-entrepreneurs, but contextual and methodological limitations emphasize the need for focused research within southeastern Nigeria's micro-business sector to confirm these patterns and inform targeted interventions.



Theoretical Framework

The Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB), developed by Icek Ajzen in 1991 as an extension of the earlier Theory of Reasoned Action, offers a comprehensive framework for understanding human behavior by emphasizing the role of intention as the immediate antecedent to action. TPB suggests that behavioral intentions are influenced by three core components: attitudes toward the behavior, subjective norms, and perceived behavioral control (Ajzen, 1991). Attitudes refer to an individual's overall evaluation of the behavior based on perceived benefits and costs, while subjective norms involve social pressures and expectations from family, friends, and the community. Perceived behavioral control captures an individual's assessment of their ability to perform the behavior, accounting for external factors and self-efficacy, thus providing a nuanced understanding of how and why people adopt certain actions in real-world settings. This tripartite model has been widely validated across various disciplines and remains a dominant tool for predicting behavioral outcomes.

In the context of insurance patronage in South-East Nigeria, Theory of Planned Behavior provides valuable insights into how consumer decisions are shaped. Consumers' attitudes toward insurance are influenced by their perceptions of its value as a risk management tool, possibly affected by past experiences, perceived benefits, and concerns about costs or complexities (Fofie, 2016; Ajzen, 1991). If individuals view insurance positively, believing it to be beneficial for securing their financial future, their intention to purchase insurance products increases. Simultaneously, subjective norms, derived from community influences, religious beliefs, and social expectations, play a crucial role in shaping behavior. For example, endorsement of insurance by respected community leaders or family members may strengthen individuals' intentions to engage with insurance services, especially in regions characterized by strong communal ties.

Perceived behavioral control further affects insurance patronage in South-East Nigeria by influencing how easily consumers believe they can access and afford insurance products. Factors such as financial literacy, awareness levels, and the availability of suitable policies contribute to consumers' sense of control over their insurance choices. When individuals feel empowered believing they have sufficient information and that insurance is accessible and affordable they are more likely to follow through with the behavior. Consequently, insurance providers and policymakers can leverage this understanding by improving financial education, ensuring the affordability of products, and increasing accessibility to foster positive attitudes, align social norms, and enhance perceived control. Together, these factors, as outlined by the Theory of Planned Behavior, offer a strategic pathway to increasing insurance patronage among micro-entrepreneurs and the broader community in South-East Nigeria.



METHODOLOGY

This study adopts a survey research design to examine the effect of education and income level on insurance patronage among micro-entrepreneurs in South-East Nigeria, as this approach effectively describes the characteristics of a large population and yields statistically significant results. The target population consists of all micro enterprise owners across the five states of South-East Nigeria, totaling 35,088 individuals, based on the 2021 National Survey of Micro, Small, and Medium Enterprises (MSMEs) jointly published by SMEDAN and the National Bureau of Statistics. The Krejcie and Morgan's (1970) formula was used to determine the sample size as follows;

Where;

n = sample size;

χ^2 = corresponding chi-square value at 95% confidence interval.

N = population size;

d^2 = Margin of error;

p = population proportion

In determining the sample size, the following variables were used:

Confidence interval = 95 %

d = Margin of error = 0.05

χ^2 = 3.8416

P = 0.50

N = 35,088

Calculating the sample size;

$$n = (3.841 \times 35,088 \times 0.5 \times (1-0.5)) / (0.05^2 \times (35,088-1) + 3.841 \times 0.5 \times (1-0.5))$$

n = 384.

The calculated sample size for this study is three hundred and eighty-five (384). Israel (2013) advised that 10% -30% should be added to the minimum sample size as attrition. Attrition of 20% was added to the sample size to take care of low response rate. This increased the sample size to 461.



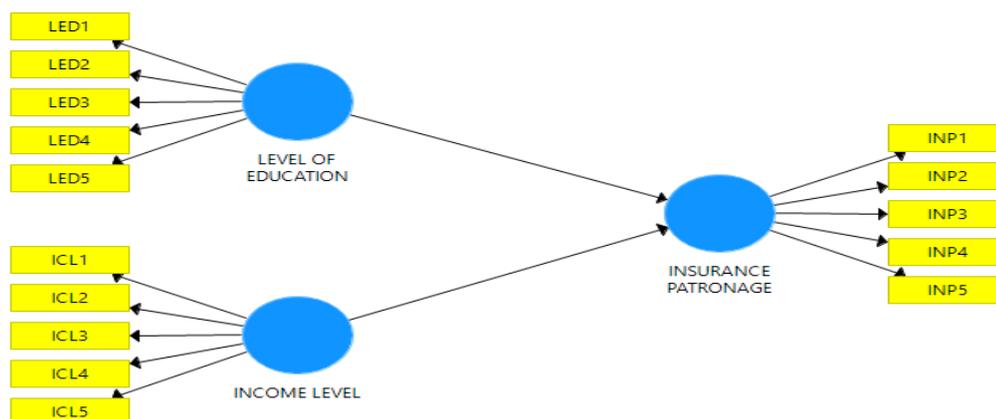
Table 1: Sample size Determination

S/N	STATE	NUMBER	Sample Size
1.	ABIA	9,136	$9,136 \times 462/35088 = 120$
2.	ANAMBRA	6,461	$6,461 \times 462/35088 = 85$
3.	EBONYI	5,723	$5,723 \times 462/35088 = 75$
4.	ENUGU	8,759	$8,759 \times 462/35088 = 115$
5.	IMO	5,009	$5,009 \times 462/35088 = 66$
TOTAL		35,088	461

Source: *Researchers Compilation*

The study utilized a structured five-point Likert scale questionnaire, with items adapted from Hornsby et al. (2002), Calantone et al. (2002), and Oni et al. (2019), to gather data electronically through research assistants. Employing a convenience sampling method, the approach focused on respondents who were readily accessible during the data collection process. Data analysis was carried out using Partial Least Square Structural Equation Modeling (PLS-SEM), which assessed both the measurement and structural models, allowing for a thorough evaluation of the research hypotheses and the relationships among the constructs within the theoretical framework.

Figure 1: Theoretical model on the Study





RESULT AND DISCUSSION

The Measurement Model

In assessing the measurement model, the outer loadings are assessed first, and as a rule loadings above 0.70 are accepted as they indicate the construct explains more than 50% of the indicators variance, thus providing acceptable item reliability (Hair et al 2017).

Figure 2: Indicator Outer Loadings

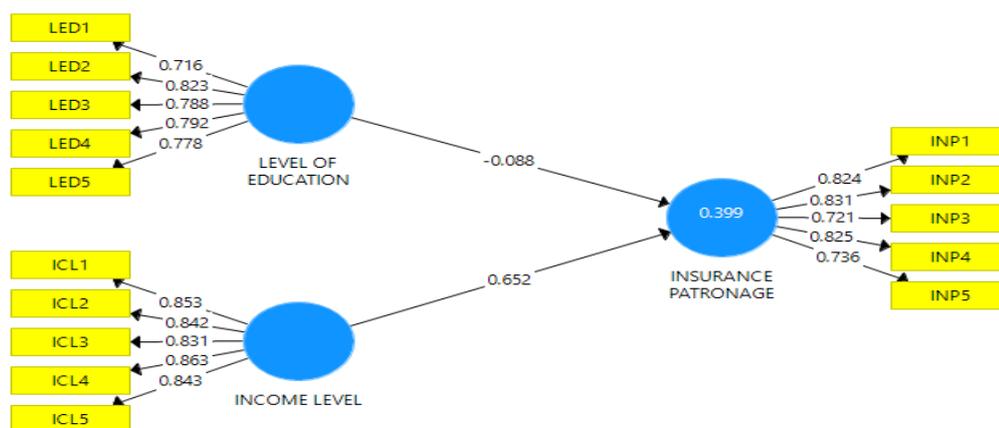


Table 2: Reliability of Study Scale

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Income Level	0.901	0.902	0.927	0.717
Insurance Patronage	0.848	0.858	0.891	0.622
Level Of Education	0.841	0.849	0.886	0.609

Source : *SmartPLS Output 2025*

The measurement model exhibited robust reliability and validity: composite reliability values for every construct were above the recommended 0.70 threshold, Cronbach’s alpha coefficients likewise exceeded 0.70 in line with Hair et al. (2017), and the average variance extracted (AVE) for all variables was greater than 0.50, confirming that each construct captured more than half of the variance in its indicators and thus demonstrated sound convergent validity.

Table 3: Heterotrait-Monotrait Ratio (HTMT)

	INCOME LEVEL	INSURANCE PATRONAGE	LEVEL OF EDUCATION
INCOME LEVEL			
INSURANCE PATRONAGE	0.709		
LEVEL OF EDUCATION	0.333	0.115	

Source : *SmartPLS Output 2025*



Table 3 shows that all Heterotrait-Monotrait (HTMT) ratios fall well below the conservative 0.85 cut-off suggested by Henseler, Ringle and Sarstedt (2015), confirming adequate discriminant validity among the three constructs. The strongest cross-construct correlation is between Income Level and Insurance Patronage (HTMT = 0.709), implying a meaningful but not excessive association consistent with theory that higher earnings facilitate premium payment while still reflecting a distinct concept. Income Level and Level of Education exhibit a modest relationship (0.333), while Level of Education and Insurance Patronage show only a link (0.115), indicating that educational attainment influences insurance uptake largely indirectly, perhaps via income or awareness pathways. The low HTMT values demonstrate that each latent variable captures unique variance, supporting the structural model's validity.

The Structural Model

In assessing the structural model, the standard assessment criteria was consider which include the path coefficient, t-values, p-values and coefficient of determination(R^2), the bootstrapping procedure was conducted using a resample of 5000.

Figure 3: Estimated Path Model

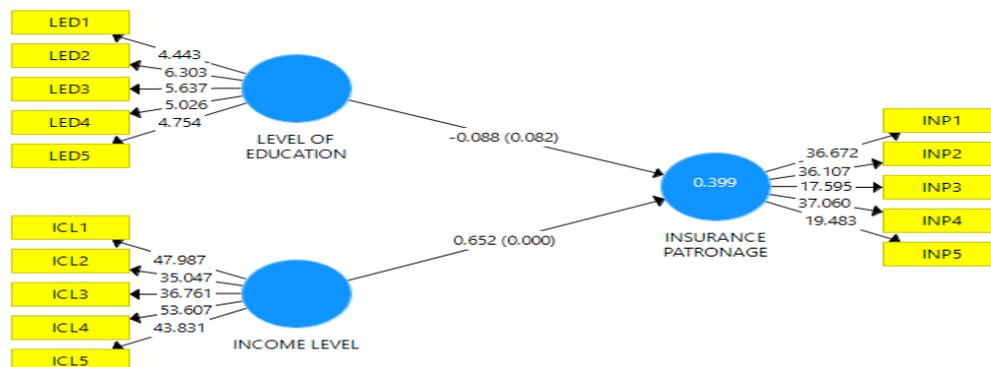


Table 4: Path Coefficient

	Path coefficient Beta*	T Statistics	P Values	Decision	F ²
Income Level -> Insurance Patronage	0.652	14.514	0.000	Rejected	0.645
Level Of Education -> Insurance Patronage	-0.088	1.742	0.082	Accepted	0.052

Source : *SmartPLS Output 2025*



Test of Hypotheses

H01: Education level has no significant effect on insurance patronage among micro-entrepreneurs in South-East Nigeria.

The path from Level of Education to Insurance Patronage shows a small, negative coefficient ($\beta = -0.088$), a t-statistic of 1.742, and a p-value of 0.082. Because the p-value exceeds the 0.05 significance threshold and the accompanying f^2 effect size is minimal (0.052), the relationship is statistically non-significant and substantively weak. Consequently, H01 is accepted, this shows that educational attainment does not exert a meaningful direct influence on micro-entrepreneurs' propensity to purchase insurance in this sample.

H02: Income level has no significant effect on insurance patronage among micro-entrepreneurs in South-East Nigeria.

The path from Income Level to Insurance Patronage yields a strong positive coefficient ($\beta = 0.652$), an exceptionally high t-statistic (14.514), and a p-value of 0.000. These figures indicate a highly significant relationship, while the large f^2 value (0.645) signals a substantial practical effect. Therefore, H02 is rejected, this implies that higher income levels significantly and powerfully increase the likelihood that micro-entrepreneurs will patronise insurance products.

Table 5: R² and Predictive Relevance

	R ²	Q ² (=1-SSE/SSO)
Insurance Patronage	0.399	0.401

Source : *Smart PLS Output 2025*

Table 5 shows that the structural model explains a meaningful proportion of variance in insurance patronage; an R² of 0.399 indicates that roughly 40 percent of the differences in micro-entrepreneurs' uptake of insurance are accounted for by income level and education, a moderate effect according to Chin's (1998) guideline ($0.33 \leq R^2 < 0.67$). The Stone-Geisser Q² value of 0.401 which is well above the zero baseline confirms that the model also possesses strong out-of-sample predictive relevance; values above 0.35 are typically regarded as large. Together, these statistics suggest that while other factors may still influence insurance patronage, the two predictors of education and income level provide both solid explanatory power and reliable predictive capability for the study outcome.

DISCUSSION OF FINDINGS

The findings of this study reveal that educational attainment exerts no significant direct effect on insurance patronage, leading to the acceptance of H01. This outcome is consistent with Genty et al. (2022), who reported that schooling did not significantly shape risk awareness among Lagos market women, and aligns with Surrender et al. (2020) whose national GEM dataset for India suggested only moderate, indirect effects of education on entrepreneurial risk behaviour. Conversely, the result contrasts with Fofie (2016) in Sunyani, Owusu et al. (2015) in Accra, Debrah et al. (2022) among small-business owners, and Shuaibu et al. (2018) in Kebbi State, all of which found education to be a significant positive driver of insurance or micro-insurance uptake. By applying a PLS-SEM framework to informal-sector operators, the present



study shows that formal schooling alone may not translate into insurance participation within South-East Nigeria's micro-enterprise context, suggesting that complementary literacy campaigns or trust-building measures remain necessary.

The study finds a positive, and significant effect between income level and insurance patronage resulting in the rejection of H02. This result is consistent with a wide body of empirical evidence: Sulaiman et al. (2019) in Zamfara State, Anyadighibe (2022) in Calabar, and Yuan et al. (2015) across Chinese provinces all identified income as a primary determinant of insurance demand, while Fofie (2016), Zerriaa et al. (2017), and Owusu et al. (2015) likewise reported positive income effects in diverse settings. The finding reinforces the view that disposable earnings are the binding constraint on premium payment among micro-entrepreneurs. Notably, it diverges only slightly from Debrah et al. (2022), who observed that very high-income Ghanaian owners sometimes self-insure or shift to conventional policies, a nuance not yet evident in the South-East Nigerian sample. The PLS-SEM evidence confirms that boosting micro-entrepreneurs' purchasing power through income-enhancing initiatives or flexible, low-premium products remains critical for widening insurance coverage in the region.

CONCLUSION AND RECOMMENDATIONS

This study examined how educational attainment and income level affect insurance patronage among micro-entrepreneurs in South-East Nigeria. Using a PLS-SEM approach, the model explained about 40 % of the variance in insurance uptake and demonstrated strong predictive relevance. Results showed that income exerts a large, positive, and statistically significant influence on insurance patronage, whereas education has no direct significant effect. These findings suggest that the primary barrier for micro-entrepreneurs is financial capacity rather than formal schooling, and that traditional education alone does not automatically translate into practical insurance literacy or uptake within this informal-sector context. Based on the study findings, the following recommendations were made:

- i. Shift education efforts from broad formal schooling to lean, practice-oriented insurance-literacy drives delivered through traders' associations, market unions and mobile channels. Short, scenario-based modules and peer testimonials will convert awareness into action, ensuring that when disposable income rises, entrepreneurs have both the knowledge and the confidence to insure.
- ii. Design ultra-low-premium, pay-as-you-go or seasonally billed products and pair them with income-support tools like micro-credit, asset-finance or working-capital grants, so that cash-constrained owners can afford cover even during lean periods. Regulators can reinforce uptake by offering targeted premium subsidies or tax relief on first-time micro-insurance purchases.



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