

The Effect of Schooling on the Utilization of Banking Services among a Sample of Cameroonians

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Abstract: This study investigate whether educated Cameroonians utilize more banking services (N=64,447). Our results suggest that more educated Cameroonians are more likely to utilize banking services. Quantitatively, an additional year of education in Cameroon leads to a 2.5 percentage points rise in the probability of Cameroonians using banking services, completing primary schooling increases the probability of Cameroonians using banking services by 10.2 percentage points, and completing secondary schooling increases the probability of Cameroonians using banking services by 22.1 percentage points.

Keywords: Education; Cameroon; Banking Utilization.

1. Introduction

Banks are important in Cameroon for offering services to Cameroonians. However, the banking utilization in Cameroon is still very low. Hence, policymakers in Cameroon are seeking ways to improve Cameroonians banking utilization.

This study investigate whether educated Cameroonians utilize more banking services (N=64,447). The data is taken from the Cameroon Demographic and Health Surveys (DHS-CMR). Regression framework with DHS-CMR data is employed. The independent is Cameroonians education. The outcome is Cameroonians banking utilization. Focused on DHS-CMR sample of 64,447 Cameroonians, we contribute to the literature concerning the Cameroonians banking-education relationship across Cameroon.

Our results suggest that more educated Cameroonians are more likely to utilize banking services. Quantitatively, an additional year of education in Cameroon leads to a 2.5 percentage points rise in the probability of Cameroonians using banking services, completing primary schooling increases the probability of Cameroonians using banking services by 10.2 percentage points, and completing secondary schooling increases the probability of Cameroonians using banking services by 22.1 percentage points.

2. Method

Using information from Cameroon Demographic and Health Surveys (DHS-CMR), we investigate whether educated Cameroonians utilize more banking services. DHS-CMR records detailed data on Cameroonian population. Multiple Cameroonian attributes are provided in DHS-CMR. Regression framework with DHS-CMR data is employed. The independent is Cameroonian education. The outcome is Cameroonian banking utilization.

Table 1: Cameroonian Descriptive Statistics

	Mean	SD	N
	(1)	(2)	(3)
Cameroonian Banking Utilization	0.209	0.407	64447
Cameroonian Primary School	0.693	0.461	64447
Cameroonian Secondary School	0.154	0.361	64447
Cameroonian Education	6.526	4.705	64447
Cameroonian Male	0.468	0.499	64447
Cameroonian Age	37.827	16.444	64447
Cameroonian in Rural Areas	0.504	0.500	64447
Cameroonian Currently Married	0.587	0.492	64447
Cameroonian Household Head	0.391	0.488	64447

Table 1 presents the descriptive statistics of our DHS-CMR sample. The sample includes around 64,447 Cameroonian respondents. The average share of Cameroonian using banking services is 0.209. The share of Cameroonian completing primary schooling in DHS-CMR is 0.693. The share of Cameroonian completing secondary schooling in DHS-CMR is 0.154. The average DHS-CMR educational attainment is 6.526 years. The Cameroonian male fraction is 0.468. The average age of Cameroonian respondents is 37.827. The fraction of Cameroonian living in rural areas is 0.504. The share of married Cameroonian is 0.587. The share of DHS-CMR respondents being household head is 0.391.

To investigate whether educated Cameroonians utilize more banking services, we estimate the following regression (N=64,447),

$$Y_{ist} = \beta_0 + \beta_1 Edu_{ist} + X'_{ist} \Omega + \epsilon_{ist}$$

where i , s , and t refer to Cameroonian individuals, DHS-CMR residential cluster, and DHS-CMR survey date. Y_{ist} is Cameroonian banking utilization.

Edu_{ist} is Cameroonian educational year, Cameroonian completing primary schooling, and Cameroonian completing secondary schooling. X'_{ist} includes Cameroonian age, squared-age, gender, whether Cameroonian respondent is married, whether Cameroonian respondent is in rural areas, whether Cameroonian respondent is household head, Cameroonian birth year fixed effects, DHS-CMR residential cluster fixed effects, DHS-CMR survey date fixed effects. ϵ_{ist} is the error term.

The coefficient β_1 is the effects of education on Cameroonian banking utilization. Simply put, β_1 depicts the difference in banking utilization of Cameroonian living in the same neighborhood but differing in education.

3. Findings and Discussions

Cameroonian Education - The effects of Cameroonian education on banking utilization in DHS-CMR is in Table 2. Column 1, where only Cameroonian education is included, depicts the effects of Cameroonian education on banking utilization in DHS-CMR. We find that an additional year of education in Cameroon leads to a 3.2 percentage points rise in the probability of Cameroonian using banking services.

This estimate is simply a correlation between banking utilization and Cameroonian education in DHS-CMR, while factors in DHS-CMR are not included. Hence, we include Cameroonian features and DHS-CMR temporal-spatial fixed effects. Evident from Column 3, we find that an additional year of education in Cameroon leads to a 2.5 percentage points rise in the probability of Cameroonian using banking services.

Table 2: Cameroonian Education

	(1)	(2)	(3)
Cameroonian Education	0.032*** (0.000)	0.031*** (0.000)	0.025*** (0.000)
Observations	64447	64447	64447
Cluster FE	.	.	X
Characteristics	.	X	X

Cameroonian Primary Schooling - The effects of Cameroonian primary education on banking utilization in DHS-CMR is in Table 3. Column 1, where only Cameroonian primary education is included, depicts the effects of Cameroonian primary education on banking utilization in DHS-CMR. We find that completing primary schooling increases the probability of Cameroonian using banking services by 21.6 percentage points.

This estimate is simply a correlation between banking utilization and Cameroonian primary education in DHS-CMR, while factors in DHS-CMR are not included. Hence, we include Cameroonian features and DHS-CMR temporal-spatial fixed effects. Evident from Column 3, we find that completing primary schooling increases the probability of Cameroonian using banking services by 10.2 percentage points.

Table 3: Cameroonian Primary Schooling

	(1)	(2)	(3)
Cameroonian Primary	0.216*** (0.003)	0.173*** (0.004)	0.102*** (0.004)
Observations	64447	64447	64447
Cluster FE	.	.	X
Characteristics	.	X	X

Cameroonian Secondary Schooling - The effects of Cameroonian secondary education on banking utilization in DHS-CMR is in Table 4. Column 1, where only Cameroonian secondary education is included, depicts the effects of Cameroonian secondary education on banking utilization in DHS-CMR. We find that completing secondary schooling increases the probability of Cameroonian using banking services by 35.7 percentage points.

This estimate is simply a correlation between banking utilization and Cameroonian secondary education in DHS-CMR, while factors in DHS-CMR are not included. Hence, we include Cameroonian features and DHS-CMR temporal-spatial fixed effects. Evident from Column 3, we find that completing secondary schooling increases the probability of Cameroonian using banking services by 22.1 percentage points.

Table 4: Cameroonian Secondary Schooling

	(1)	(2)	(3)
Cameroonian Secondary	0.357*** (0.004)	0.297*** (0.004)	0.221*** (0.004)
Observations	64447	64447	64447
Cluster FE	.	.	X
Characteristics	.	X	X

4. Conclusion

Banks are important in Cameroon for offering services to Cameroonian people. However, the banking utilization in Cameroon is still very low. Hence, policymakers in Cameroon are seeking ways to improve Cameroonian banking utilization. This study investigate whether educated Cameroonians utilize more banking services (N=64,447). The data is taken from the Cameroon Demographic and Health Surveys (DHS-CMR). Regression framework with DHS-CMR data is employed. The independent is Cameroonian education. The outcome is Cameroonian banking utilization. Focused on DHS-CMR sample of 64,447 Cameroonians, we contribute to the literature concerning the Cameroonian banking-education relationship across Cameroon.

Our results suggest that more educated Cameroonian are more likely to utilize banking services. Quantitatively, an additional year of education in Cameroon leads to a 2.5 percentage points rise in the probability of Cameroonian using banking services, completing primary schooling increases the probability of Cameroonian using banking services by 10.2 percentage points, and completing secondary schooling increases the probability of Cameroonian using banking services by 22.1 percentage points.

The results are related to research on factors affecting Cameroonian well-being. For example, food shortage and violence in Cameroon cause to poor survival rates; extreme temperature and precipitation in Cameroon worsen living standard; education, nutrition, and land programs improve Cameroonian wellbeing; measures to diseases in Cameroon also affect wellbeing (Hang et al., 2020a, 2020b; Le, 2020a, 2020b, 2020c).

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