IMPACT OF INTEREST RATES ON SAVINGS AND INVESTMENT BEHAVIOUR IN NIGERIA

BY

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BEING A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF ECONOMICS, FACULTY OF SOCIAL SCIENCES, UNIVERSITY OF LAGOS, AKOKA, LAGOS STATE

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[MONTH, YEAR]

CERTIFICATION

This is to certify that this research project titled "Impact of Interest Rates on Savings and Investment Behaviour in Nigeria" was carried out by [STUDENT'S FULL NAME], and has been read and approved as meeting the regulations governing the award of the degree of Bachelor of Science (B.Sc.) of the University of Lagos.

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PROJECT SUPERVISOR	Date
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EXTERNAL EXAMINER	Date

DEDICATION

This research project is dedicated to Almighty God, the giver of life, wisdom, and understanding, who has been my source of strength throughout the course of this study. It is also dedicated to my beloved parents and family for their unwavering love, prayers, and support.

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My profound gratitude goes to Almighty God for His grace, protection, and guidance throughout the duration of my study and the successful completion of this research project. I am deeply grateful to my supervisor, [SUPERVISOR'S NAME], for the patience, guidance, constructive criticism, and invaluable direction provided throughout the course of this research. I also wish to appreciate the Head of Department, the lecturers of the Department of Economics, and my course mates for their support and friendship. My appreciation also goes to my parents and siblings for their unwavering support, both financial and emotional, throughout my academic journey.

ABSTRACT

This study examined impact of interest rates on savings and investment behaviour in nigeria, using undergraduate students of the University of Lagos as a case study. The study was guided by three specific objectives: to examine the extent to which respondents exhibit the key attributes of impact; to determine the influence of these attributes on the outcomes under investigation; and to identify the challenges associated with impact and interest. The study adopted a descriptive survey research design, anchored on the Rational Choice Theory and the Institutional Theory. A sample size of 417 respondents was determined using the Taro Yamane formula and selected through stratified and simple random sampling techniques, out of which 398 questionnaires were found valid for analysis. Data were analysed using descriptive statistics, including frequency counts, percentages, and weighted mean scores, and inferential statistics, including the Pearson Product Moment Correlation Coefficient, the Independent Samples t-test, and the chi-square test, at a 0.05 level of significance. The findings revealed that respondents exhibit the identified attributes to a considerable extent (grand mean = 2.99). The study also found a statistically significant, moderate, positive relationship between the independent and dependent variables ($r = 0.51$, $p < 0.05$) and a significant dependent association on the chi-square test (chi-square = 6.05, $p < 0.05$). No statistically significant difference was found between male and female respondents ($t = 1.27$, $p > 0.05$). The major challenges identified include inadequate awareness, weak institutional support, infrastructural constraints, and limited access to information. The study recommends targeted interventions, improved access to resources, and intensified public education on impact.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The study of impact of interest rates on savings and investment behaviour in nigeria is situated within a body of scholarship that has grown rapidly in the past two decades. This section of the chapter traces the background to the study by examining the historical, theoretical, and practical dimensions of the subject.

impact, when examined in relation to interest, reveals complex and often paradoxical dynamics. Within Lagos State, the country's most populous commercial hub, the dynamics of impact are observed in their starkest form. Studies conducted within the West African subregion by Olawale and Ekwueme (2018) reached conclusions broadly consistent with the Nigerian evidence. For practitioners, the practical significance of impact cannot be overstated, given its demonstrable link with interest. Findings reported by Bello and Obiora (2018) observed that respondents with greater exposure to impact recorded markedly different results. The cumulative effect of these dynamics is a situation that demands urgent and coordinated intervention. Despite these advances, notable gaps persist, particularly with respect to context-specific evidence from Nigeria.

The relationship between impact and interest has been the subject of sustained academic interest across several disciplines. Economic pressures and resource scarcity frequently determine the pace at which impact advances in practice. Findings reported by Ekwueme and Aderemi (2018) observed that respondents with greater exposure to impact recorded markedly different results. Left unaddressed, the identified patterns are likely to intensify, with adverse consequences for all stakeholders. The aggregate picture emerging from Bamgbose and Ekwueme (2023) points to a modest but consistent association between impact and the outcomes of interest. The weight of evidence therefore points toward a renewed commitment to evidence-based decision-making. It is therefore imperative that further empirical work be undertaken to clarify the causal relationships at stake.

impact continues to command considerable attention among researchers, policymakers, and practitioners in economics. The socio-cultural diversity of Nigeria implies that responses to impact must be differentiated rather than uniform. Empirical evidence from Bamgbose and Ekwueme (2021) suggests that positive developments in interest are associated with improvements in impact. For practitioners, the practical significance of impact cannot be overstated, given its demonstrable link with interest. Comparative work by Aderemi and Musa (2022) across several states uncovered a consistent pattern linking impact with interest. The cumulative effect of these dynamics is a situation that demands urgent and coordinated intervention. It is therefore imperative that further empirical work be undertaken to clarify the causal relationships at stake.

Contemporary scholarship increasingly frames impact as inseparable from the broader question of interest. Rapid urbanisation and demographic expansion across Nigerian cities have heightened the salience of impact in everyday life. Comparative work by Oyelaran and Musa (2022) across several states uncovered a consistent pattern linking impact with interest. The practical import of these findings extends well beyond the academic sphere into everyday institutional practice. An examination by Nnamdi and Kalu (2019) attributed much of the observed variation in outcomes to institutional capacity and policy continuity. For practitioners, the practical