

## **Impact of Microfinance Services on Living Standard of Micro-Entrepreneurs with Reference to Gampaha District Sri Lanka**

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### **ABSTRACT**

**Purpose:** The main purpose of this study is to access the impact of microfinance services on the living standard of micro-entrepreneurs in the Gampaha District, Sri Lanka.

**Design/Methodology/Approach:** In this study, the researcher used a quantitative approach. The independent variables of this study were micro-credit, micro-saving, and advisory services, and the dependent variable was the living standards of the micro-entrepreneurs in the Gampaha District. The study population comprised 116,611 microfinance beneficiaries in the Gampaha district, out of which 324 micro-entrepreneurs were selected. The convenience sampling method was used and the primary data was collected through a questionnaire. Data analysis methods were multiple regression analysis, Correlation coefficient, and descriptive analysis using SPSS software.

**Findings:** According to the results, micro-credit, micro-savings, and advisory services have a significant positive relationship with the living standards of the micro-entrepreneurs in the Gampaha District. The research concludes that microfinance services as a whole have helped to improve the living standards of micro-entrepreneurs in the Gampaha district. The study recommended that the microfinance institution should provide advisory support on the management of loans, preparing business plans, and marketing the business. Further, the government should encourage more entrepreneurs to access micro-credit, micro-saving, and advisory services to improve their living standards. The finding of this study can act as a guideline in the future for decision-makers to identify the factors that influence on living standard of micro-entrepreneurs.

**Originality:** This study has discovered a new finding about the relationship between micro-credit, micro-savings, and advisory services have a significant positive relationship with the living standards of the micro-entrepreneurs in the Gampaha District of Sri Lanka. The finding of this study can act as a guideline in the future for decision-makers to identify the factors that influence on living standard of micro-entrepreneurs.

**Keywords:** *Micro Credit, Micro Saving, Advisory service, Living Standard, Microfinance Institution*