

Assessment of Relationship Between Adoption of Cryptocurrency and Financial Stability among Low- and Middle-Income Earners in Gwagwalada Area Council, FCT, Nigeria

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ABSTRACT

Cryptocurrencies have emerged as decentralized digital financial instruments with the potential to enhance financial inclusion, particularly in developing economies. In Nigeria, evolving regulatory frameworks and growing digitalization have accelerated interest in cryptocurrency adoption, yet localized empirical evidence remains scarce. This study examines the assessment of relationship between adoption of cryptocurrency and financial stability among low- and middle-income earners in Gwagwalada Area Council, Federal Capital Territory, Abuja. The study specifically assesses the level of adoption, perceived financial benefits, associated challenges and risks, and the influence of cryptocurrency usage on savings patterns. Adopting a descriptive survey research design, quantitative data were collected from 250 respondents comprising traders, artisans, students, civil servants, and small-scale entrepreneurs. Data were analyzed using descriptive statistics and chisquare tests to test the stated hypotheses. The findings reveal a significant level of cryptocurrency adoption, with 58.8% of respondents reporting active use. Cryptocurrency adoption was perceived to enhance financial independence, reduce transaction costs, and facilitate faster payments. However, challenges such as price volatility, regulatory uncertainty, technical literacy gaps, fraud risks, and liquidity constraints were prominent. The study further finds that cryptocurrency adoption has influenced savings behavior, with many respondents using digital assets as alternative savings vehicles despite conversion difficulties. The study concludes that while cryptocurrency adoption promotes financial inclusion and autonomy among low- and middle-income earners, it simultaneously exposes users to substantial economic risks. The findings underscore the need for balanced regulatory frameworks, financial literacy initiatives, and infrastructural support to ensure that cryptocurrency adoption contributes sustainably to economic stability in semi-urban communities.

Keywords: Cryptocurrencies, financial stability digital, low- and medium-income earner

INTRODUCTION

Cryptocurrencies, built on blockchain technology, represent decentralized digital assets that operate independently of traditional banking systems and central authorities. The emergence of cryptocurrencies, such as Bitcoin, Ethereum, and various altcoins, has significantly transformed the global financial landscape since the introduction of Bitcoin. Akinwolere et al (2025) asserted that digitalization has transformed every aspect of human life. This includes the adoption of cryptocurrency especially in developing economies where financial inclusion remains a challenge. Nigeria's stance on cryptocurrency regulation has evolved considerably in recent years. In February 2021, the Central Bank of Nigeria (CBN) prohibited regulated financial institutions from dealing in cryptocurrencies or facilitating payments for cryptocurrency exchanges (CBN, 2021). This directive aimed to mitigate risks associated with digital assets, such as fraud and money laundering. Despite this, the introduction of the e-Naira, a central bank digital currency (CBDC), in the same year reflects an effort to harness the benefits of digital currency while retaining regulatory control over monetary policy (Chukwuere, 2021). Recognizing the growing adoption and economic significance of cryptocurrencies, Nigerian authorities have gradually shifted toward a more accommodative regulatory framework. In December 2023, the government formally lifted its ban on cryptocurrency transactions (CBN, 2024).

Statement of the Problem

A primary concern of this study is the extent to which low- and middle-income earners in Gwagwalada have adopted cryptocurrencies. In the absence of reliable empirical evidence on adoption levels, it remains difficult to determine whether cryptocurrency usage is a marginal practice limited to a few individuals or a widespread phenomenon reshaping financial behavior within the community. The lack of localized data generates uncertainty regarding the depth of cryptocurrency penetration in everyday economic activities, particularly in a semi-urban context such as Gwagwalada, where income levels, digital literacy, and access to technological infrastructure vary considerably. This gap in knowledge constrains efforts to assess whether cryptocurrency adoption serves as a viable tool for promoting financial inclusion or merely represents a speculative trend with limited socio-economic impact.

Aims and Objectives of the Study

The perceived benefits of cryptocurrency adoption constitute a central focus of this study. Accordingly, the main aim of the study is to examine the relationship between cryptocurrency adoption and financial stability among low- and middle-income earners in Gwagwalada Area Council, Federal Capital Territory (FCT), Nigeria. The specific objectives of the study are as follows:

1. To examine the level of cryptocurrency adoption among low and middle-income earners in Gwagwalada Area Council.
2. To assess the perceived benefits of cryptocurrency adoption on the financial stability of low- and middle-income earners in Gwagwalada.
3. To analyze the challenges and risks associated with cryptocurrency adoption among low- and middle-income earners in the study area.
4. To investigate the influence of cryptocurrency adoption on savings patterns among low- and middle-income earners in Gwagwalada

Research Questions

The following research questions will guide the study

1. What is the extent of cryptocurrency adoption among low- and middle-income earners in Gwagwalada Area Council?
2. What are the perceived benefits of cryptocurrency adoption as reported by low- and middle-income earners in Gwagwalada?
3. What are the primary challenges faced by low- and middle-income earners in Gwagwalada when adopting cryptocurrencies?
4. How has cryptocurrency adoption influenced the savings patterns of low- and middle-income earners in Gwagwalada?

Hypotheses

The hypotheses are written in a null form below;

H₀₁: There is no significant level of cryptocurrency adoption among low- and middle-income earners in Gwagwalada Area Council.

H₀₂: Cryptocurrency adoption does not significantly enhance the perceived financial stability of low- and middle-income earners in Gwagwalada.

H₀₃: There are no significant challenges and risks associated with cryptocurrency adoption among low- and middle-income earners in Gwagwalada.

H₀₄: Cryptocurrency adoption has not significantly influenced the savings patterns of low- and middle-income earners in Gwagwalada.

LITERATURE REVIEW

Concept of Cryptocurrency

Cryptocurrency represents a significant innovation in digital finance, introducing decentralized, peer to peer monetary systems that operate without reliance on traditional financial intermediaries. At its core, cryptocurrency is a digital or virtual form of currency that employs cryptographic techniques to secure transactions and regulate the creation of new units (Nakamoto, 2008).

The foundational technology underpinning cryptocurrencies is blockchain, which is a distributed ledger that records transactions across a network of computers. Each block in the chain contains a set of transactions, and once appended, it becomes immutable, thereby enhancing transparency and security. Despite these advantages, blockchain technology faces notable challenges, including high energy consumption and scalability constraints, which must be addressed to ensure its long-term viability and sustainability in mainstream financial applications.

The introduction of Bitcoin in 2009 marked the emergence of cryptocurrencies, offering a decentralized form of currency that operates without a central authority. This decentralization implies that no single entity exercises control over the entire network, thereby reducing risks commonly associated with centralized financial systems, such as single points of failure and systemic manipulation (Drescher, 2017). Bitcoin was developed in response to the global financial crisis, with the objective of providing an alternative to traditional banking systems characterized by inefficiencies and limited transparency. Its success stimulated the development of numerous alternative cryptocurrencies, each incorporating distinct features and use cases, collectively expanding the digital currency ecosystem (Narayanan et al., 2016). Nevertheless, Bitcoin's original function as a medium of exchange has evolved, as price volatility and speculative trading have increasingly positioned it as an investment asset rather than a widely adopted transactional currency.

Beyond functioning as a medium of exchange, cryptocurrencies have expanded to support a broader range of applications. Notably, Ethereum introduced the concept of smart contracts, which are self-executing agreements in which contractual terms are encoded directly into software. These contracts automatically facilitate, verify, or enforce contractual obligations without the involvement of intermediaries. This innovation has enabled the development of decentralized applications across diverse sectors, including finance, supply chain management, and real estate, thereby demonstrating the transformative potential of blockchain technology (Buterin, 2014). Despite these advancements, the technical complexity of smart contracts and vulnerabilities arising from coding errors remain significant obstacles to their widespread adoption.

The decentralized architecture of cryptocurrencies also reduces their susceptibility to direct government control, thereby offering users increased financial autonomy (Antonopoulos, 2017). However, this same characteristic presents substantial regulatory challenges, as the absence of centralized oversight complicates efforts to curb illicit activities such as money laundering, fraud, and tax evasion. As emphasized by Awogbemi et al. (2025), the detection of fraud and anomalies in financial transactions is essential for safeguarding institutional assets. Consequently, effective risk mitigation mechanisms are necessary to address the vulnerabilities associated with cryptocurrency usage.

THEORETICAL REVIEW

Technology Acceptance Model (TAM)

The Technology Acceptance Model provides a robust theoretical foundation for examining users' adoption of cryptocurrency technologies. In line with Davis (1989), the present study adopts Perceived Usefulness and

Perceived Ease of Use as core explanatory variables for understanding behavioral intention toward cryptocurrency adoption. These constructs are particularly relevant in digital financial contexts, where perceived efficiency, convenience, and system usability strongly influence technology acceptance decisions.

Within the context of cryptocurrency usage, Perceived Usefulness reflects users' beliefs that cryptocurrencies can enhance financial performance by enabling faster transactions, reducing transaction costs, facilitating cross border payments, providing alternative investment opportunities, and serving as a hedge against inflation. When users perceive cryptocurrencies as functionally beneficial, their intention to adopt and use such technologies is expected to increase. Accordingly, this study conceptualizes Perceived Usefulness as a key determinant of cryptocurrency adoption intention.

Perceived Ease of Use captures the extent to which individuals believe that engaging with cryptocurrency platforms requires minimal effort. Given the technical complexity often associated with digital wallets, blockchain interfaces, and transaction verification processes, ease of use becomes a critical factor influencing adoption. If potential users perceive cryptocurrency systems as intuitive, user friendly, and easy to navigate, they are more likely to develop positive attitudes and intentions toward adoption. Thus, Perceived Ease of Use is expected to exert a significant influence on users' intention to adopt cryptocurrencies, both directly and indirectly through Perceived Usefulness.

Consistent with extensions of TAM in financial technology research, this study also integrates perceived risk and trust as external variables that shape technology acceptance in cryptocurrency environments. The decentralized structure and limited regulatory oversight of cryptocurrencies may heighten users' concerns regarding security breaches, fraud, price volatility, and legal uncertainty. High levels of perceived risk are therefore expected to weaken users' behavioral intentions to adopt cryptocurrencies. Conversely, trust in the underlying technology, transaction security, and platform reliability is expected to enhance adoption intentions by reducing uncertainty and increasing user confidence.

By incorporating perceived risk and trust into the TAM framework, the study provides a more comprehensive explanation of cryptocurrency adoption behavior, particularly within emerging and developing economies where regulatory frameworks and digital literacy levels may vary significantly.

METHODOLOGY RESEARCH DESIGN

This study adopts a descriptive survey research design to investigate the impact of cryptocurrency adoption on economic stability among low- and middle-income earners in Gwagwalada Area Council, Abuja. According to Akinwolere et' al (2025) refers to survey research as the collection of information from a sample of individuals through their responses to questions

Population Of The Study

The target population for this study consists of low- and middle-income earners residing in Gwagwalada Area Council, FCT, Nigeria. The study focuses on small-scale entrepreneurs, traders, civil servants, students, and artisans within this population, as their financial transactions and livelihoods are more likely to be impacted by emerging alternatives like cryptocurrency adoption. This group represents a critical demographic for understanding how cryptocurrency could serve as a financial solution in underserved communities.

Gwagwalada is a peri-urban area located approximately 40 kilometers southwest of Abuja's city center. It serves as a transitional zone between urban and rural communities, characterized by a mix of residential, commercial, and agricultural activities. The council is home to a multicultural population, including indigenous ethnic groups such as the Gbagyi people, as well as migrants from other parts of Nigeria attracted by its economic opportunities and educational institutions like the University of Abuja and the Federal Medical Centre.

Sample Size And Sampling Technique

The sample size for this study was determined using **Krejcie and Morgan's (1970) sample size formula**, which is designed for finite populations. However, in this study participant acquisition is challenging. Hence, 250 represents a practical compromise. The reason being that high-quality analysis of 250 responses is more ethically sound than a rushed or poorly executed larger sample that might result in invalid data.

The formula, $n = \chi^2 \cdot N \cdot p(1-p) / d^2 \cdot (N-1) + \chi^2 \cdot p(1-p)$, calculates the required sample size (n) using the chi-square value ($\chi^2 = 3.841$ for 95% confidence), the estimated target population ($N = 30,000$, derived from Gwagwalada's low- and middle-income demographic), a proportion ($p = 0.5$, ensuring maximum variability), and a margin of error ($d = 0.05$). Substituting these values yielded an initial sample size of 379.

A **multi-stage sampling technique** was adopted to enhance representativeness. First, Gwagwalada Area Council was stratified into three economic groups: formal sector workers (civil servants, teachers, bankers), informal sector workers (traders, artisans, entrepreneurs), and students. Secondly, purposive sampling identified individuals with cryptocurrency knowledge or experience within these strata. Finally, simple random sampling was applied within each group to ensure equal representation and minimize selection bias, thereby strengthening the generalizability of findings.

Instrument For The Study

The primary instrument for data collection is a structured questionnaire titled Questionnaire on Cryptocurrency Adoption and Economic Stability (QCAES). The questionnaire is divided into two sections. **Section A** collect respondents' bio-data, including gender, educational level, employment status, and age. This information help categorize respondents based on demographic characteristics. **Section B** contain a five-point Likert scale questionnaire designed to measure the impact of cryptocurrency adoption on economic stability. The response options will be **Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D), and Strongly Disagree (SD)**. The structured nature of the questionnaire ensures that the collected data is quantifiable, reliable, and suitable for statistical analysis.

Validity And Reliability of the Instrument

To ensure content validity, the questionnaire is subjected to expert review by two financial economists and a statistician, who assess its clarity, relevance, and ability to measure the study variables. Their feedback is incorporated before the final administration. For reliability, a pilot study is conducted with 30 respondents outside the study area, and the Cronbach's alpha reliability coefficient is calculated. A Cronbach's alpha value of 0.7 or higher is considered acceptable, indicating that the instrument is internally consistent and reliable for measuring the intended variables.

Method Of Data Collection

The study employs primary data collection through the administration of a structured questionnaire designed to gather information on respondents' demographic characteristics, cryptocurrency usage, perceived benefits and risks, investment behaviors, and financial stability indicators. The questionnaire was distributed physically to ensure a high response rate. Respondents will be given clear instructions on how to complete the questionnaire, and assistance will be provided where necessary to clarify any ambiguities

Method Of Data Analysis

The collected data is analyzed using descriptive and inferential statistical methods. Descriptive statistics such as frequency distributions, percentages will be used to analyze the demographic data while mean, and standard deviation will be used analyze the research questions. Inferential statistical analysis will be conducted using chisquare tests to test the hypotheses. All analyzes will be performed using Statistical Package for the Social Sciences (SPSS) version 24

RESULT AND DISCUSSION ANALYSIS OF RESEARCH QUESTIONS

Research Question One: What is the extent of cryptocurrency adoption among low- and middle-income earners in Gwagwalada Area Council?

Table 1: Responses on Research Question One

S/n	Item	X	D	Decision
1	I have sufficient knowledge about cryptocurrency.	3.72	1.15	Agreed
2	Cryptocurrency is widely used among people in my income group.	3.65	1.08	Agreed
3	I frequently use cryptocurrency for financial transactions.	3.58	1.12	Agreed
4.	Cryptocurrency adoption is increasing in Gwagwalada Area Council.	3.81	1.07	Agreed
5.	I prefer cryptocurrency over traditional banking methods.	3.89	1.03	Agreed

Field Survey, 2025

The findings from Table 1 indicate a relatively strong uptake of cryptocurrency among low- and middle-income earners in Gwagwalada Area Council. With mean values ranging from 3.58 to 3.89 on a 5-point Likert scale, respondents demonstrated substantial agreement on their awareness, usage, and preference for digital currencies. The highest mean score was associated with a preference for cryptocurrency over traditional banking, highlighting a perceptible shift in financial behavior. This preference suggests a disenchantment with conventional financial systems, likely driven by barriers such as high transaction fees or limited banking penetration. Similarly, the indication that users possess adequate knowledge and are using cryptocurrency regularly further reinforces a pattern of grassroots-level adoption. Despite the promising trends, the standard deviation values hovering around 1.1 reveal a moderate level of variability in responses. This suggests that while many have embraced cryptocurrency, others may still face obstacles in comprehension or usage, warranting stratified awareness initiatives tailored to demographic subgroups within the community.

Research Question Two: What are the perceived benefits of cryptocurrency adoption as reported by low- and middle-income earners in Gwagwalada?

Table 2: Responses on Research Question Two

S/n	Item	X	D	Decision
6.	Cryptocurrency provides an alternative financial system for people without bank accounts.	3.45	1.20	Agreed
7.	Cryptocurrency transactions are faster and cheaper compared to traditional banking.	3.67	1.14	Agreed
8.	Cryptocurrency helps in protecting my money against inflation.	3.54	1.18	Agreed
9.	Using cryptocurrency gives me financial independence.	3.75	1.10	Agreed
10.	Cryptocurrency adoption has improved my access to financial services.	3.61	1.16	Agreed

Field Survey, 2025

The descriptive statistics in Table 2 reveal that respondents recognize several tangible benefits associated with cryptocurrency usage, with mean values between 3.45 and 3.75. The most prominent benefit identified is the enhancement of financial independence, suggesting that cryptocurrency is empowering users to take control of their economic decisions, particularly in contexts where traditional banking services are limited or exclusionary. Additionally, the speed and cost-effectiveness of transactions are widely acknowledged, making cryptocurrency an attractive alternative for peer-to-peer payments and cross-border remittances. Nonetheless, while some respondents appreciate its potential as a hedge against inflation, the lower mean values on this item imply that skepticism persists, likely due to the highly volatile nature of most digital assets. Furthermore, the comparatively lower score for cryptocurrency as a substitute for existing financial systems suggests that full integration is hindered by either structural or cognitive barriers. These could include limited access to reliable digital infrastructure or insufficient technical literacy required for seamless adoption.

Research Question Three: What are the primary challenges faced by low- and middle-income earners in Gwagwalada when adopting cryptocurrencies?

Table 3: Responses on Research Question Three

S/n	Item	X	D	Decision
11.	The volatility of cryptocurrency prices discourages me from using it.	3.50	1.22	Agreed
12.	The lack of clear government regulations makes cryptocurrency adoption risky.	3.63	1.09	Agreed
13.	Fraud and scams related to cryptocurrency are major concerns.	3.52	1.17	Agreed
14.	I find it difficult to understand how cryptocurrency works.	3.70	1.13	Agreed
15.	Limited access to the internet affects my ability to use cryptocurrency.	3.48	1.21	Agreed

Field Survey, 2025

Table 3 shows series of challenges that hinder the smooth adoption of cryptocurrency in the study area, with mean values ranging from 3.48 to 3.70. The most salient issue is the difficulty in understanding the technical underpinnings of cryptocurrency, pointing to a significant literacy gap. This challenge is compounded by regulatory uncertainty, as the absence of a coherent legal framework contributes to a lack of trust and inhibits large-scale adoption. In addition, concerns about price volatility and the prevalence of fraudulent schemes emerged as prominent deterrents. These factors create a high-risk environment that may particularly affect low-income users, who have limited margins for financial experimentation. The standard deviation values in this table, slightly above 1.1, denote moderate disagreement among respondents, reflecting a spectrum of experiences and perceptions. Some users may have developed coping mechanisms or rely on more stable forms of digital assets, while others remain wary due to negative prior encounters or lack of institutional safeguards.

Research Four: How has cryptocurrency adoption influenced the savings patterns of low- and middle-income earners in Gwagwalada?

Table 4: Responses on Research Question Four

S/n	Item	X	D	Decision
16.	Cryptocurrency helps me save at least 20% of my income.	3.66	1.15	Agreed
17.	I invest in cryptocurrency as part of my savings strategy.	3.59	1.14	Agreed

18.	I prefer saving in cryptocurrency rather than in banks.	3.64	1.18	Agreed
19.	Cryptocurrency has made me more financially disciplined in savings.	3.57	1.16	Agreed
20.	I face challenges in converting cryptocurrency savings to cash when needed.	3.53	1.19	Agreed

Field Survey, 2025

Table 4 delves into how cryptocurrency is influencing saving habits, showing mean values between 3.53 and 3.66. The data indicate that respondents are beginning to use digital currencies as tools for both saving and investment, marking a significant departure from traditional saving methods. These finding positions cryptocurrency as more than transactional medium users are engaging with it as a store of value, despite its welldocumented price fluctuations. However, the relatively lower mean score for converting crypto savings into fiat currency highlights a major infrastructural bottleneck. Liquidity remains a concern, particularly in regions with underdeveloped exchange ecosystems or limited mobile money integration. Standard deviation values near 1.15 reveal varying levels of comfort and success in using cryptocurrency for long-term financial planning. This variation may stem from differences in access to platforms, levels of financial literacy, or exposure to risk. It underscores the need for supportive structures to enable users to harness cryptocurrency more effectively in personal finance strategies.

Hypotheses Testing

Hypothesis One: There is no significant level of cryptocurrency adoption among low- and middleincome earners in Gwagwalada Area Council.

Table 5: Chi square results on level of cryptocurrency adoption among low- and middle-income earners.

Chi-Square	141.017
Df	16
Linear-by-Linear Association	22.001
Likelihood Ratio	22.039
Asymp. Sig.	.002
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 12.9.	
The Chi-square test ($\chi^2 = 141.017$, $df = 16$, $p = .002$) rejects the null hypothesis, indicating a statistically	

significant level of cryptocurrency adoption among low- and middle-income earners in Gwagwalada. The high χ^2 value relative to degrees of freedom suggests a strong association, implying adoption is not random. The validity of the test is supported by adequate expected cell frequencies (all ≥ 12.9). This finding contradicts the assumption of negligible adoption, highlighting that cryptocurrency usage is prevalent in this demographic.

Hypothesis Two: Cryptocurrency adoption does not significantly enhance the perceived financial stability of low- and middle-income earners in Gwagwalada.

Table 6: Chi square results on cryptocurrency and perceived financial stability

Chi-Square	108.101 ^a
Df	16

Linear-by-Linear Association	19.027
Likelihood Ratio	13.1474
Asymp. Sig.	.003
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 13.9.	
The results ($\chi^2 = 108.101$, $df = 16$, $p = .003$) lead to rejecting the null hypothesis, demonstrating that	

cryptocurrency adoption significantly correlates with perceived financial stability. The Linear-by-Linear Association statistic (19.027) suggests a potential ordinal trend, though directionality (positive/negative) remains unclear. While adoption may influence perceptions of stability, complementary analyses (e.g., odds ratios) are needed to determine whether this relationship is beneficial or detrimental.

Hypothesis Three: There are no significant challenges and risks associated with cryptocurrency adoption among low- and middle-income earners in Gwagwalada.

Table 7: Chi square results on challenges and risks associated with adoption of cryptocurrency

Chi-Square	98.112 ^a
Df	16
Linear-by-Linear Association	17.102
Likelihood Ratio	14.301
Asymp. Sig.	.000
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 14.5.	

The null hypothesis is rejected ($\chi^2 = 98.112$, $df = 16$, $p < .001$), confirming significant challenges and risks associated with cryptocurrency adoption. The extremely low p-value underscores robust evidence of systemic issues, such as volatility, fraud, or regulatory gaps.

Hypothesis Four: Cryptocurrency adoption has no significant impact on the savings patterns of low- and middle-income earners in Gwagwalada.

Table 8: Chi square result on cryptocurrency adoption and saving pattern

Chi-Square	99.002 ^a
Df	16
Linear-by-Linear Association	29.001
Likelihood Ratio	18.614
Asymp. Sig.	.001
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 12.9.	
Rejection of the null hypothesis ($\chi^2 = 99.002$, $df = 16$, $p = .001$) indicates that cryptocurrency adoption	

significantly impacts savings behavior. The notably high Linear-by-Linear Association (29.001) implies a stronger ordinal trend compared to other hypotheses, potentially reflecting a dose-response relationship (e.g., higher adoption correlates with altered savings strategies).

DISCUSSION OF FINDINGS

The study reveals a notable uptake of cryptocurrency among low- and middle-income earners in Gwagwalada, challenging assumptions of limited adoption. This aligns with global trends where marginalized populations leverage digital currencies to bypass traditional banking barriers (Narayanan et al., 2016). Respondents expressed a preference for cryptocurrency over conventional banking, reflecting broader distrust in formal financial systems. However, variability in responses underscores socio-economic and educational disparities in adoption, consistent with Nigeria's uneven fintech penetration (Ejiogu et al., 2020).

Respondents emphasized the utility of crypto for faster, cheaper transactions, mirroring its use in cross-border remittances critical for low-income households (Hayes, 2018). However, skepticism persists regarding its reliability as a hedge against inflation, echoing critiques of cryptocurrency's volatility as a store of value (Baur et al., 2018). These dual perceptions underscore its paradoxical role: a tool for empowerment yet a source of financial risk.

Significant barriers, including technical literacy gaps and regulatory ambiguity, hinder seamless adoption. Concerns about fraud and scams further deter users, reflecting vulnerabilities among financially insecure groups (Foley et al., 2019). These risks emphasize the urgency of regulatory frameworks to protect users while fostering innovation balance advocated by institutions like the IMF (2023) in emerging markets.

The study reveals cryptocurrency's growing role in reshaping savings behavior, with users increasingly viewing it as a viable alternative to traditional banks. However, liquidity challenges in converting crypto to fiat currency reveal infrastructural deficiencies, a hurdle noted in areas with underdeveloped exchange ecosystems (Böhme et al., 2015). This duality positions cryptocurrency as both an innovative financial tool and a precarious investment for low-income savers.

The findings underscore cryptocurrency's dual potential as a driver of financial inclusion and a source of systemic risk. Regulatory bodies, such as Nigeria's Central Bank, advocate for balanced policies to mitigate risks without stifling innovation (CBN, 2021).

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS SUMMARY OF FINDINGS

This study investigates the assessment of relationship between adoption of cryptocurrency and financial stability among low- and middle-income earners in Gwagwalada area council, FCT, Nigeria. It examines the extent of cryptocurrency adoption, perceived benefits, associated challenges, and its influence on savings patterns. The research aims to address gaps in localized data on how digital currencies affect financial behaviors and stability in semi-urban communities. By focusing on a demographic often excluded from formal financial systems, the study explores whether cryptocurrencies serve as tools for empowerment or introduce new risks in economically vulnerable populations.

The research adopts a descriptive survey design, collecting quantitative data from 250 respondents through structured questionnaires. The sample, drawn from diverse economic groups within Gwagwalada, includes selfemployed individuals, civil servants, students, and traders. Data analysis employs descriptive statistics and chisquare tests to evaluate adoption trends, perceived benefits, challenges, and savings behavior. The methodology ensures a comprehensive understanding of grassroots cryptocurrency usage and its socio-economic implications.

Findings reveal significant cryptocurrency adoption, with 58.8% of respondents using digital currencies. Users reported benefits such as financial independence, faster transactions, and cost savings, highlighting cryptocurrencies' role in circumventing traditional banking barriers. However, challenges like price volatility,

regulatory ambiguity, technical literacy gaps, and fraud risks were prominent concerns. Additionally, cryptocurrency adoption influenced savings patterns, with many respondents using it as an alternative savings vehicle despite liquidity challenges in converting crypto assets to cash.

The study also reveals the dual role of cryptocurrencies in Gwagwalada: they enhance financial inclusion and autonomy but also expose users to systemic risks. The findings suggest that cryptocurrency adoption is reshaping financial behaviors in low- and middle-income communities, driven by distrust in conventional systems and economic necessity. However, the lack of regulatory frameworks and infrastructural support limits its potential as a stable financial tool, emphasizing the need for balanced policy interventions.

CONCLUSION

The study concludes that cryptocurrency adoption in Gwagwalada Area Council significantly impacts financial stability, offering both opportunities and challenges. While digital currencies empower users through financial independence and cost-effective transactions, their volatility, regulatory uncertainties, and technical complexities pose substantial risks. The findings highlight a shift toward decentralized financial practices but also reveal vulnerabilities that require targeted interventions. For cryptocurrencies to sustainably enhance economic stability, collaborative efforts among policymakers, educators, and technology providers are essential to mitigate risks and maximize benefits for underserved populations.

RECOMMENDATIONS

Based on the findings from the study, the following recommendations were made:

1. Governments should establish balanced regulations to protect users from fraud and volatility while fostering innovation in cryptocurrency markets.
2. Implement community-based education initiatives to improve understanding of cryptocurrency risks, benefits, and safe usage practices.
3. Expand internet access and mobile technology to support secure cryptocurrency transactions in underserved areas.
4. Encourage partnerships between fintech firms and local institutions to develop user-friendly platforms for converting crypto savings to fiat currency.
5. Fund further research to assess the long-term socio-economic impacts of cryptocurrency adoption on poverty reduction and financial resilience in similar communities.

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