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# Relationship between SME Financing and Livelihood Standard: Evidence from Bangladesh

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## Abstract

The study endeavours to evaluate the relationship between SME financing and the development of livelihood standards in Bangladesh using primary data sources. The data for the study was collected from the respondents by administering a semi-structured questionnaire at different Upazila under the Mymensingh district. The dichotomous variable was applied to determine the relationship where a score of '1' was assigned if the item complied and '0' otherwise. Frequency, percentile, likelihood-ratio chi-square, Fisher's exact test, and paired sample test were used to get the result. The likelihood-ratio value specifies a significant relationship between the development of livelihood standards with the length of business at 5 per cent and SME finance at a 6.4 per cent significance level. Sex, education level, training on SME of the respondents, ownership type, the share of the loan, and business nature has an insignificant relationship with the development of livelihood standard. Paired samples test indicates a positive relationship between LDS and the development of livelihood standards.

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