

Aim To examine women participation in microcredit and its impact on business income. **Study Design:** Cross-sectional data. **Place and Duration of Study:** The study was carried out from March 1 to 30, 2011 in five districts from the Central Region of Ghana which is basically agrarian. **Methodology:** A multistage randomized sampling method was used in selecting 300 business women from the five districts: Agona West Municipality; Cape Coast Metropolis; Efutu Municipality; Mfantseman Municipality and Upper Denkyira East District. Structured questionnaire and interview schedule were used to elicit information from the respondents. Information sought bordered on business income, the socio-economic characteristics of the respondents and other factors that influence participation in microcredit. Analysis of data was carried out using propensity score matching (PSM) approach. **Results:** Results revealed that number of years in formal education, satisfaction of Research Article 503 application procedures, membership to business associations, amount of savings with financial institutions, and the satisfaction of interest charges are factors that positively influence women's likelihood of participating in microcredit programmes. The PSM results showed that women operating small businesses with microcredit had statistically significant higher income compared with their non-microcredit participating counterpart. **Conclusion:** It is, therefore, concluded that formal schooling, satisfaction with lending procedures and interest as well as amount of money saved with the micro finance institution influence their participation in the micro credit programme. Also microcredit provides a means for increasing income of women in small scale businesses. Based on the PSM results women in small businesses should be encouraged to participate in microcredit as it significantly increases their income levels. **Keywords:** Microcredit; small businesses; propensity score matching; counterfactual; Logit.