# Assessment of Financial Literacy in Wolkite University

*A Research paper Submitted to the Department of Accounting and Finance in Partial Fulfillment of the Requirements for the Award of the Bachelor Degree (BA)in Accounting and Finance*


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## *Abstract*

*Financial literacy is becoming a key life skill, for it helps individuals cope up with the very fast paced, digitalized and globalized financial landscape. This study aims at measuring how well the employees in Wolkite University are financial literate enough and explaining their financial literacy level through demographic and socio-economic variables. Financial literacy was measured through three indicator dimensions such as financial knowledge, behaviour and attitude. To achieve the desired objective, the researcher used descriptive type of research design because this type of research is commonly conduct to detail description to the phenomena and the researcher used Primary sources of data. The primary data are collected through questionnaires distributed to employees by used random sampling technique because it gives fair and provide equal chance for each and every employee select as a sample. Data was collected from a sample of 96 employees using questionnaire. The collected data was analyzed by used descriptive analysis method such as tables and percentages. The finding of the study specifies that the major challenges of financial literacy are` understanding of money management, the level of financial behavior, status of financial literacy, demographic and socio economic. Based on the finding the key recommendations made are to the governments created awareness to the society by giving education. The government give awareness about money management helps for purpose of financial planning such as ensure money needs, easily manage income, budgeting, spending, and saving and offers better financial understanding*

## Acknowledgement

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## Acronym

FPSB- Financial planning standard board

GFLEC- Global financial literacy excellence center

INFE- International Network on financial education

OECD- Organization for Economic cooperation an

SNNRS-Southern Nation Nationalities Regional State

# Table of Contents

*Abstract* ..... i

Acknowledgement ..... ii

Acronym ..... iii

CHAPTER ONE..... 1

1. INTRODUCTION ..... 1

1.1 Background of the study ..... 1

1.2. Statement of the Problem ..... 2

1.3 Objective of the study ..... 3

1.3.1. General objective ..... 3

1.3.2. Specific objective ..... 3

1.4. Research question ..... 3

1.5. Significance of the study ..... 3

1.6. Scope of the Study ..... 4

1.7. Limitation of the Study ..... 4

1.8. Organization of the paper ..... 4

CHAPTER TWO ..... 5

2. REVIEW OF LITERATURES ..... 5

2.1 Introduction ..... 5

2.2. Theoretical literature ..... 5

2.2.1. Defining Financial Literacy ..... 6

2.2.2. Driving forces for increased the Importance of financial literacy ..... 8
2.2.3. Effect of financial literacy on financial decisions and opinions ..... 9
2.2.4. FINANCIAL LITERACY AND POVERTY REDUCTION ..... 10
2.2.5. FINANCIAL LITERACY AND FINANCIAL INCLUSION ..... 11
2.2.6. VARIABLE AFFECTING FINANCIAL LITERACY ..... 12
2.3. Empirical review ..... 12
2.4. Summary of Reviewed Literature's ..... 13
2.5. Knowledge Gaps ..... 13
2.6. Framework conceptual ..... 14
CHAPTER THREE ..... 16
3. RESEAERCH METHODOLGY ..... 16
3.1. INTRODUCTION ..... 16
3.2. Area of the study ..... 16
3.3. Research Design ..... 16
3.4. Research approaches ..... 17
*3.5. Data type and source of data* ..... 17
3.5.1. Data Type ..... 17
3.5.2. Source of data ..... 17
*3.6. Population sample size and sampling technique* ..... 18
*3.7. Method of data collection* ..... 18
*3.8. Method of data presentation and analysis* ..... 19

CHAPTER FOUR ..... 20

4.1 DATA ANALYSIS, INTERPRETATION AND PRESENTATION ..... 20

*4*.2 General information of respondents ..... 20

Table 4.1 Descriptive analysis of sex and age of respondents ..... 20

4.3 Money management affects personal life ..... 22

4.3.1 Budgeting ..... 22

4.3.2Saving and Investment ..... 22

4.3.3 Credit ..... 24

4.4 Financial Behaviour ..... 25

4.5 Financial Knowledge ..... 27

4.6 Financial Attitude ..... 28

4.7 The status of financial literacy in personal issues ..... 29

CHAPTER FIVE ..... 32

CONCLUSION AND RECOMMENDATION ..... 32

5.1Conclusion ..... 32

5.2Recommendation ..... 32

5.3 Directions for future research ..... 33

REFERENCE ..... 34

APPENDIX ..... 37

## List of Table

Table 4.1 Descriptive analysis of sex and age of respondents……..20

Table 4.2 the educational level of the respondents……21

Table 4.3 Descriptive analysis of budgeting……..22

Table 4.4 Descriptive analysis of saving and investing……..23

Table 4.5 Descriptive analysis of credit……24

Table 4.6 Descriptive analysis of financial behaviour…….25

Table 4.7 Descriptive analysis of individual financial knowledge …….27

Table 4.8 Descriptive analysis of Financial Attitude……29

Table 4.9 Descriptive analysis the status of financial literacy ……..29

# CHAPTER ONE

# 1. INTRODUCTION

## 1.1 Background of the study

Financial literacy is the ability to understand finance and it is a combination of awareness, knowledge, skill, attitude and behaviors of individuals necessary to make financial decision. financial literacy is a basic tool for development with issues of identifying with budgeting, investment, saving, and administration of risks which are significant for individual's, households and businesses in development procedure and it is more than a measure of knowledge and reflects competency in actively managing one's own money from the point of accumulation to the point of consumption (Remund, 2010). This indicate how much important it is making the people (who are the ultimate consumers of the fast paced, highly digitalize and globalized financial system) financially literate. Today's financial market and system requires adequate level of financial literacy; that is being familiar with basic personal finance concepts, maintaining financially savvy behaviour and positive attitude towards money and future plan. OECD‟s Secretary General said "financial literacy is a foundation stone for well-being, for entrepreneurship, for social mobility, for inclusive growth" (OECD, 2017).

The term financial literacy has been defined by different scholars differently. While making substantive review of literature, the definition given by OECD is getting popularity as it is being applied in most current literature's and it embodies wider dimensions. This study adopts the definition of OECD that financial literacy is the "combination of knowledge, behavior, and attitude necessary to make sound financial decisions and ultimately achieve individual financial wellbeing" (OECD, 2011). Moreover, lack of financial literacy is a barrier more than just for financial inclusion. Not only it makes individuals to be financially excluded but also it can have negative impact on financial wellbeing of individual consumers, financial system and the economy (Lusardi& Mitchell, 2014). So, financial literacy is a set of skills and knowledge that allows an individual to make informed and effective decision through their understanding of finance. Financial literacy is essential for business, the economy, the country and in this age of globalization (Lusardi, 2013). Financial competence has become more essential as financial markets offer more complex choices and as the responsibility for saving and investing. For the

studying the current financial literacy of employees in Wolkite university is essential to determine the financial literacy gaps and needs so that appropriate remedial measures and programs can then be designed.

## 1.2. Statement of the Problem

In this recent time, the financial system is getting fast paced; digitalize, globalized and creating complexity among its ultimate consumers i.e. the people in making finance related decisions (Lusardi& Mitchell, 2014). The financial products and services are plenty and changing through time. The consumers face challenges in choosing the products and services suitable and worthwhile to them unless they accumulate adequate level of financial knowledge and capability (Cunliffe, 2017). As the people are financially illiterate, they become unable to make the right choice and use of the variety of services and products offered by the financial system**.** Financial illiteracy can cause lack of/poor retirement plan, poor decision making and poor financial wellbeing (Lusardi& Mitchell, 2011, 2014). As per Lusardi& Mitchell, (2011) retirement planning is strongly correlated with level of financial literacy among consumers. Financially illiterate people are less likely to plan for their retirement and poor position themselves during retirement. And the problem will be even worse as people are having longer life spans now than before Lusardi, (2017a & 2017b) unless they are financially literate enough to accumulate adequate resources during their working ages.

In addition, consumers face confusion while making decisions and can make wrong choices unless they are aware of basic finance concepts critical for decision making. Financially illiterate consumers are high likely to be financially excluded as they are not aware of which, when and how to use of the various financial products and services. In addition, though consumers having access to various financial products and services, they are usually disadvantaged from poor decisions they can make like high debt loads, inadequate insurance, lack of investment diversification, insufficient use of tax favoured investments, inadequate of emergency funds, lack of clearly defined personal and financial goals (Abel, 2015).

The previous researchers show that greater number of the financial consumers are financially illiterate (Robson, 2012), (Kempson, Perotti, & Scott, 2013), (Bajo, &sandri 2015), the consumers lack basic financial concepts such as financial knowledge, financial behavior and

attitude, (Lusardi, 2016) and (Atkinson & Messy, 2012). This research is devoted to fill this gap by measuring the financial literacy level, particularly of employees in Wolkite University.

## 1.3 Objective of the study

### 1.3.1. General objective

The general objective of the study was to assess financial literacy in Wolkite University.

### 1.3.2. Specific objective

1. To examine the understanding of money management in this university.
2. To assess the level of financial behaviour of the employees.
3. To examine the status of financial literacy in personal issues.
4. To assess demographic variables
5. To examine socio economic variables

## 1.4. Research question

1. How the understanding of money management affects personal life in this university?

2. How to assess the level of financial behaviour of the employees?

3. How does the status of financial literacy in personal issues?

4. How to assess demographic variables related to financial literacy?

5. How to examine socio-economic variables related to financial literacy?

## 1.5. Significance of the study

the significance of this research is to enhance the financial literacy in the business community and help to know the financial strength and weakness of the businesses measuring the current level of financial literacy and identifying financial literacy gaps and needs in Wolkite university this study will be an input to design appropriate strategies, financial literacy education and training programs so as to enhance financial literacy in Wolkite university. Financial literacy is very

important to the growth and development of every nation. The importance of personal finance decisions cannot be overemphasized because they have a direct impact on people's quality of life.

## 1.6. Scope of the Study

This study targets on measuring the financial literacy in Wolkite University. Even though the financial literacy survey/study shall better embody the whole population. In addition, this study was focuses on measuring the Wolkite University. There can be a better time to make the case for economic and financial literacy considering the various economic and financial developments like: economic recovery programmer and structural adjustment programme; the proliferation of financial institution and complex financial products of finance aspect rather than accounting/reporting aspect.

## 1.7. Limitation of the Study

The financial literacy level of persons in an area of residence or engagement can be better measured by making comparing across peoples in the other area. So far there is no standard financial literacy measures customized to Ethiopian context to capture specific cases that appear in Ethiopia.

## 1.8. Organization of the paper

This research proposal is organizing in to five chapters. The first chapter deals with the studies of introduction part which constitutes background of the study, the problem statement, objectives of the study, significance of the study, scope and limitation of the study. The second chapter is including those parts reviewed literature; empirical and summary of the literature reviewed. In the third chapter, Research methodology the fourth chapter is includes Data analysis, interpretation and summaries. Chapter five includes conclusion and recommendation.

# CHAPTER TWO

# 2. REVIEW OF LITERATURES

## 2.1 Introduction

The concept of personal financial literacy is rapidly being recognized and emerged as a key priority for many countries around the world, as countries ascertain its importance in modern times with the increasingly complex financial landscape (Atkinson & Messy, 2012, Lusardi, 2015, 2017a, 2017b). Countries mostly the developed ones like USA, Canada, UK, Australia, Germany etc. have been establishing national financial literacy agencies with the mission of enhancing the financial literacy level of their people. In addition, international organizations like OECD, GFLEC, and World Bank, have also put their attention for financial literacy and doing a lot to enhance the financial literacy level among the society of their member and non-member countries. Even though financial literacy is relatively new concept, it has been researched by different scholars and many international and national surveys have been made around the world. But the definition and proxies used across different financial literacy studies and surveys is not consistent. However, regardless of these inconsistencies, most of the studies revealed that the financial literacy level of the consumers is low.

## 2.2. Theoretical literature

The concept of personal financial literacy is rapidly being recognized and emerged as a key priority for many countries around the world, as countries ascertain its importance in modern times with the increasingly complex financial landscape (Atkinson & Messy, 2012, Lusardi, 2015, 2017a, 2017b). Countries mostly the developed ones like USA, Canada, UK, Australia, Germany etc. have been establishing national financial literacy agencies with the mission of enhancing the financial literacy level of their people. In addition, international organizations like OECD, GFLEC, and World Bank, have also put their attention for financial literacy and doing a lot to enhance the financial literacy level among the society of their member and non-member countries. Even though financial literacy is relatively new concept, it has been researched by different scholars and many international and national surveys have been made around the world. But the definition and proxies used across different financial literacy studies and surveys is not

consistent. However, regardless of these inconsistencies, most of the studies revealed that the financial literacy level of the consumers is low.

### 2.2.1. Defining Financial Literacy

Different scholars, strategists and organizations defined financial literacy in different ways. Some defined it in terms of knowledge and awareness of financial concepts (cognitive aspect); some in terms of the knowledge and skills to apply the knowledge (both cognitive and application); and others in terms of the knowledge, behavior and attitude. The cognitive aspect or financial knowledge is the most common component of many financial literacy conceptual definitions. Definitions involving knowledge alone seems too specific and leaves other issues out of sight. As per Remund, (2010), financial literacy is more than simply a measure of knowledge. “Literacy reflects one’s ability to perform a host of tasks related to money, including but not limited to earning, protecting and spending that money”. This definition implies financial knowledge that should help in making important financial decisions. The Ontario Working Group on Financial Literacy, (2010) defined financial literacy; in terms of possessing the knowledge and skills in order to make responsible financial decisions competently and confidently. Kimiyaghalam & Safari, (2015) made a review of literature's on the concept of financial literacy and its measurements. Based on their review, they have grouped conceptual definitions of Financial literacy in to four categories such as, knowledge of financial concepts, ability in managing personal finances, skill in making financial decisions and confidence in future financial planning. They found that some of authors in the literature's they reviewed, used the combination of those categories to define financial literacy. OECD defined financial literacy as the combination of knowledge, behavior and attitude needed to make sound financial decisions and achieve individual financial well-being (OECD, 2011, Atkinson & Messy, 2012). The definition formulated by OECD and used by many like (Bhabha etal., 2014, Potrich, Vieira, & Kirch, 2015, Firli, 2017, JIN & Chen, 2017) is a wider and clearer definition embodying fundamental components. According to this definition financial literacy is beyond acquiring knowledge of basic financial concepts. The financial knowledge should help to shape behavior and attitude about financial matters so as to achieve the desired financial well being. The measurement of financial literacy is mostly associated with its definition. As there is no single definition, there is

no defined and consistent measurement for financial literacy. Different scholars measure financially literacy differently in-line with the respective definition they forwarded or adopted. In most literature's that adopt the definition forwarded by OECD, measurement of financial literacy is more or less consistent. Atkinson & Messy, 2012, Bhabha etal. 2014, Potrich, Vieira, & Kirch, 2015, Firli, 2017, JIN & Chen, 2017) used similar proxies to capture financial literacy. They broke down financial literacy in to three components such as financial knowledge, behaviour and attitude. The knowledge component as per OECD, (2011) incorporates awareness of basic financial concepts and issues such as numeracy, interest (simple and compound), time value of money, risk and return, risk management (diversification's and insurance), inflation, different financial activities such as following news about the economy and financial landscape, comparing financial products and services and thereby making informed financial decisions (OECD, 2017). According to Koenen, et al., (2016) and Lusardi, (2016, 2017) who defined financial literacy in terms of knowledge, financial knowledge can be measured though three concepts such as interest compounding, inflation and risk diversification. As per Lusardi, (2016, 2017) these concepts are critical in every financial decision making. The other components making up measures of financial literacy such as behavior and attitude are mostly used in researches which adopted the OECD‟s definition and measurement of financial literacy. The financial behavior includes budgeting, making considered purchase, paying bills on time, keeping watch of financial affairs, saving, long term financial goal setting, choosing products, investing and borrowing to make ends meet (OECD, 2017). The other financial literacy component, financial attitude includes attitude towards money, saving, and planning for the future (OECD, 2011, 2017).products and services, financial institutions. Financial knowledge is important in undertaking Financial literacy is defined both contextually and in terms of levels and dimensions. Previous studies such as (Schagen & Lines, 1996; Mandall, 2001, Hilgert et al, 2003; Worthington, 2006 and Crossan et al, 2011) define financial literacy in context. Specifically, Crossan et al, (2011) contend that financial knowledge for purposes of surveys is defined as “the ability to make informed judgments and to take effective decisions regarding the use and management of money.” On the other hand, studies like (Rooij et al.,2007; Lusardi & Mitchell, 2007 and Lusardi, 2008) have defined financial literacy in terms of levels (in form of its attainment) or in terms of dimensions (in form of mathematical and financial expression).These

studies look at financial literacy in terms of both basic (the working of inflation and interest rates, compound interest, risk diversification and differences between nominal and real values) and advanced financial literacy (knowledge, skills and understanding of investment products and stock markets).

### 2.2.2. Driving forces for increased the Importance of financial literacy

Financial literacy is increasingly becoming the key strategic priority among many countries (Lusardi A., 2017). There are number of forces that contributed for the rising importance of financial literacy throughout the world. According to OECD PISA, (2012), Lusardi, (2017) and Zucchi, (2017) changes in the financial landscape including changes in labor markets, the changes in demographics, changes in financial markets, increase in number of financial service providers and changes and increase in number of financial products and services. Changes in labor market and Individuals are shouldering more responsibility Employees are mobile as wages are divergence so that they have to carry their pensions with them (Lusardi A., 2017). As per Lusardy, (2017) individuals need to be skilful to win in the labour market and they have to invest in education to acquire the required skills. Thus individuals are shouldering more responsibility not only take care of their retirement but they have to made critical decision about investing on their education. Changes in the Financial Landscape The fast changing financial system, the increase in diverse financial products and services, the increase in number of different financial service providers is offering a numbers of opportunities and choices and creating confusion among its ultimate consumers in making financial decisions (OECD PISA, 2012, Lusardi, 2017, Zucchi, 2017). Changes in Demographics Now a day's life expectancy is higher meaning people are living longer (Zucchi, 2017). This means people need more retirement savings in their working ages and they need to be financially literate enough to do so. Changes in the Environment and Technologies Financial markets are global; there are many more participants in the market and many more factors that can influence it (Zucchi, 2017). Moreover, to Zucchi, (2017), the constantly change in technology such as electronic trading make the financial markets even swifter and more volatile. According to the literature for instance Xu & Zia, (2012), LaBorde, Mottner, & Whalley, (2013), Plakalović, (2015), Lusardi, (2017) besides the many changes in the financial matters we are experiencing, the financial literacy level of consumers is

very low and not enough or inappropriate to cope up with the changed circumstances. This issue forced financial literacy to be recognized as life skill (Lusardi, 2015, 2016, 2017) and a lot is being done to enhance it among many countries (Lusardi & Mitchel, 2014, Lusardi, 2017)

### 2.2.3. Effect of financial literacy on financial decisions and opinions

Those who study financial literacy generally agree that many, if not most, consumers lack the financial literacy necessary to make important financial decisions in their own best interests (Perry 2008; Braunstein and Welch 2002). Several studies show that financial literacy is positively related to self-beneficial financial behavior.

Hilgert, Hogarth, and Beverly (2003) added financial behavior and financial literacy questions to the nationwide Survey of Consumer Finances. They form a Financial Practices Index based upon behavior in four variables: cash-flow management, credit management, savings, and investment practices. Comparing the results of this index with scores on the financial literacy quiz, they find that those who are more financially literate had higher Financial Practices Index scores, indicating that financial knowledge is related to financial behavior. In a study of Dutch adults, Van Rooij, Lusardi, and Alessie (2007) find that those with low financial literacy are more likely than others to base their behavior on financial advice from friends and are less likely to invest in stocks. Mandell (2006) finds that high school seniors with higher financial literacy scores are less likely than others to bounce a cheque and more likely to balance their cheque books. While financial behavior seems to be positively affected by financial literacy, the effects of various forms of financial education on financial behavior are less certain. Research on the impact of retirement seminars has shown mixed results. Bayer, Bernheim, and Scholz (1996) find that employer retirement seminars increased the participation in and contributions to voluntary savings plans. Duflo and Saez (2003) the report that retirement seminars have positive effect on participation in retirement plans. Lusardi and Mitchell (2007) find retirement seminars to have a positive wealth effect; however, this effect is found mainly for those with less wealth or education. Lusardi and Mitchell (2007) have clearly established that there is a very high relationship between financial literacy and economic outcomes.

### 2.2.4. FINANCIAL LITERACY AND POVERTY REDUCTION

Poverty reductions programs that have been implemented in many countries exhibited some changes, but poverty still remained a challenge to many developing countries. There are evidences showing that lack of financial literacy in the population affected realization of poverty reduction and welfare improvement programs, which suggested the need for integrating personal financial education into poverty reduction programs, such as, micro finance and financial inclusion, entrepreneurship, income and employment creation, and other similar programs aimed at welfare enhancement (Engelbrecht, 2011). Building financial literacy and capability of citizens improves personal financial management, which in turn, will be manifested through better financial behavior and financial outcomes. Personal financial management capability enables people to save for income and consumption smoothing in developing countries where people face various risk, including but not limited to price volatility of agricultural products, illness, death of bread winner, loss of jobs, retirement, posing significant income shocks for many. Financial literacy and its outcome on personal saving behavior also contribute to availability of investment fund at household and national level (Miller et al., 2009; Subha and Priya, 2014). The effect of financial literacy on enhanced saving and investment is significant. In line with this, Gine (2013) pointed, "[i]incomplete credit markets in developing countries force many to rely heavily on accumulating personal savings to finance investments. However, behavioral phenomena, such as self-control problems or limited aspirations may lead to sub optimal savings and under investment relative to desired levels‖ (p.437). Empirical studies on behavioral finance, economics and psychology are suggesting that well designed financial education programs do not only impart financial literacy, but also contribute to improving financial behavior, such as enhancing self-control, preventing impulse purchasing and over borrowing on one hand, and improving financial planning and budgeting capability and saving habits. Subha and Priya (2014) also pronounced that, financial literacy improves understanding of investment options which could reduce risk and optimize earning from meager financial resource of the poor in developing countries. Enhanced money and finance management capability also contribute to wealth accumulation (see for example: Caskey (2006), Behrman & et.al (2012), Sekita(2013)); and decrease over indebtedness resulting from informed use of selected beneficial financial services, and consumer finance schemes emerging in most developing countries. Financial literacy

education incorporated in poverty reduction programs ―seeks to strengthen and change behaviors that lead to increased incomes, better management and protection of scarce assets and effective use of financial services…‖ (Micro finance Opportunities) (Gary et. al, 2009), Mundy and Masok (2011) also argued that financial literacy does not only help to achieve financial goal, but also help to improve programs in health, education and other social developments. Thus, building basic and applied financial literacy of citizens can leverage poverty reduction programs and ensure sustainable socio- economic growth.

### 2.2.5. FINANCIAL LITERACY AND FINANCIAL INCLUSION

The evidences show that most people in developing country lack access to formal financial service. And this contributes to persistent poverty. Improving access to financial service, as part of the solution to poverty reduction in developing countries, has thus, become a global and national public policy concern (Gardeva and Rhyne, 2012). The ongoing effort to increase access to finance is termed as financial inclusion. Financial inclusion is the process of providing affordable and suitable financial service to the poor and under served in order to ensure an inclusive economic growth and development. Chibba (2009) explained financial inclusion, within the broader context of inclusive development, is viewed as an important means to tackle poverty and inequality, and to address the millennium development goals (MDGs).Financial inclusion policies implemented using different methods, such as: expanding commercial bank branches, mobile and internet banking, agent and correspondent banking (McKinsey and Company, 2010a cited in Hieltjes and Petrova, 2013); micro finance Institutions have been helping to reduce lack of access to and cost of formal financial service in developing countries. But large numbers of people are financially excluded, not only in remote and rural areas, but also in urban and semi-urban vicinities (Center for Financial Inclusion Action, 2013). The case of financial exclusion is worse in some African countries; for example, Hieltjes and Petrova (2013) cited Kendall et al. (2010) who "conduct a comprehensive study of deposit account ownership and find that, out of the seven countries with less than 100 accounts per 1000 individuals, five are in [sub-Saharan Africa]". The status of financial inclusion in Africa studied by DemirgüçKunt and Klapper (2013) based on analysis also revealed that many adults in Africa are financially excluded albeit various effort are ongoing to increasing access to formal financial service.

### 2.2.6. VARIABLE AFFECTING FINANCIAL LITERACY

There are a number of variables that could affect the individual's level of financial literacy. In most of the empirical literature's reviewed, financial literacy can be affected by demographic and socio- economic factors for example, Potrich, Vieira, & Kirch, (2015), Firli, (2017). Demographic variables such as gender and age can affect the financial level of individuals as most empirical evidences showing females have lower financial literacy level than males (Lusardi, 2011), (Firli, 2017) and (Lusardi A. , 2017). On the other hand, there are few exceptions that found there is not significant gender difference on individual's financial literacy level (Ramasawmy et al, 2013). According to the literature, the financial literacy level with respect to age follows an inverted U-shape for instance (Lusardi, 2011), (Xu & Zia, 2012), and (Atkinson & Messy, 2012). This indicates financial literacy is lower among young and older population and relatively higher among adults. Most empirical literatures like Lusardi,(2011), Bhushan& Medury , (2013), Bhushan & Medury, (2013) and Das, (2016) confirmed that individuals with higher level of education, higher employment experience, high-income tends to have relatively higher financial literacy .

## 2.3. Empirical review

According to Fatoki, (2014), the assessment of financial literacy level of the owners of new micro-enterprises in South Africa using descriptive method of data analysis. The study found micro-enterprise owners‟ level of financial literacy is low in areas such as, financial planning, analysis and control, bookkeeping, understanding of funding sources, business terminology, finance and information skills, use of technology and risk-management to measure the financial literacy of entrepreneurs.

Sucuahi, (2013), measured the financial literacy of entrepreneurs in Davo city, Philippines and determined the factors that affect their financial literacy level. They measured financial literacy in terms of record keeping, budgeting, personal finance and savings. The result showed the financial literacy level of selected individuals is moderate. Educational attainment significantly affects financial literacy level of micro-entrepreneurs significantly but gender is not a significant factor. Micro-entrepreneurs with higher level of education have relatively higher financial literacy level.

Bernheim (1998) was one of the first researchers to emphasize that most individuals lack basic financial knowledge and numeracy. Several surveys covering the U.S. population or specific subgroups have consistently documented very low levels of economic and financial literacy. A lack of financial education may cause workers to start saving too late in life to realize their stated retirement goals. As a result, they are unlikely to achieve an optimal balance between current consumption while working and future consumption in retirement.

In addition, a lack of information concerning the risk-return distribution of various investments might lead them to misallocate their retirement portfolios. Bernheim (1998) presents evidence that questions whether the typical household has enough financial literacy to make appropriate savings decisions in their employer-provided pension plans. Because its allow researchers to evaluate levels of financial knowledge but also and, most importantly, because it makes it possible to link financial literacy to a very rich set of information about household savings behavior.

## 2.4. Summary of Reviewed Literature's

Among the ultimate financial consumers (Lusardi, 2017) and (Zucchi Various forces have driven financial literacy to receive serious attention from global society and be prior policy objectives among many countries. For instance, the changes in pension systems, changes in the financial landscape, the changes in demographics, changes in financial markets, increase in number of financial service providers and changes and increase in number of financial products and services are creating complexity, 2017). However, according to the literature's reviewed, the financial literacy level of is low across countries that can’t enable consumers to cope with all these changes. Factors that can affect individuals financial literacy level include demographic variables such as gender and age and socio-economic variables (Atkinson & Messy, 2012), (Das, 2017) and (Stolper & Walter, 2017) Financial literacy is higher among adults than young and older consumers. Consumers with higher educational level, higher employment experience and higher level of income are relatively financially literate.

## 2.5. Knowledge Gaps

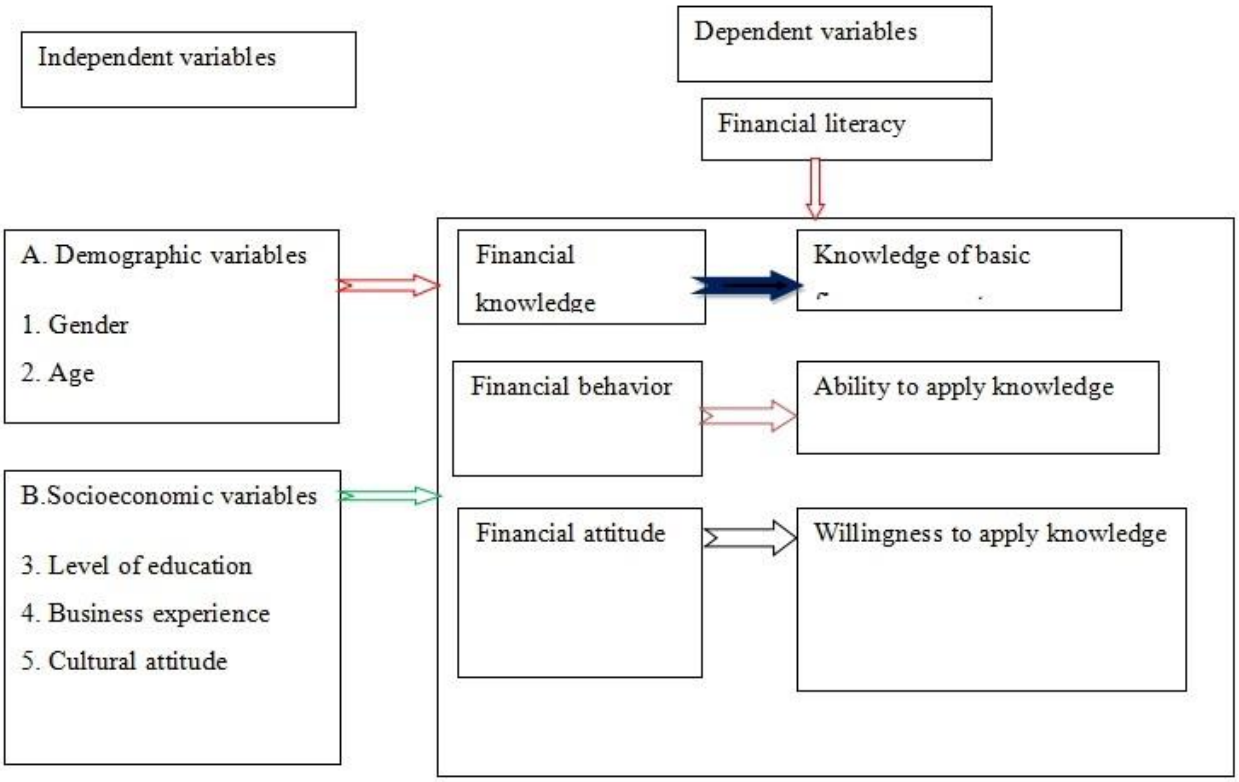
As we understand from the above statement many researcher was conducted on financial literacy in different countries by assessing different factors, method and techniques. Much research was

conducted over the entire world nevertheless; little study was conducted in developing country like Ethiopia.

In our countries Ethiopia the researcher was collected data from various sources such as national bank of Ethiopia and focus group discussions for the analysis of financial literacy by ignoring management, single employee, and specific area specially Wolkite university. Generally, reviews of past studies on financial literacy indicate mixed theory on its problem but it needs interesting findings solution on its problem in case of Wolkite university. Due to different approach is exist the researcher is try to identify the main problem of financial literacy in case of Wolkite university set some solution about the problem.

## 2.6. Framework conceptual

The conceptual framework is developed from the literature reviewed, principally from Potrich, etal, (2015). The independent variables include demographic variables such as gender and age and socio- economic variables such as level of education, business experience and cultural attitude. The dependent variable, financial literacy is measured using three dimension; knowledge, behaviour, and attitude.




Source: potrich, etal, (2015) and researchers own conceptualization

# CHAPTER THREE

# 3. RESEAERCH METHODOLGY

## 3.1. INTRODUCTION

The main focus of the study was on the financial literacy in Wolkite University which found in Guraghe zone, SNNRS.

This chapter is containing about introductory party, area of the study, research design, data type and source of the data, population sample size and sampling technique, method of data collection and method of data presentation and analysis.

## 3.2. Area of the study

Wolkite University (WKU) is one of the third generation higher institutions that have been founded in 2012. It is established for the purpose of providing and promoting higher education learning, research, and outreach programs in the country to ensure the realization of the national vision of reaching the level of middle income countries by 2020. The University is located in the Southern Nation Nationalities Regional State, in Guraghe zone, 158 km southwest of the capital city, Addis Ababa, on the way to Jima It is situated at Gubreye sub-city, 14 km away from Wolkite town, of the Gubrye-Butajira road. The major link road to the University is a direct route to Wolkite-Jimma, Wolkite-Hossana and Wolkite-Butajira.

## 3.3. Research Design

Research design is the blueprint for fulfilling research objectives and answering research question. In other words, it is a master plan specifying the methods and procedures for collecting and analyzed the needed information. It ensures that the study was relevant to the problem and that it uses economical procedures. The same authors discussed three types of research design, namely exploratory (emphasizes discovery of ideas and insights), descriptive (concerned with determining the frequency with which an event occurs or relationship between variables) and explanatory (concerned with determining the cause and effect relationships). In this study the researcher was used descriptive research design because this type of research was commonly conduct detail descriptions of the phenomena with conclusions from the fact.

## 3.4. Research approaches

There are three research approaches: it includes quantitative, qualitative and mixed approaches. Quantitative approach is towards research is that the collection and analysis of information is conducted utilizing mathematically based methods. Qualitative approach is emphasis upon exploring and understanding the meaning of individuals and groups to describe issues from investigating them. Mixed approach is the research studies combine elements of qualitative and quantitative approaches. For the purpose of this the study was used both qualitative (express by words or express the quality of the employee or institutions) and quantitative approach (quantitative research approach express numerically and use different static data) through questionnaire in order to undertake the study in pre- determine time period.

## 3.5. Data type and source of data

### 3.5.1. Data Type

The data that acquire to achieve this study was collect from primary data. So the researcher was going to used primary data source to gather the required data. The primary data was collected through questionnaire in Wolkite University. The questionnaire includes both close ended and open ended question. For this study, primary data was more appropriate. This researcher was used primary data to achieve the expectation of this research paper.

### 3.5.2. Source of data

Primary source of data was collected from employees of Wolkite University and the data was collected through questionnaires which used the first-hand information requires to analyse the issue. The primary source data more supporting than secondary source data for identifying the assessment of financial literacy in Wolkite University. The primary source data is more reliable than secondary source data for (background of my knowledge).

## 3.6. Population sample size and sampling technique

The population of this particular study was comprises all employees in Wolkite University. The total employees in these university are 2516 among from this the researcher was selected 96 employees. To select the employees, the researcher was used probability sampling method.

Under this method the researcher used random sampling techniques because this technique was be fair and provide equal chance for each and every employee to be select as a sample. Therefore, it needs sampling techniques which is the true representative of the population.

Sample size was determined the following Yeman formula (1967):

The formula used to determine the sample size is:

n=N/1+N*(e) 2 where, n=sample size

N= total population

e= non-confidence level (persuasion)

The study would be used confidence level of 90% and 10% precision level. Then the sample size of this study was n=2516/1+2516(0.1)2=96

## 3.7. Method of data collection

T0 undertake this study, the researcher was used different method of data collection. To collect the primary data, the researcher was distributing questioners for the employees in Wolkite University. The distribute questioners was contain close ended questions and open ended question was used. The researcher also was used close ended questioners because, the close ended questions are favoured over open ended questions for their efficiency and specificity, they are easier to measure, recorded, coded and analyzed. After the data collected from different source, the researcher was used descriptive method of data analysis. The data would have analyzed and interpreted by using descriptive data analysis such as percentage and tabulation. It is to describe, summarize and present the data.

## 3.8. Method of data presentation and analysis

After the data would be collected from different source, the researchers would be analyzed by used descriptive methods of data analysis. This method was select, because it enables to present questioner form of data in manageable form by using table and percentage. Once necessary analysis accomplished the presentation of the data, finding, conclusion and recommendations have made on the data gather through questionnaire (both open ended and close ended questions) from the respondent.

# CHAPTER FOUR

## 4.1 DATA ANALYSIS, INTERPRETATION AND PRESENTATION

This chapter deals with the data analysis, interpretation and presentation on the base of data gathered through questionnaire. In order to acquire data for the study 96 questionnaires were distributed to employees from Wolkite University. Descriptive analysis was used to interpret the data gathered through questionnaire. The first part asks about respondents characteristics the second part contains questions about related the assessment of financial literacy. In this particular chapter the data was analyzed and interpreted depending on their respective information.

## *4*.2 General information of respondents

The first part of the questionnaire was designed to gather information about the respondent characteristic. It has general information about the respondent's characteristics like gender, age educational level.

**Table 4.1 Descriptive analysis of sex and age of respondents**

| No | Description | No Of Respondents | Percentages |
|---|---|---|---|
| 1 | Sex | | |
| | Male | 72 | 75% |
| | Female | 24 | 25% |
| | Total | 96 | 100% |
| 2 | Age | No Of Respondents | Percentages |
| | 20-25 | 10 | 10.42% |
| | 25-30 | 45 | 46.88% |

| | | | |
|---|---|---|---|
| | 30-35 | 30 | 31.25% |
| | 35-40 | 11 | 11.46% |
| | Total | 96 | 100% |

Source: questionnaire (2020)

As shown in the above table 4.1 out of the total respondents 75% are male and the reaming 25% are female. This may shows that the most of respondents are male and females are very low. Accordingly, the table above table 4.1 shows that 10.42% of employers are between the age 2025 and 46.88% are between the age 25-30 and 31.25% of employees are between the age 30-35 and above 35 years are 11.46% .as the result the majority of employees are the age of 25-30 years.

**Table 4.2 the educational level of the respondents**

| Educational Level | No Of Respondents | Percentages |
|---|---|---|
| Degree | 25 | 26.04% |
| Master | 65 | 67.71% |
| Phd | 6 | 6.25% |
| Above | 0 | 0% |
| Total | 96 | 100% |

Source: questionnaire (2020)

The table 4.2 Shows that 25 respondents represents 26.04% of the respondents have degree, 65 respondents represents 67.71% have master and the remaining 6 respondents represents 6.25% of them have PHD. As the result the majority of employees in Wolkite University have a master.

## 4.3 Money management affects personal life

### 4.3.1 Budgeting

Budgeting is the most important way of managing expenses and achieving the desired goals efficiently. Considering this fact, how good the respondent's behavior of budgeting is measured in this study. `This question is intended to capture whether budget for their earns and spend.

**Table 4.3 Descriptive analysis of budgeting**

| Question | Answer | No Of Respondents | Percentage |
|---|---|---|---|
| Do you have a budget for what you earn and you spend? | Yes | 76 | 79.2% |
| | No | 20 | 20.8% |
| | Total | 96 | 100% |

Source: questionnaire (2020)

From the above Table 4.3 shows that 76 respondents' representing 79.2% have a budget to what you earn and you spending independently and intended to capture carefully their expenditure. On the other hand the 20.8%of the respondents is no budget to what to earn and you spending independently and intended to capture carefully their expenditure separately. From this the researchers conclude that budget is one way of managing money about what to earn and spend. . The result showed the financial literacy level of selected individuals is moderate. Budgeting significantly affects financial literacy level of employees.

### 4.3.2Saving and Investment

Saving and investing are important financial activities for every individual's financial well being. The saving and investing behaviour s of respondents is captured using three questions. The most respondents are saving money for future and for the time of emergency, have knowledge about interest of saving and invest money in business activities.

**Table 4.4 Descriptive analysis of saving and investing**

| Item | No Of Respondents And Percentages | | |
|---|---|---|---|
| | Yes | No | Total |
| Do you saving money for the future and for the time of emergency? | 75(78%) | 21(22%) | 96(100%) |
| Do you have knowledge about interest of saving? | 86(90%) | 10(10%) | 96(100%) |
| Do you invest money in business activities? | 55(57.3%) | 41(42.7%) | 96(100%) |

Source: questionnaire (2020)

From the above table 4.4 item one (1) 75 respondent representing 78% of the respondents is responded saving money for the future and for the time of emergency. This indicates that how well the respondents are aware of the effect of emergency and takes care of it while putting in to their money in saving. While the remaining 21 respondent representing 22% are responded is not saving money for the future and for the time of emergency. As the result this indicates that the majority of respondents are saving money for the future and for the time of emergency. So the respondents have good habit of saving money for the future and the time of emergency.

As the above table item two (2) 86 respondents representing 90% are responded that have knowledge about the interest rate of saving. This implies that almost all respondents know the interest rate of saving. While the remaining 10 respondents representing 10% are responded there is no knowledge about the interest rate of saving .as the result almost all respondents have knowledge about the interest rate of saving.

As the above table item three (3) 55 respondents representing 57.3% of the respondents are to invest your money in business activities. This indicates that most of respondents to invest your

money in the business activities. While the remaining 41 respondents are representing 42.7% are not invest your money in business activities. As the results most of the respondents to invest your money in business activities. This indicates that most of the respondent has enough financial literacy to make appropriate savings money for the future and the time of emergency and knowledgeable about the interest rate of saving this affects positively in financial literacy but investing level of the respondents are poor this affects negatively the level of financial literacy.

### 4.3.3 Credit

Credit is an important element in the financial context of individual's and organization's life. Particularly to start for a business, credit is a means of acquiring funds and can make them better profitable if taken properly. On the other hand, improper credit purchase and borrowing too much will result in highly indebtedness and insolvency. Credit is a contractual agreement in which a borrower receives something of value now and agrees to repay the lender at a later date with interest. Social life is the part of a person's time spent doing enjoyable things with others. The most of respondents have no credit facilities when you start a social life. The respondent credit facilities to measure credit facilities when start a social life.

**Table 4.5 Descriptive analysis of credit**

| Question | Answer | No of respondents | Percentage |
|---|---|---|---|
| Do you have credit facilities when you start a social life? | Yes | 40 | 41.7% |
| | No | 56 | 58.3% |
| | Total | 96 | 100% |

Source: questionnaire (2020)

From the above table 4.5 shows that 56 respondents representing of 58.2% said No this indicates the majority of respondents not to get credit facilities to start a social life or to start a business and the respondents do not have access making a credit purchase. That means there is a low credit facility. While the remaining 40 respondents representing 41.7% get credit facilities when to start

a social life or to start a business and the respondents have access to making a purchase. As the result the majority of respondents are not get credit facilities when to start a social life. This affects negatively the financial literacy level of employees because there is no access to credit facilities when to face shortage money to start a business.

## 4.4 Financial Behaviour

Financial behaviour is the most essential element of financial literacy (Atkinson & Messi, 2012). It ultimately shapes people's financial wellbeing, hence it is essential to assess financial behaviour in a survey of financial literacy (OECD, 2017). This dimension of financial literacy is used to capture to what extent can make financial decisions wisely. It is used to measure how well their financial actions, decisions and behaviours. Financial behaviour of the respondents is measured five questions. The respondents rate their opinion on each statement that may range from yes to no answers. The most respondents are the better will be their financial behaviour and the reverse is true for negatively worded question.

**Table 4.6 Descriptive analysis of financial behaviour**

| Item | No Of Respondents And Percentages | | |
|---|---|---|---|
| | Yes | No | Total |
| 1) Do you compare price when making a purchase? | 72(75%) | 24(25%) | 96(100%) |
| 2) Do you able to adequate financial plan? | 56(58.3%) | 40(41.7%) | 96(100%) |
| 3) Do you able to identify the cost of you pay and benefits you get to buy a product? | 76(79.2%) | 20(20.8%) | 96(100%) |
| 4) Do you set long term financial goals and to have commitment it? | 59(61.5%) | 37(38.5%) | 96(100%) |

| | | | |
|---|---|---|---|
| 5) Do you know avoid financial risks? | 80(83.3%) | 16(16.7%) | 96(100%) |

Source: questionnaire (2020)

From the above table 4.6 item (1) 72 the respondents representing 75% responded that you compare price when making a purchase .this implies that the respondents to buy items by taking their capacity into consideration. During the shopping how well they look the price differences around and try to make use of it. While the remaining 24 respondents representing 25% answered not compare price when making a purchase. As the result majority of respondents have good to compare price when making purchase. This implies that the respondents have good financial behaviour.

Item (2) 56 respondent representing 58.3% responded that you able to maintain adequate financial plan this indicates that the majority of respondents are maintain financial plan and this helps to a good financial well being during their life and retirement. While the remaining 40 respondents are representing 41.7% are responded that not able to maintain adequate plan. As the result the majorities of respondents are to maintain adequate plan and have better financial behaviour.

Item number (3) 76 respondent are representing 79.2% responded that you able to identify the cost of you pay and benefit you get to buy product. This indicates that the majority of respondents distinguish the costs you pay and you get buy a products or services. While the remaining 20 respondent representing 20.8% answered not that you able to identify the cost of you pay and benefit s you get to buy product. As result this shows that the majority of respondents able to identify the cost of you pay and benefits you get to buy product. So the respondents have good financial behaviour.

Item No (4)59 respondents representing 61.5% responded that set long term financial goals and to have commitment it. This indicates that the most of respondents they set long term planning and financial goals and putting efforts towards achieve them. However the remaining is 37 representing 38.5% are not set long term financial goals and to have commitment it. As result the most of the respondents they set long term financial goals and to have commitment it and to success their financial wellbeing and to have good financial behaviour.

Item No (5) the shows 80 respondent representing 83.3 responded that you know how to avoid financial risks .this implies that the majority of respondents know how to minimize or eliminate financial risks. However the remaining 16 respondent representing 16.7% are not you know how to avoid financial risks. This indicates the majorities of the respondents have good financial behaviour and have knowledge how to avoid financial risks. In general financial behaviour has effects on the financial literacy respondents.

## 4.5 Financial Knowledge

The financial knowledge component is used to measure the respondents‟ cognitive skill and awareness on basic finance concepts. The financial knowledge of the respondents was constructed through 4 questions on different basic finance concepts. These questions are deemed to address the financial concepts which are critical for day to day finance related decisions. In general, time value of money, inflation, return and risk were the key finance concepts that make up the financial knowledge component.

Analysis of individual questions enables to identify on which finance concepts respondents have poor and better knowledge. Identifying the basic finance concepts which respondents are little aware of can help to design remedial educations and training interventions accordingly. Do majority of the respondents are characterized by having relatively either poor or good knowledge of basic finance concepts? How financial knowledge vary across respondents? Such questions can be answered from analysis of aggregate financial knowledge score of respondents.

**Table 4.7 Descriptive analysis of Financial Attitude**

| Financial knowledge indicator | Yes | | No | |
|---|---|---|---|---|
| | Respondent | Percentage | respondent | Percentage |
| 1. Time value of money | 40 | 41.7% | 56 | 58.3% |
| 2. Inflation | 36 | 37.5% | 60 | 62.5% |

| | | | | |
|---|---|---|---|---|
| 3. Return | 33 | 34.4% | 63 | 65.6% |
| 4. Risk | 20 | 20.8% | 76 | 79.2% |

Source: questionnaire (2020)

From the above table 4.7(1) 40 respondents representing 41.7% responded that time value of money is one of the indicators of financial knowledge and the other remaining 56 respondents representing 58.3% responded that time value of money is not indicator of financial knowledge. (2) 36 respondents representing 37.5% responded that inflation is one of the indicators of financial knowledge and the other remaining 60 respondents representing 62.5% responded that inflation is not indicator of financial knowledge. (3) 33 respondents representing 34.4% responded that return is one of the indicators of financial knowledge and the other remaining 63 respondents representing 65.5% responded that return is not indicator of financial knowledge. (4) 20 respondents representing 20.8% responded that risk is one of the indicators of financial knowledge and the other remaining 76 respondents representing 79.2% responded that risk is not indicator of financial knowledge. Most of the respondents have poor financial knowledge.

## 4.6 Financial Attitude

Financial attitude is used to measure the respondent's attitude and perception towards money and related decisions. This dimension of financial literacy is used to capture the respondents‟ attitude towards long term planning. Attitude and preferences towards short term or long term financial plans is an important element of financial literacy and should be incorporated in financial literacy surveys (Atkinson and Messi, 2012), (OECD, 2011 and 2017). The statements are intended to indicate do the respondents‟ prefer towards shorter term lives or long term financial stability. Those who prefer short term lives are considered as not financially literate enough, while those who prefer long term financial stability are considered financially literate.

The financial attitudes and preferences of respondents are measured using 2 questions. These questions are intended to capture the respondent's. Higher financial attitude scores indicate respondents have long term financial ambitions. Whereas, lower financial attitude scores indicate

respondents prefer shorter term lives and have negative attitude towards long term financial ambitions. The following table presents the descriptive analysis of the responses for those financial attitude statements.

**Table 4.8 Descriptive analysis of Financial Attitude**

| No | Question | No of respondents and percentage | | |
|---|---|---|---|---|
| | | Yes | No | Total |
| 1 | It is important to establish financial targets for the future? | 58(60.4%) | 38(39.6%) | 96(100%) |
| 2 | The way I manage my money today will affect my future? | 56(58.3%) | 40(41.7%) | 96(100%) |

From the above table 4.8(1) 58 respondents represented 60.4% respond that to establish financial target is important for the future and the remaining 38 respondents represented 39.6% respond that to establish financial target is not important for the future. (2) 56 respondents represented 58.3% respond that the money I manage today will affect my future and the remaining 40 respondents represented 41.7% respond that the money I manage today will not affect my future.

## 4.7 The status of financial literacy in personal issues

**Table 4.9 Descriptive analysis the status of financial literacy**

| Item | No of respondents and percentage | | |
|---|---|---|---|
| | Yes | No | Total |

| | | | |
|---|---|---|---|
| 1) Do you earn income from more than one source? | 45(47%) | 52(53%) | 96(100%) |
| 2) Do you lend your finance secure by forming health spending habit? | 75(78%) | 21(22%) | 96(100%) |
| 3) Do you have ability to make decision to face financial crisis or risks? | 78(81.25%) | 18(18.75%) | 96(100%) |
| 4) Do you taken financial related training to improve your habit? | 20(20.8%) | 76(79.2%) | 96(100%) |
| 5) Do you financial plan which is written or recorded? | 30(31.25%) | 66(68.75%) | 96(100%) |

Source: questionnaire (2020)

From the above table 4.9 item (1) 45 of respondents are representing 47% are responses that of they earn income from more than one source of income and 51 respondents are represents 53% are earns only from one source of income. That means most of the respondents 51(53%) are earns income from only one source of income.

Item (2) 75 respondents are representing 78% are lead their financial secure their by forming healthy spending habit and only 21 respondents are representing 22% are not secure their finance by forming healthy spending habit. So, most of the respondents 78% are secured their finance by forming healthy spending habit. As the result this implies that the majority of respondents have good status of financial literacy.

Item (3) 78 respondents are represents 81.25% have the ability to make decisions to face financial crisis or risks and 18 respondents, represents 18.75%haven't make their financial decisions to overcome the financial crisis. As the result of the majority of respondents to know how to make decisions to face financial crisis or risks. This indicates that the respondents have good status of financial literacy. Item (4) 20 respondents, representing 20.8% are take financial related training to improve their financial habit and 76 respondents, representing 79.2% are doesn't take financial related training to improve their financial habit. This shows that most of the respondents 79.2% are not take appropriate training to improve their financial habit. Item(5) 30respondents,

representing 31.25%have financial plan in written form and 66 respondents, representing 68.75%have not financial plan in written or recorded form. This shows that the majority of the respondents have not financial plan which is written or recorded. As the result indicates that financial training program, record keeping, and income level affects negatively about the level of financial literacy.

# CHAPTER FIVE

# CONCLUSION AND RECOMMENDATION

## 5.1Conclusion

The finding of this study was assessment of financial literacy in Wolkite University. Financial literacy measured through three dimensions such as money management, financial behaviour, and the status of financial literacy on personal finance. The first dimension of financial literacy, money management the respondents have better money management habit in terms of budgeting, saving and interest rate however in terms of credit and investing the majority of respondents have lower score. This indicates that there is low level of credit facilities and investing activities. The money management helps for purpose of financial planning such as ensure money needs, easily manage income, budgeting, spending, and saving and offers better financial understanding. The second financial literacy dimension was financial behaviour of respondents on different issues was assessed using five different question items. Financial behaviour is the actions and decisions they make which ultimately shapes their financial wellbeing. Individuals should make use of their finance knowledge in their day to day and long term financial decisions so as to achieve satisfactory financial position. Higher share of the respondents have financially saving behaviour on issue such as making considered purchase, comparing prices before making purchase, saving for future need and planning ahead. As the result the majority of respondents have better financial behaviour.

The other dimension was the statuses of financial literacy measures the status or attitude towards short term and long term financial life and make decisions. The respondents have good status of financial literacy on making decisions and better spending habit. However, the majority of respondents does not have taken financial trainings and does not have written or recorded financial plan. The status of financial literacy in personal issue most of them do like short term life and don't want to worry much of their future.

## 5.2Recommendation

Financial literacy nowadays is becoming a fundamental life skill for any individual. In order to cope up with the very dynamic, financial landscape, every individual need to be financially

literate enough. Particularly, the employees need to have the required level of financial literacy, to achieve the desired objective and stimulate growth of their business in addition to their personal life. Depending on the findings reached, forwarded as follows are the suggestions that can help enhance the financial literacy. To enhance the level of financial literacy put efforts in designing financial education strategies, to give periodically trainings and education programs. This helps to grow equipped with the required financial skills, behaviour s and attitudes. It enables them make wise and responsible financial decisions and achieve better financial wellbeing in their latter ages being engaged in any socio-economic activity including running their own business. In addition use of social Medias and internet in promoting financial educations, advices are good ways to improve the financial literacy. To improve financial literacy should be share experience about which one that are financially literate and should be reading finance related literatures. Generally governments created awareness to the society by giving education. The government give awareness about money management helps for purpose of financial planning such as ensure money needs, easily manage income, budgeting, spending, and saving and offers better financial understanding. It is be better to include financial literacy course as an independent subject in the curriculum to all educational levels from grade one up to higher education. This is helps children to grow equipped with the required financial skills, behaviors and attitudes. The government particularly the national bank of Ethiopia need to develop standard financial literacy measures which embody the financial landscape customized to Ethiopian context.

## 5.3 Directions for future research

- Future financial literacy surveys shall better be conducted at national level. Then, the average and then be taken as a standard for cross comparison.
- In addition, financial literacy level better is measured by making cross comparisons with average score of other countries.
- It will be appreciated to include the new literacy or staying informed of financial news and changes; while conducting financial literacy studies.

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# APPENDIX

## WOLKITE UNIVERSITY

## COLLEGE OF BUSINESS AND ECONOMICS

## DEPARTMENT OF ACCOUNTING AND FINANCE

## RESEARCH QUESTIONS

## Dear respondents

The aim of this questionnaire is to collect information for research to be conducted on the assessment of financial literacy in Wolkite University. The information that you offer me with this questionnaire would be used as a primary data in the research which I am conducting as partial requirement for BA degree in accounting and finance. Your response to the following questions is highly important for the success of this study. It is only for academic purposes and your response will be kept confidentially.

Thank you for your cooperation in advance

Instruction

l. Do not write your name.

II. Please tick (√) in the appropriate box.

**Part1; Respondents Demographic Characteristics**

1. Sex: ☐ 1. Male ☐ 2. Female ☐

2. Age (in years) 1. 20-25 ☐ 2. 25-30 ☐ .

3. 30-35 ☐ 4. 35-40 ☐

3. Educational Background

1. Degree ☐ 2. Master ☐ 3. PHD ☐

4.Above ☐

Part2; please indicate your response by ticking (√) in the box.

| | Money management | yes | No |
|---|---|---|---|
| 1 | Do you have a budget for what you earn and you spend? | | |
| 2 | Do you saving money for the future and for the time of emergency? | | |
| 3 | Do you have knowledge about the interest of saving? | | |
| 4 | Do you invest your money in business activities? | | |
| 5 | Do you have credit facilities when you start a social life? | | |
| | Financial behaviour | | |
| 6 | Do you compare price when making purchase? | | |
| 7 | Do you able to adequate financial plan? | | |
| 8 | Do you able to identify the cost of you pay and benefits you get to buy a product? | | |
| 9 | Do you set long term financial goals and to have commitment it? | | |

| | | | |
|---|---|---|---|
| 1O | Do you know to avoid financial risks? | | |
| | The status of financial literacy in personal issues | yes | no |
| 11 | Do you earn income from more than one source? | | |
| 12 | Do you lead your finance secure by forming healthy spending habit? | | |
| 13 | Do you have ability to make decision to face financial crisis or risks? | | |
| 14 | Do you taken financial related training to improve your habit? | | |
| 15 | Do you financial plan which is written or recorded? | | |

16. What should be done to improve the status of financial literacy?

_____

_____

17. What are the major factors associated with financial literacy problem?

_____

_____